## Parker Hannifin Corporation

Fiscal 2023 Fourth Quarter \&
Full Year Earnings Presentation

## $\square$ andra

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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 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.












 June 30, 2022 and other periodic filings made with the SEC




 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.



 earnings per share, cash flows, segment reporting or the financial position of the Company and were retrospectively applied to all periods presented in the financial tables of this presentation.

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## FY23 Q4: Outstanding Performance

- Top quartile safety performance; $20 \%$ reduction in recordable incidents
- Record sales of \$5.1B, +22\% vs. prior year, $+6 \%$ organic growth ${ }^{1}$
" Record adjusted segment margin of $24.0 \%$, +110 bps vs. prior
- Backlog coverage ${ }^{2}$ remains resilient at $\sim 55 \%$; backlog $+1 \%$ sequentially


## A Strong Finish to a Great Year

## FY23 - A Transformational Year

- Top quartile safety \& engagement
- ~30\% exposure to Aerospace \& Defense
- Meggitt exceeding expectations
- Great cash generation and debt paydown


## FY23 Highlights

| $\$ 198$ | Sales |
| :--- | :--- |
| $11 \%$ | Organic Sales Growth ${ }^{1}$ |
| $\mathbf{\$ 6 0}$ bps | Adjusted Segment Margin ${ }^{1}$ |
| $\mathbf{1 5 \%}$ | Adjusted EPS Growth ${ }^{1}$ |
| $\$ 3 B$ | Operating Cash Flow |

## Expanding Longer Cycle and Secular Trend Exposure

 Revenue Mix Reflects Transforming PortfolioFY15
FY23
Update


FY27
Illustration


## Future Sales Growth Drivers

|  | Our Business System | Macro CapEx Investment | Innovation | Acquisitions | Secular Growth |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Strategic Growth Drivers | The Win Strategy ${ }^{\text {Tm }}$ | - Address last decade under investment <br> - Supply chain development <br> - Mega Projects | - New Product Blueprinting <br> - Simple by Design ${ }^{\text {TM }}$ <br> - Product Vitality | - CLARCOR <br> - LORD <br> - Exotic <br> - Meggitt | - Aerospace <br> - Digital <br> - Electrification <br> - Clean Technologies |
| Outcomes |  <br> Financial <br> Performance | Machinery automation, expansion \& secular trends | Faster growth \& support secular trends | Accretive \& longer cycle growth | 2/3's Portfolio enable Clean Technologies |

FY27 Target 4-6\% Organic Growth over the Cycle

## Enabling Engineering Breakthroughs that Lead to a Better Tomorrow



Climate Action

- On Track - Carbon Neutral by 2040
- 20\% Carbon Reduction in FY23 ${ }^{1}$
- $1^{\text {st }}$ Quartile CDP Climate Change


Parker Teams \& Communities

- 20\% Safety Incident Reduction in FY23
- 10,000+ volunteer hours in FY23
- ~\$67M donated to our communities over past 10 years


Clean Technologies

- Continued Technology Advancement
- 2/3 of Portfolio Enables Clean Tech
- Parker's BOM Increases $\sim 1.5$ to 2 X on Electric Applications


## Parker's Promising Future



- Growth from secular trends
- Building on transformation with Meggitt
- Acceleration from Win Strategy 3.0
- Top quartile performance
- Organic growth 4-6\% over the cycle


# Summary of Fiscal 2023 $4^{\text {th }}$ Quarter Highlights 

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## FY23 Q4 Financial Summary

| \$ Millions, except per share amounts | FY23 Q4 As Reported | FY23 Q4 Adjusted ${ }^{1}$ | FY22 Q4 Adjusted ${ }^{1}$ | YoY Change Adjusted |
| :---: | :---: | :---: | :---: | :---: |
| Sales | \$5,096 | \$5,096 | \$4,188 | +22\% |
| Segment Operating Margin | 22.1\% | 24.0\% | 22.9\% | +110 bps |
| EBITDA Margin | 24.9\% | 24.4\% | 23.1\% | +130 bps |
| Net Income | \$709 | \$791 | \$671 | +18\% |
| EPS | \$5.44 | \$6.08 | \$5.16 | +18\% |

## FY23 Q4 Adjusted Earnings per Share Bridge



1. FY22 Q4 As Reported EPS of $\$ 0.99$. FY23 Q4 As Reported EPS of $\$ 5.44$. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.

## FY23 Q4 Segment Performance

|  | Sales As Reported \$ Organic \% | Segment Operating Margin As Reported | Segment Operating Margin Adjusted ${ }^{1}$ | Order Rates ${ }^{2}$ | Commentary |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Diversified Industrial North America | \$2,301M +4.9\% Organic | 21.3\% | $\begin{gathered} 23.5 \% \\ +60 \text { bps YoY } \end{gathered}$ | (8\%) | - Backlog coverage supported growth <br> - Productivity \& supply chain improvement <br> - Excellent operating execution |
| Diversified Industrial International | $\begin{gathered} \$ 1,512 \mathrm{M} \\ +3.9 \% \text { Organic } \end{gathered}$ | 20.5\% | $\begin{gathered} 23.3 \% \\ +90 \text { bps YoY } \end{gathered}$ | (1\%) | - Organic growth ${ }^{1}$ : EMEA $+0.8 \%$, AP $+8.6 \%$ <br> - Margin expansion driven by cost control <br> - Distribution mix continues to expand |
| Aerospace Systems | $\begin{gathered} \$ 1,283 \mathrm{M} \\ +\mathbf{+ 1 6 . 0 \%} \text { Organic } \end{gathered}$ | 25.5\% | $\begin{gathered} 25.8 \% \\ +160 \text { bps YoY } \end{gathered}$ | +28\% | - $20 \%+$ commercial organic growth; military OEM returns to growth <br> - Strong aftermarket mix <br> - Excellent performance of legacy \& Meggitt |
| Parker | $\begin{gathered} \text { \$5,096M } \\ +6.4 \% \text { Organic } \end{gathered}$ | 22.1\% | $\begin{gathered} 24.0 \% \\ +110 \text { bps YoY } \end{gathered}$ | +3\% | - Record adjusted segment margin of $24 \%^{1}$ <br> - Aerospace strength drives positive orders <br> - Strong finish to an outstanding year |

[^0]2. Diversified Industrial orders are on a 3-month average computation and Aerospace Systems are rolling 12-month average computations. Beginning FY23 Q3, orders include

## Record FY23 Cash Flow Performance

- Cash Flow from Operations of $15.6 \%$
- \$3 Billion - an increase of $22 \%$ YoY
- Free Cash Flow of $13.6 \%^{1}$
- Capex of $2.0 \%$ of sales
- Transaction expenses:
- A use of cash of $\sim 1 \%$ of sales
- Free Cash Flow Conversion of $125 \%^{1}$

Cash Flow from Operations


## Debt \& Leverage Reduction Ahead of Schedule

- ~\$850M debt reduction during Q4
- \$1.4B since Meggitt acquisition close
- Paid down $\sim 35 \%$ of total deal consideration since announcement
- Achieved $\sim 1 x$ leverage reduction
- Since Meggitt acquisition close
- Expect ~\$2B debt paydown in FY24
- Target 2.0x leverage during FY25

Gross Debt / Adj. EBITDA ${ }^{1}$


Net Debt / Adj. EBITDA ${ }^{1}$


## FY24 Guidance

## EPS Midpoint: \$18.55 As Reported, \$22.40 Adjusted

| Guidance Metric | FY24 Full Year | Key Assumptions |
| :---: | :---: | :---: |
| Reported Sales | 3\%-6\% | - Backlog coverage continues to support growth <br> - $\sim \$ 460 \mathrm{M}$ net sales from acquisitions and divestitures <br> - Reported sales split: 1H: 49\%, 2H: $51 \%$ |
| Organic Sales Growth ${ }^{1}$ | ~1.5\% | - Expect HSD organic growth from Aerospace <br> - Organic growth: $1 \mathrm{H}: \sim 2.5 \%, 2 \mathrm{H}: \sim 0.5 \%$ |
| Adj. Operating Margin ${ }^{1}$ | 23.0\%-23.4\% | - 30bps margin expansion <br> - $\sim 30 \%$ incremental margin |
| Adj. EPS ${ }^{1}$ | \$21.90-\$22.90 | - Tax rate: ~23.5\% <br> - EPS split: $1 \mathrm{H}: 46 \%, 2 \mathrm{H}: 54 \%$ |
| Free Cash Flow ${ }^{1}$ | \$2.6B - \$3.0B | - CapEx: ~2\% of sales <br> - FCF Conversion >100\% |

## FY24 Adjusted Earnings per Share Bridge



1. FY23 As Reported EPS of $\$ 16.04$. FY24 As Reported midpoint guidance EPS of $\$ 18.55$. Adjusted numbers include certain non-GAAP financial measures.

## Key Messages and Outlook

## Top Quartile <br> Performance

## Portfolio

 Transformation- Top quartile safety and engaged people
- Continue performance acceleration from The Win Strategy ${ }^{\text {™ }} 3.0$
- Proven track record - our people and performance through cycles
- Successful Meggitt integration, synergies ahead of schedule
- ~30\% exposure to Aerospace \& Defense markets
- Longer cycle \& more resilient revenue mix: ~85\% by FY27
- Well positioned to capitalize on the growth from secular trends
- Committed to FY27 Targets
- Continue to be great generators and deployers of cash


## Upcoming Event Calendar

Annual Meeting of Shareholders October 25, 2023
FY24 Q1 Earnings Release November 2, 2023
FY24 Q2 Earnings Release
FY24 Q3 Earnings Release
February 1, 2024
May 2, 2024
FY24 Q4 Earnings Release
August 8, 2024

## Appendix

- FY24 Guidance Details
- Reconciliation of Organic Growth
- Adjusted Amounts Reconciliation - Consolidated
- Adjusted Amounts Reconciliation - Segment Operating Income
- Reconciliation of EBITDA to Adjusted EBITDA
- Reconciliation of Gross and Net Debt to Adjusted EBITDA
- Reconciliation of Free Cash Flow Conversion
- Supplemental Sales Information - Global Technology Platforms
- Reconciliation of Forecasted Segment Operating Margin
- Reconciliation of Forecasted EPS


## FY24 Guidance Details

| Sales Growth vs. Prior Year | As Reported | Organic $^{1}$ |
| :--- | :---: | :---: |
| Diversified Industrial North America | $0.5 \%-3.5 \%$ | $\sim 1 \%$ |
| Diversified Industrial International | $-3.0 \%-0 \%$ | $\sim(2.5 \%)$ |
| Aerospace Systems | $15.5 \%-18.5 \%$ | $\sim 8 \%$ |
| Parker | $\mathbf{3 \% - 6 \%}$ | $\sim 1.5 \%$ |


| Segment Operating Margins | As Reported | Adjusted |
| :--- | :---: | :---: |
| Diversified Industrial North America | $20.7 \%-21.1 \%$ | $23.0 \%-23.4 \%$ |
| Diversified Industrial International | $20.3 \%-20.7 \%$ | $22.8 \%-23.2 \%$ |
| Aerospace Systems | $17.1 \%-17.5 \%$ | $23.2 \%-23.6 \%$ |
| Parker | $\mathbf{1 9 . 7 \% - 2 0 . 1 \%}$ | $\mathbf{2 3 . 0 \% - 2 3 . 4 \%}$ |


| Additional Items | As Reported and Adjusted ${ }^{1}$ |
| :--- | :---: |
| Corporate G\&A | $\sim \mathbf{\$ 2 4 2 M}$ |
| Interest Expense | $\sim \mathbf{\$ 5 2 5 M}$ |
| Other Expense | $\sim \mathbf{2 5 M}$ |
| Reported Tax Rate | ~23.5\% |
| Diluted Shares Outstanding | $\sim \mathbf{1 3 0 M}$ |


| Detail of Pre-Tax Adjustments to: | Segment <br> Margins | Below <br> Segment |
| :--- | :---: | :---: |
| Acquired Intangible Asset Amortization | $\sim \$ 550 \mathrm{M}$ | - |
| Business Realignment Charges | $\sim \$ 70 \mathrm{M}$ | - |
| Integration Costs to Achieve | $\sim \$ 35 \mathrm{M}$ | - |


| Earnings Per Share | As Reported | Adjusted $^{1}$ |
| :--- | :---: | :---: |
| Midpoint | $\mathbf{\$ 1 8 . 5 5}$ | $\mathbf{\$ 2 2 . 4 0}$ |
| Range | $\mathbf{\$ 1 8 . 0 5 - \$ 1 9 . 0 5}$ | $\mathbf{\$ 2 1 . 9 0} \mathbf{- \$ 2 2 . 9 0}$ |

## Reconciliation of Organic Growth

| Net Sales | Quarter-to-Date |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | As Reported June 30, 2023 |  | Currency |  | Divestitures |  | Acquisitions |  | AdjustedJune 30,2023 |  | As Reported June 30, 2022 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| North America | \$ | 2,301,159 | \$ | $(5,115)$ | \$ | - | \$ | $(105,889)$ | \$ | 2,190,155 | \$ | 2,087,696 |
| International |  |  |  |  |  |  |  |  |  |  |  |  |
| Europe |  | 858,933 |  | $(9,754)$ |  | - |  | $(49,945)$ |  | 799,234 |  | 792,562 |
| Asia Pacific |  | 576,297 |  | 28,207 |  | - |  | $(4,113)$ |  | 600,391 |  | 552,947 |
| Latin America |  | 77,042 |  | 3,387 |  | - |  | - |  | 80,429 |  | 78,415 |
| International |  | 1,512,272 |  | 21,840 |  | - |  | $(54,058)$ |  | 1,480,054 |  | 1,423,924 |
| Total Diversified Industrial |  | 3,813,431 |  | 16,725 |  | - |  | $(159,947)$ |  | 3,670,209 |  | 3,511,620 |
| Aerospace Systems |  | 1,282,512 |  | (308) |  | 25,494 |  | $(523,385)$ |  | 784,313 |  | 676,212 |
| Total Parker Hannifin | \$ | 5,095,943 | \$ | 16,417 | \$ | 25,494 | \$ | $(683,332)$ | 5 | 4,454,522 | \$ | 4,187,832 |
|  |  |  |  | ency |  | itures |  | isitions |  |  |  |  |
| Diversified Industrial: |  |  |  |  |  |  |  |  |  |  |  |  |
| North America |  | 10.2\% |  | 0.2 \% |  | 0.0\% |  | 5.1 \% |  | 4.9 \% |  |  |
| International |  |  |  |  |  |  |  |  |  |  |  |  |
| Europe |  | 8.4\% |  | 1.3 \% |  | 0.0\% |  | 6.3 \% |  | 0.8 \% |  |  |
| Asia Pacific |  | $4.2 \%$ |  | (5.1)\% |  | 0.0\% |  | 0.7 \% |  | 8.6 \% |  |  |
| Latin America |  | (1.8)\% |  | (4.4)\% |  | 0.0\% |  | 0.0 \% |  | 2.6 \% |  |  |
| International |  | 6.2\% |  | (1.5)\% |  | 0.0\% |  | 3.8 \% |  | 3.9 \% |  |  |
| Total Diversified Industrial |  | 8.6\% |  | (0.5)\% |  | 0.0\% |  | 4.6 \% |  | 4.5 \% |  |  |
| Aerospace Systems |  | 89.7 \% |  | 0.1 \% |  | (3.8)\% |  | 77.4 \% |  | 16.0 \% |  |  |
| Total Parker Hannifin |  | 21.7 \% |  | (0.4)\% |  | (0.6)\% |  | 16.3 \% |  | 6.4 \% |  |  |

## Reconciliation of Organic Growth

(Dollars in thousands)
(Unaudited)

Net Sales
Diversified Industrial:
North America Intemational

Asia Pacific
Latin America
Intemational
Total Diversified Industrial
Aerospace Systems
Total Parker Hannifin

| Year-to-Date |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| As Reported June 30, 2023 |  | Currency |  | Divestitures |  | Acquisitions |  | AdjustedJune 30,2023 |  | As Reported June 30, 2022 |  |
| \$ | 8,916,194 | \$ | (133) | \$ | - | \$ | $(311,072)$ | \$ | 8,604,989 | \$ | 7,703,150 |
|  | 3,186,826 |  | 265,496 |  | - |  | $(113,325)$ |  | 3,338,997 |  | 3,076,687 |
|  | 2,300,743 |  | 193,444 |  | - |  | $(14,499)$ |  | 2,479,688 |  | 2,284,344 |
|  | 301,930 |  | 6,129 |  | - |  | - |  | 308,059 |  | 277,865 |
|  | 5,789,499 |  | 465,069 |  | - |  | $(127,824)$ |  | 6,126,744 |  | 5,638,896 |
|  | 14,705,693 |  | 464,936 |  | - |  | $(438,896)$ |  | 14,731,733 |  | 13,342,046 |
|  | 4,359,501 |  | 5,549 |  | 68,848 |  | $(1,640,633)$ |  | 2,793,265 |  | 2,519,562 |
| \$ | 19,065,194 | \$ | 470,485 | \$ | 68,848 | \$ | $(2,079,529)$ | \$ | 17,524,998 | \$ | 15,861,608 |

## Adjusted Amounts Reconciliation Consolidated Statement of Income

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

## Net sales

Cost of sales
Selling, general and admin. expenses Interest expense
Other (income) expense, net Income before income taxes Income taxes

```
Net income
```

Less: Noncontrolling interests Net income - common shareholders Diluted earnings per share
(Dollars in thousands, except per share data) (Unaudited)

## Net sales

Cost of sales*
Selling, general and admin. expenses* Interest expense
Other (income) expense, net ${ }^{\star}$ Income before income taxes Income taxes
Net income
Less: Noncontrolling interests Net income - common shareholders
Diluted earnings per share

| Quarter-to-Date FY 2023 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | ted | \% of Sales | Acquired Intangible Asset Amortization |  | BusinessRealignmentCharges |  | Meggitt Costs to Achieve |  | Acquisition Related Expenses |  | Amortization of Inventory Step-Up to FV |  | Meggitt Early Debt Retirement |  | Adjusted <br> June 30, 2023 |  | \% of Sales |
| \$ | 5,095,943 | 100.0 \% | \$ | - | \$ | - | \$ |  | \$ |  | \$ |  | \$ |  | \$ | 5,095,943 | 100.0 \% |
|  | 3,262,860 | 64.0 \% |  | 27,990 |  | 5,247 |  | 5,197 |  |  |  | $(57,992)$ |  |  |  | 3,282,418 | 64.4 \% |
|  | 834,940 | 16.4 \% |  | 98,306 |  | 3,979 |  | 13,589 |  | 2,754 |  |  |  | - |  | 716,312 | 14.1 \% |
|  | 157,176 | 3.1 \% |  |  |  | - |  | - |  | - |  | - |  | 9,999 |  | 147,177 | 2.9 \% |
|  | $(62,228)$ | (1.2)\% |  | - |  | - |  | - |  | - |  | - |  | - |  | $(62,228)$ | (1.2)\% |
|  | 903,195 | 17.7 \% |  | $(126,296)$ |  | $(9,226)$ |  | $(18,786)$ |  | $(2,754)$ |  | 57,992 |  | $(9,999)$ |  | 1,012,264 | 19.9 \% |
|  | 194,117 | 3.8 \% |  | 30,816 |  | 2,251 |  | 4,584 |  | 672 |  | $(14,150)$ |  | 2,440 |  | 220,730 | 4.3 \% |
|  | 709,078 | 13.9 \% |  | $(95,480)$ |  | $(6,975)$ |  | $(14,202)$ |  | $(2,082)$ |  | 43,842 |  | $(7,559)$ |  | 791,534 | 15.5 \% |
|  | 122 | 0.0 \% |  |  |  | - |  | - |  | - |  | - |  | - |  | 122 | 0.0 \% |
| \$ | 708,956 | 13.9 \% | \$ | (95,480) | \$ | $(6,975)$ | \$ | $(14,202)$ | \$ | $(2,082)$ | \$ | 43,842 | \$ | $(7,559)$ | \$ | 791,412 | 15.5 \% |
| \$ | 5.44 |  | \$ | (0.73) | \$ | (0.06) | \$ | (0.11) | \$ | (0.02) | \$ | 0.34 | \$ | (0.06) | \$ | 6.08 |  |


| Quarter-to-Date FY 2022 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | \% of Sales | AcquiredIntangible AssetAmortization |  | BusinessRealignmentCharges |  |  |  | Acquisition <br> Related <br> Expenses |  | Loss on Deal-Contingent Forward Contracts |  | Meggitt Costs to Achieve |  | Adjusted June 30, 2022 |  | \% of Sales |
| \$ | 4,187,832 | 100.0\% | \$ | - | \$ | - | \$ | - | \$ |  | \$ | - | \$ |  | \$ | 4,187,832 | 100.0 \% |
|  | 2,768,925 | 66.1 \% |  | 15,584 |  | 2,696 |  | 39 |  | - |  | - |  | - |  | 2,750,606 | 65.7 \% |
|  | 650,956 | 15.5 \% |  | 61,489 |  | 2,310 |  | 608 |  | 10,655 |  |  |  | 1,177 |  | 574,717 | 13.7 \% |
|  | 71,270 | 1.7 \% |  | - |  | - |  | - |  | - |  | - |  | - |  | 71,270 | 1.7 \% |
|  | 578,513 | 13.8 \% |  | - |  | (60) |  | - |  | 1,007 |  | 619,061 |  | - |  | $(41,495)$ | (1.0)\% |
|  | 118,168 | 2.8 \% |  | $(77,073)$ |  | $(4,946)$ |  | (647) |  | $(11,662)$ |  | $(619,061)$ |  | $(1,177)$ |  | 832,734 | 19.9 \% |
|  | $(10,738)$ | (0.3)\% |  | 17,341 |  | 1,113 |  | 146 |  | 2,624 |  | 150,432 |  | 265 |  | 161,183 | 3.8 \% |
|  | 128,906 | 3.1 \% |  | $(59,732)$ |  | $(3,833)$ |  | (501) |  | $(9,038)$ |  | $(468,629)$ |  | (912) |  | 671,551 | 16.0 \% |
|  | 75 | 0.0 \% |  | - |  | - |  | - |  | - |  | - |  | - |  | 75 | 0.0\% |
| \$ | 128,831 | 3.1 \% | \$ | (59,732) | \$ | $(3,833)$ | \$ | (501) | \$ | $(9,038)$ | \$ | $(468,629)$ | \$ | (912) | \$ | 671,476 | 16.0 \% |
| \$ | 0.99 |  | \$ | (0.46) | \$ | (0.03) | \$ | - | \$ | (0.07) | \$ | (3.60) | \$ | (0.01) | \$ | 5.16 |  |

## Adjusted Amounts Reconciliation Consolidated Statement of Income

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

 (Unaudited)
## Net sales

Cost of sales
Selling, general and admin. expenses Interest expense Other (income) expense, net Income before income taxes Income taxes
Net income
Less: Noncontrolling interests Net income - common shareholders Diluted earnings per share

| Year-to-Date FY 2023 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | ported $0,2023$ | \% of Sales | AcquiredIntangible AssetAmortization |  | BusinessRealignmentCharges |  | Meggitt Costs to Achieve |  | Acquisition Related Expenses |  | Loss onDeal-ContingentForward Contracts |  | Net Gain on Divestitures |  | Amortization of Inventory Step-Up to FV |  | Meggitt <br> Early Debt <br> Retirement |  | $\begin{gathered} \text { Adjusted } \\ \text { June 30, } 2023 \\ \hline \end{gathered}$ |  | \% of Sales |
| \$ | 19,065,194 | 100.0\% | \$ | - | \$ | - | \$ |  | \$ |  | \$ | - | \$ |  | \$ |  | \$ |  | \$ | 19,065,194 | 100.0\% |
|  | 12,635,892 | $66.3 \%$ |  | 99,619 |  | 15,993 |  | 12,552 |  |  |  | - |  |  |  | 109,981 |  | - |  | 12,397,747 | 65.0 \% |
|  | 3,354,103 | 17.6\% |  | 401,094 |  | 10,713 |  | 82,887 |  | 114,604 |  | - |  |  |  | - |  | - |  | 2,744,805 | 14.4 \% |
|  | 573,894 | 3.0\% |  | - |  | - |  |  |  |  |  | - |  |  |  |  |  | 9,999 |  | 563,895 | 3.0\% |
|  | $(178,359)$ | (0.9)\% |  | - |  | - |  |  |  | 51,690 |  | 389,992 |  | $(362,003)$ |  |  |  |  |  | $(258,038)$ | (1.4)\% |
|  | 2,679,664 | 14.1\% |  | (500,713) |  | $(26,706)$ |  | (95,439) |  | (166,294) |  | (389,992) |  | 362,003 |  | (109,981) |  | $(9,999)$ |  | 3,616,785 | 19.0\% |
|  | 596,128 | 3.1\% |  | 120,844 |  | 6,453 |  | 23,043 |  | 39,447 |  | 94,713 |  | (90,931) |  | 26,370 |  | 2,440 |  | 818,507 | 4.3 \% |
|  | 2,083,536 | 10.9 \% |  | $(379,869)$ |  | $(20,253)$ |  | $(72,396)$ |  | (126,847) |  | (295,279) |  | 271,072 |  | $(83,611)$ |  | $(7,559)$ |  | 2,798,278 | 14.7\% |
|  | 600 | 0.0\% |  | - |  | - |  | - |  | - |  | - |  | - |  | - |  | - |  | 600 | 0.0\% |
| \$ | 2,082,936 | 10.9\% | \$ | (379,869) | \$ | (20,253) | \$ | (72,396) | \$ | (126,847) | \$ | (295,279) | \$ | 271,072 | \$ | (83,611) | \$ | $(7,559)$ | \$ | 2,797,678 | 14.7\% |
| \$ | 16.04 |  | \$ | (2.92) | \$ | (0.16) | \$ | (0.56) | \$ | (0.98) | \$ | (2.27) | \$ | 2.08 | \$ | (0.64) | \$ | (0.06) | \$ | 21.55 |  | (Dollars in th

(Unaudited)

## Net sales

Selling, general and admin. expenses


## Adjusted Amounts Reconciliation Segment Operating Income

| (Dollars in thousands) (Unaudited) | Quarter-to-Date FY 2023 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | As Reported June 30, 2023 |  | \% of Sales | AcquiredIntangible AssetAmortization |  | Business <br> Realignment <br> Charges |  |  |  | AcquisitionRelatedExpenses |  | $\begin{aligned} & \text { Amortization } \\ & \text { of Inventory } \\ & \text { Step-Up to FV } \end{aligned}$ |  | MeggittEarly DebtRetirement |  | Adjusted June 30, 2023 |  | \% of Sales ${ }^{2}$ |
| Diversified Industrial: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| North America ${ }^{1}$ | \$ | 490,823 | 21.3\% | \$ | 47,138 | \$ | 1,792 | \$ | 877 | \$ | - | \$ | - | \$ | - | \$ | 540,630 | 23.5\% |
| International ${ }^{1}$ |  | 309,373 | 20.5\% |  | 34,935 |  | 7,385 |  | 358 |  | - |  | - |  | - |  | 352,051 | 23.3\% |
| Total Diversified Industrial' |  | 800,196 | 21.0\% |  | 82,073 |  | 9,177 |  | 1,235 |  |  |  |  |  |  |  | 892,681 | 23.4\% |
| Aerospace Systems ${ }^{1}$ |  | 327,595 | 25.5\% |  | 44,223 |  | 49 |  | 17,551 |  | - |  | $(57,992)$ |  | - |  | 331,426 | 25.8\% |
| Total segment operating income |  | 1,127,791 | 22.1\% |  | $(126,296)$ |  | $(9,226)$ |  | 8,786) |  |  |  | 57,992 |  |  |  | 1,224,107 | 24.0\% |
| Corporate administration |  | 83,336 | 1.6\% |  | - |  | - |  | - |  | - |  |  |  | - |  | 83,336 | 1.6\% |
| Income before interest and other |  | 1,044,455 | 20.5\% |  | $(126,296)$ |  | $(9,226)$ |  | 8,786) |  | - |  | 57,992 |  |  |  | 1,140,771 | 22.4\% |
| Interest expense |  | 157,176 | 3.1\% |  | - |  | - |  | - |  | - |  |  |  | 9,999 |  | 147,177 | 2.9\% |
| Other (income) expense |  | $(15,916)$ | -0.3\% |  | - |  | - |  | - |  | 2,754 |  | - |  | - |  | $(18,670)$ | -0.4\% |
| Income before income taxes | \$ | 903,195 | 17.7\% | \$ | $\underline{(126,296)}$ | \$ | $(9,226)$ | \$ | 8,786) | \$ | $\underline{(2,754)}$ | \$ | 57,992 | \$ | $\underline{(9,999)}$ | \$ | 1,012,264 | 19.9\% |
| (Dollars in thousands) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (Unaudited) | Quarter-to-Date FY 2022 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | $\begin{aligned} & \text { orted } \\ & , 2022 \end{aligned}$ | \% of Sales |  | ired e Asset zation |  | $\begin{aligned} & \hline \text { ness } \\ & \text { nment } \end{aligned}$ ges |  |  |  | isition ated enses |  |  |  |  |  | $\begin{aligned} & \text { sted } \\ & ,, 2022 \end{aligned}$ | \% of Sales ${ }^{2}$ |
| Diversified Industrial: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| North America ${ }^{1}$ | \$ | 430,142 | 20.6\% | \$ | 46,630 | \$ | 670 | \$ | 214 | \$ | - | \$ | - | \$ | - | \$ | 477,656 | 22.9\% |
| International ${ }^{1}$ |  | 296,838 | 20.8\% |  | 17,701 |  | 4,282 |  | 433 |  | - |  | - |  | - |  | 319,254 | 22.4\% |
| Total Diversified Industrial' |  | 726,980 | 20.7\% |  | 64,331 |  | 4,952 |  | 647 |  |  |  |  |  |  |  | 796,910 | 22.7\% |
| Aerospace Systems ${ }^{1}$ |  | 149,368 | 22.1\% |  | 12,742 |  | 54 |  | - |  | - |  | - |  | 1,177 |  | 163,341 | 24.2\% |
| Total segment operating income |  | 876,348 | 20.9\% |  | $(77,073)$ |  | $(5,006)$ |  | (647) |  | - |  |  |  | $(1,177)$ |  | 960,251 | 22.9\% |
| Corporate administration |  | 70,635 | 1.7\% |  | - |  | - |  | - |  | - |  | - |  | - |  | 70,635 | 1.7\% |
| Income before interest and other |  | 805,713 | 19.2\% |  | $(77,073)$ |  | $(5,006)$ |  | (647) |  | - |  |  |  | $(1,177)$ |  | 889,616 | 21.2\% |
| Interest expense |  | 71,270 | 1.7\% |  | - |  | - |  | - |  | - |  | - |  | - |  | 71,270 | 1.7\% |
| Other (income) expense |  | 616,275 | 14.7\% |  | - |  | (60) |  | - |  | 11,662 |  | 619,061 |  | - |  | $(14,388)$ | -0.3\% |
| Income before income taxes | \$ | 118,168 | 2.8\% | \$ | (77,073) | \$ | $(4,946)$ | \$ | (647) | \$ | (11,662) | \$ | (619,061) | \$ | (1,177) | \$ | 832,734 | 19.9\% |
| 1. Segment operating income as a percent of sales is calculated on segment sales. <br> 2. Adjusted amounts as a percent of sales are calculated on as reported sales. |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

## Adjusted Amounts Reconciliation Segment Operating Income

## (Dollars in thousands)

 (Unaudited)Diversified Industrial North America International $^{1}$
Total Diversified Industrial Total Diversified Indus
Aerospace Systems ${ }^{1}$ Total segment operating income Corporate administration Income before interest and other Interest expense Other (income) expens Income before income taxes
(Dollars in thousands) (Unaudited)

Diversified Industrial: North America International $^{1}$ Total Diversified Industria Aerospace Systems ${ }^{1}$ Total segment operating income Corporate administration Income before interest and othe Interest expense Other (income) expense Income before income taxes

| Year-to-Date FY 2023 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | $\begin{aligned} & \text { orted } \\ & , 2023 \\ & \hline \end{aligned}$ | \% of Sales | Acquired Intangible Asset Amortization |  | BusinessRealignmentCharges |  | Meggitt Costs to Achieve |  | Acquisition Related Expenses |  | Loss onDeal-ContingentForward Contracts |  | Net Gain on Divestitures |  | Amortization of Inventory Step-Up to FV |  | MeggittEarly DebtRetirement |  | $\begin{gathered} \text { Adjusted } \\ \text { June 30, } 2023 \end{gathered}$ |  | \% of Sales ${ }^{2}$ |
| \$ | 1,853,079 | 20.8\% | \$ | 181,954 | \$ | 4,024 | \$ | 4,636 | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | 2,043,693 | 22.9\% |
|  | 1,218,331 | 21.0\% |  | 85,825 |  | 19,617 |  | 3,875 |  | - |  | - |  | - |  | - |  | - |  | 1,327,648 | 22.9\% |
|  | 3,071,410 | 20.9\% |  | 267,779 |  | 23,641 |  | 8,511 |  |  |  |  |  |  |  |  |  |  |  | 3,371,341 | 22.9\% |
|  | 562,444 | 12.9\% |  | 232,934 |  | 3,065 |  | 86,928 |  | - |  | - |  | - |  | 109,981 |  | - |  | 995,352 | 22.8\% |
|  | 3,633,854 | 19.1\% |  | $(500,713)$ |  | $(26,706)$ |  | $(95,439)$ |  | - |  |  |  |  |  | $(109,981)$ |  |  |  | 4,366,693 | 22.9\% |
|  | 229,677 | 1.2\% |  | - |  | - |  | - |  | - |  | - |  | - |  | - |  | - |  | 229,677 | 1.2\% |
|  | 3,404,177 | 17.9\% |  | $(500,713)$ |  | $(26,706)$ |  | $(95,439)$ |  | - |  |  |  |  |  | (109,981) |  | - |  | 4,137,016 | 21.7\% |
|  | 573,894 | 3.0\% |  | - |  | - |  | - |  | - |  | - |  | - |  | - |  | 9,999 |  | 563,895 | 3.0\% |
|  | 150,619 | 0.8\% |  |  |  | - |  | $-$ |  | 166,294 |  | 389,992 |  | $(362,003)$ |  | - |  | - |  | $(43,664)$ | -0.2\% |
| \$ | 2,679,664 | 14.1\% | \$ | $(500,713)$ | \$ | $(26,706)$ | \$ | $(95,439)$ | \$ | $(166,294)$ | \$ | $(389,992)$ | \$ | 362,003 | \$ | (109,981) | \$ | $\xrightarrow{(9,999)}$ | \$ | 3,616,785 | 19.0\% |


| Year-to-Date FY 2022 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| As Reported June 30, 2022 |  | \% of Sales | Acquired Intangible Asset Amortization |  | BusinessRealignmentCharges |  | Lord Costs to <br> Achieve |  | Acquisition <br> Related <br> Expenses |  | $\begin{gathered} \text { Loss on } \\ \text { Deal-Contingent } \\ \text { Forward Contracts } \\ \hline \end{gathered}$ |  | Russia Liquidation |  | Meggitt Cost to Achieve |  | AdjustedJune 30, $2022 \quad \%$ of Sales ${ }^{2}$ 2 |  |  |  |  |
| \$ | 1,515,259 | 19.7\% | \$ | 188,325 | \$ | 2,638 | \$ | 1,171 | \$ | - | \$ | - | \$ | - | \$ | - | \$ |  | \$ | 1,707,393 | 22.2\% |
|  | 1,178,044 | 20.9\% |  | 75,105 |  | 11,149 |  | 2,418 |  | - |  | - |  | 6,257 |  | - |  | - |  | 1,272,973 | 22.6\% |
|  | 2,693,303 | 20.2\% |  | 263,430 |  | 13,787 |  | 3,589 |  |  |  | - |  | 6,257 |  | - |  |  |  | 2,980,366 | 22.3\% |
|  | 501,431 | 19.9\% |  | 51,020 |  | 967 |  | - |  | - |  | - |  | 6,570 |  | 1,177 |  | - |  | 561,165 | 22.3\% |
|  | 3,194,734 | 20.1\% |  | $(314,450)$ |  | (14,754) |  | $(3,589)$ |  |  |  |  |  | (12,827) |  | $(1,177)$ |  |  |  | 3,541,531 | 22.3\% |
|  | 219,699 | 1.4\% |  | - |  | - |  | - |  | - |  | - |  | - |  | - |  |  |  | 219,699 | 1.4\% |
|  | 2,975,035 | 18.8\% |  | $(314,450)$ |  | (14,754) |  | $(3,589)$ |  |  |  |  |  | $(12,827)$ |  | $(1,177)$ |  |  |  | 3,321,832 | 20.9\% |
|  | 255,252 | 1.6\% |  | - |  | - |  | - |  | - |  | - |  | - |  | - |  | - |  | 255,252 | 1.6\% |
|  | 1,105,557 | 7.0\% |  | - |  | 3 |  | - |  | 95,727 |  | 1,015,426 |  | 7,230 |  | - |  | - |  | $(12,829)$ | -0.1\% |
| \$ | 1,614,226 | 10.2\% | \$ | (314,450) | \$ | (14,757) | \$ | $(3,589)$ | \$ | $(95,727)$ | \$ | $(1,015,426)$ | \$ | $(20,057)$ | \$ | $(1,177)$ | + | - | \$ | 3,079,409 | 19.4\% |

## Reconciliation of EBITDA to Adjusted EBITDA

## (Dollars in thousands) <br> (Unaudited)

## Net sales

Net income
Income taxes
Depreciation
Amortization
Interest expense

## EBITDA

Adjustments:
Business realignment charges
Meggitt cos ts to achieve
Lord costs to achieve
Acquisition-related expenses
Loss on deal-contingent forward contracts
Amortization of inventory step-up to FV
EBITDA - Adjusted

EBITDA margin
EBITDA margin - Adjusted

| Three Months Ended June 30, |  |  |  |  |  | (Dollars in thousands) <br> (Unaudited) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 2023 |  | \% of Sales |  | 2022 | \% of Sales |  |
| \$ | 5,095,943 | 100.0\% | \$ | 4,187,832 | 100.0\% |  |
| \$ | 709,078 | 13.9\% | \$ | 128,906 | 3.1\% | Net income |
|  | 194,117 | 3.8\% |  | $(10,738)$ | -0.3\% | Income taxes |
|  | 82,767 | 1.6\% |  | 62,369 | 1.5\% | Depreciation |
|  | 126,296 | 2.5\% |  | 77,073 | 1.8\% | Amortization |
|  | 157,176 | 3.1\% |  | 71,270 | 1.7\% | Interest expense |
| 1,269,434 |  | 24.9\% |  | 328,880 | 7.9\% | EBITDA |
|  |  |  |  |  |  | Adjustments: |
|  | 9,226 | 0.2\% |  | 4,946 | 0.1\% | Business realignment charges |
| 18,786 |  | 0.4\% |  | 1,177 | 0.0\% | Meggitt costs to achieve |
| 2,754 |  | 0.0\% |  | 647 | 0.0\% | Lord costs to achieve |
|  |  | 0.1\% |  | 11,662 | 0.3\% | Acquisition-related expenses |
| $(57,992)$ |  | 0.0\% |  | 619,061 | 14.8\% | Loss on deal-contingent forward contracts |
|  |  | -1.1\% |  | - | 0.0\% | Net gain on divestitures |
| \$ | 1,242,208 | 24.4\% | \$ | $\underline{966,373}$ | 23.1\% | Amortization of inventory step-up to FV |
|  |  |  |  |  |  | Russia Liquidation <br> EBITDA - Adjusted |
| $\begin{aligned} & 24.9 \text { \% } \\ & 24.4 \text { \% } \end{aligned}$ |  |  |  |  |  |  |
|  |  |  |  |  |  | EBITDA margin |
|  |  |  |  |  |  | EBITDA margin - Adjusted |


| Twelve Months Ended June 30, |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
|  | 2023 | \% of Sales | 2022 | \% of Sales |
| \$ | 19,065,194 | 100.0\% | \$ 15,861,608 | 100.0\% |
| \$ | 2,083,536 | 10.9\% | \$ 1,316,186 | 8.3\% |
|  | 596,128 | 3.1\% | 298,040 | 1.9\% |
|  | 317,416 | 1.7\% | 257,314 | 1.6\% |
|  | 500,713 | 2.6\% | 314,450 | 2.0\% |
|  | 573,894 | 3.0\% | 255,252 | 1.6\% |
|  | 4,071,687 | 21.4\% | 2,441,242 | 15.4\% |
|  | 26,706 | 0.1\% | 14,757 | 0.1\% |
|  | 95,439 | 0.5\% | 1,177 | 0.0\% |
|  |  | 0.0\% | 3,589 | 0.0\% |
|  | 166,294 | 0.9\% | 95,727 | 0.6\% |
|  | 389,992 | 2.0\% | 1,015,426 | 6.4\% |
|  | $(362,003)$ | -1.9\% | - | 0.0\% |
|  | 109,981 | 0.6\% | - | 0.0\% |
|  |  | 0.0\% | 20,057 | 0.1\% |
| \$ | 4,498,096 | 23.6\% | \$ 3,591,975 | 22.6\% |
|  | 21.4 \% |  | 15.4 \% |  |
|  | 23.6 \% |  | 22.6 \% |  |

## Parkar

## Reconciliation of Gross and Net Debt / Adjusted EBITDA

(Unaudited)
(Dollars in thousands)
Notes payable and long-term debt payable within one year Long-term debt
Add: Deferred debt issuance costs
Total gross debt

Cash and cash equivalents
Marketable securities and other investments Total cash

Net debt (Gross debt less total cash)
TTM Net Sales
Net income
Income tax
Depreciation
Amortization
Interest Expense
TTM EBITDA
Adjustments
Business realignment charges
Costs to achieve
Acquisition-related costs
Loss on deal-contingent forward contracts Gain on Aircraft Wheel \& Brake divestiture Amortization of inventory step-up to FV
Net loss on divestitures
Russia liquidation
TTM Adjusted EBITDA

September 30, 2022

$\$ \quad 13,530,100$
\$ 16,331,574
\$ 1,252,760
293,066
258,530
321,693
313,696
\$ 2,439,745

| 15,604 |  |
| ---: | ---: |
| 15,555 |  |
| 203,786 |  |
| $1,405,418$ |  |
| $(372,930$ |  |
| 18,358 |  |
| 0 |  |
|  | 20,057 |
|  | $3,745,593$ |
| $\$$ |  |

## Gross Debt/TTM Adjusted EBITDA

 Net Debt/TTM Adjusted EBITDA3.8
3.6

December 31, 2022


| $\$ \quad 13,326,285$ |
| :--- |





June 30, 2023


| \$ | 3,923,000 | \$ | 4,222,261 | \$ | 4,498,096 |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | 3.6 |  | 3.2 |  | 2.8 |
|  | 3.4 |  | 3.1 |  | 2.7 |

## Reconciliation of Free Cash Flow Conversion

(Unaudited)
(Dollars in thousands)
Net Income
Cash Flow from Operations
Capital Expenditures
Free Cash Flow
Free Cash Flow Conversion (Free Cash Flow / Net Income)

Twelve Months Ended June 30,

| 2023 |  |  | 2022 |  |
| :--- | ---: | :--- | :--- | :--- |
|  |  |  |  |  |
| $\$$ | $2,083,536$ |  | $\$$ | $\mathbf{1 , 3 1 6 , 1 8 6}$ |
|  |  |  |  |  |
| $\$$ | $2,979,930$ |  | $\$$ | $2,441,730$ |
|  | $(380,747)$ |  | $(230,044)$ |  |
| $\$$ | $2,599,183$ |  | $\$$ | $2,211,686$ |

$125 \%$
168\%

## Supplemental Sales Information

## Global Technology Platforms



## Reconciliation of Forecasted Segment Operating Margin

| (Unaudited) |  |
| :--- | :---: |
| (Amounts in percentages) | Fiscal Year 2024 |
| Forecasted segment operating margin | $\mathbf{1 9 . 7 \%}$ to $20.1 \%$ |
| Adjustments: |  |
| Business realignment charges | $0.4 \%$ |
| Costs to achieve | $0.2 \%$ |
| $\quad$ Acquisition-related intangible asset amortization expense | $2.8 \%$ |
| Adjusted forecasted segment operating margin | $23.0 \%$ to $23.4 \%$ |

[^1]
## Reconciliation of EPS

| (Unaudited) |  |
| :--- | :---: |
| (Amounts in dollars) | Fiscal Year 2024 |
| Forecasted earnings per diluted share | $\$ 18.05$ to $\$ 19.05$ |
| Adjustments: | 0.54 |
| Business realignment charges | 0.27 |
| Costs to achieve | 4.23 |
| Acquisition-related intangible asset amortization expense | $\mathbf{( 1 . 1 9 )}$ |
| Tax effect of adjustments ${ }^{1}$ | $\$ 21.90$ to \$22.90 |

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.

[^0]:    1. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.
[^1]:    *Totals may not foot due to rounding

