



## SECOND QUARTER EARNINGS CALL

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2025.07.24

# SAFE HARBOR



Today's presentation includes forward-looking statements that reflect management's current expectations about the Company's future business and financial performance.

These statements are subject to certain risks and uncertainties that could cause actual results to differ from anticipated results.

Factors that could cause actual results to differ from anticipated results are identified in Item 1A of the Company's Form 10-K, and Item 1A of the most recent Quarterly Report on Form 10-Q and also the Company's Earnings Release dated July 23, 2025.

# FINANCIAL RESULTS



## Statement of Earnings

\$ in millions except per share amounts

	Second Quarter			June Year to Date		
	2025	2024	Change	2025	2024	Change
<b>Net Sales</b>	\$ 571.8	\$ 553.2	3 %	\$ 1,100.1	\$ 1,045.4	5 %
<b>Gross Profit</b> % of Net Sales	299.5 52.4%	300.9 54.4%	(0)% (2.0) pts	577.3 52.5%	567.1 54.2%	2 % (1.7) pts
<b>Operating Earnings</b> % of Net Sales	157.5 27.5%	161.4 29.2%	(2)% (1.7) pts	301.5 27.4%	294.4 28.2%	2 % (0.8) pts
<b>Net Earnings</b> % of Net Sales	\$ 127.6 22.3%	\$ 133.0 24.0%	(4)% (1.7) pts	\$ 251.7 22.9%	\$ 255.2 24.4%	(1)% (1.5) pts
<b>Diluted Net Earnings Per Share</b> Diluted Shares in Millions	\$ 0.76 168.6	\$ 0.77 172.5	(1)% (2)%	\$ 1.48 170.1	\$ 1.48 172.5	0 % (1)%
Net Earnings, Adjusted (1)	\$ 126.9	\$ 132.2	(4)%	\$ 247.3	\$ 244.8	1 %
Diluted Net Earnings Per Share, Adjusted (1)	\$ 0.75	\$ 0.77	(3)%	\$ 1.45	\$ 1.42	2 %

1) Net earnings and diluted net earnings per share have been adjusted to provide a more consistent basis of comparison of on-going results. See page 17 for a reconciliation of the adjusted non-GAAP financial measures to GAAP.

# NET SALES

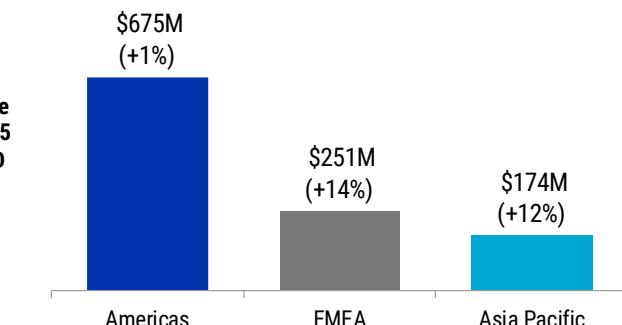
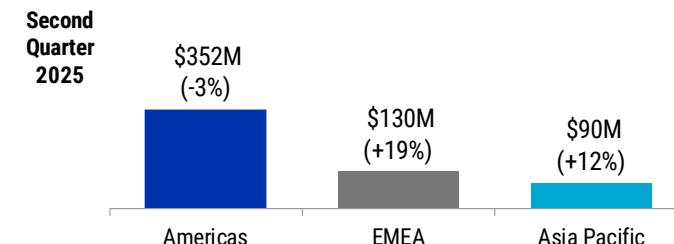


## Components of Net Sales Change

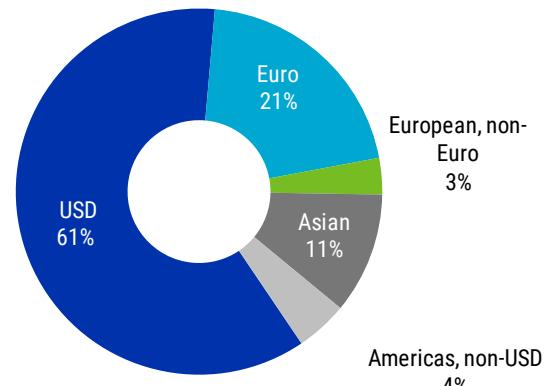
2025 Second Quarter	Segment			Region			Consolidated
	Contractor	Industrial	Expansion Markets	Americas	EMEA	Asia Pacific	
Volume and Price	(5)%	(1)%	(3)%	(6)%	2 %	5 %	(3)%
Acquisitions	12 %	0 %	0 %	3 %	12 %	8 %	6 %
Currency	0 %	1 %	0 %	0 %	5 %	(1)%	0 %
<b>Total</b>	<b>7 %</b>	<b>0 %</b>	<b>(3)%</b>	<b>(3)%</b>	<b>19 %</b>	<b>12 %</b>	<b>3 %</b>

2025 June Year to Date	Segment			Region			Consolidated
	Contractor	Industrial	Expansion Markets	Americas	EMEA	Asia Pacific	
Volume and Price	(3)%	2 %	4 %	(2)%	1 %	5 %	0 %
Acquisitions	12 %	0 %	0 %	3 %	12 %	9 %	6 %
Currency	0 %	0 %	0 %	0 %	1 %	(2)%	(1)%
<b>Total</b>	<b>9 %</b>	<b>2 %</b>	<b>4 %</b>	<b>1 %</b>	<b>14 %</b>	<b>12 %</b>	<b>5 %</b>

## Net Sales by Region



## Year to Date June 2025 Net Sales by Currency



Asian currencies include: AUD, CNY, JPY, KRW, INR.  
 European, non-euro currencies include: CHF, GBP, RON.

Americas, non-USD currencies include: BRL, CAD, MXN.

# OPERATING EARNINGS

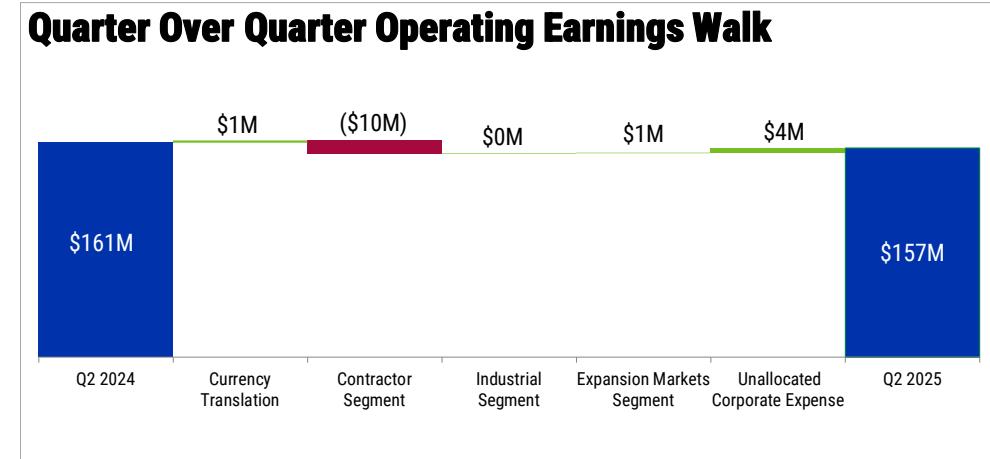
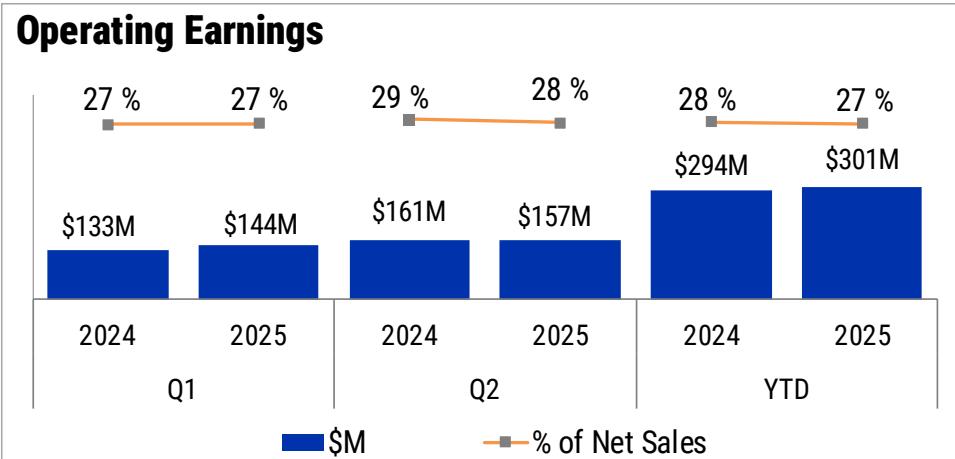


## 2024 Operating Earnings, as reported (\$M and % of sales)

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

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

	Second Quarter		June Year to Date	
\$	161	29 %	\$	294
1	0		(3)	0
(17)	(1)		(11)	(1)
4	(1)		5	(1)
8	1		16	1
<b>\$ 157</b>	<b>28 %</b>		<b>\$ 301</b>	<b>27 %</b>



# SECOND QUARTER 2025



<b>Net Sales</b>	<ul style="list-style-type: none"><li>Up 3 percent from second quarter 2024. Sales from acquired businesses contributed 6 percentage points of growth. Currency translation had no meaningful impact.</li></ul>
<b>Gross Margin</b>	<ul style="list-style-type: none"><li>Margin rate down 2 percentage points compared to second quarter 2024<ul style="list-style-type: none"><li>Higher product cost, including \$4 million in increased tariff costs, and unfavorable effects of lower margin rates of acquired operations.</li></ul></li></ul>
<b>Operating Earnings</b>	<ul style="list-style-type: none"><li>Down \$4 million compared to second quarter 2024<ul style="list-style-type: none"><li>Higher product cost including unfavorable impact of tariffs. Acquired businesses contributed \$4 million of operating earnings.</li></ul></li></ul>
<b>Other (Income)</b>	<ul style="list-style-type: none"><li>Down \$3 million compared to second quarter 2024<ul style="list-style-type: none"><li>Primarily due to \$5 million of higher exchange losses on net liabilities of foreign operations and lower interest income.</li></ul></li></ul>
<b>Interest Expense</b>	<ul style="list-style-type: none"><li>Comparable to second quarter 2024</li></ul>
<b>Taxes</b>	<ul style="list-style-type: none"><li>Adjusted effective tax rate for the quarter was comparable to second quarter 2024.</li></ul>

# JUNE YEAR TO DATE 2025



<b>Net Sales</b>	<ul style="list-style-type: none"><li>Up 5 percent from the same period in 2024. Sales from acquired businesses contributed 6 percentage points of growth. Currency translation reduced net sales by 1 percentage point.</li></ul>
<b>Gross Margin</b>	<ul style="list-style-type: none"><li>Margin rate down 1.7 percentage points compared to the same period in 2024<ul style="list-style-type: none"><li>Higher product cost, including unfavorable impact of \$4 million in tariffs, and unfavorable effects of lower margin rates of acquired operations.</li></ul></li></ul>
<b>Operating Earnings</b>	<ul style="list-style-type: none"><li>Up \$7 million compared to the same period in 2024<ul style="list-style-type: none"><li>Acquired businesses contributed \$5 million of operating earnings. Expense leverage was enough to offset unfavorable impact of higher product cost.</li></ul></li></ul>
<b>Other (Income)</b>	<ul style="list-style-type: none"><li>Down \$3 million compared to the same period in 2024<ul style="list-style-type: none"><li>Primarily due to \$8 million of higher exchange losses on net liabilities of foreign operations and lower interest income.</li><li>June year to date 2025 included a \$5 million gain in the first quarter from the sale of a former manufacturing and distribution facility in Switzerland.</li></ul></li></ul>
<b>Interest Expense</b>	<ul style="list-style-type: none"><li>Comparable to the same period in 2024</li></ul>
<b>Taxes</b>	<ul style="list-style-type: none"><li>Adjusted effective tax rate for the year to date was comparable to the same period in 2024.</li></ul>

# 2025 ENVIRONMENT



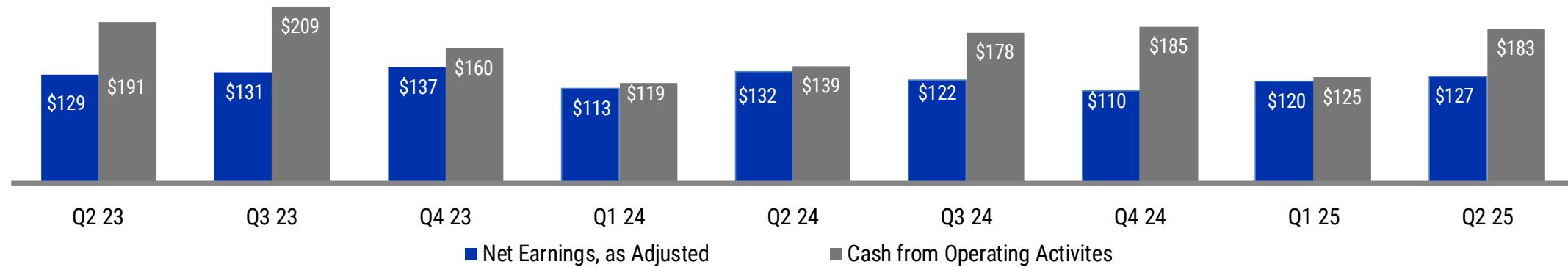
Constant currency basis and excluding acquisitions completed in the prior 12 months

	<b>Americas</b>	<b>EMEA</b>	<b>Asia Pacific</b>	<b>Total</b>
<b>Current Environment</b>	Net Sales Change Q2 2025 (6%) Year to Date (2%)	Net Sales Change Q2 2025 2% Year to Date 1%	Net Sales Change Q2 2025 5% Year to Date 5%	Net Sales Change Q2 2025 (3%) Year to Date 0%
<b>Contractor Segment</b>	 Net Sales Change Q2 2025 (8%) Year to Date (4%)	 Net Sales Change Q2 2025 1% Year to Date (4%)	 Net Sales Change Q2 2025 3% Year to Date 2%	Net Sales Change Q2 2025 (5%) Year to Date (3%)
<b>Industrial Segment</b>	 Net Sales Change Q2 2025 (4%) Year to Date 0%	 Net Sales Change Q2 2025 1% Year to Date 3%	 Net Sales Change Q2 2025 4% Year to Date 5%	Net Sales Change Q2 2025 (1%) Year to Date 2%
<b>Expansion Markets Segment</b>	 Net Sales Change Q2 2025 (12%) Year to Date (2%)	 Net Sales Change Q2 2025 14% Year to Date 9%	 Net Sales Change Q2 2025 14% Year to Date 21%	Net Sales Change Q2 2025 (3%) Year to Date 4%
<b>2025 Outlook</b>				<b>Low Single-Digit Growth</b>

# 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)	\$ (335)	\$ 24
Dividends	(92)	(86)
Capital Expenditures	(30)	(73)
Acquisitions	(10)	-
Sale of Building	11	-

- Net cash from operations was \$308 million vs. \$258 million in the comparable period in 2024.
- Capital expenditures of \$30 million
- Final purchase price payment for 2024 acquisition of Corob
- Proceeds from the sale of a manufacturing and distribution facility in Switzerland of \$11 million
- Through second quarter, we repurchased 4.4 million shares of stock for \$361 million

# OTHER DISCUSSION ITEMS



<b>Cap Ex</b>	<ul style="list-style-type: none"><li>Capital expenditure expectations of approximately \$60 - \$70 million in 2025</li></ul>
<b>Expenses</b>	<ul style="list-style-type: none"><li>Unallocated corporate expenses in 2025 are expected to be approximately \$37 - \$40 million</li></ul>
<b>Shares</b>	<ul style="list-style-type: none"><li>Year-to-date, we repurchased 4.4 million shares of stock. We may make additional opportunistic share repurchases in 2025 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 2024, the movement in foreign currencies would have a favorable impact of 1 percentage point on sales and no impact on net earnings for the full year 2025</li></ul>
<b>Taxes</b>	<ul style="list-style-type: none"><li>We anticipate the effective tax rate in for the third quarter and the full year 2025 to be between 19.5% - 20.5%, excluding any impact from excess tax benefits related to stock option exercises and other one-time items. Actual results and mix of earnings may materially impact the expected tax rate</li></ul>

# CONTRACTOR SEGMENT RESULTS



\$ in millions

	Second Quarter			June Year to Date			2025 Contractor Segment Net Sales as % of Graco
	2025	2024	Change	2025	2024	Change	
<b>Net Sales</b>							
Americas	\$ 201	\$ 205	(2)%	\$ 377	\$ 370	2%	
EMEA	61	44	37	116	91	27	
Asia Pacific	27	20	32	51	38	34	
<b>Total</b>	<b>\$ 289</b>	<b>\$ 269</b>	<b>7 %</b>	<b>\$ 544</b>	<b>\$ 499</b>	<b>9 %</b>	
<b>Operating Earnings</b>	<b>\$ 75</b>	<b>\$ 84</b>	<b>(11)%</b>	<b>\$ 137</b>	<b>\$ 151</b>	<b>(9)%</b>	
% of sales	26 %	31 %		25 %	30 %		



2025 Components of Net Sales Change

	Second Quarter	June Year to Date	Second Quarter	June Year to Date
<b>Americas</b>				
Volume & Price	(8)%	(4)%	3 %	2 %
Acquisitions	6 %	6 %	31 %	35 %
Currency	0 %	0 %	(2)%	(3)%
<b>Total</b>	<b>(2)%</b>	<b>2 %</b>	<b>32 %</b>	<b>34 %</b>
<b>EMEA</b>				
Volume & Price	1 %	(4)%	(5)%	(3)%
Acquisitions	30 %	30 %	12 %	12 %
Currency	6 %	1 %	0 %	0 %
<b>Total</b>	<b>37 %</b>	<b>27 %</b>	<b>7 %</b>	<b>9 %</b>
<b>Asia Pacific</b>				
Volume & Price	3 %	2 %		
Acquisitions	31 %	35 %		
Currency	(2)%	(3)%		
<b>Total</b>	<b>32 %</b>	<b>34 %</b>		
<b>Segment Total</b>				
Volume & Price	(5)%	(3)%		
Acquisitions	12 %	12 %		
Currency	0 %	0 %		
<b>Total</b>	<b>7 %</b>	<b>9 %</b>		

# CONTRACTOR SEGMENT RESULTS



Change in % of net sales

## 2024 Operating Earnings

Cost and product/channel mix

Effect of acquired business operations

## 2025 Operating Earnings

### Second Quarter

### June Year to Date

31 %

(3)

(2)

**26 %**

30 %

(3)

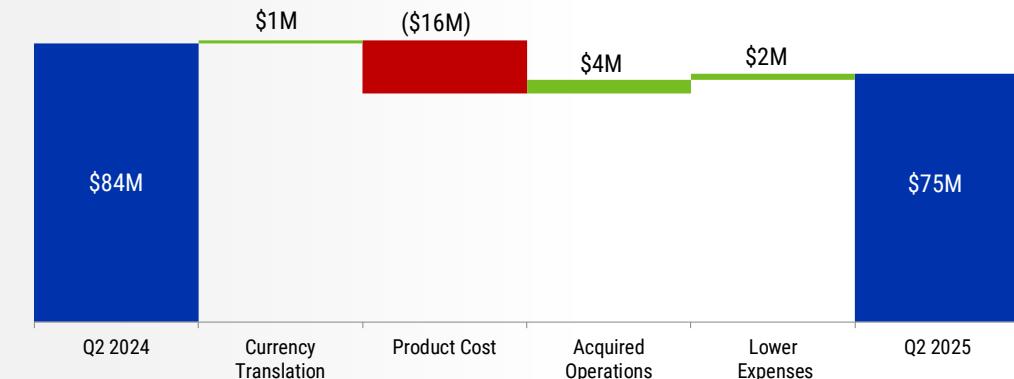
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**25 %**

Contractor Segment Net Sales and Operating Margins



Contractor Segment Operating Earnings QTD



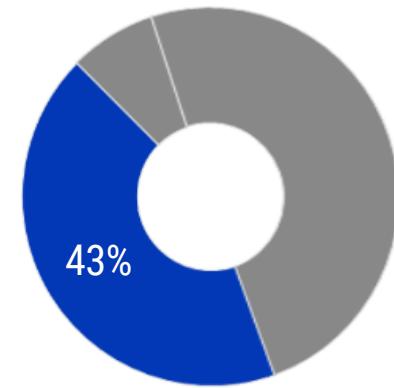
# INDUSTRIAL SEGMENT RESULTS



\$ in millions

	Second Quarter			June Year to Date		
	2025	2024	Change	2025	2024	Change
Americas	\$ 127	\$ 132	(4)%	\$ 248	\$ 249	(1)%
EMEA	61	58	6	121	116	4
Asia Pacific	54	52	4	105	102	3
<b>Total</b>	<b>\$ 242</b>	<b>\$ 242</b>	<b>0%</b>	<b>\$ 474</b>	<b>\$ 467</b>	<b>2%</b>
<b>Operating Earnings</b>	<b>\$ 82</b>	<b>\$ 82</b>	<b>1%</b>	<b>\$ 162</b>	<b>\$ 155</b>	<b>5 %</b>
% of sales	34 %	34 %		34 %	33 %	

2025 Industrial Segment  
Net Sales as % of Graco



2025 Components of Net Sales Change

	Second Quarter	June Year to Date
<b>Americas</b>		
Volume & Price	(4)%	0 %
Acquisitions	0 %	0 %
Currency	0 %	(1)%
<b>Total</b>	<b>(4)%</b>	<b>(1)%</b>
<b>EMEA</b>		
Volume & Price	1 %	3 %
Acquisitions	0 %	0 %
Currency	5 %	1 %
<b>Total</b>	<b>6 %</b>	<b>4 %</b>

	Second Quarter	June Year to Date
<b>Asia Pacific</b>		
Volume & Price	4 %	5 %
Acquisitions	0 %	0 %
Currency	0 %	(2)%
<b>Total</b>	<b>4 %</b>	<b>3 %</b>

	Second Quarter	June Year to Date
<b>Segment Total</b>		
Volume & Price	(1)%	2 %
Acquisitions	0 %	0 %
Currency	1 %	0 %
<b>Total</b>	<b>0 %</b>	<b>2 %</b>

# INDUSTRIAL SEGMENT FINANCIAL RESULTS



Change in % of net sales

## 2024 Operating Earnings

Currency translation  
Product/channel mix, cost  
Lower expenses

## 2025 Operating Earnings

### Second Quarter

34 %

0

0

0

**34 %**

### June Year to Date

33 %

(1)

1

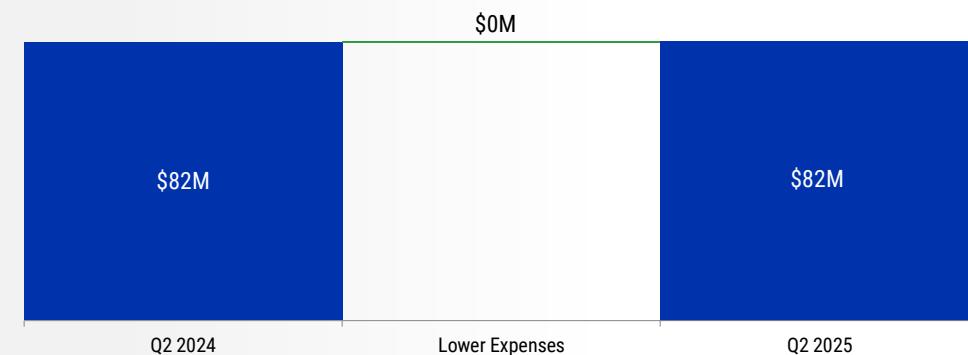
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**34 %**

Industrial Segment Net Sales and Operating Margins



Industrial Segment Operating Earnings QTD



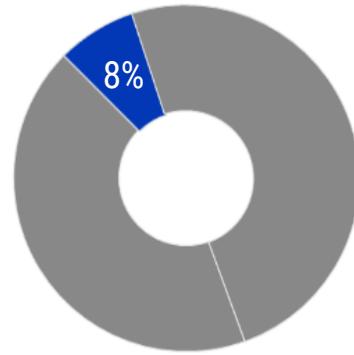
# EXPANSION MARKETS SEGMENT FINANCIAL RESULTS



\$ in millions

	Second Quarter			June Year to Date		
	2025	2024	Change	2025	2024	Change
Americas	\$ 24	\$ 27	(12)%	\$ 50	\$ 51	(2)%
EMEA	8	7	16	14	13	10
Asia Pacific	9	8	15	18	15	21
<b>Total</b>	<b>\$ 41</b>	<b>\$ 42</b>	<b>(3)%</b>	<b>\$ 82</b>	<b>\$ 79</b>	<b>4%</b>
<b>Operating Earnings</b>	<b>\$ 9</b>	<b>\$ 8</b>	<b>5 %</b>	<b>\$ 19</b>	<b>\$ 15</b>	<b>24 %</b>
% of sales	22 %	20 %		23 %	19 %	

2025 Expansion Markets Segment  
Net Sales as % of Graco



2025 Components of Net Sales Change

	Second Quarter	June Year to Date
<b>Americas</b>		
Volume & Price	(12)%	(2)%
Acquisitions	0 %	0 %
Currency	0 %	0 %
<b>Total</b>	<b>(12)%</b>	<b>(2)%</b>
<b>EMEA</b>		
Volume & Price	14 %	9 %
Acquisitions	0 %	0 %
Currency	2 %	1 %
<b>Total</b>	<b>16 %</b>	<b>10 %</b>

	Second Quarter	June Year to Date
<b>Asia Pacific</b>		
Volume & Price	14 %	21 %
Acquisitions	0 %	0 %
Currency	1 %	0 %
<b>Total</b>	<b>15 %</b>	<b>21 %</b>
<b>Segment Total</b>		
Volume & Price	(3)%	4 %
Acquisitions	0 %	0 %
Currency	0 %	0 %
<b>Total</b>	<b>(3)%</b>	<b>4 %</b>

# EXPANSION MARKETS SEGMENT FINANCIAL RESULTS



Change in % of net sales

## 2024 Operating Earnings

Volume

Lower expenses

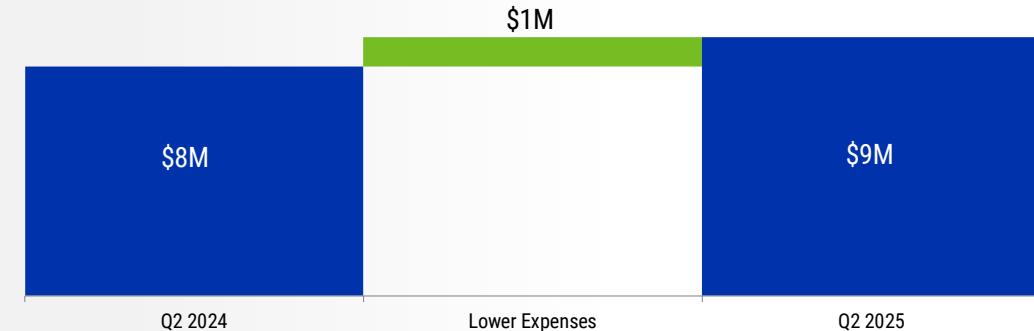
## 2025 Operating Earnings

	Second Quarter	June Year to Date
	20 %	19 %
Volume	1	1
Lower expenses	1	3
<b>2025 Operating Earnings</b>	<b>22 %</b>	<b>23 %</b>

Expansion Markets Segment Net Sales and Operating Margins



Expansion Markets Segment Operating Earnings QTD



# ADJUSTED FINANCIAL RESULTS



## Non-GAAP Reconciliation

\$ in millions except per share amounts

### Income taxes, as reported

Excess tax benefit from option exercises

### Income taxes, adjusted

Effective income tax rate

As reported

Adjusted

### Net earnings, as reported

Excess tax benefit from option exercises

### Net earnings, adjusted

Weighted average diluted shares

### Diluted earnings per share

As reported

Adjusted

	Second Quarter			June Year to Date		
	2025	2024	Change	2025	2024	Change
Income taxes, as reported	\$ 30.6	\$ 32.2	(5)%	\$ 58.0	\$ 50.3	15 %
Excess tax benefit from option exercises	0.7	0.8		4.4	10.4	
Income taxes, adjusted	<u>\$ 31.3</u>	<u>\$ 33.0</u>	<u>(5)%</u>	<u>\$ 62.4</u>	<u>\$ 60.7</u>	<u>3 %</u>
Effective income tax rate	19.3%	19.5%		18.7%	16.5%	
As reported	19.3%	19.5%		18.7%	16.5%	
Adjusted	19.8%	20.0%		20.1%	19.9%	
Net earnings, as reported	\$ 127.6	\$ 133.0	(4)%	\$ 251.7	\$ 255.2	(1)%
Excess tax benefit from option exercises	(0.7)	(0.8)		(4.4)	(10.4)	
Net earnings, adjusted	<u>\$ 126.9</u>	<u>\$ 132.2</u>	<u>(4)%</u>	<u>\$ 247.3</u>	<u>\$ 244.8</u>	<u>1 %</u>
Weighted average diluted shares	168.6	172.5		170.1	172.5	
Diluted earnings per share	\$ 0.76	\$ 0.77	(1)%	\$ 1.48	\$ 1.48	0 %
As reported	\$ 0.76	\$ 0.77	(1)%	\$ 1.45	\$ 1.42	2 %
Adjusted	\$ 0.75	\$ 0.77	(3)%			

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.



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