



INVESTOR PRESENTATION

Fourth Quarter and Full Year 2023

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.

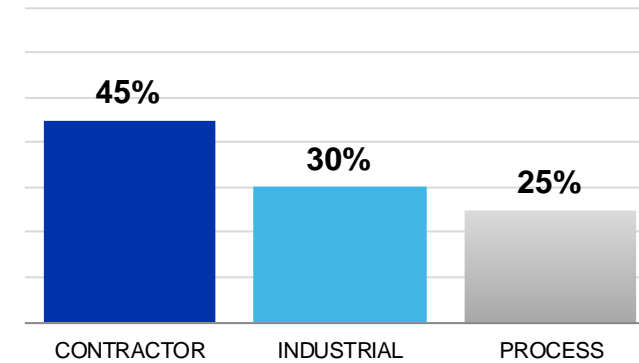
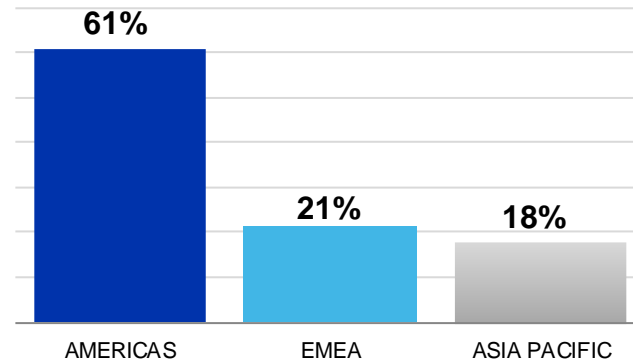
Factors that could cause actual results to differ from anticipated results are identified in Item 1A of the Company's Form 10-K, and Item 1A of the most recent Quarterly Report on Form 10-Q and also the Company's Earnings Release dated January 29, 2024.

DISTRIBUTION OF GLOBAL SALES

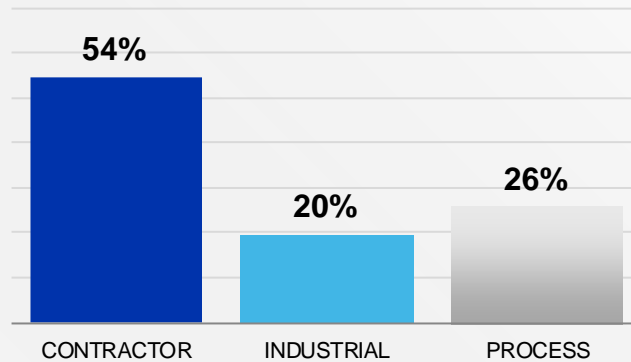
WORLDWIDE

\$2,196M

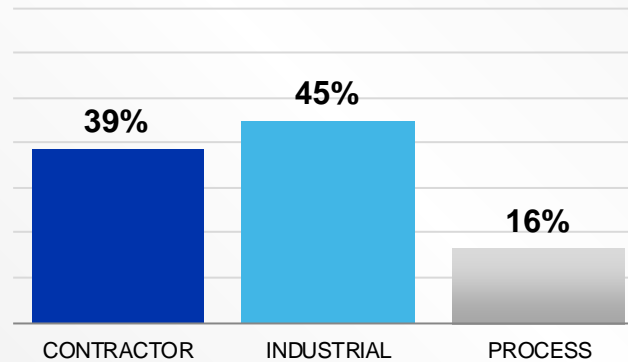
Full Year 2023



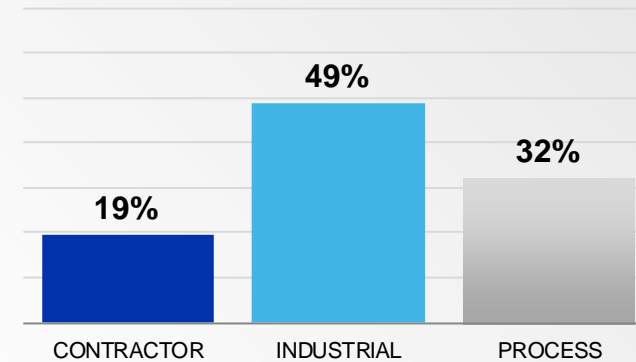
AMERICAS



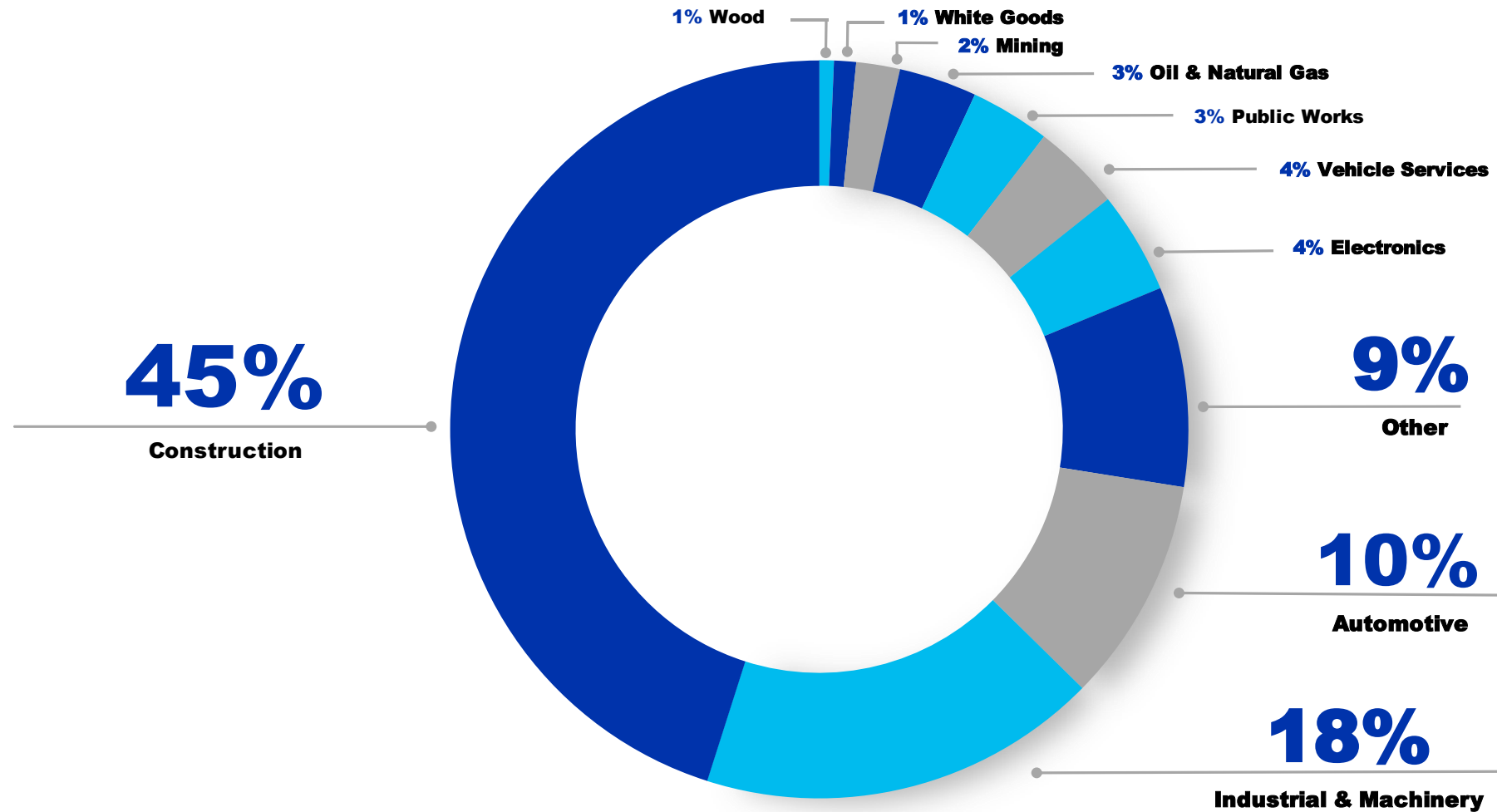
EMEA



ASIA PACIFIC



2023 NET SALES BY END MARKET



TRUSTED SOLUTIONS TO KEEP JOBS MOVING & FLUIDS PUMPING



DIVERSIFIED FLUID HANDLING BUSINESS

NICHE

DIFFICULT APPLICATIONS; CORROSIVE, VISCIOUS, HARD-TO-MOVE MATERIALS

6.5%

ORGANIC REVENUE CAGR*

~40%

OF REVENUE IS PARTS AND ACCESSORIES

*20-year average, constant currency



HIGH CUSTOMER VALUE, STRONG PRODUCT DIFFERENTIATION

**BEST IN CLASS
DELIVERY**

**MATERIAL SUPPLIER
RELATIONSHIPS**

**NICHE
MARKETS**

**STRONG CHANNEL
PARTNERS**

CUSTOMER ROI

**LOWEST TOTAL COST
OF OWNERSHIP**

**LEADING
NEW PRODUCT
INVESTMENT**

**STRINGENT
PRODUCT
REQUIREMENTS**

**BEST IN
CLASS QUALITY**

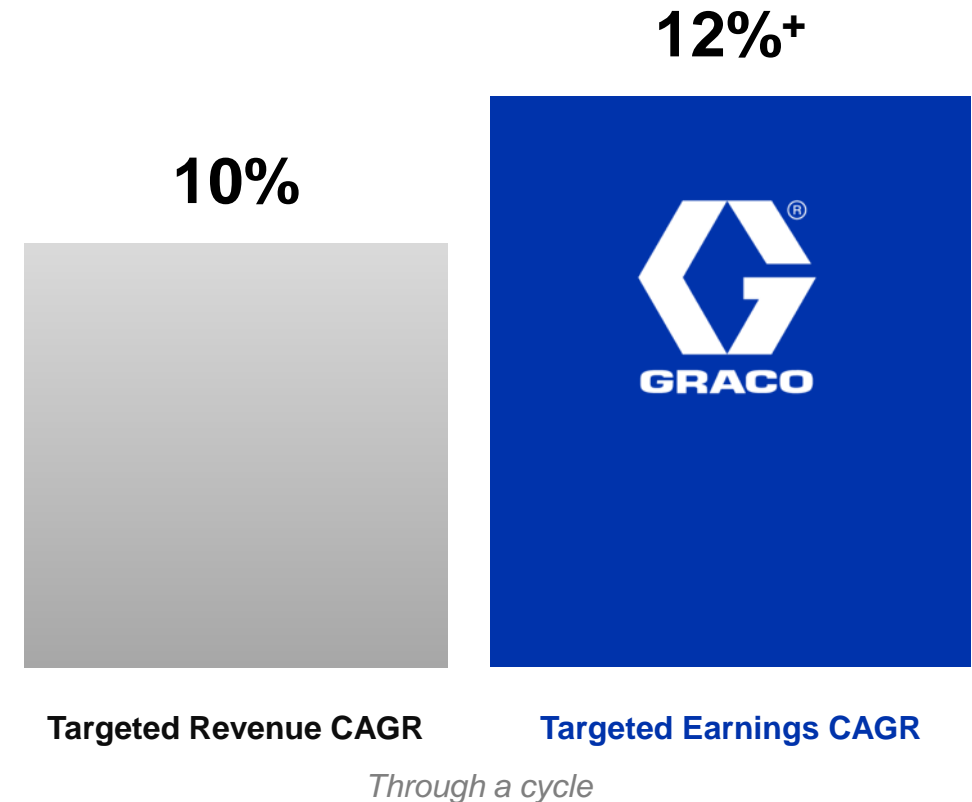
**END USER
INTERACTION**



GROWTH PLANS AND EARNINGS DRIVERS

STRATEGIC INITIATIVES

- New Product Development
- New Markets
- Global Expansion
- End-user Conversion
- Acquisitions



LOW VOLUME, HIGH MIX DELIVERS CUSTOMER ROI

Average Number of Units Sold Per Day	Number of SKUs		2023 Sales (\$ in millions)	
0 - 1	56,900	93%	\$1,144	52%
2 - 5	2,500	4%	\$ 300	14%
6 - 10	800	1%	\$ 172	8%
11 - 15	300	1%	\$ 75	3%
Greater than 15	700	1%	\$ 505	23%
Graco 2023 Sales	61,200		\$2,196	

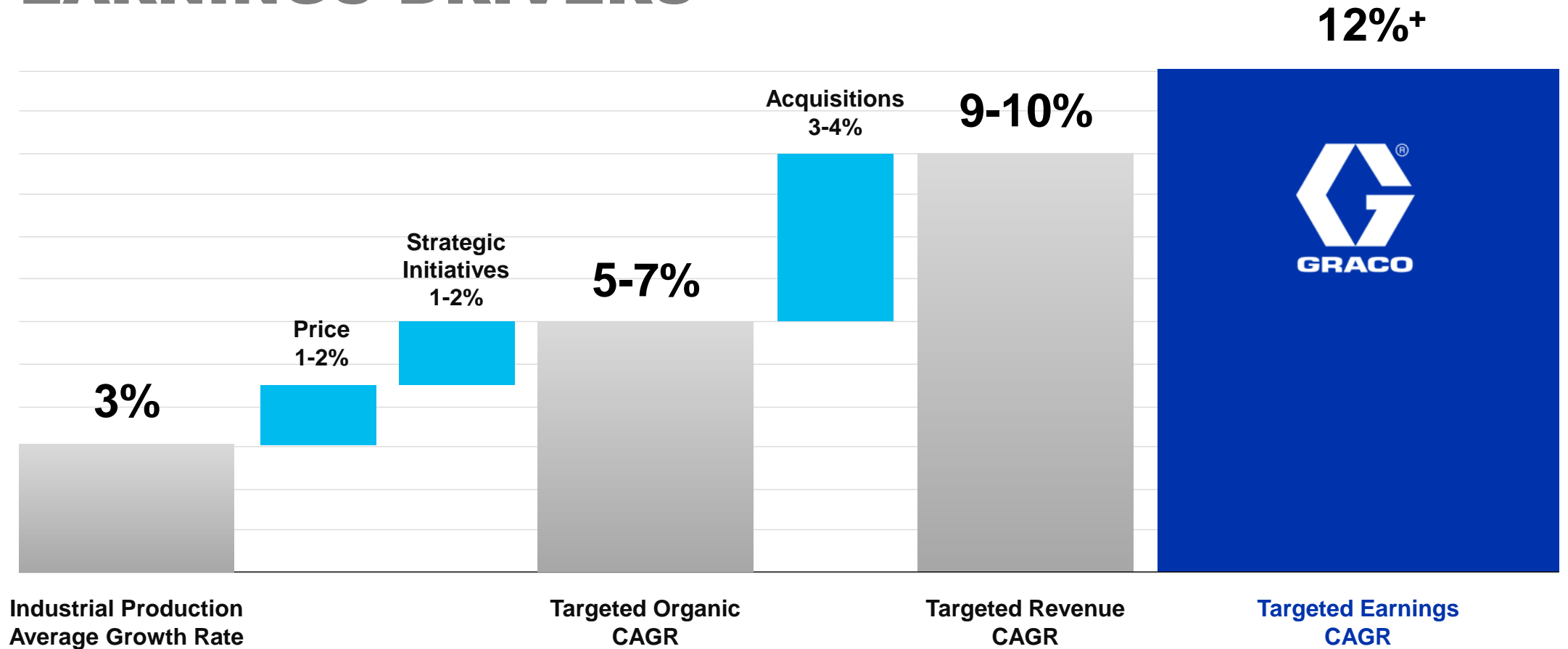
HIGHLY-VALUED PRODUCTS AT LOW VOLUMES

52%

of our revenue comes from products that we sell

ZERO TO ONE PER DAY

GROWTH PLANS AND EARNINGS DRIVERS



Through a cycle

EXCEPTIONAL RETURNS

6.5%

**ORGANIC
REVENUE
CAGR**

26%

**RETURN ON
INVESTED
CAPITAL**

40%

**RETURN ON
EQUITY**

18%

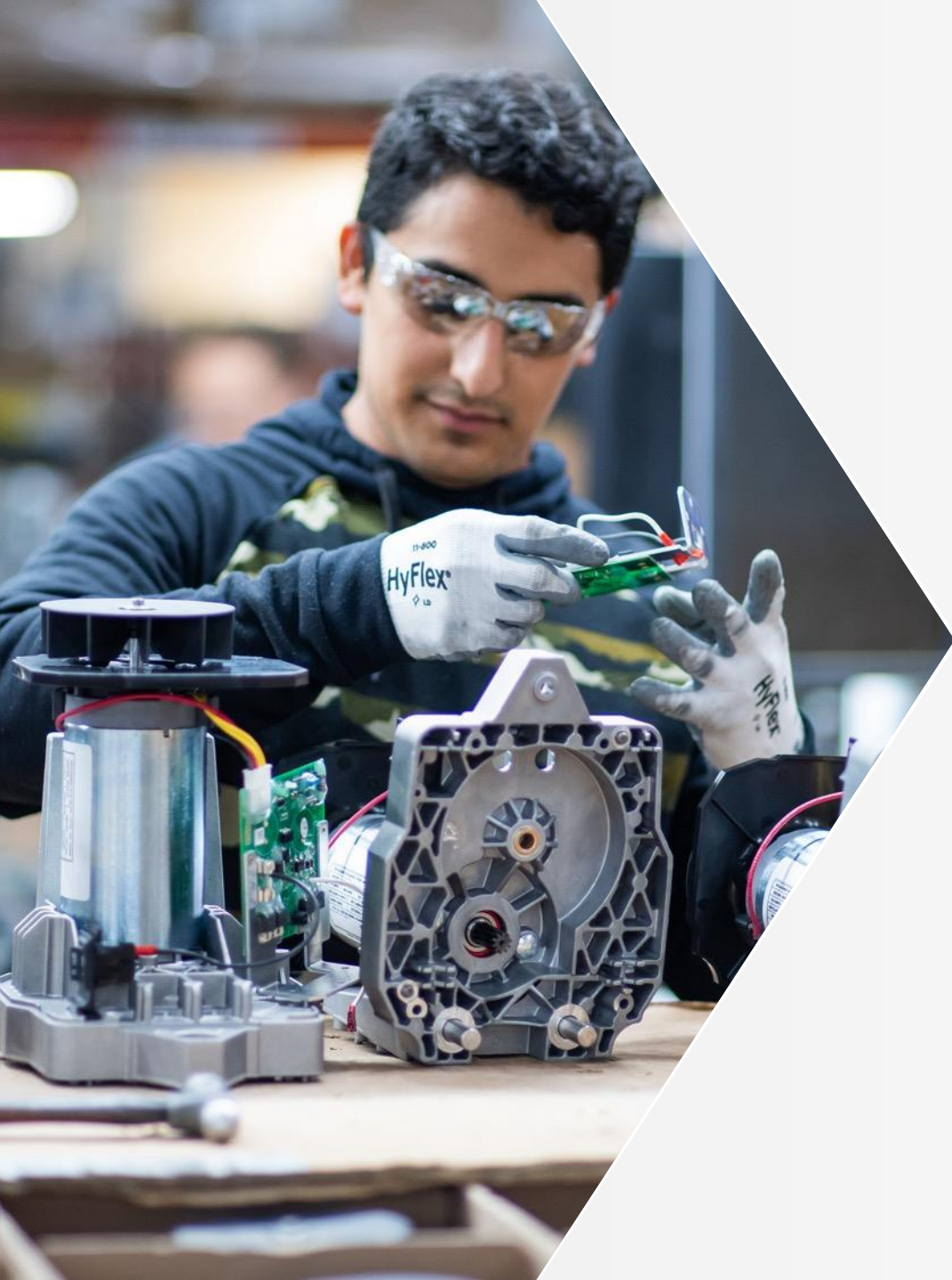
**RETURN ON
ASSETS**

Based on a 20-year average, constant currency

A photograph of a woman in a blue shirt and safety glasses working on a machine in a factory. She is using a tool to work on a component. The background shows other workers and factory equipment. The image is partially obscured by a white diagonal shape that contains the text.

BUSINESS MODEL

- Brand Promise
- Operational Excellence
- Engineering & Manufacturing Excellence
- Extensive Reach



ENGINEERING EXCELLENCE

**TARGET DOUBLE-DIGIT RETURNS
ON NEW PRODUCTS**

ANNUAL R&D INVESTMENT:

>1.7X*

OUR PEER GROUP

4.0%*

**AS A PERCENT OF SALES
VS. PEERS AT 2.3%**

* Peers: ITW, CSL, DOV, IEX, NDSN, WTS, FLS, based on a 5-year average, 2019 - 2023.

A large graphic on the left side of the slide features a blue and white geometric shape that resembles a stylized arrow or a manufacturing component. This shape is filled with a blurred image of a factory interior, showing blue metal frames and machinery.

MANUFACTURING EXCELLENCE

>80%

PRODUCT BASED IN USA

ZERO

**COST CHANGE GOAL ON THE SAME
BASKET OF GOODS (YEAR OVER YEAR)**

<1%

WARRANTY COSTS

SERVICE EXCELLENCE

SAME DAY

ORDERS IN BY NOON, SHIP THE SAME DAY

95%

IN-STOCK SERVICE LEVEL GOAL



EXTENSIVE REACH

30,000+
OUTLETS/DISTRIBUTORS

CUSTOMERS IN
100+
COUNTRIES

INSTALLED BASE
~100
YEARS OLD

FACILITIES IN
12
COUNTRIES



The word 'CONTRACTOR' is written in a large, bold, white, sans-serif font. It is positioned on the left side of the image, partially overlapping a white triangular graphic element that points towards the right.

CONTRACTOR

KEY END MARKETS

- Residential and non-residential construction
- Residential and non-residential remodeling
- Transportation Infrastructure

GROWTH DRIVERS & TRENDS

- End user conversion from brush and roll
- Product innovation and channel expansion
- Housing and new construction
- Infrastructure spending
- Regional labor rates
- New markets
- Material changes

SELECT REPRESENTATIVE INDUSTRY PARTICIPANTS:



WAGNER/TITAN

CAMPBELL HAUSFELD

BEDFORD

REGIONAL COMPETITION

**2023
DECEMBER,
TWELVE MONTHS
PERFORMANCE**

\$986M

SEGMENT REVENUE

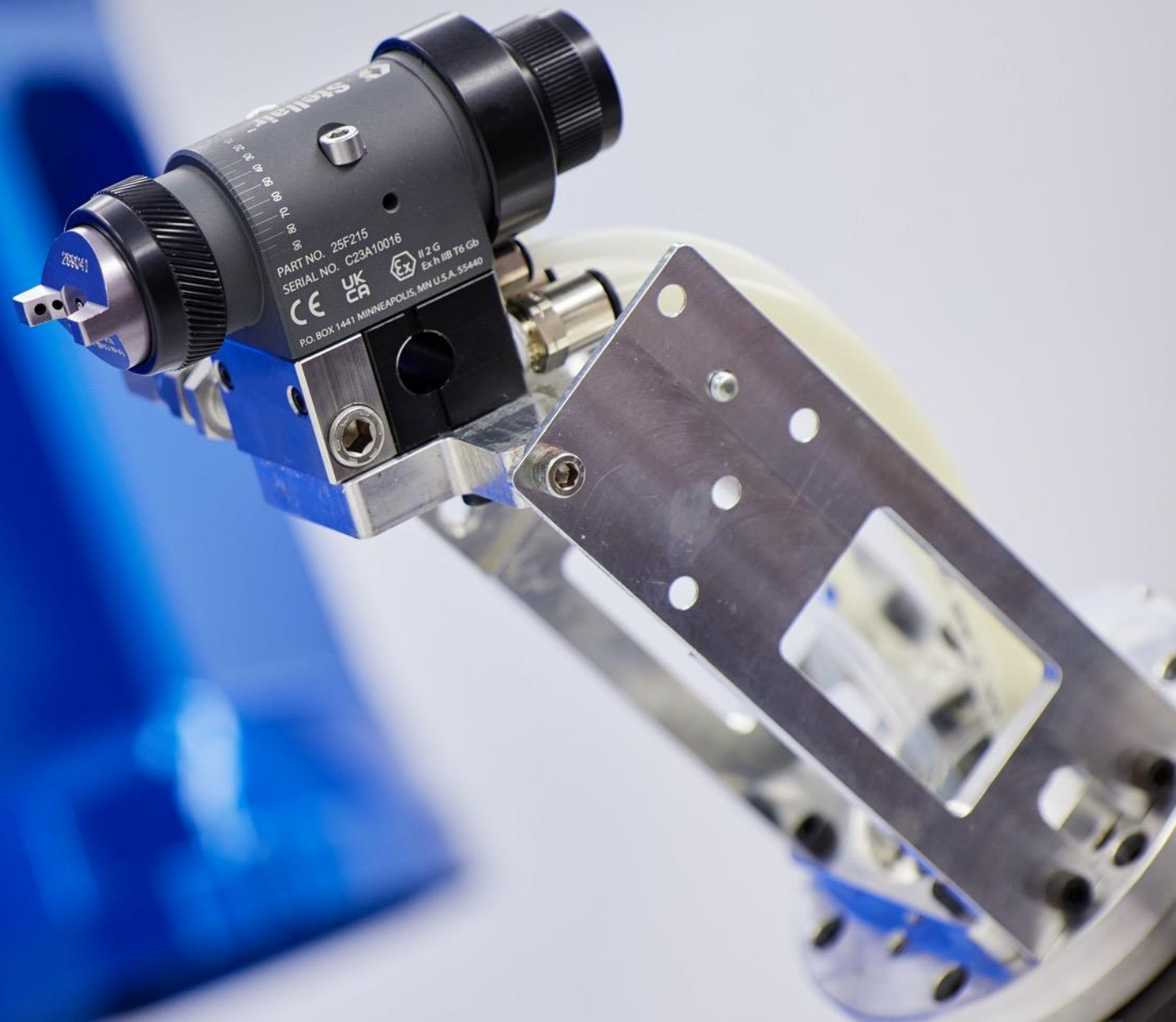
-1%

**ORGANIC REVENUE
GROWTH**

29.0%

**OPERATING MARGIN
+400 BASIS POINTS**

INDUSTRIAL



INDUSTRIAL

KEY END MARKETS

- General industrial
- Automotive
- Residential and non-residential construction
- Alternative energy and others

GROWTH DRIVERS & TRENDS

- Factory movement and upgrades
- Automation
- Technology upgrades
- Energy-efficiency upgrades
- Material changes

SELECT REPRESENTATIVE INDUSTRY PARTICIPANTS:



NORDSON

CARLISLE

EXEL COMPOSITES

WAGNER

REGIONAL COMPETITION

2023
DECEMBER,
TWELVE MONTHS
PERFORMANCE

\$663M

SEGMENT REVENUE

2%

**ORGANIC REVENUE
GROWTH**

35.3%

**OPERATING MARGIN
-30 BASIS POINTS**

A large white arrow graphic pointing to the right, located on the left side of the image, partially overlapping the 'PROCESS' text.

PROCESS

A black Graco Quantm 130 spray gun is mounted on a metal stand. The device has a blue label with the Graco logo and the word 'QUANTM' in white. It is connected to various hoses and cables. A red-handled valve is visible on the left side of the unit. The background shows a white wall with electrical conduits and a yellow safety barrier.

GRACO
QUANTM

QUANTM
130

PROCESS

KEY END MARKETS

- Pharmaceutical, food and beverage
- Vehicle services
- Oil and natural gas
- Environmental
- Semiconductor and others

GROWTH DRIVERS & TRENDS

- Factory movement and upgrades
- Technology upgrades
- Energy-efficiency upgrades
- Asset life maintenance
- Commodities extraction
- Environmental regulations

SELECT REPRESENTATIVE INDUSTRY PARTICIPANTS:



IDEX

DOVER

INGERSOLL RAND

LINCOLN

VOGEL

BIJUR DELIMON

HANNAY REELS

COXREELS

REGIONAL COMPETITION

**2023
DECEMBER,
TWELVE MONTHS
PERFORMANCE**

\$547M

SEGMENT REVENUE

11%

**ORGANIC REVENUE
GROWTH**

30.2%

**OPERATING MARGIN
+550 BASIS POINTS**

CAPITAL ALLOCATION



LONG-TERM CASH DEPLOYMENT PRIORITIES



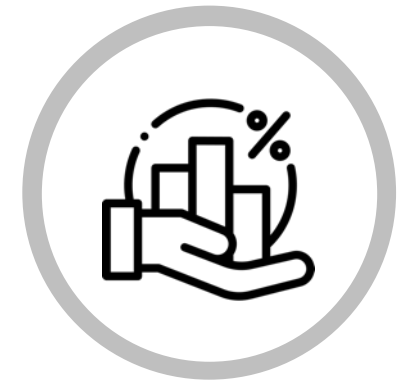
ORGANIC GROWTH

- International footprint
- Product development
- Production capacity and capabilities



ACQUISITIONS

- Supplement to organic growth
- Leverage core competencies into adjacencies
- Strong balance sheet position

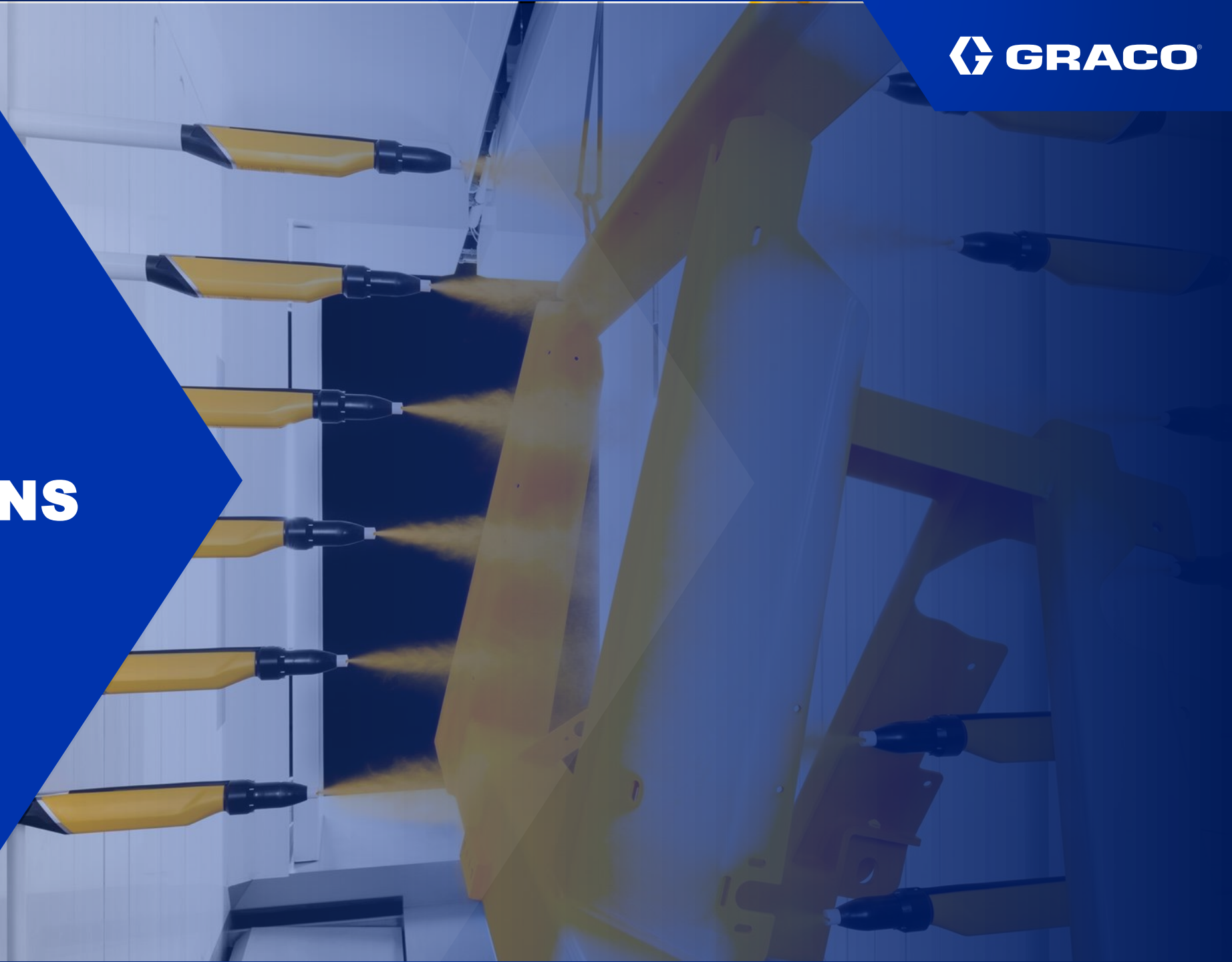


SHAREHOLDER RETURN

- Solid dividend history
- Approximately 14.0 million shares remaining on repurchase authorization

KEY INVESTMENT ATTRIBUTES

- Drive long-term, above-market growth
- Premium products that deliver strong ROI for end users
- Leading industry positions
- Serve niche markets where customers are willing to purchase quality, technology-based products
- Products perform mission-critical functions
- Recurring parts and accessories sales
- Shareholder-minded management
- Financial strength

The word "ACQUISITIONS" is written in a large, bold, white, sans-serif font. It is positioned on the left side of the image, centered vertically. The text is set against a dark blue background that forms a large, downward-pointing arrow shape.

ACQUISITIONS

INDUSTRIAL



2012

2015

2015

2017

2018

2020

ACQUISITIONS

PROCESS



2013

2015

2015

2016

2019

2022

FINANCIAL RESULTS



FULL YEAR 2023 FINANCIAL PERFORMANCE

2%

**REVENUE
GROWTH**

52.9%

**GROSS
MARGIN**

10%

**NET
INCOME
GROWTH**

11%

**EPS
GROWTH**

(As Reported)

FINANCIAL RESULTS

Statement of Earnings

\$ in millions except per share amounts

	Fourth Quarter			Full Year		
	2023	2022	Change	2023	2022	Change
Net Sales	\$ 566.6	\$ 555.0	2 %	\$2,195.6	\$2,143.5	2 %
Gross Profit	299.9	272.8	10 %	1,161.0	1,057.4	10 %
% of Net Sales	52.9%	49.2%	3.7 pts	52.9%	49.3%	3.6 pts
Operating Earnings	169.9	152.5	11 %	646.8	572.7	13 %
% of Net Sales	30.0%	27.5%	2.5 pts	29.5%	26.7%	2.8 pts
Net Earnings	\$ 110.0	\$ 126.2	(13)%	\$ 506.5	\$ 460.6	10 %
% of Net Sales	19.4%	22.7%	(3.3) pts	23.1%	21.5%	1.6 pts
Diluted Net Earnings Per Share	\$ 0.64	\$ 0.74	(14)%	\$ 2.94	\$ 2.66	11 %
Diluted Shares in Millions	171.8	171.4	0 %	172.2	172.9	(0)%
Operating Earnings, Adjusted (1)	\$ 169.9	\$ 152.5	11 %	\$ 646.0	\$ 572.7	13 %
Net Earnings, Adjusted (1)	\$ 137.1	\$ 124.3	10 %	\$ 523.9	\$ 455.5	15 %
Diluted Net Earnings Per Share, Adjusted (1)	\$ 0.80	\$ 0.73	10 %	\$ 3.04	\$ 2.63	16 %

1) Operating earnings, net earnings and diluted earnings per share for 2023 and net earnings and diluted earnings per share for 2022 have been adjusted to provide a more consistent basis of comparison of on-going results. See following page for a reconciliation of the adjusted non-GAAP financial measures to GAAP.

FINANCIAL RESULTS ADJUSTED FOR COMPARABILITY

Non-GAAP Reconciliation

\$ in millions except per share amounts

	Fourth Quarter			Full Year		
	2023	2022	Change	2023	2022	Change
Operating Earnings, as reported	\$ 169.9	\$ 152.5	11 %	\$ 646.8	\$ 572.7	13 %
Contingent consideration	-	-		(8.6)	-	
Impairment	-	-		7.8	-	
Operating earnings, adjusted	<u>\$ 169.9</u>	<u>\$ 152.5</u>	<u>11 %</u>	<u>\$ 646.0</u>	<u>\$ 572.7</u>	<u>13 %</u>
Earnings before income taxes, as reported	\$ 127.6	\$ 154.0	(17)%	\$ 608.8	\$ 565.7	8 %
Pension settlement loss	42.1	-		42.1	-	
Contingent consideration	-	-		(8.6)	-	
Impairment	-	-		7.8	-	
Earnings before income taxes, adjusted	<u>\$ 169.7</u>	<u>\$ 154.0</u>	<u>10 %</u>	<u>\$ 650.1</u>	<u>\$ 565.7</u>	<u>15 %</u>
Income taxes, as reported	\$ 17.6	\$ 27.8	(37)%	\$ 102.3	\$ 105.1	(3)%
Pension settlement tax effect	8.8	-		8.8	-	
Other non-recurring tax benefit	4.8	-		4.8	-	
Excess tax benefit from option exercises	1.4	1.9		10.3	5.1	
Income taxes, adjusted	<u>\$ 32.6</u>	<u>\$ 29.7</u>	<u>10 %</u>	<u>\$ 126.2</u>	<u>\$ 110.2</u>	<u>15 %</u>
Effective income tax rate						
As reported	13.8%	18.1%		16.8%	18.6%	
Adjusted	19.2%	19.3%		19.4%	19.5%	
Net earnings, as reported	\$ 110.0	\$ 126.2	(13)%	\$ 506.5	\$ 460.6	10 %
Pension settlement loss, net	33.3	-		33.3	-	
Other non-recurring tax benefit	(4.8)	-		(4.8)	-	
Excess tax benefit from option exercises	(1.4)	(1.9)		(10.3)	(5.1)	
Contingent consideration	-	-		(8.6)	-	
Impairment	-	-		7.8	-	
Net earnings, adjusted	<u>\$ 137.1</u>	<u>\$ 124.3</u>	<u>10 %</u>	<u>\$ 523.9</u>	<u>\$ 455.5</u>	<u>15 %</u>
Weighted average diluted shares	171.8	171.4		172.2	172.9	
Diluted earnings per share						
As reported	\$ 0.64	\$ 0.74	(14)%	\$ 2.94	\$ 2.66	11 %
Adjusted	\$ 0.80	\$ 0.73	10 %	\$ 3.04	\$ 2.63	16 %

Financial results have been adjusted for comparability. The pension settlement losses, non-recurring tax provision adjustments, non-cash impairment charges, and contingent consideration fair value adjustments in 2023 and excess tax benefits from stock option exercises in both years 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.

FOURTH QUARTER 2023

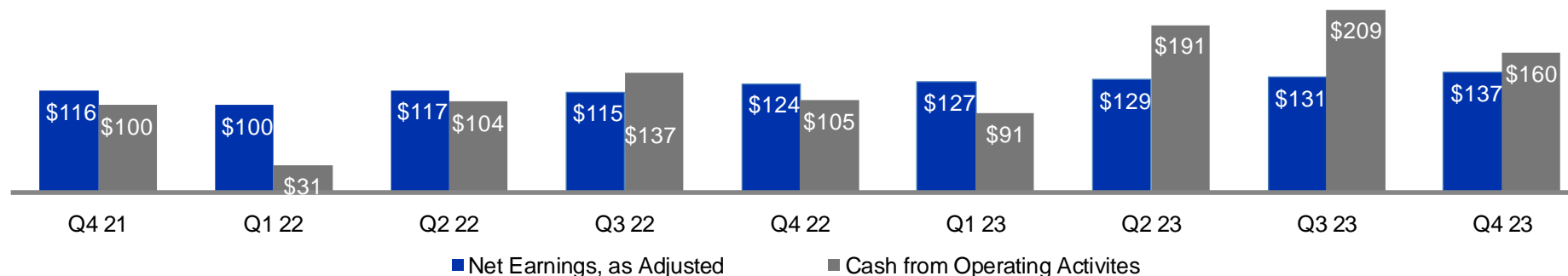
Net Sales	<ul style="list-style-type: none"> • Up 2 percent from fourth quarter 2022, up 1 percent at consistent translation rates
Gross Margin	<ul style="list-style-type: none"> • Margin rate up 3.7 percentage points compared to fourth quarter 2022 <ul style="list-style-type: none"> > Realized pricing and lower product cost
Operating Earnings	<ul style="list-style-type: none"> • Up \$17 million compared to fourth quarter 2022 <ul style="list-style-type: none"> > Realized pricing, lower product cost and favorable impact of currency translation rates were more than enough to offset higher expenses.
Other (Income)/ Expense	<ul style="list-style-type: none"> • Expense of \$42 million compared to \$3 million income in fourth quarter 2022 <ul style="list-style-type: none"> > Non-cash pension settlement loss of \$42 million in the current quarter
Interest Expense	<ul style="list-style-type: none"> • Down \$0.7 million compared to fourth quarter 2022. Repaid \$75 million private placement debt in the third quarter of 2023.
Taxes	<ul style="list-style-type: none"> • Effective tax rate for the quarter was 14 percent, down 4 percentage points compared to fourth quarter 2022 <ul style="list-style-type: none"> > Due primarily to a non-recurring tax benefit of \$4.8 million

FULL YEAR 2023

Net Sales	<ul style="list-style-type: none"> • Up 2 percent from 2022, currency translation rates had no significant impact
Gross Margin	<ul style="list-style-type: none"> • Margin rate up 3.6 percentage points compared to 2022 <ul style="list-style-type: none"> > Strong realized pricing and favorable mix more than offset higher product cost
Operating Earnings	<ul style="list-style-type: none"> • Up \$74 million compared to 2022 <ul style="list-style-type: none"> > Realized pricing and favorable mix were more than enough to offset higher expenses and unfavorable impact of currency translation rates.
Other (Income)/ Expense	<ul style="list-style-type: none"> • Expense of \$33 million compared to \$3 million income in 2022 <ul style="list-style-type: none"> > Non-cash pension settlement loss of \$42 million partially offset by higher interest income in the current year
Interest Expense	<ul style="list-style-type: none"> • Decreased \$5 million. Repaid \$75 million private placement debt in third quarter 2023 and first quarter 2022
Taxes	<ul style="list-style-type: none"> • Effective tax rate for the year of 17 percent was down 2 percentage point compared to 2022 <ul style="list-style-type: none"> > Due primarily to variations in excess tax benefits from stock option exercises and a non-recurring tax benefit

CASH FLOW AND LIQUIDITY

Net Earnings, as Adjusted, and Cash from Operating Activities
\$ in millions



Other Significant (Uses) Sources of Cash

(\$M)

	2023	2022
Capital Expenditures	\$ (185)	\$ (201)
Dividends	(158)	(142)
Net Share Issuances (Repurchases)	(42)	(198)
Net Borrowings (Payments) on Debt	(65)	(93)
Acquisitions	-	(25)
Pension Contribution	(20)	(20)

- Net cash from operating activities was \$651 million in 2023 vs. \$377 million in 2022
 - > Inventory purchases have decreased as supply chain disruptions have improved and backlog levels normalize
- Capital expenditures of \$185 million including \$108 million on facility expansion projects
- Repurchased 1.4 million shares during 2023. Shares repurchased net of share issued was \$42 million
- Debt, including notes payable, was \$30 million – down \$65 million from December 2022
 - > Repaid \$75 million private placement debt in the third quarter of 2023 and the first quarter of 2022
- The Company made a \$20 million voluntary contribution to a U.S. pension plan in the fourth quarters of 2023 and 2022

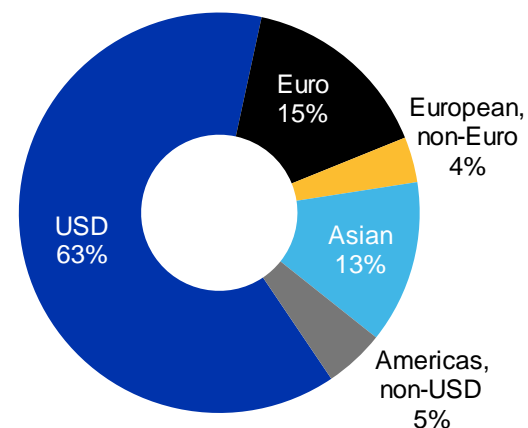
NET SALES

Components of Net Sales Change

2023 Fourth Quarter	Segment			Region			Consolidated
	Contractor	Industrial	Process	Americas	EMEA	Asia Pacific	
Volume and Price	1 %	(1)%	4 %	3 %	0 %	(4)%	1 %
Acquisitions	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Currency	1 %	2 %	0 %	0 %	5 %	(1)%	1 %
Total	2 %	1 %	4 %	3 %	5 %	(5)%	2 %

2023 Full Year	Segment			Region			Consolidated
	Contractor	Industrial	Process	Americas	EMEA	Asia Pacific	
Volume and Price	(1)%	2 %	11 %	4 %	0 %	(1)%	2 %
Acquisitions	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Currency	0 %	0 %	0 %	0 %	3 %	(3)%	0 %
Total	(1)%	2 %	11 %	4 %	3 %	(4)%	2 %










2023 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.

2024 OUTLOOK

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

	Americas	EMEA	Asia Pacific	Worldwide
Current Environment	Q4 2023 3% Full Year 2023 4%	Q4 2023 0% Full Year 2023 0%	Q4 2023 (4%) Full Year 2023 (1%)	Net Sales Change Q4 2023 1% Full Year 2023 2%
Contractor Segment	 Q4 2023 0% Full Year 2023 (1%)	 Q4 2023 3% Full Year 2023 (1%)	 Q4 2023 5% Full Year 2023 (5%)	Net Sales Change Q4 2023 1% Full Year 2023 (1%)
Industrial Segment	 Q4 2023 14% Full Year 2023 10%	 Q4 2023 (5%) Full Year 2023 (2%)	 Q4 2023 (13%) Full Year 2023 (3%)	Net Sales Change Q4 2023 (1%) Full Year 2023 2%
Process Segment	 Q4 2023 1% Full Year 2023 13%	 Q4 2023 10% Full Year 2023 10%	 Q4 2023 7% Full Year 2023 5%	Net Sales Change Q4 2023 4% Full Year 2023 11%
Full-Year 2024 Outlook				Low Single-Digit

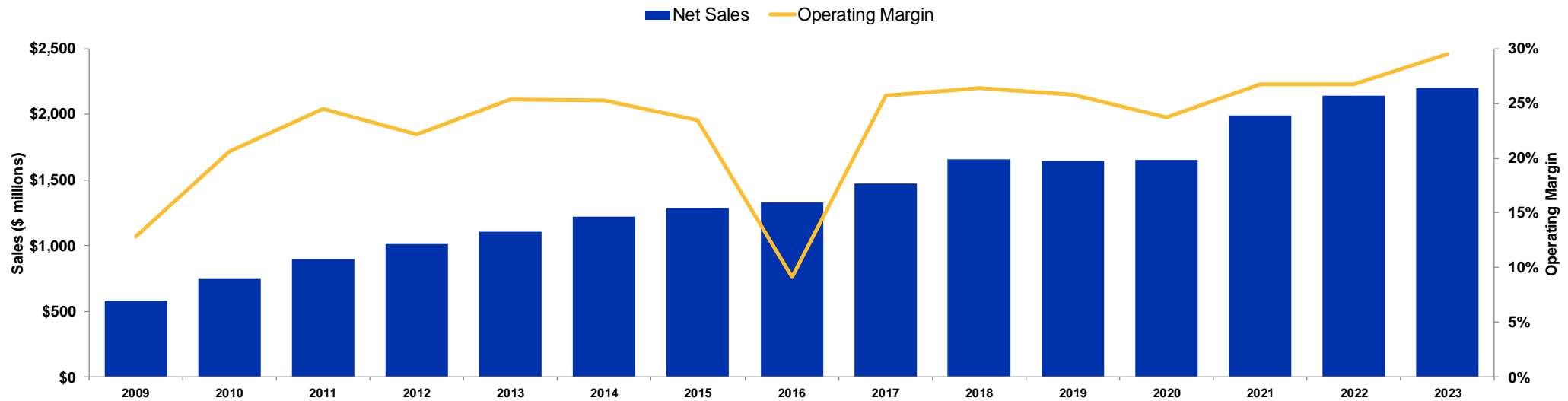
OTHER ITEMS

Cap Ex	<ul style="list-style-type: none"> Capital expenditure expectations of approximately \$120 million in 2024, including approximately \$60 million in facility expansion projects
Pension Settlement	<ul style="list-style-type: none"> In the fourth quarter of 2023, the Company transferred \$147 million of its pension obligations to an insurance company through the purchase of an annuity contract. As a result, a non-cash settlement loss of \$42 million (after tax \$33 million or \$0.19 per diluted share) was recorded in other non-operating expense
Expenses	<ul style="list-style-type: none"> Unallocated corporate expenses in 2024 are expected to be approximately \$41 - \$44 million
Shares	<ul style="list-style-type: none"> We may make opportunistic share repurchases in 2024 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 2023, the movement in foreign currencies would have no impact on net sales or net earnings for the full year 2024
Taxes	<ul style="list-style-type: none"> We anticipate the effective tax rate for the first quarter and the full year 2024 to be between 19.5% and 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

FINANCIAL SUMMARY

2023 Appendix

FINANCIAL PERFORMANCE



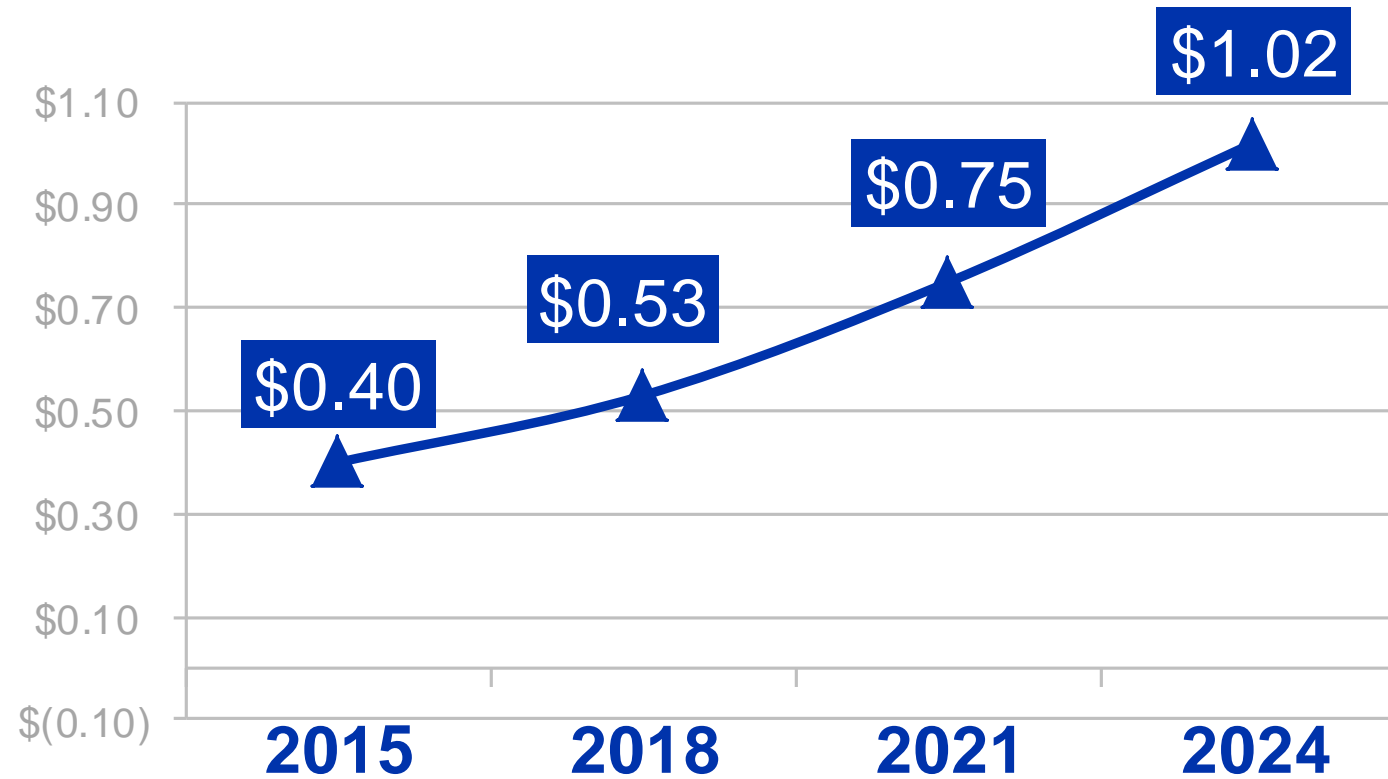
As Reported

Diluted EPS	\$0.27	\$0.56	\$0.77	\$0.81	\$1.12	\$1.22	\$1.95	\$0.24	\$1.45	\$1.97	\$2.00	\$1.92	\$2.52	\$2.66	\$2.94
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As Adjusted

Diluted EPS	\$0.27	\$0.56	\$0.77	\$0.81	\$1.12	\$1.22	\$1.15	\$1.18	\$1.43	\$1.88	\$1.90	\$1.95	\$2.44	\$2.63	\$3.04
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STOCK DIVIDEND GROWTH



Dividends
adjusted for
stock splits

STRONG CASH GENERATION

(\$ Millions)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Operating Cash Flows	\$ 651	\$ 377	\$ 457	\$ 394	\$ 419	\$ 368	\$ 338	\$ 269	\$ 190	\$ 241
% of Net Income	129%	82%	104%	119%	122%	108%	134%	661%	55%	107%
Capital Expenditures	185	201	134	71	128	54	40	42	42	31
Free Cash Flow	\$ 466	\$ 176	\$ 323	\$ 323	\$ 291	\$ 314	\$ 298	\$ 227	\$ 148	\$ 210

2016 – Impairment of Intangibles, net of tax, charge of \$161 million was reflected in net income. \$192 million and related change in deferred taxes (\$31) million included in adjustments to reconcile net earnings

2015 – Divestiture of Liquid Finishing Held Separate assets net gain \$141 million reflected in net income; effect of taxes on the gain, transaction costs and Foundation contribution are included in operating cash flows

(\$ Millions)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Dividends	\$ 158	\$ 142	\$ 127	\$ 117	\$ 106	\$ 89	\$ 80	\$ 73	\$ 69	\$ 66
Acquisitions	-	25	19	28	27	11	28	49	189	185
Share Repurchases *	43	198	(51)	21	(38)	236	54	18	256	165
	\$ 201	\$ 365	\$ 95	\$ 166	\$ 95	\$ 336	\$ 162	\$ 140	\$ 514	\$ 416

* Net of shares issued



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