

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 4, 2022

PARKER-HANNIFIN CORPORATION

(Exact Name of Registrant as Specified in Charter)

Ohio
(State or other jurisdiction of
Incorporation or Organization)

1-4982
(Commission File Number)

34-0451060
(I.R.S. Employer
Identification No.)

6035 Parkland Boulevard, Cleveland, Ohio
(Address of Principal Executive Offices)

44124-4141
(Zip Code)

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

Not Applicable

(Former name or former address, if changed since last report.)

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))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on which Registered</u>
Common Shares, \$.50 par value	PH	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition

On August 4, 2022, Parker-Hannifin Corporation issued a press release and presented a Webcast announcing results of operations for the quarter ended June 30, 2022. 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

(d) Exhibits:

[99.1 Press release issued by Parker-Hannifin Corporation, dated August 4, 2022.](#)

[99.2 Webcast presentation by Parker-Hannifin Corporation, dated August 4, 2022.](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

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/ Todd M. Leombruno

Todd M. Leombruno

Executive Vice President and Chief Financial Officer

Date: August 4, 2022



For Release: Immediately

Exhibit 99.1

Contact: Media -

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Financial Analysts -

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Stock Symbol: PH - NYSE

Parker Reports Fiscal 2022 Fourth Quarter and Full Year Results and Issues Guidance for Fiscal 2023

Fiscal 2022 Fourth Quarter Highlights:

- Sales increased 6% to a record of \$4.19 billion; organic sales increased 10%
- Total segment operating margin was 20.9%, or a record 22.9% adjusted
- EPS were \$0.99, or a record of \$5.16 adjusted

Fiscal 2022 Full Year Highlights:

- Sales increased 11% to a record of \$15.86 billion; organic sales increased 12%
- Total segment operating margin was 20.1%, or a record 22.3% adjusted
- EPS were \$10.09, or a record of \$18.72 adjusted

CLEVELAND, August 4, 2022 -- Parker Hannifin Corporation (NYSE: PH), the global leader in motion and control technologies, today reported results for the fiscal 2022 fourth quarter ended June 30, 2022. Fiscal 2022 fourth quarter sales were a record at \$4.19 billion, an increase of 6%, compared with \$3.96 billion in the fourth quarter of fiscal 2021. Net income was \$128.8 million compared with \$504.8 million in the prior year quarter. Fiscal 2022 fourth quarter adjusted net income was \$671.5 million, an increase of 16%, compared with \$576.7 million in the fourth quarter of fiscal 2021. Adjustments include a non-cash, pre-tax loss of \$619.1 million in the fiscal 2022 fourth quarter on the deal contingent forward contracts related to the previously announced acquisition of Meggitt plc. Earnings per share were \$0.99 compared with \$3.84 in the fourth quarter of fiscal 2021. Adjusted earnings per share increased 18% to a record of \$5.16 compared with \$4.38 in the prior year quarter.

For the full year, fiscal 2022 sales were a record at \$15.86 billion, an increase of 11%, compared with \$14.35 billion in fiscal 2021. Fiscal 2022 net income was \$1.32 billion compared with \$1.75 billion in fiscal 2021. Fiscal 2022 adjusted net income was \$2.44 billion compared with \$1.97 billion in the prior year. Adjustments include a non-cash, pre-tax loss of \$1.02 billion in fiscal 2022 on the deal contingent forward contracts related to the pending acquisition of Meggitt plc. These forward contracts were established to eliminate currency exchange rate risk associated with the purchase price for the Meggitt

acquisition. The expected total U.S. dollar cash outlay related to the transaction including the hedge contracts is neutral to the transaction consideration originally announced on August 2, 2021. Full year fiscal 2022 earnings per share were \$10.09 compared with \$13.35 in fiscal 2021. On an adjusted basis, fiscal 2022 full year earnings per share increased 24% to a record of \$18.72 compared with \$15.04 in the prior year. Fiscal 2022 cash flow from operations was \$2.44 billion, or 15.4% of sales, compared with \$2.58 billion, or 17.9% of sales, in the prior year. A reconciliation of non-GAAP measures is included in the financial tables of this press release.

"Our results in the fourth quarter demonstrate the consistency with which Parker is executing and delivering record levels of performance," said Chairman and Chief Executive Officer, Tom Williams. "The actions we have taken as part of The Win Strategy™ and the ongoing transformation of our portfolio have built a much more resilient and longer cycle business capable of weathering the challenges we have faced. For the full year, Parker achieved records across many financial measures including sales, adjusted segment operating margins, and adjusted earnings per share, and we also delivered strong cash generation. These are extraordinary achievements and my thanks to our global team for their resolve and contributions."

Segment Results

Diversified Industrial Segment: North American fourth quarter sales increased 15% to \$2.09 billion and operating income was \$430.1 million compared with \$360.4 million in the same period a year ago. On an adjusted basis, North American operating income was \$477.7 million, or 22.9% of sales, a 40 basis point increase compared with the prior year quarter. International fourth quarter sales decreased 5% to \$1.42 billion and operating income was \$296.8 million compared with \$306.5 million in the same period a year ago. On an adjusted basis, International operating income was \$319.3 million, or 22.4% of sales, a 30 basis point increase compared with the prior year quarter.

Aerospace Systems Segment: Fourth quarter sales increased 7% to \$676.2 million and operating income was \$149.4 million compared with \$123.1 million in the same period a year ago. On an adjusted basis, operating income was \$163.3 million, or 24.2% of sales, a 260 basis point increase compared with the fourth quarter of fiscal 2021.

Parker reported the following orders for the quarter ending June 30, 2022, compared with the same quarter a year ago:

- Orders increased 3% for total Parker
 - Orders increased 10% in the Diversified Industrial North America businesses
 - Orders decreased 4% in the Diversified Industrial International businesses
 - Orders were flat* in the Aerospace Systems Segment on a rolling 12-month average basis.
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*Aerospace orders increased approximately 24% excluding sizable multi-year military orders in the second quarter of fiscal 2021.

Update on Regulatory Clearances Related to the Acquisition of Meggitt PLC

As previously announced, the UK's Secretary of State for Business, Energy and Industrial Strategy accepted 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. The transaction remains subject to the U.S. Department of Justice approval and, 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. The company continues to expect the completion of the transaction during the third quarter of calendar year 2022. For copies of all announcements and further information, please visit the dedicated transaction microsite at www.aerospacegrowth.com.

Outlook

Parker announced its outlook for the fiscal year ending June 30, 2023 and noted that its outlook excludes the pending acquisition of Meggitt plc. The company expects fiscal 2023 organic sales growth to be in the range of 2% to 5% and earnings per share in the range of \$16.13 to \$16.93, or \$18.10 to \$18.90 on an adjusted basis. Included in the outlook is an expected first quarter fiscal 2023 interest expense of \$0.25 per share related to the Meggitt acquisition.

Fiscal year 2023 is adjusted for expected business realignment expenses of approximately \$35 million and acquisition-related intangible asset amortization of approximately \$300 million. A reconciliation of forecasted earnings per share to adjusted forecasted earnings per share is included in the financial tables of this press release. The company will hold an investor call to review the Meggitt acquisition and update fiscal 2023 guidance shortly after the closing.

Williams added, "We are expecting another record year for Parker in fiscal 2023, adding to our consistent run of annual financial performance improvements. We are confident in achieving our fiscal 2027 financial targets that would put us among the top quartile of our proxy peer companies. We look forward to the completion of the Meggitt acquisition soon and welcoming their talented team to Parker as we significantly expand our aerospace business. Our strategy, including a continued portfolio transformation, have positioned Parker for significant margin expansion opportunities supported by exciting secular trends, including aerospace, digital transformation, electrification and clean technologies that will drive organic growth. We are very well positioned to deliver on a promising future."

NOTICE OF CONFERENCE CALL: Parker Hannifin's conference call and slide presentation to discuss its fiscal 2022 fourth quarter and full year results are available to all interested parties via live webcast today at 11:00 a.m. ET, at www.phstock.com. A replay of the webcast will be available on the site 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 please visit www.phstock.com.

About Parker Hannifin

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](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 Net Income

Net income referenced in this press release is equal to net income attributable to common shareholders.

Note on Non-GAAP Financial Measures

This press release contains references to non-GAAP financial information including (a) adjusted net income; (b) adjusted earnings per share; (c) adjusted segment operating margins; (d) adjusted operating income and (e) organic sales growth. The adjusted net income, earnings per share, segment operating margin, adjusted operating income and organic sales measures are presented to allow investors and the company to meaningfully evaluate changes in net income, earnings per share and segment operating margins on a comparable basis from period to period. Comparable descriptions of record adjusted results in this release refer only to the period from the first quarter of FY2011 to the periods presented in this release. This period coincides with recast historical financial results provided in association with our FY2014 change in segment reporting. A reconciliation of non-GAAP measures is included in the financial tables of this press release.

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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PARKER HANNIFIN CORPORATION - JUNE 30, 2022
CONSOLIDATED STATEMENT OF INCOME

Exhibit 99.1

(Unaudited) (Dollars in thousands, except per share amounts)	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2022	2021	2022	2021
Net sales	\$ 4,187,832	\$ 3,958,869	\$ 15,861,608	\$ 14,347,640
Cost of sales	2,980,654	2,832,281	11,387,267	10,449,680
Selling, general and administrative expenses	426,210	414,048	1,627,116	1,527,302
Interest expense	71,270	60,258	255,252	250,036
Other expense (income), net	591,530	(4,269)	977,747	(126,335)
Income before income taxes	118,168	656,551	1,614,226	2,246,957
Income taxes	(10,738)	151,582	298,040	500,096
Net income	128,906	504,969	1,316,186	1,746,861
Less: Noncontrolling interests	75	176	581	761
Net income attributable to common shareholders	\$ 128,831	\$ 504,793	\$ 1,315,605	\$ 1,746,100
Earnings per share attributable to common shareholders:				
Basic earnings per share	\$ 1.00	\$ 3.91	\$ 10.24	\$ 13.54
Diluted earnings per share	\$ 0.99	\$ 3.84	\$ 10.09	\$ 13.35
Average shares outstanding during period - Basic	128,510,429	129,192,426	128,539,387	128,999,879
Average shares outstanding during period - Diluted	130,172,735	131,554,199	130,355,943	130,834,478

CASH DIVIDENDS PER COMMON SHARE

(Unaudited) (Amounts in dollars)	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2022	2021	2022	2021
Cash dividends per common share	\$ 1.33	\$ 1.03	\$ 4.42	\$ 3.67

RECONCILIATION OF ORGANIC GROWTH

(Unaudited)	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2022	2021	2022	2021
Sales growth - as reported	5.8 %	25.3 %	10.6 %	4.8 %
Adjustments:				
Currency	(4.2) %	3.5 %	(1.7) %	1.9 %
Acquisitions	— %	— %	— %	2.9 %
Organic sales growth	10.0 %	21.8 %	12.3 %	— %

RECONCILIATION OF NET INCOME ATTRIBUTABLE TO COMMON SHAREHOLDERS TO ADJUSTED NET INCOME ATTRIBUTABLE TO COMMON SHAREHOLDERS

(Unaudited) (Dollars in thousands)	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2022	2021	2022	2021
Net income attributable to common shareholders	\$ 128,831	\$ 504,793	\$ 1,315,605	\$ 1,746,100
Adjustments:				
Acquired intangible asset amortization expense	77,073	81,254	314,450	325,447
Business realignment charges	4,946	7,792	14,757	47,862
Integration costs to achieve	1,824	1,747	4,766	11,941
Acquisition-related expenses	11,662	3,549	95,727	3,549
Loss on deal-contingent forward contracts	619,061	—	1,015,426	—
Gain on sale of land	—	—	—	(100,893)
Russia liquidation	—	—	20,057	—
Tax effect of adjustments ¹	(171,921)	(22,453)	(340,258)	(65,958)
Adjusted net income attributable to common shareholders	\$ 671,476	\$ 576,682	\$ 2,440,530	\$ 1,968,048

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

(Unaudited) (Amounts in dollars)	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2022	2021	2022	2021
Earnings per diluted share	\$ 0.99	\$ 3.84	\$ 10.09	\$ 13.35
Adjustments:				
Acquired intangible asset amortization expense	0.59	0.62	2.41	2.49
Business realignment charges	0.04	0.06	0.11	0.36
Integration costs to achieve	0.01	0.01	0.04	0.08
Acquisition-related expenses	0.09	0.03	0.74	0.03
Loss on deal-contingent forward contracts	4.76	—	7.79	—
Gain on sale of land	—	—	—	(0.77)
Russia liquidation	—	—	0.15	—
Tax effect of adjustments ¹	(1.32)	(0.18)	(2.61)	(0.50)
Adjusted earnings per diluted share	\$ 5.16	\$ 4.38	\$ 18.72	\$ 15.04

¹This line item reflects the aggregate tax effect of all non-tax adjustments reflected in the preceding line items of the table. We estimate the tax effect of each adjustment item by applying our overall effective tax rate for continuing operations to the pre-tax amount, unless the nature of the item and/or the tax jurisdiction in which the item has been recorded requires application of a specific tax rate or tax treatment, in which case the tax effect of such item is estimated by applying such specific tax rate or tax treatment.

BUSINESS SEGMENT INFORMATION

(Unaudited) (Dollars in thousands)	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2022	2021	2022	2021
Net sales				
Diversified Industrial:				
North America	\$ 2,087,696	\$ 1,823,078	\$ 7,703,150	\$ 6,676,449
International	1,423,924	1,505,835	5,638,896	5,283,710
Aerospace Systems	676,212	629,956	2,519,562	2,387,481
Total net sales	\$ 4,187,832	\$ 3,958,869	\$ 15,861,608	\$ 14,347,640
Segment operating income				
Diversified Industrial:				
North America	\$ 430,142	\$ 360,378	\$ 1,515,259	\$ 1,247,419
International	296,838	306,513	1,178,044	988,054
Aerospace Systems	149,368	123,097	501,431	402,895
Total segment operating income	876,348	789,988	3,194,734	2,638,368
Corporate general and administrative expenses	70,635	54,883	219,699	178,427
Income before interest expense and other expense	805,713	735,105	2,975,035	2,459,941
Interest expense	71,270	60,258	255,252	250,036
Other expense (income)	616,275	18,296	1,105,557	(37,052)
Income before income taxes	\$ 118,168	\$ 656,551	\$ 1,614,226	\$ 2,246,957

RECONCILIATION OF SEGMENT OPERATING MARGINS TO ADJUSTED SEGMENT OPERATING MARGINS

(Unaudited) (Dollars in thousands)	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2022	2021	2022	2021
Diversified Industrial North America sales	\$ 2,087,696	\$ 1,823,078	\$ 7,703,150	\$ 6,676,449
Diversified Industrial North America operating income	\$ 430,142	\$ 360,378	\$ 1,515,259	\$ 1,247,419
Adjustments:				
Acquired intangible asset amortization	46,630	47,497	188,325	190,874
Business realignment charges	670	2,130	2,638	7,236
Integration costs to achieve	214	889	1,171	6,778
Adjusted Diversified Industrial North America operating income	\$ 477,656	\$ 410,894	\$ 1,707,393	\$ 1,452,307
Diversified Industrial North America operating margin	20.6 %	19.8 %	19.7 %	18.7 %
Adjusted Diversified Industrial North America operating margin	22.9 %	22.5 %	22.2 %	21.8 %

RECONCILIATION OF SEGMENT OPERATING MARGINS TO ADJUSTED SEGMENT OPERATING MARGINS

(Unaudited) (Dollars in thousands)	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2022	2021	2022	2021
Diversified Industrial International sales	\$ 1,423,924	\$ 1,505,835	\$ 5,638,896	\$ 5,283,710
Diversified Industrial International operating income	\$ 296,838	\$ 306,513	\$ 1,178,044	\$ 988,054
Adjustments:				
Acquired intangible asset amortization	17,701	20,988	75,105	83,494
Business realignment charges	4,282	5,180	11,149	31,321
Integration costs to achieve	433	838	2,418	4,444
Russia liquidation	—	—	6,257	—
Adjusted Diversified Industrial International operating income	\$ 319,254	\$ 333,519	\$ 1,272,973	\$ 1,107,313
Diversified Industrial International operating margin	20.8 %	20.4 %	20.9 %	18.7 %
Adjusted Diversified Industrial International operating margin	22.4 %	22.1 %	22.6 %	21.0 %

(Unaudited) (Dollars in thousands)	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2022	2021	2022	2021
Aerospace Systems sales	\$ 676,212	\$ 629,956	\$ 2,519,562	\$ 2,387,481
Aerospace Systems operating income	\$ 149,368	\$ 123,097	\$ 501,431	\$ 402,895
Adjustments:				
Acquired intangible asset amortization	12,742	12,769	51,020	51,079
Business realignment charges	54	37	967	6,680
Integration costs to achieve	1,177	20	1,177	719
Russia liquidation	—	—	6,570	—
Adjusted Aerospace Systems operating income	\$ 163,341	\$ 135,923	\$ 561,165	\$ 461,373
Aerospace Systems operating margin	22.1 %	19.5 %	19.9 %	16.9 %
Adjusted Aerospace Systems operating margin	24.2 %	21.6 %	22.3 %	19.3 %

RECONCILIATION OF SEGMENT OPERATING MARGINS TO ADJUSTED SEGMENT OPERATING MARGINS

(Unaudited)	Three Months Ended June 30,		Twelve Months Ended June 30,	
(Dollars in thousands)	2022	2021	2022	2021
Total segment sales	\$ 4,187,832	\$ 3,958,869	\$ 15,861,608	\$ 14,347,640
Total segment operating income	\$ 876,348	\$ 789,988	\$ 3,194,734	\$ 2,638,368
Adjustments:				
Acquired intangible asset amortization	77,073	81,254	314,450	325,447
Business realignment charges	5,006	7,347	14,754	45,237
Integration costs to achieve	1,824	1,747	4,766	11,941
Russia liquidation	—	—	12,827	—
Adjusted total segment operating income	\$ 960,251	\$ 880,336	\$ 3,541,531	\$ 3,020,993
Total segment operating margin	20.9 %	20.0 %	20.1 %	18.4 %
Adjusted total segment operating margin	22.9 %	22.2 %	22.3 %	21.1 %

PARKER HANNIFIN CORPORATION - JUNE 30, 2022

Exhibit 99.1

CONSOLIDATED BALANCE SHEET

(Unaudited)	June 30,	June 30,
(Dollars in thousands)	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 535,799	\$ 733,117
Marketable securities and other investments	27,862	39,116
Trade accounts receivable, net	2,341,504	2,183,594
Non-trade and notes receivable	543,757	326,315
Inventories	2,214,553	2,090,642
Prepaid expenses and other	6,383,169	243,966
Total current assets	12,046,644	5,616,750
Property, plant and equipment, net	2,122,758	2,266,476
Deferred income taxes	110,585	104,251
Investments and other assets	788,057	774,239
Intangible assets, net	3,135,817	3,519,797
Goodwill	7,740,082	8,059,687
Total assets	\$ 25,943,943	\$ 20,341,200
Liabilities and equity		
Current liabilities:		
Notes payable and long-term debt payable within one year	\$ 1,724,310	\$ 2,824
Accounts payable, trade	1,731,925	1,667,878
Accrued payrolls and other compensation	470,132	507,027
Accrued domestic and foreign taxes	250,292	236,384
Other accrued liabilities	1,682,659	682,390
Total current liabilities	5,859,318	3,096,503
Long-term debt	9,755,825	6,582,053
Pensions and other postretirement benefits	639,939	1,055,638
Deferred income taxes	307,044	553,981
Other liabilities	521,897	639,355
Shareholders' equity	8,848,011	8,398,307
Noncontrolling interests	11,909	15,363
Total liabilities and equity	\$ 25,943,943	\$ 20,341,200

PARKER HANNIFIN CORPORATION - JUNE 30, 2022
CONSOLIDATED STATEMENT OF CASH FLOWS

Exhibit 99.1

(Unaudited) (Dollars in thousands)	Twelve Months Ended June 30,	
	2022	2021
Cash flows from operating activities:		
Net income	\$ 1,316,186	\$ 1,746,861
Depreciation and amortization	571,764	595,390
Share incentive plan compensation	137,093	121,483
Gain on sale of business	(1,394)	—
Gain on disposal of property, plant and equipment	(5,727)	(109,332)
Loss (gain) on marketable securities	5,131	(11,570)
Gain on investments	(3,972)	(12,616)
Net change in receivables, inventories and trade payables	(259,876)	142,673
Net change in other assets and liabilities	1,003,270	150,136
Other, net	(320,745)	(48,024)
Net cash provided by operating activities	2,441,730	2,575,001
Cash flows from investing activities:		
Capital expenditures	(230,044)	(209,957)
Proceeds from sale of property, plant and equipment	39,353	140,590
Proceeds from sale of businesses	3,366	—
Purchases of marketable securities and other investments	(27,895)	(34,809)
Maturities and sales of marketable securities and other investments	31,809	79,419
Other	(235,426)	24,744
Net cash used in investing activities	(418,837)	(13)
Cash flows from financing activities:		
Net payments for common stock activity	(457,225)	(214,134)
Net proceeds from (payments for) debt	5,001,345	(1,934,031)
Financing fees paid	(58,629)	—
Dividends paid	(569,855)	(475,174)
Net cash provided by (used in) financing activities	3,915,636	(2,623,339)
Effect of exchange rate changes on cash	(23,770)	95,954
Net increase in cash, cash equivalents and restricted cash	5,914,759	47,603
Cash, cash equivalents and restricted cash at beginning of year	733,117	685,514
Cash, cash equivalents and restricted cash at end of period	\$ 6,647,876	\$ 733,117

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

(Unaudited)

(Amounts in dollars)

	Fiscal Year 2023
Forecasted earnings per diluted share	\$16.13 to \$16.93
Adjustments:	
Business realignment charges	0.26
Acquisition-related intangible asset amortization expense	2.30
Tax effect of adjustments ¹	(0.59)
Adjusted forecasted earnings per diluted share	\$18.10 to \$18.90

¹This line item reflects the aggregate tax effect of all non-tax adjustments reflected in the preceding line items of the table. We estimate the tax effect of each adjustment item by applying our overall effective tax rate for continuing operations to the pre-tax amount, unless the nature of the item and/or the tax jurisdiction in which the item has been recorded requires application of a specific tax rate or tax treatment, in which case the tax effect of such item is estimated by applying such specific tax rate or tax treatment.

Parker Hannifin Corporation

Exhibit 99.2

Fiscal 2022 Fourth Quarter & Full Year Earnings Presentation



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ENGINEERING YOUR SUCCESS.

August 4, 2022



Forward-Looking Statements and Non-GAAP Financial Measures

Forward-looking statements contained in this and other written and oral reports are made based on known events and circumstances at the time of release, and as such, are subject in the future to unforeseen uncertainties and risks. Often but not always, these statements may be identified from the use of forward-looking terminology such as "anticipates," "believes," "may," "should," "could," "expects," "targets," "is likely," "will," or the negative of these terms and similar expressions, and include all statements regarding future performance, earnings projections, events or developments. Neither Parker nor any of its respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements will actually occur. Parker cautions readers not to place undue reliance on these statements. It is possible that the future performance and earnings projections of the company, including its individual segments, may differ materially from past performance or current expectations.

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.

This presentation contains references to non-GAAP financial information for Parker, including organic sales for Parker and by segment, adjusted earnings per share, adjusted operating margin for Parker and by segment, adjusted net income, EBITDA, adjusted EBITDA, EBITDA margin, adjusted EBITDA margin, adjusted Net Debt, and free cash flow. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. For Parker, 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. Although organic sales, adjusted earnings per share, adjusted operating margin for Parker and by segment, adjusted net income, EBITDA, adjusted EBITDA, EBITDA margin and free cash flow 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 period presented. Comparable descriptions of record adjusted results in this presentation refer only to the period from the first quarter of FY2011 to the periods presented in this presentation. This period coincides with recast historical financial results provided in association with our FY2014 change in segment reporting. Detailed reconciliations of these non-GAAP financial measures to the comparable GAAP financial measures have been included in the appendix to this presentation.

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FY22 Q4: Record Performance and Consistent Execution

- Safety is our top priority, leveraging high-performance teams, lean and kaizen
- 2022 Engagement survey results are in the top 8% of industrial companies²
- Sales were \$4.2B, an increase of 6% vs. prior year; organic growth 10% vs. prior year
- Segment operating margin was 20.9% as reported, or 22.9% adjusted¹ +70 bps vs. prior year

Outstanding Performance in a Difficult Environment

3 1. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations; 2. Source: Korn Ferry



The Resiliency of our Team Delivered a Record FY22

- \$15.9B sales with 12% organic growth vs. prior year
- Record segment operating margin 20.1% as reported, or 22.3% adjusted¹ +120 bps vs. prior year
- Operating cash flow of \$2.4B or 15.4% of sales
- Announced FY27 targets during March 2022 Investor Day

A Transformed Parker with a Promising Future



4 1. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.

What Drives Parker?

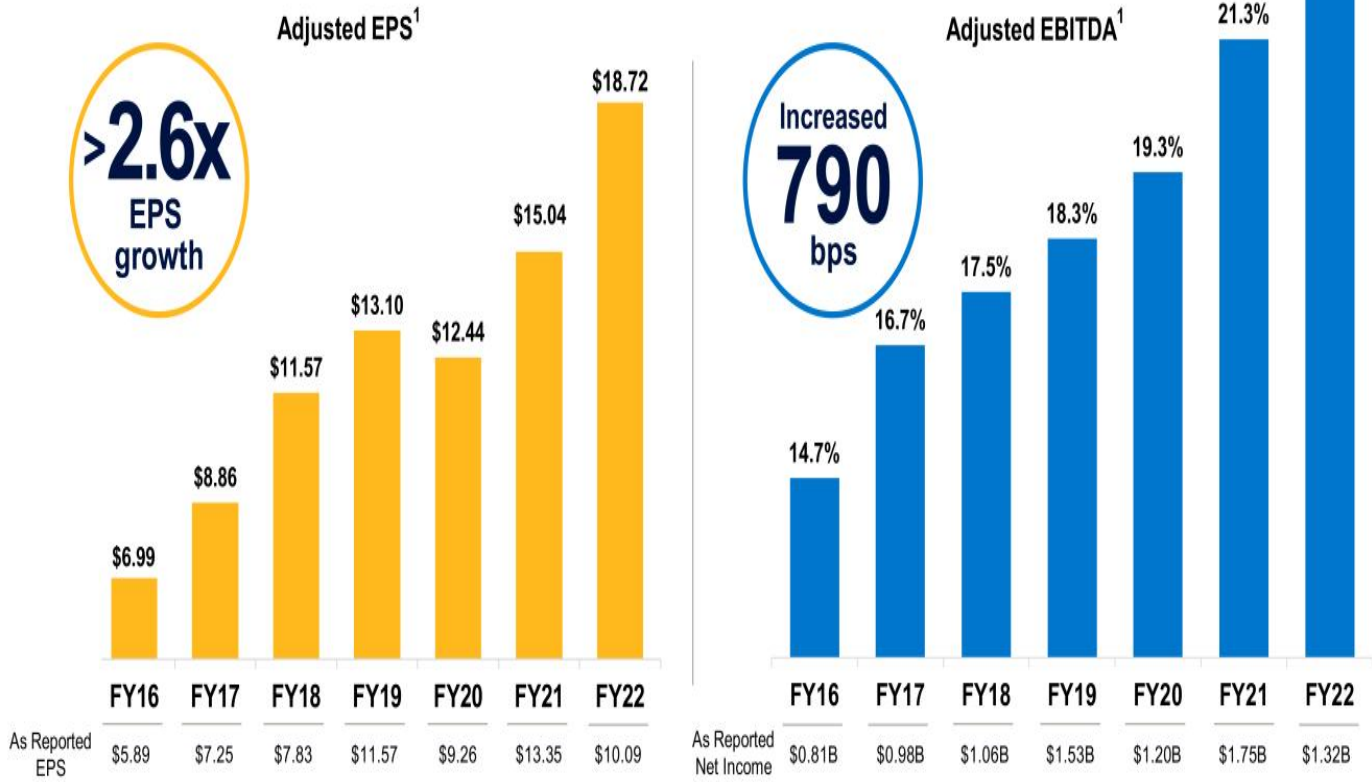
Living Up to Our Purpose

**Great Generators and
Deployers of Cash**

**Top Quartile Performance
vs. Proxy Peers**

Performance

Our People, Portfolio & Strategy Transform Performance



6 1. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.



Expect Closing During FY23 Q1

Future Sales Growth Drivers

	Our Business System	Industrial Capex Investment	Channel Restock	Acquisitions	Secular Growth
Strategic Growth Drivers	The Win Strategy™	<ul style="list-style-type: none"> Address last decade under investment Supply chain development 	<ul style="list-style-type: none"> Replenish inventory levels De-risk supply chain 	<ul style="list-style-type: none"> CLARCOR LORD Exotic Meggitt¹ 	<ul style="list-style-type: none"> Aerospace Digital Electrification Clean Technologies
Outcomes	Growth & Financial Performance	Machinery automation, equipment & infrastructure spend	Rebuild inventory	Accretive & longer cycle growth	2/3's Portfolio enable Clean Technologies

FY27 Target 4-6% Organic Growth over the Cycle



¹: Offer to acquire Meggitt PLC announced August 2, 2021. Expect closing during FY23 Q1.

Summary of Fiscal 2022 4th Quarter Results

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Financial Summary

FY22 Q4 vs. FY21 Q4

\$ in Millions, except per share amounts

	Q4 FY22 As Reported	Q4 FY22 Adjusted ¹	Q4 FY21 Adjusted ¹	YoY Change Adjusted
Sales	\$4,188	\$4,188	\$3,959	+5.8%
Segment Operating Margin	20.9%	22.9%	22.2%	+70 bps
EBITDA Margin	7.9%	23.1%	22.1%	+100 bps
Net Income	\$129	\$671	\$577	+16%
EPS	\$0.99	\$5.16	\$4.38	+18%

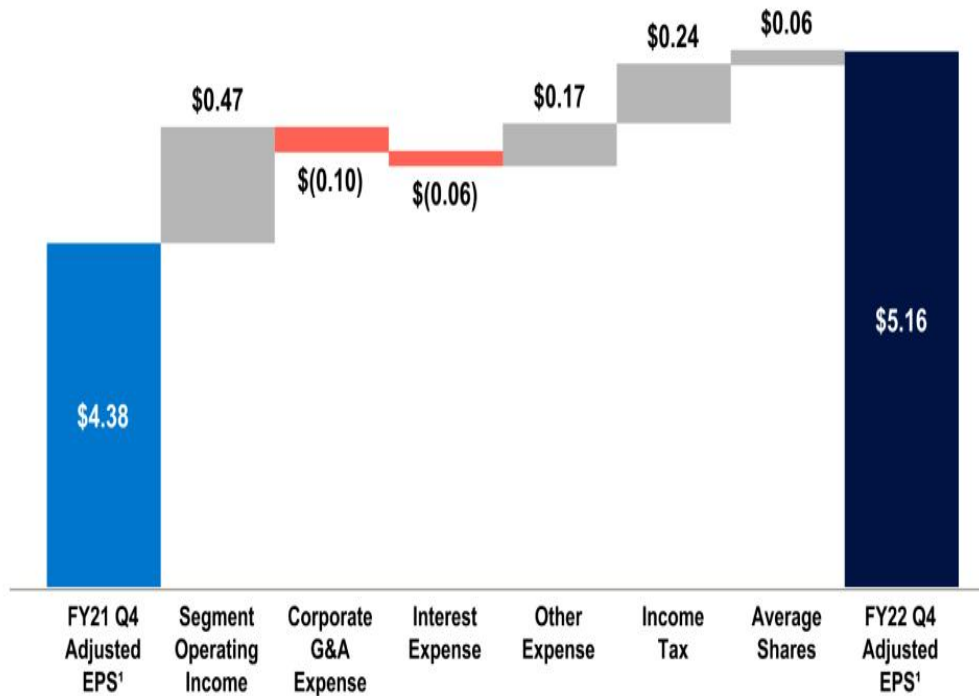
10

1. Sales figures As Reported. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.
Note: FY21 Q4 As Reported: Segment Operating Margin of 20.0%, EBITDA Margin of 21.8%, Net Income of \$505M, EPS of \$3.84.



Adjusted Earnings per Share Bridge

FY21 Q4 to FY22 Q4



FY22 Q4 Segment Performance

	Sales As Reported \$ Organic % ¹	Segment Operating Margin As Reported	Segment Operating Margin Adjusted ¹	Order Rates ²	Commentary
Diversified Industrial North America	\$2,088M +14.7% Organic	20.6%	22.9% +40 bps YoY	+10%	<ul style="list-style-type: none"> Broad based double digit organic growth Continued strong order growth
Diversified Industrial International	\$1,424M +5.2% Organic	20.8%	22.4% +30 bps YoY	(4)%	<ul style="list-style-type: none"> ~\$50M sales reduction from COVID related shutdowns vs. forecast of \$100M 12% EMEA organic sales growth
Aerospace Systems	\$676M +7.8% Organic	22.1%	24.2% +260 bps YoY	0%	<ul style="list-style-type: none"> Strong commercial aftermarket growth Order rate +24% excluding sizable multi-year military orders in prior period
Parker	\$4,188M +10.0% Organic	20.9%	22.9% +70 bps YoY	+3%	<ul style="list-style-type: none"> Record sales & segment operating margin Excellent agility on supply chain & inflation 35% incremental margin¹

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1. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.

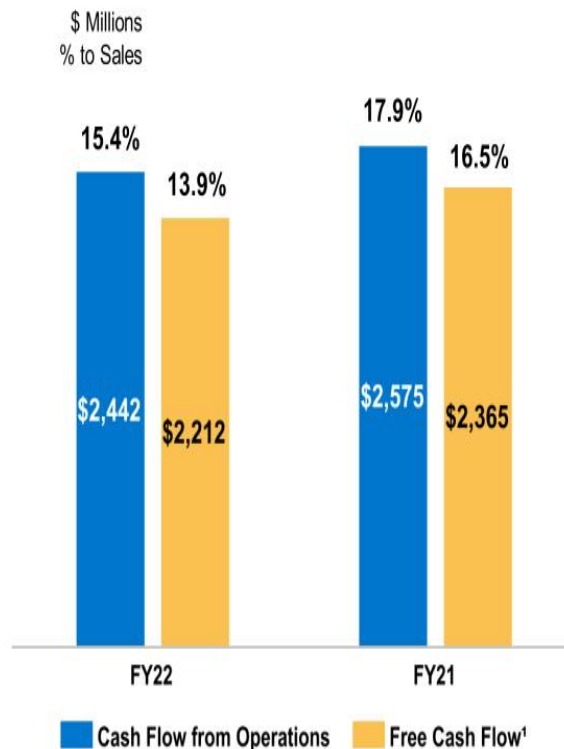
2. Order Rates exclude acquisitions, divestitures, & currency. Industrial is a 3 month YoY comparison of total dollars. Aerospace is a rolling 12 month YoY comparison.



FY22 Q4 YTD Cash Flow Performance

- Cash Flow from Operations of 15.4%
- Free Cash Flow of 13.9%
 - Working capital a use of cash of 1.6% of sales²
- Free Cash Flow Conversion of 168%

Leverage at FY22 Q4	As Reported	Adjusted for Restricted Cash ¹
Net Debt / EBITDA	4.5x	2.0x



1. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.
 2. Defined as net change in accounts receivable, inventory, and accounts payable trade per the statement of cash flows



FY23 Initial Guidance Excluding Meggitt

EPS Midpoint: \$16.53 As Reported, \$18.50 Adjusted

Sales Growth vs. Prior Year	Reported	Organic
Diversified Industrial North America	3% - 6%	3% - 6%
Diversified Industrial International	(6)% - (3)%	0% - 3%
Aerospace Systems	5% - 8%	5% - 8%
Parker	0% - 3%	2% - 5%

Segment Operating Margins	As Reported	Adjusted ¹
Diversified Industrial North America	20.1% - 20.5%	22.4% - 22.8%
Diversified Industrial International	20.4% - 20.8%	22.2% - 22.6%
Aerospace Systems	20.1% - 20.5%	22.2% - 22.6%
Parker	20.2% - 20.6%	22.3% - 22.7%

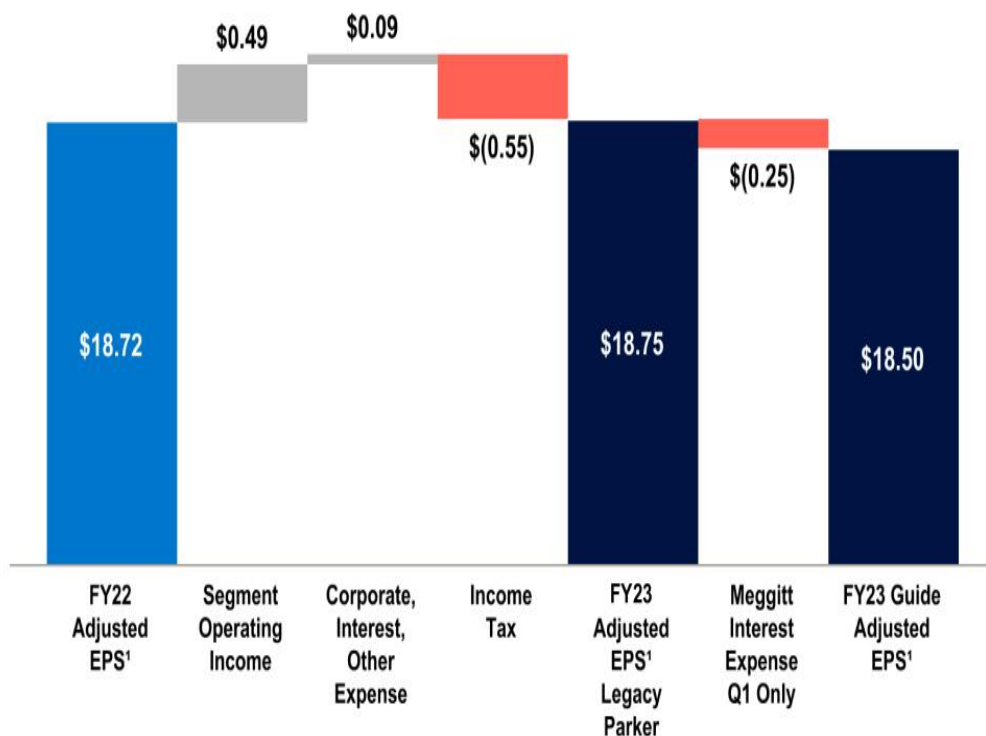
Earnings Per Share	As Reported	Adjusted ¹
Range	\$16.13 - \$16.93	\$18.10 - \$18.90

Additional Items	As Reported & Adjusted
Corporate G&A	\$204M
Legacy Interest Expense	\$228M
Meggitt Interest Expense Q1	\$42M
Other Expense	\$14M
Reported Tax Rate	~23%
Diluted Shares Outstanding	130.4M

Detail of Pre-Tax Adjustments to:	Segment Margins	Below Segment
Acquired Intangible Asset Amortization	~\$300M	—
Business Realignment Charges	~\$35M	—

FY23 Adjusted EPS Guidance Bridge

FY22 to FY23



1. FY22 As Reported EPS of \$10.09. FY23 As Reported midpoint guidance EPS of \$16.53. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.



Key Messages

- Record FY22 in a challenging environment
- Accelerated performance from The Win Strategy™ 3.0
- Positioned to perform well in FY23
- Strategic portfolio transformation: Longer cycle & more resilient
- Expect Meggitt closing during FY23 Q1
- Positioned for growth from secular trends

A Transformed Parker with a Promising Future





Upcoming Event Calendar

Meggitt Investor Webcast	Post Closing
Annual Meeting of Shareholders	October 26, 2022
1Q FY23 Earnings	November 3, 2022
2Q FY23 Earnings	February 2, 2023
3Q FY23 Earnings	May 4, 2023
4Q FY23 Earnings	August 3, 2023

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Appendix

- Reconciliation of Organic Growth
- Adjusted Amounts Reconciliation
- Reconciliation of EPS
- Reconciliation of Total Segment Operating Margin to Adjusted Total Segment Operating Margin
- Reconciliation of EBITDA to Adjusted EBITDA
- Reconciliation of Free Cash Flow Conversion
- Reconciliation of Adjusted Net Debt to EBITDA
- Supplemental Sales Information – Global Technology Platforms
- Reconciliation of Forecasted EPS

Reconciliation of Organic Growth

(Dollars in thousands)
(Unaudited)

Net Sales	Quarter-to-Date			
	As Reported	Currency	Organic	As Reported
	June 30, 2022		June 30, 2022	June 30, 2021
Diversified Industrial:				
North America	\$ 2,087,696	\$ 3,591	\$ 2,091,287	\$ 1,823,078
International	1,423,924	159,871	1,583,795	1,505,835
Total Diversified Industrial	3,511,620	163,462	3,675,082	3,328,913
Aerospace Systems	676,212	2,597	678,809	629,956
Total Parker Hannifin	\$ 4,187,832	\$ 166,059	\$ 4,353,891	\$ 3,958,869
	As reported	Currency	Organic	
Diversified Industrial:				
North America	14.5 %	(0.2)%	14.7 %	
International	(5.4)%	(10.6)%	5.2 %	
Total Diversified Industrial	5.5 %	(4.9)%	10.4 %	
Aerospace Systems	7.3 %	(0.5)%	7.8 %	
Total Parker Hannifin	5.8 %	(4.2)%	10.0 %	

Reconciliation of Organic Growth

(Dollars in thousands)

(Unaudited)

	Year-to-Date			
	As Reported June 30, 2022	Currency	Organic June 30, 2022	As Reported June 30, 2021
Net Sales				
Diversified Industrial:				
North America	\$ 7,703,150	\$ (6,674)	\$ 7,696,476	\$ 6,676,449
International	5,638,896	256,049	5,894,945	5,283,710
Total Diversified Industrial	13,342,046	249,375	13,591,421	11,960,159
Aerospace Systems	2,519,562	5,213	2,524,775	2,387,481
Total Parker Hannifin	\$ 15,861,608	\$ 254,588	\$ 16,116,196	\$ 14,347,640
	As reported	Currency	Organic	
Diversified Industrial:				
North America	15.4 %	0.1 %	15.3 %	
International	6.7 %	(4.9)%	11.6 %	
Total Diversified Industrial	11.6 %	(2.0)%	13.6 %	
Aerospace Systems	5.5 %	(0.3)%	5.8 %	
Total Parker Hannifin	10.6 %	(1.7)%	12.3 %	

Adjusted Amounts Reconciliation

Consolidated Statement of Income

(Dollars in thousands, except per share data)

(Unaudited)

	Quarter-to-Date FY 2022									
	As Reported June 30, 2022	% of Sales	Acquired Intangible Asset Amortization	Business Realignment Charges	Integration Costs to Achieve	Acquisition Related Expenses	Loss on Deal- Contingent Forward Contracts	Adjusted June 30, 2022	% of Sales	
Net Sales	\$ 4,187,832	100.0 %	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,187,832	100.0 %	
Cost of Sales	2,980,654	71.2 %	—	3,353	207	—	—	2,977,094	71.1 %	
Selling, general, and admin. expenses	426,210	10.2 %	77,073	1,653	1,617	10,655	—	335,212	8.0 %	
Interest expense	71,270	1.7 %	—	—	—	—	—	71,270	1.7 %	
Other expense (income), net	591,530	14.1 %	—	(60)	—	1,007	619,061	(28,478)	(0.7)%	
Income before income taxes	118,168	2.8 %	(77,073)	(4,946)	(1,824)	(11,662)	(619,061)	832,734	19.9 %	
Income taxes	(10,738)	(0.3)%	17,341	1,113	411	2,624	150,432	161,183	3.8 %	
Net Income	128,906	3.1 %	(59,732)	(3,833)	(1,413)	(9,038)	(468,629)	671,551	16.0 %	
Less: Noncontrollable interests	75	0.0 %	—	—	—	—	—	75	0.0 %	
Net Income - common shareholders	\$ 128,831	3.1 %	\$ (59,732)	\$ (3,833)	\$ (1,413)	\$ (9,038)	\$ (468,629)	\$ 671,476	16.0 %	
Diluted earnings per share	\$ 0.99		\$ (0.46)	\$ (0.03)	\$ (0.01)	\$ (0.07)	\$ (3.60)	\$ 5.16		

Adjusted Amounts Reconciliation

Consolidated Statement of Income

(Dollars in thousands, except per share data)

(Unaudited)

Quarter-to-Date FY 2021

	As Reported		Acquired Intangible Asset Amortization	Business Realignment Charges	Lord Costs to Achieve	Exotic Costs to Achieve	Acquisition Related Expenses	Adjusted	
	June 30, 2021	% of Sales						June 30, 2021	% of Sales
Net sales	\$ 3,958,869	100.0 %	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,958,869	100.0 %
Cost of sales	2,832,281	71.5 %	—	4,357	425	—	—	2,827,499	71.4 %
Selling, general and admin. expenses	414,048	10.5 %	81,254	3,435	1,302	20	3,549	324,488	8.2 %
Interest expense	60,258	1.5 %	—	—	—	—	—	60,258	1.5 %
Other (income) expense, net	(4,269)	(0.1)%	—	—	—	—	—	(4,269)	(0.1)%
Income before income taxes	656,551	16.6 %	(81,254)	(7,792)	(1,727)	(20)	(3,549)	750,893	19.0 %
Income taxes	151,582	3.8 %	19,338	1,854	411	5	845	174,035	4.4 %
Net income	504,969	12.8 %	(61,916)	(5,938)	(1,316)	(15)	(2,704)	576,858	14.6 %
Less: Noncontrolling interests	176	0.0 %	—	—	—	—	—	176	0.0 %
Net income - common shareholders	\$ 504,793	12.8 %	\$ (61,916)	\$ (5,938)	\$ (1,316)	\$ (15)	\$ (2,704)	\$ 576,682	14.6 %
Diluted earnings per share	\$ 3.84		\$ (0.47)	\$ (0.04)	\$ (0.01)	\$ —	\$ (0.02)	\$ 4.38	

Adjusted Amounts Reconciliation

Business Segment Information

(Dollars in thousands)

(Unaudited)

	Quarter-to-Date FY 2022									
	As Reported		Acquired Intangible Asset Amortization	Business Realignment Charges	Integration Costs to Achieve	Acquisition Related Expenses	Loss on Deal-Contingent Forward Contracts	Adjusted		
	June 30, 2022	% of Sales						June 30, 2022	% of Sales ²	
Diversified Industrial										
North America ¹	\$ 430,142	20.6 %	\$ 46,630	\$ 670	\$ 214	\$ —	\$ —	\$ 477,656	22.9 %	
International ¹	296,838	20.8 %	17,701	4,282	433	—	—	319,254	22.4 %	
Aerospace Systems ¹	149,368	22.1 %	12,742	54	1,177	—	—	163,341	24.2 %	
Total segment operating income	876,348	20.9 %	(77,073)	(5,006)	(1,824)	—	—	960,251	22.9 %	
Corporate administration	70,635	1.7 %	—	—	—	—	—	70,635	1.7 %	
Income before interest and other	805,713	19.2 %	(77,073)	(5,006)	(1,824)	—	—	889,616	21.2 %	
Interest expense	71,270	1.7 %	—	—	—	—	—	71,270	1.7 %	
Other (income) expense	616,275	14.7 %	—	(60)	—	11,662	619,061	(14,388)	(0.3)%	
Income before income taxes	\$ 118,168	2.8 %	\$ (77,073)	\$ (4,946)	\$ (1,824)	\$ (11,662)	\$ (619,061)	\$ 832,734	19.9 %	

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

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

Adjusted Amounts Reconciliation

Business Segment Information

(Dollars in thousands)
(Unaudited)

	Year-to-Date FY 2022									
	As Reported June 30, 2022	% of Sales	Acquired Intangible Asset Amortization	Business Realignment Charges	Integration Costs to Achieve	Acquisition Related Expenses	Loss on Deal-Contingent Forward Contracts	Russia Liquidation	Adjusted June 30, 2022	% of Sales ²
Diversified Industrial:										
North America ¹	\$ 1,515,259	19.7%	\$ 188,325	\$ 2,638	\$ 1,171	\$ -	\$ -	\$ -	\$ 1,707,393	22.2%
International ¹	1,178,044	20.9%	75,105	11,149	2,418	-	-	6,257	1,272,973	22.6%
Aerospace Systems ¹	501,431	19.9%	51,020	967	1,177	-	-	6,570	561,165	22.3%
Total segment operating income	3,194,734	20.1%	(314,450)	(14,754)	(4,766)	-	-	(12,827)	3,541,531	22.3%
Corporate administration	219,699	1.4%	-	-	-	-	-	-	219,699	1.4%
Income before interest and other	2,975,035	18.8%	(314,450)	(14,754)	(4,766)	-	-	(12,827)	3,321,832	20.9%
Interest expense	255,252	1.6%	-	-	-	-	-	-	255,252	1.6%
Other (income) expense	1,105,557	7.0%	-	3	-	95,727	1,015,426	7,230	(12,829)	-0.1%
Income before income taxes	\$ 1,614,226	10.2%	\$ (314,450)	\$ (14,757)	\$ (4,766)	\$ (95,727)	\$ (1,015,426)	\$ (20,057)	\$ 3,079,409	19.4%

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 Earnings per Diluted Share to Adjusted Earnings per Diluted Share

(Unaudited)	Three Months Ended June 30,	
(Amounts in dollars)	<u>2022</u>	<u>2021</u>
Earnings per diluted share	\$ 0.99	\$ 3.84
Adjustments:		
Acquired intangible asset amortization expense	0.59	0.62
Business realignment charges	0.04	0.06
Integration costs to achieve	0.01	0.01
Acquisition-related expenses	0.09	0.03
Loss on deal-contingent forward contracts	4.76	—
Tax effect of adjustments ¹	<u>(1.32)</u>	<u>(0.18)</u>
Adjusted earnings per diluted share	\$ 5.16	\$ 4.38

Reconciliation of Earnings per Diluted Share to Adjusted Earnings per Diluted Share

(Unaudited)

(Amounts in Dollars)

	12 Months ended 6/30/16	12 Months ended 6/30/17	12 Months ended 6/30/18	12 Months ended 6/30/19*	12 Months ended 6/30/20*	12 Months ended 6/30/21	12 Months ended 6/30/22
Earnings per diluted share	\$ 5.89	\$ 7.25	\$ 7.83	\$ 11.57	\$ 9.26	\$ 13.35	\$ 10.09
Adjustments:							
Acquisition-related intangible asset amortization expense	0.74	1.02	1.59	1.51	2.19	2.49	2.41
Business realignment charges	0.80	0.42	0.34	0.12	0.59	0.36	0.11
Acquisition-related expenses & Costs to achieve	-	0.76	0.27	0.23	1.62	0.11	0.78
(Gain) / loss on sale and writedown of assets or land	-	-	0.24	-	-	(0.77)	-
Loss on deal-contingent forward contracts	-	-	-	-	-	-	7.79
Russia liquidation	-	-	-	-	-	-	0.15
Tax effect of adjustments ¹	(0.44)	(0.59)	(0.42)	(0.44)	(1.03)	(0.50)	(2.61)
Favorable tax settlement	-	-	-	-	(0.19)	-	-
Tax expense related to U.S. Tax Reform	-	-	1.72	0.11	-	-	-
Adjusted earnings per diluted share	\$ 6.99	\$ 8.86	\$ 11.57	\$ 13.10	\$ 12.44	\$ 15.04	\$ 18.72

¹This line item reflects the aggregate tax effect of all non-tax adjustments reflected in the preceding line items of the table. We estimate the tax effect of each adjustment item by applying our overall effective tax rate for continuing operations to the pre-tax amount, unless the nature of the item and/or the tax jurisdiction in which the item has been recorded requires application of a specific tax rate or tax treatment, in which case the tax effect of such item is estimated by applying such specific tax rate or tax treatment.

*FY19 and FY20 have been adjusted to reflect the change in inventory accounting method

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

(Unaudited) (Dollars in thousands)	Three Months Ended		Three Months Ended	
	June 30, 2022		June 30, 2021	
	Operating income	Operating margin	Operating income	Operating margin
Total segment operating income	\$ 876,348	20.9 %	\$ 789,988	20.0 %
Adjustments:				
Acquired intangible asset amortization	77,073		81,254	
Business realignment charges	5,006		7,347	
Integration costs to achieve	1,824		1,747	
Adjusted total segment operating income	\$ 960,251	22.9 %	\$ 880,336	22.2 %

Reconciliation of EBITDA to Adjusted EBITDA

(Unaudited) (Dollars in thousands)	Three Months Ended June 30,		Twelve Months Ended June 30,
	2022	2021	2022
Net sales	\$ 4,187,832	\$ 3,958,869	\$ 15,861,608
Net income	\$ 128,906	\$ 504,969	\$ 1,316,186
Income taxes	(10,738)	151,582	298,040
Depreciation	62,369	65,328	257,314
Amortization	77,073	81,254	314,450
Interest expense	71,270	60,258	255,252
EBITDA	328,880	863,391	2,441,242
Adjustments:			
Business realignment charges	4,946	7,792	14,757
Integration costs to achieve	1,824	1,747	4,766
Acquisition-related expenses	11,662	3,549	95,727
Loss on deal-contingent forward contracts	619,061	—	1,015,426
Russia liquidation	—	—	20,057
Adjusted EBITDA	\$ 966,373	\$ 876,479	\$ 3,591,975
EBITDA margin	7.9 %	21.8 %	15.4 %
Adjusted EBITDA margin	23.1 %	22.1 %	22.6 %

Reconciliation of EBITDA to Adjusted EBITDA

(Unaudited)

(Dollars in millions)

	12 Months ended 6/30/16	12 Months ended 6/30/17	12 Months ended 6/30/18	12 Months ended 6/30/19 ¹	12 Months ended 6/30/20 ¹	12 Months ended 6/30/21
Net sales	\$ 11,361	\$ 12,029	\$ 14,302	\$ 14,320	\$ 13,696	\$ 14,348
Net income	807	984	1,061	1,525	1,202	1,747
Income taxes	308	345	641	424	305	500
Depreciation and Amortization	307	355	466	436	538	595
Interest Expense	137	162	214	190	308	250
EBITDA*	\$ 1,558	\$ 1,846	\$ 2,382	\$ 2,576	\$ 2,353	\$ 3,092
Adjustments:						
Voluntary retirement expense	12					
Business realignment charges	97	56	46	16	76	48
Acquisition-related expenses & Costs to Achieve		103	37	30	211	15
(Gain) / Loss on Sale and Writedown of Assets or land			32			(101)
Adjusted EBITDA*	\$ 1,667	\$ 2,006	\$ 2,497	\$ 2,621	\$ 2,639	\$ 3,055
EBITDA margin	13.7%	15.3%	16.7%	18.0%	17.2%	21.6%
Adjusted EBITDA margin	14.7%	16.7%	17.5%	18.3%	19.3%	21.3%

¹Amounts have been adjusted to reflect the change in inventory accounting method.

*Totals may not foot due to rounding

Reconciliation of Free Cash Flow Conversion

(Unaudited) (Dollars in thousands)	Twelve Months Ended June 30, 2022	Twelve Months Ended June 30, 2021
Net income	\$ 1,316,186	\$ 1,746,861
Cash flow from operations	\$ 2,441,730	\$ 2,575,001
Capital Expenditures	(230,044)	(209,957)
Free cash flow	\$ 2,211,686	\$ 2,365,044
Free cash flow conversion (free cash flow / net income)	168 %	135 %

Reconciliation of Adjusted Net Debt to EBITDA

(Unaudited) (Dollars in thousands)	<u>June 30, 2022</u>
Notes payable and long-term debt payable within one year	\$ 1,724,310
Long-term debt	9,755,825
Add: Deferred debt issuance costs	86,972
Total gross debt	<u>\$ 11,567,107</u>
Cash and cash equivalents	\$ 535,799
Marketable securities and other investments	27,862
Restricted cash (within Prepaid expenses and other)	6,112,077
Adjusted total cash	<u>\$ 6,675,738</u>
Adjusted net debt (Gross debt less adjusted total cash)	\$ 4,891,369
TTM EBITDA	<u>\$ 2,441,242</u>
Adjusted net debt/TTM EBITDA	<u>2.0</u>

Supplemental Sales Information

Global Technology Platforms

(Unaudited) (Dollars in thousands)	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2022	2021	2022	2021
Net sales				
Diversified Industrial:				
Motion Systems	\$ 921,265	\$ 883,395	\$ 3,489,431	\$ 3,081,366
Flow and Process Control	1,229,853	1,152,437	4,616,270	4,108,080
Filtration and Engineered Materials	1,360,502	1,293,081	5,236,345	4,770,713
Aerospace Systems	676,212	629,956	2,519,562	2,387,481
Total	\$ 4,187,832	\$ 3,958,869	\$ 15,861,608	\$ 14,347,640

Reconciliation of EPS

Fiscal Year 2023 Guidance

(Unaudited)	
(Amounts in dollars)	<u>Fiscal Year 2023</u>
Forecasted earnings per diluted share	\$16.13 to \$16.93
Adjustments:	
Business realignment charges	0.26
Acquisition-related intangible asset amortization expense	2.30
Tax effect of adjustments ¹	<u>(0.59)</u>
Adjusted forecasted earnings per diluted share	<u>\$18.10 to \$18.90</u>

¹This line item reflects the aggregate tax effect of all non-tax adjustments reflected in the preceding line items of the table. We estimate the tax effect of each adjustment item by applying our overall effective tax rate for continuing operations to the pre-tax amount, unless the nature of the item and/or the tax jurisdiction in which the item has been recorded requires application of a specific tax rate or tax treatment, in which case the tax effect of such item is estimated by applying such specific tax rate or tax treatment.

