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Investor Meeting 2024

Jeff Miller
Vice President Investor Relations

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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. A change in the economic conditions in individual markets may have a particularly volatile effect on segment performance.

Among other factors which may affect future performance are: changes in business relationships with and purchases by or from major customers, suppliers or distributors, including delays or cancellations in shipments; disputes regarding contract terms or significant changes in financial condition, changes in contract cost and revenue estimates for new development programs and changes in product mix; the impact of political, social and economic instability and disruptions; ability to identify acceptable strategic acquisition targets; uncertainties surrounding timing, successful completion or integration of acquisitions and similar transactions, including the integration of Meggitt PLC; our ability to effectively manage expanded operations from acquisitions; the ability to successfully divest businesses planned for divestiture and realize the anticipated benefits of such divestitures; the determination to undertake business realignment activities and the expected costs thereof and, if undertaken, the ability to complete such activities and realize the anticipated cost savings from such activities; ability to implement successfully capital allocation initiatives, including timing, pricing and execution of share repurchases; availability, limitations or cost increases of raw materials, component products and/or commodities that cannot be recovered in product pricing; 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, credit availability and changes in consumer habits and preferences; ability to manage costs related to insurance and employee retirement and health care benefits; legal and regulatory developments and changes; additional liabilities relating to changes in tax rates or exposure to additional income tax liabilities; ability to enter into, own, renew, protect and maintain intellectual property and know-how; leverage and future debt service obligations; potential impairment of goodwill; compliance costs associated with environmental laws and regulations; potential labor disruptions or shortages and the ability to attract and retain key personnel; uncertainties surrounding the ultimate resolution of outstanding legal proceedings, including the outcome of any appeals; global competitive market conditions, including U.S. trade policies and resulting effects on sales and pricing; local and global political and economic conditions, including the Russia-Ukraine war and other armed conflicts and their residual effects; inability to obtain, or meet conditions imposed for, required governmental and regulatory approvals; government actions and natural phenomena such as pandemics, floods, earthquakes, hurricanes or other natural phenomena that may be related to climate change; increased cyber security threats and sophisticated computer crime; and success of business and operating initiatives. 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, 2023 and other periodic filings made with the SEC.

This presentation contains references to non-GAAP financial information including 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 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, except for the non-GAAP metrics included in our new 5-year targets for fiscal year 2029, which reconciliations could not be provided without unreasonable effort.

Please visit investors.parker.com for more information.

Today’s Presenters

Strong Continuity & Seasoned Leadership Team

Jenny Parmentier

Chairman & Chief
Executive Officer

Andy Ross

President & Chief
Operating Officer

Todd Leombruno

Executive Vice
President &
Chief Financial Officer

Jeff Miller

Vice President
Investor Relations

Today's Program

Welcome	Jeff Miller, *Vice President Investor Relations*
Transforming the Company	Jenny Parmentier, *Chairman & Chief Executive Officer*
Positioned for Growth from Secular Trends	Jenny Parmentier, *Chairman & Chief Executive Officer*
Operational Excellence	Andy Ross, *President & Chief Operating Officer*
Financial Performance	Todd Leombruno, *EVP & Chief Financial Officer*
Closing Comments	Jenny Parmentier, *Chairman & Chief Executive Officer*
Break	
Open Discussion	Parker Management Team

Transforming the Company

Jenny Parmentier
Chairman & CEO

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Key Messages Today

Positioned for Growth

Interconnected technologies enabling advancement of secular growth trends

Compounding Performance

The Win Strategy™ drives top quartile performance in all of our businesses

Operational Excellence

Manufacturing excellence creates growth and margin expansion opportunities

Launching FY29 Targets

Raising long-term targets on strength of our people, strategy and culture

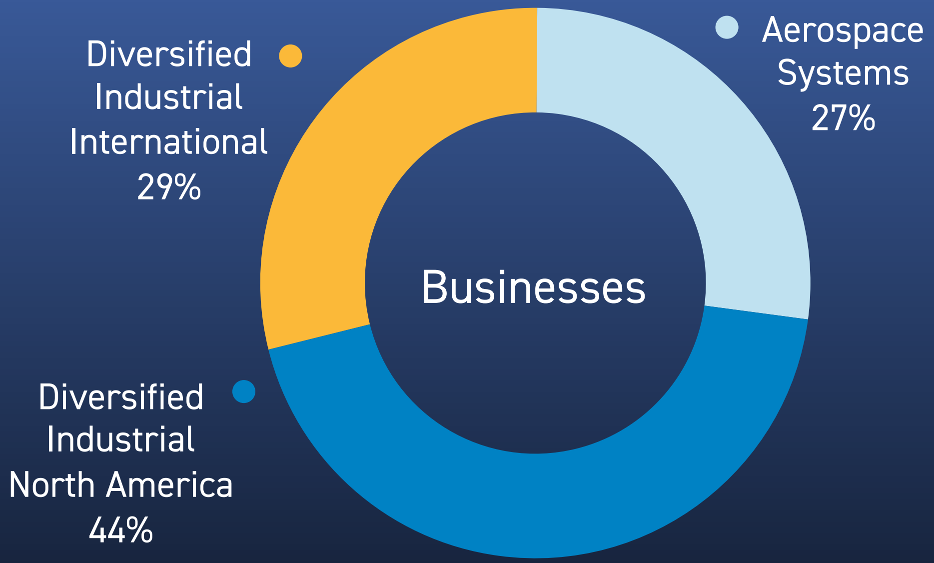
What Drives Parker

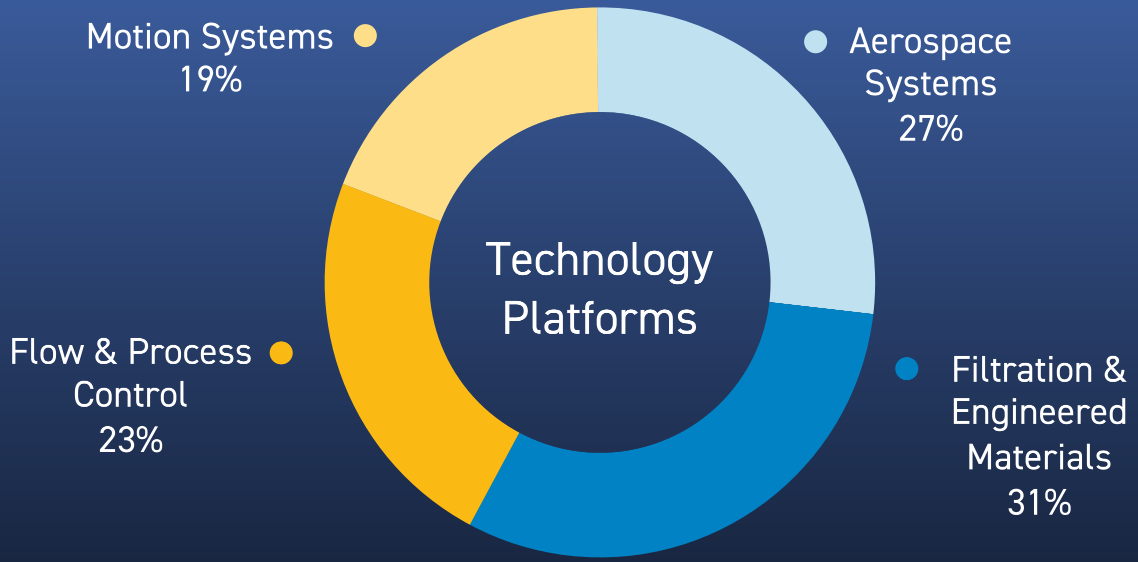
- Safety, Engagement, Ownership
- Living up to Our Purpose
- Top Quartile Performance
- Great Generators & Deployers of Cash

Parker Hannifin at-a-Glance

Engineering Customer Success in Motion & Control Industry for over 100 years

~$20B FY24G Revenue



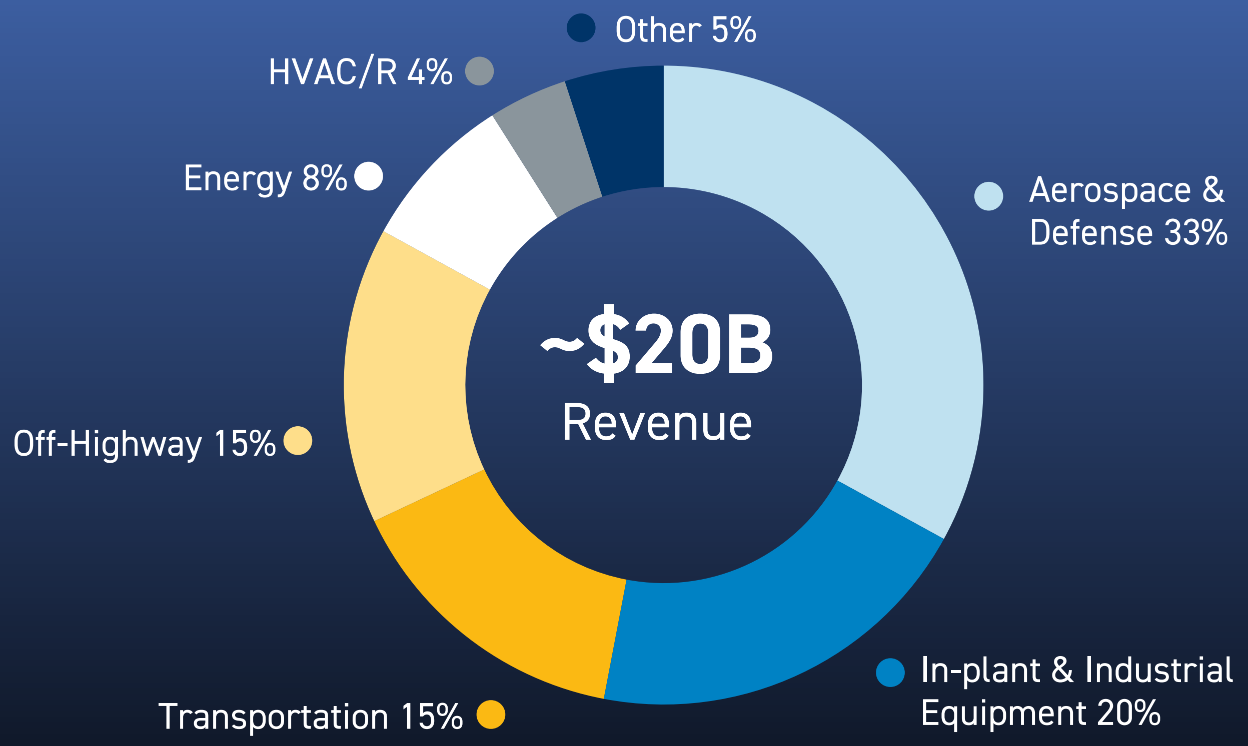


- The Win Strategy™
- A technology powerhouse of Interconnected Solutions
- Global distribution network
- Decentralized operating structure

#1 Position in Motion & Control Industry

> 90% of Revenue Comes from 6 Market Verticals

~$145B Market Size

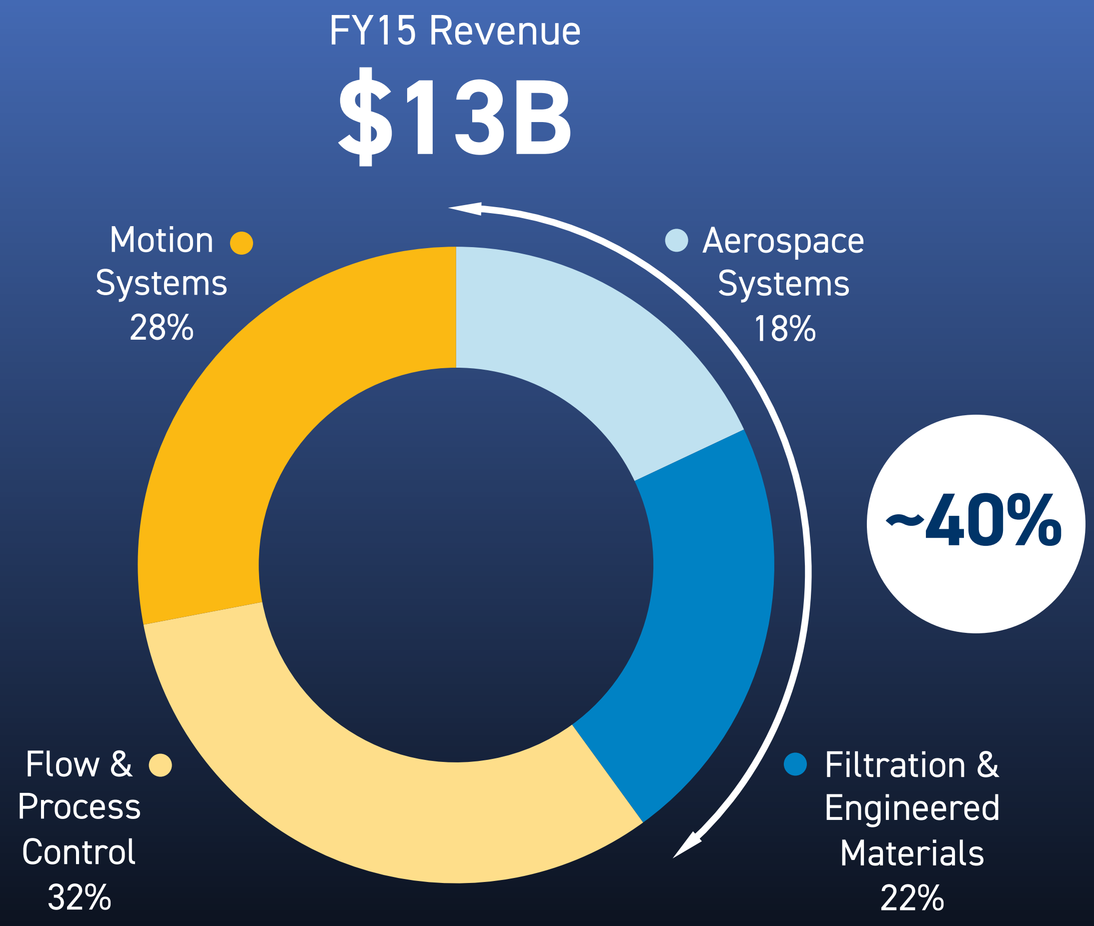


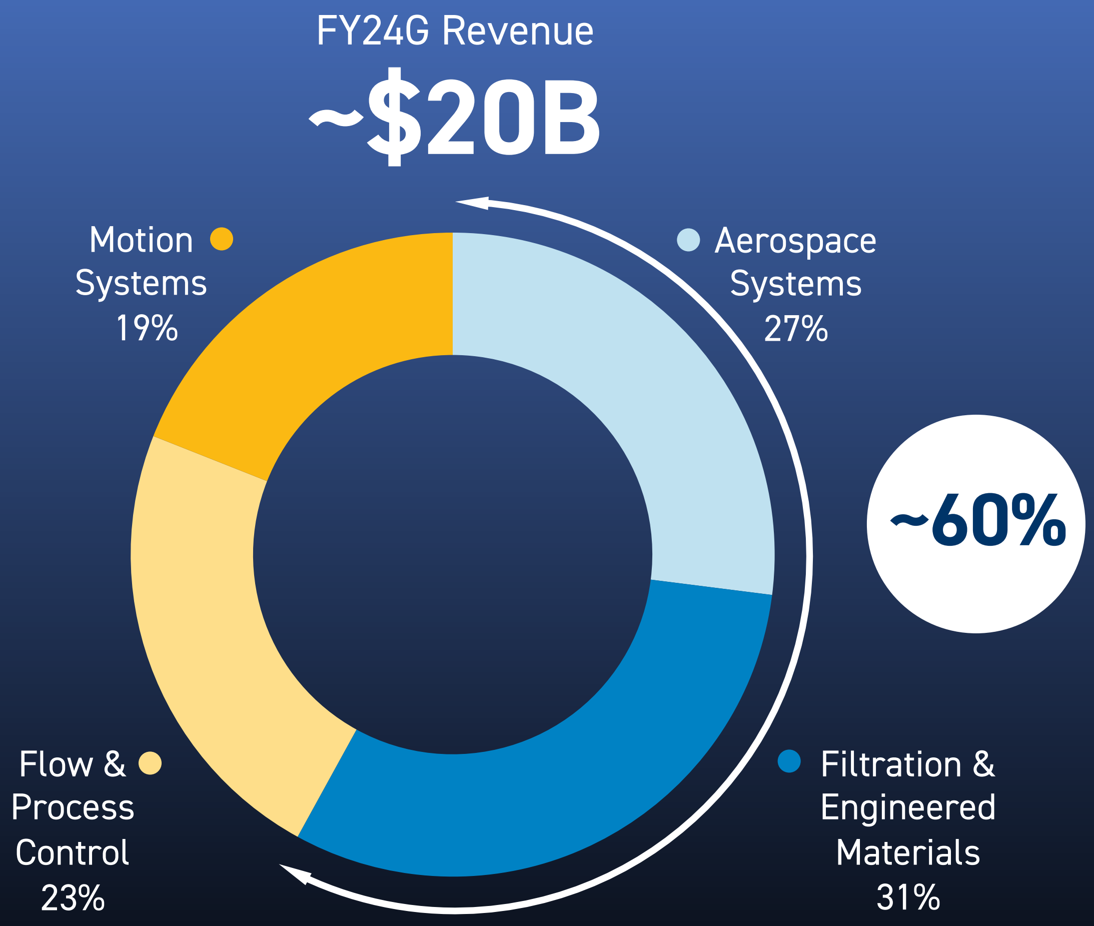
- Interconnected technologies and solutions across market verticals
- Growth focused on faster growing, longer cycle markets and secular trends

Note: Aerospace & Defense market includes revenue reported both in the Aerospace systems segment and diversified industrial segment.

A Different Parker

Strategic Capital Deployment & Organic Growth Enablers





Why We Win

Strong Competitive Advantages

The Win Strategy™

Parker's Business System

Decentralized structure, strategic positioning & operational excellence

Innovative Products

Deep customer collaboration to identify unmet needs

Application Engineering

Technical expertise creates competitive advantage

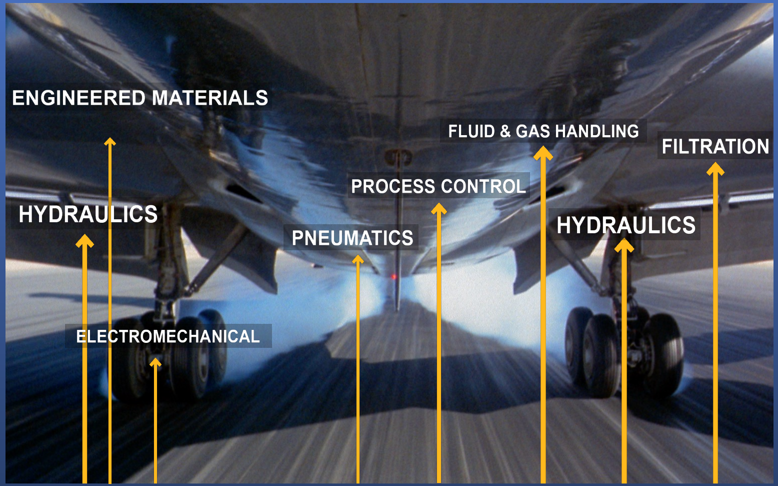
Interconnected Technologies

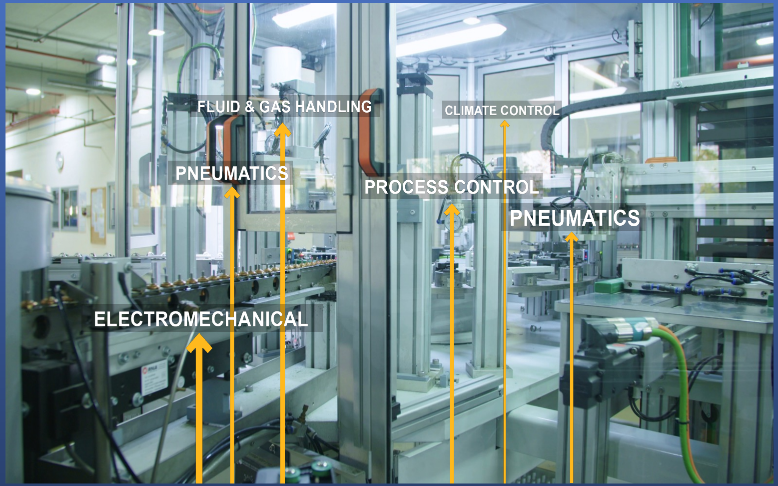
Enables comprehensive solutions for customers

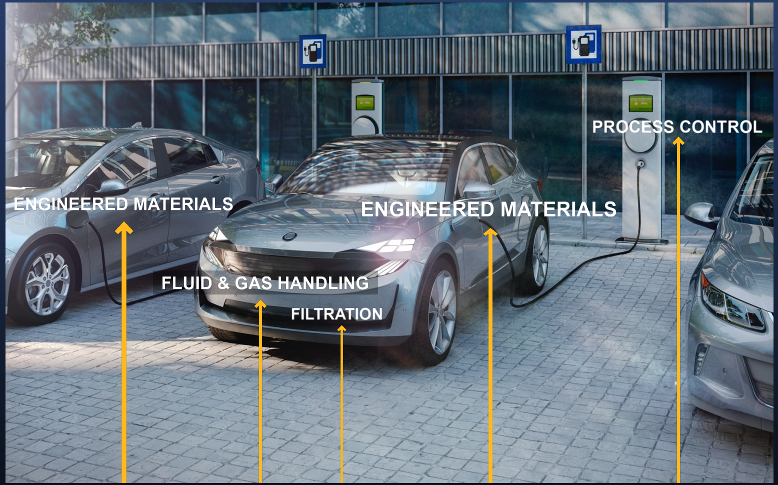
Distribution Network

Serving global aftermarket & small to mid-sized OEMs

Interconnected Technologies Provide Unmatched Value







Of Our Revenue

From customers who buy 4 or more Parker Technologies

Of Our Portfolio

Enables clean technology

Enabling Engineering Breakthroughs that Lead to a Better Tomorrow

Environment

- On track to be Carbon Neutral by 2040
- 20% carbon emission reduction to FY19 baseline
- 160 sites certified to ISO 14001
- 2/3's of portfolio enables clean technologies

People & Communities

- 45% Safety incident reduction to FY19 baseline
- 93% of Team Members in one or more High Performance Teams
- ~$70M donated to our communities over past 10 years
- 13,000 volunteer hours in FY24

Winning with Integrity

- Continuous shareholder engagement
- Diverse and experienced Board
- Robust integrity, ethics and compliance programs
- Advanced cyber security program

Note: As disclosed in our FY23 Sustainability Report.

The Win Strategy™

Our Vision: Engineering Your Success

Goals

Engaged People

STRATEGIES

- Safety #1
- Environment, Social & Governance
- Ownership – Entrepreneurial
- High Performance Teams & Leaders
- Culture of 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

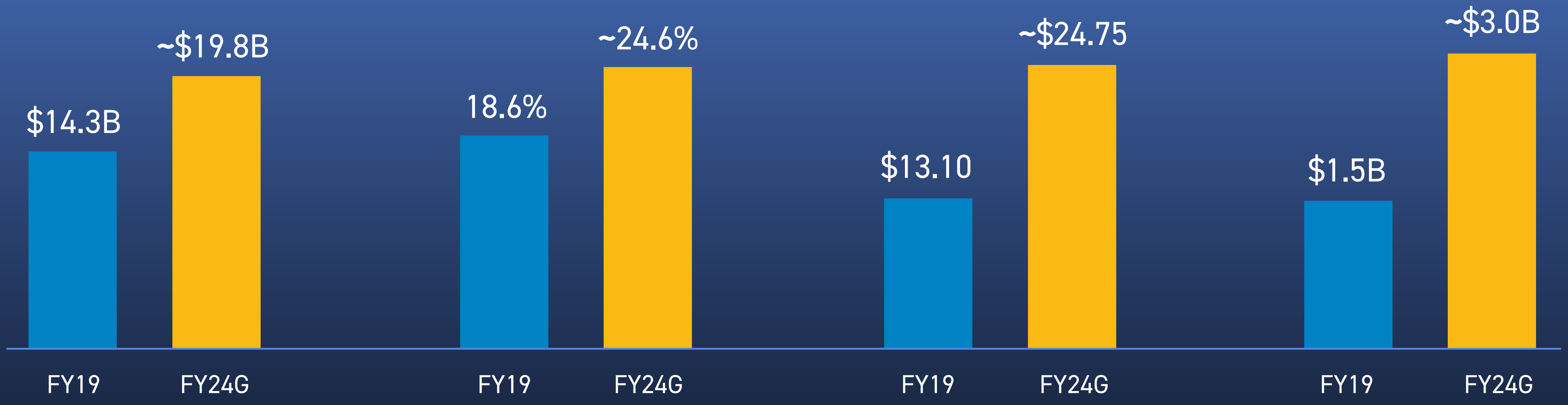
Our Culture & Values

Win Strategy 3.0

Our People, Strategy & Portfolio Drive Performance

Last 5 Years

Revenue | **Adjusted Operating Margin[1]** | **Adjusted EPS[1]** | **Free Cash Flow[1]**



+7%
Revenue CAGR

+600bps
Adjusted Operating Margin[1] Expansion

+14%
Adjusted EPS[1] CAGR

~2x
Free Cash Flow[1] Growth

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

Note: FY19 As reported: Operating Margin of 17.0%, EPS of $11.57, CFOA: $1.7B. FY24G As reported: Operating Margin of ~21.2%, EPS of ~$20.90, CFOA: ~$3.4B

Launching FY29 Targets

Increasing Margin & Cash Flow Targets

Organic Growth CAGR	Adjusted Operating Margin	Adjusted EBITDA Margin	Free Cash Flow Margin	Adjusted EPS Growth CAGR
4-6%	**27%**	**28%**	**17%**	**10%+**
	+200bps From previous target	**+300bps** From previous target	**+100bps** From previous target	

Transformation Summary

- People, portfolio & strategy drive performance
- Leading position in global Motion & Control industry
- A powerhouse of interconnected technologies
- Transformed company – more resilient, higher aftermarket and margin profile
- Launching new targets for FY29

Positioned for Growth from Secular Trends

Jenny Parmentier
Chairman & CEO

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Positioned for Growth Opportunities from Secular Trends

Aerospace

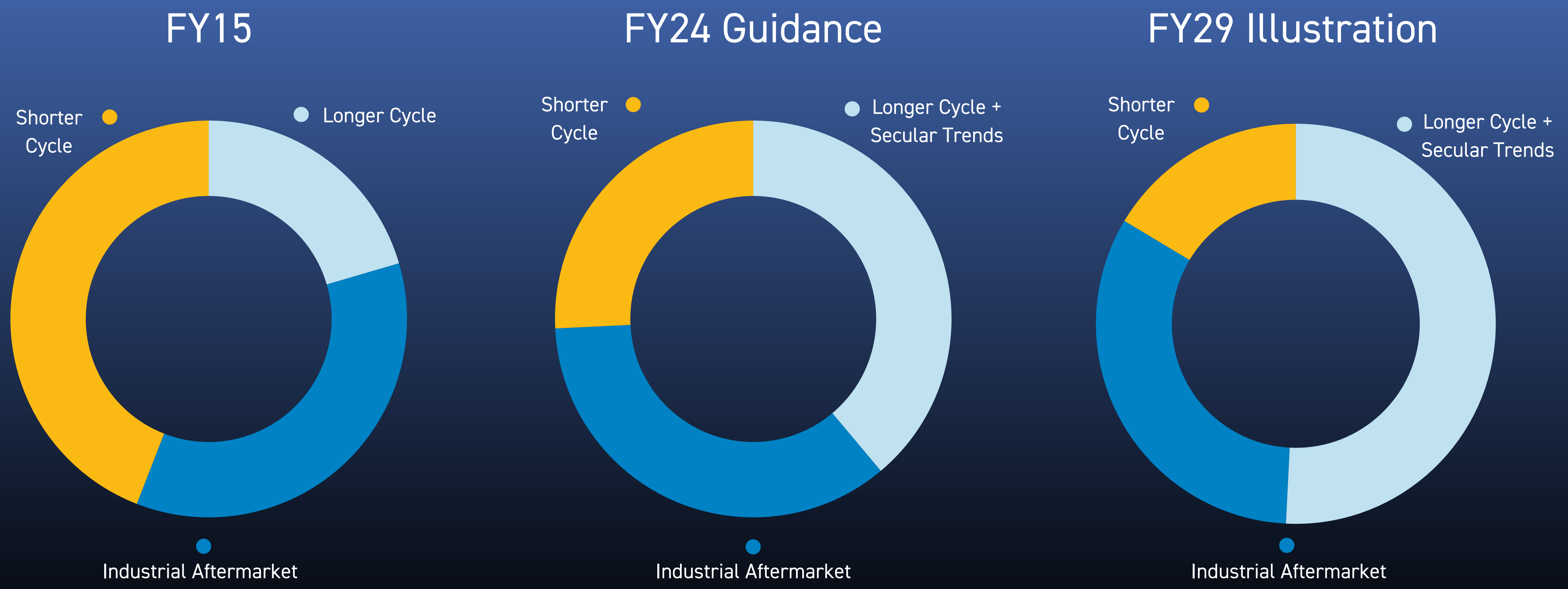
Digitalization

Electrification

Clean Technologies

Mega CapEx Projects

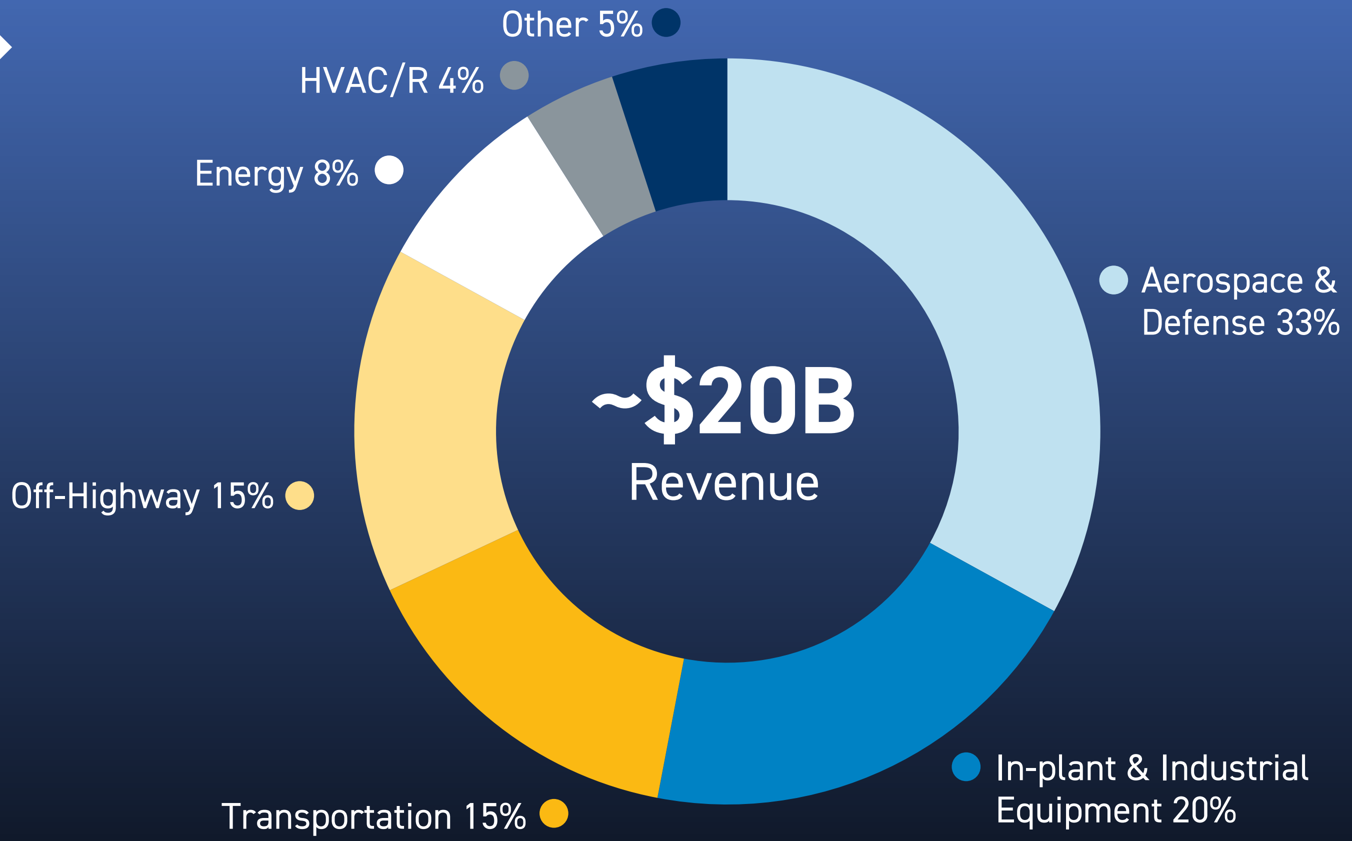
Portfolio Transformation Expands Longer Cycle and Secular Revenue Mix



#1 Position in Motion & Control Industry

> 90% of Revenue Comes from 6 Market Verticals

~$145B Market Size



Note: Aerospace & Defense market includes revenue reported both in the Aerospace systems segment and diversified industrial segment.

Secular Trends Driving Growth Across Our Market Verticals

Market Verticals	Aerospace & Defense	In-Plant & Industrial Equipment	Off-Highway	Transportation	Energy	HVAC/R
% of Sales	**33%**	**20%**	**15%**	**15%**	**8%**	**4%**
Long-Term Growth	**HSD**	**MSD**	**LSD**	**LSD**	**MSD**	**MSD**
Secular Trends	Electrification	Digitalization	Electrification	Electrification	Clean Technologies	Clean Technologies
	Clean Technologies	Electrification	Clean Technologies	Clean Technologies	Electrification	Digitalization
	Mega CapEx Projects					

Target: 4-6% Organic Growth Over the Cycle

Secular Trend: Clean Technologies

Parker Opportunities = 2/3's of Parker's Portfolio Promotes Clean Technologies

Enabling Growth in Market Verticals…

Off-Highway	Transportation	Energy

…through our Interconnected Technologies

Engineered Materials	Filtration	Fluid & Gas Handling	Process Control

Clean Technologies Opportunities

Expertise in Natural Gas as a Bridge to Hydrogen

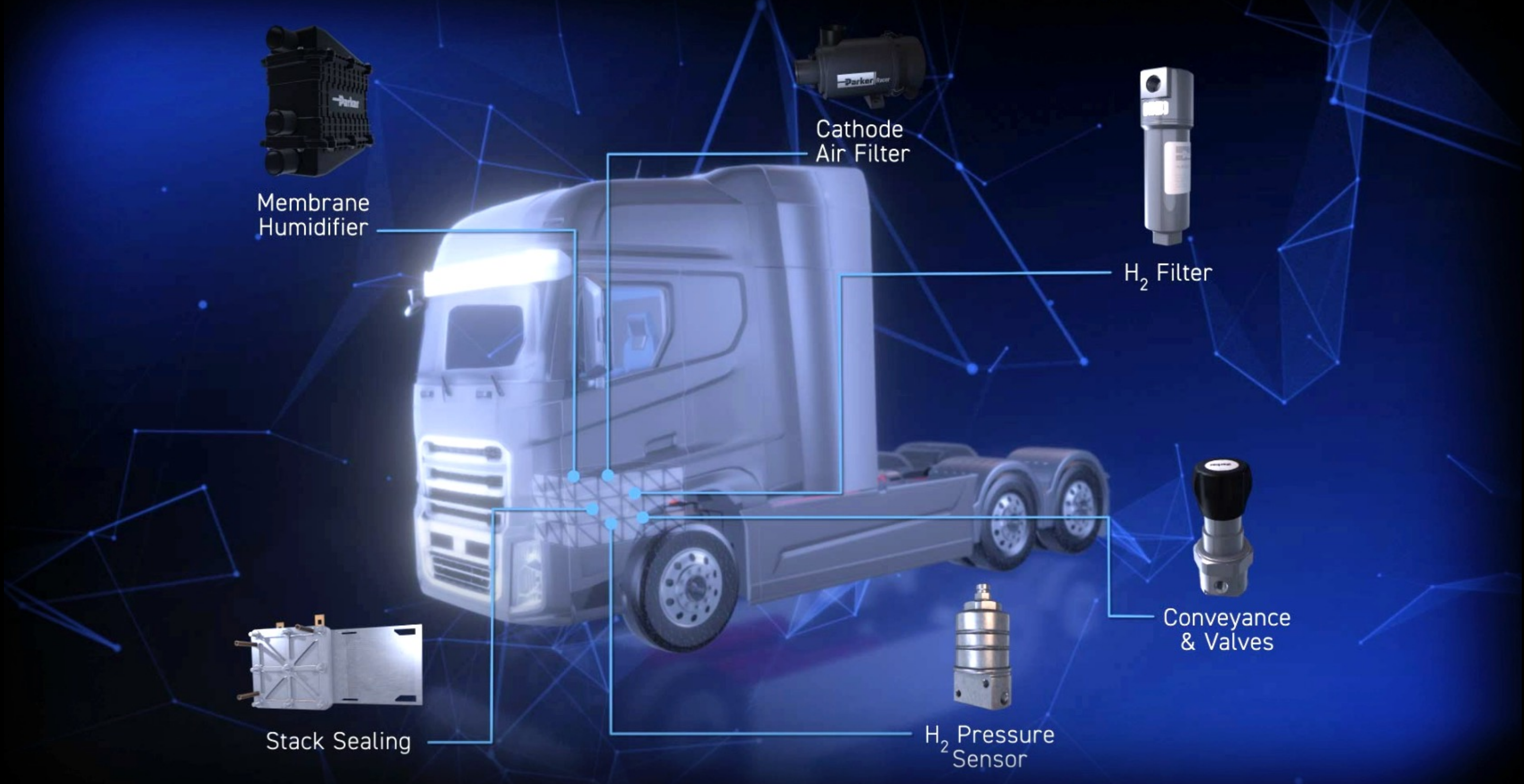
Natural Gas

- Production
- Infrastructure
- Mobile Utilization
- Industrial Utilization

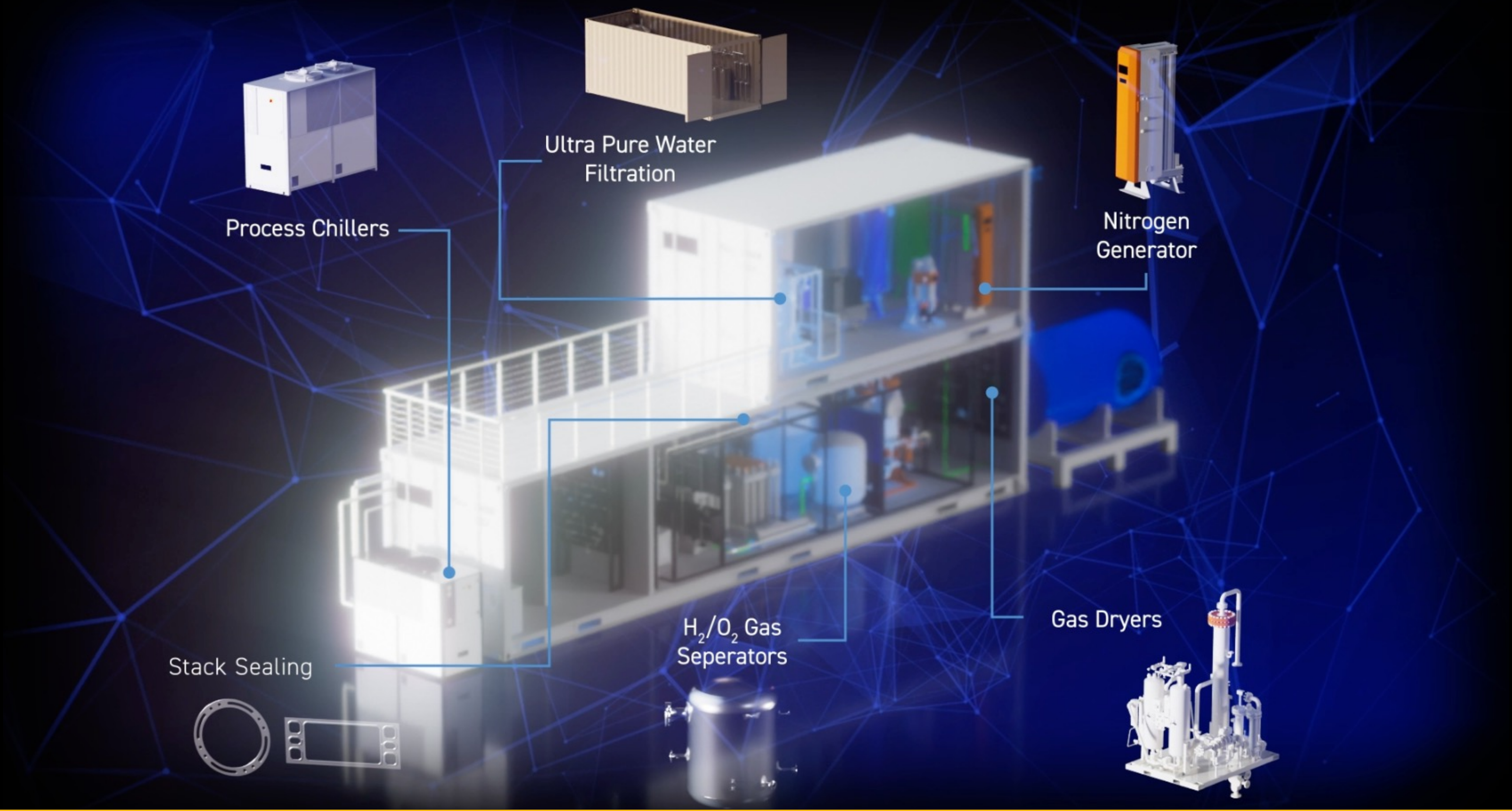
Hydrogen

- Electrolyzers
- Refueling Stations
- Fuel Cells
- Carbon Capture

Clean Technologies Example – H_2 Fuel Cell Truck



Clean Technologies Example – H_2 Electrolyzer



Clean Technologies Secular Trend: H_2 Fuel Cell & Electrolyzer

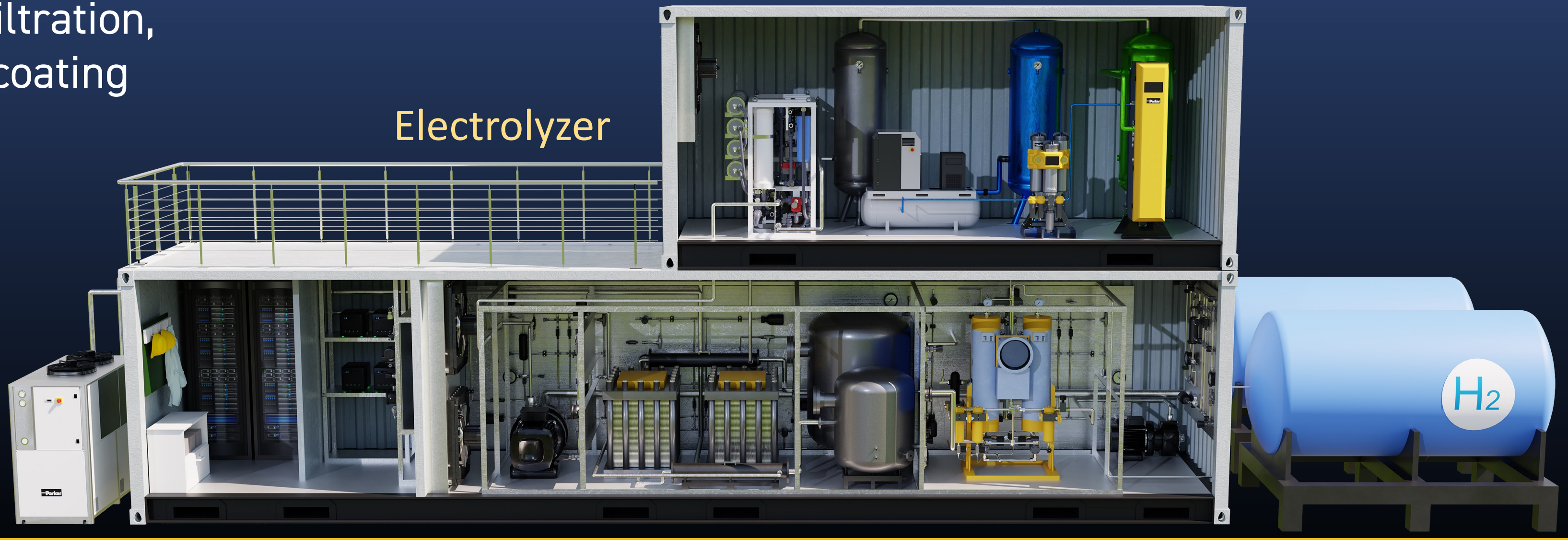
Differentiated Parker Solutions

- Deep technology and application engineering expertise
- Leveraging natural gas experience
- Fuel Cell: humidification, filtration, sealing, and fuel system sensors, valves and fittings
- Electrolyzer: gas conditioning filtration, process chillers & proprietary coating technologies

Growth Opportunity

- $5B+ TAM for Parker products through 2030
- +DD% Revenue Growth projected annually from H_2 market

Electrolyzer



H_2 Truck

Secular Trend: Electrification

Parker Opportunities = Bill of Materials 1.5 to 2x on Electrified Applications

Enabling Growth in Market Verticals…

Aerospace	Transportation	Off-Highway

…through our Interconnected Technologies

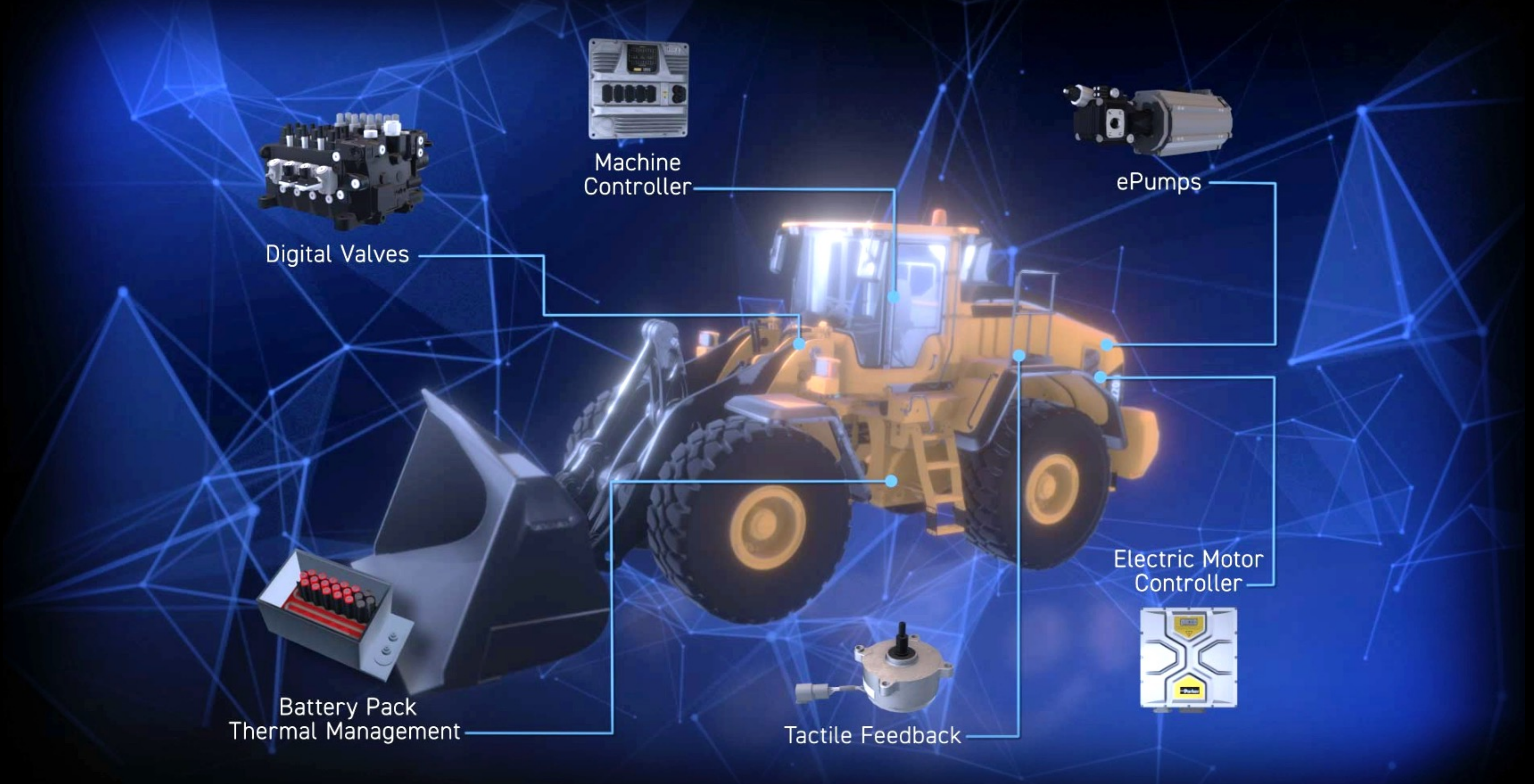
Electro-Mechanical	Engineered Materials	Fluid & Gas Handling	Hydraulics

Electrification Opportunities

Aerospace | **Off-Highway** | **Transportation**

- Current Electrification Sales ~$2.5B across aerospace, transportation, and off-highway markets
- Decades long electrification pedigree in Aerospace & Defense
- Established leader with electrification enabling technologies for passenger vehicles
- Significant activity developing hybrid and electric solutions for mobile OEM customers

Electrification Example – Wheel Loader



Electrification Secular Trend: Off-Highway Equipment

Market Landscape

- FY29 Addressable market ~$800M
- Earlier in adoption curve than on-highway truck
- Europe leading adoption

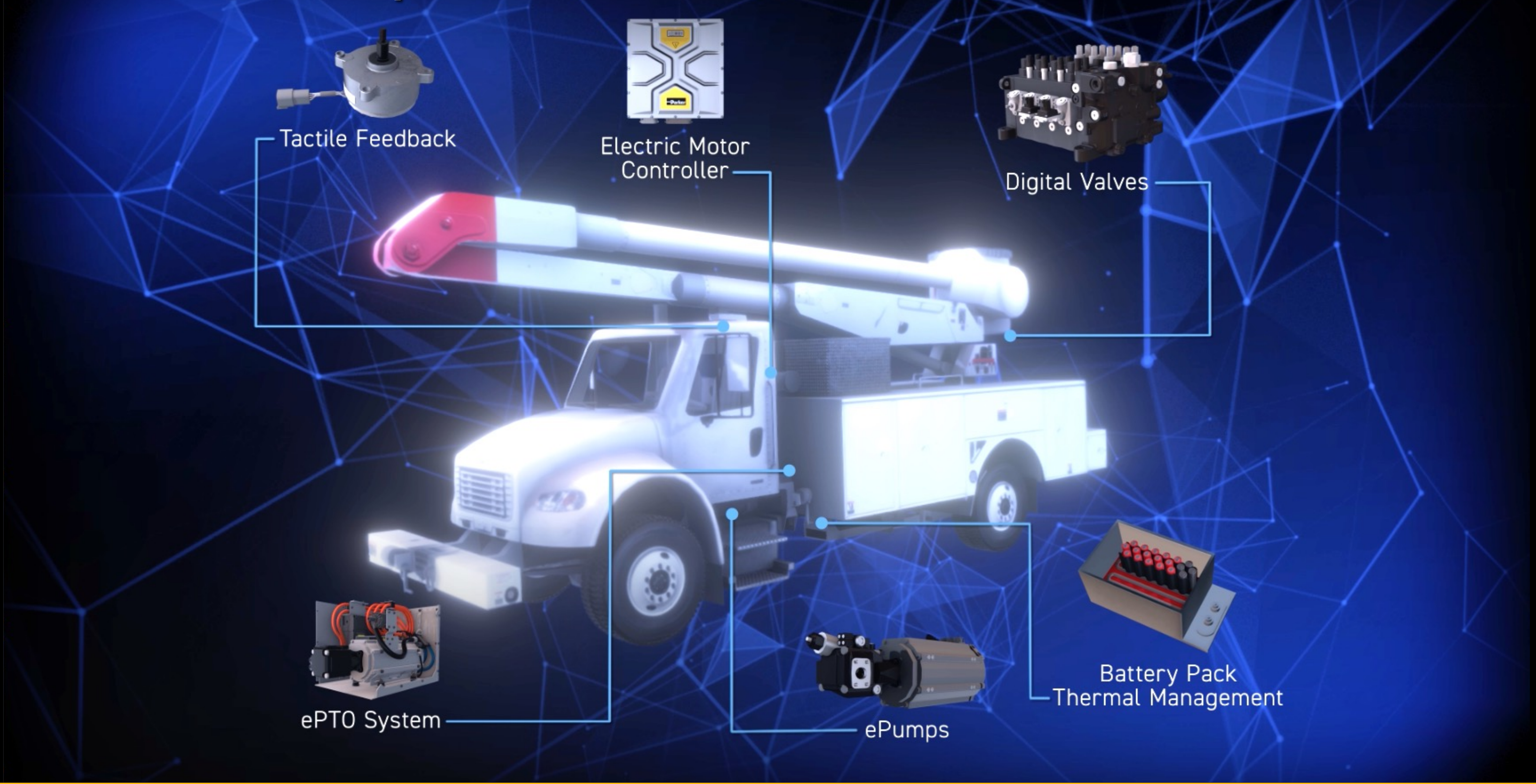
Growth Opportunity

- 20%+ market growth rate
- ~2x bill of material expansion vs. ICE

Differentiated Parker Solutions

- ePumps
- Digital Valves
- Global Vehicle Motor (GVM)
- Battery Pack Thermal Management
- Machine Controller
- Electric Motor Controller

Electrification Example – Lift Truck



Electrification Secular Trend: Lift Truck

Market Landscape

- FY29 Addressable market ~$1B
- In early adopter phase and accelerating due primarily to regulation

Growth Opportunity

- 25%+ market growth rate
- ~2x bill of material expansion vs. ICE

Differentiated Parker Solutions

- ePTO
- ePumps
- Global Vehicle Motor (GVM)
- Battery Pack Thermal Management
- Digital Valves
- Electric Machine Controllers

Electrification Secular Trend: Electric and Hybrid Passenger Vehicle

Market Landscape

- FY29 Addressable market ~$5B
- Parker wins with hybrid and EV

Applications

- Battery pack, light weight assembly, electronics, charging, powertrain sealing

Growth Opportunity

- LDD% market growth rate
- ~1.5-2x bill of material expansion vs. ICE

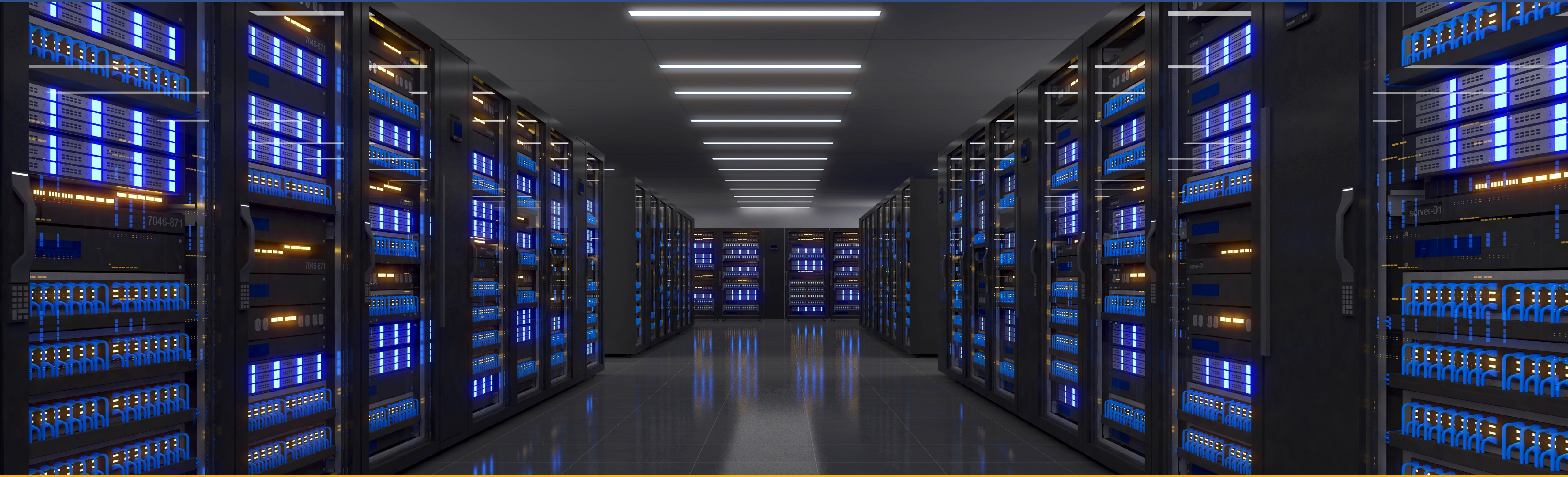
Differentiated Parker Solutions

- Specialty Adhesives
- Electromagnetic Shielding
- Thermal Management
- Vibration Dampening
- High Performance Coatings
- Sealing & Gasketing

Secular Trend: Digitalization

Enabling Growth in Key Markets…		
In-Plant & Industrial Equipment	Semiconductor	Data Center

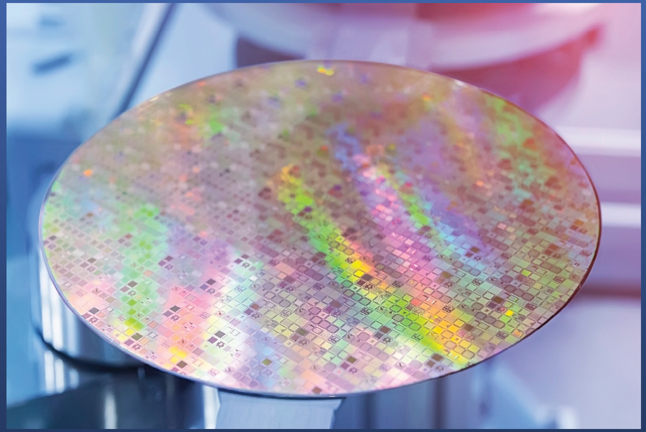
…through our Interconnected Technologies			
Climate Control	Engineered Materials	Fluid & Gas Handling	Process Control



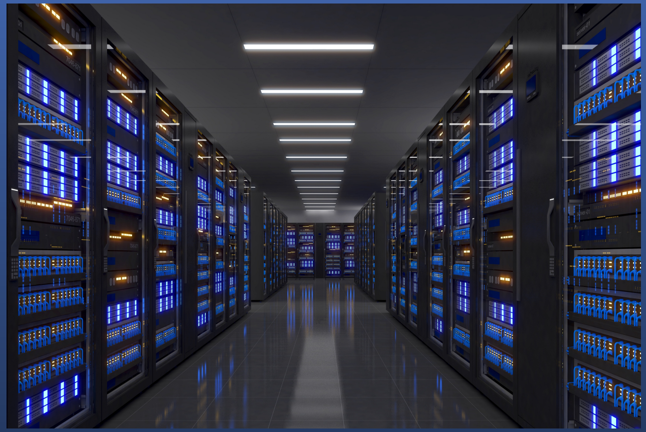
Digital Opportunities in Key Markets

Factory Automation

Semiconductor

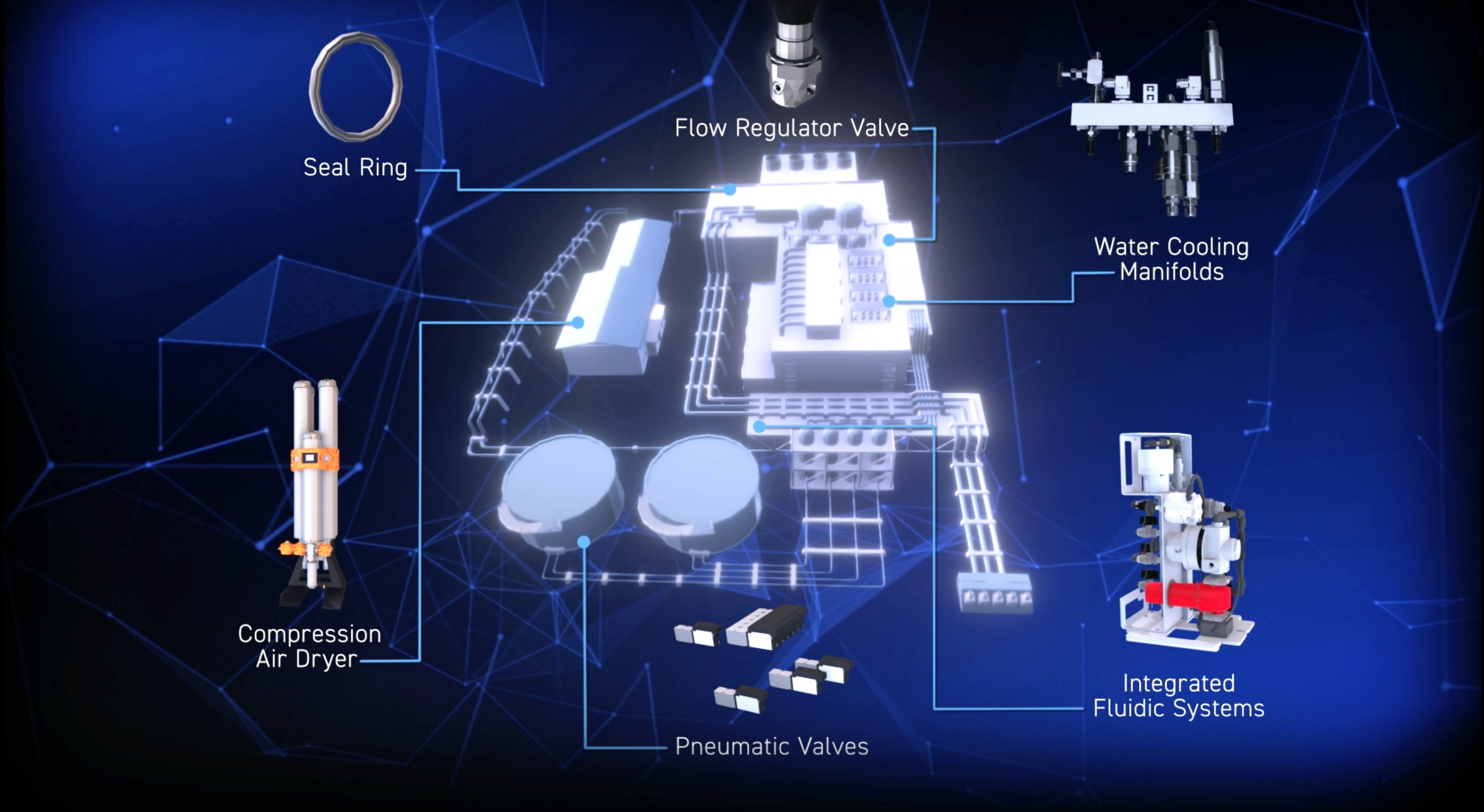


Data Centers



- Mega-capex investments and supply chain near-shoring expected to drive years of industrial growth
- Our technologies enable automation within factories and on-machine
- Increasing semiconductor demand requires more fabrication capacity
- Data center cooling requirements driving the need for advanced thermal management solutions

Digitalization Example – Semiconductor Fabrication



Digital Trend: Semiconductor

Differentiated Parker Solutions

- Interconnected technologies on tools and throughout semiconductor facilities
- Expertise with engineered materials, fluid and gas handling, and high purity filtration
- Global reach through our distribution network

Growth Opportunity

Industry more than doubling to ~$1T by 2030

Semiconductor Fab

Digital Secular Trend: Data Center Cooling

Differentiated Parker Solutions

- Liquid cooling systems & subsystem components for data centers
- Leveraging material science and fluid conveyance expertise
- Parker interconnected technology allows us to create application-specific packaged solutions

Growth Opportunity

- ~$2B TAM by FY29 on liquid cooled racks opportunity
- Rapid growth in a developing market
- Aligned with industry leaders

Secular Trend: Aerospace

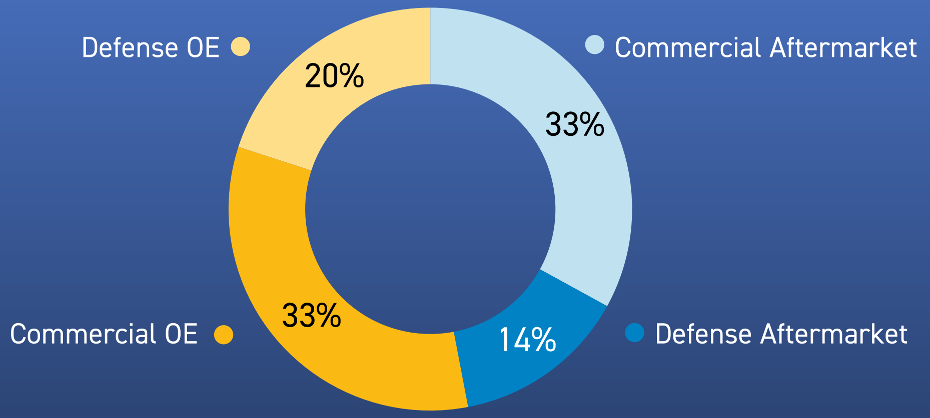
Parker Opportunities = Nose to Tail

Enabling Growth in Aerospace & Defense through our Interconnected Technologies

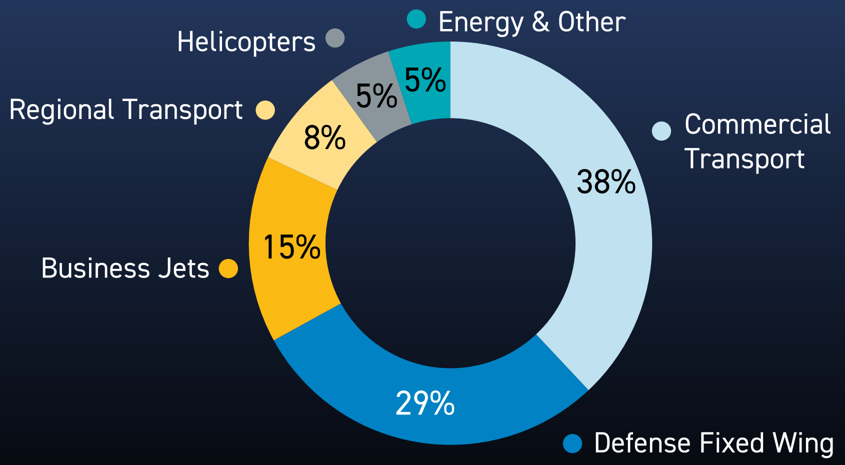
Electro-mechanical	Engineered Materials	Filtration	Fluid & Gas Handling	Hydraulics	Pneumatics	Process Control

Well-Positioned for Future Aerospace & Defense Growth

Sales by Market Segment



Sales by Platform



*Sales data as of FY24 Q3 YTD.

Competitive Advantages

- Diversified customer base and markets
- Proprietary designs on premier programs
- Comprehensive offering
- Long lifecycle with strong aftermarket
- Key electrification and low carbon technologies

Aerospace & Defense Example – Commercial Transport

Aerospace Secular Trend: Commercial

Market Landscape

Market trends

- Air traffic recovered to 2019 levels
- >GDP air traffic growth continues
- Demand for more efficient aircraft

Differentiators

- Strong positions on leading programs
- Large installed base drives aftermarket growth
- More-electric and low carbon technologies for current and next gen aircraft

Commercial sales split

- ~50% OEM, ~50% Aftermarket

Growth Drivers

- **~7% Air Traffic Growth**
  CY23-CY27E CAGR
- **10%+ Commercial Aircraft Deliveries Growth**
  CY23-CY27E CAGR
- **Narrowbody leading widebody**

Leading Programs

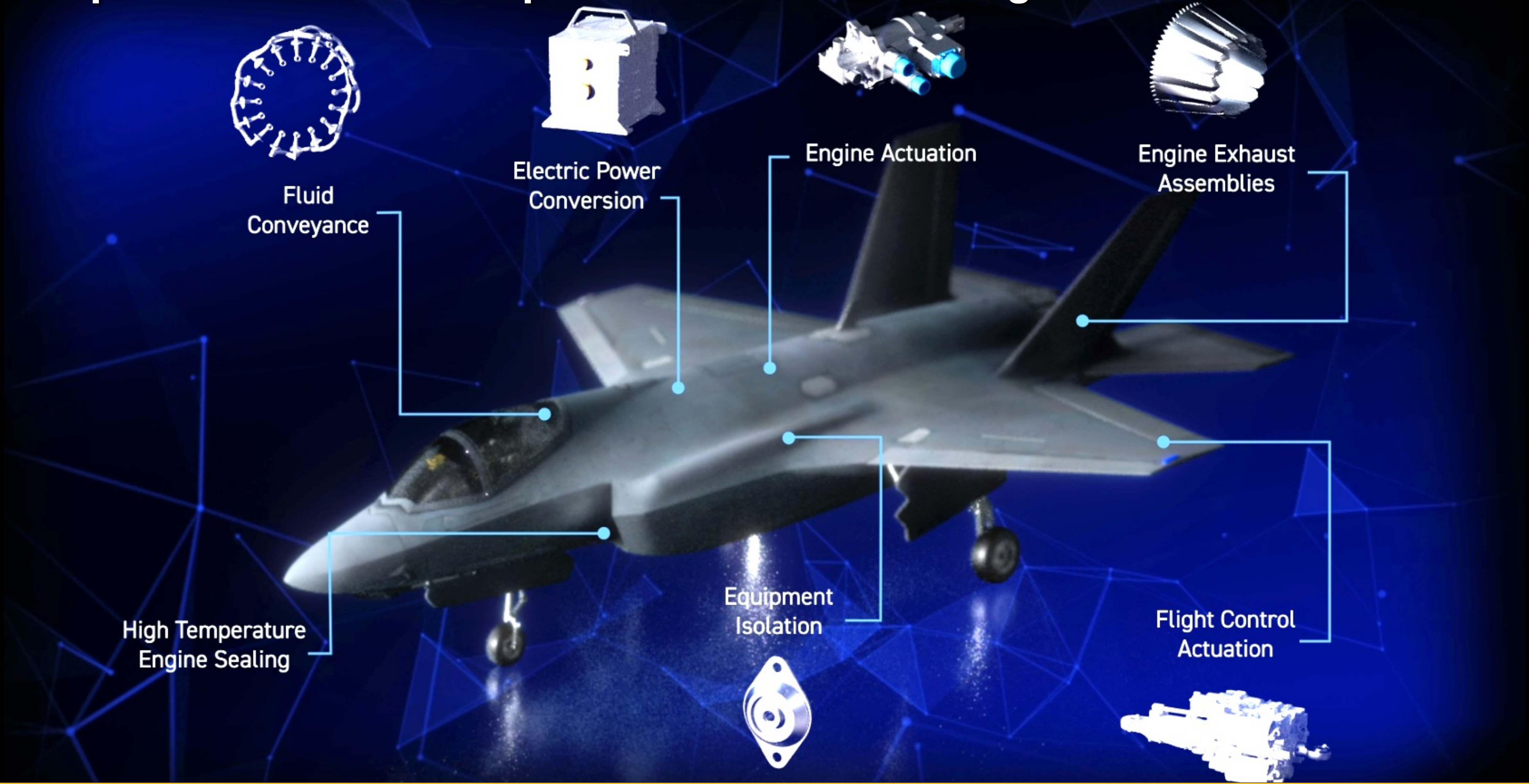
- A220
- A320
- A350

- G400/500/600
- G650/700/800

- Global 7500/8000
- ERJ-175/195 E1

- 737
- 777
- 787

Aerospace & Defense Example – Defense Fixed Wing



Aerospace Secular Trend: Defense

Market Landscape

Market trends
- Increased global defense spending
- Aging defense aircraft fleet

Differentiators
- Strong positions on leading programs
- Extensive portfolio & technology pedigree
- 3x F-35 content vs. previous generation aircraft
- Key technologies for next gen aircraft

Defense sales split
- ~60% OEM, ~40% Aftermarket

Growth Opportunity

LSD DoD Budget Forecast
U.S. Gov't FY23-FY27E CAGR

Drivers of above market growth:
FY24-FY27E CAGR
- Public-private partnerships
- Fleet retrofits & upgrades
- F-35 aftermarket ramp: late 2020s
- V280 entry into service: ~2030

Leading Programs

- F-15
- F-16
- F/A-18
- F-35
- Black Hawk
- Apache
- V-22
- Typhoon

Key Drivers of Long-Term Growth Outlook

Secular Trends


Aerospace


Digitalization


Electrification


Clean Technologies


Mega CapEx Projects

×

Growth Enablers

- Strategic Positioning
- Market Driven Innovation
- International Distribution
- Simple by Design™
- Annual Cash Incentive Plan

=

Organic Growth

4-6%

Growth from Secular Trends Summary

- A powerhouse of interconnected technologies
- Energy agnostic to meet changing customer needs
- Core technologies applied across all major markets
- Secular Trends x Growth Enablers = Higher Growth

Operational Excellence

Andy Ross

President & COO

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The Win Strategy™ 3.0

Significant Opportunities Ahead

- Parker's Business System
- Deeply embedded in our culture
- Comprehensive tool set
- Drives continuous improvement

Engaged People

Safety

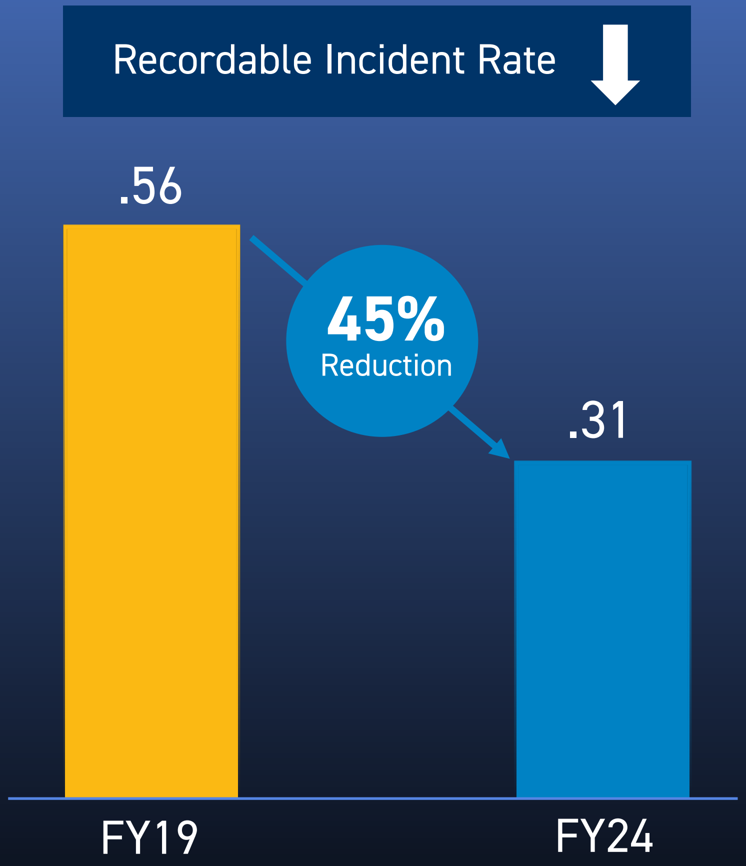
High Performance Teams

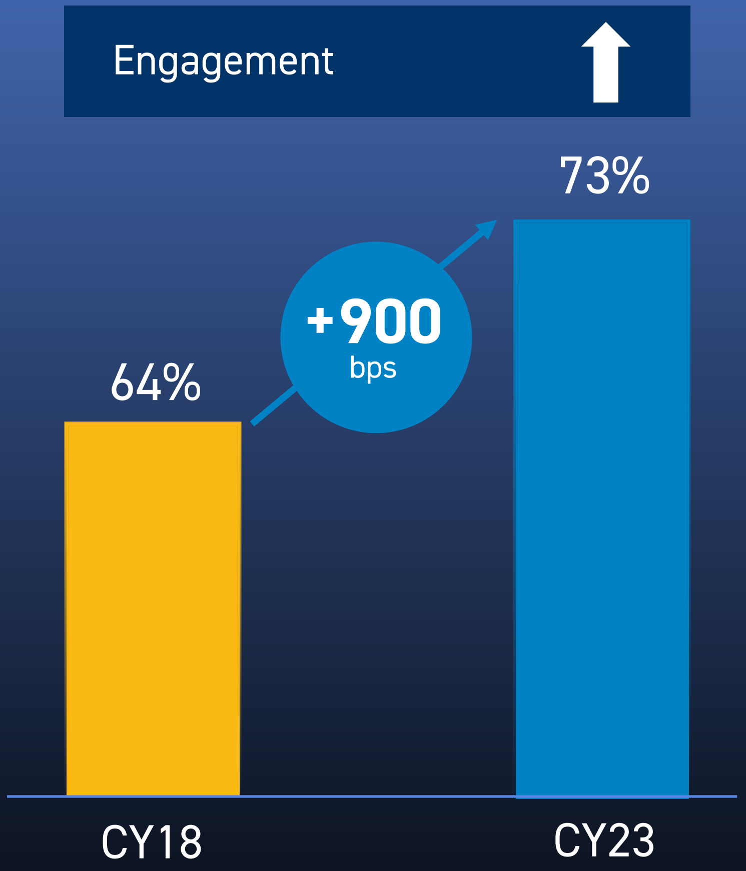
Culture of Kaizen

Ownership & Entrepreneurial

"I belong, I matter, I make a difference"

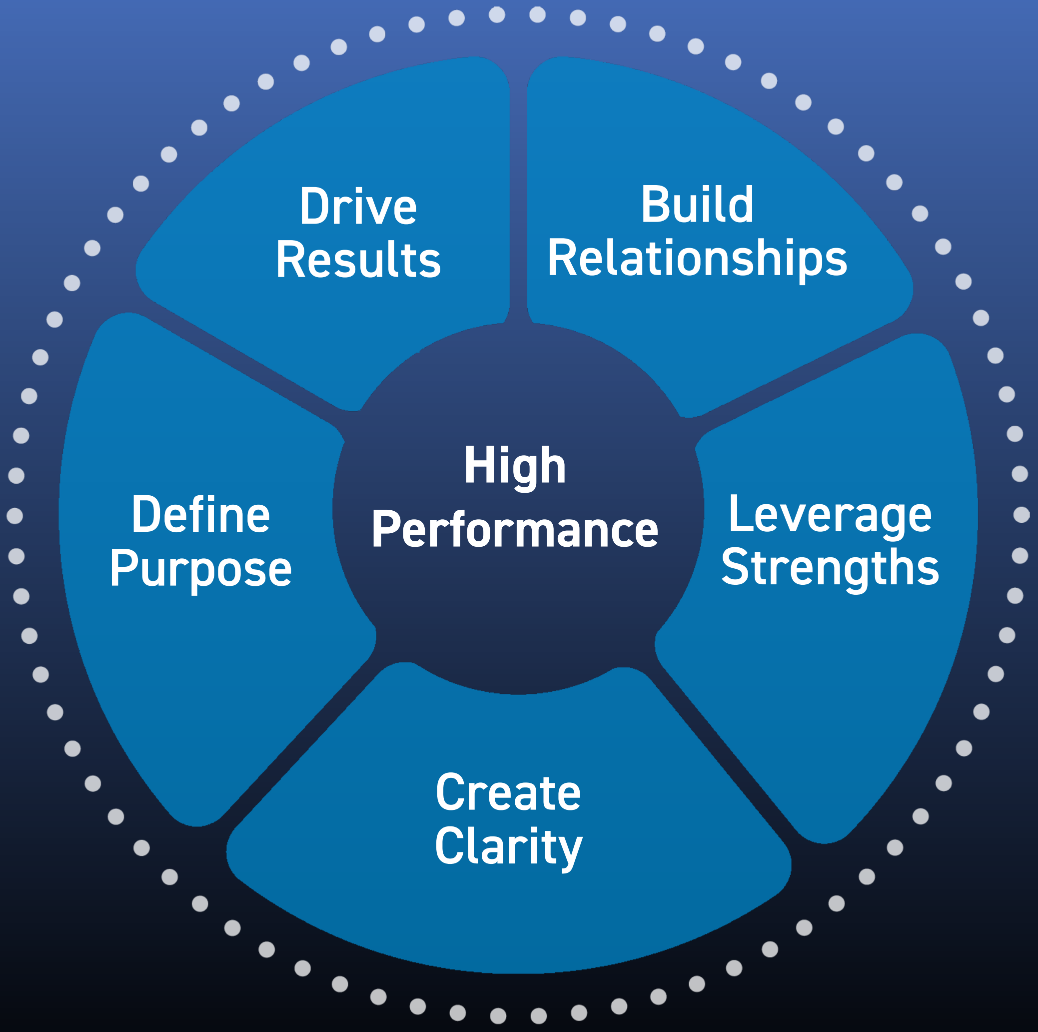
Higher Engagement, Higher Performance





High-Performance Culture is a Competitive Advantage

Builds a Better, More Resilient Parker



- Increases engagement and commitment
- Strength-based approach to culture
- Reinforces our customer-centric mindset
- Drives continuous improvement

Lean and Kaizen are Fundamental to our Culture

Drives Higher Levels of Ownership

Top Kaizen Key Performance Indicators:

- Safety hazards eliminated
- Quality improvements
- Lead-time reduction
- Productivity
- Growth
- Margin expansion
- Cash flow

450+ weeks in kaizen

Operational Priorities
To Drive Customer Experience

Zero Defect

- Enabling Growth & Margin Expansion

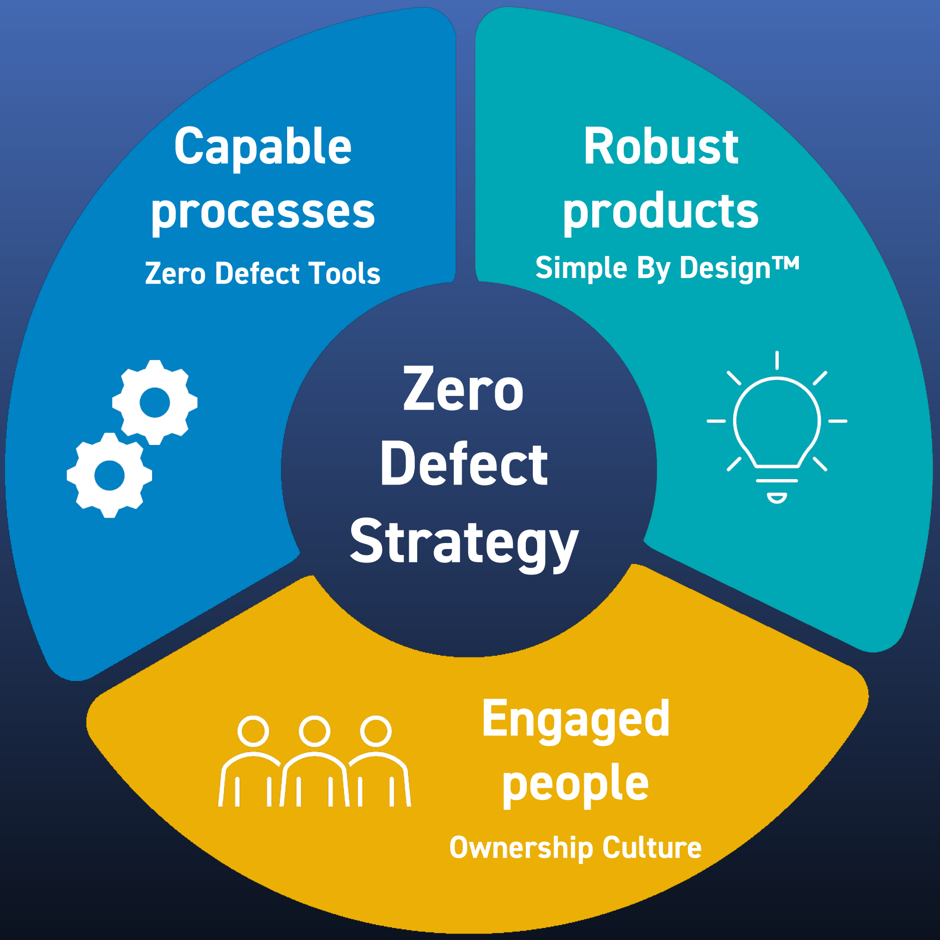
Demand & Capacity Management

- Optimizing Manufacturing Capacity

Digital Operations

- Optimizing Supply Chain

Zero Defect Strategy Improves Customer Experience



Rolled Throughput Yield (RTY) Example

Machine Operating Process

Input 100 pieces

First Pass Yield (FPY) → Rolled Throughput Yield (RTY)

Turning	Milling	Heat Treat	Grinding	Polishing	**Finished Product**
96% FPY	95% FPY	98% FPY	93% FPY	94% FPY	78% RTY
96 Pieces	**91 Pieces**	**89 Pieces**	**83 Pieces**	**78 Pieces**	**78 Pieces**

"Perfect the first time. The better quality and more perfect products we put out, the more business we can bring in."

- Scott Mishler, Parflex Division

Financial Performance

Supply Chain Excellence

Simplification

Lean Enterprise

AI & Robotic Process Automation

Supply Chain Excellence

Demand & Capacity Tools

- Better efficiency & customer experience

AI Forecasting

- Improves accuracy

Predictive Analytics

- Drives agility & speed

Robotic Process Automation

- Increases productivity

Supply Chain Excellence Enables Customer Experience

Local for Local

Plan, source, make & deliver in region, for the region

Dual Sourcing

Increased resiliency

Sustainability

Sustainable supply chain for a better tomorrow

Cyber Security

Business continuity

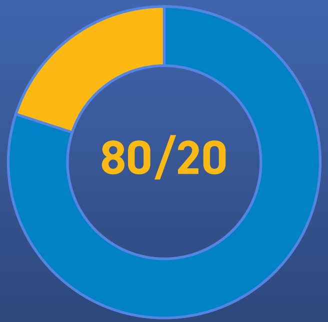
Simplification Drives Margin Expansion

Structure & Footprint

Continuous consolidation and simplification to drive profitability

Organization Design

Optimization of organizational structure



Revenue Complexity

Leveraging our channels; Product optimization

Simple by Design™

Design with forward thinking, for the environment, to reuse, reduce, and for flow

Digital Leadership

Digital Customer Experience

- Customer engagement on Parker.com
- Modern data exchange capabilities

Digital Products

- Strategic positioning
- Digital security in Winovation process

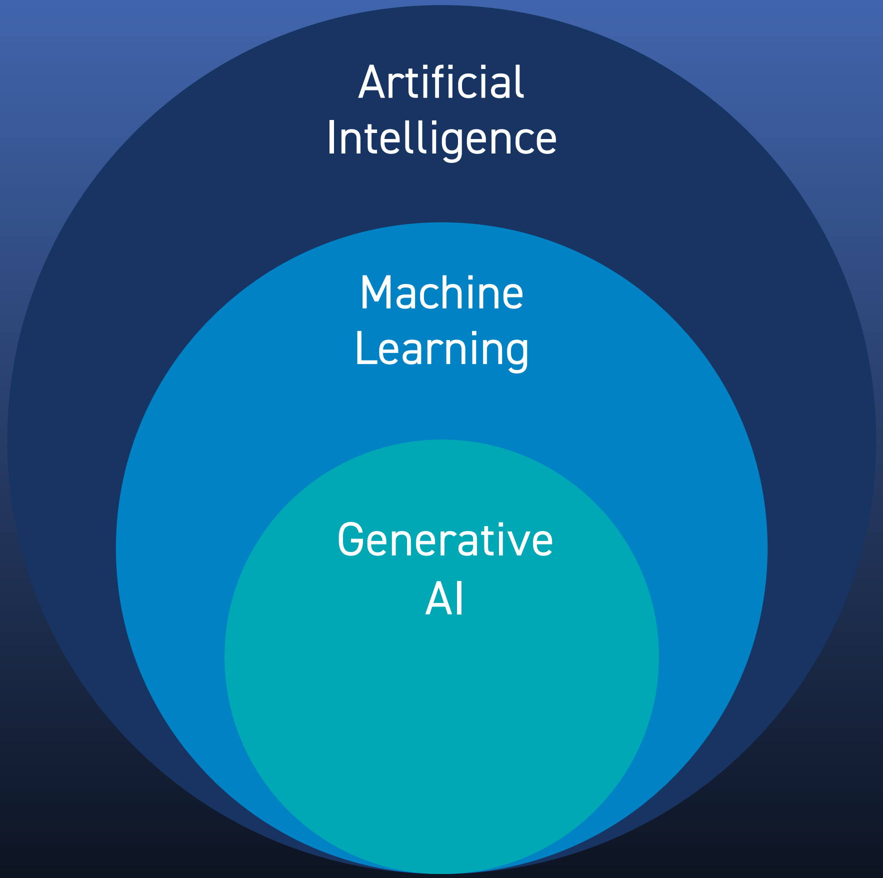
Digital Operations

- Smart manufacturing
- Machine learning
- Supply chain optimization

Digital Productivity

- Best-in-class digital collaboration tools
- Leverage AI in Simple by Design™

Artificial Intelligence



Key Focus Areas

- AI models developed for forecasting, customer experience and supply chain optimization
- Machine Learning used in cyber security and predictive performance analytics
- Vision system solutions leveraging AI for defect inspection
- New Opportunities in Generative AI:
  Content Generation, Summarization & Advanced Search

Automation Enabling Productivity & Efficiency

Areas of Focus

- Routine, dull, dirty and dangerous work
- High labor content
- Ergonomically challenging operations

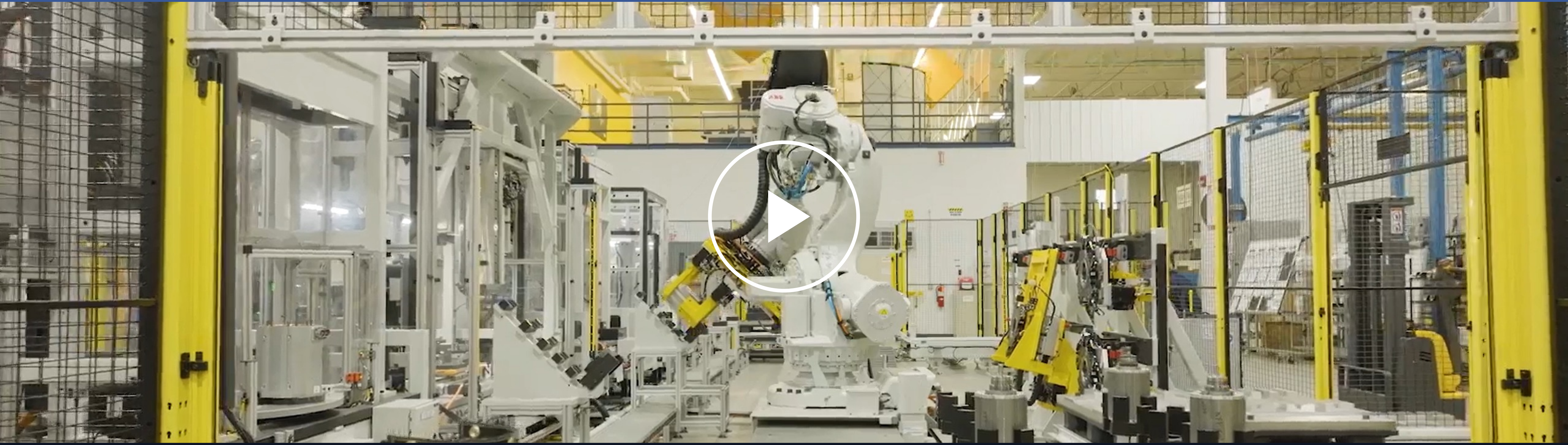
Approach

- High Performance Teams
- Kaizen
- Partnership with automation experts

Benefits

- Safety
- Customer experience
- Productivity

Unlocking Value by Leveraging Automation in our Facilities



Annual Strategy Deployment Process

Ensure All Parker Team Members Aligned

Start with thinking about the future

Communicate throughout all levels of the organization

Ensure every team member makes a meaningful contribution

Enterprise

↓

Division

↓

Site

↓

Value Stream

Leveraging the Win Strategy to Compound Performance

Margin Expansion & Organic Growth

A Diversified Industrial North American Division

Background

- A Parker LORD business
- Strong at product innovation and customer intimacy
- Manufacturing efficiency opportunities
- Business complexity

Win Strategy Execution

- Safety
- Zero Defect
- Parker Lean Systems
- Strategic Positioning

Improved Results Since Acquisition

57% ↓ in Recordable Incidents

700bps ↑ Margin Expansion

52% ↓ in Returned Parts per Million

7% ↑ Organic Revenue CAGR

Simplification & Productivity Improvement

A Diversified Industrial International Division

Background	Win Strategy Execution	Improved Results over Last 5 Years
• A fluid conveyance business • Challenging margin profile • Significant complexity • Higher cost	• High Performance Teams • Simple by Design™ • Automation • Strategic Supply Chain	35% ↓ Raw Material Part Numbers 620bps ↑ Margin Expansion 60% ↓ # of SKUs 69% ↑ Machine Automation

Customer Experience & Profitable Growth

A Diversified Industrial International Division

Background

- An industrial air filtration business
- Safety improvement needed
- Stagnant organic growth
- Clean Technology growth opportunities

Win Strategy Execution

- Strategic Positioning
- Grow Distribution
- 80/20
- Best-in-Class Lead Times
- Kaizen

Improved Results over Last 5 Years

53% ↓
in Recordable Incidents

270bps ↑
in Engagement Score

400bps ↑
in On-time Delivery

7.5% ↑
Organic Revenue CAGR

Operational Excellence & Synergies

An Aerospace Systems Division

Background	Win Strategy Execution	Improved Results since Acquisition

Background

- A Parker MEGGiTT business
- Great culture and people
- Significant SG&A opportunity
- Lack of operating cadence
- Rapid Win Strategy deployment

Win Strategy Execution

- Simplification
- Parker Lean Systems
- Decentralized Model
- Operating Cadence
- Value Pricing

Improved Results since Acquisition

60% ↓ in Recordable Incidents

900bps ↑ Margin Expansion

620bps ↑ in Productivity

12% ↑ Organic Revenue CAGR

Operational Excellence Summary

- Highly engaged global team delivering exceptional results
- The Win Strategy™ is Parker's business system
- The Win Strategy™ compounds our financial performance
- Operational excellence is key to reaching FY29 targets

Financial Performance

Todd Leombruno
Executive VP & CFO

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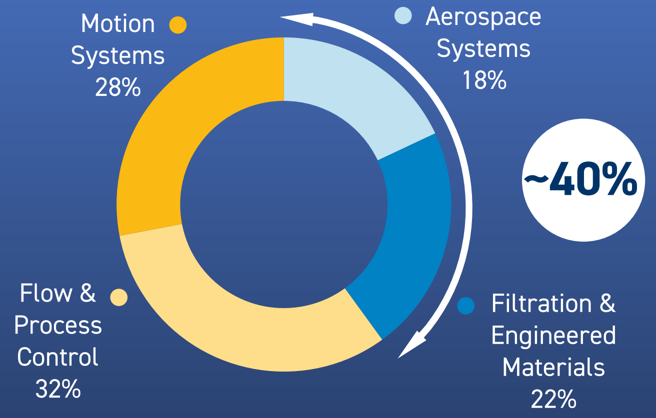
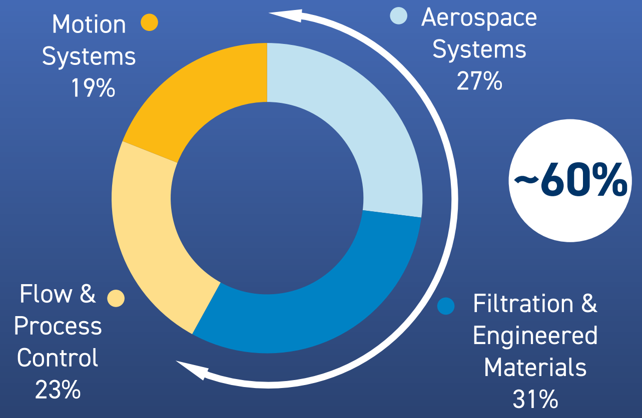
A Different Parker Across Every Metric

FY15	Revenue	FY24 Guidance	





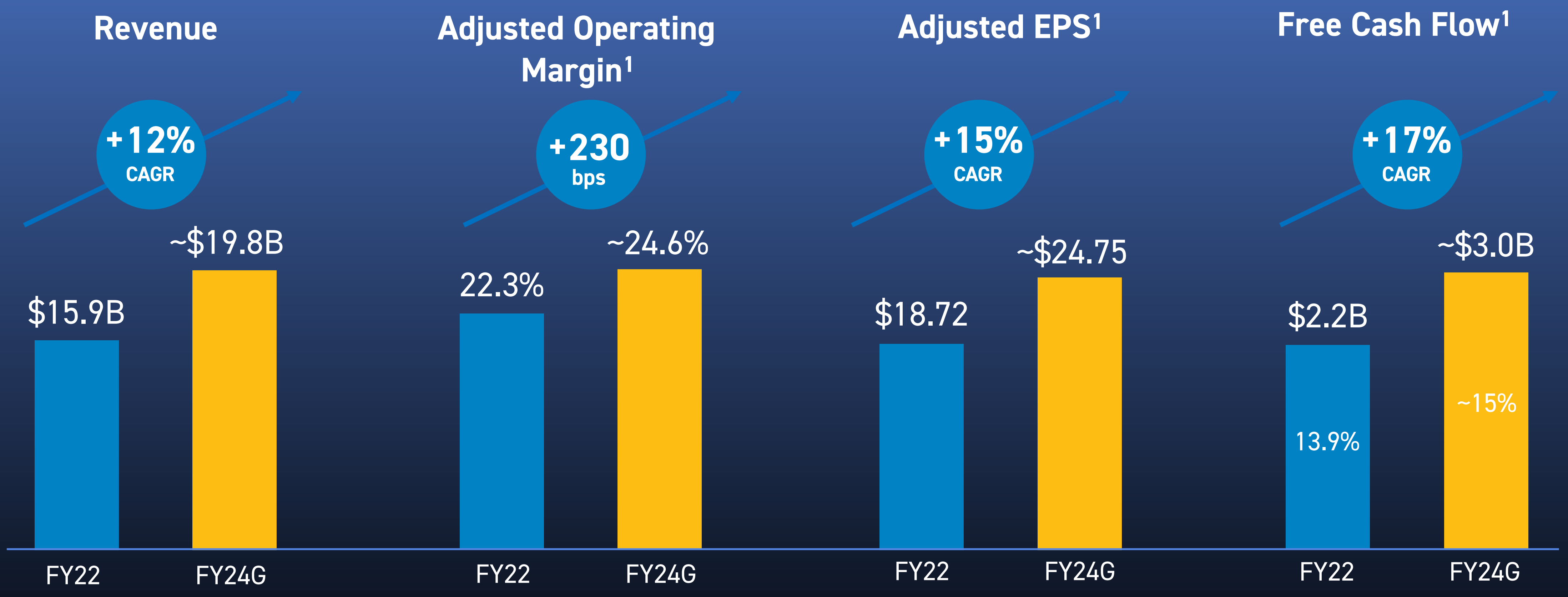
FY15		FY24 Guidance	
$16B	Market Cap[1]	$72B	**+$56B**
$17B	Enterprise Value[1]	$83B	**+$66B**
9.4x	EV / NTM EBITDA[1]	16.5x	**+7.1x**
15.7%	Adjusted Operating Margin	~24.6%	**+890 bps**
15.1%	Adjusted EBITDA Margin	~25.2%	**+1,010 bps**
$7.78	Adjusted Earnings Per Share	~$24.75	**+14% CAGR**

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

1. Market data for FY15 from Capital IQ as of June 30, 2015. Market data for FY24 from Capital IQ as of May 10, 2024.

Notable Progress Since 2022 Investor Meeting

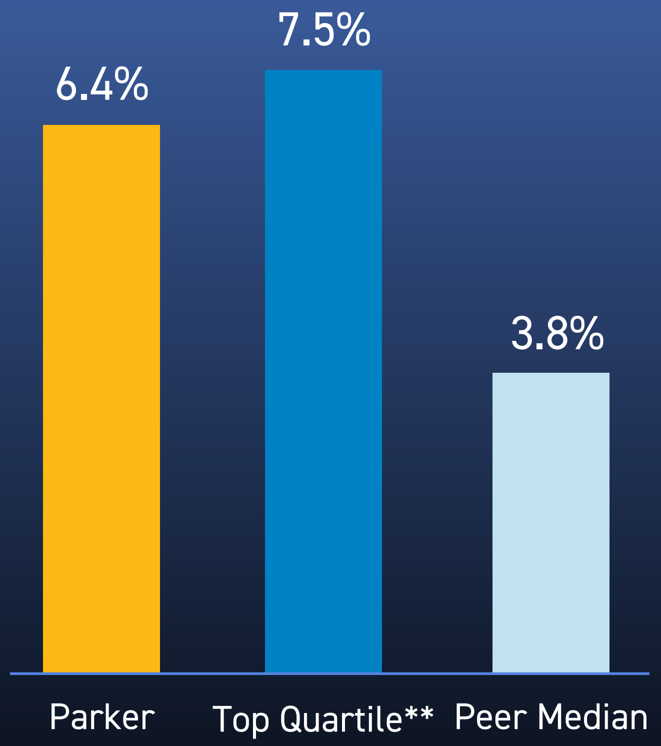
Our Global Team is Aligned on Creating Value



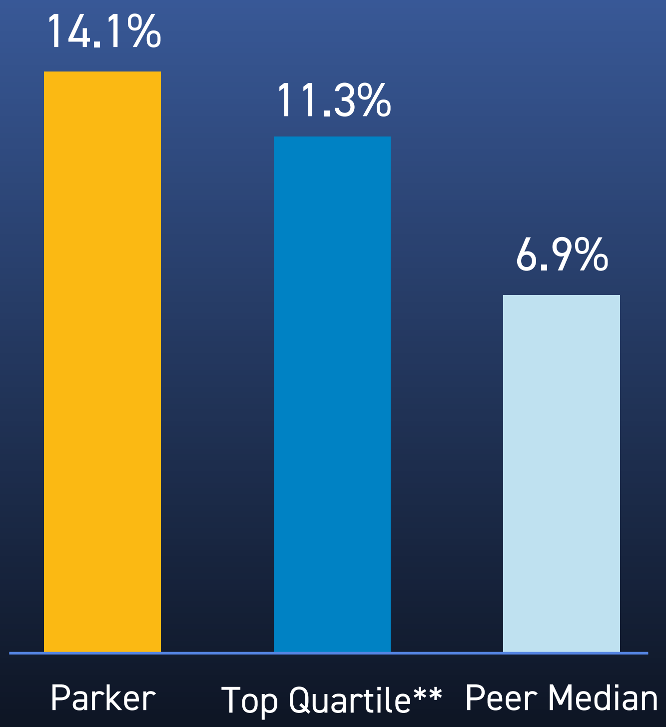
1. Adjusted numbers include certain non-GAAP adjustments and financial measures. See Appendix for additional details and reconciliations.
Note: FY22 As reported: Operating Margin of 20.1%, EPS of $10.09, CFOA: $2.4B. FY24G As reported: Operating Margin of ~21.2%, EPS of ~$20.90, CFOA: ~$3.4B.

Focused on Top Quartile Financial Performance

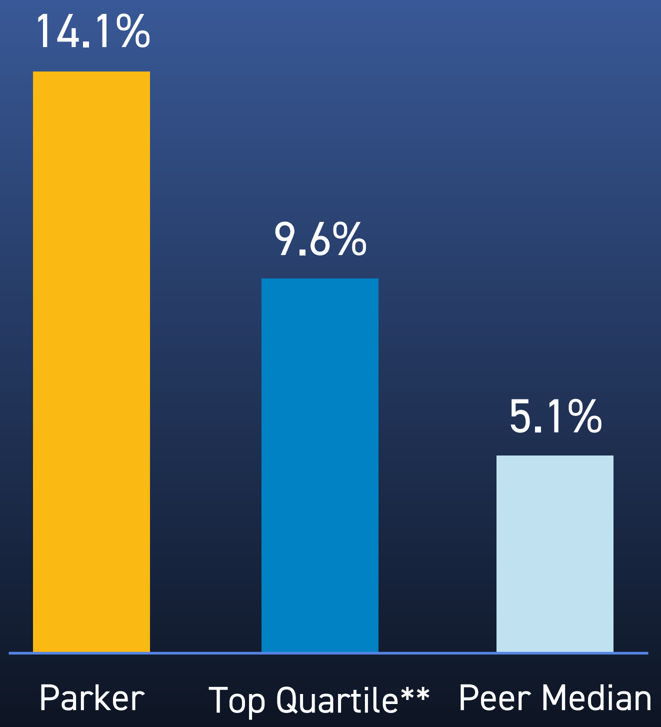
Revenue 5-Year CAGR



Earnings Per Share 5-Year CAGR



Cash Flow from Operations 5-Year CAGR



*All company data as of most recent trailing twelve-month period ended on or before 12/31/2023
**Entry point for Top Quartile performance.

The Win Strategy Enables Sustainable Value Creation

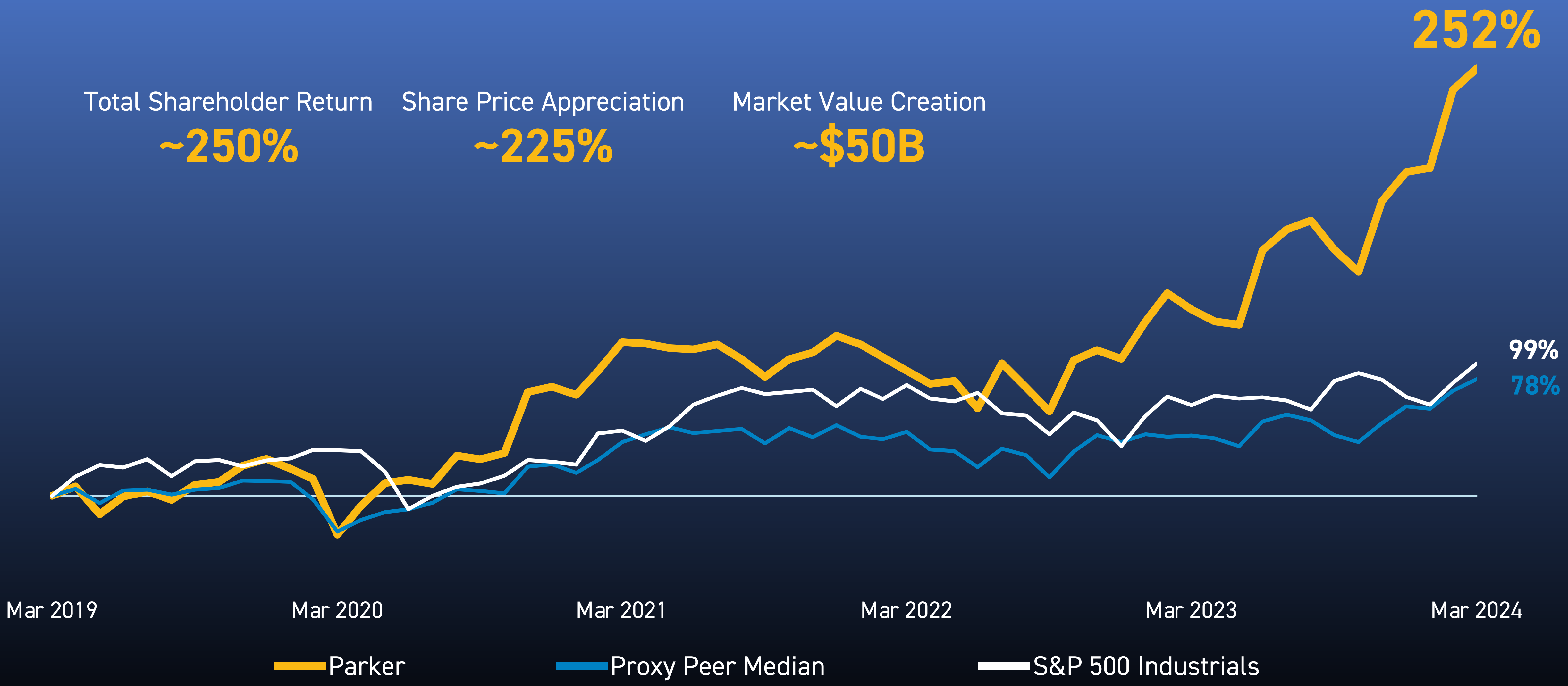
Delivering Superior Total Shareholder Returns

Over the last five years

Total Shareholder Return **~250%**

Share Price Appreciation **~225%**

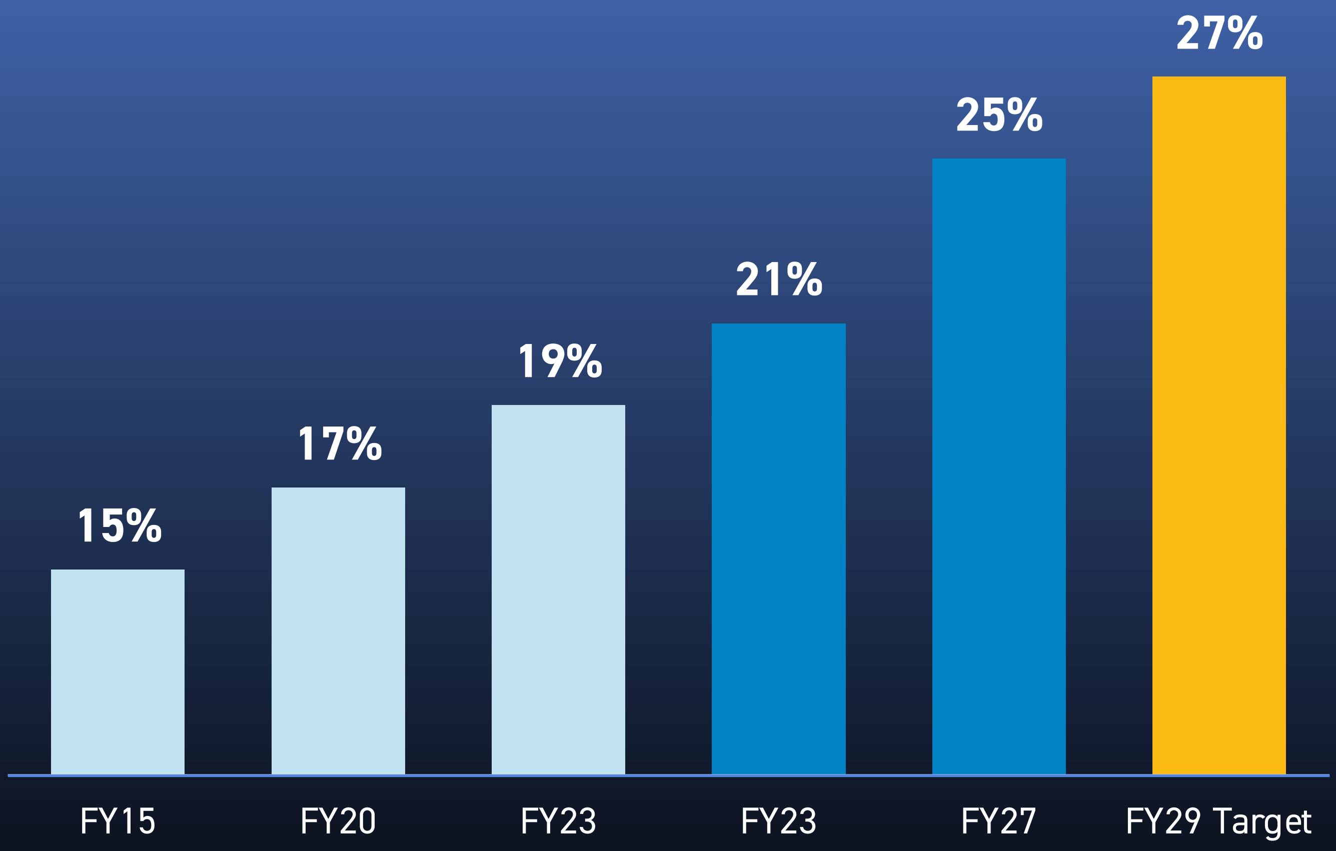
Market Value Creation **~$50B**



Note: Market data from Capital IQ as of March 31, 2024

Extending Our Track Record of Achieving and Raising Targets

Operating Margin Targets



- Set margin targets 4 times in last 10 years
- Exceeded FY20 target 1 year early
- Exceeded FY23 target 2 years early
- On cusp of FY27 target 3 years early
- Raising New FY29 target to 27%
    - Increasing target by 200 bps

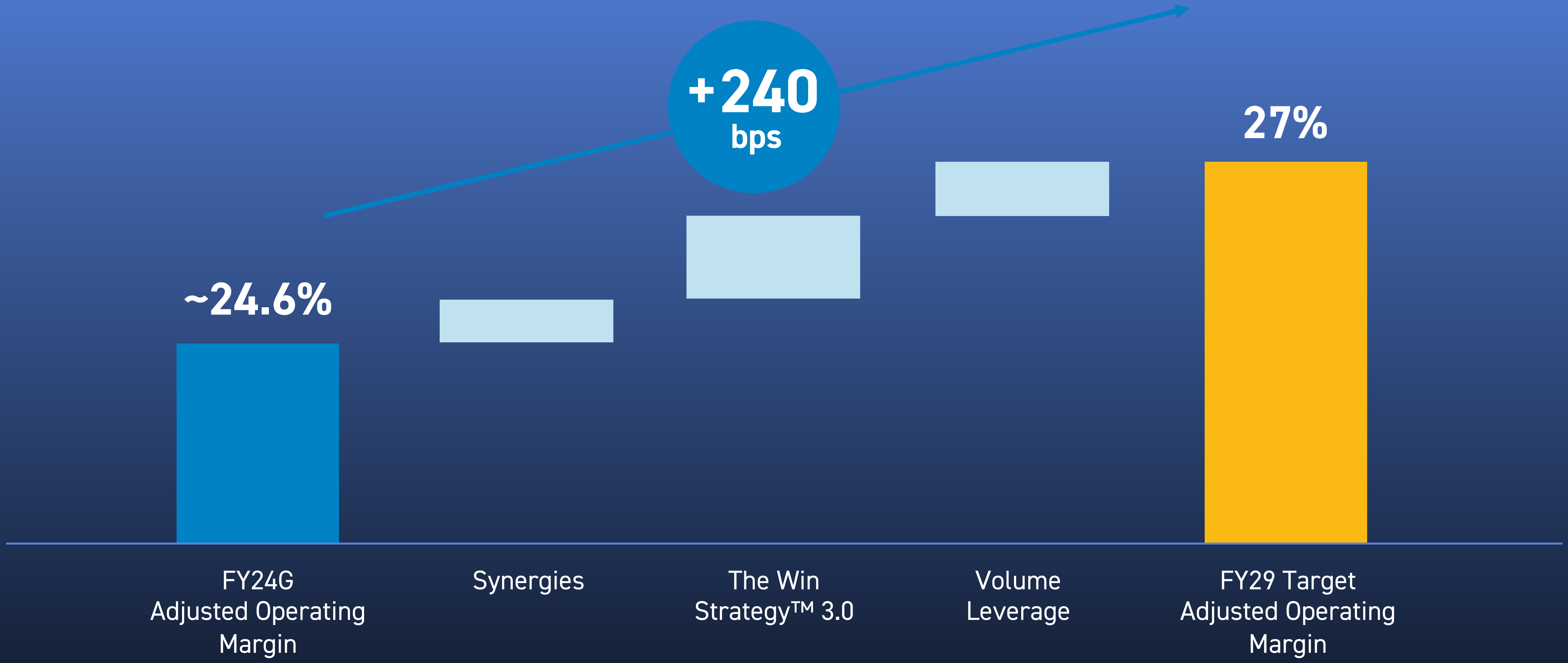
Adjusted numbers include certain non-GAAP adjustments and financial measures. 15%, 17%, 19% targets are as reported. 21%, 25% and 27% targets are adjusted.

Launching FY29 Targets

Increasing Margin & Cash Flow Targets

Organic Growth CAGR	Adjusted Operating Margin	Adjusted EBITDA Margin	Free Cash Flow Margin	Adjusted EPS Growth CAGR
4-6%	**27%**	**28%**	**17%**	**10%+**
	+200bps From previous target	**+300bps** From previous target	**+100bps** From previous target	

Key Drivers of Future Margin Expansion



Faster growing & more resilient portfolio

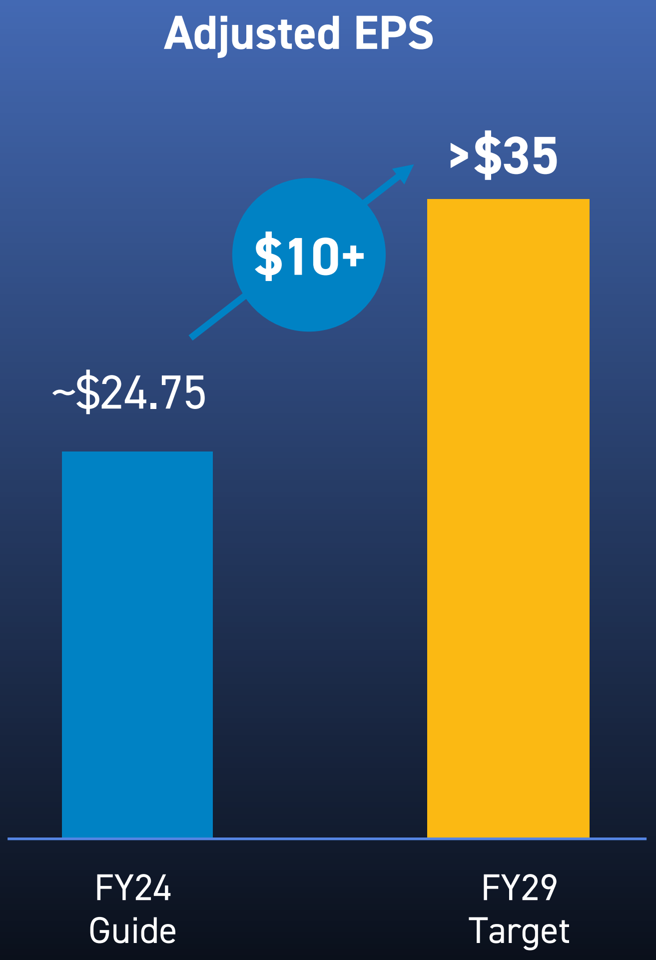
Achieving Meggitt synergies

Continued productivity improvement

Performance acceleration from The Win Strategy™

Adjusted numbers include certain non-GAAP adjustments and financial measures. See Appendix for additional details and reconciliations.
Note: FY24G As reported: Operating Margin of ~21.2%

Expanding Earnings Per Share Growth



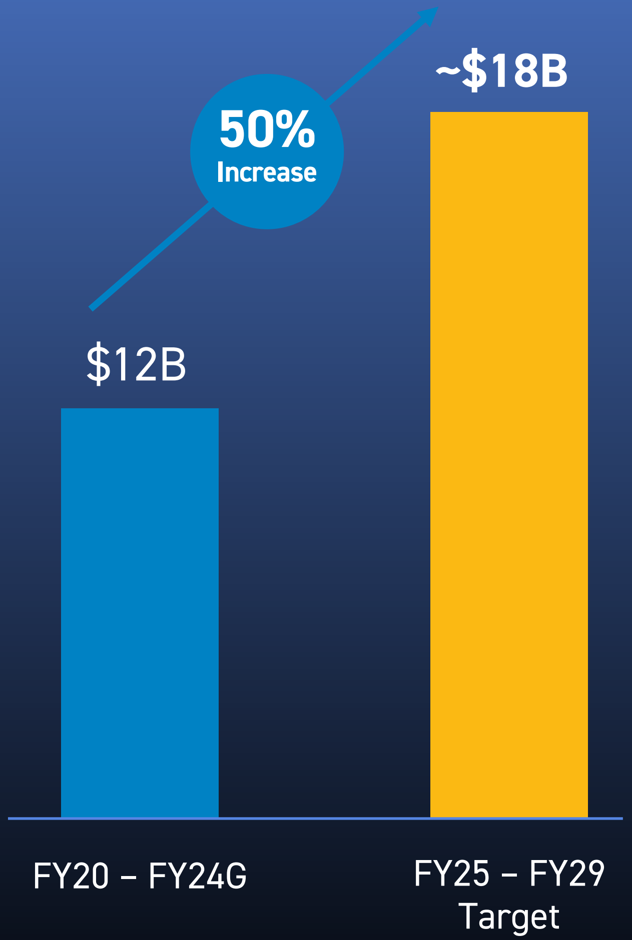
Key FY29 5-Year Target Modeling Assumptions

- ~4-6% Organic Sales Growth
- ~27% Adjusted Operating Margin
- ~30% Incrementals
- ~$300M Meggitt Synergies, ~$50M in FY25 & FY26
- ~23% Tax Rate
- ~130M Diluted Shares Outstanding
- Does not include Capital Allocation Optionality

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

A Step Change in Free Cash Flow Generation

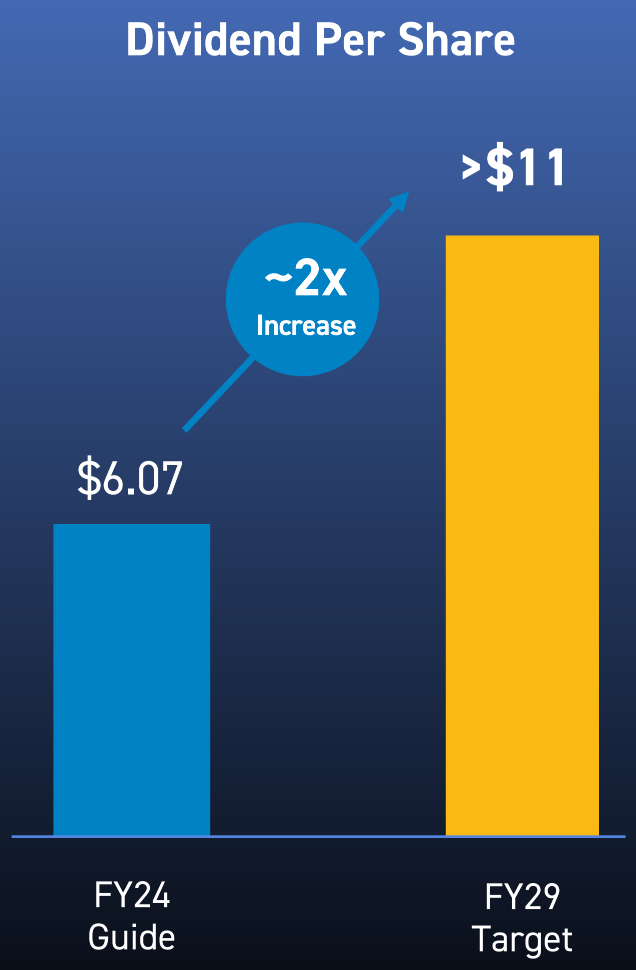
5 Year Periods



- Expect to increase 50% through FY29
- Additional capital deployment capacity
- FY29 Free Cash Flow Margin target 17%
  - 100 bps increase from prior target
- Committed to FCF conversion >100%

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

Consistently Increasing Annual Dividends Paid



- 68-year history of increasing annual dividends paid
- 14% 5-year FY19-FY24G Dividend Per Share CAGR
- Target payout: >30% of 5-year average net income
- Over the next 5-years expect:
  - >$11 Dividend Per Share
  - ~2x Increase in Dividend Per Share
  - ~$6B returned to shareholders

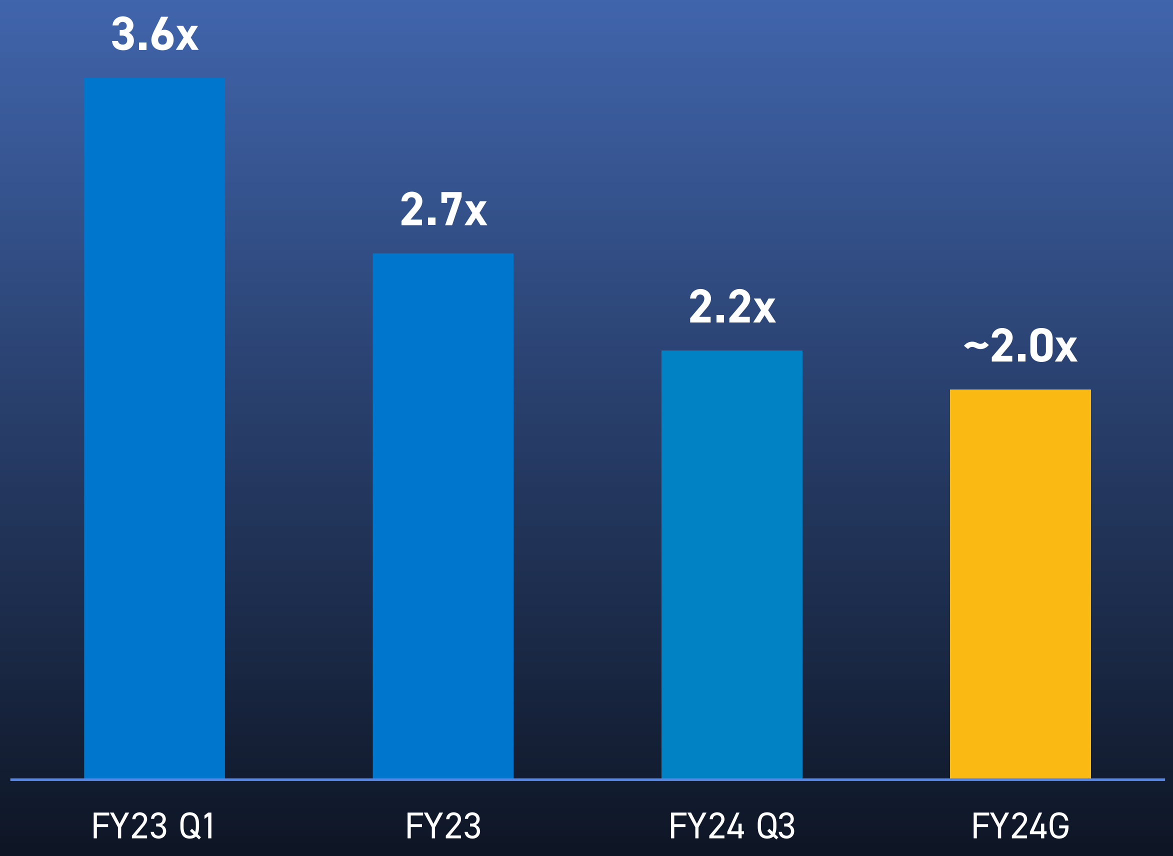
Acquisitions have been a Compelling Aspect of our Transformation

Longer Cycle, Accretive to Growth, Margins, EPS and Cash Flow

Acquisition	Cost Synergies	FY29 Target EBITDA %	Strategic Rationale
CLARCOR	$160M Raised	High 20's%	• Doubled our Filtration business • Increased aftermarket exposure • Additional technology & product offering • Access to new markets & geographies
LORD	$125M Achieved Early	Over 30%	• Doubled our Engineered Materials business • Expanded material science capabilities • Added complementary technologies • Increased electrification & aerospace solutions
EXOTIC METALS FORMING	$13M Achieved	High 20's%	• Diversified aerospace engine content • Added complex, high temp fabrication capabilities • Increased engine portfolio with ducting • Expanded F-35 content & solutions
MEGGITT	$300M On Track	Over 30%	• Doubled our Aerospace business • New & adjacent products & electric capability • New aircraft wheel & brake capabilities • Increased aftermarket exposure

Top Quartile Cashflow Profile Allows Rapid Deleveraging

Net Debt to Adjusted EBITDA



- Meaningful growth in margin and cash flow
- Expect to achieve ~2.0x leverage June 2024
- We are deleveraging to ~2.0x faster than ever
    - ~9 quarters - Clarcor
    - ~8 quarters - Lord & Exotic
    - ~7 quarters - Meggitt
- Maintain commitment to
    - Strong investment grade rating
    - ~2.0x leverage target

Adjusted numbers include certain non-GAAP adjustments and financial measures.

Strategic Portfolio Optimization Generates Value

Our Acquisition Playbook

- Focus on accretive opportunities with cultural alignment
- Longer cycle & more resilient
- Realize value with world class integration & rapid Win Strategy deployment
- Disciplined financial criteria
- Maintain robust pipeline and relationships

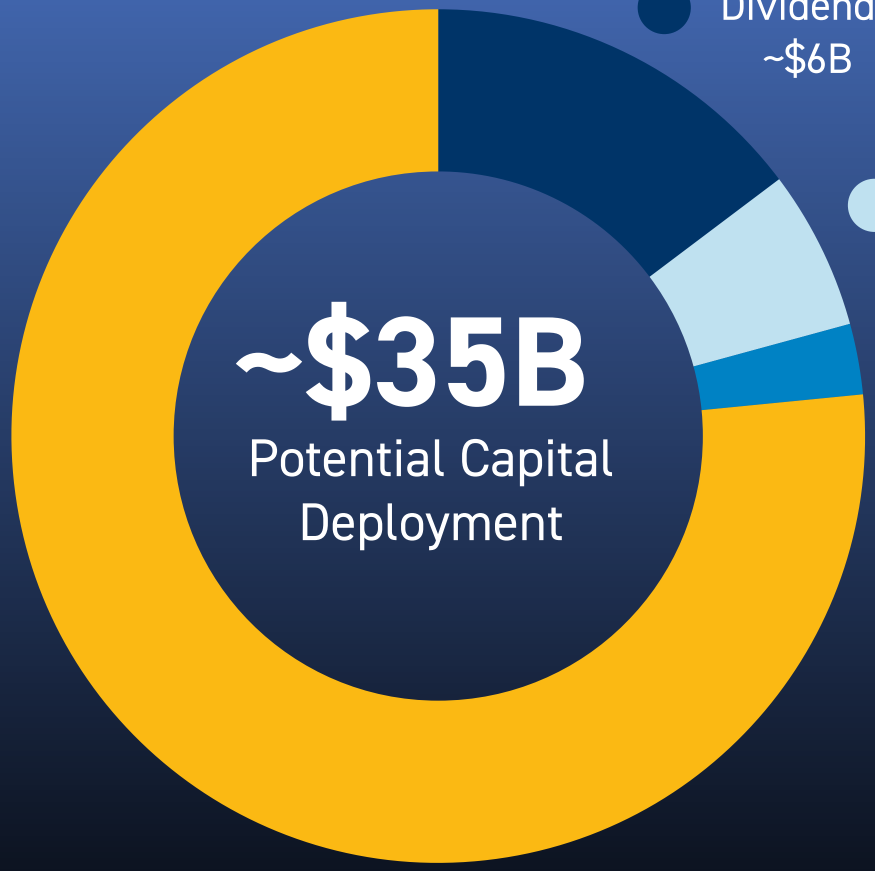
Our Best Owner Playbook

- Disciplined business review process
- Identifies businesses that find greater value with a different owner
- Continue to trim around the core
- 8 divestitures since FY17

Note: Only includes divestitures with greater than $5M proceeds received.

Substantial Capital Deployment Optionality to Compound Returns

FY25 - FY29 Target



Dividends ~$6B

Capital Expenditures ~$2B

Share Repurchases ~$1B

Capital Deployment Optionality ~$20B to ~$26B

Financial Performance Summary

Stronger than Ever Before

- Portfolio levered to secular and mega-capex growth trends
- Consistent execution with continued margin and EPS expansion
- Strong cashflow generation creates capital deployment optionality
- Committed to returning capital to shareholders

Closing Comments

Jenny Parmentier

Chairman & CEO

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Key Messages Today

Positioned for Growth

Interconnected technologies enabling advancement of secular growth trends

Compounding Performance

The Win Strategy™ drives top quartile performance in all of our businesses

Operational Excellence

Manufacturing excellence creates growth and margin expansion opportunities

Launching FY29 Targets

Raising long-term targets on strength of our people, strategy and culture

What Drives Parker

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

        

Thank You

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Enabling Engineering Breakthroughs that Lead to a Better Tomorrow

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Reconciliation of Historical Free Cash Flow and Margin

RECONCILIATION OF CASH FLOW FROM OPERATIONS TO FREE CASH FLOW AND MARGIN
(Unaudited)
(Dollars in millions)

	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	Mid Point FY24G
Net Sales	$12,712	$11,361	$12,029	$14,302	$14,320	$13,696	$14,348	$15,862	$19,065	~$19,800
Cash Provided by Operating Activities - As Reported	$1,363	$1,211	$1,301	$1,597	$1,730	$2,071	$2,575	$2,442	$2,980	~$3,400
Capital Expenditures	(216)	(149)	(204)	(248)	(195)	(233)	(210)	(230)	(381)	(~400)
Free Cash Flow	$1,148	$1,061	$1,097	$1,349	$1,535	$1,838	$2,365	$2,212	$2,599	~$3,000
Free Cash Flow Margin	9.0%	9.3%	9.1%	9.4%	10.7%	13.4%	16.5%	13.9%	13.6%	~15.0%

**Totals may not foot due to rounding

Reconciliation of Gross and Net Debt / Adjusted EBITDA

(Unaudited) (Dollars in thousands)	September 30, 2022	June 30, 2023	March 31, 2024
Notes payable and long-term debt payable within one year	$ 1,725,077	$ 3,763,175	$ 4,080,759
Long-term debt	12,238,900	8,796,284	7,290,208
Add: Deferred debt issuance costs	87,934	74,713	61,794
Total gross debt	$ 14,051,911	$ 12,634,172	$ 11,432,761
Cash and cash equivalents	$ 502,307	$ 475,182	$ 405,484
Marketable securities and other investments	19,504	8,390	9,968
Total cash	$ 521,811	$ 483,572	$ 415,452
Net debt (Gross debt less total cash)	$ 13,530,100	$ 12,150,600	$ 11,017,309
TTM Net Sales	$ 16,331,574	$ 19,065,194	$ 19,838,734
Net income	$ 1,252,760	$ 2,083,536	$ 2,768,941
Income tax	293,066	596,128	742,897
Depreciation	258,530	317,416	340,467
Amortization	321,693	500,713	565,059
Interest Expense	313,696	573,894	544,405
TTM EBITDA	$ 2,439,745	$ 4,071,687	$ 4,961,769
Adjustments:			
Business realignment charges	15,604	26,706	45,140
Costs to achieve	15,555	95,439	48,462
Acquisition-related costs	203,786	166,294	2,754
Loss on deal-contingent forward contracts	1,405,418	389,992	0
Gain on divestitures	(372,930)	(372,930)	(25,651)
Amortization of inventory step-up to FV	18,358	109,981	(57,992)
Net loss on divestitures	0	10,927	0
Russia liquidation	20,057	0	0
TTM Adjusted EBITDA	$ 3,745,593	$ 4,498,096	$ 4,974,482
Gross Debt/TTM Adjusted EBITDA	**3.8**	**2.8**	**2.3**
Net Debt/TTM Adjusted EBITDA	**3.6**	**2.7**	**2.2**

**Totals may not foot due to rounding

Reconciliation of FY15 Financials

RECONCILIATION OF OPERATING INCOME TO ADJUSTED OPERATING INCOME

(Unaudited)

(Dollars in millions)

		12 Months ended 6/30/15
Net sales		**12,712**
Segment Operating Income	**$**	**1,838**
Adjustments:		
Voluntary retirement expense		18
Acquisition-related intangible asset amortization expense		106
Business realignment charges		32
Adjusted Segment Operating Income	**$**	**1,995**
Segment Operating margin[1]		**14.5%**
Adjusted Segment Operating margin[2]		**15.7%**

RECONCILIATION OF EBITDA TO ADJUSTED EBITDA

(Unaudited)

(Dollars in millions)

		12 Months ended 6/30/15
Net sales		**12,712**
Net income		1,013
Income taxes		420
Depreciation		203
Amortization		115
Interest Expense		118
EBITDA	**$**	**1,868**
Adjustments:		
Business realignment charges		35
Voluntary retirement expense		21
Adjusted EBITDA	**$**	**1,924**
EBITDA margin[1]		**14.7%**
Adjusted EBITDA margin[2]		**15.1%**

RECONCILIATION OF EPS TO ADJUSTED EPS

(Unaudited)

(Amounts in Dollars)

		12 Months ended 6/30/15
Earnings per diluted share	**$**	**6.97**
Adjustments:		
Acquisition-related intangible asset amortization expense		0.73
Business realignment charges		0.24
Voluntary retirement expense		0.15
Tax effect of adjustments[3]		(0.31)
Adjusted earnings per diluted share	**$**	**7.78**

1. Segment operating income and EBITDA as a percent of sales is calculated on segment sales.
2. Adjusted amounts as a percent of sales are calculated on as reported sales.
3. 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 FY19 Financials

RECONCILIATION OF OPERATING INCOME TO ADJUSTED OPERATING INCOME

(Unaudited)

(Dollars in millions)

		12 Months ended 6/30/19*
Net sales	**$**	**14,320**
Segment Operating Income		**2,431**
Adjustments:		
Acquisition-related intangible asset amortization expense		200
Business realignment charges		16
Acquisition-related expenses & costs to achieve		13
Adjusted Segment Operating Income	**$**	**2,660**
Segment Operating margin[1]		**17.0%**
Adjusted Segment Operating margin[2]		**18.6%**

RECONCILIATION OF EPS TO ADJUSTED EPS

(Unaudited)

(Amounts in Dollars)

		12 Months ended 6/30/19*
Earnings per diluted share	**$**	**11.57**
Adjustments:		
Acquisition-related intangible asset amortization expense		1.51
Business realignment charges		0.12
Acquisition-related expenses & costs to achieve		0.23
Tax effect of adjustments[3]		(0.44)
Tax expense related to U.S. tax reform		0.11
Adjusted earnings per diluted share	**$**	**13.10**

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.
3. 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.

*Amounts have been adjusted to reflect the change in inventory accounting method.
**Totals may not foot due to rounding

Reconciliation of FY22 Financials

RECONCILIATION OF OPERATING INCOME TO ADJUSTED OPERATING INCOME

(Unaudited)

(Dollars in millions)

	12 Months ended 6/30/22
Net sales	$ 15,862
Segment Operating Income	3,195
Adjustments:	
Voluntary retirement expense	
Acquisition-related intangible asset amortization expense	314
Business realignment charges	15
Acquisition-related expenses & costs to achieve	5
Russia liquidation	6
Adjusted Segment Operating Income	$ 3,535
Segment Operating margin[1]	20.1%
Adjusted Segment Operating margin[2]	22.3%

RECONCILIATION OF EPS TO ADJUSTED EPS

(Unaudited)

(Amounts in Dollars)

	12 Months ended 6/30/22
Earnings per diluted share	$ 10.09
Adjustments:	
Acquisition-related intangible asset amortization expense	2.41
Business realignment charges	0.11
Acquisition-related expenses & costs to achieve	0.78
Loss on deal-contingent forward contracts	7.79
Russia liquidation	0.15
Tax effect of adjustments[3]	(2.61)
Adjusted earnings per diluted share	$ 18.72

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.
3. 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 FY24 Guidance

RECONCILIATION OF OPERATING INCOME TO ADJUSTED OPERATING INCOME

(Unaudited)

(Amounts in percentages)	Fiscal Year 2024
Forecasted segment operating margin	~21.2%
Adjustments:	
Business realignment charges	0.3%
Costs to achieve	0.2%
Acquisition-related intangible asset amortization expense	2.9%
Adjusted forecasted segment operating margin	~24.6%

RECONCILIATION OF FORECASTED EARNINGS PER SHARE

(Unaudited)

(Amounts in dollars)	Fiscal Year 2024
Forecasted earnings per diluted share	$20.80 to $21.00
Adjustments:	
Business realignment charges	0.46
Costs to achieve	0.27
Acquisition-related intangible asset amortization expense	4.44
Net gain on divestitures	(0.20)
Tax effect of adjustments[1]	(1.12)
Adjusted forecasted earnings per diluted share	$24.65 to $24.85

RECONCILIATION OF EBITDA TO ADJUSTED EBITDA

(Unaudited)

(Dollars in millions)

		12 Months ended 6/30/24
Net sales	~$	19,800
Net income		~2,731
Income taxes		~758
Depreciation		~345
Amortization		~580
Interest Expense		~508
EBITDA*	~$	4,922
Adjustments:		
Business realignment charges		~60
Acquisition-related expenses & costs to achieve		~35
Net gain on divestitures		(~26)
Adjusted EBITDA*	~$	4,991
EBITDA margin[1]		24.8%
Adjusted EBITDA margin[2]		25.2%

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