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FY26 Guidance Details

Sales Growth vs. Prior Year	As Reported	Organic ¹
Diversified Industrial Segment		
North America Businesses	1.5% - 3.5%	1.5% - 3.5%
International Businesses	6.0% - 8.0%	1.0% - 3.0%
Aerospace Systems Segment	10.5% - 12.5%	10.0% - 12.0%
Parker	5.5% - 7.5%	4.0% - 6.0%

Segment Operating Margins	As Reported	Adjusted ¹
Diversified Industrial Segment		
North America Businesses	23.5% – 23.9%	26.1% - 26.5%
International Businesses	22.5% - 22.9%	25.2% - 25.6%
Aerospace Systems Segment	25.0% - 25.4%	29.5% - 29.9%
Parker	23.7% - 24.1%	27.0% - 27.4%

Earnings Per Share	As Reported	Adjusted ¹
Range	\$26.26 - \$26.86	\$30.40 - \$31.00



Additional Items	As Reported
Corporate G&A	~\$200M
Interest Expense	~\$415M
Other (Income) Expense	~\$85M
Tax Rate	~22.0%
Diluted Shares Outstanding	~128.1M

Detail of Pre-Tax Adjustments to:	Segment Margins	Below Segment ²
Acquired Intangible Asset Amortization	~\$585M	—
Business Realignment & Other	~\$70M	—
Integration Costs to Achieve	~\$15M	—
Acquisition Related Expenses	~\$12M	~\$20M
Gain on Insurance Recoveries	—	~(\$20M)

1. Includes certain non-GAAP adjustments and financial measures.
2. Expenses incurred to date.

Reconciliation of Q2 Organic Growth

Parker Hannifin Corporation
Sales by Segment - Adjusted
(Dollars in millions)
(Unaudited)

	Quarter-to-Date				
	As reported	Currency	Divestitures	Acquisitions	Organic
Diversified Industrial:					
North America businesses	3.0 %	0.4 %	(2.0)%	2.1 %	2.5 %
<u>International businesses</u>					
Europe	11.8 %	8.0 %	0.0 %	1.7 %	2.1 %
Asia Pacific	13.4 %	0.6 %	0.0 %	3.8 %	9.0 %
Latin America	1.1 %	4.4 %	0.0 %	0.0 %	(3.3)%
International businesses	11.8 %	4.7 %	0.0 %	2.5 %	4.6 %
Total Diversified Industrial	6.6 %	2.1 %	(1.2)%	2.3 %	3.4 %
Aerospace Systems	14.5 %	1.0 %	0.0 %	0.0 %	13.5 %
Total Parker Hannifin	9.1 %	1.8 %	(0.8)%	1.5 %	6.6 %

Adjusted Amounts Reconciliation

Q2 Consolidated Statement of Income

Parker Hannifin Corporation
Consolidated Statement of Income - Adjusted
Quarter-to-Date

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

Quarter-to-Date FY 2026									
	As Reported		Acquired	Business			Adjusted		
	December 31, 2025	% of Sales	Intangible Asset	Realignment	Costs to	Acquisition	December 31, 2025	% of Sales	
			Amortization	Charges	Achieve	Related Expenses			
Net sales	\$ 5,174	100.0 %	\$ -	\$ -	\$ -	\$ -	\$ 5,174	100.0 %	
Cost of sales	3,243	62.7 %	28	8	1	7	3,199	61.8 %	
Selling, general and admin. expenses	837	16.2 %	120	5	-	7	705	13.6 %	
Interest expense	106	2.0 %	-	-	-	-	106	2.0 %	
Other (income) expense, net	(76)	(1.5)%	-	-	-	-	(76)	(1.5)%	
Income before income taxes	1,064	20.6 %	(148)	(13)	(1)	(14)	1,240	24.0 %	
Income taxes	219	4.2 %	34	3	-	4	260	5.0 %	
Net income	845	16.3 %	(114)	(10)	(1)	(10)	980	18.9 %	

Diluted earnings per share \$ 6.60 \$ (0.89) \$ (0.08) \$ - \$ (0.08) \$ 7.65

Quarter-to-Date FY 2025									
	As Reported		Acquired	Business			Adjusted		
	December 31, 2024	% of Sales	Intangible Asset	Realignment	Costs to	Gain on	December 31, 2024	% of Sales	
			Amortization	Charges	Achieve	Divestitures			
Net sales	\$ 4,743	100.0 %	\$ -	\$ -	\$ -	\$ -	\$ 4,743	100.0 %	
Cost of sales	3,022	63.7 %	23	12	-	-	2,987	63.0 %	
Selling, general and admin. Expenses	782	16.5 %	115	9	7	-	651	13.7 %	
Interest expense	101	2.1 %	-	-	-	-	101	2.1 %	
Other (income) expense, net	(328)	(6.9)%	-	-	-	(250)	(78)	(1.7)%	
Income before income taxes	1,166	24.6 %	(138)	(21)	(7)	250	1,082	22.8 %	
Income taxes	217	4.6 %	31	6	2	(27)	229	4.8 %	
Net income	949	20.0 %	(107)	(15)	(5)	223	853	18.0 %	

Diluted earnings per share \$ 7.25 \$ (0.81) \$ (0.13) \$ (0.04) \$ 1.70 \$ 6.53

Adjusted Amounts Reconciliation

Q2 Segment Operating Income

Parker Hannifin Corporation
Segment Operating Income - Adjusted
Quarter-to-Date
(Dollars in millions)
(Unaudited)

Diversified Industrial:

North America businesses¹
International businesses¹
Total Diversified Industrial¹
Aerospace Systems¹
Total segment operating income
Corporate administration
Income before interest and other
Interest expense
Other (income) expense
Income before income taxes

Quarter-to-Date FY 2026								
As Reported December 31, 2025	% of Sales	Acquired Intangible Asset Amortization	Business Realignment Charges	Costs to Achieve	Acquisition Related Expenses	Adjusted December 31, 2025	% of Sales ²	
\$ 444	22.4%	\$ 49	\$ 3	\$ 4	\$ 4	\$ 504	25.4%	
348	23.5%	24	10	-	3	385	26.0%	
792	22.8%	73	13	4	7	889	25.6%	
443	26.0%	75	-	(3)	-	515	30.2%	
1,235	23.9%	(148)	(13)	(1)	(7)	1,404	27.1%	
53	1.0%	-	-	-	-	53	1.0%	
1,182	22.8%	(148)	(13)	(1)	(7)	1,351	26.1%	
106	2.0%	-	-	-	-	106	2.0%	
12	0.2%	-	-	-	7	5	0.1%	
\$ 1,064	20.6%	\$ (148)	\$ (13)	\$ (1)	\$ (14)	\$ 1,240	24.0%	

Diversified Industrial:

North America businesses¹
International businesses¹
Total Diversified Industrial¹
Aerospace Systems¹
Total segment operating income
Corporate administration
Income before interest and other
Interest expense
Other (income) expense
Income before income taxes

Quarter-to-Date FY 2025								
As Reported December 31, 2024	% of Sales	Acquired Intangible Asset Amortization	Business Realignment Charges	Costs to Achieve	Gain on Divestitures	Adjusted December 31, 2024	% of Sales ²	
\$ 426	22.1%	\$ 41	\$ 6	\$ -	\$ -	\$ 473	24.6%	
284	21.4%	22	14	-	-	320	24.1%	
710	21.8%	63	20	-	-	793	24.4%	
338	22.7%	75	-	7	-	420	28.2%	
1,048	22.1%	(138)	(20)	(7)	-	1,213	25.6%	
56	1.2%	-	1	-	-	55	1.2%	
992	20.9%	(138)	(21)	(7)	-	1,158	24.4%	
101	2.1%	-	-	-	-	101	2.1%	
(275)	-5.8%	-	-	-	(250)	(25)	-0.5%	
\$ 1,166	24.6%	\$ (138)	\$ (21)	\$ (7)	\$ 250	\$ 1,082	22.8%	

¹Segment operating income as a percent of sales is calculated on segment sales.

²Adjusted amounts as a percent of sales are calculated on as reported sales.



Reconciliation of EBITDA to Adjusted EBITDA

Parker Hannifin Corporation
EBITDA & Adjusted EBITDA
(Dollars in millions)
(Unaudited)

	Three Months Ended December 31,			
	2025	% of Sales	2024	% of Sales
Net sales	\$ 5,174	100.0%	\$ 4,743	100.0%
Net income	\$ 845	16.3%	\$ 949	20.0%
Income taxes	219	4.2%	217	4.6%
Depreciation	85	1.6%	88	1.9%
Amortization	148	2.9%	138	2.9%
Interest expense	106	2.0%	101	2.1%
EBITDA	1,403	27.1%	1,493	31.5%
Adjustments:				
Business realignment charges	13	0.3%	21	0.4%
Costs to achieve	1	0.0%	7	0.1%
Acquisition related expenses	14	0.3%	-	0.0%
Gain on divestitures	-	0.0%	(250)	-5.3%
EBITDA - Adjusted	\$ 1,431	27.7%	\$ 1,271	26.8%
EBITDA margin	27.1 %		31.5 %	
EBITDA margin - Adjusted	27.7 %		26.8 %	

Reconciliation of Operating Cash Flow Margin and Free Cash Flow Margin

(Unaudited)

(Dollars in millions)

	Six Months Ended December 31,	
	2025	2024
Net Sales	\$10,258	\$9,647
Cash Flow from Operations	\$1,644	\$1,679
Capital Expenditures	(183)	(216)
Free Cash Flow	\$1,461	\$1,463
Cash Flow from Operations Margin	16.0%	17.4%
Free Cash Flow Margin	14.2%	15.2%

Supplemental Sales Information

Global Technology Platforms

(Unaudited)
(Dollars in millions)

Net Sales

Three Months Ended December 31,

2025

2024

Diversified Industrial:

Motion Systems

\$ 893

\$ 804

Flow and Process Control

1,114

1,059

Filtration and Engineered Materials

1,461

1,390

Aerospace Systems

1,706

1,490

Total

\$ 5,174

\$ 4,743

Reconciliation of FY26 Q3 Guidance

RECONCILIATION OF FORECASTED SALES GROWTH TO ORGANIC SALES GROWTH

(Unaudited)

(Amounts in percentages)

	Fiscal Year 2026 Q3				
	Forecasted Net Sales	Currency	Acquisitions	Divestitures	Adjusted Forecasted Net Sales
Parker	~8.5%	~(2.0%)	~(1.5%)	~0.0%	~5.0%

RECONCILIATION OF FORECASTED EARNINGS PER DILUTED SHARE TO ADJUSTED FORECASTED EARNINGS PER DILUTED SHARE

(Unaudited)

	Fiscal Year 2026 Q3
Forecasted earnings per diluted share	~\$6.66
Adjustments:	
Business realignment charges	0.17
Amortization of acquired intangibles	1.15
Acquisition related expenses	0.03
Costs to achieve	0.05
Tax effect of adjustments ¹	(0.31)
Adjusted forecasted earnings per diluted share	~\$7.75

RECONCILIATION OF FORECASTED OPERATING MARGIN TO ADJUSTED OPERATING MARGIN

(Unaudited)

(Amounts in percentages)

	Fiscal Year 2026 Q3				
	Forecasted Segment Operating Margin	Business Realignment Charges	Costs to Achieve	Acquisition-Related Intangible Asset Amortization Expense	Adjusted Forecasted Segment Operating Margin*
Parker	~23.7%	~0.4%	~0.1%	~2.7%	~27.0%



1. This line 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

Current Reconciliation of FY26 Guidance

RECONCILIATION OF FORECASTED SALES GROWTH TO ORGANIC SALES GROWTH

(Unaudited)

(Amounts in percentages)

	Fiscal Year 2026				
	Forecasted Net Sales	Currency	Acquisitions	Divestitures	Adjusted Forecasted Net Sales
Diversified Industrial					
North America Businesses	1.5% to 3.5%	~(0.5%)	~(1.5%)	~2.0%	1.5% to 3.5%
International Businesses	6.0% to 8.0%	~(3.0%)	~(2.0%)	--	1.0% to 3.0%
Aerospace Systems	10.5% to 12.5%	~(0.5%)	--	--	10.0% to 12.0%
Parker	5.5% to 7.5%	~(1.5%)	~(1.0%)	~1.0%	4.0% to 6.0%

RECONCILIATION OF FORECASTED OPERATING MARGIN TO ADJUSTED OPERATING MARGIN

(Unaudited)

(Amounts in percentages)

	Fiscal Year 2026					
	Forecasted Segment Operating Margin	Business Realignment Charges	Costs to Achieve	Acquisition-Related Intangible Asset Amortization Expense	Acquisition Related Expenses	Adjusted Forecasted Segment Operating Margin*
Diversified Industrial						
North America Businesses	23.5% to 23.9%	~0.1%	~0.1%	~2.3%	~0.1%	26.1% to 26.5%
International Businesses	22.5% to 22.9%	~1.0%	~0.0%	~1.5%	~0.1%	25.2% to 25.6%
Aerospace Systems	25.0% to 25.4%	~0.0%	~0.1%	~4.4%	~0.0%	29.5% to 29.9%
Parker	23.7% to 24.1%	~0.3%	~0.1%	~2.8%	~0.1%	27.0% to 27.4%

RECONCILIATION OF FORECASTED CASH FLOW FROM OPERATIONS TO FREE CASH FLOW

(Unaudited)

(Dollars in millions)

	Fiscal Year 2026
Cash flow from operations	\$3,725 to \$4,125
Less: Capital Expenditures	~(525)
Free cash flow	\$3,200 to \$3,600

RECONCILIATION OF FORECASTED EARNINGS PER DILUTED SHARE TO ADJUSTED FORECASTED EARNINGS PER DILUTED SHARE

(Unaudited)

	Fiscal Year 2026
Forecasted earnings per diluted share	\$26.26 to \$26.86
Adjustments:	
Business realignment charges	0.55
Amortization of acquired intangibles	4.57
Acquisition related expenses	0.25
Costs to achieve	0.12
Gain on insurance recoveries	(0.16)
Tax effect of adjustments ¹	(1.19)
Adjusted forecasted earnings per diluted share	\$30.40 to \$31.00

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* Totals may not foot due to rounding

Previous Reconciliation of FY26 Guidance (from Nov 6, 2025)

RECONCILIATION OF FORECASTED SALES GROWTH TO ORGANIC SALES GROWTH

(Unaudited)

(Amounts in percentages)

	Fiscal Year 2026				
	Forecasted Net Sales	Currency	Acquisitions	Divestitures	Adjusted Forecasted Net Sales
Diversified Industrial					
North America Businesses	0.5% to 3.5%	~(0.0)%	~(1.5%)	~1.5%	0.5% to 3.5%
International Businesses	4.5% to 7.5%	~(3.0)%	~(2.0)%	--	(0.5%) to 2.5%
Aerospace Systems	8.5% to 11.5%	~(0.5)%	--	--	8.0% to 11.0%
Parker	4.0% to 7.0%	~(1.5)%	~(1.0)%	~1.0%	2.5% to 5.5%

RECONCILIATION OF FORECASTED CASH FLOW FROM OPERATIONS TO FREE CASH FLOW

(Unaudited)

(Dollars in millions)

Cash flow from operations

Less: Capital Expenditures

Free cash flow

Fiscal Year 2026
\$3,625 to \$4,025
~(525)
\$3,100 to \$3,500

RECONCILIATION OF FORECASTED EARNINGS PER DILUTED SHARE TO ADJUSTED FORECASTED EARNINGS PER DILUTED SHARE

(Unaudited)

Forecasted earnings per diluted share

Adjustments:

	Fiscal Year 2026
Forecasted earnings per diluted share	\$25.53 to \$26.33
Business realignment charges	0.54
Amortization of acquired intangibles	4.55
Acquisition related expenses	0.19
Costs to achieve	0.13
Gain on insurance recoveries	(0.16)
Tax effect of adjustments ¹	(1.18)

Adjusted forecasted earnings per diluted share

\$29.60 to \$30.40

RECONCILIATION OF FORECASTED OPERATING MARGIN TO ADJUSTED OPERATING MARGIN

(Unaudited)

(Amounts in percentages)

	Fiscal Year 2026					
	Forecasted Segment Operating Margin	Business Realignment Charges	Costs to Achieve	Acquisition-Related Intangible Asset Amortization Expense	Acquisition Related Expenses	Adjusted Forecasted Segment Operating Margin*
Diversified Industrial						
North America Businesses	23.7% to 24.1%	~0.1%	~0.1%	~2.3%	~0.1%	26.3% to 26.7%
International Businesses	22.0% to 22.4%	~1.0%	~0.1%	~1.6%	~0.1%	24.8% to 25.2%
Aerospace Systems	24.7% to 25.1%	~0.0%	~0.1%	~4.4%	~0.0%	29.3% to 29.7%
Parker	23.6% to 24.0%	~0.3%	~0.1%	~2.8%	~0.1%	26.8% to 27.2%

- This line 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 Earnings Per Diluted Share to Adjusted Earnings Per Diluted Share FY16 – FY25

(Amounts in dollars) (Unaudited)	12 Months Ended 6/30/16	12 Months Ended 6/30/19*	12 Months Ended 6/30/22	12 Months Ended 6/30/25
Earnings per diluted share	\$5.89	\$11.57	\$10.09	\$27.12
Adjustments:				
Acquisition-related intangible asset amortization expense	0.74	1.51	2.41	4.25
Business realignment charges	0.80	0.12	0.11	0.43
Acquisition related expenses and costs to achieve	--	0.23	0.78	0.17
Tax expense related to U.S. tax reform		0.11	--	--
Loss on deal-contingent forward contracts	--	--	7.79	--
Russia liquidation	--	--	0.15	--
Gain on sale of buildings	--	--	--	(0.18)
Gain on divestitures	--	--	--	(1.94)
Saegertown incident	--	--	--	0.06
Tax effect of adjustments ¹	(0.44)	(0.44)	(2.61)	(0.93)
Discrete tax benefits	--	--	--	(1.65)
Adjusted earnings per diluted share	\$6.99	\$13.10	\$18.72	\$27.33



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 adjustments 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 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.

*Amounts been adjusted to reflect the change in inventory accounting method