



FISCAL SECOND QUARTER 2023 RESULTS

JUNE 8, 2023



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, Adjusted Net Income, Free Cash Flow and Return on Invested Capital, 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. Free Cash Flow is calculated as net cash from operating activities minus capital expenditures. Return on Invested Capital is calculated as net operating profit after tax divided by average net debt and shareholder equity. REV Group believes that the use of Adjusted EBITDA, Adjusted Net Income, Free Cash Flow and Return on Invested Capital 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 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 2023 and its long-term financial goals. 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.

SECOND QUARTER FISCAL 2023 HIGHLIGHTS



Strong demand for
Axess Hydrogen FC
& Battery Electric
transit buses &
electric school buses

Debuted the
Capacity Hydrogen
FC & Lithium-ION
Battery Electric
Terminal Trucks

Introduced new Fire
Group leadership
team & structure

Increased
completions &
deliveries of fire &
ambulance units

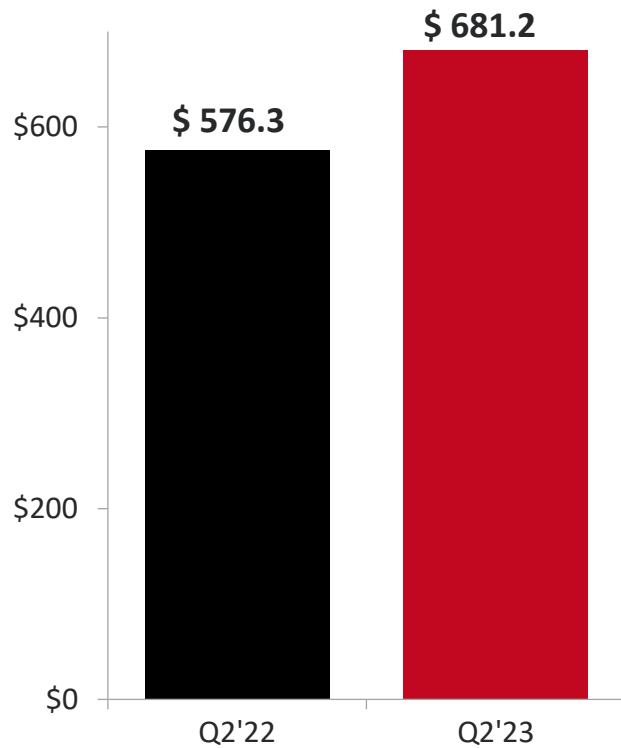
Experienced an
anticipated
normalization of
Recreation segment
backlog



SECOND QUARTER FISCAL 2023 CONSOLIDATED RESULTS

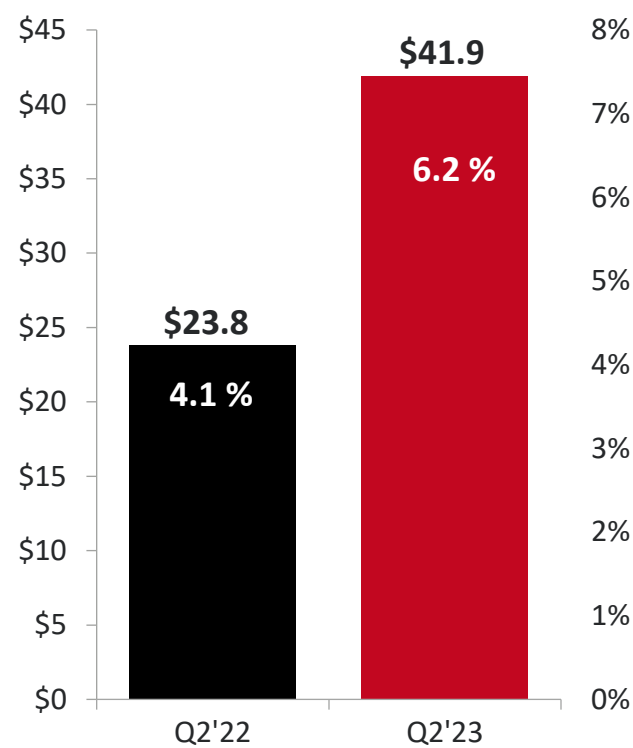
Net Sales

(\$millions)



Adjusted EBITDA¹

(\$millions)



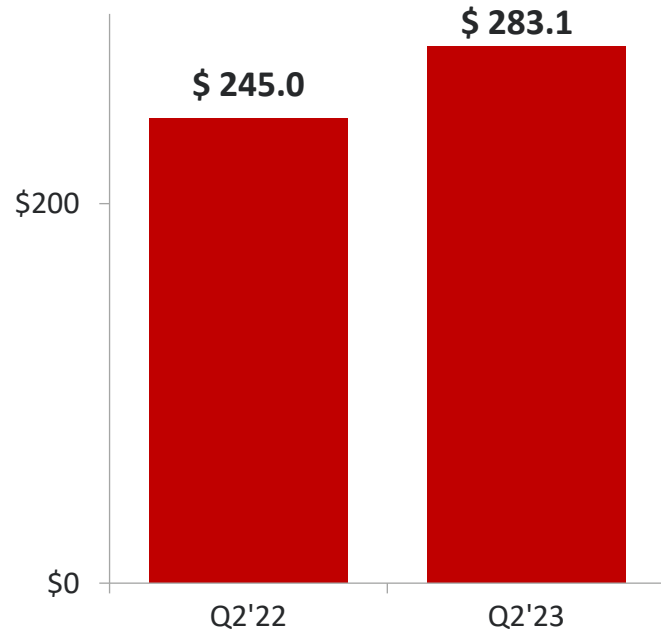
- Net sales increased \$105 million or 18% year-over-year
- Higher sales in all segments as supply chain headwinds ease across most businesses
- Adjusted EBITDA increased \$18.1 million or 76% year-over-year
- Higher EBITDA contribution from all segments benefiting from increased volumes and improved productivity
- 7-quarter high Adj. EBITDA & Adj. EBITDA margin

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

SECOND QUARTER FISCAL 2023 FIRE & EMERGENCY RESULTS

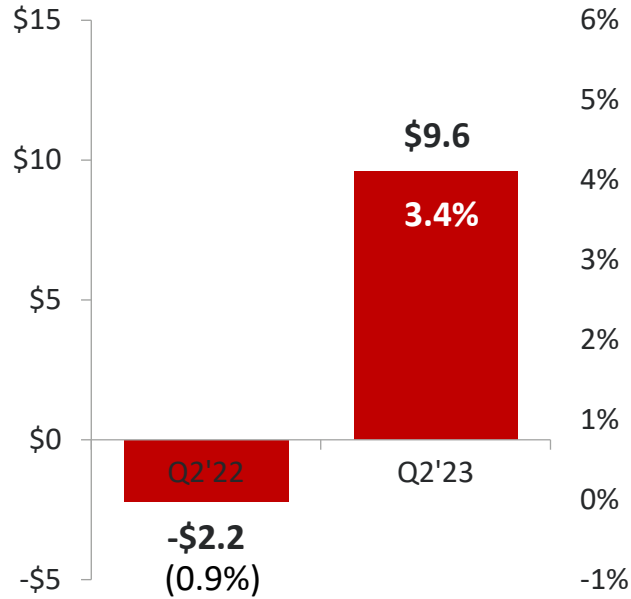
Net Sales

(\$millions)



Adjusted EBITDA¹

(\$millions)



Outlook

- Record \$2.9 billion backlog with improved conversion of quotes to orders within the Fire Group
- Continued momentum of increased starts and completions within the segment in 2H23
- Ambulance chassis supply supports production planning for the remainder of the fiscal year
- Sequential profit improvement with approximately 75% of fiscal 2023 Adj. EBITDA in the second half of the fiscal year

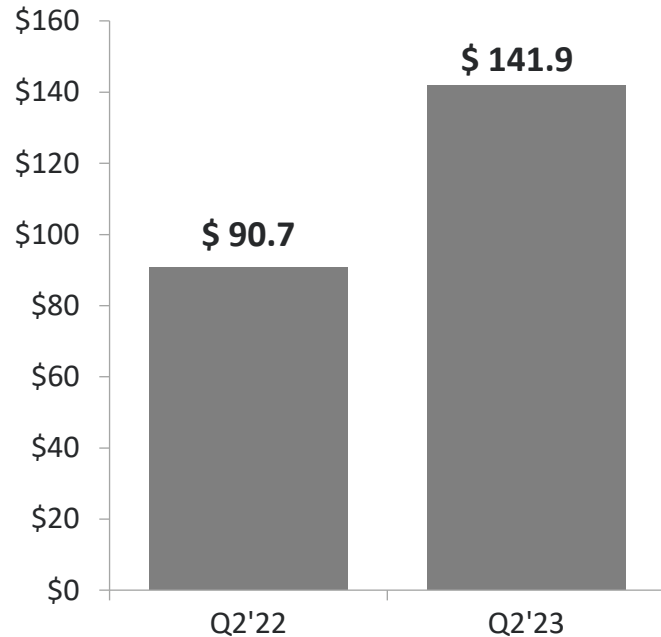
- Increased shipments of fire apparatus and ambulance units
- Continued supply chain improvement; increased labor resulting in higher line rates sequentially
- Price realization
- Improved labor efficiencies and price realization across the segment
- Higher starts & completions
- Improved efficiencies on higher starts & completions, including at the Holden facility

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

SECOND QUARTER FISCAL 2023 COMMERCIAL RESULTS

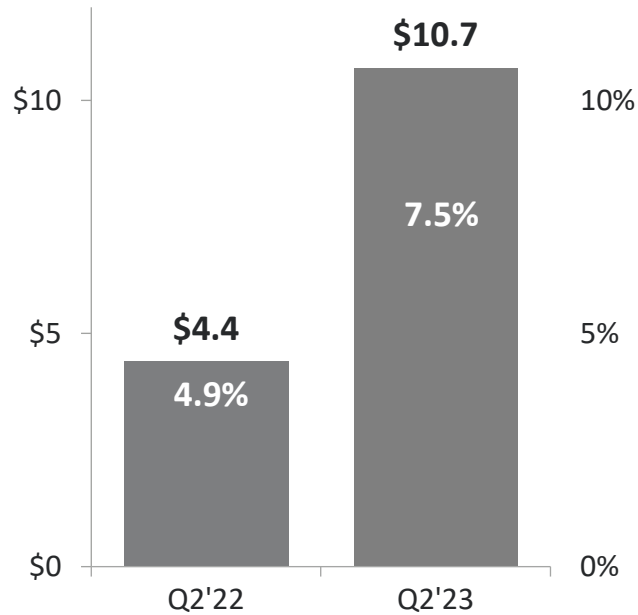
Net Sales

(\$millions)



Adjusted EBITDA¹

(\$millions)



Outlook

- \$501 million backlog decreased 6% year-over-year
- Strong bidding and orders for Type A school buses, including increased EV activity
- Participation in large RFPs and bidding for hydrogen fuel cell & battery electric municipal transit buses
- Axess EVO named as FTA Lo-No competitive grant partner by 12 transit agencies located throughout the U.S.
- Shipments of low margin municipal transit buses out of backlog have been delayed and are expected to continue through 3Q23

- Increased sales of school buses, municipal transit buses, terminal trucks and street sweepers
- Completion of school bus & Specialty Group WIP units previously waiting on parts

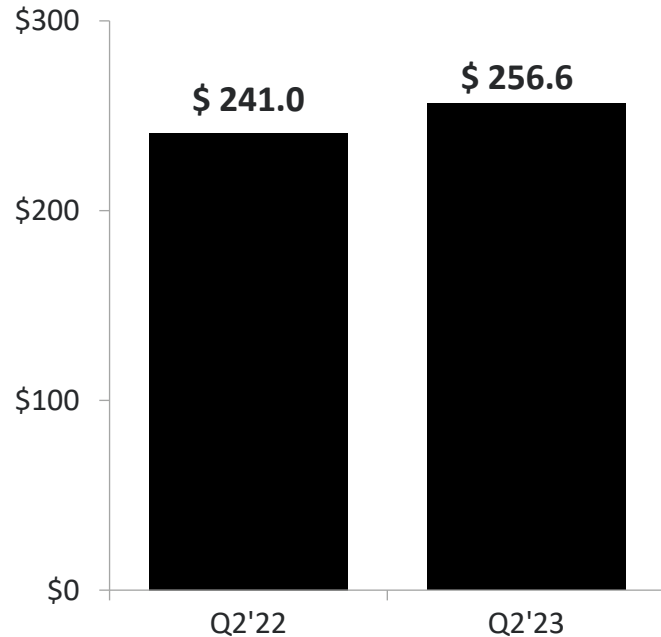
- Improved throughput, efficiencies, and price realization in school bus & Specialty Group
- Trapped labor within the municipal transit business

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

SECOND QUARTER FISCAL 2023 RECREATION RESULTS

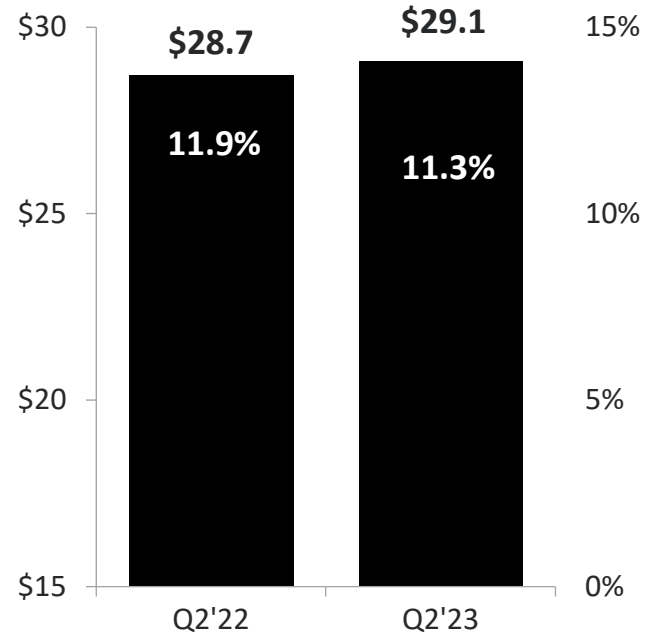
Net Sales

(\$millions)



Adjusted EBITDA¹

(\$millions)



Outlook

- \$495 million backlog decreased 62% year-over-year and 50% sequentially as canceled orders were not replaced with model year 2024, primarily within towable and Class A categories
- Backlog approaching normalized level of 4-6 months, in line with expectations
- Dealer inventory turns of our brands remain favorable
- Focused on cost management to maximize profitability while balancing production rates to retail sales and optimized dealer inventory

- Increased sales of Class A, Class C and non-motorized units
- Fewer sales of Class B units related to Mercedes recall timing and chassis availability
- Price realization net of discounting

- Price realization partially offset by inflationary pressures & discounting
- Unfavorable mix of Class A gas units
- Improved efficiencies and throughput within non-motorized business

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

BALANCE SHEET & OTHER FINANCIAL ITEMS

(\$m)

YTD Cash From Operations **\$8.2**

Net Debt¹ **\$221.0**

Trade Working Capital² **\$363.3**



Other 2Q23 Financial Highlights

(\$2.4) million year-to-date free cash flow³

1.8x net debt to trailing twelve-month Adj. EBITDA

Declared \$0.05 quarterly cash dividend for shareholders of record June 30, 2023, payable July 14, 2023

Authorized a new \$175 million share repurchase program

\$305.5 million available under ABL revolving credit facility

¹ Net debt is defined as total debt less cash and cash equivalents

² Trade working capital is defined as accounts receivable plus inventory less accounts payable and customer advances

³ Free cash flow is defined as cash from operations less capital expenditures

UPDATED FISCAL 2023 OUTLOOK

Full Year Fiscal 2023 Outlook

	<u>Updated Guidance</u>	<u>Prior Guidance</u>	<u>2022 Actual</u>
Net Sales:	\$2.45 to \$2.55 billion	\$2.3 to \$2.5 billion	\$2.33 billion
Adjusted EBITDA¹:	\$120 to \$135 million	\$110 to \$130 million	\$105.1 million
Free Cash Flow²:	\$43 to \$56 million	\$39 to \$55 million	\$66.8 million
Adjusted Net Income¹:	\$48 to \$62 million	\$42 to \$60 million	\$49.1 million
Net Income:	\$15 to \$30 million	\$13 to \$32 million	\$15.2 million

Capital expenditures \$30-35 million, Interest expense \$27-29 million, Effective tax rate 25-27%
 (unchanged) (\$25-27M prior) (unchanged)

¹ REV Group, Inc. Adjusted Net Income and Adjusted EBITDA are non-GAAP measures that are reconciled to their nearest GAAP measure in the appendix of this presentation

² Free cash flow defined as cash from operations less capital expenditures

APPENDIX



RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA GUIDANCE

REV GROUP, INC.
ADJUSTED EBITDA OUTLOOK RECONCILIATION
(Dollars in millions)

	Fiscal Year 2023	
	Low	High
Net income ⁽¹⁾	15.2	30.0
Depreciation and amortization	29.8	27.8
Interest expense, net	29.0	27.0
Provision for income taxes	5.4	10.6
EBITDA	79.4	95.4
Transaction expense	0.4	0.4
Sponsor expense reimbursement	0.4	0.4
Restructuring related charges	8.8	8.8
Stock-based compensation expense	14.0	13.0
Legal matters	15.4	15.4
Loss on sale of business	1.1	1.1
Other items	0.5	0.5
Adjusted EBITDA	\$ 120.0	\$ 135.0

¹ Does not include any non-recurring charges that may occur during the period shown other than those presented in this reconciliation.

RECONCILIATION OF NET INCOME TO ADJUSTED NET INCOME GUIDANCE

REV GROUP, INC.
ADJUSTED NET INCOME OUTLOOK RECONCILIATION
(Dollars in millions)

	Fiscal Year 2023	
	Low	High
Net income ⁽¹⁾	\$ 15.2	\$ 30.0
Amortization of intangible assets	3.5	3.5
Transaction expense	0.4	0.4
Sponsor expense reimbursement	0.4	0.4
Restructuring related charges	8.8	8.8
Stock-based compensation expense	14.0	13.0
Legal matters	15.4	15.4
Loss on sale of business	1.1	1.1
Other items	0.5	0.5
Income tax effect of adjustments	(11.5)	(11.2)
Adjusted Net Income	\$ 47.9	\$ 61.9

¹ Does not include any non-recurring charges that may occur during the period shown other than those presented in this reconciliation.



REVgroup.com

Email: investors@revgroup.com

Phone: 1-888-738-4037 (1-888-REVG-037)

245 S. Executive Drive
Brookfield, WI 53005