



FOURTH QUARTER EARNINGS CALL

2026.01.27

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 26, 2026.

FINANCIAL RESULTS



Statement of Earnings

\$ in millions except per share amounts

	Fourth Quarter			Full Year		
	2025	2024	Change	2025	2024	Change
Net Sales	\$ 593.2	\$ 548.7	8 %	\$ 2,236.6	\$ 2,113.3	6 %
Gross Profit	306.7	279.3	10 %	1,173.2	1,122.5	5 %
% of Net Sales	51.7%	50.9%	0.8 pts	52.5%	53.1%	(0.6) pts
Operating Earnings	158.6	130.0	22 %	624.8	570.1	10 %
% of Net Sales	26.7%	23.7%	3.0 pts	27.9%	27.0%	0.9 pts
Net Earnings	\$ 132.5	\$ 108.7	22 %	\$ 521.8	\$ 486.1	7 %
% of Net Sales	22.3%	19.8%	2.5 pts	23.3%	23.0%	0.3 pts
Diluted Net Earnings Per Share	\$ 0.79	\$ 0.63	25 %	\$ 3.08	\$ 2.82	9 %
Diluted Shares in Millions	168.1	172.6	(3)%	169.2	172.4	(2)%
Operating Earnings, Adjusted (1)	\$ 158.6	\$ 137.7	15 %	\$ 610.7	\$ 577.8	6 %
Net Earnings, Adjusted (1)	\$ 128.7	\$ 110.1	17 %	\$ 498.8	\$ 477.1	5 %
Diluted Net Earnings Per Share, Adjusted (1)	\$ 0.77	\$ 0.64	20 %	\$ 2.95	\$ 2.77	6 %

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

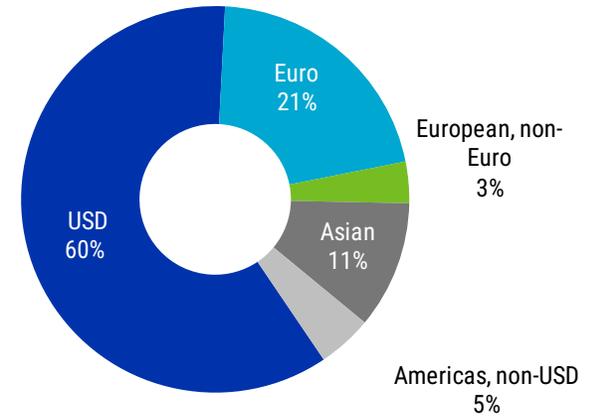


Components of Net Sales Change

2025 Fourth Quarter	Segment			Region			Consolidated
	Contractor	Industrial	Expansion Markets	Americas	EMEA	Asia Pacific	
Volume and Price	1 %	5 %	(7)%	2 %	8 %	(4)%	2 %
Acquisitions	5 %	4 %	0 %	2 %	7 %	5 %	4 %
Currency	2 %	2 %	1 %	0 %	8 %	1 %	2 %
Total	8 %	11 %	(6)%	4 %	23 %	2 %	8 %

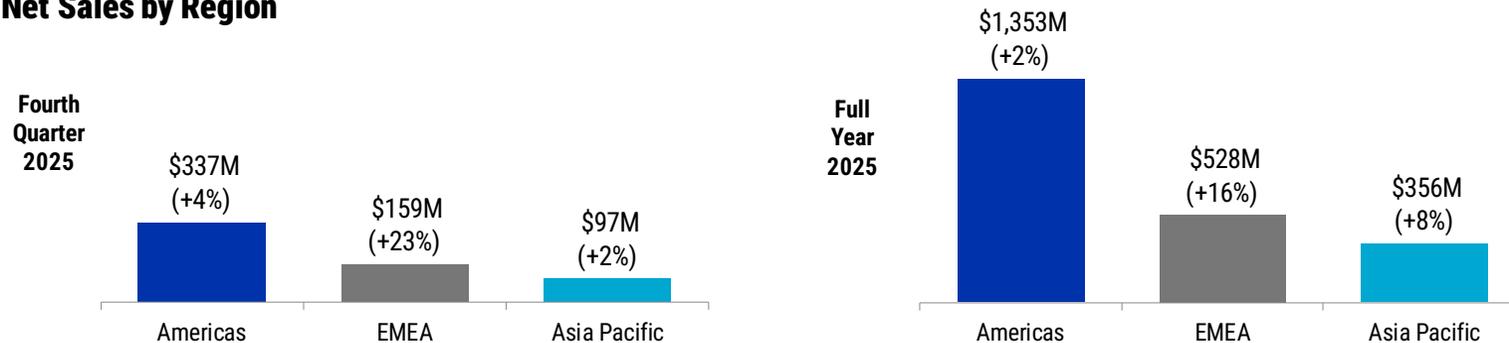
2025 Full Year	Segment			Region			Consolidated
	Contractor	Industrial	Expansion Markets	Americas	EMEA	Asia Pacific	
Volume and Price	(2)%	2 %	1 %	(1)%	2 %	1 %	0 %
Acquisitions	10 %	1 %	0 %	3 %	10 %	8 %	5 %
Currency	0 %	1 %	0 %	0 %	4 %	(1)%	1 %
Total	8 %	4 %	1 %	2 %	16 %	8 %	6 %

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

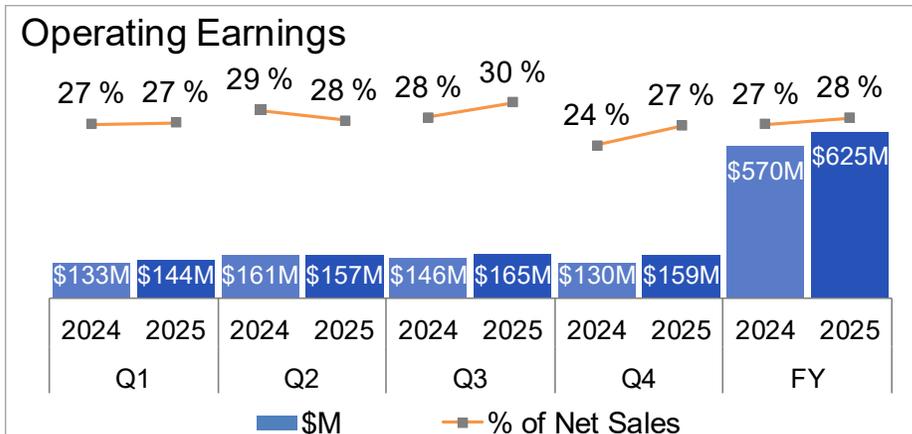


2024 Operating Earnings, as reported (\$M and % of sales)

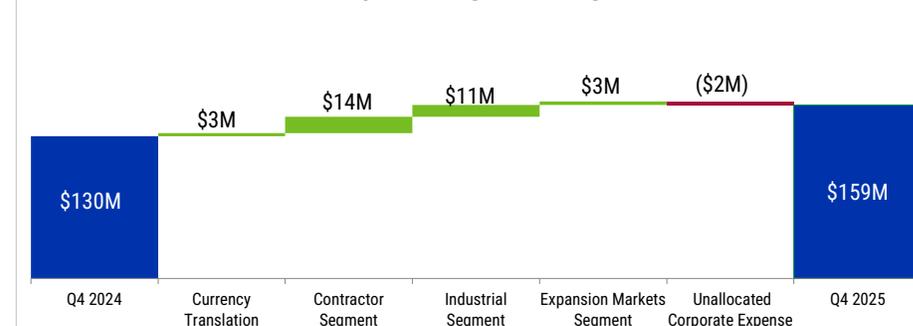
- Currency translation
- Volume, price and cost
- Effect of acquired businesses
- Prior year business reorganization cost
- Prior year litigation cost
- Reduction of fair value contingent consideration
- Volume and earnings based cost
- Expense leverage

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

Fourth Quarter		Full Year	
\$ 130	24 %	\$ 570	27 %
3	1	3	0
13	1	0	0
2	(1)	8	(1)
8	1	8	0
7	1	13	1
0	0	14	1
(6)	(1)	(7)	(1)
2	1	16	1
\$ 159	27 %	\$ 625	28 %



Quarter Over Quarter Operating Earnings Walk



FOURTH QUARTER 2025



Net Sales	<ul style="list-style-type: none">• Up 8 percent from fourth quarter 2024. Sales from acquired businesses contributed 4 percentage points of growth. Currency translation increased net sales by 2 percentage points.
Gross Margin	<ul style="list-style-type: none">• Margin rate up 0.8 percentage points compared to fourth quarter 2024<ul style="list-style-type: none">> Price realization from pricing actions more than offset higher product costs, including increased tariff costs of \$4 million.
Operating Earnings	<ul style="list-style-type: none">• Up \$29 million compared to fourth quarter 2024<ul style="list-style-type: none">> Incremental expenses from acquired operations of \$7 million and higher sales and earnings-based expenses of \$5 million were more than offset by \$14 million of litigation and business reorganization costs in the prior year quarter that did not repeat.> Acquired businesses contributed \$1 million of operating earnings.
Other (Income)	<ul style="list-style-type: none">• Up \$2 million compared to fourth quarter 2024 due to gains on market value fluctuations on investments held to fund certain retirement benefit liabilities.
Interest Expense	<ul style="list-style-type: none">• Comparable to fourth quarter 2024.
Taxes	<ul style="list-style-type: none">• Adjusted effective tax rate for the quarter was comparable to fourth quarter 2024.

FULL YEAR 2025



Net Sales	<ul style="list-style-type: none">• Up 6 percent from 2024. Sales from acquired businesses contributed 5 percentage points of growth. Currency translation increased net sales by 1 percentage point.
Gross Margin	<ul style="list-style-type: none">• Margin rate down 0.6 percentage points compared to 2024<ul style="list-style-type: none">> Price realization from pricing actions was unable to offset higher product costs, including unfavorable impact of \$14 million in increased tariff costs. Unfavorable effects of lower margin rates of acquired operations further decreased the gross profit margin.
Operating Earnings	<ul style="list-style-type: none">• Up \$55 million compared to 2024<ul style="list-style-type: none">> Higher gross profit and lower operating expenses: incremental expenses from acquired operations of \$36 million were more than offset by a \$14 million non-cash gain from the reduction in the fair value of acquisition-related contingent consideration recognized in the third quarter of the current year and \$21 million of litigation and business reorganization costs from the prior year that did not repeat.> Acquired businesses contributed \$8 million of operating earnings.
Other (Income)	<ul style="list-style-type: none">• Down \$3 million compared to 2024<ul style="list-style-type: none">> Primarily due to \$8 million of higher exchange losses on net liabilities of foreign operations and \$8 million of lower interest income, partially offset by gains on market value fluctuations on investments held to fund certain retirement benefit liabilities and 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 2024.
Taxes	<ul style="list-style-type: none">• Adjusted effective tax rate for the year was comparable to 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 Q4 2025 2% Full Year (1%)	Net Sales Change Q4 2025 8% Full Year 2%	Net Sales Change Q4 2025 (4%) Full Year 1%	Net Sales Change Q4 2025 2% Full Year 0%
Contractor Segment	 Net Sales Change Q4 2025 1% Full Year (2%)	 Net Sales Change Q4 2025 0% Full Year (2%)	 Net Sales Change Q4 2025 3% Full Year (1%)	Net Sales Change Q4 2025 1% Full Year (2%)
Industrial Segment	 Net Sales Change Q4 2025 6% Full Year 2%	 Net Sales Change Q4 2025 15% Full Year 4%	 Net Sales Change Q4 2025 (8%) Full Year (2%)	Net Sales Change Q4 2025 5% Full Year 2%
Expansion Markets Segment	 Net Sales Change Q4 2025 (11%) Full Year (6%)	 Net Sales Change Q4 2025 (3%) Full Year 3%	 Net Sales Change Q4 2025 4% Full Year 20%	Net Sales Change Q4 2025 (7%) Full Year 1%

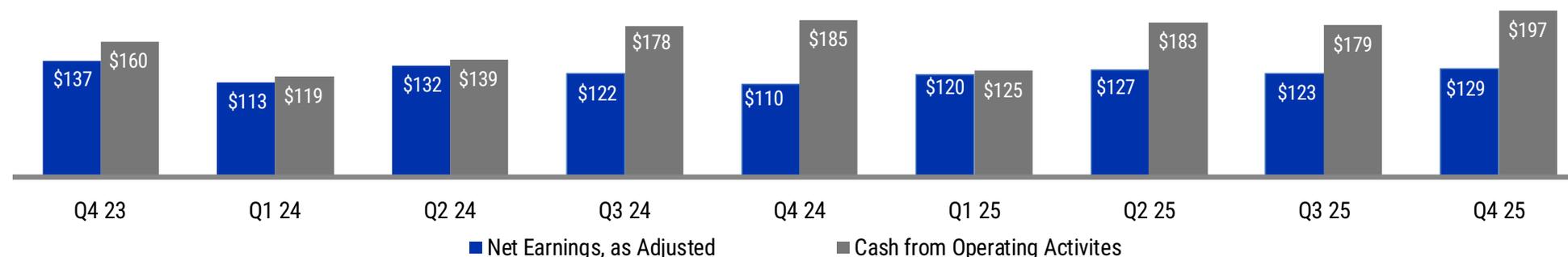
2026 Outlook

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)	\$ (386)	\$ 35
Dividends	(183)	(172)
Acquisitions	(135)	(242)
Capital Expenditures	(46)	(107)
(Net Payments) Borrowings on Debt	(7)	(1)
Sale of Building	11	-
Pension contribution	-	(20)

- Net cash from operations was \$684 million vs. \$622 million in 2024.
- In 2025, we repurchased 5.1 million shares of stock for \$423 million.
- Capital expenditures of \$46 million.
- Acquisitions, net of cash acquired, \$135 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 \$90 - \$100 million in 2026 including approximately \$50 million in facility expansion projects.
Expenses	<ul style="list-style-type: none">• Unallocated corporate expenses in 2026 are expected to be approximately \$40 - \$43 million.
Shares	<ul style="list-style-type: none">• We repurchased 5.1 million shares of stock in 2025. We may make opportunistic share repurchases in 2026 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 2025, the movement in foreign currencies would have a favorable impact of 1 percentage point on net sales and net earnings for the full year 2026.
Taxes	<ul style="list-style-type: none">• We anticipate the effective tax rate in for the first quarter and the full year 2026 to be between 20 - 21%, 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.
Fiscal Year 2027	<ul style="list-style-type: none">• There will be 53 weeks in fiscal 2027, with 14 weeks in the fourth quarter.

CONTRACTOR SEGMENT RESULTS



\$ in millions

Net Sales

Americas

EMEA

Asia Pacific

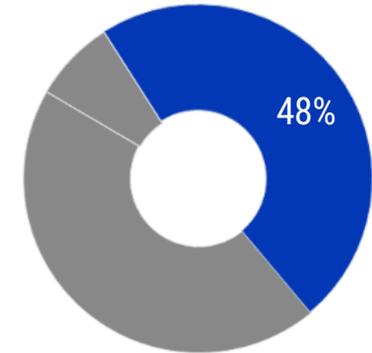
Total

Operating Earnings

% of sales

	Fourth Quarter			Full Year		
	2025	2024	Change	2025	2024	Change
Americas	\$ 177	\$ 169	5%	\$ 740	\$ 722	3%
EMEA	61	52	15	229	184	24
Asia Pacific	28	26	11	103	83	24
Total	\$ 266	\$ 247	8 %	\$ 1,072	\$ 989	8%
Operating Earnings	\$ 65	\$ 49	34%	\$ 270	\$ 270	0%
% of sales	24 %	20 %		25 %	27 %	

2025 Contractor Segment Net Sales as % of Graco



2025 Components of Net Sales Change

	Fourth Quarter	Full Year
Americas		
Volume & Price	1 %	(2)%
Acquisitions	4 %	5 %
Currency	0 %	0 %
Total	5 %	3 %
EMEA		
Volume & Price	0 %	(2)%
Acquisitions	7 %	22 %
Currency	8 %	4 %
Total	15 %	24 %

Asia Pacific

Volume & Price

Acquisitions

Currency

Total

Segment Total

Volume & Price

Acquisitions

Currency

Total

	Fourth Quarter	Full Year
Volume & Price	3 %	(1)%
Acquisitions	7 %	26 %
Currency	1 %	(1)%
Total	11 %	24 %
Volume & Price	1 %	(2)%
Acquisitions	5 %	10 %
Currency	2 %	0 %
Total	8 %	8 %

CONTRACTOR SEGMENT RESULTS



Change in % of net sales

2024 Operating Earnings

Pricing, volume and product cost/tariffs

Effect of acquired businesses

Prior year business reorganization cost

Prior year litigation cost

Volume and earnings based cost

Expense leverage

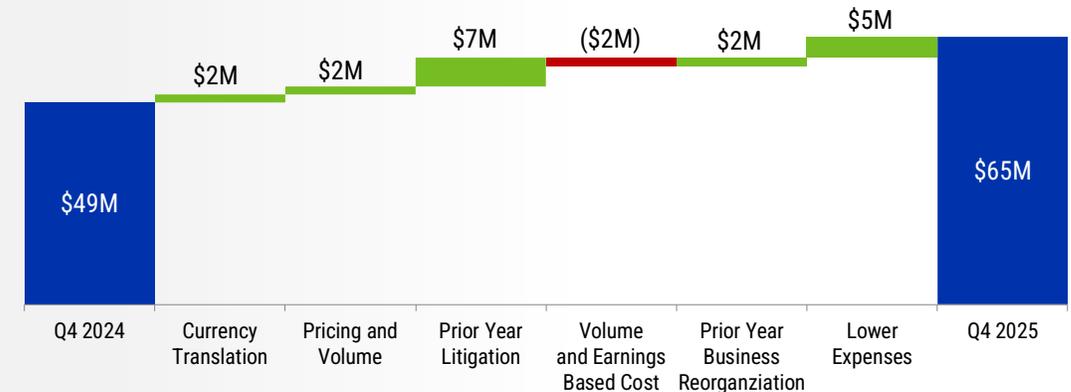
2025 Operating Earnings

Fourth Quarter	Full Year
20 %	27 %
0	(2)
(1)	(2)
1	0
3	2
(1)	0
2	0
24 %	25 %

Contractor Segment Net Sales and Operating Margins



Contractor Segment Operating Earnings QTD



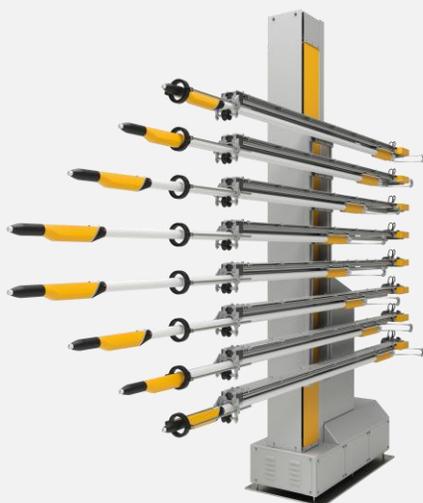
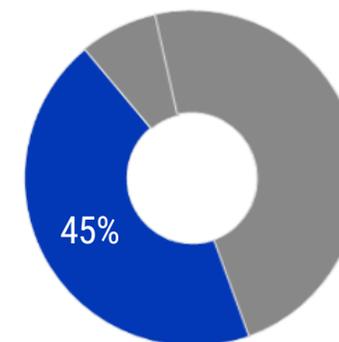
INDUSTRIAL SEGMENT RESULTS



\$ in millions

	Fourth Quarter			Full Year		
	2025	2024	Change	2025	2024	Change
Net Sales						
Americas	\$ 134	\$ 126	7%	\$ 512	\$ 501	2%
EMEA	92	70	32	271	243	11
Asia Pacific	58	60	(3)	214	214	0
Total	\$ 284	\$ 256	11%	\$ 997	\$ 958	4%
Operating Earnings	\$ 92	\$ 80	16%	\$ 335	\$ 312	7%
% of sales	32 %	31 %		34 %	33 %	

2025 Industrial Segment
Net Sales as % of Graco



2025 Components of Net Sales Change

	Fourth Quarter	Full Year	Fourth Quarter	Full Year
Americas				
Volume & Price	6 %	2 %	(8)%	(2)%
Acquisitions	0 %	0 %	6 %	2 %
Currency	1 %	0 %	(1)%	0 %
Total	7 %	2 %	(3)%	0 %
EMEA				
Volume & Price	15 %	4 %	5 %	2 %
Acquisitions	8 %	3 %	4 %	1 %
Currency	9 %	4 %	2 %	1 %
Total	32 %	11 %	11 %	4 %
Asia Pacific				
Volume & Price				
Acquisitions				
Currency				
Total				
Segment Total				
Volume & Price				
Acquisitions				
Currency				
Total				

INDUSTRIAL SEGMENT FINANCIAL RESULTS



Change in % of net sales

2024 Operating Earnings

Currency translation

Volume, pricing, product/channel mix and cost

Effect of acquired business

Prior year business reorganization cost

Volume and earnings based cost

Expense leverage

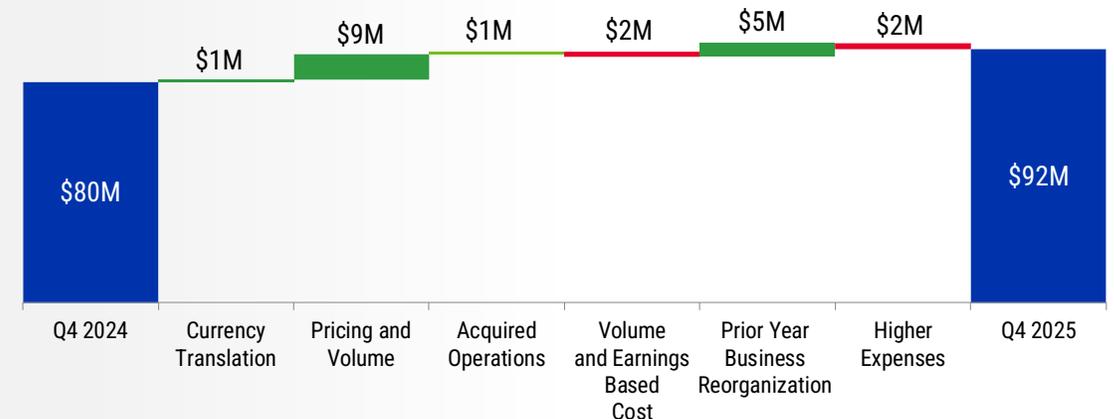
2025 Operating Earnings

	Fourth Quarter	Full Year
	31 %	33 %
	0	(1)
	1	1
	(1)	0
	2	1
	(1)	(1)
	0	1
	32 %	34 %

Industrial Segment Net Sales and Operating Margins



Industrial Segment Operating Earnings QTD



EXPANSION MARKETS SEGMENT FINANCIAL RESULTS



\$ in millions

Net Sales

Americas

EMEA

Asia Pacific

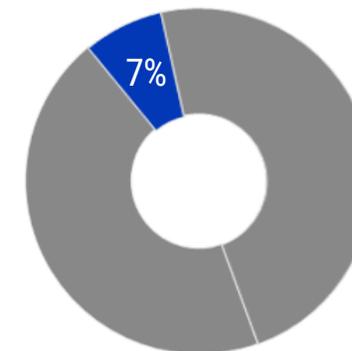
Total

Operating Earnings

% of sales

	Fourth Quarter			Full Year		
	2025	2024	Change	2025	2024	Change
Americas	\$ 26	\$ 29	(11)%	\$ 101	\$ 107	(6)%
EMEA	6	7	(2)	28	27	4
Asia Pacific	11	10	4	39	32	20
Total	\$ 43	\$ 46	(6)%	\$ 168	\$ 166	1%
Operating Earnings	\$ 12	\$ 9	35 %	\$ 41	\$ 32	32 %
% of sales	28 %	20 %		25 %	19 %	

2025 Expansion Markets Segment Net Sales as % of Graco



2025 Components of Net Sales Change

	Fourth Quarter	Full Year
Americas		
Volume & Price	(11)%	(6)%
Acquisitions	0 %	0 %
Currency	0 %	0 %
Total	(11)%	(6)%
EMEA		
Volume & Price	(3)%	3 %
Acquisitions	0 %	0 %
Currency	1 %	1 %
Total	(2)%	4 %

Asia Pacific

Volume & Price

Acquisitions

Currency

Total

	Fourth Quarter	Full Year
Volume & Price	4 %	20 %
Acquisitions	0 %	0 %
Currency	0 %	0 %
Total	4 %	20 %

Segment Total

Volume & Price

Acquisitions

Currency

Total

	Fourth Quarter	Full Year
Volume & Price	(7)%	1 %
Acquisitions	0 %	0 %
Currency	1 %	0 %
Total	(6)%	1 %

EXPANSION MARKETS SEGMENT FINANCIAL RESULTS



Change in % of net sales

2024 Operating Earnings

Upfront licensing

Product and channel mix and cost

Prior year business reorganization cost

Volume and earnings based cost

Expense leverage

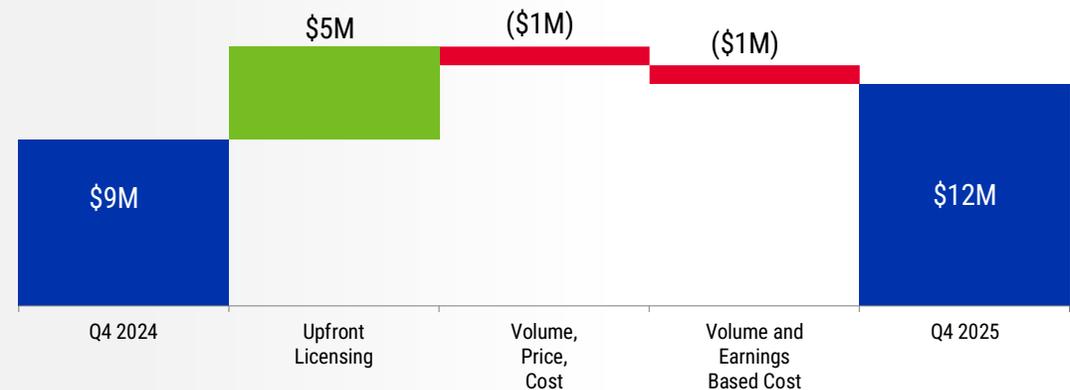
2025 Operating Earnings

	Fourth Quarter	Full Year
	20 %	19 %
	9	3
	6	3
	1	0
	(2)	0
	(6)	0
	28 %	25 %

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

	Fourth Quarter			Full Year		
	2025	2024	Change	2025	2024	Change
Operating earnings, adjusted	\$ 158.6	\$ 130.0	22 %	\$ 624.8	\$ 570.1	10 %
Contingent consideration	-	-		(14.1)	-	
Business reorganization	-	7.7		-	7.7	
Operating earnings, adjusted	<u>\$ 158.6</u>	<u>\$ 137.7</u>	<u>15 %</u>	<u>\$ 610.7</u>	<u>\$ 577.8</u>	<u>6 %</u>
Income taxes, as reported	\$ 30.6	\$ 23.8	29 %	\$ 119.4	\$ 103.2	16 %
Other non-recurring tax benefit	2.9	-		2.9	-	
Excess tax benefit from option exercises	0.9	4.5		6.0	14.9	
Business reorganization tax effect	-	1.8		-	1.8	
Income taxes, adjusted	<u>\$ 34.4</u>	<u>\$ 30.1</u>	<u>14 %</u>	<u>\$ 128.3</u>	<u>\$ 119.9</u>	<u>7 %</u>
Effective income tax rate						
As reported	18.7%	17.9%		18.6%	17.5%	
Adjusted	21.1%	21.5%		20.5%	20.1%	
Net earnings, as reported	\$ 132.5	\$ 108.7	22 %	\$ 521.8	\$ 486.1	7 %
Contingent consideration	-	-		(14.1)	-	
Other non-recurring tax benefit	(2.9)	-		(2.9)	-	
Excess tax benefit from option exercises	(0.9)	(4.5)		(6.0)	(14.9)	
Business reorganization	-	5.9		-	5.9	
Net earnings, adjusted	<u>\$ 128.7</u>	<u>\$ 110.1</u>	<u>17 %</u>	<u>\$ 498.8</u>	<u>\$ 477.1</u>	<u>5 %</u>
Weighted average diluted shares	168.1	172.6		169.2	172.4	
Diluted earnings per share						
As reported	\$ 0.79	\$ 0.63	25 %	\$ 3.08	\$ 2.82	9 %
Adjusted	\$ 0.77	\$ 0.64	20 %	\$ 2.95	\$ 2.77	6 %

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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