



Parker Confirms UK Government's Approval of the Meggitt Acquisition

July 19, 2022

CLEVELAND, July 19, 2022 (GLOBE NEWSWIRE) -- Parker Hannifin Corporation (NYSE:PH) today welcomes the announcement from the UK's Secretary of State for Business, Energy and Industrial Strategy that, following public consultation, he accepts the competition and national security undertakings provided by Parker in relation to the Meggitt acquisition and the transaction is therefore cleared to proceed by the UK Government. As previously announced on August 2, 2021, the boards of Meggitt and Parker reached agreement on the terms and conditions of a recommended all cash acquisition by Parker of the entire issued, and to be issued, ordinary share capital of Meggitt PLC (the "Acquisition").

Parker also confirms that it has signed legally binding economic commitments with the UK Government. These commitments include maintaining the following, for five years after the closing of the Acquisition ("Undertaking Period"):

- Meggitt's headquarters and its aerospace and advanced materials center of excellence in Ansty Park, in Coventry, UK;
- Meggitt's key areas of existing operational capability in the UK;
- R&D (including product engineering) and manufacturing labor headcount in the UK;
- Meggitt's sustainability targets of reducing net carbon emissions by 50 per cent, by 2025; and achieving net zero greenhouse gas emissions by 2050; and
- Contractual obligations regarding supply of goods and services to HM Government.

Finally, as innovation is a key driving factor of success for both Meggitt and Parker, Parker has agreed to increase Meggitt's R&D expenditure in the UK by at least 40 per cent, by the end of the Undertaking Period, and its UK apprenticeship opportunities by 20 per cent.

"We are pleased to have reached this important clearance milestone from the UK Secretary of State," said Tom Williams, Chairman and Chief Executive Officer. "We have also agreed to substantial legally binding commitments, which underscore our deep commitment to the UK. As we move closer to the completion of the acquisition and the combination of these two strong businesses, we look forward to welcoming the Meggitt team to Parker."

The Acquisition remains subject to satisfaction or, where applicable, waiver of the conditions set out in the scheme circular published on August 16, 2021, including regulatory clearance and the sanction of the scheme of arrangement by the High Court of Justice in England and Wales pursuant to the UK Companies Act 2006. Parker continues to expect the Acquisition to close in Q3 2022.

For further information, please visit the dedicated transaction microsite www.aerospacegrowth.com.

About Parker

Parker Hannifin is a Fortune 250 global leader in motion and control technologies. For more than a century the company has been enabling engineering breakthroughs that lead to a better tomorrow. Parker has increased its annual dividend per share paid to shareholders for 66 consecutive fiscal years, among the top five longest-running dividend-increase records in the S&P 500 index. Learn more at www.parker.com or @parkerhannifin.

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. 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.

The risks and uncertainties in connection with such forward-looking statements related to the proposed acquisition of Meggitt include, but are not limited to, the occurrence of any event, change or other circumstances that could delay or prevent the closing of the proposed acquisition, including the failure to satisfy any of the conditions to the proposed acquisition; the possibility that in order for the parties to obtain regulatory approvals, conditions are imposed that prevent or otherwise adversely affect the anticipated benefits from the proposed acquisition or cause the parties to abandon the proposed acquisition; adverse effects on Parker's common stock because of the failure to complete the proposed acquisition; Parker's business experiencing disruptions due to acquisition-related uncertainty or other factors making it more difficult to maintain relationships with employees, business partners or governmental entities; the possibility that the expected synergies and value creation from the proposed acquisition will not be realized or will not be realized within the expected time period, due to unsuccessful implementation strategies or otherwise; and significant transaction costs related to the proposed acquisition.

Among other factors which may affect future performance are: the impact of the global outbreak of COVID-19 and governmental and other actions taken in response; 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 LORD Corporation or Exotic Metals; 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, 2021 and other periodic filings made with the SEC.

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