



## THIRD QUARTER EARNINGS CALL

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2025.10.23

# 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 October 22, 2025.

# FINANCIAL RESULTS



## Statement of Earnings

\$ in millions except per share amounts

### Net Sales

	Third Quarter			September Year to Date		
	2025	2024	Change	2025	2024	Change
<b>Net Sales</b>	\$ 543.4	\$ 519.2	5 %	\$ 1,643.4	\$ 1,564.6	5 %

### Gross Profit

% of Net Sales

289.2	276.1	5 %
53.2%	53.2%	0.0 pts

### Operating Earnings

% of Net Sales

164.7	145.7	13 %
30.3%	28.1%	2.2 pts

### Net Earnings

% of Net Sales

\$ 137.6	\$ 122.2	13 %
25.3%	23.5%	1.8 pts

### Diluted Net Earnings Per Share

Diluted Shares in Millions

\$ 0.82	\$ 0.71	15 %
168.6	172.1	(2)%

Operating Earnings, Adjusted (1)

Net Earnings, Adjusted (1)

Diluted Net Earnings Per Share, Adjusted (1)

\$ 150.6	\$ 145.7	3 %
\$ 122.8	\$ 122.2	0 %
\$ 0.73	\$ 0.71	3 %

1) Operating earnings, 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

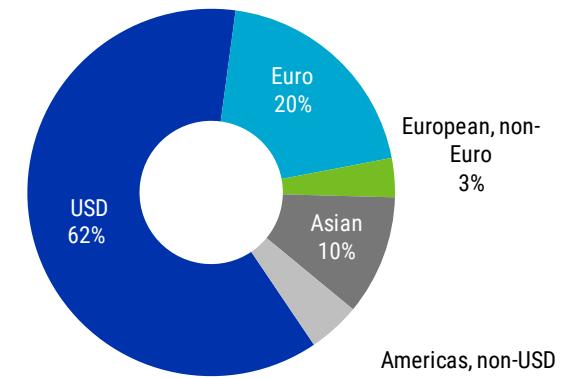
Third Quarter 2025							
	Segment			Region			Consolidated
	Contractor	Industrial	Expansion Markets	Americas	EMEA	Asia Pacific	
Volume and Price	(3)%	(2)%	3 %	(1)%	(5)%	(3)%	(2)%
Acquisitions	11 %	1 %	0 %	3 %	11 %	10 %	6 %
Currency	0 %	2 %	0 %	0 %	6 %	0 %	1 %
<b>Total</b>	<b>8 %</b>	<b>1 %</b>	<b>3 %</b>	<b>2 %</b>	<b>12 %</b>	<b>7 %</b>	<b>5 %</b>

September Year to Date 2025							
	Segment			Region			Consolidated
	Contractor	Industrial	Expansion Markets	Americas	EMEA	Asia Pacific	
Volume and Price	(3)%	1 %	4 %	(2)%	(1)%	3 %	(1)%
Acquisitions	12 %	0 %	0 %	3 %	12 %	9 %	6 %
Currency	0 %	0 %	0 %	0 %	2 %	(2)%	0 %
<b>Total</b>	<b>9 %</b>	<b>1 %</b>	<b>4 %</b>	<b>1 %</b>	<b>13 %</b>	<b>10 %</b>	<b>5 %</b>

## Net Sales by Region



## Year to Date September 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

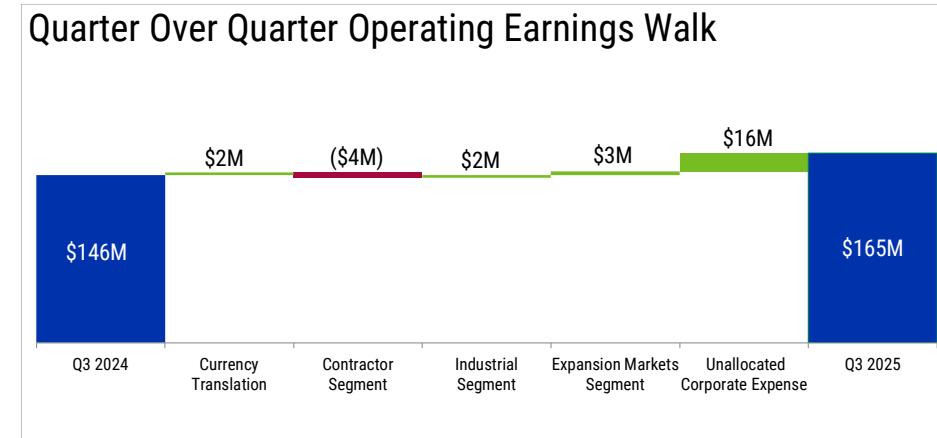
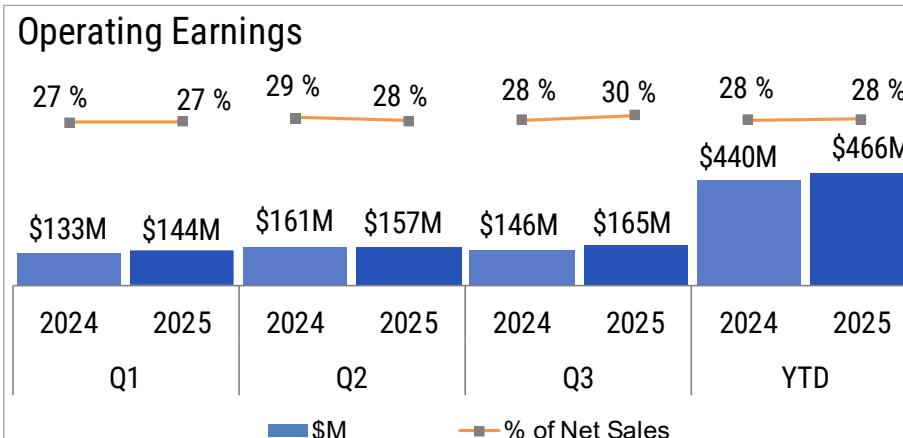


## 2024 Operating Earnings, as reported (\$M and % of sales)

Currency translation  
Product cost, volume  
Effect of acquired businesses  
Gain on reduction of fair value contingent consideration  
Volume effect on expense leverage

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

	Third Quarter		Sept. Year to Date	
\$	146	28 %	\$	440
	2	0		0
(2)	1		(13)	0
	1	(2)	6	(2)
14	3		14	1
4	0		19	1
<b>\$ 165</b>	<b>30 %</b>		<b>\$ 466</b>	<b>28 %</b>



# THIRD QUARTER 2025



<b>Net Sales</b>	<ul style="list-style-type: none"><li>Up 5 percent from third quarter 2024. Sales from acquired businesses contributed 6 percentage points of growth. Currency translation increased net sales by 1 percentage point.</li></ul>
<b>Gross Margin</b>	<ul style="list-style-type: none"><li>Margin rate comparable to third quarter 2024<ul style="list-style-type: none"><li>Realized pricing and favorable mix offset the impact of higher product cost, including \$5 million in increased tariff costs, and the unfavorable effects of lower margin rates from acquired operations.</li></ul></li></ul>
<b>Operating Earnings</b>	<ul style="list-style-type: none"><li>Up \$19 million compared to third quarter 2024<ul style="list-style-type: none"><li>Operating expense included a \$14 million non-cash gain from the reduction in fair value of acquisition-related contingent consideration.</li><li>Acquired businesses contributed \$1 million of operating earnings.</li></ul></li></ul>
<b>Other (Income)</b>	<ul style="list-style-type: none"><li>Down \$2 million compared to third quarter 2024 due to lower interest income</li></ul>
<b>Interest Expense</b>	<ul style="list-style-type: none"><li>Comparable to third quarter 2024</li></ul>
<b>Taxes</b>	<ul style="list-style-type: none"><li>Adjusted effective tax rate for the quarter increased 1 percentage point compared to third quarter 2024 due to foreign earnings taxed at different rates than the U.S.</li></ul>

# SEPTEMBER 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 had no meaningful impact.</li></ul>
<b>Gross Margin</b>	<ul style="list-style-type: none"><li>Margin rate down 1.2 percentage points compared to the same period in 2024<ul style="list-style-type: none"><li>Higher product cost, including unfavorable impact of \$9 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>Up \$26 million compared to the same period in 2024<ul style="list-style-type: none"><li>Operating expense included a \$14 million non-cash gain from the reduction in fair value in acquisition-related contingent consideration.</li><li>Acquired businesses contributed \$6 million of operating earnings.</li></ul></li></ul>
<b>Other (Income)</b>	<ul style="list-style-type: none"><li>Down \$5 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, partially offset by gains on market value fluctuations on investments held to fund certain retirement benefit liabilities</li><li>Year to date 2025 included a \$5 million gain from the sale of a 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



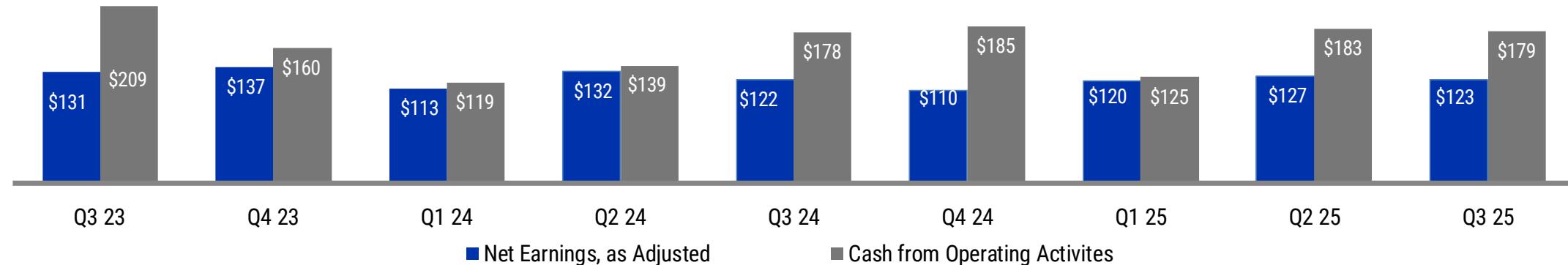
Constant currency basis and excluding acquisitions completed in the prior 12 months

	<b>Americas</b>	<b>EMEA</b>	<b>Asia Pacific</b>	<b>Total</b>
<b>Current Environment</b>	Net Sales Change Q3 2025 (1%) Year to Date (2%)	Net Sales Change Q3 2025 (5%) Year to Date (1%)	Net Sales Change Q3 2025 (3%) Year to Date 3%	Net Sales Change Q3 2025 (2%) Year to Date (1%)
<b>Contractor Segment</b>	 Net Sales Change Q3 2025 (3%) Year to Date (4%)	 Net Sales Change Q3 2025 (1%) Year to Date (3%)	 Net Sales Change Q3 2025 (12%) Year to Date (3%)	Net Sales Change Q3 2025 (3%) Year to Date (3%)
<b>Industrial Segment</b>	 Net Sales Change Q3 2025 3% Year to Date 1%	 Net Sales Change Q3 2025 (7%) Year to Date 0%	 Net Sales Change Q3 2025 (6%) Year to Date 1%	Net Sales Change Q3 2025 (2%) Year to Date 1%
<b>Expansion Markets Segment</b>	 Net Sales Change Q3 2025 (6%) Year to Date (4%)	 Net Sales Change Q3 2025 (4%) Year to Date 5%	 Net Sales Change Q3 2025 40% Year to Date 27%	Net Sales Change Q3 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)	\$ (329)	\$ 14
Dividends	(138)	(129)
Capital Expenditures	(34)	(93)
Acquisitions	(70)	(8)
Sale of Building	11	-

- Net cash from operations was \$487 million vs. \$436 million in the comparable period in 2024.
- Through third quarter, we repurchased 4.4 million shares of stock for \$361 million
- Capital expenditures of \$34 million
- Acquired Color Service in third quarter 2025 for \$60 million. Additional purchase price payment for 2024 acquisition of Corob during first quarter 2025 of \$10 million.
- Proceeds from the sale of a manufacturing and distribution facility in Switzerland of \$11 million

# OTHER DISCUSSION ITEMS



<b>Cap Ex</b>	<ul style="list-style-type: none"><li>Capital expenditure expectations of approximately \$50 - \$60 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 \$35 - \$38 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 net sales and 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 fourth 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>

# OTHER DISCUSSION ITEMS - BACKLOG



\$M, excluding acquisitions	Change in Backlog from Previous Quarter/ Year End			
	Third Quarter		September Year to Date	
	2025	2024	2025	2024
Contractor	\$ (1)	\$ (10)	\$ (7)	\$ (8)
Industrial	12	(10)	13	(29)
Expansion Markets	(5)	(4)	(13)	(11)
	<u><u>\$ 6</u></u>	<u><u>\$ (24)</u></u>	<u><u>\$ (7)</u></u>	<u><u>\$ (48)</u></u>

Current backlog is now considered at normal levels.

# CONTRACTOR SEGMENT RESULTS

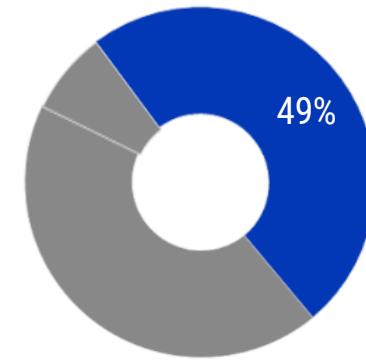


\$ in millions

	Third Quarter		
	2025	2024	Change
<b>Net Sales</b>			
Americas	\$ 186	\$ 182	2%
EMEA	52	40	31
Asia Pacific	24	20	20
<b>Total</b>	<b>\$ 262</b>	<b>\$ 242</b>	<b>8 %</b>
<b>Change in Backlog*</b>	<b>\$ (1)</b>	<b>\$ (10)</b>	
<b>Operating Earnings</b>	<b>\$ 68</b>	<b>\$ 71</b>	<b>(4)%</b>
% of sales	26 %	29 %	

	September Year to Date		
	2025	2024	Change
<b>Net Sales</b>			
Americas	\$ 563	\$ 553	2%
EMEA	168	131	28
Asia Pacific	75	58	29
<b>Total</b>	<b>\$ 806</b>	<b>\$ 742</b>	<b>9%</b>
<b>Change in Backlog*</b>	<b>\$ (7)</b>	<b>\$ (8)</b>	
<b>Operating Earnings</b>	<b>\$ 205</b>	<b>\$ 222</b>	<b>(7)%</b>
	25 %	30 %	

**2025 Contractor Segment  
Net Sales as % of Graco**



\* Change from prior quarter/year end, excluding acquisitions



2025 Components of Net Sales Change

	Third Quarter	September Year to Date	Third Quarter	September Year to Date
<b>Americas</b>				
Volume & Price	(3)%	(4)%		
Acquisitions	5 %	6 %		
Currency	0 %	0 %		
<b>Total</b>	<b>2 %</b>	<b>2 %</b>		
<b>EMEA</b>				
Volume & Price	(1)%	(3)%		
Acquisitions	26 %	28 %		
Currency	6 %	3 %		
<b>Total</b>	<b>31 %</b>	<b>28 %</b>		
<b>Asia Pacific</b>				
Volume & Price	(12)%	(3)%		
Acquisitions	33 %	34 %		
Currency	(1)%	(2)%		
<b>Total</b>	<b>20 %</b>	<b>29 %</b>		
<b>Segment Total</b>				
Volume & Price	(3)%	(3)%		
Acquisitions	11 %	12 %		
Currency	0 %	0 %		
<b>Total</b>	<b>8 %</b>	<b>9 %</b>		

# CONTRACTOR SEGMENT RESULTS



Change in % of net sales

## 2024 Operating Earnings

Product cost/tariffs

Effect of acquired businesses

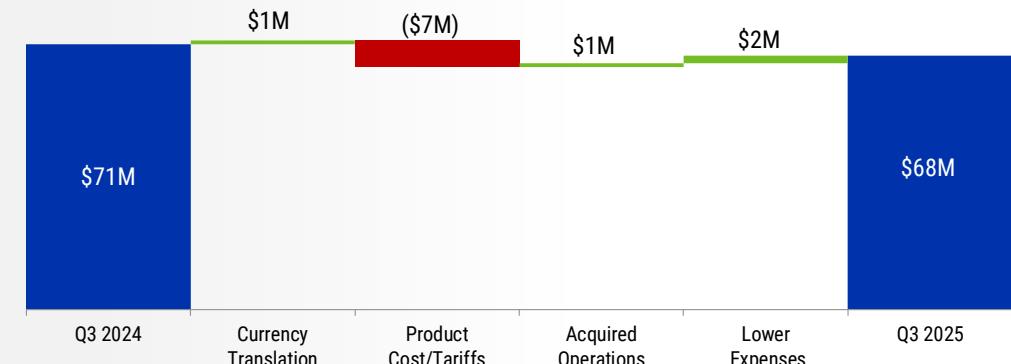
## 2025 Operating Earnings

	Third Quarter	September Year to Date
	29 %	30 %
Product cost/tariffs	(1)	(3)
Effect of acquired businesses	(2)	(2)
	<b>26 %</b>	<b>25 %</b>

Contractor Segment Net Sales and Operating Margins



Contractor Segment Operating Earnings QTD



# INDUSTRIAL SEGMENT RESULTS



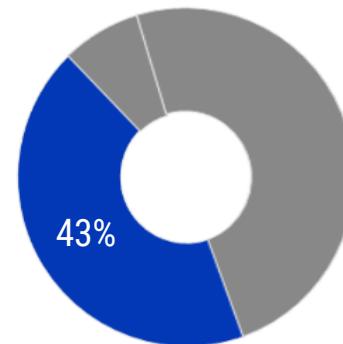
\$ in millions

	Third Quarter			September Year to Date		
	2025	2024	Change	2025	2024	Change
<b>Net Sales</b>						
Americas	\$ 130	\$ 125	3%	\$ 378	\$ 375	1%
EMEA	59	58	1	179	174	3
Asia Pacific	50	53	(3)	156	154	1
<b>Total</b>	<b>\$ 239</b>	<b>\$ 236</b>	<b>1%</b>	<b>\$ 713</b>	<b>\$ 703</b>	<b>1%</b>
<b>Change in Backlog*</b>	<b>\$ 12</b>	<b>\$ (10)</b>		<b>\$ 13</b>	<b>\$ (29)</b>	
<b>Operating Earnings</b>	<b>\$ 81</b>	<b>\$ 78</b>	<b>4%</b>	<b>\$ 243</b>	<b>\$ 232</b>	<b>5 %</b>
% of sales	34 %	33 %		34 %	33 %	

\* Change from prior quarter/year end, excluding acquisitions



2025 Industrial Segment  
Net Sales as % of Graco



2025 Components of Net Sales Change

	Third Quarter	September Year to Date
<b>Americas</b>		
Volume & Price	3 %	1 %
Acquisitions	0 %	0 %
Currency	0 %	0 %
<b>Total</b>	<b>3 %</b>	<b>1 %</b>
<b>EMEA</b>		
Volume & Price	(7) %	0 %
Acquisitions	2 %	1 %
Currency	6 %	2 %
<b>Total</b>	<b>1 %</b>	<b>3 %</b>

	Third Quarter	September Year to Date
<b>Asia Pacific</b>		
Volume & Price	(6) %	1 %
Acquisitions	3 %	1 %
Currency	0 %	(1) %
<b>Total</b>	<b>(3) %</b>	<b>1 %</b>
<b>Segment Total</b>		
Volume & Price	(2) %	1 %
Acquisitions	1 %	0 %
Currency	2 %	0 %
<b>Total</b>	<b>1 %</b>	<b>1 %</b>

# INDUSTRIAL SEGMENT FINANCIAL RESULTS



Change in % of net sales

## 2024 Operating Earnings

Product/channel mix, cost

Higher expenses

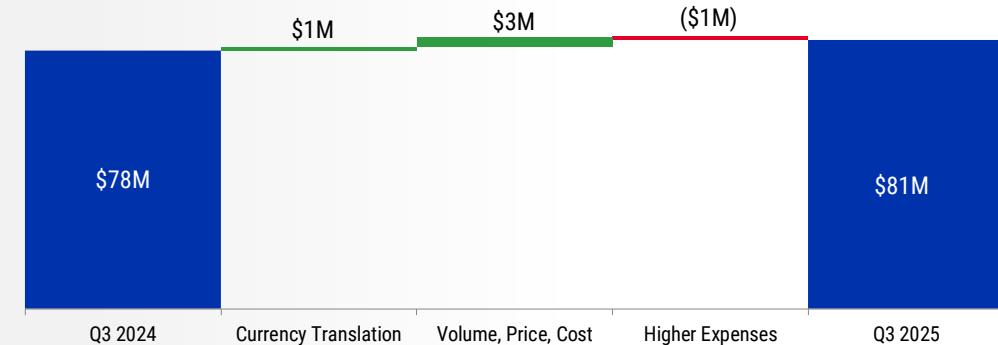
## 2025 Operating Earnings

	Third Quarter	September Year to Date
	33 %	33 %
Product/channel mix, cost	2	1
Higher expenses	(1)	0
	<b>34 %</b>	<b>34 %</b>

Industrial Segment Net Sales and Operating Margins



Industrial Segment Operating Earnings QTD



# EXPANSION MARKETS SEGMENT FINANCIAL RESULTS

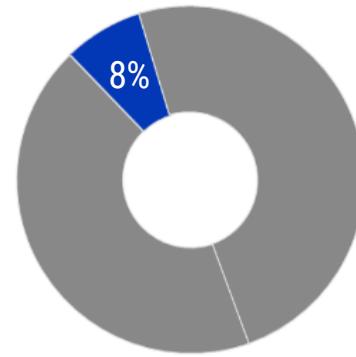


\$ in millions

	Third Quarter			September Year to Date		
	2025	2024	Change	2025	2024	Change
Americas	\$ 25	\$ 27	(6)%	\$ 75	\$ 78	(4)%
EMEA	7	7	(3)	21	20	6
Asia Pacific	10	7	41	28	22	27
<b>Total</b>	<b>\$ 42</b>	<b>\$ 41</b>	<b>3%</b>	<b>\$ 124</b>	<b>\$ 120</b>	<b>4%</b>
<b>Change in Backlog*</b>	<b>\$ (5)</b>	<b>\$ (4)</b>		<b>\$ (13)</b>	<b>\$ (11)</b>	
<b>Operating Earnings</b>	<b>\$ 10</b>	<b>\$ 7</b>	<b>43 %</b>	<b>\$ 29</b>	<b>\$ 22</b>	<b>30 %</b>
% of sales	25 %	18 %		24 %	19 %	

\* Change from prior quarter/year end

2025 Expansion Markets Segment  
Net Sales as % of Graco



2025 Components of Net Sales Change

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

	Third Quarter	September Year to Date
<b>Asia Pacific</b>		
Volume & Price	40 %	27 %
Acquisitions	0 %	0 %
Currency	1 %	0 %
<b>Total</b>	<b>41 %</b>	<b>27 %</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

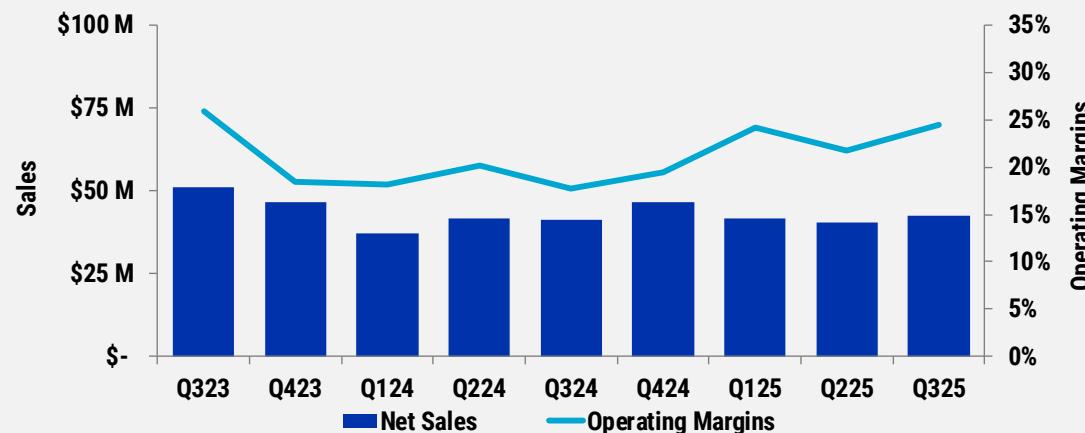
Product and channel mix

Lower expenses

## 2025 Operating Earnings

	Third Quarter	September Year to Date
	18 %	19 %
Product and channel mix	6	3
Lower expenses	1	2
<b>2024 Operating Earnings</b>	<b>25 %</b>	<b>24 %</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

### Operating earnings, as reported

Contingent consideration

### Operating earnings, adjusted

### Income taxes, as reported

Excess tax benefit from option exercises

### Income taxes, adjusted

Effective income tax rate

As reported

Adjusted

### Net earnings, as reported

Contingent consideration

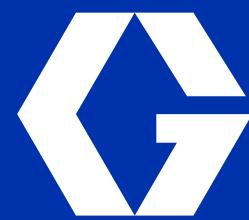
Excess tax benefit from option exercises

### Net earnings, adjusted

Weighted average diluted shares

	Third Quarter			September Year to Date		
	2025	2024	Change	2025	2024	Change
<b>Operating earnings, as reported</b>	\$ 164.7	\$ 145.7	13 %	\$ 466.2	\$ 440.1	6 %
Contingent consideration	(14.1)	-		(14.1)	-	
<b>Operating earnings, adjusted</b>	<u>\$ 150.6</u>	<u>\$ 145.7</u>	<u>3 %</u>	<u>\$ 452.1</u>	<u>\$ 440.1</u>	<u>3 %</u>
<b>Income taxes, as reported</b>	\$ 30.8	\$ 29.1	6 %	\$ 88.8	\$ 79.4	12 %
Excess tax benefit from option exercises	0.7	-		5.1	10.3	
<b>Income taxes, adjusted</b>	<u>\$ 31.5</u>	<u>\$ 29.1</u>	<u>8 %</u>	<u>\$ 93.9</u>	<u>\$ 89.7</u>	<u>5 %</u>
Effective income tax rate	18.3%	19.2%		18.6%	17.4%	
As reported	18.3%	19.2%		18.6%	17.4%	
Adjusted	20.4%	19.2%		20.2%	19.6%	
<b>Net earnings, as reported</b>	\$ 137.6	\$ 122.2	13 %	\$ 389.4	\$ 377.4	3 %
Contingent consideration	(14.1)	-		(14.1)	-	
Excess tax benefit from option exercises	(0.7)	-		(5.1)	(10.3)	
<b>Net earnings, adjusted</b>	<u>\$ 122.8</u>	<u>\$ 122.2</u>	<u>0 %</u>	<u>\$ 370.2</u>	<u>\$ 367.1</u>	<u>1 %</u>
Weighted average diluted shares	168.6	172.1		169.6	172.3	
<b>Diluted earnings per share</b>	\$ 0.82	\$ 0.71	15 %	\$ 2.30	\$ 2.19	5 %
As reported	\$ 0.82	\$ 0.71	15 %	\$ 2.30	\$ 2.19	5 %
Adjusted	\$ 0.73	\$ 0.71	3 %	\$ 2.18	\$ 2.13	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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