May 16, 2024

Parker's Promising Future Highlighted at Investor Day, Win Strategy™ Enables Sustainable Growth, New 5-Year Targets Announced

- Portfolio Aligned with Secular Trends Driving Long Term Growth Opportunities
- Parker's Business System The Win Strategy™ Proven to Deliver Top Quartile Performance
- Operational Excellence Creates Growth and Margin Expansion Opportunities
- Announces New 5-Year Financial Targets on Strength of People, Portfolio and Strategy

CLEVELAND, May 16, 2024 (GLOBE NEWSWIRE) -- Parker Hannifin Corporation (NYSE: PH), the global leader in motion and control technologies, today hosted its 2024 investor meeting where members of the Office of the Chief Executive presented an update on the company's ongoing transformation, detailed how Parker is positioned for continued growth from secular trends, reinforced the importance of The Win Strategy™ in driving growth and margin expansion, and announced new five-year financial performance targets for fiscal year 2029. The Win Strategy™ is the Parker business system and establishes goals and strategies for engaged people, premier customer experience, profitable growth and financial performance.

"Parker is a very different company today," said Jenny Parmentier, Chairman and CEO. "Our portfolio of interconnected technologies strengthens our competitive position, increases resiliency, and aligns us with secular trends that are expected to sustain organic sales growth. In addition, the Win Strategy provides the necessary tools to drive continuous improvement and operational excellence which compounds performance. Given our performance and our promising future, we have announced new five-year targets that would keep us among the top quartile of our peer companies."

Parmentier began the meeting with a strategic overview of Parker's ongoing transformation and a review of how Parker is positioned for growth. Andy Ross, President and Chief Operating Officer provided an overview of how Parker's highly engaged global team deploys The Win Strategy™ 3.0 to drive operational excellence and deliver exceptional results with further opportunities for growth and margin expansion. A financial review by Todd Leombruno, Executive Vice President and Chief Financial Officer, highlighted Parker's ongoing ability to generate strong cash flow leaving substantial capital deployment optionality to drive shareholder returns. A replay of the presentations is available at investors.parker.com.

The company noted the following significant highlights from the presentations:

- Parker has built a high-performance culture where team members can directly contribute to improved results using high performance teams to drive improvements in areas such as safety, quality, lean and kaizen.
- The company is positioned to benefit from secular growth trends such as aerospace, digitalization, electrification, clean technologies, and the mega capex growth cycle related to infrastructure spending and global supply chain near-shoring.
- Parker has greatly increased its exposure to longer cycle markets that allows for more resilient financial performance.
- The company announced five-year targets through fiscal year 2029 that include:
    - 4-6% organic sales growth CAGR
    - 27% adjusted segment operating margin, an increase of 200 basis points from the previous target
    - 28% adjusted EBITDA margin, an increase of 300 basis points from the previous target
    - 17% free cash flow margin, an increase of 100 basis points from the previous target
    - 10%+ adjusted earnings per share CAGR

Parmentier added, “Our targets indicate that we can continue transforming Parker into a faster growing, more resilient, higher margin company. With our strong culture and highly engaged team members we can continue to take Parker’s performance to the next level and create significant shareholder value.”

About Parker Hannifin
Parker Hannifin is a Fortune 250 global leader in motion and control technologies. For more than a century the company has been enabling engineering breakthroughs that lead to a better tomorrow. Parker has increased its annual dividend per share paid to shareholders for 68 consecutive fiscal years, among the top five longest-running, dividend-increase records in the S&P 500 index. Learn more at www.parker.com or @parkerhannifin.

Note on Non-GAAP Financial Measures

This press release contains references to non-GAAP financial information including (a) adjusted earnings per share; (b) adjusted segment operating margin; (c) adjusted EBITDA margin; (d) free cash flow margin; and (e) organic sales growth. Although adjusted earnings per share, segment operating margin, adjusted EBITDA margin, free cash flow margin and organic sales growth 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. The non-GAAP metrics included in our new 5-year targets for fiscal year 2029 could not be reconciled without unreasonable effort.

Forward-Looking Statements
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.

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