Fiscal Q4 2026 Recap

August 13, 2026

- The Premier Provider of Advanced Motion, Power, Control, & Automation Solutions to Critical Industrial Infrastructure -

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 (Earnings Before Interest, Taxes, Depreciation, and Amortization); 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.

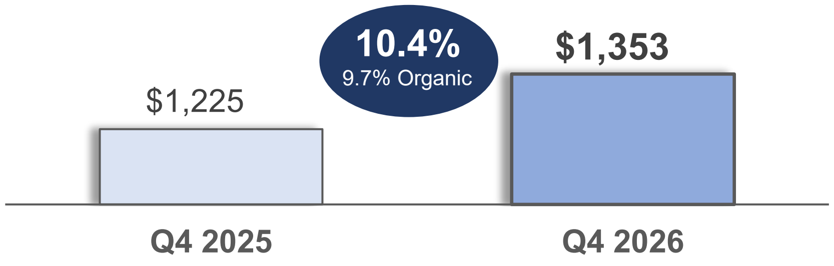
Primary Messages from Management

- **Finished FY26 on a high note with accelerating sales growth and steady margin performance** driving mid-teens F4Q26 earnings growth, further highlighting our favorable industry position and ongoing execution.
- **Organic sales growth of 10% was the strongest in three years and exceeded guidance,** reflecting ongoing traction with internal sales initiatives within an increasingly favorable end-market backdrop.
- **Demand strengthened across both segments during the quarter** with notable growth across the ES segment (organic sales +13% YoY) driven by stronger automation, fluid power, and technology vertical contribution.
- **F4Q26 EBITDA margins expanded 64 bps YoY to over 13% and exceeded guidance** reflecting solid operating leverage on stronger top-line results, steady gross margin performance, and effective cost management.
- **Enter FY27 with solid growth and operational momentum;** end-market backdrop appears durable near term and balance sheet supports M&A pipeline; initial guidance incorporates macro and trade policy uncertainty.
- **Raising intermediate financial targets to $7B in sales and 14% EBITDA margins** following recent performance and to reflect favorable outlook and opportunity moving forward; expect to achieve over the next five years.

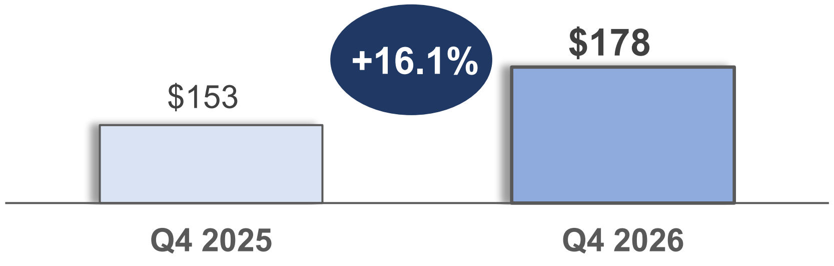
Fiscal Q4 2026 Key Financial Highlights

- **Sales up 10.4% YoY**
  - Up 9.7% on an organic basis; acquisitions +0.3%, currency +0.4%
- **Net Income of $118.6M and EPS of $3.17**
  - EPS up 13.2% YoY
  - Includes $6.4M pre-tax ($0.13/sh) of LIFO expense
  - Unfavorable YoY impact from interest expense and a higher tax rate, partially offset by a lower diluted share count
- **Gross margin 30.4%, down 20 bps vs. prior year**
  - Includes a 26 bps YoY headwind from higher LIFO expense
- **SD&A expense of $251.9M, up 5.1% vs. prior year**
  - 18.6% of sales vs. prior year of 19.6%
  - Up 4.3% YoY on an organic, constant currency basis
- **EBITDA of $177.6M, up 16.1% vs. prior year of $153.0M**
  - EBITDA margin of 13.1% up 64 bps YoY
  - Includes a 26 bps YoY headwind from higher LIFO expense
- **Operating cash of $165.0M; free cash of $159.7M**
  - Free cash up 15.6% YoY and 134.7% of net income

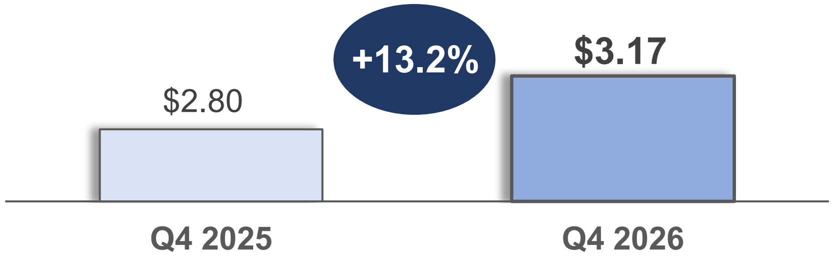
***Sales**, $ in millions*



***EBITDA**, $ in millions*



Earnings Per Share



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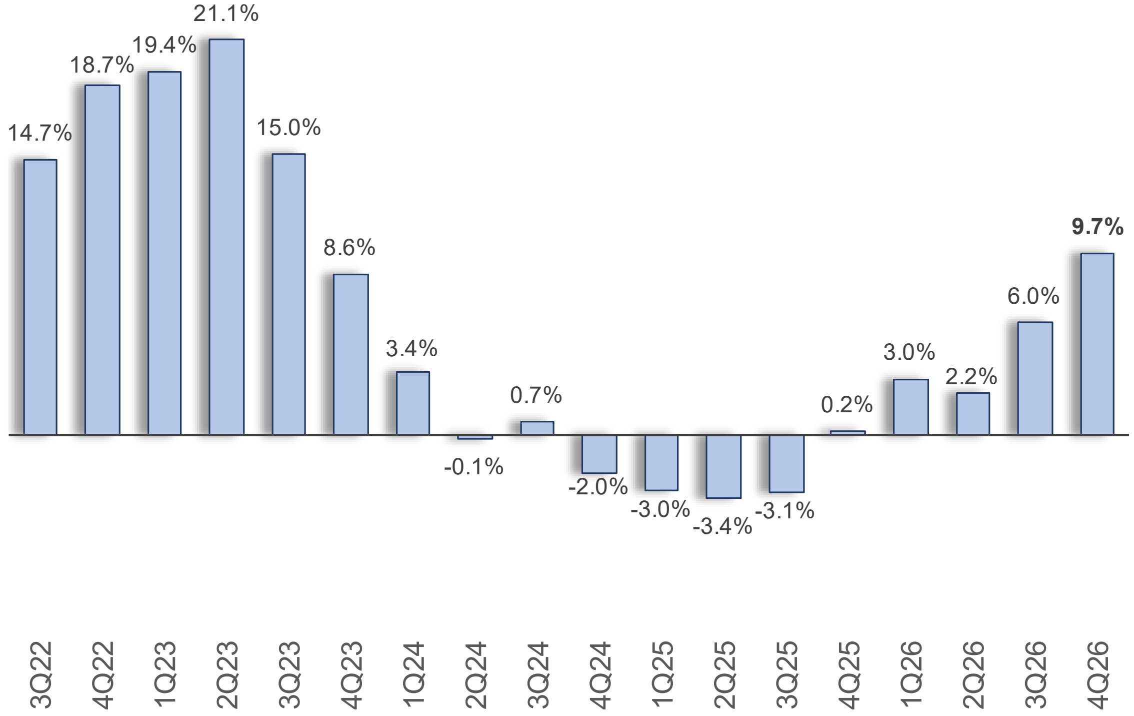
Organic Sales Growth Trend

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

Fiscal Quarters



F4Q26 Sales Growth Detail

- Up 9.7% YoY on an organic basis vs. +6.0% in F3Q26 and exceeding F4Q26 guidance of +4.0% to +5.5%
- 2-Yr STACK trend improved ~700 bps sequentially vs. F3Q26
- Average organic daily sales increased ~7% sequentially vs. F3Q26, ahead of normal seasonal patterns
- Price contributed an estimated 250 bps to YoY growth; volumes up an estimated 7% YoY organically vs. +3.5% in F3Q26
- 20 of top 30 industry verticals* up YoY in F4Q26 compared to 17 during F3Q26
- YoY growth strongest across metals, technology, utilities & energy, machinery, aggregates, rubber & plastics, and pulp & paper
- Offset by declines primarily in chemicals, lumber & wood, and transportation

** Based on largest 30 industry verticals for fiscal 2025*

Investor Discussion Points

Investor Topic	Update & Details
Underlying Demand	Recovery broadening and supported by elevated technical MRO requirements and structural capital spending tailwinds; stronger local account growth a positive sign for underlying industrial activity
Pricing / Inflation	Price contributed ~250 bps YoY in F4Q26; supplier price increases continue but at more normalized level; evolving tariff backdrop and ongoing inflationary headwinds remain watch items entering FY27
ES Segment Growth	Solid automation growth, tech vertical strength, and improving industrial / mobile OEM demand key drivers in F4Q26; segment order growth and business funnel activity remains encouraging
Incremental Margins	F4Q26 incremental EBITDA margin of over 19% (ex LIFO 22%) exceeded expectations on steady gross margin performance and operating leverage reading through on stronger top-line
Hydradyne Update	Solid progress through the first 18 months of ownership; contribution building with improving growth and ongoing synergy benefits; sales up by a DD% and EBITDA margins +200 bps YoY in F2H26
FY27 Outlook	Mindful of evolving geopolitical, trade, and inflationary dynamics, as well as more difficult 2H comparisons, but constructive on set-up with sales trends remaining positive into early F1Q27 combined with ongoing tailwinds from industry position and internal initiatives

Note: DD = Double Digits

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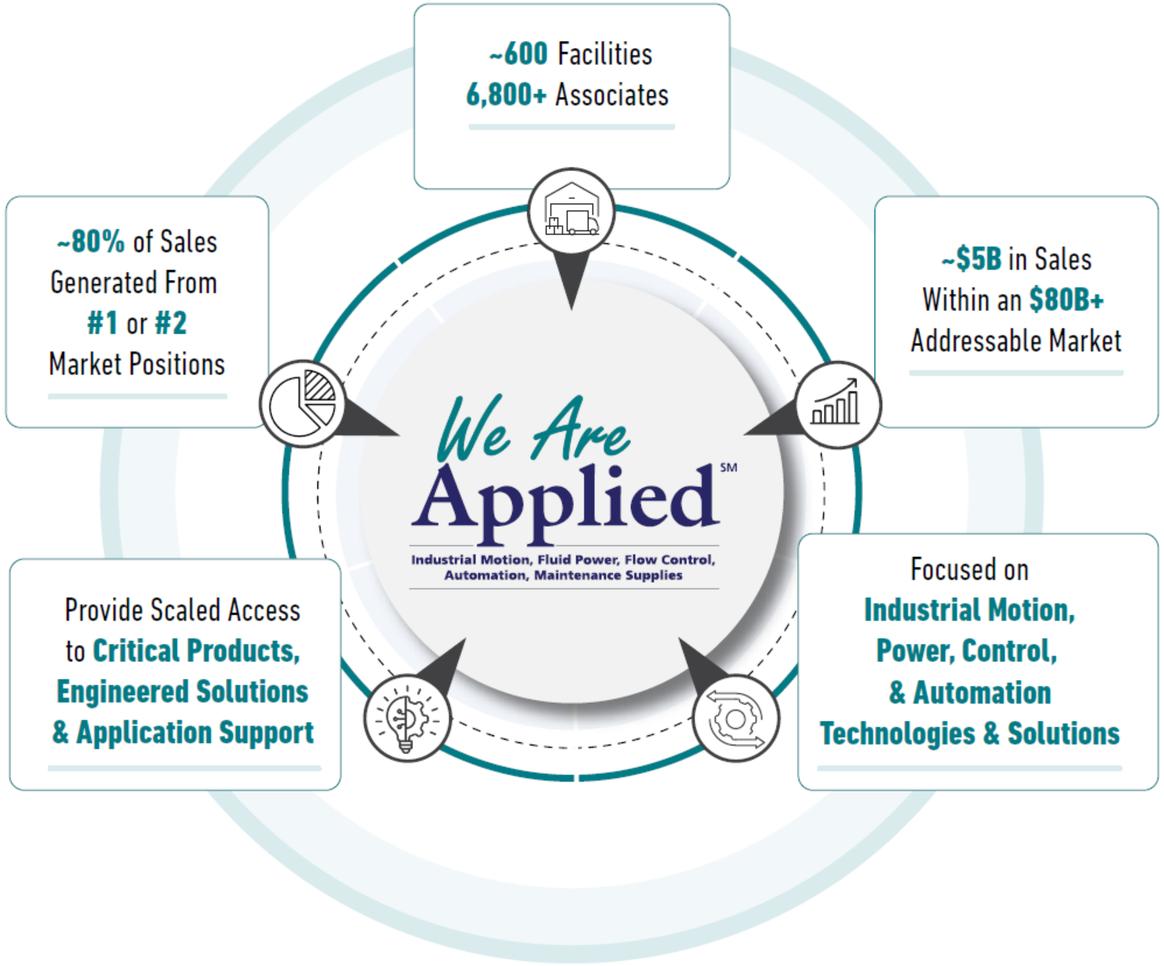
Applied Industry Position and Growth Considerations

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 F4Q26
- 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

Fiscal Q4 2026 Margin and Expense Highlights

Gross Profit, SD&A, and EBITDA Metrics

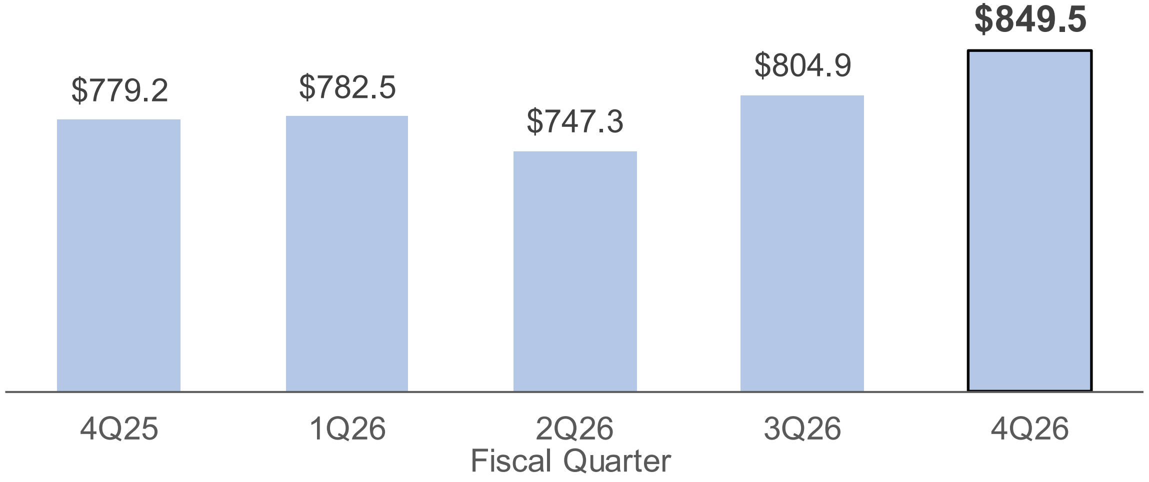
$ in millions	**Q4 26**	**Q4 25**	**Chg YoY**	***LIFO Impact YoY***
Gross Profit	**$411.2**	$374.7	9.7%	*(0.9%)*
Gross Margin	**30.4%**	30.6%	(20) bps	*(26) bps*
SD&A Expense	**$251.9**	$239.7	5.1%	
% of Sales	**18.6%**	19.6%	94 bps	
EBITDA	**$177.6**	$153.0	16.1%	*(2.3%)*
EBITDA Margin	**13.1%**	12.5%	64 bps	*(26) bps*
Memo: LIFO Expense	**$6.4**	$2.9		

- **Gross margin down 20 bps YoY**
  - Includes an unfavorable 26 bps YoY impact from higher LIFO expense
  - Up modestly YoY excluding LIFO impact as solid channel execution, pricing actions, and internal initiatives providing support within an ongoing inflationary environment
- **SD&A expense up 5.1% YoY**
  - Up 4.3% on an organic, constant currency basis
  - Excluding depreciation & amortization, SD&A expense at 17.4% of sales vs. 18.1% in F3Q26 and 18.2% in F4Q25
  - Inflationary headwinds, higher employee-related costs, and growth investments balanced by cost controls and productivity initiatives
- **EBITDA margin of 13.1% up 64 bps YoY**
  - Includes an unfavorable 26 bps YoY impact from LIFO expense
  - Above F4Q26 guidance of 12.6% to 12.8%

Segment Results – Service Center

<u>Segment Overview</u>: *Representing 64% of fiscal 2026 sales - the segment includes our core distribution operations including ~400 local service centers across North America, Australia, and New Zealand, primarily focused on our technical bearings, power transmission, and fluid power MRO product and solution offerings, as well as other industrial supplies for scheduled maintenance and repairs of customers' machinery, equipment, and facilities*

Service Center Segment Sales, in Millions



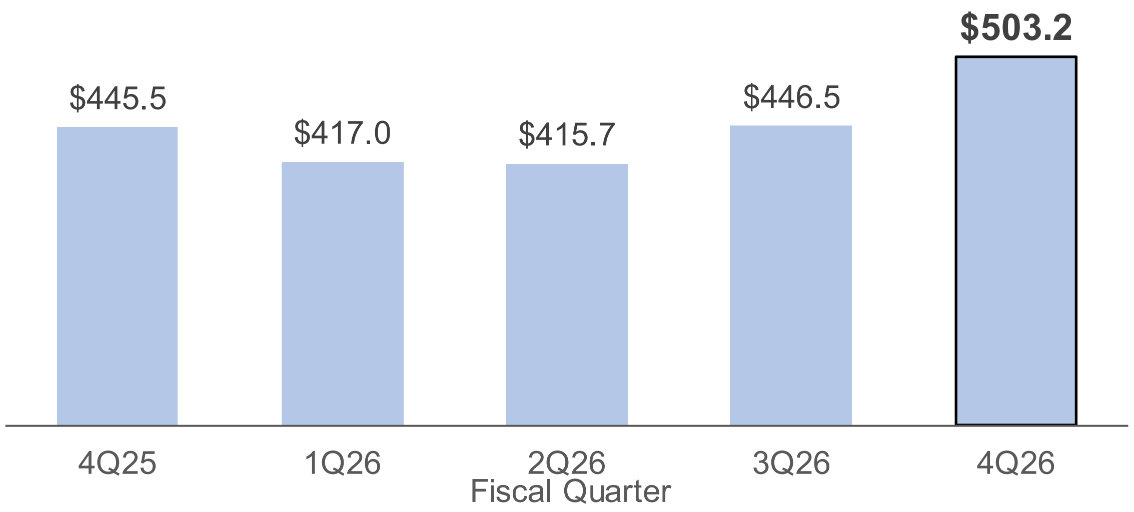
- **Sales up 9.0% YoY in F4Q26**
  - Organic + 7.9%
  - Acquisitions + 0.5%
  - Currency + 0.6%

- Stronger organic growth primarily driven by improving end-market demand and internal sales initiatives in the U.S., as well as positive YoY growth in sales outside the U.S.
- U.S. organic sales up 9% YoY reflecting increased technical MRO demand with notable growth across metals, rubber & plastics, pulp & paper, and utilities & energy markets, combined with benefits from internal initiatives
- Segment EBITDA of $123.6M in F4Q26 up 16.3% YoY and EBITDA margin of 14.5% up 91 bps YoY, reflecting solid operating leverage on stronger sales growth, steady margin performance, and effective cost management

Segment Results – Engineered Solutions

Segment Overview: *Representing 36% of fiscal 2026 sales - the segment consists of 1) our Fluid Power network specializing in distributing, engineering, designing, integrating, and repairing hydraulic and pneumatic technologies and related systems across off-highway mobile, industrial, and technology verticals, 2) our specialty flow control products and engineered solutions supporting mission-critical process infrastructure, and 3) our advanced automation products and solutions focused on machine vision, robotics, motion, & digital technologies*

Engineered Solutions Segment Sales, in Millions

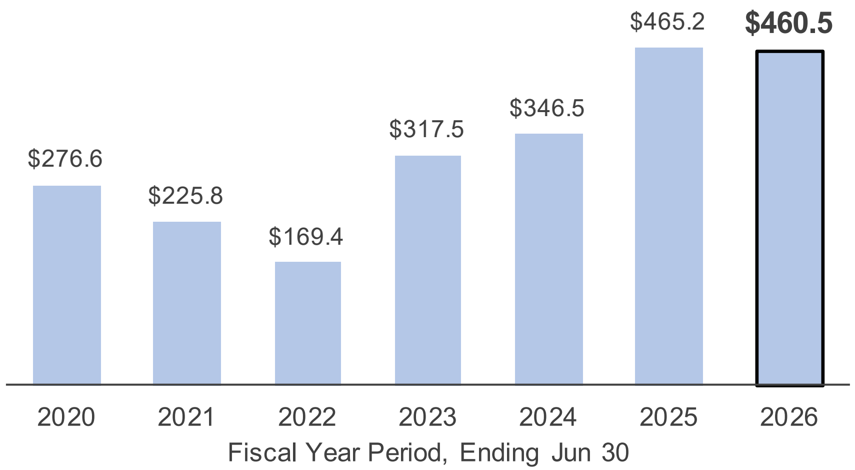


- **Sales up 12.9% YoY in F4Q26**
  - Organic +12.9%

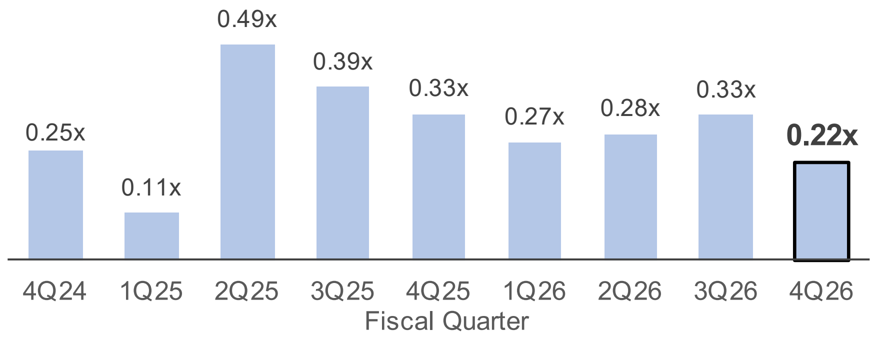
- Accelerating sales growth primarily driven by stronger demand and backlog conversion across Automation and Fluid Power including positive contribution across industrial / mobile OEM and technology customer verticals
- F4Q26 segment orders up by a double-digit percent YoY on an organic basis for the third straight quarter
- F4Q26 segment EBITDA of $76.2M up 15.8% YoY and EBITDA margin of 15.1% up 38 bps YoY, reflecting solid operating leverage and cost management, partially offset by muted Flow Control sales growth

Cash Flow and Balance Sheet

Free Cash Flow (in Millions) - Fiscal Year Period



Net Leverage Ratio (Net Debt to Trailing EBITDA)



- **F4Q26 cash from operations of $165.0M; free cash of $159.7M**
  - Free cash up 15.6% YoY and 134.7% of net income in F4Q26
  - Full-year free cash of $460.5M down only 1.0% YoY despite greater working capital investment during the year, highlighting ongoing benefits from internal collections and inventory management initiatives
  - Net working capital as a percent of sales ended FY26 at a six-year low
- **Net leverage ratio at 0.22x as of June 30, 2026**
  - Compares to prior-year level of 0.33x
- **Balance sheet capacity supports ongoing capital deployment**
  - $127M of cash on hand *(as of 6/30/26)*
  - $826M of available capacity under revolver
    - Additional $800M accordion option
  - $62M of available capacity under AR securitization facility

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Capital Allocation

Capital Allocation 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

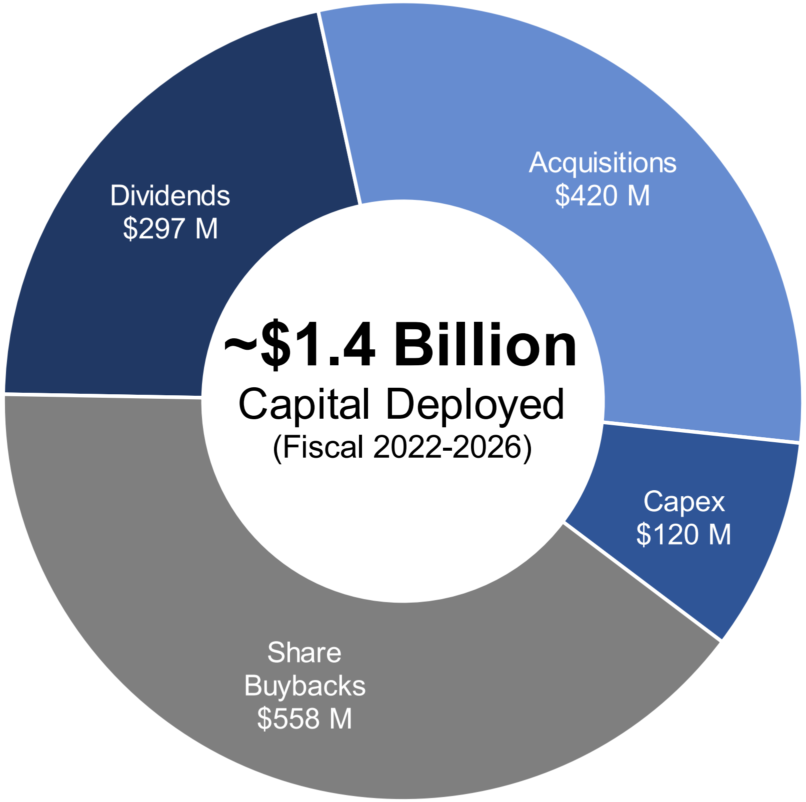
Opportunistic approach focused on returning excess cash through a disciplined valuation & return framework

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)

Fiscal 2027 Guidance and Outlook Assumptions

	Fiscal 2027 Guidance		
Total Sales - YoY % chg	**4.0%**	-	**6.5%**
EBITDA Margin	**12.5%**	-	**12.8%**
Diluted EPS	**$11.65**	-	**$12.15**
Additional Assumptions:			
Depreciation & amortization expense	**$67**	-	**$68**
Interest & other expense	**$12**	-	**$13**
Effective tax rate	**23%**	-	**24%**

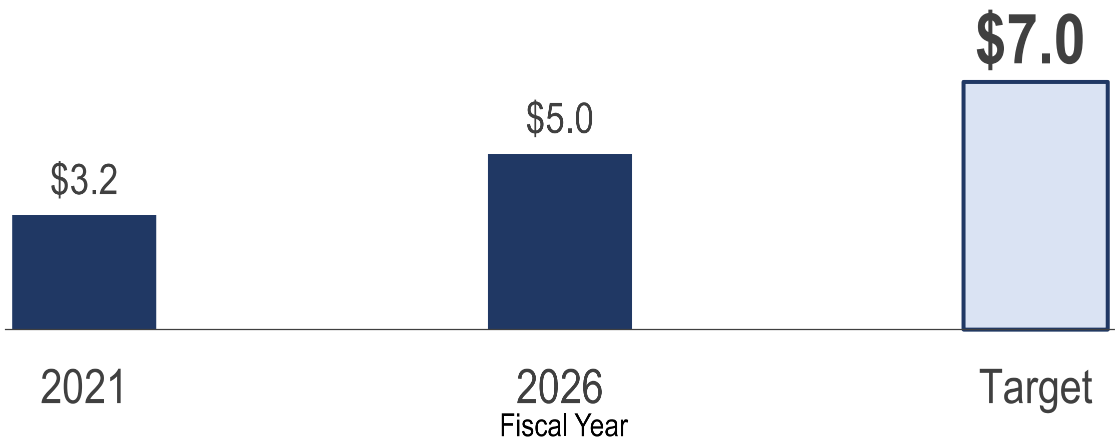
Guidance Assumptions:

- Mid-point assumes stronger sales growth YoY in F1H27 vs. F2H27, reflecting more difficult comparisons in F2H27, combined with more muted market growth assumptions in the back half given ongoing uncertainty tied to geopolitical, trade, and inflationary dynamics
- Approximately 150 to 200 bps of price contribution to sales growth
- Mid-point assumes incremental EBITDA margins within targeted range of mid to high-teens inclusive of higher LIFO expense YoY
- 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
- F1Q27 assumptions:
  - Total sales: Up 6.5% to 8.5% YoY
  - Organic sales: Up 6.0% to 8.0% YoY
  - Gross margin: Low 30% level
  - EBITDA margin: 12.3% to 12.4%

Notes: 1) $ amount in millions except EPS

UPDATED - Intermediate Financial Objectives

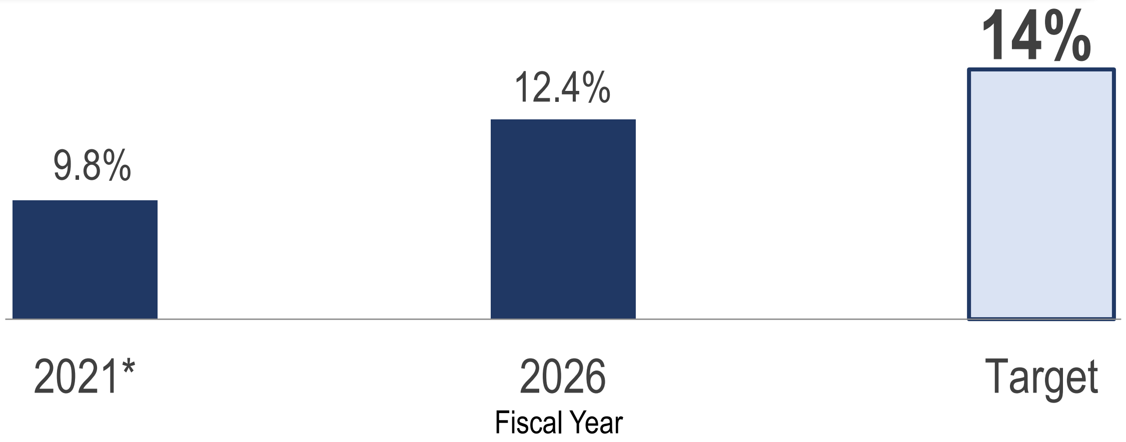
Sales – Grow to $7.0 Billion



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%



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

** Represents adjusted Fiscal 2021 EBITDA margins*

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.

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Appendix: Number of Selling Days by Fiscal Quarter and Full Year

Fiscal Period	Q1	Q2	Q3	Q4	Year
2025	64.0	62.0	63.0	63.5	252.5
2026	64.0	62.0	63.0	63.5	252.5
2027	**64.0**	**62.0**	**62.5**	**64.0**	**252.5**
2028	**64.0**	**61.0**	**65.0**	**63.5**	**253.5**

Appendix: F4Q26 Year-over-year Sales Change Summary

Sales growth for the three months ended June 30, 2026
(Percent change compared to prior-year period)

	Reported sales	Selling days impact [1]	Acquisitions	Foreign currency exchange	Organic constant currency sales
Service Center Segment	9.0%	- %	0.5%	0.6%	**7.9%**
Engineered Solutions Segment	12.9%	- %	- %	- %	**12.9%**
Total Company	**10.4%**	**- %**	**0.3%**	**0.4%**	**9.7%**

[1] *Based on U.S. selling days; there were 63.5 selling days in both Q4 FY26 and Q4 FY25*

Appendix: FY2026 Year-over-year Sales Change Summary

Sales growth for the twelve months ended June 30, 2026
(Percent change compared to prior-year period)

	Reported sales	Selling days impact [1]	Acquisitions	Foreign currency exchange	Organic constant currency sales
Service Center Segment	5.6%	- %	0.2%	0.5%	**4.9%**
Engineered Solutions Segment	15.1%	- %	8.8%	- %	**6.3%**
Total Company	**8.8%**	**- %**	**3.1%**	**0.3%**	**5.4%**

[1] Based on U.S. selling days; there were 252.5 selling days in both FY26 and FY25

Appendix: Net Sales, Operating Income, EBITDA, & EBITDA Margin by Segment

(dollar amount in thousands)	Three Months Ended Jun 30 Q4 FY25	Three Months Ended Jun 30 Q4 FY26
Service Center Segment:		
Net sales	$ 779,180	$ 849,497
Operating income	101,286	118,391
Depreciation and amortization of property	4,213	4,433
Amortization of intangibles	751	755
EBITDA	**$ 106,250**	**$ 123,579**
% of sales (EBITDA margin)	*13.6%*	*14.5%*
Engineered Solutions Segment:		
Net sales	$ 445,550	$ 503,190
Operating income	54,095	65,147
Depreciation and amortization of property	2,253	1,970
Amortization of intangibles	9,445	9,104
EBITDA	**$ 65,793**	**$ 76,221**
% of sales (EBITDA margin)	*14.8%*	*15.1%*
Corporate and other expense, net	$ 20,296	$ 24,233

Note: Intangible amortization expense included in segment operating income; was reported as part of corporate and other expense in table above prior to F4Q25

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Appendix: Reconciliation of EBITDA

(dollar amount in thousands)	**Three Months Ended Jun 30** Q4 FY25	Q4 FY26
Net Income	**$ 107,836**	**$ 118,600**
Interest (income) expense, net	1,322	3,556
Income tax expense	27,208	39,189
Depreciation and amortization of property	6,466	6,403
Amortization of intangibles	10,196	9,859
EBITDA	**$ 153,028**	**$ 177,607**

Appendix: Reconciliation of EBITDA Margin

(dollar amount in thousands)	Three Months Ended Jun 30 Q4 FY25	Q4 FY26
Net Sales	**$ 1,224,730**	**$ 1,352,687**
EBITDA	153,028	177,607
EBITDA Margin	**12.5%**	**13.1%**

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Appendix: Reconciliation of Free Cash Flow

(dollar amount in thousands)	Twelve Months Ended June 30 FY20	FY21	FY22	FY23	FY24	FY25	FY26	Three Months Ended June 30 Q4 FY26
Cash provided by Operating Activities	$ 296,714	$ 241,697	$ 187,570	$ 343,966	$ 371,393	$ 492,385	$ 484,082	$ 164,996
Capital Expenditures	(20,115)	(15,852)	(18,124)	(26,476)	(24,864)	(27,187)	(23,565)	(5,253)
Free Cash Flow	**$ 276,599**	**$ 225,845**	**$ 169,446**	**$ 317,490**	**$ 346,529**	**$ 465,198**	**$ 460,517**	**$ 159,743**

Appendix: Reconciliation of Net Leverage Ratio

(dollar amount in thousands)	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26
Net Income	$ 103,491	$ 92,063	$ 93,290	$ 99,799	$ 107,836	$ 100,807	$ 95,349	$ 99,769	$ 118,600
Interest expense (income), net	(671)	(627)	(936)	853	1,322	993	942	2,447	3,556
Income tax expense	37,444	24,017	29,271	27,483	27,208	27,778	27,423	35,359	39,189
Depreciation and amortization	5,864	5,924	5,926	6,583	6,466	6,486	6,590	6,396	6,403
Amortization of intangibles	7,322	7,600	7,567	10,218	10,196	10,203	10,126	9,884	9,859
EBITDA	**$ 153,450**	**$ 128,977**	**$ 135,118**	**$ 144,936**	**$ 153,028**	**$ 146,267**	**$ 140,430**	**$ 153,855**	**$ 177,607**
Trailing 4-Quarter EBITDA	**$ 553,315**	**$ 548,933**	**$ 553,228**	**$ 562,481**	**$ 562,059**	**$ 579,349**	**$ 584,661**	**$ 593,580**	**$ 618,159**
Current portion of long-term debt	$ 25,055	$ 25,003	$ -	$ -	$ -	$ -	$ -	$ 18,000	$ -
Long-term debt	572,279	572,288	572,300	572,300	572,300	572,300	572,300	347,300	262,300
Total Debt	$ 597,334	$ 597,291	$ 572,300	$ 572,300	$ 572,300	$ 572,300	$ 572,300	$ 365,300	$ 262,300
Cash	460,617	538,520	303,441	352,842	388,417	418,716	405,986	171,576	127,130
Net Debt	$ 136,717	$ 58,771	$ 268,859	$ 219,458	$ 183,883	$ 153,584	$ 166,314	$ 193,724	$ 135,170
Net Leverage Ratio	**0.25**	**0.11**	**0.49**	**0.39**	**0.33**	**0.27**	**0.28**	**0.33**	**0.22**

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