



SECOND QUARTER EARNINGS CALL

July 25, 2024

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 July 24, 2024.

FINANCIAL RESULTS

Statement of Earnings

\$ in millions except per share amounts

	Second Quarter			June Year to Date		
	2024	2023	Change	2024	2023	Change
Net Sales	\$ 553.2	\$ 559.6	(1)%	\$1,045.4	\$1,089.3	(4)%
Gross Profit	300.9	291.4	3 %	567.1	576.6	(2)%
% of Net Sales	54.4%	52.1%	2.3 pts	54.2%	52.9%	1.3 pts
Operating Earnings	161.4	157.1	3 %	294.4	313.7	(6)%
% of Net Sales	29.2%	28.1%	1.1 pts	28.2%	28.8%	(0.6) pts
Net Earnings	\$ 133.0	\$ 134.3	(1)%	\$ 255.2	\$ 263.4	(3)%
% of Net Sales	24.0%	24.0%	0.0 pts	24.4%	24.2%	0.2 pts
Diluted Net Earnings Per Share	\$ 0.77	\$ 0.78	(1)%	\$ 1.48	\$ 1.53	(3)%
Diluted Shares in Millions	172.5	172.6	0 %	172.5	172.1	0 %
Net Earnings, Adjusted (1)	\$ 132.2	\$ 128.8	3 %	\$ 244.8	\$ 255.3	(4)%
Diluted Net Earnings Per Share, Adjusted (1)	\$ 0.77	\$ 0.75	3 %	\$ 1.42	\$ 1.48	(4)%

(1) Net earnings and diluted net earnings per share for 2024 and 2023 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

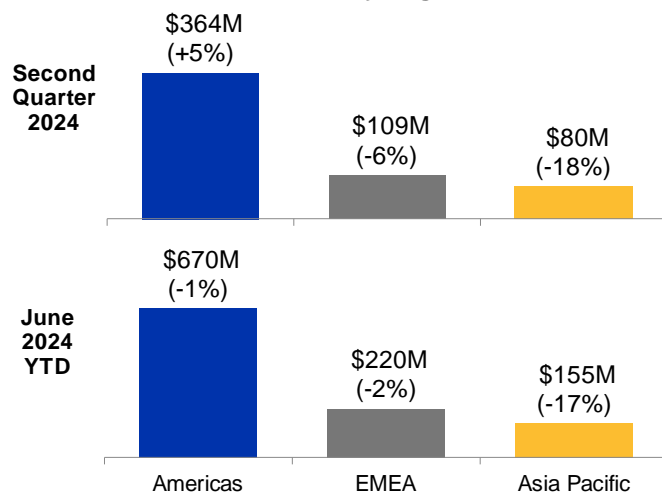
2024 Second Quarter

	Segment			Region			Consolidated
	Contractor	Industrial	Process	Americas	EMEA	Asia Pacific	
Volume and Price	6 %	(4)%	(9)%	5 %	(5)%	(16)%	(1)%
Currency	(1)%	(1)%	0 %	0 %	(1)%	(2)%	0 %
Total	5 %	(5)%	(9)%	5 %	(6)%	(18)%	(1)%

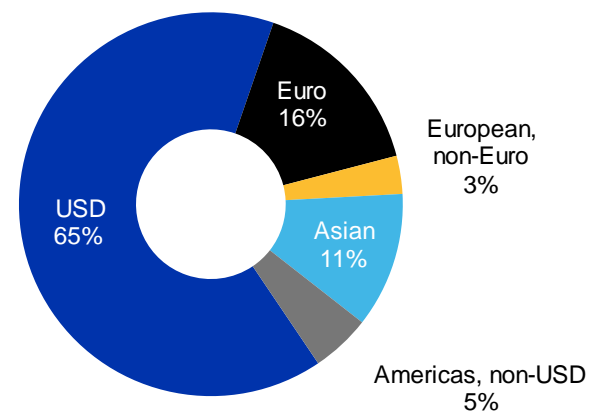
2024 June Year to Date

	Segment			Region			Consolidated
	Contractor	Industrial	Process	Americas	EMEA	Asia Pacific	
Volume and Price	0 %	(5)%	(9)%	(1)%	(3)%	(15)%	(4)%
Currency	0 %	0 %	0 %	0 %	1 %	(2)%	0 %
Total	0 %	(5)%	(9)%	(1)%	(2)%	(17)%	(4)%

Net Sales by Region



June 2024 Year to Date 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.

OPERATING EARNINGS

2023 Operating Earnings, as reported (\$M and % of sales)

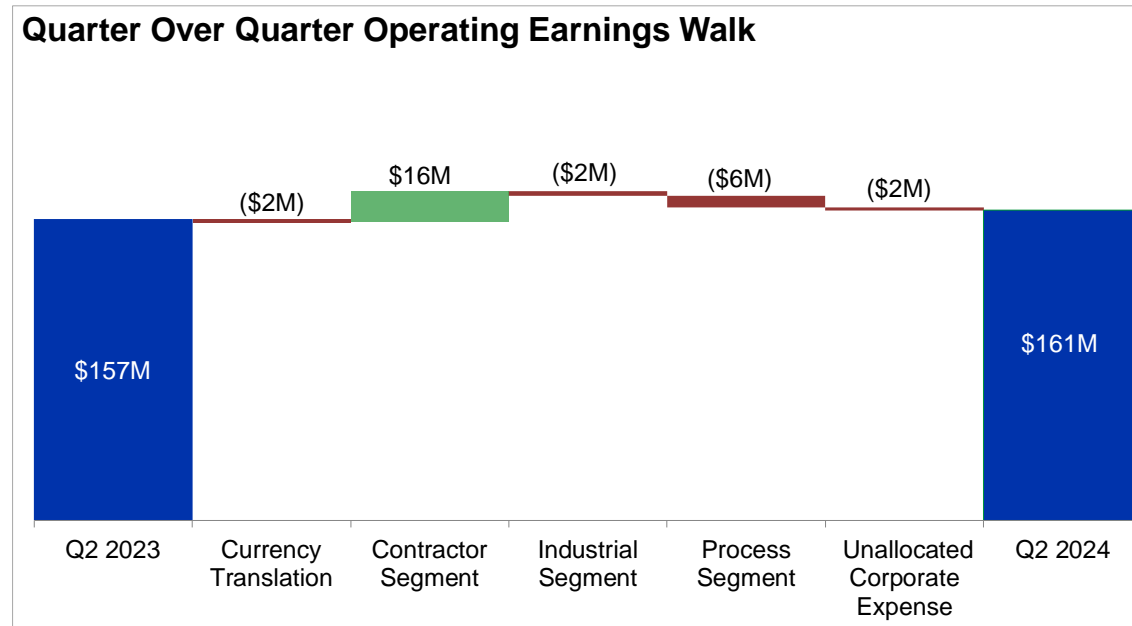
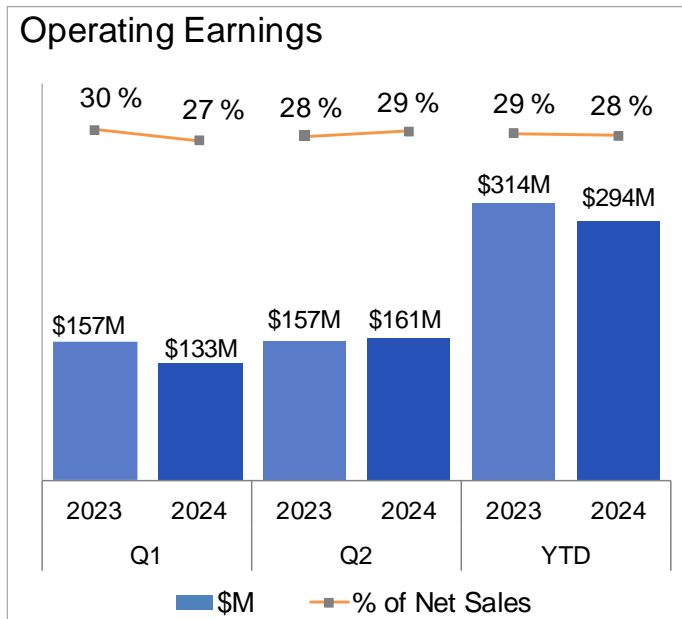
Currency translation

Cost, price and volume

Volume effect on expense leverage

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

Second Quarter		June Year to Date	
\$ 157	28 %	\$ 314	29 %
(2)	0	(3)	0
12	2	(7)	1
(6)	(1)	(10)	(2)
\$ 161	29 %	\$ 294	28 %



SECOND QUARTER 2024










Net Sales	<ul style="list-style-type: none"> • Down 1 percent from second quarter 2023. Currency translation rates had no significant impact.
Gross Margin	<ul style="list-style-type: none"> • Margin rate up 2 percentage points compared to second quarter 2023. <ul style="list-style-type: none"> > Lower product cost and realized pricing.
Operating Earnings	<ul style="list-style-type: none"> • Up \$4 million compared to second quarter 2023. <ul style="list-style-type: none"> > Lower product cost and realized pricing more than enough to offset higher expenses.
Other (Income)	<ul style="list-style-type: none"> • Comparable to second quarter 2023.
Interest Expense	<ul style="list-style-type: none"> • Decreased \$1 million as long-term debt fully repaid in third quarter 2023.
Taxes	<ul style="list-style-type: none"> • Effective tax rate for the quarter was 4 percentage points higher compared to second quarter 2023. <ul style="list-style-type: none"> > Due primarily to a decrease in excess tax benefit from stock option exercises.

JUNE YEAR TO DATE 2024

Net Sales	<ul style="list-style-type: none"> • Down 4 percent from June 2023 year to date. Currency translation rates had no significant impact.
Gross Margin	<ul style="list-style-type: none"> • Margin rate up 1 percentage point compared to the same period in 2023. <ul style="list-style-type: none"> > Realized pricing and lower product cost.
Operating Earnings	<ul style="list-style-type: none"> • Down \$19 million compared to June 2023 year to date. <ul style="list-style-type: none"> > Unfavorable sales volume and higher expenses.
Other (Income)	<ul style="list-style-type: none"> • Increased \$6 million primarily due to increased interest income on cash held.
Interest Expense	<ul style="list-style-type: none"> • Decreased \$2 million as long-term debt fully repaid in third quarter 2023.
Taxes	<ul style="list-style-type: none"> • Effective tax rate for the year to date was 1 percentage point lower compared to the same period last year. <ul style="list-style-type: none"> > Due to an increase in excess tax benefit from stock option exercises.

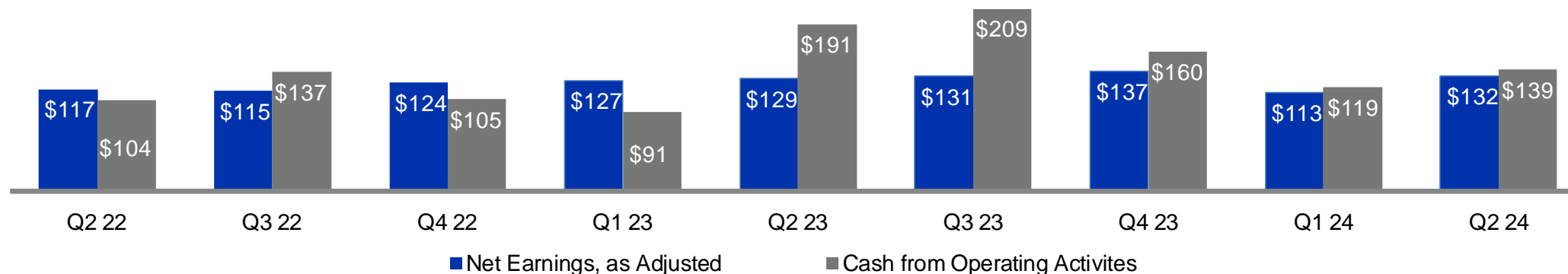
2024 OUTLOOK

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

	Americas	EMEA	Asia Pacific	Total
Current Environment	Sales Growth Q2 2024 5% June 2024 YTD (1%)	Sales Growth Q2 2024 (5%) June 2024 YTD (3%)	Sales Growth Q2 2024 (16%) June 2024 YTD (15%)	Sales Growth Q2 2024 (1%) June 2024 YTD (4%)
Contractor Segment	 Sales Growth Q2 2024 9% June 2024 YTD (1%)	 Sales Growth Q2 2024 (7%) June 2024 YTD 0%	 Sales Growth Q2 2024 10% June 2024 YTD 3%	Sales Growth Q2 2024 6% June 2024 YTD 0%
Industrial Segment	 Sales Growth Q2 2024 10% June 2024 YTD 4%	 Sales Growth Q2 2024 (2%) June 2024 YTD (3%)	 Sales Growth Q2 2024 (25%) June 2024 YTD (19%)	Sales Growth Q2 2024 (4%) June 2024 YTD (5%)
Process Segment	 Sales Growth Q2 2024 (5%) June 2024 YTD (6%)	 Sales Growth Q2 2024 (9%) June 2024 YTD (8%)	 Sales Growth Q2 2024 (19%) June 2024 YTD (20%)	Sales Growth Q2 2024 (9%) June 2024 YTD (9%)
Full Year 2024 Outlook				Low Single-Digit Decline

CASH FLOW AND LIQUIDITY

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



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

	2024	2023
Dividends	\$ (86)	\$ (79)
Capital Expenditures	(73)	(92)
Net Share Issuances (Repurchases)	24	43
Net Borrowings (Payments) on Debt	1	29

- Net cash from operating activities through June 2024 was \$258 million vs. \$282 million in the comparable period in 2023
 - > Change in working capital items in line with sales. Inventory purchases increased on new product launches
- Capital expenditures of \$73 million including \$47 million of facility expansion projects

OTHER DISCUSSION ITEMS

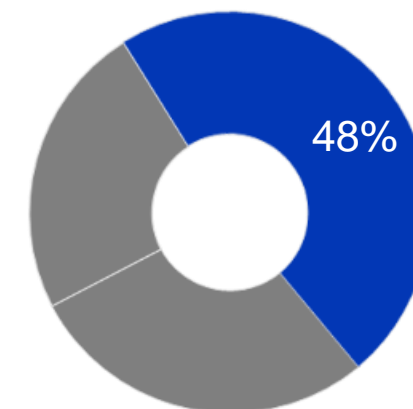
Cap Ex	<ul style="list-style-type: none"> • Capital expenditure expectations of approximately \$120 million in 2024, including approximately \$70 million in facility expansion projects
Expenses	<ul style="list-style-type: none"> • Unallocated corporate expenses in 2024 are expected to be approximately \$41- \$44 million
Shares	<ul style="list-style-type: none"> • Share repurchases of 224,000 in second quarter. 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 in for the third quarter and the full year 2024 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

CONTRACTOR SEGMENT RESULTS

\$ in millions

	Second Quarter			June Year to Date		
	2024	2023	Change	2024	2023	Change
Net Sales						
Americas	\$ 205	\$ 189	9 %	\$ 370	\$ 373	(1)%
EMEA	44	48	(8)	91	91	1
Asia Pacific	20	19	7	38	38	(1)
Total	\$ 269	\$ 256	5 %	\$ 499	\$ 502	0%
Operating Earnings	\$ 84	\$ 69	22%	\$ 151	\$ 143	6%
% of sales	31 %	27 %		30 %	28 %	

June YTD 2024 Contractor Segment
Net Sales as % of Graco



Components of Net Sales Change

	Q2 2024	June YTD 2024
Americas		
Volume & Price	9 %	(1)%
Currency	0 %	0 %
Total	9 %	(1)%
EMEA		
Volume & Price	(7)%	0 %
Currency	(1)%	1 %
Total	(8)%	1 %

	Q2 2024	June YTD 2024
Asia Pacific		
Volume & Price	10 %	3 %
Currency	(3)%	(4)%
Total	7 %	(1)%
Segment Total		
Volume & Price	6 %	0 %
Currency	(1)%	0 %
Total	5 %	0 %

CONTRACTOR SEGMENT RESULTS

Change in % of net sales

2023 Operating Earnings

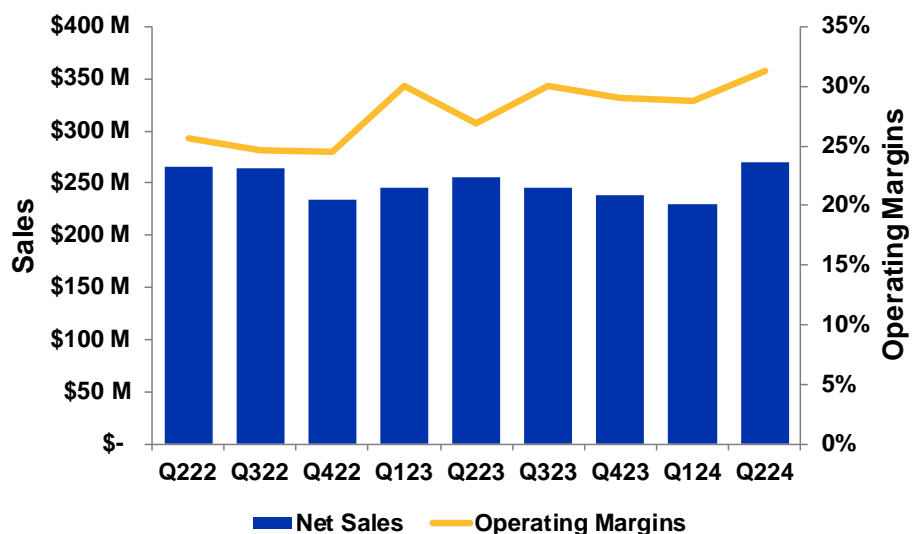
Cost, price and volume

Volume effect on expense leverage

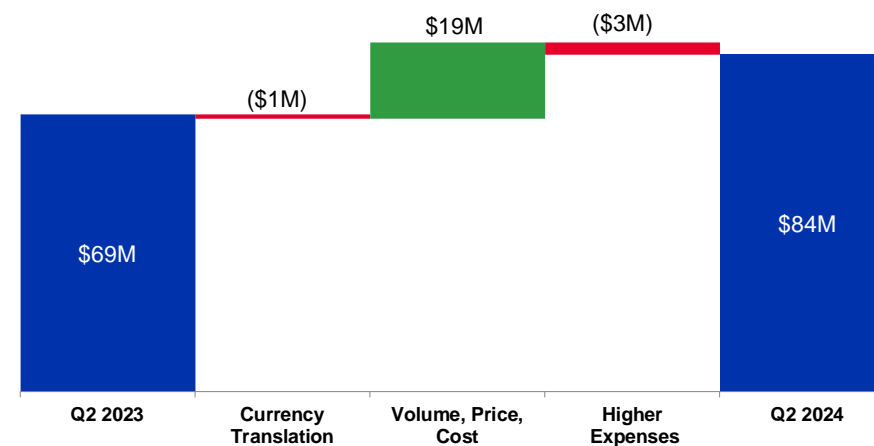
2024 Operating Earnings

Second Quarter	June Year to Date
27 %	28 %
4	3
0	(1)
31 %	30 %

Contractor Segment Net Sales and Operating Margins



Contractor Segment Operating Earnings QTD

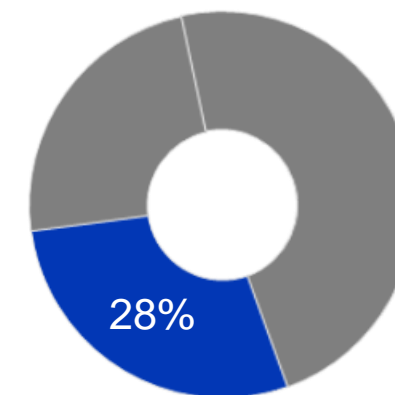


INDUSTRIAL SEGMENT RESULTS

\$ in millions

	Second Quarter			June Year to Date		
	2024	2023	Change	2024	2023	Change
Net Sales						
Americas	\$ 72	\$ 66	10%	\$ 134	\$ 129	4%
EMEA	48	49	(3)	95	97	(3)
Asia Pacific	36	49	(27)	69	88	(21)
Total	\$ 156	\$ 164	(5)%	\$ 298	\$ 314	(5)%
Operating Earnings	\$ 53	\$ 56	(6)%	\$ 98	\$ 109	(10)%
% of sales	34 %	34 %		33 %	35 %	

June YTD 2024 Industrial Segment Net Sales as % of Graco



Components of Net Sales Change

	Q2 2024	June YTD 2024		Q2 2024	June YTD 2024
Americas					
Volume & Price	10 %	4 %		(25)%	(19)%
Currency	0 %	0 %		(2)%	(2)%
Total	10 %	4 %		(27)%	(21)%
EMEA					
Volume & Price	(2)%	(3)%		(4)%	(5)%
Currency	(1)%	0 %		(1)%	0 %
Total	(3)%	(3)%		(5)%	(5)%
Asia Pacific					
Volume & Price					
Currency					
Total					
Segment Total					
Volume & Price					
Currency					
Total					

INDUSTRIAL SEGMENT RESULTS

Change in % of net sales

2023 Operating Earnings

Currency Translation

Product and channel mix

Volume effect on expense leverage

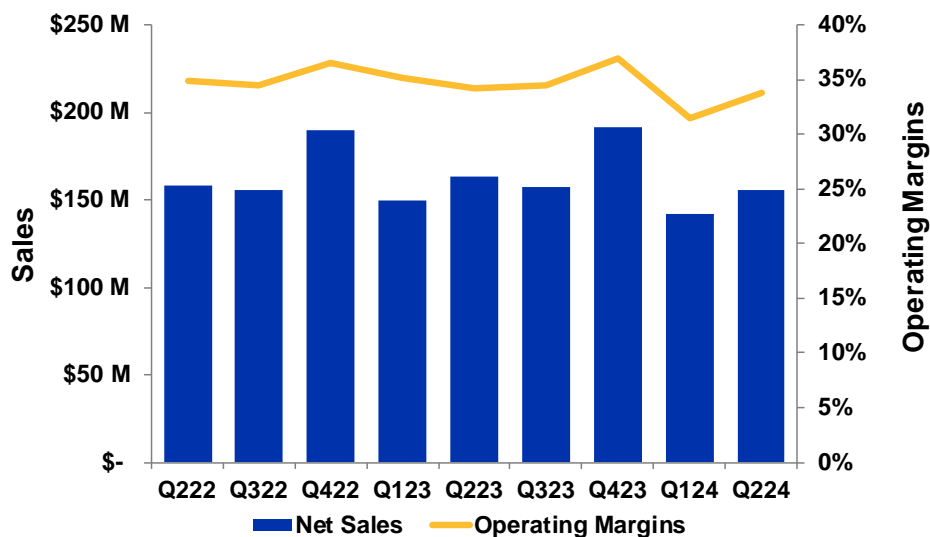
2024 Operating Earnings

Second Quarter

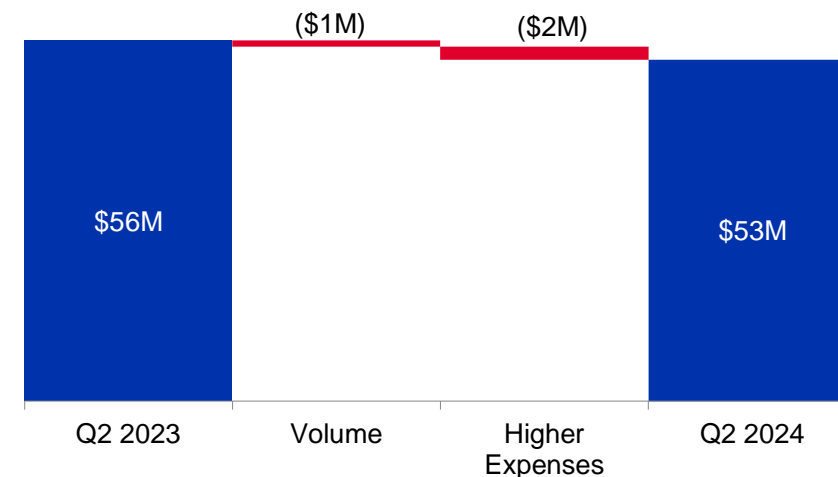
June Year to Date

34 %	35 %
0	(1)
2	1
(2)	(2)
34 %	33 %

Industrial Segment Net Sales and Operating Margins



Industrial Segment Operating Earnings QTD

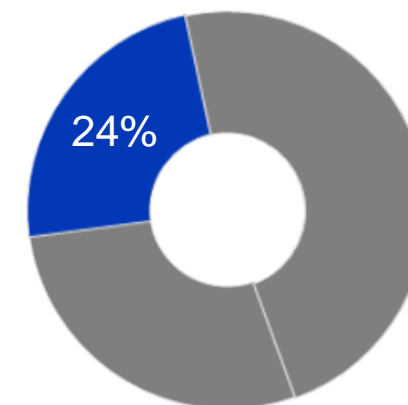


PROCESS SEGMENT RESULTS

\$ in millions

	Second Quarter			June Year to Date		
	2024	2023	Change	2024	2023	Change
Net Sales						
Americas	\$ 87	\$ 92	(5)%	\$ 166	\$ 176	(6)%
EMEA	17	18	(9)	34	37	(8)
Asia Pacific	24	30	(20)	48	61	(22)
Total	\$ 128	\$ 140	(9)%	\$ 248	\$ 274	(9)%
Operating Earnings	\$ 37	\$ 44	(15)%	\$ 72	\$ 84	(14)%
% of sales	29 %	31 %		29 %	31 %	

June YTD 2024 Process Segment Net Sales as % of Graco



Components of Net Sales Change

	Q2 2024	June YTD 2024		Q2 2024	June YTD 2024
Americas			Asia Pacific		
Volume & Price	(5)%	(6)%	Volume & Price	(19)%	(20)%
Currency	0 %	0 %	Currency	(1)%	(2)%
Total	(5)%	(6)%	Total	(20)%	(22)%
EMEA			Segment Total		
Volume & Price	(9)%	(8)%	Volume & Price	(9)%	(9)%
Currency	0 %	0 %	Currency	0 %	0 %
Total	(9)%	(8)%	Total	(9)%	(9)%

PROCESS SEGMENT RESULTS

Change in % of net sales

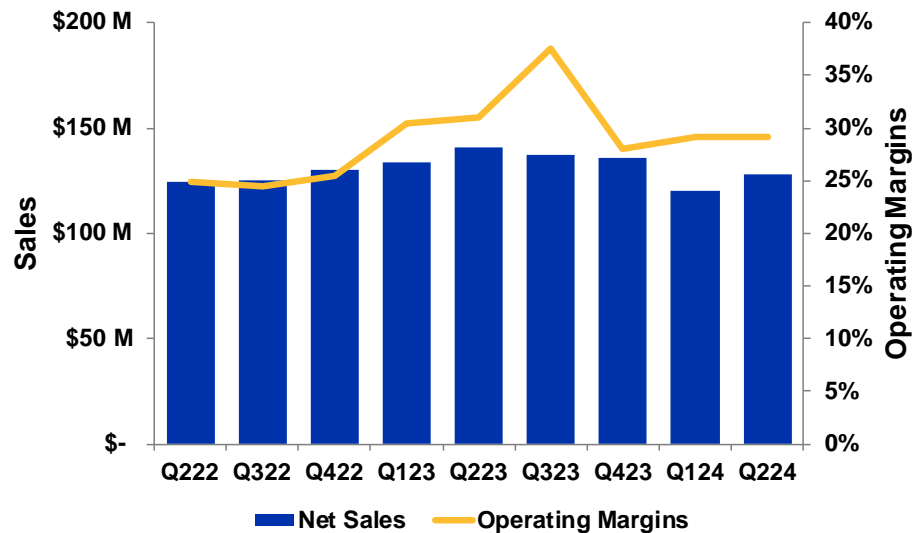
2023 Operating Earnings

Volume effect on expense leverage

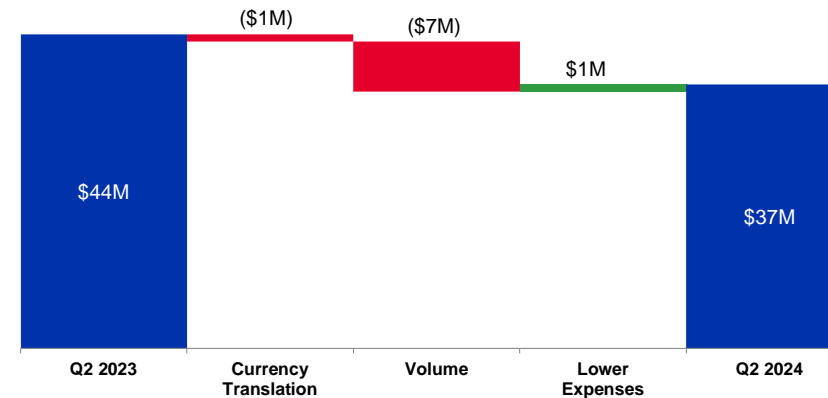
2024 Operating Earnings

Second Quarter	June Year to Date
31 %	31 %
(2)	(2)
29 %	29 %

Process Segment Net Sales and Operating Margins



Process Segment Operating Earnings QTD



ADJUSTED FINANCIAL RESULTS

Financial results have been adjusted for comparability. Excess tax benefit from stock option exercises has caused fluctuation in the Company's financial results. Excluding the impact of this benefit presents a more consistent basis for comparison of financial results. A calculation of the non-GAAP measurements follows:

Non-GAAP Reconciliation

\$ in millions except per share amounts

Income taxes, as reported

Excess tax benefit from stock option exercises

Income taxes, adjusted

Effective income tax rate

As reported

Adjusted

Net earnings, as reported

Excess tax benefit from stock option exercises

Net earnings, adjusted

Weighted average diluted shares

Diluted earnings per share

As reported

Adjusted

	Second Quarter			June Year to Date		
	2024	2023	Change	2024	2023	Change
Income taxes, as reported	\$ 32.2	\$ 25.4	27 %	\$ 50.3	\$ 53.5	(6)%
Excess tax benefit from stock option exercises	0.8	5.5		10.4	8.1	
Income taxes, adjusted	\$ 33.0	\$ 30.9	7 %	\$ 60.7	\$ 61.6	(2)%
Effective income tax rate						
As reported	19.5%	15.9%		16.5%	16.9%	
Adjusted	20.0%	19.4%		19.9%	19.4%	
Net earnings, as reported	\$ 133.0	\$ 134.3	(1)%	\$ 255.2	\$ 263.4	(3)%
Excess tax benefit from stock option exercises	(0.8)	(5.5)		(10.4)	(8.1)	
Net earnings, adjusted	\$ 132.2	\$ 128.8	3 %	\$ 244.8	\$ 255.3	(4)%
Weighted average diluted shares	172.5	172.6		172.5	172.1	
Diluted earnings per share						
As reported	\$ 0.77	\$ 0.78	(1)%	\$ 1.48	\$ 1.53	(3)%
Adjusted	\$ 0.77	\$ 0.75	3 %	\$ 1.42	\$ 1.48	(4)%



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