



FIRST QUARTER EARNINGS CALL

2025.04.24

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 April 23, 2025.

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)

	First Quarter		
	2025	2024	Change
Net Sales	\$ 528.3	\$ 492.2	7 %
Gross Profit	277.7	266.2	4 %
% of Net Sales	52.6%	54.1%	(1.5) pts
Operating Earnings	144.0	133.0	8 %
% of Net Sales	27.3%	27.0%	0.3 pts
Net Earnings	\$ 124.1	\$ 122.2	2 %
% of Net Sales	23.5%	24.8%	(1.3) pts
Diluted Net Earnings Per Share	\$ 0.72	\$ 0.71	1 %
Diluted Shares in Millions	171.6	172.4	(1)%
Net Earnings, Adjusted (1)	\$ 120.5	\$ 112.6	7 %
Diluted Net Earnings Per Share, Adjusted (1)	\$ 0.70	\$ 0.65	8 %

1) 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.

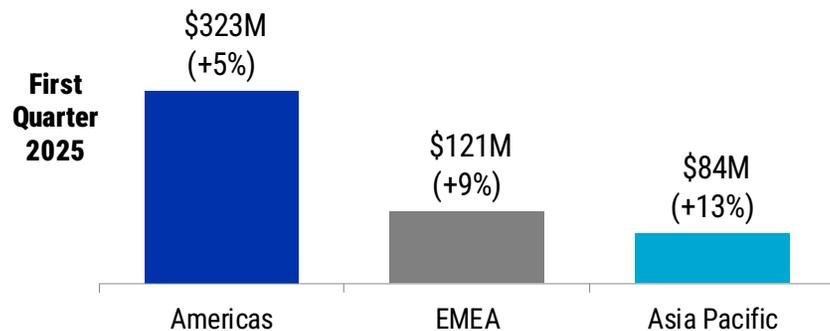
NET SALES



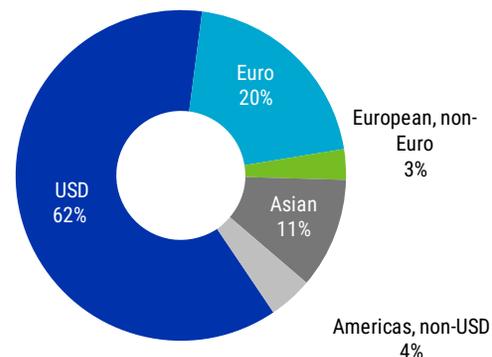
Components of Net Sales Change

2025 First Quarter	Segment			Region			Consolidated
	Contractor	Industrial	Expansion Markets	Americas	EMEA	Asia Pacific	
Volume and Price	(1)%	5 %	12 %	3 %	(1)%	6 %	3 %
Acquisitions	13 %	0 %	0 %	3 %	13 %	10 %	6 %
Currency	(1)%	(2)%	0 %	(1)%	(3)%	(3)%	(2)%
Total	11 %	3 %	12 %	5 %	9 %	13 %	7 %

Sales by Region



First Quarter 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.

OPERATING EARNINGS

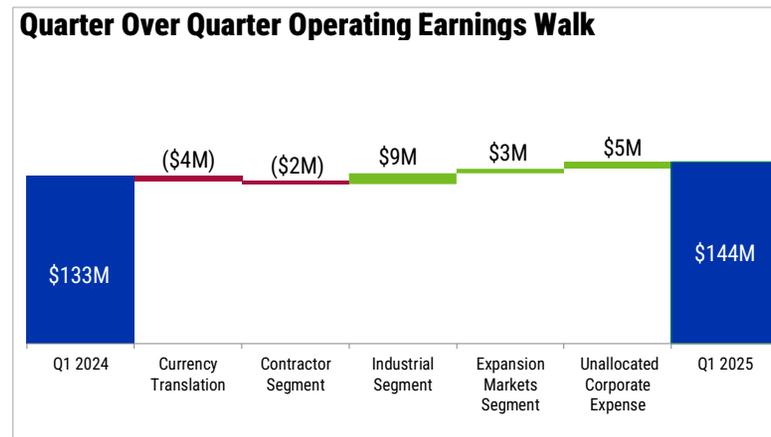
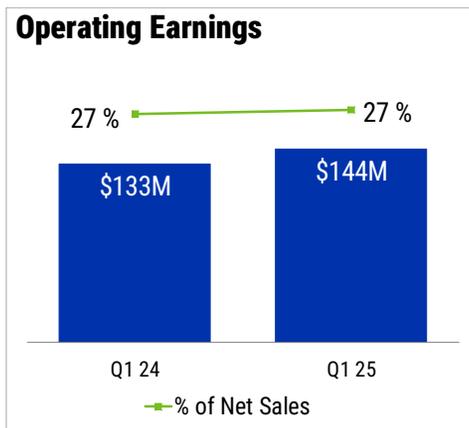


2024 Operating Earnings, as reported (\$M and % of sales)

Currency translation
Volume
Effect of acquired businesses
Volume effect on expense leverage

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

First Quarter		
\$	133	27 %
	(4)	(1)
	6	0
	1	(1)
	8	2
\$	144	27 %



FIRST QUARTER 2025



Net Sales	<ul style="list-style-type: none">• Up 7 percent from first quarter 2024. Sales from acquired businesses contributed 6 percentage points of growth. Currency translation reduced net sales by 2 percentage points.
Gross Margin	<ul style="list-style-type: none">• Margin rate down 2 percentage points compared to first quarter 2024<ul style="list-style-type: none">> Unfavorable effects of lower average margin rates of acquired operations and higher product cost.
Operating Earnings	<ul style="list-style-type: none">• Up \$11 million compared to first quarter 2024<ul style="list-style-type: none">> Higher sales and lower expenses. Acquired businesses contributed \$1 million of operating earnings.
Other (Income)	<ul style="list-style-type: none">• Comparable to first quarter 2024<ul style="list-style-type: none">> Gain on sale of building in Switzerland more than offset the unfavorable impact of exchange losses and lower interest income
Interest Expense	<ul style="list-style-type: none">• Comparable to first quarter 2024
Taxes	<ul style="list-style-type: none">• Adjusted effective tax rate for the quarter was comparable to first quarter 2024.

2025 ENVIRONMENT



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

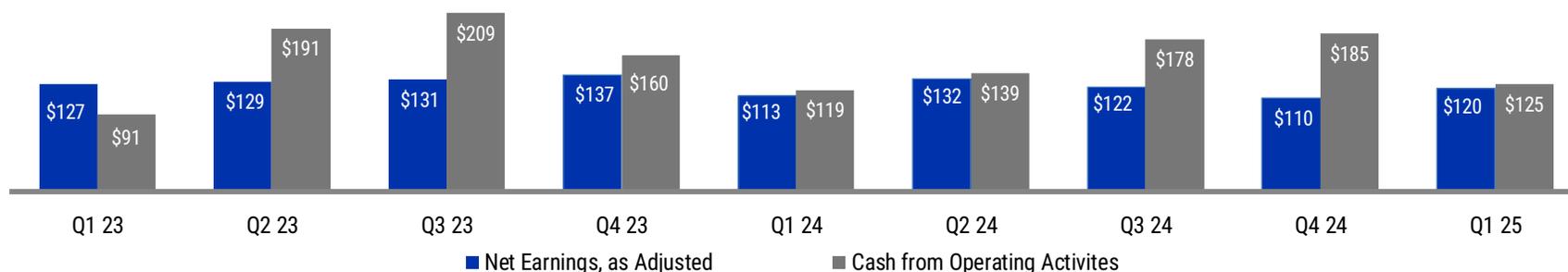
	Americas	EMEA	Asia Pacific	Worldwide
Current Environment	Q1 2025 3%	Q1 2025 (1%)	Q1 2025 6%	Net Sales Change Q1 2025 3%
Contractor Segment	 Q1 2025 1%	 Q1 2025 (9%)	 Q1 2025 1%	Net Sales Change Q1 2025 (1%)
Industrial Segment	 Q1 2025 5%	 Q1 2025 5%	 Q1 2025 5%	Net Sales Change Q1 2025 5%
Expansion Markets Segment	 Q1 2025 9%	 Q1 2025 5%	 Q1 2025 29%	Net Sales Change Q1 2025 12%
2025 Outlook	Low Single-Digit Growth			

Potential negative impact of trade policies and tariffs with China of 1% to 2%.

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)	\$ (210)	\$ 41
Dividends	(47)	(43)
Capital Expenditures	(11)	(37)
Acquisitions	(10)	-
Sale of Building	11	-

- Net cash from operations was \$125 million up \$6 million from first quarter 2024.
- Capital expenditures of \$11 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
- Subsequent to the end of the quarter, we repurchased 1.6 million shares of stock for \$123 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 \$39 - \$42 million
Shares	<ul style="list-style-type: none">• During the first quarter, we repurchased 2.8 million shares. Subsequent to the end of the quarter, we repurchased an additional 1.6 million shares for year-to-date purchases of 4.4 million shares. 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 no impact on sales or net earnings for the full year 2025
Taxes	<ul style="list-style-type: none">• We anticipate the effective tax rate in for the second 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.

CONTRACTOR SEGMENT RESULTS



\$ in millions

Net Sales

Americas
EMEA
Asia Pacific

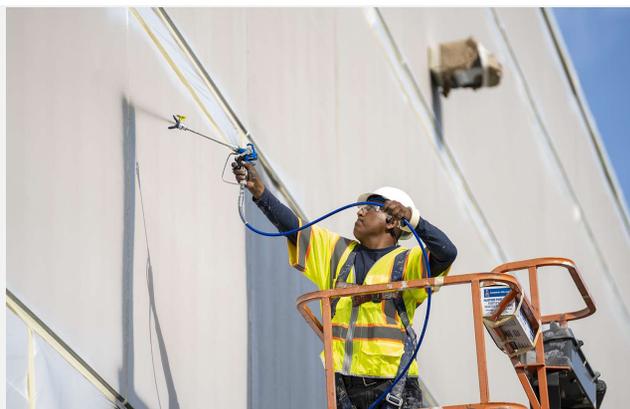
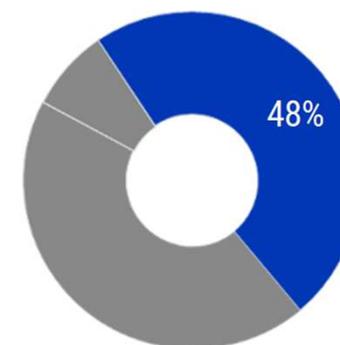
Total

Operating Earnings

% of sales

	First Quarter		
	2025	2024	Change
Americas	\$ 176	\$ 166	6%
EMEA	54	46	17
Asia Pacific	25	18	35
Total	\$ 255	\$ 230	11 %
Operating Earnings	\$ 62	\$ 66	(6)%
% of sales	24 %	29 %	

2025 Contractor Segment Net Sales as % of Graco



Components of Net Sales Change

	Q1 2025	
Americas		
Volume & Price	1 %	
Acquisitions	6 %	
Currency	(1)%	
Total	6 %	
EMEA		
Volume & Price	(9)%	
Acquisitions	30 %	
Currency	(4)%	
Total	17 %	
Asia Pacific		
Volume & Price	1 %	
Acquisitions	40 %	
Currency	(6)%	
Total	35 %	
Segment Total		
Volume & Price	(1)%	
Acquisitions	13 %	
Currency	(1)%	
Total	11 %	

CONTRACTOR SEGMENT RESULTS



Change in % of net sales

2024 Operating Earnings

- Currency translation
- Product cost
- Effect of acquired businesses
- Volume effect on expense leverage

2025 Operating Earnings

First Quarter

29 %

(1)

(2)

(3)

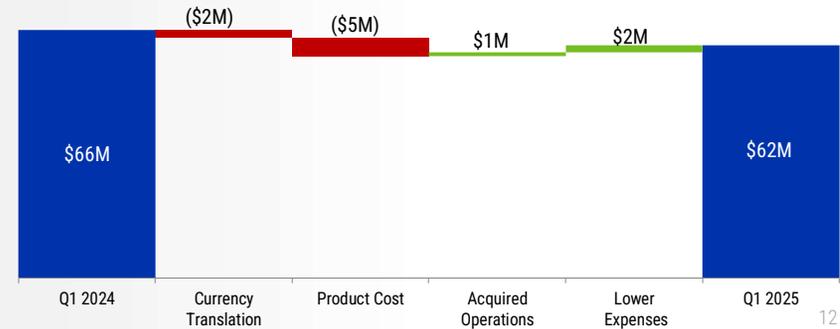
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24 %

Contractor Segment Net Sales and Operating Margins



Contractor Segment Operating Earnings QTD



INDUSTRIAL SEGMENT RESULTS



\$ in millions

Net Sales

Americas
EMEA
Asia Pacific

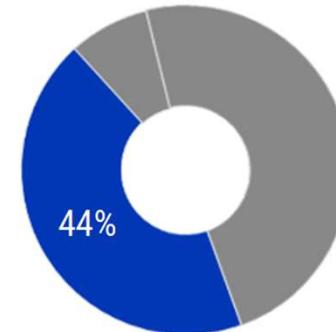
Total

Operating Earnings

% of sales

	First Quarter		
	2025	2024	Change
Americas	\$ 121	\$ 117	3%
EMEA	60	58	3
Asia Pacific	51	50	2
Total	\$ 232	\$ 225	3%
Operating Earnings	\$ 80	\$ 73	9%
% of sales	34 %	33 %	

2025 Industrial Segment
Net Sales as % of Graco



Components of Net Sales Change

	Q1 2025		Q1 2025
Americas		Asia Pacific	
Volume & Price	5 %	Volume & Price	5 %
Acquisitions	0 %	Acquisitions	0 %
Currency	(2)%	Currency	(3)%
Total	3 %	Total	2 %
EMEA		Segment Total	
Volume & Price	5 %	Volume & Price	5 %
Acquisitions	0 %	Acquisitions	0 %
Currency	(2)%	Currency	(2)%
Total	3 %	Total	3 %

INDUSTRIAL SEGMENT FINANCIAL RESULTS



Change in % of net sales

2024 Operating Earnings

Currency translation

Product and channel mix, cost

Lower expenses

2025 Operating Earnings

First Quarter

33 %

(1)

1

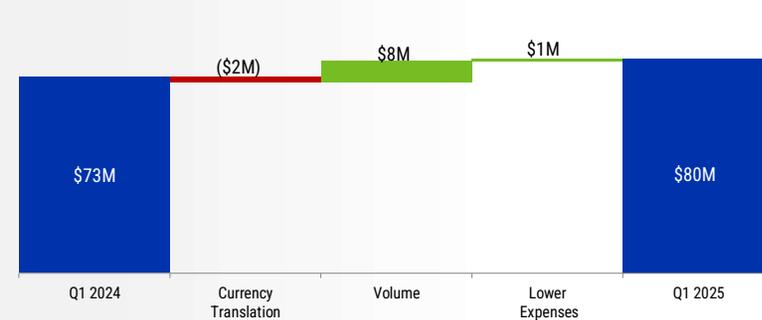
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34 %

Industrial Segment Net Sales and Operating Margins



Industrial Segment Operating Earnings QTD



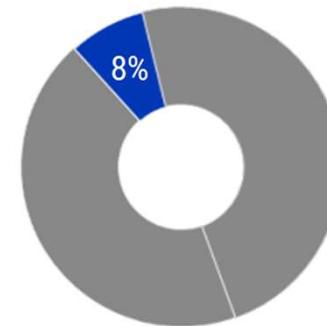
EXPANSION MARKETS SEGMENT FINANCIAL RESULTS



\$ in millions

	First Quarter		
	2025	2024	Change
Net Sales			
Americas	\$ 26	\$ 24	9%
EMEA	7	7	4
Asia Pacific	8	6	29
Total	\$ 41	\$ 37	12%
Operating Earnings	\$ 10	\$ 7	49 %
% of sales	24 %	18 %	

2025 Expansion Markets Segment
Net Sales as % of Graco



Components of Net Sales Change

	Q1 2025
Americas	
Volume & Price	9 %
Acquisitions	0 %
Currency	0 %
Total	9 %
EMEA	
Volume & Price	5 %
Acquisitions	0 %
Currency	(1) %
Total	4 %

	Q1 2025
Asia Pacific	
Volume & Price	29 %
Acquisitions	0 %
Currency	0 %
Total	29 %
Segment Total	
Volume & Price	12 %
Acquisitions	0 %
Currency	0 %
Total	12 %

EXPANSION MARKETS SEGMENT FINANCIAL RESULTS



Change in % of net sales

2024 Operating Earnings

Volume

Lower expenses

2025 Operating Earnings

First Quarter

18 %

1

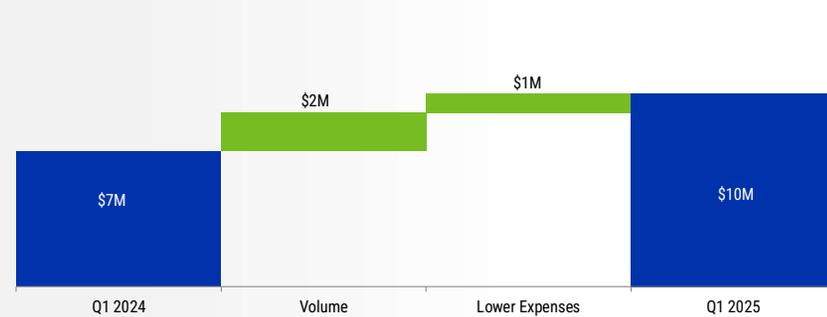
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24 %

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

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

	First Quarter		
	2025	2024	Change
Income taxes, as reported	\$ 27.4	\$ 18.1	51 %
Excess tax benefit from option exercises	3.6	9.6	
Income taxes, adjusted	\$ 31.0	\$ 27.7	12 %
Effective income tax rate			
As reported	18.1%	12.9%	
Adjusted	20.5%	19.8%	
Net earnings, as reported	\$ 124.1	\$ 122.2	2 %
Excess tax benefit from option exercises	(3.6)	(9.6)	
Net earnings, adjusted	\$ 120.5	\$ 112.6	7 %
Weighted average diluted shares	171.6	172.4	
Diluted earnings per share			
As reported	\$ 0.72	\$ 0.71	1 %
Adjusted	\$ 0.70	\$ 0.65	8 %

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.

