


The logo for Generac, featuring the word "GENERAC" in a bold, black, sans-serif font. A registered trademark symbol (®) is located at the top right of the word. Below the text is a thick, horizontal orange bar that tapers slightly at the right end.

GENERAC[®]

Investor Presentation

SEPTEMBER 2020

A photograph of a two-story house with dark brown horizontal siding and white window frames. The house is illuminated from within, with warm lights glowing through the windows and a glass-paned door on the right. The sky is a deep orange and yellow, suggesting dusk or dawn. In the foreground, there is a green lawn and some dark foliage. A white outdoor air conditioning unit is visible near the base of the house.

Generac's mission is to ensure peace of mind by developing power products and solutions that make the world safer, brighter and more productive.



GENERAC®

HOUR METER

110V

110V



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:

- frequency and duration of power outages impacting demand for our products;
- availability, cost and quality of raw materials and key components from our global supply chain and labor needed in producing our products;
- the impact on our results of possible fluctuations in interest rates, foreign currency exchange rates, commodities, product mix and regulatory tariffs;

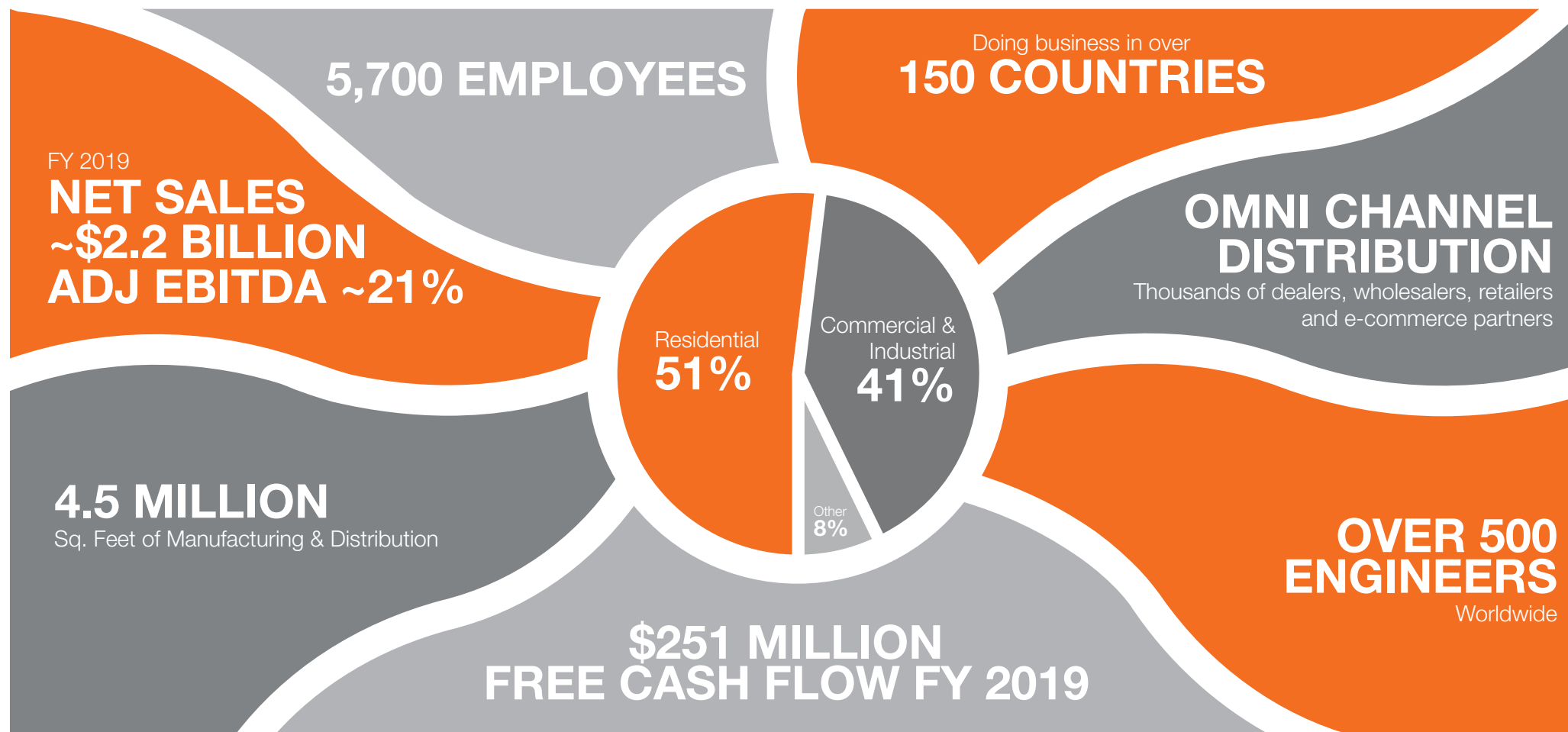
- the possibility that the expected synergies, efficiencies and cost savings of our acquisitions will not be realized, or will not be realized within the expected time period;
- the risk that our acquisitions will not be integrated successfully;
- difficulties we may encounter as our business expands globally or into new markets;
- our dependence on our distribution network;
- our ability to invest in, develop or adapt to changing technologies and manufacturing techniques;
- loss of our key management and employees;
- increase in product and other liability claims or recalls;
- failures or security breaches of our networks or information technology systems;
- changes in environmental, health and safety, or product compliance laws and regulations affecting our products or operations; and
- the duration and scope of the impacts of the COVID-19 pandemic are uncertain and may or will continue to adversely affect our operations, supply chain, distribution, and demand for certain of our products and services.

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. In the current environment, some of the above factors have materialized and may or will continue to be impacted by the COVID-19 pandemic, which may cause actual results to vary from these 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 2019 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 presentation 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 By The Numbers



A decorative graphic consisting of a square area filled with diagonal orange stripes.

Mega Trends

Disruption of the traditional electrical utility model

- Technology & regulation will create Clean Energy opportunities

Attitudes around global warming are changing

- Expectation of more severe weather driving power outages

Natural Gas will be the fuel of the future

- Huge supply & increasing demand for applications beyond standby power

Legacy infrastructure needs major investment cycle

- Rebuilding of transportation, water & power will take decades

Telecommunications infrastructure shifting to next generation

- 5G will enable new technologies requiring significant improvement in network uptime

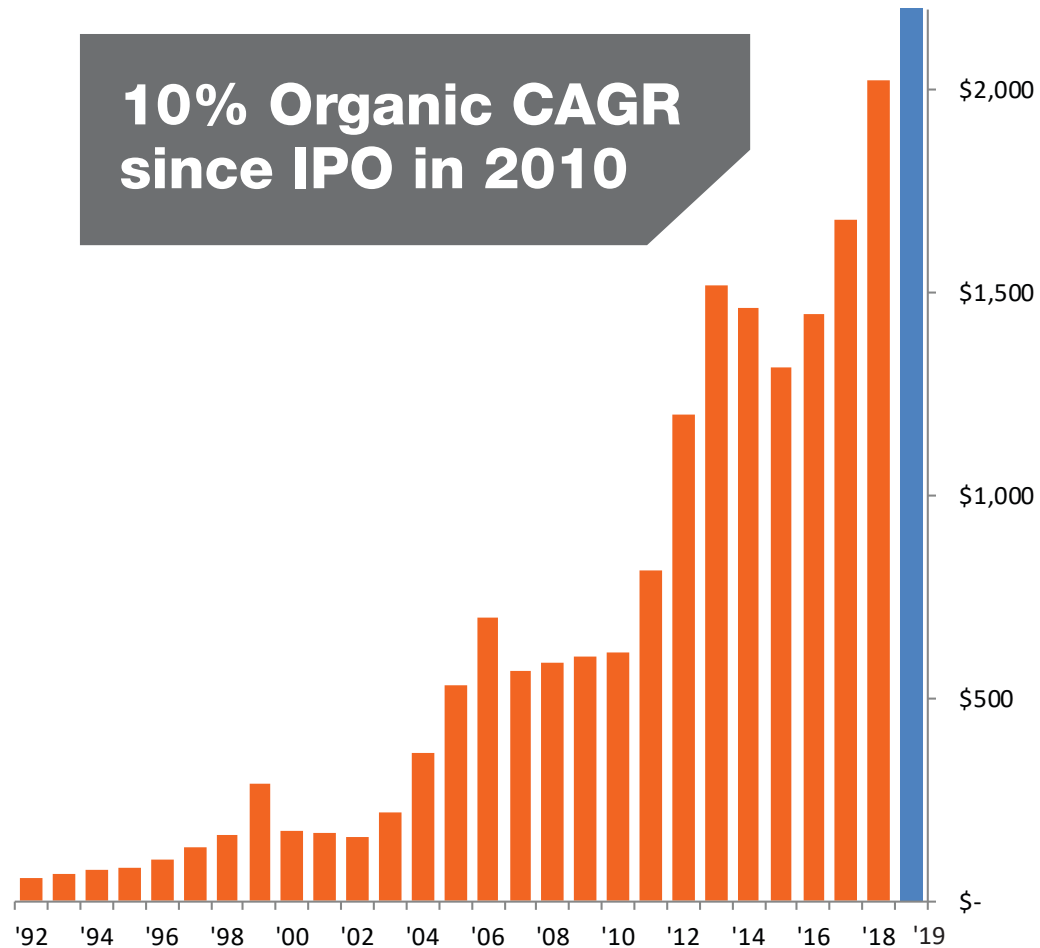
New Emerging Trend... Home as a Sanctuary

- Millions of people working, learning, shopping, entertaining, and in general, spending more time at home

Macro Investment Themes

Creating a Leading “Energy Technology” Company

10% Organic CAGR since IPO in 2010



Note: \$ amounts in millions. Represents gross sales excluding freight revenue. Excludes “Portable Product” sales prior to the division’s divestiture in 1998. Figures include results from acquisitions completed during 2011 – present; see slide titled “Summary of Acquisitions” for further details.

Power Quality Issues Continue To Increase

- Over 500 million outage hours during 2019 (nearly 20% higher than LT baseline average)
- Aging and under-invested electrical grid more vulnerable to unpredictable and severe weather
- Aging population and overall consumers are more dependent on power

Home Standby Market Growth Opportunity is Massive

- Only 4.75% of US HH’s have a HSB today (TAM=53M HH’s)
- Every 1.0% of penetration is approximately \$2.5 billion market opportunity (at retail)
- Generac’s 75%+ share due to unique go to market strategy

California market for backup power increasing significantly

- Local utilities triggering numerous and significant power shutoff events
- Shutoff events impacting millions of customers in an attempt to mitigate risk of wildfires
- Events projected to continue for several years with HSB penetration only ~1%

Energy Storage & Monitoring Markets Developing Quickly

- New markets focused on energy cost reduction
- Battery cost and performance continue to improve
- Generac uniquely positioned with distribution, marketing & brand

Natural Gas Generators Driving Superior Growth Rates

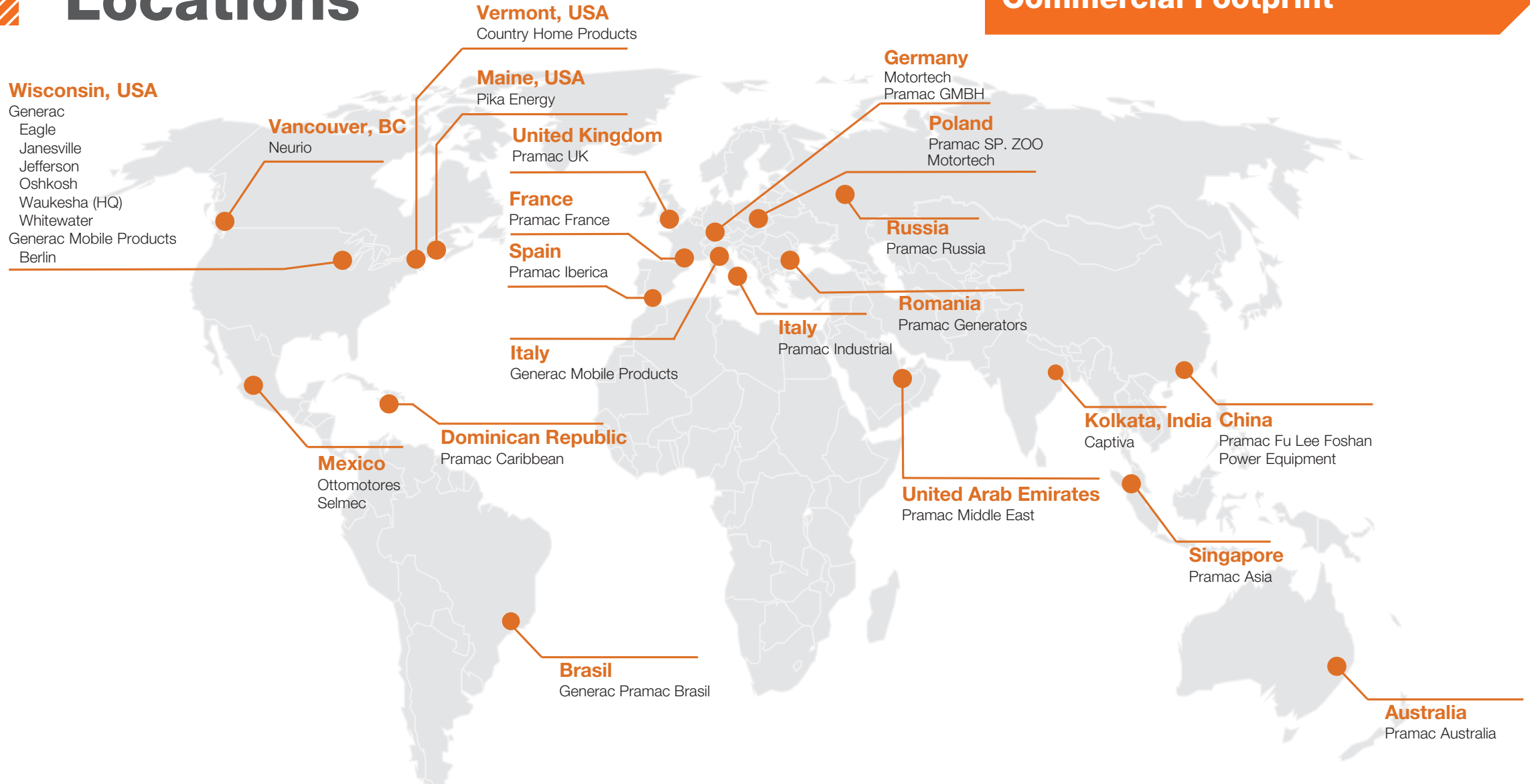
- Cleaner, greener & more cost effective for on-site power
- US is ~40% gas gen sales annually and growing 2x diesel
- Global opportunity is nascent – less than 1% of market

Rollout of 5G Will Require Improved Network Reliability

- 5G will enable many new technologies - uptime critical
- 330k US sites & only 1/3 have backup – Generac #1 supplier
- Technology to rollout globally – Generac footprint can serve

Generac Worldwide Locations

Vertically Integrated Manufacturing Capacity Serving a Globally Diverse Commercial Footprint





Power Platforms

Consumer Power Products



Air-cooled Home Standby Generators

Liquid-cooled Home Standby Generators

Portable & Inverter Generators

Prime and emergency backup for:

- Residential
- Light Commercial

Construction

Recreation

C&I Stationary Products



Larger kW & Container Gensets

Industrial Stationary Generators

Commercial Stationary Generators

Complete lines of diesel & natural gas generators

Prime and emergency backup for:

- Healthcare
- Telecom/Data Centers
- Municipal
- Manufacturing
- Distribution
- Hospitality
- Restaurants
- Retail

Outdoor Chore Products



- Pressure washers
- Water pumps
- Field & brush mowers
- Trimmer mowers
- Chippers & shredders
- Log splitters
- Lawn & leaf vacuums
- Stump grinders

Wide variety of property maintenance applications for:

- Residential
- Larger-acreage properties
- Light commercial
- Municipal
- Farm

Mobile Power Products



Light Towers

Mobile Generators

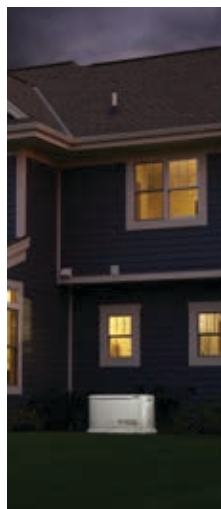
Heaters & Pumps

Support equipment for:

- Construction
- Oil and Gas
- Mining
- Special Events
- Road Development
- General Rental needs



Growth Drivers



Consumer Power Products

Key drivers: Aging and under-invested grid, favorable demographics, heightened power outages

Low penetration of emerging HSB category: ~4.75% of addressable households within the U.S.

Market leader: Leading share of domestic HSB market; With significant competitive advantages high-20% share of portable generator market

Key strategic initiatives: Further improve lead generation, close rates and reduce total system cost

Connectivity: Driving deeper engagement with customers and distribution partners



C&I Stationary Products

Natural gas generators: Gaining share vs. diesel

Market share gains: Larger-kW product offering, distribution optimization, sales process excellence

International Expansion: Acquisitions accelerate expansion into other regions of the world

New Market Opportunities: Expansion of gaseous-fueled products into prime, continuous and CHP applications

Low penetration: Within the light commercial/retail market

Telecom: Growing importance of backup power for critical telecommunications infrastructure



Outdoor Chore Products

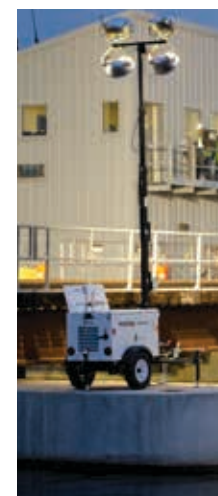
Housing drives market growth: Need for outdoor power equipment grows alongside housing starts

Trend toward pro market: Capitalize on growing trend in lawn and garden industry of “do it for me” with products for the pro market

Leverage current D2C customer base: Introducing new products to capture more share of wallet

Expand distribution: Products for outdoor power equipment dealers and other B2B partners

Supply Chain and Operational Synergies: Leverage air-cooled engine volumes and consolidated manufacturing footprint to improve cost position.



Mobile Power Products

Secular shift toward renting: Mobile products platform benefiting from shift toward renting in lieu of buying

Diversification into new products: Entry into adjacent “engine-powered” rental equipment categories, both organically and through acquisitions

Long-term increased infrastructure spending: Macro opportunity of increased spending stimulus to improve aging domestic infrastructure

Long-term domestic energy production: Multi-decade upcycle for mobile support equipment that is essential to oil & gas drilling and production sites





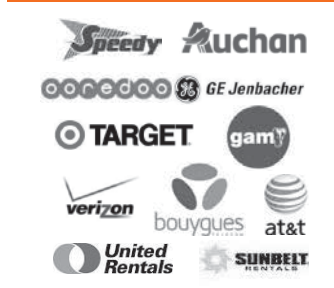

Global Distribution Channels

Residential and C&I Dealer Network

- | International network of nearly 7,000 dealers
- | Installation and after sale service support
- | Work with professional engineering firms to develop customized solutions
- | Over 5,000 technicians trained every year
- | Support for global large account sales

Significant Omni-Channel Distribution

Other Key Channels

 <p>Electrical Wholesalers</p>	 <p>Mass Retailers</p>
 <p>Catalog and E-Commerce</p>	 <p>Licensing Partners</p>
 <p>Direct to Global Accounts</p>	 <p>Direct to Consumer</p>

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Generac's ESS Solution

MORE POWER

- 9/11 kW Max. Continuous
- 50 A Motor Starting Current

MORE CAPACITY

- 3.0 kWh Battery Modules
- 9 - 18 kWh per Cabinet

LOAD MANAGEMENT

- 50 A and 100 A Automatic Smart Management Modules



OUTDOOR RATED

- Type 3R Battery Cabinet
- -10 to 50°C Operating Temperature Range

WHOLE HOME BACKUP

- 200 A and 100 A
Whole Home Transfer Switches

**PWRcell Whole Home
Backup...
CLEAN & SIMPLE**

Whole Home Power Means **MORE** Power

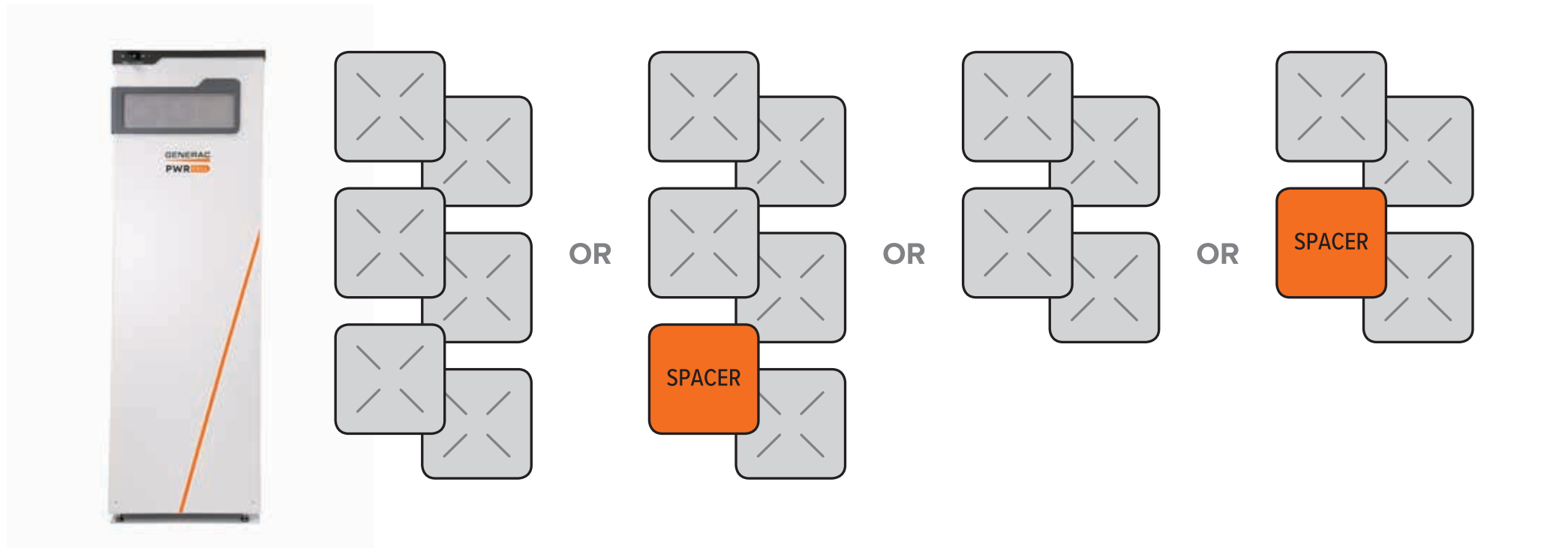
Same hardware. New Capabilities.

	OLD	NEW
Continuous Power	8kW	9kW
Peak Motor Starting Current	42A	50A

Add a second PWRcell battery for up to 11 kW continuous.



Whole Home Power Means **MORE** Capacity



# of Modules	6	5	4	3
Old Capacity	17.1	14.3	11.4	8.6
New Capacity	18	15	12	9

Whole Home Power Means **SMART** Load Control

PWRcell ATS Controller



- Priority management up to 4 HVAC loads
- Integrated into PWRcell ATS
- Easy to wire

Smart Management Modules



- Can control up to 8x additional circuits
- Allows larger loads to be backed up
- Coordinate load priority with PWRcell ATS Controller

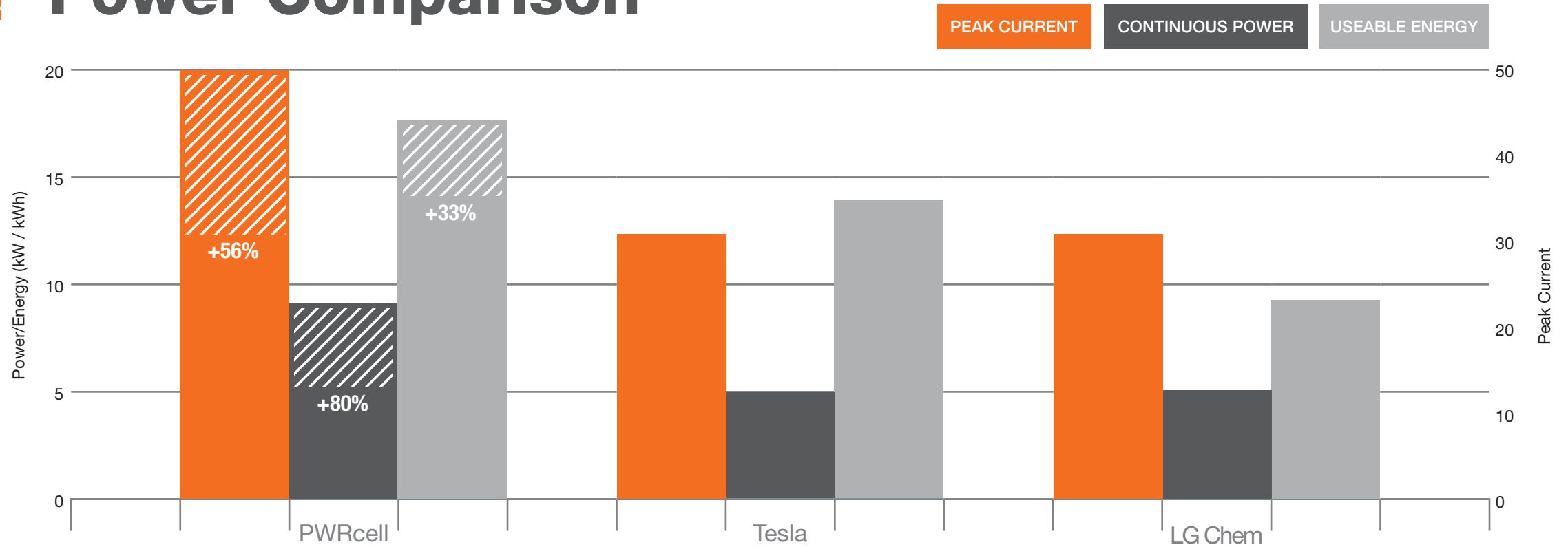
Sure-Start HVAC Soft Start



- Significantly reduces HVAC starting current (LRA)
- Enables PWRcell to start larger motor loads, such as a 3-ton A/C



Whole Home Power Comparison



	PWRcell	Tesla	LG Chem
Peak Current	50A	32	31
Continuous Power	9kW	5kW	5kW
Useable Energy	18kWh	13.5kWh	9.3kWh

Rapidly Building Clean Energy Distribution

NATIONAL



REGIONAL



LONG TAIL





Enterprise Strategy

Grow:

Further expand market penetration in North America while establishing traction for these products globally.

Lead:

Capitalize on the global growth of natural gas fuel as an available and affordable energy source. Leverage Generac's expertise in gaseous engines to expand applications beyond standby power.



Gain:

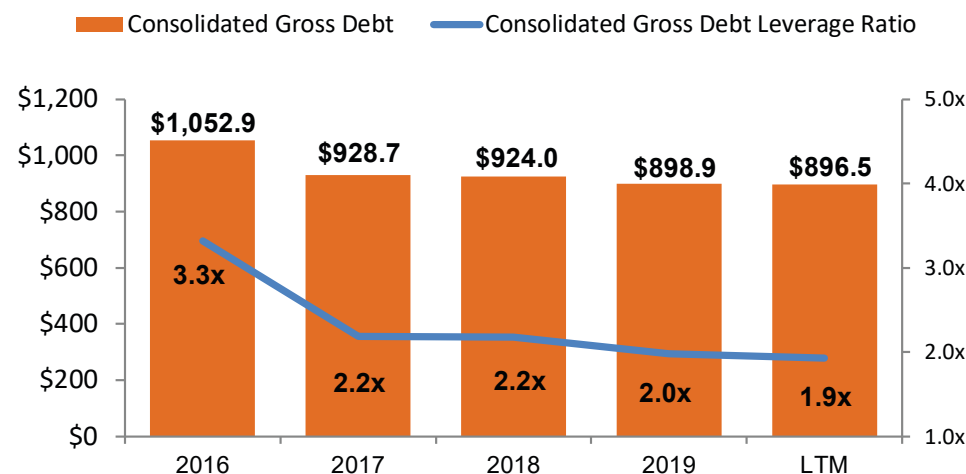
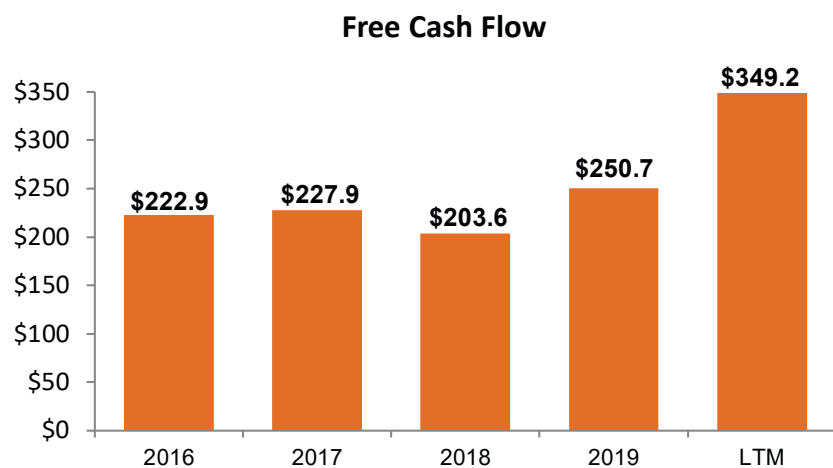
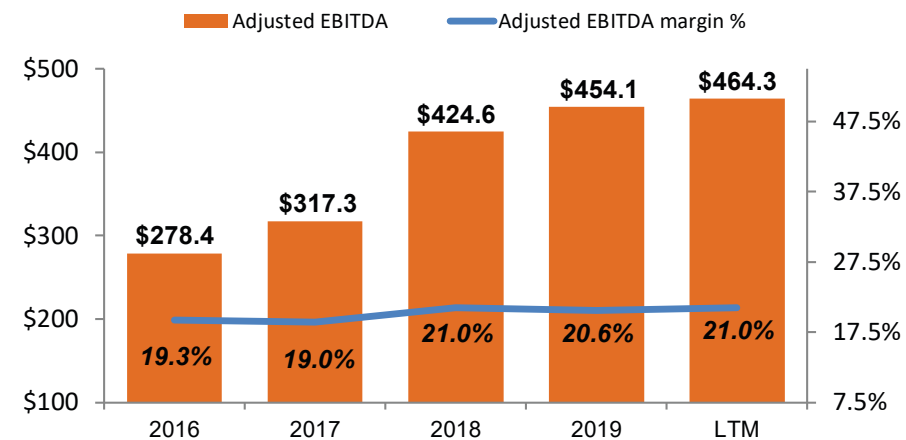
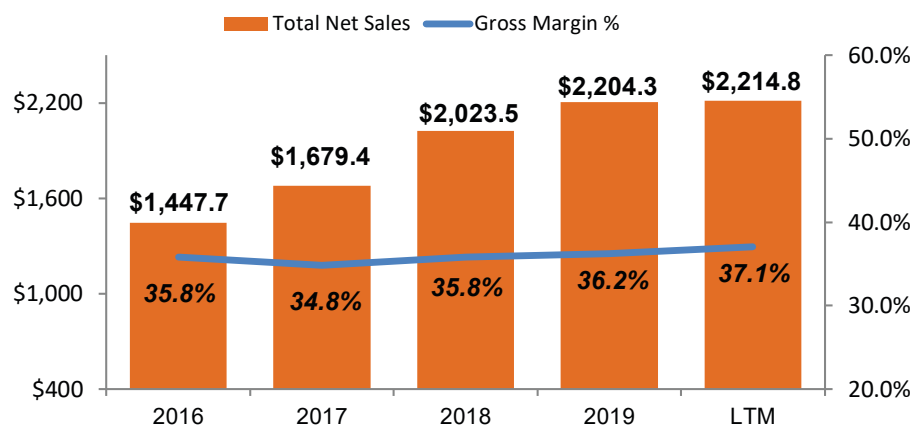
We gain share by innovating and we expand our opportunity for growth by doing the hard work of pioneering new products and markets.

Connect:

By being connected to the devices we manufacture we will drive additional value to our customers and our partners over the product lifecycle.

POWERING OUR FUTURE

Financial Summary



Note: Adjusted EBITDA margin calculated using adjusted EBITDA before deducting for non-controlling interest.

Capital Deployment Priorities

2017-2019
\$

1	Organic Growth	<ul style="list-style-type: none"> Invest in technology, innovation, and R&D capabilities Capacity expansion; Global systems; High ROI automation 	Asset Lite	~150m
2	Pay Down Debt	<ul style="list-style-type: none"> Target 2-3x leverage Term Loan matures 2026, ABL matures 2023 \$500mm notional swapped fixed 	Deleveraging Story	~200m
3	M&A	<ul style="list-style-type: none"> Demonstrated ability to execute; 15 deals since 2011 Accelerates “Powering Our Future” strategic plan Seek high synergy opportunities with above WACC returns 	Accelerate the strategy	~200m
4	Return of Capital	<ul style="list-style-type: none"> As future cash flow permits, will evaluate options opportunistically \$250mm remaining on current share repurchase authorization 	Opportunistic	~50m

Strong balance sheet and cash flow generation enables disciplined and balanced approach toward capital deployment that creates value for shareholders

TOTAL ~600m



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Appendix



2020 Business Outlook

(As reported on July 30, 2020)

Expect to Utilize Strong Free Cash Flow Generation to Increase Shareholder Value

Consolidated net sales

- Baseline case: increase between 5% to 8%
- Residential products: significant year-over-year growth
- C&I products: down significantly vs. prior year
- Upside case: could add another 2% to 3% of revenue growth

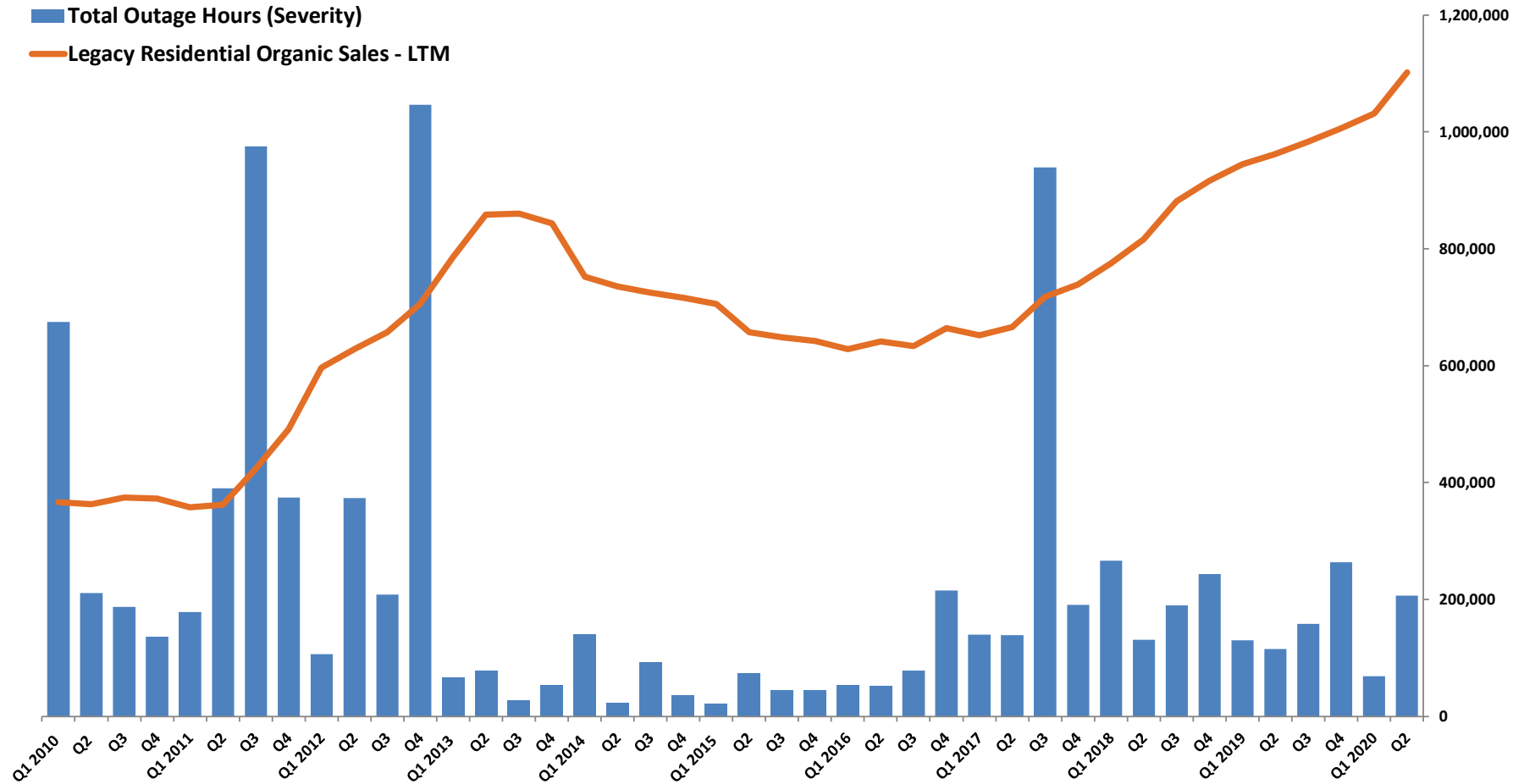
Adjusted EBITDA margins: between 21.5% to 22.0%

Cash income tax rate: approximately 17.0%

Free cash flow: conversion of adjusted net income of approximately 90%

Expanding Power Outage Severity⁽¹⁾

Elevated Baseline Outages + Major Event = Catalysts for Growth



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

Summary of Acquisitions



OCT.
2011

Magnum Products is a leading manufacturer of high-quality light towers, and mobile generators.

Berlin, WI



DEC.
2012

Leading manufacturer of industrial power generation equipment in Mexico and other parts of Latin America.

Mexico City, Mexico



AUG.
2013

Mobile light towers for EMEA and other international markets

Milan, Italy



NOV.
2013

Expands domestic offering of standby and prime-duty gensets up to 2.5 MW

Oshkosh, WI



OCT.
2014

MAC is a leading manufacturer of premium-grade commercial and industrial mobile heaters within the U.S. and Canada.

Bismarck, ND



AUG.
2015

Expands chore-related products line-up and provides additional scale to the residential engine-powered tools platform

Vergennes, VT



MAR.
2016

Stationary, mobile and portable generators sold into over 150 countries worldwide

Siena, Italy



JAN.
2017

Gaseous-engine control systems and accessories sold to engine OEMs and aftermarket customers

Celle, Germany



JUN.
2018

Larger kW and container gensets; service and remote monitoring platform for Latin America market

Mexico City, Mexico



FEB.
2019

Captiva Energy Solutions, founded in 2010 and headquartered in Kolkata, India specializes in customized industrial generators.

Kolkata, India



MAR.
2019

The leading energy data company focused on metering technology and sophisticated analytics to optimize energy use

Vancouver, BC



APR.
2019

Leading manufacturer of smart storage solutions and smart batteries

Portland, Maine

Acquisitions used to accelerate Powering Our Future strategy

Revenue synergies

New products, customers, end markets

Numerous cross-selling opportunities

Geographic and international expansion

Cost synergies

Strategic global sourcing initiatives

Innovation and cost-reduction engineering

Adopt Generac's lean cost culture

Operational excellence focus

Smaller acquisitions of Gen-Tran completed in February 2012 (manual transfer switches for portable generators - Alpharetta, GA); Pramac America in September 2017 (portable generators - Marietta, GA); Energy Systems in July 2020 (industrial distributor - Stockton, CA); Mean Green Products in September 2020 (battery powered, turf care products - Ross, OH)

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Favorable Tax Attributes

Results in present value tax savings of ~ \$60 million⁽²⁾ or \$.90-\$1.00 per share

Tax attributes and 338(h)10 election overview

- \$1.9 billion combined asset basis step-up created through 2006 acquisition of Generac and other acquisitions

- Each amortizes over 15 years

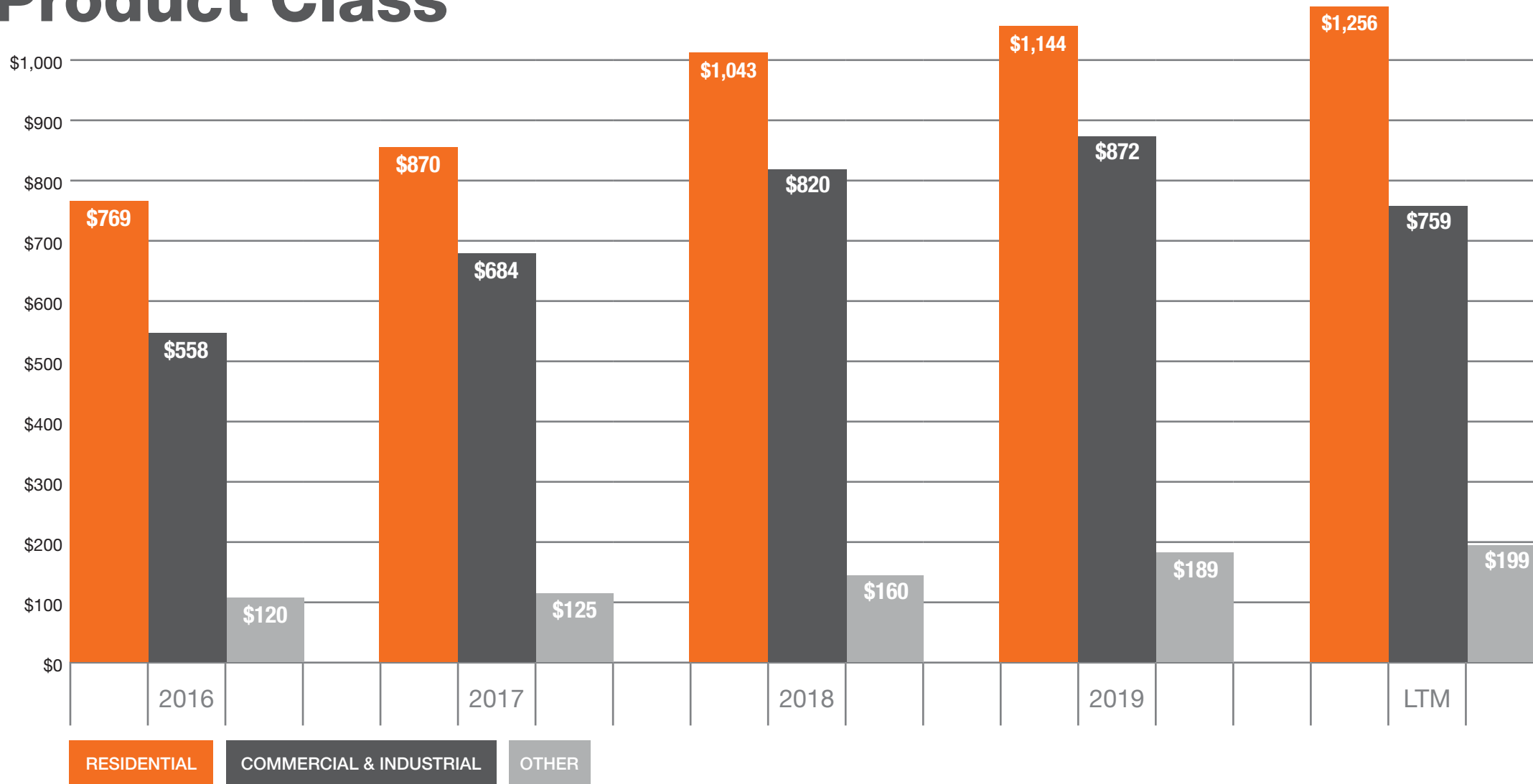
- Reduces cash tax obligation on average by ~\$33 million per year through 2021

(\$ MM)	TOTAL	2020	2021	2022+
Annual tax amortization	\$264	\$130	\$107	\$27
Cash tax savings ⁽¹⁾	\$67	\$33	\$27	\$7

(1) Assuming continued profitability and no limitations at an assumed 25.5% federal and state tax rate.

(2) Based on annual discount rate of between 5 and 10%

Net Sales by Product Class



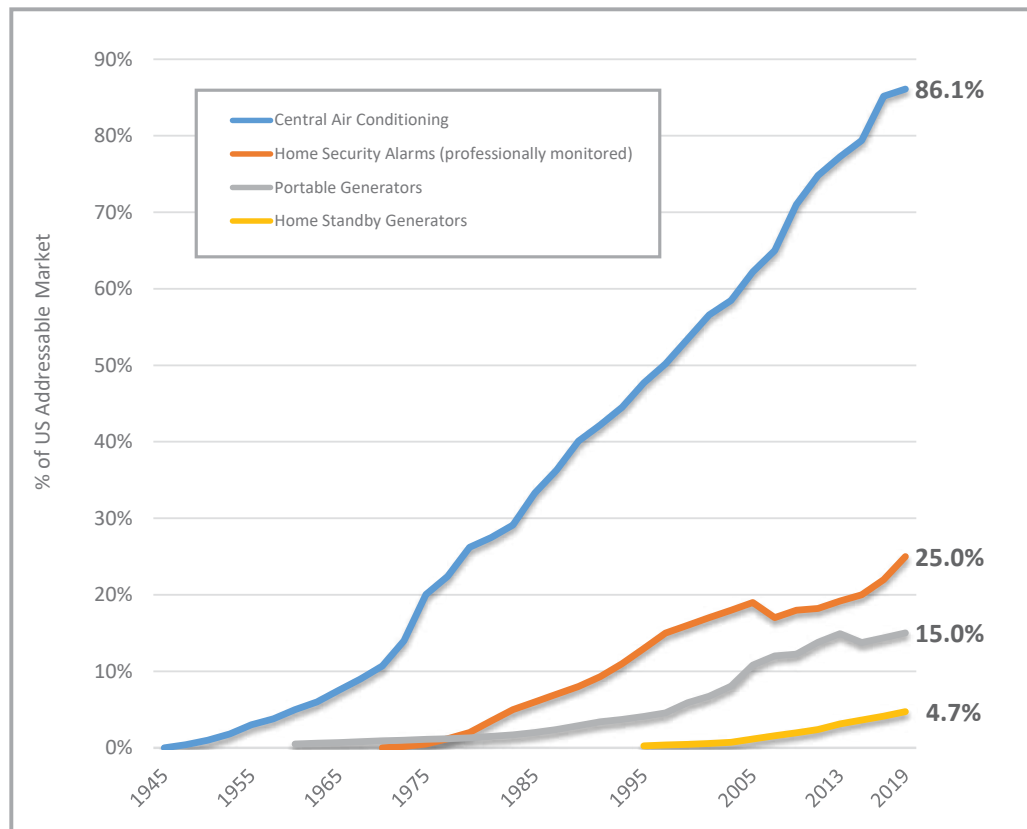
Figures include results from acquisitions completed during 2011 – 2019; see slide titled “Summary of Acquisitions” for further details.



HSB: A Penetration Story

Every 1% of increased penetration equals ~\$2.5 billion of market opportunity

North American Penetration Opportunity⁽¹⁾



Aging Population Fits Demographic

- ~70% of buyers age 50 and older
- ~Median home value of approximately \$400k
- ~80% retro-fit application
- ~\$120K median household income,
- ~8% replacement units

(1) Source: Company estimates; based on addressable market for HSB generators consisting of all single-family detached, owner-occupied homes valued > \$125K; 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.



Q1 2020 & LTM Financial Overview

	Actual Q2 2020 (unaudited)	Y/Y % Change	Actual LTM (unaudited)	Y/Y % Change
Residential	\$341.4	27.2%	\$1,256.5	15.1%
Industrial	154.9	(32.8%)	759.0	(12.7%)
Other	50.6	17.4%	199.3	12.7%
Net Sales	\$546.8	0.9%	\$2,214.8	3.6%
Gross Profit	\$209.0	6.7%	821.0	7.7%
% Margin	38.2%		37.1%	
Adjusted EBITDA	\$123.1	10.1%	\$464.3	3.3%
% Margin (1)	22.5%		21.0%	
Net Income - GHI (2)	\$66.1	6.8%	\$255.8	(0.9%)
Adjusted Net Income - GHI	\$88.5	18.1%	\$330.0	6.9%
Adjusted EPS - GHI	\$1.40	16.4%	\$5.23	5.9%
Free Cash Flow	\$89.0	NM	\$349.2	181.8%
Consolidated Gross Debt			\$896.5	
Consolidated Gross Debt Leverage Ratio			1.9x	

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

(2) Q2 2020 and LTM includes \$11.5 million of pre-tax charges relating to restructuring costs and asset write-downs to address the impact of COVID-19 pandemic; LTM also includes a \$10.9 million pre-tax charge related to the settlement of the Company's domestic pension plan.



Adjusted EBITDA Reconciliation

	2016	2017	2018	2019	LTM
Net income	\$97.2	\$159.6	\$241.2	\$252.3	\$251.8
Interest expense	44.6	42.7	41.0	41.5	37.8
Depreciation and amortization	54.4	52.0	47.4	60.8	66.3
Income taxes provision	56.5	44.1	69.9	67.3	61.4
Non-cash write-down and other charges	7.5	5.8	3.5	0.8	1.9
Non-cash share-based compensation expense	9.5	10.2	14.6	16.7	18.7
Loss on extinguishment of debt	0.6	-	1.3	0.9	0.9
(Gain) loss on change in contractual interest rate	3.0	-	-	-	-
Transaction costs and credit facility fees	2.4	2.1	3.9	2.7	1.6
Loss on pension settlement and other	0.9	0.8	1.8	11.0	23.7
Adjusted EBITDA	\$276.5	\$317.3	\$424.6	\$454.1	\$464.3
Adjusted EBITDA attributable to noncontrolling interests	(3.8)	(6.1)	(7.8)	(5.0)	(2.2)
Adjusted EBITDA attributable to Generac Holdings, Inc.	\$272.7	\$311.2	\$416.8	\$449.1	\$462.1

Adjusted EBITDA Reconciliation

Net income to Adjusted EBITDA reconciliation

	Three months ended June 30,		LTM Ended June 30,	
	2020 (unaudited)	2019 (unaudited)	2020 (unaudited)	2019 (unaudited)
Net income attributable to Generac Holdings, Inc.	\$66,145	\$61,958	\$255,793	\$258,170
Net income attributable to noncontrolling interests	(2,553)	(252)	(3,957)	2,524
Net income	63,592	61,706	251,836	260,694
Interest expense	7,932	10,452	37,805	40,565
Depreciation and amortization	16,803	14,740	66,339	51,472
Income taxes provision	18,473	18,827	61,404	73,870
Non-cash write-down and other charges	(893)	1,726	1,872	2,021
Non-cash share-based compensation expense	5,400	4,334	18,740	15,500
Loss on extinguishment of debt	-	-	926	-
Transaction costs and credit facility fees	358	413	1,627	4,879
Loss on pension settlement, restructuring and other	11,475	(312)	23,717	554
Adjusted EBITDA	123,140	111,886	464,266	449,555
Adjusted EBITDA attributable to noncontrolling interests	(132)	(763)	(2,182)	(6,393)
Adjusted EBITDA attributable to Generac Holdings, Inc.	\$123,008	\$111,123	\$462,084	\$443,162

Adjusted Net Income

and Free Cash Flow Reconciliations

Net income to Adjusted net income reconciliation

	Three months ended June 30,		LTM Ended June 30,	
	2020 (unaudited)	2019 (unaudited)	2020 (unaudited)	2019 (unaudited)
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Net income attributable to noncontrolling interests	(2,553)	(252)	(3,957)	2,524
Net income	63,592	61,706	251,836	260,694
Provision for income taxes	18,473	18,827	61,404	73,870
Income before provision for income taxes	82,065	80,533	313,240	334,564
Amortization of intangible assets	7,667	7,251	31,499	23,591
Amortization of deferred financing costs and OID	644	1,199	3,622	4,758
Loss on extinguishment of debt	-	-	926	-
Transaction costs and credit facility fees	191	173	(103)	2,972
Loss on pension settlement, restructuring and other	11,460	73	24,222	1,027
Adjusted net income before provision for income taxes	102,027	89,229	373,406	366,912
Cash income tax expense	(13,877)	(14,105)	(44,552)	(55,155)
Adjusted net income	\$88,150	\$75,124	\$328,854	\$311,757
Adjusted net income attributable to noncontrolling interests	342	(222)	1,131	(3,174)
Adjusted net income attributable to Generac Holdings, Inc.	\$88,492	\$74,902	\$329,985	\$308,583

Free Cash Flow Reconciliation

Net cash provided by operating activities	\$101,768	\$8,043	\$399,387	\$190,184
“Proceeds from beneficial interests in securitization transactions”	706	653	2,558	3,400
Expenditures for property and equipment	(13,438)	(18,474)	(52,758)	(69,651)
Free cash flow	\$89,036	\$(9,778)	\$349,187	\$123,933