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# FY24 Guidance Details

Sales Growth vs. Prior Year	As Reported	Organic <sup>1</sup>
Diversified Industrial North America	~(1.5%)	~(2.5%)
Diversified Industrial International	~(2.0%)	~(2.5%)
Aerospace Systems	~23%	~15%
<b>Parker</b>	<b>~4.0%</b>	<b>~1.5%</b>

Segment Operating Margins	As Reported	Adjusted <sup>1</sup>
Diversified Industrial North America	~22.0%	~24.2%
Diversified Industrial International	~21.2%	~23.5%
Aerospace Systems	~20.1%	~26.4%
<b>Parker</b>	<b>~21.2%</b>	<b>~24.6%</b>

Earnings Per Share	As Reported	Adjusted <sup>1</sup>
Midpoint	<b>\$20.90</b>	<b>\$24.75</b>
Range	<b>\$20.80 - \$21.00</b>	<b>\$24.65 - \$24.85</b>

Additional Items	As Reported
Corporate G&A	<b>~\$235M</b>
Interest Expense	<b>~\$510M</b>
Other (Income) Expense	<b>~(\$20M)</b>
Reported Tax Rate	<b>~22%</b>
Diluted Shares Outstanding	<b>~130.5M</b>

Detail of Pre-Tax Adjustments to:	Segment Margins	Below Segment
Acquired Intangible Asset Amortization	<b>~\$580M</b>	—
Business Realignment Charges	<b>~\$57M</b>	<b>\$3M</b>
Integration Costs to Achieve	<b>~\$35M</b>	—
Net Gain on Divestitures	—	<b>(\$26M)</b>


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



# Reconciliation of Organic Growth

(Dollars in thousands)  
(Unaudited)

	Quarter-to-Date					
	As Reported			Adjusted	As Reported	
Net Sales	March 31, 2024	Currency	Divestitures	March 31, 2024	March 31, 2023	
Diversified Industrial:						
North America	\$ 2,231,478	\$ (6,471)	\$ 9,464	\$ 2,234,471	\$ 2,342,590	
International						
Europe	830,166	5,773	-	835,939	880,962	
Asia Pacific	527,732	24,298	-	552,030	567,954	
Latin America	76,267	13,706	-	89,973	75,599	
International	1,434,165	43,777	-	1,477,942	1,524,515	
Total Diversified Industrial	3,665,643	37,306	9,464	3,712,413	3,867,105	
Aerospace Systems	1,408,713	(6,033)	6,078	1,408,758	1,194,560	
Total Parker Hannifin	\$ 5,074,356	\$ 31,273	\$ 15,542	\$ 5,121,171	\$ 5,061,665	
	As reported	Currency	Divestitures	Organic		
Diversified Industrial:						
North America	(4.7)%	0.3 %	(0.4)%	(4.6)%		
International						
Europe	(5.8)%	(0.7)%	0.0 %	(5.1)%		
Asia Pacific	(7.1)%	(4.3)%	0.0 %	(2.8)%		
Latin America	0.9 %	(18.1)%	0.0 %	19.0 %		
International	(5.9)%	(2.8)%	0.0 %	(3.1)%		
Total Diversified Industrial	(5.2)%	(1.0)%	(0.2)%	(4.0)%		
Aerospace Systems	17.9 %	0.5 %	(0.5)%	17.9 %		
Total Parker Hannifin	0.3 %	(0.6)%	(0.3)%	1.2 %		





# Adjusted Amounts Reconciliation Consolidated Statement of Income

(Dollars in thousands, except per share data)

(Unaudited)

Quarter-to-Date FY 2024										
	As Reported March 31, 2024	% of Sales	Acquired Intangible Asset Amortization	Business Realignment Charges	Meggitt Costs to Achieve				Adjusted March 31, 2024	% of Sales
Net sales	\$ 5,074,356	100.0 %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,074,356	100.0 %
Cost of sales	3,279,650	64.6 %	27,193	3,014	743	-	-	-	3,248,700	64.0 %
Selling, general and admin. expenses	816,337	16.1 %	114,023	3,927	12,513	-	-	-	685,874	13.5 %
Interest expense	123,732	2.4 %	-	-	-	-	-	-	123,732	2.4 %
Other (income) expense, net	(65,406)	(1.3)%	-	1,527	-	-	-	-	(66,933)	(1.3)%
Income before income taxes	920,043	18.1 %	(141,216)	(8,468)	(13,256)	-	-	-	1,082,983	21.3 %
Income taxes	193,309	3.8 %	33,609	2,015	3,155	-	-	-	232,088	4.6 %
Net income	726,734	14.3 %	(107,607)	(6,453)	(10,101)	-	-	-	850,895	16.8 %
Less: Noncontrolling interests	160	0.0 %	-	-	-	-	-	-	160	0.0 %
Net income - common shareholders	\$ 726,574	14.3 %	\$ (107,607)	\$ (6,453)	\$ (10,101)	\$ -	\$ -	\$ -	\$ 850,735	16.8 %
Diluted earnings per share	\$ 5.56		\$ (0.82)	\$ (0.05)	\$ (0.08)	\$ -	\$ -	\$ -	\$ 6.51	

(Dollars in thousands, except per share data)

(Unaudited)

Quarter-to-Date FY 2023										
	As Reported March 31, 2023	% of Sales	Acquired Intangible Asset Amortization	Business Realignment Charges	Meggitt Costs to Achieve	Acquisition Related Expenses	Net Loss on Divestitures	Amortization of Inventory Step-Up to FV	Adjusted March 31, 2023	% of Sales
Net sales	\$ 5,061,665	100.0 %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,061,665	100.0 %
Cost of sales	3,340,764	66.0 %	15,345	5,033	3,575	-	-	37,642	3,279,169	64.8 %
Selling, general and admin. Expenses	868,393	17.2 %	129,802	3,208	27,669	1,299	-	-	706,415	14.0 %
Interest expense	151,993	3.0 %	-	-	-	-	-	-	151,993	3.0 %
Other (income) expense, net	(55,866)	(1.1)%	-	-	-	-	10,927	-	(66,793)	(1.3)%
Income before income taxes	756,381	14.9 %	(145,147)	(8,241)	(31,244)	(1,299)	(10,927)	(37,642)	990,881	19.6 %
Income taxes	165,421	3.3 %	34,980	1,986	7,530	313	(361)	9,072	218,941	4.3 %
Net income	590,960	11.7 %	(110,167)	(6,255)	(23,714)	(986)	(11,288)	(28,570)	771,940	15.3 %
Less: Noncontrolling interests	71	0.0 %	-	-	-	-	-	-	71	0.0 %
Net income - common shareholders	\$ 590,889	11.7 %	\$ (110,167)	\$ (6,255)	\$ (23,714)	\$ (986)	\$ (11,288)	\$ (28,570)	\$ 771,869	15.2 %
Diluted earnings per share	\$ 4.54		\$ (0.84)	\$ (0.05)	\$ (0.18)	\$ (0.01)	\$ (0.09)	\$ (0.22)	\$ 5.93	



# Adjusted Amounts Reconciliation Segment Operating Income

(Dollars in thousands)  
(Unaudited)

Diversified Industrial:

Quarter-to-Date FY 2024										
As Reported March 31, 2024	% of Sales	Acquired Intangible Asset Amortization	Business Realignment Charges	Meggitt Costs to Achieve					Adjusted March 31, 2024	% of Sales <sup>2</sup>
\$ 490,452	22.0%	\$ 43,945	\$ 3,058	\$ 841	\$ -	\$ -	\$ -	\$ -	\$ 538,296	24.1%
North America <sup>1</sup>										
309,759	21.6%	22,464	3,895	451	-	-	-	-	336,569	23.5%
International <sup>1</sup>										
800,211	21.8%	66,409	6,953	1,292	-	-	-	-	874,865	23.9%
Total Diversified Industrial <sup>1</sup>										
289,339	20.5%	74,807	(12)	11,964	-	-	-	-	376,098	26.7%
Aerospace Systems <sup>1</sup>										
1,089,550	21.5%	(141,216)	(6,941)	(13,256)	-	-	-	-	1,250,963	24.7%
Total segment operating income										
56,782	1.1%	-	-	-	-	-	-	-	56,782	1.1%
Corporate administration										
1,032,768	20.4%	(141,216)	(6,941)	(13,256)	-	-	-	-	1,194,181	23.5%
Income before interest and other										
123,732	2.4%	-	-	-	-	-	-	-	123,732	2.4%
Interest expense										
(11,007)	-0.2%	-	1,527	-	-	-	-	-	(12,534)	-0.2%
Other (income) expense										
\$ 920,043	18.1%	\$ (141,216)	\$ (8,468)	\$ (13,256)	\$ -	\$ -	\$ -	\$ -	\$ 1,082,983	21.3%
Income before income taxes										

(Dollars in thousands)  
(Unaudited)

Diversified Industrial:

Quarter-to-Date FY 2023										
As Reported March 31, 2023	% of Sales	Acquired Intangible Asset Amortization	Business Realignment Charges	Meggitt Cost to Achieve	Acquisition Related Expenses	Amortization of Inventory Step-Up to FV	Net Loss on Divestitures		Adjusted March 31, 2023	% of Sales <sup>2</sup>
\$ 489,349	20.9%	\$ 44,184	\$ 761	\$ 2,442	\$ -	\$ -	\$ -	\$ -	\$ 536,736	22.9%
North America <sup>1</sup>										
329,498	21.6%	17,266	7,314	2,953	-	-	-	-	357,031	23.4%
International <sup>1</sup>										
818,847	21.2%	61,450	8,075	5,395	-	-	-	-	893,767	23.1%
Total Diversified Industrial <sup>1</sup>										
133,905	11.2%	83,697	166	25,849	-	37,642	-	-	281,259	23.5%
Aerospace Systems <sup>1</sup>										
952,752	18.8%	(145,147)	(8,241)	(31,244)	-	(37,642)	-	-	1,175,026	23.2%
Total segment operating income										
45,780	0.9%	-	-	-	-	-	-	-	45,780	0.9%
Corporate administration										
906,972	17.9%	(145,147)	(8,241)	(31,244)	-	(37,642)	-	-	1,129,246	22.3%
Income before interest and other										
151,993	3.0%	-	-	-	-	-	-	-	151,993	3.0%
Interest expense										
(1,402)	0.0%	-	-	-	1,299	-	10,927	-	(13,628)	-0.3%
Other (income) expense										
\$ 756,381	14.9%	\$ (145,147)	\$ (8,241)	\$ (31,244)	\$ (1,299)	\$ (37,642)	\$ (10,927)	\$ -	\$ 990,881	19.6%
Income before income taxes										

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)

## Net sales

Net income

Income taxes

Depreciation

Amortization

Interest expense

## EBITDA

Adjustments:

Business realignment charges

Meggitt costs to achieve

Acquisition-related expenses

Amortization of inventory step-up to FV

Net loss on divestitures

## EBITDA - Adjusted

EBITDA margin

EBITDA margin - Adjusted

Three Months Ended March 31,				
	2024	% of Sales	2023	% of Sales
Net sales	\$ 5,074,356	100.0%	\$ 5,061,665	100.0%
Net income	\$ 726,734	14.3%	\$ 590,960	11.7%
Income taxes	193,309	3.8%	165,421	3.3%
Depreciation	87,082	1.7%	80,194	1.6%
Amortization	141,216	2.8%	145,147	2.9%
Interest expense	123,732	2.4%	151,993	3.0%
EBITDA	1,272,073	25.1%	1,133,715	22.4%
Adjustments:				
Business realignment charges	8,468	0.2%	8,241	0.2%
Meggitt costs to achieve	13,256	0.3%	31,244	0.6%
Acquisition-related expenses	-	0.0%	1,299	0.0%
Amortization of inventory step-up to FV	-	0.0%	37,642	0.7%
Net loss on divestitures	-	0.0%	10,927	0.2%
EBITDA - Adjusted	\$ 1,293,797	25.5%	\$ 1,223,068	24.2%
EBITDA margin	25.1 %		22.4 %	
EBITDA margin - Adjusted	25.5 %		24.2 %	



# Reconciliation of Gross and Net Debt / Adjusted EBITDA

(Unaudited)

(Dollars in thousands)

	March 31, 2024	March 31, 2023
Notes payable and long-term debt payable within one year	\$ 4,080,759	\$ 1,992,919
Long-term debt	7,290,208	11,412,304
Add: Deferred debt issuance costs	61,794	79,018
Total gross debt	<u>\$ 11,432,761</u>	<u>\$ 13,484,241</u>
Cash and cash equivalents	\$ 405,484	\$ 534,831
Marketable securities and other investments	9,968	23,466
Total cash	<u>\$ 415,452</u>	<u>\$ 558,297</u>
Net debt (Gross debt less total cash)	<u>\$ 11,017,309</u>	<u>\$ 12,925,944</u>
TTM Net Sales	\$ 19,838,734	\$ 18,157,083
Net income	\$ 2,768,941	\$ 1,503,364
Income tax	742,897	391,273
Depreciation	340,467	297,018
Amortization	565,059	451,490
Interest Expense	544,405	487,988
TTM EBITDA	<u>\$ 4,961,769</u>	<u>\$ 3,131,133</u>
Adjustments:		
Business realignment charges	45,140	22,426
Costs to achieve	48,462	78,477
Acquisition-related costs	2,754	175,202
Loss on deal-contingent forward contracts	0	1,009,053
Gain on divestitures	(25,651)	(372,930)
Amortization of inventory step-up to FV	(57,992)	167,973
Net loss on divestitures	0	10,927
Russia liquidation	0	0
TTM Adjusted EBITDA	<u>\$ 4,974,482</u>	<u>\$ 4,222,261</u>
<b>Gross Debt/TTM Adjusted EBITDA</b>	<b>2.3</b>	<b>3.2</b>
<b>Net Debt/TTM Adjusted EBITDA</b>	<b>2.2</b>	<b>3.1</b>



# Reconciliation of Year-to-Date Free Cash Flow

(Unaudited) (Dollars in thousands)	Nine Months Ended March 31,	
	2024	2023
<b>Net Sales</b>	\$ 14,742,791	\$ 13,969,251
Cash Flow from Operations	\$ 2,147,077	\$ 1,794,894
Capital Expenditures	(283,328)	(272,603)
<b>Free Cash Flow</b>	<b>\$ 1,863,749</b>	<b>\$ 1,522,291</b>
<b>Cash Flow from Operations Margin</b>	<b>14.6%</b>	<b>12.8%</b>
<b>Free Cash Flow Margin</b>	<b>12.6%</b>	<b>10.9%</b>

\*Totals may not foot due to rounding





# Supplemental Sales Information

## Global Technology Platforms

(Unaudited) (Dollars in thousands)	Three Months Ended March 31,	
	2024	2023
<b>Net sales</b>		
Diversified Industrial:		
Motion Systems	\$ 942,667	\$ 1,017,974
Flow and Process Control	1,185,622	1,298,204
Filtration and Engineered Materials	1,537,354	1,550,927
Aerospace Systems	1,408,713	1,194,560
<b>Total</b>	<b>\$ 5,074,356</b>	<b>\$ 5,061,665</b>



# Reconciliation of FY19 Financials

## RECONCILIATION OF OPERATING INCOME TO ADJUSTED OPERATING INCOME

(Unaudited)

(Dollars in millions)

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

## RECONCILIATION OF EPS TO ADJUSTED EPS

(Unaudited)

(Amounts in Dollars)

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

## RECONCILIATION OF CASH FLOW FROM OPERATIONS TO FREE CASH FLOW

(Unaudited)

(Dollars in thousands)

	Twelve Months Ended June 30, 2019
Cash Flow from Operations	\$ 1,730,140
Capital Expenditures	(195,089)
<b>Free Cash Flow</b>	<b>\$ 1,535,051</b>

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 FY24 Guidance

## RECONCILIATION OF ORGANIC GROWTH

(Unaudited)

(Amounts in percentages)

### Forecasted net sales

Adjustments:

Currency (0.1%)

Acquisitions (2.6%)

Divestitures 0.2%

### Adjusted forecasted net sales

## RECONCILIATION OF OPERATING INCOME TO ADJUSTED OPERATING INCOME

(Unaudited)

(Amounts in percentages)

### Forecasted segment operating margin

Adjustments:

Business realignment charges 0.3%

Costs to achieve 0.2%

Acquisition-related intangible asset amortization expense 2.9%

### Adjusted forecasted segment operating margin

## RECONCILIATION OF FORECASTED EARNINGS PER SHARE

(Unaudited)

(Amounts in dollars)

### Forecasted earnings per diluted share

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<sup>1</sup> (1.12)

### Adjusted forecasted earnings per diluted share

## RECONCILIATION OF CASH FLOW FROM OPERATIONS TO FREE CASH FLOW

(Unaudited)

(Dollars in millions)

### Cash flow from operations

Less: Capital Expenditures

### Free cash flow

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

