



SECOND QUARTER EARNINGS CALL

2025.07.24



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

Net Sales

Second Quarter			June Year to Date		
2025	2024	Change	2025	2024	Change
\$ 571.8	\$ 553.2	3 %	\$ 1,100.1	\$ 1,045.4	5 %

Gross Profit

% of Net Sales

299.5	300.9	(0)%	577.3	567.1	2 %
52.4%	54.4%	(2.0) pts	52.5%	54.2%	(1.7) pts

Operating Earnings

% of Net Sales

157.5	161.4	(2)%	301.5	294.4	2 %
27.5%	29.2%	(1.7) pts	27.4%	28.2%	(0.8) pts

Net Earnings

% of Net Sales

\$ 127.6	\$ 133.0	(4)%	\$ 251.7	\$ 255.2	(1)%
22.3%	24.0%	(1.7) pts	22.9%	24.4%	(1.5) pts

Diluted Net Earnings Per Share

Diluted Shares in Millions

\$ 0.76	\$ 0.77	(1)%	\$ 1.48	\$ 1.48	0 %
168.6	172.5	(2)%	170.1	172.5	(1)%

Net Earnings, Adjusted (1)

Diluted Net Earnings Per Share, Adjusted (1)

\$ 126.9	\$ 132.2	(4)%	\$ 247.3	\$ 244.8	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

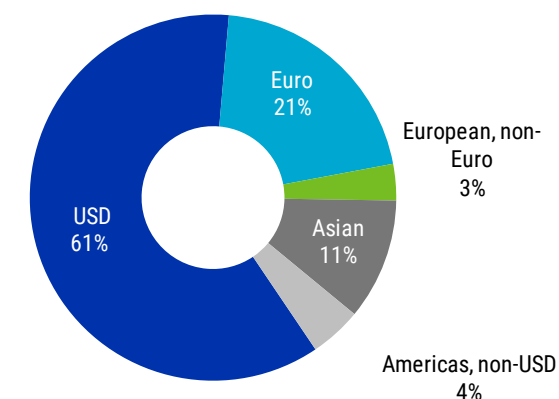


Components of Net Sales Change

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 %
Total	7 %	0 %	(3)%	(3)%	19 %	12 %	3 %

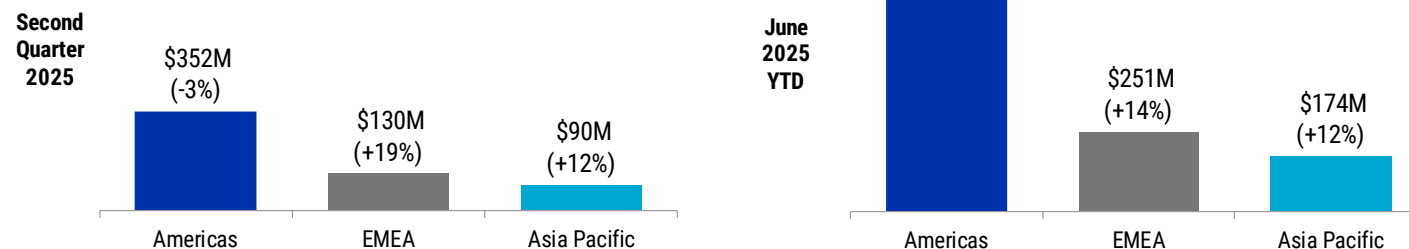
2025 June Year to Date	Segment			Region			Consolidated
	Contractor	Industrial	Expansion Markets	Americas	EMEA	Asia Pacific	
Volume and Price	(3)%	2 %	4 %	(2)%	1 %	5 %	0 %
Acquisitions	12 %	0 %	0 %	3 %	12 %	9 %	6 %
Currency	0 %	0 %	0 %	0 %	1 %	(2)%	(1)%
Total	9 %	2 %	4 %	1 %	14 %	12 %	5 %

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.

Net Sales by Region



OPERATING EARNINGS



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

Currency translation

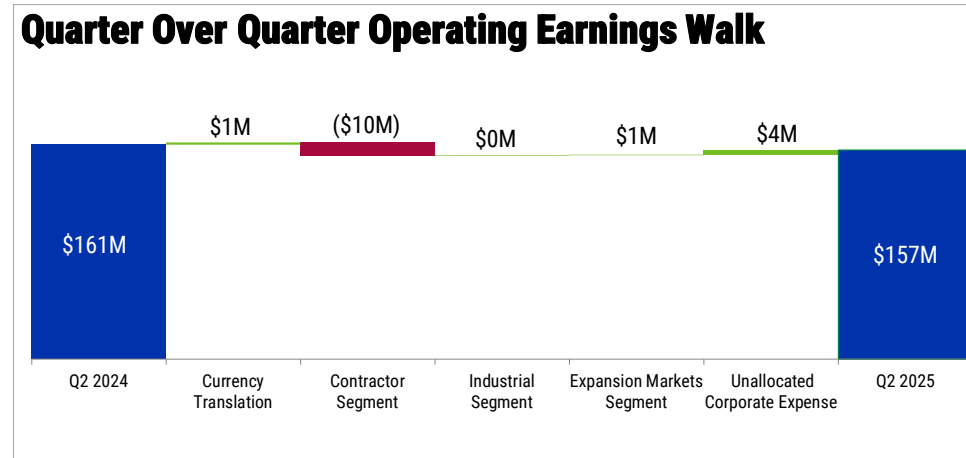
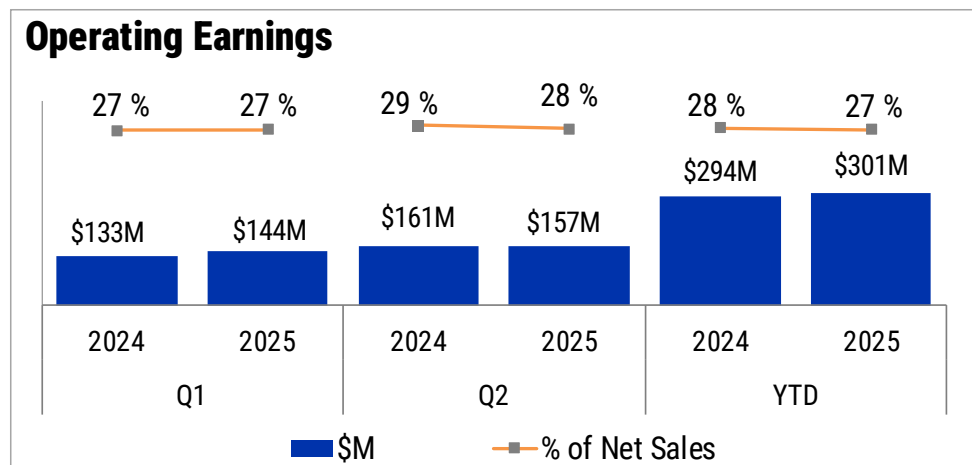
Product cost, volume

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	28 %
	1	0		(3)	0
	(17)	(1)		(11)	(1)
	4	(1)		5	(1)
	8	1		16	1
\$	157	28 %	\$	301	27 %



SECOND QUARTER 2025



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

JUNE YEAR TO DATE 2025












Net Sales	<ul style="list-style-type: none">• 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.
Gross Margin	<ul style="list-style-type: none">• Margin rate down 1.7 percentage points compared to the same period in 2024<ul style="list-style-type: none">> Higher product cost, including unfavorable impact of \$4 million in tariffs, and unfavorable effects of lower margin rates of acquired operations.
Operating Earnings	<ul style="list-style-type: none">• Up \$7 million compared to the same period in 2024<ul style="list-style-type: none">> Acquired businesses contributed \$5 million of operating earnings. Expense leverage was enough to offset unfavorable impact of higher product cost.
Other (Income)	<ul style="list-style-type: none">• Down \$3 million compared to the same period in 2024<ul style="list-style-type: none">> Primarily due to \$8 million of higher exchange losses on net liabilities of foreign operations and lower interest income.> 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.
Interest Expense	<ul style="list-style-type: none">• Comparable to the same period in 2024
Taxes	<ul style="list-style-type: none">• Adjusted effective tax rate for the year to date was comparable to the same period in 2024.

2025 ENVIRONMENT



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

	Americas	EMEA	Asia Pacific	Total
Current Environment	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%
Contractor Segment	 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%)
Industrial Segment	 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%
Expansion Markets Segment	 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%

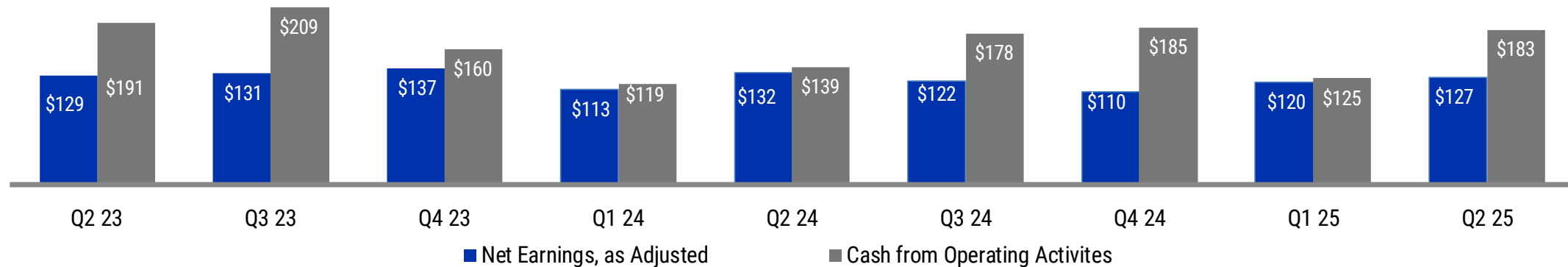
2025 Outlook

Low Single-Digit Growth

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



Cap Ex	<ul style="list-style-type: none">• Capital expenditure expectations of approximately \$60 - \$70 million in 2025
Expenses	<ul style="list-style-type: none">• Unallocated corporate expenses in 2025 are expected to be approximately \$37 - \$40 million
Shares	<ul style="list-style-type: none">• Year-to-date, we repurchased 4.4 million shares of stock. We may make additional opportunistic share repurchases in 2025 via open market transactions
Currency	<ul style="list-style-type: none">• At current exchange rates, assuming the same volumes, mix of products and mix of business by currency as in 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
Taxes	<ul style="list-style-type: none">• 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

CONTRACTOR SEGMENT RESULTS



\$ in millions

Net Sales

Americas

EMEA

Asia Pacific

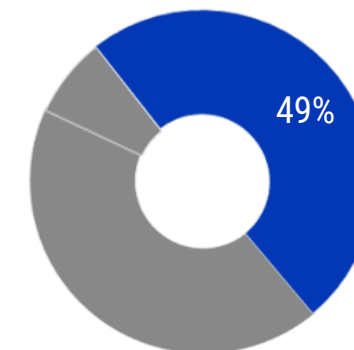
Total

Operating Earnings

% of sales

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

2025 Contractor Segment
Net Sales as % of Graco



2025 Components of Net Sales Change

	Second Quarter	June Year to Date
Americas		
Volume & Price	(8)%	(4)%
Acquisitions	6 %	6 %
Currency	0 %	0 %
Total	(2)%	2 %
EMEA		
Volume & Price	1 %	(4)%
Acquisitions	30 %	30 %
Currency	6 %	1 %
Total	37 %	27 %

	Second Quarter	June Year to Date
Asia Pacific		
Volume & Price	3 %	2 %
Acquisitions	31 %	35 %
Currency	(2)%	(3)%
Total	32 %	34 %
Segment Total		
Volume & Price	(5)%	(3)%
Acquisitions	12 %	12 %
Currency	0 %	0 %
Total	7 %	9 %

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

31 %

(3)

(2)

26 %

June Year to Date

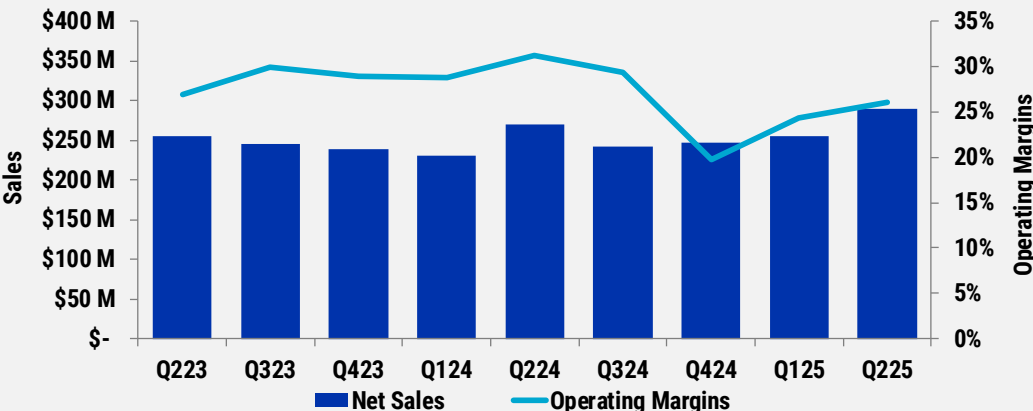
30 %

(3)

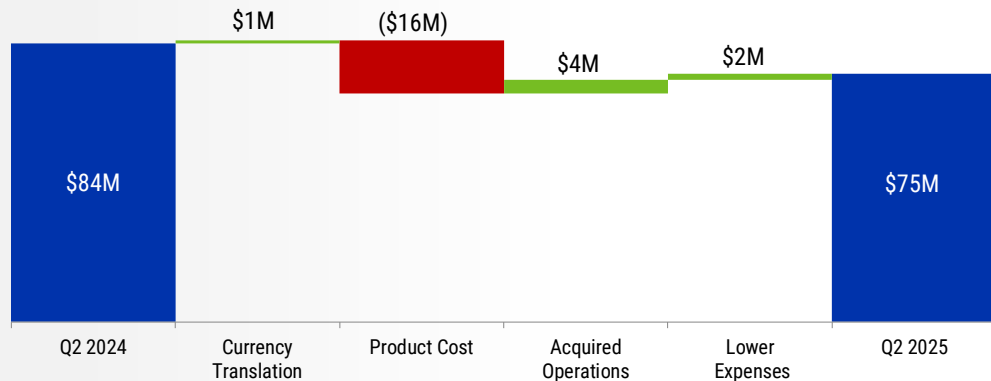
(2)

25 %

Contractor Segment Net Sales and Operating Margins



Contractor Segment Operating Earnings QTD



INDUSTRIAL SEGMENT RESULTS



\$ in millions

Net Sales

Americas

EMEA

Asia Pacific

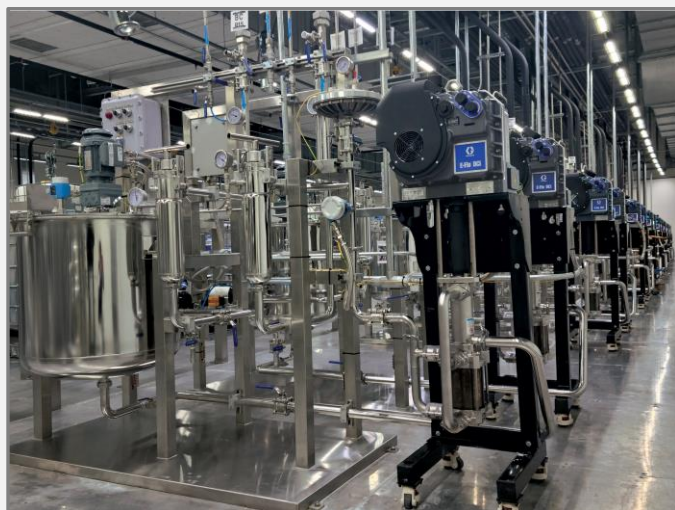
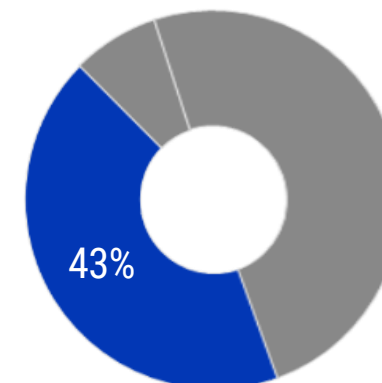
Total

Operating Earnings

% of sales

Second Quarter			June Year to Date		
2025	2024	Change	2025	2024	Change
\$ 127	\$ 132	(4)%	\$ 248	\$ 249	(1)%
61	58	6	121	116	4
54	52	4	105	102	3
\$ 242	\$ 242	0%	\$ 474	\$ 467	2%
\$ 82	\$ 82	1%	\$ 162	\$ 155	5 %
34 %	34 %		34 %	33 %	

2025 Industrial Segment Net Sales as % of Graco



2025 Components of Net Sales Change

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

	Second Quarter	June Year to Date
Asia Pacific		
Volume & Price	4 %	5 %
Acquisitions	0 %	0 %
Currency	0 %	(2)%
Total	4 %	3 %
Segment Total		
Volume & Price	(1)%	2 %
Acquisitions	0 %	0 %
Currency	1 %	0 %
Total	0 %	2 %

INDUSTRIAL SEGMENT FINANCIAL RESULTS



Change in % of net sales

2024 Operating Earnings

Currency translation

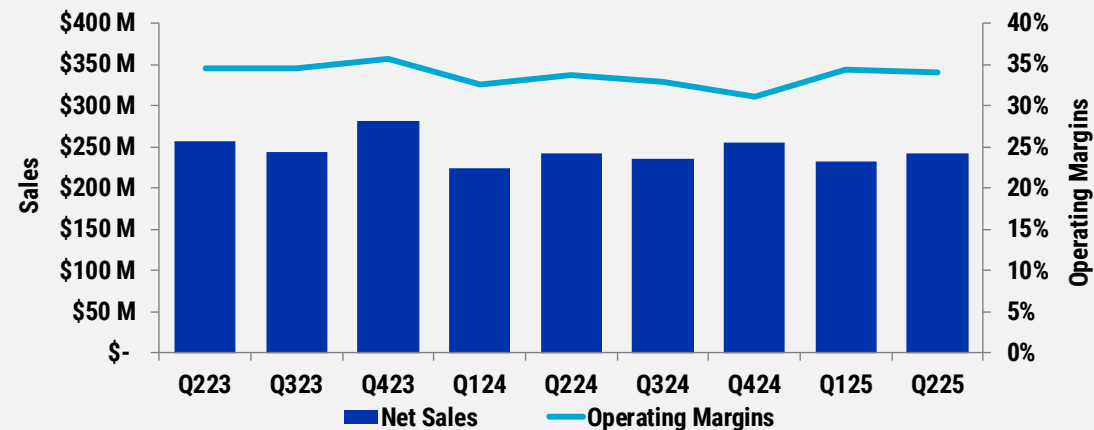
Product/channel mix, cost

Lower expenses

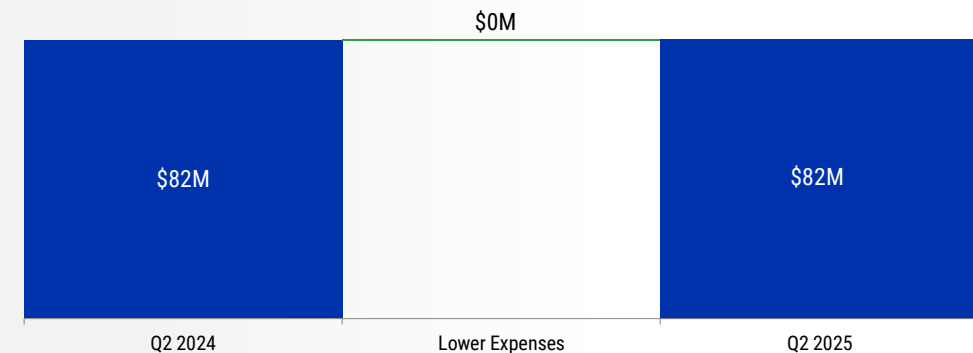
2025 Operating Earnings

Second Quarter	June Year to Date
34 %	33 %
0	(1)
0	1
0	1
34 %	34 %

Industrial Segment Net Sales and Operating Margins



Industrial Segment Operating Earnings QTD



EXPANSION MARKETS SEGMENT FINANCIAL RESULTS



\$ in millions

Net Sales

Americas

EMEA

Asia Pacific

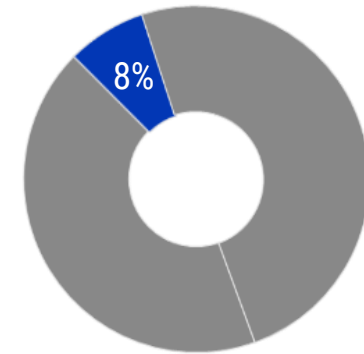
Total

Operating Earnings

% of sales

Second Quarter			June Year to Date		
2025	2024	Change	2025	2024	Change
\$ 24	\$ 27	(12)%	\$ 50	\$ 51	(2)%
8	7	16	14	13	10
9	8	15	18	15	21
\$ 41	\$ 42	(3)%	\$ 82	\$ 79	4%
\$ 9	\$ 8	5 %	\$ 19	\$ 15	24 %
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
Americas		
Volume & Price	(12)%	(2)%
Acquisitions	0 %	0 %
Currency	0 %	0 %
Total	(12)%	(2)%
EMEA		
Volume & Price	14 %	9 %
Acquisitions	0 %	0 %
Currency	2 %	1 %
Total	16 %	10 %

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

EXPANSION MARKETS SEGMENT FINANCIAL RESULTS



Change in % of net sales

2024 Operating Earnings

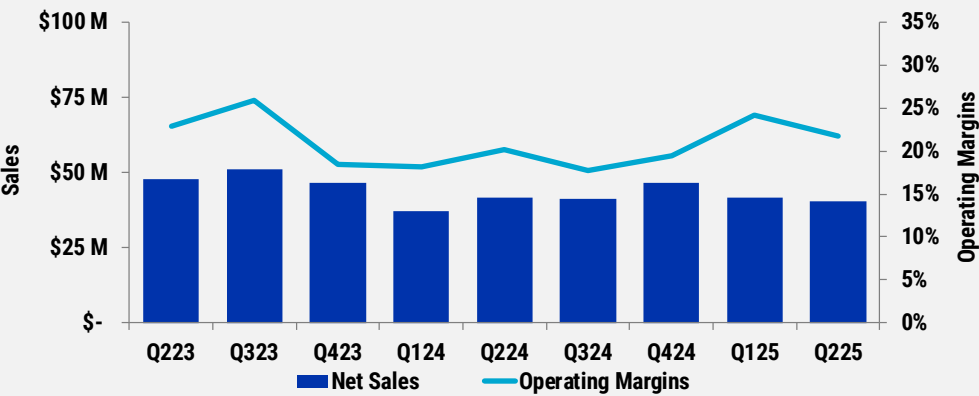
Volume

Lower expenses

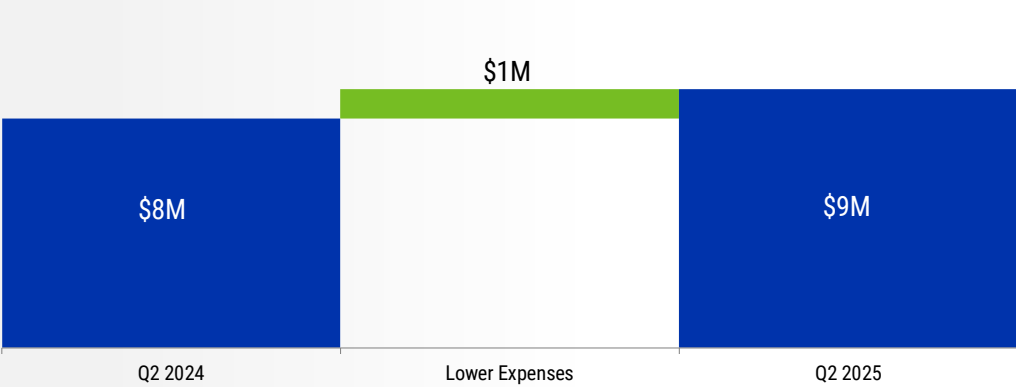
2025 Operating Earnings

Second Quarter	June Year to Date
20 %	19 %
1	1
1	3
22 %	23 %

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		
2025	2024	Change
\$ 30.6	\$ 32.2	(5)%
0.7	0.8	
\$ 31.3	\$ 33.0	(5)%

19.3%	19.5%
19.8%	20.0%

\$ 127.6	\$ 133.0	(4)%
(0.7)	(0.8)	
\$ 126.9	\$ 132.2	(4)%

168.6	172.5
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\$ 0.76	\$ 0.77	(1)%
\$ 0.75	\$ 0.77	(3)%

June Year to Date		
2025	2024	Change
\$ 58.0	\$ 50.3	15 %
4.4	10.4	
\$ 62.4	\$ 60.7	3 %

18.7%	16.5%
20.1%	19.9%

\$ 251.7	\$ 255.2	(1)%
(4.4)	(10.4)	
\$ 247.3	\$ 244.8	1 %

170.1	172.5
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\$ 1.48	\$ 1.48	0 %
\$ 1.45	\$ 1.42	2 %

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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