# PARKER HANNIFIN CORPORATION

## Fiscal 2026 Second Quarter Earnings Presentation

January 29, 2026

ENGINEERING YOUR SUCCESS.

# 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 may also include statements regarding future performance, orders, earnings projections, events or developments. Parker cautions readers not to place undue reliance on these statements. It is possible that the future performance may differ materially from expectations, including those based on past performance.

Among other factors that may affect future performance are: changes in business relationships with and orders by or from major customers, suppliers or distributors, including delays or cancellations in shipments; disputes regarding contract terms, changes in contract costs and revenue estimates for new development programs; changes in product mix; ability to identify acceptable strategic acquisition targets; uncertainties surrounding timing, successful completion or integration of acquisitions and similar transactions, including the pending acquisition of Filtration Group Corporation and the integration of Curtis Instruments, Inc; ability to successfully divest businesses planned for divestiture and realize the anticipated benefits of such divestitures; the determination and ability to successfully undertake business realignment activities and the expected costs, including cost savings, thereof; ability to implement successfully business and operating initiatives, including the timing, price and execution of share repurchases and other capital initiatives; availability, cost increases of or other limitations on our access to raw materials, component products and/or commodities if associated costs cannot be recovered in product pricing; ability to manage costs related to insurance and employee retirement and health care benefits; legal and regulatory developments and other government actions, including related to environmental protection, and associated compliance costs; supply chain and labor disruptions, including as a result of tariffs and labor shortages; threats associated with international conflicts and cybersecurity risks and risks associated with protecting our intellectual property; uncertainties surrounding the ultimate resolution of outstanding legal proceedings, including the outcome of any appeals; effects on market conditions, including sales and pricing, resulting from global reactions to U.S. trade policies; manufacturing activity, air travel trends, currency exchange rates, difficulties entering new markets and economic conditions such as inflation, deflation, interest rates and credit availability; inability to obtain, or meet conditions imposed for, required governmental and regulatory approvals; changes in the tax laws in the United States and foreign jurisdictions and judicial or regulatory interpretations thereof; and large scale disasters, such as floods, earthquakes, hurricanes, industrial accidents and pandemics. Readers should also consider 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, 2025 and other periodic filings made with the SEC.

This presentation contains references to non-GAAP financial information including adjusted net income, organic sales growth, adjusted earnings per share, adjusted segment operating margin for Parker and by segment, EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, 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 the above listed measures 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.

Please visit investors.parker.com for more information.

# One Team, One Strategy: Compounding Performance

- Top quartile safety performance
- Record sales of $5.2B, +6.6% organic growth[1]
- Record adjusted segment operating margin[1] of 27.1%
- Record adjusted earnings per share[1] of $7.65
- Acquisition of Filtration Group Corporation announced

**FY26 Q2 Highlights**

| | |
|---|---|
| **8%** Reduction in Recordable Incident Rate | **$5.2B** Sales +9.1% Reported +6.6% Organic[1] |
| **27.1%** Adjusted Segment Operating Margin[1] +150 bps | **27.7%** Adjusted EBITDA Margin[1] +90 bps |
| **17%** Adjusted EPS Growth[1] | **$1.6B** YTD CFOA |

1. Includes certain non-GAAP adjustments and financial measures. See Appendix for additional details and reconciliations.
Note: FY26 Q2 As Reported: Segment Operating Margin of 23.9%, EBITDA Margin of 27.1%, Net Income of $845M, EPS of $6.60, a decrease of 9%.

# Why We Win

## Strong Competitive Advantages


### Parker's Business System

Decentralized structure, strategic positioning & operational excellence

### Innovative Products

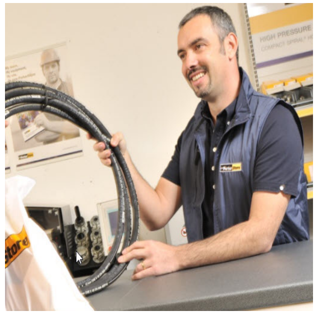
Deep customer partnership to uncover unmet needs

### Application Engineering

Technical expertise creates competitive advantage

### Interconnected Technologies

Enables comprehensive solutions for customers



### Distribution Network

Serving global aftermarket & small to mid-sized OEMs

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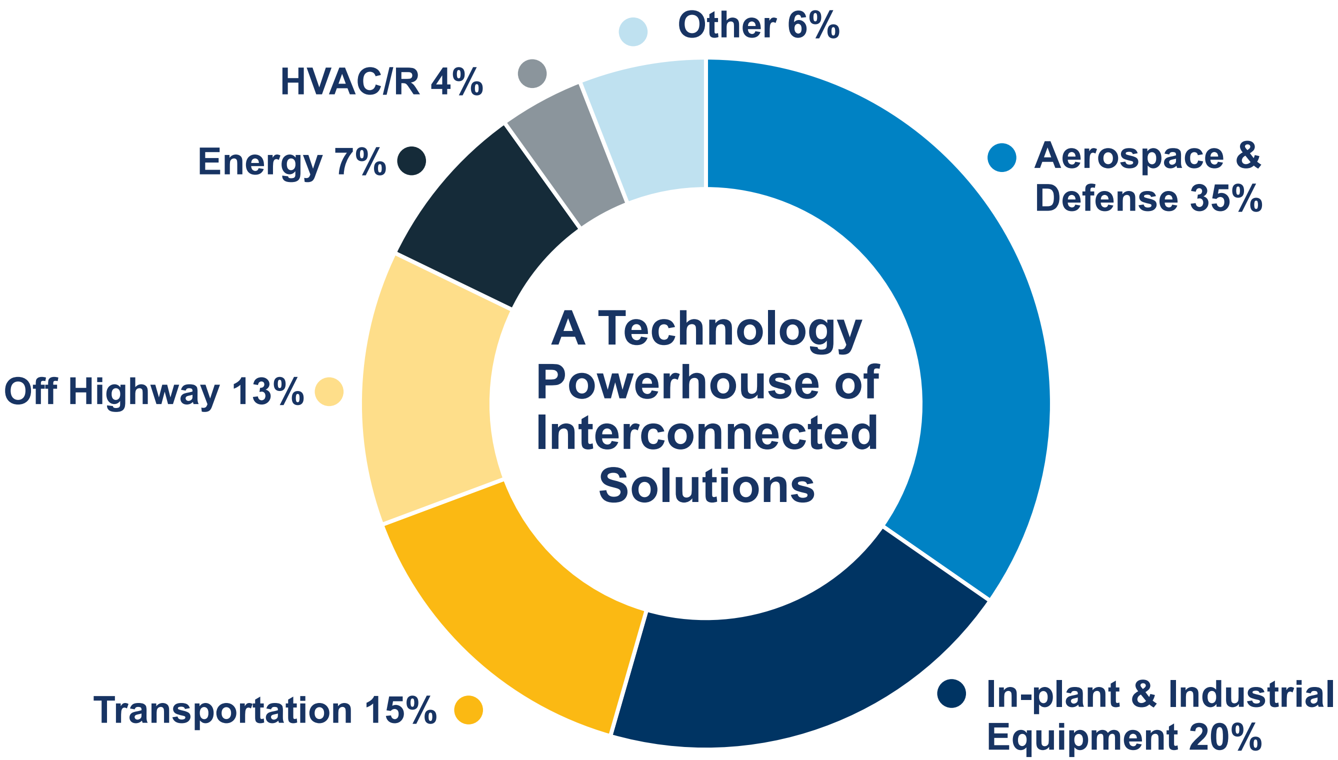
# #1 Position in Motion & Control Industry

## Focused Portfolio Creating Distinct Value for Customers

**~$21B FY26G Sales**

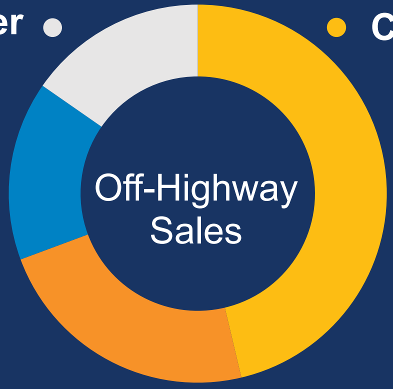



- Interconnected technologies and solutions across market verticals
- 2/3's of our sales come from customers who buy 4 or more technologies
- Growth focused on faster growing, longer cycle markets and secular trends

Note: Sales by market as of FY25. Aerospace & Defense market includes sales reported both in the Aerospace Systems segment and Diversified Industrial segment.


# Off-Highway Market Vertical

**~13% of FY25 Parker Sales**




- Comprehensive offering of differentiated solutions
- Poised for growth from capex & infrastructure spending
- Technical expertise & trusted OEM relationships
- Global engineering, aftermarket, and field support
- Electrification & digital enabling technologies

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# Continued Progress on Filtration Group Acquisition

## Another Strategic Addition to Parker

**Adds Complementary & Proprietary Filtration Technologies**

# The Win Strategy Coupled with Disciplined Capital Allocation


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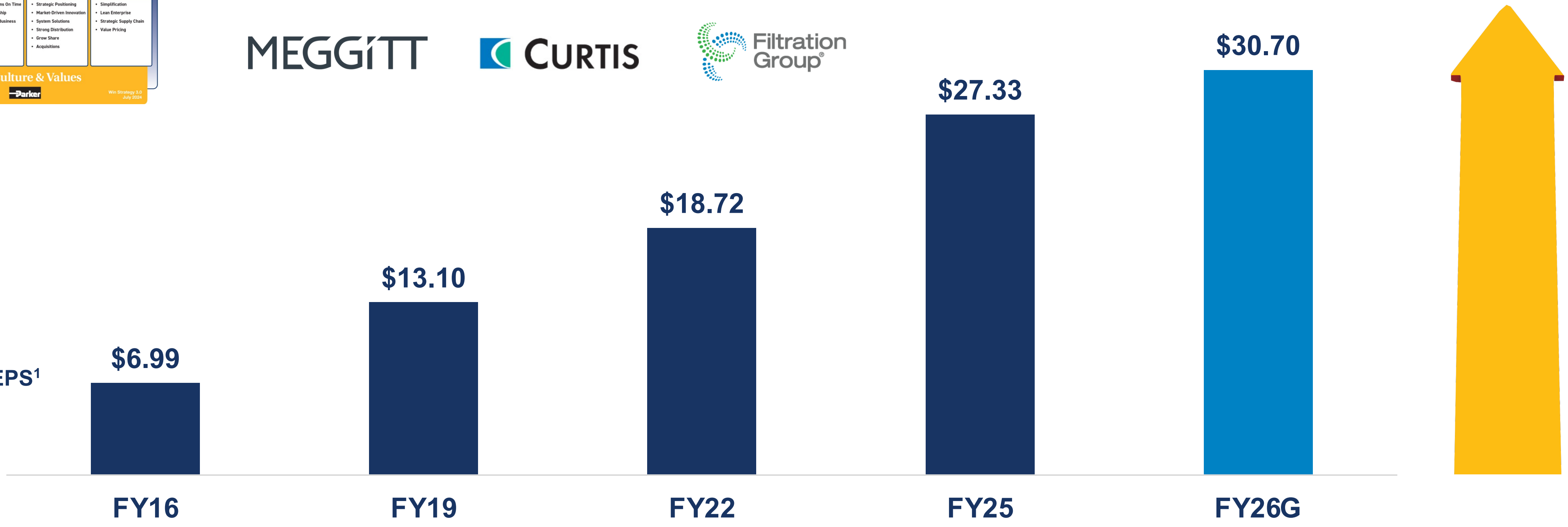


| | FY16 | FY19 | FY22 | FY25 | FY26G |
|---|---|---|---|---|---|
| As Reported EPS | $5.89 | $11.57 | $10.09 | $27.12 | $26.56 |

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

**Compounds EPS Growth Over Time**

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# SUMMARY OF FISCAL 2026 2ND QUARTER HIGHLIGHTS

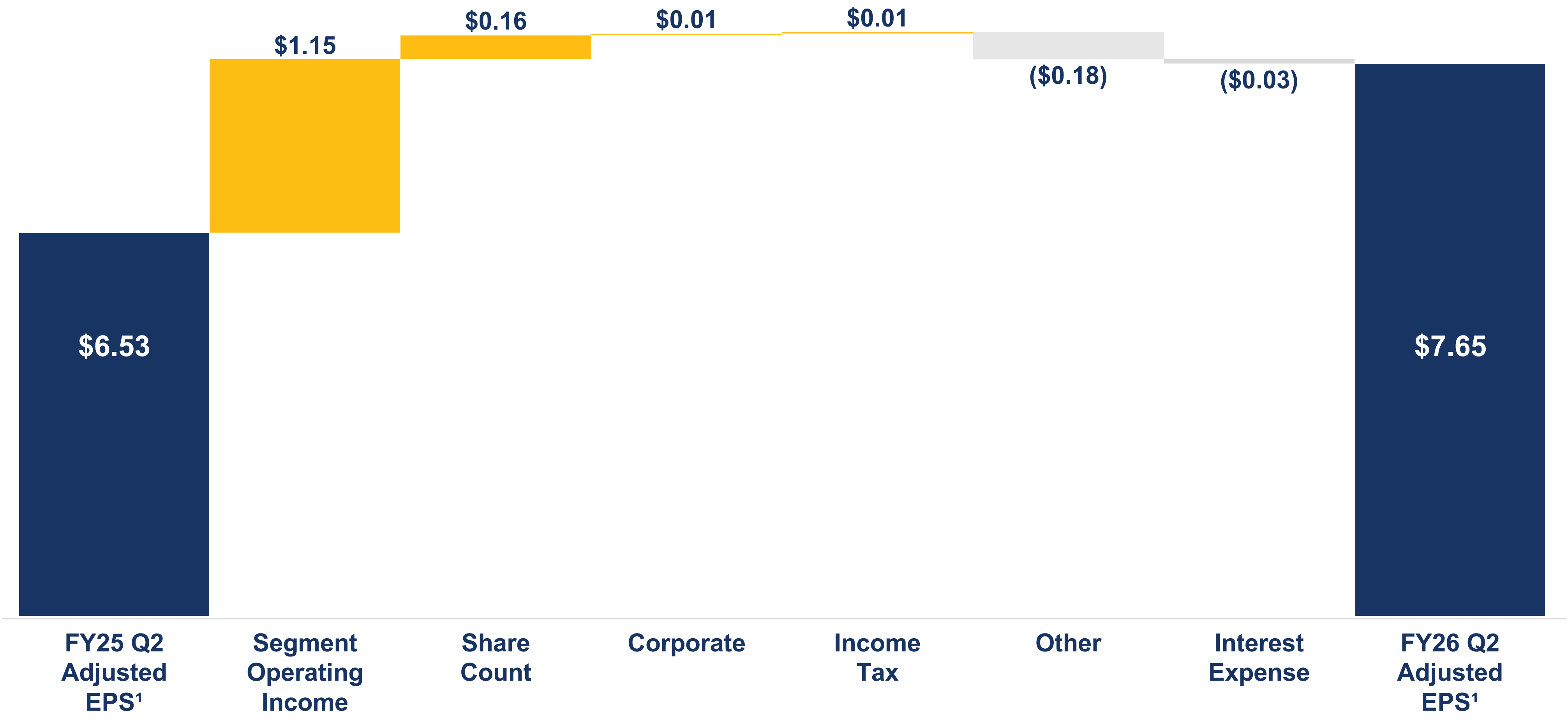
# FY26 Q2 Financial Summary

## Record Sales and Segment Operating Margin Drive Adjusted EPS Growth

| $ Millions, except per share amounts | FY26 Q2 As Reported | FY26 Q2 Adjusted[1] | FY25 Q2 Adjusted[1] | YoY Change Adjusted[1] |
|---|---|---|---|---|
| Sales | $5,174 | **$5,174** | $4,743 | **+9%** |
| Segment Operating Margin | 23.9% | **27.1%** | 25.6% | **+150 bps** |
| EBITDA Margin | 27.1% | **27.7%** | 26.8% | **+90 bps** |
| Net Income | $845 | **$980** | $853 | **+15%** |
| EPS | $6.60 | **$7.65** | $6.53 | **+17%** |

1. Sales figures As Reported. Includes certain non-GAAP adjustments and financial measures. See Appendix for additional details and reconciliations.
Note: FY25 Q2 As Reported: Segment Operating Margin of 22.1%, EBITDA Margin of 31.5%, Net Income of $949M, EPS of $7.25.

# FY26 Q2 Adjusted Earnings per Share Bridge




1. FY25 Q2 As Reported EPS of $7.25 which included a one-time after-tax gain from divestitures of $1.70. FY26 Q2 As Reported EPS of $6.60. Includes certain non-GAAP adjustments and financial measures. See Appendix for additional details and reconciliations.

# FY26 Q2 Segment Performance

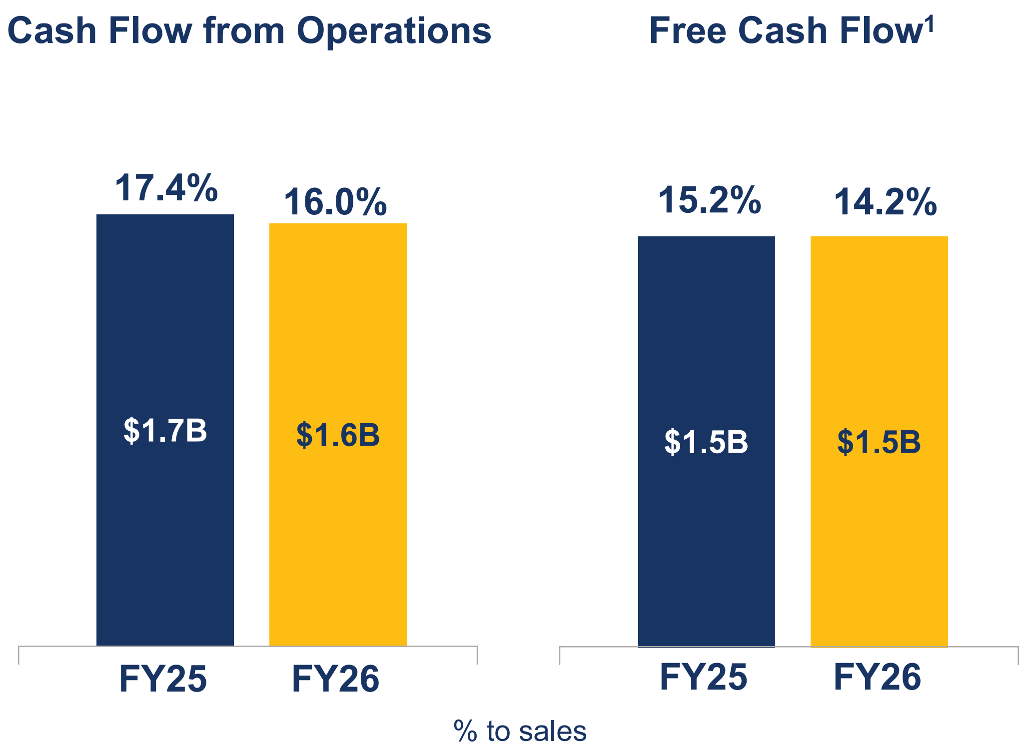
| | | Sales As Reported $ Organic %[1] | Segment Operating Margin As Reported | Segment Operating Margin Adjusted[1] | Order Rates[2] | Commentary |
|---|---|---|---|---|---|---|
| Diversified Industrial | North America Businesses | $1,986M **+2.5% Organic** | 22.4% | 25.4% **+80 bps YoY** | +7% | • Organic growth from in-plant, off-highway and A&D<br>• Achieved record adjusted segment operating margin<br>• Order rates increased to 7% from multi-year A&D bookings |
| | International Businesses | $1,482M **+4.6% Organic** | 23.5% | 26.0% **+190 bps YoY** | +6% | • Record sales and adjusted segment operating margin<br>• Organic growth positive: 9% APAC; 2% EMEA; (3%) LA<br>• Order rates increased to 6% from A&D and electronics |
| Aerospace Systems | | $1,706M **+13.5% Organic** | 26.0% | 30.2% **+200 bps YoY** | +14% | • Record sales: +26% commercial OEM, +17% aftermarket<br>• Record adjusted segment operating margin<br>• Robust multi-year backlog increased to a record $8 billion |
| Parker | | $5,174M **+6.6% Organic** | 23.9% | 27.1% **+150 bps YoY** | +9% | • Record sales with 6.6% organic growth<br>• Record adjusted segment operating margin<br>• Backlog increased to a record $11.7 billion |

1. Includes certain non-GAAP adjustments and financial measures. See Appendix for additional details and reconciliations.
2. All comparisons are at constant currency exchange rates; with the prior year quarter restated to the current-year rates and exclude previously completed divestitures. Diversified Industrial orders are rolling 3-month average computations and Aerospace Systems are rolling 12-month average computations

# FY26 Q2 YTD Cash Flow Performance

## Cash Flow Highlights

| | |
|---|---|
| **$1.6B** Cash Flow from Operations | **16.0%** Cash Flow from Operations Margin |
| **$1.5B** Free Cash Flow[1] | **14.2%** Free Cash Flow Margin[1] |




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

# FY26 GUIDANCE

# FY26 Market Vertical Growth Guidance

| Key Market Verticals | % of Sales[1] | Commentary | Previous FY26 Guidance[2] | Current FY26 Guidance[2] |
|---|---|---|---|---|
| Aerospace & Defense | ~35% | • Commercial OEM growth as production rates increase<br>• Commercial Aftermarket strong with aged fleet & air traffic growth | ~9.5% | **~11%** |
| In-Plant & Industrial | ~20% | • Recovery continues and customer capex remains selective<br>• Distributor inventories stable and ordering to demand | LSD | **LSD** |
| Transportation | ~15% | • Demand challenges persist in both truck & auto<br>• Partially offset with strength in aftermarket | (MSD) | **(MSD)** |
| Off-Highway | ~13% | • Raising outlook on construction and mining growth<br>• Ag remains under pressure | Neutral | **LSD** |
| Energy | ~7% | • Robust power gen activity continues with multi-year backlogs<br>• Upstream oil and gas remains soft | LSD | **LSD** |
| HVAC/R | ~4% | • Strength in commercial HVAC/R, filtration and aftermarket | MSD | **MSD** |

1. % of sales as of FY25
2. Includes certain non-GAAP adjustments and financial measures. See Appendix for additional details and reconciliations.

**Increasing Organic Sales Growth Guidance from 4% to 5%**

# FY26 Guidance Raised Across the Board

## Raising Sales, Margin, EPS, and Free Cash Flow

| Guidance Metric | Previous FY26 Full Year | Current FY26 Full Year | Full Year Assumptions | FY26 Q3 Midpoint |
|---|---|---|---|---|
| **Reported Sales Growth** | 4% - 7% | **5.5% - 7.5%** | • Currency favorable ~1.5%<br>• Acquisitions ~1%; Divestitures ~(1%)<br>• Split: 1H: 48% \| 2H: 52% | **~8.5%** |
| **Organic Sales Growth[1]** | 2.5% - 5.5% | **4% - 6%** | • ~11% Aerospace organic growth<br>• ~2.5% Industrial North America organic growth<br>• ~2% Industrial International organic growth | **~5.0%** |
| **Adj. Operating Margin[1]** | 26.8% - 27.2% | **27.0% - 27.4%** | • 110 bps margin expansion<br>• ~40% incremental margin | **~27.0%** |
| **Adj. EPS [1]** | $29.60 - $30.40 | **$30.40 - $31.00** | • $30.70 Adj. EPS Midpoint<br>• 2H Tax rate: ~22.5%<br>• Split: 1H: 48% \| 2H: 52% | **$7.75** |
| **Free Cash Flow[1]** | $3.1B - $3.5B | **$3.2B - $3.6B** | • CapEx: ~2.5% of sales<br>• ~100% FCF Conversion | **- -** |

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

# What Drives Parker

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

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# UPCOMING EVENT CALENDAR

| | |
|---|---|
| FY26 Q3 Earnings Release | April 30, 2026 |
| FY26 Q4 Earnings Release | August 6, 2026 |

# Appendix

- FY26 Guidance Details
- Reconciliation of Q2 Organic Growth
- Adjusted Amounts Reconciliation – Q2 Consolidated Statement of Income
- Adjusted Amounts Reconciliation – Q2 Segment Operating Income
- Reconciliation of EBITDA to Adjusted EBITDA
- Reconciliation of Operating Cash Flow Margin and Free Cash Flow Margin
- Supplemental Sales Information
- Reconciliation of FY26 Q3 Guidance
- Current Reconciliation of FY26 Guidance
- Previous Reconciliation of FY26 Guidance (from November 6, 2025)
- Reconciliation of Earnings Per Diluted Share to Adjusted Earnings Per Diluted Share FY16 – FY25

# FY26 Guidance Details

| Sales Growth vs. Prior Year | As Reported | Organic[1] |
|---|---|---|
| Diversified Industrial Segment | | |
| North America Businesses | 1.5% - 3.5% | 1.5% - 3.5% |
| International Businesses | 6.0% - 8.0% | 1.0% - 3.0% |
| Aerospace Systems Segment | 10.5% - 12.5% | 10.0% - 12.0% |
| **Parker** | **5.5% - 7.5%** | **4.0% - 6.0%** |

| Segment Operating Margins | As Reported | Adjusted[1] |
|---|---|---|
| Diversified Industrial Segment | | |
| North America Businesses | 23.5% – 23.9% | 26.1% - 26.5% |
| International Businesses | 22.5% - 22.9% | 25.2% - 25.6% |
| Aerospace Systems Segment | 25.0% - 25.4% | 29.5% - 29.9% |
| **Parker** | **23.7% - 24.1%** | **27.0% - 27.4%** |

| Earnings Per Share | As Reported | Adjusted[1] |
|---|---|---|
| Range | **$26.26 - $26.86** | **$30.40 - $31.00** |

| Additional Items | As Reported |
|---|---|
| Corporate G&A | **~$200M** |
| Interest Expense | **~$415M** |
| Other (Income) Expense | **~$85M** |
| Tax Rate | **~22.0%** |
| Diluted Shares Outstanding | **~128.1M** |

| Detail of Pre-Tax Adjustments to: | Segment Margins | Below Segment[2] |
|---|---|---|
| Acquired Intangible Asset Amortization | **~$585M** | — |
| Business Realignment & Other | **~$70M** | — |
| Integration Costs to Achieve | **~$15M** | — |
| Acquisition Related Expenses | **~$12M** | **~$20M** |
| Gain on Insurance Recoveries | — | **~($20M)** |

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1. Includes certain non-GAAP adjustments and financial measures.
2. Expenses incurred to date.

# Reconciliation of Q2 Organic Growth

**Parker Hannifin Corporation**
**Sales by Segment - Adjusted**
**(Dollars in millions)**
**(Unaudited)**

| | Quarter-to-Date | | | | |
|---|---|---|---|---|---|
| | As reported | Currency | Divestitures | Acquisitions | **Organic** |
| Diversified Industrial: | | | | | |
| North America businesses | 3.0 % | 0.4 % | (2.0)% | 2.1 % | **2.5 %** |
| International businesses | | | | | |
| Europe | 11.8 % | 8.0 % | 0.0 % | 1.7 % | **2.1 %** |
| Asia Pacific | 13.4 % | 0.6 % | 0.0 % | 3.8 % | **9.0 %** |
| Latin America | 1.1 % | 4.4 % | 0.0 % | 0.0 % | **(3.3)%** |
| International businesses | 11.8 % | 4.7 % | 0.0 % | 2.5 % | **4.6 %** |
| Total Diversified Industrial | 6.6 % | 2.1 % | (1.2)% | 2.3 % | **3.4 %** |
| Aerospace Systems | 14.5 % | 1.0 % | 0.0 % | 0.0 % | **13.5 %** |
| Total Parker Hannifin | 9.1 % | 1.8 % | (0.8)% | 1.5 % | **6.6 %** |

# Adjusted Amounts Reconciliation
# Q2 Consolidated Statement of Income

**Parker Hannifin Corporation**
**Consolidated Statement of Income - Adjusted**
**Quarter-to-Date**
(Dollars in millions, except per share data)
(Unaudited)

| | Quarter-to-Date FY 2026 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | As Reported December 31, 2025 | % of Sales | Acquired Intangible Asset Amortization | Business Realignment Charges | Costs to Achieve | Acquisition Related Expenses | Adjusted December 31, 2025 | % of Sales |
| **Net sales** | $ 5,174 | 100.0 % | $ - | $ - | $ - | $ - | **$ 5,174** | **100.0 %** |
| Cost of sales | 3,243 | 62.7 % | 28 | 8 | 1 | 7 | **3,199** | **61.8 %** |
| Selling, general and admin. expenses | 837 | 16.2 % | 120 | 5 | - | 7 | **705** | **13.6 %** |
| Interest expense | 106 | 2.0 % | - | - | - | - | **106** | **2.0 %** |
| Other (income) expense, net | (76) | (1.5)% | - | - | - | - | **(76)** | **(1.5)%** |
| Income before income taxes | 1,064 | 20.6 % | (148) | (13) | (1) | (14) | **1,240** | **24.0 %** |
| Income taxes | 219 | 4.2 % | 34 | 3 | - | 4 | **260** | **5.0 %** |
| **Net income** | 845 | 16.3 % | (114) | (10) | (1) | (10) | **980** | **18.9 %** |
| **Diluted earnings per share** | $ 6.60 | | $ (0.89) | $ (0.08) | $ - | $ (0.08) | **$ 7.65** | |

| | Quarter-to-Date FY 2025 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | As Reported December 31, 2024 | % of Sales | Acquired Intangible Asset Amortization | Business Realignment Charges | Costs to Achieve | Gain on Divestitures | Adjusted December 31, 2024 | % of Sales |
| **Net sales** | $ 4,743 | 100.0 % | $ - | $ - | $ - | $ - | **$ 4,743** | **100.0 %** |
| Cost of sales | 3,022 | 63.7 % | 23 | 12 | - | - | **2,987** | **63.0 %** |
| Selling, general and admin. Expenses | 782 | 16.5 % | 115 | 9 | 7 | - | **651** | **13.7 %** |
| Interest expense | 101 | 2.1 % | - | - | - | - | **101** | **2.1 %** |
| Other (income) expense, net | (328) | (6.9)% | - | - | - | (250) | **(78)** | **(1.7)%** |
| Income before income taxes | 1,166 | 24.6 % | (138) | (21) | (7) | 250 | **1,082** | **22.8 %** |
| Income taxes | 217 | 4.6 % | 31 | 6 | 2 | (27) | **229** | **4.8 %** |
| **Net income** | 949 | 20.0 % | (107) | (15) | (5) | 223 | **853** | **18.0 %** |
| **Diluted earnings per share** | $ 7.25 | | $ (0.81) | $ (0.13) | $ (0.04) | $ 1.70 | **$ 6.53** | |

# Adjusted Amounts Reconciliation
# Q2 Segment Operating Income

**Parker Hannifin Corporation**
**Segment Operating Income - Adjusted**
**Quarter-to-Date**
**(Dollars in millions)**
**(Unaudited)**

| | Quarter-to-Date FY 2026 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | As Reported December 31, 2025 | % of Sales | Acquired Intangible Asset Amortization | Business Realignment Charges | Costs to Achieve | Acquisition Related Expenses | Adjusted December 31, 2025 | % of Sales[2] |
| Diversified Industrial: | | | | | | | | |
| North America businesses[1] | $ 444 | 22.4% | $ 49 | $ 3 | $ 4 | $ 4 | $ 504 | 25.4% |
| International businesses[1] | 348 | 23.5% | 24 | 10 | - | 3 | 385 | 26.0% |
| Total Diversified Industrial[1] | 792 | 22.8% | 73 | 13 | 4 | 7 | 889 | 25.6% |
| Aerospace Systems[1] | 443 | 26.0% | 75 | - | (3) | - | 515 | 30.2% |
| Total segment operating income | 1,235 | 23.9% | (148) | (13) | (1) | (7) | 1,404 | 27.1% |
| Corporate administration | 53 | 1.0% | - | - | - | - | 53 | 1.0% |
| Income before interest and other | 1,182 | 22.8% | (148) | (13) | (1) | (7) | 1,351 | 26.1% |
| Interest expense | 106 | 2.0% | - | - | - | - | 106 | 2.0% |
| Other (income) expense | 12 | 0.2% | - | - | - | 7 | 5 | 0.1% |
| Income before income taxes | $ 1,064 | 20.6% | $ (148) | $ (13) | $ (1) | $ (14) | $ 1,240 | 24.0% |

| | Quarter-to-Date FY 2025 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | As Reported December 31, 2024 | % of Sales | Acquired Intangible Asset Amortization | Business Realignment Charges | Costs to Achieve | Gain on Divestitures | Adjusted December 31, 2024 | % of Sales[2] |
| Diversified Industrial: | | | | | | | | |
| North America businesses[1] | $ 426 | 22.1% | $ 41 | $ 6 | $ - | $ - | $ 473 | 24.6% |
| International businesses[1] | 284 | 21.4% | 22 | 14 | - | - | 320 | 24.1% |
| Total Diversified Industrial[1] | 710 | 21.8% | 63 | 20 | - | - | 793 | 24.4% |
| Aerospace Systems[1] | 338 | 22.7% | 75 | - | 7 | - | 420 | 28.2% |
| Total segment operating income | 1,048 | 22.1% | (138) | (20) | (7) | - | 1,213 | 25.6% |
| Corporate administration | 56 | 1.2% | - | 1 | - | - | 55 | 1.2% |
| Income before interest and other | 992 | 20.9% | (138) | (21) | (7) | - | 1,158 | 24.4% |
| Interest expense | 101 | 2.1% | - | - | - | - | 101 | 2.1% |
| Other (income) expense | (275) | -5.8% | - | - | - | (250) | (25) | -0.5% |
| Income before income taxes | $ 1,166 | 24.6% | $ (138) | $ (21) | $ (7) | $ 250 | $ 1,082 | 22.8% |

[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.

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# Reconciliation of EBITDA to Adjusted EBITDA

**Parker Hannifin Corporation**
**EBITDA & Adjusted EBITDA**
**(Dollars in millions)**
**(Unaudited)**

| | Three Months Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2025 | | % of Sales | 2024 | | % of Sales |
| **Net sales** | $ | 5,174 | 100.0% | $ | 4,743 | 100.0% |
| | | | | | | |
| Net income | $ | 845 | 16.3% | $ | 949 | 20.0% |
| Income taxes | | 219 | 4.2% | | 217 | 4.6% |
| Depreciation | | 85 | 1.6% | | 88 | 1.9% |
| Amortization | | 148 | 2.9% | | 138 | 2.9% |
| Interest expense | | 106 | 2.0% | | 101 | 2.1% |
| **EBITDA** | | 1,403 | 27.1% | | 1,493 | 31.5% |
| Adjustments: | | | | | | |
| Business realignment charges | | 13 | 0.3% | | 21 | 0.4% |
| Costs to achieve | | 1 | 0.0% | | 7 | 0.1% |
| Acquisition related expenses | | 14 | 0.3% | | - | 0.0% |
| Gain on divestitures | | - | 0.0% | | (250) | -5.3% |
| **EBITDA - Adjusted** | $ | 1,431 | 27.7% | $ | 1,271 | 26.8% |
| | | | | | | |
| **EBITDA margin** | | 27.1 % | | | 31.5 % | |
| **EBITDA margin - Adjusted** | | 27.7 % | | | 26.8 % | |

# Reconciliation of Operating Cash Flow Margin and Free Cash Flow Margin

| (Unaudited)<br>(Dollars in millions) | Six Months Ended December 31, | |
|---|---|---|
| | **2025** | **2024** |
| **Net Sales** | **$10,258** | **$9,647** |
| Cash Flow from Operations | $1,644 | $1,679 |
| Capital Expenditures | (183) | (216) |
| **Free Cash Flow** | **$1,461** | **$1,463** |
| **Cash Flow from Operations Margin** | **16.0%** | **17.4%** |
| **Free Cash Flow Margin** | **14.2%** | **15.2%** |

# Supplemental Sales Information

## Global Technology Platforms

(Unaudited)
(Dollars in millions)

| Net Sales | Three Months Ended December 31, 2025 | 2024 |
|---|---|---|
| Diversified Industrial: | | |
| Motion Systems | $ 893 | $ 804 |
| Flow and Process Control | 1,114 | 1,059 |
| Filtration and Engineered Materials | 1,461 | 1,390 |
| Aerospace Systems | 1,706 | 1,490 |
| **Total** | **$ 5,174** | **$ 4,743** |

# Reconciliation of FY26 Q3 Guidance

**RECONCILIATION OF FORECASTED EARNINGS PER DILUTED SHARE TO ADJUSTED FORECASTED EARNINGS PER DILUTED SHARE**

(Unaudited)

| | Fiscal Year 2026 Q3 |
|---|---|
| **Forecasted earnings per diluted share** | **~$6.66** |
| Adjustments: | |
| Business realignment charges | 0.17 |
| Amortization of acquired intangibles | 1.15 |
| Acquisition related expenses | 0.03 |
| Costs to achieve | 0.05 |
| Tax effect of adjustments[1] | (0.31) |
| **Adjusted forecasted earnings per diluted share** | **~$7.75** |

**RECONCILIATION OF FORECASTED SALES GROWTH TO ORGANIC SALES GROWTH**

(Unaudited)

(Amounts in percentages)

| | Fiscal Year 2026 Q3 | | | | |
|---|---|---|---|---|---|
| | **Forecasted Net Sales** | **Currency** | **Acquisitions** | **Divestitures** | **Adjusted Forecasted Net Sales** |
| Parker | ~8.5% | ~(2.0%) | ~(1.5%) | ~0.0% | ~5.0% |

**RECONCILIATION OF FORECASTED OPERATING MARGIN TO ADJUSTED OPERATING MARGIN**

(Unaudited)

(Amounts in percentages)

| | Fiscal Year 2026 Q3 | | | | | |
|---|---|---|---|---|---|---|
| | **Forecasted Segment Operating Margin** | **Business Realignment Charges** | **Costs to Achieve** | **Acquisition-Related Intangible Asset Amortization Expense** | **Acquisition Related Expenses** | **Adjusted Forecasted Segment Operating Margin*** |
| Parker | **~23.7%** | **~0.4%** | **~0.1%** | **~2.7%** | **~0.1%** | **~27.0%** |

1. This line 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 cast the tax effect of such item is estimated by applying such specific tax rate or tax treatment.

Parker



* Totals may not foot due to rounding

# Current Reconciliation of FY26 Guidance

**RECONCILIATION OF FORECASTED SALES GROWTH TO ORGANIC SALES GROWTH**

(Unaudited)

(Amounts in percentages)

| | Fiscal Year 2026 | | | | |
|---|---|---|---|---|---|
| | **Forecasted Net Sales** | **Currency** | **Acquisitions** | **Divestitures** | **Adjusted Forecasted Net Sales** |
| Diversified Industrial | | | | | |
| North America Businesses | 1.5% to 3.5% | ~(0.5%) | ~(1.5%) | ~2.0% | 1.5% to 3.5% |
| International Businesses | 6.0% to 8.0% | ~(3.0%) | ~(2.0%) | -- | 1.0% to 3.0% |
| Aerospace Systems | 10.5% to 12.5% | ~(0.5%) | -- | -- | 10.0% to 12.0% |
| Parker | 5.5% to 7.5% | ~(1.5%) | ~(1.0%) | ~1.0% | 4.0% to 6.0% |

**RECONCILIATION OF FORECASTED CASH FLOW FROM OPERATIONS TO FREE CASH FLOW**

(Unaudited)

(Dollars in millions)

| | Fiscal Year 2026 |
|---|---|
| **Cash flow from operations** | **$3,725 to $4,125** |
| Less: Capital Expenditures | ~(525) |
| **Free cash flow** | **$3,200 to $3,600** |

**RECONCILIATION OF FORECASTED OPERATING MARGIN TO ADJUSTED OPERATING MARGIN**

(Unaudited)

(Amounts in percentages)

| | Fiscal Year 2026 | | | | | |
|---|---|---|---|---|---|---|
| | **Forecasted Segment Operating Margin** | **Business Realignment Charges** | **Costs to Achieve** | **Acquisition-Related Intangible Asset Amortization Expense** | **Acquisition Related Expenses** | **Adjusted Forecasted Segment Operating Margin*** |
| Diversified Industrial | | | | | | |
| North America Businesses | 23.5% to 23.9% | ~0.1% | ~0.1% | ~2.3% | ~0.1% | 26.1% to 26.5% |
| International Businesses | 22.5% to 22.9% | ~1.0% | ~0.0% | ~1.5% | ~0.1% | 25.2% to 25.6% |
| Aerospace Systems | 25.0% to 25.4% | ~0.0% | ~0.1% | ~4.4% | ~0.0% | 29.5% to 29.9% |
| Parker | **23.7% to 24.1%** | **~0.3%** | **~0.1%** | **~2.8%** | **~0.1%** | **27.0% to 27.4%** |

**RECONCILIATION OF FORECASTED EARNINGS PER DILUTED SHARE TO ADJUSTED FORECASTED EARNINGS PER DILUTED SHARE**

(Unaudited)

| | Fiscal Year 2026 |
|---|---|
| **Forecasted earnings per diluted share** | **$26.26 to $26.86** |
| Adjustments: | |
| Business realignment charges | 0.55 |
| Amortization of acquired intangibles | 4.57 |
| Acquisition related expenses | 0.25 |
| Costs to achieve | 0.12 |
| Gain on insurance recoveries | (0.16) |
| Tax effect of adjustments[1] | (1.19) |
| **Adjusted forecasted earnings per diluted share** | **$30.40 to $31.00** |

1. This line 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 cast the tax effect of such item is estimated by applying such specific tax rate or tax treatment.

Parker

* Totals may not foot due to rounding

# Previous Reconciliation of FY26 Guidance (from Nov 6, 2025)

**RECONCILIATION OF FORECASTED SALES GROWTH TO ORGANIC SALES GROWTH**

(Unaudited)

(Amounts in percentages)

| | Fiscal Year 2026 | | | | |
|---|---|---|---|---|---|
| | **Forecasted Net Sales** | **Currency** | **Acquisitions** | **Divestitures** | **Adjusted Forecasted Net Sales** |
| Diversified Industrial | | | | | |
| North America Businesses | 0.5% to 3.5% | ~(0.0)% | ~(1.5%) | ~1.5% | 0.5% to 3.5% |
| International Businesses | 4.5% to 7.5% | ~(3.0%) | ~(2.0%) | -- | (0.5%) to 2.5% |
| Aerospace Systems | 8.5% to 11.5% | ~(0.5%) | -- | -- | 8.0% to 11.0% |
| Parker | 4.0% to 7.0% | ~(1.5%) | ~(1.0%) | ~1.0% | 2.5% to 5.5% |

**RECONCILIATION OF FORECASTED CASH FLOW FROM OPERATIONS TO FREE CASH FLO**

(Unaudited)

| (Dollars in millions) | **Fiscal Year 2026** |
|---|---|
| **Cash flow from operations** | **$3,625 to $4,025** |
| Less: Capital Expenditures | ~(525) |
| **Free cash flow** | **$3,100 to $3,500** |

**RECONCILIATION OF FORECASTED OPERATING MARGIN TO ADJUSTED OPERATING MARGIN**

(Unaudited)

(Amounts in percentages)

| | Fiscal Year 2026 | | | | | |
|---|---|---|---|---|---|---|
| | **Forecasted Segment Operating Margin** | **Business Realignment Charges** | **Costs to Achieve** | **Acquisition-Related Intangible Asset Amortization Expense** | **Acquisition Related Expenses** | **Adjusted Forecasted Segment Operating Margin*** |
| Diversified Industrial | | | | | | |
| North America Businesses | 23.7% to 24.1% | ~0.1% | ~0.1% | ~2.3% | ~0.1% | 26.3% to 26.7% |
| International Businesses | 22.0% to 22.4% | ~1.0% | ~0.1% | ~1.6% | ~0.1% | 24.8% to 25.2% |
| Aerospace Systems | 24.7% to 25.1% | ~0.0% | ~0.1% | ~4.4% | ~0.0% | 29.3% to 29.7% |
| Parker | **23.6% to 24.0%** | **~0.3%** | **~0.1%** | **~2.8%** | **~0.1%** | **26.8% to 27.2%** |

**RECONCILIATION OF FORECASTED EARNINGS PER DILUTED SHARE TO ADJUSTED FORECASTED EARNINGS PER DILUTED SHARE**

(Unaudited)

| | **Fiscal Year 2026** |
|---|---|
| **Forecasted earnings per diluted share** | **$25.53 to $26.33** |
| Adjustments: | |
| Business realignment charges | 0.54 |
| Amortization of acquired intangibles | 4.55 |
| Acquisition related expenses | 0.19 |
| Costs to achieve | 0.13 |
| Gain on insurance recoveries | (0.16) |
| Tax effect of adjustments[1] | (1.18) |
| **Adjusted forecasted earnings per diluted share** | **$29.60 to $30.40** |

1. This line 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 cast 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 Earnings Per Diluted Share to Adjusted Earnings Per Diluted Share FY16 – FY25

| (Amounts in dollars)<br>(Unaudited) | 12 Months Ended 6/30/16 | 12 Months Ended 6/30/19* | 12 Months Ended 6/30/22 | 12 Months Ended 6/30/25 |
|---|---|---|---|---|
| **Earnings per diluted share** | **$5.89** | **$11.57** | **$10.09** | **$27.12** |
| Adjustments: | | | | |
| Acquisition-related intangible asset amortization expense | 0.74 | 1.51 | 2.41 | 4.25 |
| Business realignment charges | 0.80 | 0.12 | 0.11 | 0.43 |
| Acquisition related expenses and costs to achieve | -- | 0.23 | 0.78 | 0.17 |
| Tax expense related to U.S. tax reform | | 0.11 | -- | -- |
| Loss on deal-contingent forward contracts | -- | -- | 7.79 | -- |
| Russia liquidation | -- | -- | 0.15 | -- |
| Gain on sale of buildings | -- | -- | -- | (0.18) |
| Gain on divestitures | -- | -- | -- | (1.94) |
| Saegertown incident | -- | -- | -- | 0.06 |
| Tax effect of adjustments[1] | (0.44) | (0.44) | (2.61) | (0.93) |
| Discrete tax benefits | -- | -- | -- | (1.65) |
| **Adjusted earnings per diluted share** | **$6.99** | **$13.10** | **$18.72** | **$27.33** |

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 adjustments 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 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 been adjusted to reflect the change in inventory accounting method

Parker