

2017 Investor Day
September 7, 2017



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: frequency and duration of power outages impacting demand for Generac products; 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 and foreign currency exchange 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 or recalls; 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 2016 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.

Agenda

9:30am	Registration
10:00-11:30am	Prepared Remarks
11:30-12:00pm	Working Lunch and Q&A
12:00-12:45pm	Travel to Whitewater Facility
12:45-1:30pm	Tour Whitewater Facility
1:30-2:00pm	Travel to Eagle Facility
2:00-2:45pm	Tour Eagle Facility
2:45-3:00pm	Travel to Waukesha Headquarters
3:00-4:00pm	Innovation Experience

Overview &
International
Aaron Jagdfeld, CEO

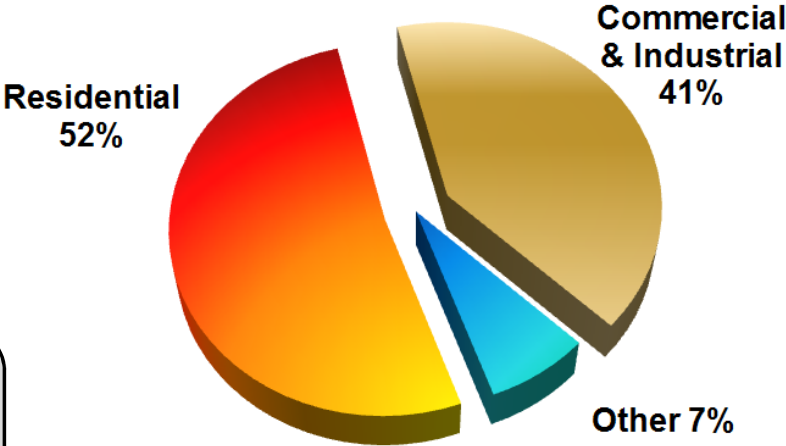


Leading designer and manufacturer of a wide range of **power generation equipment** and **other engine powered products**

Variety of end markets include residential, light commercial and industrial

Global distribution network of independent dealers, distributors, retailers, wholesalers and equipment rental companies, and also sold direct to certain end users

2017 LTM Sales: \$1.518 billion

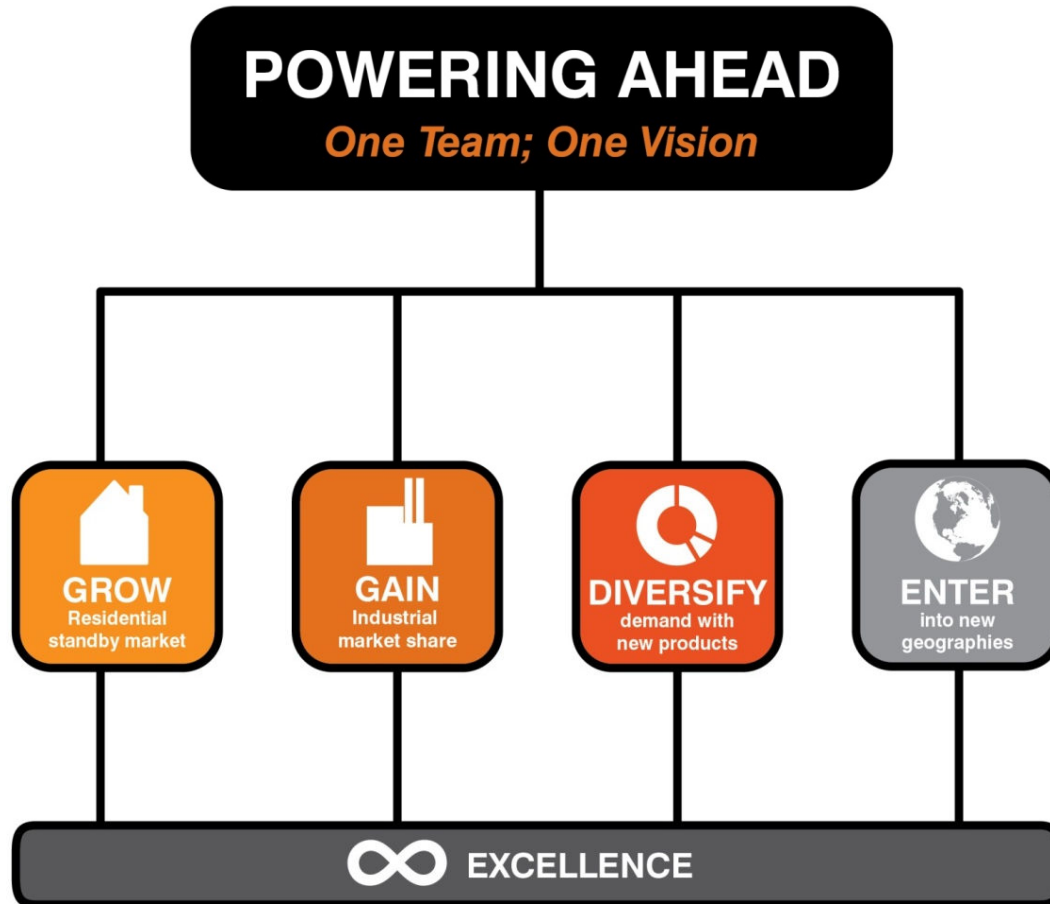


Global manufacturing, distribution, fulfillment and commercial footprint with facilities located in the **U.S., Latin America, Europe and Asia.**

Ten acquisitions completed since 2011, including recent strategic acquisitions of Pramac and Motortech

Approx. **4,500 employees** (as of 1/1/2017)

Powering Ahead is Working



Powering Ahead was originally implemented in 2011

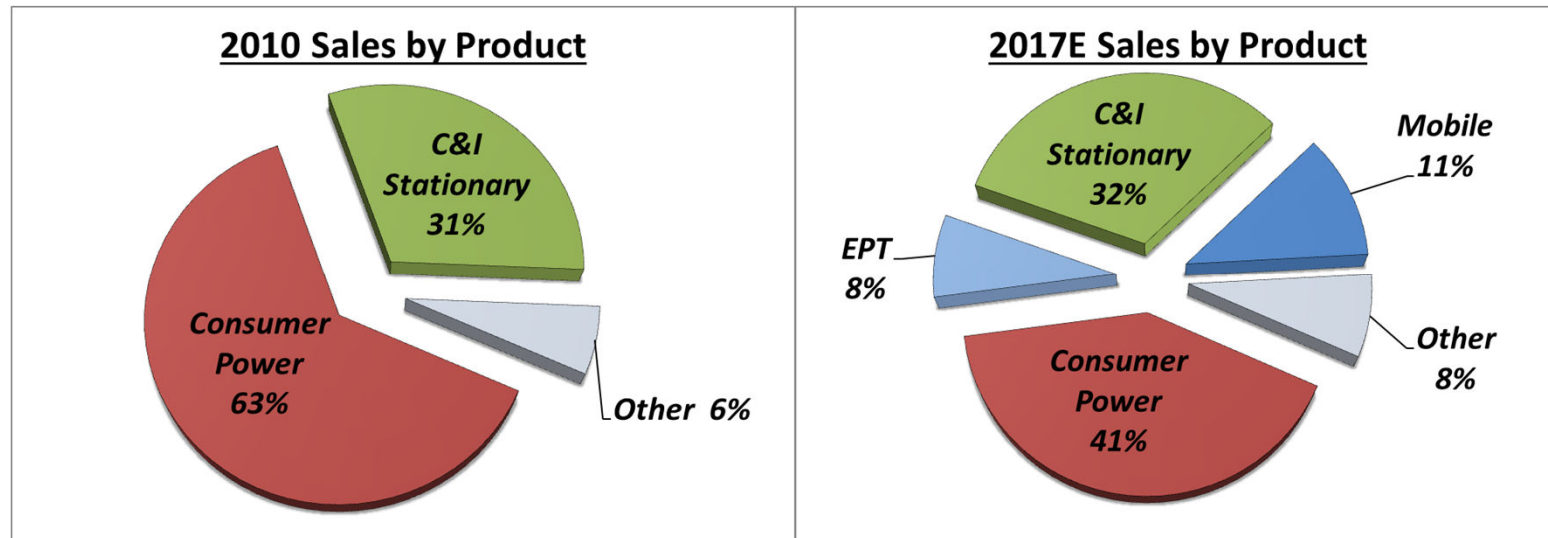
DOUBLED THE REVENUE OF THE COMPANY

QUADRUPLED OUR SERVED MARKETS*

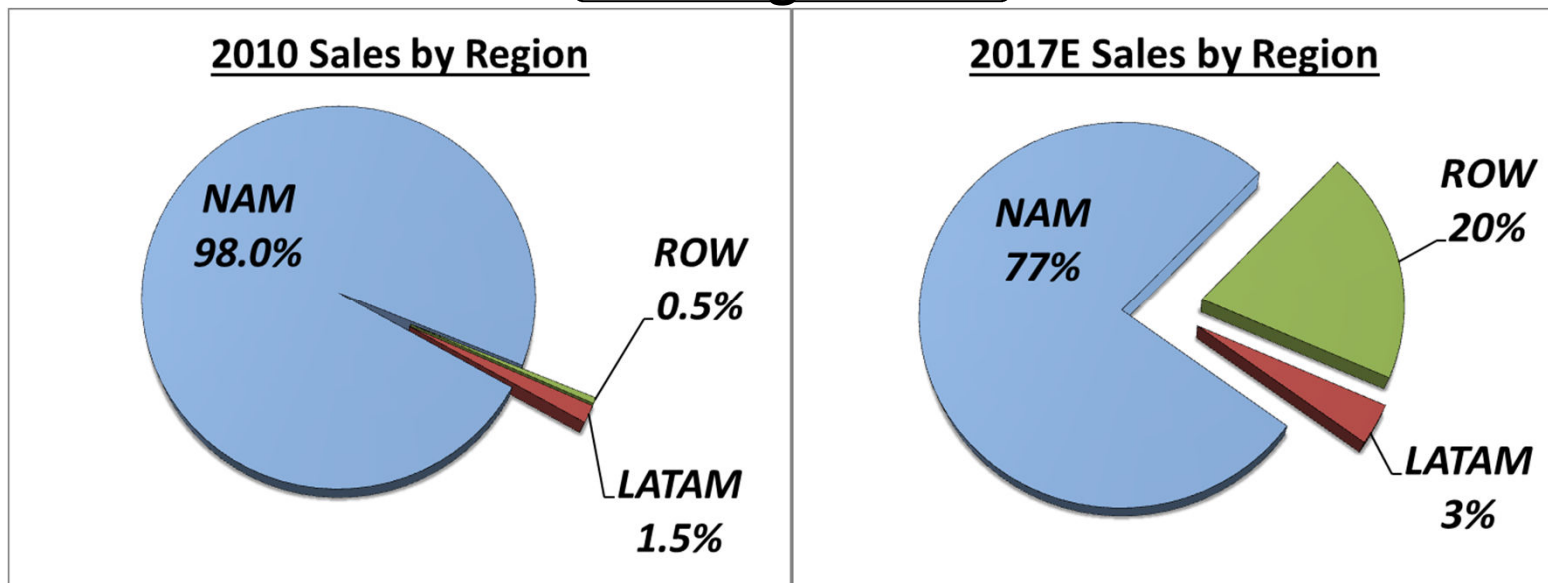
* SERVED MARKETS ARE MARKETS WHERE WE HAVE PRODUCTS & DISTRIBUTION IN PLACE

Diversifying Products & Geography

Product Platform



Region



Refinement of Our Strategy



“Grow” and “Gain” remain



Still enormous opportunities in both pillars

De-emphasize “Diversify” as a strategic pillar
Outage dependent revenues now less than 45%
Addition of “Lead Gas” as a new pillar
Expand on position as the world’s largest gas generator company – new products & markets



Modify “Enter” New Geography pillar to “Expand” – focus on established markets



Evolution of “Excellence” foundation to four specific areas of focus:

EXCELLENCE THROUGH:

Customer First

Our People

Continuous Improvement

Core Technology Leadership

Refinement of Our Strategy



1% INCREASE
IN PENETRATION EQUATES TO A
\$2B
SALES OPPORTUNITY

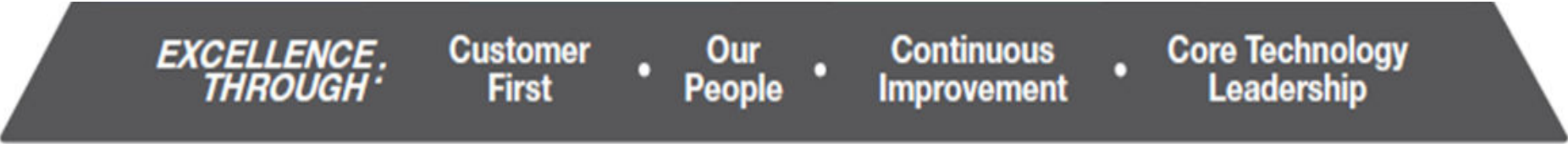


1% INCREASE
IN MARKET SHARE EQUATES TO A
\$35M
SALES OPPORTUNITY

\$5B MARKET
GLOBAL GAS MARKET
OPPORTUNITY OF WHICH WE
CURRENTLY SERVE ~\$2B





GLOBAL FOOTPRINT
TO SERVE A **\$13.5B**
MARKET OUTSIDE OF THE US &
CANADA



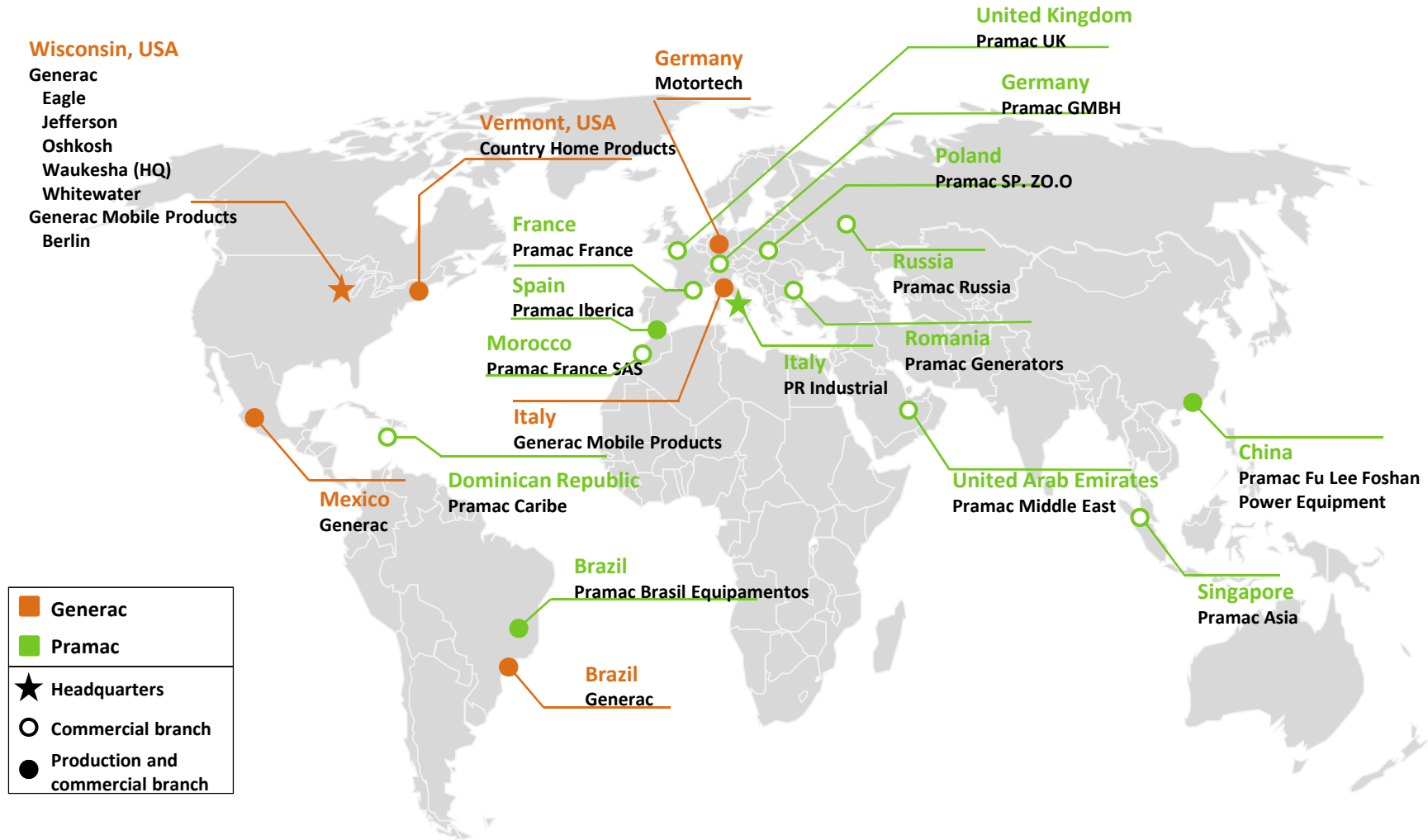


POWERING AHEAD

Lead Gas

PAST	PRESENT	FUTURE
<p>North America</p> <ul style="list-style-type: none"> • Emergency Standby 	<p>North America</p> <ul style="list-style-type: none"> • Emergency Standby • Prime Power • Demand Response <p>ROW/International</p> <ul style="list-style-type: none"> • Standby & Prime <div data-bbox="709 841 1377 1058" style="text-align: center;">  <p>Geographic Market Access</p>  <p>Technology & Application Expertise</p> </div>	<p>North America</p> <ul style="list-style-type: none"> • Standby & Prime • Demand Response <p>ROW/International</p> <ul style="list-style-type: none"> • Standby & Prime <p>Global</p> <ul style="list-style-type: none"> • Continuous, Combined Heat & Power (CHP)
~\$2.0B	~\$3.0B	~\$5.0B
Increase Served Market		
Up to 200kW + MPS 60Hz only	Up to 500kW + MPS 50Hz & 60Hz	Up to 1MW + MPS 50Hz & 60Hz
Product Line Expansion		

Growing Global Footprint



**OVER 2.7M FT² OF VERTICALLY INTEGRATED MANUFACTURING CAPACITY
SERVING A GLOBALLY DIVERSE COMMERCIAL FOOTPRINT**

Building a Global Tier 1 Generator Company

Top Generator OEMs – 2011



Top 10 Generator OEMs - Current



International Growth & Initiatives

Latin America

- Grow Natural Gas Market
- New product line
<200kW - improved competitiveness
- Expanded Telecom and Data Center focus
- Grow Mexican residential standby market opportunity
- Continue to position for return of large projects in the region

Rest of World

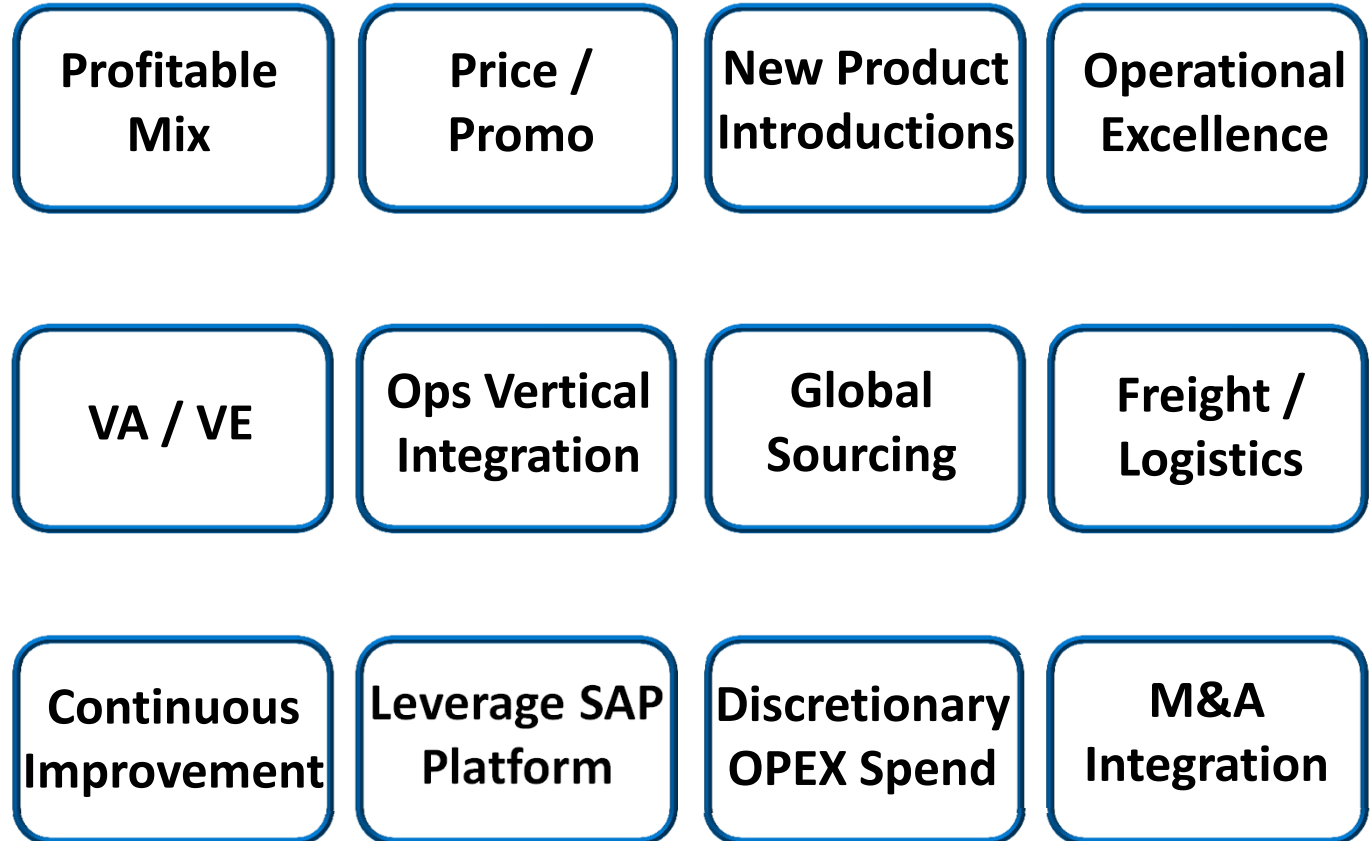
- Grow Natural Gas Market
- Expand in new geographies (AUZ)
- Expanded Telecom and Data Center focus
- Create residential standby market globally
- Execute consolidation of UK operations & mobile recovery plan
- Continue to focus on large project opportunities

Expected CAGR of 6-7% for 2017-2020

Profitability Enhancement Program

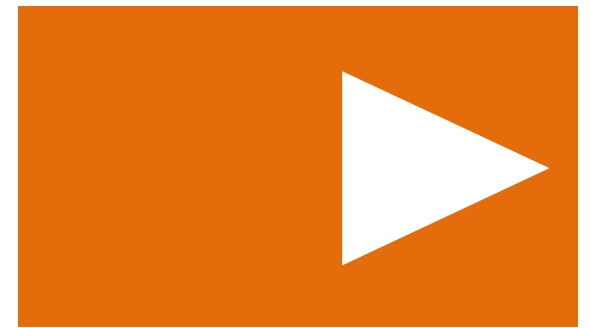


- *Cross-functional*
- *Cross-company*
- *Project managed*
- *Resourced*
- *Measured*
- *Accountable*
- *Value-oriented culture*



Targeting margin expansion of \approx 150bps through 2020

Residential Products
North America
Russ Minick, EVP & CMO



Our “Higher Mission”:

Protecting people, property and fundamental lifestyle amenities in an increasingly uncertain world



POWERING AHEAD

LIGHTS
REFRIGERATION
HVAC
WELL WATER

INTERNET/TV
MEDICAL DEVICES
COOKING
SUMP PUMP

TOILETS
WASHING CLOTHES
PHONE
GARAGE DOOR

Consumer Power Market Overview



Air-cooled Home Standby Generators



Liquid-cooled Home Standby Generators



Portable & Inverter Generators

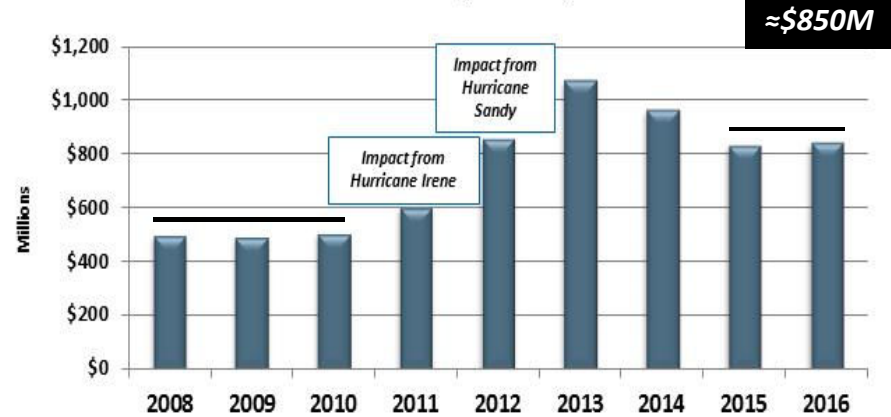


#1 GENERAC MARKET SHARE (2016 EST)



#1 GENERAC MARKET SHARE (2016 EST)

HSB Market Size (\$ Millions)



Retail Consumer Power Market: ≈ \$1.55B

Home

- ~55% of the portable mkt \$
- Home back-up, power during outages
- Retailers dominate
- **Market: Outage Driven**

Play

- ~30% of the portable mkt \$
- Recreational applications: hunting, camping, tailgating
- Independent retail, specialty retail, online
- **Market: Growing**

Work

- ~15% of the portable mkt \$
- Contractor & jobsite use
- Rental, pro retailers, catalog, online
- **Market: Steady**

NA Portable Generator Market Retail \$



- **Availability:** Omni channel with thousands of partners participating in category growth, easy to find
- **Affordability:** Research shows exponential category growth as “all-in” price declines
- **Awareness:** Drive category and brand awareness through highly targeted advertising approaches
- **Control the Ends:** Dominate search and build the dealer network (IHC, install and support)
- **Fill the Funnel:** Leverage AMP data and sales process for best-in-class HSB lead generation and conversion of portable owners into HSB prospects
- **Expand:** Grow HSB outside of NAM

RESIDENTIAL DISTRIBUTION

OVER 25,000 POINTS OF LIGHT IN NORTH AMERICA



RESIDENTIAL DEALERS	ELECTRICAL WHOLESALERS	NATIONAL RETAILERS	REGIONAL RETAILERS	E-Commerce, Catalog & D2C	Private Label Partners
Largest Authorized Dealer network for in-home selling, installation and service.	Partnership with the most robust network of EW's focused on customer service, training and inventory.	Product placement in the largest DIY Retailers.	Product placement across the leading regional retailers.	Partnerships with the most recognizable industry ecommerce sites and catalogs	Differentiated distribution through private label agreements.

HOME STANDBY DEMAND CREATION

Leveraging Data

We have the most comprehensive data set in the industry to help identify and target the most likely consumers.

← Generac's "Big Data" Team →



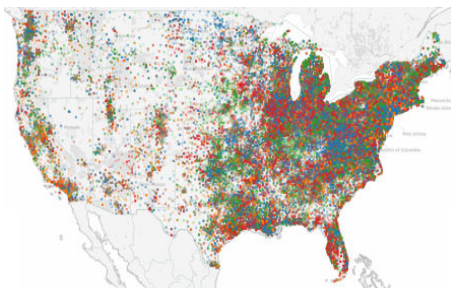
- With ≈ 75% share of the residential Home Standby market, no one can match Generac's scale in the marketplace

- Daily tracking of local power outages across the country allows us to quickly assess market potential

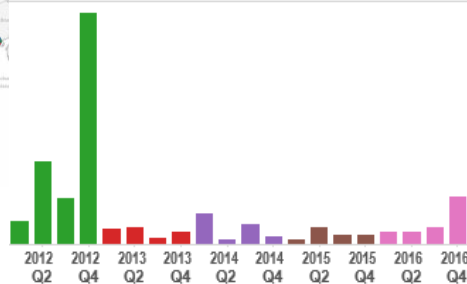
- Ability to target custom consumer segmentations and key consumer groups

- Custom capability to merge historical sales, recent power outages, and key consumer demographics to drive local targeting efforts

HSB Heat Map



Power Outage Tracking



Top Psychographic Targets

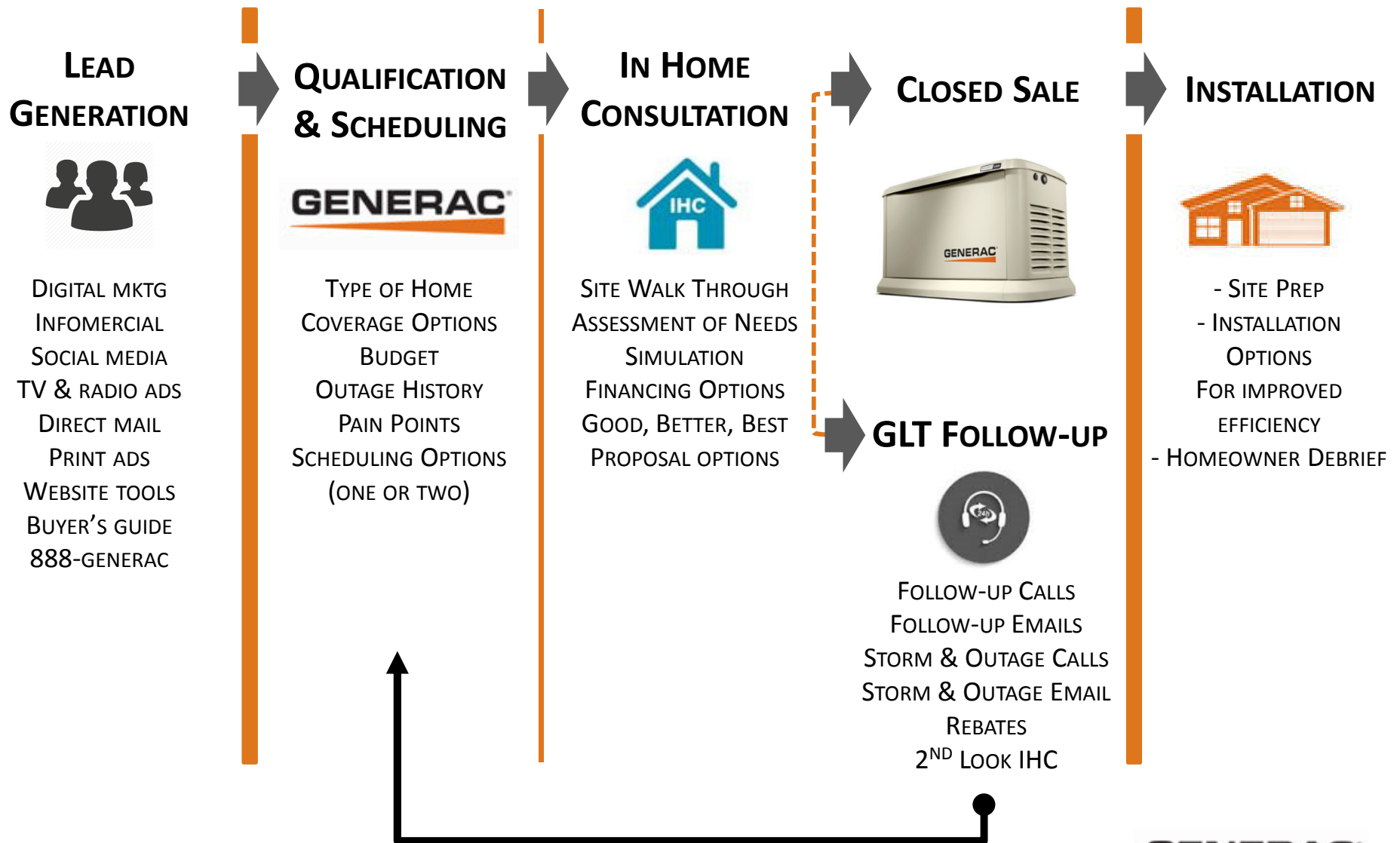


Custom Dashboards



Activations/IHC's + Outage Tracking + Proprietary Segmentation = Lead Generation Targeting

HSB Demand Creation Process



Redefining the Home Standby Sales Process!



- The Comprehensive PowerPlay Sales Process:
 - Drives pre-qualified leads to our dealers
 - Tracks and nurtures leads from beginning to end of the sales funnel
 - Creates a platform for dealer-aided presentation tools
 - Assists with dealer development
 - Provides critical metrics
 - Creates demand outside of storms
 - Improves category awareness
 - Drives Home Standby penetration



**Innovative Industry
Leading Sales Tool**



James Johnson: Generac
James Johnson
 Lead: Generac
 Acknowledged by Dealer Tue, Jan 24, 2017 AM

Contact Information
 Address S45 W29290 Hwy. 59
 Waukesha, WI 53189 United States of America
 Home (262) 544-4811
 Email PowerPlay@Generac.com

January 2017

Generac - Whitewater Consumer Products Division
 Whitewater Facility
 Whitewater, WI 53190
 (414) 444-4444

GENERAC

August 22, 2017
 Dear PowerPlay Test:

Thank you for the opportunity to conduct an in-home survey and review your standby power needs in detail. At Generac - Whitewater, we strive to provide our customers with the best automatic standby solution, and offering Generac automatic standby generators allows us to offer the generator and transfer switch option that meets your unique requirements. As a result, we are pleased to offer you this personalized proposal.

Proposal For:
 PowerPlay Test
 S45W29290 Hwy 59
 Waukesha, WI 53189
 H: (111) 111-1111

11 kW Air-Cooled Standby Generator, Alum Enclosure, 16 Circuit LC NEMA3 Proposal

1-2 new releases each year
 Investment level high

8 kW Pre-Packaged, Air-Cooled Standby Generator with Steel Enclosure	11 kW Air-Cooled Standby Generator, Alum Enclosure, 16 Circuit LC NEMA3	16 kW Air-Cooled Standby Generator with Aluminum Enclosure (Unit Only)
STANDARD	RECOMMENDED	PREMIUM

Accept Proposal

GENERAC

Proposal For:
 PowerPlay Test
 W29290 Hwy 59
 Waukesha, WI 53189
 (111) 111-1111

11 kW Air-Cooled Standby Generator, Alum Enclosure, 16 Circuit LC NEMA3 Proposal

Customer, Please Sign Here

James Johnson

Previous Opportunity Presentations PowerOn Experience Store Photos Diagrams Proposals

Accept Proposal

GENERAC

Proposal For:
 PowerPlay Test
 S45W29290 Hwy 59
 Waukesha, WI 53189
 H: (111) 111-1111

11 kW Air-Cooled Standby Generator, Alum Enclosure, 16 Circuit LC NEMA3 Proposal

Dealer, Please Sign Here



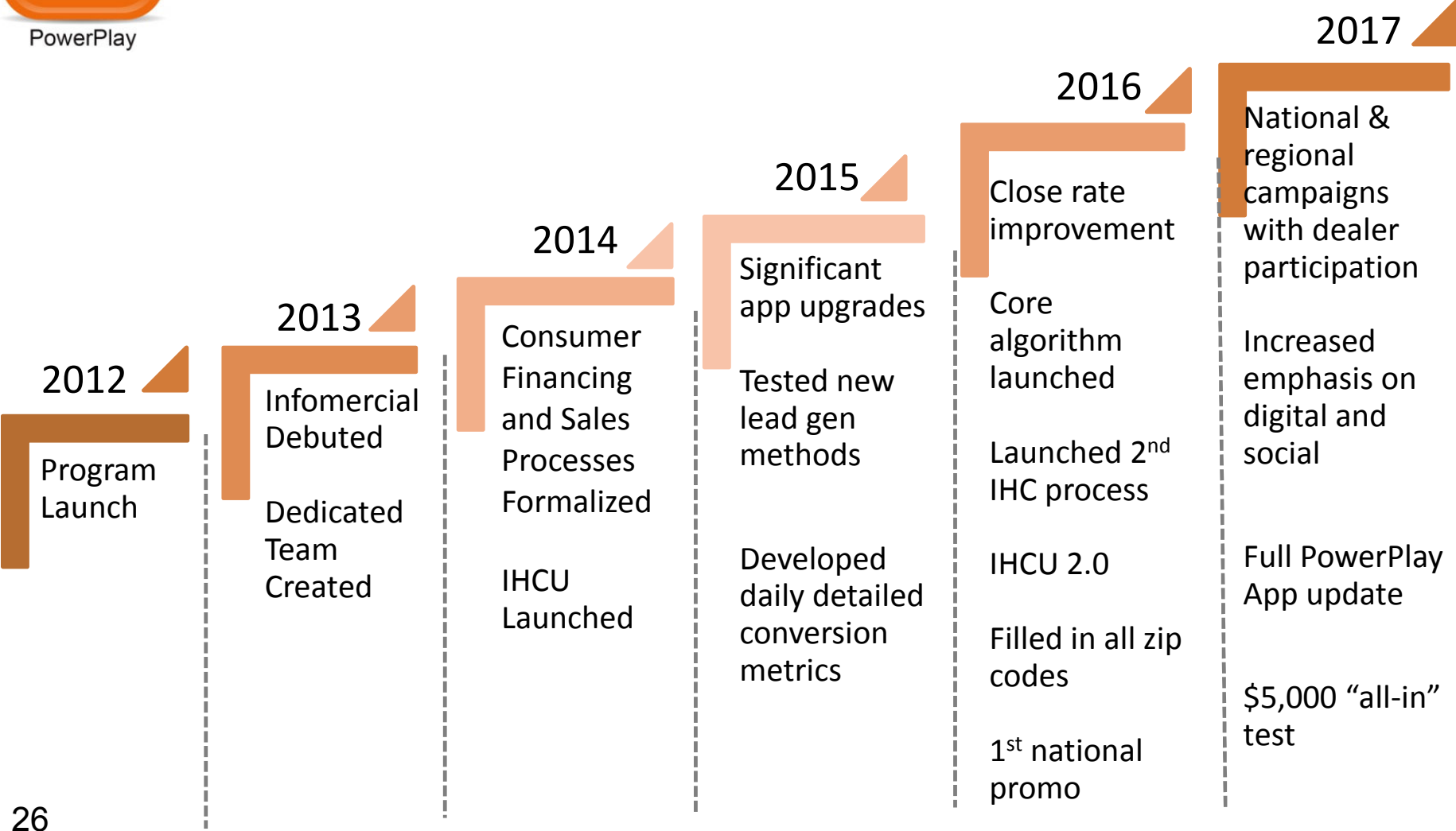
Dealer

Continuous Evolution of PowerPlay



PowerPlay

**SIGNIFICANT INVESTMENT. PROVEN PERFORMANCE.
GENERATING GROWTH.**



Increased Digital Marketing

HURRICANE SANDY TURNED ORDINARY PEOPLE INTO HEROES
 And even heroes need protection.

Generac is making it easier and even more affordable for everyone to protect their home and family.

POWER PACKAGE
\$5000

9kW Generator + Expert Installation + 5 Year Extended Warranty

Limited Time Only - Act Now!

Terms and Conditions Apply. Certain installation parameters may modify offer pricing.

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POWER PACKAGE
\$5000

TOLL FREE 800-407-1129
 GeneracPowerDeal.com

Act Now!

Few can forget what it was like to live through Hurricane Sandy – especially the 8.1 million who lost power for days, even weeks. But instead of focusing on the devastation the storm caused, many choose to remember that in the eye of the storm, ordinary people became heroes, helping and saving thousands. In honor of these heroes, Generac wants to ensure that everyone has access to affordable home backup power, so that when the next storm hits, no one will be powerless.

ACT NOW
 to take advantage of this limited-time, special offer.

For a limited time, when assessment, you can take **Power Package**, which includes Generator, Expert Installation

To get started, call toll-free 1-800-407-1129 or visit GeneracPowerDeal.com

Hurry offer ends Nov. 5, 2017

HURRICANE SANDY TURNED ORDINARY PEOPLE INTO HEROES
 And even heroes need protection.

Generac is making it easier and even more affordable for everyone to protect their home and family.

POWER PACKAGE
\$5000

9kW Generator + Expert Installation + 5 Year Extended Warranty

Limited Time Only - Act Now!

Terms and Conditions Apply. Certain installation parameters may modify offer pricing.

TOLL FREE 800-406-9865 | GeneracPowerDeal.com

Terms and Conditions: Generac's \$5,000 Power Package Promotion is valid on purchases made September 5, 2017 through 11/5/17 at a residential generator at a residence located in the New York, NY, Albany, NY and Philadelphia, PA Designated Market Area (DMA). For New York, NY, Albany, NY, and Philadelphia, PA DMAs, visit www.GeneracPowerDeal.com. The \$5,000 Power Package only includes a 9kW generator #7033. Installation of the generator and transfer switch only includes a gas power base, 15' back pipe and 2' above, 30" dia. Additional installation fees may apply if the following items are required (but not limited to): municipal permitting fees, fuel meter up to switch application, and load managed devices. Taxes and shipping not included. This offer is redeemable only when a customer's Sales Team (not directly with the Generac dealer). The consumer must purchase the qualifying Generac home standby generator in order for 5-year extended-warranty to be applied. Generac disclaims all responsibility for the generator installation performed by the consumer. Proof of purchase along with other documentation may be required to receive this offer. Individual prices and approval. Please allow 4-to-6 weeks for processing, and an additional 4-to-6 weeks for the 5-year extended-warranty to be applied to the \$5,000 Power Package promotion. Offer not valid with any other offer or promotion. Limit must be retained and activated by offer at any time without notice. Additional terms and conditions may apply. For a complete list of participating dealers, eligible zip codes please visit www.GeneracPowerDeal.com or call 1-855-842-4547 to speak with a Generac Power Systems representative. Limit 1 per household. Participating authorized Generac dealer is a member of Generac Power Systems' PowerFly Team. All in-home assessments must be performed by a Generac Consumer Sales Team, and all purchases must be made through a PowerFly Team member to qualify for the promotion. Instead of a 5-year limited warranty, Generac will issue a 5-year extended parts and labor limited warranty.

KEY HOME STANDBY GROWTH INITIATIVES

2018 HSB Growth Initiatives



- Drive enhanced Affordability → Reduce installation costs via new technology, process improvements and enhanced market forces
- Connectivity → Enhance post sale customer relationship and drive superior CSAT via standardizing Mobile Link
- Commercial market growth → Expand Commercial product range to residential dealers nationally
- Special channel penetration → Drive meaningful growth with new Home Builders and Utility companies via specialized products and programs
- Sales funnel optimization → Transition to “campaigns” and incent dealers to improve close rates
- Expand to global markets → Invest and focus on target Regions with new global product range



Mobile Link remote monitoring lets you access important information such as current operating status, maintenance schedule, historical information, and more directly from your smartphone, tablet, or computer. It's easy, affordable and best of all ensures you will always have power.



Mobile Link FLEET Manage Generators Contact Us Account

5 Fault **2** Warning **3** Running **90** Ready

Your generator has experienced obstructions contact your dealer

Generator Details for [Generator Name]

Customer Name: 12348 Street St, Cityname, MM 88888-8888
 Address: 12348 Street St, Cityname, MM 88888-8888
 Phone: (888) 888-8888
 Email: customeremail@emailprovider.com

Status History

!	MM/DD/YYYY HH:MM PM	E1505
!	MM/DD/YYYY HH:MM PM	E8888
!	MM/DD/YYYY HH:MM PM	E8888
!	MM/DD/YYYY HH:MM PM	E8888
!	MM/DD/YYYY HH:MM PM	E8888
!	MM/DD/YYYY HH:MM PM	E8888
!	MM/DD/YYYY HH:MM PM	E8888

Maintenance

Type	Due Date	Due in Run Hours
Schedule A:	MM/DD/YYYY	110
Schedule B:	MM/DD/YYYY	220
Battery	MM/DD/YYYY	N/A

Exercise Schedule
 Most recent run: MM/DD/YYYY HH:MM PM
 Scheduled: Wednesdays HH:MM PM

History
 MM/DD/YYYY HH:MM PM Your generator is ready to run.

Real-time information on Dealer's installed generator fleet:

- *Increases customer satisfaction*
- *Enables improved service experience and efficiency*
- *Adds value to preventative maintenance plans*





OWNERSHIP EXPERIENCE

The generator always is ready, especially when you need it most.



REOCCURRING REVENUE

Tiered business model adds revenue and profit to the entire value chain.



ENABLING DEALERS

Excellent tool to help dealers with generator fleet management. Making service calls successful the first time.



MARKET LEADERSHIP

Leading the industry with connectivity technology and options.



ANALYTICS

Build Data to improve products, retain customers and offer additional products and services. A gateway to the consumer and the home.



TECHNOLOGY LEADERSHIP

Over the air electronics updates and ability to leverage energy management functionality.



Mobile Link will be STANDARDIZED on all units starting in Q1 '18!



Engine Powered Tools

Engine Powered Tools



Chore-Related Outdoor Power Equipment:

- Pressure washers
- Water pumps
- Field & brush mowers
- Trimmer mowers
- Chippers & shredders
- Log splitters
- Lawn & leaf vacuums
- Stump grinders

Wide variety of applications:

- Premium residential
- Larger-acreage residential
- Light commercial
- Pro & contractors
- Municipal
- Farm

Estimated Potential Annual Market
~\$3B⁽¹⁾

Long-Term Growth Themes

- **Diversification with “chore” products:** expanding line of other engine-powered products that is not dependent on power outage activity
- **CHP acquisition:** significantly expands power equipment platform and provides additional scale to better optimize production and supply chain
- **Revenue synergies:** attractive cross-selling opportunities for CHP products with current customers, plus expanded D2C capabilities for legacy residential products
- **D2C marketing best practices:** leverage CHP’s consumer marketing expertise to further broaden the appeal of home standby generators

(1) Source: Generac estimates; based on sales price to Generac customers

Differentiated EPT Approach

- Use category analysis to target high-end and/or niche segments of EPT
- Leverage consumer ethnographic research to understand “Pain Points”
- Deliver products that address Pain Points with “unique selling propositions” ... USP’s

- Superior product execution:
 - Better, more robust materials
 - More powerful, higher quality engines
 - Made in Wisconsin
 - Better warranties
 - Rapid response customer service
 - Strong brand portfolio

- Distribute these products through:
 - Independent dealer network (Hardware, outdoor power dealers, farm & ranch stores)
 - Regional retailers who value being differentiated vs big box
 - E-Comm and Direct to Consumer

	Price Range	2000 psi - 2200 psi	2300 psi - 2500 psi	2600 psi - 2800 psi	2900 psi - 3100 psi	3200 psi - 3500 psi	3600 psi - 4200psi	Segment Share	Price Range Share
Industrial Segment	> \$ 1599				1	2	2	12%	5%
	\$900 - \$1599				0	1	4		7%
Professional Segment	\$700 - \$899					2	4	17%	6%
	\$500 - \$699				2	7	2		11%
Residential Segment	\$400 - \$499				3	5	0	71%	5%
	\$300 - \$399			1	27	2	0		30%
	\$200 - \$299	1	7	20	7	7	0		35%
	< \$ 199	1	0	11	6	0	0		1%
Segment Share		2%	7%	21%	42%	16%	12%		

High Priority (Green)

Med Priority (Blue)

Low Priority (Red)

X/Y Legend: X = Current sub-segment market size in % (As share of total market value in percent); Y = Generac current share in sub-segment in %.

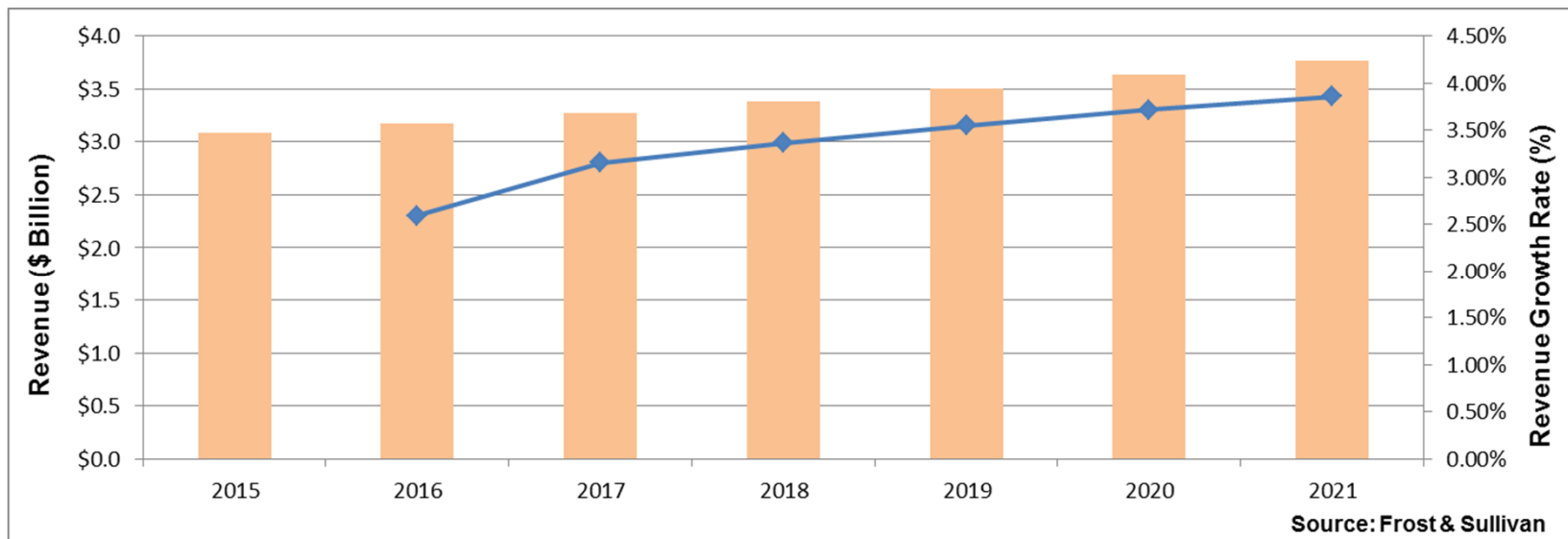


Industrial Products
North America
Erik Wilde, EVP



NAM INDUSTRIAL STATIONARY PRODUCTS

NAM Industrial Stationary Market



- Approximate market size of \$3.2 billion in 2016 and expected to grow to \$3.8 billion by 2021 – 3.5% CAGR
- Diesel gensets expected to grow 2.5% over the period
- Gas gensets expected to grow 5.0% over the period

Industrial Stationary Products

Gas



22kW ~ 750kW

Bi Fuel



500/600kW

Diesel



10kW ~ 3.25MW

Telecom



10kW ~ 75kW

MPS

Modular Power System



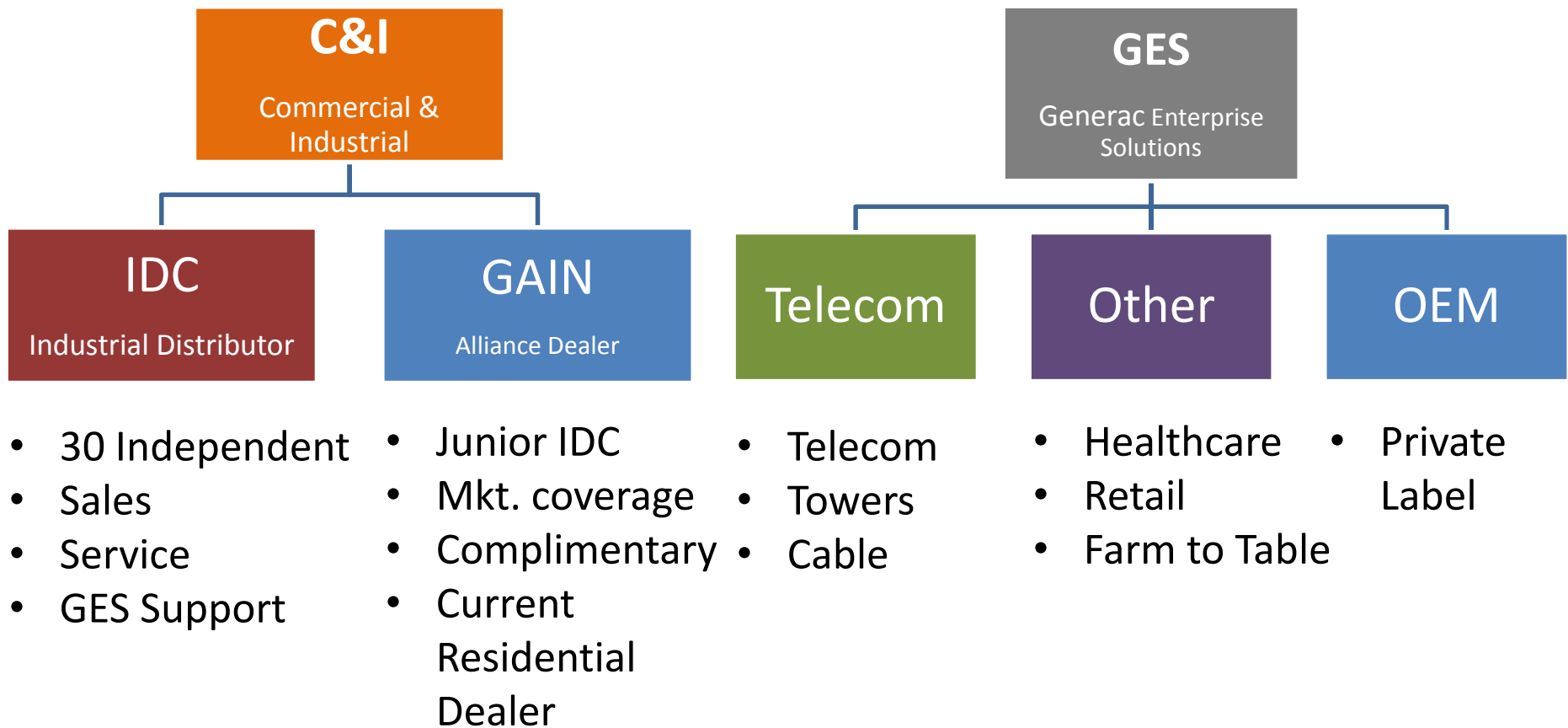
260kW ~ 9MW

Gemini



1 MW

NAM Industrial Channel



NAM Industrial Initiatives

- **Distribution Upgrades & Expansion**
 - Key market upgrades
 - Expanded factory deployed salesforce
- **Opportunity Management and Communication Tools:**
 - Enhanced GenConnect platform
 - Deeper KPI's to better manage distribution
- **Natural Gas Product Line Extensions**
 - Emergency backup
 - Demand response & other non-emergency applications
- **Customized Telecom Solutions**
 - Small shadow line products
 - DC output platform

GenConnect Dashboard

Welcome to **GenConnect 2.0**,
where you can track *opportunities* and optimize *marketing assets* to score more wins quicker!



Engagement Level



Win Rate



Opportunity Amount



10
New asset released...

CREATE OPPORTUNITIES

CREATE CONTACTS

VIEW OPPORTUNITIES

6 VIEW CONTACTS

NEW LEADS

VIEW ASSETS

42 REPORTS
ANNUAL TARGET PROGRESS | OPPORTUNITY / WIN | FUNNEL ACTIVITY | WIN RATE TREND |
MARKET VERTICAL | OPPORTUNITY / FUEL TYPE | WIN RATE TREND CHART

GenConnect Interactive Sales Process



Opportunity Name Distributor Name Dealer Account Owner Market: Other Industries Sales Funnel Stage: Quoted Opportunity

Configure Data Room

Opportunity Status

Generate Quotation **In Submittal** **Order**

Active

Mark Primary **Execute status change**

Quotation Documents

Information

1

00 SG300 03:59 pm

Associated Contacts

List View Map View Interaction

All Other Industries, 151-600 KW, gas, mps

All 31 Presentations / 1 Page Overviews **1** Competitive Comparisons **0** Brochures / Sell Sheets **14**

1

FOLDER

- Personalized Documents
- Documents
- Presentations
- Videos

[Advanced Search](#)

FILTERS OR

Remove All Filters

- Customer
- Market
- Product Type
- Node Size
- Fuel Type

Document Grid:

- A Matter of Time** (NEW) 08/23/2017
- Underground Nat Ga...** (NEW) 08/23/2017
- Saving On the Power ...** (NEW) 08/23/2017
- The Pipeline Is Strong** (NEW) 08/23/2017
- Integrated Parallelin...**
- Industrial Bi-Fuel Bro...**

GenConnect Campaign Playbook & Asset Mgmt



PowerTour Campaign Playbook

Overview: Use this PowerTour Campaign Playbook as a guide to promote your event!



None

None



Step 1: Setup Email Signature

Step 2: Schedule or Send Email Invite

Step 3: Start Social Media Campaign

Step 4: Send Thank You for Attending Follow Up Email

Optional: Print a Customized Flyer

All 76

Presentations / 1 Page Overviews 5

Competitive Comparisons 0

Brochures / Sell Sheets 18

Experience 55

Value Engineering (VE) Content 0

How to Sell 4

Additional Content

Asset Management



FOLDER

- Personalized Documents
- Documents
- Presentations
- Videos

Advanced Search

FILTERS

OR

Remove All Filters

- Customer
- Market
- Product Type
- Node Size
- Fuel Type

Flyer - PowerTour PT... (NEW)

Flyer - PowerTour PT... (NEW)

Industrial Bi-Fuel Bro...

Integrated Parallelin...

Industrial and Critica...

Industrial Controllers

Diesel vs Natural Gas... (NEW)

Sound Measurement...

Bi-Fuel Sell Sheet

A Matter of Time (NEW)

Generac 9 0 Spark Ign...

21 9L Gaseous Sell Sh...

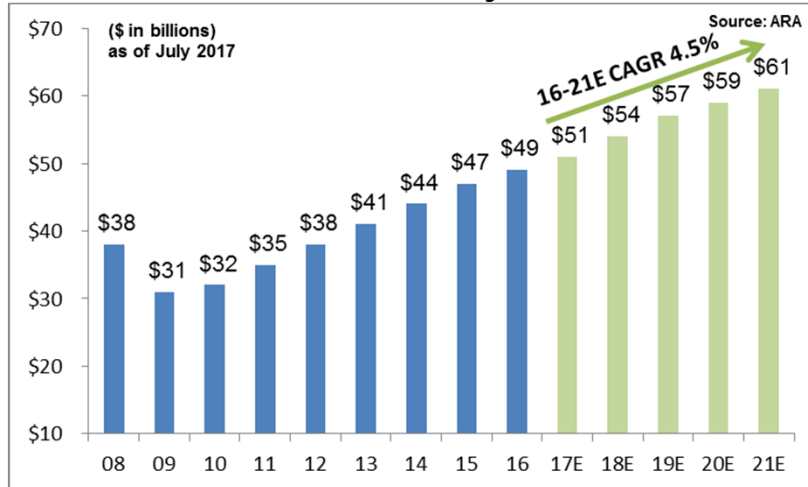
Providing Standby Po...

Modular Power Syste...

NAM INDUSTRIAL MOBILE PRODUCTS

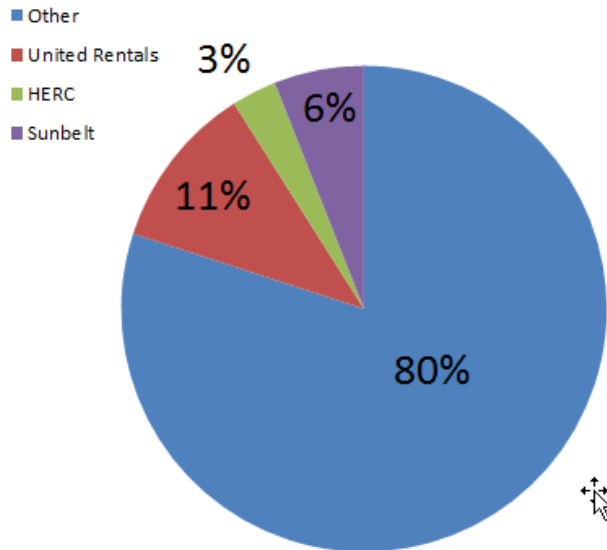
NAM Rental Market

NAM Rental Market Projected Growth



- American Rental Association (ARA) forecasts North American equipment rental growth of 4.5% through 2021
- Continuing shift from ownership to rental is fueling growth
- Infrastructure spending expected to drive rental opportunities higher

NAM Rental Company Share



- Highly fragmented industry with 80% of market traded through Regional, smaller independent and specialty rental companies
- Consolidation by larger national accounts continues - NES & NEFF most recent examples

NAM Mobile Products



Light Towers



Plug in ~ 20kW
LED and Metal Halide

Diesel Generator



8.1kVA ~ 629 kVA
Prime

Gas Generator



165kVA ~ 450 kVA
Prime

Flameless, Hydronic & Indirect Heaters

Trash Pump

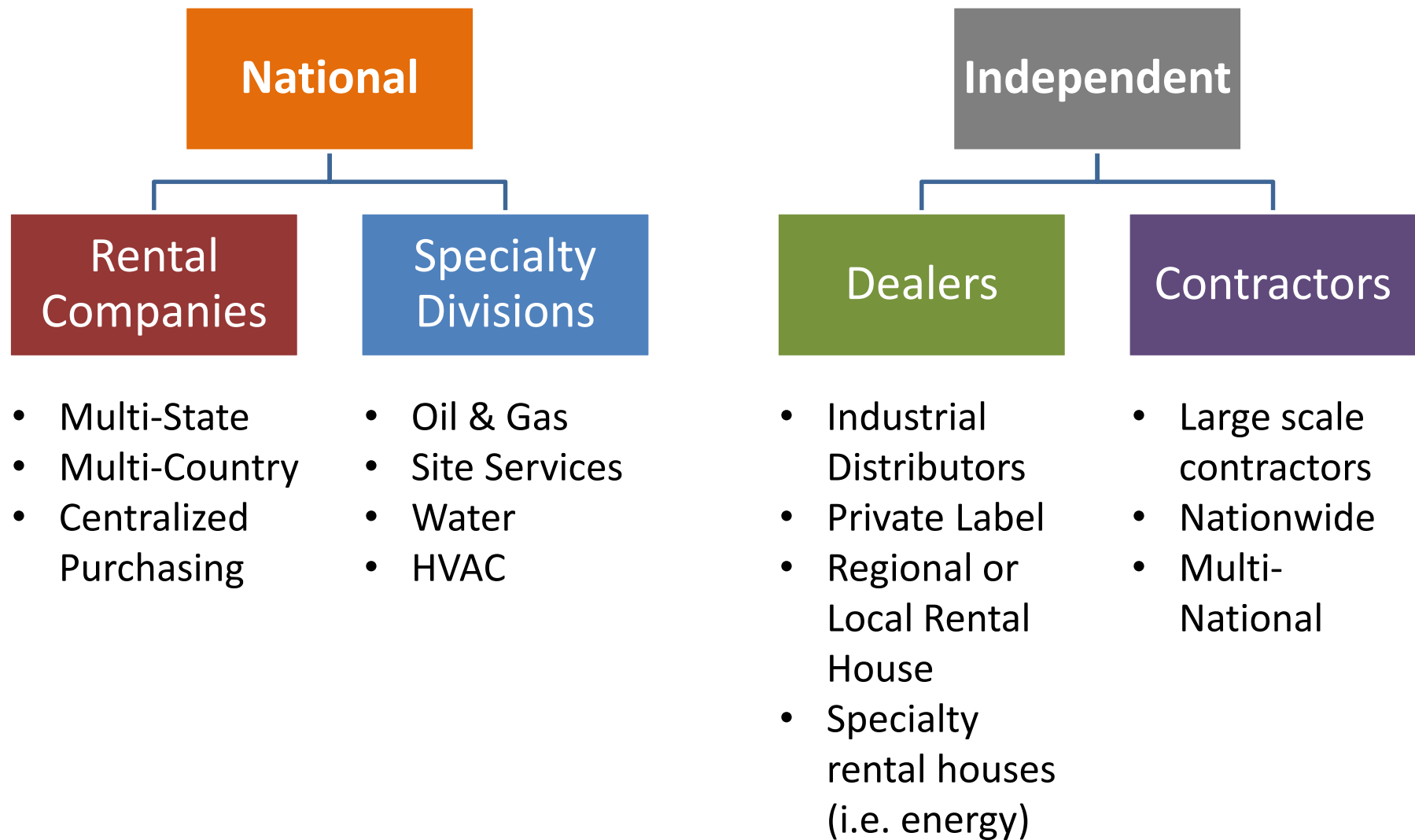


210,000 ~ 4,200,000 BTU's

Water Carts



NAM Mobile Channel

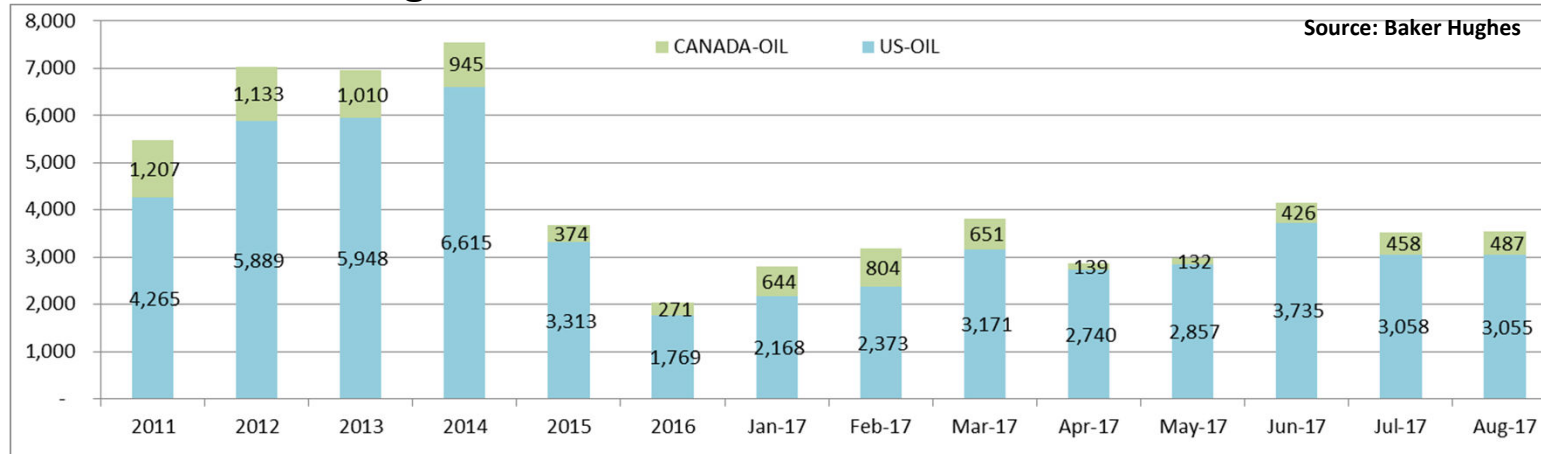


NAM Mobile Products Growth

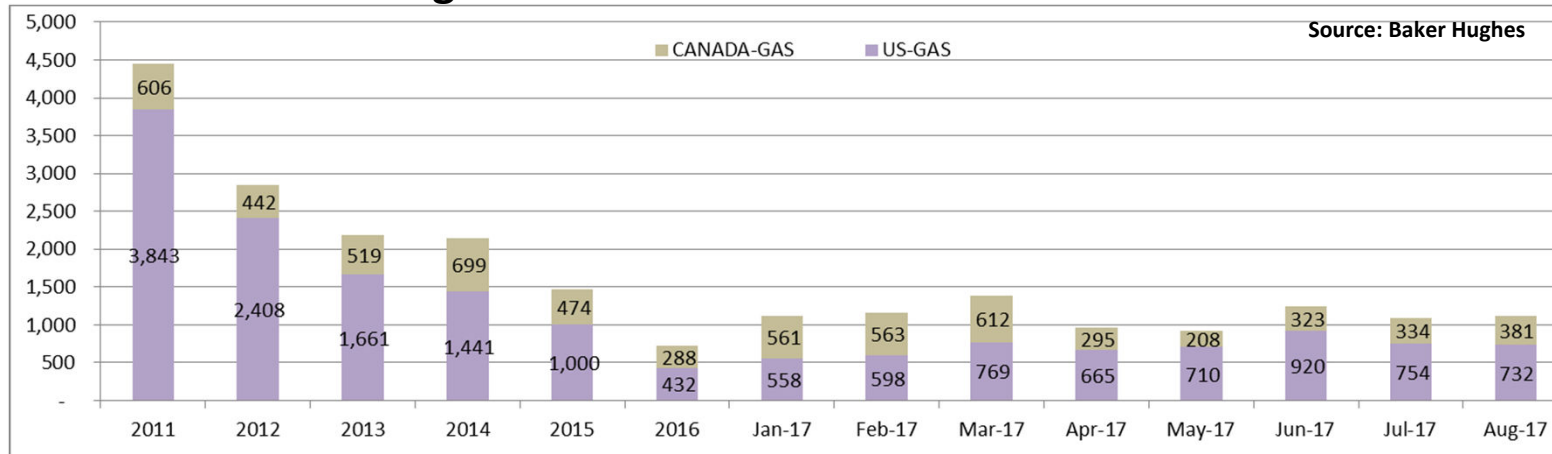
- **Expanded Tier 4 Generator Line**
 - Line-up through 250kW completed
 - Tier transition models ending - playing field leveled
- **Light Tower Innovation and Leadership**
 - Rapid LED and technology adoption
 - Improved life cycle cost to drive higher customer return on invested capital
- **Manufacturing Demand Response**
 - Robotics incorporated to improve speed and consistent quality
 - Optimized production flow to reduce bottlenecks and allow for quicker response to demand changes

Domestic Oil & Gas Market

North America Oil Rig Count



North America Gas Rig Count



- Overall rig counts are recovering but still well below previous levels
- Mobile equipment inventory levels remain high but fleet utilization is increasing as compared to last year

Positioned to Support Oil & Gas



- **Extended Run Light Towers**
 - Reduces the need for refueling
 - Maintenance intervals extended – improves overall ROI
 - Dusk to Dawn start and stop
- **Expanded Gas Generator Line**
 - New Gas Gen model launch designed to deliver unrivaled performance on well head gas and other prime applications
- **Enhanced Mobile Heater Capability**
 - Relocated Heat production to Berlin, WI
 - Improved quality and speed to produce

Financial Targets

York Ragen, CFO



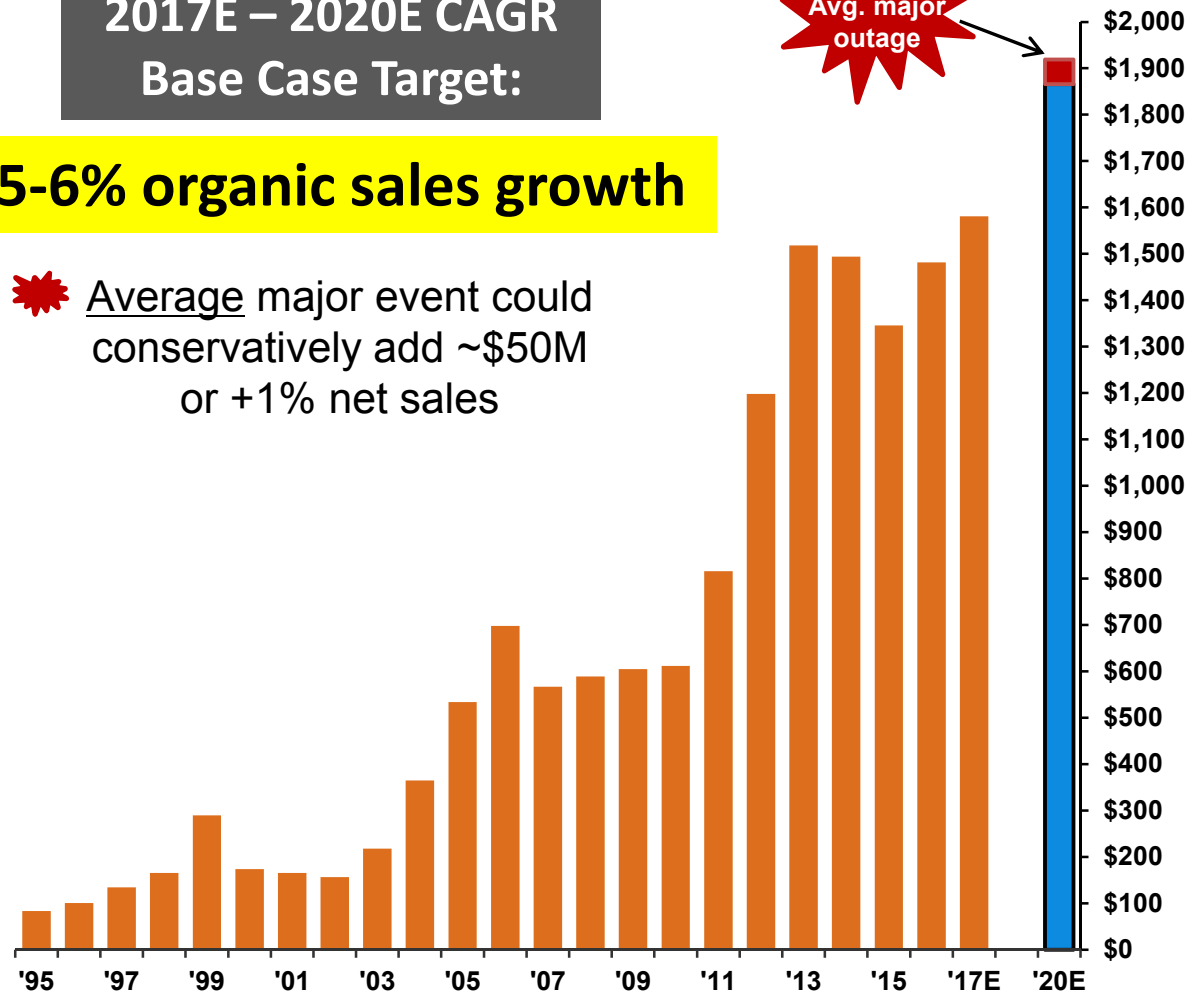
Sales Growth Target

**2017E – 2020E CAGR
Base Case Target:**

5-6% organic sales growth

Average major event could conservatively add ~\$50M or +1% net sales

Avg. major outage



Key Assumptions:

- ✓ Baseline power outages = longer term average
- ✓ No major outages in base case
- ✓ No acquisitions included in base case
- ✓ Oil goes from ~\$50/barrel in 2017 to \$65/barrel in 2020
- ✓ Continued recovery and expansion in key markets
- ✓ Execution of key sales & marketing initiatives as previously outlined

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 – 2017.

Three-Year Sales CAGRs: 2017–2020



Base Case⁽¹⁾

By Segment

	3-Year Sales CAGR
Domestic	5-6%
International	6-7%

By Product Class

	3-Year Sales CAGR
Residential	4-5%
C&I	7-8%

⁽¹⁾ Excludes Major Outages and M&A activity

Key Initiatives:

- ✓ [Consumer Power](#): Improve HSB close rate/affordability; new products; new home penetration; expand “Play” segment; grow dealers
- ✓ [EPT](#): Grow B2B; expand DR-branded Generac products in OPE & hardware; new products/ better OPP
- ✓ [C&I Stationary](#): Grow nat gas market; increase market coverage via direct sales force and opportunity management; telecom penetration; optimize dealers; new products
- ✓ [C&I Mobile](#): Execute oil & gas rental capex recovery; new products; grow independents channel; improve heater penetration
- ✓ [International](#): Grow nat gas markets (Resi and C&I); telecom/datacom market opportunity; new products; expand geographies (Australia, China, Russia); focused efforts on large projects as a tier 1 supplier

2017 Guidance vs. 2020 Targets

Financial Metric	2017 Guidance ⁽¹⁾	“Base Case” 2020 Targets
Net Sales	\$1.55 billion	~\$1.85 billion
Adj EBITDA Margin ⁽²⁾	~18.5%	~21.0%
Cash Taxes ⁽³⁾	~14.0%	~20.0%
Capital Spending	~2.0% of sales	2.0 – 2.5% of sales
Free Cash Flow	> 90% Adj Net Income	> 90% Adj Net Income

(1) Assumes midpoint of guidance range given for sales growth as reported on **August 2, 2017**.

(2) Calculated using adjusted EBITDA before deducting for non-controlling interest.

(3) Annual tax shield of \$50 million remains in place through 2020, with \$41 million for stub period in 2021.

Average Major Outage Adds ~\$50 Million Net Sales @ ~40% Incremental Margin


Adjusted EBITDA Margin Bridge

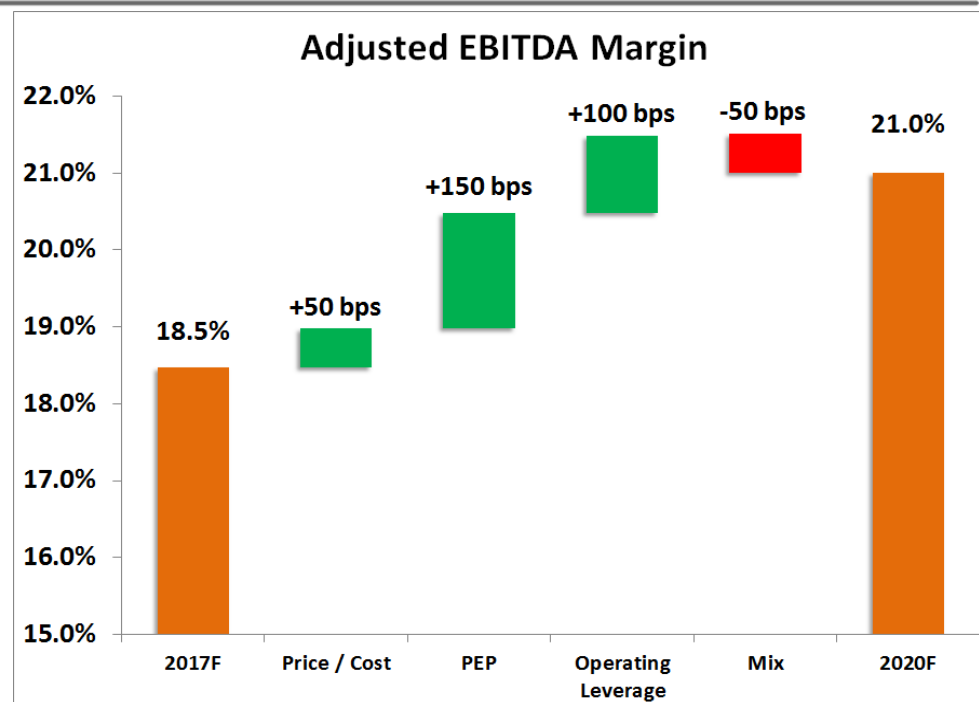
2017 to 2020



Consolidated

- Price to offset inflationary cost pressures
- PEP Program to drive +150 bps margin improvement by 2020
- Expect +100 bps operating leverage on 5-6% organic growth
- Unfavorable Mix given higher mobile & international growth

 Average major event could add ~50 bps impact to margin



Domestic Segment

~22%  ~24%
2017E 2020E

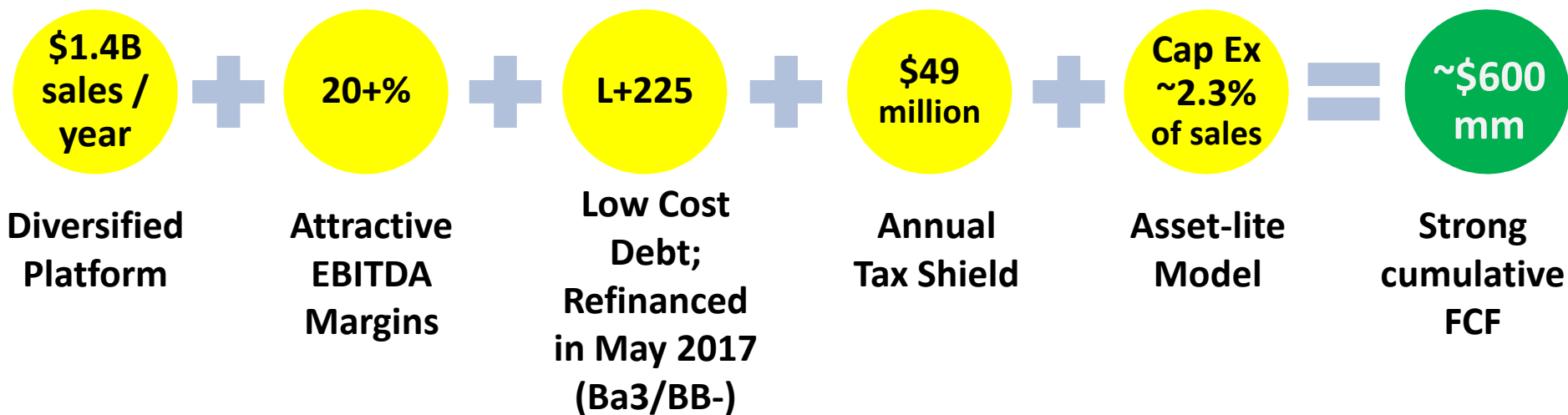
International Segment

~8%  ~12%
2017E 2020E

Synergies drive doubling of margin since 2016

Corporate-wide focus on margin improvement to accelerate profitability from cycle lows

Historical Free Cash Flow - 2014 thru 2016



~95% conversion of Adjusted Net Income

&

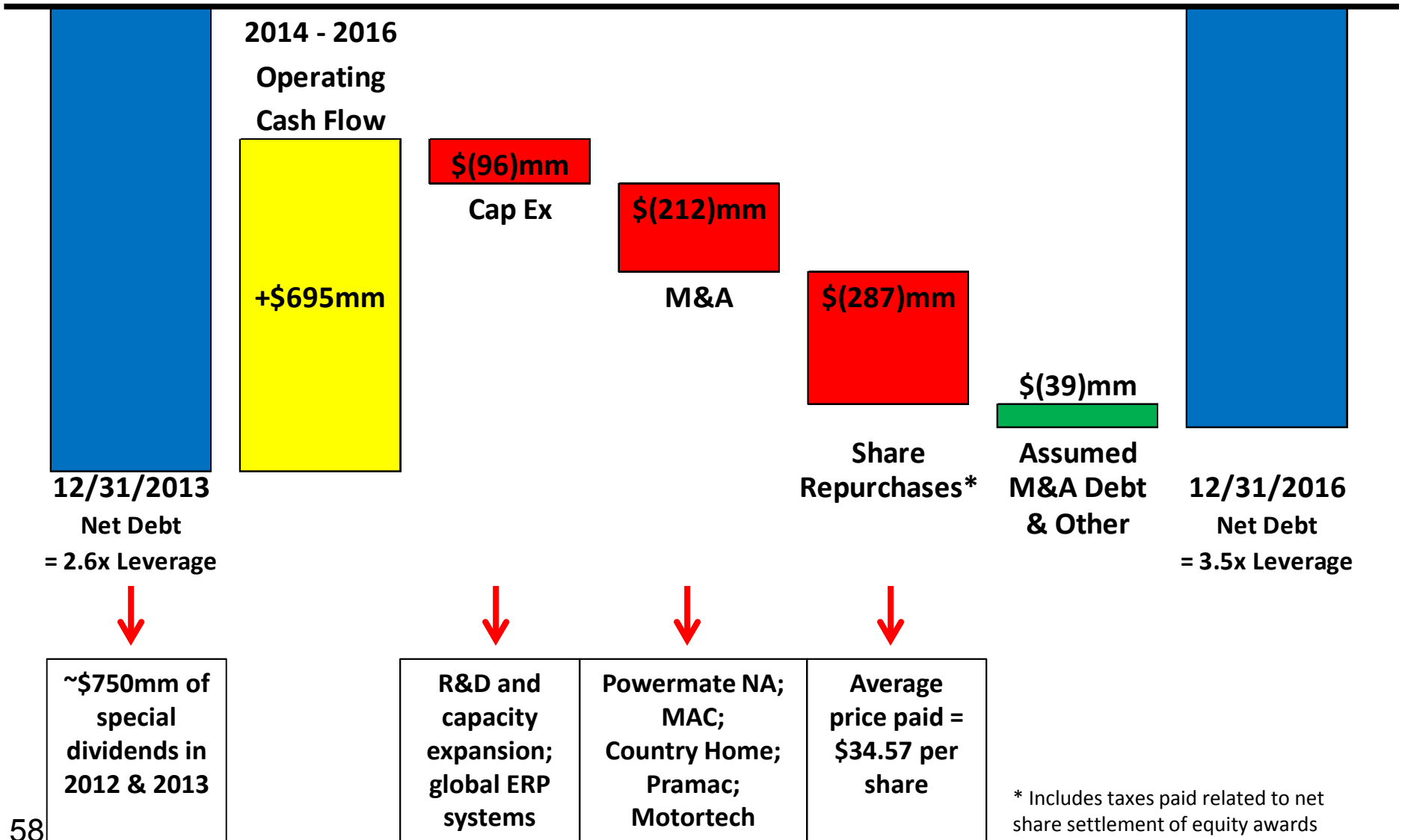
9% Best-in-class Free Cash Flow Yield

Significant Free Cash Flow leads to attractive capital deployment

Historical Uses of Capital – 2014 thru 2016 **GENERAC**

\$(1.05) Billion

\$(986) million



Projected Capital Deployment Priorities

>\$800mm of FCF expected 2017 - 2020



Priority Uses of Capital:

- 1.)** **Organic growth**
 - Invest in technology, innovation, and R&D capabilities
 - Capacity expansion; Global systems; High ROI automation

= Asset Lite
- 2.)** **Pay down debt**
 - Target 2-3x leverage
 - Excess cash flow sweep in term loan; Matures 2023; No covenants
 - \$500mm notional swapped fixed

= Deleveraging story
- 3.)** **M&A**
 - Demonstrated ability to execute; 10 deals since 2011
 - Accelerates “Powering Ahead” strategic plan
 - Seek high synergy opportunities with above WACC returns

= Evaluate the funnel
- 4.)** **Return of Capital**
 - As future cash flow permits, will evaluate options opportunistically
 - \$170mm remaining on current share repurchase authorization

= Opportunistic

Investment Highlights



- ✓ Long-term organic sales growth of 5-6% (without events)
- ✓ “Powering Ahead” strategy targeted to capitalize on numerous secular growth opportunities
- ✓ PEP program targeted to improve margins by ~150bp
- ✓ Leading technology and innovation in the marketplace
- ✓ Building a global Tier 1 power equipment company
- ✓ Free cash flow over \$800 million expected from 2017-2020
- ✓ Market leader with significant barriers to entry
- ✓ Flexible operating model to execute on next step-function increase in demand

Leading “Industrial Technology” Company

Q&A

