



**INVESTOR
PRESENTATION**

**SECOND QUARTER
2025**



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

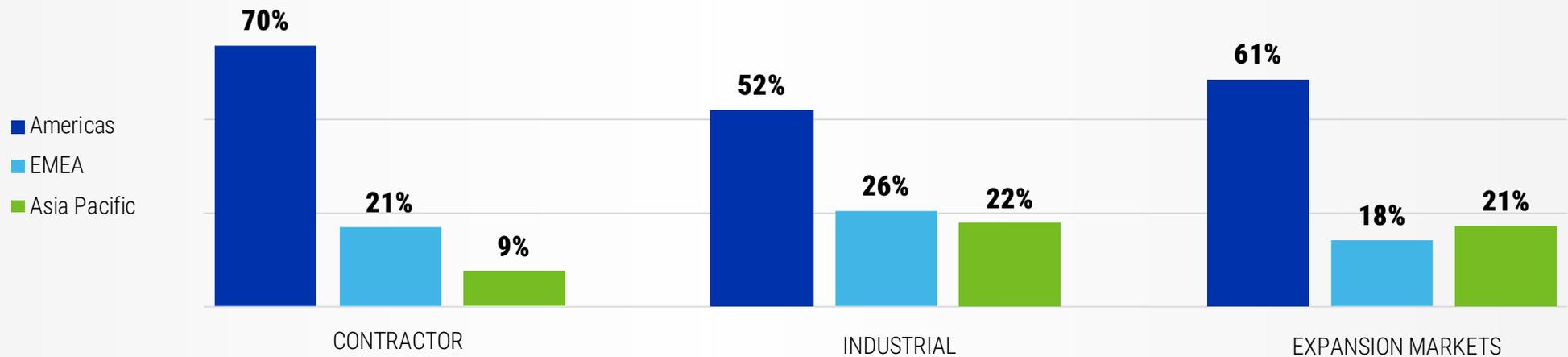
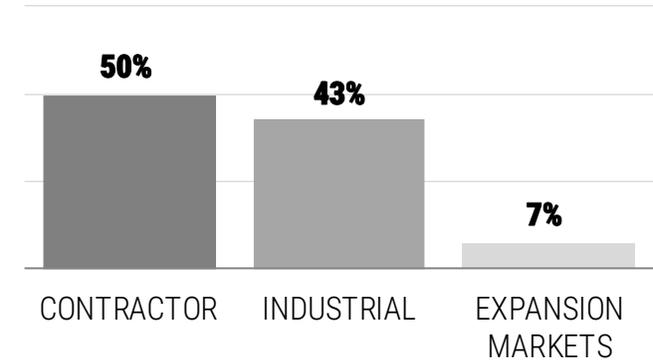
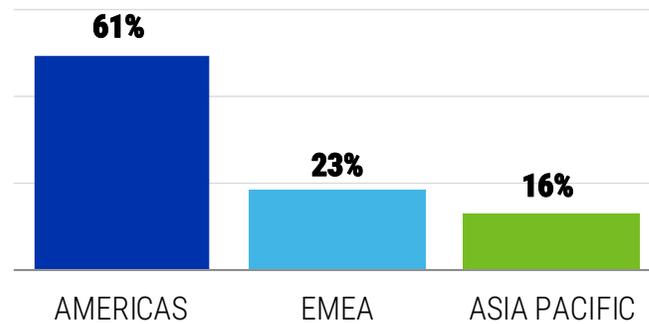
Item 1A of the Company's Form 10-K, Item 1A of the most recent Quarterly Report on Form 10-Q, and also the Company's Earnings Release dated April 24, 2025.



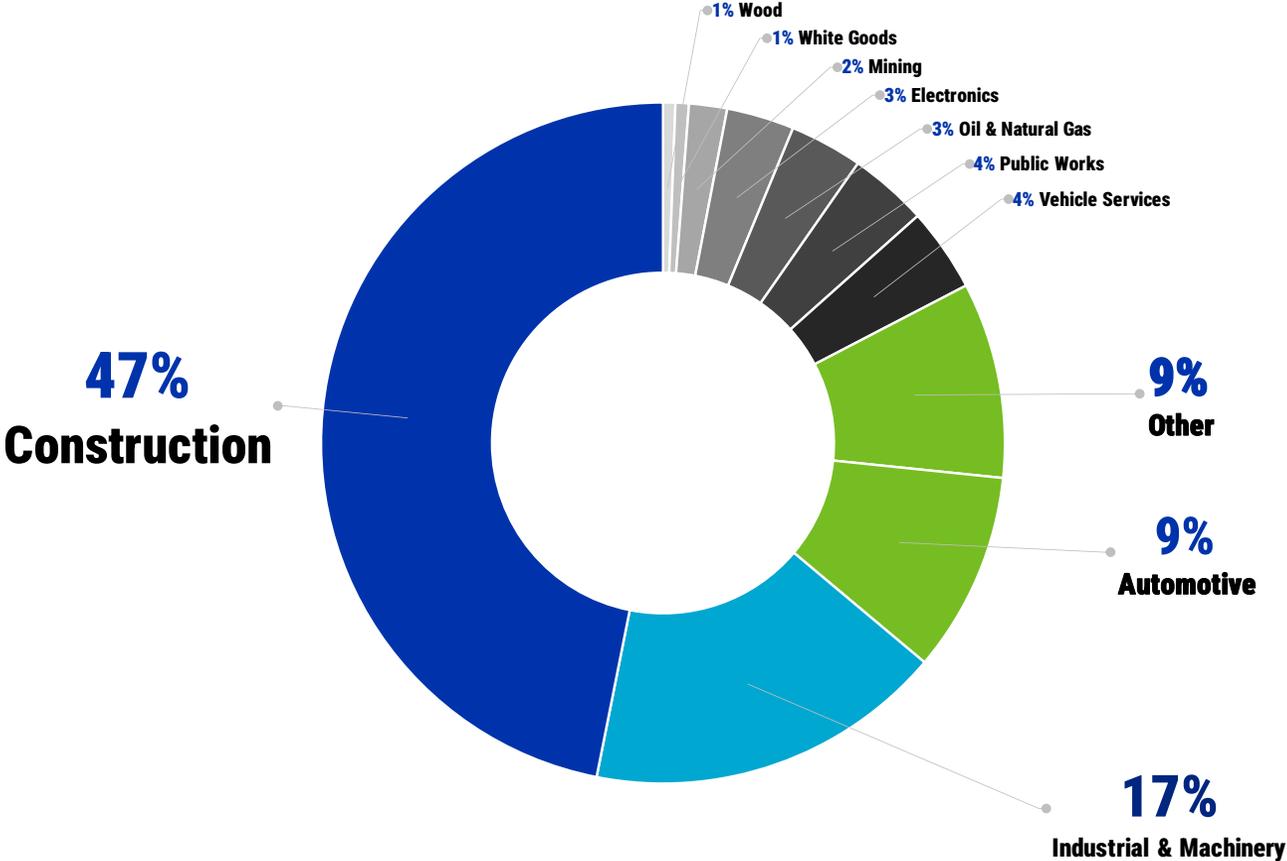
DISTRIBUTION OF GLOBAL SALES

WORLDWIDE
\$1,100M

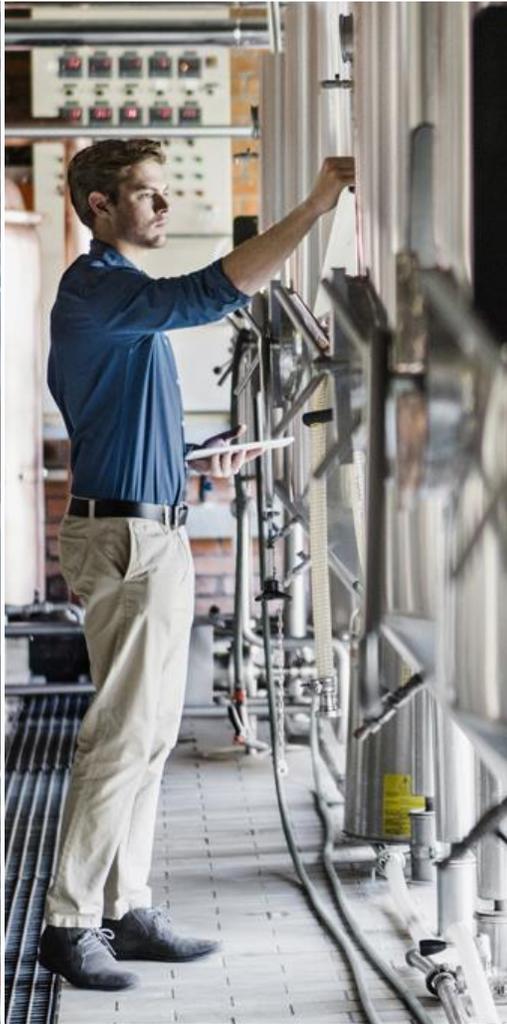
June 2025 Year to Date



2024 NET SALES BY END MARKET



TRUSTED SOLUTIONS TO KEEP JOBS MOVING & FLUIDS PUMPING



DIVERSIFIED FLUID HANDLING BUSINESS



NICHE

Difficult applications; corrosive, viscous, hard-to-move materials

6.1%

Organic Revenue CAGR*
*20-year average, constant currency

~40%

Of revenue is parts and accessories



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

10%

Targeted Revenue CAGR

12%+



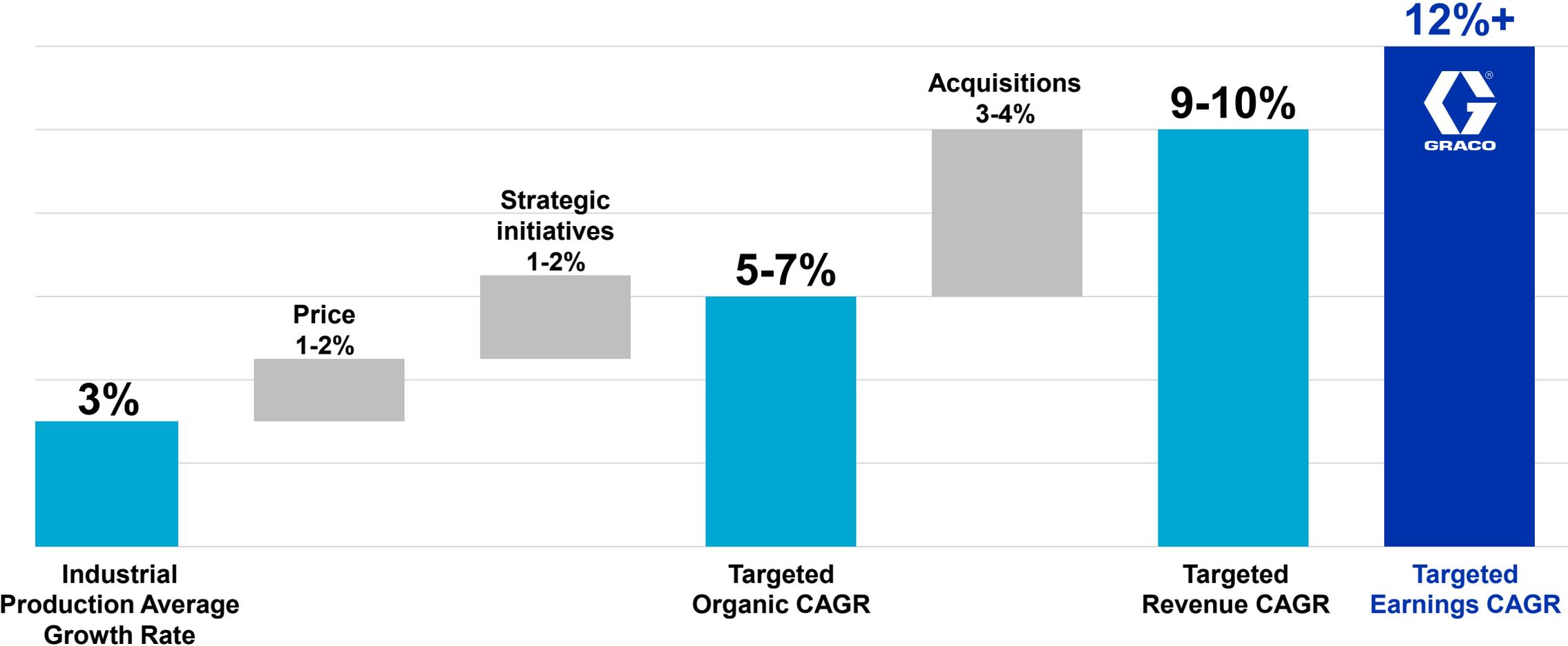
Targeted Earnings CAGR

Through a cycle.

GROWTH PLANS AND EARNINGS DRIVERS



Through a cycle.



LOW VOLUME, HIGH MIX DELIVERS CUSTOMER ROI



AVERAGE NUMBER OF UNITS SOLD PER DAY	NUMBER OF SKUS		2024 SALES (\$ IN MILLIONS)	
0 – 1	56,500	93%	\$ 1,011	48%
2 - 5	2,500	4%	\$ 321	15%
6 - 10	700	1%	\$ 162	8%
11 - 15	300	1%	\$ 90	4%
Greater than 15	700	1%	\$ 529	25%
Graco 2024 Sales	60,700		\$2,113	

HIGHLY-VALUED PRODUCTS AT LOW VOLUMES

48%

of our revenue comes from products that we sell

ZERO TO ONE PER DAY

EXCEPTIONAL RETURNS



6.1%

**ORGANIC REVENUE
CAGR**

24%

**RETURN ON
INVESTED CAPITAL**

38%

**RETURN ON
EQUITY**

17%

**RETURN ON
ASSETS**

Based on a 20-year average. Organic revenue at constant currency.



BUSINESS MODEL

- Brand Promise
- Engineering Excellence
- Manufacturing Excellence
- Service Excellence
- Extensive Reach
- Culture & Talent





BRAND PROMISE

GRACO'S BRICK AND MORTAR VALUES

- Customer focus
- Quality
- Continuous improvement
- Fact-based decision making
- Results driven

The result of these values is our promise to our customers: We are committed to delivering innovation, quality and service.





ENGINEERING EXCELLENCE

TARGET DOUBLE-DIGIT RETURNS ON NEW PRODUCTS

ANNUAL R&D INVESTMENT:

- **>1.5x*** our peer group
- **4.0%*** as a percent of sales vs. peers at 2.7%

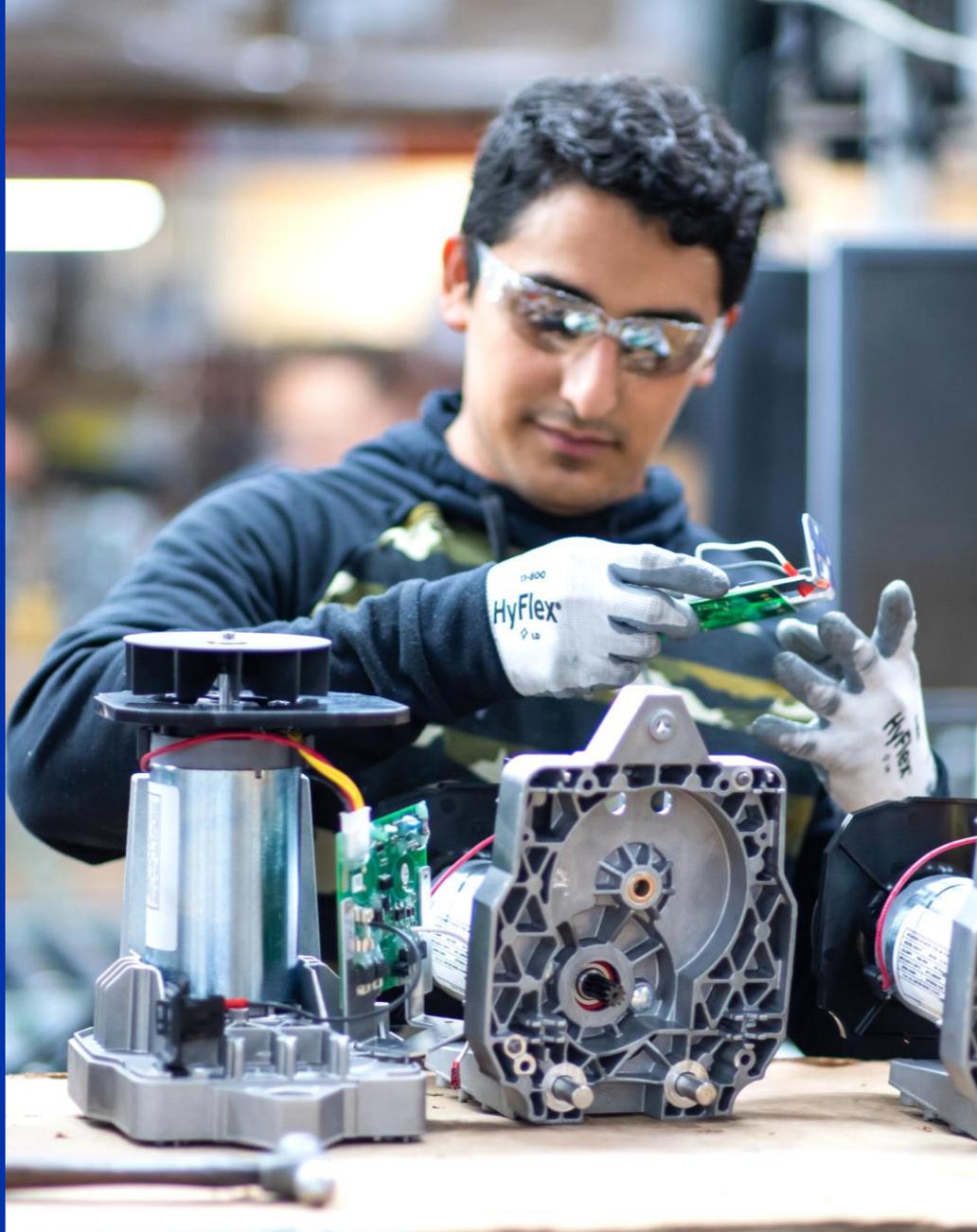
*Peers: ITW, LECO, DOV, IEX, NDSN,, based on a 5-year average, 2020 - 2024.





MANUFACTURING EXCELLENCE

- **>80%** product based in USA
- **Zero** cost change goal on the same basket of goods (year over year)
- **<1%** warranty costs



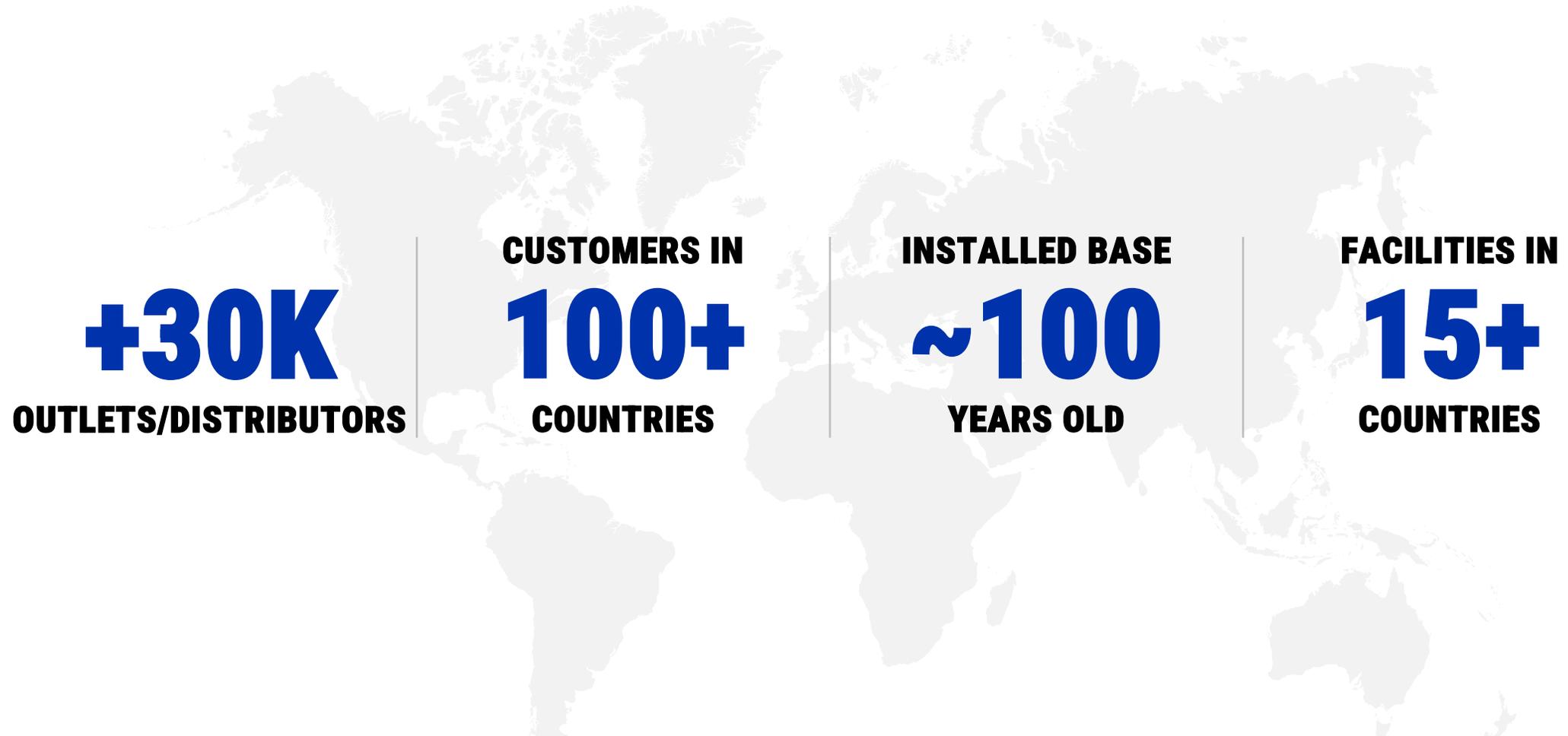


SERVICE EXCELLENCE

- Orders in by noon, **ship the same day**
- **95%** in-stock service level goal



EXTENSIVE REACH



CULTURE & TALENT



4,300

**TOTAL
NUMBER OF
EMPLOYEES**

1,900

**EMPLOYEES
OUTSIDE OF
THE U.S.**

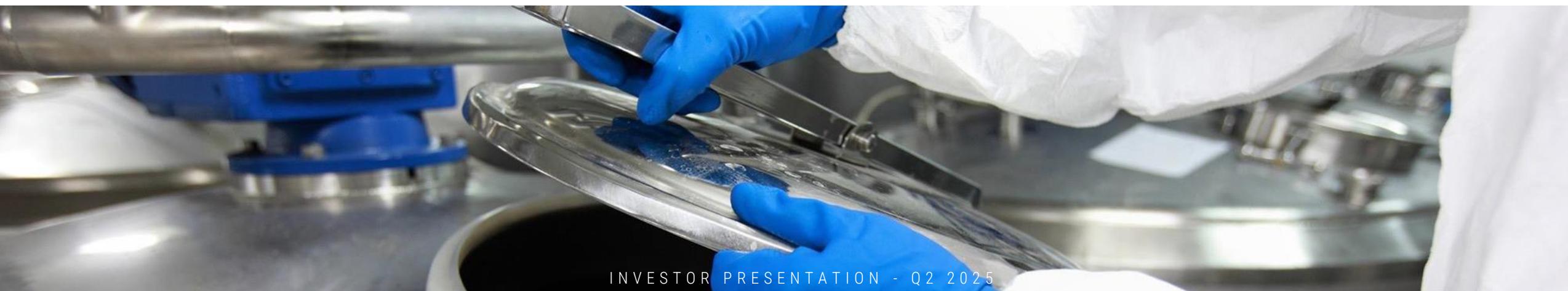
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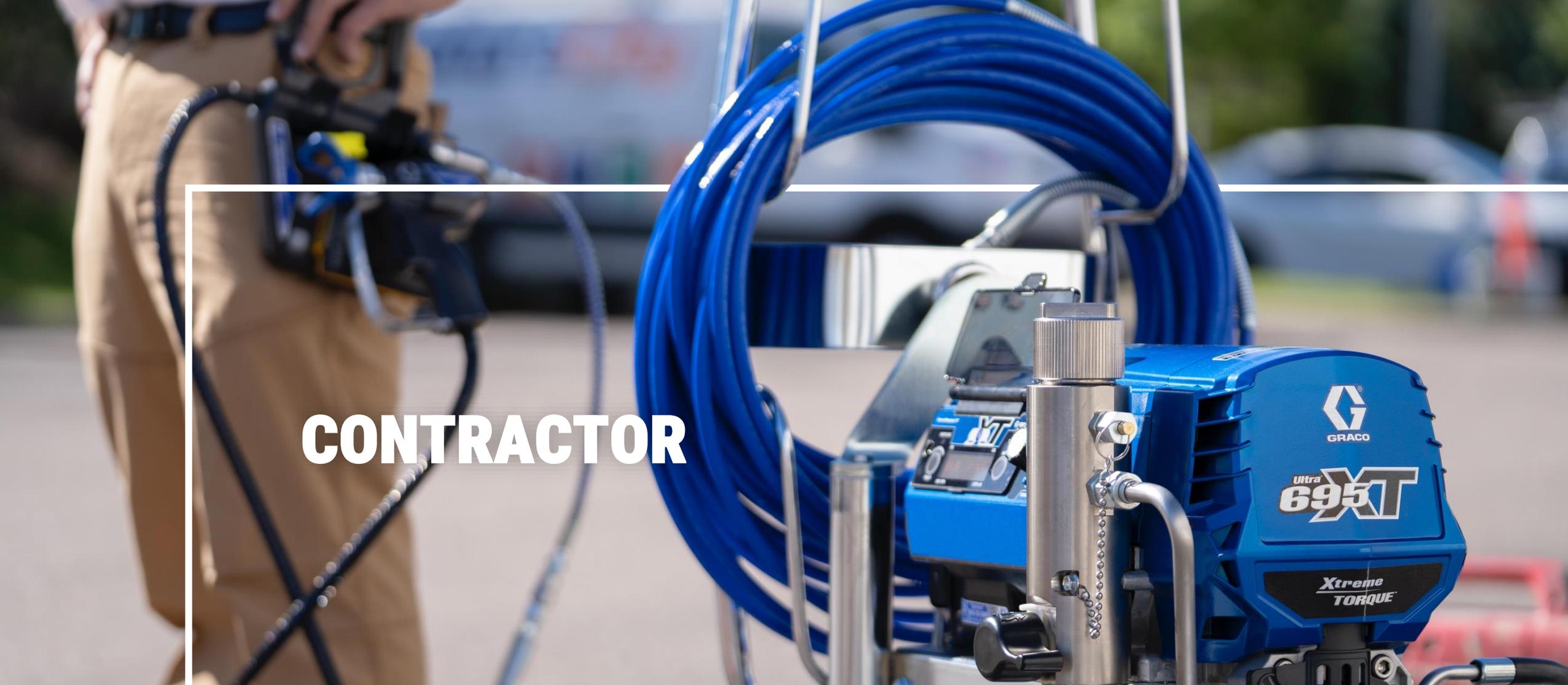
**AVERAGE
YEARS OF
EXECUTIVE
TENURE**

10

**AVERAGE
YEARS OF
EMPLOYEE
TENURE**

*Based on data as of 12/27/2024





CONTRACTOR

 **GRACO**[®]



CONTRACTOR

2025 June,
six-month performance

\$544M
SEGMENT REVENUE

-3%
ORGANIC REVENUE DECLINE

25.3%
OPERATING MARGIN
-480 BASIS POINTS

KEY END MARKETS

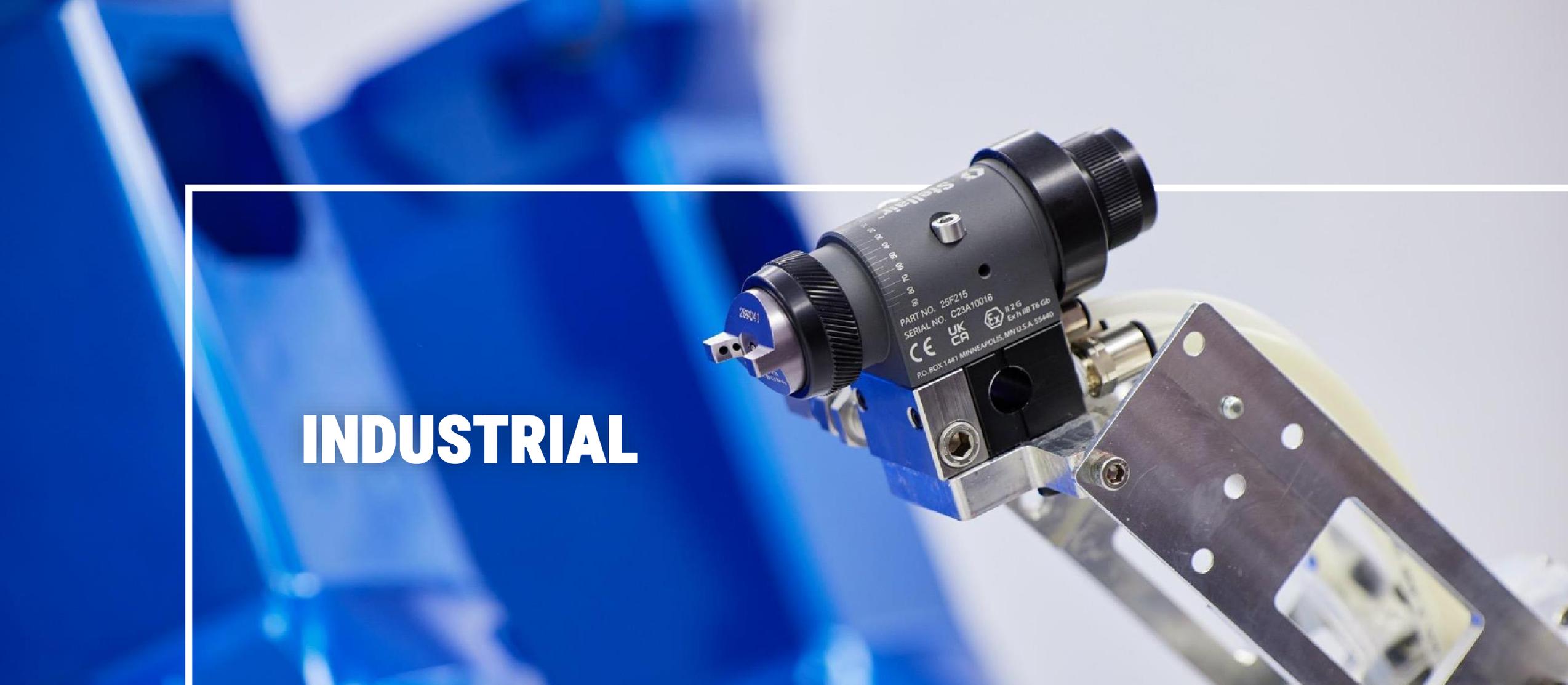
- Residential and non-residential construction
- Residential and non-residential remodeling
- Transportation Infrastructure

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



INDUSTRIAL

 **GRACO**[®]



INDUSTRIAL

2025 June,
six-month performance

\$474M
SEGMENT REVENUE

+2%
ORGANIC REVENUE GROWTH

34.2%
OPERATING MARGIN
+110 BASIS POINTS

KEY END MARKETS

- General Industrial
- Automotive
- Vehicle Service
- Pharmaceutical, food and beverage

GROWTH DRIVERS & TRENDS

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

SELECT REPRESENTATIVE INDUSTRY PARTICIPANTS:

- Nordson
- Dover
- Ingersoll Rand
- Binks
- Regional Competition



EXPANSION MARKETS



EXPANSION MARKETS

2025 June,
six-month performance

\$82M

SEGMENT REVENUE

+4%

ORGANIC REVENUE GROWTH

23.0%

**OPERATING MARGIN
+380 BASIS POINTS**

KEY END MARKETS

- Semiconductor
- Oil and natural gas
- Environmental

GROWTH DRIVERS & TRENDS

- Factory movement and upgrades
- Technology and energy-efficiency upgrades
- Asset life maintenance
- Environmental regulations

SELECT REPRESENTATIVE INDUSTRY PARTICIPANTS:

- IDEX
- Parker Hannifin
- Ingersoll Rand
- Regional Competition

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



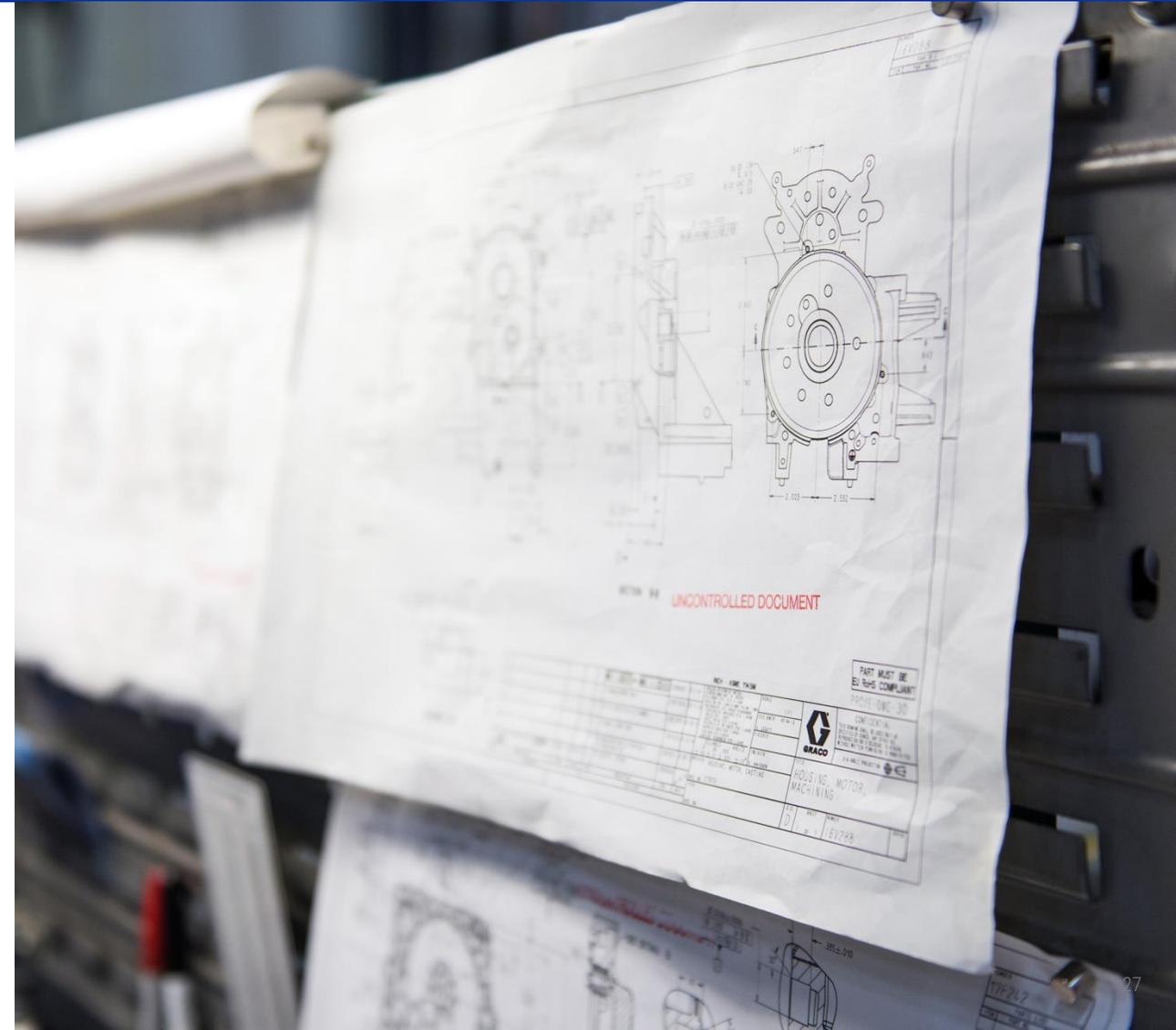
SHAREHOLDER RETURN

- Solid dividend history
- Approximately 9.0 million shares remaining on repurchase authorization

KEY INVESTMENT ATTRIBUTES



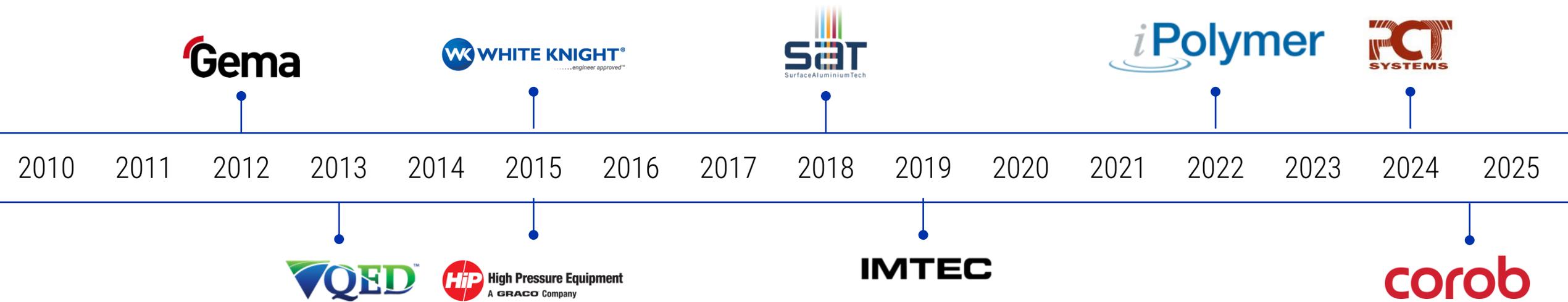
- Drive long-term, above-market growth
- Premium products that deliver strong ROI for end users
- Leading industry positions
- Serve niche markets where customers are willing to purchase quality, technology-based products
- Products perform mission-critical functions
- Recurring parts and accessories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



KEY ACQUISITIONS



KEY ACQUISITIONS



FINANCIAL RESULTS



JUNE 2025 YEAR TO DATE FINANCIAL PERFORMANCE



+5%

**REVENUE
GROWTH**

52.5%

**GROSS
MARGIN**

-1%

**NET INCOME
DECREASE**

+0%

**EPS
GROWTH**

(As Reported)

FINANCIAL RESULTS



Statement of Earnings

\$ in millions except per share amounts

Net Sales

Gross Profit

% of Net Sales

Operating Earnings

% of Net Sales

Net Earnings

% of Net Sales

Diluted Net Earnings Per Share

Diluted Shares in Millions

Net Earnings, Adjusted (1)

Diluted Net Earnings Per Share, Adjusted (1)

	Second Quarter			June Year to Date		
	2025	2024	Change	2025	2024	Change
Net Sales	\$ 571.8	\$ 553.2	3 %	\$ 1,100.1	\$ 1,045.4	5 %
Gross Profit	299.5	300.9	(0)%	577.3	567.1	2 %
% of Net Sales	52.4%	54.4%	(2.0) pts	52.5%	54.2%	(1.7) pts
Operating Earnings	157.5	161.4	(2)%	301.5	294.4	2 %
% of Net Sales	27.5%	29.2%	(1.7) pts	27.4%	28.2%	(0.8) pts
Net Earnings	\$ 127.6	\$ 133.0	(4)%	\$ 251.7	\$ 255.2	(1)%
% of Net Sales	22.3%	24.0%	(1.7) pts	22.9%	24.4%	(1.5) pts
Diluted Net Earnings Per Share	\$ 0.76	\$ 0.77	(1)%	\$ 1.48	\$ 1.48	0 %
Diluted Shares in Millions	168.6	172.5	(2)%	170.1	172.5	(1)%
Net Earnings, Adjusted (1)	\$ 126.9	\$ 132.2	(4)%	\$ 247.3	\$ 244.8	1 %
Diluted Net Earnings Per Share, Adjusted (1)	\$ 0.75	\$ 0.77	(3)%	\$ 1.45	\$ 1.42	2 %

1) Net earnings and diluted earnings per share 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

Income taxes, as reported

Excess tax benefit from option exercises

Income taxes, adjusted

Effective income tax rate

As reported

Adjusted

Net earnings, as reported

Excess tax benefit from option exercises

Net earnings, adjusted

Weighted average diluted shares

Diluted earnings per share

As reported

Adjusted

	Second Quarter			June Year to Date		
	2025	2024	Change	2025	2024	Change
Income taxes, as reported	\$ 30.6	\$ 32.2	(5)%	\$ 58.0	\$ 50.3	15 %
Excess tax benefit from option exercises	0.7	0.8		4.4	10.4	
Income taxes, adjusted	\$ 31.3	\$ 33.0	(5)%	\$ 62.4	\$ 60.7	3 %
Effective income tax rate						
As reported	19.3%	19.5%		18.7%	16.5%	
Adjusted	19.8%	20.0%		20.1%	19.9%	
Net earnings, as reported	\$ 127.6	\$ 133.0	(4)%	\$ 251.7	\$ 255.2	(1)%
Excess tax benefit from option exercises	(0.7)	(0.8)		(4.4)	(10.4)	
Net earnings, adjusted	\$ 126.9	\$ 132.2	(4)%	\$ 247.3	\$ 244.8	1 %
Weighted average diluted shares	168.6	172.5		170.1	172.5	
Diluted earnings per share						
As reported	\$ 0.76	\$ 0.77	(1)%	\$ 1.48	\$ 1.48	0 %
Adjusted	\$ 0.75	\$ 0.77	(3)%	\$ 1.45	\$ 1.42	2 %

Financial results have been adjusted for comparability and excludes impacts of excess tax benefits from stock option exercises. Excluding the impact of these items presents a more consistent basis for comparison of financial results.

SECOND QUARTER 2025



Net Sales	<ul style="list-style-type: none">• Up 3 percent from second quarter 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 2 percentage points compared to second quarter 2024<ul style="list-style-type: none">> Higher product cost, including \$4 million in increased tariff costs, and unfavorable effects of lower margin rates of acquired operations.
Operating Earnings	<ul style="list-style-type: none">• Down \$4 million compared to second quarter 2024<ul style="list-style-type: none">> Higher product cost including unfavorable impact of tariffs. Acquired businesses contributed \$4 million of operating earnings.
Other (Income)	<ul style="list-style-type: none">• Down \$3 million compared to second quarter 2024<ul style="list-style-type: none">> Primarily due to \$5 million of higher exchange losses on net assets of foreign operations and lower interest income.
Interest Expense	<ul style="list-style-type: none">• Comparable to second quarter 2024
Taxes	<ul style="list-style-type: none">• Adjusted effective tax rate for the quarter was comparable to second quarter 2024.

JUNE 2025 YEAR TO DATE

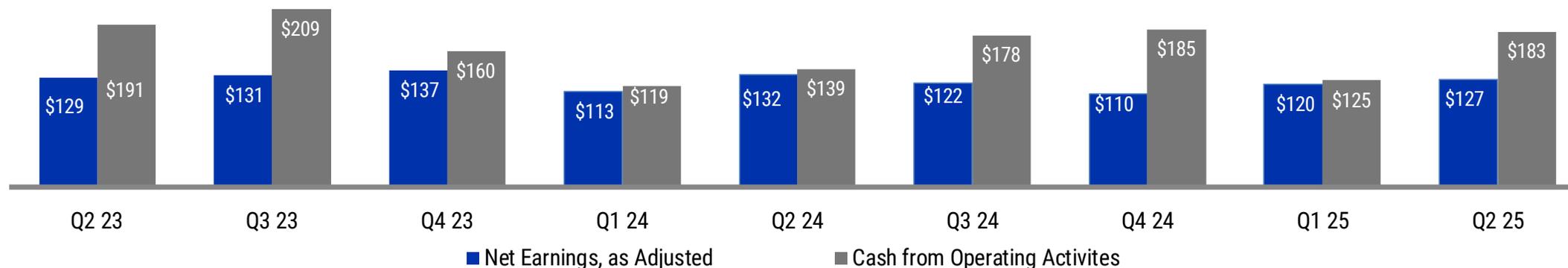


Net Sales	<ul style="list-style-type: none">• Up 5 percent from the same period in 2024. Sales from acquired businesses contributed 6 percentage points of growth. Currency translation reduced net sales by 1 percentage point.
Gross Margin	<ul style="list-style-type: none">• Margin rate down 1.7 percentage points compared to the same period in 2024<ul style="list-style-type: none">> Higher product cost, including unfavorable impact of \$4 million in tariffs, and unfavorable effects of lower margin rates of acquired operations.
Operating Earnings	<ul style="list-style-type: none">• Up \$7 million compared to the same period in 2024<ul style="list-style-type: none">> Acquired businesses contributed \$5 million of operating earnings. Expense leverage was enough to offset unfavorable impact of higher product cost.
Other (Income)	<ul style="list-style-type: none">• Down \$3 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 assets of foreign operations and lower interest income.> June year to date 2025 included a \$5 million gain in the first quarter from the sale of a former 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.

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)	\$ (335)	\$ 24
Dividends	(92)	(86)
Capital Expenditures	(30)	(73)
Acquisitions	(10)	-
Sale of Building	11	-

- Net cash from operations was \$308 million vs. \$258 million in the comparable period in 2024.
- Capital expenditures of \$30 million
- Final purchase price payment for 2024 acquisition of Corob
- Proceeds from the sale of a manufacturing and distribution facility in Switzerland of \$11 million
- Through second quarter, we repurchased 4.4 million shares of stock for \$361 million

NET SALES

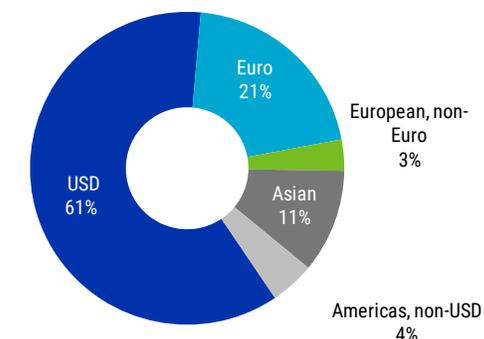


Components of Net Sales Change

2025 Second Quarter	Segment			Region			Consolidated
	Contractor	Industrial	Expansion Markets	Americas	EMEA	Asia Pacific	
Volume and Price	(5)%	(1)%	(3)%	(6)%	2 %	5 %	(3)%
Acquisitions	12 %	0 %	0 %	3 %	12 %	8 %	6 %
Currency	0 %	1 %	0 %	0 %	5 %	(1)%	0 %
Total	7 %	0 %	(3)%	(3)%	19 %	12 %	3 %

2025 June Year to Date	Segment			Region			Consolidated
	Contractor	Industrial	Expansion Markets	Americas	EMEA	Asia Pacific	
Volume and Price	(3)%	2 %	4 %	(2)%	1 %	5 %	0 %
Acquisitions	12 %	0 %	0 %	3 %	12 %	9 %	6 %
Currency	0 %	0 %	0 %	0 %	1 %	(2)%	(1)%
Total	9 %	2 %	4 %	1 %	14 %	12 %	5 %

Year to Date June 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.

2025 ENVIRONMENT



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

	Americas	EMEA	Asia Pacific	Total
Current Environment	Net Sales Change Q2 2025 (6%) Year to Date (2%)	Net Sales Change Q2 2025 2% Year to Date 1%	Net Sales Change Q2 2025 5% Year to Date 5%	Net Sales Change Q2 2025 (3%) Year to Date 0%
Contractor Segment	 Net Sales Change Q2 2025 (8%) Year to Date (4%)	 Net Sales Change Q2 2025 1% Year to Date (4%)	 Net Sales Change Q2 2025 3% Year to Date 2%	Net Sales Change Q2 2025 (5%) Year to Date (3%)
Industrial Segment	 Net Sales Change Q2 2025 (4%) Year to Date 0%	 Net Sales Change Q2 2025 1% Year to Date 3%	 Net Sales Change Q2 2025 4% Year to Date 5%	Net Sales Change Q2 2025 (1%) Year to Date 2%
Expansion Markets Segment	 Net Sales Change Q2 2025 (12%) Year to Date (2%)	 Net Sales Change Q2 2025 14% Year to Date 9%	 Net Sales Change Q2 2025 14% Year to Date 21%	Net Sales Change Q2 2025 (3%) Year to Date 4%

2025 Outlook

Low Single-Digit Growth

OTHER ITEMS



Cap Ex	<ul style="list-style-type: none">• Capital expenditure expectations of approximately \$60 - \$70 million in 2025
Expenses	<ul style="list-style-type: none">• Unallocated corporate expenses in 2025 are expected to be approximately \$37 - \$40 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 sales and no impact on net earnings for the full year 2025
Taxes	<ul style="list-style-type: none">• We anticipate the effective tax rate in for the third 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

2025 CHANGE IN FINANCIAL REPORTING SEGMENTS



As previously announced, effective January 1, 2025, the Company has classified its business into three reportable segments: Contractor, Industrial and Expansion Markets.

- The Industrial segment consists of the newly formed Industrial Division and the Powder Division. The Company's former Industrial and Lubrication Equipment Divisions, along with the Process Transfer Equipment business that was part of the Company's former Process Division, were combined to form the new global Industrial Division. The Powder Division remains unchanged.
- The Expansion Markets segment consists of the Expansion Markets Division. The Company's environmental, semiconductor, high-pressure valves and electric motors businesses, together with select future ventures and acquisitions, reside within this division.
- The Contractor segment, consisting of the Contractor Division, remains unchanged as a reporting segment relative to prior periods.

Prior year segment information has been recast to conform to the current organizational structure.

FINANCIAL SUMMARY

2024 Appendix



FINANCIAL PERFORMANCE



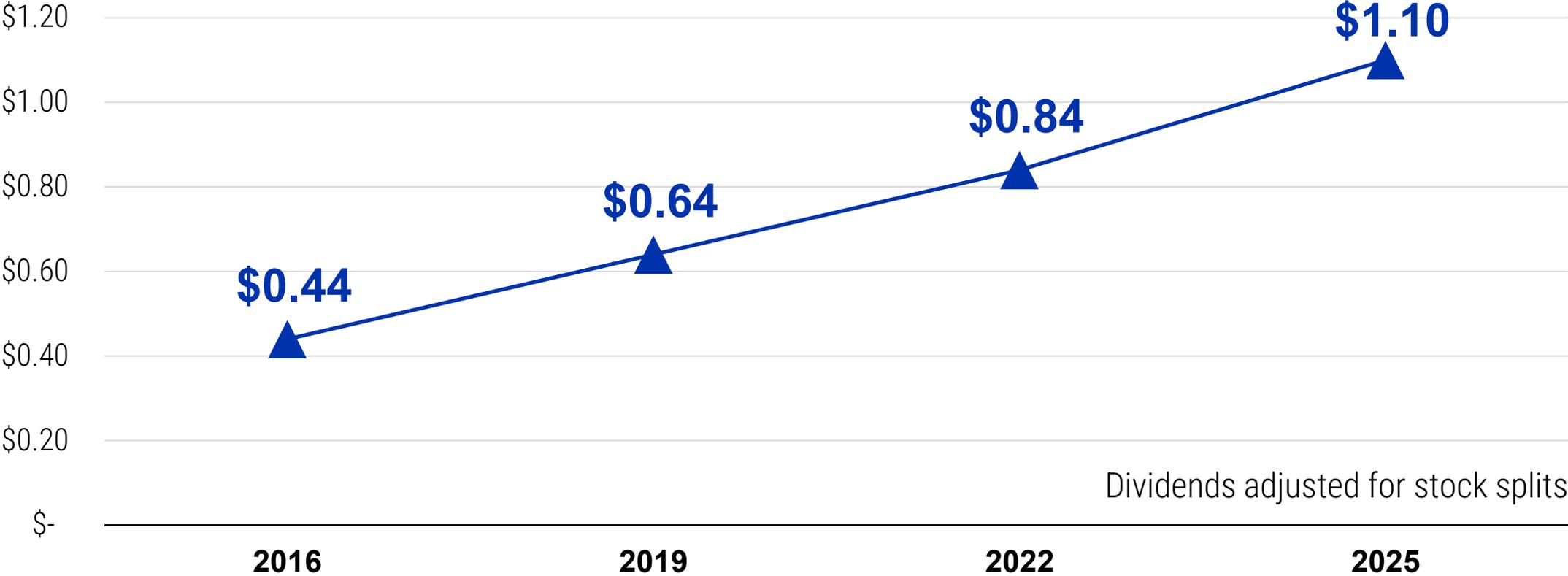
AS REPORTED

Diluted EPS	\$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	\$2.82
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AS ADJUSTED

Diluted EPS	\$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	\$2.77
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STOCK DIVIDEND GROWTH



STRONG CASH GENERATION



(\$ Millions)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Operating Cash Flows	\$ 622	\$ 651	\$ 377	\$ 457	\$ 394	\$ 419	\$ 368	\$ 338	\$ 269	\$ 190
% of Net Income	128%	129%	82%	104%	119%	122%	108%	134%	661%	55%
Capital Expenditures	107	185	201	134	71	128	54	40	42	42
Free Cash Flow	\$ 515	\$ 466	\$ 176	\$ 323	\$ 323	\$ 291	\$ 314	\$ 298	\$ 227	\$ 148

- > 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)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Dividends	\$ 172	\$ 158	\$ 142	\$ 127	\$ 117	\$ 106	\$ 89	\$ 80	\$ 73	\$ 69
Acquisitions	242	-	25	19	28	27	11	28	49	189
Share Repurchases *	(35)	43	198	(51)	21	(38)	236	54	18	256
	\$ 379	\$ 201	\$ 365	\$ 95	\$ 166	\$ 95	\$ 336	\$ 162	\$ 140	\$ 514

* Net of shares issued



GRACO[®]
MOVING MATERIALS THAT MATTER[™]