

INVESTOR DAY

SEPTEMBER 29, 2021

OUR PURPOSE:

Lead the evolution to more resilient, efficient, and sustainable energy solutions.

GENERAC[®]



OVERVIEW



8:00am Registration

8:30am Introduction – *Mike Harris*

8:40am **Generac Overview & Evolution** – *Aaron Jagdfeld*

About Generac

New Enterprise Strategy – Evolution of Generac and Increased ESG Focus

Next-Generation Grid – Generac Grid Services Introduction

9:25am **Expanding Grid Services Capabilities for Global Opportunity** – *Bud Vos*

9:45am **Home Standby: Significant Penetration and DER Opportunities** – *Kyle Raabe*

10:15am Break

10:30am **Clean Energy** – *Russ Minick*

Energy Independence, Whole Home Power, Product Supermarket

11:00am **Global C&I Products & Solutions** – *Erik Wilde*

Beyond Standby

5G / Global Telecom Opportunity

11:30am **Financial Framework - Three-Year Targets / Capital Allocation** – *York Ragen*

11:45am Questions & Answers



PRESENTERS



Aaron Jagdfeld

President and Chief Executive Officer



Russ Minick

President Energy Technology
and Chief Marketing Officer



Bud Vos

President Grid Services



Erik Wilde

Executive Vice President
Industrial, NAM



Kyle Raabe

Executive Vice President
Consumer Power, NAM



York Ragen

Chief Financial Officer

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;
- 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, and distribution for certain of our products and services;
- 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, information technology systems, or connected products; and
- changes in environmental, health and safety, or product compliance laws and regulations affecting our products, operations, or customer demand.

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 2020 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.

SETTING THE STAGE... GENERAC VIDEO

A video player interface showing a profile of Ben Polito. The video is in grayscale. The text overlay on the left side of the video frame reads: "Ben Polito", "PRESIDENT", "GENERAC CLEAN ENERGY SOLUTIONS", "STORAGE SYSTEMS", and "FOUNDER, PIKA ENERGY". At the bottom of the video frame, there is a red progress bar and a control bar with icons for play, next, volume, and a timestamp of "0:31 / 3:19". To the right of the control bar are icons for closed captions, settings, full screen, and a share icon.

Ben Polito

PRESIDENT
GENERAC CLEAN ENERGY SOLUTIONS
STORAGE SYSTEMS

FOUNDER, PIKA ENERGY

0:31 / 3:19

Generac Overview & Evolution

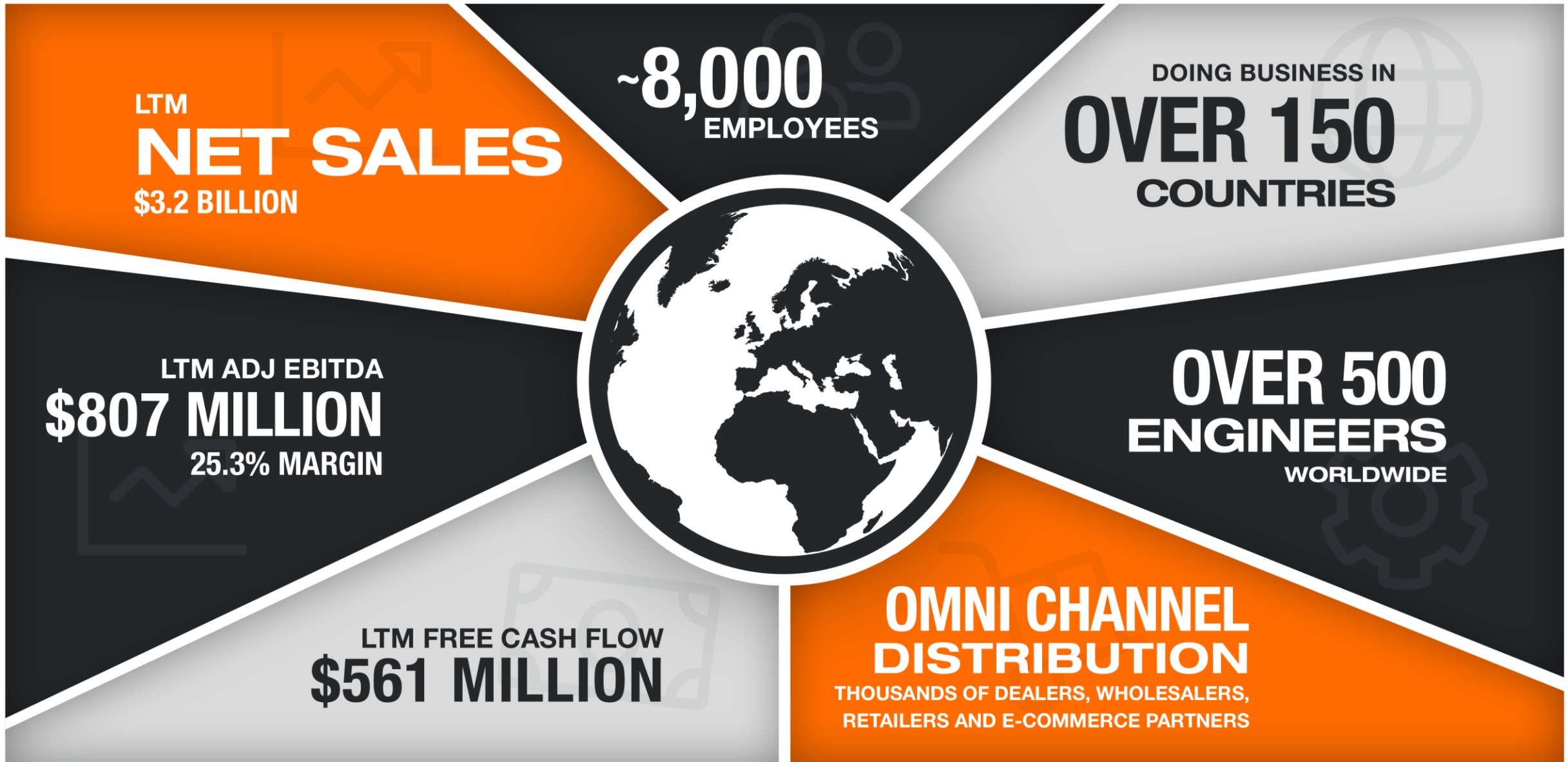
Aaron Jagdfeld

PRESIDENT AND CHIEF EXECUTIVE OFFICER

The Generac logo is located in the bottom right corner of the slide. It consists of the word "GENERAC" in a bold, white, sans-serif font, with a registered trademark symbol (®) to its upper right. Below the text is a thick orange horizontal bar.

GENERAC®

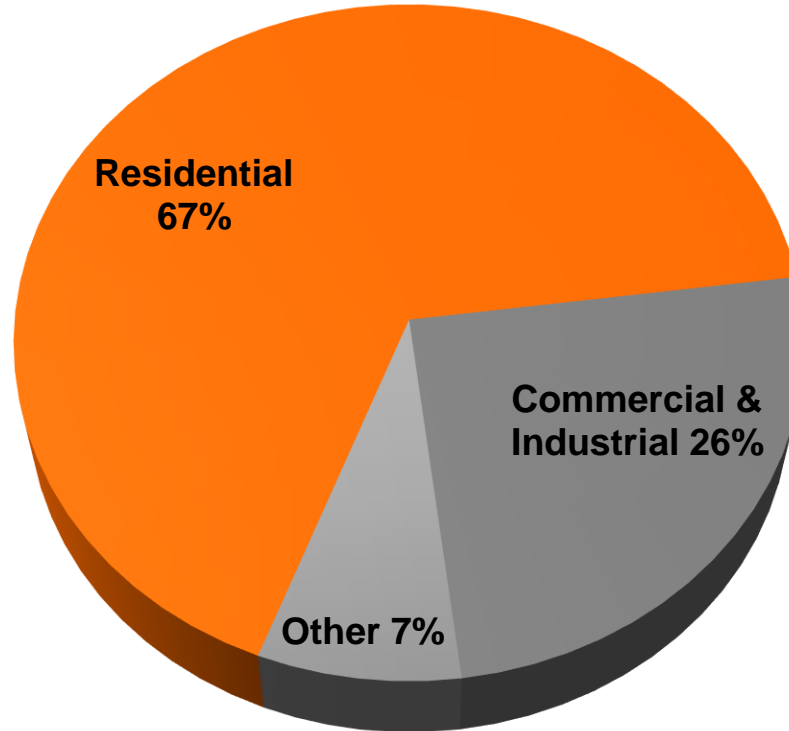
About Generac



2021E Net Sales¹

Domestic 86% | International 14%

Residential – Home Standby, Clean Energy, Portables, Chore Products



Commercial & Industrial – Stationary Gens, Telecom, Mobile & Storage



Other – Aftermarket Parts, Product Accessories, Extended Warranty, Grid Services, Remote Monitoring

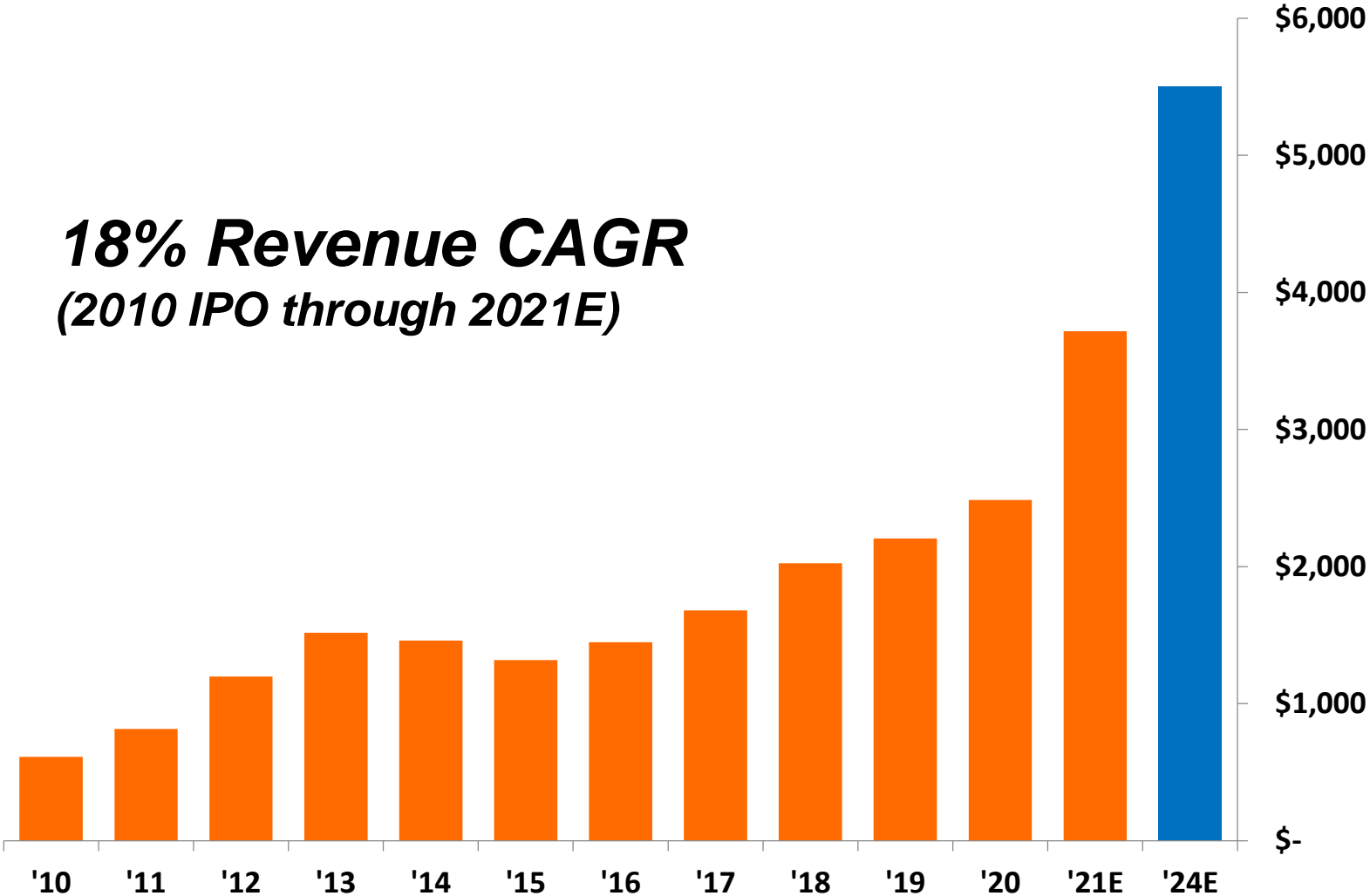


¹ Based on 2021 outlook as reported on July 28, 2021

Track Record of Growth



18% Revenue CAGR
(2010 IPO through 2021E)



**New 2024 target:
13%-15% sales
CAGR off 2021E
Base**

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. CAGR measures revenue growth through 2021E off 2010 base. 2021 figure assumes midpoint of guidance given on July 28, 2021.

New Enterprise Strategy – Evolution of Generac and Increased ESG Focus



"Grid 2.0" - Evolution of the traditional electrical utility model

Technology, regulation and the “electrification of everything” will create Clean Energy and Grid Services opportunities



Legacy infrastructure needs major investment cycle

Rebuilding of transportation, water & power will take decades



Attitudes around global warming and climate change are changing

Expectation of more severe weather driving power outages



Telecommunications infrastructure shifting to next generation

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



Natural Gas will be an important fuel of the future

Huge supply & increasing demand for applications beyond standby power



Home as a Sanctuary

Working, learning, shopping, entertaining, aging in place, and in general, spending more time at home

Transitioning from **Powering Our Future** to **Powering a Smarter World**



GENERAC
POWERING A
SMARTER WORLD



Increase power reliability through onsite generation and storage solutions that provide resiliency for homes, businesses and communities.



Enable sustainable and more efficient power generation and consumption through monitoring, management and lower-carbon solutions.



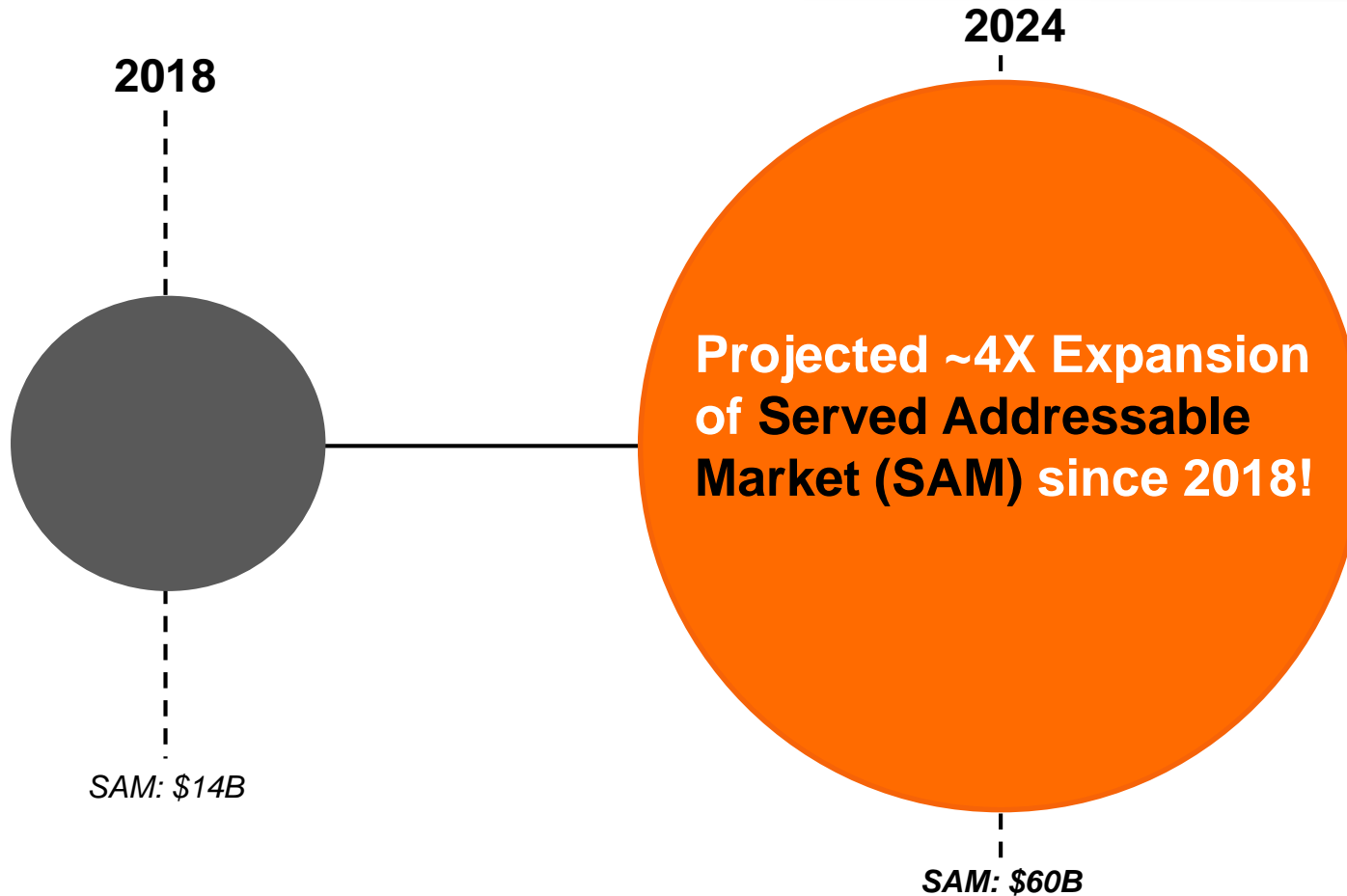
Offering innovative solutions that enable and protect next-generation power, communications, transportation and other critical infrastructure.

OUR PEOPLE • CUSTOMER EXPERIENCE • CONTINUOUS IMPROVEMENT • TECHNOLOGY LEADERSHIP

Transitioning from **Powering Our Future** to **Powering a Smarter World**

**Lead the evolution to more resilient,
efficient, and sustainable energy solutions.**

Strategy Evolution Unlocks Massive & Growing SAM



Key drivers of increase in SAM...

- ✓ Clean Energy – Residential and C&I storage, microinverters, hydrogen / hybrid gens
- ✓ Energy as a Service / Microgrid
- ✓ Global C&I – Gas gens, telecom, base expansion
- ✓ Grid Services – Hardware + Software + Services
- ✓ Expansion of HSB Market
- ✓ Chore Electrification and Lifestyle product line

Source: Company estimates, various third-party sources

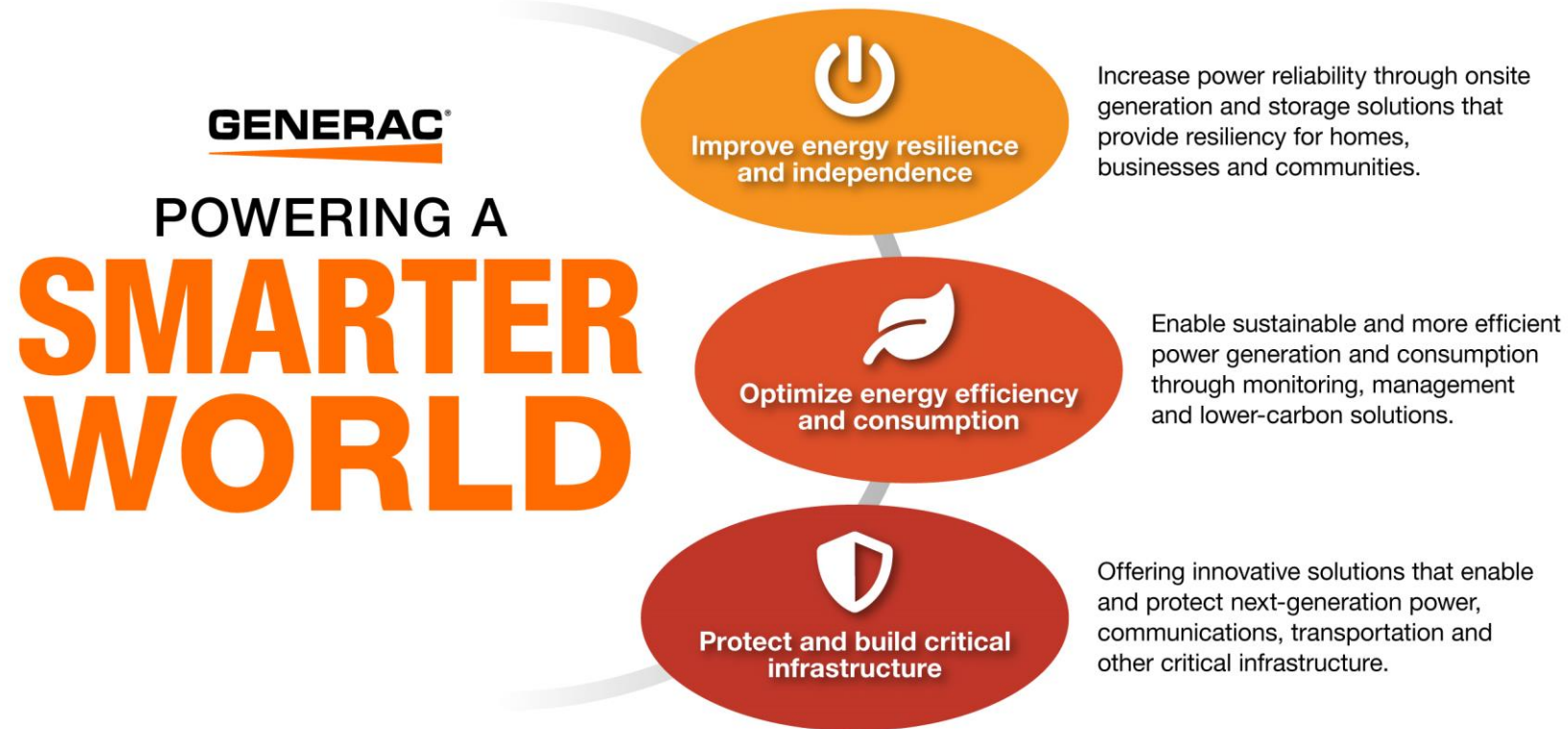
Key Acquisitions (2019-2021)





- Launched inaugural Environmental, Social, and Governance (“ESG”) Report on September 28, 2021
- Report is aligned to key ESG frameworks, including SASB and UNSDGs
- Committed to improved transparency, with several key ESG policies and data points being disclosed for the first time
- Report will be updated annually to track progress on key ESG initiatives and metrics

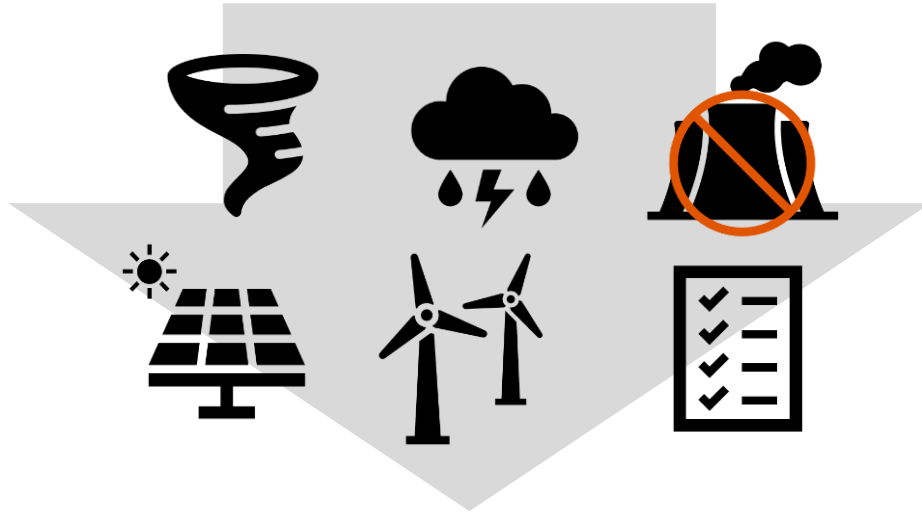
Available on Investor Relations Website



Key Alignment
with UN Goals



Next-Generation Grid – Generac Grid Services Introduction



Supply Reliability Deteriorating

- Climate change impacts → more severe weather
- One-way system, reliant on fossil fuels and susceptible to power outages
- Infrastructure underinvestment
- Penalties for carbon intensity → Increasing renewables/incentives
- Intermittency → grid instability → rolling blackouts

Demand Rapidly Increasing

- Electrification of everything → dramatic increase in electricity demand
- Transportation → EV adoption & charging
- Homes & businesses → electrification of HVAC, water heating, appliances
- Home as a Sanctuary → Higher 9s of reliability
- Overall higher sensitivity to power outages



Aggregating DERs to Solve the Problem



RESI ECOSYSTEM



Generation & Storage Assets

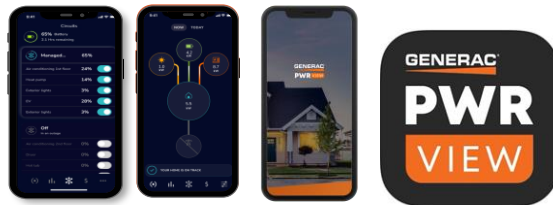
C&I ECOSYSTEM



Monitoring & Management Devices



User Interface Platform



System Level Microgrid Controls



Platform & Controls



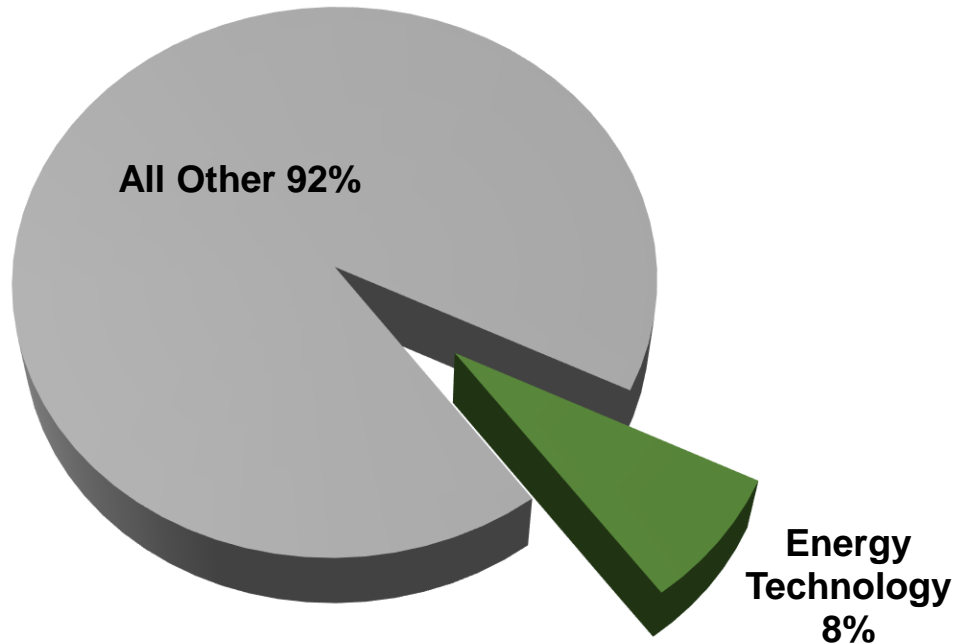
Distributed Energy Resource Management System (DERMS)



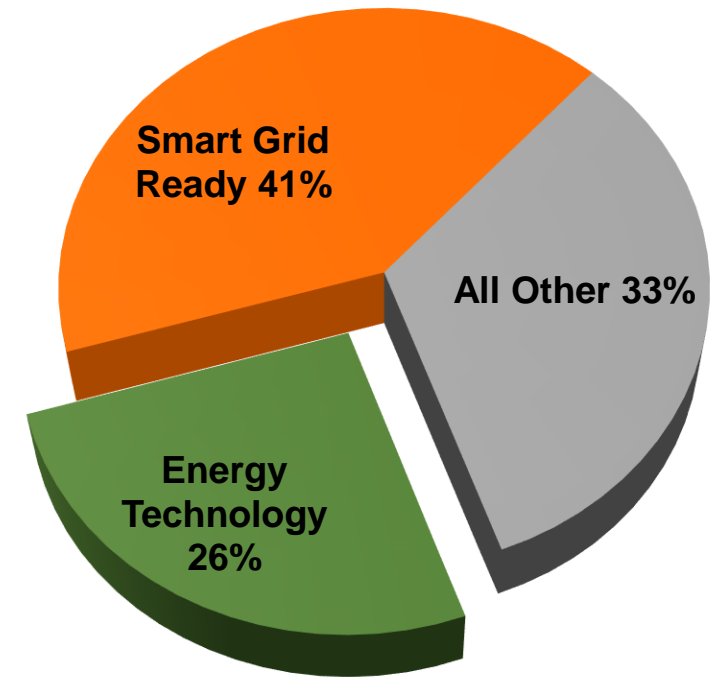
Decarbonization, Digitalization, Decentralization

Significantly Increasing Energy Technology Mix

2021E Sales Mix



2024E Sales Mix



➔ **2024 Sales Mix: 26% Energy Technology; Two-Thirds Including Smart Grid Ready Gensets**

Energy Technology Applications – Resi Clean Energy, C&I Clean Energy, Generac Grid Services, EaaS, Electrification

Smart Grid Ready – Natural gas & smart grid ready generators not included in Energy Technology initiatives

All Other – Portables, Legacy chore, Telecom / other C&I stationary, C&I mobile, Other

Expanding Grid Services Capabilities for Global Opportunity

Bud Vos

PRESIDENT GRID SERVICES



GENERAC®

What are Grid Services?

Drivers of The Grid Transformation

There is a transformation of our electric power system underway, driven by three fundamental trends.

Decarbonization



Digitalization



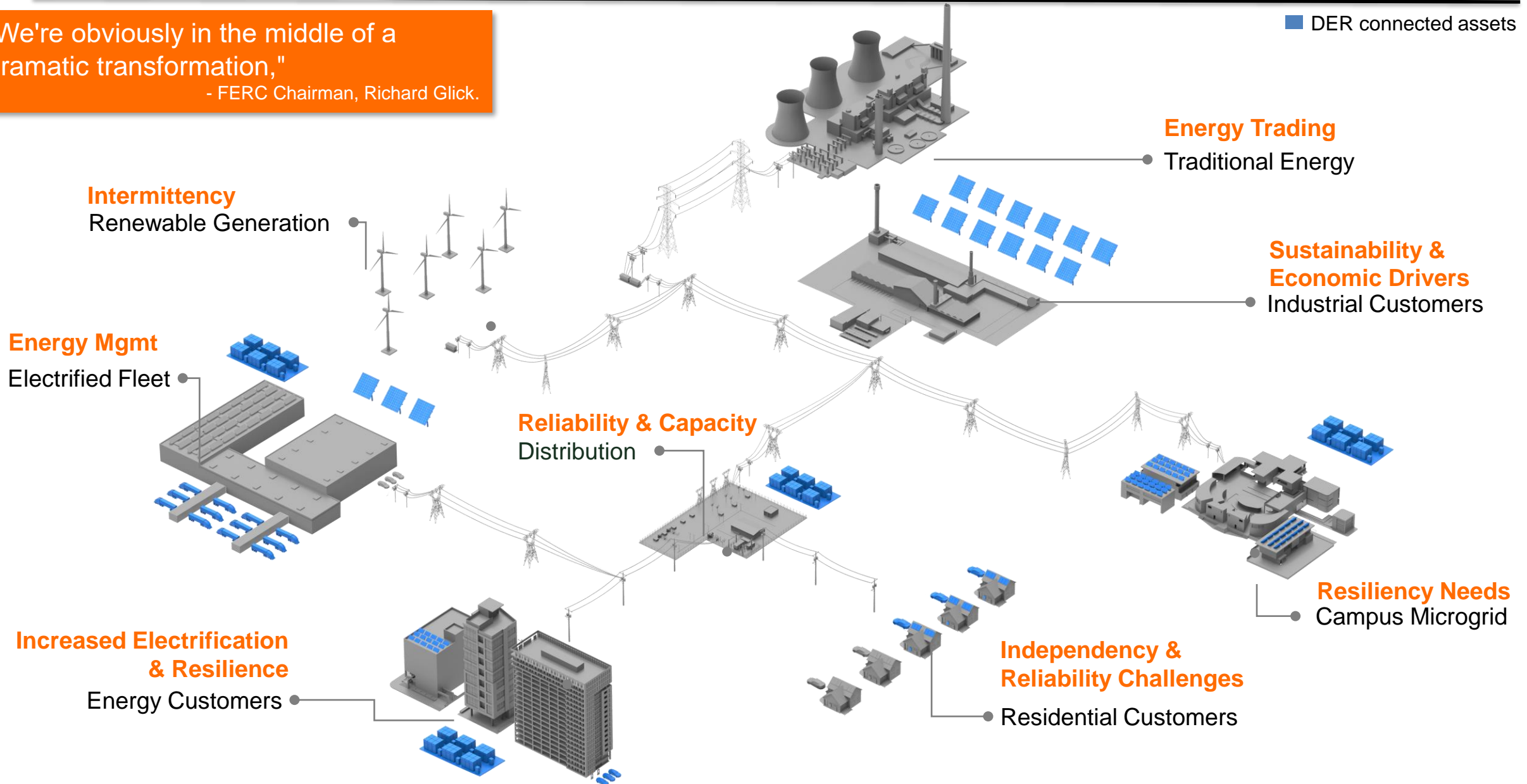
Decentralization



Transformation Poses Challenges & Opportunities

“We're obviously in the middle of a dramatic transformation,”
- FERC Chairman, Richard Glick.

■ DER connected assets



Unlocking Grid Services Value

Cost Reductions

- > Capital Project Avoidance
- > Minimize Technical Losses
- > Coincident Peak Reduction

Asset Optimization

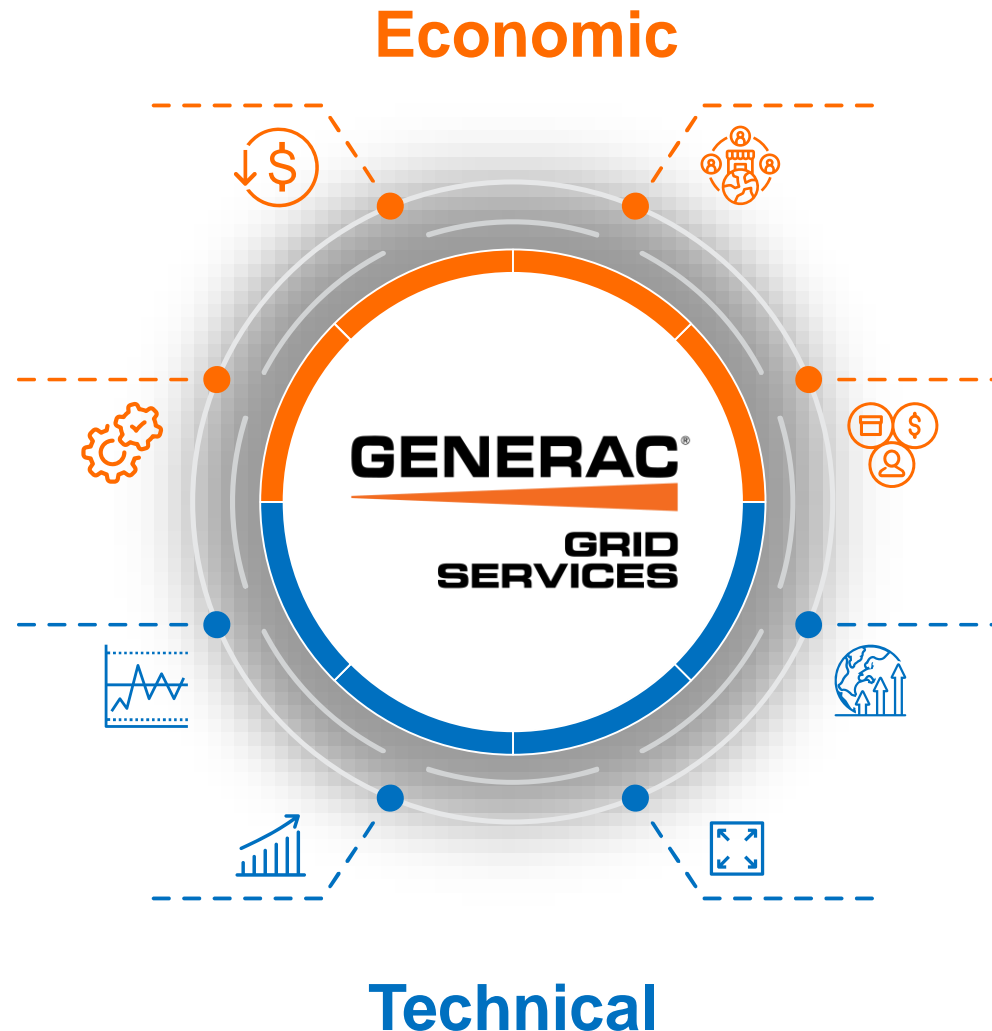
- > Asset Portfolio Optimization
- > Economic Hedging
- > Fuel Management

Managing Variability

- > Proliferation of Renewables
- > New Portfolio of 'Edge Assets'
- > Lack of Visibility & Control

Supporting DER Growth

- > Asset Diversification
- > Decentralization of Assets
- > Lack of Aggregation & Orchestration



Transforming Markets

- > Ancillary Services
- > Capacity, Regulation, Primary, Secondary, Tertiary Reserves, and Emerging Mkts (ex. Energy Imbalance)

Business Model + Service Innovation

- > Differentiated Service Offerings
- > End-Customer Energy Management
- > New Utility Business Model (s)

EV & EVSE Growth

- > Global growth of charging stations
- > Adoption by OEMs of EV Strategies

Managing Operational Constraints

- > Coal Plant Retirements
- > Distribution Grid Mgmt Challenges

Creating “Wins” for Multiple Stakeholders



The Utility

Provides a more reliable and stable grid



The Customer

Achieves greater value and contribution



The Dealer

Delivers more value to their customers



The Regulator

Enables the drive to carbon free energy

Our Leverage

Leveraging Our Capabilities



Industry Leading Hardware Solutions



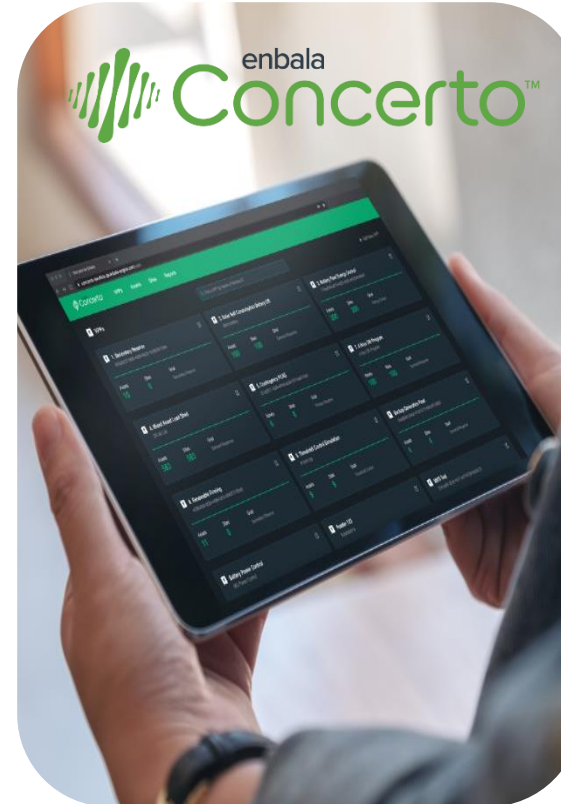
~2.5M Grid Edge Assets

Integrated Delivery & Customer Service



>10,000 Dealers & Distributors

Industry-Leading Software Technology



Control millions of end points in real-time

Integrated Services & Support



24/7 Operations and Customer Care

Our Core Technology Enables Innovation



New Revenue Streams



New Customer Programs



Cost Saving Initiatives

Integrated customer experience

Increased customer reliability

Improved customer satisfaction

Software as a Service

\$4 - 10 / kW per year



Software



Turnkey Execution Programs

\$15 - 60 / kW per year



Software



Marketing



Call Center



Hardware



Performance Based Contracts

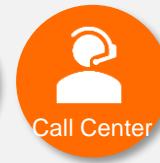
\$40 - 100 / kW per year



Software



Marketing



Call Center



Hardware



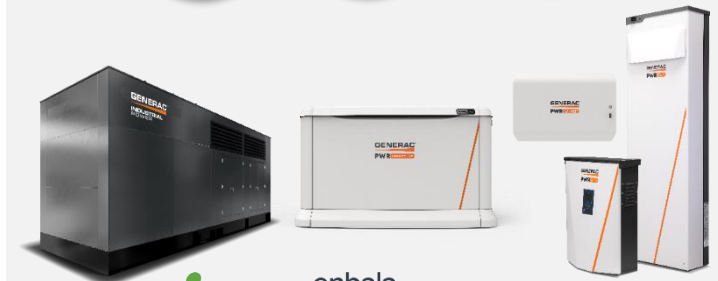
Install



NOC



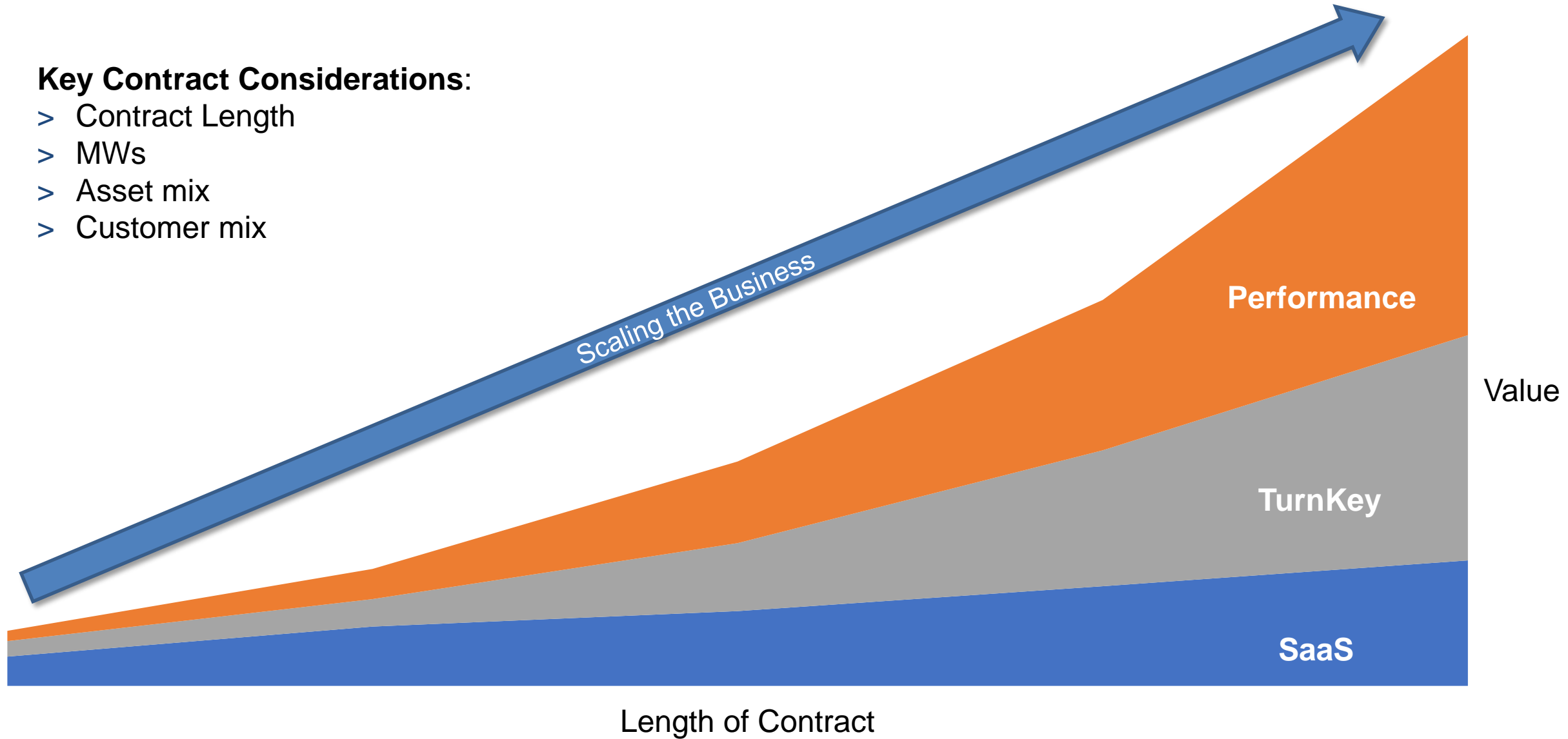
Incentive



Customer Contract Economics

Key Contract Considerations:

- > Contract Length
- > MWs
- > Asset mix
- > Customer mix



Our Opportunity

Generac Grid Services Today

1.1
GW Connected



18,000
Assets Connected



➔ **Generac Grid Services has delivered innovative solutions in the global grid edge market**

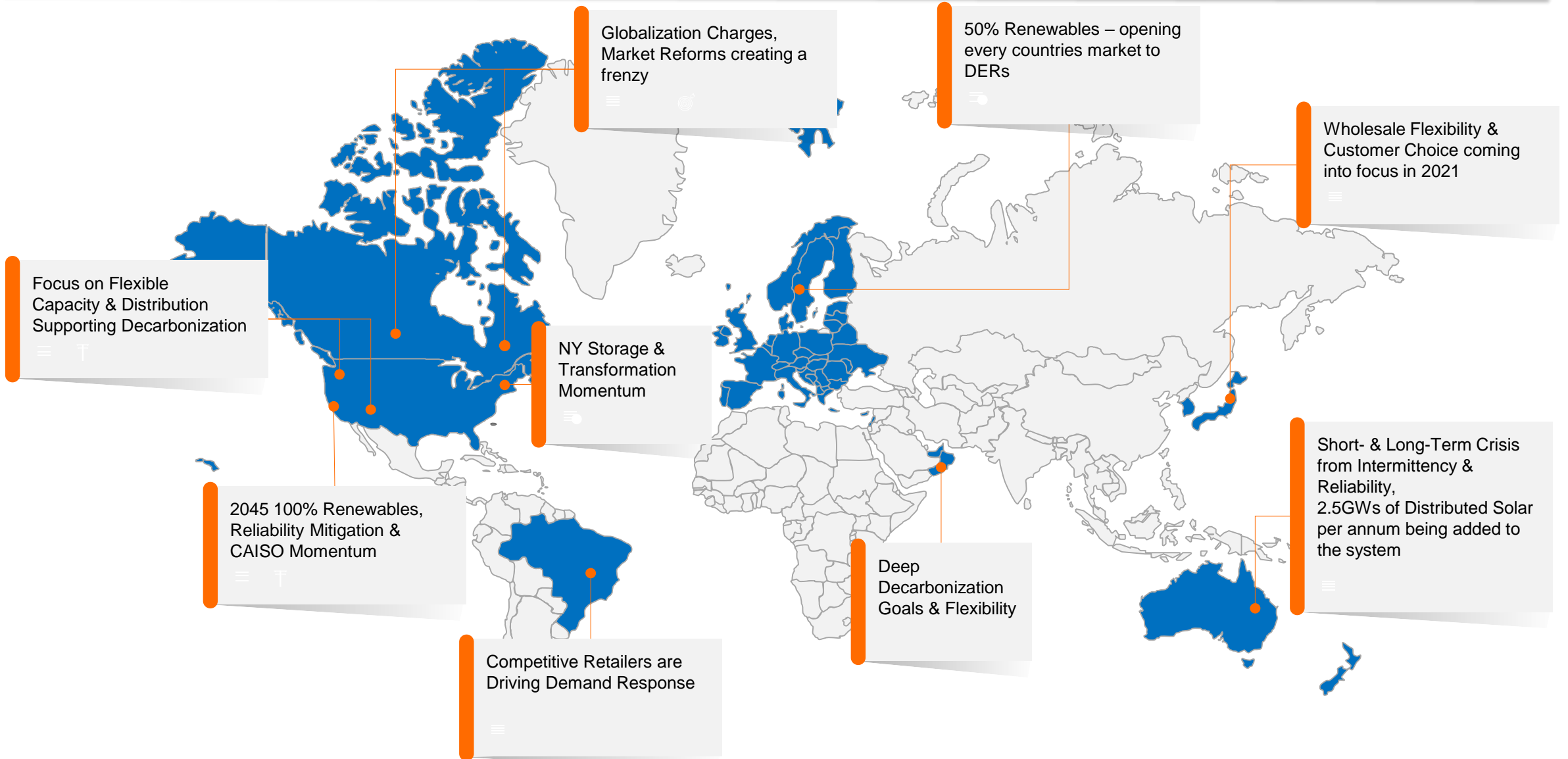
Extensive Partnership Ecosystem

25+
Ecosystem Partners

<p>Battery & Smart Inverter</p>	<p>Residential Assets</p>	<p>Generator</p>	<p>C&I Asset Control</p>	<p>Electric Vehicles</p>
<p>ADMS/DMS</p>	<p>Energy Engagement</p>	<p>Advanced Metering Infrastructure & Data Insights</p>	<p>Program Management</p>	<p>Curtailement Service Provider</p>
<p>Systems Integrators</p>				

➔ **Generac Grid Services provides the most extensive partner library in the industry**

Grid Services Transformation is Global



➔ **Opportunity pipeline has grown 2x in last 12 months**

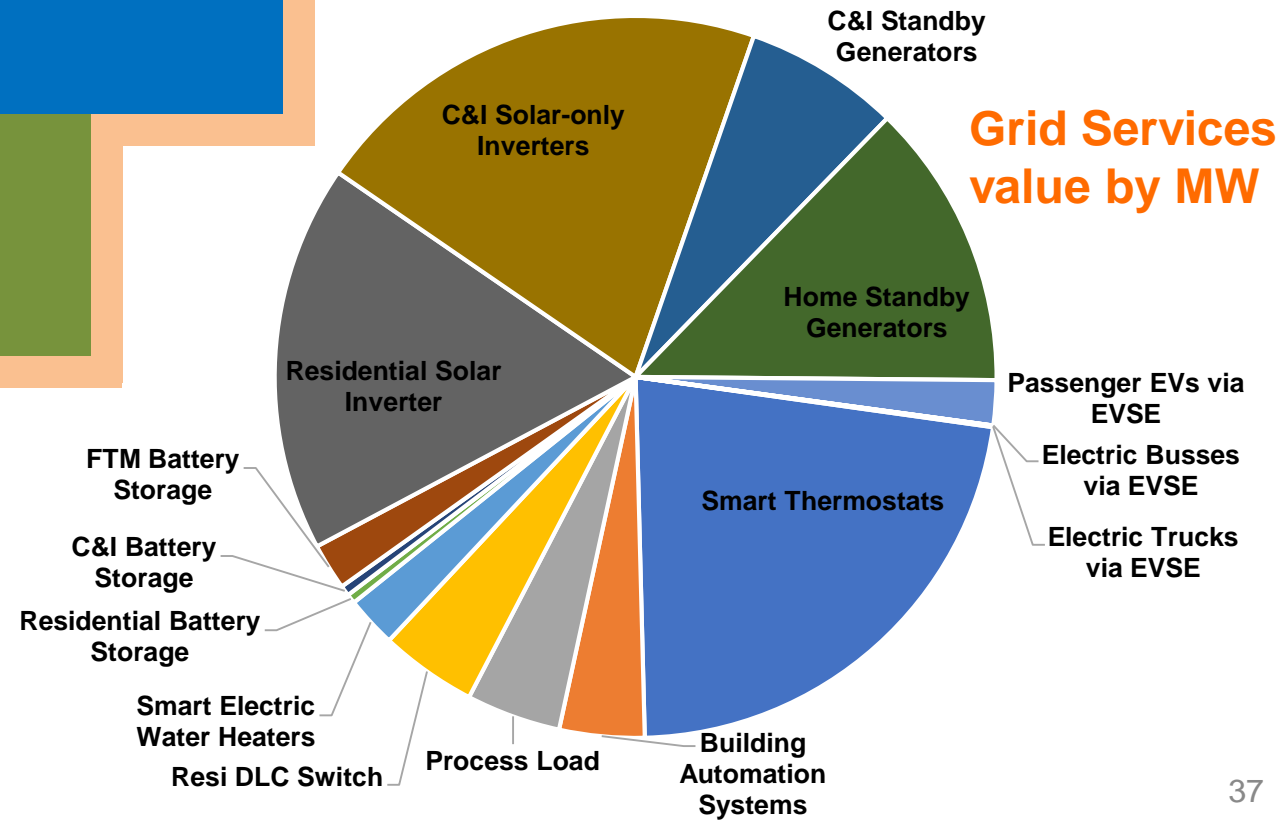
Creating High-Value Opportunities



Renewable Energy	<ul style="list-style-type: none"> • Load shift to periods of high generation • Fast-response capacity for grid-balancing
Grid Modernization	<ul style="list-style-type: none"> • Deferral or avoidance of costly grid upgrades • Increase in hosting capacity
Deregulating Markets	<ul style="list-style-type: none"> • Opportunities associated with FERC 2222 • Value-stacking with ancillary services
Extreme Weather	<ul style="list-style-type: none"> • Home as a Sanctuary • Customer Resiliency

\$6 Billion SAM Opportunity

SAM is Grid Services value only; does not include sales of hardware/equipment



*Company estimate. 2024 Served Addressable Grid Services Market in North America. Includes all grid services (e.g. performance contracts and SaaS) from devices to provide flexibility regardless of: location, market openness, program offerings, Fuel source, front or behind-the-meter location, grid scale or distributed scale, ability to control. Revenue figures assumes an average of \$70/kW-yr per kW (device can have multiple kW)

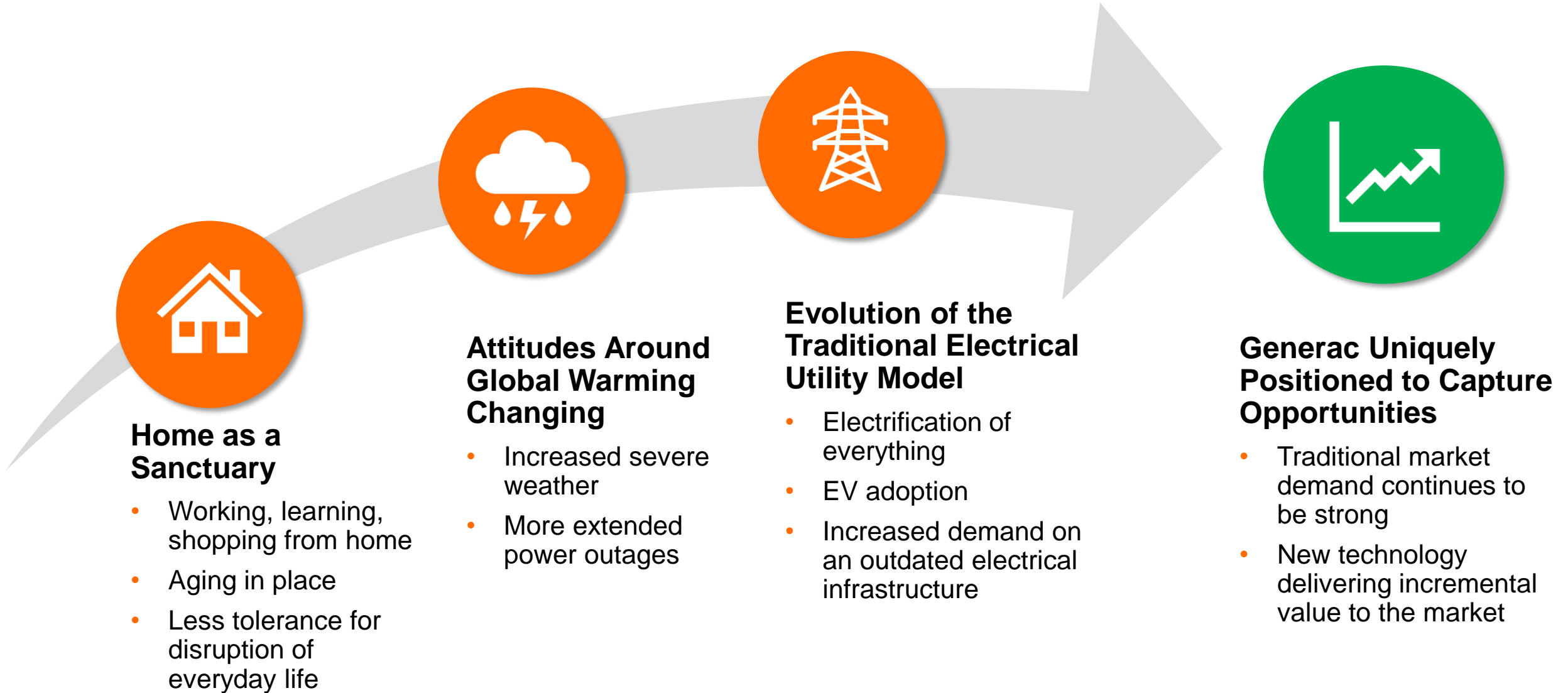
Home Standby: Significant Penetration and DER Opportunities

Kyle Raabe

EXECUTIVE VICE PRESIDENT CONSUMER POWER, NAM

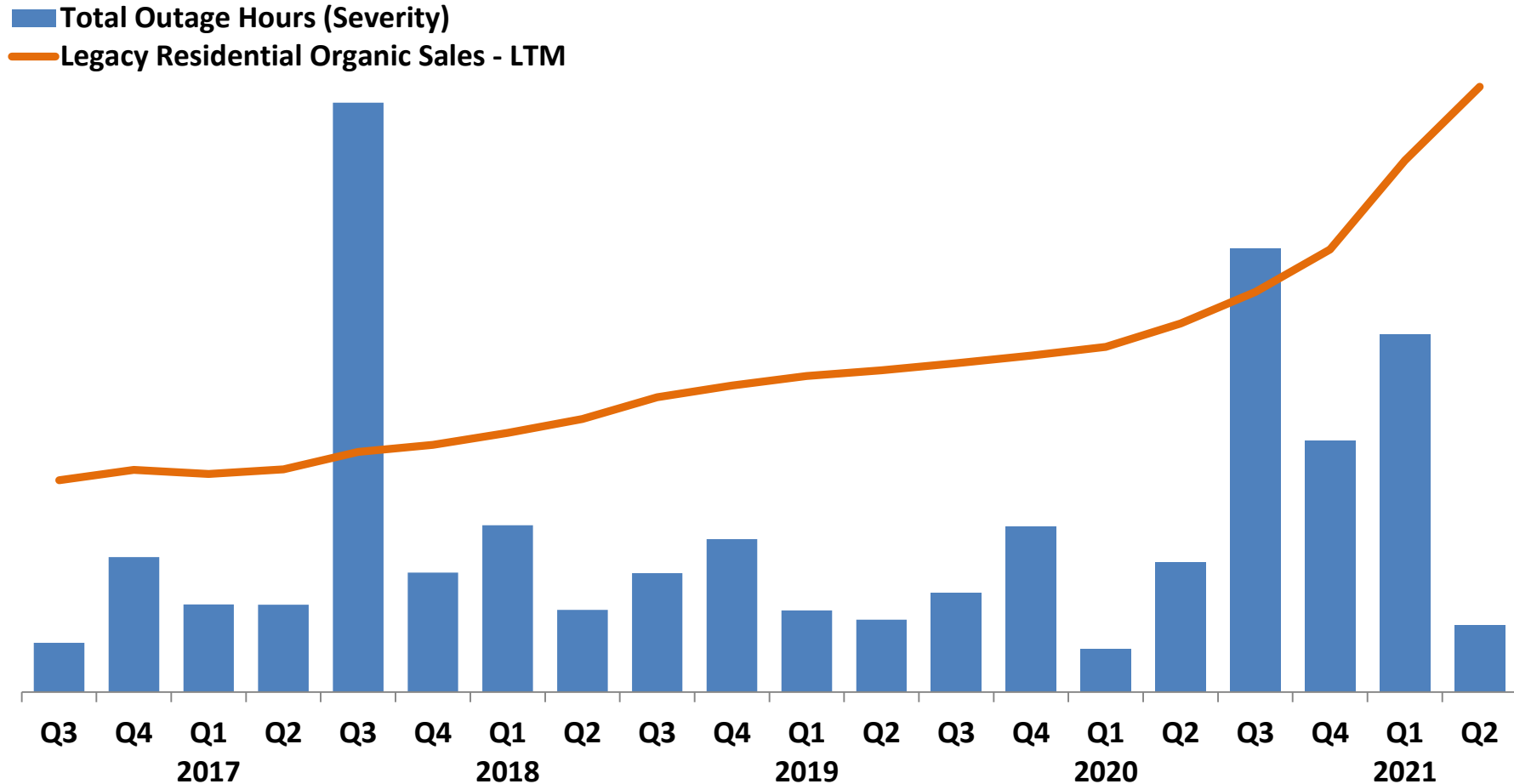


GENERAC®



Rising Outage Severity Drives Awareness

5-Year US Power Outage History



- Power outage severity increasing significantly over long-term baseline average during 2017-2021
- The past year has seen 3 of the highest outage months recorded since 2010
- Consumers of all demographics have become increasingly sensitive to outages
- Growing severity and social awareness of grid failure driving the search for solutions

Source: Company data

➔ Accelerating outages continue to be a major category catalyst

Massive HSB Penetration Opportunities

Widespread growth potential

- Highest penetrated markets in the US are nearing 20% and still growing
- Total US market penetration nearing 5.75% by YE 2021
- Grid instability and mega-trends continue driving demand across the US
- Crossing the consumer tipping point in the category where backup power is no longer a luxury item
- New DER opportunity should drive penetration further



➔ **Every 1% penetration is \$2.5 Billion in incremental revenue**

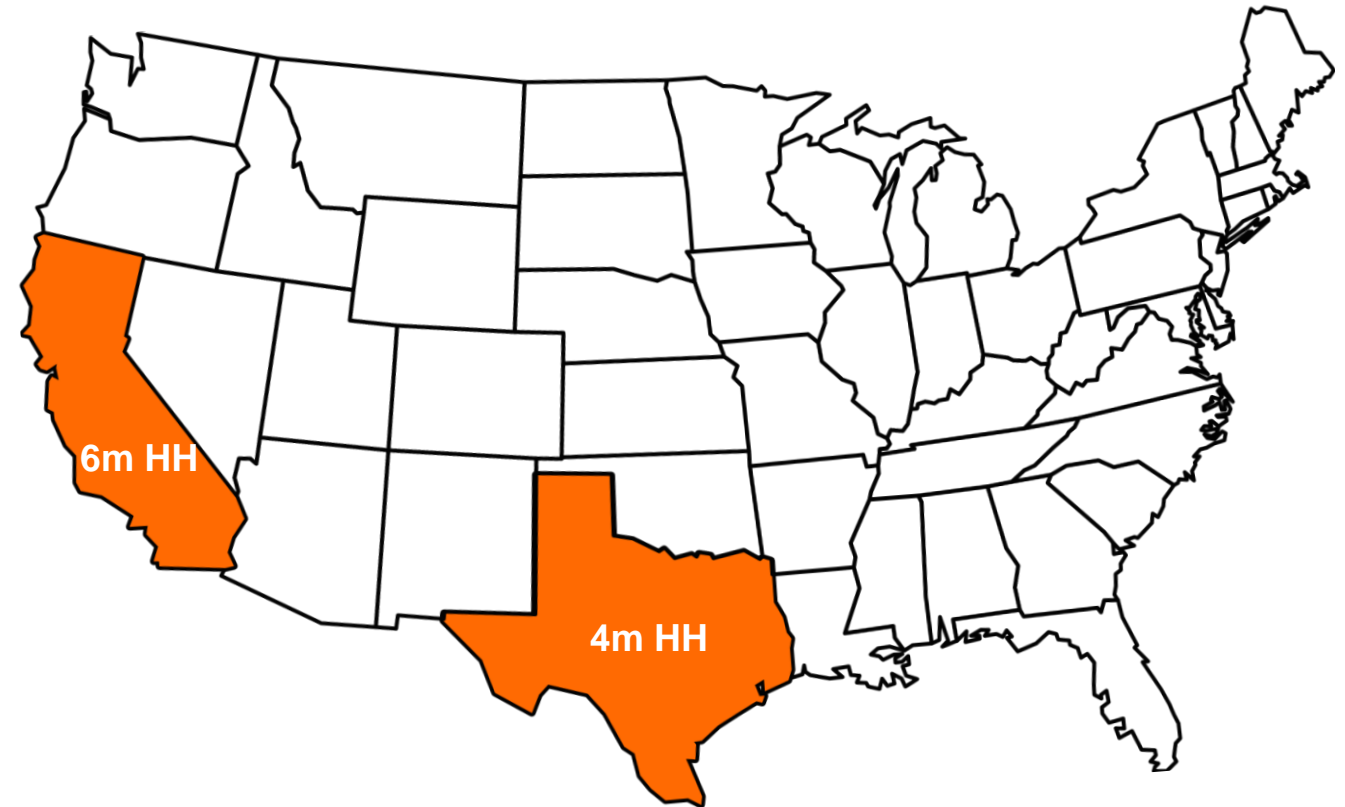
Two largest markets with new catalysts

California

- Grid instability and fire safety fueling \$100M+ market
- In Home Consultations (IHCs) are 2.5x over 2019
- Home and vehicle electrification trends accelerating

Texas

- More extreme weather creating “two season” market
- IHCs are 3x vs 2020
- Dramatic market growth in non-coastal areas



➔ **Every 1% penetration is ~\$500 Million in incremental revenue**



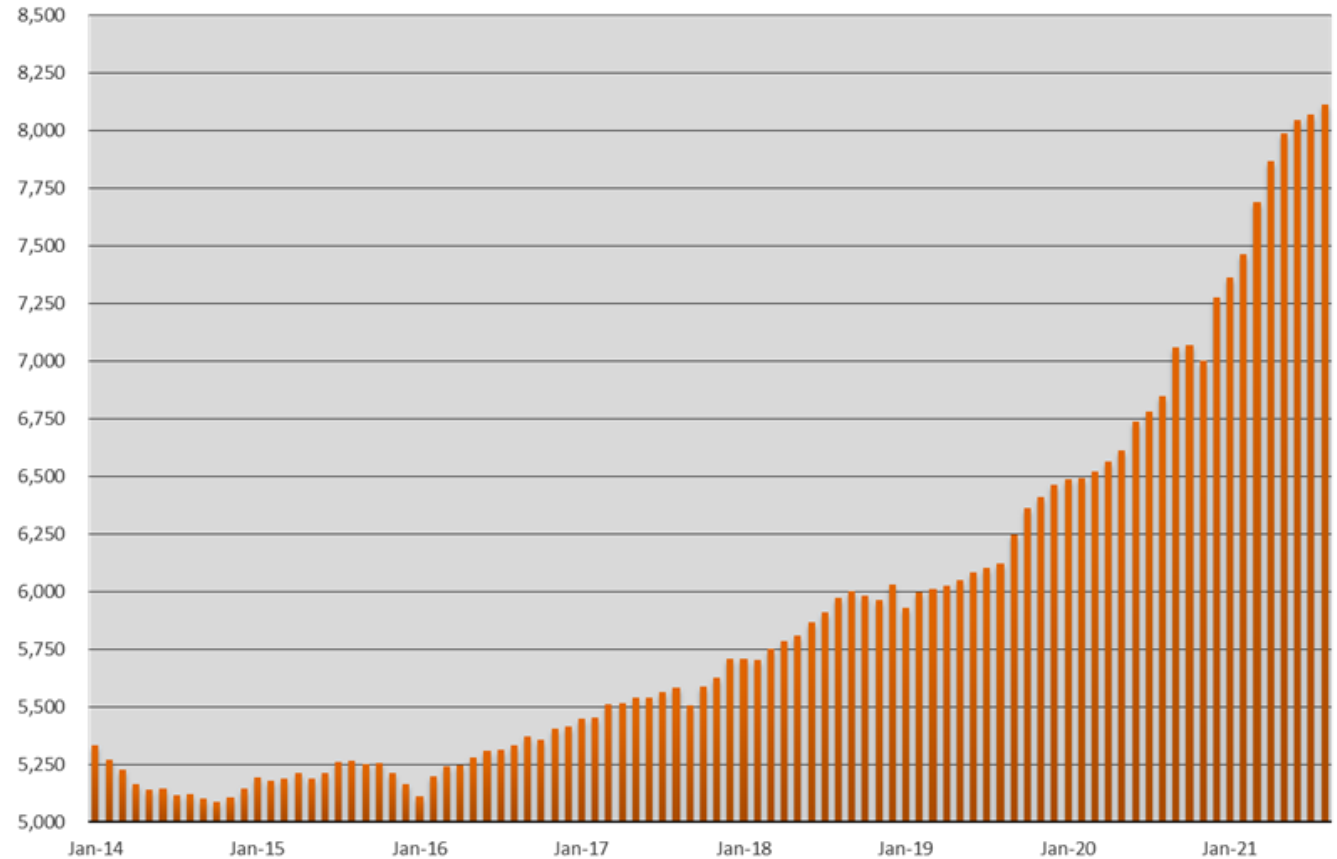
- Grid stability issues driving need for increasing DER utilization
- Smart Grid Ready HSBs can be aggregated through the Concerto platform to participate in VPP programs
- ~2 Million HSB installed base could be harnessed for Smart Grid Ready opportunities

- Increasing levels of power outages combined with Home as a Sanctuary leading to higher resiliency needs
- Homeowners are placing greater emphasis on reliability as electrification trends accelerate
- Participation in Generac Grid Services programs provides for ROI on a previously passive asset

➔ New capability to provide grid support while also creating homeowner ROI

North American Dealer Expansion

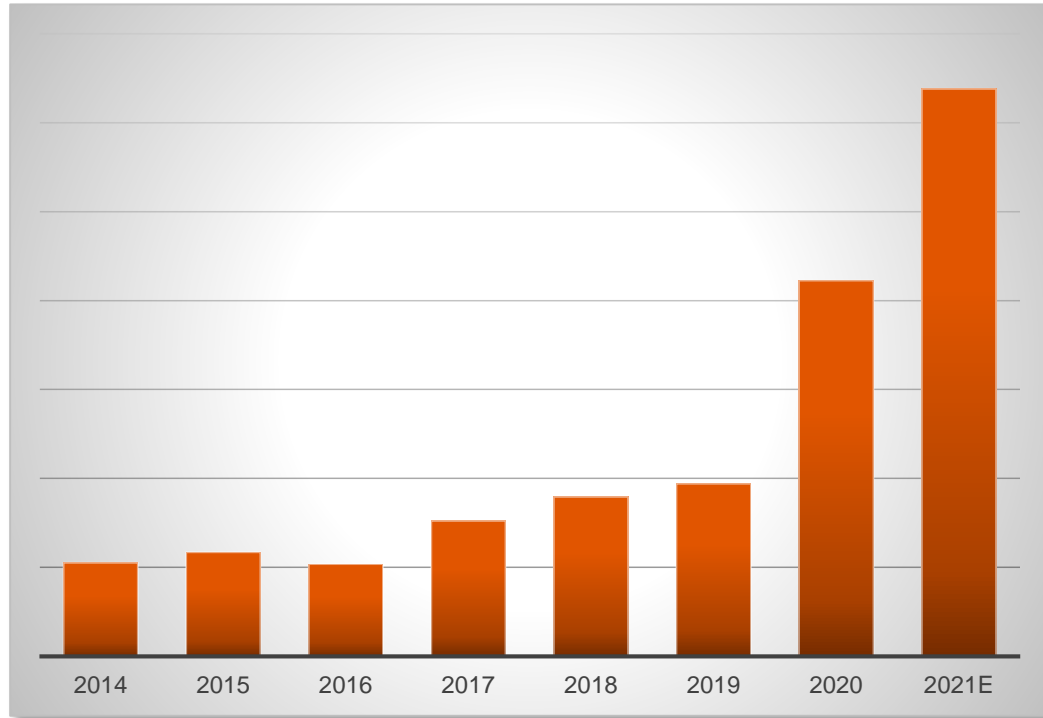
- Dealers provide sales, installation and aftermarket support with local market expertise
- Dealer success enhanced by market leading business tools and support
- Critical to drive homeowner awareness of Generac Grid Services programs
- Generac continues to invest in dealer development and training



Dealer Count Growth (2014 – 2021 YTD)

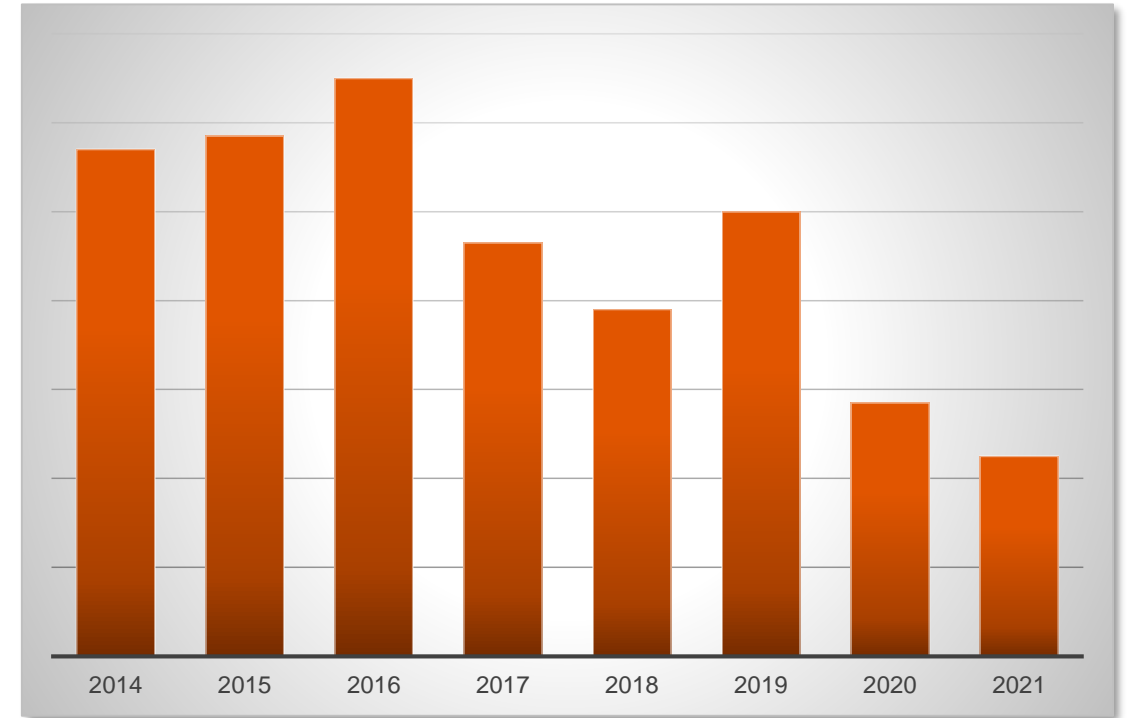
➔ **Dealer growth is a critical link to driving accelerated penetration**

Capability to Capture Rapidly Accelerating Leads



In Home Consultation Growth

Cost per Lead Continues to Decline



Cost per In Home Consultation

➔ **Market-leading lead gen and sales process a key competitive advantage**

Power Play 3.0 – Next Generation Sales Platform



Improved Process Visibility & Metrics

Full 360° Generac and dealer process visibility on new cloud platform for improved ability to contact consumer and close contracts.

Home Knowledge & Intelligence

Gain full understanding of the home with our brand-new Power Needs Assessment and photo capture functionality

Warm Transfers & Integrated Calendars

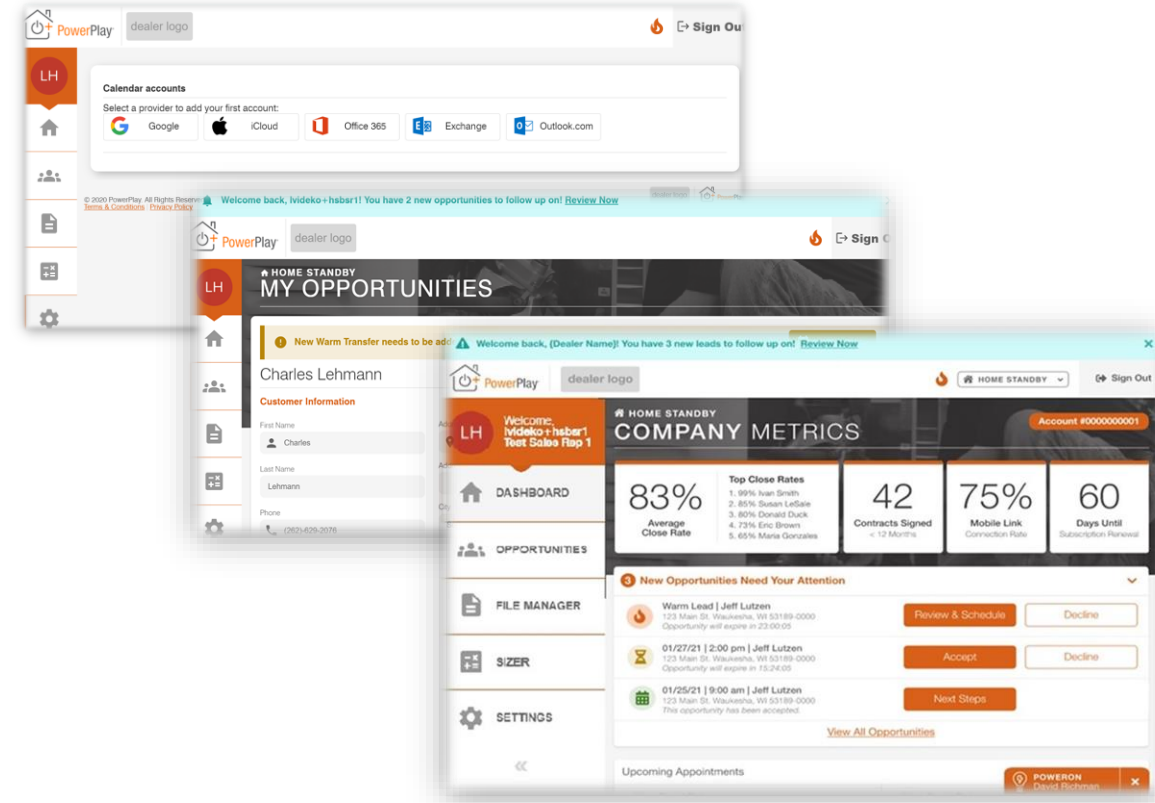
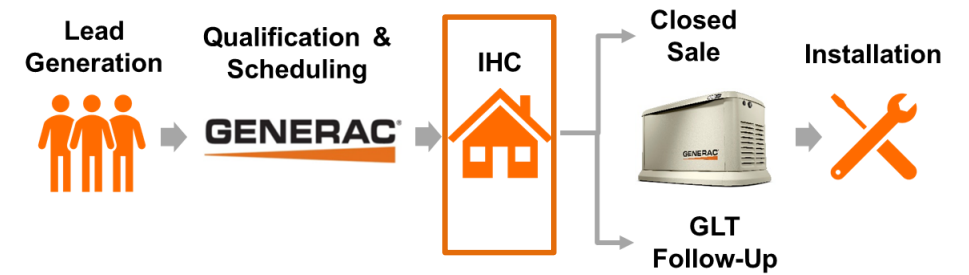
Enhance customer experience by quickly & efficiently connecting a potential customer with a dealer leveraging a warm transfer and integrated calendars.

Integrated Financing

Integrated financing application at the point of sale for improved close rate.

Add On Sales Facilitation

Guided Selling of key Generac differentiators:
DER programs with Enbala's Concerto platform, Mobile Link remote monitoring, Tank Utility propane management



➔ **Reinventing the guided sales process to improve close rates**

Unique Position – Unmatched Capacity

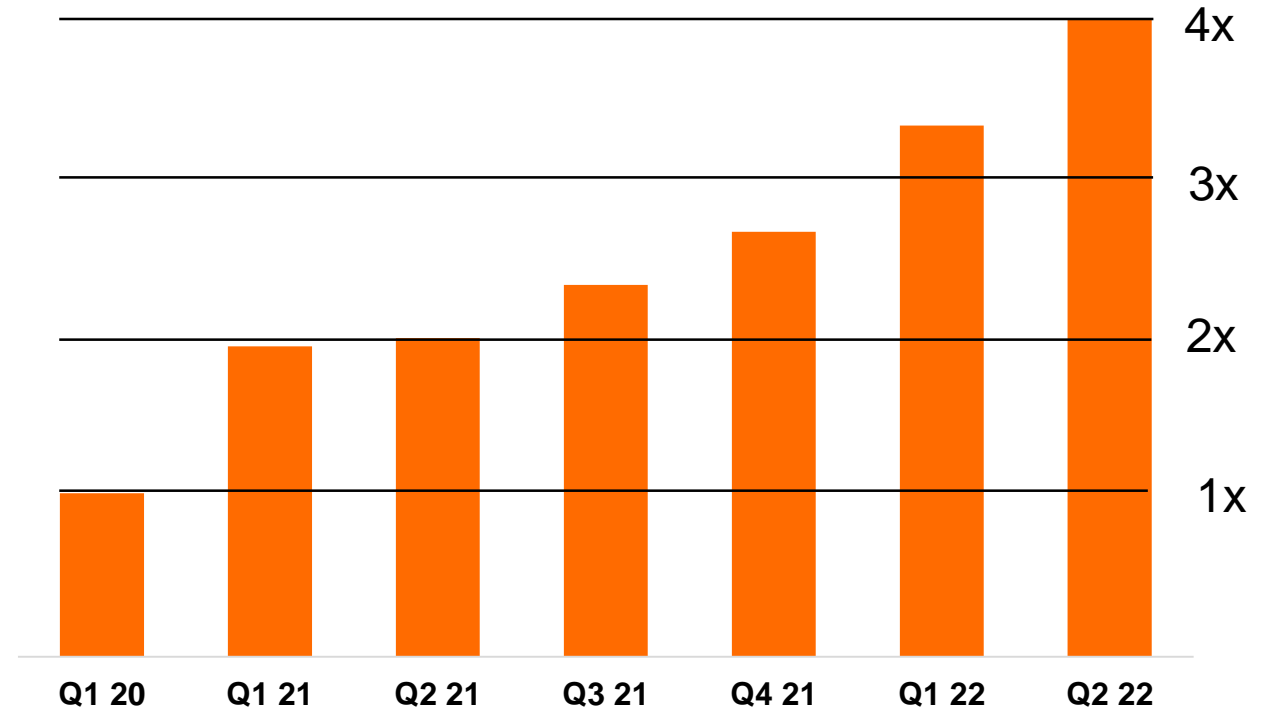
Additional Capacity Investment

- Dedicated 400,000k sq ft HSB facility adds to unmatched industry leading capacity
- Builds on significant economies of scale advantages

NEW FACILITY:
**Trenton,
South Carolina**



Expected Capacity Ramp



➔ **By Q2 2022 Generac will have 4x capacity vs Q1 2020 for base business and surge**

Accelerating HSB Penetration Rate

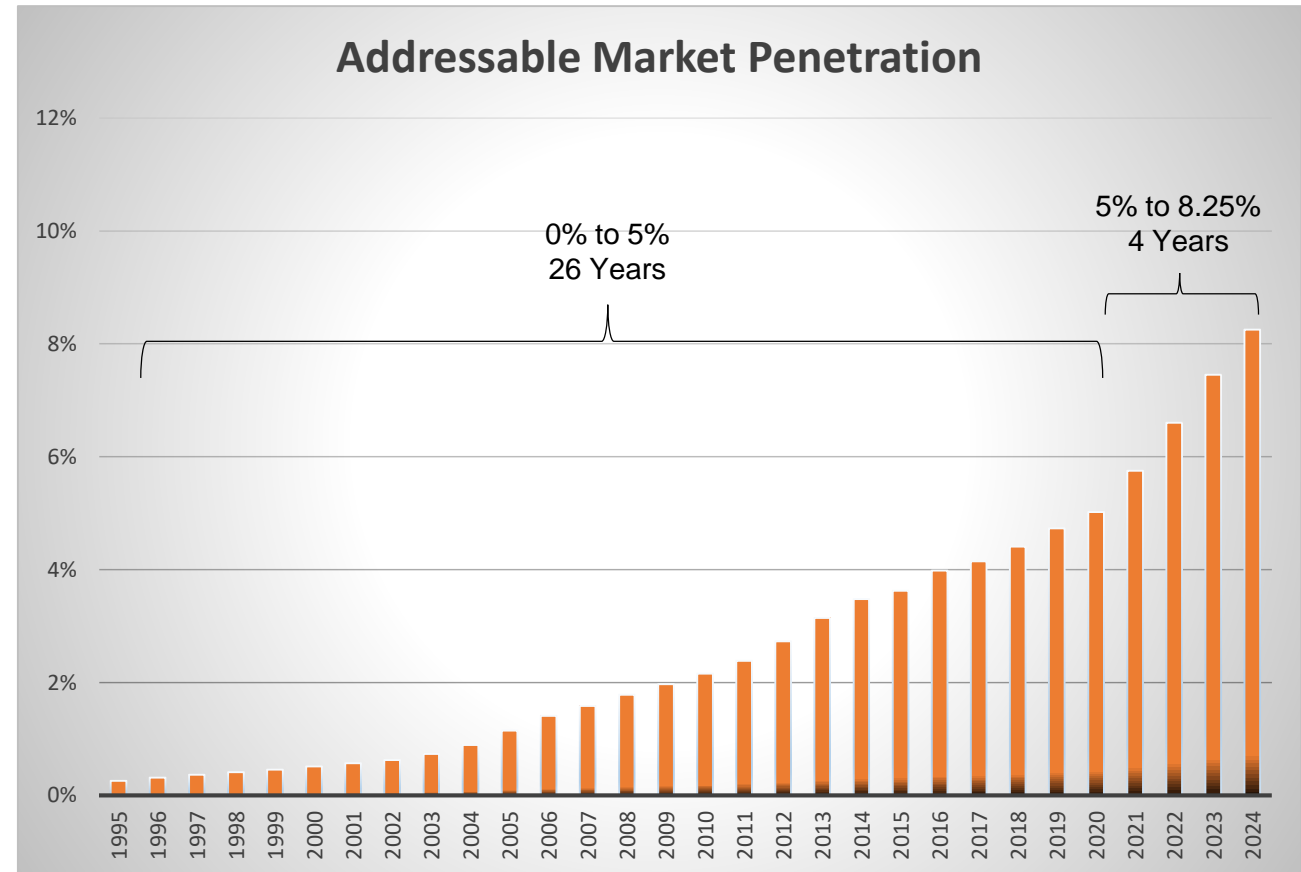
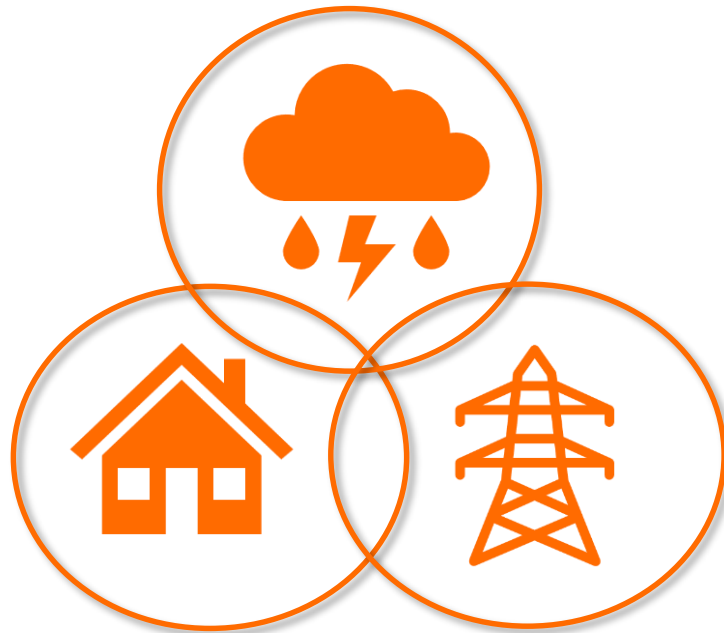
Generac's unique HSB position

+

Intersecting powerful mega-trends

=

Accelerated penetration rate



➔ **HSB has crossed the tipping point where back-up power is no longer a luxury item**

BREAK



GENERAC®

Clean Energy

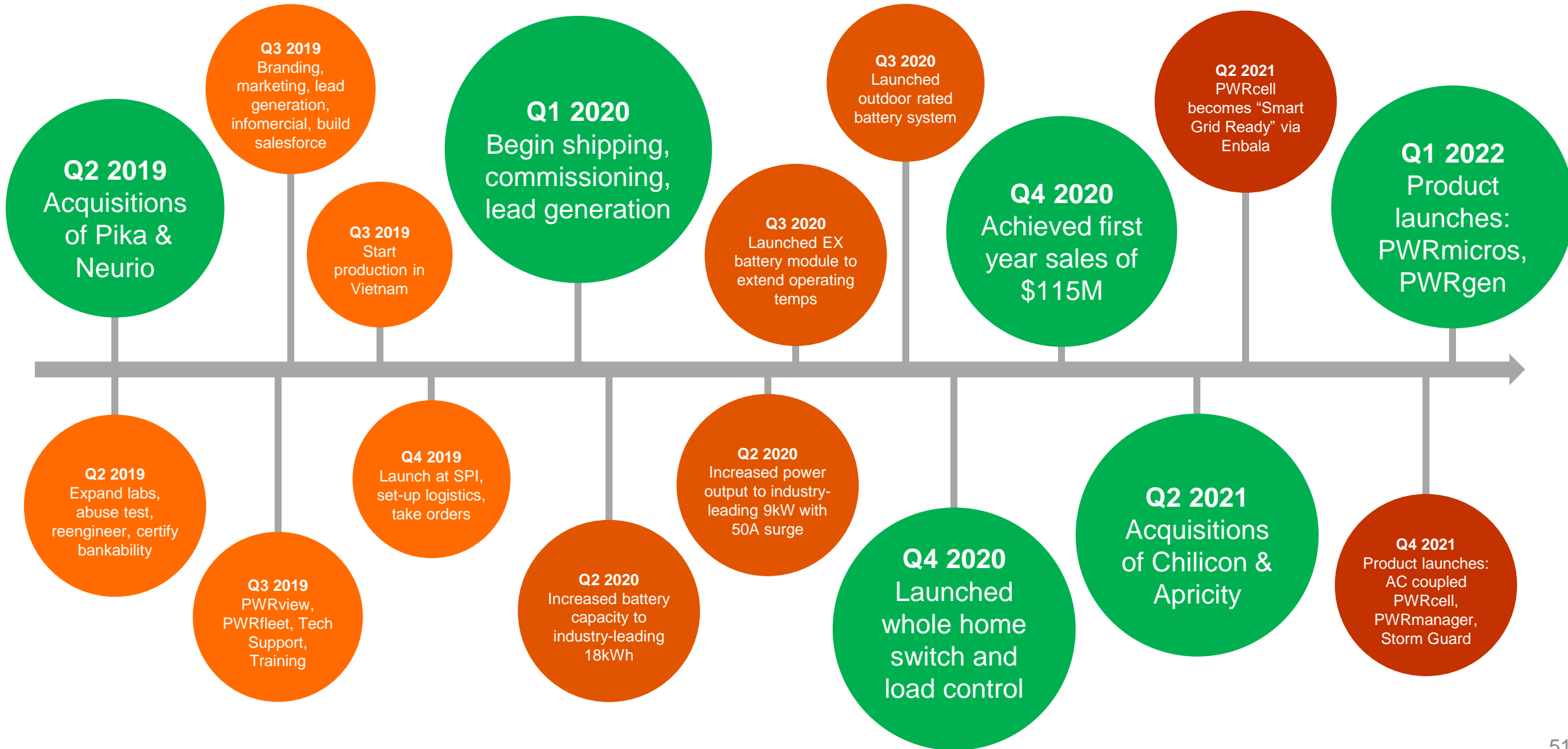
Russ Minick

PRESIDENT ENERGY TECHNOLOGY
AND CHIEF MARKETING OFFICER



GENERAC®

Timeline of Progress




Guiding Tenets



Energy
Independence



Whole Home
Power



Product
Supermarket

Guiding Tenets

Energy
Independence

GENERAC[®]

Whole Home
Power

Product
Supermarket

Energy Independence

1. Homeowners Want to Have Control, to Be Self-sufficient
2. Clean, Cost Effective and Reliable
3. Not Just For Power Outages

GENERAC[®]

PWR GENERATOR



Days (Or Weeks) of Backup
Recharges PWRcell Battery
when solar is unavailable



Highest Performance
Super quiet, fuel-efficient,
seamless integration



One App for Everything
See generator performance
and power output via **PWRview**



New DC Generator for PWRcell
Unlock indefinite grid independence

Available Q1 2022



Clean, Reliable and
Affordable

**Only Generac can offer
this peace-of-mind**

It's midnight. The grid has been down for days. And the battery is low.

No problem.



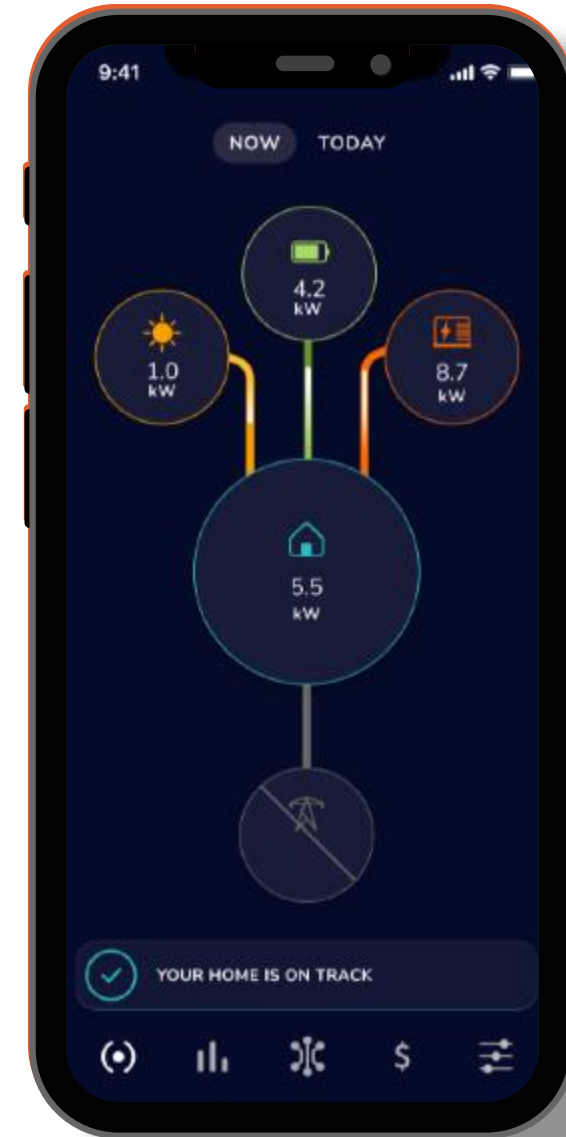
PWRgenerator recharges batteries quickly and quietly.



60dB
Approx.

PWRgenerator Works With PWRview

See generator output and status from
anywhere



Whole Home Power

What good is energy independence if you can't run everything?

GENERAC[®]

PWR MANAGER



Whole Home Power, Easy

Unlocks battery performance, protecting more loads with less



Power The Largest Loads

Large, high-priority loads get the power they need to get going



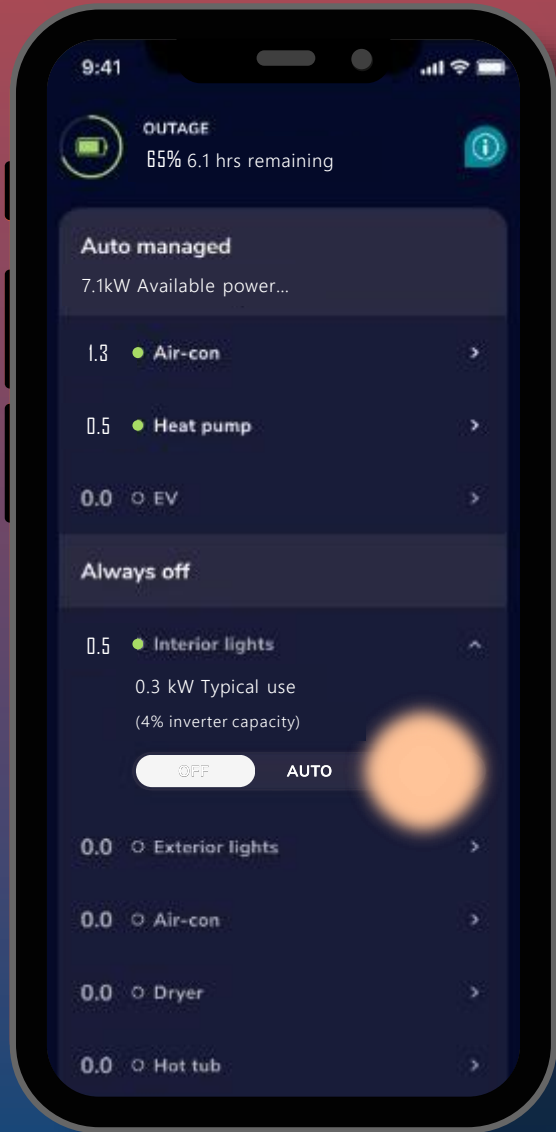
Mobile First Design

Control circuits and see battery status via **PWRview**



2nd Generation PWRcell Load Management
Maximize battery performance when the grid is down

Available Q1 2022



PWRmanager Enables Mobile Load Control

Control loads and see battery run-time estimates update in real time via PWRview.

Make the most of leading 9kW continuous power, 50A surge

- Control up to 12 circuits
- Manage 120v and 240v loads
- Manage 2 HVAC loads
- Easy retrofit: 90min install
- Tight integration with PWRcell



Product Supermarket

One-stop shop for all your clean-tech needs.

GENERAC[®]

PWR MICRO



More Power

Control today's larger modules with greater DC:AC ratios



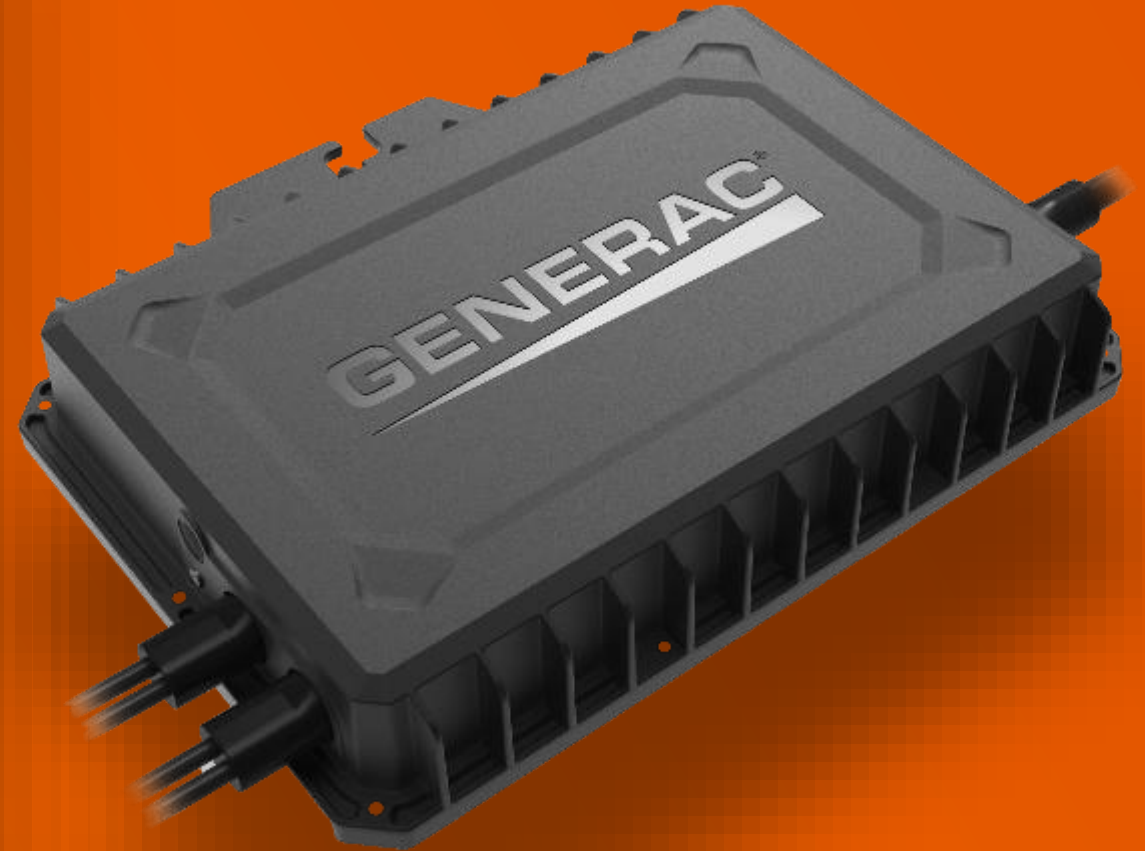
More Solar, Less Problems

2:1 approach delivers module level fidelity with HALF the electronics on the roof



Fast and Flexible Installations

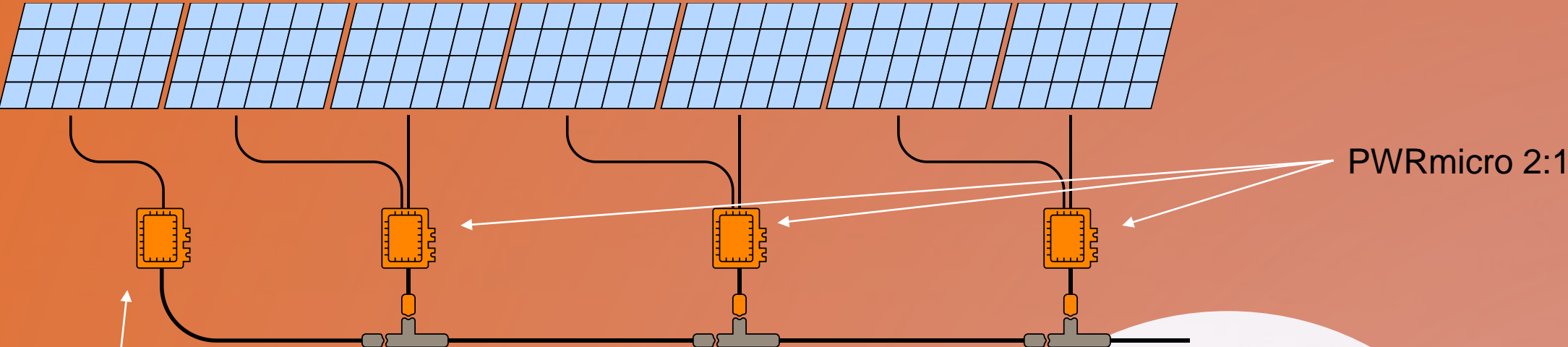
2:1 means faster installs, less wire



NEW Solar Microinverter
High-performance, low-cost rooftop PV solution

Available Q2 2022

PWRmicro Design Primer

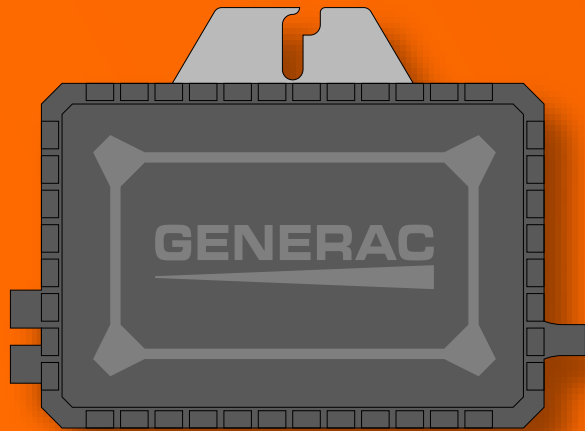


PWRmicro 1:1

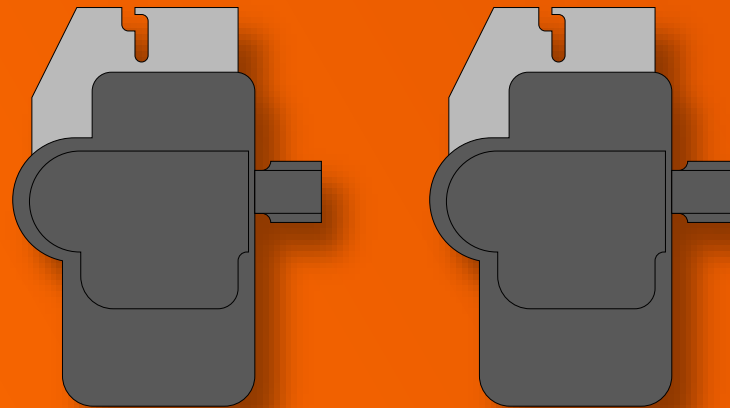
PWRmicro 2:1



More power. Lower Cost.



=



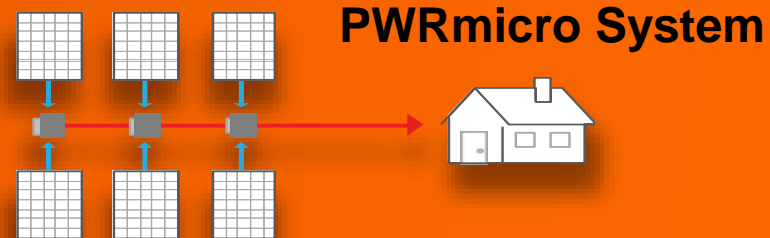
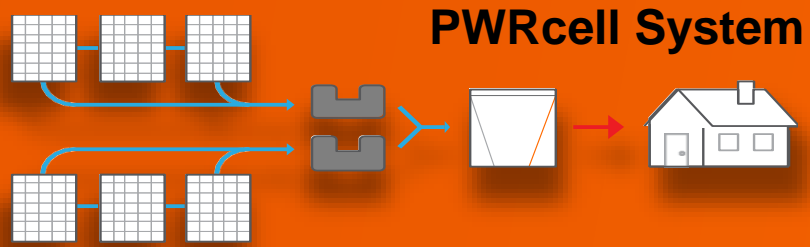
+ 130W

PWRmicro 2:1
720W Power Rating

2x Enphase IQ7+
295W Power Rating

The Generac Supermarket

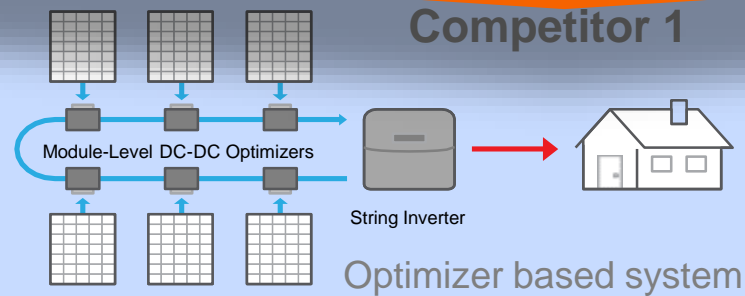
Your One-stop Energy Technology Shop



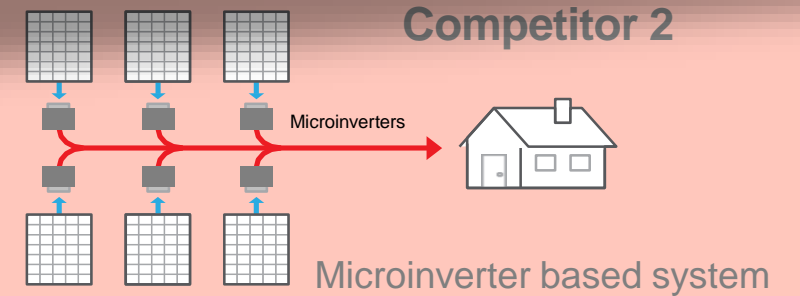
Plus:

- Generator Options
- Load Management
- Powerful Batteries
- Transfer Switches
- Apps and Platforms
- More...

Competitors One Technology Each



- DC Optimizers
- DC-coupled (3rd party) battery
- Central inverters

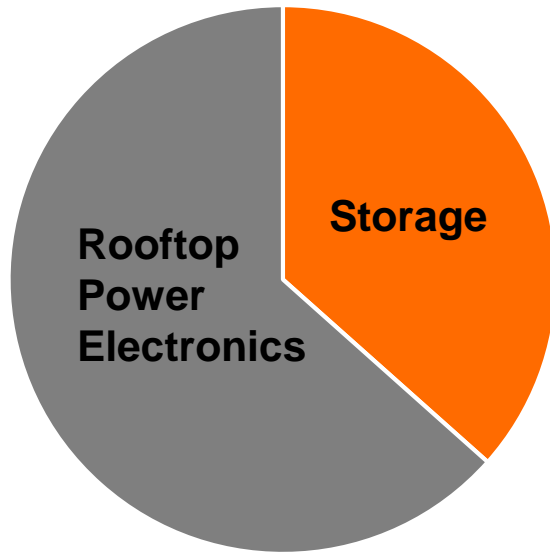


- AC Micro-inverters
- AC-coupled batteries
- Some load management

Dramatically Expanding Market Opportunity

2020E

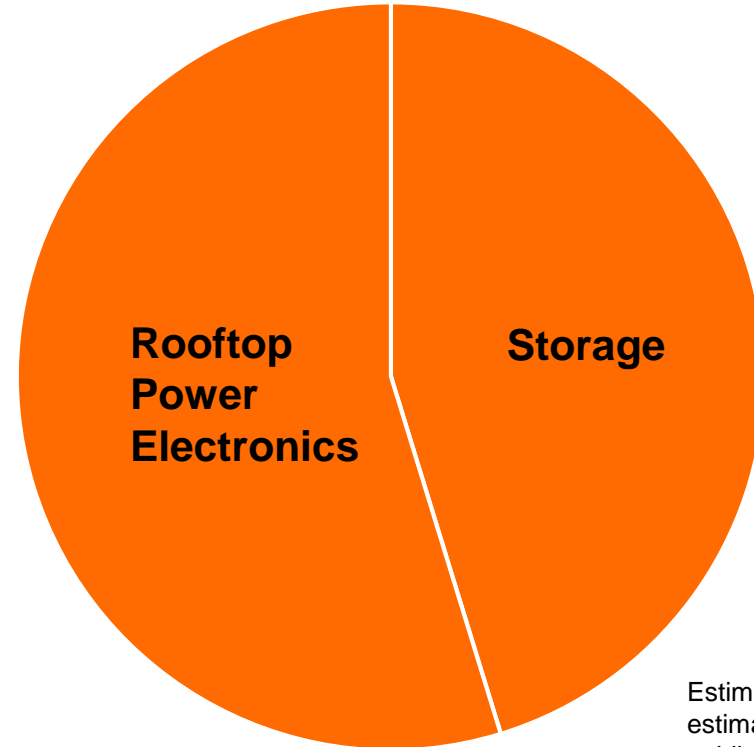
Global TAM ~\$4B Resi market



- Generac primarily participating in Storage market

2024E

Global TAM ~\$10B Resi market



- + Microinverters
- + AC coupling
- + Retrofit & Other

Estimates based on company estimates, Wood Mackenzie, other public sources

Broader product range combined with rapid market growth

Generac Clean Energy Winning Playbook

- **Generac:** Brand Strength, Ability to Invest/Go-fast, Corp Strategy, Synergies
- **Differentiated Product Strategy:** Supermarket, Whole Home, Energy Independence, Smart Grid Ready
- **Go-to-Market Capabilities:** 2,200+ Distribution Partners, Lead Generation, Sales Training, Sales Tools
- **Contractor Support:** Tech Support, Tech Training, Fleet Apps, Easy to Do Business With, Ground Game
- **Supply Chain Focus:** Corp Scale, Large Dedicated CE Team, Geographic Diversity, Battery/Pack Expertise

GENERAC®



Global C&I Products & Solutions

Erik Wilde

EXECUTIVE VICE PRESIDENT INDUSTRIAL, NAM

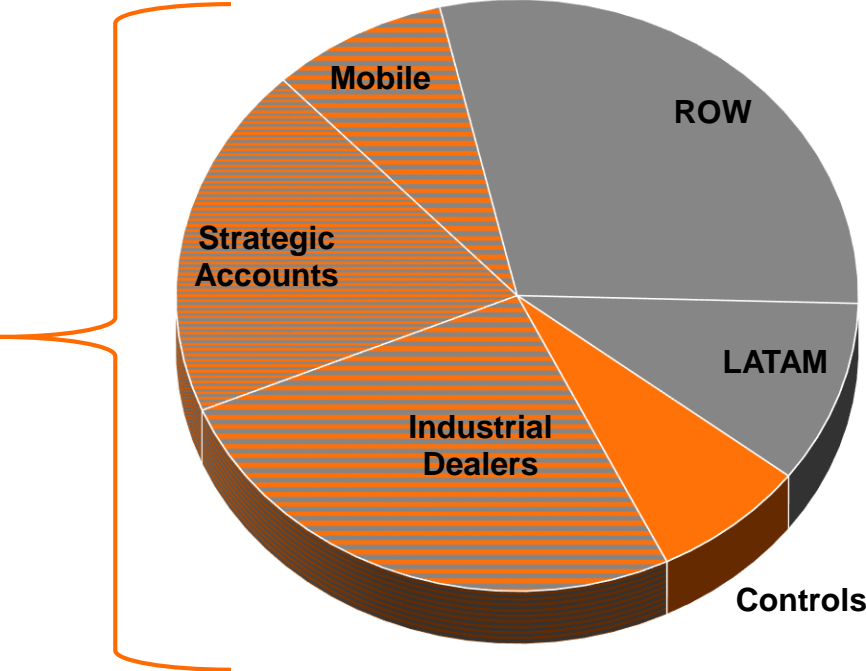


GENERAC®

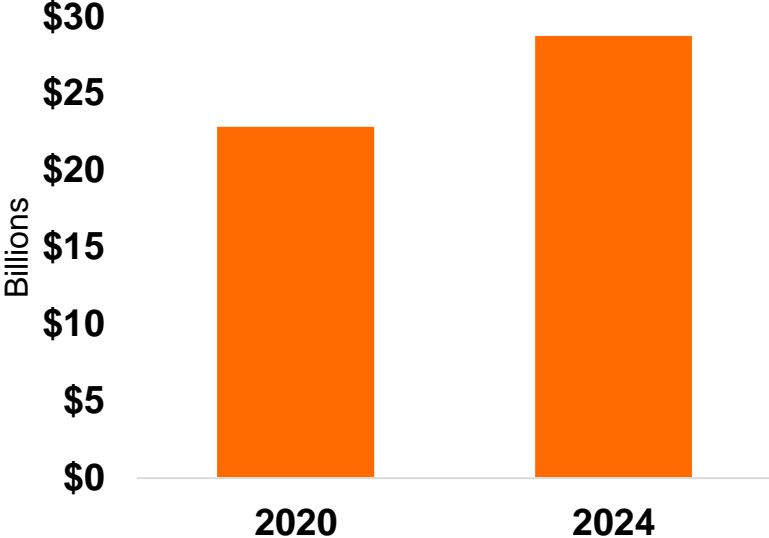
Global Industrial Business

~\$1 Billion Global Business 2021E

North America



Global Industrial TAM



Mid to high-single digit CAGR

Total Addressable Market based on internal and external sources



Beyond Standby

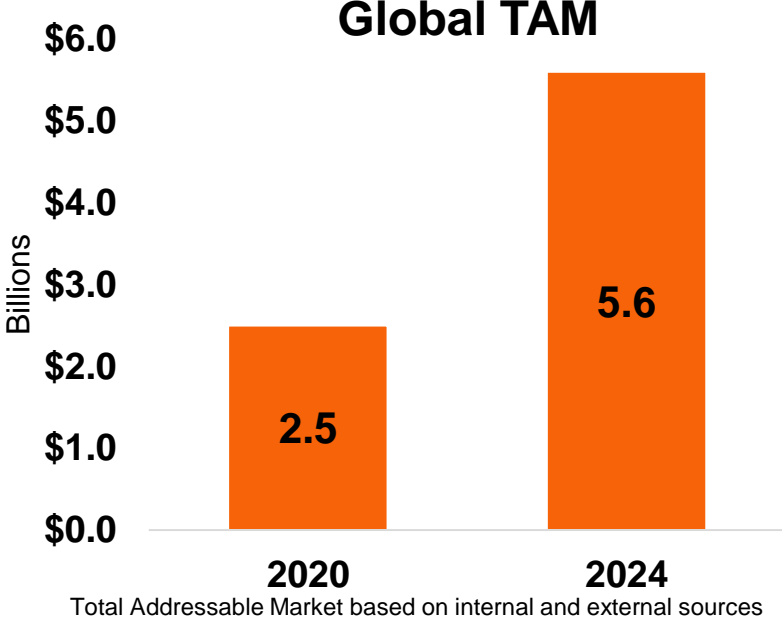
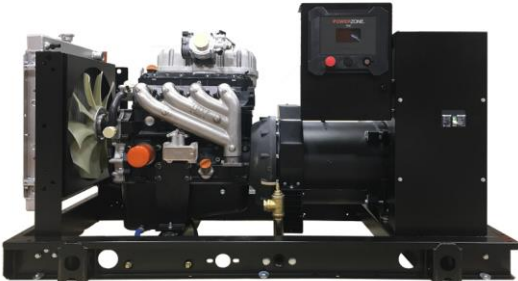
New Energy Technology Growth Opportunities



Industrial applications are seeing a rapid transformation in the utilization of assets beyond traditional standby:

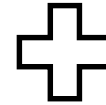
- Non-Standby use of clean burning natural gas generators
- Multi purpose microgrids
- C&I energy storage
- Hydrogen fueled generators
- Hybrid systems with integrated generators, storage and/or solar

➔ **New Energy Technology revenue streams projected to add ~\$350 million by 2024**



GENERAC[®] INDUSTRIAL POWER

GENERAC[®] GRID SERVICES

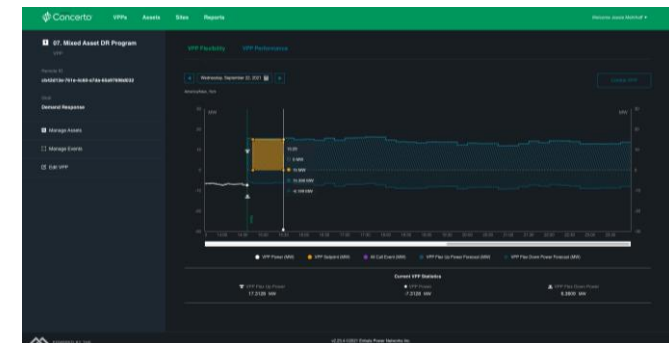


- ❖ *Resiliency – power when you need it*
- ❖ *Broad range of low emission natural gas and storage solutions*
- ❖ *Tailored technical and financial solutions*
- ❖ *Project execution capabilities*

- ❖ *Manage energy usage*
- ❖ *Dispatch for grid services*
- ❖ *Generate ROI on assets*



Resiliency + Energy Management = Affordability



Beyond Standby Revolutionizes Generator Economics



Customer ROI increased & grid stability enhanced with Smart Grid Ready natural gas generators

- Stranded asset → continuous source of value
- Insurance policy → annuity-like revenue stream
- Generac uniquely positioned – natural gas and platform expertise

Cost to Customer

Value for Customer

Customer-Owned Model

- Capital outlay
- Operating & maintenance costs

- On site backup power

Customer Leased Asset + Beyond Standby

- Lease agreement
- Operating & maintenance costs

- Ongoing value creation
- Grid stability & backup power

Energy-as-a-Service

- EaaS agreement (subscription model)
- No O&M costs

- Ongoing value creation
- Grid stability & backup power

➔ **Large blocks of power → high value assets unlocked by aggregation & management**

Texas Distribution Center Example

C&I Grid Service Opportunities:

- Energy Management Programs
- Time of Use Programs
- Emergency Response Programs
- Market Dispatch
- Rate Arbitrage
- Demand Response

Beyond Standby and EaaS models expand functionality of legacy generators – provides monetary payback resulting in attractive ROI



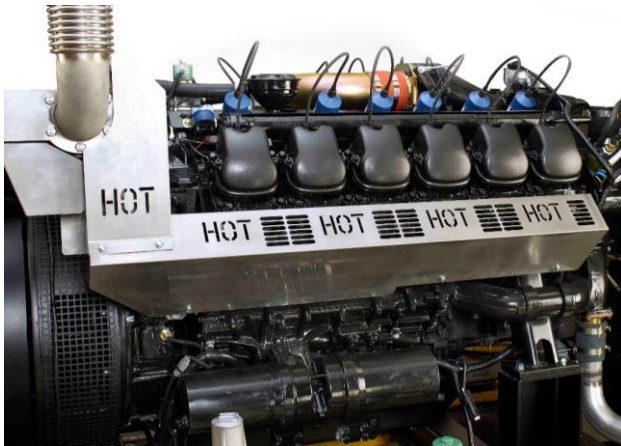
1MW Gas Generator Example:

Energy Management Savings	Generator Participating in ERCOT Programs Savings + Revenue		Annual Value
Energy Savings (\$/yr)	4CP Savings (\$/yr)	Emergency Response DR Revenue (\$/yr)	Total Savings + Revenue
\$1,000-\$50,000	\$42,000	\$27,000	\$70,000 to \$119,000

	Owned SG1000 (Gas)	Energy as a Service SG1000 (Gas)
Acquisition Method	Purchased	Subscription Service
Asset Owner	Facility Owner	sparkfund
Market Dispatch		
Total Installed Cost <i>Cash out of pocket or Financed</i>	\$775,000	\$775,000
Annual Maintenance Cost (10-Year) ¹	\$6,000	Included in Subscription
Annual Payment Eqp. + O&M + Warranty (10-Year) ²		(\$136,800) <i>Includes Functional Guarantee</i>
Annual Savings and Revenue	\$70,000 - \$119,000	\$70,000 - \$119,000

MicroGrid Partnership

Generac Rich-Burn
Natural Gas Engine



Deep Sea Microgrid Controller



Complete unit
manufactured by
Generac to Enchanted
Rock's design criteria



Enchanted Rock is one of the leading developers of dual purpose microgrids

From the new partnership Generac will be providing:

- ✓ Customized solution
- ✓ Delivers quick-start, utility-grade backup power
- ✓ Much cleaner format when compared to traditional solutions

Off Grid Energy Acquisition

- Founded in 2000, HQ in Rugby (UK), ~50 employees, acquisition closed September 1
- Develops and assembles C&I power storage
- Strong internal competencies with system integration and Battery Management Systems
- Provides a diverse range of energy storage solutions that provide cleaner and more flexible energy for commercial and industrial applications

Ingenium LX
30kVA to 90kVA
60 - 180kWhrs



Ingenium SX
3kVA to 10kVA
10 - 25kWhrs



Ingenium Plus
66kVA - 1MVA
120kWhrs - 2MWhrs



Ingenium MX
10kVA to 30kVA
15 - 60kWhrs
(with integrated generator)

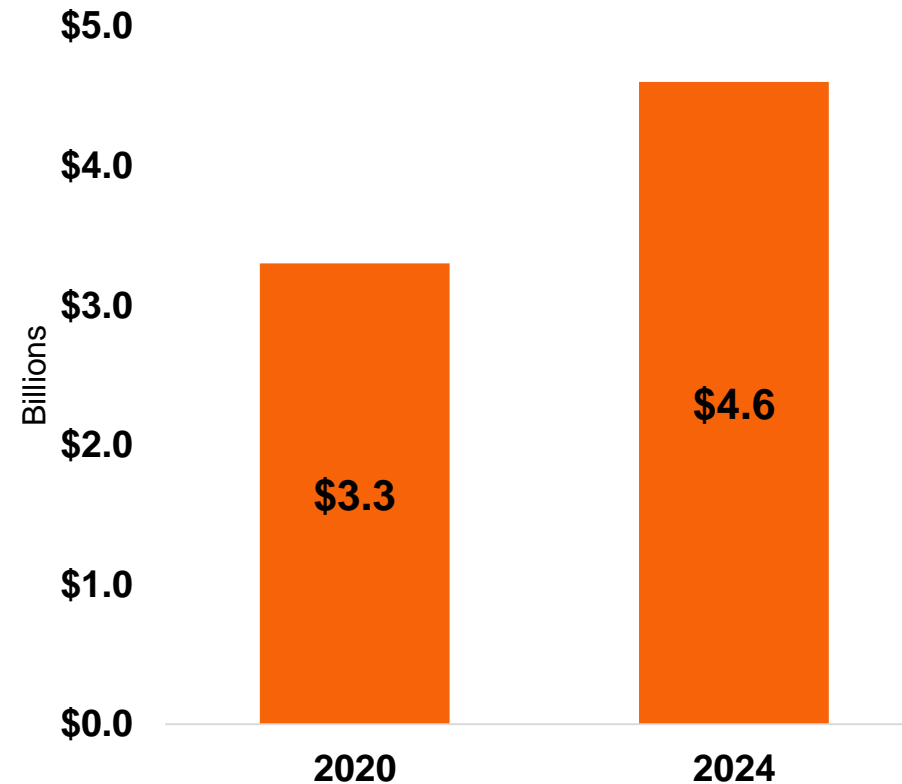


Provides entry into the rapidly growing market for Industrial-Mobile Energy Storage Systems

5G / Global Telecom Opportunity

- Tower count is expected to grow globally ~30% during next 5 yrs to ~5.3M by the end of 2026
- Investment in telecom related power systems is expected to grow at >8% CAGR over next 6 years
- Network reliability and “Up-Time” become a critical aspect of the new “always-connected” wireless infrastructure
- Wireless networks are becoming part of our critical infrastructure... power failure equals network failure

Global Telecom Power Systems Capex



Estimates based on internal and external sources



➔ **Global presence and relationships with carriers and tower companies drives competitive advantage**

- Generac is the leader in the domestic telecom market
- Tower count has grown ~30% in the last two years to over 410,000 cell sites in the USA
- Site hardening has increased to approximately 50% as carriers rapidly deployed back up power to sites and reacted to California regulations

Estimated Opportunity in the next 10 Years

Site Hardening Increase to 75%	102,500
Average Value	\$19,500
Total Potential Opportunity*	\$1.2B

*Based on 60% Market Share



California Back-up Power Mandate



- July 20, 2020 CPUC adopted Rule 18-03-011
- Carriers had six months to submit a plan that needed to include:
 - Ability to maintain service for a minimum of 72 hours immediately following a power outage.
 - Service must be sufficient to maintain access for all customers to 9-1-1 service, to receive emergency notifications, and to access internet browsing for emergency notices.



Diesel

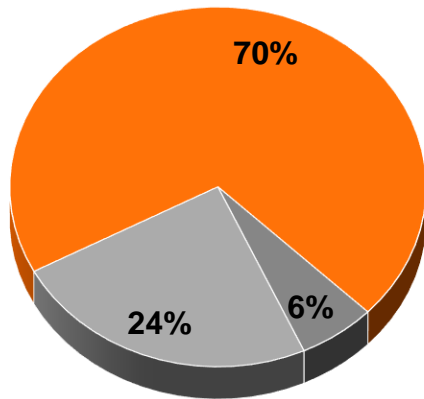


Natural Gas



Mobile Diesel

Current Installed Coverage



■ Meet Rule ■ Less than 72 hrs. ■ Temporary Power

How to Comply:

- Coverage from other towers
- Alternate Power Source:
 - Stationary Generator
 - Mobile Generator
 - Battery
 - Fuel Cell

Potential Opportunity:

>20,000 sites need hardening or auxiliary power source

>\$200-300M in mobile or stationary generators

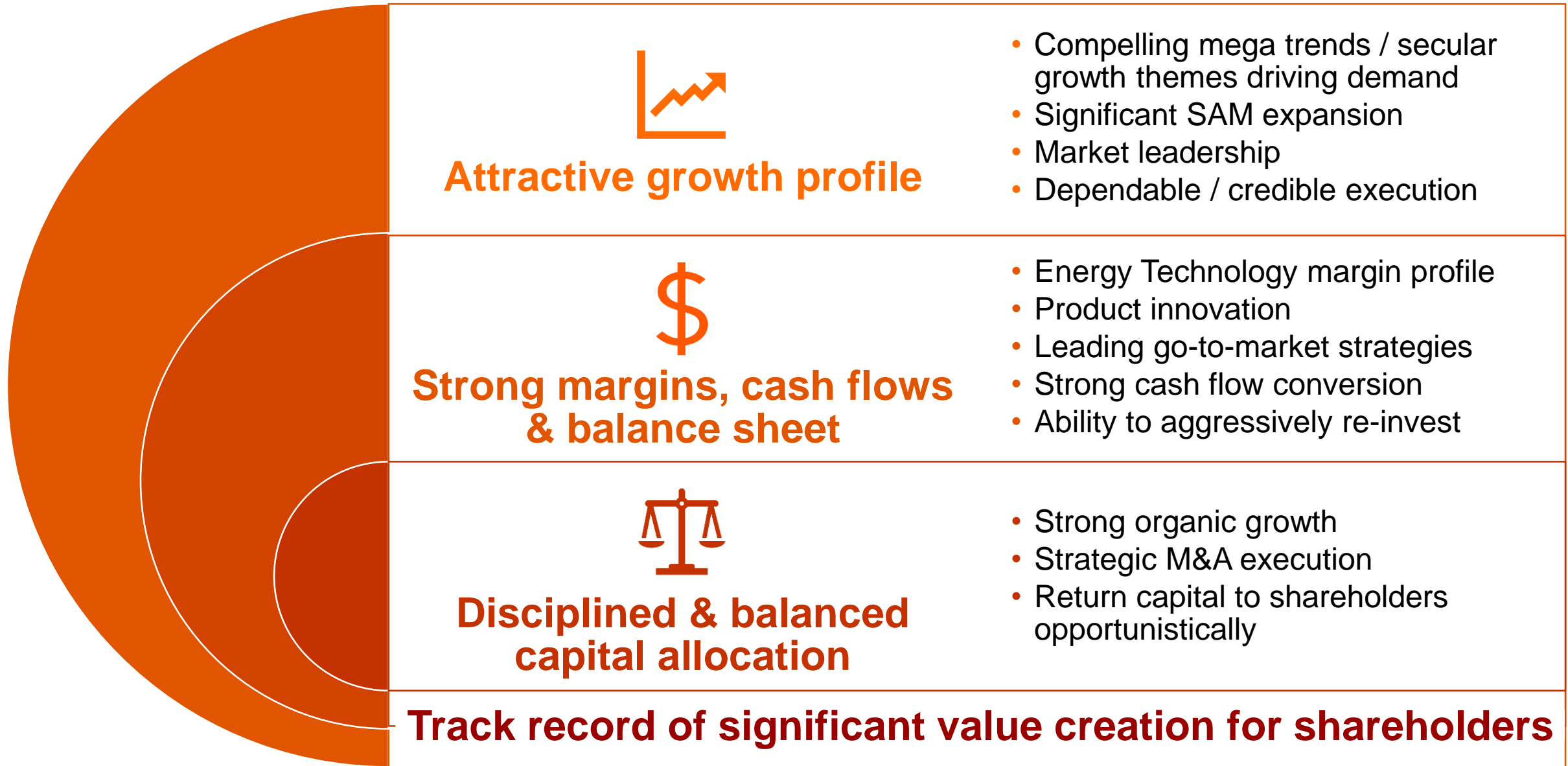
Financial Framework – Three-Year Targets / Capital Allocation

York Ragen

CHIEF FINANCIAL OFFICER



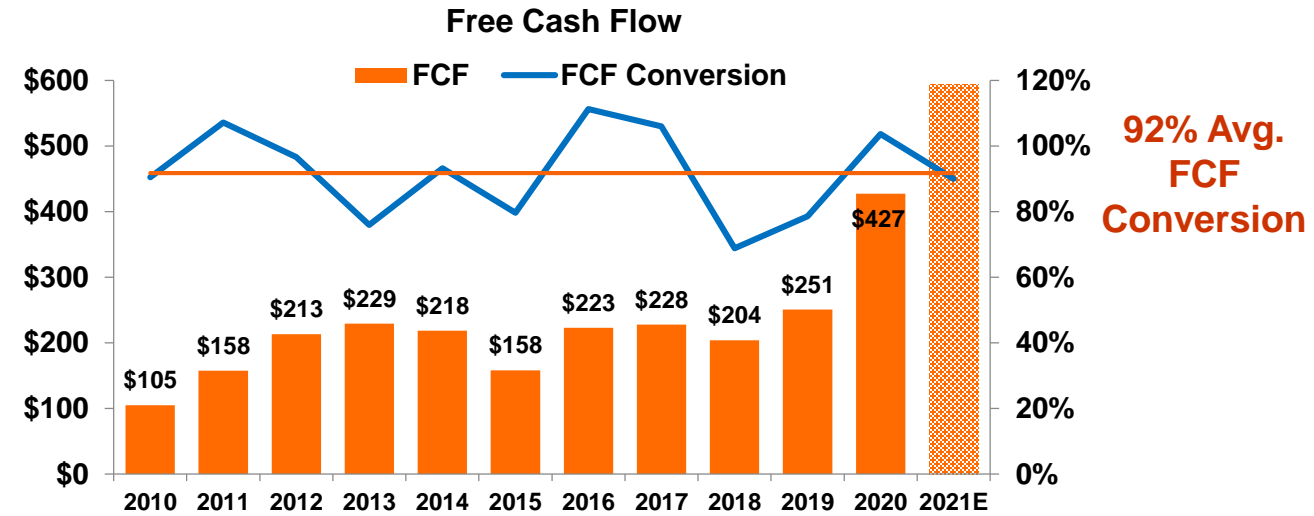
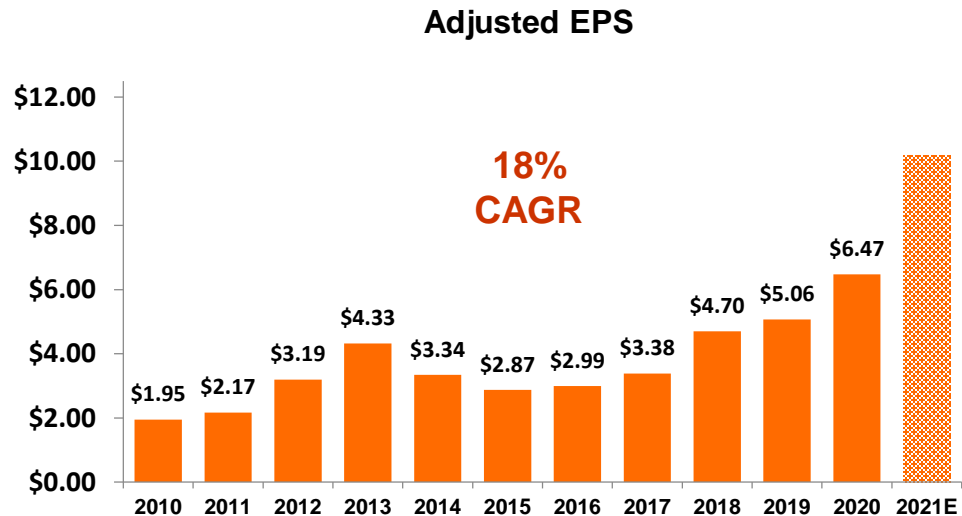
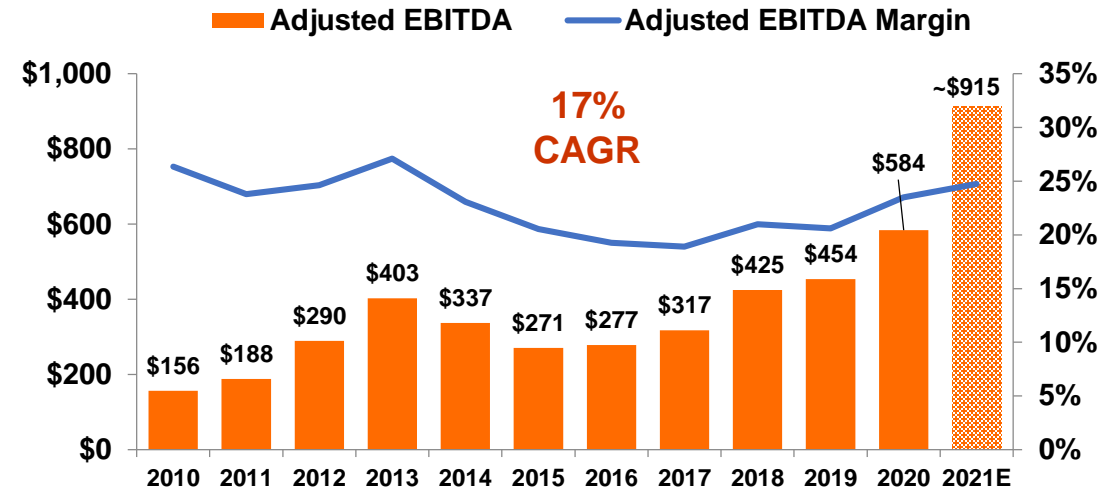
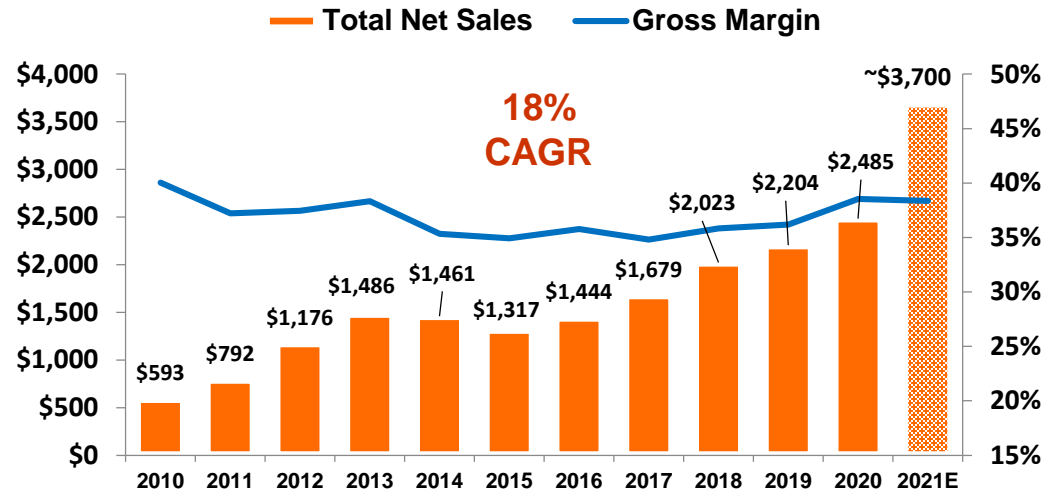
GENERAC®



Financial Performance Since IPO



Mega-trends accelerating growth in recent years... driving significant operating leverage and free cash flow

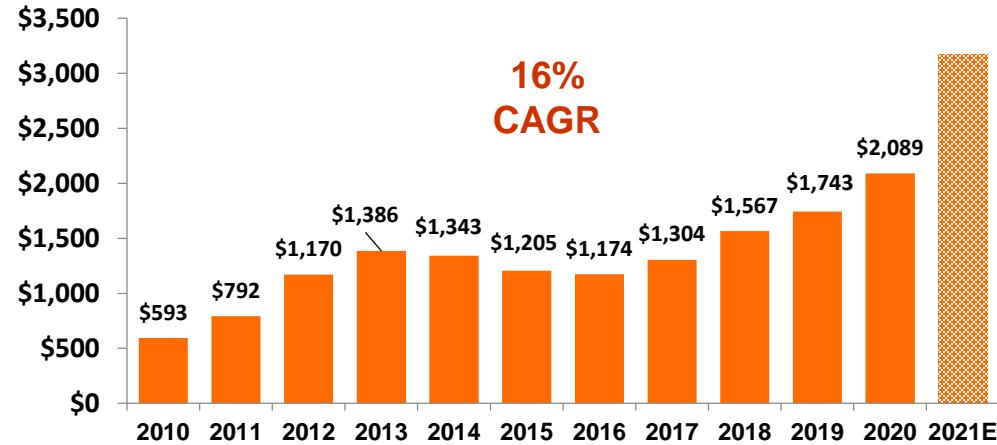


Financial Performance Since IPO

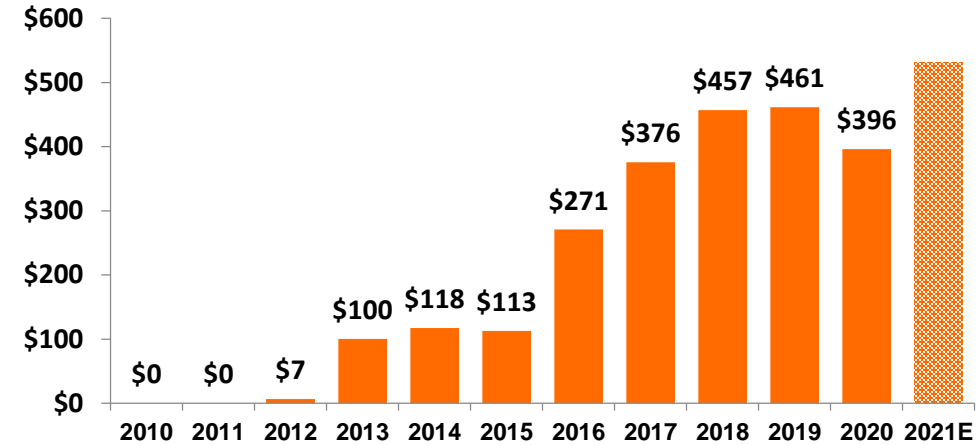


Net Sales by Segment

Domestic Net Sales

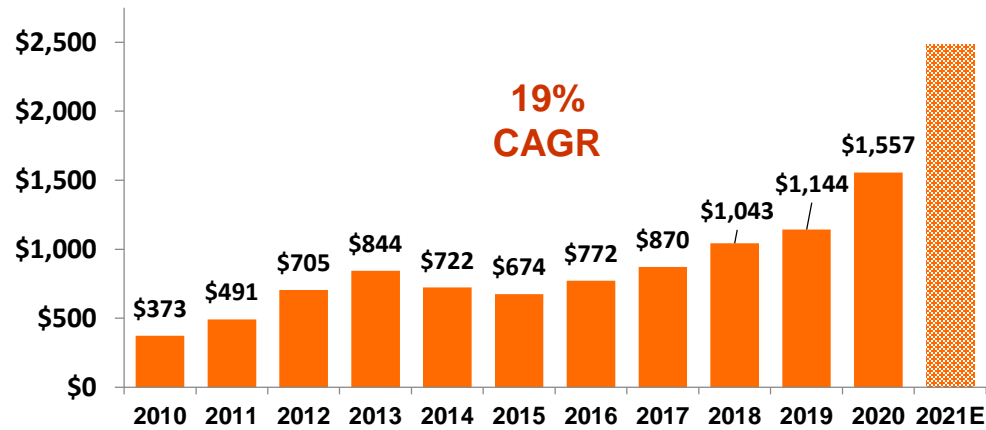


International Net Sales

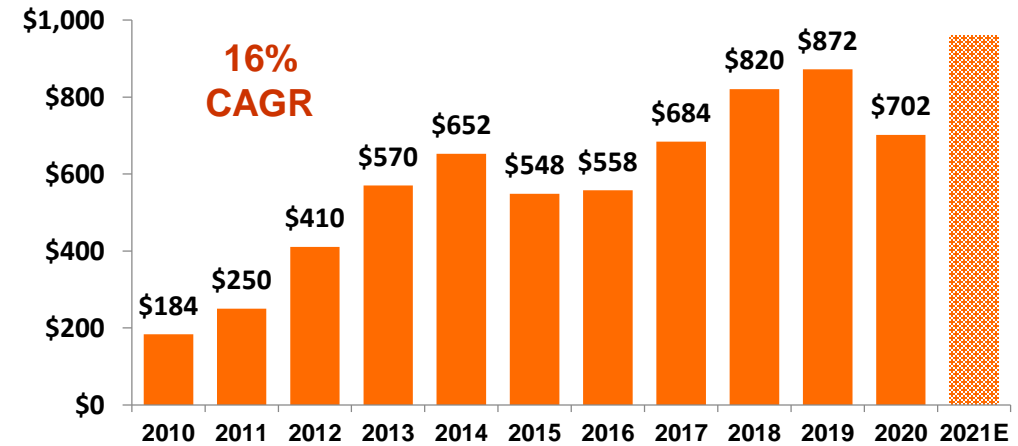


Net Sales by Product Class

Residential Net Sales



C&I Net Sales



Base Forecast Assumptions



1. Economic / COVID-19 environment... Continued global recovery into 2022 & ability to **overcome potential supply chain challenges**
2. Power outage severity consistent with **last five years baseline average** over the three-year forecast period
3. **Only one major outage event** assumed over the entire three-year forecast period (during 2023)
4. Existing Mega-Trends continue to play out... with **“Home as a Sanctuary”** strength continuing to drive growth in demand but at lower rates relative to 2020 & 2021
5. **Elevated HSB backlog** entering 2022 that is alleviated by end of 2022
6. **Commodities and other key input costs decline moderately** starting in 2H 2022 from current elevated levels
7. Ability to retain certain price increases implemented over the past year
8. **Profitability Enhancement Program (PEP)** continues to yield margin improvement
9. **Tax shield** goes away after 2021 (\$30M/year)... GAAP tax and Cash tax rates are similar going forward
10. Assumes **no additional** M&A, debt pay-downs or share repurchases during the forecast period

Updated 3-Year Targets

Significant Outperformance

Financial Metric	2021 Targets from 2019 Investor Day	2021 Guidance ⁽¹⁾	New 2024 Targets
Net Sales	~\$2.5 billion	~\$3.7 billion (47%-50% y/y growth)	~\$5.5 billion (midpoint)
Adj EBITDA Margin ⁽²⁾	~20%	24.5% to 25.0%	24.0% to 25.0%
Tax Rate ⁽³⁾	~21%	~21.0 to 21.5%	~25%
Interest Expense	~\$38 million	~\$32 million	~\$25 million
Capital Spending %	2.5% of sales	2.5% - 3.0% of sales	2.5% - 3.0% of sales
Free Cash Flow	~85% of Adj Net Income	~90% of Adj Net Income	~85% of Adj Net Income

13 - 15% Sales growth CAGR⁽⁴⁾

(1) Assumes mid-point of outlook as reported on July 28, 2021.
 (2) Calculated using adjusted EBITDA before deducting for non-controlling interest.
 (3) Cash tax rate used for 2021 as annual tax shield of \$30 million remains in place, GAAP tax rate used for 2024.
 (4) Excludes potential M&A activity, debt paydowns or share repurchases during forecast period.

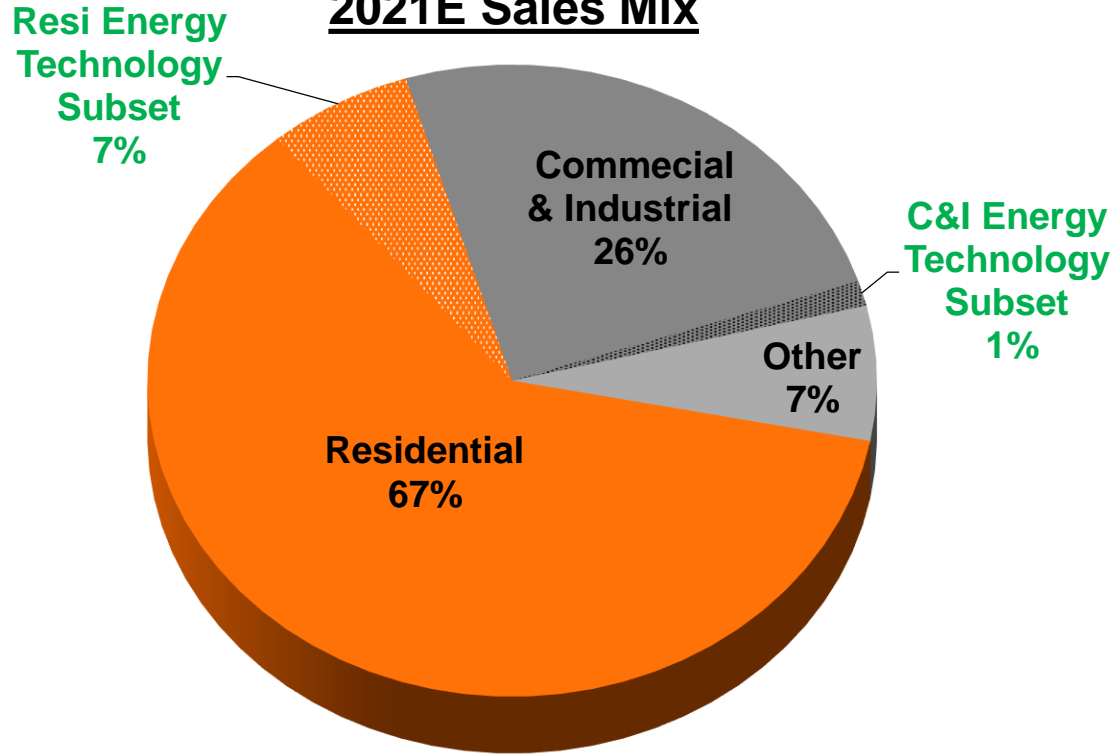
Significantly Increasing Energy Technology Mix



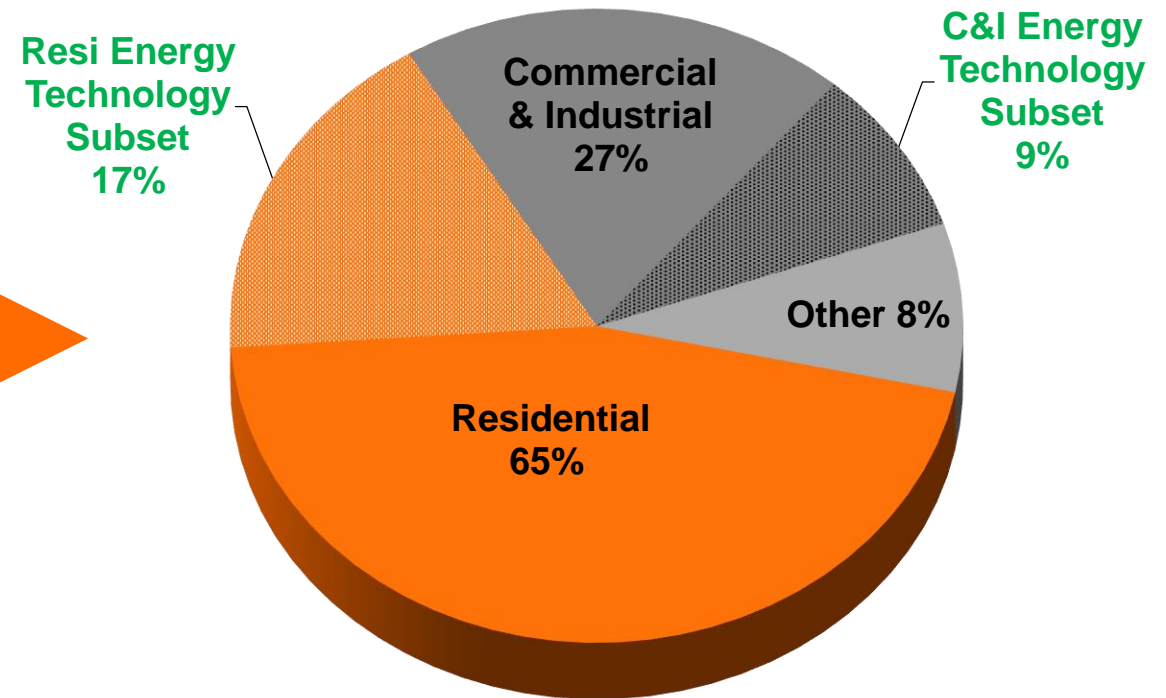
By Segment:	Domestic	International	Total
3yr CAGR Target	13 to 15%	14 to 16%	13 to 15%

By Product Class:	Residential	C&I	Total
3yr CAGR Target	11 to 13%	18 to 20%	13 to 15%

2021E Sales Mix



2024E Sales Mix



Energy Technology Applications – Resi Clean Energy, C&I Clean Energy, Generac Grid Services, EaaS, Electrification

➔ Strategic Initiatives Accelerate Energy Technology Solutions Evolution

Adjusted EBITDA Margin Bridge

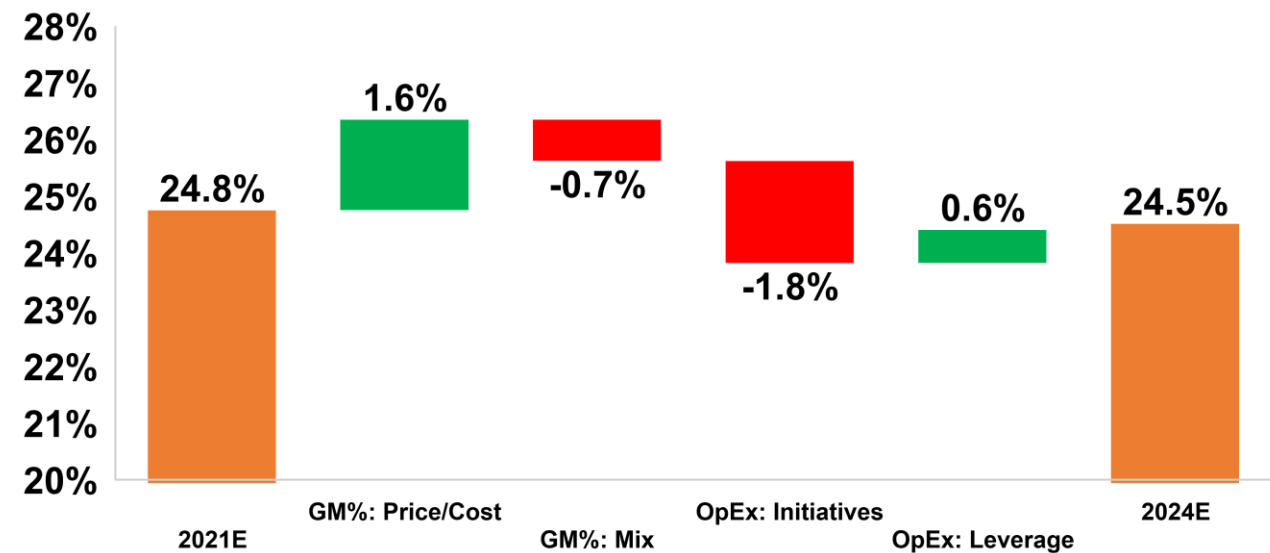
Updated 3-Year Targets: 2021E Base to 2024 Target

Consolidated:

24.5%-25.0% 2021E → 24.0%-25.0% 2024 Target

- | **Price/Cost (+160bps):** moderating input costs, certain pricing retained, improved overhead absorption, focus on PEP cost-reduction initiatives
- | **Mix (-70bps):** lower mix of HSB as backlog normalizes, along with higher mix of Energy Technology
- | **OpEx (-120bps):** increased investment to support numerous Energy Tech initiatives (-180bps), partially offset by improved leverage on significant revenue growth (+60bps)

Consolidated EBITDA Margin Bridge



→ **Sustaining attractive Energy Technology margin profile**

Domestic Segment:

| ~27% 2021E → ~26% 2024 Target

International Segment:

| ~11% 2021E → ~16% 2024 Target

before deducting for non-controlling interest

~\$3.0-\$3.5 Billion liquidity end of 2024

- ✓ Projected cash at year end 2021
- ✓ ~\$2.0-\$2.5 Billion FCF 2022-2024
- ✓ Availability on ABL revolver

➔ ***Significant cash flow allows flexibility to execute on future shareholder-value enhancing opportunities***

1. Organic Growth

- Asset lite with capex only 2.5% to 3.0% of sales
- Investment in technology, innovation and R&D capabilities
- Capacity expansion, global systems, high ROI automation

2. Maintaining Healthy Balance Sheet

- Target 1-3x leverage
- Term loan matures 2026, ABL matures 2026
- \$500 million notional swapped fixed

3. Strategic M&A

- Robust M&A pipeline
- Demonstrated ability to execute; 22 deals since 2011
- Accelerates “Powering a Smarter World” strategic plan
- Seek high synergy opportunities with above WACC returns

4. Return of Capital

- As future cash flow permits, will evaluate options opportunistically
- \$250mm remaining on current share repurchase authorization

Key Investor Day Takeaways...



- Mega-trends remain very compelling... continued strong growth in demand for products that provide resiliency
- New “Powering A Smarter World” strategy... driven by the changing energy landscape
- Generac is becoming an Energy Technology Solutions Company... focused on participating within the emerging Clean Energy and Grid Services markets
- New opportunities with Smart Grid Ready capability allows Generac to sell products as DERs providing for customer ROI
- Energy Technology expected to represent 26% of 2024 revenue, and ~2/3 of revenue including Smart Grid Ready gensets
- Three-year financial targets highlight significant long-term growth potential... and substantial earnings power of Generac
- Inaugural ESG Report published... commitment to improved transparency on progress with key initiatives and metrics

New 2024 targets:

- **Net Sales ~\$5.5B midpoint, 13%-15% CAGR**
- **24-25% EBITDA margin**
- **~\$2.0-\$2.5 Billion FCF 2022-2024**

Questions & Answers



APPENDIX



GENERAC[®]

Adjusted EBITDA Reconciliation

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	LTM - 6/30/21 ⁽¹⁾
Net income	\$56,913	\$324,643	\$93,223	\$174,539	\$174,613	\$77,747	\$97,178	\$159,557	\$241,220	\$252,308	\$347,218	\$518,069
Interest expense	27,397	23,718	49,114	54,435	47,215	42,843	44,568	42,667	40,956	41,544	32,991	31,450
Depreciation and amortization	59,440	56,123	54,160	36,774	34,730	40,333	54,418	51,988	47,408	60,767	68,773	75,320
Income taxes provision	307	(237,677)	63,129	104,177	83,749	45,236	56,519	44,142	69,856	67,299	98,973	152,786
Non-cash write-down and other charges	(361)	10,400	247	78	(3,853)	44,579	357	2,923	3,532	240	(327)	(4,413)
Non-cash share-based compensation expense	6,363	8,646	10,780	12,368	12,612	8,241	9,493	10,205	14,563	16,694	20,882	23,329
Loss on extinguishment of debt	4,809	377	14,308	15,336	2,084	4,795	574	-	1,332	926	-	831
(Gain) loss on change in contractual interest rate	-	-	-	-	(16,014)	2,381	2,957	-	-	-	-	-
Transaction costs and credit facility fees	1,019	1,719	4,117	3,863	1,851	2,249	2,442	2,145	3,883	2,724	2,151	7,645
Loss on pension settlement, restructuring and other	362	527	731	1,043	296	2,412	8,016	3,673	1,802	11,613	13,112	1,465
Adjusted EBITDA	\$156,249	\$188,476	\$289,809	\$402,613	\$337,283	\$270,816	\$276,522	\$317,300	\$424,552	\$454,115	\$583,773	\$806,481
Adjusted EBITDA attributable to noncontrolling interests	-	-	-	-	-	-	3,784	6,075	7,759	4,965	2,358	6,535
Adjusted EBITDA attributable to Generac Holdings, Inc.	\$156,249	\$188,476	\$289,809	\$402,613	\$337,283	\$270,816	\$272,738	\$311,225	\$416,793	\$449,150	\$581,415	\$799,946

⁽¹⁾unaudited

Adjusted Net Income & EPS Reconciliation

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net income attributable to Generac Holdings. Inc.	\$ 56,913	\$324,643	\$ 93,223	\$174,539	\$174,613	\$ 77,747	\$ 97,154	\$157,808	\$238,257	\$252,007	\$350,576
Net income attributable to noncontrolling interests	-	-	-	-	-	-	24	1,749	2,963	301	(3,358)
Net income	56,913	324,643	93,223	174,539	174,613	77,747	97,178	159,557	241,220	252,308	347,218
Provision for income taxes	307	(237,677)	63,129	104,177	83,749	45,236	56,519	44,142	69,856	67,299	98,973
Income before provision for income taxes	57,220	86,966	156,352	278,716	258,362	122,983	153,697	203,699	311,076	319,607	446,191
Amortization of intangible assets	51,808	57,409	45,867	25,819	21,024	64,278	32,953	28,861	22,112	28,644	32,280
Amortization of deferred financing costs and OID	2,439	1,986	3,759	4,772	6,615	5,429	3,940	3,516	4,749	4,712	2,598
Loss on extinguishment of debt	4,809	377	14,308	15,336	2,084	4,795	574	-	1,332	926	-
Transaction costs and credit facility fees	-	875	3,317	2,842	(3,623)	2,710	5,653	1,706	2,578	874	(1,328)
Loss on pension settlement, restructuring and other	-	-	-	-	(16,014)	4,328	10,273	2,912	952	12,492	12,158
Adjusted net income before provision for income taxes	116,276	147,613	223,603	327,485	268,448	204,523	207,090	240,694	342,799	367,255	491,899
Cash income tax expense	(322)	(437)	(2,811)	(25,821)	(34,283)	(6,087)	(9,299)	(25,624)	(47,064)	(47,945)	(79,723)
Adjusted net income	\$115,954	\$147,176	\$220,792	\$301,664	\$234,165	\$198,436	\$197,791	\$215,070	\$295,735	\$319,310	\$412,176
Adjusted net income attributable to noncontrolling interests	-	-	-	-	-	-	2,219	3,201	3,522	1,488	(32)
Adjusted net income attributable to Generac Holdings. Inc.	\$115,954	\$147,176	\$220,792	\$301,664	\$234,165	\$198,436	\$195,572	\$211,869	\$292,213	\$317,822	\$412,208
Weighted average common shares outstanding - diluted:	59,389	67,797	69,193	69,668	70,171	69,200	65,382	62,643	62,233	62,865	63,738
Net income attributable to common shareholders per common share - diluted:	\$1.95	\$2.17	\$3.19	\$4.33	\$3.34	\$2.87	\$2.99	\$3.38	\$4.70	\$5.06	\$6.47

Free Cash Flow Reconciliation

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	LTM - 6/30/21 ⁽¹⁾
Net cash provided by operating activities	\$114,481	\$169,712	\$235,594	\$259,944	\$252,986	\$188,619	\$241,122	\$257,322	\$247,227	\$308,887	\$486,533	\$648,412
Proceeds from beneficial interests in securitization transactions	-	-	-	-	-	-	12,287	3,794	3,933	2,630	2,651	2,690
Expenditures for property and equipment	(9,631)	(12,060)	(22,392)	(30,770)	(34,689)	(30,651)	(30,467)	(33,261)	(47,601)	(60,802)	(62,128)	(90,018)
Free cash flow	\$104,850	\$157,652	\$213,202	\$229,174	\$218,297	\$157,968	\$222,942	\$227,855	\$203,559	\$250,715	\$427,056	\$561,084

⁽¹⁾unaudited