



NYSE: GWW

Investor Presentation

Updated March 2026

Safe Harbor Statement and Non-GAAP Financial Measures

All statements in this communication, other than those relating to historical facts, are “forward-looking statements” under the federal securities laws. 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. Grainger cannot guarantee that any forward-looking statement will be realized and achievement of future results is subject to risks and uncertainties, many of which are beyond Grainger's control, which could cause Grainger's results to differ materially from those that are presented. 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, including new or revised provisions relating to contract compliance or performance; 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; an incident that adversely impacts Grainger's reputation or brand; 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 corporate responsibility efforts; 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 24-25 & 33). 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.

The background is a solid red color. It features several large, semi-transparent red arrows pointing to the right, arranged in a staggered pattern. The text "Our Purpose:" is written in a large, semi-transparent red font, positioned in the upper left quadrant of the slide.

Our Purpose:

We Keep the World Working[®]



Grainger is a leading broad line distributor with operations primarily in North America and Japan. We Keep the World Working[®] by serving customers worldwide with MRO products⁽¹⁾ delivered through innovative technology and deep customer expertise.

1927

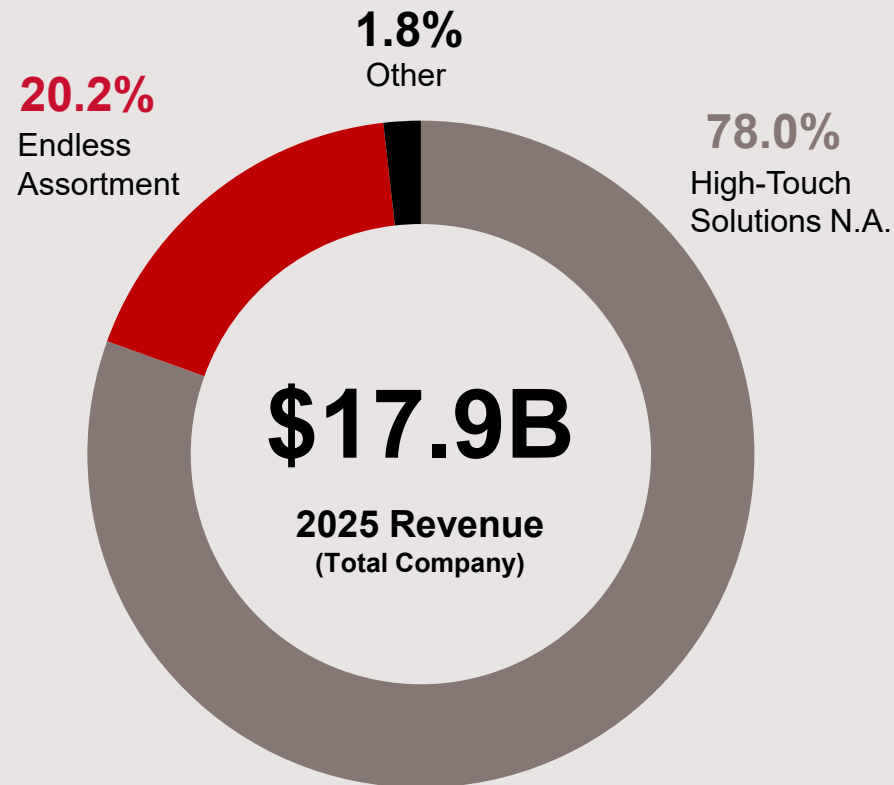
Company
founded

Largest

MRO distributor in
North America

54 years

of consecutive dividend
increases



>4.6M

Active
customers

~25K

Team members

>35M

Products offered
globally

33

Distribution
centers

Note: All metrics are for the year ended December 31, 2025, unless otherwise noted.

(1) Maintenance, Repair and Operating products.

MRO customers have two basic needs ...

Customers looking for a partner that can deliver

Flawless experience

- ✓ *Have what I need*
- ✓ *Make it easy to find*
- ✓ *Get it to me fast, accurately*
- ✓ *Make it easy for me to receive, pay, return*

Tangible value

- ✓ *Know my business*
- ✓ *Simplify my purchasing process*
- ✓ *Provide tangible cost savings*
- ✓ *Help me reduce my inventory*

... but these needs show up differently across customers

Large customers with high complexity



E.g., a global manufacturer looking for a multi-channel, end-to-end MRO partner

Small customers with low complexity



E.g., a local job shop looking for a one-stop, online platform

Our two go-to-market models serve these varied customer needs

HIGH-TOUCH SOLUTIONS N.A.



CUSTOMER TYPE

Large to mid-size customers with highly complex operations/processes

SEGMENT VALUE PROPOSITION

Compelling value-added MRO solutions delivered through our team of specialists and curated digital experiences

PRIMARY GEOGRAPHIES

North America



ENDLESS ASSORTMENT



CUSTOMER TYPE

Smaller customers with less complex operations/processes

SEGMENT VALUE PROPOSITION

Business purchasing made easy through a streamlined and transparent online relationship that provides access to everything a customer needs

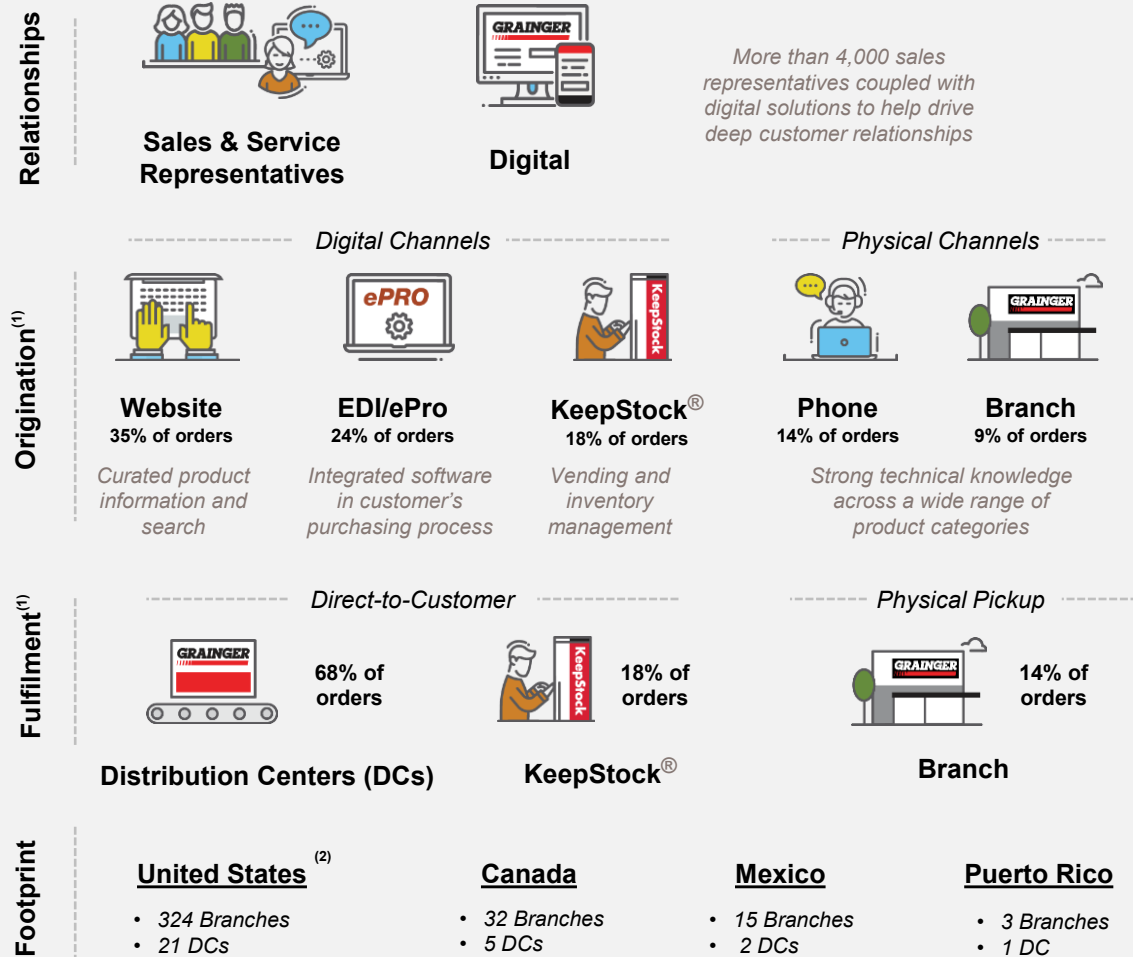
PRIMARY GEOGRAPHIES

Japan, U.S.



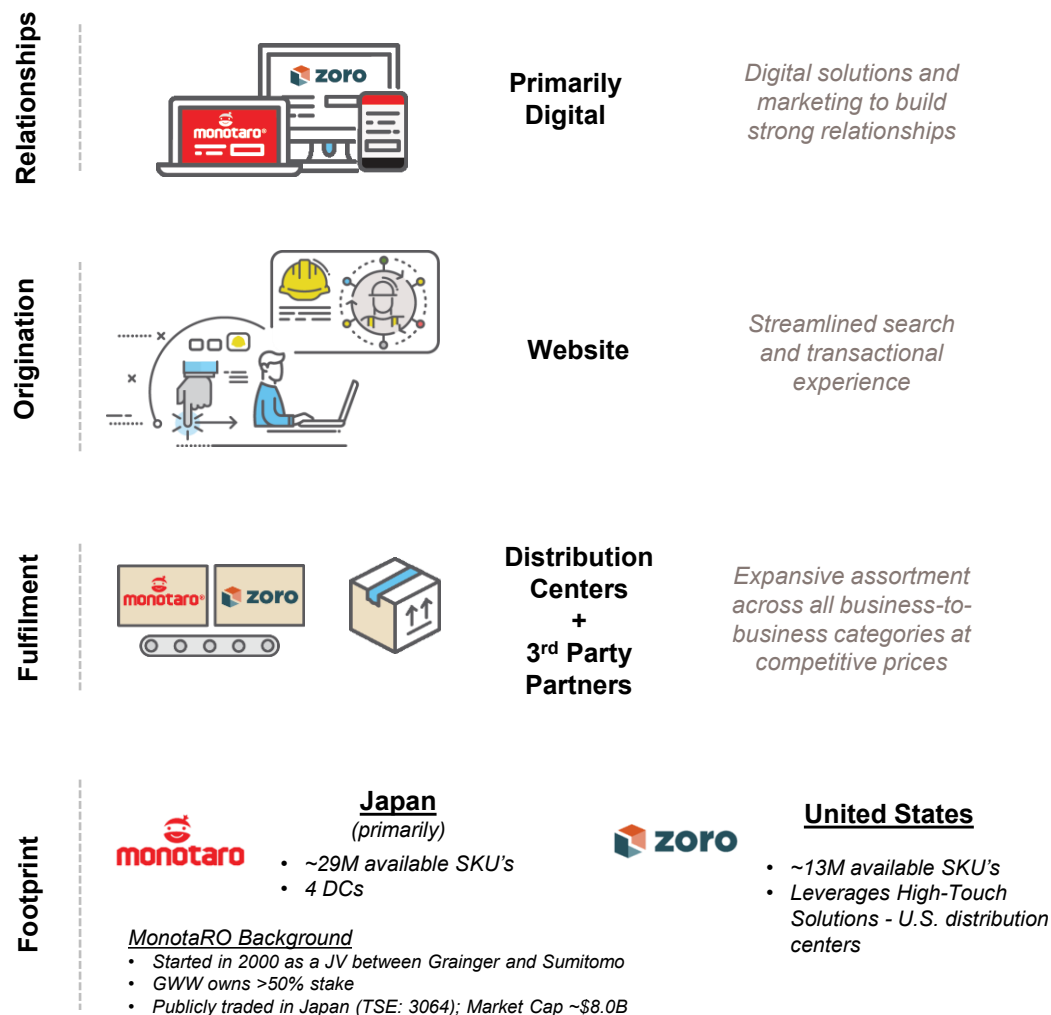
Each segment has a unique delivery model ...

High-Touch Solutions N.A.



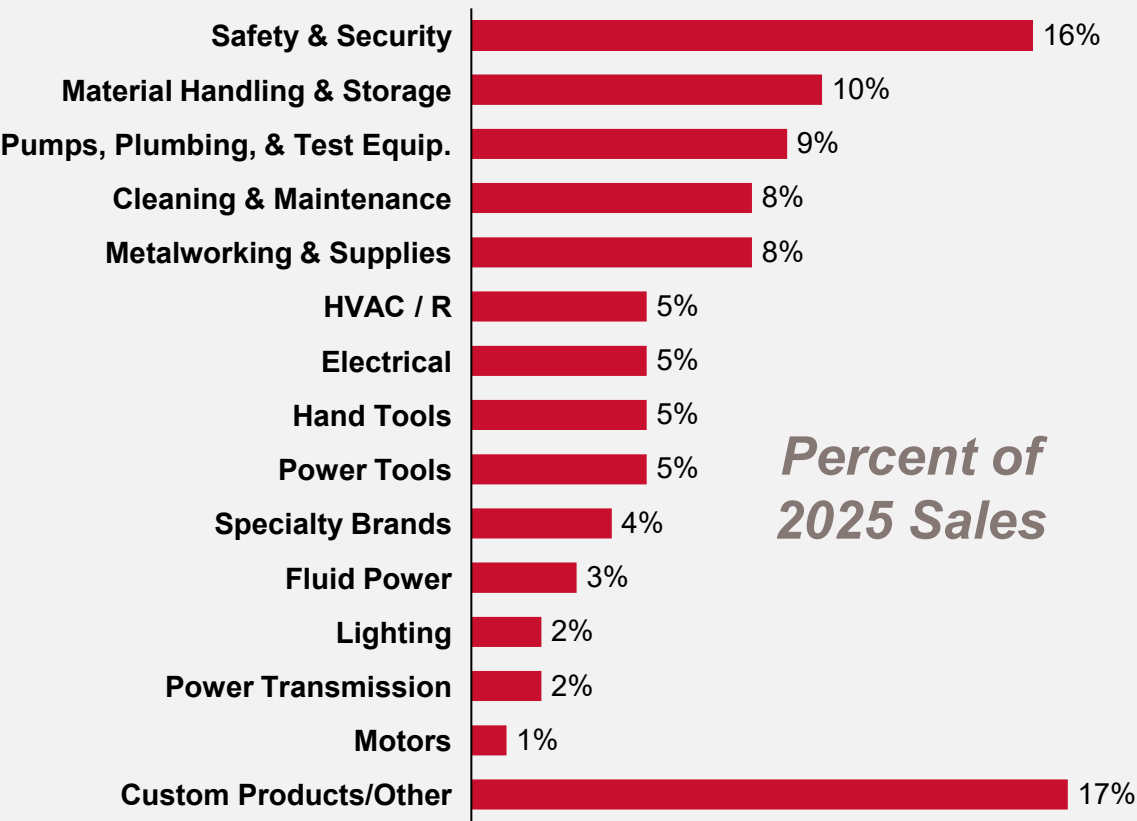
Note: All metrics are for the year ended December 31, 2025, unless otherwise noted.
(1) Order origination and fulfillment data provided is for the High-Touch Solutions - U.S. business.
(2) Branch count includes branches, on-site, and will-call express locations.

Endless Assortment

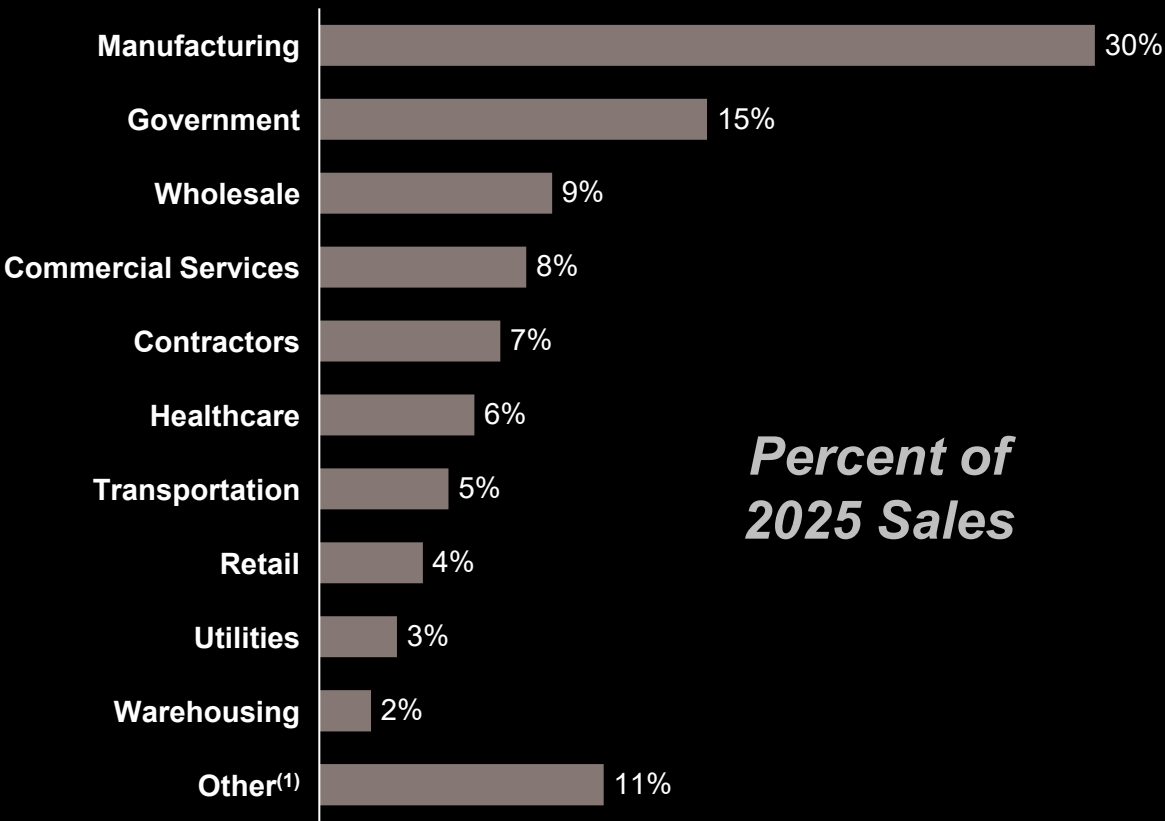


... connecting a broad assortment of MRO products to a diversified customer base

Total Company Product Assortment



Total Company Customer End-Markets





Investment Highlights



Attractive investment thesis

1

Industry leader in large and highly attractive market with opportunity to capture share

2

Powerful customer value proposition, fueled by data and technology advantage

3

Advantaged supply chain furthering competitive position

4

Strong financial position supporting growth and disciplined return of capital

5

Strong company culture focused on what matters



Competing in large, fragmented market ...

High-Touch Solutions N.A.

Largest MRO player with only ~7% share

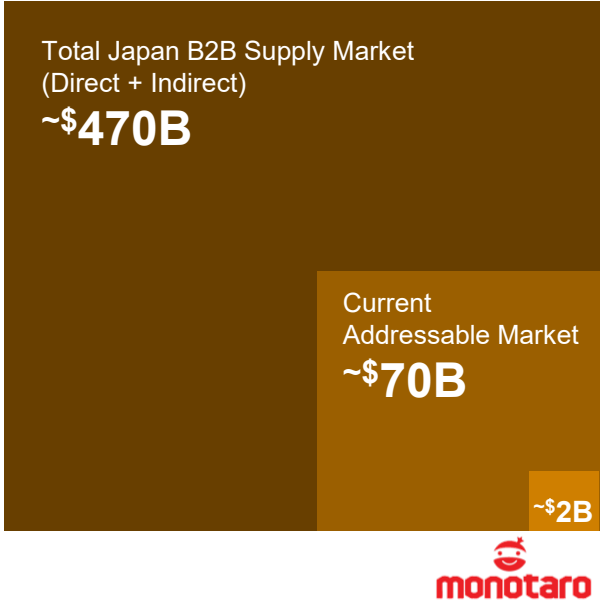


Endless Assortment

Expanding TAM with SKU additions



Industry pioneer in Japan



... with attractive industry dynamics

Favorable MRO market characteristics ...

- ✓ Resilient end-market demand
- ✓ Supply non-discretionary products and services
- ✓ Attractive consolidation economics
- ✓ Accelerated digital adoption
- ✓ Labor constraints
- ✓ Heightened focus on supply chain resilience
- ✓ Increased automation
- ✓ Manufacturing re-shoring



... with supportive macro tailwinds

High-Touch Solutions N.A.: Industry-leading, value-added offer ...

Overview

We deliver compelling value-added MRO solutions through our teams of specialists and curated digital experiences

Customer Offer

Flawless Experience

- ✓ MRO-focused assortment
- ✓ Highly-curated search experience
- ✓ Seamless purchasing process
- ✓ Industry-leading fulfillment

Tangible Value

- ✓ Customer-relevant touch points with technical product support
- ✓ Effective inventory management & onsite services
- ✓ Leading value-added solutions

Performance

(2025)

\$14.0B
Revenue

16.8%
Operating Margin

Revenue Mix

94% United States 5% Canada 1% Mexico

~2.0M

AVAILABLE
SKUs

>4k

SALES TEAM
MEMBERS

>75%

ORDERS THROUGH
DIGITAL CHANNELS⁽¹⁾

... enabled by data and technology advantage

Millions of products



- ✓ From thousands of suppliers
- ✓ With countless attributes unique to each product category

>1.1M Customers



- ✓ Across diverse end-markets
- ✓ With varying levels of operational complexity

Significant amounts of complex data ...

Product Information Management System

- ✓ Allowing us to organize and curate our assortment



Customer Information Management System

- ✓ Capturing deep customer knowledge

... harnessed through a multi-year investment in home-grown technology and data systems ...

Initiatives

Advancing Strategic Growth Engines

Merchandising	Marketing	Seller Coverage	Seller Effectiveness	Customer Solutions
Helping customers find and select the products they need to get the job done	Building brand awareness, engaging target customers and capturing in-the-moment demand	Leveraging data and technology tools to better inform seller additions	Equipping our sales and services teams with the right resources to improve sales motions	Deepening customer relationships via a suite of value-added customer solutions

Furthering AI / ML Tools & Capabilities

SAMPLE USE CASES	✓ Experimenting with agentic AI to streamline seller admin tasks	✓ Expanding SKU breadth/depth through proprietary, ML inventory model
	✓ Deploying AI/ML-generated sales plays through seller insights platform	✓ Upskilling marketing investment strategy using ML models
	✓ Furthering scope of agentic AI call center capabilities	✓ Identifying product associations at scale using AI/ML

... enabling build-out of advanced capabilities and unlocking continued growth

Endless Assortment: One-stop shopping for B2B customers

Overview

Business supply purchasing made easy through a streamlined and transparent online relationship that provides access to everything a customer needs

Customer Offer

Flawless Experience

- ✓ Large, diverse assortment of indirect materials for one-stop shopping
- ✓ Intuitive, business-focused search optimized for broad assortment
- ✓ Seamless service and fulfillment, supported in U.S. by Grainger supply chain

Tangible Value

- ✓ Intelligent analytics capabilities driving relevant product recommendations
- ✓ Competitive, transparent pricing

Performance

(2025)

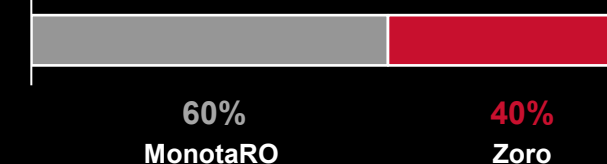
\$3.6B

Revenue

9.8%

Operating Margin

Revenue Mix



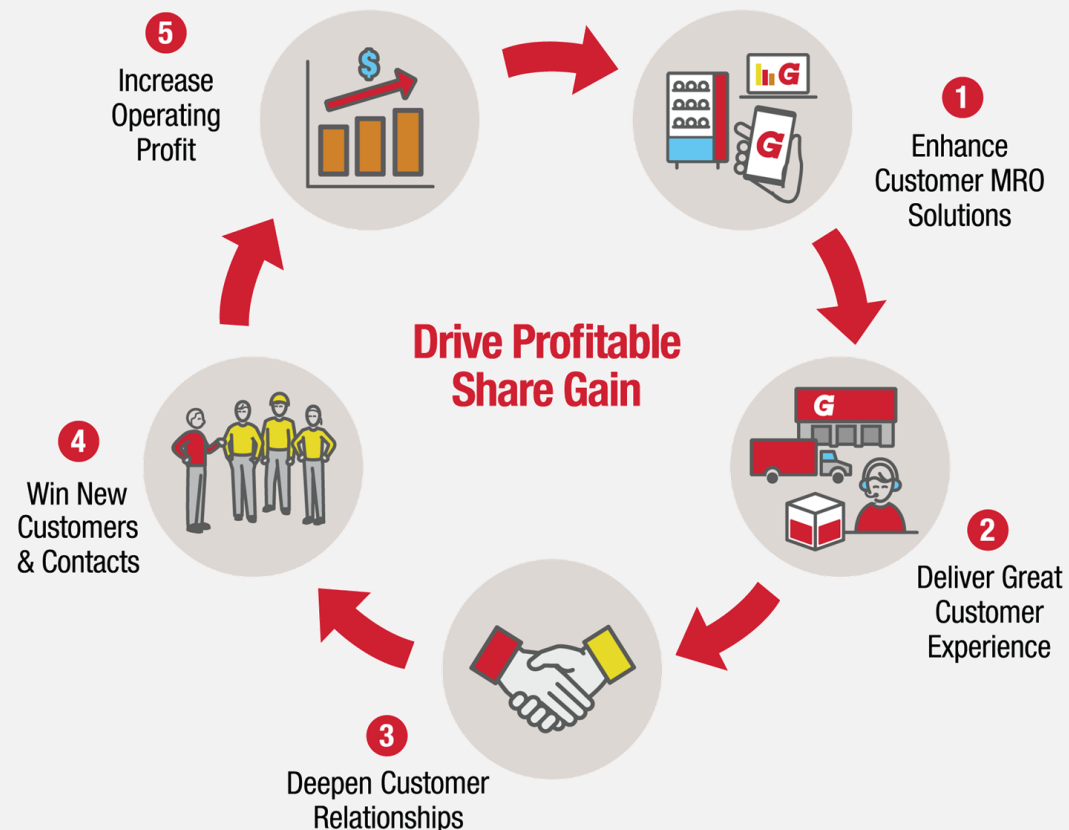
>17M REGISTERED USERS⁽¹⁾

~13M AVAILABLE SKUs - ZORO

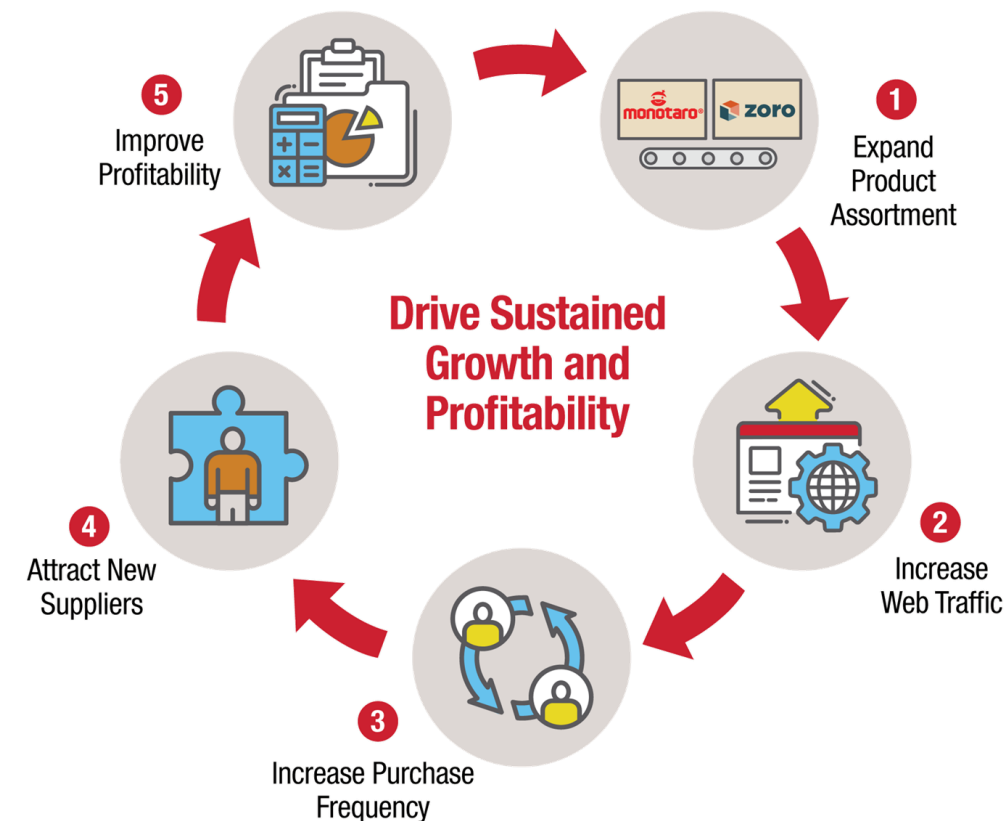
~29M AVAILABLE SKUs - MONOTARO

Strong customer value proposition propels commercial flywheel across both segments

High-Touch Solutions N.A.



Endless Assortment



Our purpose-built supply chain is driven by innovation and know-how ...

B2B customer expectations ...

- ✓ **Broad, stocked assortment**
- ✓ **Delivered next day**
- ✓ **Order complete**
- ✓ **Reliability**

DELIVERED AT SCALE

Network footprint

The right buildings in the right location

Service-oriented team

Supported by strong partnerships

Stocking strategy

Access to the right products and stocked in the right location

Proven operating model

Curated rules that drive scalable processes; leveraging automation where possible



... met through a world-class supply chain built for B2B customers

... and delivers industry-leading service while also managing cost and reducing environmental footprint

Highest-level of customer service usually equates to shorter shipping distances – often resulting in the lowest cost and an environmentally friendly footprint



Outperforming peers in critical categories⁽¹⁾

- ✓ Overall satisfaction
- ✓ Product availability
- ✓ Delivery experience
- ✓ Reliability
- ✓ Customer service

Strong financial position with track record of cash generation through-the-cycle

Strong and flexible balance sheet

0.65x

NET LEVERAGE RATIO

- ✓ Majority of debt not due until 2034 and beyond
- ✓ Long-term net leverage target of ~1.0x

>\$1.8B

AVAILABLE LIQUIDITY
(Cash + Undrawn Revolving
Credit Facility)

Credit
Ratings

A+

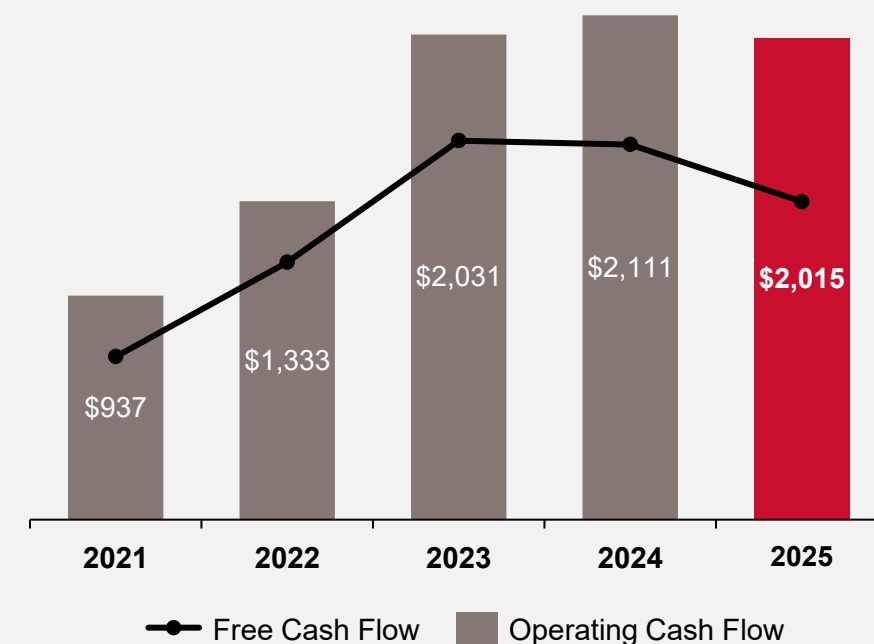
Stable
S&P

A1

Stable
Moody's⁽¹⁾

Durable cash flows & low capital intensity

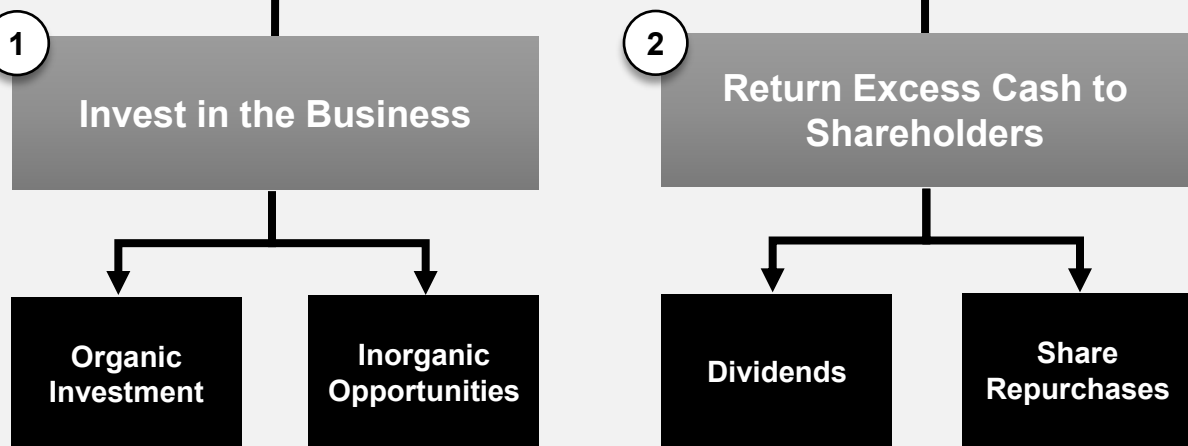
(\$ millions)



Consistent, return-driven approach to capital allocation

Capital allocation priorities

Operating Cash Flow

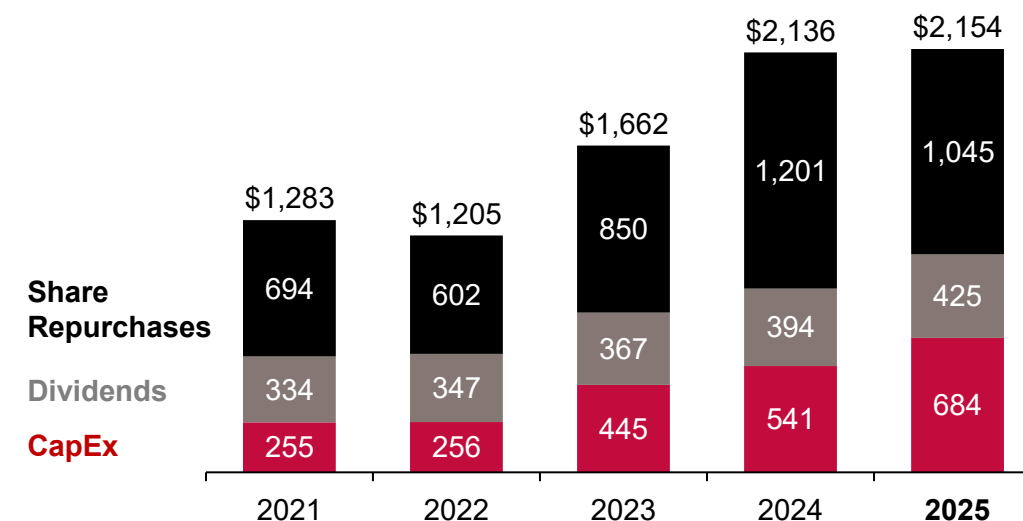


Continued investment to support growth

"Dividend King" with consistent track-record of capital return to shareholders

Historical use of cash⁽¹⁾

(\$ millions)



54 years

of consecutive annual dividend increases, averaging ~11% CAGR since 1970

~\$5.0B

total share repurchases since 2020 at \$641 weighted average price per share

39.1%

FY'25 adjusted return on invested capital

The Grainger Edge® helps foster an award-winning culture focused on what matters to customers and team members



We Keep The World
Working®



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**



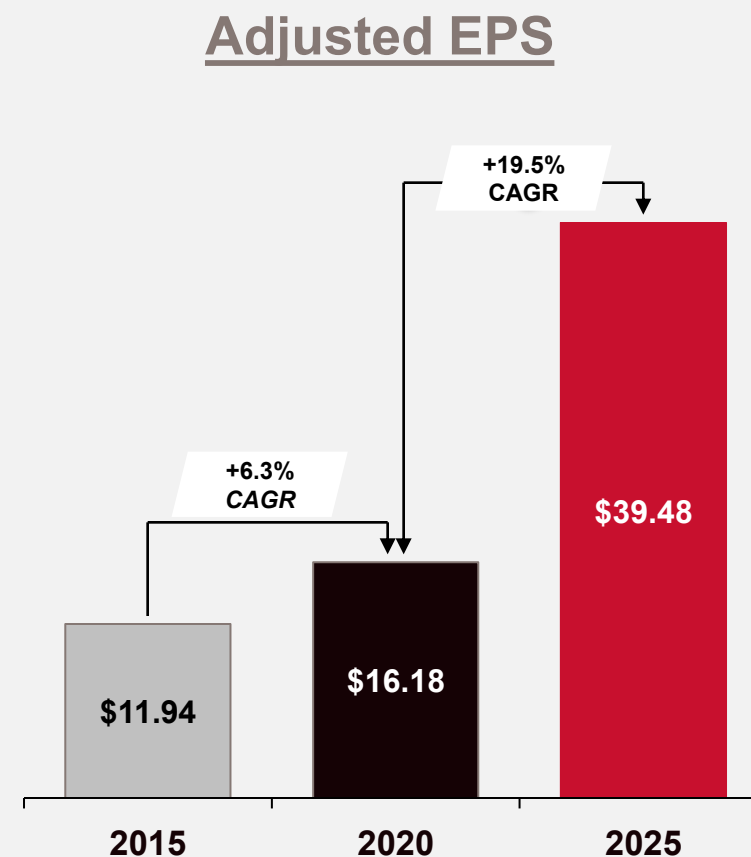
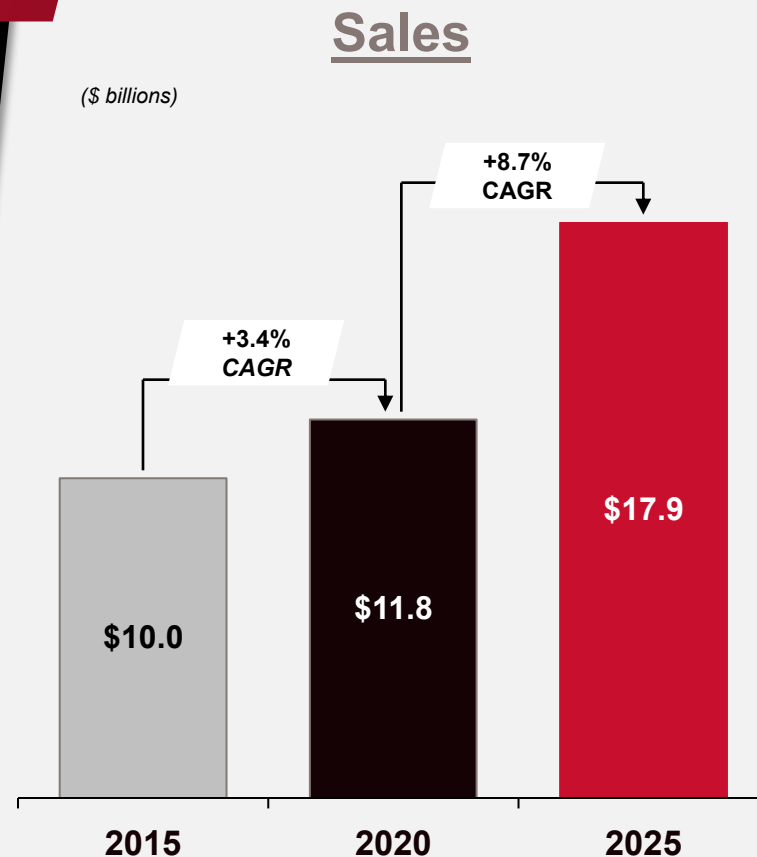
Financial Performance & Outlook



Accelerating growth & profitability by focusing on what matters

Achieving financial goals

- ✓ Driving strong growth and share gain
- ✓ Improving profitability
- ✓ Generating strong cash flow
- ✓ Delivering exceptional ROIC
- ✓ Consistently returning cash to shareholders



Expecting continued strong growth in 2026

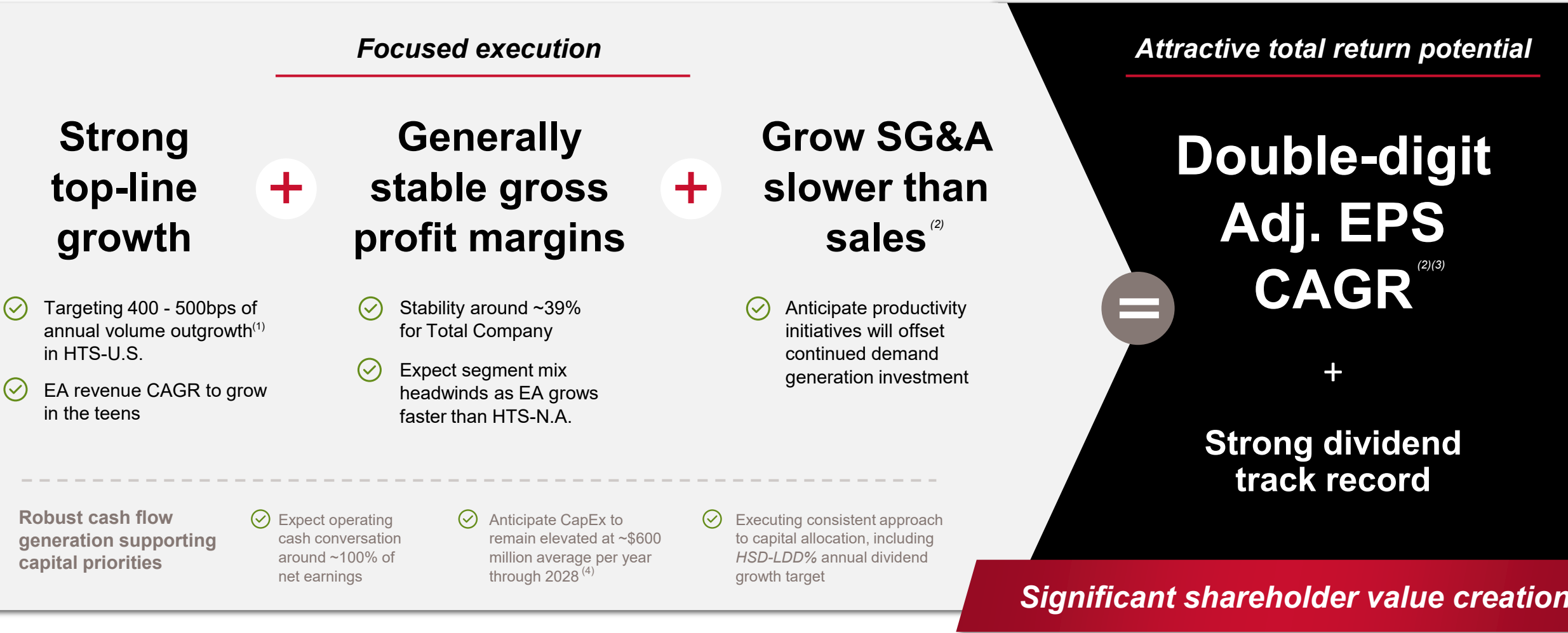
Full-Year 2026 Total Company Outlook

Note:

- Change in adjusted effective tax rate to ~25% driving ~130 bps Y/Y headwind to 2026 EPS growth rate
- Assumes no change to current effective tariff rates as of 2/2/2026

	2025A	2026 Guidance (as of Feb 3, 2026)	Y/Y change
Sales (\$ billions)	\$17.9	\$18.7 – \$19.1	4.2% to 6.7% (6.5% to 9.0% daily, organic constant currency sales⁽¹⁾)
Gross Profit Margin	39.1%	39.2% – 39.5%	10 bps to 40 bps
Operating Margin	15.0%	15.4% – 15.9%	40 bps to 90 bps
EPS (diluted)	\$39.48	\$42.25 – \$44.75	7.0% to 13.3%

Long-term earnings framework remains intact



(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 between 24% to 25%.
(4) Normalizing to ~1.5 - 2.0% of sales thereafter.



Appendix



Grainger's Leadership Team

	<u>Name</u>	<u>Title</u>	<u>Yrs. In Role (with GWW)⁽¹⁾</u>
	D.G. Macpherson	Chairman and Chief Executive Officer	9 years (18)
	Nancy Berardinelli-Krantz	SVP, Chief Legal Officer	3 years (3)
	Nadalie Bosse	Group VP, Customer Experience	2 years (10)
	Barry Greenhouse	SVP, Merchandising and Supplier Management	2 years (21)
	Anand Lal	Group VP, Supply Chain	2 years (10)
	Jonny LeRoy	SVP and Chief Technology Officer	6 years (6)
	Deidra Merriwether	SVP and Chief Financial Officer	5 years (12)
	Rob Reynolds	SVP, Branch and DC Operations	2 years (17)
	Paige Robbins	SVP and President, Grainger Business Unit	5 years (15)
	Masaya Suzuki	Managing Director, Endless Assortment Business	6 years (25)
	Melanie Tinto	SVP and Chief Human Resources Officer	<1 year (<1)
	Brian Walker	SVP and Chief Product Officer	6 years (19)

Note: For more information on Grainger's management team, visit <https://invest.grainger.com/governance/executive-management>

(1) Years of service rounded to the nearest whole year as of December 31, 2025.

High-Touch Solutions N.A. supply chain network designed for reach and resilience

99%

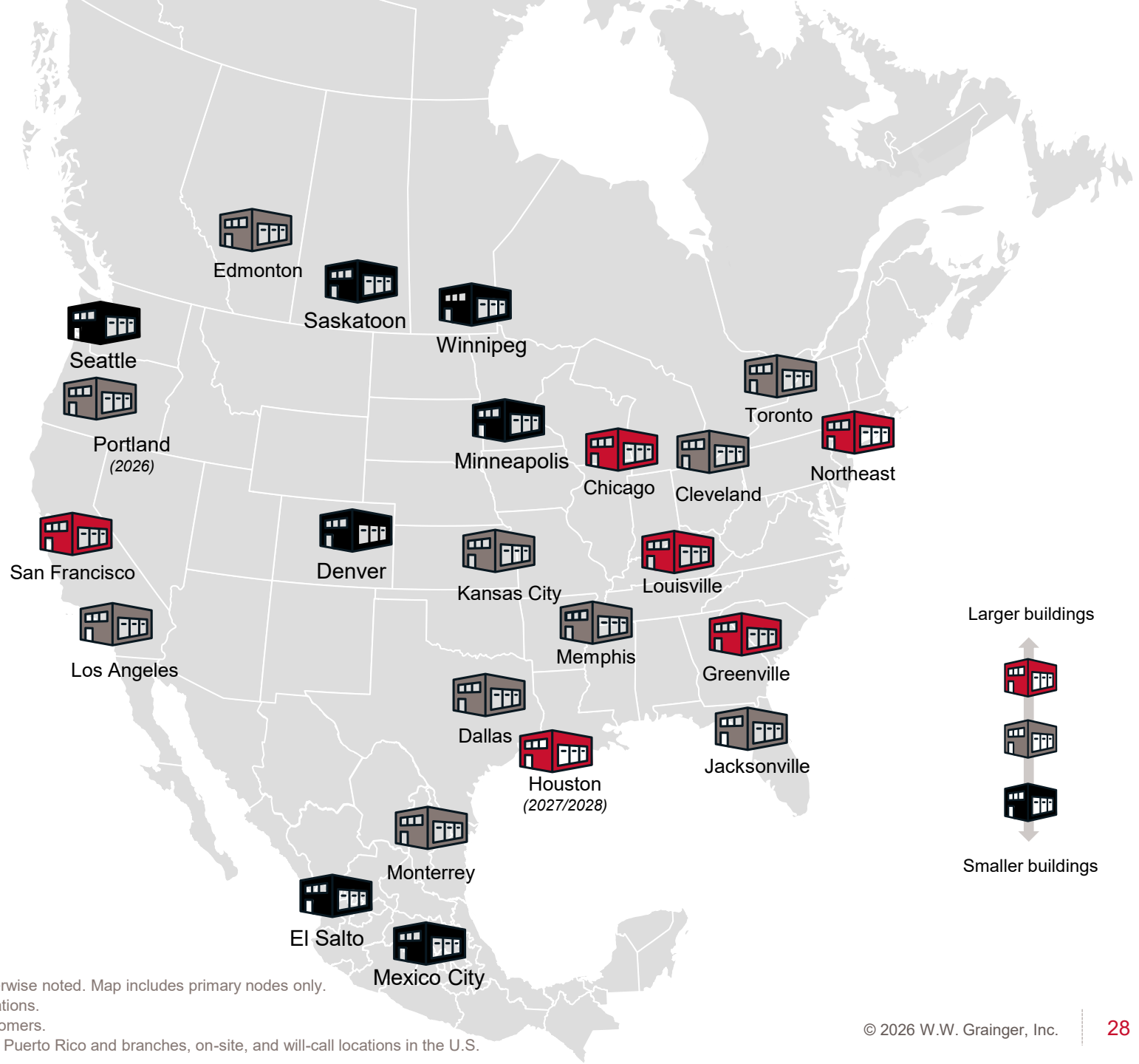
of the U.S. postal codes
reachable the next day ⁽¹⁾

>80%

of Canadian postal codes
offered next day ⁽²⁾

374 Branches

for walk-in solutions ⁽³⁾



Larger buildings



Smaller buildings

Note: All metrics are for the year ended December 31, 2025, unless otherwise noted. Map includes primary nodes only.

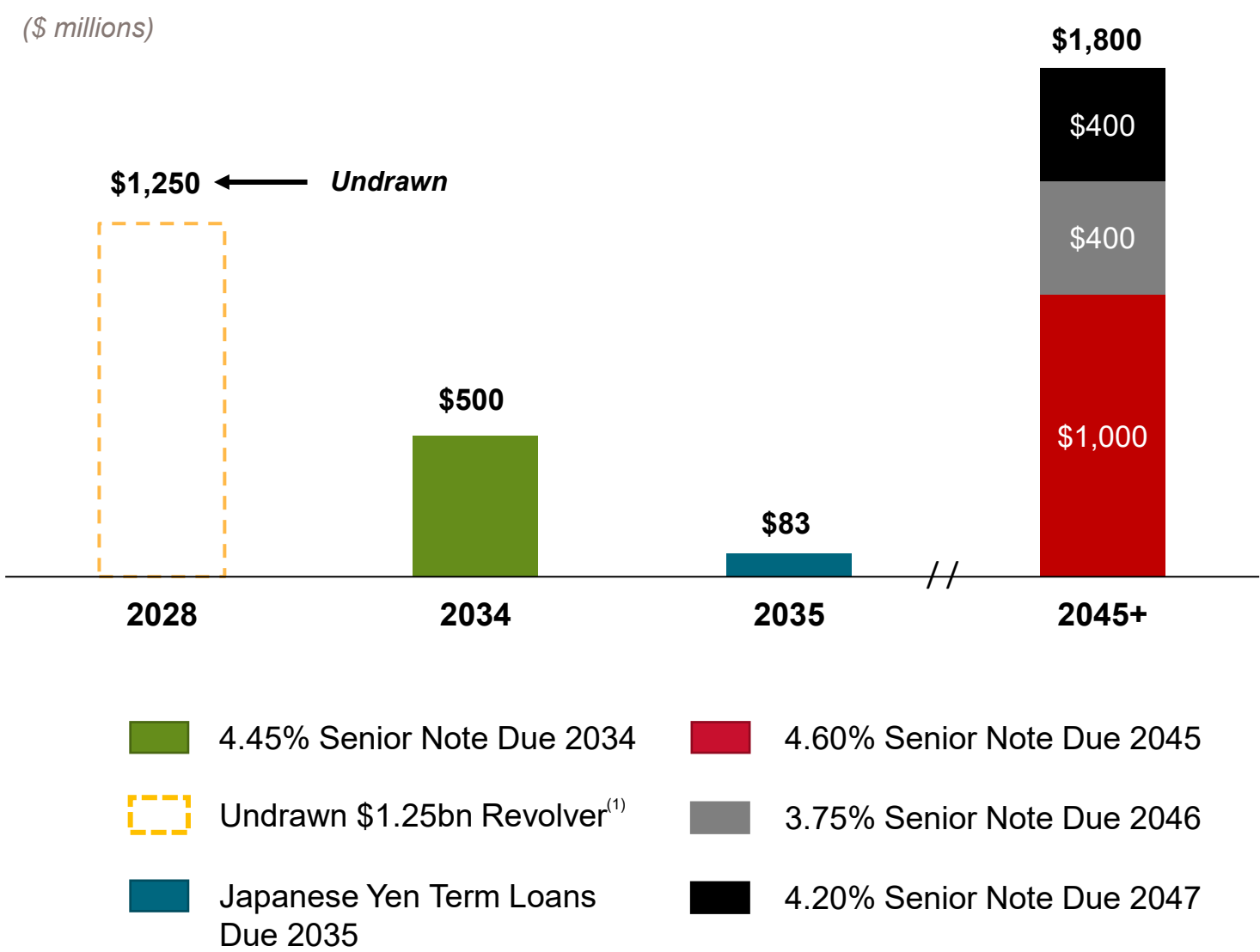
(1) Based on all U.S. postal codes reachable by Grainger shipping locations.

(2) Based on Canadian postal codes with both active and inactive customers.

(3) Total N.A. Branch count includes branches in Canada, Mexico, and Puerto Rico and branches, on-site, and will-call locations in the U.S.

Debt Maturity Schedule

The first material debt maturity is 2034 with majority of debt not due until 2045 and beyond

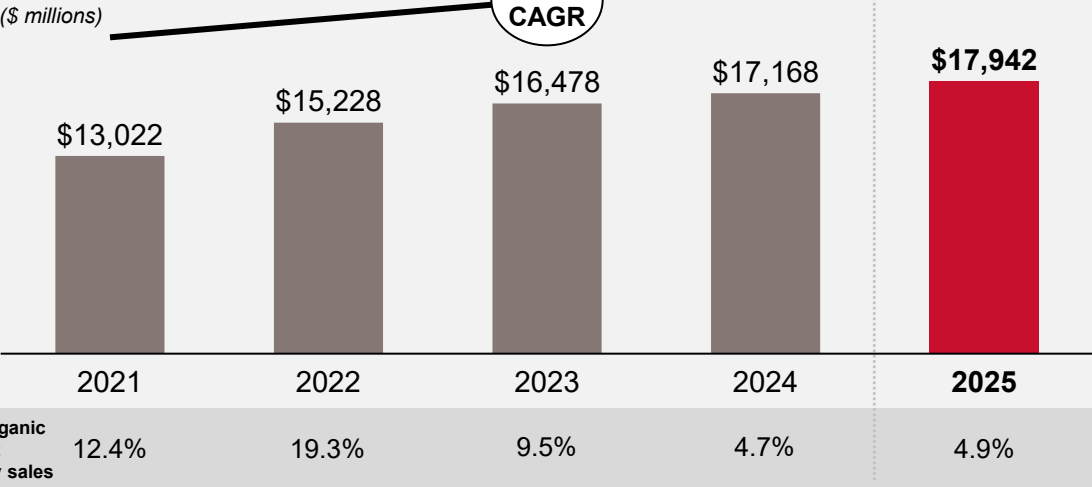


Note: All metrics are for the year ended December 31, 2025, unless otherwise noted. In addition to the debt listed above, the Company also had \$125 million of commercial paper outstanding and recorded as short-term debt with a weighted-average interest rate of 3.84%.

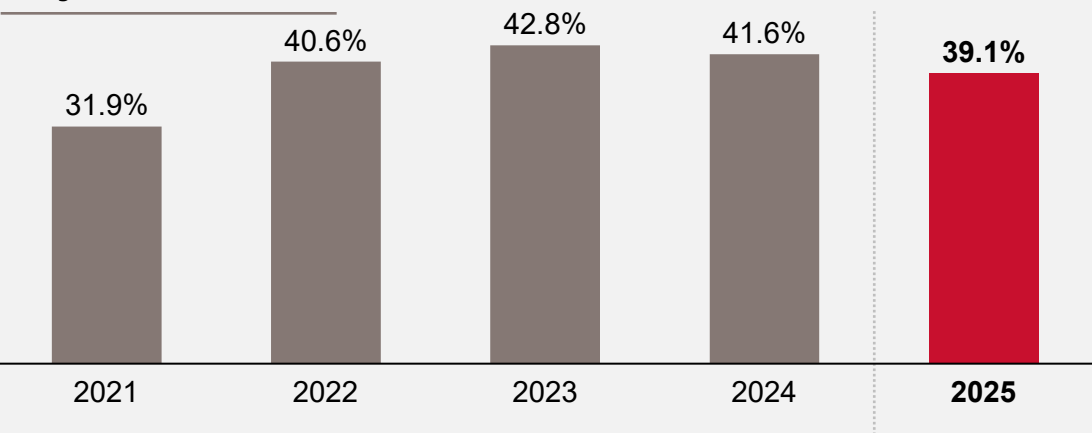
(1) In October 2023, the Company entered into a five-year unsecured revolving credit facility agreement (2023 Credit Facility) to obtain loans in various currencies on a revolving basis at the Company's discretion in an aggregate amount not exceeding \$1.25 billion, which may be increased up to \$1.875 billion.

Historical financial performance: **Total Company**

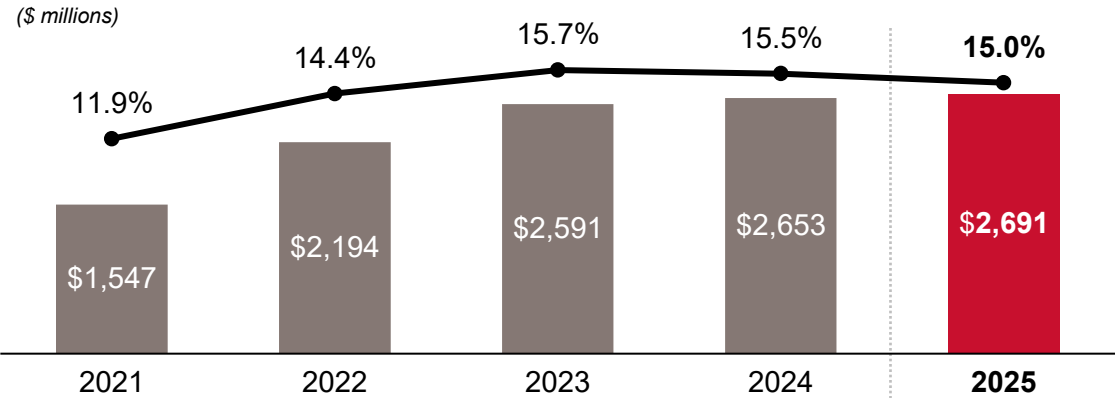
Revenue



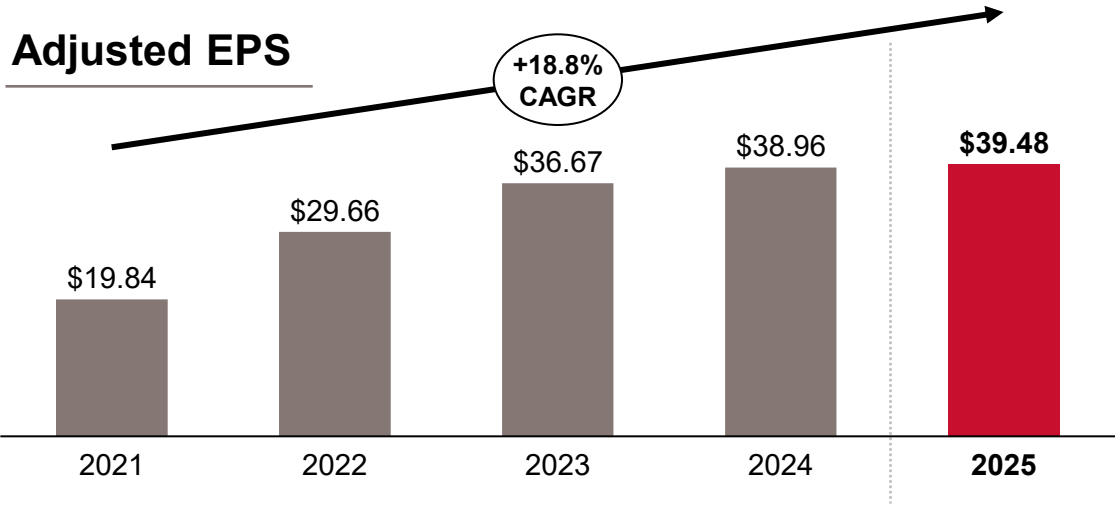
Adjusted ROIC



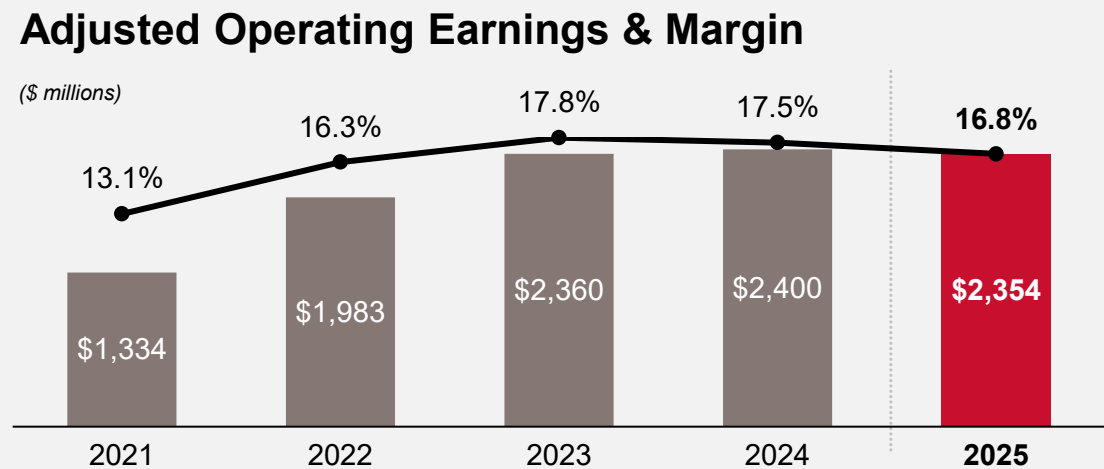
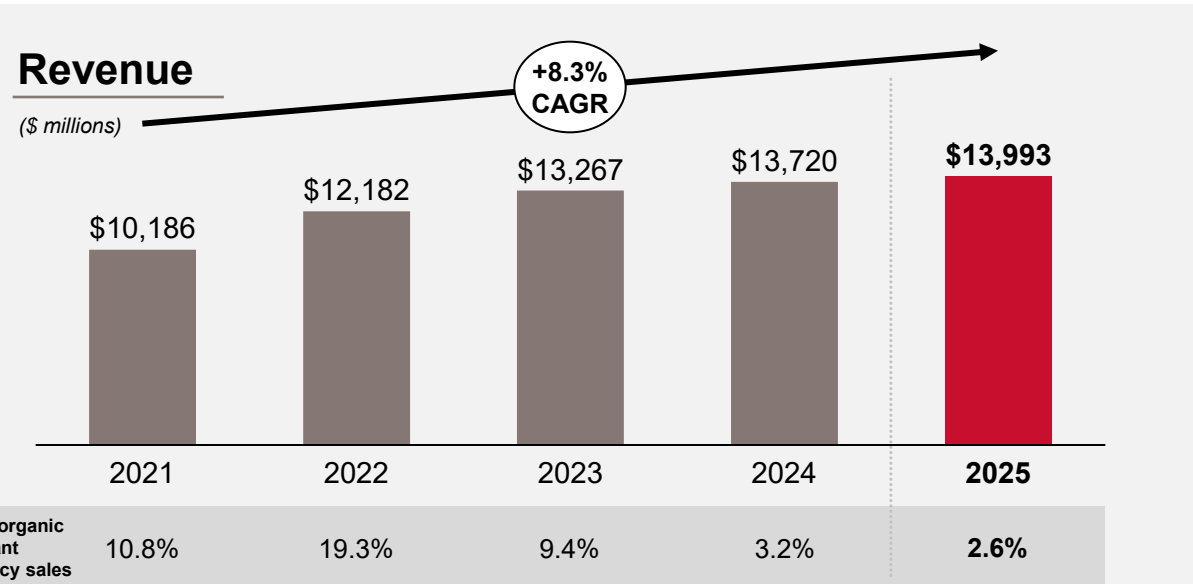
Adjusted Operating Earnings & Margin



Adjusted EPS

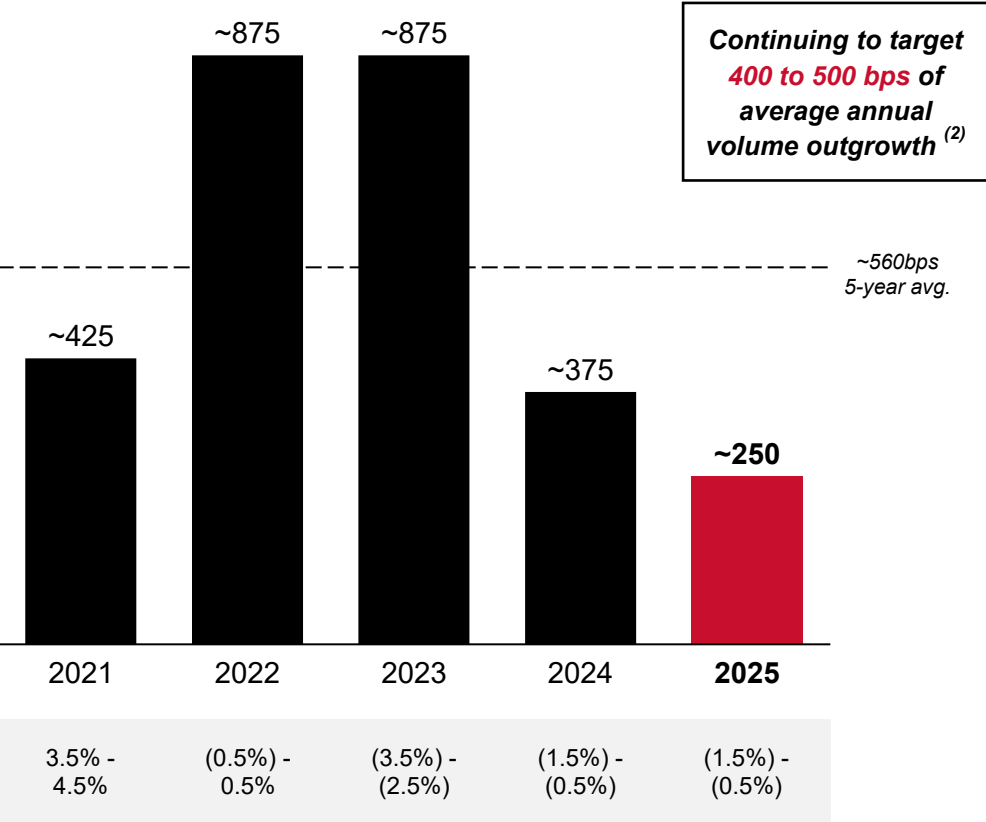


Historical financial performance: High-Touch Solutions N.A.



Key Operating Metric

High-Touch Solutions - U.S. Volume Outgrowth⁽²⁾



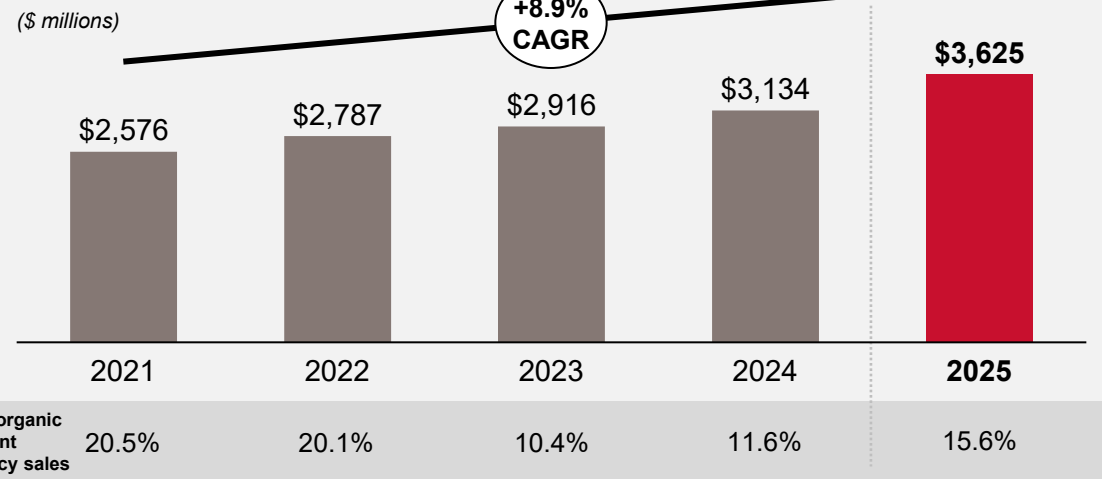
Note: See appendix for a reconciliation of any Non-GAAP financial measures.

(1) Based on multi-factor model. FY'25 estimated based on Nov'25-YTD preliminary data as certain model inputs are only available on a lag.

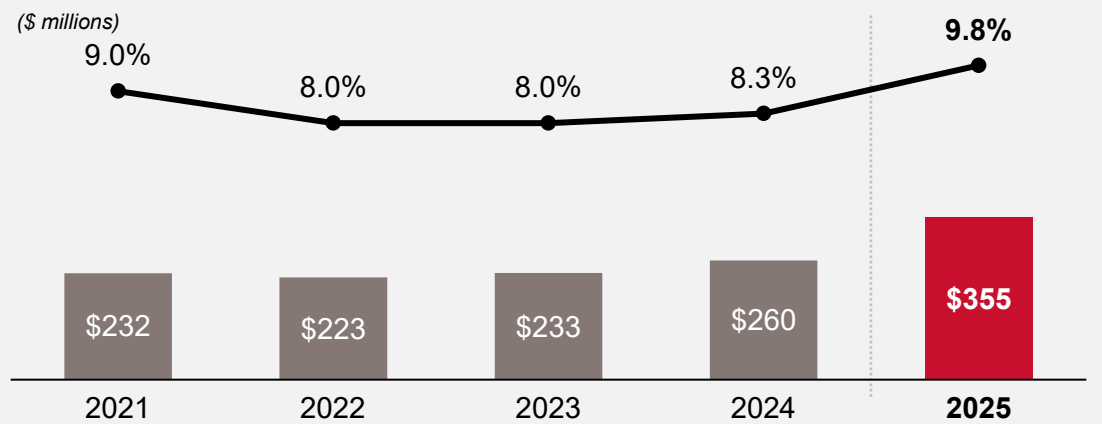
(2) Volume outgrowth is measured as High-Touch Solutions - U.S. daily, organic sales growth excluding price/customer mix contribution, less estimated U.S. MRO market volume based on multi-factor model.

Historical financial performance: Endless Assortment

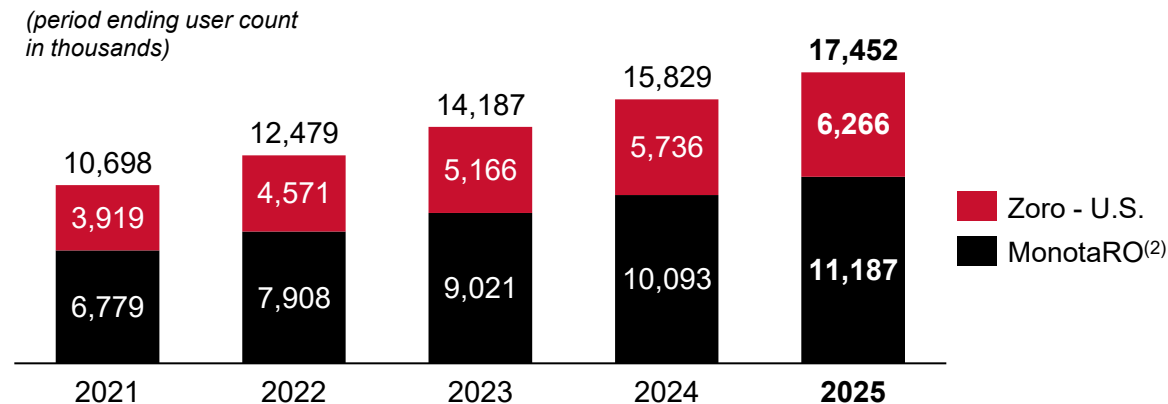
Revenue



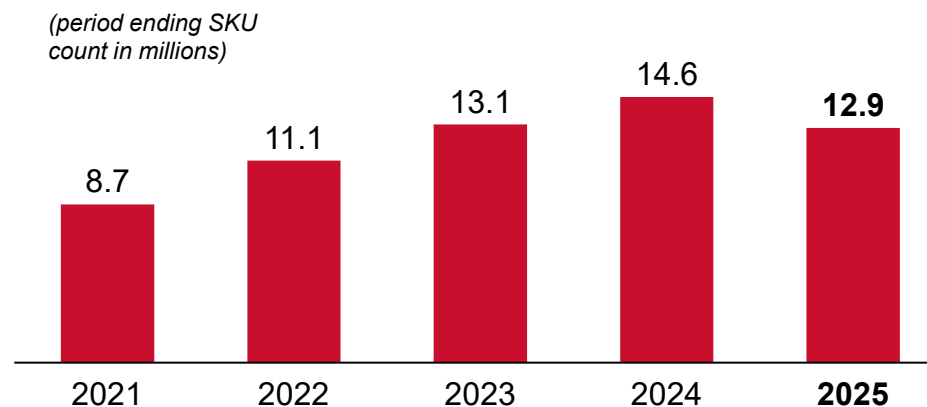
Adjusted Operating Earnings & Margin



Key Operating Metric – Registered Users⁽¹⁾



Key Operating Metric – Zoro U.S. Total Active SKUs



2026 Full Year Supplemental Guidance

Cash Flow Guidance

(\$ millions)	2025A	2026 Guidance (as of February 3, 2026)
Operating Cash Flow	\$2,015	\$2,125 – \$2,325
Capital Expenditures ⁽¹⁾	\$684	\$550 – \$650
Share Repurchases ⁽²⁾	\$1,045	\$950 – \$1,050

Operating Margin

(\$ millions)	2025A	2026 Guidance (as of February 3, 2026)
HTS – N.A.	16.8%	16.9% – 17.4%
Endless Assortment	9.8%	10.0% – 10.5%
Total Company	15.0%	15.4% – 15.9%

Note: 2025 results and 2026 guidance provided on an adjusted basis. Guidance assumes corporate effective tax rate of ~25% and JPY / USD FX rate of 152. See appendix for a reconciliation of any non-GAAP financial measures. Numbers may not sum due to rounding.

- (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 selling days in both 2026 and 2025.
- (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 date of divestiture or closure.
- (6) Excludes the net sales of Zoro U.K. in the comparable prior year period post the date of closure.

Sales Growth Guidance

Total Company

	2026 Guidance (as of February 3, 2026)	
	Low	High
Daily, Organic Constant Currency Sales	6.5%	9.0%
Daily Impact ⁽³⁾	0.0%	0.0%
Foreign Currency Exchange ⁽⁴⁾	-0.2%	-0.2%
Business Divestiture/Closure ⁽⁵⁾	-2.1%	-2.1%
Reported Sales	4.2%	6.7%

High-Touch Solutions

	2026 Guidance (as of February 3, 2026)	
	Low	High
Daily, Constant Currency Sales	5.0%	7.5%
Daily Impact ⁽³⁾	0.0%	0.0%
Foreign Currency Exchange ⁽⁴⁾	0.2%	0.2%
Reported Sales	5.2%	7.7%

Endless Assortment

	2026 Guidance (as of February 3, 2026)	
	Low	High
Daily, Organic Constant Currency Sales	12.5%	15.0%
Daily Impact ⁽³⁾	0.0%	0.0%
Foreign Currency Exchange ⁽⁴⁾	-1.2%	-1.2%
Business Closure ⁽⁶⁾	-1.1%	-1.1%
Reported Sales	10.2%	12.7%



Non-GAAP Reconciliations



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 adjusted 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

2027: Q1-63, Q2-64, Q3-64, Q4-63, FY-254

GAAP to Non-GAAP Reconciliations

Sales Growth

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

Total Company

	2025	2024	2023	2022	2021
Reported sales	4.5%	4.2%	8.2%	16.9%	10.4%
Daily impact	0.4%	(0.8)%	0.4%	(0.4)%	0.9%
Daily sales⁽¹⁾	4.9%	3.4%	8.6%	16.5%	11.3%
Business divestiture ⁽²⁾	—%	0.4%	—%	—%	1.4%
Foreign currency exchange ⁽³⁾	—%	0.9%	0.9%	2.8%	(0.3)%
Daily, organic constant currency sales	4.9%	4.7%	9.5%	19.3%	12.4%

High-Touch Solutions N.A.

	2025	2024	2023	2022	2021
Reported sales	2.0%	3.4%	8.9%	19.6%	10.5%
Daily impact	0.4%	(0.8)%	0.4%	(0.5)%	0.8%
Daily sales⁽¹⁾	2.4%	2.6%	9.3%	19.1%	11.3%
Business divestiture ⁽²⁾	—%	0.5%	0.1%	—%	—%
Foreign currency exchange ⁽³⁾	0.2%	0.1%	—%	0.2%	(0.5)%
Daily, organic constant currency sales	2.6%	3.2%	9.4%	19.3%	10.8%

Endless Assortment (EA)

	2025	2024	2023	2022	2021
Reported sales	15.7%	7.5%	4.7%	8.2%	18.3%
Daily impact	0.5%	(0.9)%	0.4%	(0.5)%	0.9%
Daily sales⁽¹⁾	16.2%	6.6%	5.1%	7.7%	19.2%
Business divestiture ⁽²⁾	(0.7)%	—%	—%	—%	—%
Foreign currency exchange ⁽³⁾	0.1%	5.0%	5.3%	12.4%	1.3%
Daily, organic constant currency sales	15.6%	11.6%	10.4%	20.1%	20.5%

Note: For more information on the Company's use of non-GAAP measures in this presentation, please see the appendix *Definitions and Calculations*.

(1) There were 255 and 254 selling days 2025 and 2024, respectively.

(2) Reflects exit of U.K. market including sale of Cromwell business and closure of Zoro U.K. (announced in Q3 2025 and completed in Q4 2025), divestiture of E & R Industrial Sales, Inc. (E&R) (Q4 2023), Cromwell's enterprise software business (Cromwell's subsidiary) (Q4 2022), Grainger China (Q3 2020) and Fabory (Q2 2020).

(3) Excludes the impact on total sales due to year-over-year foreign currency exchange rate fluctuations.

GAAP to Non-GAAP Reconciliations

Adjusted Operating Margin

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

Total Company⁽¹⁾

	2025	2024	2023	2022	2021
Reported operating earnings	\$ 2,495	\$ 2,637	\$ 2,565	\$ 2,215	\$ 1,547
U.K. market exit (Other, EA) ⁽²⁾	196	—	—	—	—
Restructuring ⁽³⁾	—	16	—	—	—
E&R divestiture (HTS - N.A.)	—	—	26	—	—
Cromwell's subsidiary divestiture (Other)	—	—	—	(21)	—
Adjusted operating earnings	\$ 2,691	\$ 2,653	\$ 2,591	\$ 2,194	\$ 1,547
Reported Sales	\$ 17,942	\$ 17,168	\$ 16,478	\$ 15,228	\$ 13,022
Adjusted operating margin	15.0 %	15.5 %	15.7 %	14.4 %	11.9 %

High-Touch Solutions N.A.

	2025	2024	2023	2022	2021
Reported operating earnings	\$ 2,354	\$ 2,385	\$ 2,334	\$ 1,983	\$ 1,334
Restructuring ⁽³⁾	—	15	—	—	—
E&R divestiture	—	—	26	—	—
Adjusted operating earnings	\$ 2,354	\$ 2,400	\$ 2,360	\$ 1,983	\$ 1,334
Reported Sales	\$ 13,993	\$ 13,720	\$ 13,267	\$ 12,182	\$ 10,186
Adjusted operating margin	16.8 %	17.5 %	17.8 %	16.3 %	13.1 %

Endless Assortment (EA)

	2025	2024	2023	2022	2021
Reported operating earnings	\$ 345	\$ 260	\$ 233	\$ 223	\$ 232
U.K. market exit ⁽²⁾	10	—	—	—	—
Adjusted operating earnings	\$ 355	\$ 260	\$ 233	\$ 223	\$ 232
Reported Sales	\$ 3,625	\$ 3,134	\$ 2,916	\$ 2,787	\$ 2,576
Adjusted operating margin	9.8 %	8.3 %	8.0 %	8.0 %	9.0 %

Note: All adjustments to reported results apply to SG&A costs, unless otherwise noted. Business divestiture adjustments above reflect the loss (gain) on the exit of U.K. market including sale of Cromwell business and closure of Zoro U.K. (announced in Q3 2025 and completed in Q4 2025), divestiture of E & R Industrial Sales, Inc. (E&R) (Q4 2023), and Cromwell's enterprise software business (Cromwell's subsidiary) (Q4 2022). For further detail on Grainger's charges recorded, refer to Grainger's Form 10-K filed in the respective period.

(1) Total Company includes Grainger's other businesses that do not meet the criteria of a reportable segment.

(2) Reflects the loss from the Company's exit of the U.K. market including the sale of the Cromwell business, \$186M within Other, and closure of Zoro U.K., \$10M within Endless Assortment, announced in the third quarter of 2025 and completed in the fourth quarter of 2025.

(3) 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.

GAAP to Non-GAAP Reconciliations

Key Metrics & Adjusted ROIC

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

Adjusted EPS

	2025	2024	2023	2022	2021	2020	2015
Diluted earnings per share reported	\$ 35.40	\$ 38.71	\$ 36.23	\$ 30.06	\$ 19.84	\$ 12.82	\$ 11.58
Restructuring	—	0.32	—	—	—	0.49	0.45
Impairment charges	—	—	—	—	—	3.26	—
Business divestiture	4.08	—	0.52	(0.40)	—	1.93	—
Total pretax earnings adjustments ⁽¹⁾	4.08	0.32	0.52	(0.40)	—	5.68	0.45
Tax benefit ⁽²⁾	—	(0.07)	(0.08)	—	—	(2.32)	(0.09)
Total earnings adjustments, net of tax	4.08	0.25	0.44	(0.40)	—	3.36	0.36
Diluted earnings per share adjusted	\$ 39.48	\$ 38.96	\$ 36.67	\$ 29.66	\$ 19.84	\$ 16.18	\$ 11.94

Free Cash Flow

	2025	2024	2023	2022	2021
Cash flows from operating activities	\$ 2,015	\$ 2,111	\$ 2,031	\$ 1,333	\$ 937
Capital expenditures	(684)	(541)	(445)	(256)	(255)
Free cash flow	\$ 1,331	\$ 1,570	\$ 1,586	\$ 1,077	\$ 682

Adjusted ROIC

2025 Adjusted operating earnings ⁽¹⁾	\$ 2,691				
	Q4'25	Q3'25	Q2'25	Q1'25	Q4'24
Working assets	\$ 8,871	\$ 8,952	\$ 8,714	\$ 8,365	\$ 8,502
Working liabilities ⁽³⁾	(1,684)	(1,881)	(1,873)	(1,793)	(1,738)
Net working assets	\$ 7,187	\$ 7,071	\$ 6,841	\$ 6,572	\$ 6,764
Adjusted average net working assets ⁽⁴⁾	\$ 6,887				
Adjusted ROIC	39.1 %				

Note: All adjustments to reported results apply to SG&A costs, unless otherwise noted.

(1) See slide 37 for segment impact and a description of Grainger's pretax earnings adjustments as well as a reconciliation of adjusted operating earnings to its directly comparable GAAP measure.

(2) Reflects one-time tax benefits recognized upon the divestiture of certain businesses recorded in the respective period of divestiture as noted above.

(3) Defined as sum of trade accounts payables, accrued compensation and benefits, accrued contributions to employee retirement savings plans and accrued expenses.

(4) Adjusted average net working assets include the held for sale impact of the Cromwell divestiture for the period ending September 30, 2025.

GAAP to Non-GAAP Reconciliations

Adjusted ROIC

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

2024	Adjusted operating earnings ⁽¹⁾	\$ 2,653				
		Q4'24	Q3'24	Q2'24	Q1'24	Q4'23
Working assets		\$ 8,502	\$ 8,174	\$ 8,116	\$ 8,124	\$ 7,996
Working liabilities ⁽²⁾		(1,738)	(1,837)	(1,838)	(1,871)	(1,761)
Net working assets		\$ 6,764	\$ 6,337	\$ 6,278	\$ 6,253	\$ 6,235
Average net working assets		\$ 6,373				
Adjusted ROIC		41.6 %				

2023	Adjusted operating earnings ⁽¹⁾	\$ 2,591				
		Q4'23	Q3'23	Q2'23	Q1'23	Q4'22
Working assets		\$ 7,996	\$ 7,981	\$ 7,945	\$ 7,814	\$ 7,686
Working liabilities ⁽²⁾		(1,761)	(1,850)	(1,864)	(1,751)	(1,923)
Net working assets		\$ 6,235	\$ 6,131	\$ 6,081	\$ 6,063	\$ 5,763
Average net working assets		\$ 6,055				
Adjusted ROIC		42.8 %				

2022	Adjusted operating earnings ⁽¹⁾	\$ 2,194				
		Q4'22	Q3'22	Q2'22	Q1'22	Q4'21
Working assets		\$ 7,686	\$ 7,200	\$ 7,103	\$ 6,948	\$ 6,568
Working liabilities ⁽²⁾		(1,923)	(1,744)	(1,703)	(1,650)	(1,490)
Net working assets		\$ 5,763	\$ 5,456	\$ 5,400	\$ 5,298	\$ 5,078
Average net working assets		\$ 5,399				
Adjusted ROIC		40.6 %				

2021	Adjusted operating earnings ⁽¹⁾	\$ 1,547				
		Q4'21	Q3'21	Q2'21	Q1'21	Q4'20
Working assets		\$ 6,568	\$ 6,439	\$ 6,265	\$ 6,168	\$ 6,188
Working liabilities ⁽²⁾		(1,490)	(1,528)	(1,560)	(1,436)	(1,391)
Net working assets		\$ 5,078	\$ 4,911	\$ 4,705	\$ 4,732	\$ 4,797
Average net working assets		\$ 4,845				
Adjusted ROIC		31.9 %				

Note: For more information on the Company's use of non-GAAP measures in this presentation, please see the appendix *Definitions and Calculations*.

(1) See slide 37 for a reconciliation of adjusted operating earnings to its directly comparable GAAP measure.

(2) Defined as sum of trade accounts payables, accrued compensation and benefits, accrued contributions to employee retirement savings plans and accrued expenses.



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