Parker Hannifin Corporation

Bank of America Global Industrials Conference

Jenny Parmentier
Chairman & Chief Executive Officer

ENGINEERING YOUR SUCCESS.

March 19, 2024

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 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.

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; 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; 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 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 changes; compliance costs associated with environmental laws and regulations; potential supply chain and labor disruptions, including as a result of labor shortages; threats associated with international conflicts and efforts to combat terrorism and cyber security risks; uncertainties surrounding the ultimate resolution of outstanding legal proceedings, including the outcome of any appeals; local and global political and competitive market conditions, including global reactions to U.S. trade policies, and resulting effects on sales and pricing; and 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 (including fluctuations associated with any potential credit rating decline) and credit availability; inability to obtain, or meet conditions imposed for, required governmental and regulatory approvals; changes in consumer habits and preferences; government actions, including the impact of changes in the tax laws in the United States and foreign jurisdictions and any judicial or regulatory interpretation thereof; and large scale disasters, such as floods, earthquakes, hurricanes, industrial accidents and pandemics. 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.

This presentation contains references to non-GAAP financial information including organic sales for Parker and by segment, adjusted earnings per share, adjusted segment operating margin for Parker and by segment, adjusted net income, EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, Gross Debt to Adjusted EBITDA, Net Debt to Adjusted EBITDA and free cash flow. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. For Parker, 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 organic sales, adjusted earnings per share, adjusted segment operating margin for Parker and by segment, adjusted net income, EBITDA, adjusted EBITDA, EBITDA margin, adjusted EBITDA margin and free cash flow 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 period. 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 www.PHstock.com for more information

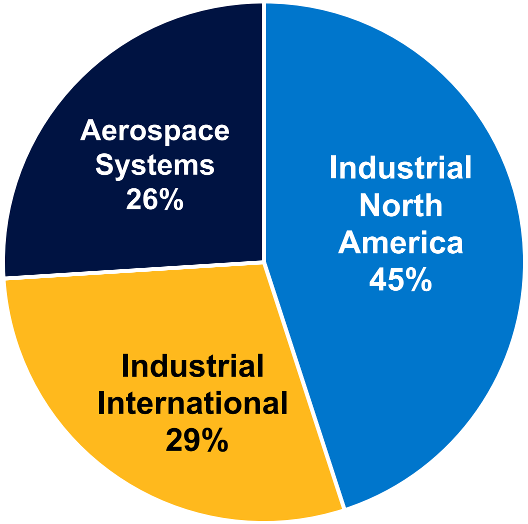
Parker Hannifin at-a-Glance (NYSE: PH)

Engineering Customer Success in Motion & Control Markets for over 100 Years

- #1 Position in $135B Motion & Control Industry
- Goal to reach ~20% market share
- A technology powerhouse of interconnected solutions
- Global network of independent distribution outlets
- Decentralized operating structure
- Great generators and deployers of cash
- Parker's business system: **The Win Strategy™ 3.0**

Operations in 44 countries across six continents

Sales by Segment

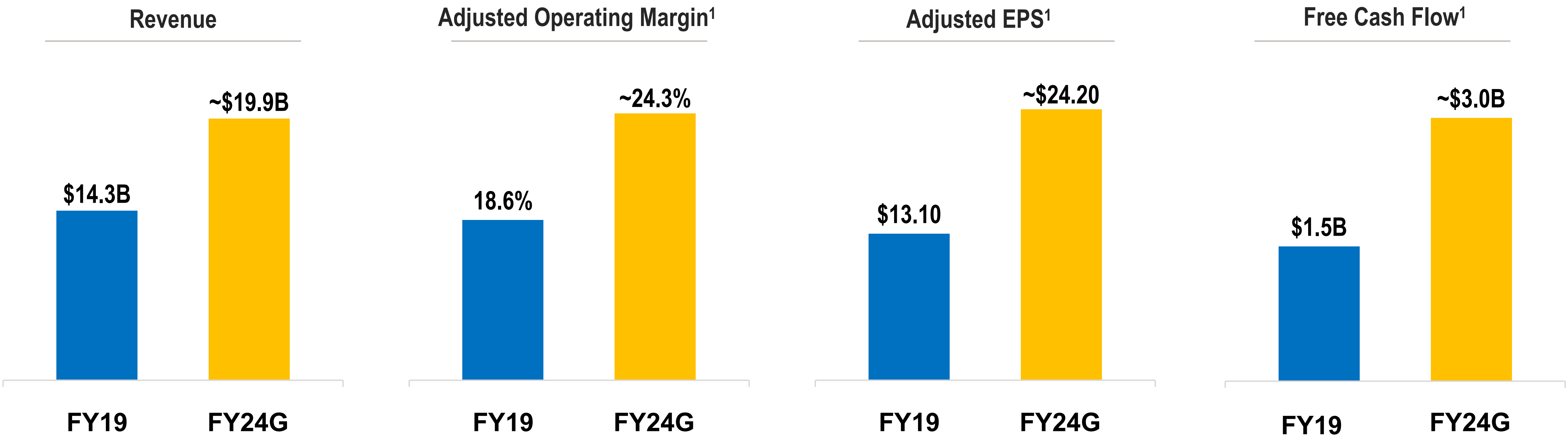


$19.9B FY24 Sales Guidance

Enabling Engineering Breakthroughs that Lead to a Better Tomorrow

Our People, Strategy & Portfolio Drive Performance

A More Resilient Transformed Parker



+7%
Revenue CAGR

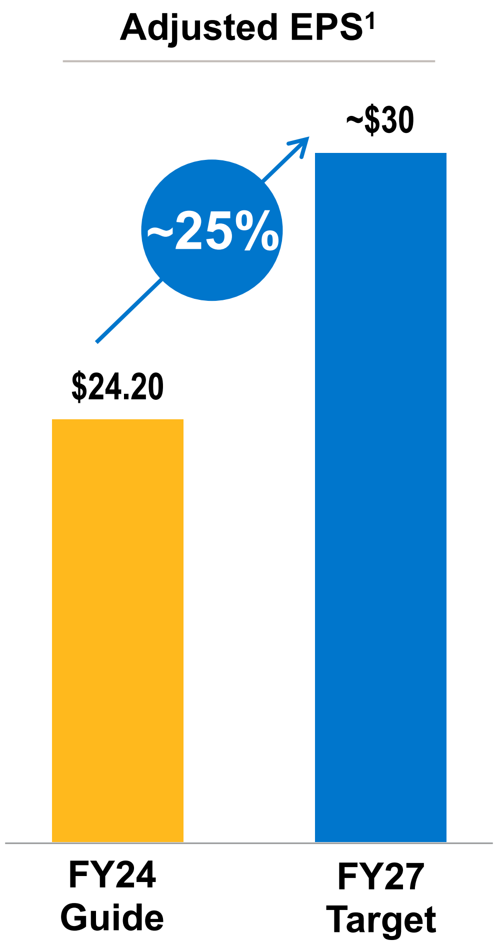
+570 bps
Adjusted Operating Margin[1] Expansion

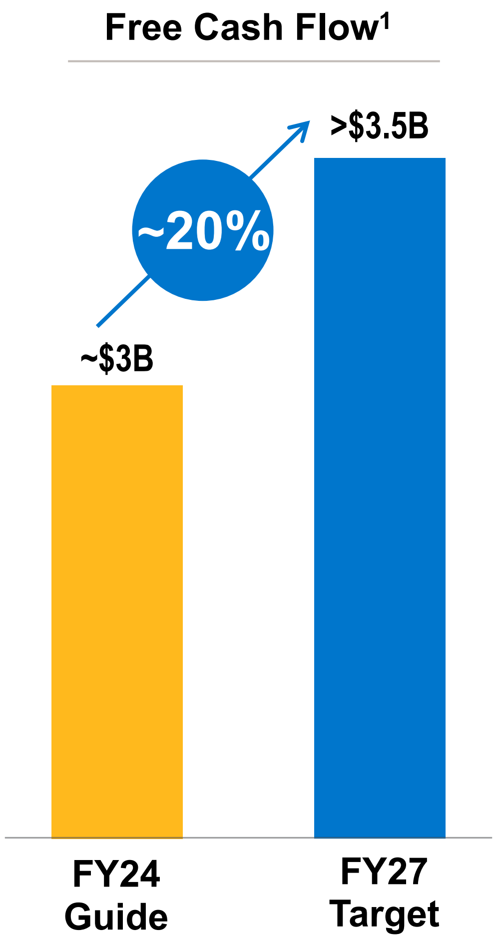
+13%
Adjusted EPS[1] CAGR

~2x
Free Cash Flow[1] Growth

1. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.
Note: FY19 As reported: Operating Margin of 17.0%, EPS of $11.57. FY24G As reported: Operating Margin of 20.9%, EPS of $20.30.

Parker's Promising Future





- Performance acceleration from The Win Strategy™
- Strengthening customer value proposition
- Longer cycle & more resilient portfolio
- Growth from secular trends
- Organic growth 4-6% over the cycle

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

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LISTED

NYSE

Reconciliations

RECONCILIATION OF EPS TO ADJUSTED EPS

(Unaudited)

(Amounts in Dollars)

	12 Months ended 6/30/19*	12 Months ended 6/30/24
Earnings per diluted share	$ 11.57	$ 20.30
Adjustments:		
Acquisition-related intangible asset amortization expense	1.51	4.45
Business realignment charges	0.12	0.54
Acquisition-related expenses & costs to achieve	0.23	0.27
(Gain) / loss on sale and w ritedow n of assets or land	-	-
Net gain on divestitures	-	(0.20)
Loss on deal-contingent forw ard contracts	-	-
Russia liquidation	-	-
Amortization of inventory step-up to FV	-	-
Meggitt early debt retirement	-	-
Tax effect of adjustments[1]	(0.44)	(1.16)
Favorable tax settlement	-	-
Tax expense related to U.S. tax reform	0.11	-
Adjusted earnings per diluted share	**$ 13.10**	**$ 24.20**

RECONCILIATION OF OPERATING INCOME TO ADJUSTED OPERATING INCOME

(Unaudited)

(Dollars in millions)

	12 Months ended 6/30/19*	12 Months ended 6/30/24
Net sales	$ 14,320	~$ 19,850
Segment Operating Income	2,431	~4,145
Adjustments:		
Acquisition-related intangible asset amortization expense	200	~580
Business realignment charges	16	~65
Acquisition-related expenses & costs to achieve	13	~35
Russia liquidation	-	-
Adjusted Segment Operating Income	**$ 2,660**	**~$ 4,825**
Segment Operating margin	**17.0%**	**20.9%**
Adjusted Segment Operating margin	**18.6%**	**24.3%**

RECONCILIATION OF CASH FLOW FROM OPERATIONS TO FREE CASH FLOW

(Unaudited)

(Dollars in millions)	Fiscal Year 2019	Fiscal Year 2024
Cash flow from operations	**$1,730**	**$3,200 to $3,500**
Less: Capital Expenditures	(195)	~(400)
Free cash flow	**$1,535**	**$2,800 to $3,100**

[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.

*FY19 has been adjusted to reflect the change in inventory accounting method

*Totals may not foot due to rounding

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