RW Baird Conference

Chicago, IL

Tom Williams
Chairman and CEO

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November 6, 2019

Forward-Looking Statements and Non-GAAP Financial Measures

Forward-looking statements contained in this and other written and oral reports are made based on known events and circumstances at the time of release, and as such, are subject in the future to unforeseen uncertainties and risks. These statements may be identified from the use of forward-looking terminology such as “anticipates,” “believes,” “may,” “should,” “could,” “potential,” “continues,” “plans,” “forecasts,” “estimates,” “projects,” “predicts,” “would,” “intends,” “anticipates,” “expects,” “targets,” “is likely,” “will,” or the negative of these terms and similar expressions, and include all statements regarding future performance, earnings projections, events or developments. Parker cautions readers not to place undue reliance on these statements. It is possible that the future performance and earnings projections of the company, including its individual segments, may differ materially from current expectations, depending on economic conditions within its mobile, industrial and aerospace markets, and the company's ability to maintain and achieve anticipated benefits associated with announced realignment activities, strategic initiatives to improve operating margins, actions taken to combat the effects of the current economic environment, and growth, innovation and global diversification initiatives. Additionally, the actual impact of changes in tax laws in the United States and foreign jurisdictions and any judicial or regulatory interpretation thereof on future performance and earnings projections may impact the company’s tax calculations. A change in the economic conditions in individual markets may have a particularly volatile effect on segment performance.

Among other factors which may affect future performance are: changes in business relationships with and purchases by or from major customers, suppliers or distributors, including delays or cancellations in shipments; disputes regarding contract terms or significant changes in financial condition, changes in contract cost and revenue estimates for new development programs and changes in product mix; ability to identify acceptable strategic acquisition targets; uncertainties surrounding timing, successful completion or integration of acquisitions and similar transactions, including the integration of CLARCOR, LORD Corporation or Exotic Metals; the ability to successfully divest businesses planned for divestiture and realize the anticipated benefits of such divestitures; the determination to undertake business realignment activities and the expected costs thereof and, if undertaken, the ability to complete such activities and realize the anticipated cost savings from such activities; ability to implement successfully capital allocation initiatives, including timing, price and execution of share repurchases; availability, limitations or cost increases of raw materials, component products and/or commodities that cannot be recovered in product pricing; ability to manage costs related to insurance and employee retirement and health care benefits; compliance costs associated with environmental laws and regulations; potential labor disruptions; threats associated with and efforts to combat terrorism and cyber-security risks; uncertainties surrounding the ultimate resolution of outstanding legal proceedings, including the outcome of any appeals; global competitive market conditions, including global reactions to U.S. trade policies, and resulting effects on sales and pricing; and global economic factors, including manufacturing activity, air travel trends, currency exchange rates, difficulties entering new markets and general economic conditions such as inflation, deflation, interest rates and credit availability. The company makes these statements as of the date of this disclosure and undertakes no obligation to update them unless otherwise required by law.

This presentation contains references to non-GAAP financial information including adjusted operating margin, adjusted EBITDA margin, adjusted cash flow from operating activities and free cash flow. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA before business realignment, Integration costs to achieve, and acquisition related expenses. Free cash flow is defined as cash flow from operations less capital expenditures. Although adjusted operating margin, adjusted EBITDA margin, adjusted cash flow from operating activities and free cash flow are not measures of performance calculated in accordance with GAAP, we believe that they are useful to an investor in evaluating the company performance for the periods presented. Detailed reconciliations of these non-GAAP financial measures to the comparable GAAP financial measures have been included in the appendix to this presentation.

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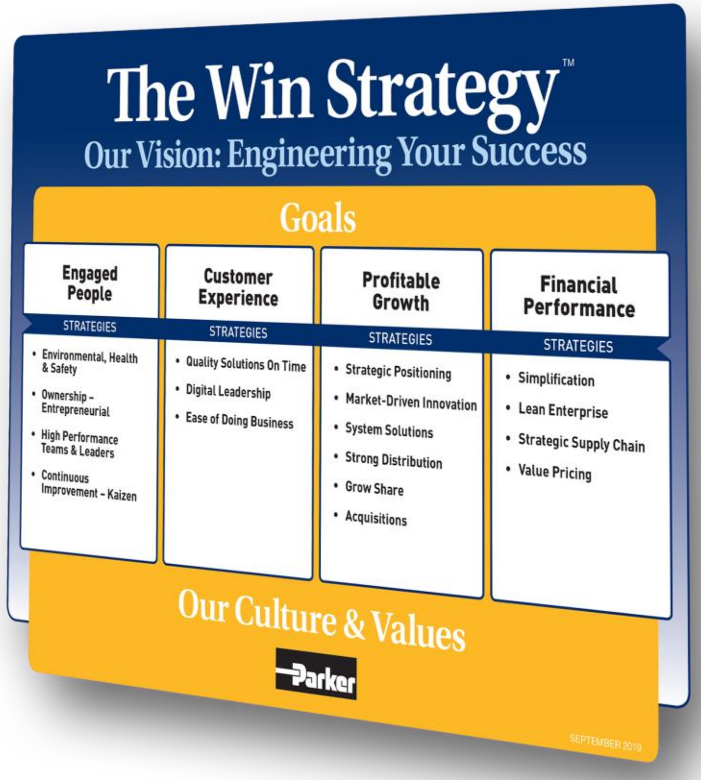
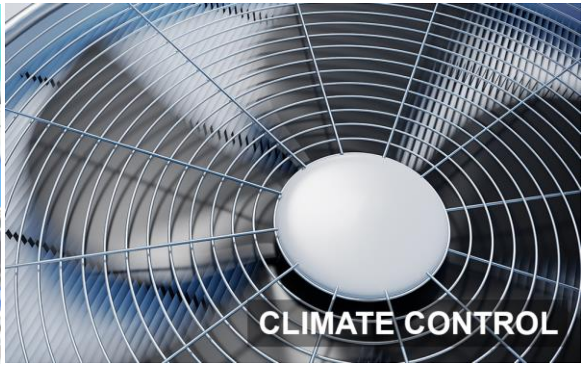
Parker’s Competitive Differentiators

- The Win Strategy™
- Decentralized business model
- Technology breadth & interconnectivity
- Engineered products with intellectual property
- Long product life cycles
- Global distribution, service & support
- Low capital investment requirements
- Great generators and deployers of cash over the cycle



Unmatched Breadth of Technologies



The Win Strategy™

Our Vision: Engineering Your Success

Goals

Engaged People

STRATEGIES

- Environmental, Health & Safety
- Ownership – Entrepreneurial
- High Performance Teams & Leaders
- Continuous Improvement – Kaizen

Customer Experience

STRATEGIES

- Quality Solutions On Time
- Digital Leadership
- Ease of Doing Business

Profitable Growth

STRATEGIES

- Strategic Positioning
- Market-Driven Innovation
- System Solutions
- Strong Distribution
- Grow Share
- Acquisitions

Financial Performance

STRATEGIES

- Simplification
- Lean Enterprise
- Strategic Supply Chain
- Value Pricing

Our Culture & Values

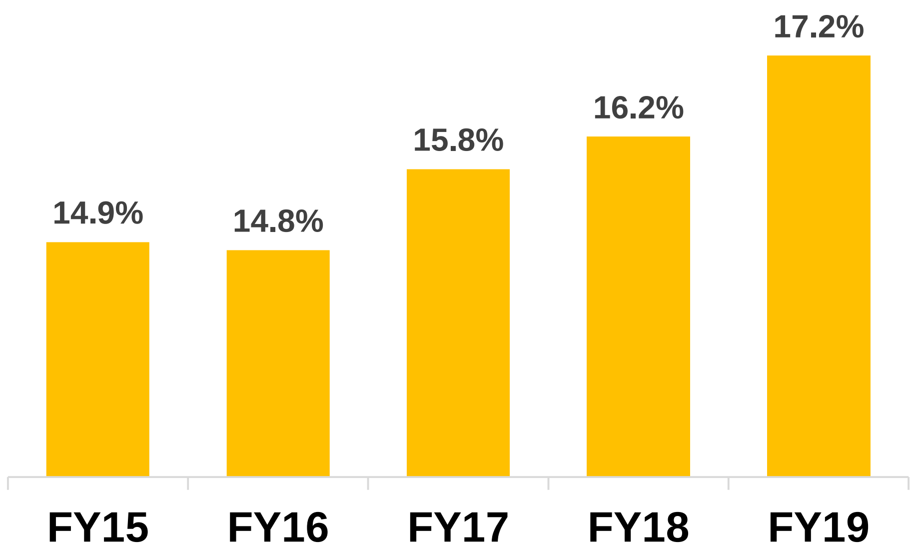
Parker

SEPTEMBER 2019

Financial Performance

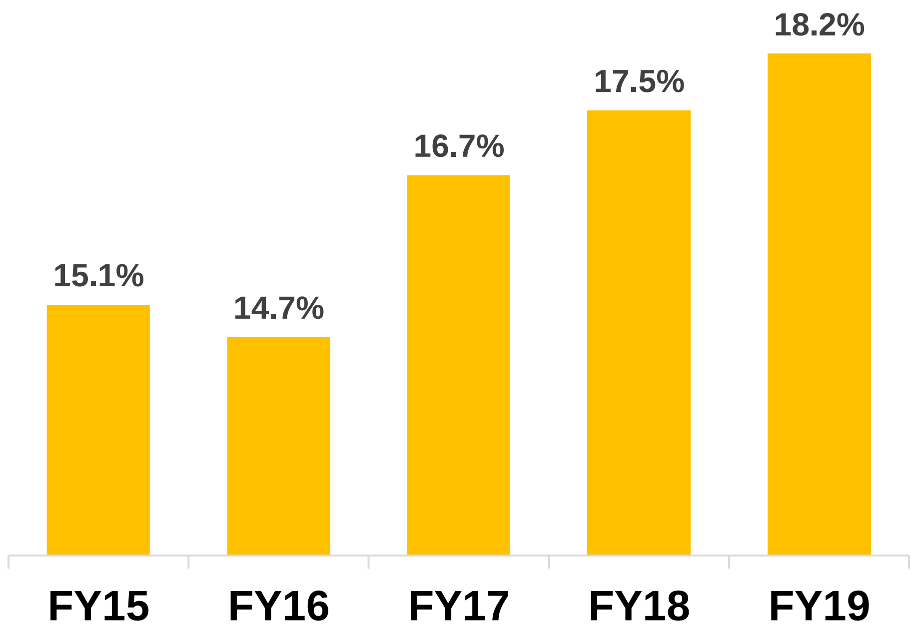
Expanding Profitability

Adjusted Operating Margin[1]



Up 230 bps

Adjusted EBITDA Margin[1]



Up 310 bps

Note 1:
FY19 Excludes Business Realignment Charges, CLARCOR Costs to Achieve and LORD Acquisition and Integration Costs
FY18 Excludes Business Realignment Charges and CLARCOR Costs to Achieve
FY17 Excludes Business Realignment Charges and CLARCOR Acquisition Expenses
FY16 Excludes Business Realignment Charges
FY15 Excludes Business Realignment Charges and Voluntary Retirement Expense

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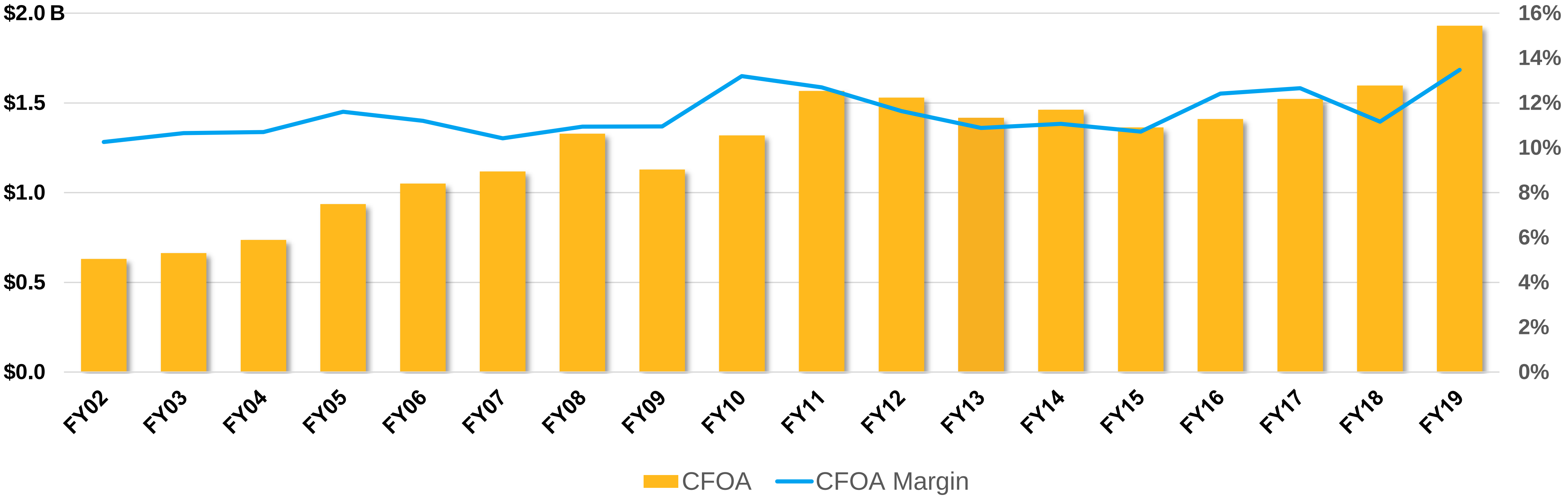
Financial Performance

18 Consecutive years with 10%+ CFOA margins

$1.9B FY19 CFOA

18 Consecutive years with 100%+ FCF conversion



*Cash Flow provided by operating activities adjusted for discretionary pension contributions; Free Cash Flow = Cash Provided by Operating Activities - Capital Expenditures + Discretionary Pension Contribution

Financial Performance
5-Year Corporate Targets

	FY23 Targets
Growth	150 bps > GIPI
Segment OM%	19%
EBITDA Margin	20%
FCF Conversion	>100%
EPS CAGR	10%+

Capital Allocation Priorities

- Dividends
- Capex for organic growth and productivity
- Share repurchase: 10b5-1
- Debt reduction

Optimize long-term value creation

Key Messages

- Pleased with continued progress
- Cash flow and operating margin resilience
- Parker’s transformation continues – portfolio and performance
- Well on our way to best-in-class company
- Confidence in reaching our FY’23 5-year targets

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Appendix

Reconciliation of Total Segment Operating Margin to Adjusted Total Segment Operating Margin

(Unaudited)

(Dollars in thousands)	FY15		FY16		FY17		FY18		FY19	
	Operating income	Operating margin	Operating income	Operating margin	Operating income	Operating margin	Operating income	Operating margin	Operating income	Operating margin
Total segment operating income	**$ 1,838,432**	**14.5%**	**$ 1,575,655**	**13.9%**	**$ 1,790,255**	**14.9%**	**$ 2,239,179**	**15.7%**	**$ 2,431,233**	**17.0%**
Adjustments:										
Voluntary retirement expense	18,057									
Business realignment charges	31,849		106,642		55,613		46,319		15,503	
Clarcor acquisition expense					58,408					
Clarcor costs to achieve							36,676		12,327	
LORD acqusition and integration costs									912	
Adjusted total segment operating income	**$ 1,888,338**	**14.9%**	**$ 1,682,297**	**14.8%**	**$ 1,904,276**	**15.8%**	**$ 2,322,174**	**16.2%**	**$ 2,459,975**	**17.2%**

Reconciliation of Cash Flow from Operations to Adjusted Cash Flow from Operations and Free Cash Flow Conversion

Cash Provided by Operating Activities
Reconciliation to GAAP
($MM) YTD

	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Cash Provided by Operating Activities - As Reported	631	558	662	854	951	957	1,317	1,129	1,219	1,167	1,530	1,191	1,388	1,363	1,211	1,302	1,597	1,730
Discretionary Pension Contribution	-	106	75	83	101	161	12	-	100	400	-	226	75	-	200	220	-	200
Cash Provided by Operating Activities - Adjusted	631	663	737	936	1,051	1,118	1,329	1,129	1,319	1,567	1,530	1,417	1,463	1,363	1,411	1,522	1,597	1,930

Free Cash Flow
Reconciliation to GAAP
($MM) YTD

	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Cash Provided by Operating Activities - As Reported	631	558	662	854	951	957	1,317	1,129	1,219	1,167	1,530	1,191	1,388	1,363	1,211	1,302	1,597	1,730
Capital Expenditures	207	156	138	155	198	238	280	271	129	207	219	266	216	216	149	204	248	195
Free Cash Flow	424	401	524	699	753	719	1,036	858	1,090	960	1,312	925	1,172	1,148	1,061	1,099	1,349	1,535
Discretionary Pension Contribution	-	106	75	83	101	161	12	-	100	400	-	226	75	-	200	220	-	200
Free Cash Flow - Adjusted for Discretionary Pension	424	507	599	782	853	880	1,049	858	1,190	1,360	1,312	1,151	1,247	1,148	1,261	1,319	1,349	1,735

Reconciliation of EBITDA to Adjusted EBITDA

(Unaudited)
(Dollars in thousands)

	12 Months ended 6/30/15	EBITDA margin	12 Months ended 6/30/16	EBITDA margin	12 Months ended 6/30/17	EBITDA margin	12 Months ended 6/30/18	EBITDA margin	12 Months ended 6/30/19	EBITDA margin
Earnings before Income Taxes	1,432,240		1,114,728		1,328,641		1,702,277		1,933,425	
Depreciation and Amortization	317,491		306,843		355,229		466,085		436,189	
Interest Expense	118,406		136,517		162,436		213,873		190,138	
EBITDA	**$ 1,868,137**	**14.7%**	**$ 1,558,088**	**13.7%**	**$ 1,846,306**	**15.3%**	**$ 2,382,235**	**16.7%**	**$ 2,559,752**	**17.9%**
Adjustments:										
Voluntary retirement expense	21,174		11,609							
Business realignment charges	34,706		97,364		56,397		46,319		15,677	
Clarcor acquisition expense					103,146					
Clarcor costs to achieve							36,676		12,458	
(Gain) / Loss on Sale and Writedown of Assets							31,837			
LORD acqusition and integration costs									17,146	
Adjusted EBITDA	**$ 1,924,017**	**15.1%**	**$ 1,667,061**	**14.7%**	**$ 2,005,849**	**16.7%**	**$ 2,497,067**	**17.5%**	**$ 2,605,033**	**18.2%**