

# INVESTOR PRESENTATION

February 2025

**GENERAC®**

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 news release, 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;
- changes in U.S. trade policy, including the imposition of new or increased tariffs;
- 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 sustainability 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;
- 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. 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 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 press release 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



2024 Net Sales:  
\$4.3 Billion



9,200+  
Employees  
Worldwide  
(as of 12/31/2024)



2024 ADJ  
EBITDA:  
\$789 Million



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



1,200+  
Engineers  
Worldwide  
(as of 12/31/2024)



2024 Region  
Net Sales Mix:  
84% Domestic  
16% International



2024 Product Net Sales Mix:  
57% Residential  
32% Commercial & Industrial  
11% Other





# Investment Highlights



- Global Growth Opportunity Driven by Mega-Trends
  - Lower Power Quality
  - Higher Power Prices
- Strong Competitive Advantages
  - Global footprint, product breadth & omni-channel distribution in backup power and energy technology solutions
- Residential Solutions – Mega-Trends Support Parallel Growth Opportunities
  - Significant penetration opportunity in home standby generators
  - Large & growing long-term market opportunity for energy technology solutions
  - Unique ecosystem offering and core competencies support expectations for share gains
- C&I Solutions – Growing Global Scale & Evolution To Energy Solutions
  - Mega-trends drive end market growth, Generac strengths support global market share gains
  - C&I Energy Technology and high MW solutions present new growth opportunities in microgrids and data centers
- Financial Execution – Track Record of Growth, Profitability, and Cash Flow Generation
  - Expected long-term sales growth with robust margin profile
  - Disciplined capital allocation drives incremental shareholder value

# Product Overview

## Residential – \$2.4B Net Sales\*



Home Standby Generator



Portable Generators



Smart Thermostat



EV Charger



Residential Load Manager



Residential Energy Storage



Chore Products

## C&I – \$1.4B Net Sales\*



Stationary Generator



Telecom Generator



Mobile Generator



Generator Controls



Light Tower



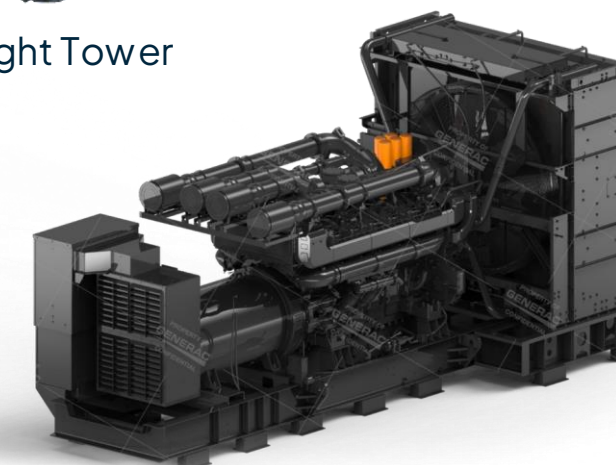
Mobile BESS



C&I BESS



Microgrid Controls



High MW Diesel Generator

## Other – \$0.5B Net Sales\*



Grid Services



Residential & C&I Connectivity

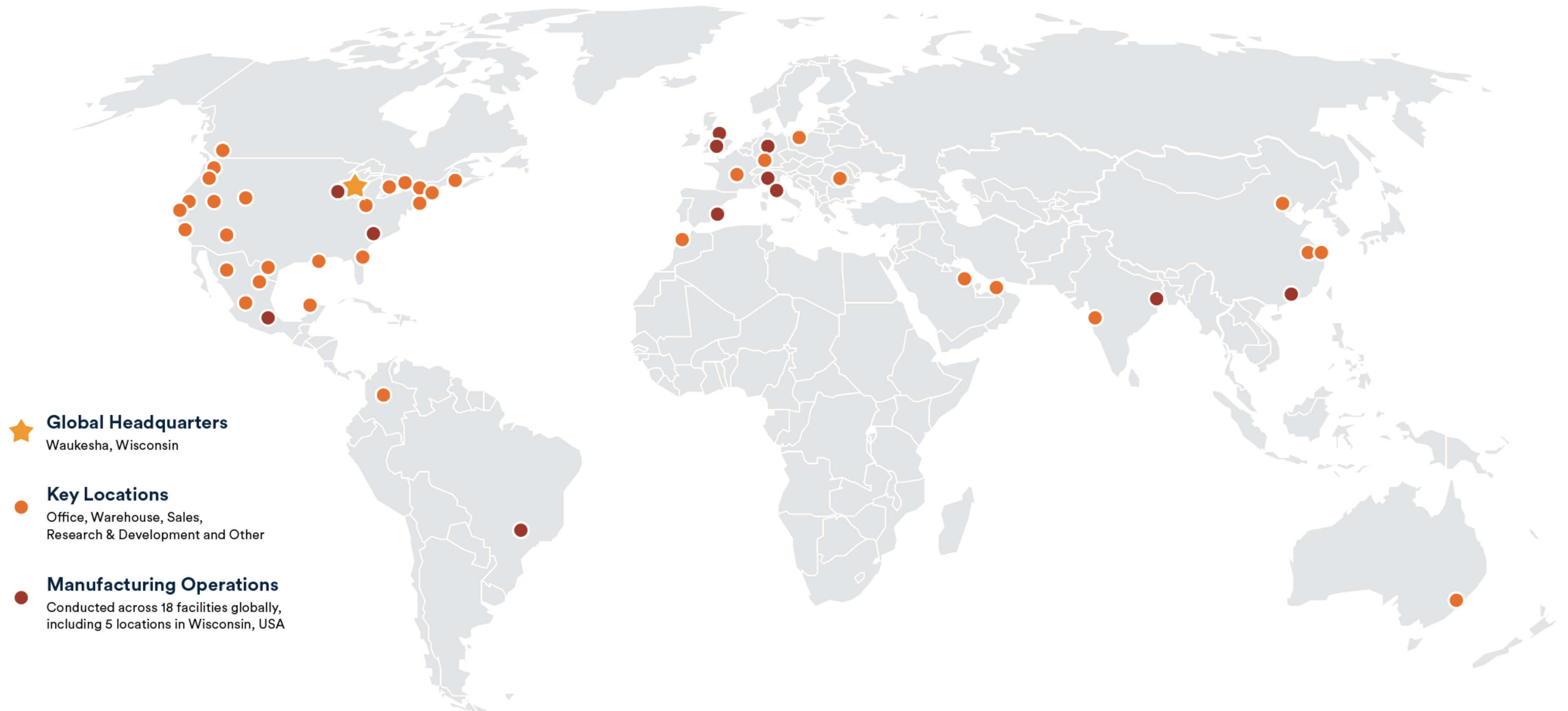


Aftermarket Parts & Accessories

- Extended Warranty
- Other Services

# Generac

## Global Footprint





# Unmatched Omni-Channel Distribution

Domestic Residential	~9,200 Residential Dealers – Provides Direct Sales, Install & Service
	~1,600 Wholesale Branches – Serves Contractors Across North America
	~8,000 Retail Outlets – Creates Product Awareness & Availability
Domestic C&I	Distributors – Engages Specifying Engineering Firms, Aftermarket Service
	Telecom & Rental – Direct Sales to Large Customers in Growing Markets
	Direct C&I – Access to Emerging Strategic Verticals with Custom Solutions
International	International Commercial Branches – Global Presence, Local Expertise

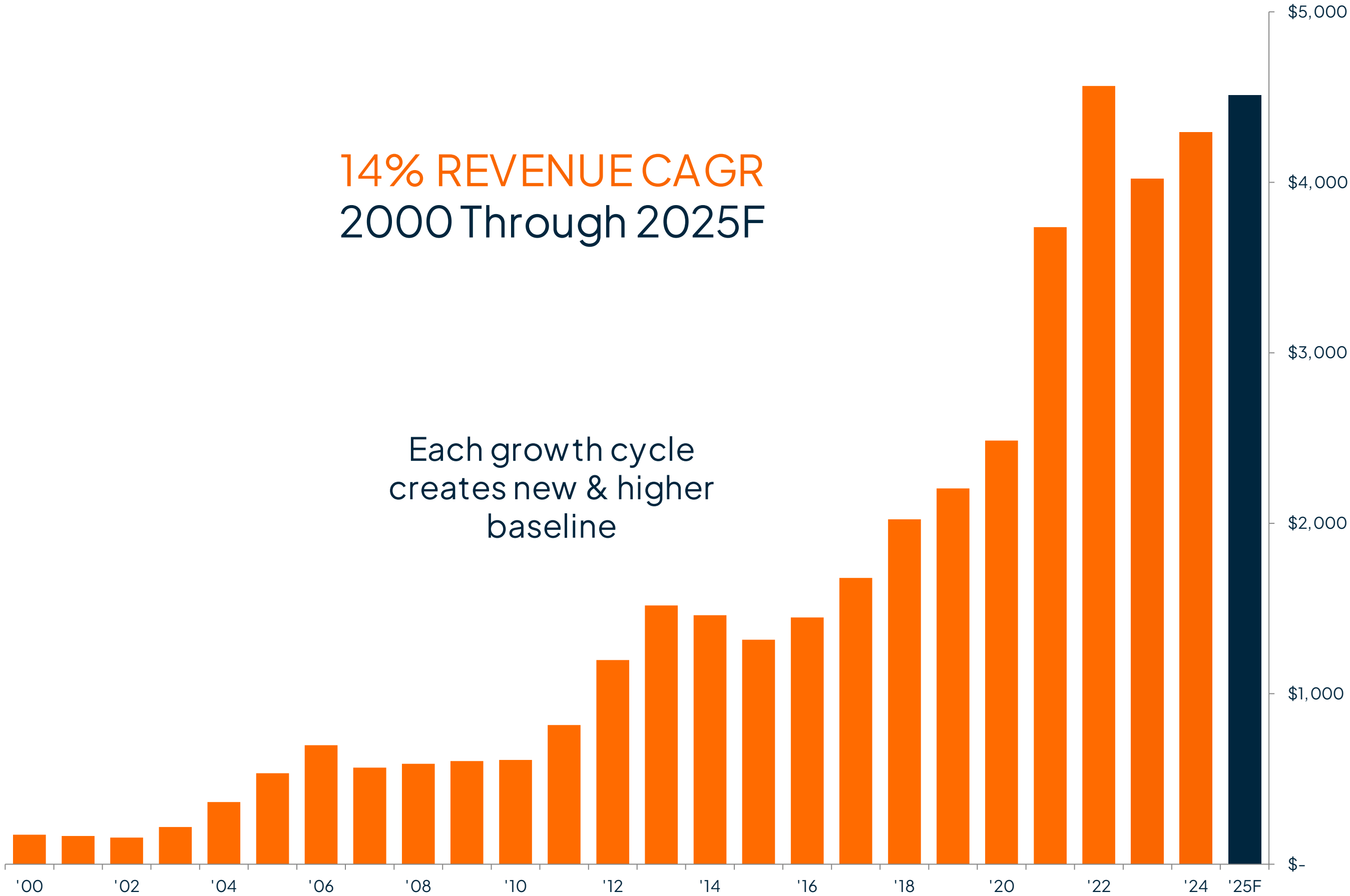
Multi-Decade Investment in Distribution Drives Unique Competitive Advantage

Track Record  
of Growth



14% REVENUE CAGR  
2000 Through 2025F

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 2025F off 2000. 2025F figure assumes midpoint of guidance given on February 12, 2025.



# Mega-Trends **Review**



## Lower power quality

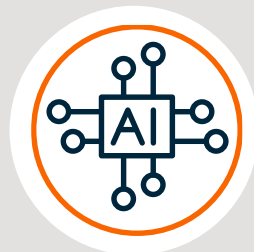
- More frequent severe and volatile weather impacting aging grid, causing increased power outage activity
- Increasing intermittent generation sources and accelerating electrification trends drive supply/demand imbalances



## Higher power prices

- Investment required to upgrade grid infrastructure and build cleaner generation, storage, and T&D assets pushing prices higher
- Rising prices causes home and business owners to adopt energy management solutions

## Artificial intelligence adoption accelerating



- Significant power needs for data center buildout and AI adoption could drive further grid instability
- Hyperscale and edge data center acceleration require significant backup power

## Required investment in global infrastructure



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

## Growing demand for cleaner alternative fuels



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

## 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

Mega-Trends Support Parallel Growth Opportunities

# Home Standby Penetration Opportunity



## Widespread Growth Potential

- Total US penetration rate ~6.5%\*
- 1% of penetration = ~\$4.0B opportunity\*

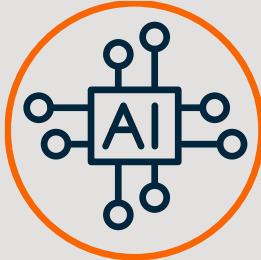
## Mega-Trends



Home As A  
Sanctuary

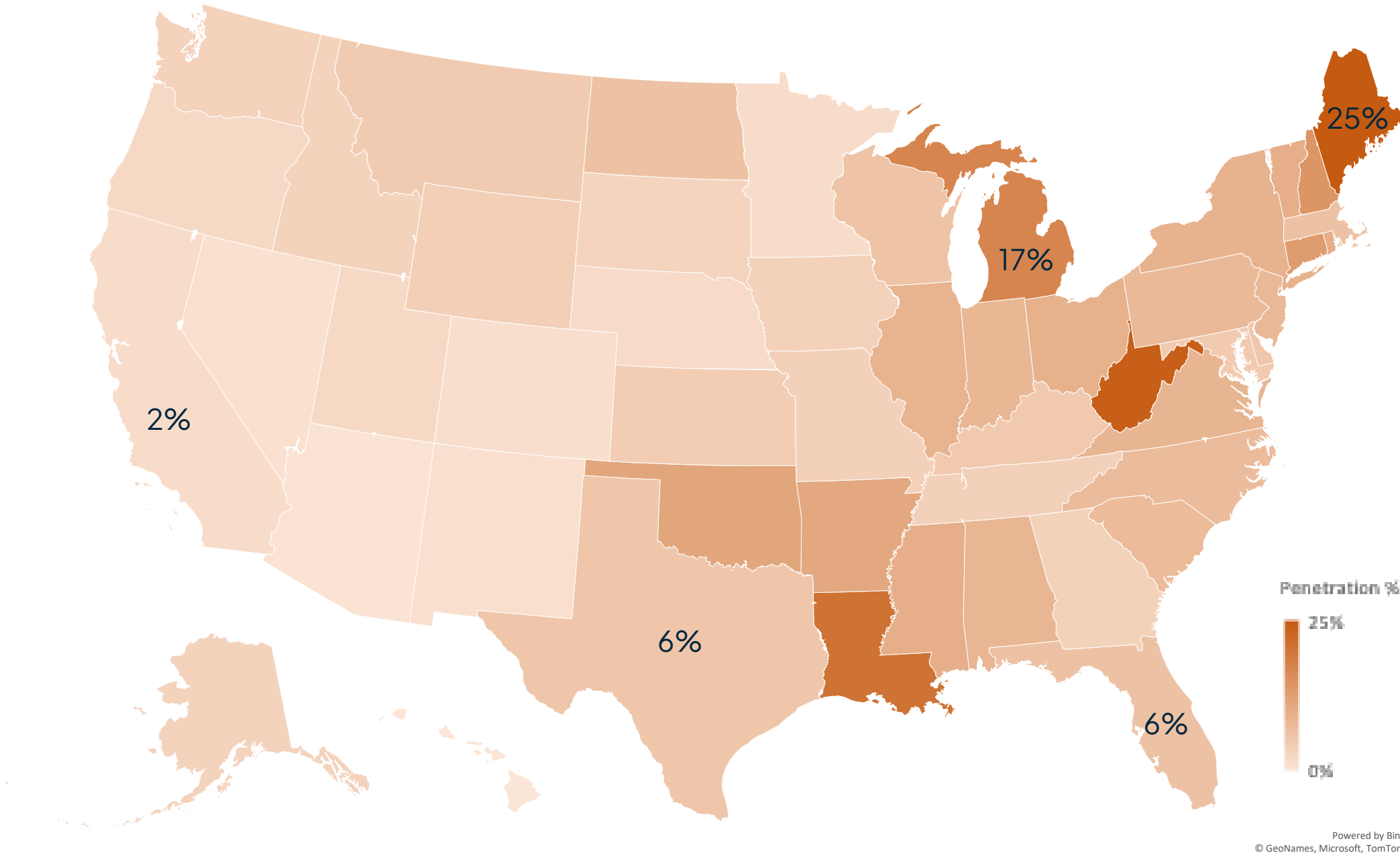


Lower Power Quality



AI Adoption  
Accelerating

## Power Outages Happen Everywhere



- Texas, Florida & California with ~25% of U.S. addressable homes
- Three largest states in line or below national penetration rate
- 1% of penetration of these states = ~\$1.0B opportunity\*

\* Penetration rate as of 2024; 1% of incremental penetration represents ~\$4.0B of market opportunity at retail prices



# Competitive Advantages to Capture HSB Penetration Opportunity



Solution Breadth

Building & Developing Distribution

Direct Consumer Marketing

Market Creation

Brand Strength

Technical Capabilities

Unmatched Scale

## Proven Market Creation Capabilities

- Directly engaging with a growing number of consumers
  - Driving awareness through advertising & targeted marketing
- Distribution Expansion – product availability where & when consumers want
  - ~9,200 dealers, ~1,600 wholesalers, ~8,000 retail outlets
- Data & Intelligence – proprietary algorithm utilizing consumer & outage data
  - Leveraging millions of completed in-home consultations
- Close the Consumer – optimized sales process & tools drive win rates
  - Proprietary sales platform & lead nurturing capabilities
- Broad product offering and leading connectivity solutions
  - Solutions for every customer application

# Residential Energy Technology Market Opportunity

2023 TAM<sup>1</sup>

- ~\$2.5B → Solar inverter – unlocks on-site solar power generation
  - ✓ Next-generation inverter launch 2025
- ~\$1.5B → Energy storage – rate arbitrage, improve solar ROI & VPP participation
  - ✓ Industry leading storage capacity – greater resilience and lifetime net savings<sup>3</sup>
- ~\$2.5B → Energy management – avoid peak rates, optimize efficiency & VPP participation
  - ✓ ecobee home energy hub – AI/ML to manage storage & large energy loads
  - ✓ EV charging – intelligent management of large energy load



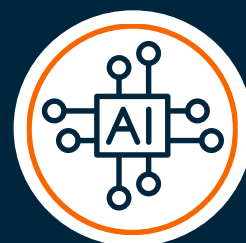
## Mega-Trends



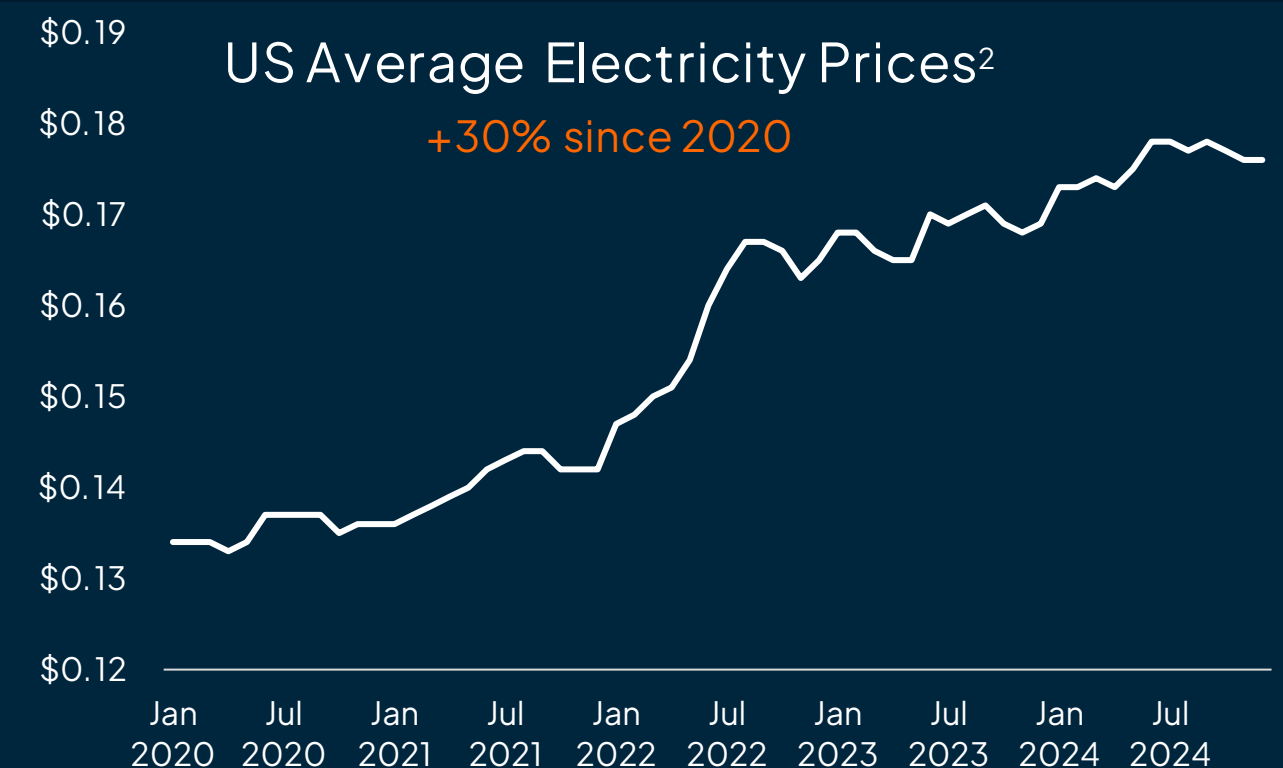
Home As A Sanctuary



Higher Power Prices



AI Adoption Accelerating



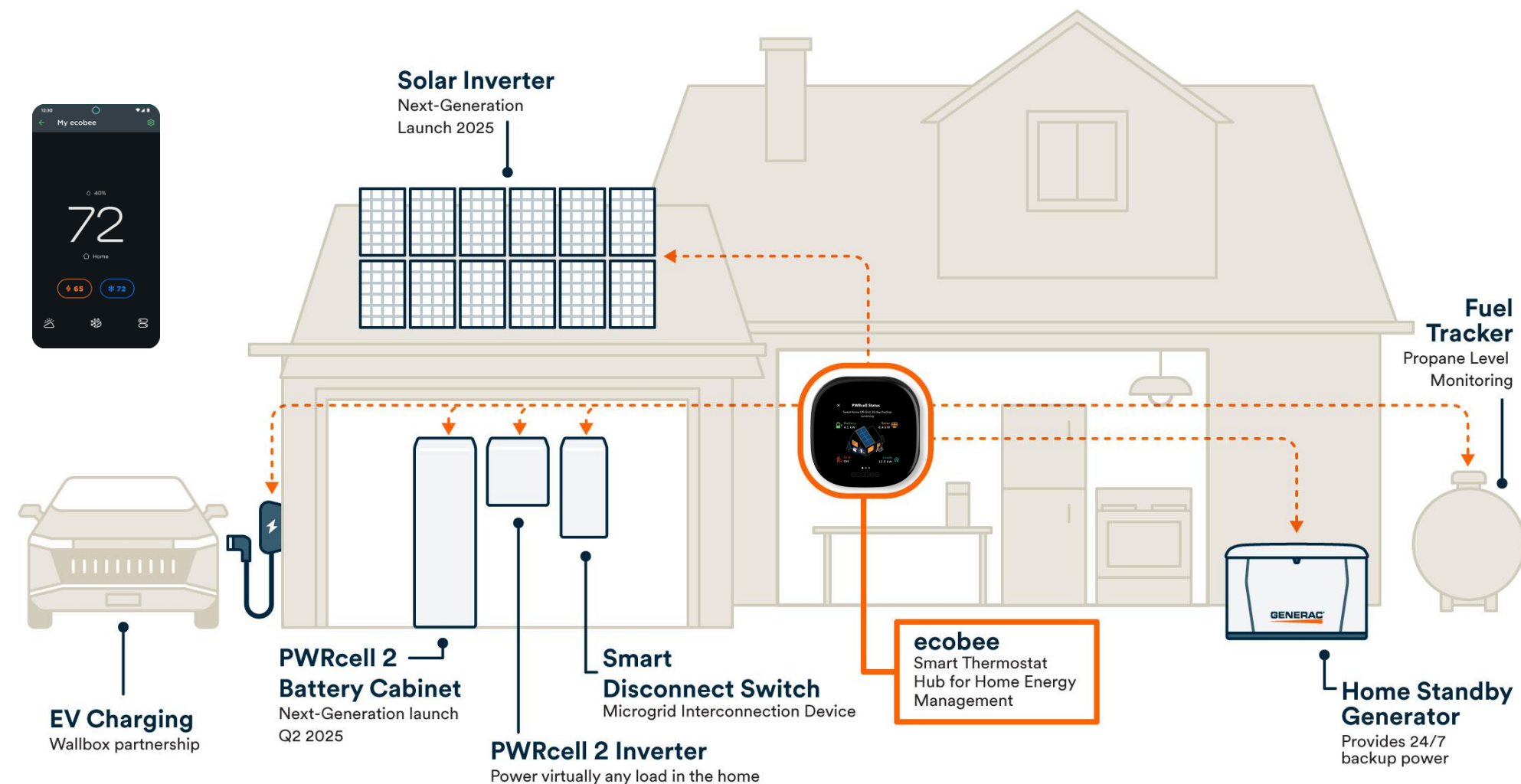
1) TAM = Total Addressable Market. Company estimates, third party sources. Represents North American markets at retail.  
 2) Electricity per kWh in US city average; US Bureau of Labor Statistics  
 3) Company estimates



# Differentiated 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

# Leveraging HSB Competencies & Unique Capabilities To Win In Energy Technology

## Generac HSB Competencies

- Building & Developing Distribution
- Direct to Consumer Marketing
- Market Creation
- Brand Leverage
- Technical Capabilities
- Unmatched Scale



## Energy Technology Investment

- Differentiated Ecosystem
- Leading Energy Storage Capacity
- ecobee Home Energy Hub
- Bottomless Battery - HSB Integration



**= Share Gain Opportunity in Large & Growing Energy Technology Markets**



# 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 ✓

- Introduce next-gen storage system
- Engage channel partners
- Develop common platform for home energy ecosystem

## 3 2025

- Next-gen storage & inverter product launches
- Expand channels, leverage brand & lead generation capabilities
- Execute DoE Puerto Rico Energy Resilience program

## 4 2026

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

## Attractive Long-Term Financial Profile

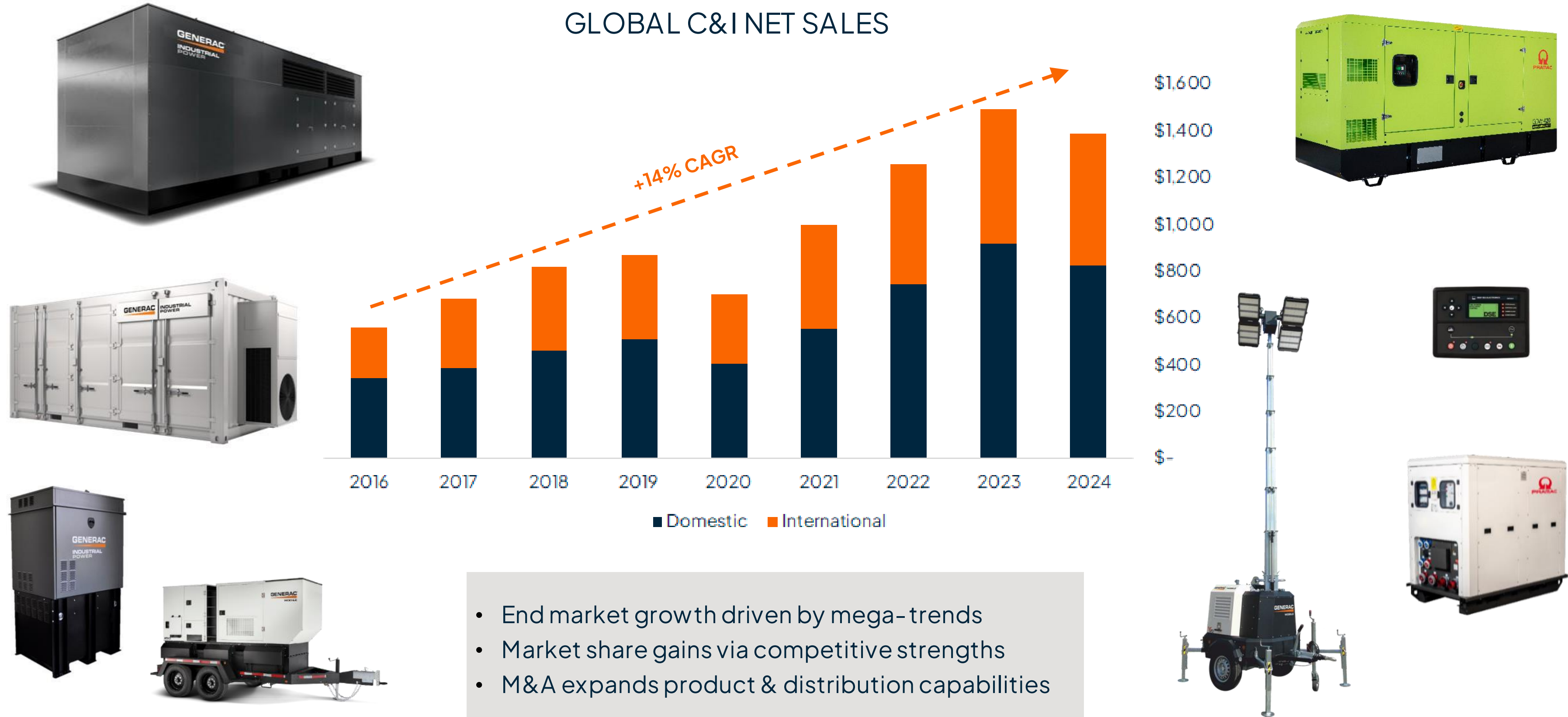
- Fast-growing market fueled by mega trends
- Significant opportunity to gain market share
- Path to company-average Adj EBITDA margins
- Capex light operating model

# Commercial & Industrial Solutions

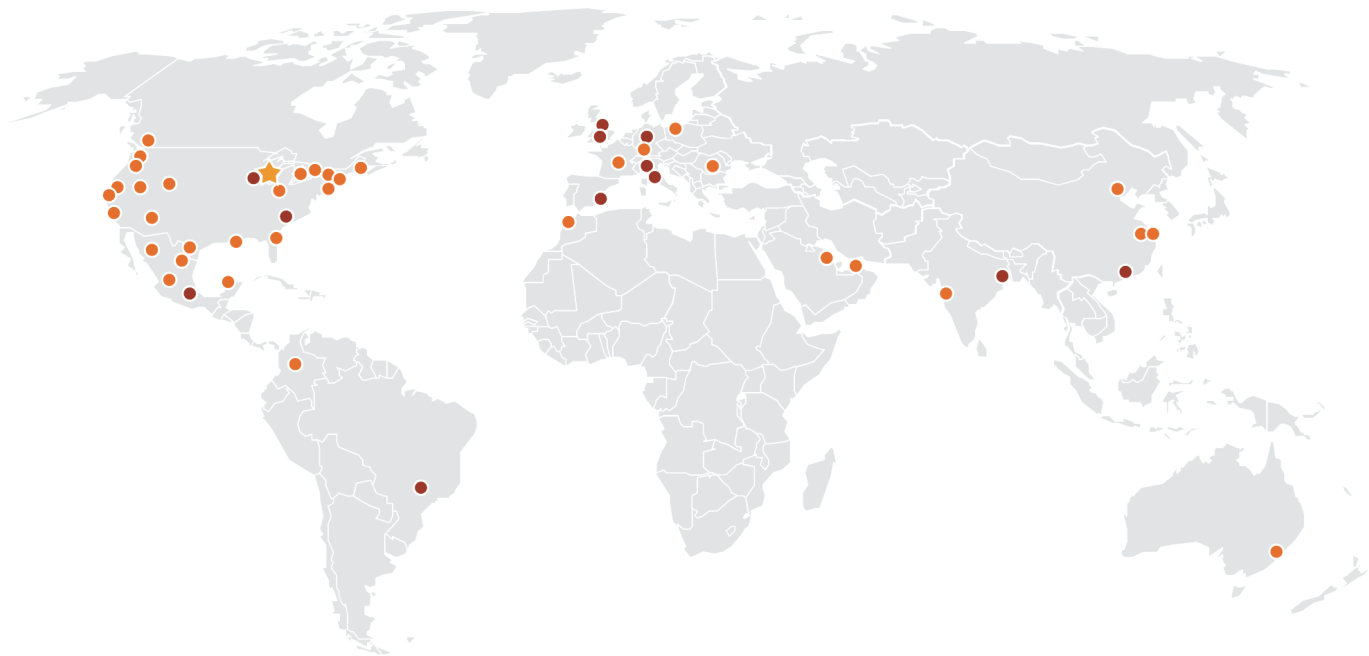
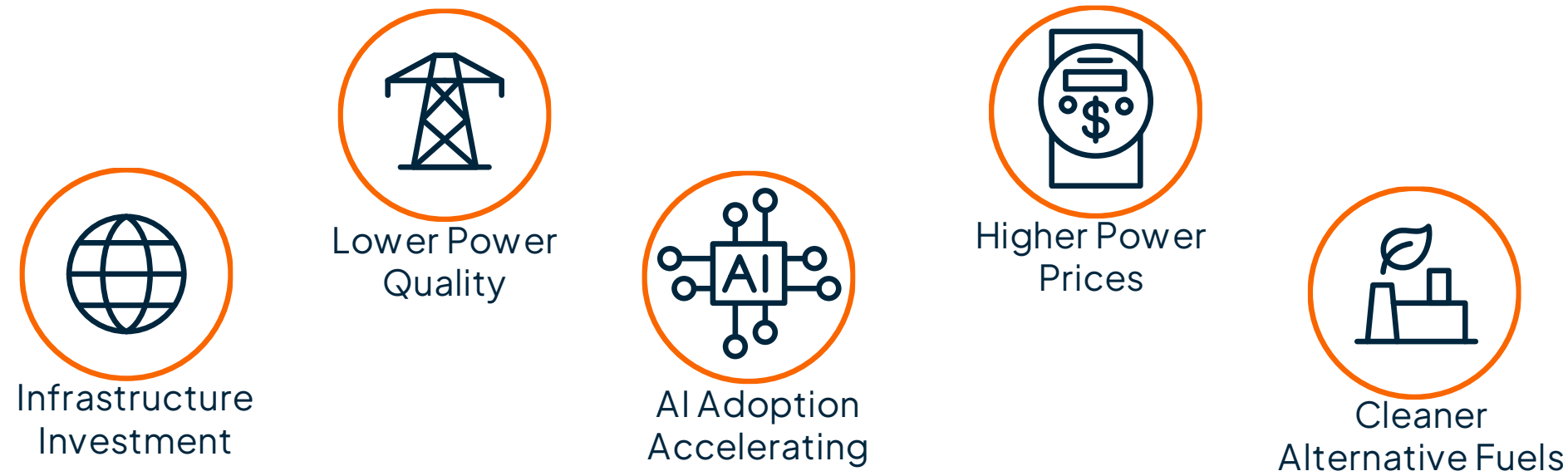
## Growing Global Scale & Developing Energy Solutions



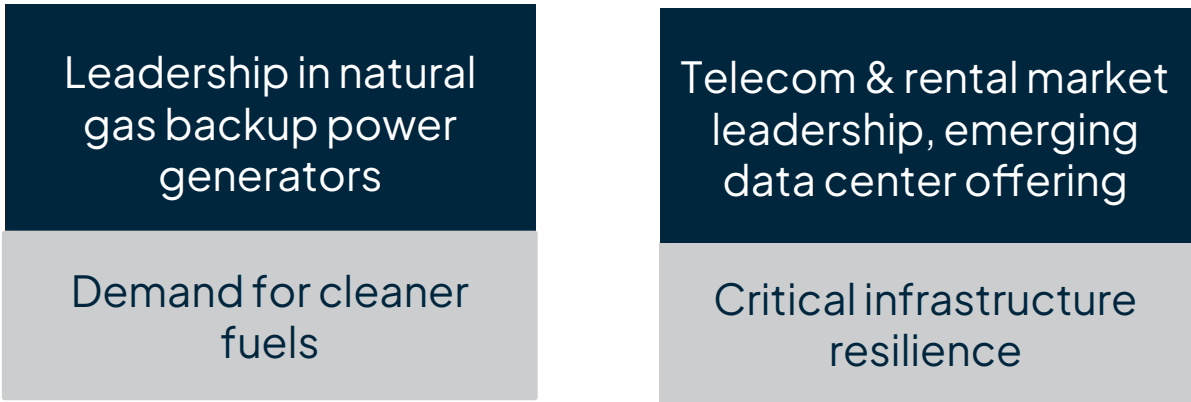
GLOBAL C&I NET SALES



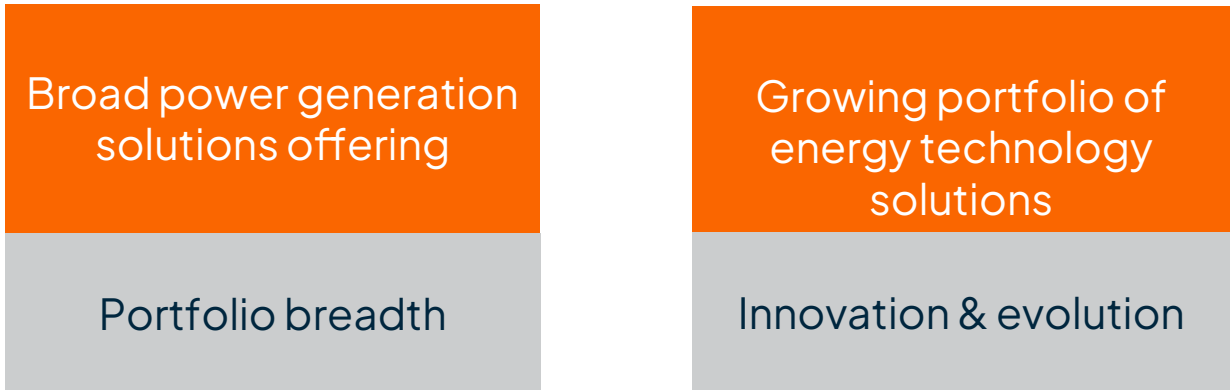
# C&I Mega-Trends & Competitive Strengths



## DOMESTIC



## INTERNATIONAL



Well-positioned for evolution to energy solutions provider and global share gains in new markets & products



## Building Multi-Asset C&I Microgrids



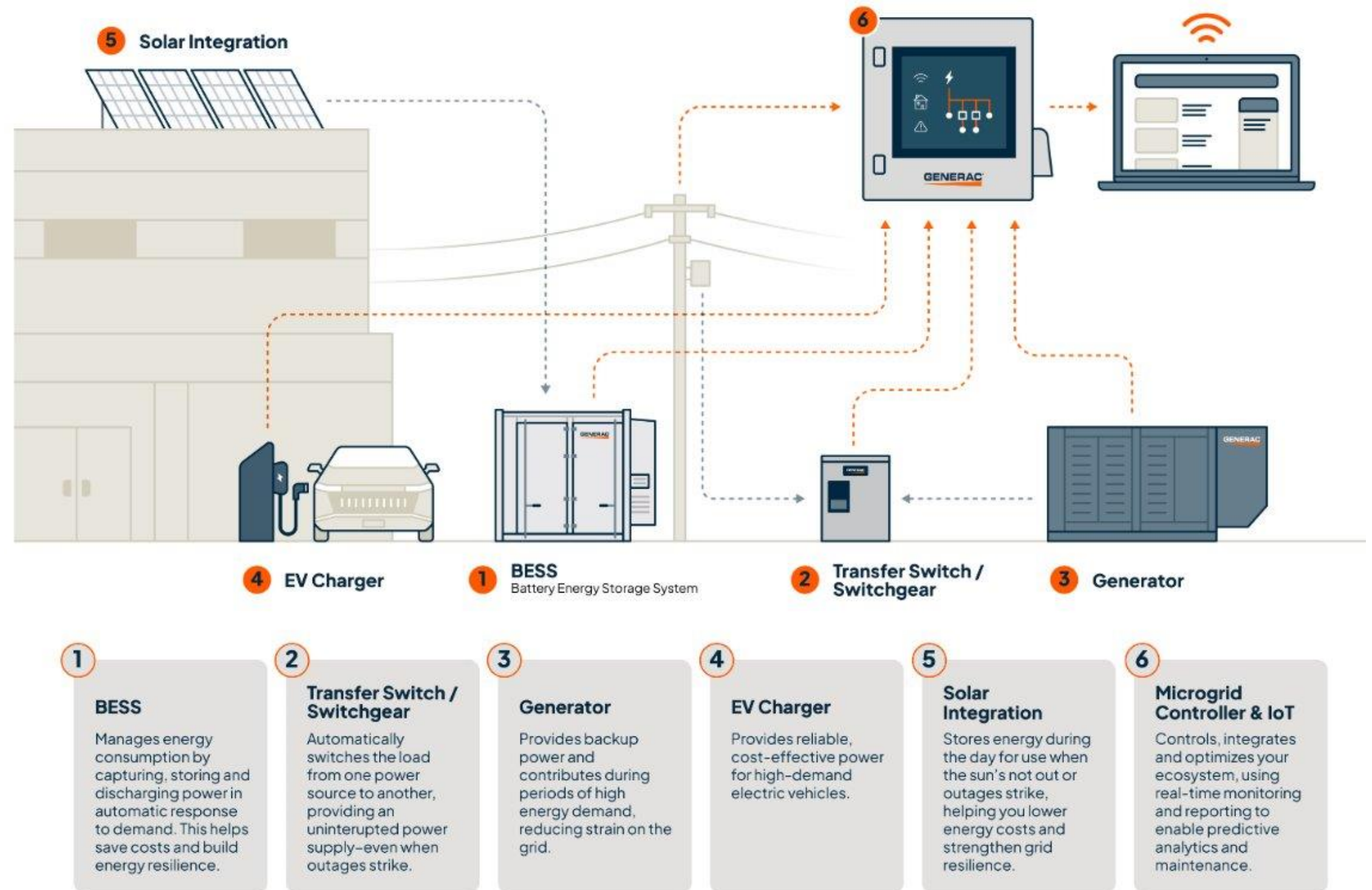
Power Generation  
& Storage



Energy  
Management Devices

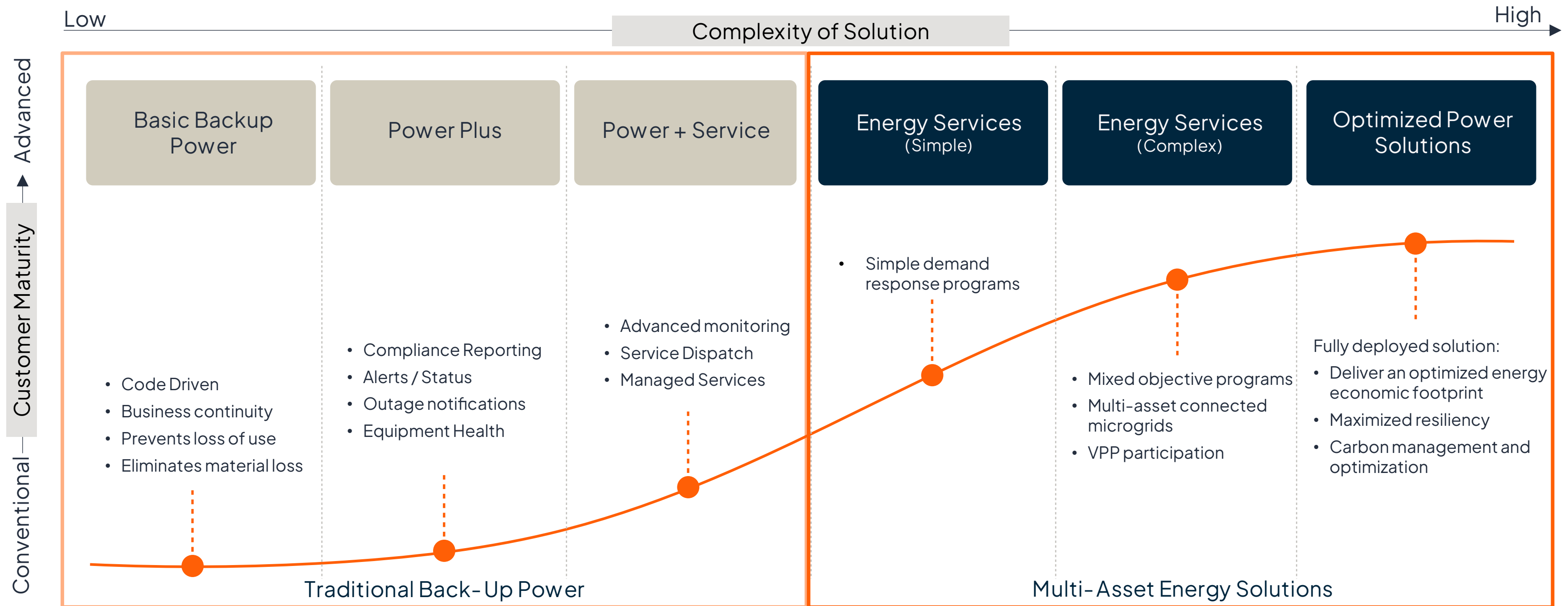


Monitoring &  
Controls



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

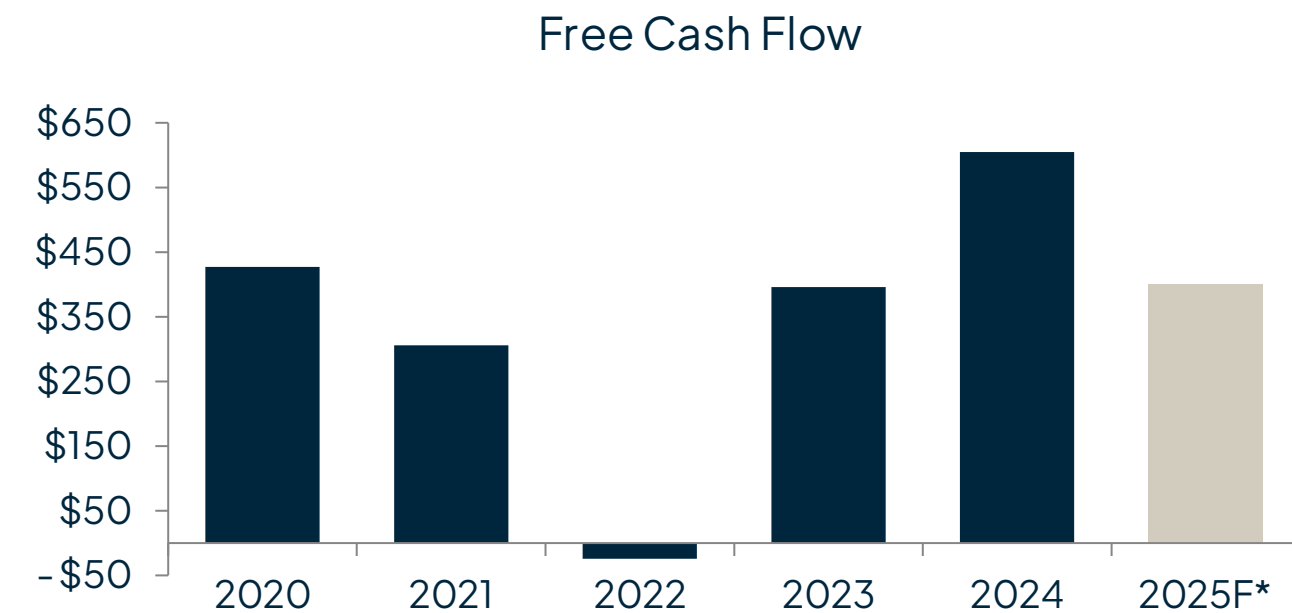
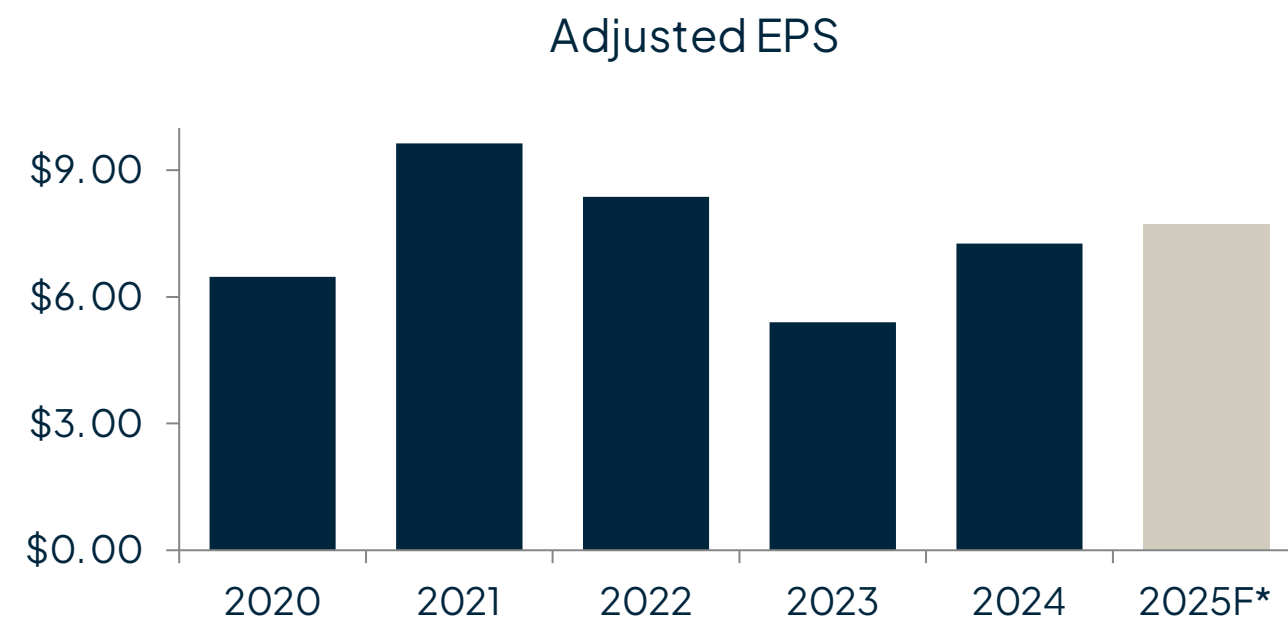
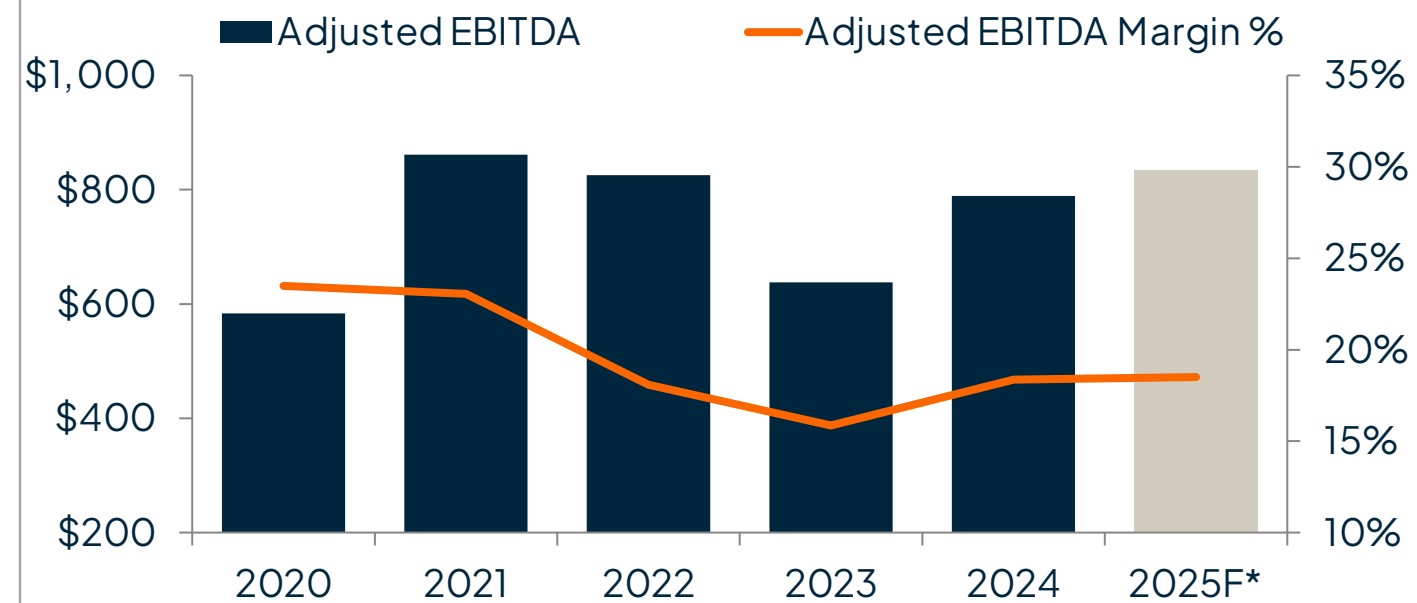
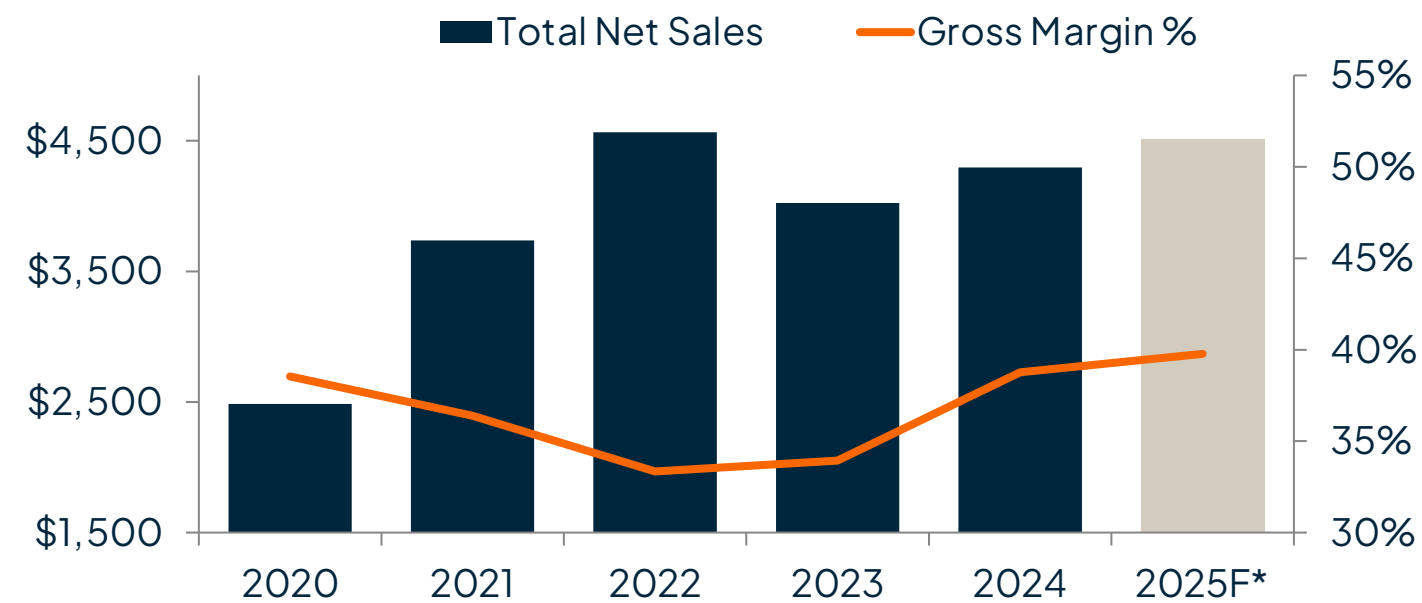


BESS | Microgrid Control



# Financial Summary

## Financial Summary



Note: \$ in millions, except per share data  
 \*Assumes midpoint of 2025F guidance provided on February 12<sup>th</sup>, 2025

# Business Outlook

2025F Guidance As Of February 12, 2025\*

## Consolidated net sales

- Consolidated revenue: increase between 3% to 7%
- Residential products: increase at a mid- to- high single digit rate
- C&I products: approximately flat from prior year

## Adjusted EBITDA margins

- Between 18.0% to 19.0%

## GAAP effective tax rate

- Between 24.0% to 24.5%

## Free cash flow

- Between 80 to 90% conversion of adjusted net income to free cash flow

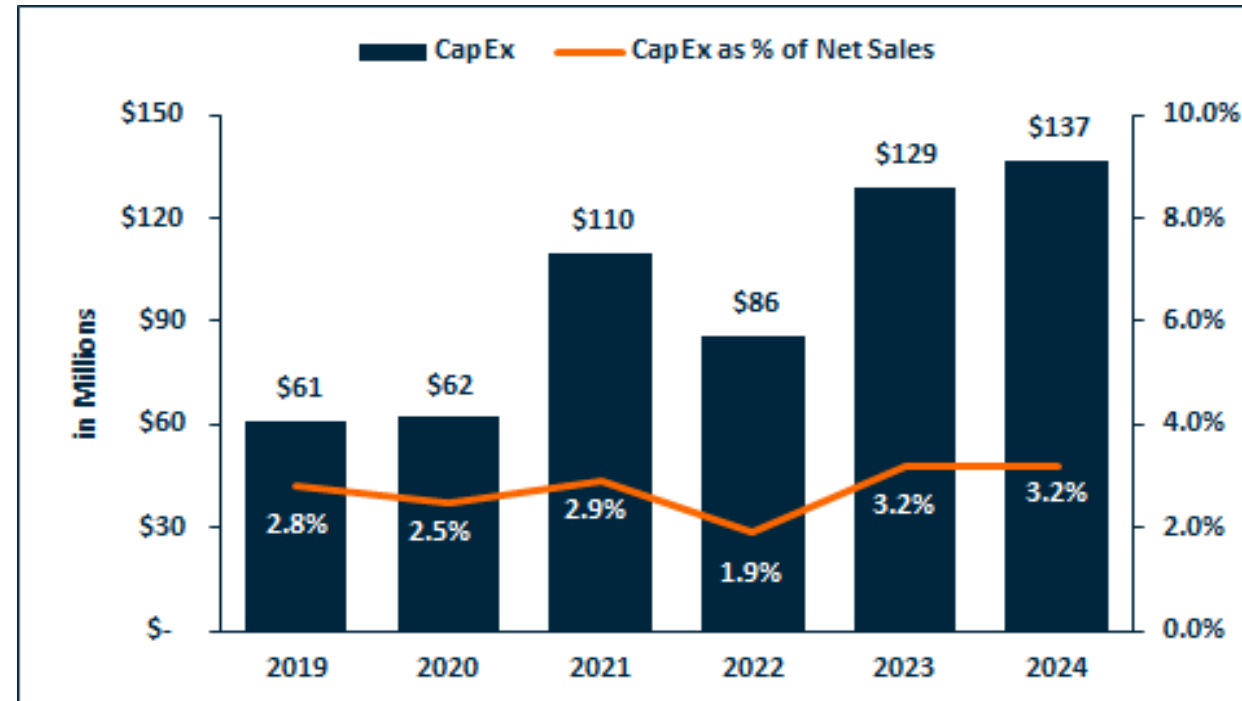




# Disciplined & Balanced Capital Allocation

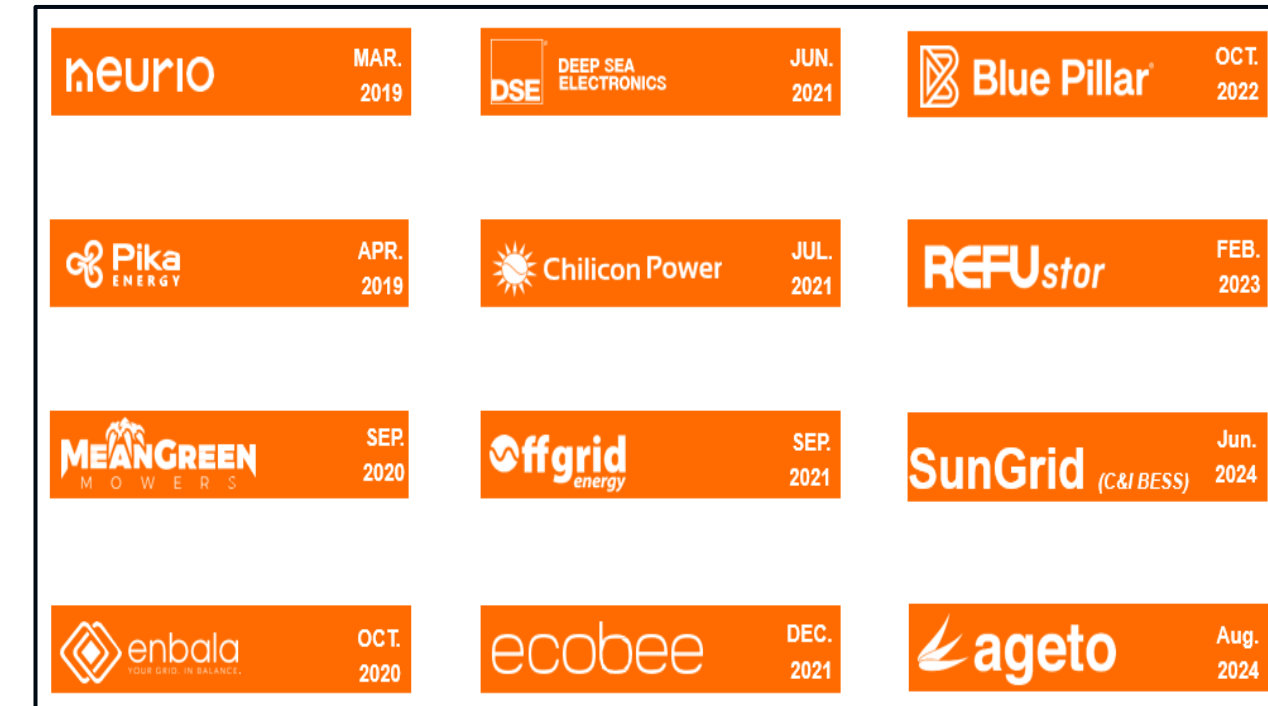
## 1. Organic Growth

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



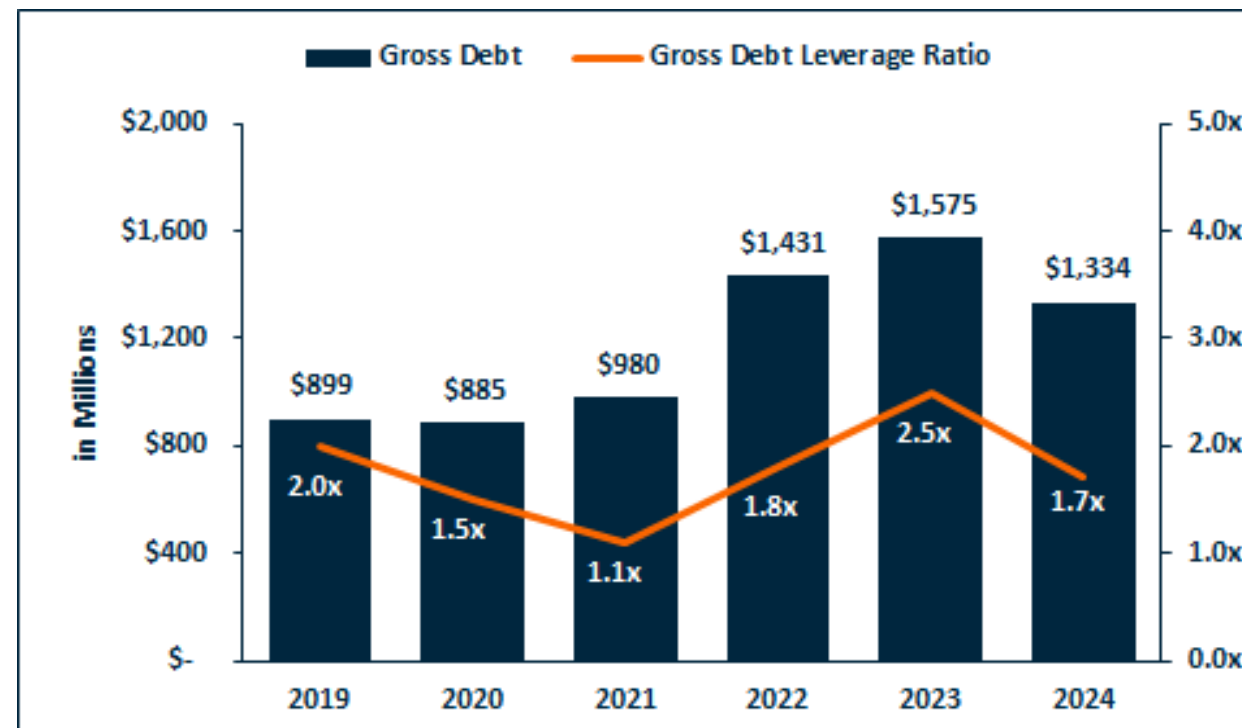
## 2. Strategic M&A

Accelerating “Powering A Smarter World” Strategy



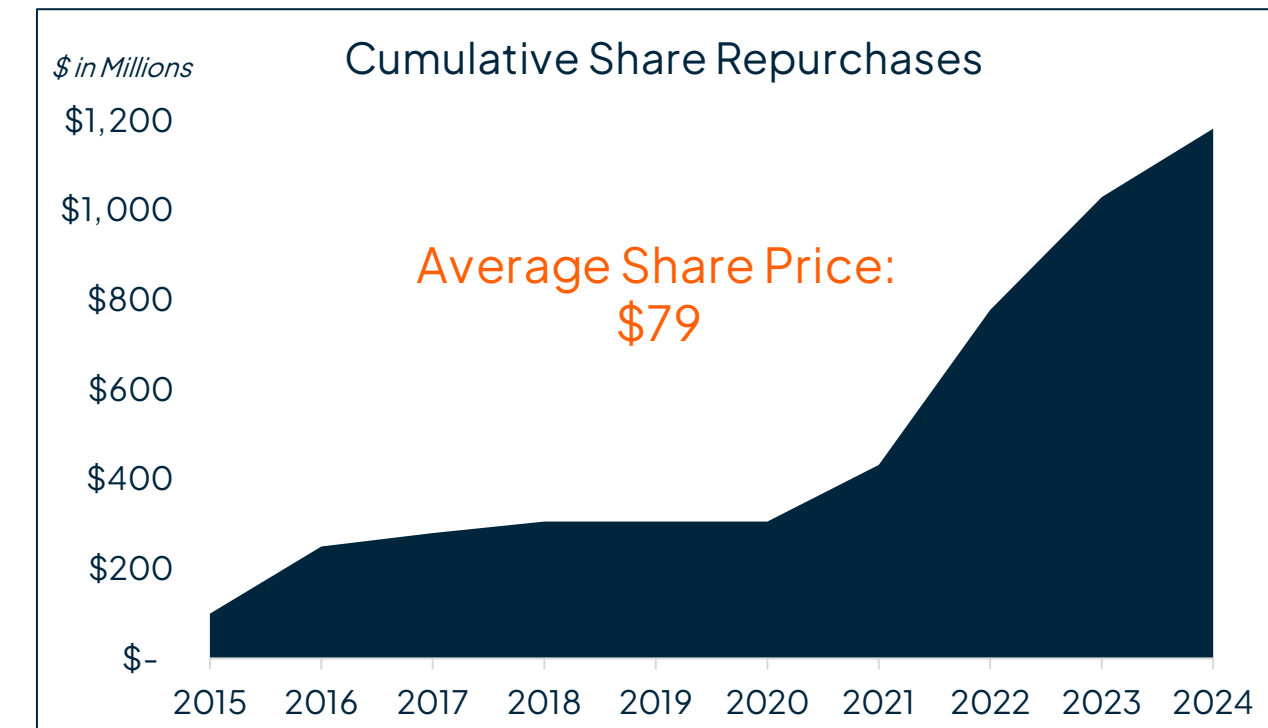
## 3. Maintaining Healthy Balance Sheet

Target leverage 1–2x



## 4. Return of Capital

Opportunistic Share Buy-backs

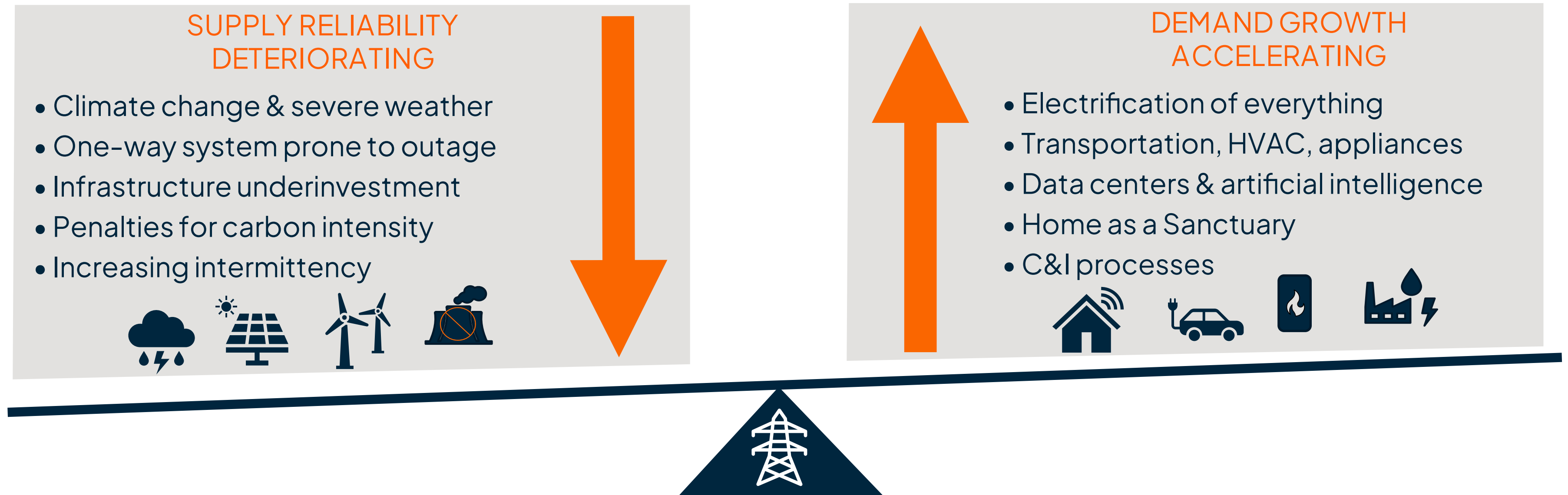


~\$347M remaining on current repurchase authorization

\*Assumes midpoint of 2025F guidance provided on February 12<sup>th</sup>, 2025

# Appendix

# Increasingly Imbalanced Electrical Grid

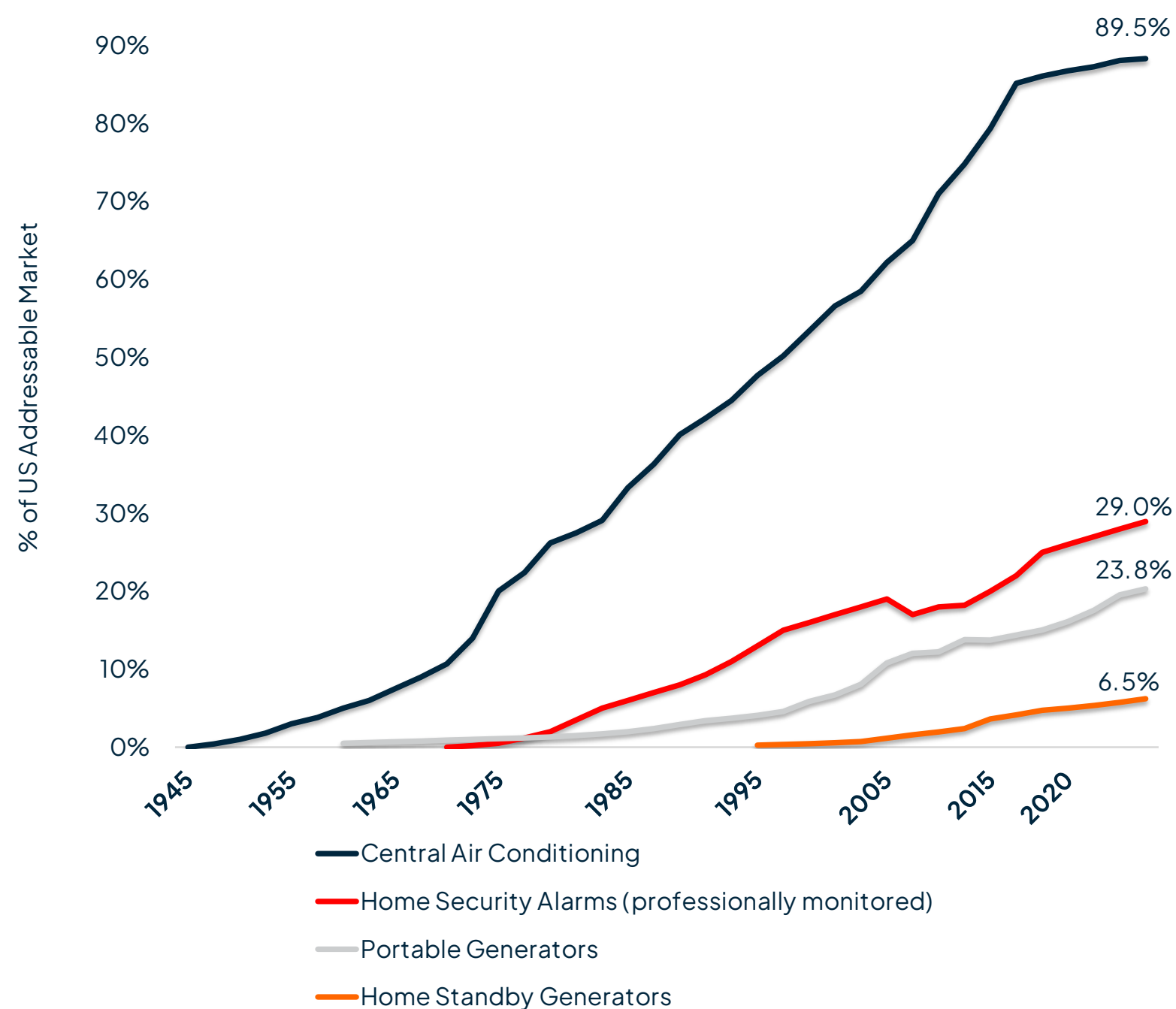


Lower Power Quality | Increased Power Demand & Dependence | Higher Power Prices



# HSB: Underpenetrated with Demographic Tailwinds

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



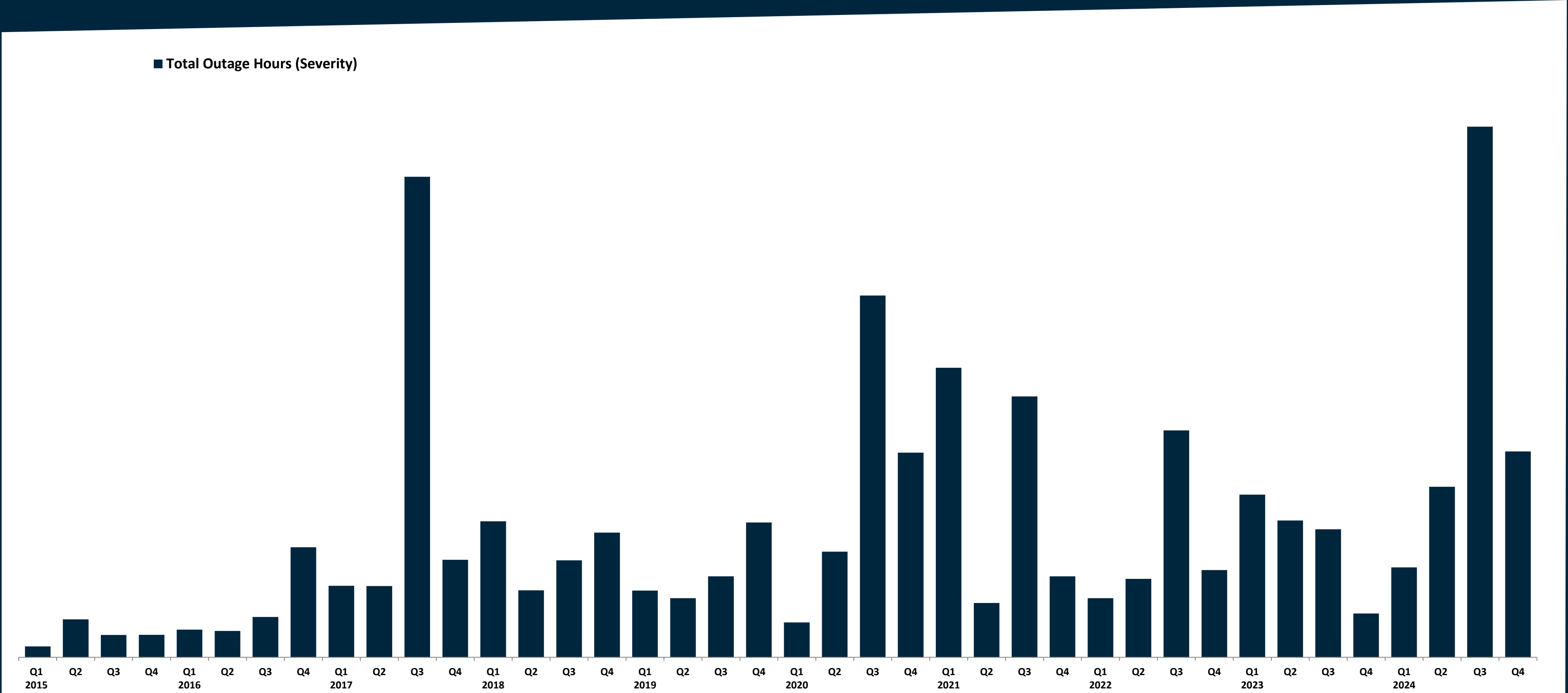
### Aging Population Fits Demographic

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

(1) Source: Company estimates; based on addressable market for HSB generators consisting of all single-family detached, owner-occupied homes valued > \$175K; 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.

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

■ Total Outage Hours (Severity)



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

# Q4 2024 & LTM Financial Overview

	Actual Q4 2024 (unaudited)	Y/Y % Change	Actual 2024 (unaudited)	Y/Y % Change
Residential	\$ 743.3	28.1%	2,433.5	18.0%
Commercial & Industrial	363.4	0.1%	1,389.4	(7.0%)
Other	128.1	6.4%	472.9	1.7%
Net Sales	\$ 1,234.8	16.1%	\$ 4,295.8	6.8%
Gross Profit	\$ 501.4	29.0%	\$ 1,665.6	22.0%
% Margin	40.6%		38.8%	
<b>Adjusted EBITDA</b>	<b>\$ 265.3</b>	<b>24.8%</b>	<b>\$ 789.1</b>	<b>23.7%</b>
% Margin (1)	21.5%		18.4%	
Net Income - GHI	\$ 117.2	21.4%	\$ 316.3	47.4%
Adjusted Net Income - GHI	\$ 168.2	33.2%	\$ 438.5	30.8%
<b>Adjusted EPS - GHI</b>	<b>\$ 2.80</b>	<b>35.4%</b>	<b>\$ 7.27</b>	<b>34.0%</b>
Free Cash Flow	\$ 286.1	7.4%	\$ 604.6	52.7%
Consolidated Gross Debt			\$ 1,334.2	
Consolidated Gross Debt Leverage Ratio			1.7	

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



# Adjusted EBITDA Reconciliation

	2020	2021	2022	2023	2024
<b>Net income</b>	<b>\$ 347.2</b>	<b>\$ 556.6</b>	<b>\$ 408.9</b>	<b>\$ 217.1</b>	<b>\$ 317.0</b>
Interest expense	33.0	33.0	54.8	97.6	89.7
Depreciation and amortization	68.8	92.0	156.1	166.6	171.8
Income taxes provision	99.0	135.0	99.6	73.2	92.5
Non-cash write-down and other charges	(0.3)	(3.1)	(2.1)	(6.0)	4.8
Non-cash share-based compensation expense	20.9	24.0	29.5	35.5	49.2
Loss on extinguishment of debt	-	0.8	3.7	-	4.9
Change in fair value of investments	-	-	-	-	38.0
Transaction costs and credit facility fees	2.2	22.4	5.0	4.1	5.1
Business optimization, provision for regulatory and clean energy product charges, and other	13.1	0.8	69.8	49.7	16.2
<b>Adjusted EBITDA</b>	<b>\$ 583.8</b>	<b>\$ 861.4</b>	<b>\$ 825.4</b>	<b>\$ 637.9</b>	<b>\$ 789.1</b>
Adjusted EBITDA attributable to noncontrolling interests	(2.4)	(9.4)	(15.1)	(4.7)	(1.2)
<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>\$ 787.9</b>

# Adjusted EBITDA Reconciliation

Net Income to Adjusted EBITDA Reconciliation	Three months ended		LTM Ended Dec 31,	
	Dec 31,			
	2024	2023	2024	2023
	(unaudited)		(unaudited)	
Net income attributable to Generac Holdings, Inc.	\$ 117,226	\$ 96,601	\$ 316,315	\$ 214,606
Net income (loss) attributable to noncontrolling interests	443	209	663	2,514
Net income	117,669	96,810	316,978	217,120
Interest expense	19,880	24,765	89,713	97,627
Depreciation and amortization	43,834	42,453	171,768	166,602
Income taxes provision	27,336	29,996	92,460	73,180
Non-cash write-down and other charges	1,894	(696)	4,757	(5,953)
Non-cash share-based compensation expense	10,978	5,186	49,248	35,492
Change in fair value of investment	35,068	-	38,006	-
Transaction costs and credit facility fees	1,068	893	5,097	4,054
Business optimization, provision for regulatory clean energy product charges, and other	7,587	13,230	21,074	49,737
Adjusted EBITDA	265,314	212,637	789,101	637,859
Adjusted EBITDA attributable to noncontrolling interests	(654)	(541)	(1,175)	(4,687)
<b>Adjusted EBITDA attributable to Generac Holdings, Inc.</b>	<b>\$ 264,660</b>	<b>\$ 212,096</b>	<b>\$ 787,926</b>	<b>\$ 633,172</b>

# Adjusted Net Income & Free Cash Flow Reconciliation

	Three months ended		LTM Ended Dec 31,	
	Dec 31,			
	2024	2023	2024	2023
Net Income to Adjusted Net Income Reconciliation	(unaudited)		(unaudited)	
Net income attributable to Generac Holdings, Inc.	\$ 117,226	\$ 96,601	\$ 316,315	\$ 214,606
Net income attributable to noncontrolling interests	443	209	663	2,514
Net income	117,669	96,810	316,978	217,120
Amortization of intangible assets	24,045	25,260	97,743	104,194
Amortization of deferred financing costs and OID	650	983	3,242	3,885
Transaction costs and credit facility fees	445	346	2,717	2,089
Tax effect of add backs	(16,411)	(9,908)	(40,173)	(38,384)
Change in fair value of investment	35,068	-	38,006	-
Business optimization, provision for regulatory charges, and other	7,213	12,977	20,609	48,922
Adjusted net income	\$ 168,679	\$ 126,468	\$ 439,122	\$ 337,826
Adjusted net income (loss) attributable to noncontrolling interests	(443)	(209)	(663)	(2,514)
<b>Adjusted net income attributable to Generac Holdings, Inc.</b>	<b>\$ 168,236</b>	<b>\$ 126,259</b>	<b>\$ 438,459</b>	<b>\$ 335,312</b>
<b>Free Cash Flow Reconciliation</b>				
Net cash provided by operating activities	\$ 339,454	\$ 316,946	\$ 741,301	\$ 521,670
Proceeds from beneficial interests in securitization transactions	-	761	-	\$ 3,294
Expenditures for property and equipment	(53,334)	(51,342)	(136,733)	(129,060)
<b>Free cash flow</b>	<b>\$ 286,120</b>	<b>\$ 266,365</b>	<b>\$ 604,568</b>	<b>\$ 395,904</b>