



February 2023  
**INVESTOR PRESENTATION**

# FORWARD-LOOKING STATEMENTS



In connection with the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, The Gorman-Rupp Company provides the following cautionary statement: This presentation contains various forward-looking statements based on assumptions concerning The Gorman-Rupp Company’s operations, future results and prospects. These forward-looking statements are based on current expectations about important economic, political, and technological factors, among others, and are subject to risks and uncertainties, which could cause the actual results or events to differ materially from those set forth in or implied by the forward-looking statements and related assumptions. These include statements regarding estimates of future earnings and cash flows. Other uncertainties include, but are not limited to, general economic conditions, supply chain conditions and any related impact on costs and availability of materials, integration of Fill-Rite in a timely and cost effective manner, retention of supplier and customer relationships and key employees, the ability to achieve synergies and cost savings in the amounts and within the time frames currently anticipated and the ability to service and repay indebtedness incurred in connection with the transaction. Other risks and uncertainties that may materially affect Gorman-Rupp are described from time to time in its reports filed with the Securities and Exchange Commission, including Forms 10-K, 10-Q, and 8-K. Except to the extent required by law, Gorman-Rupp does not undertake and specifically declines any obligation to review or update any forward-looking statements or to publicly announce the results of any revisions to any of such statements to reflect future events or developments or otherwise.



# INVESTMENT HIGHLIGHTS

**“We take care of our customers or someone else will”**

For almost 90 years now, this philosophy has created a competitive advantage by building a strong reputation for quality products and service

**Well suited to handle current leverage and adverse economic conditions**

Highly diversified products and markets  
History of strong cash generation even in recessions



**Strong History of Dividends**

73 years of dividends and 50 consecutive years with increases  
2.7% yield at 12/31/22

**Growth Drivers**

**Industry Growth**

Pumps touch our daily lives – drinking water, wastewater, sewage, irrigation, appliances, transportation, fuel, industrial, chemical, fire suppression, construction, HVAC

**Fill-Rite**

Fill-Rite expected to be accretive to current operating metrics including organic growth, gross margins, and EBITDA margins

**GDP Growth**

**Market Share Expansion**

Strong, U.S. centric, supply chain enables us to supply customers in emergency situations

Robust product development pipeline

Customer training and education

**Infrastructure Spending**

**Leveraging Capabilities**

Incremental volumes in existing footprints improve leverage on overhead and SG&A

# COMPANY OVERVIEW



- Leading designer and manufacturer of pumps and pump systems
- Product diversity with significant presence in Fire Suppression, Municipal, Construction, Agriculture, Industrial, Petroleum and OEM markets
- Reputation for quality products and outstanding service
- Recognizable family of brands through product development and acquisitions
- Strong network of domestic and international distributors
- International sales to approximately 130 countries representing 27% of total sales
- History of returning capital to shareholders through dividends
- Acquisition of Fill-Rite on May 31, 2022





# INDUSTRY OVERVIEW



- Pumps touch our daily lives: drinking water, wastewater, sewage, irrigation, appliance cooling, transportation, fuel, industrial products, chemicals, fire suppression, construction, HVAC
- Many specialized pumps – due to many specialized applications
- Very fragmented industry with many niche oriented players
- Many competitors are divisions of larger companies
- Increasing worldwide demand for water and other fluid-handling equipment
- Pumps are approximately 11% of water infrastructure spend
- General pricing stability due to extent of value-added products and mature competition

# COMPANY HISTORY



**1933** - Company founded with \$1,500 initial – and only – capital investment

**1956** - First international expansion – established Canadian manufacturing facility

**1968** - Publicly listed (American Stock Exchange → NYSE MKT → NYSE in 2017)

**1988** - Acquired Patterson Pump Company, manufacturer of large volume pumps for sewage, flood control and fire suppression

**1998** - Patterson Pump Ireland established for manufacture and sale of fire pumps in Europe

**2010** - Acquired National Pump Company, submersible vertical turbine manufacturer serving the agricultural irrigation, municipal and petroleum markets

**2002 - 2016** - Multiple smaller international and domestic acquisitions

**2022** - Total of 73 years of cash dividends and 50 consecutive years of increases

**2022** - Acquisition of Fill-Rite, leading provider of fixed and portable fuel transfer pumps, chemical transfer pumps, meters, and accessories



# FILL-RITE OVERVIEW

## Brand Overview

**FILL-RITE.**

**SOTERA**

- Widely recognized as #1 fuel transfer pump brand in the industry
- Products include fixed and portable fuel transfer pumps, meters, and accessories, including hoses, nozzles, and attachments
- Rugged chemical and industrial fluid transfer pumps
- Products include pumps and meters for the safe and efficient transfer of concentrated chemicals across a wide variety of end market applications

## Key Facts & Figures

**\$152mm FY22A Revenue\***

~22% FY22A Proforma Adjusted EBITDA Margin

**\$1.5bn+ Addressable Market**

Across Fuel, Chemical, Water, and Fuel Management Systems

**#1 Brand in Fuel Transfer Pump Industry**

**Network of ~2,000 Channel Partners**

Across Distribution, Retail, and E-Commerce

**2 Well-Invested Manufacturing Facilities**

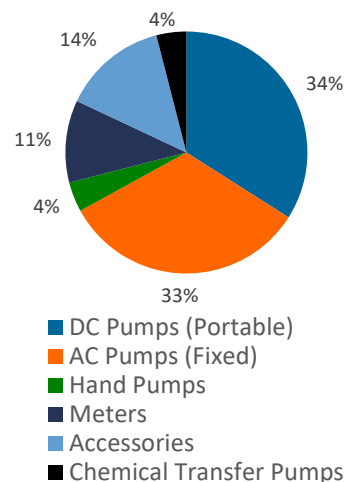
Indiana and Kansas (expanding capacity in 2023)

**Approximately 250 Employees**

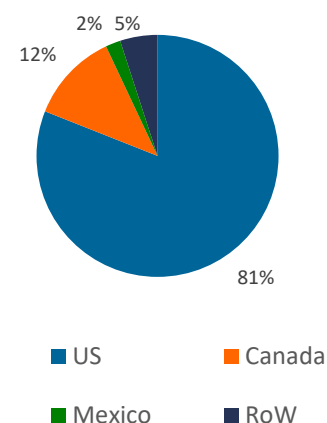
## Revenue Breakdown

**FY 2022A Revenue: \$152mm\***

### Product Mix



### Geographic Mix



## Select Key Channel Partners

### Distributors (~50%)



### Retail / E-Commerce (~50%)



\*FY22A includes 5 months of results prior to Gorman-Rupp ownership



# GLOBAL OPERATIONS



*The Pump People®*

## GORMAN-RUPP PUMPS GROUP



USA	<b>Gorman-Rupp Pumps USA</b> Mansfield, OH USA <a href="http://www.grpumps.com">www.grpumps.com</a>
CANADA	<b>Gorman-Rupp of Canada Limited</b> St. Thomas, Ontario Canada <a href="http://www.grpumps.ca">www.grpumps.ca</a>
AFRICA	<b>Gorman-Rupp Africa Proprietary Limited</b> Johannesburg, Cape Town & Durban South Africa <a href="http://www.gormanrupp.co.za">www.gormanrupp.co.za</a>
EUROPE	<b>Gorman-Rupp Europe B.V.</b> Waardenburg, The Netherlands Namur, Belgium <a href="http://www.grpumps.eu">www.grpumps.eu</a>

## PATTERSON PUMPS GROUP



**Patterson Pump Company**  
Toccoa, GA  
USA  
[www.pattersonpumps.com](http://www.pattersonpumps.com)



**Patterson Pump Ireland Limited**  
Mullingar  
Ireland  
[www.ie.pattersonpumps.com](http://www.ie.pattersonpumps.com)

## NATIONAL PUMPS GROUP



**National Pump Company**  
Glendale, AZ; Fresno, CA; Zolfo  
Springs, FL; Olive Branch, MS;  
Lubbock, TX; Houston, TX  
USA  
[www.nationalpumpcompany.com](http://www.nationalpumpcompany.com)

## CUSTOM PUMPS GROUP



**Gorman-Rupp Industries Division**  
Bellville, OH  
USA  
[www.gripumps.com](http://www.gripumps.com)



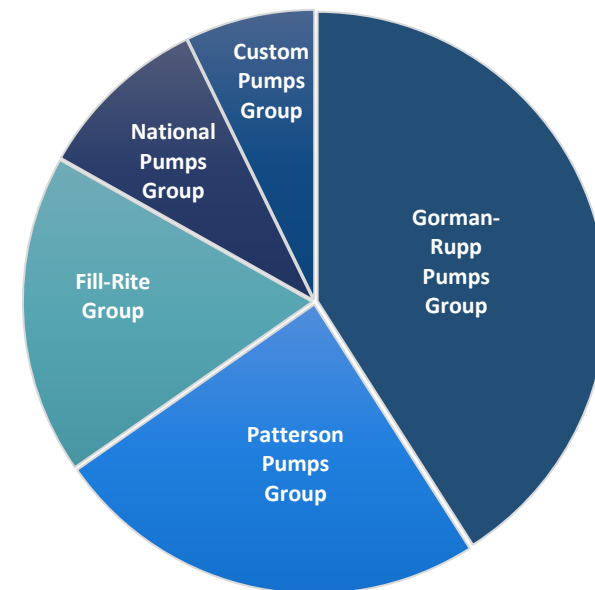
**AMT Pump Company**  
Royersford, PA  
USA  
[www.amtpump.com](http://www.amtpump.com)

## FILL-RITE GROUP



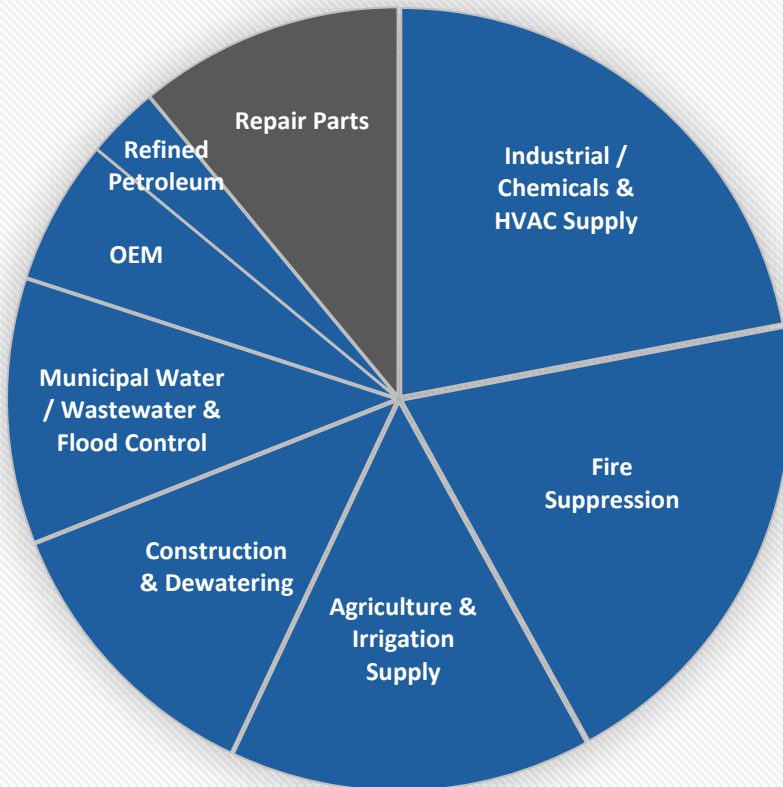
**Fill-Rite Company**  
Fort Wayne, IN; Lenexa, KS  
USA  
[www.fillrite.com](http://www.fillrite.com)

1,400 GLOBAL EMPLOYEES



# MARKET DIVERSITY – BY DESIGN

## Gorman-Rupp Company Markets



### Markets

- Industrial/Chemicals & HVAC Supply (21% - 23%)
- Fire Suppression (19% - 22%)
- Agriculture & Irrigation Supply (14% - 16%)
- Construction & Dewatering (11% - 13%)
- Municipal Water / Wastewater & Flood Control (10% - 12%)
- Refined Petroleum (2% - 4%)
- OEM (6% - 8%)

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### Repair Parts (9% - 12%)

# PRODUCT DIVERSITY

**GORMAN-RUPP**  
COMPANY

*The Pump People®*





# INDUSTRIAL / CHEMICALS & HVAC SUPPLY (21% - 23%)

- Dependable pumps for manufacturing applications
- Pumps for moving heavy sludges, slurries and other viscous materials
- HVAC pump market share expanding

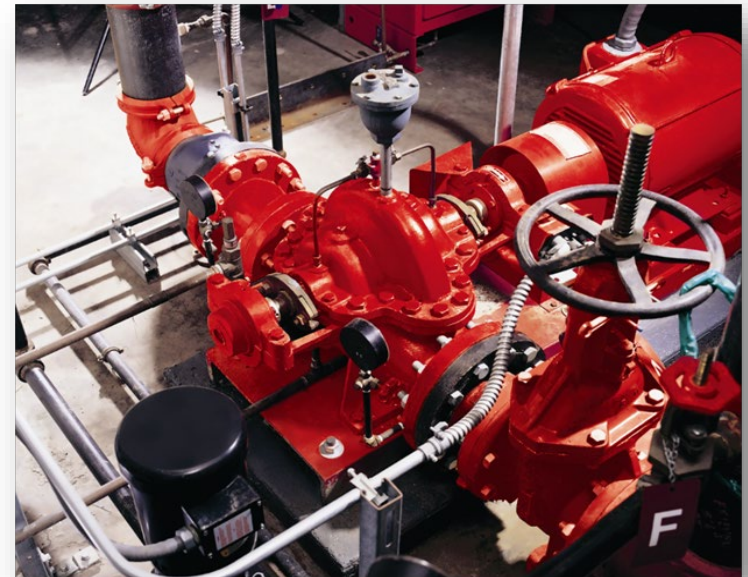
**DRIVERS:** *Industrial construction, expansion and remodeling*



# FIRE SUPPRESSION (19% - 22%)

- Booster pumps for sprinkler systems in large commercial structures
- Fire pumps are UL/FM Global approved and an industry standard
- Manufacturing facility in Ireland for increased capacity
- Domestic and international market leader

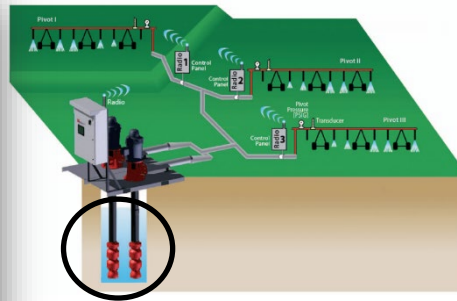
**DRIVERS:** *Commercial and industrial construction*



# AGRICULTURE & IRRIGATION (14% - 16%)

- Irrigation pumps supplied to sprinkler installation companies
- Strategically located branch locations across the U.S.
- Pumps for animal waste, pit agitation, fuel transfer and liquid fertilizer

**DRIVERS:** *Grower cash flows from farm commodity prices; bank financing requirements; weather conditions*

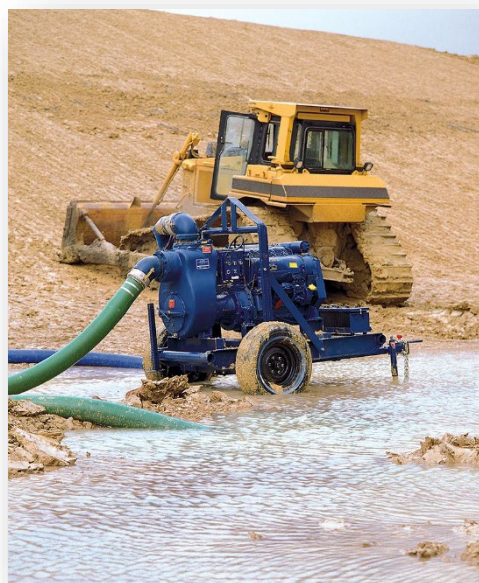




# CONSTRUCTION & DEWATERING (11% - 13%)

- Self-priming and vacuum prime-assisted centrifugal pumps for dewatering foundations, quarries, ditches and streams
- Diaphragm pumps to remove mud and sand-laden water at construction sites
- Rotary vane fuel transfer pumps, meters, and accessories for contractors
- Support of fracking industry
- Industry leader and innovator

**DRIVERS:** *Infrastructure and other exterior construction; commercial rental activity and inventory turnover; mining*



# MUNICIPAL WATER & WASTEWATER (10% - 12%)

- Pumps and wastewater stations
- Pre-engineered turn-key systems
- Custom design capabilities, above and below ground installation
- Booster pumps and deep-well line shaft pumps provide clean drinking water
- Municipal water and sewer funding is typically service fee based, not tax based
- 50<sup>th</sup> anniversary of first wastewater pumping station in 2019

**DRIVERS:** *Commercial and residential construction; infrastructure build and re-build*





# STORM WATER & FLOOD CONTROL

- Flood control pumps capable of pumping up to one million gallons per minute
- Permanent Canals Closure and Pumps Project completed in New Orleans in 2017
- Acquisition of Morrison Pump Company in 2016

**DRIVERS:** *Infrastructure build and re-build; natural disasters*



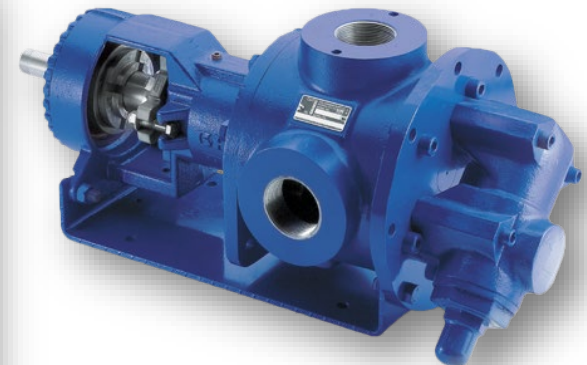


# OEM (6% - 8%)

## OEM

- Pump supplier to a variety of manufacturers
- Range of applications from transportation, appliances, food processing, chemical processing and electronics
- Military applications

**DRIVERS:** *Growth and new products in numerous commercial, medical and retail sectors; power generation demands*



# REFINED PETROLEUM (2% - 4%)

- Leader in aircraft refueler market
- Refinery and pipeline applications
- Vertical turbine pumps for barge loading and unloading
- American Petroleum Institute certified pumps
- Safe bulk handling of volatile fuels

**DRIVERS:** *Petroleum refinery production, storage and distribution; petroleum transportation expansion*

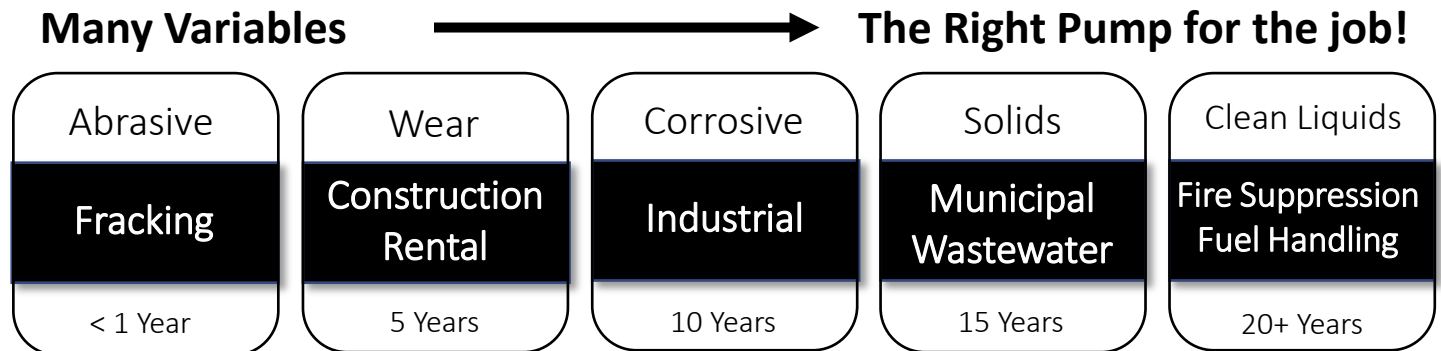


# REPAIR PARTS

- Most parts ship within 24 hours
- Consolidated 9% - 12%
- Large range – from 30% for Construction/Industrial to minimal for Fire Suppression
- Approximately 20% adjusted for markets with minimal repairs



## HOW LONG DO PUMPS LAST?



# DIVISIONS / MARKETS



## End Markets



End Markets	GORMAN-RUPP PUMPS	Danco	NATIONAL PUMP COMPANY	GORMAN-RUPP INDUSTRIES	AMT	FILL-RITE
Industrial/Chemicals & HVAC Supply	•	•	•	•	•	•
Fire Suppression		•				
Agriculture & Irrigation Supply	•		•		•	•
Construction & Dewatering	•				•	•
Municipal Water, Wastewater & Flood Control	•	•	•		•	
Refined Petroleum	•		•			
Original Equipment Manufacturer (OEM)	•		•	•	•	



# COMPETITION

# NOTABLE PUMP COMPETITORS

	GORMAN-RUPP MARKETS							
<b><u>Company</u></b>	Fire Suppression	Municipal	Flood Control	Construction	Agriculture	Industrial	Petroleum	OEM
XYLEM (XYL) – (\$5.5B; Pumps/Services \$4.1B, 75%)								
▪ Flygt		✓	✓	✓	✓	✓		✓
▪ Goulds		✓		✓	✓	✓	✓	
▪ AC Fire Pump	✓					✓		
▪ Bell & Gossett		✓				✓		✓
▪ Godwin Pumps		✓	✓	✓				
FlowServe (FLS) – (\$3.5B; Flow/Pumps \$2.5B, 70%)								
▪ Worthington	✓	✓	✓	✓	✓	✓	✓	✓
▪ Durco and IDP		✓		✓	✓	✓	✓	✓
▪ FlowServe	✓	✓	✓	✓	✓	✓	✓	✓
IDEX (IEX) – (\$3.2B; Flow/Pumps \$1.2B, 37%)								
▪ Viking and MicroPump						✓	✓	✓
▪ Pulsafeeder		✓				✓	✓	✓

# NOTABLE PUMP COMPETITORS

	GORMAN-RUPP MARKETS							
<b><u>Company</u></b>	Fire Suppression	Municipal	Flood Control	Construction	Agriculture	Industrial	Petroleum	OEM
Pentair (PNR) – (\$4.1B; 100% Flow/Pumps)								
▪ Hydromatic		✓				✓		✓
▪ Aurora	✓	✓				✓		✓
▪ Fairbanks Nijhuis	✓	✓	✓	✓	✓	✓	✓	✓
Franklin Electric (FELE) – (\$1.7B; Flow/Pumps \$1.0B, 58%)								
▪ Pioneer Pump		✓		✓	✓	✓		✓
Dover Corporation (DOV) – (\$7.9B; Fluids \$3.3B, 42%)								
▪ Blackmer						✓	✓	✓
▪ Wilden						✓	✓	✓
Ingersoll Rand (IR) – (\$5.2B; <15% Flow/Pumps)								
▪ ARO						✓	✓	
▪ Seepex		✓				✓	✓	
▪ Albin Pump								
▪ Milton Roy		✓				✓	✓	
▪ Thomas						✓		

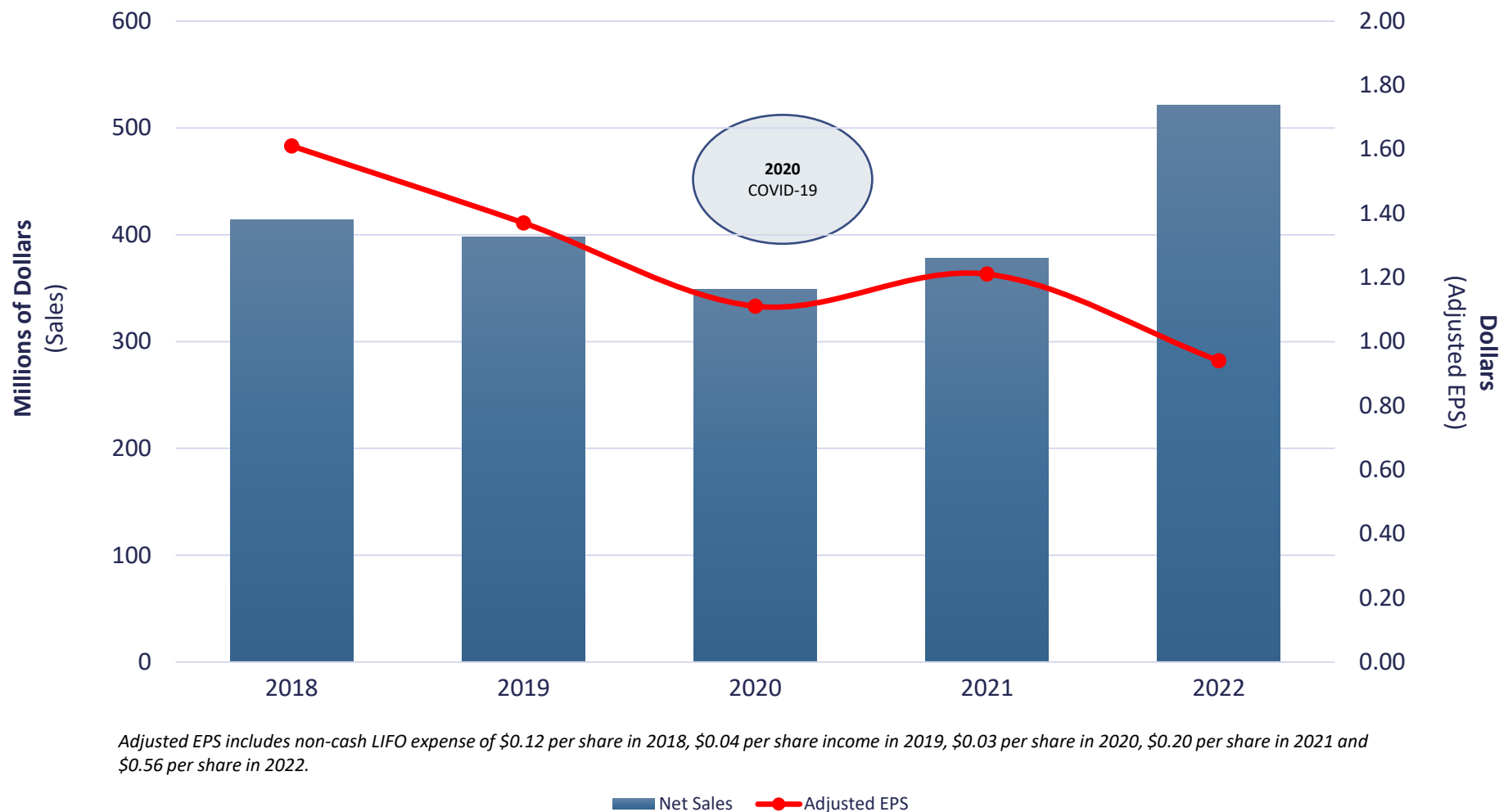
# NOTABLE PUMP COMPETITORS

	GORMAN-RUPP MARKETS							
<b><u>Company</u></b>	Fire Suppression	Municipal	Flood Control	Construction	Agriculture	Industrial	Petroleum	OEM
Host of private companies/divisions								
▪ Smith & Loveless		✓						
▪ BJM / Stancor		✓		✓	✓	✓		
▪ Thompson Pumps		✓	✓	✓	✓	✓		✓
▪ Zoeller Pumps		✓		✓		✓		
▪ Vaughan Pumps		✓		✓		✓		
▪ GPI				✓	✓			
▪ Roper (Cornell)		✓			✓	✓	✓	✓
▪ SPX Flow (Johnson Pump, Wauckesha Cherry-Burrell, Power Team, Gerstenberg Schoder, Bran+Luebbe)						✓		

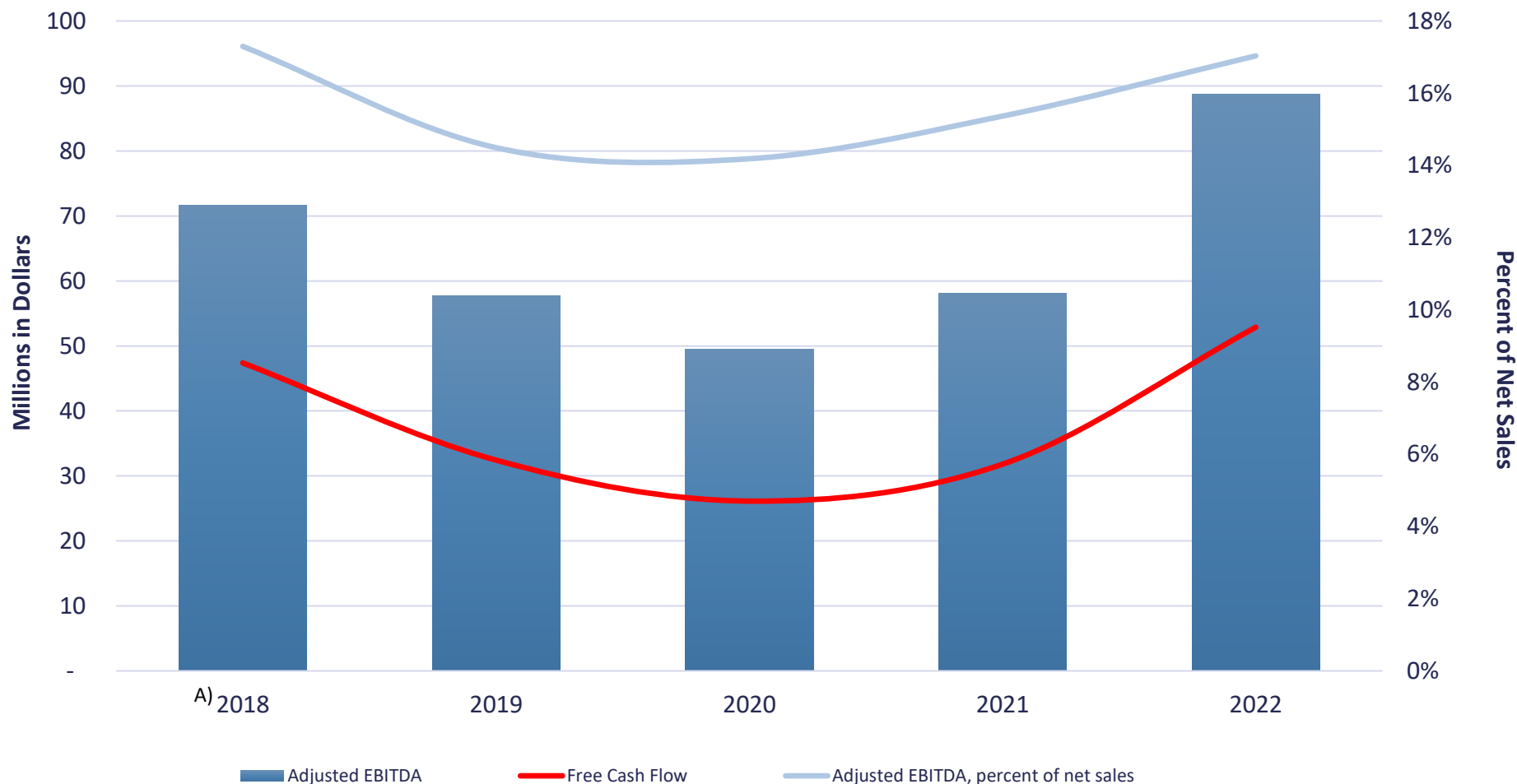


# FINANCIAL SUMMARY

# NET SALES & ADJUSTED EPS



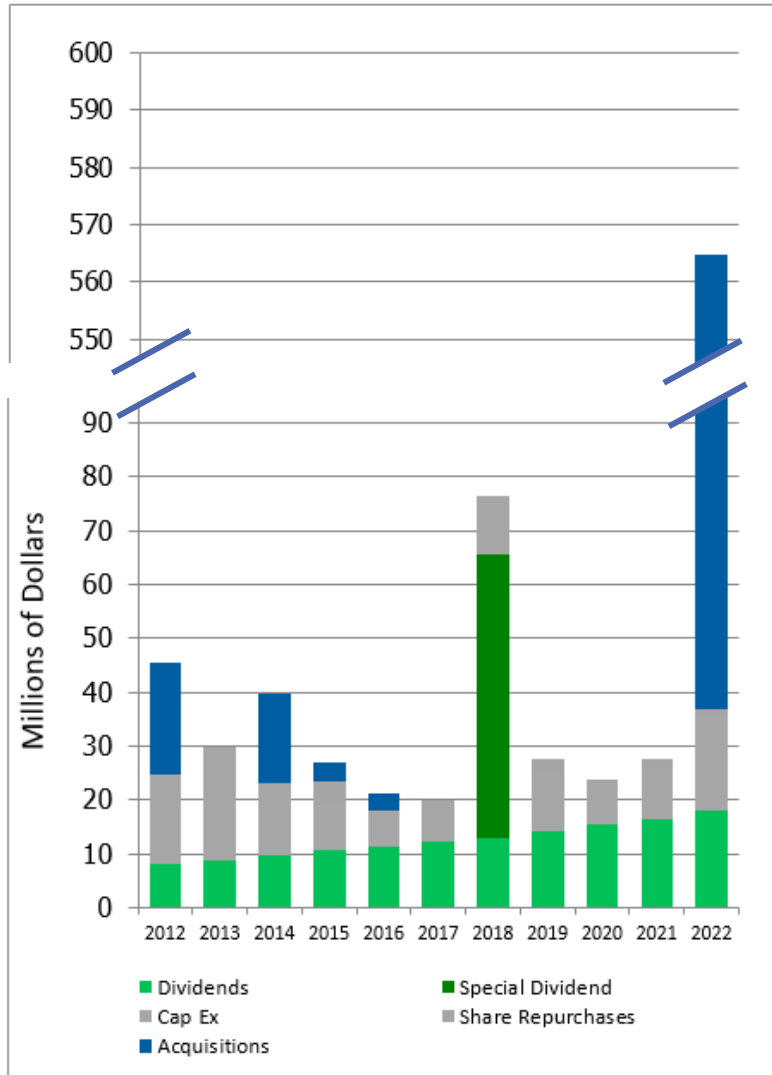
# STRONG ADJUSTED EBITDA & FREE CASH FLOW



A) 2018 Free Cash Flow excludes \$52.2 million special dividend.

# HISTORICAL CAPITAL ALLOCATION

## ■ Return of capital to shareholders through dividends



- ▶ **Current annualized dividend rate of \$0.70 per share**
- ▶ **Special dividend of \$2.00 per share in 2018**
- ▶ **Maintenance capital ~ \$15 million per year**
- ▶ **Acquisitions**
  - GR Africa – 2012
  - American Turbine Pumps – 2012
  - Bayou City Pump – 2014
  - GR Belgium – 2015
  - Morrison Pump – 2016
  - Fill-Rite – 2022



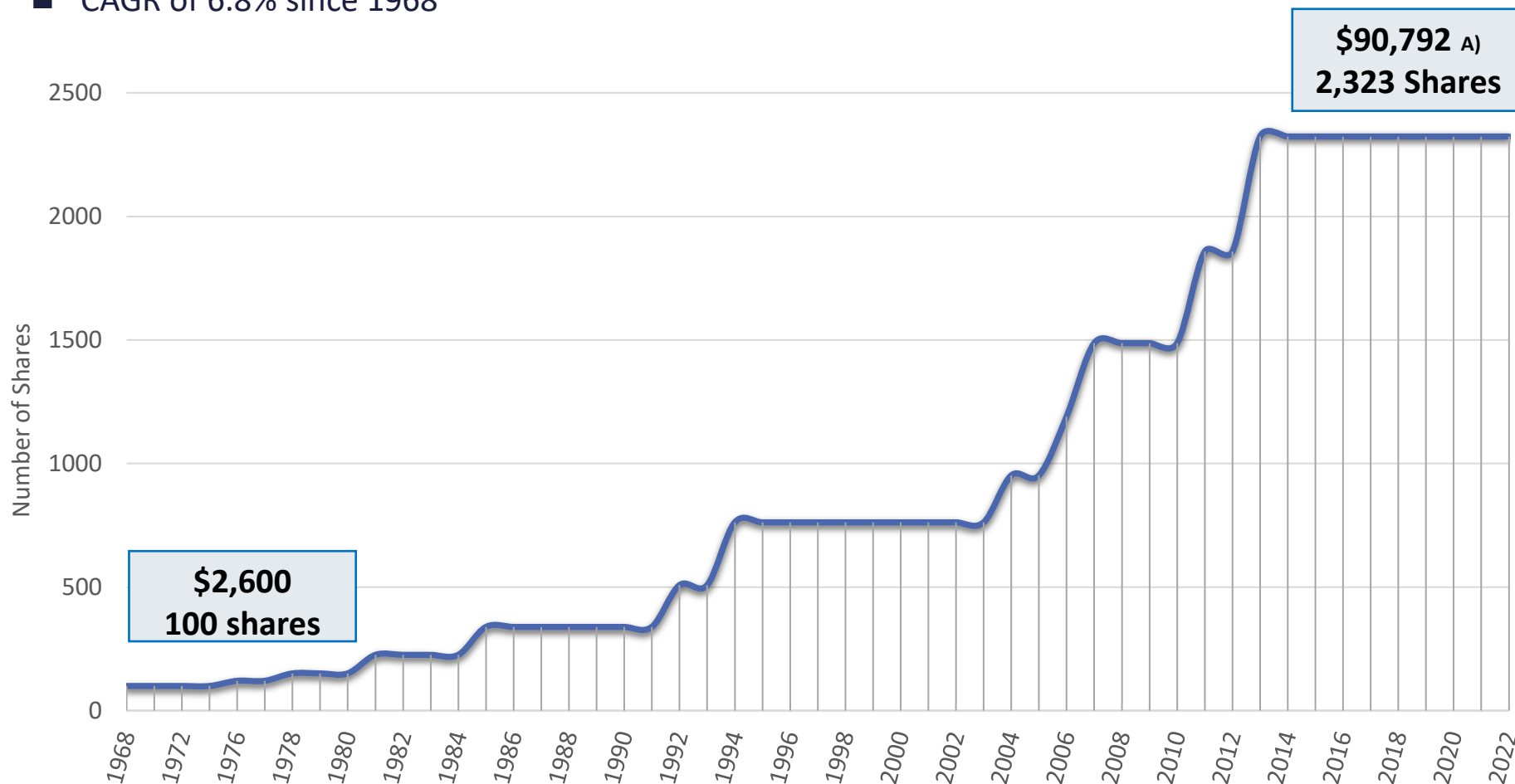
# CAPITAL ALLOCATION PRIORITIES



- ✓ Our maintenance capital expenditures are expected to be ~\$15mm per year
- ✓ We have a proud history of returning capital to shareholders through dividends and expect to maintain our dividend practices while achieving our leverage target
- ✓ We are focused on deleveraging with targeted leverage of less than 3.5x by the end of 2024
  - ✓ Leverage as of December 31, 2022 was 4.4X
- ✓ Once we delever, acquisitions will remain an important part of our growth strategy, and we will monitor opportunities to complement our existing businesses or expand our core competencies
- ✓ We expect to maintain ample liquidity for our operations, including cash on the balance sheet and a \$100mm revolving credit facility

# GROWTH OF 100 SHARES

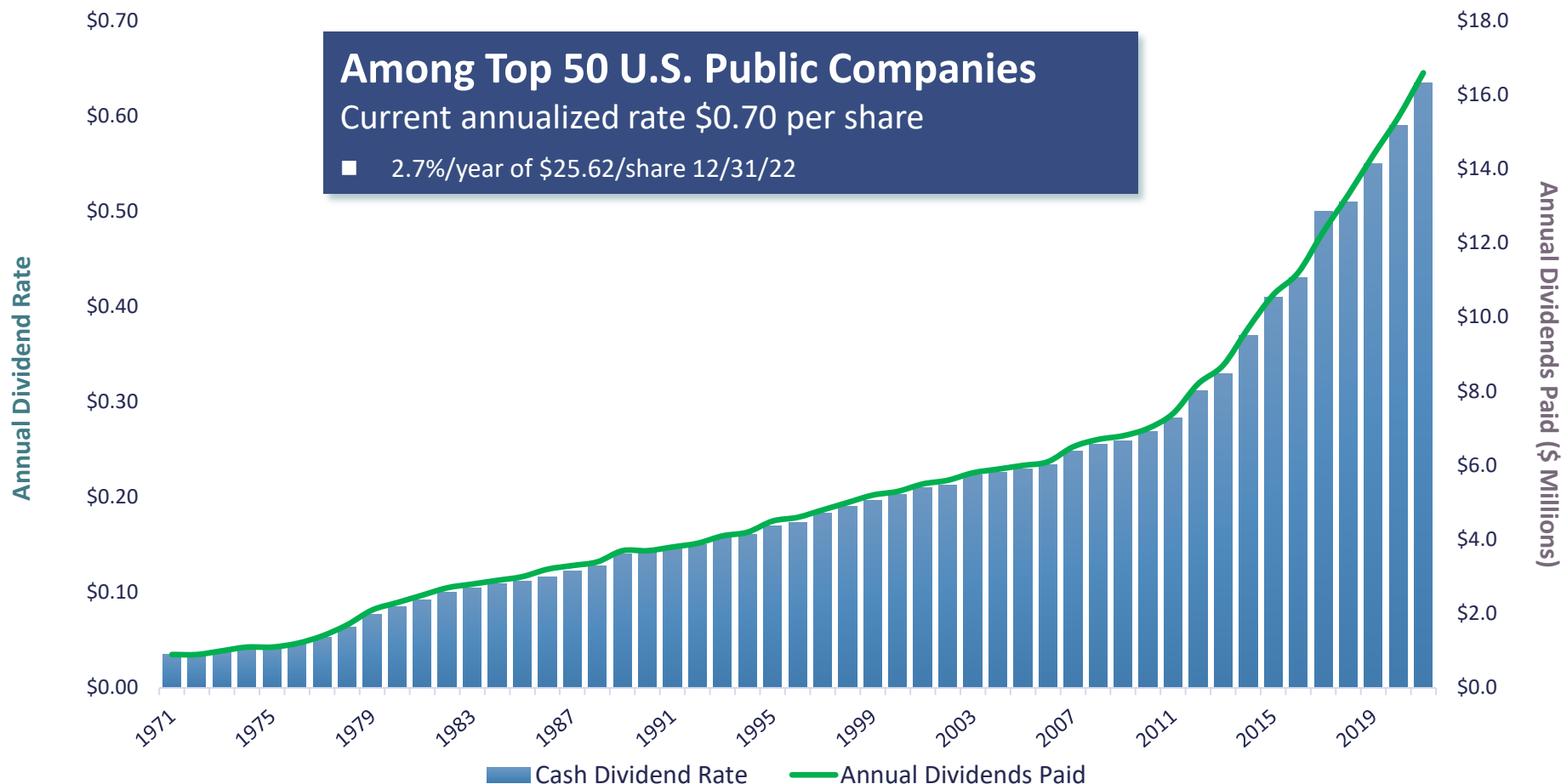
- Share growth through stock dividends and splits
- CAGR of 6.8% since 1968



A) As of 12/31/22, value of \$59,515 at \$25.62/share and cash dividends received of \$31,277.

# HISTORY OF INCREASING DIVIDENDS

- 292 Consecutive quarters of cash dividends
- 50 Consecutive years of increased cash dividends





# Q4 2022 P&L

- Sales increased 55.0% or \$51.8 million (19.3% excluding Fill-Rite, which was acquired in May 2022)
- Adjusted EPS was \$0.11 per share compared to \$0.26 for Q4 2021
  - Results included non-cash LIFO expense of \$0.25 and \$0.08 per share in 2022 and 2021, respectively
- Gross margin benefited from improved leverage on increased sales volumes and product mix including Fill-Rite
- SG&A increased primarily due to Fill-Rite expense of \$6.0 million
- Interest expense due to debt financing of Fill-Rite acquisition
- Adjusted EBITDA increased 104%, or \$14.5 million (49.0%, or \$6.8 million excluding Fill-Rite)

(\$ in millions)	Q4 2022		Q4 2021	
	Dollars	% of Net Sales	Dollars	% of Net Sales
<b>Net Sales</b>	<b>\$146.0</b>		<b>\$94.2</b>	
<b>Gross Profit</b>	<b>36.6</b>	<b>25.1%</b>	<b>22.3</b>	<b>23.7%</b>
<b>SG&amp;A</b>	<b>21.0</b>	<b>14.4%</b>	<b>13.9</b>	<b>14.8%</b>
<b>Amortization</b>	<b>3.1</b>	<b>2.2%</b>	<b>0.2</b>	<b>0.2%</b>
<b>Operating Income</b>	<b>12.5</b>	<b>8.6%</b>	<b>8.2</b>	<b>8.7%</b>
<b>Interest Expense</b>	<b>9.4</b>	<b>6.4%</b>	<b>-</b>	<b>-</b>
<b>Adjusted Net Income<sup>1</sup></b>	<b>\$3.0</b>	<b>2.1%</b>	<b>\$6.7</b>	<b>7.1%</b>
<b>Adjusted EPS<sup>1</sup></b>	<b>\$0.11</b>		<b>\$0.26</b>	
<b>Adjusted EBITDA<sup>1</sup></b>	<b>\$28.5</b>	<b>19.6%</b>	<b>\$14.0</b>	<b>14.8%</b>

(1) See appendix for non-GAAP reconciliations.

# YEAR ENDED DECEMBER 31, 2022 P&L

- Sales increased 37.7% or \$142.7 million (14.6% excluding Fill-Rite, which was acquired in May 2022)
- Adjusted EPS was \$0.94 per share compared to \$1.21 for 2021
  - Results included non-cash LIFO expense of \$0.56 and \$0.20 per share in 2022 and 2021, respectively
- 2022 gross margin included \$1.4 million of inventory step up amortization, \$1.5 million of acquired customer backlog amortization, and non-cash LIFO expense of \$18.0 million
- SG&A and Operating Income also included \$7.1 million in acquisition costs
- Incoming orders increased 30.6% compared to last year, an increase of 11.2% excluding Fill-Rite

(\$ in millions)	Year Ended		Year Ended	
	December 31, 2022		December 31, 2021	
	Dollars	% of Net Sales	Dollars	% of Net Sales
<b>Net Sales</b>	<b>\$521.0</b>		<b>\$378.3</b>	
<b>Gross Profit</b>	<b>130.9</b>	<b>25.1%</b>	<b>95.9</b>	<b>25.3%</b>
<b>SG&amp;A</b>	<b>83.1</b>	<b>16.0%</b>	<b>56.0</b>	<b>14.8%</b>
<b>Amortization</b>	<b>7.6</b>	<b>1.5%</b>	<b>0.5</b>	<b>0.1%</b>
<b>Operating Income</b>	<b>40.2</b>	<b>7.7%</b>	<b>39.4</b>	<b>10.4%</b>
<b>Interest Expense</b>	<b>19.2</b>	<b>3.7%</b>	<b>-</b>	<b>-</b>
<b>Adjusted Net Income<sup>1</sup></b>	<b>\$24.5</b>	<b>4.7%</b>	<b>\$31.7</b>	<b>8.4%</b>
<b>Adjusted EPS<sup>1</sup></b>	<b>\$0.94</b>		<b>\$1.21</b>	
<b>Adjusted EBITDA<sup>1</sup></b>	<b>\$88.7</b>	<b>17.0%</b>	<b>\$58.1</b>	<b>15.4%</b>

(1) See appendix for non-GAAP reconciliations.

# BALANCE SHEET

- Fill-Rite acquisition decreased cash, and increased debt, goodwill and intangible assets, and net working capital

(\$ in millions)	December 31, 2022	December 31, 2021		December 31, 2022	December 31, 2021
<b>ASSETS</b>			<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>		
Cash and cash equivalents	\$6.8	\$125.2	Current portion of long-term debt	\$17.5	-
Accounts receivable, net	93.1	58.5	Other current liabilities	67.7	52.4
Inventories, net	111.1	85.6	Pension and postretirement benefits	31.8	36.7
Prepaid and other	14.5	7.9	Long-term debt, net of current portion	419.3	-
<b>Total current assets</b>	<b>\$225.5</b>	<b>\$277.2</b>	Other long-term liabilities	5.3	1.7
Property, plant and equipment, net	128.6	104.3	<b>Total liabilities</b>	<b>\$541.6</b>	<b>\$90.8</b>
Goodwill and intangible assets, net	507.1	33.1	Total shareholders' equity	331.2	330.0
Other assets	11.6	6.2	<b>Total liabilities &amp; shareholders' equity</b>	<b>\$872.8</b>	<b>\$420.8</b>
<b>Total assets</b>	<b>\$872.8</b>	<b>\$420.8</b>			

# PILLARS FOR GROWTH



# PILLARS FOR GROWTH



# WELL POSITIONED FOR ORGANIC GROWTH



- Robust new product development pipeline
- Broad network of global distributors
- Over two million square feet of design, manufacturing and distribution space worldwide, with capacity for growth
  - Expanding Fill-Rite capacity in 2023
- ISO Certified 9001, 14001 – GR Pumps USA, Patterson, National Pump and GR Industries
- State of the art testing facilities
- Customer first culture
- 1,400 employees worldwide with experience of approximately 10 years on average
- Gorman-Rupp Continuous Improvement program at all locations
- Market diversity helps minimize impact of downturns



# ORGANIC GROWTH DRIVERS



## ■ Aging U.S. infrastructure –

### U.S. Infrastructure Report Card<sup>(1)</sup>

Drinking Water	C-
Wastewater	D+
Storm Water	D

## ■ Infrastructure bill including investment in water, wastewater and flood control

- Bill needed to address estimated \$2.6 trillion gap<sup>(1)</sup> in required infrastructure spending over the next 10 years

## ■ Oil and gas markets recovery

## ■ Well positioned to capitalize on agriculture market

## ■ High value of retained customers – service, repairs and replacements

## ■ Increasing regulatory requirements related to environmental, quality and energy efficiency

## ■ Investment in R&D – history of innovation

## ■ Emphasis on customer training and education

*(1) American Society of Civil Engineers 2021 Infrastructure Report Card*

# PRODUCT INNOVATION

- Majority of products continue to be made in the USA
- Strong team of experienced engineers providing project-specific engineering expertise and new product development
- Continued advancements in challenging applications like clogged sewage systems or abrasive materials
- Advanced monitoring and control with IoT will continue to develop
- Advancements in pump efficiency, reduced emissions and alternative power sources

## European Stage 5 Hydrogenated Vegetable Oil Engine Driven Units

Technology reduces CO2 emissions by 89% vs. fossil fuels



## Flow Smart and Eradicator Plus

Clog sensing and clearing control technology for lift stations



## NSF61 Drinking Water Certification

Registered full pump including the "can"

## Fill-Rite nextec Intelligence™ DC & AC Models

Energy efficient, continuous duty



## INTEGRITY<sup>series</sup>™

*Tuned for performance, stability and longevity.*



## Integrity Series Smart Pumps

Brushless DC mag drive centrifugal pumps with IoT



# PROCESS INNOVATION



- Focus on customer facing technology with ability to research, configure and order
- Easy on-line access to customer specific pump specifications, user manuals and parts ordering
- Integration of 3D printing capabilities into new product development and factory productivity improvements
- State of the art test labs allowing difficult field conditions to be duplicated in-house

## REVOLUTION<sup>PC</sup> Revolution (NPC)

Pricing software has allowed rapid quotations/ordering, which fosters improved margins



### Hydraulic Institute Certified Test Lab

Patterson test lab certified to HI Pump test lab approval program 40.7 standard



### Serial Number Specific QR Codes

Provides customer with easy access to individual pump specifications, user manuals and drawings

# CUSTOMER TRAINING AND EDUCATION



Customer visits  
and plant tours  
are part of sales  
process



Increased use  
of technology  
to deliver  
virtual training



Long history of  
product  
education and  
training of both  
distribution and  
customers



In-house  
training and  
testing facilities  
that can  
simulate field  
conditions

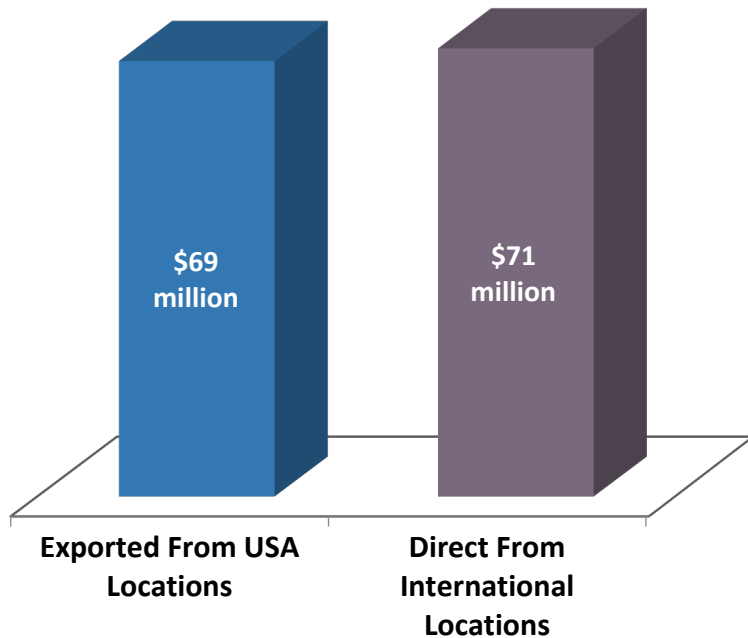


Mobile training  
equipment  
supports  
customer site  
training

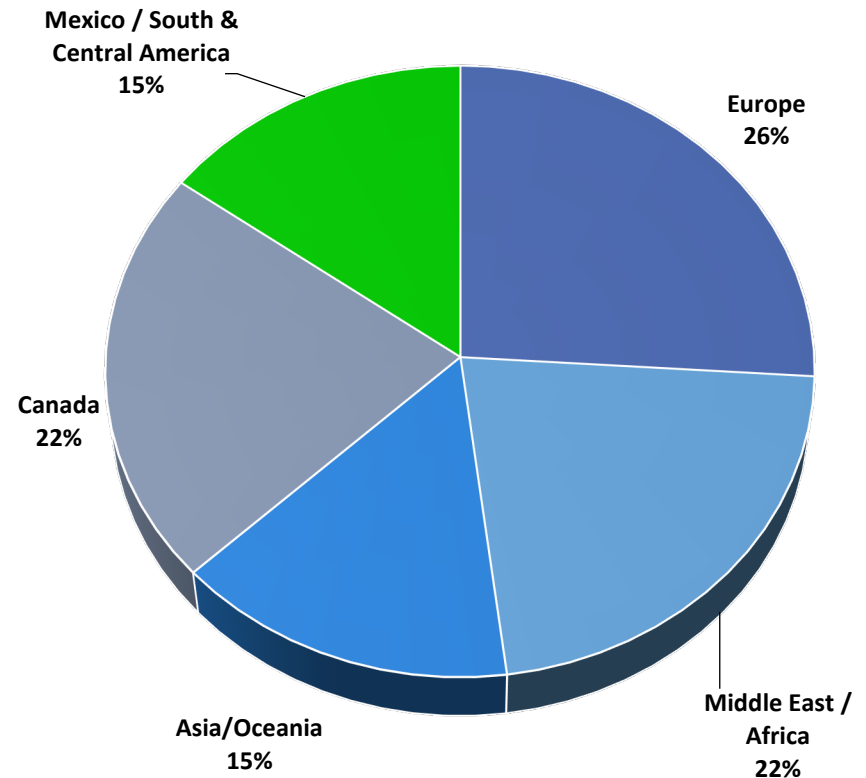
# INTERNATIONAL DISTRIBUTION CAPABILITY

- International sales represent approximately 27% of total company sales annually

## 2022 International Sales



## Proforma Total International Sales Mix



# GORMAN-RUPP INTERNATIONAL LOCATIONS

- Well positioned international facilities
- Capacity for growth

DIVISION	LOCATION
Gorman-Rupp Canada	Ontario, Canada
Gorman-Rupp Africa	Johannesburg, South Africa
Gorman-Rupp Europe	Waardenburg, The Netherlands
Gorman-Rupp Belgium	Namur, Belgium
Patterson Pump Ireland	County Westmeath, Ireland



Gorman-Rupp Canada



Gorman-Rupp Africa



Gorman-Rupp Europe



Gorman-Rupp Belgium



Patterson Pump Ireland



# DRIVERS OF INTERNATIONAL GROWTH



- Population growth and urbanization increasing infrastructure needs
- Industrialization in developing countries
- Accelerating need for water recycling and water & wastewater treatment systems
- Increasing industrial and agriculture needs
- Sanitation needs – lack of access to proper sanitation worldwide
- Drinking water – millions of people worldwide lack access to safe drinking water
- Potential to increase Fill-Rite international sales

# HISTORY OF GROWTH THROUGH ACQUISITIONS



- Gorman-Rupp has successfully grown through acquisitions
- Financial strength to continue acquisitions
- Approach to acquisitions remains disciplined and selective







## Acquisitions since 2010:

Year	Company	Locations	Key Markets
2010	National Pump Company	AZ, CA, TX, MS, FL	Agriculture, Municipal, Petroleum, Industrial
2012	American Turbine	TX, CA	Agriculture
2012	Pumptron	Johannesburg, South Africa	Municipal, Industrial
2014	Bayou City Pump	TX	Industrial, Petroleum
2015	Hydro & Hydro+	Namur, Belgium	Municipal, Industrial, Construction
2016	Morrison	FL	Municipal, Flood Control
2022	Fill-Rite	IN and KS	Agriculture, Construction

# FILL-RITE ALIGNS WITH GORMAN-RUPP'S DISCIPLINED M&A CRITERIA

Criteria	Preferences
 Products	<ul style="list-style-type: none"> <li>Pumps or pumping related equipment and systems that complement existing product lines</li> </ul>
 Markets	<ul style="list-style-type: none"> <li>Chemical / Fuels</li> <li>Municipal</li> <li>Alternative Energy</li> <li>Marine</li> <li>Food / BEV / Pharma</li> <li>HVAC</li> <li>OEM</li> <li>Industrial</li> <li>Dredging</li> </ul>
 Culture	<ul style="list-style-type: none"> <li>Customer-Focused</li> <li>Employee Focused</li> <li>Quality-Focused</li> </ul>
 Regions	<ul style="list-style-type: none"> <li>U.S., Europe, Asia</li> </ul>
 Competitive Landscape	<ul style="list-style-type: none"> <li>Leading Brands/Positions in Niche Markets</li> </ul>
 Condition of Business	<ul style="list-style-type: none"> <li>Not a turnaround situation</li> </ul>
 Structure	<ul style="list-style-type: none"> <li>Bolt-on with compatible management that is retained post acquisition</li> </ul>
 Financial Performance	<ul style="list-style-type: none"> <li>Attractive profitability, growing, accretive near term, meets IRR requirements</li> </ul>
 Size	<ul style="list-style-type: none"> <li>\$25MM to \$150MM in Revenue</li> </ul>

## Fill-Rite acquisition

-  Premier fuel and chemical transfer pumps across agriculture, construction, mining, marine, fleets, and municipalities
-  High-quality operations with outstanding culture and demand for excellence in business and service
-  #1 brand in the 0-35 GPM fuel transfer pump industry
-  Strong and experienced management team committed to continuing in current roles
-  Steady revenue growth complemented by a strong margin and cash flow
-  Potential for commercial synergies

# FILL-RITE EXPANDS PORTFOLIO OF MISSION-CRITICAL PUMPS AND SYSTEMS

## Key highlights

- ✓ Complements and expands Gorman-Rupp's portfolio of products in mission-critical applications and adjacent end markets
- ✓ Agriculture and construction end markets set to benefit from rising demand in equipment spend, harvesting and infrastructure activity
- ✓ Enhances brand recognition with the #1 brand in fuel transfer pump industry
- ✓ Strong collective of distribution partners with added exposure and opportunity in retail and e-commerce channels, and international expansion
- ✓ Adds capabilities in lower flow rate, consumer-facing pumps
- ✓ Pipeline of new product development





# SUSTAINABILITY

Gorman-Rupp companies are committed to advancing the health, safety and wellness of our employees, customers and communities by:

- Making a positive impact on our communities through philanthropy and social engagement;
- Reducing our impact on the environment through resource conservation and waste minimization;
- Treating employees fairly, with dignity, and without discrimination – and maintaining similar expectations of our supply chain partners; and
- Providing training and development programs that attract diverse, motivated employees and help them reach their full potential.



# INVESTMENT HIGHLIGHTS

**“We take care of our customers or someone else will”**

For almost 90 years now, this philosophy has created a competitive advantage by building a strong reputation for quality products and service

**Well suited to handle current leverage and adverse economic conditions**

Highly diversified products and markets  
History of strong cash generation even in recessions



**Strong History of Dividends**

73 years of dividends and 50 consecutive years with increases  
2.7% yield at 12/31/22

**Growth Drivers**

**Industry Growth**

Pumps touch our daily lives – drinking water, wastewater, sewage, irrigation, appliances, transportation, fuel, industrial, chemical, fire suppression, construction, HVAC

**Fill-Rite**

Fill-Rite expected to be accretive to current operating metrics including organic growth, gross margins, and EBITDA margins

**GDP Growth**

**Market Share Expansion**

Strong, U.S. centric, supply chain enables us to supply customers in emergency situations

Robust product development pipeline

Customer training and education

**Infrastructure Spending**

**Leveraging Capabilities**

Incremental volumes in existing footprints improve leverage on overhead and SG&A

## Jeffrey S. Gorman, Executive Chairman

Jeff was elected Executive Chairman in January 2022 after previously serving as Chairman of the Board since 2019. He previously served as CEO from 1998 to 2021 and President from 1998 to 2020. He was elected to the Board of Directors for The Gorman-Rupp Company in 1989. In 1978, he started working on the factory floor and has progressed through many positions including Sales, Corporate Secretary, Assistant and General Manager, and Senior Vice President of the corporation.

Mr. Gorman completed his Bachelor of Science degree in business administration in 1974 with majors in business management and economics. Jeff is active in his community and was the past Chairman of the Ohio Chamber of Commerce. In addition, he sits on the Board of Advisors for Ashland University's John M. Ashbrook Center for Public Affairs, the Board of Directors of Mechanics Bank, and the Richland Community Development Group. He also serves as Chairman of the City of Mansfield Airport Commission and holds an Airline Transport Pilot rating.

## Scott A. King, President and Chief Executive Officer

Scott was promoted to Chief Executive Officer in January 2022 in addition to his role as President. He served as President and Chief Operating Officer from January 2021 to December 2021. Prior to that he was Vice President and Chief Operating Officer since April 2019 and was previously Vice President of Operations. He was elected to the Board of Directors for The Gorman-Rupp Company in 2021. In 2004, he joined the Gorman-Rupp Pumps USA division as Manufacturing Manager and progressed through multiple positions including Director of Manufacturing, and General Manager.

Mr. King completed his Bachelor of Science degree in Mechanical Engineering from the University of Minnesota in 1996 and Masters in Business Administration from the University of Michigan in 2002. In addition, Mr. King is active in his community. He is the past President of the Rotary Club of Mansfield, OH and a Board member of the Club's Foundation; past President of the Regional Manufacturing Coalition; and a member of the Board of Directors for the Hydraulic Institute.

## James C. Kerr, Executive Vice President and Chief Financial Officer

Jim joined the company in July 2016. Prior to joining The Gorman-Rupp Company, Mr. Kerr served for nine years as the Chief Financial Officer for a retail chain with over \$2 billion in annual sales. Mr. Kerr has served in various financial leadership positions with several multi-billion dollar companies, primarily in the consumer products sector. Prior to that, Jim had experience in public accounting as an Audit Manager with Arthur Andersen & Co. Mr. Kerr's experience includes working with both public and privately held companies.

Mr. Kerr has experience in strategic planning, profit improvement, mergers & acquisitions, financing, risk management and information systems planning and implementation. Jim holds a Bachelors Degree in Accounting from Baldwin Wallace University.



## The Gorman-Rupp Company Non-GAAP Measures

This presentation includes certain non-GAAP financial data and measures such as adjusted net income, adjusted earnings per share and adjusted earnings before interest, taxes, depreciation and amortization, referred to as “adjusted EBITDA”. Adjusted net income is net income excluding non-cash pension settlement charges, one-time acquisition costs, amortization of step up in value of acquired inventories, and amortization of customer backlog. Adjusted earnings per share is earnings per share excluding non-cash pension settlement charges per share, one-time acquisition costs per share, amortization of step up in value of acquired inventories per share, and amortization of customer backlog per share. Adjusted EBITDA is net income (loss) excluding interest, taxes, depreciation and amortization, adjusted to exclude non-cash pension settlement charges, one-time acquisition costs, amortization of step up in value of acquired inventories, amortization of customer backlog, and non-cash LIFO expense. Management utilizes these adjusted financial data and measures to assess comparative operations against those of prior periods without the distortion of non-comparable factors. The inclusion of these adjusted measures should not be construed as an indication that the Company’s future results will be unaffected by unusual or infrequent items or that the items for which the Company has made adjustments are unusual or infrequent or will not recur. Further, the impact of the LIFO inventory costing method can cause results to vary substantially from company to company depending upon whether they elect to utilize LIFO and depending upon which method they may elect. The Gorman-Rupp Company believes that these non-GAAP financial data and measures also will be useful to investors in assessing the strength of the Company’s underlying operations from period to period. These non-GAAP financial measures are not intended to replace GAAP financial measures, and they are not necessarily standardized or comparable to similarly titled measures used by other companies. Following is a reconciliation of non-GAAP measures, which includes descriptions of actual adjustments made in the current period and the corresponding prior period.

# NON-GAAP RECONCILIATION

	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
<b>Net Income – GAAP basis</b>	\$2.4	\$6.5	\$11.2	\$29.9
Plus pension settlement charge	0.1	0.2	5.2	1.8
Plus one-time acquisition costs	-	-	5.7	-
Plus amortization of step up in value of acquired inventories	-	-	1.1	-
Plus amortization of acquired customer backlog	0.5	-	1.3	-
<b>Adjusted Net Income</b>	<b>\$3.0</b>	<b>\$6.7</b>	<b>\$24.5</b>	<b>\$31.7</b>

	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
<b>Earnings per share – GAAP basis</b>	\$0.09	\$0.25	\$0.43	\$1.14
Plus pension settlement charge	-	0.01	0.20	0.07
Plus one-time acquisition costs	-	-	0.22	-
Plus amortization of step up in value of acquired inventories	-	-	0.04	-
Plus amortization of acquired customer backlog	0.02	-	0.05	-
<b>Adjusted Earnings per share</b>	<b>\$0.11</b>	<b>\$0.26</b>	<b>\$0.94</b>	<b>\$1.21</b>



# NON-GAAP RECONCILIATION



	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
<b>Adjusted earnings before interest, taxes, depreciation and amortization:</b>				
Reported net income – GAAP basis	\$2.4	\$6.6	\$11.2	\$29.9
Plus interest expense	9.4	-	19.2	-
Plus provision for income taxes	0.7	1.4	2.7	7.4
Plus depreciation and amortization expense	7.0	3.0	21.2	11.9
Non-GAAP earnings before interest, taxes, depreciation and amortization	19.5	11.0	54.3	49.2
Plus pension settlement charge	0.1	0.2	6.4	2.3
Plus one-time acquisition costs	-	-	7.1	-
Plus amortization of step up in value of acquired inventories	-	-	1.4	-
Plus amortization of acquired customer backlog	0.6	-	1.5	-
Plus non-cash LIFO expense	8.3	2.8	18.0	6.6
Non-GAAP adjusted earnings before interest, taxes, depreciation and amortization	<u>\$28.5</u>	<u>\$14.0</u>	<u>\$88.7</u>	<u>\$58.1</u>

**The following table reconciles adjusted earnings before interest, income taxes and depreciation and amortization as reconciled above to free cash flow:**

	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
<b>Non-GAAP adjusted earnings before interest, taxes, depreciation and amortization:</b>	\$28.5	\$14.0	\$88.7	\$58.1
Less capital expenditures	(6.7)	(4.1)	(17.9)	(9.7)
Less regular cash dividends	(4.6)	(3.2)	(17.9)	(16.6)
Non-GAAP free cash flow	<u>\$17.2</u>	<u>\$6.7</u>	<u>\$52.9</u>	<u>\$31.8</u>

*The Pump People®*

