UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2022
or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___________to___________
Commission File Number: 001-38095

Ingersoll Rand Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	46-2393770
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

525 Harbour Place Drive, Suite 600
Davidson, North Carolina 28036
(Address of Principal Executive Offices) (Zip Code)

(704) 655-4000
(Registrant's Telephone Number, Including Area Code)

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, $0.01 Par Value per share	IR	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth Company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The registrant had outstanding 403,181,056 shares of Common Stock, par value $0.01 per share, as of July 29, 2022.

INGERSOLL RAND INC. AND SUBSIDIARIES

FORM 10-Q

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

In addition to historical information, this Form 10-Q may contain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which are subject to the “safe harbor” created by those sections. All statements, other than statements of historical facts included in this Form 10-Q, including statements concerning our plans, objectives, goals, beliefs, business strategies, future events, business conditions, results of operations, financial position, business outlook, business trends and other information, may be forward-looking statements. Words such as “estimates,” “expects,” “contemplates,” “will,” “anticipates,” “projects,” “plans,” “intends,” “believes,” “forecasts,” “may,” “should” and variations of such words or similar expressions are intended to identify forward-looking statements. The forward-looking statements are not historical facts, and are based upon our current expectations, beliefs, estimates and projections, and various assumptions, many of which, by their nature, are inherently uncertain and beyond our control. Our expectations, beliefs, estimates and projections are expressed in good faith and we believe there is a reasonable basis for them. However, there can be no assurance that management’s expectations, beliefs, estimates and projections will result or be achieved and actual results may vary materially from what is expressed in or indicated by the forward-looking statements.

There are a number of risks, uncertainties and other important factors, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking statements contained in this Form 10-Q. Such risks, uncertainties and other important factors that could cause actual results to differ include, among others, the risks, uncertainties and factors set forth under “Item 1A. Risk Factors” of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021 and “Part II. Item 1A Risk Factors” in this Form 10-Q, as such risk factors may be updated from time to time in our periodic filings with the SEC, and are accessible on the SEC’s website at www.sec.gov, and also include the following:

- The COVID-19 pandemic, including business disruptions caused by government restrictions, could have a material and adverse effect on our business, results of operations and financial condition in the future.
- We have exposure to the risks associated with instability in the global economy and financial markets, which may negatively impact our revenues, liquidity, suppliers and customers.
- More than half of our sales and operations are in non-U.S. jurisdictions and we are subject to the economic, political, regulatory and other risks of international operations.
- Shareholder and customer emphasis on environmental, social, and governance responsibility may impose additional costs on us or expose us to new risks.
- Our results of operations are subject to exchange rate and other currency risks. A significant movement in exchange rates could adversely impact our results of operations and cash flows.
- We face competition in the markets we serve, which could materially and adversely affect our operating results.
- Large or rapid increases in the cost of raw materials and component parts, substantial decreases in their availability or our dependence on particular suppliers of raw materials and component parts could materially and adversely affect our operating results.
- Acquisitions and integrating such acquisitions create certain risks and may affect our operating results.
- If we are unable to develop new products and technologies, our competitive position may be impaired, which could materially and adversely affect our sales and market share.
- Our operating results could be adversely affected by a loss or reduction of business with key customers or consolidation or the vertical integration of our customer base.
- Credit and counterparty risks could harm our business.
- We may not realize all of the expected benefits of the acquisition of and merger with Ingersoll Rand Industrial.
- Dispositions create certain risks and may affect our operating results.
- Information systems failure or disruption, due to cyber terrorism or other actions, may adversely impact our business and result in financial loss to the Company or liability to our customers.
- Third parties may infringe upon our intellectual property or may claim we have infringed their intellectual property, and we may expend significant resources enforcing or defending our rights or suffer competitive injury.
- The loss of, or disruption in, our distribution network could have a negative impact on our abilities to ship products, meet customer demand and otherwise operate our business.
- A natural disaster, catastrophe, pandemic, geopolitical tensions or other event could adversely affect our operations.

- Our ongoing and expected restructuring plans and other cost savings initiatives may not be as effective as we anticipate, and we may fail to realize the cost savings and increased efficiencies that we expect to result from these actions. Our operating results could be negatively affected by our inability to effectively implement such restructuring plans and other cost savings initiatives.
- Our success depends on our executive management and other key personnel and our ability to attract and retain top talent throughout the Company.
- Cost overruns, delays, penalties or liquidated damages could negatively impact our results, particularly with respect to fixed-price contracts for custom engineered products.
- The risk of non-compliance with U.S. and foreign laws and regulations applicable to our international operations could have a significant impact on our results of operations, financial condition or strategic objectives.
- Changes in tax or other laws, regulations, or adverse determinations by taxing or other governmental authorities could increase our effective tax rate and cash taxes paid or otherwise affect our financial condition or operating results.
- Our business could suffer if we experience employee work stoppages, union and work council campaigns or other labor difficulties.
- We are a defendant in certain asbestos and silica-related personal injury lawsuits, which could adversely affect our financial condition.
- The nature of our products creates the possibility of significant product liability and warranty claims, which could harm our business.
- A significant portion of our assets consists of goodwill and other intangible assets, the value of which may be reduced if we determine that those assets are impaired.
- Environmental compliance costs and liabilities could adversely affect our financial condition.
- We face risks associated with our pension and other postretirement benefit obligations.
- Our substantial indebtedness could have important adverse consequences and adversely affect our financial condition.
- We may not be able to generate sufficient cash to service all of our indebtedness, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.
- Despite our level of indebtedness, we and our subsidiaries may still be able to incur substantially more debt, including off-balance sheet financing, contractual obligations and general and commercial liabilities. This could further exacerbate the risks to our financial condition.
- The terms of the credit agreement governing the Senior Secured Credit Facilities may restrict our current and future operations, particularly our ability to respond to changes or to take certain actions.
- Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.
- When we utilize derivative financial instruments to reduce our exposure to market risks from changes in interest rates on our variable rate indebtedness, we will be exposed to risks related to counterparty credit worthiness or non-performance of these instruments.
- If the financial institutions that are part of the syndicate of our Revolving Credit Facility fail to extend credit under our Revolving Credit Facility, our liquidity and results of operations may be adversely affected.
- The Company may face risk associated with the discontinuation of and transition from currently used financial reference rates.

We caution you that the risks, uncertainties and other factors referenced above may not contain all of the risks, uncertainties and other factors that are important to you. In addition, we cannot assure you that we will realize the results, benefits or developments that we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our business in the way expected. There can be no assurance that (i) we have correctly measured or identified all of the factors affecting our business or the extent of these factors' likely impact, (ii) the available information with respect to these factors on which such analysis is based is complete or accurate, (iii) such analysis is correct or (iv) our strategy, which is based in part on this analysis, will be successful. All forward-looking statements in this report apply only as of the date of this report or as of the date they were made and, except as required by applicable law, we undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise.

All references to "we," "us," "our," the "Company" or "Ingersoll Rand" in this Quarterly Report on Form 10-Q mean Ingersoll Rand Inc. and its subsidiaries, unless the context otherwise requires.

Website Disclosure

We use our website *www.irco.com* as a channel of distribution of Company information. Financial and other important information regarding us is routinely accessible through and posted on our website. Accordingly, investors should monitor our website, in addition to following our press releases, SEC filings and public conference calls and webcasts. In addition, you may automatically receive e-mail alerts and other information about Ingersoll Rand Inc. when you enroll your email address by visiting the “Investor Alerts” section of our website at *investors.irco.com*. The contents of our website are not, however, a part of this Quarterly Report on Form 10-Q.

PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INGERSOLL RAND INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited; in millions, except per share amounts)

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2022	**2021**	**2022**	**2021**
Revenues	$ 1,439.9	$ 1,279.1	$ 2,776.9	$ 2,408.6
Cost of sales	870.1	766.4	1,681.0	1,443.8
Gross Profit	569.8	512.7	1,095.9	964.8
Selling and administrative expenses	275.6	267.2	541.1	519.5
Amortization of intangible assets	83.6	80.3	169.8	164.5
Other operating expense, net	13.2	25.1	30.6	19.4
Operating Income	197.4	140.1	354.4	261.4
Interest expense	23.2	22.7	42.2	45.8
Loss on extinguishment of debt	1.1	—	1.1	—
Other income, net	(7.4)	(34.1)	(12.0)	(36.6)
Income from Continuing Operations Before Income Taxes	180.5	151.5	323.1	252.2
Provision for income taxes	41.9	12.5	74.3	23.1
Loss on equity method investments	(0.8)	(0.7)	(5.1)	(0.7)
Income from Continuing Operations	137.8	138.3	243.7	228.4
Income (loss) from discontinued operations, net of tax	1.5	96.3	0.1	(83.9)
Net Income	139.3	234.6	243.8	144.5
Less: Net income attributable to noncontrolling interests	0.8	0.7	1.6	1.0
Net Income Attributable to Ingersoll Rand Inc.	$ 138.5	$ 233.9	$ 242.2	$ 143.5
Amounts attributable to Ingersoll Rand Inc. common stockholders:				
Income from continuing operations, net of tax	$ 137.0	$ 137.6	$ 242.1	$ 227.4
Income (loss) from discontinued operations, net of tax	1.5	96.3	0.1	(83.9)
Net income attributable to Ingersoll Rand Inc.	$ 138.5	$ 233.9	$ 242.2	$ 143.5
Basic earnings (loss) per share of common stock:				
Earnings from continuing operations	$ 0.34	$ 0.33	$ 0.60	$ 0.54
Earnings (loss) from discontinued operations	—	0.23	—	(0.20)
Net earnings	0.34	0.56	0.60	0.34
Diluted earnings (loss) per share of common stock:				
Earnings from continuing operations	$ 0.33	$ 0.32	$ 0.59	$ 0.53
Earnings (loss) from discontinued operations	—	0.23	—	(0.20)
Net earnings	0.34	0.55	0.59	0.34

The accompanying notes are an integral part of these condensed consolidated financial statements.

INGERSOLL RAND INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited; in millions)

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2022	2021	2022	2021
Comprehensive Income (Loss) Attributable to Ingersoll Rand Inc.				
Net income attributable to Ingersoll Rand Inc.	$ 138.5	$ 233.9	$ 242.2	$ 143.5
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments, net	(212.1)	49.1	(240.9)	(50.7)
Unrecognized loss on cash flow hedges	(5.4)	—	(5.4)	—
Pension and other postretirement prior service cost and gain (loss), net	(2.0)	1.3	(3.1)	2.5
Total other comprehensive income (loss), net of tax	(219.5)	50.4	(249.4)	(48.2)
Comprehensive income (loss) attributable to Ingersoll Rand Inc.	$ (81.0)	$ 284.3	$ (7.2)	$ 95.3
Comprehensive Loss Attributable to Noncontrolling Interests				
Net income attributable to noncontrolling interests	$ 0.8	$ 0.7	$ 1.6	$ 1.0
Other comprehensive loss, net of tax:				
Foreign currency translation adjustments, net	(4.8)	(1.2)	(4.2)	(2.3)
Total other comprehensive loss, net of tax	(4.8)	(1.2)	(4.2)	(2.3)
Comprehensive loss attributable to noncontrolling interests	(4.0)	(0.5)	(2.6)	(1.3)
Total Comprehensive Income (Loss)	$ (85.0)	$ 283.8	$ (9.8)	$ 94.0

The accompanying notes are an integral part of these condensed consolidated financial statements.

INGERSOLL RAND INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited; in millions, except share amounts)

	June 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 1,309.2	$ 2,109.6
Accounts receivable, net of allowance for credit losses of $45.2 and $42.3, respectively	1,018.5	948.6
Inventories	1,013.5	854.2
Other current assets	204.6	186.9
Assets of discontinued operations	9.1	15.6
Total current assets	3,554.9	4,114.9
Property, plant and equipment, net of accumulated depreciation of $384.7 and $357.7, respectively	608.3	648.6
Goodwill	5,872.2	5,981.6
Other intangible assets, net	3,676.9	3,912.7
Deferred tax assets	18.3	28.0
Other assets	490.8	468.7
Total assets	$ 14,221.4	$ 15,154.5
Liabilities and Stockholders' Equity		
Current liabilities:		
Short-term borrowings and current maturities of long-term debt	$ 31.6	$ 38.8
Accounts payable	700.9	670.5
Accrued liabilities	723.7	741.3
Liabilities of discontinued operations	8.6	17.1
Total current liabilities	1,464.8	1,467.7
Long-term debt, less current maturities	2,725.7	3,401.8
Pensions and other postretirement benefits	184.5	195.1
Deferred income taxes	678.3	708.6
Other liabilities	324.1	310.1
Total liabilities	$ 5,377.4	$ 6,083.3
Commitments and contingencies (Note 16)	—	—
Stockholders' equity		
Common stock, $0.01 par value; 1,000,000,000 shares authorized; 424,612,748 and 423,785,571 shares issued as of June 30, 2022 and December 31, 2021, respectively	4.3	4.3
Capital in excess of par value	9,456.9	9,408.6
Retained earnings	604.6	378.6
Accumulated other comprehensive loss	(291.0)	(41.6)
Treasury stock at cost; 21,485,457 and 16,000,364 shares as of June 30, 2022 and December 31, 2021, respectively	(997.9)	(748.4)
Total Ingersoll Rand Inc. stockholders' equity	$ 8,776.9	$ 9,001.5
Noncontrolling interests	67.1	69.7
Total stockholders' equity	$ 8,844.0	$ 9,071.2
Total liabilities and stockholders' equity	$ 14,221.4	$ 15,154.5

The accompanying notes are an integral part of these condensed consolidated financial statements.

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INGERSOLL RAND INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited; in millions)

	Three Month Period Ended June 30, 2022								
	Common Stock								
	Shares Issued	Par	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Ingersoll Rand Inc. Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at beginning of period	424.5	$ 4.3	$ 9,432.1	$ 474.1	$ (71.5)	$ (846.8)	$ 8,992.2	$ 71.1	$ 9,063.3
Net income	—	—	—	138.5	—	—	138.5	0.8	139.3
Dividends declared	—	—	—	(8.0)	—	—	(8.0)	—	(8.0)
Issuance of common stock for stock-based compensation plans	0.1	—	3.4	—	—	—	3.4	—	3.4
Purchases of treasury stock	—	—	—	—	—	(152.6)	(152.6)	—	(152.6)
Issuance of treasury stock for stock-based compensation plans	—	—	(1.2)	—	—	1.5	0.3	—	0.3
Stock-based compensation	—	—	22.6	—	—	—	22.6	—	22.6
Other comprehensive loss, net of tax	—	—	—	—	(219.5)	—	(219.5)	(4.8)	(224.3)
Balance at end of period	424.6	$ 4.3	$ 9,456.9	$ 604.6	$ (291.0)	$ (997.9)	$ 8,776.9	$ 67.1	$ 8,844.0

	Three Month Period Ended June 30, 2021								
	Common Stock								
	Shares Issued	Par	Capital in Excess of Par Value	Accumulated Deficit	Accumulated Other Comprehensive Loss	Treasury Stock	Total Ingersoll Rand Inc. Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at beginning of period	420.9	$ 4.2	$ 9,337.8	$ (266.1)	$ (84.4)	$ (34.8)	$ 8,956.7	$ 69.0	$ 9,025.7
Net income	—	—	—	233.9	—	—	233.9	0.7	234.6
Issuance of common stock for stock-based compensation plans	0.6	—	7.6	—	—	—	7.6	—	7.6
Purchases of treasury stock	—	—	—	—	—	(0.2)	(0.2)	—	(0.2)
Issuance of treasury stock for stock-based compensation plans	—	—	—	—	—	0.4	0.4	—	0.4
Stock-based compensation	—	—	30.6	—	—	—	30.6	—	30.6
Other comprehensive income (loss), net of tax	—	—	—	—	50.4	—	50.4	(1.2)	49.2
Divestiture of foreign subsidiaries	—	—	—	—	(1.5)	—	(1.5)	—	(1.5)
Balance at end of period	421.5	$ 4.2	$ 9,376.0	$ (32.2)	$ (35.5)	$ (34.6)	$ 9,277.9	$ 68.5	$ 9,346.4

The accompanying notes are an integral part of these condensed consolidated financial statements.

INGERSOLL RAND INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (CONTINUED)
(Unaudited; in millions)

	Six Month Period Ended June 30, 2022								
	Common Stock								
	Shares Issued	Par	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Ingersoll Rand Inc. Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at beginning of period	423.8	$ 4.3	$ 9,408.6	$ 378.6	$ (41.6)	$ (748.4)	$ 9,001.5	$ 69.7	$ 9,071.2
Net income	—	—	—	242.2	—	—	242.2	1.6	243.8
Dividends declared	—	—	—	(16.2)	—	—	(16.2)	—	(16.2)
Issuance of common stock for stock-based compensation plans	0.8	—	7.9	—	—	—	7.9	—	7.9
Purchases of treasury stock	—	—	—	—	—	(253.7)	(253.7)	—	(253.7)
Issuance of treasury stock for stock-based compensation plans	—	—	(3.2)	—	—	4.2	1.0	—	1.0
Stock-based compensation	—	—	43.6	—	—	—	43.6	—	43.6
Other comprehensive loss, net of tax	—	—	—	—	(249.4)	—	(249.4)	(4.2)	(253.6)
Balance at end of period	424.6	$ 4.3	$ 9,456.9	$ 604.6	$ (291.0)	$ (997.9)	$ 8,776.9	$ 67.1	$ 8,844.0

	Six Month Period Ended June 30, 2021								
	Common Stock								
	Shares Issued	Par	Capital in Excess of Par Value	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Ingersoll Rand Inc. Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at beginning of period	420.1	$ 4.2	$ 9,310.3	$ (175.7)	$ 14.2	$ (33.3)	$ 9,119.7	$ 69.8	$ 9,189.5
Net income	—	—	—	143.5	—	—	143.5	1.0	144.5
Dividends declared	—	—	—	—	—	—	—	—	—
Issuance of common stock for stock-based compensation plans	1.4	—	12.3	—	—	—	12.3	—	12.3
Purchases of treasury stock	—	—	—	—	—	(3.2)	(3.2)	—	(3.2)
Issuance of treasury stock for stock-based compensation plans	—	—	(1.1)	—	—	1.9	0.8	—	0.8
Stock-based compensation	—	—	54.5	—	—	—	54.5	—	54.5
Other comprehensive loss, net of tax	—	—	—	—	(48.2)	—	(48.2)	(2.3)	(50.5)
Divestiture of foreign subsidiaries	—	—	—	—	(1.5)	—	(1.5)	—	(1.5)
Balance at end of period	421.5	$ 4.2	$ 9,376.0	$ (32.2)	$ (35.5)	$ (34.6)	$ 9,277.9	$ 68.5	$ 9,346.4

The accompanying notes are an integral part of these condensed consolidated financial statements.

INGERSOLL RAND INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited; in millions)

	For the Six Month Period Ended June 30,	
	2022	**2021**
Cash Flows From Operating Activities From Continuing Operations:		
Net income	$ 243.8	$ 144.5
Income (loss) from discontinued operations, net of tax	0.1	(83.9)
Income from continuing operations	243.7	228.4
Adjustments to reconcile income from continuing operations to net cash provided by operating activities from continuing operations:		
Amortization of intangible assets	169.8	164.5
Depreciation	43.2	43.3
Non-cash restructuring charges	4.8	—
Stock-based compensation expense	42.2	43.1
Loss on equity method investments	5.1	0.7
Foreign currency transaction gains, net	(5.6)	(14.7)
Other non-cash adjustments	1.3	(0.4)
Changes in assets and liabilities:		
Receivables	(108.2)	(73.0)
Inventories	(191.2)	(80.7)
Accounts payable	55.0	80.8
Accrued liabilities	3.1	2.9
Other assets and liabilities, net	(27.0)	(160.1)
Net cash provided by operating activities from continuing operations	236.2	234.8
Cash Flows From Investing Activities From Continuing Operations:		
Capital expenditures	(39.3)	(25.9)
Net cash paid in business combinations	(30.3)	(215.8)
Disposals of property, plant and equipment	—	9.5
Other investing	4.1	—
Net cash used in investing activities from continuing operations	(65.5)	(232.2)
Cash Flows From Financing Activities From Continuing Operations:		
Principal payments on long-term debt	(639.5)	(19.7)
Purchases of treasury stock	(253.7)	(3.2)
Cash dividends on common shares	(16.2)	—
Proceeds from stock option exercises	8.4	12.8
Payments of interest rate cap premiums	(9.7)	—
Payments of deferred and contingent acquisition consideration	(3.6)	—
Other financing	(0.5)	—
Net cash used in financing activities from continuing operations	(914.8)	(10.1)
Cash Flows From Discontinued Operations:		
Net cash provided by (used in) operating activities	(5.1)	29.5
Net cash provided by investing activities	—	1,903.8
Net cash provided by (used in) discontinued operations	(5.1)	1,933.3
Effect of exchange rate changes on cash and cash equivalents	(51.2)	(6.8)
Net increase (decrease) in cash and cash equivalents	(800.4)	1,919.0
Cash and cash equivalents, beginning of period	2,109.6	1,750.9
Cash and cash equivalents, end of period	$ 1,309.2	$ 3,669.9
Supplemental Cash Flow Information		
Cash paid for income taxes	$ 70.9	$ 150.5

Cash paid for interest	38.7	41.6

The accompanying notes are an integral part of these condensed consolidated financial statements.

INGERSOLL RAND INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited; in millions, except share and per share amounts)

Note 1. Basis of Presentation and Recent Accounting Pronouncements

Basis of Presentation

Ingersoll Rand Inc. is a diversified, global provider of mission-critical flow creation products and industrial solutions. The accompanying condensed consolidated financial statements include the accounts of Ingersoll Rand Inc. and its majority-owned subsidiaries (collectively referred to herein as "Ingersoll Rand" or the "Company").

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial reporting, the instructions for Form 10-Q and Article 10 of the U.S. Securities and Exchange Commission ("SEC") Regulation S-X. In the Company's opinion, the condensed consolidated financial statements reflect all adjustments of a normal recurring nature necessary for a fair statement of the results for the interim periods presented. The condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2021 ("2021 Form 10-K"). We have reclassified certain prior year amounts to conform to the current year presentation. Unless otherwise indicated, amounts provided in these Notes pertain to continuing operations. See Note 2 "Discontinued Operations" for information on discontinued operations.

The results of operations for the three month period ended June 30, 2022 are not necessarily indicative of future results. The novel Coronavirus ("COVID-19") pandemic and related supply chain constraints could impact the global economy. The Company's operating results will be subject to fluctuations based on general economic conditions, and the extent to which COVID-19 may ultimately impact its business will depend on future developments.

Recently Adopted Accounting Standard Updates ("ASU")

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which provided optional expedients and exceptions for a limited time to ease the potential burden of accounting for reference rate reform on financial reporting. This guidance applies to contracts, hedging relationships and other transactions affected by the discontinuation of the London Interbank Offered Rate ("LIBOR") and other interbank offered rates. The guidance is effective beginning on March 12, 2020 through December 31, 2022. In January 2021, the FASB issued ASU 2021-01, Reference Rate Reform (Topic 848): Scope, which explicitly clarifies which contracts, hedging relationships, and other transactions are within the scope of the optional expedients and exceptions allowed under Topic 848.

In April 2022, the Company and its lenders executed Amendment No. 8 to the Credit Agreement, the primary purpose of which was to change the reference rate for existing and new borrowings under the Credit Agreement by replacing LIBOR with the Secured Overnight Financing Rate ("SOFR"). We applied practical expedients provided in Topic 848 to account for these modifications as if they were not substantial. These modifications had no significant impact on our financial statements. Refer to Note 9 "Debt" for further information regarding the terms of the Credit Agreement. The Company will continue to assess whether other provisions of Topic 848 are applicable throughout the effective period.

Recently Issued Accounting Pronouncements

In October 2021, the FASB issued ASU 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers, which requires that an entity (acquirer) recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606. The amendments in this update are effective for fiscal years beginning after December 15, 2022 for public companies. Early adoption is permitted. The adoption is not expected to have a material impact on our consolidated financial statements.

Note 2. Discontinued Operations

Two formerly-owned businesses, Specialty Vehicle Technologies ("SVT" or "Club Car") and High Pressure Solutions ("HPS") comprise discontinued operations. The results of operations, financial positions and cash flows of these businesses are reported as discontinued operations for all periods presented in these condensed consolidated financial statements.

Specialty Vehicle Technologies

On April 9, 2021, the Company entered into an agreement to sell Club Car to private equity firm Platinum Equity Advisors, LLC ("Platinum Equity") for $1.68 billion in cash. The sale was substantially completed on June 1, 2021. The transfer of legal ownership of one non-U.S. subsidiary has not yet been completed as of June 30, 2022. This transfer is expected to be completed in the third quarter of 2022.

High Pressure Solutions

On February 14, 2021, the Company entered into an agreement to sell the majority interest in its High Pressure Solutions business to private equity firm American Industrial Partners. The Company received net cash proceeds of $278.3 million for its majority interest of 55%, and retained a 45% common equity interest in the newly-formed entity comprising the HPS business. This sale was substantially completed on April 1, 2021. The Company expects to maintain its minority investment in HPS indefinitely and is unable to estimate when this interest may be disposed.

Financial information of discontinued operations

The results of operations attributable to discontinued operations are summarized below:

	Specialty Vehicle Technologies		High Pressure Solutions		Total	
	For the Three Month Period Ended June 30,					
	2022	2021	2022	2021	2022	2021
Revenues	$ 2.6	$ 184.0	$ —	$ 3.0	$ 2.6	$ 187.0
Cost of sales	2.6	137.9	—	3.9	2.6	141.8
Gross Profit	—	46.1	—	(0.9)	—	45.2
Selling and administrative expenses	—	16.9	—	0.6	—	17.5
Amortization of intangible assets	—	0.9	—	—	—	0.9
(Gain) loss on disposal group	—	(256.7)	—	8.4	—	(248.3)
Other operating expense (income), net	(1.9)	9.2	(0.1)	7.4	(2.0)	16.6
Income (Loss) from Discontinued Operations Before Income Taxes	1.9	275.8	0.1	(17.3)	2.0	258.5
Provision (benefit) for income taxes	0.4	162.8	0.1	(0.6)	0.5	162.2
Income (Loss) from Discontinued Operations, Net of Tax	$ 1.5	$ 113.0	$ —	$ (16.7)	$ 1.5	$ 96.3

	Specialty Vehicle Technologies		High Pressure Solutions		Total	
	For the Six Month Period Ended June 30,					
	2022	2021	2022	2021	2022	2021
Revenues	$ 6.6	$ 424.3	$ —	$ 65.4	$ 6.6	$ 489.7
Cost of sales	6.5	314.9	—	54.4	6.5	369.3
Gross Profit	0.1	109.4	—	11.0	0.1	120.4
Selling and administrative expenses	0.1	35.3	—	4.9	0.1	40.2
Amortization of intangible assets	—	10.4	—	2.4	—	12.8
Loss (gain) on sale	—	(256.7)	—	211.7	—	(45.0)
Other operating expense (income), net	(1.7)	16.2	1.5	15.5	(0.2)	31.7
Income (Loss) from Discontinued Operations Before Income Taxes	1.7	304.2	(1.5)	(223.5)	0.2	80.7
Provision (benefit) for income taxes	0.4	169.7	(0.3)	(5.1)	0.1	164.6
Income (Loss) from Discontinued Operations, Net of Tax	$ 1.3	$ 134.5	$ (1.2)	$ (218.4)	$ 0.1	$ (83.9)

The carrying amount of assets and liabilities attributable to discontinued operations are shown in the table below. These primarily relate to non-U.S. subsidiaries subject to delayed closing terms.

	June 30, 2022	December 31, 2021
Cash and cash equivalents	$ —	$ 6.2
Accounts receivable, net	3.7	2.5
Inventories	4.4	5.6
Other current assets	—	0.1
Property, plant and equipment, net	1.0	1.2
Total assets of discontinued operations	$ 9.1	$ 15.6
Accounts payable	$ 1.0	$ 2.2
Accrued liabilities	7.6	14.9
Total liabilities of discontinued operations	$ 8.6	$ 17.1

The significant non-cash operating items and capital expenditures reflected in cash flows of discontinued operations for the six month periods ended June 30, 2022 and 2021 include the following:

	Specialty Vehicle Technologies		High Pressure Solutions		Total	
	For the Six Month Period Ended June 30,					
	2022	2021	2022	2021	2022	2021
Loss (gain) on sale	$ —	$ (256.7)	$ —	$ 211.7	$ —	$ (45.0)
Depreciation and amortization	—	14.8	—	4.0	—	18.8
Stock-based compensation expense	—	8.2	—	2.7	—	10.9
Capital expenditures	—	1.6	—	0.3	—	1.9

Note 3. Business Combinations

Acquisitions in 2022

During the first quarter of 2022, the Company acquired Houdstermaatschappij Jorc B.V. (“Jorc”), a manufacturer of condensate management products, for cash consideration of $27.1 million. The Company also acquired two sales and services businesses in Europe for aggregate cash consideration of $6.4 million. All three businesses have been reported in the Industrial Technologies and Services segment from the date of acquisition. Substantially all of the consideration was attributed to goodwill and other intangible assets.

The aggregate revenue and operating income included in the condensed consolidated financial statements for these acquisitions subsequent to the dates of acquisition was $5.1 million and $1.3 million for the three month period ended June 30, 2022, respectively, and $9.1 million and $2.0 million for the six month period then ended. The operating income of these acquired businesses include the effects of acquisition-related accounting adjustments such as amortization of intangible assets and fair value adjustments to acquired inventory.

Acquisitions in 2021

On January 31, 2021, the Company acquired the Vacuum and Blower Systems division of Tuthill Corporation for cash consideration of $184.0 million. The business operates under the tradenames M-D Pneumatics and Kinney Vacuum Pumps and is a leader in the design and manufacture of positive displacement blowers, mechanical vacuum pumps, vacuum boosters and engineered blower and vacuum systems. The results of this business are reported within the Industrial Technologies and Services segment from the date of acquisition. The goodwill recognized is attributable to the expected cost synergies, anticipated growth of new and existing customers, and the assembled workforce. The goodwill resulting from this acquisition is expected to be deductible for tax purposes.

On July 30, 2021, the Company acquired Maximus Solutions for cash consideration of $111.0 million, net of cash acquired. The business is a provider of digital controls and Industrial Internet of Things (IIoT) production management systems for the agritech software and controls market. The results of this business are reported within the Precision and Science Technologies segment from the date of acquisition. The goodwill recognized is attributable to synergies expected from combining Maximus's significant expertise in digital controls and IIoT systems with other brands and channels in the Precision and Science Technologies segment and from anticipated growth from existing and new customers. None of the goodwill resulting from this acquisition is expected to be deductible for tax purposes.

On August 31, 2021, the Company acquired Seepex GmbH ("Seepex") for cash consideration of $482.1 million, net of cash acquired. The business is a global leader in progressive cavity pump solutions. Seepex is a global leader in progressive cavity pump solutions. The acquisition expands the product portfolio of the Precision and Science Technologies segment with offerings that primarily serve the water, wastewater, food and beverage, and chemical end markets. The goodwill arising from the acquisition is attributable to the expected cost synergies, anticipated growth of new and existing customers, and the assembled workforce. None of this goodwill is expected to be deductible for tax purposes.

On October 29, 2021, the Company acquired Air Dimensions Inc. for cash consideration of $70.8 million. The business designs, manufactures and sells vacuum diaphragm pumps primarily for environmental applications. The acquisition is intended to expand the product portfolio of the Precision and Science Technologies segment and further penetrate end markets such as emission monitoring, biogas, utility and chemical processing. The goodwill arising from the acquisition is attributable to growth expected from product and channel synergies and to the assembled workforce. The goodwill resulting from this acquisition is expected to be deductible for tax purposes.

On December 1, 2021, the Company acquired the assets of Tuthill Corporation's Pump Group for cash consideration of $85.5 million. The business is a market leader in gear and piston pump solutions. The acquisition is intended to complement existing brands and technologies in the Precision and Science Technologies segment and further penetrate high growth end markets, including life and sciences, food and beverage, medical and water and wastewater treatment. The goodwill arising from the acquisition is attributable to revenue growth and cost savings opportunities and to the assembled workforce. The majority of the goodwill resulting from this acquisition is expected to be deductible for tax purposes.

Also during 2021, the Company acquired several sales and service businesses in the Industrial Technologies and Services segment and a pump technology business and sales and service business in the Precision and Science Technologies segment. The aggregate consideration for these acquisitions was $44.6 million.

The following table summarizes the allocation of consideration to the fair values of identifiable assets acquired and liabilities assumed at the acquisition dates. Initial accounting for the acquisition of M-D Pneumatics and Kinney Vacuum Pumps is complete. Initial accounting for the acquisitions of Seepex, Maximus Solutions and other 2021 acquisitions is substantially complete. The remaining measurement period adjustments are not expected to be significant and will be completed in the third quarter of 2022.

	Seepex	M-D Pneumatics and Kinney Vacuum Pumps	Maximus Solutions	All Others
Accounts receivable	$ 24.9	$ 4.8	$ 4.3	9.4
Inventories	42.5	3.8	2.9	10.4
Other current assets	1.9	0.2	0.2	0.3
Property, plant and equipment	40.6	16.2	2.1	15.0
Goodwill	248.4	81.5	75.7	79.2
Other intangible assets	239.2	82.5	39.5	95.9
Other assets	1.4	—	—	—
Total current liabilities	(35.2)	(3.5)	(2.4)	(4.1)
Deferred tax liabilities	(75.6)	—	(11.3)	(4.2)
Other noncurrent liabilities	(6.0)	(1.5)	—	(0.9)
Total consideration	$ 482.1	$ 184.0	$ 111.0	201.0

The revenues included in the condensed consolidated financial statements for these acquisitions subsequent to their date of acquisition was $84.7 million and $20.9 million for the three month periods ended June 30, 2022 and 2021, respectively, and $171.7 million and $31.5 million for the six month period then ended. The operating income included in the condensed consolidated financial statements for these acquisitions subsequent to their date of acquisition was $5.3 million and $0.2 million for the three month periods ended June 30, 2022 and 2021, respectively, and $10.8 million and $4.0 million for the six month period then ended. The operating income of these acquired businesses include the effects of acquisition-related accounting adjustments such as amortization of intangible assets and fair value adjustments to acquired inventory.

Note 4. Restructuring

Restructuring Program 2020 to 2022

Subsequent to the merger of Gardner Denver Holdings, Inc. with Ingersoll-Rand plc's Industrials business segment in an all-stock, Reverse Morris Trust transaction (the "Merger"), the Company announced a restructuring program ("2020 Plan") to create efficiencies and synergies, reduce the number of facilities and optimize operating margin within the merged Company. Through June 30, 2022, we recognized expense related to the 2020 Plan of $117.8 million, comprised of $91.0 million, $15.0 million and $11.8 million for Industrial Technologies and Services, Precision and Science Technologies and Corporate, respectively. The Company expects total expense for workforce restructuring, facility consolidation and other exit and disposal activities under the 2020 Plan to be approximately $123 million to $138 million.

For the three and six month periods ended June 30, 2022 and 2021, "Restructuring charges, net" were recognized within "Other operating expense, net" in the Condensed Consolidated Statement of Operations and consisted of the following.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2022	2021	2022	2021
Industrial Technologies and Services	$ 8.7	$ 2.5	$ 12.3	$ 4.2
Precision and Science Technologies	0.5	(0.2)	8.1	0.1
Corporate	(0.3)	4.5	1.0	4.9
Restructuring charges, net	$ 8.9	$ 6.8	$ 21.4	$ 9.2

The following table summarizes the activity associated with the Company's restructuring programs for the three and six month periods ended June 30, 2022 and 2021.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2022	2021	2022	2021
Balance at beginning of period	$ 16.9	$ 11.9	$ 12.3	$ 17.5
Charged to expense - termination benefits	4.2	6.2	12.5	8.6
Charged to expense - other (1)	2.1	0.6	4.1	0.6
Payments	(3.3)	(4.2)	(8.2)	(11.8)
Currency translation adjustment and other	(1.9)	0.2	(2.7)	(0.2)
Balance at end of period	$ 18.0	$ 14.7	$ 18.0	$ 14.7

(1) Excludes $2.6 million and $4.8 million of non-cash charges that impacted restructuring expense but not the restructuring liabilities during the three and six month periods ended June 30, 2022.

Note 5. Inventories

Inventories as of June 30, 2022 and December 31, 2021 consisted of the following.

	June 30, 2022	December 31, 2021
Raw materials, including parts and subassemblies	$ 604.6	$ 506.6
Work-in-process	118.9	88.6
Finished goods	314.4	283.4
	1,037.9	878.6
LIFO reserve	(24.4)	(24.4)
Inventories	$ 1,013.5	$ 854.2

Note 6. Goodwill and Other Intangible Assets

Goodwill

The changes in the carrying amount of goodwill attributable to each reportable segment for the six month period ended June 30, 2022 is presented in the table below.

	Industrial Technologies and Services	Precision and Science Technologies	Total
Balance at beginning of period	$ 4,177.3	$ 1,804.3	$ 5,981.6
Acquisitions	26.0	—	26.0
Foreign currency translation and other[(1)]	(97.1)	(38.3)	(135.4)
Balance at end of period	$ 4,106.2	$ 1,766.0	$ 5,872.2

(1) Includes measurement period adjustments.

As of both June 30, 2022 and December 31, 2021, goodwill included accumulated impairment losses of $220.6 million within the Industrial Technologies and Services segment.

Other Intangible Assets, Net

Other intangible assets as of June 30, 2022 and December 31, 2021 consisted of the following.

	June 30, 2022			December 31, 2021		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized intangible assets						
Customer lists and relationships	$ 2,977.6	$ (1,144.5)	$ 1,833.1	$ 3,055.0	$ (1,048.3)	$ 2,006.7
Technology	350.3	(99.8)	250.5	356.4	(77.8)	278.6
Tradenames	44.5	(20.5)	24.0	47.8	(19.0)	28.8
Backlog	1.0	(0.7)	0.3	8.1	(5.1)	3.0
Other	104.4	(81.8)	22.6	107.1	(76.9)	30.2
Unamortized intangible assets						
Tradenames	1,546.4	—	1,546.4	1,565.4	—	1,565.4
Total other intangible assets	$ 5,024.2	$ (1,347.3)	$ 3,676.9	$ 5,139.8	$ (1,227.1)	$ 3,912.7

Intangible Asset Impairment Considerations

As of June 30, 2022 and December 31, 2021, there were no indications that the carrying value of goodwill and other intangible assets may not be recoverable.

Note 7. Accrued Liabilities

Accrued liabilities as of June 30, 2022 and December 31, 2021 consisted of the following.

	June 30, 2022	December 31, 2021
Salaries, wages and related fringe benefits	$ 174.0	$ 232.1
Contract liabilities	270.0	242.1
Product warranty	43.1	42.5
Operating lease liabilities	38.7	34.9
Restructuring	18.0	12.3
Taxes	41.2	41.6
Other	138.7	135.8
Total accrued liabilities	$ 723.7	$ 741.3

A reconciliation of the changes in the accrued product warranty liability for the three and six month periods ended June 30, 2022 and 2021 are as follows.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2022	2021	2022	2021
Balance at beginning of period	$ 42.5	$ 40.4	$ 42.5	$ 41.1
Product warranty accruals	5.2	5.4	9.4	9.8
Acquired warranty	—	—	—	0.1
Settlements	(3.5)	(4.1)	(7.3)	(8.9)
Foreign currency translation and other	(1.1)	0.3	(1.5)	(0.1)
Balance at end of period	$ 43.1	$ 42.0	$ 43.1	$ 42.0

Note 8. Benefit Plans

Net Periodic Benefit Cost

The following table summarizes the components of net periodic benefit cost for the Company's defined benefit pension plans and other postretirement benefit plans recognized for the three and six month periods ended June 30, 2022 and 2021.

	Pension Benefits				Other Postretirement Benefits	
	U.S. Plans		Non-U.S. Plans			
	For the Three Month Period Ended June 30,					
	2022	2021	2022	2021	2022	2021
Service cost	$ 1.0	$ 1.7	$ 0.8	$ 1.1	$ —	$ —
Interest cost	2.9	2.8	1.5	1.1	0.1	0.1
Expected return on plan assets	(3.3)	(3.1)	(3.0)	(3.0)	—	—
Recognition of:						
Unrecognized prior service cost	—	—	0.1	0.1	—	(0.1)
Unrecognized net actuarial loss	—	—	—	1.2	—	—
	$ 0.6	$ 1.4	$ (0.6)	$ 0.5	$ 0.1	$ —

	Pension Benefits				Other Postretirement Benefits	
	U.S. Plans		Non-U.S. Plans			
	For the Six Month Period Ended June 30,					
	2022	2021	2022	2021	2022	2021
Service cost	$ 2.1	$ 3.4	$ 1.7	$ 2.2	$ —	$ —
Interest cost	5.7	5.5	3.1	2.3	0.3	0.3
Expected return on plan assets	(6.5)	(6.2)	(6.2)	(6.1)	—	—
Recognition of:						
Unrecognized prior service cost	—	—	0.1	0.1	—	(0.2)
Unrecognized net actuarial loss	—	—	0.1	2.5	—	—
	1.3	2.7	(1.2)	1.0	0.3	0.1
Gain on settlement	(0.9)	—	—	—	—	—
	$ 0.4	$ 2.7	$ (1.2)	$ 1.0	$ 0.3	$ 0.1

The components of net periodic benefit cost other than the service cost component are included in "Other income, net" in the Condensed Consolidated Statements of Operations.

Note 9. Debt

Debt as of June 30, 2022 and December 31, 2021 is summarized as follows.

	June 30, 2022	December 31, 2021
Short-term borrowings	$ 0.8	$ —
Long-term debt:		
Dollar Term Loan B, due 2027[(1)]	1,855.7	1,865.0
Dollar Term Loan, due 2027[(2)]	906.0	910.5
Euro Term Loan[(3)]	—	670.7
Finance leases and other long-term debt	20.1	23.9
Unamortized debt issuance costs	(25.3)	(29.5)
Total long-term debt, net, including current maturities	2,756.5	3,440.6
Current maturities of long-term debt	30.8	38.8
Total long-term debt, net	$ 2,725.7	$ 3,401.8

(1) As of June 30, 2022, this amount is presented net of unamortized discounts of $1.6 million. As of June 30, 2022, the applicable interest rate was approximately 3.38% and the weighted-average interest rate was 2.22% for the six month period ended June 30, 2022.

(2) As of June 30, 2022, this amount is presented net of unamortized discounts of $0.8 million. As of June 30, 2022, the applicable interest rate was approximately 3.38% and the weighted average interest rate was 2.22% for the six month period ended June 30, 2022.

(3) As of June 30, 2022, the weighted average interest rate was 2.00% for the six month period ended June 30, 2022.

Senior Secured Credit Facilities

The Senior Secured Credit Facilities provided senior secured financing consisting of (i) a senior secured term loan facility denominated in U.S. dollars (as refinanced and otherwise modified from time to time prior to February 28, 2020, the “Original Dollar Term Loan”), (ii) a senior secured term loan facility denominated in U.S. dollars (entered into at the time of the Merger, the “Dollar Term Loan B”), (iii) a senior secured term loan facility denominated in Euros (as refinanced and otherwise modified from time to time prior to February 28, 2020, the “Original Euro Term Loan”) and (iv) a senior secured revolving credit facility (as refinanced and otherwise modified from time to time the “Revolving Credit Facility”). The Revolving Credit Facility is available to be drawn in U.S. dollars (“USD”), Euros (“EUR”), Great British Pounds (“GBP”) and other reasonably accepted foreign currencies, subject to certain sublimits for the foreign currencies.

See Note 11 “Debt” to the consolidated financial statements in the Company’s annual report on Form 10-K for the year ended December 31, 2021 for further information on the Senior Secured Credit Facilities.

On April 1, 2022, through its subsidiary, Gardner Denver, Inc., the Company entered into Amendment No. 8 to the Credit Agreement. This amendment was entered into pursuant to the terms of the Senior Secured Credit Facilities and provides for the replacement of USD LIBOR with the SOFR as the benchmark interest rate for all existing USD borrowings with LIBOR-based rates and any subsequent USD borrowings. These modifications had no significant impact on our financial statements.

On June 30, 2022, the Company repaid the Euro Term Loan outstanding principal balance of €589.1 million using cash on hand. The prepayment resulted in the write-off of unamortized debt issuance costs and unamortized issuance discount of $1.1 million which was recognized in “Loss on extinguishment of debt” in the Condensed Consolidated Statements of Operations.

As of June 30, 2022, the aggregate amount of commitments under the Revolving Credit Facility was $1,100.0 million and the capacity under the Revolving Credit Facility to issue letters of credit was $400.0 million. As of June 30, 2022, the Company had no outstanding borrowings under the Revolving Credit Facility, no outstanding letters of credit under the Revolving Credit Facility and unused availability under the Revolving Credit Facility of $1,100.0 million.

As of June 30, 2022, we were in compliance with all covenants of our Senior Secured Credit Facilities.

Note 10. Stock-Based Compensation Plans

The Company has outstanding stock-based compensation awards granted under the 2013 Stock Incentive Plan (“2013 Plan”) and the 2017 Omnibus Incentive Plan (“2017 Plan”) as described in Note 18, “Stock-Based Compensation Plans” to the consolidated financial statements in its 2021 Form 10-K.

The Company’s stock-based compensation awards are generally granted in the first quarter of the year and consist of stock options, restricted stock units and performance share units. Eligible employees were also granted restricted stock units, during the three month period ended September 30, 2020, that vest ratably over two years, subject to the passage of time and the employee's continued employment during such period. In some instances, such as death, awards may vest concurrently with or following an employee's termination.

Stock-Based Compensation

Stock-based compensation expense for the six month periods ended June 30, 2022 and 2021 are included in “Cost of sales” and “Selling and administrative expenses” in the Condensed Consolidated Statements of Operations and are as follows.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2022	2021	2022	2021
Stock-based compensation expense recognized in:				
Continuing operations	$ 22.4	$ 21.5	$ 42.2	$ 43.1
Discontinued operations	—	8.4	—	10.9
Total stock-based compensation expense	$ 22.4	$ 29.9	$ 42.2	$ 54.0

Stock-Based Compensation - Continuing Operations

In the six month period ended June 30, 2022, the $42.2 million of stock-based compensation expense included expense for equity awards granted under the 2013 and 2017 Plan of $43.6 million and a decrease in the liability for stock appreciation rights (“SAR”) of $1.4 million. Of the $43.6 million of expense for equity awards granted under the 2013 Plan and 2017 Plan, $25.6 million related to the $150 million equity grant to nearly 16,000 employees worldwide made in the third quarter of 2020 (“All-Employee Equity Grant”).

As of June 30, 2022, there was $85.7 million of total unrecognized compensation expense related to outstanding stock options, restricted stock unit awards and performance stock unit awards.

Stock Option Awards

Stock options are granted to employees with an exercise price equal to the fair value of the Company’s per share common stock on the date of grant. Stock option awards typically vest over four or five years and expire ten years from the date of grant.

A summary of the Company’s stock option (including SARs) activity for the six month period ended June 30, 2022 is presented in the following table (underlying shares in thousands).

	Shares	Weighted-Average Exercise Price (per share)
Stock options outstanding as of December 31, 2021	6,746	$ 21.76
Granted	734	53.08
Exercised or settled	(373)	22.94
Forfeited	(103)	36.13
Expired	—	—
Stock options outstanding as of June 30, 2022	7,004	24.77
Vested as of June 30, 2022	4,965	18.24

The following assumptions were used to estimate the fair value of options granted during the six month periods ended June 30, 2022 and 2021 using the Black-Scholes option-pricing model.

	For the Six Month Period Ended June 30,	
Assumptions	2022	2021
Expected life of options (in years)	6.3	6.3
Risk-free interest rate	1.9% - 3.1%	0.9% - 1.1%
Assumed volatility	37.1% - 38.3%	39.1% - 39.4%
Expected dividend rate	0.2 %	0.0 %

Restricted Stock Unit Awards

Restricted stock units are granted to employees and non-employee directors based on the market price of the Company's common stock on the grant date and recognized in compensation expense over the vesting period. A summary of the Company's restricted stock unit activity for the six month period ended June 30, 2022 is presented in the following table (underlying shares in thousands).

	Shares	Weighted-Average Grant-Date Fair Value
Non-vested as of December 31, 2021	2,677	$ 34.08
Granted	468	53.02
Vested	(454)	31.86
Forfeited	(142)	35.77
Non-vested as of June 30, 2022	2,549	37.86

Performance Share Unit Awards

Performance share units are granted to employees and are subject to a three year performance period. The number of shares issued at the end of the performance period is determined by the Company's total shareholder return percentile rank versus the S&P 500 index for the three year performance period. The grant date fair value of these awards is determined using a Monte Carlo simulation pricing model and compensation cost is recognized straight-line over a three year period.

A summary of the Company's performance stock unit activity for the six month period ended June 30, 2022 is presented in the following table (underlying shares in thousands).

	Shares	Weighted-Average Grant-Date Fair Value
Non-vested as of December 31, 2021	393	$ 39.89
Granted	175	63.39
Forfeited	(29)	39.61
Non-vested as of June 30, 2022	539	47.54

The following assumptions were used to estimate the fair value of performance share units granted during the six month periods ended June 30, 2022 and 2021 using the Monte Carlo simulation pricing model.

	For the Six Month Period Ended June 30,	
Assumptions	2022	2021
Expected term (in years)	2.9	2.9
Risk-free interest rate	1.7 %	0.2 %
Assumed volatility	36.4 %	36.9 %
Expected dividend rate	0.2 %	— %

Note 11. Accumulated Other Comprehensive Income (Loss)

The Company's other comprehensive income (loss) consists of (i) unrealized foreign currency net gains and losses on the translation of the assets and liabilities of its foreign operations; (ii) realized and unrealized foreign currency gains and losses on certain hedges of net investments in foreign operations, net of income taxes; (iii) unrealized gains and losses on cash flow hedges (consisting of interest rate swap and cap contracts), net of income taxes; and (iv) pension and other postretirement prior service cost and actuarial gains or losses, net of income taxes. See Note 8 "Benefit Plans" and Note 12 "Hedging Activities, Derivative Instruments and Fair Value Measurements."

The before tax income (loss) and related income tax effect are as follows.

	For the Three Month Period Ended June 30,					
	2022			2021		
	Before-Tax Amount	Tax Benefit or (Expense)	Net of Tax Amount	Before-Tax Amount	Tax Benefit or (Expense)	Net of Tax Amount
Foreign currency translation adjustments, net	$ (183.4)	$ (28.7)	$ (212.1)	$ 51.0	$ (1.9)	$ 49.1
Unrecognized losses on cash flow hedges	(6.3)	0.9	(5.4)	—	—	—
Pension and other postretirement benefit prior service cost and gain or loss, net	(2.6)	0.6	(2.0)	1.5	(0.2)	1.3
Other comprehensive income (loss)	$ (192.3)	$ (27.2)	$ (219.5)	$ 52.5	$ (2.1)	$ 50.4

	For the Six Month Period Ended June 30,					
	2022			2021		
	Before-Tax Amount	Tax Benefit or (Expense)	Net of Tax Amount	Before-Tax Amount	Tax Benefit or (Expense)	Net of Tax Amount
Foreign currency translation adjustments, net	$ (205.1)	$ (35.8)	$ (240.9)	$ (56.2)	$ 5.5	$ (50.7)
Unrecognized losses on cash flow hedges	(6.3)	0.9	(5.4)	—	—	—
Pension and other postretirement benefit prior service cost and gain or loss, net	(4.1)	1.0	(3.1)	3.0	(0.5)	2.5
Other comprehensive loss	$ (215.5)	$ (33.9)	$ (249.4)	$ (53.2)	$ 5.0	$ (48.2)

The tables above include only the other comprehensive income (loss), net of tax, attributable to Ingersoll Rand Inc. Other comprehensive loss, net of tax, attributable to noncontrolling interest holders was $4.8 million and $1.2 million for the three month periods ended June 30, 2022 and 2021, respectively, and $4.2 million and $2.3 million for the six month periods ended June 30, 2022 and 2021, respectively, and related entirely to foreign currency translation adjustments.

Changes in accumulated other comprehensive income (loss) by component for the six month periods ended June 30, 2022 and 2021 are presented in the following table net of tax.

	Foreign Currency Translation Adjustments, Net	Cash Flow Hedges	Pension and Other Postretirement Benefit Plans	Total
Balance as of December 31, 2021	$ (29.9)	$ —	$ (11.7)	$ (41.6)
Other comprehensive loss before reclassifications	(240.8)	(5.5)	(2.6)	(248.9)
Amounts reclassified from accumulated other comprehensive income (loss)	(0.1)	0.1	(0.5)	(0.5)
Other comprehensive loss	(240.9)	(5.4)	(3.1)	(249.4)
Balance as of June 30, 2022	$ (270.8)	$ (5.4)	$ (14.8)	$ (291.0)

	Foreign Currency Translation Adjustments, Net	Cash Flow Hedges	Pension and Other Postretirement Benefit Plans	Total
Balance as of December 31, 2020	$ 74.6	$ —	$ (60.4)	$ 14.2
Other comprehensive income (loss) before reclassifications	(50.7)	—	0.6	(50.1)
Amounts reclassified from accumulated other comprehensive income (loss)	—	—	1.9	1.9
Other comprehensive income (loss)	(50.7)	—	2.5	(48.2)
Divestiture of foreign subsidiaries	(1.5)	—	—	(1.5)
Balance as of June 30, 2021	$ 22.4	$ —	$ (57.9)	$ (35.5)

Reclassifications out of accumulated other comprehensive income (loss) for the six month periods ended June 30, 2022 and 2021 are presented in the following table.

Amount Reclassified from Accumulated Other Comprehensive Income (Loss)

Details about Accumulated Other Comprehensive Income (Loss) Components	For the Six Month Period Ended June 30, 2022	2021	Affected Line(s) in the Statement Where Net Income is Presented
Cash flow hedges (interest rate swaps and caps)	$ 0.1	$ —	Interest expense
Benefit for income taxes	—	—	Provision for income taxes
Cash flow hedges (interest rate swaps and caps), net of tax	$ 0.1	$ —	
Net investment hedges	$ (0.1)	$ —	Interest expense
Provision for income taxes	—	—	Provision for income taxes
Net investment hedges, net of tax	$ (0.1)	$ —	
Amortization of defined benefit pension and other postretirement benefit items[(1)]	$ (0.7)	$ 2.6	Cost of sales and Selling and administrative expenses
Provision (benefit) for income taxes	0.2	(0.7)	Provision for income taxes
Amortization of defined benefit pension and other postretirement benefit items, net of tax	$ (0.5)	$ 1.9	
Total reclassifications for the period, net of tax	$ (0.5)	$ 1.9	

(1) These components are included in the computation of net periodic benefit cost. See Note 8 "Benefit Plans" for additional details.

Note 12. Hedging Activities, Derivative Instruments and Fair Value Measurements

Hedging Activities

The Company is exposed to certain market risks during the normal course of its business arising from adverse changes in interest rates and foreign currency exchange rates. The Company selectively uses derivative financial instruments ("derivatives"), including cross-currency interest rate swap and foreign currency forward contracts and interest rate swap and cap contracts, to manage the risks from fluctuations in foreign currency exchange rates and interest rates, respectively. The Company does not purchase or hold derivatives for trading or speculative purposes.

The Company's exposure to interest rate risk results primarily from its variable-rate borrowings. The Company manages its debt centrally, considering tax consequences and its overall financing strategies. The Company manages its exposure to interest rate risk by using interest rate caps and pay-fixed swaps as cash flow hedges of variable rate debt in order to adjust the relative fixed and variable proportions.

A substantial portion of the Company's operations is conducted by its subsidiaries outside of the United States in currencies other than the USD. Almost all of the Company's non-U.S. subsidiaries conduct their business primarily in their local currencies, which are also their functional currencies. The USD, the EUR, GBP, Chinese Renminbi and Indian rupee are the principal currencies in which the Company and its subsidiaries enter into transactions. The Company is exposed to the impacts of changes in foreign currency exchange rates on the translation of its non-U.S. subsidiaries' assets, liabilities and earnings into USD. The Company manages this exposure by having certain U.S. subsidiaries borrow in currencies other than the USD or utilizing cross-currency interest rate swaps as net investment hedges.

The Company and its subsidiaries are also subject to the risk that arises when they, from time to time, enter into transactions in currencies other than their functional currency. To mitigate this risk, the Company and its subsidiaries typically settle intercompany trading balances at least quarterly. The Company also selectively uses forward currency contracts to manage this risk. These contracts for the sale or purchase of European and other currencies generally mature within one year.

Derivative Instruments

The following table summarizes the notional amounts, fair values and classification of the Company's outstanding derivatives by risk category and instrument type within the Condensed Consolidated Balance Sheets as of June 30, 2022 and December 31, 2021.

June 30, 2022

Derivative Classification		Notional Amount(1)	Fair Value(1) Other Current Assets	Fair Value(1) Other Assets	Fair Value(1) Accrued Liabilities	Fair Value(1) Other Liabilities
Derivatives Designated as Hedging Instruments						
Interest rate swap contracts	Cash flow	$ 528.5	$ —	$ —	$ 0.6	$ 2.0
Interest rate cap contracts	Cash flow	1,000.0	1.5	8.0	—	—
Cross-currency interest rate swap contracts	Net investment	1,054.2	21.4	—	—	15.4
Derivatives Not Designated as Hedging Instruments						
Foreign currency forwards	Fair value	$ 25.1	$ —	$ —	$ —	$ —
Foreign currency forwards	Fair value	7.3	—	—	—	—

December 31, 2021

Derivative Classification		Notional Amount(1)	Fair Value(1) Other Current Assets	Fair Value(1) Other Assets	Fair Value(1) Accrued Liabilities	Fair Value(1) Other Liabilities
Derivatives Not Designated as Hedging Instruments						
Foreign currency forwards	Fair Value	$ 22.1	$ —	$ —	$ —	$ —
Foreign currency forwards	Fair Value	19.3	—	—	0.2	—

(1) Notional amounts represent the gross contract amounts of the outstanding derivatives excluding the total notional amount of positions that have been effectively closed through offsetting positions. The net gains and net losses associated with positions that have been effectively closed through offsetting positions but not yet settled are included in the asset and liability derivatives fair value columns, respectively.

Payments of interest rate cap premiums are classified as financing cash flows in the Condensed Consolidated Statements of Cash Flows. All other cash flows related to derivatives are classified as operating cash flows in the Condensed Consolidated Statements of Cash Flows.

There were no off-balance sheet derivative instruments as of June 30, 2022 or 2021.

Interest Rate Swap and Cap Contracts Designated as Cash Flow Hedges

As of June 30, 2022, the Company was the fixed rate payor on two interest rate swap contracts that effectively fix the SOFR-based index used to determine the interest rates charged on a total of $528.5 million of the Company's SOFR-based variable rate borrowings. These contracts carry a fixed rate of 3.2% and expire in 2025. These swap agreements qualify as hedging instruments and have been designated as cash flow hedges of forecasted SOFR-based interest payments. Based on SOFR-based swap yield curves as of June 30, 2022, the Company expects to reclassify losses of $0.7 million out of accumulated other comprehensive income ("AOCI") into earnings during the next 12 months.

As of June 30, 2022, the Company entered into three interest rate cap contracts that effectively limit the SOFR-based index used to determine the interest rates charged on a total of $1,000.0 million of the Company's SOFR-based variable rate borrowings to 4.0% and expire in 2025. These swap agreements qualify as hedging instruments and have been designated as cash flow hedges of forecasted SOFR-based interest payments. As of June 30, 2022, the Company expects to reclassify $4.5 million out of AOCI into earnings during the next 12 months.

Losses on derivatives designated as cash flow hedges included in the Condensed Consolidated Statements of Comprehensive Income (Loss) for the three and six month periods ended June 30, 2022 and 2021 are as presented in the table below.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2022	2021	2022	2021
Loss recognized in OCI on derivatives	$ (6.6)	$ —	$ (6.6)	$ —
Loss reclassified from AOCI into income (effective portion)[(1)]	(0.1)	—	(0.1)	—

(1) Losses on derivatives reclassified from AOCI into income were included within "Interest expense" in the Condensed Consolidated Statements of Operations.

Cross-Currency Interest Rate Swap Contracts Designated as Net Investment Hedges

As of June 30, 2022, the Company was the fixed rate payor on two cross-currency interest rate swap contracts that replace a fixed rate of 3.2% on a total of $528.5 million with a fixed rate of 1.6% on a total of €500.0 million. These contracts expire in 2025. These contracts have been designated as net investment hedges of our Euro denominated subsidiaries and require an exchange of the notional amounts at maturity.

As of June 30, 2022, the Company entered into three cross-currency interest rate swap contracts where we receive SOFR on a total of $525.7 million and pay EURIBOR on a total of €500.0 million. These contracts expire in 2025. These contracts have been designated as net investment hedges of our Euro denominated subsidiaries and require an exchange of the notional amounts at maturity.

Gains on derivatives designated as net investment hedges included in the Condensed Consolidated Statements of Comprehensive Income (Loss) for the three and six month periods ended June 30, 2022 and 2021 are as presented in the table below.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2022	2021	2022	2021
Gain recognized in OCI on derivatives	$ 6.0	$ —	$ 6.0	$ —
Gain reclassified from AOCI into income (effective portion)[(1)]	0.1	—	0.1	—

(1) Gains on derivatives reclassified from accumulated other comprehensive income ("AOCI") into income were included within "Interest expense" in the Condensed Consolidated Statements of Operations.

Foreign Currency Forwards Not Designated as Hedging Instruments

The Company had three foreign currency forward contracts outstanding as of June 30, 2022 with notional amounts ranging from $7.3 million to $14.2 million. These contracts are used to hedge the change in fair value of recognized foreign currency denominated assets or liabilities caused by changes in currency exchange rates. The changes in the fair value of these contracts generally offset the changes in the fair value of a corresponding amount of the hedged items, both of which are included within "Other operating expense, net" in the Condensed Consolidated Statements of Operations. The Company's foreign currency forward contracts are subject to master netting arrangements or agreements between the Company and each counterparty for the net settlement of all contracts through a single payment in a single currency in the event of default on or termination of any one contract with that certain counterparty. It is the Company's practice to recognize the gross amounts in the Condensed Consolidated Balance Sheets. The amount available to be netted is not material.

The Company's gains (losses) on derivative instruments not designated as accounting hedges and total net foreign currency losses for the three and six month periods ended June 30, 2022 and 2021 were as follows.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2022	2021	2022	2021
Foreign currency forward contracts gains (losses)	$ 4.1	$ 0.7	$ 3.1	$ (0.1)
Total foreign currency transaction gains (losses), net	1.8	(3.4)	5.6	14.7

Foreign Currency Denominated Debt Designated as a Net Investment Hedge

In February 2020, the Company designated its Euro Term Loan, which had a principal balance at that time of €601.2 million, as a hedge of the Company's net investment in subsidiaries with a functional currency of euro. This loan was repaid in June 2022 and the hedge has been discontinued. See Note 9 "Debt" for further discussion of the repayment of the Euro Term Loan.

The Company's gains (losses), net of income tax, associated with changes in the value of debt for the three and six month periods ended June 30, 2022 and 2021 were as follows.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2022	2021	2022	2021
Gain (loss), net of income tax, recorded through other comprehensive income	$ 23.1	$ (5.7)	$ 36.4	$ 13.2

Fair Value Measurements

A financial instrument is defined as cash or cash equivalents, evidence of an ownership interest in an entity, or a contract that creates a contractual obligation or right to deliver or receive cash or another financial instrument from another party. The Company's financial instruments consist primarily of cash and cash equivalents, trade accounts receivables, trade accounts payables, deferred compensation assets and obligations, derivatives and debt instruments. The carrying values of cash and cash equivalents, trade accounts receivables, trade accounts payables, and variable rate debt instruments are a reasonable estimate of their respective fair values.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or more advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy is based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value as follows.

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities as of the reporting date.

Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities as of the reporting date.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following tables summarize the Company's financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2022 and December 31, 2021.

	June 30, 2022			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Trading securities held in deferred compensation plan[1]	$ 11.4	$ —	$ —	$ 11.4
Interest rate caps[2]	—	9.5	—	9.5
Cross-currency interest rate swaps[3]	—	21.4	—	21.4
Foreign currency forwards[4]	—	—	—	—
Total	$ 11.4	$ 30.9	$ —	$ 42.3
Financial Liabilities				
Deferred compensation plans[1]	$ 18.7	$ —	$ —	$ 18.7
Interest rate swaps[5]	—	2.6	—	2.6
Cross-currency interest rate swaps[3]	—	15.4	—	15.4
Foreign currency forwards[4]	—	—	—	—
Total	$ 18.7	$ 18.0	$ —	$ 36.7

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Trading securities held in deferred compensation plan[1]	$ 12.0	$ —	$ —	$ 12.0
Foreign currency forwards[4]	—	—	—	—
Total	$ 12.0	$ —	$ —	$ 12.0
Financial Liabilities				
Deferred compensation plan[1]	$ 22.4	$ —	$ —	$ 22.4
Foreign currency forwards[4]	—	0.2	—	0.2
Total	$ 22.4	$ 0.2	$ —	$ 22.6

(1) Based on the quoted price of publicly traded mutual funds and other equity securities which are classified as trading securities and accounted for using the mark-to-market method.

(2) Measured as the present value of all expected future cash flows that would occur if variable interest rates rise above the strike rate of the caps. The variable interest rates used in the calculation of projected receipts on the cap are based on an expectation of future interest rates derived from observable market volatilities and interest rate curves.

(3) Measured as the present value of all expected future cash flows on each leg of the contracts. The model utilizes inputs of observable market data including interest yield curves and foreign currency exchange rates. The present value calculation uses cross-currency basis-adjusted discount factors that have been adjusted to reflect the credit quality of the Company and its counterparties.

(4) Based on calculations that use readily observable market parameters at their basis, such as spot and forward rates.

(5) Measured as the present value of all expected future cash flows based on the SOFR-based swap yield curves as of June 30, 2022. The present value calculation uses discount rates that have been adjusted to reflect the credit quality of the Company and its counterparties.

At June 30, 2022 and December 31, 2021, we did not have any significant non-financial assets or liabilities that were required to be measured at fair value on a recurring or non-recurring basis.

Note 13. Revenue from Contracts with Customers

Overview

The Company recognizes revenue when the Company has satisfied its obligation and control is transferred to the customer. The amount of revenue recognized includes adjustments for any variable consideration, such as rebates, sales discounts, liquidated damages, etc., which are included in the transaction price, and allocated to each performance obligation. The variable consideration is estimated throughout the course of the contract using the Company's best estimates.

The majority of the Company's revenues are derived from short duration contracts and revenue is recognized at a single point in time when control is transferred to the customer, generally at shipment or when delivery has occurred or services have been rendered.

The Company has certain long duration engineered to order ("ETO") contracts that require highly engineered solutions designed to customer specific applications. For contracts where the contractual deliverables have no alternative use and the contract termination clauses provide for the recovery of cost plus a reasonable margin, revenue is recognized over time based on the Company's progress in satisfying the contractual performance obligations, generally measured as the ratio of actual costs incurred to date to the estimated total costs to complete the contract. For contracts with termination provisions that do not provide for recovery of cost and a reasonable margin, revenue is recognized at a point in time, generally at shipment or delivery to the customer. Identification of performance obligations, determination of alternative use, assessment of contractual language regarding termination provisions, and estimation of total project costs are all significant judgments required in the application of ASC 606.

Contractual specifications and requirements may be modified. The Company considers contract modifications to exist when the modification either creates new or changes the existing enforceable rights and obligations. In the event a contract modification is for goods or services that are not distinct in the contract, and therefore, form part of a single performance obligation that is partially satisfied as of the modification date, the effect of the contract modification on the transaction price and the Company's measure of progress for the performance obligation to which it relates, is recognized on a cumulative catch-up basis.

Taxes assessed by a government authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a customer, are excluded from revenue. Sales commissions are generally due at either collection of payment from customers or recognition of revenue. Applying the practical expedient from ASC 340-40-25-4, the Company recognizes the incremental costs of obtaining contracts as an expense when incurred if the amortization period of the assets that the Company otherwise would have recognized is one year or less. These costs are included in "Selling and administrative expenses" in the Condensed Consolidated Statements of Operations.

Disaggregation of Revenue

The following tables provide disaggregated revenue by reportable segment for the three and six month periods ended June 30, 2022 and 2021.

	Industrial Technologies and Services		Precision and Science Technologies		Total	
	Three Month Period Ended June 30,					
	2022	2021	2022	2021	2022	2021
Primary Geographic Markets						
United States	$ 468.9	$ 391.9	$ 135.7	$ 103.1	$ 604.6	$ 495.0
Other Americas	81.0	66.6	6.9	3.5	87.9	70.1
Total Americas	549.9	458.5	142.6	106.6	692.5	565.1
EMEIA	343.3	336.3	105.2	83.1	448.5	419.4
Asia Pacific	257.3	252.7	41.6	41.9	298.9	294.6
Total	$ 1,150.5	$ 1,047.5	$ 289.4	$ 231.6	$ 1,439.9	$ 1,279.1
Product Categories						
Original equipment	$ 697.8	$ 623.7	$ 234.2	$ 198.5	$ 932.0	$ 822.2
Aftermarket	452.7	423.8	55.2	33.1	507.9	456.9
Total	$ 1,150.5	$ 1,047.5	$ 289.4	$ 231.6	$ 1,439.9	$ 1,279.1
Pattern of Revenue Recognition						
Revenue recognized at point in time(1)	$ 1,065.9	$ 959.9	$ 288.7	$ 231.0	$ 1,354.6	$ 1,190.9
Revenue recognized over time(2)	84.6	87.6	0.7	0.6	85.3	88.2
Total	$ 1,150.5	$ 1,047.5	$ 289.4	$ 231.6	$ 1,439.9	$ 1,279.1

	Industrial Technologies and Services		Precision and Science Technologies		Total	
	Six Month Period Ended June 30,					
	2022	2021	2022	2021	2022	2021
Primary Geographic Markets						
United States	$ 883.7	$ 745.0	$ 270.0	$ 201.2	$ 1,153.7	$ 946.2
Other Americas	154.3	126.8	15.4	7.0	169.7	133.8
Total Americas	1,038.0	871.8	285.4	208.2	1,323.4	1,080.0
EMEIA	675.1	655.7	214.9	163.2	890.0	818.9
Asia Pacific	477.0	433.8	86.5	75.9	563.5	509.7
Total	$ 2,190.1	$ 1,961.3	$ 586.8	$ 447.3	$ 2,776.9	$ 2,408.6
Product Categories						
Original equipment	$ 1,312.0	$ 1,152.4	$ 473.2	$ 377.2	$ 1,785.2	$ 1,529.6
Aftermarket	878.1	808.9	113.6	70.1	991.7	879.0
Total	$ 2,190.1	$ 1,961.3	$ 586.8	$ 447.3	$ 2,776.9	$ 2,408.6
Pattern of Revenue Recognition						
Revenue recognized at point in time(1)	$ 2,022.5	$ 1,807.8	$ 584.2	$ 445.8	$ 2,606.7	$ 2,253.6
Revenue recognized over time(2)	167.6	153.5	2.6	1.5	170.2	155.0
Total	$ 2,190.1	$ 1,961.3	$ 586.8	$ 447.3	$ 2,776.9	$ 2,408.6

(1) Revenues from short and long duration product and service contracts recognized at a point in time when control is transferred to the customer generally when product delivery has occurred and services have been rendered.

(2) Revenues primarily from long duration ETO product contracts and certain contracts for delivery of a significant volume of substantially similar products recognized over time as contractual performance obligations are completed.

Performance Obligations

As of June 30, 2022, for contracts with an original duration greater than one year, the Company expects to recognize revenue in the future related to unsatisfied (or partially satisfied) performance obligations of $503.3 million in the next twelve months and $439.2 million in periods thereafter. The performance obligations that are unsatisfied (or partially satisfied) are primarily related to orders for goods or services that were placed prior to the end of the reporting period and have not been delivered to the customer, on-going work on ETO contracts where revenue is recognized over time and service contracts with an original duration greater than one year.

Contract Balances

The following table provides the contract balances as of June 30, 2022 and December 31, 2021 presented in the Condensed Consolidated Balance Sheets.

	June 30, 2022	December 31, 2021
Accounts receivable, net	$ 1,018.5	$ 948.6
Contract assets	62.1	60.8
Contract liabilities - current	270.0	242.1
Contract liabilities - noncurrent	1.2	1.4

The allowance for credit losses for the three and six month periods ended June 30, 2022 and 2021 consisted of the following.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2022	2021	2021	2021
Balance at beginning of the period	$ 43.7	$ 49.2	$ 42.3	$ 50.9
Provision charged to expense	4.7	1.3	6.7	1.6
Write-offs, net of recoveries	(1.0)	(1.7)	(1.5)	(2.7)
Foreign currency translation and other	(2.2)	0.5	(2.3)	(0.5)
Balance at end of the period	$ 45.2	$ 49.3	$ 45.2	$ 49.3

Note 14. Income Taxes

The following table summarizes the Company's provision for income taxes and effective income tax provision rate for the three and six month periods ended June 30, 2022 and 2021.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2022	2021	2022	2021
Income before income taxes	$ 180.5	$ 151.5	$ 323.1	$ 252.2
Provision for income taxes	$ 41.9	$ 12.5	$ 74.3	$ 23.1
Effective income tax provision rate	23.2 %	8.3 %	23.0 %	9.2 %

The increase in the provision for income taxes and increase in the effective income tax provision rate for the three month period ended June 30, 2022 when compared to the same three month period of 2021 is primarily due to the benefit associated with the final settlement on the Merger, and a restructuring benefit recognized during the second quarter of 2021.

The increase in the provision for income taxes and increase in the effective income tax provision rate for the six month period ended June 30, 2022 when compared to the same six month period of 2021 is primarily due to an increase in the pretax book income in jurisdictions with higher effective tax rates combined with decreased earnings in jurisdictions with lower tax rates. In addition, in the six month period ended June 30, 2021, there was a reduction of a significant unrecognized tax reserve related to a non-recurring item as a result of the lapse of the limitation on statutes, a benefit associated with the final settlement on the Merger, and a restructuring benefit recognized during the second quarter of 2021.

Note 15. Other Operating Expense (Income), Net

The components of "Other operating expense (income), net" for the three and six month periods ended June 30, 2022 and 2021 were as follows.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2022	2021	2022	2021
Foreign currency transaction losses (gains), net	$ (1.8)	$ 3.4	$ (5.6)	$ (14.7)
Restructuring charges, net(1)	8.9	6.8	21.4	9.2
Acquisition and other transaction related expenses(2)	5.4	15.3	12.9	23.6
Other, net	0.7	(0.4)	1.9	1.3
Total other operating expense (income), net	$ 13.2	$ 25.1	$ 30.6	$ 19.4

(1) See Note 4 "Restructuring."

(2) Represents costs associated with successful and abandoned acquisitions, including third-party expenses and post-closure integration costs.

Note 16. Contingencies

The Company is a party to various legal proceedings, lawsuits and administrative actions, which are of an ordinary or routine nature for a company of its size and sector. The Company believes that such proceedings, lawsuits and administrative actions will not materially adversely affect its operations, financial condition, liquidity or competitive position. For further description of the Company's contingencies, reference is made to Note 21, "Contingencies" in the notes to consolidated financial statements in the Company's 2021 Form 10-K.

Asbestos and Silica Related Litigation

The Company believes that the pending and future asbestos and silica-related lawsuits are not likely to, in the aggregate, have a material adverse effect on its consolidated financial position, results of operations or liquidity. "Accrued liabilities" and "Other liabilities" of the Condensed Consolidated Balance Sheets include a total litigation reserve of $132.6 million and $136.9 million as of June 30, 2022 and December 31, 2021, respectively, with regards to potential liability arising from the Company's asbestos-related litigation. Asbestos related defense costs are excluded from the asbestos claims liability and are recorded separately as services are incurred. In the event of unexpected future developments, it is possible that the ultimate resolution of these matters may be material to the Company's consolidated financial position, results of operation or liquidity.

The Company has entered into a series of agreements with certain of its or its predecessors' legacy insurers and certain potential indemnitors to secure insurance coverage and/or reimbursement for the costs associated with the asbestos and silica-related lawsuits filed against the Company. The Company has an insurance recovery receivable for probable asbestos related recoveries of approximately $143.7 million and $145.1 million as of June 30, 2022 and December 31, 2021, which was included in "Other assets" in the Condensed Consolidated Balance Sheets. The amounts recorded by the Company for asbestos-related liabilities and insurance recoveries are based on currently available information and assumptions that the Company believes are reasonable based on an evaluation of relevant factors. The actual liabilities or insurance recoveries could be higher or lower than those recorded if actual results vary significantly from the assumptions.

Environmental Matters

The Company has been identified as a potentially responsible party ("PRP") with respect to several sites designated for cleanup under U.S. federal "Superfund" or similar state laws that impose liability for cleanup of certain waste sites and for related natural resource damages. The Company has undiscounted accrued liabilities of $14.5 million and $12.9 million as of June 30, 2022 and December 31, 2021, respectively, on its Condensed Consolidated Balance Sheets to the extent costs are known or can be reasonably estimated for its remaining financial obligations in relation to environmental matters and does not anticipate that any of these matters will result in material additional costs beyond amounts accrued. Based upon consideration of currently available information, the Company does not anticipate any material adverse effect on its results of operations, financial condition, liquidity or competitive position as a result of compliance with federal, state, local or foreign environmental laws or regulations, or cleanup costs relating to these matters.

Note 17. Segment Results

A description of the Company's two reportable segments is presented below.

In the Industrial Technologies and Services segment, the Company designs, manufactures, markets and services a broad range of compression and vacuum equipment as well as fluid transfer equipment, loading systems, power tools and lifting equipment. The Company's compression and vacuum products are used worldwide in industrial manufacturing, transportation, chemical processing, food and beverage production, energy, environmental and other applications. In addition to equipment sales, the Company offers a broad portfolio of service options tailored to customer needs and complete range of aftermarket parts, air treatment equipment, controls and other accessories. The Company's engineered loading systems and fluid transfer equipment ensure the safe handling and transfer of crude oil, liquefied natural gas, compressed natural gas, chemicals, and bulk materials. The Company's power tools and lifting equipment are used by customers in industrial manufacturing, vehicle maintenance, energy and other markets for precision fastening, bolt removal, grinding, sanding, drilling, demolition and the safe and efficient lifting, positioning and movement of loads. The Company sells its products primarily through independent distributors worldwide and also sells directly to the customer.

In the Precision and Science Technologies segment, the Company designs, manufactures and markets a broad range of specialized positive displacement pumps, fluid management equipment and aftermarket parts for medical, laboratory, industrial manufacturing, water and wastewater, chemical processing, energy, food and beverage, agriculture and other markets. The Company's products are used for a diverse set of applications including precision dosing of chemicals and supplements, blood dialysis, oxygen therapy, food processing, fluid transfer and dispensing, spray finishing and coating, mixing, high-pressure air and gas management and others. The Company sells primarily through a broad global network of specialized and national distributors and original equipment manufacturers ("OEM") who integrate the Company's products into their devices and systems.

The Chief Operating Decision Maker ("CODM") evaluates the performance of the Company's reportable segments based on, among other measures, Segment Adjusted EBITDA. Management closely monitors the Segment Adjusted EBITDA of each reportable segment to evaluate past performance and actions required to improve profitability. Inter-segment sales and transfers are not significant. Administrative expenses related to the Company's corporate offices and shared service centers in North America and Europe, which includes transaction processing, accounting and other business support functions, are allocated to the business segments. Certain administrative expenses, including senior management compensation, treasury, internal audit, tax compliance, certain information technology, and other corporate functions, are not allocated to the business segments.

The following table provides summarized information about the Company's operations by reportable segment and reconciles Segment Adjusted EBITDA to Income from Continuing Operations Before Income Taxes for the three and six month periods ended June 30, 2022 and 2021.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2022	2021	2022	2021
Revenue				
Industrial Technologies and Services	$ 1,150.5	$ 1,047.5	$ 2,190.1	$ 1,961.3
Precision and Science Technologies	289.4	231.6	586.8	447.3
Total Revenue	$ 1,439.9	$ 1,279.1	$ 2,776.9	$ 2,408.6
Segment Adjusted EBITDA				
Industrial Technologies and Services	$ 292.0	$ 258.6	$ 539.4	$ 470.1
Precision and Science Technologies	77.7	71.1	162.8	138.3
Total Segment Adjusted EBITDA	$ 369.7	$ 329.7	$ 702.2	$ 608.4
Less items to reconcile Segment Adjusted EBITDA to Income from Continuing Operations Before Income Taxes:				
Corporate expenses not allocated to segments	$ 34.8	$ 37.6	$ 63.7	$ 72.3
Interest expense	23.2	22.7	42.2	45.8
Depreciation and amortization expense [a]	103.7	101.3	211.2	205.8
Restructuring and related business transformation costs [b]	9.5	6.7	23.7	9.4
Acquisition and other transaction related expenses and non-cash charges [c]	5.4	14.3	14.9	24.8
Stock-based compensation	22.4	21.5	42.2	43.1
Foreign currency transaction losses (gains), net	(1.8)	3.4	(5.6)	(14.7)
Loss on extinguishment of debt	1.1	—	1.1	—
Gain on settlement of post-acquisition contingencies [d]	—	(30.1)	—	(30.1)
Other adjustments [e]	(9.1)	0.8	(14.3)	(0.2)
Income from Continuing Operations Before Income Taxes	180.5	151.5	323.1	252.2
Provision for income taxes	41.9	12.5	74.3	23.1
Loss on equity method investments	(0.8)	(0.7)	(5.1)	(0.7)
Income from Continuing Operations	137.8	138.3	243.7	228.4
Income (loss) from discontinued operations, net of tax	1.5	96.3	0.1	(83.9)
Net Income	$ 139.3	$ 234.6	$ 243.8	$ 144.5

a) Depreciation and amortization expense excludes $0.8 million and $1.0 million of depreciation of rental equipment for the three month periods ended June 30, 2022 and 2021, respectively, and excludes $1.8 million and $2.0 million for the six month periods ended June 30, 2022 and 2021, respectively.

b) Restructuring and related business transformation costs consist of the following.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2022	2021	2022	2021
Restructuring charges	$ 8.9	$ 6.8	$ 21.4	$ 9.2
Facility reorganization, relocation and other costs	0.6	—	2.3	—
Other, net	—	(0.1)	—	0.2
Total restructuring and related business transformation costs	$ 9.5	$ 6.7	$ 23.7	$ 9.4

c) Represents costs associated with successful and abandoned acquisitions, including third-party expenses, post-closure integration costs and non-cash charges and credits arising from fair value purchase accounting adjustments.

d) Represents a gain on settlement of post-acquisition contingencies outside of the measurement period related to adjustments to the transaction price for retirement plan funding and net working capital.

e) Includes (i) pension and other postemployment ("OPEB") plan costs other than service cost, (ii) interest income from short term investments and bank deposits and (iii) other miscellaneous adjustments.

Note 18. Earnings (Loss) Per Share

The number of weighted-average shares outstanding used in the computations of basic and diluted earnings (loss) per share are as follows.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2022	2021	2022	2021
Average shares outstanding				
Basic	404.5	419.9	406.1	419.5
Diluted	409.4	426.8	411.2	426.4

For the three month periods ended June 30, 2022 and 2021, 2.0 million and 0.8 million, respectively, of anti-dilutive shares were not included in the computation of diluted earnings per share. For the six month periods ended June 30, 2022 and June 30, 2021, 1.8 million and 0.7 million of anti-dilutive shares were not included in the computation of diluted earnings per share, respectively.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion contains management's discussion and analysis of our financial condition and results of operations and should be read together with the unaudited condensed consolidated financial statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q. This discussion contains forward-looking statements that reflect our plans, estimates and beliefs and involve numerous risks and uncertainties, including, but not limited to, those described in the "Risk Factors" section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021 and this Form 10-Q. Actual results may differ materially from those contained in any forward-looking statements. You should carefully read "Special Note Regarding Forward-Looking Statements" in this Quarterly Report on Form 10-Q.

Overview

Our Company

Ingersoll Rand is a global market leader with a broad range of innovative and mission-critical air, fluid, energy and medical technologies, providing services and solutions to increase industrial productivity and efficiency. We manufacture one of the broadest and most complete ranges of compressor, pump, vacuum and blower products in our markets, which, when combined with our global geographic footprint and application expertise, allows us to provide differentiated product and service offerings to our customers. Our products are sold under a collection of premier, market-leading brands, including Ingersoll Rand, Gardner Denver, Nash, CompAir, Thomas, Milton Roy, Seepex, Elmo Rietschle, ARO, Robuschi, Emco Wheaton and Runtech Systems, which we believe are globally recognized in their respective end-markets and known for product quality, reliability, efficiency and superior customer service.

We operate with two reportable segments: Industrial Technologies and Services and Precision and Science Technologies. See Note 17 "Segment Results" to our unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q for a description of our reportable segments.

Items Affecting our Business, Industry and End Markets

The COVID-19 Pandemic and Related Supply Chain Disruptions

We continue to assess and actively manage the impact of the COVID-19 pandemic on our global operations and also the operations of our suppliers and customers. In order to position ourselves to fulfill demand, we continue to monitor the supply chain closely and are taking proactive steps to ensure continuity of supply. We are adhering to all state and country mandates and guidelines wherever we operate. We have taken certain actions to reduce costs and preserve cash given the uncertain environment. The substantial majority of our production sites have remained fully operational this year. Certain facilities, including several manufacturing sites in China, have recently experienced interruptions in production due to outbreaks of COVID-19 infections and subsequent government restrictions. These interruptions have contributed to component shortages and other supply chain constraints that may limit our ability to fulfill customer orders within desired lead times, both directly in the Asia Pacific region and indirectly in other regions. The degree to which the pandemic will continue to impact our operations, and the operations of our customers and suppliers remains uncertain. See "The COVID-19 pandemic could have a material and adverse effect on our business, results of operations and financial condition in the future" in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021 and this Form 10-Q.

General Economic Conditions

Our financial results closely follow changes in the industries and end-markets we serve. Demand for most of our products depends on the level of new capital investment and planned and unplanned maintenance expenditures by our customers. The level of capital expenditures depends, in turn, on the general economic conditions as well as access to capital at reasonable cost.

The ongoing conflict between Russia and Ukraine and the related sanctions and export controls have adversely affected economic conditions in Eastern Europe and certain global industry sectors dependent on those countries. We have limited physical operations and sales in Russia and Ukraine and, to date; have not experienced a material adverse impact on our results of operations or financial condition. Further escalation or prolonged conflict may amplify several of the risks identified in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021.

Foreign Currency Fluctuations

A significant portion of our revenues, approximately 56% for the six month period ended June 30, 2022, was denominated in currencies other than the U.S. dollar. Because much of our manufacturing facilities and labor force costs are outside of the United

States, a significant portion of our costs are also denominated in currencies other than the U.S. dollar. Changes in foreign exchange rates can therefore impact our results of operations and are quantified when significant to our discussion.

Factors Affecting the Comparability of our Results of Operations

Key factors affecting the comparability of our results of operations are summarized below.

Acquisitions

Part of our strategy for growth is to acquire complementary businesses that provide access to new technologies or geographies or expand our offerings. We acquired several businesses during the year ended December 31, 2021. While these acquisitions are not individually significant or significant in the aggregate, they may be relevant when comparing our results from period to period.

See Note 3 "Business Combinations" to our unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q for further discussion of these acquisitions.

Restructuring and Other Business Transformation Initiatives

We continue to execute business transformation initiatives. A key element of those initiatives are restructuring programs within our Industrial Technologies and Services and Precision and Science Technologies segments, as well as at the Corporate level. Restructuring charges, program related facility reorganization, relocation and other costs, and related capital expenditures were impacted most significantly.

Subsequent to the merger of Gardner Denver Holdings, Inc. with Ingersoll-Rand plc's Industrials business segment in an all-stock, Reverse Morris Trust transaction (the "Merger"), we announced a restructuring program ("2020 Plan") to drive efficiencies and synergies, reduce the number of facilities and optimize operating margin within the merged Company. For the three month period ended June 30, 2022 and 2021, $21.4 million and $9.2 million, respectively, were charged to expense related to this restructuring program. Through June 30, 2022, we recognized expense related to the 2020 Plan of $91.0 million, $15.0 million and $11.8 million for Industrial Technologies and Services, Precision and Science Technologies and Corporate, respectively.

How We Assess the Performance of Our Business

We manage operations through the two business segments described above. In addition to our consolidated GAAP financial measures, we review various non-GAAP financial measures, including Adjusted EBITDA, Adjusted Net Income and Free Cash Flow.

We believe Adjusted EBITDA and Adjusted Net Income are helpful supplemental measures to assist us and investors in evaluating our operating results as they exclude certain items whose fluctuation from period to period do not necessarily correspond to changes in the operations of our business. Adjusted EBITDA represents net income (loss) before interest, taxes, depreciation, amortization and certain non-cash, non-recurring and other adjustment items. We believe that the adjustments applied in presenting Adjusted EBITDA are appropriate to provide additional information to investors about certain material non-cash items and about non-recurring items that we do not expect to continue at the same level in the future. Adjusted Net Income is defined as net income (loss) including interest, depreciation and amortization of non-acquisition related intangible assets and excluding other items used to calculate Adjusted EBITDA and further adjusted for the tax effect of these exclusions.

We use Free Cash Flow to review the liquidity of our operations. We measure Free Cash Flow as cash flows from operating activities less capital expenditures. We believe Free Cash Flow is a useful supplemental financial measure for us and investors in assessing our ability to pursue business opportunities and investments and to service our debt. Free Cash Flow is not a measure of our liquidity under GAAP and should not be considered as an alternative to cash flows from operating activities.

Management and our board of directors regularly use these measures as tools in evaluating our operating and financial performance and in establishing discretionary annual compensation. Such measures are provided in addition to, and should not be considered to be a substitute for, or superior to, the comparable measures under GAAP. In addition, we believe that Adjusted EBITDA, Adjusted Net Income and Free Cash Flow are frequently used by investors and other interested parties in the evaluation of issuers, many of which also present Adjusted EBITDA, Adjusted Net Income and Free Cash Flow when reporting their results in an effort to facilitate an understanding of their operating and financial results and liquidity.

Adjusted EBITDA, Adjusted Net Income and Free Cash Flow should not be considered as alternatives to net income (loss) or any other performance measure derived in accordance with GAAP, or as alternatives to cash flow from operating activities as a measure of our liquidity. Adjusted EBITDA, Adjusted Net Income and Free Cash Flow have limitations as analytical tools, and you should not consider such measures either in isolation or as substitutes for analyzing our results as reported under GAAP.

See “Non-GAAP Financial Measures” below for reconciliation information.

Results of Continuing Operations

Consolidated results should be read in conjunction with the segment results section herein and Note 17 “Segment Results” to our unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q, which provides more detailed discussions concerning certain components of our Condensed Consolidated Statements of Operations. All intercompany accounts and transactions have been eliminated within the consolidated results.

The following table presents selected Condensed Consolidated Results of Operations of our business for the three and six month periods ended June 30, 2022 and 2021.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2022	2021	2022	2021
Condensed Consolidated Statement of Operations:				
Revenues	$ 1,439.9	$ 1,279.1	$ 2,776.9	$ 2,408.6
Cost of sales	870.1	766.4	1,681.0	1,443.8
Gross profit	569.8	512.7	1,095.9	964.8
Selling and administrative expenses	275.6	267.2	541.1	519.5
Amortization of intangible assets	83.6	80.3	169.8	164.5
Other operating expense, net	13.2	25.1	30.6	19.4
Operating income	197.4	140.1	354.4	261.4
Interest expense	23.2	22.7	42.2	45.8
Loss on extinguishment of debt	1.1	—	1.1	—
Other income, net	(7.4)	(34.1)	(12.0)	(36.6)
Income before income taxes	180.5	151.5	323.1	252.2
Provision for income taxes	41.9	12.5	74.3	23.1
Loss on equity method investments	(0.8)	(0.7)	(5.1)	(0.7)
Income from Continuing Operations	137.8	138.3	243.7	228.4
Income (loss) from discontinued operations, net of tax	1.5	96.3	0.1	(83.9)
Net income	139.3	234.6	243.8	144.5
Less: Net income attributable to noncontrolling interests	0.8	0.7	1.6	1.0
Net income attributable to Ingersoll Rand Inc.	$ 138.5	$ 233.9	$ 242.2	$ 143.5
Percentage of Revenues:				
Gross profit	39.6 %	40.1 %	39.5 %	40.1 %
Selling and administrative expenses	19.1 %	20.9 %	19.5 %	21.6 %
Operating income	13.7 %	11.0 %	12.8 %	10.9 %
Income (loss) from continuing operations	9.6 %	10.8 %	8.8 %	9.5 %
Adjusted EBITDA	23.3 %	22.8 %	23.0 %	22.3 %
Other Financial Data:				
Adjusted EBITDA (1)	$ 334.9	$ 292.1	$ 638.5	536.1
Adjusted Net Income (1)	222.5	194.8	423.7	362.8
Cash flows - operating activities	186.1	147.3	236.2	234.8
Cash flows - investing activities	(17.3)	(25.0)	(65.5)	(232.2)
Cash flows - financing activities	(798.7)	(2.3)	(914.8)	(10.1)
Free Cash Flow (1)	164.7	135.7	196.9	208.9

(1) See the “Non-GAAP Financial Measures” section for a reconciliation to comparable GAAP measure.

Revenues

Revenues for the three month period ended June 30, 2022 were $1,439.9 million, an increase of $160.8 million, or 12.6%, compared to $1,279.1 million for the same three month period in 2021. The increase in revenues was primarily due to higher pricing of $102.9 million, acquisitions of $66.5 million, and higher organic volumes of $60.0 million, partially offset by unfavorable impact of foreign currencies of $68.6 million. The percentage of consolidated revenues derived from aftermarket parts and services was 35.3% in the three month period ended June 30, 2022 compared to 35.7% in the same three month period in 2021.

Revenues for the six month period ended June 30, 2022 were $2,776.9 million, an increase of $368.3 million, or 15.3%, compared to $2,408.6 million for the same six month period in 2021. The increase in revenues was primarily due to higher pricing of $169.3 million, higher organic volumes of $150.1 million, and acquisitions of $143.8 million, partially offset by unfavorable impact of foreign currencies of $94.9 million. The percentage of consolidated revenues derived from aftermarket parts and services was 35.7% in the six month period ended June 30, 2022 compared to 36.5% in the same six month period in 2021.

Gross Profit

Gross profit for the three month period ended June 30, 2022 was $569.8 million, an increase of $57.1 million, or 11.1%, compared to $512.7 million for the same three month period in 2021, and as a percentage of revenues was 39.6% for the three month period ended June 30, 2022 and 40.1% for the same three month period in 2021. The increase in gross profit is primarily due to higher pricing, higher organic volumes, and acquisitions discussed above. The decrease in gross profit as a percentage of revenues is primarily due to changes in segment mix.

Gross profit for the six month period ended June 30, 2022 was $1,095.9 million, an increase of $131.1 million, or 13.6%, compared to $964.8 million for the same six month period in 2021, and as a percentage of revenues was 39.5% for the six month period ended June 30, 2022 and 40.1% for the same six month period in 2021. The increase in gross profit is primarily due to higher pricing, higher organic volumes, and acquisitions discussed above. The decrease in gross profit as a percentage of revenues is primarily due to changes in segment mix.

Selling and Administrative Expenses

Selling and administrative expenses were $275.6 million for the three month period ended June 30, 2022, an increase of $8.4 million, or 3.1%, compared to $267.2 million for the same three month period in 2021. The increase in selling and administrative expenses was mainly from businesses acquired in the second half of 2021. Selling and administrative expenses as a percentage of revenues decreased to 19.1% for the three month period ended June 30, 2022 from 20.9% in the same three month period in 2021.

Selling and administrative expenses were $541.1 million for the six month period ended June 30, 2022, an increase of $21.6 million, or 4.2%, compared to $519.5 million for the same six month period in 2021. The increase in selling and administrative expenses was mainly from businesses acquired in the second half of 2021, partially offset by lower stock-based compensation expense. Selling and administrative expenses as a percentage of revenues decreased to 19.5% for the six month period ended June 30, 2022 from 21.6% in the same six month period in 2021.

Amortization of Intangible Assets

Amortization of intangible assets was $83.6 million for the three month period ended June 30, 2022, an increase of $3.3 million, compared to $80.3 million in the same three month period in 2021. The increase was primarily due to acquisitions completed in the second half of 2021.

Amortization of intangible assets was $169.8 million for the six month period ended June 30, 2022, an increase of $5.3 million, compared to $164.5 million in the same six month period in 2021. The increase was primarily due to acquisitions completed in the second half of 2021.

Other Operating Expense, Net

Other operating expense, net was $13.2 million for the three month period ended June 30, 2022, a decrease of $11.9 million, compared to $25.1 million in the same three month period in 2021. The decrease in expense was primarily due to lower acquisition and other transaction related expenses and non-cash charges of $9.9 million and lower foreign currency transaction gains, net of $5.2 million, partially offset by higher restructuring charges of $2.1 million.

Other operating expense, net was $30.6 million for the six month period ended June 30, 2022, an increase of $11.2 million, compared to $19.4 million in the same six month period in 2021. The increase was primarily due to higher restructuring charges of $12.2 million and lower foreign currency transaction gains, net of $9.1 million, partially offset by lower acquisition and other transaction related expenses and non-cash charges of $10.7 million.

Interest Expense

Interest expense was $23.2 million for the three month period ended June 30, 2022, an increase of $0.5 million, compared to $22.7 million in the same three month period in 2021. The increase was primarily due to an increase in the weighted-average interest rate, partially offset by the prepayment of the Dollar Term Loan Series A on September 30, 2021. The weighted average interest rate was approximately 2.4% for the three month period ended June 30, 2022 and 2.0% in the same three month period in 2021.

Interest expense was $42.2 million for the six month period ended June 30, 2022, a decrease of $3.6 million, compared to $45.8 million in the same six month period in 2021. The decrease was primarily due to the prepayment of the Dollar Term Loan Series A on September 30, 2021, partially offset by an increase in the weighted-average interest rate. The weighted average interest rate was approximately 2.2% for the six month period ended June 30, 2022 and 2.0% in the same period in 2021.

Other Income, Net

Other income, net was $7.4 million and $34.1 million in the three month periods ended June 30, 2022 and 2021, respectively. The decrease was primarily due to the gain on post close settlements in the 2021 period that did not recur in the 2022 period, partially offset by an increase in interest income from short term investments and bank deposits.

Other income, net was $12.0 million and $36.6 million in the six month periods ended June 30, 2022 and 2021, respectively. The decrease was primarily due to the gain on post close settlements in the 2021 period that did not recur in the 2022 period, partially offset by an increase in interest income from short term investments and bank deposits.

Provision for Income Taxes

The provision for income taxes was $41.9 million resulting in a 23.2% effective income tax provision rate for the three month period ended June 30, 2022, compared to a provision for income taxes of $12.5 million resulting in a 8.3% effective income tax provision rate in the same three month period in 2021. The increase in the tax provision for the three month period ended June 30, 2022 is primarily due to the benefit associated with the final settlement on the Merger, and a restructuring benefit recognized during the second quarter of 2021.

The provision for income taxes was $74.3 million resulting in a 23.0% effective income tax provision rate for the six month period ended June 30, 2022, compared to a provision for income taxes of $23.1 million resulting in a 9.2% effective income tax provision rate in the same six month period in 2021. The increase in the tax provision for the six month period ended June 30, 2022 is primarily due to an increase in the pretax book income in jurisdictions with higher effective tax rates combined with decreased earnings in jurisdictions with lower tax rates. In addition, in the six month period ended June 30, 2021, there was a reduction of a significant unrecognized tax reserve related to a non-recurring item as a result of the lapse of the limitation on statutes, a benefit associated with the final settlement on the Merger, and a restructuring benefit recognized during the second quarter of 2021.

Net Income

Net income was $139.3 million for the three month period ended June 30, 2022 compared to net income of $234.6 million in the same three month period in 2021. The decrease in net income was primarily due to lower income from discontinued operations, net of tax, higher provision for income taxes, and lower other income, net, partially offset by higher gross profit on increased revenues.

Net income was $243.8 million for the six month period ended June 30, 2022 compared to net income of $144.5 million in the same six month period in 2021. The increase in net income was primarily due to higher gross profit on increased revenues, lower loss from discontinued operations, net of tax, partially offset by higher provision for income taxes and lower other income, net.

Adjusted EBITDA

Adjusted EBITDA increased $42.8 million to $334.9 million for the three month period ended June 30, 2022 compared to $292.1 million in the same three month period in 2021. Adjusted EBITDA as a percentage of revenues increased 50 basis points to 23.3% for the three month period ended June 30, 2022 from 22.8% for the same three month period in 2021. The increase in Adjusted EBITDA was primarily due to higher pricing of $102.9 million and higher organic sales volume of $23.4 million, partially offset by unfavorable cost inflation and product mix of $64.6 million and the unfavorable impact of foreign currencies of $16.8 million. The increase in Adjusted EBITDA as a percentage of revenues is primarily attributable to higher pricing and volume, partially offset by unfavorable cost inflation and product mix.

Adjusted EBITDA increased $102.4 million to $638.5 million for the six month period ended June 30, 2022 compared to $536.1 million in the same six month period in 2021. Adjusted EBITDA as a percentage of revenues increased 70 basis points to 23.0% for the six month period ended June 30, 2022 from 22.3% for the same six month period in 2021. The increase in Adjusted

EBITDA was primarily due to higher pricing of $169.3 million and higher organic sales volume of $59.9 million, partially offset by unfavorable cost inflation and product mix of $117.3 million. The increase in Adjusted EBITDA as a percentage of revenues is primarily attributable to higher pricing and volume, partially offset by unfavorable cost inflation and product mix.

Adjusted Net Income

Adjusted Net Income increased $27.7 million to $222.5 million for the three month period ended June 30, 2022 compared to $194.8 million in the same three month period in 2021. The increase was primarily due to increased Adjusted EBITDA, partially offset by a higher income tax provision, as adjusted.

Adjusted Net Income increased $60.9 million to $423.7 million for the six month period ended June 30, 2022 compared to $362.8 million in the same six month period in 2021. The increase was primarily due to increased Adjusted EBITDA, partially offset by an increased income tax provision, as adjusted.

Non-GAAP Financial Measures

Set forth below are the reconciliations of Net Income to Adjusted EBITDA and Adjusted Net Income and Cash Flows from Operating Activities to Free Cash Flow.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2022	2021	2022	2021
Net Income	$ 139.3	$ 234.6	$ 243.8	$ 144.5
Less: Income from discontinued operations	2.0	258.5	0.2	80.7
Less: Income tax provision from discontinued operations	(0.5)	(162.2)	(0.1)	(164.6)
Income from Continuing Operations, Net of Tax	137.8	138.3	243.7	228.4
Plus:				
Interest expense	23.2	22.7	42.2	45.8
Provision for income taxes	41.9	12.5	74.3	23.1
Depreciation expense [(a)]	20.1	21.0	41.4	41.3
Amortization expense [(b)]	83.6	80.3	169.8	164.5
Restructuring and related business transformation costs [(c)]	9.5	6.7	23.7	9.4
Acquisition and other transaction related expenses and non-cash charges [(d)]	5.4	14.3	14.9	24.8
Stock-based compensation	22.4	21.5	42.2	43.1
Foreign currency transaction losses (gains), net	(1.8)	3.4	(5.6)	(14.7)
Loss on equity method investments	0.8	0.7	5.1	0.7
Loss on extinguishment of debt	1.1	—	1.1	—
Gain on settlement of post-acquisition contingencies [(e)]	—	(30.1)	—	(30.1)
Other adjustments [(f)]	(9.1)	0.8	(14.3)	(0.2)
Adjusted EBITDA	$ 334.9	$ 292.1	$ 638.5	$ 536.1
Minus:				
Interest expense	$ 23.2	$ 22.7	$ 42.2	$ 45.8
Income tax provision, as adjusted [(g)]	66.3	49.6	124.8	77.6
Depreciation expense	20.1	21.0	41.4	41.3
Amortization of non-acquisition related intangible assets	2.8	4.0	6.4	8.6
Adjusted Income from Continuing Operations, Net of Tax	$ 222.5	$ 194.8	$ 423.7	$ 362.8
Free Cash Flow from Continuing Operations:				
Cash flows from operating activities from continuing operations	$ 186.1	$ 147.3	$ 236.2	$ 234.8
Minus:				
Capital expenditures	21.4	11.6	39.3	25.9
Free Cash Flow from Continuing Operations	$ 164.7	$ 135.7	$ 196.9	$ 208.9

(a) Depreciation expense excludes $0.8 million and $1.0 million of depreciation of rental equipment for the three month periods ended June 30, 2022 and 2021, respectively, and excludes $1.8 million and $2.0 million for the six month periods ended June 30, 2022 and 2021, respectively.

(b) Represents $80.8 million and $76.3 million of amortization of intangible assets arising from the Merger and other acquisitions (customer relationships, technology, tradenames and backlog) and $2.8 million and $4.0 million of amortization of non-acquisition related intangible assets, in each case for the three month periods ended June 30, 2022 and 2021, respectively.

Represents $163.4 million and $155.9 million of amortization of intangible assets arising from the Merger and other acquisitions (customer relationships, technology, tradenames and backlog) and $6.4 million and $8.6 million of amortization of non-acquisition related intangible assets, in each case for the six month periods ended June 30, 2022 and 2021, respectively.

(c) Restructuring and related business transformation costs consisted of the following.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2022	2021	2022	2021
Restructuring charges	$ 8.9	$ 6.8	$ 21.4	$ 9.2
Facility reorganization, relocation and other costs	0.6	—	2.3	—
Other, net	—	(0.1)	—	0.2
Total restructuring and related business transformation costs	$ 9.5	$ 6.7	$ 23.7	$ 9.4

(d) Represents costs associated with successful and/or abandoned acquisitions and divestitures, including third-party expenses, post-closure integration costs, and non-cash charges and credits arising from fair value purchase accounting adjustments.

(e) Represents a gain on settlement of post-acquisition contingencies outside of the measurement period related to adjustments to the transaction price for retirement plan funding and net working capital.

(f) Includes (i) pension and other postemployment (“OPEB”) plan costs other than service cost, (ii) interest income from short term investments and bank deposits and (iii) other miscellaneous adjustments.

(g) Represents our income tax provision adjusted for the tax effect of pre-tax items excluded from Adjusted Net Income and the removal of the applicable discrete tax items. The tax effect of pre-tax items excluded from Adjusted Income is computed using the statutory tax rate related to the jurisdiction that was impacted by the adjustment after taking into account the impact of permanent differences and valuation allowances. Discrete tax items include changes in tax laws or rates, changes in uncertain tax positions relating to prior years and changes in valuation allowances. The adjusted amounts are then used to calculate an adjusted provision for the quarter.

The income tax provision, as adjusted for each of the periods presented below consisted of the following.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2022	2021	2022	2021
Provision for income taxes	$ 41.9	$ 12.5	$ 74.3	$ 23.1
Tax impact of pre-tax income adjustments	22.6	36.4	47.4	44.6
Discrete tax items	1.8	0.7	3.1	9.9
Income tax provision, as adjusted	$ 66.3	$ 49.6	$ 124.8	$ 77.6

Segment Results

We classify our business into two segments: Industrial Technologies and Services and Precision and Science Technologies. Our Corporate operations are not discussed separately as any results that had a significant impact on operating results are included in the “Results of Operations” discussion above.

We evaluate the performance of our segments based on Segment Revenues and Segment Adjusted EBITDA. Segment Adjusted EBITDA is indicative of operational performance and ongoing profitability. Our management closely monitors Segment Adjusted EBITDA to evaluate past performance and identify actions required to improve profitability.

The segment measurements provided to and evaluated by the chief operating decision maker are described in Note 17 “Segment Results” to our unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q.

Segment Results for the Three and Six Month Periods Ended June 30, 2022 and 2021

The following tables display Segment Revenues, Segment Adjusted EBITDA and Segment Adjusted EBITDA Margin (Segment Adjusted EBITDA as a percentage of Segment Revenues) for each of our Segments.

Industrial Technologies and Services Segment Results

	For the Three Month Period Ended June 30,		Percent Change
	2022	2021	2022 vs. 2021
Segment Revenues	$ 1,150.5	$ 1,047.5	9.8 %
Segment Adjusted EBITDA	$ 292.0	$ 258.6	12.9 %
Segment Margin	25.4 %	24.7 %	70 bps

Segment Revenues for the three month period ended June 30, 2022 were $1,150.5 million, an increase of $103.0 million, or 9.8%, compared to $1,047.5 million in the same three month period in 2021. The increase in Segment Revenues was due to higher pricing of $87.4 million or 8.3%, higher organic volumes of $61.9 million or 5.9%, and acquisitions of $7.0 million or 0.7%, partially offset by unfavorable impact of foreign currencies of $53.3 million or 5.1%. The percentage of Segment Revenues derived from aftermarket parts and service was 39.3% in the three month period ended June 30, 2022 compared to 40.5% in the same three month period in 2021.

Segment Adjusted EBITDA for the three month period ended June 30, 2022 was $292.0 million, an increase of $33.4 million, or 12.9%, from $258.6 million in the same three month period in 2021. Segment Adjusted EBITDA Margin increased 70 basis points to 25.4% from 24.7% in 2021. The increase in Segment Adjusted EBITDA was primarily due to higher pricing of $87.4 million or 33.8%, higher organic sales volume of $24.3 million or 9.4%, and acquisitions of $1.4 million or 0.5%, partially offset by unfavorable cost inflation and product mix of $54.4 million or 21.0%, unfavorable impact of foreign currencies of $13.4 million or 5.2%, and higher selling and administrative costs of $10.8 million or 4.2%.

	For the Six Month Period Ended June 30,		Percent Change
	2022	2021	2022 vs. 2021
Segment Revenues	$ 2,190.1	$ 1,961.3	11.7 %
Segment Adjusted EBITDA	$ 539.4	$ 470.1	14.7 %
Segment Margin	24.6 %	24.0 %	60 bps

Segment Revenues for the six month period ended June 30, 2022 were $2,190.1 million, an increase of $228.8 million, or 11.7%, compared to $1,961.3 million in the same six month period in 2021. The increase in Segment Revenues was due to higher pricing of $143.8 million or 7.3%, higher organic volumes of $137.2 million or 7.0%, and acquisitions of $20.3 million or 1.0%, partially offset by unfavorable impact of foreign currencies of $72.5 million or 3.7%. The percentage of Segment Revenues derived from aftermarket parts and service was 40.1% in the six month period ended June 30, 2022 compared to 41.2% in the same six month period in 2021.

Segment Adjusted EBITDA for the six month period ended June 30, 2022 was $539.4 million, an increase of $69.3 million, or 14.7%, from $470.1 million in the same six month period in 2021. Segment Adjusted EBITDA Margin increased 60 basis points to 24.6% from 24.0% in 2021. The increase in Segment Adjusted EBITDA was primarily due to higher pricing of $143.8 million or 30.6%, higher organic sales volume of $54.0 million or 11.5%, and acquisitions of $4.2 million or 0.9%, partially offset by unfavorable cost inflation and product mix of $96.4 million or 20.5%, unfavorable impact of foreign currencies of $17.9 million or 3.8%, and higher selling and administrative costs of $16.9 million or 3.6%.

Precision and Science Technologies Segment Results

	For the Three Month Period Ended June 30,		Percent Change
	2022	2021	2022 vs. 2021
Segment Revenues	$ 289.4	$ 231.6	25.0 %
Segment Adjusted EBITDA	$ 77.7	$ 71.1	9.3 %
Segment Margin	26.8 %	30.7 %	(390) bps

Segment Revenues for the three month period ended June 30, 2022 were $289.4 million, an increase of $57.8 million, or 25.0%, compared to $231.6 million in the same three month period in 2021. The increase in Segment Revenues was primarily due to acquisitions of $59.5 million or 25.7% and higher pricing of $15.5 million or 6.7%, partially offset by unfavorable impact of foreign currencies of $15.3 million or 6.6% and lower organic volume of $1.9 million or 0.8%. The percentage of Segment Revenues derived from aftermarket parts and service was 19.1% in the three month period ended June 30, 2022 compared to 14.3% in the same three month period in 2021.

Segment Adjusted EBITDA for the three month period ended June 30, 2022 was $77.7 million, an increase of $6.6 million, or 9.3%, from $71.1 million in the same three month period in 2021. Segment Adjusted EBITDA Margin decreased 390 basis points to 26.8% from 30.7% in 2021. The increase in Segment Adjusted EBITDA was primarily due to higher pricing of $15.5 million or 21.8%, acquisitions of $11.3 million or 15.9%, partially offset by unfavorable cost inflation and product mix of $10.2 million or 14.3%, unfavorable impact of foreign currencies of $4.5 million or 6.3% and higher selling and administrative costs of $3.6 million or 5.1% and lower organic sales volume of $0.9 million or 1.3%.

	For the Six Month Period Ended June 30,		Percent Change
	2022	2021	2022 vs. 2021
Segment Revenues	$ 586.8	$ 447.3	31.2 %
Segment Adjusted EBITDA	$ 162.8	$ 138.3	17.7 %
Segment Margin	27.7 %	30.9 %	(320) bps

Segment Revenues for the six month period ended June 30, 2022 were $586.8 million, an increase of $139.5 million, or 31.2%, compared to $447.3 million in the same six month period in 2021. The increase in Segment Revenues was due to acquisitions of $123.5 million or 27.6%, higher pricing of $25.5 million or 5.7%, and higher organic volumes of $12.9 million or 2.9%, partially offset by unfavorable impact of foreign currencies of $22.4 million or 5.0%. The percentage of Segment Revenues derived from aftermarket parts and service was 19.4% in the six month period ended June 30, 2022 compared to 15.7% in the same six month period in 2021.

Segment Adjusted EBITDA for the six month period ended June 30, 2022 was $162.8 million, an increase of $24.5 million, or 17.7%, from $138.3 million in the same six month period in 2021. Segment Adjusted EBITDA Margin decreased 320 basis points to 27.7% from 30.9% in 2021. The increase in Segment Adjusted EBITDA was primarily due to acquisitions of $26.7 million or 19.3%, higher pricing of $25.5 million or 18.4%, and higher organic sales volume of $5.9 million or 4.3%, partially offset by unfavorable cost inflation and product mix of $20.4 million or 14.8%, unfavorable impact of foreign currencies of $6.6 million or 4.8%, and higher selling and administrative costs of $5.0 million or 3.6%.

Orders

Industrial Technologies and Services Segment

The mission-critical nature of our Industrial Technologies and Services segment products across manufacturing processes drives a demand environment and outlook that are correlated with global and regional industrial production, capacity utilization and long-term GDP growth. In the second quarter of 2022, we had $1,280.6 million of orders in our Industrial Technologies and Services segment, an increase of 6.4% over the second quarter of 2021.

Precision and Science Technologies Segment

In 2021 and into early 2022, the Precision and Science Technologies segment has seen increased demand for certain of our products used in processes or systems to mitigate the impact of COVID-19, particularly related to life science and specialty applications. In the second quarter of 2022, we have seen a modest reduction in COVID-19 related demand for these products although it remains above pre-pandemic levels. In the second quarter of 2022, we had $318.2 million of orders in our Precision and Science Technologies segment, an increase of 24.7% over the second quarter of 2021. The increase was due to acquisitions of 28.8% and higher organic orders of 2.3%, partially offset by the unfavorable impact of foreign currencies of 6.4%.

Results of Discontinued Operations

Results of Discontinued Operations - SVT

The components of Income from Discontinued Operations attributable to SVT are summarized below:

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2022	2021	2022	2021
Revenues	$ 2.6	$ 184.0	$ 6.6	$ 424.3
Cost of sales	2.6	137.9	6.5	314.9
Gross profit	—	46.1	0.1	109.4
Selling and administrative expenses	—	16.9	0.1	35.3
Amortization of intangible assets	—	0.9	—	10.4
Gain on sale	—	(256.7)	—	(256.7)
Other operating expense, net	(1.9)	9.2	(1.7)	16.2
Income before income taxes	1.9	275.8	1.7	304.2
Provision for income taxes	0.4	162.8	0.4	169.7
Income from Discontinued Operations	$ 1.5	$ 113.0	$ 1.3	$ 134.5

The change in income from discontinued operations for the three and six month periods ended June 30, 2022 compared to the same three and six month periods in 2021 is primarily due to the substantial completion of the sale of SVT on June 1, 2021. The remaining activities predominantly relate to SVT operations in one non-U.S. subsidiary. The sale of these SVT assets was subject to delayed closing terms due to local regulatory and administrative requirements. This sale is expected to be completed in the third quarter of 2022.

Results of Discontinued Operations - HPS

The components of Loss from Discontinued Operations attributable to HPS are summarized below:

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2022	2021	2022	2021
Revenues	$ —	$ 3.0	$ —	$ 65.4
Cost of sales	—	3.9	—	54.4
Gross profit	—	(0.9)	—	11.0
Selling and administrative expenses	—	0.6	—	4.9
Amortization of intangible assets	—	—	—	2.4
Loss on disposal group	—	8.4	—	211.7
Other operating expense, net	(0.1)	7.4	1.5	15.5
Income (loss) before income taxes	0.1	(17.3)	(1.5)	(223.5)
Provision (benefit) for income taxes	0.1	(0.6)	(0.3)	(5.1)
Loss from Discontinued Operations	$ —	$ (16.7)	$ (1.2)	$ (218.4)

The change in results from discontinued operations for the three and six month periods ended June 30, 2022 compared to the same three and six month periods in 2021 is primarily due to the substantial completion of the sale of HPS on April 1, 2021. The remaining activities mainly represent expenses incurred to finalize separation and fulfill transition services.

Liquidity and Capital Resources

Our investment resources include cash on hand, cash generated from operations and borrowings under our Revolving Credit Facility. We also have the ability to seek additional secured and unsecured borrowings, subject to Credit Agreement restrictions.

As of June 30, 2022, we had $1,100.0 million of unused availability under the Revolving Credit Facility.

See the description of these line-of-credit resources in Note 11 "Debt" to the consolidated financial statements in our annual report on Form 10-K for the fiscal year ended December 31, 2021 and Note 9 "Debt" to our unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q.

As of June 30, 2022, we were in compliance with all of our debt covenants and no event of default had occurred or was ongoing.

Liquidity

A substantial portion of our liquidity needs arise from debt service requirements, and from the ongoing cost of operations, working capital and capital expenditures.

	June 30, 2022	December 31, 2021
Cash and cash equivalents	$ 1,309.2	$ 2,109.6
Short-term borrowings and current maturities of long-term debt	$ 31.6	$ 38.8
Long-term debt	2,725.7	3,401.8
Total debt	$ 2,757.3	$ 3,440.6

We can increase the borrowing availability under the Senior Secured Credit Facilities by up to $1,600.0 million in the form of additional commitments under the Revolving Credit Facility and/or incremental term loans plus an additional amount so long as we do not exceed a specified senior secured leverage ratio. We can incur additional secured indebtedness under the term loan facilities if certain specified conditions are met under the credit agreement governing the Senior Secured Credit Facilities. Our liquidity requirements are significant primarily due to debt service requirements. See Note 11 "Debt" to the consolidated financial statements in our annual report on Form 10-K for the fiscal year ended December 31, 2021 and Note 9 "Debt" to our unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q for further details.

Our principal sources of liquidity have been existing cash and cash equivalents, cash generated from operations and borrowings under the Senior Secured Credit Facilities. Our principal uses of cash will be to provide working capital, meet debt service requirements, fund capital expenditures, dividend payments, and finance strategic plans, including possible acquisitions. We may also seek to finance capital expenditures under capital leases or other debt arrangements that provide liquidity or favorable borrowing terms. We continue to consider acquisition opportunities, but the size and timing of any future acquisitions and the related potential capital requirements cannot be predicted. In the event that suitable businesses are available for acquisition upon acceptable terms, we may obtain all or a portion of the necessary financing through the incurrence of additional long-term borrowings. As market conditions warrant, we may from time to time, seek to repay loans that we have borrowed, including the borrowings under the Senior Secured Credit Facilities. Based on our current level of operations and available cash, we believe our cash flow from operations, together with availability under the Revolving Credit Facility, will provide sufficient liquidity to fund our current obligations, projected working capital requirements, debt service requirements and capital spending requirements for the foreseeable future. Our business may not generate sufficient cash flows from operations or future borrowings may not be available to us under our Revolving Credit Facility in an amount sufficient to enable us to pay our indebtedness, or to fund our other liquidity needs. Our ability to do so depends on, among other factors, prevailing economic conditions, many of which are beyond our control. In addition, upon the occurrence of certain events, such as a change in control, we could be required to repay or refinance our indebtedness. We may not be able to refinance any of our indebtedness, including the Senior Secured Credit Facilities, on commercially reasonable terms or at all. Any future acquisitions, joint ventures, or other similar transactions may require additional capital and there can be no assurance that any such capital will be available to us on acceptable terms or at all.

We may from time to time repurchase shares of our common stock in the open market at prevailing market prices (including through Rule 10b5-1 plans), in privately negotiated transactions, a combination thereof or through other transactions. The actual timing, number, manner and value of any shares repurchased will depend on several factors, including the market price of our stock, general market and economic conditions, our liquidity requirements, applicable legal requirement and other business considerations.

A substantial portion of our cash is in jurisdictions outside the United States. We do not assert ASC 740-30 (formerly APB 23) indefinite reinvestment of our historical non-U.S. earnings or future non-U.S. earnings. The Company records a deferred foreign tax liability to cover all estimated withholding, state income tax and foreign income tax associated with repatriating all non-U.S. earnings back to the United States. Our deferred income tax liability as of June 30, 2022 was $63.7 million which primarily consisted of withholding taxes.

Working Capital

	June 30, 2022	December 31, 2021
Net Working Capital:		
Current assets of continuing operations:		
Current assets	$ 3,554.9	$ 4,114.9
Less: Assets of discontinued operations	9.1	15.6
Current assets of continuing operations	3,545.8	4,099.3
Current liabilities of continuing operations:		
Current liabilities	1,464.8	1,467.7
Less: Liabilities of discontinued operations	8.6	17.1
Current liabilities of continuing operations	1,456.2	1,450.6
Net working capital of continuing operations	$ 2,089.6	$ 2,648.7
Operating Working Capital:		
Accounts receivable	$ 1,018.5	$ 948.6
Plus: Inventories (excluding LIFO reserve)	1,037.9	878.6
Plus: Contract assets	62.1	60.8
Less: Accounts payable	700.9	670.5
Less: Contract liabilities (current)	270.0	242.1
Operating working capital	$ 1,147.6	$ 975.4

Net working capital of continuing operations decreased $559.1 million to $2,089.6 million as of June 30, 2022 from $2,648.7 million as of December 31, 2021. Operating working capital increased $172.2 million to $1,147.6 million as of June 30, 2022 from $975.4 million as of December 31, 2021. The increase in operating working capital is primarily due to higher inventories, accounts receivable and contract assets, partially offset by higher accounts payable and contract liabilities.

The increase in accounts receivable was primarily due to seasonal changes in collection timing. The increase in contract assets was primarily due to the timing of revenue recognition and billing on our overtime contracts. The increase in inventories was primarily due to additions to inventory in anticipation of increased demand for certain products. The increase in accounts payable was primarily due to the timing of vendor cash disbursements. The increase in contract liabilities was primarily due to the timing of customer milestone payments for in-process engineered to order contracts.

Cash Flows

The following table reflects the major categories of cash flows for the six month periods ended June 30, 2022 and 2021, respectively.

	For the Six Month Period Ended June 30, 2022	2021
Cash flows provided by (used in) continuing operations:		
Cash flows provided by operating activities	$ 236.2	$ 234.8
Cash flows used in investing activities	(65.5)	(232.2)
Cash flows used in financing activities	(914.8)	(10.1)
Net cash provided by (used in) discontinued operations	(5.1)	1,933.3
Free cash flow[1]	196.9	208.9

(1) See the “Non-GAAP Financial Measures” section included in this Quarterly Report for a reconciliation to the nearest GAAP measure.

Operating Activities

Cash provided by operating activities increased $1.4 million to $236.2 million for the six month period ended June 30, 2022 from $234.8 million in the same six month period in 2021. This slight increase is primarily attributable to higher income from continuing operations, mostly offset by cash outflows for operating working capital to support the orders increase.

Investing Activities

Cash used in investing activities included capital expenditures of $39.3 million and $25.9 million for the six month periods ended June 30, 2022 and 2021, respectively. Net cash paid in a business combination was $30.3 million and $215.8 million in the six month periods ended June 30, 2022 and 2021, respectively.

Financing Activities

Cash used in financing activities of $914.8 million for the six month period ended June 30, 2022 primarily reflected repayments of long term debt of $639.5 million, purchases of treasury stock of $253.7 million, cash dividends on common stock of $16.2 million, and payments of interest rate cap premiums of $9.7 million, partially offset by proceeds from stock option exercises of $8.4 million.

Cash used in financing activities of $10.1 million for the six month period ended June 30, 2021 primarily reflected repayments of long-term debt of $19.7 million and purchases of treasury stock of $3.2 million, partially offset by proceeds from stock option exercises of $12.8 million.

Discontinued Operations

Cash provided by (used in) discontinued operations decreased $1,938.4 million to $(5.1) million for the six month period ended June 30, 2022 from $1,933.3 million in the same six month period in 2021, primarily due to the sales being substantially completed in the second quarter of 2021. Cash used in discontinued operations for the six month period ended June 30, 2022 related primarily to separation related expenses.

Free Cash Flow

Free cash flow decreased $12.0 million to $196.9 million in the six month period ended June 30, 2022 from $208.9 million in the same six month period in 2021 due to higher capital expenditures, partially offset by increased cash provided by operating activities.

Critical Accounting Estimates

Management has evaluated the accounting estimates used in the preparation of the Company's condensed consolidated financial statements and related notes and believe those estimates to be reasonable and appropriate. Certain of these accounting estimates require the application of significant judgment by management in selecting appropriate assumptions for calculating financial estimates. By their nature, these judgments are subject to an inherent degree of uncertainty. These judgments are based on historical experience, trends in the industry, information provided by customers and information available from other outside sources, as appropriate. The most significant areas involving management judgments and estimates may be found in the section "Critical Accounting Estimates" of "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and in Note 1 "Summary of Significant Accounting Policies" of "Item 8. Financial Statements and Supplementary Data" included in our annual report on Form 10-K for the fiscal year ended December 31, 2021.

Environmental Matters

Information with respect to the effect of compliance with environmental protection requirements and resolution of environmental claims on us and our manufacturing operations is contained in Note 16 "Contingencies" to the condensed consolidated financial statements included elsewhere in this Form 10-Q. We believe that as of June 30, 2022, there have been no material changes to the environmental matters disclosed in our annual report on Form 10-K for the fiscal year ended December 31, 2021.

Recent Accounting Pronouncements

The information set forth in Note 1 "Basis of Presentation and Recent Accounting Pronouncements" to our condensed consolidated financial statements under Part 1, Item 1 "Financial Statements" under the heading "Recently Issued Accounting Pronouncements" is incorporated herein by reference.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to interest rate risk as a result of our variable-rate borrowings. We manage our exposure to interest rate risk by using interest rate swap and cap contracts, from time to time, as cash flow hedges of our variable rate debt in order to adjust the relative fixed and variable portions.

In addition, we are exposed to foreign currency risks that arise from our global business operations. Changes in foreign currency exchange rates affect the translation of local currency balances of foreign subsidiaries, transaction gains and losses associated with intercompany loans with foreign subsidiaries and transactions denominated in currencies other than a subsidiary's functional currency. While future changes in foreign currency exchange rates are difficult to predict, our revenues and earnings may be adversely affected if the U.S. dollar further strengthens.

We seek to minimize our exposure to foreign currency risks through a combination of normal operating activities, including by conducting our international business operations primarily in their functional currencies to match expenses with revenues and the use of cross currency interest rate swap contracts, foreign currency forward exchange contracts and debt denominated in currencies other than the U.S. dollar. In addition, to mitigate the risk arising from entering into transactions in currencies other than our functional currencies, we typically settle intercompany trading balances at least quarterly.

As of June 30, 2022, there have been no material changes to our market risk assessment previously disclosed in the annual report on Form 10-K for the fiscal year ended December 31, 2021.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company maintains a set of disclosure controls and procedures as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission ("SEC") rules and forms, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. The design of any disclosure controls and procedures is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives. In accordance with Rule 13a-15(b) of the Exchange Act, as of the end of the period covered by this Quarterly Report on Form 10-Q, an evaluation was carried out under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of its disclosure controls and procedures. Based on their evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures, as of the end of the period covered by this Quarterly Report on Form 10-Q, were effective to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Internal Control over Financial Reporting

There have not been any changes in our internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The information set forth in Note 16 "Contingencies" to our Condensed Consolidated Financial Statements under Part I Item 1 "Financial Statements," is incorporated herein by reference.

ITEM 1A. RISK FACTORS

Except as set forth below, as of June 30, 2022, there have been no material changes to our risk factors included in our annual report on Form 10-K for the year ended December 31, 2021 (the "Annual Report").

In light of escalating geopolitical tensions occurring subsequent to the filing of our Annual Report, we are supplementing the risk factors discussed in our Annual Report by expanding the following risk factor to emphasize our material cash balances in China. The update to the risk factor below should be read in conjunction with the other risk factors contained in our Annual Report.

More than half of our sales and operations are in non-U.S. jurisdictions and we are subject to the economic, political, regulatory and other risks of international operations.

For the year ended December 31, 2021, approximately 61% of our revenues were from customers in countries outside of the United States. We have manufacturing facilities in Germany, the United Kingdom, China, Italy, India and other countries. We intend to continue to expand our international operations to the extent that suitable opportunities become available. Non-U.S. operations and United States export sales could be adversely affected as a result of: political or economic instability in certain countries; differences in foreign laws, including increased difficulties in protecting intellectual property and uncertainty in enforcement of contract rights; credit risks; currency fluctuations, in particular, changes in currency exchange rates between the U.S. dollar, Euro, British Pound and the Chinese Renminbi; exchange controls; changes in and uncertainties with respect to tariffs and import/export trade restrictions (including changes in United States trade policy toward other countries, such as the imposition of tariffs and the resulting consequences), as well as other changes in political policy in the United States, China, the U.K. and certain European countries (including the impacts of the U.K.'s national referendum resulting in the U.K.'s withdrawal from the European Union); royalty and tax increases; nationalization of private enterprises, especially in China where we hold material cash balances; civil unrest and protests, strikes, acts of terrorism, war or other armed conflict; shipping products during times of crisis or war; and other factors inherent in foreign operations.

In addition, our expansion into new countries may require significant resources and the efforts and attention of our management and other personnel, which will divert resources from our existing business operations. As we expand our business globally, our success will depend, in large part, on our ability to anticipate and effectively manage these risks associated with our international operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Company Purchases

The following table contains detail related to the repurchase of our common stock based on the date of trade during the three month period ended June 30, 2022.

2022 Second Quarter Months	Total Number of Shares Purchased(1)	Average Price Paid Per Share(2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(3)	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs(3)
April 1, 2022 - April 30, 2022	572,019	$ 47.00	569,322	$ 625,497,985
May 1, 2022 - May 31, 2022	2,897,576	$ 43.34	2,897,231	$ 500,000,236
June 1, 2022 - June 30, 2022	2,045	$ 49.33	—	$ 500,000,236

(1) Includes shares of common stock surrendered to us to satisfy tax withholding obligations in connection with the vesting of certain restricted stock units, comprised of 2,697 shares in the period from April 1, 2022 to April 30, 2022, 345 shares in the period from May 1, 2022 to May 31, 2022, and 2,045 shares in the period from June 1, 2022 to June 30, 2022.

(2) The average price paid per share includes brokerage commissions.

(3) On August 24, 2021, our Board of Directors approved a share repurchase program which authorized the repurchase of up to $750.0 million of the Company's outstanding common stock.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

The following is a list of all exhibits filed or furnished as part of this report.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosures other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual statement of affairs as of the date they were made or at any other time.

Exhibit No.	Description
2.1	Agreement and Plan of Merger, dated as of April 30, 2019, by and among Ingersoll-Rand plc, Gardner Denver Holdings, Inc., Ingersoll-Rand U.S. HoldCo, Inc. and Charm Merger Sub Inc. (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K filed by Ingersoll-Rand plc on May 6, 2019).
2.2	Separation and Distribution Agreement, dated as of April 30, 2019, by and between Ingersoll-Rand plc and Ingersoll-Rand U.S. HoldCo, Inc. (incorporated by reference to Exhibit 2.2 to the Current Report on Form 8-K filed by Ingersoll-Rand plc on May 6, 2019).
2.3	Securities Purchase Agreement, dated as of April 9, 2021, by and among Ingersoll Rand Inc., Club Car, LLC and MajorDrive Holdings IV, LLC (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K filed by the Company on April 12, 2021).
31.1	Certification of Periodic Report by Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Periodic Report by Chief Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Scheme Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (Embedded within the Inline XBRL document and included in Exhibit 101).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: August 5, 2022

INGERSOLL RAND INC.

By: /s/ Michael J. Scheske

Name: Michael J. Scheske

Vice President and Corporate Controller
(Principal Accounting Officer)

Exhibit 31.1

CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Vicente Reynal, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarterly period ended June 30, 2022 of Ingersoll Rand Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 5, 2022

/s/ Vicente Reynal

Vicente Reynal
Chief Executive Officer and Director
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Vikram U. Kini, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarterly period ended June 30, 2022 of Ingersoll Rand Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 5, 2022

/s/ Vikram U. Kini

Vikram U. Kini
Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Ingersoll Rand Inc. (the “Company”) on Form 10-Q for the quarterly period ended June 30, 2022 filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Vicente Reynal, Chief Executive Officer and Director of the Company, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: August 5, 2022

/s/ Vicente Reynal

Vicente Reynal
Chief Executive Officer and Director
(Principal Executive Officer)

Exhibit 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Ingersoll Rand Inc. (the “Company”) on Form 10-Q for the quarterly period ended June 30, 2022 filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Vikram U. Kini, Vice President and Chief Financial Officer of the Company, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: August 5, 2022

/s/ Vikram U. Kini

Vikram U. Kini
Vice President and Chief Financial Officer
(Principal Financial Officer)