

# INVESTOR PRESENTATION

AUGUST 2022

## OUR PURPOSE:

Lead the evolution to more resilient,  
efficient, and sustainable energy solutions.

**GENERAC**<sup>®</sup>



# INVESTOR RELATIONS

**GENERAC**<sup>®</sup>

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**PRESIDENT & CEO**

**York Ragen**

**CHIEF FINANCIAL OFFICER**

**Mike Harris**

**SENIOR VICE PRESIDENT – CORPORATE  
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# 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;
- fluctuations in cost and quality of raw materials required to manufacture our products;
- availability of both labor and key components from our global supply chain, including single-sourced components, needed in producing our products;
- 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 impact on our results of possible fluctuations in interest rates, foreign currency exchange rates, commodities, product mix, logistics costs and regulatory tariffs;
- the duration and impact of the COVID-19 pandemic;
- 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;

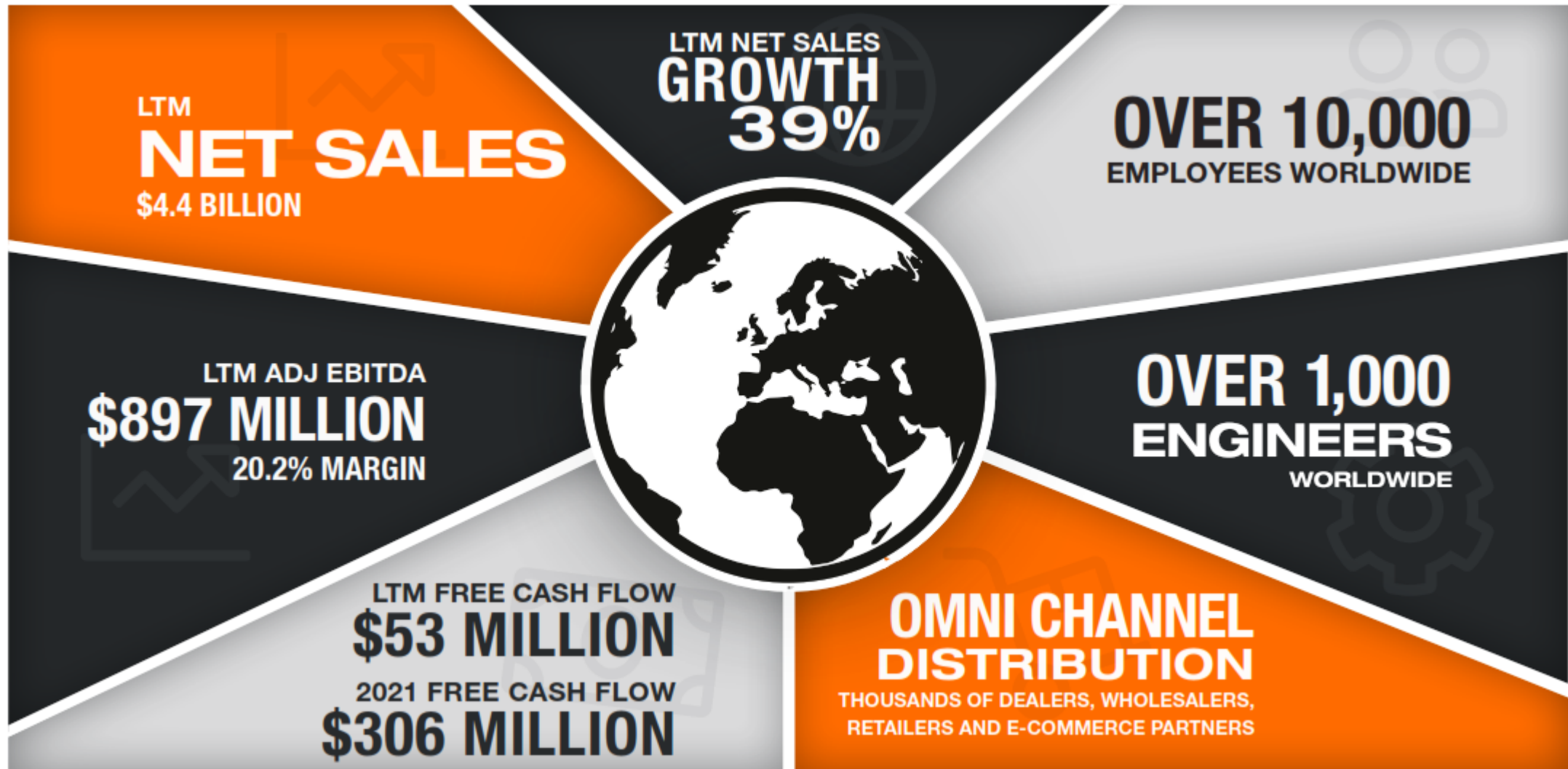
- changes in environmental, health and safety, or product compliance laws and regulations affecting our products, operations, or customer demand;
- significant legal proceedings, claims, lawsuits or government investigations.

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 2021 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 press release 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 – LTM THROUGH Q2 2022

**GENERAC**<sup>®</sup>



# ABOUT GENERAC



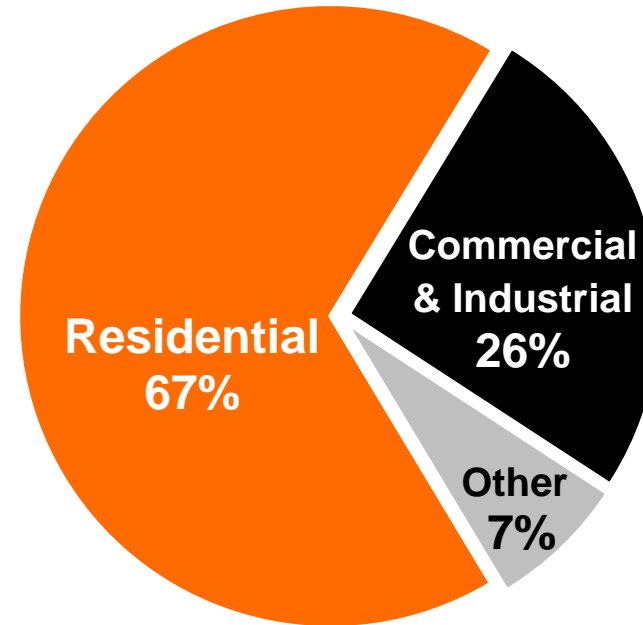
## Residential

Home Standby, Clean Energy, Portables, Chore Products



## LTM Net Sales

Domestic 85% | International 15%



## Other

Aftermarket Parts, Product Accessories, Extended Warranty, Grid Services, Remote Monitoring

Concerto™ Mobile Link™



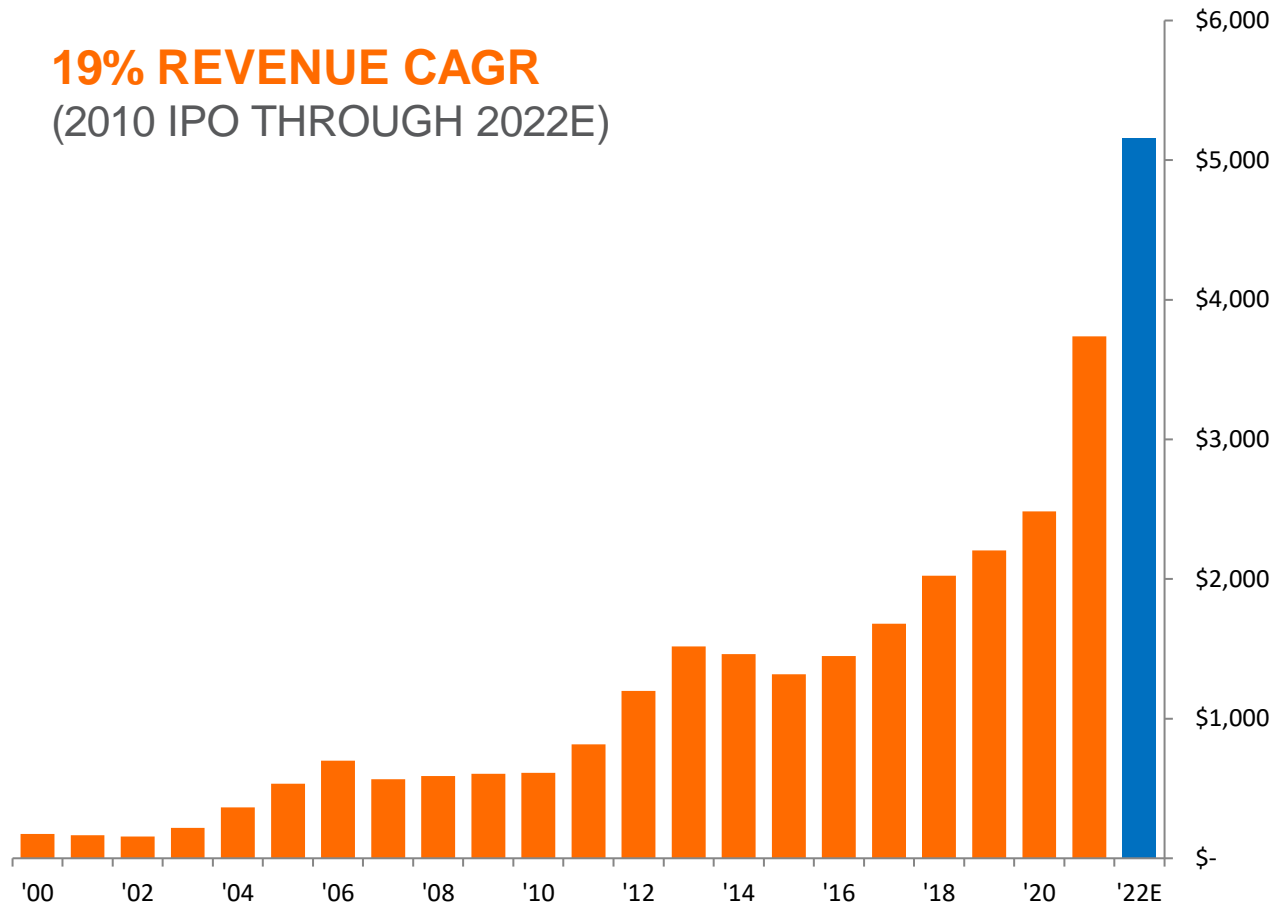
## Commercial & Industrial

Stationary Gens, Telecom, Mobile & Storage



# TRACK RECORD OF GROWTH

**19% REVENUE CAGR**  
(2010 IPO THROUGH 2022E)



Note: \$ amounts in millions. Represents gross sales excluding freight revenue. Figures include results from acquisitions completed during 2011–present. CAGR measures revenue growth through 2022E off 2010 base. 2022E figure assumes midpoint of guidance given on August 3, 2022.

## STRATEGIC GROWTH THEMES

- Power Quality Issues Continue to Increase
- Home Standby Penetration Opportunity is Significant
- Solar, Storage & Monitoring Markets Developing Quickly
- Grid Services & Energy-as-a-Service Open New Revenue Streams
- Natural Gas Generators Driving Strong Growth
- Rollout of 5G Will Require Improved Network Quality



# MEGATRENDS REVIEW

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

Decarbonization, digitization, and decentralization of the grid and migration towards distributed energy resources will create Clean Energy and Grid Services opportunities



## Attitudes around global warming and climate change are shifting

Expectation of more volatile and severe weather driving increased power outage activity



## Natural Gas is expected to be an important fuel of the future

Natural gas will remain in demand as a source of reliable power generation for backup power and beyond standby applications



## Legacy infrastructure needs major investment cycle

Rebuilding and upgrading of aging networks and systems including transportation, water & power



## Telecommunications infrastructure shifting to next generation

5G will enable new technologies requiring significant improvement in network uptime through backup power solutions



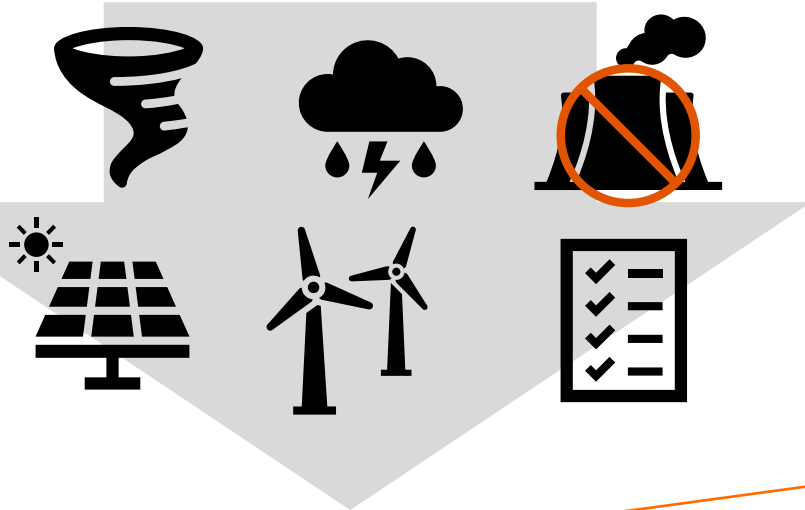
## Home as a Sanctuary

Trend of more people working, shopping, entertaining, aging in place, and in general, spending more time at home, increasing sensitivity to power outages



# GROWING ELECTRICITY SUPPLY/DEMAND IMBALANCE

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## Supply Reliability Deteriorating

- Climate change impacts – more severe and volatile weather
- One-way system – capacity constrained and reliant on fossil fuels
- Infrastructure underinvestment – susceptible to power outages
- Penalties for carbon intensity – incentivizing more intermittent renewables
- Increasing intermittency – higher potential grid instability and rolling blackouts

## Demand Rapidly Increasing

- Electrification of everything – dramatic increase in electricity demand
- Transportation – EV adoption & charging
- Homes & businesses – electrification of HVAC, water heating, appliances
- Home as a Sanctuary – Higher 9s of reliability
- Overall higher sensitivity to power outages





# ENTERPRISE STRATEGY

**GENERAC**<sup>®</sup>

**GENERAC**<sup>®</sup>  
POWERING A  
**SMARTER WORLD**



Improve energy resilience and independence

Increase power reliability through onsite generation and storage solutions that provide resiliency for homes, businesses and communities.



Optimize energy efficiency and consumption

Enable sustainable and more efficient power generation and consumption through monitoring, management and lower-carbon solutions.

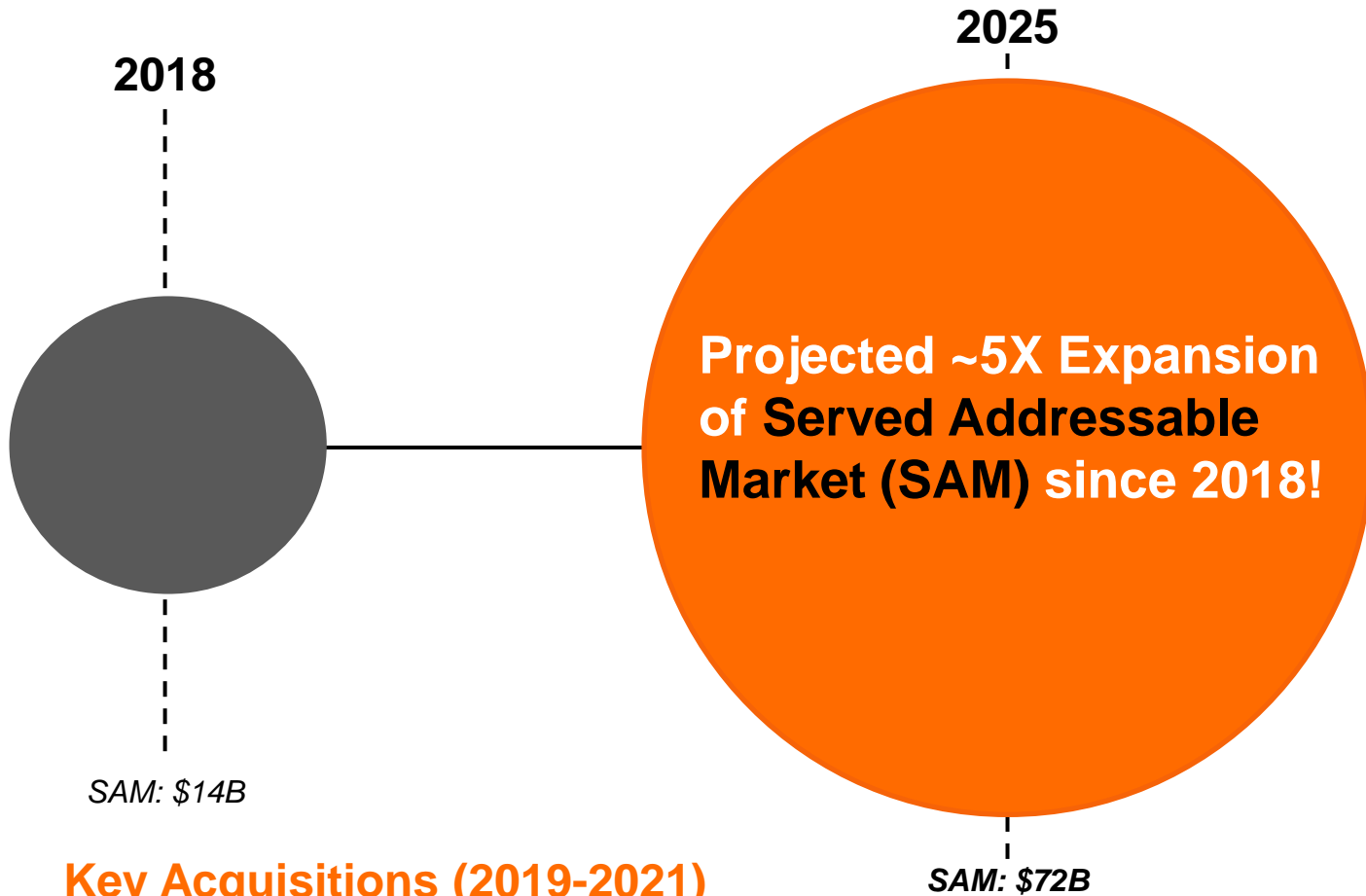


Protect and build critical infrastructure

Offering innovative solutions that enable and protect next-generation power, communications, transportation and other critical infrastructure.

**OUR PEOPLE • CUSTOMER EXPERIENCE • CONTINUOUS IMPROVEMENT • TECHNOLOGY LEADERSHIP**

# STRATEGY EVOLUTION UNLOCKS MASSIVE & GROWING SAM



## Key drivers of increase in SAM...

- ✓ Clean Energy – Residential and C&I storage, microinverters, hydrogen / hybrid gens, EV chargers
- ✓ Connected Devices – Smart thermostats, monitoring & management devices
- ✓ Energy as a Service / Microgrids
- ✓ Global C&I – Gas gens, telecom, base expansion
- ✓ Grid Services – Hardware + Software + Services
- ✓ Expansion of HSB Market
- ✓ Chore Electrification and Lifestyle product line

*Source: Company estimates, various third-party sources*

## Key Acquisitions (2019-2021)



# BUILDING ENERGY ECOSYSTEMS AGGREGATING DERs TO SUPPORT NEXT-GEN GRID



## RESI ECOSYSTEM



**GENERATION &  
STORAGE ASSETS**

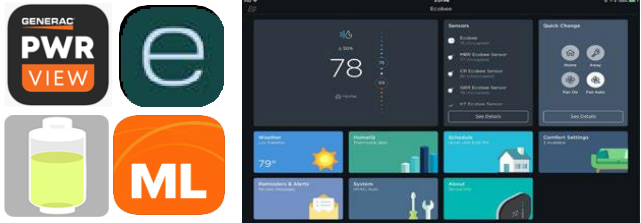
## C&I ECOSYSTEM



**MONITORING &  
MANAGEMENT DEVICES**



User  
Interface  
Platform



**PLATFORM &  
CONTROLS**



System  
Level  
Microgrid  
Controls



**DISTRIBUTED ENERGY RESOURCE  
MANAGEMENT SYSTEM (DERMS)**



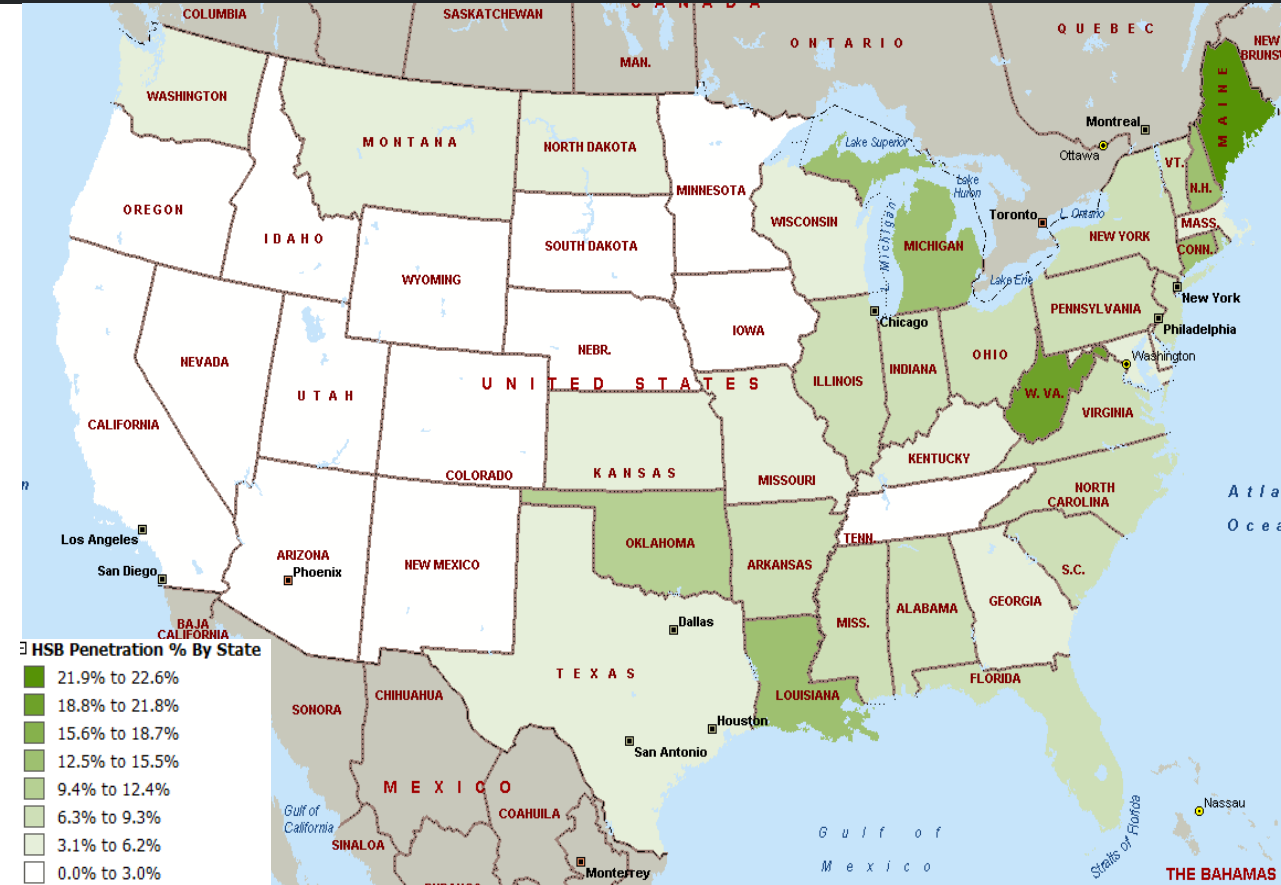
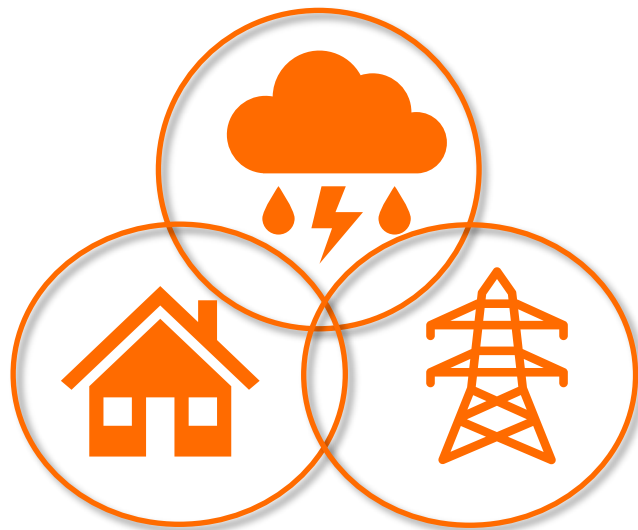
**DECARBONIZATION, DIGITALIZATION, DECENTRALIZATION**



# MASSIVE HSB PENETRATION OPPORTUNITY

## Widespread growth potential

- Total US penetration rate estimated at ~5.5% at end of 2021; highest penetrated markets in the U.S. are at 15-20%+ and still growing
- Crossing the consumer tipping point in the category where backup power is no longer a luxury item
- New DER opportunity should drive penetration further

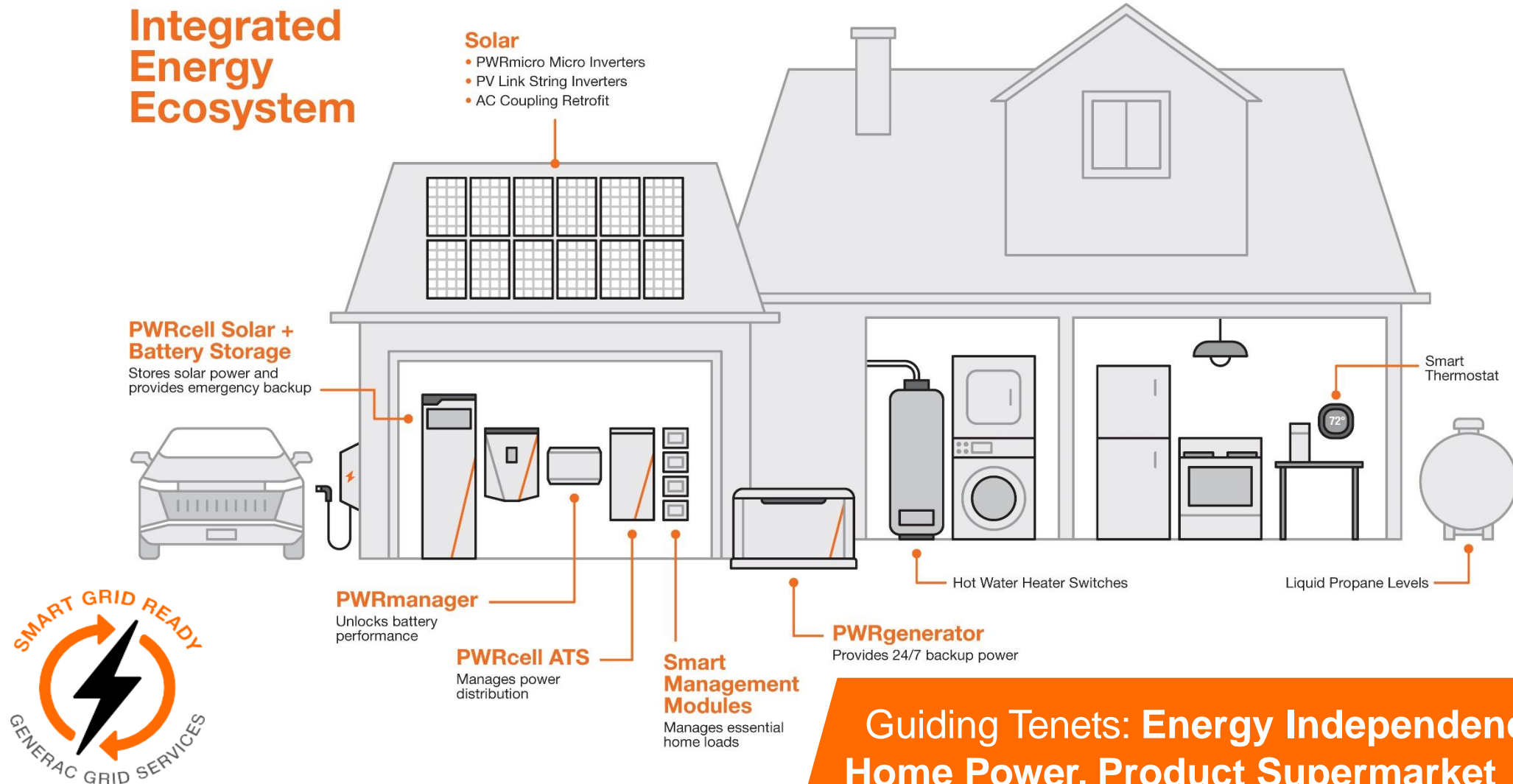


Generac's unique HSB position +  
Intersecting powerful mega-trends =  
**Accelerated penetration rate**

# INDUSTRY'S BROADEST RESIDENTIAL CLEAN ENERGY PRODUCT OFFERING

**GENERAC**<sup>®</sup>

## Integrated Energy Ecosystem



Guiding Tenets: Energy Independence, Whole Home Power, Product Supermarket

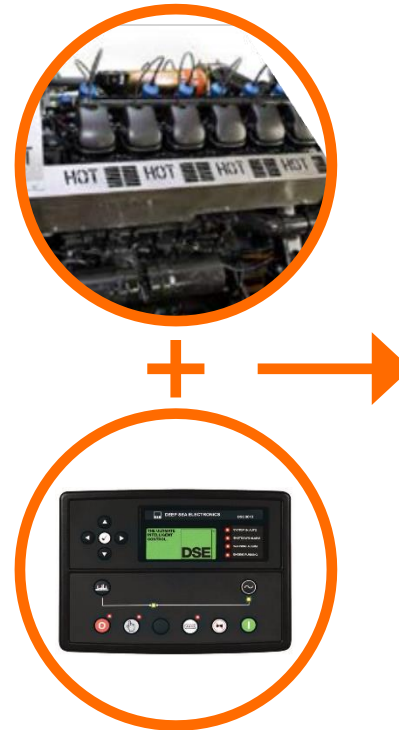
# COMMERCIAL & INDUSTRIAL NEW ENERGY TECHNOLOGY OPPORTUNITIES

**GENERAC**<sup>®</sup>

- Non-Standby use of natural gas generators
- EaaS / Multi purpose microgrids
- Advanced generator & microgrid controls
- C&I energy storage
- Hybrid systems – generators and/or solar + storage
- Hydrogen fueled generators
- Grid Services capabilities revolutionize generator economics



Expanding C&I Energy Technology  
revenue streams



Key Generac proprietary fuel  
system & control technology



  
**ENCHANTED ROCK**  
The Power is On.



Manufactured by Generac to Enchanted  
Rock's design criteria



# GENERAC GRID SERVICES EXPANDING SERVED MARKET OPPORTUNITY



## Software as a Service

\$4 - 10 / kW per year



## Turnkey Programs

\$15 - 60 / kW per year



## Performance Contracts

\$40 - 100 / kW per year



**~\$8 Billion Grid Services SAM Opportunity\***

SAM is Grid Services value plus sales of hardware/equipment



## Current Generac Asset Offerings

- Residential Solar Inverter
- Home Standby Generators
- C&I Standby Generators
- Residential Load Control
- Smart Electric Water Heaters
- Residential Battery Storage
- + **Smart Thermostats**

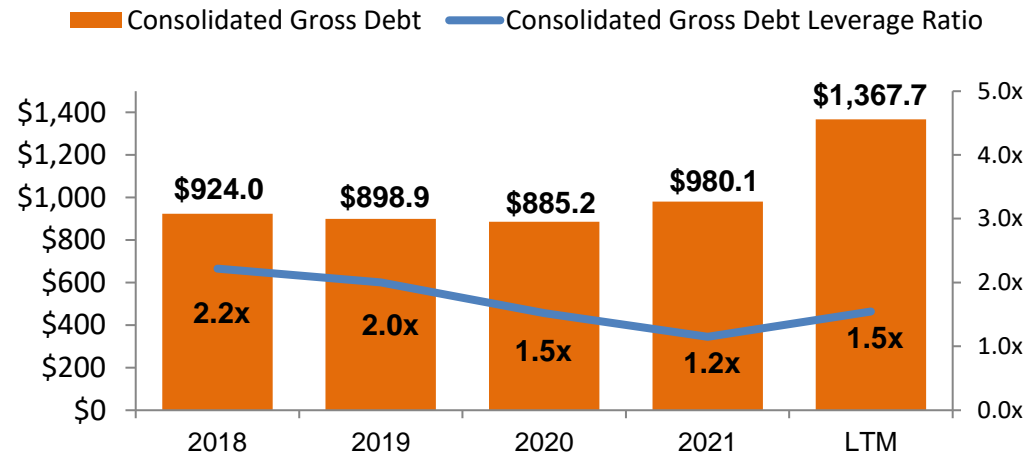
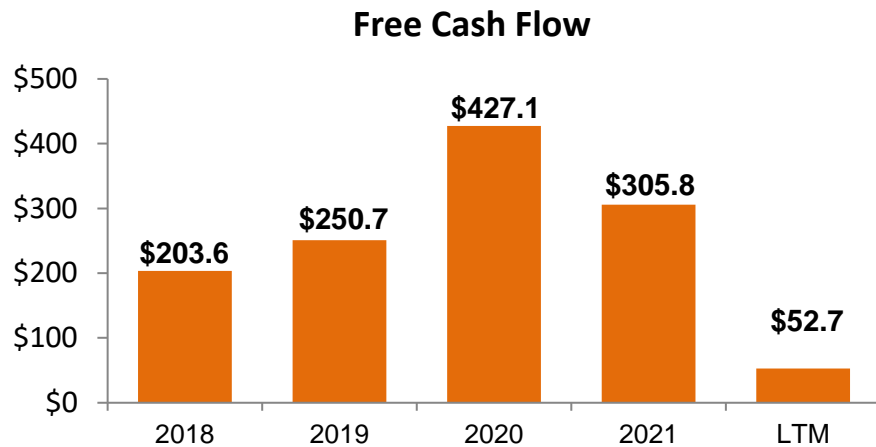
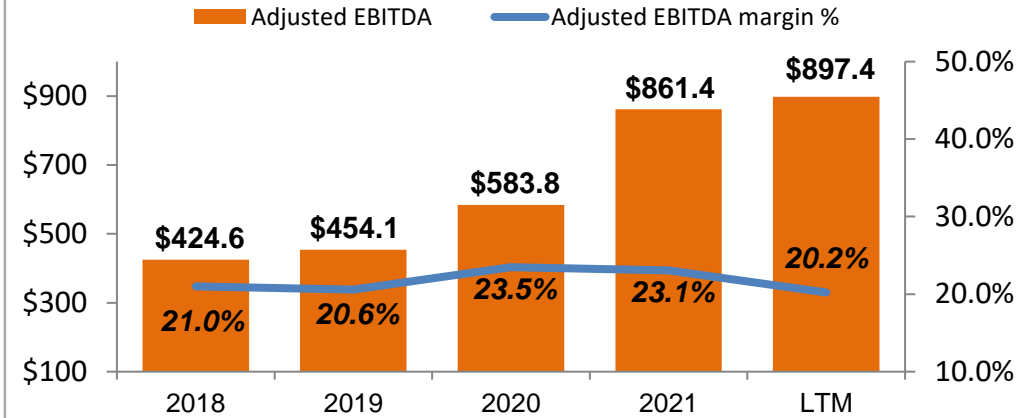
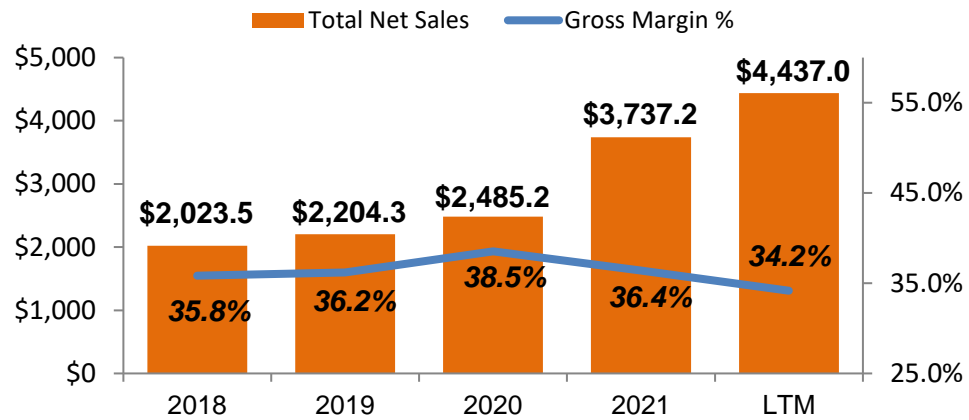


\*Company estimate. 2025 Served Addressable Grid Services Market in North America, Europe and Australia.

Includes hardware sales and all grid services (e.g. performance, turnkey, and SaaS contracts) from devices to provide flexibility regardless of: location, market openness, program offerings, Fuel source, front or behind-the-meter location, grid scale or distributed scale, ability to control. Revenue figures assumes an average of ~\$65/kW-yr per kW (device can have multiple kW) for grid services value plus hardware sales valued at Generac wholesale prices.

# FINANCIAL SUMMARY

(\$'S IN MILLIONS)



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

# CAPITAL DEPLOYMENT PRIORITIES



1	Organic Growth	<ul style="list-style-type: none"><li>  Asset lite with capex only 2.5% to 3.0% of sales</li><li>  Investment in technology, innovation and R&amp;D capabilities</li><li>  Capacity expansion, global systems, high ROI automation</li></ul>	Asset Lite
2	M&A	<ul style="list-style-type: none"><li>  Robust M&amp;A pipeline</li><li>  Demonstrated ability to execute; 26 deals since 2011</li><li>  Accelerates “Powering a Smarter World” strategic plan</li><li>  Seek high synergy opportunities with above WACC returns</li></ul>	Accelerate the strategy
3	Pay Down Debt	<ul style="list-style-type: none"><li>  Target 1-2x leverage</li><li>  Term Loan B (\$ +175) matures 2026</li><li>  Term Loan A and revolver (\$ +125-175) mature 2027</li><li>  \$500M notional swapped fixed</li></ul>	Maintain Healthy Balance Sheet
4	Return of Capital	<ul style="list-style-type: none"><li>  As future cash flow permits, will evaluate options opportunistically</li><li>  \$500mm remaining on current share repurchase authorization</li></ul>	Opportunistic

**Strong balance sheet and cash flow generation allows flexibility to execute on future shareholder-value enhancing opportunities**



# 2022 BUSINESS OUTLOOK

(AS REPORTED ON August 3, 2022)

**GENERAC**<sup>®</sup>

## Consolidated net sales

- Consolidated revenue: increase between 36% to 40%
- Residential products: increase at a mid to high 40% rate
- C&I products: increase at a high-teens rate
- Between 5% to 7% net impact from acquisitions and foreign currency

## Adjusted EBITDA margins

- Between 21.5% to 22.5%

## GAAP effective tax rate

- Approximately 23.0%

## Free cash flow

- Second half conversion of adjusted net income to free cash flow ~90%



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

# APPENDIX

**GENERAC**<sup>®</sup>



# SUMMARY OF ACQUISITIONS - SINCE 2016



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, ME



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



JUN.  
2021

Designer and manufacturer of advanced controls for a range of energy technology applications

Hunmanby, UK



JUL.  
2021

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

Los Angeles, CA



SEP.  
2021

Leading designer and manufacturer of industrial-grade energy storage systems

Rugby, UK



SEP.  
2021

Advanced engineering and product design company focused on developing energy technology solutions

Bend, OR



OCT.  
2021

Provider of IoT propane tank monitoring solutions that enable the optimization of propane fuel logistics

Boston, MA



DEC.  
2021

Leader in sustainable home technology solutions including smart thermostats that deliver significant energy savings, security and peace of mind

Toronto, CA

## Acquisitions used to accelerate 'Powering a Smarter World' 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 Pramac America in September 2017 (portable generators – Marietta, GA); Energy Systems in July 2020 (industrial distributor – Stockton, CA); Papé Material Handling in December 2021 (industrial distributor – Los Angeles, CA); Electronic Environments Infrastructure Solutions (industrial distributor – Marlborough, MA)

# 2021 ENERGY TECHNOLOGY ACQUISITIONS – ACCELERATING THE STRATEGY

**GENERAC**<sup>®</sup>



**DEEP SEA  
ELECTRONICS**  
A GENERAC COMPANY

- Founded 1975
- Headquartered Hunmanby, UK
- Closed June 1st
- Designer and manufacturer of advanced controls for a range of energy technology applications



- Founded 2010
- Headquartered Los Angeles, CA
- Closed July 2nd
- Designer and provider of grid-interactive microinverter and monitoring solutions



- Founded 2000
- Headquartered Rugby, UK
- Closed September 1st
- Designer and manufacturer of industrial-grade energy storage systems



- Founded 2015
- Headquartered Bend, OR
- Closed September 1st
- Advanced engineering and product design focused on developing energy technology solutions



- Founded 2015
- Headquartered Boston, MA
- Closed October 1st
- Provider of IoT propane tank monitoring solutions that enable the optimization of propane fuel logistics



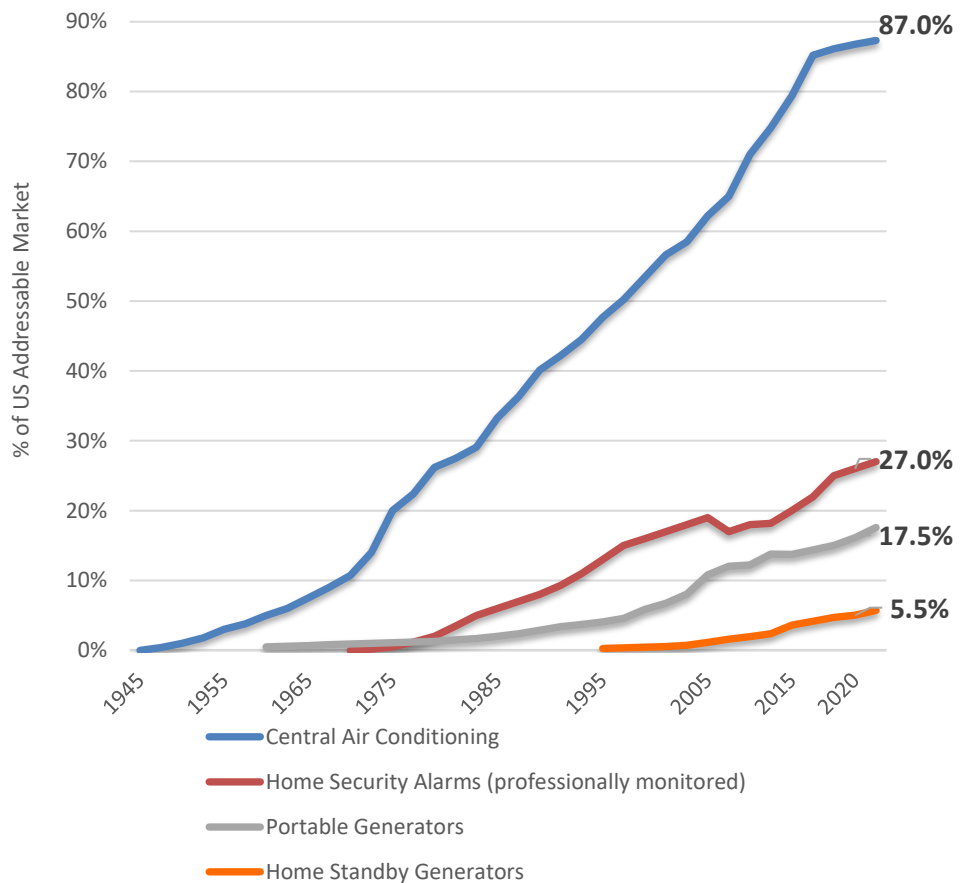
- Founded 2007
- Headquartered Toronto, Canada
- Closed December 1st
- Leader in sustainable home technology solutions including smart thermostats that deliver significant energy savings, security and peace of mind



# HSB: A PENETRATION STORY



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



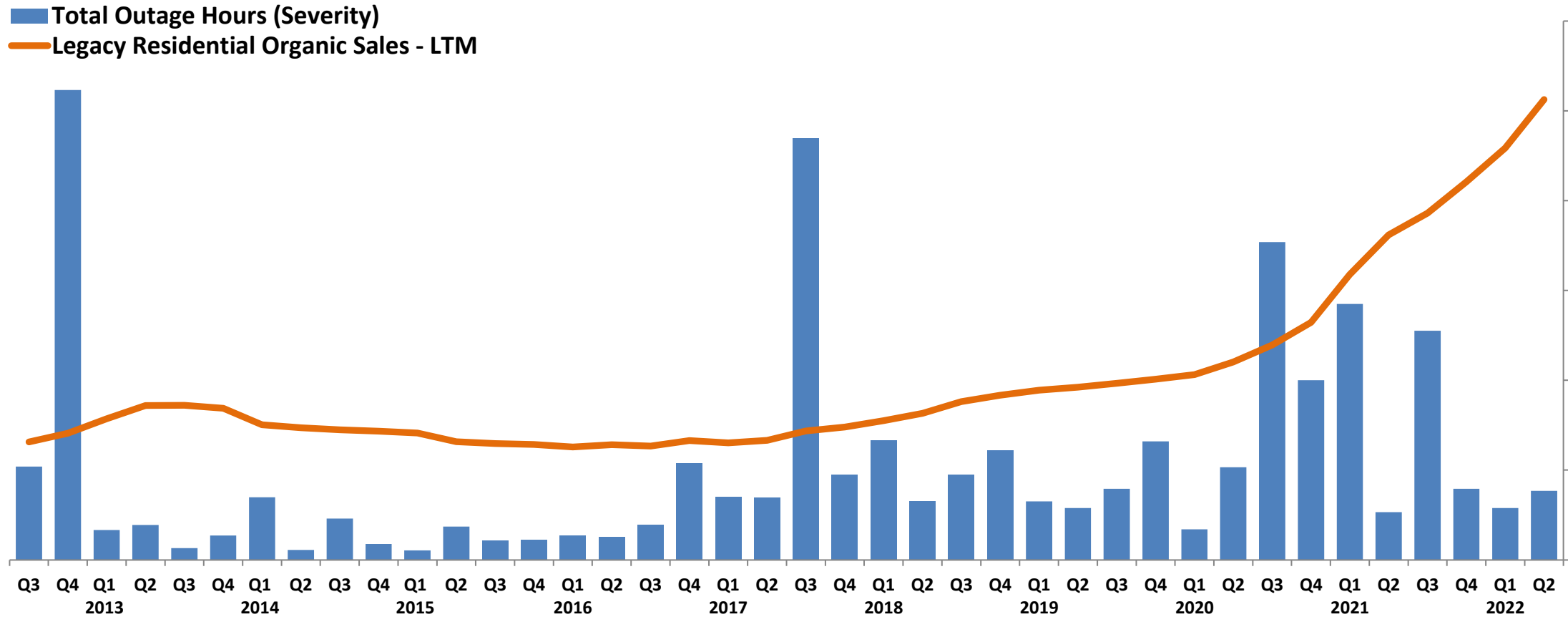
### Aging Population Fits Demographic

- ~65% of buyers age 60 and older
- ~Median home value of approximately \$475k
- ~80-85% retro-fit application
- ~\$135K median household income
- Between 6-8% replacement units

**Every 1% of increased penetration equals  
~\$3 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.

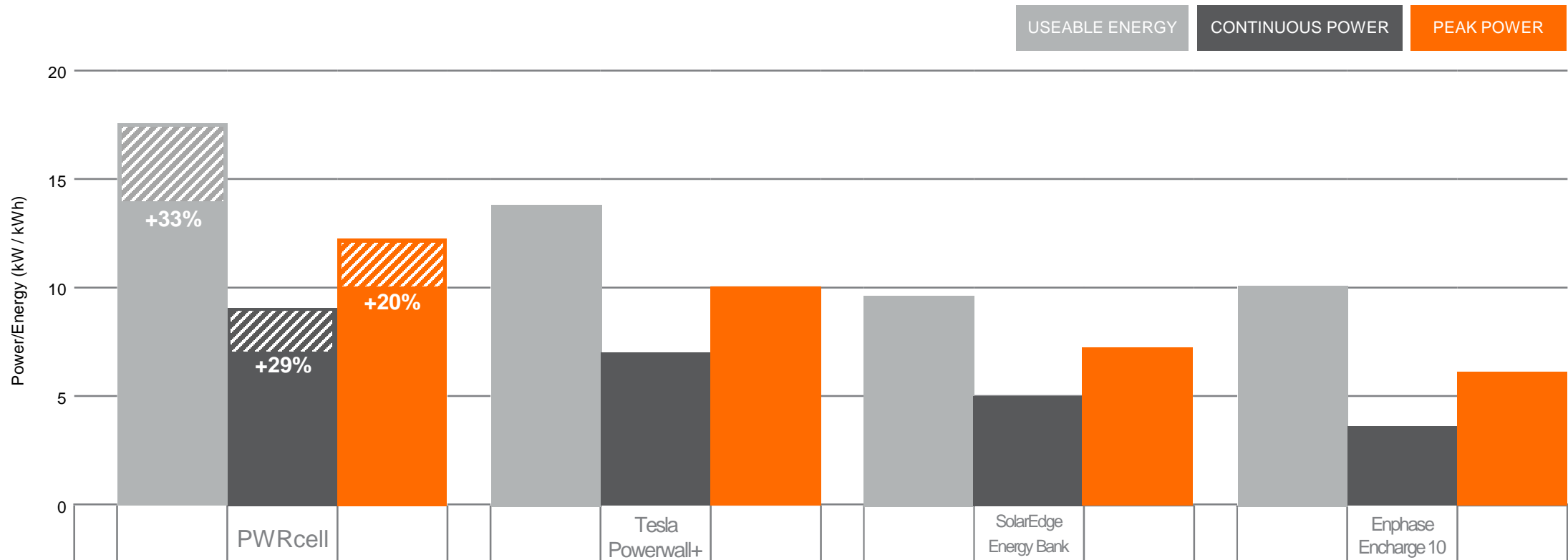
# EXPANDING POWER OUTAGE SEVERITY<sup>(1)</sup>



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

**Elevated Baseline Outages + Major Events + Home as a Sanctuary = Catalysts for Growth**

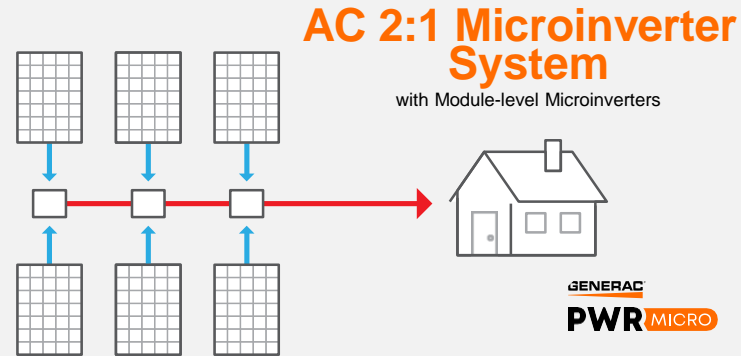
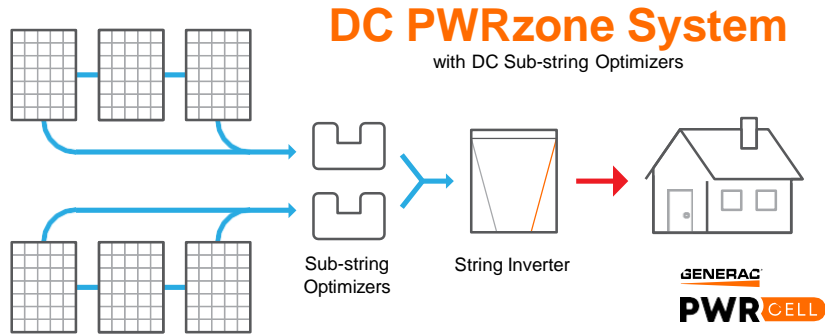
# PWRCELL® WHOLE HOME POWER COMPARISON



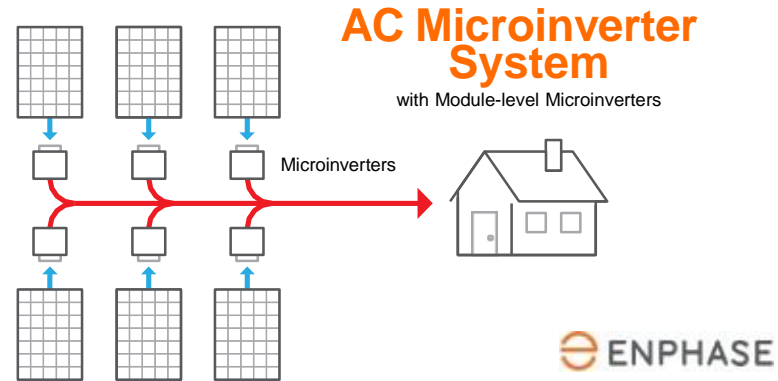
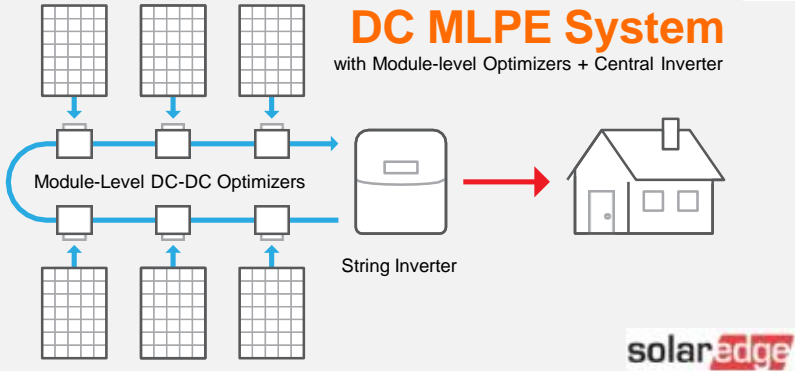
	PWRcell	Tesla	SolarEdge	Enphase
Useable Energy	18kWh	13.5kWh	9.7kWh	10.1kWh
Continuous Power	9kW	7kW	5kW	3.8kW
Peak Power (seconds)	12kW	10kW	7.5kW	5.76kW

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

# SOLAR INVERTER COMPARISON FOR RESIDENTIAL APPLICATIONS



— AC Power  
— DC Power



## Performance Comparison

● Ideal Conditions

☀ FULL SUN

☀ PARTIAL SUN

☀ LOW SUN





# SECULAR GROWTH TRENDS IN TELECOM ARE GLOBAL



## Growing Global Tower Count



- 2026E global tower count of ~5.3M; +30% over 5 years
- US tower count +30% over last 2 years to 410,000

## Wireless Networks are Critical Infrastructure



- Network reliability & up-time necessary for a connected world
- Power failure equals network failure

## Site Hardening Still Underway



- 50% of US sites yet to be hardened, expected to hit ~75% in 10 years, \$2B opportunity
- Global opportunity expanding alongside tower count

## Generac Uniquely Positioned to Capture Opportunity



- Global presence and relationships with carriers & tower companies
- ~60% share of US market

# Q2 2022 & LTM FINANCIAL OVERVIEW



(\$'S IN MILLIONS)

	<b>Actual Q2 2022</b> <i>(unaudited)</i>	<b>Y/Y % Change</b>	<b>Actual LTM</b> <i>(unaudited)</i>	<b>Y/Y % Change</b>
Residential	\$ 896.0	49.3%	\$ 2,987.6	42.3%
Commercial & Industrial	309.3	21.6%	1,130.4	35.9%
Other	86.0	31.0%	319.0	23.3%
<b>Net Sales</b>	<b>\$ 1,291.4</b>	<b>40.4%</b>	<b>\$ 4,437.0</b>	<b>39.1%</b>
Gross Profit	\$ 457.0	34.5%	\$ 1,516.3	22.5%
% Margin	35.4%		34.2%	
<b>Adjusted EBITDA</b>	<b>\$ 271.5</b>	<b>24.7%</b>	<b>\$ 897.4</b>	<b>11.3%</b>
% Margin (1)	21.0%		20.2%	
Net Income - GHI (2)	\$ 156.4	23.1%	\$ 544.7	5.6%
Adjusted Net Income - GHI	\$ 193.5	26.3%	\$ 641.8	11.7%
<b>Adjusted EPS - GHI</b>	<b>\$ 2.99</b>	<b>25.1%</b>	<b>\$ 9.94</b>	<b>10.7%</b>
Free Cash Flow	\$ 5.8	(94.0%)	\$ 52.7	(90.6%)
Consolidated Gross Debt			\$ 1,367.7	
Consolidated Gross Debt Leverage Ratio			1.5	

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

# ADJUSTED EBITDA RECONCILIATION



(\$'S IN MILLIONS)

	2018	2019	2020	2021	LTM
<b>Net income</b>	<b>\$ 241.2</b>	<b>\$ 252.3</b>	<b>\$ 347.2</b>	<b>\$ 556.6</b>	<b>\$ 553.2</b>
Interest expense	41.0	41.5	33.0	33.0	37.3
Depreciation and amortization	47.4	60.8	68.8	92.0	130.1
Income taxes provision	69.9	67.3	99.0	135.0	127.7
Non-cash write-down and other charges	3.5	0.2	(0.3)	(3.1)	(3.6)
Non-cash share-based compensation expense	14.6	16.7	20.9	24.0	28.1
Loss on extinguishment of debt	1.3	0.9	-	0.8	3.7
Transaction costs and credit facility fees	3.9	2.7	2.2	22.4	18.9
Loss on pension settlement, restructuring and other	1.8	11.6	13.1	0.8	2.0
<b>Adjusted EBITDA</b>	<b>\$ 424.6</b>	<b>\$ 454.1</b>	<b>\$ 583.8</b>	<b>\$ 861.4</b>	<b>\$ 897.4</b>
Adjusted EBITDA attributable to noncontrolling interests	(7.8)	(5.0)	(2.4)	(9.4)	(12.3)
<b>Adjusted EBITDA attributable to Generac Holdings,</b>	<b>\$ 416.8</b>	<b>\$ 449.2</b>	<b>\$ 581.4</b>	<b>\$ 852.1</b>	<b>\$ 885.1</b>

# ADJUSTED EBITDA RECONCILIATION



(\$'S IN MILLIONS)

Net income to Adjusted EBITDA reconciliation	Three months ended June 30,		LTM Ended June 30,	
	2022 (unaudited)	2021 (unaudited)	2022 (unaudited)	2021 (unaudited)
Net income attributable to Generac Holdings, Inc.	\$ 156,359	\$ 127,036	\$ 544,682	\$ 516,000
Net income attributable to noncontrolling interests	1,278	873	8,566	2,069
Net income	157,637	127,909	553,248	518,069
Interest expense	10,235	7,721	37,298	31,450
Depreciation and amortization	39,098	21,229	130,134	75,320
Income taxes provision	45,826	46,362	127,661	152,786
Non-cash write-down and other charges	4,607	1,173	(3,560)	(4,413)
Non-cash share-based compensation expense	7,735	6,973	28,095	23,329
Loss on extinguishment of debt	3,743	831	3,743	831
Transaction costs and credit facility fees	1,592	5,172	18,852	7,645
Loss on pension settlement, restructuring and other	989	309	1,960	1,465
Adjusted EBITDA	271,462	217,679	897,431	806,481
Adjusted EBITDA attributable to noncontrolling interests	(3,742)	(2,015)	(12,311)	(6,535)
<b>Adjusted EBITDA attributable to Generac Holdings,</b>	<b>\$ 267,720</b>	<b>\$ 215,664</b>	<b>\$ 885,120</b>	<b>\$ 799,946</b>



# ADJUSTED NET INCOME AND FREE CASH FLOW RECONCILIATIONS



(\$'S IN MILLIONS)

Net income to Adjusted net income reconciliation	Three months ended		LTM Ended June 30,	
	2022	2021	2022	2021
	(unaudited)		(unaudited)	
Net income attributable to Generac Holdings, Inc.	\$ 156,359	\$ 127,036	\$ 544,682	\$ 516,000
Net income attributable to noncontrolling interests	1,278	873	8,566	2,069
Net income	157,637	127,909	553,248	518,069
Provision for income taxes <sup>(1)</sup>	-	46,362	53,227	152,786
Income before provision for income taxes	157,637	174,271	606,475	670,855
Amortization of intangible assets	25,876	11,052	81,785	36,863
Amortization of deferred financing costs and OID	650	649	2,581	2,607
Loss on extinguishment of debt	3,743	831	3,743	831
Transaction costs and credit facility fees	5,710	4,954	13,966	4,084
Loss on pension settlement, restructuring and other	1,590	-	2,002	(3,646)
Adjusted net income before provision for income taxes	195,206	191,757	710,552	711,594
Cash income tax expense <sup>(1)</sup>	-	(37,406)	(60,957)	(133,775)
Adjusted net income	\$ 195,206	\$ 154,351	\$ 649,595	\$ 577,819
Adjusted net income attributable to noncontrolling interests	(1,678)	(1,121)	(7,795)	(3,235)
<b>Adjusted net income attributable to Generac Holdings, Inc.</b>	<b>\$ 193,528</b>	<b>\$ 153,230</b>	<b>\$ 641,800</b>	<b>\$ 574,584</b>
<b>Free Cash Flow Reconciliation</b>				
Net cash provided by operating activities	\$ 23,835	\$ 122,450	\$ 149,856	\$ 648,412
Proceeds from beneficial interests in securitization transactions	270	651	5,089	\$ 2,690
Expenditures for property and equipment	(18,303)	(26,753)	(102,273)	(90,018)
<b>Free cash flow</b>	<b>\$ 5,802</b>	<b>\$ 96,348</b>	<b>\$ 52,672</b>	<b>\$ 561,084</b>

1) Amounts prior to the first quarter 2022 are based on an anticipated cash income tax rate due to the existence of the tax shield from the amortization of tax-deductible goodwill and intangible assets from our acquisition by CCMP Capital Advisors, LLC in 2006. Due to the expiration of this tax shield in the fourth quarter of 2021, there is no similar reconciling item for the periods beginning with the first quarter of 2022.