

REV GROUP, INC.

Financial Report

Fiscal Fourth Quarter 2020

NYSE:REVG



January 7, 2021

Cautionary Statement & Non-GAAP Measures



Disclaimers

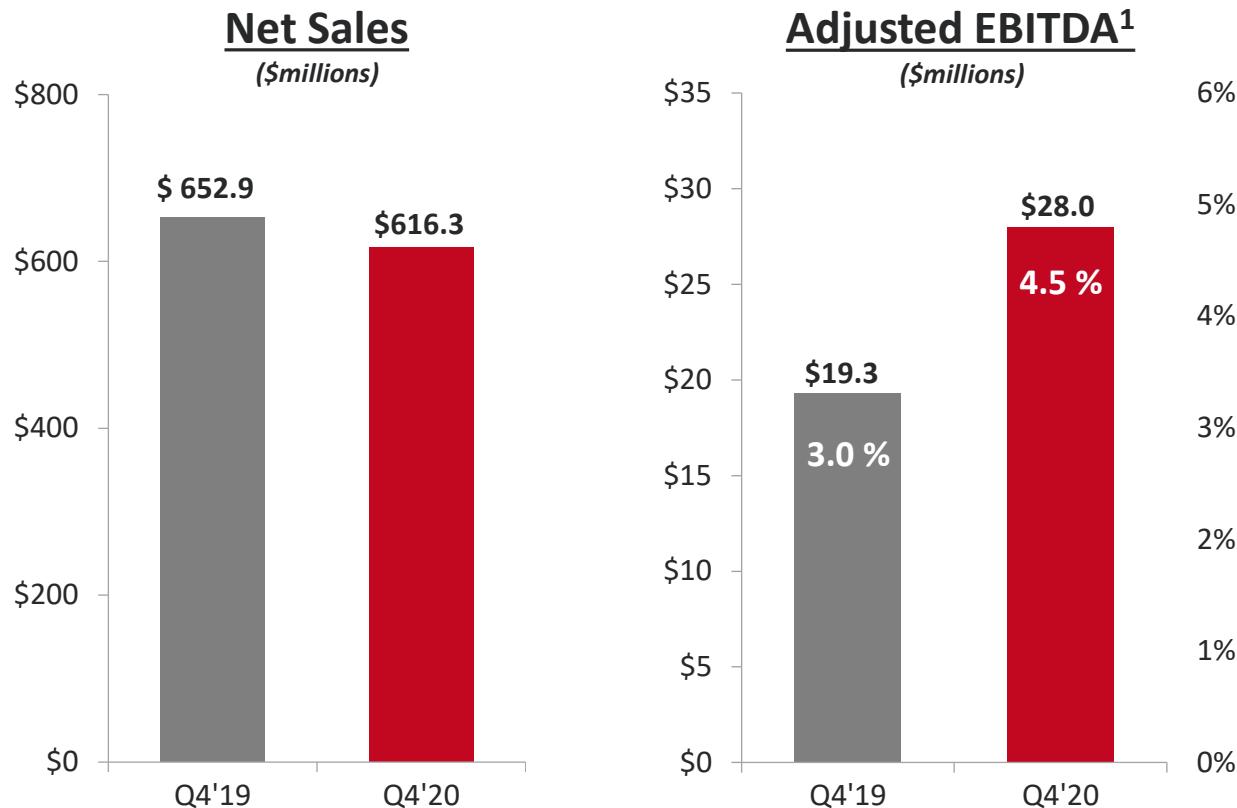
Note Regarding Non-GAAP Measures

REV Group reports its financial results in accordance with U.S. generally accepted accounting principles ("GAAP"). However, management believes that the evaluation of REV Group's ongoing operating results may be enhanced by a presentation of Adjusted EBITDA and Adjusted Net Income, which are non-GAAP financial measures. Adjusted EBITDA represents net income before interest expense, income taxes, depreciation and amortization as adjusted for certain non-recurring, one-time and other adjustments which REV Group believes are not indicative of its underlying operating performance. Adjusted Net Income represents net income, as adjusted for certain items that we believe are not indicative of our ongoing operating performance. REV Group believes that the use of Adjusted EBITDA and Adjusted Net Income provides additional meaningful methods of evaluating certain aspects of its operating performance from period to period on a basis that may not be otherwise apparent under GAAP when used in addition to, and not in lieu of, GAAP measures. See the Appendix to this presentation (and our other filings with the SEC) for reconciliations of Adjusted EBITDA and Adjusted Net Income to the most closely comparable financial measures calculated in accordance with GAAP.

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This presentation contains statements that REV Group believes to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "strives," "goal," "seeks," "projects," "intends," "forecasts," "plans," "may," "will" or "should" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout this presentation and include statements regarding REV Group's intentions, beliefs, goals or current expectations concerning, among other things, its results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which we operate, including REV Group's outlook for the full-year fiscal 2020. REV Group's forward-looking statements are subject to risks and uncertainties, including those highlighted under "Risk Factors" and "Cautionary Note Regarding on Forward-Looking Statements" in REV Group's public filings with the SEC and the other risk factors described from time to time in subsequent quarterly or annual reports on Forms 10-Q or 10-K, which may cause actual results to differ materially from those projected or implied by the forward-looking statement. Forward-looking statements are based on current expectations and assumptions and currently available data and are neither predictions nor guarantees of future events or performance. You should not place undue reliance on forward-looking statements, which only speak as of the date of this presentation. REV Group does not undertake to update or revise any forward-looking statements after they are made, whether as a result of new information, future events, or otherwise, except as required by applicable law.

Fourth Quarter Fiscal 2020: Consolidated Results



- Net sales of \$616.3 million, decreased 5.6% compared to prior year quarter
- Adjusted EBITDA¹ of \$28.0 million, increased 45.1% compared to prior year quarter
- Adjusted EBITDA margin of 4.5%, increased 150 basis points compared to prior year quarter

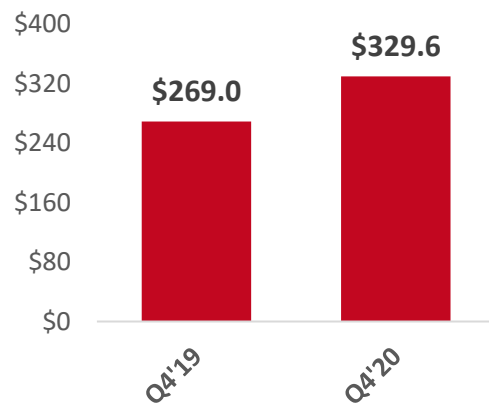
¹ For a reconciliation of net income (loss) to Adjusted Net Income and Adjusted EBITDA, see the Appendix to this presentation.

Fourth Quarter Fiscal 2020: Fire & Emergency Segment



F&E Revenue

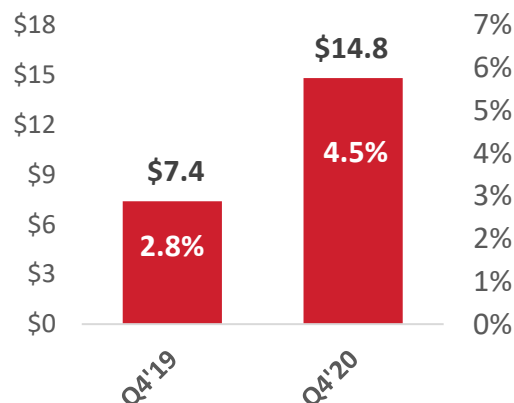
(\$millions)



- Spartan ER fiscal 4Q20 net revenue \$75.3 million
- Improved mix and realized pricing within Fire division
- Lower ambulance sales year-over-year

F&E Adj. EBITDA¹

(\$millions)



- Spartan ER fiscal 4Q20 Adj. EBITDA \$4.3 million
- Improved profitability at Ocala plant partially offset by inefficiencies at other fire plants
- Improved profitability within the Ambulance division

Outlook

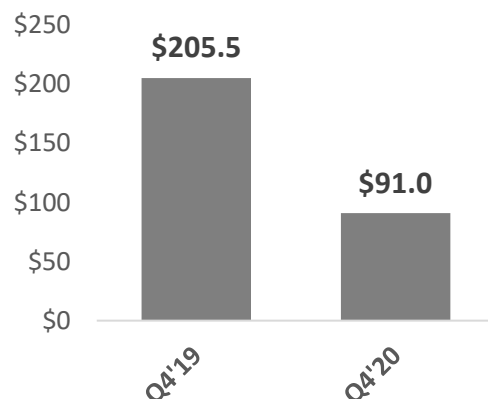
- \$966 million total F&E backlog reflects Spartan ER acquisition and strong inbound ambulance orders
- Ambulance backlog at a record high; increased throughput and profitability
- Fire backlog is now in line with targeted lead times
- F&E production, absenteeism, inspection and deliveries may be impacted by the recurrence of COVID cases and changing health and safety policies

¹ For a reconciliation of net income (loss) to Adjusted Net Income and Adjusted EBITDA, see the Appendix to this presentation.

Fourth Quarter Fiscal 2020: Commercial Segment

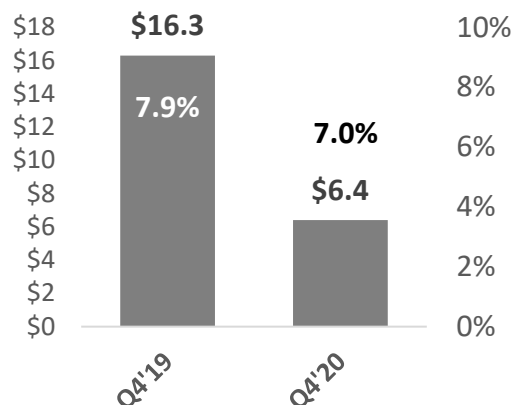


Commercial Revenue (\$millions)



- Shuttle bus net revenue \$57.0 million in prior year period
- Lower sales of school bus, municipal transit bus, street sweeper and terminal trucks year-over-year

Commercial Adj. EBITDA¹ (\$millions)



- Shuttle bus Adj. EBITDA \$0.9 million in prior year period
- Lower volumes and profitability in municipal transit and school bus businesses
- Rework of specialty stock units to meet customer specifications

Outlook

- \$273.8 million total organic Commercial backlog reflects a year-over-year decline in school bus orders
- School bus orders have been muted; optimistic that vaccines and back to school initiatives will support peak spring order season
- Municipal transit bus backlog supports year-over-year sales growth; plant efficiency is subject to California COVID related policies
- Specialty division unit order intake at a 2-year high

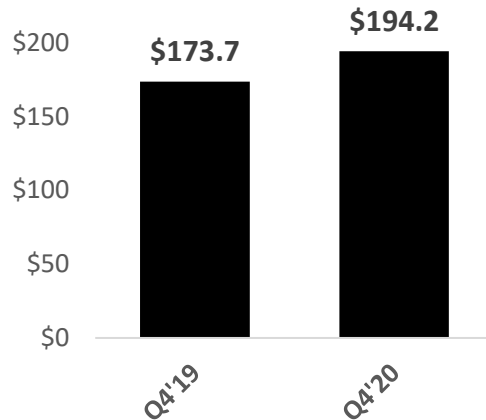
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Fourth Quarter Fiscal 2020: Recreation Segment



Recreation Revenue

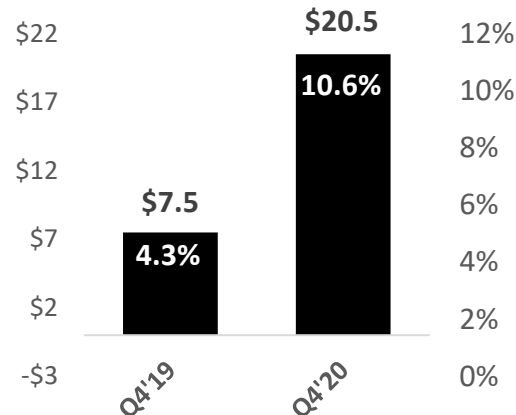
(\$millions)



- Net sales of \$194.2 million reflect strong end market demand and sales across all categories
- Certain category production was limited by supply chain inefficiencies within the quarter

Recreation Adj. EBITDA¹

(\$millions)

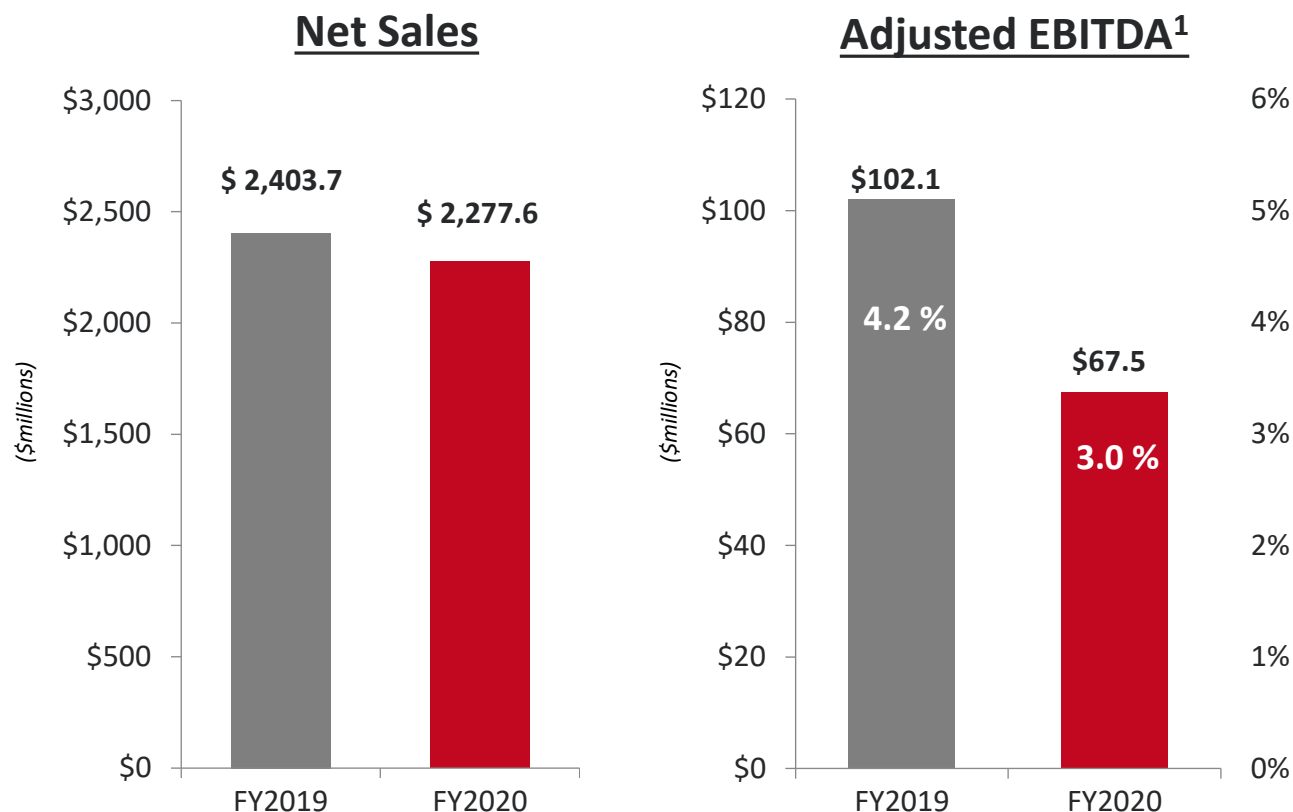


- Sequential and year-over-year margin improvement across all categories
- Class A profitability increased over 650 basis points year-over-year, benefiting from new model introductions, increased demand, and lower discounting

Outlook

- Recreation backlog of \$538.9 million represents strong order intake in all categories
- Record backlog was up 223% year-over-year
- Retail sales are outpacing wholesale shipments in most categories
- Dealer inventories remain near historic lows amidst the ongoing surge in retail demand
- Recreation production, absenteeism and supply chain may be impacted by the recurrence of COVID cases and changing health and safety policies

¹ For a reconciliation of net income (loss) to Adjusted Net Income and Adjusted EBITDA, see the Appendix to this presentation.



- Net sales of \$2,278 million, decreased 5.2% year-over-year
- Adjusted EBITDA¹ of \$67.5 million, down 34% compared to prior fiscal year
- Nearly \$50 million of Adjusted EBITDA in second half of fiscal 2020
- Adjusted EBITDA margin of 3.0%, down 120 basis points vs. fiscal 2019

¹ For a reconciliation of net income (loss) to Adjusted Net Income and Adjusted EBITDA, see the Appendix to this presentation.



Corporate highlights

- **Full-year net cash provided by operating activities: \$55.7 million**
- **Net working capital¹: \$355.0 million**
- **Balance sheet: net debt² \$330.8 million includes \$11.4 million cash**
- **\$283.4 million available under ABL**
- **Restructuring to-date is expected to deliver \$10 million structural savings**

Save the Date – Analyst & Investor Day

- **April 15, 2021 – virtual format**

¹ Net working capital is defined as current assets (excluding cash) less current liabilities (excluding current portion of long-term debt)

² Net debt is defined as total debt less cash and cash equivalents

Closing Remarks



Appendix

Reconciliation of Net Income (Loss) to Adjusted EBITDA by Segment



(Dollars in Millions)

	Three Months Ended October 31, 2020				
	Fire & Emergency	Commercial	Recreation	Corporate & Other	Total
Net (loss) income	\$ 5.2	\$ 4.3	\$ 16.8	\$ (36.5)	\$ (10.2)
Depreciation & amortization	3.3	1.0	3.5	1.6	9.4
Interest expense, net	1.0	—	0.2	4.2	5.4
Benefit for income taxes	—	—	—	(2.4)	(2.4)
EBITDA	9.5	5.3	20.5	(33.1)	2.2
Transaction expenses	—	0.1	—	0.6	0.7
Sponsor expense reimbursement	—	—	—	0.3	0.3
Restructuring costs	2.0	0.2	—	1.7	3.9
Restructuring related charges	—	0.1	—	6.5	6.6
Stock-based compensation expense	—	—	—	0.6	0.6
Legal matters	—	—	—	0.2	0.2
Loss on sale of business	—	0.7	—	1.1	1.8
Gain on acquisition of business	—	—	—	3.3	3.3
Impairment charges	3.3	—	—	5.1	8.4
Adjusted EBITDA	\$ 14.8	\$ 6.4	\$ 20.5	\$ (13.7)	\$ 28.0

	Three Months Ended October 31, 2019				
	Fire & Emergency	Commercial	Recreation	Corporate & Other	Total
Net income (loss)	\$ (1.7)	\$ 10.5	\$ 1.9	\$ (19.7)	\$ (9.0)
Depreciation & amortization	3.5	1.9	3.7	1.6	10.7
Interest expense, net	1.1	0.4	—	6.7	8.2
Provision for income taxes	—	—	—	(3.5)	(3.5)
EBITDA	2.9	12.8	5.6	(14.9)	6.4
Transaction expenses	(0.3)	(0.3)	—	0.9	0.3
Sponsor expense reimbursement	0.6	—	—	0.2	0.8
Restructuring costs	0.9	0.2	0.3	0.1	1.5
Stock-based compensation expense	—	—	—	(0.1)	(0.1)
Legal matters	—	—	1.0	1.3	2.3
Impairment charges	3.3	2.2	0.6	—	6.1
Losses attributable to assets held for sale	—	1.4	—	—	1.4
Deferred purchase price payment	—	—	—	0.6	0.6
Adjusted EBITDA	\$ 7.4	\$ 16.3	\$ 7.5	\$ (11.9)	\$ 19.3

Reconciliation of Net Income (Loss) to Adjusted EBITDA by Segment



(Dollars in Millions)

	Twelve Months Ended October 31, 2020				
	Fire & Emergency	Commercial	Recreation	Corporate & Other	Total
Net income (loss)	\$ 12.3	\$ 21.9	\$ 23.7	\$ (88.4)	\$ (30.5)
Depreciation & amortization	13.5	5.7	13.7	7.3	40.2
Interest expense, net	4.5	0.9	0.6	19.7	25.7
Benefit for income taxes	—	—	—	(15.6)	(15.6)
EBITDA	30.3	28.5	38.0	(77.0)	19.8
Transaction expenses	0.2	0.1	—	3.0	3.3
Sponsor expense reimbursement	—	—	—	0.5	0.5
Restructuring costs	6.1	0.2	0.4	3.2	9.9
Restructuring related charges	—	0.1	—	10.4	10.5
Stock-based compensation expense	—	—	—	7.8	7.8
Legal matters	—	—	—	1.8	1.8
Loss on sale of business	—	6.2	—	4.9	11.1
Gain on acquisition of business	—	—	—	(8.6)	(8.6)
Impairment charges	3.3	—	—	8.8	12.1
Earnings attributable to assets held for sale	—	(0.6)	—	(0.2)	(0.8)
Deferred purchase price payment	—	—	—	0.1	0.1
Adjusted EBITDA	\$ 39.9	\$ 34.5	\$ 38.4	\$ (45.3)	\$ 67.5

	Twelve Months Ended October 31, 2019				
	Fire & Emergency	Commercial	Recreation	Corporate & Other	Total
Net income (loss)	\$ 17.9	\$ 35.9	\$ 26.7	\$ (92.8)	\$ (12.3)
Depreciation & amortization	14.1	8.5	15.6	7.2	45.4
Interest expense, net	4.0	2.0	0.2	26.2	32.4
Benefit for income taxes	—	—	—	(3.5)	(3.5)
EBITDA	36.0	46.4	42.5	(62.9)	62.0
Transaction expenses	0.1	(0.3)	—	1.2	1.0
Sponsor expense reimbursement	0.7	—	—	0.7	1.4
Restructuring costs	1.3	0.2	2.0	2.2	5.7
Stock-based compensation expense	—	—	—	7.2	7.2
Legal matters	1.8	—	1.7	4.2	7.7
Impairment charges	3.3	5.0	0.6	—	8.9
Losses attributable to assets held for sale	—	4.7	—	—	4.7
Deferred purchase price payment	—	—	—	3.5	3.5
Adjusted EBITDA	\$ 43.2	\$ 56.0	\$ 46.8	\$ (43.9)	\$ 102.1

Reconciliation of Net Loss to Adjusted Net Income



(Dollars in Millions)

	Three Months Ended October 31,		Twelve Months Ended October 31,	
	2020	2019	2020	2019
Net loss	\$ (10.2)	\$ (9.0)	\$ (30.5)	\$ (12.3)
Amortization of intangible assets	2.9	4.0	13.3	17.4
Transaction expenses	0.7	0.3	3.3	1.0
Sponsor expense reimbursement	0.3	0.8	0.5	1.4
Restructuring costs	3.9	1.5	9.9	5.7
Restructuring related charges	6.6	—	10.5	0.0
Stock-based compensation expense	0.6	(0.1)	7.8	7.2
Legal matters	0.2	2.3	1.8	7.7
Loss on sale of business	1.8	—	11.1	—
Gain on acquisition of business	3.3	—	(8.6)	—
Impairment charges	8.4	6.1	12.1	8.9
Losses (earnings) attributable to assets held for sale	—	1.4	(0.8)	4.7
Deferred purchase price payment	—	0.6	0.1	3.5
Impact of tax rate change	—	—	(3.5)	—
Income tax effect of adjustments	(6.7)	(4.6)	(17.5)	(15.2)
Adjusted Net Income	\$ 11.8	\$ 3.3	\$ 9.5	\$ 30.0



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