

## GRAINGER REPORTS RESULTS FOR THE SECOND QUARTER 2024

*Operational execution driving resilient performance;  
Company narrows 2024 earnings outlook*

### **Second Quarter Highlights**

- *Delivered sales of \$4.3 billion, up 3.1%, or 5.1% on a daily, organic constant currency basis*
- *Achieved reported operating margin of 15.1%, down 70 basis points, or 15.4% on an adjusted basis, down 40 basis points*
- *Generated diluted EPS of \$9.51 on a reported basis, up 2.5%, or \$9.76 on an adjusted basis, up 5.2%*
- *Produced \$411 million in operating cash flow and returned \$345 million to Grainger shareholders through dividends and share repurchases*
- *Narrowing most 2024 total Company guidance ranges, including daily, organic constant currency sales growth of 4.0% to 6.0% and adjusted diluted EPS of \$38.00 to \$39.50*

CHICAGO, August 1, 2024 - Grainger (NYSE: GWW) today reported results for the second quarter of 2024 with sales of \$4.3 billion, up 3.1%, or 5.1% on a daily, organic constant currency basis, and adjusted diluted EPS of \$9.76, up 5.2% compared to the second quarter of 2023.

"I'm proud of our team for providing a flawless experience and creating tangible value for our customers. Amidst the backdrop of a slow, but generally stable demand environment, we focused on what matters and produced another quarter of solid results," said D.G. Macpherson, Chairman and CEO. "As we look to the second half of the year, I'm confident in our ability to execute well and deliver results for all stakeholders."

## 2024 Second Quarter Financial Summary

(\$ in millions, except per share amounts)	Q2 2024		Q2 2023		Q2'24 vs. Q2'23 Fav. / (Unfav.)	
	Reported	Adjusted <sup>(1)</sup>	Reported	Adjusted	Reported	Adjusted
<b>Net Sales</b>	\$4,312	\$4,312	\$4,182	\$4,182	3.1%	3.1%
<b>Gross Profit</b>	\$1,694	\$1,694	\$1,644	\$1,644	3.0%	3.0%
<b>Operating Earnings</b>	\$649	\$665	\$661	\$661	(1.8)%	0.6%
<b>Net Earnings Attributable to W.W. Grainger, Inc.</b>	\$470	\$482	\$470	\$470	—%	2.6%
<b>Diluted Earnings Per Share</b>	\$9.51	\$9.76	\$9.28	\$9.28	2.5%	5.2%
<b>Gross Profit Margin</b>	39.3%	39.3%	39.3%	39.3%	0 bps	0 bps
<b>Operating Margin</b>	15.1%	15.4%	15.8%	15.8%	(70) bps	(40) bps
<b>Effective Tax Rate</b>	22.9%	22.9%	24.0%	24.0%	110 bps	110 bps

<sup>(1)</sup> Results exclude restructuring costs incurred in the second quarter of 2024. See the supplemental information of this release for further information regarding the Company's non-GAAP measures, including reconciliations to the most directly comparable GAAP measure.

### Revenue

Sales in the quarter, on a reported and daily basis, increased 3.1% compared to the second quarter of 2023. Normalizing for the impact of foreign currency exchange and the Company's 2023 divestiture of its subsidiary, E & R Industrial Sales, Inc., sales on a daily, organic constant currency basis increased 5.1% compared to the second quarter of 2023.

In the High-Touch Solutions - N.A. segment, sales, on a reported and daily basis, were up 3.1%, or up 3.7% on a daily, organic constant currency basis, compared to the second quarter of 2023. Revenue growth for the segment was driven by increased volume in all geographies and included broad-based gains across most customer end markets. In the Endless Assortment segment, daily sales were up 3.3%, or 11.7% on a daily, constant currency basis, compared to the second quarter of 2023. Revenue growth for the segment was driven by core B2B customers at Zoro and strong performance across MonotaRO, most notably with Enterprise customers. This growth was partially offset by the continued decrease in non-core customers at Zoro.

### Gross Profit Margin

Gross profit margin of 39.3% in the second quarter of 2024 was flat to the second quarter of 2023.

In the High-Touch Solutions - N.A. segment, 2024 second quarter gross profit margin of 41.7% was flat over the prior year quarter as various factors offset in the period. In the Endless

Assortment segment, gross profit margin declined by 20 basis points from the second quarter of 2023 driven primarily by product and customer mix headwinds.

### **Earnings**

For the second quarter of 2024, total company reported operating earnings were \$649 million, down 1.8% compared to the second quarter of 2023. Reported operating margin in the quarter was 15.1%, a 70-basis point decrease from the second quarter of 2023. On an adjusted basis, which removes restructuring costs incurred in the period, operating earnings for the quarter were \$665 million, up 0.6% over the second quarter of 2023. Adjusted operating margin was 15.4%, a 40 basis point decrease over the second quarter of 2023, driven by continued investment in demand-generating activities and distribution center network expansion.

Diluted earnings per share for the second quarter of 2024 were \$9.51 on a reported basis, up 2.5% compared to the second quarter of 2023. On an adjusted basis, diluted earnings per share were \$9.76, up 5.2% versus the second quarter of 2023. The increase was driven by sales growth, fewer shares outstanding and a lower tax rate.

### **Tax Rate**

The second quarter 2024 effective tax rate was 22.9%, compared to 24.0% in the second quarter of 2023. The lower effective tax rate was primarily due to an increase in tax credits over the prior year quarter.

### **Cash Flow**

During the second quarter of 2024, the Company generated \$411 million of cash flow from operating activities, as solid net earnings were partially offset by unfavorable working capital. The Company invested \$76 million in capital expenditures, resulting in free cash flow of \$335 million. During the quarter, the Company returned \$345 million to Grainger shareholders through dividends and share repurchases.

## **Guidance**

The Company is providing the following updated total company 2024 guidance, including a narrowed earnings outlook.

<b>Total Company<sup>(1)</sup></b>	<b>Previous 2024 Guidance Range (as of April 25, 2024)</b>	<b>Updated 2024 Guidance Range (as of August 1, 2024)</b>
Net Sales	\$17.2 - \$17.7 billion	\$17.0 - \$17.3 billion
Sales Growth	4.3% - 7.3%	3.2% - 5.2%
Daily, organic constant currency sales growth	4.0% - 7.0%	4.0% - 6.0%
Gross Profit Margin	39.1% - 39.4%	39.2% - 39.4%
Operating Margin	15.3% - 15.8%	15.3% - 15.7%
Diluted Earnings per Share	\$38.00 - \$40.50	\$38.00 - \$39.50
Operating Cash Flow	\$1.9 - \$2.1 billion	\$1.95 - \$2.15 billion
CapEx (cash basis)	\$0.4 - \$0.5 billion	\$0.4 - \$0.475 billion
Share Buyback	\$0.9 - \$1.1 billion	\$1.0 - \$1.2 billion
Effective Tax Rate	~24.0%	~24.0%
<b>Segment Operating Margin</b>		
High-Touch Solutions - N.A.	17.4% - 17.9%	17.4% - 17.8%
Endless Assortment	7.3% - 7.8%	7.6% - 8.0%

<sup>(1)</sup> Guidance provided is on an adjusted basis. Daily, organic constant currency sales growth is adjusted for the impact of two additional selling days in 2024 as compared to 2023, the sale of the Company's divested E & R Industrial Sales, Inc. subsidiary completed in the fourth quarter of 2023, and changes in foreign exchange. The Company does not reconcile forward-looking non GAAP financial measures. For further details see the supplemental information of this release.

## **Webcast**

The Company will conduct a live conference call and webcast at 11:00 a.m. ET on Thursday, August 1, 2024, to discuss the second quarter results. The webcast will be hosted by D.G. Macpherson, Chairman and CEO, and Deidra Merriwether, Senior Vice President and CFO, and can be accessed at [invest.grainger.com](https://invest.grainger.com). For those unable to participate in the live event, a webcast replay will be available for 90 days at [invest.grainger.com](https://invest.grainger.com).

## **About Grainger**

W.W. Grainger, Inc., is a leading broad line distributor with operations primarily in North America, Japan and the United Kingdom. At Grainger, We Keep the World Working® by serving more than 4.5 million customers worldwide with products delivered through innovative technology and deep customer relationships. With 2023 sales of \$16.5 billion, the Company operates two business models. In the High-Touch Solutions segment, Grainger offers approximately 2 million maintenance, repair and operating (MRO) products and services, including technical support and inventory management. In the Endless Assortment segment, Zoro.com offers customers

access to more than 13 million products, and MonotaRO.com offers more than 22 million products. For more information, visit [www.grainger.com](http://www.grainger.com).

Visit [invest.grainger.com](http://invest.grainger.com) to view information about the Company, including a supplement regarding 2024 second quarter results. Additional Company information can be found on the [Grainger Investor Relations website](#) which includes the Company Snapshot and ESG report.

### **Safe Harbor Statement**

All statements in this communication, other than those relating to historical facts, are “forward-looking statements.” Forward-looking statements can generally be identified by their use of terms such as “believe,” “could,” “future,” “guidance,” “may,” “predict,” “prospects,” “will,” or “would,” and similar terms and phrases, including references to assumptions. Forward-looking statements are not guarantees of future performance and are subject to a number of assumptions, risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from such statements. Forward-looking statements include, but are not limited to, statements about future strategic plans and future financial and operating results. Important factors that could cause actual results to differ materially from those presented or implied in the forward-looking statements include, without limitation: inflation, higher product costs or other expenses, including operational and administrative expenses; the impact of macroeconomic pressures and geopolitical trends, changes and events; a major loss of customers; loss or disruption of sources of supply; changes in customer or product mix; increased competitive pricing pressures; changes in third party practices regarding digital advertising; failure to enter into or sustain contractual arrangements on a satisfactory basis with group purchasing organizations; failure to develop, manage or implement new technology initiatives or business strategies, including with respect to Grainger’s eCommerce platforms; failure to adequately protect intellectual property or successfully defend against infringement claims; fluctuations or declines in Grainger’s gross profit margin; Grainger’s responses to market pressures; the outcome of pending and future litigation or governmental or regulatory proceedings, including with respect to wage and hour, anti-bribery and corruption, environmental, regulations related to advertising, marketing and the Internet, consumer protection, pricing (including disaster or emergency declaration pricing statutes), product liability, compliance or safety, trade and export compliance, general commercial disputes, or privacy and cybersecurity matters; investigations, inquiries, audits and changes in laws and regulations; failure to comply with laws, regulations and standards, including new or stricter environmental laws or regulations; government contract matters; the impact of any government shutdown; disruption or breaches of information technology or data security systems involving Grainger or third parties on which Grainger depends; general industry, economic, market or political conditions; general global economic conditions including tariffs and trade issues and policies; foreign currency exchange rate fluctuations; market volatility, including price and trading volume volatility or price declines of Grainger’s common stock; commodity price volatility; facilities disruptions or shutdowns; higher fuel costs or disruptions in transportation services; outbreaks of pandemic disease or viral contagions; natural or human induced disasters, extreme weather and other catastrophes or conditions; effects of climate change; failure to execute on our efforts and programs related to environmental, social and governance matters; competition for, or failure to attract, retain, train, motivate and develop executives and key employees; loss of key members of management or key employees; loss of operational flexibility and potential for work stoppages or slowdowns if employees unionize or join a collective bargaining arrangement; changes in effective tax rates; changes in credit ratings or outlook; Grainger’s incurrence of indebtedness or failure to comply with restrictions and obligations under its debt agreements and instruments; and other factors that can be found in our filings with the Securities and Exchange Commission, including our most recent periodic reports filed on Form 10-K and Form 10-Q, which are available on our Investor Relations website. Forward-looking statements are given only as of the date of this communication and we disclaim any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

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**W.W. Grainger, Inc. and Subsidiaries**  
**CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS**  
(In millions of dollars, except for share and per share amounts)  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net sales	\$ 4,312	\$ 4,182	\$ 8,547	\$ 8,273
Cost of goods sold	2,618	2,538	5,185	4,995
Gross profit	1,694	1,644	3,362	3,278
Selling, general and administrative expenses	1,045	983	2,044	1,937
Operating earnings	649	661	1,318	1,341
Other (income) expense:				
Interest expense – net	20	24	41	48
Other – net	(7)	(8)	(14)	(14)
Total other expense – net	13	16	27	34
Earnings before income taxes	636	645	1,291	1,307
Income tax provision	146	155	304	309
Net earnings	490	490	987	998
Less net earnings attributable to noncontrolling interest	20	20	39	40
Net earnings attributable to W.W. Grainger, Inc.	<u>\$ 470</u>	<u>\$ 470</u>	<u>\$ 948</u>	<u>\$ 958</u>
Earnings per share:				
Basic	<u>\$ 9.54</u>	<u>\$ 9.32</u>	<u>\$ 19.20</u>	<u>\$ 18.98</u>
Diluted	<u>\$ 9.51</u>	<u>\$ 9.28</u>	<u>\$ 19.13</u>	<u>\$ 18.89</u>
Weighted average number of shares outstanding:				
Basic	<u>49.0</u>	<u>50.1</u>	<u>49.1</u>	<u>50.2</u>
Diluted	<u>49.2</u>	<u>50.3</u>	<u>49.3</u>	<u>50.4</u>

**W.W. Grainger, Inc. and Subsidiaries**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In millions of dollars)  
(Unaudited)

<u>Assets</u>	As of	
	(Unaudited) June 30, 2024	December 31, 2023
Current assets		
Cash and cash equivalents	\$ 769	\$ 660
Accounts receivable (less allowances for credit losses of \$37 and \$35, respectively)	2,344	2,192
Inventories – net	2,169	2,266
Prepaid expenses and other current assets	239	156
Total current assets	5,521	5,274
Property, buildings and equipment – net	1,667	1,658
Goodwill	360	370
Intangibles – net	237	234
Operating lease right-of-use	396	429
Other assets	171	182
Total assets	\$ 8,352	\$ 8,147
<u>Liabilities and Shareholders' Equity</u>		
Current liabilities		
Current maturities	\$ 505	\$ 34
Trade accounts payable	1,106	954
Accrued compensation and benefits	254	327
Operating lease liability	72	71
Accrued expenses	424	397
Income taxes payable	36	48
Total current liabilities	2,397	1,831
Long-term debt	1,783	2,266
Long-term operating lease liability	352	381
Deferred income taxes and tax uncertainties	117	104
Other non-current liabilities	116	124
Shareholders' equity	3,587	3,441
Total liabilities and shareholders' equity	\$ 8,352	\$ 8,147

**W.W. Grainger, Inc. and Subsidiaries**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In millions of dollars)  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023 <sup>(1)</sup>	2024	2023 <sup>(1)</sup>
<b>Cash flows from operating activities:</b>				
Net earnings	\$ 490	\$ 490	\$ 987	\$ 998
Adjustments to reconcile net earnings to net cash provided by operating activities:				
Provision for credit losses	6	5	12	9
Deferred income taxes and tax uncertainties	17	7	15	17
Depreciation and amortization	60	52	116	102
Non-cash lease expense	20	21	41	38
Stock-based compensation	23	19	34	31
Change in operating assets and liabilities:				
Accounts receivable	(42)	(141)	(205)	(303)
Inventories	(5)	24	71	28
Prepaid expenses and other assets	43	19	(42)	93
Trade accounts payable	(18)	94	184	147
Operating lease liabilities	(24)	(21)	(47)	(42)
Accrued liabilities	17	24	(18)	(169)
Income taxes – net	(169)	(130)	(62)	(28)
Other non-current liabilities	(7)	(13)	(14)	(17)
Net cash provided by operating activities	<u>411</u>	<u>450</u>	<u>1,072</u>	<u>904</u>
<b>Cash flows from investing activities:</b>				
Capital expenditures	(76)	(95)	(195)	(193)
Proceeds from sale of assets	—	—	1	2
Other – net	17	—	17	—
Net cash used in investing activities	<u>(59)</u>	<u>(95)</u>	<u>(177)</u>	<u>(191)</u>
<b>Cash flows from financing activities:</b>				
Proceeds from debt	2	—	3	6
Payments of debt	—	—	(17)	(18)
Proceeds from stock options exercised	1	5	10	28
Payments for employee taxes withheld from stock awards	(30)	(26)	(40)	(29)
Purchases of treasury stock	(244)	(171)	(512)	(313)
Cash dividends paid	(101)	(107)	(206)	(194)
Other – net	—	2	(1)	(1)
Net cash used in financing activities	<u>(372)</u>	<u>(297)</u>	<u>(763)</u>	<u>(521)</u>
Exchange rate effect on cash and cash equivalents	<u>(15)</u>	<u>(4)</u>	<u>(23)</u>	<u>(2)</u>
Net change in cash and cash equivalents	<u>(35)</u>	<u>54</u>	<u>109</u>	<u>190</u>
Cash and cash equivalents at beginning of period	804	461	660	325
Cash and cash equivalents at end of period	<u>\$ 769</u>	<u>\$ 515</u>	<u>\$ 769</u>	<u>\$ 515</u>

<sup>(1)</sup> Certain reclassifications have been made to prior year amounts to conform to the current year presentation of Grainger's Condensed Consolidated Statements of Cash Flows. The reclassifications had no impact on previously reported results including net cash provided by (used in) operating, investing and financing activities for the three and six months ended June 30, 2023.

## **SUPPLEMENTAL INFORMATION - RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES (Unaudited)**

The Company supplements the reporting of financial information determined under U.S. generally accepted accounting principles (GAAP) with the non-GAAP financial measures as defined below. The Company believes these non-GAAP financial measures provide meaningful information to assist investors in understanding financial results and assessing prospects for future performance as they provide a better baseline for analyzing the ongoing performance of its business by excluding items that may not be indicative of core operating results.

### Basis of presentation

The Company has a controlling ownership interest in MonotaRO, which is part of our Endless Assortment segment. MonotaRO's results are fully consolidated, reflected in U.S. GAAP, and reported one-month in arrears. Results will differ from MonotaRO's externally reported financials which follow Japanese GAAP.

### Adjusted gross profit, adjusted SG&A, adjusted operating earnings, adjusted operating margin, adjusted net earnings, adjusted diluted EPS

Exclude certain non-recurring items, like restructuring charges, asset impairments, gains and losses associated with business divestitures and other non-recurring, infrequent or unusual gains and losses (together referred to as "non-GAAP adjustments"), from the Company's most directly comparable reported U.S. GAAP figures (reported gross profit, SG&A, operating earnings, net earnings and EPS). The Company believes these non-GAAP adjustments provide meaningful information to assist investors in understanding financial results and assessing prospects for future performance as they provide a better baseline for analyzing the ongoing performance of its business by excluding items that may not be indicative of core operating results.

### Free cash flow (FCF)

Calculated using total cash provided by operating activities less capital expenditures. The Company believes the presentation of FCF allows investors to evaluate the capacity of the Company's operations to generate free cash flow.

### Daily sales

Refers to sales for the period divided by the number of U.S. selling days for the period.

### Daily, constant currency sales

Refers to daily sales adjusted for changes in foreign currency exchange rates.

### Daily, organic constant currency sales

Refers to daily sales excluding the sales of certain divested businesses in the comparable prior year period and changes in foreign currency exchange rates.

### Foreign currency exchange

Calculated by dividing current period local currency daily sales by current period average exchange rate and subtracting the current period local currency daily sales divided by the prior period average exchange rate.

### U.S. selling days:

2023: Q1-64, Q2-64, Q3-63, Q4-63, FY-254

2024: Q1-64, Q2-64, Q3-64, Q4-64, FY-256

2025: Q1-63, Q2-64, Q3-64, Q4-64, FY-255

As non-GAAP financial measures are not standardized, it may not be possible to compare these measures with other companies' non-GAAP measures having the same or similar names. These non-GAAP measures should not be considered in isolation or as a substitute for reported results. These non-GAAP measures reflect an additional way of viewing aspects of operations that, when viewed with GAAP results, provide a more complete understanding of the business. This press release also includes certain non-GAAP forward-looking information. The Company believes that a quantitative reconciliation of such forward-looking information to the most comparable financial measure calculated and presented in accordance with GAAP cannot be made available without unreasonable efforts. A reconciliation of these non-GAAP financial measures would require the Company to predict the timing and likelihood of future restructurings, asset impairments, and other charges. Neither of these forward-looking measures, nor their probable significance, can be quantified with a reasonable degree of accuracy. Accordingly, a reconciliation of the most directly comparable forward-looking GAAP measures is not provided.

The reconciliations provided below reconciles GAAP financial measures to non-GAAP financial measures used in this release: daily sales; daily, organic constant currency sales; free cash flow; adjusted operating margin; and adjustments reflected in the consolidated statements of earnings.

**Sales growth for the three months ended June 30, 2024***(percent change compared to prior year period)  
(unaudited)*

	Q2 2024		
	Total Company	High-Touch Solutions - N.A.	Endless Assortment
Reported sales	3.1%	3.1%	3.3%
Day impact	—%	—%	—%
Daily sales <sup>(1)</sup>	3.1%	3.1%	3.3%
Business divestiture <sup>(2)</sup>	0.5%	0.6%	—%
Foreign currency exchange <sup>(3)</sup>	1.5%	—%	8.4%
Daily, organic constant currency sales	5.1%	3.7%	11.7%

<sup>(1)</sup> Based on U.S. selling days, there were 64 selling days in Q2 2024 and Q2 2023.<sup>(2)</sup> Reflects the divestiture of Grainger's subsidiary, E & R Industrial Sales, Inc., completed in the fourth quarter of 2023.<sup>(3)</sup> Excludes the impact of year-over-year foreign currency exchange rate fluctuations.**Free cash flow (FCF) for the three months ended June 30, 2024***(in millions of dollars)  
(unaudited)*

	Q2 2024	
Net cash flows provided by operating activities	\$	411
Capital expenditures		(76)
Free cash flow	\$	335

## Income statement adjustments for the three months ended June 30, 2024 and 2023

(in millions of dollars)  
(unaudited)

	Q2 2024			Reported	Adjusted <sup>(2)</sup>	Reported	Adjusted
	Reported	Adjustment <sup>(1)</sup>	Adjusted	% of Net sales		Y/Y	
<b>Earnings reconciliation:</b>							
SG&A	\$ (1,045)	\$ 16	\$ (1,029)	24.2 %	23.9 %	6.3 %	4.7 %
Operating earnings	649	16	665	15.1	15.4	(1.8)	0.6
Other expense — net	(13)	—	(13)	0.3	0.3	(18.8)	(18.8)
Income tax provision <sup>(3)</sup>	(146)	(4)	(150)	3.4	3.4	(5.8)	(3.2)
Net earnings	490	12	502	11.4	11.7	—	2.4
Noncontrolling interest <sup>(4)</sup>	(20)	—	(20)	0.5	0.5	—	—
Net earnings attributable to W.W. Grainger, Inc.	\$ 470	\$ 12	\$ 482	10.9 %	11.2 %	— %	2.6 %
Diluted earnings per share:	\$ 9.51	0.25	\$ 9.76			2.5 %	5.2 %
<b>Earnings reconciliation:</b>							
	Q2 2023			Reported	Adjusted <sup>(2)</sup>	Reported	Adjusted
	Reported	Adjustment <sup>(1)</sup>	Adjusted	% of Net sales		Y/Y	
SG&A	\$ (983)	\$ —	\$ (983)	23.5 %	23.5 %	8.4 %	8.4 %
Operating earnings	661	—	661	15.8	15.8	23.5	23.5
Other expense — net	(16)	—	(16)	0.4	0.4	(5.1)	(5.1)
Income tax provision <sup>(3)</sup>	(155)	—	(155)	3.7	3.7	20.1	20.1
Net earnings	490	—	490	11.7	11.7	25.9	25.9
Noncontrolling interest <sup>(4)</sup>	(20)	—	(20)	0.5	0.5	12.1	12.1
Net earnings attributable to W.W. Grainger, Inc.	\$ 470	\$ —	\$ 470	11.2 %	11.2 %	26.5 %	26.5 %
Diluted earnings per share:	\$ 9.28	—	\$ 9.28			29.1 %	29.1 %

<sup>(1)</sup> Reflects restructuring costs incurred in the second quarter of 2024 of \$15M and \$1M in Grainger's HTS-N.A. segment and Other businesses, respectively. There were no non-GAAP adjustments for the second quarter of 2023.

<sup>(2)</sup> Calculated on the basis of reported net sales for the second quarter of 2024 and 2023.

<sup>(3)</sup> Reflects a tax benefit related to the restructuring costs incurred in the second quarter of 2024. The Company's reported and adjusted effective tax rates were 22.9% and 24.0% for the second quarter of 2024 and 2023, respectively.

<sup>(4)</sup> The Company has a controlling ownership interest in MonotaRO, with the residual representing noncontrolling interest.