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FY25 Guidance Details

Sales Growth vs. Prior Year	As Reported	Organic ¹
Diversified Industrial Segment		
North America Businesses	(6%) – (3%)	(1.5%) - 1.5%
International Businesses	2% - 5%	0% - 3%
Aerospace Systems Segment	9% - 12%	8.5% - 11.5%
Parker	0.5% - 3.5%	1.5% - 4.5%

Segment Operating Margins	As Reported	Adjusted ¹
Diversified Industrial Segment		
North America Businesses	~23.1%	~25.3%
International Businesses	~21.8%	~23.9%
Aerospace Systems Segment	~22.7%	~27.9%
Parker	~22.6%	~25.7%

Earnings Per Share	As Reported	Adjusted ¹
Midpoint	\$23.13	\$26.70
Range	\$22.78 - \$23.48	\$26.35 - \$27.05

1. Includes certain non-GAAP adjustments and financial measures.

Additional Items	As Reported
Corporate G&A	~\$215M
Interest Expense	~\$415M
Other (Income) Expense	~\$70M
Reported Tax Rate	~22.5%
Diluted Shares Outstanding	~130.7M

Detail of Pre-Tax Adjustments to:	Segment Margins	Below Segment
Acquired Intangible Asset Amortization	~\$550M	—
Business Realignment Charges	~\$50M	~\$0.6M
Integration Costs to Achieve	~\$15M	—
Gain on Sale of Building	—	(~\$10.5M)

Reflects Expected Divestiture Activity in the Diversified Industrial Segment, North America Businesses



Reconciliation of Organic Growth

(Dollars in thousands)
(Unaudited)

Net Sales	Quarter-to-Date				
	As Reported		Adjusted		As Reported
	September 30, 2024	Currency	Divestitures	September 30, 2024	September 30, 2023
Diversified Industrial	\$ 3,456,158	\$ 9,457	\$ 7,352	\$ 3,472,967	\$ 3,618,528
Aerospace Systems	1,447,826	(6,954)	-	1,440,872	1,228,960
Total Parker Hannifin	\$ 4,903,984	\$ 2,503	\$ 7,352	\$ 4,913,839	\$ 4,847,488
	As reported	Currency	Divestitures	Organic	
Diversified Industrial	(4.5)%	(0.3)%	(0.2)%	(4.0)%	
Aerospace Systems	17.8 %	0.6 %	0.0 %	17.2 %	
Total Parker Hannifin	1.2 %	0.0 %	(0.2)%	1.4 %	

Supplemental Information:

Net Sales	As Reported			Adjusted		As Reported
	September 30, 2024	Currency	Divestitures	September 30, 2024	September 30, 2023	
Diversified Industrial:						
North America businesses	\$ 2,100,324	\$ 10,376	\$ 7,352	\$ 2,118,052	\$ 2,229,906	
<u>International businesses</u>						
Europe	737,158	(14,325)	-	722,833	784,198	
Asia Pacific	542,016	(433)	-	541,583	524,954	
Latin America	76,660	13,839	-	90,499	79,470	
International businesses	\$ 1,355,834	\$ (919)	\$ -	\$ 1,354,915	\$ 1,388,622	
	As reported	Currency	Divestitures	Organic		
Diversified Industrial:						
North America businesses	(5.8)%	(0.5)%	(0.3)%	(5.0)%		
<u>International businesses</u>						
Europe	(6.0)%	1.8 %	0.0 %	(7.8)%		
Asia Pacific	3.3 %	0.1 %	0.0 %	3.2 %		
Latin America	(3.5)%	(17.4)%	0.0 %	13.9 %		
International businesses	(2.4)%	(0.0)%	0.0 %	(2.4)%		



Adjusted Amounts Reconciliation Consolidated Statement of Income

(Dollars in thousands, except per share data)
(Unaudited)

	Quarter-to-Date FY 2025							
	As Reported		Acquired	Business	Meggitt	Gain on	Adjusted	
	September 30, 2024	% of Sales	Intangible Asset Amortization	Realignment Charges	Costs to Achieve	Sale of Building	September 30, 2024	% of Sales
Net sales	\$ 4,903,984	100.0 %	\$ -	\$ -	\$ -	\$ -	\$ 4,903,984	100.0 %
Cost of sales	3,097,719	63.2 %	23,199	5,440	108	-	3,068,972	62.6 %
Selling, general and admin. expenses	848,789	17.3 %	116,922	3,468	6,303	-	722,096	14.7 %
Interest expense	113,091	2.3 %	-	-	-	-	113,091	2.3 %
Other (income) expense, net	(30,801)	(0.6)%	-	598	-	(10,461)	(20,938)	(0.4)%
Income before income taxes	875,186	17.8 %	(140,121)	(9,506)	(6,411)	10,461	1,020,763	20.8 %
Income taxes	176,658	3.6 %	32,928	2,234	1,507	(2,458)	210,869	4.3 %
Net income	698,528	14.2 %	(107,193)	(7,272)	(4,904)	8,003	809,894	16.5 %
Less: Noncontrolling interests	108	0.0 %	-	-	-	-	108	0.0 %
Net income - common shareholders	\$ 698,420	14.2 %	\$ (107,193)	\$ (7,272)	\$ (4,904)	\$ 8,003	\$ 809,786	16.5 %
Diluted earnings per share	\$ 5.34		\$ (0.82)	\$ (0.06)	\$ (0.04)	\$ 0.06	\$ 6.20	

	Quarter-to-Date FY 2024							
	As Reported		Acquired	Business	Meggitt	Gain on	Adjusted	
	September 30, 2023	% of Sales	Intangible Asset Amortization	Realignment Charges	Costs to Achieve	Divestiture	September 30, 2023	% of Sales
Net sales	\$ 4,847,488	100.0 %	\$ -	\$ -	\$ -	\$ -	\$ 4,847,488	100.0 %
Cost of sales	3,097,349	63.9 %	27,199	6,984	1,274	-	3,061,892	63.2 %
Selling, general and admin. Expenses	873,691	18.0 %	128,321	6,108	5,132	-	734,130	15.1 %
Interest expense	134,468	2.8 %	-	-	-	-	134,468	2.8 %
Other (income) expense, net	(78,455)	(1.6)%	-	-	-	(13,260)	(65,195)	(1.3)%
Income before income taxes	820,435	16.9 %	(155,520)	(13,092)	(6,406)	13,260	982,193	20.3 %
Income taxes	169,363	3.5 %	37,169	3,129	1,531	(5,681)	205,511	4.2 %
Net income	651,072	13.4 %	(118,351)	(9,963)	(4,875)	7,579	776,682	16.0 %
Less: Noncontrolling interests	245	0.0 %	-	-	-	-	245	0.0 %
Net income - common shareholders	\$ 650,827	13.4 %	\$ (118,351)	\$ (9,963)	\$ (4,875)	\$ 7,579	\$ 776,437	16.0 %
Diluted earnings per share	\$ 4.99		\$ (0.91)	\$ (0.08)	\$ (0.04)	\$ 0.06	\$ 5.96	



Adjusted Amounts Reconciliation Segment Operating Income

(Dollars in thousands)
(Unaudited)

	Quarter-to-Date FY 2025							
	As Reported		Acquired	Business	Meggitt	Gain on	Adjusted	
	September 30, 2024	% of Sales	Intangible Asset Amortization	Realignment Charges	Costs to Achieve	Sale of Building	September 30, 2024	% of Sales ²
Diversified Industrial ¹	\$ 783,546	22.7%	\$ 65,264	\$ 8,900	\$ 778	\$ -	\$ 858,488	24.8%
Aerospace Systems ¹	322,986	22.3%	74,857	8	5,633	-	403,484	27.9%
Total segment operating income	1,106,532	22.6%	(140,121)	(8,908)	(6,411)	-	1,261,972	25.7%
Corporate administration	48,794	1.0%	-	-	-	-	48,794	1.0%
Income before interest and other	1,057,738	21.6%	(140,121)	(8,908)	(6,411)	-	1,213,178	24.7%
Interest expense	113,091	2.3%	-	-	-	-	113,091	2.3%
Other (income) expense	69,461	1.4%	-	598	-	(10,461)	79,324	1.6%
Income before income taxes	\$ 875,186	17.8%	\$ (140,121)	\$ (9,506)	\$ (6,411)	\$ 10,461	\$ 1,020,763	20.8%

Supplemental Information:

Diversified Industrial:

North America businesses ¹	\$ 484,563	23.1%	\$ 42,975	\$ 3,444	\$ 605	\$ -	\$ 531,587	25.3%
International businesses ¹	298,983	22.1%	22,289	5,456	173	-	326,901	24.1%

	Quarter-to-Date FY 2024							
	As Reported		Acquired	Business	Meggitt	Gain on	Adjusted	
	September 30, 2023	% of Sales	Intangible Asset Amortization	Realignment Charges	Cost to Achieve	Divestiture	September 30, 2023	% of Sales ²
Diversified Industrial ¹	\$ 806,754	22.3%	\$ 67,951	\$ 12,639	\$ 1,139	\$ -	\$ 888,483	24.6%
Aerospace Systems ¹	226,260	18.4%	87,569	453	5,267	-	319,549	26.0%
Total segment operating income	1,033,014	21.3%	(155,520)	(13,092)	(6,406)	-	1,208,032	24.9%
Corporate administration	55,656	1.1%	-	-	-	-	55,656	1.1%
Income before interest and other	977,358	20.2%	(155,520)	(13,092)	(6,406)	-	1,152,376	23.8%
Interest expense	134,468	2.8%	-	-	-	-	134,468	2.8%
Other (income) expense	22,455	0.5%	-	-	-	(13,260)	35,715	0.7%
Income before income taxes	\$ 820,435	16.9%	\$ (155,520)	\$ (13,092)	\$ (6,406)	\$ 13,260	\$ 982,193	20.3%

Supplemental Information:

Diversified Industrial:

North America businesses ¹	\$ 506,053	22.7%	\$ 44,683	\$ 2,584	\$ 945	\$ -	\$ 554,265	24.9%
International businesses ¹	300,701	21.7%	23,268	10,055	194	-	334,218	24.1%

1. Segment operating income as a percent of sales is calculated on segment sales.
2. Adjusted amounts as a percent of sales are calculated on as reported sales.



Reconciliation of EBITDA to Adjusted EBITDA

(Dollars in thousands)
(Unaudited)

	Three Months Ended			
	September 30,			
	2024	% of Sales	2023	% of Sales
Net sales	\$ 4,903,984	100.0%	\$ 4,847,488	100.0%
Net income	\$ 698,528	14.2%	\$ 651,072	13.4%
Income taxes	176,658	3.6%	169,363	3.5%
Depreciation	88,925	1.8%	84,867	1.8%
Amortization	140,121	2.9%	155,520	3.2%
Interest expense	113,091	2.3%	134,468	2.8%
EBITDA	1,217,323	24.8%	1,195,290	24.7%
Adjustments:				
Business realignment charges	9,506	0.2%	13,092	0.3%
Meggitt costs to achieve	6,411	0.1%	6,406	0.1%
Gain on divestiture	-	0.0%	(13,260)	-0.3%
Gain on sale of building	(10,461)	-0.2%	-	0.0%
EBITDA - Adjusted	\$ 1,222,779	24.9%	\$ 1,201,528	24.8%
EBITDA margin	24.8 %		24.7 %	
EBITDA margin - Adjusted	24.9 %		24.8 %	

Reconciliation of Net Debt / Adjusted EBITDA

(Unaudited) (Dollars in thousands)	<u>September 30, 2024</u>
Notes payable and long-term debt payable within one year	\$ 3,515,613
Long-term debt	6,673,303
Add: Deferred debt issuance costs	55,024
Total gross debt	<u>\$ 10,243,940</u>
Cash and cash equivalents	\$ 371,068
Marketable securities and other investments	4,805
Total cash	<u>\$ 375,873</u>
Net debt (Gross debt less total cash)	<u>\$ 9,868,067</u>
TTM Net Sales	\$ 19,986,102
Net income	\$ 2,892,392
Income tax	756,962
Depreciation	353,194
Amortization	562,596
Interest Expense	485,118
TTM EBITDA	<u>\$ 5,050,262</u>
Adjustments:	
Business realignment charges	49,870
Costs to achieve	38,278
Acquisition-related costs	0
Gain on divestitures	(12,391)
Gain on sale of building	(10,461)
Amortization of inventory step-up to FV	0
Net loss on divestitures	0
TTM Adjusted EBITDA	<u>\$ 5,115,558</u>
Net Debt/TTM Adjusted EBITDA	1.9



Reconciliation of Free Cash Flow Margin

(Unaudited)
(Dollars in thousands)

	Three Months Ended September 30,	
	2024	2023
Net Sales	\$ 4,903,984	\$ 4,847,488
Cash Flow from Operations	\$ 743,975	\$ 649,959
Capital Expenditures	(95,302)	(97,746)
Free Cash Flow	\$ 648,673	\$ 552,213
Cash Flow from Operations Margin	15.2%	13.4%
Free Cash Flow Margin	13.2%	11.4%

Supplemental Sales Information

Global Technology Platforms

(Unaudited) (Dollars in thousands)	Three Months Ended September 30,	
	2024	2023
Net sales		
Diversified Industrial:		
Motion Systems	\$ 848,549	\$ 942,314
Flow and Process Control	1,125,634	1,181,461
Filtration and Engineered Materials	1,481,975	1,494,753
Aerospace Systems	1,447,826	1,228,960
Total	\$ 4,903,984	\$ 4,847,488

Reconciliation of Q2 FY25 Guidance

RECONCILIATION OF ORGANIC GROWTH

(Unaudited)

(Amounts in percentages)

	Q2 Fiscal Year 2025
Forecasted net sales	(~0.3%)
Adjustments:	
Currency	(0.3%)
Divestitures	1.6%
Adjusted forecasted net sales	~1.0%

RECONCILIATION OF OPERATING INCOME TO ADJUSTED OPERATING INCOME

(Unaudited)

(Amounts in percentages)

	Q2 Fiscal Year 2025
Forecasted segment operating margin	~22.1%
Adjustments:	
Business realignment charges	0.2%
Costs to achieve	0.1%
Acquisition-related intangible asset amortization expense	2.8%
Adjusted forecasted segment operating margin	~25.2%

RECONCILIATION OF FORECASTED EARNINGS PER SHARE

(Unaudited)

(Amounts in dollars)

	Q2 Fiscal Year 2025
Forecasted earnings per diluted share	~\$5.27
Adjustments:	
Business realignment charges	0.08
Costs to achieve	0.02
Acquisition-related intangible asset amortization expense	1.05
Tax effect of adjustments ¹	(0.26)
Adjusted forecasted earnings per diluted share	~\$6.15

1. This line item reflects the aggregate tax effect of all non-tax adjustments reflected in the preceding line items of the table. We estimate the tax effect of each adjustment item by applying our overall effective tax rate for continuing operations to the pre-tax amount, unless the nature of the item and/or the tax jurisdiction in which the item has been recorded requires application of a specific tax rate or tax treatment, in which case the tax effect of such item is estimated by applying such specific tax rate or tax treatment.

*Totals may not foot due to rounding



Reconciliation of FY25 Guidance

RECONCILIATION OF ORGANIC GROWTH

(Unaudited)	Fiscal Year 2025			
(Amounts in percentages)	Forecasted Net Sales	Currency	Divestitures	Adjusted Forecasted Net Sales
Diversified Industrial				
North America Businesses	(6.0%) to (3.0%)	~1.0%	~3.5%	(1.5%) to 1.5%
International Businesses	2.0% to 5.0%	(~2.0%)	-	0.0% to 3.0%
Aerospace Systems	9.0% to 12.0%	(~0.5%)	-	8.5% to 11.5%
Parker	0.5% to 3.5%	(~0.5%)	~1.5%	1.5% to 4.5%

RECONCILIATION OF OPERATING INCOME TO ADJUSTED OPERATING INCOME

(Unaudited)	Fiscal Year 2025				
(Amounts in percentages)	Forecasted Segment Operating Margin	Business Realignment Charges	Costs to Achieve	Acquisition-Related Intangible Asset Amortization Expense	Adjusted Forecasted Segment Operating Margin
Diversified Industrial					
North America Businesses	~23.1%	~0.2%	-	~2.0%	~25.3%
International Businesses	~21.8%	~0.5%	-	~1.5%	~23.9%
Aerospace Systems	~22.7%	-	~0.2%	~4.9%	~27.9%
Parker	~22.6%	~0.2%	~0.1%	~2.7%	~25.7%

1. This line item reflects the aggregate tax effect of all non-tax adjustments reflected in the preceding line items of the table. We estimate the tax effect of each adjustment item by applying our overall effective tax rate for continuing operations to the pre-tax amount, unless the nature of the item and/or the tax jurisdiction in which the item has been recorded requires application of a specific tax rate or tax treatment, in which case the tax effect of such item is estimated by applying such specific tax rate or tax treatment.

*Totals may not foot due to rounding

RECONCILIATION OF FORECASTED EARNINGS PER SHARE

(Unaudited)	Fiscal Year 2025
(Amounts in dollars)	
Forecasted earnings per diluted share	\$22.78 to \$23.48
Adjustments:	
Business realignment charges	0.39
Costs to achieve	0.11
Acquisition-related intangible asset amortization expense	4.21
Gain on sale of building	(0.08)
Tax effect of adjustments ¹	(1.07)
Adjusted forecasted earnings per diluted share	\$26.35 to \$27.05

RECONCILIATION OF CASH FLOW FROM OPERATIONS TO FREE CASH FLOW

(Unaudited)	Fiscal Year 2025
(Dollars in millions)	
Cash flow from operations	\$3,400 to \$3,700
Less: Capital Expenditures	~(400)
Free cash flow	\$3,000 to \$3,300

