



# 2018 Shareholders Meeting

Gregg Sengstack, Chairman and CEO | May 4, 2018





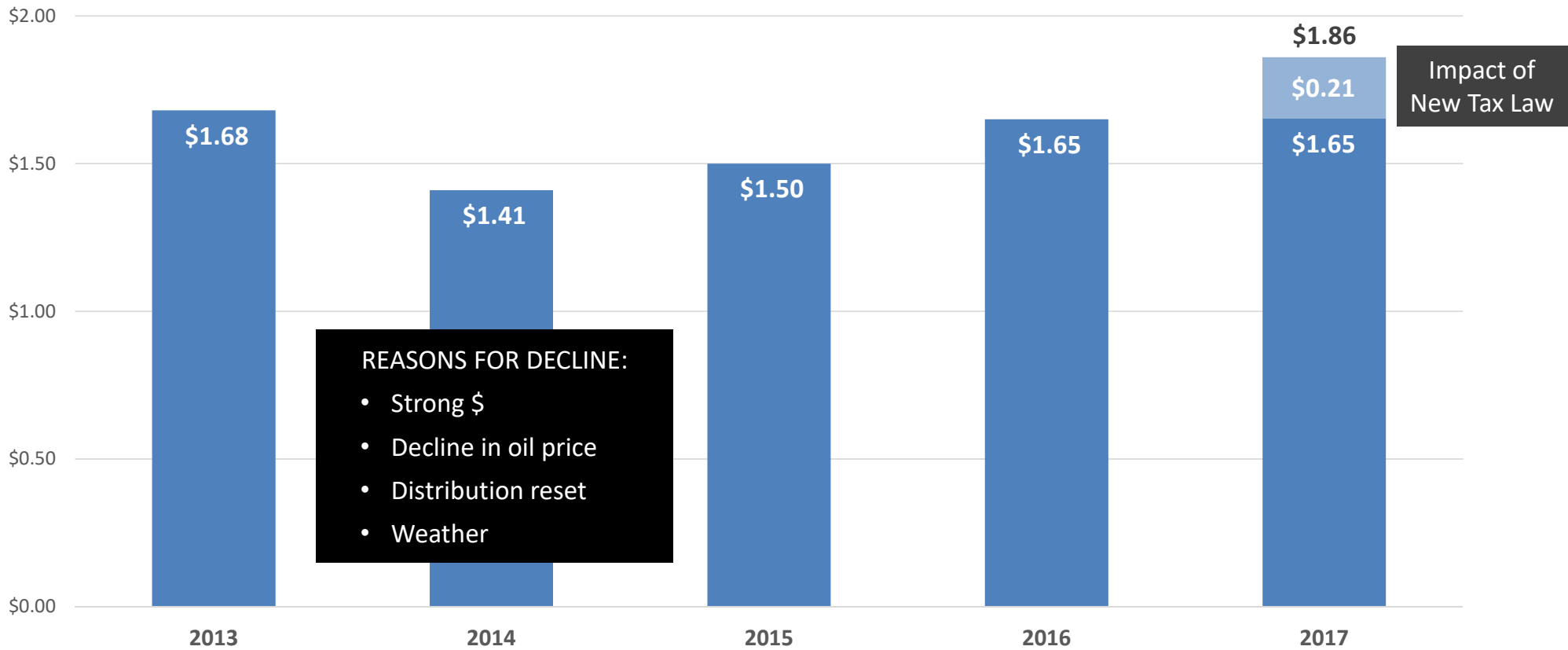
## **SAFE HARBOR STATEMENT:**

“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995. Any forward-looking statements contained herein, including those relating to market conditions or the Company’s financial results, costs, expenses or expense reductions, profit margins, inventory levels, foreign currency translation rates, liquidity expectations, business goals and sales growth, involve risks and uncertainties, including but not limited to, risks and uncertainties with respect to general economic and currency conditions, various conditions specific to the Company’s business and industry, weather conditions, new housing starts, market demand, competitive factors, changes in distribution channels, supply constraints, effect of price increases, raw material costs, technology factors, integration of acquisitions, litigation, government and regulatory actions, the Company’s accounting policies, future trends, and other risks which are detailed in the Company’s Securities and Exchange Commission filings, included in Item 1A of Part I of the Company’s Annual Report on Form 10-K for the fiscal year ending December 31, 2017, Exhibit 99.1 attached thereto and in Item 1A of Part II of the Company’s Quarterly Reports on Form 10-Q. These risks and uncertainties may cause actual results to differ materially from those indicated by the forward-looking statements. All forward-looking statements made herein are based on information currently available, and the Company assumes no obligation to update any forward-looking statements.





# Earnings Per Share

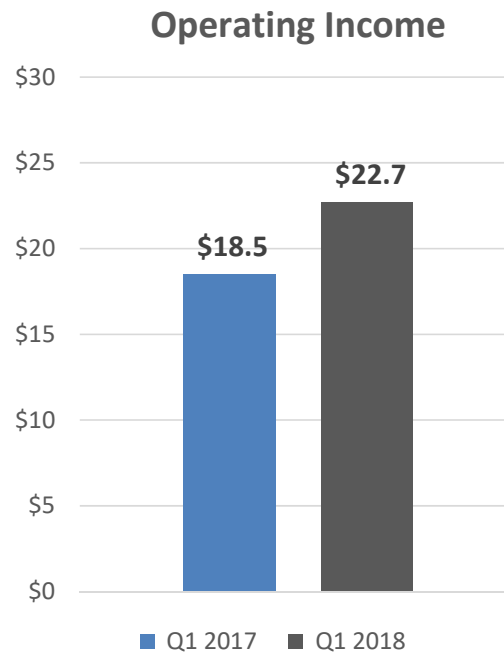
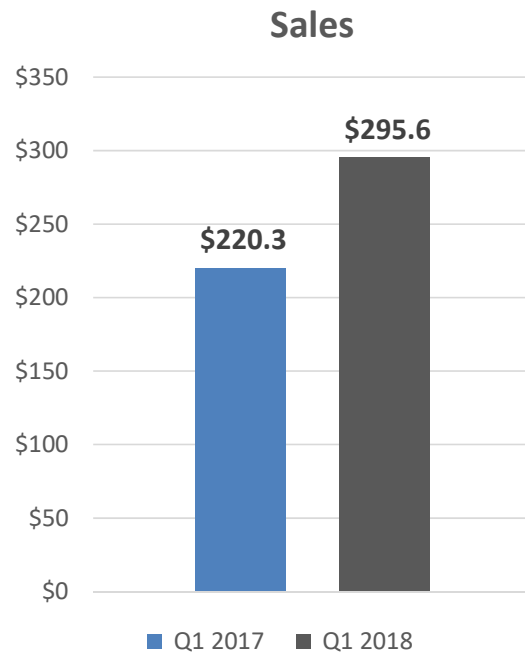


\*One time impact of U.S. tax law was \$0.21/share. Future benefit approximately \$0.16/share (1.3 year "payback")



# First Quarter 2018 Results

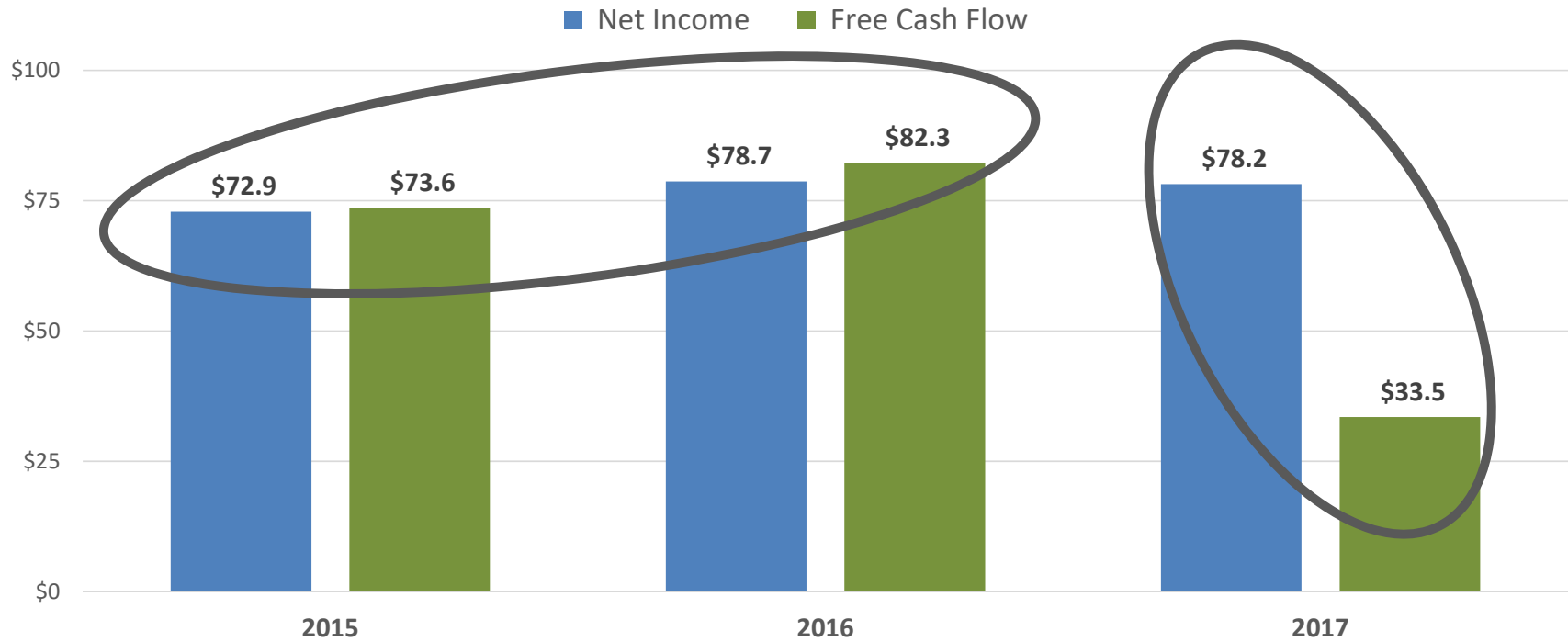
(Amounts in millions except share data)



23% increase in operating income and lower taxes drove 36% increase in E.P.S.



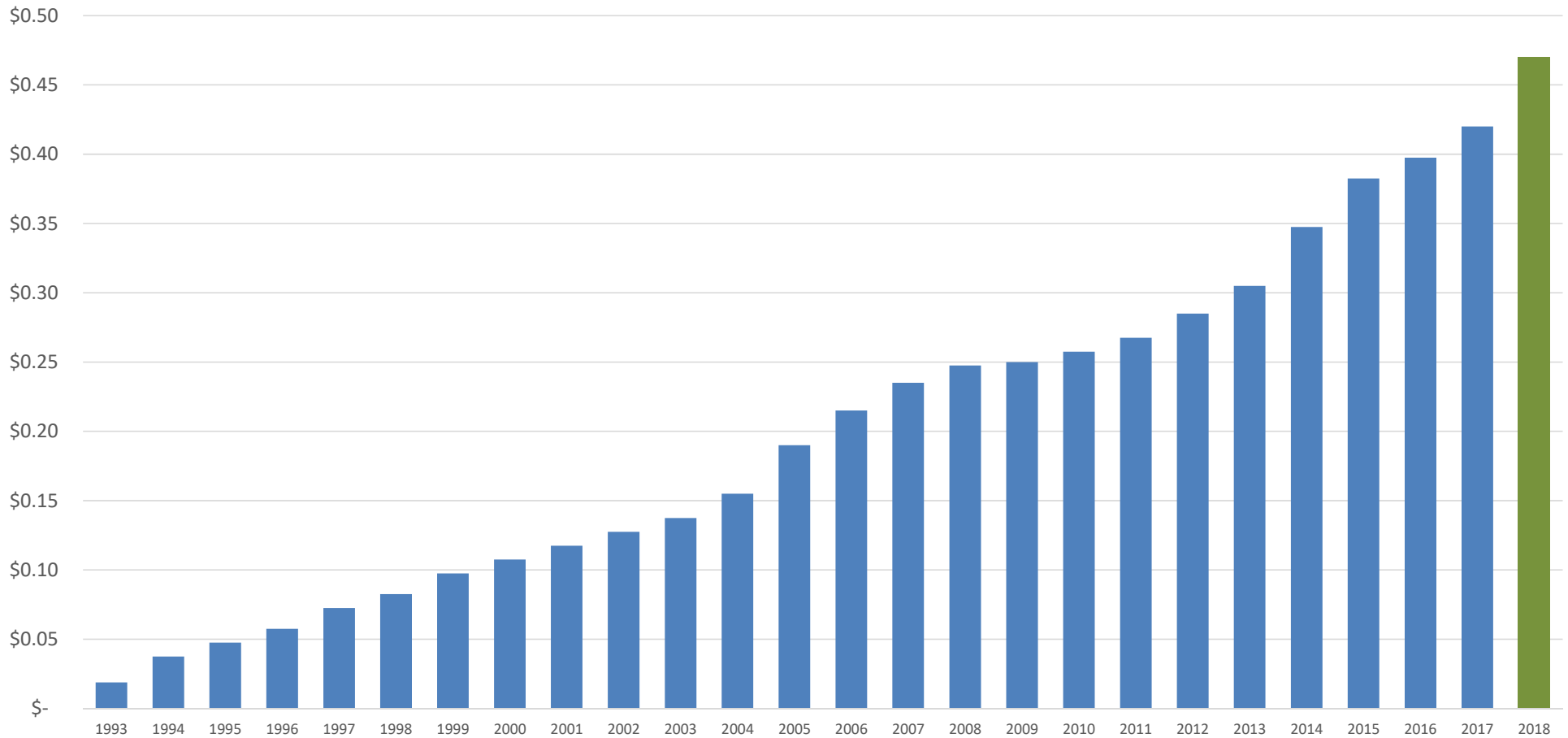
# Cash Flow



Company-wide focus on generating free cash flow > net income

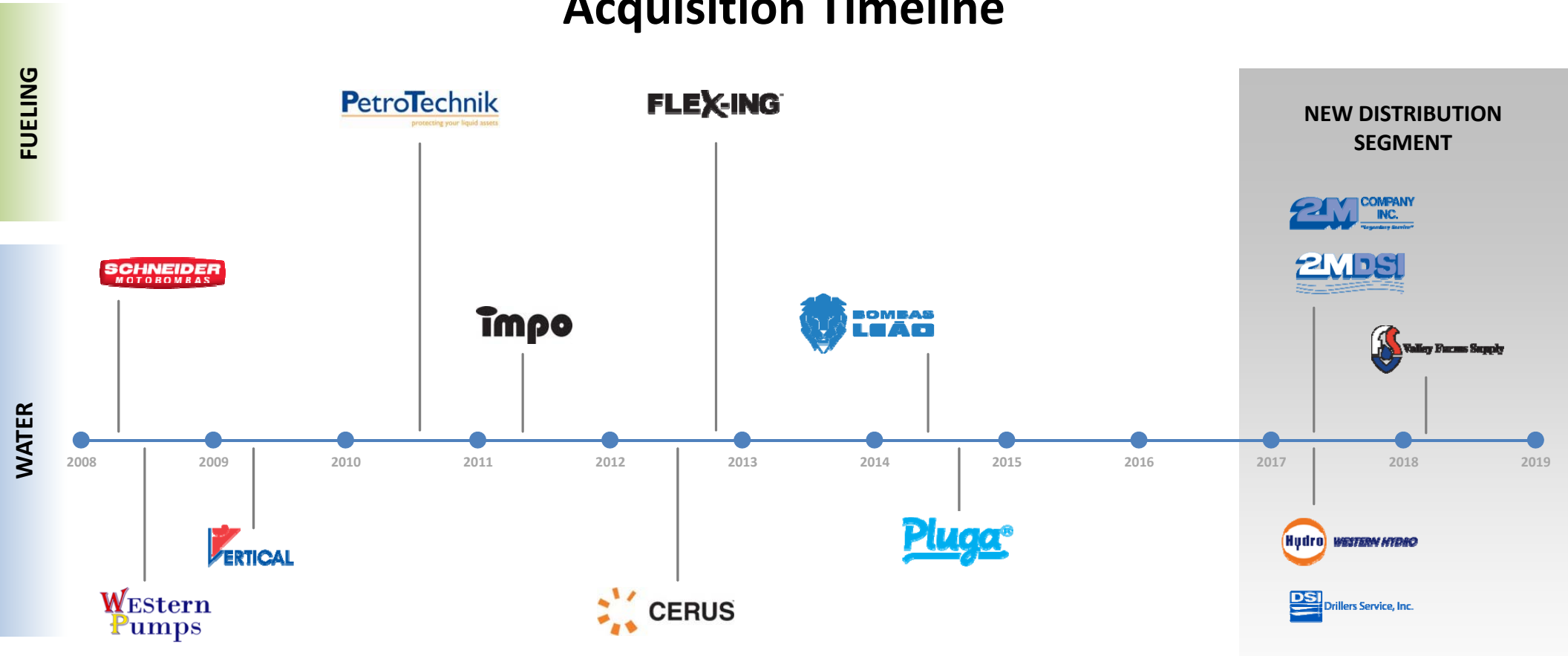


# 25 ~~24~~ Consecutive Annual Dividend Payment Increases





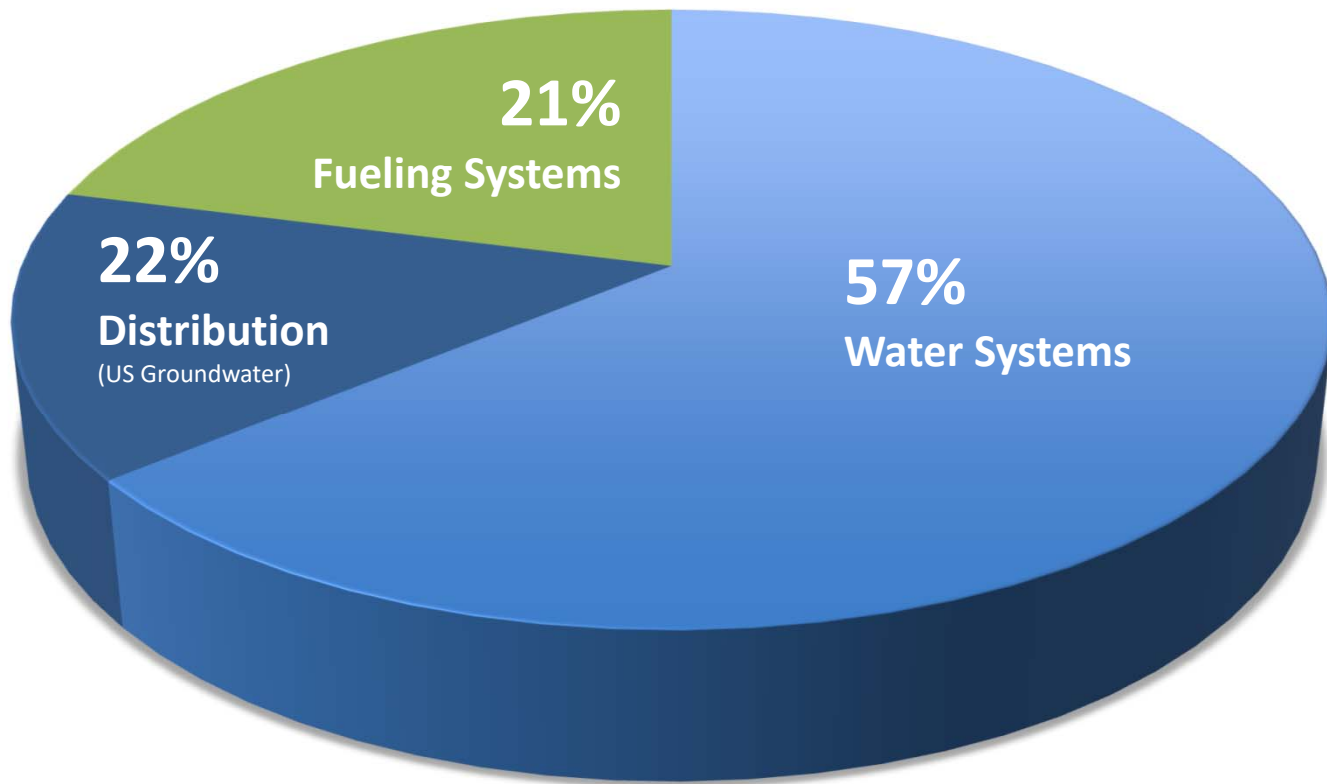
# Acquisition Timeline



At year-end 2017, we had \$385 million additional debt capacity



## Sales by Segment



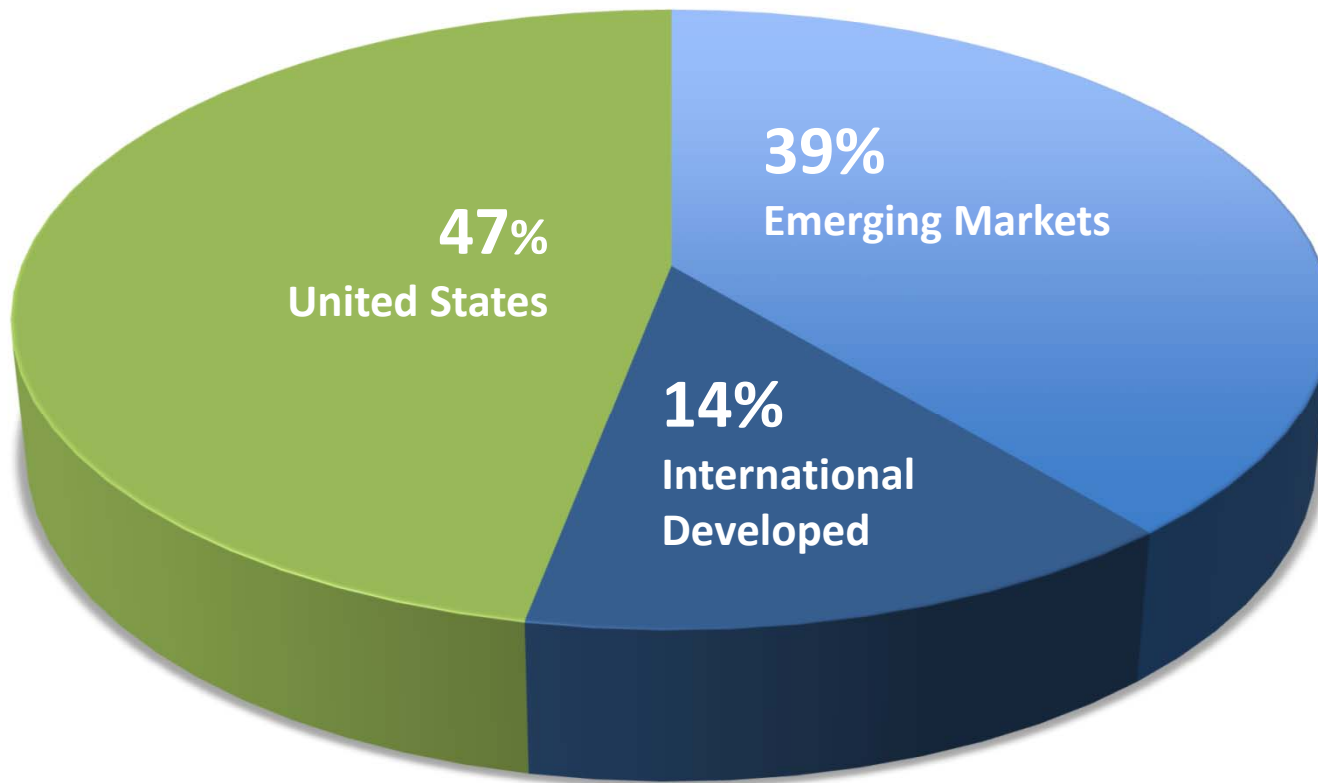
(based on 2017 Proforma Revenue)





## Geographic Sales Mix

Water & Fueling Segments



(based on 2017 sales)



## Strategic Focus

**Residential, Agricultural, Commercial Water Systems**  
**\$6.0 B Global Market Potential<sup>(1)</sup>**

**Complete Fueling Systems**  
**\$1.0 B Global Market Potential<sup>(1)</sup>**



**Strong Brand Franchise**  
**#1 or #2 in**  
**Addressable Markets**  
**Growing Global Footprint**  
**Fragmented**  
**Customer Base**  
**Fragmented**  
**Supply Base**

**Mission Critical Products**  
**and Systems**  
**Applications with High**  
**Cost of Downtime**  
**Contractors Value**  
**Technical Support**  
**Deep Understanding**  
**of Applications**



<sup>(1)</sup> Current Franklin management estimates



**STRATEGIC FOCUS:**

**To grow as a global provider of water and fuel systems, through geographic expansion and product line extensions, leveraging our global platform and competency in system design.**

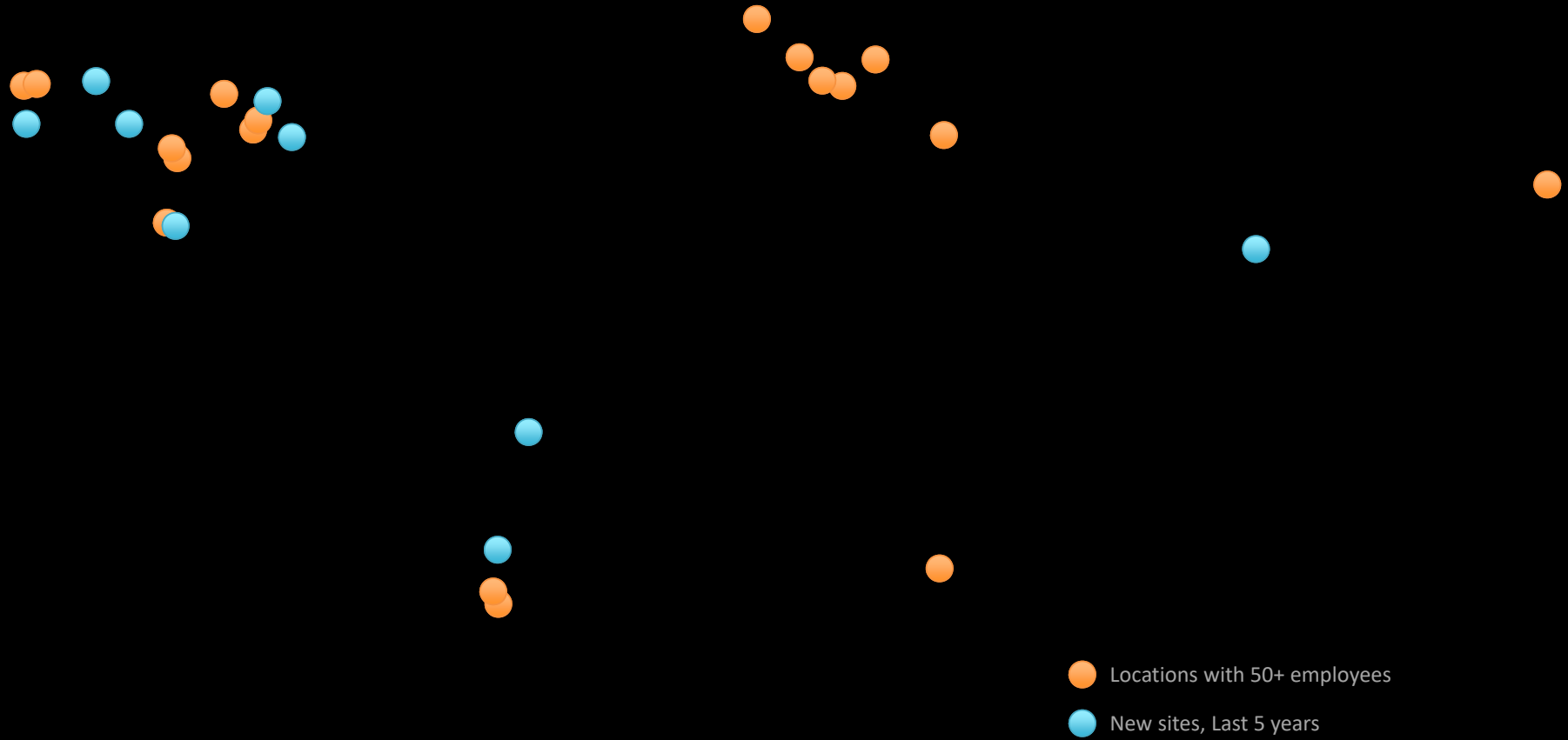


**Franklin Electric**



# Geographic Expansion

# Global Footprint



# Geographic Expansion

2017 Water and Fueling Segment Sales

US/CANADA	
Sales	\$515 M

EMEA	
Sales	\$203 M

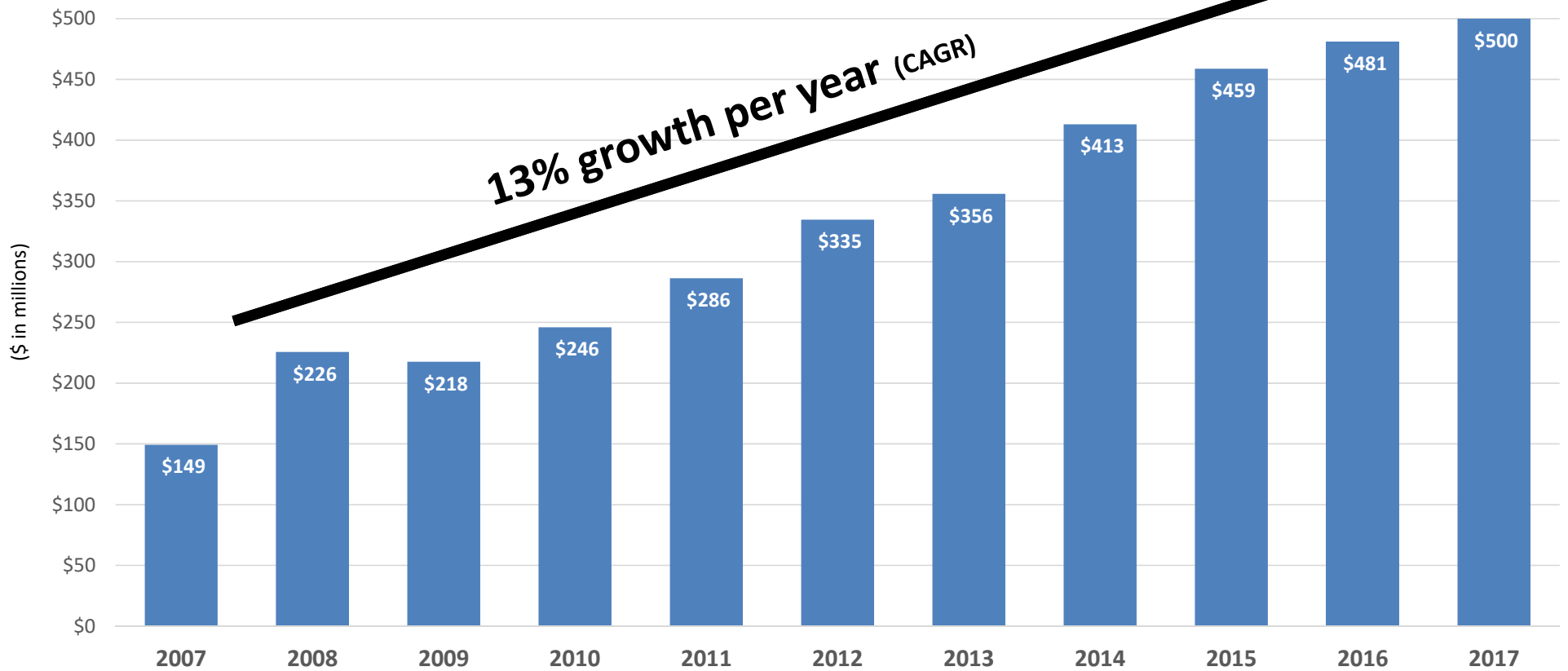
LATIN AMERICA	
Sales	\$128 M

ASIA	
Sales	\$143 M





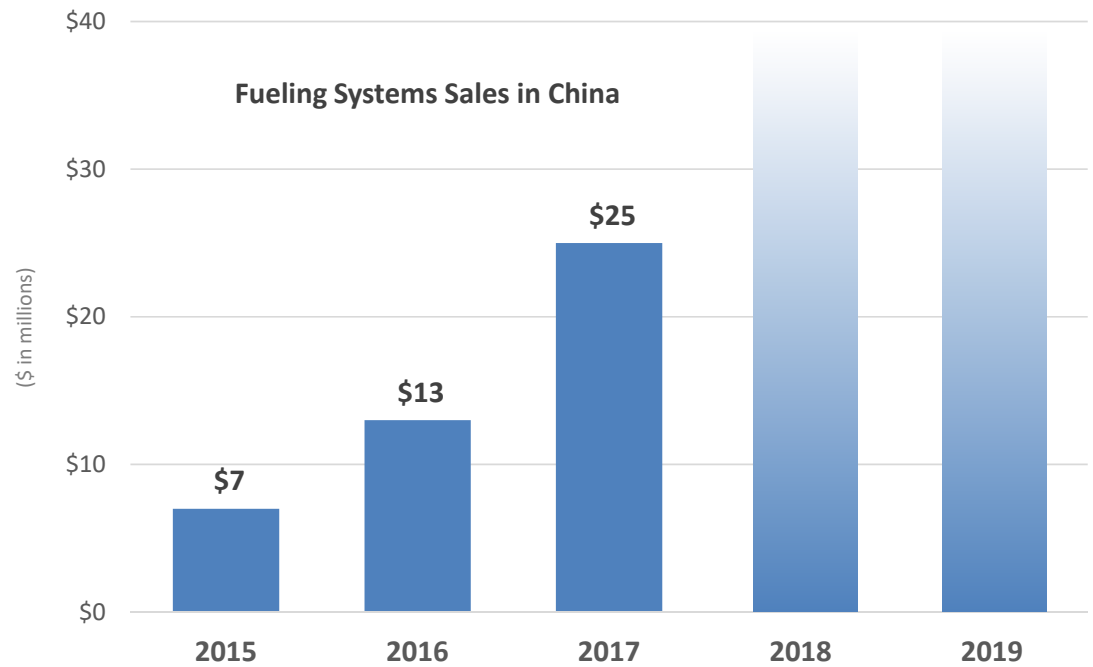
## Sales in Emerging Markets Constant Currency





# Fueling Systems: China

## Government Mandated Multi-Year Infrastructure Upgrade

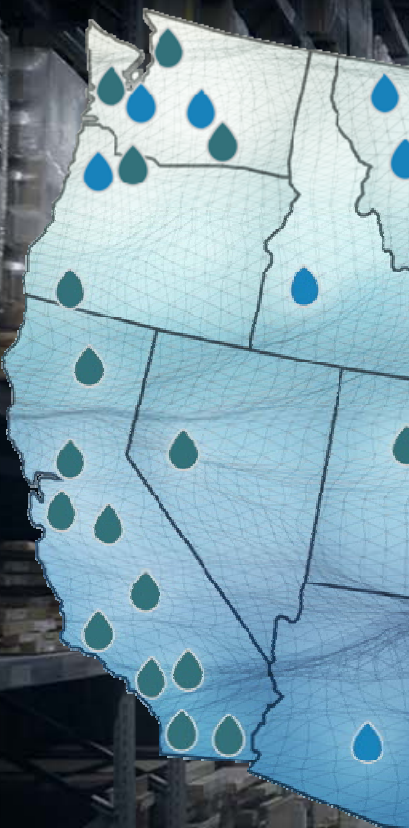


Oil companies upgrading pumping and leak detection systems as well



# HEADWATER COMPANIES





-  2M Company, Inc.
-  Drillers Service, Inc.
-  Headwater Wholesale
-  Western Hydro
-  Valley Farms Supply

- **Extend our position in groundwater**
- **Move closer to contractor**
- **Optimize supply chain**
- **Opportunities to move into adjacencies:**
  - Filtration
  - Treatment
  - Irrigation
  - Commercial





# Product Line Extensions









# Electronics Evolution



**Constant Pressure**



Constant Pressure  
**Improved Quality**  
**More Models**  
**Environment Extension**



Constant Pressure  
 Improved Quality  
 More Models  
 More Applications  
**HP Extension**  
**More Applications**



Constant Pressure  
 Improved Quality  
 More Models  
 More Applications  
 HP Extension  
 Environment Extension  
**Increased Functionality**  
**Enhanced Features**  
**Connectivity**



**Packaged Systems:**  
 High-Efficiency  
 Better Performance  
 Increased Margin



# Fueling – Total System Solutions

FUEL MANAGEMENT SYSTEMS

SUBMERSIBLE PUMPING SYSTEMS

PIPE & CONTAINMENT SYSTEMS

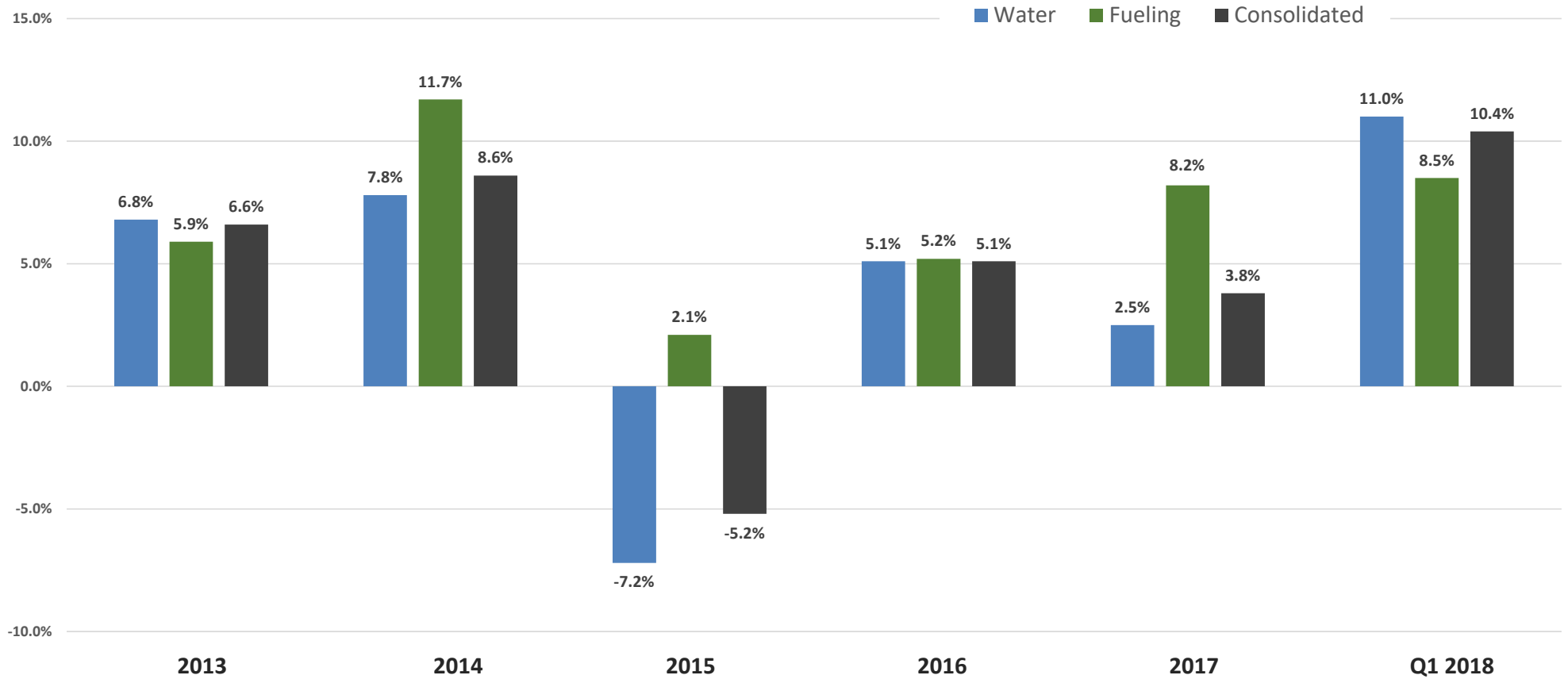
DISPENSING SYSTEMS

SERVICE STATION HARDWARE





## Historic Organic Growth Affirms Our Strategy





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## 2017 Efforts:

- 5 installations spanning 3 different countries
  - South Africa
  - Zimbabwe
  - Uganda
- Benefiting the lives of nearly 18,000 people
- Leveraged our solar pumping technology

