

GENERAC®

INVESTOR PRESENTATION

MAY 2021



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

INVESTOR RELATIONS

GENERAC[®]

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PRESIDENT & CEO

York Ragen

CHIEF FINANCIAL OFFICER

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**VICE PRESIDENT –
CORPORATE DEVELOPMENT
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FORWARD LOOKING STATEMENTS

Certain statements contained in this news release, as well as other information provided from time to time by Generac Holdings Inc. or its employees, may contain forward looking statements that involve risks and uncertainties that could cause actual results to differ materially from those in the forward looking statements. Forward-looking statements give Generac's current expectations and projections relating to the Company's financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "anticipate," "estimate," "expect," "forecast," "project," "plan," "intend," "believe," "confident," "may," "should," "can have," "likely," "future," "optimistic" and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events.

Any such forward looking statements are not guarantees of performance or results, and involve risks, uncertainties (some of which are beyond the Company's control) and assumptions. Although Generac believes any forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect Generac's actual financial results and cause them to differ materially from those anticipated in any forward-looking statements, including:

- frequency and duration of power outages impacting demand for our products;
- availability, cost and quality of raw materials and key components from our global supply chain and labor needed in producing our products;
- the impact on our results of possible fluctuations in interest rates, foreign currency exchange rates, commodities, product mix and regulatory tariffs;
- the possibility that the expected synergies, efficiencies and cost savings of our acquisitions will not be realized, or will not be realized within the expected time period;
- the risk that our acquisitions will not be integrated successfully;
- 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

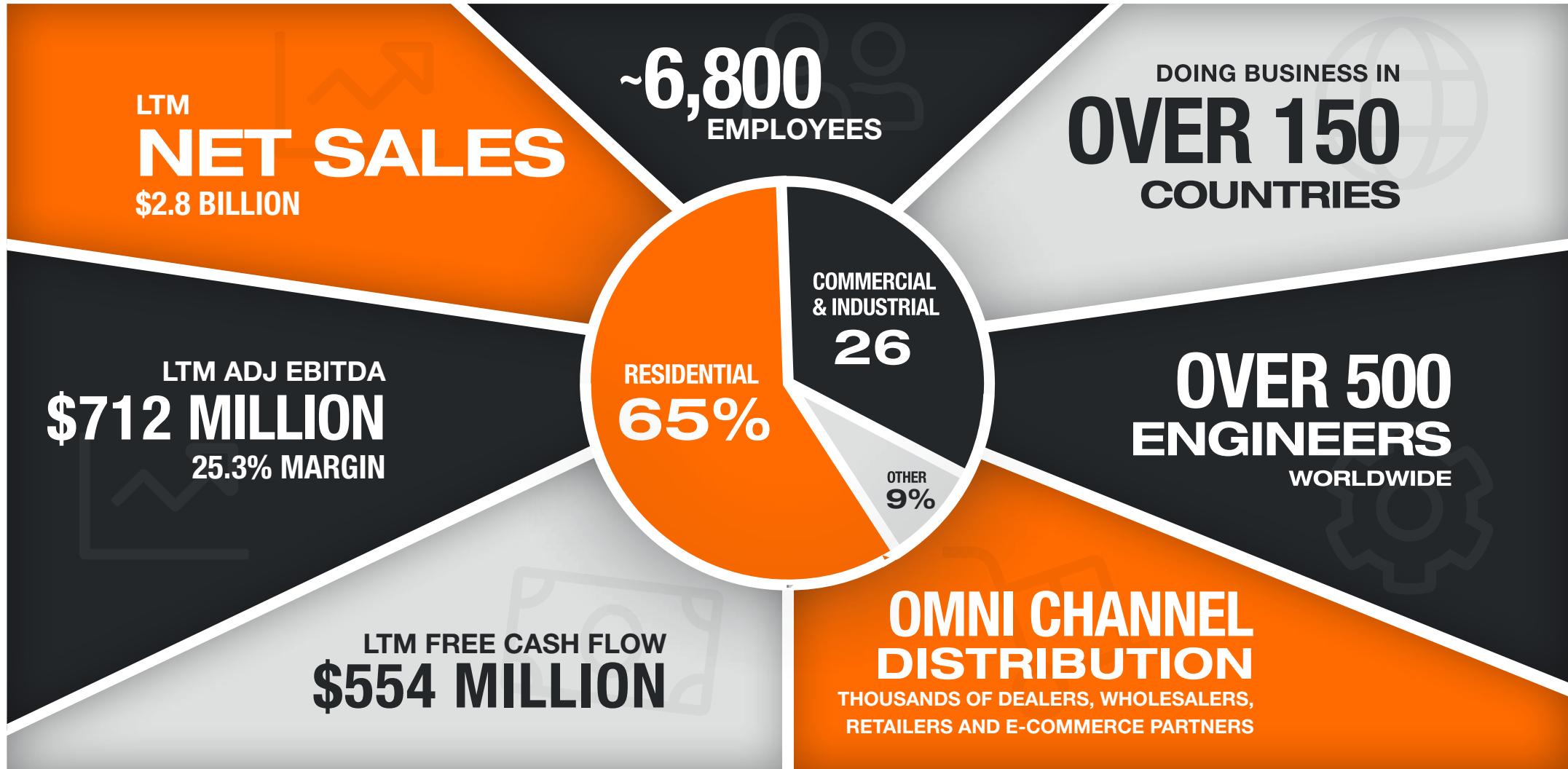
- changes in environmental, health and safety, or product compliance laws and regulations affecting our products, operations, or customer demand.

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.

GENERAC BY THE NUMBERS

GENERAC[®]



MEGA TRENDS

GENERAC®

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

Technology & regulation will create Clean Energy and Grid Services opportunities

Attitudes around global warming and climate change are changing

Expectation of more severe weather driving power outages

Natural Gas will be the fuel of the future

Huge supply & increasing demand for applications beyond standby power

Legacy infrastructure needs major investment cycle

Rebuilding of transportation, water & power will take decades

Telecommunications infrastructure shifting to next generation

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

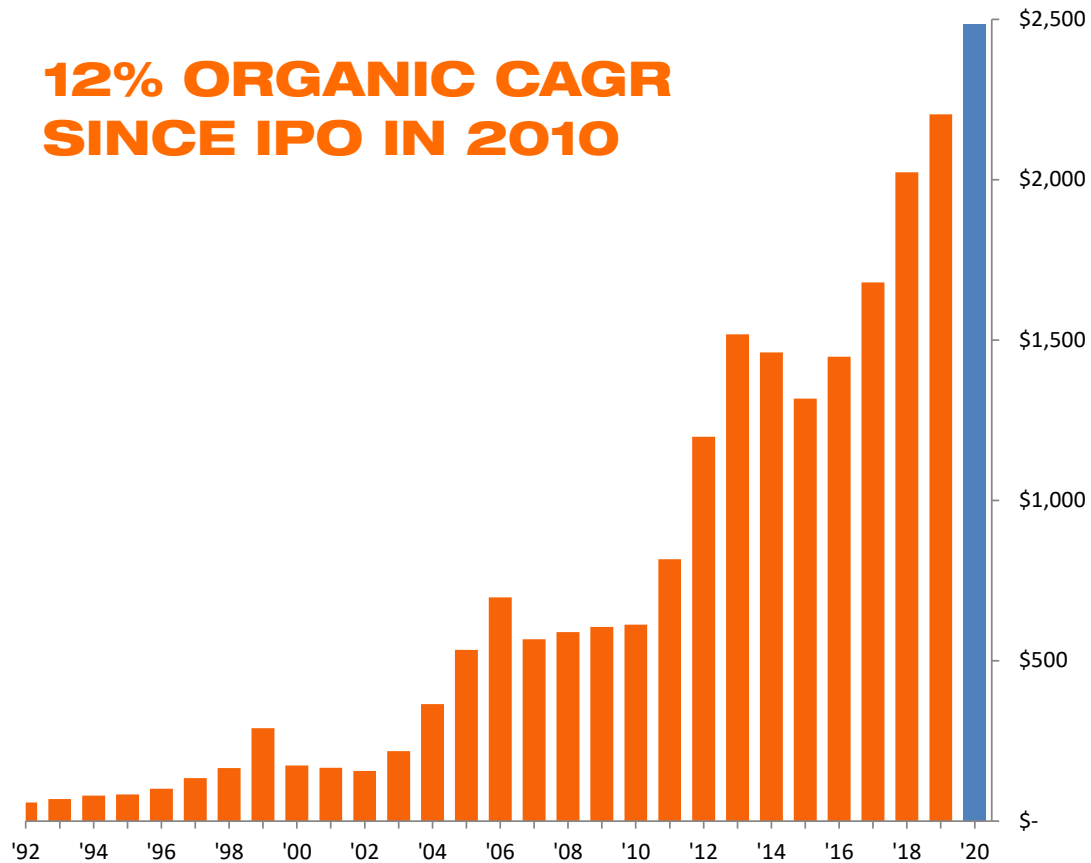
Home as a Sanctuary

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



MACRO INVESTMENT THEMES

12% ORGANIC CAGR SINCE IPO IN 2010



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

CREATING A LEADING "ENERGY TECHNOLOGY SOLUTIONS" COMPANY

Power Quality Issues Continue To Increase

- Power outage severity increasing significantly over LT baseline average during 2017-2020
- Aging and under-invested electrical grid more vulnerable to unpredictable and severe weather
- Aging population and overall consumers are more dependent on power

Home Standby Market Growth Opportunity is Massive

- ~5.0% of US HH's have a HSB today (TAM=55M HH's)
- Every 1.0% of penetration is approximately \$2.5 billion market opportunity (at retail)
- Generac's 75%+ share due to unique go to market strategy

California and Texas markets for backup power increasing significantly

- Represents two largest addressable market opportunities within U.S. for home standby generators
- HSB penetration rates in both states well below national average of ~5.0% (CA ~1%, TX ~3%)
- California - numerous power shutoff events impacting millions of customers in an attempt to mitigate risk of wildfires
- Texas – recent major outage event expected to accelerate demand for backup power over the next several quarters

Energy Storage & Monitoring Markets Developing Quickly

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

Natural Gas Generators Driving Superior Growth Rates

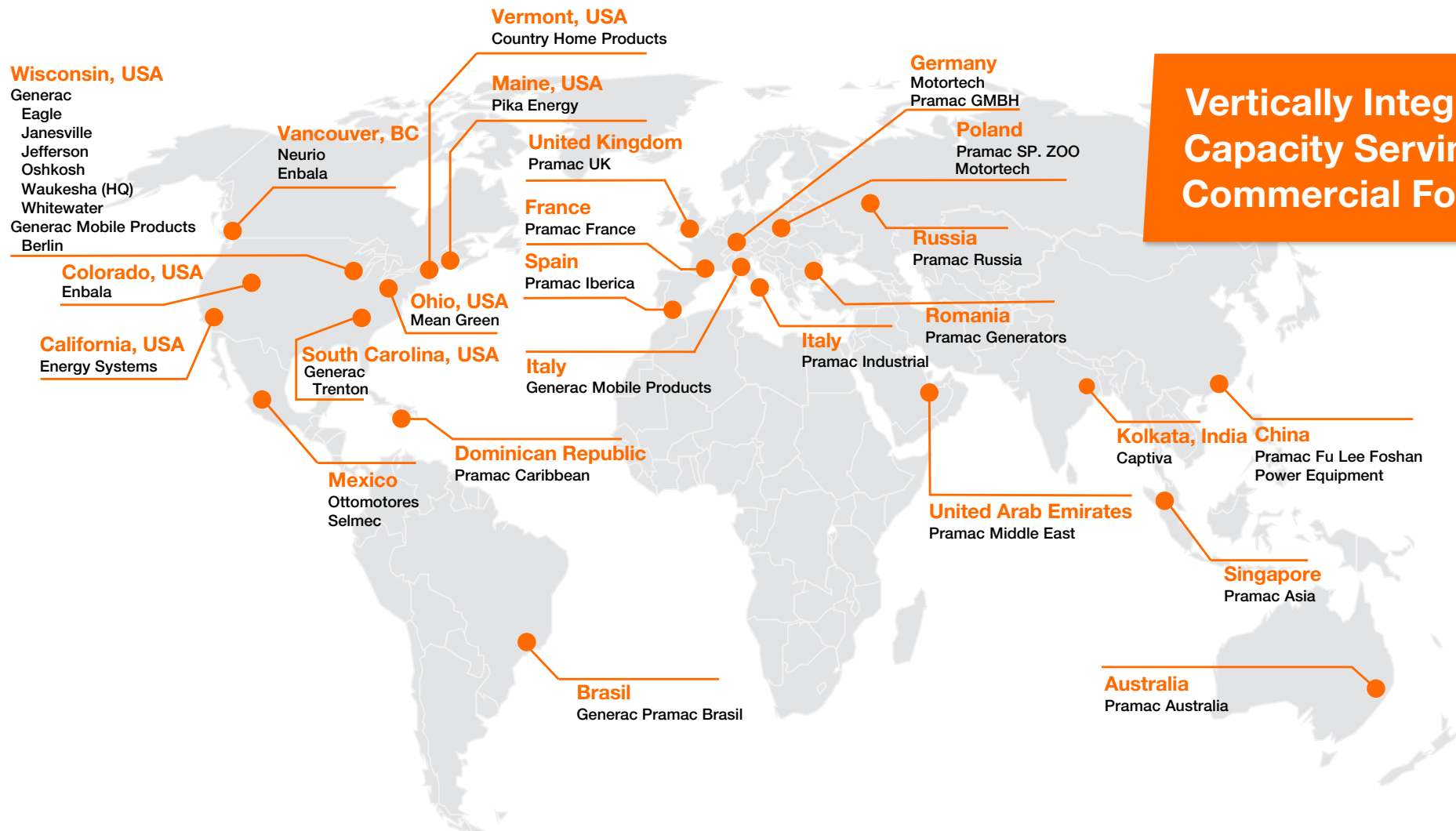
- Cleaner, greener & more cost effective for on-site power
- US is ~40% gas gen sales annually and growing 2x diesel
- Global opportunity is nascent – low-single digits percentage of market

Rollout of 5G Will Require Improved Network Reliability

- 5G will enable many new technologies - uptime critical
- ~400K cell towers in U.S., ~40% penetration, Generac #1 market share
- Technology to rollout globally – Generac footprint can serve

GENERAC WORLDWIDE LOCATIONS

GENERAC[®]



Vertically Integrated Manufacturing Capacity Serving a Globally Diverse Commercial Footprint

CONNECTIVITY & GRID SERVICES



Mobile **Link™**



DER: Distributed Energy Resource – Generates, Stores or Manages Power

Residential DERs



Air-cooled Home Standby Generators

Liquid-cooled Home Standby Generators



Energy Storage & Management DERs



PWRCell Battery Storage

Energy Monitoring & Management



Commercial & Industrial DERs



Gaseous Generators Up to 1MW

Liquid-cooled commercial generators



Transfer Switches

Other Capabilities

Portable Generators



CARB Compliant

Chore Products



Mobile Products



GENERAC'S EVOLVING BUSINESS MODEL ...

Variability in supply due to increasing use of renewables

ISO/Utilities/Energy Retailers



Address peaks in electricity demand

Provides resiliency from outages

Virtual Power Plant (VPP) Network



Digital platform enables assets to be connected more seamlessly as DERs

Connectivity + Software Platform 



Generac DER ASSETS
GENERATE/STORE/MANAGE POWER
Residential + C&I End Users

Enbala Ready



Evolution into Energy Technology Solutions Company

...ALIGNED WITH CHANGING LEGACY ELECTRICAL UTILITY MODEL



GENERAC'S CAPABILITIES PROVIDE UNIQUE POSITION TO ENABLE UTILIZATION OF PRODUCTS AS DERs ON A VERY LARGE SCALE

Current

- Generators: backup and beyond standby
- Battery storage systems
- Energy monitoring devices
- Energy management devices
- Connectivity
- Grid services – Enbala software platform

Near Term

- Generator integration within battery storage
- Next-gen load control with energy management devices
- DC generator integrated into battery storage system
- DER assets and devices become “Enbala Ready”
- Develop roadmap for full suite of grid-support solutions

Future

- Develop various new revenue streams from solutions built around DER products aggregated and controlled
- New revenues from sales of software platform and turnkey operations services
- Ultimately performance services that can deliver mega-watts of power
- Enables grid independence for end users
- Improved ROI for existing DER assets



ENERGY TECHNOLOGY – GENERAC'S ENERGY STORAGE SOLUTION

GENERAC®

MORE POWER

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

MORE CAPACITY

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

LOAD MANAGEMENT

- 50A and 100A Automatic Smart Management Modules



OUTDOOR RATED

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

WHOLE HOME BACKUP

- 200 A and 100A Whole Home Transfer Switches

Coming in 2021 – Generator Integration, AC-Coupled Solution, Next-Gen Load Control, Integrated DC-Generator, Enbala Ready

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



GLOBAL DISTRIBUTION CHANNELS

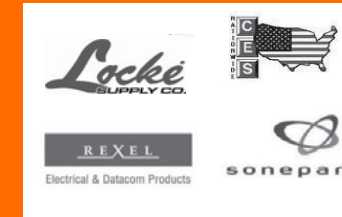
Residential and C&I Dealer Network

- International network of approximately 9,000 dealers
- Installation and after sale service support
- Work with professional engineering firms to develop customized solutions
- Thousands of technicians trained each year
- Support for global large account sales

Significant Omni-Channel Distribution

GENERAC®

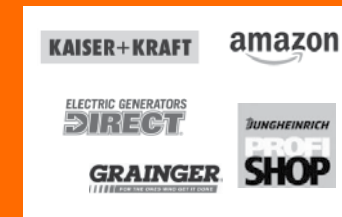
Other Key Channels



Electrical Wholesalers



Mass Retailers



Catalog and E-Commerce



Licensing Partners



Direct to Global Accounts



Direct to Consumer



Clean Energy

Grow:

Further expand market penetration for standby and clean energy solutions in North America while establishing traction for these products globally.

Lead:

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



Gain:

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

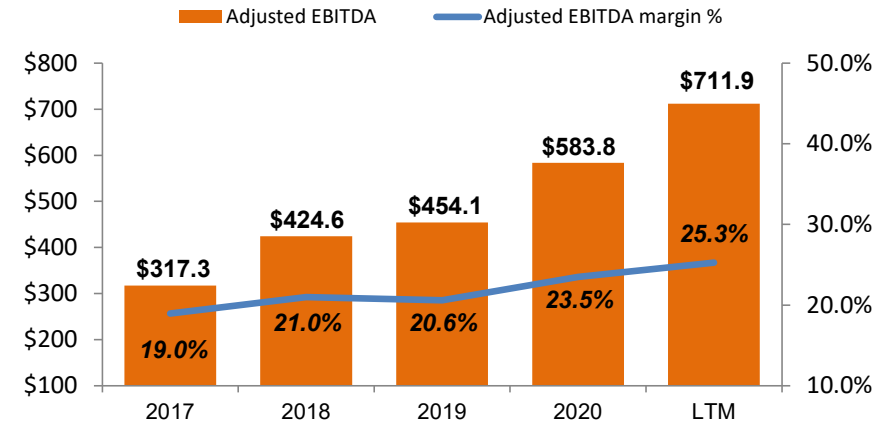
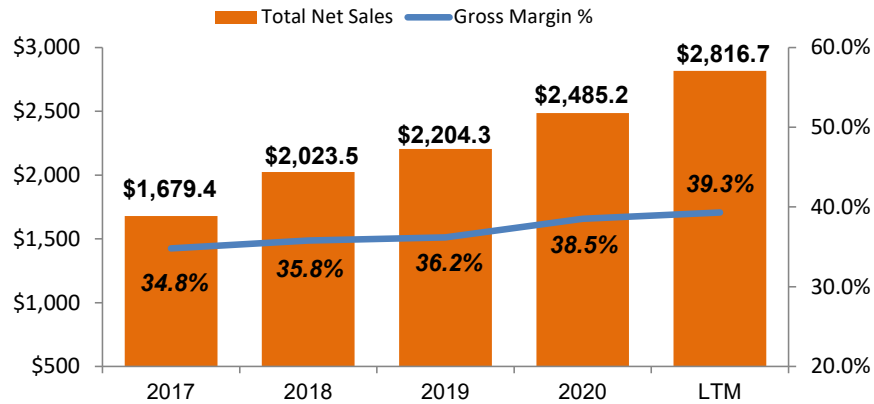
Connect:

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

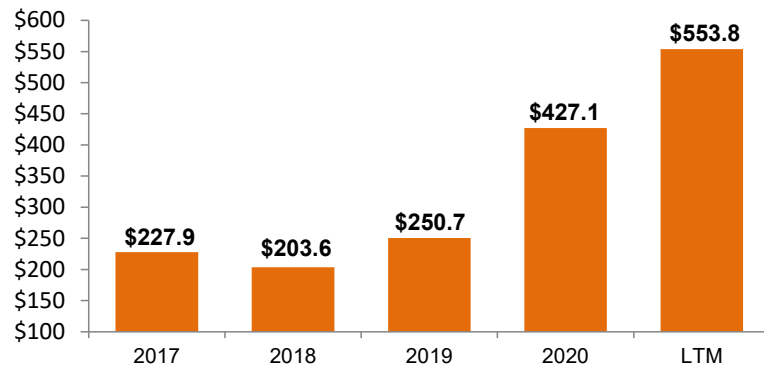
POWERING OUR FUTURE

FINANCIAL SUMMARY

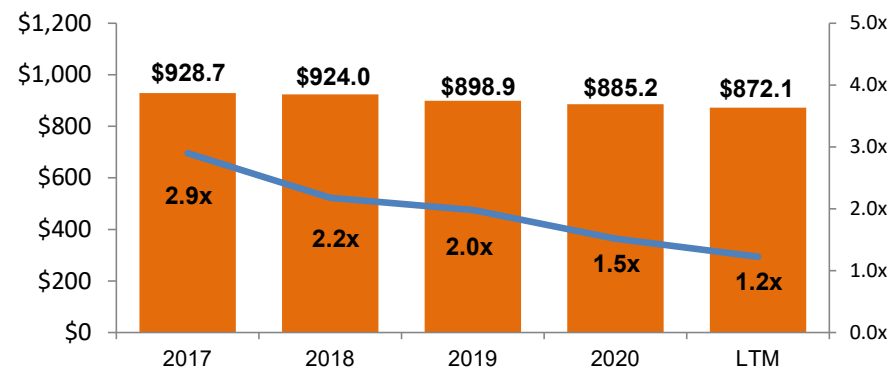
(\$'S IN MILLIONS)



Free Cash Flow



Consolidated Gross Debt and Consolidated Gross Debt Leverage Ratio



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

CAPITAL DEPLOYMENT PRIORITIES

2018-2020 \$

1	Organic Growth	<ul style="list-style-type: none"> Invest in technology, innovation, and R&D capabilities Capacity expansion; Global systems; High ROI automation 	Asset Lite	~170m
2	Pay Down Debt	<ul style="list-style-type: none"> Target 2-3x leverage Term Loan matures 2026, ABL matures 2023 \$500mm notional swapped fixed 	Deleveraging Story	~85m
3	M&A	<ul style="list-style-type: none"> Demonstrated ability to execute; 17 deals since 2011 Accelerates “Powering Our Future” strategic plan Seek high synergy opportunities with above WACC returns 	Accelerate the strategy	~240m
4	Return of Capital	<ul style="list-style-type: none"> As future cash flow permits, will evaluate options opportunistically \$250mm remaining on current share repurchase authorization 	Opportunistic	~25m

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

TOTAL ~520m

APPENDIX

GENERAC®



2021 BUSINESS OUTLOOK

(AS REPORTED ON APRIL 29, 2021)

GENERAC[®]

Consolidated net sales

- Consolidated revenue: increase between 40% to 45%
- Residential products: increase at a very robust rate of over 50%
- C&I products: increase in the mid-20% range
- Approximately 2% favorable impact from acquisitions and foreign currency

Adjusted EBITDA margins

- Between 24.5 to 25.5%

Cash income tax rate

- Approximately 20.5%

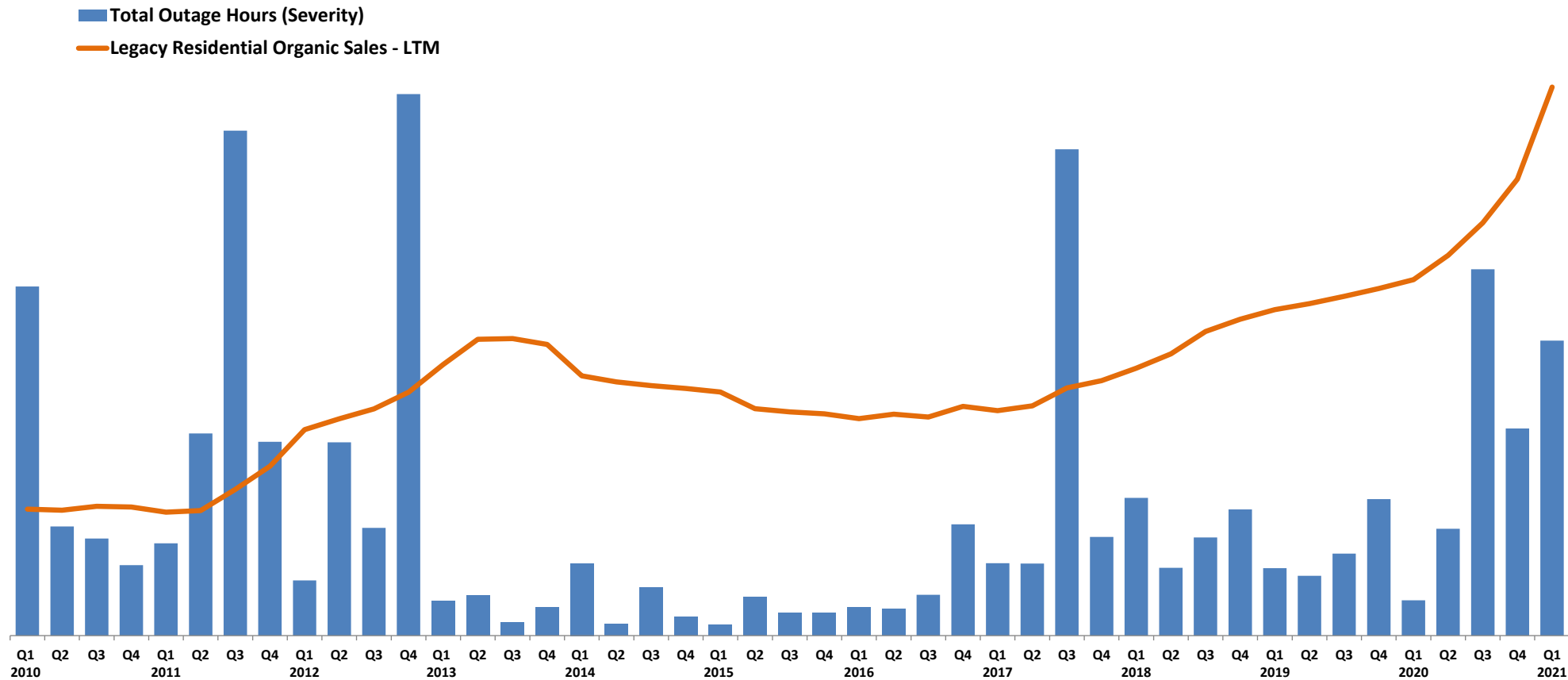
Free cash flow

- Conversion of adjusted net income of approximately 90%



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

EXPANDING POWER OUTAGE SEVERITY⁽¹⁾



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

Elevated Baseline Outages + Major Event + Home as a Sanctuary = Catalysts for Growth

SUMMARY OF ACQUISITIONS



OCT.
2011

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



DEC.
2012

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



AUG.
2013

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



NOV.
2013

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



OCT.
2014

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



AUG.
2015

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



MAR.
2016

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



JAN.
2017

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



JUN.
2018

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



FEB.
2019

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



MAR.
2019

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



APR.
2019

Leading manufacturer of smart storage solutions and smart batteries
Portland, ME



SEP.
2020

Leading manufacturer of an innovative commercial line of battery powered turf care products
Ross, OH



OCT.
2020

Leading provider of distributed energy optimization and control software for the electrical grid
Denver, CO

Acquisitions used to accelerate Powering Our Future strategy

Revenue synergies

- New products, customers, end markets
- Numerous cross-selling opportunities
- Geographic and international expansion

Cost synergies

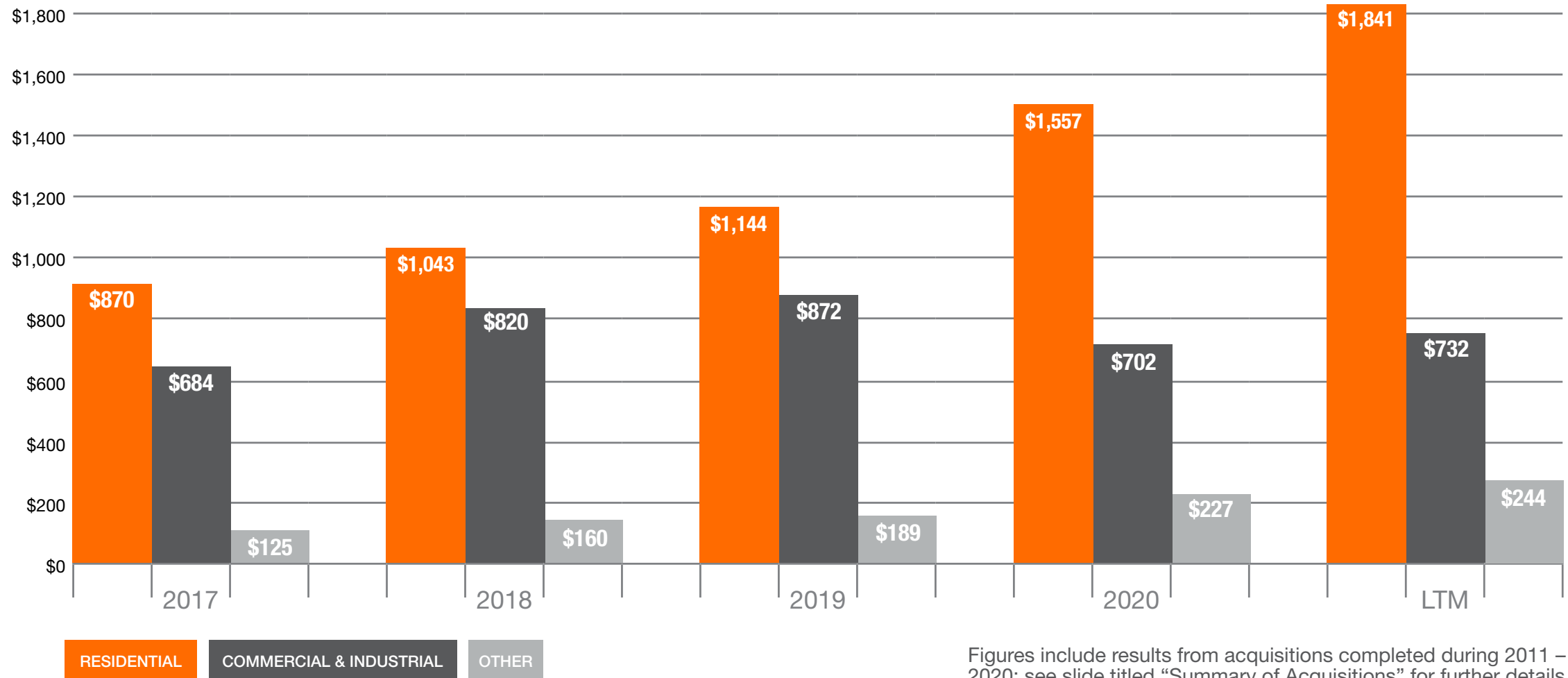
- Strategic global sourcing initiatives
- Innovation and cost-reduction engineering
- Adopt Generac's lean cost culture
- Operational excellence focus

Smaller acquisitions of Gen-Tran completed in February 2012 (manual transfer switches for portable generators - Alpharetta, GA); Pramac America in September 2017 (portable generators - Marietta, GA); Energy Systems in July 2020 (industrial distributor - Stockton, CA)

NET SALES BY PRODUCT CLASS



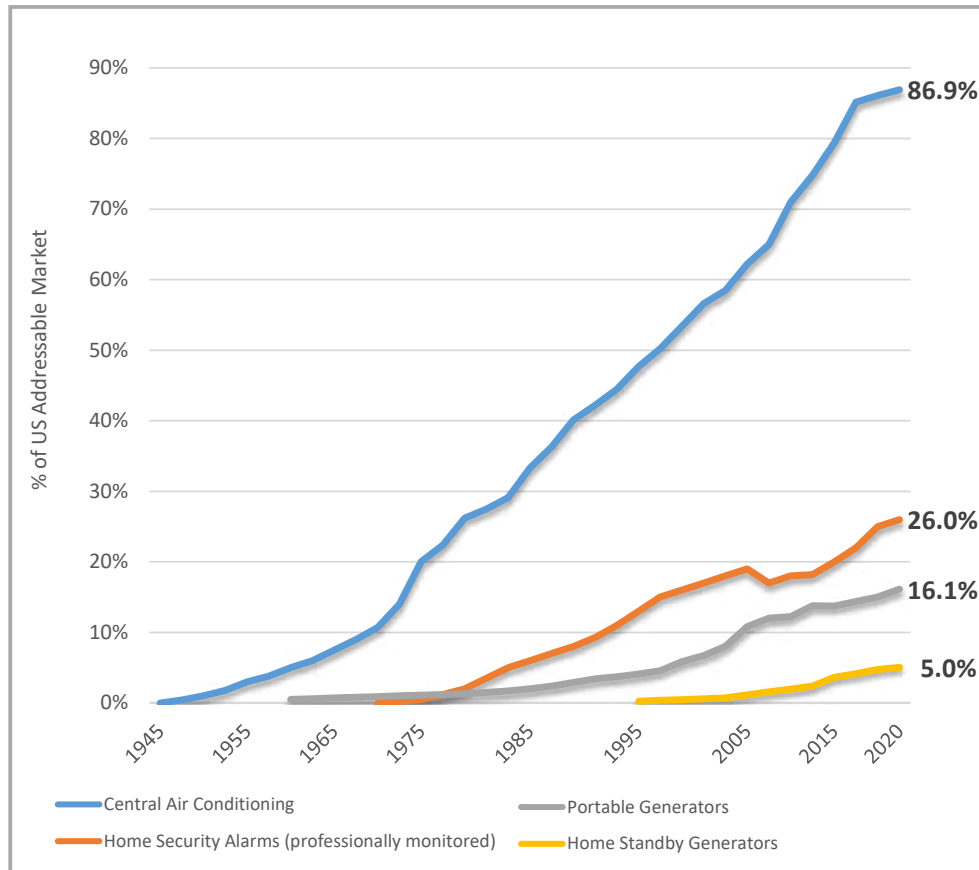
(\$'S IN MILLIONS)



Figures include results from acquisitions completed during 2011 – 2020; see slide titled “Summary of Acquisitions” for further details.

HSB: A PENETRATION STORY

North American Penetration Opportunity⁽¹⁾



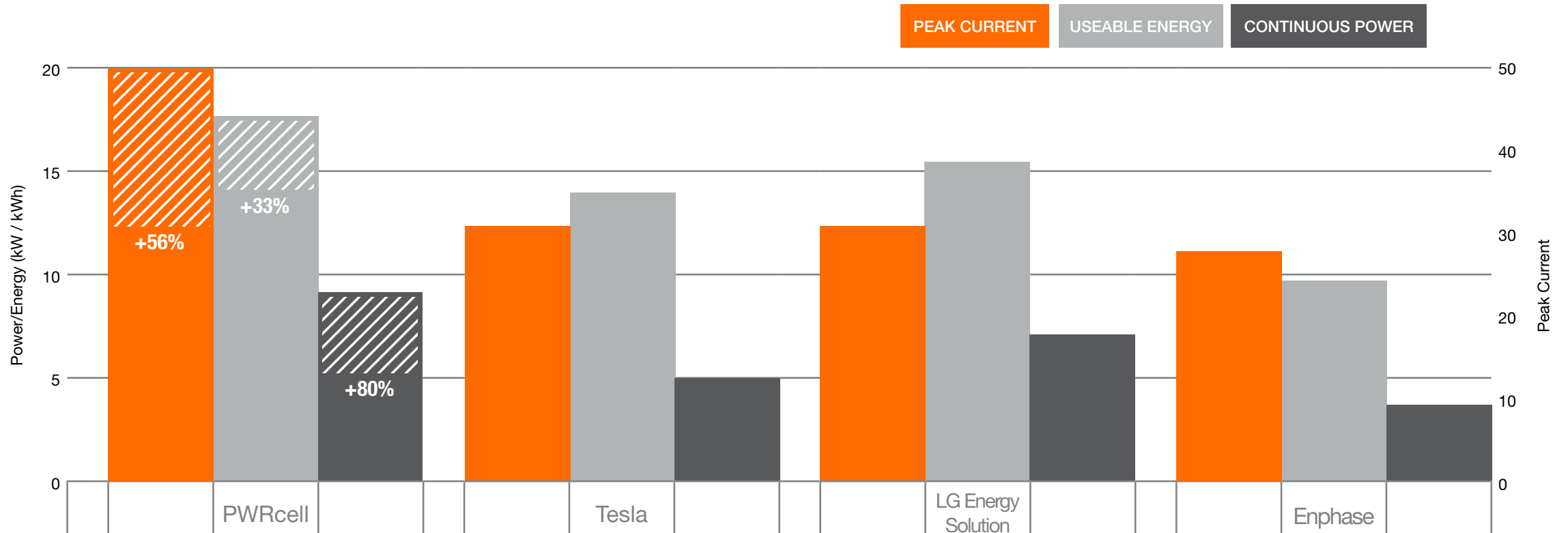
Aging Population Fits Demographic

- ~65% of buyers age 60 and older
- ~Median home value of approximately \$425k
- ~80% retro-fit application
- ~\$130K median household income
- Between 8-10% replacement units

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

(1) Source: Company estimates; based on addressable market for HSB generators consisting of all single-family detached, owner-occupied homes valued > \$125K; portables and central A/C use all single-family homes regardless of value; penetration rate for home security alarms was estimated from a variety of industry sources and focuses on the professionally monitored market.

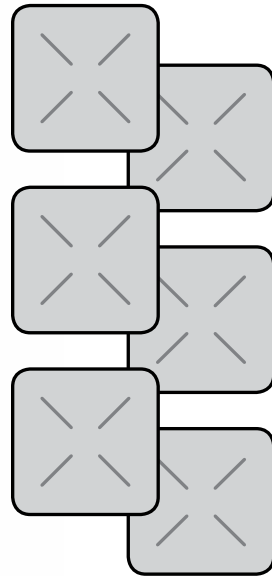
WHOLE HOME POWER COMPARISON



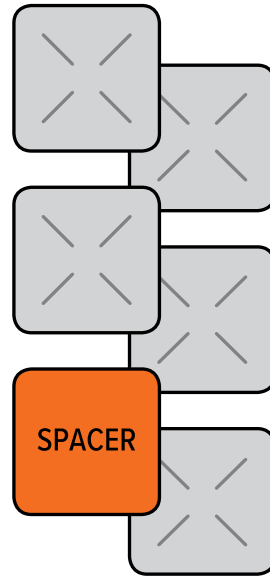
	PWRcell	Tesla	LG Energy Solution	Enphase
Peak Current	50A	32A	31A	25A
Useable Energy	18kWh	13.5kWh	16kWh	10.1kWh
Continuous Power	9kW	5kW	7kW	3.8kW

Note: Shaded lines represent market leading advantage in terms of power capability, with specific percentages as compared to Tesla

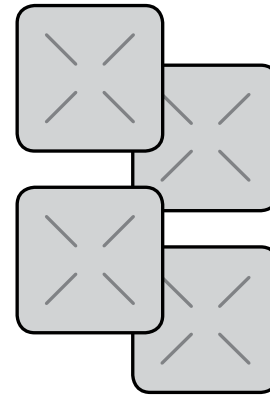
WHOLE HOME POWER SCALABLE MODULAR APPROACH



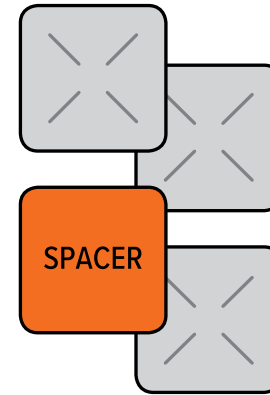
OR



OR



OR



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

RAPIDLY BUILDING CLEAN ENERGY DISTRIBUTION

NATIONAL



REGIONAL



LONG TAIL

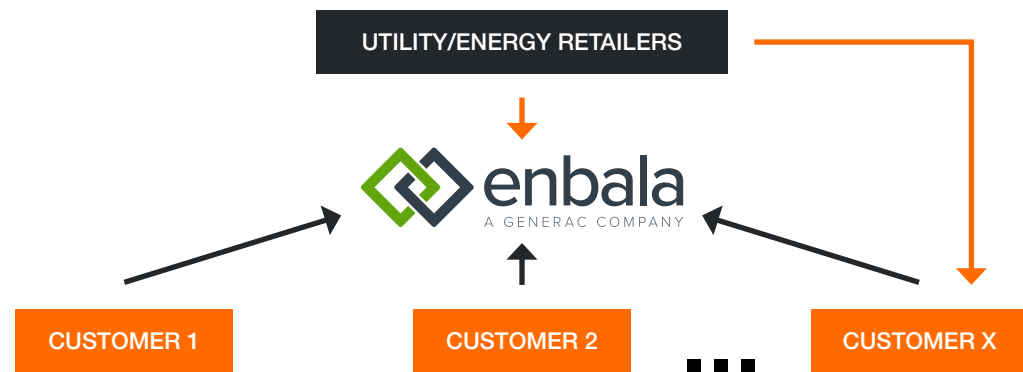


ENBALA'S REVENUE MODEL



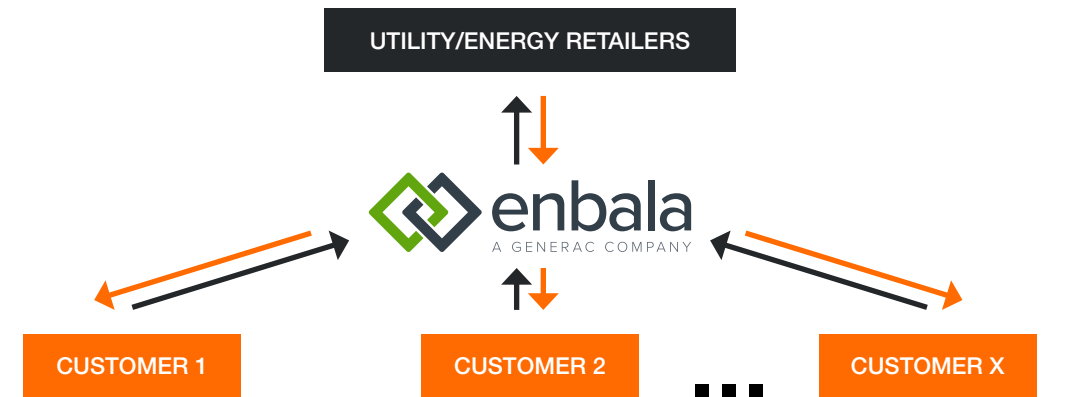
Current SaaS Model - \$/MW Assets Connected/year

- Fundamentally a Software-as-a-Service business
- Enbala is paid as assets/devices are connected to the platform on a recurring basis



Current Performance Model - \$/MW Delivered/year

- Fundamentally a pay-for-performance business
- Enbala is paid by utilities for the energy performance delivered



Enbala Opportunities:

- Energy imbalance markets
- Real time capacity markets
- Emerging wholesale markets from FERC Order 2222
- Predictive energy management for customers
- Ancillary Service, Frequency Control and other aggregation markets

Q1 2021 & LTM FINANCIAL OVERVIEW



(\$'S IN MILLIONS)

	Actual Q1 2021 (unaudited)	Y/Y % Change	Actual LTM (unaudited)	Y/Y % Change
Residential	\$542.1	110.4%	\$1,841.0	55.6%
Industrial	202.4	17.6%	732.1	(12.3%)
Other	62.9	36.0%	243.6	27.0%
Net Sales	\$807.4	69.7%	\$2,816.7	27.5%
Gross Profit	\$321.8	86.8%	1,107.1	37.0%
% Margin	39.9%		39.3%	
Adjusted EBITDA	\$214.2	149.0%	\$711.9	57.1%
% Margin ⁽¹⁾	26.5%		25.3%	
Net Income - GHI ⁽²⁾	\$149.0	235.1%	\$455.1	80.9%
Adjusted Net Income - GHI	\$152.7	177.3%	\$509.8	61.1%
Adjusted EPS - GHI	\$2.38	173.5%	\$7.98	58.7%
Free Cash Flow	\$125.8	N/M	\$553.8	121.2%
Consolidated Gross Debt			\$872.1	
Consolidated Gross Debt Leverage Ratio			1.2x	

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

(2) LTM includes \$11.5 million of pre-tax charges relating to restructuring costs and asset write-downs to address the impact of COVID-19 pandemic

ADJUSTED EBITDA RECONCILIATION



(\$'S IN MILLIONS)

	2017	2018	2019	2020	LTM
Net income	\$159.6	\$241.2	\$252.3	\$347.2	\$453.8
Interest expense	42.7	41.0	41.5	33.0	31.7
Depreciation and amortization	52.0	47.4	60.8	68.8	70.9
Income taxes provision	44.1	69.9	67.3	99.0	124.9
Non-cash write-down and other charges	5.8	3.5	0.8	(0.3)	(6.5)
Non-cash share-based compensation expense	10.2	14.6	16.7	20.9	21.8
Loss on extinguishment of debt	-	1.3	0.9	-	-
Transaction costs and credit facility fees	2.1	3.9	2.7	2.2	2.8
Loss on pension settlement, restructuring and other	0.8	1.8	11.0	13.1	12.6
Adjusted EBITDA	\$317.3	\$424.6	\$454.0	\$583.8	\$711.9
Adjusted EBITDA attributable to noncontrolling interests	(6.1)	(7.8)	(5.0)	(2.4)	(4.7)
Adjusted EBITDA attributable to Generac Holdings, Inc.	\$311.2	\$416.8	\$449.0	\$581.4	\$707.3

ADJUSTED EBITDA RECONCILIATION



(\$'S IN MILLIONS)

Net income to Adjusted EBITDA reconciliation

	Three months ended March 31,		LTM Ended March 31,	
	2021 (unaudited)	2020 (unaudited)	2021 (unaudited)	2020 (unaudited)
Net income attributable to Generac Holdings, Inc.	\$148,993	\$44,460	\$455,109	\$251,606
Net income attributable to noncontrolling interests	952	(1,049)	(1,357)	(1,656)
Net income	149,945	43,411	453,752	249,950
Interest expense	7,723	9,053	31,661	40,325
Depreciation and amortization	18,237	16,116	70,894	64,276
Income taxes provision	35,368	9,444	124,897	61,758
Non-cash write-down and other charges	(3,868)	2,284	(6,479)	4,491
Non-cash share-based compensation expense	5,448	4,574	21,756	17,674
Loss on extinguishment of debt	-	-	-	926
Transaction costs and credit facility fees	914	234	2,831	1,682
Loss on pension settlement, restructuring and other	427	909	12,631	11,930
Adjusted EBITDA	214,194	86,025	711,942	453,012
Adjusted EBITDA attributable to noncontrolling interests	(2,192)	102	(4,652)	(2,813)
Adjusted EBITDA attributable to Generac Holdings, Inc.	\$212,002	\$86,127	\$707,290	\$450,199

ADJUSTED NET INCOME AND FREE CASH FLOW RECONCILIATIONS

(\$'S IN MILLIONS)

Net income to Adjusted net income reconciliation

	Three months ended March 31,		LTM Ended March 31,	
	2021 (unaudited)	2020 (unaudited)	2021 (unaudited)	2020 (unaudited)
Net income attributable to Generac Holdings. Inc.	\$148,993	\$44,460	\$455,109	\$251,606
Net income attributable to noncontrolling interests	952	(1,049)	(1,357)	(1,656)
Net income	149,945	43,411	453,752	249,950
Provision for income taxes	35,368	9,444	124,897	61,758
Income before provision for income taxes	185,313	52,855	578,649	311,708
Amortization of intangible assets	8,979	7,781	33,478	31,083
Amortization of deferred financing costs and OID	646	642	2,602	4,177
Loss on extinguishment of debt	-	-	-	926
Transaction costs and credit facility fees	689	40	(679)	(121)
Loss on pension settlement, restructuring and other	(3,832)	512	7,814	12,835
Adjusted net income before provision for income taxes	191,795	61,830	621,864	360,608
Cash income tax expense	(37,868)	(7,345)	(110,246)	(44,780)
Adjusted net income	\$153,927	\$54,485	\$511,618	\$315,828
Adjusted net income attributable to noncontrolling interests	(1,223)	581	(1,772)	567
Adjusted net income attributable to Generac Holdings. Inc.	\$152,704	\$55,066	\$509,846	\$316,395

Free Cash Flow Reconciliation

Net cash provided by operating activities	\$152,543	\$11,346	\$627,730	\$305,662
Proceeds from beneficial interests in securitization transactions	712	618	2,745	2,505
Expenditures for property and equipment	(27,469)	(12,894)	(76,703)	(57,794)
Free cash flow	\$125,786	\$(930)	\$553,772	\$250,373