Company Overview

The Gorman-Rupp Company, founded in 1933, designs, manufactures and sells pumps and related equipment (pump and motor controls) for use in water, wastewater, construction, industrial, petroleum, original equipment, agriculture, fire protection, heating, ventilation and air conditioning (HVAC), military and other liquid-handling applications at locations in the United States, Canada, the Netherlands, Belgium, Ireland and South Africa. The Company markets these products through its wholly owned subsidiaries and a broad network of distributors, through manufacturers’ representatives, through third-party distributor catalogs and by direct sales in the United States and internationally.

Overview
- Founded in 1933 by J.C. Gorman and H.E. Rupp
- Global Headquarters: Mansfield, Ohio, USA
- 10 subsidiaries, 18 global locations
- 1,150 employees worldwide
- Sales to 135 countries
- No third-party debt
- 49 consecutive years of annual dividend increases
- New York Stock Exchange: GRC
- Executive Chairman: Jeffrey S. Gorman
- President and CEO: Scott A. King

Global Operations

Focus on Product Quality and Customer Service
- Leading designer and manufacturer of pumps and pump systems
- Certified state of the art testing facilities
- Emphasis on customer training and education
- Over 5,000 pump models
- More than two million square feet of design, manufacturing and distribution space worldwide
- Well positioned international facilities
- Investment in R&D with a history of innovation

Focus on Employees
- Invest in resources to develop talent needed to be an industry leading manufacturer
- Provide training opportunities and educational benefits to assist in career development and skill expansion
- Average employee tenure of approximately 12 years reflects our strong culture
- Competitive compensation packages, including profit sharing for all employees
- Emphasis on health and safety through upfront and ongoing training
- Commitment to fundamental human rights
- Promotion of inclusion and diversity

Investment Profile
- Over 85 years of innovation and quality pump leadership
- Consistent management team with proven results
- Product and market diversification
- Strong balance sheet
- Well positioned for long-term sustainable growth
- Significant acquisition and expansion flexibility
- History of returning capital to shareholders
- Strong dividend track record

Mission Statement
The Gorman-Rupp Company was established upon a philosophy of, and a commitment to, product quality and technological leadership in the pump industry. Gorman-Rupp’s philosophy of growth and service is reflected in the mission statement made by co-founders J.C. Gorman and H.E. Rupp, which reads:

"To provide a quality product, competitively priced, delivered on time, backed by reliable service, at a profit that provides an equitable return to our shareholders, as well as providing our employees with competitive wages and benefits."

The fulfillment of this commitment has provided the foundation for The Gorman-Rupp Company to become a world pump leader, where the Company continues to emphasize customer training and education as part of the sales process.
Product Diversity

The Company’s product line consists of pump models ranging in size from 1/4” to nearly 15 feet and ranging in rated capacity from less than one gallon per minute to over one million gallons per minute. The types of pumps which the Company produces include self-priming centrifugal, standard centrifugal, magnetic drive centrifugal, axial and mixed-flow, vertical turbine line shaft, submersible, high-pressure booster, rotary gear, diaphragm, bellows and oscillating.

Financial Highlights (2021)

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
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<tbody>
<tr>
<td>Net sales</td>
<td>$378,316</td>
<td>$348,967</td>
<td>$398,179</td>
<td>$414,334</td>
<td>$379,389</td>
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<tr>
<td>Cost of products sold</td>
<td>282,419</td>
<td>259,412</td>
<td>295,504</td>
<td>304,413</td>
<td>278,181</td>
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<tr>
<td>Gross profit</td>
<td>95,897</td>
<td>89,555</td>
<td>102,675</td>
<td>109,921</td>
<td>101,208</td>
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<tr>
<td>Selling, general and administrative expenses</td>
<td>56,541</td>
<td>53,802</td>
<td>58,835</td>
<td>59,282</td>
<td>55,474</td>
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<tr>
<td>Impairment charges</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,098</td>
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<tr>
<td>Operating income</td>
<td>39,356</td>
<td>35,753</td>
<td>43,840</td>
<td>50,639</td>
<td>41,636</td>
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<tr>
<td>Other (expense) income, net</td>
<td>(2,108)</td>
<td>(4,507)</td>
<td>1,326</td>
<td>(323)</td>
<td>(2,258)</td>
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<tr>
<td>Income before income taxes</td>
<td>37,248</td>
<td>31,246</td>
<td>45,166</td>
<td>50,316</td>
<td>39,378</td>
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<td>Income taxes</td>
<td>7,397</td>
<td>6,058</td>
<td>9,351</td>
<td>10,337</td>
<td>12,823</td>
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<td>Net income</td>
<td>$29,851</td>
<td>$25,188</td>
<td>$35,815</td>
<td>$39,979</td>
<td>$26,555</td>
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<tr>
<td>Earnings per share (EPS)</td>
<td>$1.14</td>
<td>$0.97</td>
<td>$1.37</td>
<td>$1.53</td>
<td>$1.02</td>
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Consolidated Income Statements and Selected Financial Data

(Dollars in thousands, except per share data)

Financial Position

<table>
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<th>2018</th>
<th>2017</th>
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<tbody>
<tr>
<td>Adjusted EBITDA (1)</td>
<td>51,467</td>
<td>48,539</td>
<td>58,916</td>
<td>67,653</td>
<td>62,577</td>
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<td>Free cash flow (2)</td>
<td>25,130</td>
<td>25,146</td>
<td>33,634</td>
<td>43,389</td>
<td>42,555</td>
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</table>

Dividend Information:

- Regular cash dividends per share: 0.64, 0.59, 0.55, 0.51, 0.47
- Special cash dividend per share: -

(1) Adjusted EBITDA equals EBITDA less impairment and pension settlement charges.
(2) Free cash flow equals Adjusted EBITDA, less regular dividends and normal capital expenditures.

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