APPLIED
Industrial Technologies®

We Keep Industry Running

Investor Presentation

Safe Harbor Statement

This presentation contains statements that are forward-looking, as that term is defined by the Securities and Exchange Commission in its rules, regulations and releases. Applied intends that such forward-looking statements be subject to the safe harbors created thereby. Forward-looking statements are often identified by qualifiers such as “believe,” “expect,” “outlook,” “project” “guidance,” “target,” “objectives,” “will” and derivative or similar expressions. All forward-looking statements are based on current expectations regarding important risk factors including trends and events in the industrial sector of the economy (such as the inflationary environment and supply chain strains), results of operations, and financial condition, and other risk factors identified in Applied's most recent periodic report and other filings made with the Securities and Exchange Commission. Accordingly, actual results may differ materially from those expressed in the forward-looking statements, and the making of such statements should not be regarded as a representation by Applied or any other person that the results expressed therein will be achieved. Applied assumes no obligation to update publicly or revise any forward-looking statements, whether due to new information, or events, or otherwise.

Non-GAAP Financial Measures

The Company supplements the reporting of financial information determined under U.S. generally accepted accounting principles (GAAP) with reporting of non-GAAP financial measures. The Company believes that these non-GAAP measures provide meaningful information to assist shareholders in understanding financial results, assessing prospects for future performance, and provide a better baseline for analyzing trends in our underlying businesses. Because non-GAAP financial measures do not have a standardized definition, it may not be possible to compare these non-GAAP financial measures with other companies' non-GAAP financial measures having the same or similar names. These non-GAAP financial measures should not be considered in isolation or as a substitute for reported results. The Company believes these non-GAAP financial measures reflect an additional way of viewing aspects of operations that, when viewed with GAAP results, provide a more complete understanding of the business. The Company strongly encourages reviewing company financial statements and publicly filed reports in their entirety and not to rely on any single financial measure.

This presentation sets forth certain non-GAAP financial measures including EBITDA; Free Cash Flow; Net Leverage Ratio - which are presented as supplemental disclosures to Net Income; Cash from Operations; Total Debt Outstanding; and reported results. A presentation of the most directly comparable GAAP measure and reconciliations of EBITDA; Free Cash Flow; Net Leverage Ratio are set forth in the appendix to this presentation.

Company Profile

APPLIED Industrial Technologies®

Strategic Focus on Technical Products & Solutions

~80% of Sales Generated From #1 or #2 Market Positions

- Bearings & Power Transmission
- Fluid Power
- Process Flow Control
- Advanced Automation

We Are One of the Largest Distributors and Solution Providers of Industrial Motion, Power, Control, & Automation Technologies

$5B Revenue	$618M EBITDA	$12B Market Cap
+9M Accessible Products SKUs	6,800 Associates	580 Service Facilities

Headquartered in Cleveland, Ohio

Note: Revenue and EBITDA based on reported fiscal 2026

Multi-Channel Capabilities

Industrial Customer



Service Centers

- Local MRO / Aftermarket Support
- Leading Motion / Power Control Expertise
- Technical Shop, Repair, Consult Services
- Over 400+ Locations Concentrated in North America



Flow Control

- Mission-Critical Engineered Solutions for Full-Cycle Flow / Process Infrastructure
- Systems Integration, Repair, Fabrication
- 50+ locations



E-Business

- Applied.com
- EDI & PunchOut
- Digital Inside Sales Team
- Strategic Customer Engagement



Fluid Power

- Fluid Power System Design, Build, Integration
- Industrial, Off-Highway Mobile, Technology
- Certified Fluid Power Specialists & Engineers
- 80+ locations



Automation

- Value-Added Automation Expertise (Design, Assembly & Integration)
- Robotics, Machine Vision, Motion Control, & Digital Technologies
- Leading Application & Engineering Expertise
- 30+ locations



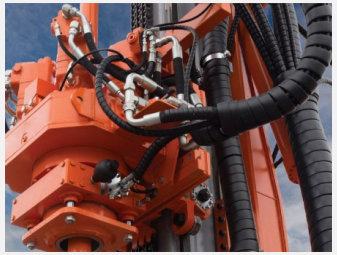
VMI / Vending

- C-Class Consumables Management
- Indirect Shop Supplies & Solutions
- 200+ Dedicated Sales & Service Reps

Leading Technical End-Market Reach with Comprehensive Product & Service Solutions

Product Portfolio

APPLIED Industrial Technologies®

Power Transmission	Bearings, Linear, Seals	Fluid Power	Flow Control	Advanced Automation	General MRO; Hose Products
					

We Are Applied℠

Industrial Motion, Fluid Power, Flow Control, Automation, Maintenance Supplies

~85% of Sales Focused in Critical Motion Control, Fluid Power, Flow Control, & Automation Products & Solutions

Customer Application / Cross-Sell Potential of Applied® Products & Solutions

APPLIED Industrial Technologies®

Service Centers

Mounted bearings, gearing, & couplings for processing equipment & machinery break-fix applications



Service Centers

Fluid power MRO supplies, including cylinders, valves, & hoses to support regular maintenance on core systems



Specialty Flow Control

Pumps, valves, instrumentation, hoses, & filtration to ensure precise control of pressure, temperature, levels, flow, & product quality across process lines



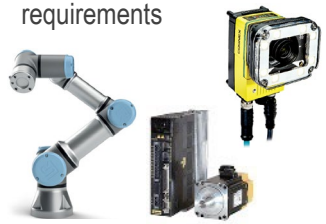
Service Centers

Maintenance & repair on belting, pulleys, & clutches for conveying & movement of processed materials & end-product



Automation Solutions

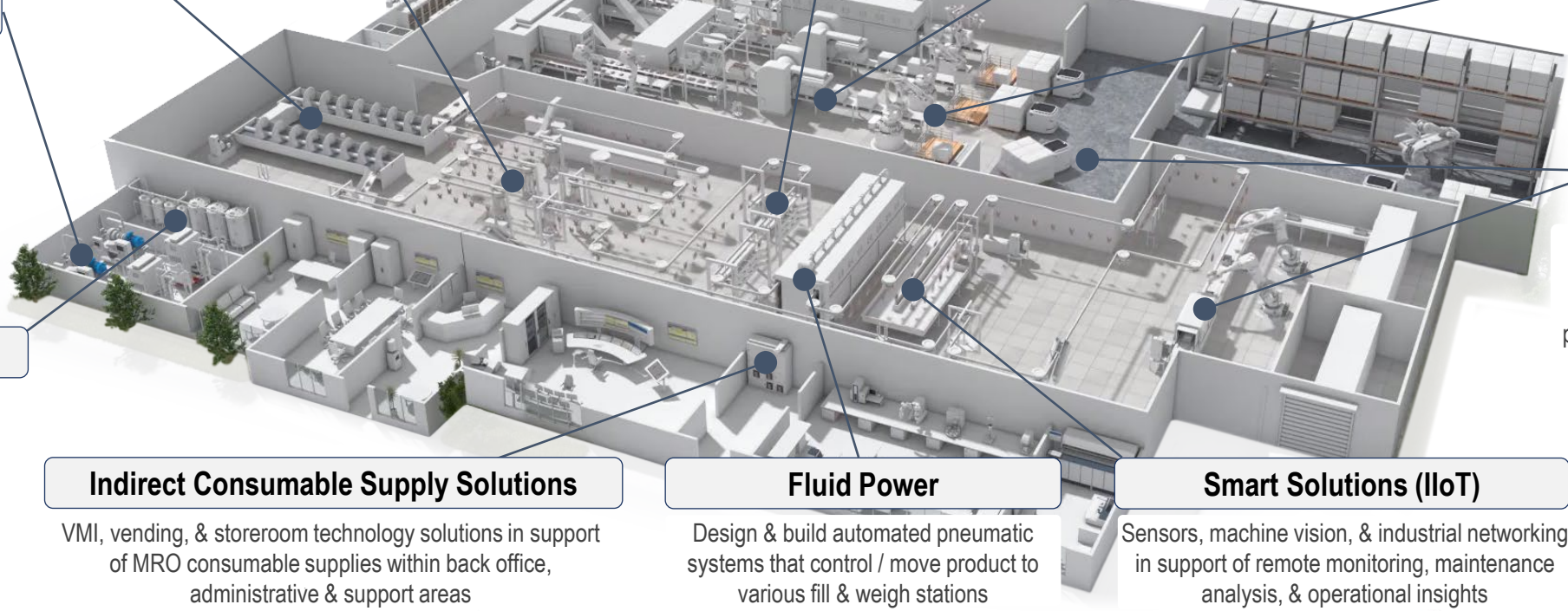
Collaborative robots, motion control, & machine vision for finishing, packaging, quality inspection, & other automation requirements



Fluid Power

Design & build hydraulic power units for single machine or central plant power requirements





Automation Solutions

Design, engineer, & build automated systems used for moving, weighing, sorting, processing & cleaning product



Specialty Flow Control

Steam specialties, heat exchangers, valves, instruments, & pumps to control plant utilities for improved energy conservation & waste management



Indirect Consumable Supply Solutions

VMI, vending, & storeroom technology solutions in support of MRO consumable supplies within back office, administrative & support areas



Fluid Power

Design & build automated pneumatic systems that control / move product to various fill & weigh stations



Smart Solutions (IIoT)

Sensors, machine vision, & industrial networking in support of remote monitoring, maintenance analysis, & operational insights

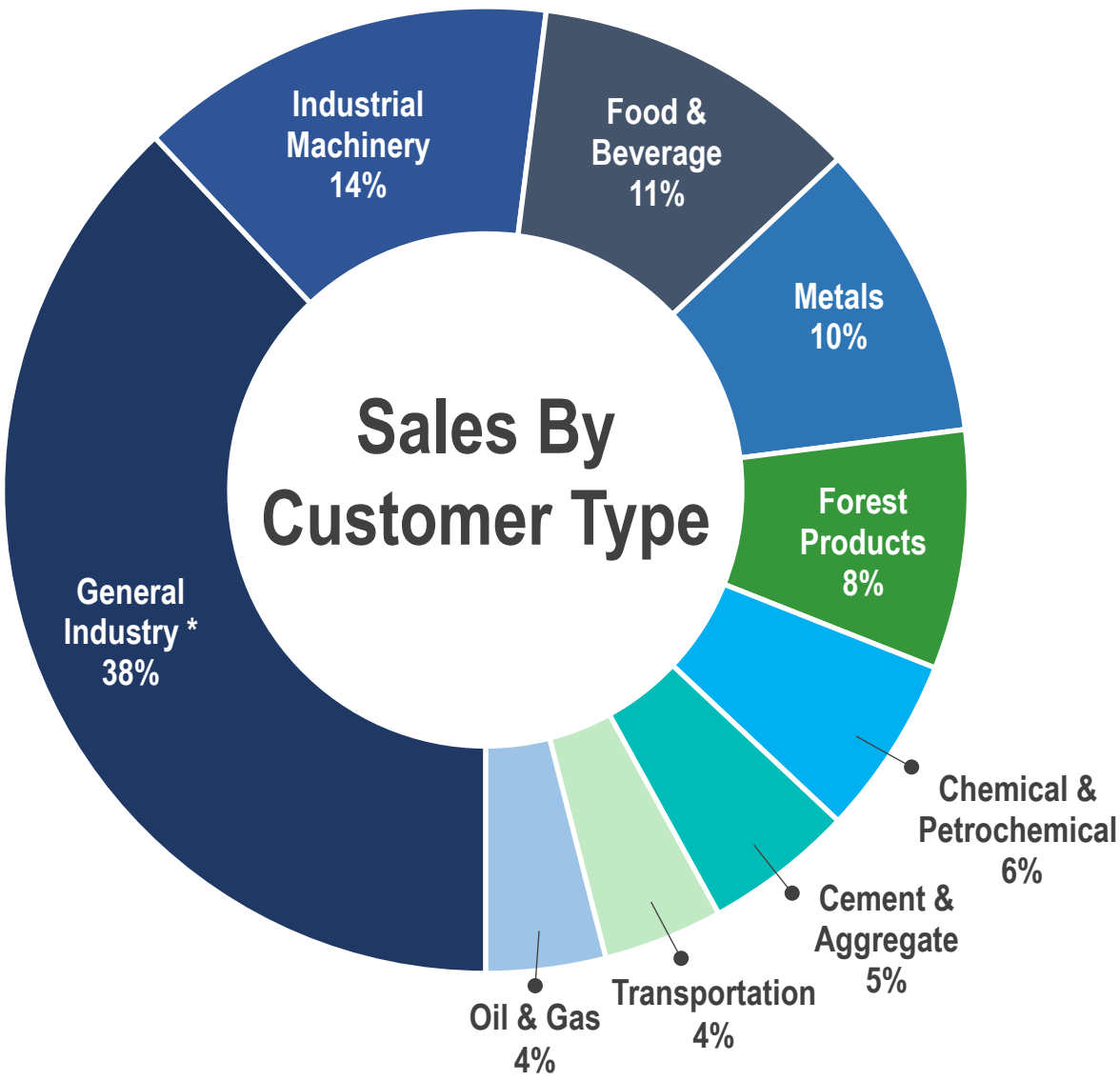


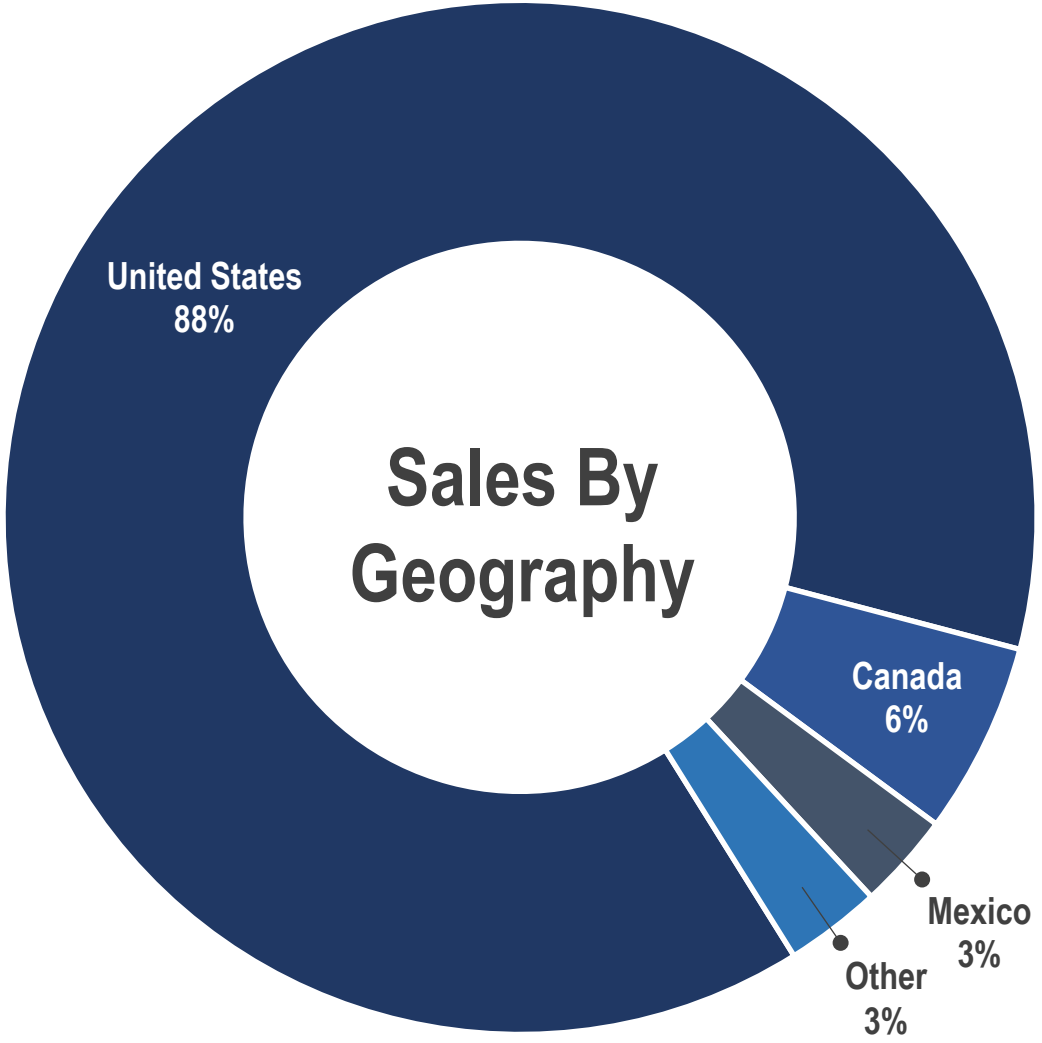
Primary Supplier Partners



Leading Manufacturers with World Class Brands Focused on Premier Industrial Solutions

Customer & Geographic Exposure





** General Industry includes all other industries representing 3% or less of sales; includes Utilities & Energy, Rubber & Plastics, Construction, Mining, areas of Technology, Agriculture, Automotive, and Life Sciences; Based on fiscal 2026 sales*

Diverse Customer Base Focused Primarily Within North America

Applied® Value Creation Model

CORE

- World-Class Brands
- Critical Support to Industrial Infrastructure
- Technical & Solutions-Based Focus
- Embedded Industrial Customer Base
- Recurring MRO Revenue Stream
- Enhanced Operating Profile
- High Cash Flow Model

Supports Growth Into Higher Margin Engineered Solutions & Emerging Areas of the Industrial Sector

Fluid Power • Flow Control • Advanced Automation • Smart Technologies

(Expand & Cross-Sell Across "Core" Customer Base)

Operational Focus

- History of Cost Discipline
- Operational Excellence Initiatives
- Shared Services Deployment
- Ongoing Sales Process Refinement
- System Investments & Analytics
- Talent Development

Annual Growth & Margin Algorithm

Mid Single-Digit Organic Sales Growth
Low Single-Digit Inorganic Growth Via M&A
Gross Margin Expansion Through a Cycle
Mid to High-Teen Incremental EBITDA Margins
Free Cash > 100% of Net Income

GUIDED BY CORE VALUES

Integrity • Respect • Customer Focus • Commitment to Excellence • Accountability • Innovation • Continuous Improvement • Teamwork

Additional Acquisitions *(~$1.4B last 10 years)*
Organic Capital Redeployment

Dividend Growth *(track normalized earnings growth)*
Share Buybacks *(Over $500M last five years)*

Multiple Expansion = *enhanced margin / returns, stronger growth, scaling market cap, IR initiatives*

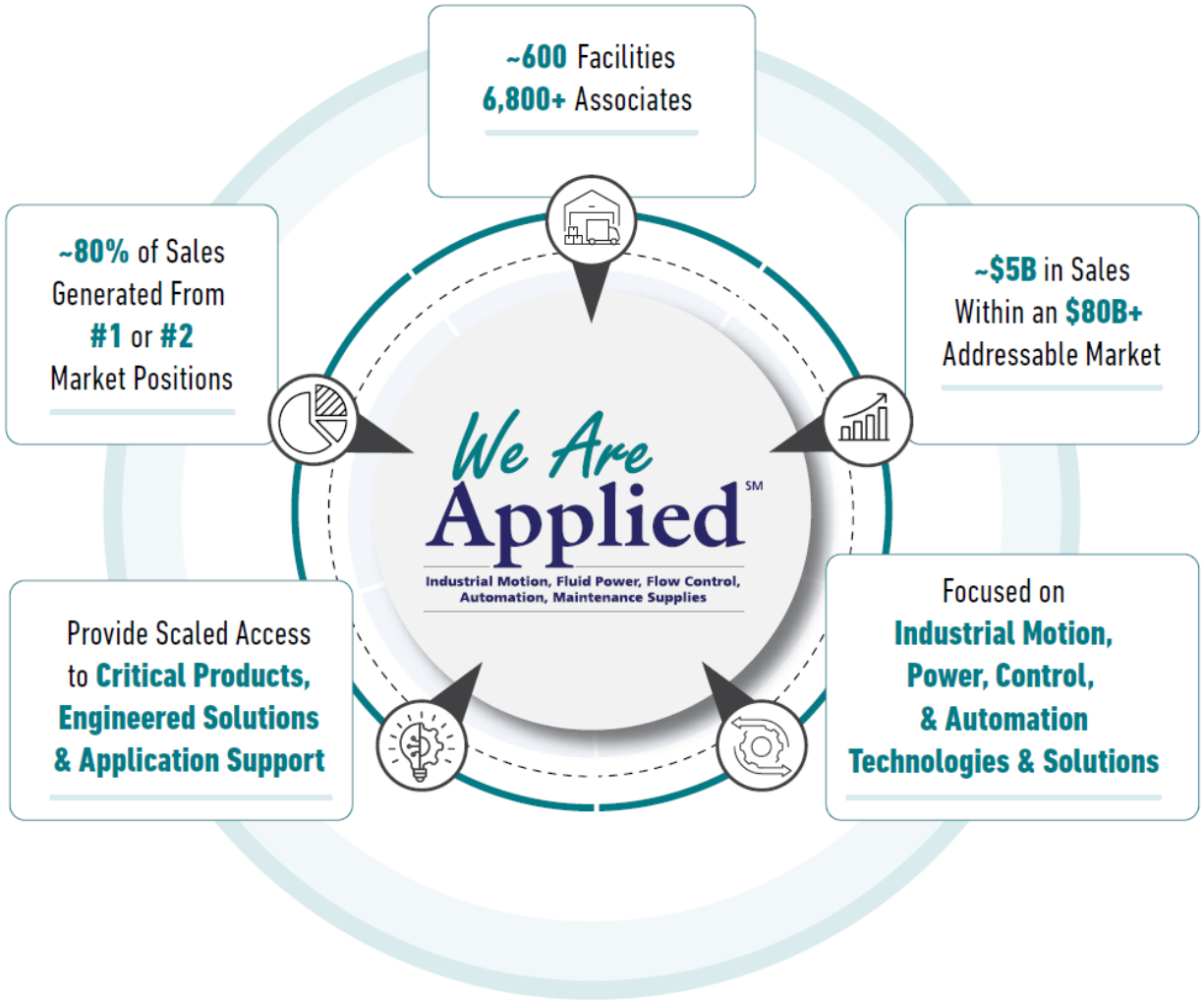
Double-Digit EBITDA, EPS, and Free Cash CAGR Through a Cycle

SHAREHOLDER RETURNS

Durable & Adaptable Business Model Positioned to Unlock Shareholder Value Long Term

Applied Industry Position and Growth Considerations

A Differentiated & Leading Industry Position Focused on Mission Critical Industrial Solutions…



… With Secular Tailwinds & Customer Requirements Presenting Distinct Growth Opportunities

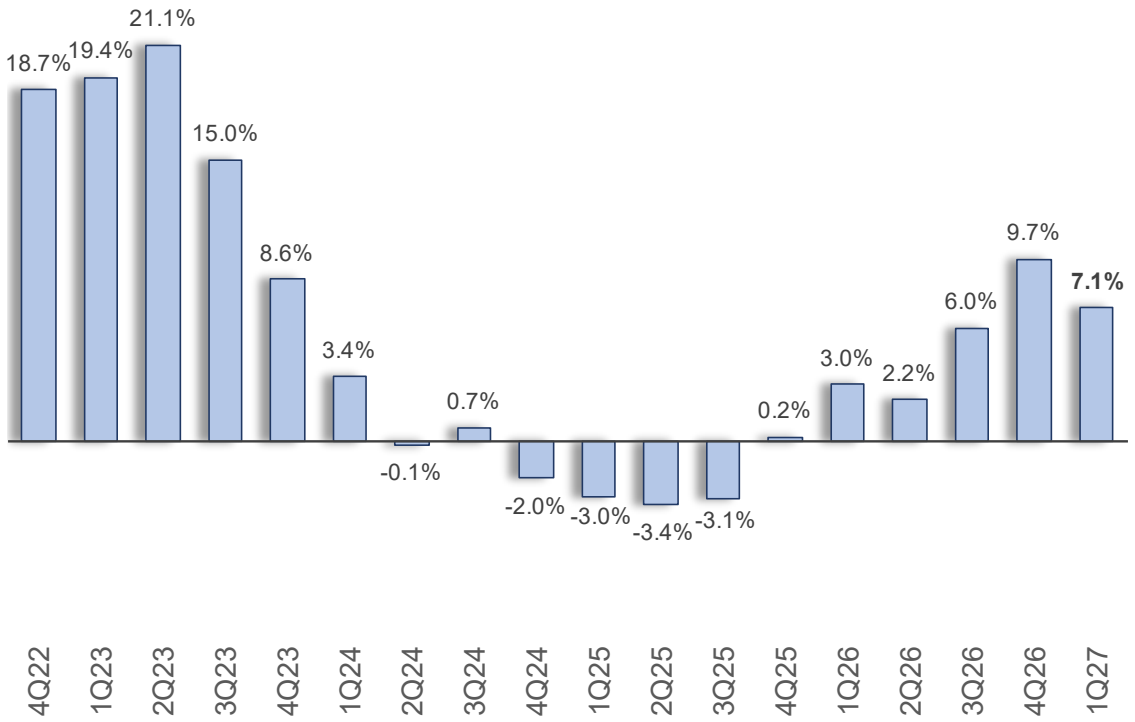
- End-market recovery showing durable signs with growth broadening across core customer verticals as deferred technical MRO and capital spending are addressed
- Break / Fix activity and technical MRO spending requirements are notable given aged manufacturing equipment across North America
- Customers looking to partner with larger, more capable providers offering comprehensive solutions as service and supply chain requirements increase
- Business funnel momentum remains favorable including ES segment order trends sustaining positive trajectory through F1Q27
- Demand for engineered solutions and application support increasing as customers address skilled labor shortages and equipment / facility modernization efforts
- Applied Automation growth accelerating as adoption of cobots, mobile robots, machine vision, and IoT solutions increasingly viewed as “need to have”
- Favorably positioned to benefit from multi-year growth tailwinds continuing to develop across semiconductor and data center verticals
- Unique cross-selling opportunity gaining momentum and supported by our One Applied value proposition and industrial facility domain expertise

A Leading Industry Platform, Well Positioned to Capitalize On Expanding Secular Growth Opportunities

Organic Sales Growth Trend & Discussion Points – Q1 FY27

Year-over-Year Organic % Change in Sales Per Day

Fiscal Quarters



F1Q27 Sales Growth Detail

- Up 7.1% YoY on an organic basis and in line with F1Q27 guidance of +6% to +8%
- 2-Yr YoY STACK of +10.1% up modestly sequentially vs. a seasonally strong F4Q26 trend (+700 bps vs. F3Q26)
- Price contributed an estimated 200 bps to YoY growth; volumes up an estimated 5% YoY organically with U.S. volume +7% YoY
- 18 of top 30 industry verticals* up YoY in F1Q27 vs. 20 during F4Q26; 18 up on a 2-Yr YoY STACK basis (vs. 17 in F4Q26)
- YoY growth strongest across metals, technology, machinery, utilities & energy, mining, and oil & gas
- Offset by declines primarily in lumber & wood, aggregates, rubber & plastics, and food & beverage

** Based on largest 30 industry verticals for fiscal 2026*
Note: Represents fiscal quarter

Organic Growth Strengthening Reflecting Internal Growth Initiatives and Improving End Market Demand

Other Investor Discussion Points – Q1 FY27

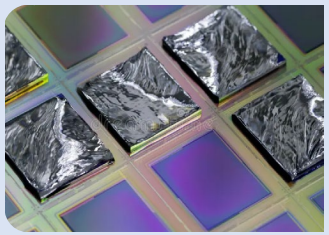
Investor Topic	Update & Details
Underlying Demand	Trends remain positive with underlying SC segment volumes strengthening including encouraging local account growth (+HSD% YoY), as well as an expanding ES segment backlog (+17% seq)
Price Contribution	Price contributed ~200 bps YoY in F1Q27; supplier price increases continue but at more normalized level; reiterate full-year FY27 price contribution guidance of +150 to +200 basis points
ES Segment Growth	Primary drivers include solid automation growth (+24% YoY), tech vertical strength, and improving demand across industrial / mobile fluid power, as well as stronger flow control growth (+6% YoY)
Freight / Fuel Inflation	Managing well through effective pass-through mechanisms with support from technical market focus and margin countermeasures; net freight expense and internal fleet costs ~1% of sales
Incremental Margins	F1Q27 incremental EBITDA margin of 15% (ex LIFO 19%) at high end of F1Q27 expectations and against difficult prior-year comparison; ES segment incremental a solid 24% on strong cost leverage
Capital Allocation	M&A remains a top priority with evaluation and pipeline activity remaining high across both segments; deployed $80M on share buybacks in F1Q27

Note: HSD = High Single Digits

Growth Vertical Highlight - Technology

- The expansion of our Engineered Solutions segment has increased our Technology vertical exposure including providing fluid power, flow control, and automation solutions across semiconductor and data center value chains
- Sales from the Technology vertical represent over ~15% of our Engineered Solutions segment sales and remains a positive contributor to our organic growth potential with orders and business funnel activity sustaining strong momentum

Semiconductor Market





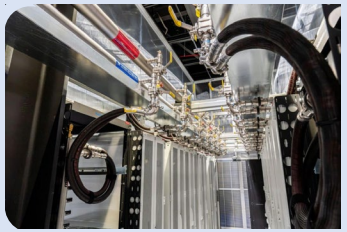
Our products and solutions are primarily used for semi wafer fab equipment manufacturing, as well as upstream material processing

Upstream Process Flow Control Solutions	Pneumatic and Fluid Conveyance / Delivery Assemblies	Robotic and Mechatronic Solutions & Assemblies





Data Center Market





Our products and solutions are primarily used for thermal management and material handling within a data center facility

Fluid Conveyance Assemblies	Mobile Robot, Vision, & Automated Handling Solutions	Process Flow Control Solutions & Assemblies





Expansion Of Engineered Solutions Segment Has Increased Our Technology Exposure

Fiscal 2027 Guidance

Fiscal 2027 Guidance

	Prior (8/13/26)	Current (10/27/26)
Total Sales - YoY % chg	4.0% - 6.5%	**4.0% - 6.5%**
EBITDA Margin	12.5% - 12.8%	**12.5% - 12.8%**
Diluted EPS	$11.65 - $12.15	**$11.70 - $12.20**
Additional Assumptions:		
Depreciation & amortization expense	$67 - $68	**$67 - $68**
Interest & other expense	$12 - $13	**$12 - $13**
Effective tax rate	23% - 24%	**23% - 24%**

Notes: 1) $ amount in millions except EPS

Updated Considerations:

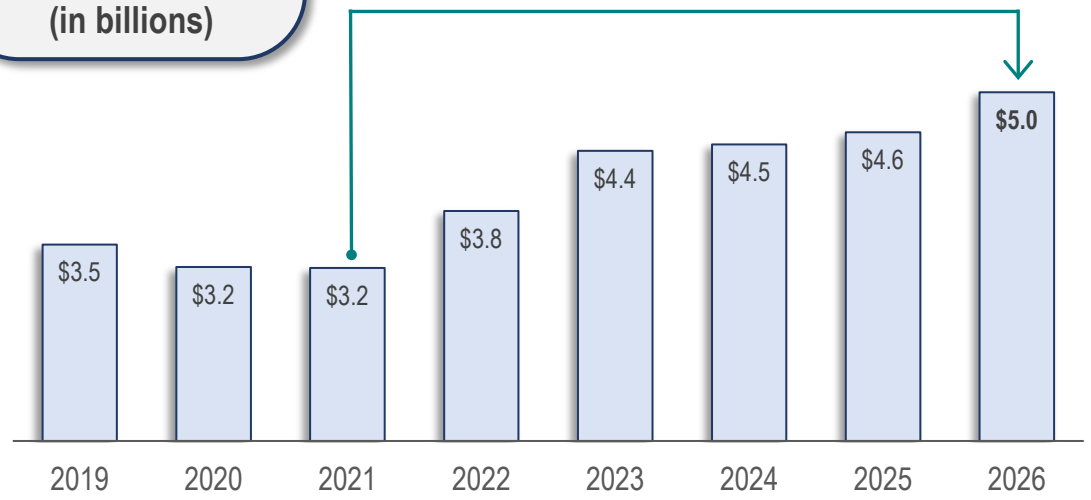
- No change to sales and EBITDA margin outlook for FY27
- Increasing EPS guidance to reflect a lower diluted share count assumption following F1Q27 buybacks
- Remain mindful of ongoing uncertainty tied to geopolitical, trade, and inflationary dynamics, as well as more difficult 2H comparisons
- Excludes contribution from future M&A and/or share repurchases
- Potential support/upside from industry position, internal initiatives, mix tailwinds, future M&A and/or share buybacks, and further strengthening in end-market demand as the year plays out
- F2Q27 assumptions:
  - Organic sales: Up 6% to 8% YoY
  - Gross margin: Stable to up slightly sequentially
  - EBITDA margin: 12.3% to 12.5%

Outlook Supported by Industry Position and Company-Specific Opportunities

Historical Financial Highlights

Net Sales (in billions)

9% Five-Year CAGR (2021-2026)



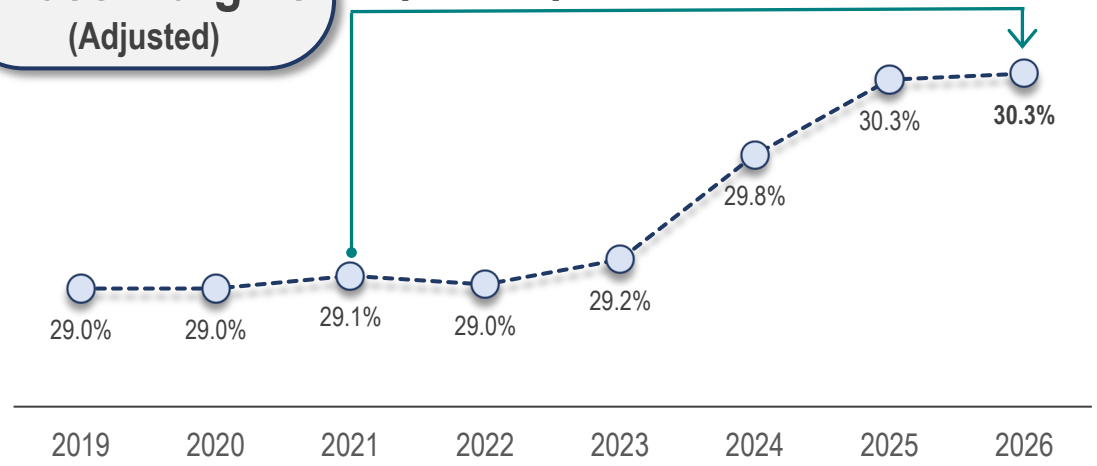
EBITDA (Adjusted; in millions)

14% Five-Year CAGR (2021-2026)



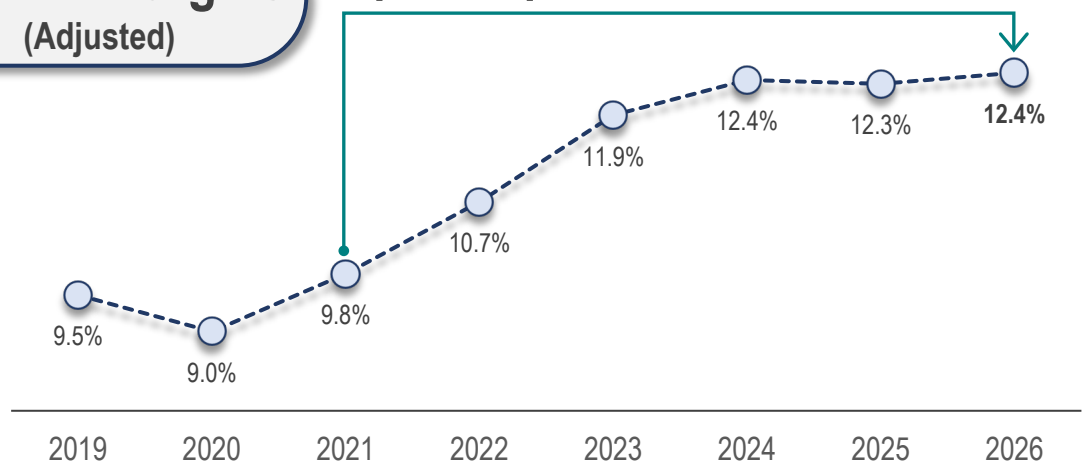
Gross Margins (Adjusted)

Up 120 bps Since 2021



EBITDA Margins (Adjusted)

Up 260 bps Since 2021

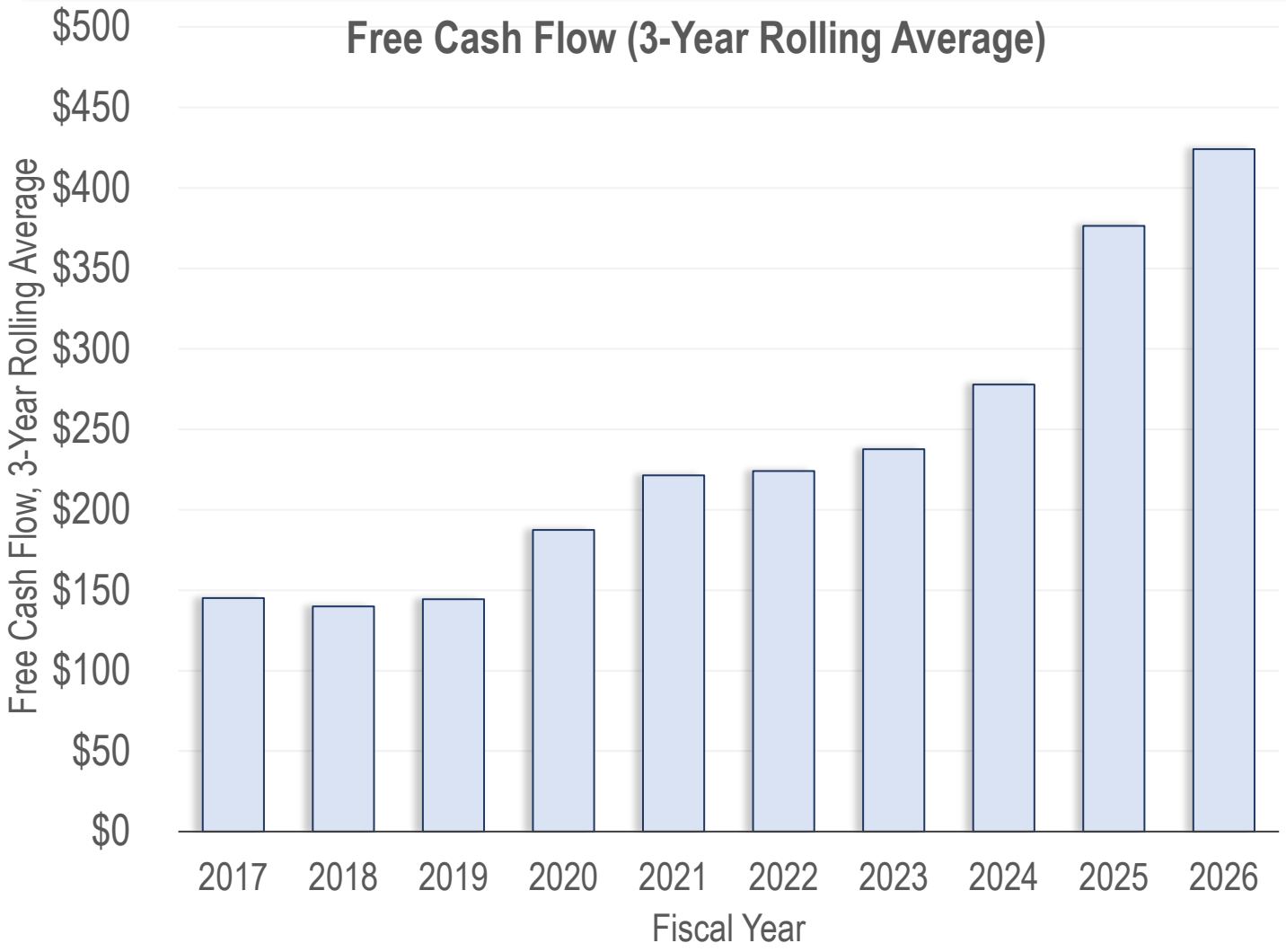


Note: Represents fiscal years ending June 30

Track Record of Financial Resiliency, Enhanced Growth, & Margin Expansion

Historical Free Cash Generation

Durable & Solid Cash Generation Through All Cycles



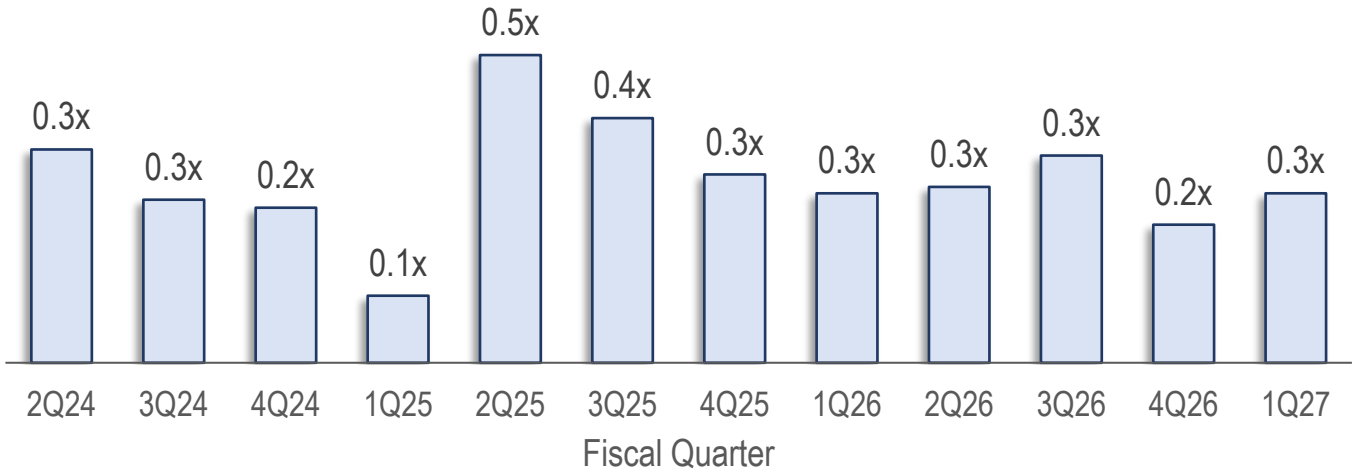
Strategic Initiatives Aligned to Drive Greater Cash Generation

- Average FCF Conversion of ~100% Past 5 Years
- Increased Scale & Margin Expansion Potential
  - Growth in higher margin areas of business
  - Intermediate sales target of $7.0B+
    - $5.0B in FY26
  - Intermediate EBITDA margin target of 14%+
    - 12.4% in FY26
- Working Capital Management Initiatives & Potential
  - Expansion of shared services model
  - Cross-functional inventory planning
  - Collections initiatives
  - Leveraging systems investments
  - Local account growth
  - Growth in Engineered Solutions (lower WC)

Strong Cash Flow Model Supports Growth, Liquidity & Shareholder Returns Through the Cycle

Balance Sheet & Liquidity

Net Leverage Ratio (Net Debt to Trailing Adjusted EBITDA)



Balance Sheet & Liquidity (As of Sep 30, 2026)

- Net leverage ratio at 0.3x
- $112M of cash on hand
- $868M of potential balance sheet capacity under undrawn revolver and AR securitization facility
  - Additional $800M accordion option available under revolver

Supportive Liquidity & Balance Sheet Position

Capital Allocation

Deployment Priorities & Strategy

Organic Growth
Pursue greenfield expansion while optimizing customer service capabilities and operating efficiencies through technology, working capital, and system investments

Acquisitions
Scale Engineered Solutions segment while pursuing select Service Center segment opportunities to enhance organic growth, margins, and competitive position

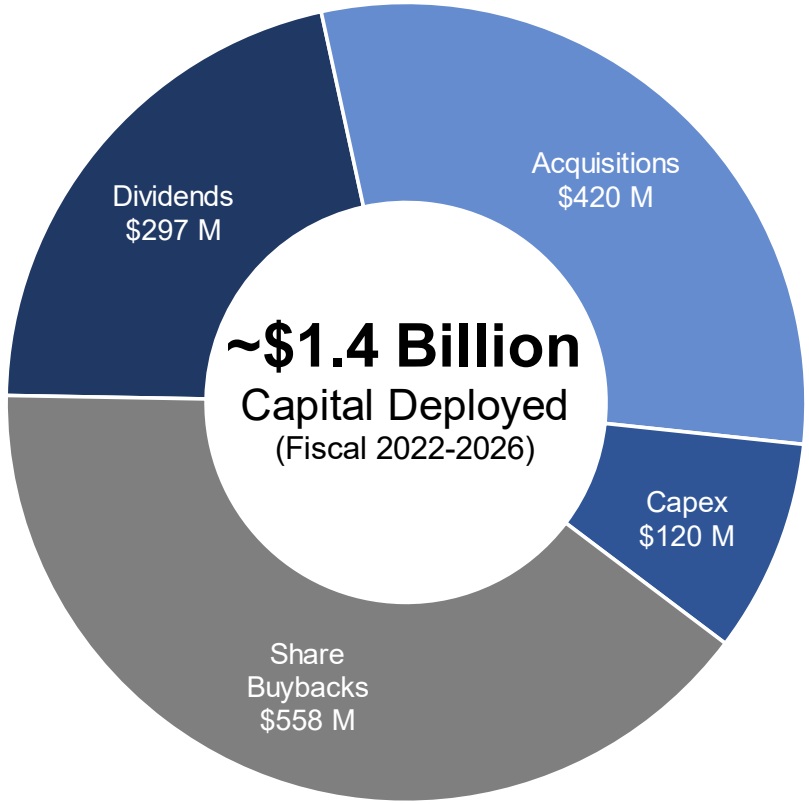
Debt Service
Dependent on outstanding commitments, cycle dynamics & interest savings potential; comfortable with normalized net leverage of ~2x through a cycle

Share Buybacks
Opportunistic approach focused on returning excess cash through a disciplined valuation & return framework

Dividends
Consistent increases in ordinary dividend; target dividend growth in relation to normalized earnings growth

Capital Deployed Last 5 Years

(Capex, M&A, Share Repurchases, & Dividends)



$425M of capital deployed in fiscal 2026
($735M deployed including debt reduction)

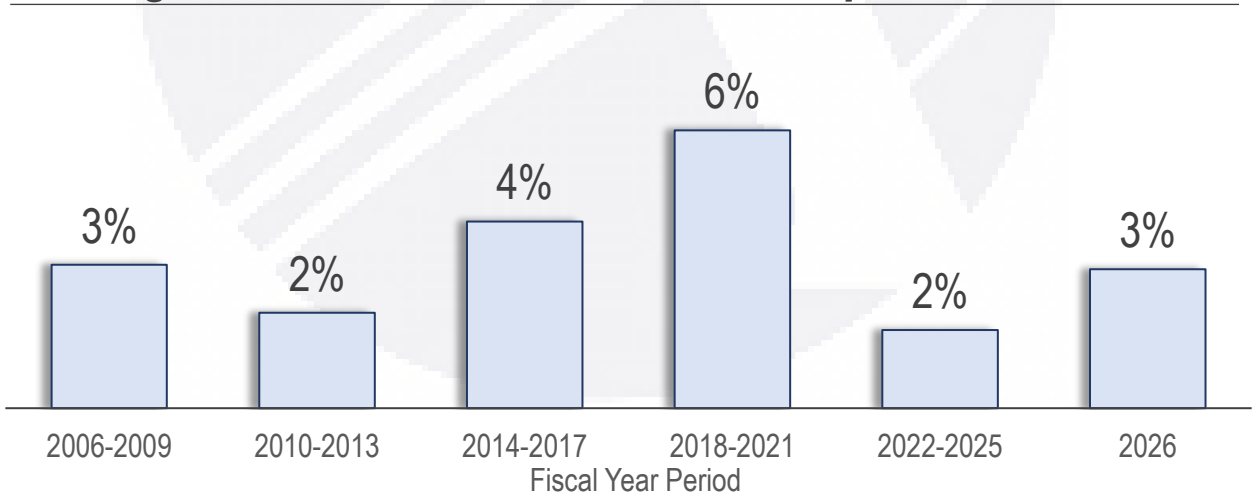
Disciplined Capital Allocation Strategy Focused on Enhancing Long-Term Earnings Growth & Shareholder Returns

Acquisitive Growth

Active Acquisition Pipeline Aligned with Long-term Growth Priorities…

- **Acquisitions Remain an Element of Growth Formula**
  - 55 acquisitions since 2000
  - 40 acquisitions since 2012 representing over $1B in annual sales
  - Average Annual Target = low single-digit % sales growth contribution
  - High industry fragmentation presents consolidation opportunity
  - Customers partnering with fewer, more capable providers
  - Greater operational requirements constraining smaller providers
  - Augment supplier reach / penetration within key verticals

Average Annual Sales Growth From Acquisitions



Acquisition Priority Areas

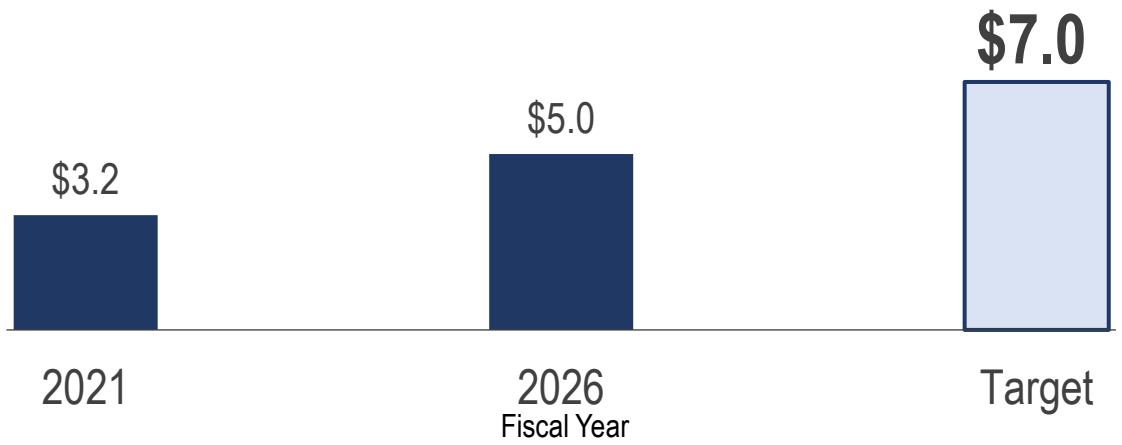
Focused on Expanding Current Offering While Further Enhancing Our Technical Differentiation & Value-Add Solution Capabilities

- **Automation**
- **Flow Control**
- **Fluid Power**
- **Service Centers**

Disciplined Acquisition Strategy Focused on Supplementing Growth & Strengthening Industry Position

Intermediate Financial Objectives

Sales – Grow to $7.0 Billion

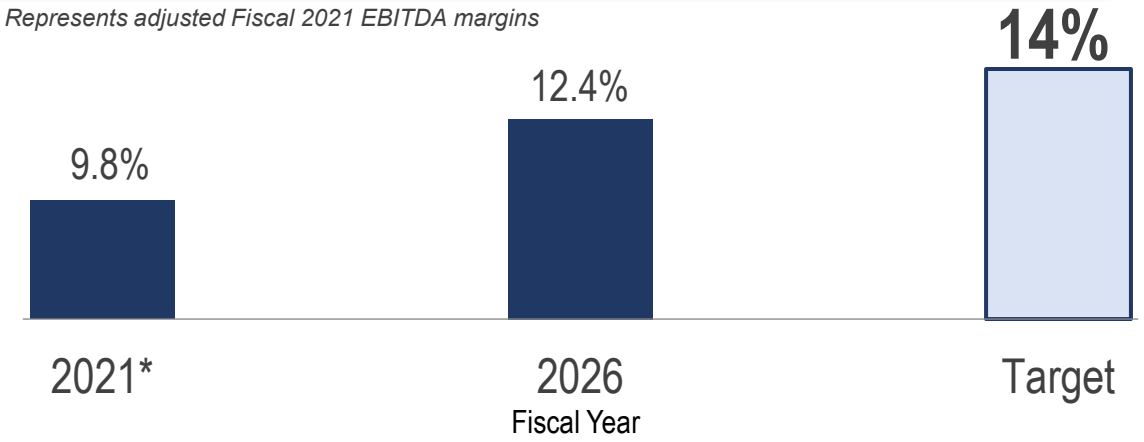


Strategic Drivers & Considerations

- Mid Single-Digit Plus Organic Growth on Average Over an Upcycle
- Greater Cross-Selling Across Legacy Customer Network
- Secular Tailwinds From Leading Technical Industry Position
- Ongoing Expansion of Engineered Solutions Segment
- Low Single-Digit Plus Annual Growth Contribution From Acquisitions
- High Single-Digit Plus Sales CAGR Over Horizon

EBITDA Margins – Expand to 14%

** Represents adjusted Fiscal 2021 EBITDA margins*



Strategic Drivers & Considerations

- Mid to High-Teen Incremental Margins on Average Over Upcycle
- Benefits from System Investments and Shared Services Deployment
- Enhanced Productivity from Op Excellence Initiatives & AI Utilization
- History of Cost Discipline and Accountability
- Expansion of Higher Margin Products and Solutions
- Double-Digit EPS CAGR Over Horizon

Note: The Company expects to achieve its intermediate financial targets over a 5-year time horizon depending on various factors including the trajectory of broader macro conditions, the timing and scope of M&A, progress with internal initiatives, and other factors

Execution Track Record & Strategic Objectives Provide Framework for Significant Value Creation

Segment Overview

Service Center

64% of sales(1)

Service center distribution network across North America, Australia, & New Zealand; Focused on MRO motion & power control solutions for critical break-fix applications; includes technical shop & inventory management solutions

Key Growth & Operational Considerations

- Recurring break-fix demand; equipment / facility optimization
- Customer labor constraints; greater technical requirements
- Reshoring & increased industrial capex; local account growth
- Sales process optimization; enhanced digital capabilities
- Embedded customer base ripe for cross-selling

Engineered Solutions

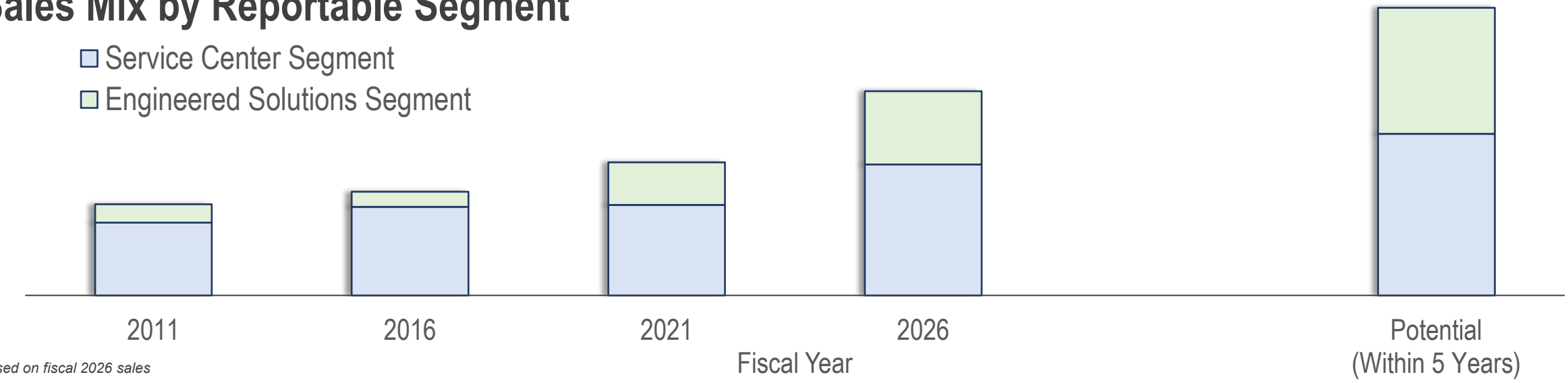
36% of sales(1)

Specializing in distributing, engineering, designing, & integrating hydraulic, pneumatic, & flow control technologies, as well as advanced automation solutions including robotics, machine vision, industrial networking, & digital offerings

Key Growth & Operational Considerations

- Higher margin & faster growing area of Applied®
- Production efficiency, remote / control integration, compliance
- Technical capabilities; footprint expansion & cross-sell opportunity
- Expanding position in advanced automation solutions
- Diversification into new end markets with secular tailwinds

Sales Mix by Reportable Segment



(1) Based on fiscal 2026 sales

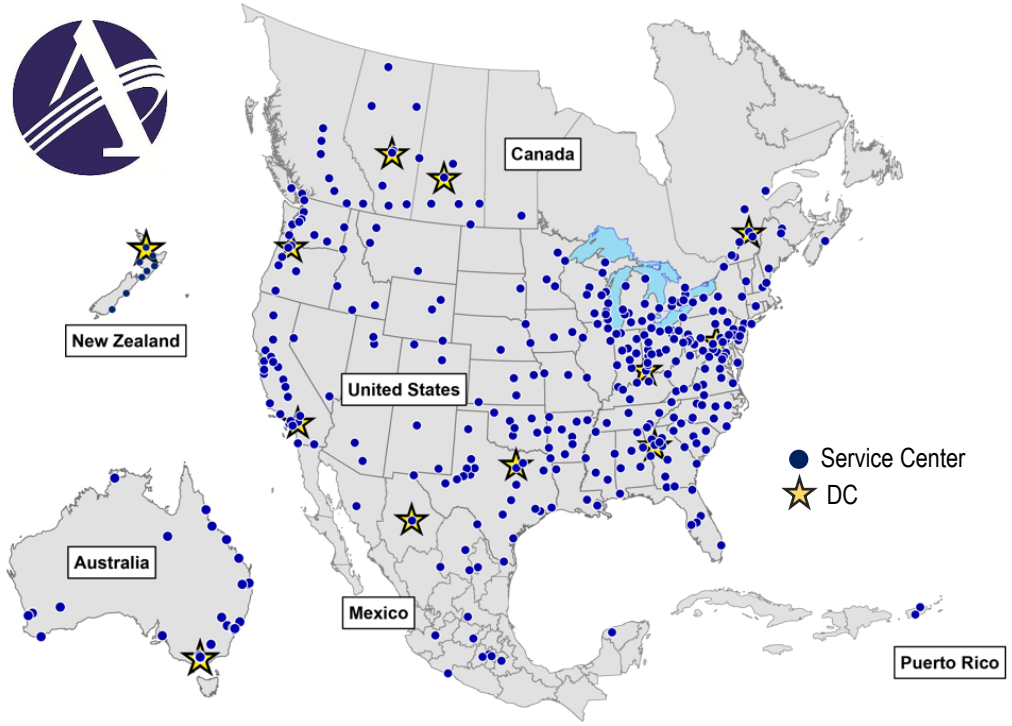
Legacy in Core Service Center Segment… Strategic Expansion Across Engineered Solutions Segment

Service Center Network

- Network of service locations supporting industrial motion & power control MRO requirements
- Over 400 locations across North America, Australia, & New Zealand
- Local market focus with overnight inventory replenishment from 12 distribution centers
- 24 / 7 emergency service tailored to minimize customers' production downtime
- Over 50% of sales tied to break-fix situation at customers' facility
- Authorized distributor of ~9 million products with a focus on premier brands



Applied Service Center & DC Locations



Customer Return-Enhancing Solutions

- ***Documented Value-Added® Report:*** Analysis & evaluation of cost savings
- ***Maintenance PRO®:*** Technical training for customer employees
- ***Industrial Rubber Services:*** Shop network offering fabrication, installation, repair, & warehousing of industrial belting, hosing, & conveyor supplies
- ***Repair & Rebuild:*** Analysis & evaluation of repair options; parts reworked to specifications
- ***Inventory Management:*** Evaluation of customers' replenishment cycles; committed inventory of critical spares
- ***AppliedSTORE®:*** Comprehensive tracking system to control & manage customers' supply storeroom
- ***Linear Shafting Services:*** Cut, machine, stock & ship customized lengths of shafting





One of the Largest MRO Service Networks of Industrial Motion & Power Control Needs

Fluid Power: Overview & Industry Application

APPLIED Industrial Technologies®

APPLIED Fluid Power™

Overview: Largest fluid power distributor of hydraulic, pneumatic, and fluid conveyance solutions in the U.S. with unmatched systems engineering & design, assembly, fabrication, integration, & service capabilities

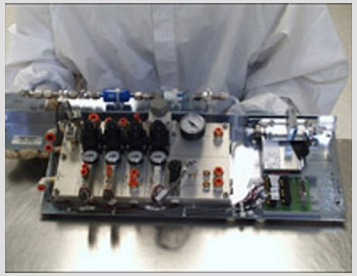
Markets / Applications:

Mobile:	On-highway, Off-highway, Rail, Marine, Aerospace (Ground Support)
Industrial :	General Industrial, Process Industries, Life Sciences, Mining, Oil & Gas
Technology:	Semiconductor, Data-Centers, Electronics

Secular Tailwinds: Electronic control integration, equipment power consumption, equipment electrification, autonomous mobile equipment, emissions control, remote monitoring, machining advancements, IIoT integration, data analytics, precision machine performance, build out of semi & data-center infrastructure

The Leading Provider of an Unmatched Industrial Power & Efficiency Solution

Key Applications & Market Focus

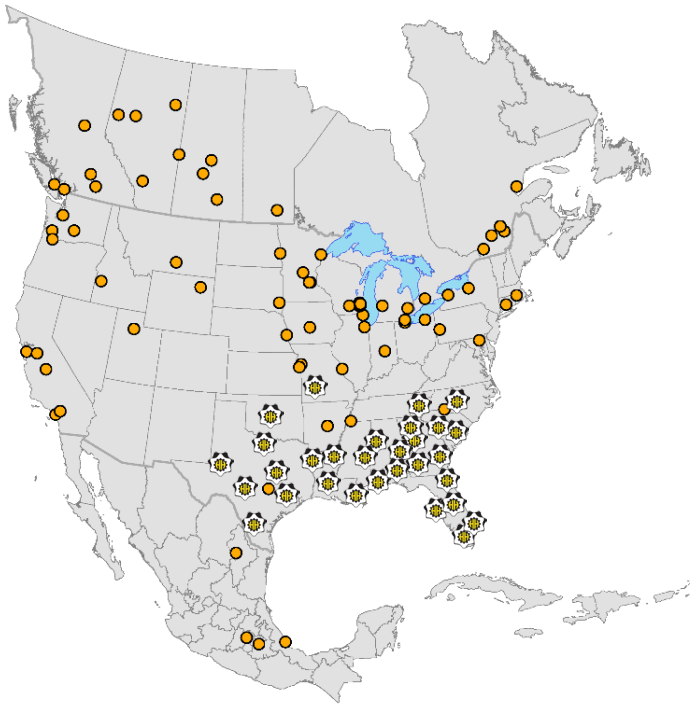
Mobile Equipment	Industrial Equipment	Technology Systems
		
		

Fluid Power Position & Value Proposition

APPLIED Industrial Technologies®

APPLIED Fluid Power™

Largest Fluid Power Distributor in North America

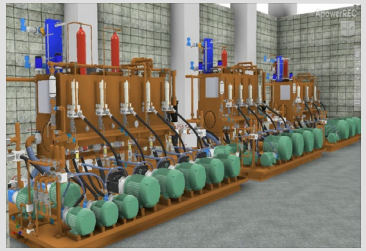


Legacy Applied Fluid Power Location

Hydradyne Location (*acquired in Dec 2024*)

We Provide Innovative Fluid Power Solutions Through Unmatched Engineered Systems Design, Assembly, Integration, & Service Capabilities

Engineering & Design





- Customized fluid power systems for specific applications
- Certified engineers & designers
- CAD software & 3D modeling
- Customer consultation, analysis

System Build & Integration





- Hydraulic Power Units
- Cartridge Valve Manifolds
- Lubrication & Filtration Systems
- Electronic Control Integration
- Sensor & Robotics Implementation

Service & Repair





- Repair facilities for pumps, motors, valves & cylinders
- Fluid power specialists with service center support
- Team of technicians
- Inspection & testing services

Leading Fluid Power Capabilities Centered on Innovative Components, Services, & Solutions

Flow Control: Overview & Industry Application

APPLIED Industrial Technologies®

Flow Control

Overview: One of the largest flow control distributors in the U.S. with over 50 locations and 800 associates including engineers and technicians supporting mission-critical and full-cycle process systems

Product Detail: Includes flow handling (pumps, compressors), flow management (valves, actuators) & specialty equipment (instrumentation, filtration); typically engineered or customized for specific industry application; requires technical aftermarket support

Secular Tailwinds: Process industry infrastructure expansion, more stringent regulatory & compliance standards, customer technical labor constraints, growth in hygienic & high purity applications, calibration requirements, customer de-carbonization initiatives, data-center cooling

The Leading Provider of Process Flow Control Solutions to the Industrial Sector

Key Applications & Market Focus

Chemical



OEM & Manufacturing



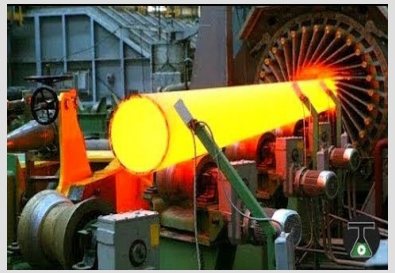
Life Sciences



Food & Beverage



Steel & Metals



Water/ Liquids Infrastructure



Solutions Critical to Process Movement Across the Industrial Sector

Flow Control Position & Value Proposition

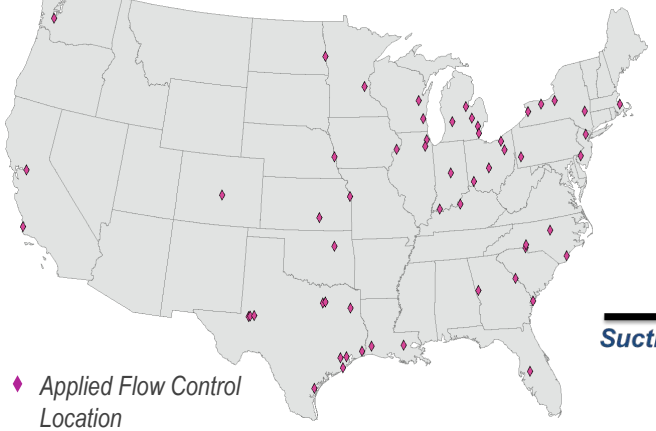
APPLIED Industrial Technologies®

Flow Control

We Offer the Largest, Most Comprehensive Flow Control Product & Service Portfolio Focused on Mission-Critical & Full-Cycle Solutions

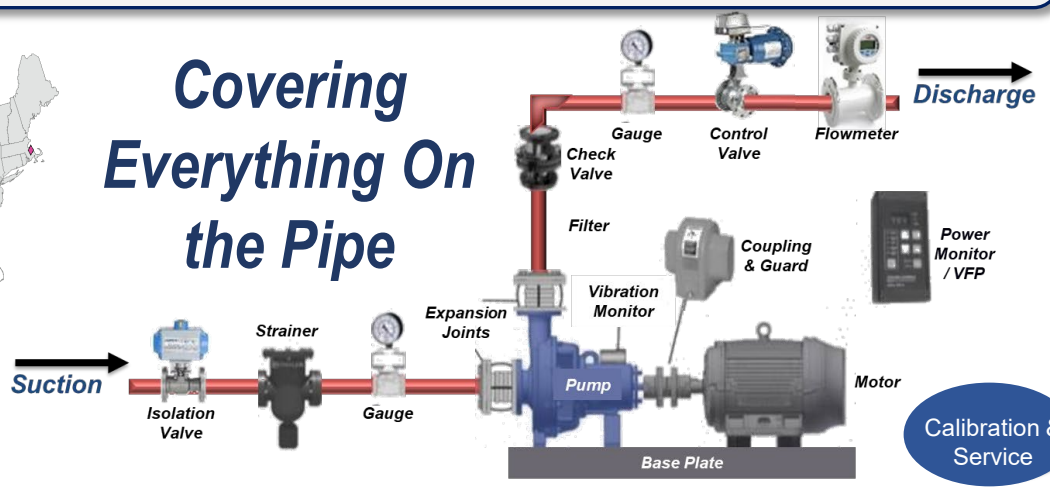
Growth and Strategy Considerations

- Leading technical MRO position
- Higher margins from high-touch service capabilities and higher-engineered products
- Significant cross-selling opportunity
- "Acquirer of Choice" status with geographic expansion potential across the U.S.



♦ *Applied Flow Control Location*

Covering Everything On the Pipe



Drivers of Competitive Position

- Service & repair capabilities
- Valve actuation, consulting, instrumentation, fabrication, calibration, & commissioning services
- Engineered systems integration expertise
- Comprehensive product offering
- Highly technical sales team
- Long-term supplier relationships








Solutions Critical to Process Movement Across the Industrial Sector

Automation: Overview and Industry Application

APPLIED Industrial Technologies

APPLIED Automation

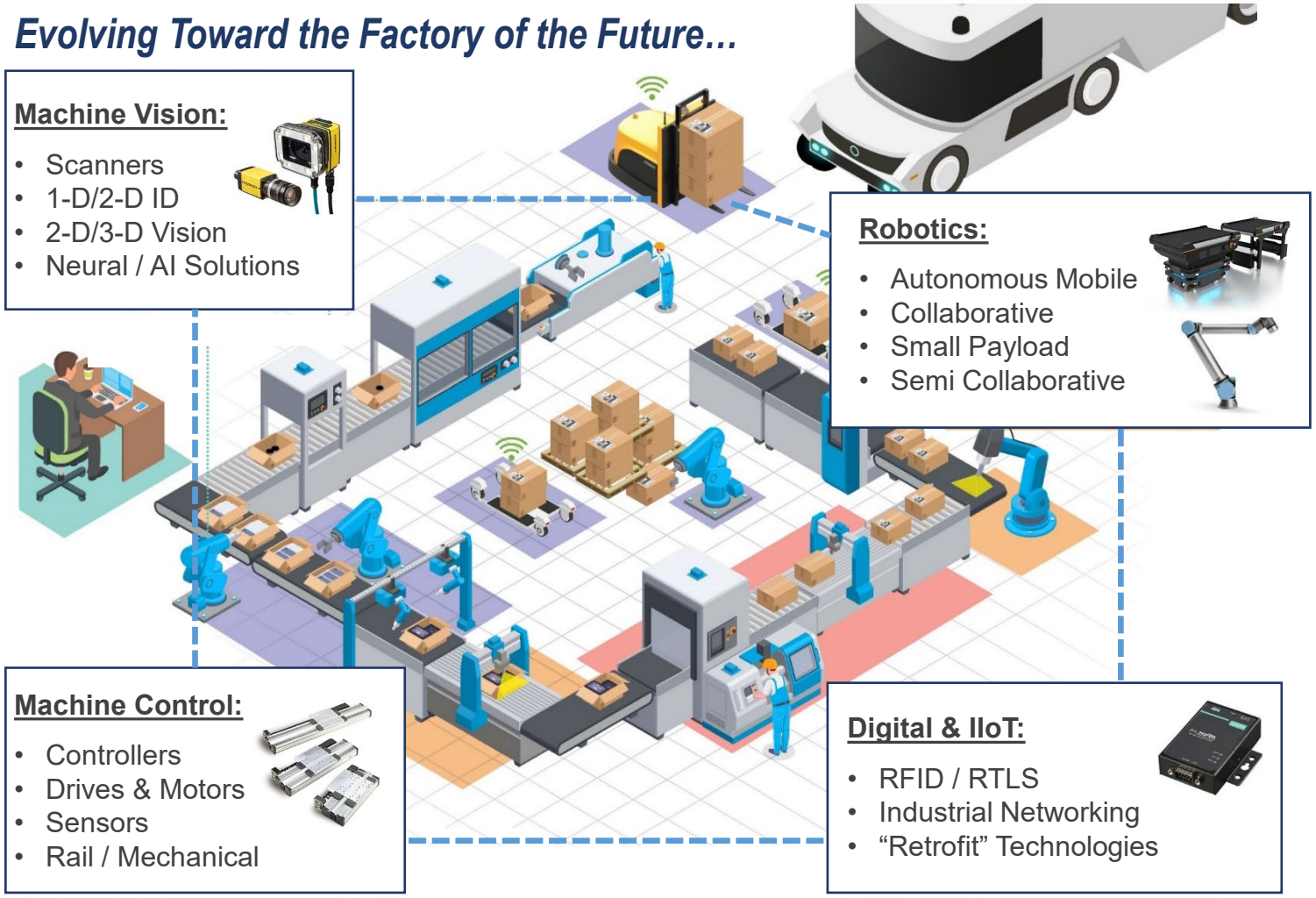
A Leading Provider of Next-Generation Automation Supplies & Solutions Focused on Machine Vision, Robotics, Control, & Digital Technologies

Overview: One of the largest full-service providers of innovative automation assemblies and complete engineered solutions utilizing next generation automation technologies

Product Detail: Robotics (autonomous mobile, collaborative, industrial, small payload), machine vision, machine control, industrial networking, RFID, RTLS, and industrial IoT solutions used across discrete production environments

Customers: Factory end-users, OEMs, and machine builders serving diverse markets including life sciences, medical device, datacenters, semiconductor, electronics, automative, food production, consumer goods, packaging, and metalworking

Evolving Toward the Factory of the Future…



Machine Vision:
- Scanners
- 1-D/2-D ID
- 2-D/3-D Vision
- Neural / AI Solutions

Robotics:
- Autonomous Mobile
- Collaborative
- Small Payload
- Semi Collaborative

Machine Control:
- Controllers
- Drives & Motors
- Sensors
- Rail / Mechanical

Digital & IIoT:
- RFID / RTLS
- Industrial Networking
- "Retrofit" Technologies

Automation Position and Value Proposition

APPLIED Industrial Technologies

APPLIED Automation

Olympus CONTROLS Applied Automation | West

ACS advanced control solutions Applied Automation | Southeast

GIBSON ENGINEERING Applied Automation | Northeast

Automation, Inc. Applied Automation | North Central

RRF RR Floody Company Inc Applied Automation | Central

kmV iSight Systems

KOPAR Applied Automation | Mexico-LATAM

IRIS FACTORY AUTOMATION

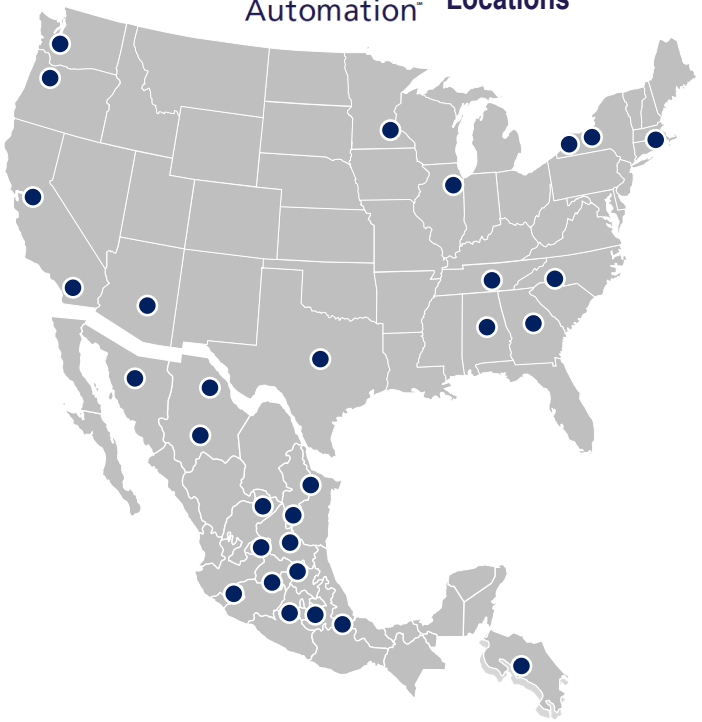
Footprint: 30 locations across the U.S. and Mexico with ~500 associates including ~250 degreed engineers

Value Prop: Full-service provider of innovative automation assemblies and complete engineered solutions; leading application expertise with value-added design, engineering, assembly, and integration capabilities; technical engineering team, scaling footprint, and strategic relationships with leading high-tech automation suppliers

Secular Tailwinds: Customer labor constraints, increased North American manufacturing, reshoring, data-center build out, supply-chain resiliency, plant efficiency initiatives, increased focus on safety & quality, adoption of IoT and smart manufacturing, and automation component advancements

Robotics | Vision | Motion | Industrial IoT

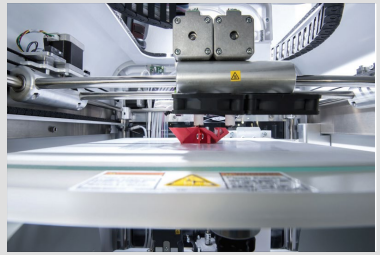
APPLIED Automation Operating Locations



Engineered Solutions



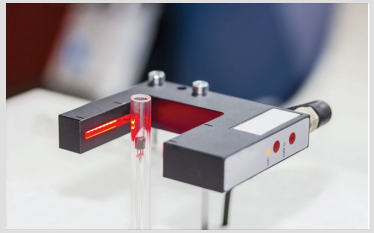
OEM Specification



Kits & Assemblies



MRO Replacement



Expanding Focus in Key Emerging Technologies Through Leading Application & Engineered Solutions

Increasing Focus on Next Generation Automation & Industry 4.0

Products, Solutions, & Experience Across Legacy Operations



- Electronic Control Integration *(Fluid Power)*
- Pneumatic Automation *(Fluid Power)*
- Valve Actuation *(Flow Control)*
- Sensors & Retrofits *(Service Centers)*
- Motion Control Products *(Service Centers)*

Vast Network with Entrenched Customer Relationships Across Underpenetrated Industrial End Markets



Expansion into Next Generation Automation & Smart Technology Solutions



- Advanced Facility Automation
- Cobots & Mobile Robots
- Machine Vision & RFID
- Industrial Networking, Connectivity
- Specialized Engineered Solutions
- System Design & Assembly

Leveraging Industry Position to Drive Growth Tied to Enhanced Technology & New Market Opportunities

Maintenance Supplies & Solutions

APPLIED Industrial Technologies®

APPLIED
Maintenance Supplies & Solutions®

A Leading National Distribution Platform for C-Class MRO Supplies Through Vendor Managed Inventory (VMI) & Vending Solutions

- 200+ Sales & Service Representatives
- 4 Distribution Centers
- 250,000+ SKUs Available
- *Significant Cross-Sell Opportunity Across Core Service Center Customer Network*



"Core Business" Manufacturing

Applied MSS℠
VMI & Vending Solution for MRO & Safety Supplies

Machine Shop

Applied MSS℠
VMI Solution Cutting Tool, Abrasives, Fastener Supply Management

Calibration Lab

Applied MSS℠
VMI & Vending Solution for Tool Tracking & Security

Maintenance

Applied MSS℠
VMI & Vending Solutions to Manage General Facility Repair & Maintenance

Office

Applied MSS℠
Digital Inventory Management System Supporting C-Class Inventory Management



Employee Entrance

Applied MSS℠
Vending Solution For Employee Equipment, Safety Supplies, Rechargeable Devices

Complementary Inventory Management Solutions for Customers' Indirect Supply Requirements

Environmental - Social - Governance (ESG)

Our ESG Focus Takes Many Forms

- *Over 100 years of conducting business ethically & responsibly*
- *Low-carbon footprint as a distributor*
- *Advise customers on energy savings & reducing their carbon footprint*
- *Implementing greener practices in our own operations*
- *Promoting diversity & continuous learning across our organization*
- *Supporting the well-being of our associates & our communities*



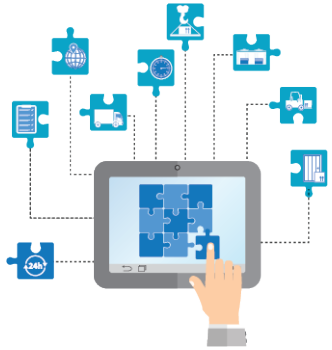
Core Values

- Reflect our foundation, present & future
- Guide actions & reinforce required performance
- Represent collective business & individual responsibilities



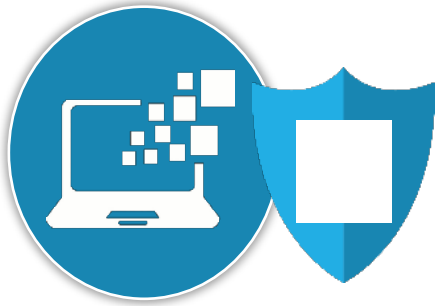
Corporate Governance

- Diverse, seasoned executives
- Accepted principles & practices
- Integrity & transparency in financial reporting



Supply Chain Management

- Quality brands; world-class manufacturers
- Supplier Diversity program
- Conflict Minerals reporting



Information & Technology

- Established practices & policies
- Enterprise class systems
- Data protection; cybersecurity



Environmental, Health & Safety

- Emphasis & awareness
- Expectations, roles & responsibilities
- Established EHS Policy



Sustainability Initiatives

- Comply with government mandates
- Reduce environmental impact
- Provide eco-friendly products, knowledge & operations



Corporate Citizenship & Human Rights Statement

- Equal employment opportunities; equitable pay
- Continuous learning & training
- Employee wellness assistance; community partner

Demonstrated Commitment to Conducting Business Fairly, Honestly, & Ethically

Safety & Sustainability Performance

- Dedicated safety focus with comprehensive training programs across company
- Formalized EHS policy, analysis, monitoring, & accountability focus
- Low carbon footprint as a distributor
- Conduct customer energy audits on motors, belting, & gearing
- Develop fluid power systems that improve energy usage, operator safety, and durability
- Process flow control solutions support customers' de-carbonization & energy transition initiatives
- Provide advanced automation solutions that help improve product quality & employee safety
- Promote Eco-Friendly Products - *Energy reduction, recycled content, bio-based, biodegradable, NEMA Premium®, Green Seal® certified, ENERGY STAR®, EcoLogo®*

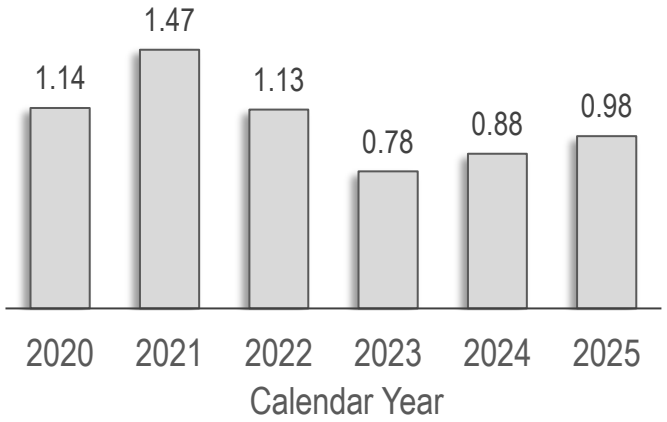


"Sustainability is not just a strategy—it's an integral part of who we are as a company. By deepening our understanding, increasing transparency, and focusing on what truly matters, we are **building a resilient future** for our people, our customers, and the industries we serve. Together, we will continue to drive meaningful progress and create lasting value."

NEIL A. SCHRIMSHER
President and CEO

Total Recordable Incident Rate (TRIR)

Within U.S.; Net of impact from cases tied to COVID-19



Recent Sustainability Highlights

Source: Applied's 2025 & 2026 Sustainability Reports

- Completed Inaugural Double Materiality Assessment
- Obtained ISO 14001 Certification
- Transitioned to New HR Information System
- Revised Supplier Code of Conduct
- Submitted Inaugural CDP Disclosures
- Refreshed Composition of Board of Directors

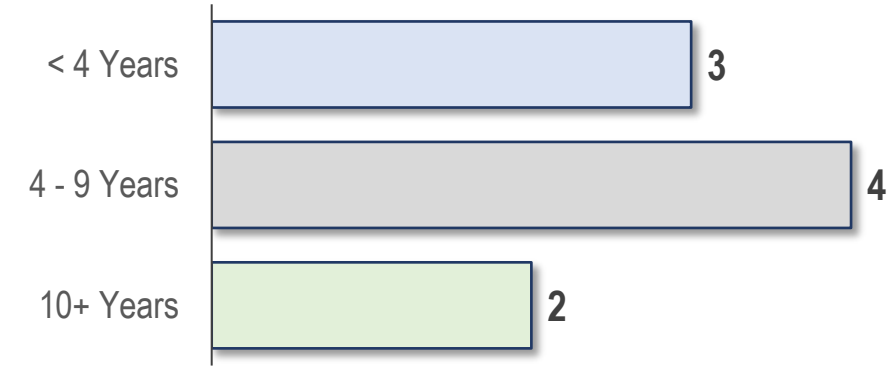
Corporate Governance

Key Governance Features

- Independent Chairman; all directors independent except CEO
- Key committees composed of only independent directors
- Women represent 33% of board members
- Strong “Pay for Performance” compensation practices
  - 84% of CEO compensation in fiscal 2025
- Equity award vesting rewards long-term, sustained performance
- Robust stock ownership guidelines for officers & directors
  - 5x salary for CEO, 3x for other executive officers

Board Refreshment & Tenure

Average Tenure of Board Members



Management Incentive Structure Summary

Incentive Compensation Components

Annual Cash Incentives:

Based on Performance Relative to Targets of:

- Net Income
- Average Working Capital Percent of Sales

Long-Term Equity Based Incentives:

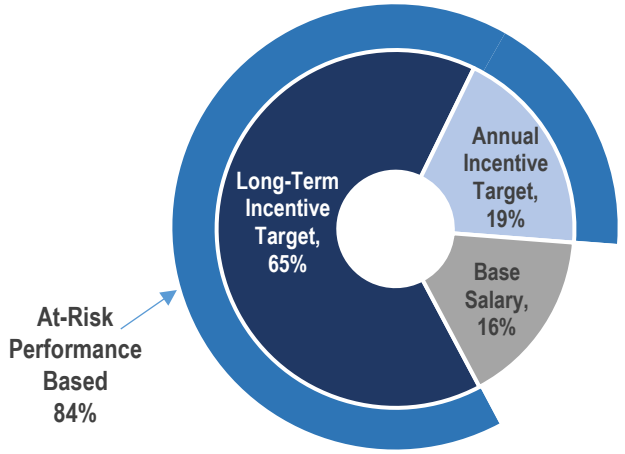
Based on Three-Year Performance Relative to Targets of:

- EBITDA
- Return on Assets

Long-Term Equity Based Incentive Mix

- Performance Shares – **50%**
  - *Achievement of three-year goals*
- Stock Appreciation Rights – **25%**
  - *Four-year (25% graded) vesting period*
- Restricted Stock Units – **25%**
  - *Three-year cliff vesting period*

CEO Target Compensation Mix



Corporate Governance Policies that Align the Interests of Management with Shareholders

APPLIED
Industrial Technologies®

Appendix

Appendix: Reconciliations

EBITDA, Adjusted EBITDA, & Adjusted EBITDA Margin

	Twelve Months Ended June 30							
(dollar amount in thousands)	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Net Income	$ 143,993	$24,042	$144,757	$257,414	$346,739	$385,762	$392,988	$414,525
Interest expense, net	40,188	36,535	30,592	26,263	21,639	2,831	612	7,938
Income tax expense	50,488	31,194	32,305	72,376	103,072	112,368	107,979	129,749
Depreciation and amortization of property	20,236	21,196	20,780	21,676	22,266	23,431	24,899	25,875
Amortization of intangibles	41,883	40,499	34,365	31,879	30,805	28,923	35,581	40,072
EBITDA	$296,788	$153,466	$262,799	$409,608	$524,521	$553,315	$562,059	$618,159
Goodwill & intangible impairment	$31,594	$131,000	$49,528					
Non-routine costs	$2,300	$8,992	$5,163					
Adjusted EBITDA	**$330,682**	**$293,458**	**$317,490**	**$409,608**	**$524,521**	**$553,315**	**$562,059**	**$618,159**
Sales	$3,472,739	$3,245,652	$3,235,919	$3,810,676	$4,412,794	$4,479,406	$4,563,424	$4,966,686
Adjusted EBITDA Margin	**9.5%**	**9.0%**	**9.8%**	**10.7%**	**11.9%**	**12.4%**	**12.3%**	**12.4%**

Adjusted Gross Margin

	Twelve Months Ended June 30							
(dollar amount in thousands)	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Net Sales	$3,472,739	$3,245,652	$3,235,919	$3,810,676	$4,412,794	$4,479,406	$4,563,424	$4,966,686
Gross Profit	$1,008,323	$937,736	$935,524	$1,106,916	$1,286,965	$1,336,653	$1,383,159	$1,506,785
Non-routine expense in cost of sales		$3,900	$7,369					
Adjusted Gross Profit	**$1,008,323**	**$941,636**	**$942,893**	**$1,106,916**	**$1,286,965**	**$1,336,653**	**$1,383,159**	**$1,506,785**
Adjusted Gross Margin	**29.0%**	**29.0%**	**29.1%**	**29.0%**	**29.2%**	**29.8%**	**30.3%**	**30.3%**

Appendix: Reconciliations

Free Cash Flow

(dollar amount in thousands)	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Cash provided by Operating Activities	$110,110	$157,007	$162,014	$164,619	$147,304	$180,601	$296,714	$241,697	$187,570	$343,966	$371,393	$492,385	$484,082
Capital Expenditures	(20,190)	(14,933)	(13,130)	(17,045)	(23,230)	(18,970)	(20,115)	(15,852)	(18,124)	(26,476)	(24,864)	(27,187)	(23,565)
Free Cash Flow	**$89,920**	**$142,074**	**$148,884**	**$147,574**	**$124,074**	**$161,631**	**$276,599**	**$225,845**	**$169,446**	**$317,490**	**$346,529**	**$465,198**	**$460,517**
3-Year Rolling Average Free Cash Flow			$126,959	$146,177	$140,177	$144,426	$187,435	$221,358	$223,963	$237,594	$277,822	$376,406	$424,081

Net Leverage Ratio

(dollar amount in thousands)	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26	Q1 FY27
Net Income	**$93,826**	**$91,228**	**$97,217**	**$103,491**	**$92,063**	**$93,290**	**$99,799**	**$107,836**	**$100,807**	**$95,349**	**$99,769**	**$118,600**	**$110,403**
Interest expense, net	1,320	1,917	265	(671)	(627)	(936)	853	1,322	993	942	2,447	3,556	3,087
Income tax expense	25,103	24,373	25,448	37,444	24,017	29,271	27,483	27,208	27,778	27,423	35,359	39,189	30,538
Depreciation and amortization	5,717	6,048	5,802	5,864	5,924	5,926	6,583	6,466	6,486	6,590	6,396	6,403	6,625
Amortization of intangibles	7,393	7,257	6,951	7,322	7,600	7,567	10,218	10,196	10,203	10,126	9,884	9,859	9,667
EBITDA	**$133,359**	**$130,823**	**$135,683**	**$153,450**	**$128,977**	**$135,118**	**$144,936**	**$153,028**	**$146,267**	**$140,430**	**$153,855**	**$177,607**	**$160,320**
Trailing 4-Quarter EBITDA	**$539,170**	**$544,492**	**$539,887**	**$553,315**	**$553,315**	**$553,228**	**$562,481**	**$562,059**	**$579,349**	**$584,661**	**$593,580**	**$618,159**	**$632,212**
Current portion of long-term debt	25,171	25,159	25,107	25,055	25,003	0	0	0	0	0	18,000	0	0
Long-term debt	596,883	571,854	571,862	572,279	572,288	572,300	572,300	572,300	572,300	572,300	347,300	262,300	282,300
Total Debt	$622,054	$597,013	$596,969	$597,334	$597,291	$572,300	$572,300	$572,300	$572,300	$572,300	$365,300	$262,300	$282,300
Cash	360,415	412,855	456,533	460,617	538,520	303,441	352,842	388,417	418,716	405,986	171,576	127,130	112,236
Net Debt	**$261,639**	**$184,158**	**$140,436**	**$136,717**	**$58,771**	**$268,859**	**$219,458**	**$183,883**	**$153,584**	**$166,314**	**$193,724**	**$135,170**	**$170,064**
Net Leverage Ratio	**0.5**	**0.3**	**0.3**	**0.2**	**0.1**	**0.5**	**0.4**	**0.3**	**0.3**	**0.3**	**0.3**	**0.2**	**0.3**