

An aerial night view of a city with a power transmission tower in the foreground. The city lights are visible in the background, and the sky is dark with some clouds. The tower is a large, lattice-structured structure with multiple cross-arms and insulators. The city lights are a mix of warm yellow and cool blue, creating a vibrant contrast against the dark sky. The overall scene conveys a sense of infrastructure and urban development.

# INVESTOR PRESENTATION

August 2024

**GENERAC**<sup>®</sup>

**OUR PURPOSE:**  
Lead the evolution to more resilient, efficient, and sustainable energy solutions.

# INVESTOR RELATIONS

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## Forward Looking Statements

Certain statements contained in this presentation, as well as other information provided from time to time by Generac Holdings Inc. or its employees, may contain forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Forward-looking statements give Generac's current expectations and projections relating to the Company's financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "anticipate," "estimate," "expect," "forecast," "project," "plan," "intend," "believe," "confident," "may," "should," "can have," "likely," "future," "optimistic" and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events.

Any such forward-looking statements are not guarantees of performance or results, and involve risks, uncertainties (some of which are beyond the Company's control) and assumptions. Although Generac believes any forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect Generac's actual financial results and cause them to differ materially from those anticipated in any forward-looking statements, including:

- fluctuations in cost, availability, and quality of raw materials, key components and labor required to manufacture our products;
- our dependence on a small number of contract manufacturers and component suppliers, including single-source suppliers;
- our ability to protect our intellectual property rights or successfully defend against third party infringement claims;
- increase in product and other liability claims, warranty costs, recalls, or other claims;
- significant legal proceedings, claims, fines, penalties, tax assessments, lawsuits or government investigations;
- our ability to consummate our share repurchase programs;
- our failure or inability to adapt to, or comply with, current or future changes in applicable laws and regulations;
- scrutiny regarding our ESG practices;
- our ability to develop and enhance products and gain customer acceptance for our products;
- frequency and duration of power outages impacting demand for our products;
- changes in durable goods spending by consumers and businesses or other macroeconomic conditions, impacting demand for our products;
- our ability to accurately forecast demand for our products and effectively manage inventory levels relative to such forecast;
- our ability to remain competitive;
- our dependence on our dealer and distribution network;
- market reaction to changes in selling prices or mix of products;
- loss of our key management and employees;
- disruptions from labor disputes or organized labor activities;
- our ability to attract and retain employees;
- disruptions in our manufacturing operations;
- changes in U.S. trade policy;
- the possibility that the expected synergies, efficiencies and cost savings of our acquisitions, divestitures, restructurings, or realignments will not be realized, or will not be realized within the expected time period;
- risks related to sourcing components in foreign countries;
- compliance with environmental, health and safety laws and regulations;
- government regulation of our products;
- failures or security breaches of our networks, information technology systems, or connected products;
- our ability to make payments on our indebtedness;
- terms of our credit facilities that may restrict our operations;
- our potential need for additional capital to finance our growth or refinancing our existing credit facilities;
- risks of impairment of the value of our goodwill and other indefinite-lived assets;
- volatility of our stock price; and
- potential tax liabilities.

Should one or more of these risks or uncertainties materialize, Generac's actual results may vary in material respects from those projected in any forward-looking statements. In the current environment, some of the above factors have materialized and may cause actual results to vary from these forward-looking statements. A detailed discussion of these and other factors that may affect future results is contained in Generac's filings with the U.S. Securities and Exchange Commission ("SEC"), particularly in the Risk Factors section of the 2023 Annual Report on Form 10-K and in its periodic reports on Form 10-Q. Stockholders, potential investors and other readers should consider these factors carefully in evaluating the forward-looking statements.

Any forward-looking statement made by Generac in this presentation speaks only as of the date on which it is made. Generac undertakes no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

# Generac Overview

# Generac Overview



Founded in  
**1959**



LTM Net Sales:  
**\$4.0 Billion**



**8,600**  
Employees  
Worldwide



LTM ADJ  
EBITDA:  
**\$693 Million**



**Omni-Channel  
Distribution**  
Thousands of Dealers,  
Wholesalers,  
Retailers, and  
E-Commerce Partners



**1,000+**  
Engineers  
Worldwide



LTM Region  
Net Sales Mix:  
**83% Domestic**  
**17% International**



LTM Product Net Sales Mix:  
**53% Residential**  
**36% Commercial & Industrial**  
**11% Other**



# Product Overview

## Residential – \$2.1B Net Sales\*



Home Standby Generator



Residential Energy Storage



Smart Thermostat



Residential Load Manager



Portable Generators



EV Charger



Chore Products

## C&I – \$1.4B Net Sales\*



Stationary Generator



Telecom Generator



Generator Controls



Light Tower



C&I BESS



Microgrid Controls



Mobile Generator



Mobile BESS



“Beyond Standby” Generator

## Other – \$0.5B Net Sales\*



Grid Services



Residential & C&I Connectivity

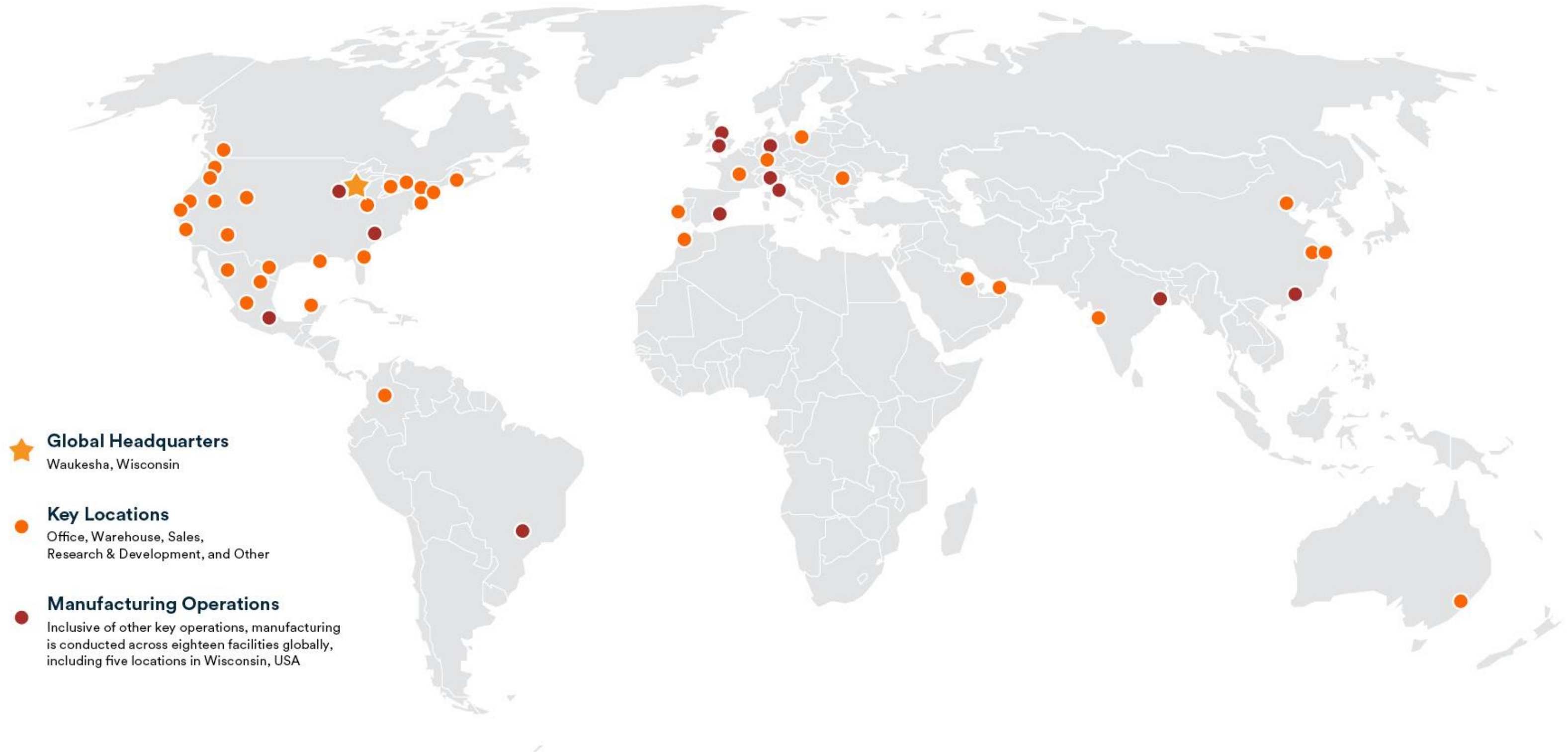


Aftermarket Parts & Accessories

- Extended Warranty
- Other Services

\*Net sales figures for LTM period ended 6/30/2024

# Generac Global Footprint

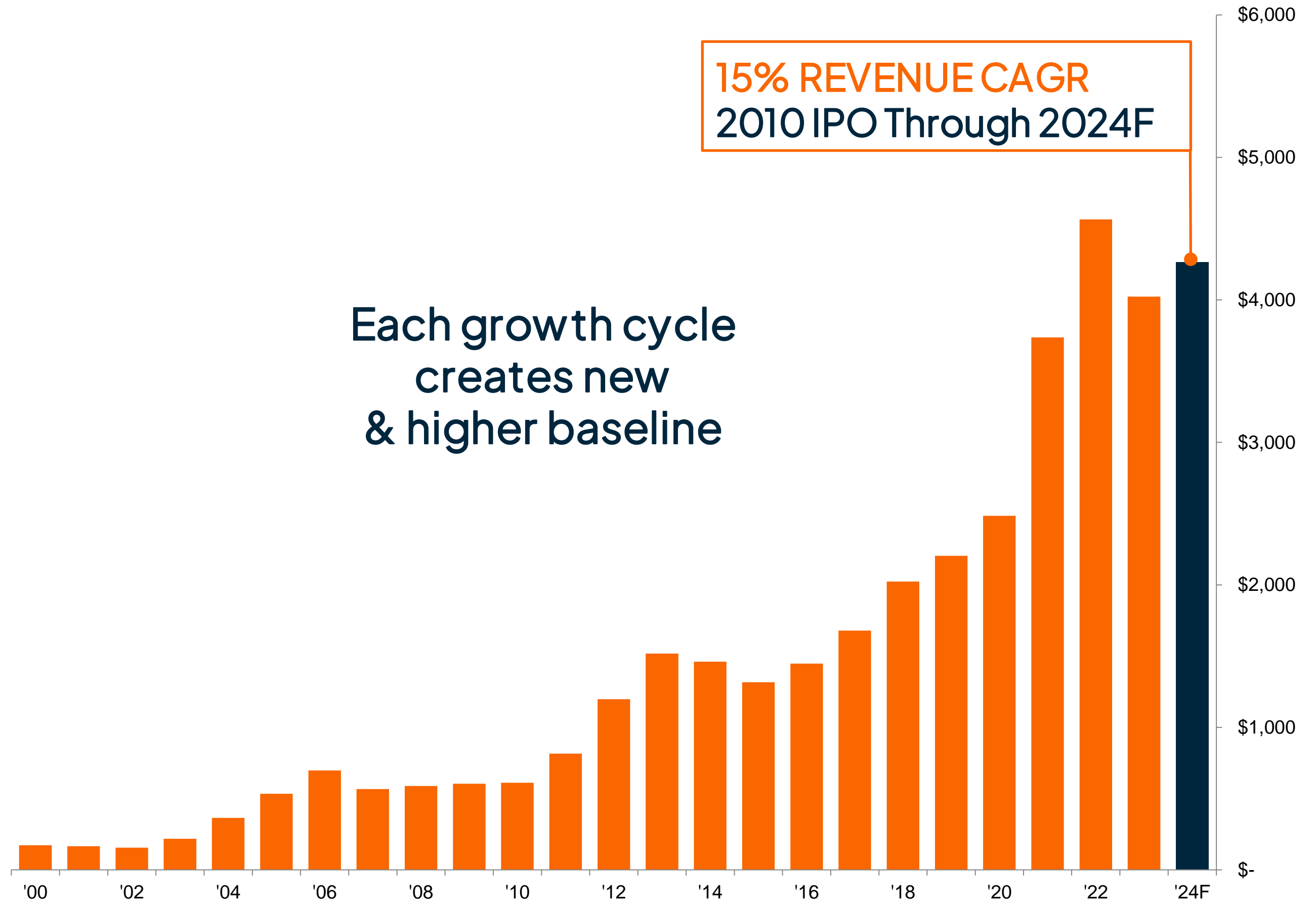


# Track Record of Growth



**15% REVENUE CAGR**  
2010 IPO Through 2024F

Each growth cycle  
creates new  
& higher baseline



Note: \$ amounts in millions. Represents net sales. Figures include results from acquisitions completed during 2011-present. CAGR measures revenue growth through 2024F off 2010 base. 2024F figure assumes midpoint of guidance given on July 31, 2024.



# Mega-Trends Review

## "Grid 2.0" - Evolution of the traditional electrical utility model



- Increasing intermittent generation sources and electrification of everything
- Supply/demand imbalances and energy prices drive migration to distributed energy resources

## Emergence of cleaner alternative fuels



- Natural gas and other alternative fuels are vital to the energy transition
- Cleaner-burning sources of non-intermittent power generation

## Impact of climate change



- More volatile and severe weather driving increased power outage activity
- Global regulation accelerating renewable investments

## Growing investment in global infrastructure creating new opportunities



- Upgrading of aging and underinvested legacy systems
- Expanding investment for increasingly critical technology infrastructure

## Home as a Sanctuary



- Increasing importance of the home with more people working from home and aging in place
- More intelligent and connected home and desire for improved energy efficiency

# Powering a **Smarter** World

**GENERAC**<sup>®</sup>

## Powering a **smarter world.**

**Improve energy  
resilience and  
independence.**



Increase power reliability through onsite generation and storage solutions that provide resiliency for homes, businesses and communities.

**Optimize energy  
efficiency and  
consumption.**



Enable sustainable and more efficient power generation and consumption through monitoring, management and lower-carbon solutions.

**Protect and  
build critical  
infrastructure.**



Offering innovative solutions that enable and protect next-generation power, communications, transportation and other critical infrastructure.

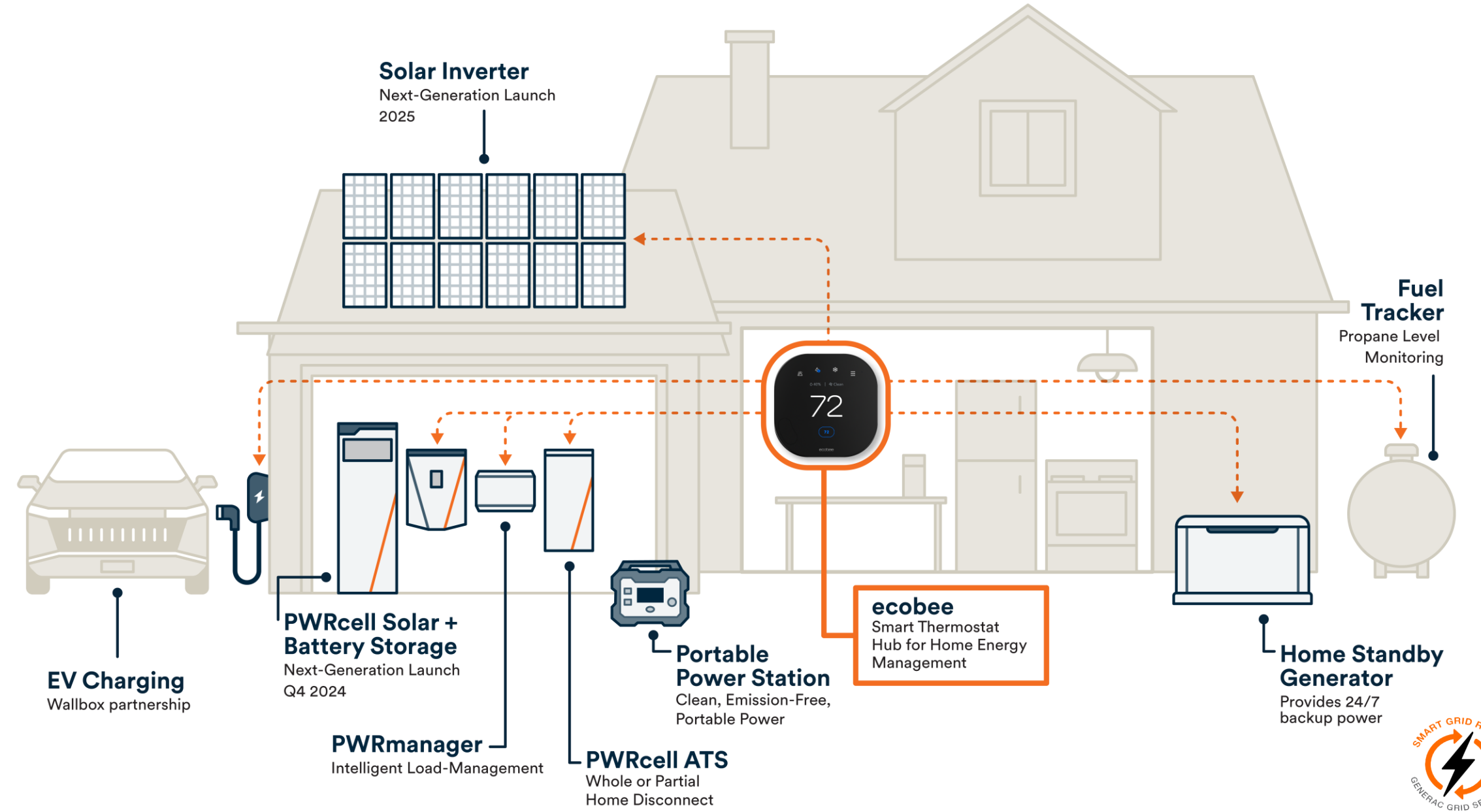
**OUR PURPOSE:** Lead the evolution to more resilient, efficient, and sustainable energy solutions.

# Residential Solutions

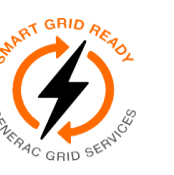
# Building the Home Energy Ecosystem of the Future

- 1 Prioritize energy resilience & independence
- 2 Deliver savings by optimizing for energy efficiency
- 3 Balance comfort and conservation

Multiple hardware devices connected to a single interface to optimize home energy generation & consumption.



Power Generation & Storage | Monitoring & Management Devices | Platform & Controls | Grid Services



# Mega-Trends Support **Parallel Growth Markets**

## Whole Home Resiliency

- Increasing severe & volatile weather
- Grid supply/demand imbalances
- Home as a sanctuary & aging in place
- Indefinite power outage protection provides peace of mind
- Every 1% of US penetration = ~\$3.5 billion end market opportunity\*



US HSB Penetration  
**6.25%\***

## Whole Home Energy Management

- Rising power prices
- Environmental consciousness
- Policy tailwinds
- Partial resiliency capacity
- 2027 served addressable market estimate of ~\$10 billion\*



\* Company estimates, third party sources. Represents North American markets at retail

# Massive HSB Penetration Opportunity

## Widespread growth potential:

- Total US penetration rate ~6.25% as of 2023
- Highest penetrated markets are 15- 20%+ and growing

## Mega-trends and competitive advantages expected to drive robust growth:

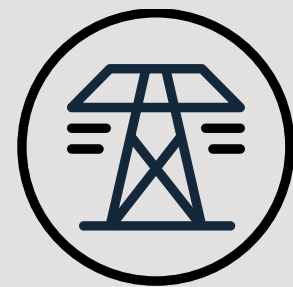
- Targeted Marketing drives growing demand for long duration resiliency solutions
- Data & Intelligence creates higher propensity to buy after pairing consumer with optimized solutions and sales process
- Expanding Omnichannel Distribution delivers leading product availability and service capabilities with unparalleled dealer network



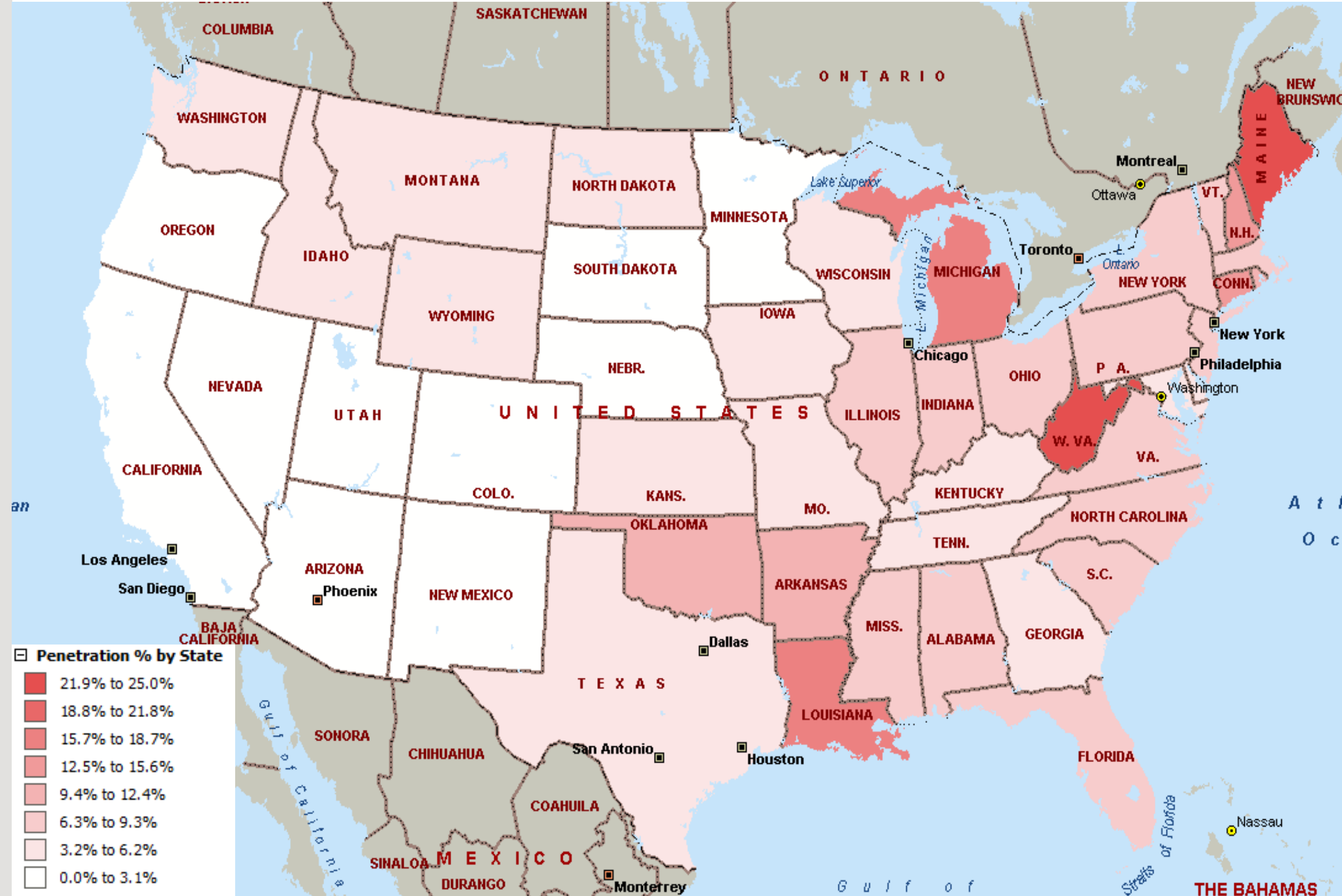
Impact of Climate Change



Home As A Sanctuary



"Grid 2.0"

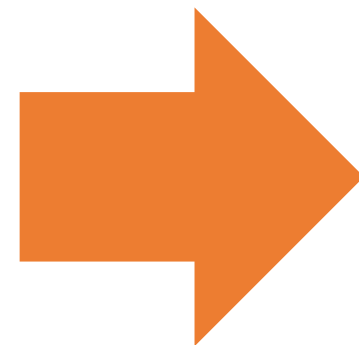


Every 1% of Penetration = **~\$3.5 Billion End Market Opportunity**

# Generac's **Right To Win**

## HSB competitive advantages

- ✓ Global sourcing & logistics
- ✓ Unmatched solution breadth
- ✓ Brand
- ✓ Marketing & lead generation
- ✓ Omni-channel distribution
- ✓ Home electrical system expertise
- ✓ Channel & customer support
- ✓ Scale to invest for future growth



## How we will compete in Energy Technology

- ✓ Leverage global supply chains
- ✓ Solutions to address a range of energy challenges
- ✓ Trustworthy brand for homeowners & installers
- ✓ Expertise driving demand & controlling purchase process
- ✓ Develop points of distribution to drive product availability
- ✓ Integrating complex power electronics within the home
- ✓ 24/7 support for channel partners and consumers
- ✓ Talent & infrastructure for product development

**Unique combination of solutions and capabilities to redefine resiliency + energy management**



# Roadmap to Energy Technology Success

## 1 2022-2023

- ✓ Build leadership team with industry & technical expertise
- ✓ Further invest in technical capabilities necessary to win

## 2 2024

- Next-gen storage system launch
- Engage channel partners
- Develop common platform for home energy ecosystem

## 3 2025

- Inverter product launch
- Expand channels, leverage brand & lead generation capabilities
- Execute DoE Puerto Rico Energy Resilience program

## 4 2026

- Drive scale & market share gains
- Breakeven EBITDA on path to company-average Adj EBITDA margins
- Ongoing innovation & expansion of the ecosystem – 2026 and beyond

## Attractive Long-Term Financial Profile

- Fast-growing market fueled by mega trends
- Significant opportunity to gain market share
- Path to company-average Adj EBITDA margins
- Capex light operating model



# Commercial & Industrial Solutions

# Building Multi-Asset C&I Microgrids



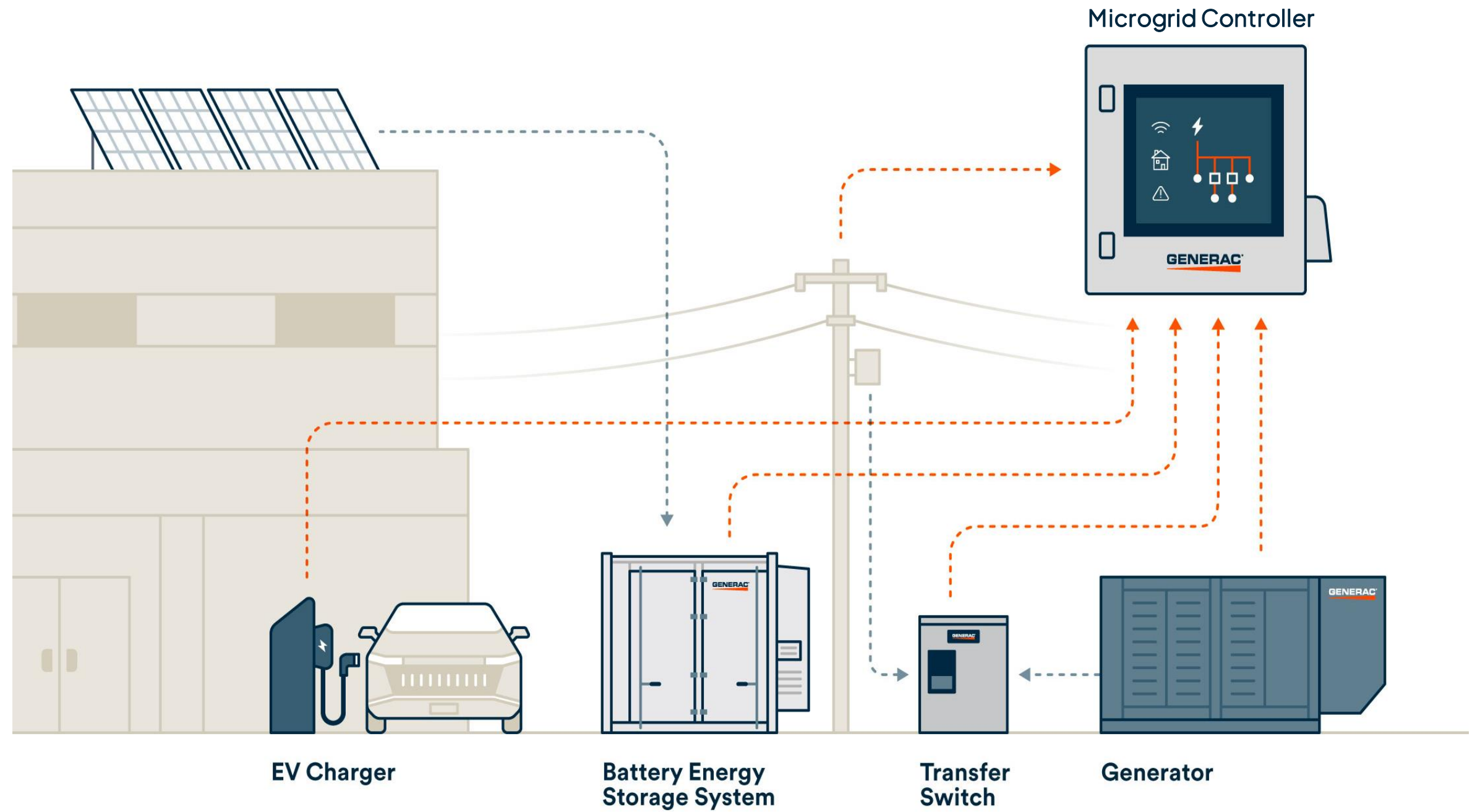
Power Generation & Storage



Energy Management Devices

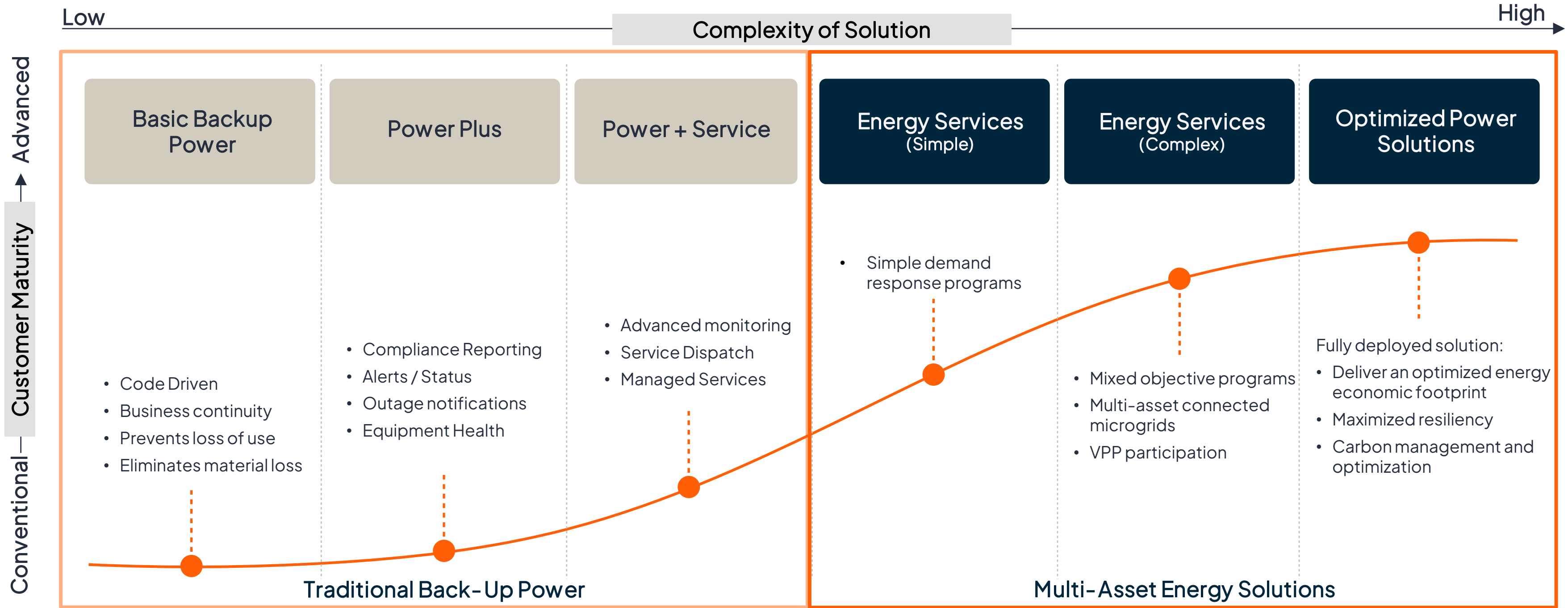


Monitoring & Controls



Turnkey solutions managed through a single interface integrating multiple assets to optimize power generation and consumption.

# Developing Optimized Solutions for C&I Energy Evolution



Core Products



Acquired Technology

Blue Pillar



IoT Gateway

Deep Sea



Generator Control

SunGrid | ageto



BESS | Microgrid Control

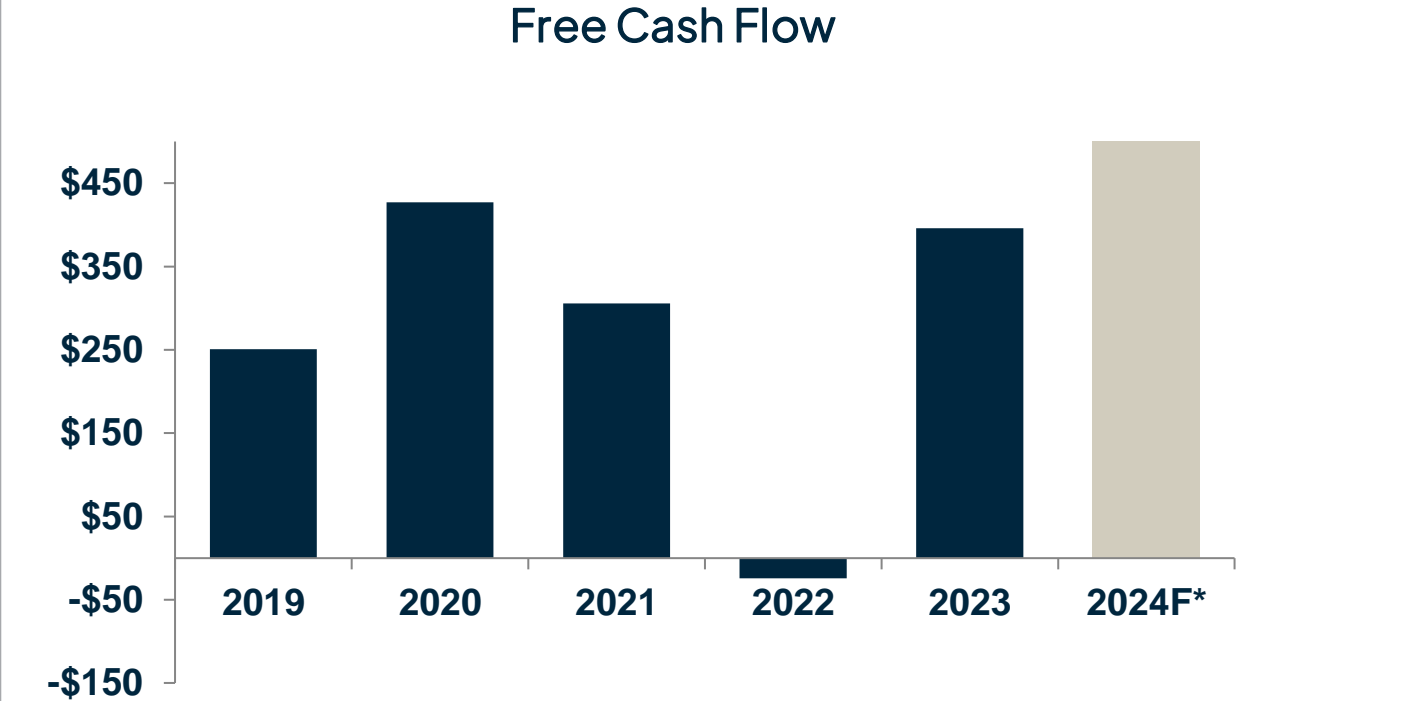
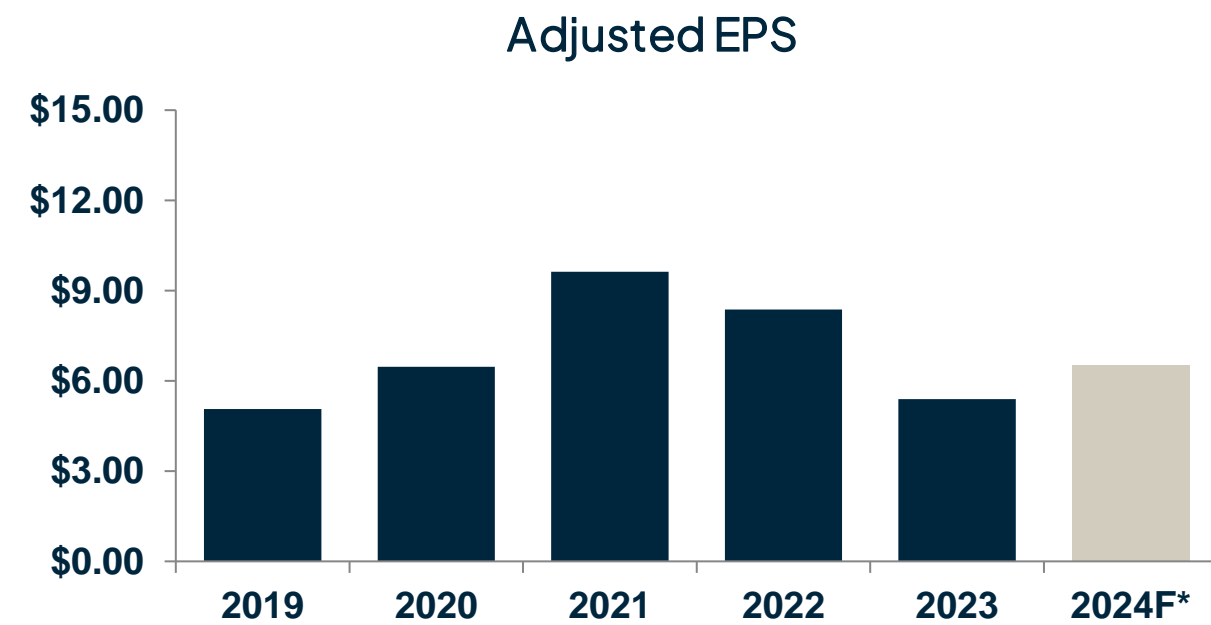
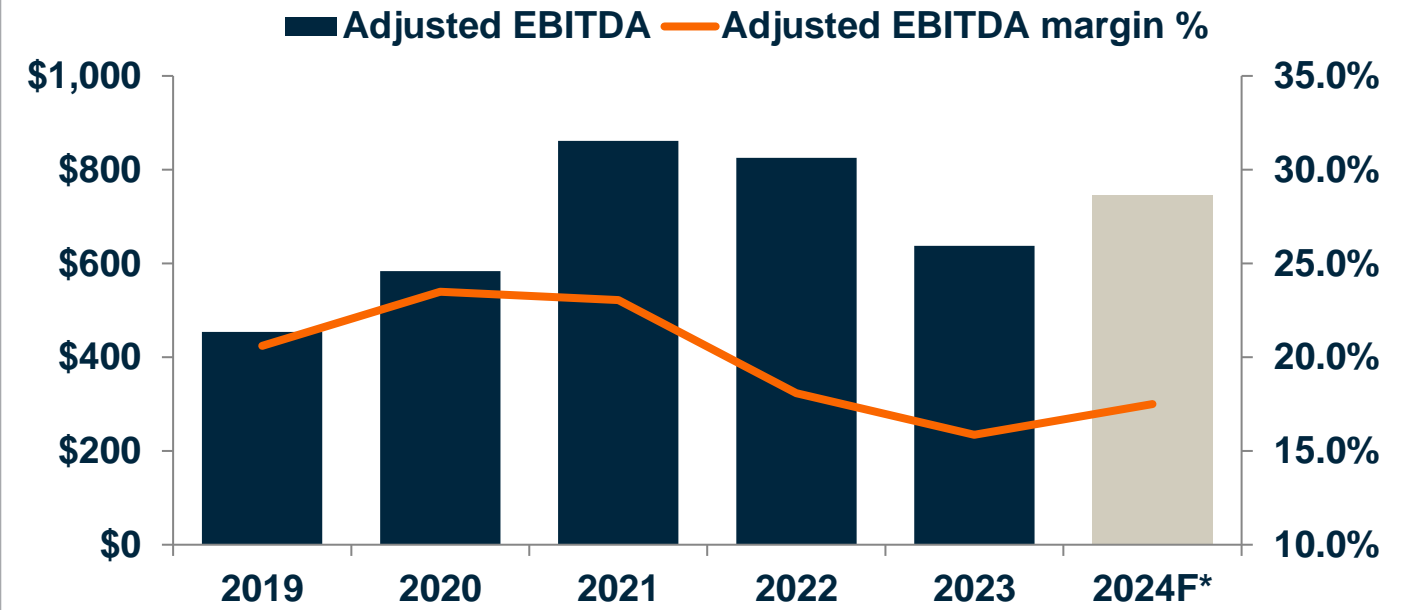
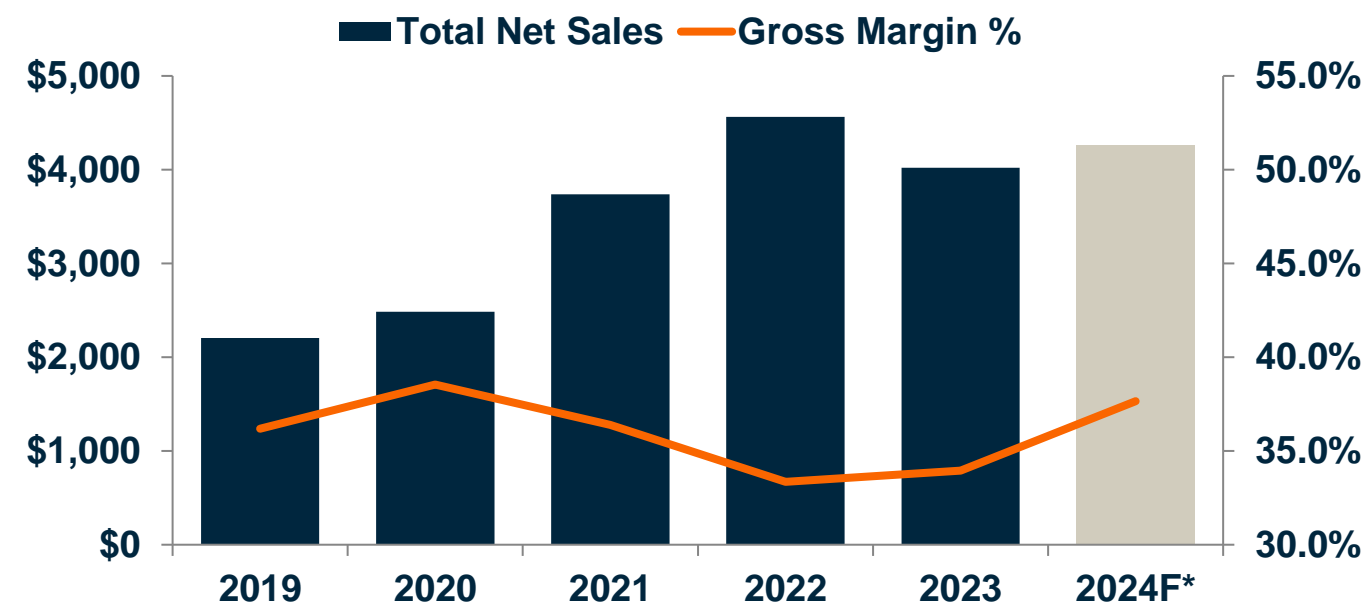
Enbala



Grid Services

# Financial Summary

# Financial Summary



Note: \$ in millions, except per share data  
 \*Assumes midpoint of 2024F guidance provided on May 1st, 2024

# Business Outlook

## 2024F Guidance As Reported On July 31, 2024\*\*

### Consolidated net sales

- Consolidated revenue: increase between 4% to 8%
- Residential products: increase at a mid-teens rate
- C&I products: decrease at a mid-to-high single-digit rate

### Adjusted EBITDA margins

- Between 17.0% to 18.0%

### GAAP effective tax rate

- Between 25.0% to 26.0%

### Free cash flow

- Well above 100% conversion of adjusted net income to free cash flow



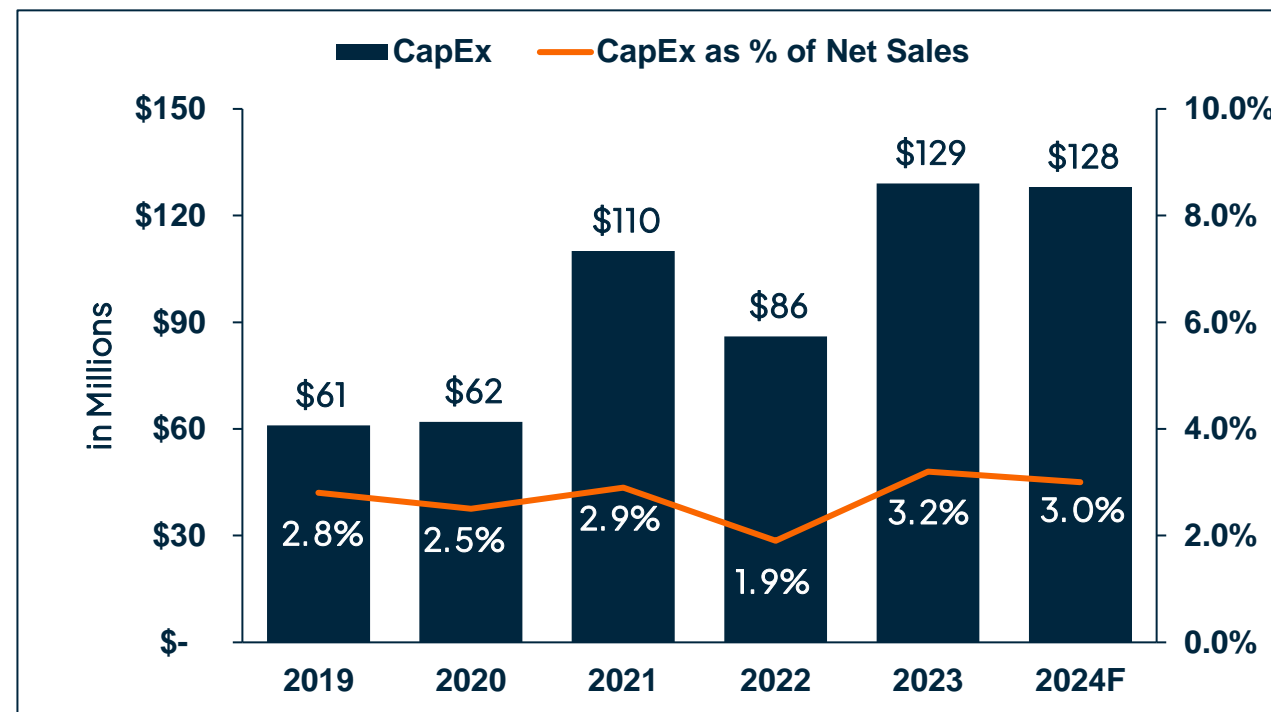
\*Assumes midpoint of 2024F guidance provided on July 31<sup>st</sup>, 2024

\*\*See Forwarding Looking Statements slide at the beginning of this presentation for a list of risks & uncertainties

# Disciplined & Balanced Capital Allocation

## 1. Organic Growth

Investment in technology, innovation, R&D capabilities, capacity expansion, global systems, automation



## 2. Strategic M&A

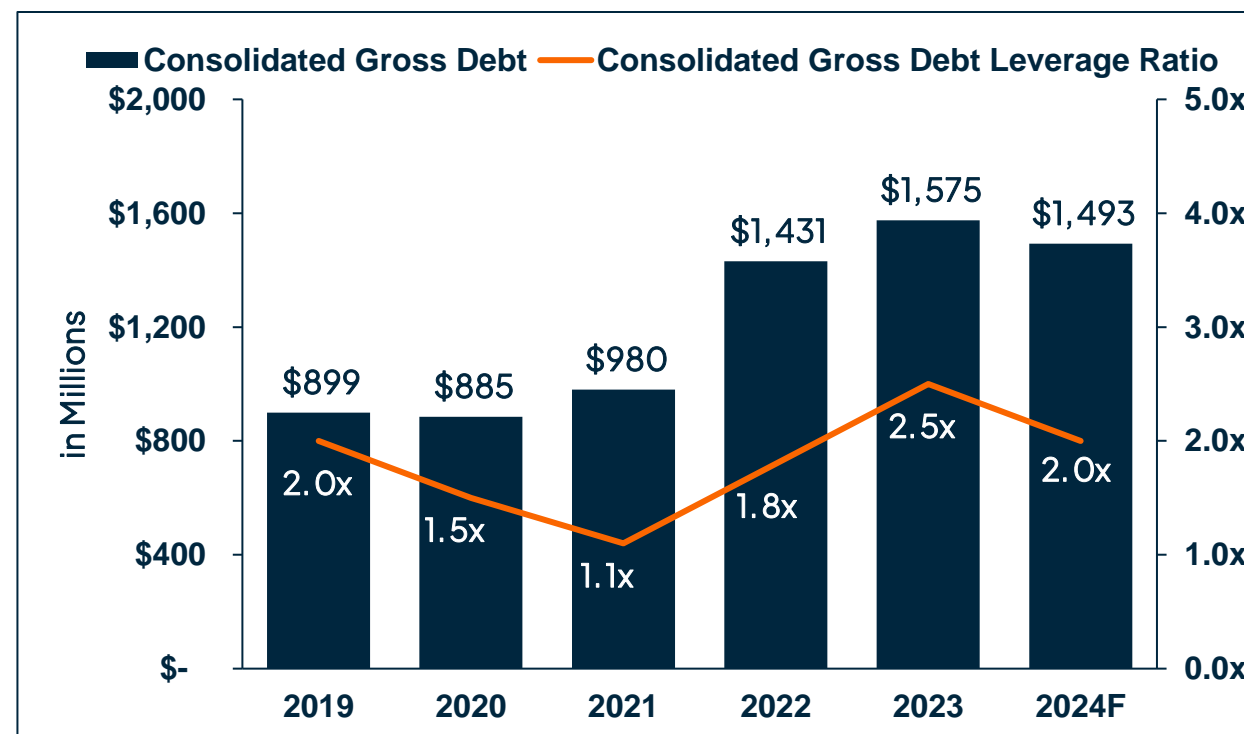
Accelerating “Powering A Smarter World” Strategy

Demonstrated ability to execute; 30 deals since 2011



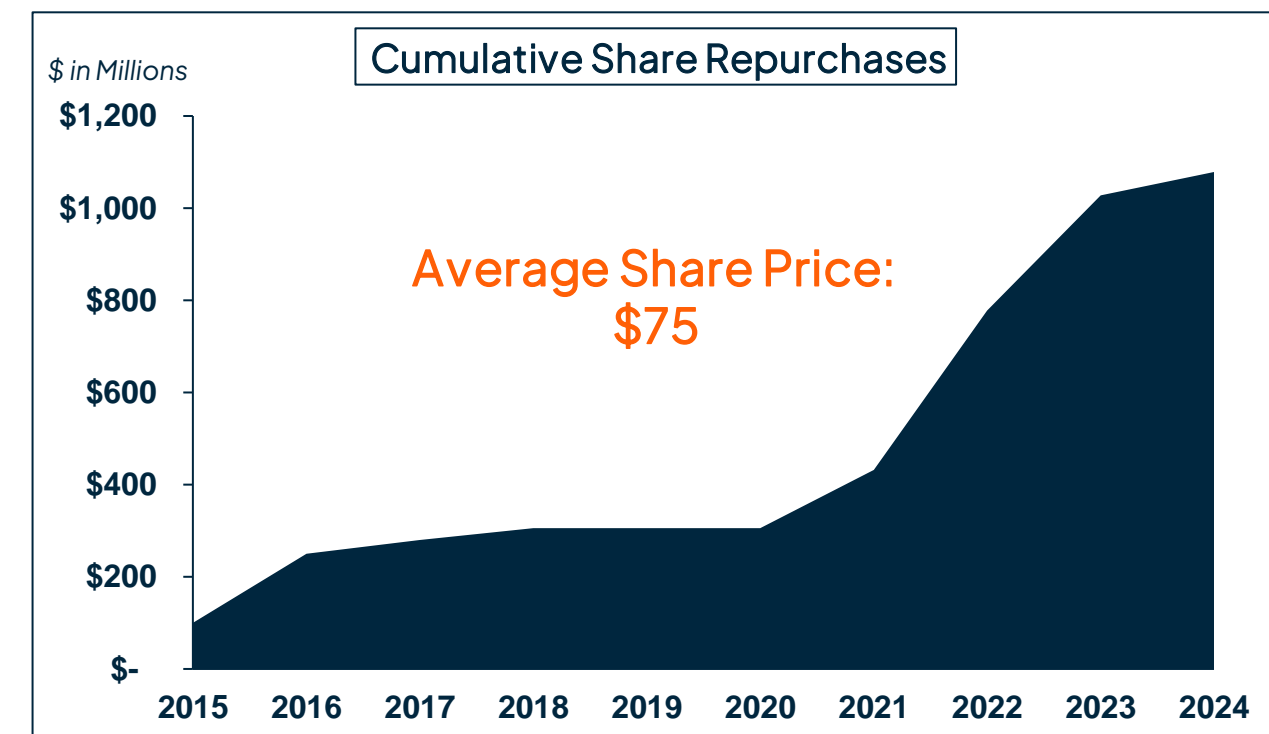
## 3. Maintaining Healthy Balance Sheet

Target leverage 1-2x



## 4. Return of Capital

Opportunistic Share Buy-backs



\*Assumes midpoint of 2024F guidance provided on July 31<sup>st</sup>, 2024

~\$449M remaining on current repurchase authorization

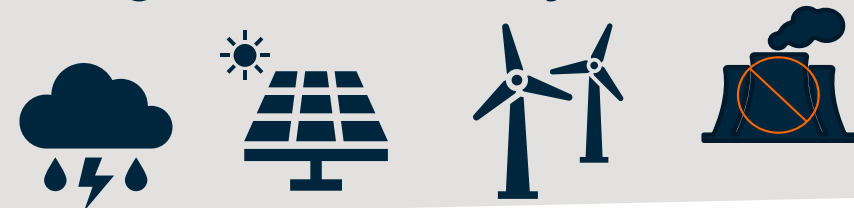
# Appendix



# Increasingly Imbalanced Electrical Grid

## SUPPLY RELIABILITY DETERIORATING

- Climate change & severe weather
- One-way system prone to outage
- Infrastructure underinvestment
- Penalties for carbon intensity
- Increasing intermittency



## DEMAND GROWTH ACCELERATING

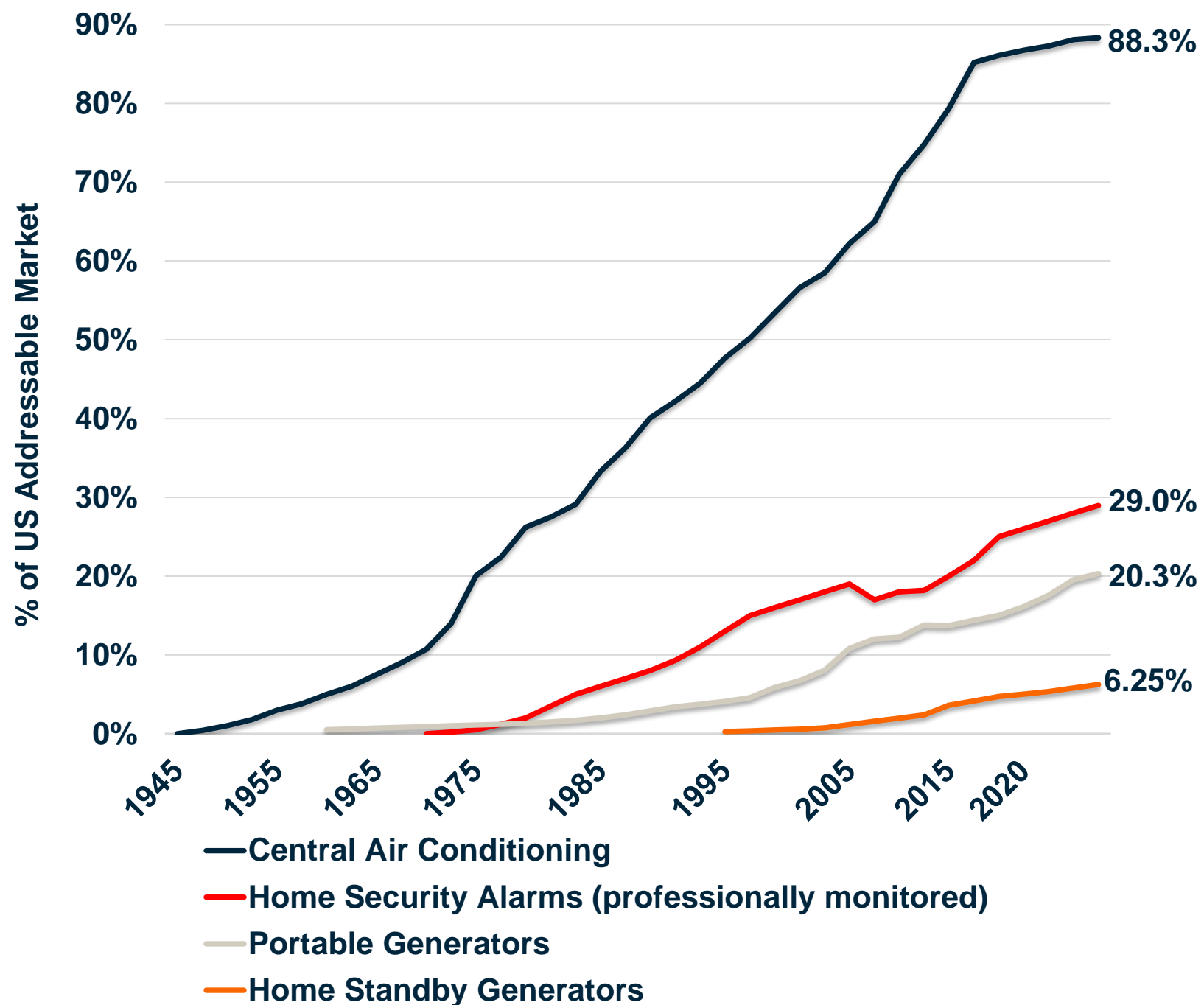
- Electrification of everything
- Transportation, HVAC, appliances
- Data centers & artificial intelligence
- Home as a Sanctuary
- C&I processes



**Lower Power Quality + Increased Power Demand & Dependence + Higher Power Prices**  
**=**  
**Homes & Businesses Require Energy Technology Solutions**

# HSB: A Penetration Story

## North American Penetration Opportunity<sup>(1)</sup>



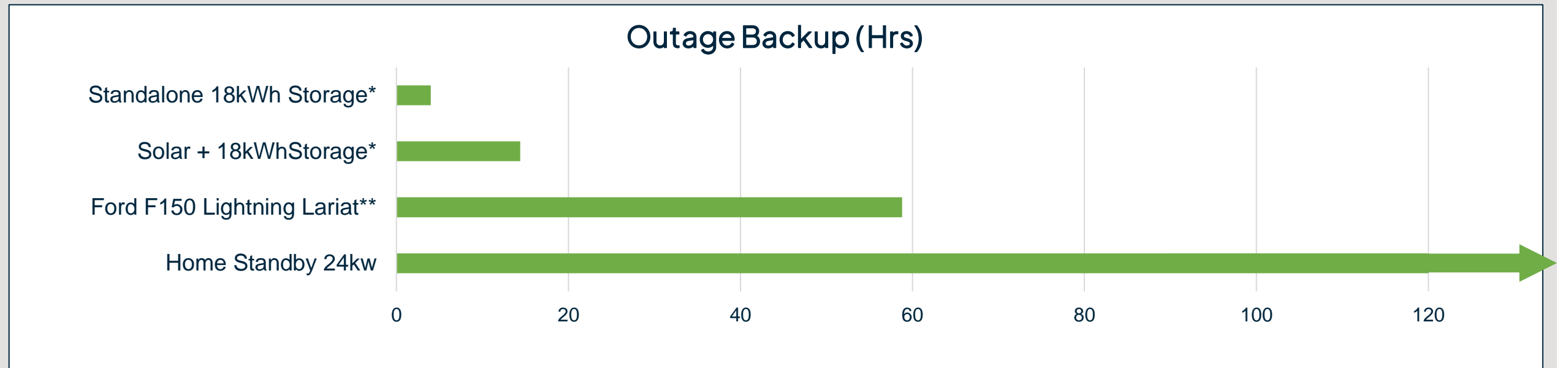
### Aging Population Fits Demographic

- ~75% of buyers age 50 and older
- ~\$500k median home value
- ~80-85% retro-fit application
- ~\$135K median household income
- Between 6-8% replacement units

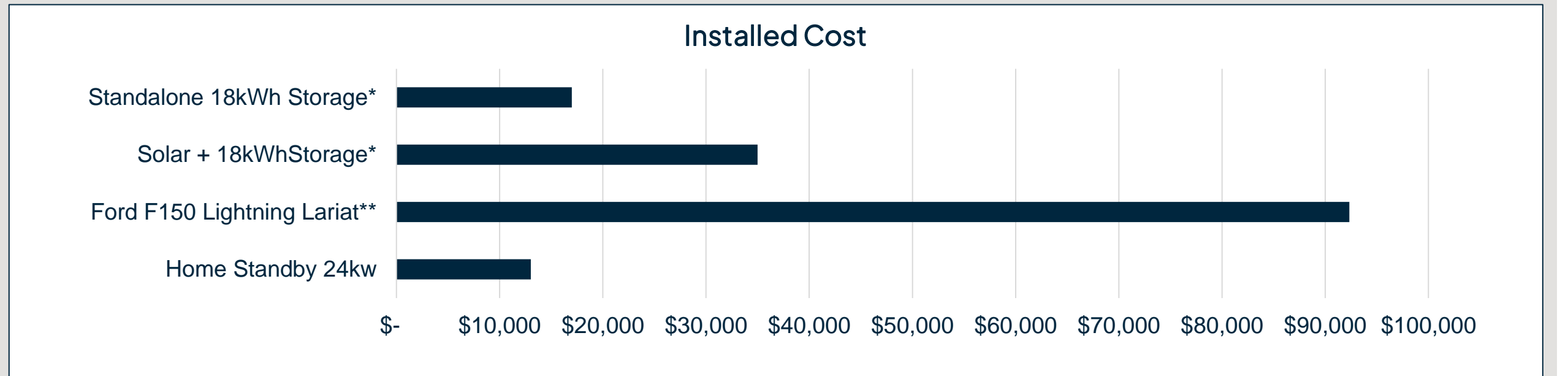
<sup>(1)</sup> Source: Company estimates; based on addressable market for HSB generators consisting of all single-family detached, owner-occupied homes valued > \$150K; portables and central A/C use all single-family homes regardless of value; penetration rate for home security alarms was estimated from a variety of industry sources and focuses on the professionally monitored market.

# HSBs are the **Solution** for Extended Power Outages

The only worry-free, whole-home solution for long outages



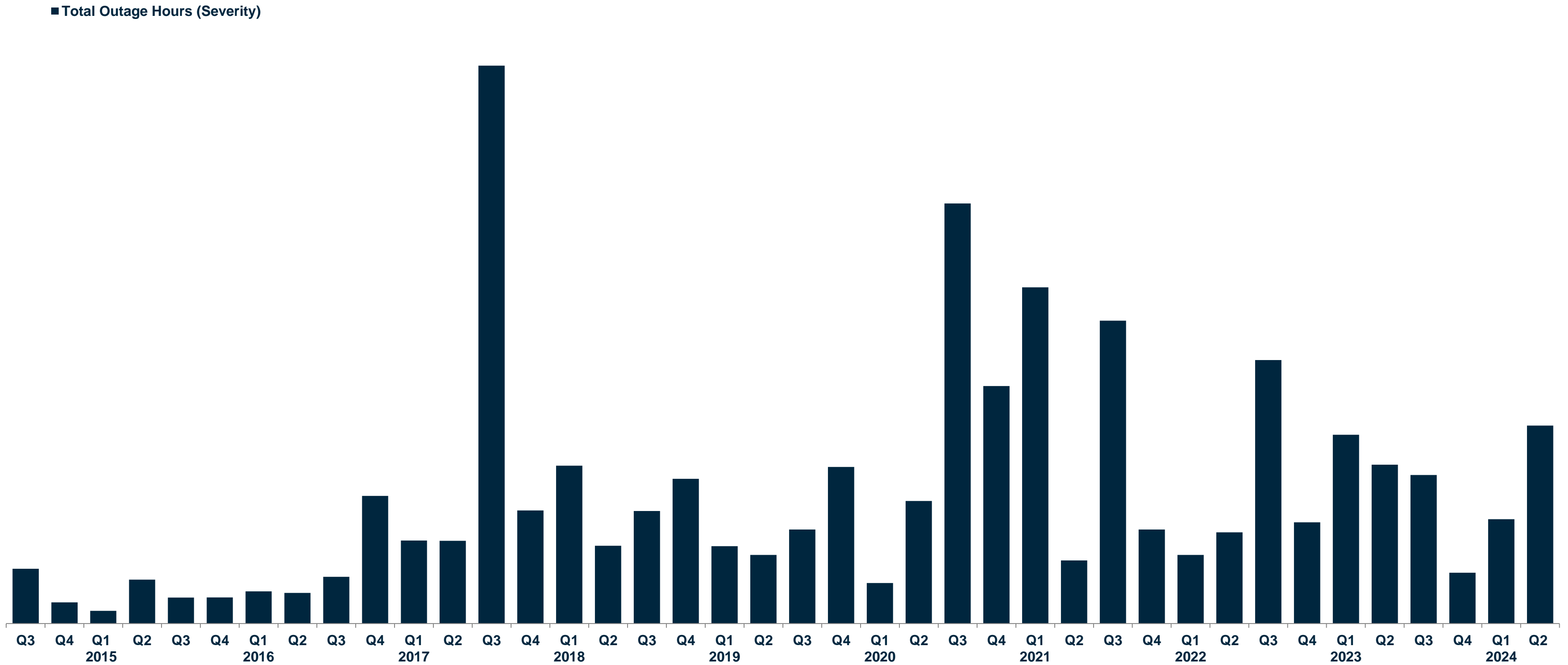
The most cost-effective solution to install



\*Solar + storage cost net of incentives.

\*\*F150 represents installed cost of all equipment, standard battery, current tax incentives and assumes 75% of available battery capacity.

# Expanding Power Outage Severity<sup>1</sup>



(1) Represents power outage hours for mainland U.S. only

# Q2 2024 & LTM Financial Overview

	Actual Q2 2024 (unaudited)	Y/Y % Change	Actual LTM (unaudited)	Y/Y % Change
Residential	\$ 538.4	8.0 %	2,112.8	(2.0 %)
Commercial & Industrial	344.2	(10.5%)	1,445.6	1.8%
Other	115.6	(1.6%)	463.4	3.1%
<b>Net Sales</b>	<b>\$ 998.2</b>	<b>(0.2%)</b>	<b>\$ 4,021.8</b>	<b>(0.1%)</b>
Gross Profit	\$ 375.6	14.4%	\$ 1,456.5	11.6%
% Margin	37.6%		36.2%	
<b>Adjusted EBITDA</b>	<b>\$ 164.7</b>	<b>20.6%</b>	<b>\$ 693.2</b>	<b>16.7%</b>
% Margin (1)	16.5%		17.2%	
Net Income - GHI	\$ 59.1	30.8%	\$ 242.3	29.6%
Adjusted Net Income - GHI	\$ 81.7	21.0 %	\$ 362.8	9.1%
<b>Adjusted EPS - GHI</b>	<b>\$ 1.35</b>	<b>24.6%</b>	<b>\$ 5.90</b>	<b>12.4%</b>
Free Cash Flow	\$ 49.7	(7.8%)	\$ 518.5	2626.0 %
Consolidated Gross Debt			\$ 1,561.5	
Consolidated Gross Debt Leverage Ratio			2.3	

1) Adjusted EBITDA (margin) calculated using adjusted EBITDA before deducting for non-controlling interest.

# Adjusted EBITDA Reconciliation

	2020	2021	2022	2023	LTM
<b>Net income</b>	<b>\$ 347.2</b>	<b>\$ 556.6</b>	<b>\$ 408.9</b>	<b>\$ 217.1</b>	<b>\$ 243.0</b>
Interest expense	33.0	33.0	54.8	97.6	96.4
Depreciation and amortization	68.8	92.0	156.1	166.6	170.2
Income taxes provision	99.0	135.0	99.6	73.2	81.1
Non-cash write-down and other charges	(0.3)	(3.1)	(2.1)	(6.0)	3.8
Non-cash share-based compensation expense	20.9	24.0	29.5	35.5	40.3
Loss on extinguishment of debt	-	0.8	3.7	-	-
Change in fair value of investments	-	-	-	-	8.1
Transaction costs and credit facility fees	2.2	22.4	5.0	4.1	4.5
Business optimization, provision for regulatory and clean energy product charges, and	13.1	0.8	69.8	49.7	45.8
<b>Adjusted EBITDA</b>	<b>\$ 583.8</b>	<b>\$ 861.4</b>	<b>\$ 825.4</b>	<b>\$ 637.9</b>	<b>\$ 693.2</b>
Adjusted EBITDA attributable to noncontrolling interests	(2.4)	(9.4)	(15.1)	(4.7)	(1.5)
<b>Adjusted EBITDA attributable to Generac Holdings, Inc.</b>	<b>\$ 581.4</b>	<b>\$ 852.1</b>	<b>\$ 810.3</b>	<b>\$ 633.2</b>	<b>\$ 691.7</b>

# Adjusted EBITDA Reconciliation

## Net Income to Adjusted EBITDA Reconciliation

	June 30 ,		LTM Ended June 30 ,	
	2024	2023	2024	2023
	(unaudited)		(unaudited)	
Net income attributable to Generac Holdings, Inc.	\$ 59,115	\$ 45,198	\$ 242,325	\$ 186,913
Net income (loss) attributable to noncontrolling interests	(62)	317	650	7,100
Net income	59,053	45,515	242,975	194,013
Interest expense	23,318	25,160	96,395	83,192
Depreciation and amortization	42,880	41,247	170,186	159,780
Income taxes provision	19,638	15,907	81,095	48,918
Non-cash write-down and other charges	1,885	(4,152)	3,754	(6,218)
Non-cash share-based compensation expense	12,715	10,045	40,268	33,298
Change in fair value of investment	2,117	-	8,136	-
Transaction costs and credit facility fees	1,267	1,149	4,506	4,685
Business optimization, provision for regulatory clean energy product charges, and	1,816	1,673	45,846	76,444
Adjusted EBITDA	164,689	136,544	693,161	594,112
Adjusted EBITDA attributable to noncontrolling interests	37	(520)	(1,474)	(11,573)
<b>Adjusted EBITDA attributable to Generac Holdings, Inc.</b>	<b>\$ 164,726</b>	<b>\$ 136,024</b>	<b>\$ 691,687</b>	<b>\$ 582,539</b>

# Adjusted Net Income Reconciliation

	Three months ended		LTM Ended June 30,	
	June 30,		2024	2023
<b>Net Income to Adjusted Net Income Reconciliation</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	(unaudited)		(unaudited)	
Net income attributable to Generac Holdings, Inc.	\$ 59,115	\$ 45,198	\$ 242,325	\$ 186,913
Net income attributable to noncontrolling interests	(62)	317	650	7,100
Net income	59,053	45,515	242,975	194,013
Amortization of intangible assets	24,791	26,393	101,519	103,606
Amortization of deferred financing costs and OID	975	967	3,912	3,868
Transaction costs and credit facility fees	681	669	2,227	5,021
Tax effect of add backs	(7,520)	(7,459)	(40,239)	(42,861)
Change in fair value of investment	2,117	-	8,136	-
Business optimization, provision for regulatory charges, and other	1,531	1,760	44,970	75,428
Adjusted net income	\$ 81,628	\$ 67,844	\$ 363,500	\$ 339,075
Adjusted net income (loss) attributable to noncontrolling interests	62	(317)	(650)	(6,555)
<b>Adjusted net income attributable to Generac Holdings, Inc.</b>	<b>\$ 81,690</b>	<b>\$ 67,527</b>	<b>\$ 362,850</b>	<b>\$ 332,520</b>
<b>Free Cash Flow Reconciliation</b>				
Net cash provided by operating activities	\$ 77,664	\$ 83,147	\$ 646,644	\$ 109,411
Proceeds from beneficial interests in securitization transactions	-	677	1,822	\$ 3,195
Expenditures for property and equipment	(27,952)	(29,923)	(129,932)	(93,585)
<b>Free cash flow</b>	<b>\$ 49,712</b>	<b>\$ 53,901</b>	<b>\$ 518,534</b>	<b>\$ 19,021</b>