



# INVESTOR PRESENTATION

First Quarter 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.

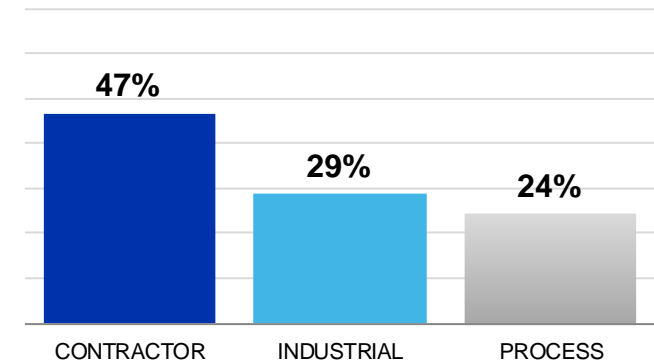
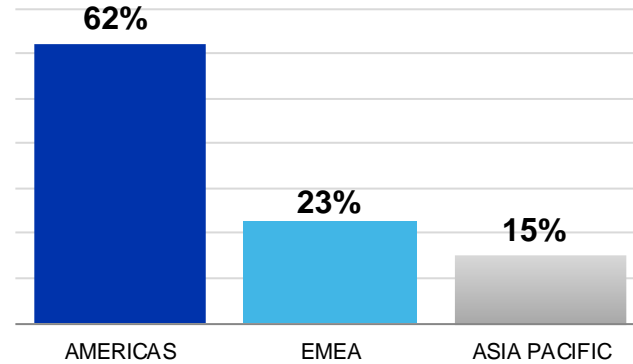
Factors that could cause actual results to differ from anticipated results are identified in Item 1A of the Company's Form 10-K, and Item 1A of the most recent Quarterly Report on Form 10-Q and also the Company's Earnings Release dated April 24, 2024.

# DISTRIBUTION OF GLOBAL SALES

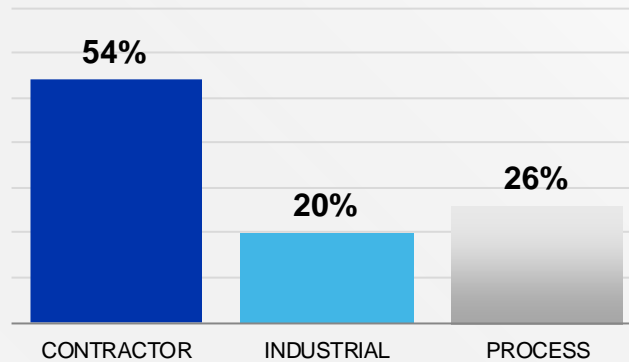
## WORLDWIDE

**\$492M**

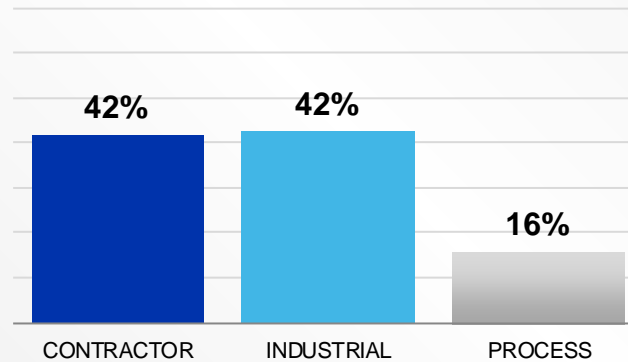
First Quarter 2024



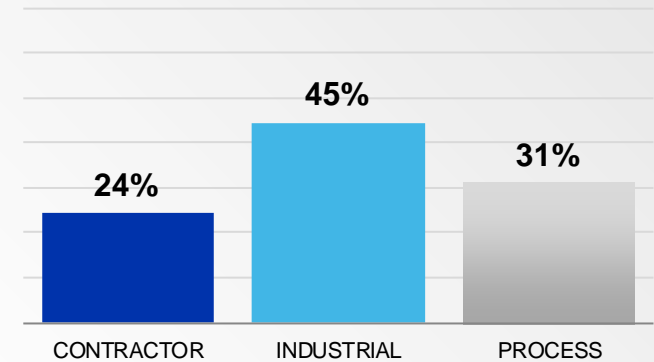
## AMERICAS



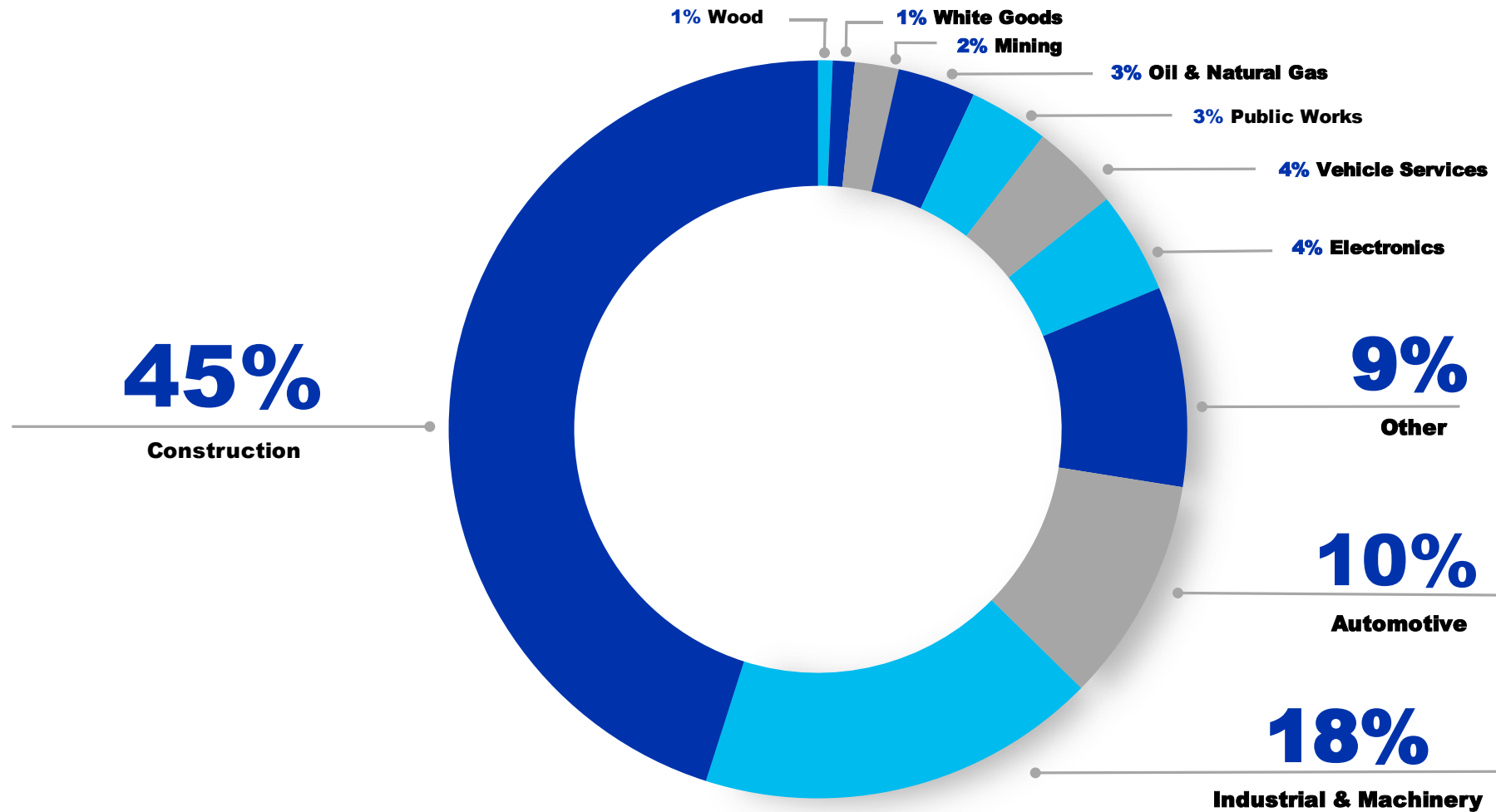
## EMEA



## ASIA PACIFIC



# 2023 NET SALES BY END MARKET



# TRUSTED SOLUTIONS TO KEEP JOBS MOVING & FLUIDS PUMPING





# DIVERSIFIED FLUID HANDLING BUSINESS

## NICHE

**DIFFICULT APPLICATIONS; CORROSIVE, VISCIOUS, HARD-TO-MOVE MATERIALS**

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**6.5%**

**ORGANIC REVENUE CAGR\***

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**~40%**

**OF REVENUE IS PARTS AND ACCESSORIES**

\*20-year average, constant currency



# 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**

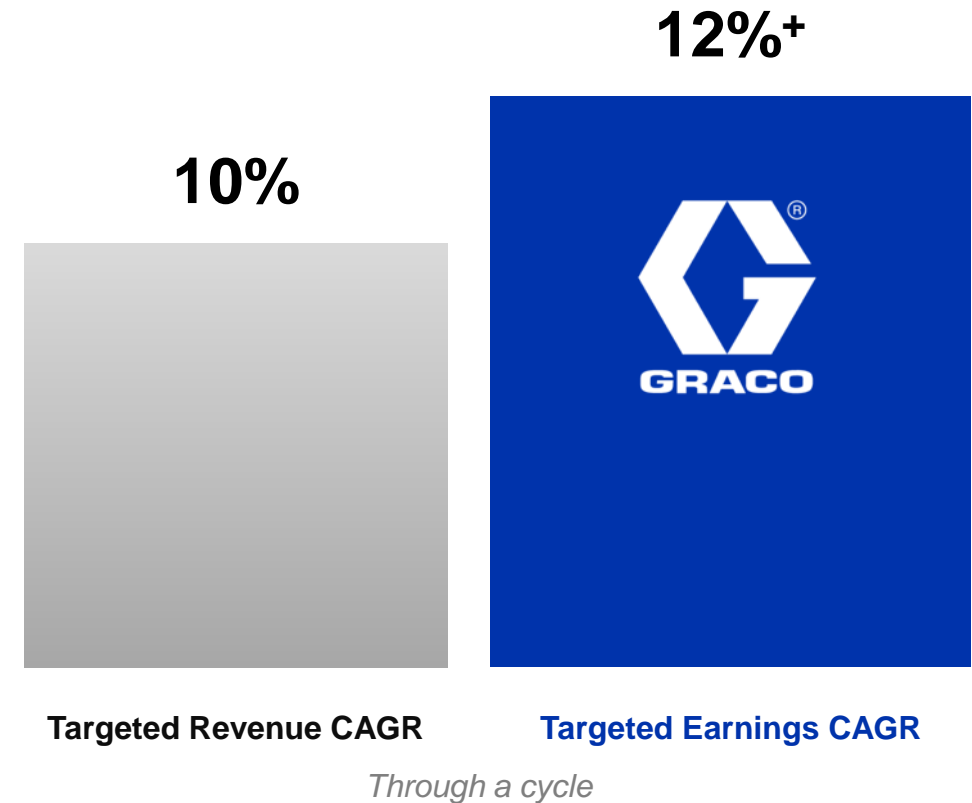
**END USER  
INTERACTION**



# GROWTH PLANS AND EARNINGS DRIVERS

## STRATEGIC INITIATIVES

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





# LOW VOLUME, HIGH MIX DELIVERS CUSTOMER ROI

Average Number of Units Sold Per Day	Number of SKUs		2023 Sales (\$ in millions)	
0 - 1	56,900	93%	\$1,144	52%
2 - 5	2,500	4%	\$ 300	14%
6 - 10	800	1%	\$ 172	8%
11 - 15	300	1%	\$ 75	3%
Greater than 15	700	1%	\$ 505	23%
<b>Graco 2023 Sales</b>	<b>61,200</b>		<b>\$2,196</b>	

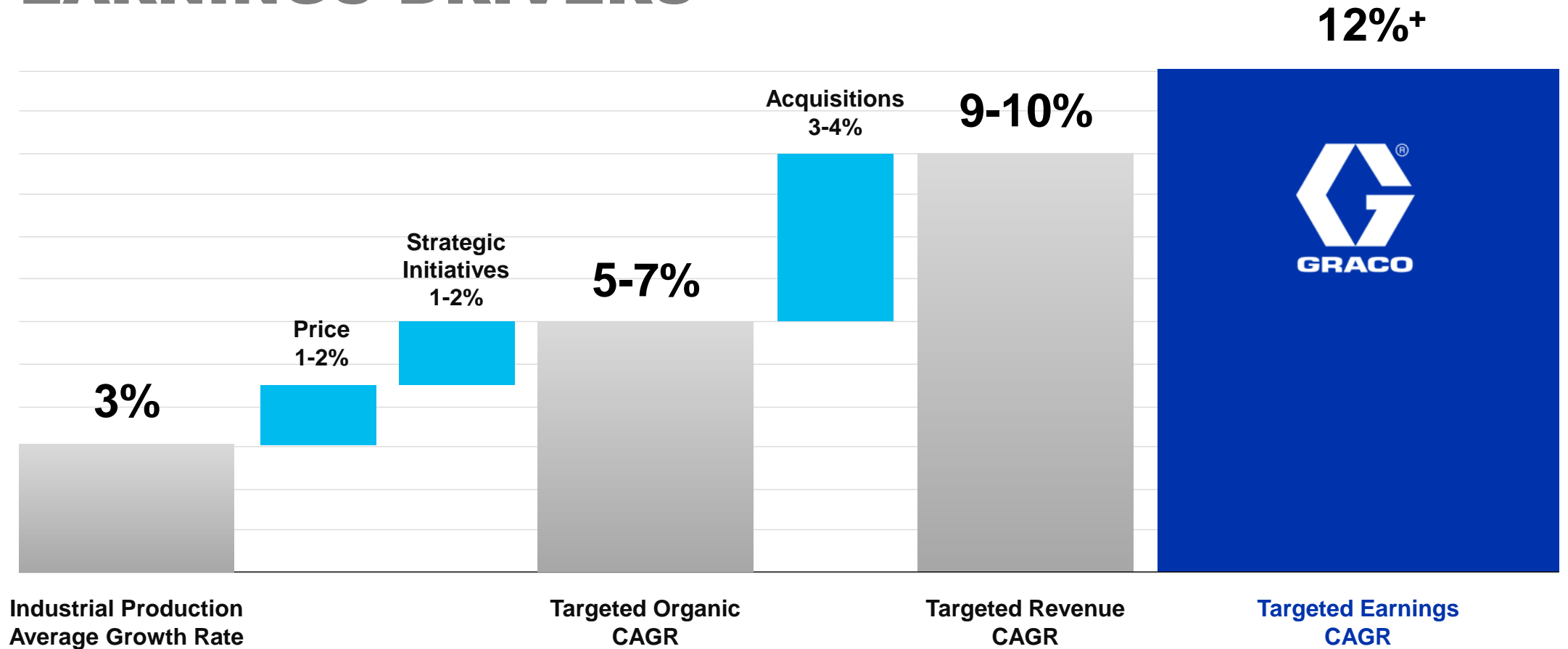
**HIGHLY-VALUED PRODUCTS AT LOW VOLUMES**

**52%**

of our revenue comes from products that we sell

**ZERO TO ONE PER DAY**

# GROWTH PLANS AND EARNINGS DRIVERS



*Through a cycle*

# EXCEPTIONAL RETURNS

**6.5%**

**ORGANIC  
REVENUE  
CAGR**

**26%**

**RETURN ON  
INVESTED  
CAPITAL**

**40%**

**RETURN ON  
EQUITY**

**18%**

**RETURN ON  
ASSETS**

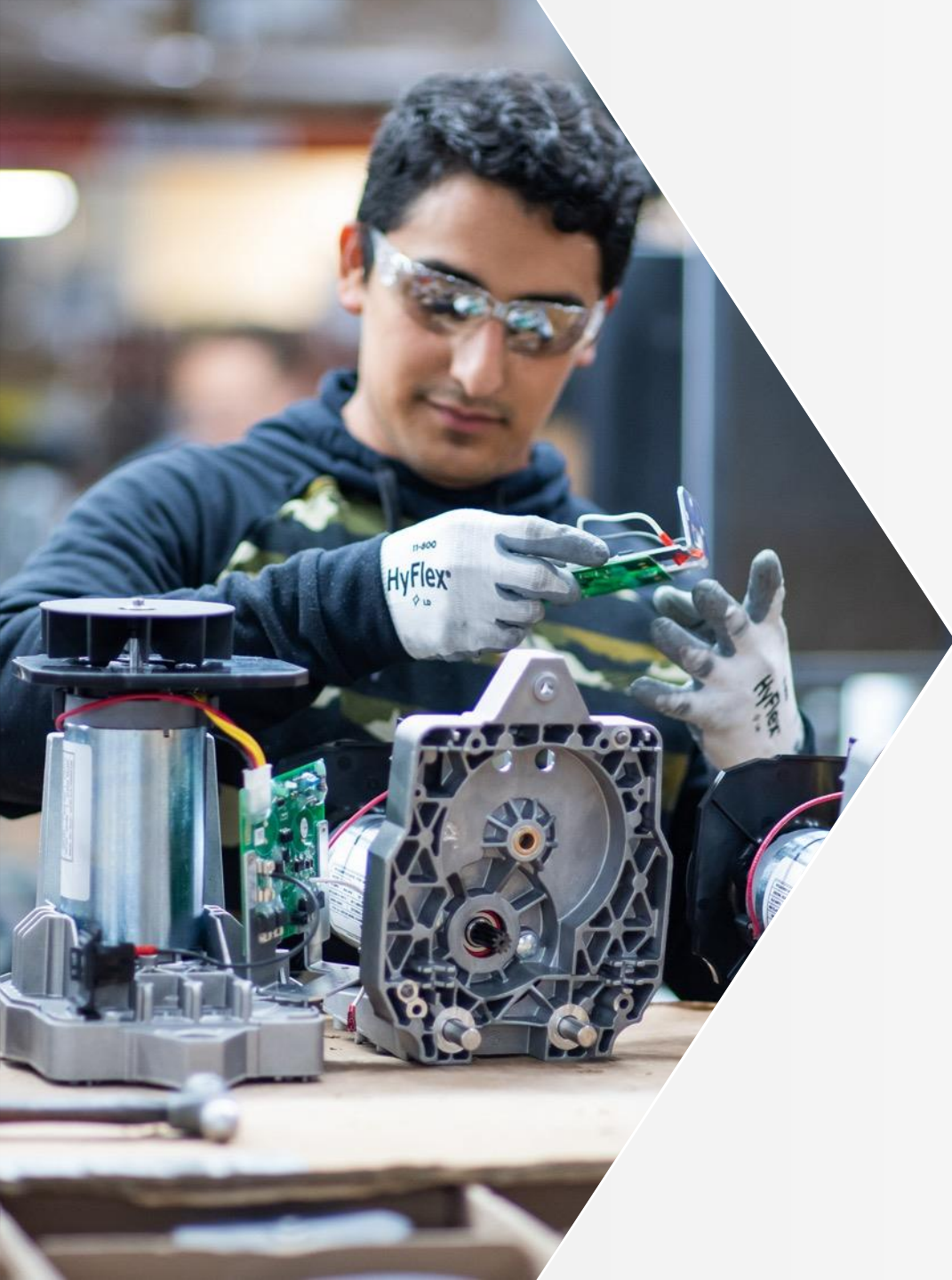
Based on a 20-year average, constant currency

A photograph of a woman in a blue shirt and safety glasses working on a machine in a factory. She is using a tool to work on a blue component. The background shows other workers and machinery, slightly out of focus. A white box with the number "170843" is visible in the background.

# BUSINESS MODEL

- Brand Promise
- Operational Excellence
- Engineering & Manufacturing Excellence
- Extensive Reach





# ENGINEERING EXCELLENCE

**TARGET DOUBLE-DIGIT RETURNS  
ON NEW PRODUCTS**

**ANNUAL R&D INVESTMENT:**

**>1.7X\***

**OUR PEER GROUP**

**4.0%\***

**AS A PERCENT OF SALES  
VS. PEERS AT 2.3%**

\* Peers: ITW, CSL, DOV, IEX, NDSN, WTS, FLS, based on a 5-year average, 2019 - 2023.

A large graphic on the left side of the slide features a blue and white geometric shape that resembles a stylized arrow or a manufacturing component. This shape is filled with a blurred image of a factory interior, showing blue metal frames and machinery.

# MANUFACTURING EXCELLENCE

**>80%**

**PRODUCT BASED IN USA**

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**ZERO**

**COST CHANGE GOAL ON THE SAME  
BASKET OF GOODS (YEAR OVER YEAR)**

---

**<1%**

**WARRANTY COSTS**

A photograph of a warehouse worker in a blue shirt operating a computer workstation. The worker is positioned in the foreground, looking at a monitor. The background shows a large warehouse with high shelves filled with cardboard boxes. A white diagonal graphic element separates the image from the text on the right.

# SERVICE EXCELLENCE

## SAME DAY

**ORDERS IN BY NOON, SHIP THE SAME DAY**

---

## 95%

**IN-STOCK SERVICE LEVEL GOAL**



# EXTENSIVE REACH

**30,000+**  
OUTLETS/DISTRIBUTORS

CUSTOMERS IN  
**100+**  
COUNTRIES

INSTALLED BASE  
**~100**  
YEARS OLD

FACILITIES IN  
**12**  
COUNTRIES





**CONTRACTOR**

**495XT**

**Xtreme  
TORQUE**

# CONTRACTOR

## 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

MARCH 2024  
THREE MONTHS  
PERFORMANCE

**\$230M**

SEGMENT REVENUE

**-6%**

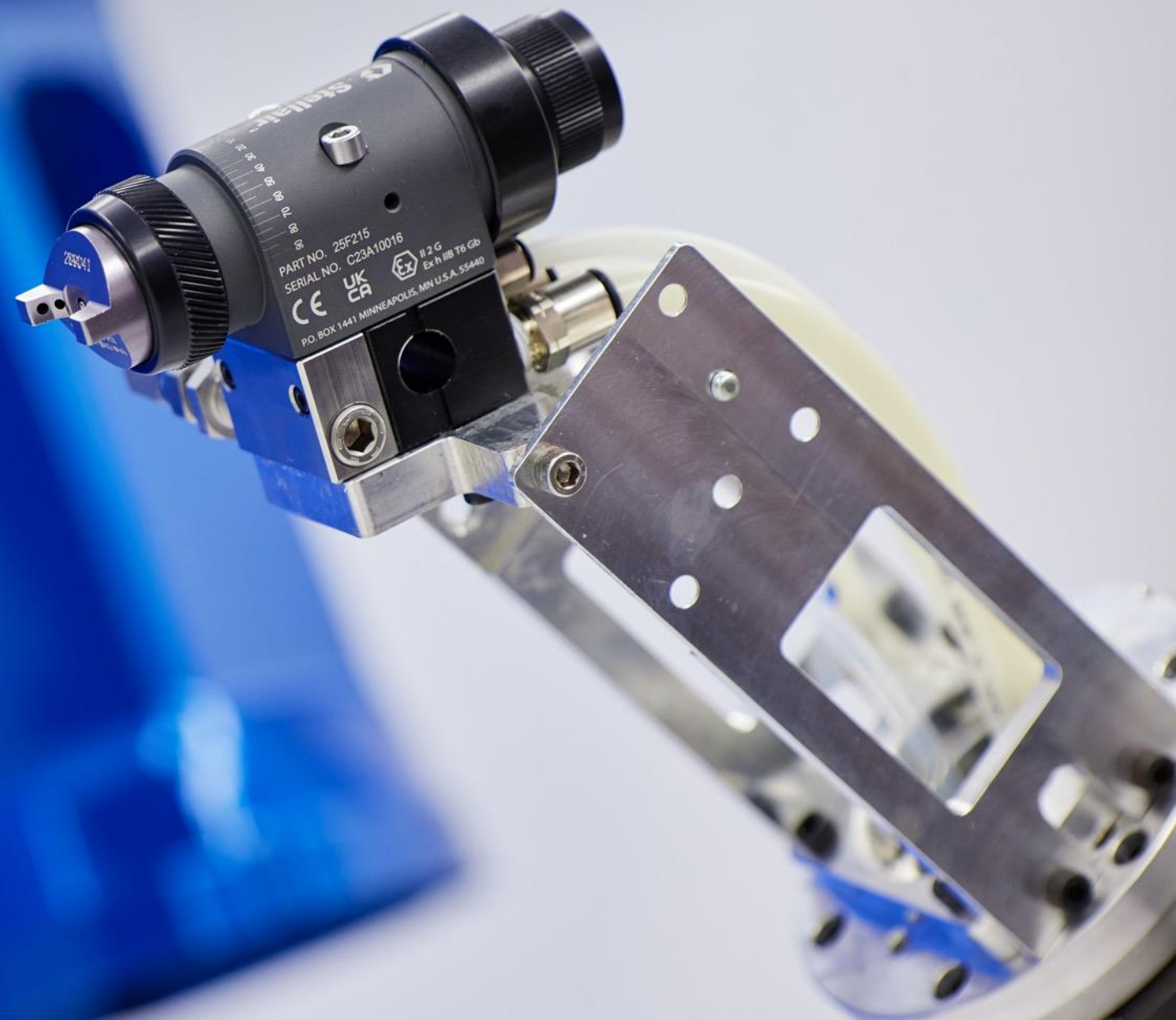
ORGANIC REVENUE  
DECREASE

**28.8%**

OPERATING MARGIN  
-120 BASIS POINTS



# INDUSTRIAL



# INDUSTRIAL

## KEY END MARKETS

- General industrial
- Automotive
- Residential and non-residential construction
- Alternative energy and others

## GROWTH DRIVERS & TRENDS

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

## SELECT REPRESENTATIVE INDUSTRY PARTICIPANTS:



**NORDSON**

**CARLISLE**

**EXEL COMPOSITES**

**WAGNER**

**REGIONAL COMPETITION**

**MARCH 2024  
THREE MONTHS  
PERFORMANCE**

**\$142M**

**SEGMENT REVENUE**

**-5%**

**ORGANIC REVENUE  
DECREASE**

**31.6%**

**OPERATING MARGIN  
-350 BASIS POINTS**



A large white arrow graphic pointing to the right, located on the left side of the image, partially overlapping the 'PROCESS' text.

# PROCESS

A black Graco Quantm 130 spray gun is mounted on a metal stand. The device has a blue label with the Graco logo and the word 'QUANTM' in white. It is connected to various hoses and cables. A red-handled valve is visible on the left side of the unit. The background shows a white wall with electrical conduits and a yellow safety barrier.

**QUANTM**

QUANTM  
130

# PROCESS

## KEY END MARKETS

- Pharmaceutical, food and beverage
- Vehicle services
- Oil and natural gas
- Environmental
- Semiconductor and others

## GROWTH DRIVERS & TRENDS

- Factory movement and upgrades
- Technology upgrades
- Energy-efficiency upgrades
- Asset life maintenance
- Commodities extraction
- Environmental regulations

## SELECT REPRESENTATIVE INDUSTRY PARTICIPANTS:

IDEX

DOVER

INGERSOLL RAND

LINCOLN

VOGEL

BIJUR DELIMON

HANNAY REELS

COXREELS

REGIONAL COMPETITION

MARCH 2024  
THREE MONTHS  
PERFORMANCE

**\$120M**

SEGMENT REVENUE

**-10%**

ORGANIC REVENUE  
DECREASE

**29.2%**

OPERATING MARGIN  
-120 BASIS POINTS



# CAPITAL ALLOCATION



# LONG-TERM CASH DEPLOYMENT PRIORITIES



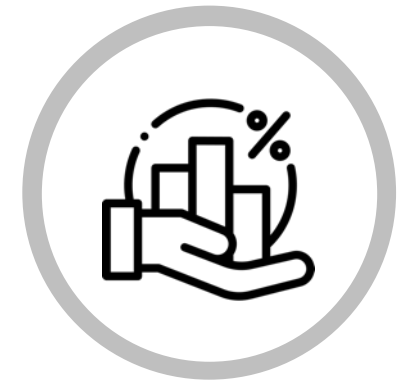
## ORGANIC GROWTH

- International footprint
- Product development
- Production capacity and capabilities



## ACQUISITIONS

- Supplement to organic growth
- Leverage core competencies into adjacencies
- Strong balance sheet position



## SHAREHOLDER RETURN

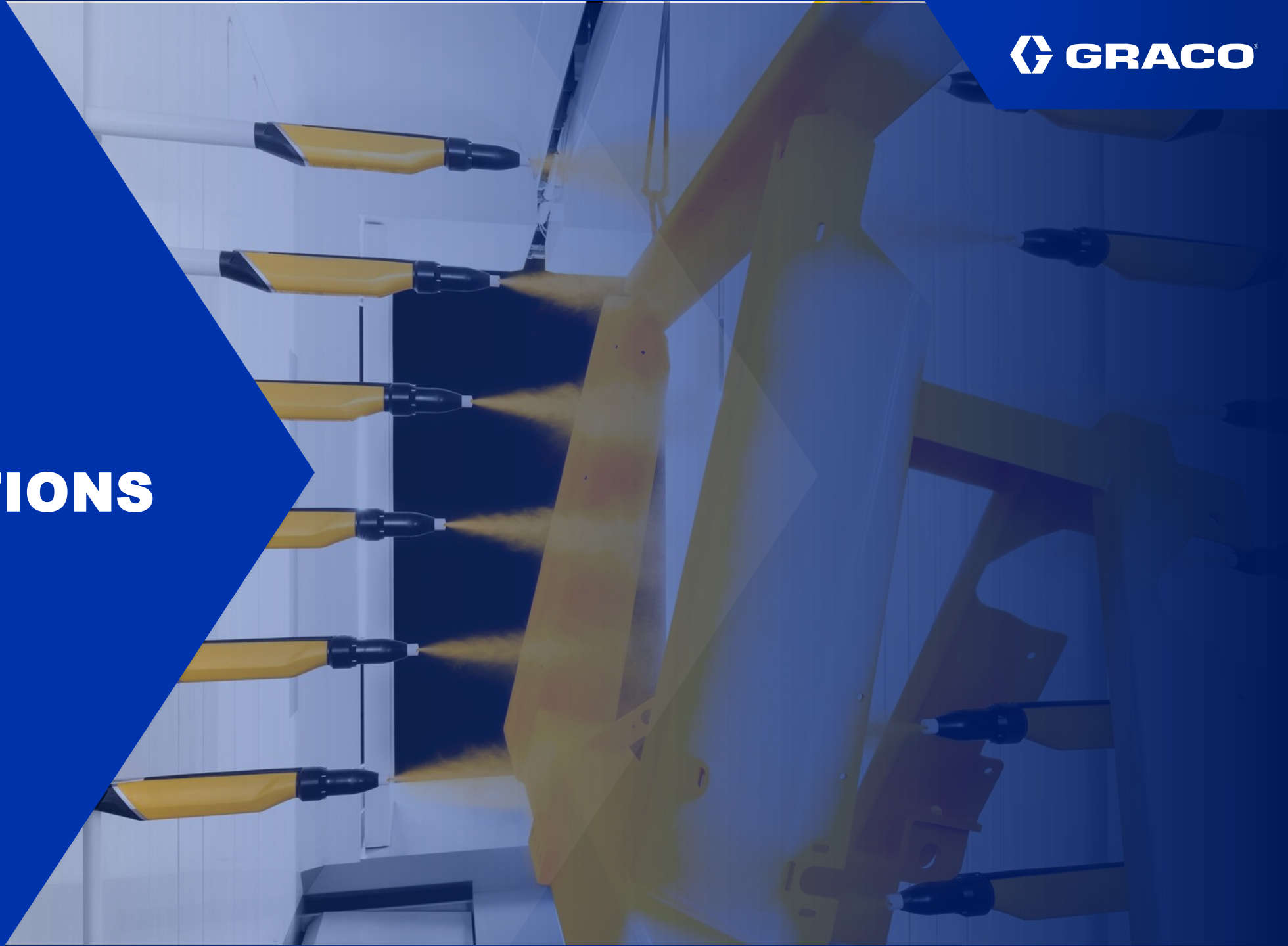
- Solid dividend history
- Approximately 14.0 million shares remaining on repurchase authorization



# 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

# ACQUISITIONS



# ACQUISITIONS

## INDUSTRIAL



2012

2015

2015

2017

2018

2020

# ACQUISITIONS

## PROCESS



2013



2015



2015



2016



2019



2022



# FINANCIAL RESULTS



# Q1 2024 FINANCIAL PERFORMANCE

**-7%**

**REVENUE  
DECREASE**

**54.1%**

**GROSS  
MARGIN**

**-5%**

**NET  
INCOME  
DECREASE**

**-5%**

**EPS  
DECREASE**

(As Reported)

# FINANCIAL RESULTS

## Statement of Earnings

\$ in millions except per share amounts

	First Quarter		
	2024	2023	Change
<b>Net Sales</b>	\$ 492.2	\$ 529.6	(7)%
<b>Gross Profit</b>	266.2	285.1	(7)%
% of Net Sales	54.1%	53.8%	0.3 pts
<b>Operating Earnings</b>	133.0	156.7	(15)%
% of Net Sales	27.0%	29.6%	(2.6) pts
<b>Net Earnings</b>	\$ 122.2	\$ 129.2	(5)%
% of Net Sales	24.8%	24.4%	0.4 pts
<b>Diluted Net Earnings Per Share</b>	\$ 0.71	\$ 0.75	(5)%
Diluted Shares in Millions	172.4	171.7	0 %
Net Earnings, Adjusted (1)	\$ 112.6	\$ 126.6	(11)%
Diluted Net Earnings Per Share, Adjusted (1)	\$ 0.65	\$ 0.74	(12)%

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

	First Quarter		
	2024	2023	Change
<b>Income taxes, as reported</b>	\$ 18.1	\$ 28.2	(36)%
Excess tax benefit from stock option exercises	9.6	2.6	
<b>Income taxes, adjusted</b>	<u>\$ 27.7</u>	<u>\$ 30.8</u>	<u>(10)%</u>
Effective income tax rate			
As reported	12.9%	17.9%	
Adjusted	19.8%	19.5%	
<b>Net earnings, as reported</b>	\$ 122.2	\$ 129.2	(5)%
Excess tax benefit from stock option exercises	(9.6)	(2.6)	
<b>Net earnings, adjusted</b>	<u>\$ 112.6</u>	<u>\$ 126.6</u>	<u>(11)%</u>
Weighted average diluted shares	172.4	171.7	
<b>Diluted earnings per share</b>			
As reported	\$ 0.71	\$ 0.75	(5)%
Adjusted	\$ 0.65	\$ 0.74	(12)%

Financial results have been adjusted for comparability. Excess tax benefits from stock option exercises in both years 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.

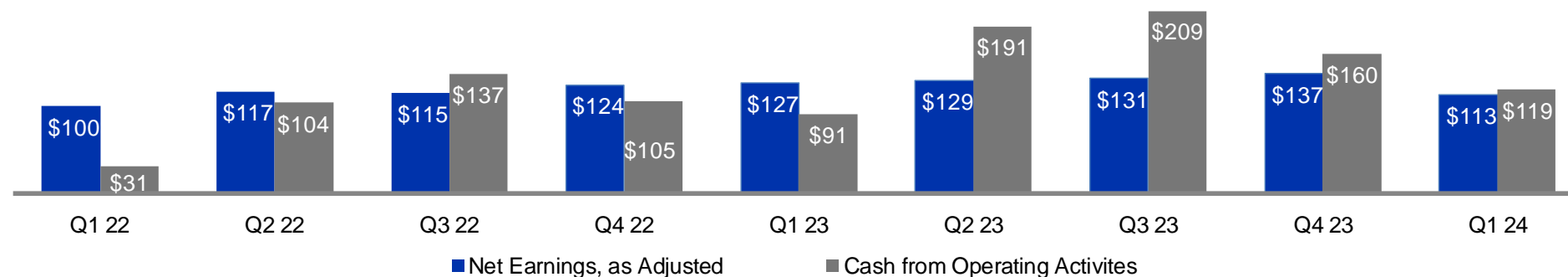


# FIRST QUARTER 2024

<b>Net Sales</b>	<ul style="list-style-type: none"> <li>• Down 7 percent from 2023. Currency translation rates had no significant impact.</li> </ul>
<b>Gross Margin</b>	<ul style="list-style-type: none"> <li>• Margin rate up 0.3 percentage points compared to first quarter 2023.             <ul style="list-style-type: none"> <li>&gt; Realized pricing partially offset by unfavorable product and channel mix</li> </ul> </li> <li>• Margin dollars down on lower sales volume</li> </ul>
<b>Operating Earnings</b>	<ul style="list-style-type: none"> <li>• Down \$24 million compared to first quarter 2023             <ul style="list-style-type: none"> <li>&gt; Unfavorable sales volume and higher expenses</li> </ul> </li> </ul>
<b>Other (Income)</b>	<ul style="list-style-type: none"> <li>• Increased \$6 million primarily due to increased interest income</li> </ul>
<b>Interest Expense</b>	<ul style="list-style-type: none"> <li>• Decreased \$1 million as long-term debt has been fully repaid</li> </ul>
<b>Taxes</b>	<ul style="list-style-type: none"> <li>• Effective tax rate for the quarter was 5 percentage points lower compared to first quarter 2023             <ul style="list-style-type: none"> <li>&gt; Due to an increase in excess tax benefit from stock option exercises</li> </ul> </li> </ul>

# 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	\$ (43)	\$ (39)
Capital Expenditures	(37)	(38)
Net Share Issuances (Repurchases)	41	22
Net Borrowings (Payments) on Debt	-	21

- Net cash from operating activities was \$119 million first quarter 2024 vs. \$91 million first quarter 2023
  - > Change in working capital items more than offset lower sales
- Capital expenditures of \$37 million including \$30 million of facility expansion projects

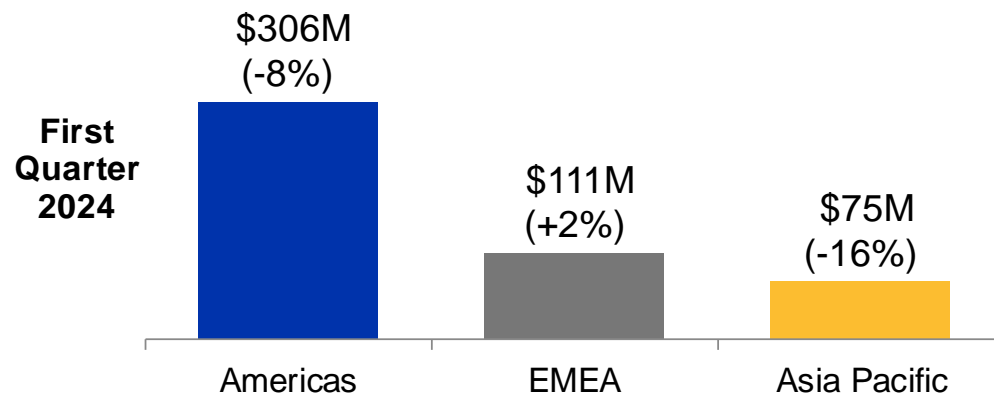
# NET SALES

## Components of Net Sales Change

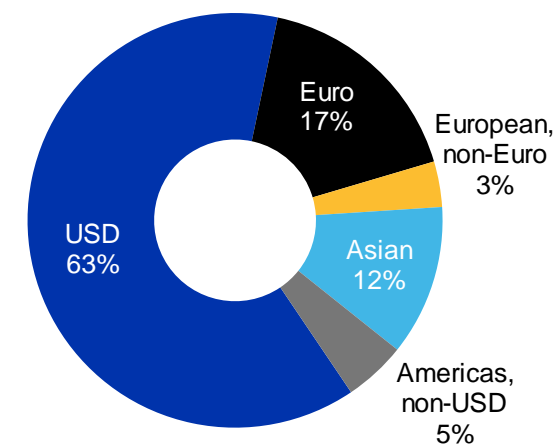
### 2024 First Quarter

	Segment			Region			Consolidated
	Contractor	Industrial	Process	Americas	EMEA	Asia Pacific	
Volume and Price	(6)%	(5)%	(10)%	(8)%	0 %	(14)%	(7)%
Acquisitions	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Currency	0 %	0 %	0 %	0 %	2 %	(2)%	0 %
<b>Total</b>	<b>(6)%</b>	<b>(5)%</b>	<b>(10)%</b>	<b>(8)%</b>	<b>2 %</b>	<b>(16)%</b>	<b>(7)%</b>

### Net Sales by Region



### First Quarter 2024 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.

# 2024 OUTLOOK

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

	Americas	EMEA	Asia Pacific	Worldwide
<b>Current Environment</b>	Q1 2024 (8%)	Q1 2024 0%	Q1 2024 (14%)	Net Sales Change Q1 2024 (7%)
<b>Contractor Segment</b>	Q1 2024 (10%)	Q1 2024 9%	Q1 2024 (4%)	Net Sales Change Q1 2024 (6%)
<b>Industrial Segment</b>	Q1 2024 (3%)	Q1 2024 (4%)	Q1 2024 (12%)	Net Sales Change Q1 2024 (5%)
<b>Process Segment</b>	Q1 2024 (6%)	Q1 2024 (8%)	Q1 2024 (22%)	Net Sales Change Q1 2024 (10%)
<b>Full-Year 2024 Outlook</b>				<b>Low Single-Digit Growth</b>



# OTHER ITEMS

<b>Cap Ex</b>	<ul style="list-style-type: none"> <li>Capital expenditure expectations of approximately \$120 million in 2024, including approximately \$70 million in facility expansion projects</li> </ul>
<b>Expenses</b>	<ul style="list-style-type: none"> <li>Unallocated corporate expenses in 2024 are expected to be approximately \$41- \$44 million</li> </ul>
<b>Shares</b>	<ul style="list-style-type: none"> <li>No shares were repurchased in first quarter. We may make opportunistic share repurchases in 2024 via open market transactions</li> </ul>
<b>Currency</b>	<ul style="list-style-type: none"> <li>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 and an unfavorable impact of approximately 1 percent on net earnings for the full year 2024</li> </ul>
<b>Taxes</b>	<ul style="list-style-type: none"> <li>We anticipate the effective tax rate in for the second 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</li> </ul>

# FINANCIAL SUMMARY

2023 Appendix

# FINANCIAL PERFORMANCE



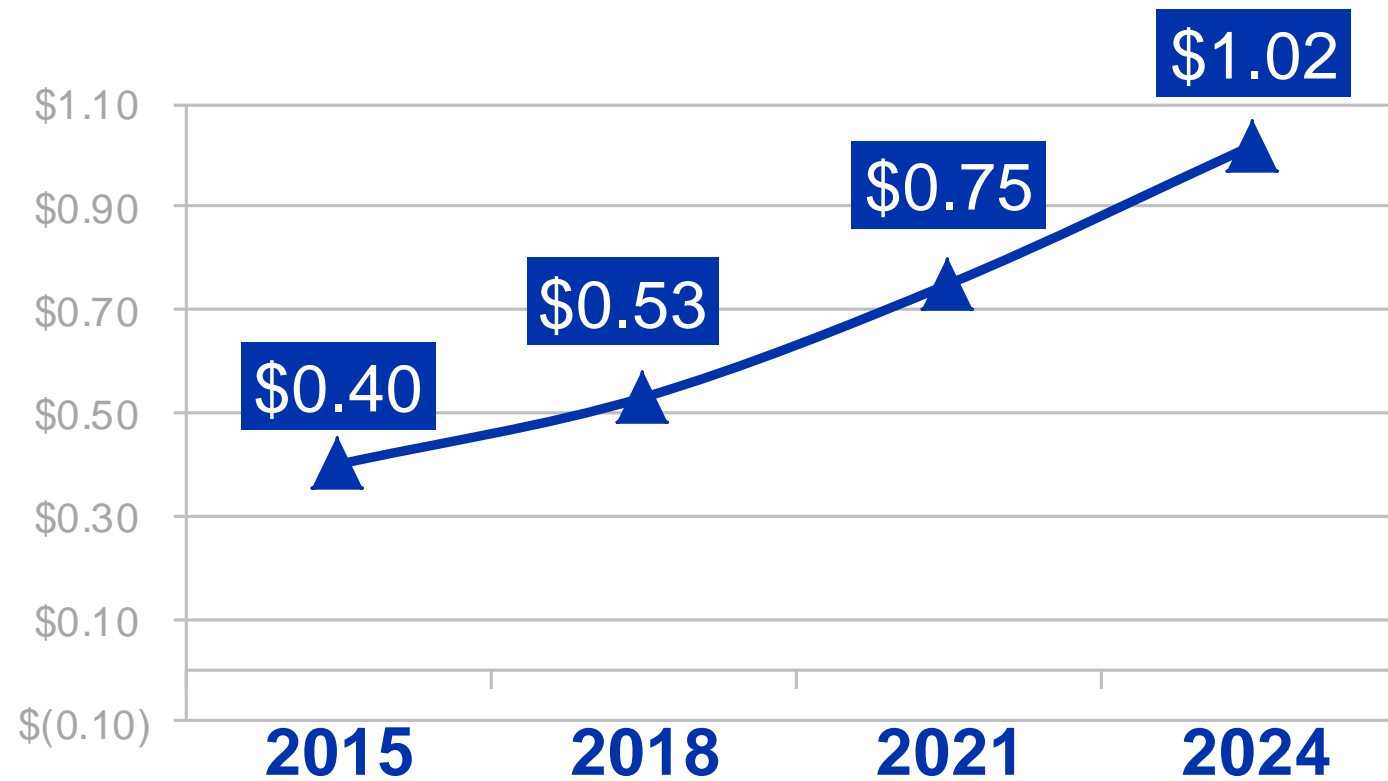
## As Reported

<b>Diluted EPS</b>	\$0.27	\$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
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## As Adjusted

<b>Diluted EPS</b>	\$0.27	\$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
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# STOCK DIVIDEND GROWTH



Dividends  
adjusted for  
stock splits



# STRONG CASH GENERATION

(\$ Millions)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Operating Cash Flows	\$ 651	\$ 377	\$ 457	\$ 394	\$ 419	\$ 368	\$ 338	\$ 269	\$ 190	\$ 241
% of Net Income	129%	82%	104%	119%	122%	108%	134%	661%	55%	107%
Capital Expenditures	185	201	134	71	128	54	40	42	42	31
<b>Free Cash Flow</b>	<b>\$ 466</b>	<b>\$ 176</b>	<b>\$ 323</b>	<b>\$ 323</b>	<b>\$ 291</b>	<b>\$ 314</b>	<b>\$ 298</b>	<b>\$ 227</b>	<b>\$ 148</b>	<b>\$ 210</b>

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)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Dividends	\$ 158	\$ 142	\$ 127	\$ 117	\$ 106	\$ 89	\$ 80	\$ 73	\$ 69	\$ 66
Acquisitions	-	25	19	28	27	11	28	49	189	185
Share Repurchases *	43	198	(51)	21	(38)	236	54	18	256	165
	<b>\$ 201</b>	<b>\$ 365</b>	<b>\$ 95</b>	<b>\$ 166</b>	<b>\$ 95</b>	<b>\$ 336</b>	<b>\$ 162</b>	<b>\$ 140</b>	<b>\$ 514</b>	<b>\$ 416</b>

\* Net of shares issued



# WORLDWIDE LEADER IN FLUID HANDLING

MOVE • MEASURE • MIX • CONTROL • DISPENSE • SPRAY