



INVESTOR PRESENTATION

**FOURTH QUARTER AND
FULL YEAR 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

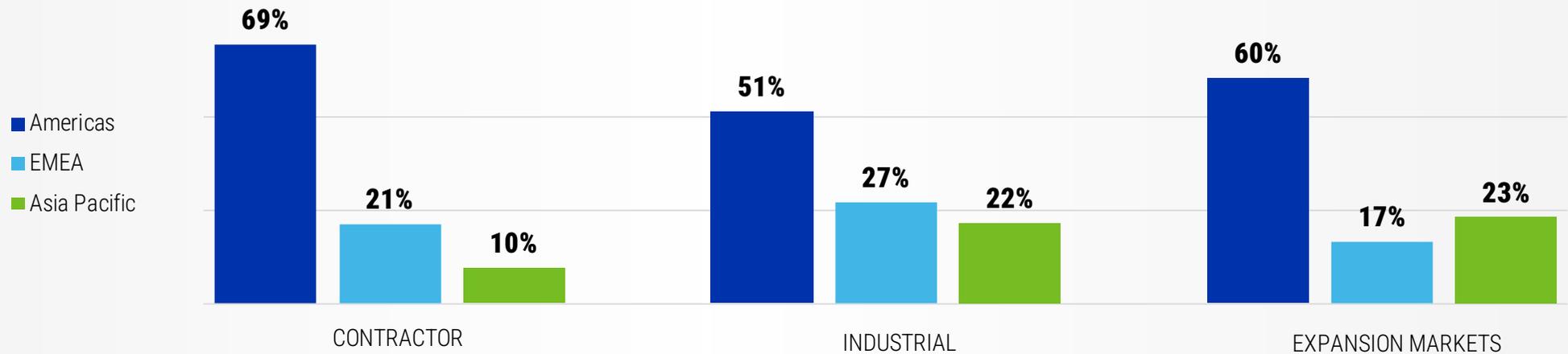
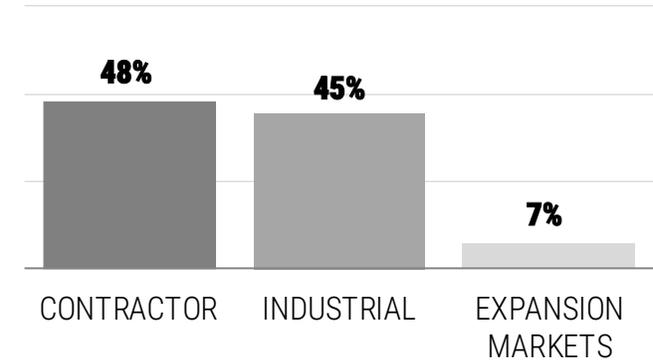
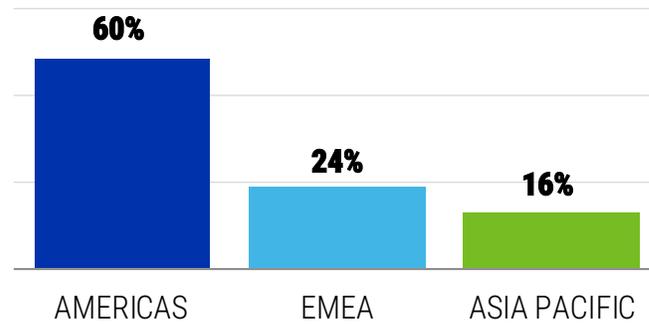
Item 1A of the Company's Form 10-K, Item 1A of the most recent Quarterly Report on Form 10-Q, and also the Company's Earnings Release dated January 26, 2026.



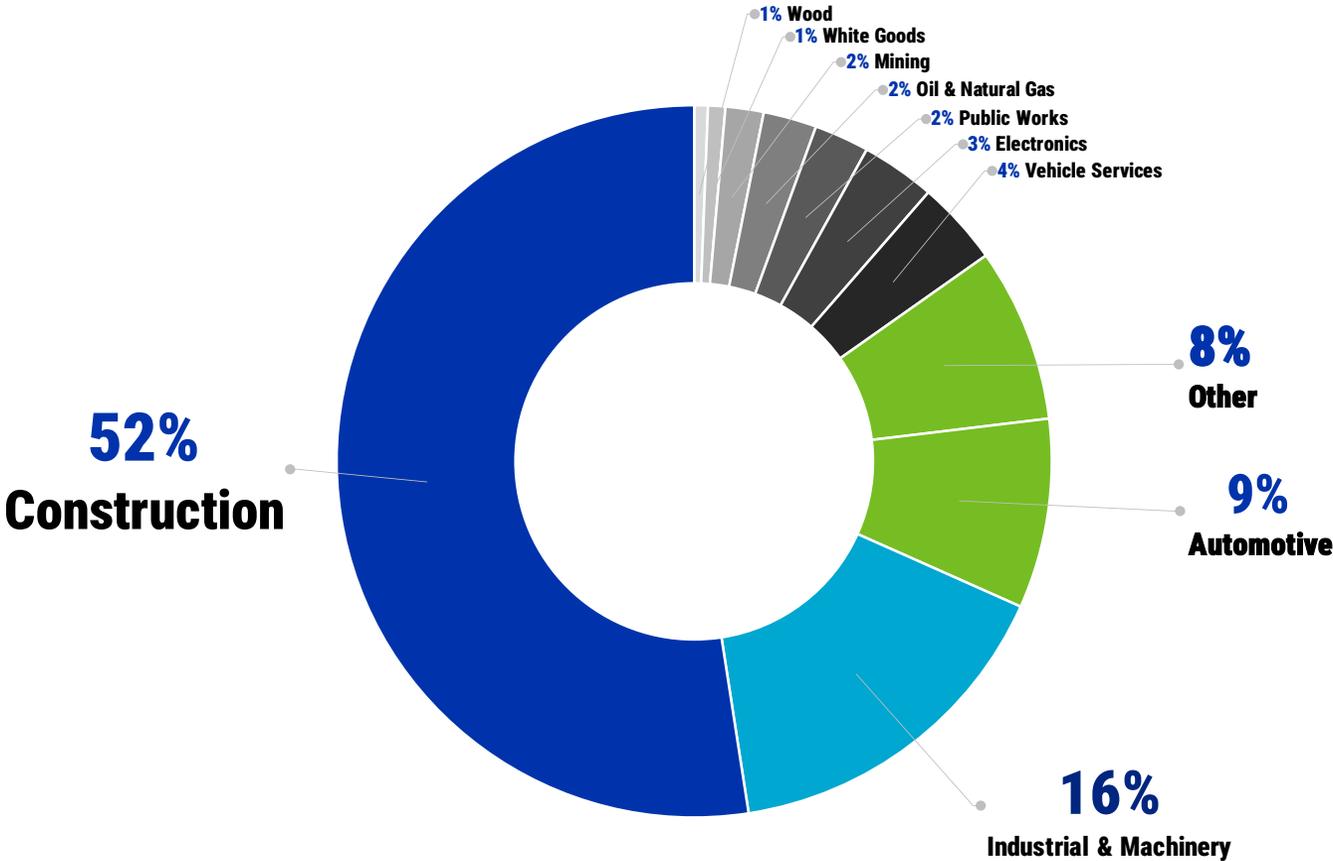
DISTRIBUTION OF GLOBAL SALES

WORLDWIDE
\$2,237M

Full Year 2025



2025 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

6.7%

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

Leading new
product investment

Stringent product
requirements

Best in class
quality

End user
interaction

Lowest total
cost of ownership



GROWTH PLANS AND EARNINGS DRIVERS



STRATEGIC INITIATIVES

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

10%

Targeted Revenue CAGR

12%+



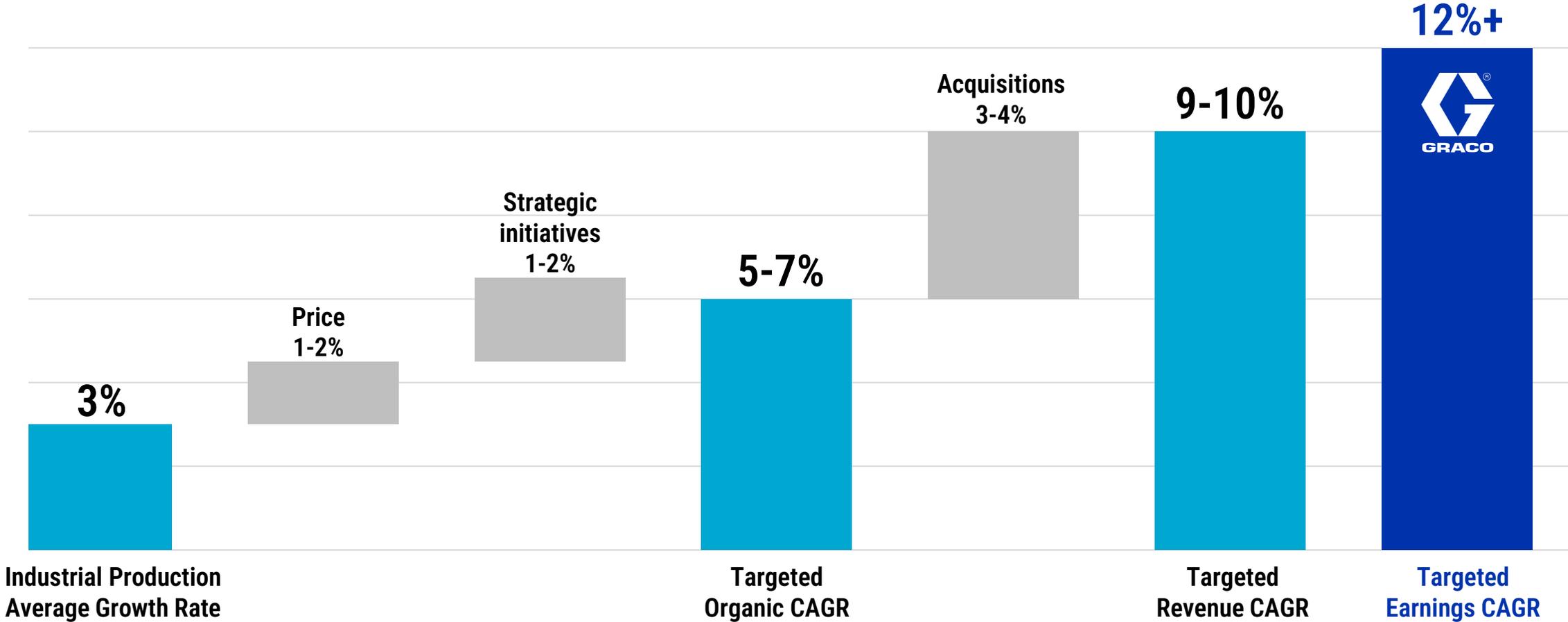
Targeted Earnings CAGR

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		2025 SALES (\$ IN MILLIONS)	
0 - 1	56,600	93%	\$ 1,081	48%
2 - 5	2,700	4%	\$ 327	15%
6 - 10	800	1%	\$ 182	8%
11 - 15	300	1%	\$ 77	3%
Greater than 15	700	1%	\$ 570	26%
Graco 2025 Sales	61,100		\$2,237	

HIGHLY-VALUED PRODUCTS AT LOW VOLUMES

48%

of our revenue comes from products that we sell

ZERO TO ONE PER DAY

EXCEPTIONAL RETURNS



6.7%

**ORGANIC REVENUE
CAGR**

23%

**RETURN ON
INVESTED CAPITAL**

36%

**RETURN ON
EQUITY**

16%

**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
- **3.8%** as a percent of sales vs. peers at 2.2%*

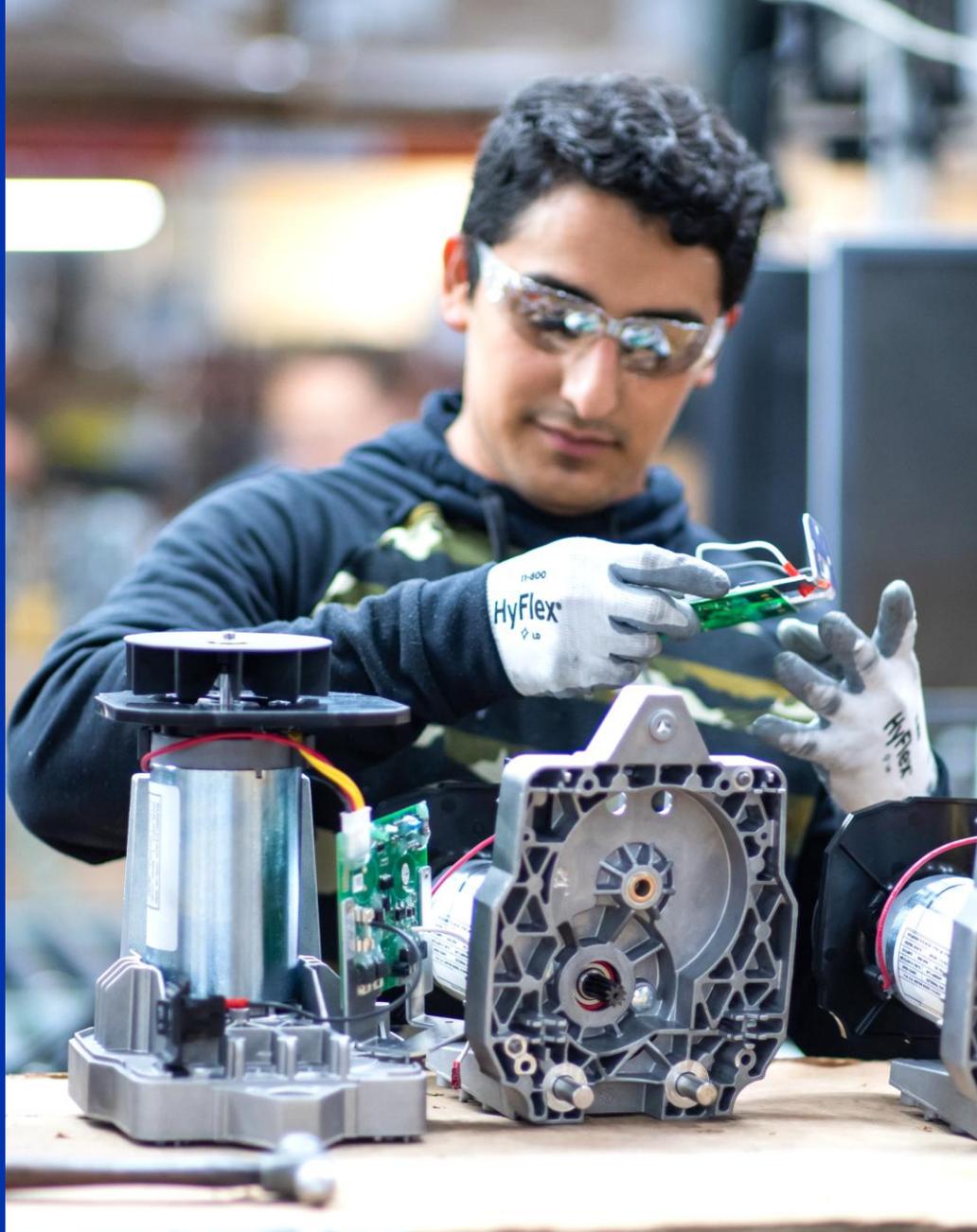
*Peers: ITW, LECO, DOV, IEX, NDSN, based on a 5-year average, 2021 - 2025.





MANUFACTURING EXCELLENCE

- **>75%** product based in USA
- **Zero** cost change goal on the same basket of goods (year over year)
- **<1%** warranty costs



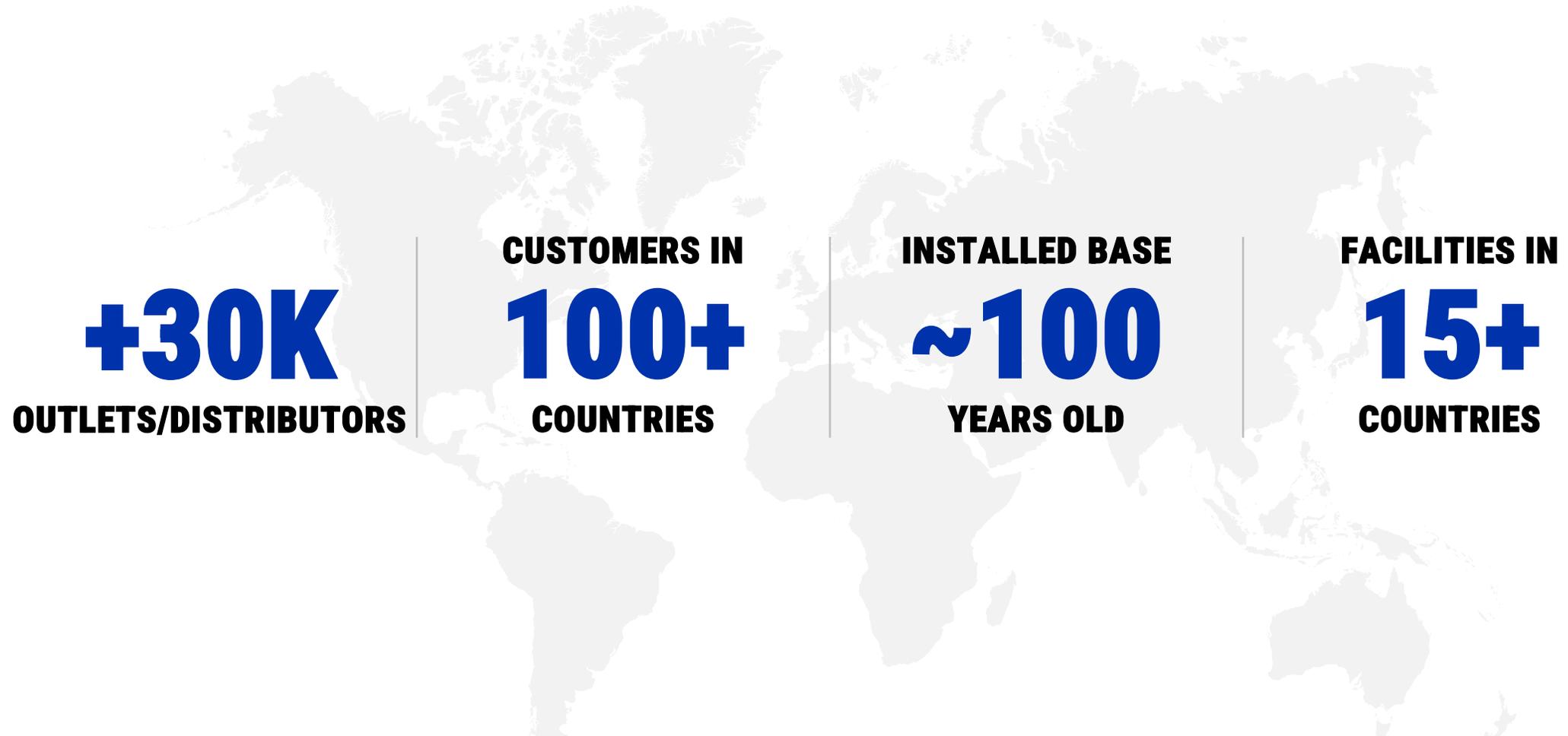


SERVICE EXCELLENCE

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



EXTENSIVE REACH



CULTURE & TALENT



4,400

**TOTAL
NUMBER OF
EMPLOYEES**

1,900

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

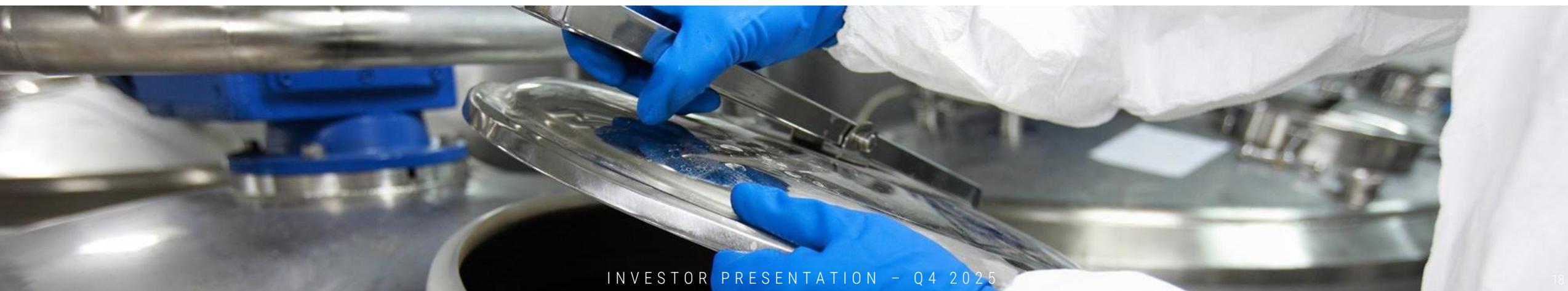
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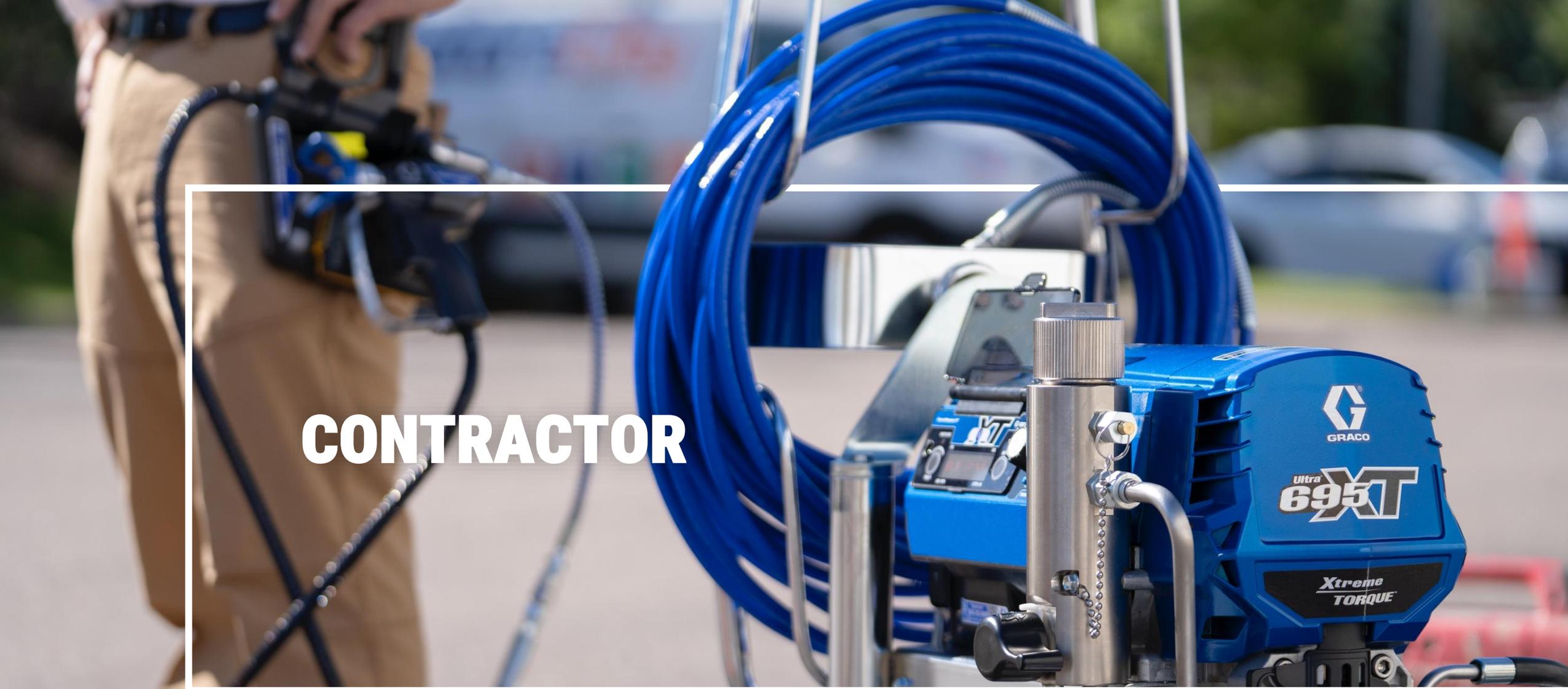
**AVERAGE
YEARS OF
EXECUTIVE
TENURE**

11

**AVERAGE
YEARS OF
EMPLOYEE
TENURE**

*Based on data as of 12/26/2025





CONTRACTOR

 **GRACO**[®]



CONTRACTOR

2025 December,
twelve-month performance

\$1,072M
SEGMENT REVENUE

-2%
ORGANIC REVENUE DECLINE

25.2%
OPERATING MARGIN
-210 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 December,
twelve-month performance

\$997M
SEGMENT REVENUE

+2%
ORGANIC REVENUE GROWTH

33.6%
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 December,
twelve-month performance

\$168M
SEGMENT REVENUE

+1%
ORGANIC REVENUE GROWTH

24.7%
OPERATING MARGIN
+580 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



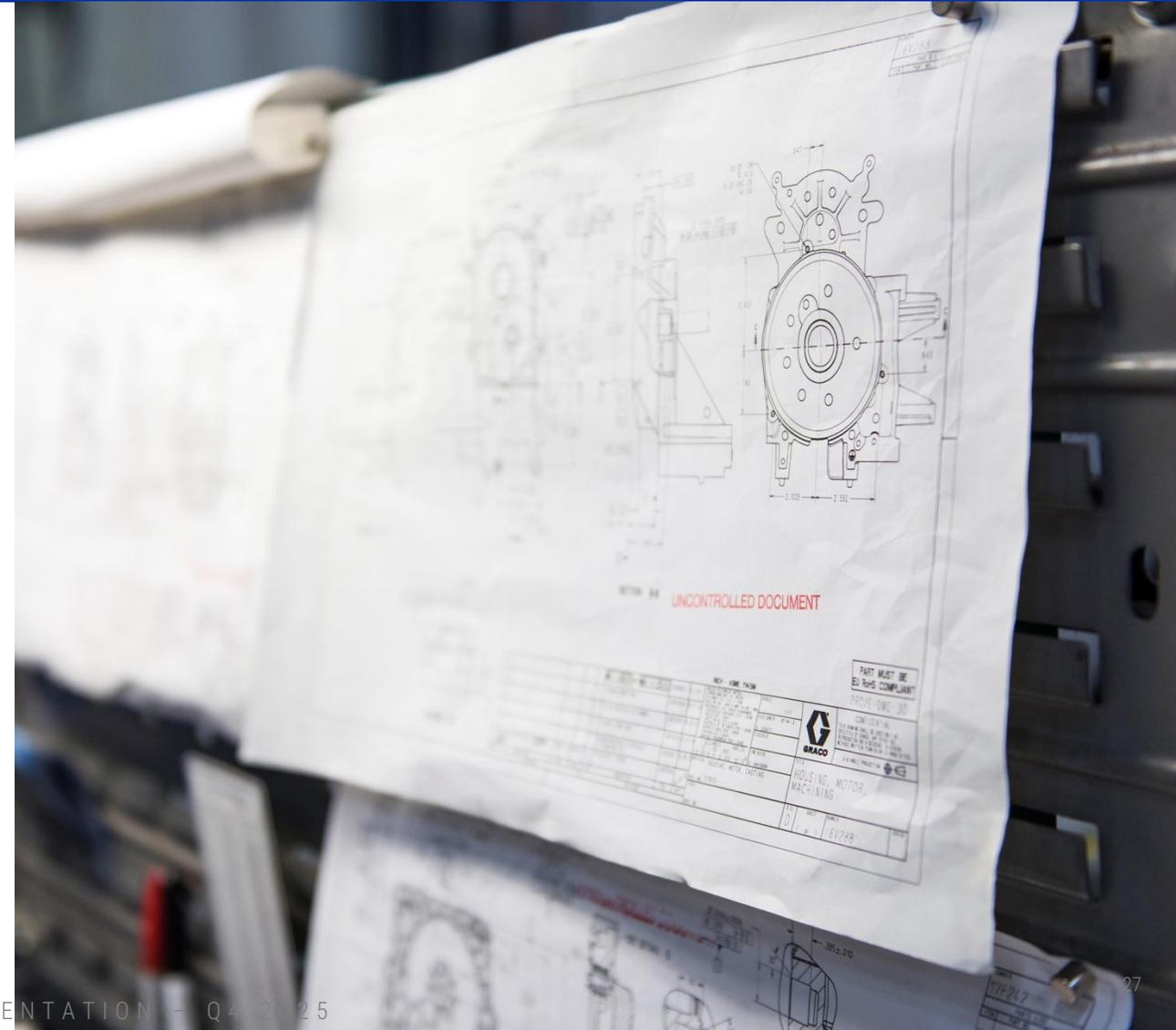
SHAREHOLDER RETURN

- Solid dividend history
- Approximately 23 million shares remaining on repurchase authorization

KEY INVESTMENT ATTRIBUTES



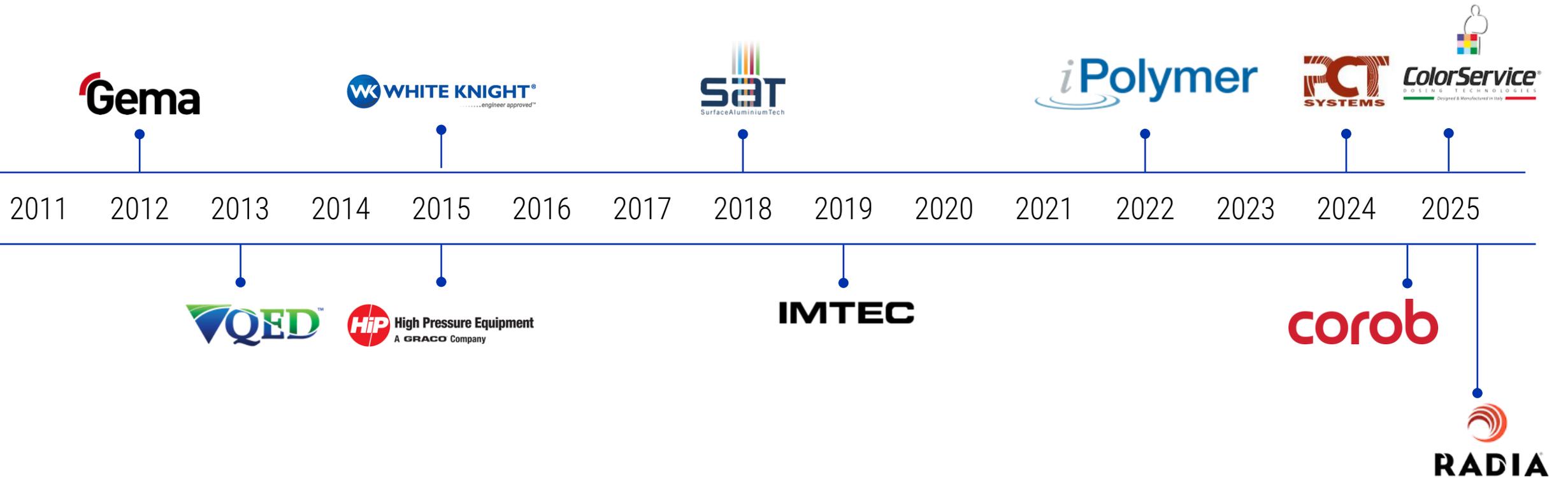
- Drive long-term, above-market growth
- Premium products that deliver strong ROI for end users
- Leading industry positions
- Serve niche markets where customers are willing to purchase quality, technology-based products
- Products perform mission-critical functions
- Recurring parts and accessories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



KEY ACQUISITIONS



KEY ACQUISITIONS



FINANCIAL RESULTS



DECEMBER 2025 FULL YEAR FINANCIAL PERFORMANCE



+6%

**REVENUE
GROWTH**

52.5%

**GROSS
MARGIN**

+7%

**NET INCOME
INCREASE**

+9%

**EPS
GROWTH**

(As Reported)

FINANCIAL RESULTS



Statement of Earnings

\$ in millions except per share amounts

Net Sales

	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 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

	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.

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

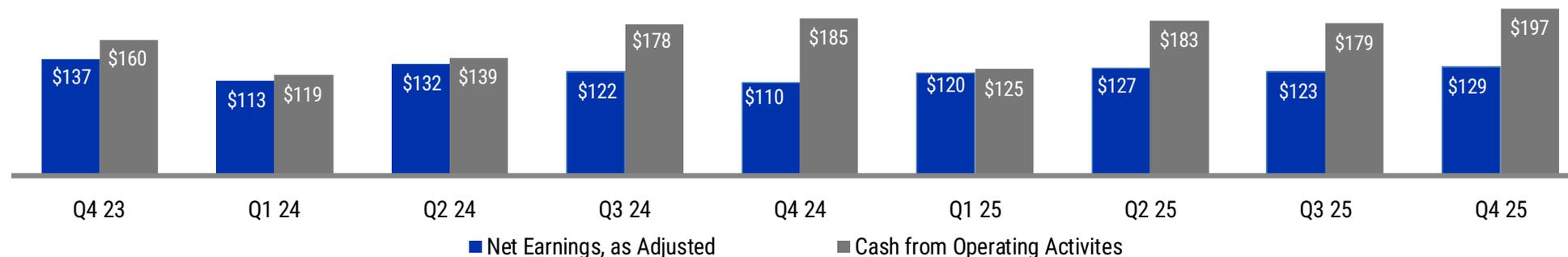


Net Sales	<ul style="list-style-type: none"> Up 6 percent from 2024. Sales from acquired businesses contributed 5 percentage points of growth. Currency translation increased net sales by 1 percentage point.
Gross Margin	<ul style="list-style-type: none"> Margin rate down 0.6 percentage points compared 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.

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.

NET SALES

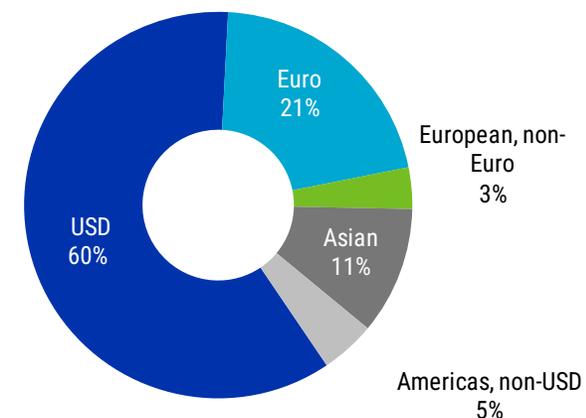


Components of Net Sales Change

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.

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

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.

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

2025 Appendix



FINANCIAL PERFORMANCE



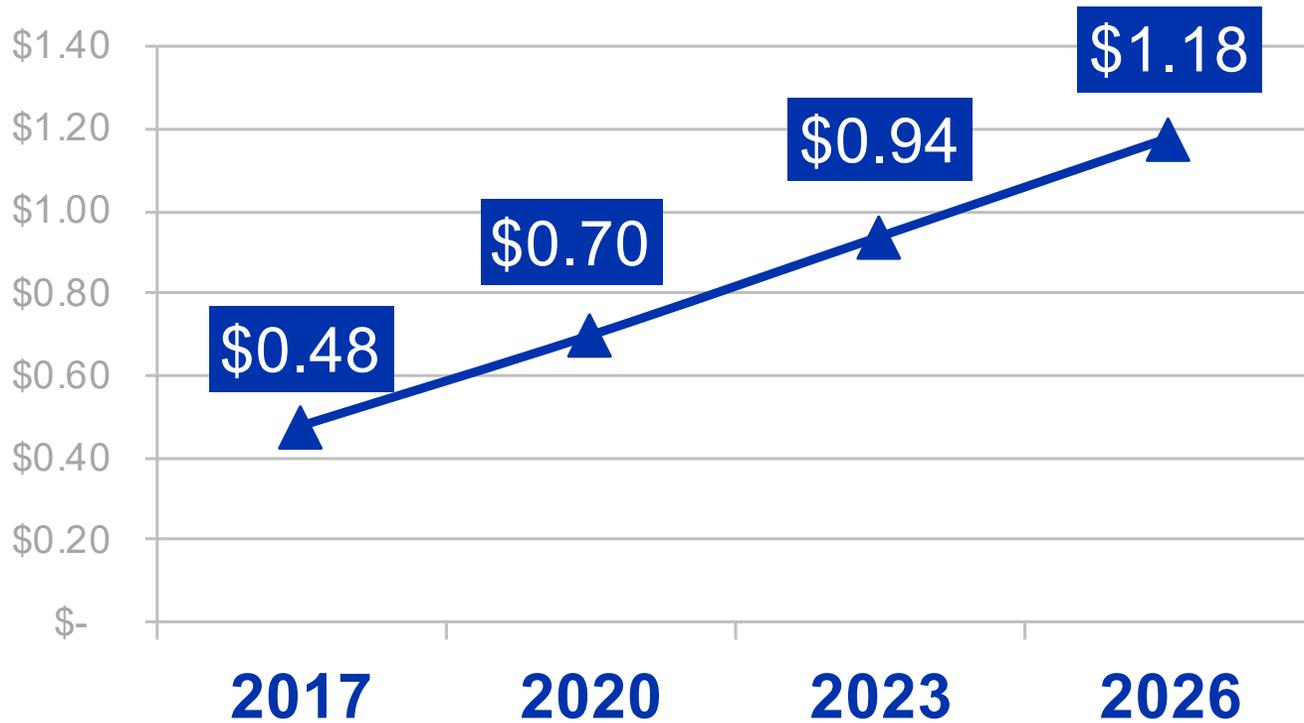
AS REPORTED

Diluted EPS	\$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	\$3.08
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AS ADJUSTED

Diluted EPS	\$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	\$2.95
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STOCK DIVIDEND GROWTH



Dividends adjusted for stock splits

STRONG CASH GENERATION



(\$ Millions)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operating Cash Flows	\$ 684	\$ 622	\$ 651	\$ 377	\$ 457	\$ 394	\$ 419	\$ 368	\$ 338	\$ 269
% of Net Income	131%	128%	129%	82%	104%	119%	122%	108%	134%	661%
Capital Expenditures	46	107	185	201	134	71	128	54	40	42
Free Cash Flow	\$ 638	\$ 515	\$ 466	\$ 176	\$ 323	\$ 323	\$ 291	\$ 314	\$ 298	\$ 227

> 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.

(\$ Millions)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Dividends	\$ 183	\$ 172	\$ 158	\$ 142	\$ 127	\$ 117	\$ 106	\$ 89	\$ 80	\$ 73
Acquisitions	135	242	-	25	19	28	27	11	28	49
Share Repurchases *	386	(35)	43	198	(51)	21	(38)	236	54	18
	\$ 705	\$ 379	\$ 201	\$ 365	\$ 95	\$ 166	\$ 95	\$ 336	\$ 162	\$ 140

* Net of shares issued



GRACO[®]
MOVING MATERIALS THAT MATTER[™]