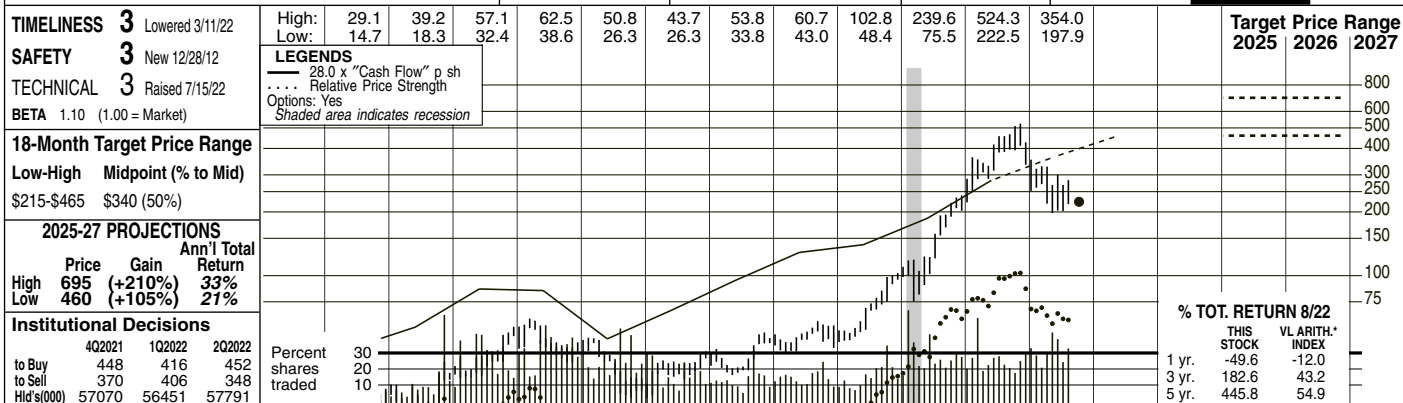


GENERAC HOLDINGS NYSE-GNRC

RECENT PRICE **223.39** P/E RATIO **18.9** (Trailing: 28.8 Median: 20.0) RELATIVE P/E RATIO **1.24** DIV'D YLD **Nil** VALUE LINE **1212**



	2012	2013	2014 ^E	2015	2016	2017	2018	2019	2020	2021	2022	2023	© VALUE LINE PUB. LLC	25-27
17.22	21.66	21.14	19.95	23.04	26.81	32.56	35.23	39.54	58.65	82.20	87.10	Sales per sh	117.15	
2.04	3.08	3.03	1.79	2.44	3.39	4.60	5.00	6.67	10.08	13.10	16.50	"Cash Flow" per sh	24.50	
1.35	2.51	2.49	1.12	1.50	2.56	3.54	4.03	5.48	8.30	10.75	13.80	Earnings per sh ^A	21.00	
---	---	---	---	---	---	---	---	---	---	Nil	Nil	Div'ds Decl'd per sh ^D	6.00	
.33	.45	.50	.46	.49	.53	.77	.97	.99	1.73	2.00	2.25	Cap'l Spending per sh ^B	2.00	
6.79	4.62	7.09	7.06	6.40	8.98	12.24	16.50	22.12	34.74	42.05	60.60	Book Value per sh ^B	88.55	
68.30	68.60	69.12	66.02	62.70	62.37	62.14	62.57	62.85	63.72	63.00	66.00	Common Shs Outst'g ^C	70.00	
19.7	16.3	19.7	34.0	24.1	16.0	14.4	17.4	26.9	44.4	<i>Bold figures are Value Line estimates</i>		Avg Ann'l P/E Ratio	27.5	
1.25	.92	1.04	1.71	1.26	.80	.78	.93	1.38	2.37			Relative P/E Ratio	1.55	
---	---	---	---	---	---	---	---	---	---			Avg Ann'l Div'd Yield	1.2%	
1176.3	1485.8	1460.9	1317.3	1444.5	1672.4	2023.5	2204.4	2485.2	3737.2	5180	5750	Sales (\$mill)	8200	
22.9%	26.1%	22.1%	21.6%	21.2%	19.8%	20.0%	20.9%	22.0%	22.3%	22.5%	24.0%	Operating Margin	28.0%	
45.9	36.8	34.7	40.3	54.4	52.0	47.4	60.9	68.8	92.0	150	180	Depreciation (\$mill)	245	
93.2	174.5	174.6	77.7	98.8	159.4	238.3	252.0	350.6	550.5	675	910	Net Profit (\$mill)	1470	
40.4%	37.4%	32.4%	36.8%	36.8%	21.3%	22.5%	21.1%	22.2%	19.5%	22.5%	22.0%	Income Tax Rate	22.0%	
7.9%	11.7%	12.0%	5.9%	6.8%	9.5%	11.8%	11.4%	14.1%	14.7%	13.0%	15.8%	Net Profit Margin	17.9%	
227.7	403.3	490.0	448.2	341.6	429.7	560.1	698.7	1028.2	692.6	1250	1600	Working Cap'l (\$mill)	2300	
799.0	1175.3	1082.1	1050.1	1006.8	906.5	876.4	837.8	841.8	902.1	1300	1000	Long-Term Debt (\$mill)	100	
463.6	317.1	489.8	465.9	401.1	559.8	760.5	1032.4	1390.3	2213.8	2650	4000	Shr. Equity (\$mill)	6200	
9.0%	13.5%	12.6%	6.5%	8.6%	12.3%	15.8%	14.5%	16.4%	18.2%	18.0%	19.0%	Return on Total Cap'l	23.5%	
20.1%	55.0%	35.7%	16.7%	24.6%	28.5%	31.3%	24.4%	25.2%	24.9%	25.5%	23.0%	Return on Shr. Equity	23.5%	
20.1%	55.0%	35.7%	16.7%	24.6%	28.5%	31.3%	24.4%	25.2%	24.9%	25.5%	23.0%	Retained to Com Eq	17.0%	
---	---	---	---	---	---	---	---	---	---	Nil	Nil	All Div'ds to Net Prof	29%	

CAPITAL STRUCTURE as of 6/30/22
 Total Debt \$1367.7 mill. Due in 5 Yrs \$895.2 mill.
 LT Debt \$1286.5 mill. LT Interest \$40.0 mill. (35% of Cap'l)
 Leases, Uncapitalized Annual rentals \$26.6 mill.

Pension Plan Terminated 12/19

Pfd Stock None

Common Stock 63,830,918 shares. as of 8/3/22

MARKET CAP: \$14.3 billion (Large Cap)

CURRENT POSITION

	2020	2021	6/30/22
Cash Assets	655.1	147.3	467.1
Receivables	374.9	546.5	692.3
Inventory (FIFO)	603.3	1089.7	1240.5
Other	36.4	65.0	91.4
Current Assets	1669.7	1848.5	2491.3
Accts Payable	30.2	674.2	614.0
Debt Due	43.4	78.0	81.2
Other	567.9	403.7	477.0
Current Liab.	641.5	1155.9	1172.2

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '19-'21 to '25-'27
change (per sh)	10 Yrs.	5 Yrs.	to '25-'27
Sales	16.0%	16.0%	17.5%
"Cash Flow"	30.0%	24.5%	22.5%
Earnings	---	28.5%	23.5%
Dividends	---	---	Nil
Book Value	10.5%	29.0%	24.0%

QUARTERLY SALES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	470.4	541.9	601.2	590.9	2204.4
2020	475.9	546.8	701.4	761.1	2485.2
2021	807.4	920.0	942.7	1067.1	3737.2
2022	1135.9	1291.4	1347.7	1405	5180
2023	1305	1400	1485	1560	5750

EARNINGS PER SHARE ^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.76	.97	1.18	1.12	4.03
2020	.67	1.02	1.82	1.97	5.48
2021	2.32	2.01	1.93	2.04	8.30
2022	1.57	2.21	3.27	3.70	10.75
2023	2.65	3.25	3.80	4.10	13.80

QUARTERLY DIVIDENDS PAID ^D

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018					
2019					
2020					
2021					
2022					

NO CASH DIVIDENDS BEING PAID

BUSINESS: Generac Holdings Inc. designs and manufactures a wide range of generators and other engine-powered products for the residential, light commercial, industrial, and construction markets. Its products are fueled by natural gas, liquid propane, diesel, and Bi-Fuel. Acquired Ottomotores, 12/12; Tower Light, 8/13; Country Home Prod., 8/15; and Pramac Group, 3/16. Generac's

Generac Holdings' core business continues to experience explosive growth. The manufacturer of backup power systems' core sales (which exclude the impact of acquisitions and currency exchange rates) soared 33% in the second quarter. In both domestic and international operations, residents and businesses continue to purchase secondary generating systems because of the increased global uncertainty of uninterruptible service of electricity.

Our main estimates for the company in 2022 are basically unchanged. The June interim's share net was less than we expected partially due to greater amortizations costs and a strong U.S. dollar. Higher labor and raw material expenses along with some supply-side issues, also hurt margins. In any case, management provided similar guidance for the full year. All told, we think Generac's share earnings can rise a hefty 30%, to \$10.75.

Another large profit increase seems to be likely next year as well. The country is making a major shift away from fossil fuels highlighted by the recent passage of the Inflation Reduction Act. Even though

products are sold through indep. dealers, retailers, wholesalers, and equipment rental cos. Has 9,540 employees. Chair., Pres., & CEO: Aaron Jadtgeld. Officers/directors own 4.3% of common stock; BlackRock, 14.2%; The Vanguard Group, 8.6% (4/22 proxy). Inc.: DE. Address: S45 W29290 Highway 59, Waukesha, WI 53189. Tel: (262) 544-4811. Internet: www.generac.com.

the amount of nonpolluting sources of electricity are increasing, so too are the demands. The latest example is in California where state authorities are warning about potential blackouts due to high temperatures. Also, gas vehicles are to be phased out there by 2035. Electric cars will depend upon extra generating capacity to recharge their batteries. The addition of new green energy sources doesn't seem to be sufficient to meet the projected demand. Moreover, the war in Ukraine has left Europe vulnerable to energy shortages this winter, as countries that are heavily dependent upon Russian natural gas could face large shortages. Furthermore, it has been long documented that most industrial countries electrical grid systems are in need of upgrading. And finally, should natural disasters rise because of global warming, back up sources of dependable power will be sought out.

This stock may interest investors with a 2025-2027 horizon. Shares of Generac have performed poorly in 2022, but long-term capital appreciation potential is well above that of the average equity.

(A) Diluted earnings. GAAP accounting. Next earnings report due early November.	(D) Paid a special dividend of \$6.00 a share in June 2012, \$5.00 a share in June 2013.	Company's Financial Strength	B++
(B) In millions.	(E) 2014 numbers are pro forma.	Stock's Price Stability	45
(C) Includes intangibles. On 6/30/22:		Price Growth Persistence	60
		Earnings Predictability	55

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James A. Flood September 16, 2022