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## Lazydays Holdings, Inc. Reports First Quarter 2020 Financial Results

**Tampa, FL (May 7, 2020)** – Lazydays Holdings, Inc. (“Lazydays” or the “Company”) (NasdaqCM: LAZY) announced financial results for the first quarter ended March 31, 2020.

### First Quarter Financial Results and Highlights:

- Revenues for the first quarter were \$190.9 million; up \$17.8 million, or 10.3%, versus 2019. Revenue from sales of Recreational Vehicles ("RVs") was \$167.2 million for the first quarter, up \$14.6 million, or 9.5%, versus 2019. RV unit sales excluding wholesale units, were 2,416 for the quarter, up 442 units, or 22.4% versus 2019. New and preowned RV sales revenues were \$102.4 million and \$64.7 million for the quarter, up 4.7% and 18.1% respectively compared to 2019.
- Gross profit, excluding last-in-first-out ("LIFO") adjustments, was \$41.7 million, up \$4.5 million, or 12.0%, versus 2019. Gross margin excluding LIFO adjustments increased between the two periods, to 21.7% in 2020 from 21.3% in 2019, with the change attributable to growth across our core lines of business. Gross profit for the quarter including LIFO adjustments was \$41.5 million; up \$4.6 million, or 12.5%, versus 2019. This gross profit comparison reflects a \$0.05 million net difference in LIFO adjustments between the two periods.
- Excluding transaction costs, stock-based compensation, and depreciation and amortization, Selling, General and Administrative expense ("SG&A") for the first quarter was \$31.1 million, up \$4.6 million compared to the prior year. This increase is attributable to the additional overhead expenses associated with The Villages dealership acquired in August 2019, the service center near Houston that started up operations in mid-February, and increased performance wages driven by the higher unit sales and revenue. Stock-based compensation decreased \$0.8 million, and depreciation and amortization decreased \$0.06 million compared to the prior year.
- Adjusted EBITDA, a non-GAAP financial measure, was \$9.5 million for the first quarter, up \$0.1 million compared to 2019.
- Net income for the first quarter was \$3.0 million dollars, or 8¢ per share, as compared to net income of \$1.8 million, or 4¢ per share, in 2019. This \$1.2 million improvement was primarily the result of the net of the increased gross profit and SG&A expense discussed above, the reduced amortization of stock based compensation, as well as a \$0.5 million decrease in interest expense.
- As of March 31, 2020, cash was \$43.3 million up \$11.8 million from December 31, 2019. The increase in cash includes the impact of cash provided by a \$5.0 million mortgage on the recently completed service center near Houston, Texas and \$4.9 million provided by the consummation of a sale leaseback of property for the greenfield dealership being built near Nashville, Tennessee.

### **Conference Call Information:**

The Company has scheduled a conference call at 10:00AM Eastern Time on May 7, 2020 that will also be broadcast live over the internet. The call can be accessed as follows:

Via phone by dialing 1-844-343-9114 for domestic callers and 1-647-689-5132 for international callers. Please dial in and request Lazydays Holdings, Inc. First Quarter 2020 Financial Results Conference Call; also via webcast by clicking the [link](#).

A live audio webcast of the conference call will be available online at <https://www.lazydays.com/investor-relations>.

A telephonic replay of the conference call will be available until May 14, 2020 and may be accessed by calling 1-800-585-8367 or 1-416-621-4642 with a conference ID number of 8754538. The webcast will be archived in the Investor Relations section of the Company's website.

### **ABOUT LAZYDAYS RV**

Lazydays, The RV Authority<sup>®</sup>, is an iconic brand in the RV industry. Home of the world's largest recreational dealership, based on 126 acres outside of Tampa, Florida, Lazydays has dealerships located at The Villages, Florida; Tucson, Arizona; Minneapolis, Minnesota; Knoxville, Tennessee; and Loveland and Denver, Colorado. Lazydays also has a dedicated Service Center location near Houston, Texas. Offering the nation's largest selection of leading RV brands, Lazydays features over 3,000 new and pre-owned RVs, more than 400 service bays and two on-site campgrounds with over 700 RV campsites. In addition, Lazydays RV Accessories & More<sup>™</sup> stores offer thousands of accessories and hard-to-find parts at dealership locations.

Since 1976, Lazydays has built a reputation for providing an outstanding customer experience with exceptional service and product expertise, along with being a preferred place to rest and recharge with other RVers. Lazydays consistently provides the best RV purchase, service, and ownership experience, which is why RVers and their families keep returning to Lazydays year after year, calling it their "home away from home."

Lazydays Holdings, Inc. is a publicly listed company on the Nasdaq stock exchange under the ticker "LAZY." Additional information can be found here.

### **Forward-Looking Statements**

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements describe Lazydays future plans, projections, strategies and expectations, including statements regarding Lazydays' expectations regarding the impact of the COVID-19 pandemic on the Company's business, results of operations and financial condition and the measures the Company has taken in response to the COVID-19 pandemic, the impact of its acquisition of its recently acquired dealership at The Villages, Florida and its greenfield start-ups near Houston, Texas and Nashville, Tennessee, and are based on assumptions and involve a number of risks and uncertainties, many of which are beyond the control of Lazydays. Actual results could differ materially from those projected due to various factors, including economic conditions generally, conditions in the credit markets and changes in interest rates, conditions in the capital markets, the global impact of the pandemic outbreak of coronavirus (COVID-19) and other factors described from time to time in Lazydays' SEC reports and filings, which are available at [www.sec.gov](http://www.sec.gov). Forward-looking statements contained in this news release speak only as of the date of this news release, and Lazydays undertakes no obligation to update these forward-looking statements to reflect subsequent events or circumstances, unless otherwise required by law.

## Results of Operations for the First Quarter Ended March 31, 2020 and 2019

**LAZYDAYS HOLDINGS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(Dollar amounts in thousands except for share and per share data)  
(Unaudited)

	<b>For the three months ended March 31, 2020</b>	<b>For the three months ended March 31, 2019</b>
Revenues		
New and pre-owned vehicles	\$ 167,188	\$ 152,634
Other	23,666	20,423
Total revenues	<u>190,854</u>	<u>173,057</u>
Cost applicable to revenues (excluding depreciation and amortization shown below)		
New and pre-owned vehicles (including adjustments to the LIFO reserve of \$195 and \$247, respectively)	143,402	131,117
Other	5,979	4,993
Total cost applicable to revenue	<u>149,381</u>	<u>136,110</u>
Transaction costs	256	228
Depreciation and amortization	2,637	2,695
Stock-based compensation	680	1,514
Selling, general, and administrative expenses	31,116	26,452
Income from operations	<u>6,784</u>	<u>6,058</u>
Other income/expenses		
Loss on sale of property and equipment	(2)	(2)
Interest expense	(2,495)	(3,027)
Total other expense	<u>(2,497)</u>	<u>(3,029)</u>
Income before income tax expense	4,287	3,029
Income tax expense	(1,300)	(1,185)
Net income	<u>\$ 2,987</u>	<u>\$ 1,844</u>
Dividends on Series A Convertible Preferred Stock	(1,644)	(1,184)
Deemed dividend on Series A Convertible Preferred Stock securities	<u>\$ 1,343</u>	<u>\$ 660</u>
EPS:		
Basic and diluted income per share	<u>\$ 0.08</u>	<u>\$ 0.04</u>
Weighted average shares outstanding - basic and diluted	<u>9,757,036</u>	<u>9,695,234</u>

See the accompanying notes to the unaudited condensed consolidated financial statements

Balance Sheets as of March 31, 2020 and December 31, 2019

**LAZYDAYS HOLDINGS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Dollar amounts in thousands except for share and per share data)

	<b>As of March 31, 2020 (Unaudited)</b>	<b>As of December 31, 2019</b>
<b>ASSETS</b>		
Current assets		
Cash	\$ 43,269	\$ 31,458
Receivables, net of allowance for doubtful accounts of \$374 and \$382 at March 31, 2020 and December 31, 2019, respectively	16,473	16,025
Inventories	153,284	160,864
Income tax receivable	-	326
Prepaid expenses and other	3,045	2,999
Total current assets	216,071	211,672
Property and equipment, net	87,048	86,876
Operating lease assets	17,953	-
Goodwill	38,979	38,979
Intangible assets, net	67,807	68,854
Other assets	272	255
Total assets	\$ 428,130	\$ 406,636

See the accompanying notes to the unaudited condensed consolidated financial statements

**LAZYSAYS HOLDINGS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS, CONTINUED**  
(Dollar amounts in thousands except for share and per share data)

	<b>As of March 31, 2020 (Unaudited)</b>	<b>As of December 31, 2019</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable, accrued expenses and other current liabilities	\$ 25,649	\$ 23,855
Income taxes payable	974	-
Floor plan notes payable, net of debt discount	133,425	143,949
Financing liability, current portion	982	936
Long-term debt, current portion	17,332	5,993
Operating lease liability, current portion	3,164	-
Total current liabilities	181,526	174,733
Long term liabilities		
Financing liability, non-current portion, net of debt discount	68,158	63,557
Long term debt, non-current portion, net of debt discount	7,746	15,573
Operating lease liability, non-current portion	14,405	-
Deferred tax liability	16,450	16,450
Total liabilities	288,285	270,313
Commitments and Contingencies		
Series A Convertible Preferred Stock; 600,000 shares, designated, issued, and outstanding as of March 31, 2020 and December 31, 2019; liquidation preference of \$67,553 and \$65,910 as of March 31, 2020 and December 31, 2019, respectively	62,537	60,893
Stockholders' Equity		
Preferred Stock, \$0.0001 par value; 5,000,000 shares authorized;	-	-
Common stock, \$0.0001 par value; 100,000,000 shares authorized; 8,506,666 shares issued and outstanding at March 31, 2020 and December 31, 2019, respectively	-	-
Additional paid-in capital	78,222	79,186
Treasury Stock, at cost, 122,729 and 78,000 shares at March 31, 2020 and December 31, 2019, respectively	(459)	(314)
Accumulated deficit	(455)	(3,442)
Total stockholders' equity	77,308	75,430
Total liabilities and stockholders' equity	\$ 428,130	\$ 406,636

See the accompanying notes to the unaudited condensed consolidated financial statements

## **Non-GAAP Financial Measures**

We use certain non-GAAP financial measures, such as EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin to enable us to analyze our performance and financial condition. We utilize these financial measures to manage our business on a day-to-day basis and believe that they are useful measures of performance as they reflect certain operating drivers of the business, such as sales growth, operating costs, selling and administrative expense and other operating income and expense. We believe that these supplemental measures are commonly used by analysts, investors and other interested parties to evaluate companies in our industry. We believe these non-GAAP measures provide expanded insight of the underlying operating results and trends and overall understanding of our financial performance and prospects for the future. The presentation of non-GAAP financial information should not be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

Our use of EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin may not be comparable to other companies within the industry due to different methods of calculation. We compensate for these limitations by using each of EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin as only one of several measures for evaluating our business performance. In addition, capital expenditures, which impact depreciation and amortization, interest expense, and income tax expense, are reviewed separately by management. We may incur expenses in the future that are the same or similar to some of those adjusted in this presentation.

EBITDA is defined as net income excluding depreciation and amortization of property and equipment, interest expense, net, amortization of intangible assets, and income tax expense.

Adjusted EBITDA is defined as net income excluding depreciation and amortization of property and equipment, non-floor plan interest expense, amortization of intangible assets, income tax expense, stock-based compensation, transaction costs and other supplemental adjustments which for the periods presented includes LIFO adjustments, severance costs and other one time charges, and loss on sale of property and equipment.

Adjusted EBITDA Margin is defined as Adjusted EBITDA as a percentage of total revenues.

Reconciliations from Net Income per the Consolidated Statements of Income to EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin for the three months ended March 31, 2020 and 2019 are shown in the tables below.

	<b>Three Months Ended March 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>EBITDA</b>		
Net income	\$ 2,987	\$ 1,844
Interest expense, net	2,495	3,027
Depreciation and amortization of property and equipment	1,589	1,741
Amortization of intangible assets	1,048	954
Income tax expense	1,300	1,185
Subtotal EBITDA	<u>9,419</u>	<u>8,751</u>
Floor plan interest	(1,029)	(1,469)
LIFO adjustment	195	247
Transaction costs	256	228
Loss on sale of property and equipment	2	2
Severance costs/Other	-	157
Stock-based compensation	680	1,514
Adjusted EBITDA	<u>\$ 9,523</u>	<u>\$ 9,430</u>

	<b>Three Months Ended March 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>EBITDA margin</b>		
Net income margin	1.6%	1.1%
Interest expense, net	1.3%	1.7%
Depreciation and amortization of property and equipment	0.8%	1.0%
Amortization of intangible assets	0.5%	0.6%
Income tax expense	0.7%	0.7%
Subtotal EBITDA margin	<u>4.9%</u>	<u>5.1%</u>
Floor plan interest	-0.5%	-0.8%
LIFO adjustment	0.1%	0.1%
Transaction costs	0.1%	0.1%
Loss on sale of property and equipment	0.0%	0.0%
Severance costs/Other	0.0%	0.1%
Stock-based compensation	0.4%	0.9%
Adjusted EBITDA	<u>5.0%</u>	<u>5.4%</u>

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