



INVESTOR PRESENTATION

First Quarter 2023

SAFE HARBOR

Today's presentation includes forward-looking statements that reflect management's current expectations about the Company's future business and financial performance.

These statements are subject to certain risks and uncertainties that could cause actual results to differ from anticipated results.

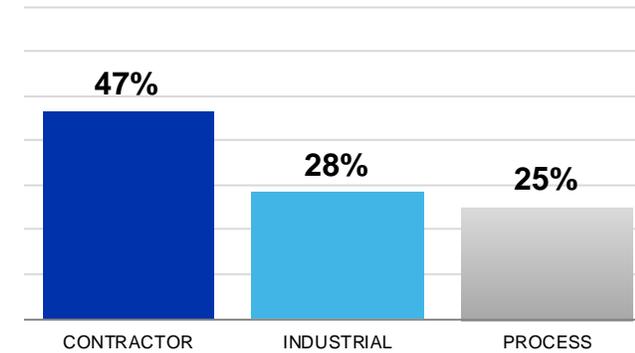
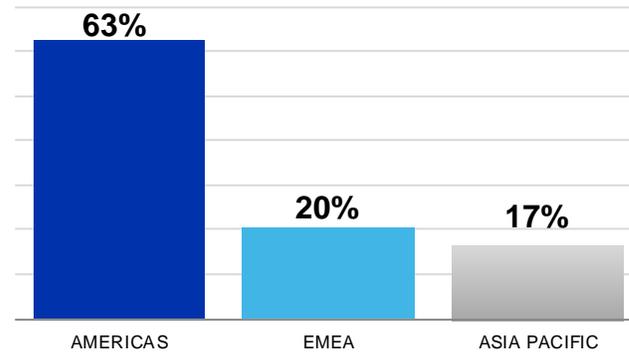
Factors that could cause actual results to differ from anticipated results are identified in Item 1A of the Company's Form 10-K, and Item 1A of the most recent Quarterly Report on Form 10-Q and also the Company's Earnings Release dated April 26, 2023.

DISTRIBUTION OF GLOBAL SALES

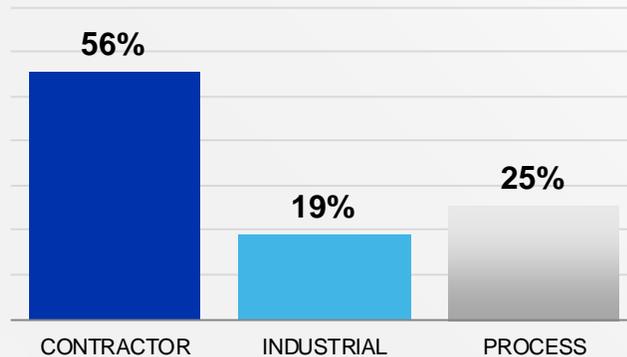
WORLDWIDE

\$530M

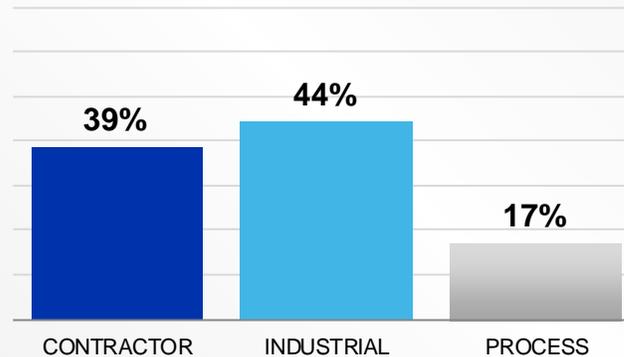
First Quarter 2023



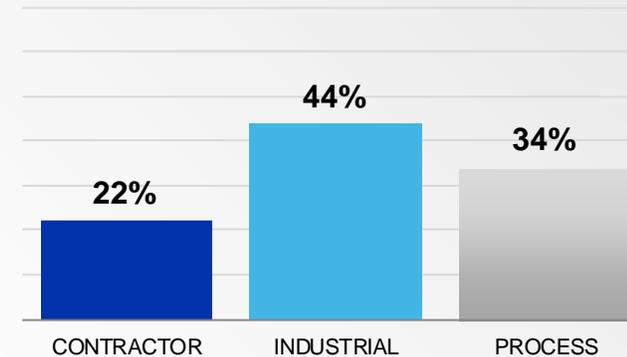
AMERICAS



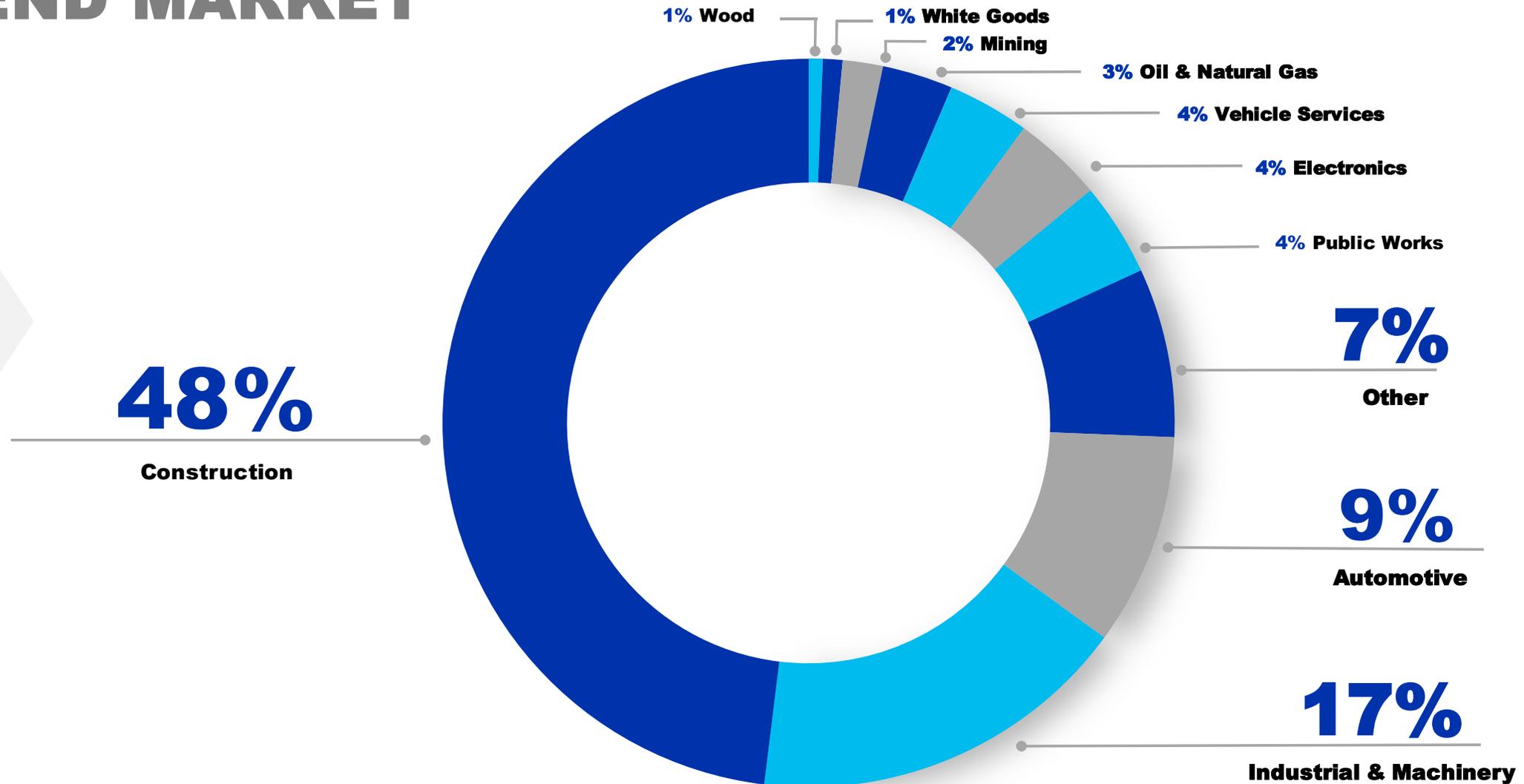
EMEA



ASIA PACIFIC



2022 NET SALES BY END MARKET



TRUSTED SOLUTIONS TO KEEP JOBS MOVING & FLUIDS PUMPING



DIVERSIFIED FLUID HANDLING BUSINESS

NICHE

DIFFICULT APPLICATIONS; CORROSIVE, VISCIOUS, HARD-TO-MOVE MATERIALS

6.3%

ORGANIC REVENUE CAGR*

~40%

OF REVENUE IS PARTS AND ACCESSORIES

*20-year average, constant currency



HIGH CUSTOMER VALUE, STRONG PRODUCT DIFFERENTIATION

**BEST IN CLASS
DELIVERY**

**MATERIAL SUPPLIER
RELATIONSHIPS**

**NICHE
MARKETS**

**STRONG CHANNEL
PARTNERS**

CUSTOMER ROI

**LOWEST TOTAL COST
OF OWNERSHIP**

**LEADING
NEW PRODUCT
INVESTMENT**

**STRINGENT
PRODUCT
REQUIREMENTS**

**BEST IN
CLASS QUALITY**

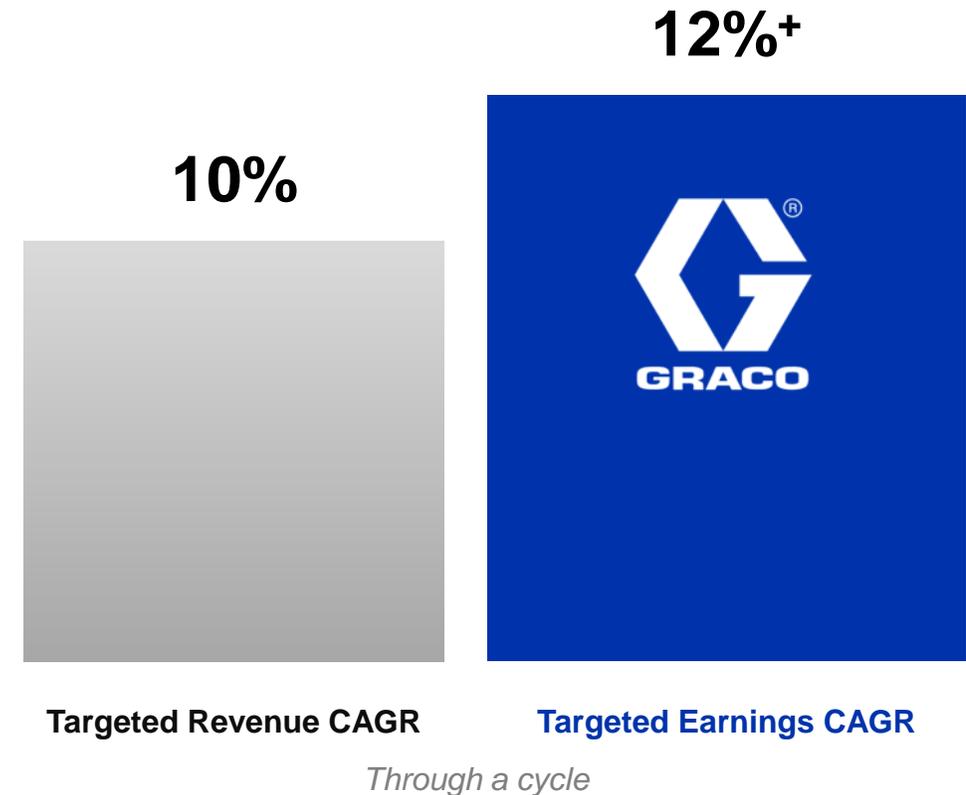
**END USER
INTERACTION**



GROWTH PLANS AND EARNINGS DRIVERS

STRATEGIC INITIATIVES

- New Product Development
- New Markets
- Global Expansion
- End-user Conversion
- Acquisitions



LOW VOLUME, HIGH MIX DELIVERS CUSTOMER ROI

Average Number of Units Sold Per Day	Number of SKUs		2022 Sales (\$ in millions)	
0 - 1	60,900	93%	\$930	43%
2 - 5	2,800	4%	\$395	19%
6 - 10	900	1%	\$179	8%
11 - 15	300	1%	\$80	4%
Greater than 15	800	1%	\$560	26%
Graco 2022 Sales	65,700		\$2,144	

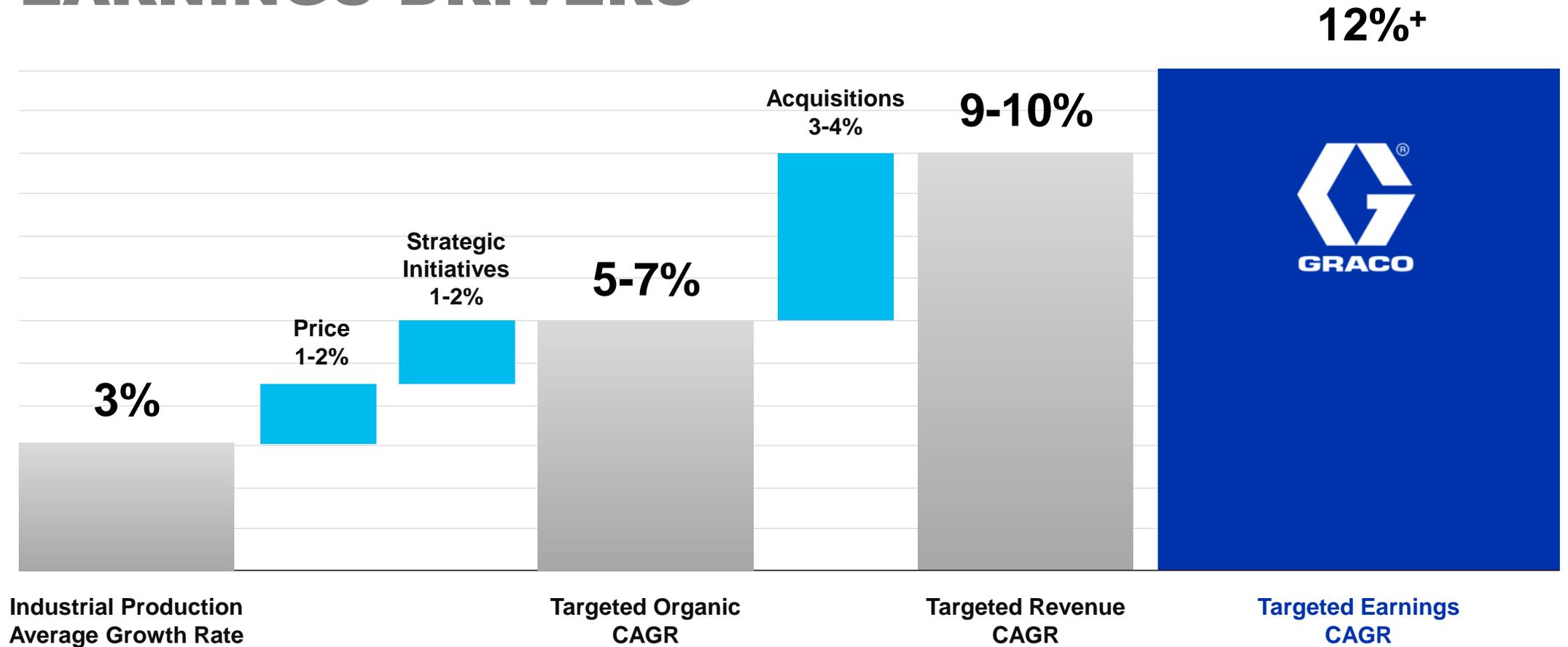
HIGHLY-VALUED PRODUCTS AT LOW VOLUMES

43%

of our revenue comes from products that we sell

ZERO TO ONE PER DAY

GROWTH PLANS AND EARNINGS DRIVERS



Through a cycle

EXCEPTIONAL RETURNS

6.3%

**ORGANIC
REVENUE
CAGR**

27%

**RETURN ON
INVESTED
CAPITAL**

40%

**RETURN ON
EQUITY**

18%

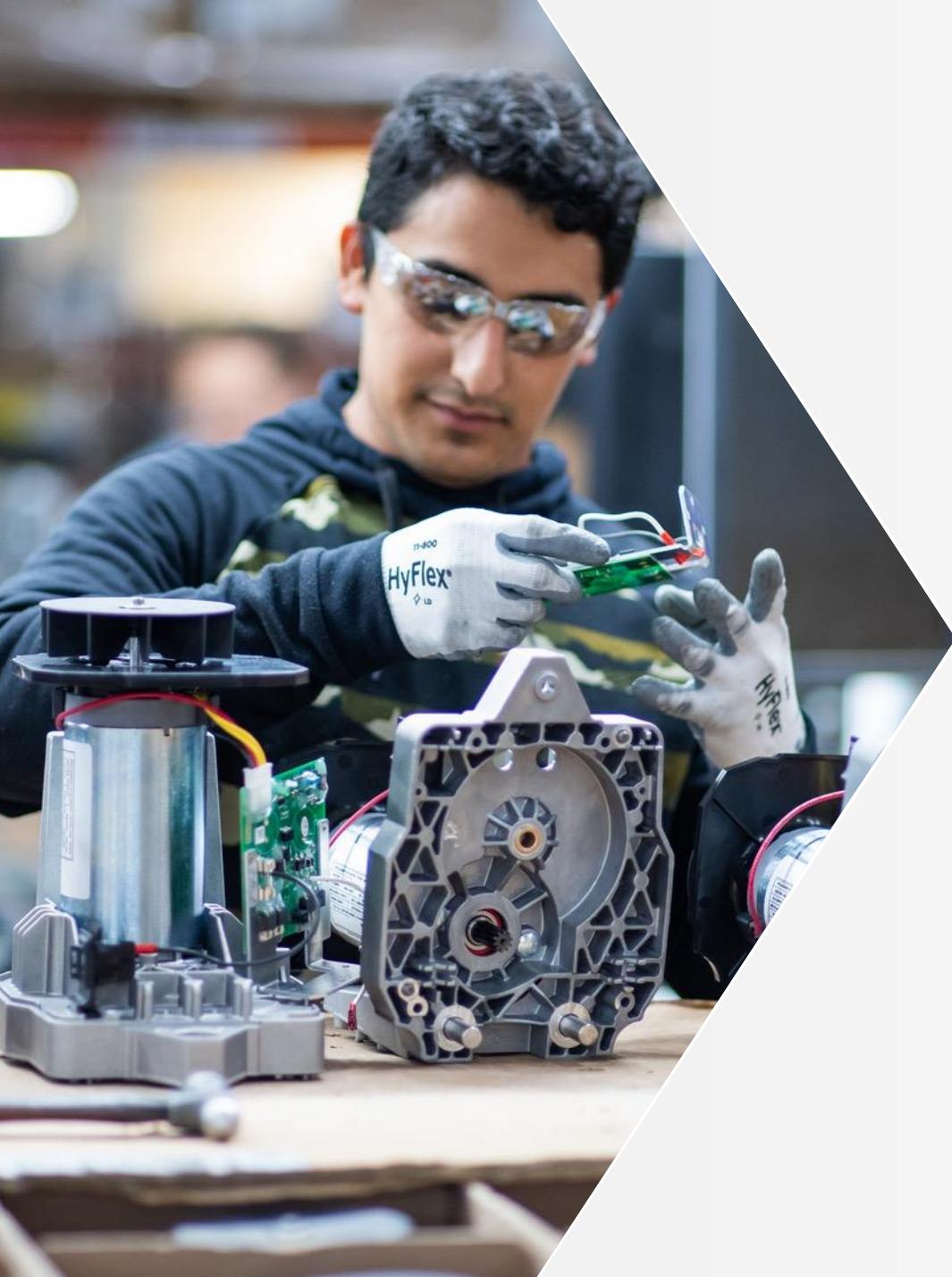
**RETURN ON
ASSETS**

Based on a 20-year average, constant currency

BUSINESS MODEL

- Brand Promise
- Operational Excellence
- Engineering & Manufacturing Excellence
- Extensive Reach





ENGINEERING EXCELLENCE

**TARGET DOUBLE-DIGIT RETURNS
ON NEW PRODUCTS**

ANNUAL R&D INVESTMENT:

>1.8X*
OUR PEER GROUP

4.0%*
**AS A PERCENT OF SALES
VS. PEERS AT 2.2%**

* Peers: ITW, CSL, DOV, ENOV, IEX, NDSN, WTS, FLS, based on a 5-year average, 2018 - 2022.

A vertical photograph on the left side of the slide shows a close-up of blue industrial machinery, likely a conveyor belt or assembly line, with various metal components and rollers. The image is partially obscured by a large white arrow pointing from the left towards the text.

MANUFACTURING EXCELLENCE

>80%

PRODUCT BASED IN USA

ZERO

**COST CHANGE GOAL ON THE SAME
BASKET OF GOODS (YEAR OVER YEAR)**

<1%

WARRANTY COSTS



SERVICE EXCELLENCE

SAME DAY

ORDERS IN BY NOON, SHIP THE SAME DAY

92%

IN-STOCK SERVICE LEVEL GOAL

EXTENSIVE REACH

30,000+
OUTLETS/DISTRIBUTORS

CUSTOMERS IN
100+
COUNTRIES

INSTALLED BASE
~100
YEARS OLD

FACILITIES IN
12
COUNTRIES



The word 'CONTRACTOR' is written in large, white, bold, uppercase letters. It is positioned on the left side of the image, partially overlapping a white triangular graphic element that points towards the right.

CONTRACTOR

KEY END MARKETS

- Residential and non-residential construction
- Residential and non-residential remodeling
- Transportation Infrastructure

GROWTH DRIVERS & TRENDS

- End user conversion from brush and roll
- Product innovation and channel expansion
- Housing and new construction
- Infrastructure spending
- Regional labor rates
- New markets
- Material changes

SELECT REPRESENTATIVE INDUSTRY PARTICIPANTS:

WAGNER/TITAN
CAMPBELL HAUSFELD
BEDFORD
REGIONAL COMPETITION

MARCH 2023,
THREE MONTHS

\$246M

SEGMENT REVENUE

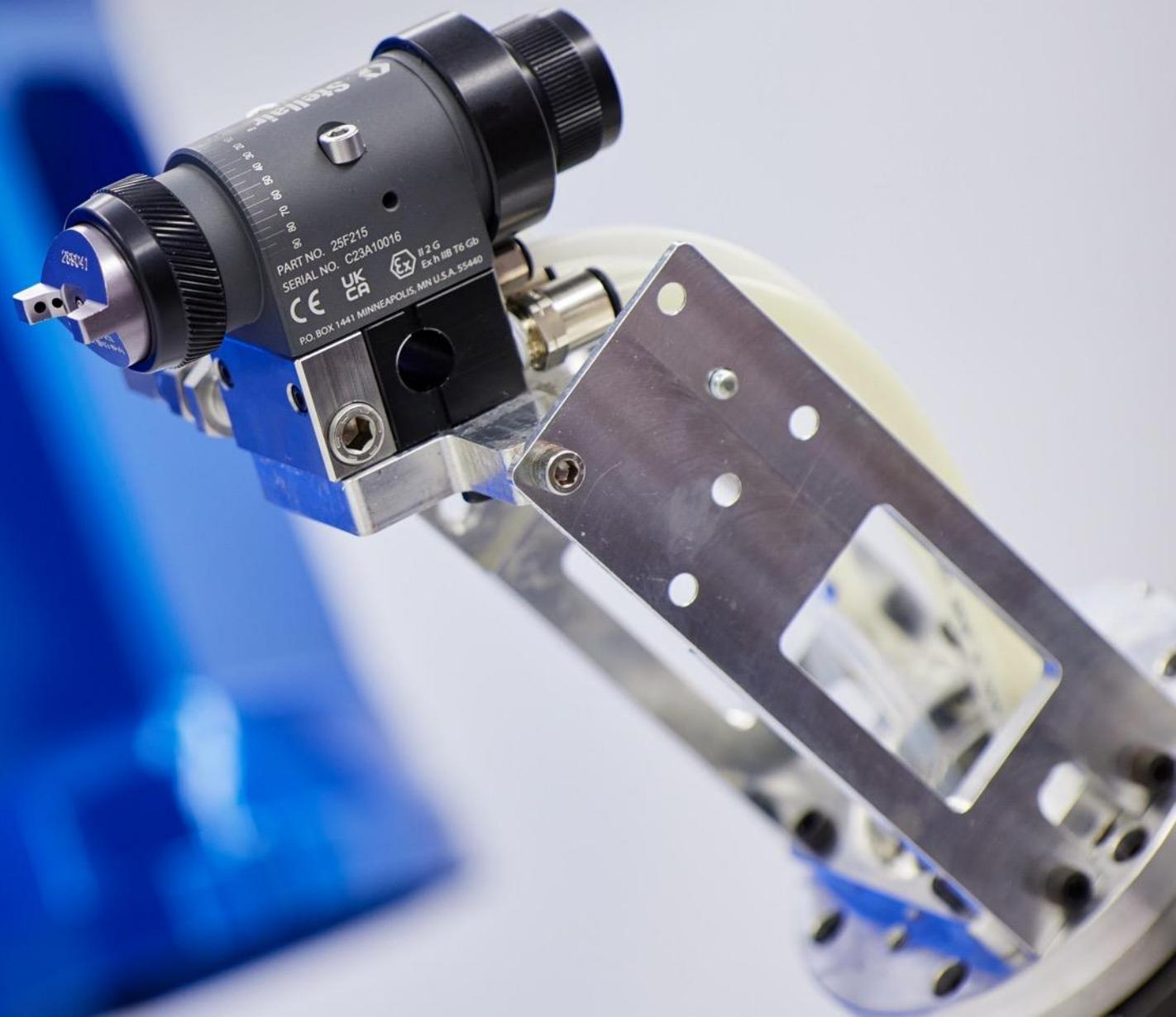
7%

ORGANIC REVENUE
GROWTH

30.0%

OPERATING MARGIN
+490 BASIS POINTS

INDUSTRIAL



INDUSTRIAL

KEY END MARKETS

- General industrial
- Automotive
- Residential and non-residential construction
- Alternative energy and others

GROWTH DRIVERS & TRENDS

- Factory movement and upgrades
- Automation
- Technology upgrades
- Energy-efficiency upgrades
- Material changes

SELECT REPRESENTATIVE INDUSTRY PARTICIPANTS:



NORDSON

CARLISLE

EXEL COMPOSITES

WAGNER

REGIONAL COMPETITION

**MARCH 2023,
THREE MONTHS**

\$150M

SEGMENT REVENUE

7%

**ORGANIC REVENUE
GROWTH**

35.1%

**OPERATING MARGIN
-130 BASIS POINTS**

A large white arrow graphic pointing to the right, partially overlapping the 'PROCESS' text.

PROCESS

The GRACO QUANTM logo, consisting of the GRACO 'G' icon above the word 'QUANTM' in a bold, sans-serif font, all on a blue rectangular background.

GRACO
QUANTM

A blue label with white text that reads 'QUANTM 130' and a small GRACO logo.

QUANTM
130

A white warning label with blue and black text. The visible text includes 'CAUTION', 'To prevent injury or damage to the equipment', and 'do not touch the structure'.

PROCESS

KEY END MARKETS

- Pharmaceutical, food and beverage
- Vehicle services
- Oil and natural gas
- Environmental
- Semiconductor and others

GROWTH DRIVERS & TRENDS

- Factory movement and upgrades
- Technology upgrades
- Energy-efficiency upgrades
- Asset life maintenance
- Commodities extraction
- Environmental regulations

SELECT REPRESENTATIVE INDUSTRY PARTICIPANTS:

IDEX

DOVER

INGERSOLL RAND

LINCOLN

VOGEL

BIJUR DELIMON

HANNAY REELS

COXREELS

REGIONAL COMPETITION

MARCH 2023,
THREE MONTHS

\$134M

SEGMENT REVENUE

16%

ORGANIC REVENUE
GROWTH

30.4%

OPERATING MARGIN
+650 BASIS POINTS

CAPITAL ALLOCATION



LONG-TERM CASH DEPLOYMENT PRIORITIES



ORGANIC GROWTH

- International footprint
- Product development
- Production capacity and capabilities



ACQUISITIONS

- Supplement to organic growth
- Leverage core competencies into adjacencies
- Strong balance sheet position



SHAREHOLDER RETURN

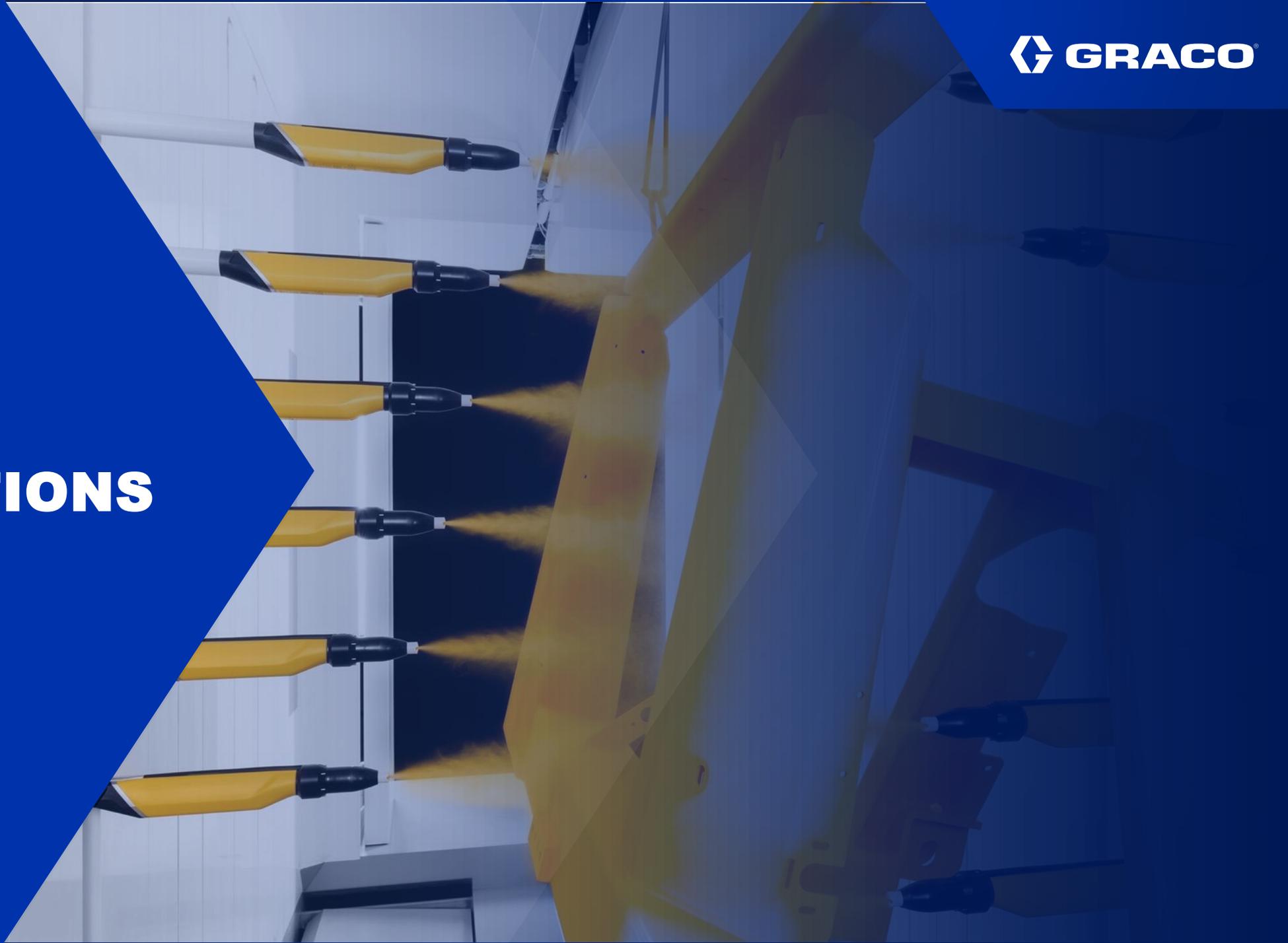
- Solid dividend history
- Approximately 15.0 million shares remaining on repurchase authorization

A photograph of a person's hands working on a metal part in a factory setting. The person is wearing a blue watch and is using a tool to work on a cylindrical metal component. The component is mounted on a metal block. The background is blurred, showing other parts of the factory.

KEY INVESTMENT ATTRIBUTES

- Drive long-term, above-market growth
- Premium products that deliver strong ROI for end users
- Leading industry positions
- Serve niche markets where customers are willing to purchase quality, technology-based products
- Products perform mission-critical functions
- Recurring parts and accessories sales
- Shareholder-minded management
- Financial strength

ACQUISITIONS



ACQUISITIONS

INDUSTRIAL



2012

2015

2015

2017

2018

2020

ACQUISITIONS

PROCESS



2013



2015



2015



2016



2019



2022

FINANCIAL RESULTS



A large, dark blue arrow-shaped graphic on the left side of the slide contains the text. The background of the slide features a microscopic view of a circuit board with various components and solder joints.

Q1 2023 FINANCIAL PERFORMANCE

7%

**REVENUE
GROWTH**

53.8%

**GROSS
MARGIN**

28%

**NET
INCOME
GROWTH**

29%

**EPS
GROWTH**

(As Reported)

FINANCIAL RESULTS

Statement of Earnings

\$ in millions except per share amounts

Net Sales

Gross Profit

% of Net Sales

Operating Earnings

% of Net Sales

Net Earnings

% of Net Sales

Diluted Net Earnings Per Share

Diluted Shares in Millions

Net Earnings, Adjusted (1)

Diluted Net Earnings Per Share, Adjusted (1)

First Quarter		
2023	2022	Change
\$ 529.6	\$ 494.3	7 %
285.1	254.5	12 %
53.8%	51.5%	2.3 pts
156.7	128.4	22 %
30%	26%	3.6 pts
\$ 129.2	\$ 100.8	28 %
24%	20%	4.0 pts
\$ 0.75	\$ 0.58	29 %
171.7	174.7	(2)%
\$ 126.6	\$ 99.3	27 %
\$ 0.74	\$ 0.57	30 %

1) Net earnings and diluted earnings per share for 2023 and 2022 have been adjusted to provide a more consistent basis of comparison of on-going results. See following page for a reconciliation of the adjusted non-GAAP financial measures to GAAP.

FINANCIAL RESULTS ADJUSTED FOR COMPARABILITY

Non-GAAP Reconciliation

\$ in millions except per share amounts

Income taxes, as reported

Excess tax benefit from option exercises

Income taxes, adjusted

Effective income tax rate

As reported

Adjusted

Net earnings, as reported

Excess tax benefit from option exercises

Net earnings, adjusted

Weighted average diluted shares

Diluted earnings per share

As reported

Adjusted

		First Quarter		
		2023	2022	Change
\$	28.2	\$	22.1	28 %
	2.6		1.5	
\$	30.8	\$	23.6	30 %
	17.9%		18.0%	
	19.5%		19.2%	
\$	129.2	\$	100.8	28 %
	(2.6)		(1.5)	
\$	126.6	\$	99.3	27 %
	171.7		174.7	
\$	0.75	\$	0.58	29 %
\$	0.74	\$	0.57	30 %

Excluding the impact of excess tax benefits related to stock option exercises presents a more consistent basis for comparison of financial results. This is a calculation of the non-GAAP measurements of income taxes, effective income tax rates, net earnings and diluted earnings per share.

FIRST QUARTER 2023 RESULTS

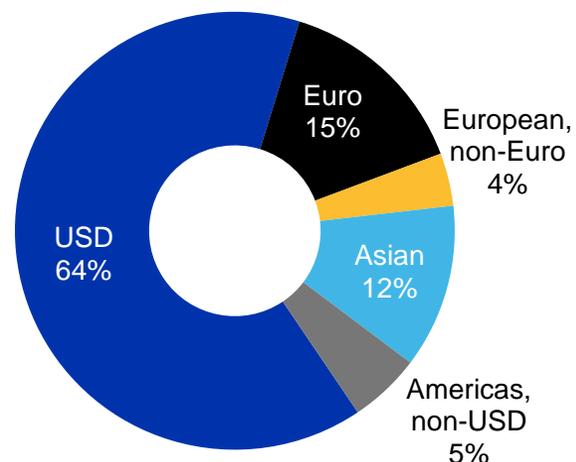
Net Sales	<ul style="list-style-type: none"> • Up 7 percent from 2022, up 10 percent at consistent translation rates
Gross Margin	<ul style="list-style-type: none"> • Margin rate up 2.3 percentage points compared to first quarter 2022 <ul style="list-style-type: none"> > Realized pricing and favorable mix more than offset higher product cost and adverse impact of changes in currency translation rates
Operating Earnings	<ul style="list-style-type: none"> • Up \$28 million compared to first quarter 2022 <ul style="list-style-type: none"> > Realized pricing, favorable mix and expense leverage driving higher operating earnings
Other Expense/ (Income)	<ul style="list-style-type: none"> • Decreased \$2 million due to increased interest income and favorable market valuation changes on investments held to fund certain retirement benefits
Interest Expense	<ul style="list-style-type: none"> • Decreased \$4 million as private placement debt was repaid in the first quarter of 2022
Taxes	<ul style="list-style-type: none"> • Effective tax rate for the quarter was flat compared to first quarter 2022 <ul style="list-style-type: none"> > Effective rate adjusted to exclude the impacts of excess tax benefit from stock option exercises

FINANCIAL RESULTS

Components of Net Sales Change

	Segment			2023 First Quarter Region			Consolidated
	Contractor	Industrial	Process	Americas	EMEA	Asia Pacific	
	Volume and Price	7 %	7 %	16 %	13 %	7 %	
Acquisitions	0 %	0 %	2 %	1 %	0 %	0 %	0 %
Currency	(2)%	(3)%	(2)%	(1)%	(5)%	(5)%	(3)%
Total	5 %	4 %	16 %	13 %	2 %	(6)%	7 %

First Quarter 2023 Net Sales by Currency



Asian currencies include: AUD, CNY, JPY, KRW, INR.
 European, non-euro currencies include: CHF, GBP, RON.
 Americas, non-USD currencies include: BRL, CAD, MXN.

CURRENT ENVIRONMENT AND OUTLOOK

Constant currency basis and excluding acquisitions completed in the prior 12 months

	Americas	EMEA	Asia Pacific	Worldwide
Current Environment	Q1 2023 13%	Q1 2023 7%	Q1 2023 (1%)	Net Sales Change Q1 2023 10%
Contractor Segment	Q1 2023 8%	Q1 2023 7%	Q1 2023 (8%)	Net Sales Change Q1 2023 7%
Industrial Segment	Q1 2023 17%	Q1 2023 5%	Q1 2023 (3%)	Net Sales Change Q1 2023 7%
Process Segment	Q1 2023 22%	Q1 2023 12%	Q1 2023 6%	Net Sales Change Q1 2023 16%
Full-Year 2023 Outlook				Low Single-Digit

OTHER ITEMS

<p>Cap Ex</p>	<ul style="list-style-type: none"> Capital expenditure expectations of approximately \$200 million in 2023, including approximately \$130 million in facility expansion projects
<p>Expenses</p>	<ul style="list-style-type: none"> Unallocated corporate expenses in 2023 are expected to be approximately \$34 - \$37 million
<p>Shares</p>	<ul style="list-style-type: none"> Repurchased 115,000 shares during first quarter. We may make opportunistic purchases in 2023 via open market transactions or short-dated accelerated share repurchase (“ASR”) programs
<p>Currency</p>	<ul style="list-style-type: none"> At current exchange rates, assuming the same volumes, mix of products and mix of business by currency as in 2022, the movement in foreign currencies would have no impact on net sales or net earnings in 2023. Favorable impact of exchange in the second half of the year will offset unfavorable impact in the first half
<p>Taxes</p>	<ul style="list-style-type: none"> We anticipate the effective tax rate in for the second quarter and the full year 2023 to be between 19% - 20%, excluding any impact from excess tax benefits related to stock option exercises and other one time items. Actual results and mix of earnings may materially impact the expected tax rate

FINANCIAL SUMMARY

2022 Appendix

FINANCIAL PERFORMANCE



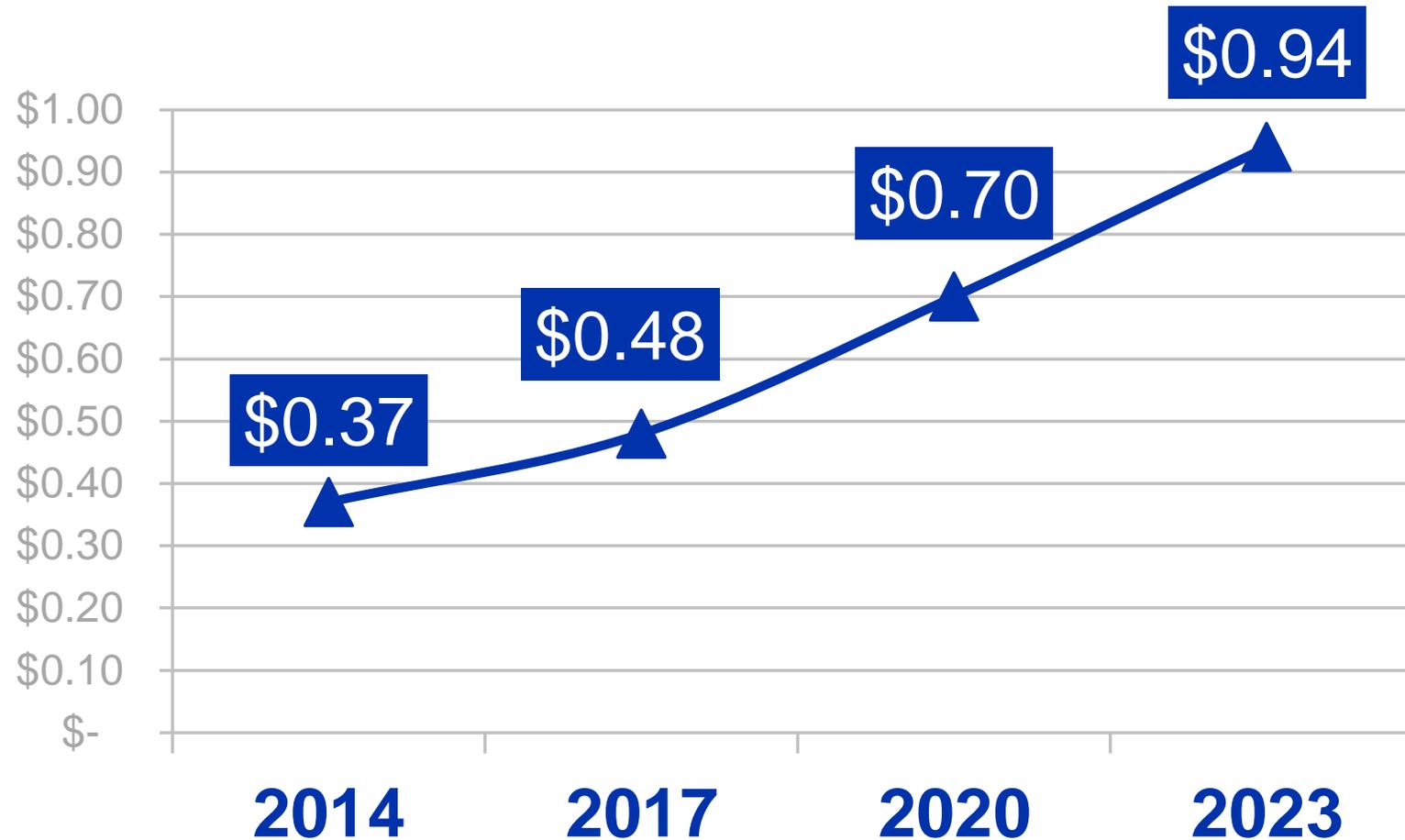
As Reported

Diluted EPS	\$0.66	\$0.27	\$0.56	\$0.77	\$0.81	\$1.12	\$1.22	\$1.95	\$0.24	\$1.45	\$1.97	\$2.00	\$1.92	\$2.52	\$2.66
--------------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------

As Adjusted

Diluted EPS	\$0.66	\$0.27	\$0.56	\$0.77	\$0.81	\$1.12	\$1.22	\$1.15	\$1.18	\$1.43	\$1.88	\$1.90	\$1.95	\$2.44	\$2.63
--------------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------

STOCK DIVIDEND GROWTH



Dividends
adjusted for
stock splits

STRONG CASH GENERATION

(\$ Millions)	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Operating Cash Flows	\$ 377	\$ 457	\$ 394	\$ 419	\$ 368	\$ 338	\$ 269	\$ 190	\$ 241	\$ 243
% of Net Income	82%	104%	119%	122%	108%	134%	661%	55%	107%	115%
Capital Expenditures	201	134	71	128	54	40	42	42	31	23
Free Cash Flow	\$ 176	\$ 323	\$ 323	\$ 291	\$ 314	\$ 298	\$ 227	\$ 148	\$ 210	\$ 220

2016 – Impairment of Intangibles, net of tax, charge of \$161 million was reflected in net income. \$192 million and related change in deferred taxes (\$31) million included in adjustments to reconcile net earnings

2015 – Divestiture of Liquid Finishing Held Separate assets net gain \$141 million reflected in net income; effect of taxes on the gain, transaction costs and Foundation contribution are included in operating cash flows

(\$ Millions)	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Dividends	\$ 142	\$ 127	\$ 117	\$ 106	\$ 89	\$ 80	\$ 73	\$ 69	\$ 66	\$ 61
Acquisitions	25	19	28	27	11	28	49	189	185	12
Share Repurchases *	198	(51)	21	(38)	236	54	18	256	165	26
	\$ 365	\$ 95	\$ 166	\$ 95	\$ 336	\$ 162	\$ 140	\$ 514	\$ 416	\$ 99



WORLDWIDE LEADER IN FLUID HANDLING

MOVE • MEASURE • MIX • CONTROL • DISPENSE • SPRAY