

# INVESTOR PRESENTATION

November 2023



*The Pump People®*



## 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 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 51 consecutive years with increases  
2.2% yield at 9/30/23

**Growth Drivers**

**Leveraging Capabilities**

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

**Industry Growth**

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

**Fill-Rite**

Growth potential from new product development and retail expansion

**Infrastructure Spending**

**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



*The Pump People*

# COMPANY OVERVIEW

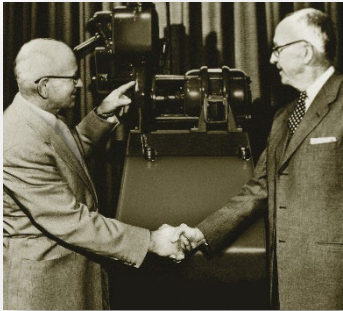
- Leading designer and manufacturer of pumps and pump systems
- Product diversity with significant presence in Fire Suppression, Industrial, Agriculture, Construction, Municipal, Petroleum and OEM markets
- Reputation for quality products and outstanding service
- Recognizable family of brands through 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



# 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**

- 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

**SOTERA**

- 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 (expanded capacity in 2023)

**Approximately 250 Employees**

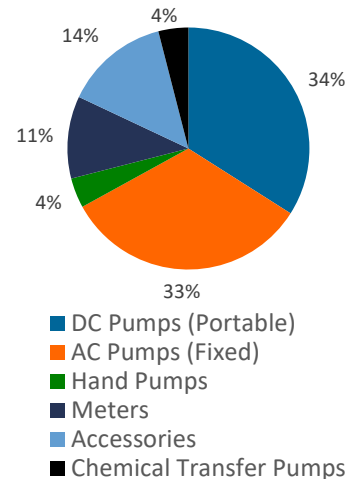
\*FY22A includes 5 months of results prior to Gorman-Rupp ownership



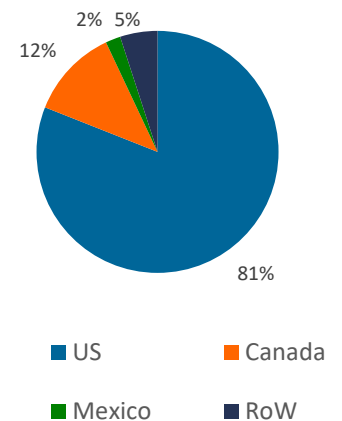
## Revenue Breakdown

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

### Product Mix



### Geographic Mix



## Select Key Channel Partners

### Distributors (~50%)



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





# GLOBAL OPERATIONS

*The Pump People®*



## Mission Statement

*"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."*



Mansfield, OH  
Canada  
South Africa  
Netherlands  
Belgium



Toccoa, GA  
Ireland



Glendale, AZ  
Olive Branch, MS  
Lubbock, TX



Royersford, PA



Bellville, OH



Fort Wayne, IN  
Lenexa, KS



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# OPERATING MODEL

## Philosophy & Culture

- Quality products and strong reputations
- Customer focus – taking care of customers
- Customer education
- Product availability
- Available and reasonably priced repair parts
- People – training, career development, health & safety, profit sharing, inclusion & diversity
- Active in communities

### Corporate

- Strategic Planning
- M&A
- Information Technology
- Employee Benefits
- Treasury
- Legal
- Insurance / Risk Management
- External Reporting & Compliance
- Investor Relations

### Shared

- Human Resources
- Workforce Development
- Purchasing
- Sustainability
- Customer Facing Technology

### Local (Closest to Customer)

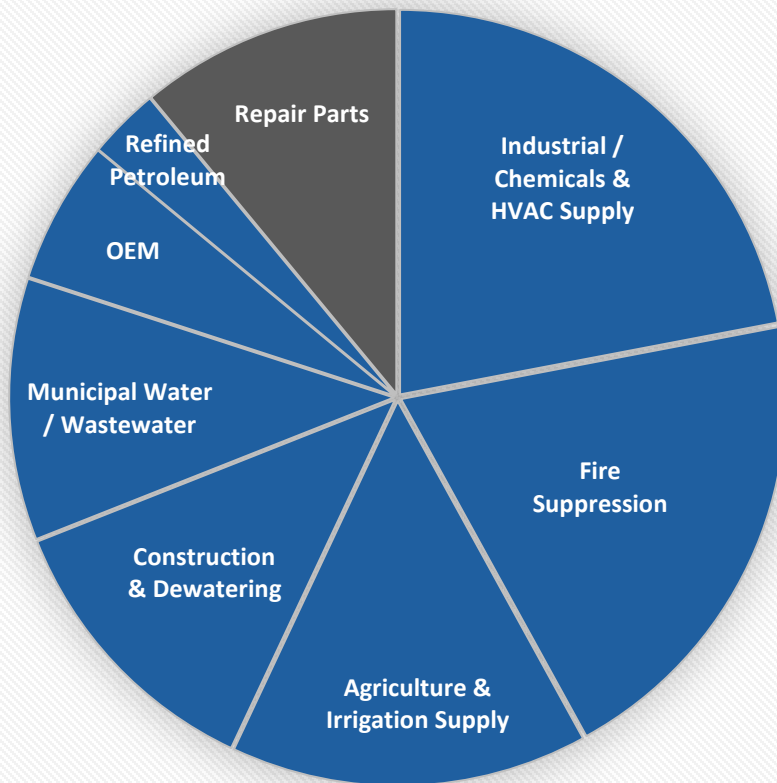
- Sales and Customer Service
- Marketing / Advertising
- Product Development / Engineering
- State of the Art Manufacturing & Testing Facilities

# PRODUCT DIVERSITY



# 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 (10% - 12%)
- Refined Petroleum (2% - 4%)
- OEM (6% - 8%)

## REPAIR PARTS (9% - 12%)

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

- Dependable pumps for manufacturing applications
- Pumps for moving waste streams, chemicals, viscous materials, and heating/cooling fluids
- HVAC pump market share expanding

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

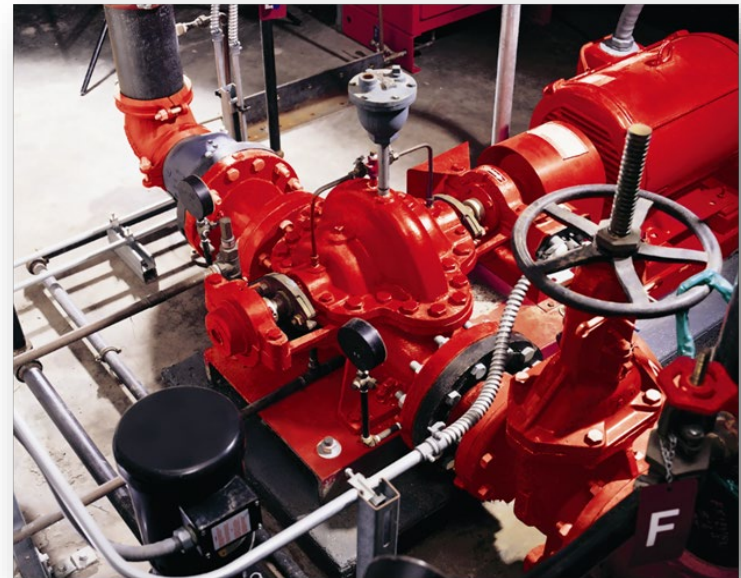




# FIRE SUPPRESSION (19% - 22%)

- 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

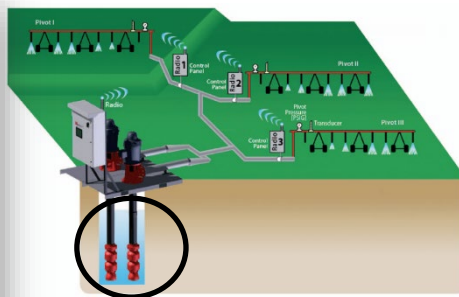
**DRIVERS:** *Commercial and industrial construction*



# AGRICULTURE & IRRIGATION (14% - 16%)

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

**DRIVERS:** *Grower cash flows from farm commodity prices and 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
- Over 50 years of providing wastewater pumping stations

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





# LARGE CUSTOM MUNICIPAL PUMPS

- Flood control pumps capable of pumping up to one million gallons per minute
  - Permanent Canals Closure and Pumps Project in New Orleans
- Storm water management
- Wetland restoration

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

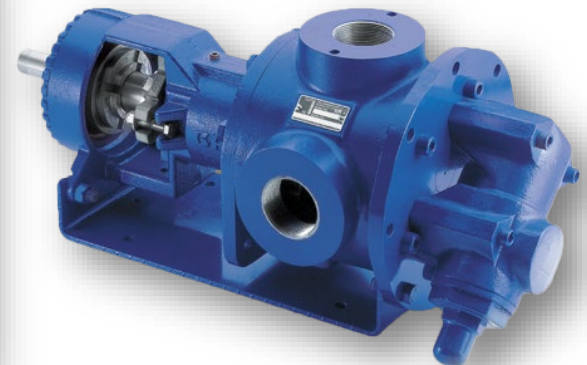


## OEM (6% - 8%)

### 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

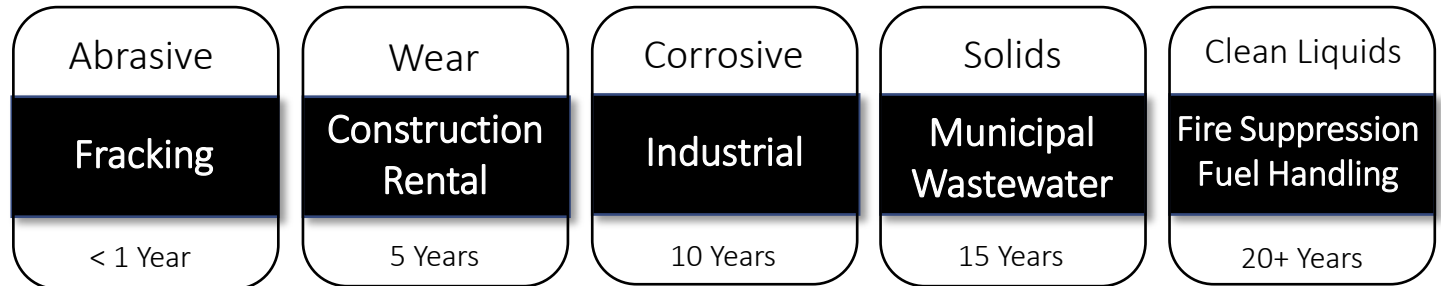


## HOW LONG DO PUMPS LAST?

**Many Variables**



**The Right Pump for the job!**





# DIVISIONS / MARKETS

## End Markets



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
<b>XYLEM (XYL) – (\$5.5B; Pumps/Services \$4.1B, 75%)</b>								
▪ Flygt		✓	✓	✓	✓	✓		✓
▪ Goulds		✓		✓	✓	✓	✓	
▪ AC Fire Pump	✓					✓		
▪ Bell & Gossett		✓				✓		✓
▪ Godwin Pumps		✓	✓	✓				
<b>FlowServe (FLS) – (\$3.6B; Flow/Pumps \$2.5B, 69%)</b>								
▪ Worthington	✓	✓	✓	✓	✓	✓	✓	✓
▪ Durco and IDP		✓		✓	✓	✓	✓	✓
▪ FlowServe	✓	✓	✓	✓	✓	✓	✓	✓
<b>IDEX (IEX) – (\$3.2B; Flow/Pumps \$1.2B, 37%)</b>								
▪ Viking and MicroPump						✓	✓	✓
▪ Pulsafeeder		✓				✓	✓	✓

# NOTABLE PUMP COMPETITORS

	GORMAN-RUPP MARKETS							
<u>Company</u>	Fire Suppression	Municipal	Flood Control	Construction	Agriculture	Industrial	Petroleum	OEM
Pentair (PNR) – (\$4.1B; 100% Flow/Pumps)								
▪ Hydromatic		✓				✓		✓
▪ Aurora	✓	✓				✓		✓
▪ Fairbanks Nijhuis	✓	✓	✓	✓	✓	✓	✓	✓
Franklin Electric (FELE) – (\$2.0B; Flow/Pumps \$1.2B, 60%)								
▪ Pioneer Pump		✓		✓	✓	✓		✓
Dover Corporation (DOV) – (\$8.5B; Fluids \$3.6B, 42%)								
▪ Blackmer						✓	✓	✓
▪ Wilden						✓	✓	✓
Ingersoll Rand (IR) – (\$5.9B; <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-Burell, Power Team, Gerstenberg Schoder, Bran+Luebbe)						✓		





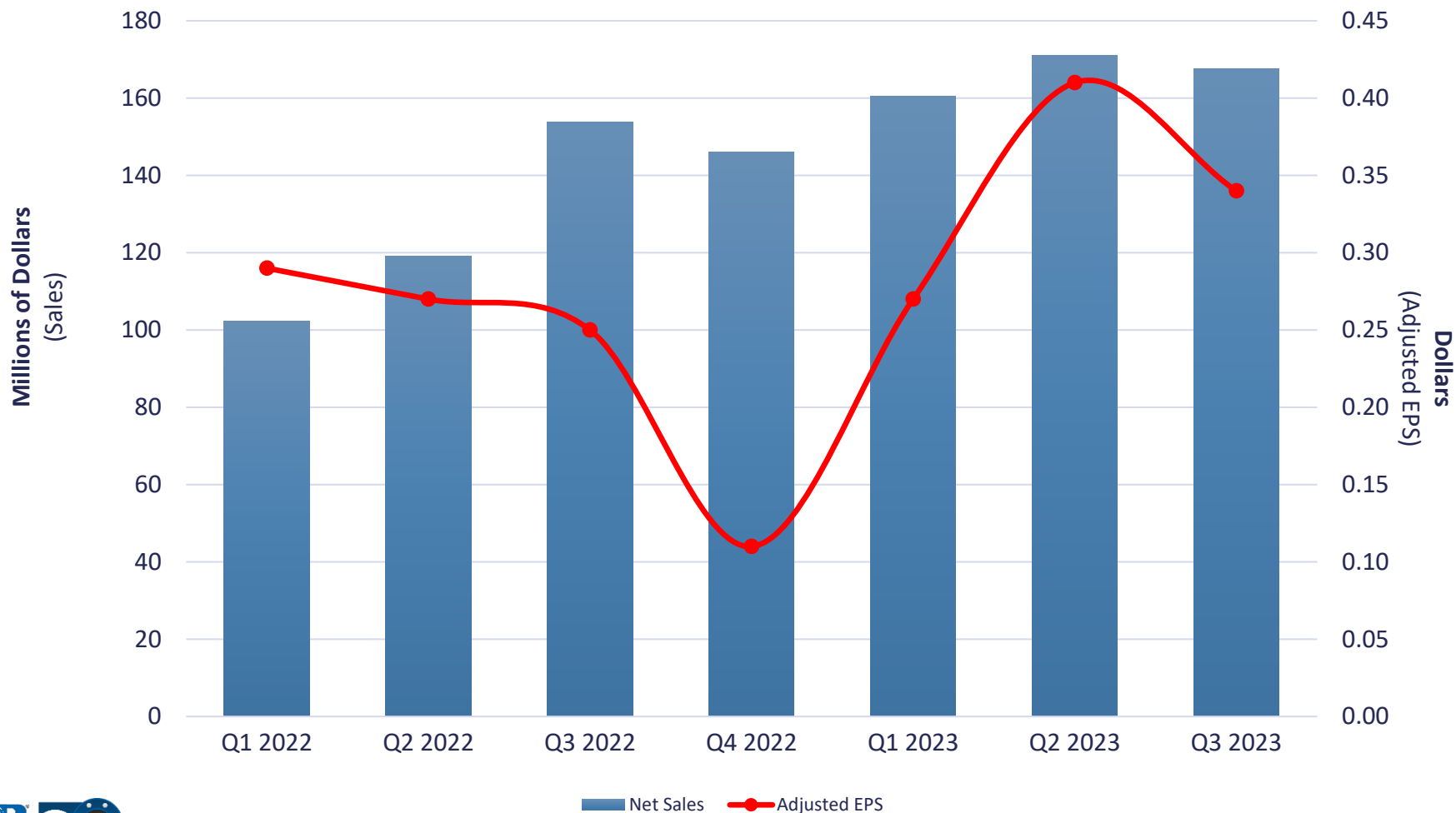
# FINANCIAL SUMMARY





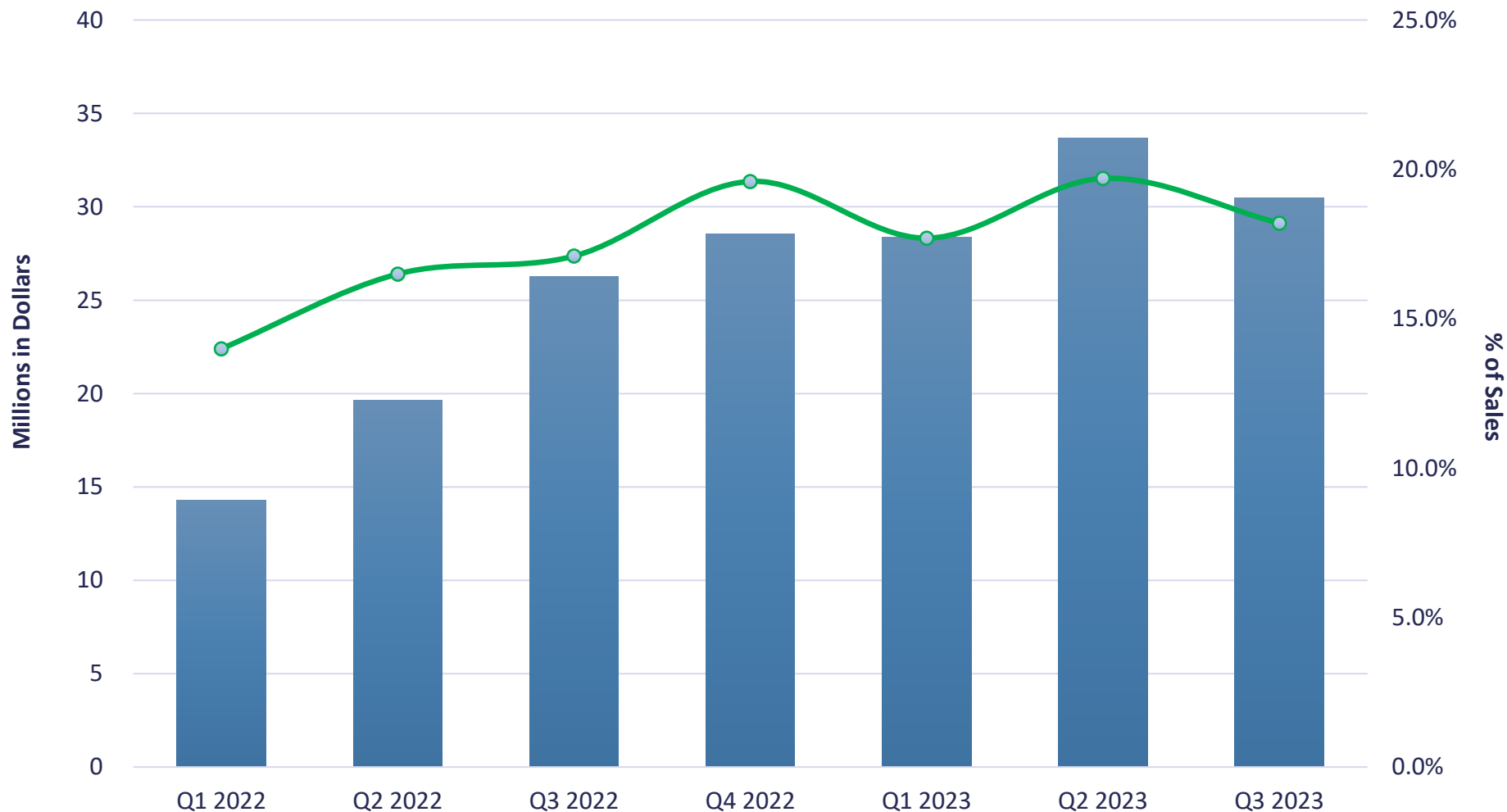
# NET SALES & ADJUSTED EPS

LIFO Expense per share    \$0.05       \$0.13       \$0.11       \$0.25       \$0.06       \$0.07       \$0.06

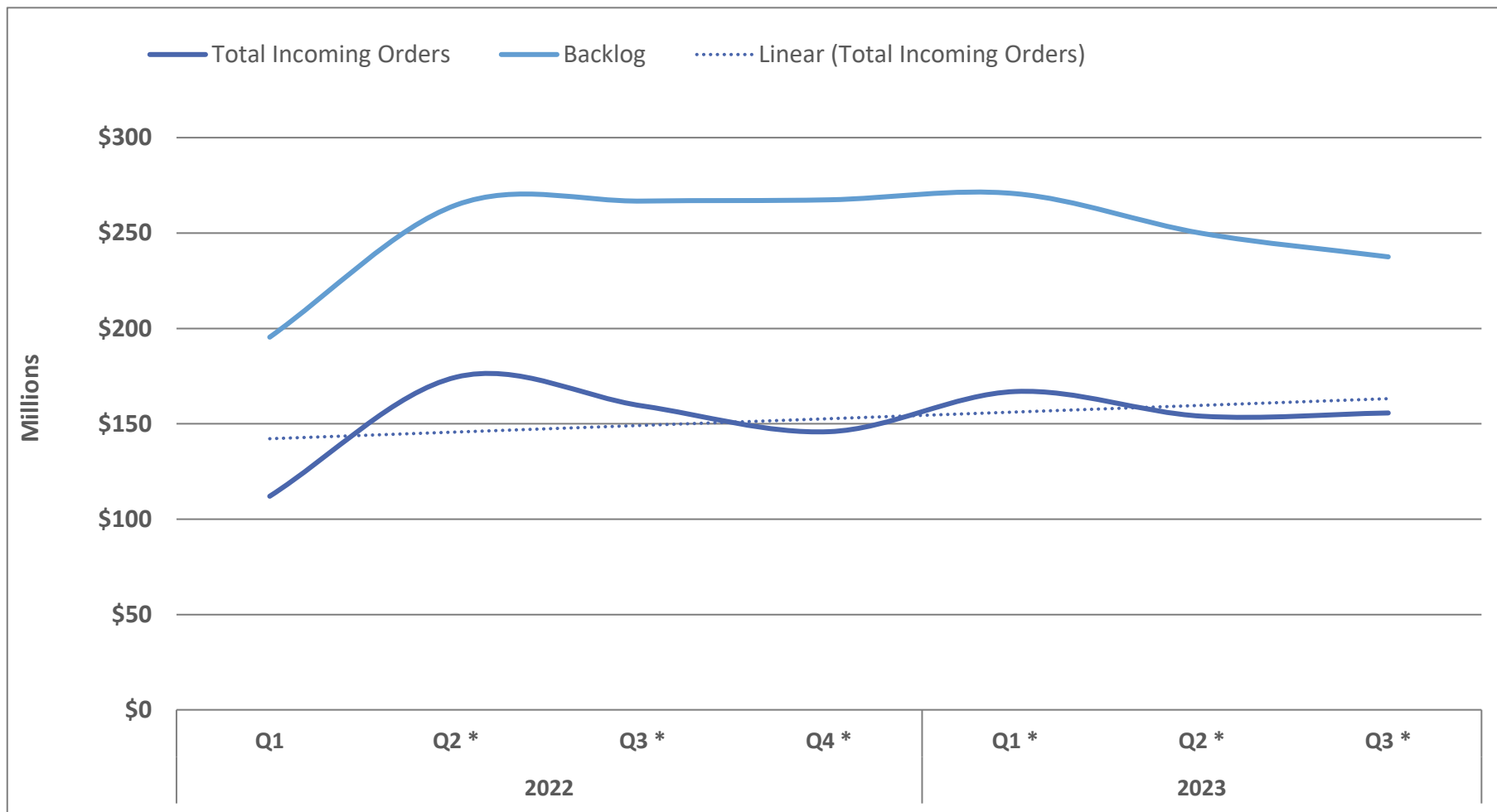


See appendix for non-GAAP reconciliations.

## STRONG ADJUSTED EBITDA

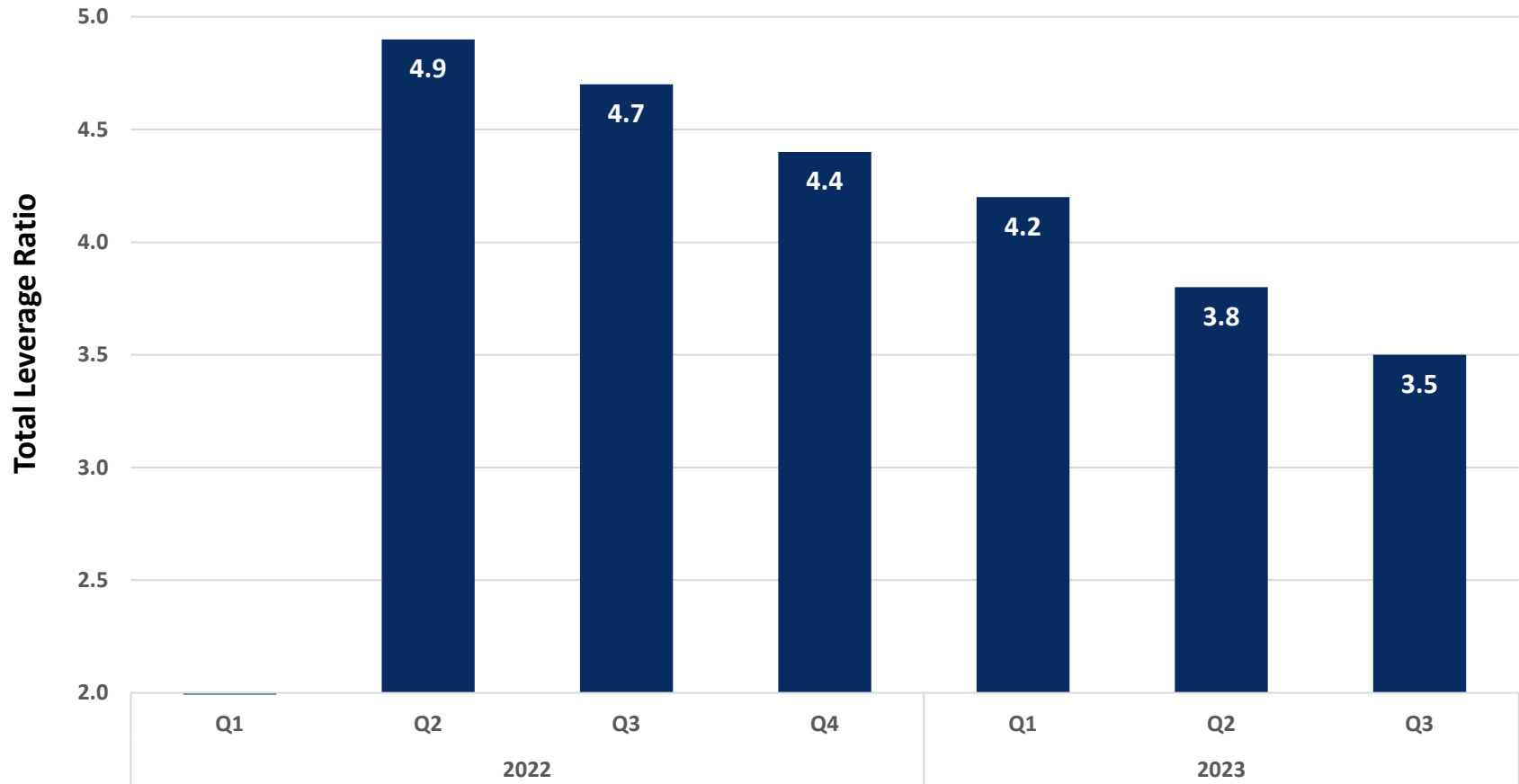


# INCOMING & BACKLOG TREND

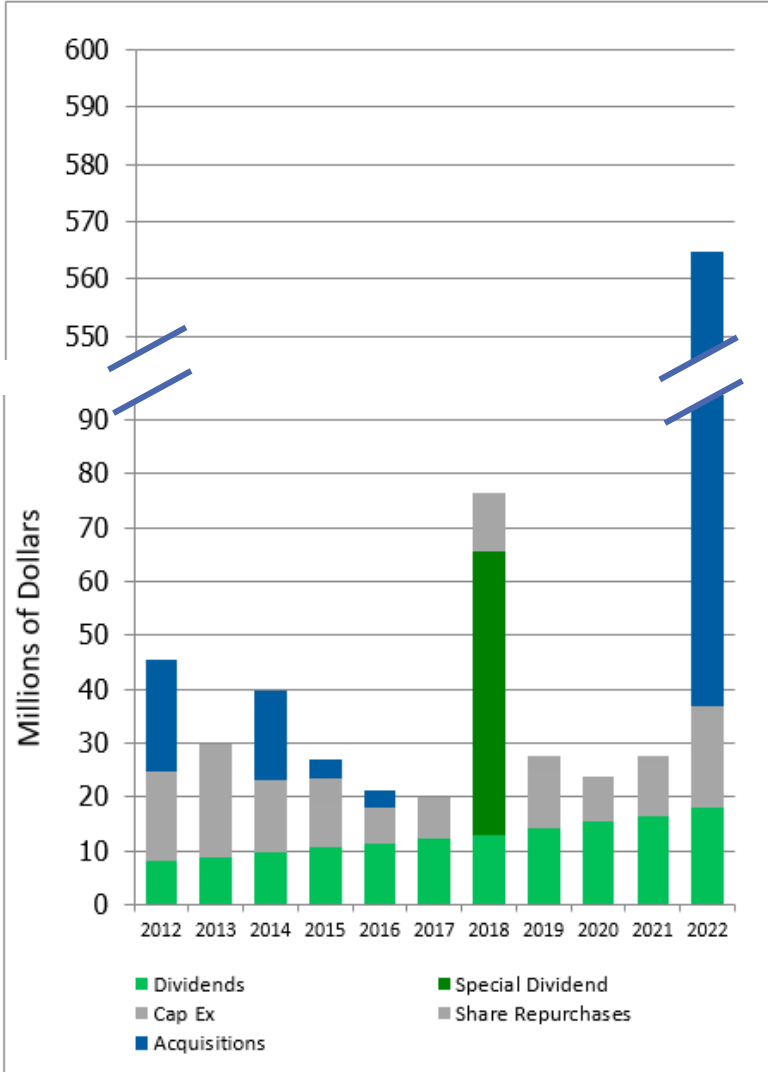


# LEVERAGE RATIO

Fill-Rite  
Acquisition



# HISTORICAL CAPITAL ALLOCATION



- ▶ **Current annualized dividend rate of \$0.72 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
- ✓ Continue to focus on deleveraging
  - ✓ Leverage as of September 30, 2023 was 3.5x
- ✓ 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



# HISTORY OF INCREASING DIVIDENDS

- 295 Consecutive quarters of cash dividends
- 51 Consecutive years of increased cash dividends



## Q3 2023 P&L

- Net sales of \$167.5 million increased 8.9%, or \$13.7 million, compared to the third quarter of 2022
- Third quarter net income was \$9.0 million, or \$0.34 per share, compared to a net income of \$2.2 million, or \$0.09 per share, for the third quarter of 2022
  - Adjusted earnings per share<sup>1</sup> for the third quarter of 2022 were \$0.25
- Adjusted EBITDA<sup>1</sup> of \$30.5 million for the third quarter of 2023 increased \$4.2 million, or 16.0%, from \$26.3 million for the same period in 2022

(\$ in millions)	Q3 2023		Q3 2022	
	Dollars	% of Net Sales	Dollars	% of Net Sales
Net Sales	\$167.5		\$153.8	
Gross Profit	48.1	28.7%	40.6	26.4%
SG&A	23.2	13.9%	22.1	14.4%
Amortization	3.0	1.8%	3.2	2.1%
Operating Income	21.9	13.1%	15.3	10.0%
Interest Expense	10.5	6.3%	7.6	4.9%
Adjusted Earnings <sup>1</sup>	\$9.0	5.4%	\$6.6	4.3%
Adjusted EPS <sup>1</sup>	\$0.34		\$0.25	
Adjusted EBITDA <sup>1</sup>	\$30.5	18.2%	\$26.3	17.1%

(1) See appendix for non-GAAP reconciliations.



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# NINE MONTHS ENDED SEPTEMBER 30, 2023 P&L

- Net sales of \$498.9 million increased 33.0%, or \$123.9 million, compared to 2022, a 17.2% increase excluding sales from Fill-Rite which was acquired in May 2022
- Net income was \$26.0 million, or \$0.99 per share, compared to net income of \$8.8 million, or \$0.34 per share, in 2022
  - Adjusted earnings per share<sup>1</sup> for 2023 and 2022 were \$1.02 and \$0.81, respectively
- Adjusted EBITDA<sup>1</sup> of \$92.6 million for 2023 increased \$32.4 million, or 53.8%, from \$60.2 million in 2022

(\$ in millions)	Nine months ended September 30, 2023		Nine months ended September 30, 2022	
	Dollars	% of Net Sales	Dollars	% of Net Sales
<b>Net Sales</b>	<b>\$498.9</b>		<b>\$375.0</b>	
<b>Gross Profit</b>	<b>145.3</b>	<b>29.1%</b>	<b>94.3</b>	<b>25.1%</b>
<b>SG&amp;A</b>	<b>70.7</b>	<b>14.2%</b>	<b>62.1</b>	<b>16.6%</b>
<b>Amortization</b>	<b>9.4</b>	<b>1.9%</b>	<b>4.5</b>	<b>1.2%</b>
<b>Operating Income</b>	<b>65.3</b>	<b>13.1%</b>	<b>27.7</b>	<b>7.4%</b>
<b>Interest Expense</b>	<b>31.1</b>	<b>6.2%</b>	<b>9.9</b>	<b>2.6%</b>
<b>Adjusted Earnings<sup>1</sup></b>	<b>\$26.8</b>	<b>5.4%</b>	<b>\$21.2</b>	<b>5.6%</b>
<b>Adjusted EPS<sup>1</sup></b>	<b>\$1.02</b>		<b>\$0.81</b>	
<b>Adjusted EBITDA<sup>1</sup></b>	<b>\$92.6</b>	<b>18.6%</b>	<b>\$60.2</b>	<b>16.1%</b>

(1) See appendix for non-GAAP reconciliations.



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# BALANCE SHEET

- Total debt, net of cash, decreased \$39.5 million, since December 31, 2022
- Other assets and other long-term liabilities increased due to a new lease for the relocated and expanded Fill-Rite manufacturing facility in Lenexa, KS

(\$ in millions)	September 30, 2023	December 31, 2022		September 30, 2023	December 31, 2022
<b>ASSETS</b>			<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>		
Cash and cash equivalents	\$18.2	\$6.8	Current portion of long-term debt	\$19.7	\$17.5
Accounts receivable, net	99.4	93.1	Other current liabilities	82.8	67.7
Inventories, net	103.5	111.1	Pension and postretirement benefits	30.6	31.8
Prepaid and other	12.0	14.5	Long-term debt, net of current portion	390.5	419.3
<b>Total current assets</b>	<b>\$233.1</b>	<b>\$225.5</b>	Other long-term liabilities	21.0	5.3
Property, plant and equipment, net	135.6	128.6	<b>Total liabilities</b>	<b>\$544.6</b>	<b>\$541.6</b>
Goodwill and intangible assets, net	497.6	507.1	Total shareholders' equity	346.8	331.2
Other assets	25.1	11.6	<b>Total liabilities &amp; shareholders' equity</b>	<b>\$891.4</b>	<b>\$872.8</b>
<b>Total assets</b>	<b>\$891.4</b>	<b>\$872.8</b>			



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# 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
  - Expanded 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



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# 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
- Increasing regulatory requirements related to environmental, quality and energy efficiency
- High value of retained customers – service, repairs and replacements
- Expanded Fill-Rite capacity to support growth
- Well positioned to capitalize on agriculture market
- Investment in R&D – history of innovation
- Emphasis on customer training and education

# 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



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# CUSTOMER TRAINING AND EDUCATION



**Customer visits  
and plant tours  
are part of sales  
process**



**Increased use  
of technology  
to deliver  
virtual training**



**Mobile training  
equipment  
supports  
customer site  
training**

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

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

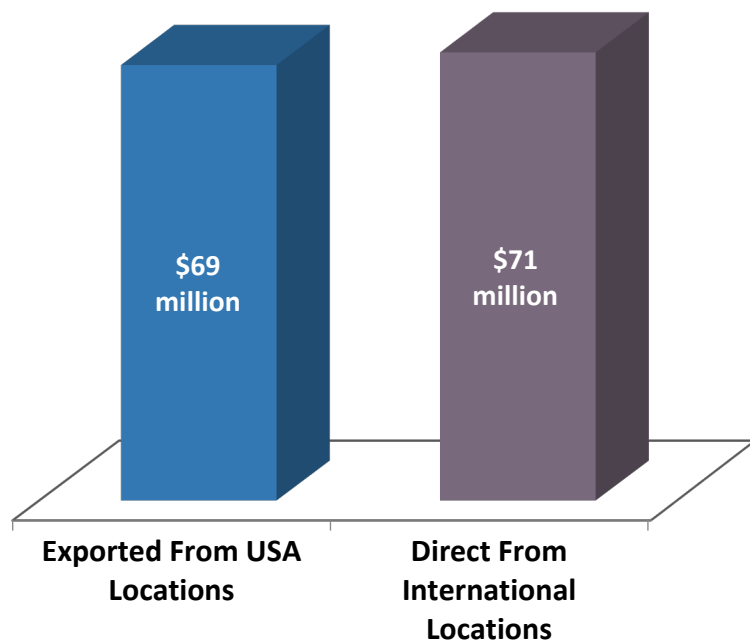




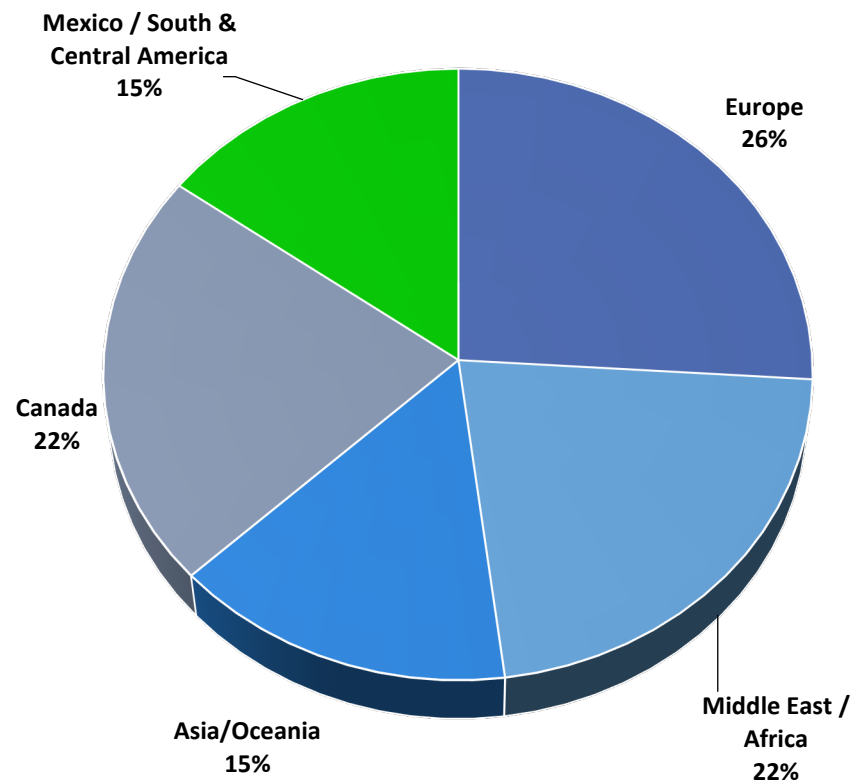
# INTERNATIONAL DISTRIBUTION CAPABILITY

- 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
- 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, Industrial

# 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>



# INVESTMENT HIGHLIGHTS

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

For 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 51 consecutive years with increases  
2.2% yield at 9/30/23

**Growth Drivers**

**Leveraging Capabilities**

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

**Industry Growth**

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

**Fill-Rite**

Growth potential from new product development and retail expansion

**Infrastructure Spending**

**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



# BIOS

## 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.



# APPENDIX

## The Gorman-Rupp Company Non-GAAP Measures

This presentation includes certain non-GAAP financial data and measures such as adjusted earnings, adjusted earnings per share, adjusted earnings before interest, taxes, depreciation and amortization, referred to as “adjusted EBITDA”, and free cash flow. Adjusted earnings 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. Free cash flow is adjusted EBITDA less capital expenditures and dividends. 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 September 30,		Nine months ended September 30,	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Net Income – GAAP basis</b>	\$9.0	\$2.2	\$26.0	\$8.8
Plus pension settlement charge	-	3.8	-	5.0
Plus one-time acquisition costs	-	0.1	-	5.6
Plus amortization of step up in value of acquired inventories	-	-	-	1.1
Plus amortization of acquired customer backlog	-	0.5	0.8	0.7
<b>Adjusted Earnings</b>	<u>\$9.0</u>	<u>\$6.6</u>	<u>\$26.8</u>	<u>\$21.2</u>

	Three months ended September 30,		Nine months ended September 30,	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Earnings per share – GAAP basis</b>	\$0.34	\$0.09	\$0.99	\$0.34
Plus pension settlement charge	-	0.14	-	0.19
Plus one-time acquisition costs	-	-	-	0.21
Plus amortization of step up in value of acquired inventories	-	-	-	0.04
Plus amortization of acquired customer backlog	-	0.02	0.03	0.03
<b>Adjusted Earnings per share</b>	<u>\$0.34</u>	<u>\$0.25</u>	<u>\$1.02</u>	<u>\$0.81</u>

# NON-GAAP RECONCILIATION

	Three months ended September 30,		Nine months ended September 30,	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Adjusted earnings before interest, taxes, depreciation and amortization:</b>				
Reported net income – GAAP basis	\$9.0	\$2.2	\$26.0	\$8.8
Plus interest expense	10.5	7.6	31.2	9.9
Plus provision for income taxes	2.0	0.2	6.7	1.9
Plus depreciation and amortization expense	<u>7.0</u>	<u>6.9</u>	<u>21.2</u>	<u>14.2</u>
Non-GAAP earnings before interest, taxes, depreciation and amortization	28.5	16.9	85.1	34.8
Plus pension settlement charge	-	4.8	-	6.3
Plus one-time acquisition costs	-	0.1	-	7.0
Plus amortization of step up in value of acquired inventories	-	-	-	1.4
Plus amortization of acquired customer backlog	-	0.7	1.1	0.9
Plus non-cash LIFO expense	<u>2.0</u>	<u>3.8</u>	<u>6.4</u>	<u>9.8</u>
Non-GAAP adjusted earnings before interest, taxes, depreciation and amortization	<u>\$30.5</u>	<u>\$26.3</u>	<u>\$92.6</u>	<u>\$60.2</u>



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