GENERAC

Baird Industrial Conference

November 11, 2014

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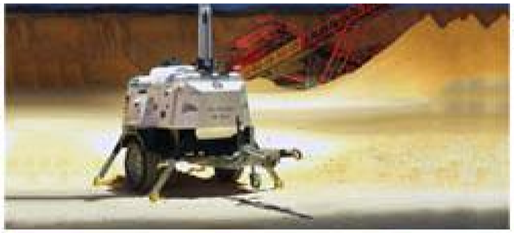


Forward Looking Statements

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: demand for Generac products; frequency and duration of power outages; 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; 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; 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; loss of key management and employees; increase in product and other liability claims; and changes in environmental, health and safety laws and regulations.

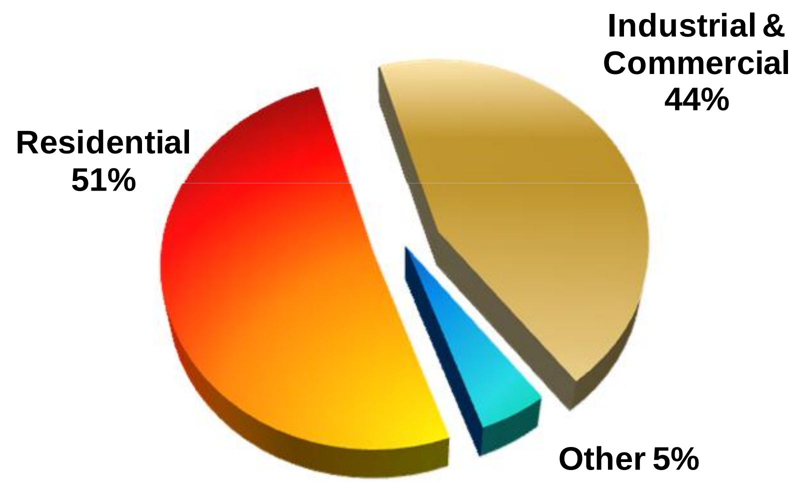
Should one or more of these risks or uncertainties materialize, Generac's actual results may vary in material respects from those projected in any forward-looking statements. A detailed discussion of these and other factors that may affect future results is contained in Generac's filings with the Securities and Exchange Commission ("SEC"), particularly in the Risk Factors section of our 2013 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.

Generac Business Overview

About Generac

- Founded in 1959
- A leading designer and manufacturer of a wide range of **power generation equipment** and **other engine powered products** serving residential, light commercial, industrial, oil & gas, and construction markets.
- Products are **available globally through a broad network** of independent dealers, retailers, wholesalers and equipment rental companies, as well as sold direct to certain end users.
- Products marketed and distributed primarily under the **Generac, Magnum, Ottomotores, Tower Light, Powermate and MAC** brands.
- Approximately 3,400 employees as of 12/31/2013
- Approximately **2.1 million ft^2** of manufacturing and distribution capacity located in **Wisconsin, North Dakota, Mexico, Italy, UK and Brazil.**

9/30/14 LTM Sales: $1.433 billion



Major Long-Term Growth Themes

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Residential Backup Power

- Key drivers: aging and underinvested grid, favorable demographics, increasing power outages
- Low penetration (~3%) within emerging product category of home standby (HSB) generators
- ~ 75% share of domestic HSB market with significant barriers to entry
- Leading position in portable generators further enhances brand awareness

Commercial & Industrial Generators

- Natural gas generators gaining share vs. diesel in the U.S. and Canada
- Low penetration within emerging “Optional” standby market
- Growing importance of backup power for critical telecommunications infrastructure
- Recently expanded product offering significantly increases addressable market

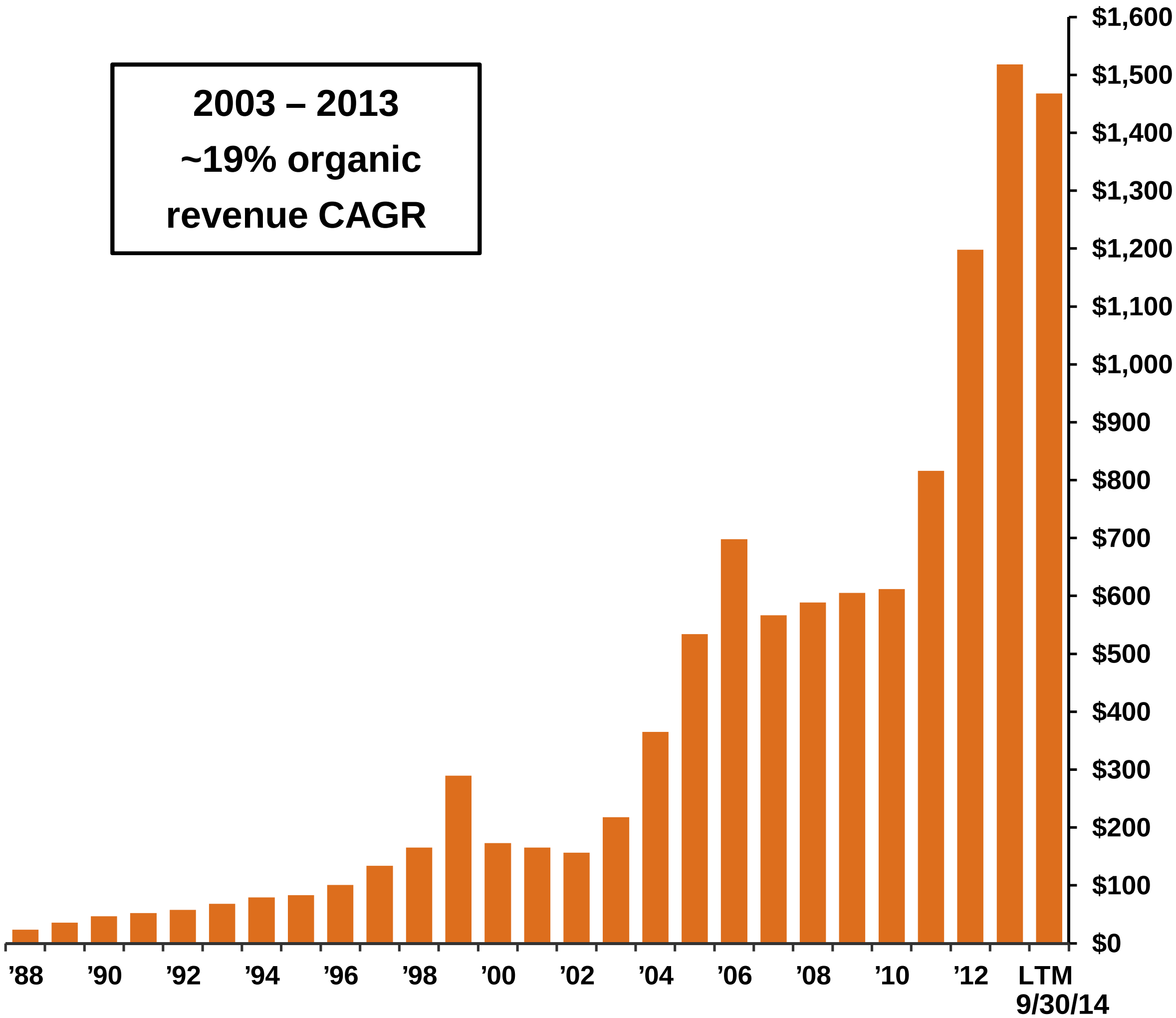
Mobile Products

- Mobile products platform benefitting from secular shift toward renting of mobile equipment
- Acquisitions in recent years provide new access to opportunity in oil & gas market
- Regulatory environment increasing demand for gaseous fueled generators that run on well gas

International Expansion and Diversification

- Future acquisitions may provide opportunity to accelerate expansion into other regions of the world
- Entry into other “engine-powered” adjacent product categories

Track Record of Innovation & Growth



History of Innovation Driving Organic Growth

- Commercialized affordable home standby generators and light-commercial generators
- Differentiated distribution model
- Over 250 engineers on staff as of 12/31/13, ~ 100 U.S. and international patents and patent applications
- Natural gas and Bi-Fuel™ expertise
- Modular Power System (MPS) approach for industrial applications
- A.M.P.™ targeted marketing process and PowerPlay™ in-home selling solution for home standby generators
- Continued focus on new product introductions

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 – 2014; see slide titled “Summary of Acquisitions” for further details.

Broad Product Offering

Residential Products

Product	End Markets Served
Power Washers	Light to medium duty use - mainly by consumers
Inverter Generators	Recreation and other light duty power uses
Portable Generators & Manual Transfer Switches	Emergency home backup, construction uses
Air-cooled Home Standby Generators	Emergency backup – small to medium homes
Liquid-cooled Home Standby Generators	Emergency backup – larger homes & small businesses

Industrial Products

Product	End Markets Served
Light Towers, Mobile Generators & Heaters	Temporary lighting, power and heating for construction, energy and other – rental equipment co's a key channel
Larger kW & Container Gensets	Prime & emergency backup – regulated markets
Larger kW & Container Gensets	Prime & emergency backup – non-regulated markets
Commercial Stationary Generators	Emergency backup – small to mid-sized retail, telecom, municipal
Industrial Stationary Generators	Emergency backup – large healthcare, telecom, municipal, manufacturing

Summary of Acquisitions

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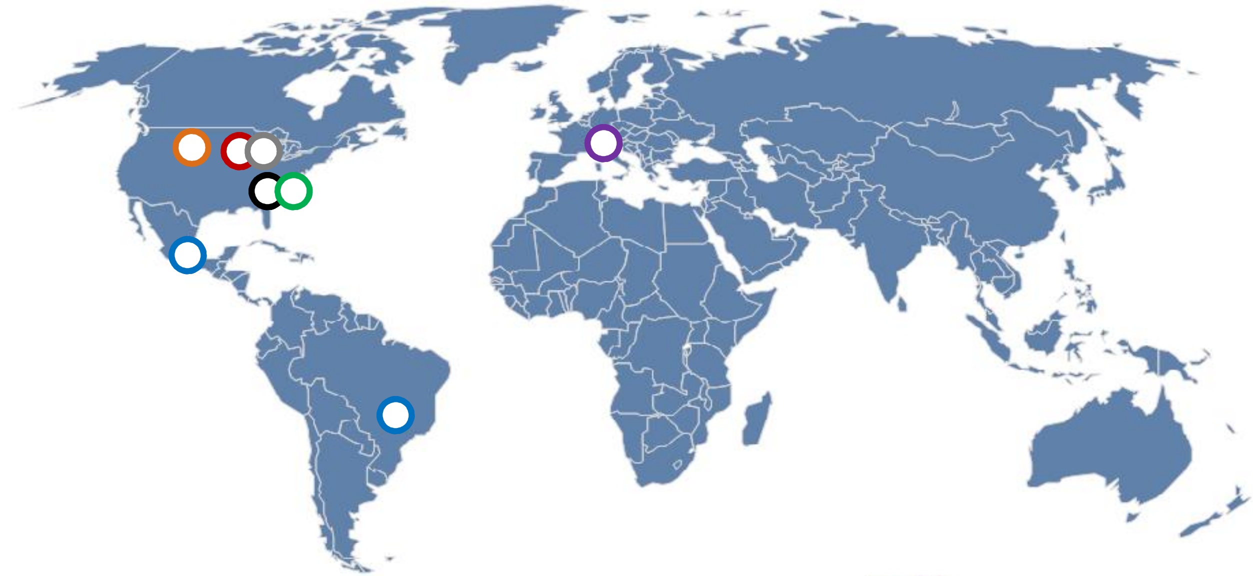

Revenue synergies

- ✓ 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

Oct 2011

MAGNUM POWER PRODUCTS
Mobile products including light towers, mobile generators and pumps
Berlin, WI

Feb 2012

GEN-TRAN
Manual transfer switches for portable generators
Alpharetta, GA

Dec 2012

OTTOMOTORES
Larger kW and container gensets for Latin America market
Mexico City, Mexico & Curitiba, Brazil

Aug 2013

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

Nov 2013

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

Sep 2014

PRAMAC AMERICA
Expands portable generator offerings for consumer value and premium contractor categories
Marietta, GA

Oct 2014

MAC
Expands mobile products platform with addition of commercial and industrial heaters
Bismarck, ND

Powerful Macro Trends Drive
Home Standby Penetration Opportunity

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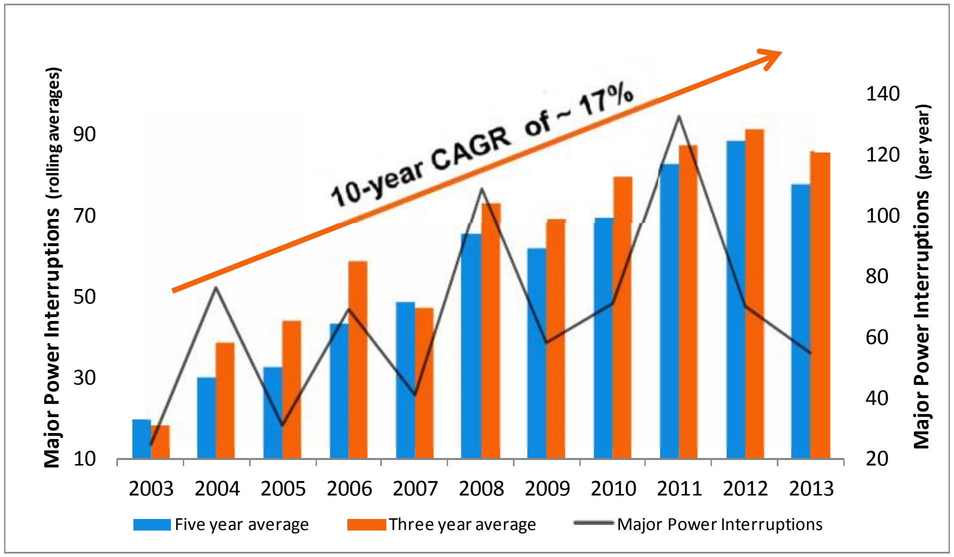
Aging Grid Driving Power Interruptions(1)

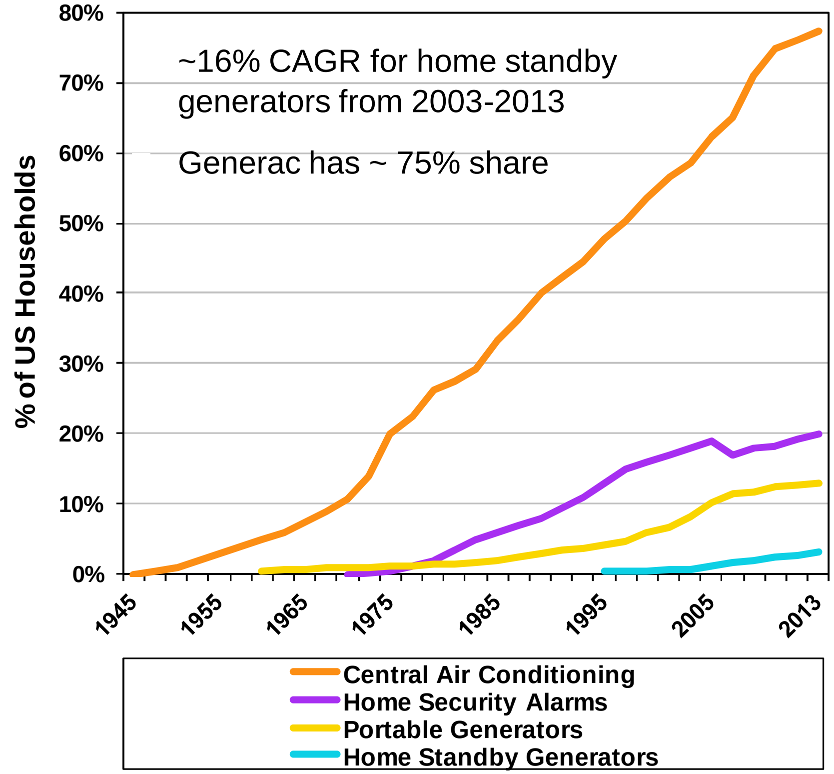


- 30–50% of T&D network in the U.S. is 40–50 years old
- Undergrounding the grid would cost up to $4.0 trillion(2)

Aging Population Fits Demographic(3)

- 75-80% of buyers age 50 and older
- 45-50% of homes valued under $300k
- 85% retro-fit application

North American Penetration Opportunity(4)



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

(1) Source: U.S. Energy Information Administration. Interruptions measured as affecting more than 50,000 customers and comparing to three and five-year rolling averages.
(2) At $1mm/mile (3) Source: Company warranty registration data (4) Source: Management estimates

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Secular Penetration Opportunities
Commercial and Industrial

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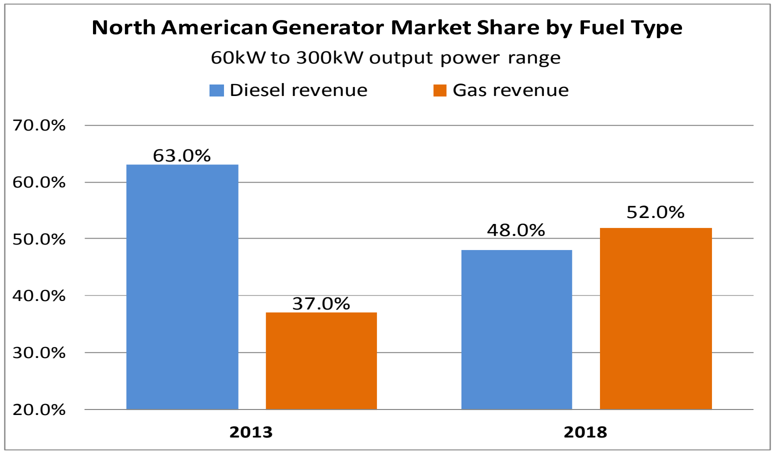
Natural Gas vs. Diesel Market Growth



Source: Frost & Sullivan, Generac estimates

- **Nat gas gensets up to 35% less expensive**
- **Lower operating costs than diesel - leading to improved ROI**

Light Commercial/Retail Opportunity

"Optional" Standby Customers




- **Over 14 million buildings in U.S. with very low penetration**
- **Increasing level of outages driving the need for backup power**

Wireless Communications Infrastructure

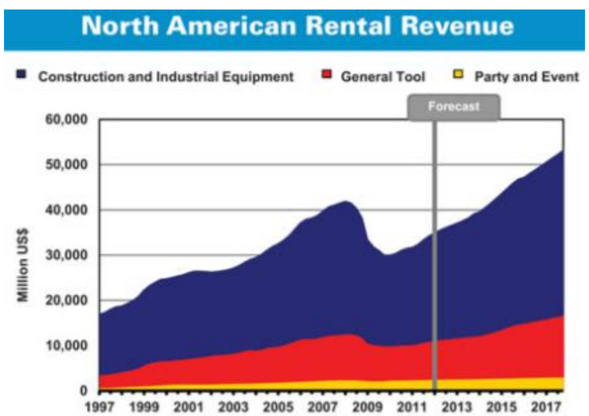

- **~ 300,000 cell tower sites in U.S. with only 30-35% penetration**
- **Providers facing increasing competitive/regulatory pressures to harden networks**

Secular Penetration Opportunities
Commercial and Industrial (cont'd)

Oil & Gas Infrastructure

- New access to the oil & gas market through acquisitions in recent years
- Potential long term up-cycle driven by increase in "shale" oil and gas production
- Regulatory environment regarding flaring of natural gas driving demand for gaseous-fueled generators
- Secular opportunity for mobile power equipment including light towers, generators, heaters and other support equipment that are essential to drilling and production sites

Mobile Equipment - Rental vs. Buy



- Overall industry projected to grow at ~ 9% CAGR from 2013-17
- Construction and industrial projected to grow at a similar level

Source: ARA Rental Market Monitor, IHS Global Insight - December 2013 forecast

Differentiated Distribution Model

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Residential & Light Commercial Distribution:

= ~ 5,100 Res/Comm Dealers

Commercial & Industrial Distribution (legacy Generac):

= ~ 135 Industrial Dealer and GAIN Dealer Locations

- Res/Comm Dealers
- National Retailers
- Catalog and E-Commerce
- Wholesalers
- Private Label Partners

- Industrial Dealers
- National Accounts
- Equipment Rental Yards
- Oil and Gas Accounts
- Gov't and Military

Established and diverse distribution model = growth driver & competitive advantage

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Innovative Sales and Marketing Tools

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Finding the most "likely" prospect

- **A.M.P.™** targeted marketing process"
- **Advanced** data analytics

Driving optimized media selection

- **"Power You Control"** and **"Just A Drop"** national TV ad campaigns
- Direct mail, telemarketing, etc.

Improving close rates

- **PowerPlay™** in-home selling solution
- **IHC University** sales training


PowerPlay


Consultative Back-Up Power Plan


NEC Approved Technical Generator Sizing


Customized Good-Better-Best Proposal


Customized Financing Proposal

Scheduling in-home consultations (IHC)

- **Generac Lead Team** qualifies sales prospects

"Powering Ahead" Strategic Plan

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Grow Residential Standby Generator Market

- Increase awareness, availability and affordability
- Further optimize innovative sales and marketing techniques
- Grow residential dealer base
- Continued focus on product expansion and innovation

Gain Industrial Market Share

- Leverage expanded diesel product offering
- Specialized expertise in natural gas engines and generators
- Upgrade and expand distribution
- Build relationships with specifying engineers
- Increase awareness in "optional" standby power market

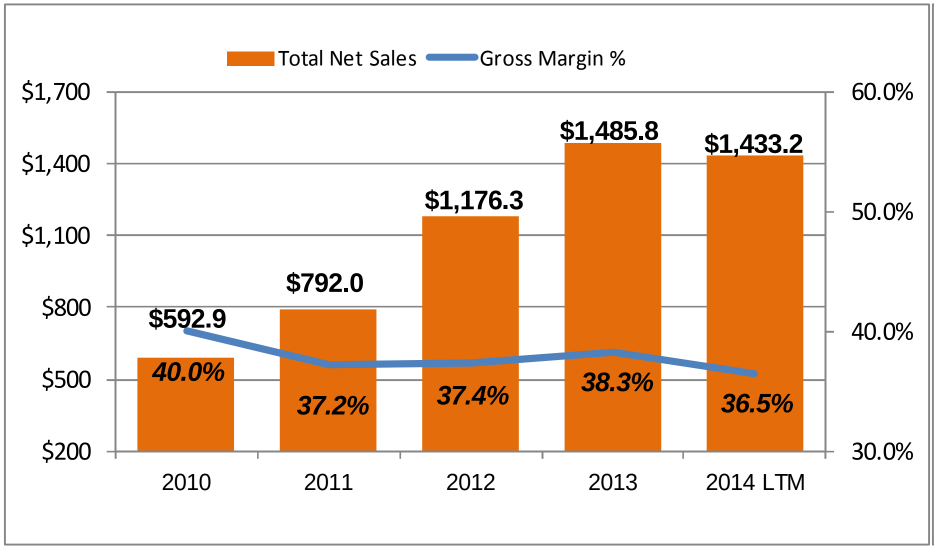
Diversify End Markets with new products and services

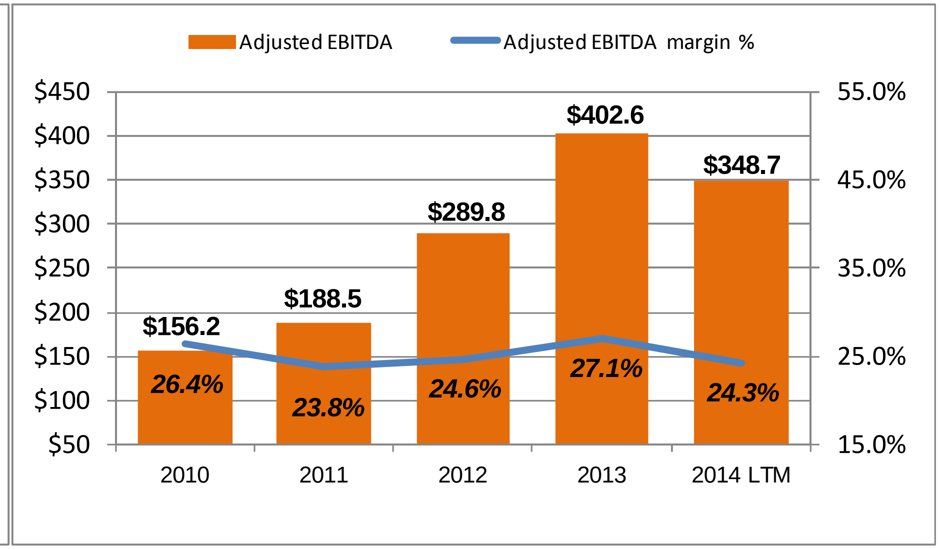
- Leverage brand, distribution and supply chain
- Organic expansion through innovation
- Evaluate other adjacent engine powered products through acquisitions

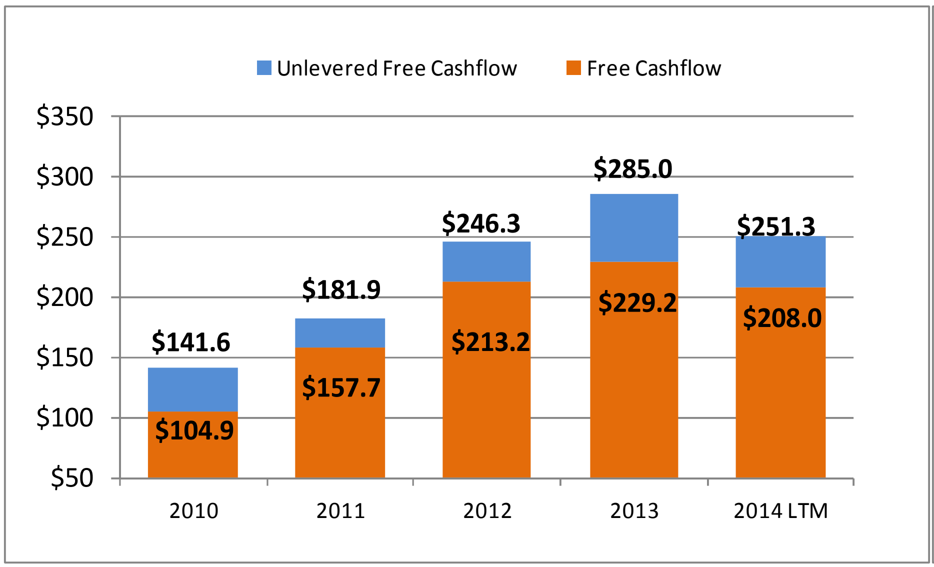
Enter New Geographies

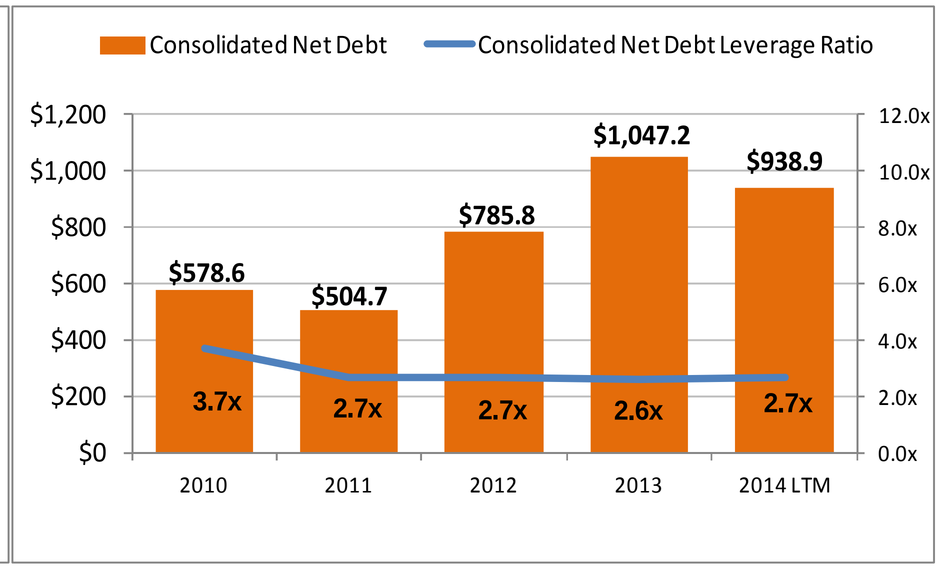
- Leverage Ottomotores and Tower Light acquisitions
- Drive growth in int'l markets with additional investment and focus
- Evaluate additional regions for future expansion through organic growth and acquisitions

Financial Summary



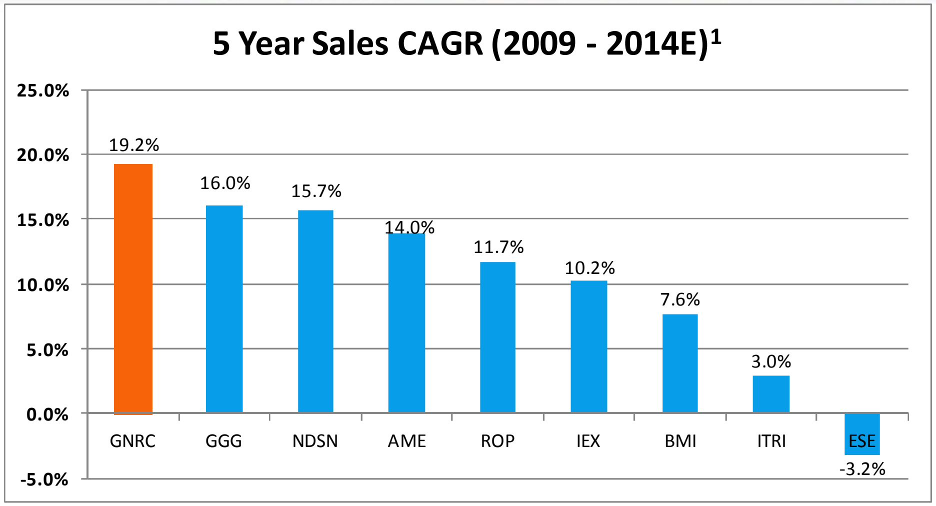


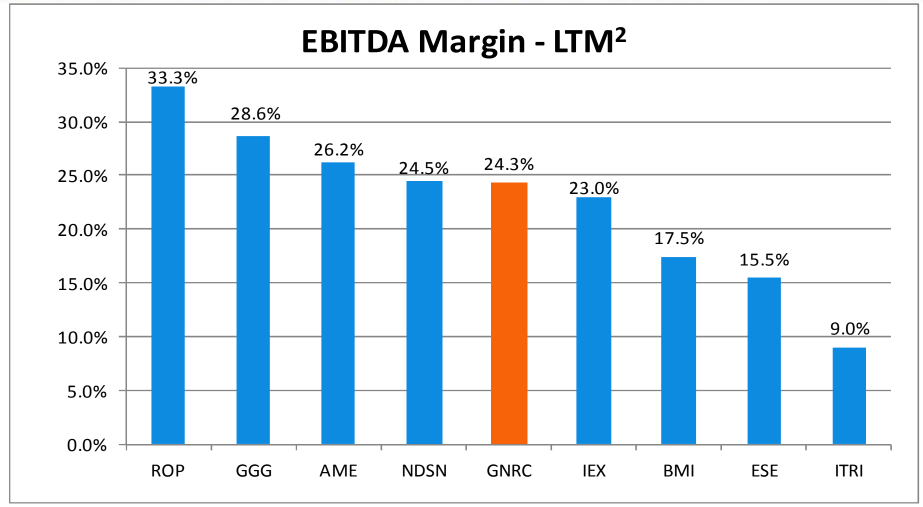


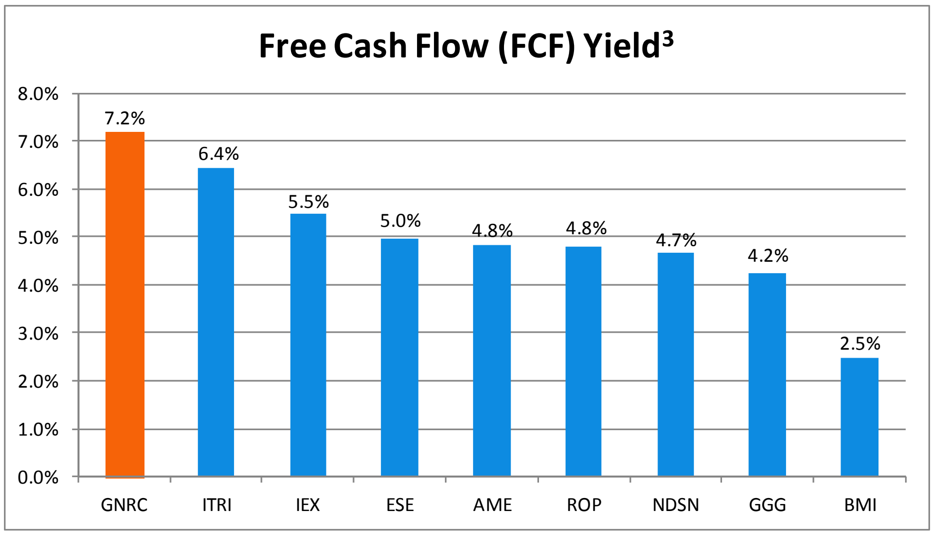


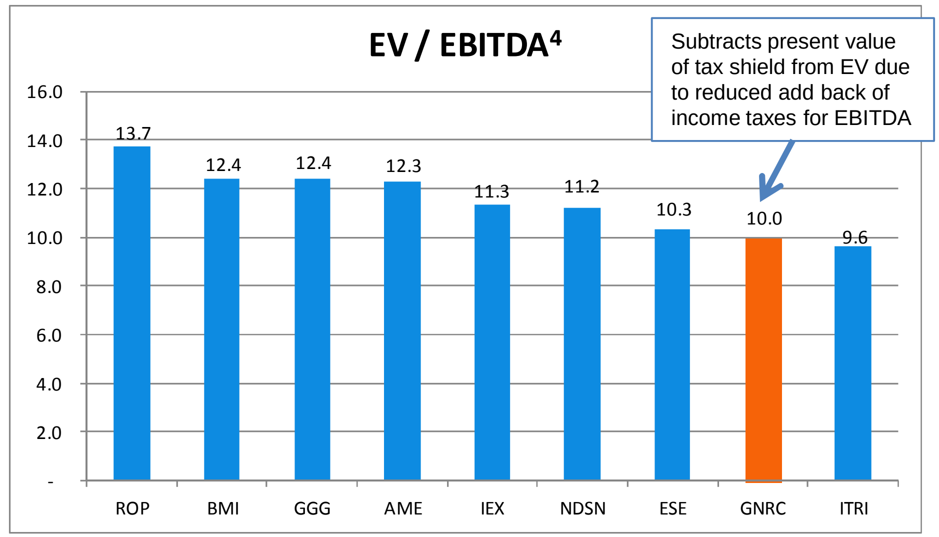
Note: Unlevered free cash flow = free cash flow plus cash interest expense.

Relative Performance
Compared with Industrial Technology Peers









Source: Thomson One, Company Filings Note: Charts for Free Cash Flow Yield and Enterprise Value / NTM EBITDA use closing share prices as of November 6, 2014.
(1) Figures represent a five-year compound annual growth rate calculated by comparing the base year 2009 to the analyst consensus revenue forecast for 2014 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. Figure for GNRC determined by subtracting the value of the tax shield in determining enterprise value.

2014 Business Outlook

As reported on November 6, 2014

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Net sales: decline mid-single digit range vs. a strong 2013

- **Organic sales growth:** ***approximately flat*** when excluding $140 million residential products benefit in 1H 2013 from extended lead times
- **Acquisition growth:** adds ~ 7% growth
- Holding new and higher baseline following robust organic growth during 2011-2013 (three-year CAGR > 25%)

Adjusted EBITDA: 2014 margins expected to remain attractive in the ***low-to-mid-20% range***

Cash income taxes:

- **Cash tax rate for full-year 2014:** anticipated to be ***approximately 14%*** of pretax income
- **Cash taxes going forward: ~ *36% tax rate*** on incremental pre-tax profits ***less ~ $49 million*** annual tax shield

Free cash flow: expected to remain strong given attractive margin profile, low cost debt, favorable tax attributes and capital-efficient operating model

Financial Policy

Priority Uses of Capital

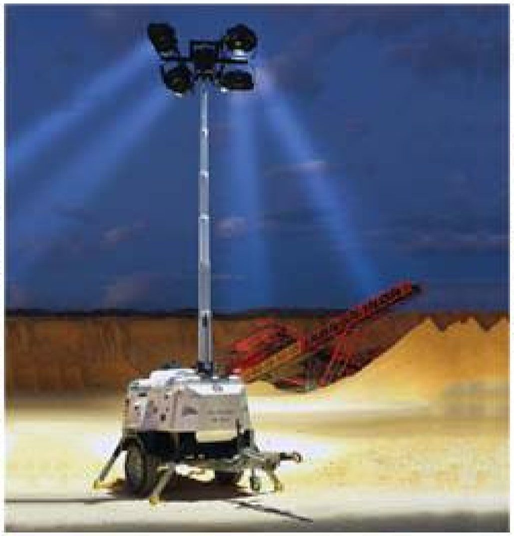
		Historical	Expected
1	**Continue to invest in business**	~ 10% CAGR organic revenue over past 2 years	▪ Support market-driven R&D ▪ Invest in high-ROI capital spending projects and capacity expansion ▪ Capex consistently only ~ 2% of sales
2	**Publicly-stated net leverage target of 2-3X EBITDA** (while meeting Excess Cash Flow payment requirements per Credit Agreement)	▪ 2.7X at end of Q3 2014	▪ Comfortable with current leverage metrics at current cost of TLB debt of 3.25% ▪ Higher priority on debt paydown **IF** interest rates rise (current LIBOR floor of 0.75%) and/or net leverage ratio exceeds 3.0X ▪ Maintain strong liquidity profile
3	**Explore acquisitions for external growth**	▪ Seven acquisitions completed between Q4 2011 and Q4 2014	▪ Seek high-synergy acquisitions in line with Powering Ahead strategy
4	**Return of capital to shareholders**	▪ Special dividends issued in Q2 2012 and Q2 2013	▪ As future cash flow permits, may consider further return of capital to shareholders

Generac (GNRC)
Investment Highlights

Best in class organic revenue growth	■ **Nearly 20% CAGR** in organic revenue over the last 10 years ■ Low penetration in key markets, especially home standby market at only ~3.0% penetrated with **every 1% increase representing ~ $2 billion market opportunity** ■ **Key macro drivers:** aging and underinvested grid; favorable demographics; increasing number of power disruptions; increasing reliance on uninterrupted power and data; natural gas gensets gaining share vs. diesel
Market leader with significant barriers to entry	■ **~ 75% share** of domestic home standby market ■ Unmatched multi-channel distribution led by **over 5,100 residential & light commercial dealers** ■ Exclusive **focus** on power generation and engine powered products ■ Considerable **sourcing and manufacturing scale**
Superior financial profile	■ GMs consistently in the **high-30% range**, EBITDA margins in **low-to-mid-20% range** ■ Favorable tax structure worth an **estimated $3.75 to $4.75 per share** in present value tax savings ■ Strong track record of free cash flow conversion and de-levering balance sheet
Strong product, market and geographic expansion opportunities	■ Proven track record in completing **strategic acquisitions and introducing new products** ■ **Significant international market opportunity** – less than 10% of 2013 revenue outside of U.S. and Canada; 11% on a pro-forma basis with recent acquisitions

Leading "Industrial Technology" Company

Appendix



Favorable Tax Attributes

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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 by approx. $49 million per year through 2020

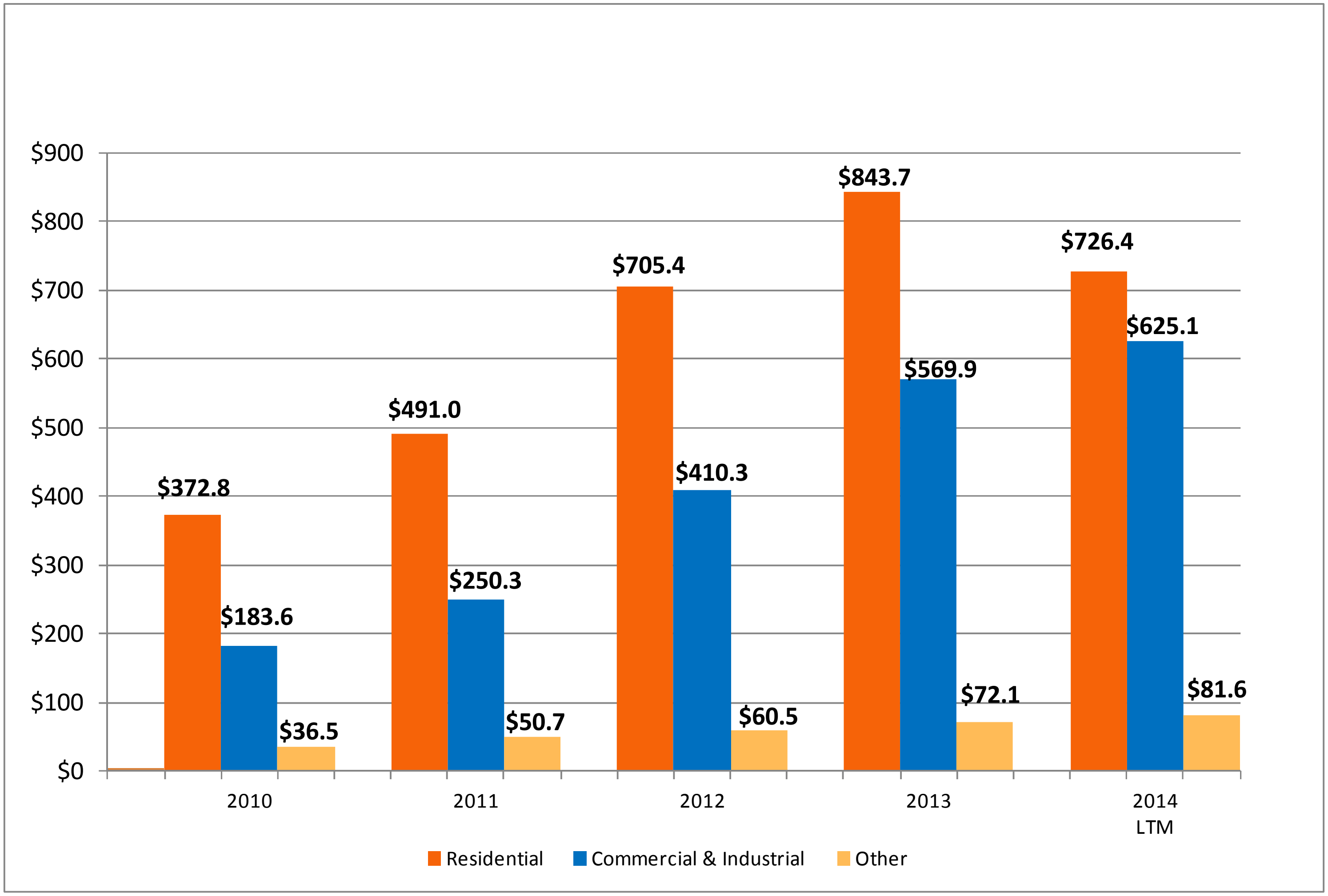
($ mm)	Total	2014	2015	2016	2017	2018	2019	2020	2021	2022+
Annual tax amortization	$1,023	$127	$127	$127	$127	$127	$127	$127	$107	$25
Cash tax savings(1)	**$394**	**$49**	**$49**	**$49**	**$49**	**$49**	**$49**	**$49**	**$41**	**$10**

Results in present value tax savings of ~ $260-320 million(2) or $3.75-$4.75 per share

(1) Assuming continued profitability and no limitations at an assumed 38.5% federal and state tax rate.
(2) Based on annual discount rate of between 5 and 10%

Net Sales by Product Class

($ in millions)



Figures include results from acquisitions completed during 2011 – 2014; see slide titled "Summary of Acquisitions" for further details.

Q3 2014 & LTM Financial Overview

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($ in millions)

	Actual Q3 2014	Y/Y % Change	Actual LTM Q3 2014	Y/Y % Change
Residential	$ 183.7	(4.7%)	$ 726.4	(15.6%)
Industrial	146.4	(3.4%)	625.1	19.6%
Other	22.1	16.2%	81.6	19.3%
Net Sales	$ 352.3	(3.0%)	$ 1,433.2	(1.3%)
Gross Profit	$ 130.3	(6.6%)	$ 523.5	(4.8%)
% Margin	37.0%		36.5%	
Adjusted EBITDA	**$ 83.1**	**(17.0%)**	**$ 348.7**	**(8.7%)**
% Margin	**23.6%**		**24.3%**	
Net Income (1)	$ 36.5	(22.5%)	$ 173.7	12.6%
Adjusted Net Income	$ 57.9	(21.5%)	$ 243.2	(14.6%)
Adjusted EPS	**$ 0.83**	**(21.6%)**	**$ 3.47**	**(15.0%)**
Free Cash Flow	$ 47.8	(37.6%)	$ 208.0	(12.7%)
Unlevered Free Cash Flow	$ 57.9	(29.2%)	$ 251.3	(15.7%)
Consolidated Net Debt			$ 938.9	(13.4%)
Consolidated Net Debt Leverage Ratio			2.7x	

(1) Q3 2014 and LTM period includes a $1.8 million loss on extinguishment of debt; LTM period also includes a $16.0 million pre-tax gain on change in contractual interest rate and a $4.9 million pre-tax gain on remeasurement of contingent consideration. Prior LTM period includes a $15.3 million loss on extinguishment of debt.

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Adjusted EBITDA Reconciliation

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($ in millions)

	2010	2011	2012	2013	2014 LTM
Reported net income	**$ 56.9**	**$ 324.6**	**$ 93.2**	**$ 174.5**	**$ 173.7**
Interest expense	27.4	23.7	49.1	54.4	47.4
Depreciation and amortization	59.4	56.1	54.2	36.8	35.0
Income taxes provision (benefit)	0.3	(237.7)	63.1	104.2	96.2
Non-cash write-down and other charges	(0.3)	10.4	0.2	0.1	(4.6)
Non-cash share-based compensation expense	6.4	8.6	10.8	12.4	12.3
Loss on extinguishment of debt	4.8	0.4	14.3	15.3	1.8
Gain on change in contractual interest rate	-	-	-	-	(16.0)
Transaction costs and credit facility fees	1.0	1.7	4.1	3.9	2.4
Other	0.4	0.5	0.7	1.0	0.4
Adjusted EBITDA	**$ 156.2**	**$ 188.5**	**$ 289.8**	**$ 402.6**	**$ 348.7**

Adjusted EBITDA Reconciliation

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($ in thousands)

Net income to Adjusted EBITDA reconciliation	**Three months ended September 30,**		**LTM Ended September 30,**	
	2014	**2013**	**2014**	**2013**
	(unaudited)		(unaudited)	
Net income	$ 36,497	$ 47,093	$ 173,741	$ 154,308
Interest expense	12,294	12,494	47,414	59,045
Depreciation and amortization	8,789	9,846	35,017	38,644
Income taxes provision	18,365	26,952	96,225	95,632
Non-cash write-down and other charges	1,099	(782)	(4,610)	423
Non-cash share-based compensation	3,200	3,279	12,300	12,230
Loss on extinguishment of debt	1,836	-	1,836	15,336
Gain on change in contractual interest rate	-	-	(16,014)	-
Transaction costs and credit facility fees	889	1,125	2,425	5,335
Other	91	61	403	1,141
Adjusted EBITDA	**$ 83,060**	**$ 100,068**	**$ 348,737**	**$ 382,094**

Adjusted Net Income
and Free Cash Flow Reconciliations

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($ in thousands)

Net income to Adjusted net income reconciliation

	Three Months Ended September 30,		LTM September 30,	
	2014	**2013**	**2014**	**2013**
	(unaudited)		(unaudited)	
Net income	$ 36,497	$ 47,093	$ 173,741	$ 154,308
Income taxes provision	18,365	26,952	96,225	95,632
Income before provision for income taxes	54,862	74,045	269,966	249,940
Amortization of intangible assets	5,277	7,003	22,007	28,498
Amortization of deferred financing costs and OID	1,824	1,220	6,070	4,791
Loss on extinguishment of debt	1,836	-	1,836	15,336
Gain on change in contractual interest rate	-	-	(16,014)	-
Transaction costs and credit facility fees	565	977	(3,446)	4,290
Adjusted net income before provision for income taxes	64,364	83,245	280,419	302,855
Cash income tax expense	(6,470)	(9,510)	(37,171)	(18,008)
Adjusted net income	**$ 57,894**	**$ 73,735**	**$ 243,248**	**$ 284,847**
Free Cash Flow Reconciliation				
Net cash provided by operating activities	$ 57,226	$ 80,895	$ 247,242	$ 261,583
Expenditures for property and equipment	(9,405)	(4,206)	(39,235)	(23,224)
Free cash flow	**$ 47,821**	**$ 76,689**	**$ 208,007**	**$ 238,359**
Cash interest	10,122	5,208	43,248	59,514
Unlevered free cash flow	**$ 57,943**	**$ 81,897**	**$ 251,255**	**$ 297,873**