

GENERAC®



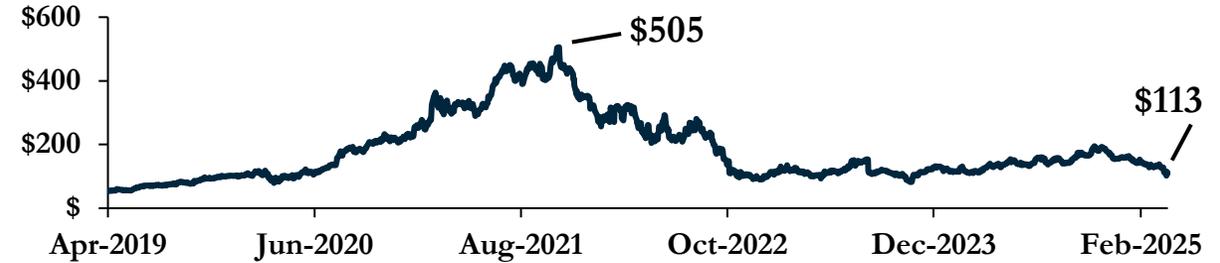
Plain ⚡ Powell

 University of
Kentucky®

Overview

- Generac (NYSE: GNRC) produces generators, batteries, and energy management devices for residential and commercial customers
- Market leader for home backup systems in U.S. (~75% market share)
- 14% revenue CAGR (2015–2024) with low penetration supports runway
- Increasing power outages (2x frequency from 2000 to 2023) due to severe weather drives generator demand
- Moat from high installation costs requiring reputable brand
- More datacenter construction due to AI tailwind requires backup generators
- Current multiple overlooks secular tailwinds in residential and C&I Segments
- Founded: 1959 | FTEs: 9,200+ | HQ: Waukesha, WI

GNRC Attractive Valuation; Robust Financials



\$MM	2020	2021	2022	2023	2024
Revenue	\$2,485	\$3,737	\$4,565	\$4,023	\$4,296
<i>Growth(%)</i>	13%	50%	22%	-12%	7%
Gross Profit	958	1,360	1,522	1,365	1,666
<i>Margin(%)</i>	39%	36%	33%	34%	39%
Adj. EBITDA	581	852	810	633	788
<i>Margin(%)</i>	23%	23%	18%	16%	18%

Stock (\$113.04)

Mkt. Cap	\$6.4bn
Fwd. P/E	16.47
52 Wk. Range	99.50 – 195.94
ROE	13.5%
Short Interest	4.3%

Scenarios

Upside - \$182

65% gain

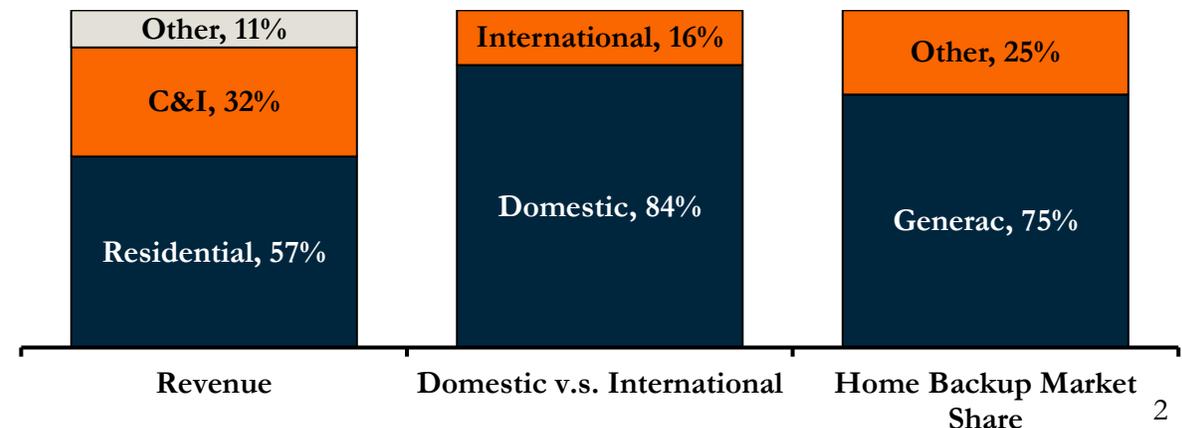
Base - \$159

Margin of Safety – 44%

Downside - \$107

2% loss

2024 Business Mix



¹ Adjusted EBITDA excluding noncontrolling interests

Residential – \$2.43bn (57%)

- Residential automatic generators (7.5kW to 150kW)
- Predominantly operate on natural gas and liquid propane
- HSB installed with automatic transfer switch



Home Standby Generator



Portable Generators



Stationary Generator



Telecom Generator



Mobile Generator



Mobile BESS



Smart Thermostat



Residential Energy Storage



Generator Controls



Light Tower



EV Charger



Residential Load Manager



Chore Products



C&I BESS



Microgrid Controls



High MW Diesel Generator

C&I – \$1.39bn (32%)

- Leader in natural gas fueled generators for C&I
- Industrial standby used in healthcare, telecom, and manufacturing
- Fastest growing segment (18.6% CAGR 2020-2024)

Other – \$0.47bn (11%)

- Service parts and accessories, installation/maintenance, grid services, subscription revenue, remote monitoring, and other service offerings



Grid Services



Residential & C&I Connectivity

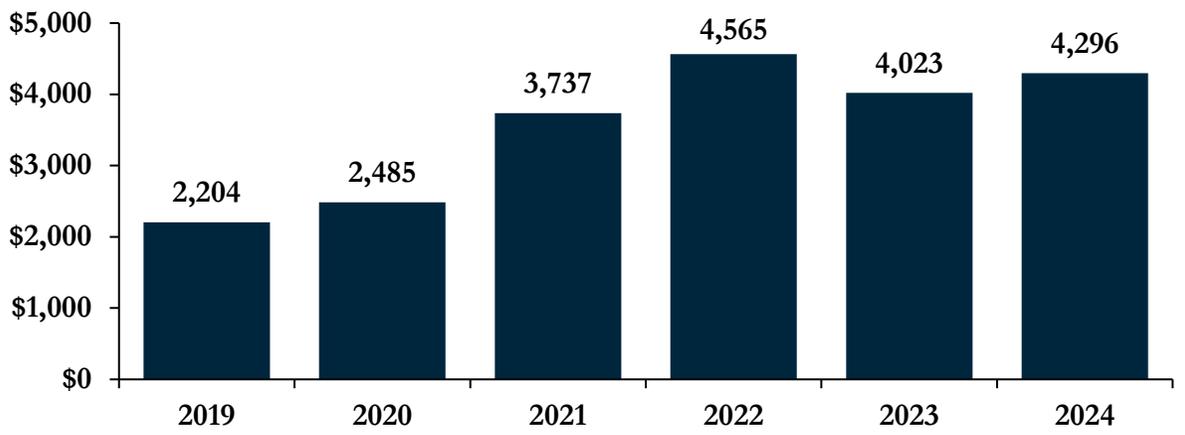


Aftermarket Parts & Accessories

- Extended Warranty
- Other Services

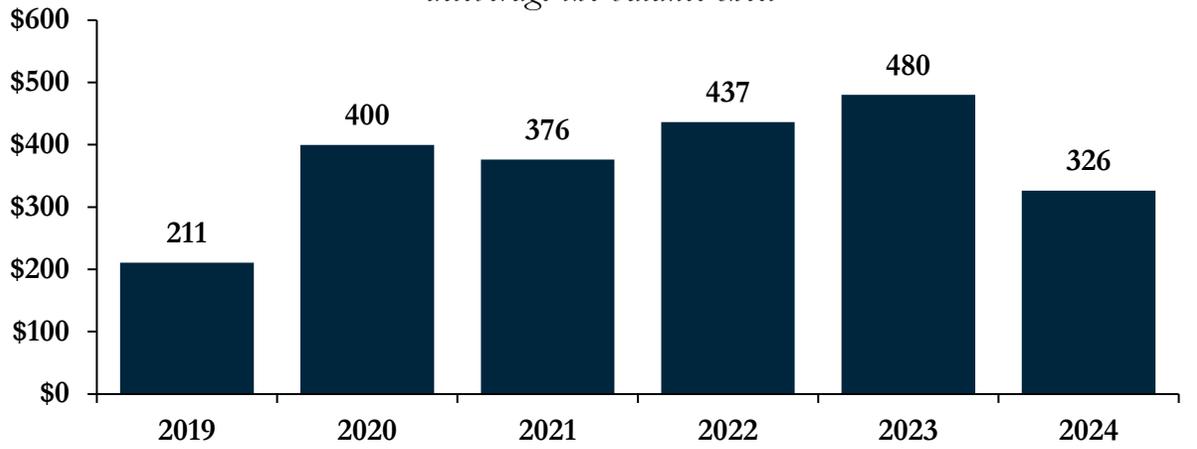
Revenue (\$MM)

Revenue growth in FY24 underpinned by strength in core markets and gradual improvement in installation activity



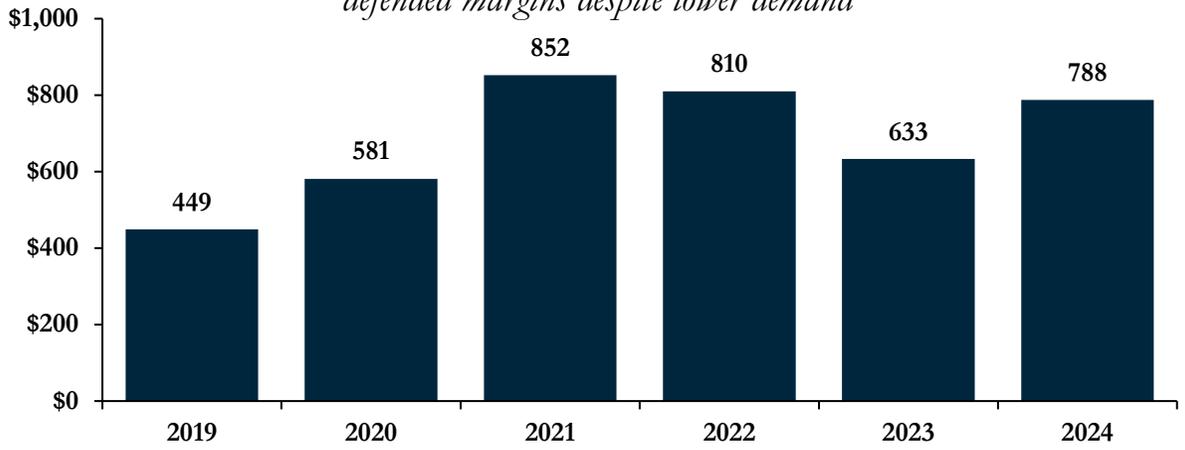
FCFE (\$MM)

FY24 FCFE declined as strong operational cash flows were offset by cash used to deleverage the balance sheet

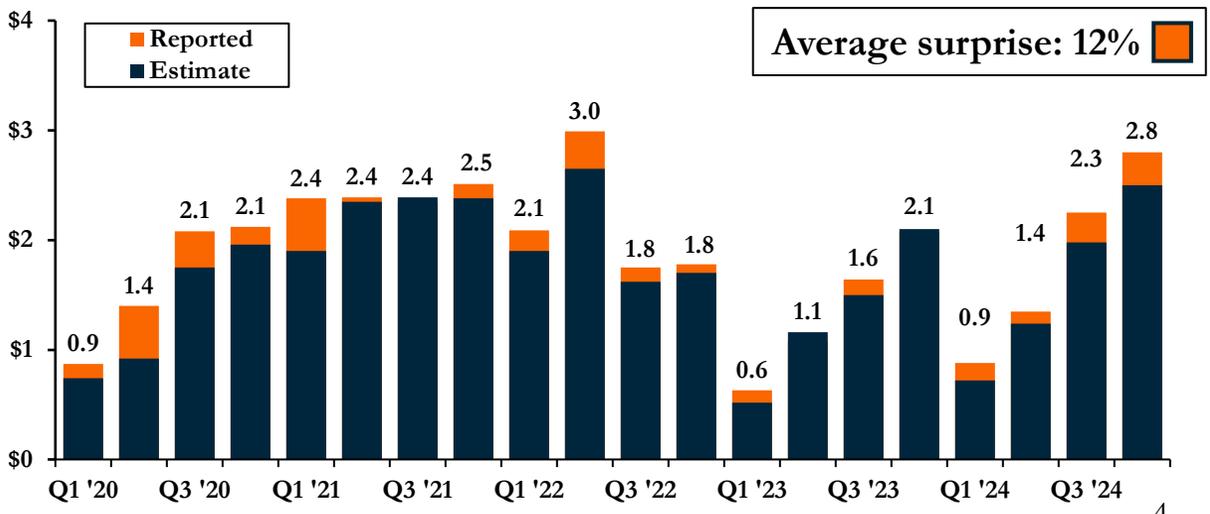


Adj. EBITDA (\$MM)

While still below peak 2021–2022 levels, FY24 EBITDA rebounded as Generac defended margins despite lower demand



EPS Beats



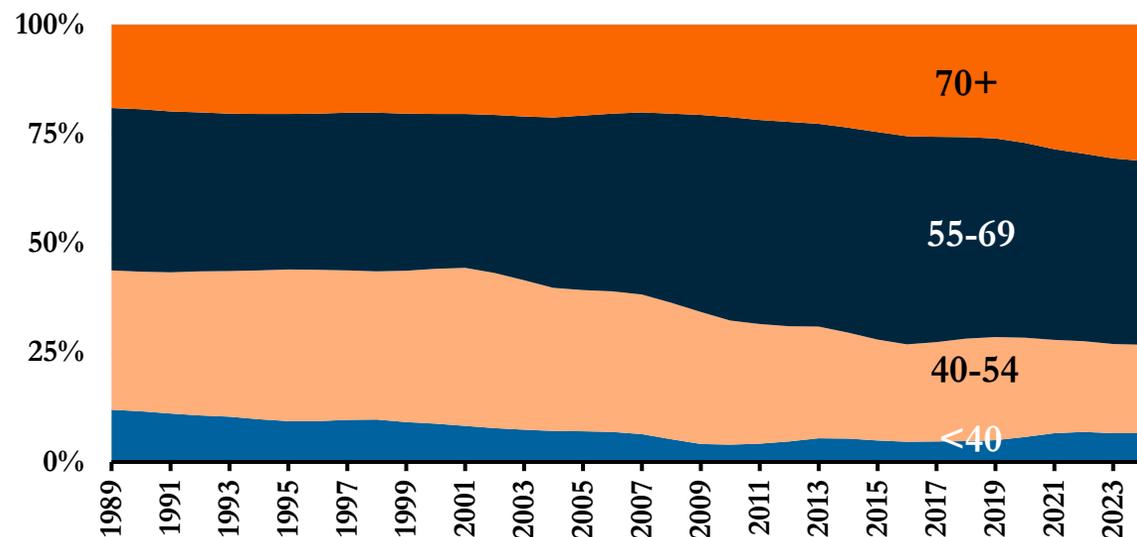
Residential Segment Overview

Overview

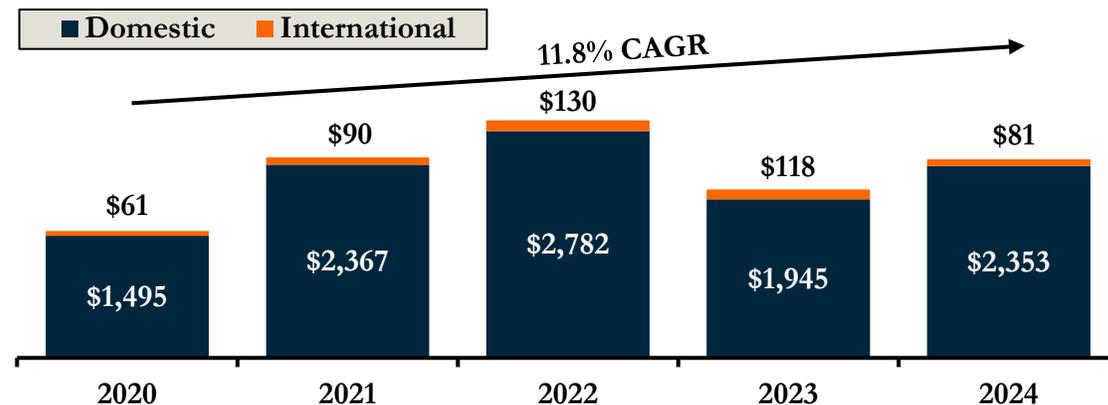
- Controls 75% of HSB market
- Largest player in portable generator market (*top 5 control 45%*)
- Low market penetration in portable generators (*23.8%*) and home standby generators (*6.5%*) leave large runway for growth
- 75% of HSB buyers are age 60 and older
- \$500k median home value with \$135k median household income
- 6-8% annual replacement rate for HSBs
- Generator represents 60% of total HSB cost (*\$4-7k unit, \$2-4k install*)

Wealth Distribution by Age Group

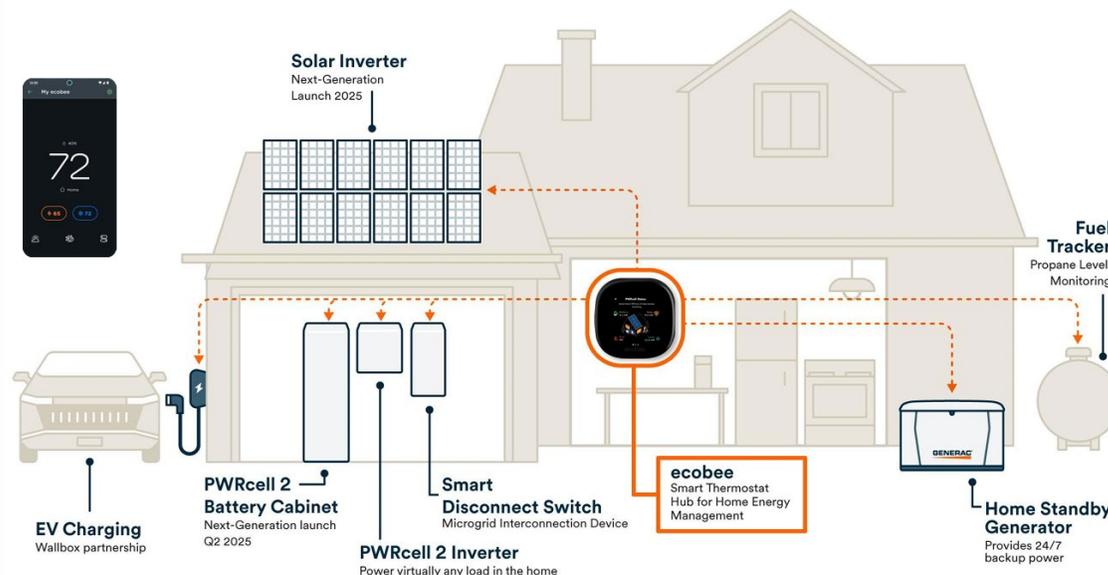
Wealth distribution skewing to older generations direct benefit to Generac's demographic



Revenue



Residential Energy Technology

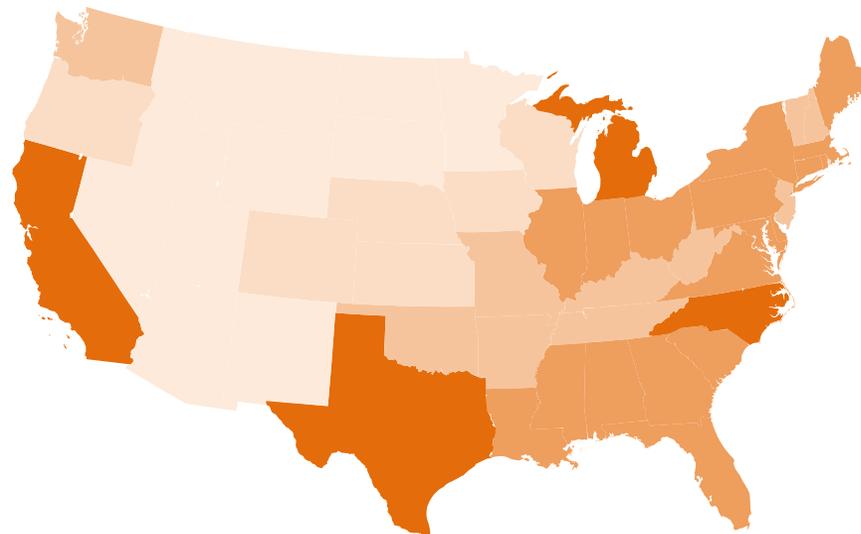


Outages Drive Generator Demand

Commentary

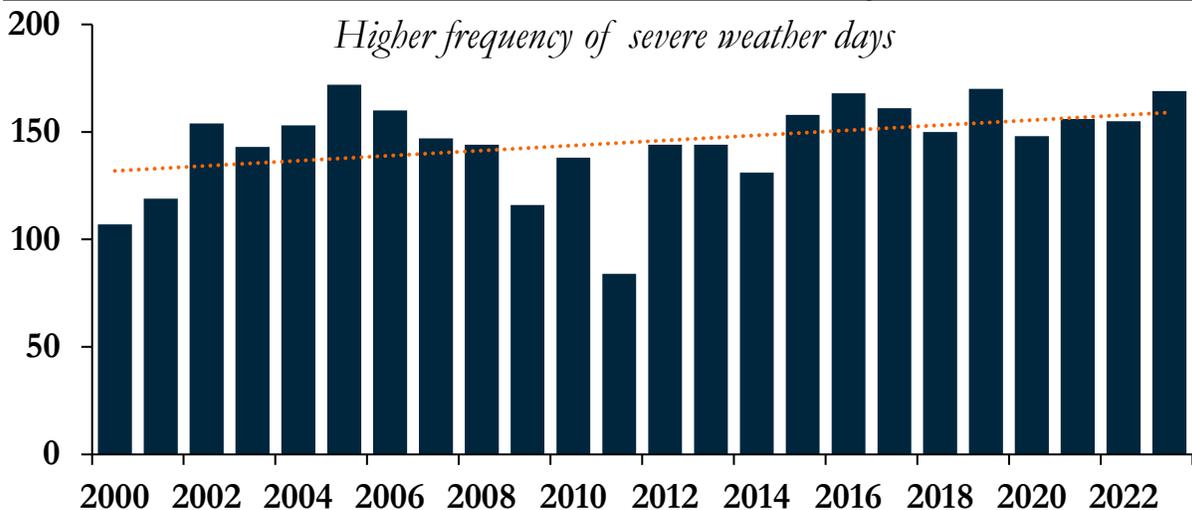
- Increasing severe weather days promote major power outages
- The U.S. is experiencing 2x the amount of major power outages over the last 10 years (2014 – 2023) than the first 10 years (2000 – 2009)
- Demand for backup power driven by aging grid and the growing electrification of homes, businesses, and infrastructure
- Persistent storm-driven failures are a structural catalyst for HSB and portable generator adoption
- Intermittent power sources from decarbonization trend increase outages
- Major outages (>50,000 people) have the highest densities in the Northeast, California, and Texas

Major Power Outage Density²



Severe Weather Event Days¹

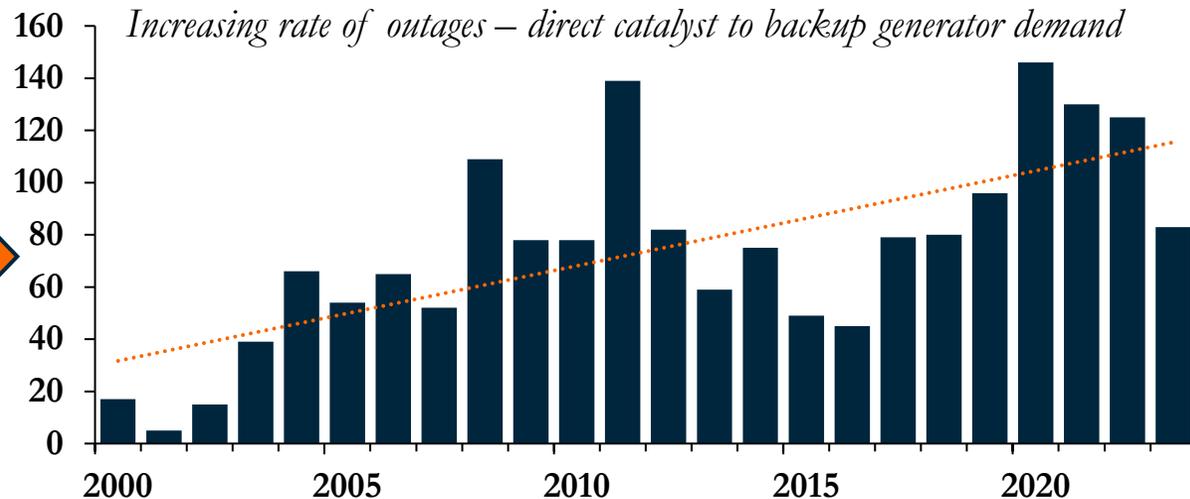
Higher frequency of severe weather days



¹Source: U.S. Department of Energy - Form OE-417 (outages affecting more than 50k customers)

Estimated Major U.S. Power Outages²

Increasing rate of outages – direct catalyst to backup generator demand



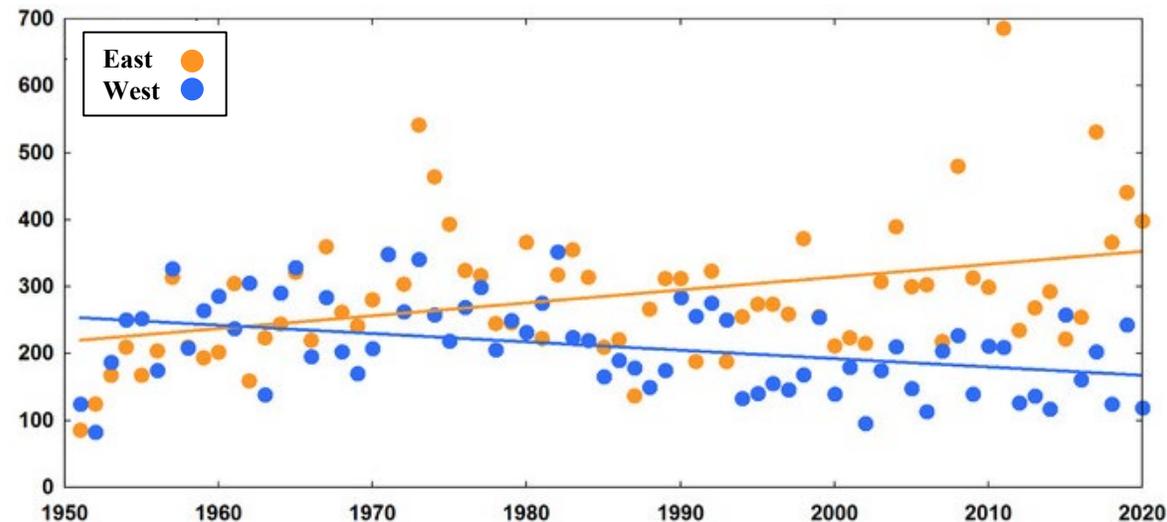
²Source: Climatecentral.org (Weather Power Outages 2000 to 2023)

Tornado Alley Shift Expands Addressable Market

Commentary

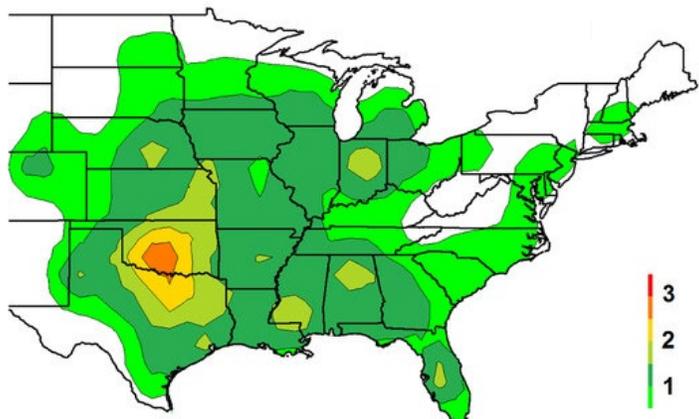
- **Tornado Alley is migrating eastward:** The traditional high-risk zone (central OK/KS) has lost 1.5 tornadoes/year/grid, while areas in TN, KY, AL, MS gained +1.5 tornadoes/year/grid
- **Outbreak intensity rising, not frequency:** While total tornado days haven't increased, total tornado counts remain stable or rising, implying more clustered, high-impact events
- **Structural exposure rising in underserved areas:** GNRC potential key growth markets (Southeast, lower Midwest) are now seeing greater annual tornado risk without the grid resilience of Texas/Plains

Number of Tornadoes in East vs West

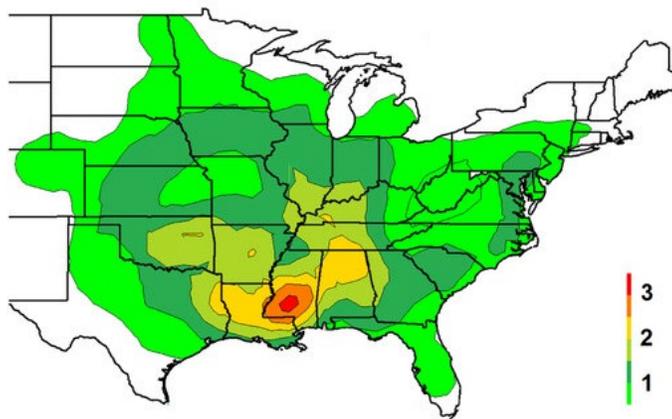


F/EF1+ Tornado Heatmap

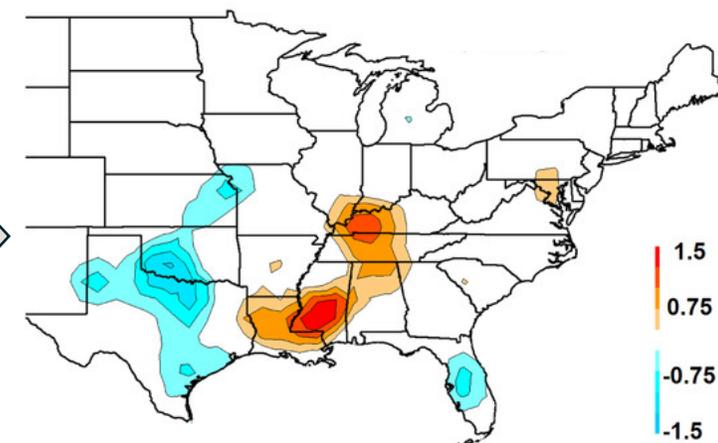
1951-1985



1986-2020



Change between both periods



C&I Segment Overview

Overview

- Growth driven by grid instability, AI load, and microgrid adoption
- Established in a high-growth vertical as data centers seek redundant, on-site power amid rising grid stress
- 3.25MW diesel generator designed for AI-driven data center demand with orders expected to begin Q2'25
- Global microgrid market projected to grow from \$29B (2023) to \$63B (2030) at >10% CAGR (source: Precedence Research)
- Accelerating need for electricity to power AI data centers (~4% of U.S. electricity demand in 2023 to forecasted ~12% by 2030)
- Strategic M&A bolstered GNRC's shift from backup power provider to full-spectrum energy tech platform
- Well-positioned as grid constraints and AI energy intensity pressure national infrastructure

5-Year C&I Acquisition History

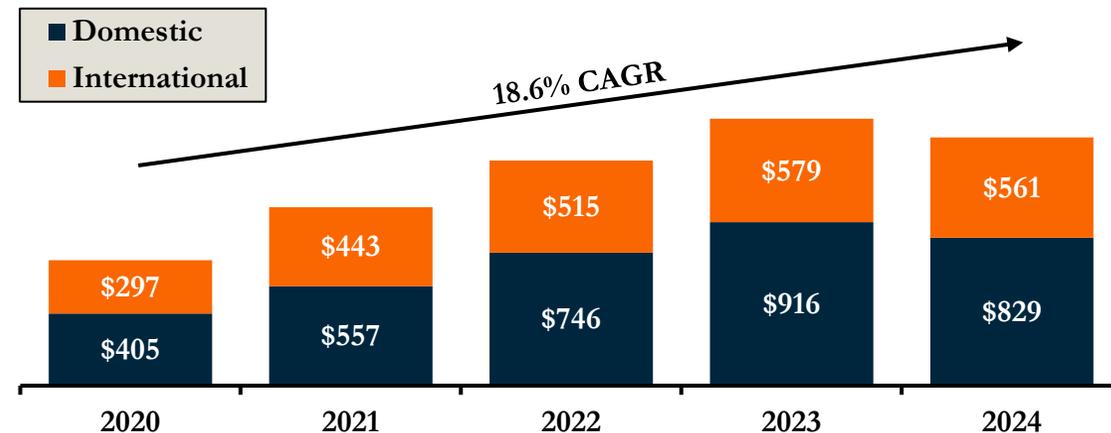


- TP: not disclosed
- IoT energy monitoring and control
- Enhanced existing C&I energy assets



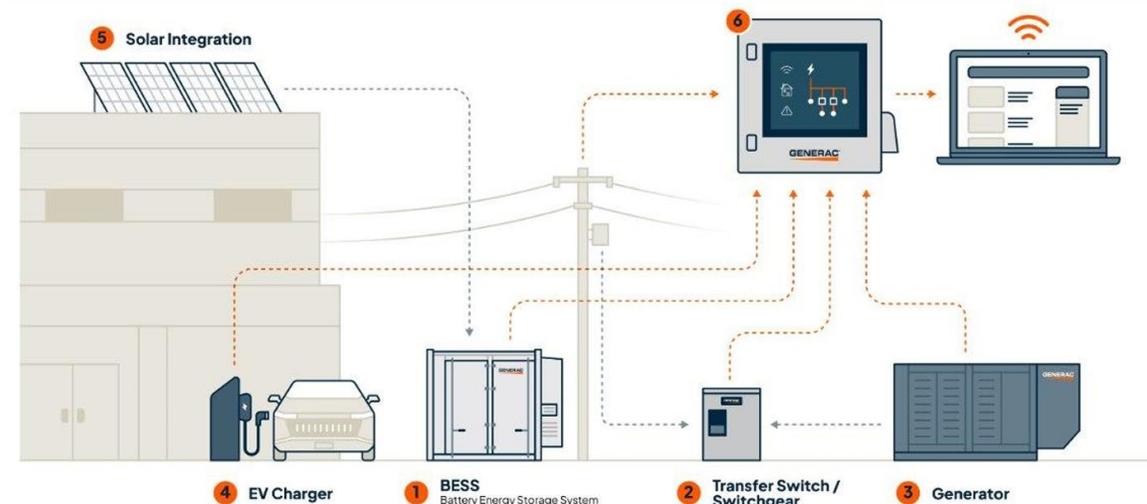
- TP: \$420mm
- Electrical grid and micro grid deployment
- Expanded international footprint

Revenue



Microgrid Solutions

Power generation & storage, energy management devices, monitoring & controls

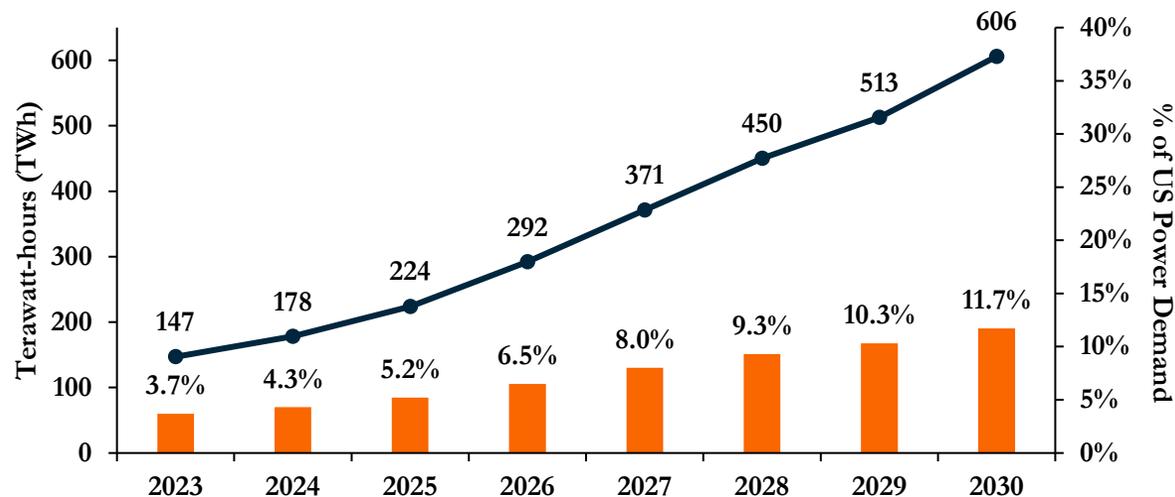


Datacenter Growth Drives Generator Demand

Commentary

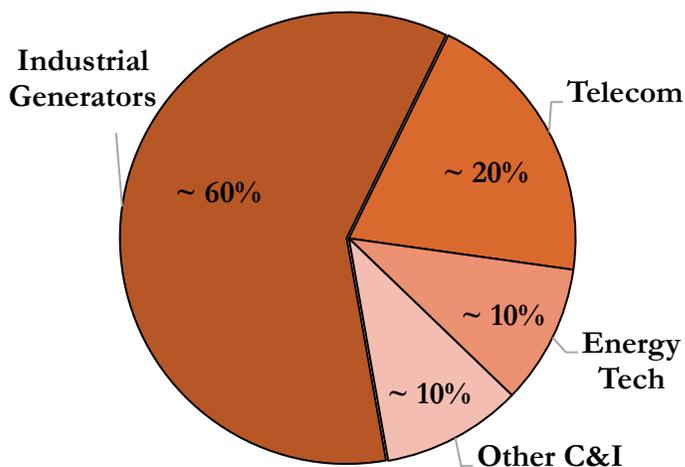
- Data center demand and drain on U.S. electrical grid forecasted to nearly triple within the next 5 years
- Average data center outage costs \$8,851 per minute³
- Projected \$578bn grid investment gap by 2033, highlights chronic underfunding of U.S. energy infrastructure¹
- Over 70% of transmission lines and transformers are >25 years old²
- Surging data center demand fuels the need for resilient on-site power, where GNRC holds an estimated 6% market share⁴
- Flat growth in C&I due to lagging interest rate response and absent capex increases in telecom

Data Center Electricity Demand



Source: McKinsey & Company – Data Center Power Forecast, 2024

Generac C&I Exposure⁴



Industrial Generators

- Hospitals, Data Centers, Universities

Telecom

- Towers, antenna shelters, edge data relay sites

Energy Tech

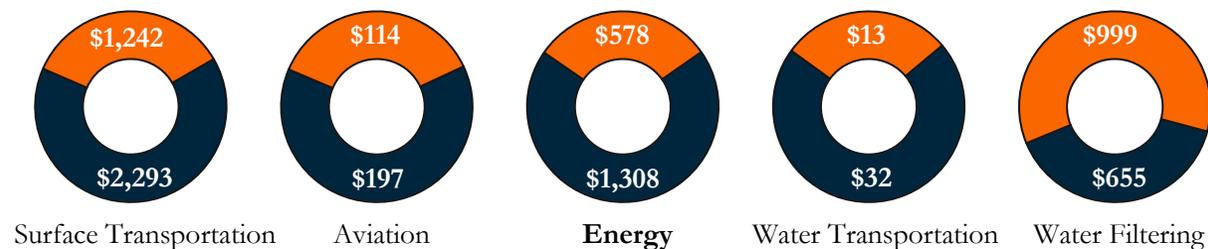
- Grid services

Other C&I

- Mobile generators, rentals

Infrastructure Needs Outpace Investment

\$3.7tn Infrastructure underinvestment not confined to energy (10-year budget)¹



Budgeted Investment ● Underinvestment ●



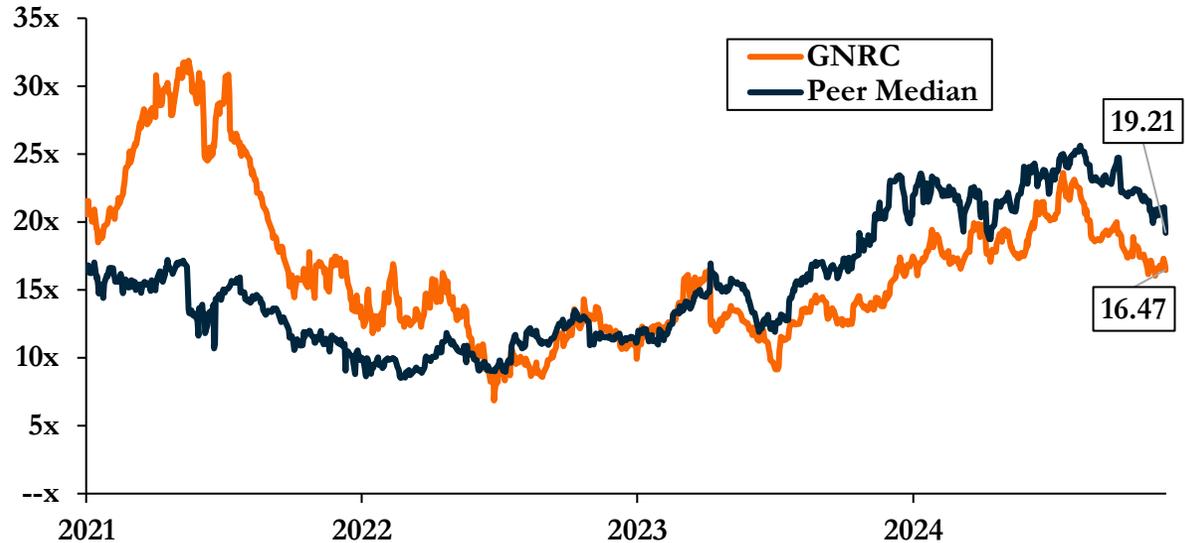
Commentary:

- ① Continued share gains and developing leadership in natural gas generators
- ② Pandemic surge led to 400%+ return (Jan 2020 – Sep 2021) due to lockdowns, the Texas power crisis, and Hurricane Ida
- ③ 2022 cost inflation and 2023 inventory overhang contributed to devaluation

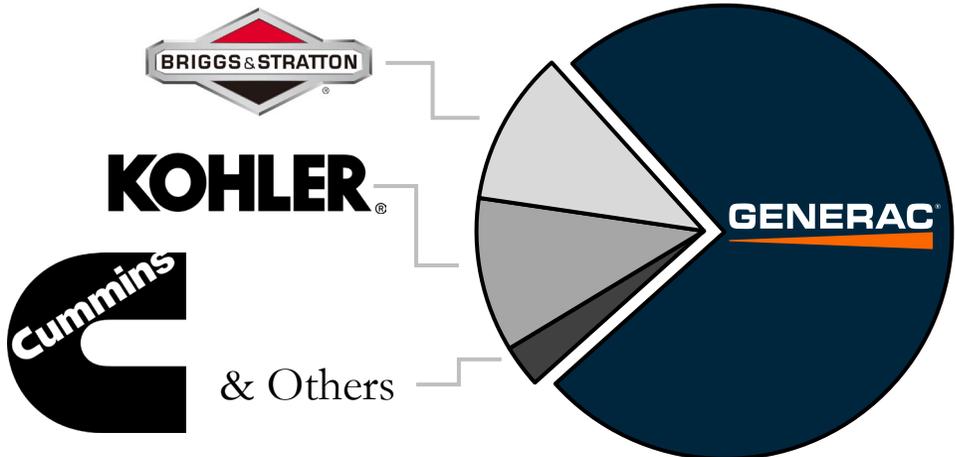
Commentary

- GNRC's P/E has declined from >30x to ~16.5x, trading under peer group median following exaggerated devaluation post pandemic highs
- Trades at ~16.5x forward P/E, a discount to peer median (19.2x) despite superior organic growth
- Holds ~75% home standby generator (HSB) market share though market penetration still less than 6.5% of U.S. homes >\$175k
- HSB penetration accelerating (100bps increase 2005-2010 vs 120bps increase 2020-2023)
- Organic revenue growth surpasses Bloomberg intelligence (BI) peer average after revenue normalizes following pandemic highs

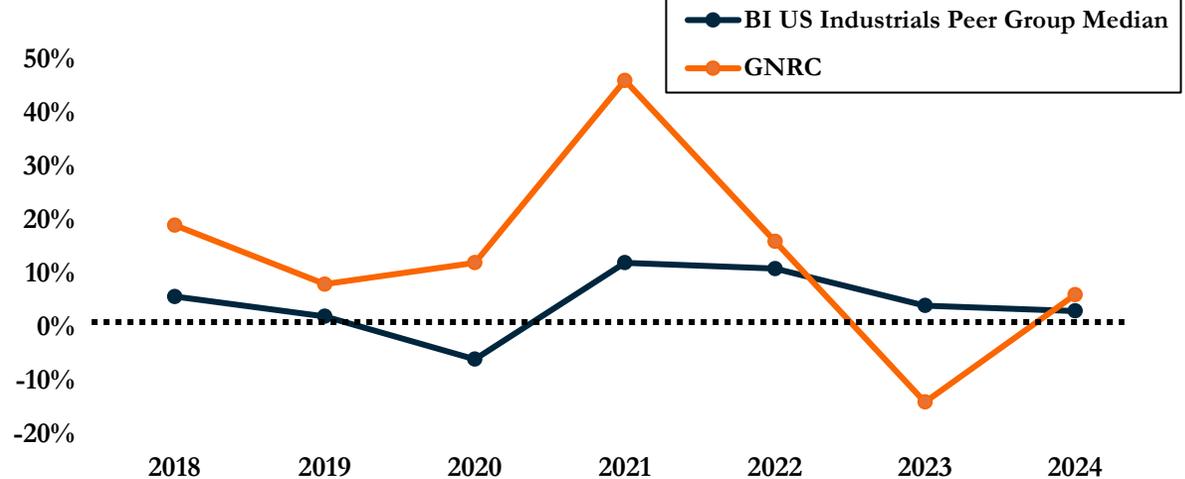
Bloomberg Forward P/E vs Peers¹



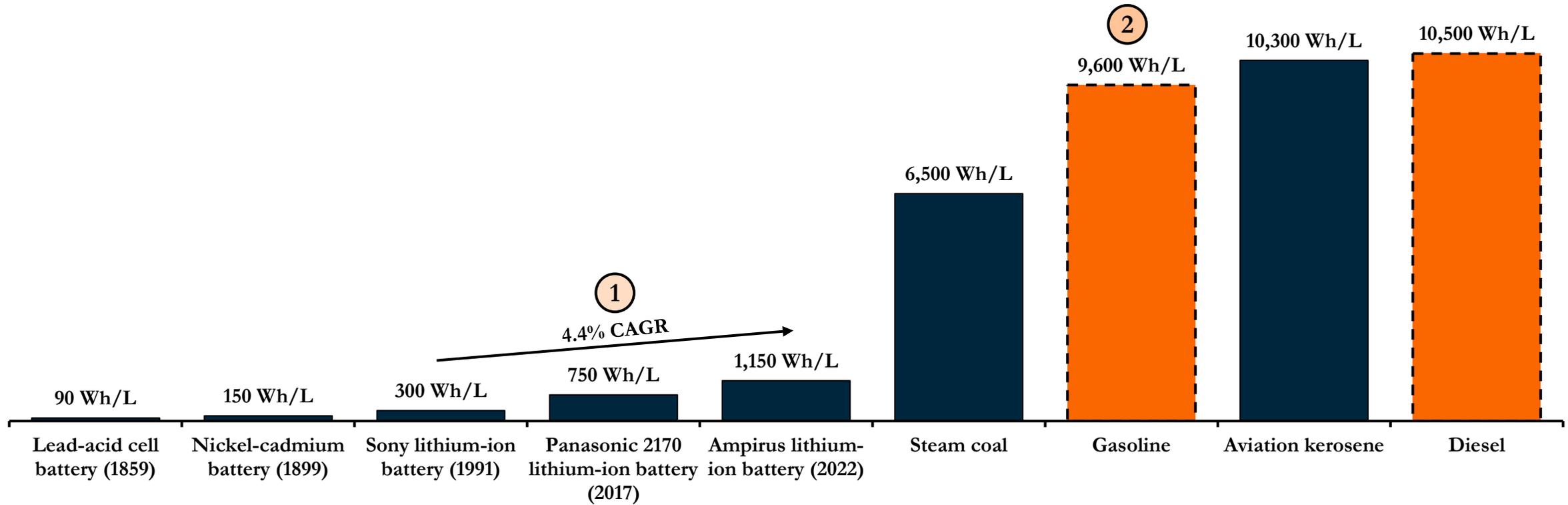
U.S. HSB Market Share²



Annual Organic Revenue Growth²



¹ Peers include: Cummins Inc, Bloom Energy Corp, Stanley Black & Decker Inc, Techtronics Ind, Vertiv Holdings, Eaton Corp. | ² Per Bloomberg Intelligence



Commentary:

- ① Slow battery development unlikely to displace need for standby generators (*4.4% CAGR since 1991*)
- ② Gas and diesel fuel sources remain superior in practical applications

DCF Valuation | Base Case

Assumptions	
Exit Year	5
Revenue Growth	5.0%
Gross Margin	38.8%
EBITDA Margin Expansion (5 years)	250bps
Interest (% of rev.)	1.6%
Tax Rate	21.0%
CapEx (% of rev.)	3.1%
Terminal Growth	2.0%
WACC	10.1%
Net Debt	930

WACC	
Total Debt	1,211
Interest Expense	89.7
Cost of Debt	7.4%
Beta	1.5
10-yr	4.4%
Expected Market Return	8.5%
Cost of Equity	10.6%
EV	7,850
% of Debt	15.4%
% of Equity	84.6%
WACC	10.1%

Controls	
Case	Base

Valuation	
SUM PV FCFF	\$10,412
<i>Less: Net Debt</i>	(930)
Equity Value	\$9,482
FDSO	60.35
Equity Value Per Share	\$157.1

Value Comparison	
Current share price:	\$113.0
Total Appreciation	39.0%

Recommendation:

STRONG BUY

Base Case

- Target Price: \$157
- 39% appreciation from current share price
- Revenue grows below management expectation at 5% for 5 years
- EBITDA margin grows 250bps over 5 years

Tailwinds

- Increasing in severity of weather patterns
- Shifting tornado belt provides new customers
- Under investment in U.S. power grid
- Financial performance outpacing valuation

Investment Year	1	2	3	4	5				
DCF Valuation (\$MM)	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
Revenue	\$3,737	\$4,565	\$4,023	\$4,296	\$4,511	\$4,736	\$4,973	\$5,222	\$5,483
<i>Growth %</i>	<i>50.4%</i>	<i>22.1%</i>	<i>-11.9%</i>	<i>6.8%</i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>
Cost Of Goods Sold	(2,377)	(3,043)	(2,657)	(2,630)	(2,761)	(2,899)	(3,043)	(3,196)	(3,355)
Gross Profit	\$1,360	\$1,522	\$1,365	\$1,666	\$1,750	\$1,838	\$1,930	\$2,026	\$2,127
<i>Margin %</i>	<i>36.4%</i>	<i>33.3%</i>	<i>33.9%</i>	<i>38.8%</i>	<i>38.8%</i>	<i>38.8%</i>	<i>38.8%</i>	<i>38.8%</i>	<i>38.8%</i>
Adj. Operating Expenses (<i>less Dep&A</i>)	(508)	(712)	(732)	(878)	(900)	(922)	(943)	(964)	(985)
Adj. EBITDA	\$852	\$810	\$633	\$788	\$850	\$916	\$987	\$1,062	\$1,143
<i>Margin %</i>	<i>22.8%</i>	<i>17.8%</i>	<i>15.7%</i>	<i>18.3%</i>	<i>18.8%</i>	<i>19.3%</i>	<i>19.8%</i>	<i>20.3%</i>	<i>20.8%</i>
Cash Paid in Interest					(72)	(76)	(80)	(84)	(88)
Cash Paid in Taxes					(110)	(115)	(121)	(127)	(134)
Δ NWC Decrease/(Increase)					(52)	(54)	(57)	(60)	(63)
Capital Expenditure					(140)	(147)	(154)	(162)	(170)
FCFE					\$476	\$524	\$575	\$630	\$689
PV FCFE					\$433	\$432	\$431	\$429	\$8,687

		1% Terminal Growth					2% Terminal Growth					3% Terminal Growth					
		5-Year Revenue Growth Rate															
		--%	2.0%	5.0%	7.0%	10.0%	--%	2.0%	5.0%	7.0%	10.0%	--%	2.0%	5.0%	7.0%	10.0%	
9.1% WACC	EBITDA Margin Expansion Over 5 Years	--bps	96.6	107.2	124.8	137.7	158.8	110.1	122.2	142.2	156.8	180.9	128.1	142.2	165.3	182.3	210.2
		50bps	101.6	112.7	131.1	144.6	166.7	115.8	128.5	149.4	164.7	189.8	134.7	149.4	173.7	191.4	220.6
		100bps	106.5	118.2	137.4	151.5	174.6	121.5	134.7	156.6	172.6	198.8	141.3	156.6	182.0	200.5	231.1
		150bps	111.5	123.7	143.7	158.4	182.5	127.1	140.9	163.7	180.4	207.8	147.8	163.9	190.3	209.7	241.5
		200bps	116.5	129.2	150.1	165.3	190.4	132.8	147.2	170.9	188.3	216.8	154.4	171.1	198.6	218.8	251.9
		250bps	121.5	134.7	156.4	172.2	198.2	138.5	153.4	178.1	196.1	225.8	161.0	178.3	206.9	227.9	262.3
		300bps	126.5	140.2	162.7	179.1	206.1	144.2	159.7	185.3	204.0	234.8	167.6	185.6	215.3	237.0	272.8
		10.1% WACC	EBITDA Margin Expansion Over 5 Years	--bps	86.3	95.9	111.7	123.2	142.2	96.9	107.7	125.4	138.3	159.6	110.6	122.8	142.9
50bps	90.8			100.8	117.3	129.4	149.3	102.0	113.2	131.7	145.3	167.5	116.3	129.1	150.2	165.6	190.9
100bps	95.3			105.7	123.0	135.6	156.4	107.0	118.7	138.1	152.2	175.4	122.0	135.4	157.4	173.5	199.9
150bps	99.7			110.7	128.7	141.8	163.4	112.0	124.2	144.4	159.2	183.4	127.7	141.7	164.6	181.4	209.0
200bps	104.2			115.6	134.3	148.0	170.5	117.0	129.8	150.8	166.1	191.3	133.5	147.9	171.8	189.3	218.0
250bps	108.7			120.5	140.0	154.2	177.6	122.1	135.3	157.1	173.1	199.3	139.2	154.2	179.0	197.2	227.0
300bps	113.2			125.5	145.7	160.4	184.7	127.1	140.8	163.5	180.0	207.2	144.9	160.5	186.3	205.1	236.1
11.1% WACC	EBITDA Margin Expansion Over 5 Years			--bps	77.9	86.7	101.0	111.5	128.8	86.6	96.2	112.1	123.7	142.8	97.3	108.1	125.9
		50bps	82.0	91.2	106.2	117.2	135.2	91.1	101.2	117.8	130.0	150.0	102.4	113.7	132.3	146.0	168.4
		100bps	86.1	95.6	111.3	122.8	141.6	95.6	106.2	123.5	136.2	157.1	107.5	119.3	138.7	153.0	176.3
		150bps	90.2	100.1	116.5	128.5	148.1	100.1	111.1	129.2	142.5	164.2	112.5	124.8	145.1	160.0	184.3
		200bps	94.3	104.6	121.6	134.1	154.5	104.6	116.1	134.9	148.7	171.3	117.6	130.4	151.5	166.9	192.3
		250bps	98.4	109.1	126.8	139.7	160.9	109.2	121.0	140.6	154.9	178.5	122.6	135.9	157.9	173.9	200.3
		300bps	102.5	113.6	132.0	145.4	167.4	113.7	126.0	146.3	161.2	185.6	127.7	141.5	164.3	180.9	208.3

Indicates intrinsic value > 20% over current share price (\$110.25)

Upside Scenario Base Scenario Downside Scenario

A satellite night view of Europe, showing the continent illuminated by city lights. The lights are concentrated in major urban centers and along coastlines, creating a glowing pattern against the dark landmass. The surrounding oceans are dark, and the curvature of the Earth is visible at the top of the frame.

Appendix

DCF Valuation | Upside Case

Assumptions	
Exit Year	5
Revenue Growth	7.0%
Gross Margin	38.8%
EBITDA Margin Expansion (5 years)	300bps
Interest (% of rev.)	1.6%
Tax Rate	21.0%
CapEx (% of rev.)	3.1%
Terminal Growth	2.0%
WACC	10.1%
Net Debt	930

WACC	
Total Debt	1,211
Interest Expense	89.7
Cost of Debt	7.4%
Beta	1.5
10-yr	4.4%
Expected Market Return	8.5%
Cost of Equity	10.6%
EV	7,850
% of Debt	15.4%
% of Equity	84.6%
WACC	10.1%

Controls	
Case	Upside

Valuation	
SUM PV FCFE	\$11,794
<i>Less: Net Debt</i>	(930)
Equity Value	\$10,864
FDSO	60.35
Equity Value Per Share	\$180.0

Value Comparison	
Current share price:	\$113.0
Total Appreciation	59.3%

Investment Year						1	2	3	4	5
DCF Valuation (\$MM)	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	
Revenue	\$3,737	\$4,565	\$4,023	\$4,296	\$4,597	\$4,918	\$5,263	\$5,631	\$6,025	
<i>Growth %</i>	<i>50.4%</i>	<i>22.1%</i>	<i>-11.9%</i>	<i>6.8%</i>	<i>7.0%</i>	<i>7.0%</i>	<i>7.0%</i>	<i>7.0%</i>	<i>7.0%</i>	
Cost Of Goods Sold	(2,377)	(3,043)	(2,657)	(2,630)	(2,813)	(3,010)	(3,221)	(3,446)	(3,687)	
Gross Profit	\$1,360	\$1,522	\$1,365	\$1,666	\$1,783	\$1,908	\$2,042	\$2,185	\$2,338	
<i>Margin %</i>	<i>36.4%</i>	<i>33.3%</i>	<i>33.9%</i>	<i>38.8%</i>	<i>38.8%</i>	<i>38.8%</i>	<i>38.8%</i>	<i>38.8%</i>	<i>38.8%</i>	
Adj. Operating Expenses (<i>less Dep&A</i>)	(508)	(712)	(732)	(878)	(913)	(947)	(982)	(1,017)	(1,052)	
Adj. EBITDA	\$852	\$810	\$633	\$788	\$871	\$961	\$1,060	\$1,168	\$1,286	
<i>Margin %</i>	<i>22.8%</i>	<i>17.8%</i>	<i>15.7%</i>	<i>18.3%</i>	<i>18.9%</i>	<i>19.5%</i>	<i>20.1%</i>	<i>20.7%</i>	<i>21.3%</i>	
Cash Paid in Interest					(74)	(79)	(84)	(90)	(96)	
Cash Paid in Taxes					(112)	(120)	(128)	(137)	(147)	
Δ NWC Decrease/(Increase)					(52)	(55)	(59)	(63)	(68)	
Capital Expenditure					(142)	(152)	(163)	(175)	(187)	
FCFE					\$491	\$555	\$625	\$703	\$788	
PV FCFE					\$446	\$458	\$469	\$479	\$9,943	

DCF Valuation | Downside Case

Assumptions	
Exit Year	5
Revenue Growth	2.0%
Gross Margin	38.8%
EBITDA Margin Expansion (5 years)	0bps
Interest (% of rev.)	1.6%
Tax Rate	21.0%
CapEx (% of rev.)	3.1%
Terminal Growth	2.0%
WACC	10.1%
Net Debt	930

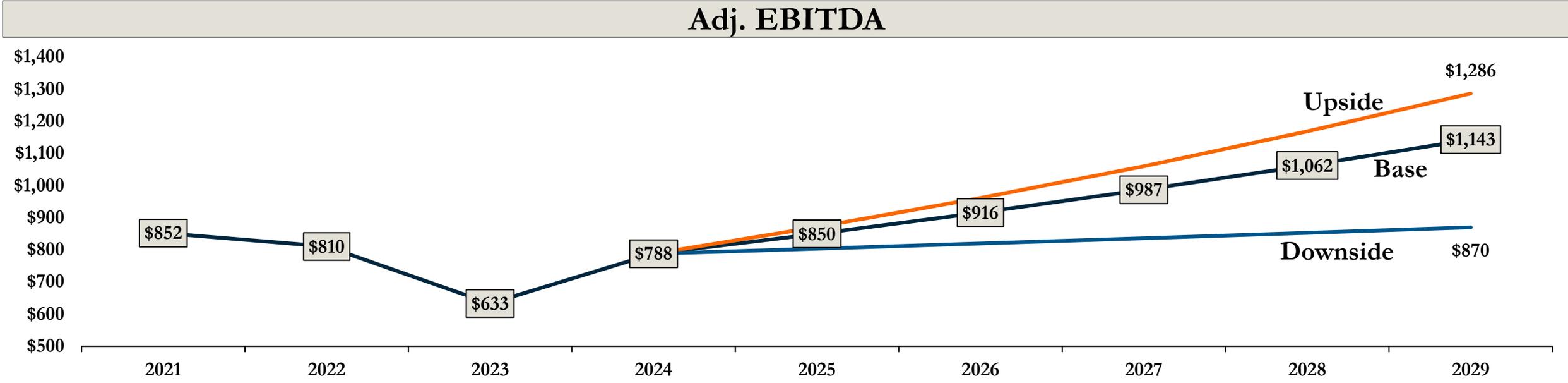
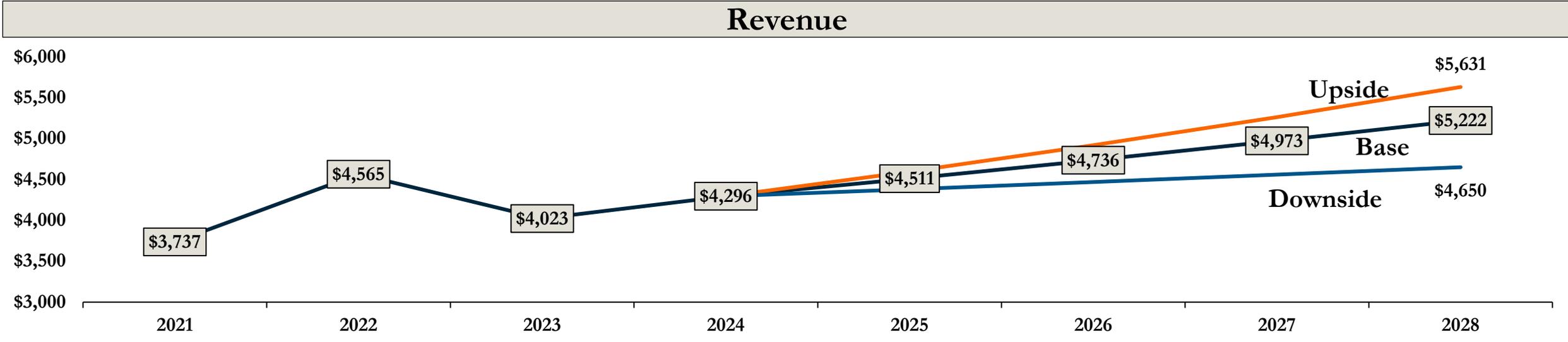
WACC	
Total Debt	1,211
Interest Expense	89.7
Cost of Debt	7.4%
Beta	1.5
10-yr	4.4%
Expected Market Return	8.5%
Cost of Equity	10.6%
EV	7,850
% of Debt	15.4%
% of Equity	84.6%
WACC	10.1%

Controls	
Case	Downside

Valuation	
SUM PV FCFE	\$7,428
<i>Less: Net Debt</i>	(930)
Equity Value	\$6,498
FDSO	60.35
Equity Value Per Share	\$107.7

Value Comparison	
Current share price:	\$113.0
Total Appreciation	-4.7%

Investment Year						1	2	3	4	5
DCF Valuation (\$MM)	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	
Revenue	\$3,737	\$4,565	\$4,023	\$4,296	\$4,382	\$4,469	\$4,559	\$4,650	\$4,743	
<i>Growth %</i>	<i>50.4%</i>	<i>22.1%</i>	<i>-11.9%</i>	<i>6.8%</i>	<i>2.0%</i>	<i>2.0%</i>	<i>2.0%</i>	<i>2.0%</i>	<i>2.0%</i>	
Cost Of Goods Sold	(2,377)	(3,043)	(2,657)	(2,630)	(2,682)	(2,735)	(2,790)	(2,846)	(2,903)	
Gross Profit	\$1,360	\$1,522	\$1,365	\$1,666	\$1,700	\$1,734	\$1,769	\$1,804	\$1,840	
<i>Margin %</i>	<i>36.4%</i>	<i>33.3%</i>	<i>33.9%</i>	<i>38.8%</i>	<i>38.8%</i>	<i>38.8%</i>	<i>38.8%</i>	<i>38.8%</i>	<i>38.8%</i>	
Adj. Operating Expenses (<i>less De&A</i>)	(508)	(712)	(732)	(878)	(896)	(914)	(933)	(951)	(970)	
Adj. EBITDA	\$852	\$810	\$633	\$788	\$804	\$820	\$836	\$853	\$870	
<i>Margin %</i>	<i>22.8%</i>	<i>17.8%</i>	<i>15.7%</i>	<i>18.3%</i>	<i>18.3%</i>	<i>18.3%</i>	<i>18.3%</i>	<i>18.3%</i>	<i>18.3%</i>	
Cash Paid in Interest					(70)	(72)	(73)	(74)	(76)	
Cash Paid in Taxes					(107)	(109)	(111)	(113)	(116)	
Δ NWC Decrease/(Increase)					(52)	(53)	(54)	(55)	(56)	
Capital Expenditure					(136)	(139)	(141)	(144)	(147)	
FCFE					\$439	\$448	\$457	\$466	\$476	
PV FCFE					\$399	\$370	\$343	\$317	\$5,999	



Historical Financials

Historical Financials (\$MM)	2018	2019	2020	2021	2022	2023	2024
Revenue	\$2,023	\$2,204	\$2,485	\$3,737	\$4,565	\$4,023	\$4,296
<i>Growth %</i>	20%	9%	13%	50%	22%	① -12%	7%
Cost Of Goods Sold	(1,298)	(1,407)	(1,528)	(2,377)	(3,043)	(2,657)	(2,630)
Gross Profit	\$725	\$798	\$958	\$1,360	\$1,522	\$1,365	\$1,666
<i>Margin %</i>	36%	36%	39%	36%	33%	34%	② 39%
Selling General & Admin Expense	(296)	(327)	(365)	(463)	(693)	(702)	(812)
R & D Exp.	(50)	(68)	(80)	(104)	(160)	(173)	(220)
Amort. of Goodwill	(22)	(29)	(32)	(50)	(103)	(104)	(98)
EBIT	\$357	\$374	\$481	\$743	\$566	\$386	\$537
Net Interest Expense	(39)	(39)	(31)	(32)	(54)	(93)	(82)
Non-Operating Expenses	(6)	(2)	(2)	3	(0.4)	(3)	(2)
EBT	\$312	\$333	\$448	\$714	\$512	\$290	\$452
Unusual Items	(1)	(14)	(1)	(22)	(4)	--	③ (43)
Tax Expense	(70)	(67)	(99)	(135)	(100)	(73)	(92)
Net Income to Company	\$241	\$252	\$347	\$557	\$409	\$217	\$317
Minority Interest	(3.0)	(.3)	3.4	(6.1)	(9.4)	(2.5)	(0.7)
Net Income to Generac	\$238	\$252	\$351	\$550	\$400	\$215	\$316
Depreciation & Amort.	52	66	71	95	159	170	175
Δ NWC	(88)	(57)	19	(259)	④ (465)	127	⑤ 212
Stock Based Comp.	15	17	21	24	29	35	49
Other Operating Activities	30	32	25	1	(65)	(26.3)	(11)
Cash Flow from Operations	\$247	\$309	\$486	\$411	\$59	\$522	\$741
Capital Expenditure	(48)	(61)	(62)	(110)	(86)	(129)	⑥ (137)
Net Borrowings	(24)	(38)	(25)	75	464	87	⑦ (278)
FCFE	\$175	\$211	\$400	\$376	\$437	\$480	\$326
<i>Conversion %</i>	9%	10%	16%	10%	10%	12%	8%

Commentary

- ① Revenue decline followed demand cycle after FY2021-2022 run-up
- ② FY25 guidance on gross margin expects ~40-41% on cost cuts and favorable sales mix
- ③ Change in fair value of recently acquired Wallbox (EV Charging)
- ④ Inventory surge due to supply-chain precautions to meet residential demand
- ⑤ Selling excess inventory and increased AR turnover
- ⑥ CapEx spend on manufacturing facilities. Management guidance maintaining ~3% of sales
- ⑦ Paid down \$278mm, furthering initiative to reduce leverage and strengthen the balance sheet

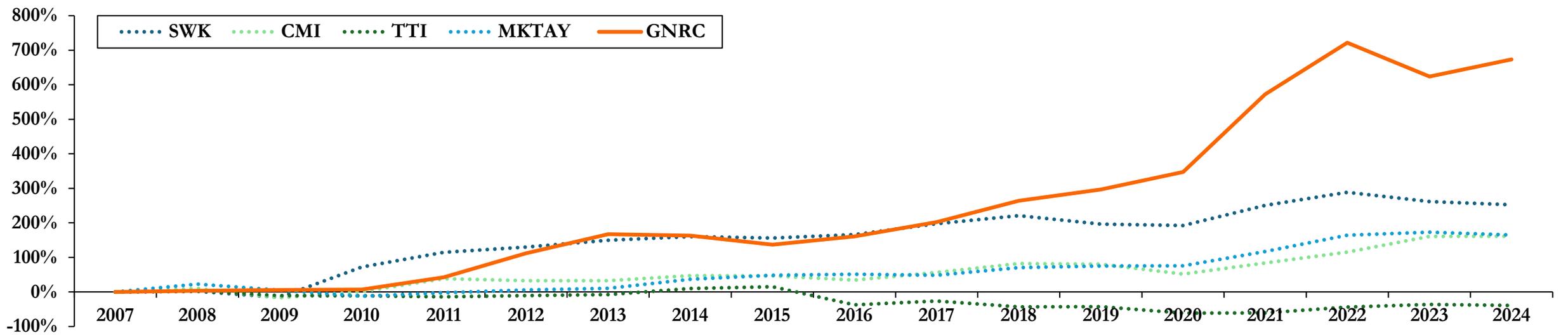
EBITDA Bridge (\$MM)	2019	2020	2021	2022	2023	2024
Net income attributable to Generac Hold	252	351	550	400	215	316
Net income attributable to noncontrolling	.30	(3)	6	9	3	1
Net income	\$252	\$347	\$557	\$409	\$217	\$317
Interest expense	42	33	33	55	98	90
Depreciation and amortization	61	69	92	156	167	172
Provision for income taxes	67	99	135	100	73	92
Non-cash write-downs	.24	(.33)	(3)	(2)	(6)	5
Share-based compensation	17	21	24	29	35	49
Transaction costs and credit facility fees	3	2	22	5	4	5
Business optimization charges	2	12		4	11	5
Legal & regulatory provisions	--	--	--	65	38	11
Change in fair value of investment	--	--	--	--	--	38
Loss on pension settlement	11	--	--	--	--	--
Loss on extinguishment of debt	1	--	1	4	--	5
Other	(1)	1	1	.14	1	1
Adjusted EBITDA	\$454	\$584	\$861	\$825	\$638	\$789
Noncontrolling interests	5	2	9	15	5	1
Generac adj. EBITDA	\$449	\$581	\$852	\$810	\$633	\$788
<i>Margin %</i>	<i>20.4%</i>	<i>23.4%</i>	<i>22.8%</i>	<i>17.8%</i>	<i>15.7%</i>	<i>18.3%</i>

Date	Company	Transaction Price (\$MM)	Product Offering
Jul 2020	Energy Systems	Not disclosed	A regional distributor focused on industrial power solutions. Deepens Generac's U.S. distribution footprint, especially in Northern California
Sep 2020	Mean Green Products	Not disclosed	Builds battery-powered commercial lawn equipment and expands Generac's electrified equipment portfolio
Oct 2020	Enbala Power Networks	\$42	A software provider for distributed energy optimization and virtual power plants and supports Generac's long-term strategy to aggregate and monetize DERs
Jun 2021	Deep Sea Electronics	\$420	Producer of genset controllers and remote monitoring hardware. Strengthens Generac's control stack across industrial and international backup power markets
Jul 2021	Chilicon Power	\$61	A solar microinverter and monitoring tech firm, Chilicon adds grid-tied capabilities and enables Generac to offer full-stack solar + storage solutions
Sep 2021	Off Grid Energy	\$57	Builds mobile battery systems for industrial and rental use. Generac leverages this to diversify into clean, portable energy beyond traditional gensets
Dec 2021	Ecobee	\$770	Leading smart thermostat and home energy automation company. It allows Generac to enter the connected home space
Oct 2022	Blue Pillar	Not disclosed	Provides an IoT platform for managing and optimizing distributed energy assets which expands Generac's data visibility across commercial sites
Aug 2024	Ageto Energy	Not disclosed	Designs microgrid controllers for managing energy resources, renewables, and EV chargers. Integrated into C&I offering

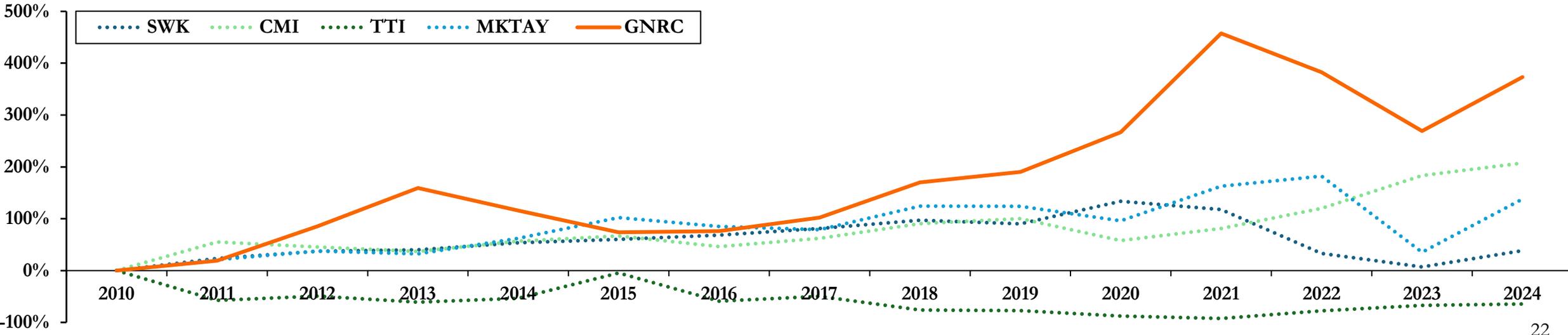
Indexed Comps Growth



Indexed Revenue Growth



Indexed EBITDA Growth



*Sourced from Capital IQ



Aaron P. Jagdfeld
Chairman, President &
CEO

- Joined Generac in 1994; became CFO in 2002 and CEO in 2008
- Transformed the company into a global energy tech leader
- Drove growth in clean energy, connected devices, and industrial solutions
- Board member at Hillman Group and Milwaukee World Festival



Jennifer Anderson
Executive VP,
Corporate Strategy

- Joined Generac in 2024 after executive roles at Carrier and Tyson
- Led strategy and sustainability initiatives across multiple industries
- Early career in IB at J.P. Morgan (Hong Kong & Chicago)
- Holds degrees from Georgetown (BA) and Chicago Booth (MBA)



Talal Butt
CIO

- Named CIO in 2024 after leading global IT at Rockwell Automation
- Held senior roles at Baird, Covance, and GE Healthcare
- Recognized with two CIO 100 awards for digital innovation
- Holds a BS in Computer Science from UW–Oshkosh



Paolo Campinoti
Executive VP,
International

- CEO of Pramac since 1995; joined Generac via acquisition in 2016
- Oversees international operations across EMEA, APAC, and LATAM
- Key driver of Pramac's rise to global power generation leader
- Honorary consul of Bahrain; based in Florence, Italy

Top Holders

Company	Position Size	% Share of Total	Latest Share Purchases	Last Reported
 Vanguard	6,795,500	11.4%	+47,450	12/31/2024
BlackRock	3,955,853	6.64%	+15,512	12/31/2024
 STATE STREET	2,167,054	3.64%	+4,060	12/31/2024
 BostonPartners	1,903,297	3.19%	+533,612	12/31/2024
 UBS	1,828,700	3.07%	+1,163,958	12/31/2024
Insider Holdings ¹	1,020,000	1.71%	+20,004	05/03/24 – 03/01/25

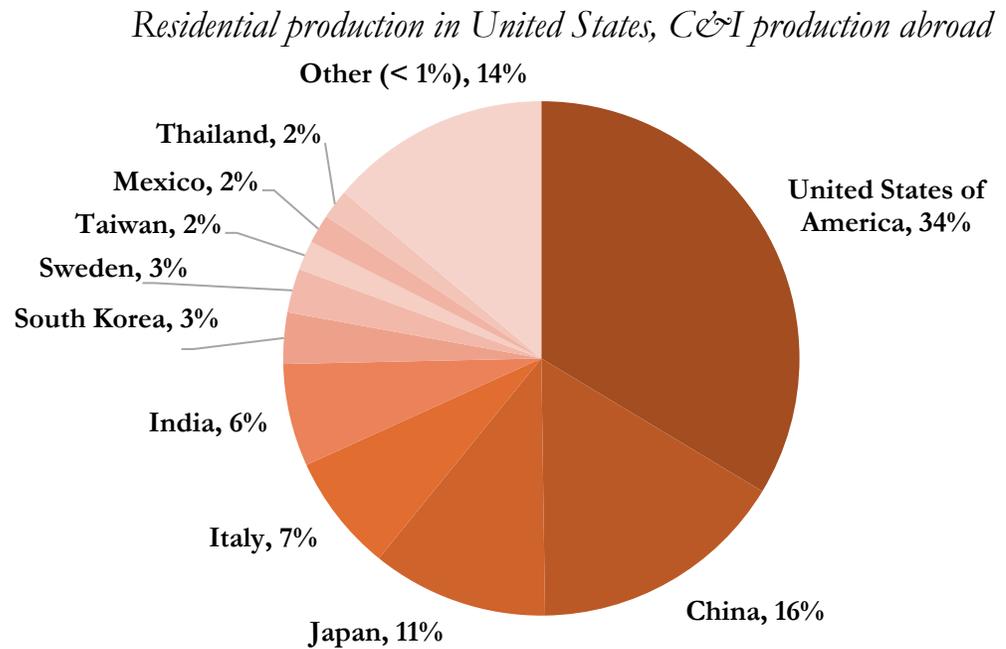
¹Top Insider Holdings Changes: Aaron Jagdfeld (+7,141), York Ragen (+1,568), Norman Taffe (+1,328), Kyle Raabe (+1,299), Raj Kanuru (+1,178)

Location	Products Manufactured	Tariff Rate
Whitewater, Wisconsin	Residential standby generators, commercial standby generators, industrial generators, portable generators, C&I mobile generators	0%
Eagle, Wisconsin	Pressure washers, water pumps, and other outdoor chore products	
Jefferson, Wisconsin	Residential standby generators, other related components	10%
Oshkosh, Wisconsin	Industrial generators, other related equipment	
Berlin, Wisconsin	Residential and C&I engines, engines for outdoor equipment such as pressure washers and water pumps	20%
Trenton, South Carolina	Residential standby generators	
Rugby, UK	Energy storage	
North Yorkshire, UK	Generator controls	25%
Sao Paulo, Brazil	C&I generators	
Kolkata, India	C&I generators	
Siena, Italy	C&I mobile generators, portable generators, material handling equipment	+100%
Pavia, Italy	C&I light towers, dust fighters	
Murcia, Spain	C&I generators, C&I mobile generators	
Celle, Germany	Gas engine control systems	
Platah, Mexico	C&I generators	
Foshan, China	C&I generators, C&I light towers	

Commentary

- Purchases semiconductors, steel, motor laminations, and carburetors to manufacture generators
- Top suppliers include Rohm Co Ltd (*Japan*), Worthington Steel Inc, Eurogroup Laminations, and Nikki Co Ltd (*Japan*)
- Affected by price changes in aluminum (-5% YoY), biofuel (-24% YoY), copper (-3% YoY), diesel (-28% YoY), natural gas (8% YoY), and steel (-10% YoY)

Supplier Facility Location



Customers % of Revenue



Inventory and Share Price

