

**GENERAC®**

# INVESTOR PRESENTATION

NOVEMBER 2020



**"Generac's mission is to ensure peace of mind by developing power products and solutions that make the world safer, brighter, and more productive."**

# INVESTOR RELATIONS

**GENERAC**<sup>®</sup>

**Aaron Jagdfeld**

**PRESIDENT & CEO**

**York Ragen**

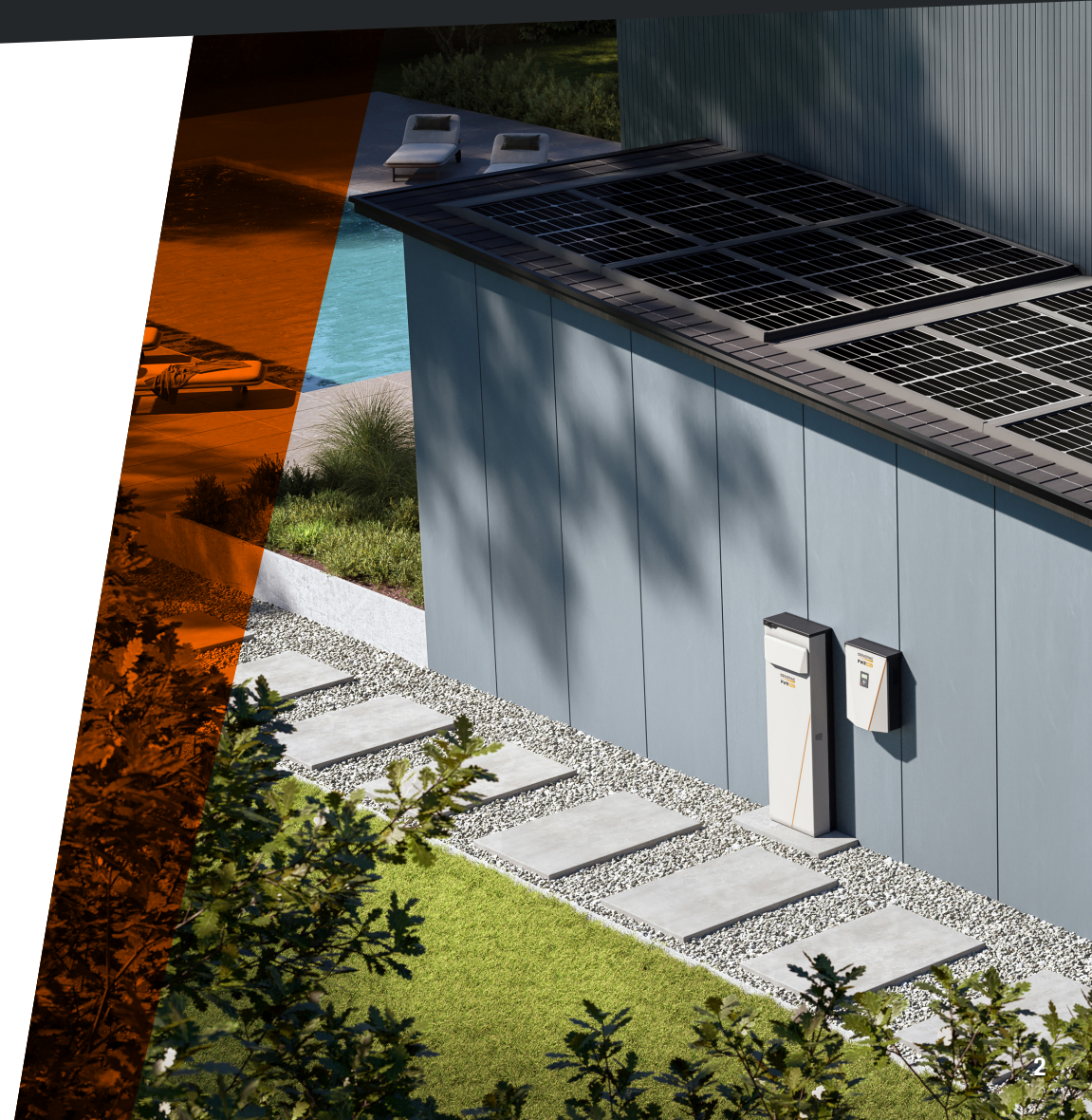
**CHIEF FINANCIAL OFFICER**

**Mike Harris**

**VICE PRESIDENT –  
CORPORATE DEVELOPMENT  
& INVESTOR RELATIONS**

(262) 506-6064

[InvestorRelations@generac.com](mailto:InvestorRelations@generac.com)



# FORWARD LOOKING STATEMENTS

Certain statements contained in this news release, as well as other information provided from time to time by Generac Holdings Inc. or its employees, may contain forward looking statements that involve risks and uncertainties that could cause actual results to differ materially from those in the forward looking statements. Forward-looking statements give Generac's current expectations and projections relating to the Company's financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "anticipate," "estimate," "expect," "forecast," "project," "plan," "intend," "believe," "confident," "may," "should," "can have," "likely," "future," "optimistic" and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events.

Any such forward looking statements are not guarantees of performance or results, and involve risks, uncertainties (some of which are beyond the Company's control) and assumptions. Although Generac believes any forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect Generac's actual financial results and cause them to differ materially from those anticipated in any forward-looking statements, including:

- frequency and duration of power outages impacting demand for our products;
- availability, cost and quality of raw materials and key components from our global supply chain and labor needed in producing our products;
- the impact on our results of possible fluctuations in interest rates, foreign currency exchange rates, commodities, product mix and regulatory tariffs;
- the possibility that the expected synergies, efficiencies and cost savings of our acquisitions will not be realized, or will not be realized within the expected time period;
- the risk that our acquisitions will not be integrated successfully;
- difficulties we may encounter as our business expands globally or into new markets;
- our dependence on our distribution network;
- our ability to invest in, develop or adapt to changing technologies and manufacturing techniques;
- loss of our key management and employees;
- increase in product and other liability claims or recalls;
- failures or security breaches of our networks or information technology systems;
- changes in environmental, health and safety, or product compliance laws and regulations affecting our products or operations; and

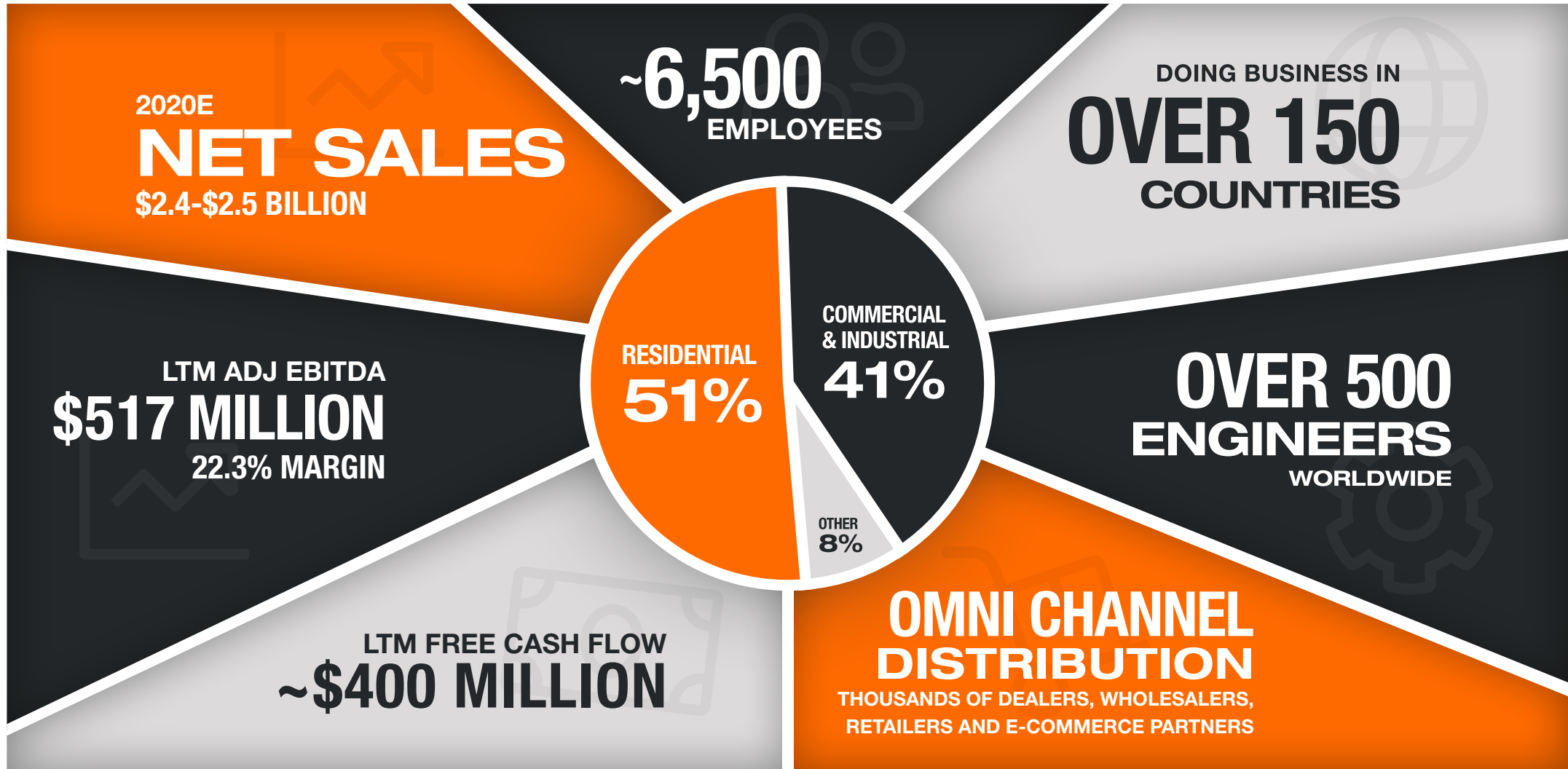
- the duration and scope of the impacts of the COVID-19 pandemic are uncertain and may or will continue to adversely affect our operations, supply chain, distribution, and demand for certain of our products and services.

Should one or more of these risks or uncertainties materialize, Generac's actual results may vary in material respects from those projected in any forward-looking statements. In the current environment, some of the above factors have materialized and may or will continue to be impacted by the COVID-19 pandemic, which may cause actual results to vary from these forward-looking statements. A detailed discussion of these and other factors that may affect future results is contained in Generac's filings with the U.S. Securities and Exchange Commission ("SEC"), particularly in the Risk Factors section of the 2019 Annual Report on Form 10-K and in its periodic reports on Form 10-Q. Stockholders, potential investors and other readers should consider these factors carefully in evaluating the forward-looking statements.

Any forward-looking statement made by Generac in this presentation speaks only as of the date on which it is made. Generac undertakes no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

# GENERAC BY THE NUMBERS

**GENERAC**<sup>®</sup>



# MEGA TRENDS

**GENERAC**<sup>®</sup>

## "Grid 2.0" - Evolution of the traditional electrical utility model

Technology & regulation will create Clean Energy and Grid Services opportunities

## Attitudes around global warming and climate change are changing

Expectation of more severe weather driving power outages

## Natural Gas will be the fuel of the future

Huge supply & increasing demand for applications beyond standby power

## Legacy infrastructure needs major investment cycle

Rebuilding of transportation, water & power will take decades

## Telecommunications infrastructure shifting to next generation

5G will enable new technologies requiring significant improvement in network uptime

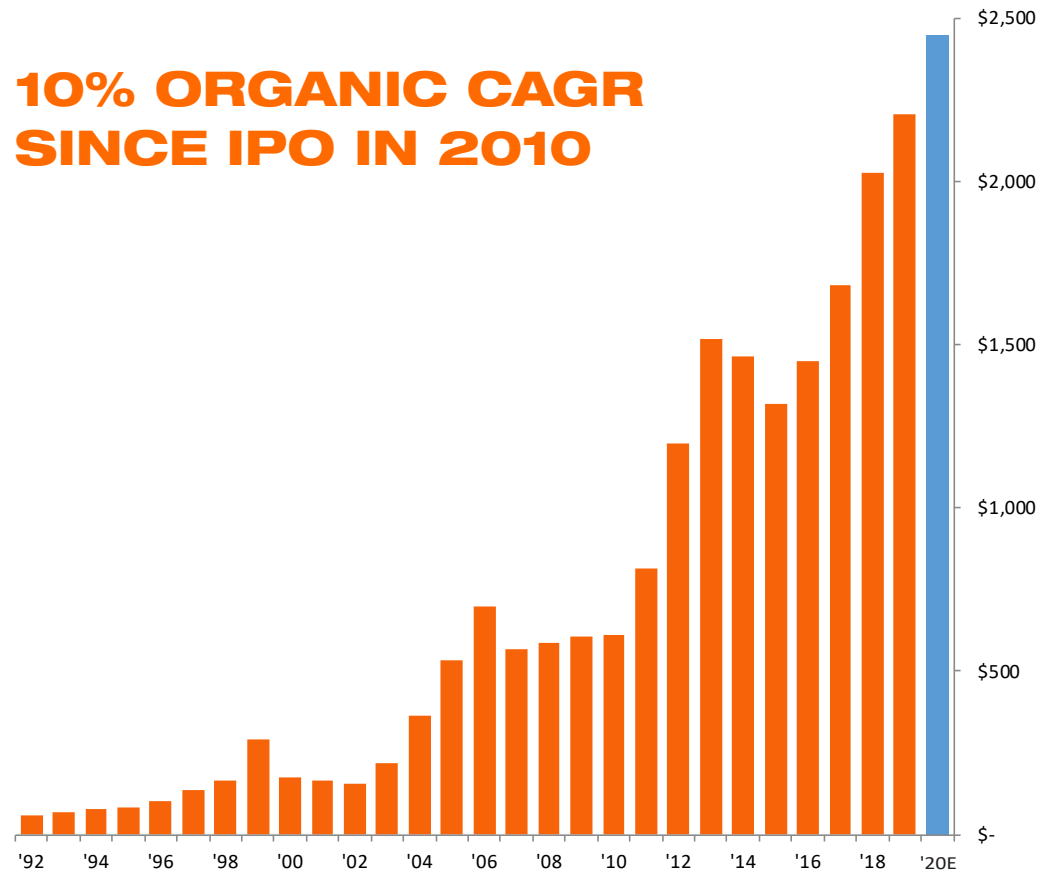
## New Emerging Trend... Home as a Sanctuary

Millions of people working, learning, shopping, entertaining, and in general, spending more time at home



# MACRO INVESTMENT THEMES

**10% ORGANIC CAGR SINCE IPO IN 2010**



Note: \$ amounts in millions. Represents gross sales excluding freight revenue. Excludes "Portable Product" sales prior to the division's divestiture in 1998. Figures include results from acquisitions completed during 2011 – present; see slide titled "Summary of Acquisitions" for further details.

## CREATING A LEADING "ENERGY TECHNOLOGY SOLUTIONS" COMPANY

### Power Quality Issues Continue To Increase

- Power outage severity increasing significantly over LT baseline average during 2017-2020
- Aging and under-invested electrical grid more vulnerable to unpredictable and severe weather
- Aging population and overall consumers are more dependent on power

### Home Standby Market Growth Opportunity is Massive

- ~5.0% of US HH's have a HSB today (TAM=53M HH's)
- Every 1.0% of penetration is approximately \$2.5 billion market opportunity (at retail)
- Generac's 75%+ share due to unique go to market strategy

### California market for backup power increasing significantly

- Local utilities triggering numerous and significant power shutoff events
- Shutoff events impacting millions of customers in an attempt to mitigate risk of wildfires
- Events projected to continue for several years with HSB penetration only ~1%

### Energy Storage & Monitoring Markets Developing Quickly

- New markets focused on energy cost reduction
- Battery cost and performance continue to improve
- Generac uniquely positioned with distribution, marketing & brand

### Natural Gas Generators Driving Superior Growth Rates

- Cleaner, greener & more cost effective for on-site power
- US is ~40% gas gen sales annually and growing 2x diesel
- Global opportunity is nascent – less than 1% of market

### Rollout of 5G Will Require Improved Network Reliability

- 5G will enable many new technologies - uptime critical
- ~400K cell towers in U.S., ~40% penetration, Generac #1 market share
- Technology to rollout globally – Generac footprint can serve

# GENERAC WORLDWIDE LOCATIONS

**GENERAC**<sup>®</sup>



**Vertically Integrated Manufacturing Capacity Serving a Globally Diverse Commercial Footprint**

# LEGACY POWER PLATFORMS



## Consumer Power Products

Air-cooled Home Standby Generators

Liquid-cooled Home Standby Generators

Portable & Inverter Generators

Prime and emergency backup for:

- Residential
- Light Commercial

Construction

Recreation



## Outdoor Chore Products

Pressure washers

Water pumps

Field & brush mowers

Trimmer mowers

Chippers & shredders

Log splitters

Lawn & leaf vacuums

Stump grinders

Wide variety of property maintenance applications for:

- Residential
- Larger-acreage properties
- Light commercial
- Municipal
- Farm



## C&I Stationary Products

Larger kW & Container Gensets

Industrial Stationary Generators

Commercial Stationary Generators

Complete lines of diesel & natural gas generators

Prime and emergency backup for:

- Healthcare
- Telecom/Data Centers
- Municipal
- Manufacturing
- Distribution
- Hospitality
- Restaurants
- Retail



## Mobile Power Products

Light Towers

Mobile Generators

Heaters & Pumps

Support equipment for:

- Construction
- Oil and Gas
- Mining
- Special Events
- Road Development
- General Rental needs



# LEGACY GROWTH DRIVERS



## Consumer Power Products

**Key drivers:** Aging and under-invested grid, favorable demographics, heightened power outages

**Low penetration of emerging HSB category:** ~4.75% of addressable households within the U.S.

**Market leader:** Leading share of domestic HSB market; With significant competitive advantages high-20% share of portable generator market

**Key strategic initiatives:** Further improve lead generation, close rates and reduce total system cost

**Connectivity:** Driving deeper engagement with customers and distribution partners



## C&I Stationary Products

**Natural gas generators:** Gaining share vs. diesel

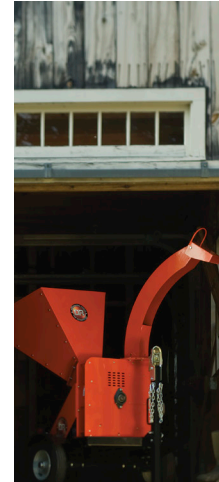
**Market share gains:** Larger-kW product offering, distribution optimization, sales process excellence

**International Expansion:** Acquisitions accelerate expansion into other regions of the world

**New Market Opportunities:** Expansion of gaseous-fueled products into prime, continuous and CHP applications

**Low penetration:** Within the light commercial/retail market

**Telecom:** Growing importance of backup power for critical telecommunications infrastructure



## Outdoor Chore Products

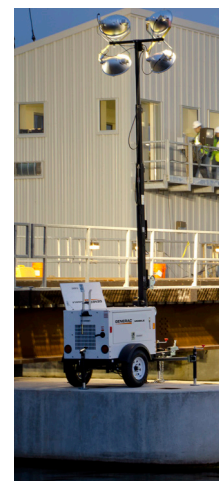
**Housing drives market growth:** Need for outdoor power equipment grows alongside housing starts

**Trend toward pro market:** Capitalize on growing trend in lawn and garden industry of “do it for me” with products for the pro market

**Leverage current D2C customer base:** Introducing new products to capture more share of wallet

**Expand distribution:** Products for outdoor power equipment dealers and other B2B partners

**Supply Chain and Operational Synergies:** Leverage air-cooled engine volumes and consolidated manufacturing footprint to improve cost position.



## Mobile Power Products

**Secular shift toward renting:** Mobile products platform benefiting from shift toward renting in lieu of buying

**Diversification into new products:** Entry into adjacent “engine-powered” rental equipment categories, both organically and through acquisitions

**Long-term increased infrastructure spending:** Macro opportunity of increased spending stimulus to improve aging domestic infrastructure

**Long-term domestic energy production:** Multi-decade upcycle for mobile support equipment that is essential to oil & gas drilling and production sites

# ENERGY TECHNOLOGY – GENERAC'S ENERGY STORAGE SOLUTION

**GENERAC®**

## MORE POWER

- 9/11 kW Max. Continuous
- 50A Motor Starting Current

## MORE CAPACITY

- 3.0 kWh Battery Modules
- 9 - 18 kWh per Cabinet

## LOAD MANAGEMENT

- 50A and 100A Automatic Smart Management Modules



## OUTDOOR RATED

- Type 3R Battery Cabinet
- 10 to 50°C Operating Temperature Range

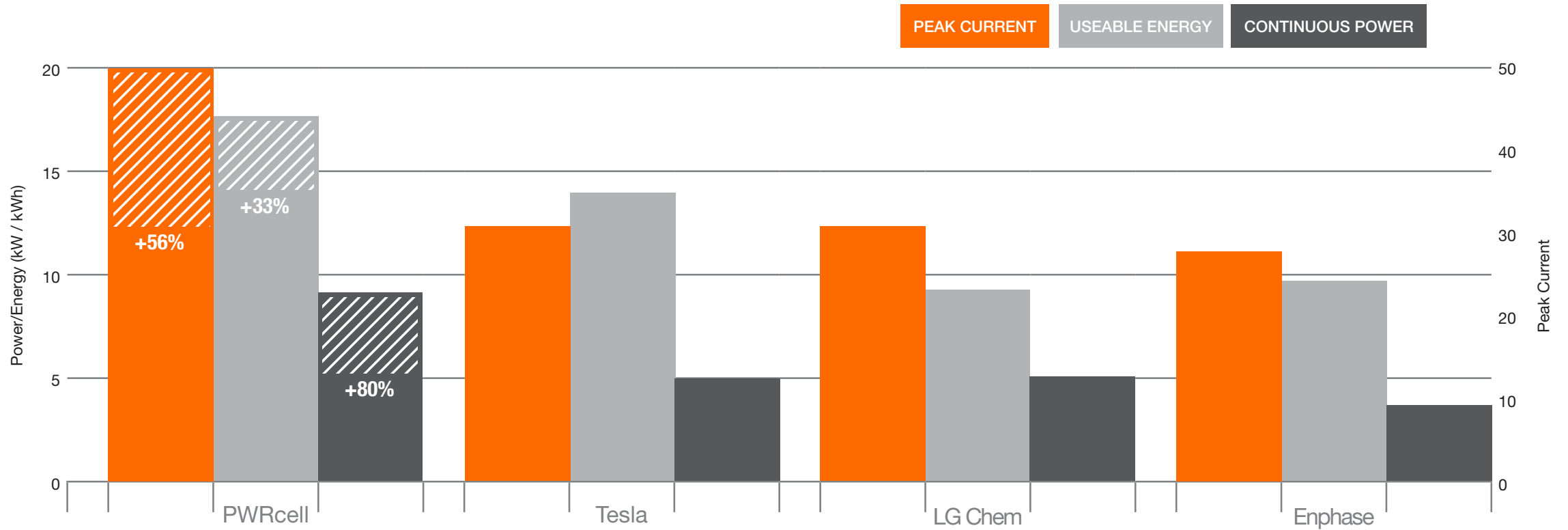
## WHOLE HOME BACKUP

- 200 A and 100A Whole Home Transfer Switches

**PWRcell Whole Home Backup...  
CLEAN & SIMPLE**



# WHOLE HOME POWER COMPARISON



	PWRcell	Tesla	LG Chem	Enphase
Peak Current	50A	32	31	25
Useable Energy	18kWh	13.5kWh	9.3kWh	10.1kWh
Continuous Power	9kW	5kW	5kW	3.8kW

Note: Shaded lines represent market leading advantage in terms of power capability, with specific percentages as compared to Tesla

# ENERGY TECHNOLOGY GENERAC'S "GRID 2.0" OPPORTUNITY

**GENERAC**<sup>®</sup>

## EVOLUTION OF TRADITIONAL ELECTRICAL UTILITY

**MODEL:** migration toward DERs to respond to real-time energy balancing needs

## UTILITIES/ENERGY RETAILERS EXPERIENCING HIGHER SUPPLY VARIABILITY AND NEED MORE RESILIENCY:

due to increasing use of renewables and higher power outages

## ISO/Utility

Avoided cost of buying power on the spot market and/or upgrading generation, transmission and distribution systems.

Enables Grid Operators To Run A Cleaner, Less Expensive And More Resilient Electrical Grid



## Software Platform

Enables the connection of DERs to register and then participate in Energy Aggregator & Utility programs.



## ENBALA'S CONCERTO™ CLOUD-BASED SOFTWARE – OPEN PLATFORM, BOTH BRAND AND EQUIPMENT

**AGNOSTIC:** capability to connect to wide range of DERs



## Generac DER Assets

Customer receives incentive to allow use of onsite asset – incentive improves ROI value proposition to acquire asset.

**DER ASSETS AGGREGATED INTO A DECENTRALIZED/ VIRTUAL POWER NETWORK:** provide flexible capacity to address peaks in electricity supply/demand

**FERC 2222 RULING EXPECTED TO ACCELERATE CONNECTION OF NEW AND EXISTING INSTALLED BASE OF DERS:** providing increased ROI value proposition

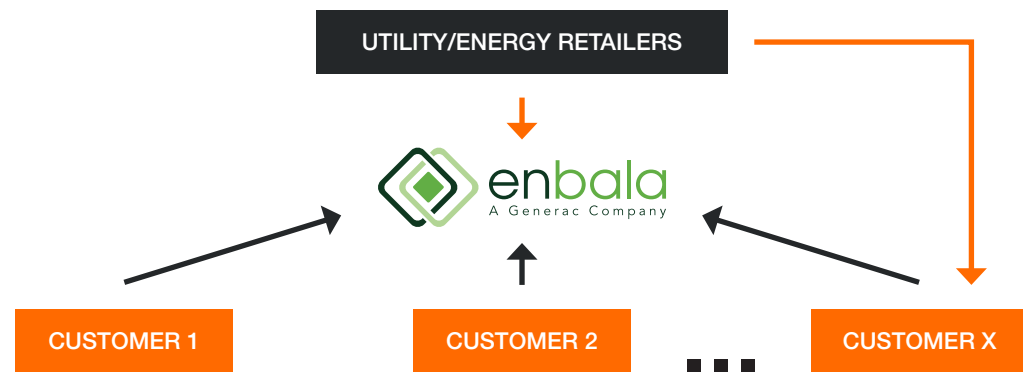


# ENBALA'S REVENUE MODEL



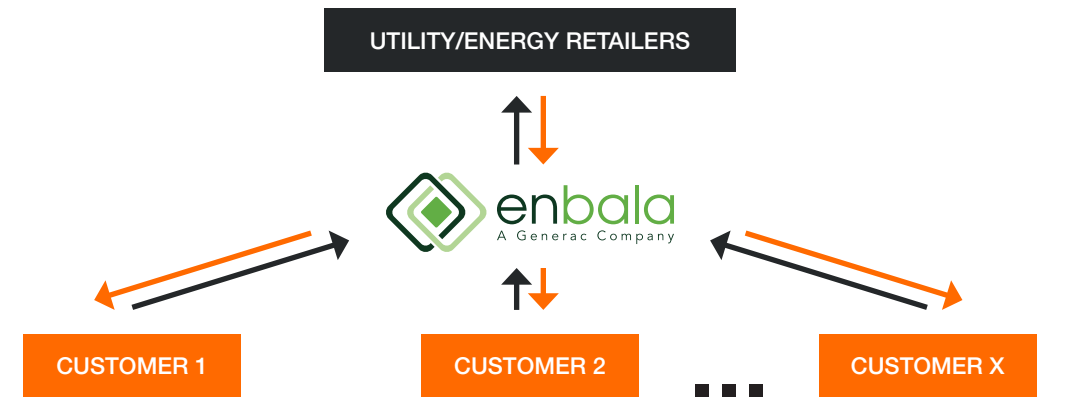
## Current SaaS Model - \$/MW Assets Connected/year

- Fundamentally a Software-as-a-Service business
- Enbala is paid as assets/devices are connected to the platform on a recurring basis



## Current Performance Model - \$/MW Delivered/year

- Fundamentally a pay-for-performance business
- Enbala is paid by utilities for the energy performance delivered



## Enbala Opportunities:

- Energy imbalance markets
- Real time capacity markets
- Emerging wholesale markets from FERC Order 2222
- Predictive energy management for customers
- Ancillary Service, Frequency Control and other aggregation markets

# GLOBAL DISTRIBUTION CHANNELS

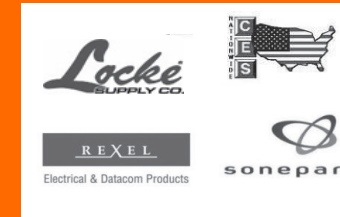
## Residential and C&I Dealer Network

- International network of over 7,000 dealers
- Installation and after sale service support
- Work with professional engineering firms to develop customized solutions
- Over 5,000 technicians trained every year
- Support for global large account sales

## Significant Omni-Channel Distribution

**GENERAC®**

## Other Key Channels



Electrical Wholesalers



Mass Retailers



Catalog and E-Commerce



Licensing Partners



Direct to Global Accounts



Direct to Consumer



Clean Energy

## Grow:

Further expand market penetration for standby and clean energy solutions in North America while establishing traction for these products globally.

## Lead:

Capitalize on the global growth of natural gas fuel as an available and affordable energy source. Leverage Generac's expertise in gaseous engines to expand applications beyond standby power.



## Gain:

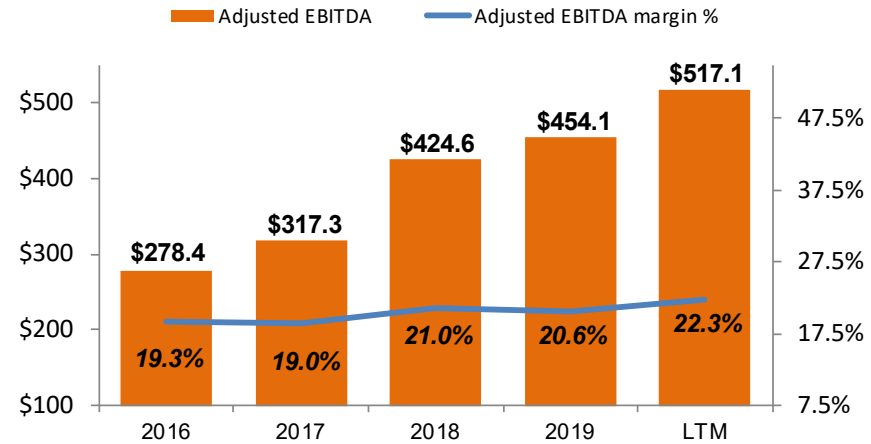
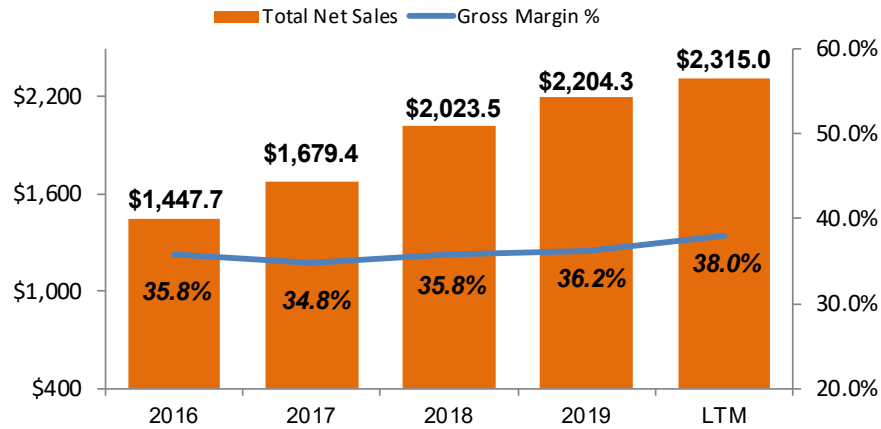
We gain share by innovating and we expand our opportunity for growth by doing the hard work of pioneering new products and markets.

## Connect:

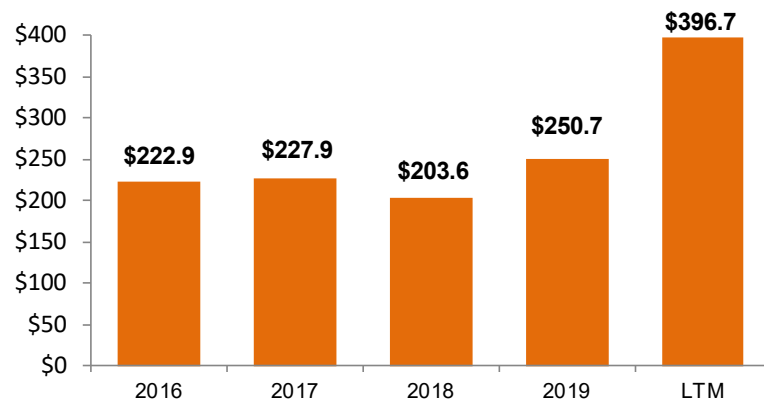
By being connected to the devices we manufacture we will drive additional value to our customers and our partners over the product life-cycle.

# POWERING OUR FUTURE

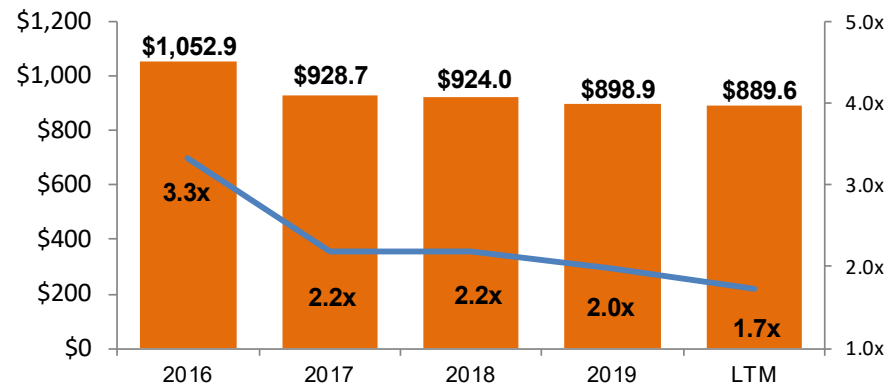
# FINANCIAL SUMMARY



## Free Cash Flow



## Consolidated Gross Debt and Consolidated Gross Debt Leverage Ratio



Note: Adjusted EBITDA margin calculated using adjusted EBITDA before deducting for non-controlling interest.



# CAPITAL DEPLOYMENT PRIORITIES

2017-2019 \$

1	Organic Growth	<ul style="list-style-type: none"> <li>Invest in technology, innovation, and R&amp;D capabilities</li> <li>Capacity expansion; Global systems; High ROI automation</li> </ul>	Asset Lite	~150m
2	Pay Down Debt	<ul style="list-style-type: none"> <li>Target 2-3x leverage</li> <li>Term Loan matures 2026, ABL matures 2023</li> <li>\$500mm notional swapped fixed</li> </ul>	Deleveraging Story	~200m
3	M&A	<ul style="list-style-type: none"> <li>Demonstrated ability to execute; 17 deals since 2011</li> <li>Accelerates “Powering Our Future” strategic plan</li> <li>Seek high synergy opportunities with above WACC returns</li> </ul>	Accelerate the strategy	~200m
4	Return of Capital	<ul style="list-style-type: none"> <li>As future cash flow permits, will evaluate options opportunistically</li> <li>\$250mm remaining on current share repurchase authorization</li> </ul>	Opportunistic	~50m

**Strong balance sheet and cash flow generation enables disciplined and balanced approach toward capital deployment that creates value for shareholders**

**TOTAL** ~600m

# APPENDIX



# 2020 BUSINESS OUTLOOK

(AS REPORTED ON OCTOBER 28, 2020)

**GENERAC**<sup>®</sup>

## Consolidated net sales

- Consolidated revenue: increase between 10% to 12%
- Residential products: significant year-over-year growth
- C&I products: down significantly vs. prior year
- Core revenue growth over 10%

## Adjusted EBITDA margins

- Between 22.5% to 23.0%

## Cash income tax rate

- Approximately 16.0%

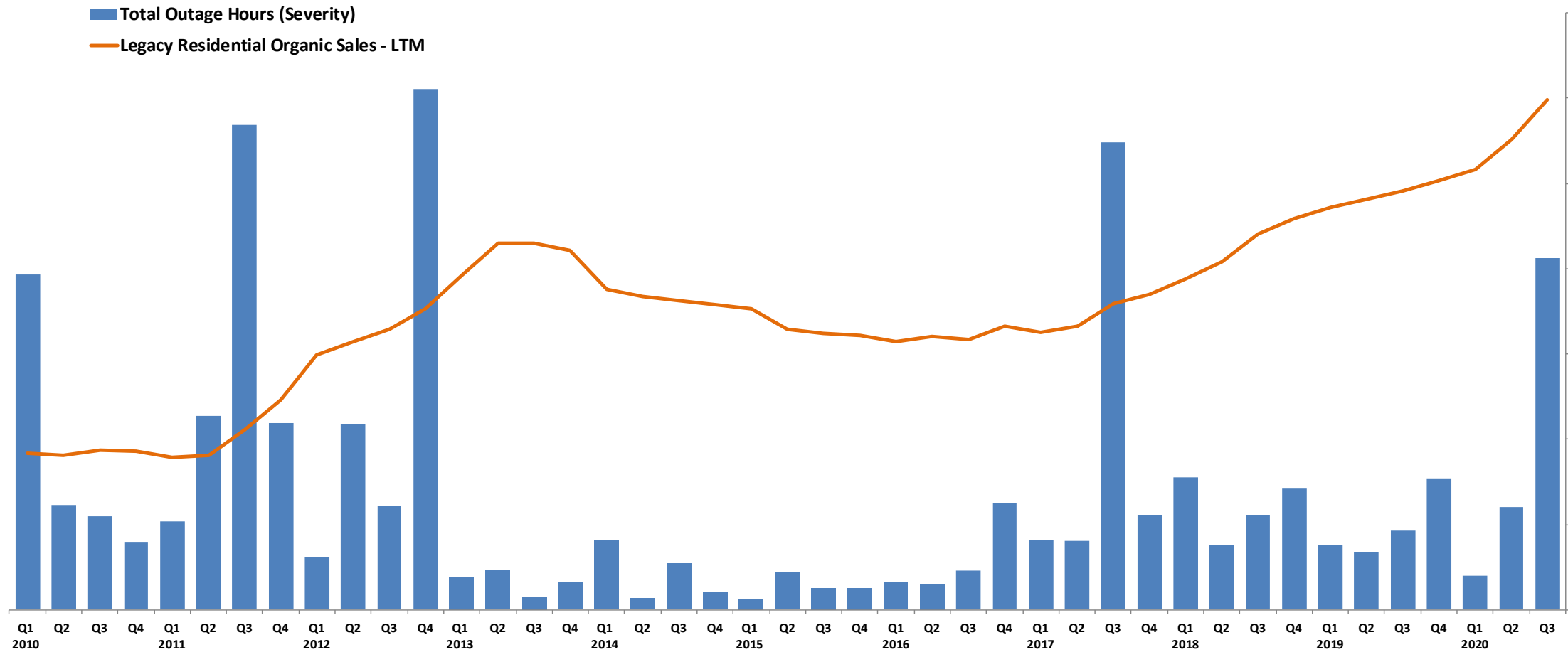
## Free cash flow

- Conversion of adjusted net income of approximately 90%



**Expect to Utilize Strong Free Cash Flow Generation to Increase Shareholder Value**

# EXPANDING POWER OUTAGE SEVERITY<sup>(1)</sup>



(1) Represents power outage hours for mainland U.S. only

**Elevated Baseline Outages + Major Event = Catalysts for Growth**

# SUMMARY OF ACQUISITIONS



OCT.  
2011

Magnum Products is a leading manufacturer of high-quality light towers, and mobile generators.  
**Berlin, WI**



DEC.  
2012

Leading manufacturer of industrial power generation equipment in Mexico and other parts of Latin America.  
**Mexico City, Mexico**



AUG.  
2013

Mobile light towers for EMEA and other international markets  
**Milan, Italy**



NOV.  
2013

Expands domestic offering of standby and prime-duty gensets up to 2.5 MW  
**Oshkosh, WI**



OCT.  
2014

MAC is a leading manufacturer of premium-grade commercial and industrial mobile heaters within the U.S. and Canada.  
**Bismarck, ND**



AUG.  
2015

Expands chore-related products line-up and provides additional scale to the residential engine-powered tools platform  
**Vergennes, VT**



MAR.  
2016

Stationary, mobile and portable generators sold into over 150 countries worldwide  
**Siena, Italy**



JAN.  
2017

Gaseous-engine control systems and accessories sold to engine OEMs and aftermarket customers  
**Celle, Germany**



JUN.  
2018

Larger kW and container gensets; service and remote monitoring platform for Latin America market  
**Mexico City, Mexico**



FEB.  
2019

Captiva Energy Solutions, founded in 2010 and headquartered in Kolkata, India specializes in customized industrial generators.  
**Kolkata, India**



MAR.  
2019

The leading energy data company focused on metering technology and sophisticated analytics to optimize energy use  
**Vancouver, BC**



APR.  
2019

Leading manufacturer of smart storage solutions and smart batteries  
**Portland, MN**



SEP.  
2020

Leading manufacturer of an innovative commercial line of battery powered turf care products  
**Ross, OH**



OCT.  
2020

Leading provider of distributed energy optimization and control software for the electrical grid  
**Denver, CO**

## Acquisitions used to accelerate Powering Our Future strategy

### Revenue synergies

- New products, customers, end markets
- Numerous cross-selling opportunities
- Geographic and international expansion

### Cost synergies

- Strategic global sourcing initiatives
- Innovation and cost-reduction engineering
- Adopt Generac's lean cost culture
- Operational excellence focus

Smaller acquisitions of Gen-Tran completed in February 2012 (manual transfer switches for portable generators - Alpharetta, GA); Pramac America in September 2017 (portable generators - Marietta, GA); Energy Systems in July 2020 (industrial distributor - Stockton, CA)

# FAVORABLE TAX ATTRIBUTES



## Tax attributes and 338(h)10 election overview

- \$1.9 billion combined asset basis step-up created through 2006 acquisition of Generac and other acquisitions
  - Each amortizes over 15 years
  - Reduces cash tax obligation on average by ~\$33 million per year through 2021

(\$ MM)	TOTAL	2020	2021	2022+
Annual tax amortization	\$264	\$130	\$107	\$27
Cash tax savings <sup>(1)</sup>	\$67	\$33	\$27	\$7

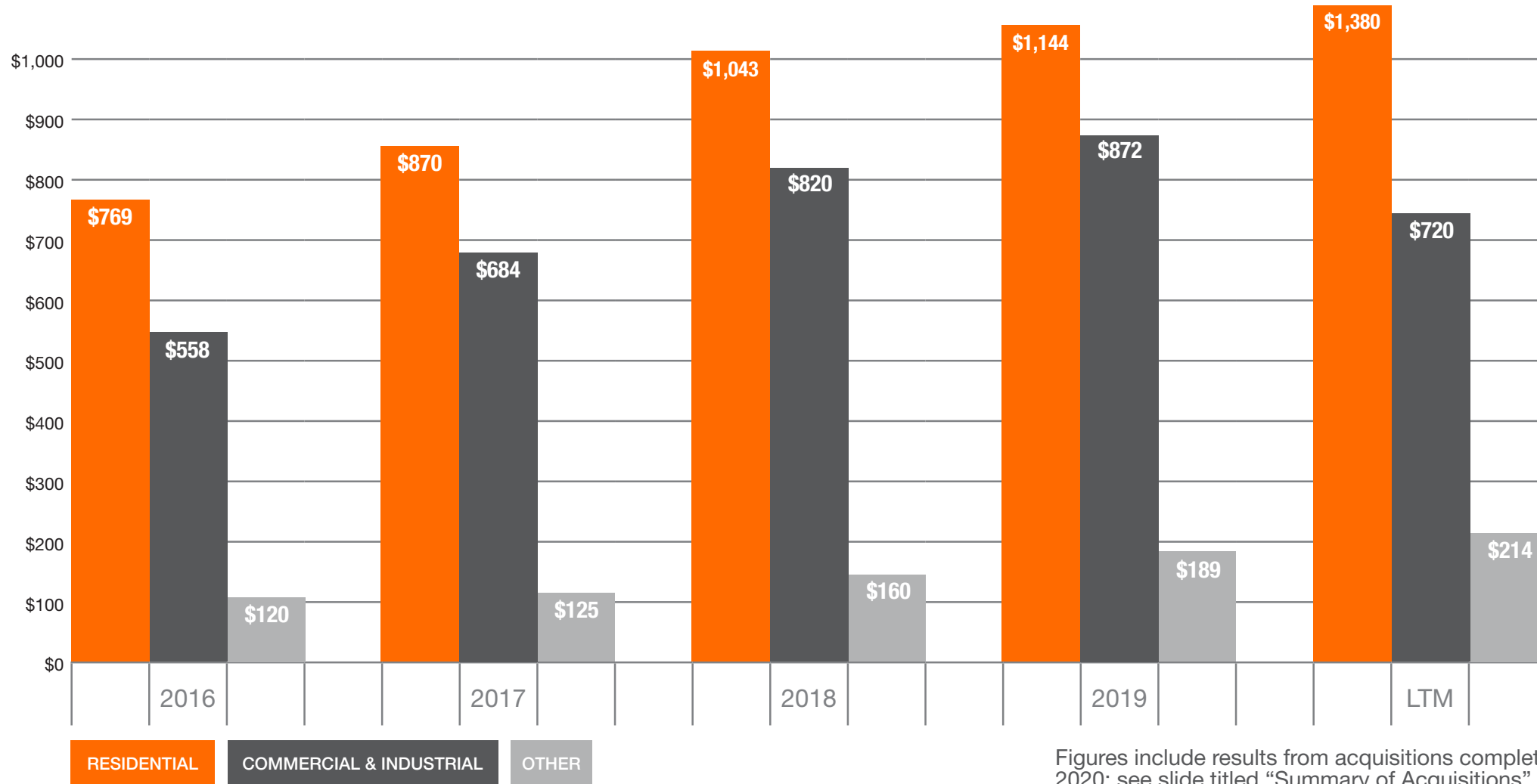
(1) Assuming continued profitability and no limitations at an assumed 25.5% federal and state tax rate.

(2) Based on annual discount rate of between 5 and 10%

Results in present value tax savings of ~\$60 million<sup>(2)</sup> or \$.90-\$1.00 per share



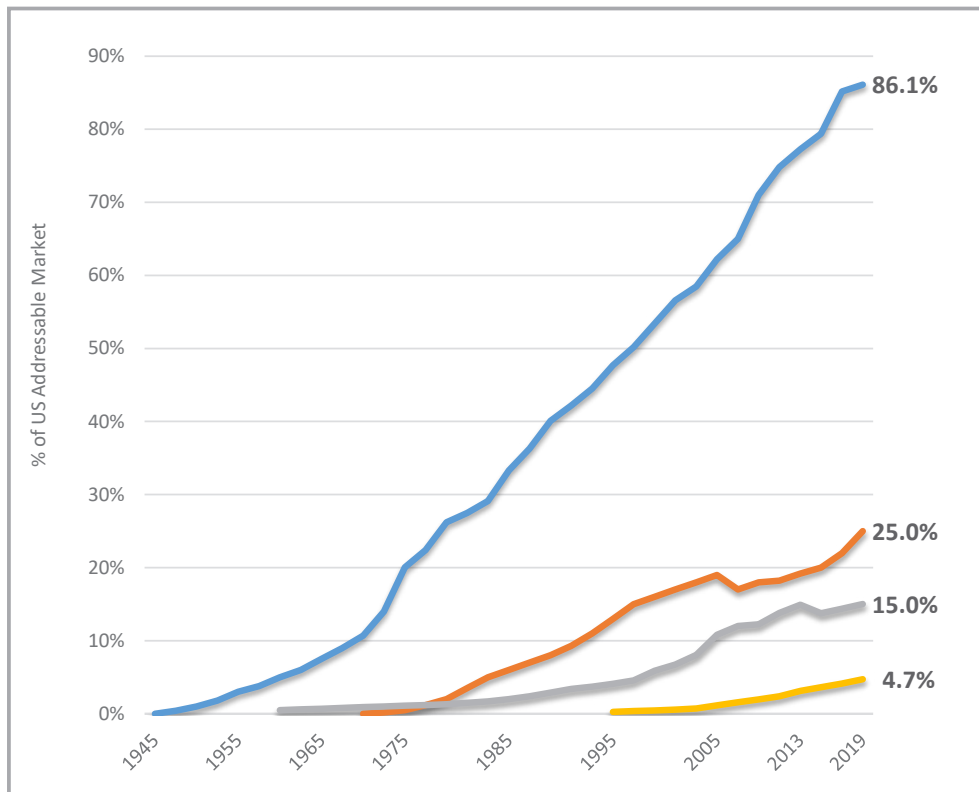
# NET SALES BY PRODUCT CLASS



Figures include results from acquisitions completed during 2011 – 2020; see slide titled “Summary of Acquisitions” for further details.

# HSB: A PENETRATION STORY

## North American Penetration Opportunity<sup>(1)</sup>



### Aging Population Fits Demographic

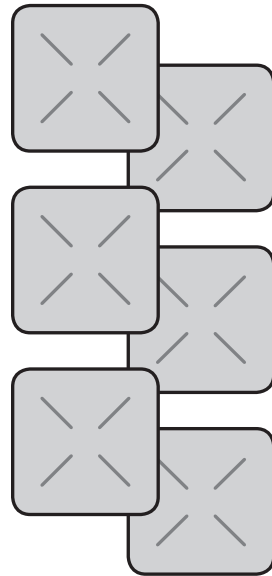
- ~70% of buyers age 50 and older
- ~Median home value of approximately \$400k
- ~80% retro-fit application
- ~\$120K median household income
- ~8% replacement units

**Every 1% of increased penetration equals  
~\$2.5 billion of market opportunity**

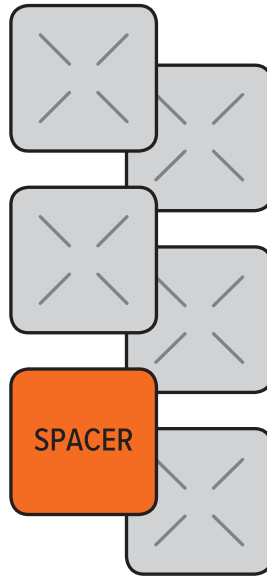
(1) Source: Company estimates; based on addressable market for HSB generators consisting of all single-family detached, owner-occupied homes valued > \$125K; portables and central A/C use all single-family homes regardless of value; penetration rate for home security alarms was estimated from a variety of industry sources and focuses on the professionally monitored market.



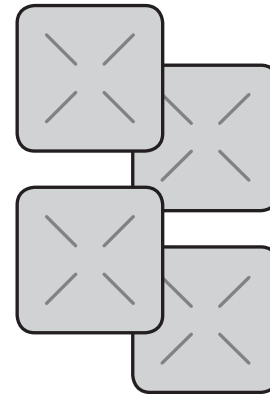
# WHOLE HOME POWER SCALABLE MODULAR APPROACH



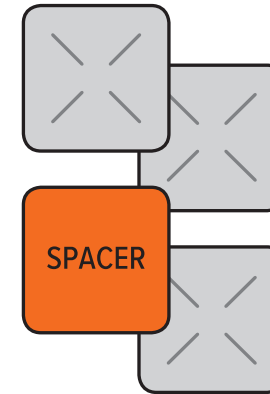
OR



OR



OR



# of Modules	6	5	4	3
Old Capacity (kWh)	17.1	14.3	11.4	8.6
<b>New Capacity (kWh)</b>	<b>18</b>	<b>15</b>	<b>12</b>	<b>9</b>

# RAPIDLY BUILDING CLEAN ENERGY DISTRIBUTION

## NATIONAL



## REGIONAL



## LONG TAIL



# Q3 2020 & LTM FINANCIAL OVERVIEW



	Actual Q3 2020 (unaudited)	Y/Y % Change	Actual LTM (unaudited)	Y/Y % Change
Residential	\$458.9	37.0%	\$1,380.3	23.8%
Industrial	176.2	(18.0%)	720.3	(17.9%)
Other	66.3	29.4%	214.4	16.5%
Net Sales	\$701.4	16.7%	\$2,315.0	6.4%
Gross Profit	\$276.1	27.0%	879.7	12.8%
% Margin	39.4%		38.0%	
<b>Adjusted EBITDA</b>	<b>\$178.8</b>	<b>41.9%</b>	<b>\$517.1</b>	<b>14.6%</b>
<b>% Margin (1)</b>	<b>25.5%</b>		<b>22.3%</b>	
Net Income - GHI (2)	\$115.0	52.1%	\$295.2	14.4%
Adjusted Net Income - GHI	\$132.9	47.7%	\$372.9	20.5%
<b>Adjusted EPS - GHI</b>	<b>\$2.08</b>	<b>45.4%</b>	<b>\$5.88</b>	<b>19.0%</b>
Free Cash Flow	\$148.3	47.1%	\$396.7	123.2%
Consolidated Gross Debt			\$889.6	
Consolidated Gross Debt Leverage Ratio			1.7x	

(1) Adjusted EBITDA (margin) calculated using adjusted EBITDA before deducting for non-controlling interest.

(2) LTM includes \$11.5 million of pre-tax charges relating to restructuring costs and asset write-downs to address the impact of COVID-19 pandemic; LTM also includes a \$10.9 million pre-tax charge related to the settlement of the Company's domestic pension plan.

# ADJUSTED EBITDA RECONCILIATION

	2016	2017	2018	2019	LTM
<b>Net income</b>	<b>\$97.2</b>	<b>\$159.6</b>	<b>\$241.2</b>	<b>\$252.3</b>	<b>\$292.2</b>
Interest expense	44.6	42.7	41.0	41.5	35.2
Depreciation and amortization	54.4	52.0	47.4	60.8	68.0
Income taxes provision	56.5	44.1	69.9	67.3	73.4
Non-cash write-down and other charges	7.5	5.8	3.5	0.8	1.4
Non-cash share-based compensation expense	9.5	10.2	14.6	16.7	19.5
Loss on extinguishment of debt	0.6	-	1.3	0.9	0.9
(Gain) loss on change in contractual interest rate	3.0	-	-	-	-
Transaction costs and credit facility fees	2.4	2.1	3.9	2.7	1.8
Loss on pension settlement, restructuring and other	0.9	0.8	1.8	11.0	24.6
<b>Adjusted EBITDA</b>	<b>\$276.5</b>	<b>\$317.3</b>	<b>\$424.6</b>	<b>\$454.1</b>	<b>\$517.1</b>
Adjusted EBITDA attributable to noncontrolling interests	(3.8)	(6.1)	(7.8)	(5.0)	(2.2)
<b>Adjusted EBITDA attributable to Generac Holdings, Inc.</b>	<b>\$272.7</b>	<b>\$311.2</b>	<b>\$416.8</b>	<b>\$449.1</b>	<b>\$514.9</b>

# ADJUSTED EBITDA RECONCILIATION



## Net income to Adjusted EBITDA reconciliation

	Three months ended September 30,		LTM Ended September 30,	
	2020 (unaudited)	2019 (unaudited)	2020 (unaudited)	2019 (unaudited)
Net income attributable to Generac Holdings, Inc.	\$114,970	\$75,574	\$295,189	\$257,968
Net income attributable to noncontrolling interests	265	(677)	(3,015)	1,101
Net income	115,235	74,897	292,174	259,069
Interest expense	8,096	10,704	35,197	41,445
Depreciation and amortization	17,168	15,494	68,013	55,125
Income taxes provision	32,050	20,064	73,390	73,862
Non-cash write-down and other charges	477	914	1,435	1,452
Non-cash share-based compensation expense	4,353	3,549	19,544	16,130
Loss on extinguishment of debt	-	-	926	-
Transaction costs and credit facility fees	568	358	1,837	3,470
Loss on pension settlement, restructuring and other	831	(27)	24,575	481
Adjusted EBITDA	178,778	125,953	517,091	451,034
Adjusted EBITDA attributable to noncontrolling interests	(920)	(909)	(2,193)	(5,848)
<b>Adjusted EBITDA attributable to Generac Holdings, Inc.</b>	<b>\$177,858</b>	<b>\$125,044</b>	<b>\$514,898</b>	<b>\$445,186</b>

# ADJUSTED NET INCOME AND FREE CASH FLOW RECONCILIATIONS

Net income to Adjusted net income reconciliation	Three months ended September 30,		LTM Ended September 30,	
	2020 (unaudited)	2019 (unaudited)	2020 (unaudited)	2019 (unaudited)
Net income attributable to Generac Holdings. Inc.	\$114,970	\$75,574	\$295,189	\$257,968
Net income attributable to noncontrolling interests	265	(677)	(3,015)	1,101
Net income	115,235	74,897	292,174	259,069
Provision for income taxes	32,050	20,064	73,390	73,862
Income before provision for income taxes	147,285	94,961	365,564	332,931
Amortization of intangible assets	7,892	7,406	31,985	25,319
Amortization of deferred financing costs and OID	654	1,221	3,055	4,792
Loss on extinguishment of debt	-	-	926	-
Transaction costs and credit facility fees	381	165	113	2,435
Loss on pension settlement, restructuring and other	531	567	24,186	1,011
Adjusted net income before provision for income taxes	156,743	104,320	425,829	366,488
Cash income tax expense	(23,620)	(15,083)	(53,089)	(55,053)
Adjusted net income	\$133,123	\$89,237	\$372,740	\$311,435
Adjusted net income attributable to noncontrolling interests	(198)	738	195	(1,989)
Adjusted net income attributable to Generac Holdings. Inc.	\$132,925	\$89,975	\$372,935	\$309,446
Free Cash Flow Reconciliation				
Net cash provided by operating activities	\$155,196	\$111,188	\$443,395	\$242,031
"Proceeds from beneficial interests in securitization transactions"	674	640	2,592	3,144
Expenditures for property and equipment	(7,608)	(11,071)	(49,295)	(67,471)
<b>Free cash flow</b>	<b>\$148,262</b>	<b>\$100,757</b>	<b>\$396,692</b>	<b>\$177,704</b>