Generac's mission is to ensure peace of mind by developing power products and solutions that make the world safer, brighter, and more productive.
Aaron Jagdfeld
PRESIDENT & CEO

York Ragen
CHIEF FINANCIAL OFFICER

Mike Harris
VICE PRESIDENT – CORPORATE DEVELOPMENT & INVESTOR RELATIONS

Kris Rosemann
INVESTOR RELATIONS MANAGER

(262) 506-6064
InvestorRelations@generac.com
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;
- 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, and distribution for certain of our products and services;
- 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, information technology systems, or connected products; and
- changes in environmental, health and safety, or product compliance laws and regulations affecting our products, operations, or customer demand.

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 2020 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

~7,900 EMPLOYEES

LTM NET SALES
$3.2 BILLION

LTM ADJ EBITDA
$807 MILLION
25.3% MARGIN

LTM FREE CASH FLOW
$561 MILLION

OMNI CHANNEL DISTRIBUTION
THOUSANDS OF DEALERS, WHOLESALERS,
RETAILERS AND E-COMMERCE PARTNERS

COMMERCIAL & INDUSTRIAL
26%

RESIDENTIAL
66%

OTHER
8%

DOING BUSINESS IN
OVER 150 COUNTRIES

OVER 500 ENGINEERS
WORLDWIDE
"Grid 2.0" - Evolution of the traditional electrical utility model
Technology, regulation and the "electrification of everything" 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 an important 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.

Home as a Sanctuary
Working, learning, shopping, entertaining, aging in place, and in general, spending more time at home.
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.

2021 figure assumes midpoint of guidance.

**Power Quality Issues Continue To Increase**
- Power outage severity increasing significantly over LT baseline average during 2017-2021
- 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=55M 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 and Texas markets for backup power increasing significantly**
- Represents two largest addressable market opportunities within U.S. for home standby generators
- HSB penetration rates in both states well below national average of ~5.0% (CA ~1%, TX ~3%)
- California - numerous power shutoff events impacting millions of customers in an attempt to mitigate risk of wildfires
- Texas – recent major outage event expected to accelerate demand for backup power over the next several quarters

**Energy Storage & Monitoring Markets Developing Quickly**
- New markets focused on energy cost reduction and resiliency
- 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 – low-single digits percentage 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

**Creating a Leading “Energy Technology Solutions” Company**

**15% Organic CAGR Since IPO in 2010**
ENERGY TECHNOLOGY SOLUTIONS

CONNECTIVITY & GRID SERVICES

- Residential DERs
  - Air-cooled Home Standby Generators
  - Liquid-cooled Home Standby Generators

- Energy Storage & Management DERs
  - PWRCell Battery Storage
  - Energy Monitoring & Management

- Commercial & Industrial DERs
  - Gaseous Generators Up to 1MW
  - Liquid-cooled commercial generators
  - Transfers Switches

Other Capabilities

- Portable Generators
- Chore Products
- Mobile Products

DER: Distributed Energy Resource – Generates, Stores or Manages Power
Increasing use of renewables leading to variability of supply and grid instability

Address peaks in electricity demand

Provides resiliency from outages

Digital platform enables assets to be connected more seamlessly as DERs

**ISO/Utilities/Energy Retailers**

**Virtual Power Plant (VPP) Network**

**Connectivity + Software Platform**

**Generac DER ASSETS**

GENERATE/STORE/MANAGE POWER

Residential + C&I End Users
CURRENT
- Generators: backup and beyond standby
- Battery storage systems
- Energy monitoring devices
- Energy management devices

NEAR TERM
- Generator integration within battery storage
- Next-gen load control with energy management devices
- DC generator integrated into battery storage system

FUTURE
- Generac’s Smart Grid Ready DER assets aggregated into Virtual Power Plant (VPP) solutions
- Bundling VPP solutions with vertical operational services that enable more turnkey solutions

GENERAC’S CAPABILITIES PROVIDE UNIQUE POSITION TO ENABLE UTILIZATION OF PRODUCTS AS DERs ON A VERY LARGE SCALE
ENERGY TECHNOLOGY – GENERAC’S ENERGY STORAGE SOLUTION

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

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

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

LOAD MANAGEMENT
- 50A and 100A Automatic Smart Management Modules

WHOLE HOME BACKUP
- 200 A and 100A Whole Home Transfer Switches

Coming Soon – Generator Integration, AC-Coupled Solution, Next-Gen Load Control, Integrated DC-Generator, Smart Grid Ready

PWRcell Whole Home Backup...
CLEAN & SIMPLE
2021 ACQUISITIONS

DEEP SEA ELECTRONICS

- Founded 1975
- Headquartered Hunmanby, UK
- Closed June 1st

Company Profile
- Designer and manufacturer of advanced controls for a range of energy technology applications.

Strategic Rationale
- Bolster electronics and controls capabilities.
- Accelerate product roadmap for the future by adding technical expertise and engineering bandwidth.
- Help advance Generac product use beyond standby power applications.
- Complex, systems-level controls for distributed generation, storage and other DER assets used in microgrid applications.
- DSE’s solutions will help enable the decentralized power grid of the future.

Chilicon Power

- Founded 2010
- Headquartered Los Angeles, CA
- Closed July 2nd

Company Profile
- Designer and provider of grid-interactive microinverter and monitoring solutions for the solar market.

Strategic Rationale
- Dramatically increase SAM via entry into solar-only inverter market, which represents 75-80% of residential solar installations.
- Global residential solar-only inverter market estimated to reach ~$4.5B by 2023 from ~$2.5B in 2020.
- Microinverters expand Clean Energy suite of solutions and deepen relationships with solar channel partners and installers.
- Apply proven Generac playbook previously used for other clean energy acquisitions with a focus on scaling the business.
Global Distribution Channels

Residential and C&I Dealer Network
- International network of over 10,000 dealers
- Installation and after sale service support
- Work with professional engineering firms to develop customized solutions
- Thousands of technicians trained each year
- Support for global large account sales

Significant Omni-Channel Distribution
Note: Adjusted EBITDA margin calculated using adjusted EBITDA before deducting for non-controlling interest.
Strong balance sheet and cash flow generation enables disciplined and balanced approach toward capital deployment that creates value for shareholders.

### CAPITAL DEPLOYMENT PRIORITIES

<table>
<thead>
<tr>
<th>#</th>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
</table>
| 1 | Organic Growth | - Invest in technology, innovation, and R&D capabilities  
- Capacity expansion; Global systems; High ROI automation |
| 2 | Pay Down Debt | - Target 2-3x leverage  
- Term Loan matures 2026, ABL matures 2026  
- $500mm notional swapped fixed |
| 3 | M&A | - Demonstrated ability to execute; 19 deals since 2011  
- Accelerates “Powering Our Future” strategic plan  
- Seek high synergy opportunities with above WACC returns |
| 4 | Return of Capital | - As future cash flow permits, will evaluate options opportunistically  
- $250mm remaining on current share repurchase authorization |

---

**Asset Lite**  
**Deleveraging Story**  
**Accelerate the strategy**  
**Opportunistic**
2021 BUSINESS OUTLOOK
(AS REPORTED ON JULY 28, 2021)

**Consolidated net sales**
- Consolidated revenue: increase between 47% to 50%
- Approximately 3% favorable impact from acquisitions and foreign currency
- Does not assume benefit of another major outage event in the second half of year

**Adjusted EBITDA margins**
- Between 24.5 to 25.0%

**Cash income tax rate**
- Between 21.0 to 21.5%

**Free cash flow**
- Conversion of adjusted net income of approximately 90%

Expect to Utilize Strong Free Cash Flow Generation to Increase Shareholder Value
Vertically Integrated Manufacturing Capacity Serving a Globally Diverse Commercial Footprint
SUMMARY OF ACQUISITIONS

Acquisitions Prior to 2016

- **Magnum** OCT. 2011
  - Stationary, mobile and portable generators sold into over 150 countries worldwide. Siena, Italy

- **Otto Motors** DEC. 2012
  - Gaseous-engine control systems and accessories sold to engine OEMs and aftermarket customers. Celle, Germany

- **The Light** AUG. 2013
  - Larger kW and container gensets; service and remote monitoring platform for Latin America market. Mexico City, Mexico

- **Baldor** NOV. 2013
  - Captiva Energy Solutions, founded in 2010 and headquartered in Kolkata, India specializes in customized industrial generators. Kolkata, India

- **MAC** OCT. 2014
  - The leading energy data company focused on metering technology and sophisticated analytics to optimize energy use. Vancouver, BC

- **Country Home Products** AUG. 2015

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)
A PENETRATION STORY

North American Penetration Opportunity

Aging Population Fits Demographic

- ~65% of buyers age 60 and older
- ~Median home value of approximately $425k
- ~80% retro-fit application
- ~$130K median household income
- Between 8-10% 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.
Elevated Baseline Outages + Major Events + Home as a Sanctuary = Catalysts for Growth

(1) Represents power outage hours for mainland U.S. only
PWRCELL® WHOLE HOME POWER COMPARISON

Note: Shaded lines represent market leading advantage in terms of power capability, with specific percentages as compared to Tesla.
# of Modules | 6 | 5 | 4 | 3
--- | --- | --- | --- | ---
Old Capacity (kWh) | 17.1 | 14.3 | 11.4 | 8.6
New Capacity (kWh) | 18 | 15 | 12 | 9
SOLAR INVERTER COMPARISON
FOR RESIDENTIAL APPLICATIONS

DC MLPE System
with Module-level Optimizers + Central Inverter

AC Microinverter System
with Module-level Microinverters

DC PWRzone System
with DC Sub-string Optimizers

AC 2:1 Microinverter System
with Module-level Microinverters

Performance Comparison

DC MLPE System
Microinverter System
DC PWRzone System
2:1 Microinverter System

FULL SUN
PARTIAL SUN
LOW SUN

Ideal Conditions
RAPIDLY BUILDING CLEAN ENERGY DISTRIBUTION

NATIONAL

REGIONAL

LONG TAIL
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
NET SALES BY PRODUCT CLASS

($'S IN MILLIONS)

Figures include results from acquisitions completed during 2011 – 2021; see slide titled “Summary of Acquisitions” for further details.
## Q2 2021 & LTM Financial Overview

($'s in Millions)

<table>
<thead>
<tr>
<th></th>
<th>Actual Q2 2021 (unaudited)</th>
<th>Y/Y % Change</th>
<th>Actual LTM (unaudited)</th>
<th>Y/Y % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>$600.0</td>
<td>75.8%</td>
<td>$2,099.7</td>
<td>67.1%</td>
</tr>
<tr>
<td>Industrial</td>
<td>254.3</td>
<td>64.2%</td>
<td>831.5</td>
<td>9.5%</td>
</tr>
<tr>
<td>Other</td>
<td>65.7</td>
<td>29.8%</td>
<td>258.7</td>
<td>29.8%</td>
</tr>
<tr>
<td>Net Sales</td>
<td>$920.0</td>
<td>68.2%</td>
<td>$3,189.9</td>
<td>44.0%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>$339.7</td>
<td>62.6%</td>
<td>1,237.9</td>
<td>50.8%</td>
</tr>
<tr>
<td>% Margin</td>
<td>36.9%</td>
<td></td>
<td>38.8%</td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$217.7</td>
<td>76.8%</td>
<td>$806.5</td>
<td>73.7%</td>
</tr>
<tr>
<td>% Margin (1)</td>
<td>23.7%</td>
<td></td>
<td>25.3%</td>
<td></td>
</tr>
<tr>
<td>Net Income - GHI (2)</td>
<td>$127.0</td>
<td>92.1%</td>
<td>$516.0</td>
<td>101.7%</td>
</tr>
<tr>
<td>Adjusted Net Income - GHI</td>
<td>$153.2</td>
<td>73.2%</td>
<td>$574.6</td>
<td>74.1%</td>
</tr>
<tr>
<td>Adjusted EPS - GHI</td>
<td>$2.39</td>
<td>71.1%</td>
<td>$8.98</td>
<td>71.8%</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$96.3</td>
<td>8.2%</td>
<td>$561.1</td>
<td>60.7%</td>
</tr>
<tr>
<td>Consolidated Gross Debt</td>
<td>$870.6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consolidated Gross Debt Leverage Ratio</td>
<td>1.1x</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

($'S IN MILLIONS)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$159.6</td>
<td>$241.2</td>
<td>$252.3</td>
<td>$347.2</td>
<td>$518.1</td>
</tr>
<tr>
<td>Interest expense</td>
<td>42.7</td>
<td>41.0</td>
<td>41.5</td>
<td>33.0</td>
<td>31.5</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>52.0</td>
<td>47.4</td>
<td>60.8</td>
<td>68.8</td>
<td>75.3</td>
</tr>
<tr>
<td>Income taxes provision</td>
<td>44.1</td>
<td>69.9</td>
<td>67.3</td>
<td>99.0</td>
<td>152.8</td>
</tr>
<tr>
<td>Non-cash write-down and other charges</td>
<td>5.8</td>
<td>3.5</td>
<td>0.8</td>
<td>(0.3)</td>
<td>(4.4)</td>
</tr>
<tr>
<td>Non-cash share-based compensation expense</td>
<td>10.2</td>
<td>14.6</td>
<td>16.7</td>
<td>20.9</td>
<td>23.3</td>
</tr>
<tr>
<td>Loss on extinguishment of debt</td>
<td>-</td>
<td>1.3</td>
<td>0.9</td>
<td>-</td>
<td>0.8</td>
</tr>
<tr>
<td>Transaction costs and credit facility fees</td>
<td>2.1</td>
<td>3.9</td>
<td>2.7</td>
<td>2.2</td>
<td>7.6</td>
</tr>
<tr>
<td>Loss on pension settlement, restructuring and other</td>
<td>0.8</td>
<td>1.8</td>
<td>11.0</td>
<td>13.1</td>
<td>1.5</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$317.3</td>
<td>$424.6</td>
<td>$454.0</td>
<td>$583.8</td>
<td>$806.5</td>
</tr>
<tr>
<td>Adjusted EBITDA attributable to noncontrolling interests</td>
<td>(6.1)</td>
<td>(7.8)</td>
<td>(5.0)</td>
<td>(2.4)</td>
<td>(6.5)</td>
</tr>
<tr>
<td>Adjusted EBITDA attributable to Generac Holdings, Inc.</td>
<td>$311.2</td>
<td>$416.8</td>
<td>$449.0</td>
<td>$581.4</td>
<td>$799.9</td>
</tr>
</tbody>
</table>
ADJUSTED EBITDA RECONCILIATION

($’S IN MILLIONS)

<table>
<thead>
<tr>
<th>Net income to Adjusted EBITDA reconciliation</th>
<th>Three months ended June 30,</th>
<th>LTM Ended June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021 (unaudited)</td>
<td>2020 (unaudited)</td>
</tr>
<tr>
<td>Net income attributable to Generac Holdings. Inc.</td>
<td>$127,036</td>
<td>$66,145</td>
</tr>
<tr>
<td>Net income attributable to noncontrolling interests</td>
<td>873</td>
<td>(2,553)</td>
</tr>
<tr>
<td>Net income</td>
<td>127,909</td>
<td>63,592</td>
</tr>
<tr>
<td>Interest expense</td>
<td>7,721</td>
<td>7,932</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>21,229</td>
<td>16,803</td>
</tr>
<tr>
<td>Income taxes provision</td>
<td>46,362</td>
<td>18,473</td>
</tr>
<tr>
<td>Non-cash write-down and other charges</td>
<td>1,173</td>
<td>(893)</td>
</tr>
<tr>
<td>Non-cash share-based compensation expense</td>
<td>6,973</td>
<td>5,400</td>
</tr>
<tr>
<td>Loss on extinguishment of debt</td>
<td>831</td>
<td>-</td>
</tr>
<tr>
<td>Transaction costs and credit facility fees</td>
<td>5,172</td>
<td>358</td>
</tr>
<tr>
<td>Loss on pension settlement, restructuring and other</td>
<td>309</td>
<td>11,475</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>217,679</td>
<td>123,139</td>
</tr>
<tr>
<td>Adjusted EBITDA attributable to noncontrolling interests</td>
<td>(2,015)</td>
<td>(132)</td>
</tr>
<tr>
<td>Adjusted EBITDA attributable to Generac Holdings, Inc.</td>
<td>$215,664</td>
<td>$123,007</td>
</tr>
</tbody>
</table>
## ADJUSTED NET INCOME AND FREE CASH FLOW RECONCILIATIONS

($’S IN MILLIONS)

### Net income to Adjusted net income reconciliation

<table>
<thead>
<tr>
<th></th>
<th>Three months ended June 30,</th>
<th>LTM Ended June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021 (unaudited)</td>
<td>2020 (unaudited)</td>
</tr>
<tr>
<td>Net income attributable to Generac Holdings, Inc.</td>
<td>$127,036</td>
<td>$66,145</td>
</tr>
<tr>
<td>Net income attributable to noncontrolling interests</td>
<td>873</td>
<td>(2,553)</td>
</tr>
<tr>
<td>Net income</td>
<td>127,909</td>
<td>63,592</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>46,362</td>
<td>18,473</td>
</tr>
<tr>
<td>Income before provision for income taxes</td>
<td>174,271</td>
<td>82,065</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>11,052</td>
<td>7,667</td>
</tr>
<tr>
<td>Amortization of deferred financing costs and OID</td>
<td>649</td>
<td>644</td>
</tr>
<tr>
<td>Loss on extinguishment of debt</td>
<td>831</td>
<td>-</td>
</tr>
<tr>
<td>Transaction costs and credit facility fees</td>
<td>4,954</td>
<td>191</td>
</tr>
<tr>
<td>Loss on pension settlement, restructuring and other</td>
<td>-</td>
<td>11,460</td>
</tr>
<tr>
<td>Adjusted net income before provision for income taxes</td>
<td>191,757</td>
<td>102,027</td>
</tr>
<tr>
<td>Cash income tax expense</td>
<td>(37,406)</td>
<td>(13,877)</td>
</tr>
<tr>
<td>Adjusted net income</td>
<td>$154,351</td>
<td>$88,150</td>
</tr>
<tr>
<td>Adjusted net income attributable to noncontrolling interests</td>
<td>(1,121)</td>
<td>342</td>
</tr>
</tbody>
</table>

**Adjusted net income attributable to Generac Holdings, Inc.** $153,230 $88,492 $574,584 $329,985

### Free Cash Flow Reconciliation

|                                | Three months ended June 30, | LTM Ended June 30, |
|                                | 2021 | 2020 | 2021 | 2020 |
| Net cash provided by operating activities | $122,450 | $101,768 | $648,412 | $399,387 |
| Proceeds from beneficial interests in securitization transactions | 651 | 706 | 2,690 | 2,558 |
| Expenditures for property and equipment | (26,753) | (13,438) | (90,018) | (52,758) |
| **Free cash flow** | **$96,348** | **$89,036** | **$561,084** | **$349,187** |