



## **Parker Hannifin Unveils New Win Strategy at New York Investor Meeting**

September 22, 2015

*New Goals Target Top-Quartile Performance among Diversified Industrial Peer Companies*

CLEVELAND - September 22, 2015 - Parker Hannifin Corporation (NYSE: PH), the global leader in motion and control technologies, today unveiled a new version of its Win Strategy™ at an investor meeting in New York. The Win Strategy is the Parker business system and was originally introduced in 2001. It has been instrumental in transforming the company's operations and optimizing performance.

"Competing and winning in today's challenging global markets will require Parker to build on the strong foundation we have in place while setting a new course with strategies that take our performance to the next level," said Tom Williams, CEO. "Using the new Win Strategy as a guide to our actions and a yardstick for our progress, we are striving to achieve new financial and operational performance targets designed to reward Parker shareholders."

Presentations at the meeting by Tom Williams, Chief Executive Officer; Lee Banks, President and Chief Operating Officer; Jon Marten, Executive Vice President - Finance and Administration and Chief Financial Officer; and Bob Bond, Corporate Vice President, e-Business, IoT, Services, laid out the details of the strategy during the half-day meeting. While many of the core principles of the strategy will remain in place, new strategies are being implemented to improve speed and performance. Key goals under the new strategy include:

- Engaged People - high engagement and ownership by Parker team members drives exceptional performance.
- Premier Customer Experience - moving from a service mindset to creating a great customer experience enables growth.
- Profitable Growth - implement strategies to grow organically 150 basis points faster than the market.
- Financial Performance - top-quartile financial performance versus our diversified industrial proxy peer group, with year-over-year earnings growth.

The company also established new financial goals that include a target to reach 17% segment operating income margin and 17% return on invested capital in five years.

"Total shareholder returns are highly correlated to year over year growth in earnings and return on invested capital," added Williams. "Driving organic sales growth 150 basis points better than the market and leveraging that growth through higher segment operating margins will be key operational measures we use to drive shareholder returns. Numerous opportunities exist to drive better sales and margin performance."

The company provided a detailed explanation of where margin improvements can be made including the introduction of a new Simplification initiative with opportunities to reduce organizational complexity in four areas: revenue complexity reduction, optimized organizational structure and processes, division consolidations, and reduced bureaucracy.

Presentations from the investor meeting can be accessed via archived webcast or downloaded at [www.phstock.com](http://www.phstock.com). A copy of the new Win Strategy is available at [www.parker.com](http://www.parker.com).

### **About Parker Hannifin Corporation**

With annual sales of approximately \$13 billion in fiscal year 2015, Parker Hannifin is the world's leading diversified manufacturer of motion and control technologies and systems, providing precision-engineered solutions for a wide variety of mobile, industrial and aerospace markets. The company employs approximately 55,000 people in 50 countries around the world. Parker has increased its annual dividends paid to shareholders for 59 consecutive fiscal years, among the top five longest-running dividend-increase records in the S&P 500 index. For more information, visit the company's website at [www.parker.com](http://www.parker.com), or its investor information website at [www.phstock.com](http://www.phstock.com).

### **Forward-Looking Statements**

Forward-looking statements contained in this and other written and oral reports are made based on known events and circumstances at the time of release, and as such, are subject in the future to unforeseen uncertainties and risks. All statements

regarding future performance, earnings projections, events or developments are forward-looking statements. It is possible that the future performance and earnings projections of the company, including its individual segments, may differ materially from current expectations, depending on economic conditions within its mobile, industrial and aerospace markets, and the company's ability to maintain and achieve anticipated benefits associated with announced realignment activities, strategic initiatives to improve operating margins, actions taken to combat the effects of the current economic environment, and growth, innovation and global diversification initiatives. A change in the economic conditions in individual markets may have a particularly volatile effect on segment performance. Among other factors which may affect future performance are: changes in business relationships with and purchases by or from major customers, suppliers or distributors, including delays or cancellations in shipments, disputes regarding contract terms or significant changes in financial condition, changes in contract cost and revenue estimates for new development programs and changes in product mix; ability to identify acceptable strategic acquisition targets; uncertainties surrounding timing, successful completion or integration of acquisitions and similar transactions; 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 the Company's capital allocation initiatives, including timing, price and execution of share repurchases; increases in raw material costs that cannot be recovered in product pricing; the company's ability to manage costs related to insurance and employee retirement and health care benefits; threats associated with and efforts to combat terrorism and cyber security risks; uncertainties surrounding the ultimate resolution of outstanding legal proceedings, including the outcome of any appeals; competitive market conditions 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 and credit availability. The company makes these statements as of the date of this disclosure, and undertakes no obligation to update them unless otherwise required by law.

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