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FY25 Guidance Details

Sales Growth vs. Prior Year	As Reported	Organic ¹
Diversified Industrial Segment		
North America Businesses	(8%) – (5%)	(4%) – (1%)
International Businesses	(4%) – (1%)	(1.5%) – 1.5%
Aerospace Systems Segment	9.5% – 12.5%	9.5% – 12.5%
Parker	(2%) – 1%	0.5% – 3.5%

Segment Operating Margins	As Reported	Adjusted ¹
Diversified Industrial Segment		
North America Businesses	~23.2%	~25.4%
International Businesses	~21.9%	~24.1%
Aerospace Systems Segment	~22.8%	~28.0%
Parker	~22.7%	~25.8%

Earnings Per Share	As Reported	Adjusted ¹
Midpoint	\$24.76	\$26.70
Range	\$24.46 - \$25.06	\$26.40 - \$27.00

Additional Items	As Reported	Adjusted ¹
Corporate G&A	~\$215M	~\$215M
Interest Expense	~\$405M	~\$405M
Other (Income) Expense	(~\$215M)	~\$45M
Tax Rate	~21%	~22%
Diluted Shares Outstanding	~130.7M	

Detail of Pre-Tax Adjustments to:	Segment Margins	Below Segment
Acquired Intangible Asset Amortization	~\$550M	—
Business Realignment Charges	~\$50M	~\$1.7M
Integration Costs to Achieve	~\$20M	—
Gain on Sale of Building	—	(~\$10.5M)
Gain on Divestitures	—	(~\$250M)

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



Reconciliation of Organic Growth

(Dollars in thousands)
(Unaudited)

	Quarter-to-Date				As Reported December 31, 2023
	As Reported	Currency	Divestitures	Adjusted	
	December 31, 2024			December 31, 2024	
Net Sales					
Diversified Industrial	\$ 3,252,806	\$ 46,362	\$ 67,385	\$ 3,366,553	\$ 3,514,473
Aerospace Systems	1,489,787	(58)	-	1,489,729	1,306,474
Total Parker Hannifin	<u>\$ 4,742,593</u>	<u>\$ 46,304</u>	<u>\$ 67,385</u>	<u>\$ 4,856,282</u>	<u>\$ 4,820,947</u>
	As reported	Currency	Divestitures	Organic	
Diversified Industrial	(7.4)%	(1.3)%	(1.9)%	(4.2)%	
Aerospace Systems	14.0 %	0.0 %	0.0 %	14.0 %	
Total Parker Hannifin	<u>(1.6)%</u>	<u>(0.9)%</u>	<u>(1.4)%</u>	<u>0.7 %</u>	

Supplemental Information:

Net Sales	As Reported	Currency	Divestitures	Adjusted	As Reported
	December 31, 2024			December 31, 2024	December 31, 2023
Diversified Industrial:					
North America businesses	\$ 1,928,008	\$ 8,913	\$ 67,385	\$ 2,004,306	\$ 2,110,203
<u>International businesses</u>					
Europe	697,997	10,175	-	708,172	772,351
Asia Pacific	552,813	14,609	-	567,422	553,076
Latin America	73,988	12,665	-	86,653	78,843
International businesses	<u>\$ 1,324,798</u>	<u>\$ 37,449</u>	<u>\$ -</u>	<u>\$ 1,362,247</u>	<u>\$ 1,404,270</u>
	As reported	Currency	Divestitures	Organic	
Diversified Industrial:					
North America businesses	(8.6)%	(0.4)%	(3.2)%	(5.0)%	
<u>International businesses</u>					
Europe	(9.6)%	(1.3)%	0.0 %	(8.3)%	
Asia Pacific	(0.0)%	(2.6)%	0.0 %	2.6 %	
Latin America	(6.2)%	(16.1)%	0.0 %	9.9 %	
International businesses	<u>(5.7)%</u>	<u>(2.7)%</u>	<u>0.0 %</u>	<u>(3.0)%</u>	



Adjusted Amounts Reconciliation Consolidated Statement of Income

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

Quarter-to-Date FY 2025								
	As Reported		Acquired	Business	Meggitt		Adjusted	
	December 31, 2024	% of Sales	Intangible Asset	Realignment	Costs to	Gain on	December 31, 2024	% of Sales
			Amortization	Charges	Achieve	Divestitures		
Net sales	\$ 4,742,593	100.0 %	\$ -	\$ -	\$ -	\$ -	\$ 4,742,593	100.0 %
Cost of sales	3,022,229	63.7 %	23,068	10,590	154	-	2,988,417	63.0 %
Selling, general and admin. expenses	782,421	16.5 %	115,058	9,714	6,739	-	650,910	13.7 %
Interest expense	100,802	2.1 %	-	-	-	-	100,802	2.1 %
Other (income) expense, net	(328,716)	(6.9)%	-	551	-	(249,748)	(79,519)	(1.7)%
Income before income taxes	1,165,857	24.6 %	(138,126)	(20,855)	(6,893)	249,748	1,081,983	22.8 %
Income taxes	217,208	4.6 %	31,769	4,797	1,585	(26,714)	228,645	4.8 %
Net income	948,649	20.0 %	(106,357)	(16,058)	(5,308)	223,034	853,338	18.0 %
Less: Noncontrolling interests	107	0.0 %	-	-	-	-	107	0.0 %
Net income - common shareholders	\$ 948,542	20.0 %	\$ (106,357)	\$ (16,058)	\$ (5,308)	\$ 223,034	\$ 853,231	18.0 %
Diluted earnings per share	\$ 7.25		\$ (0.81)	\$ (0.13)	\$ (0.04)	\$ 1.70	\$ 6.53	

Quarter-to-Date FY 2024								
	As Reported		Acquired	Business	Meggitt		Adjusted	
	December 31, 2023	% of Sales	Intangible Asset	Realignment	Costs to	Gain on	December 31, 2023	% of Sales
			Amortization	Charges	Achieve	Divestiture		
Net sales	\$ 4,820,947	100.0 %	\$ -	\$ -	\$ -	\$ -	\$ 4,820,947	100.0 %
Cost of sales	3,101,962	64.3 %	27,227	8,467	855	-	3,065,413	63.6 %
Selling, general and admin. Expenses	806,802	16.7 %	114,800	4,695	9,159	-	678,148	14.1 %
Interest expense	129,029	2.7 %	-	-	-	-	129,029	2.7 %
Other (income) expense, net	(85,011)	(1.8)%	-	1,192	-	(12,391)	(73,812)	(1.5)%
Income before income taxes	868,165	18.0 %	(142,027)	(14,354)	(10,014)	12,391	1,022,169	21.2 %
Income taxes	186,108	3.9 %	33,660	3,402	2,373	(5,959)	219,584	4.6 %
Net income	682,057	14.1 %	(108,367)	(10,952)	(7,641)	6,432	802,585	16.6 %
Less: Noncontrolling interests	206	0.0 %	-	-	-	-	206	0.0 %
Net income - common shareholders	\$ 681,851	14.1 %	\$ (108,367)	\$ (10,952)	\$ (7,641)	\$ 6,432	\$ 802,379	16.6 %
Diluted earnings per share	\$ 5.23		\$ (0.83)	\$ (0.08)	\$ (0.06)	\$ 0.05	\$ 6.15	



Adjusted Amounts Reconciliation Segment Operating Income

(Dollars in thousands)
(Unaudited)

(Unaudited)	Quarter-to-Date FY 2025							
	As Reported		Acquired	Business	Meggitt		Adjusted	
	December 31, 2024	% of Sales	Intangible Asset	Realignment	Costs to	Gain on	December 31, 2024	% of Sales ²
			Amortization	Charges	Achieve	Divestitures		
Diversified Industrial ¹	\$ 710,562	21.8%	\$ 62,570	\$ 19,343	\$ 627	\$ -	\$ 793,102	24.4%
Aerospace Systems ¹	338,184	22.7%	75,556	386	6,266	-	420,392	28.2%
Total segment operating income	1,048,746	22.1%	(138,126)	(19,729)	(6,893)	-	1,213,494	25.6%
Corporate administration	56,264	1.2%	-	575	-	-	55,689	1.2%
Income before interest and other	992,482	20.9%	(138,126)	(20,304)	(6,893)	-	1,157,805	24.4%
Interest expense	100,802	2.1%	-	-	-	-	100,802	2.1%
Other (income) expense	(274,177)	-5.8%	-	551	-	(249,748)	(24,980)	-0.5%
Income before income taxes	\$ 1,165,857	24.6%	\$ (138,126)	\$ (20,855)	\$ (6,893)	\$ 249,748	\$ 1,081,983	22.8%

Supplemental Information:

Diversified Industrial:

North America businesses ¹	\$	426,567	22.1%	\$ 40,985	\$ 5,444	\$ 445	\$ -	\$ 473,441	24.6%
International businesses ¹		283,995	21.4%	21,585	13,899	182	-	319,661	24.1%

	Quarter-to-Date FY 2024							
	As Reported		Acquired	Business	Meggitt		Adjusted	
	December 31, 2023	% of Sales	Intangible Asset	Realignment	Cost to	Gain on	December 31, 2023	% of Sales ²
			Amortization	Charges	Achieve	Divestiture		
Diversified Industrial ¹	\$ 752,334	21.4%	\$ 67,309	\$ 13,285	\$ 871	\$ -	\$ 833,799	23.7%
Aerospace Systems ¹	263,112	20.1%	74,718	(123)	9,143	-	346,850	26.5%
Total segment operating income	1,015,446	21.1%	(142,027)	(13,162)	(10,014)	-	1,180,649	24.5%
Corporate administration	49,902	1.0%	-	-	-	-	49,902	1.0%
Income before interest and other	965,544	20.0%	(142,027)	(13,162)	(10,014)	-	1,130,747	23.5%
Interest expense	129,029	2.7%	-	-	-	-	129,029	2.7%
Other (income) expense	(31,650)	-0.7%	-	1,192	-	(12,391)	(20,451)	-0.4%
Income before income taxes	\$ 868,165	18.0%	\$ (142,027)	\$ (14,354)	\$ (10,014)	\$ 12,391	\$ 1,022,169	21.2%

Supplemental Information:

Diversified Industrial:

North America businesses ¹	\$	461,850	21.9%	\$ 44,699	\$ 3,250	\$ 562	\$ -	\$ 510,361	24.2%
International businesses ¹		290,484	20.7%	22,610	10,035	309	-	323,438	23.0%

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 North American Filtration Division Margin to North American Filtration Division Adjusted Margin

(Unaudited)

(Amounts in percentages)

	6 Months ended 12/31/23	6 Months ended 12/31/24
North American Filtration Division Margin	22.3%	22.5%
Adjustments:		
Acquisition-related intangible asset amortization expense	2.9%	3.0%
Business realignment charges	0.0%	0.2%
North American Filtration Division Adjusted Margin	25.2%	25.7%

Reconciliation of EBITDA to Adjusted EBITDA

(Dollars in thousands)
(Unaudited)

	Three Months Ended December 31,			
	2024	% of Sales	2023	% of Sales
Net sales	\$ 4,742,593	100.0%	\$ 4,820,947	100.0%
Net income	\$ 948,649	20.0%	\$ 682,057	14.1%
Income taxes	217,208	4.6%	186,108	3.9%
Depreciation	87,697	1.8%	85,751	1.8%
Amortization	138,126	2.9%	142,027	2.9%
Interest expense	100,802	2.1%	129,029	2.7%
EBITDA	<u>1,492,482</u>	<u>31.5%</u>	<u>1,224,972</u>	<u>25.4%</u>
Adjustments:				
Business realignment charges	20,855	0.4%	14,354	0.3%
Meggitt costs to achieve	6,893	0.1%	10,014	0.2%
Gain on divestitures	(249,748)	-5.3%	(12,391)	-0.3%
EBITDA - Adjusted	<u>\$ 1,270,482</u>	<u>26.8%</u>	<u>\$ 1,236,949</u>	<u>25.7%</u>
EBITDA margin	31.5 %		25.4 %	
EBITDA margin - Adjusted	26.8 %		25.7 %	

Reconciliation of Free Cash Flow Margin

(Unaudited)
(Dollars in thousands)

	Six Months Ended December 31,	
	2024	2023
Net Sales	\$ 9,646,577	\$ 9,668,435
Cash Flow from Operations	\$ 1,678,733	\$ 1,351,987
Capital Expenditures	(216,493)	(204,117)
Free Cash Flow	\$ 1,462,240	\$ 1,147,870
Free Cash Flow Margin	15.2%	11.9%

Supplemental Sales Information

Global Technology Platforms

(Unaudited) (Dollars in thousands)	Three Months Ended December 31,	
	2024	2023
Net sales		
Diversified Industrial:		
Motion Systems	\$ 804,462	\$ 917,966
Flow and Process Control	1,059,614	1,122,400
Filtration and Engineered Materials	1,388,730	1,474,107
Aerospace Systems	1,489,787	1,306,474
Total	\$ 4,742,593	\$ 4,820,947



Reconciliation of Q3 FY25 Guidance

RECONCILIATION OF ORGANIC GROWTH

(Unaudited)

(Amounts in percentages)

Forecasted net sales

Q3 Fiscal Year 2025

(~2.0%)

Adjustments:

Currency

1.5%

Divestitures

2.0%

Adjusted forecasted net sales

~1.5%

RECONCILIATION OF FORECASTED EARNINGS PER SHARE

(Unaudited)

(Amounts in dollars)

Forecasted earnings per diluted share

~\$5.71

Adjustments:

Business realignment charges

0.10

Costs to achieve

0.03

Acquisition-related intangible asset amortization expense

1.05

Tax effect of adjustments¹

(0.24)

Adjusted forecasted earnings per diluted share

~\$6.65

RECONCILIATION OF OPERATING INCOME TO ADJUSTED OPERATING INCOME

(Unaudited)

(Amounts in percentages)

Forecasted segment operating margin

Q3 Fiscal Year 2025

~22.5%

Adjustments:

Business realignment charges

0.3%

Costs to achieve

0.1%

Acquisition-related intangible asset amortization expense

2.7%

Adjusted forecasted segment operating margin

~25.6%

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)	Fiscal Year 2025			
(Amounts in percentages)	Forecasted Net Sales	Currency	Divestitures	Adjusted Forecasted Net Sales
Diversified Industrial				
North America Businesses	(8.0%) to (5.0%)	~0.5%	~3.5%	(4.0%) to (1.0%)
International Businesses	(4.0%) to (1.0%)	~2.5%	-	(1.5%) to 1.5%
Aerospace Systems	9.5% to 12.5%	~0.0%	-	9.5% to 12.5%
Parker	(2.0%) to 1.0%	~1.0%	~1.5%	0.5% to 3.5%

RECONCILIATION OF OPERATING INCOME TO ADJUSTED OPERATING INCOME

(Unaudited)	Fiscal Year 2025				
(Amounts in percentages)	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	~23.2%	~0.2%	-	~2.0%	~25.4%
International Businesses	~21.9%	~0.6%	-	~1.6%	~24.1%
Aerospace Systems	~22.8%	-	~0.3%	~4.9%	~28.0%
Parker	~22.7%	~0.2%	~0.1%	~2.8%	~25.8%

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 FORECASTED EARNINGS PER SHARE

(Unaudited)	Fiscal Year 2025
(Amounts in dollars)	
Forecasted earnings per diluted share	\$24.46 to \$25.06
Adjustments:	
Business realignment charges	0.39
Costs to achieve	0.15
Acquisition-related intangible asset amortization expense	4.22
Net gain on divestitures	(1.91)
Gain on sale of building	(0.08)
Tax effect of adjustments ¹	(0.83)
Adjusted forecasted earnings per diluted share	\$26.40 to \$27.00

RECONCILIATION OF CASH FLOW FROM OPERATIONS TO FREE CASH FLOW

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

