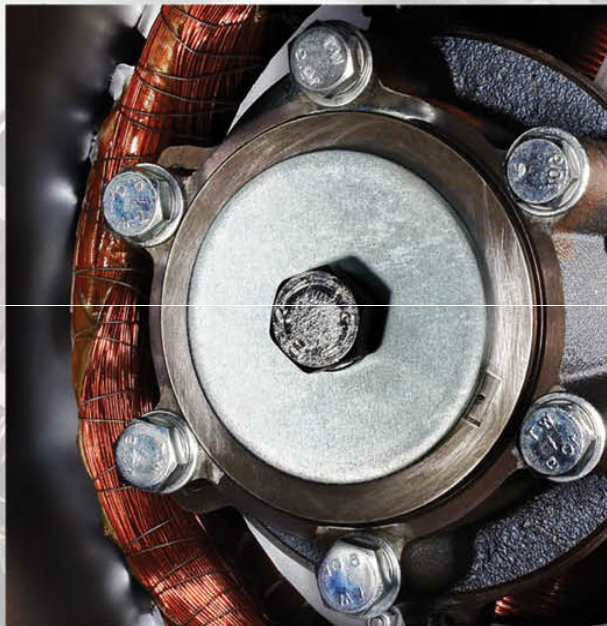


**Investor
Presentation** March 2012

GENERAC®



powering ahead



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 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 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.

Leading “Industrial Technology” Company



- **Best in class organic revenue growth:** over 15% CAGR in organic revenue over past 10 years – significant historical track record of higher baseline revenue from product innovation and increased awareness of products
- **Dominant home standby market leader:** ~ 70% share of domestic home standby market, only 2.5% penetrated with every 1% = \$2 billion market opportunity
- **Key macro drivers:** aging and underinvested grid; favorable demographics; increasing number of power disruptions; natural gas gensets gaining share vs. diesel
- **Significant barriers to entry:** unmatched multi-channel distribution network developed over the past decade led by over 4,200 residential/commercial dealers sold direct
- **Diversified revenue base and end markets:** recent Magnum acquisition increases C&I revenue mix to ~ 40% of PF Revenue
- **Superior margin profile:** GMs consistently in mid-to-high-30% range, EBITDA margins in low-to-mid 20% range
- **Strong Free Cash Flow conversion:** 96% of adjusted net income from 2009-2011
- **Favorable tax structure:** primarily from 2006 acquisition of company – estimated \$5 to \$6 per share in present value cash tax savings

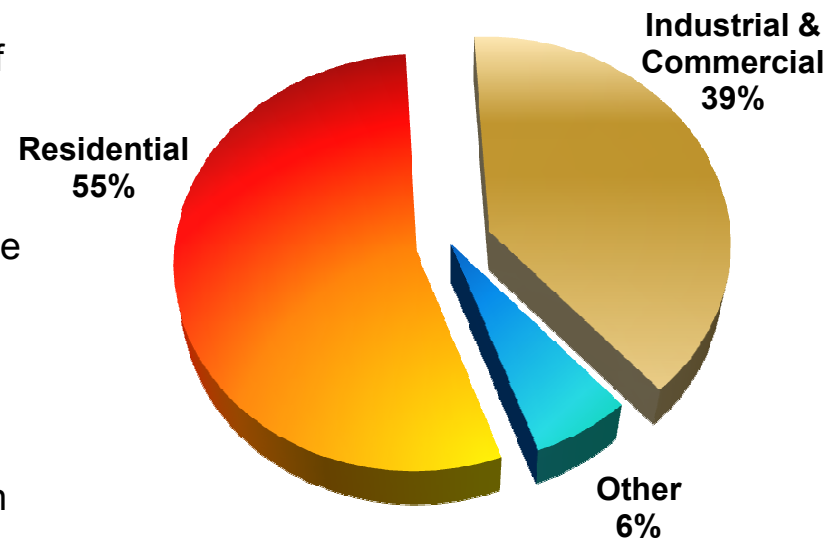
Generac Business Overview



About Generac –

- Founded in **1959**.
- A leading designer and manufacturer of a wide range of **generators** and **other engine powered products** serving residential, light commercial, industrial and construction markets.
- Products are **available through a broad network** of independent dealers, retailers, wholesalers and equipment rental companies.
- Products marketed and distributed primarily under the **Generac** and **Magnum** brand names.
- Approx **2,200 employees** at 12/31/2011, including Magnum.
- Over **1.2 million ft²** of manufacturing and distribution capacity located in **Wisconsin**.






2011 Net Sales
(pro forma for Magnum):
\$898 million








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	Emergency home backup, construction uses
	Air-cooled Home Standby Generator	Emergency backup – small to medium homes
	Liquid-cooled Home Standby Generator	Emergency backup – larger homes & small businesses

Industrial Products

	Product	End Markets Served
	Light Towers	Temporary lighting for construction
	Mobile Generators	Temporary power for construction, special events
	Mobile Pumps	De-watering for construction sites & flood water removal
	Commercial Stationary Generators	Emergency backup – small to mid-sized retail, telecom, municipal
	Industrial Stationary Generators	Emergency backup – large healthcare, telecom, municipal, manufacturing

Differentiated Distribution Model



Residential & Lt. Commercial Distribution:

● = Over 4,200 Res/Comm Dealers

Commercial & Industrial Distribution:

● = ~50 Industrial Dealers

Res/Comm Dealers

National Retailers

Wholesalers

Catalog and E-Commerce

Private Label Partners



Industrial Dealers

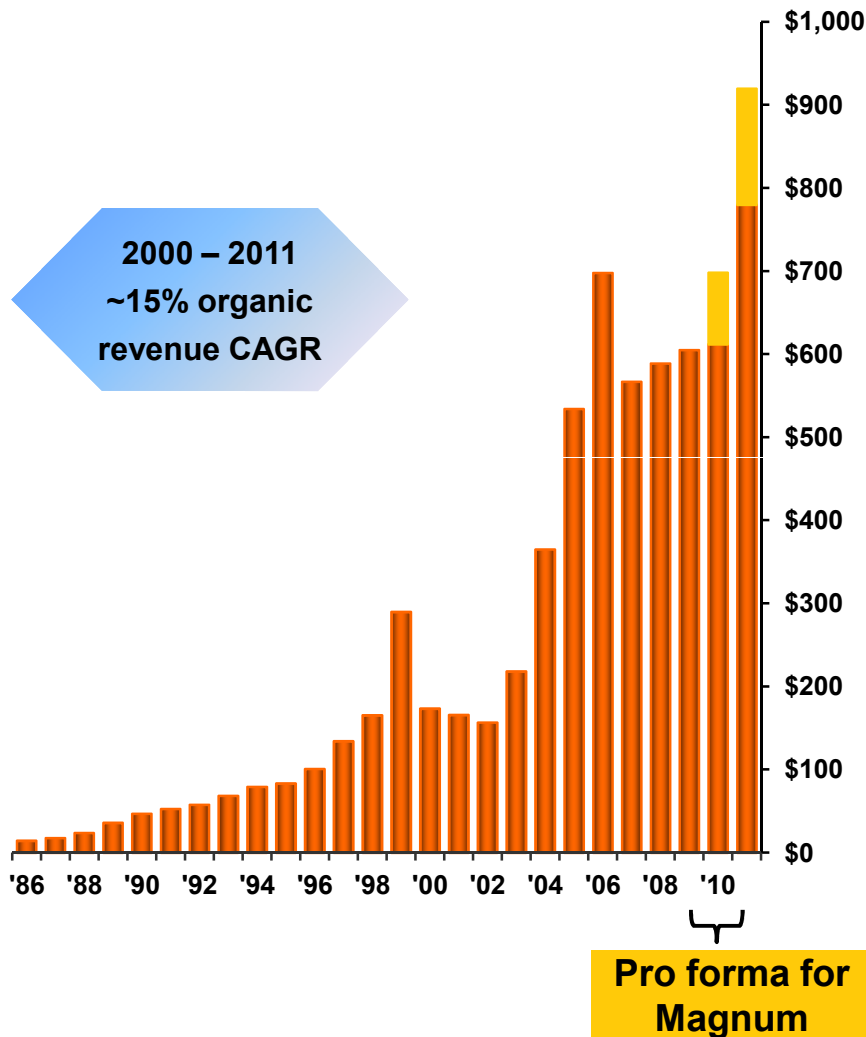
National Accounts

Equipment Rental Yards

Gov't and Military

Established and diverse distribution model = growth driver & competitive advantage

Track Record of Innovation and Growth



History of Innovation

- Commercialized affordable home standby generators and light-commercial generators
- Differentiated distribution model
- Over 150 engineers on staff as of 12/31/11, ~ 90 U.S. and international patents and patent applications
- Natural gas and Bi-Fuel™ expertise
- Modular Power System (MPS) approach for industrial applications
- Focused on several new product initiatives for 2012

History of Organic Revenue Growth

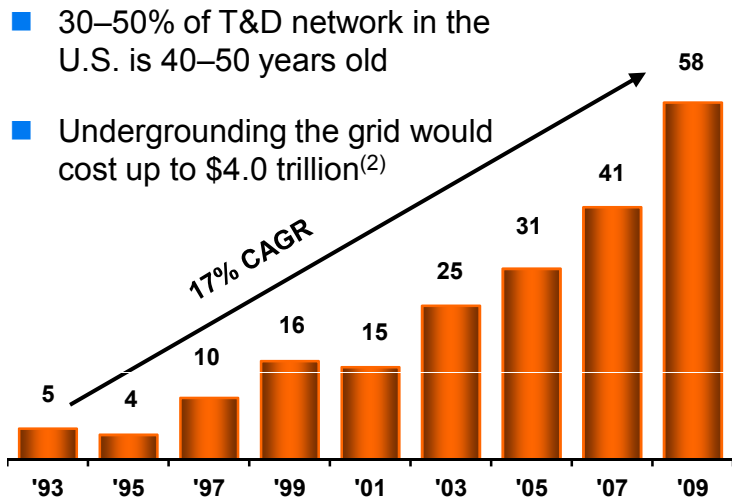
- 1999: Y2K
- 2001-2002: Only Modest Revenue Declines Despite Recession
- 2003-2006: Northeast Blackout / Major Landed Hurricanes / Improving-to-Strong Economy
- 2008-2010: Organic Revenue Growth Despite Weak-to-Recessionary Economy, Credit Market and Housing Collapse, Limited Major Outages
- 2011: Hurricane Irene, Northeast Snowstorm, Improving Economy

Note: \$ amounts in millions. Represents gross sales excluding freight revenue. Excludes "Portable Product" sales prior to the division's divestiture in 1998. 2010 and 2011 Pro Forma amounts include Magnum results, assuming the transaction was completed on first day of 2010 period.

Powerful Macro Trends Drive Home Standby Penetration Opportunity



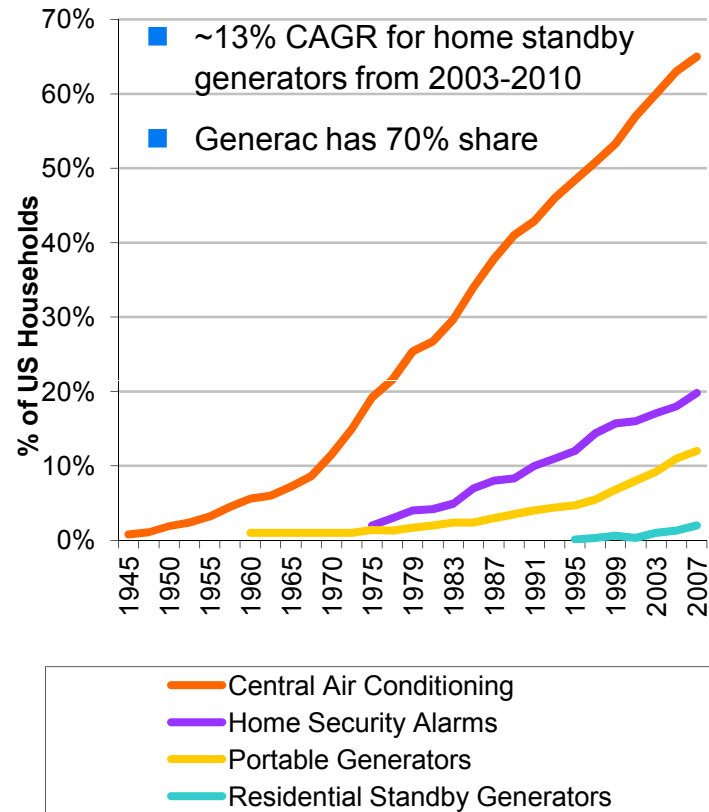
Aging Grid driving Power Interruptions⁽¹⁾



Aging Population fits Demographic

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

North American Penetration Opportunity



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

(1) Source: North American Electrical Reliability Council. Affecting more than 50,000 customers.

(2) At \$1mm/mile.

Commercial Penetration and Industrial Market Share Opportunities



Commercial and Industrial (C&I) Macro Drivers

- Grid reliability and increasing costs from outages driving emergency backup power needs
- Industrial standby generator market driven by new construction and retrofit of infrastructure projects, mission critical, and other code driven applications
- Commercial driven more by optional standby applications – ROI is critical
- Mobile product demand driven by commercial and road construction, energy, and government agency spending on temporary lighting and power needs
- Timing and magnitude of capex plans for national account customers has impact

C&I Market Share and Growth Opportunities

- Natural gas gensets gaining share vs. diesel – up to 35% less expensive than comparable diesel (depending on power rating)
- Upgrade and expand distribution
- Increased international focus
- Expand addressable market through new product development
- Build relations with specifying engineers
- Cross-selling opportunities with Magnum

Cost Effective & Innovative Solutions



Natural gas engine technology



Mobile generator solutions



Gaseous fueled generator solutions



Bi-Fuel technology



Gemini technology



Modular Power technology



Grow Residential Standby Generator Market

- *Awareness*
- *Availability*
- *Affordability*

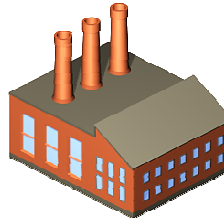
- ✓ 300-400 net new dealers annually
- ✓ Increasing use of activation data for direct pull marketing
- ✓ Dealer development programs
- ✓ Increased focused on new product initiatives



Diversify End Markets with new products and services

- *Leverage brand*
- *Leverage distribution*
- *Leverage supply chain*

- ✓ Magnum acquisition
- ✓ New power washer product line launched in 2011
- ✓ Gained share in portable generators in 2011 (re-entered market in 2008)
- ✓ Gen-Tran acquisition in 2012



Gain Industrial Market Share

- *Upgrade distribution*
- *Build relations with specifying engineers*
- *Expand product offering*

- ✓ Leverage natural gas core competencies
- ✓ Increased focused on new product initiatives
- ✓ Magnum acquisition



Enter New Geographies

- *Resource sales effort*
- *Build distribution*
- *Focus on natural gas products*
- *Leverage Magnum distribution*

- ✓ Sales presence established during 2010 in Miami (LATAM)
- ✓ Sales presence recently established in Ukraine (EMEA) and Hong Kong (APAC)
- ✓ Magnum acquisition

Acquisition of Magnum Products business



Fast Facts –

- Acquired on October 3, 2011
- Located in Berlin, WI with 395 employees and over 250,000 ft² in manufacturing and distribution space
- Leader in portable light tower market, strong up-and-coming player in mobile generator and mobile pumps
- Products sold to rental centers, independent dealers and government agencies

Strategic Rationale –

- \$84 million purchase price funded w/ cash on balance sheet
- 9/30/11 LTM revenue of \$132 million, \$16 million of EBITDA
- Progress being made on goal of ~ \$2 million in cost synergies
- Opportunities for revenue synergies with minimal overlap in products, distribution channels and end markets
- Broadens Generac's Industrial product offering and increases revenue base not correlated with power outages



Magnum Family of Light Towers



Magnum MMG55 49 kW Mobile Diesel Generator



Magnum MMG55FH Flip Hood 52 kW Mobile Diesel Generator



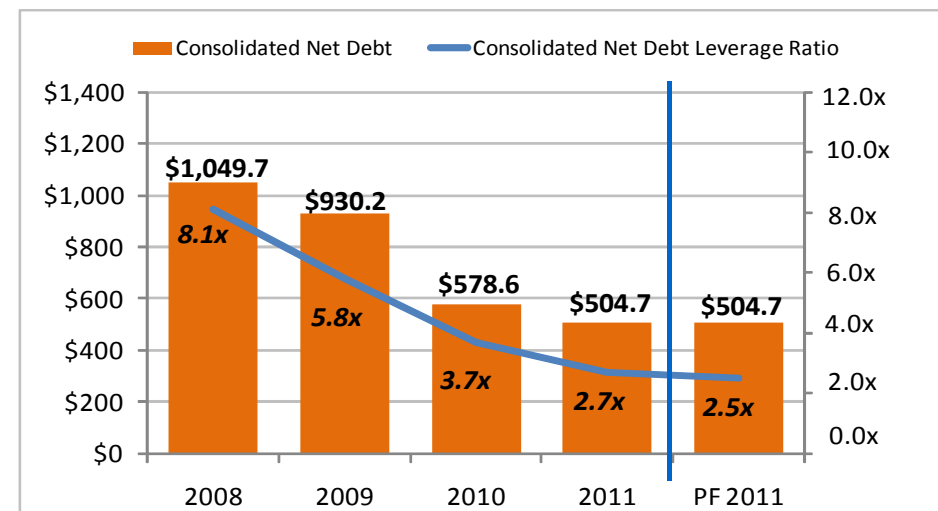
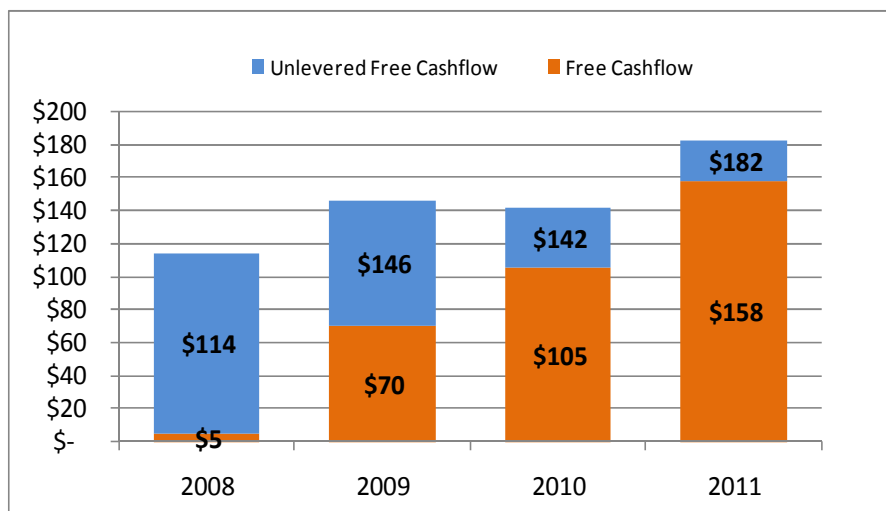
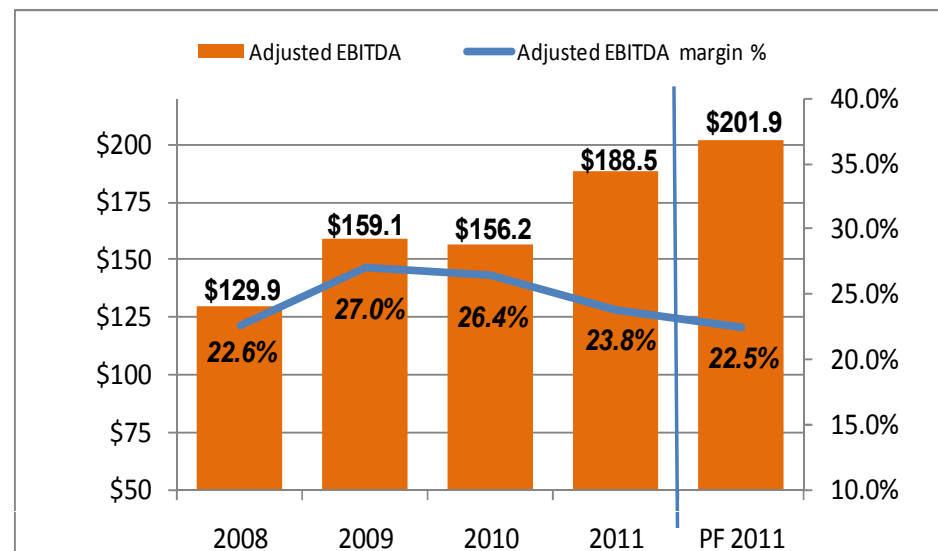
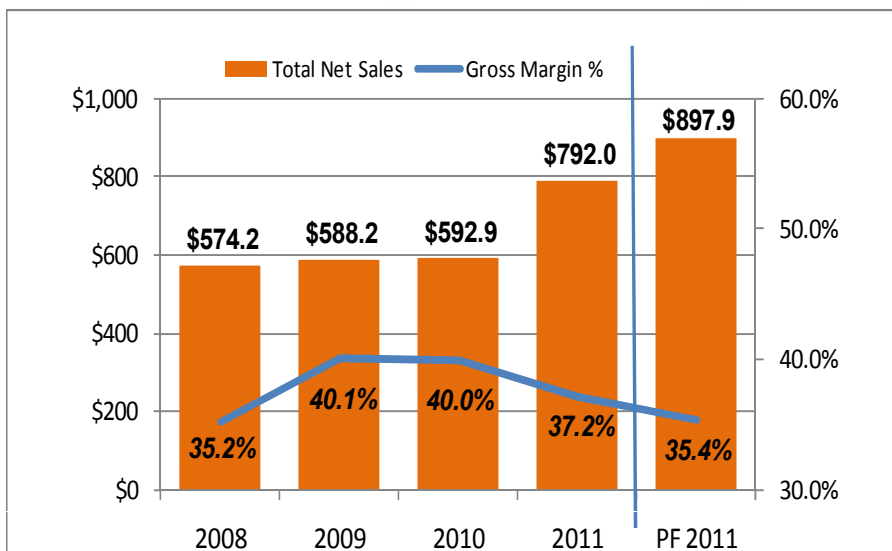
Magnum MLG20 Diesel Generator



MTP 4000D Dry Prime Pump

Aligns with three objectives of the “Powering Ahead” strategic plan

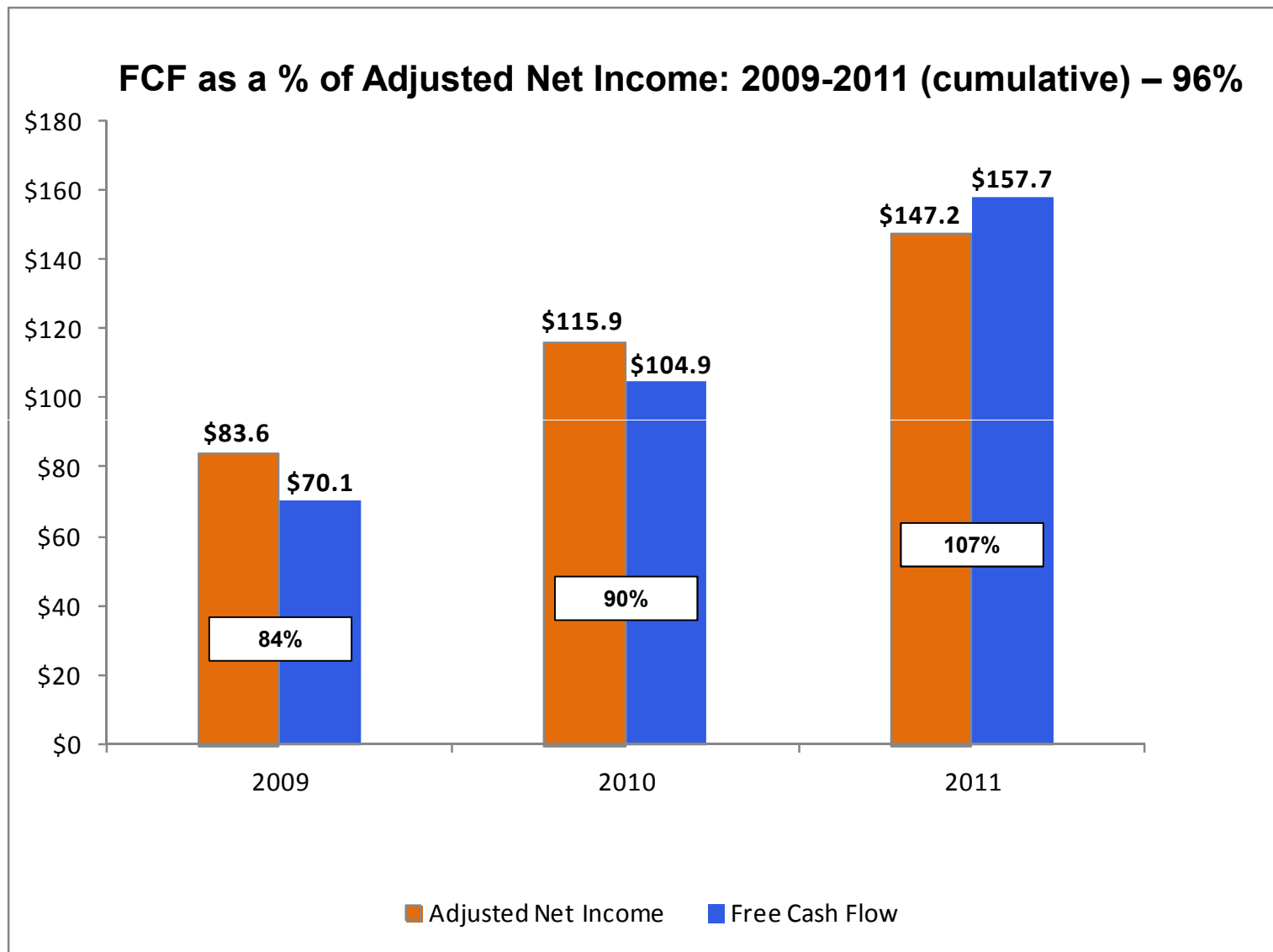
Financial Summary



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

* Pro Forma 12/31/2011 amounts include Magnum results, assuming the transaction was completed on the first day of 2011.

Strong Free Cash Flow Conversion



Favorable Tax Attributes



Tax attributes and 338(h)10 election overview

- \$1.9 billion asset basis step-up created through 2006 acquisition of Generac and 2011 acquisition of Magnum
 - Each amortizes over 15 years
 - Reduces cash tax obligation by approx. \$49 million per year through 2020
- Current NOL balance of \$127 million as of December 31, 2011 provides cash benefit of up to \$45 million

(\$ mm)	Total	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022+
Annual tax amortization	\$1,263	\$127	\$127	\$127	\$127	\$127	\$127	\$127	\$127	\$127	\$106	\$14
Cash tax savings ⁽¹⁾	\$486	\$49	\$49	\$49	\$49	\$49	\$49	\$49	\$49	\$49	\$41	\$4
Cash tax savings of NOLs ⁽²⁾	\$45											
Grand total	\$531											

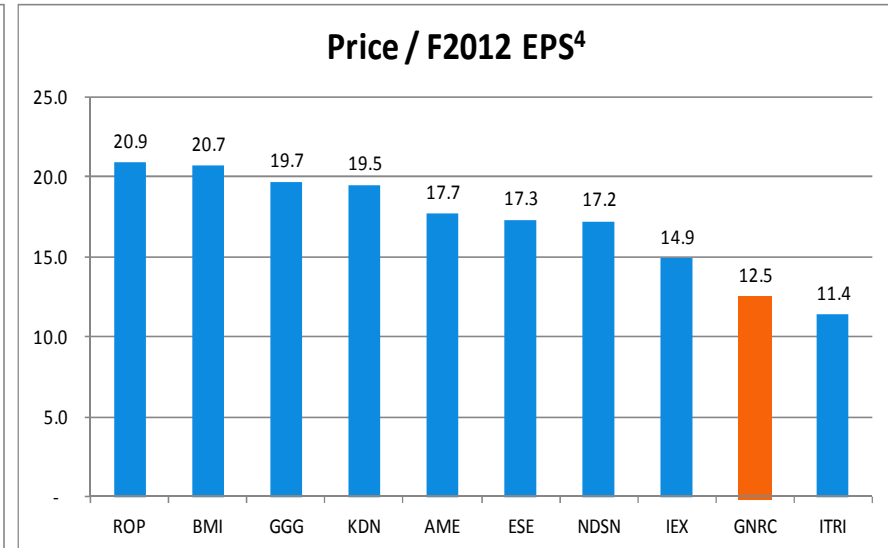
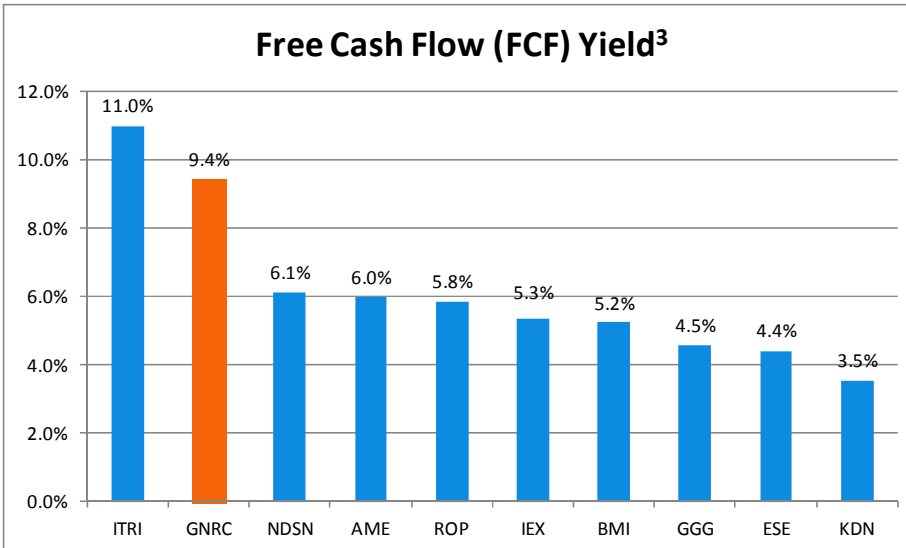
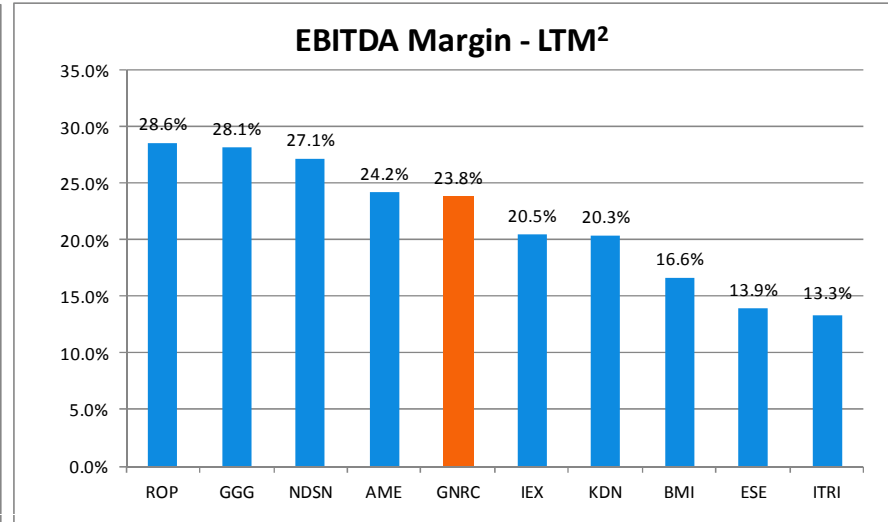
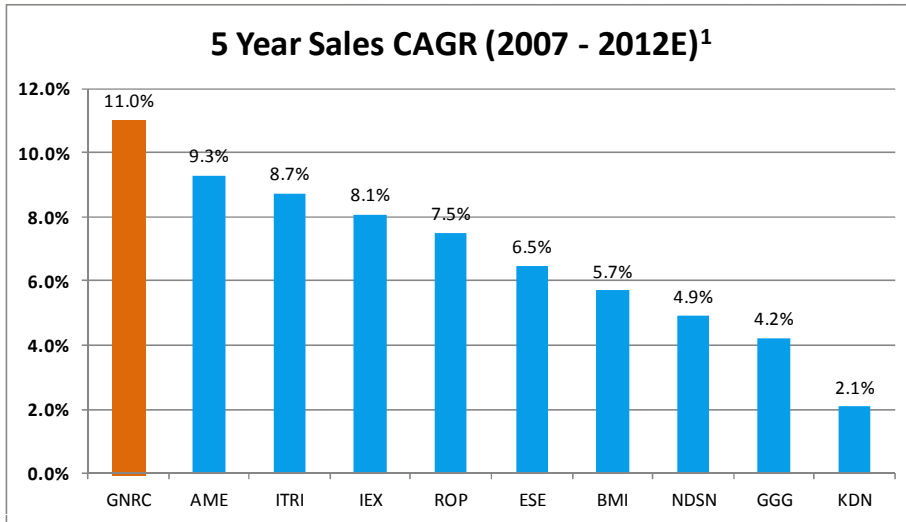
Results in present value tax savings of ~ \$330-410 million⁽³⁾ or \$5-\$6 per share

(1) Assuming continued profitability and no limitations at an assumed 38.5% federal and state tax rate.

(2) Calculated at a 35.0% federal tax rate on the \$127 million of federal NOL carry forward balance as of December 31, 2011.

(3) Based on annual discount rate of between 5 and 10%; includes both amortization of intangibles and NOL's.

Relative Performance – Consistent with Industrial Technology Peers



Source: Thomson One, Company Filings Note: Charts for Free Cash Flow Yield and Price / F2012 EPS use closing share prices as of March 22, 2012.

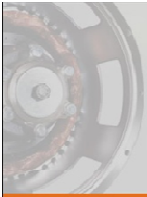
(1) Figures represent a five-year compound annual growth rate calculated by comparing the base year 2007 to the analyst consensus revenue forecast for 2012 for each company.

(2) Adjusted EBITDA figures used for both GNRC and ITRI. 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) to Market Capitalization.

(4) Based on recent share price to consensus EPS estimate for F2012. Figure for GNRC determined by fully taxing 2012 Adjusted EPS estimate and adding value of tax shield.

- As-reported sales: increase at a mid-to-high teens rate vs. a strong 2011
 - Pro-forma sales: mid single-digit increase versus prior year
- Residential product sales: expect increase in mid-to-high single digit range
 - 2H 2012 appreciably higher vs. previous baseline of 2H 2010
- Pro-forma Commercial & Industrial product sales: expect low single-digit growth rate versus strong 2011
- As-reported gross margins: approximately flat versus 2011
- As-reported operating expenses – as percentage of sales excluding amortization: slightly up versus 2011
- Continued strong Free Cash Flow conversion: expected to approximate Adjusted Net Income



Appendix

Generac Leads the Residential Generator Market with Sustainable Competitive Advantages

GENERAC®

Home Standby Generators

- Generac has led the growth in category with innovation – **current market share of 70%**
- Critical competitive advantages include:
 - Unmatched distribution network including over 4,200 dealer/installers, as well as wholesale, retail, online, and private label accounts
 - Broadest product line in the industry
 - 7x relative volumes and lean manufacturing drive strong margins at competitive prices
 - Control of the critical technology – engine, alternator, switches, and controls
 - Superior training and program support
- Competitors: Briggs & Stratton, Kohler, Cummins



Air-cooled
Home Standby



Liquid-cooled
Home Standby

Portable Generators & Power Washers

- Significant presence at retail drives brand recognition and provides entry-level choice for homeowners
- Generac re-entered the portable generator market in 2008 and now has a significant market share of approximately 20%-25%
- Re-entered power washer market in 2011 and making early progress
- Competitors: Briggs & Stratton, TTI, Honda Power Equipment



Portable
Generators



Power Washers

Customers and Opportunities in Light Commercial and Industrial



Cost of 4 Hours Outage Per Business ⁽¹⁾			Current and Prospective Customers			
Food Sales	■ Grocery and convenience stores	\$26,234				
Food Service	■ Restaurants	\$20,161				
Mercantile	■ Retail stores, pharmacies	\$4,892				
Healthcare	■ Hospitals, nursing homes	\$1,593				
Telecom	■ Wireless towers	n/a				

ROI Drives Market Opportunity

- Light commercial**
- Over 2mm locations in the U.S.
 - Affordable price point for natural gas units
 - Up to 35% less expensive than comparable diesel generators

- Industrial**
- Cost advantage of natural gas for many applications
 - Modular applications increase affordability

Combination of power outage costs and increasing affordability have improved industrial and light commercial customers' ROI

(1) Source: SENTECH.

Strong cash flow generation

- Superior profitability and industry leading margins

Priorities

1a Leverage objectives and liquidity

- Publicly stated leverage target of 2.0x Gross Debt / EBITDA
- Maintain strong liquidity profile

1b Continue to invest in the business

- Support market-driven research and development
- Invest in high-return capital spending projects
- Maintenance capital requirements of less than \$10 million per year

2 Capital deployment for external growth

- Seek strategic, high-synergy, low execution risk acquisitions
- Acquisitions to be accretive to earnings in first twelve months following close

3 Dividend

- If future cash flow permits, may consider initiating a modest dividend distribution

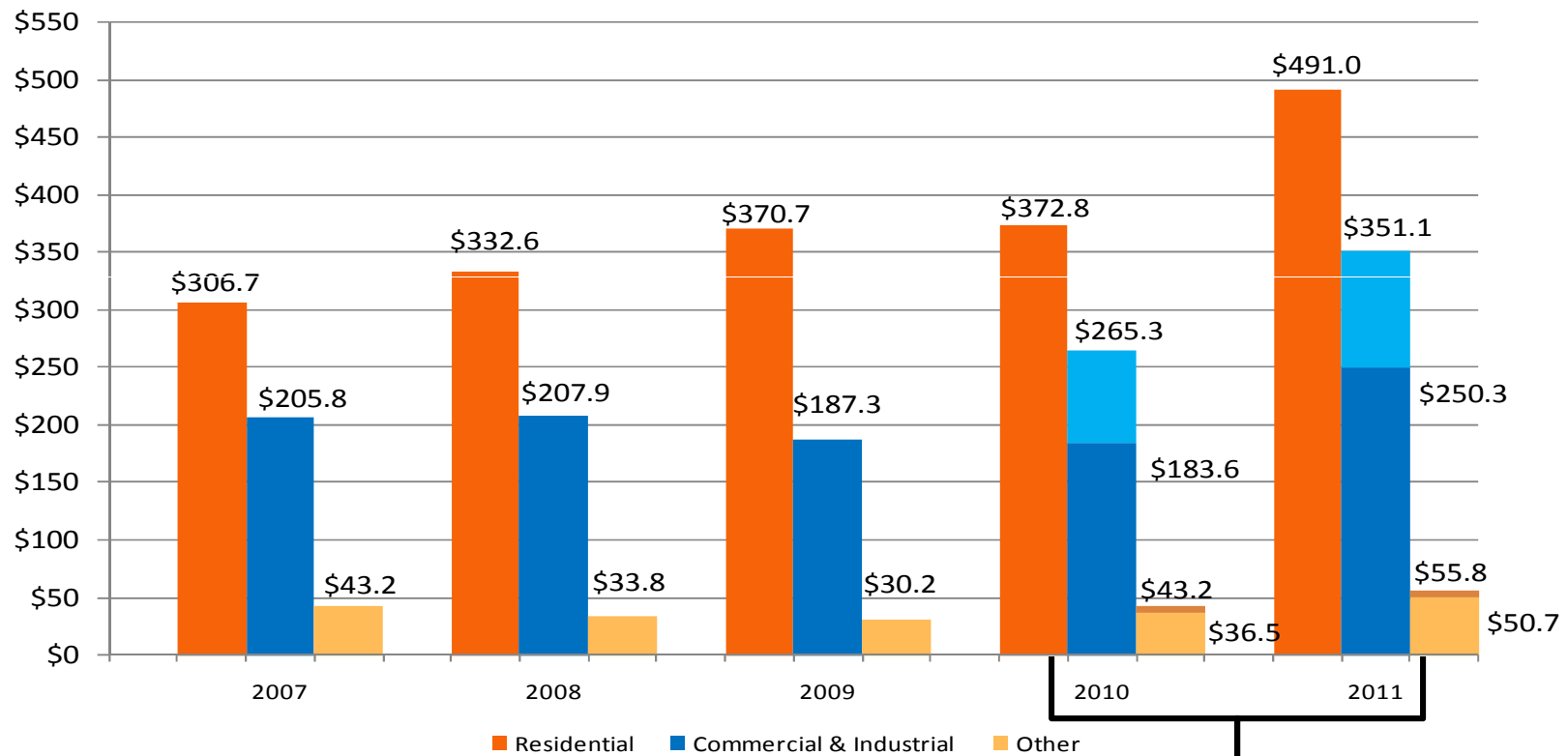
Generac is Focused on Maintaining a Conservative Capital Structure

Net Sales by Product Class



Net Sales by Product Class

(\$ in millions)



2010 and 2011 Pro Forma amounts include Magnum results, assuming the transaction was completed on first day of 2010 period.

**Pro Forma for
Magnum**

Q4 2011 & 2011 Financial Overview

(\$ in millions)

	<u>Actual</u> <u>Q4 2011</u>	<u>Y/Y %</u> <u>Change</u>	<u>Actual</u> <u>2011</u>	<u>Y/Y %</u> <u>Change</u>
Residential	\$ 167.5	67.6%	\$ 491.0	31.7%
Industrial	85.5	63.3%	250.3	36.3%
Other	14.3	63.6%	50.7	38.7%
Net Sales	<u>\$ 267.3</u>	66.0%	<u>\$ 792.0</u>	33.6%
Gross Profit	\$ 98.5	54.3%	\$ 294.7	24.1%
% Margin	36.8%		37.2%	
Adjusted EBITDA	\$ 61.8	44.6%	\$ 188.5	20.6%
% Margin	23.1%		23.8%	
Net Income ⁽¹⁾	\$ 267.1	NM	\$ 324.6	NM
Adjusted Net Income	\$ 51.8	57.3%	\$ 147.2	26.9%
Adjusted EPS	\$ 0.76	55.1%	\$ 2.17	NM
Free Cash Flow	\$ 73.1	180.6%	\$ 157.7	50.4%
Consolidated Net Debt			\$ 504.7	-12.8%
Consolidated Net Debt Leverage Ratio			2.7x	

(1) Net income for Q4 and full-year 2011 includes a net \$238.0 million income tax benefit and a \$9.4 million pre-tax write down of a certain trade name.

Adjusted EBITDA Reconciliation

(\$ in millions)

	2007	2008	2009	2010	2011
Reported net income	(9.7)	(556.0)	43.1	56.9	324.6
Interest expense	125.4	108.0	70.9	27.4	23.7
Depreciation and amortization	53.8	54.8	59.7	59.4	56.1
Income taxes provision (benefit)	(0.6)	0.4	0.3	0.3	(237.7)
Non-cash impairment and other charges	5.3	585.6	(1.6)	(0.3)	10.4
Non-cash stock-based compensation expense	-	-	-	6.4	8.6
Write-off of deferred financing costs related to debt extinguishment	-	-	-	4.8	0.4
Transaction costs and credit facility fees	1.0	1.3	1.2	1.0	1.7
Non-cash gains	(18.8)	(65.4)	(14.7)	-	-
Other items per credit agreement	1.7	1.2	0.2	0.4	0.5
Adjusted EBITDA	158.1	129.9	159.1	156.2	188.5

Adjusted EBITDA Reconciliation

(\$ in thousands)

Net income to Adjusted EBITDA reconciliation	Three months ended December 31,		Year Ended December 31,	
	2011 (unaudited)	2010 (unaudited)	2011 (unaudited)	2010 (unaudited)
Net income	\$ 267,131	\$ 18,613	\$ 324,643	\$ 56,913
Interest expense	5,888	6,645	23,718	27,397
Depreciation and amortization	14,489	14,918	56,123	59,440
Income taxes provision	(237,983)	70	(237,677)	307
Non-cash write-down and other charges	8,394	(144)	10,400	(361)
Non-cash share-based compensation expense	3,184	1,729	8,646	6,363
Write-off of deferred financing costs related to debt extinguishment	191	629	377	4,809
Transaction costs and credit facility fees	453	169	1,719	1,019
Other	62	117	527	362
Adjusted EBITDA	<u>\$ 61,809</u>	<u>\$ 42,746</u>	<u>\$ 188,476</u>	<u>\$ 156,249</u>

Adjusted Net Income & Free Cash Flow Reconciliations

GENERAC®

(\$ in thousands)

Net income to Adjusted net income reconciliation

	Three Months Ended December 31,		Year Ended December 31,	
	2011 (unaudited)	2010 (unaudited)	2011 (unaudited)	2010 (unaudited)
Net income	\$ 267,131	\$ 18,613	\$ 324,643	\$ 56,913
Provision for income taxes	(237,983)	70	(237,677)	307
Income before provision for income taxes	29,148	18,683	86,966	57,220
Amortization of intangible assets	12,450	13,063	48,020	51,808
Amortization of deferred loan costs	495	569	1,986	2,439
Write-off of deferred financing costs related to debt extinguishment	191	629	377	4,809
Trade name write-down	9,389	-	9,389	-
Acquisition costs	274	-	875	-
Adjusted net income before provision for income taxes	51,947	32,944	147,613	116,276
Cash income tax expense	(122)	(2)	(437)	(322)
Adjusted net income	\$ 51,825	\$ 32,942	\$ 147,176	\$ 115,954

Free Cash Flow Reconciliation

Net cash provided by operating activities	\$ 80,697	\$ 31,360	\$ 169,712	\$ 114,481
Expenditures for property and equipment	(7,599)	(5,307)	(12,060)	(9,631)
Free Cash Flow	\$ 73,098	\$ 26,053	\$ 157,652	\$ 104,850