

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) of the
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): August 2, 2018

PARKER-HANNIFIN CORPORATION

(Exact Name of Registrant as Specified in Charter)

Ohio
(State or other jurisdiction of
Incorporation or Organization)
6035 Parkland Boulevard, Cleveland, Ohio
(Address of Principal Executive Offices)

34-0451060
(I.R.S. Employer
Identification No.)
44124-4141
(Zip Code)

Registrant's telephone number, including area code: **(216) 896-3000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 2.02 Results of Operations and Financial Condition

On August 2, 2018, Parker-Hannifin Corporation issued a press release and presented a Webcast announcing results of operations for the quarter ended June 30, 2018. A copy of the press release is furnished as Exhibit 99.1 to this report. A copy of the Webcast presentation is furnished as Exhibit 99.2 to this report.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits:

[99.1 Press release issued by Parker-Hannifin Corporation, dated August 2, 2018.](#)

[99.2 Webcast presentation by Parker-Hannifin Corporation, dated August 2, 2018.](#)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

PARKER-HANNIFIN CORPORATION

By: /s/ Catherine A. Suever

Catherine A. Suever

Executive Vice President - Finance &

Administration and Chief Financial Officer

Date: August 2, 2018



Exhibit 99.1

For Release: Immediately

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Stock symbol: PH - NYSE

Parker Reports Fiscal 2018 Fourth Quarter and Full Year Results

- *Fourth quarter sales increased 9% to an all-time quarterly record of \$3.82 billion*
- *Demand remained strong with fourth quarter organic growth of 9% and order rates increased 8%*
- *Fourth quarter total segment operating margins a record at 16.9% as reported, 17.5% adjusted*
- *Fourth quarter EPS increased 22% to \$2.62, or an increase of 31% to \$3.22, on an adjusted basis*
- *Fourth quarter EBITDA margins increased 100 bps to 17.4%, or 18.8% on an adjusted basis*
- *Full year operating cash flow reached a record \$1.6 billion or 11.2% of sales*
- *Fiscal 2019 full year guidance anticipates another record year for sales and operating margins*

CLEVELAND, August 2, 2018 -- Parker Hannifin Corporation (NYSE: PH), the global leader in motion and control technologies, today reported results for the fiscal 2018 fourth quarter and full year ended June 30, 2018. Fiscal 2018 fourth quarter sales increased 9% to \$3.82 billion compared with \$3.50 billion in the prior year quarter. Net income increased 20% to \$353.3 million compared with \$293.4 million in the prior year quarter. Fiscal 2018 fourth quarter earnings per share increased 22% to \$2.62, compared with \$2.15 in the fiscal 2017 fourth quarter. On an adjusted basis, earnings per share increased 31% to \$3.22, compared with \$2.45 in the prior year quarter. A reconciliation of non-GAAP measures is included in the financial tables of this press release.

For the full year, fiscal 2018 sales were \$14.3 billion, a 19% increase compared with \$12.0 billion in fiscal year 2017. Net income was \$1,061.3 million, an 8% increase compared with \$983.8 million in fiscal 2017. Earnings per share increased 8% to \$7.83 compared with \$7.25 per share in the prior year. Adjusted earnings per share increased 28% to \$10.42 compared with \$8.11 per share in fiscal 2017.

Cash flow from operations for fiscal year 2018 was \$1.6 billion or 11.2% of sales, compared with \$1.3 billion or 10.8% of sales in the prior year period. Excluding a discretionary pension contribution, fiscal 2017 full year cash flow from operations was 12.7% of sales. Free cash flow conversion in fiscal year 2018 was 127%. During the fourth quarter of fiscal 2018, the company's significant uses of cash included debt repayment of \$925 million, a quarterly dividend payment of \$100 million and the repurchase of \$150 million in Parker shares.

"We ended fiscal 2018 by achieving a number of records in the quarter, which contributed to Parker delivering the strongest year of financial performance in the company's history," said Chairman and Chief Executive Officer, Tom Williams. "Sales were a record in the fourth quarter with organic growth of 9%, more than double the rate of growth for global industrial production. Order rates also increased 8%, indicating continued strong market demand. Total segment operating margins reached a record 16.9%, or 17.5% adjusted, with strong performance across all operating segments, and EBITDA margins increased to 17.4% or 18.8% adjusted.

"For the year, Parker achieved records in sales, segment operating margins, earnings per share and cash flow from operations. We deployed cash efficiently to pay down debt, maintain our dividend increase record and repurchase shares. Fiscal 2018 demonstrates the success of the Win Strategy™ and reflects the engagement and dedication of our global team members."

Fiscal 2018 Fourth Quarter Segment Results

Diversified Industrial Segment: North American fourth quarter sales increased 8% to \$1.8 billion, and operating income increased 20% to \$313.5 million compared with \$261.5 million in the same period a year ago. International fourth quarter sales increased 12% to \$1.4 billion, and operating income increased 26% to \$203.3 million compared with \$161.5 million in the same period a year ago.

Aerospace Systems Segment: Fourth quarter sales increased 6% to \$636.4 million, compared with \$602.8 million in the prior year period, and operating income increased 13% to \$126.7 million compared with \$111.7 million in the same period a year ago.

Parker reported the following orders for the quarter ending June 30, 2018, compared with the same quarter a year ago:

- Orders increased 8% for total Parker
 - Orders increased 9% in the Diversified Industrial North America businesses
 - Orders increased 5% in the Diversified Industrial International businesses
 - Orders increased 10% in the Aerospace Systems Segment on a rolling 12-month average basis
-

Outlook

For the fiscal year ending June 30, 2019, the company has issued guidance for earnings from continuing operations in the range of \$10.50 to \$11.30 per share, or \$10.70 to \$11.50 per share on an adjusted basis. Fiscal year 2019 guidance is adjusted on a pre-tax basis for expected business realignment expenses of approximately \$22 million and CLARCOR costs to achieve of approximately \$13 million. Guidance assumes organic sales growth in the range of 2.3% to 5.1%.

Williams added, "Fiscal 2019 will see us make continued progress toward achieving our new five-year financial targets that will maintain Parker's position among the best performing diversified industrial companies and generate significant long-term value for our shareholders. While we have made meaningful progress, we have the opportunity to drive further improvement by building upon our strong financial position and distinct competitive advantages."

NOTICE OF CONFERENCE CALL: Parker Hannifin's conference call and slide presentation to discuss its fiscal 2018 fourth quarter and full year results are available to all interested parties via live webcast today at 11:00 a.m. ET, on the company's investor information web site at www.phstock.com. To access the call, click on the "Live Webcast" link. From this link, users also may complete a pre-call system test. A replay of the webcast will be accessible on Parker's investor relations website, www.phstock.com, approximately one hour after the completion of the call, and will remain available for one year. To register for e-mail notification of future events and information available from Parker please visit www.phstock.com.

Parker Hannifin is a Fortune 250 global leader in motion and control technologies. For more than 100 years the company has engineered the success of its customers in a wide range of diversified industrial and aerospace markets. Parker has increased its annual dividend per share paid to shareholders for 62 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](https://twitter.com/parkerhannifin).

Note on Orders

Orders provide near-term perspective on the company's outlook, particularly when viewed in the context of prior and future quarterly order rates. However, orders are not in themselves an indication of future performance. All comparisons are at constant currency exchange rates, with the prior year restated to the current-year rates. All exclude acquisitions until they can be reflected in both the numerator and denominator. Aerospace comparisons are rolling 12-month average computations. The total Parker orders number is derived from a weighted average of the year-over-year quarterly % change in orders for Diversified Industrial North America and Diversified Industrial International, and the year-over-year 12-month rolling average of orders for the Aerospace Systems Segment.

Note on Non-GAAP Numbers

This press release contains references to (a) earnings per share and segment operating margins without the effect of business realignment charges, CLARCOR costs to achieve, U.S. Tax Cuts and Jobs Act adjustments, the net loss on sale and writedown of assets, and acquisition-related expenses; (b) the effect of business realignment charges, CLARCOR costs to achieve on forecasted earnings from continuing operations per share; (c) and cash flows from operations without the effect of a discretionary pension contribution. The effects of business realignment charges, CLARCOR costs to achieve, U.S. Tax Reform adjustments, the net loss on sale and writedown of assets, acquisition-related expenses and a discretionary pension contribution are removed to allow investors and the company to meaningfully evaluate changes in earnings per share, segment operating margins and cash flows from operations on a comparable basis from period to period. This press release also contains references to EBITDA and adjusted EBITDA. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA before business realignment charges, CLARCOR costs to achieve, the loss on sale and writedown of assets and acquisition-related expenses. Although EBITDA and Adjusted EBITDA are not measures of performance calculated in accordance with GAAP, we believe that it is useful to an investor in evaluating the results of this quarter and full year versus the prior periods.

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. These statements may be identified from the use of forward-looking terminology such as "anticipates," "believes," "may," "should," "could," "potential," "continues," "plans," "forecasts," "estimates," "projects," "predicts," "would," "intends," "anticipates," "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. 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 and earnings projections are: economic conditions within the company's key 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. Additionally, the actual impact of the U.S. Tax Cuts and Jobs Act may affect future performance and earnings projections as the amounts reflected in this period are preliminary estimates and exact amounts will not be determined until a later date, and there may be other judicial or regulatory interpretations of the U.S. Tax Cuts and Jobs Act that may also affect these estimates and the actual impact on the company. 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 of the company are, as applicable: 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 CLARCOR; 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 capital allocation initiatives, including timing, price and execution of share repurchases; availability, limitations or cost increases of raw materials, component products and/or commodities that cannot be recovered in product pricing; ability to manage costs related to insurance and employee retirement and health care benefits; compliance costs associated with environmental laws and regulations; potential labor disruptions; 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; global 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 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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CONSOLIDATED STATEMENT OF INCOME

(Dollars in thousands except per share amounts)	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2018	2017	2018	2017
Net sales	\$ 3,817,477	\$ 3,496,238	\$ 14,302,392	\$ 12,029,312
Cost of sales	2,835,885	2,654,682	10,762,841	9,188,962
Selling, general and administrative expenses	422,423	402,352	1,657,152	1,453,935
Interest expense	53,040	52,787	213,873	162,436
Other expense (income), net	8,202	(14,194)	(33,751)	(104,662)
Income before income taxes	497,927	400,611	1,702,277	1,328,641
Income taxes	144,599	107,252	640,962	344,797
Net income	353,328	293,359	1,061,315	983,844
Less: Noncontrolling interests	72	54	514	432
Net income attributable to common shareholders	\$ 353,256	\$ 293,305	\$ 1,060,801	\$ 983,412

Earnings per share attributable to common shareholders:

Basic earnings per share	\$ 2.66	\$ 2.20	\$ 7.98	\$ 7.37
Diluted earnings per share	\$ 2.62	\$ 2.15	\$ 7.83	\$ 7.25
Average shares outstanding during period - Basic	132,696,489	133,278,324	133,004,613	133,377,547
Average shares outstanding during period - Diluted	135,001,851	136,154,741	135,426,834	135,559,764
Cash dividends per common share	\$ 0.76	\$ 0.66	\$ 2.74	\$ 2.58

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

(Unaudited)	Three Months Ended June 30,		Twelve Months Ended June 30,	
(Amounts in dollars)	2018	2017	2018	2017
Earnings per diluted share	\$ 2.62	\$ 2.15	\$ 7.83	\$ 7.25
Adjustments:				
Business realignment charges	0.10	0.11	0.26	0.30
Clarcor costs to achieve	0.04	—	0.20	—
Net loss on sale and writedown of assets	0.39	—	0.41	—
U.S. Tax Reform one-time impact, net	0.07	—	1.72	—
Acquisition-related expenses	—	0.19	—	0.56
Adjusted earnings per diluted share	\$ 3.22	\$ 2.45	\$ 10.42	\$ 8.11

RECONCILIATION OF EBITDA TO ADJUSTED EBITDA

(Unaudited)	Three Months Ended June 30,	
(Dollars in thousands)	2018	2017
Net sales	\$ 3,817,477	\$ 3,496,238
Earnings before income taxes	\$ 497,927	\$ 400,611
Depreciation and amortization	114,769	118,686
Interest expense	53,040	52,787
EBITDA	665,736	572,084
Adjustments:		
Business realignment charges	17,843	21,437
Clarcor costs to achieve	8,292	—
Loss on sale and writedown of assets	26,513	—
Acquisition-related expenses	—	36,303
Adjusted EBITDA	\$ 718,384	\$ 629,824
EBITDA margin	17.4%	16.4%
Adjusted EBITDA margin	18.8%	18.0%

BUSINESS SEGMENT INFORMATION

(Dollars in thousands)	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2018	2017	2018	2017
Net sales				
Diversified Industrial:				
North America	\$ 1,804,948	\$ 1,665,483	\$ 6,726,900	\$ 5,366,809
International	1,376,118	1,227,999	5,259,793	4,377,776
Aerospace Systems	636,411	602,756	2,315,699	2,284,727
Total net sales	\$ 3,817,477	\$ 3,496,238	\$ 14,302,392	\$ 12,029,312
Segment operating income				
Diversified Industrial:				
North America	\$ 313,493	\$ 261,509	\$ 1,076,021	\$ 873,552
International	203,340	161,499	765,188	579,207
Aerospace Systems	126,735	111,732	397,970	337,496
Total segment operating income	643,568	534,740	2,239,179	1,790,255
Corporate general and administrative expenses	58,471	51,925	200,901	172,632
Income before interest expense and other expense	585,097	482,815	2,038,278	1,617,623
Interest expense	53,040	52,787	213,873	162,436
Other expense	34,130	29,417	122,128	126,546
Income before income taxes	\$ 497,927	\$ 400,611	\$ 1,702,277	\$ 1,328,641

RECONCILIATION OF TOTAL SEGMENT OPERATING MARGIN TO ADJUSTED TOTAL SEGMENT OPERATING MARGIN

(Unaudited)

(Dollars in thousands)	Three Months Ended		Three Months Ended	
	June 30, 2018		June 30, 2017	
	Operating income	Operating margin	Operating income	Operating margin
Total segment operating income	\$ 643,568	16.9%	\$ 534,740	15.3%
Adjustments:				
Business realignment charges	17,843		20,653	
Clarcor costs to achieve	8,292		—	
Acquisition-related expenses	—		32,182	
Adjusted total segment operating income	\$ 669,703	17.5%	\$ 587,575	16.8%

CONSOLIDATED BALANCE SHEET

(Dollars in thousands)	June 30, 2018	June 30, 2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 822,137	\$ 884,886
Marketable securities and other investments	32,995	39,318
Trade accounts receivable, net	2,145,517	1,930,751
Non-trade and notes receivable	328,399	254,987
Inventories	1,621,304	1,549,494
Prepaid expenses	134,886	120,282
Total current assets	5,085,238	4,779,718
Plant and equipment, net	1,856,237	1,937,292
Deferred income taxes	57,623	36,057
Goodwill	5,504,420	5,586,878
Intangible assets, net	2,015,520	2,307,484
Other assets	801,049	842,475
Total assets	\$ 15,320,087	\$ 15,489,904
Liabilities and equity		
Current liabilities:		
Notes payable	\$ 638,466	\$ 1,008,465
Accounts payable	1,430,306	1,300,496
Accrued liabilities	929,833	933,762
Accrued domestic and foreign taxes	198,878	153,137
Total current liabilities	3,197,483	3,395,860
Long-term debt	4,318,559	4,861,895
Pensions and other postretirement benefits	1,177,605	1,406,082
Deferred income taxes	234,858	221,790
Other liabilities	526,089	336,931
Shareholders' equity	5,859,866	5,261,649
Noncontrolling interests	5,627	5,697
Total liabilities and equity	\$ 15,320,087	\$ 15,489,904

CONSOLIDATED STATEMENT OF CASH FLOWS

Twelve Months Ended June 30,

(Dollars in thousands)

2018

2017

Cash flows from operating activities:

Net income	\$	1,061,315	\$	983,844
Depreciation and amortization		466,085		355,229
Stock incentive plan compensation		118,831		80,339
Loss (gain) on sale of businesses		19,666		(41,285)
(Gain) loss on disposal of assets		(24,422)		1,494
(Gain) on sale of marketable securities		(2)		(1,032)
Loss on sale and impairment of investments		33,759		—
Net change in receivables, inventories and trade payables		(268,280)		5,741
Net change in other assets and liabilities		227,463		(126,943)
Other, net		(34,128)		45,084

Net cash provided by operating activities		1,600,287		1,302,471
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Cash flows from investing activities:

Acquisitions (net of cash of \$157,426 in 2017)		—		(4,069,197)
Capital expenditures		(247,667)		(203,748)
Proceeds from sale of plant and equipment		81,881		14,648
Proceeds from sale of businesses		177,741		85,610
Purchases of marketable securities and other investments		(80,607)		(465,666)
Maturities and sales of marketable securities and other investments		83,905		1,279,318
Other, net		4,837		(6,113)

Net cash provided by (used in) investing activities		20,090		(3,365,148)
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Cash flows from financing activities:

Net payments for common stock activity		(377,359)		(335,876)
Net (payments for) proceeds from debt		(939,325)		2,463,884
Dividends		(365,288)		(345,380)

Net cash (used in) provided by financing activities		(1,681,972)		1,782,628
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Effect of exchange rate changes on cash		(1,154)		(56,718)
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Net (decrease) in cash and cash equivalents		(62,749)		(336,767)
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Cash and cash equivalents at beginning of period		884,886		1,221,653
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Cash and cash equivalents at end of period	\$	822,137	\$	884,886
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RECONCILIATION OF CASH FLOW FROM OPERATIONS TO ADJUSTED CASH FLOW FROM OPERATIONS

(Unaudited)	Twelve Months Ended	
(Dollars in thousands)	June 30, 2018	Percent of Sales
As reported cash flow from operations	\$ 1,600,287	11.2%
Discretionary pension contribution	—	
Adjusted cash flow from operations	\$ 1,600,287	11.2%
	Twelve Months Ended	
	June 30, 2017	Percent of Sales
As reported cash flow from operations	\$ 1,302,471	10.8%
Discretionary pension contribution	220,000	
Adjusted cash flow from operations	\$ 1,522,471	12.7%

CALCULATION OF FREE CASH FLOW CONVERSION

(Unaudited)	Twelve Months Ended	
(Dollars in thousands)	June 30, 2018	
Net Income	\$ 1,061,315	
Cash flow from operations	1,600,287	
Capital expenditures	(247,667)	
Free cash flow	\$ 1,352,620	
Free cash flow conversion (free cash flow/net income)		127 %

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

(Unaudited)

(Amounts in dollars)

	<u>Fiscal Year 2019</u>
Forecasted earnings per diluted share	\$10.50 - \$11.30
Adjustments:	
Business realignment charges	0.13
Clarcor costs to achieve	0.07
Adjusted forecasted earnings per diluted share	\$10.70 - \$11.50

Parker Hannifin Corporation

Exhibit 99.2

4th Quarter & Fiscal Year 2018 Earnings Release



PH
LISTED
NYSE

ENGINEERING YOUR SUCCESS.

August 2, 2018

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. These statements may be identified from the use of forward-looking terminology such as "anticipates," "believes," "may," "should," "could," "potential," "continues," "plans," "forecasts," "estimates," "projects," "predicts," "would," "intends," "anticipates," "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. 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 and earnings projections are: economic conditions within the company's key 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. Additionally, the actual impact of the U.S. Tax Reform may affect future performance and earnings projections as the amounts reflected in this period are preliminary estimates and exact amounts will not be determined until a later date, and there may be other judicial or regulatory interpretations of the U.S. Tax Reform that may also affect these estimates and the actual impact on the company. 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 of the company are, as applicable: 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 CLARCOR; 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 capital allocation initiatives, including timing, price and execution of share repurchases; availability, limitations or cost increases of raw materials, component products and/or commodities that cannot be recovered in product pricing; ability to manage costs related to insurance and employee retirement and health care benefits; compliance costs associated with environmental laws and regulations; potential labor disruptions; 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; global 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 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.

This presentation reconciles (a) sales amounts reported in accordance with U.S. GAAP to organic sales, which are sales amounts adjusted to remove the effects of acquisitions, divestitures and the effects of currency exchange rates, (b) cash flow from operating activities and cash flow from operating activities as a percent of sales in accordance with U.S. GAAP to cash flow from operating activities and cash flow from operating activities as a percent of sales without the effect of discretionary pension plan contributions, (c) as reported and forecast segment operating income and operating margins reported in accordance with U.S. GAAP to as reported and forecast segment operating income and operating margins without the effect of business realignment charges, CLARCOR costs to achieve and acquisition-related expenses, (d) Below the Line Items reported in accordance with U.S. GAAP to Below the Line Items without the effect of the net loss on sale and write-down of assets, and (e) Income tax in accordance with U.S. GAAP to Income tax without the effect of U.S. Tax Reform one-time impact, net (f) as reported and forecast earnings per diluted share reported in accordance with U.S. GAAP to as reported and forecast earnings per diluted share without the effect of business realignment charges, CLARCOR costs to achieve, net loss on sale and write-down of assets and U.S. Tax Reform one-time impact, net. This presentation also contains references to EBITDA and adjusted EBITDA. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA before business realignment charges, CLARCOR costs to achieve, net loss on sale and write-down of assets, and acquisition-related expenses. Although EBITDA and Adjusted EBITDA are not measures of performance calculated in accordance with GAAP, we believe that it is useful to an investor in evaluating the results of this quarter versus one year ago. The effects of acquisitions, divestitures, currency exchange rates, discretionary pension plan contributions, business realignment charges, CLARCOR costs to achieve, acquisition-related expenses, net loss on sale and write-down of assets and U.S. Tax Reform one-time impact, net are removed to allow investors and the company to meaningfully evaluate changes in sales, and cash flow from operating activities as a percent of sales, segment operating income, operating margins, Below the Line Items, Income Tax and earnings per diluted share on a comparable basis from period to period. Full year adjusted guidance removes business realignment charges, CLARCOR costs to achieve.

Agenda

- Highlights of Quarter and Full Year Results

- Results & Outlook

- Questions & Answers

Highlights of Quarter and FY18 Results

Fourth Quarter Results

- Safety - 21% reduction – creating an ownership culture
- All-time records for sales & segment operating margins
- 4th Quarter records for Net Income, Net Income ROS & EPS
- Strong organic growth, 9% and order growth, 8%
- Adjusted EBITDA margins up 80 bps

Full Year Fiscal 2018 Highlights

- All-time records for Sales, EPS, Segment Operating Margins, Cash Flow
- 8% Organic growth, improvement in Segment & EBITDA Margins
- Strong cash generation; increased dividend, reduced debt, shares repurchased
- Clarcor integration going well
- EBITDA performance: on track to hit 300 bps margin expansion early

FY19 Outlook and Looking Ahead

Fiscal 2019 Guidance

- Anticipating record year for sales and EPS
- Adjusted EPS in the range of \$10.70 to \$11.50
- Solid organic growth of 2.3% to 5.1% partially offset by currency headwinds

Going Forward

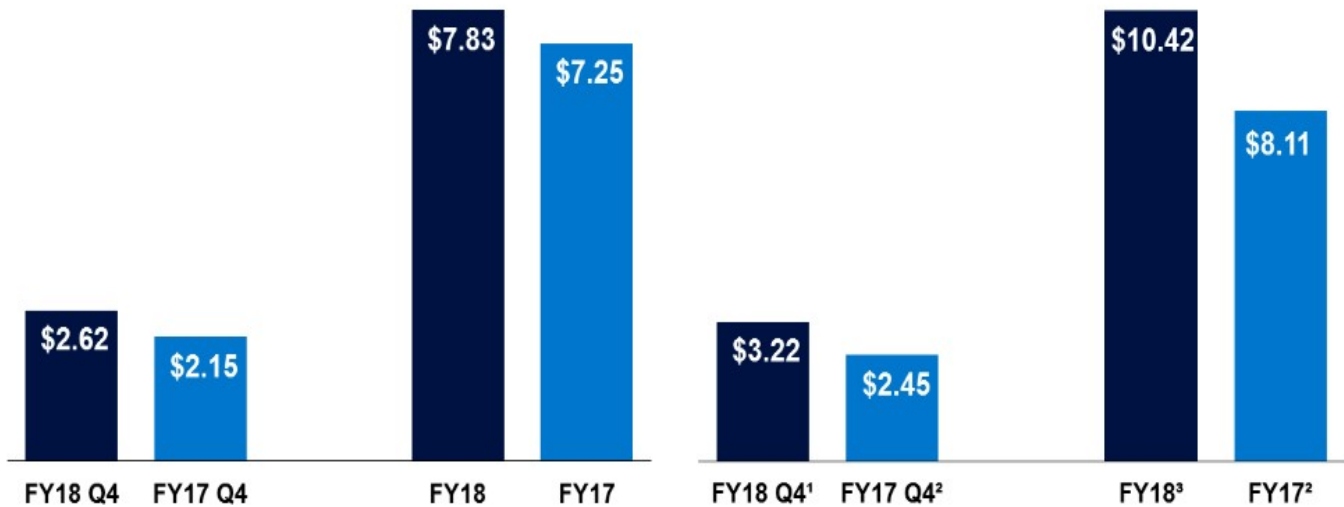
- Positive momentum: market conditions and growth initiatives
- Continued strong performance in Aerospace Systems
- Build on strong margin performance in international businesses
- North America – lower restructuring expenses, margin improvement
- FY19: stronger balance sheet for deployment priorities
- FY18 performance and FY19 guide a solid start against new 5-year targets

Diluted Earnings Per Share

4th Quarter & Fiscal Year 2018

As Reported EPS

Adjusted EPS



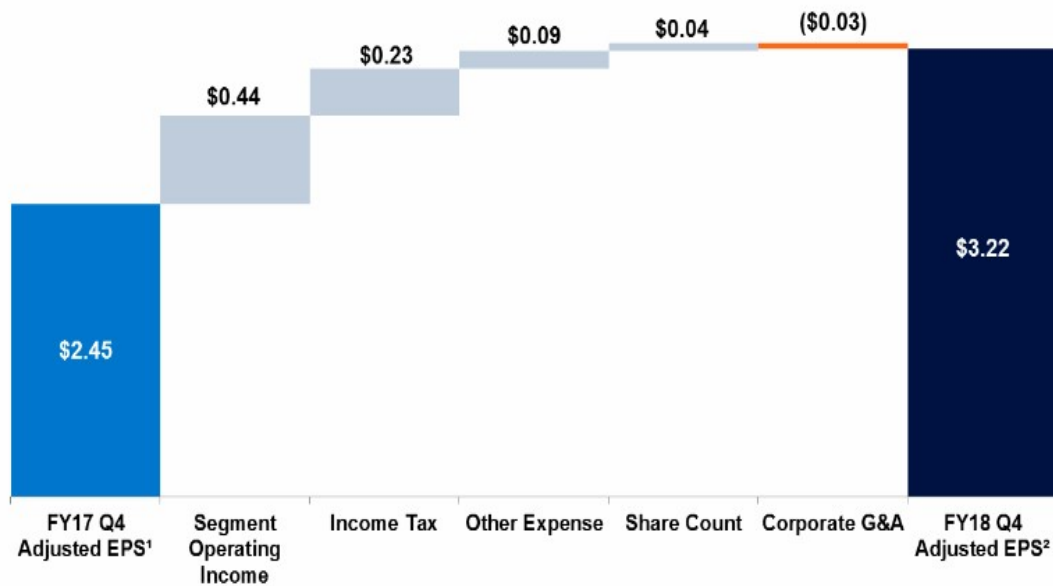
¹Adjusted for Business Realignment Charges, CLARCOR Costs to Achieve, Loss on the Sale and Write Down of Assets, and U.S. Tax Reform Impact

²Adjusted for Business Realignment Charges, Acquisition-related expenses

³Adjusted for Business Realignment Charges, CLARCOR Costs to Achieve, Net Loss on the Sale and Write Down of Assets, and U.S. Tax Reform Impact

Influences on Adjusted Earnings Per Share

4th Quarter FY2018 vs. 4th Quarter FY2017

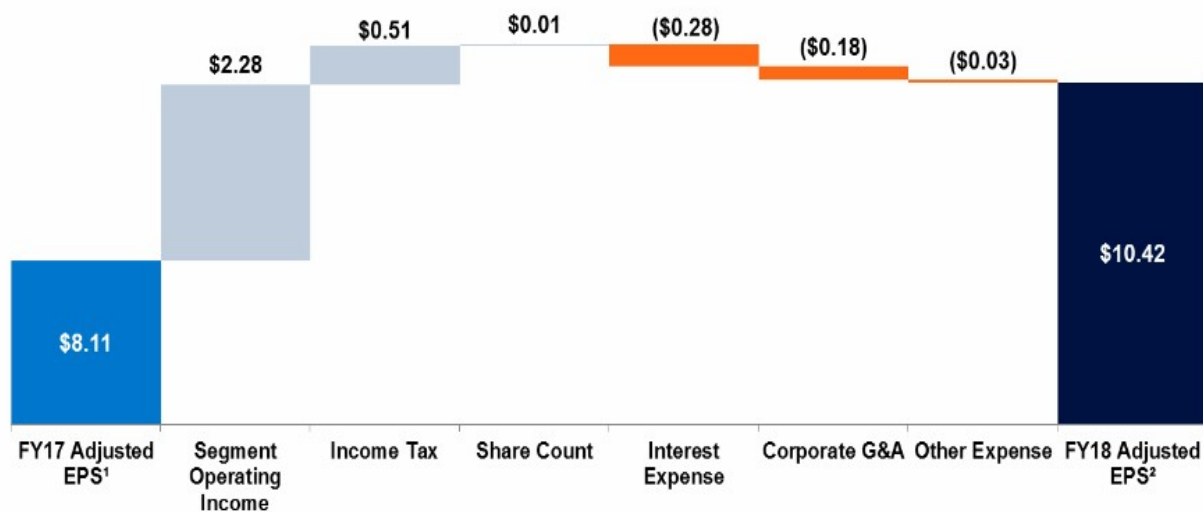


¹Adjusted for Business Realignment Charges, Acquisition-related expenses

²Adjusted for Business Realignment Charges, CLARCOR Costs to Achieve, Loss on the Sale and Write Down of Assets, and U.S. Tax Reform Impact

Influences on Adjusted Earnings Per Share

FY2018 vs. FY2017



¹Adjusted for Business Realignment Charges, Acquisition-related expenses

²Adjusted for Business Realignment Charges, CLARCOR Costs to Achieve, Net Loss on the Sale and Write Down of Assets, and U.S. Tax Reform Impact

Sales & Segment Operating Margin

Total Parker

\$ in millions	4th Quarter			Full Year				
	FY2018	% Change	FY2017	FY2018	% Change	FY2017		
Sales								
As Reported	\$ 3,816	9.2 %	\$ 3,496	\$ 14,302	18.9 %	\$ 12,029		
Acquisitions	-	- %		971	8.1 %			
Divestitures	(15)	(0.4)%		(15)	(0.1)%			
Currency	31	0.9 %		295	2.5 %			
Organic Sales	\$ 3,800	8.7 %		\$ 13,051	8.4 %			
	FY2018	% of Sales	FY2017	% of Sales	FY2018	% of Sales	FY2017	% of Sales
Segment Operating Margin								
As Reported	\$ 644	16.9 %	\$ 535	15.3 %	\$ 2,239	15.7 %	\$ 1,790	14.9 %
Business Realignment	18		21		46		56	
CLARCOR Costs to Achieve	8				37			
Acquisition-Related Expenses			32				58	
Adjusted	\$ 670	17.5 %	\$ 588	16.8 %	\$ 2,322	16.2 %	\$ 1,904	15.8 %

Sales & Segment Operating Margin

Diversified Industrial North America

\$ in millions	4th Quarter			Full Year			
	% Change			% Change			
	FY2018	Change	FY2017	FY2018	Change	FY2017	
<u>Sales</u>							
As Reported	\$ 1,805	8.4 %	\$ 1,665	\$ 6,727	25.3 %	\$ 5,367	
Acquisitions	-	- %		798	14.9 %		
Divestitures	(6)	(0.4)%		(6)	(0.1)%		
Currency	(0)	(0.0)%		21	0.4 %		
Organic Sales	<u>\$ 1,811</u>	<u>8.8 %</u>		<u>\$ 5,914</u>	<u>10.1 %</u>		
		% of	% of		% of	% of	
	FY2018	Sales	FY2017	Sales	FY2018	FY2017	% of Sales
<u>Segment Operating Margin</u>							
As Reported	\$ 313	17.4 %	\$ 262	15.7 %	\$ 1,076	\$ 874	16.3 %
Business Realignment	3		10		9	20	
CLARCOR Costs to Achieve	6				29		
Acquisition-Related Expenses			32			58	
Adjusted	<u>\$ 322</u>	<u>17.8 %</u>	<u>\$ 304</u>	<u>18.2 %</u>	<u>\$ 1,114</u>	<u>\$ 952</u>	<u>17.7 %</u>

Sales & Segment Operating Margin

Diversified Industrial International

\$ in millions	4th Quarter			Full Year			
	FY2018	% Change	FY2017	FY2018	% Change	FY2017	
Sales							
As Reported	\$ 1,376	12.1 %	\$ 1,228	\$ 5,259	20.1 %	\$ 4,378	
Acquisitions	-	- %		173	3.9 %		
Divestitures	(9)	(0.7)%		(9)	(0.2)%		
Currency	31	2.6 %		269	6.2 %		
Organic Sales	\$ 1,354	10.2 %		\$ 4,826	10.2 %		
		% of Sales	% of Sales		% of Sales	% of Sales	
Segment Operating Margin							
As Reported	\$ 203	14.8 %	\$ 161	\$ 765	14.5 %	\$ 579	13.2 %
Business Realignment	16		11	34		33	
CLARCOR Costs to Achieve	2			8			
Adjusted	\$ 221	16.1 %	\$ 172	\$ 807	15.3 %	\$ 612	14.0 %

Sales & Segment Operating Margin

Aerospace Systems

\$ in millions	4th Quarter			Full Year			
	% Change			% Change			
	FY2018	Change	FY2017	FY2018	Change	FY2017	
Sales							
As Reported	\$ 636	5.6 %	\$ 603	\$ 2,316	1.4 %	\$ 2,285	
Acquisitions	-	- %		-	- %		
Currency	1	0.1 %		5	0.2 %		
Organic Sales	\$ 635	5.5 %		\$ 2,311	1.2 %		
		% of Sales			% of Sales		% of Sales
Segment Operating Margin							
As Reported	\$ 127	19.9 %	\$ 112	18.5 %	\$ 398	17.2 %	\$ 337 14.8 %
Business Realignment	0		(0)		3		3
Adjusted	\$ 127	19.9 %	\$ 112	18.5 %	\$ 401	17.3 %	\$ 340 14.9 %

Order Rates

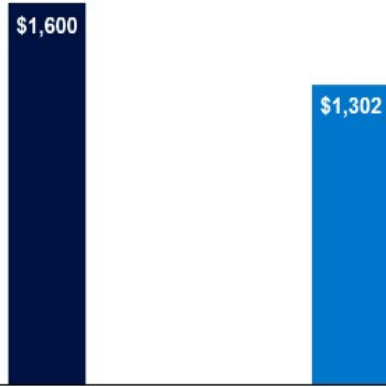
	<u>Jun 2018</u>		<u>Mar 2018</u>		<u>Jun 2017</u>		<u>Mar 2017</u>	
Total Parker	+	8 %	+	11 %	+	8 %	+	8 %
Diversified Industrial North America	+	9 %	+	11 %	+	10 %	+	9 %
Diversified Industrial International	+	5 %	+	8 %	+	10 %	+	13 %
Aerospace Systems	+	10 %	+	17 %	+	1 %		0 %

Excludes Acquisitions, Divestitures & Currency
 3-month year-over-year comparisons of total dollars, except Aerospace Systems
 Aerospace Systems is calculated using a 12-month rolling average

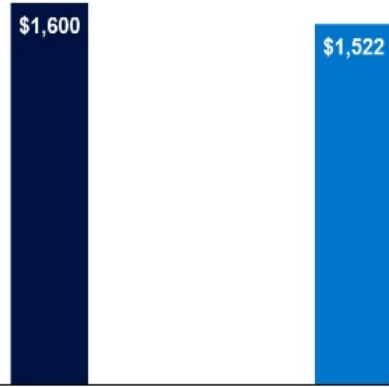
Cash Flow from Operating Activities

Dollars in millions

As Reported Cash Flow



Adjusted Cash Flow

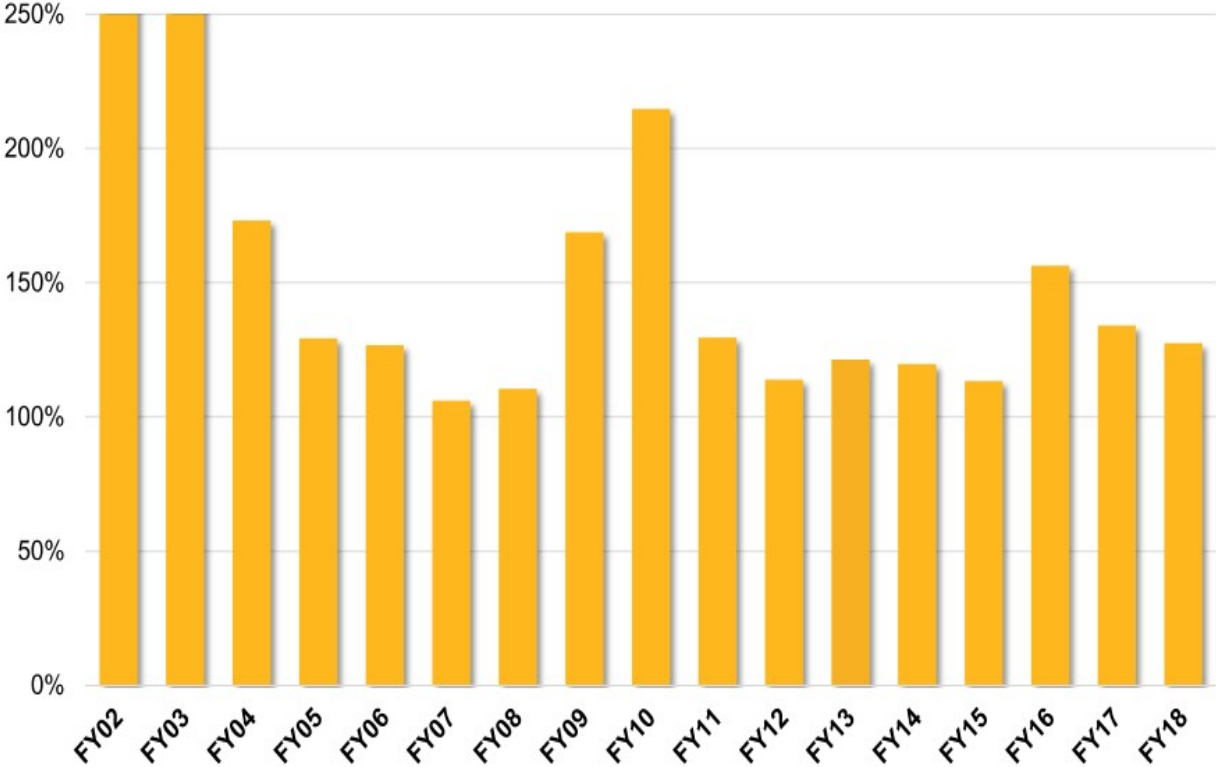


¹Adjusted for Discretionary Pension Plan Contribution

	Full Year			
	FY 2018	% of Sales	FY 2017	% of Sales
As Reported Cash Flow From Operating Activities	1,600	11.2%	1,302	10.8%
Discretionary Pension Plan Contribution			220	
Adjusted Cash Flow From Operating Activities	1,600	11.2%	1,522	12.7%

Free Cash Flow Conversion

Free Cash Flow / Net Income



* Free Cash Flow = Cash Provided by Operating Activities - Capital Expenditures + Discretionary Pension Contribution



FY2019 Guidance

EPS Midpoint: \$10.90 As Reported, \$11.10 Adjusted

Sales Growth vs. Prior Year	Total Growth	Organic Growth
Diversified Industrial North America	2.6% - 5.6%	3.1% - 6.1%
Diversified Industrial International	(2.5)% - 0.5%	1.1% - 4.1%
Aerospace Systems	2.5% - 4.5%	2.5% - 4.5%
Total Parker	0.7% - 3.5%	2.3% - 5.1%

Segment Operating Margins	As Reported	Adjusted ¹
Diversified Industrial North America	16.4% - 17.2%	16.6% - 17.4%
Diversified Industrial International	15.3% - 15.7%	15.6% - 16.0%
Aerospace Systems	17.2% - 17.6%	17.2% - 17.6%
Total Parker	16.1% - 16.7%	16.3% - 16.9%

Below the Line Items	
Corporate General & Administrative Expense, Interest and Other	\$483M

Tax Rate	
Full Year	23%

Shares	
Diluted Shares Outstanding	135.1 M

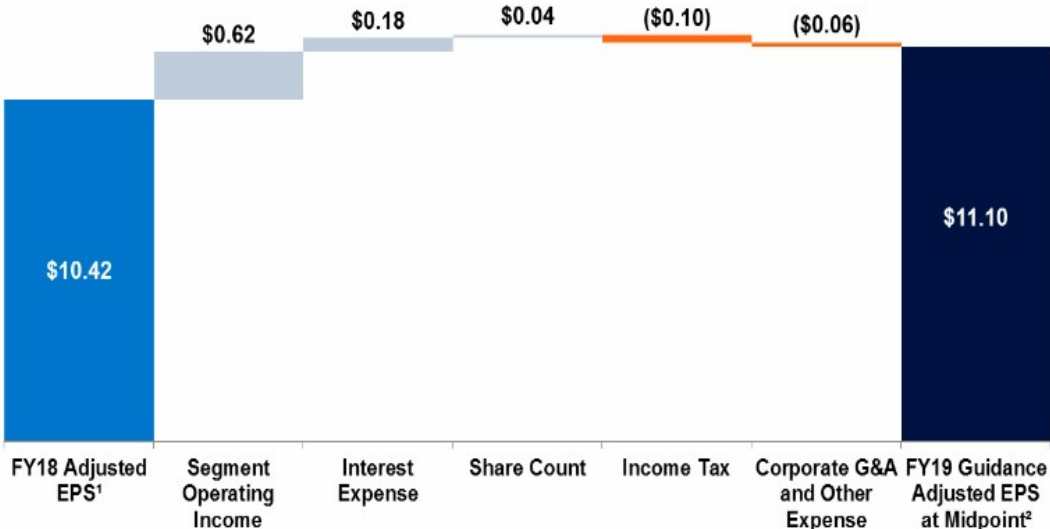
Earnings Per Share	As Reported	Adjusted ¹
Range	\$10.50 - \$11.30	\$10.70 - \$11.50

¹Expected FY19 Adjusted Segment Operating Margins and Adjusted Earnings Per Share exclude:
 \$22M Business Realignment Charges
 \$13M Clarcor Costs to Achieve
 \$35M Total Realignment



FY2019 Guidance

FY19 Guidance vs FY18 Actual



¹Adjusted for Business Realignment Charges, CLARCOR Costs to Achieve, Net Loss on the Sale and Write Down of Assets, and U.S. Tax Reform Impact

²Adjusted for Business Realignment Charges, CLARCOR Costs to Achieve



Key Takeaways

- Anticipating another record year
- The Win Strategy is working well
- Two overarching themes:
 - Top quartile performance
 - Great generators/deployers of cash
- Bright future ahead – Unique competitive advantages

Parker among the best diversified industrial companies



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LISTED

NYSE

Appendix

- Consolidated Statement of Income
- Adjusted Amounts Reconciliation
- Reconciliation of EPS
- Business Segment Information
- Reconciliation of Total Segment Operating Margin to Adjusted Total Segment Operating Margin
- Reconciliation of EBITDA to Adjusted EBITDA
- Consolidated Balance Sheet
- Consolidated Statement of Cash Flows
- Reconciliation of Cash Flow from Operations to Adjusted Cash Flow from Operations
- Reconciliation of Free Cash Flow Conversion
- Reconciliation of Organic Growth
- Reconciliation of EPS
- Supplemental Sales Information – Global Technology Platforms



Consolidated Statement of Income

(Dollars in thousands except per share amounts)	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2018	2017	2018	2017
Net sales	\$ 3,817,477	\$ 3,496,238	\$ 14,302,392	\$ 12,029,312
Cost of sales	2,835,885	2,654,682	10,762,841	9,188,962
Selling, general and administrative expenses	422,423	402,352	1,657,152	1,453,935
Interest expense	53,040	52,787	213,873	162,436
Other expense (income), net	8,202	(14,194)	(33,751)	(104,662)
Income before income taxes	497,927	400,611	1,702,277	1,328,641
Income taxes	144,599	107,252	640,962	344,797
Net income	353,328	293,359	1,061,315	983,844
Less: Noncontrolling interests	72	54	514	432
Net income attributable to common shareholders	\$ 353,256	\$ 293,305	\$ 1,060,801	\$ 983,412
Earnings per share attributable to common shareholders:				
Basic earnings per share	\$ 2.66	\$ 2.20	\$ 7.98	\$ 7.37
Diluted earnings per share	\$ 2.62	\$ 2.15	\$ 7.83	\$ 7.25
Average shares outstanding during period - Basic	132,696,489	133,278,324	133,004,613	133,377,547
Average shares outstanding during period - Diluted	135,001,851	136,154,741	135,426,834	135,559,764
Cash dividends per common share	\$.76	\$.66	\$ 2.74	\$ 2.58

Adjusted Amounts Reconciliation

FOURTH QUARTER FY 2018

	As Reported Jun-18	Business Realignment	Costs to Achieve	Loss on Sale of Business/ Investment W/D	Tax Act Impact	Adjusted Jun-18
Net sales	3,817,477					3,817,477
Cost of sales	2,835,885	7,873	4,793			2,823,219
Selling, general and administrative expenses	422,423	9,970	2,490			409,963
Interest expense	53,040	-				53,040
Other expense (income), net	8,202	-	1,009	26,513		(19,320)
Income before income taxes	497,927	(17,843)	(8,292)	(26,513)	-	550,575
Income taxes	144,599	4,961	2,305	(26,315)	(8,574)	116,976
Net income	353,328	(12,882)	(5,987)	(52,828)	(8,574)	433,599
Less: Noncontrolling interests	72	-				72
Net income attributable to common shareholders	353,256	(12,882)	(5,987)	(52,828)	(8,574)	433,527
EPS attributable to common shareholders:						
Diluted earnings per share	2.62	(0.10)	(0.04)	(0.39)	(0.07)	3.22

FOURTH QUARTER FY 2018

	As Reported Jun-18	Business Realignment	Costs to Achieve	Loss on Sale of Business/ Investment W/D	Adjusted Jun-18
Segment Operating Income					
Diversified Industrial:					
North America	313,493	2,359	5,998	-	321,850
International	203,340	15,326	2,294	-	220,960
Aerospace Systems	126,735	158	-	-	126,893
Total segment operating income	643,568	(17,843)	(8,292)	-	669,703
Corporate administration	58,471	-	-	-	58,471
Income before interest expense and other	585,097	(17,843)	(8,292)	-	611,232
Interest expense	53,040	-	-	-	53,040
Other expense	34,130	-	-	26,513	7,617
Income before income taxes	497,927	(17,843)	(8,292)	(26,513)	550,575

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Reconciliation of EPS

(Unaudited)	Three Months Ended June 30,		Twelve Months Ended June 30,	
(Amounts in dollars)	2018	2017	2018	2017
Earnings per diluted share	\$ 2.62	\$ 2.15	\$ 7.83	\$ 7.25
Adjustments:				
Business realignment charges	0.10	0.11	0.26	0.30
Clarcor costs to achieve	0.04	-	0.20	-
Net loss on sale and write-down of assets	0.39	-	0.41	-
U.S. Tax Reform one-time impact, net	0.07	-	1.72	-
Acquisition-related expenses	-	0.19	-	0.56
Adjusted earnings per diluted share	\$ 3.22	\$ 2.45	\$ 10.42	\$ 8.11

Business Segment Information

(Dollars in thousands)	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2018	2017	2018	2017
Net sales				
Diversified Industrial:				
North America	\$ 1,804,948	\$ 1,665,483	\$ 6,726,900	\$ 5,366,809
International	1,376,118	1,227,999	5,259,793	4,377,776
Aerospace Systems	636,411	602,756	2,315,699	2,284,727
Total	\$ 3,817,477	\$ 3,496,238	\$ 14,302,392	\$ 12,029,312
Segment operating income				
Diversified Industrial:				
North America	\$ 313,493	\$ 261,509	\$ 1,076,021	\$ 873,552
International	203,340	161,499	765,188	579,207
Aerospace Systems	126,735	111,732	397,970	337,496
Total segment operating income	643,568	534,740	2,239,179	1,790,255
Corporate general and administrative expenses	58,471	51,925	200,901	172,632
Income before interest and other expense	585,097	482,815	2,038,278	1,617,623
Interest expense	53,040	52,787	213,873	162,436
Other expense	34,130	29,417	122,128	126,546
Income before income taxes	\$ 497,927	\$ 400,611	\$ 1,702,277	\$ 1,328,641

Reconciliation of Total Segment Operating Margin to Adjusted Total Segment Operating Margin

(Unaudited) (Dollars in thousands)	Three Months Ended June 30, 2018		Three Months Ended June 30, 2017	
	Operating income	Operating margin	Operating income	Operating margin
Total segment operating income	643,568	16.9%	534,740	15.3%
Adjustments:				
Business realignment charges	17,843		20,653	
Clarcor costs to achieve	8,292		-	
Acquisition-related expenses	-		32,182	
Adjusted total segment operating income	\$ 669,703	17.5%	\$ 587,575	16.8%

Reconciliation of EBITDA to Adjusted EBITDA

(Unaudited) (Dollars in thousands)	Three Months Ended June 30,	
	2018	2017
Net sales	\$ 3,817,477	\$ 3,496,238
Earnings before income taxes	\$ 497,927	\$ 400,611
Depreciation and amortization	114,769	118,686
Interest expense	53,040	52,787
EBITDA	665,736	572,084
Adjustments:		
Business realignment charges	17,843	21,437
Clarcor costs to achieve	8,292	-
Loss on sale and write-down of assets	26,513	-
Acquisition-related expenses	-	36,303
Adjusted EBITDA	\$ 718,384	\$ 629,824
EBITDA margin	17.4%	16.4%
Adjusted EBITDA margin	18.8%	18.0%

Consolidated Balance Sheet

(Dollars in thousands)	June 30, 2018	June 30, 2017
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 822,137	\$ 884,886
Marketable securities and other investments	32,995	39,318
Trade accounts receivable, net	2,145,517	1,930,751
Non-trade and notes receivable	328,399	254,987
Inventories	1,621,304	1,549,494
Prepaid expenses	134,886	120,282
Total current assets	5,085,238	4,779,718
Plant and equipment, net	1,856,237	1,937,292
Deferred income taxes	57,623	36,057
Goodwill	5,504,420	5,586,878
Intangible assets, net	2,015,520	2,307,484
Other assets	801,049	842,475
Total assets	\$ 15,320,087	\$ 15,489,904
<u>Liabilities and equity</u>		
Current liabilities:		
Notes payable	\$ 638,466	\$ 1,008,465
Accounts payable	1,430,306	1,300,496
Accrued liabilities	929,833	933,762
Accrued domestic and foreign taxes	198,878	153,137
Total current liabilities	3,197,483	3,395,860
Long-term debt	4,318,559	4,861,895
Pensions and other postretirement benefits	1,177,605	1,406,082
Deferred income taxes	234,858	221,790
Other liabilities	526,089	336,931
Shareholders' equity	5,859,866	5,261,649
Noncontrolling interests	5,627	5,697
Total liabilities and equity	\$ 15,320,087	\$ 15,489,904

Consolidated Statement of Cash Flows

(Dollars in thousands)	Twelve Months Ended June 30,	
	2018	2017
Cash flows from operating activities:		
Net income	\$ 1,061,315	\$ 983,844
Depreciation and amortization	466,085	355,229
Stock incentive plan compensation	118,831	80,339
Loss (Gain) on sale of businesses	19,666	(41,285)
(Gain) loss on disposal of assets	(24,422)	1,494
(Gain) on sale of marketable securities	(2)	(1,032)
Loss on sale and impairment of investments	33,759	-
Net change in receivables, inventories and trade payables	(268,280)	5,741
Net change in other assets and liabilities	227,463	(126,943)
Other, net	(34,128)	45,084
Net cash provided by operating activities	1,600,287	1,302,471
Cash flows from investing activities:		
Acquisitions (net of cash of \$157,426 in 2017)	-	(4,069,197)
Capital expenditures	(247,667)	(203,748)
Proceeds from sale of plant and equipment	81,881	14,648
Proceeds from sale of businesses	177,741	85,610
Purchases of marketable securities and other investments	(80,607)	(465,666)
Maturities and sales of marketable securities and other investments	83,905	1,279,318
Other, net	4,837	(6,113)
Net cash provided by (used in) investing activities	20,090	(3,365,148)
Cash flows from financing activities:		
Net payments for common stock activity	(377,359)	(335,876)
Net (payments for) proceeds from debt	(939,325)	2,463,884
Dividends	(365,288)	(345,380)
Net cash (used in) provided by financing activities	(1,681,972)	1,782,628
Effect of exchange rate changes on cash	(1,154)	(56,718)
Net (decrease) in cash and cash equivalents	(62,749)	(336,767)
Cash and cash equivalents at beginning of period	884,886	1,221,653
Cash and cash equivalents at end of period	\$ 822,137	\$ 884,886

Reconciliation of Cash Flow from Operations to Adjusted Cash Flow from Operations

(Unaudited)

(Amounts in thousands)	Twelve Months Ended June 30, 2018		Twelve Months Ended June 30, 2017	
		Percent of sales		Percent of sales
As reported cash flow from operations	\$ 1,600,287	11.2%	\$ 1,302,471	10.8%
Discretionary pension contribution	-		220,000	
Adjusted cash flow from operations	\$ 1,600,287	11.2%	\$ 1,522,471	12.7%

Reconciliation of Free Cash Flow Conversion

(Unaudited)	Twelve Months Ended June 30, 2018
Net income	\$ 1,061,315
Cash flow from operations	1,600,287
Capital expenditures	(247,667)
Free cash flow	\$ 1,352,620
Free cash flow conversion (free cash flow/net income)	127%

Reconciliation of Organic Growth

Fiscal Year 2019 Guidance

	Sales Growth Range	Divestitures	Currency	Organic Growth Range
Industrial North America	2.6% - 5.6%	-0.3%	-0.2%	3.1% - 6.1%
Industrial International	(2.5)% - 0.5%	-0.6%	-3.0%	1.1% - 4.1%
Aerospace Systems	2.5% - 4.5%	0.0%	0.0%	2.5% - 4.5%
Total Parker	0.7% - 3.5%	-0.4%	-1.2%	2.3% - 5.1%

Reconciliation of EPS

Fiscal Year 2019 Guidance

(Unaudited)	
(Amounts in dollars)	Fiscal Year
	2019
Forecasted earnings per diluted share	<u>\$10.50 - \$11.30</u>
Adjustments:	
Business realignment charges	0.13
Clarcor costs to achieve	<u>0.07</u>
<u>Adjusted forecasted earnings per diluted share</u>	<u>\$10.70 - \$11.50</u>

Supplemental Sales Information

Global Technology Platforms

(Unaudited)
(Dollars in thousands)

	Three Months Ending				Fiscal Year-to-Date			
	September 30, 2017	December 31, 2017	March 31, 2018	June 30, 2018	September 30, 2017	December 31, 2017	March 31, 2018	June 30, 2018
Net sales								
Diversified Industrial:								
Motion Systems	\$ 809,747	\$ 825,695	\$ 928,012	\$ 938,881	\$ 809,747	\$ 1,635,442	\$ 2,563,454	\$ 3,502,335
Flow and Process Control	995,347	997,837	1,154,468	1,173,988	995,347	1,993,184	3,147,652	4,321,640
Filtration and Engineered Materials	1,028,371	997,453	1,068,697	1,068,197	1,028,371	2,025,824	3,094,521	4,162,718
Aerospace Systems	531,186	549,688	598,414	636,411	531,186	1,080,874	1,679,288	2,315,699
Total	\$ 3,364,651	\$ 3,370,673	\$ 3,749,591	\$ 3,817,477	\$ 3,364,651	\$ 6,735,324	\$ 10,484,915	\$ 14,302,392

