



We Keep Industry Running

Investor Presentation

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.



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

\$13B

Market Cap

+9M

Accessible
Products SKUs

6,800

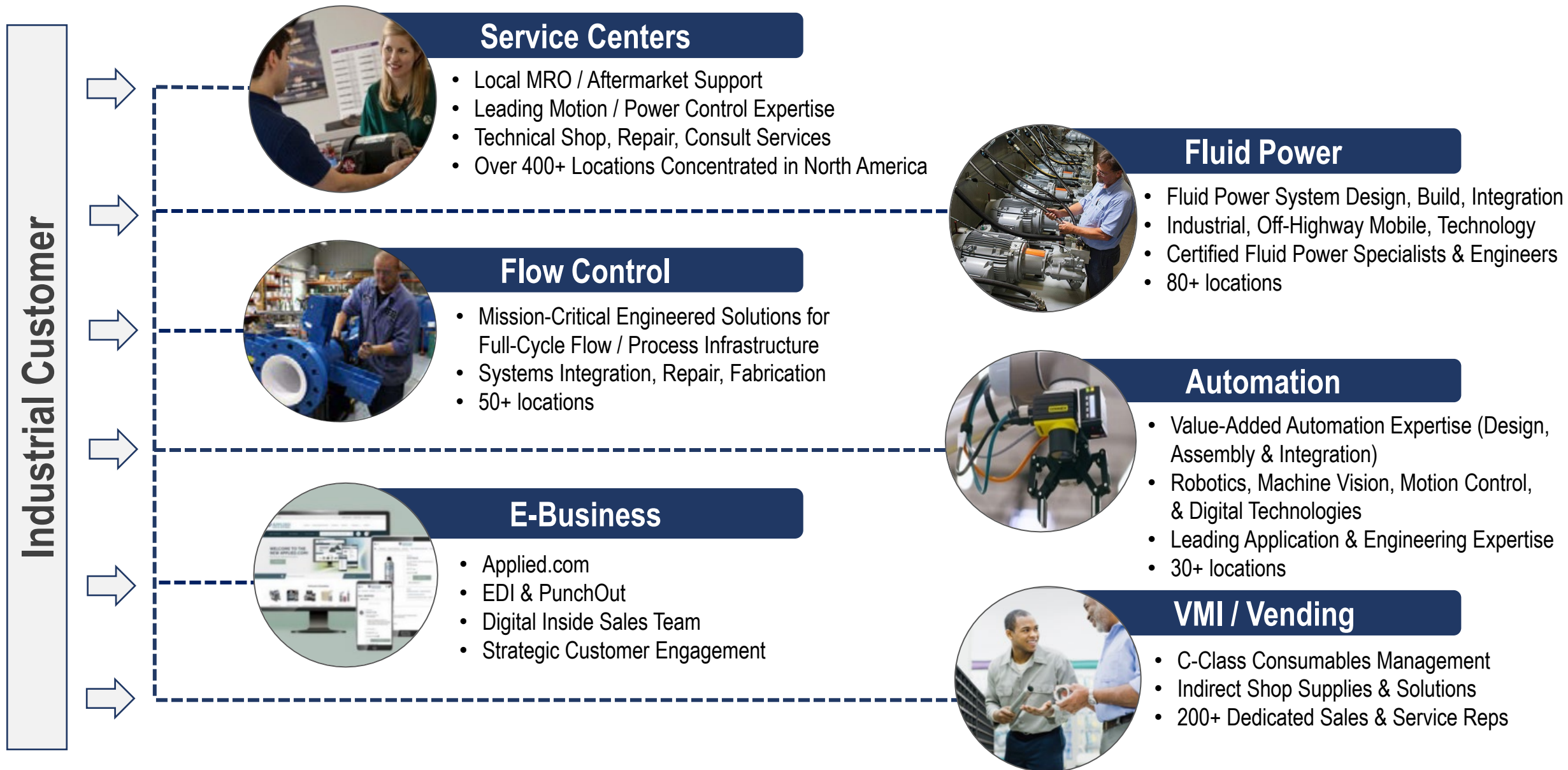
Associates

580

Service
Facilities

Headquartered in Cleveland, Ohio

Note: Revenue and EBITDA based on reported fiscal 2026



Product Portfolio



**Power
Transmission**



**Bearings,
Linear, Seals**



Fluid Power



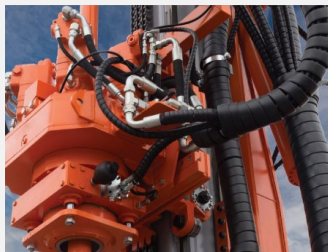
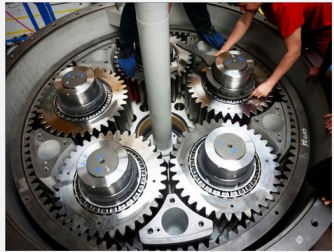
Flow Control



**Advanced
Automation**



**General MRO;
Hose Products**

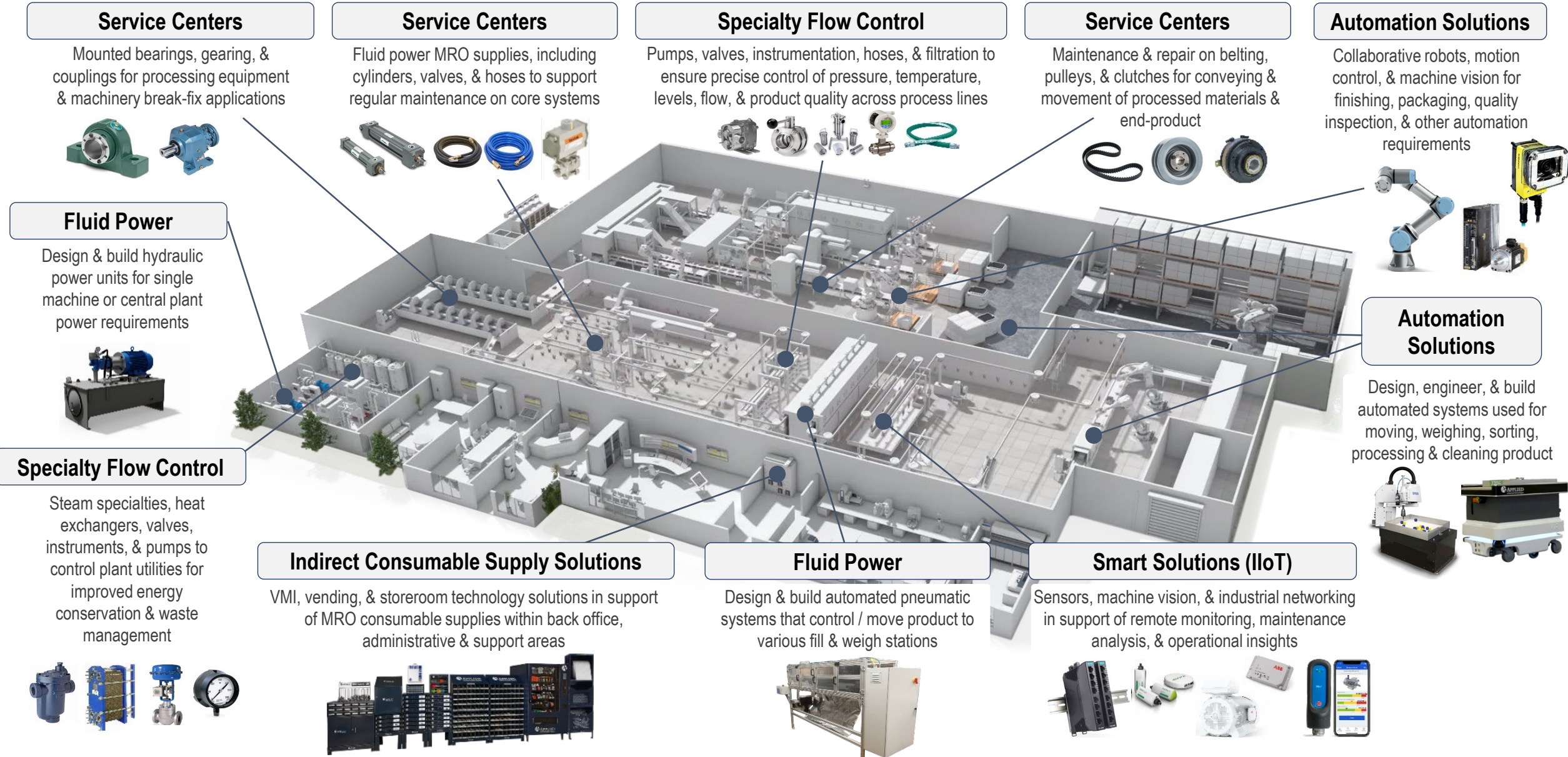


We Are
AppliedSM

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

~85% of Sales Focused in Critical Motion Control, Fluid Power, Flow Control, & Automation Products & Solutions 5

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



The Leading Technical Distributor & Solutions Provider Across Critical Industrial Infrastructure

Primary Supplier Partners

TIMKEN



ABB

DODGE



**Regal
Rexnord**



ENGINEERING
TOMORROW



BALDOR • RELIANCE



Martin

RENOLD



ITT

SKF

Sumitomo Drive Technologies



EPSON
EXCEED YOUR VISION



SCHAEFFLER

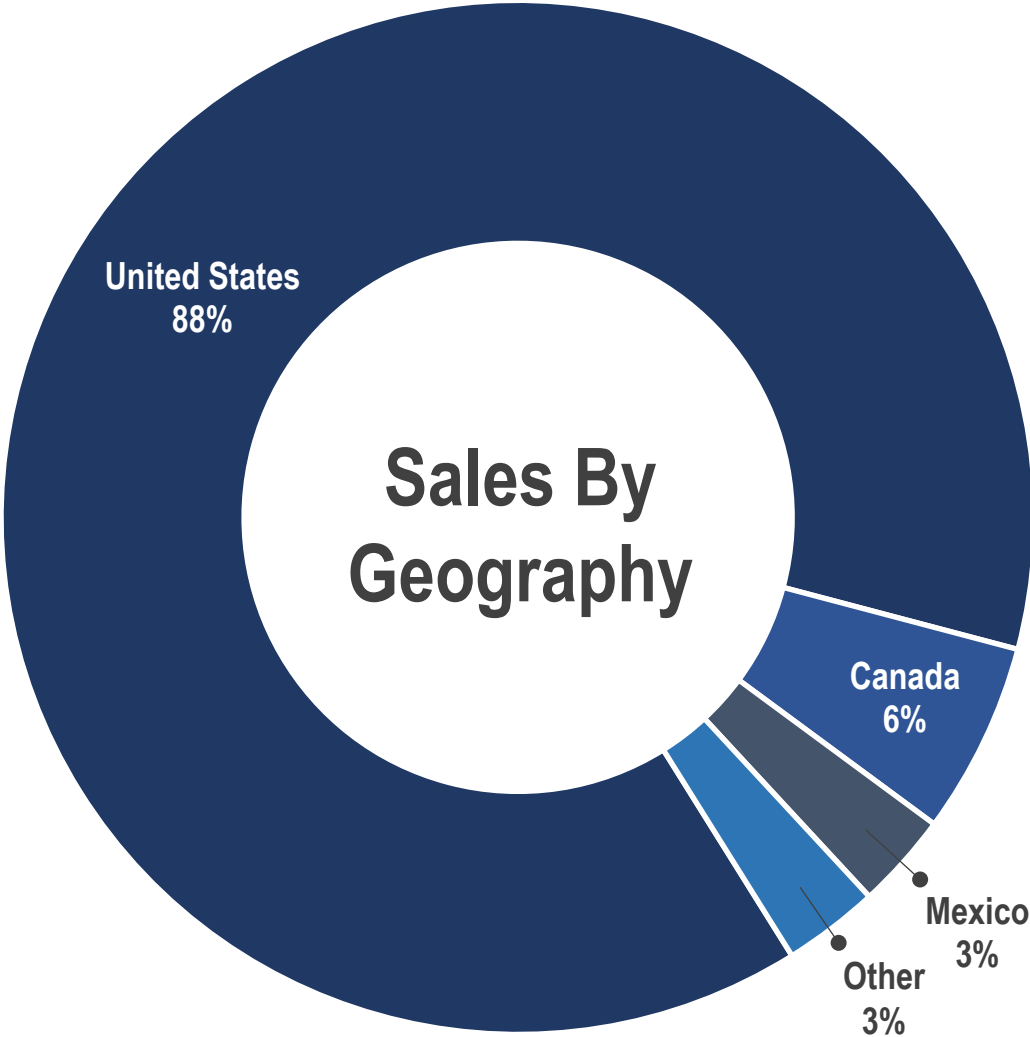
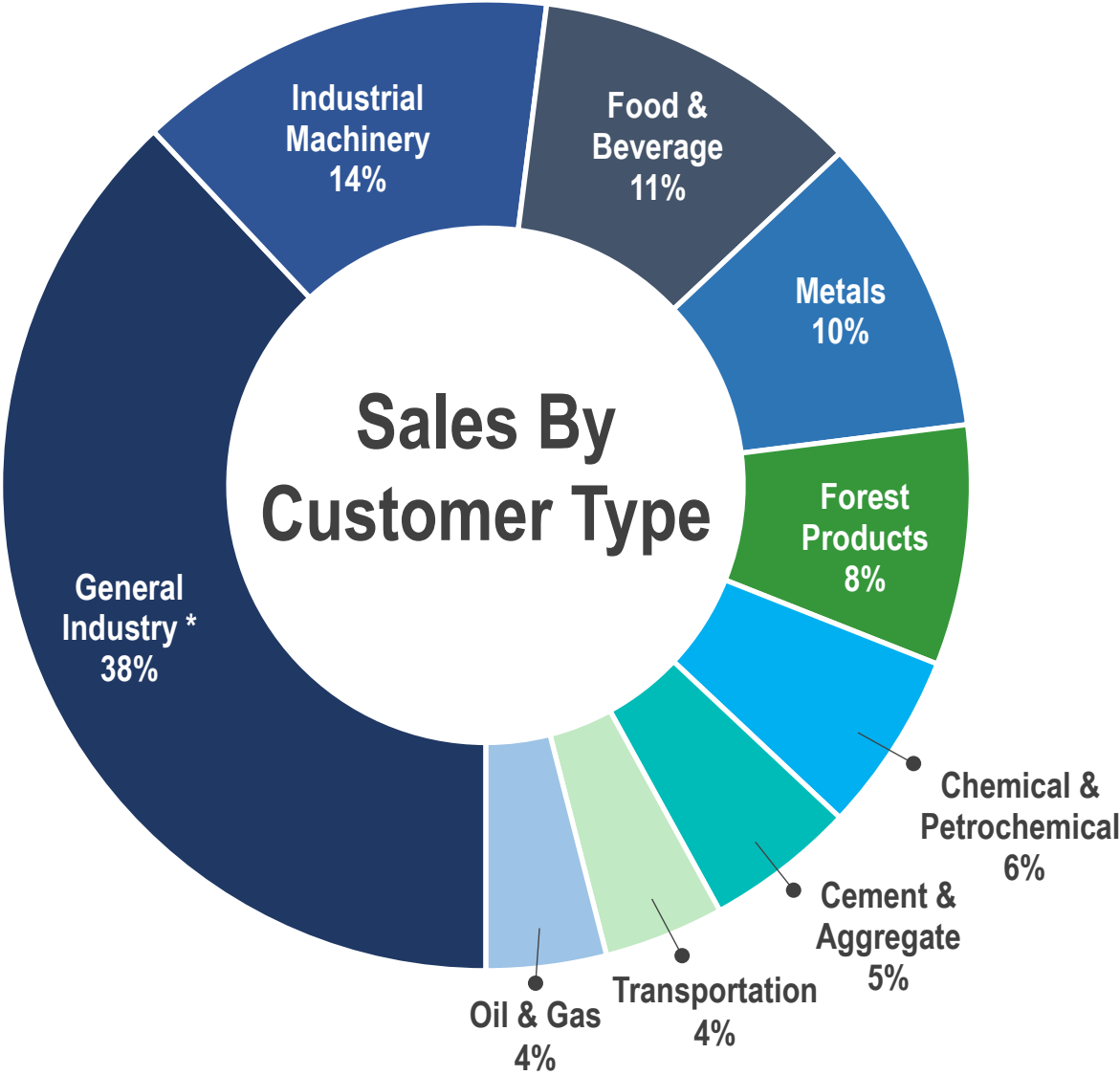


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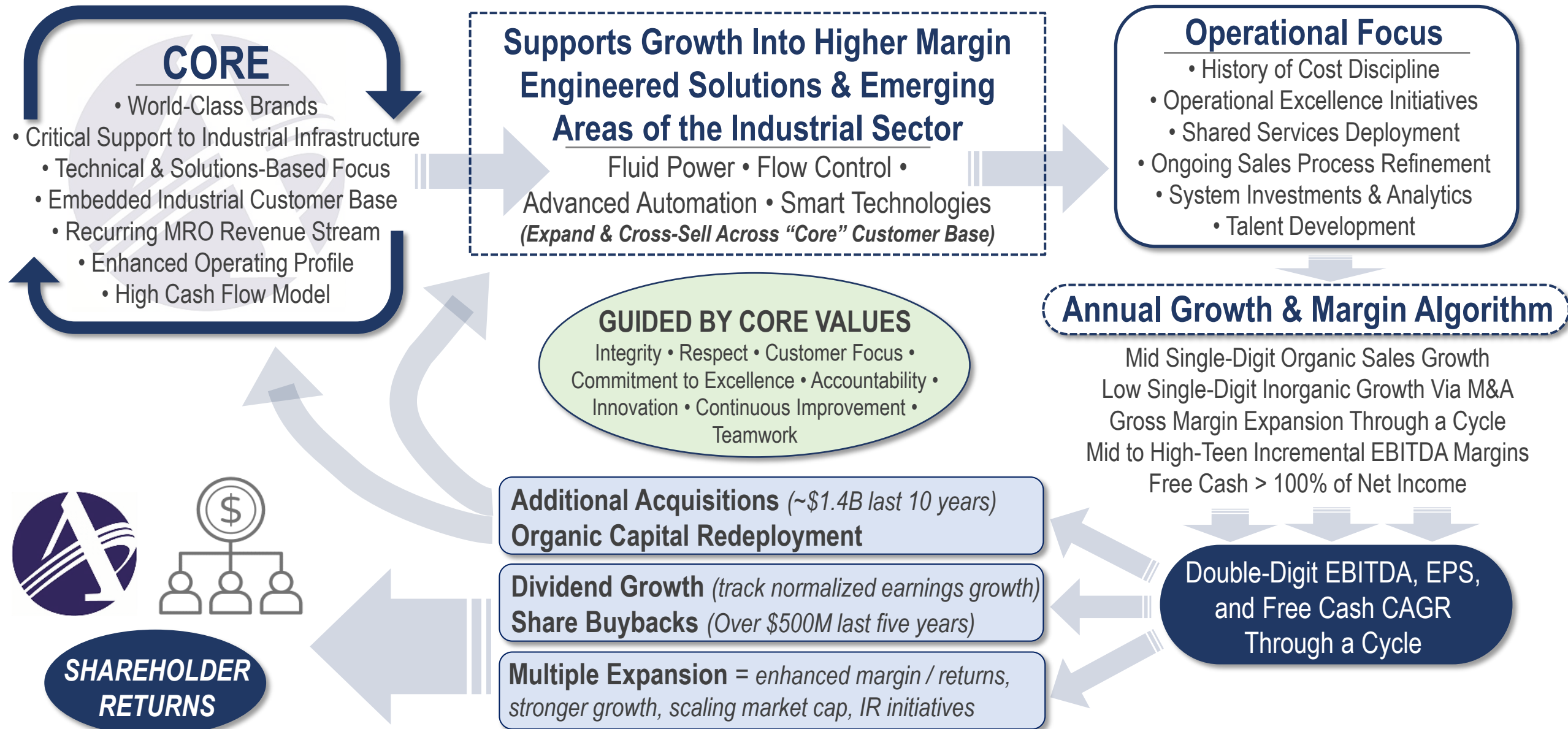
NSK

Leading Manufacturers with World Class Brands Focused on Premier Industrial Solutions



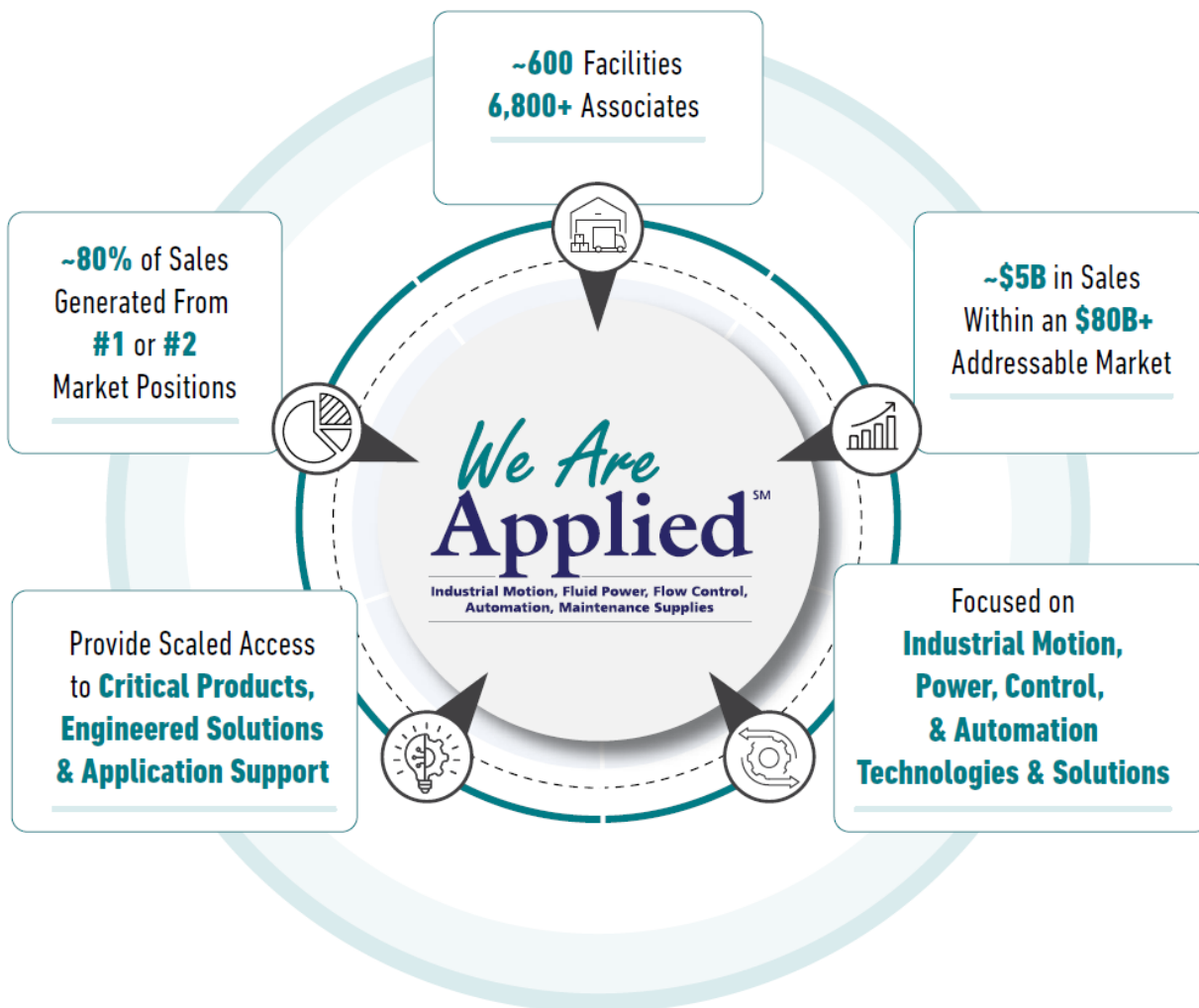
* General Industry includes all other industries representing 3% or less of sales; includes Utilities & Energy, Rubber & Plastics, Construction, Mining, areas of Technology, Agriculture, Automotive, and Life Sciences; Based on fiscal 2026 sales

Applied® Value Creation Model



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

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

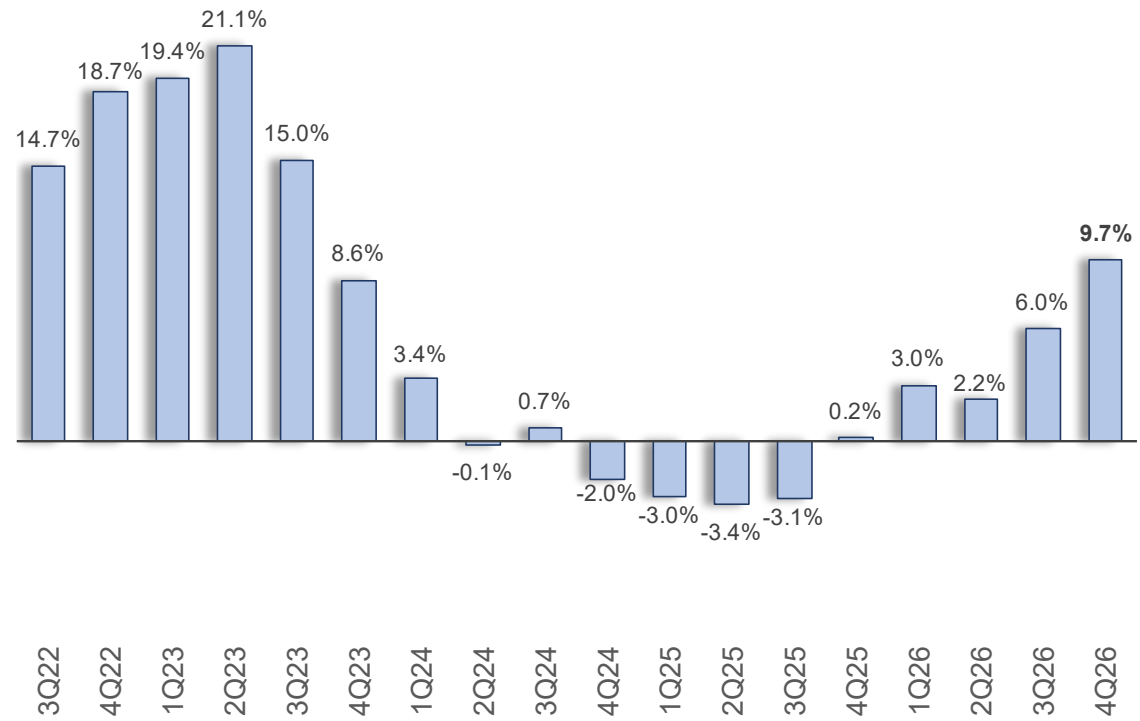


... With Secular Tailwinds & Customer Requirements Presenting Distinct Growth Opportunities

- 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

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

Fiscal Quarters



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

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

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

- 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 was a positive contributor to improving organic growth in FY26 with orders and business funnel activity accelerating through the year

Semiconductor Market

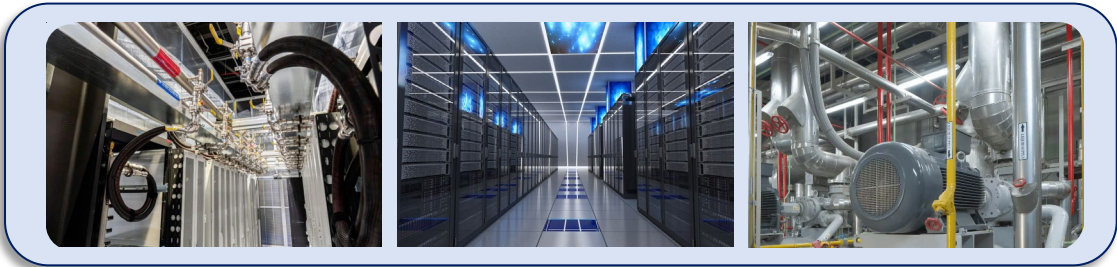


Our products and solutions are primarily used for semi wafer fab equipment manufacturing, as well as upstream material processing

Upstream Process Flow Control Solutions	Pneumatic and Fluid Conveyance / Delivery Assemblies	Robotic and Mechatronic Solutions & Assemblies
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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
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Fiscal 2027 Guidance

Total Sales - YoY % chg	4.0%	-	6.5%
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EBITDA Margin	12.5%	-	12.8%
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Diluted EPS	\$11.65	-	\$12.15
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Additional Assumptions:

Depreciation & amortization expense	\$67	-	\$68
Interest & other expense	\$12	-	\$13
Effective tax rate	23%	-	24%

Guidance Assumptions:

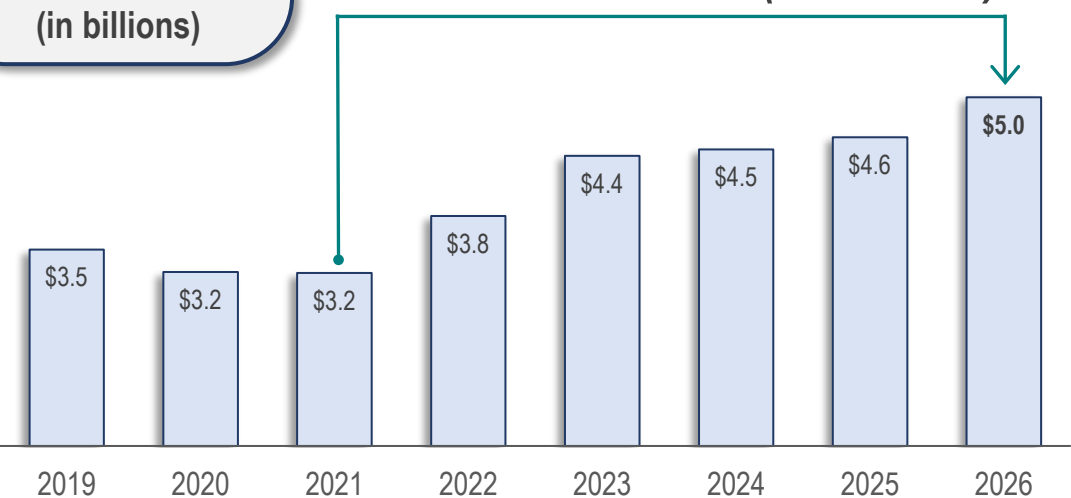
- Mid-point assumes stronger sales growth YoY in F1H27 vs. F2H27, reflecting more difficult comparisons in F2H27, combined with more muted market growth assumptions in the back half given ongoing uncertainty tied to geopolitical, trade, and inflationary dynamics
- Approximately 150 to 200 bps of price 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

Historical Financial Highlights

Net Sales (in billions)

9% Five-Year CAGR (2021-2026)



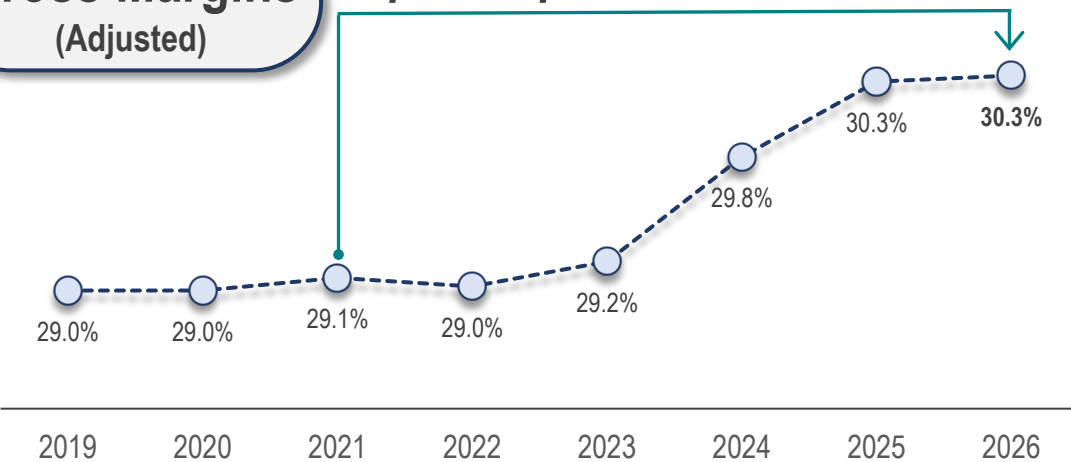
EBITDA (Adjusted; in millions)

14% Five-Year CAGR (2021-2026)



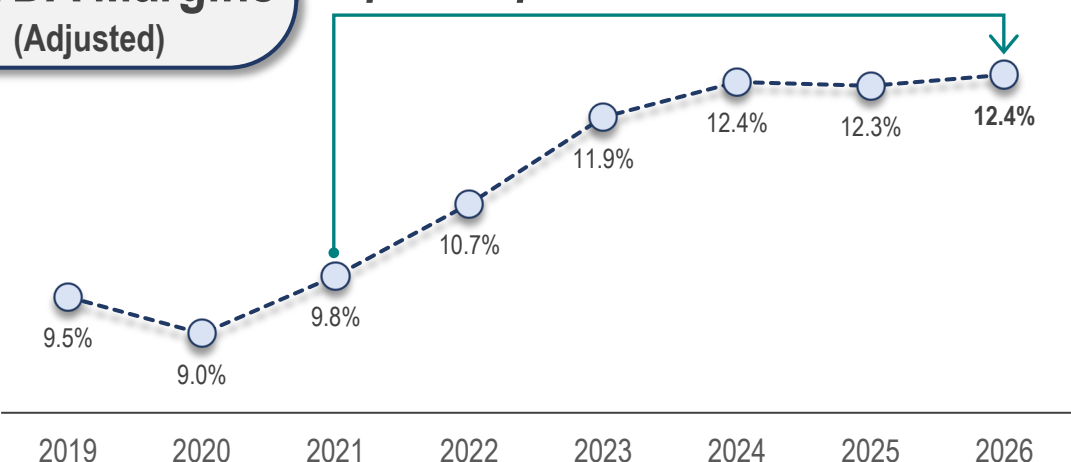
Gross Margins (Adjusted)

Up 120 bps Since 2021



EBITDA Margins (Adjusted)

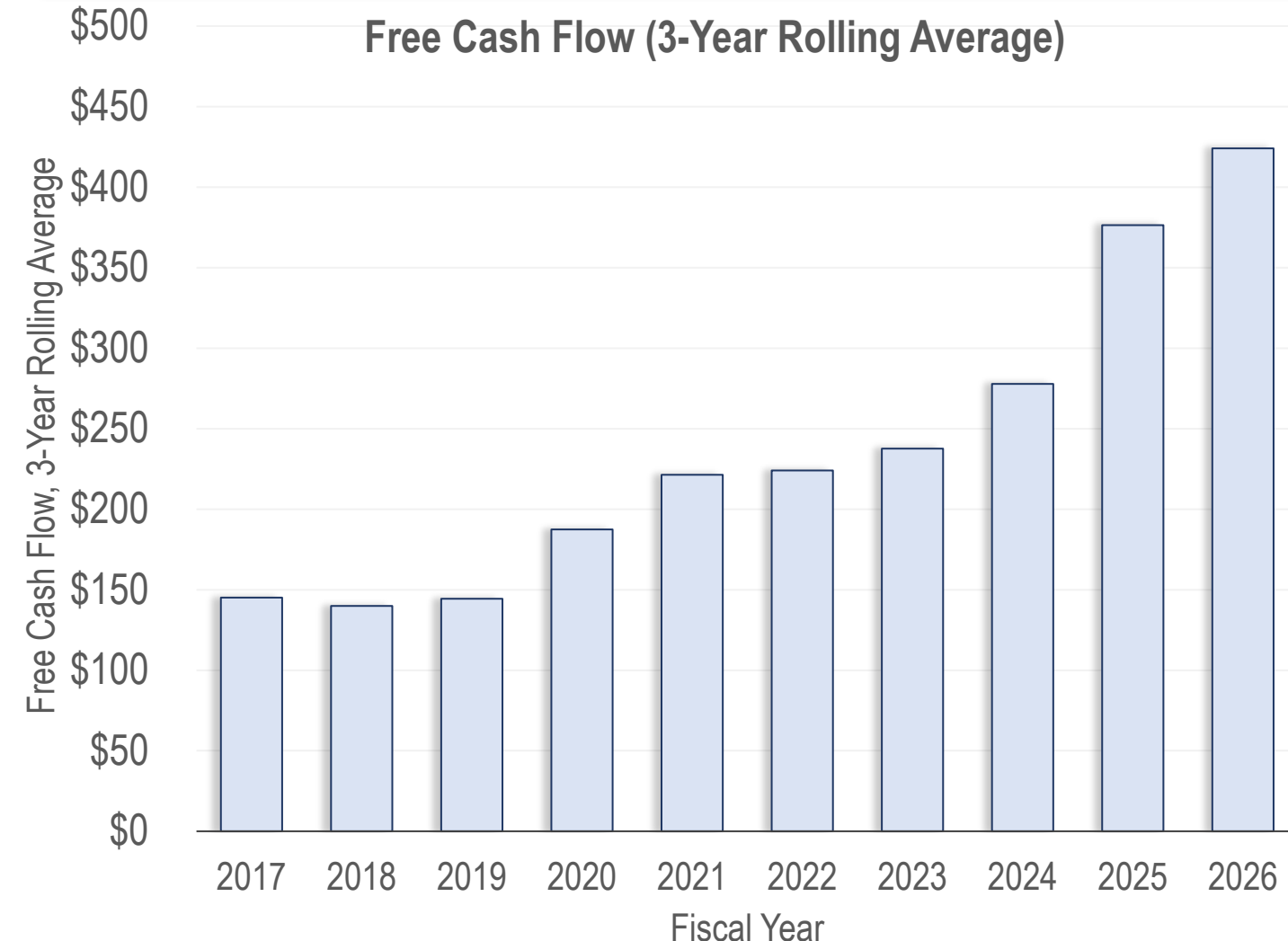
Up 260 bps Since 2021



Note: Represents fiscal years ending June 30

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

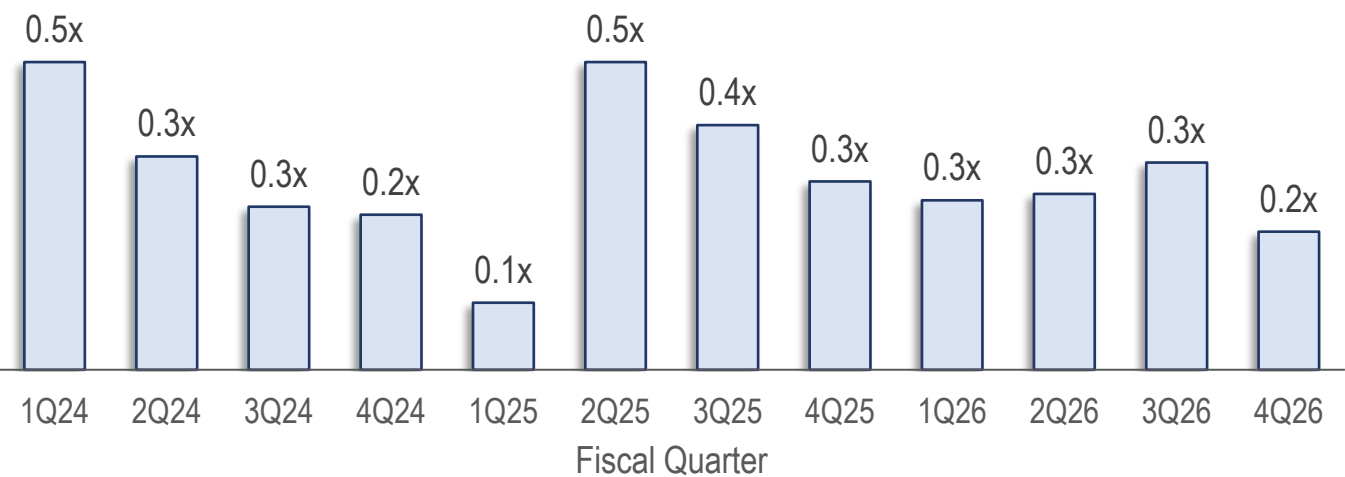
Durable & Solid Cash Generation Through All Cycles



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)

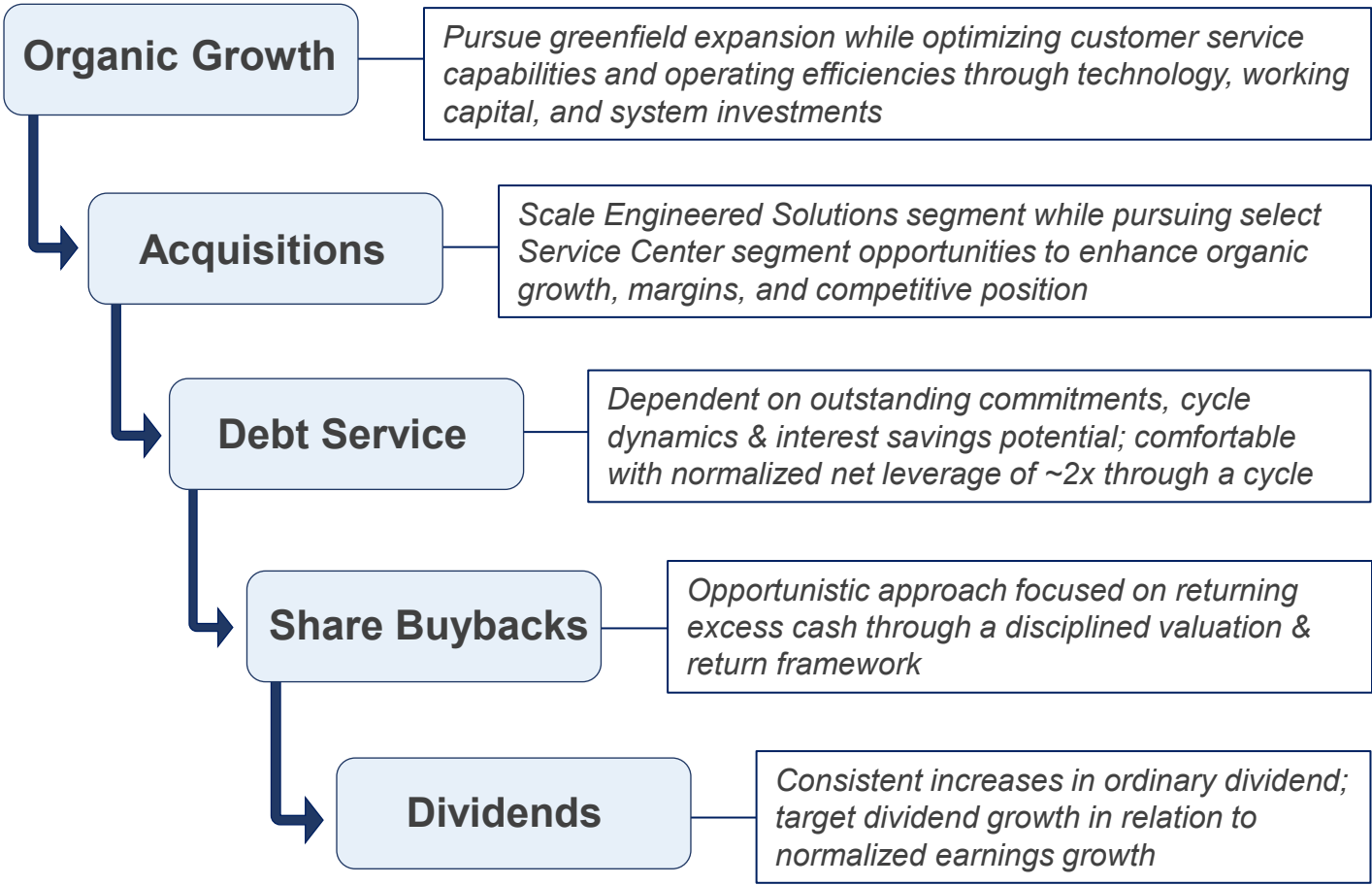
Net Leverage Ratio (Net Debt to Trailing Adjusted EBITDA)



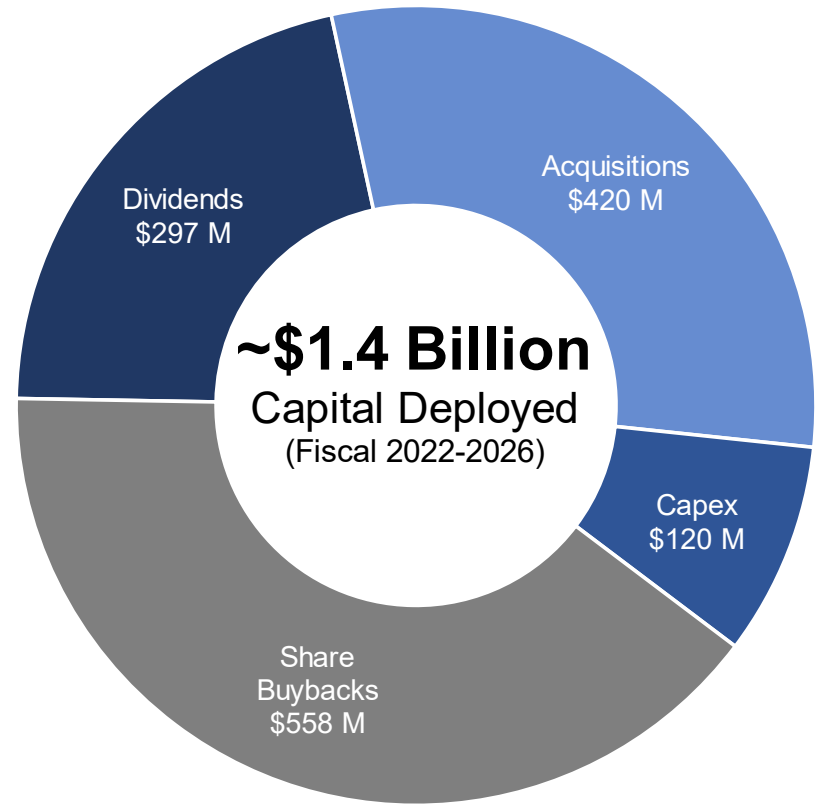
Balance Sheet & Liquidity (As of June 30, 2026)

- Net leverage ratio at 0.2x
- \$127M of cash on hand
- \$888M of potential balance sheet capacity under undrawn revolver and AR securitization facility
 - Additional \$800M accordion option available under revolver

Deployment Priorities & Strategy



Capital Deployed Last 5 Years (Capex, M&A, Share Repurchases, & Dividends)

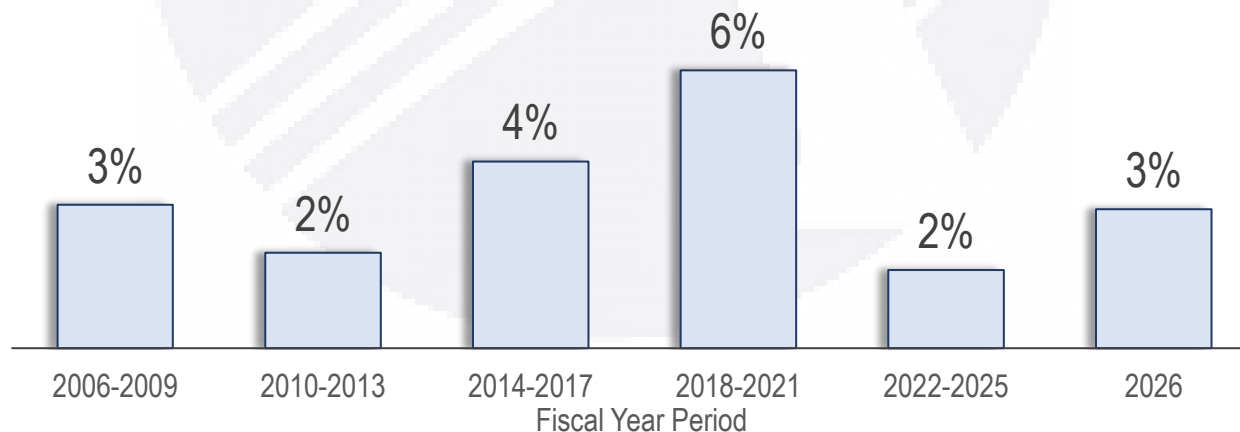


\$425M of capital deployed in fiscal 2026
(\$735M deployed including debt reduction)

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

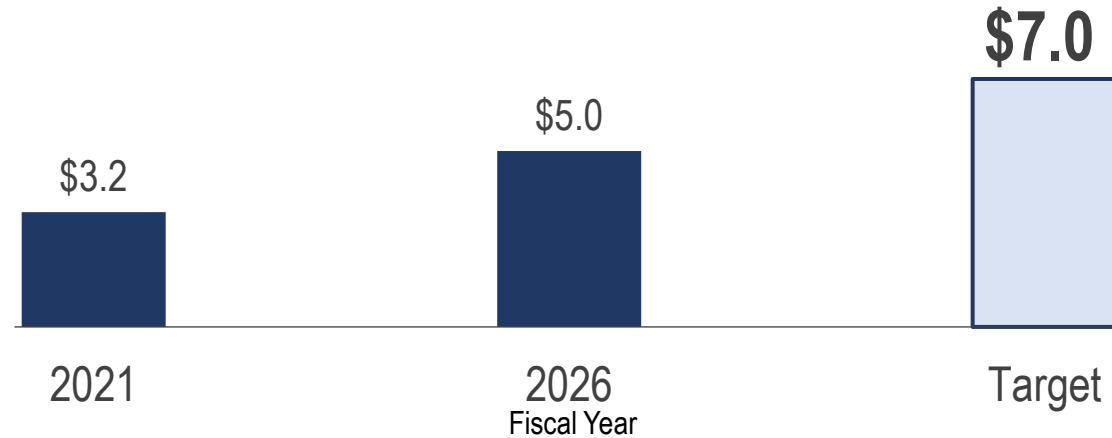
Flow Control

Fluid Power

Service Centers

Intermediate Financial Objectives

Sales – Grow to \$7.0 Billion

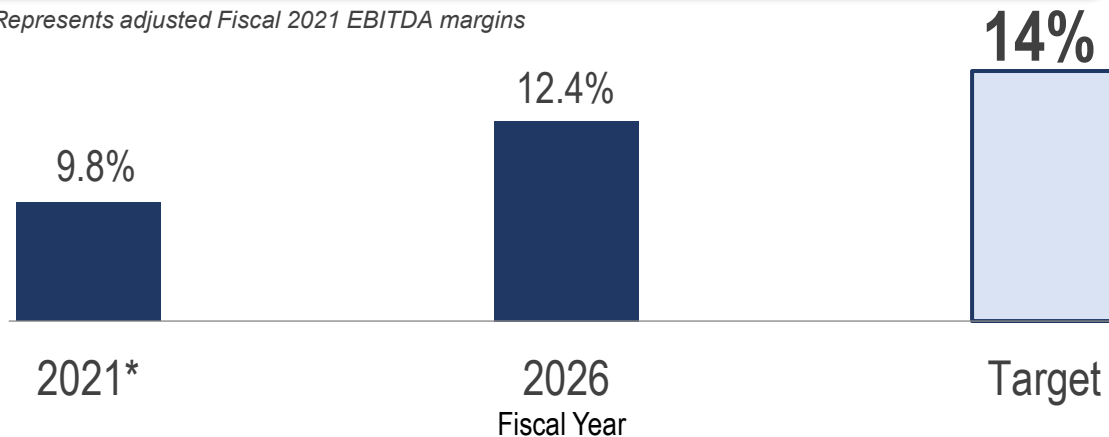


Strategic Drivers & Considerations

- 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

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⁾

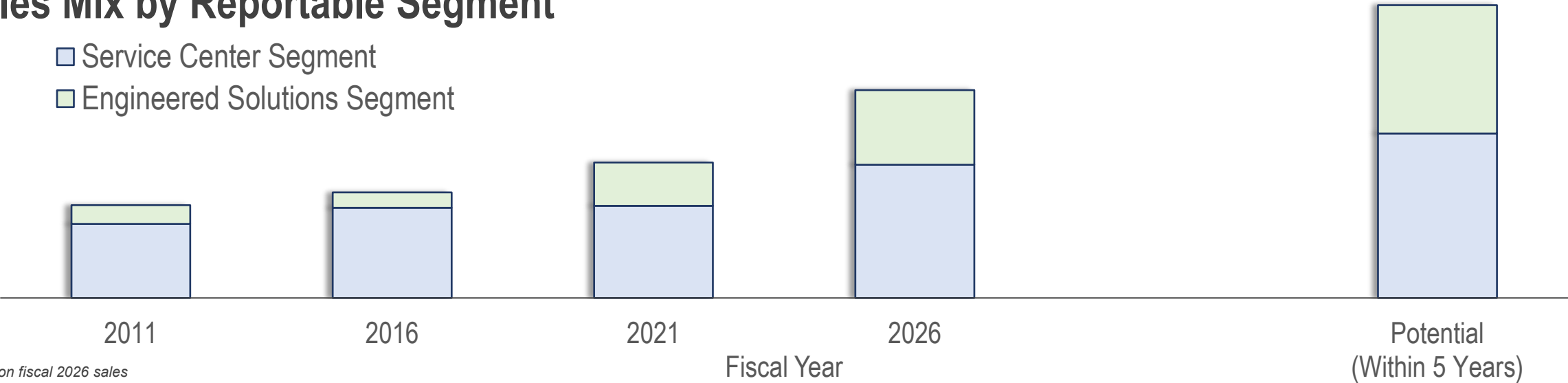
Specializing in distributing, engineering, designing, & integrating hydraulic, pneumatic, & flow control technologies, as well as advanced automation solutions including robotics, machine vision, industrial networking, & digital offerings

**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

- Service Center Segment
- Engineered Solutions Segment



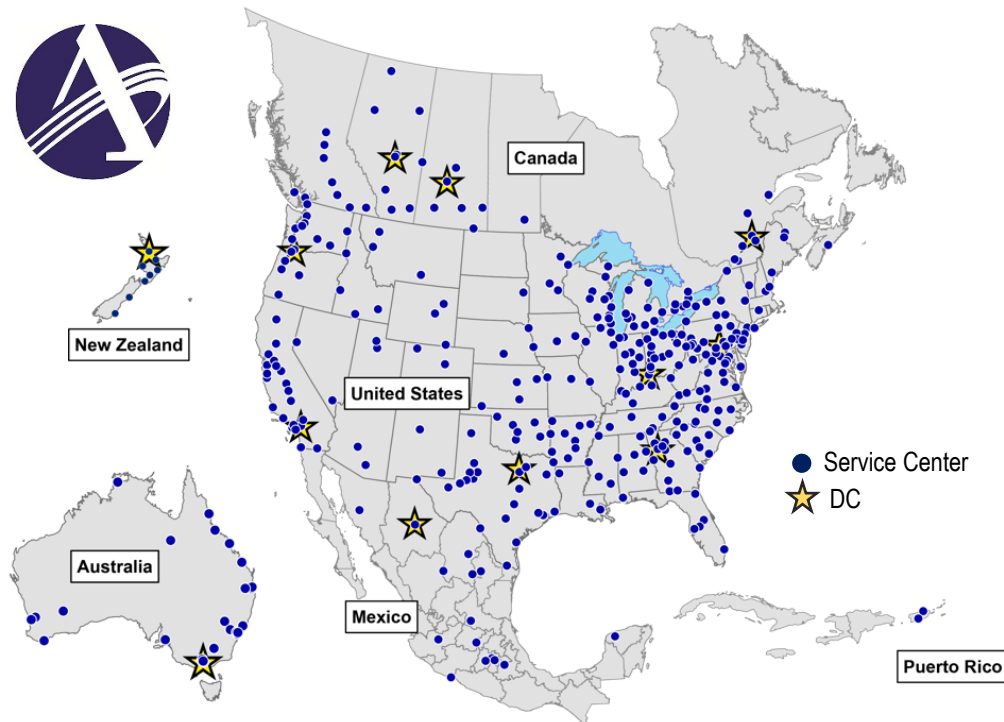
(1) Based on fiscal 2026 sales

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





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

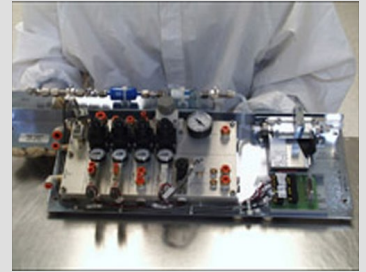
Mobile Equipment



Industrial Equipment



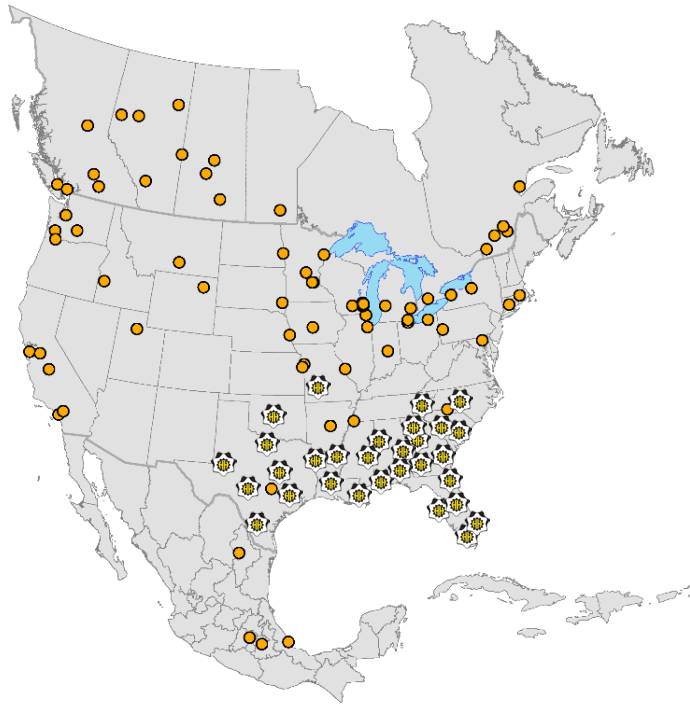
Technology Systems



Fluid Power Position & Value Proposition



*Largest Fluid Power Distributor
in North America*

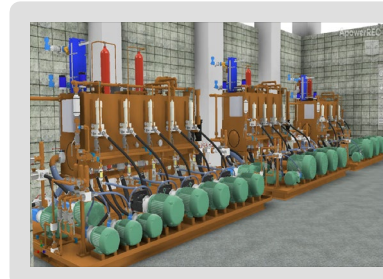


● Legacy Applied Fluid Power Location

⚙ 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: 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



Flow Control Position & Value Proposition

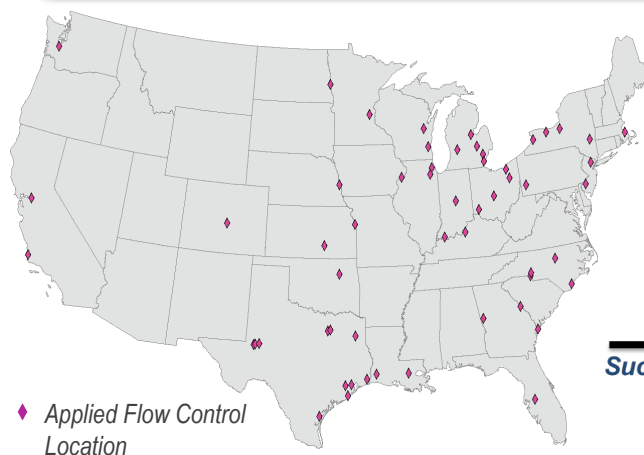


Flow Control

Growth and Strategy Considerations

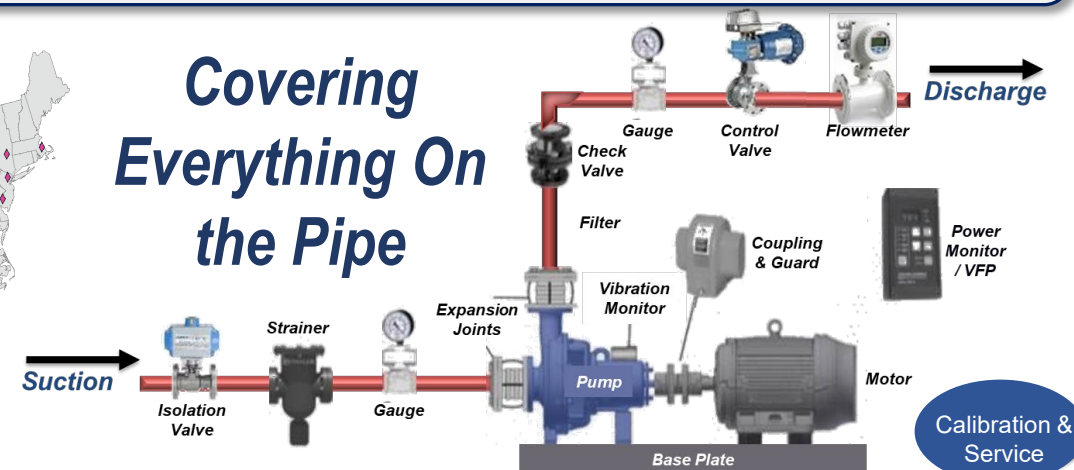
- Leading technical MRO position
- Higher margins from high-touch service capabilities and higher-engineered products
- Significant cross-selling opportunity
- “Acquirer of Choice” status with geographic expansion potential across the U.S.

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



♦ 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



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, automotive, 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



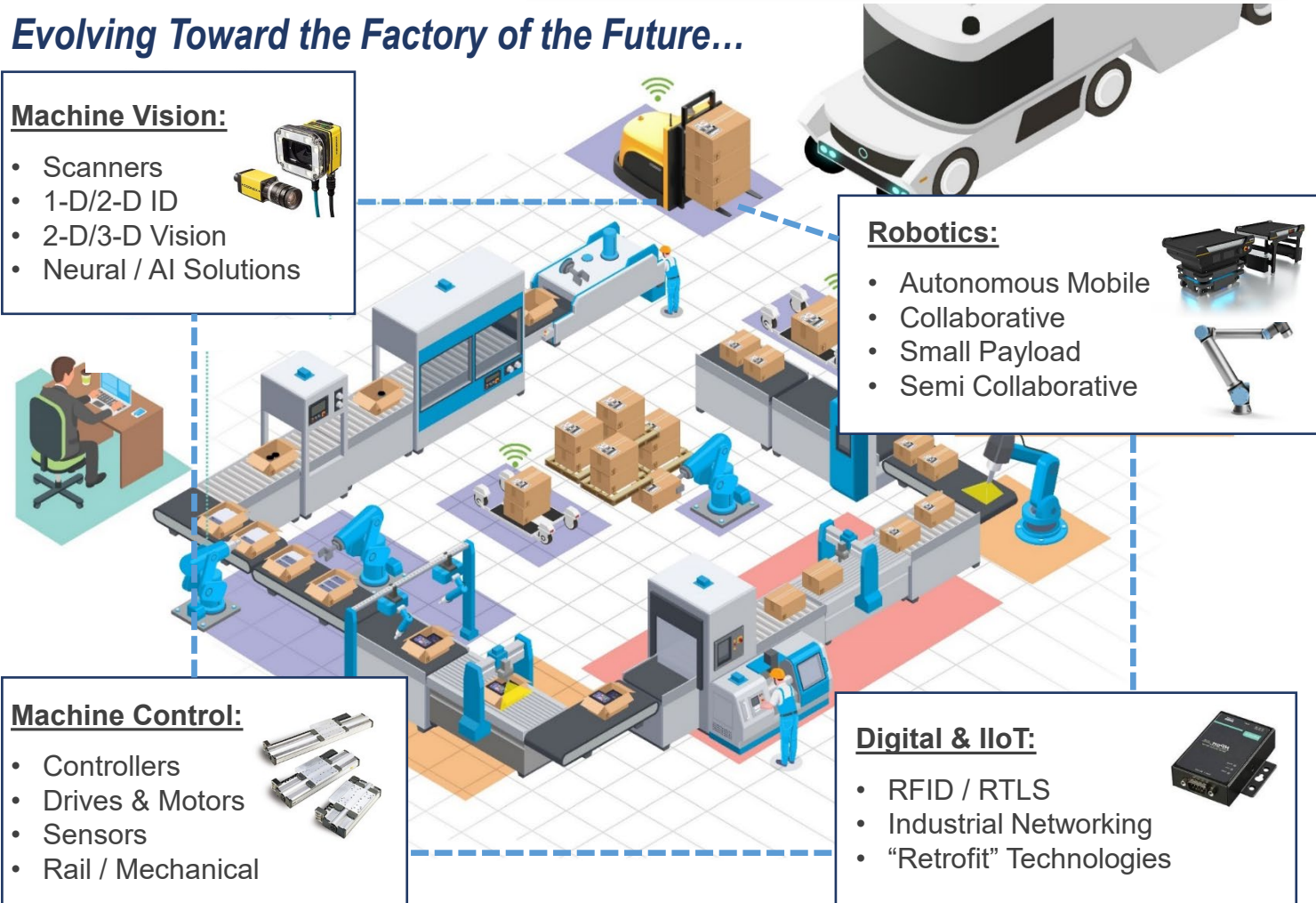
Machine Control:

- Controllers
- Drives & Motors
- Sensors
- Rail / Mechanical



Digital & IIoT:

- RFID / RTLS
- Industrial Networking
- "Retrofit" Technologies



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

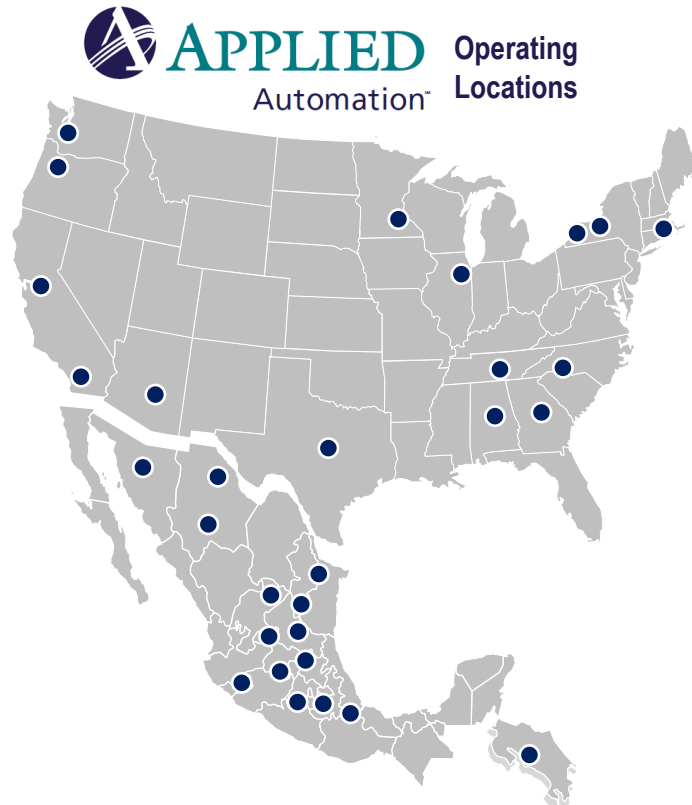
Automation Position and Value Proposition



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

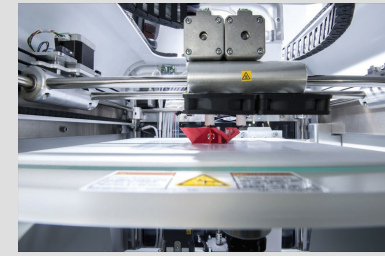


Robotics | Vision | Motion | Industrial IoT

Engineered Solutions



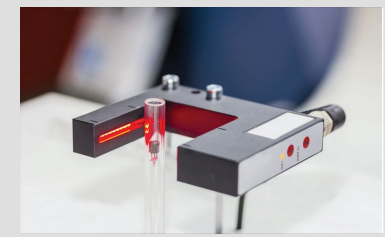
OEM Specification



Kits & Assemblies



MRO Replacement



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**



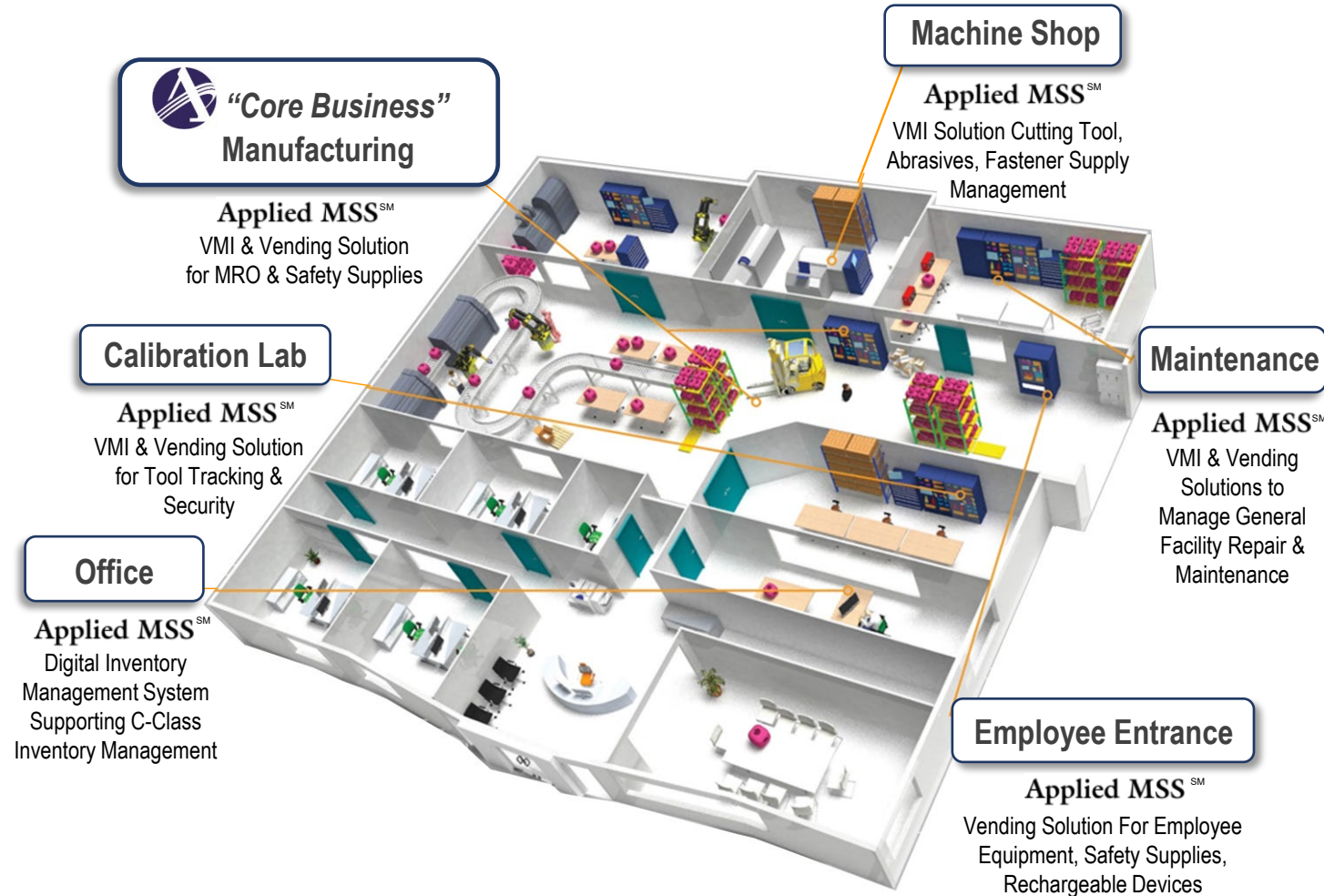
- Advanced Facility Automation
- Cobots & Mobile Robots
- Machine Vision & RFID
- Industrial Networking, Connectivity
- Specialized Engineered Solutions
- System Design & Assembly

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



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

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



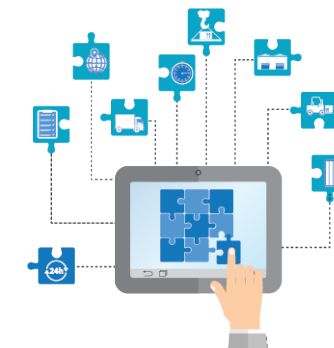
- Over 100 years of conducting business ethically & responsibly
- Low-carbon footprint as a distributor
- Advise customers on energy savings & reducing their carbon footprint
- Implementing greener practices in our own operations
- Promoting diversity & continuous learning across our organization
- Supporting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



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



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



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



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



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



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



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

- 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[®]*

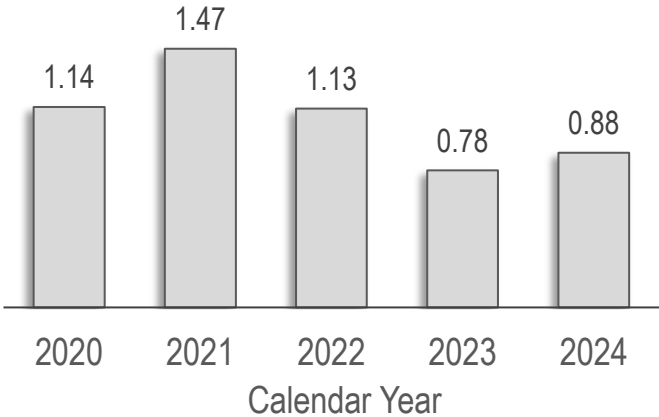


“Sustainability is not just a strategy—it’s an integral part of who we are as a company. By deepening our understanding, increasing transparency, and focusing on what truly matters, we are **building a resilient future** for our people, our customers, and the industries we serve. Together, we will continue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



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

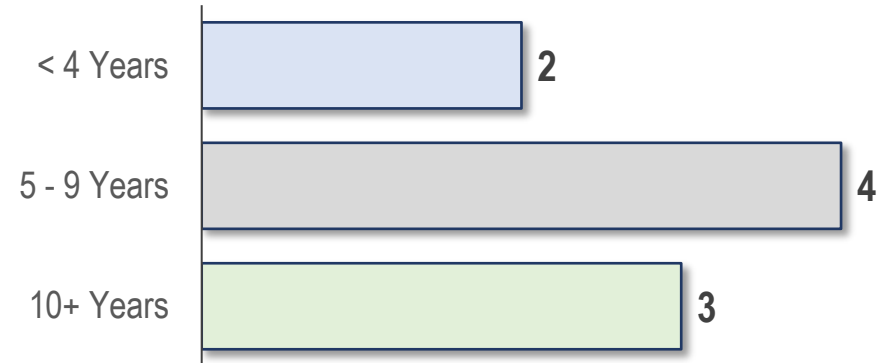
CERTIFICATION OBTAINED AND SCOPE OF LOCATIONS COVERED EXPANDED

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:

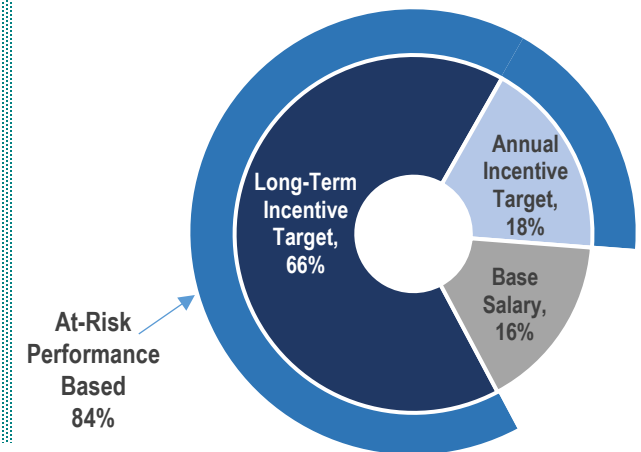
Based on Three-Year Performance Relative to Targets of:

- 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





Appendix

Appendix: Reconciliations

EBITDA, Adjusted EBITDA, & Adjusted EBITDA Margin

	Twelve Months Ended June 30							
<i>(dollar amount in thousands)</i>	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							
<i>(dollar amount in thousands)</i>	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)

	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Cash provided by Operating Activities	\$157,007	\$162,014	\$164,619	\$147,304	\$180,601	\$296,714	\$241,697	\$187,570	\$343,966	\$371,393	\$492,385
Capital Expenditures	(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	\$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			\$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)

	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26
Net Income	\$92,215	\$93,826	\$91,228	\$97,217	\$103,491	\$92,063	\$93,290	\$99,799	\$107,836	\$100,807	\$95,349	\$99,769
Interest expense, net	4,201	1,320	1,917	265	(671)	(627)	(936)	853	1,322	993	942	2,447
Income tax expense	30,322	25,103	24,373	25,448	37,444	24,017	29,271	27,483	27,208	27,778	27,423	35,359
Depreciation and amortization	5,668	5,717	6,048	5,802	5,864	5,924	5,926	6,583	6,466	6,486	6,590	6,396
Amortization of intangibles	7,616	7,393	7,257	6,951	7,322	7,600	7,567	10,218	10,196	10,203	10,126	9,884
EBITDA	\$140,022	\$133,359	\$130,823	\$135,683	\$153,450	\$128,977	\$135,118	\$144,936	\$153,028	\$146,267	\$140,430	\$153,855
Trailing 4-Quarter EBITDA	\$524,521	\$539,170	\$544,492	\$539,887	\$553,315	\$553,315	\$553,228	\$562,481	\$562,059	\$579,349	\$584,661	\$593,580
Current portion of long-term debt	25,170	25,171	25,159	25,107	25,055	25,003	0	0	0	0	0	18,000
Long-term debt	596,926	596,883	571,854	571,862	572,279	572,288	572,300	572,300	572,300	572,300	572,300	347,300
Total Debt	\$622,096	\$622,054	\$597,013	\$596,969	\$597,334	\$597,291	\$572,300	\$572,300	\$572,300	\$572,300	\$572,300	\$365,300
Cash	344,036	360,415	412,855	456,533	460,617	538,520	303,441	352,842	388,417	418,716	405,986	171,576
Net Debt	\$278,060	\$261,639	\$184,158	\$140,436	\$136,717	\$58,771	\$268,859	\$219,458	\$183,883	\$153,584	\$166,314	\$193,724
Net Leverage Ratio	0.5	0.5	0.3	0.3	0.2	0.1	0.5	0.4	0.3	0.3	0.3	0.3