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FY25 Guidance Details

Sales Growth vs. Prior Year	As Reported	Organic ¹
Diversified Industrial Segment		
North America Businesses	~(8%)	~(4%)
International Businesses	~(4%)	~(2.5%)
Aerospace Systems Segment	~12%	~12%
Parker	~(1%)	~1%

Segment Operating Margins	As Reported	Adjusted ¹
Diversified Industrial Segment		
North America Businesses	~22.9%	~25.1%
International Businesses	~22.1%	~24.5%
Aerospace Systems Segment	~23.1%	~28.3%
Parker	~22.7%	~25.9%

Earnings Per Share	As Reported	Adjusted ¹
Midpoint	\$26.02	\$26.70



Additional Items	As Reported	Adjusted ¹
Corporate G&A	~\$205M	
Interest Expense	~\$410M	
Other (Income) Expense	(~\$190M)	~\$65M
Tax Rate	~16.5%	~21.5%
Diluted Shares Outstanding	~130.4M	

Detail of Pre-Tax Adjustments to:	Segment Margins	Below Segment
Acquired Intangible Asset Amortization	~\$550M	—
Business Realignment & Other	~\$60M	~\$10M
Integration Costs to Achieve	~\$22M	—
Gain on Sale of Building	—	(~\$10M)
Gain on Divestitures	—	(~\$250M)

Additional Adjustments to EPS:	Segment Margins	Below Segment
Discrete Tax Benefit	—	~\$180M

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

Reconciliation of Organic Growth

(Dollars in thousands)
(Unaudited)

	Quarter-to-Date				As Reported March 31, 2024
	As Reported March 31, 2025	Currency	Divestitures	Adjusted March 31, 2025	
Net Sales					
Diversified Industrial	\$ 3,388,759	\$ 54,201	\$ 104,980	\$ 3,547,940	\$ 3,665,643
Aerospace Systems	1,571,590	2,336	-	1,573,926	1,408,713
Total Parker Hannifin	<u>\$ 4,960,349</u>	<u>\$ 56,537</u>	<u>\$ 104,980</u>	<u>\$ 5,121,866</u>	<u>\$ 5,074,356</u>
	As reported	Currency	Divestitures	Organic	
Diversified Industrial	(7.6)%	(1.5)%	(2.9)%	(3.2)%	
Aerospace Systems	11.6 %	(0.1)%	0.0 %	11.7 %	
Total Parker Hannifin	<u>(2.2)%</u>	<u>(1.0)%</u>	<u>(2.1)%</u>	<u>0.9 %</u>	

Supplemental Information:

	As Reported March 31, 2025	Currency	Divestitures	Adjusted March 31, 2025	As Reported March 31, 2024
Net Sales					
Diversified Industrial:					
North America businesses	\$ 2,030,970	\$ 17,458	\$ 104,980	\$ 2,153,408	\$ 2,231,478
<u>International businesses</u>					
Europe	758,405	14,486	-	772,891	830,166
Asia Pacific	523,307	16,046	-	539,353	527,732
Latin America	76,077	6,211	-	82,288	76,267
International businesses	<u>\$ 1,357,789</u>	<u>\$ 36,743</u>	<u>\$ -</u>	<u>\$ 1,394,532</u>	<u>\$ 1,434,165</u>
	As reported	Currency	Divestitures	Organic	
Diversified Industrial:					
North America businesses	(9.0)%	(0.8)%	(4.7)%	(3.5)%	
<u>International businesses</u>					
Europe	(8.6)%	(1.7)%	0.0 %	(6.9)%	
Asia Pacific	(0.8)%	(3.0)%	0.0 %	2.2 %	
Latin America	(0.2)%	(8.1)%	0.0 %	7.9 %	
International businesses	<u>(5.3)%</u>	<u>(2.5)%</u>	<u>0.0 %</u>	<u>(2.8)%</u>	

Adjusted Amounts Reconciliation Consolidated Statement of Income

(Dollars in thousands, except per share data)

(Unaudited)

Quarter-to-Date FY 2025									
	As Reported March 31, 2025	% of Sales	Acquired Intangible Asset Amortization	Business Realignment Charges	Meggitt Costs to Achieve	Saegertown Incident	Discrete Tax ¹ Benefit	Adjusted March 31, 2025	% of Sales
Net sales	\$ 4,960,349	100.0 %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,960,349	100.0 %
Cost of sales	3,129,951	63.1 %	19,618	4,742	210	-	-	3,105,381	62.6 %
Selling, general and admin. expenses	784,355	15.8 %	116,346	5,521	5,237	-	-	657,251	13.3 %
Interest expense	95,942	1.9 %	-	-	-	-	-	95,942	1.9 %
Other (income) expense, net	(44,713)	(0.9)%	-	116	-	7,725	-	(52,554)	(1.1)%
Income before income taxes	994,814	20.1 %	(135,964)	(10,379)	(5,447)	(7,725)	-	1,154,329	23.3 %
Income taxes	33,628	0.7 %	31,272	2,387	1,253	1,777	179,849	250,166	5.0 %
Net income	961,186	19.4 %	(104,692)	(7,992)	(4,194)	(5,948)	179,849	904,163	18.2 %
Less: Noncontrolling interests	320	0.0 %	-	-	-	-	-	320	0.0 %
Net income - common shareholders	\$ 960,866	19.4 %	\$ (104,692)	\$ (7,992)	\$ (4,194)	\$ (5,948)	\$ 179,849	\$ 903,843	18.2 %
Diluted earnings per share	\$ 7.37		\$ (0.80)	\$ (0.06)	\$ (0.03)	\$ (0.05)	\$ 1.37	\$ 6.94	

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	

1. Release of a tax valuation allowance.

Adjusted Amounts Reconciliation Segment Operating Income

(Dollars in thousands)
(Unaudited)

(Unaudited)

	Quarter-to-Date FY 2025							
	As Reported		Acquired Intangible Asset	Business Realignment	Meggitt Costs to	Saegertown	Adjusted	
	March 31, 2025	% of Sales	Amortization	Charges	Achieve	Incident	March 31, 2025	% of Sales ²
Diversified Industrial ¹	\$ 779,103	23.0%	\$ 61,600	\$ 10,249	\$ 2,072	\$ -	\$ 853,024	25.2%
Aerospace Systems ¹	372,908	23.7%	74,364	35	3,375	-	450,682	28.7%
Total segment operating income	1,152,011	23.2%	(135,964)	(10,284)	(5,447)	-	1,303,706	26.3%
Corporate administration	43,698	0.9%	-	(21)	-	-	43,719	0.9%
Income before interest and other	1,108,313	22.3%	(135,964)	(10,263)	(5,447)	-	1,259,987	25.4%
Interest expense	95,942	1.9%	-	-	-	-	95,942	1.9%
Other (income) expense	17,557	0.4%	-	116	-	7,725	9,716	0.2%
Income before income taxes	\$ 994,814	20.1%	\$ (135,964)	\$ (10,379)	\$ (5,447)	\$ (7,725)	\$ 1,154,329	23.3%

Supplemental Information:

Diversified Industrial:

North America businesses ¹	\$ 467,064	23.0%	\$ 40,209	\$ 4,218	\$ 1,038	\$ -	\$ 512,529	25.2%
International businesses ¹	\$ 312,039	23.0%	\$ 21,391	\$ 6,031	\$ 1,034	\$ -	\$ 340,495	25.1%

	Quarter-to-Date FY 2024							
	As Reported		Acquired	Business	Meggitt		Adjusted	
	March 31, 2024	% of Sales	Intangible Asset	Realignment	Cost to		March 31, 2024	% of Sales ²
			Amortization	Charges	Achieve			
Diversified Industrial ¹	\$ 800,211	21.8%	\$ 66,409	\$ 6,953	\$ 1,292	\$ -	\$ 874,865	23.9%
Aerospace Systems ¹	289,339	20.5%	74,807	(12)	11,964	-	376,098	26.7%
Total segment operating income	1,089,550	21.5%	(141,216)	(6,941)	(13,256)	-	1,250,963	24.7%
Corporate administration	56,782	1.1%	-	-	-	-	56,782	1.1%
Income before interest and other	1,032,768	20.4%	(141,216)	(6,941)	(13,256)	-	1,194,181	23.5%
Interest expense	123,732	2.4%	-	-	-	-	123,732	2.4%
Other (income) expense	(11,007)	-0.2%	-	1,527	-	-	(12,534)	-0.2%
Income before income taxes	\$ 920,043	18.1%	\$ (141,216)	\$ (8,468)	\$ (13,256)	\$ -	\$ 1,082,983	21.3%

Supplemental Information:

Diversified Industrial:

North America businesses ¹	\$ 490,452	22.0%	\$ 43,945	\$ 3,058	\$ 841	\$ -	\$ 538,296	24.1%
International businesses ¹	\$ 309,759	21.6%	\$ 22,464	\$ 3,895	\$ 451	\$ -	\$ 336,569	23.5%



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 March 31,			
	2025	% of Sales	2024	% of Sales
Net sales	\$ 4,960,349	100.0 %	\$ 5,074,356	100.0 %
Net income	\$ 961,186	19.4 %	\$ 726,734	14.3 %
Income taxes	33,628	0.7 %	193,309	3.8 %
Depreciation	86,832	1.8 %	87,082	1.7 %
Amortization	135,964	2.7 %	141,216	2.8 %
Interest expense	95,942	1.9 %	123,732	2.4 %
EBITDA	<u>1,313,552</u>	<u>26.5 %</u>	<u>1,272,073</u>	<u>25.1 %</u>
Adjustments:				
Business realignment charges	10,379	0.2 %	8,468	0.2 %
Meggitt costs to achieve	5,447	0.1 %	13,256	0.3 %
Saegertown Incident	7,725	0.2 %	-	0.0 %
EBITDA - Adjusted	<u>\$ 1,337,103</u>	<u>27.0 %</u>	<u>\$ 1,293,797</u>	<u>25.5 %</u>
EBITDA margin	26.5 %		25.1 %	
EBITDA margin - Adjusted	27.0 %		25.5 %	

Reconciliation of Operating Cash Flow Margin and Free Cash Flow Margin

(Unaudited)
(Dollars in thousands)

	Nine Months Ended March 31,	
	2025	2024
Net Sales	\$ 14,606,926	\$ 14,742,791
Net Income	\$ 2,608,363	\$ 2,059,863
Cash Flow from Operations	\$ 2,308,761	\$ 2,147,077
Capital Expenditures	(304,153)	(283,328)
Free Cash Flow	\$ 2,004,608	\$ 1,863,749
Cash Flow from Operations Margin	15.8%	14.6%
Free Cash Flow Margin	13.7%	12.6%

Supplemental Sales Information

Global Technology Platforms

(Unaudited) (Dollars in thousands)	Three Months Ended March 31,	
	2025	2024
Net sales		
Diversified Industrial:		
Motion Systems	\$ 827,987	\$ 942,667
Flow and Process Control	1,141,072	1,185,622
Filtration and Engineered Materials	1,419,700	1,537,354
Aerospace Systems	1,571,590	1,408,713
Total	\$ 4,960,349	\$ 5,074,356

Reconciliation of Q4 FY25 Guidance

RECONCILIATION OF ORGANIC GROWTH

(Unaudited)

(Amounts in percentages)

Forecasted net sales

Q4 Fiscal Year 2025

(~2.0%)

Adjustments:

Currency

0.0%

Divestitures

2.5%

Adjusted forecasted net sales

~0.5%

RECONCILIATION OF OPERATING INCOME TO ADJUSTED OPERATING INCOME

(Unaudited)

(Amounts in percentages)

Forecasted segment operating margin

Q4 Fiscal Year 2025

~23.0%

Adjustments:

Business realignment charges

0.4%

Costs to achieve

0.1%

Acquisition-related intangible asset amortization expense

2.6%

Adjusted forecasted segment operating margin

~26.1%

RECONCILIATION OF FORECASTED EARNINGS PER SHARE

(Unaudited)

(Amounts in dollars)

Forecasted earnings per diluted share

Q4 Fiscal Year 2025

~\$6.05

Adjustments:

Business realignment charges

0.17

Costs to achieve

0.02

Acquisition-related intangible asset amortization expense

1.07

Tax effect of adjustments¹

(0.27)

Adjusted forecasted earnings per diluted share

~\$7.05

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

	Fiscal Year 2025			
	Forecasted Net Sales	Divestitures	Currency	Adjusted Forecasted Net Sales
Diversified Industrial	~(6.0%)	~2.0%	~1.0%	~(3.0%)
North America Businesses	~(8.0%)	~3.5%	~0.5%	~(4.0%)
International Businesses	~(4.0%)	-	~1.5%	~(2.5%)
Aerospace Systems	~12.0%	-	~0.0%	~12.0%
Parker	~(1.0%)	~1.5%	~0.5%	~1.0%

RECONCILIATION OF OPERATING INCOME TO ADJUSTED OPERATING INCOME

	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	~22.9%	~0.2%	-	~2.0%	~25.1%
International Businesses	~22.1%	~0.8%	-	~1.6%	~24.5%
Aerospace Systems	~23.1%	-	~0.3%	~4.9%	~28.3%
Parker	~22.7%	~0.3%	~0.1%	~2.8%	~25.9%

RECONCILIATION OF FORECASTED EARNINGS PER SHARE

	Fiscal Year 2025	
Forecasted earnings per diluted share	\$25.92 to \$26.12	
Adjustments:		
Business realignment charges	0.47	
Costs to achieve	0.17	
Acquisition-related intangible asset amortization expense	4.22	
Saegertown incident	0.06	
Net gain on divestitures	(1.91)	
Gain on sale of building	(0.08)	
Tax effect of adjustments ¹	(0.88)	
Discrete tax benefit ²	(1.37)	
Adjusted forecasted earnings per diluted share	\$26.60 to \$26.80	

RECONCILIATION OF CASH FLOW FROM OPERATIONS TO FREE CASH FLOW

	Fiscal Year 2025	
Cash flow from operations	\$3,500 to \$3,600	
Less: Capital Expenditures	~(400)	
Free cash flow	\$3,100 to \$3,200	

- 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.
- Release of a tax valuation allowance.

*Totals may not foot due to rounding

