GRAINGER

NYSE: GWW

Q3 2025 Earnings Call

October 31, 2025

Safe Harbor Statement and Non-GAAP Financial Measures

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 “anticipate,” “estimate,” “believe,” “expect,” “could,” “forecast,” “may,” “intend,” “plan,” “predict,” “project,” “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; 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 and artificial intelligence; 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 existing, new, or increased tariffs, trade issues and changes in trade policies, inflation, and interest rates; 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; effects of outbreaks of pandemic disease or viral contagions, global conflicts, 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 team members; loss of key members of management or key team members; loss of operational flexibility and potential for work stoppages or slowdowns if team members 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.

Additional information relating to certain non-GAAP financial measures referred to in this presentation is available in the appendix to this presentation, including: adjusted return on invested capital; adjusted gross profit, adjusted operating earnings, adjusted EBITDA; adjusted SG&A; daily sales; daily, organic daily sales; constant currency sales; daily, organic constant currency sales; constant currency sales in local days; daily, organic constant currency sales in local days; net leverage ratio; and free cash flow. This communication also includes certain non-GAAP forward-looking information (including, but not limited to, slides 11-14 & 23). 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 these forward-looking measures, nor their probable significance, can be quantified with a reasonable degree of accuracy. Accordingly, the most directly comparable forward-looking GAAP measures are not provided. Forward-looking non-GAAP financial measures provided without the most directly comparable GAAP financial measures may vary materially from the corresponding GAAP financial measures.

GRAINGER

Opening Remarks

D.G. Macpherson

Chairman & CEO

The Grainger Edge® embedded in everything we do

Our Purpose

We Keep The World ***Working®***

Our Aspiration

We relentlessly expand our leadership position by being the go-to partner for people who build and run safe, sustainable, and productive operations.

Our Principles

- Start with the customer
- Embrace curiosity
- Act with intent
- Compete with urgency
- Win as one team
- Invest in our success
- Do the right thing

Q3 2025 Highlights

Continued solid performance amidst muted market demand

- Delivered another quarter of steady growth and profitability
  - Generated reported sales growth of 6.1% (5.4% in daily, constant currency)
  - Delivered diluted EPS of $10.21, up 34 cents versus prior year
  - Produced operating cash flow of $597 million
- Returned $399 million to shareholders through dividends and share repurchases(1)
- Announced plans to divest our U.K.-based Cromwell business
- Narrowing FY 2025 earnings outlook

Sales	$4.7B	+5.4% *(daily, constant currency)*
Operating Margin	15.2%	(40) bps
EPS (diluted)	$10.21	+3.4%
ROIC	40.3%	(260) bps

Note: Results are shown on an adjusted basis. See appendix for a reconciliation of any non-GAAP financial measures. Numbers may not sum due to rounding.
(1) Includes only share repurchases and dividends related to Grainger common stock.

GRAINGER

Q3 2025 Results

Dee Merriwether

SVP & CFO

Q3 2025 Results: *Total Company*

Summary Results

($ in millions)	Q3 2025	Q3 2024	% vs. PY Fav/(Unfav)
Sales	$ 4,657	$ 4,388	6.1%
Daily Sales	*72.8*	*68.6*	*6.1%*
GP	1,798	1,720	4.5%
SG&A	1,091	1,034	(5.5)%
Op Earnings	$ 707	$ 686	3.1%
EPS (diluted)	**$ 10.21**	**$ 9.87**	**3.4%**

(% of sales)	Q3 2025	Q3 2024	bps vs. PY Fav/(Unfav)
GP Margin	38.6 %	39.2 %	(60)
SG&A	23.4 %	23.6 %	20
Op Margin	15.2 %	15.6 %	(40)

Commentary vs. Prior Year

Sales increased 6.1% (reported and daily)

- 5.4% sales growth on a daily, constant currency basis
- Generated growth in both segments

Gross profit margin decreased 60 bps

- Continued pressure in High-Touch from tariff-related impacts, including LIFO inventory valuation headwind
- Segment mix drag from Endless Assortment growth
- *Note:* Excluding LIFO headwind, implied FIFO GP% increased year-over-year

Operating margin decreased 40 bps

- Gross margin unfavorability, partly offset by expense leverage in Endless Assortment

Diluted EPS of $10.21, up 3.4% versus prior year

Q3 2025 Results: *High-Touch Solutions - N.A.*

Summary Results

($ in millions)	Q3 2025	Q3 2024	% vs. PY Fav/(Unfav)
Sales	$ 3,635	$ 3,515	3.4%
Daily Sales	*56.8*	*54.9*	*3.4%*
GP	1,495	1,462	2.3%
SG&A	871	845	(3.1)%
Op Earnings	$ 624	$ 617	1.1%

(% of sales)	Q3 2025	Q3 2024	bps vs. PY Fav/(Unfav)
GP Margin	41.1 %	41.6 %	(50)
SG&A	23.9 %	24.0 %	10
Op Margin	17.2 %	17.6 %	(40)

Commentary vs. Prior Year

Sales increased 3.4% (reported and daily)

- 3.4% sales growth on a daily, constant currency basis
- Price contribution improving as tariff costs are passed

Gross profit margin decreased 50 bps

- Continued tariff-related inflation causing unfavorable price / cost timing and LIFO inventory valuation headwind
- Partially offset by positive mix and freight
- *Note:* Excluding LIFO headwind, implied FIFO GP% increased year-over-year

Operating margin decreased 40 bps

- Slight SG&A leverage vs prior year

Note: Results are consistent on a reported and adjusted basis. See appendix for a reconciliation of any non-GAAP financial measures. Numbers may not sum due to rounding.

Q3 2025 Results: *Endless Assortment*

Summary Results

($ in millions)	Q3 2025	Q3 2024	% vs. PY Fav/(Unfav)
Sales	$ 935	$ 791	18.2%
Daily Sales	*14.6*	*12.4*	*18.2%*
GP	281	233	20.6%
SG&A	189	163	(16.0)%
Op Earnings	$ 92	$ 70	31.4%

(% of sales)	Q3 2025	Q3 2024	bps vs. PY Fav/(Unfav)
GP Margin	30.1 %	29.5 %	60
SG&A	20.3 %	20.7 %	40
Op Margin	9.8 %	8.8 %	100

Commentary vs. Prior Year

Sales increased 18.2%; up 14.6% on a daily, constant currency basis

- Zoro growth of 17.8% on a daily basis
- MonotaRO growth of 12.6% in local days, local constant currency

Gross profit margin increased 60 bps

- Continued benefit from strategic pricing actions at Zoro
- Favorable mix at MonotaRO

Operating margin increased 100 bps

- Gross margin flow through and top-line leverage across the segment

Note: Results are shown on an adjusted basis. See appendix for a reconciliation of any non-GAAP financial measures. Numbers may not sum due to rounding.

Looking Ahead

Dee Merriwether

SVP & CFO

Update on tariff actions and path forward

Continuing to navigate tariff landscape

YTD

Completed actions

Took pricing actions over the last two quarters as tariffs went into effect

- May actions predominately focused on products directly imported by Grainger
- September updates included initial increases on supplier-imported products where cost negotiations were final

Continued to engage with suppliers; expecting dialogue to remain ongoing

Q4’25

Expected actions

Taking additional pricing actions this quarter to offset incremental cost pressure

- Actions include refinements to reflect additional tariffs not contemplated in prior guidance (e.g., updates to Section 232)

Expect sequential GP% step up on improving price / cost and normal seasonal favorability (anticipating similar LIFO impact as Q3’25)

Looking Ahead

Anticipate annual Total Company GP% run-rate will stabilize at ~39% as tariff landscape normalizes, consistent with our long-term earnings framework

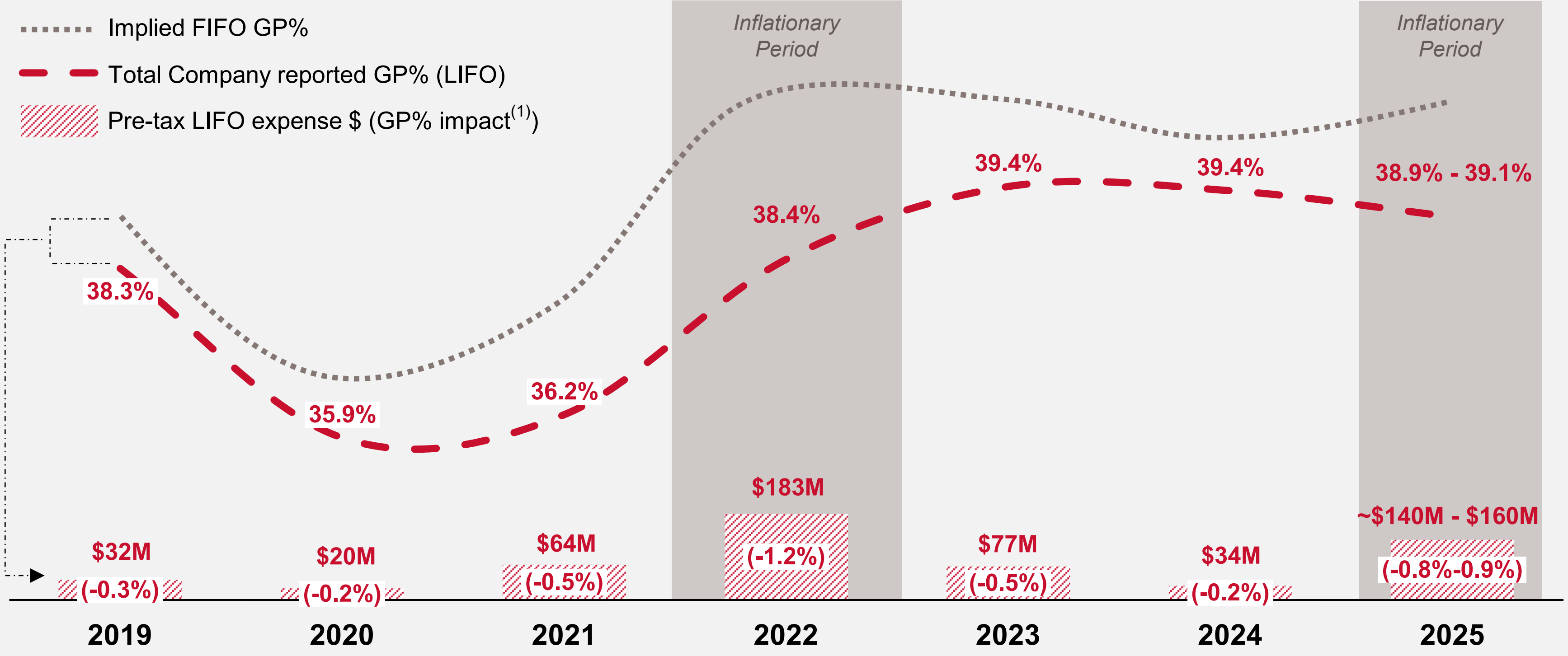
− Private label headwind on portion of products where tariffs change competitiveness; continued segment mix headwind

+ LIFO impact expected to subside by mid-2026[1]; price / cost trends back toward neutrality

(1) Assumes no material change to current effective tariff rates as of October 30, 2025.

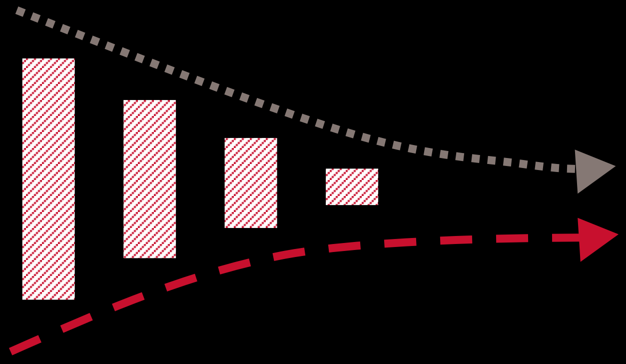
LIFO Impact: Inventory accounting dynamics having outsized impact on GP%; will normalize as inflationary cycle subsides

LIFO impact more pronounced during periods of heightened cost inflation …



	2020	2021	2022	2023	2024	2025
Material YoY GP% Impacts	(-) Pandemic mix (-) Pandemic product E&O	(+) Pandemic mix (-) Pandemic product E&O	(+) Pandemic mix (+) Lap of pandemic product E&O (+) Price / Cost positive (-) LIFO headwind	(+) Freight and supply chain recovery (+) LIFO recovery	(+/-) Minimal change	(-) Price / Cost negative (-) LIFO headwind

… however, as inflation cools



- ✓ *LIFO expense $ decline*
- ✓ *LIFO and FIFO GP% converge*

… and as we pass further price

- ✓ *Expect annual Total Company GP% run-rate will stabilize at ~39%*

Note: The Company uses the last-in, first-out (LIFO) method, valued at the lower of cost or market, to account for approximately 79% of total inventory (as of December 31, 2024) and the first-in, first-out (FIFO) method, valued at the lower of cost or net realizable value, for the remaining inventory
(1) Year-over-year change in LIFO reserve as a percent of sales.

GRAINGER

2025 Full Year Guidance: *Total Company*

Narrowing 2025 Earnings Outlook

Tariff Considerations:

- Includes continued LIFO headwind but improving price / cost in Q4'25
- Reflects anticipated Q4'25 pricing actions
- Assumes no change to current effective tariff rates as of 10/30

Note:

- *Assumes Cromwell divestiture completed by mid-Q4'25*

	2024A	2025 Guidance *(as of Oct 31, 2025)*	Y/Y change
Sales *($ billions)*	**$17.2**	**$17.8 – $18.0**	**3.9% to 4.7%** *(4.4% to 5.1% daily, organic constant currency sales(1))*
Prior FY'25 Guidance		*$17.9 – $18.2*	
Gross Profit Margin	**39.4%**	**38.9% – 39.1%**	**(40) bps to (25) bps**
Prior FY'25 Guidance		*38.6% – 38.9%*	
Adj. Operating Margin	**15.5%**	**15.0% – 15.2%**	**(45) bps to (30) bps**
Prior FY'25 Guidance		*14.7% – 15.1%*	
Adj. EPS (diluted)	**$38.96**	**$39.00 – $39.75**	**0.1% to 2.0%**
Prior FY'25 Guidance		*$38.50 – $40.25*	

Note: Guidance provided on an adjusted basis. The Company does not reconcile forward-looking non-GAAP financial measures. Assumes corporate effective tax rate of ~23.8% and JPY / USD FX rate of 149. Expect 2025 net interest/other net expense headwind of ~$20 million driving ~$0.30 Y/Y EPS impact. Normalization of effective tax rate to ~23.8% driving ~110bps Y/Y headwind to 2025 EPS growth rate. Prior FY '25 guidance as provided on August 1, 2025.
(1) Based on U.S. selling days. There are 255 and 256 selling days in 2025 and 2024, respectively. See appendix for a reconciliation of any non-GAAP financial measures.

Long-term earnings framework remains intact

Focused execution

Strong top-line growth

- Targeting 400 - 500bps of annual volume outgrowth(1) in HTS-U.S.
- EA revenue CAGR to grow in the teens

+

Generally stable gross profit margins

- Stability around ~39% for Total Company
- Expect segment mix headwinds as EA grows faster than HTS-N.A.

+

Grow SG&A slower than sales(2)

- Anticipate productivity initiatives will offset continued demand generation investment

=

Attractive total return potential

Double-digit Adj. EPS CAGR(2)(3)

+

Strong dividend track record

Robust cash flow generation supporting capital priorities

- Expect operating cash conversation around ~100% of net earnings
- Anticipate CapEx to remain elevated at ~$600 million average per year through 2028 (4)
- Executing consistent approach to capital allocation, including *HSD-LDD%* annual dividend growth target

Significant shareholder value creation

(1) Volume outgrowth is measured as High-Touch Solutions - U.S. daily, organic sales growth excluding price/customer mix contribution, less estimated U.S. MRO market volume.
(2) At Total Company level.
(3) Assumes normal market conditions including U.S. MRO market volume CAGR of +1.0 - 2.0% and approximately +1.0% of annual price inflation. Corporate tax rate assumed at ~24%.
(4) Normalizing to ~1.5 - 2.0% of sales thereafter.

GRAINGER

Closing Remarks

D.G. Macpherson

Chairman & CEO


GRAINGER
GRAINGER
CAUTION
WET FLOOR
CUIDADO
PISO MOJADO
We Keep The World
Working

GRAINGER

Q&A

GRAINGER

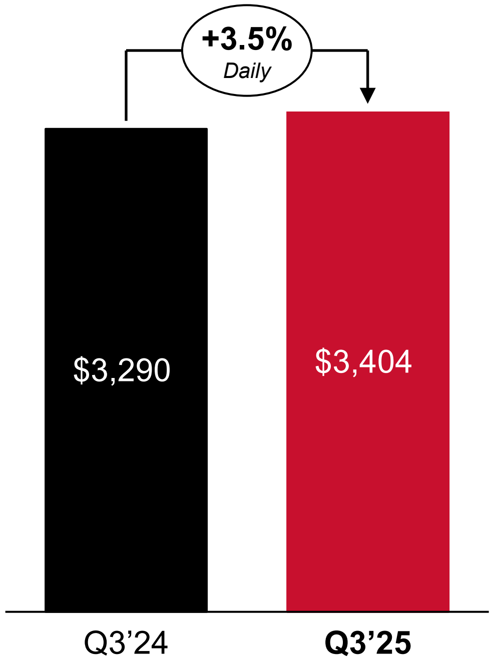
Appendix

Q3 2025 Segment Highlights: *High-Touch Solutions - N.A.*

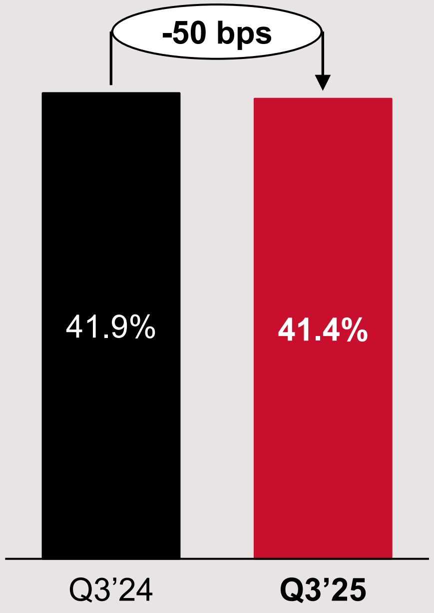
HTS - U.S.

($ millions)

Sales



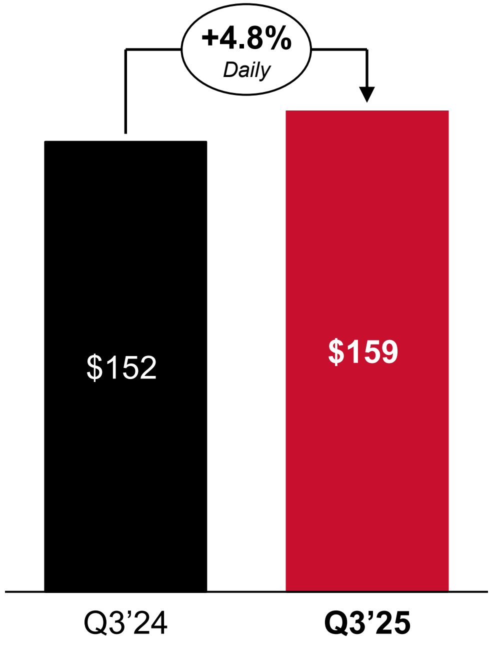
Gross Profit



HTS - Canada

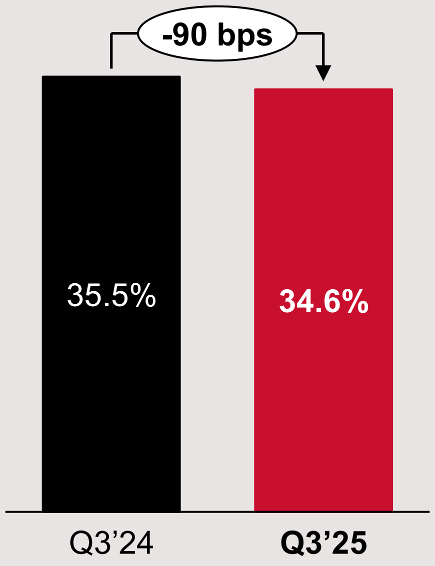
($ millions)

Sales



Daily, constant currency sales in local days: +5.9%

Gross Profit



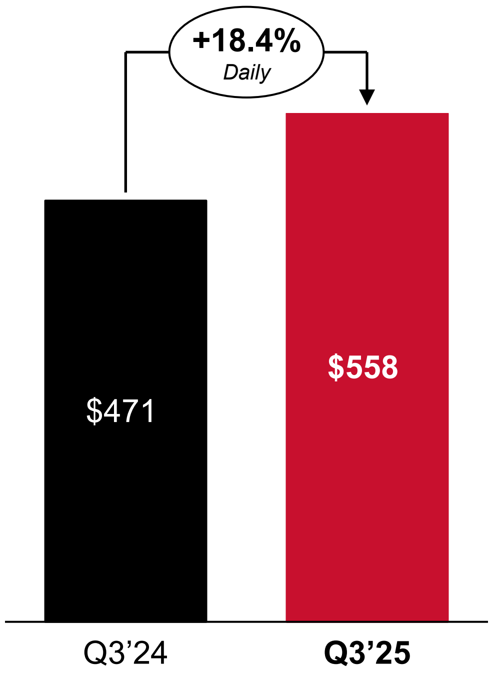
Note: Results are consistent on a reported and adjusted basis. See appendix for a reconciliation of any non-GAAP financial measures. Numbers may not sum due to rounding.

Q3 2025 Segment Highlights: *Endless Assortment*

MonotaRO[1]

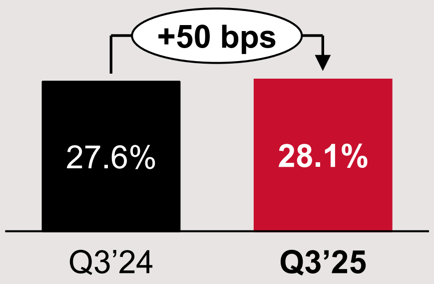
($ millions)

Sales

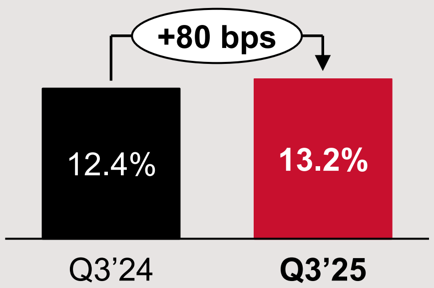


Daily, constant currency sales in local days: +12.6%

Gross Profit



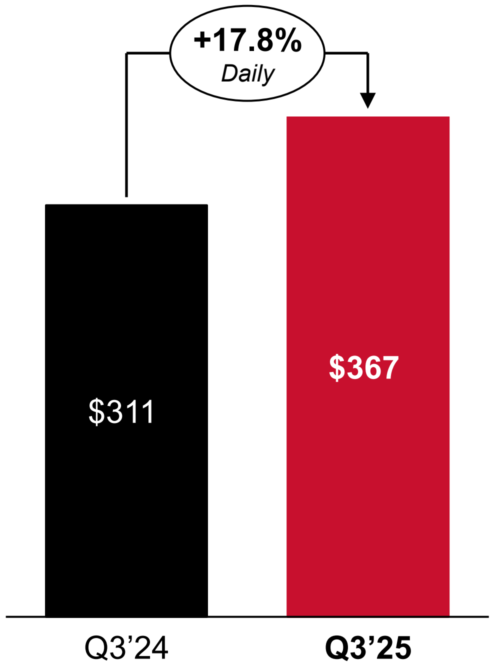
Op. Margin



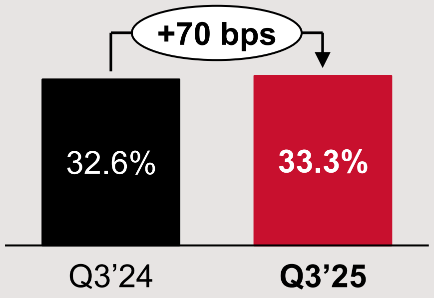
Zoro - U.S.

($ millions)

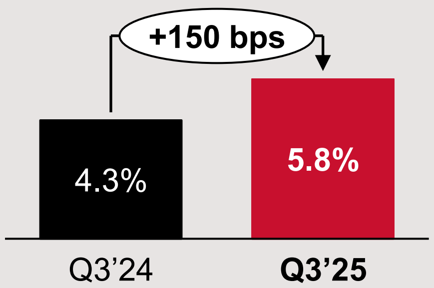
Sales



Gross Profit



Op. Margin

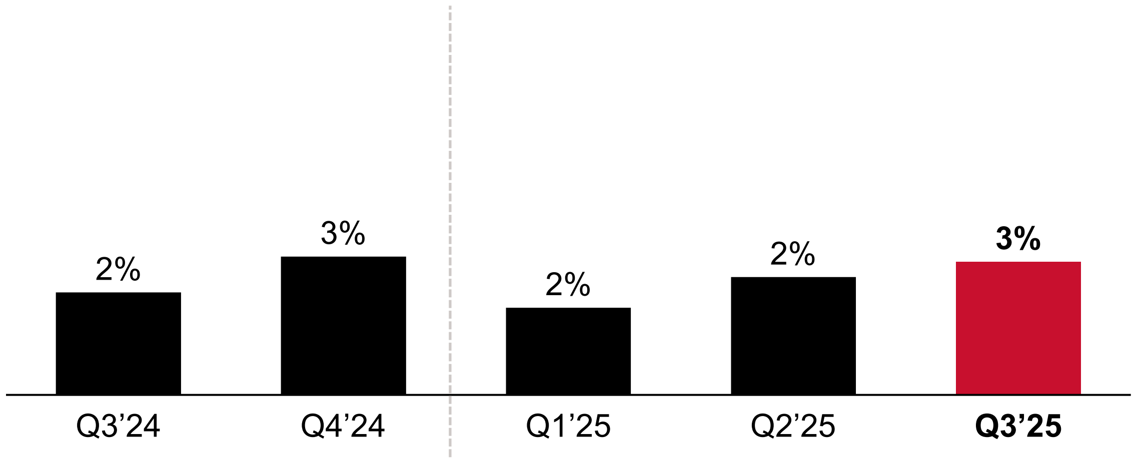


Note: Results are consistent on a reported and adjusted basis. See appendix for a reconciliation of any non-GAAP financial measures. Numbers may not sum due to rounding.

(1) 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.

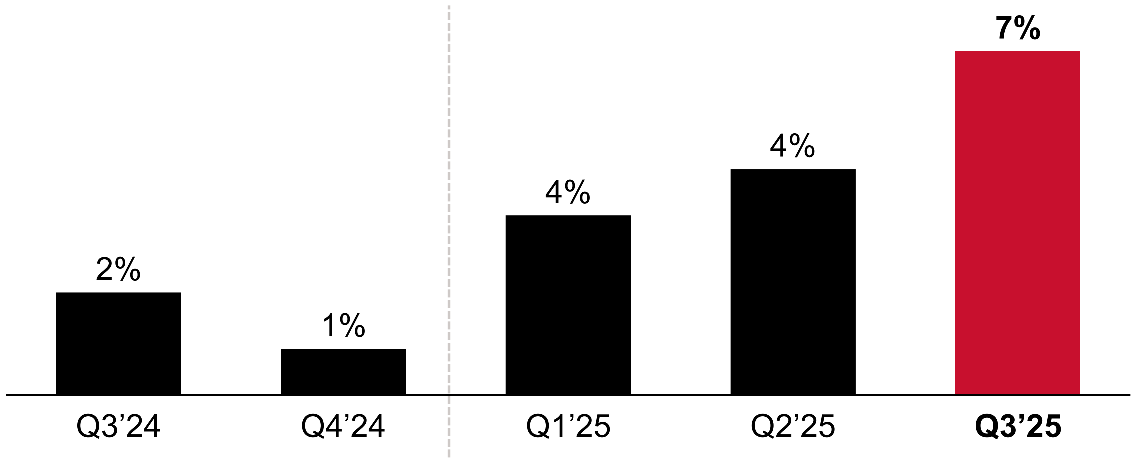
Q3 2025 Sales Performance: *High-Touch Solutions - U.S.*

Large Customers[1]



Note: FY'24 Large Customer daily sales growth was +2.8%

Mid-sized Customers[1]

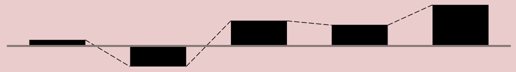
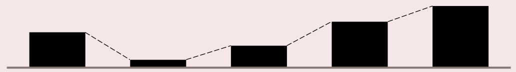
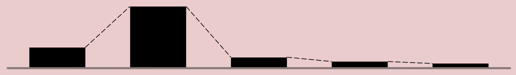
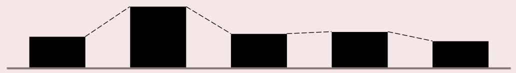
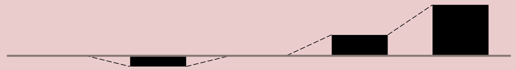
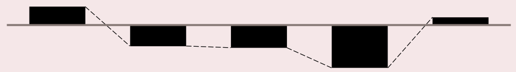
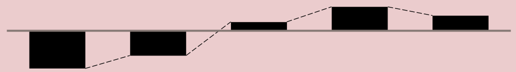
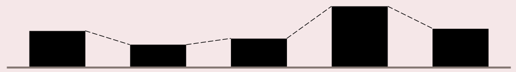
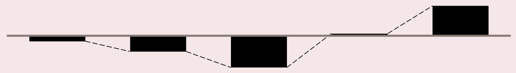
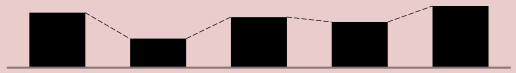


Note: FY'24 Mid-size Customer daily sales growth was +3.2%

Note: See appendix for a reconciliation of any non-GAAP financial measures.

(1) Large Customer revenue of $10.8 billion and Mid-sized Customer revenue of $1.8 billion for the last twelve-month (LTM) period ending September 30, 2025. These numbers exclude specialty brands and certain revenue recognition adjustments which are included in the HTS - U.S. business. Growth rates are presented on a daily basis and rounded to the nearest whole percentage.

Sales Growth By Customer End Market: *HTS - U.S.*

	Q3’25[1]	5 Quarter Trend
Commercial Services	UP Mid-Single Digits	
Contractors	UP Low-Double Digits	
Government	UP Low-Single Digits	
Healthcare	UP Mid-Single Digits	
Manufacturing	UP Low-Single Digits	
Retail	UP Low-Single Digits	
Transportation	UP Mid-Single Digits	
Utilities	UP Mid-Single Digits	
Warehousing	DOWN Mid-Teens	
Wholesale	UP Low-Single Digits	
Other[2]	UP Low-Double Digits	

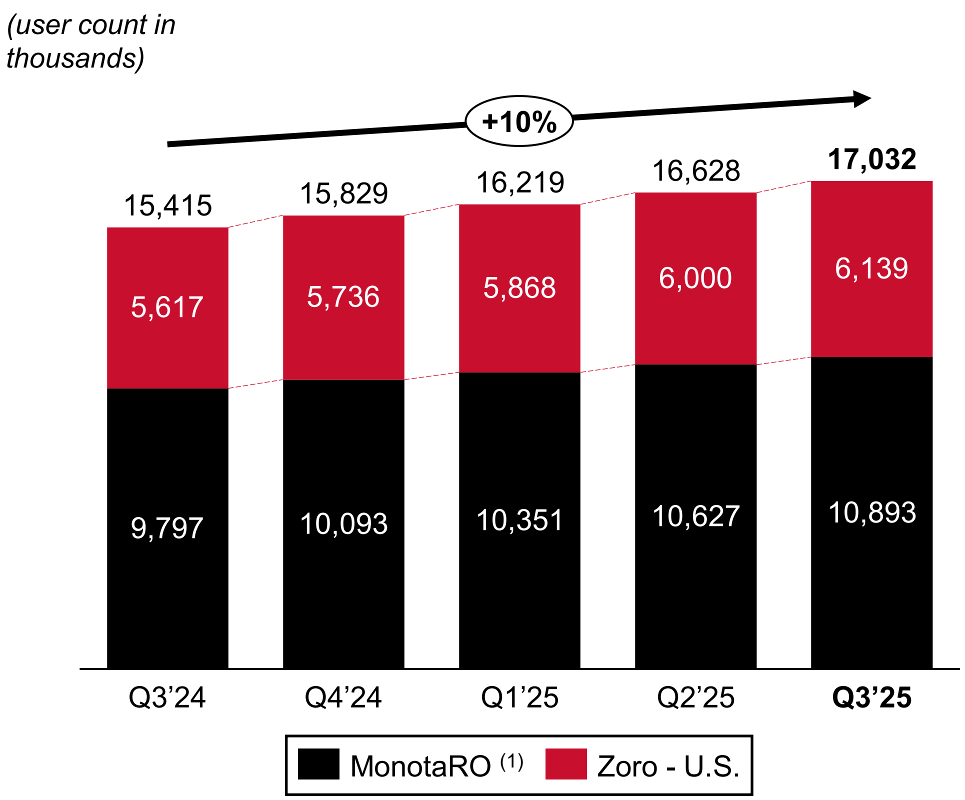
Note: See appendix for a reconciliation of any non-GAAP financial measures. Customer end market definitions primarily follow the North American Industry Classification System (NAICS). Numbers exclude specialty brands and certain revenue recognition adjustments which are included in the HTS - U.S. business.

(1) Growth rates are presented on a daily basis in current customer end market alignment.

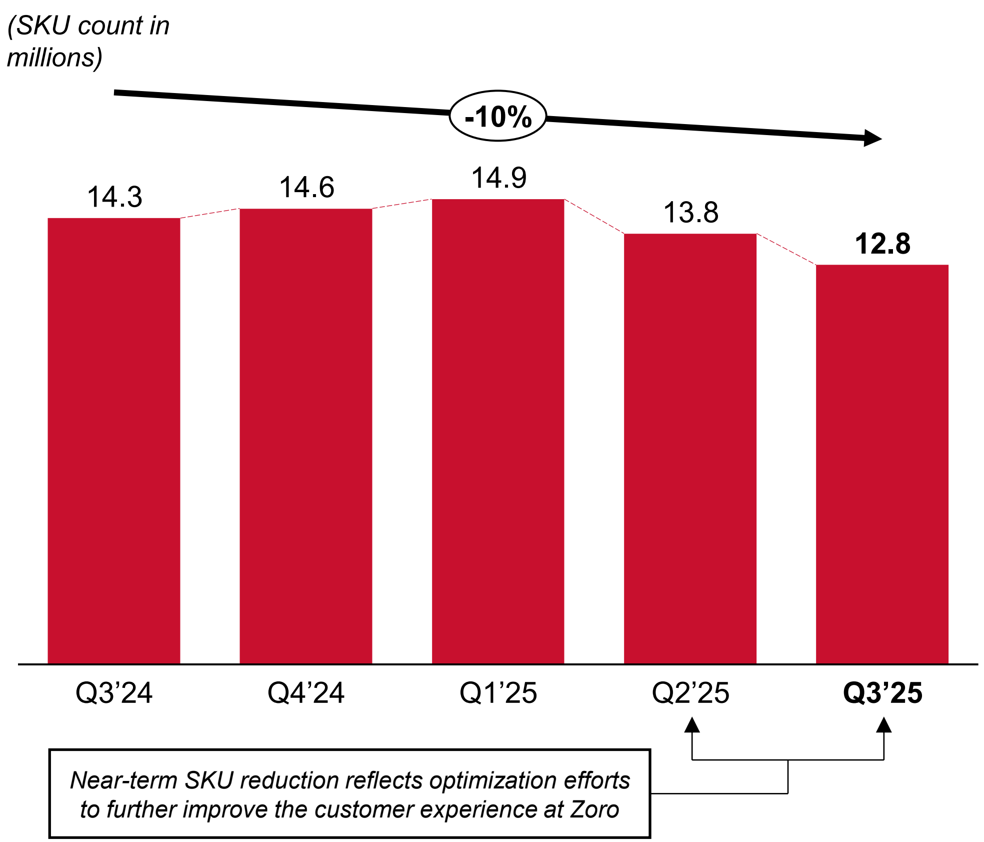
(2) Includes industries that are not material individually, including hospitality, restaurants, property management and natural resources.

Operating Metrics: *Endless Assortment*

Total Registered Users



Total Active SKUs (Zoro U.S.)



GRAINGER

Note: Numbers may not tie due to rounding. Registered user count excludes non-strategic accounts and channels.
(1) MonotaRO's results are reported one-month in arrears.

2025 Full Year Supplemental Guidance

Cash Flow Guidance

($ millions)	2024A	2025 Guidance (as of October 31, 2025)
Operating Cash Flow	**$2,111**	**$2,100 – $2,200**
Prior FY'25 Guidance		*$2,050 - $2,250*
Capital Expenditures(1)	**$541**	**$625 – $675**
Prior FY'25 Guidance		*$550 - $650*
Share Repurchases(2)	**$1,201**	**$1,050 – $1,150**
Prior FY'25 Guidance		*Unchanged*

Operating Margin (Adjusted)

($ millions)	2024A	2025 Guidance (as of October 31, 2025)
HTS – N.A	**17.5%**	**16.9% – 17.0%**
Prior FY'25 Guidance		*16.5% – 16.9%*
Endless Assortment	**8.3%**	**9.2% – 9.5%**
Prior FY'25 Guidance		*9.2% – 9.6%*
Total Company	**15.5%**	**15.0% – 15.2%**
Prior FY'25 Guidance		*14.7% - 15.1%*

Sales Growth Guidance

Total Company	2025 Guidance (as of October 31, 2025)	
	Low	**High**
Daily, Organic Constant Currency Sales	**4.4%**	**5.1%**
Daily Impact(3)	-0.4%	-0.4%
Foreign Currency Exchange(4)	0.1%	0.1%
Business Divestiture/Closure(5)	-0.2%	-0.1%
Reported Sales	**3.9%**	**4.7%**

Note: Guidance provided on an adjusted basis. Assumes corporate effective tax rate of ~23.8% and JPY / USD FX rate of 149. See appendix for a reconciliation of any non-GAAP financial measures. Numbers may not sum due to rounding. Prior FY '25 guidance as provided on August 1, 2025.

(1) Capital expenditures as reflected in the Statement of Cash Flows.
(2) Includes only share repurchases related to Grainger common stock.
(3) Based on U.S. selling days: 255 and 256 selling days in 2025 and 2024, respectively.
(4) Excludes the impact of year-over-year foreign currency exchange rate fluctuations.
(5) Excludes the net sales of Cromwell and Zoro U.K. in the comparable prior year period post the estimated date of divestiture or closure.

GRAINGER

Definitions & Calculations

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.

Non-GAAP financial measures:

The Company believes these non-GAAP financial measures provide meaningful information to assist investors in understanding financial results and assessing 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.

“Adjusted gross profit", "adjusted SG&A", "adjusted operating earnings", “adjusted EBITDA”, "adjusted net earnings", "adjusted EPS (diluted)”— 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 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.

"Adjusted return on invested capital" (ROIC) — is calculated using the Company's annualized adjusted operating earnings (defined above) divided by average net working assets for the period. Average net working assets is calculated using a two-point average for Q1, a three-point average for Q2, a four-point average for Q3 and a five-point average for Q4. Net working assets are working assets minus working liabilities and defined as follows: working assets equal total assets less cash and cash equivalents, deferred and prepaid income taxes and operating & finance lease right-of-use assets plus any LIFO reserves. Working liabilities are the sum of trade payables, accrued compensation and benefits, accrued contributions to employees' retirement savings plans and accrued expenses less current operating & finance lease liabilities. The Company believes the presentation of adjusted ROIC provides useful information regarding how effectively the Company is using capital to generate financial returns.

"Free cash flow" (FCF) — is 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.

"Net leverage ratio" — is calculated by dividing the Company's net debt (total debt outstanding less debt issuance costs less cash and cash equivalents) by adjusted EBITDA. Adjusted EBITDA is defined as EBITDA less the Company's non-GAAP adjustments for the last twelve months. The Company believes the presentation of its net debt to adjusted EBITDA ratio provides useful information regarding the Company's liquidity and leverage.

“Daily sales” — refers to net sales for the period divided by the number of U.S. selling days for the period.

“Daily, constant currency sales” — refers to the daily sales adjusted for changes in foreign currency exchange rates.

“Daily, constant currency sales in local days” — refers to daily sales adjusted for changes in foreign currency exchange rates and local selling days for the business unit.

“Daily, organic sales” — refers to daily sales excluding the net sales of certain divested or closed businesses in the comparable prior year period post date of divestiture or closure.

“Daily, organic constant currency sales” — refers to daily sales excluding the sales of certain divested or closed businesses in the comparable prior year period post date of divestiture or closure and changes in foreign currency exchange rates.

“Daily, organic constant currency sales in local days” — refers to daily sales excluding the net sales of certain divested or closed businesses in the comparable prior year period post date of divestiture or closure, changes in foreign currency exchange rates and local selling days for the business unit.

“Foreign currency exchange” — impact is 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.

“Volume outgrowth” — measured as High-Touch Solutions - U.S. daily, organic sales growth excluding price/customer mix contribution, less the estimated U.S. MRO market volume which uses IP - NAICS Manufacturing sub-index as its primary input.

U.S. selling days:
2024: Q1-64, Q2-64, Q3-64, Q4-64, FY-256
2025: Q1-63, Q2-64, Q3-64, Q4-64, FY-255
2026: Q1-63, Q2-64, Q3-64, Q4-64, FY-255

GAAP to Non-GAAP Reconciliations

Sales growth for the three months ended September 30, 2025

(percent change compared to the prior year period)
(unaudited)

Total Company - Monthly Detail

	July	August	September	Q3'25
Reported sales	7.6%	1.7%	9.4%	6.1%
Daily impact	—%	4.9%	(5.2)%	—%
Daily sales(1)	7.6%	6.6%	4.2%	6.1%
Foreign currency exchange(2)	(1.1)%	(1.0)%	0.1%	(0.7)%
Daily, constant currency sales	6.5%	5.6%	4.3%	5.4%

High-Touch Solutions - N.A. - Daily Sales

	HTS - N.A.	HTS - U.S.	HTS - Canada
	Q3'25	Q3'25	Q3'25
Reported sales	3.4%	3.5%	4.8%
Daily impact	—%	—%	—%
Daily sales(1)	3.4%	3.5%	4.8%
Foreign currency exchange(2)	—%	—%	1.0%
Daily, constant currency sales	3.4%	3.5%	5.8%
Impact of local days			0.1%
Daily, constant currency in local days			5.9%

Endless Assortment (EA) - Daily Sales

	EA	Zoro - U.S.	MonotaRO
	Q3'25	Q3'25	Q3'25
Reported sales	18.2%	17.8%	18.4%
Daily impact	—%	—%	—%
Daily sales(1)	18.2%	17.8%	18.4%
Foreign currency exchange(2)	(3.6)%	—%	(5.9)%
Daily, constant currency sales	14.6%	17.8%	12.5%
Impact of local days			0.1%
Daily, constant currency in local days			12.6%

High-Touch Solutions - N.A. - Daily Sales Drivers

	HTS - N.A.	HTS - U.S.	HTS - Canada
	Q3'25	Q3'25	Q3'25
Volume/product mix	2.3%	2.3%	5.0%
Price/customer mix	1.1%	1.2%	0.8%
Foreign currency exchange(2)	—%	—%	(1.0)%
Daily sales(1)	3.4%	3.5%	4.8%

Note: For more information on the Company's use of non-GAAP measures in this presentation, please see the appendix *Definitions and Calculations.*
(1) Based on U.S. selling days, there were 64 selling days in Q3 2025 and Q3 2024.
(2) Excludes the impact on total sales due to year-over-year foreign currency exchange rate fluctuations.

GAAP to Non-GAAP Reconciliations

Income statement adjustments for the three months ended September 30, 2025 and September 30, 2024

(in millions, except for percentage data)
(unaudited)

Total Company results included adjusting items which impacted U.S. GAAP as follows:

	Q3 2025			Reported	Adjusted(2)	Q3 2024			Reported	Adjusted(2)
	Reported	Adjustment(1)	Adjusted	% of Net Sales		Reported	Adjustment(1)	Adjusted	% of Net Sales	
Selling, general and administrative expenses										
High-Touch Solutions N.A.	$ 871	$ —	$ 871	23.9 %	23.9 %	$ 845	$ —	$ 845	24.0 %	24.0 %
Endless Assortment	199	(10)	189	21.3 %	20.3 %	163	—	163	20.7 %	20.7 %
Other(3)	217	(186)	31	249.4 %	35.6 %	26	—	26	31.7 %	31.7 %
Selling, general and administrative expenses	$ 1,287	$ (196)	$ 1,091	27.6 %	23.4 %	$ 1,034	$ —	$ 1,034	23.6 %	23.6 %
Earnings										
High-Touch Solutions N.A.	$ 624	$ —	$ 624	17.2 %	17.2 %	$ 617	$ —	$ 617	17.6 %	17.6 %
Endless Assortment	82	10	92	8.8 %	9.8 %	70	—	70	8.8 %	8.8 %
Other(3)	(195)	186	(9)	(224.1)%	(10.3)%	(1)	—	(1)	(1.2)%	(1.2)%
Operating earnings	511	196	707	11.0 %	15.2 %	686	—	686	15.6 %	15.6 %
Total other expense - net	(19)	—	(19)	0.4 %	0.4 %	(15)	—	(15)	0.3 %	0.3 %
Earnings before income taxes	492	196	688	10.6 %	14.8 %	671	—	671	15.3 %	15.3 %
Income tax provision(4)	(171)	—	(171)	3.7 %	3.7 %	(166)	—	(166)	3.8 %	3.8 %
Net earnings	321	196	517	6.9 %	11.1 %	505	—	505	11.5 %	11.5 %
Noncontrolling interest(5)	(27)	—	(27)	0.6 %	0.6 %	(19)	—	(19)	0.4 %	0.4 %
Net earnings attributable to W.W. Grainger, Inc.	$ 294	$ 196	$ 490	6.3 %	10.5 %	$ 486	$ —	$ 486	11.1 %	11.1 %
Diluted earnings per share	$ 6.12	$ 4.09	$ 10.21			$ 9.87	$ —	$ 9.87		

Note: For more information on the Company's use of non-GAAP measures in this presentation, please see the appendix *Definitions and Calculations.*
(1) Reflects the asset impairment loss and other expenses recorded in the third quarter of 2025 related to the Company's intention to exit the U.K. market, including the planned divestiture of the Cromwell business, which was held for sale as of September 30, 2025. There were no non-GAAP adjustments for the three months ended September 30, 2024.
(2) Calculated on the basis of reported net sales for the third quarter of 2025 and 2024.
(3) Grainger's businesses reported in Other do not meet the criteria of a reportable segment.
(4) The reported effective tax rates for Q3 2025 and Q3 2024 were 34.7% and 24.8%, respectively. The adjusted tax rate was 24.8% for the three months ended September 30, 2025 and 2024.
(5) The Company has a controlling ownership interest in MonotaRO, with the residual representing noncontrolling interest.

GAAP to Non-GAAP Reconciliations

Key metrics for the period ended September 30, 2025 and Operating margin for the twelve months ended December 31, 2024

(in millions, except for percentage data)
(unaudited)

Net Leverage Ratio	As of September 30, 2025
Total debt	$ 2,369
Debt issuance costs — net of amortization	21
Cash and cash equivalents	(535)
Net debt	$ 1,855
	LTM[1] ended September 30, 2025
Net earnings	$ 1,826
Other expense — net	62
Income tax provision	606
Depreciation and amortization	252
EBITDA	$ 2,746
Net leverage ratio	0.7x

Free Cash Flow (FCF)	Three months ended September 30, 2025
Net cash flows provided by operating activities	$ 597
Capital expenditures	(258)
Free cash flow	$ 339

Adjusted Return on Invested Capital (ROIC)	Nine months ended September 30, 2025
Reported operating earnings	$ 1,861
Adjustment[2]	196
Adjusted operating earnings	$ 2,057
Annualized adjusted operating earnings[3]	$ 2,747

	Q3'25	Q2'25	Q1'25	Q4'24
Total assets	9,033	8,937	8,658	8,829
Cash and cash equivalents[3]	(535)	(597)	(666)	(731)
LIFO reserve	901	849	814	804
Other asset adjustments[4]	(447)	(475)	(441)	(400)
Working liabilities	(1,881)	(1,873)	(1,793)	(1,738)
Net working assets	$ 7,071	$ 6,841	$ 6,572	$ 6,764
Average net working assets	$ 6,812			
Adjusted ROIC[3]	40.3 %			

Operating Margin	FY 2024		
	HTS-N.A.	EA	Total Company
Reported %	17.4 %	8.3 %	15.4 %
Restructuring[5]	0.1 %	—	0.1 %
Adjusted %	17.5 %	8.3 %	15.5 %

Note: For more information on the Company's use of non-GAAP measures in this presentation, please see the appendix *Definitions and Calculations.*
(1) Last twelve months.
(2) Reflects the asset impairment loss and other expenses recorded in the third quarter of 2025 related to the Company's intention to exit the U.K. market, including the planned divestiture of the Cromwell business, which was held for sale as of September 30, 2025.
(3) Adjusted ROIC is calculated using the Company's annualized adjusted operating earnings. Annualized adjusted operating earnings are calculated by multiplying the YTD average daily operating earnings based off U.S. selling days by the total U.S. selling days in the full year period. In Q4 2024, working assets excluded cash equivalents as part of the net working assets calculation. As of Q1 2025, working assets excludes cash and cash equivalents.
(4) Includes deferred and prepaid income taxes and operating & finance lease right-of-use assets.
(5) 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.

GRAINGER

IR Contacts

Kyle Bland
Vice President, Investor Relations

Kevin Byrne
Director, Investor Relations

Emily Boelter
Manager, Investor Relations

InvestorRelations@grainger.com