

**Investor
Presentation
May 2018**



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About Generac

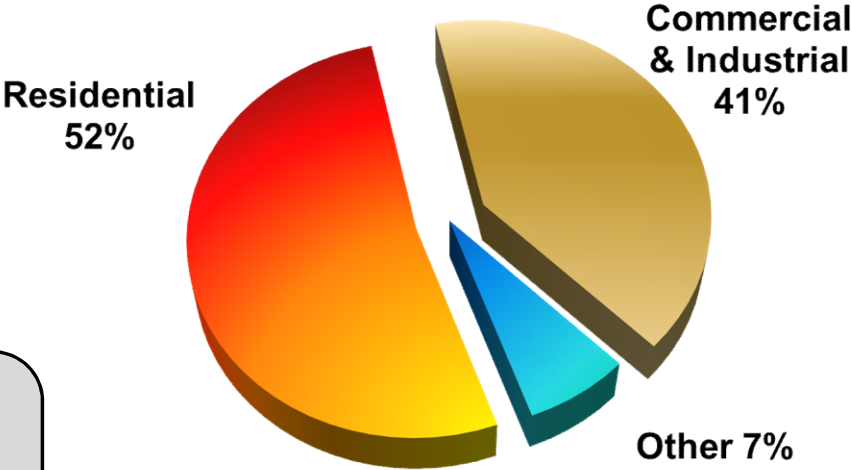


Leading designer and manufacturer of a wide range of **power generation equipment** and **other engine powered products**

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

2018 LTM Sales: \$1.738 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, with pending acquisition of Selmec awaiting regulatory approval

Approx. **4,600 employees** (as of 1/1/2018)

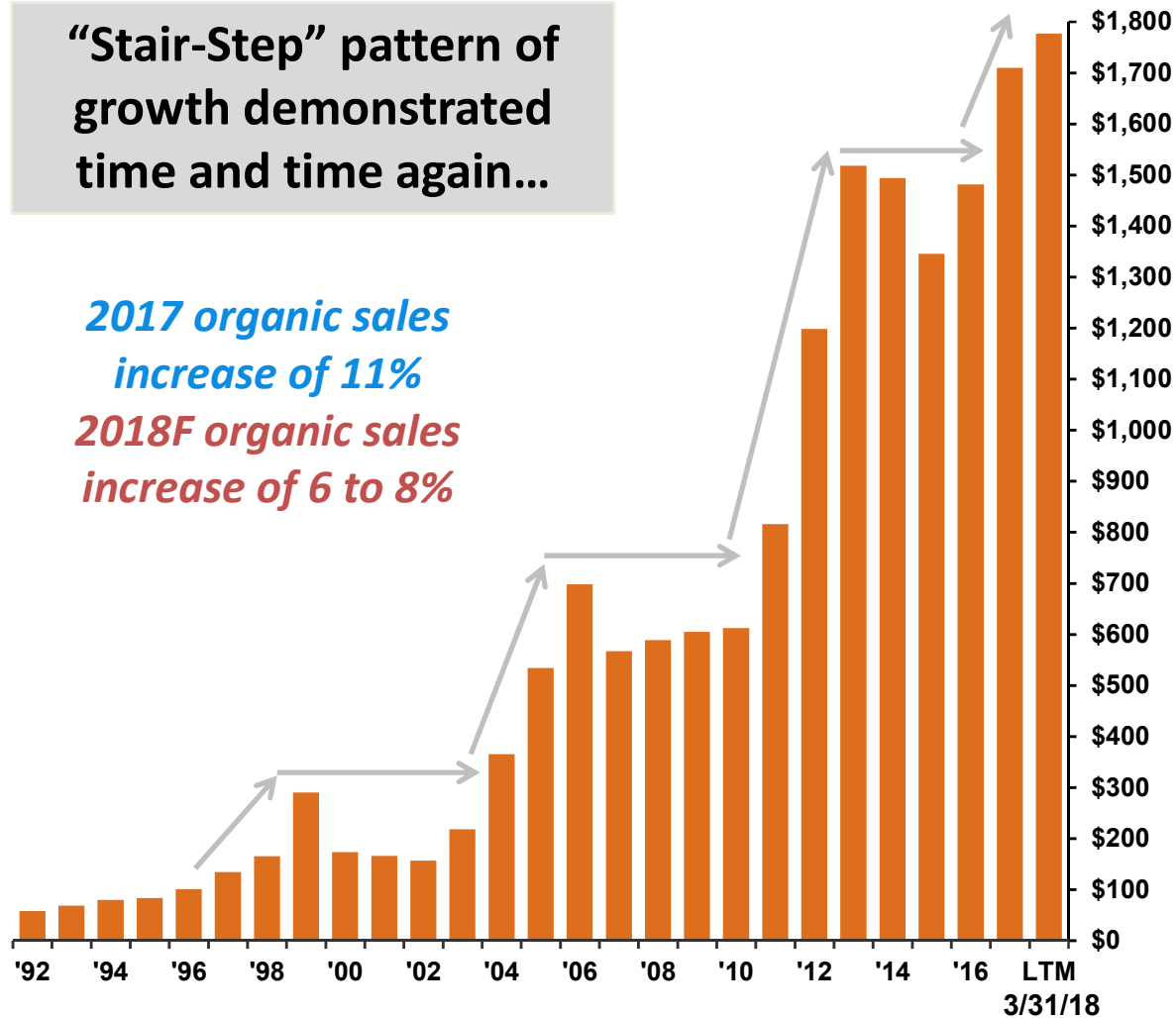
Track Record of Innovation & Growth



“Stair-Step” pattern of growth demonstrated time and time again...

2017 organic sales increase of 11%

2018F organic sales increase of 6 to 8%

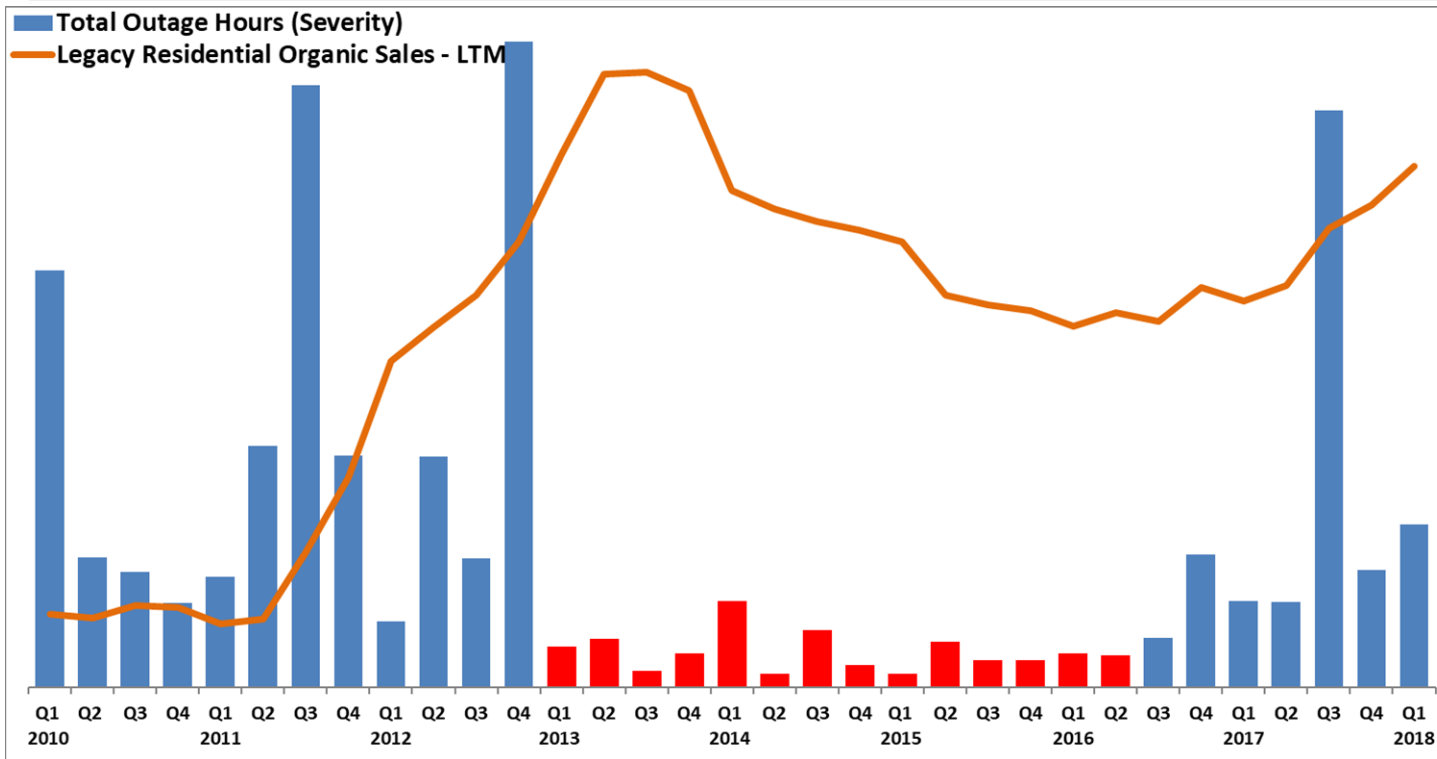


History of Innovation Driving Organic Growth

- Commercialized affordable home standby generators and light-commercial generators
- Differentiated distribution model
- Over 350 engineers on staff as of 12/31/17
- 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.

Expanding Power Outage Severity⁽¹⁾



**HOME STANDBY
AFTERGLOW DEMAND**



**PORTABLES
REPLENISHMENT**



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

**NURSING/ASSISTED-LIVING
FACILITIES MANDATE**



TELECOM RECOVERY



**LIGHT COMMERCIAL/RETAIL
AWARENESS**



**2017 baseline
outages: ~25%
higher vs. LT avg;
Q1 2018 outages:
highest baseline qtr
since Q2 2011**

“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

1% INCREASE IN PENETRATION EQUATES TO A \$2B SALES OPPORTUNITY

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

1% INCREASE IN MARKET SHARE EQUATES TO A \$35M SALES OPPORTUNITY

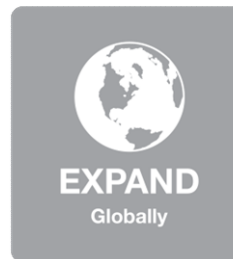
CAPITALIZE ON OUR COMPETITIVE ADVANTAGES WITH GASEOUS-FUELED PRODUCTS



- 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

\$5B MARKET GLOBAL GAS MARKET OPPORTUNITY – CURRENTLY SERVE ~\$2B

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

GLOBAL FOOTPRINT TO SERVE \$13.5B MARKET OUTSIDE OF US & CANADA

Global Distribution Channels

RESIDENTIAL AND C&I DEALER NETWORK

- International network of over 6,000 dealers
- Legacy Generac domestic network
 - ~5,800 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

OTHER KEY CHANNELS

ELECTRICAL WHOLESALERS	MASS RETAILERS	CATALOG AND E-COMMERCE	PRIVATE LABEL PARTNERS	DIRECT TO GLOBAL ACCOUNTS	DIRECT TO CONSUMER

Significant Omni-Channel Distribution Creates Barriers to Entry

Summary of Acquisitions



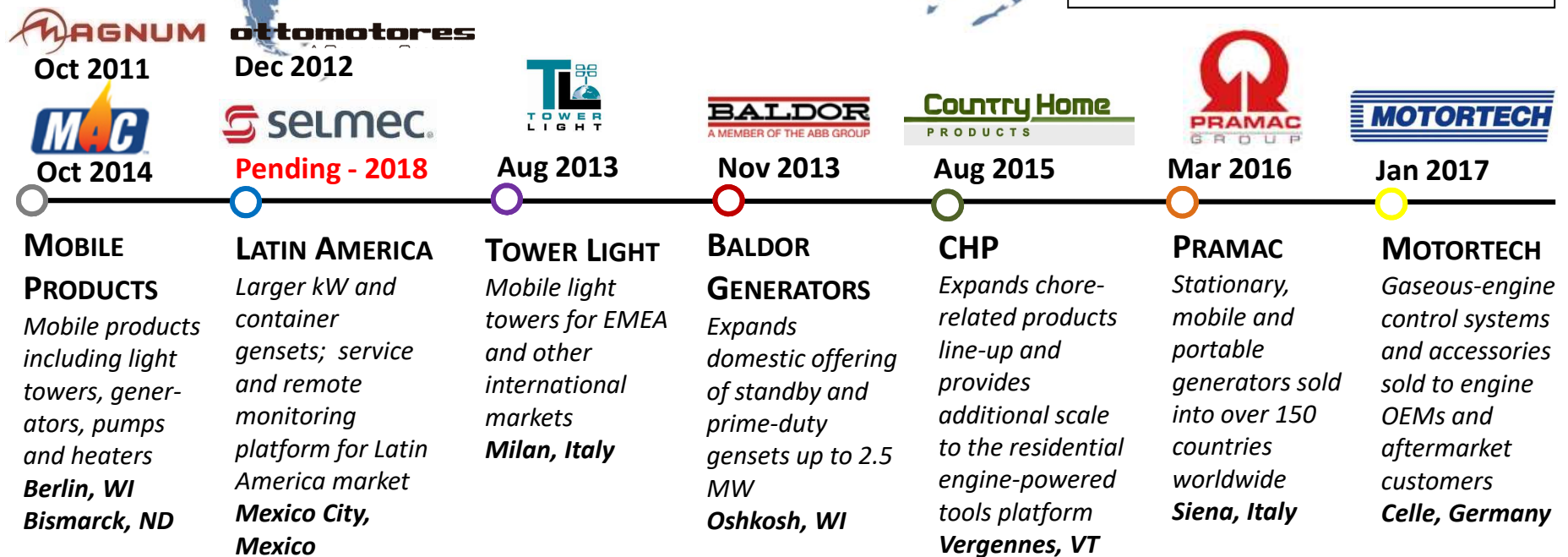
Acquisitions used to accelerate Powering Ahead strategy

Revenue synergies

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

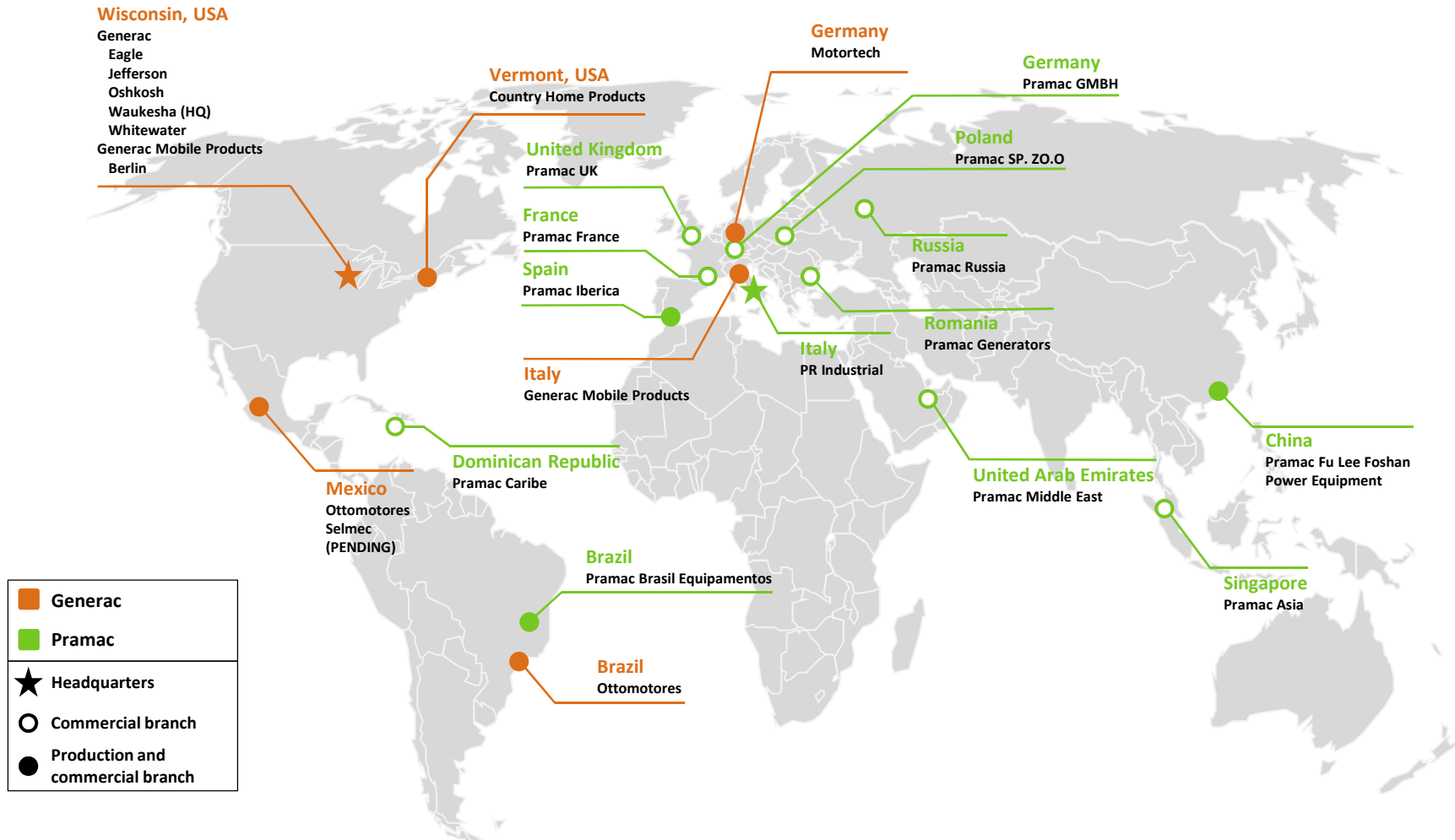
Cost synergies

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



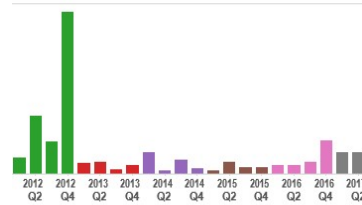
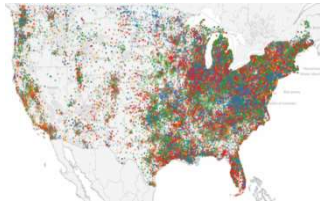
9 Represents the relatively smaller acquisitions of Gen-Tran completed in February 2012 (manual transfer switches for portable generators - Alpharetta, GA) and Pramac America in September 2017 (portable generators - Marietta, GA)

Generac Worldwide

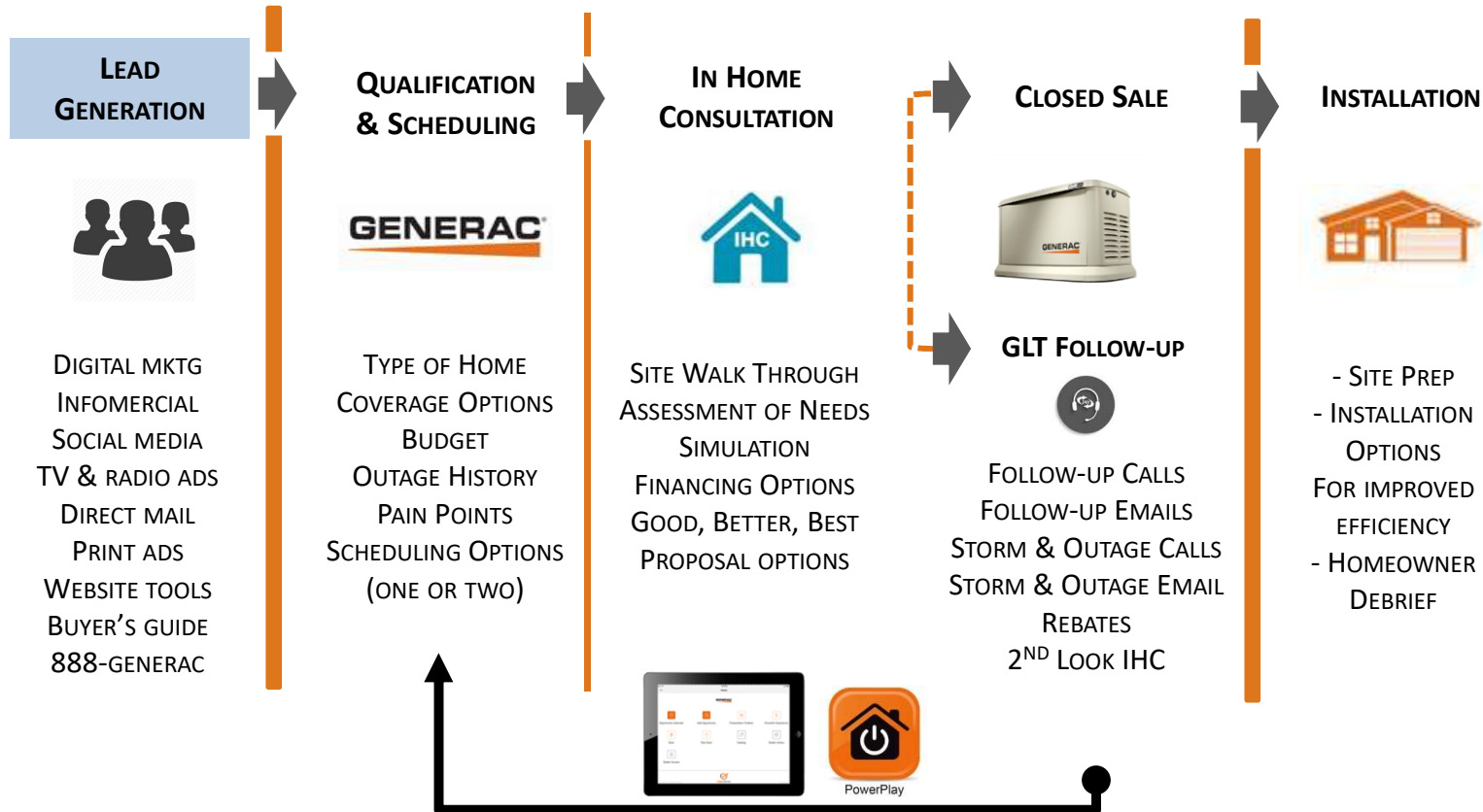


Vertically Integrated Manufacturing Capacity Serving a Globally Diverse Commercial Footprint

HSB Demand Creation Process



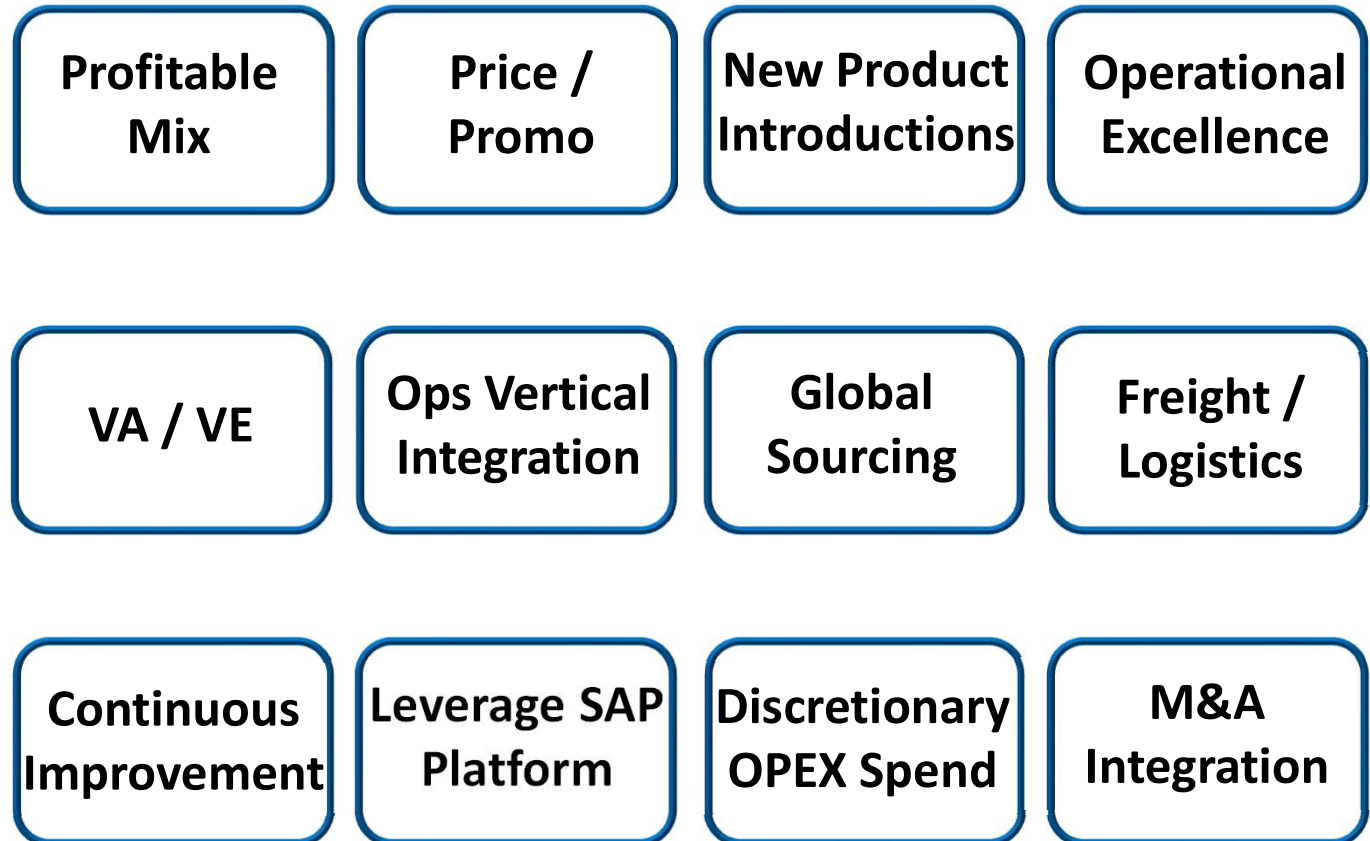
Activations/IHC's + **Outage Tracking** + **Proprietary Segmentation** = **Lead Generation**



Profitability Enhancement Program (PEP)



- *Cross-functional*
- *Cross-company*
- *Project managed*
- *Resourced*
- *Measured*
- *Accountable*
- *Value-oriented culture*



Targeting margin expansion of \approx 150bps through 2020

Residential – 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



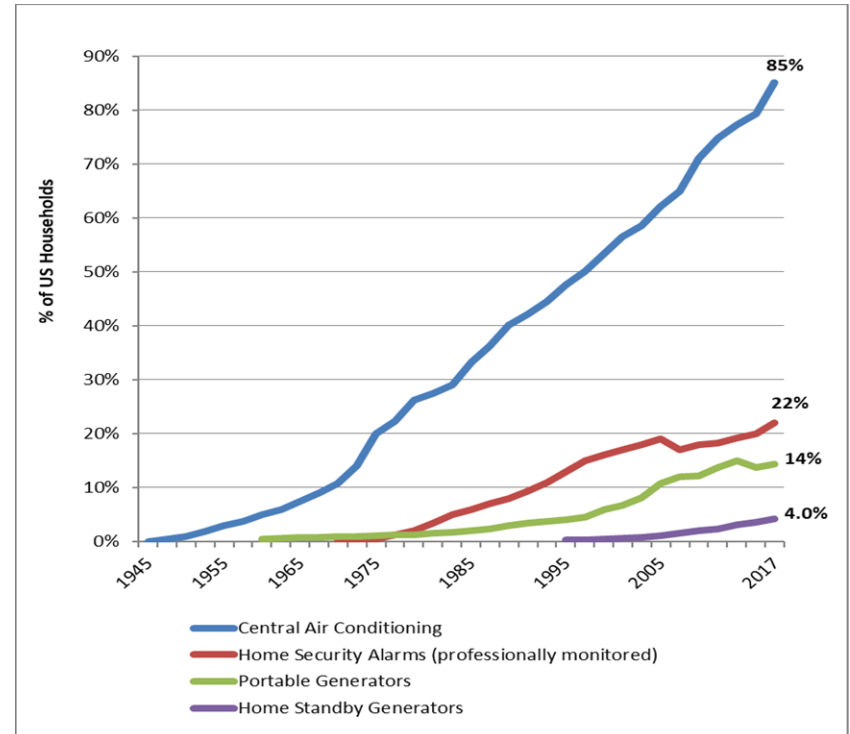
Portable & Inverter Generators

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:** ~9% CAGR for home standby generators from 2010-2017

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

Residential – Engine Powered Tools (EPT) **GENERAC**



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 EPT 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

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 prime, continuous and CHP applications
- **“Optional standby” market:** low penetration within the light commercial/retail market
- **Telecom:** growing importance of backup power for critical telecommunications infrastructure

15



- 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



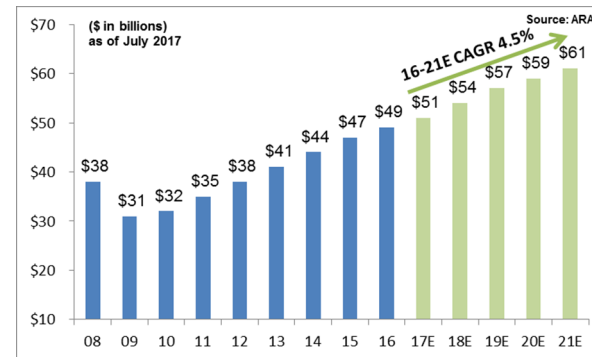
Light Towers

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

Mobile Equipment - Rental vs. Buy



- Overall industry projected to grow at ~4% CAGR from 2017-21
 - Construction and industrial projected to grow at a similar level
- Source: ARA Rental Market Monitor, IHS Economics - February 2018 forecast

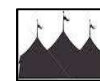
Long-Term Growth Themes

- 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 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

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

2018 Business Outlook

As reported on May 2, 2018

GENERAC

Consolidated net sales: *increase between 6 to 8%; core organic sales increase between 5 to 6%*

- ~4% y/y sales growth headwind from spike in portable shipments during 2H 2017 from major events
- Impact from foreign currency between 1.5 to 2% over prior year
- Home standby shipments expected grow solidly compared to 2017 levels
- Strong growth expected for domestic C&I stationary & mobile products and International segment

Power outage assumptions: *no major events; baseline outage severity levels for remainder of year similar to longer-term average*

- Baseline outages in recent quarters well above the longer-term average

Adjusted EBITDA margins: *between 19.0 to 19.5%*

Cash income tax rate: *approximately 13% 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

Investment Highlights



- ✓ Flexible operating model to execute on next step-function increase in demand from a major event
- ✓ Building a global Tier 1 power equipment company
- ✓ “Powering Ahead” strategy targeted to capitalize on numerous secular growth opportunities
- ✓ Market leader with significant barriers to entry
- ✓ Leading technology and innovation in the marketplace
- ✓ PEP program targeted to improve margins by ~150bp
- ✓ Free cash flow over \$800 million expected from 2017-2020

Leading “Industrial Technology” Company

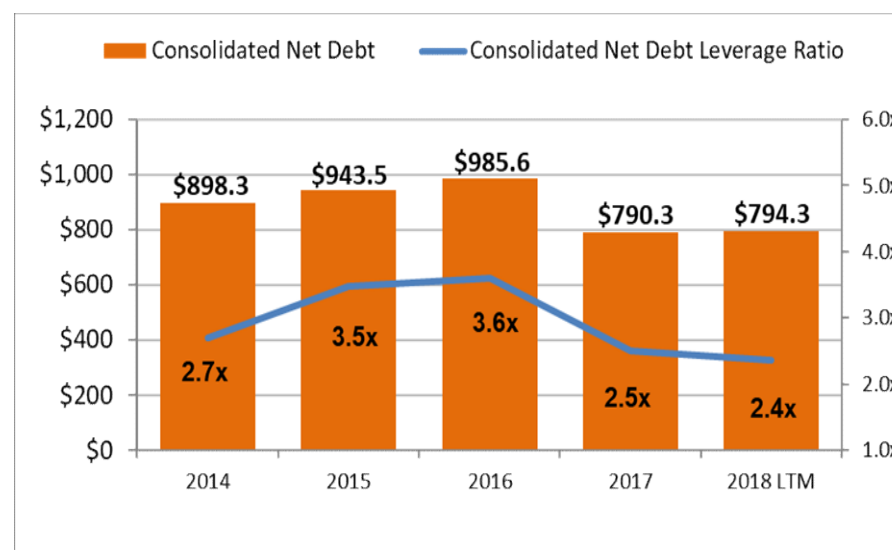
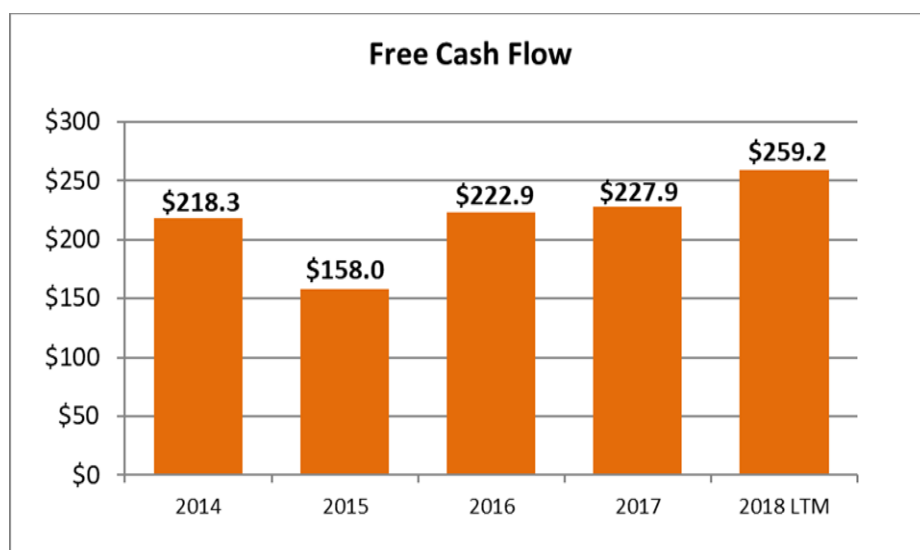
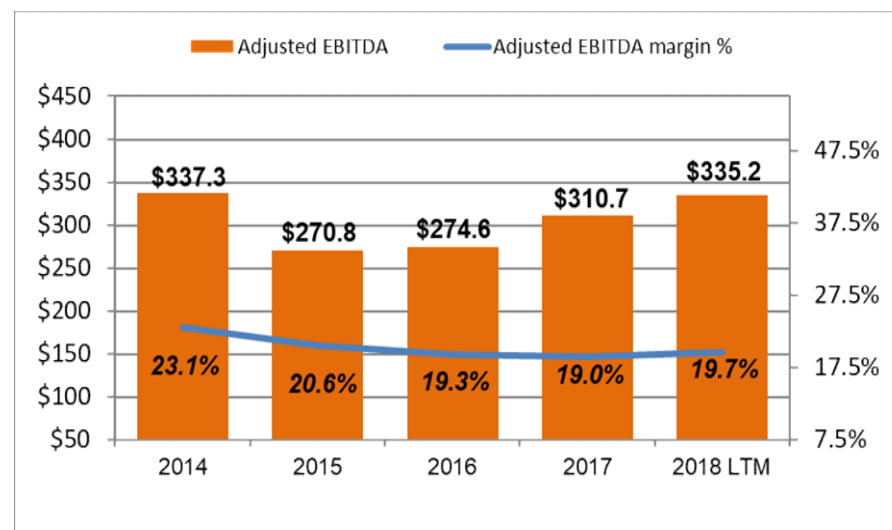
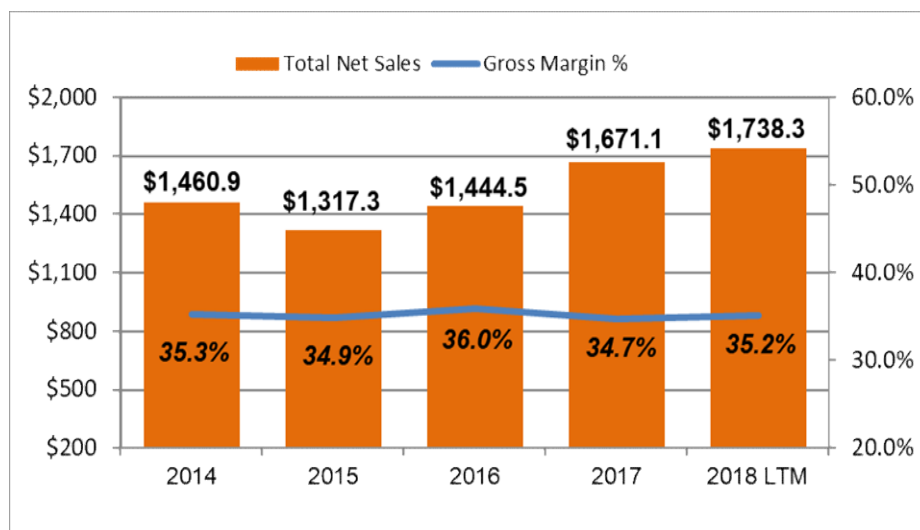


Appendix



GENERAC[®]

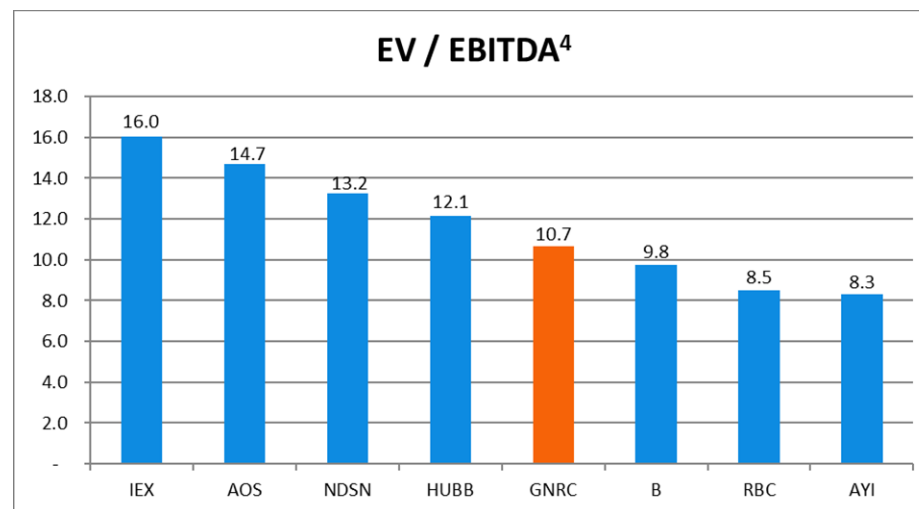
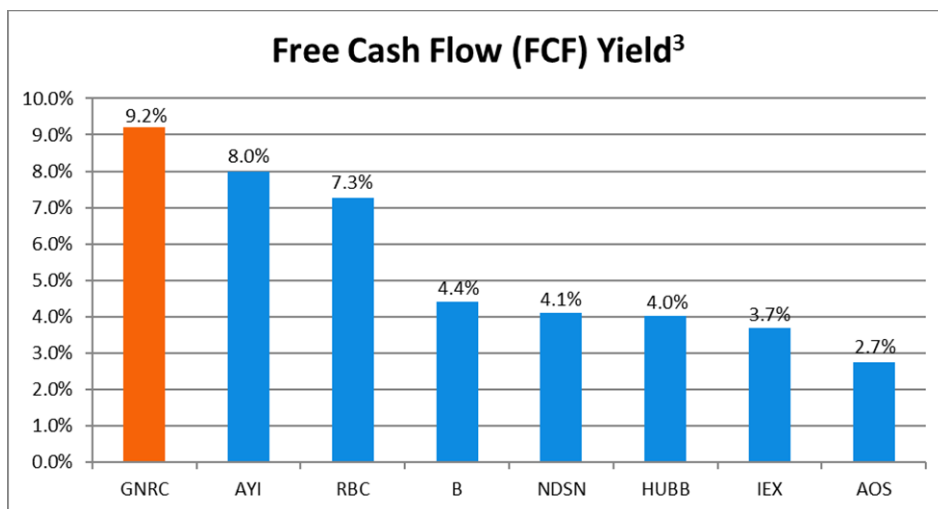
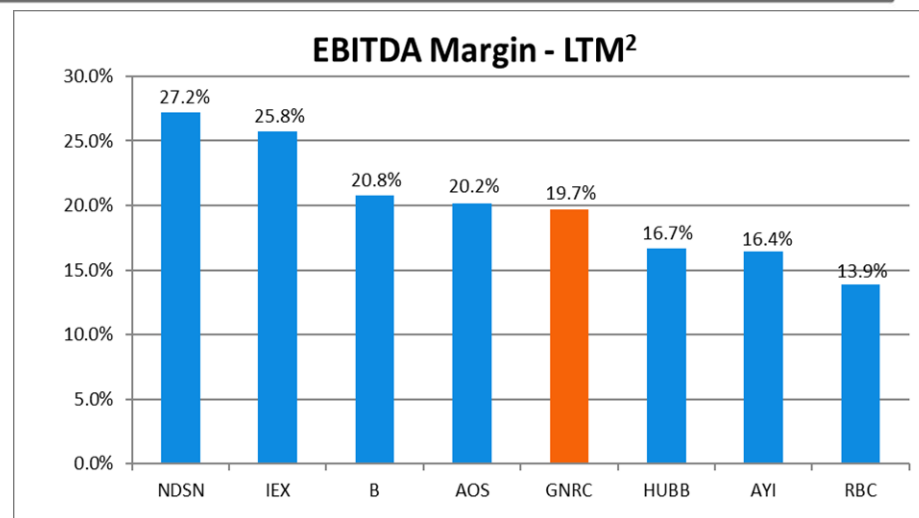
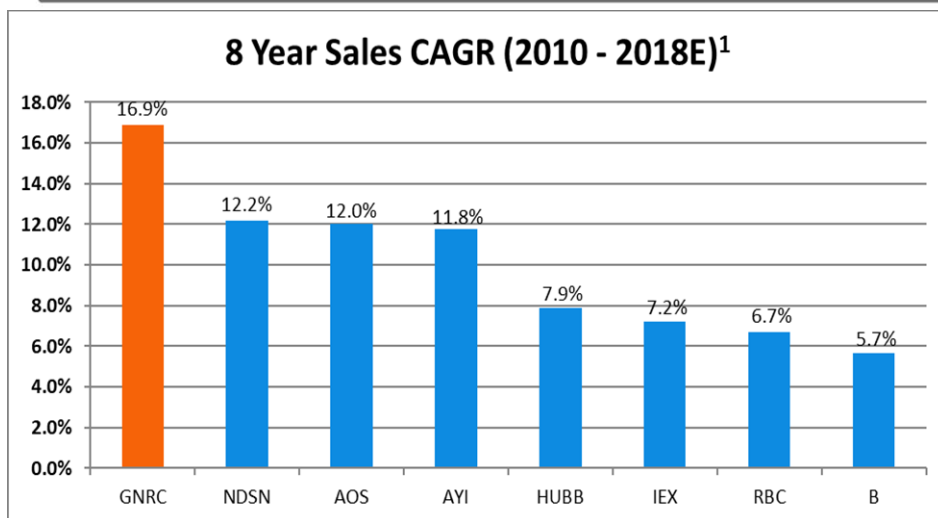
Financial Summary



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 through LTM 2018 calculated using adjusted EBITDA before deducting for non-controlling interest. Consolidated net debt leverage ratio for 2016 through LTM 2018 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 3, 2018.

(1) Figures represent an eight-year compound annual growth rate calculated by comparing the base year 2010 to the analyst consensus revenue forecast for 2018 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.

Projected Capital Deployment Priorities

>\$800mm of FCF expected 2017 - 2020



Priority Uses of Capital:

- 1.)** **Organic growth**
 - Invest in technology, innovation, and R&D capabilities
 - Capacity expansion; Global systems; High ROI automation



= Asset Lite
- 2.)** **Pay down debt**
 - Target 2-3x leverage (2.4x at 3/31/18)
 - No ECF payment on Term Loan if leverage < 3.75x; Matures 2023
 - \$500mm notional swapped fixed

= Deleveraging story
- 3.)** **M&A**
 - Demonstrated ability to execute; 10 deals since 2011 (11th pending)
 - Accelerates “Powering Ahead” strategic plan
 - Seek high synergy opportunities with above WACC returns

= Evaluate the funnel
- 4.)** **Return of Capital**
 - As future cash flow permits, will evaluate options opportunistically
 - \$144mm remaining on current share repurchase authorization

= Opportunistic

Lead Gas – Powering Ahead Pillar

PAST	PRESENT	FUTURE
<p>North America</p> <ul style="list-style-type: none"> • Emergency Standby 	<p>North America</p> <ul style="list-style-type: none"> • Emergency Standby • Prime Power • Demand Response <p>ROW/International</p> <ul style="list-style-type: none"> • Standby & Prime <div style="text-align: center;">  <p>Geographic Market Access</p>  <p>Technology & Application Expertise</p> </div>	<p>North America</p> <ul style="list-style-type: none"> • Standby & Prime • Demand Response <p>ROW/International</p> <ul style="list-style-type: none"> • Standby & Prime <p>Global</p> <ul style="list-style-type: none"> • Continuous, Combined Heat & Power (CHP)
~\$2.0B	~\$3.0B	~\$5.0B
Increase Served Market		
Up to 200kW + MPS 60Hz only	Up to 500kW + MPS 50Hz & 60Hz	Up to 1MW + MPS 50Hz & 60Hz
Product Line Expansion		

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 ~\$30 million per year through 2021

(\$ mm)	Total	2018	2019	2020	2021	2022+
Annual tax amortization	\$523	\$130	\$130	\$130	\$107	\$27
Cash tax savings⁽¹⁾	\$133	\$33	\$33	\$33	\$27	\$7

Results in present value tax savings of ~ \$100-\$125 million⁽²⁾ or \$1.50-\$2.00 per share

(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%

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

Generator Model	006459-0, 006461-0, 006462-0 (16 kW)	006729-0, 006730-0 (20 kW)	006551-0, 006552-0 (22 kW)
Rated Maximum Continuous Power Capacity (LP)	16,000 Watts*	20,000 Watts**	22,000 Watts**
Rated Maximum Continuous Power Capacity (NG)	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	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 5.5" (1150mm x 755mm x 155mm)
Power 7kW peak / 5kW continuous	Weight 284.4 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

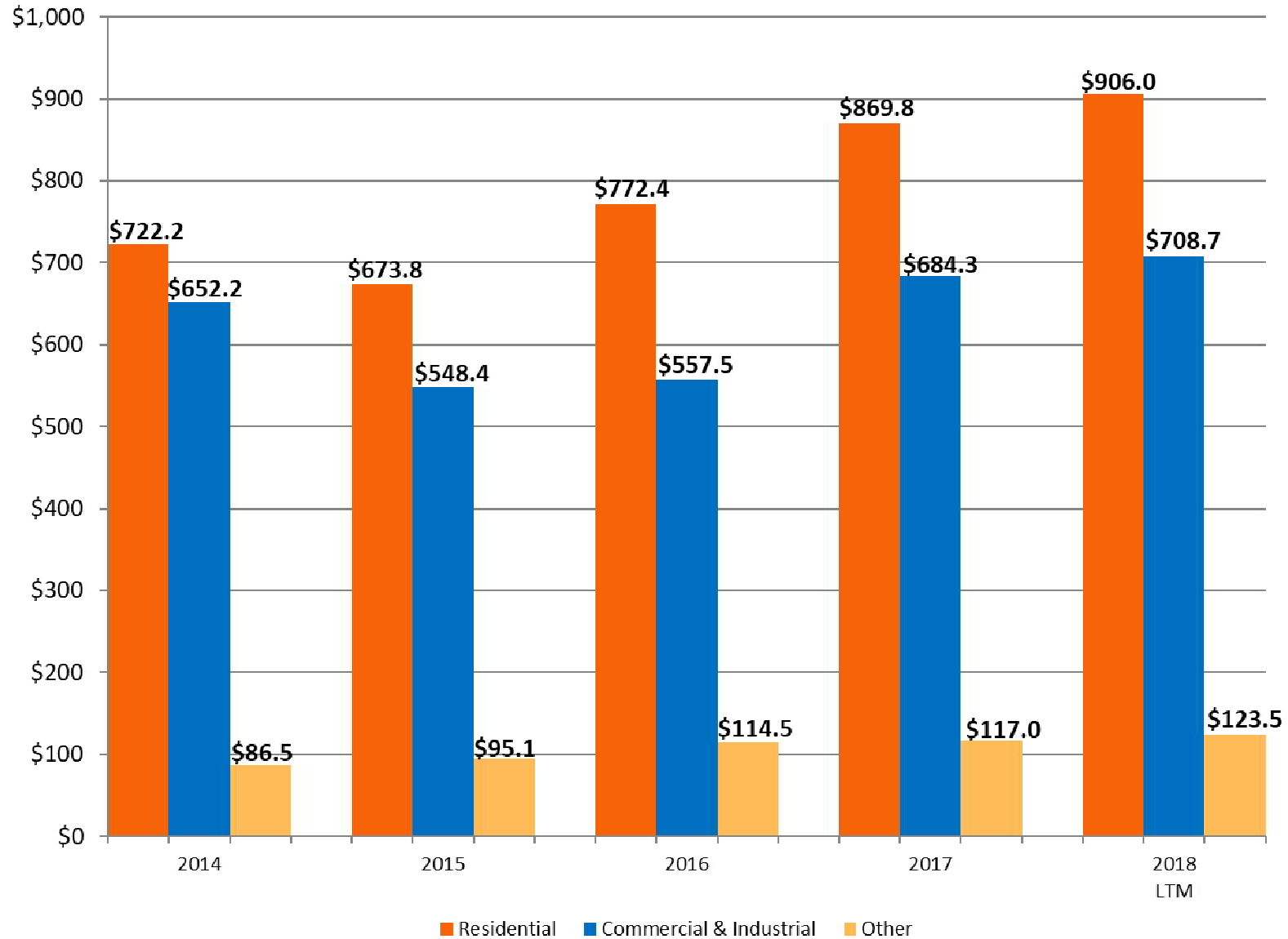
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(1) Electricity usage of some common household appliances: refrigerator – 4.8 kWh/day; clothes dryer – 3.3 kWh each use; clothes washer – 2.3 kWh each use
Sources: Generac, Tesla, U.S. Energy Information Administration, Company estimates

Net Sales by Product Class



(\$ in millions)



Q1 2018 & LTM Financial Overview



(\$ in millions)	Actual	Y/Y %	Actual	Y/Y %
	Q1 2018	Change	LTM Q1 2018	Change
	(unaudited)		(unaudited)	
Residential	\$ 190.5	23.5%	\$ 906.0	18.0%
Industrial	175.1	16.2%	708.7	17.1%
Other	32.0	25.5%	123.5	7.0%
Net Sales	\$ 397.6	20.3%	\$ 1,738.3	16.8%
Gross Profit (1)	\$ 140.0	28.7%	611.6	15.8%
% Margin	35.2%		35.2%	
Adjusted EBITDA - GHI	\$ 70.2	53.5%	\$ 335.2	23.6%
% Margin (2)	18.1%		19.7%	
Net Income - GHI (3) (4) (5)	\$ 33.6	176.3%	\$ 180.2	78.8%
Adjusted Net Income - GHI	\$ 46.1	86.6%	\$ 233.2	21.4%
Adjusted EPS - GHI	\$ 0.74	88.0%	\$ 3.73	26.2%
Free Cash Flow	\$ 23.3	(388.3%)	\$ 259.2	29.8%
Consolidated Net Debt			\$ 794.3	
Consolidated Net Debt Leverage Ratio			2.4x	

(1) LTM 2017 excludes \$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) LTM 2018 includes a \$28.4 million non-cash gain largely from the revaluation of the Company's net deferred tax liabilities associated with the enactment of the Tax Cuts and Jobs Act of 2017.

(4) LTM 2017 includes \$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.

(5) LTM 2017 includes a \$1.0 million intangible trade-name write off and \$3.0 million loss on change in contractual interest rate.

Adjusted EBITDA Reconciliation



(\$ in millions)

	2014	2015	2016	2017	LTM 2018
Net income	\$ 174.6	\$ 77.7	\$ 98.8	\$ 160.5	\$ 182.1
Interest expense	47.2	42.8	44.6	42.7	42.0
Depreciation and amortization	34.7	40.3	54.4	52.0	51.1
Income taxes provision	83.7	45.2	57.6	43.1	46.7
Non-cash write-down and other charges	(3.9)	44.6	7.5	5.8	7.0
Non-cash share-based compensation expense	12.6	8.2	9.5	10.2	10.7
Loss on extinguishment of debt	2.1	4.8	0.6	-	-
(Gain) loss on change in contractual interest rate	(16.0)	2.4	3.0	-	-
Transaction costs and credit facility fees	1.9	2.2	2.4	2.1	2.1
Other	0.3	2.4	0.1	0.3	0.2
Adjusted EBITDA	337.3	270.8	278.4	316.8	341.9
Adjusted EBITDA attributable to noncontrolling interests	-	-	(3.8)	(6.1)	(6.7)
Adjusted EBITDA attributable to Generac Holdings, Inc.	\$ 337.3	\$ 270.8	\$ 274.6	\$ 310.7	\$ 335.2

Adjusted EBITDA Reconciliation



(\$ in thousands)

Net income to Adjusted EBITDA reconciliation	Three months ended		LTM Ended March 31,	
	2018	2017	2018	2017
	March 31,		(unaudited)	
	(unaudited)		(unaudited)	
Net income attributable to Generac Holdings, Inc.	\$ 33,645	\$ 12,175	\$ 180,189	\$ 100,755
Net income attributable to noncontrolling interests	125	7	1,867	27
Net income	33,770	12,182	182,056	100,782
Interest expense	10,113	10,788	41,992	44,321
Depreciation and amortization	11,683	12,597	51,074	54,222
Income taxes provision	11,416	7,823	46,718	59,674
Non-cash write-down and other charges	1,444	266	7,013	750
Non-cash share-based compensation expense	3,106	2,632	10,679	9,640
Tradename and goodwill impairment	-	-	-	-
Loss on extinguishment of debt	-	-	-	574
(Gain) loss on change in contractual interest rate	-	-	-	2,957
Transaction costs and credit facility fees	262	316	2,091	2,235
Other	(13)	99	230	126
Adjusted EBITDA	71,781	46,703	341,853	275,281
Adjusted EBITDA attributable to noncontrolling interests	(1,549)	(956)	(6,668)	(4,056)
Adjusted EBITDA attributable to Generac Holdings, Inc.	\$ 70,232	\$ 45,747	\$ 335,185	\$ 271,225

Adjusted Net Income and Free Cash Flow Reconciliations



Net income to Adjusted net income reconciliation

(\$ in thousands)

	Three months ended March 31,		LTM Ended March 31,	
	2018	2017	2018	2017
	(unaudited)		(unaudited)	
Net income attributable to Generac Holdings, Inc.	\$ 33,645	\$ 12,175	\$ 180,189	\$ 100,755
Net income attributable to noncontrolling interests	125	7	1,867	27
Net income	33,770	12,182	182,056	100,782
Provision for income taxes	11,416	7,823	46,718	59,674
Income before provision for income taxes	45,186	20,005	228,774	160,456
Amortization of intangible assets	5,632	7,183	27,310	32,339
Amortization of deferred financing costs and OID	1,177	490	4,203	3,374
Tradename and goodwill impairment	-	-	-	-
Loss on extinguishment of debt	-	-	-	574
(Gain) loss on change in contractual interest rate	-	-	-	2,957
Transaction costs and credit facility fees	20	585	1,141	4,991
Business optimization expenses	138	100	2,950	310
Adjusted net income before provision for income taxes	52,153	28,363	264,378	205,001
Cash income tax expense	(5,410)	(3,087)	(27,947)	(10,566)
Adjusted net income	\$ 46,743	\$ 25,276	\$ 236,431	\$ 194,435
Adjusted net income attributable to noncontrolling interests	(661)	(582)	(3,280)	(2,371)
Adjusted net income attributable to Generac Holdings, Inc.	\$ 46,082	\$ 24,694	\$ 233,151	\$ 192,064
Free Cash Flow Reconciliation				
Net cash provided by operating activities	\$ 28,968	\$ (5,175)	\$ 294,592	\$ 226,083
Proceeds from beneficial interests in securitization transactions	\$ 867	\$ 629	867	\$ 629
Expenditures for property and equipment	(6,496)	(3,548)	(36,209)	(26,922)
Free cash flow	\$ 23,339	\$ (8,094)	\$ 259,250	\$ 199,790