

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

$4.7B Revenue	$578M EBITDA	$10B Market Cap
+9M Accessible Products SKUs	6,800 Associates	600 Service Facilities

Headquartered in Cleveland, Ohio

Notes: 1) Revenue and EBITDA reflect proforma amounts based on fiscal year 2025 and including a full year of contribution from the Company's Hydradyne acquisition (closed 12/31/24)

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



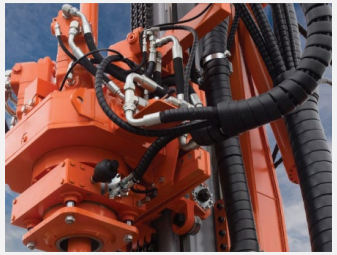
VMI / Vending

- 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



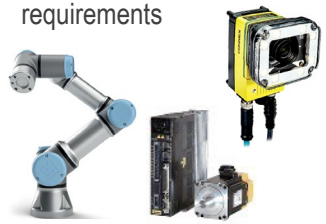
Service Centers

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



Automation Solutions

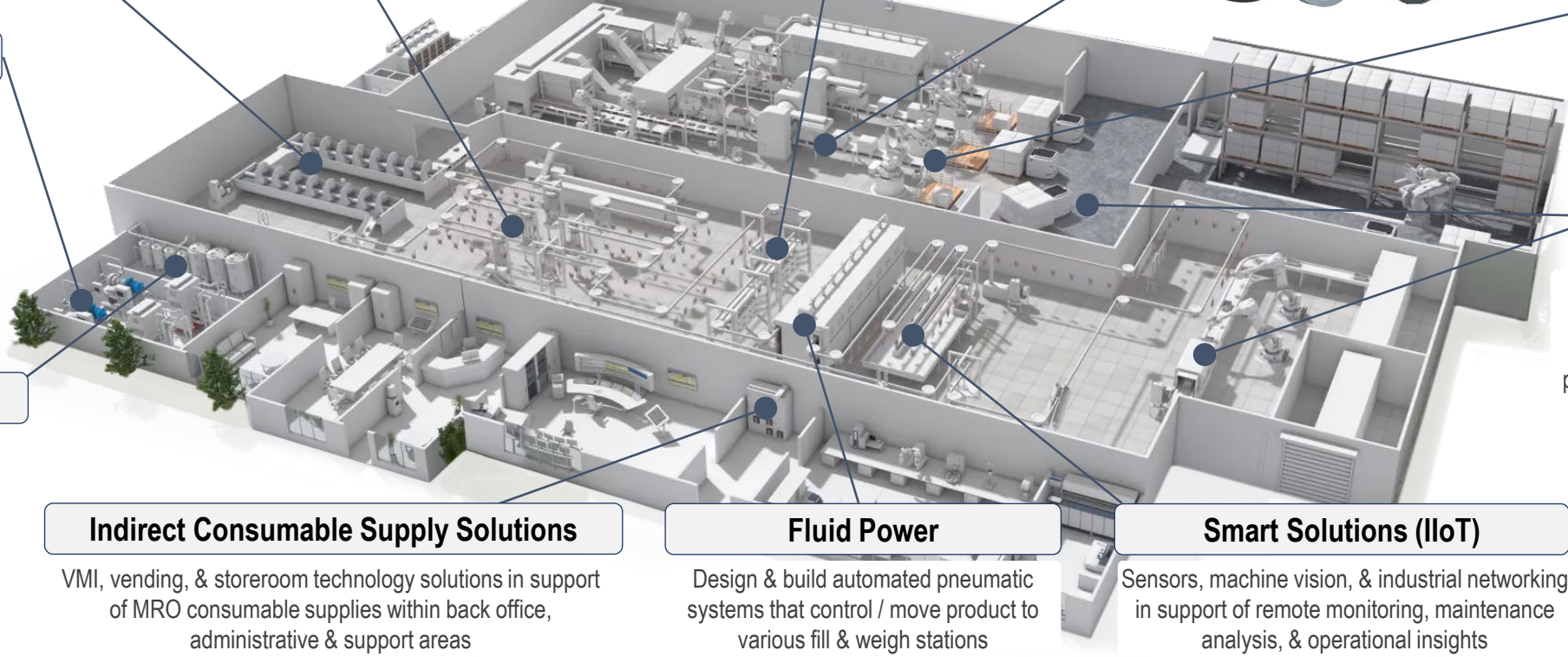
Collaborative robots, motion control, & machine vision for finishing, packaging, quality inspection, & other automation requirements



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

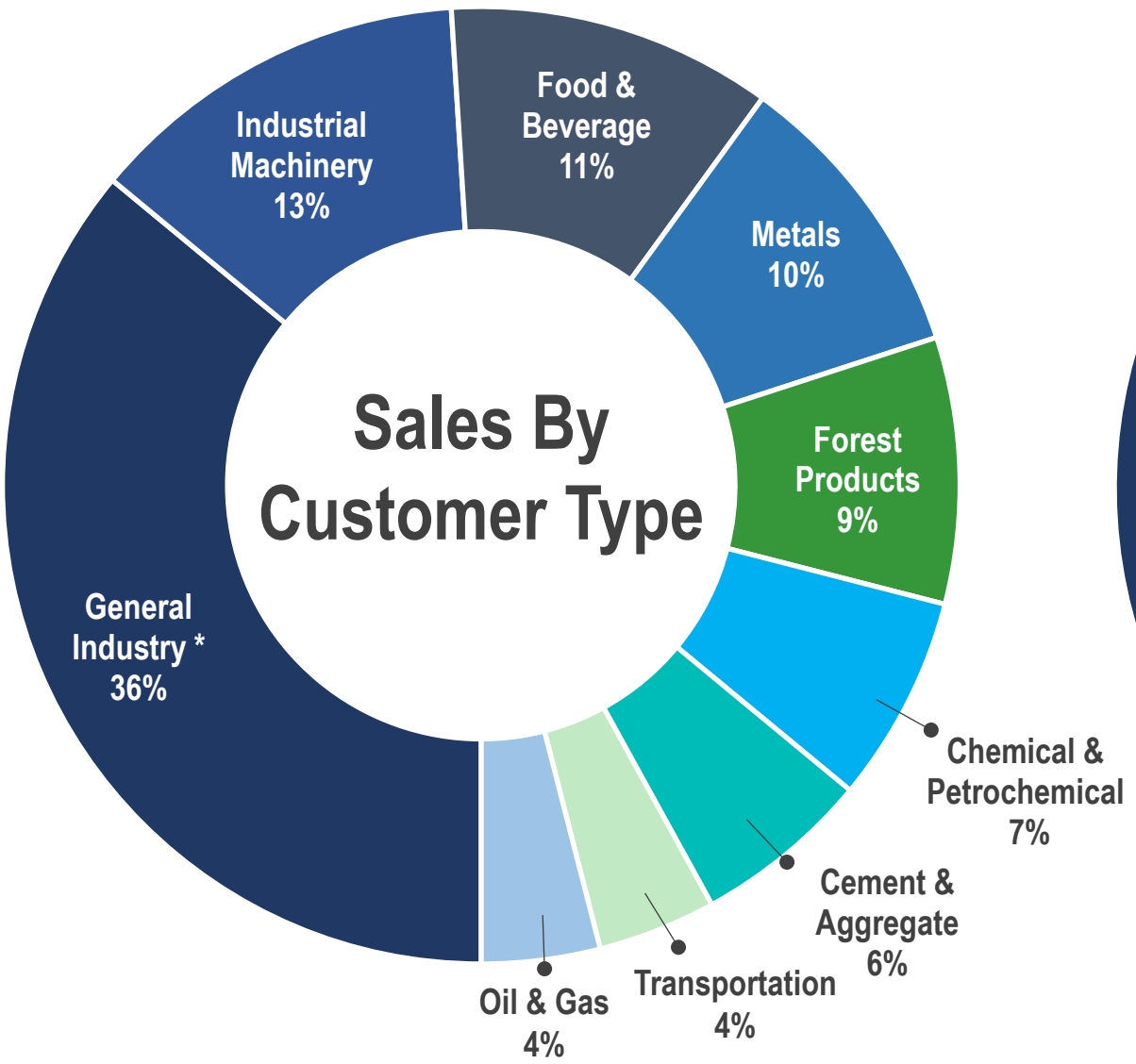


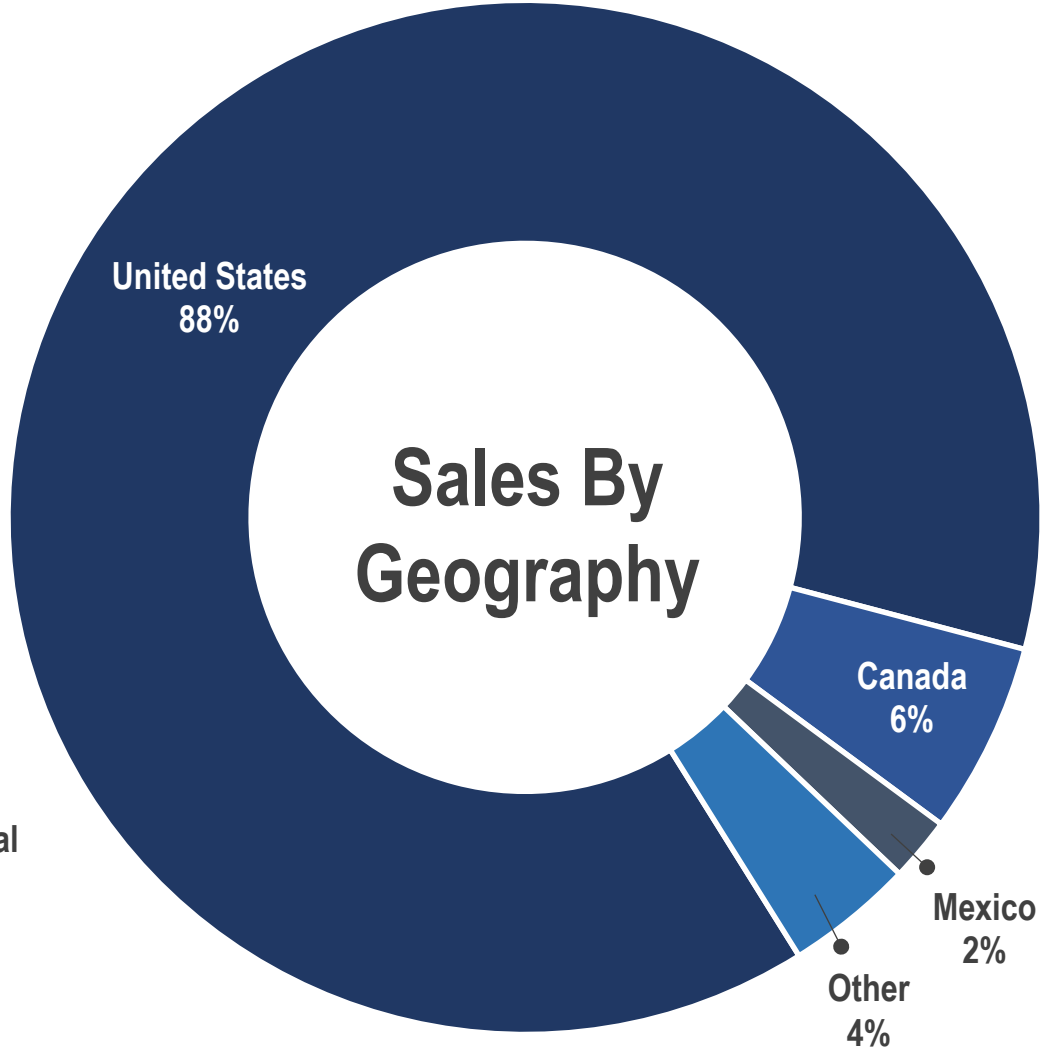
Primary Supplier Partners



Leading Manufacturers with World Class Brands Focused on Premier Industrial Solutions

Customer & Geographic Exposure





** General Industry includes all other industries representing 4% or less of sales; includes Utilities, Rubber & Plastics, Construction, areas of Technology, Agriculture, Automotive, and Life Sciences; Based on fiscal 2025 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

GUIDED BY CORE VALUES

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

Financial Targets

Mid Single-Digit Organic Growth
Gross Margin Expansion Through a Cycle
13%+ EBITDA Margin Target (12.3% in FY25)
Working Capital <= 20% of Sales

Acquisitions *(LSD* % growth contribution annually)*
Organic Capital Redeployment

Dividend Growth *(track normalized EPS growth)*
Share Buybacks *(Over $400M last five years)*

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

Double-Digit Earnings CAGR
Free Cash >100% of Net Income

SHAREHOLDER RETURNS

Note (*): LSD = Low Single-Digit

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

Key Growth & Operational Considerations

Our products & solutions are increasingly critical across the industrial supply chain…

- **Break / Fix Demand:** Structurally higher given greater production and capacity utilization on aged manufacturing infrastructure across North America.
- **Customer Outsourcing of Technical Needs:** Greater focus on addressing skilled labor constraints and needing qualified providers to support growth.
- **Industrial Facility Optimization:** Greater focus on plant floor optimization / automation and equipment maintenance to support supply-chain hardening.
- **Energy Efficiency:** More stringent facility and equipment standards to reduce energy consumption driving increased technical MRO needs and capex.
- **Manufacturing Reshoring:** Greater customer push to diversify production concentration and reduce risks inherent in long-distance supply chains.
- **Demand for Next Generation Industrial Solutions:** Evolving production strategies and re-prioritizing investments in automation and IIoT.
- **Industry Consolidation:** Acceleration of market share toward leading distributors given greater operational, supply chain, and capital requirements.

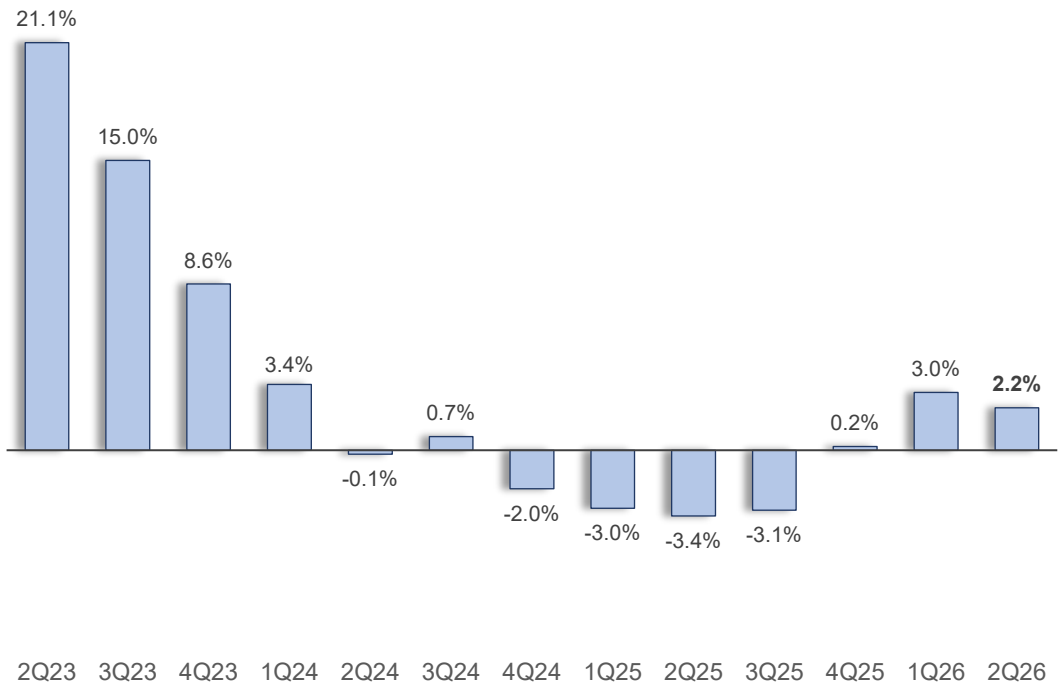
…while our operational platform and internal capabilities have never been stronger

- **Expanded & Enhanced Offerings:** Fluid Power, Flow Control, Automation, Shop Services, Consumables
- **Cross-Sell Opportunity:** Leveraging Legacy Service Center Network, Strategic & Expanded Solutions
- **Greater Technical Focus:** Expansion of Engineered Solutions, Technical Customer Support
- **Enhanced Systems & Processes:** Established ERP, Analytics, Sales Tools & Processes, HR / Talent
- **Operational Excellence:** Entrepreneurial Culture, Strong Learning Foundation, Shared Services Deployment
- **Enhanced Digital Platform:** Applied.com, EDI, PunchOut, Inside Sales Team

Organic Sales Growth Trend & Discussion Points – Q2 FY26

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

Fiscal Quarters



F2Q26 Sales Growth Detail

- Up 2.2% YoY on an organic basis vs. +3.0% YoY in F1Q26; F2Q26 impacted by muted Dec sales activity
- Dec sales below normal seasonality and negatively impacted F2Q26 reported YoY organic growth by ~200 bps
- Price contributed nearly 250 bps to sales growth; volumes unchanged YoY primarily reflecting seasonally weak Dec activity, as well as softer flow control and international sales
- 15 of top 30 industry verticals up YoY in F2Q26 compared to 16 during F1Q26*
- YoY growth strongest across metals, aggregates, mining, utilities & energy, machinery, transportation, and construction
- Offset by declines primarily in lumber & wood, chemicals, oil & gas, rubber & plastics, and refining

** Based on largest 30 industry verticals for fiscal 2025*
Note: Represents fiscal quarter

Operating Within a Mixed End-Market Demand Environment Near-Term Though Positive Growth Re-emerging

Other Investor Discussion Points – Q2 FY26

Investor Topic	Update & Details
Underlying Demand	End-market demand remains mixed given ongoing macro uncertainty and near-term seasonal factors though customer sentiment and demand indications continue to gradually improve
Price Contribution	Price contributed a nearly 250 bps to organic sales growth in F2Q26 reflecting ongoing supplier price increases; updated guidance assumes 210-230 bps of price contribution in FY26
LIFO Expense	$6.9M in F2Q26 ~$2M to $3M above expectations reflecting product inflation and inventory investment to support growth; updated guidance assumes $7M to $8M a quarter in F2H26
ES Segment Growth	Sales directionally in line with expectations in F2Q26 with stronger growth expected in F2H26; orders up over 10% YoY in F2Q26 with book-to-bill above 1x; organic sales up HSD YoY in Jan
Hydradyne Update	Generated over $30M of EBITDA in first 12 months of ownership with EBITDA margins at ~13% during F2Q26; favorably positioned in F2H26 as synergy and growth initiatives continue to unfold
F2H26 Outlook	Expect sales to remain choppy near term but maintain constructive posture given building backlog, heightened technical MRO requirements, pro-business policies, and capital deployment opportunities

Note: HSD = High Single-Digits

Fiscal 2026 Guidance

Fiscal 2026 Guidance

	Prior (10/28/25)			Current (1/27/26)		
Total Sales - YoY % chg	4%	-	7%	**5.5%**	-	**7.0%**
Organic Sales - YoY % chg	1%	-	4%	**2.5%**	-	**4.0%**
EBITDA Margin	12.2%	-	12.5%	**12.2%**	-	**12.4%**
Diluted EPS	$10.10	-	$10.85	**$10.45**	-	**$10.75**
Additional Assumptions:						
Depreciation & amortization expense	$66.0	-	$68.0	**$67.0**	-	**$68.0**
Interest & other expense	$5.0	-	$6.0	**$6.0**	-	**$7.0**
Effective tax rate	23.0%	-	24.0%	**~ 23%**		

Notes: 1) $ amount in millions except EPS
2) LSD = Low Single-Digits, MSD = Mid Single-Digits

Updated Considerations:

- LSD to MSD percent YoY organic sales increase in F2H26
- Assumes ongoing macro uncertainty and choppy sales trends near term; comparisons slightly more difficult in Feb & Mar vs. Jan
- 200 to 250 bps of YoY price contribution in F2H26
- $7M to $8M of LIFO expense per quarter in F2H26
- Includes lower share count assumption following F2Q26 buybacks
- Assumes higher net interest expense in F2H26 vs. F1H26 ($2.5M to $3.0M in 3Q and 4Q) reflecting the net impact from the maturity of our interest rate swap at the end of January
- Excludes contribution from future M&A and/or share repurchases
- F3Q26 assumptions:
  - Organic Sales: Up LSD to MSD YoY
  - Gross Margin: Down 10-30 bps sequentially
  - EBITDA Margin: 12.2% to 12.4%

Outlook Supported by Industry Position and Company-Specific Opportunities

Historical Financial Highlights

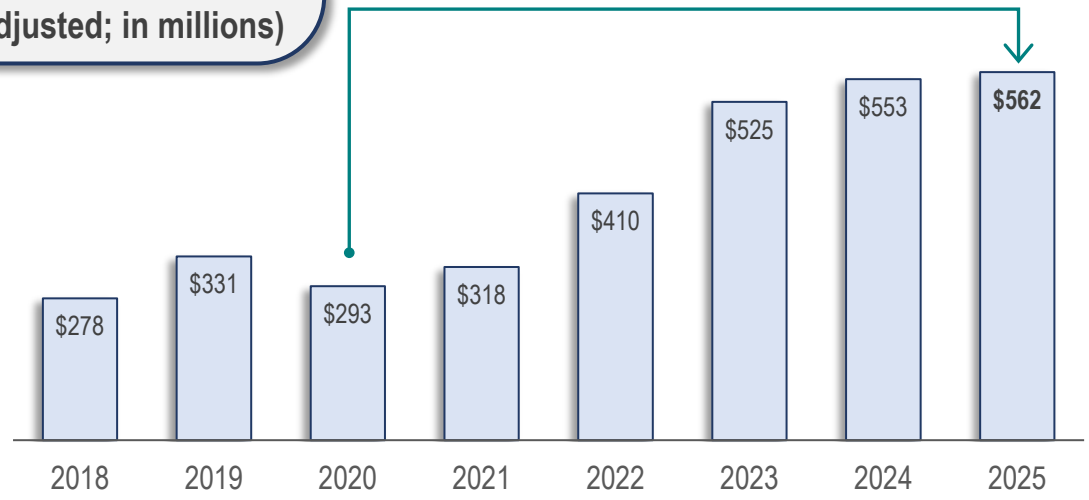
Net Sales (in billions)

7% Five-Year CAGR (2020-2025)



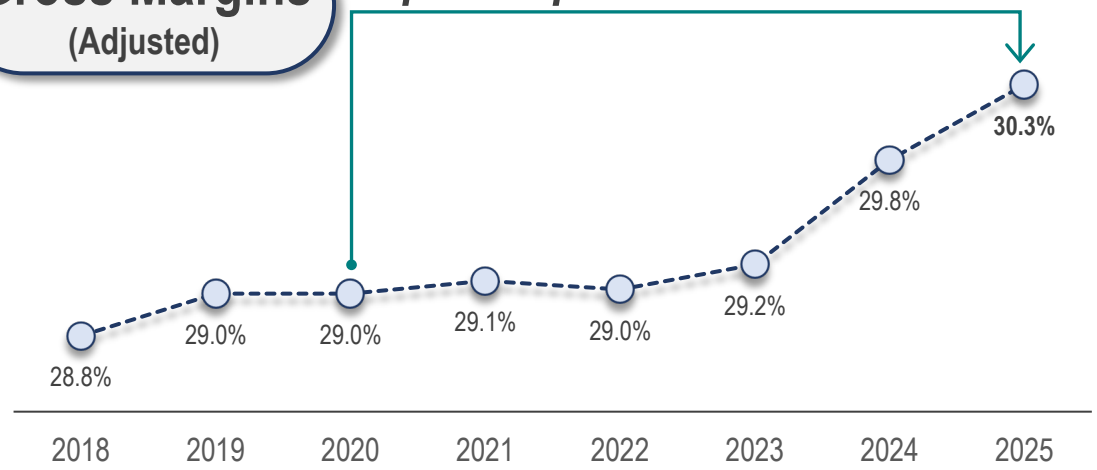
EBITDA (Adjusted; in millions)

14% Five-Year CAGR (2020-2025)



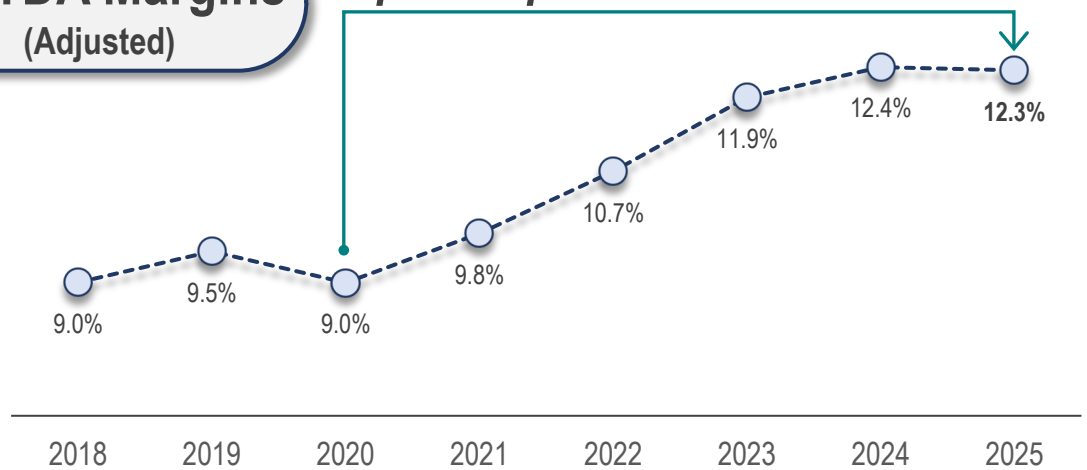
Gross Margins (Adjusted)

Up 130 bps Since 2020



EBITDA Margins (Adjusted)

Up 330 bps Since 2020

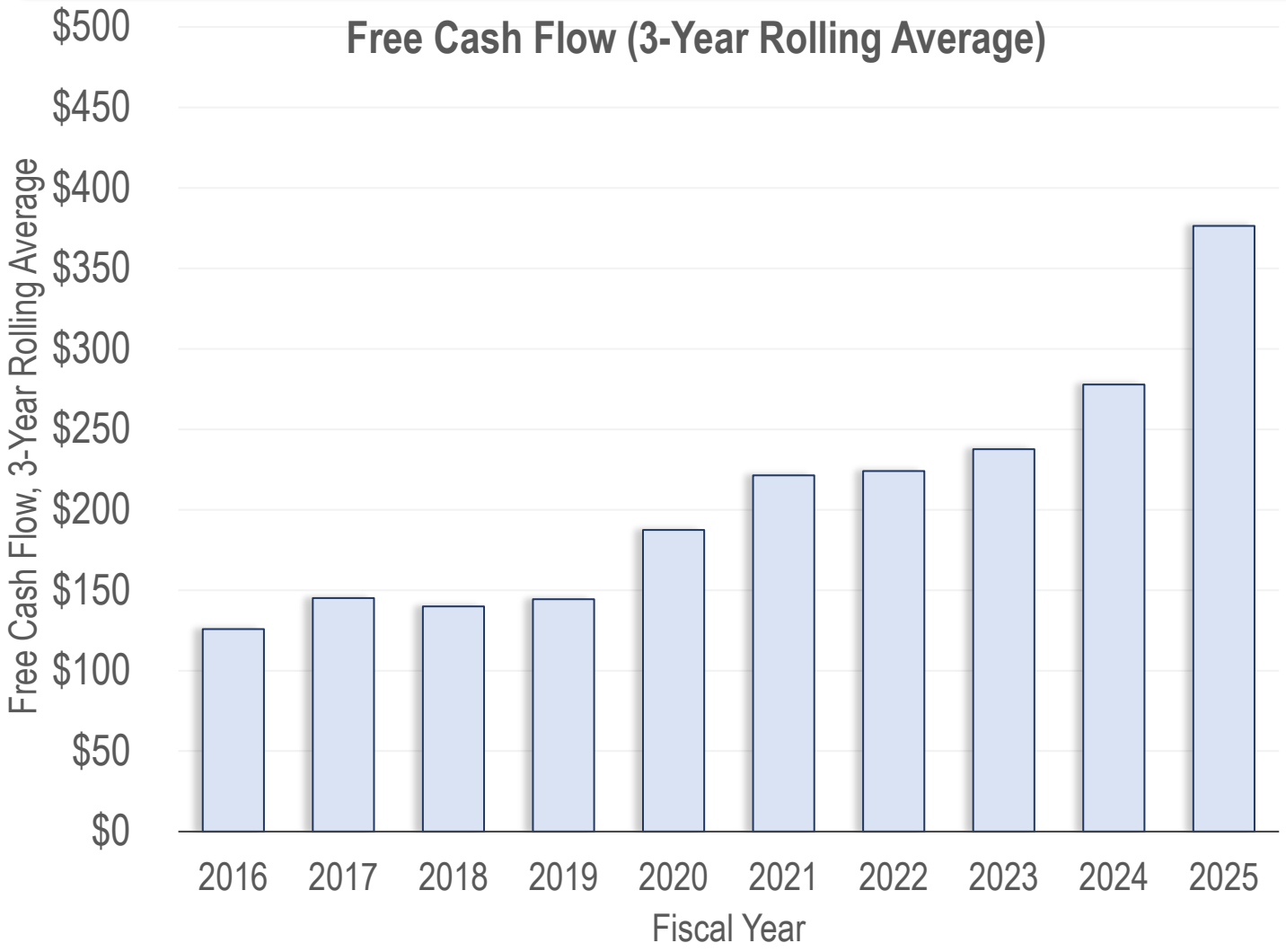


Note: Represents fiscal years ending June 30

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

Historical Free Cash Generation

Durable & Solid Cash Generation Through All Cycles



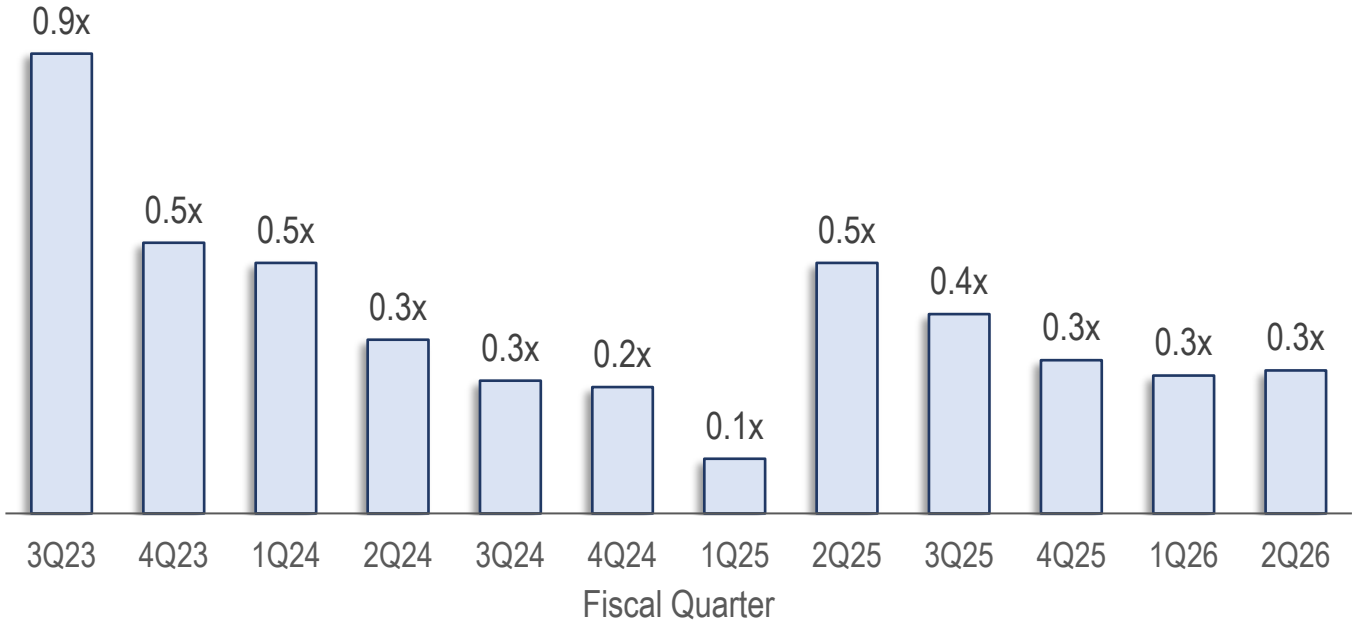
Strategic Initiatives Aligned to Drive Greater Cash Generation

- Average FCF Conversion of ~100% Past 5 Years
- Increased Scale & Margin Expansion Potential
  - Growth in higher margin areas of business
  - Intermediate sales target of $5.5B+
    - $4.6B in FY25
  - Intermediate EBITDA margin target of 13%+
    - 12.3% in FY25
- 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 December 31, 2025)

- Net leverage ratio at 0.3x
- $406M of cash on hand
- $440M+ 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*

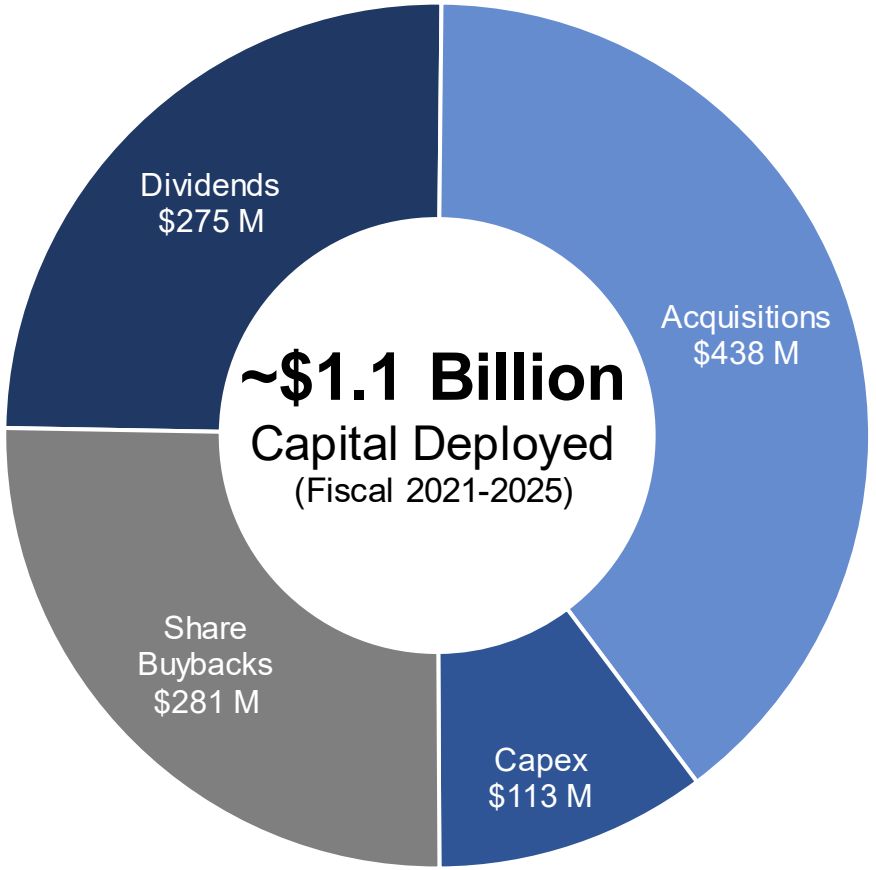
Debt Service — *Dependent on outstanding commitments, cycle dynamics & interest savings potential; comfortable with normalized net leverage of ~2x through a cycle*

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)



$562M of capital deployed in fiscal 2025 (including debt reduction)
$194M capital deployed in fiscal 2026 YTD

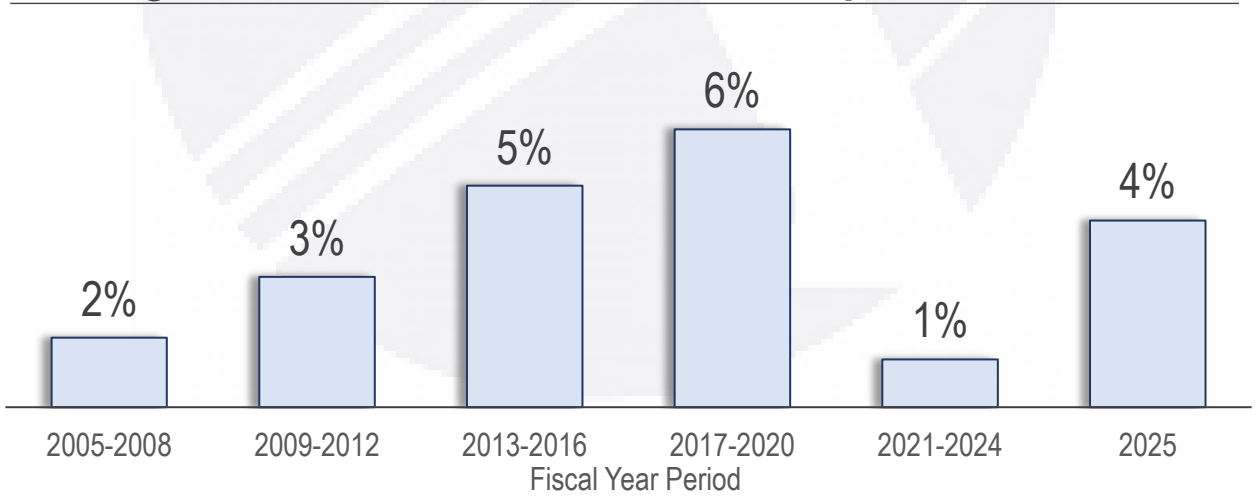
Disciplined Capital Allocation Strategy Focused on Enhancing Long-Term Earnings Growth & Shareholder Returns

Acquisitive Growth

Active Acquisition Pipeline Aligned with Long-term Growth Priorities…

- **Acquisitions Remain an Element of Growth Formula**
  - 54 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

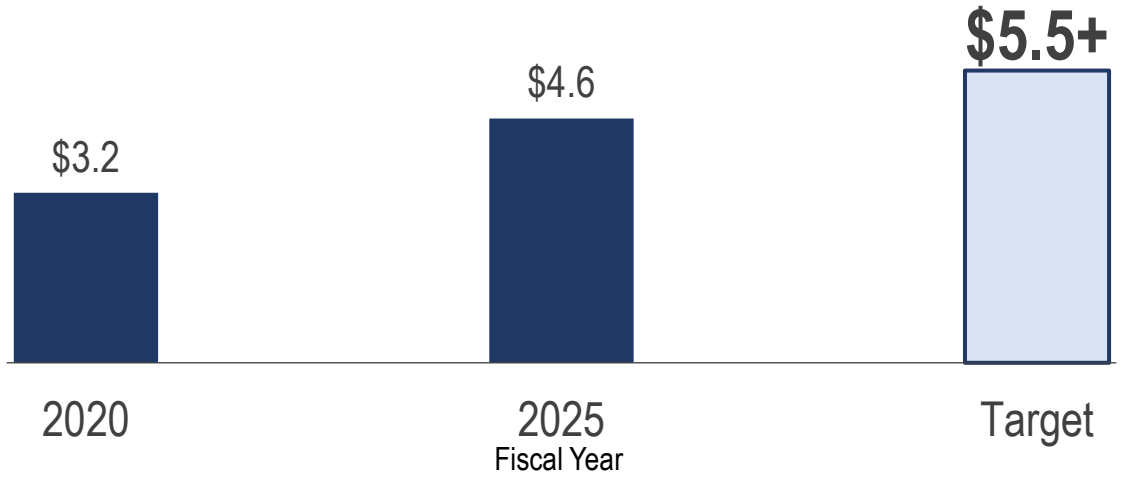
Focused on Expanding Current Offering While Further Enhancing Our Technical Differentiation & Value-Add Solution Capabilities

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

Disciplined Acquisition Strategy Focused on Supplementing Growth & Strengthening Industry Position

Intermediate Financial Objectives

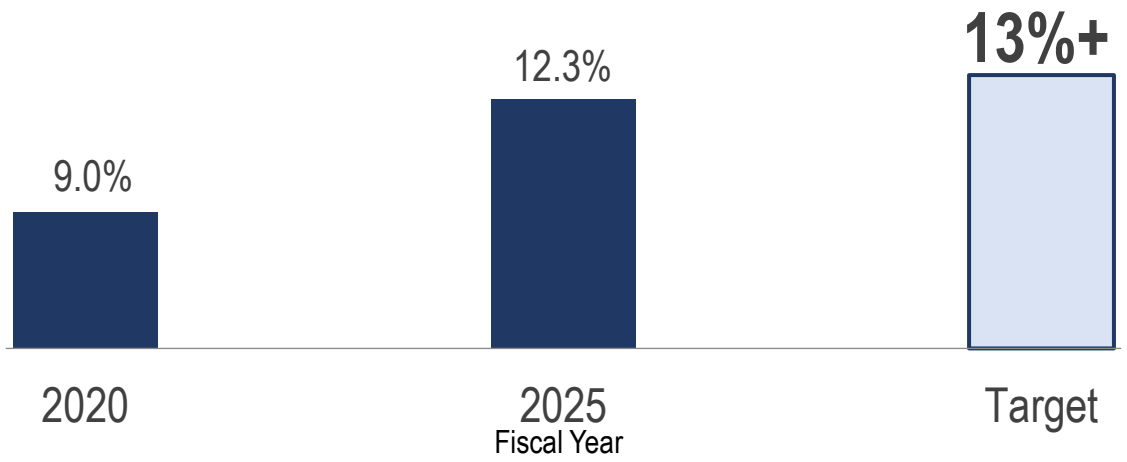
Net Sales – Grow to Over $5.5 Billion



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 Automation and Digital Offerings
- Low Single-Digit Annual Growth Contribution From Acquisitions
  - *Primary Focus on Automation, Flow Control, and Fluid Power*
- High Single-Digit Sales CAGR Over Horizon

EBITDA Margins – Expand to 13%+



Strategic Drivers & Considerations

- Mid to High-Teen Incremental Margins on Average Over Upcycle
- Leveraging of Systems Investments and Shared Services
- Ongoing Operational Excellence Initiatives
- History of Cost Discipline and Accountability
- Expansion of Higher Margin Products and Solutions
- Double-Digit EPS CAGR Over Horizon

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

Segment Overview

Service Center Based Distribution

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

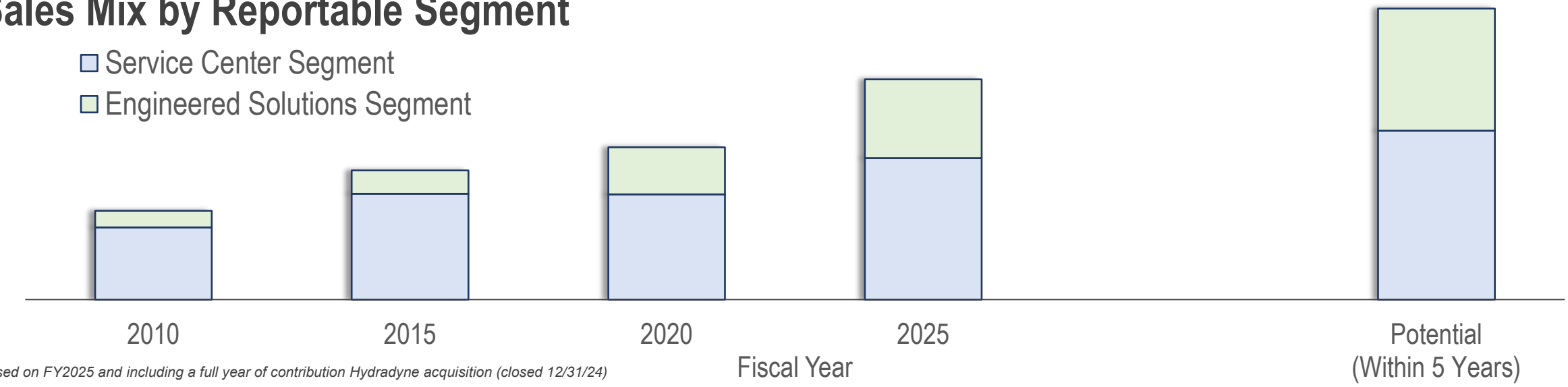
36% of sales(1)

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 FY2025 and including a full year of contribution Hydradyne acquisition (closed 12/31/24)

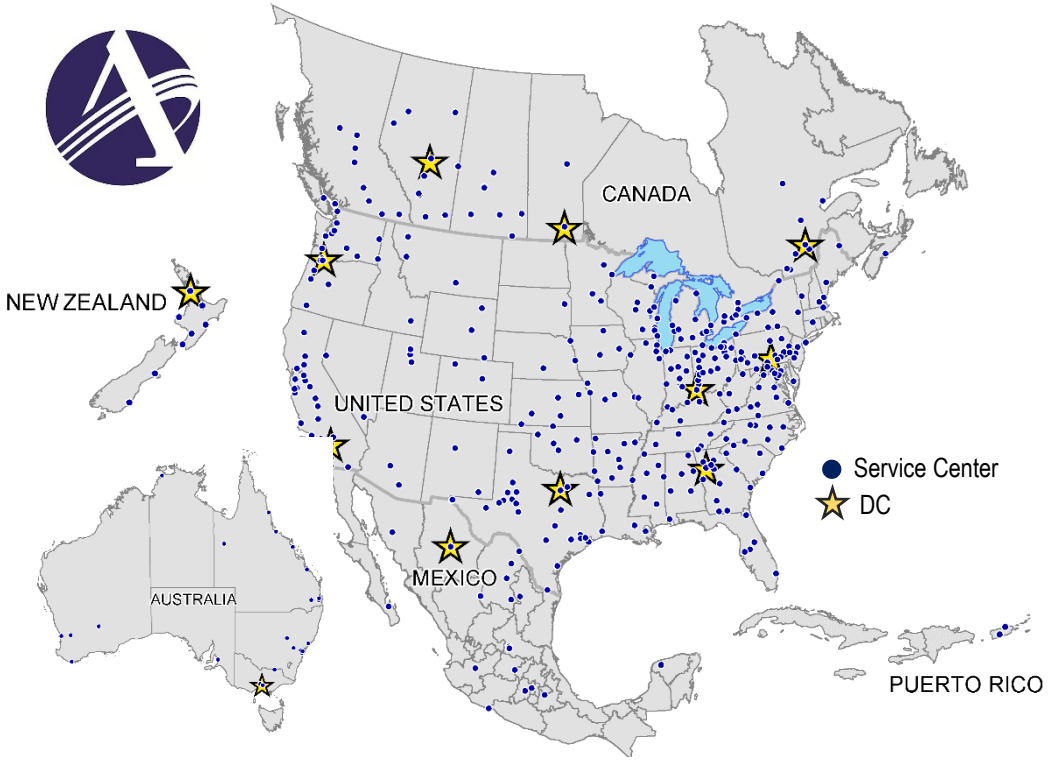
Legacy in Core Service Center Segment …Strategic Expansion Across Engineered Solutions Segment

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



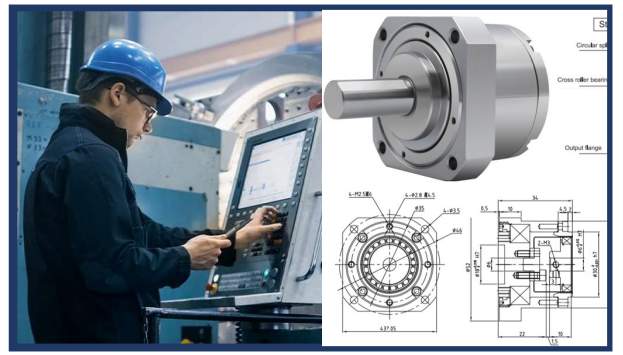
Applied Service Center & DC Locations



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

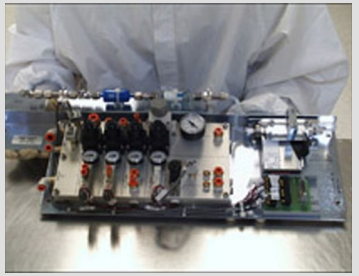
Markets / Applications:

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, data-center cooling

The Leading Provider of an Unmatched Industrial Power & Efficiency Solution

Key Applications & Market Focus

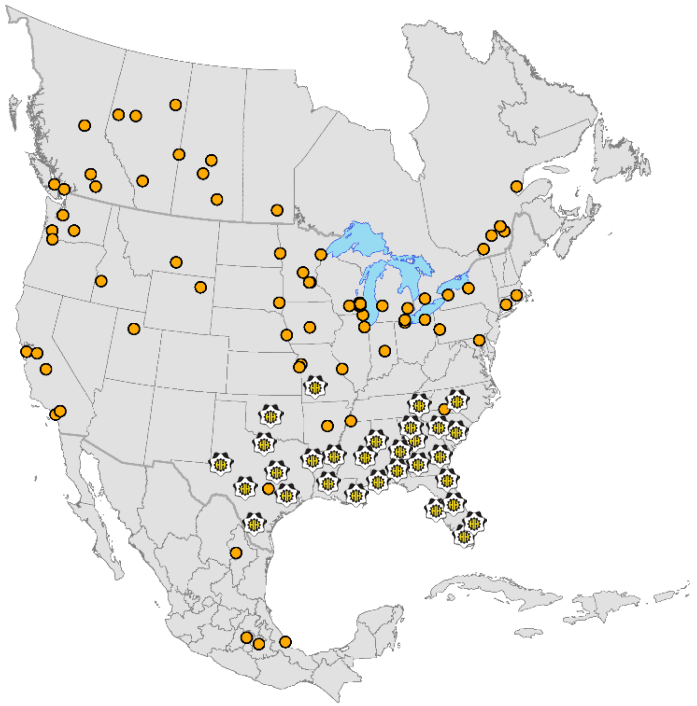
Mobile Equipment	Industrial Equipment	Technology Systems
		
		

Fluid Power Position & Value Proposition

APPLIED Industrial Technologies®

APPLIED Fluid Power™

Largest Fluid Power Distributor in North America

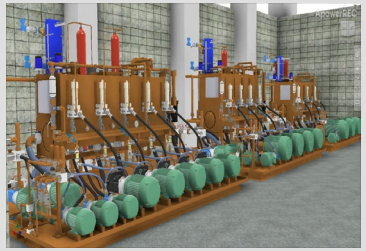


Legacy Applied Fluid Power Location

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: Largest flow control distributor 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



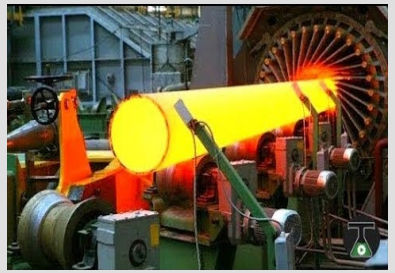
Life Sciences



Food & Beverage



Steel & Metals



Water/ Liquids Infrastructure



Solutions Critical to Process Movement Across the Industrial Sector

Flow Control Position & Value Proposition

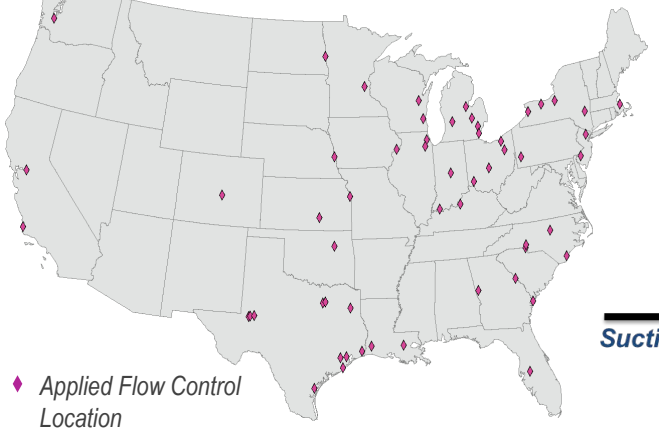
APPLIED Industrial Technologies®

Flow Control

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

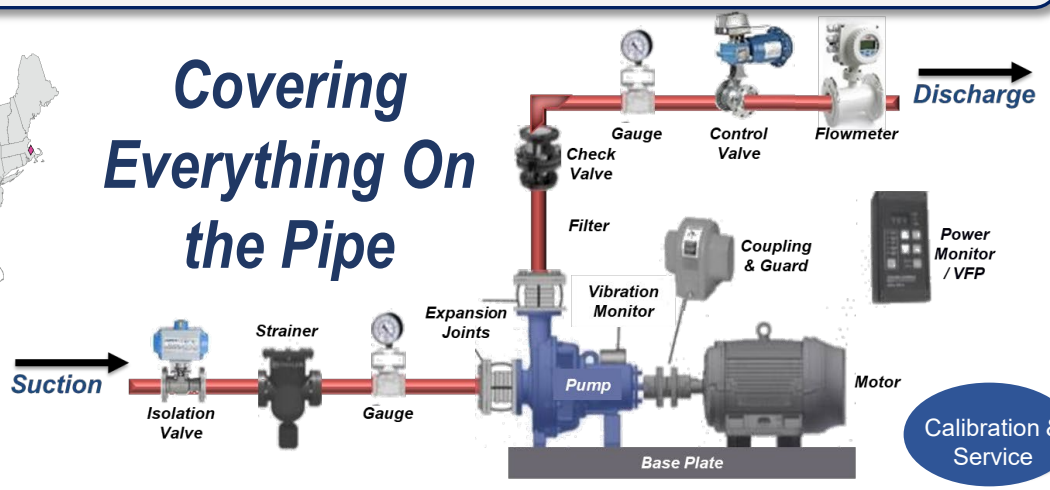
Growth and Strategy Considerations

- 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

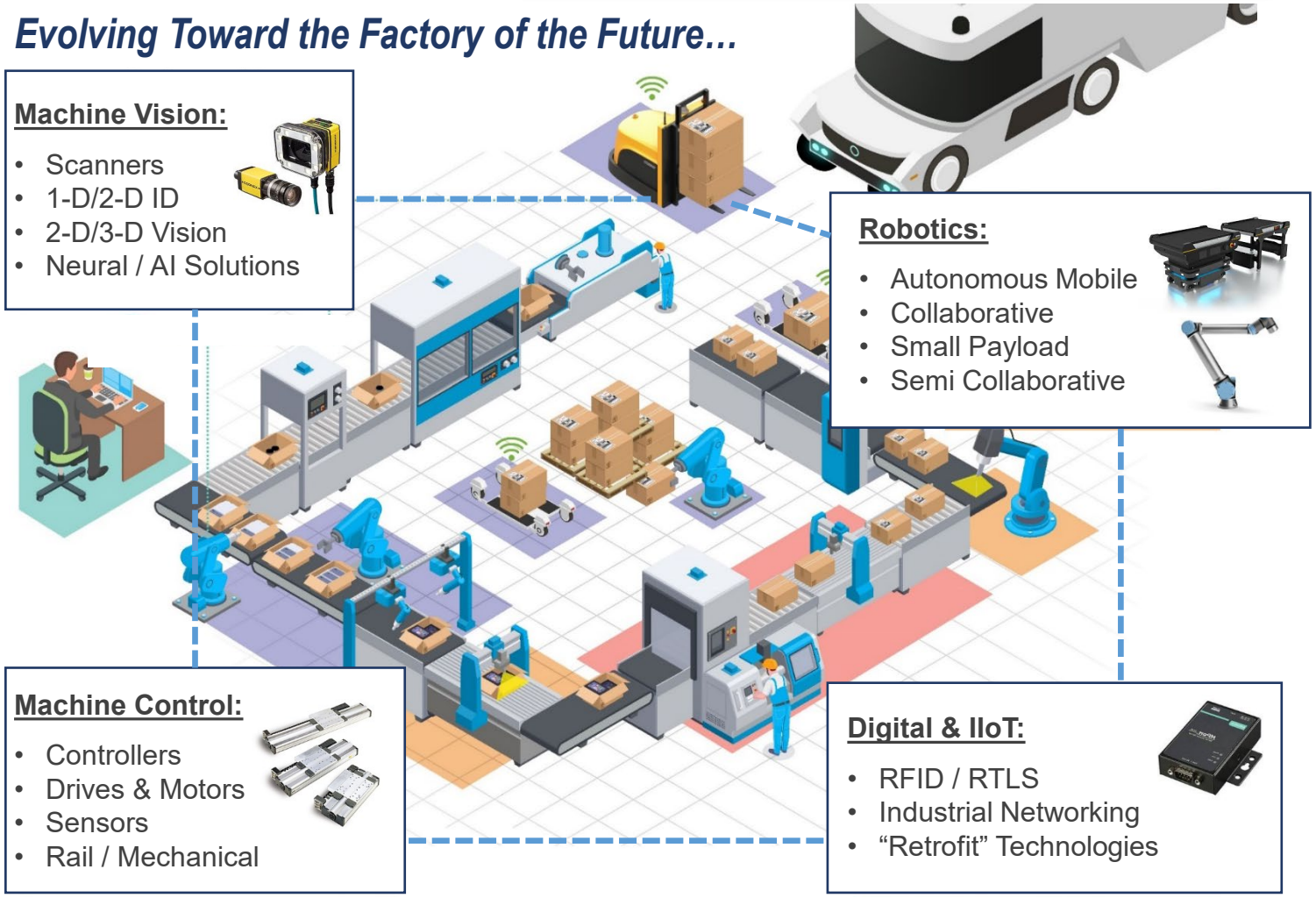
A Leading Provider of Next-Generation Automation Supplies & Solutions Focused on Machine Vision, Robotics, Control, & Digital Technologies

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

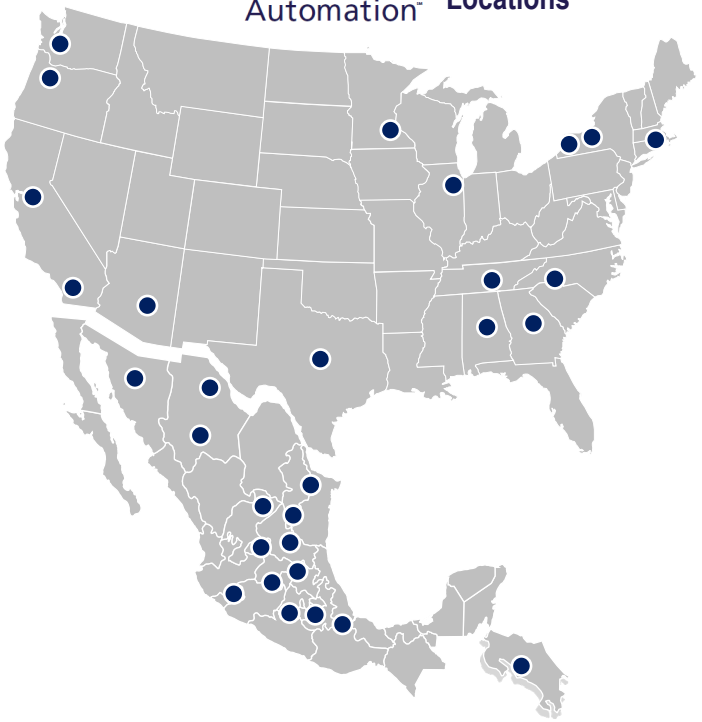
Footprint: 30 locations across the U.S. and Mexico with ~500 associates including ~250 degreed engineers

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 | Robotics | Industrial IoT

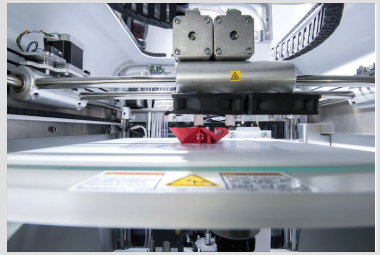
APPLIED Automation Operating Locations



Engineered Solutions



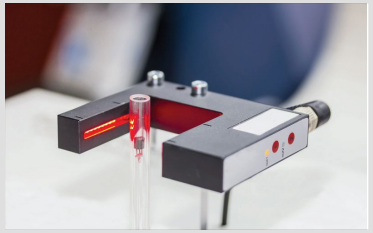
OEM Specification



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*



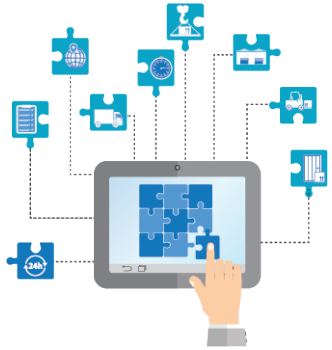
Core Values

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



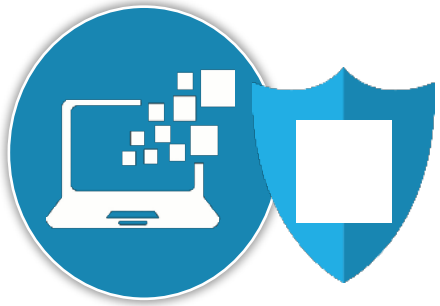
Corporate Governance

- 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

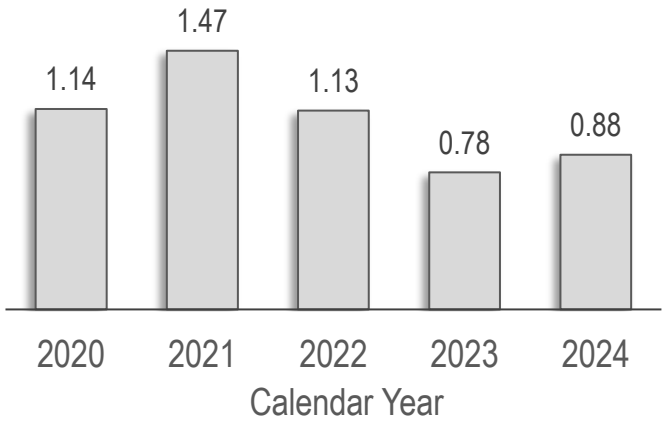
Safety & Sustainability Performance

- 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®*



Total Recordable Incident Rate (TRIR)

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



2025 Sustainability Highlights

Source: Applied's 2025 Sustainability Report

COMPLETED
OUR INAUGURAL DOUBLE MATERIALITY ASSESSMENT

HR PLATFORM
TRANSITION TO PUT THE INFORMATION EMPLOYEES NEED IN ONE EASY-TO-USE ONLINE PORTAL

ISO 14001
CERTIFICATION OBTAINED AND SCOPE OF LOCATIONS COVERED EXPANDED

"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

Elevating & Executing on Our Commitment to Corporate Social Responsibility

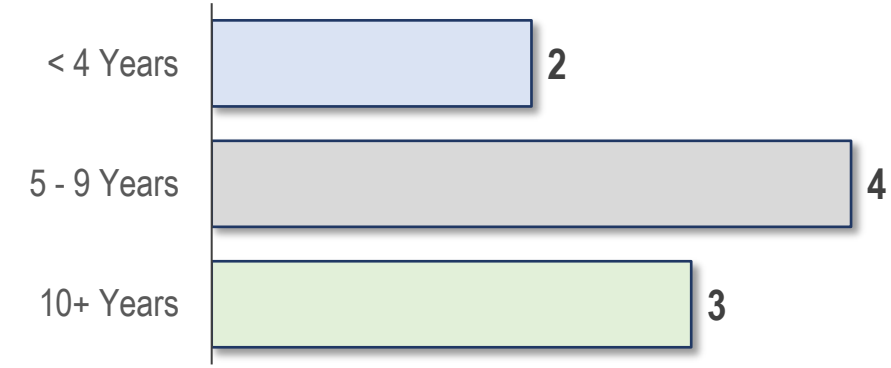
Corporate Governance

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:

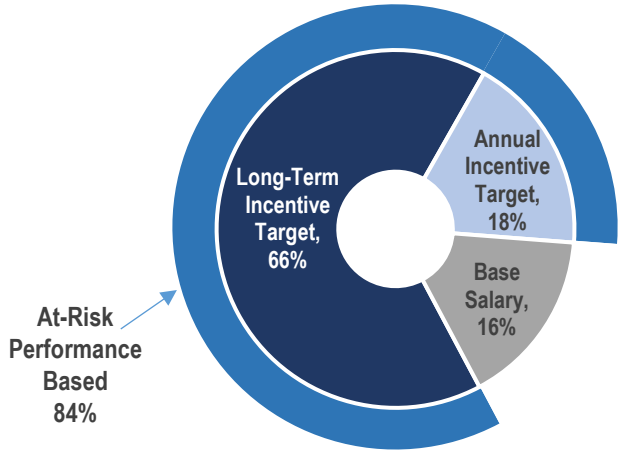
Based on Three-Year Performance Relative to Targets of:

- 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)	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Net Income	$141,625	$ 143,993	$24,042	$144,757	$257,414	$346,739	$385,762	$392,988
Interest expense, net	23,485	40,188	36,535	30,592	26,263	21,639	2,831	612
Income tax expense	63,093	50,488	31,194	32,305	72,376	103,072	112,368	107,979
Depreciation and amortization of property	17,798	20,236	21,196	20,780	21,676	22,266	23,431	24,899
Amortization of intangibles	32,065	41,883	40,499	34,365	31,879	30,805	28,923	35,581
EBITDA	$278,066	$296,788	$153,466	$262,799	$409,608	$524,521	$553,315	$562,059
Goodwill & intangible impairment		$31,594	$131,000	$49,528				
Non-routine costs	$6,123	$2,300	$8,992	$5,163				
Adjusted EBITDA	**$284,189**	**$330,682**	**$293,458**	**$317,490**	**$409,608**	**$524,521**	**$553,315**	**$562,059**
Sales	$3,073,274	$3,472,739	$3,245,652	$3,235,919	$3,810,676	$4,412,794	$4,479,406	$4,563,424
Adjusted EBITDA Margin	**9.2%**	**9.5%**	**9.0%**	**9.8%**	**10.7%**	**11.9%**	**12.4%**	**12.3%**

Adjusted Gross Margin

	Twelve Months Ended June 30							
(dollar amount in thousands)	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Net Sales	$3,073,274	$3,472,739	$3,245,652	$3,235,919	$3,810,676	$4,412,794	$4,479,406	$4,563,424
Gross Profit	$883,995	$1,008,323	$937,736	$935,524	$1,106,916	$1,286,965	$1,336,653	$1,383,159
Non-routine expense in cost of sales			$3,900	$7,369				
Adjusted Gross Profit	**$883,995**	**$1,008,323**	**$941,636**	**$942,893**	**$1,106,916**	**$1,286,965**	**$1,336,653**	**$1,383,159**
Adjusted Gross Margin	**28.8%**	**29.0%**	**29.0%**	**29.1%**	**29.0%**	**29.2%**	**29.8%**	**30.3%**

Appendix: Reconciliations

Free Cash Flow

(dollar amount in thousands)	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Cash provided by Operating Activities	$111,397	$110,110	$157,007	$162,014	$164,619	$147,304	$180,601	$296,714	$241,697	$187,570	$343,966	$371,393	$492,385
Capital Expenditures	(12,214)	(20,190)	(14,933)	(13,130)	(17,045)	(23,230)	(18,970)	(20,115)	(15,852)	(18,124)	(26,476)	(24,864)	(27,187)
Free Cash Flow	**$99,183**	**$89,920**	**$142,074**	**$148,884**	**$147,574**	**$124,074**	**$161,631**	**$276,599**	**$225,845**	**$169,446**	**$317,490**	**$346,529**	**$465,198**
3-Year Rolling Average Free Cash Flow		$94,552	$110,392	$126,959	$146,177	$140,177	$144,426	$187,435	$221,358	$223,963	$237,594	$277,822	$376,406

Net Leverage Ratio

(dollar amount in thousands)	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26
Net Income	**$80,457**	**$97,187**	**$92,215**	**$93,826**	**$91,228**	**$97,217**	**$103,491**	**$92,063**	**$93,290**	**$99,799**	**$107,836**	**$100,807**	**$95,349**
Interest expense, net	6,185	4,773	4,201	1,320	1,917	265	(671)	(627)	(936)	853	1,322	993	942
Income tax expense	25,493	25,093	30,322	25,103	24,373	25,448	37,444	24,017	29,271	27,483	27,208	27,778	27,423
Depreciation and amortization	5,552	5,565	5,668	5,717	6,048	5,802	5,864	5,924	5,926	6,583	6,466	6,486	6,590
Amortization of intangibles	7,814	7,670	7,616	7,393	7,257	6,951	7,322	7,600	7,567	10,218	10,196	10,203	10,126
EBITDA	**$125,501**	**$140,288**	**$140,022**	**$133,359**	**$130,823**	**$135,683**	**$153,450**	**$128,977**	**$135,118**	**$144,936**	**$153,028**	**$146,267**	**$140,430**
Trailing 4-Quarter EBITDA	**$472,779**	**$504,450**	**$524,521**	**$539,170**	**$544,492**	**$539,887**	**$553,315**	**$553,315**	**$553,228**	**$562,481**	**$562,059**	**$579,349**	**$584,661**
Current portion of long-term debt	25,189	25,196	25,170	25,171	25,159	25,107	25,055	25,003	0	0	0	0	0
Long-term debt	624,052	597,006	596,926	596,883	571,854	571,862	572,279	572,288	572,300	572,300	572,300	572,300	572,300
Total Debt	$649,241	$622,202	$622,096	$622,054	$597,013	$596,969	$597,334	$597,291	$572,300	$572,300	$572,300	$572,300	$572,300
Cash	165,538	182,127	344,036	360,415	412,855	456,533	460,617	538,520	303,441	352,842	388,417	418,716	405,986
Net Debt	**$483,703**	**$440,075**	**$278,060**	**$261,639**	**$184,158**	**$140,436**	**$136,717**	**$58,771**	**$268,859**	**$219,458**	**$183,883**	**$153,584**	**$166,314**
Net Leverage Ratio	**1.0**	**0.9**	**0.5**	**0.5**	**0.3**	**0.3**	**0.2**	**0.1**	**0.5**	**0.4**	**0.3**	**0.3**	**0.3**