

GENERAC®

Investor Presentation

NOVEMBER 2018

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



Investor Relations

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GENERAC®



Forward Looking Statements

Certain statements contained in this presentation, 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 Generac products; availability, cost and quality of raw materials and key components used in producing Generac 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 Generac may encounter as its business expands globally; Generac's dependence on its distribution network; Generac's ability to invest in, develop or adapt to changing technologies and manufacturing techniques; loss of key management and employees; increase in product and other liability claims or recalls; and changes in environmental, health and safety laws and regulations.

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 Securities and Exchange Commission ("SEC"), particularly in the Risk Factors section of our 2017 Annual Report on Form 10K and in its periodic reports on Form 10Q. 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.



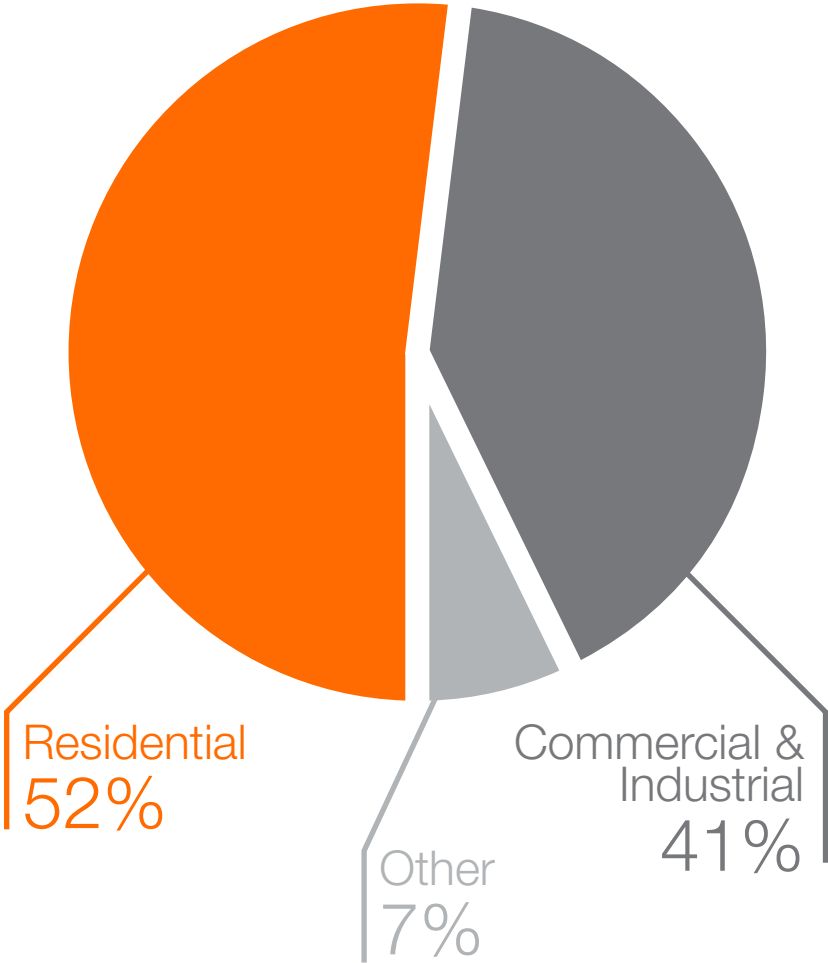
About Generac

Leading designer and manufacturer of a wide range of power generation equipment and other engine powered products

Variety of end market applications including residential, telecom, data center, healthcare, construction and oil and gas among others

Largest provider of natural gas generator solutions in North America with growing global market opportunity

September 30, 2018 LTM Sales:



Global manufacturing, distribution, fulfillment and commercial footprint with facilities located in the U.S., Latin America, Europe and Asia.

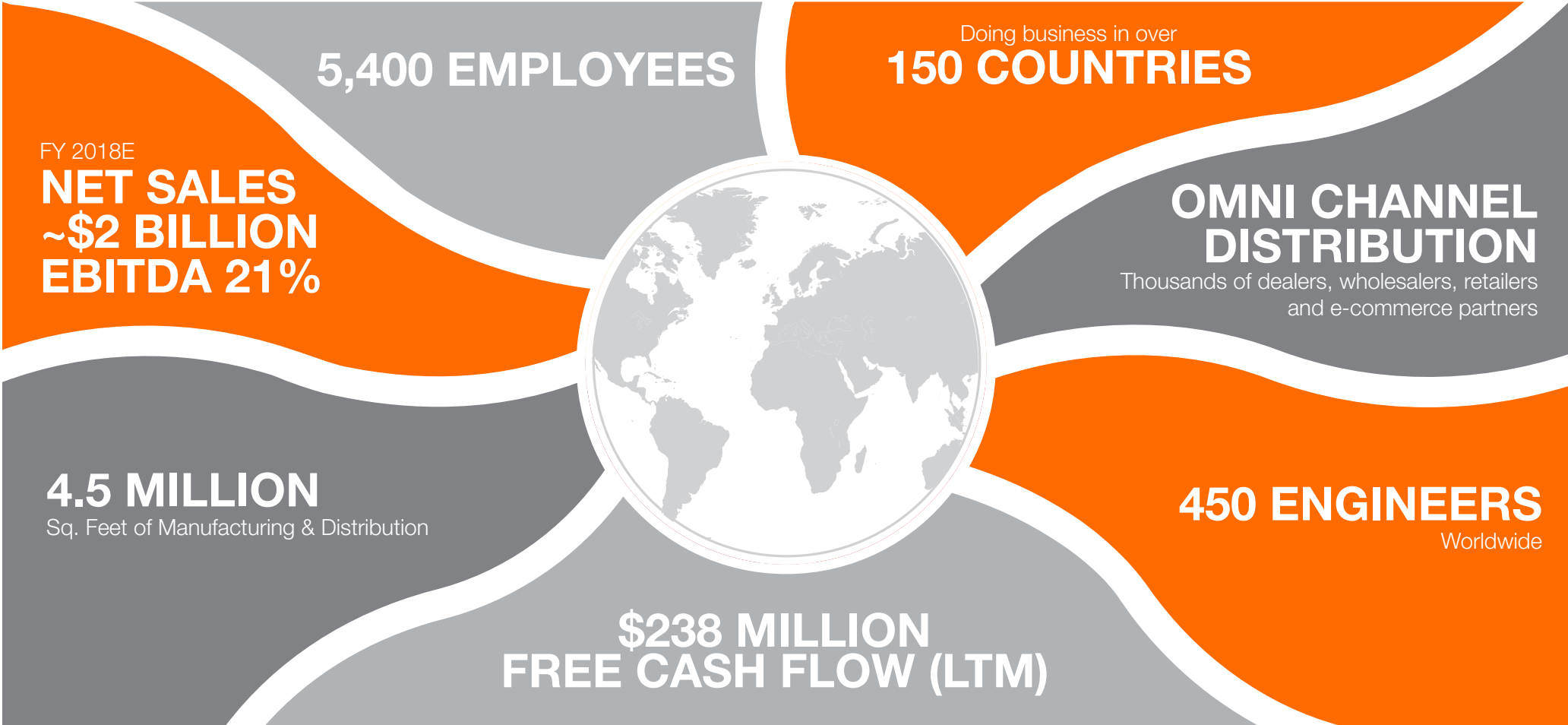
Omni-channel distribution network through independent dealers, distributors, retailers, wholesalers, rental companies, and also sold direct to end users

Eleven acquisitions completed since 2011, including recent strategic acquisition of Selmecc





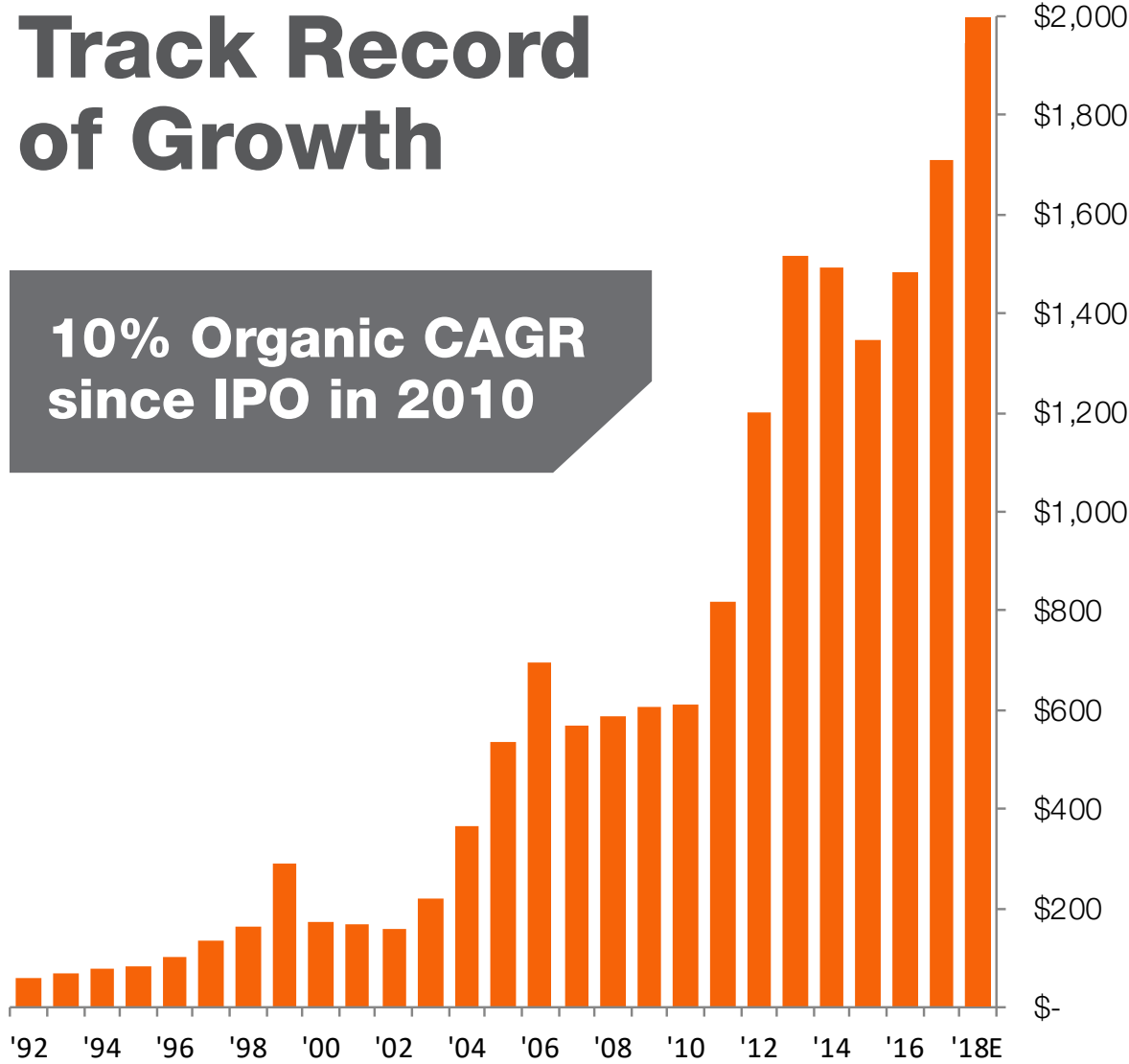
Generac By The Numbers





Track Record of Growth

10% Organic CAGR since IPO in 2010

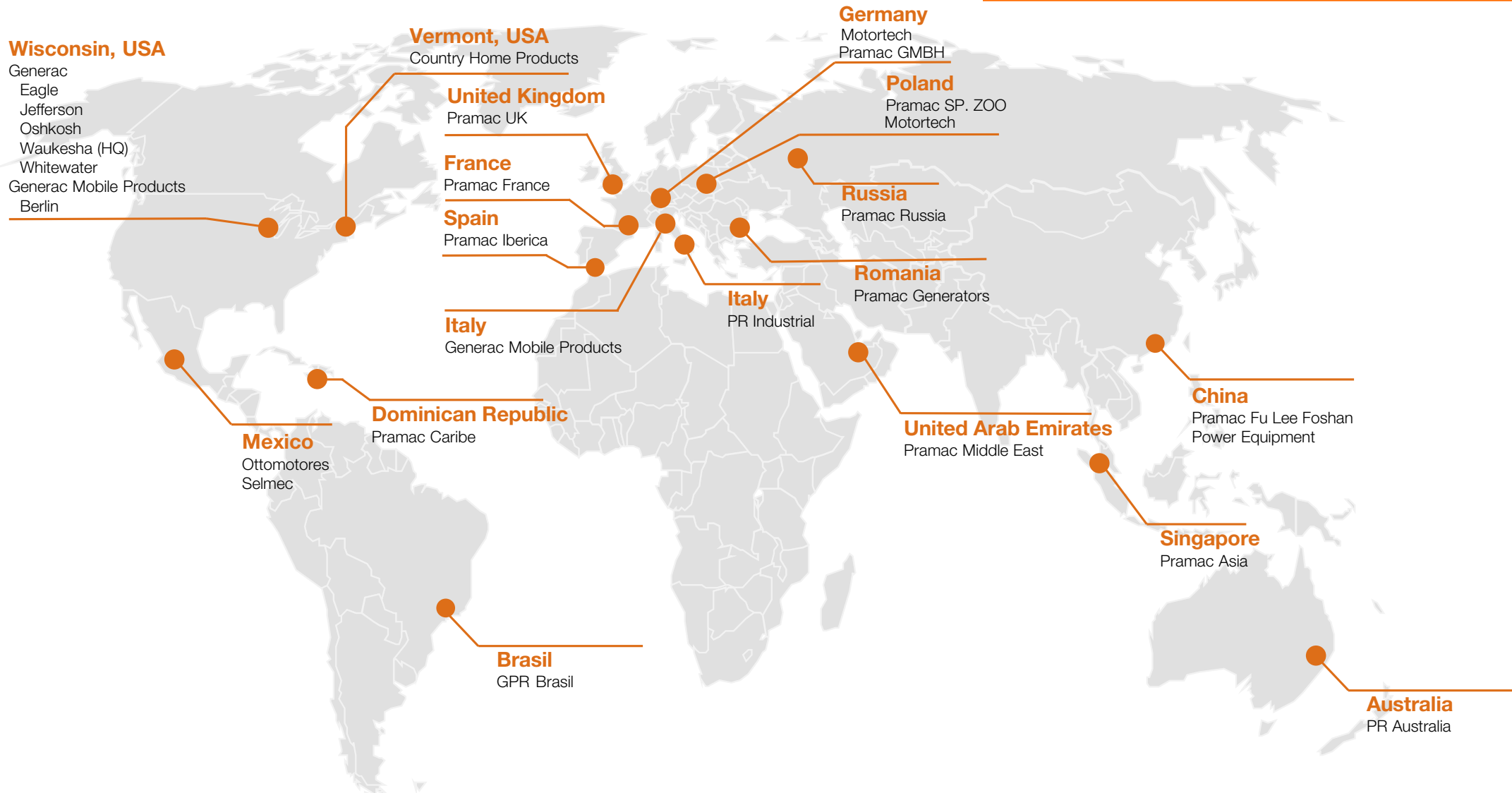


Note: \$ amounts in millions. Represents gross sales excluding freight revenue. Excludes "Portable Product" sales prior to the division's divestiture in 1998. Figures include results from acquisitions completed during 2011 – 2018; see slide titled "Summary of Acquisitions" for further details.



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

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

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

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: ~4.0% of addressable households within the U.S.

Market leader: Leading share of domestic HSB market with significant barriers to entry; 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 over 6,000 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 Creates Barriers to Entry

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> |





2019 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.

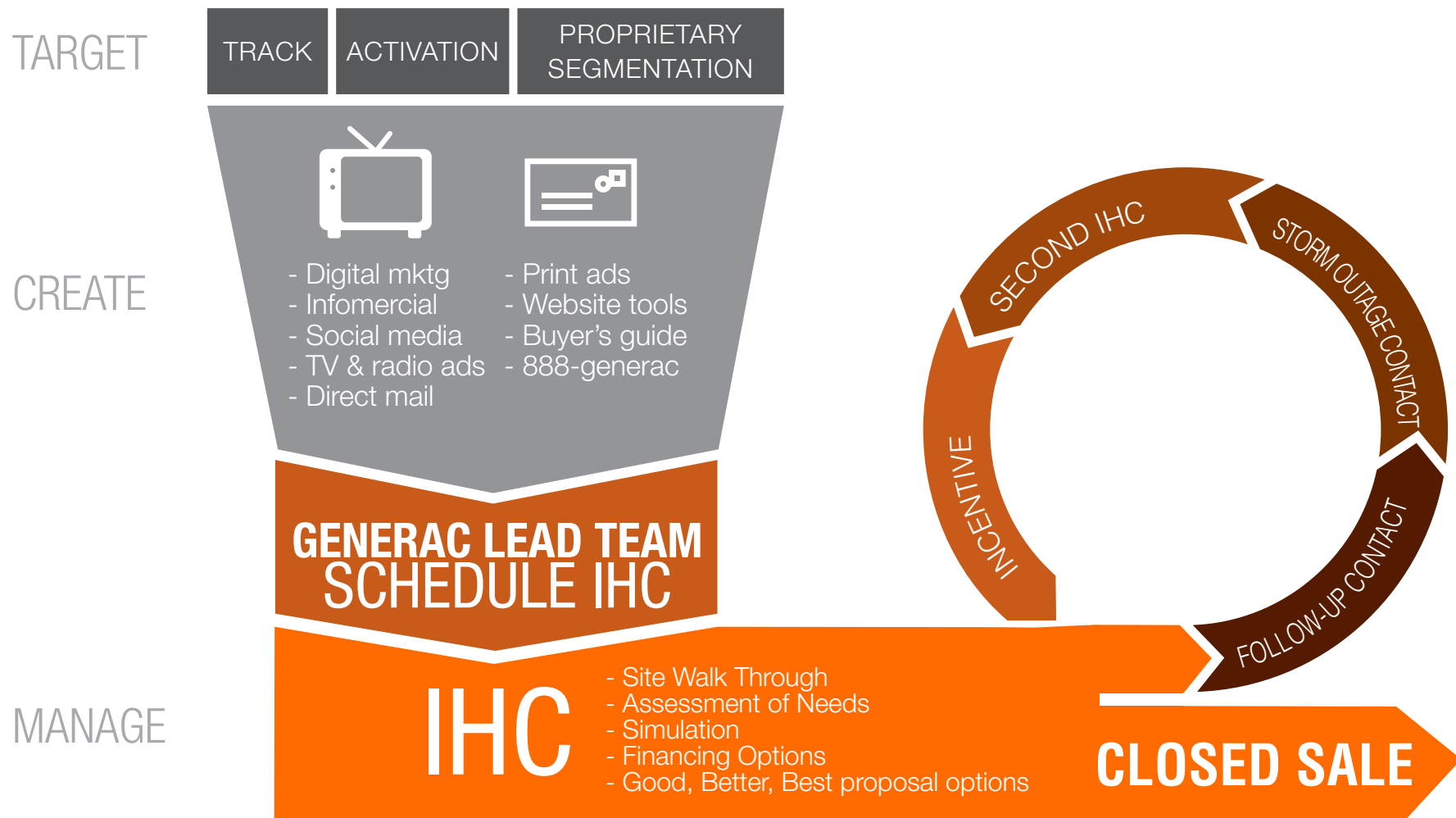
POWERING OUR FUTURE





Grow: HSB Demand Creation Process

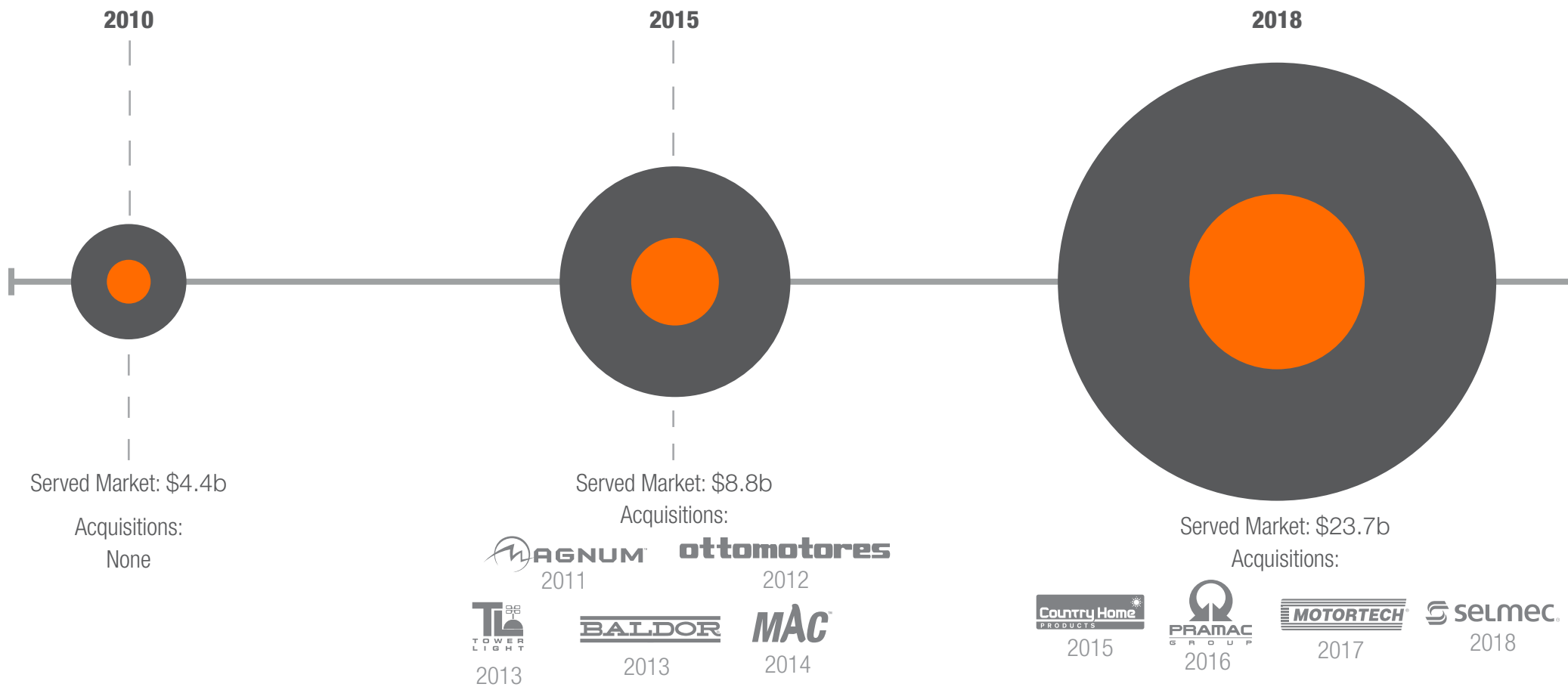
Every 1% of increased penetration equals ~\$2 billion of market opportunity





Gain: Market Opportunity

**Quadrupled Served Market
Through Diversification**





**Focused on Market Share Growth through
Product Innovation and Geographic Expansion**



Lead: Gas

Global Trend to Natural Gas as Energy Source of the Future

| Past | Present | Future |
|--------------------------------------|---|---|
| North America - Emergency Standby | North America - Emergency Standby - Prime Power - Demand Response ROW/International - Standby & Prime  Geographic Market Access  Technology & Application Expertise | North America - Emergency Standby - Prime Power - Demand Response ROW/International - Standby & Prime Global - Continuous, Combined Heat & Power (CHP) |
| ~\$2.0B | ~\$3.0B | ~\$5.0B |
| Increase Served Market | | |
| Up to 200kW + MPS 60Hz only | Up to 500kW + MPS 50Hz & 60Hz | Up to 1MW + MPS 50Hz & 60Hz |
| Product Line Expansion | | |



Connect: Increasing Engagement with our Customers



OWNERSHIP EXPERIENCE

Remote monitoring drives enhanced ownership experience and higher level of engagement



ENERGY MANAGEMENT

Enhancing the grid by partnering with utilities and creating demand response solutions



RECURRING REVENUE

Tiered business model adds revenue and profit to the entire value chain



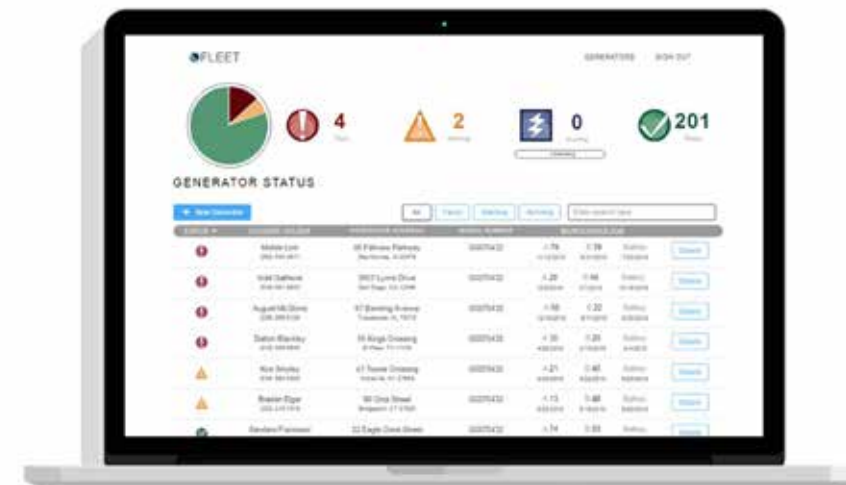
ENABLING DEALERS

Software tools to help dealers with generator fleet management. Improves attachment of Dealers to Generac

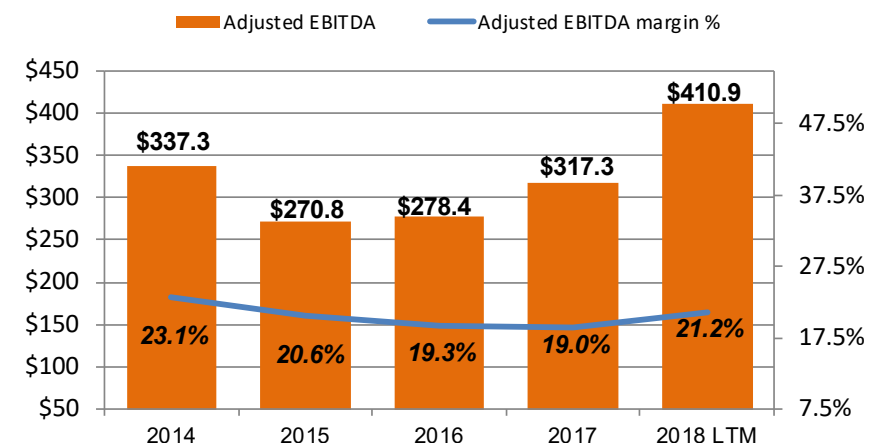
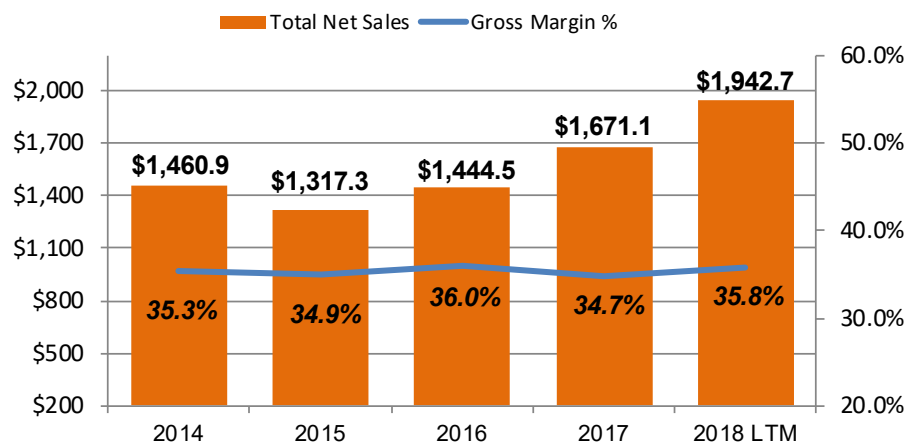


ANALYTICS

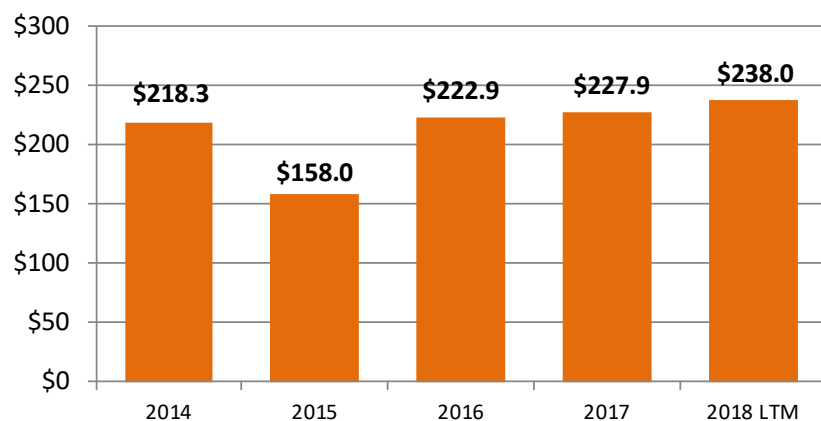
Using data to drive more value streams, customer retention, and product improvements



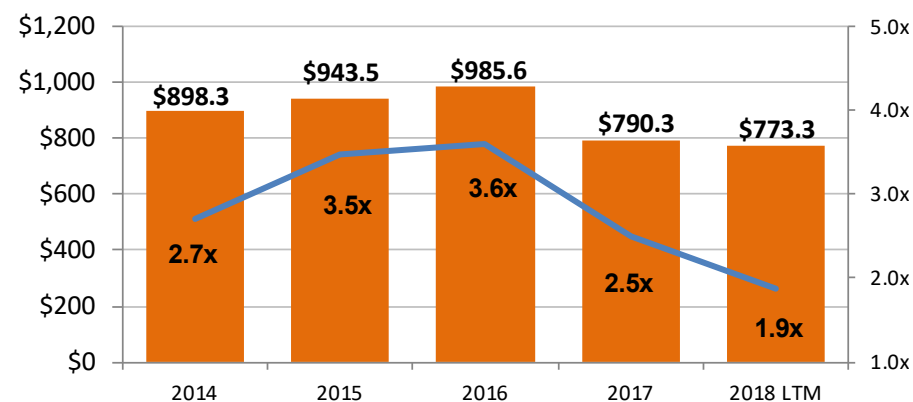
Financial Summary



Free Cash Flow



Consolidated Net Debt and Consolidated Net Debt Leverage Ratio

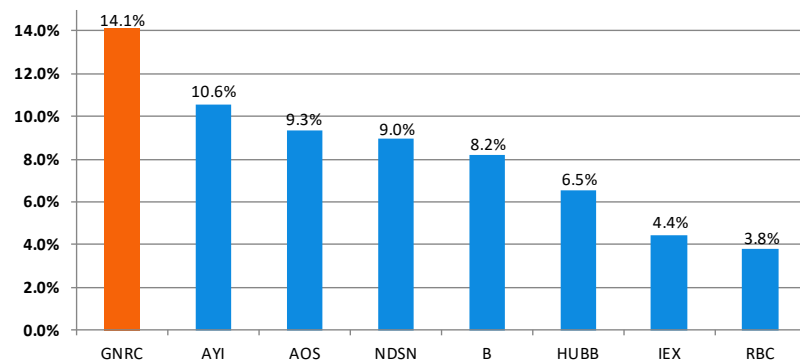


Note: Gross margin for 2016 excludes a \$2.7 million non-recurring charge relating to business optimization and restructuring costs to address the significant and extended downturn in capital spending within the oil & gas industry and a \$3.4 million non-recurring expense related to a pre-tax purchase accounting inventory step-up adjustment related to Pramac. Adjusted EBITDA margin for 2016 through LTM 2018 calculated using adjusted EBITDA before deducting for non-controlling interest. Consolidated net debt leverage ratio for 2016 through LTM 2018 calculated using adjusted EBITDA attributable to the Generac.

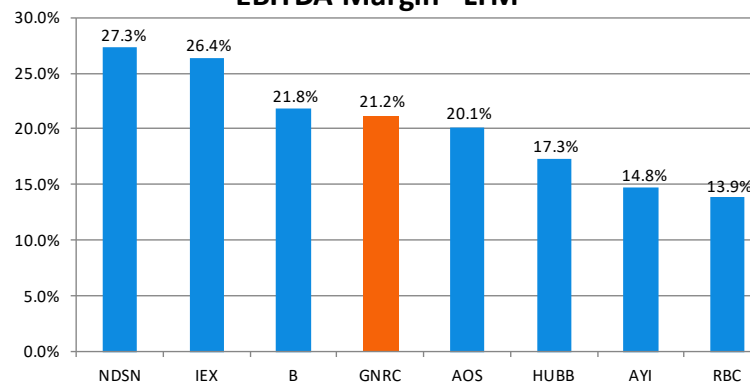
Relative Performance

(Compared with Industrial Technology Peers)

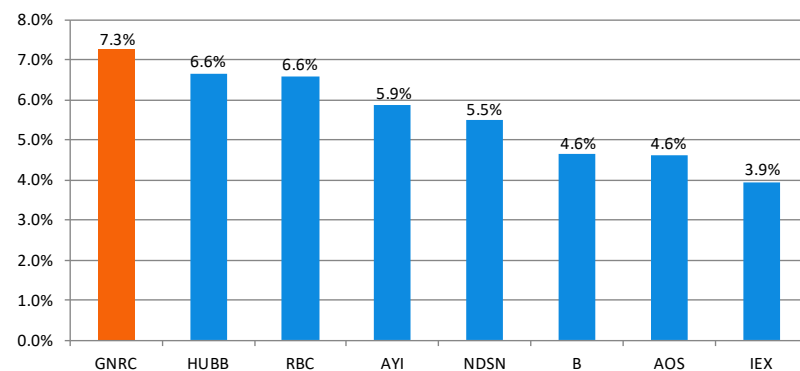
7 Year Sales CAGR (2011 - 2018E)¹



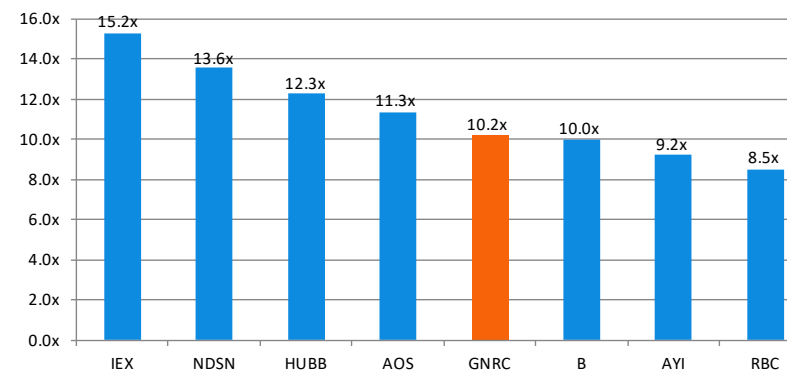
EBITDA Margin - LTM²



Free Cash Flow (FCF) Yield³



EV / EBITDA⁴



Source: Thomson One, Company Filings Note: Charts for Free Cash Flow Yield and Enterprise Value / NTM EBITDA use closing share prices as of November 2, 2018.

(1) Figures represent a 7 year compound annual growth rate calculated by comparing the base year 2011 to the analyst consensus revenue forecast for 2018 for each company.

(2) Adjusted EBITDA figures were used for GNRC. For all other companies, EBITDA is calculated as Operating Income plus D&A. (3) Determined by taking the ratio of FCF (Operating Cash Flow less Capex) on an LTM basis compared to Market Capitalization. (4) Based on recent Enterprise Value to consensus NTM EBITDA estimates.

Capital Deployment Priorities

2015-2017
\$

| | | | | |
|---|--------------------------|---|-------------------------|-------|
| 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 | ~100m |
| 2 | Pay Down Debt | <ul style="list-style-type: none"> Target 2-3x leverage Term Loan and ABL mature 2023 \$500mm notional swapped fixed | Deleveraging Story | ~200m |
| 3 | M&A | <ul style="list-style-type: none"> Demonstrated ability to execute; 11 deals since 2011 Accelerates “Powering Our Future” strategic plan Seek high synergy opportunities with above WACC returns | Accelerate the strategy | ~150m |
| 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 | ~300m |

Disciplined and balanced capital deployment creates value for shareholders

TOTAL
~750m



Investment Highlights

Leading “Industrial Technology” Company

Building a diversified global tier 1 power equipment focused company

“Powering Our Future” strategy targeted to capitalize on numerous secular growth opportunities

Market leader with significant barriers to entry

Extensive Global Distribution Channels with Strong Market Share

Leading technology and innovation in the marketplace

Strong Balance Sheet, Free Cash Flow and FCF conversion



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Appendix



2018 Business Outlook

(As reported on November 1, 2018)

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

Consolidated net sales: increase between 19 to 20%; core organic sales increase approximately 16 to 17%

Impact from foreign currency approximately +1% over prior year

Adjusted EBITDA margins: approximately 21.0%

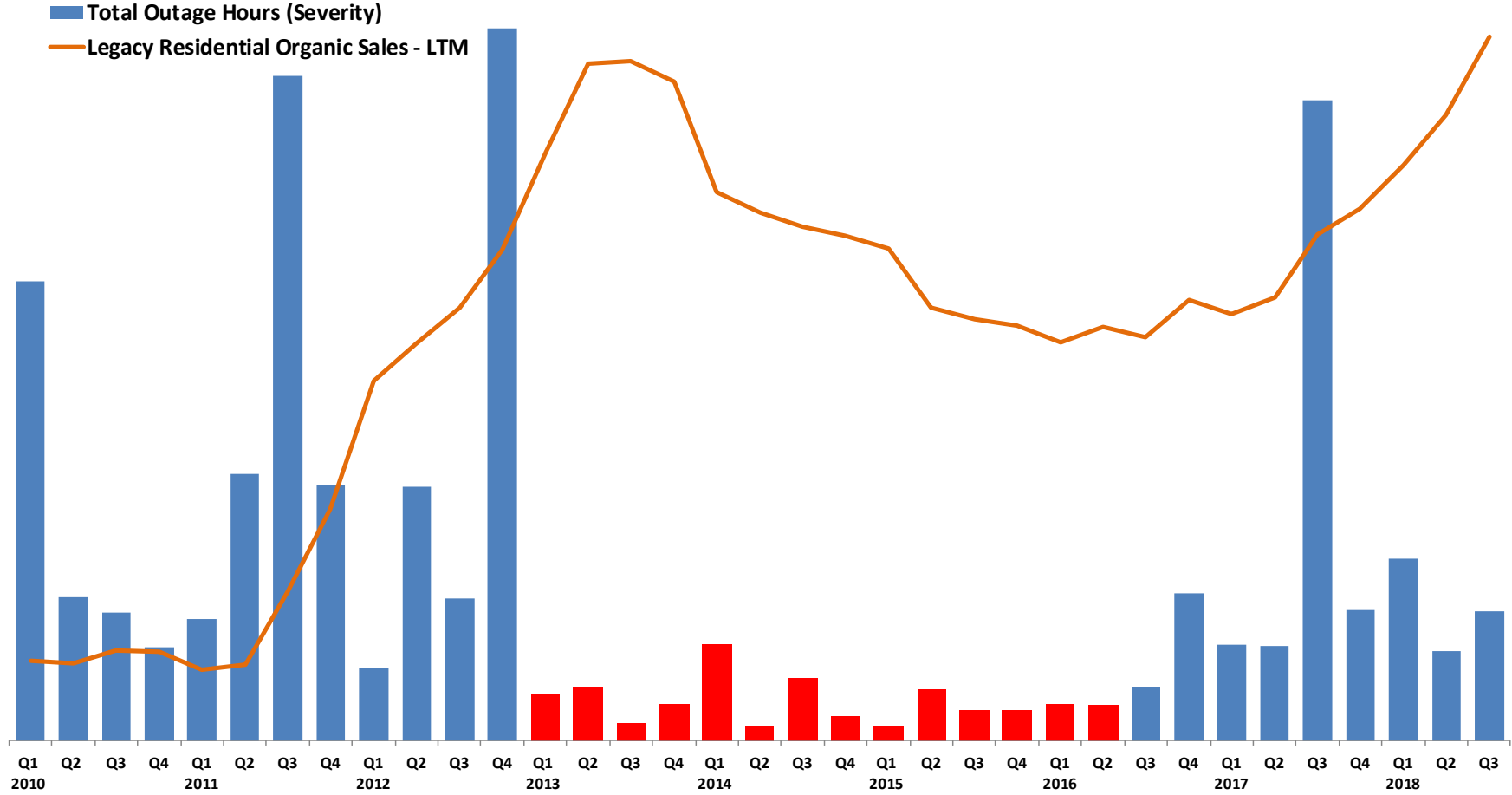
Cash income tax rate approximately 15% of pretax income

Free cash flow conversion of adjusted net income of 80 to 85%



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**

 **DEC. 2012**

 **OCT. 2014**

 **JUN. 2018**

MOBILE PRODUCTS

Mobile products including light towers, generators, pumps and heaters
Berlin, WI Bismarck, ND

LATIN AMERICA

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

 **NOV. 2013**

 **AUG. 2015**

 **JAN. 2017**

BALDOR GENERATORS

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

CHP

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

MOTORTECH

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

 **MAR. 2016**

 **AUG. 2013**

PRAMAC

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

TOWER LIGHT

Mobile light towers for EMEA and other international markets
Milan, Italy

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

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Favorable Tax Attributes

Results in present value tax savings of ~ \$100-\$125 million⁽²⁾ or \$1.50-\$2.00 per share

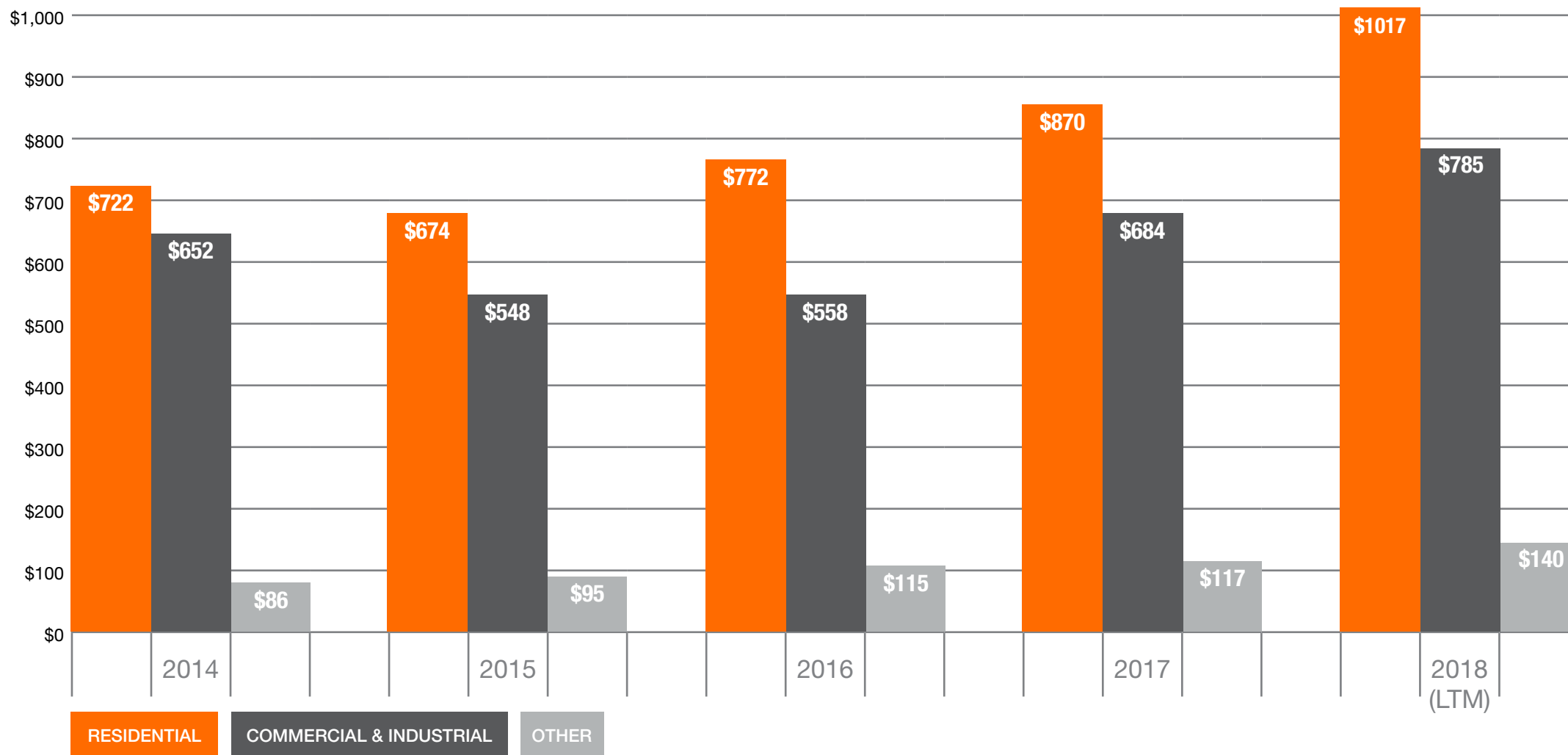
Tax attributes and 338(h)10 election overview

- | \$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 | 2018 | 2019 | 2020 | 2021 | 2022+ |
|---------------------------------|-------|-------|-------|-------|-------|-------|
| Annual tax amortization | \$523 | \$130 | \$130 | \$130 | \$107 | \$27 |
| Cash tax savings ⁽¹⁾ | \$133 | \$33 | \$33 | \$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



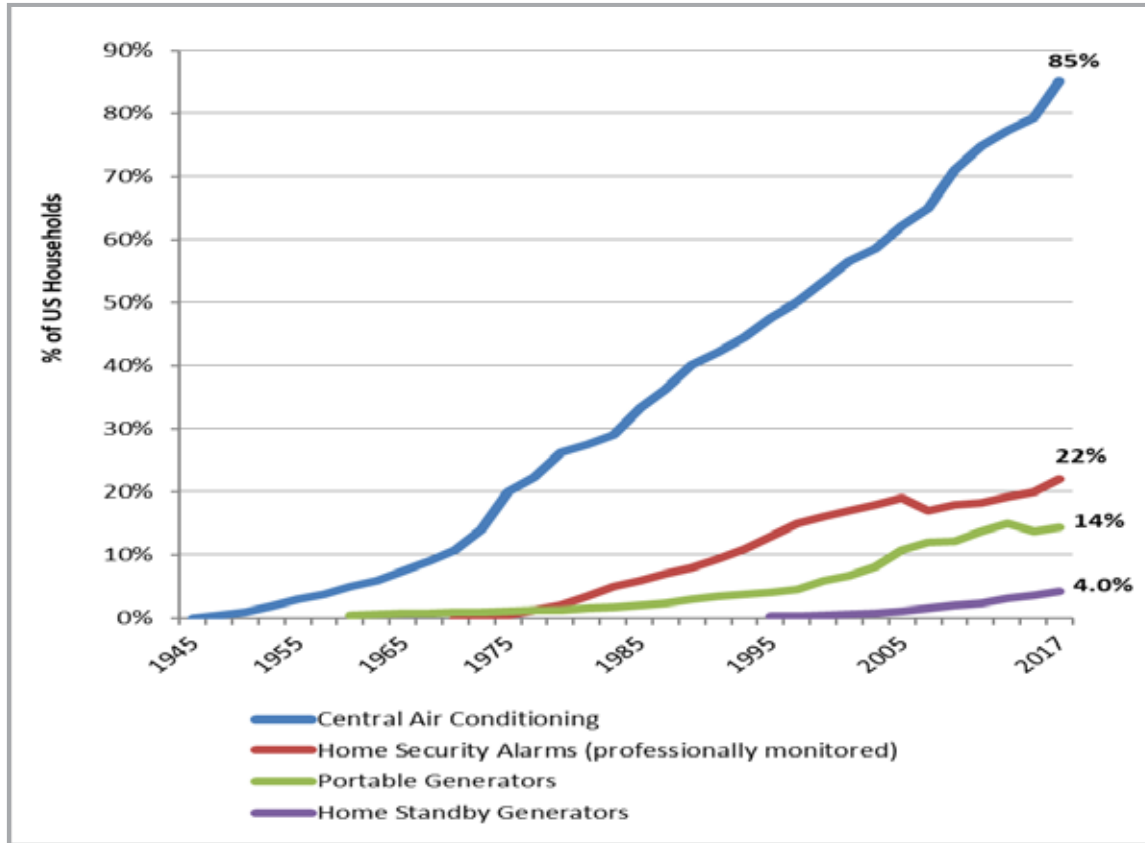
Figures include results from acquisitions completed during 2011 – 2018; see slide titled “Summary of Acquisitions” for further details.



HSB: A Penetration Story

Every 1% of increased penetration equals ~\$2 billion of market opportunity

North American Penetration Opportunity⁽¹⁾



Aging Population Fits Demographic

- ~75% of buyers age 50 and older
- ~40% of homes valued under \$300k
- ~85% retro-fit application

(1) Source: Company estimates; based on addressable market for HSB generators consisting of all single-family detached, owner-occupied homes valued > \$100K; 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.



Q3 2018 & LTM Financial Overview

| | Actual Q3 2018 (unaudited) | Y/Y % Change | Actual LTM Q3 2018 (unaudited) | Y/Y % Change |
|--------------------------------------|----------------------------------|-----------------|--------------------------------------|-----------------|
| Residential | \$311.9 | 24.2% | \$1,016.9 | 20.8% |
| Industrial | 206.4 | 18.7% | 785.4 | 22.1% |
| Other | 41.2 | 33.9% | 140.4 | 24.0% |
| Net Sales | \$559.5 | 22.7% | \$1,942.7 | 21.5% |
| Gross Profit | \$197.9 | 26.7% | \$695.0 | 25.9% |
| % Margin | 35.4% | | 35.8% | |
| Adjusted EBITDA | \$124.5 | 41.0% | \$410.9 | 37.8% |
| % Margin (1) | 22.2% | | 21.2% | |
| Net Income - GHI (2) | \$75.8 | 92.2% | \$243.6 | 105.7% |
| Adjusted Net Income - GHI | \$89.1 | 55.3% | \$291.2 | 48.4% |
| Adjusted EPS - GHI | \$1.43 | 55.5% | \$4.67 | 50.8% |
| Free Cash Flow | \$47.0 | NM | \$238.0 | 8.0% |
| Consolidated Net Debt | | | \$773.3 | |
| Consolidated Net Debt Leverage Ratio | | | 1.9x | |

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

(2) LTM 2018 includes a \$28.4 million non-cash gain largely from the revaluation of the Company's net deferred tax liabilities associated with the enactment of the Tax Cuts and Jobs Act of 2017.



Adjusted EBITDA Reconciliation

| | 2014 | 2015 | 2016 | 2017 | LTM 2018 |
|---|----------------|----------------|----------------|----------------|----------------|
| Net income | \$174.6 | \$77.7 | \$98.8 | \$160.5 | \$246.7 |
| Interest expense | 47.2 | 42.8 | 44.6 | 42.7 | 41.3 |
| Depreciation and amortization | 34.7 | 40.3 | 54.4 | 52.0 | 48.4 |
| Income taxes provision | 83.7 | 45.2 | 57.6 | 43.1 | 51.9 |
| Non-cash write-down and other charges | (3.9) | 44.6 | 7.5 | 5.8 | 5.0 |
| Non-cash share-based compensation expense | 12.6 | 8.2 | 9.5 | 10.2 | 11.7 |
| Loss on extinguishment of debt | 2.1 | 4.8 | 0.6 | - | 1.3 |
| (Gain) loss on change in contractual interest rate | (16.0) | 2.4 | 3.0 | - | - |
| Transaction costs and credit facility fees | 1.9 | 2.2 | 2.4 | 2.1 | 3.6 |
| Other | 0.3 | 2.4 | 0.1 | 0.3 | 0.9 |
| Adjusted EBITDA | 337.3 | 270.8 | 278.4 | 316.8 | 410.9 |
| Adjusted EBITDA attributable to noncontrolling interests | - | - | (3.8) | (6.1) | (8.1) |
| Adjusted EBITDA attributable to Generac Holdings, Inc. | \$337.3 | \$270.8 | \$274.6 | \$310.7 | \$402.8 |

Adjusted EBITDA Reconciliation

Net income to Adjusted EBITDA reconciliation

| | Three months ended September 30, | | LTM Ended September 30, | |
|---|-------------------------------------|---------------------|-------------------------|---------------------|
| | 2018 (unaudited) | 2017 (unaudited) | 2018 (unaudited) | 2017 (unaudited) |
| Net income attributable to Generac Holdings, Inc. | \$75,776 | \$39,435 | \$243,589 | \$118,410 |
| Net income attributable to noncontrolling interests | 746 | 341 | 3,157 | 569 |
| Net income | 76,522 | 39,776 | 246,746 | 118,979 |
| Interest expense | 9,824 | 10,672 | 41,253 | 43,207 |
| Depreciation and amortization | 11,841 | 13,108 | 48,421 | 51,766 |
| Income taxes provision | 20,072 | 20,404 | 51,907 | 66,521 |
| Non-cash write-down and other charges | 900 | 1,243 | 4,959 | 3,233 |
| Non-cash share-based compensation expense | 2,919 | 2,584 | 11,713 | 10,090 |
| Loss on extinguishment of debt | - | - | 1,332 | 574 |
| Transaction costs and credit facility fees | 1,767 | 234 | 3,645 | 1,913 |
| Other | 629 | 421 | 939 | 404 |
| Adjusted EBITDA | 124,474 | 88,442 | 410,915 | 296,687 |
| Adjusted EBITDA attributable to noncontrolling interests | (1,454) | (1,178) | (8,119) | (4,358) |
| Adjusted EBITDA attributable to Generac Holdings, Inc. | \$123,020 | \$87,264 | \$402,796 | \$292,329 |

Adjusted Net Income

and Free Cash Flow Reconciliations

Net income to Adjusted net income reconciliation

| | Three months ended September 30, | | LTM Ended September 30, | |
|--|-------------------------------------|---------------------|-------------------------|---------------------|
| | 2018 (unaudited) | 2017 (unaudited) | 2018 (unaudited) | 2017 (unaudited) |
| Net income attributable to Generac Holdings, Inc. | \$75,776 | \$39,435 | \$243,589 | \$118,410 |
| Net income attributable to noncontrolling interests | 746 | 341 | 3,157 | 569 |
| Net income | 76,522 | 39,776 | 246,746 | 118,979 |
| Provision for income taxes | 20,072 | 20,404 | 51,907 | 66,521 |
| Income before provision for income taxes | 96,594 | 60,180 | 298,653 | 185,500 |
| Amortization of intangible assets | 5,678 | 7,242 | 24,099 | 28,982 |
| Amortization of deferred financing costs and OID | 1,187 | 1,092 | 4,670 | 3,111 |
| Loss on extinguishment of debt | - | - | 1,332 | 574 |
| Transaction costs and credit facility fees | 702 | (35) | 2,243 | 1,473 |
| Business optimization expenses | 583 | 487 | 1,729 | 2,085 |
| Adjusted net income before provision for income taxes | 104,744 | 68,966 | 332,726 | 221,725 |
| Cash income tax expense | (15,185) | (10,878) | (37,726) | (23,311) |
| Adjusted net income | \$89,559 | \$58,088 | \$295,000 | \$198,414 |
| Adjusted net income attributable to noncontrolling interests | (447) | (697) | (3,780) | (2,192) |
| Adjusted net income attributable to Generac Holdings, Inc. | \$89,112 | \$57,391 | \$291,220 | \$196,222 |

Free Cash Flow Reconciliation

| | | | | |
|---|----------|----------|-----------|-----------|
| Net cash provided by operating activities | \$59,341 | \$66,341 | \$277,341 | \$244,513 |
| Proceeds from beneficial interests in securitization transactions | 896 | 704 | 2,825 | 2,102 |
| Expenditures for property and equipment | (13,251) | (6,628) | (42,180) | (26,278) |
| Free cash flow | \$46,986 | \$60,417 | \$237,986 | \$220,337 |