

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **October 3, 2011**

Generac Holdings Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

001-34627
(Commission File Number)

20-5654756
(IRS Employer Identification No.)

S45 W29290 Hwy. 59
Waukesha, Wisconsin
(Address of principal executive offices)

53187
(Zip Code)

(262) 544-4811
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

Item 1.01 Entry into a Material Definitive Agreement.

On October 3, 2011, Magnum Power Products, LLC, a Wisconsin limited liability company (“MPP”) and a newly-created indirect wholly owned subsidiary of Generac Holdings Inc. (the “Company”), entered into an Asset Purchase Agreement (the “Purchase Agreement”), by and among Magnum Products, LLC, a Wisconsin limited liability company (“Magnum”), CH&E Pumps Acquisition, LLC, a Wisconsin limited liability company (“CH&E”), Magnum Products International, Inc., a Delaware corporation (“MP International”), Magnum Products Canada, Inc., a Wisconsin corporation (“MP Canada”), Magnum Products Services, LLC, a Wisconsin limited liability company (“MP Services”), Joseph Properties, LLC, a Wisconsin limited liability company (“Joseph Properties” and, together with Magnum, CH&E, MP International, MP Canada, and MP Services, the “Sellers”), the direct and indirect equityholders of the Sellers (the “Equityholders”) and Thomas Joseph, as Sellers’ Representative. The Acquisition closed on October 3, 2011 (the “Closing Date”).

Pursuant to the Purchase Agreement, on the Closing Date, MPP acquired substantially all of the assets and assumed certain specified liabilities of the Sellers in exchange for (i) \$80 million in cash, subject to a customary post-closing working capital adjustment, and (ii) an opportunity for the Sellers to earn additional contingent payments based upon the level of post-closing sales of certain products in development by Sellers as of the Closing Date, in each case upon the terms and subject to the conditions contained in the Purchase Agreement (the “Acquisition”). The Company funded the cash portion of the purchase price with cash on hand.

The Purchase Agreement contains customary representations, warranties, covenants and indemnification obligations of the parties as set forth therein. Sellers and the principal Equityholders of Sellers have agreed to certain customary noncompetition, nonsolicitation and non-disparagement covenants for a period of five years after the Closing Date.

Item 7.01 Regulation FD Disclosure.

On October 3, 2011, the Company issued a press release regarding the Acquisition. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

In connection with the Acquisition, the Company is holding a public conference call and webcast at 8:30 a.m. Eastern Time on October 4, 2011, during which the Company will provide a presentation regarding the Acquisition. A copy of the presentation is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

The information disclosed in this Item 7.01, including Exhibits 99.1 and 99.2 hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference into any filing made under the Securities Act of 1933, except as expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release of Generac Holdings Inc. issued October 3, 2011
99.2	Presentation of Generac Holdings Inc. dated October 4, 2011

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

October 3, 2011

GENERAC HOLDINGS INC.

/s/ York A. Ragen

By: York A. Ragen
Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release of Generac Holdings Inc. issued October 3, 2011
99.2	Presentation of Generac Holdings Inc. dated October 4, 2011

For Investor Inquiries:
York Ragen, Chief Financial Officer
Generac Holdings Inc.

262-506-6064

Generac Acquires Magnum Products Business

Acquisition of leading light tower and mobile generator manufacturer broadens commercial & industrial product offering, expands distribution channels and end markets

WAUKESHA, WISCONSIN, (October 3, 2011) – Generac Holdings Inc. (NYSE: GNRC), a leading designer and manufacturer of back-up power generation products, announced today that one of its subsidiaries has acquired substantially all of the assets and certain liabilities of Magnum Products, LLC and its affiliates (collectively, Magnum Products) for \$80 million in cash and a modest earn-out based on future performance of a particular product line currently in development. The execution of a definitive agreement and the closing of the transaction occurred on October 3, 2011.

Headquartered in Berlin, Wisconsin with 330 employees, Magnum Products is a leading manufacturer of high-quality light towers with an estimated 35% market share, and holds a strong and growing share in the mobile generator market. Its products are sold predominantly to industrial rental yards and government channels. With over 20 years of experience, Magnum Products is a trusted supplier to numerous end markets, including road construction, commercial construction, energy, mining, and the military. For the twelve months ended June 30, 2011, the Magnum Products business generated unaudited revenues of approximately \$108 million and adjusted EBITDA of \$14 million.

“Magnum Products is an excellent strategic fit for our business, bringing new products and incremental revenue opportunities to our commercial and industrial product offering, while also expanding the channels and end markets where we distribute our products,” said Aaron Jagdfeld, President and Chief Executive Officer of Generac. “The acquisition of Magnum Products is directly in line with our long-term “Powering Ahead” strategy as it helps to expand our industrial market share, diversifies our end markets, and helps us grow our business outside of North America. Further, this acquisition allows us to balance our product portfolio as it increases our commercial and industrial product sales mix.” Jagdfeld continued, “We have been disciplined with the use of our corporate cash having paid down nearly \$100 million of debt over the last 12 months. In this acquisition, we saw an opportunity to use cash on our balance sheet to drive an even stronger return for our shareholders.”

The Magnum Products business was principally owned by Tom Joseph, founder and Chairman of the company. Mr. Joseph will retire from the company following the announced acquisition. Commenting on the transaction, Mr. Joseph stated, “I am very pleased that Magnum Products will become part of a true market leader like Generac. Both companies do a tremendous job serving their respective end markets and the combination of them will be very powerful. I see a bright future for Magnum Products and Generac, and expect Magnum’s strong leadership team to execute a seamless transition under Generac’s ownership.” Magnum Products will continue to operate out of its existing manufacturing facility in Berlin, Wisconsin and Generac intends to maintain the Magnum brand separately, given the company’s strong reputation in the markets that it serves.

Generac expects the transaction to be immediately accretive to earnings in the fourth quarter of 2011, with the opportunity for additional accretion thereafter based on anticipated cost synergies. Based on current assumptions, the acquisition should add approximately \$25-\$30 million in revenue and \$0.03-\$0.04 in adjusted earnings per share in the fourth quarter of 2011, excluding approximately \$1 million in transaction costs. Future cost synergies are targeted to total approximately \$2 million on an annual basis, and are expected to be phased in throughout fiscal 2012.

Jagdfeld concluded, "The Magnum brand is highly regarded by its customers and stands for exceptional quality and customer service. We are very excited about the incremental revenue opportunities that we believe we can achieve through the combined efforts of Magnum's sales and engineering groups and those of our own. Additionally, we see meaningful opportunities for improved operating performance for the Magnum business by leveraging Generac's global sourcing and vertical manufacturing capabilities. Overall, we believe that the cultures and core values of the two organizations fit well together, and we look forward to achieving great things together."

Conference Call and Webcast

Generac management will hold a conference call at 8:30 a.m. EDT on October 4, 2011 to discuss the Magnum Products acquisition. The conference call can be accessed by dialing (866) 730-5768 (domestic) or +1 (857) 350-1592 (international) and entering passcode 69681163.

The conference call will also be webcast simultaneously on Generac's website (<http://www.generac.com>), under the Investor Relations link. The webcast link and supporting presentation will be made available on the Company's website prior to the start of the call.

Following the live webcast, a replay will be available on the Company's web site. A telephonic replay will also be available three hours after the call and can be accessed by dialing (888) 286-8010 (domestic) or +1 (617) 801-6888 (international) and entering passcode 85377032. The telephonic replay will be available for 30 days.

About Generac

Since 1959, Generac has been a leading designer and manufacturer of a wide range of backup power generation products serving residential, light commercial and industrial markets. Generac's power systems range in output from 800 watts to 9 megawatts and are available through a broad network of independent dealers, retailers and wholesalers.

About Magnum Products, LLC

Magnum Products, LLC is a supplier of powerful, high quality light towers, mobile generators, trash pumps, water trailers and combination power units for a variety of industries and specialties including construction, energy, mining, government, military, and special events. The Company's products have been distributed through international, national and regional equipment rental companies, equipment dealers and construction companies.

Forward-looking Information

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," "project," "plan," "intend," "believe," "confident," "may," "should," "can have," "likely," "future" 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:

- demand for Generac products;
- frequency of major power outages;
- availability and cost of quality raw materials and key components used in producing Generac products;
- the possibility that the expected synergies, efficiencies and cost savings of the acquisition of the Magnum Products business will not be realized, or will not be realized within the expected time period;
- the risk that the Magnum Products business will not be integrated successfully;
- competitive factors in the industry in which Generac operates;
- Generac's dependence on its distribution network;
- Generac's ability to invest in, develop or adapt to changing technologies and manufacturing techniques;
- Generac's ability to adjust to operating as a public company;
- loss of key management and employees;
- increase in liability claims; 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, or SEC.

Any forward-looking statement made by Generac in this press release speaks only as of the date on which it is made. Generac undertakes no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

Non-GAAP Financial Measures

Adjusted EBITDA

The computation of Adjusted EBITDA is based on the definition of EBITDA contained in Generac's credit agreement, dated as of November 10, 2006. Included in Generac's earnings releases, to supplement the Company's financial results presented in accordance with US GAAP, Generac provides a reconciliation to show the computation of Adjusted EBITDA, taking into account certain charges and gains that were taken during the periods presented. Transaction costs, amortization of definite-lived intangible assets and the write-up of inventory basis all related to the Magnum Products transaction will be included in the Adjusted EBITDA reconciliation and added back for Adjusted EBITDA purposes.

Adjusted Earnings Per Share

To further supplement Generac's financial results presented in accordance with US GAAP, the Company provides a reconciliation to show the computation of Adjusted Net Income and Adjusted Earnings Per Share in its earnings releases. Adjusted net income is defined as Net income before provision (benefit) for income taxes adjusted for the following items: cash income tax (expense) benefit, amortization of intangible assets, amortization of deferred loan costs related to the Company's debt, intangible impairment charges, and certain non-cash gains. Transaction costs, amortization of definite-lived intangible assets and the write-up of inventory basis all related to the Magnum Products transaction will be included in the Adjusted Net Income reconciliation and added back for Adjusted Net Income purposes.

The presentation of this additional information is not meant to be considered in isolation of, or as a substitute for, results prepared in accordance with US GAAP. Please see our earnings releases and SEC filings for additional discussion of the basis for Generac's reporting of Non-GAAP financial measures.

**Generac company news is available
24 hours a day, on-line at: <http://www.generac.com>.**

SOURCE Generac Holdings Inc.

Acquisition of Magnum Products

Conference Call

Aaron Jagdfeld
President & Chief Executive Officer

York Ragen
Chief Financial Officer

October 4, 2011



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," "project," "plan," "intend," "believe," "confident," "may," "should," "can have," "likely," "future" 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: demand for Generac products; frequency of major power outages; availability of raw materials and key components used in producing Generac products; the possibility that the expected synergies, efficiencies and cost savings of the acquisition of the Magnum Products business will not be realized, or will not be realized within the expected time period; the risk that the Magnum Products business will not be integrated successfully; competitive factors in the industry in which Generac operates; Generac's dependence on the Company's distribution network; Generac's ability to invest in, develop or adapt to changing technologies and manufacturing techniques; Generac's ability to adjust to operating as a public company; loss of key management and employees; increase in liability claims; 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. 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.

Magnum Business Overview



Fast Facts

- Founded in 1988
- Headquartered in Berlin, WI with 330 employees and over 200,000 square feet in manufacturing & distribution space
- Leading manufacturer of light towers, mobile generators and pumps sold to rental centers, independent dealers and government agencies
- Strong customer relationships and brand reputation built on superior customer service and support
- Lean operating culture capable of responding quickly to customer and market opportunities
- Unaudited revenues of \$108 million and adjusted EBITDA of \$14 million in LTM period June 30, 2011



Magnum Family of Light Towers



Magnum MMG55 49 kW Mobile Diesel Generator



Magnum MMG55FH Flip Hood 52 kW Mobile Diesel Generator



Magnum MLG20 Diesel Generator



MTP 4000D Dry Prime Pump

Access to Incremental Distribution and End Markets

- Construction

- Energy

- Government / Military



Supporting the “Powering Ahead” Strategy

Acquisition of Magnum Products supports three of the four key objectives from our “Powering Ahead” strategic plan



	Powering Ahead Objective	Strategic Goal	Magnum’s Impact
✓	Grow Industrial Market Share	Broaden industrial product offering; target new end-markets	Provides incremental access to new industrial distribution channels and end markets
✓	Diversify Demand with New Products & End Markets	Greater percentage of net sales from new power products	Adds light towers, mobile generators and pumps to product portfolio
✓	Enter New Geographies	Penetrate new markets and geographies	Adds certain product design expertise well suited for international markets

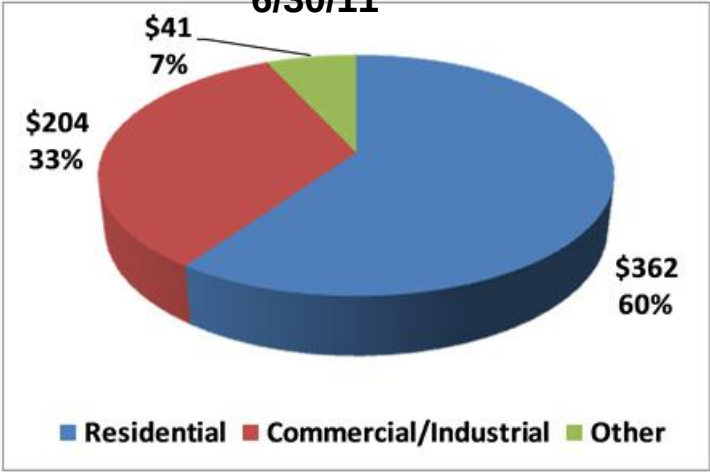
Strategic Rationale for Acquiring Magnum

- § **Broadens Generac's Industrial product offering and strengthens position in power equipment markets**
 - Incremental product offering for Generac's distribution
- § **Adds new sales channels and end markets including industrial rental yards, road and commercial construction, energy, and government / military end markets (GSA)**
- § **Leverages Generac's global sourcing & vertical manufacturing capabilities**
- § **Adds "prime" equipment expertise - design, manufacture & service**
 - Supports potential domestic & international growth in non-standby applications
- § **Attractive ROI and strong utilization of current cash position**

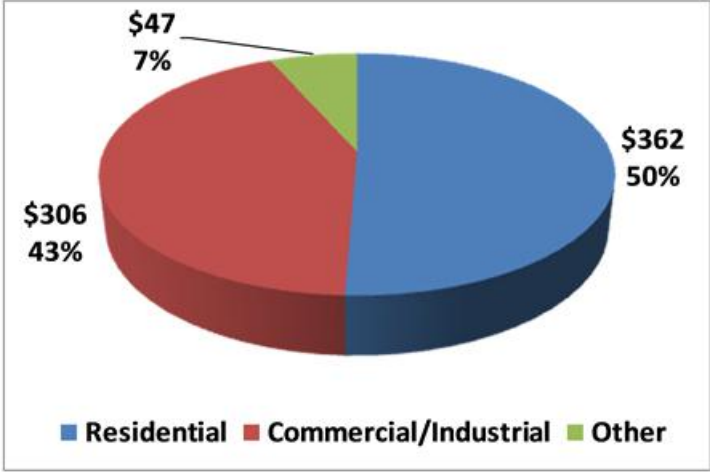
Balances Sales Mix between Residential and C&I

Generac Sales by Product Class

Generac (Stand Alone) LTM
6/30/11



Pro Forma LTM 6/30/11



Integration & Key Opportunities

OPPORTUNITIES

- § Revenue synergies as a result of significant opportunities to leverage each companies' respective sales channels and cross-sell products
- § Cost synergies will be phased in beginning in fiscal 2012 with future cost synergies expected to be approximately \$2 million annually on a run-rate basis, starting 2013
 - Primarily based on material synergies from leveraging Generac's global supply chain and vertical manufacturing capabilities
 - Overlap of major cost components between Magnum and Generac industrial products

INTEGRATION

- § Magnum will continue to operate its existing manufacturing facility in Berlin, Wisconsin
- § Will maintain Magnum's brands and sales force given company's strong reputation in its markets
- § Experienced integration team consisting of members of both companies created and focused on execution of detailed integration plan for first twelve months

Transaction Overview

TRANSACTION VALUE

- § Approximately \$80 million; subject to customary, post-close working capital adjustment
- § Modest earn-out based on future performance of a certain product line currently in development

FINANCING

- § Cash on hand

STRUCTURE

- § Transaction structured as an asset purchase
- § Expected to create additional tax shield

Financial Impact

Pro Forma 4Q'11 Revenue Impact

- Between \$25-30 million

Pro Forma 4Q'11 Adjusted EPS Impact

- Between \$0.03-\$0.04 per share, excluding ~ \$1mm in transaction costs

Cost Synergies (excludes revenue synergies)

- Begins in 2012, and should be complete during 2013
- Approximately \$2 million annually on a run-rate basis

Leverage

- Pro-forma leverage as of 6/30/11 w/ credit agreement cost synergies – 3.7... nearly leverage neutral

Non-GAAP Financial Measures

Adjusted EBITDA

The computation of Adjusted EBITDA is based on the definition of EBITDA contained in Generac's credit agreement, dated as of November 10, 2006. Included in Generac's earnings releases, to supplement the Company's financial results presented in accordance with US GAAP, Generac provides a reconciliation to show the computation of Adjusted EBITDA, taking into account certain charges and gains that were taken during the periods presented. Transaction costs, amortization of definite-lived intangible assets and the write-up of inventory basis all related to the Magnum Products transaction will be included in the Adjusted EBITDA reconciliation and added back for Adjusted EBITDA purposes.

Adjusted Earnings Per Share

To further supplement Generac's financial results presented in accordance with US GAAP, the Company provides a reconciliation to show the computation of Adjusted Net Income and Adjusted Earnings Per Share in its earnings releases. Adjusted net income is defined as Net income before provision (benefit) for income taxes adjusted for the following items: cash income tax (expense) benefit, amortization of intangible assets, amortization of deferred loan costs related to the Company's debt, intangible impairment charges, and certain non-cash gains. Transaction costs, amortization of definite-lived intangible assets and the write-up of inventory basis all related to the Magnum Products transaction will be included in the Adjusted Net Income reconciliation and added back for Adjusted Net Income purposes.

The presentation of this additional information is not meant to be considered in isolation of, or as a substitute for, results prepared in accordance with US GAAP. Please see our earnings releases and SEC filings for additional discussion of the basis for Generac's reporting of Non-GAAP financial

¹¹ measures.

