Parker Hannifin Corporation

Fiscal 2025 First Quarter Earnings Presentation

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ENGINEERING YOUR SUCCESS.

October 31, 2024

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 may also include statements regarding future performance, orders, earnings projections, events or developments. Parker cautions readers not to place undue reliance on these statements. It is possible that the future performance may differ materially from expectations, including those based on past performance.

Among other factors that may affect future performance are: changes in business relationships with and orders by or from major customers, suppliers or distributors, including delays or cancellations in shipments; disputes regarding contract terms, changes in contract costs and revenue estimates for new development programs; changes in product mix; ability to identify acceptable strategic acquisition targets; uncertainties surrounding timing, successful completion or integration of acquisitions and similar transactions; ability to successfully divest businesses planned for divestiture and realize the anticipated benefits of such divestitures; the determination and ability to successfully undertake business realignment activities and the expected costs, including cost savings, thereof; 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 other government actions, including related to environmental protection, and associated compliance costs; supply chain and labor disruptions, including as a result of labor shortages; threats associated with international conflicts and cybersecurity risks and risks associated with protecting our intellectual property; uncertainties surrounding the ultimate resolution of outstanding legal proceedings, including the outcome of any appeals; effects on market conditions, including sales and pricing, resulting from global reactions to U.S. trade policies; manufacturing activity, air travel trends, currency exchange rates, difficulties entering new markets and economic conditions such as inflation, deflation, interest rates and credit availability; inability to obtain, or meet conditions imposed for, required governmental and regulatory approvals; changes in the tax laws in the United States and foreign jurisdictions and judicial or regulatory interpretations thereof; and large scale disasters, such as floods, earthquakes, hurricanes, industrial accidents and pandemics. Readers should also consider 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, 2024 and other periodic filings made with the SEC.

This presentation contains references to non-GAAP financial information including adjusted net income, organic sales, adjusted earnings per share, adjusted segment operating margin for Parker and by segment, EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, Net Debt to Adjusted EBITDA, free cash flow, and free cash flow margin. 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 adjusted net income, organic sales, adjusted earnings per share, adjusted segment operating margin for Parker and by segment, EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, Net Debt to Adjusted EBITDA, free cash flow, and free cash flow margin 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.

Please visit investors.parker.com for more information.

Transformed Portfolio Drives Record Performance

- Top quartile safety performance
- Exceptional Aerospace performance
- Consistent execution and margin expansion
- Record Adjusted Segment Operating Margin of 25.7%
- Record Cash Flow from Operations, 14% growth

FY25 Q1 Highlights

10% Reduction in Recordable Incidents	**$4.9B** Sales +1.2% Reported +1.4% Organic[1]
25.7% Adjusted Segment Operating Margin[1] +80 bps	**24.9%** Adjusted EBITDA Margin[1] +10 bps
4% Adjusted EPS Growth[1]	**$744M** CFOA +14% Growth

1. Includes certain non-GAAP adjustments and financial measures. See Appendix for additional details and reconciliations.
Note: FY25 Q1 As Reported: Segment Operating Margin of 22.6%, EBITDA Margin of 24.8%, Net Income of $699M, EPS of $5.34.

Why We Win

Strong Competitive Advantages

The Win Strategy™

Parker's Business System

Decentralized structure, strategic positioning & operational excellence

Innovative Products

Deep customer partnership to uncover unmet needs

Application Engineering

Technical expertise creates competitive advantage

Interconnected Technologies

Enables comprehensive solutions for customers

Distribution Network

Serving global aftermarket & small to mid-sized OEMs

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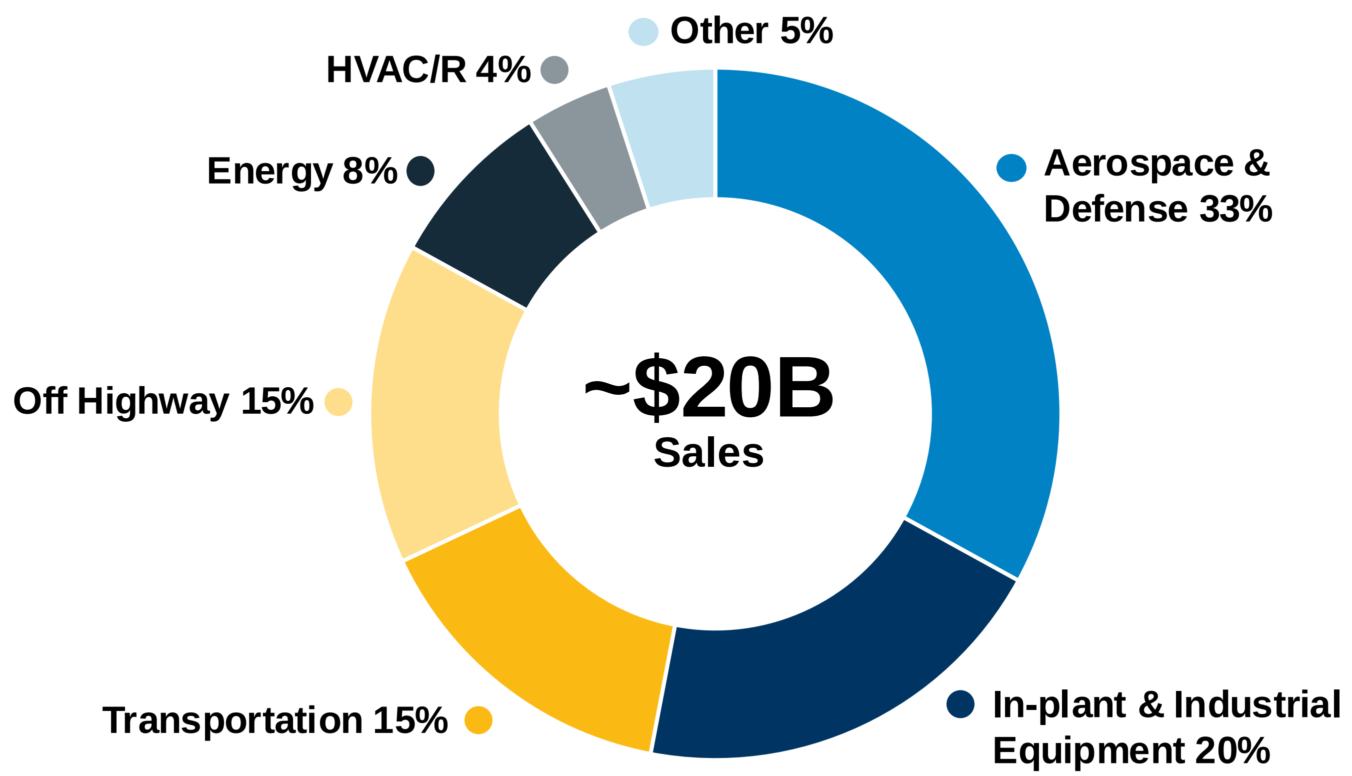
#1 Position in Motion & Control Industry

>90% of Sales Comes from 6 Market Verticals

~$145B Market Size

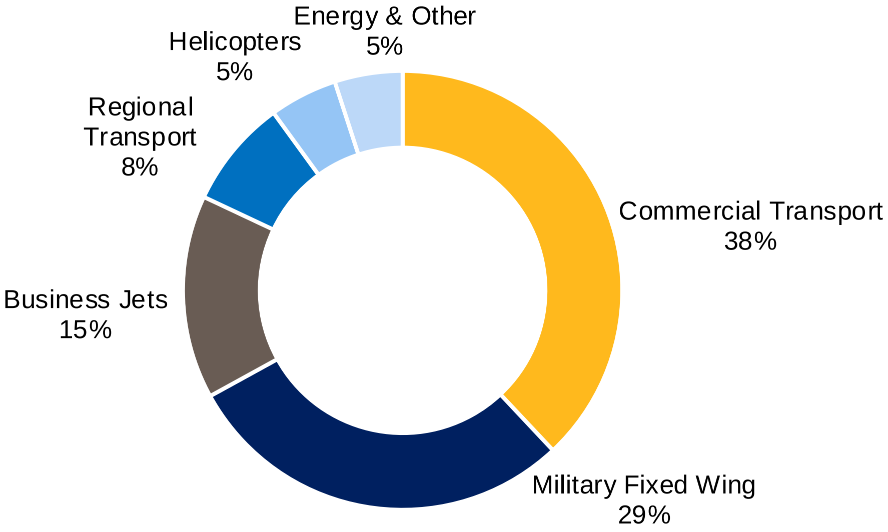


- Interconnected technologies and solutions across market verticals
- 2/3's of our revenue comes from customers who buy 4 or more technologies
- Growth focused on faster growing, longer cycle markets and secular trends

Note: Sales and market sizes as of FY24. Aerospace & Defense market includes sales reported both in the Aerospace Systems segment and Diversified Industrial segment.

Balanced & Diverse Aerospace Portfolio Drives Growth

FY24 Sales by Platform



Competitive Advantages

- Diversified customer base
- Comprehensive offering with proprietary designs
- Balanced narrowbody / widebody sales mix
- Meggitt significantly expanded aftermarket sales
- ~50% aftermarket sales mix
- ~7% Air Traffic Growth CY23 – CY27E CAGR[1]


A220


A320


A350


737


777


787


G650/700/800


G400/500/600


F-35


F/A-18


F-16


F-15


Black Hawk


Apache

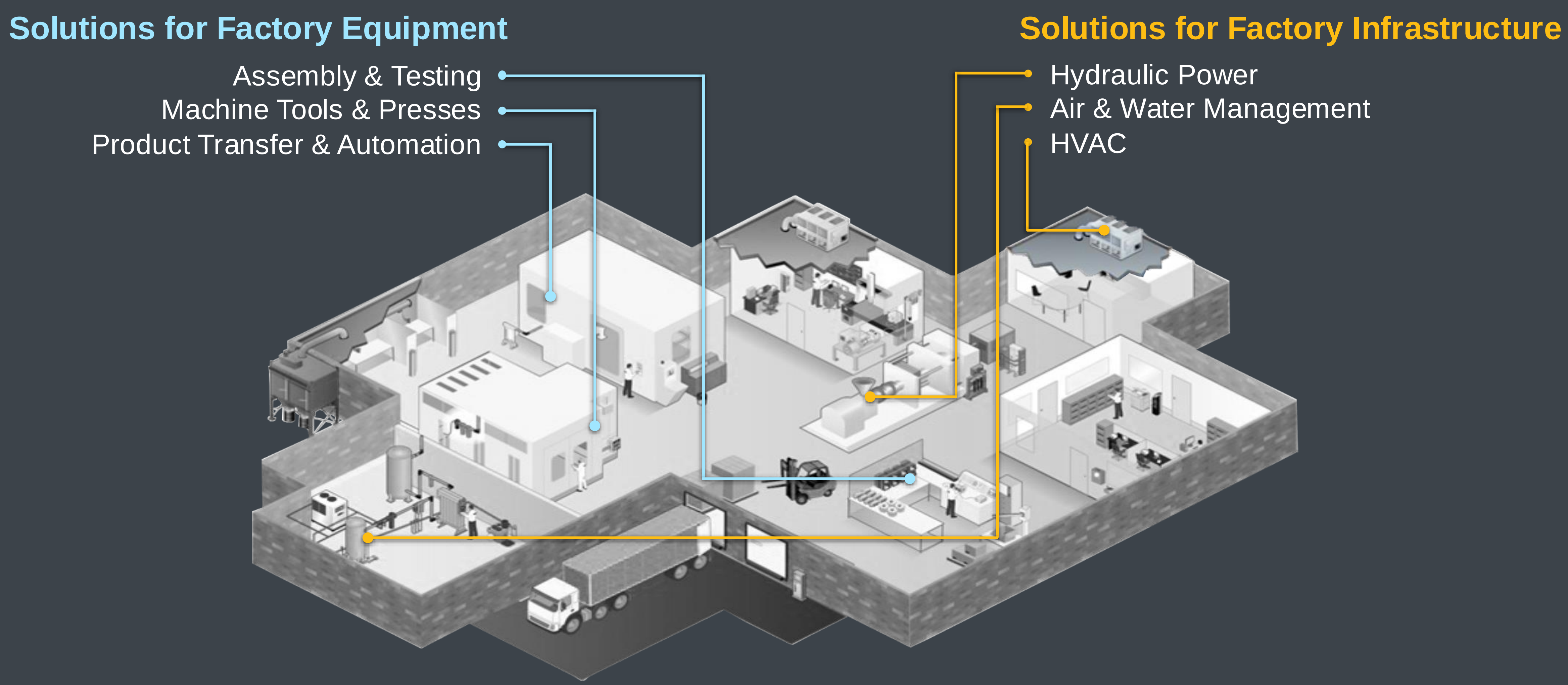

ERJ-175/195 E1


Global 7500/8000

1: Source: IATA

In-Plant & Industrial Equipment

A comprehensive suite of motion & control technologies



In-Plant & Industrial Equipment Market Vertical

Positioned for Growth

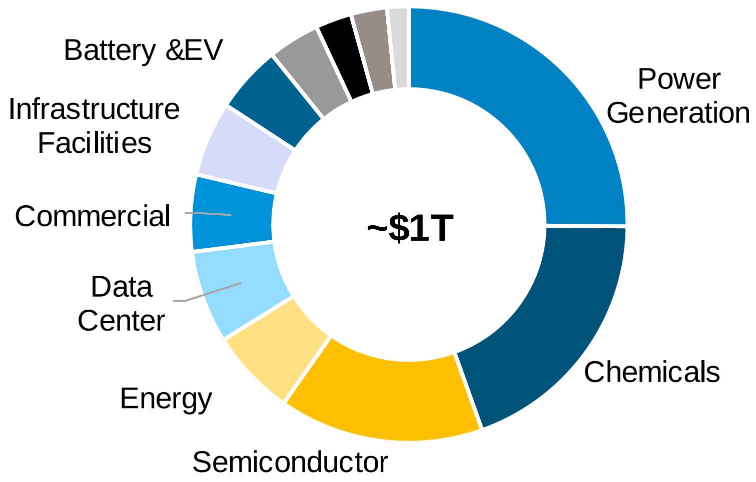
Macro Growth Drivers

- Mega projects continue to drive long-term growth
- Industrial CapEx investment
- Digitalization and AI are driving the need for semiconductor fabs and data centers

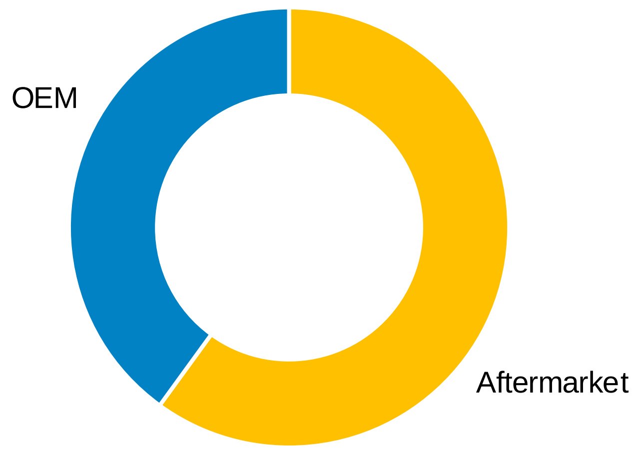
Parker's Differentiators

- A powerhouse of interconnected technologies
- Independent distribution network
- Parker benefits throughout a project's lifecycle

Mega Projects Announced[1]



Parker's In-Plant Equipment Sales Mix



1. Source: Dodge Data & Analytics, company estimate. Projects announced since 2021.

Summary of Fiscal 2025 1st Quarter Highlights

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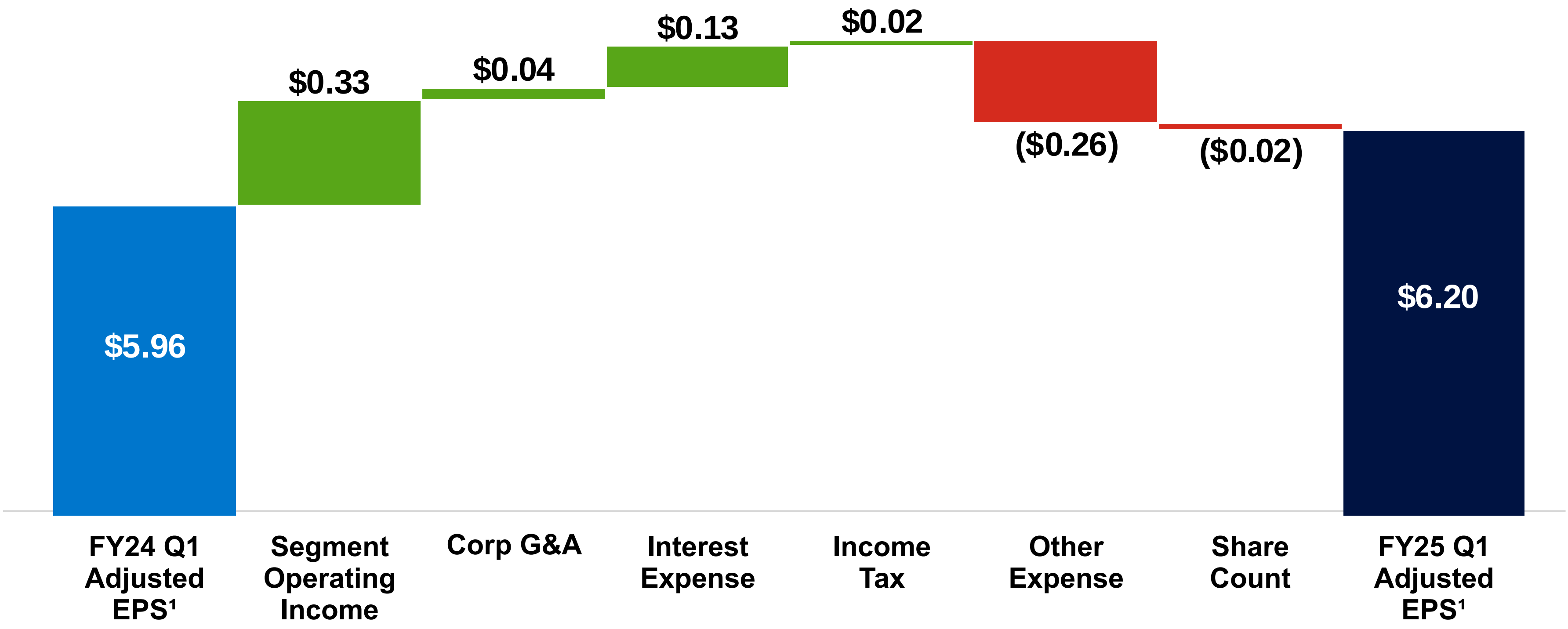
FY25 Q1 Financial Summary

$ Millions, except per share amounts	FY25 Q1 As Reported	FY25 Q1 Adjusted[1]	FY24 Q1 Adjusted[1]	YoY Change Adjusted
Sales	$4,904	**$4,904**	$4,847	+1.2%
Segment Operating Margin	22.6%	**25.7%**	24.9%	+80 bps
EBITDA Margin	24.8%	**24.9%**	24.8%	+10 bps
Net Income	$698	**$810**	$776	+4.3%
EPS	$5.34	**$6.20**	$5.96	+4.0%

1. Sales figures As Reported. Includes certain non-GAAP adjustments and financial measures. See Appendix for additional details and reconciliations.
   Note: FY24 Q1 As Reported: Segment Operating Margin of 21.3%, EBITDA Margin of 24.7%, Net Income to common shareholders of $651M, EPS of $4.99.

FY25 Q1 Adjusted Earnings per Share Bridge



1. FY24 Q1 As Reported EPS of $4.99. FY25 Q1 As Reported EPS of $5.34. Includes certain non-GAAP adjustments and financial measures. See Appendix for additional details and reconciliations.

FY25 Q1 Segment Performance

		Sales As Reported $ Organic %[1]	Segment Operating Margin As Reported	Segment Operating Margin Adjusted[1]	Order Rates[2]	Commentary
Diversified Industrial	North America Businesses	$2,100M **(5.0%) Organic**	23.1%	25.3% **+40 bps YoY**	(3%)	▪ Record adjusted segment operating margins ▪ HVAC returns to growth, while delays impact in-plant and energy markets ▪ Softness continues in transportation and off-highway
Diversified Industrial	International Businesses	$1,356M **(2.4%) Organic**	22.1%	24.1% **Flat YoY**	+1%	▪ Record adjusted segment operating margins ▪ Positive sales growth in Asia, offset by continued softness in Europe ▪ Orders turned positive on Asia improvement
	Aerospace Systems	$1,448M **+17.2% Organic**	22.3%	27.9% **+190 bps YoY**	+7%	▪ Record sales and adjusted segment operating margin ▪ Outstanding aftermarket sales growth in both commercial and defense markets
	Parker	$4,904M **+1.4% Organic**	22.6%	25.7% **+80 bps YoY**	+1%	▪ Performance reflects transformed portfolio ▪ Record adjusted segment operating margins ▪ Order rates remain positive due to longer cycle businesses

1. Includes certain non-GAAP adjustments and financial measures. See Appendix for additional details and reconciliations.
2. Diversified Industrial orders are on a 3-month average computation and Aerospace Systems are rolling 12-month average computations.

FY25 Q1 Cash Flow Performance

Cash Flow Highlights

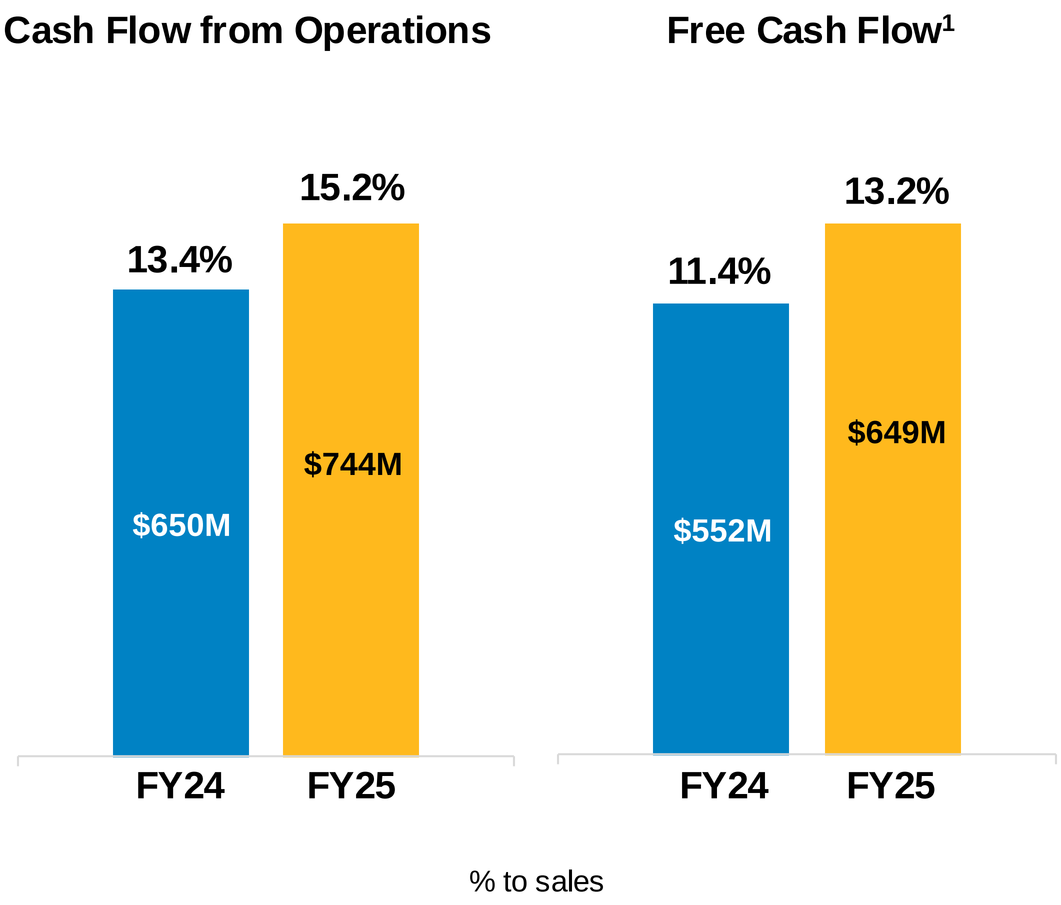
$744M
Cash Flow from Operations
+14% growth

15.2%
Cash Flow from Operations Margin

$649M
Free Cash Flow[1]
+17% growth

13.2%
Free Cash Flow Margin[1]

1.9x
Net Debt to Adjusted TTM EBITDA[1]



1. Includes certain non-GAAP adjustments and financial measures. See Appendix for additional details and reconciliations.

Outlook

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FY25 Sales Growth Forecast by Key Market Verticals

Key Market Verticals	% of Sales	Previous FY25 Guidance	Commentary	Current FY25 Guidance	Current vs. Previous Guidance
Aerospace & Defense	33%	HSD	▪ Raising guidance on aftermarket strength ▪ Diversified customer base	~10%	
In-Plant & Industrial	20%	LSD	▪ Near term delays in projects & CapEx ▪ Positive channel sentiment	LSD	
Transportation	15%	LSD	▪ Lower automotive production forecast ▪ Heavy duty & work truck demand remains positive	LSD	
Off-Highway	15%	(MSD)	▪ OEM destocking continues ▪ Higher interest rates continue to impact Ag	(HSD)	
Energy	8%	LSD	▪ Near term delays in projects & CapEx ▪ Lower oil prices continue to impact outlook	Neutral	
HVAC/R	4%	LSD	▪ Regulatory changes driving growth	LSD	

Current FY25 Organic: 1.5% - 4.5%

FY25 Guidance Update

Reflects Expected Divestiture Activity

Guidance Metric	FY25 Full Year	Full Year Assumptions	FY25 Q2 Midpoint
Reported Sales	**0.5% - 3.5%**	▪ Currency favorable 0.5% ▪ Divestiture activity impact (~1.5%) ▪ Divestiture activity impact on Diversified Industrial, North America Businesses (3.5%)	**$4.8B**
Organic Sales Growth[1]	**1.5% - 4.5%**	▪ Raised Aerospace organic growth to 10% ▪ Assumes near term industrial pressure	**1%**
Adj. Operating Margin[1]	**~25.7%**	▪ All segments expected to expand margins ▪ 80 bps margin expansion ▪ ~70% incremental margin	**~25.2%**
Adj. EPS[1]	**$26.35 - $27.05**	▪ Full year tax rate ~22.5% ▪ Split: 1H: 46% | 2H: 54%	**$6.15**
Free Cash Flow[1]	**$3.0B - $3.3B**	▪ CapEx: ~2% of sales ▪ FCF Conversion >100%	**- -**

1. Includes certain non-GAAP adjustments and financial measures. See Appendix for additional details and reconciliations.

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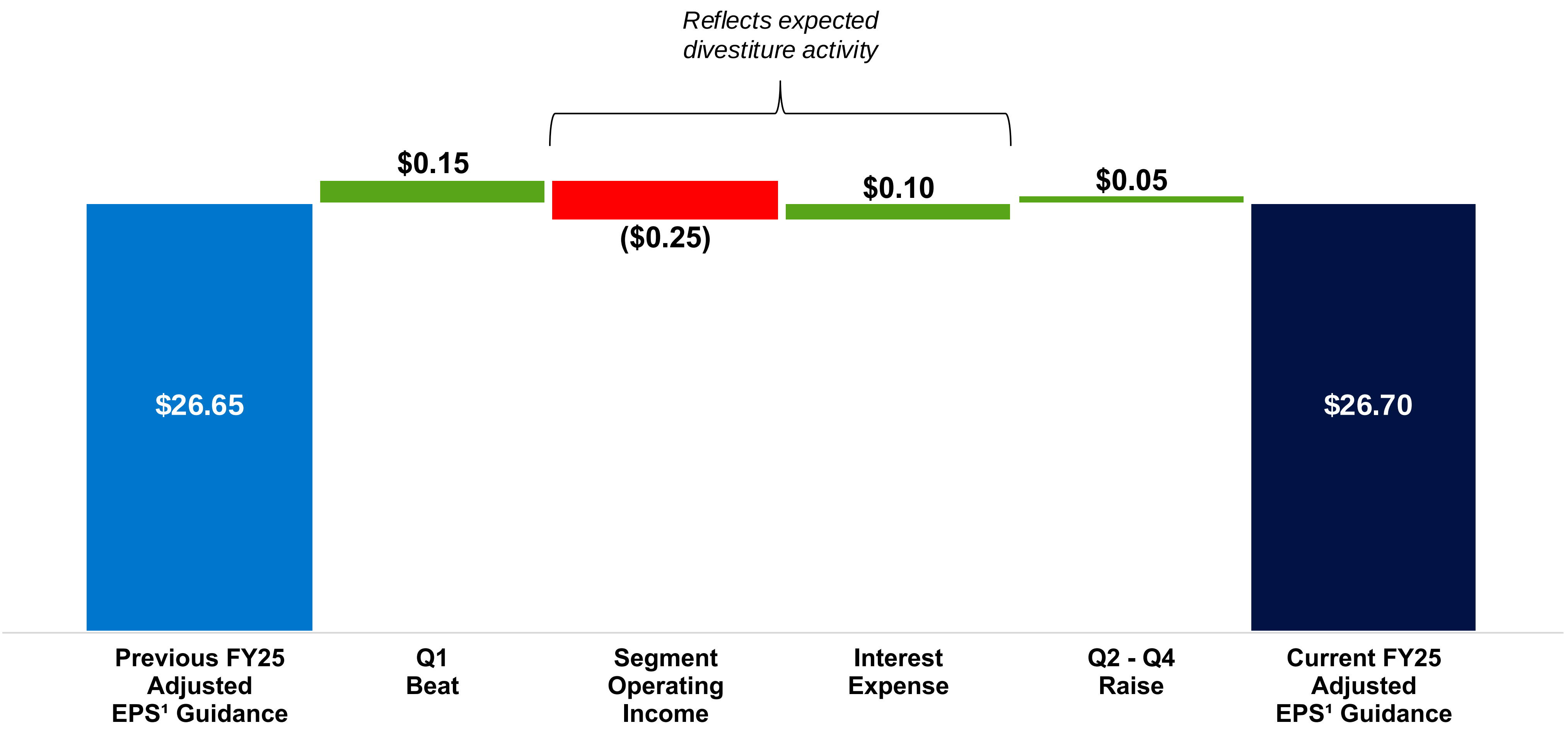
FY25 Adjusted Earnings per Share Guidance Bridge



1. Previous FY25 As Reported EPS Guidance midpoint of $23.00. Current FY25 As Reported EPS Guidance midpoint of $23.13.
Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.

What Drives Parker

- Safety, Engagement, Ownership
- Living up to Our Purpose
- Top Quartile Performance
- Great Generators & Deployers of Cash









Upcoming Event Calendar

FY25 Q2 Earnings Release	January 30, 2025
FY25 Q3 Earnings Release	May 1, 2025
FY25 Q4 Earnings Release	August 7, 2025

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Appendix

- FY25 Guidance Details
- Reconciliation of Organic Growth
- Adjusted Amounts Reconciliation – Consolidated
- Adjusted Amounts Reconciliation – Segment Operating Income
- Reconciliation of EBITDA to Adjusted EBITDA
- Reconciliation of Net Debt to Adjusted EBITDA
- Reconciliation of Free Cash Flow Margin
- Supplemental Sales Information – Global Technology Platforms
- Reconciliation of FY25 Guidance

FY25 Guidance Details

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

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

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

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

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

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

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

Reconciliation of Organic Growth

(Dollars in thousands)
(Unaudited)

	Quarter-to-Date				
Net Sales	**As Reported September 30, 2024**	**Currency**	**Divestitures**	**Adjusted September 30, 2024**	**As Reported September 30, 2023**
Diversified Industrial	$ 3,456,158	$ 9,457	$ 7,352	**$ 3,472,967**	$ 3,618,528
Aerospace Systems	1,447,826	(6,954)	-	**1,440,872**	1,228,960
Total Parker Hannifin	$ 4,903,984	$ 2,503	$ 7,352	**$ 4,913,839**	$ 4,847,488

	As reported	Currency	Divestitures	**Organic**
Diversified Industrial	(4.5)%	(0.3)%	(0.2)%	**(4.0)%**
Aerospace Systems	17.8 %	0.6 %	0.0 %	**17.2 %**
Total Parker Hannifin	1.2 %	0.0 %	(0.2)%	**1.4 %**

Supplemental Information:

Net Sales	**As Reported September 30, 2024**	**Currency**	**Divestitures**	**Adjusted September 30, 2024**	**As Reported September 30, 2023**
Diversified Industrial:					
North America businesses	$ 2,100,324	$ 10,376	$ 7,352	**$ 2,118,052**	$ 2,229,906
International businesses					
Europe	737,158	(14,325)	-	**722,833**	784,198
Asia Pacific	542,016	(433)	-	**541,583**	524,954
Latin America	76,660	13,839	-	**90,499**	79,470
International businesses	$ 1,355,834	$ (919)	$ -	**$ 1,354,915**	$ 1,388,622

	As reported	Currency	Divestitures	**Organic**
Diversified Industrial:				
North America businesses	(5.8)%	(0.5)%	(0.3)%	**(5.0)%**
International businesses				
Europe	(6.0)%	1.8 %	0.0 %	**(7.8)%**
Asia Pacific	3.3 %	0.1 %	0.0 %	**3.2 %**
Latin America	(3.5)%	(17.4)%	0.0 %	**13.9 %**
International businesses	(2.4)%	(0.0)%	0.0 %	**(2.4)%**

Adjusted Amounts Reconciliation
Consolidated Statement of Income

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

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

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

Adjusted Amounts Reconciliation
Segment Operating Income

(Dollars in thousands)
(Unaudited)

	As Reported September 30, 2024	**% of Sales**	**Acquired Intangible Asset Amortization**	**Business Realignment Charges**	**Meggitt Costs to Achieve**	**Gain on Sale of Building**	**Adjusted September 30, 2024**	**% of Sales[2]**
	Quarter-to-Date FY 2025							
Diversified Industrial[1]	$ 783,546	22.7%	$ 65,264	$ 8,900	$ 778	$ -	**$ 858,488**	**24.8%**
Aerospace Systems[1]	322,986	22.3%	74,857	8	5,633	-	**403,484**	**27.9%**
Total segment operating income	1,106,532	22.6%	(140,121)	(8,908)	(6,411)	-	**1,261,972**	**25.7%**
Corporate administration	48,794	1.0%	-	-	-	-	**48,794**	**1.0%**
Income before interest and other	1,057,738	21.6%	(140,121)	(8,908)	(6,411)	-	**1,213,178**	**24.7%**
Interest expense	113,091	2.3%	-	-	-	-	**113,091**	**2.3%**
Other (income) expense	69,461	1.4%	-	598	-	(10,461)	**79,324**	**1.6%**
Income before income taxes	$ 875,186	17.8%	$ (140,121)	$ (9,506)	$ (6,411)	$ 10,461	**$ 1,020,763**	**20.8%**
Supplemental Information:								
Diversified Industrial:								
North America businesses[1]	$ 484,563	23.1%	$ 42,975	$ 3,444	$ 605	$ -	**$ 531,587**	**25.3%**
International businesses[1]	298,983	22.1%	22,289	5,456	173	-	**326,901**	**24.1%**

	As Reported September 30, 2023	**% of Sales**	**Acquired Intangible Asset Amortization**	**Business Realignment Charges**	**Meggitt Cost to Achieve**	**Gain on Divestiture**	**Adjusted September 30, 2023**	**% of Sales[2]**
	Quarter-to-Date FY 2024							
Diversified Industrial[1]	$ 806,754	22.3%	$ 67,951	$ 12,639	$ 1,139		**$ 888,483**	**24.6%**
Aerospace Systems[1]	226,260	18.4%	87,569	453	5,267		**319,549**	**26.0%**
Total segment operating income	1,033,014	21.3%	(155,520)	(13,092)	(6,406)		**1,208,032**	**24.9%**
Corporate administration	55,656	1.1%	-	-	-		**55,656**	**1.1%**
Income before interest and other	977,358	20.2%	(155,520)	(13,092)	(6,406)		**1,152,376**	**23.8%**
Interest expense	134,468	2.8%	-	-	-		**134,468**	**2.8%**
Other (income) expense	22,455	0.5%	-	-	-	(13,260)	**35,715**	**0.7%**
Income before income taxes	$ 820,435	16.9%	$ (155,520)	$ (13,092)	$ (6,406)	$ 13,260	**$ 982,193**	**20.3%**
Supplemental Information:								
Diversified Industrial:								
North America businesses[1]	$ 506,053	22.7%	$ 44,683	$ 2,584	$ 945	$ -	**$ 554,265**	**24.9%**
International businesses[1]	300,701	21.7%	23,268	10,055	194	-	**334,218**	**24.1%**

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

Reconciliation of EBITDA to Adjusted EBITDA

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

Reconciliation of Net Debt / Adjusted EBITDA

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

Reconciliation of Free Cash Flow Margin

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

Supplemental Sales Information

Global Technology Platforms

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

Reconciliation of Q2 FY25 Guidance

RECONCILIATION OF ORGANIC GROWTH

(Unaudited)

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

RECONCILIATION OF OPERATING INCOME TO ADJUSTED OPERATING INCOME

(Unaudited)

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

RECONCILIATION OF FORECASTED EARNINGS PER SHARE

(Unaudited)

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

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

*Totals may not foot due to rounding

Reconciliation of FY25 Guidance

RECONCILIATION OF ORGANIC GROWTH

(Unaudited)
(Amounts in percentages)

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

RECONCILIATION OF FORECASTED EARNINGS PER SHARE

(Unaudited)
(Amounts in dollars)

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

RECONCILIATION OF OPERATING INCOME TO ADJUSTED OPERATING INCOME

(Unaudited)
(Amounts in percentages)

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

RECONCILIATION OF CASH FLOW FROM OPERATIONS TO FREE CASH FLOW

(Unaudited)
(Dollars in millions)

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

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

*Totals may not foot due to rounding