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Fiscal Q1 2026 Recap

October 28, 2025

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The Company supplements the reporting of financial information determined under U.S. generally accepted accounting principles (GAAP) with reporting of non-GAAP financial measures. The Company believes that these non-GAAP measures provide meaningful information to assist shareholders in understanding financial results, assessing prospects for future performance, and provide a better baseline for analyzing trends in our underlying businesses. Because non-GAAP financial measures do not have a standardized definition, it may not be possible to compare these non-GAAP financial measures with other companies' non-GAAP financial measures having the same or similar names. These non-GAAP financial measures should not be considered in isolation or as a substitute for reported results. The Company believes these non-GAAP financial measures reflect an additional way of viewing aspects of operations that, when viewed with GAAP results, provide a more complete understanding of the business. The Company strongly encourages reviewing company financial statements and publicly filed reports in their entirety and not to rely on any single financial measure.

This presentation sets forth certain non-GAAP financial measures including EBITDA; Free Cash Flow; Net Leverage Ratio - which are presented as supplemental disclosures to Net Income; Cash from Operations; Total Debt Outstanding; and reported results. A presentation of the most directly comparable GAAP measure and reconciliations of EBITDA; Free Cash Flow; Net Leverage Ratio are set forth in the appendix to this presentation.

Primary Messages from Management

- **Encouraging start to FY26 with 1Q EBITDA and EPS growth accelerating and above expectations** on solid Service Center segment performance and operational execution within an ongoing mixed end-market backdrop.

- **EBITDA +13% (organic +6%) & EBITDA margins up ~50 bps YoY** reflecting favorable operating leverage on stronger sales growth, channel execution, cost control, and M&A contribution; inclusive of LIFO headwinds.

- **SC segment organic sales growth strengthened (+4.4% in F1Q26 vs. -0.4% in F4Q25)** reflecting internal growth initiatives, firming technical MRO demand, and favorable industry position.

- **ES segment favorably positioned with positive order momentum continuing;** F1Q26 segment sales balanced by muted flow control & fluid power shipment activity in September.

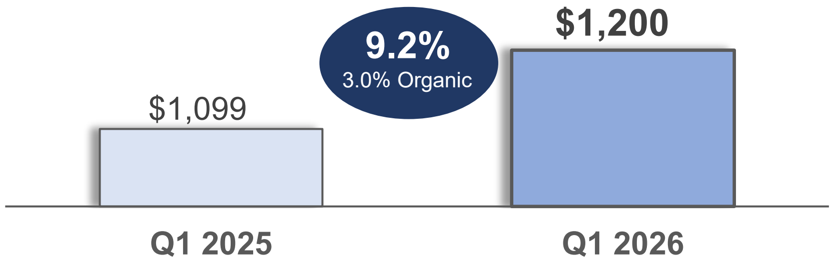
- **October organic sales estimated up YoY by a low single-digit percent;** customer sentiment and demand indications continue to gradually improve though end-market demand remains choppy.

- **Reiterate FY26 sales & EBITDA margin guidance;** remain prudent with outlook but encouraged by F1Q26 performance and tailwinds tied to industry position, order trends, business funnel, and M&A pipeline.

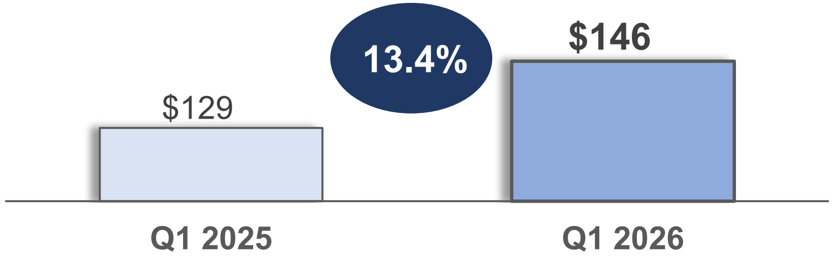
Fiscal Q1 2026 Key Financial Highlights

- **Sales up 9.2% YoY**
  - Up 3.0% on an organic basis
  - Acquisitions +6.3%, currency -0.1%
- **Net Income of $100.8M and EPS of $2.63**
  - EPS up 11.4% YoY
  - Includes $2.6M pre-tax ($0.05/sh) of LIFO expense
  - Unfavorable YoY impact from a higher tax rate and net interest expense, partially offset by a lower diluted share count
- **Gross margin 30.1%, up 55 bps vs. prior year of 29.6%**
  - Includes a 5 bps YoY headwind from higher LIFO expense
- **SD&A expense of $232.4M at 19.4% of sales**
  - Up 0.7% YoY on an organic, constant currency basis
- **EBITDA of $146.3M, up 13.4% vs. prior year of $129.0M**
  - 12.2% EBITDA margin up 46 bps YoY
  - Includes a 5 bps YoY headwind from higher LIFO expense
- **Operating cash of $119.3M; free cash of $112.0M**
  - Free cash 111% of net income

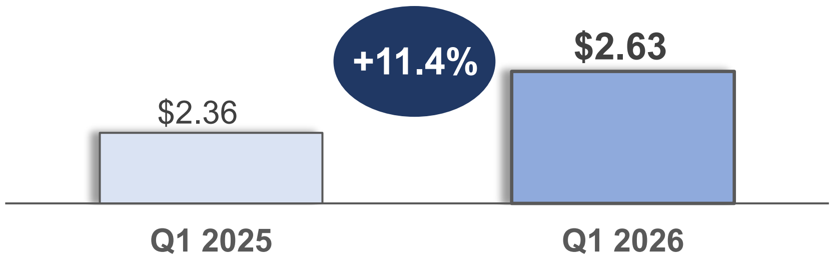
***Sales**, $ in millions*



***EBITDA**, $ in millions*



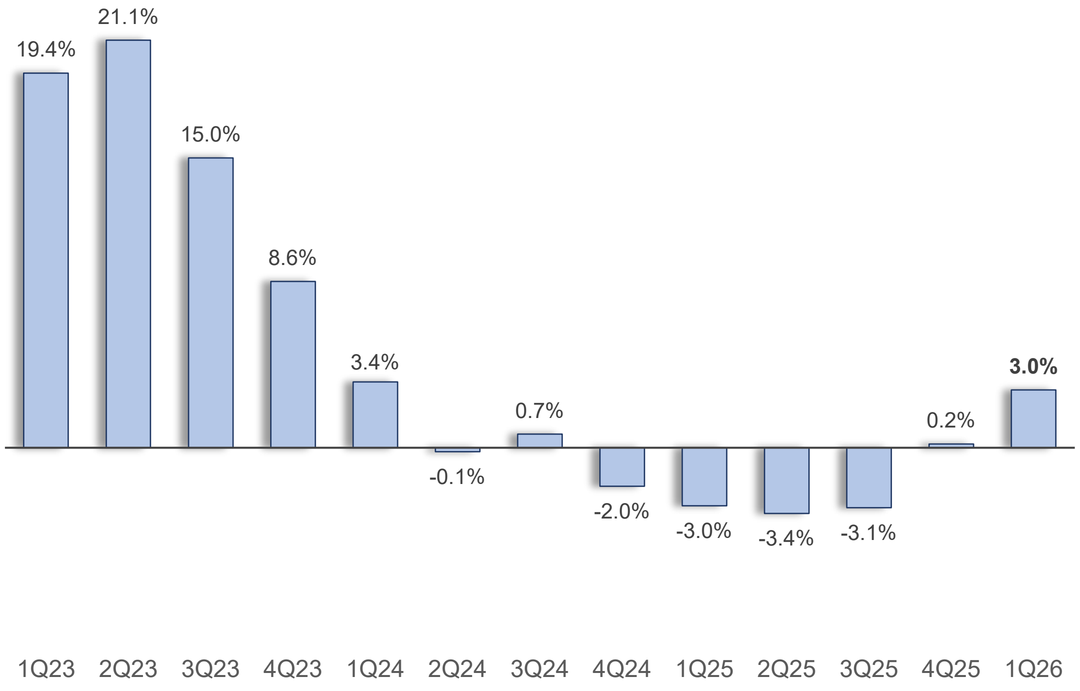
Earnings Per Share



Organic Sales Growth Trend and Investor Discussion Points

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

Fiscal Quarters



F1Q26 Sales Growth Detail

- Up 3.0% YoY on an organic basis vs. 0.2% YoY in F4Q25; strongest organic growth in two years
- 2-year stack trend improved 180 bps vs. F4Q25, and has now improved sequentially for three consecutive quarters
- Average organic daily sales decreased 3% sequentially, slightly below normal seasonal patterns reflecting softer ES segment shipment activity in September
- YoY organic growth led by SC segment with sales increasing over 4% YoY and exceeding normal seasonality for the third straight quarter
- 16 of top 30 industry verticals up YoY in F1Q26 compared to 15 during F4Q25 *
- YoY growth strongest across machinery, food & beverage, refining, pulp & paper, metals, oil & gas, and aggregates
- Offset by declines primarily in lumber & wood, mining, transportation, chemicals, and utilities & energy

** Based on largest 30 industry verticals for fiscal 2025*

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Other Investor Discussion Points

Investor Topic	Update & Details
Underlying Demand	End-market demand remains choppy and bifurcated given ongoing macro/tariff uncertainty though customer sentiment and demand indications continue to gradually improve
Pricing / Tariffs	Price contribution was ~200 bps in F1Q26, up from F4Q25 (~100 bps) and running at the high end of FY26 guidance (150-200 bps); pricing outlook remains fluid given evolving tariff backdrop
ES Segment Growth	F1Q26 organic sales (-0.4% YoY) muted on softer flow control & fluid power shipment activity late in the quarter; segment orders sustaining positive momentum (+5% YoY with 2-Yr stack accelerating)
Hydradyne Update	Sales and earnings contribution continues to improve; EBITDA contribution up by a DD percent sequentially in F1Q26 and favorably positioned as synergy and growth initiatives continue to unfold
Near-term Outlook	Expect end-market demand to remain choppy NT; balanced by co-specific growth opportunities; mindful of difficult prior-year margin comparison in F2Q26 and ongoing inflationary headwinds
Organic Growth Drivers	Secular: Reshoring, industrial system modernization, automation adoption, energy efficiency focus Structural: Customer technical labor shortages, supply-chain hardening, industry consolidation Co-specific: Sales force investments, ancillary product & cross-selling initiatives, ES expansion

Note: DD = Double Digits

Fiscal Q1 2026 Margin and Expense Highlights

Gross Profit, SD&A, and EBITDA Metrics

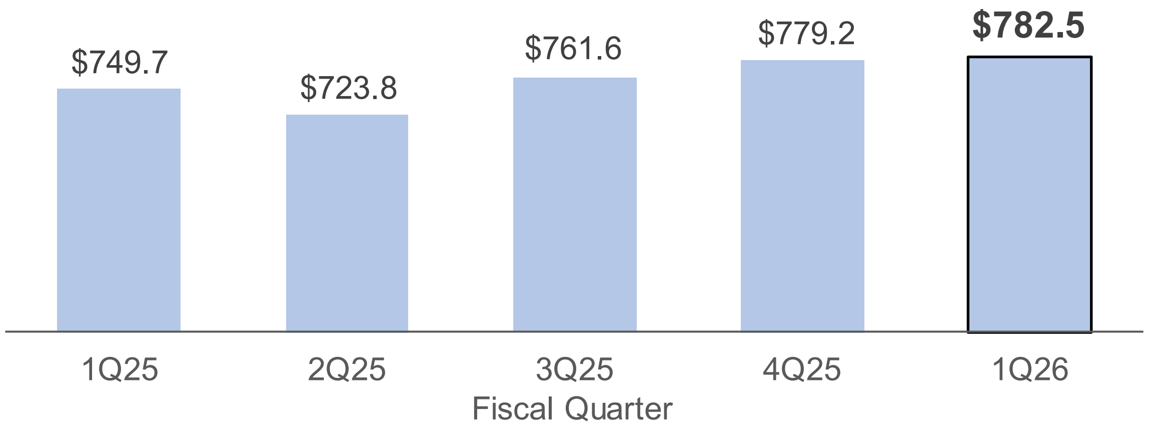
$ in millions	**Q1 26**	**Q1 25**	**Chg YoY**	***LIFO Impact YoY***
Gross Profit	**$361.4**	$325.1	11.2%	*(0.2%)*
Gross Margin	**30.1%**	29.6%	55 bps	*(5) bps*
SD&A Expense	**$232.4**	$211.9	9.7%	
% of Sales	**19.4%**	19.3%	(9) bps	
EBITDA	**$146.3**	$129.0	13.4%	*(0.5%)*
EBITDA Margin	**12.2%**	11.7%	46 bps	*(5) bps*
Memo:				
LIFO Expense	**$2.6**	$2.0		

- **Gross margin up 55 bps YoY**
  - Includes an unfavorable 5 bps YoY impact from higher LIFO expense
  - YoY improvement excluding LIFO impact primarily reflects positive acquisition mix, channel execution, and easy prior-year comparisons; partially offset by unfavorable mix tied to national account growth and muted ES segment sales
- **SD&A expense up 9.7% YoY**
  - Up 0.7% on an organic, constant currency basis vs. 3.0% organic sales growth in F1Q26
  - Excluding depreciation & amortization, SD&A expense at 18.0% of sales vs. 18.1% in F1Q25 and 18.2% in F4Q25
  - Ongoing inflationary headwinds and growth investments balanced by solid cost control and productivity initiatives, as well as more favorable AR provisioning
- **EBITDA margin of 12.2% up 46 bps YoY**
  - Includes an unfavorable 5 bps YoY impact from LIFO expense

Segment Results – Service Center

Segment Overview: *Representing 66% of fiscal 2025 sales - the segment includes our core distribution operations including ~400 local service centers across North America, Australia, and New Zealand, primarily focused on our technical bearings, power transmission, and fluid power MRO product and solution offerings, as well as other industrial supplies for scheduled maintenance and repairs of customers' machinery, equipment, and facilities*

Service Center Segment Sales, in Millions



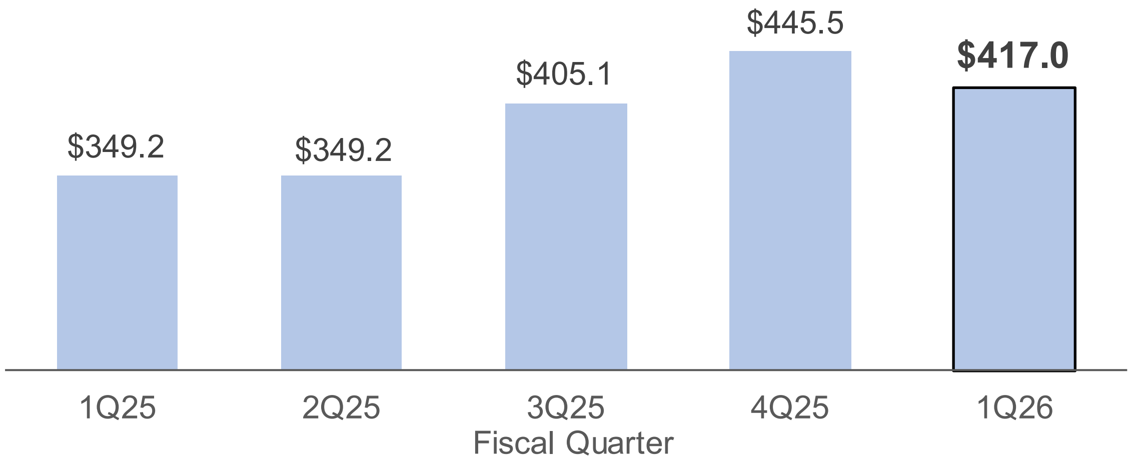
- **Sales up 4.4% YoY in F1Q26**
  - Organic + 4.4%
  - Acquisitions + 0.1%
  - Currency − 0.1%

- Organic sales increase driven by ongoing internal initiatives, firming technical MRO demand, stronger price contribution, and favorable growth across national accounts
- Making steady progress leveraging sales force productivity initiatives, technology investments, and new business opportunities, as well as cross-selling momentum
- Segment EBITDA of $109.0M in F1Q26 up 10.1% YoY reflecting operating leverage on stronger sales growth, channel execution, cost control, and more favorable AR provisioning

Segment Results – Engineered Solutions

Segment Overview: *Representing 34% of fiscal 2025 sales - the segment consists of 1) our Fluid Power network specializing in distributing, engineering, designing, integrating, and repairing hydraulic and pneumatic technologies and related systems across off-highway mobile, industrial, and technology verticals, 2) our specialty flow control products and engineered solutions supporting mission-critical process infrastructure, and 3) our advanced automation products and solutions focused on machine vision, robotics, motion, & digital technologies*

Engineered Solutions Segment Sales, in Millions

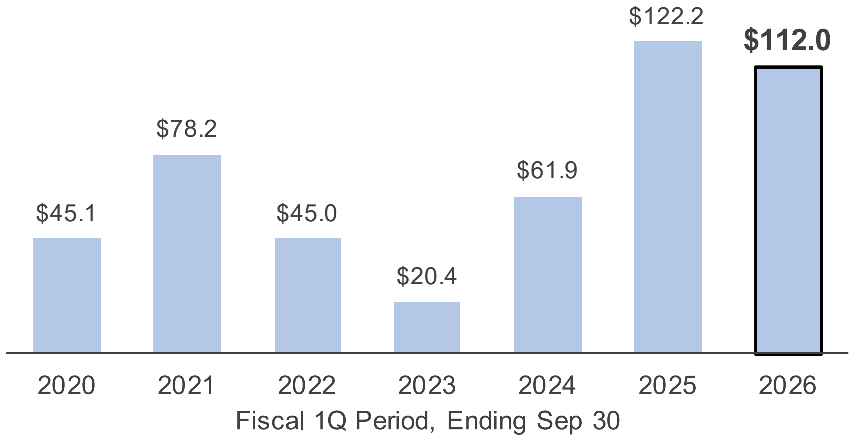


- **Sales up 19.4% YoY in F1Q26**
  - Organic − 0.4%
  - Acquisitions + 19.8%

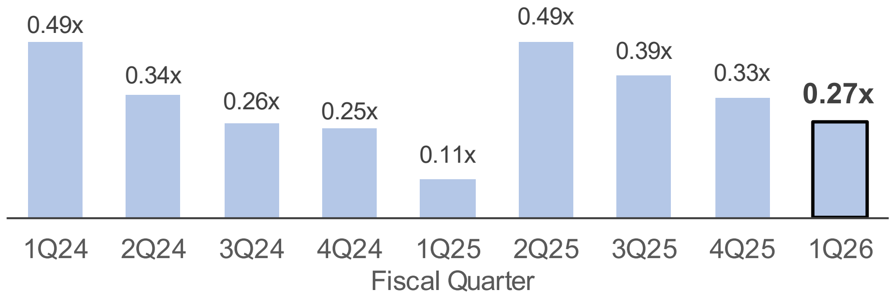
- Modest organic sales decline reflects muted shipment activity across flow control and fluid power operations in September, partially offset by sustained positive sales growth across Automation
- Segment orders up YoY (+5% in F1Q26) for the third consecutive month with positive underlying trends across all three primary business units; segment book-to-bill above 1x during the quarter
- Segment EBITDA of $57.6M in F1Q26 up 16.0% YoY primarily reflecting contribution from the Hydradyne acquisition (closed 12/31/24), partially offset by lower organic EBITDA on muted sales trends in the quarter

Cash Flow and Balance Sheet

Free Cash Flow (in Millions) - Fiscal 1Q Period



Net Leverage Ratio (Net Debt to Trailing EBITDA)



- **F1Q26 cash from operations of $119.3M; free cash of $112.0M**
  - Free cash at 111.1% of net income in F1Q26
  - Free cash down slightly YoY reflecting greater working capital investment compared to the prior year, balanced by ongoing progress with internal initiatives
- **Net leverage ratio at 0.27x as of September 30, 2025**
  - Pro-forma net leverage ratio at 0.26x including trailing 12-month EBITDA from Hydradyne acquisition, which closed on December 31, 2024
  - Compares to prior-year level of 0.11x
- **Strong balance sheet capacity to support capital deployment**
  - $419M of cash on hand *(as of 9/30/25)*
  - $516M of available capacity under revolver
    - Additional $800M accordion option
  - $62M of available capacity under AR securitization facility

Capital Allocation

Capital Allocation Priorities & Strategy

Organic Growth

Pursue greenfield expansion while optimizing customer service capabilities and operating efficiencies through technology, working capital, and system investments

Acquisitions

Scale Engineered Solutions segment while pursuing select Service Center segment opportunities to enhance organic growth, margins, and competitive position

Debt Service

Dependent on outstanding commitments, cycle dynamics & interest savings potential; comfortable with normalized net leverage of ~2x through a cycle

Share Buybacks

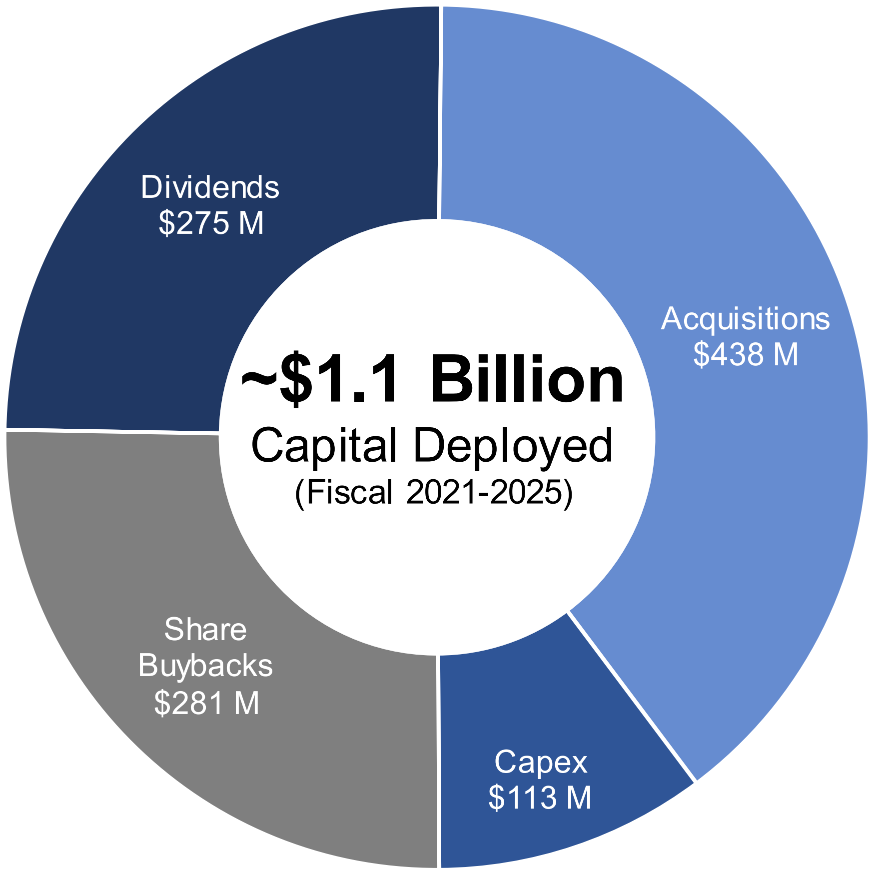
Opportunistic approach focused on returning excess cash through a disciplined valuation & return framework

Dividends

Consistent increases in ordinary dividend; target dividend growth in relation to normalized earnings growth

Capital Deployed Last 5 Years

(Capex, M&A, Share Repurchases, & Dividends)



$562M of capital deployed in fiscal 2025 (including debt reduction)
Up 124% vs. fiscal 2024

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Fiscal 2026 Guidance and Outlook Assumptions

Fiscal 2026 Guidance

	Prior (8/14/25)			Current (10/28/25)		
Total Sales - YoY % chg	4%	-	7%	**4%**	-	**7%**
Organic Sales - YoY % chg	1%	-	4%	**1%**	-	**4%**
EBITDA Margin	12.2%	-	12.5%	**12.2%**	-	**12.5%**
Diluted EPS	$10.00	-	$10.75	**$10.10**	-	**$10.85**
Additional Assumptions:						
Depreciation & amortization expense	$66.0	-	$68.0	**$66.0**	-	**$68.0**
Interest & other expense	$5.0	-	$6.0	**$5.0**	-	**$6.0**
Effective tax rate	23.0%	-	24.0%	**23.0%**	-	**24.0%**

Updated Considerations:

- No change to sales and EBITDA margin outlook for FY26
- Increasing EPS by $0.10 to primarily reflect F1Q26 performance and a lower diluted share count assumption
- Continues to assume 150 to 200 bps of price contribution to sales growth pending greater clarity on a still fluid tariff backdrop
- Approximately 300 bps of YoY M&A sales contribution
- Excludes contribution from future M&A and/or share repurchases
- Potential support/upside from industry position, sales initiatives, active cost controls, gross margin initiatives, Hydradyne synergies, and a greater rebound in broader end-market demand
- F2Q26 assumptions:
  - Total Sales: Up HSD YoY
  - Organic Sales: Up LSD YoY
  - Gross Margin: Up slightly sequentially
  - EBITDA Margin: 12.0% to 12.3%

Notes: 1) $ amount in millions except EPS
2) LSD = Low Single-Digits, HSD = High Single-Digits

Appendix: Number of Selling Days by Fiscal Quarter and Full Year

Fiscal Period	Q1	Q2	Q3	Q4	Year
2024	63.0	61.0	63.5	64.0	251.5
2025	64.0	62.0	63.0	63.5	252.5
2026	**64.0**	**62.0**	**63.0**	**63.5**	**252.5**
2027	**64.0**	**62.0**	**62.5**	**64.0**	**252.5**

Appendix: Net Sales, Operating Income, EBITDA, & EBITDA Margin by Segment

(dollar amount in thousands)	Three Months Ended Sep 30 Q1 FY25	Q1 FY26
Service Center Segment:		
Net sales	$ 749,739	$ 782,474
Operating income	93,826	104,053
Depreciation and amortization of property	4,419	4,235
Amortization of intangibles	802	730
EBITDA	**$ 99,047**	**$ 109,018**
% of sales (EBITDA margin)	*13.2%*	*13.9%*
Engineered Solutions Segment:		
Net sales	$ 349,205	$ 417,049
Operating income	41,346	45,860
Depreciation and amortization of property	1,505	2,251
Amortization of intangibles	6,798	9,473
EBITDA	**$ 49,649**	**$ 57,584**
% of sales (EBITDA margin)	*14.2%*	*13.8%*
Corporate and other expense, net	$ 22,000	$ 20,883

Note: Intangible amortization expense included in segment operating income; was reported as part of corporate and other expense in table above prior to F4Q25

Appendix: Reconciliation of EBITDA

(dollar amount in thousands)	Three Months Ended Sep 30 Q1 FY25	Q1 FY26
Net Income	**$ 92,063**	**$ 100,807**
Interest (income) expense, net	(627)	993
Income tax expense	24,017	27,778
Depreciation and amortization of property	5,924	6,486
Amortization of intangibles	7,600	10,203
EBITDA	**$ 128,977**	**$ 146,267**

Appendix: Reconciliation of EBITDA Margin

(dollar amount in thousands)	Three Months Ended Sep 30	
	Q1 FY25	Q1 FY26
Net Sales	**$ 1,098,944**	**$ 1,199,523**
EBITDA	128,977	146,267
EBITDA Margin	**11.7%**	**12.2%**

Appendix: Reconciliation of Free Cash Flow

	Three Months Ended September 30						
(dollar amount in thousands)	**Q1 FY20**	**Q1 FY21**	**Q1 FY22**	**Q1 FY23**	**Q1 FY24**	**Q1 FY25**	**Q1 FY26**
Cash provided by Operating Activities	$ 50,018	$ 81,842	$ 48,642	$ 25,943	$ 66,209	$ 127,747	$ 119,317
Capital Expenditures	(4,946)	(3,597)	(3,621)	(5,554)	(4,340)	(5,549)	(7,301)
Free Cash Flow	**$ 45,072**	**$ 78,245**	**$ 45,021**	**$ 20,389**	**$ 61,869**	**$ 122,198**	**$ 112,016**

Appendix: Reconciliation of Net Leverage Ratio

(dollar amount in thousands)	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26
Net Income	$ 93,826	$ 91,228	$ 97,217	$ 103,491	$ 92,063	$ 93,290	$ 99,799	$ 107,836	$ 100,807
Interest expense (income), net	1,320	1,917	265	(671)	(627)	(936)	853	1,322	993
Income tax expense	25,103	24,373	25,448	37,444	24,017	29,271	27,483	27,208	27,778
Depreciation and amortization	5,717	6,048	5,802	5,864	5,924	5,926	6,583	6,466	6,486
Amortization of intangibles	7,393	7,257	6,951	7,322	7,600	7,567	10,218	10,196	10,203
EBITDA	**$ 133,359**	**$ 130,823**	**$ 135,683**	**$ 153,450**	**$ 128,977**	**$ 135,118**	**$ 144,936**	**$ 153,028**	**$ 146,267**
Trailing 4-Quarter EBITDA	**$ 539,170**	**$ 544,492**	**$ 539,887**	**$ 553,315**	**$ 548,933**	**$ 553,228**	**$ 562,481**	**$ 562,059**	**$ 579,349**
Current portion of long-term debt	$ 25,171	$ 25,159	$ 25,107	$ 25,055	$ 25,003	$ -	$ -	$ -	$ -
Long-term debt	596,883	571,854	571,862	572,279	572,288	572,300	572,300	572,300	572,300
Total Debt	$ 622,054	$ 597,013	$ 596,969	$ 597,334	$ 597,291	$ 572,300	$ 572,300	$ 572,300	$ 572,300
Cash	360,415	412,855	456,533	460,617	538,520	303,441	352,842	388,417	418,716
Net Debt	$ 261,639	$ 184,158	$ 140,436	$ 136,717	$ 58,771	$ 268,859	$ 219,458	$ 183,883	$ 153,584
Net Leverage Ratio	**0.49**	**0.34**	**0.26**	**0.25**	**0.11**	**0.49**	**0.39**	**0.33**	**0.27**

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