

**KeyBanc Industrial
Conference**
May 31, 2017



Investor Relations

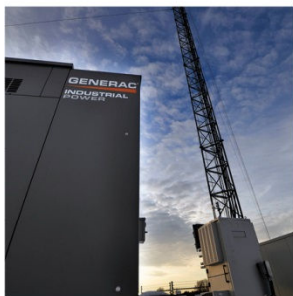
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About Generac

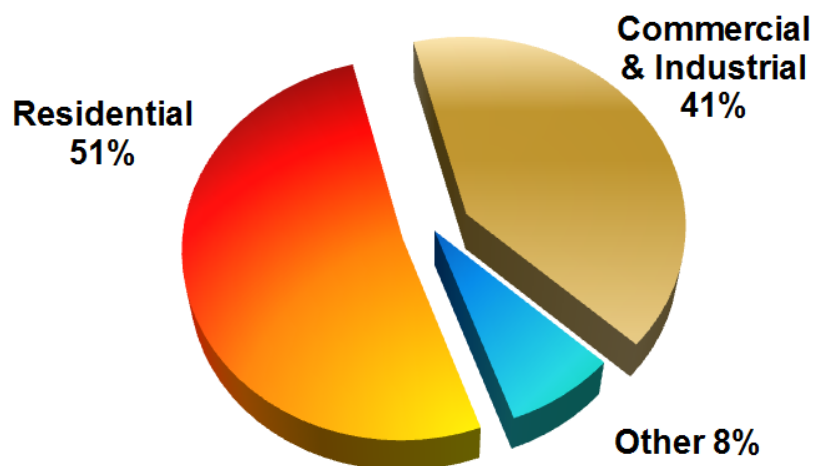


Leading designer and manufacturer of a wide range of **power generation equipment** and **other engine powered products**

Variety of end markets include residential, light commercial and industrial

Global distribution network of independent dealers, distributors, retailers, wholesalers and equipment rental companies, and also sold direct to certain end users

2017 LTM Sales:
\$1.490 billion

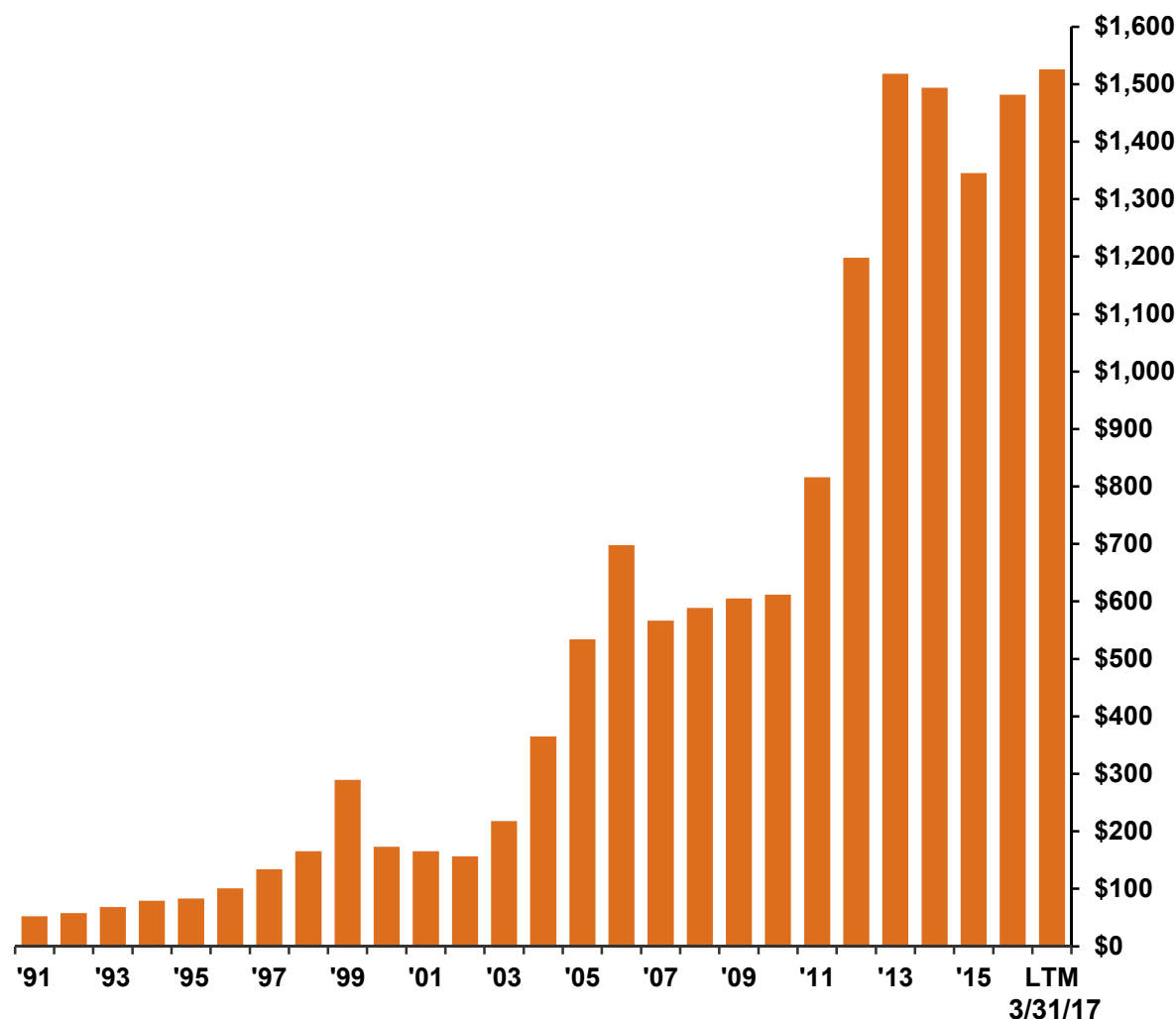


Global manufacturing, distribution, fulfillment and commercial footprint with facilities located in the **U.S., Latin America, Europe and Asia.**

Ten acquisitions completed since 2011, including recent strategic acquisitions of Pramac and Motortech

Approx. **4,500 employees**
(as of 1/1/2017)

Track Record of Innovation & Growth



History of Innovation Driving Organic Growth

- Commercialized affordable home standby generators and light-commercial generators
- Differentiated distribution model
- Over 300 engineers on staff as of 12/31/16
- Natural gas and Bi-Fuel™ expertise
- Modular Power System (MPS) approach for industrial applications
- A.M.P.™ targeted marketing process and PowerPlay™ in-home selling solution for home standby generators
- Continued focus on new product introductions

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 – 2017; see slide titled "Summary of Acquisitions" for further details.

“Powering Ahead” Strategic Plan



DRIVE CONTINUED INCREASE IN THE PENETRATION RATE OF HOME STANDBY GENERATORS



- Increase awareness, availability and affordability
- Generate more sales leads
- Improve close rates
- Reduce total overall cost of home standby system
- Grow residential dealer base
- Continued focus on product expansion & innovation

EXPANSION OF C&I PRODUCTS FAVORABLY POSITIONS TO CONTINUE GAINING MARKET SHARE



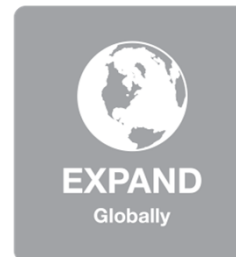
- Leverage expanded product offering
- Better optimize distribution partners to market, sell and support expanded product range
- Expand relationships with specifying engineers to increase spec rates
- Sales process excellence to improve quoting and close rates

CAPITALIZE ON OUR COMPETITIVE ADVANTAGES WITH GASEOUS-FUELED PRODUCTS



- Leverage deep technical capabilities for gaseous-fueled products, including recent Motortech acquisition
- Capitalize on faster-growing natural gas generator market vs. diesel
- Explore new gaseous-generator related market opportunities
- Natural gas viewed more favorably as a cleaner fuel

GROWING AND IMPROVING PROFITABILITY WITHIN OUR GLOBAL BUSINESS



- Leverage global footprint to serve over \$13B annual market outside of U.S. & Canada
- Improve margins by executing on several revenue and cost synergies
- Drive organic growth in existing markets with additional investment and focus, including gaseous-fueled products opportunity
- Expand into additional regions through organic means and acquisitions

Consumer Power Products



**Air-cooled
Home Standby
Generators**

Emergency backup –
small to medium homes



**Liquid-cooled
Home Standby
Generators**

Emergency backup –
larger homes & small
businesses



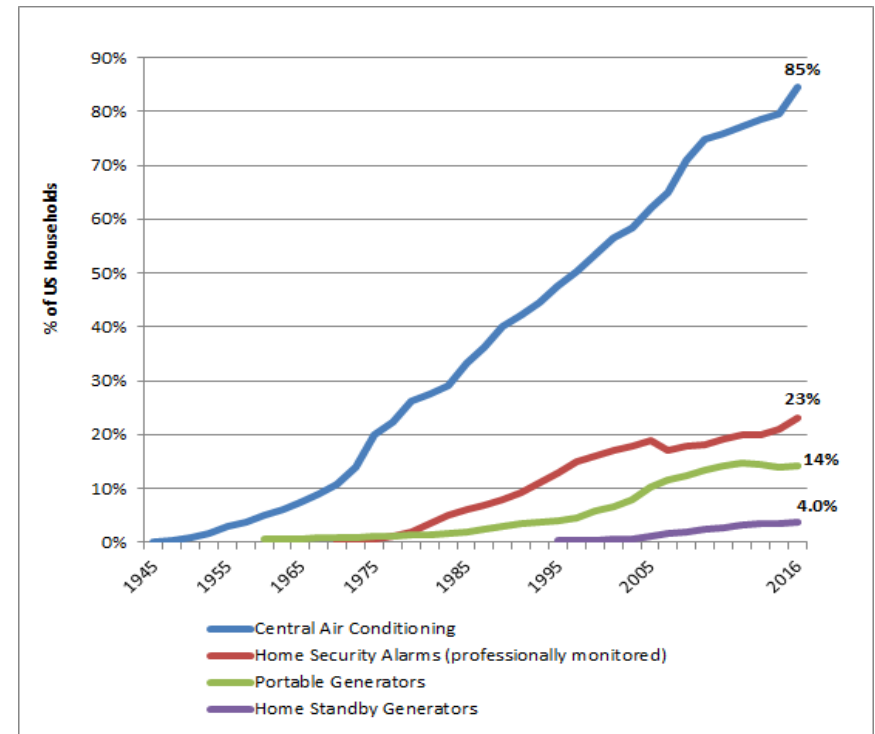
**Portable &
Inverter
Generators**

Emergency home backup,
construction, recreation
& other light duty uses

Long-Term Growth Themes

- **Key drivers:** aging and underinvested grid, favorable demographics, heightened power outages
- **Low penetration of emerging HSB category:** ~4.0% of addressable households within the U.S.
- **Market leader:** leading share of domestic HSB market with significant barriers to entry; high-20% share of portable generator market
- **Key strategic initiatives:** further improve lead generation, close rates and reduce total system cost
- **Strong historical organic growth:** ~7% CAGR for home standby generators from 2011-2016

North American Penetration Opportunity⁽¹⁾



(1) Source: Company estimates; based on addressable market for HSB generators consisting of all single-family detached, owner-occupied homes valued > \$100K; 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.

Aging Population Fits Demographic⁽²⁾

- ~70% of buyers age 50 and older
- ~45% of homes valued under \$300k
- ~80% retro-fit application

Every 1% of increased penetration equals ~ \$2 billion of market opportunity

C&I Stationary Products



20kW to 3.5MW⁽¹⁾



Larger kW & Container Gensets

Prime and emergency backup – both regulated and non-regulated markets



Industrial Stationary Generators

Emergency backup – large healthcare, telecom, municipal, manufacturing



Commercial Stationary Generators

Emergency backup – small to mid-sized retail, telecom, municipal

(1) Up to 3.5MW for single-engine generators; Modular Power Systems (MPS) extend up to 100MW

Long-Term Growth Themes

- **Natural gas generators:** gaining share vs. diesel
- **Market share gains:** larger-kW product offering, distribution optimization, sales process excellence
- **International expansion:** Pramac acquisition accelerates expansion into other regions of the world
- **Expansion of gaseous-fueled products:** market entry into continuous-duty and prime applications
- **“Optional standby” market:** low penetration within the light commercial/retail market
- **Telecom:** growing importance of backup power for critical telecommunications infrastructure

- Acquired in March 2016
- Based in Siena, Italy
- Leading global manufacturer of C&I stationary and mobile generators, and portable generators
- Products sold into over 150 countries worldwide through a broad distribution network
- Significantly expands geographic footprint and doubles international sales mix outside U.S. & Canada



Elevates Generac to a major player in the global power generation market



~\$3B Domestic, >\$16B Global Market⁽²⁾

Non-Residential Construction



Telecom



Commercial Healthcare



Retro-Fit Application



Data Centers Government Industrial



(2) Frost & Sullivan, SBI, EGSA, Generac estimates

C&I Mobile Products



Light Towers

Mobile Generators

Heaters & Pumps

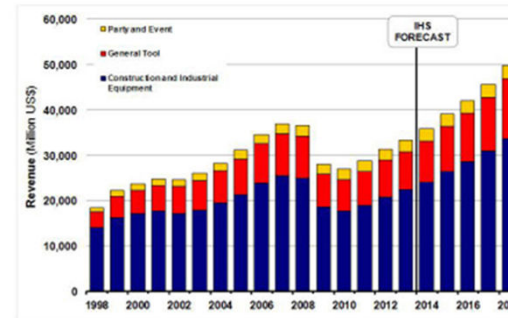
- Temporary lighting, power, heating and de-watering
- Construction, energy, special events, road development, airlines and other general rental markets
- Rental equipment companies a key channel

Long-Term Growth Themes

- **Secular shift toward renting:** mobile products platform benefitting 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 domestic energy production:** multi-decade upcycle for mobile support equipment that is essential to oil & gas drilling and production sites
- **Flaring restrictions:** regulatory environment increasing demand for gaseous fueled generators that run on well gas

Mobile Equipment - Rental vs. Buy

Total U.S. Equipment Rental Revenue



Source: ARA Rental Market Monitor, IHS Economics - July 2016 forecast

- Overall industry projected to grow at ~ 5% CAGR from 2016-20
- Construction and industrial projected to grow at a similar level



RENTAL MARKET: ~\$12B ANNUAL SPEND



SPECIALTY RENTS – MINING, OIL & GAS



EVENT



GENERAL RENTAL

- ☒ POWER, LIGHTING & HVAC
- ☒ PRESSURE WASHERS & PUMPS
- ☐ PLUMBING & PIPES
- ☐ AIR COMPRESSOR EQUIPMENT
- ☐ COMPACTION
- ☐ CONCRETE & MASONRY
- ☐ EARTHMOVING EQUIPMENT
- ☐ FORKLIFT & MATERIAL HANDLING
- ☐ POWER TOOLS & SURVEY
- ☐ SURFACE PREPARATION
- ☐ TRENCH SAFETY
- ☐ VEHICLES & TRAFFIC CONTROL
- ☐ WELDERS

Source: Generac estimates; Public Reports, Third-Party Industry Reports

Power Equipment



Chore-Related Outdoor Power Equipment

- Pressure washers
- Water pumps
- Field & brush mowers
- Trimmer mowers
- Chippers & shredders
- Log splitters
- Lawn & leaf vacuums
- Stump grinders

Wide variety of property maintenance applications:

- Larger-acreage residential
- Light commercial
- Municipal
- Farm

Long-Term Growth Themes

- **Diversification with “chore” products:** expanding line of other engine-powered products that is not dependent on power outage activity
- **CHP acquisition:** significantly expands power equipment platform and provides additional scale to better optimize production and supply chain
- **Revenue synergies:** attractive cross-selling opportunities for CHP products with nat'l retailers, plus expanded D2C capabilities for legacy residential products
- **D2C marketing best practices:** leverage CHP's consumer marketing expertise to further broaden the appeal of home standby generators

Country Home PRODUCTS



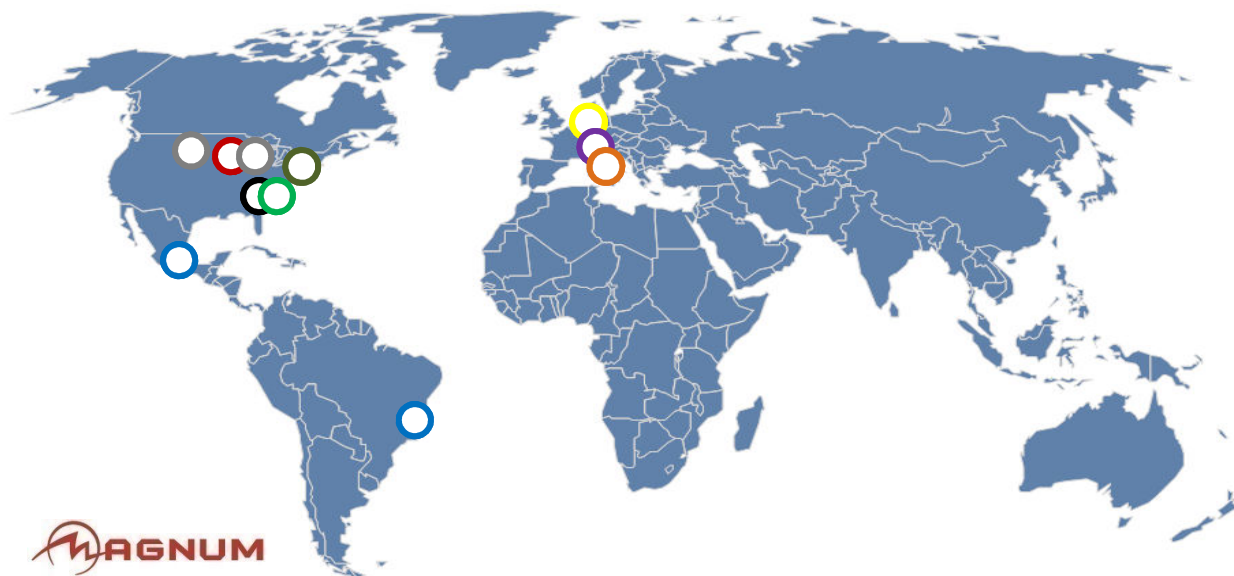
- Acquired in August 2015
- Based in Vergennes, VT
- Expands chore-related products line-up by adding a broad line of specialty outdoor power equipment
- Provides additional scale to the residential power equipment platform
- Products are largely sold in North America through catalogs, outdoor power equipment dealers, and select regional retailers

Estimated Potential Annual Market
~\$3B⁽¹⁾



(1) Source: Generac estimates; based on sales price to Generac customers

Summary of Acquisitions



Acquisitions used to accelerate Powering Ahead 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



Oct 2011



Oct 2014



MOBILE PRODUCTS

Mobile products including light towers, generators, pumps and heaters
Berlin, WI
Bismarck, ND



Dec 2012



OTTOMOTORES

Larger kW and container gensets for Latin America market
Mexico City, Mexico &
Curitiba, Brazil



Aug 2013



TOWER LIGHT

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



Nov 2013



BALDOR GENERATORS

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



Aug 2015



CHP

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



Mar 2016



PRAMAC

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



Jan 2017

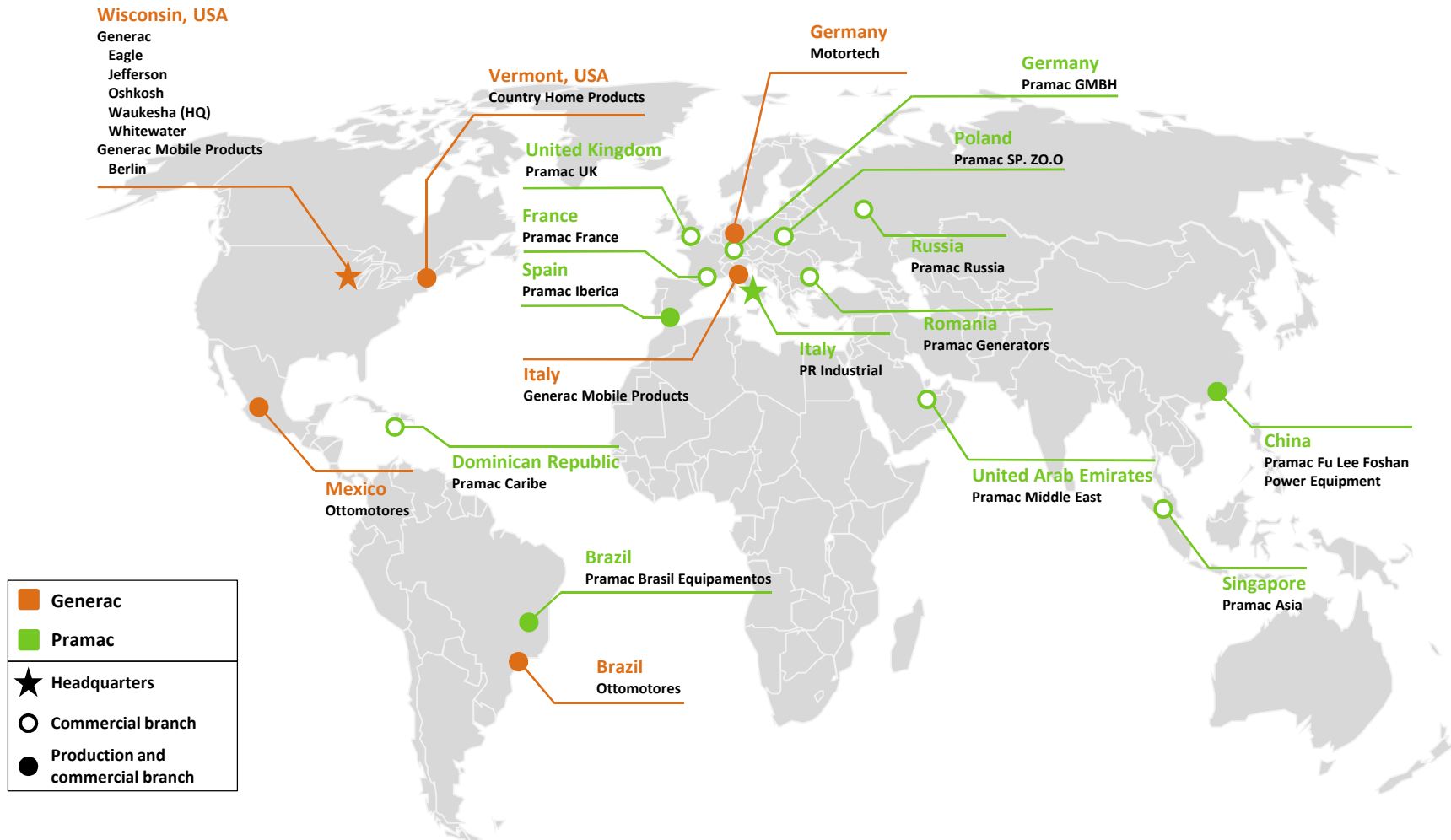


MOTORTECH

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



Generac Worldwide



Vertically Integrated Manufacturing Capacity Serving a Globally Diverse Commercial Footprint

GLOBAL DISTRIBUTION CHANNELS



RESIDENTIAL AND C&I DEALER NETWORK

- International network of over 6,000 dealers
- Legacy Generac domestic network
 - ~5,500 residential & light commercial dealers
 - ~135 industrial distributor and GAIN dealer locations
- Installation and after sale service support
- Work with professional engineering firms to develop customized solutions
- Over 4,000 technicians trained every year
- Support for global large account sales
- Multiple programs to support all product segments and investment levels



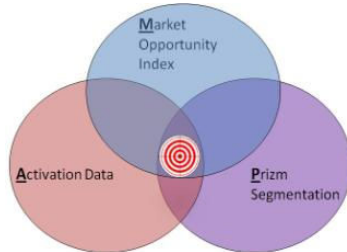
Significant Omni-Channel Distribution Creates Barriers to Entry

Innovative Sales and Marketing Tools



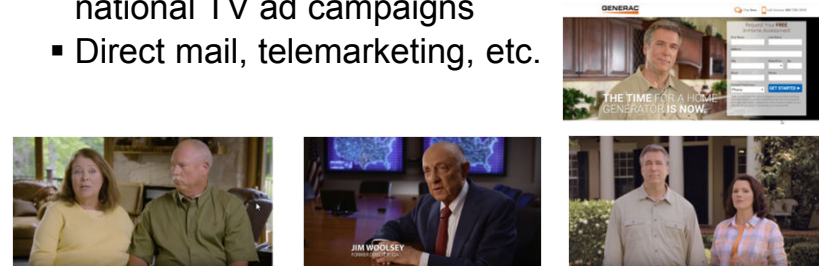
Finding the most “likely” prospect

- A.M.P.™ targeted marketing process”
- Advanced data analytics



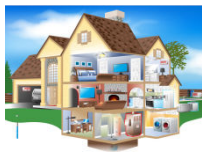
Driving optimized media selection

- “Power You Control” infomercial and other national TV ad campaigns
- Direct mail, telemarketing, etc.

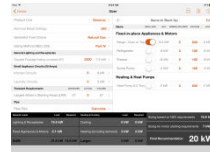


Improving close rates

- PowerPlay™ in-home selling solution
- IHC University sales training
- Reducing total cost of ownership



Consultative Back-Up Power Plan



NEC Approved Technical Generator Sizing



Customized Good-Better-Best Proposal



Customized Financing Proposal

Scheduling in-home consultations (IHC)

- Generac Lead Team qualifies sales prospects



- ✓ TYPE OF HOME
- ✓ COVERAGE OPTIONS
- ✓ BUDGET
- ✓ OUTAGE HISTORY
- ✓ PAIN POINTS
- ✓ SCHEDULING

LEAD GENERATION



GENERAC
LEAD TEAM
QUALIFICATION



IN HOME
CONSULTATION



CLOSED SALE

GLT FOLLOW-UP



INSTALLATION

2017 Business Outlook

As reported on April 27, 2017



Consolidated net sales: *increase between 5 to 7%; core organic sales increase between 1 to 3%*

- Acquisitions of Pramac and Motortech are expected to contribute ~5% growth
- ~1% negative impact from foreign currency
- Assumes power outage severity level for remainder of year similar to that experienced during 2016 excluding the impact of Hurricane Matthew
- Should baseline outage environment improve or if there's a "major" outage event in 2017, likely could exceed these expectations (avg. major event could add between \$25 to \$50 million of additional sales)

Adjusted EBITDA margins: *between 19.0 to 19.5%*

- Should product/geographic mix seen in Q1 2017 continue for remainder of year, net sales could be toward higher end of guided range and Adjusted EBITDA margin could be toward lower end of range

Cash income tax rate: *approximately 15% of pretax income*

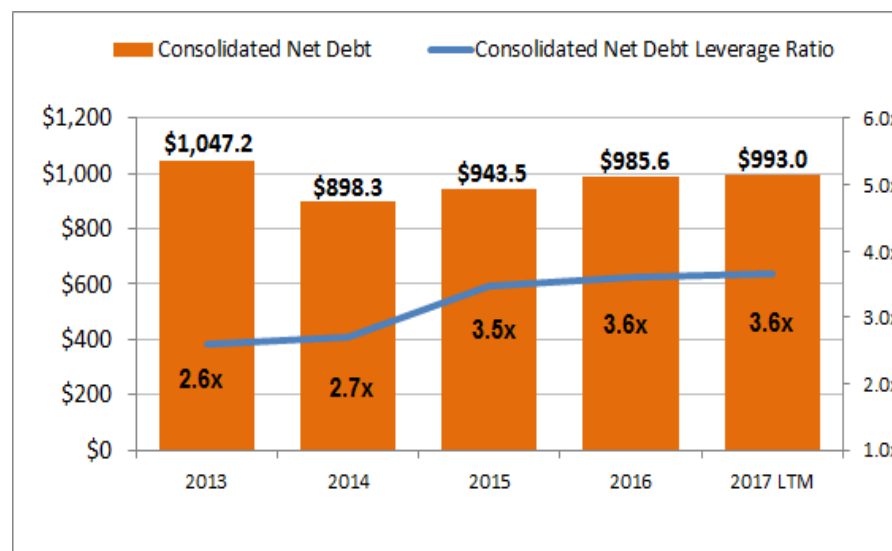
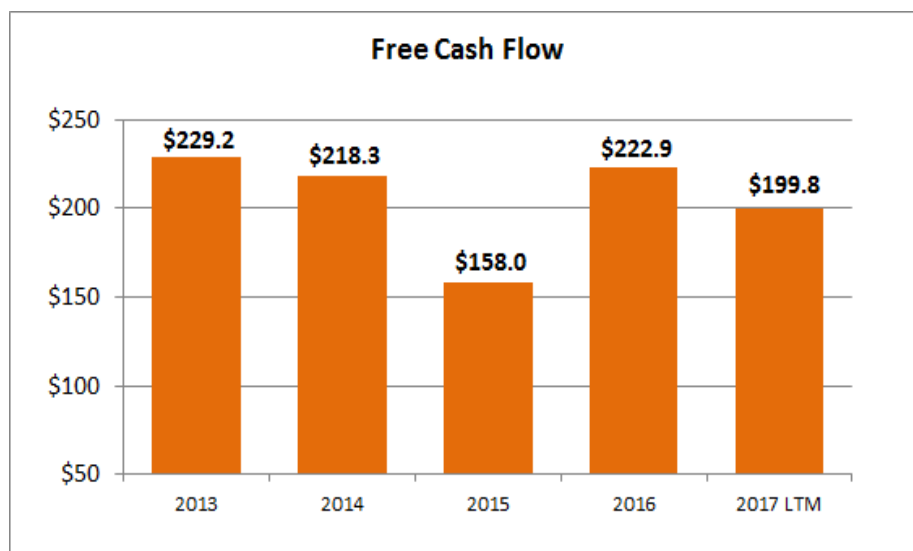
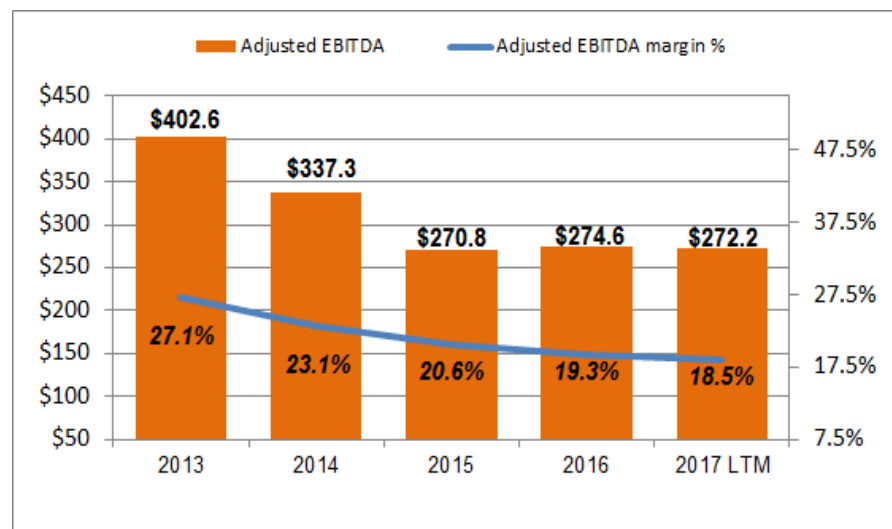
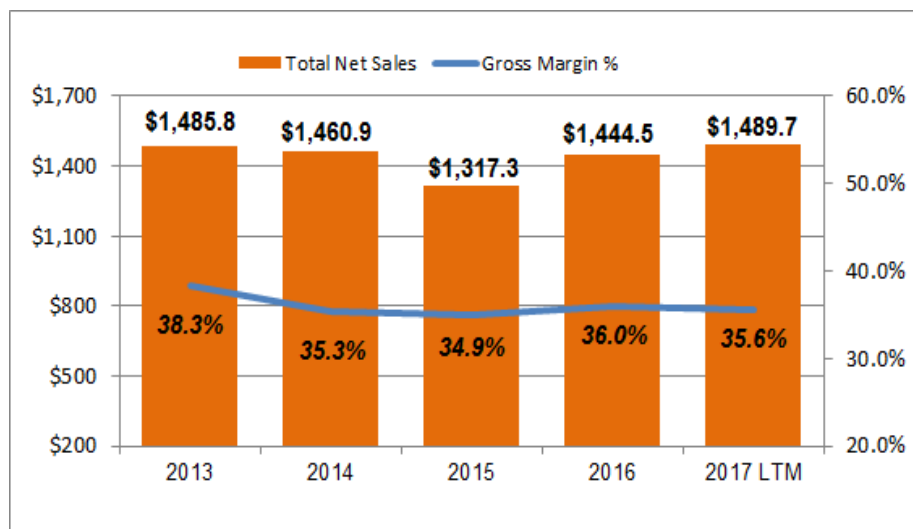
Free cash flow: *solid conversion of adjusted net income over 90%*

Expect to Utilize Strong Free Cash Flow Generation in Variety of Ways to Increase Shareholder Value

APPENDIX



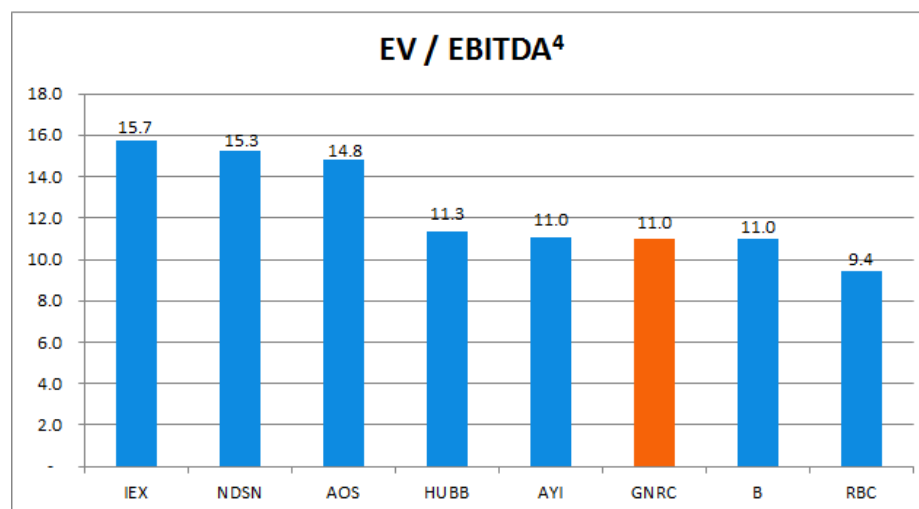
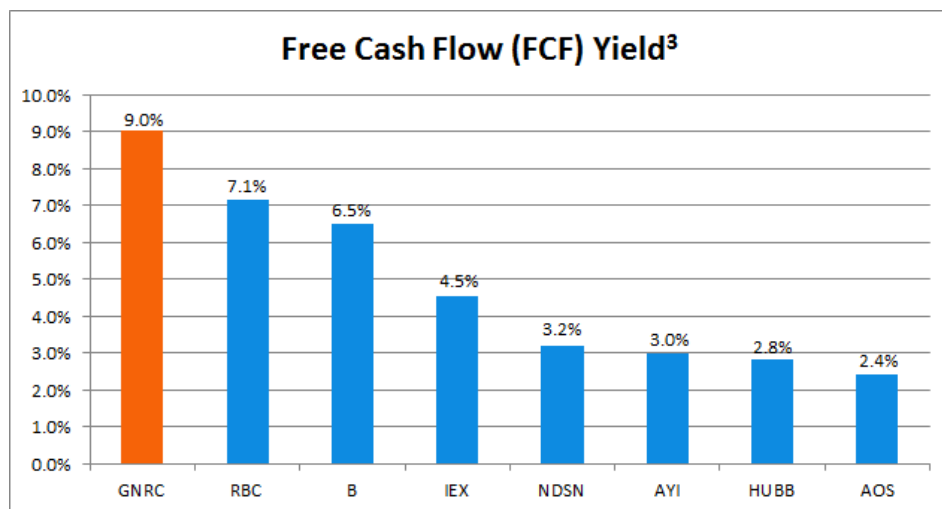
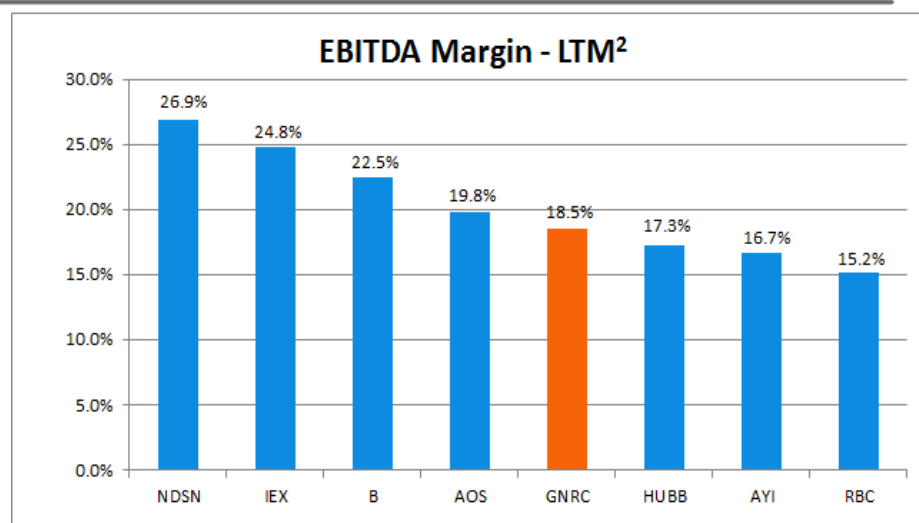
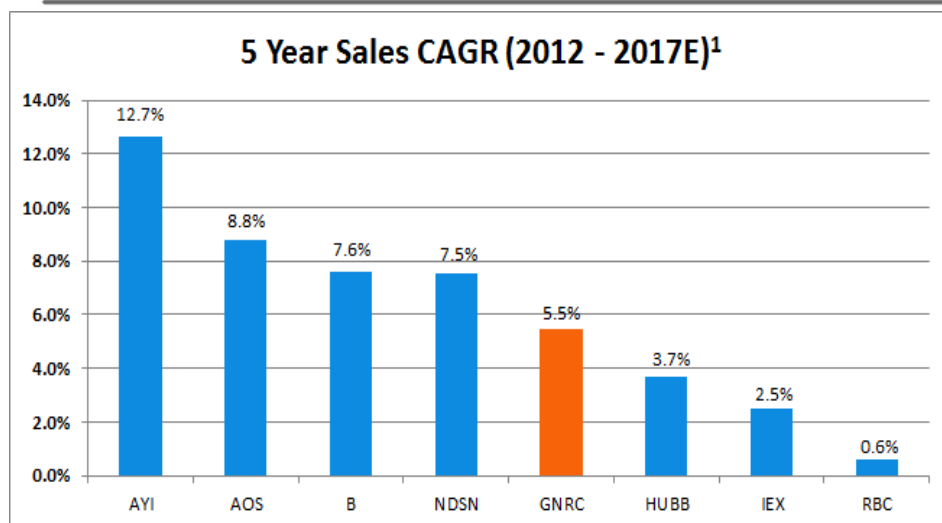
Financial Summary



Note: Gross margin for 2016 excludes a \$2.7 million non-recurring charge relating to business optimization and restructuring costs to address the significant and extended downturn in capital spending within the oil & gas industry and a \$3.4 million non-recurring expense related to a pre-tax purchase accounting inventory step-up adjustment related to Pramac. Adjusted EBITDA margin for 2016 and 2017 LTM calculated using adjusted EBITDA before deducting for non-controlling interest. Consolidated net debt leverage ratio for 2016 and 2017 LTM calculated using adjusted EBITDA attributable to the Generac.

Relative Performance

Compared with Industrial Technology Peers



Source: Thomson One, Company Filings Note: Charts for Free Cash Flow Yield and Enterprise Value / NTM EBITDA use closing share prices as of May 24, 2017.

(1) Figures represent a five-year compound annual growth rate calculated by comparing the base year 2012 to the analyst consensus revenue forecast for 2017 for each company.

(2) Adjusted EBITDA figures were used for GNRC. For all other companies, EBITDA is calculated as Operating Income plus D&A.

(3) Determined by taking the ratio of FCF (Operating Cash Flow less Capex) on an LTM basis compared to Market Capitalization.

(4) Based on recent enterprise value to consensus NTM EBITDA estimates. Figure for GNRC determined by subtracting the value of the tax shield in determining enterprise value.

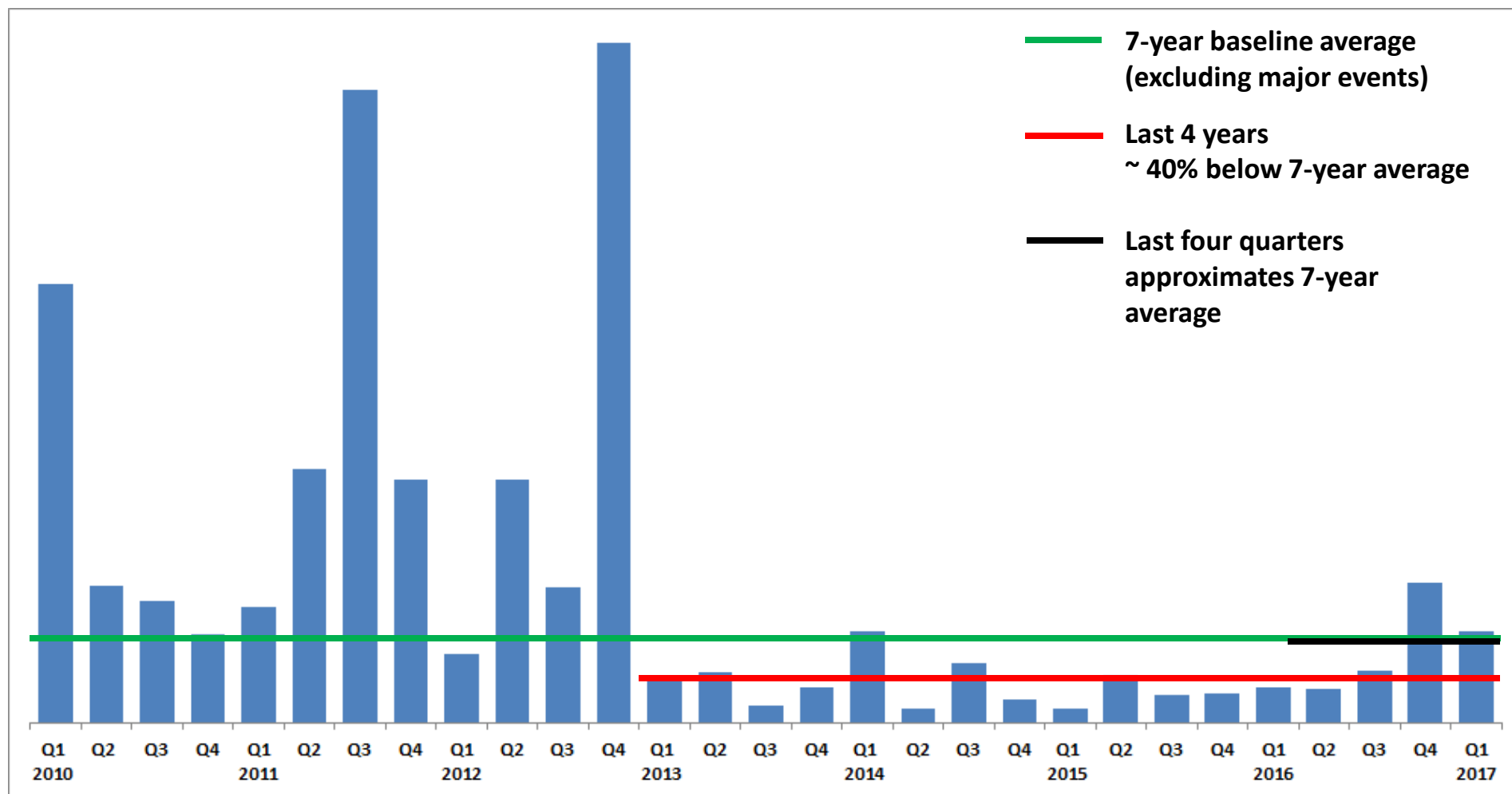
Financial Policy

Priority Uses of Capital



		Historical	Expected
1	Continue to invest in business	<ul style="list-style-type: none"> Capex % of sales ~2% over past 5 years (2012-2016) R&D % of sales ~2% as well 	<ul style="list-style-type: none"> Support market-driven R&D Invest in high-ROI capital spending projects and capacity expansion
2	Publicly-stated credit agreement leverage target of 2-3X EBITDA (while meeting Excess Cash Flow payment requirements per Credit Agreement)	<ul style="list-style-type: none"> <i>Credit agreement leverage ratio</i>*: 3.6X at end of Q1 2017 Term loan credit agreement maturity 2023 Recent amendment reduced interest rate to LIBOR + 2.25% (w/ LIBOR floor of 0.75%) <p>* Net debt calculation places a cap on cash</p>	<ul style="list-style-type: none"> Comfortable with current leverage metrics at current cost of TLB debt of ~3.5% Higher priority on debt paydown IF interest rates rise and/or net leverage ratio exceeds 3.0X Maintain strong liquidity profile
3	Explore acquisitions for external growth	<ul style="list-style-type: none"> Ten acquisitions completed since 2011 	<ul style="list-style-type: none"> Seek high-synergy acquisitions in line with Powering Ahead strategy
4	Return of capital to shareholders	<ul style="list-style-type: none"> Special dividends issued in Q2 2012 and Q2 2013 \$250 million of share repurchase since 2015 \$200 million remaining on current authorization 	<ul style="list-style-type: none"> As future cash flow permits, may consider further return of capital to shareholders

Total Outage Hours (Severity)



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 by approx. \$50 million per year through 2021

(\$ mm)	Total	2017	2018	2019	2020	2021	2022+
Annual tax amortization	\$653	\$130	\$130	\$130	\$130	\$107	\$27
Cash tax savings ⁽¹⁾	\$251	\$50	\$50	\$50	\$50	\$41	\$10

Results in present value tax savings of ~ \$175-\$225 million⁽²⁾ or \$2.75-\$3.50 per share

(1) Assuming continued profitability and no limitations at an assumed 38.5% federal and state tax rate.

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

Comparison - Tesla Powerwall 2



Standalone Backup Power Comparison – Battery vs. HSB generator

	Tesla Powerwall battery	Generac Guardian HSB generator
Size	14 kWh	22 kW
Backup power duration	3 to 11 hrs. based on load	Unlimited
Power capacity - continuous	5.0 kW	22.0/19.5 kW LP/NG
Power capacity - peak	7.0 kW	22.0/19.5 kW LP/NG
House backup potential	Limited appliances ⁽¹⁾	Whole house
Cost of unit	\$5,500 (retail price)	\$4,799 MSRP
Cost to install (approx.)	\$2,500	\$3,200
Total system cost (approx.)	\$8,000 (incl. unit markup)	\$8,000
Total system cost - 48 hrs. backup protection (approx.)	\$25,000 (requires 4 units - see below)	\$8,000



16/20/22 kW

GENERAC

specifications

Generator Model	006459-0, 006461-0, 006462-0, 006721-0 (16 kW)	006729-0, 006730-0, 006731-0 (20 kW)	006551-0, 006552-0 (22 kW)
Rated Maximum Continuous Power Capacity (kW)	16,000 Watts*	20,000 Watts*	22,000 Watts*
Rated Maximum Continuous Power Capacity (V/G)	16,000 Watts*	18,000 Watts*	19,500 Watts*
Rated Voltage	240	240	240
Rated Maximum Continuous Load Current – 240 Volts (LP/NG)	66.6/66.6	83.3/75	91.6/81.3
Total Harmonic Distortion	Less than 5%	Less than 5%	Less than 5%
Main Line Circuit Breaker	65 Amp	90 Amp	100 Amp
Phase	1	1	1
Number of Rotor Poles	2	2	2
Rated AC Frequency	60 Hz	60 Hz	60 Hz
Power Factor	1.0	1.0	1.0
Battery Requirement (not included)	Group 26R, 12 Volts and 525 CCA Minimum		
Unit Weight (lb/kg)	513/232.7 (Steel) 448/203.2 (Aluminum)	516/234.1	526/238.6
Dimensions (L x W x H) in/mm	48 x 25 x 29/1218 x 638 x 732		
Sound output in dB(A) at 23 ft (7 m) with generator operating at normal load**	66	66	67
Sound output in dB(A) at 23 ft (7 m) with generator in Quiet-Test™ low-speed exercise mode**	60	60	58
Exercise duration	5 min	5 min	5 min

Inputs	Notes
Capacity of Powerwall battery (kWh)	14
Battery cost (to installer)	\$ 5,000
Markup on battery (approx.)	10% Battery cost to end user \$ 5,500
Inverter cost (N/A - included in unit)	\$ - Converts DC/AC, also serves as a charger/monitor and the intelligence/controls to the system
Professional install cost/other equipment (approx.)	\$ 2,500 Labor, permits, software and electrical equipment to wire out the circuits to be backed up
Installation cost increase per each add'l unit	10% Insufficient information available, this is an approximate estimate
Avg kW use per hour	1.25 National average is ~ 1.25 kW per hour
Duration of backup power desired (hours)	48 Assumes no other alternative energy source (e.g. solar panels)
Outputs	
Number of battery units needed	4.0 Per Tesla, limit is 9 units maximum to be installed together
Retail cost of battery units	\$ 22,000
Cost of installation	\$ 3,250
Total system cost - 48 hrs. backup protection	\$ 25,250

Technical Specs	
Usable Capacity 13.5 kWh	Scalable Up to 9 Powerwalls
Depth of Discharge 100%	Operating Temperature -4° to 122°F / -20°C to 50°C
Efficiency 90% round-trip	Dimensions L x W x D: 44" x 29" x 6.5" (1150mm x 755mm x 155mm)
Power 7kW peak / 5kW continuous	Weight 254.4 lb / 110 kg
Supported Applications Solar self-consumption Time of use load shifting Backup Off grid	Installation Floor or wall mounted Indoor or outdoor
Warranty 10 years	Certification UL and IEC certified Grid code compliant

Tesla battery primarily serves different market than emergency backup power – More of a supplement to solar/peak-shaving applications

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(1) Electricity usage of some common household appliances: refrigerator – 4.8 kWh/day; clothes dryer – 3.3 kWh each use; clothes washer – 2.3 kWh each use
Sources: Generac, Tesla, U.S. Energy Information Administration, Company estimates

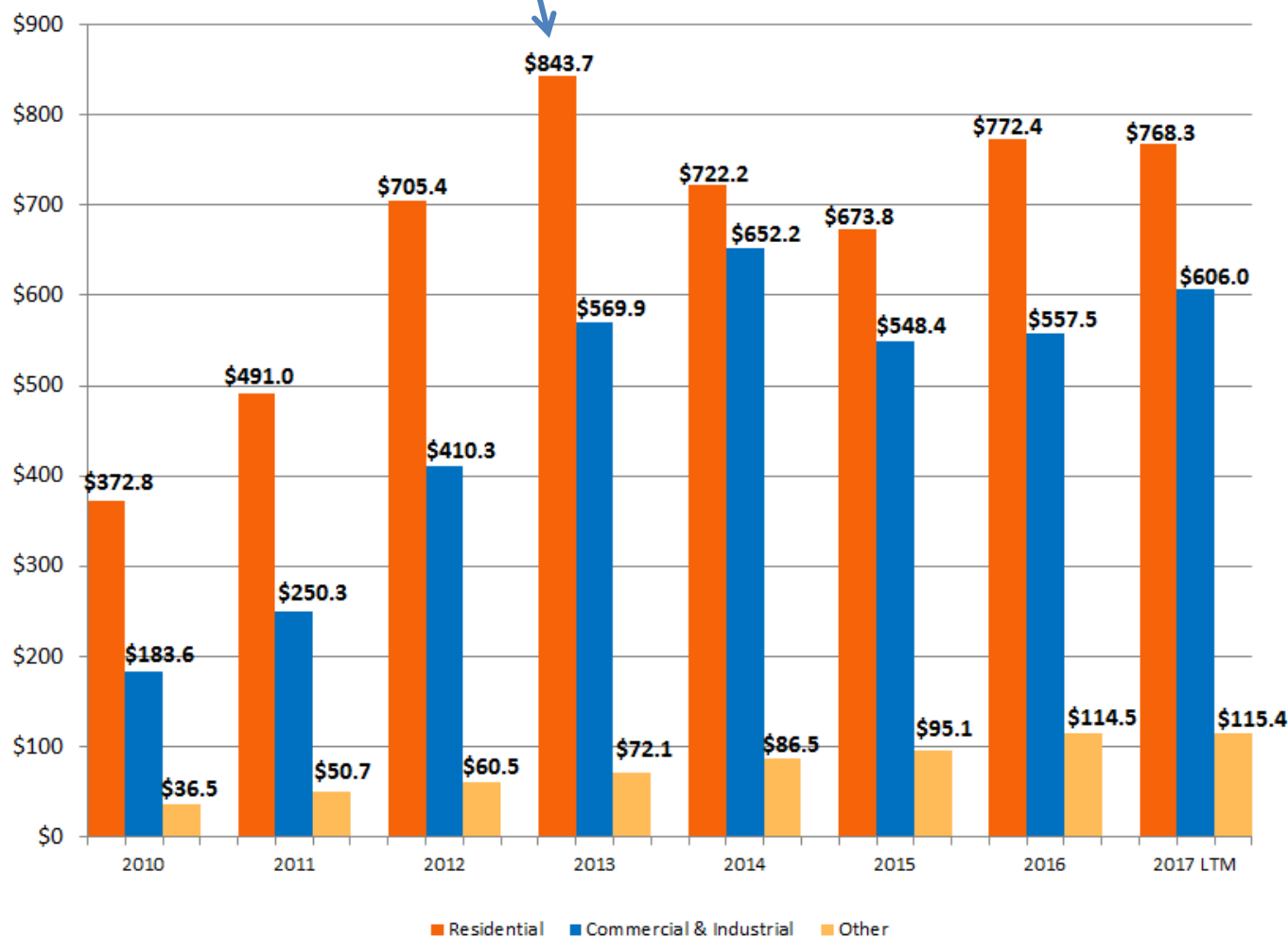
Net Sales by Product Class



(\$ in millions)

Includes ~\$140mm of
excess backlog related
to Superstorm Sandy

~9% organic sales CAGR for
Residential Products since 2010



Q1 2017 & LTM Financial Overview



(\$ in millions)	Actual	Y/Y %	Actual	Y/Y %
	Q1 2017	Change	LTM Q1 2017	Change
	(unaudited)		(unaudited)	
Residential	\$ 154.9	(2.6%)	\$ 768.3	13.7%
Industrial	151.4	47.0%	606.0	17.1%
Other	25.5	3.9%	115.4	17.3%
Net Sales	\$ 331.8	15.8%	\$ 1,489.7	15.3%
Gross Profit (1)	\$ 110.5	9.7%	530.0	14.9%
% Margin	33.3%		35.6%	
Adjusted EBITDA - GHI	\$ 46.7	(6.2%)	\$ 272.2	3.3%
% Margin (2)	14.4%		18.5%	
Net Income - GHI (3) (4)	\$ 12.8	25.8%	\$ 101.4	48.6%
Adjusted Net Income - GHI	\$ 25.8	(17.7%)	\$ 193.2	(1.1%)
Adjusted EPS - GHI	\$ 0.41	(11.7%)	\$ 2.99	5.0%
Free Cash Flow	\$ (8.1)	NM	\$ 199.8	29.5%
Consolidated Net Debt			\$ 993.0	
Consolidated Net Debt Leverage Ratio			3.6x	

(1) LTM 2016 excludes a \$2.7 million non-recurring charge relating to business optimization and restructuring costs to address the significant and extended downturn in capital spending within the oil & gas industry. LTM 2017 includes \$3.4 million of non-recurring expense related to a pre-tax purchase accounting inventory step-up adjustment related to Pramac.

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

(3) Q1 and LTM 2016 includes a \$7.1 million charge relating to business optimization and restructuring costs to address the significant and extended downturn for capital spending within the oil & gas industry, consisting of \$2.7 million classified within cost of goods sold and \$4.4 million classified within operating expenses. LTM 2017 includes a \$3.4 million of non-recurring expense related to a pre-tax purchase accounting inventory step-up adjustment related to Pramac classified in cost of goods sold.

(4) LTM 2016 includes a \$40.7 million pre-tax charge for the impairment of certain intangible assets.

Adjusted EBITDA Reconciliation



(\$ in millions)

	2013	2014	2015	2016	LTM 2017
Net income	\$ 174.5	\$ 174.6	\$ 77.7	\$ 98.8	\$ 101.4
Interest expense	54.4	47.2	42.8	44.6	44.3
Depreciation and amortization	36.8	34.7	40.3	54.4	54.2
Income taxes provision (benefit)	104.2	83.7	45.2	57.6	60.1
Non-cash write-down and other charges	0.1	(3.9)	44.6	7.5	0.7
Non-cash share-based compensation expense	12.4	12.6	8.2	9.5	9.6
Loss on extinguishment of debt	15.3	2.1	4.8	0.6	0.6
(Gain) loss on change in contractual interest rate	-	(16.0)	2.4	3.0	3.0
Transaction costs and credit facility fees	3.9	1.9	2.2	2.4	2.2
Other	1.0	0.3	2.4	0.1	0.1
Adjusted EBITDA	402.6	337.3	270.8	278.4	276.2
Adjusted EBITDA attributable to noncontrolling interests	-	-	-	(3.8)	(4.1)
Adjusted EBITDA attributable to Generac Holdings, Inc.	\$ 402.6	\$ 337.3	\$ 270.8	\$ 274.6	\$ 272.2

Adjusted EBITDA Reconciliation



(\$ in thousands)

Net income to Adjusted EBITDA reconciliation	Three months ended March 31,		LTM Ended March 31,	
	2017	2016	2017	2016
	(unaudited)		(unaudited)	
Net income attributable to Generac Holdings, Inc.	\$ 12,842	\$ 10,208	\$ 101,422	\$ 68,270
Net income attributable to noncontrolling interests	(7)	(4)	(27)	(4)
Net income	12,849	10,212	101,449	68,274
Interest expense	10,788	11,035	44,321	42,610
Depreciation and amortization	12,597	12,793	54,222	44,092
Income taxes provision	8,251	5,719	60,102	39,937
Non-cash write-down and other charges	166	6,979	650	9,299
Non-cash share-based compensation expense	2,632	2,485	9,640	8,218
Tradename and goodwill impairment	-	-	-	40,687
Loss on extinguishment of debt	-	-	574	3,427
(Gain) loss on change in contractual interest rate	-	-	2,957	2,381
Transaction costs and credit facility fees	316	523	2,235	2,571
Other	59	63	86	1,991
Adjusted EBITDA	47,658	49,809	276,236	263,487
Adjusted EBITDA attributable to noncontrolling interests	(956)	(684)	(4,056)	(684)
Adjusted EBITDA attributable to Generac Holdings, Inc.	\$ 46,702	\$ 49,125	\$ 272,180	\$ 262,803

Adjusted Net Income

and Free Cash Flow Reconciliations



Net income to Adjusted net income reconciliation

(\$ in thousands)

Net income attributable to Generac Holdings, Inc.	
Net loss attributable to noncontrolling interests	
Net income	
Provision for income taxes	
Income before provision for income taxes	
Amortization of intangible assets	
Amortization of deferred financing costs and OID	
Tradename and goodwill impairment	
Loss on extinguishment of debt	
(Gain) loss on change in contractual interest rate	
Transaction costs and credit facility fees	
Business optimization expenses	
Adjusted net income before provision for income taxes	
Cash income tax expense	
Adjusted net income	
Adjusted net income attributable to noncontrolling interests	
Adjusted net income attributable to Generac Holdings.	

Three months ended March 31,		LTM Ended March 31,	
2017	2016	2017	2016
(unaudited)		(unaudited)	
\$ 12,842	\$ 10,208	\$ 101,422	\$ 68,270
(7)	(4)	(27)	(4)
12,849	10,212	101,449	68,274
8,251	5,719	60,102	39,937
21,100	15,931	161,551	108,211
7,183	7,797	32,339	26,193
490	1,056	3,374	4,780
-	-	-	40,687
-	-	574	3,427
-	-	2,957	2,381
585	1,247	4,991	3,694
100	7,106	310	8,759
29,458	33,137	206,096	198,132
(3,087)	(1,820)	(10,566)	(2,792)
\$ 26,371	\$ 31,317	\$ 195,530	\$ 195,340
(582)	(430)	(2,371)	(430)
\$ 25,789	\$ 30,887	\$ 193,159	\$ 194,910
Free Cash Flow Reconciliation			
\$ (4,546)	\$ 22,151	\$ 226,712	\$ 185,513
(3,548)	(7,093)	(26,922)	(31,216)
\$ (8,094)	\$ 15,058	\$ 199,790	\$ 154,297