



THIRD QUARTER EARNINGS CALL

2025.10.23

SAFE HARBOR



Today's presentation includes forward-looking statements that reflect management's current expectations about the Company's future business and financial performance.

These statements are subject to certain risks and uncertainties that could cause actual results to differ from anticipated results.

Factors that could cause actual results to differ from anticipated results are identified in Item 1A of the Company's Form 10-K, and Item 1A of the most recent Quarterly Report on Form 10-Q and also the Company's Earnings Release dated October 22, 2025.

FINANCIAL RESULTS



Statement of Earnings

\$ in millions except per share amounts

	Third Quarter			September Year to Date		
	2025	2024	Change	2025	2024	Change
Net Sales	\$ 543.4	\$ 519.2	5 %	\$ 1,643.4	\$ 1,564.6	5 %
Gross Profit	289.2	276.1	5 %	866.5	843.2	3 %
% of Net Sales	53.2%	53.2%	0.0 pts	52.7%	53.9%	(1.2) pts
Operating Earnings	164.7	145.7	13 %	466.2	440.1	6 %
% of Net Sales	30.3%	28.1%	2.2 pts	28.4%	28.1%	0.3 pts
Net Earnings	\$ 137.6	\$ 122.2	13 %	\$ 389.4	\$ 377.4	3 %
% of Net Sales	25.3%	23.5%	1.8 pts	23.7%	24.1%	(0.4) pts
Diluted Net Earnings Per Share	\$ 0.82	\$ 0.71	15 %	\$ 2.30	\$ 2.19	5 %
Diluted Shares in Millions	168.6	172.1	(2)%	169.6	172.3	(2)%
Operating Earnings, Adjusted (1)	\$ 150.6	\$ 145.7	3 %	\$ 452.1	\$ 440.1	3 %
Net Earnings, Adjusted (1)	\$ 122.8	\$ 122.2	0 %	\$ 370.2	\$ 367.1	1 %
Diluted Net Earnings Per Share, Adjusted (1)	\$ 0.73	\$ 0.71	3 %	\$ 2.18	\$ 2.13	2 %

1) Operating earnings, net earnings and diluted net earnings per share have been adjusted to provide a more consistent basis of comparison of on-going results. See page 17 for a reconciliation of the adjusted non-GAAP financial measures to GAAP.

NET SALES



Components of Net Sales Change

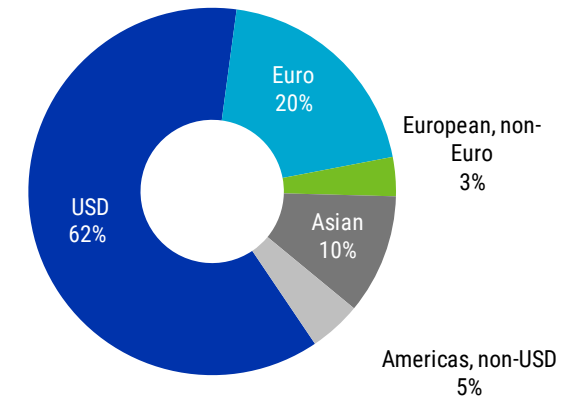
Third Quarter 2025

	Segment			Region			Consolidated
	Contractor	Industrial	Expansion Markets	Americas	EMEA	Asia Pacific	
Volume and Price	(3)%	(2)%	3 %	(1)%	(5)%	(3)%	(2)%
Acquisitions	11 %	1 %	0 %	3 %	11 %	10 %	6 %
Currency	0 %	2 %	0 %	0 %	6 %	0 %	1 %
Total	8 %	1 %	3 %	2 %	12 %	7 %	5 %

September Year to Date 2025

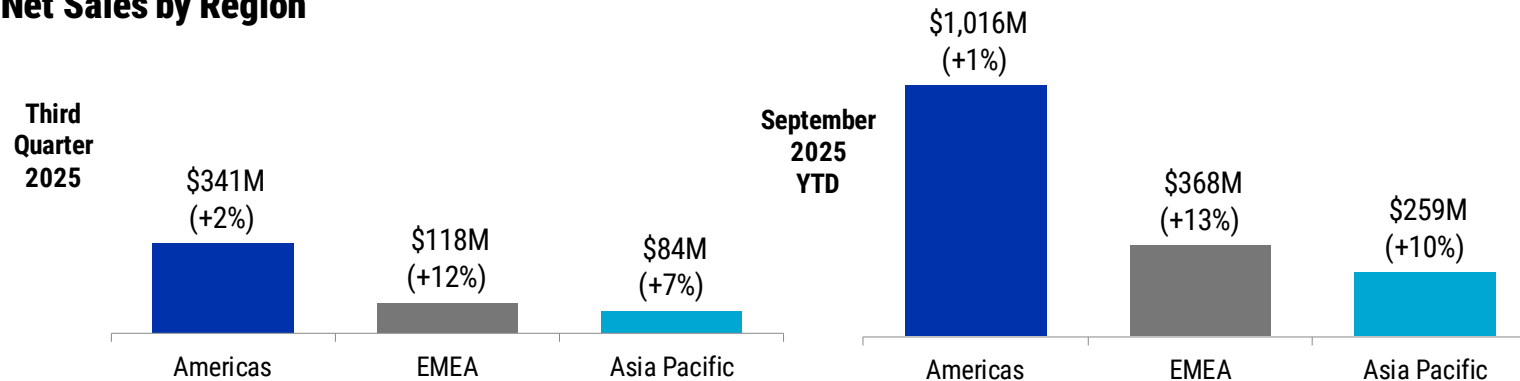
	Segment			Region			Consolidated
	Contractor	Industrial	Expansion Markets	Americas	EMEA	Asia Pacific	
Volume and Price	(3)%	1 %	4 %	(2)%	(1)%	3 %	(1)%
Acquisitions	12 %	0 %	0 %	3 %	12 %	9 %	6 %
Currency	0 %	0 %	0 %	0 %	2 %	(2)%	0 %
Total	9 %	1 %	4 %	1 %	13 %	10 %	5 %

Year to Date September 2025 Net Sales by Currency



Asian currencies include: AUD, CNY, JPY, KRW, INR.
 European, non-euro currencies include: CHF, GBP, RON.
 Americas, non-USD currencies include: BRL, CAD, MXN.

Net Sales by Region



OPERATING EARNINGS

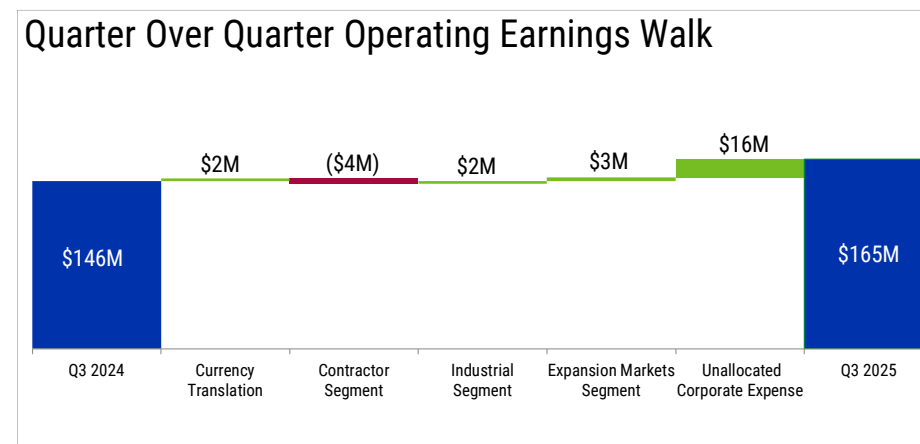
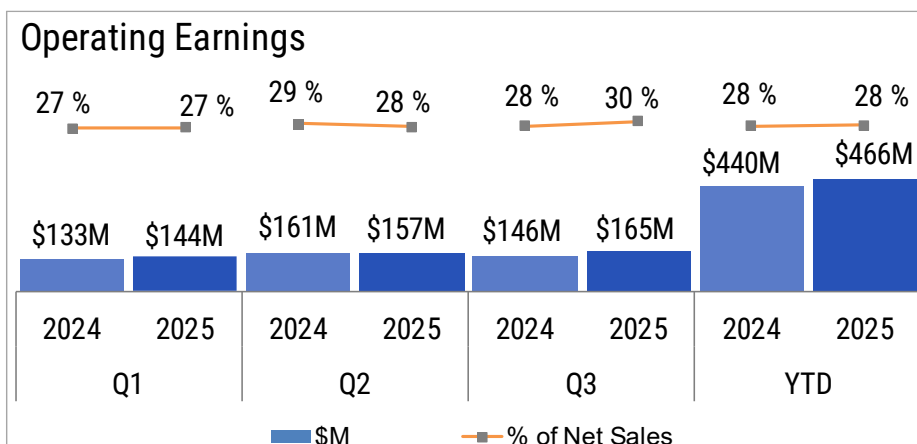


2024 Operating Earnings, as reported (\$M and % of sales)

- Currency translation
- Product cost, volume
- Effect of acquired businesses
- Gain on reduction of fair value contingent consideration
- Volume effect on expense leverage

2025 Operating Earnings, as reported (\$M and % of sales)

Third Quarter		Sept. Year to Date	
\$ 146	28 %	\$ 440	28 %
2	0	0	0
(2)	1	(13)	0
1	(2)	6	(2)
14	3	14	1
4	0	19	1
\$ 165	30 %	\$ 466	28 %



THIRD QUARTER 2025



Net Sales	<ul style="list-style-type: none">• Up 5 percent from third quarter 2024. Sales from acquired businesses contributed 6 percentage points of growth. Currency translation increased net sales by 1 percentage point.
Gross Margin	<ul style="list-style-type: none">• Margin rate comparable to third quarter 2024<ul style="list-style-type: none">> Realized pricing and favorable mix offset the impact of higher product cost, including \$5 million in increased tariff costs, and the unfavorable effects of lower margin rates from acquired operations.
Operating Earnings	<ul style="list-style-type: none">• Up \$19 million compared to third quarter 2024<ul style="list-style-type: none">> Operating expense included a \$14 million non-cash gain from the reduction in fair value of acquisition-related contingent consideration.> Acquired businesses contributed \$1 million of operating earnings.
Other (Income)	<ul style="list-style-type: none">• Down \$2 million compared to third quarter 2024 due to lower interest income
Interest Expense	<ul style="list-style-type: none">• Comparable to third quarter 2024
Taxes	<ul style="list-style-type: none">• Adjusted effective tax rate for the quarter increased 1 percentage point compared to third quarter 2024 due to foreign earnings taxed at different rates than the U.S.

SEPTEMBER YEAR TO DATE 2025












Net Sales	<ul style="list-style-type: none">• Up 5 percent from the same period in 2024. Sales from acquired businesses contributed 6 percentage points of growth. Currency translation had no meaningful impact.
Gross Margin	<ul style="list-style-type: none">• Margin rate down 1.2 percentage points compared to the same period in 2024<ul style="list-style-type: none">> Higher product cost, including unfavorable impact of \$9 million in increased tariff costs, and unfavorable effects of lower margin rates of acquired operations.
Operating Earnings	<ul style="list-style-type: none">• Up \$26 million compared to the same period in 2024<ul style="list-style-type: none">> Operating expense included a \$14 million non-cash gain from the reduction in fair value in acquisition-related contingent consideration.> Acquired businesses contributed \$6 million of operating earnings.
Other (Income)	<ul style="list-style-type: none">• Down \$5 million compared to the same period in 2024<ul style="list-style-type: none">> Primarily due to \$8 million of higher exchange losses on net liabilities of foreign operations and lower interest income, partially offset by gains on market value fluctuations on investments held to fund certain retirement benefit liabilities> Year to date 2025 included a \$5 million gain from the sale of a manufacturing and distribution facility in Switzerland.
Interest Expense	<ul style="list-style-type: none">• Comparable to the same period in 2024
Taxes	<ul style="list-style-type: none">• Adjusted effective tax rate for the year to date was comparable to the same period in 2024

2025 ENVIRONMENT



Constant currency basis and excluding acquisitions completed in the prior 12 months

	Americas	EMEA	Asia Pacific	Total
Current Environment	Net Sales Change Q3 2025 (1%) Year to Date (2%)	Net Sales Change Q3 2025 (5%) Year to Date (1%)	Net Sales Change Q3 2025 (3%) Year to Date 3%	Net Sales Change Q3 2025 (2%) Year to Date (1%)
Contractor Segment	 Net Sales Change Q3 2025 (3%) Year to Date (4%)	 Net Sales Change Q3 2025 (1%) Year to Date (3%)	 Net Sales Change Q3 2025 (12%) Year to Date (3%)	Net Sales Change Q3 2025 (3%) Year to Date (3%)
Industrial Segment	 Net Sales Change Q3 2025 3% Year to Date 1%	 Net Sales Change Q3 2025 (7%) Year to Date 0%	 Net Sales Change Q3 2025 (6%) Year to Date 1%	Net Sales Change Q3 2025 (2%) Year to Date 1%
Expansion Markets Segment	 Net Sales Change Q3 2025 (6%) Year to Date (4%)	 Net Sales Change Q3 2025 (4%) Year to Date 5%	 Net Sales Change Q3 2025 40% Year to Date 27%	Net Sales Change Q3 2025 3% Year to Date 4%

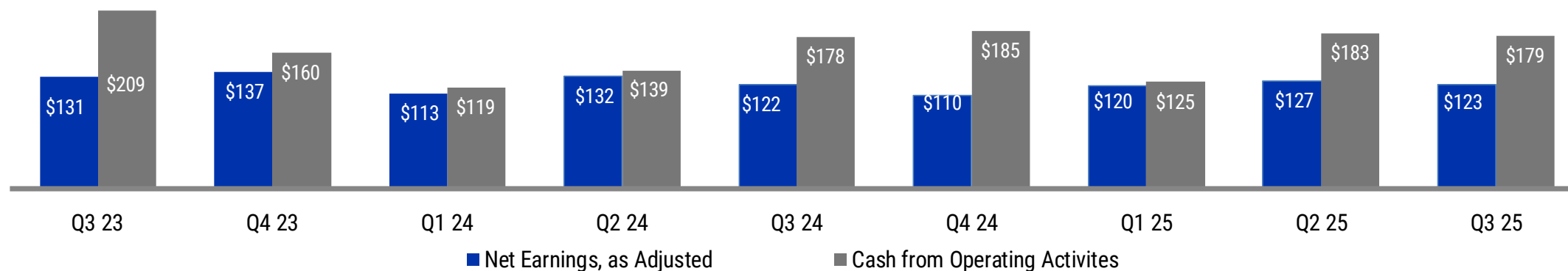
2025 Outlook

Low Single-Digit Growth

CASH FLOW AND LIQUIDITY



Net Earnings, as Adjusted, and Cash from Operating Activities



Other Significant (Uses) Sources of Cash (\$M)

	2025	2024
Net Share Issuances (Repurchases)	\$ (329)	\$ 14
Dividends	(138)	(129)
Capital Expenditures	(34)	(93)
Acquisitions	(70)	(8)
Sale of Building	11	-

- Net cash from operations was \$487 million vs. \$436 million in the comparable period in 2024.
- Through third quarter, we repurchased 4.4 million shares of stock for \$361 million
- Capital expenditures of \$34 million
- Acquired Color Service in third quarter 2025 for \$60 million. Additional purchase price payment for 2024 acquisition of Corob during first quarter 2025 of \$10 million.
- Proceeds from the sale of a manufacturing and distribution facility in Switzerland of \$11 million

OTHER DISCUSSION ITEMS



Cap Ex	<ul style="list-style-type: none">• Capital expenditure expectations of approximately \$50 - \$60 million in 2025
Expenses	<ul style="list-style-type: none">• Unallocated corporate expenses in 2025 are expected to be approximately \$35 - \$38 million
Shares	<ul style="list-style-type: none">• Year-to-date, we repurchased 4.4 million shares of stock. We may make additional opportunistic share repurchases in 2025 via open market transactions
Currency	<ul style="list-style-type: none">• At current exchange rates, assuming the same volumes, mix of products and mix of business by currency as in 2024, the movement in foreign currencies would have a favorable impact of 1 percentage point on net sales and net earnings for the full year 2025
Taxes	<ul style="list-style-type: none">• We anticipate the effective tax rate in for the fourth quarter and the full year 2025 to be between 19.5% - 20.5%, excluding any impact from excess tax benefits related to stock option exercises and other one-time items. Actual results and mix of earnings may materially impact the expected tax rate

OTHER DISCUSSION ITEMS - BACKLOG



	Change in Backlog from Previous Quarter/ Year End			
	Third Quarter		September Year to Date	
	2025	2024	2025	2024
\$M, excluding acquisitions				
Contractor	\$ (1)	\$ (10)	\$ (7)	\$ (8)
Industrial	12	(10)	13	(29)
Expansion Markets	(5)	(4)	(13)	(11)
	<u>\$ 6</u>	<u>\$ (24)</u>	<u>\$ (7)</u>	<u>\$ (48)</u>

Current backlog is now considered at normal levels.

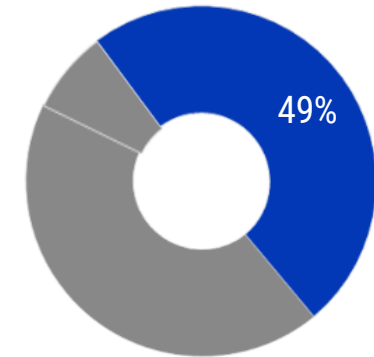
CONTRACTOR SEGMENT RESULTS



\$ in millions

	Third Quarter			September Year to Date		
	2025	2024	Change	2025	2024	Change
Net Sales						
Americas	\$ 186	\$ 182	2%	\$ 563	\$ 553	2%
EMEA	52	40	31	168	131	28
Asia Pacific	24	20	20	75	58	29
Total	\$ 262	\$ 242	8 %	\$ 806	\$ 742	9%
Change in Backlog*	\$ (1)	\$ (10)		\$ (7)	\$ (8)	
Operating Earnings	\$ 68	\$ 71	(4)%	\$ 205	\$ 222	(7)%
% of sales	26 %	29 %		25 %	30 %	

2025 Contractor Segment Net Sales as % of Graco



* Change from prior quarter/year end, excluding acquisitions



2025 Components of Net Sales Change

	Third Quarter	September Year to Date	Third Quarter	September Year to Date
Americas				
Volume & Price	(3)%	(4)%	(12)%	(3)%
Acquisitions	5 %	6 %	33 %	34 %
Currency	0 %	0 %	(1)%	(2)%
Total	2 %	2 %	20 %	29 %
EMEA				
Volume & Price	(1)%	(3)%	(3)%	(3)%
Acquisitions	26 %	28 %	11 %	12 %
Currency	6 %	3 %	0 %	0 %
Total	31 %	28 %	8 %	9 %
Asia Pacific				
Volume & Price				
Acquisitions				
Currency				
Total				
Segment Total				
Volume & Price				
Acquisitions				
Currency				
Total				

CONTRACTOR SEGMENT RESULTS



Change in % of net sales

2024 Operating Earnings

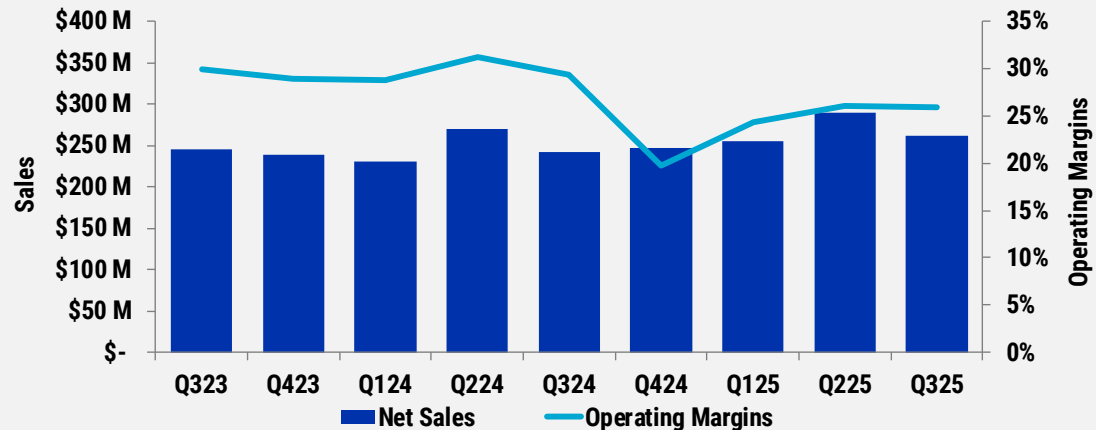
Product cost/tariffs

Effect of acquired businesses

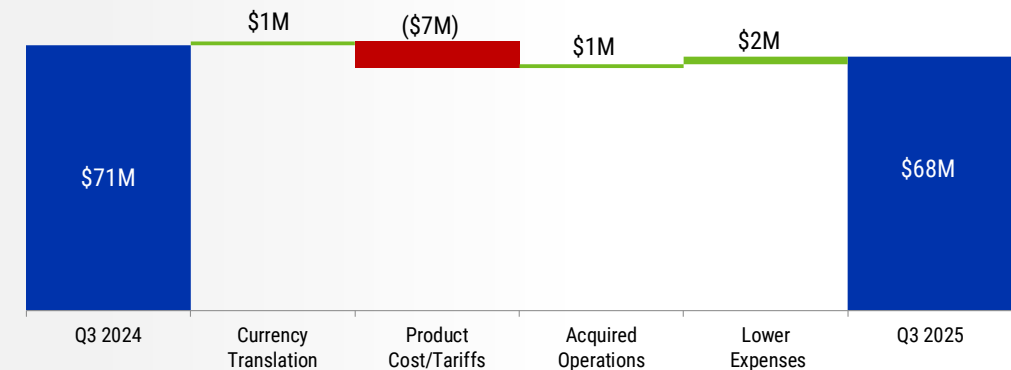
2025 Operating Earnings

Third Quarter	September Year to Date
29 %	30 %
(1)	(3)
(2)	(2)
26 %	25 %

Contractor Segment Net Sales and Operating Margins



Contractor Segment Operating Earnings QTD



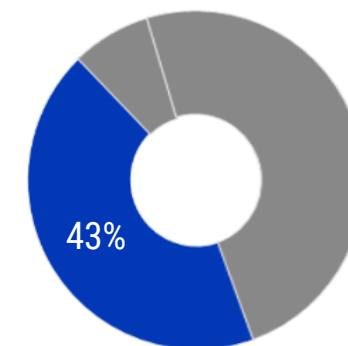
INDUSTRIAL SEGMENT RESULTS



\$ in millions

	Third Quarter			September Year to Date		
	2025	2024	Change	2025	2024	Change
Net Sales						
Americas	\$ 130	\$ 125	3%	\$ 378	\$ 375	1%
EMEA	59	58	1	179	174	3
Asia Pacific	50	53	(3)	156	154	1
Total	\$ 239	\$ 236	1%	\$ 713	\$ 703	1%
Change in Backlog*	\$ 12	\$ (10)		\$ 13	\$ (29)	
Operating Earnings	\$ 81	\$ 78	4%	\$ 243	\$ 232	5%
% of sales	34%	33%		34%	33%	

2025 Industrial Segment Net Sales as % of Graco



* Change from prior quarter/year end, excluding acquisitions



2025 Components of Net Sales Change

	Third Quarter	September Year to Date		Third Quarter	September Year to Date
Americas			Asia Pacific		
Volume & Price	3%	1%	Volume & Price	(6)%	1%
Acquisitions	0%	0%	Acquisitions	3%	1%
Currency	0%	0%	Currency	0%	(1)%
Total	3%	1%	Total	(3)%	1%
EMEA			Segment Total		
Volume & Price	(7)%	0%	Volume & Price	(2)%	1%
Acquisitions	2%	1%	Acquisitions	1%	0%
Currency	6%	2%	Currency	2%	0%
Total	1%	3%	Total	1%	1%

INDUSTRIAL SEGMENT FINANCIAL RESULTS



Change in % of net sales

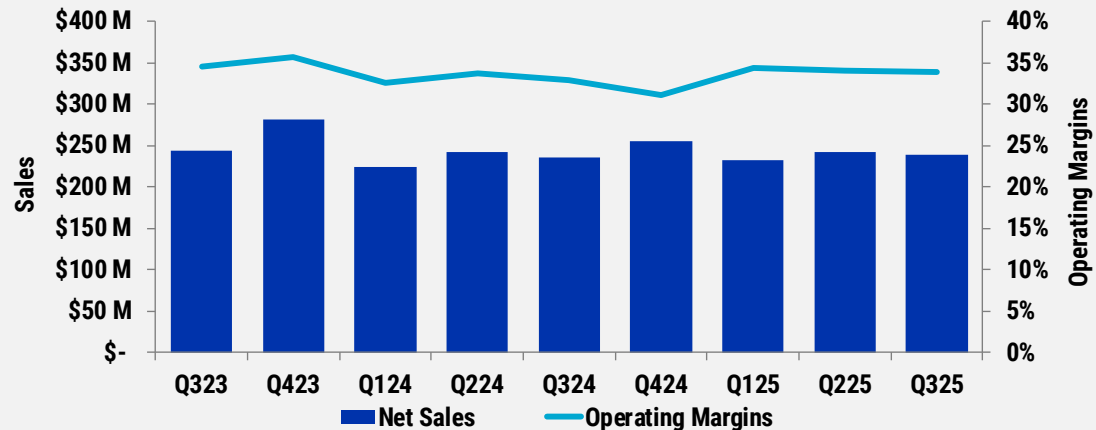
2024 Operating Earnings

Product/channel mix, cost
Higher expenses

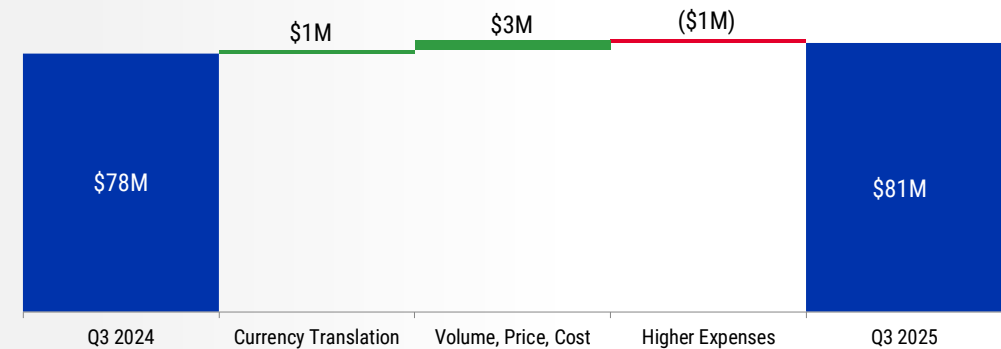
2025 Operating Earnings

Third Quarter	September Year to Date
33 %	33 %
2	1
(1)	0
34 %	34 %

Industrial Segment Net Sales and Operating Margins



Industrial Segment Operating Earnings QTD



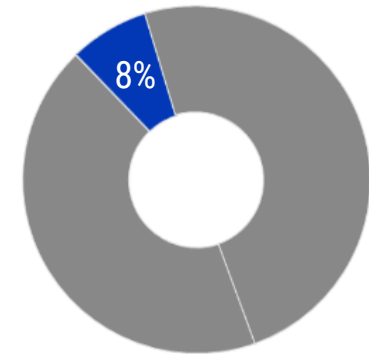
EXPANSION MARKETS SEGMENT FINANCIAL RESULTS



\$ in millions

	Third Quarter			September Year to Date		
	2025	2024	Change	2025	2024	Change
Net Sales						
Americas	\$ 25	\$ 27	(6)%	\$ 75	\$ 78	(4)%
EMEA	7	7	(3)	21	20	6
Asia Pacific	10	7	41	28	22	27
Total	\$ 42	\$ 41	3%	\$ 124	\$ 120	4%
Change in Backlog*	\$ (5)	\$ (4)		\$ (13)	\$ (11)	
Operating Earnings	\$ 10	\$ 7	43 %	\$ 29	\$ 22	30 %
% of sales	25 %	18 %		24 %	19 %	

2025 Expansion Markets Segment Net Sales as % of Graco



* Change from prior quarter/year end



2025 Components of Net Sales Change

	Third Quarter	September Year to Date	Third Quarter	September Year to Date
Americas				
Volume & Price	(6)%	(4)%	40 %	27 %
Acquisitions	0 %	0 %	0 %	0 %
Currency	0 %	0 %	1 %	0 %
Total	(6)%	(4)%	41 %	27 %
EMEA				
Volume & Price	(4)%	5 %	3 %	4 %
Acquisitions	0 %	0 %	0 %	0 %
Currency	1 %	1 %	0 %	0 %
Total	(3)%	6 %	3 %	4 %
Asia Pacific				
Volume & Price				
Acquisitions				
Currency				
Total				
Segment Total				
Volume & Price				
Acquisitions				
Currency				
Total				

EXPANSION MARKETS SEGMENT FINANCIAL RESULTS



Change in % of net sales

2024 Operating Earnings

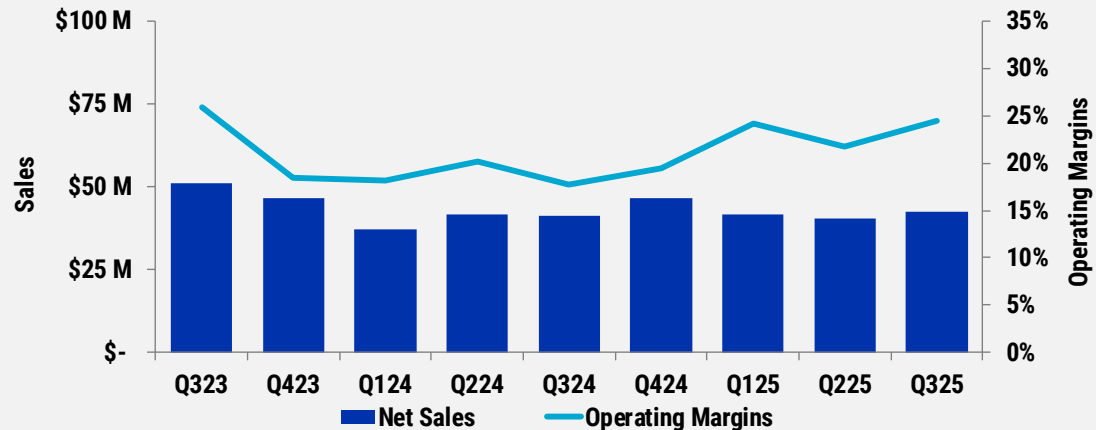
Product and channel mix

Lower expenses

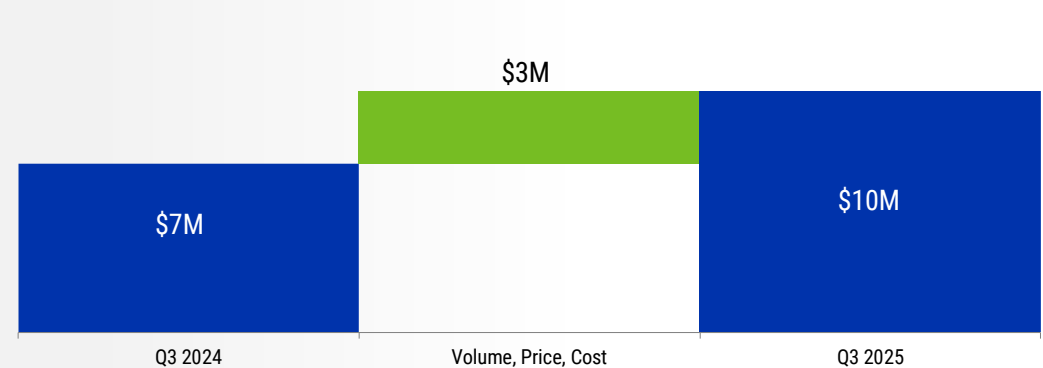
2025 Operating Earnings

	Third Quarter	September Year to Date
	18 %	19 %
	6	3
	1	2
	25 %	24 %

Expansion Markets Segment Net Sales and Operating Margins



Expansion Markets Segment Operating Earnings QTD



ADJUSTED FINANCIAL RESULTS



Non-GAAP Reconciliation

\$ in millions except per share amounts

	Third Quarter			September Year to Date		
	2025	2024	Change	2025	2024	Change
Operating earnings, as reported	\$ 164.7	\$ 145.7	13 %	\$ 466.2	\$ 440.1	6 %
Contingent consideration	(14.1)	-		(14.1)	-	
Operating earnings, adjusted	\$ 150.6	\$ 145.7	3 %	\$ 452.1	\$ 440.1	3 %
Income taxes, as reported	\$ 30.8	\$ 29.1	6 %	\$ 88.8	\$ 79.4	12 %
Excess tax benefit from option exercises	0.7	-		5.1	10.3	
Income taxes, adjusted	\$ 31.5	\$ 29.1	8 %	\$ 93.9	\$ 89.7	5 %
Effective income tax rate						
As reported	18.3%	19.2%		18.6%	17.4%	
Adjusted	20.4%	19.2%		20.2%	19.6%	
Net earnings, as reported	\$ 137.6	\$ 122.2	13 %	\$ 389.4	\$ 377.4	3 %
Contingent consideration	(14.1)	-		(14.1)	-	
Excess tax benefit from option exercises	(0.7)	-		(5.1)	(10.3)	
Net earnings, adjusted	\$ 122.8	\$ 122.2	0 %	\$ 370.2	\$ 367.1	1 %
Weighted average diluted shares	168.6	172.1		169.6	172.3	
Diluted earnings per share						
As reported	\$ 0.82	\$ 0.71	15 %	\$ 2.30	\$ 2.19	5 %
Adjusted	\$ 0.73	\$ 0.71	3 %	\$ 2.18	\$ 2.13	2 %

Financial results have been adjusted for comparability. Certain items have caused fluctuation in the Company's financial results. Excluding the impact of these items presents a more consistent basis for comparison of financial results.



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