

GRAINGER®

NYSE: GWW

Investor Presentation

Updated September 2026

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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, acquisitions or business strategies including with respect to Grainger's eCommerce platforms and artificial intelligence; failure to adequately protect our 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; adjusted net earnings; adjusted EPS; daily sales; daily, organic 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.

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Our Purpose:

We Keep the World Working®

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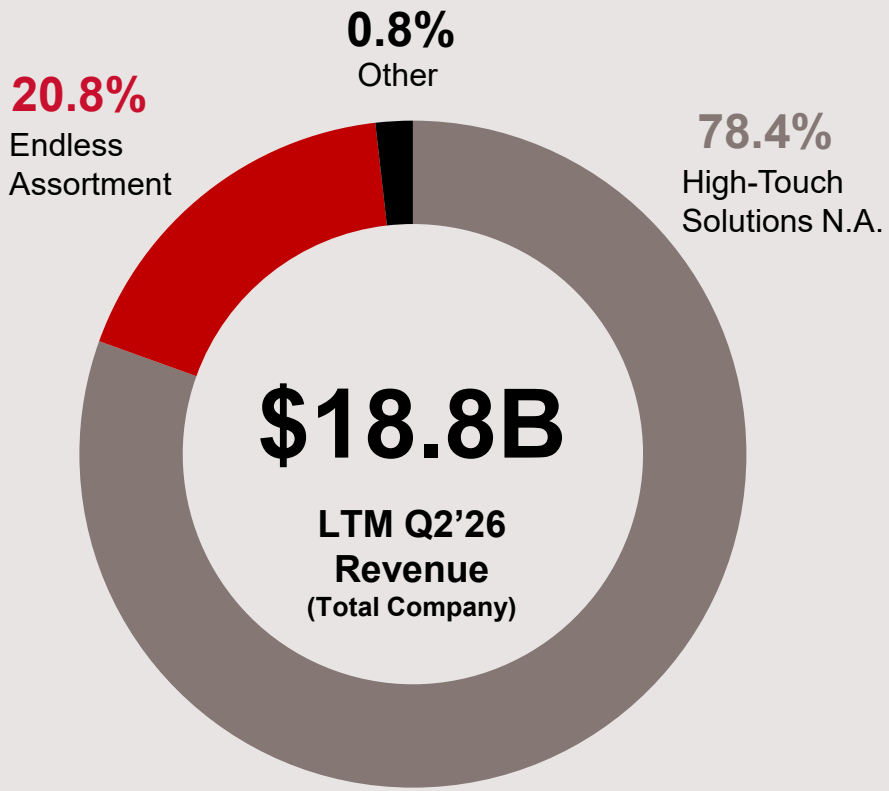
Grainger is a leading broad line distributor with operations primarily in North America and Japan. We Keep the World Working® by serving customers worldwide with MRO products (1) delivered through innovative technology and deep customer expertise.

1927
Company founded

Largest
MRO distributor in North America

On track for
55 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. In the fourth quarter of 2025, Grainger exited the U.K. market by completing the sale of the Cromwell business and closing the Zoro U.K. business. "LTM" represents the last twelve months ending June 30, 2026.
(1) Maintenance, Repair and Operating products.

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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

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

HIGH-TOUCH SOLUTIONS N.A.

GRAINGER

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

monotaro zoro

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.

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Each segment has a unique delivery model …

High-Touch Solutions N.A.

Relationships



Sales & Service Representatives



Digital

More than 4,000 sales representatives coupled with digital solutions to help drive deep customer relationships

Origination[1]

Digital Channels



Website
35% of orders
Curated product information and search



EDI/ePro
24% of orders
Integrated software in customer's purchasing process



KeepStock®
18% of orders
Vending and inventory management

Physical Channels



Phone
14% of orders



Branch
9% of orders

Strong technical knowledge across a wide range of product categories

Fulfilment[1]

Direct-to-Customer



68% of orders

Distribution Centers (DCs)



18% of orders

KeepStock®

Physical Pickup



14% of orders

Branch

Footprint

United States [2]
- *324 Branches*
- *21 DCs*

Canada
- *32 Branches*
- *5 DCs*

Mexico
- *15 Branches*
- *2 DCs*

Puerto Rico
- *3 Branches*
- *1 DC*

Endless Assortment

Relationships



Primarily Digital

Digital solutions and marketing to build strong relationships

Origination



Website

Streamlined search and transactional experience

Fulfilment



Distribution Centers + 3rd Party Partners

Expansive assortment across all business-to-business categories at competitive prices

Footprint

monotaro

Japan
(primarily)
- *~29M available SKU's*
- *4 DCs*

MonotaRO Background
- *Started in 2000 as a JV between Grainger and Sumitomo*
- *GWW owns >50% stake*
- *Publicly traded in Japan (TSE: 3064); Market Cap ~$8.0B*

zoro

United States
- *~13M available SKU's*
- *Leverages High-Touch Solutions - U.S. distribution centers*

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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.

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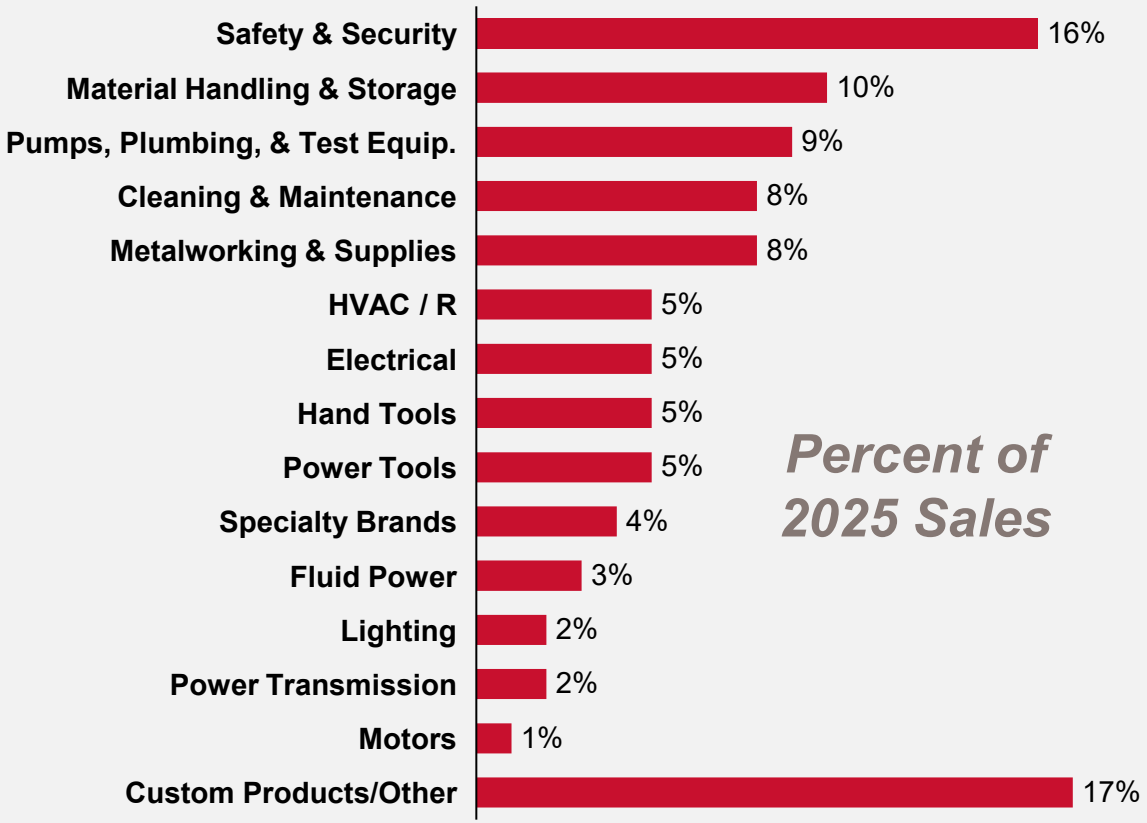
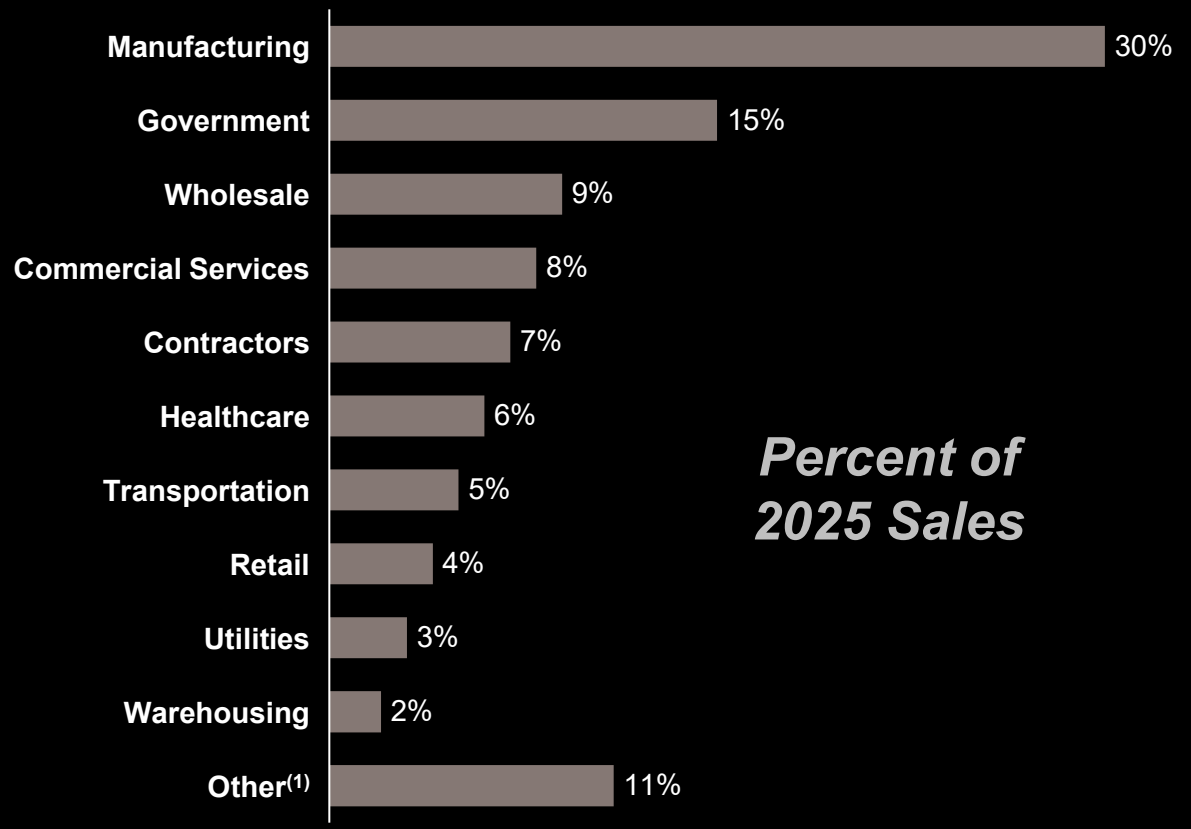
… connecting a broad assortment of MRO products to a diversified customer base

Total Company Product Assortment



Total Company Customer End-Markets



Note: All metrics are for the year ended December 31, 2025, unless otherwise noted.
(1) Includes industries that are not material individually, including hospitality, restaurants, property management and natural resources.

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Investment Highlights

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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



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Competing in large, fragmented market …

High-Touch Solutions N.A.

Largest MRO player with only ~7% share

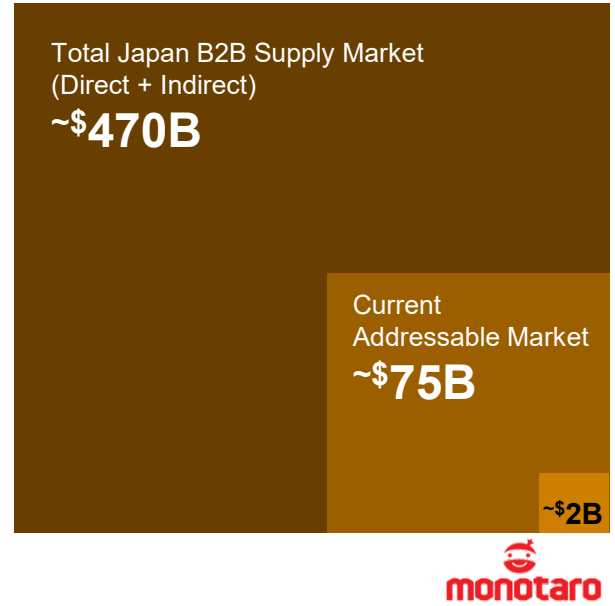


Endless Assortment

Expanding TAM with SKU additions



Industry pioneer in Japan



Note: Market size based on Company estimates as of June 30, 2026. Segment revenue numbers are for the last twelve months ending June 30, 2026.

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… with attractive industry dynamics

Favorable MRO market characteristics …

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



… with supportive macro tailwinds

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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

(LTM Q2'26)

$14.8B Revenue

17.2% Operating Margin

Revenue Mix



94%	5%	1%
United States	Canada	Mexico

~2.0M AVAILABLE SKUs

>4K SALES TEAM MEMBERS

>75% ORDERS THROUGH DIGITAL CHANNELS(1)

Note: All metrics are for the year ended December 31, 2025, unless otherwise noted. All financial results are represented on an adjusted basis. "LTM" represents the last twelve months ending June 30, 2026. See appendix for a reconciliation of any non-GAAP measures.

(1) Includes sales through grainger.com, EDI/ePro, and KeepStock® for the High-Touch Solutions - U.S. business.

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… 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

PIM G CIM

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**
- Deploying **AI/ML-generated sales plays** through seller insights platform
- Furthering scope of **agentic AI call center capabilities**
- **Expanding SKU breadth/depth** through proprietary, ML inventory model
- **Upskilling marketing** investment strategy using ML models
- **Identifying product associations** at scale using AI/ML

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

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

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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

(LTM Q2'26)

$3.9B Revenue

10.7% Operating Margin

Revenue Mix



>17M REGISTERED USERS(1)

~13M AVAILABLE SKUs - ZORO

~29M AVAILABLE SKUs - MONOTARO

Note: All metrics are for the year ended December 31, 2025, unless otherwise noted. All financial results are represented on an adjusted basis. In the fourth quarter of 2025, Grainger closed the Zoro U.K. business. "LTM" represents the last twelve months ending June 30, 2026. See appendix for a reconciliation of any non-GAAP measures.
(1) Includes both Zoro and MonotaRO.

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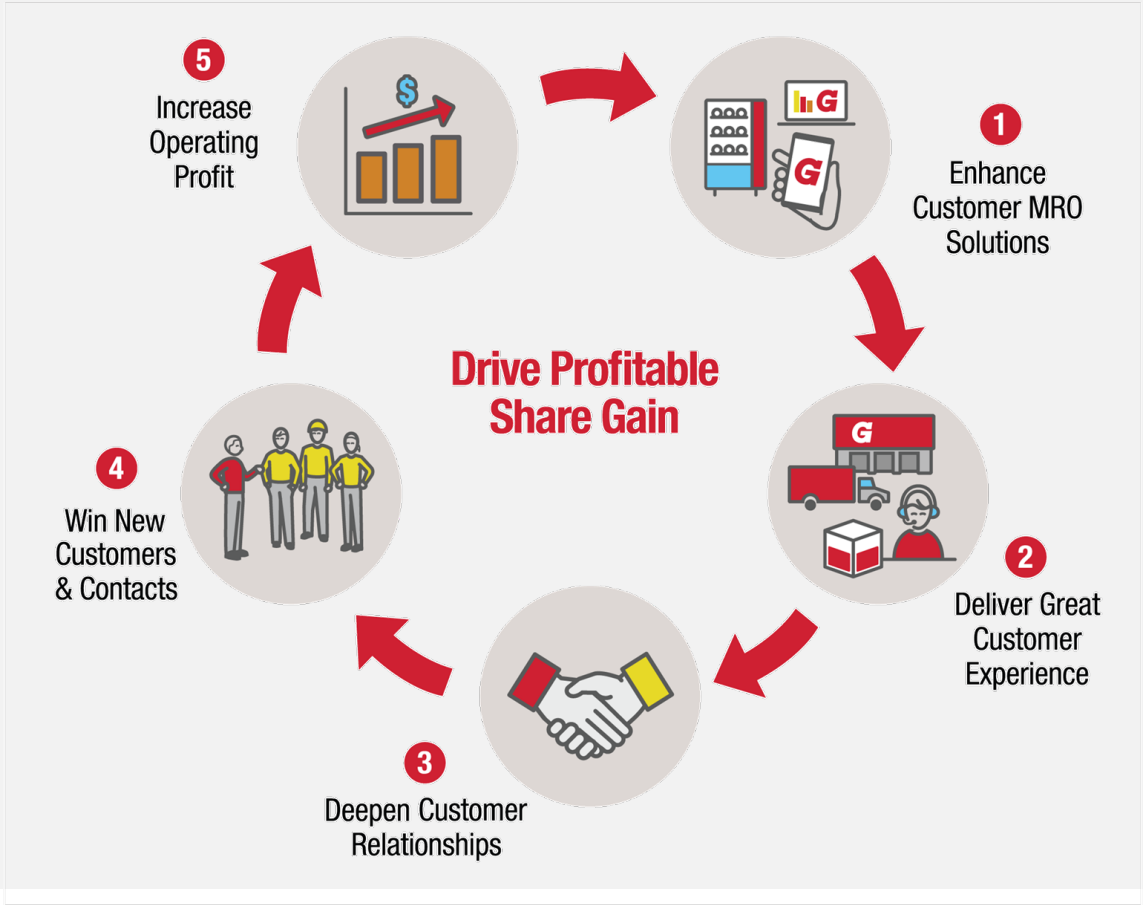
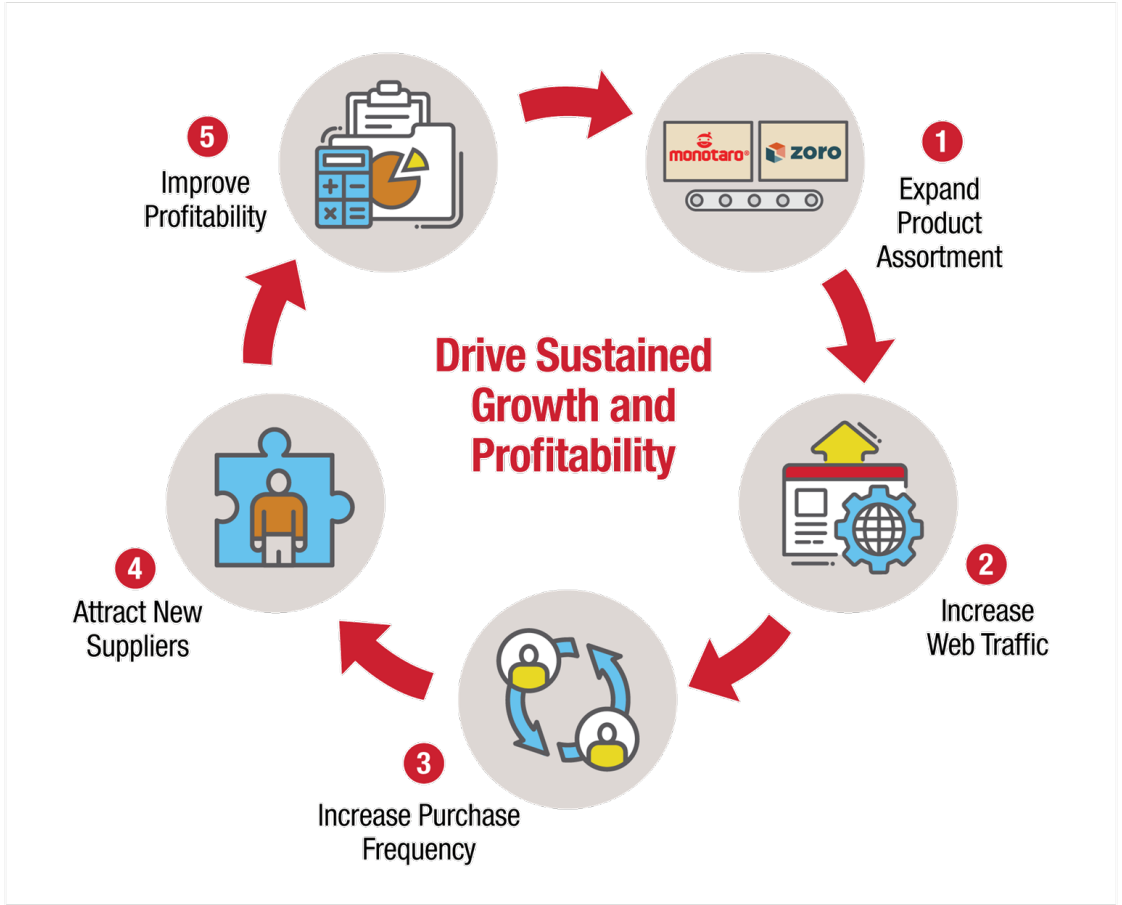
Strong customer value proposition propels commercial flywheel across both segments

High-Touch Solutions N.A.



Endless Assortment



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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

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… 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*

(1) Based on 2025 Company surveys and analysis of customer and non-customer feedback.

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

Strong and flexible balance sheet

0.6x
NET LEVERAGE RATIO

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

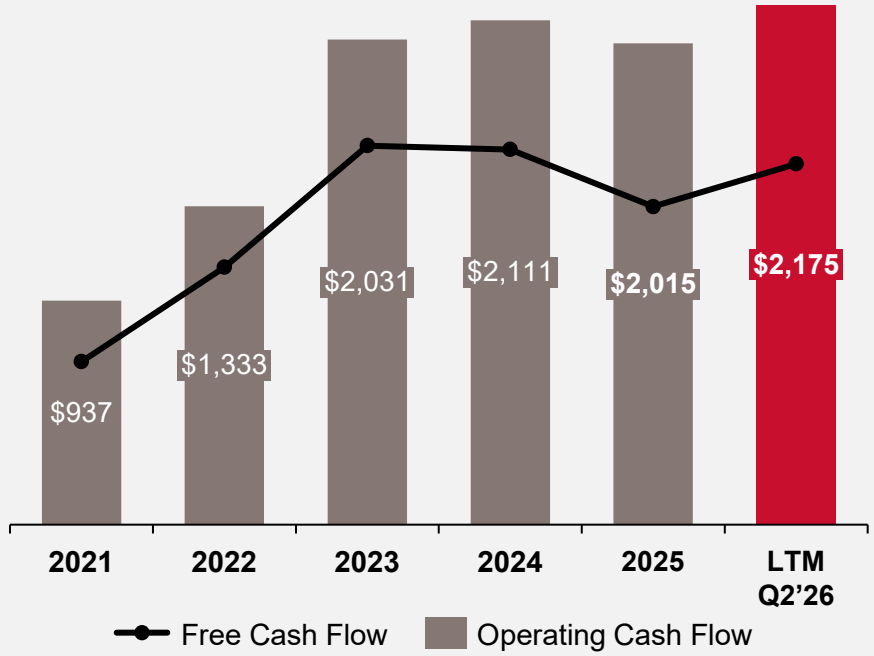
>$1.8B
AVAILABLE LIQUIDITY
(Cash + Undrawn Revolving Credit Facility)

Credit Ratings

S&P	Moody's[1]
A+	A1
Stable	***Stable***

Durable cash flows & low capital intensity

($ millions)



Note: All metrics are for the year ended December 31, 2025, unless otherwise noted. "LTM" represents the last twelve months ending June 30, 2026.
(1) In January 2026, Moody's upgraded the senior unsecured ratings of Grainger to A1 from A2 and changed the outlook to stable from positive.

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Consistent, return-driven approach to capital allocation

Capital allocation priorities

Operating Cash Flow

1. **Invest in the Business**
   - Organic Investment
   - Inorganic Opportunities

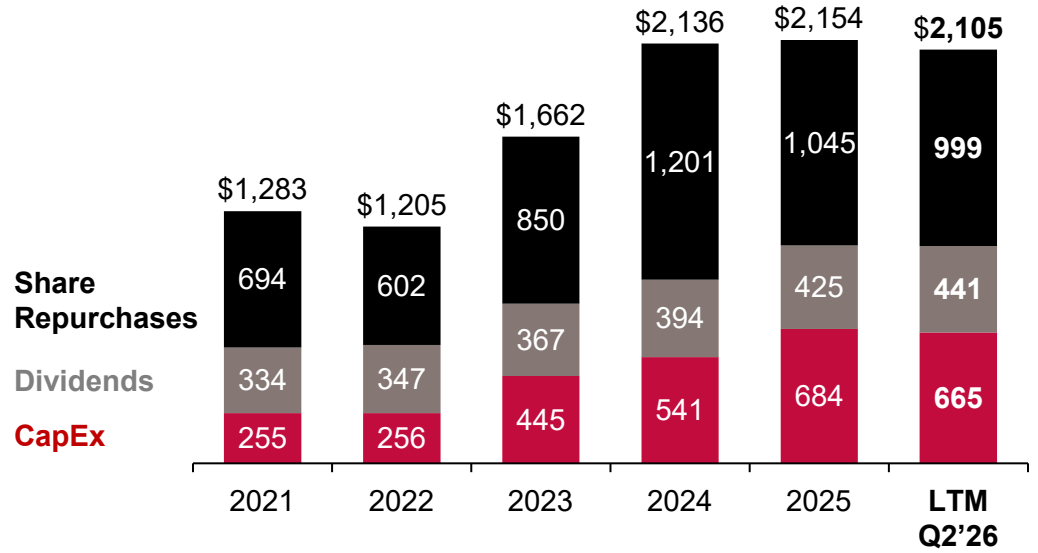
Continued investment to support growth

2. **Return Excess Cash to Shareholders**
   - Dividends
   - Share Repurchases

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

Historical use of cash[(1)]

($ millions)



On track for

55 years

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

~$4.9B

total share repurchases since 2021 at $735 weighted average price per share

43.5%

adjusted return on invested capital (YTD through Q2'26)

Note: All metrics are for the year ended December 31, 2025, unless otherwise noted. "LTM" represents the last twelve months ending June 30, 2026. See appendix for a reconciliation of any non-GAAP financial measures.

(1) Figures represent GWW amounts only and exclude MonotaRO dividend and share repurchase.

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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

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Financial Performance & Outlook



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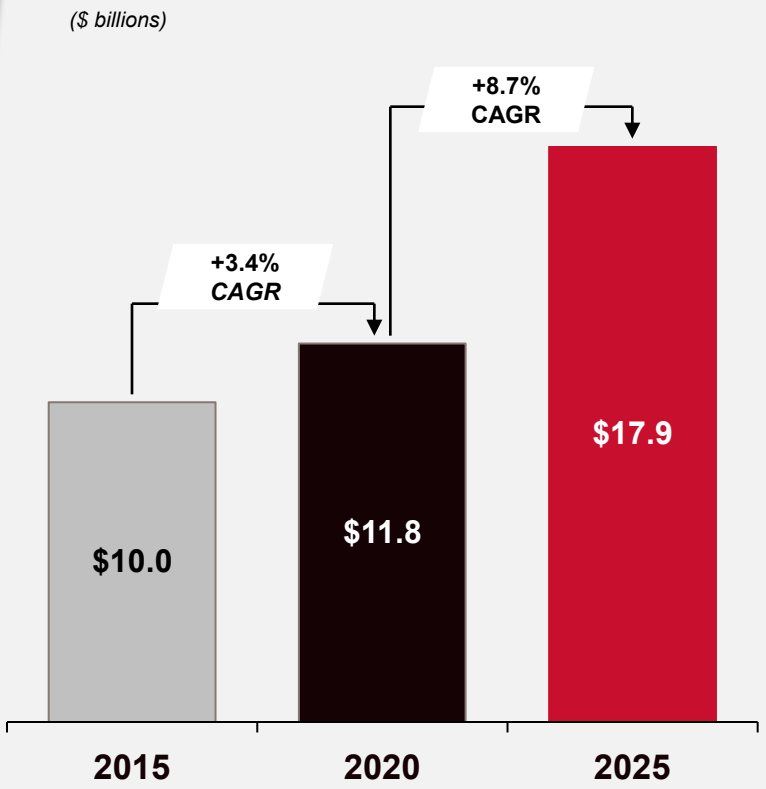
Accelerating growth & profitability by focusing on what matters

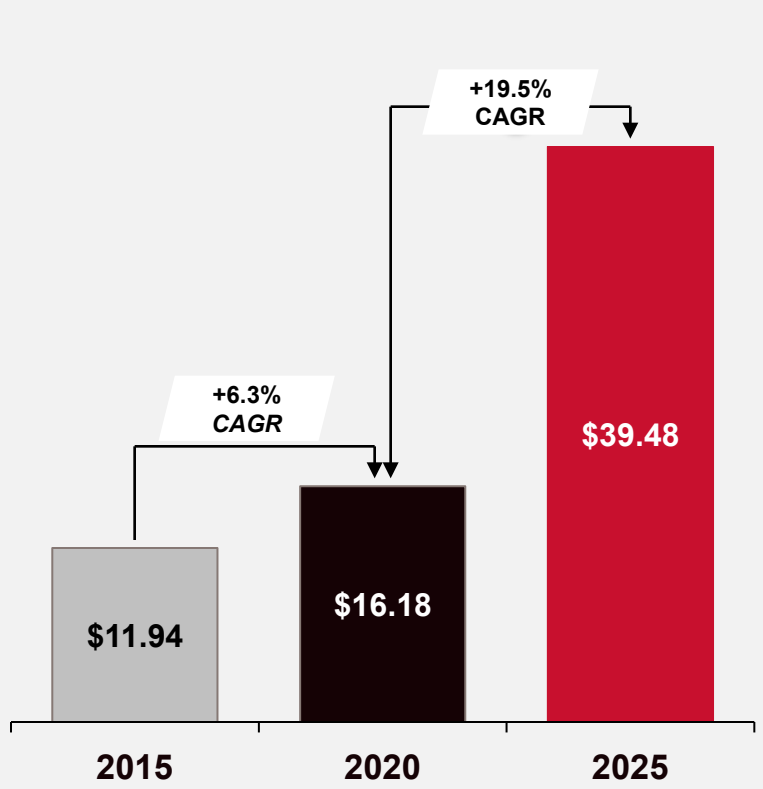
Achieving financial goals

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

Sales



Adjusted EPS



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

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Expecting continued strong results in 2026

Full-Year 2026 Total Company Outlook

Updated guide includes:

- **Sales**: continued strong execution amidst improving MRO market demand
- **GM%**: refunds on IEEPA tariffs for products directly imported by Grainger *(majority, ~$43M, reflected in Q2'26)*
- **SG&A%**: improving top-line leverage

Note:

- *Assumes no change to current effective tariff rates as of 8/3/2026*

	2025A	2026 Guidance (as of Aug 4, 2026)	Y/Y change
Sales *($ billions)*	**$17.9**	**$19.4 – $19.7**	**8.4% to 10.0%** *(11.5% to 13.0% daily, organic constant currency sales(1))*
Original FY'26 Guidance		*$18.7 – $19.1*	
Gross Profit Margin	**39.1%**	**39.3% – 39.6%**	**20 bps to 50 bps**
Original FY'26 Guidance		*39.2% – 39.5%*	
Adj. Operating Margin	**15.0%**	**15.8% – 16.2%**	**80 bps to 120 bps**
Original FY'26 Guidance		*15.4% – 15.9%*	
Adj. EPS (diluted)	**$39.48**	**$45.50 – $47.25**	**15.3% to 19.7%**
Original FY'26 Guidance		*$42.25 – $44.75*	

Note: 2025 results and 2026 guidance are provided on an adjusted basis. The Company does not reconcile forward-looking non-GAAP financial measures. Updated 2026 Guidance assumes corporate effective tax rate of ~25% and JPY / USD FX rate of 160. Normalization of effective tax rate to ~25% driving ~130bps Y/Y headwind to 2026 EPS growth rate. Prior 2026 guidance as provided on February 3, 2026.
(1) Based on U.S. selling days. There are 255 selling days in both 2026 and 2025. See appendix for a reconciliation of any non-GAAP financial measures.

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

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Appendix

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Grainger's Leadership Team

	Name	Title	Yrs. In Role (with GWW)[1]
	**D.G. Macpherson**	Chairman and Chief Executive Officer	10 years (18)
	**Nancy Berardinelli-Krantz**	SVP, Chief Legal Officer	3 years (3)
	**Barry Greenhouse**	SVP, Merchandising, Supplier Management and Marketing	3 years (22)
	**Jonny LeRoy**	SVP and Chief Technology Officer	6 years (6)
	**Cecelia Meyers**	SVP & Chief Product Officer	<1 year (3)
	**Rob Reynolds**	SVP, Branch and DC Operations	3 years (18)
	**Paige Robbins**	SVP and Chief Operations and Strategy Officer	<1 year (16)
	**Masaya Suzuki**	Managing Director, Endless Assortment Business	7 years (26)
	**Melanie Tinto**	SVP and Chief Human Resources Officer	1 year (1)
	**Laurie Thomson**	Chief Financial Officer (Interim)[2]	<1 year (18)
	**Brian Walker**	SVP, Sales and On-Site Services	<1 year (20)

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 June 30, 2026.

(2) Effective as of September 5, 2026

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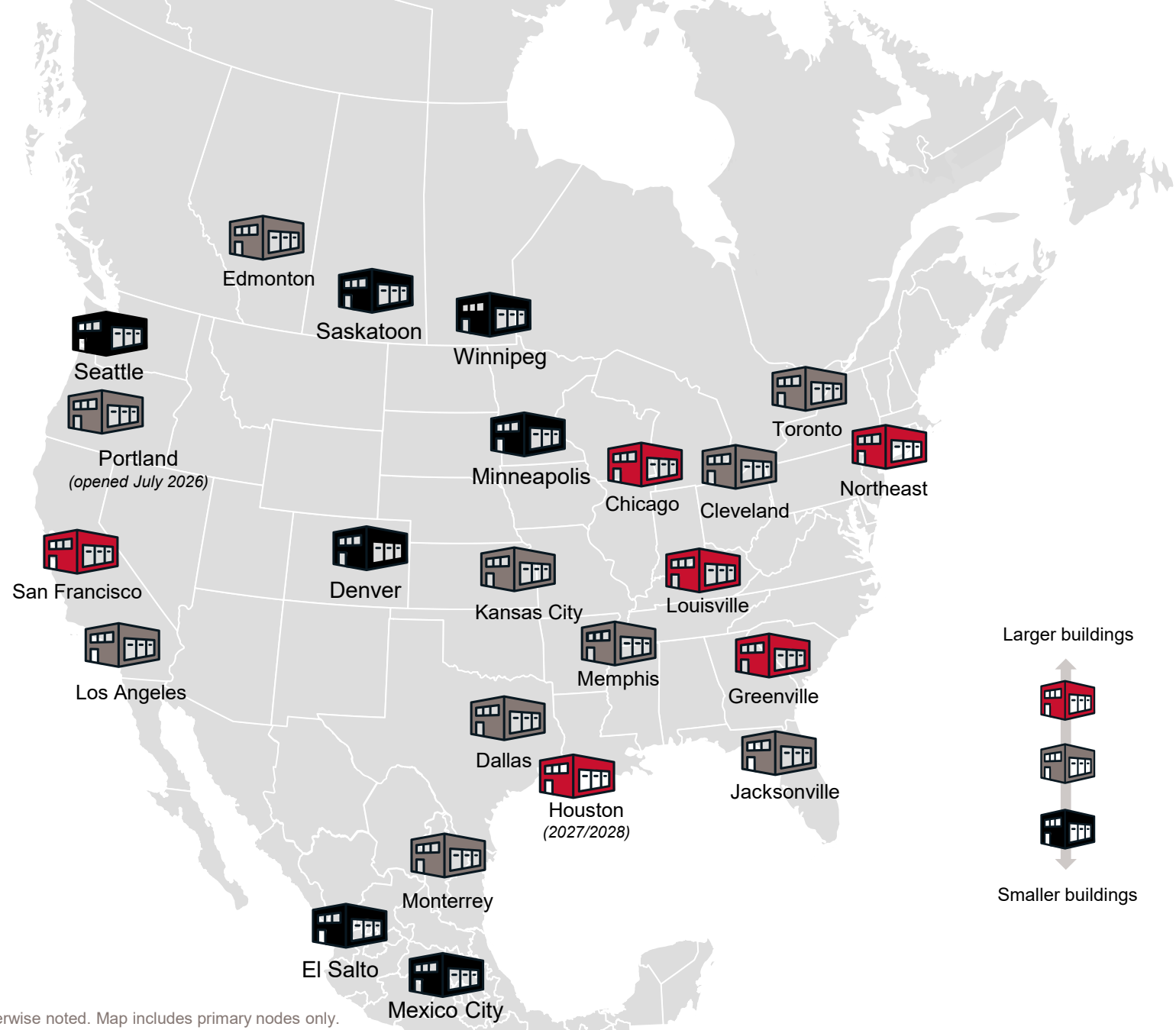
High-Touch Solutions N.A. supply chain network designed for reach and resilience

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]



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.

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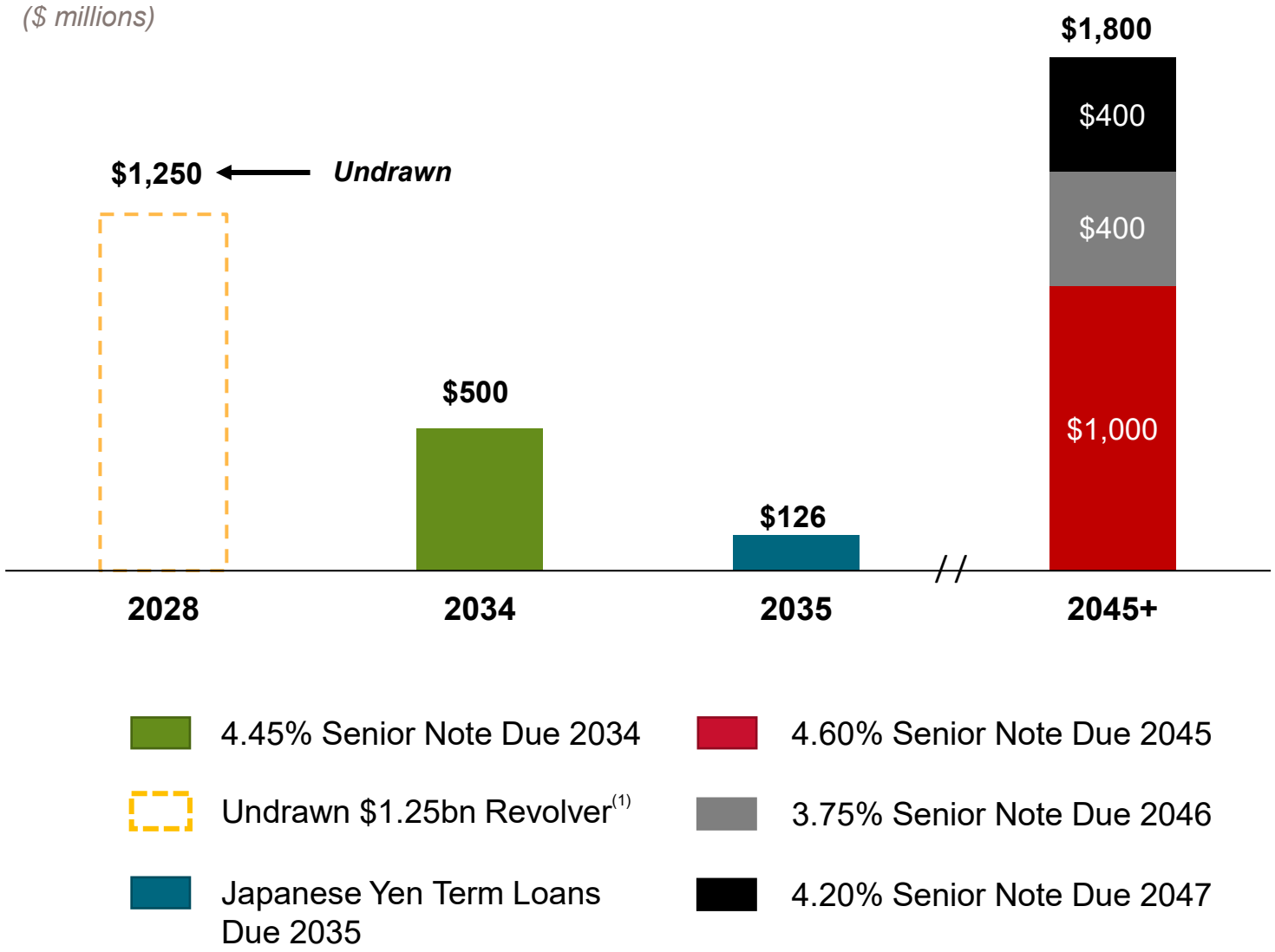
Debt Maturity Schedule

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 June 30, 2026, unless otherwise noted.

(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.

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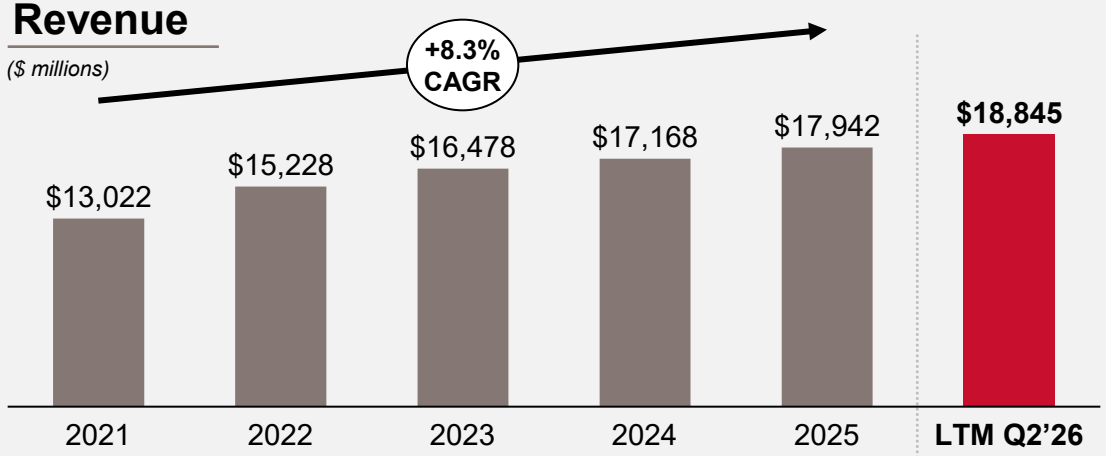
Historical financial performance: Total Company

Revenue

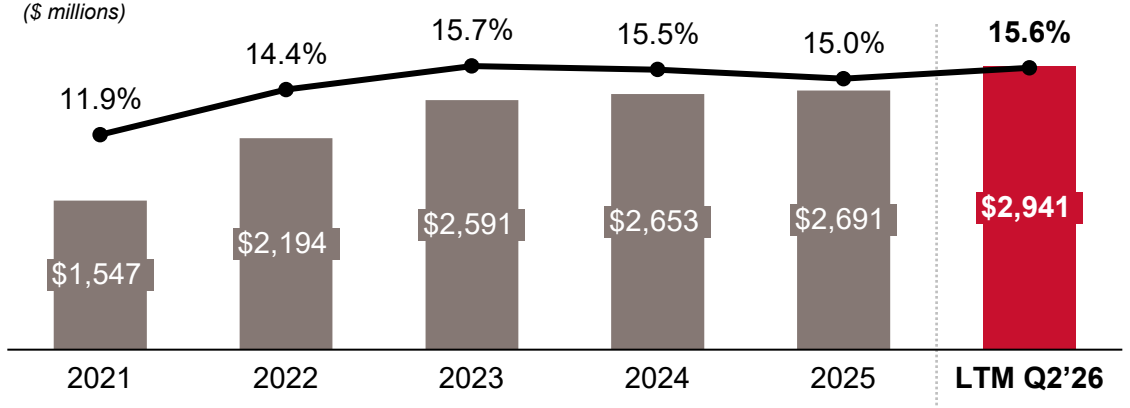
($ millions)



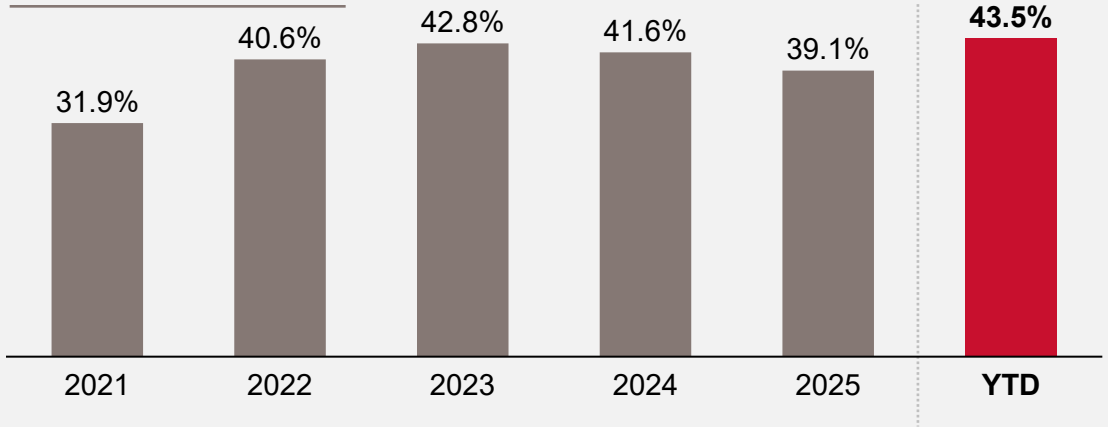
	2021	2022	2023	2024	2025	LTM Q2'26
Daily, organic constant currency sales	12.4%	19.3%	9.5%	4.7%	4.9%	**9.0%**

Adjusted Operating Earnings & Margin

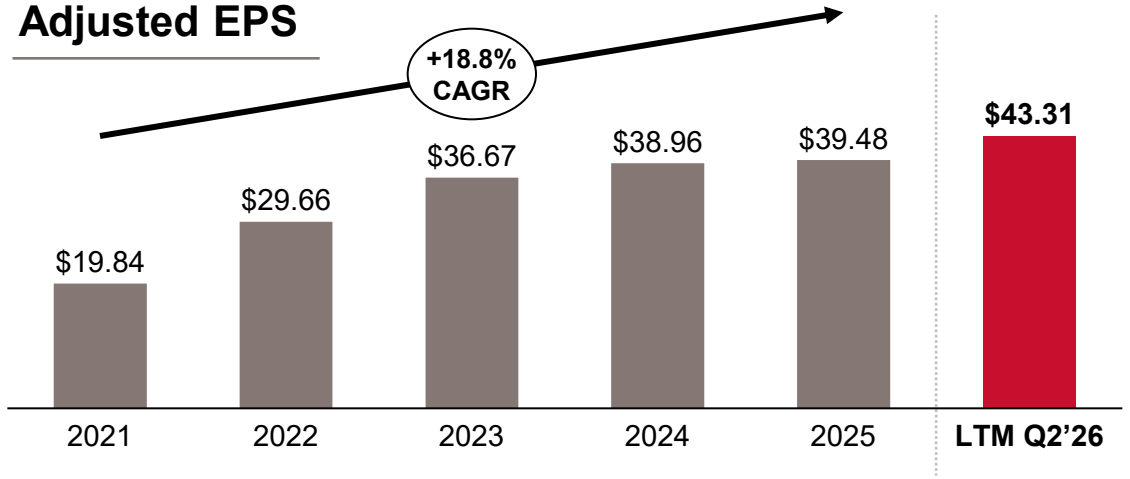
($ millions)



Adjusted ROIC



Adjusted EPS



Note: See appendix for a reconciliation of any Non-GAAP financial measures. "LTM" represents the last twelve months ending June 30, 2026.

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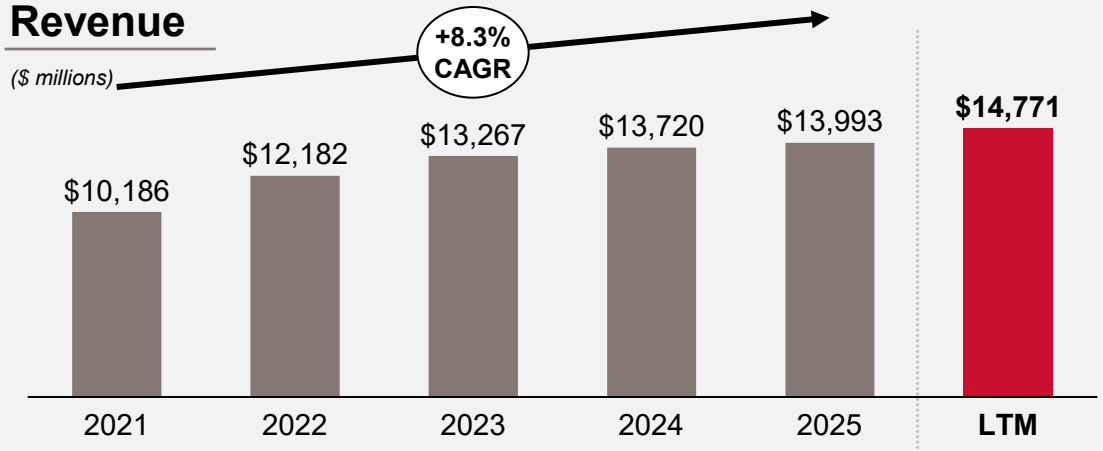
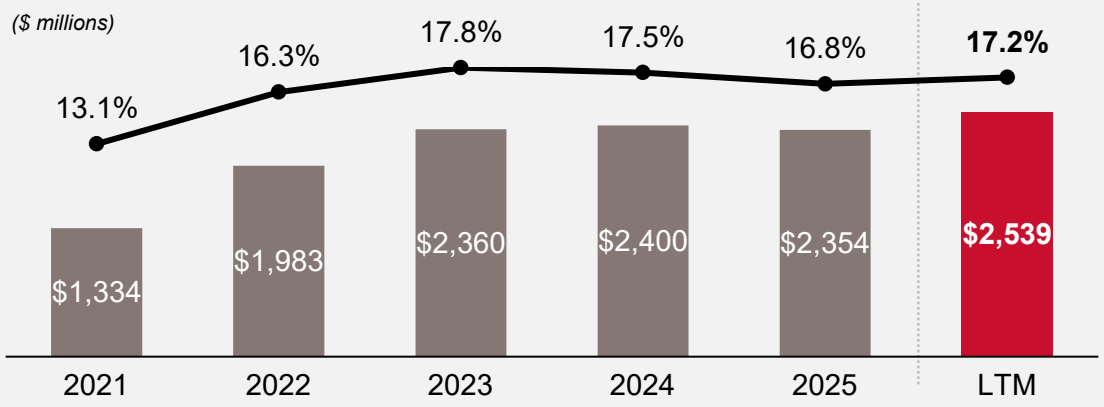
Historical financial performance: High-Touch Solutions N.A.

Revenue



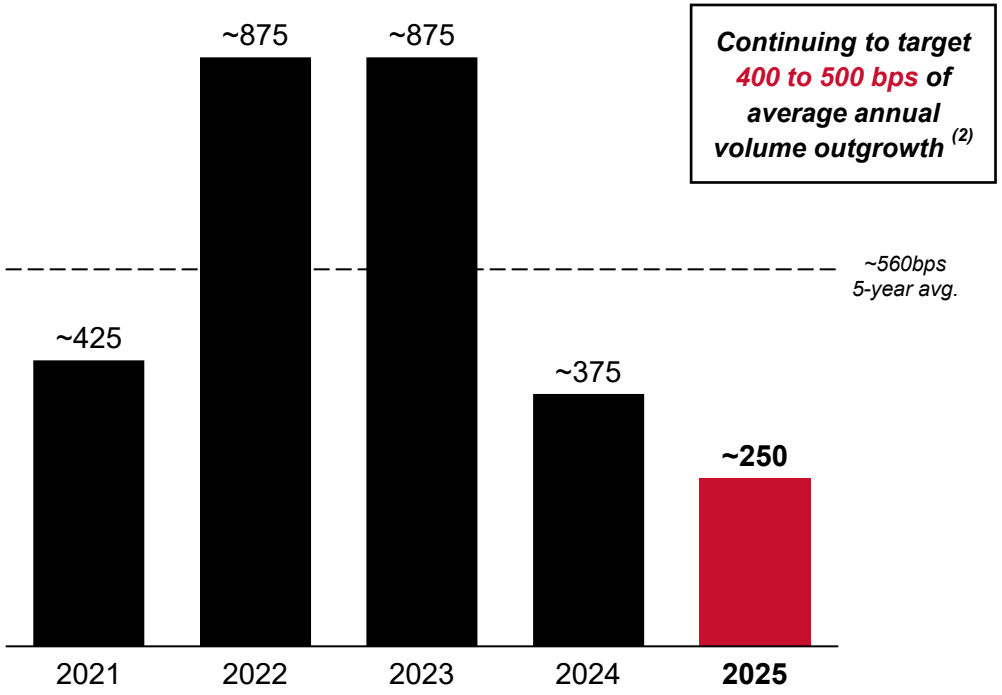
	2021	2022	2023	2024	2025	LTM
Daily, organic constant currency sales	10.8%	19.3%	9.4%	3.2%	2.6%	**6.9%**

Adjusted Operating Earnings & Margin



Key Operating Metric

High-Touch Solutions - U.S. Volume Outgrowth[2]



Continuing to target 400 to 500 bps of average annual volume outgrowth [2]

	2021	2022	2023	2024	2025
U.S. MRO Market - Volume [1]	3.5% - 4.5%	(0.5%) - 0.5%	(3.5%) - (2.5%)	(1.5%) - (0.5%)	(1.5%) - (0.5%)

Note: See appendix for a reconciliation of any Non-GAAP financial measures. "LTM" represents the last twelve months ending June 30, 2026.

(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.

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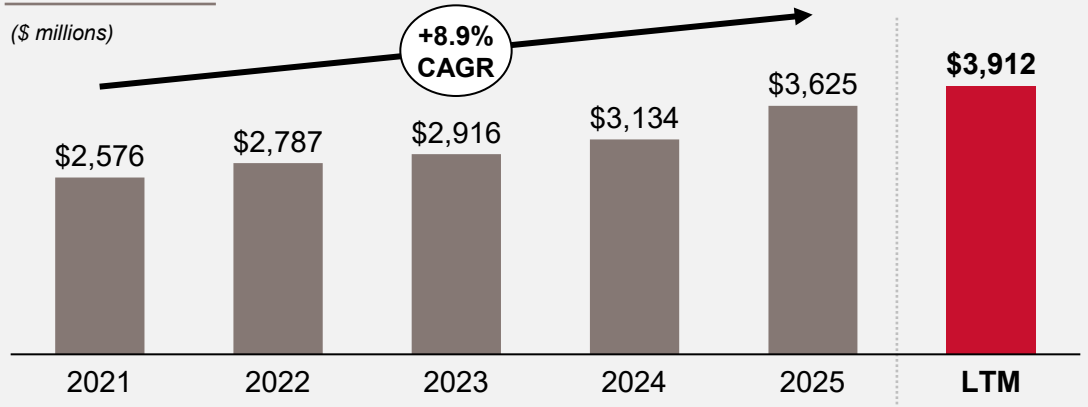
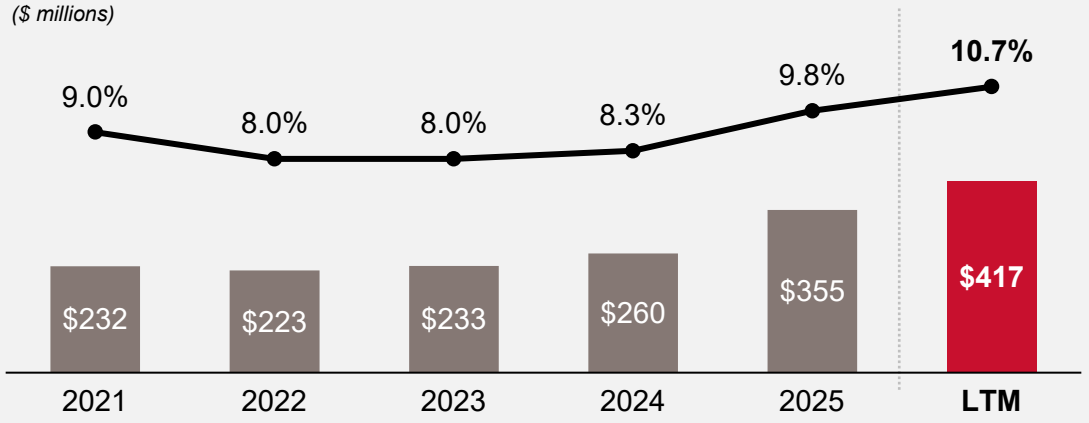
Historical financial performance: Endless Assortment

Revenue

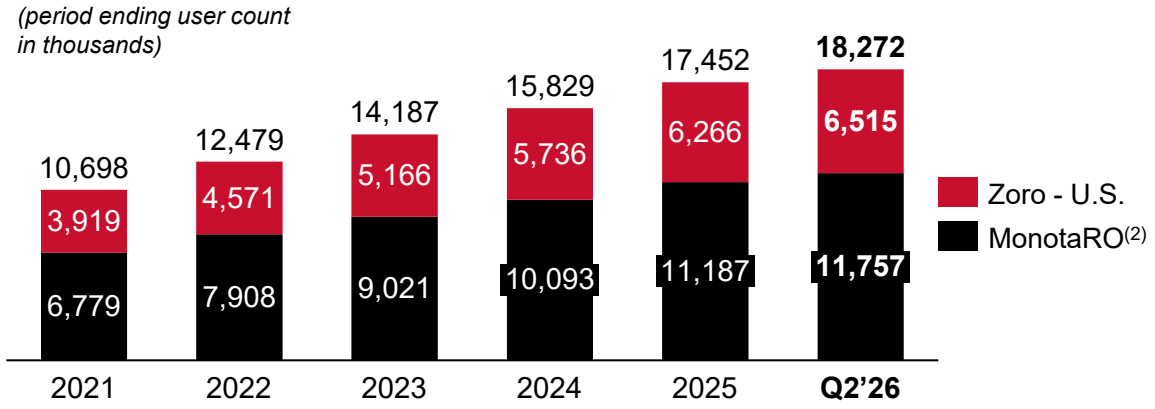


	2021	2022	2023	2024	2025	LTM
Daily, organic constant currency sales	20.5%	20.1%	10.4%	11.6%	15.6%	18.3%

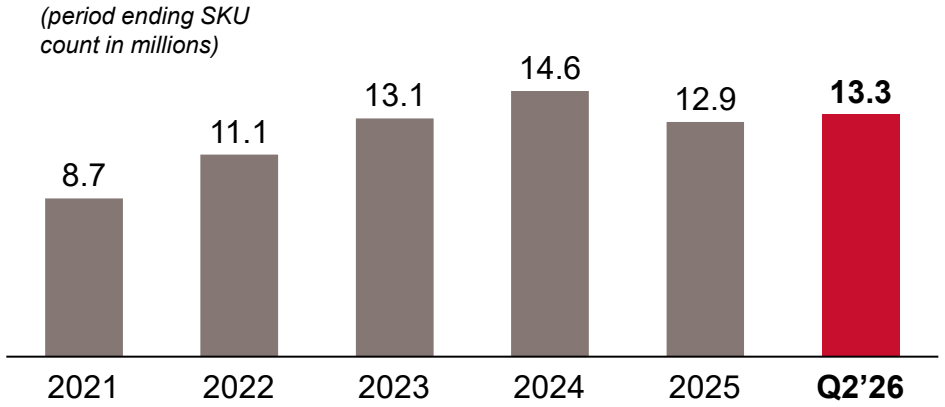
Adjusted Operating Earnings & Margin



Key Operating Metric – *Registered Users*[1]



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



Note: See appendix for a reconciliation of any Non-GAAP financial measures. "LTM" represents the last twelve months ending June 30, 2026.
(1) Registered user count excludes historical non-strategic accounts and channels. Numbers may not tie due to rounding.
(2) MonotaRO's results are reported one-month in arrears.

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2026 Full Year Supplemental Guidance

Cash Flow Guidance

($ millions)	2025A	2026 Guidance *(as of Aug 4, 2026)*
Operating Cash Flow	**$2,015**	**$2,250 – $2,400**
Original FY'26 Guidance		*$2,125 - $2,325*
Capital Expenditures[1]	**$684**	**$575 – $650**
Original FY'26 Guidance		*$550 - $650*
Share Repurchases[2]	**$1,045**	**$975 – $1,050**
Original FY'26 Guidance		*$950 - $1,050*

Operating Margin

	2025A	2026 Guidance *(as of Aug 4, 2026)*
HTS - N.A.	**16.8%**	**17.2% – 17.6%**
Original FY'26 Guidance		*16.9% - 17.4%*
Endless Assortment	**9.8%**	**10.4% – 10.8%**
Original FY'26 Guidance		*10.0% - 10.5%*
Total Company	**15.0%**	**15.8% – 16.2%**
Original FY'26 Guidance		*15.4% - 15.9%*

Sales Growth Guidance

Total Company	2026 Guidance *(as of Aug 4, 2026)*	
	Low	High
Daily, Organic Constant Currency Sales	**11.5%**	**13.0%**
Daily Impact[3]	0.0%	0.0%
Foreign Currency Exchange[4]	-0.9%	-0.9%
Business Divestiture/Closure[5]	-2.1%	-2.1%
Reported Sales	**8.4%**	**10.0%**

Note: 2025 results and 2026 guidance provided on an adjusted basis. Updated 2026 Guidance assumes corporate effective tax rate of ~25% and JPY / USD FX rate of 160. Original 2026 guidance as provided on February 3, 2026. 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.

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Non-GAAP Reconciliations



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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

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GAAP to Non-GAAP Reconciliations

Sales Growth

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

Total Company

	LTM Q2'26	2025	2024	2023	2022	2021
Reported sales	7.8%	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]	7.8%	4.9%	3.4%	8.6%	16.5%	11.3%
Business divestiture[2]	1.1%	—%	0.4%	—%	—%	1.4%
Foreign currency exchange[3]	0.1%	—%	0.9%	0.9%	2.8%	(0.3)%
Daily, organic constant currency sales	9.0%	4.9%	4.7%	9.5%	19.3%	12.4%

High-Touch Solutions N.A

	LTM Q2'26	2025	2024	2023	2022	2021
Reported sales	7.1%	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]	7.1%	2.4%	2.6%	9.3%	19.1%	11.3%
Business divestiture[2]	—%	—%	0.5%	0.1%	—%	—%
Foreign currency exchange[3]	(0.2)%	0.2%	0.1%	—%	0.2%	(0.5)%
Daily, organic constant currency sales	6.9%	2.6%	3.2%	9.4%	19.3%	10.8%

Endless Assortment (EA)

	LTM Q2'26	2025	2024	2023	2022	2021
Reported sales	16.3%	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]	16.3%	16.2%	6.6%	5.1%	7.7%	19.2%
Business divestiture[2]	0.7%	(0.7)%	—%	—%	—%	—%
Foreign currency exchange[3]	1.3%	0.1%	5.0%	5.3%	12.4%	1.3%
Daily, organic constant currency sales	18.3%	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 selling days in both 2026 and 2025.

(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.

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GAAP to Non-GAAP Reconciliations

Adjusted Operating Margin

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

Total Company[1]

	LTM Q2'26	2025	2024	2023	2022	2021
Reported operating earnings	$ 2,745	$ 2,495	$ 2,637	$ 2,565	$ 2,215	$ 1,547
U.K. market exit (Other, EA)[2]	196	196	—	—	—	—
Restructuring[3]	—	—	16	—	—	—
E&R divestiture (HTS - N.A)	—	—	—	26	—	—
Cromwell's subsidiary divestiture (Other)	—	—	—	—	(21)	—
Adjusted operating earnings	$ 2,941	$ 2,691	$ 2,653	$ 2,591	$ 2,194	$ 1,547
Reported Sales	$ 18,845	$ 17,942	$ 17,168	$ 16,478	$ 15,228	$ 13,022
Adjusted operating margin	15.6 %	15.0 %	15.5 %	15.7 %	14.4 %	11.9 %

High-Touch Solutions N.A.

	LTM Q2'26	2025	2024	2023	2022	2021
Reported operating earnings	$ 2,539	$ 2,354	$ 2,385	$ 2,334	$ 1,983	$ 1,334
Restructuring[3]	—	—	15	—	—	—
E&R divestiture	—	—	—	26	—	—
Adjusted operating earnings	**$ 2,539**	**$ 2,354**	**$ 2,400**	**$ 2,360**	**$ 1,983**	**$ 1,334**
Reported Sales	**$14,771**	**$13,993**	**$13,720**	**$13,267**	**$12,182**	**$10,186**
Adjusted operating margin	**17.2 %**	**16.8 %**	**17.5 %**	**17.8 %**	**16.3 %**	**13.1 %**

Endless Assortment (EA)

	LTM Q2'26	2025	2024	2023	2022	2021
Reported operating earnings	$ 407	$ 345	$ 260	$ 233	$ 223	$ 232
U.K. market exit[2]	10	10	—	—	—	—
Adjusted operating earnings	**$ 417**	**$ 355**	**$ 260**	**$ 233**	**$ 223**	**$ 232**
Reported Sales	**$ 3,912**	**$ 3,625**	**$ 3,134**	**$ 2,916**	**$ 2,787**	**$ 2,576**
Adjusted operating margin	**10.7 %**	**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.

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GAAP to Non-GAAP Reconciliations

Adjusted EPS and Free Cash Flow

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

Adjusted EPS

	LTM Q2'26	2025	2024	2023	2022	2021	2020	2015
Diluted earnings per share reported	**$ 39.22**	**$ 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	4.09	4.08	—	0.52	(0.40)	—	1.93	—
Total pretax earnings adjustments[1]	4.09	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 adjustment, net of tax	4.09	4.08	0.25	0.44	(0.40)	—	3.36	0.36
Diluted earnings per share adjusted	**$ 43.31**	**$ 39.48**	**$ 38.96**	**$ 36.67**	**$ 29.66**	**$ 19.84**	**$ 16.18**	**$ 11.94**

Free Cash Flow

	LTM Q2'26	2025	2024	2023	2022	2021
Cash flows from operating activities	$ 2,175	$ 2,015	$ 2,111	$ 2,031	$ 1,333	$ 937
Capital expenditures	(665)	(684)	(541)	(445)	(256)	(255)
Free cash flow	**$ 1,510**	**$ 1,331**	**$ 1,570**	**$ 1,586**	**$ 1,077**	**$ 682**

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.

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GAAP to Non-GAAP Reconciliations

Adjusted ROIC

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

2026	Annualized adjusted operating earnings[3]	$ 3,213

	Q2 '26	Q1 '26	Q4 '25
Working assets	$ 9,561	$ 9,331	$ 8,871
Working liabilities[2]	(2,012)	(1,920)	(1,684)
Net working assets	$ 7,549	$ 7,411	$ 7,187
Average net working assets	$ 7,382		
Adjusted ROIC[3]	43.5 %		

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[2]	(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: 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.
(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.
(4) Adjusted average net working assets include the held for sale impact of the Cromwell divestiture for the period ending September 30, 2025.

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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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