

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 acquisitions of Filtration Group Corporation (“Filtration Group”) and CIRCOR International Inc.’s Commercial and Defense Aerospace business (“CIRCOR Aerospace”) 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, including geopolitical tensions in the Middle East, 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, net debt to adjusted EBITDA, free cash flow, free cash flow margin, and free cash flow conversion. 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. Free cash flow conversion is defined as free cash flow divided by net income. 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. The non-GAAP metrics included in our 3-year target for FY29 and our 5-year targets for fiscal year 2031 could not be reconciled without unreasonable effort and applicable reconciliations are not included in this presentation.

Please visit investors.parker.com for more information.



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FY27 Guidance Details

Sales Growth vs. Prior Year	As Reported	Organic ¹
Diversified Industrial Segment		
North America Businesses	5.5% - 8.5%	5% - 8%
International Businesses	3.5% - 6.5%	4% - 7%
Aerospace Systems Segment	7% - 10%	7% - 10%
Parker	5.5% - 8.5%	5.5% - 8.5%

Segment Operating Margins	As Reported	Adjusted ¹
Diversified Industrial Segment		
North America Businesses	23.9% - 24.3%	26.5% - 26.9%
International Businesses	23.5% - 23.9%	26.0% - 26.4%
Aerospace Systems Segment	26.1% - 26.5%	30.0% - 30.4%
Parker	24.5% - 24.9%	27.5% - 27.9%

Earnings Per Share	As Reported	Adjusted ¹
EPS	\$30.00 - \$31.00	\$34.25 - \$35.25



Additional Items	As Reported
Corporate G&A	~\$200M
Interest Expense	~\$340M
Other (Income) Expense	~\$100M
Tax Rate	~22.5%
Diluted Shares Outstanding	~127.8M

Detail of Pre-Tax Adjustments to:	Segment Margins	Below Segment
Acquired Intangible Asset Amortization	~\$580M	—
Business Realignment	~\$95M	—
Integration Costs to Achieve	~\$25M	—

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

Historical Order Rate Comparison

Order Rates as Previously Disclosed ¹	FY25				FY26			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Diversified North America <i>Rolling 3</i>	(3%)	3%	3%	2%	3%	7%	7%	16%
Diversified International <i>Rolling 3</i>	1%	4%	11%	0%	6%	6%	6%	24%
Aerospace <i>Rolling 12</i>	7%	9%	14%	12%	15%	14%	14%	18%
Parker <i>Blended</i>	1%	5%	9%	5%	8%	9%	9%	19%

1. Diversified Industrial order rates are on 3-month average computations; Aerospace order rates are on a rolling 12-month average

Updated Rolling 12-Month Order Rates ²	FY25				FY26			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Diversified North America	(5%)	(3%)	0%	2%	3%	4%	5%	9%
Diversified International	(5%)	(3%)	3%	3%	4%	5%	4%	10%
Aerospace	7%	9%	14%	12%	15%	14%	14%	18%
Parker	(2%)	1%	5%	5%	7%	8%	8%	12%

2. All order rate comparisons are on a rolling 12-month average



Reconciliation of Q4 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	7.0 %	0.3 %	0.0 %	1.8 %	4.9 %
<u>International businesses</u>					
EMEA	3.0 %	0.6 %	0.0 %	1.8 %	0.6 %
Asia Pacific	19.6 %	(0.2)%	0.0 %	3.9 %	15.9 %
Latin America	3.0 %	5.6 %	0.0 %	0.0 %	(2.6)%
International businesses	9.5 %	0.5 %	0.0 %	2.5 %	6.5 %
Total Diversified Industrial	8.1 %	0.4 %	0.0 %	2.1 %	5.6 %
Aerospace Systems	13.4 %	0.1 %	0.0 %	0.0 %	13.3 %
Total Parker Hannifin	9.8 %	0.3 %	0.0 %	1.5 %	8.0 %

Reconciliation of Full Year Organic Growth

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

	Year-to-Date				
	As reported	Currency	Divestitures	Acquisitions	Organic
Diversified Industrial:					
North America businesses	3.2 %	0.4 %	(1.8)%	1.5 %	3.1 %
<u>International businesses</u>					
EMEA	7.0 %	5.4 %	0.0 %	1.5 %	0.1 %
Asia Pacific	13.6 %	0.4 %	0.0 %	3.0 %	10.2 %
Latin America	0.7 %	4.0 %	0.0 %	0.0 %	(3.3)%
International businesses	9.3 %	3.4 %	0.0 %	2.0 %	3.9 %
Total Diversified Industrial	5.7 %	1.7 %	(1.1)%	1.7 %	3.4 %
Aerospace Systems	14.2 %	0.8 %	0.0 %	0.0 %	13.4 %
Total Parker Hannifin	8.3 %	1.2 %	(0.7)%	1.2 %	6.6 %

Adjusted Amounts Reconciliation

Q4 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 June 30, 2026	% of Sales	Amortization of Acquired Intangibles	Business Realignment Charges	Costs to Achieve	Acquisition- Related Expenses	Insurance-Related Charges (Recoveries)	Tariff Refunds	Other ¹	Adjusted June 30, 2026	% of Sales
Net sales	\$ 5,755	100.0 %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,755	100.0 %
Cost of sales	3,508	61.0 %	27	9	-	-	-	(84)	-	3,556	61.8 %
Selling, general and admin. expenses	874	15.2 %	121	10	7	7	-	-	-	729	12.7 %
Interest expense	95	1.7 %	-	-	-	-	-	-	-	95	1.7 %
Other expense (income), net	(62)	(1.1)%	-	-	-	-	(3)	-	28	(87)	(1.5)%
Income before income taxes	1,340	23.3 %	(148)	(19)	(7)	(7)	3	84	(28)	1,462	25.4 %
Income taxes	248	4.3 %	33	4	2	1	-	(19)	6	275	4.8 %
Net income	1,092	19.0 %	(115)	(15)	(5)	(6)	3	65	(22)	1,187	20.6 %
Less: Noncontrolling interests	1	0.0 %	-	-	-	-	-	-	-	1	0.0 %
Net income - common shareholders	\$ 1,091	19.0 %	\$ (115)	\$ (15)	\$ (5)	\$ (6)	\$ 3	\$ 65	\$ (22)	\$ 1,186	20.6 %
Diluted earnings per share	\$ 8.54		\$ (0.90)	\$ (0.11)	\$ (0.04)	\$ (0.04)	\$ 0.02	\$ 0.51	\$ (0.17)	\$ 9.27	

Quarter-to-Date FY 2025											
	As Reported June 30, 2025	% of Sales	Amortization of Acquired Intangibles	Business Realignment Charges	Costs to Achieve	Gain on Divestitures		Discrete Tax Benefit	Other ¹	Adjusted June 30, 2025	% of Sales
Net sales	\$ 5,243	100.0 %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,243	100.0 %
Cost of sales	3,285	62.7 %	22	10	-	-	-	-	-	3,253	62.0 %
Selling, general and admin. expenses	839	16.0 %	117	4	3	-	-	-	-	715	13.6 %
Interest expense	99	1.9 %	-	-	-	-	-	-	-	99	1.9 %
Other expense (income), net	(51)	(1.0)%	-	2	-	(2)	-	-	(14)	(37)	(0.7)%
Income before income taxes	1,071	20.4 %	(139)	(16)	(3)	2	-	-	14	1,213	23.1 %
Income taxes	148	2.8 %	31	4	1	6	-	35	(4)	221	4.2 %
Net income	923	17.6 %	(108)	(12)	(2)	8	-	35	10	992	18.9 %
Less: Noncontrolling interests	-	0.0 %	-	-	-	-	-	-	-	-	0.0 %
Net income - common shareholders	\$ 923	17.6 %	\$ (108)	\$ (12)	\$ (2)	\$ 8	\$ -	\$ 35	\$ 10	\$ 992	18.9 %
Diluted earnings per share	\$ 7.15		\$ (0.84)	\$ (0.09)	\$ (0.02)	\$ 0.06	\$ -	\$ 0.27	\$ 0.08	\$ 7.69	

¹Other includes impairment charges and a pension buyout charge for \$22 million and \$6 million, respectively, in fiscal 2026. Prior year consists of gains on sales of buildings.



Adjusted Amounts Reconciliation

Full Year Consolidated Statement of Income

Parker Hannifin Corporation
Consolidated Statement of Income - Adjusted
Year-to-Date

(Dollars in millions, except per share data)

(Unaudited)

Year-to-Date FY 2026											
	As Reported June 30, 2026	% of Sales	Amortization of Acquired Intangibles	Business Realignment Charges	Costs to Achieve	Acquisition- Related Expenses	Insurance-Related Charges (Recoveries)	Tariff Refunds	Other ¹	Adjusted June 30, 2026	% of Sales
Net sales	\$ 21,499	100.0 %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,499	100.0 %
Cost of sales	13,397	62.3 %	104	43	1	11	-	(84)	-	13,322	62.0 %
Selling, general and admin. expenses	3,468	16.1 %	480	29	19	30	-	-	-	2,910	13.5 %
Interest expense	401	1.9 %	-	-	-	-	-	-	-	401	1.9 %
Other expense (income), net	(330)	(1.5)%	-	-	-	-	(23)	-	28	(335)	(1.6)%
Income before income taxes	4,563	21.2 %	(584)	(72)	(20)	(41)	23	84	(28)	5,201	24.2 %
Income taxes	914	4.3 %	134	17	5	9	(5)	(19)	6	1,061	4.9 %
Net income	3,649	17.0 %	(450)	(55)	(15)	(32)	18	65	(22)	4,140	19.3 %
Less: Noncontrolling interests	1	0.0 %	-	-	-	-	-	-	-	1	0.0 %
Net income - common shareholders	\$ 3,648	17.0 %	\$ (450)	\$ (55)	\$ (15)	\$ (32)	\$ 18	\$ 65	\$ (22)	\$ 4,139	19.3 %
Diluted earnings per share	\$ 28.48		\$ (3.51)	\$ (0.44)	\$ (0.12)	\$ (0.24)	\$ 0.14	\$ 0.51	\$ (0.17)	\$ 32.31	
Year-to-Date FY 2025											
	As Reported June 30, 2025	% of Sales	Amortization of Acquired Intangibles	Business Realignment Charges	Costs to Achieve	Gain on Divestitures	Insurance-Related Charges (Recoveries)	Discrete Tax Benefits	Other ¹	Adjusted June 30, 2025	% of Sales
Net sales	\$ 19,850	100.0 %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,850	100.0 %
Cost of sales	12,535	63.1 %	88	31	-	-	-	-	-	12,416	62.5 %
Selling, general and admin. Expenses	3,255	16.4 %	465	23	22	-	-	-	-	2,745	13.8 %
Interest expense	409	2.1 %	-	-	-	-	-	-	-	409	2.1 %
Other expense (income), net	(456)	(2.3)%	-	2	-	(252)	8	-	(24)	(190)	(1.0)%
Income before income taxes	4,107	20.7 %	(553)	(56)	(22)	252	(8)	-	24	4,470	22.5 %
Income taxes	575	2.9 %	127	13	5	(21)	2	215	(6)	910	4.6 %
Net income	3,532	17.8 %	(426)	(43)	(17)	231	(6)	215	18	3,560	17.9 %
Less: Noncontrolling interests	1	0.0 %	-	-	-	-	-	-	-	1	0.0 %
Net income - common shareholders	\$ 3,531	17.8 %	\$ (426)	\$ (43)	\$ (17)	\$ 231	\$ (6)	\$ 215	\$ 18	\$ 3,559	17.9 %
Diluted earnings per share	\$ 27.12		\$ (3.27)	\$ (0.32)	\$ (0.13)	\$ 1.77	\$ (0.05)	\$ 1.65	\$ 0.14	\$ 27.33	

¹Other includes impairment charges and a pension buyout charge for \$22 million and \$6 million, respectively, in fiscal 2026. Prior year consists of gains on sales of buildings.



Adjusted Amounts Reconciliation

Q4 Segment Operating Income

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

Diversified Industrial:

North America businesses¹

International businesses¹

Total Diversified Industrial¹

Aerospace Systems¹

Total segment operating income

Corporate administration

Income before interest and other

Interest expense

Other expense (income), net

Income before income taxes

Quarter-to-Date FY 2026											
As Reported June 30, 2026	% of Sales	Amortization of Acquired Intangibles	Business Realignment Charges	Costs to Achieve	Acquisition- Related Expenses	Insurance-Related Charges (Recoveries)	Tariff Refunds	Other	Adjusted June 30, 2026	% of Sales ²	
\$ 606	27.3%	\$ 49	\$ 2	\$ 5	\$ -	\$ -	\$ (53)	\$ -	\$ 609	27.4%	
396	24.2%	23	18	1	-	-	-	-	438	26.8%	
1,002	26.0%	72	20	6	-	-	(53)	-	1,047	27.2%	
522	27.5%	76	(1)	1	-	-	(31)	-	567	29.8%	
1,524	26.5%	(148)	(19)	(7)	-	-	84	-	1,614	28.0%	
50	0.9%	-	-	-	-	-	-	-	50	0.9%	
1,474	25.6%	(148)	(19)	(7)	-	-	84	-	1,564	27.2%	
95	1.7%	-	-	-	-	-	-	-	95	1.7%	
39	0.7%	-	-	-	7	(3)	-	28	7	0.1%	
\$ 1,340	23.3%	\$ (148)	\$ (19)	\$ (7)	\$ (7)	\$ 3	\$ 84	\$ (28)	\$ 1,462	25.4%	

Quarter-to-Date FY 2025

Diversified Industrial:

North America businesses¹

International businesses¹

Total Diversified Industrial¹

Aerospace Systems¹

Total segment operating income

Corporate administration

Income before interest and other

Interest expense

Other expense (income), net

Income before income taxes

As Reported June 30, 2025	% of Sales	Amortization of Acquired Intangibles	Business Realignment Charges	Costs to Achieve	Gain on Divestitures			Other	Adjusted June 30, 2025	% of Sales ²
\$ 513	24.7%	\$ 41	\$ 2	\$ (1)	\$ -	\$ -	\$ -	\$ -	\$ 555	26.7%
334	22.4%	23	12	-	-	-	-	-	369	24.7%
847	23.7%	64	14	(1)	-	-	-	-	924	25.9%
407	24.3%	75	-	4	-	-	-	-	486	29.0%
1,254	23.9%	(139)	(14)	(3)	-	-	-	-	1,410	26.9%
65	1.2%	-	-	-	-	-	-	-	65	1.2%
1,189	22.7%	(139)	(14)	(3)	-	-	-	-	1,345	25.7%
99	1.9%	-	-	-	-	-	-	-	99	1.9%
19	0.4%	-	2	-	(2)	-	-	(14)	33	0.6%
\$ 1,071	20.4%	\$ (139)	\$ (16)	\$ (3)	\$ 2	\$ -	\$ -	\$ 14	\$ 1,213	23.1%

¹Segment operating income as a percent of sales is calculated on segment sales.

²Adjusted amounts as a percent of sales are calculated on as reported sales.

Adjusted Amounts Reconciliation Full Year Segment Operating Income

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

Year-to-Date FY 2026											
As Reported June 30, 2026	% of Sales	Amortization of Acquired Intangibles	Business Realignment Charges	Costs to Achieve	Acquisition- Related Expenses	Insurance-Related Charges (Recoveries)	Tariff Refunds	Other	Adjusted June 30, 2026	% of Sales ²	
Diversified Industrial:											
North America businesses ¹	\$ 2,041	24.3%	\$ 188	\$ 9	\$ 15	\$ 6	\$ -	\$ (53)	\$ -	\$ 2,206	26.3%
International businesses ¹	1,399	23.1%	92	62	2	5	-	-	-	1,560	25.8%
Total Diversified Industrial ¹	3,440	23.8%	280	71	17	11	-	(53)	-	3,766	26.1%
Aerospace Systems ¹	1,833	26.0%	304	1	3	-	-	(31)	-	2,110	29.9%
Total segment operating income	5,273	24.5%	(584)	(72)	(20)	(11)	-	84	-	5,876	27.3%
Corporate administration	205	1.0%	-	-	-	-	-	-	-	205	1.0%
Income before interest and other	5,068	23.6%	(584)	(72)	(20)	(11)	-	84	-	5,671	26.4%
Interest expense	401	1.9%	-	-	-	-	-	-	-	401	1.9%
Other expense (income), net	104	0.5%	-	-	-	30	(23)	-	28	69	0.3%
Income before income taxes	\$ 4,563	21.2%	\$ (584)	\$ (72)	\$ (20)	\$ (41)	\$ 23	\$ 84	\$ (28)	\$ 5,201	24.2%

Year-to-Date FY 2025											
As Reported June 30, 2025	% of Sales	Amortization of Acquired Intangibles	Business Realignment Charges	Costs to Achieve	Gain on Divestitures	Insurance-Related Charges (Recoveries)		Other	Adjusted June 30, 2025	% of Sales ²	
Diversified Industrial:											
North America businesses ¹	\$ 1,891	23.2%	\$ 165	\$ 15	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ 2,073	25.5%
International businesses ¹	1,229	22.2%	88	38	1	-	-	-	-	1,356	24.5%
Total Diversified Industrial ¹	3,120	22.8%	253	53	3	-	-	-	-	3,429	25.1%
Aerospace Systems ¹	1,441	23.3%	300	-	19	-	-	-	-	1,760	28.5%
Total segment operating income	4,561	23.0%	(553)	(53)	(22)	-	-	-	-	5,189	26.1%
Corporate administration	214	1.1%	-	1	-	-	-	-	-	213	1.1%
Income before interest and other	4,347	21.9%	(553)	(54)	(22)	-	-	-	-	4,976	25.1%
Interest expense	409	2.1%	-	-	-	-	-	-	-	409	2.1%
Other expense (income), net	(169)	-0.9%	-	2	-	(252)	8	-	(24)	97	0.5%
Income before income taxes	\$ 4,107	20.7%	\$ (553)	\$ (56)	\$ (22)	\$ 252	\$ (8)	\$ -	\$ 24	\$ 4,470	22.5%



¹Segment operating income as a percent of sales is calculated on segment sales.

²Adjusted amounts as a percent of sales are calculated on as reported sales.

Reconciliation of EBITDA to Adjusted EBITDA

Parker Hannifin Corporation EBITDA & Adjusted EBITDA

(Dollars in millions)
(Unaudited)

	Three Months Ended June 30,			
	2026	% of Sales	2025	% of Sales
Net sales	\$ 5,755	100.0%	\$ 5,243	100.0%
Net income	\$ 1,092	19.0%	\$ 923	17.6%
Income taxes	248	4.3%	148	2.8%
Depreciation	89	1.5%	91	1.7%
Amortization	148	2.6%	139	2.7%
Interest expense	95	1.7%	99	1.9%
EBITDA	1,672	29.1%	1,400	26.7%
Adjustments:				
Business realignment charges	19	0.3%	16	0.3%
Costs to achieve	7	0.1%	3	0.1%
Gain on divestitures	-	0.0%	(2)	0.0%
Acquisition-related expenses	7	0.1%	-	0.0%
Insurance-related charges (recoveries)	(3)	-0.1%	-	0.0%
Tariff refunds	(84)	-1.5%	-	0.0%
Other	28	0.5%	(14)	-0.3%
EBITDA - Adjusted	\$ 1,646	28.6%	\$ 1,403	26.8%
EBITDA margin	29.1 %		26.7 %	
EBITDA margin - Adjusted	28.6 %		26.8 %	

Parker Hannifin Corporation EBITDA & Adjusted EBITDA

(Dollars in millions)
(Unaudited)

	Twelve Months Ended June 30,			
	2026	% of Sales	2025	% of Sales
Net sales	\$ 21,499	100.0%	\$ 19,850	100.0%
Net income	\$ 3,649	17.0%	\$ 3,532	17.8%
Income taxes	914	4.3%	575	2.9%
Depreciation	353	1.6%	354	1.8%
Amortization	584	2.7%	553	2.8%
Interest expense	401	1.9%	409	2.1%
EBITDA	5,901	27.4%	5,423	27.3%
Adjustments:				
Business realignment charges	72	0.3%	56	0.3%
Costs to achieve	20	0.1%	22	0.1%
Gain on divestitures	-	0.0%	(252)	-1.3%
Acquisition-related expenses	41	0.2%	-	0.0%
Insurance-related charges (recoveries)	(23)	-0.1%	8	0.0%
Tariff refunds	(84)	-0.4%	-	0.0%
Other	28	0.1%	(24)	-0.1%
EBITDA - Adjusted	\$ 5,955	27.7%	\$ 5,233	26.4%
EBITDA margin	27.4 %		27.3 %	
EBITDA margin - Adjusted	27.7 %		26.4 %	



Reconciliation of Net Debt to Adjusted EBITDA

(Dollars in millions) (Unaudited)	Twelve Months Ended June 30,	
	2026	2025
Notes payable and long-term debt payable within one year	\$ 1,754	\$ 1,791
Long-term debt	6,766	7,494
Deferred debt issuance costs	45	54
Gross debt	8,565	9,339
Cash and cash equivalents	\$ 501	\$ 467
Marketable securities and other investments	4	4
Cash	505	471
Net debt (Gross debt less total cash)	\$ 8,060	\$ 8,868
Net sales	\$ 21,499	\$ 19,850
Net income	\$ 3,649	\$ 3,532
Income taxes	914	575
Depreciation	353	354
Amortization	584	553
Interest expense	401	409
EBITDA	5,901	5,423
Adjustments:		
Business realignment charges	72	56
Costs to achieve	20	22
Gain on divestitures	-	(252)
Acquisition-related expenses	41	-
Insurance-related charges (recoveries)	(23)	8
Tariff refunds	(84)	-
Other	28	(24)
EBITDA - Adjusted	\$ 5,955	\$ 5,233
Net Debt / adjusted EBITDA TTM	1.4	1.7

Reconciliation of Operating Cash Flow Margin, Free Cash Flow Margin and Conversion

(Unaudited)

(Dollars in millions)

	Twelve Months Ended June 30,	
	2026	2025
Net Sales	\$ 21,499	\$ 19,850
Net Income	\$ 3,649	\$ 3,532
Cash Flow from Operations	\$ 4,364	\$ 3,776
Capital Expenditures	(459)	(435)
Free Cash Flow	\$ 3,905	\$ 3,341
Cash Flow from Operations Margin	20.3%	19.0%
Free Cash Flow Margin	18.2%	16.8%
Free Cash Flow Conversion (Free Cash Flow / Net Income)	107%	95%

Supplemental Sales Information

Global Technology Platforms

(Unaudited)
(Dollars in millions)

Net Sales	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2026	2025	2026	2025
Diversified Industrial:				
Motion Systems	\$ 944	860	\$ 3,580	\$ 3,341
Flow and Process Control	1,318	1,192	4,810	4,518
Filtration and Engineered Materials	1,593	1,515	6,048	5,806
Aerospace Systems	1,900	1,676	7,061	6,185
Total	\$ 5,755	\$ 5,243	\$ 21,499	\$ 19,850

Reconciliation of FY27 Q1 Guidance

RECONCILIATION OF FORECASTED SALES GROWTH TO ORGANIC SALES GROWTH

(Unaudited)

(Amounts in percentages)

	Fiscal Year 2027 Q1			
	Forecasted Net Sales	Currency	Acquisitions	Adjusted Forecasted Net Sales
Parker	~9%	--	~(1%)	~8%

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

(Unaudited)

	Fiscal Year 2027 Q1
Forecasted earnings per diluted share	~\$7.10
Adjustments:	
Business realignment charges	0.12
Amortization of acquired intangibles	1.10
Costs to achieve	0.05
Tax effect of adjustments ¹	(0.30)
Adjusted forecasted earnings per diluted share	~\$8.07

RECONCILIATION OF FORECASTED OPERATING MARGIN TO ADJUSTED OPERATING MARGIN

(Unaudited)

(Amounts in percentages)

	Fiscal Year 2027 Q1				
	Forecasted Segment Operating Margin	Business Realignment Charges	Costs to Achieve	Acquisition-Related Intangible Asset Amortization Expense	Adjusted Forecasted Segment Operating Margin*
Parker	~24.8%	~0.3%	~0.1%	~2.5%	~27.7%



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 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 FY27 Guidance

RECONCILIATION OF FORECASTED SALES GROWTH TO ORGANIC SALES GROWTH

(Unaudited)

(Amounts in percentages)

	Fiscal Year 2027			
	Forecasted Net Sales	Currency	Acquisitions	Adjusted Forecasted Net Sales
Diversified Industrial				
North America Businesses	5.5% to 8.5%	--	~(0.5%)	5% to 8%
International Businesses	3.5% to 6.5%	~1%	~(0.5%)	4% to 7%
Aerospace Systems	7% to 10%	--	--	7% to 10%
Parker	5.5% to 8.5%	~0.5%	~(0.5%)	5.5% to 8.5%

RECONCILIATION OF FORECASTED OPERATING MARGIN TO ADJUSTED OPERATING MARGIN

(Unaudited)

(Amounts in percentages)

	Fiscal Year 2027				
	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	23.9% to 24.3%	~0.3%	~0.2%	~2.1%	26.5% to 26.9%
International Businesses	23.5% to 23.9%	~1.0%	~0.1%	~1.5%	26.0% to 26.4%
Aerospace Systems	26.1% to 26.5%	~0.0%	~0.0%	~3.9%	30.0% to 30.4%
Parker	24.5% to 24.9%	~0.4%	~0.1%	~2.5%	27.5% to 27.9%

RECONCILIATION OF FORECASTED CASH FLOW FROM OPERATIONS TO FREE CASH FLOW

(Unaudited)

(Dollars in millions)

	Fiscal Year 2027
Cash flow from operations	\$3,974 to \$4,474
Less: Capital Expenditures	~(574)
Free cash flow	\$3,400 to \$3,900

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

(Unaudited)

	Fiscal Year 2027
Forecasted earnings per diluted share	\$30.00 to \$31.00
Adjustments:	
Business realignment charges	0.74
Amortization of acquired intangibles	4.54
Costs to achieve	0.19
Tax effect of adjustments ¹	(1.22)
Adjusted forecasted earnings per diluted share	\$34.25 to \$35.25

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 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