

RAVEN INDUSTRIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Dollars and shares in thousands, except earnings per share) (Unaudited)

	Three Months Ended October 31,			Nine Months Ended October 31,		
	2020	2019	Fav (Un) Change	2020	2019	Fav (Un) Change
Net sales	\$ 96,607	\$ 100,533	(3.9)%	\$ 268,282	\$ 296,769	(9.6)%
Cost of sales	62,083	70,229		175,159	200,061	
Gross profit	34,524	30,304	13.9 %	93,123	96,708	(3.7)%
<i>Gross profit percentage</i>	<i>35.7 %</i>	<i>30.1 %</i>		<i>34.7 %</i>	<i>32.6 %</i>	
Research and development expenses	10,949	7,662		32,262	22,000	
Selling, general, and administrative expenses	14,284	11,310		41,488	37,685	
Operating income	9,291	11,332	(18.0)%	19,373	37,023	(47.7)%
<i>Operating income percentage</i>	<i>9.6 %</i>	<i>11.3 %</i>		<i>7.2 %</i>	<i>12.5 %</i>	
Other income (expense), net	(423)	84		(514)	398	
Income before income taxes	8,868	11,416	(22.3)%	18,859	37,421	(49.6)%
Income tax expense	140	1,483		363	5,512	
Net income	8,728	9,933	(12.1)%	18,496	31,909	(42.0)%
Net loss attributable to the noncontrolling interest	—	(1)		(98)	(1)	
Net income attributable to Raven Industries, Inc.	\$ 8,728	\$ 9,934	(12.1)%	\$ 18,594	\$ 31,910	(41.7)%
Net income per common share:						
- Basic	\$ 0.24	\$ 0.28	(14.3)%	\$ 0.52	\$ 0.89	(41.6)%
- Diluted	\$ 0.24	\$ 0.28	(14.3)%	\$ 0.51	\$ 0.88	(42.0)%
Weighted average common shares:						
- Basic	36,001	35,914		35,975	36,014	
- Diluted	36,151	36,091		36,118	36,251	

RAVEN INDUSTRIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands) (Unaudited)

	October 31 2020	January 31 2020	October 31 2019
ASSETS			
Cash and cash equivalents	\$ 38,217	\$ 20,707	\$ 77,094
Accounts receivable, net	54,224	62,552	62,057
Inventories, net	44,674	53,899	51,981
Other current assets	4,938	5,436	5,095
Total current assets	<u>142,053</u>	142,594	196,227
Property, plant and equipment, net	104,596	100,850	101,487
Goodwill	105,925	106,509	50,834
Intangible assets, net	44,083	46,217	14,933
Other assets	11,123	7,087	8,795
TOTAL ASSETS	<u><u>\$ 407,780</u></u>	<u><u>\$ 403,257</u></u>	<u><u>\$ 372,276</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Accounts payable	\$ 19,314	\$ 14,893	\$ 11,045
Accrued and other liabilities	25,927	23,030	23,083
Total current liabilities	<u>45,241</u>	37,923	34,128
Long-term debt	1,900	225	—
Other liabilities	32,944	29,161	21,969
Total liabilities	<u>80,085</u>	67,309	56,097
Redeemable noncontrolling interest	—	21,302	—
Shareholders' equity	<u>327,695</u>	314,646	316,179
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>\$ 407,780</u></u>	<u><u>\$ 403,257</u></u>	<u><u>\$ 372,276</u></u>

Net Working Capital and Net Working Capital Percentage²

Accounts receivable, net	\$ 54,224	\$ 62,552	\$ 62,057
Plus: Inventories, net	44,674	53,899	51,981
Less: Accounts payable	19,314	14,893	11,045
Net working capital ²	<u>\$ 79,584</u>	<u>\$ 101,558</u>	<u>\$ 102,993</u>
Annualized net sales	\$ 386,428	\$ 343,044	\$ 402,132
Net working capital percentage ²	20.6 %	29.6 %	25.6 %

RAVEN INDUSTRIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands) (Unaudited)

	Nine Months Ended October 31,	
	2020	2019
Cash flows from operating activities:		
Net income	\$ 18,496	\$ 31,909
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	12,829	12,124
Other operating activities, net	23,775	3,045
Net cash provided by operating activities	<u>55,100</u>	<u>47,078</u>
Cash flows from investing activities:		
Capital expenditures	(10,931)	(6,143)
Proceeds from sale or maturities of investments	586	993
Purchases of investments	(227)	(934)
Proceeds from sale of assets	251	3,459
Other investing activities, net	(272)	(3,208)
Net cash used in investing activities	<u>(10,593)</u>	<u>(5,833)</u>
Cash flows from financing activities:		
Dividends paid	(9,318)	(14,001)
Payments for common shares repurchased	—	(10,781)
Proceeds from debt	51,685	—
Repayments of debt	(50,000)	—
Payments for redeemable noncontrolling interest	(17,853)	—
Payment of acquisition-related contingent liabilities	—	(1,308)
Other financing activities, net	(1,169)	(3,780)
Net cash used in financing activities	<u>(26,655)</u>	<u>(29,870)</u>
Effect of exchange rate changes on cash	(342)	(68)
Net increase in cash and cash equivalents	17,510	11,307
Cash and cash equivalents at beginning of period	20,707	65,787
Cash and cash equivalents at end of period	<u>\$ 38,217</u>	<u>\$ 77,094</u>

RAVEN INDUSTRIES, INC.
SALES AND OPERATING INCOME BY SEGMENT
(Dollars in thousands) (Unaudited)

	Three Months Ended October 31,			Nine Months Ended October 31,		
	2020	2019	Fav (Un) Change	2020	2019	Fav (Un) Change
Net sales						
Applied Technology	\$ 34,838	\$ 28,500	22.2 %	\$ 112,347	\$ 97,596	15.1 %
Engineered Films	43,765	56,406	(22.4)%	113,415	158,214	(28.3)%
Aerostar	18,010	15,661	15.0 %	42,626	41,040	3.9 %
Intersegment eliminations	(6)	(34)		(106)	(81)	
Consolidated net sales	\$ 96,607	\$ 100,533	(3.9)%	\$ 268,282	\$ 296,769	(9.6)%
Operating income						
Applied Technology	\$ 5,797	\$ 7,035	(17.6)%	\$ 21,247	\$ 25,120	(15.4)%
Engineered Films	7,321	8,474	(13.6)%	13,393	24,987	(46.4)%
Aerostar	2,777	2,488	11.6 %	4,821	7,427	(35.1)%
Intersegment eliminations	9	(12)		60	(10)	
Total segment income	\$ 15,904	\$ 17,985	(11.6)%	\$ 39,521	\$ 57,524	(31.3)%
Corporate expenses	(6,613)	(6,653)	0.6 %	(20,148)	(20,501)	1.7 %
Consolidated operating income	\$ 9,291	\$ 11,332	(18.0)%	\$ 19,373	\$ 37,023	(47.7)%
Operating income percentages						
Applied Technology	16.6 %	24.7 %	(81)bps	18.9 %	25.7 %	(680)bps
Engineered Films	16.7 %	15.0 %	170bps	11.8 %	15.8 %	(400)bps
Aerostar	15.4 %	15.9 %	(50)bps	11.3 %	18.1 %	(680)bps
Consolidated operating income	9.6 %	11.3 %	(170)bps	7.2 %	12.5 %	(530)bps

RAVEN INDUSTRIES, INC.
EBITDA REGULATION G RECONCILIATION³
(Dollars in thousands) (Unaudited)

	Three Months Ended October 31,			Nine Months Ended October 31,		
	2020	2019	Fav (Un) Change	2020	2019	Fav (Un) Change
Applied Technology						
Reported Operating income	\$ 5,797	\$ 7,035	(17.6)%	\$ 21,247	\$ 25,120	(15.4)%
Plus: Depreciation and amortization	1,335	957	39.5 %	3,656	2,956	23.7 %
ATD EBITDA	\$ 7,132	\$ 7,992	(10.8)%	\$ 24,903	\$ 28,076	(11.3)%
<i>ATD EBITDA % of Net Sales</i>	<i>20.5 %</i>	<i>28.0 %</i>		<i>22.2 %</i>	<i>28.8 %</i>	
Engineered Films						
Reported Operating income	\$ 7,321	\$ 8,474	(13.6)%	\$ 13,393	\$ 24,987	(46.4)%
Plus: Depreciation and amortization	2,384	2,397	(0.5)%	7,220	7,121	1.4 %
EFD EBITDA	\$ 9,705	\$ 10,871	(10.7)%	\$ 20,613	\$ 32,108	(35.8)%
<i>EFD EBITDA % of Net Sales</i>	<i>22.2 %</i>	<i>19.3 %</i>		<i>18.2 %</i>	<i>20.3 %</i>	
Aerostar						
Reported Operating income	\$ 2,777	\$ 2,488	11.6 %	\$ 4,821	\$ 7,427	(35.1)%
Plus: Depreciation and amortization	278	240	15.8 %	765	680	12.5 %
Aerostar EBITDA	\$ 3,055	\$ 2,728	12.0 %	\$ 5,586	\$ 8,107	(31.1)%
<i>Aerostar EBITDA % of Net Sales</i>	<i>17.0 %</i>	<i>17.4 %</i>		<i>13.1 %</i>	<i>19.8 %</i>	
Consolidated						
Net income attributable to Raven Industries Inc.	\$ 8,728	\$ 9,934	(12.1)%	\$ 18,594	\$ 31,910	(41.7)%
Interest (income) expense, net	103	(210)		383	(644)	
Income tax expense	140	1,483		363	5,512	
Plus: Depreciation and amortization	4,351	4,002		12,829	12,124	
Consolidated EBITDA	\$ 13,322	\$ 15,209	(12.4)%	\$ 32,169	\$ 48,902	(34.2)%
<i>Consolidated EBITDA % of Net Sales</i>	<i>13.8 %</i>	<i>15.1 %</i>		<i>12.0 %</i>	<i>16.5 %</i>	

¹ Free cash flow is defined as Net cash provided by operating activities, less capital expenditures, less dividends paid.

² Net working capital is defined as accounts receivable, (net) plus inventories, (net) less accounts payable. Net working capital percentage is defined as net working capital divided by four times quarterly sales for each respective period.

³ EBITDA is a non-GAAP financial measure defined on a consolidated basis as net income attributable to Raven Industries, Inc., plus income taxes, plus depreciation and amortization expense, plus interest (income) expense, (net). On a segment basis, it is defined as operating income plus depreciation expense and amortization expense. EBITDA margin is defined as EBITDA divided by net sales.

⁴ Total liquidity is defined as Cash and cash equivalents plus the available balance on the Company's revolving credit facility.