



B. Riley Financial Raises Guidance for Full Year 2019

September 4, 2019

Revises range for adjusted EBITDA to \$150M - \$170M, up from \$115M-\$135M and revises net income range to \$45M - \$60M, up from \$39M to \$45M

LOS ANGELES, Sept. 4, 2019 /PRNewswire/ -- B. Riley Financial, Inc. (NASDAQ:RILY) (the "Company" or "B. Riley"), a diversified financial services company which operates through several wholly-owned subsidiaries, today announced it is revising and raising its guidance for the full year of 2019.

The Company expects to report adjusted EBITDA in the range of \$150 million and \$170 million and net income in the range of \$45 million and \$60 million, an increase from its previously released projections for adjusted EBITDA of \$115 million to \$135 million and net income of \$39 million to \$45 million.

B. Riley is raising its full year guidance as a result of continued steady results across its various subsidiaries with better than anticipated performance in its more episodic asset disposition and capital markets businesses. While these episodic businesses are inherently hard to forecast, strong performance in these segments are core to the Company's strategy of utilizing its balance sheet to leverage returns out of its asset base.

The Company reported total revenues of \$306.8 million and net income of \$30.2 million for the first six months of 2019, compared to revenues of \$221.3 million and net income of \$21.5 million for the six months ended June 30, 2018. For the full year of 2018, B. Riley reported total revenues of \$423.0 million and net income of \$15.5 million. The Company intends to report its third quarter 2019 financial results in late October.

B. Riley will present at the 8th Annual Gateway Conference in San Francisco today, Wednesday, September 4, 2019 at 11:00 am PST (2:00 pm EST). Investors may access the webcast online on the Company's investor relations website at ir.brileyfin.com.

About B. Riley Financial

B. Riley Financial provides collaborative financial services tailored to fit the capital raising and business advisory needs of public and private companies and high-net-worth individuals. B. Riley operates through several wholly-owned subsidiaries which offer complementary end-to-end capabilities spanning investment banking and institutional brokerage, private wealth and investment management, corporate advisory, restructuring, due diligence, forensic accounting and litigation support, appraisal and valuation, and auction and liquidation services. Certain registered affiliates of B. Riley originate and underwrite senior secured loans for asset-rich companies. The Company also makes proprietary investments in companies and assets with attractive return profiles. For more information, visit www.brileyfin.com.

Forward-Looking Statements

Statements in this press release that are not descriptions of historical facts are forward-looking statements that

are based on management's current expectations and assumptions and are subject to risks and uncertainties. If such risks or uncertainties materialize or such assumptions prove incorrect, our business, operating results, financial condition and stock price could be materially negatively affected. You should not place undue reliance on such forward-looking statements, which are based on the information currently available to us and speak only as of the date of this press release. Such forward looking statements include, but are not limited to, statements regarding the Company's anticipated results of operations for 2019, expectations regarding the size and consistency of returns, expectations regarding market dynamics, as well as statements regarding our excitement and the expected growth of our business segments. Other factors that could adversely affect our operating results and cash flows include (without limitation) those risks described from time to time in B. Riley Financial, Inc.'s periodic filings with the SEC, including, without limitation, the risks described in B. Riley Financial, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2018 under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Additional information will be set forth in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2019. These factors should be considered carefully, and readers are cautioned not to place undue reliance on such forward-looking statements. All information is current as of the date this press release is issued, and B. Riley Financial, Inc. undertakes no duty to update this information.

Note Regarding Use of Non-GAAP Financial Measures

Certain of the information set forth herein, including adjusted net income and adjusted EBITDA, may be considered non-GAAP financial measures. B. Riley Financial believes this information is useful to investors because it provides a basis for measuring the Company's available capital resources, the operating performance of its business and its cash flow, excluding net interest expense, provisions for or benefit from income taxes, depreciation, amortization, fair value adjustment, transaction and other expenses, restructuring costs, and stock-based compensation that would normally be included in the most directly comparable measures calculated and presented in accordance with Generally Accepted Accounting Principles ("GAAP"). In addition, the Company's management uses these non-GAAP financial measures along with the most directly comparable GAAP financial measures in evaluating the Company's operating performance, capital resources and cash flow. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP, and non-financial measures as reported by the Company may not be comparable to similarly titled amounts reported by other companies.

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B. RILEY FINANCIAL, INC. AND SUBSIDIARIES
Forecasted Adjusted EBITDA Reconciliation
(Unaudited)
(Dollars in thousands)

Guidance

Year Ended

	<u>December 31, 2019</u>	
	<u>Low</u>	<u>High</u>
Net income attributable to B. Riley Financial, Inc.	\$ 45,000	\$ 60,000
Adjustments:		
Provision for income taxes	20,000	25,000
Interest expense	47,000	47,000
Interest income	(2,500)	(3,000)
Share based payments	14,500	15,000
Depreciation and amortization	18,000	18,000
Restructuring charge	1,700	1,700
Transactions related costs and other	<u>6,300</u>	<u>6,300</u>
 Total EBITDA adjustments	 <u>105,000</u>	 <u>110,000</u>
 Adjusted EBITDA	 <u>\$ 150,000</u>	 <u>\$ 170,000</u>



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SOURCE B. Riley Financial