

Investor Meeting



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Robin Davenport

Vice President Corporate Finance

ENGINEERING YOUR SUCCESS.

March 8, 2022

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. Often but not always, these statements may be identified from the use of forward-looking terminology such as “anticipates,” “believes,” “may,” “should,” “could,” “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. Neither Parker nor any of its respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements will actually occur. 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 past performance or current expectations.

The risks and uncertainties in connection with such forward-looking statements related to the proposed acquisition of Meggitt include, but are not limited to, the occurrence of any event, change or other circumstances that could delay or prevent the closing of the proposed acquisition, including the failure to satisfy any of the conditions to the proposed acquisition; the possibility that in order for the parties to obtain regulatory approvals, conditions are imposed that prevent or otherwise adversely affect the anticipated benefits from the proposed acquisition or cause the parties to abandon the proposed acquisition; adverse effects on Parker’s common stock because of the failure to complete the proposed acquisition; Parker’s business experiencing disruptions due to acquisition-related uncertainty or other factors making it more difficult to maintain relationships with employees, business partners or governmental entities; the possibility that the expected synergies and value creation from the proposed acquisition will not be realized or will not be realized within the expected time period, due to unsuccessful implementation strategies or otherwise; and significant transaction costs related to the proposed acquisition.

Among other factors which may affect future performance are: the impact of the global outbreak of COVID-19 and governmental and other actions taken in response; 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 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 business and operating initiatives, including the timing, price and execution of share repurchases and other capital initiatives; availability, cost increases of or other limitations on our access to raw materials, component products and/or commodities if associated costs cannot be recovered in product pricing; ability to manage costs related to insurance and employee retirement and health care benefits; legal and regulatory developments and changes; compliance costs associated with environmental laws and regulations; potential supply chain and labor disruptions, including as a result of labor shortages; threats associated with international conflicts and efforts to combat terrorism and cyber-security risks; uncertainties surrounding the ultimate resolution of outstanding legal proceedings, including the outcome of any appeals; local and global political and 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 (including fluctuations associated with any potential credit rating decline) and credit availability; inability to obtain, or meet conditions imposed for, required governmental and regulatory approvals; changes in consumer habits and preferences; government actions, including the impact of changes in the tax laws in the United States and foreign jurisdictions and any judicial or regulatory interpretation thereof; and large scale disasters, such as floods, earthquakes, hurricanes, industrial accidents and pandemics. Readers should consider these forward-looking statements in light of risk factors discussed in Parker’s Annual Report on Form 10-K for the fiscal year ended June 30, 2021 and other periodic filings made with the SEC.

This presentation contains references to non-GAAP financial information for Parker. As used in this presentation, EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA before business realignment, Integration costs to achieve, acquisition related expenses, and other one-time items. Free cash flow is defined as cash flow from operations less capital expenditures. Although the non-GAAP financial metrics in this presentation 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, except for the non-GAAP metrics included in our new 5-year targets for fiscal year 2027, which reconciliations could not be provided without unreasonable effort.

Please visit www.PHstock.com for more information



Parker's Presenters



Tom Williams
Chairman & CEO



Lee Banks
Vice Chairman
& President



Jenny Parmentier
Chief Operating Officer



Todd Leombruno
Executive VP & CFO



Robin Davenport
VP Corporate Finance



Today's Program

Welcome

Robin Davenport

Vice President Corporate Finance

Parker's Promising Future

Tom Williams

Chairman & CEO

Secular Growth Trends

Lee Banks

Vice Chairman & President

Jenny Parmentier

Chief Operating Officer

Financial Performance

Todd Leombruno

EVP and Chief Financial Officer

ESG & Closing Comments

Tom Williams

Chairman & CEO

10 Minute Recess

Q&A

The Office of the Chief Executive



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Presented by:

Tom Williams

Chairman & CEO

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March 8, 2022

The Global Leader in Motion & Control Technologies

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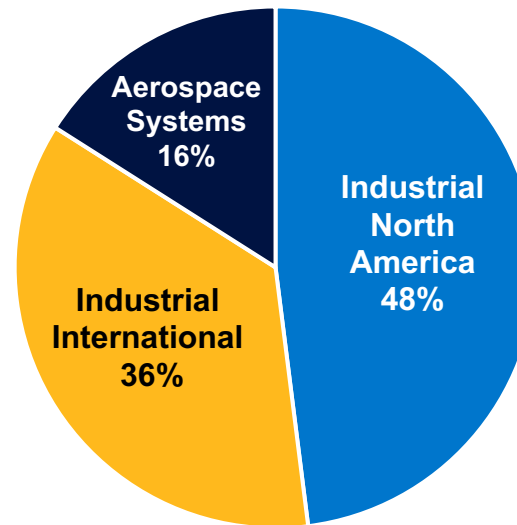


Parker Hannifin at-a-Glance (NYSE: PH)

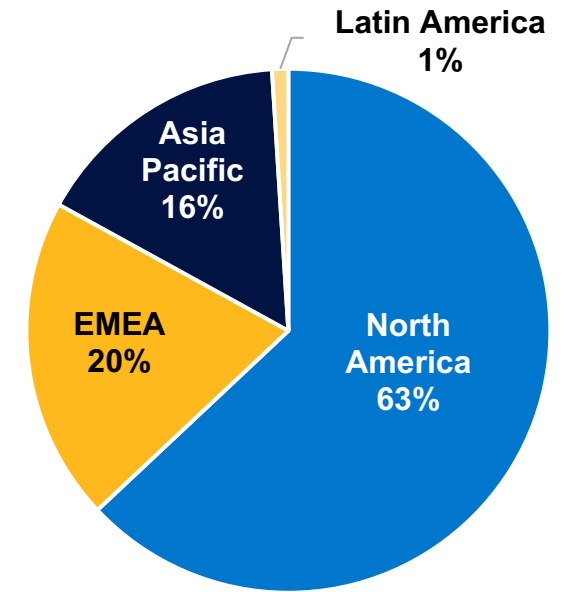
Engineering Customer Success in Motion & Control Markets for over 100 Years

- #1 Position in \$135B Motion & Control Industry
- ~\$16B Revenue, ~\$40B Market Capitalization
- ~11% market share; goal to reach 20%
- A technology powerhouse of interconnected solutions
- Global network of ~17k distribution outlets
 - Generates ~50% of Industrial Revenues
- Great generators and deployers of cash

Operations in 45 countries across six continents



Sales by Segment



Sales by Region

Enabling Engineering Breakthroughs that Lead to a Better Tomorrow

Note: Figures represent FY22 Estimates



Unmatched Breadth of Core Technologies



HYDRAULICS



PNEUMATICS



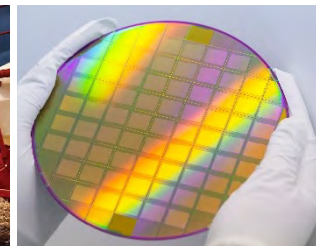
ELECTRO-MECHANICAL



FILTRATION



FLUID & GAS HANDLING



PROCESS CONTROL



ENGINEERED MATERIALS



CLIMATE CONTROL

~ **2/3's** of Our Revenue:

From customers who buy
4 or more Parker technologies

~ **2/3's** of Our Portfolio:

Enables clean technologies

Partnering with Our Customers to Increase their Productivity and Profitability



Key Messages

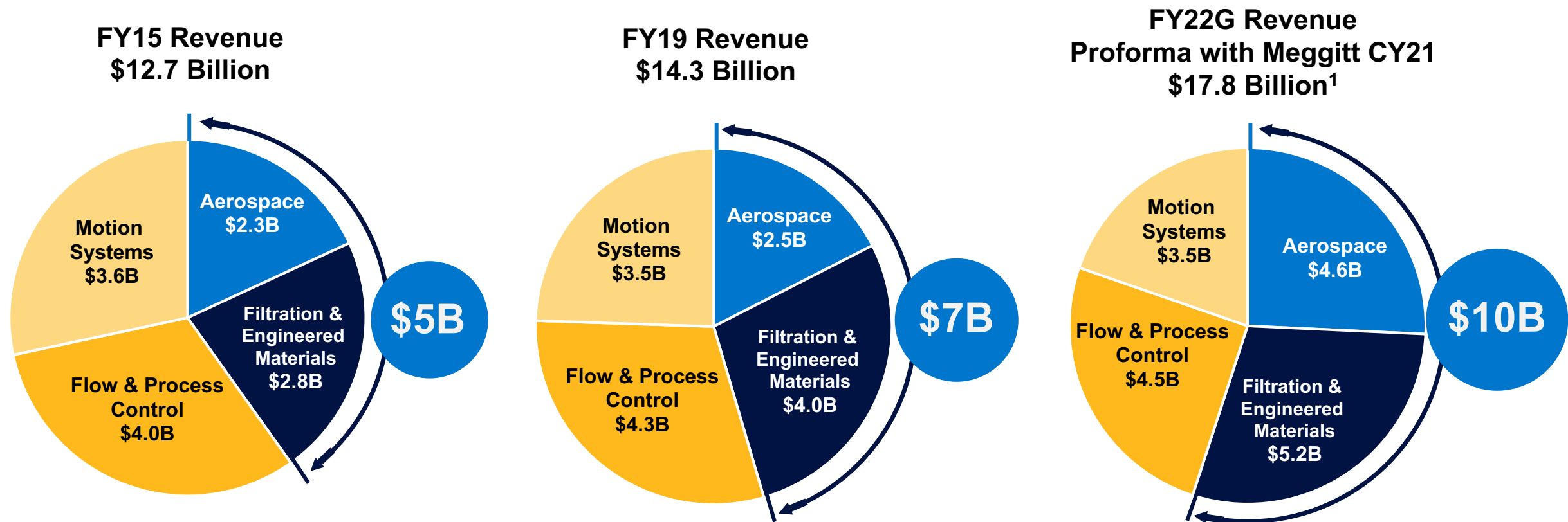
- Highly engaged global team living up to our purpose
- The Win Strategy 3.0 has accelerated our performance
- Strategic portfolio transformation - longer cycle & more resilient
- Positioned for growth with secular trends
- New 5-year targets with continued margin expansion
- Our clean technologies enable a more sustainable world

A Transformed Parker with a Promising Future



Portfolio Transformation

Revenue by Technology Platform



Aerospace, Filtration & Engineered Materials ~2X Growth

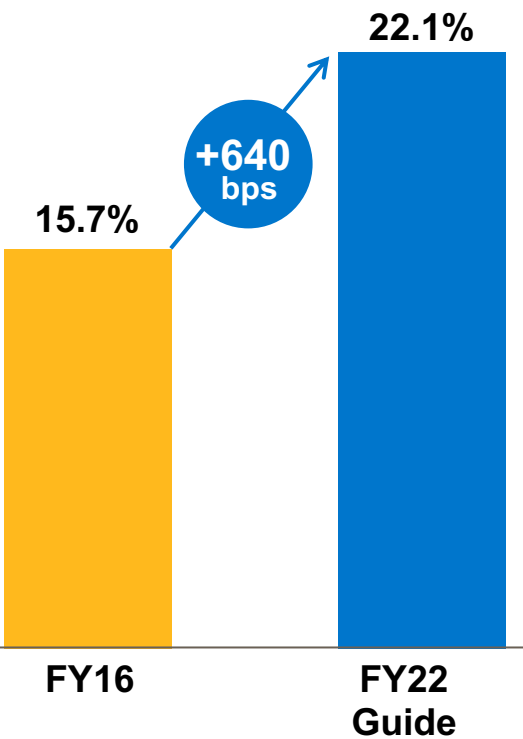
1. CY21 Meggitt Revenues using 1.38 GBP / USD exchange rate. Acquisition of Meggitt is pending.



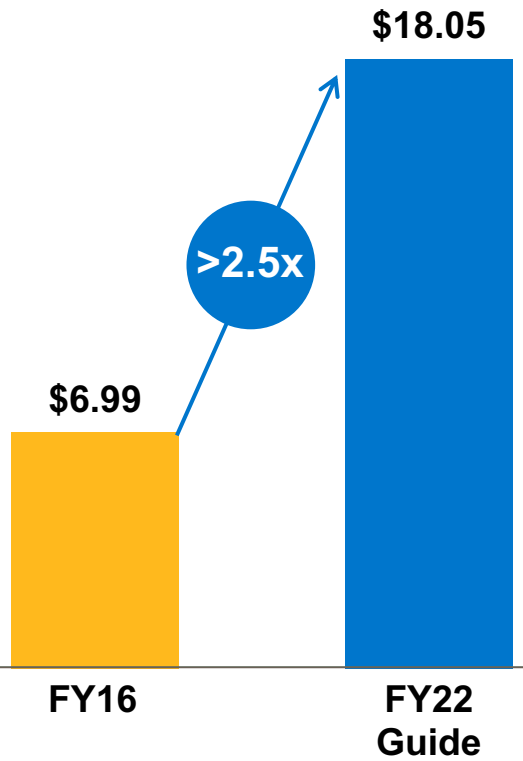
Portfolio Evolution

A More Resilient, Better Parker

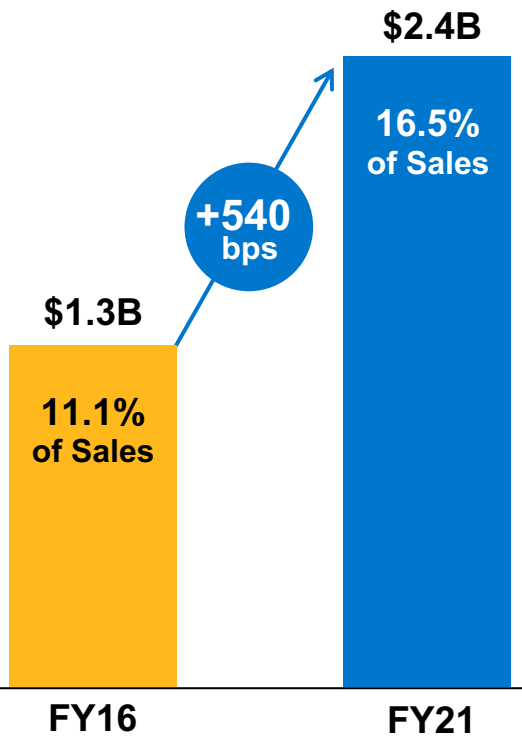
Adjusted Segment
Operating Margin¹



Adjusted EPS¹



Free
Cash Flow¹



1. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.

What Drives Parker

Living Up to Our Purpose

**Great Generators and
Deployers of Cash**

**Top Quartile Performance
vs. Proxy Peers**



Strategy

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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



SEPTEMBER 2019



Engaged People

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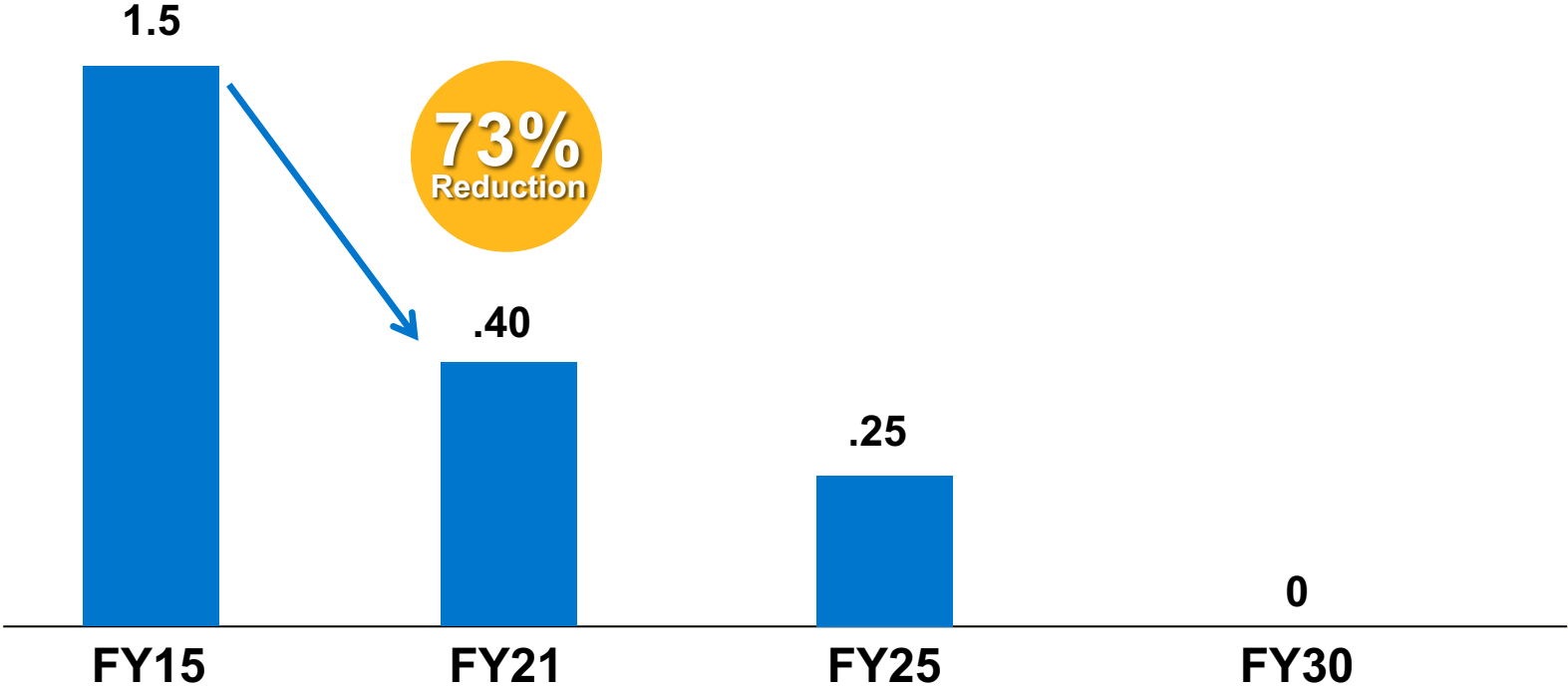
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Safety

The Path to Zero

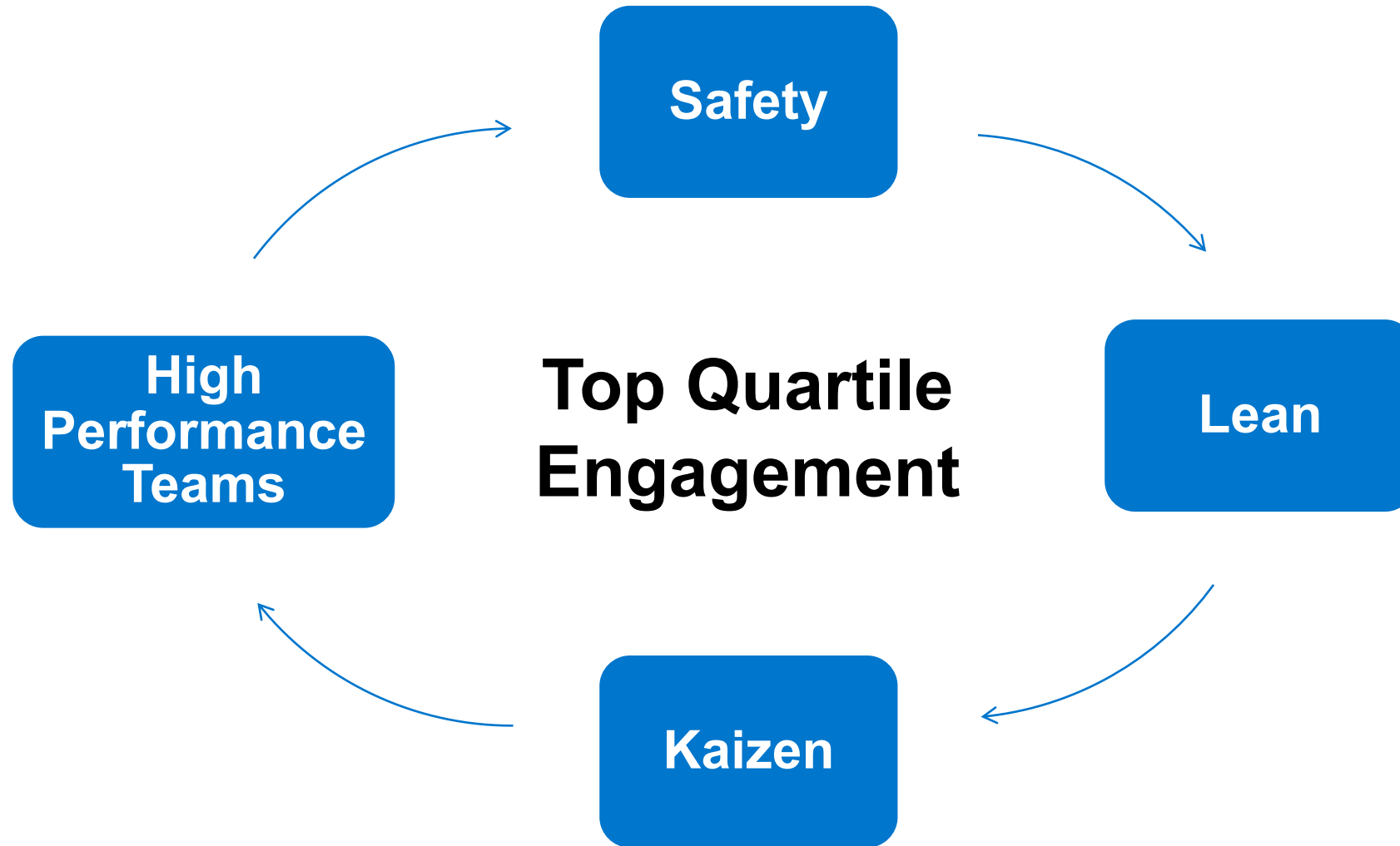
Recordable Incident Rate



Safety... Our #1 Goal

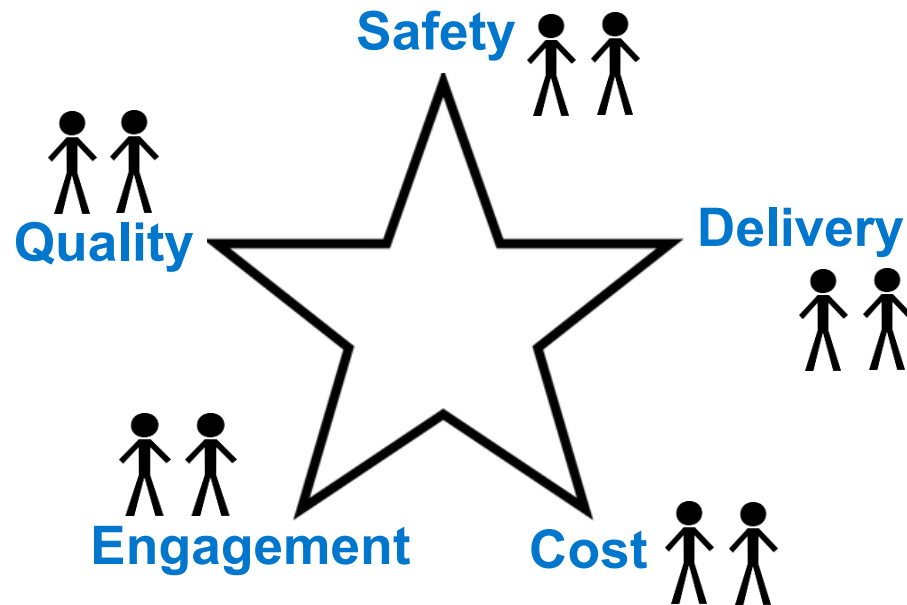


Parker's Brand of Kaizen



High Performance Teams Driving Ownership

Assign every team member to a star point



Example:

10-person natural team for cell or value stream:

- One team member is the point person per star point
- Rotate over time

Kaizen – “A Way of Life”

- **Kaizen = Action**
- **Operator is the Focus**
- **Speed of Execution**
- **Step Change Mentality**
- **Drives Engagement**
- **Better Customer Experience**



400+ Kaizen Weeks, ~10,000 Participants in CY21

Engagement & Empowerment Strategy

3 Focus Areas

TEAM WORK

- High Performance Teams
- Star Point Teams
- Kaizen
- Gemba Walks

I belong



TRUST

- Safety Focus
- Career Days
- Skip Level Meetings
- Site Leader Development

I matter



PRIDE

- Community Outreach
- Purpose in Action
- Customer Experience
- Recognition & Celebration

I make a difference



Engaged People Create an Ownership Culture



Customer Experience

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The Importance of Best-in-Class Customer Experience

Engagement + Customer Experience = Growth

Digital Leadership

- Digital Customer Experience
- Digital Products
- Digital Operations
- Digital Productivity

Digital Productivity Solutions

Digital
Collaboration



Robotic Process
Automation



Data Analytics and
Artificial Intelligence



Driving Productivity Across the Organization

Data Analytics Structure and Organization

Steering Committee



12 Members

Executive stakeholders
providing guidance
& sponsorship

Data Champions



10 Members

Promoting governance
& data quality

Community of Practice



770 Members

Increase user adoption
and create data
driven culture

PACE Team








16 Members

Parker Analytics
Center of Excellence

Driving Cultural Shift to Data, Analytics & Artificial Intelligence

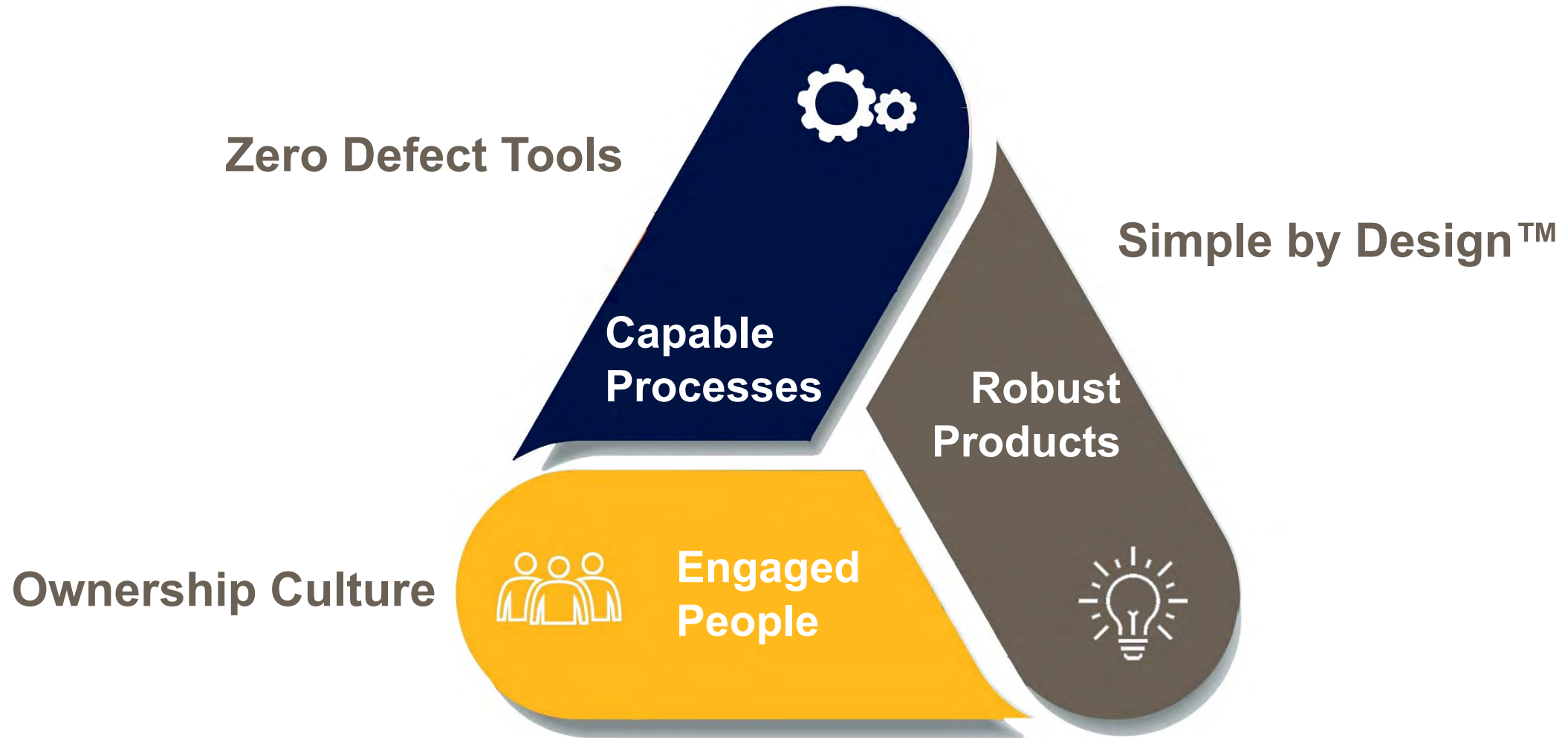


Key Enterprise Artificial Intelligence Initiatives

Financial Forecasting	Opportunity to Sales	Claims AI	Bid Response Management	Demand Forecasting
Financial Performance	Sales & Marketing	Customer Experience	Strategic Pricing	Supply Chain
				
AI-powered forecast delivers unbiased insights	Opportunities scored for targeted engagement	Approves claims with quick turnaround to customer	Automation of simple quotes, analytical guidance for complex quotes	Part level forecast improves operational efficiency



Zero Defect Strategy Drives Quality & Margin Expansion



Profitable Growth

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Sustaining Organic Growth Over the Cycle

Performance

- Strategic Positioning
- Innovation
- Simple by Design™
- International Distribution
- Annual Cash Incentive Program (ACIP)
- Secular Trends

Portfolio

Acquire companies with higher growth trajectory and resiliency:

- CLARCOR
- LORD
- Exotic
- Meggitt¹

Consistent Growth Requires both Performance and Portfolio Actions

1: Offer to acquire Meggitt PLC announced August 2, 2021. Acquisition is pending.

Strategic Positioning

Strategy = Operational Effectiveness + Strategic Positioning

- Developed standard work for segmentation
- Established monthly review process
- Two-year cycle to complete division reviews



Embedded in Operating Cadence of the Company

Winovation: Our Stage Gate Innovation Process

Key Process Changes

- New Product Blueprinting (NPB) – Outside-In Ideation
- Simple by Design™ (SbD) – Design Excellence

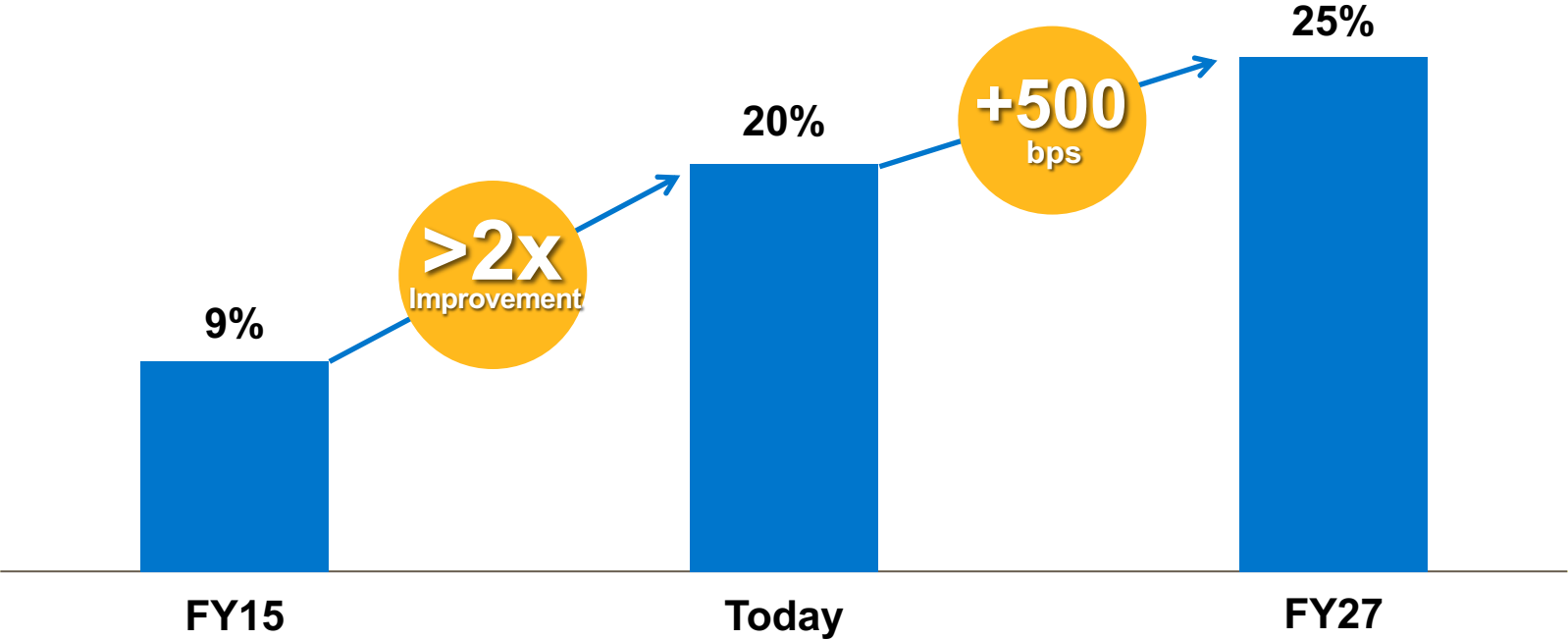
Key Metric Changes

- Product Vitality Index (PVI) – Innovation Ownership



Product Vitality Index (PVI)

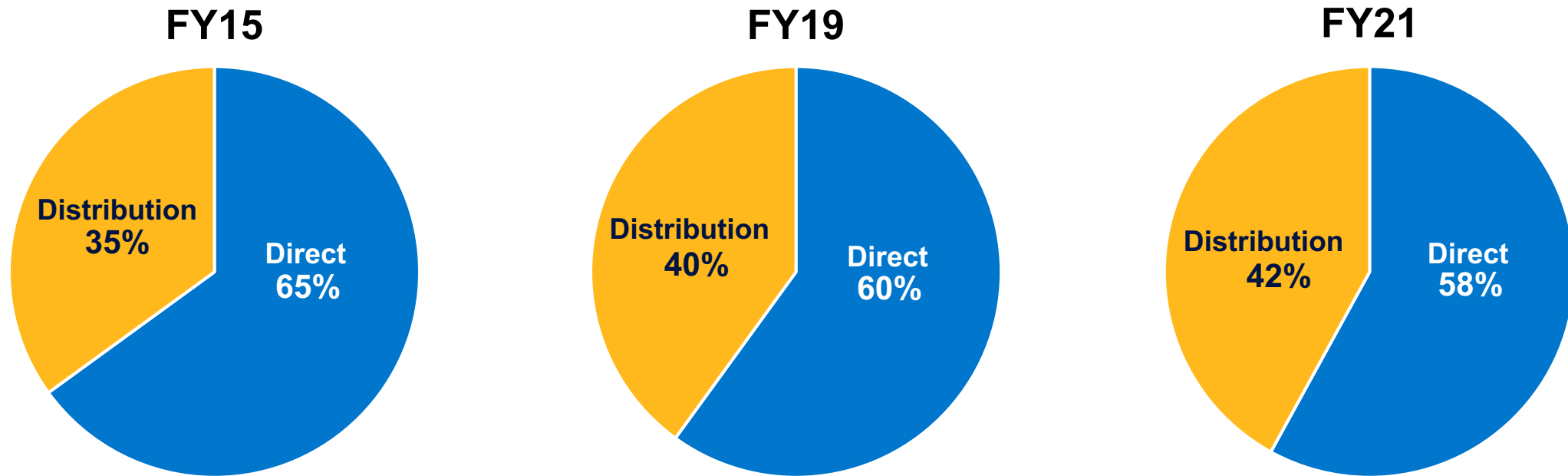
% of Sales from Products Launched within the Last 5 Years



Drives Faster Growth & Supports Secular Trends



Expanding International Distribution Sales Mix



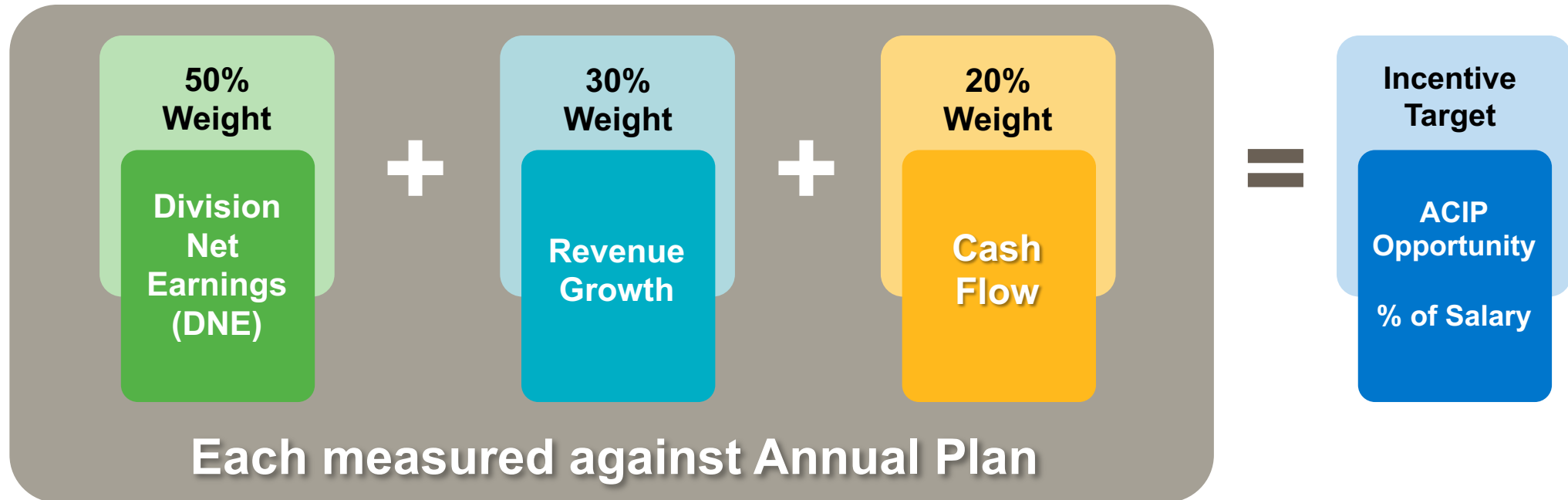
- Dedicated Global and Regional Leadership
- 1000 new Distributors.... > 300 Former Parker Team Members

Shifting Sales Mix 100 bps per Year



Annual Cash Incentive Program (ACIP)

Accelerates Performance



Implementation Complete FY23



Positioned for Growth Opportunities from Secular Trends

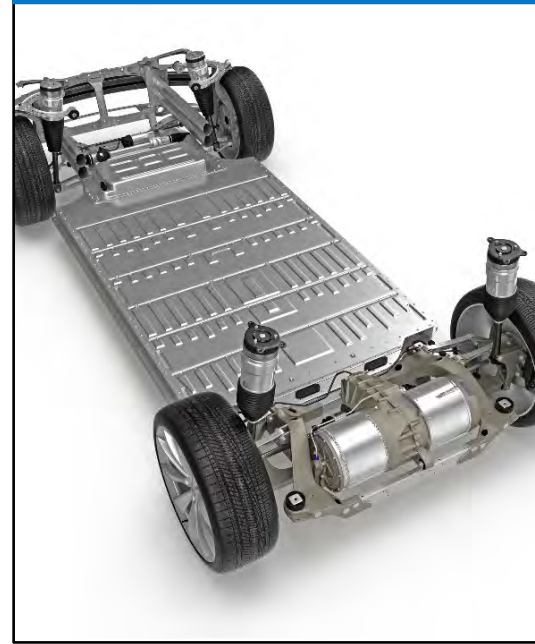
Aerospace



Digital



Electrification



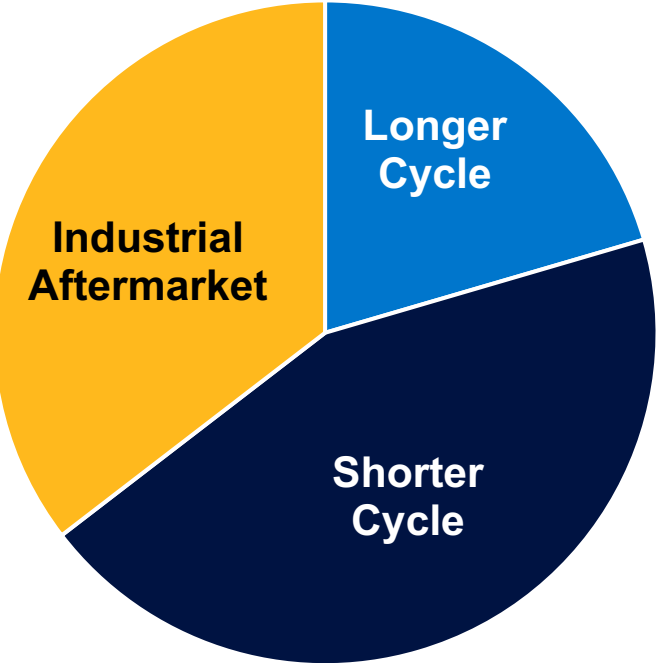
Clean Technology



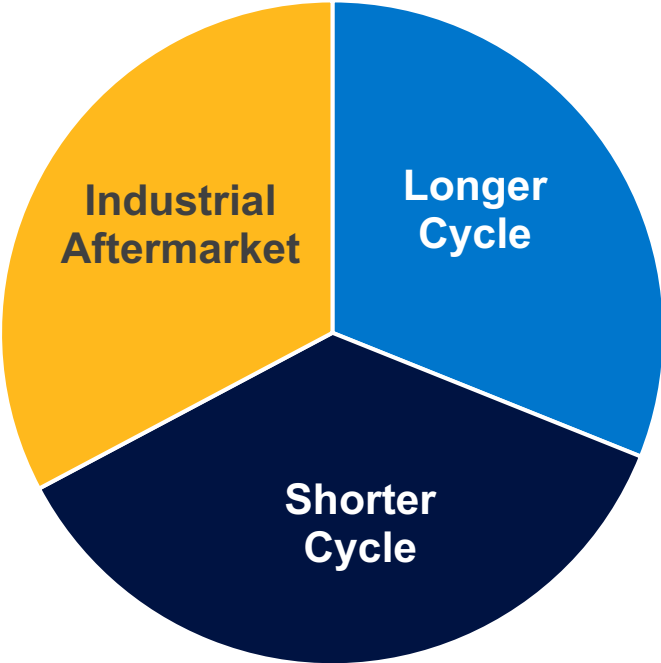
Portfolio Changes & Secular Trends

End Market Impact

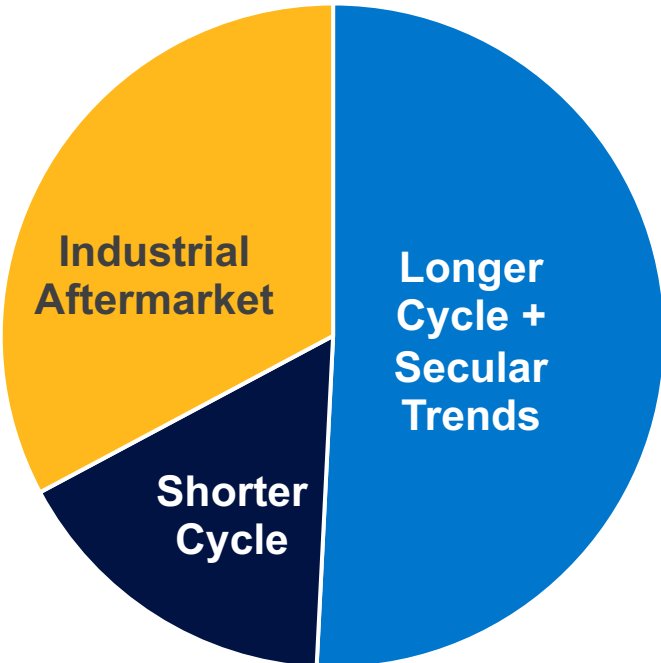
FY15 Sales Mix



FY22E Sales Mix
Proforma Meggitt¹



FY27 Sales Mix
Illustration



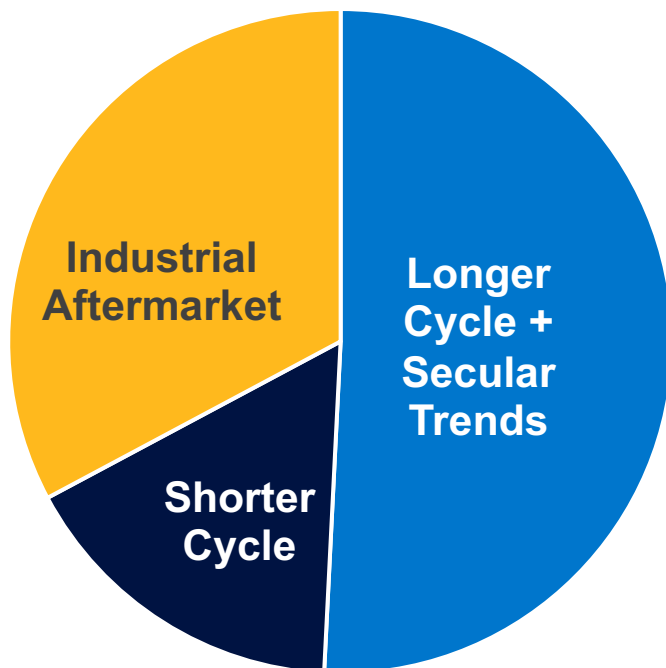
1. CY21 Meggitt Revenues using 1.38 GBP / USD exchange rate. Acquisition of Meggitt is pending.



Portfolio Evolution with Secular Trends

Expected End Market Impact

FY27 Sales Mix Illustration



Markets

- Aerospace & Defense ~33%
- Ag, Construction, Mining ~4%
- Automotive ~3%
- Semiconductor & Telecom ~3%
- Heavy Truck ~2%
- HVAC & Refrigeration ~2%
- Life Sciences & Medical ~2%
- Material Handling ~1%
- Power Generation ~1%

Markets

- Industrial Aftermarket ~33%

Markets

- General Industrial ~3%
- Ag, Construction, Mining ~4%
- Automotive ~1%
- Machine Tools ~1%
- Heavy Truck ~3%
- Mills & Foundries ~1%
- Oil & Gas ~1%
- Material Handling ~1%
- Rubber & Tires ~1%

Note: Not a forecast of FY27 revenues by market. Based on current sales mix today and reflects expected impact secular trends have on select markets.



Financial Performance

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Simplification – 4 Areas of Focus

- **Structure & Footprint**

~33% reduction in reporting units completed

- **Organization Design**

Continual optimization of spans and layers for efficient operations

- **Revenue Complexity 80/20**

Leveraging our channels; Product optimization

- **Simple by Design™**

Focus on product design and engineering to reduce cost and enhance customer value proposition

Clear Path in Place for Margin Expansion Opportunities



The Journey to Simple by Design™

**Operational
Excellence**



**Commercial
Excellence**



**Design
Excellence**



Simple by Design™

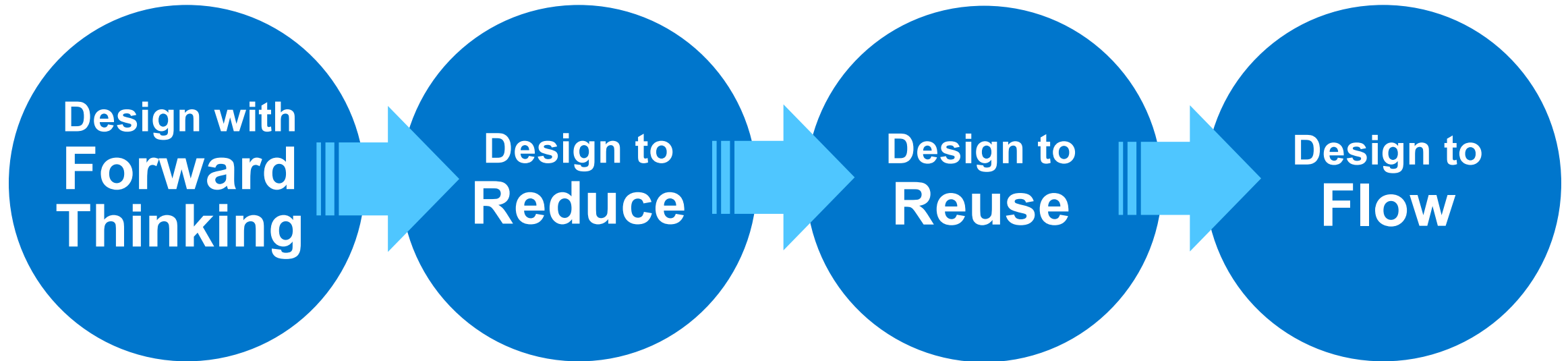
- ~ 70% Product cost is influenced by product design
- Most companies direct effort toward material, labor & overhead productivity
- Design decisions have long lasting implications on product cost

Simple by Design™ Drives Design Excellence



Simple by Design™

4 Guiding Principles



Made Possible by Artificial Intelligence (AI)



Spin-on Filter Complexity Reduction

Applying Simple by Design™ Principles

- Eliminates over 45 assemblies & 130 components
- Patented design creates aftermarket protection
- Smaller package size fits into more applications
- Simplification improves speed; reduces lead time



Design Principles

Forward Thinking

- Eliminate overlap in product offering
- Retain aftermarket

Reduce

- **Consolidate head designs: 9 to 4**
- Reduce die-cast tooling required

Reuse

- Use existing pump, heat & media options

Flow

- Common filter head w/ **modular attachments**

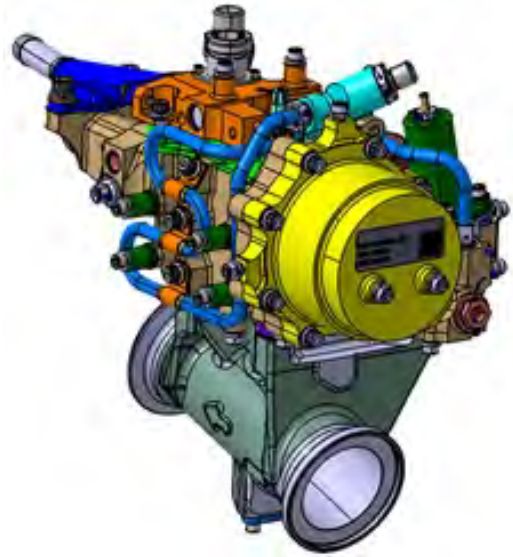
20% Product Cost Reduction



A320 LEAP Engine Complexity Reduction

Applying Simple by Design™ Principles

- Established 'should cost' estimates
- Replaces existing supplier on the A320 engine program
- Cost savings can extend more than 20 years



Design Principles

Forward Thinking

- **Simplified** actuator & improved thermal mgmt

Reduce

- **7 Parts eliminated**
- **Eliminates** servo valves

Reuse

- **60%** of pressure regulator parts **are common** on similar valves

Flow

- **Plug and play** sub-assemblies
- **Reduced** operational **steps** in final assembly

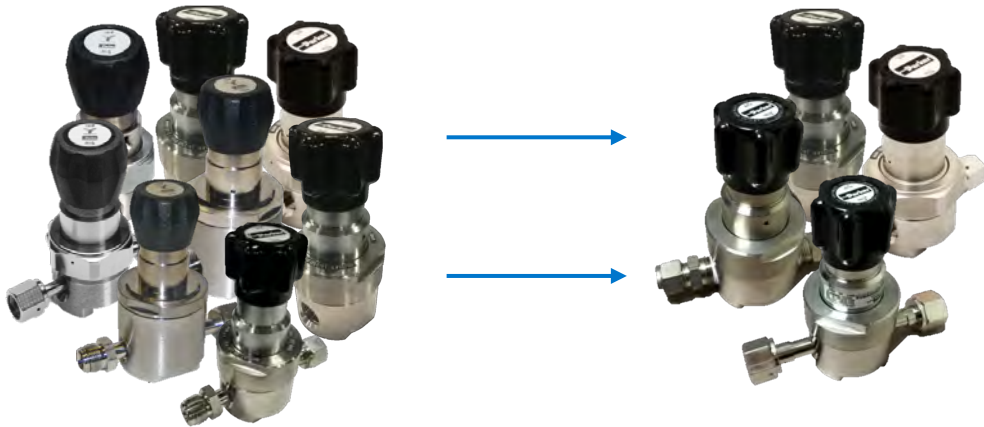
15% Product Cost Reduction



Semiconductor Pressure Regulator Simplification

Applying Simple by Design™ Principles

- Eliminated 4 product families
- New design optimizes long-term performance
- Coordinated with customer throughout development



Design Principles

Forward Thinking

- Established **standard body platforms**

Reduce

- **Consolidated** redundant offerings

Reuse

- **80%+** recycled part numbers

Flow

- Utilized **standard grade** stainless steel
- **Reduced** assembly complexity

10% Product Cost Reduction

Capital Deployment

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Transformative Acquisitions



- Doubled Filtration
- 80% Aftermarket



- Doubled Engineered Materials
- Complementary Technologies



- Complementary Technologies
- Engine Content

- ▶ Strategic capital deployment
- ▶ Longer cycle growth dynamics
- ▶ Accretive to growth, margins & cash¹

Well Positioned for Secular Growth

1. Excludes one-time costs and deal-related amortization.

Compelling Strategic Aerospace Combination



MEGGITT

- Nearly doubles the size of Aerospace Systems Segment with complementary technologies
- 70% sole-source with proprietary products that expand system and component capabilities
- Strong recurring revenue – adds 500 bps to Aerospace aftermarket mix
- Strong growth potential driven by commercial aerospace recovery and synergies
- Accretive to organic sales growth, margin, EPS and cash flow¹

Source: Meggitt investor materials

1. Excludes one-time costs and deal-related amortization



Capital Deployment Strategies

- Dividends: Maintain annual increase record, 65 years running
 - Target 5-year average payout 30-35% of net income
- Fund organic growth and productivity
 - Target capital expenditures 2% of sales
- Offset share dilution through 10b5-1 share repurchase program
- Debt reduction
- M&A and discretionary share repurchases

Performance Scorecard

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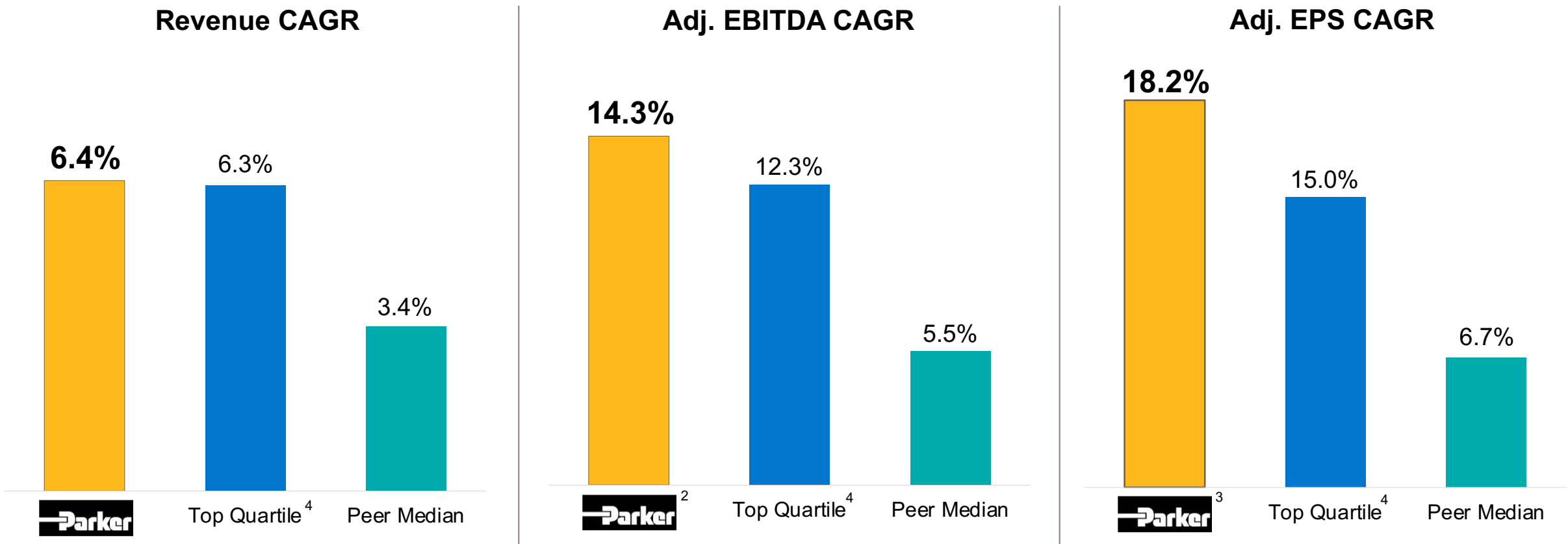
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Parker's Top Quartile Performance vs Proxy Peers

Last 5 years – CY16-21¹

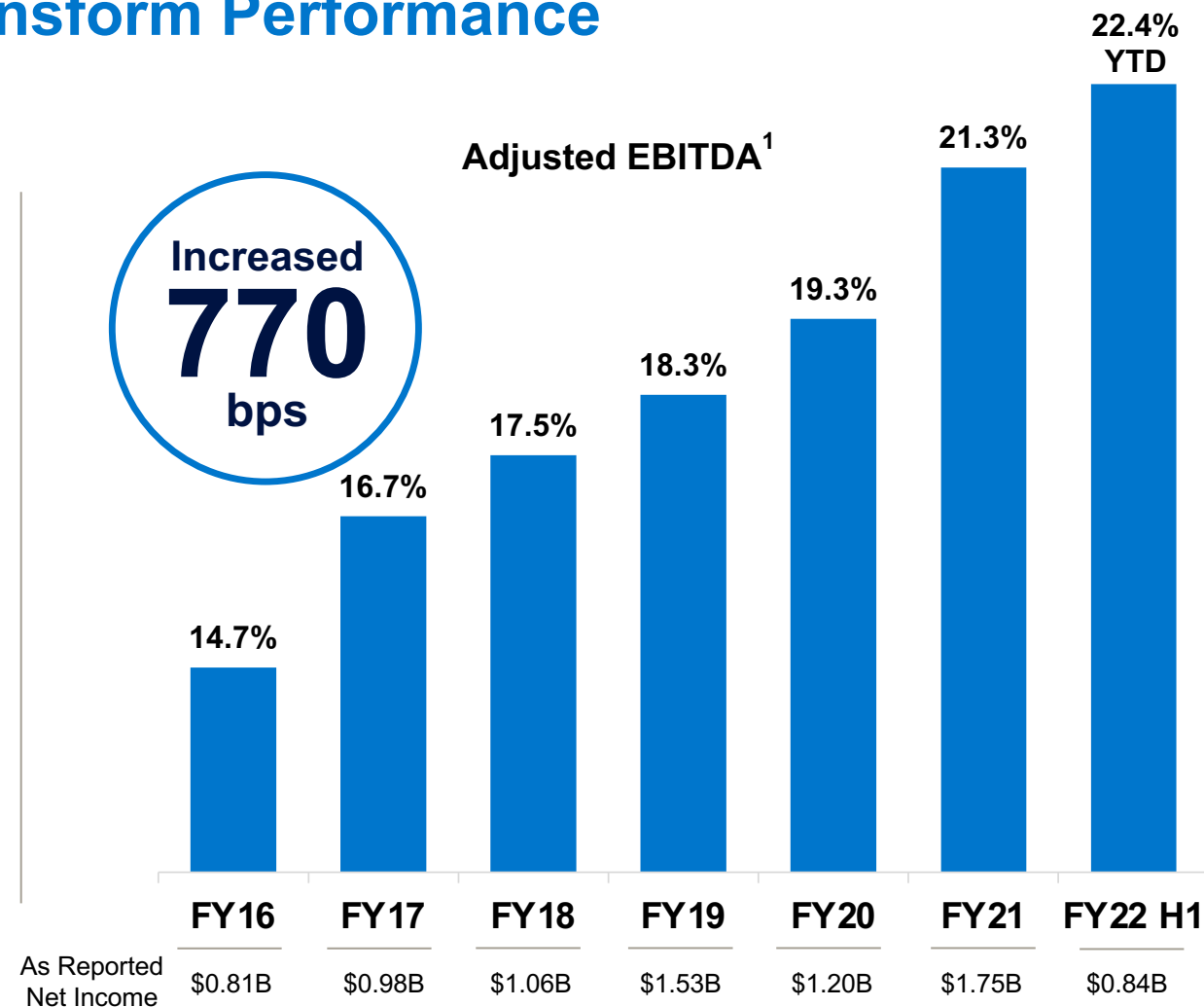
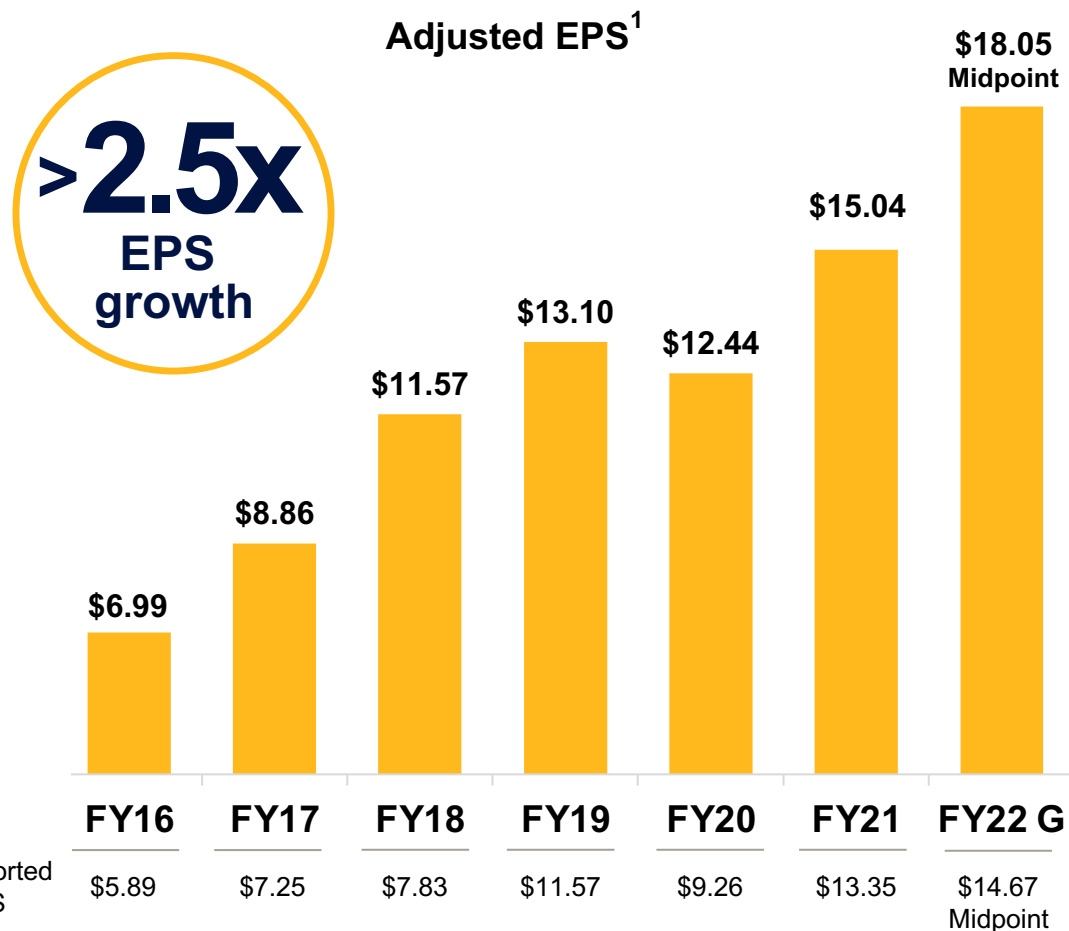


1. As of most recent financial period ended on or before 2/1/2022 to capture nontraditional quarter close peers (i.e. Deere). Source Capital IQ.
2. Adjusted for business realignment, acquisition-related expenses, costs to achieve, asset writedowns/impairments, and one-time gains/losses
3. Adjusted LTM earnings per diluted share. Adjusted for intangible amortization, business realignment, acquisition-related expenses, costs to achieve, asset writedowns/impairments, one-time gains/losses, and the tax effect of these adjustments. Adjusted numbers are non-GAAP financial measures. See appendix for additional details and reconciliation.
4. Entry point for Top Quartile performance – Parker plus 18 Peer Group Companies included in calculation



Performance

Our People, Portfolio & Strategy Transform Performance



1. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.



Fiscal 2027 Goals

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New FY27 Five-Year Targets

	FY27 TARGETS
Organic Growth	4 – 6%
Adjusted Segment Operating Margin	25%
Adjusted EBITDA Margin	25%
Free Cash Flow Margin	16%
Adjusted EPS Growth	10%+

Future Sales Growth Drivers

	Our Business System	Industrial Capex Investment	Channel Restock	Acquisitions	Secular Growth
Strategic Growth Drivers	The Win Strategy™	<ul style="list-style-type: none"> ▪ Address last decade under investment ▪ Supply chain development 	<ul style="list-style-type: none"> ▪ Replenish inventory levels ▪ De-risk supply chain 	<ul style="list-style-type: none"> ▪ CLARCOR ▪ LORD ▪ Exotic ▪ Meggitt¹ 	<ul style="list-style-type: none"> ▪ Aerospace ▪ Digital ▪ Electrification ▪ Clean Technologies
Outcomes	Growth & Financial Performance	Machinery automation, equipment & infrastructure spend	Rebuild inventory	Accretive & longer cycle growth	2/3's Portfolio enable Clean Technologies

Target 4-6% Organic Growth over the Cycle

1: Offer to acquire Meggitt PLC announced August 2, 2021. Acquisition is pending.

Margin Expansion Drivers are Built into The Win Strategy



Strategy Summary

Why We Win



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

Where We Are Going

- The Win Strategy™ 3.0
- Purpose Statement
- Growth strategies
- Capitalize on 4 secular trends:
 - Aerospace
 - Digital
 - Electrification
 - Clean Technologies
- Portfolio transformation

Position Parker for Top Quartile Performance



Thank You

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Secular Growth Trends

Aerospace & Digital



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Presented by:

Lee Banks

President and Vice Chairman

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March 8, 2022

Positioned for Growth Opportunities from Secular Trends

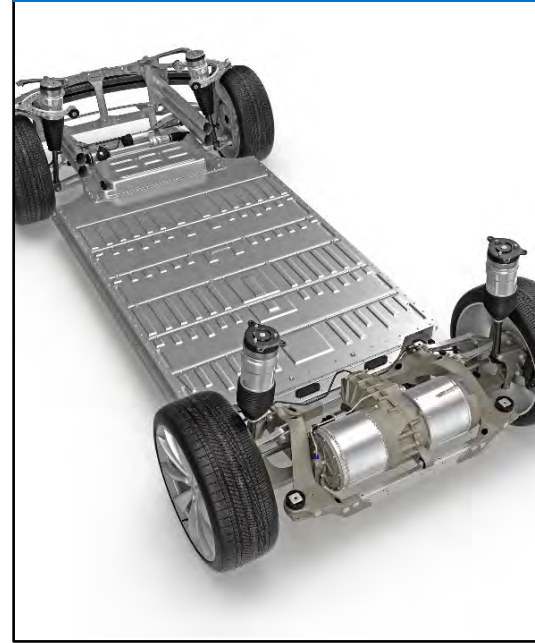
Aerospace



Digital



Electrification



Clean Technology



Global Aerospace Trends

18k+

Estimated new commercial airplane deliveries 2021-2030*

80%

Commercial transport fleet renewal over the next 20 years*

4.0%
CAGR

Revenue passenger km (RPK) growth the next 20 years*

4x

Increase in F-35 repair activity by FY30

Aerospace



Meggitt will add New Capabilities & Double Aerospace Portfolio

* Boeing 2021 Current Market Outlook – aircraft with 100+ passengers



Significant Content on Attractive Programs

- Proprietary designs on premier commercial and military programs
- Long cycle, multi-decade production
- Large installed based drives strong aftermarket annuity



F-35



Black Hawk



A220



A320



F/A-18



F-15



A350



G500/600/700



737



777



787



Global 7500

Resilient & Balanced Long Cycle Portfolio

Aerospace Systems Segment FY22G Midpoint Sales of \$2.5B



Commercial Transport
26%



Engine
26%



Military Fixed Wing
21%



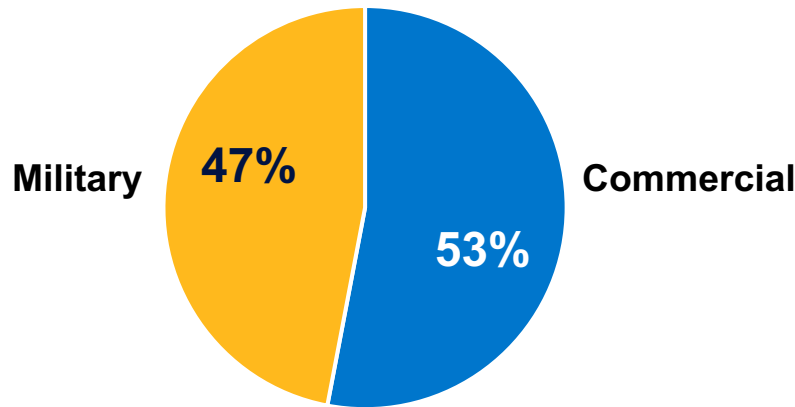
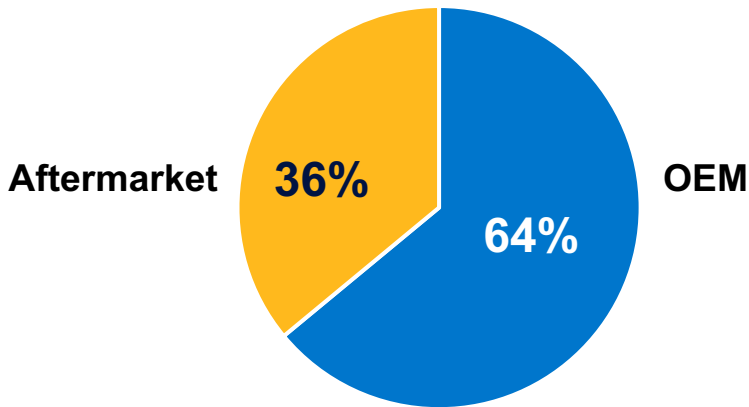
Helicopters
8%



Business & Gen. Aviation
10%



Regional Transport & Other
9%

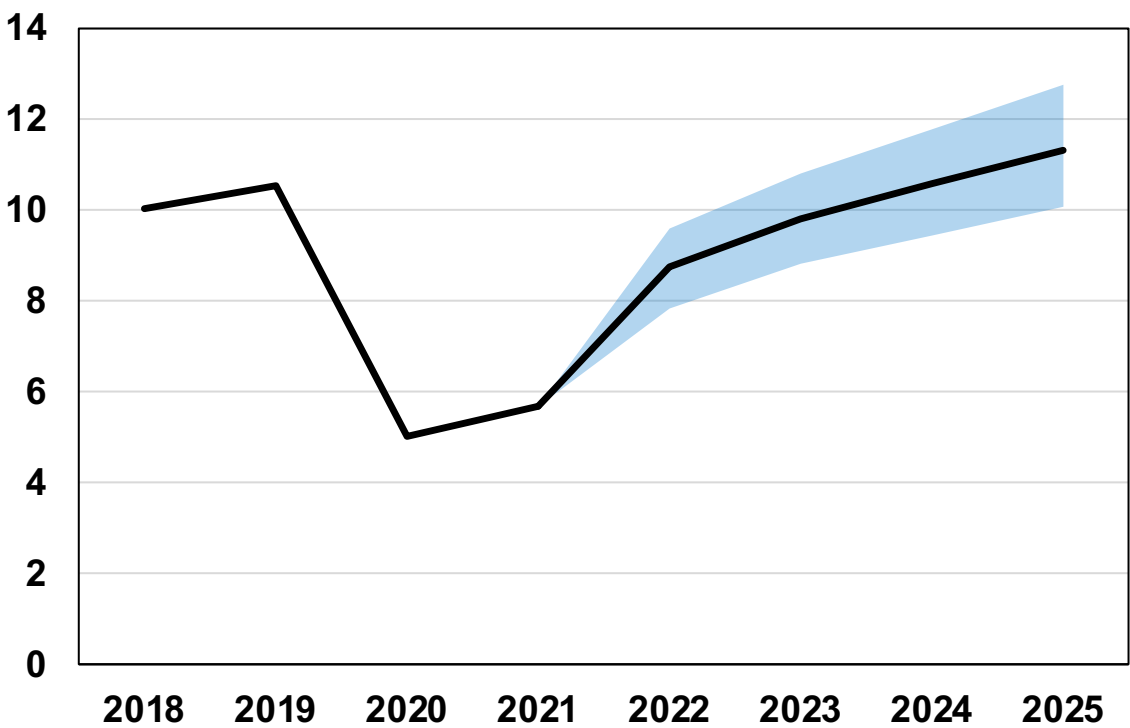


Commercial Market Recovery Will Drive Growth

Expect Recovery to Prior Peak in CY24

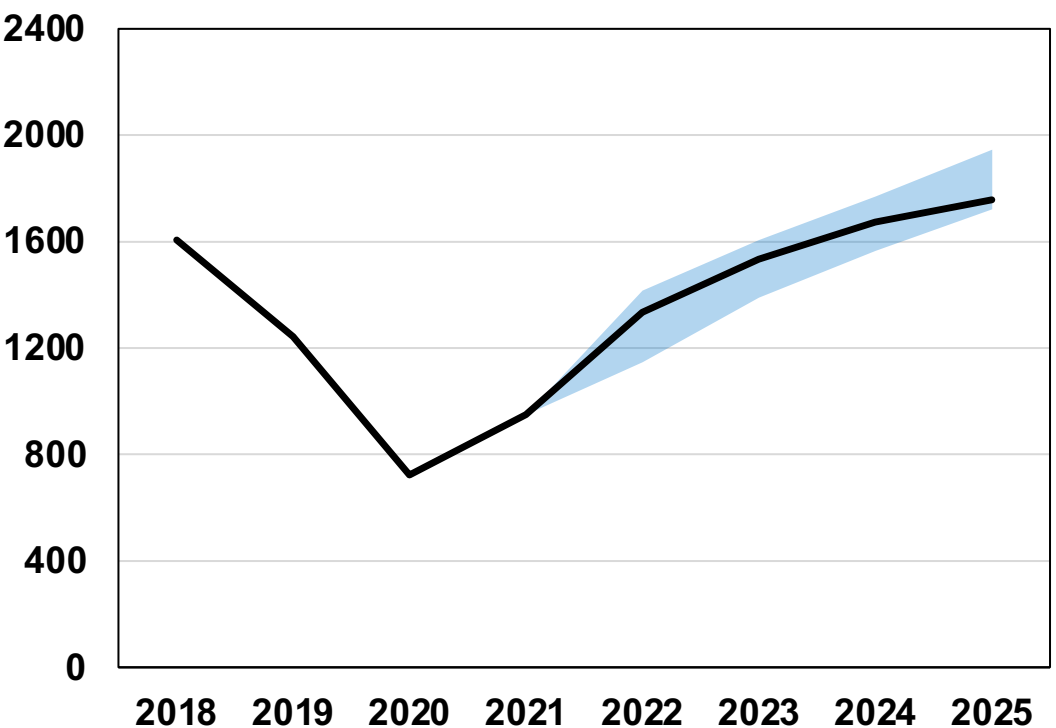
Air Traffic Forecast ¹

Available Seat km (ASK, Trillions)



Commercial Aircraft Forecast ²

Airbus & Boeing Deliveries



1. Source: Naveo, 2. Represents median and range of several consultant and equity analyst estimates



Investing in Low Carbon Technologies

A Multi-Decade Aerospace Growth Enabler

Estimated Time Frame	Current to 2030+	2025+	2030+
Key Market Drivers	Fleet Shift to More Efficient Aircraft	Sustainable Aviation Fuels (SAF)	New Technologies & Advanced Air Mobility



Advanced Air Mobility (AAM) Expands Market

Applications



eVTOL

Electric Vertical
Take-off & Landing



eCTOL

Electric Conventional
Take-off & Landing

- Investing in portfolio electrification
- Applications across nearly all systems areas
- Applicable to next gen commercial transports and military aircraft

New Addressable Market of \$1B by 2030



Military Growth Drivers

OEM



F-35 / F135 Engine
Multi-decade production



Next Generation Helicopter
Programs starting 2030



New F-15 Derivative Fly-by-
wire Aircraft by 2030

Aftermarket



F-35 / F135 Engine
Aftermarket Ramp-up



Product Improvements &
Retrofits for an aging fleet



Military Repair Depot
Partnerships

Long Lifecycle Programs with Growing Aftermarket Annuity



Continued Progress on Meggitt Transaction



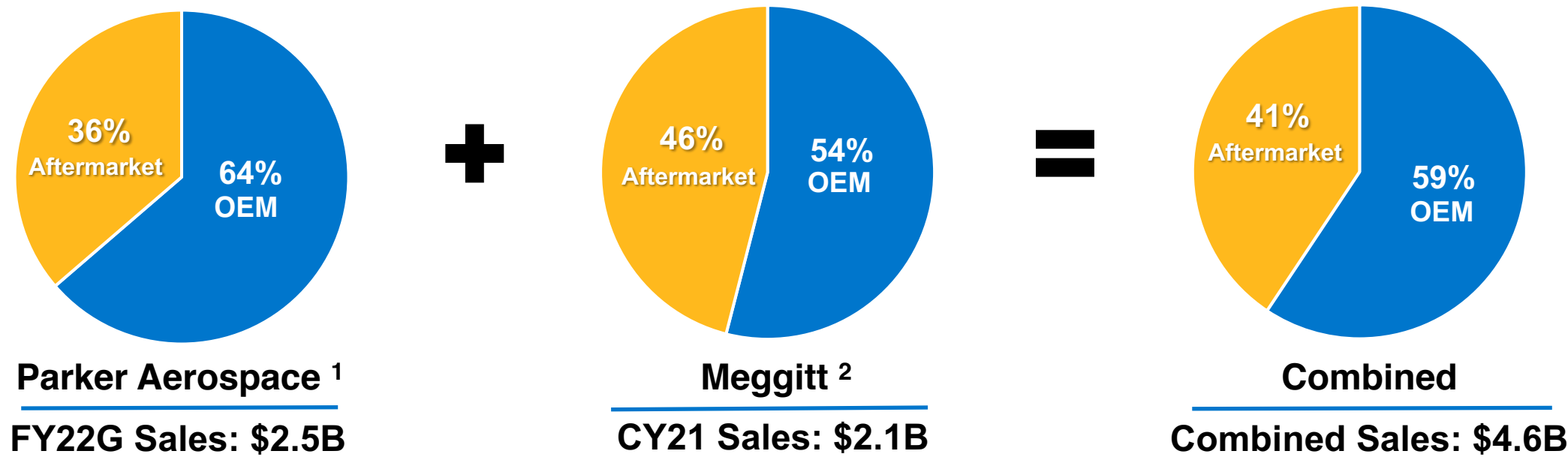
MEGGITT

Compelling Strategic Aerospace Combination



Meggitt Strengthens Aftermarket Mix by 500 bps

A More Balanced Aerospace Portfolio Across Cycles

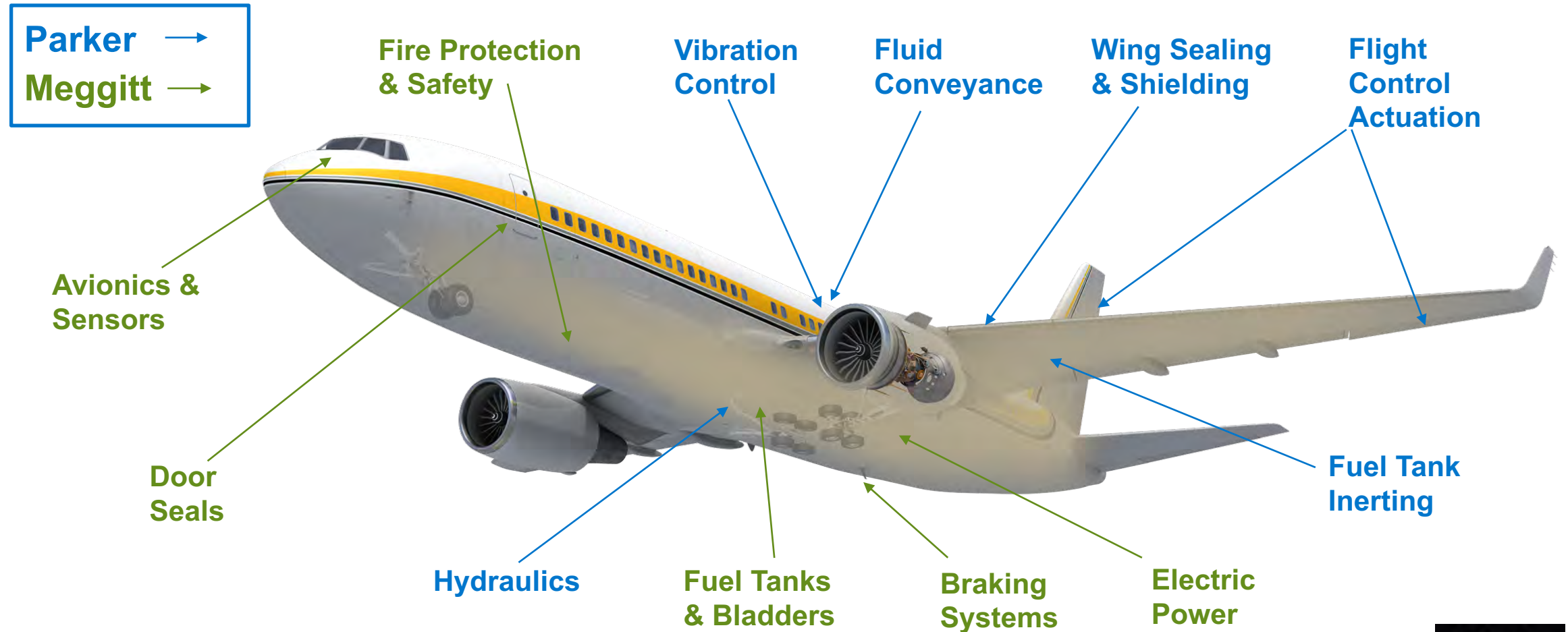


Source: Parker and Meggitt investor materials, 1. Aerospace Systems Segment sales mix 2. 1.38 USD / GBP



Complementary Airframe Products & Systems

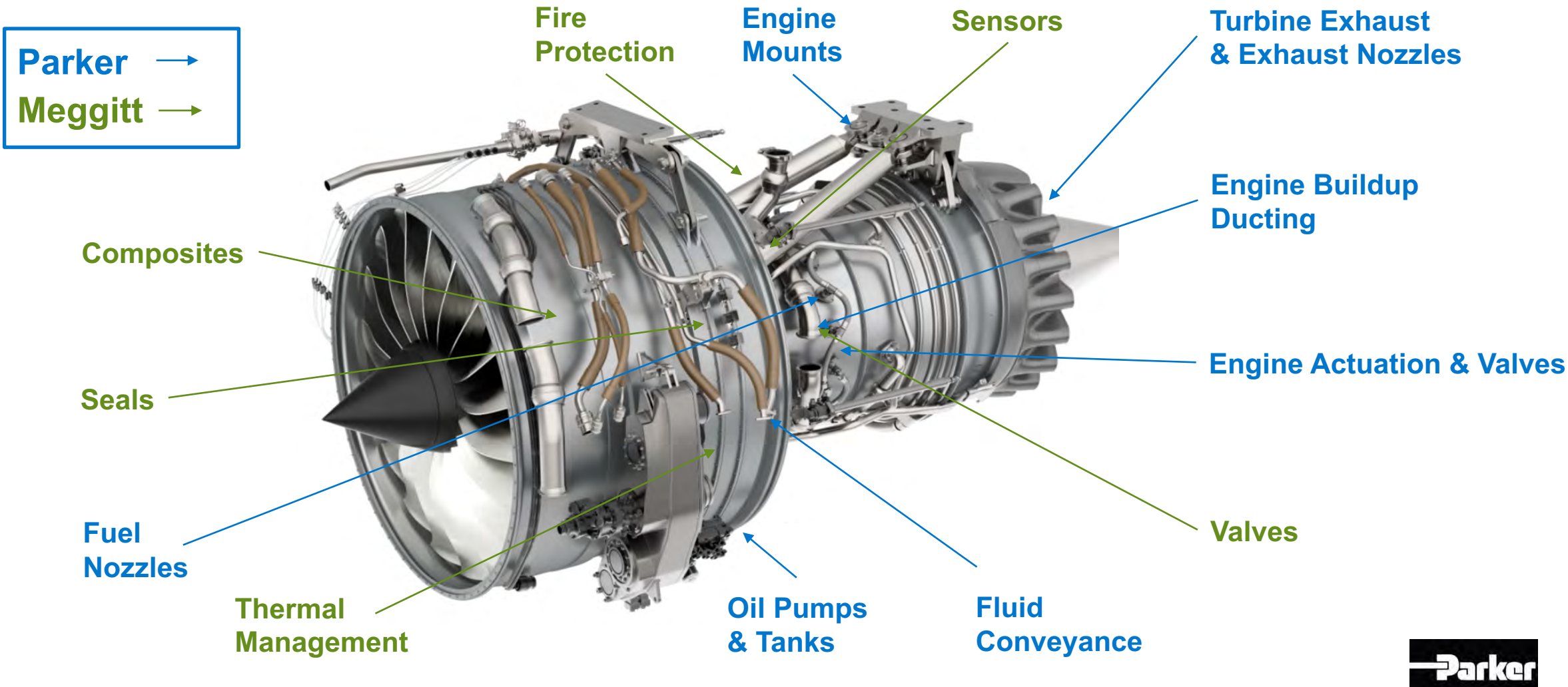
Meggitt Complements Airframe Capabilities & Adds Low Carbon Technologies



Source: Parker and Meggitt investor materials

Expansion of Engine Products

Meggitt Adds New Capabilities and Helps Customers Reduce Carbon Footprint



Source: Parker and Meggitt investor materials



Aerospace Provides Short & Long-term Sustainable Growth

- Resilient & balanced long-cycle commercial and military portfolio
- Growth from commercial market recovery; FY22G is 70% of pre-COVID level
- Low carbon technology investments position Parker for next gen aircraft
- Advanced air mobility & next gen military helicopters sustain growth post-commercial market recovery
- Meggitt acquisition will add new capabilities and doubles aerospace portfolio

Multi-Decade Growth Levers



Global Digital Trends

\$4.4T

Expected US eCommerce revenue 2022 to 2025¹
>100% increase vs. the prior 4-year period

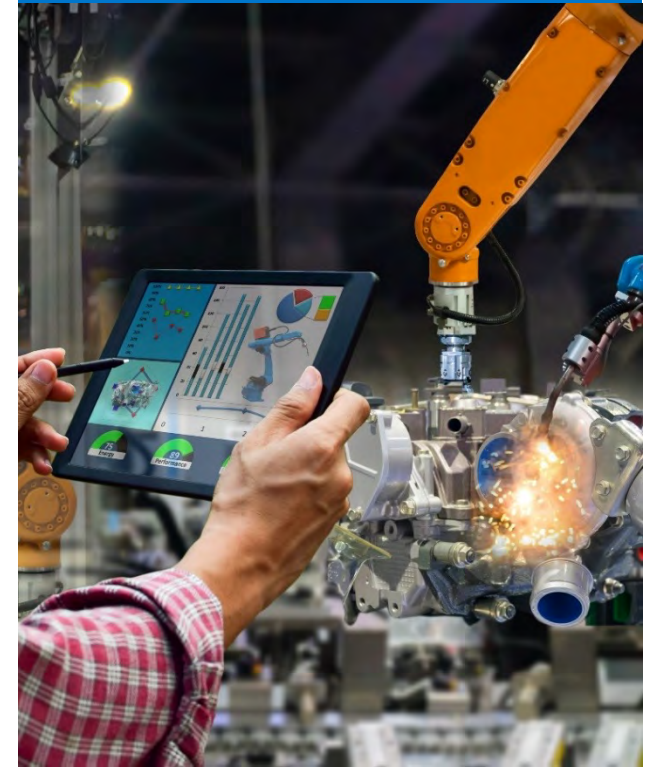
\$600B

Global Semiconductor Capital Spending Forecast 2022-2025²
>60% increase vs. the prior 4-year period

\$700B

Global 5G network Capital Spending Forecast 2022-2025³
>130% increase vs. the prior 4-year period

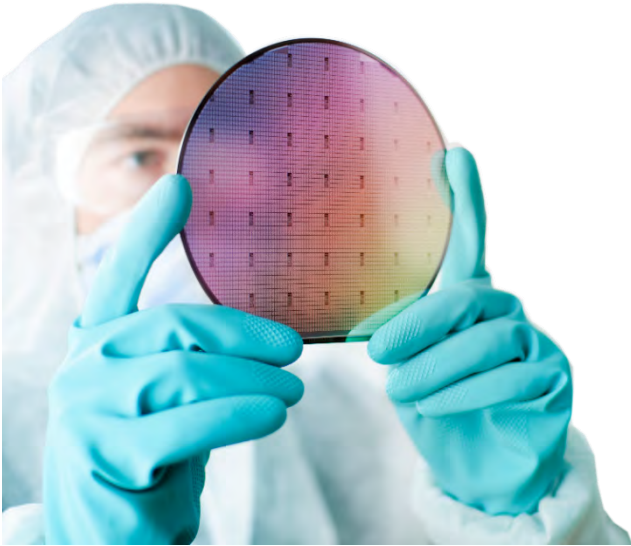
Digital



Expertise Supporting Semiconductor Manufacturing

Applications

- Liquid & gas mobile transport
- Bulk gas distribution at facility
- Specialty chemical delivery
- Valve manifold boxes
- Semiconductor tool hookup
- Fabrication tools



Parker Technologies

Process Control

- Ultra high purity (UHP) valves
- UHP pressure regulators
- Fluoropolymer valve manifolds

Fluid & Gas Handling

- Cooling hoses
- Quick couplings

Electromechanical

- Solenoid actuation valves
- Servo systems for wafer spinning

Filtration

- Critical liquid & gas microfiltration

Engineered Materials

- Electromagnetic shielding
- Load lock & chamber seals

Parker Technologies Essential to the Digital Supply Chain



Expertise Supporting 5G Infrastructure Build Out

Applications

- 5G tower upgrades/installations
- Site preparation
- Communication equipment protection
- Fiber optic cable installation
- Utility directional drilling
- Trenching



Parker Technologies

Engineered Materials

- Electromagnetic shielding
- Thermal management

Filtration

- Hydraulic filtration
- Fuel filtration

Fluid & Gas Handling

- Hydraulic hose & fittings
- Quick couplings
- Thermoplastic hose

Hydraulics

- Pumps, motors, valves
- Safety sensors
- Electronic displays
- Rotary actuators

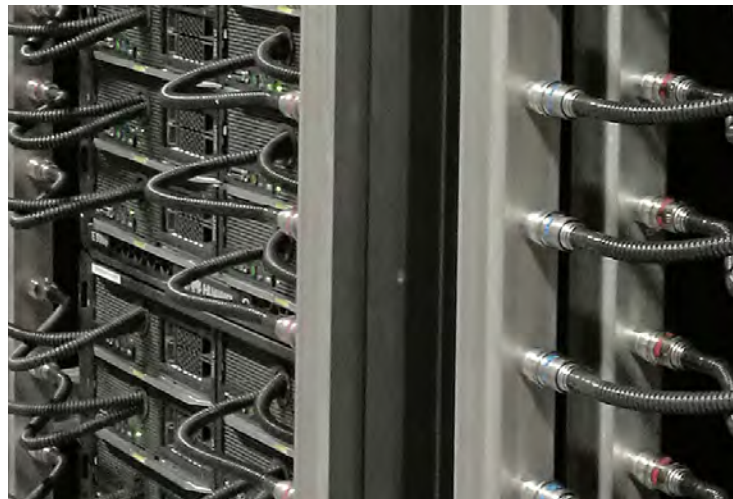
Parker Technologies Essential to the Digital Infrastructure



Expertise in Data Center Liquid Cooling

Applications

- Data Centers
- Edge Computing
- Cloud
- Autonomous Vehicles
- Artificial Intelligence
- 5G



Parker Technologies

Filtration

- HVAC filtration

Fluid & Gas Handling

- Quick Disconnects
- Hoses
- Push-to-connect fittings
- Tubing
- Manifolds

Engineered Materials

- O-rings
- Specialty Seals

Process Control

- Refrigeration Fittings
- Valves

Parker Technologies Critical for Data Center Operation & Efficiency



Expertise in Factory Machine Automation

Applications

- Specialty industrial machinery
- Assembly machines
- Test and Inspection
- Part handling / positioning

Automated Circuit Board Soldering System



Parker Technologies

Electromechanical

- Servo motors
- Servo drive-controllers
- Electric actuators

Pneumatic

- Control valves
- Pneumatic actuators
- Pressure regulators

Fluid Conveyance

- Pneumatic tubing
- Pneumatic quick connectors

Filtration

- Compressed air filtration

Parker Technologies Enabling Factory Machine Automation



Digital Secular Trend

Impacting Our End Markets

- 5G Infrastructure build out
- Semiconductor manufacturing
- Data center modernization
- Logistics (Transportation, Warehousing, Robots)
- Connected products
- Machinery automation

Thank You

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Secular Growth Trends

Electrification & Clean Technology



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Presented by:

Jenny Parmentier

Chief Operating Officer

ENGINEERING YOUR SUCCESS.

March 8, 2022

Global Electrification Trends

25

Million
Units

Light Vehicle

Expected annual volume of EV's manufactured by 2028¹

4x+

Increase in annual battery cell production 2020-2030²

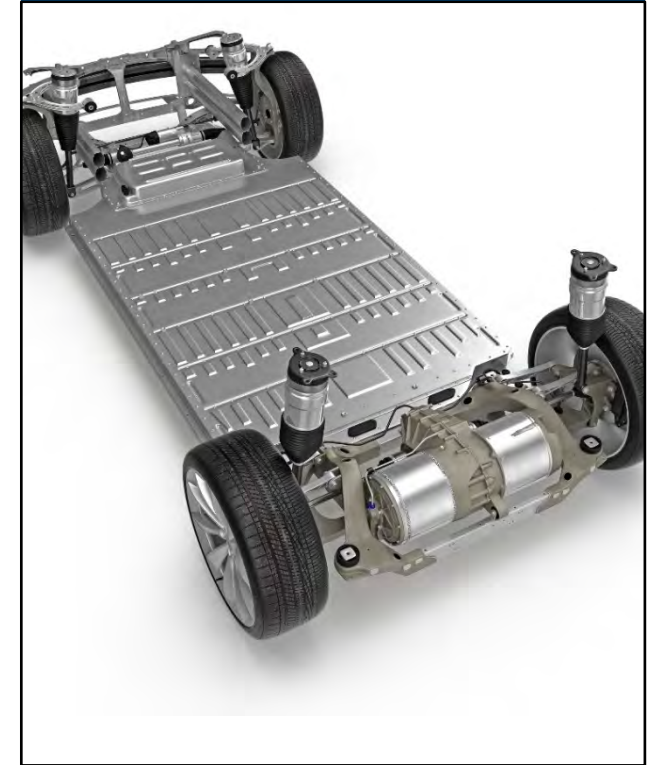
630 Gwh annually to more than 2900 Gwh

Light to
Heavy

Off-Road Mobile Equipment

Adopting of electric migrating from lighter to heavier machines
Exploring cleaner combustion and hydrogen for heavy machines

Electrification



Motion & Control System Equipment

Energy Source

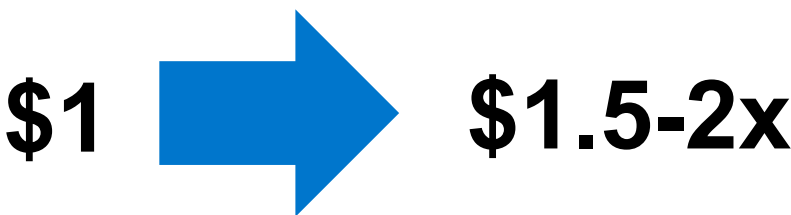
- Diesel
- Fuel Cell
- Electric
- H2
- Hybrid



Primary Parker Content Today

- Work Function
- Propel Function

Parker BOM Content Increases with Electrification



Parker Well Positioned Today, Even Better for Tomorrow



Light On-Road Electric Vehicle Technology

Applications

- Battery Pack & Housing
- Motor & Gear Box
- Charger & Inverter
- Infotainment & Driver Assistance
- Power Electronics
- Lightweight Assembly

Parker Technologies

Safety

- Flame-resistant coatings
- High temperature materials
- Environmental & hermetic sealing

Weight Savings

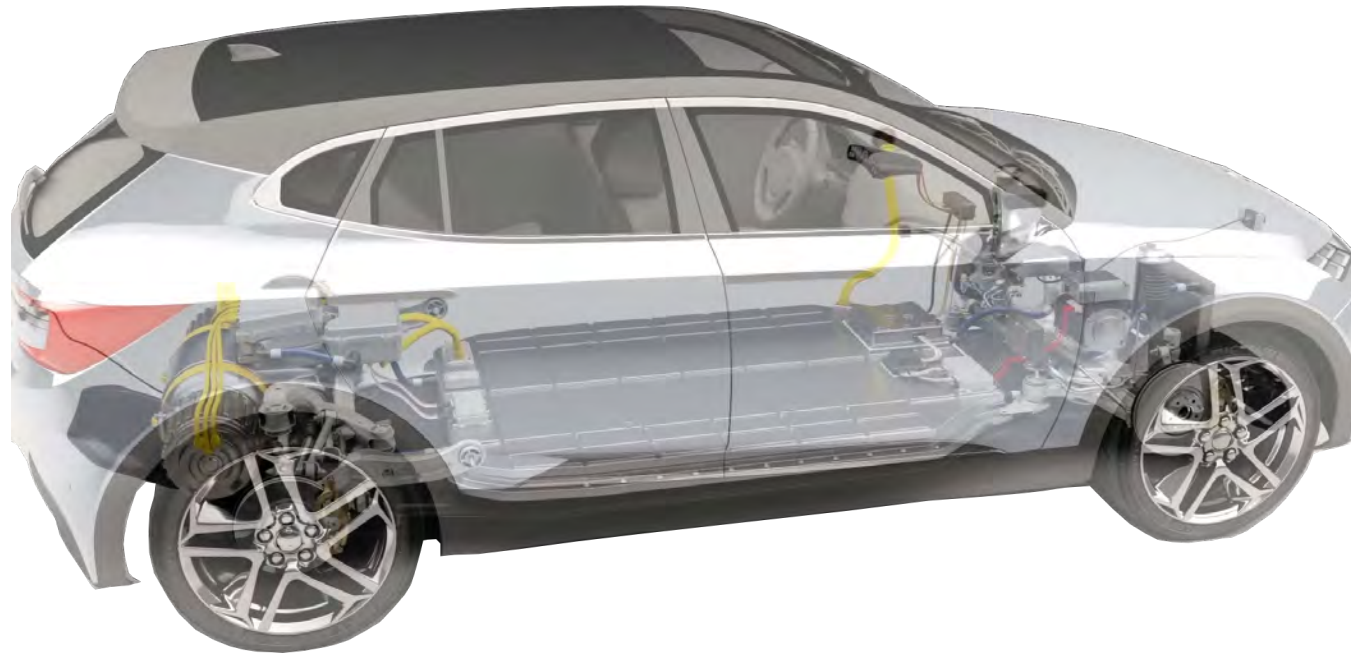
- Structural adhesives
- Engineered plastics

Thermal Management

- Thermal gels & interface materials
- Environmental & hermetic sealing

Critical Protection

- Electromagnetic shielding
- Sealing
- Vibration dampening
- Electrically conductive or isolating materials



Vehicle Content Increases by 2x from a Combustion Engine to EV



Off-Road Electric Tractor Technology

Applications

- Vehicle Powertrain
- Machine Implements
- Electrified Power-Takeoff (ePTO)
- Battery Pack & Housings
- Steering & Ride control
- Charging & Power Electronics



Parker Technologies

Hydraulics & Electromechanical

- Electric motors
- Motor controllers
- Pumps, valves and actuators
- Electronic controls

Engineered Materials

- Flame-resistant coatings & high temp materials
- Structural adhesives & engineered plastics
- Thermal gels & interface materials
- Electromagnetic shielding
- Vibration dampening
- Electrically conductive or isolating materials
- Steer by wire tactile feedback

Filtration

- Hydraulic & lube filtration

Fluid & Gas Handling

- Fluid conveyance hoses & fittings

Content Increases by 1.5 - 2x from a Combustion Engine to EV



Heavy On-Road Electrified Trucks

Applications

- Vehicle Powertrain
- Work truck Implements
- Battery Pack & Housing
- Charging & Power Electronics
- Steering & Ride control
- Electrified Power-Takeoff (ePTO)



Parker Technologies

Hydraulics & Electromechanical

- Electric motors and generators
- Motor controllers
- Pumps, valves and actuators
- Electronic controls

Engineered Materials

- Flame-resistant coatings & high temp materials
- Structural adhesives & engineered plastics
- Thermal gels & interface materials
- Electromagnetic shielding
- Vibration dampening
- Electrically conductive or isolating materials

Filtration

- Hydraulic & lube filtration
- Clean combustion/FCEV: FCEV or H2 filtration

Fluid & Gas Handling

- Fluid conveyance hoses & fittings

Content Increases by 1.5 - 2x from a Combustion Engine to EV / Hybrid



Electrification Key Messages

- Consumer adoption of electric vehicles continues in automotive
- Increased clean energy regulations & incentives
- Rapid pace of electric technology development
- Convergence of consumer preference, public policy, & technology
- Serving agriculture, construction, material handling, smaller truck & marine markets

Parker Technology Enables Wide Range Electrified Machines



Global Clean Technology Trends

**Net
Zero**

Net Zero pledges require \$275T in global investments by 2050¹

>3x

Growth in global renewable energy from 2020-2050² will require multiple energy sources to meet demand & support grid load

>5x

Increase in global lithium demand from 2020-2030³

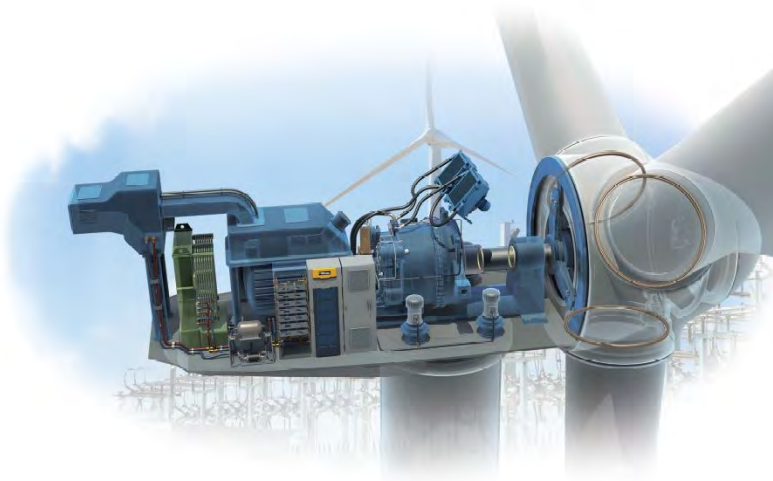
Clean Technology



Expertise in Wind Energy Production

Applications

- Blade Pitch & Yaw Actuation
- Hydraulic Power Units
- Brake & Locking Systems
- Rotary Sealing & Slip Rings
- Fluid Conveyance & Filtration
- Crane System



Parker Technologies

Hydraulics

- Actuation
- Motors & Pumps
- Valves and Accumulators

Fluid & Gas Handling

- Hoses and Tubing
- Fittings & Quick Couplings

Filtration

- Hydraulic & Lube System Filtration
- Air Intake Filtration

Engineered Materials

- Electromagnetic shielding
- Sealing solutions

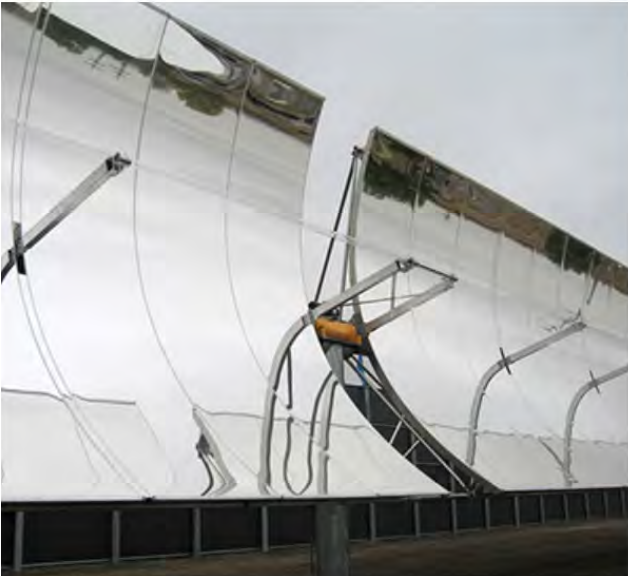
Parker Technologies Essential to Wind Energy Production



Expertise in Solar Energy Production

Applications

- Positioning Troughs and Panels
- Hydraulic systems
- Solar Panel Fabrication
- Solar Tracking Systems



Parker Technologies

Position Control

- Rotary Actuation
- Linear Actuation
- Valves and Accumulators

Fluid Conveyance

- Fittings and Quick Couplings
- Tubing and Hoses

Filtration

- Hydraulic System Filtration
- Lubrication System Filtration

Engineered Materials

- Sealing & Shielding
- Specialty Adhesives

Parker Technologies Essential to Solar Energy Production



Expertise in Hydrogen Production, Storage & Dispensing

Applications

- Process Purification
- Water Separation
- Humidification and Gas Drying
- Fluid Conveyance & Filtration
- Cryogenic Instrumentation



Parker Technologies

Hydraulics & Pneumatics

- Motors and Pumps
- Hydraulic Intensifiers
- Valves & Accumulators

Fluid & Gas Handling

- Fittings and Quick Couplings
- Cryogenic Solutions

Filtration

- Gas Filtration and Separation
- Humidification & Gas Drying

Engineered Materials

- Hermetic Sealing
- Cryogenic Sealing

Parker Technologies Essential for Hydrogen Infrastructure



Parker Filtration Enables a Cleaner World

The broadest portfolio of filtration solutions in the industry

Engine and Mobile



Hydraulics and Lube



Industrial Air



Process and Water

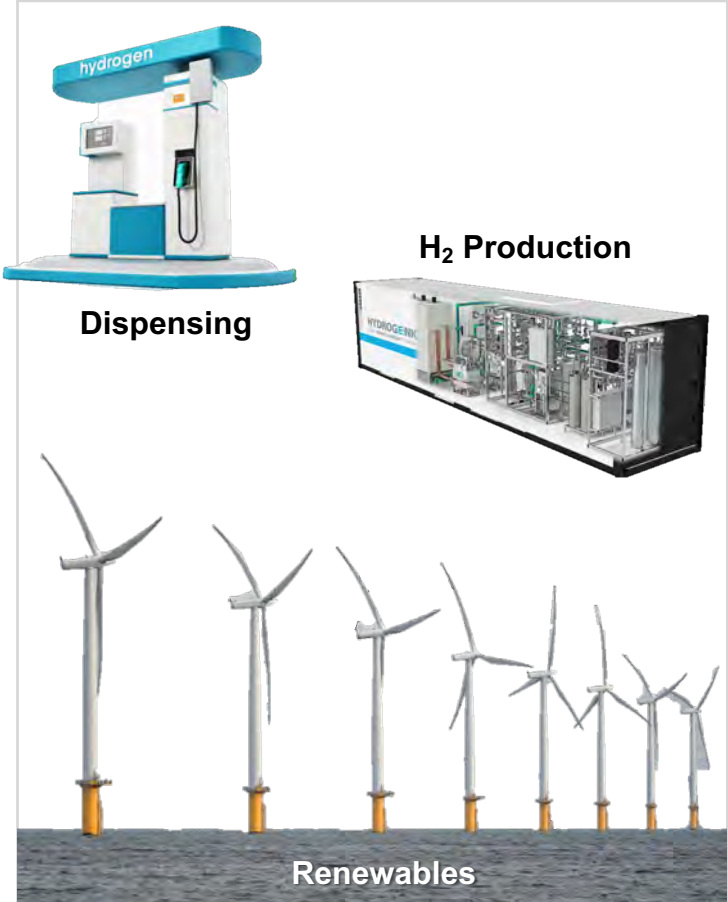


Filtration is Critical for Clean Technologies

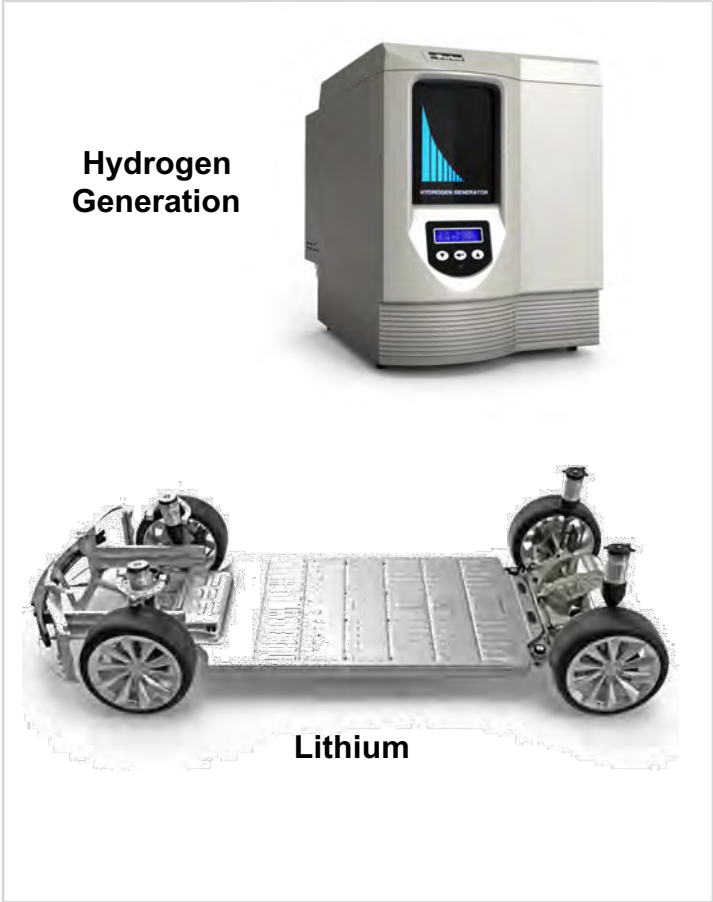
Transportation



Energy & Infrastructure



Green Industrial

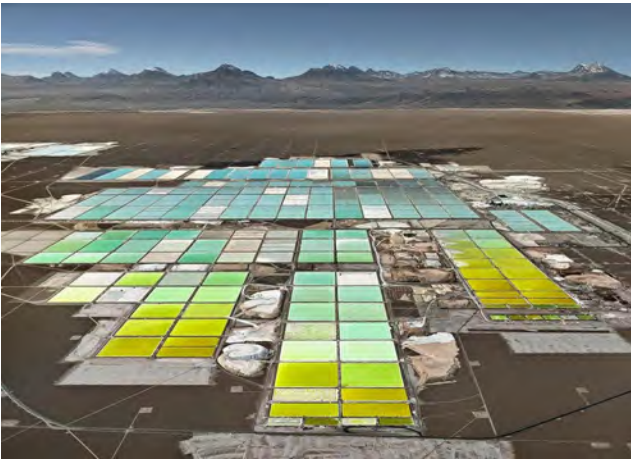


Enabling Faster Lithium Extraction

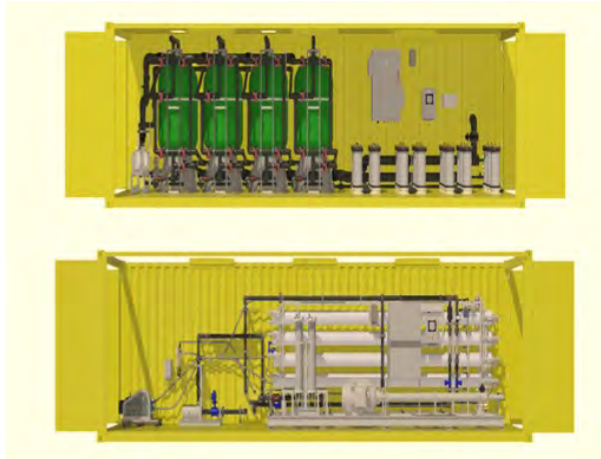
Application & Benefits

- Traditional Lithium extraction utilizes large evaporation ponds that are inefficient, deplete groundwater, and not environmentally friendly
- Parker's proprietary and modular system rapidly extracts lithium, and returns filtered water to the environment

Traditional Lithium Ponds



Parker Lithium Extraction System



Parker Technologies

Electromechanical

- Variable Frequency Drives

Engineered Materials

- Sealing & shielding

Filtration

- Reverse osmosis filter modules
- Water pre-filters
- RO water pumps

Fluid & Gas Handling

- Stainless Steel Valves & Fittings

Parker Enables more Sustainable and Productive Lithium Extraction



Clean Technology Secular Trend

Impacting Our End Markets

- Power Generation
- Renewable Energy
- HVAC/Refrigeration
- Life Sciences & Medical
- Infrastructure

Thank You

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Financial Performance



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Presented by:

Todd Leombruno

Executive VP & CFO

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March 8, 2022

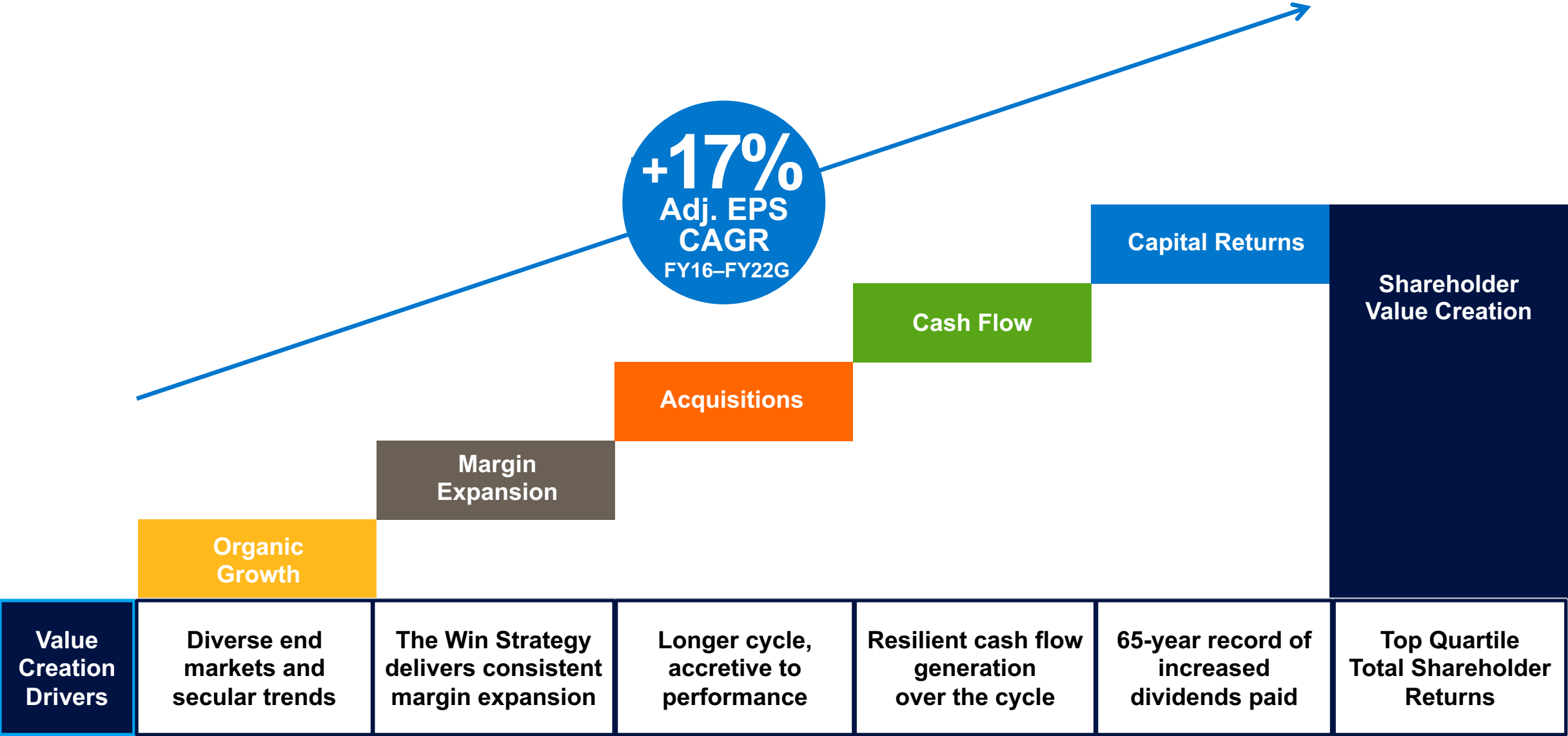
Key Messages

- Proven track record of EPS, Operating and EBITDA margin expansion
- Transformational acquisitions with significant synergy capture
- Long history of strong cash flow generation
- Well positioned for sales growth from secular trends
- Active capital deployment strategy

FY27 Targets to Compound EPS and Deliver Top Quartile Returns



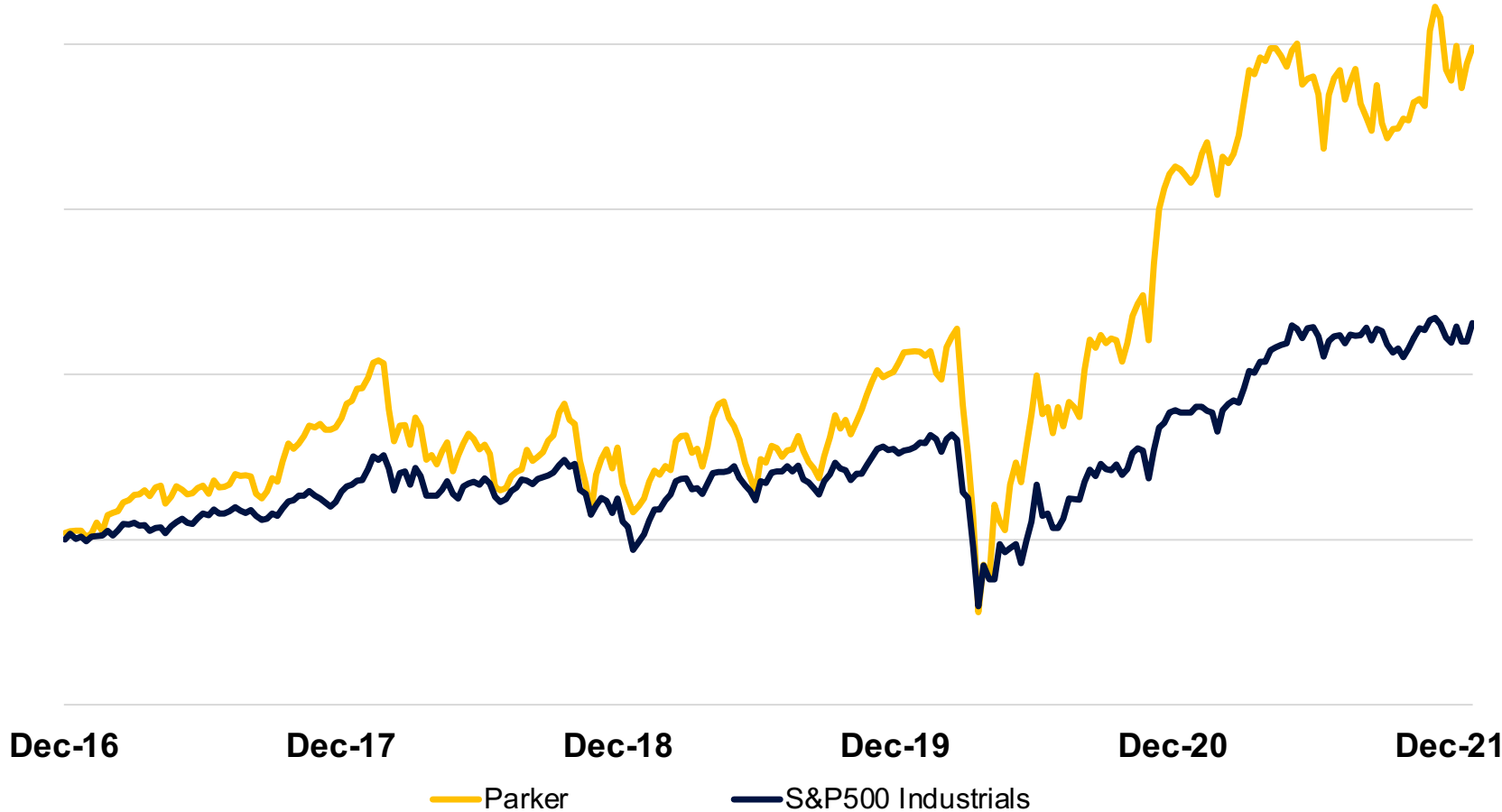
The Win Strategy Drives Sustainable Value Creation



Parker 5-Year Total Shareholder Return

Sizably Outperformed S&P500 Industrials

+149%
5 Year
TSR

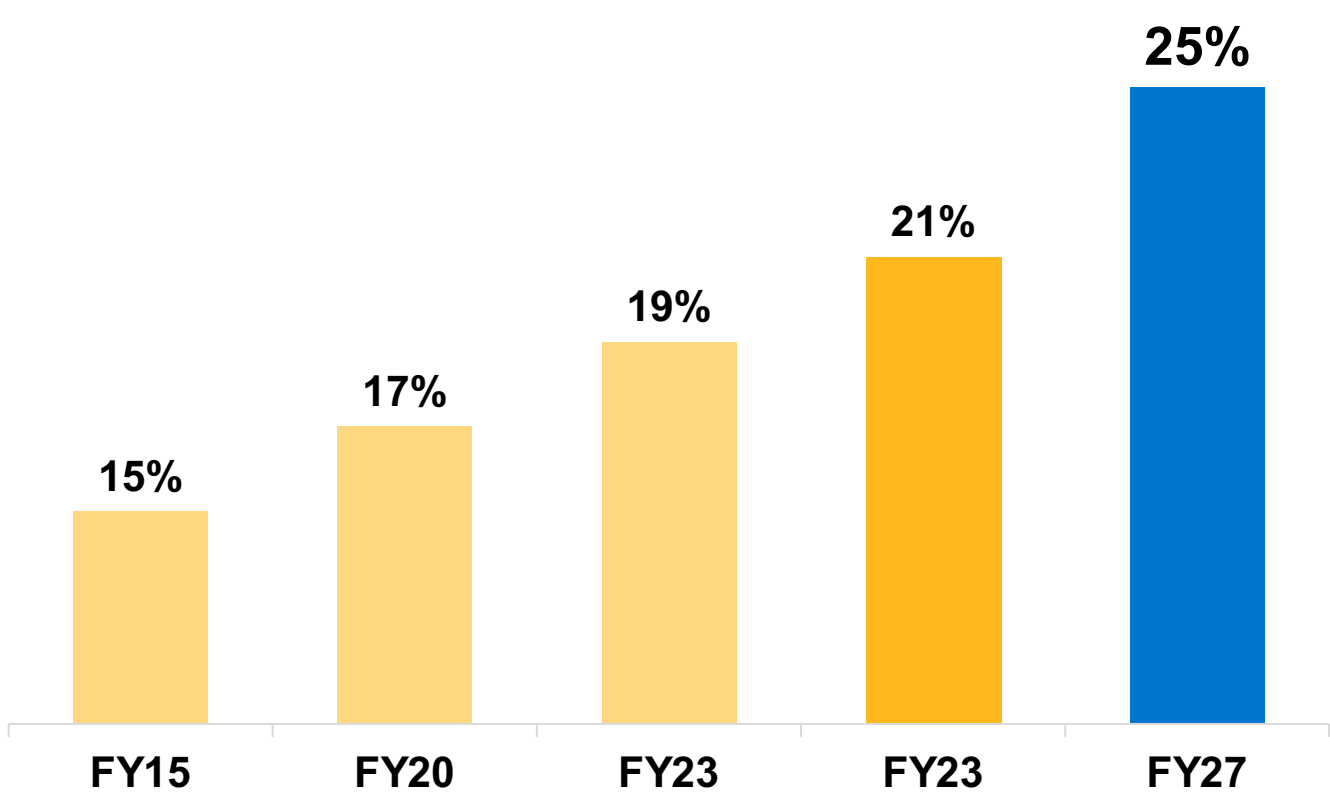


Data as of 12/31/21, source Capital IQ; Index weighted by market capitalization.



Track Record of Raising and Achieving Margin Targets

Segment Operating Margin Targets



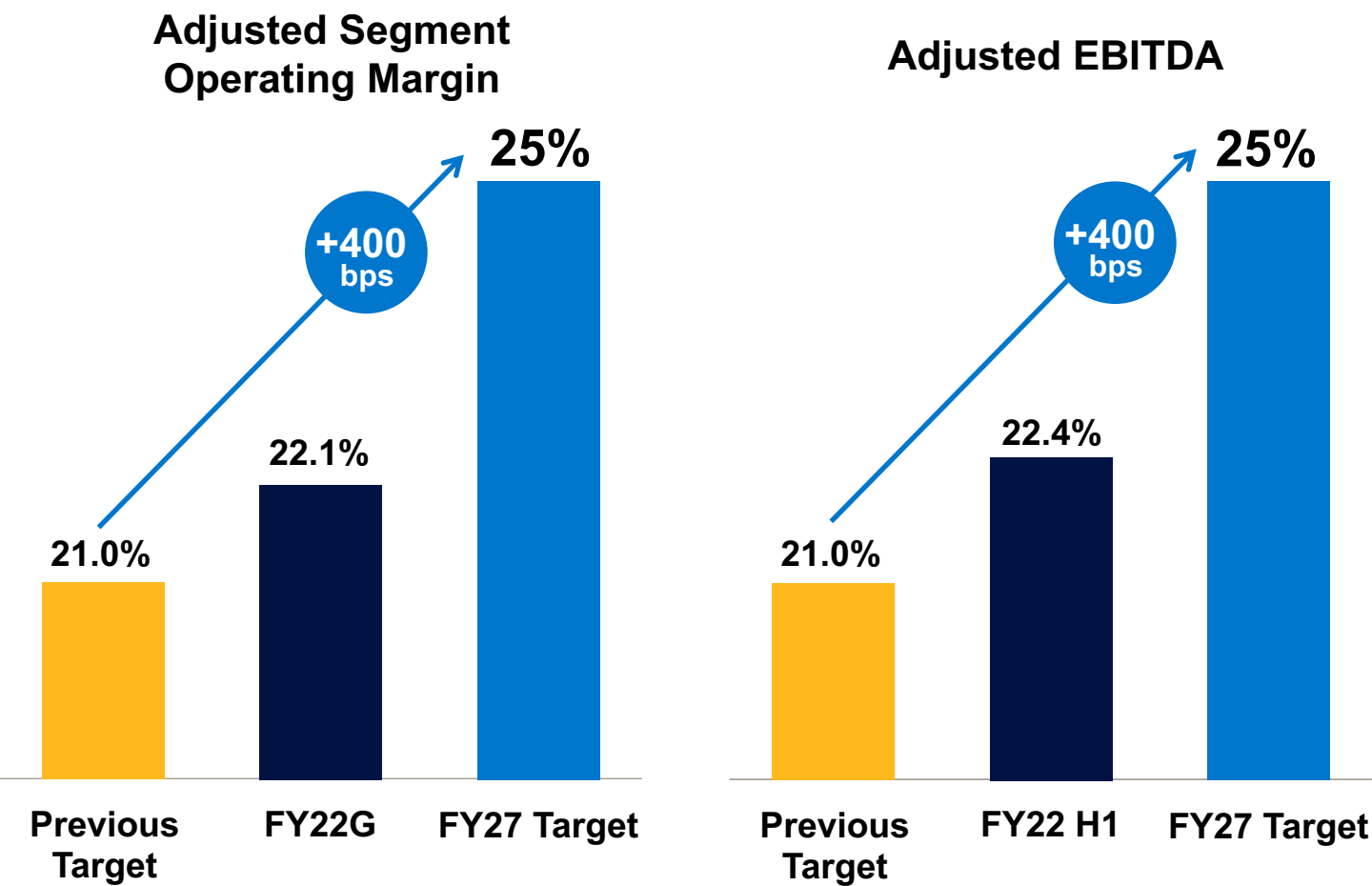
- Long stated historical target of 15%
- Raised FY20 target 200 bps to 17%
- Raised FY23 target 200 bps to 19%
- Restated FY23 target to 21% after excluding deal related amortization
- New FY27 target raised to 25%
 - 400 bps above prior target
 - Largest increase in our history

FY27 Target increased by 400 bps



Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations; 21% and 25% Segment Operating Margins are on an Adjusted Basis;

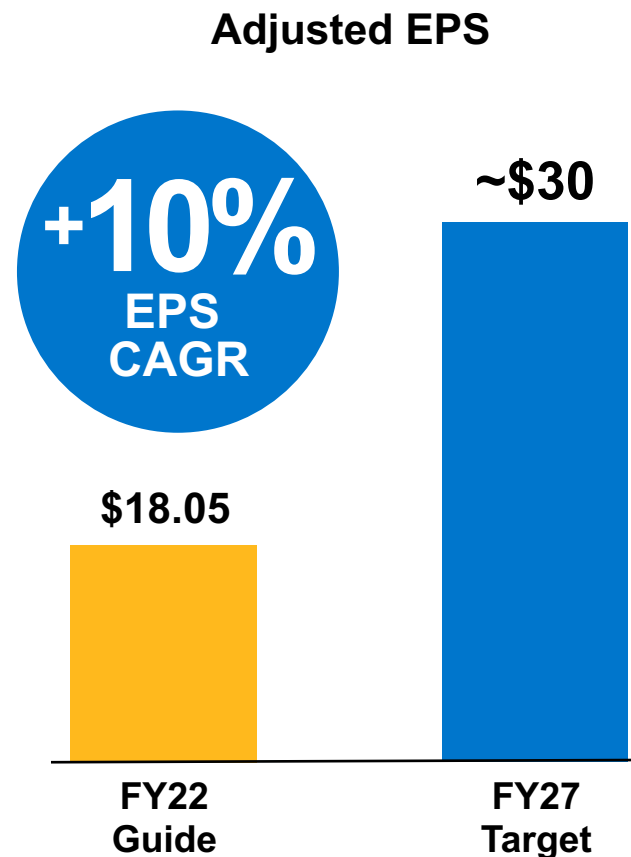
Continued Margin Expansion Levers



Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.



Performance and Portfolio Additions to Drive EPS Growth



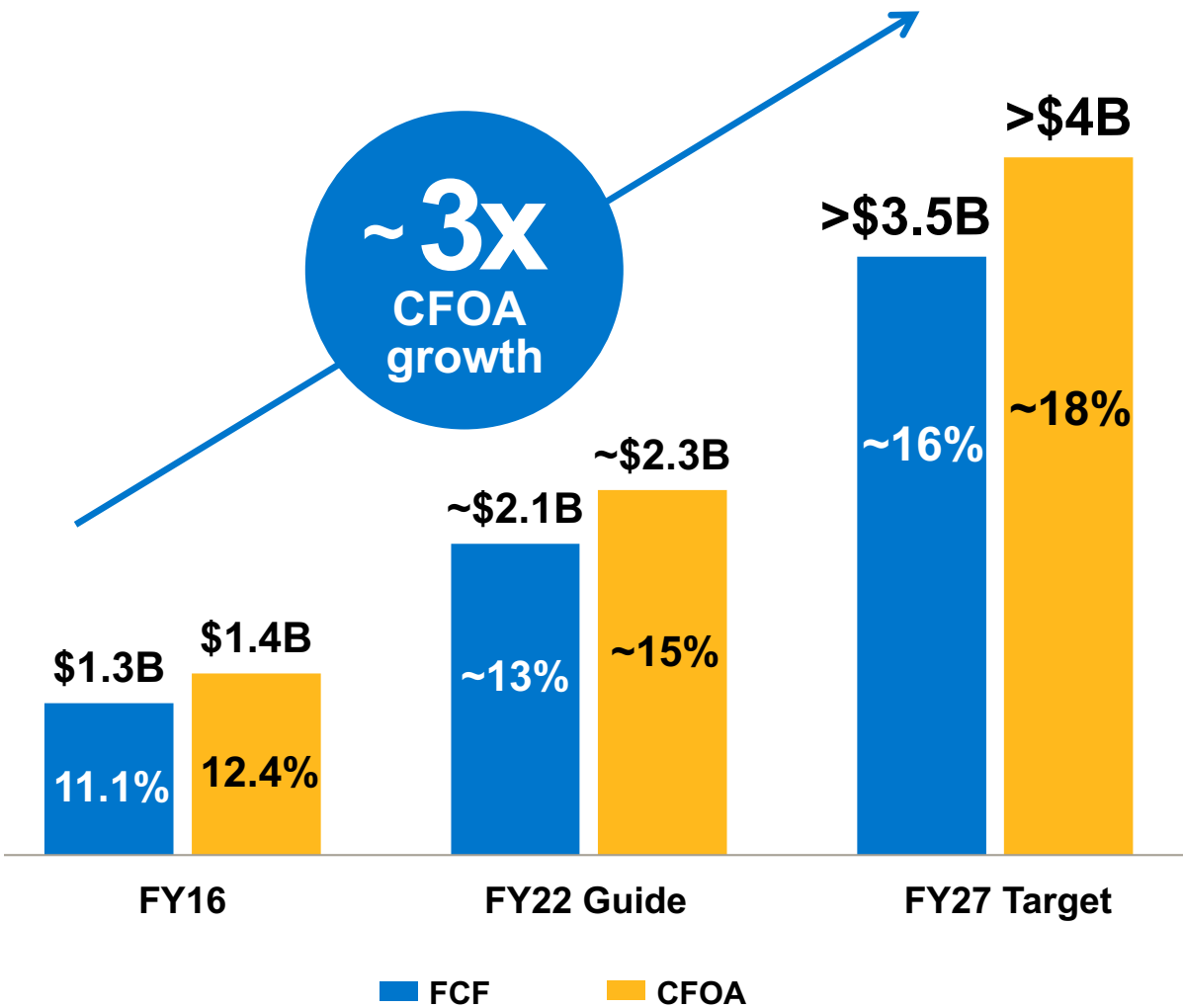
Key FY27 5-Year Target Modeling Assumptions

- Includes Meggitt, assumes CY22 Q3 close
- ~ 4%-6% Organic Sales Growth
- ~ 30% Incremental Margins
- ~ 23% Tax Rate
- ~ 130M Diluted Shares Outstanding
- +10% Adjusted EPS CAGR

Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations .



Significantly Expanding Cashflow Dollars



- Step change in cash flow generation
- 20 years of FCF conversion >100%
- Increased capital deployment capacity

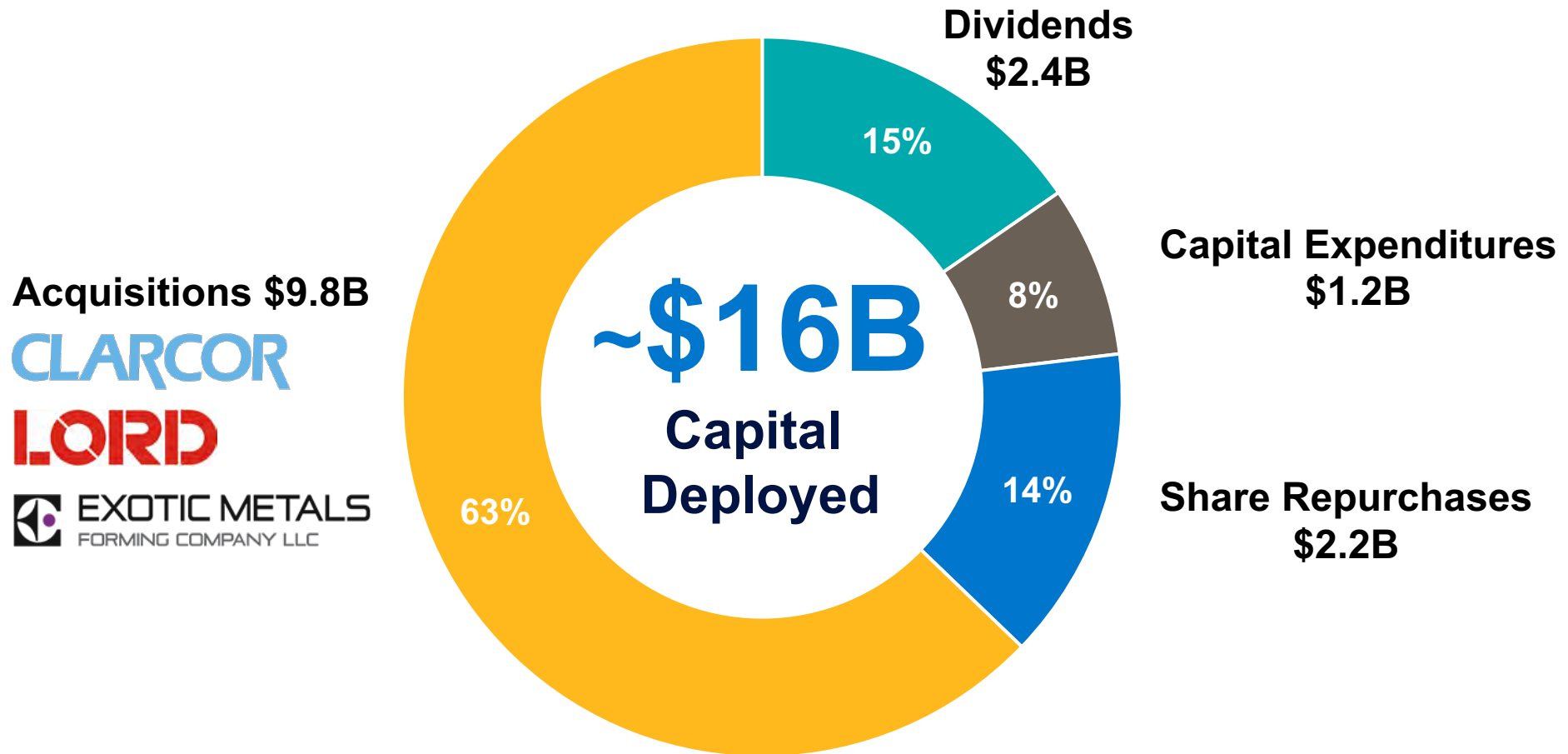
Cumulative Free Cash Flow	
FY16 – FY21	FY22G – FY27
>\$9B	>\$17B

Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations. 20 consecutive years FCF conversion > 100% through FY21.

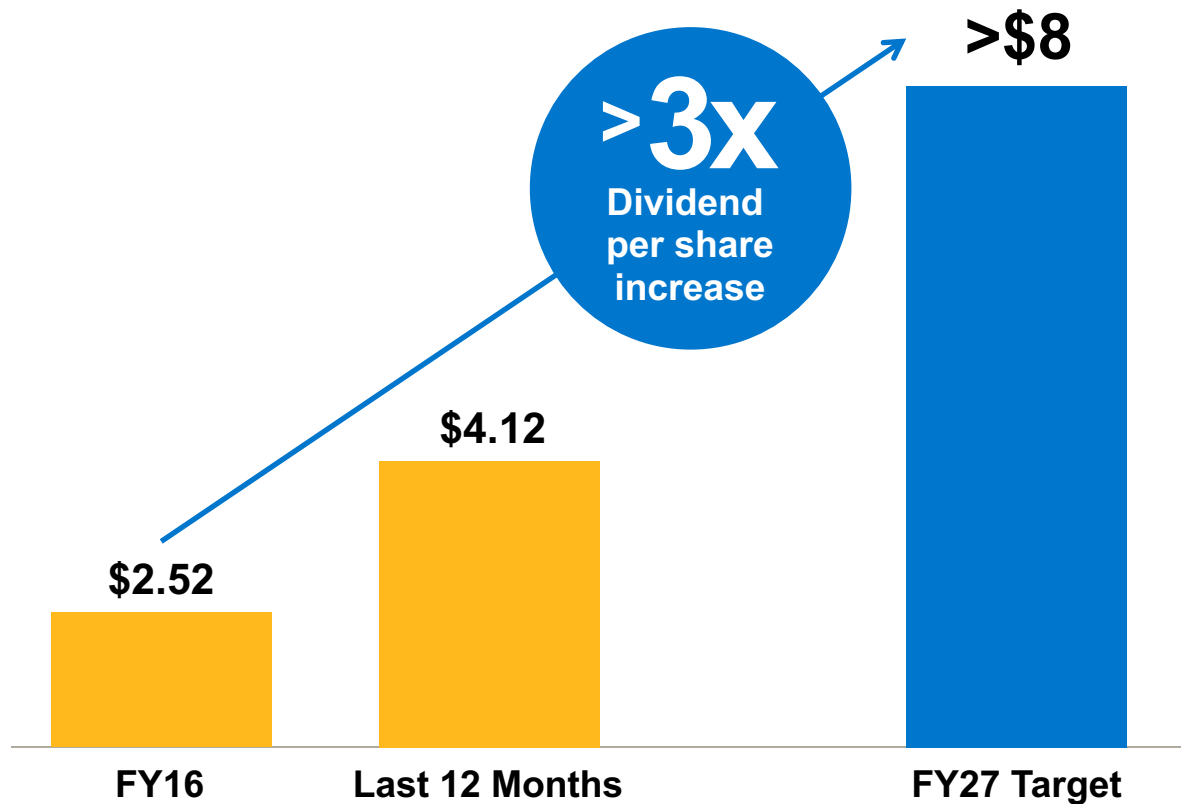


Active Capital Deployment Strategy

Prior 6 Year Period FY16 - FY21

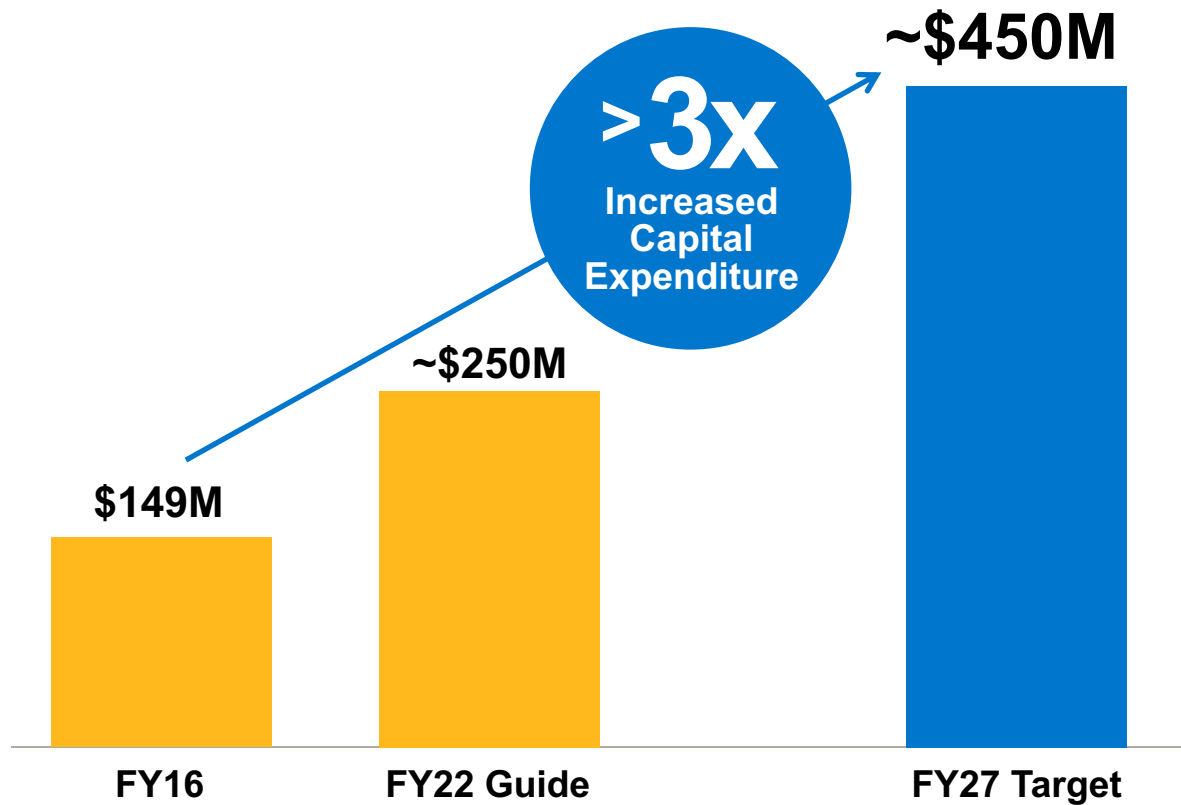


Consistently Increasing Dividends Paid



- 65-year history of increasing annual dividends paid
- Target Payout Ratio:
 - 30% - 35% of 5-year average net income
- Last 12 Month Payout Ratio:
 - ~30% of 5-year average net income





Capital Expenditures Support Growth and Productivity



- Target 2% of Sales
- Focused on
 - Safety
 - Automation
 - Robotics
 - AI Optical Inspection
 - Industry 4.0

Transformative Acquisitions

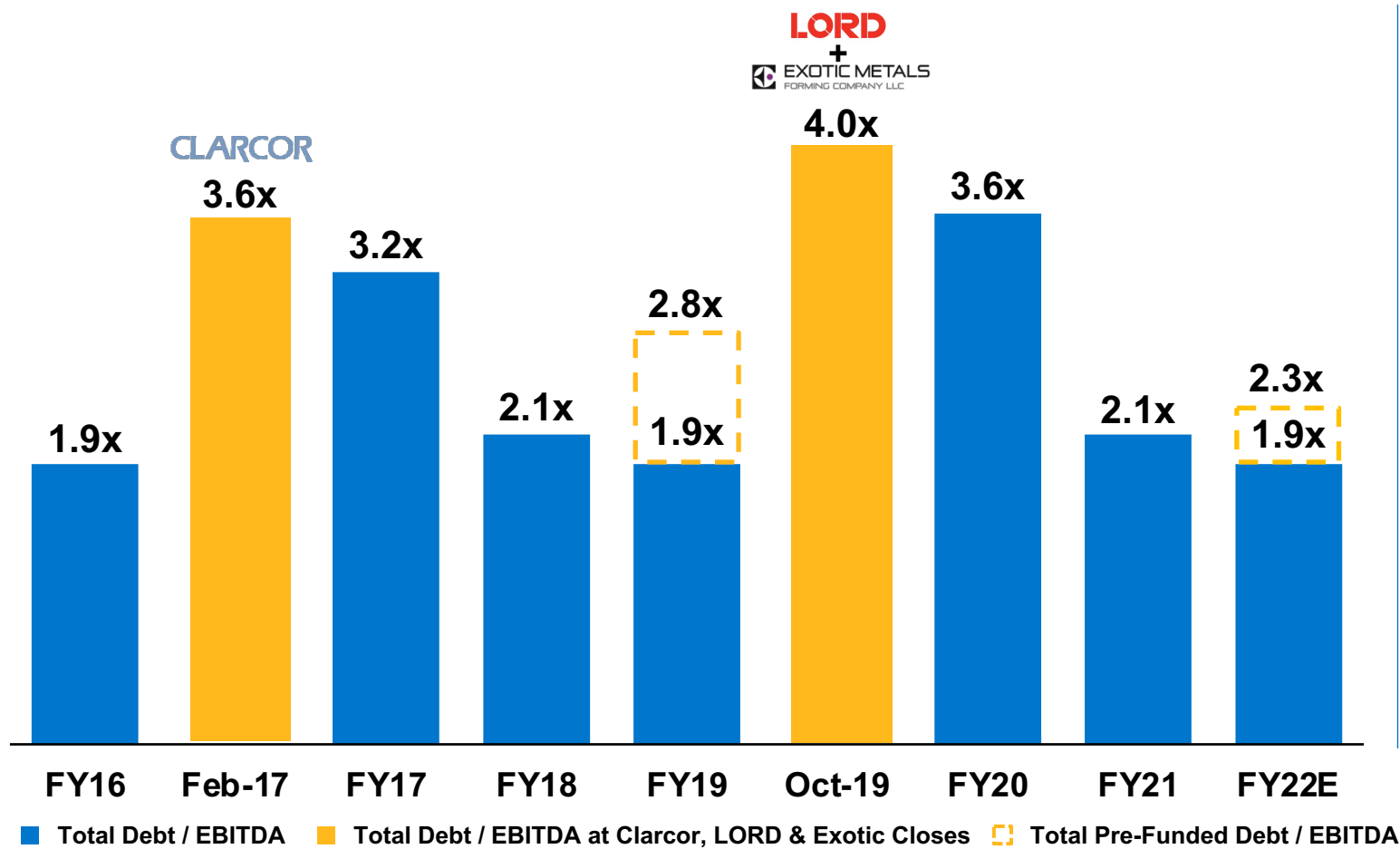
Longer Cycle, Accretive to Growth, Margins & Cash Flow

Acquisition	Synergized Deal Multiple ¹	Announced Synergies	Realized Synergies	Adjusted EBITDA Margin (%) ²
 (FY 2017)	10.9x EV/EBITDA	\$140M Cost Synergies in year 3	\$160M Cost Synergies, \$100M Revenue Synergies in year 3	Mid 20%
 (FY 2020)	9.9x EV/EBITDA	\$125M Cost Synergies in year 3	\$125M Cost Synergies in year 2	High 20%
 (FY 2020)	10.5x EV/EBITDA	\$13M Cost Synergies in year 3	\$13M Cost Synergies in year 3	Mid 20%
	10.9x EV/EBITDA	\$300M Cost Synergies in year 3	Expect Deal Close CY22 Q3	~30%

1. Synergized EBITDA multiples as announced; 2. For Meggitt, ~30% EBITDA margin represents the implied margin calculated by adding estimated synergies \$300m to 2019 adjusted EBITDA. All others represent FY22 forecast; Adjusted numbers include certain non-GAAP financial measures. See deal announcement materials for additional details and reconciliations.

Disciplined Deleveraging Strategy

Gross Debt to EBITDA: FY16 - FY22E



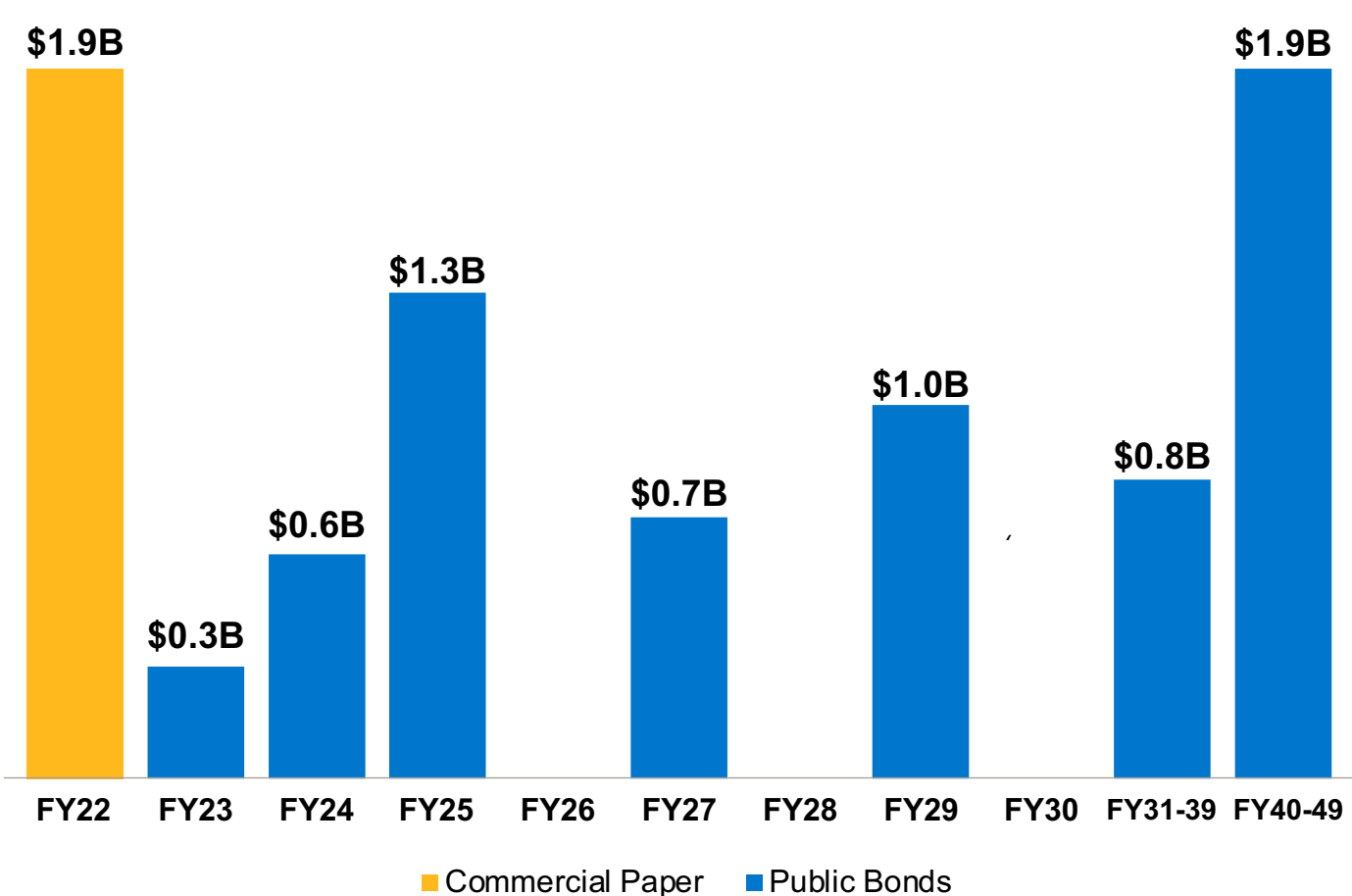
- ~\$1.7B debt reduction in 24 months post CLARCOR
- ~\$3.4B debt reduction in 20 months post LORD & Exotic
- Gross Debt to EBITDA target of ~2x

Note: All financials reflect TTM EBITDA. Dashed box represents pre-funded bonds prior to close of LORD (\$2.4B) and pre-funding prior to close of Meggitt (\$1.9B commercial paper balance at 12/31/21). Does not reflect additional debt financing that may be incurred related to the Meggitt transaction.



Balanced Debt Maturity Profile

Goal to Maintain Strong Investment Grade Rating



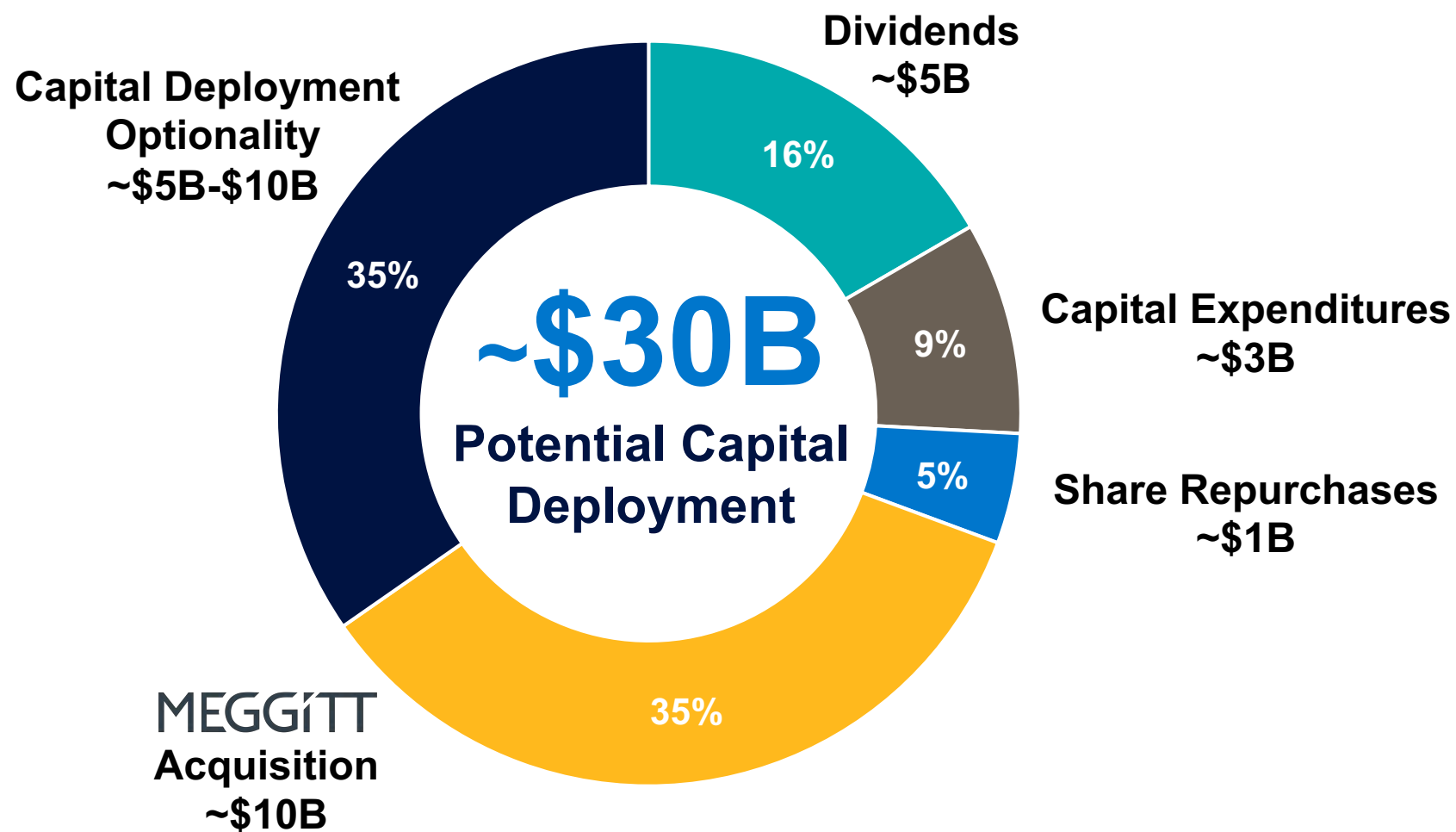
- Current Ratings:
 - Baa1 / BBB+¹
- Weighted average interest rate 2.8%
- Weighted average maturity 9 years
- Commercial paper balance fully attributed to Meggitt financing
- Ample cash flow to service debt

Note: Data as of 12/31/21; Does not reflect additional debt financing that may be incurred related to the Meggitt transaction. 1. Current Ratings on Credit Watch Negative.



Future Capital Deployment

Next 6 Year Period FY22G - FY27



New FY27 Five-Year Targets

	FY27 TARGETS
Organic Growth	4 – 6%
Adjusted Segment Operating Margin	25%
Adjusted EBITDA Margin	25%
Free Cash Flow Margin	16%
Adjusted EPS Growth	10%+

Key Messages

- Proven track record of EPS, Operating and EBITDA margin expansion
- Transformational acquisitions with significant synergy capture
- Long history of strong cash flow generation
- Well positioned for sales growth from secular trends
- Active capital deployment strategy

FY27 Targets to Compound EPS and Deliver Top Quartile Returns



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ESG & Closing Comments



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Presented by:

Tom Williams

Chairman & CEO

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March 8, 2022

Unmatched Breadth of Core Technologies



~ **2/3's** of Our Revenue:

From customers who buy
4 or more Parker technologies

~ **2/3's** of Our Portfolio:

Enables clean technologies

Partnering with Our Customers to Increase their Productivity and Profitability



Positioned for Growth Opportunities from Secular Trends

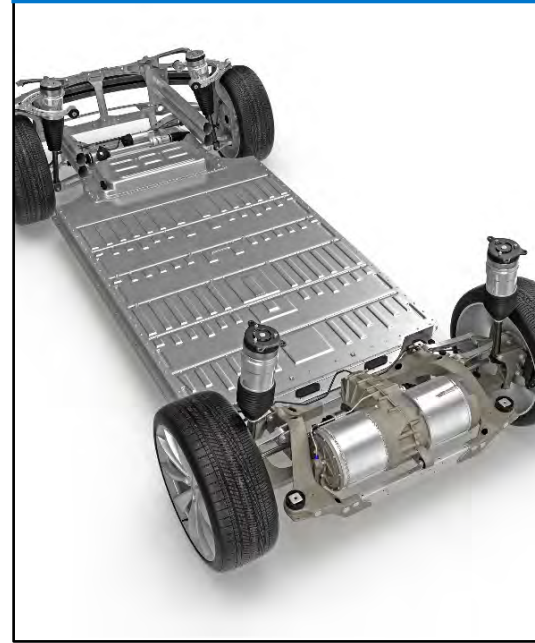
Aerospace



Digital



Electrification



Clean Technology



Future Sales Growth Drivers

	Our Business System	Industrial Capex Investment	Channel Restock	Acquisitions	Secular Growth
Strategic Growth Drivers	The Win Strategy™	<ul style="list-style-type: none"> ▪ Address last decade under investment ▪ Supply chain development 	<ul style="list-style-type: none"> ▪ Replenish inventory levels ▪ De-risk supply chain 	<ul style="list-style-type: none"> ▪ CLARCOR ▪ LORD ▪ Exotic ▪ Meggitt¹ 	<ul style="list-style-type: none"> ▪ Aerospace ▪ Digital ▪ Electrification ▪ Clean Technologies
Outcomes	Growth & Financial Performance	Machinery automation, equipment & infrastructure spend	Rebuild inventory	Accretive & longer cycle growth	2/3's Portfolio enable Clean Technologies

Target 4-6% Organic Growth over the Cycle

1: Offer to acquire Meggitt PLC announced August 2, 2021. Acquisition is pending.

ESG Strategy Framework

Overview

Purpose

Enabling Engineering Breakthroughs that Lead to a Better Tomorrow

Environment	Social	Governance
<ul style="list-style-type: none">Climate ActionWater ConservationProduct Stewardship	<ul style="list-style-type: none">Safe WorkplaceDiversity & InclusionSocial Responsibility	<ul style="list-style-type: none">Strategy, Purpose & ValuesBoard of DirectorsEnterprise Risk Management
Communications & Reporting		



ESG External Assessment

Climate Action Goals



2021 Commitment



**#92 of Top 200
Clean Technology
Companies**



**Carbon Disclosure Project –
Climate Management Band
Rating (B-)**

ESG Ratings



**1st Quartile
Industrial Machinery Sector**



**2nd Quartile
Industrial Machinery Sector**



**2nd Quartile
IEQ Machinery Sector**

External Recognition of our Sustainability Progress



Climate Action

2040 Commitment












Business Segment	Targets*	
	2030	2040
Operations (Scopes I & II) Direct Energy Use	50%	100% (Carbon Neutral)
Supply Chain (Scope III) Indirect Energy Use	15%	25%
Products Customer Expectations	Enable our customers' sustainability programs	

Parker’s Technologies Uniquely Positioned for a Cleaner Tomorrow



*Absolute reduction from 2019 baseline year

Social Responsibility Framework

Strategy Alignment	Areas of Focus	Key Programs
 <p>Team Member Engagement</p>	 <p>STEM Education (Science, Technology, Engineering, Mathematics)</p>	 <p>Volunteer</p>
 <p>Talent Attraction</p>	 <p>Community Needs</p>	 <p>Grants</p>
 <p>Talent Development</p>	 <p>Sustainability</p>	 <p>Matching Gift</p>
	 <p>Diversity & Inclusion</p>	 <p>Disaster Relief</p>

Diversity & Inclusion – Our Vision

- **Want our company to be reflective of society**
 - Census data
 - Manufacturing peers' data
- **Pay equity**
 - Fair pay analysis – regular reviews
- **Know how our people feel**
 - Engagement Survey
 - Diversity & Inclusion dimension
- **I Belong, I Matter, I Make a Difference**

Enables Our Purpose & Top Quartile Performance



Strengthening the Board

- Board composition & refreshment are persistent areas of focus – key considerations:
 - Diversity
 - Skills & Qualifications
 - Culture & Values

Most Recent Additions (2019-21)



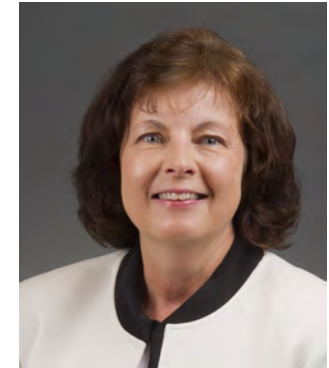
Jill Evanko
President & CEO
Chart Industries, Inc.



Lance Fritz
Chairman, President & CEO
Union Pacific Corporation



Bill Lacey
Vice President, Finance
Amazon

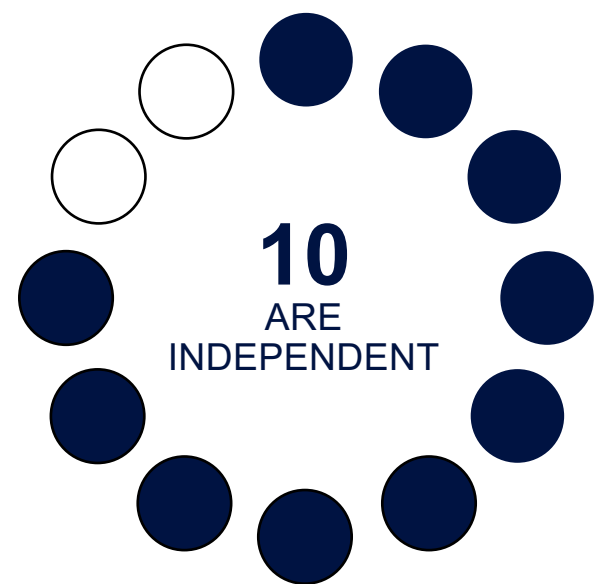


Laura Thompson
EVP & CFO (retired)
The Goodyear Tire & Rubber Co.

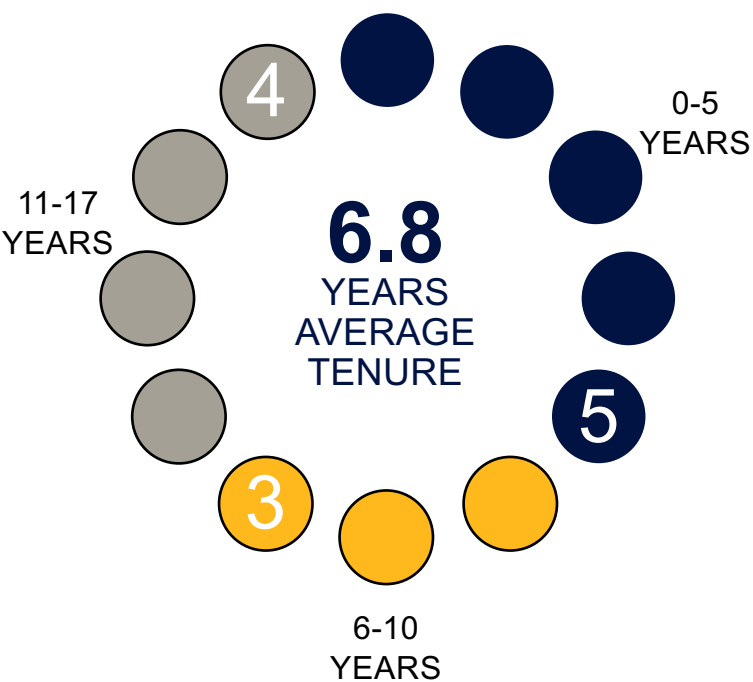


Current Board Composition

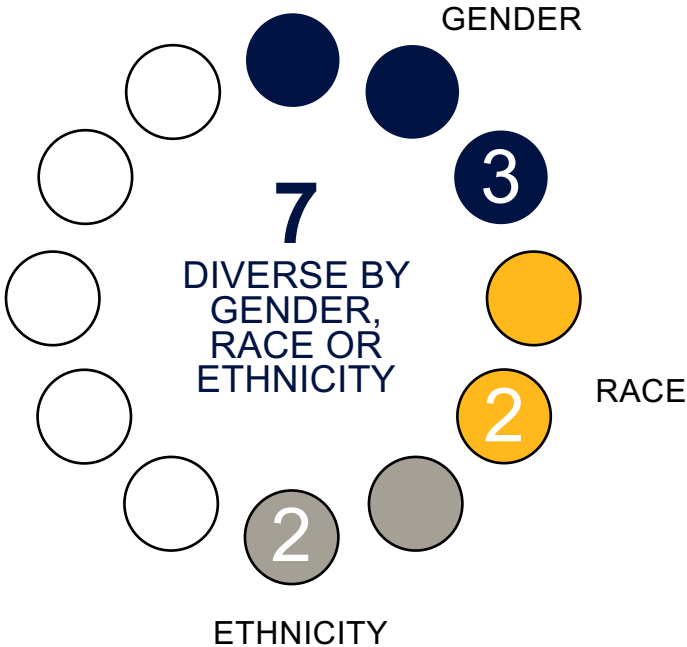
INDEPENDENCE



TENURE



DIVERSITY



Key Messages

- Highly engaged global team living up to our purpose
- The Win Strategy™ 3.0 has accelerated our performance
- Strategic portfolio transformation - longer cycle & more resilient
- Positioned for growth with secular trends
- New 5-year targets with continued margin expansion
- Our clean technologies enable a more sustainable world

A Transformed Parker with a Promising Future



Thank You

PH

LISTED

NYSE



Appendix

Reconciliation of Earnings per Diluted Share to Adjusted Earnings per Diluted Share

RECONCILIATION OF EPS TO ADJUSTED EPS

(Unaudited)

(Amounts in Dollars)

	12 Months ended 6/30/16	12 Months ended 6/30/17	12 Months ended 6/30/18	12 Months ended 6/30/19*	12 Months ended 6/30/20*	12 Months ended 6/30/21
Earnings per diluted share	\$ 5.89	\$ 7.25	\$ 7.83	\$ 11.57	\$ 9.26	\$ 13.35
Adjustments:						
Acquisition-related intangible asset amortization expense	0.74	1.02	1.59	1.51	2.19	2.49
Business realignment charges	0.80	0.42	0.34	0.12	0.59	0.36
Acquisition-related expenses & Costs to achieve		0.76	0.27	0.23	1.62	0.11
(Gain) / loss on sale and writedown of assets or land			0.24			(0.77)
Tax effect of adjustments ¹	(0.44)	(0.59)	(0.42)	(0.44)	(1.03)	(0.50)
Favorable tax settlement					(0.19)	
Tax expense related to U.S. Tax Reform			1.72	0.11		
Adjusted earnings per diluted share	\$ 6.99	\$ 8.86	\$ 11.57	\$ 13.10	\$ 12.44	\$ 15.04

¹This 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.

*FY19 and FY20 have been adjusted to reflect the change in inventory accounting method



Reconciliation of Earnings per Diluted Share to Adjusted Earnings per Diluted Share

(Unaudited)

(Amounts in Dollars)

	12 Months ended 12/31/16	12 Months ended 12/31/21
Earnings per diluted share	\$ 6.47	\$ 13.86
Adjustments:		
Acquisition-related intangible asset amortization expense	0.73	2.45
Business realignment charges	0.52	0.15
Acquisition-related expenses & Costs to achieve	0.12	0.63
Loss on deal-contingent forward contracts	0.00	1.14
Tax effect of adjustments ¹	(0.39)	(1.01)
Adjusted earnings per diluted share	\$ 7.45	\$ 17.22

¹This 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.

Reconciliation of EPS

Fiscal Year 2022 Guidance

(Unaudited)	
(Amounts in dollars)	<u>Fiscal Year 2022</u>
Forecasted earnings per diluted share	\$14.42 to \$14.92
Adjustments:	
Business realignment charges	0.22
Costs to achieve	0.04
Acquisition-related intangible asset amortization expense	2.43
Acquisition-related expenses	0.55
Loss on deal-contingent forward contracts	1.14
Tax effect of adjustments ¹	<u>(1.00)</u>
Adjusted forecasted earnings per diluted share	<u>\$17.80 to \$18.30</u>

¹This 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.

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

(Unaudited)

(Dollars in millions)

	12 Months ended 6/30/16	Guidance Issued February 3, 2022 12 Months ended 6/30/22
Net Sales	\$ 11,361	\$15,585 to \$15,875
Total segment operating income	\$ 1,576	\$3,060 to \$3,180
Adjustments:		
Goodwill amortization		
Acquisition-related intangible asset amortization	101	320
Business realignment charges	107	30
Acquisition-related expenses & Costs to Achieve		5
Adjusted total segment operating income*	\$ 1,783	\$3,415 to \$3,535
Total segment operating margin	13.9%	19.6% to 20.0%
Adjusted total segment operating margin	15.7%	21.9% to 22.3%

*Totals may not foot due to rounding



Reconciliation of EBITDA to Adjusted EBITDA

(Unaudited)

(Dollars in millions)

	12 Months ended 6/30/16	12 Months ended 6/30/17	12 Months ended 6/30/18	12 Months ended 6/30/19 ¹	12 Months ended 6/30/20 ¹	12 Months ended 6/30/21
Net sales	\$ 11,361	\$ 12,029	\$ 14,302	\$ 14,320	\$ 13,696	\$ 14,348
Net income	807	984	1,061	1,525	1,202	1,747
Income taxes	308	345	641	424	305	500
Depreciation and Amortization	307	355	466	436	538	595
Interest Expense	137	162	214	190	308	250
EBITDA*	\$ 1,558	\$ 1,846	\$ 2,382	\$ 2,576	\$ 2,353	\$ 3,092
Adjustments:						
Voluntary retirement expense	12					
Business realignment charges	97	56	46	16	76	48
Acquisition-related expenses & Costs to Achieve		103	37	30	211	15
(Gain) / Loss on Sale and Writedown of Assets or land			32			(101)
Adjusted EBITDA*	\$ 1,667	\$ 2,006	\$ 2,497	\$ 2,621	\$ 2,639	\$ 3,055
EBITDA margin	13.7%	15.3%	16.7%	18.0%	17.2%	21.6%
Adjusted EBITDA margin	14.7%	16.7%	17.5%	18.3%	19.3%	21.3%

¹Amounts have been adjusted to reflect the change in inventory accounting method.

*Totals may not foot due to rounding



Reconciliation of EBITDA to Adjusted EBITDA

(Unaudited)

(Dollars in millions)

	12 Months ended 12/31/16	12 Months ended 12/31/21
Net income	\$ 881	\$ 1,817
Income taxes	341	501
Depreciation	186	266
Amortization	114	321
Interest Expense	134	242
EBITDA*	\$ 1,656	\$ 3,147
Adjustments:		
Business realignment charges	71	20
Acquisition-related expenses & Costs to Achieve	16	81
Loss on deal-contingent forward contracts	-	149
Adjusted EBITDA*	\$ 1,743	\$ 3,397

*Totals may not foot due to rounding

Reconciliation of EBITDA to Adjusted EBITDA

(Unaudited)	Six Months Ended
(Dollars in thousands)	December 31,
	2021
Net sales	\$ 7,587,389
Net income	\$ 839,192
Income taxes	222,877
Depreciation	131,113
Amortization	158,512
Interest expense	120,710
EBITDA	1,472,404
Adjustments:	
Business realignment charges	6,659
Integration costs to achieve	2,009
Acquisition-related expenses	71,341
Loss on deal-contingent forward contracts	149,382
Gain on sale of land	—
Adjusted EBITDA	\$ 1,701,795
EBITDA margin	19.4 %
Adjusted EBITDA margin	22.4 %

Reconciliation of EBITDA to Adjusted EBITDA

RECONCILIATION OF EBITDA TO ADJUSTED EBITDA

(Unaudited)

(in millions)

	CLARCOR	
	Actual	
	12 Months	
	ended 8/27/16	
Net income/(loss)	\$	143
Income taxes		64
Depreciation and Amortization		58
Interest Expense		7
EBITDA	\$	272
Adjustments:		
Upfront expenses for cost reduction initiatives		8
Patent litigation award		(27)
Adjusted EBITDA (without synergies)	\$	253
Synergies		140
Adjusted EBITDA (with synergies)	\$	393

Note: Year 3 run rate synergies as announced



Reconciliation of EBITDA to Adjusted EBITDA

ESTIMATED IFRS TO NON-US GAAP RECONCILIATION

(Unaudited)

(in millions)

		Meggitt Actual 12 Months ended 12/31/19
Net income/(loss) In accordance with IFRS	£	223
Income taxes		64
Depreciation and Amortization		194
Interest Expense		41
EBITDA - IFRS	£	522
Adjustments:		
Non-recurring charges ¹		(17)
Business realignment charges ²		26
Disposal, acquisition and closure of business		(24)
Adjusted EBITDA - IFRS³	£	507
Capitalized R&D expense and program participation costs		(57)
Operating lease expense and other, net		(14)
Adjusted EBITDA - Non-US GAAP (without synergies)⁴	£	437
Synergies		216
Adjusted EBITDA (with synergies)	£	652

Note: Totals may not foot due to rounding. Synergies are by the end of the 3rd full year.

- 1) Meggitt results include impairment losses, other asset write-downs, COVID-19 incremental non-recurring costs, finance income and financial instruments gains/losses
- 2) Meggitt results include site consolidations, business restructuring costs and other exceptional operating items
- 3) Represents underlying EBITDA as presented by Meggitt management and discussed in Meggitt Annual Report & Accounts 2020
- 4) IFRS to Non-US GAAP EBITDA adjustments based upon preliminary review of Meggitt Annual Report & Accounts 2020

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Reconciliation of EBITDA to Adjusted EBITDA

RECONCILIATION OF EBITDA TO ADJUSTED EBITDA

(Unaudited)

(in millions)

	LORD Forecasted 12 Months ended 12/31/19	Exotic Metals Forecasted 12 Months ended 12/31/19
Earnings before income taxes	\$ 188	\$ 119
Depreciation and Amortization	36	10
Interest Expense ¹	10	-
EBITDA	\$ 234	\$ 129
Adjustments:		
Upfront expenses for cost reduction initiatives	-	-
Patent litigation award	-	-
Non-recurring charges ²	10	5
Business realignment charges	-	-
Disposal, acquisition and closure of business	-	-
Adjusted EBITDA (without synergies)	\$ 244	\$ 134
Synergies	125	13
Adjusted EBITDA (with synergies)	\$ 369	\$ 147

Note: All synergies shown on Year 3 run rate

1) LORD results nets \$1 of interest income against interest expense

2) LORD and Exotic Metals results adjusted for miscellaneous other non-recurring charges



Reconciliation of Gross Debt to TTM EBITDA

RECONCILIATION OF GROSS DEBT TO TTM EBITDA

(Unaudited)

(in millions)

	Parker Hannifin at CLARCOR close 12 Months ended 2/28/17	Parker Hannifin at Exotic Metals/LORD close 12 Months ended 10/31/19
Gross Debt	\$ 6,082	\$ 9,987
Net Income	\$ 928	\$ 1,434
Income Taxes	354	418
Depreciation and Amortization	284	423
Interest Expense	136	227
TTM EBITDA	\$ 1,702	\$ 2,502
Gross Debt to TTM EBITDA	3.6x	4.0x



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

Cash Provided by Operating Activities

Reconciliation to GAAP

(Unaudited)

(Dollars in millions)

	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
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	\$ 2,071	\$ 2,575
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	\$ 2,071	\$ 2,575

Free Cash Flow

Reconciliation to GAAP

(Unaudited)

(Dollars in millions)

	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
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	\$ 2,071	\$ 2,575
Capital Expenditures	207	156	138	155	198	238	280	271	129	207	219	266	216	216	149	204	248	195	233	210
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	1,838	2,365
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	\$ 1,838	\$ 2,365

*Totals may not foot due to rounding