NATIONAL ASSOCIATION OF INVESTORS
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Stock Selection Guide

Company	Generac Hldgs		Date	10/04/23	
Prepared by	LEWIS		Data taken from	BI Stock Data	
Where traded	NYS	Industry	Specialty Industrial Machinery		
Capitalization --- Outstanding Amounts			Reference		
Preferred ($M)		0.0	% Insiders	% Institution	
Common (M Shares)		62.3	3.0	63.0	
Debt ($M)	1,942.7	% to Tot Cap	44.5	% Pot Dil	1.0

Symbol: GNRC

1 VISUAL ANALYSIS of Sales, Earnings, and Price

4,565

5,105

9.53

5.42

FY 2023 Q2	Sales ($M)	Earnings Per Share
Latest Quarter	1,000	0.70
Year Ago Quarter	1,291	2.21
Percentage Change	-22.5%	-68.3%

13   14   15   16   17   18   19   20   21   22   23   24   25   26   27   28
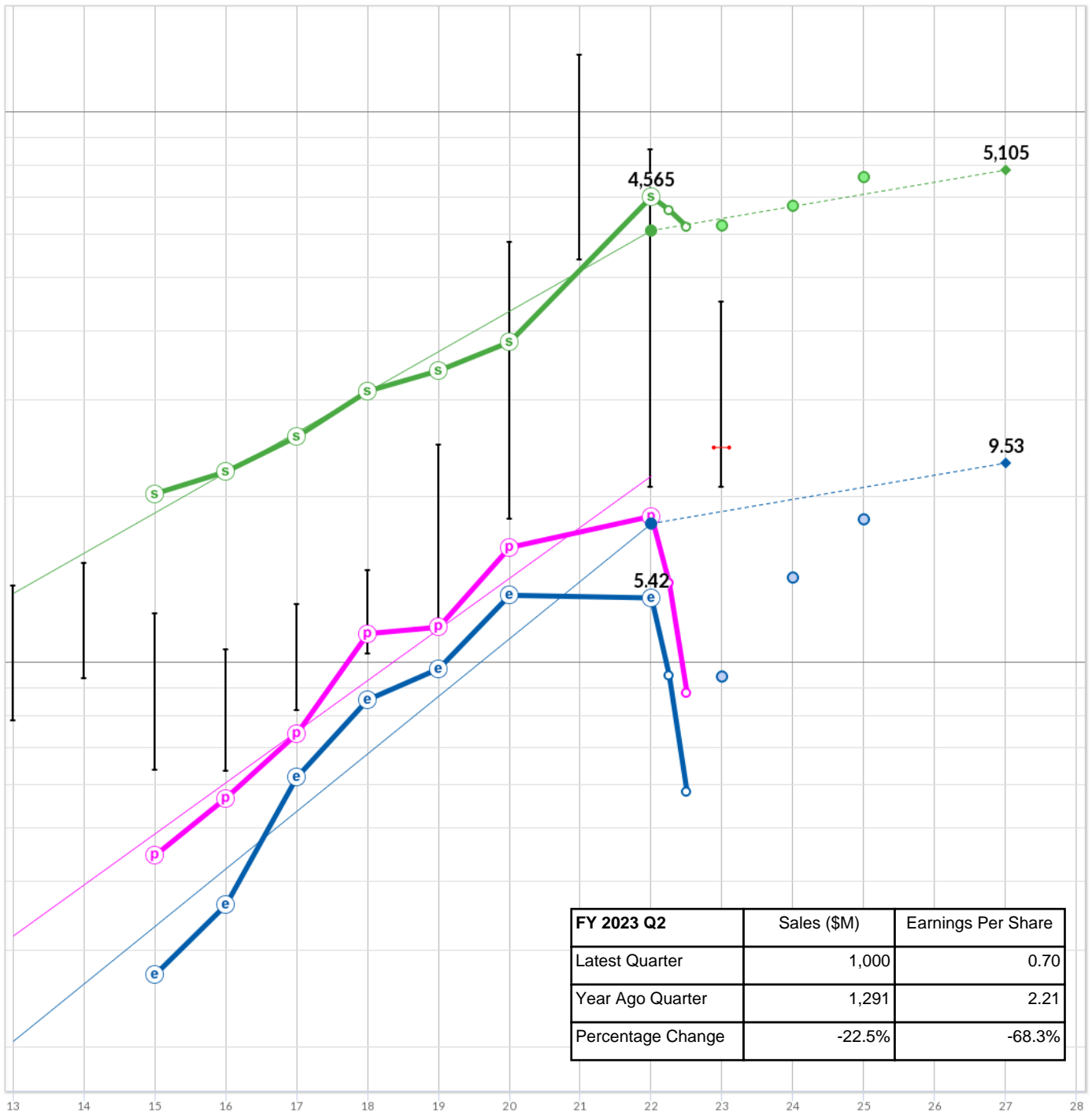
(1) Historical Sales Growth	18.4%	(3) Historical Earnings Per Share Growth	27.2%
(2) Estimated Future Sales Growth	5.2%	(4) Estimated Future Earnings Per Share Growth	5.2%

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Last 5 Year Avg.
% Pre-tax Profit on Sales	18.8%	17.7%	9.3%	10.8%	12.2%	15.4%	14.5%	18.0%	18.5%	11.1%	15.5%
% Earned on Equity	66.9%	38.3%	15.1%	22.7%	33.8%	31.5%	27.0%	28.0%	29.7%	14.4%	26.1%
% Debt To Capital	79.1%	69.0%	69.5%	72.4%	62.4%	54.9%	47.5%	43.4%	37.4%	43.6%	45.4%

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

CLOSING PRICE 101.71 (10/04/23)　　**52-WEEK HIGH** 186.70　　**52-WEEK LOW** 86.29

	A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2018	60.7	43.0	3.54	17.1	12.1	0.00	0.0	0.0
2019	102.8	48.4	4.03	25.5	12.0	0.00	0.0	0.0
2020	239.6	75.5	5.48	43.7	13.8	0.00	0.0	0.0
2021	524.3	222.5	8.30	63.2	26.8	0.00	0.0	0.0
2022	354.0	86.3	5.42	65.3	15.9	0.00	0.0	0.0
AVERAGE		95.1		57.4	18.8		0.0	
CURRENT/TTM			2.41	77.5	35.8	0.00	0.0	

AVERAGE PRICE EARNINGS RATIO: 38.1　　CURRENT PRICE EARNINGS RATIO: 42.2

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E　　24.0　X Estimate High Earnings/Share　　9.53　=　Forecasted High Price $　　228.7

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E　　12.0　X Estimate Low Earnings/Share　　8.30　=　Forecasted Low Price $　　99.6

(b) Avg. Low Price of Last 5 Years　　95.1

(c) Recent Market Low Price　　86.3

(d) Price Dividend Will Support　　$\frac{\text{Indicated Dividend}}{\text{High Yield}}$　=　$\frac{0.00}{0.00\%}$　=　0.0

Selected Forecasted Low Price $　　75.0

C ZONING　using 25%-50%-25%

Forecasted High Price　228.7　Minus Forecasted Low Price　75.0　=　153.7　Range.　25% of Range　38.4

Buy Zone　　75.0　to　113.4

Hold Zone　　113.4　to　190.3

Sell Zone　　190.3　to　228.7

Present Market Price of　101.71　is in the　**BUY**　Zone

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price} \quad 228.7 \quad \text{Minus Present Price} \quad 101.71}{\text{Present Price} \quad 101.71 \quad \text{Minus Low Price} \quad 75.0}$　=　$\frac{127.01}{26.71}$　=　4.8　To 1

E PRICE TARGET　(Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\frac{\text{High Price} \quad 228.7}{\text{Closing Price} \quad 101.71}$　=　2.2487　X　100　=　224.87　-　100　=　124.9　% Appreciation

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

A　$\frac{\text{Indicated Annual Dividend} \quad 0.00}{\text{Closing Price} \quad 101.71}$　=　0.0000　=　0.0 %　Current Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}}$　=　$\frac{0.0 \%}{24.00}$　=　0.0 %

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}}$　=　$\frac{0.0 \%}{18.00}$　=　0.0 %

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation　　17.6 %

Average Yield　　0.0 %

Annualized Rate of Return　　17.6 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation　　11.0 %

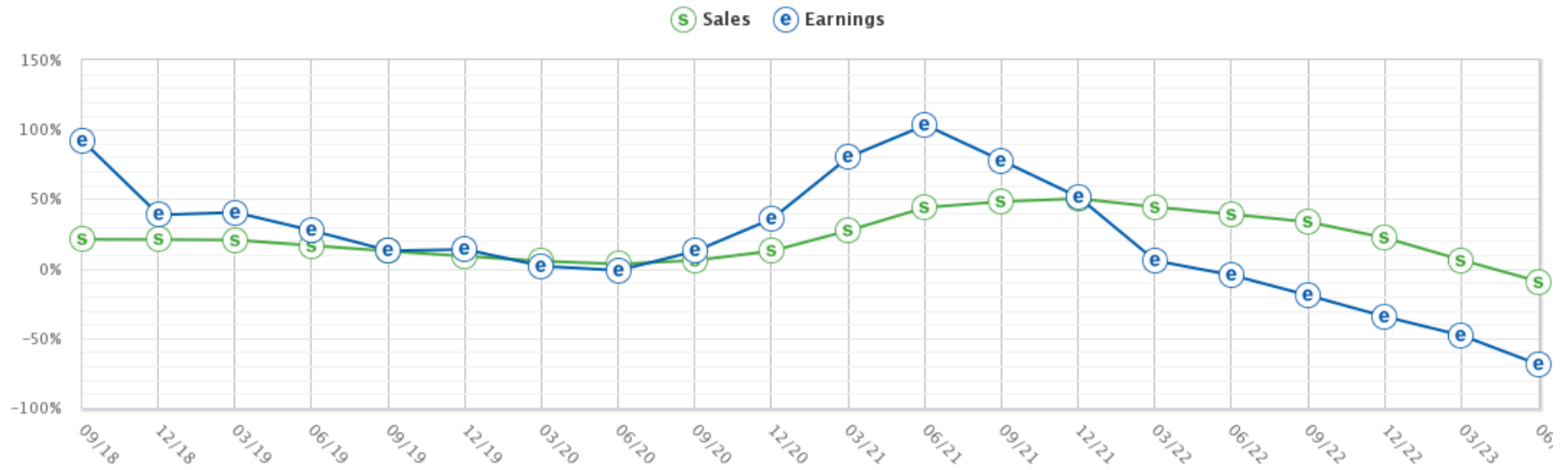Average Yield　　0.0 %

Annualized Rate of Return　　11.0 %

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Notes: GNRC 11/07/22 by Janet Lewis

Date	Subject	Description	Type
10/05/23	2ND QTR REPORT by JLewis	2nd Quarter Report for GENERAC (GNRC) Date: Oct 5, 2023 A very difficult SSG to do due to high P/E and investor expectations in spite of negative earnings. Name of Analyst: Morningstar Sept 28, 2023 Brett Castelli , VL Sept 15 2023 James A. Flood, CFRA Aug 11 2023 Jonathan Sakraida Percentage change in Sales from year ago quarter -22,5% Percentage change in Earnings per Share from year ago quarter -68.3% Is company meeting our target sales & earnings estimates? NO Pre-tax Profit on sales trend? (up, even, down) DOWN Return on equity trends? (up, even, down) DOWN Debt? (up, even, down) UP Current PE is 42.2 Signature PE = 38.1 Where does it fall in my estimated High of 21/low of 12 range of PE's? ABOVE Club cost basis for this stock is $187.7038. Current price is $110.61_ Oct 4, 2023 Current fair value: Morningstar: $110.00 CFRA: BUY (12 month target price is $135.00) My SSG Buy Range: $75.00-$106.00 My SSG Total Return is 17.6% Projected Average Return is 11.0% What will drive future growth: Value Line: Long term growth will be through acquisitions made resulting in best world-wide sales and distribution system, the poor state of the US electric grid system resulting in power outages due to overload and natural disasters, and barely penetrated market. Downside is slow housing market resulting in falling residential sales. And Generac still has built up inventory.. Earnings have continued to fall over more than a few quarters and turn around is not expected for 12-18 months. This company is 2.6% of our portfolio. With a negative return of -($2,770.36) Recommend:, SELL due to sub par 18 month potential, Declining sales, earnings and profit margins since March 2022 quarter, Increased debt, Increased competition possible. Price at close on Oct 5 was $101.13. We can watch Generac in the coming year and buy back later if we want to . it is a mid sized company. So there are very likely other mid sized companies to consider that would do much better for us.	Study

| 03/12/23 | Quarterly Report by Janet Lewis | 4TH Quarter Report for GENERAC (GNRC) Date: March 12, 2023
Sources: SSG DATE: Reworked March 11, 2023
Morningstar Date FEB 15, 2023_ Name of Analyst: Brett Castelli

Percentage change in Sales from year ago quarter -1.7%

Percentage change in Earnings per Share from year ago quarter -59.3%

Is company meeting our target sales & earnings estimates? NO for quarter, yes for trend so far.

Pre-tax Profit on sales trend?   (up, even, down) DOWN

Return on equity trends? (up, even, down) DOWN

Debt? (up, even, down) DOWN

Current PE is 20.8 MARCH 10, 2023 Signature PE = 16.7

 Where does it fall in my estimated High of 18 & low of 12 range of PE's? ABOVE

Club cost basis for this stock is $212.9750.　　　　　Current price is $113.16_ March 10, 2023

Current fair value: Morningstar: $124.00　　　CFRA: BUY (12 month target price is $156.00)

My SSG Buy Range: $86.3-$121.1   WITH AN UPSIDE/DOWNSIDE OF 4.2 to 1

My SSG Total Return is 14.8%　　　Projected Average Return is 10.7%

What will drive future growth:
Continued demand for home standby generators, especially as catastrophic weather related issues affect available electricity. Also, robust demand for Commercial and Industrial products. Power Quality Issues Continue to Increase • Home Standby Penetration Opportunity is Significant • Solar, Storage, & Energy Management Markets Developing Quickly • Grid Services & Energy-as-a- Service Open New Revenue Streams • Natural Gas Generators Driving Strong Growth • Rollout of 5G Will Require Improved Network Reliability. Three largest markets (CA, TX, & FL) are significantly underpenetrated at ~3.5%. Federal government incentives and higher energy costs can lead to more incentives to invest in Generac's systems. New and Expanding Commercial and Industrial Energy Technology revenue streams such as Non-Standby use of natural gas generators • EaaS / Multi purpose microgrids • Advanced generator & microgrid controls • C&I energy storage • Hybrid systems – generators and/or solar + storage • Hydrogen fueled generators • Grid Services capabilities revolutionize generator economics. Strong balance sheet and long-term cash flow generation allows flexibility to execute on future shareholder-value enhancing opportunities.
Value Line Power Industry Report says Generac is best long term stock for investors in that field.

This company is 2.8% of our portfolio.
I Recommend: Buy More _____, Hold_____, Challenge with a better investment_____, Sell___ | Study |

Company: Generac Hldgs

Symbol: GNRC

Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data

S Sales   e Earnings

	Quarterly Data							Last 12 Months Data							
Period	**EPS**		**Pre-Tax Profit**			**Sales**		**Income Tax Rate**	**EPS**	**Pre-Tax Profit**		**Sales**	**Income Tax**		**%Change**		
	$	%Change	$ Mil	%Sales	%Change	$ Mil	%Change		$	$ Mil	%Sales		$ Mil	%Rate	EPS	Pre-Tax Profit	Sales
06/23	0.70	-68.3	61.4	6.1	-69.8	1,000.4	-22.5	25.9	2.41	242.9	6.0	4,025.8	56.6	23.3	-68.9	-64.3	-9.3
03/23	0.05	-96.8	22.0	2.5	-84.9	887.9	-21.8	35.7	3.92	385.0	8.9	4,316.8	86.4	22.4	-48.1	-40.9	6.2
12/22	0.83	-59.3	87.5	8.3	-47.5	1,049.2	-1.7	15.5	5.44	508.5	11.1	4,564.7	93.8	18.4	-34.5	-26.5	22.1
09/22	0.83	-57.0	72.0	6.6	-56.4	1,088.3	15.4	16.1	6.65	587.6	12.8	4,582.6	103.8	17.7	-19.3	-14.7	33.6
06/22	2.21	10.0	203.5	15.8	16.8	1,291.4	40.4	22.5	7.75	680.9	15.3	4,437.0	126.4	18.6	-4.7	1.5	39.1
03/22	1.57	-32.6	145.5	12.8	-21.5	1,135.9	40.7	19.7	7.55	651.7	16.0	4,065.6	127.7	19.6	5.7	12.6	44.3
12/21	2.04	3.6	166.6	15.6	1.6	1,067.1	40.2	12.4	8.31	691.5	18.5	3,737.2	134.5	19.4	51.4	55.0	50.4

1 of 3

Company: Generac Hldgs

Symbol: GNRC

Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data

	Quarterly Data								Last 12 Months Data								
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit		Sales	Income Tax		%Change		
	$	%Change	$ Mil	%Sales	%Change	$ Mil	%Change		$	$ Mil	%Sales		$ Mil	%Rate	EPS	Pre-Tax Profit	Sales
09/21	1.93	6.0	165.4	17.5	12.3	942.7	34.4	19.7	8.24	688.9	20.1	3,431.2	153.6	22.3	77.6	88.5	48.2
06/21	2.01	97.1	174.3	18.9	112.4	920.0	68.2	26.6	8.13	670.9	21.0	3,189.9	153.0	22.8	103.3	114.2	44.0
03/21	2.33	242.6	185.3	23.0	250.6	807.4	69.7	19.1	7.14	578.6	20.5	2,816.7	126.1	21.8	80.3	85.6	27.5
12/20	1.97	75.9	164.0	21.5	96.7	761.1	28.8	23.8	5.49	446.2	18.0	2,485.2	95.9	21.5	35.9	39.6	12.7
09/20	1.82	54.2	147.3	21.0	55.1	701.4	16.7	21.8	4.64	365.6	15.8	2,315.1	71.5	19.6	12.6	9.8	6.0
06/20	1.02	4.1	82.1	15.0	1.9	546.8	0.9	22.5	4.00	313.2	14.1	2,214.8	60.8	19.4	-1.2	-6.4	3.3
03/20	0.68	-10.5	52.9	11.1	-13.0	475.9	1.2	17.9	3.96	311.7	14.1	2,209.9	61.2	19.6	1.8	-4.6	5.4
12/19	1.12	-6.7	83.4	14.1	-13.8	590.9	3.4	16.1	4.04	319.6	14.5	2,204.3	68.1	21.3	13.8	2.7	8.9
09/19	1.18	6.3	95.0	15.8	-1.7	601.1	7.4	21.1	4.12	332.9	15.2	2,184.8	74.8	22.5	12.9	11.9	12.6
06/19	0.98	19.5	80.5	14.9	10.9	541.9	9.5	23.4	4.05	334.6	15.6	2,143.2	74.9	22.4	27.4	27.9	16.6
03/19	0.76	81.0	60.8	12.9	34.5	470.4	18.3	24.7	3.89	326.6	15.6	2,096.2	74.7	22.9	40.4	42.8	20.6
12/18	1.20	-7.7	96.7	16.9	16.3	571.4	17.1	20.7	3.55	311.1	15.4	2,023.5	71.6	23.0	38.7	52.0	21.0
09/18	1.11	73.4	96.6	17.3	59.3	559.5	22.4	20.8	3.65	297.5	15.3	1,940.1	53.6	18.0	92.1	58.5	21.1
06/18	0.82	100.0	72.6	14.7	82.2	494.9	25.2	25.3	3.18	261.5	14.2	1,837.8	55.7	21.3	91.6	55.2	21.1
03/18	0.42	100.0	45.2	11.4	114.2	397.6	19.8	25.3	2.77	228.8	13.2	1,738.3	54.5	23.8	77.6	41.6	16.7
12/17	1.30	103.1	83.1	17.0	25.8	488.0	16.9	0.7	2.56	204.7	12.2	1,672.4	55.9	27.3	70.7	30.9	15.8
09/17	0.64	60.0	60.6	13.3	46.0	457.3	22.5	33.9	1.90	187.7	11.7	1,601.9	68.2	36.4	90.0	77.2	15.7
06/17	0.41	32.3	39.9	10.1	21.3	395.4	7.6	35.4	1.66	168.5	11.1	1,517.7	62.7	37.2	52.3	43.3	10.7
03/17	0.21	40.0	21.1	6.4	32.4	331.8	15.8	39.1	1.56	161.6	10.8	1,489.7	60.5	37.4	57.6	49.3	15.3
12/16	0.64	357.1	66.1	15.8	324.7	417.4	16.7	37.0	1.50	156.4	10.8	1,444.5	57.3	36.6	33.9	27.2	9.7
09/16	0.40	-18.4	41.5	11.1	-22.0	373.1	3.8	37.4	1.00	105.9	7.6	1,384.9	39.8	37.6	-40.5	-39.3	1.6
06/16	0.31	47.6	32.9	8.9	40.0	367.4	27.4	36.3	1.09	117.6	8.6	1,371.0	43.9	37.3	-36.3	-33.1	1.1
03/16	0.15	-46.4	15.9	5.6	-48.1	286.5	-8.1	35.9	0.99	108.2	8.4	1,292.0	40.5	37.4	-56.4	-53.9	-9.7
12/15	0.14	-80.0	15.6	4.3	-76.7	357.8	-11.4	41.0	1.12	123.0	9.3	1,317.3	46.0	37.4	-55.0	-52.4	-9.8
09/15	0.49	-5.8	53.3	14.8	-2.9	359.3	2.0	36.1	1.68	174.3	12.8	1,363.5	58.8	33.7	-32.3	-35.4	-4.9
06/15	0.21	-72.7	23.5	8.1	-71.5	288.4	-20.5	36.8	1.71	175.9	13.0	1,356.5	58.1	33.1	-35.0	-39.2	-6.1
03/15	0.28	-44.0	30.7	9.8	-43.4	311.8	-8.8	35.9	2.27	234.8	16.4	1,430.7	76.3	32.5	0.4	-7.4	0.2
12/14	0.70	1.4	66.9	16.5	-14.8	404.0	7.4	26.1	2.49	258.4	17.7	1,460.9	84.0	32.5	0.0	-7.3	-1.7
09/14	0.52	-22.4	54.9	15.6	-25.9	352.3	-3.0	33.5	2.48	270.0	18.8	1,433.2	95.9	35.5			
06/14	0.77	92.5	82.4	22.7	76.2	362.6	4.6	34.5	2.63	289.1	20.0	1,444.1	104.8	36.3			
03/14	0.50	-31.5	54.2	15.9	-31.7	342.0	-14.4	36.0	2.26	253.5	17.8	1,428.2	95.2	37.5			

Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data

	Quarterly Data								Last 12 Months Data								
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit		Sales	Income Tax		%Change		
	$	%Change	$ Mil	%Sales	%Change	$ Mil	%Change		$	$ Mil	%Sales		$ Mil	%Rate	EPS	Pre-Tax Profit	Sales
12/13	0.69		78.5	20.9		376.2		38.2									
09/13	0.67		74.0	20.4		363.3		36.4									
06/13	0.40		46.8	13.5		346.7		39.6									
03/13	0.73		79.4	19.9		399.6		36.2									