

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 3, 2023

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:

Title of Each Class	Trading Symbol	Name of Each Exchange on which Registered
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 3, 2023, Parker-Hannifin Corporation issued a press release and presented a Webcast announcing results of operations for the quarter ended June 30, 2023. 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 3, 2023.](#)

[99.2 Webcast presentation by Parker-Hannifin Corporation, dated August 3, 2023.](#)

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 3, 2023



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 2023 Fourth Quarter and Full Year Results and Issues Guidance for Fiscal 2024

Fiscal 2023 Fourth Quarter Highlights:

- Sales increased 22% to a record of \$5.1 billion; organic sales increased 6%
- Total segment operating margin was 22.1%, or a record 24.0% adjusted
- EPS were \$5.44, or a record of \$6.08 adjusted
- Debt reduction of \$846 million in the quarter

Fiscal 2023 Full Year Highlights:

- Sales increased 20% to a record of \$19.1 billion; organic sales increased 11%
- Total segment operating margin was 19.1%, or a record 22.9% adjusted
- EPS were \$16.04, or a record of \$21.55 adjusted

Fiscal 2024 Outlook:

- Total sales growth in the range of 3% to 6%
- Total segment operating margin in the range of 19.7% to 20.1%, or 23.0% to 23.4% adjusted
- Earnings per share in the range of \$18.05 to \$19.05, or \$21.90 to \$22.90 adjusted

CLEVELAND, August 3, 2023 -- Parker Hannifin Corporation (NYSE: PH), the global leader in motion and control technologies, today reported results for the fiscal 2023 fourth quarter ended June 30, 2023. Fiscal 2023 fourth quarter sales were a record at \$5.1 billion, an increase of 22%, compared with \$4.2 billion in the fourth quarter of fiscal 2022. Net income was \$709.0 million compared with \$128.8 million in the prior year quarter. Adjusted net income was \$791.4 million, an increase of 18% compared with \$671.5 million in the fourth quarter of fiscal 2022. Earnings per share were \$5.44 compared with \$0.99 in the fourth quarter of fiscal 2022. Adjusted earnings per share increased 18% to a record of \$6.08 compared with \$5.16 in the prior year quarter.

For the full year, fiscal 2023 sales were a record at \$19.1 billion, an increase of 20%, compared with \$15.9 billion in fiscal 2022. Fiscal 2023 net income was \$2.1 billion compared with \$1.3 billion in fiscal 2022. Fiscal 2023 adjusted net income was a record at \$2.8 billion compared with \$2.4 billion in the

prior year. Fiscal 2023 earnings per share were \$16.04 compared with \$10.09 in fiscal 2022. On an adjusted basis, fiscal 2023 full year earnings per share increased 15% to a record of \$21.55 compared with \$18.72 in the prior year. Fiscal 2023 cash flow from operations increased 22% to \$3.0 billion, or 15.6% of sales compared with \$2.4 billion, or 15.4% of sales, in the prior year. A reconciliation of non-GAAP measures is included in the financial tables of this press release and includes various expenses associated with the completion of the acquisition and divestitures during fiscal 2023.

“Our fourth quarter performance represents a strong finish to an outstanding year in which our global team continued to deliver great results,” said Chief Executive Officer Jenny Parmentier. “In the quarter, we achieved records for sales, adjusted segment operating margin, adjusted earnings per share and had strong cash flow generation. Of note was the strength of our aerospace business, which achieved substantial growth in sales and segment operating income. Fiscal 2023 was a record year highlighted by ongoing operational improvements and the continued transformation of our portfolio through the acquisition of Meggitt.”

Segment Results

Diversified Industrial Segment: North American fourth quarter sales increased 10% to \$2.3 billion and operating income was \$490.8 million compared with \$430.1 million in the same period a year ago. On an adjusted basis, North American operating income was \$540.6 million, or 23.5% of sales, a 60 basis point increase compared with the fourth quarter of fiscal 2022. International fourth quarter sales increased 6% to \$1.5 billion and operating income was \$309.4 million compared with \$296.8 million in the same period a year ago. On an adjusted basis, International operating income was \$352.1 million, or 23.3% of sales, a 90 basis point increase compared with the prior year quarter.

Aerospace Systems Segment: Fourth quarter sales increased 90% to \$1.3 billion and operating income was \$327.6 million compared with \$149.4 million in the same period a year ago. On an adjusted basis, operating income was \$331.4 million, or 25.8% of sales, a 160 basis point increase compared with the prior year quarter.

Orders

The company reported the following orders for the quarter ending June 30, 2023, compared with the same quarter a year ago:

- Orders increased 3% for total Parker
 - Orders decreased 8% in the Diversified Industrial North America businesses
 - Orders decreased 1% in the Diversified Industrial International businesses
 - Orders increased 28% in the Aerospace Systems Segment on a rolling 12-month average basis.
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Outlook

Parker announced its outlook for the fiscal year ending June 30, 2024. The company expects total sales growth in fiscal 2024 to be in the range of 3% to 6%; total segment operating margin in the range of 19.7% to 20.1%, or 23.0% to 23.4% on an adjusted basis; and earnings per share in the range of \$18.05 to \$19.05, or \$21.90 to \$22.90 on an adjusted basis. Reconciliations of forecasted segment operating margin to adjusted forecasted segment operating margin and forecasted earnings per share to adjusted forecasted earnings per share are included in the financial tables of this press release.

Parmentier added, "We enter fiscal 2024 on a great foundation with opportunities to accelerate our performance through execution of the Win Strategy™ 3.0, Parker's business system. Our fiscal 2024 guidance reflects continued progress toward our fiscal 2027 financial targets. Our confidence in reaching those targets is supported by the strength of our portfolio, synergies from the integration of Meggitt, and secular growth trends. These drivers will continue to accelerate our top quartile performance. Parker has a very bright future."

NOTICE OF CONFERENCE CALL: Parker Hannifin's webcast to discuss its fiscal 2023 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 67 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 Reclassification

Effective July 1, 2022, the company began classifying certain expenses, previously classified as cost of sales, as selling, general and administrative expenses ("SG&A") or within other (income) expense, net. During the integration of recently acquired businesses, the company has seen diversity in practice of the classifications of certain expenses, and the reclassification was made to better align the presentation of expenses on the Consolidated Statement of Income with management's internal reporting. The expenses reclassified from cost of sales to SG&A relate to certain administrative activities conducted in production facilities and research and development. Foreign currency transaction expense was also reclassified from cost of sales to other (income) expense, net on the Consolidated

Statement of Income. These reclassifications had no impact on net income, earnings per share, cash flows, segment reporting or the financial position of the Company and were retrospectively applied to all periods presented in the financial tables of this press release.

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. Beginning in the third quarter of fiscal 2023, all comparisons include acquisitions in both the numerator and denominator and exclude divestitures. Diversified Industrial comparisons are on 3-month average computations and Aerospace Systems comparisons are rolling 12-month average computations.

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 segment operating income; and (e) organic sales growth. The adjusted net income, earnings per share, segment operating margin, segment 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.

Among other factors which may affect future performance are: changes in business relationships with and purchases by or from major customers, suppliers or distributors, including delays or cancellations in shipments; disputes regarding contract terms or significant changes in financial condition, changes in contract cost and revenue estimates for new development programs and changes in product mix; ability to identify acceptable strategic acquisition targets; uncertainties surrounding timing, successful completion or integration of acquisitions and similar transactions, including the integration of Meggitt PLC; 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, 2022 and other periodic filings made with the SEC.

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PARKER HANNIFIN CORPORATION - JUNE 30, 2023

Exhibit 99.1

CONSOLIDATED STATEMENT OF INCOME

(Unaudited) (Dollars in thousands, except per share amounts)	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2023	2022*	2023	2022*
Net sales	\$ 5,095,943	\$ 4,187,832	\$ 19,065,194	\$ 15,861,608
Cost of sales	3,262,860	2,768,925	12,635,892	10,550,309
Selling, general and administrative expenses	834,940	650,956	3,354,103	2,504,061
Interest expense	157,176	71,270	573,894	255,252
Other (income) expense, net	(62,228)	578,513	(178,359)	937,760
Income before income taxes	903,195	118,168	2,679,664	1,614,226
Income taxes	194,117	(10,738)	596,128	298,040
Net income	709,078	128,906	2,083,536	1,316,186
Less: Noncontrolling interests	122	75	600	581
Net income attributable to common shareholders	\$ 708,956	\$ 128,831	\$ 2,082,936	\$ 1,315,605

*Prior period amounts have been reclassified to reflect the income statement reclassification, as described in the attached press release.

Earnings per share attributable to common shareholders:

Basic earnings per share	\$ 5.52	\$ 1.00	\$ 16.23	\$ 10.24
Diluted earnings per share	\$ 5.44	\$ 0.99	\$ 16.04	\$ 10.09
Average shares outstanding during period - Basic	128,440,007	128,510,429	128,367,842	128,539,387
Average shares outstanding during period - Diluted	130,222,542	130,172,735	129,822,085	130,355,943

CASH DIVIDENDS PER COMMON SHARE

(Unaudited) (Amounts in dollars)	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2023	2022	2023	2022
Cash dividends per common share	\$ 1.48	\$ 1.33	\$ 5.47	\$ 4.42

RECONCILIATION OF ORGANIC GROWTH

(Unaudited)	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2023	2022	2023	2022
Sales growth - as reported	21.7 %	5.8 %	20.2 %	10.6 %
Adjustments:				
Acquisitions	16.3 %	— %	13.1 %	— %
Divestitures	(0.6)%	— %	(0.4)%	— %
Currency	(0.4)%	(4.2)%	(3.0)%	(1.7)%
Organic sales growth	6.4 %	10.0 %	10.5 %	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,	
	2023	2022	2023	2022
Net income attributable to common shareholders	\$ 708,956	\$ 128,831	\$ 2,082,936	\$ 1,315,605
Adjustments:				
Acquired intangible asset amortization expense	126,296	77,073	500,713	314,450
Business realignment charges	9,226	4,946	26,706	14,757
Integration costs to achieve	18,786	1,824	95,439	4,766
Acquisition-related expenses	2,754	11,662	166,294	95,727
Loss on deal-contingent forward contracts	—	619,061	389,992	1,015,426
Net gain on divestitures	—	—	(362,003)	—
Amortization of inventory step-up to fair value	(57,992)	—	109,981	—
Russia liquidation	—	—	—	20,057
Meggitt early debt retirement	9,999	—	9,999	—
Tax effect of adjustments ¹	(26,613)	(171,921)	(222,379)	(340,258)
Adjusted net income attributable to common shareholders	\$ 791,412	\$ 671,476	\$ 2,797,678	\$ 2,440,530

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,	
	2023	2022	2023	2022
Earnings per diluted share	\$ 5.44	\$ 0.99	\$ 16.04	\$ 10.09
Adjustments:				
Acquired intangible asset amortization expense	0.97	0.59	3.85	2.41
Business realignment charges	0.07	0.04	0.20	0.11
Integration costs to achieve	0.14	0.01	0.73	0.04
Acquisition-related expenses	0.02	0.09	1.29	0.74
Loss on deal-contingent forward contracts	—	4.76	3.00	7.79
Net gain on divestitures	—	—	(2.78)	—
Amortization of inventory step-up to fair value	(0.45)	—	0.84	—
Russia liquidation	—	—	—	0.15
Meggitt early debt retirement	0.08	—	0.08	—
Tax effect of adjustments ¹	(0.19)	(1.32)	(1.70)	(2.61)
Adjusted earnings per diluted share	\$ 6.08	\$ 5.16	\$ 21.55	\$ 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.

PARKER HANNIFIN CORPORATION - JUNE 30, 2023

Exhibit 99.1

BUSINESS SEGMENT INFORMATION

(Unaudited) (Dollars in thousands)	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2023	2022	2023	2022
Net sales				
Diversified Industrial:				
North America	\$ 2,301,159	\$ 2,087,696	\$ 8,916,194	\$ 7,703,150
International	1,512,272	1,423,924	5,789,499	5,638,896
Aerospace Systems	1,282,512	676,212	4,359,501	2,519,562
Total net sales	\$ 5,095,943	\$ 4,187,832	\$ 19,065,194	\$ 15,861,608
Segment operating income				
Diversified Industrial:				
North America	\$ 490,823	\$ 430,142	\$ 1,853,079	\$ 1,515,259
International	309,373	296,838	1,218,331	1,178,044
Aerospace Systems	327,595	149,368	562,444	501,431
Total segment operating income	1,127,791	876,348	3,633,854	3,194,734
Corporate general and administrative expenses	83,336	70,635	229,677	219,699
Income before interest expense and other expense	1,044,455	805,713	3,404,177	2,975,035
Interest expense	157,176	71,270	573,894	255,252
Other (income) expense, net	(15,916)	616,275	150,619	1,105,557
Income before income taxes	\$ 903,195	\$ 118,168	\$ 2,679,664	\$ 1,614,226

RECONCILIATION OF SEGMENT OPERATING MARGINS TO ADJUSTED SEGMENT OPERATING MARGINS

(Unaudited) (Dollars in thousands)	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2023	2022	2023	2022
Diversified Industrial North America sales	\$ 2,301,159	\$ 2,087,696	\$ 8,916,194	\$ 7,703,150
Diversified Industrial North America operating income	\$ 490,823	\$ 430,142	\$ 1,853,079	\$ 1,515,259
Adjustments:				
Acquired intangible asset amortization	47,138	46,630	181,954	188,325
Business realignment charges	1,792	670	4,024	2,638
Integration costs to achieve	877	214	4,636	1,171
Adjusted Diversified Industrial North America operating income	\$ 540,630	\$ 477,656	\$ 2,043,693	\$ 1,707,393
Diversified Industrial North America operating margin	21.3 %	20.6 %	20.8 %	19.7 %
Adjusted Diversified Industrial North America operating margin	23.5 %	22.9 %	22.9 %	22.2 %

PARKER HANNIFIN CORPORATION - JUNE 30, 2023

Exhibit 99.1

RECONCILIATION OF SEGMENT OPERATING MARGINS TO ADJUSTED SEGMENT OPERATING MARGINS

(Unaudited) (Dollars in thousands)	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2023	2022	2023	2022
Diversified Industrial International sales	\$ 1,512,272	\$ 1,423,924	\$ 5,789,499	\$ 5,638,896
Diversified Industrial International operating income	\$ 309,373	\$ 296,838	\$ 1,218,331	\$ 1,178,044
Adjustments:				
Acquired intangible asset amortization	34,935	17,701	85,825	75,105
Business realignment charges	7,385	4,282	19,617	11,149
Integration costs to achieve	358	433	3,875	2,418
Russia liquidation	—	—	—	6,257
Adjusted Diversified Industrial International operating income	\$ 352,051	\$ 319,254	\$ 1,327,648	\$ 1,272,973
Diversified Industrial International operating margin	20.5 %	20.8 %	21.0 %	20.9 %
Adjusted Diversified Industrial International operating margin	23.3 %	22.4 %	22.9 %	22.6 %

(Unaudited) (Dollars in thousands)	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2023	2022	2023	2022
Aerospace Systems sales	\$ 1,282,512	\$ 676,212	\$ 4,359,501	\$ 2,519,562
Aerospace Systems operating income	\$ 327,595	\$ 149,368	\$ 562,444	\$ 501,431
Adjustments:				
Acquired intangible asset amortization	44,223	12,742	232,934	51,020
Business realignment charges	49	54	3,065	967
Integration costs to achieve	17,551	1,177	86,928	1,177
Amortization of inventory step-up to fair value	(57,992)	—	109,981	—
Russia liquidation	—	—	—	6,570
Adjusted Aerospace Systems operating income	\$ 331,426	\$ 163,341	\$ 995,352	\$ 561,165
Aerospace Systems operating margin	25.5 %	22.1 %	12.9 %	19.9 %
Adjusted Aerospace Systems operating margin	25.8 %	24.2 %	22.8 %	22.3 %

PARKER HANNIFIN CORPORATION - JUNE 30, 2023

Exhibit 99.1

RECONCILIATION OF SEGMENT OPERATING MARGINS TO ADJUSTED SEGMENT OPERATING MARGINS

(Unaudited) (Dollars in thousands)	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2023	2022	2023	2022
Total net sales	\$ 5,095,943	\$ 4,187,832	\$ 19,065,194	\$ 15,861,608
Total segment operating income	\$ 1,127,791	\$ 876,348	\$ 3,633,854	\$ 3,194,734
Adjustments:				
Acquired intangible asset amortization	126,296	77,073	500,713	314,450
Business realignment charges	9,226	5,006	26,706	14,754
Integration costs to achieve	18,786	1,824	95,439	4,766
Amortization of inventory step-up to fair value	(57,992)	—	109,981	—
Russia liquidation	—	—	—	12,827
Adjusted total segment operating income	\$ 1,224,107	\$ 960,251	\$ 4,366,693	\$ 3,541,531
Total segment operating margin	22.1 %	20.9 %	19.1 %	20.1 %
Adjusted total segment operating margin	24.0 %	22.9 %	22.9 %	22.3 %

PARKER HANNIFIN CORPORATION - JUNE 30, 2023
CONSOLIDATED BALANCE SHEET

Exhibit 99.1

(Unaudited)

(Dollars in thousands)

	June 30,	June 30,
	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 475,182	\$ 535,799
Marketable securities and other investments	8,390	27,862
Trade accounts receivable, net	2,827,297	2,341,504
Non-trade and notes receivable	309,167	543,757
Inventories	2,907,879	2,214,553
Prepaid expenses and other	306,314	6,383,169
Total current assets	6,834,229	12,046,644
Property, plant and equipment, net	2,865,030	2,122,758
Deferred income taxes	81,429	110,585
Investments and other assets	1,104,576	788,057
Intangible assets, net	8,450,614	3,135,817
Goodwill	10,628,594	7,740,082
Total assets	\$ 29,964,472	\$ 25,943,943
Liabilities and equity		
Current liabilities:		
Notes payable and long-term debt payable within one year	\$ 3,763,175	\$ 1,724,310
Accounts payable, trade	2,050,934	1,731,925
Accrued payrolls and other compensation	651,319	470,132
Accrued domestic and foreign taxes	374,571	250,292
Other accrued liabilities	895,371	1,682,659
Total current liabilities	7,735,370	5,859,318
Long-term debt	8,796,284	9,755,825
Pensions and other postretirement benefits	551,510	639,939
Deferred income taxes	1,649,674	307,044
Other liabilities	893,355	521,897
Shareholders' equity	10,326,888	8,848,011
Noncontrolling interests	11,391	11,909
Total liabilities and equity	\$ 29,964,472	\$ 25,943,943

PARKER HANNIFIN CORPORATION - JUNE 30, 2023

Exhibit 99.1

CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited)

(Dollars in thousands)

	Twelve Months Ended June 30,	
	2023	2022
Cash flows from operating activities:		
Net income	\$ 2,083,536	\$ 1,316,186
Depreciation and amortization	818,129	571,764
Share incentive plan compensation	142,720	137,093
Gain on sale of businesses	(366,345)	(1,394)
Loss (gain) on disposal of property, plant and equipment	3,819	(5,727)
(Gain) loss on marketable securities	(1,486)	5,131
Gain on investments	(4,690)	(3,972)
Net change in receivables, inventories and trade payables	128,000	(259,876)
Net change in other assets and liabilities	13,211	1,003,270
Other, net	163,036	(320,745)
Net cash provided by operating activities	2,979,930	2,441,730
Cash flows from investing activities:		
Acquisitions (net of cash of \$89,704 in 2023)	(7,146,110)	—
Capital expenditures	(380,747)	(230,044)
Proceeds from sale of property, plant and equipment	13,244	39,353
Proceeds from sale of businesses	473,207	3,366
Purchases of marketable securities and other investments	(37,791)	(27,895)
Maturities and sales of marketable securities and other investments	56,786	31,809
Payments of deal-contingent forward contracts	(1,405,418)	—
Other	250,017	(235,426)
Net cash used in investing activities	(8,176,812)	(418,837)
Cash flows from financing activities:		
Net payments for common stock activity	(293,847)	(457,225)
Net proceeds from debt	40,470	5,001,345
Financing fees paid	(13,605)	(58,629)
Dividends paid	(704,054)	(569,855)
Net cash (used in) provided by financing activities	(971,036)	3,915,636
Effect of exchange rate changes on cash	(4,776)	(23,770)
Net (decrease) increase in cash, cash equivalents and restricted cash	(6,172,694)	5,914,759
Cash, cash equivalents and restricted cash at beginning of year	6,647,876	733,117
Cash, cash equivalents and restricted cash at end of period	\$ 475,182	\$ 6,647,876

RECONCILIATION OF FORECASTED SEGMENT OPERATING MARGIN TO ADJUSTED FORECASTED SEGMENT OPERATING MARGIN

(Unaudited)

(Amounts in percentages)

	Fiscal Year 2024
Forecasted segment operating margin	19.7% to 20.1%
Adjustments:	
Business realignment charges	0.4%
Costs to achieve	0.2%
Acquisition-related intangible asset amortization expense	2.8%
Adjusted forecasted segment operating margin	23.0% to 23.4%

*Totals may not foot due to rounding

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

(Unaudited)

(Amounts in dollars)

	Fiscal Year 2024
Forecasted earnings per diluted share	\$18.05 to \$19.05
Adjustments:	
Business realignment charges	0.54
Costs to achieve	0.27
Acquisition-related intangible asset amortization expense	4.23
Tax effect of adjustments ¹	(1.19)
Adjusted forecasted earnings per diluted share	\$21.90 to \$22.90

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

Fiscal 2023 Fourth Quarter & Full Year Earnings Presentation



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August 3, 2023



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.

Among other factors which may affect future performance are: changes in business relationships with and purchases by or from major customers, suppliers or distributors, including delays or cancellations in shipments; disputes regarding contract terms or significant changes in financial condition, changes in contract cost and revenue estimates for new development programs and changes in product mix; ability to identify acceptable strategic acquisition targets; uncertainties surrounding timing, successful completion or integration of acquisitions and similar transactions, including the integration of Meggitt PLC; 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, 2022 and other periodic filings made with the SEC.

This presentation contains references to non-GAAP financial information including organic sales for Parker and by segment, adjusted earnings per share, adjusted segment operating margin for Parker and by segment, adjusted net income, EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, Gross Debt to Adjusted EBITDA, Net Debt to Adjusted EBITDA 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 segment operating margin for Parker and by segment, adjusted net income, EBITDA, adjusted EBITDA, EBITDA margin, adjusted 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. Detailed reconciliations of these non-GAAP financial measures to the comparable GAAP financial measures have been included in the appendix to this presentation.

Effective July 1, 2022, the company began classifying certain expenses, previously classified as cost of sales, as selling, general and administrative expenses ("SG&A") or within other (income) expense, net. During the integration of recently acquired businesses, the company has seen diversity in practice of the classifications of certain expenses, and the reclassification was made to better align the presentation of expenses on the Consolidated Statement of Income with management's internal reporting. The expenses reclassified from cost of sales to SG&A relate to certain administrative activities conducted in production facilities and research and development. Foreign currency transaction expense was also reclassified from cost of sales to other (income) expense, net on the Consolidated Statement of Income. These reclassifications had no impact on net income, earnings per share, cash flows, segment reporting or the financial position of the Company and were retrospectively applied to all periods presented in the financial tables of this presentation.

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FY23 Q4: Outstanding Performance

- Top quartile safety performance; 20% reduction in recordable incidents
- Record sales of \$5.1B, +22% vs. prior year, +6% organic growth¹
- Record adjusted segment margin of 24.0%, +110 bps vs. prior
- Backlog coverage² remains resilient at ~55%; backlog +1% sequentially

A Strong Finish to a Great Year

1. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations. Note: FY23 Q4 As Reported: Segment Operating Margin of 22.1%.
2. Backlog coverage is the FY23 Q4 ending backlog as the % of FY24 sales guidance midpoint.



FY23 – A Transformational Year

- Top quartile safety & engagement
- ~30% exposure to Aerospace & Defense
- Meggitt exceeding expectations
- Great cash generation and debt paydown

FY23 Highlights

\$19B

Sales

11%

Organic Sales Growth¹

+60bps

Adjusted Segment Margin¹

15%

Adjusted EPS Growth¹

\$3B

Operating Cash Flow

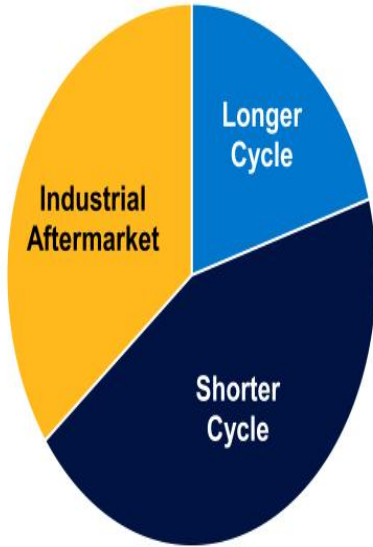
¹ Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.
Note: FY23 As Reported: Segment Operating Margin of 19.1%, EPS of \$16.04.



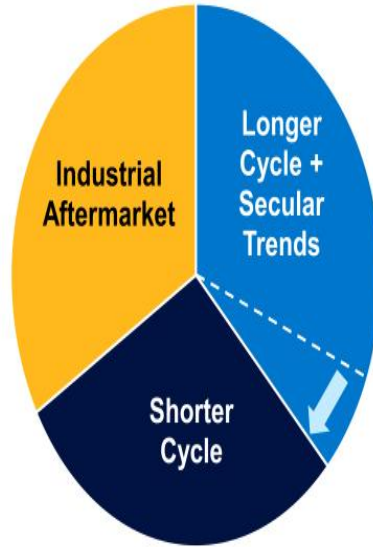
Expanding Longer Cycle and Secular Trend Exposure

Revenue Mix Reflects Transforming Portfolio

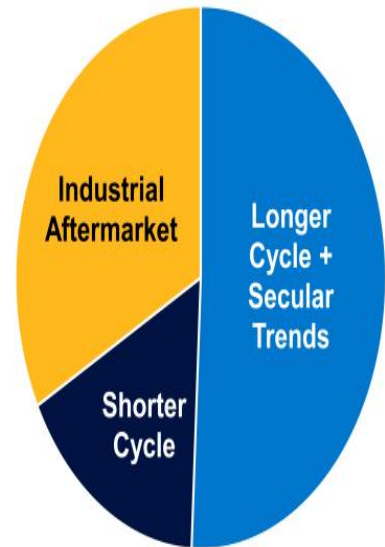
FY15



FY23
Update



FY27
Illustration



Future Sales Growth Drivers

	Our Business System	Macro CapEx Investment	Innovation	Acquisitions	Secular Growth
Strategic Growth Drivers	The Win Strategy™	<ul style="list-style-type: none"> ▪ Address last decade under investment ▪ Supply chain development ▪ Mega Projects 	<ul style="list-style-type: none"> ▪ New Product Blueprinting ▪ Simple by Design™ ▪ Product Vitality 	<ul style="list-style-type: none"> ▪ CLARCOR ▪ LORD ▪ Exotic ▪ Meggitt 	<ul style="list-style-type: none"> ▪ Aerospace ▪ Digital ▪ Electrification ▪ Clean Technologies
Outcomes	Growth & Financial Performance	Machinery automation, expansion & secular trends	Faster growth & support secular trends	Accretive & longer cycle growth	2/3's Portfolio enable Clean Technologies

FY27 Target 4-6% Organic Growth over the Cycle



Enabling Engineering Breakthroughs that Lead to a Better Tomorrow



Climate Action

- On Track - Carbon Neutral by 2040
- 20% Carbon Reduction in FY23¹
- 1st Quartile CDP Climate Change



Parker Teams & Communities

- 20% Safety Incident Reduction in FY23
- 10,000+ volunteer hours in FY23
- ~\$67M donated to our communities over past 10 years



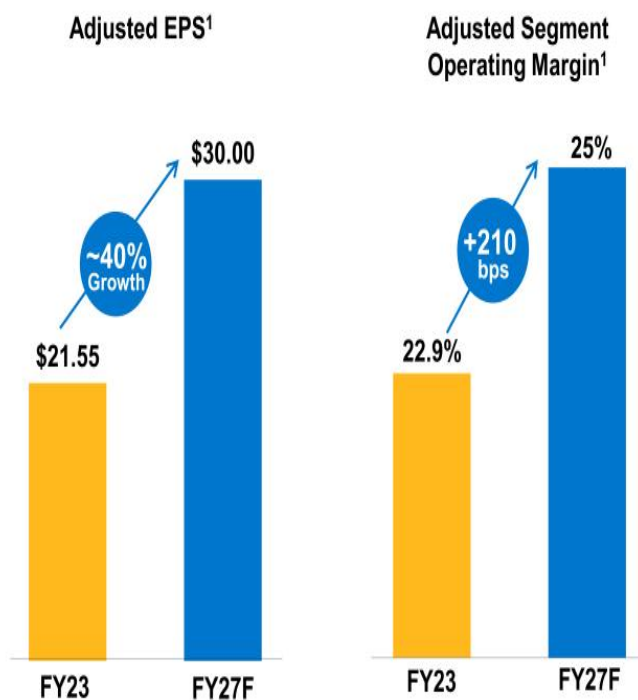
Clean Technologies

- Continued Technology Advancement
- 2/3 of Portfolio Enables Clean Tech
- Parker's BOM Increases ~1.5 to 2X on Electric Applications

¹. Data represents a rolling 12-month through FY23 Q3.



Parker's Promising Future



- Growth from secular trends
- Building on transformation with Meggitt
- Acceleration from Win Strategy 3.0
- Top quartile performance
- Organic growth 4-6% over the cycle



1. Adjusted numbers include certain non-GAAP financial measures.

Summary of Fiscal 2023 4th Quarter Highlights

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FY23 Q4 Financial Summary

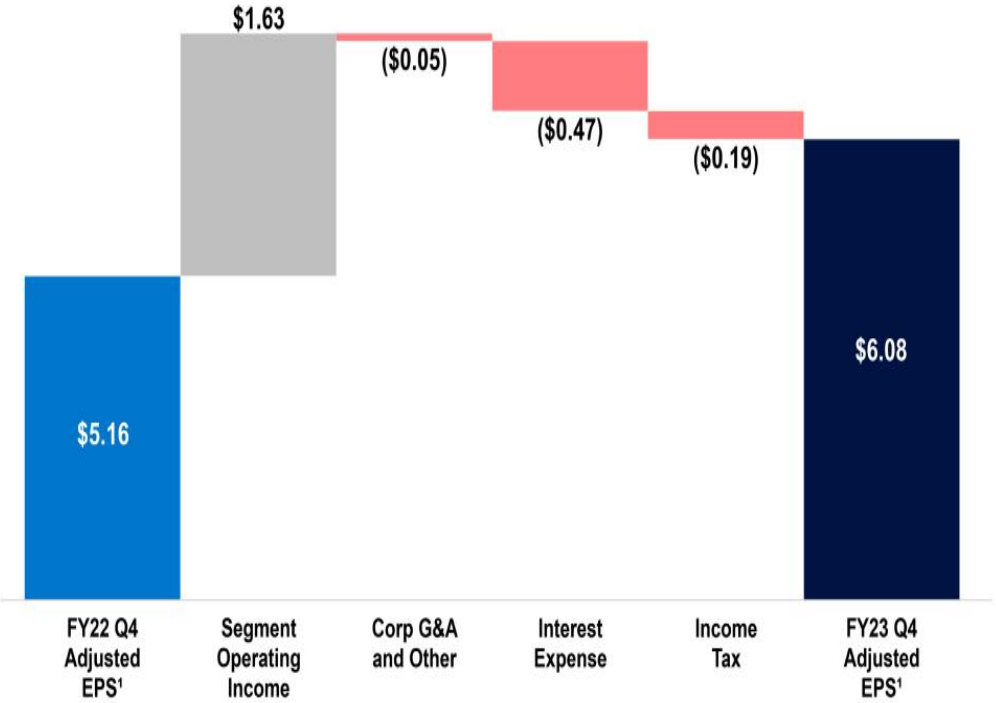
\$ Millions, except per share amounts

	FY23 Q4 As Reported	FY23 Q4 Adjusted ¹	FY22 Q4 Adjusted ¹	YoY Change Adjusted
Sales	\$5,096	\$5,096	\$4,188	+22%
Segment Operating Margin	22.1%	24.0%	22.9%	+110 bps
EBITDA Margin	24.9%	24.4%	23.1%	+130 bps
Net Income	\$709	\$791	\$671	+18%
EPS	\$5.44	\$6.08	\$5.16	+18%

1. Sales figures As Reported. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.
 Note: FY22 Q4 As Reported: Segment Operating Margin of 20.9%, EBITDA Margin of 7.9%, Net Income of \$129M, EPS of \$0.99.



FY23 Q4 Adjusted Earnings per Share Bridge



1. FY22 Q4 As Reported EPS of \$0.99. FY23 Q4 As Reported EPS of \$5.44. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.



FY23 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	\$2,301M +4.9% Organic	21.3%	23.5% +60 bps YoY	(8%)	<ul style="list-style-type: none"> • Backlog coverage supported growth • Productivity & supply chain improvement • Excellent operating execution
Diversified Industrial International	\$1,512M +3.9% Organic	20.5%	23.3% +90 bps YoY	(1%)	<ul style="list-style-type: none"> • Organic growth¹: EMEA +0.8%, AP +8.6% • Margin expansion driven by cost control • Distribution mix continues to expand
Aerospace Systems	\$1,283M +16.0% Organic	25.5%	25.8% +160 bps YoY	+28%	<ul style="list-style-type: none"> • 20%+ commercial organic growth; military OEM returns to growth • Strong aftermarket mix • Excellent performance of legacy & Meggitt
Parker	\$5,096M +6.4% Organic	22.1%	24.0% +110 bps YoY	+3%	<ul style="list-style-type: none"> • Record adjusted segment margin of 24%¹ • Aerospace strength drives positive orders • Strong finish to an outstanding year

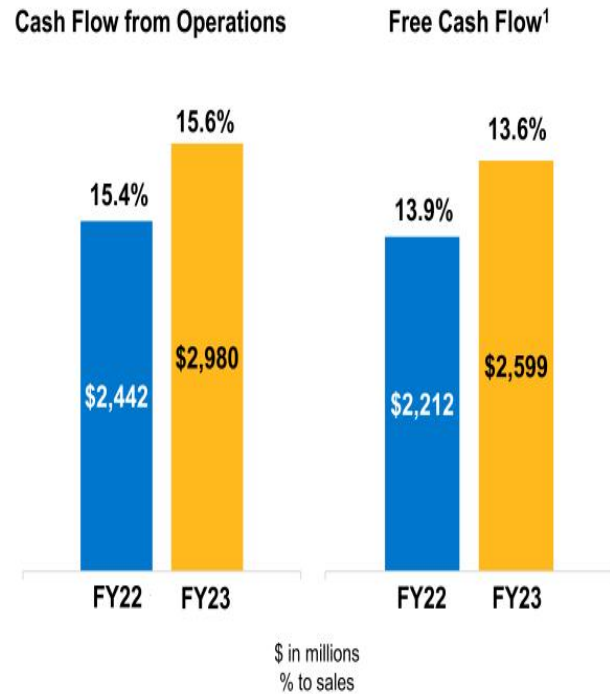
1. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.

2. Diversified Industrial orders are on a 3-month average computation and Aerospace Systems are rolling 12-month average computations. Beginning FY23 Q3, orders include acquisitions and exclude divestitures and currency.



Record FY23 Cash Flow Performance

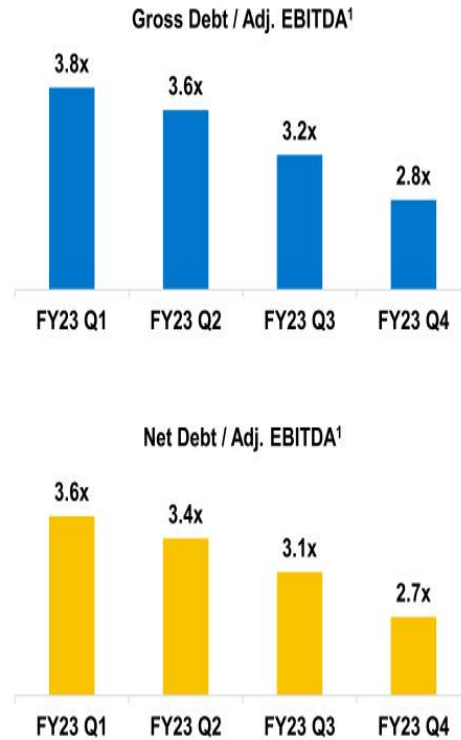
- Cash Flow from Operations of 15.6%
 - \$3 Billion - an increase of 22% YoY
- Free Cash Flow of 13.6%¹
 - Capex of 2.0% of sales
- Transaction expenses:
 - A use of cash of ~1% of sales
- Free Cash Flow Conversion of 125%¹



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

Debt & Leverage Reduction Ahead of Schedule

- ~\$850M debt reduction during Q4
 - \$1.4B since Meggitt acquisition close
 - Paid down ~35% of total deal consideration since announcement
- Achieved ~1x leverage reduction
 - Since Meggitt acquisition close
- Expect ~\$2B debt paydown in FY24
- Target 2.0x leverage during FY25



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



FY24 Guidance

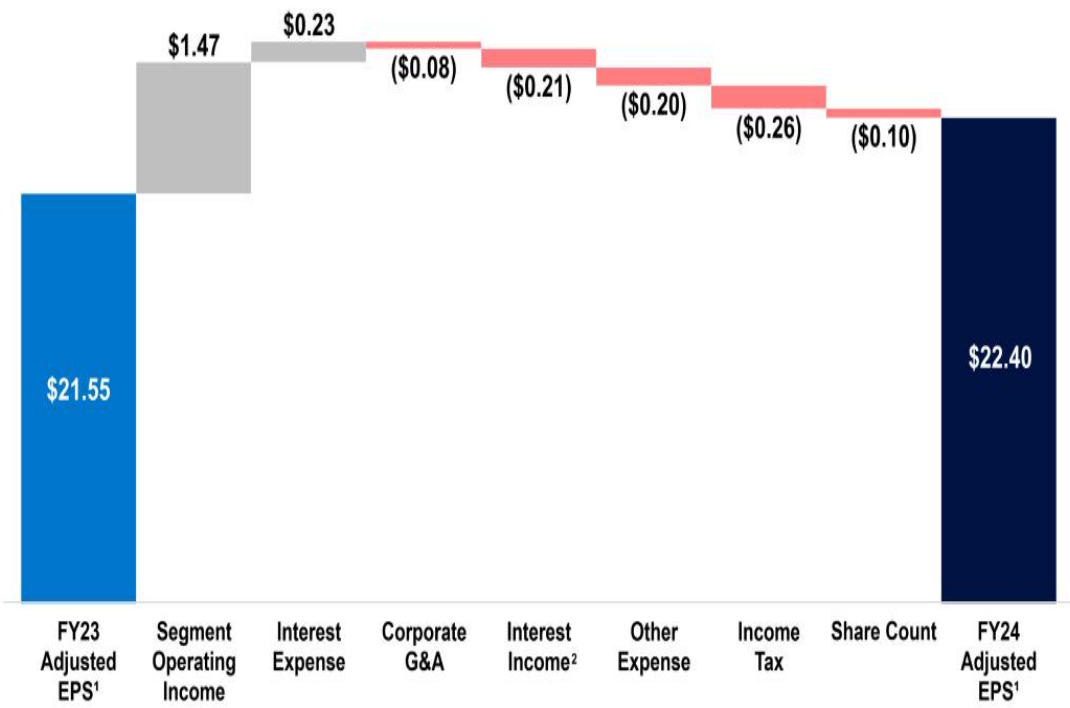
EPS Midpoint: \$18.55 As Reported, \$22.40 Adjusted

Guidance Metric	FY24 Full Year	Key Assumptions
Reported Sales	3% - 6%	<ul style="list-style-type: none">▪ Backlog coverage continues to support growth▪ ~\$460M net sales from acquisitions and divestitures▪ Reported sales split: 1H: 49%, 2H: 51%
Organic Sales Growth ¹	~1.5%	<ul style="list-style-type: none">▪ Expect HSD organic growth from Aerospace▪ Organic growth: 1H: ~2.5%, 2H: ~0.5%
Adj. Operating Margin ¹	23.0% - 23.4%	<ul style="list-style-type: none">▪ 30bps margin expansion▪ ~30% incremental margin
Adj. EPS ¹	\$21.90 - \$22.90	<ul style="list-style-type: none">▪ Tax rate: ~23.5%▪ EPS split: 1H: 46%, 2H: 54%
Free Cash Flow ¹	\$2.6B - \$3.0B	<ul style="list-style-type: none">▪ CapEx: ~2% of sales▪ FCF Conversion >100%



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

FY24 Adjusted Earnings per Share Bridge



1. FY23 As Reported EPS of \$16.04. FY24 As Reported midpoint guidance EPS of \$18.55. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.
 2. Interest income is included in other expense on the income statement



Key Messages and Outlook

Top Quartile Performance

- Top quartile safety and engaged people
- Continue performance acceleration from The Win Strategy™ 3.0
- Proven track record - our people and performance through cycles

Portfolio Transformation

- Successful Meggitt integration, synergies ahead of schedule
- ~30% exposure to Aerospace & Defense markets
- Longer cycle & more resilient revenue mix: ~85% by FY27

A Promising Future

- Well positioned to capitalize on the growth from secular trends
- Committed to FY27 Targets
- Continue to be great generators and deployers of cash





Upcoming Event Calendar

Annual Meeting of Shareholders	October 25, 2023
FY24 Q1 Earnings Release	November 2, 2023
FY24 Q2 Earnings Release	February 1, 2024
FY24 Q3 Earnings Release	May 2, 2024
FY24 Q4 Earnings Release	August 8, 2024

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Appendix

- FY24 Guidance Details
- Reconciliation of Organic Growth
- Adjusted Amounts Reconciliation – Consolidated
- Adjusted Amounts Reconciliation – Segment Operating Income
- Reconciliation of EBITDA to Adjusted EBITDA
- Reconciliation of Gross and Net Debt to Adjusted EBITDA
- Reconciliation of Free Cash Flow Conversion
- Supplemental Sales Information – Global Technology Platforms
- Reconciliation of Forecasted Segment Operating Margin
- Reconciliation of Forecasted EPS



FY24 Guidance Details

Sales Growth vs. Prior Year	As Reported	Organic ¹
Diversified Industrial North America	0.5% - 3.5%	~1%
Diversified Industrial International	-3.0% - 0%	~(2.5%)
Aerospace Systems	15.5% - 18.5%	~8%
Parker	3% - 6%	~1.5%

Segment Operating Margins	As Reported	Adjusted ¹
Diversified Industrial North America	20.7% - 21.1%	23.0% - 23.4%
Diversified Industrial International	20.3% - 20.7%	22.8% - 23.2%
Aerospace Systems	17.1% - 17.5%	23.2% - 23.6%
Parker	19.7% - 20.1%	23.0% - 23.4%

Earnings Per Share	As Reported	Adjusted ¹
Midpoint	\$18.55	\$22.40
Range	\$18.05 - \$19.05	\$21.90 - \$22.90

Additional Items	As Reported and Adjusted ¹
Corporate G&A	~\$242M
Interest Expense	~\$525M
Other Expense	~\$25M
Reported Tax Rate	~23.5%
Diluted Shares Outstanding	~130M

Detail of Pre-Tax Adjustments to:	Segment Margins	Below Segment
Acquired Intangible Asset Amortization	~\$550M	—
Business Realignment Charges	~\$70M	—
Integration Costs to Achieve	~\$35M	—

1. Adjusted numbers include certain non-GAAP financial measures.



Reconciliation of Organic Growth

(Dollars in thousands)
(Unaudited)

	Quarter-to-Date					As Reported June 30, 2022
	As Reported June 30, 2023	Currency	Divestitures	Acquisitions	Adjusted June 30, 2023	
Net Sales						
Diversified Industrial:						
North America	\$ 2,301,159	\$ (5,115)	\$ -	\$ (105,889)	\$ 2,190,155	\$ 2,087,696
International						
Europe	858,933	(9,754)	-	(49,945)	799,234	792,562
Asia Pacific	576,297	28,207	-	(4,113)	600,391	552,947
Latin America	77,042	3,387	-	-	80,429	78,415
International	1,512,272	21,840	-	(54,058)	1,480,054	1,423,924
Total Diversified Industrial	3,813,431	16,725	-	(159,947)	3,670,209	3,511,620
Aerospace Systems	1,282,512	(308)	25,494	(523,385)	784,313	676,212
Total Parker Hannifin	\$ 5,095,943	\$ 16,417	\$ 25,494	\$ (683,332)	\$ 4,454,522	\$ 4,187,832
	As reported	Currency	Divestitures	Acquisitions	Organic	
Diversified Industrial:						
North America	10.2 %	0.2 %	0.0 %	5.1 %	4.9 %	
International						
Europe	8.4 %	1.3 %	0.0 %	6.3 %	0.8 %	
Asia Pacific	4.2 %	(5.1)%	0.0 %	0.7 %	8.6 %	
Latin America	(1.8)%	(4.4)%	0.0 %	0.0 %	2.6 %	
International	6.2 %	(1.5)%	0.0 %	3.8 %	3.9 %	
Total Diversified Industrial	8.6 %	(0.5)%	0.0 %	4.6 %	4.5 %	
Aerospace Systems	89.7 %	0.1 %	(3.8)%	77.4 %	16.0 %	
Total Parker Hannifin	21.7 %	(0.4)%	(0.6)%	16.3 %	6.4 %	



Reconciliation of Organic Growth

(Dollars in thousands)
(Unaudited)

Net Sales	Year-to-Date						
	As Reported		Year-to-Date			Adjusted	As Reported
	June 30, 2023	Currency	Divestitures	Acquisitions	June 30, 2023	June 30, 2022	
Diversified Industrial:							
North America	\$ 8,916,194	\$ (133)	\$ -	\$ (311,072)	\$ 8,604,989	\$ 7,703,150	
International							
Europe	3,186,826	265,496	-	(113,325)	3,338,997	3,076,687	
Asia Pacific	2,300,743	193,444	-	(14,499)	2,479,688	2,284,344	
Latin America	301,930	6,129	-	-	308,059	277,865	
International	5,789,499	465,069	-	(127,824)	6,126,744	5,638,896	
Total Diversified Industrial	14,705,693	464,936	-	(438,896)	14,731,733	13,342,046	
Aerospace Systems	4,359,501	5,549	68,848	(1,640,633)	2,793,265	2,519,562	
Total Parker Hannifin	\$ 19,065,194	\$ 470,485	\$ 68,848	\$ (2,079,529)	\$ 17,524,998	\$ 15,861,608	
	As reported	Currency	Divestitures	Acquisitions	Organic		
Diversified Industrial:							
North America	15.7 %	0.0 %	0.0 %	4.0 %	11.7 %		
International							
Europe	3.6 %	(8.6)%	0.0 %	3.7 %	8.5 %		
Asia Pacific	0.7 %	(8.5)%	0.0 %	0.6 %	8.6 %		
Latin America	8.7 %	(2.2)%	0.0 %	0.0 %	10.9 %		
International	2.7 %	(8.3)%	0.0 %	2.3 %	8.7 %		
Total Diversified Industrial	10.2 %	(3.5)%	0.0 %	3.3 %	10.4 %		
Aerospace Systems	73.0 %	(0.3)%	(2.7)%	65.1 %	10.9 %		
Total Parker Hannifin	20.2 %	(3.0)%	(0.4)%	13.1 %	10.5 %		



Adjusted Amounts Reconciliation Consolidated Statement of Income

(Dollars in thousands, except per share data)

	Quarter-to-Date FY 2023									
	As Reported		Acquired Intangible Asset Amortization	Business Realignment Charges	Meggitt Costs to Achieve	Acquisition Related Expenses	Amortization of Inventory Step-Up to FV	Meggitt Early Debt Retirement	Adjusted	
	June 30, 2023	% of Sales							June 30, 2023	% of Sales
Net sales	\$ 5,095,943	100.0 %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,095,943	100.0 %
Cost of sales	3,262,860	64.0 %	27,990	5,247	5,197	-	(57,992)	-	3,282,418	64.4 %
Selling, general and admin. expenses	834,940	16.4 %	98,306	3,979	13,589	2,754	-	-	716,312	14.1 %
Interest expense	157,176	3.1 %	-	-	-	-	-	9,999	147,177	2.9 %
Other (income) expense, net	(62,228)	(1.2)%	-	-	-	-	-	-	(62,228)	(1.2)%
Income before income taxes	903,195	17.7 %	(126,296)	(9,226)	(18,786)	(2,754)	57,992	(9,999)	1,012,264	19.9 %
Income taxes	194,117	3.8 %	30,816	2,251	4,584	672	(14,150)	2,440	220,730	4.3 %
Net income	709,078	13.9 %	(95,480)	(6,975)	(14,202)	(2,082)	43,842	(7,559)	791,534	15.5 %
Less: Noncontrolling interests	122	0.0 %	-	-	-	-	-	-	122	0.0 %
Net income - common shareholders	\$ 708,956	13.9 %	\$ (95,480)	\$ (6,975)	\$ (14,202)	\$ (2,082)	\$ 43,842	\$ (7,559)	\$ 791,412	15.5 %
Diluted earnings per share	\$ 5.44		\$ (0.73)	\$ (0.06)	\$ (0.11)	\$ (0.02)	\$ 0.34	\$ (0.06)	\$ 6.08	

(Dollars in thousands, except per share data)

	Quarter-to-Date FY 2022									
	As Reported		Acquired Intangible Asset Amortization	Business Realignment Charges	Lord Costs to Achieve	Acquisition Related Expenses	Loss on Deal-Contingent Forward Contracts	Meggitt Costs to Achieve	Adjusted	
	June 30, 2022	% of Sales							June 30, 2022	% of Sales
Net sales	\$ 4,187,832	100.0 %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,187,832	100.0 %
Cost of sales*	2,768,925	66.1 %	15,584	2,696	39	-	-	-	2,750,606	65.7 %
Selling, general and admin. expenses*	650,956	15.5 %	61,489	2,310	608	10,655	-	1,177	574,717	13.7 %
Interest expense	71,270	1.7 %	-	-	-	-	-	-	71,270	1.7 %
Other (income) expense, net*	578,513	13.8 %	-	(60)	-	1,007	619,061	-	(41,495)	(1.0)%
Income before income taxes	118,168	2.8 %	(77,073)	(4,946)	(647)	(11,662)	(619,061)	(1,177)	832,734	19.9 %
Income taxes	(10,738)	(0.3)%	17,341	1,113	146	2,624	150,432	265	161,183	3.8 %
Net income	128,906	3.1 %	(59,732)	(3,833)	(501)	(9,038)	(468,629)	(912)	671,551	16.0 %
Less: Noncontrolling interests	75	0.0 %	-	-	-	-	-	-	75	0.0 %
Net income - common shareholders	\$ 128,831	3.1 %	\$ (59,732)	\$ (3,833)	\$ (501)	\$ (9,038)	\$ (468,629)	\$ (912)	\$ 671,476	16.0 %
Diluted earnings per share	\$ 0.99		\$ (0.46)	\$ (0.03)	\$ -	\$ (0.07)	\$ (3.60)	\$ (0.01)	\$ 5.16	

*Prior period amounts have been recast to reflect the income statement reclassification.



Adjusted Amounts Reconciliation Consolidated Statement of Income

(Dollars in thousands, except per share data)

	Year-to-Date FY 2023											
	As Reported		Acquired	Business	Meggitt	Acquisition	Loss on	Net Gain on	Amortization	Meggitt	Adjusted	
	June 30, 2023	% of Sales	Intangible Asset	Realignment	Costs to	Related	Deal-Contingent	Divestitures	of Inventory	Early Debt	June 30, 2023	
Net sales	\$ 19,065,194	100.0 %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,065,194	100.0 %
Cost of sales	12,635,892	66.3 %	99,619	15,993	12,552	-	-	-	109,981	-	12,397,747	65.0 %
Selling, general and admin. expenses	3,354,103	17.6 %	401,094	10,713	82,887	114,604	-	-	-	-	2,744,805	14.4 %
Interest expense	573,894	3.0 %	-	-	-	-	-	-	-	9,999	563,895	3.0 %
Other (income) expense, net	(178,359)	(0.9)%	-	-	-	51,690	389,992	(362,003)	-	-	(258,038)	(1.4)%
Income before income taxes	2,679,664	14.1 %	(500,713)	(26,706)	(95,439)	(166,294)	(389,992)	362,003	(109,981)	(9,999)	3,616,785	19.0 %
Income taxes	596,128	3.1 %	120,844	6,453	23,043	39,447	94,713	(90,931)	26,370	2,440	818,507	4.3 %
Net income	2,083,536	10.9 %	(379,869)	(20,253)	(72,396)	(126,847)	(295,279)	271,072	(83,611)	(7,559)	2,798,278	14.7 %
Less: Noncontrolling interests	600	0.0 %	-	-	-	-	-	-	-	-	600	0.0 %
Net income - common shareholders	\$ 2,082,936	10.9 %	\$ (379,869)	\$ (20,253)	\$ (72,396)	\$ (126,847)	\$ (295,279)	\$ 271,072	\$ (83,611)	\$ (7,559)	\$ 2,797,678	14.7 %
Diluted earnings per share	\$ 16.04		\$ (2.92)	\$ (0.16)	\$ (0.56)	\$ (0.98)	\$ (2.27)	\$ 2.08	\$ (0.64)	\$ (0.06)	\$ 21.55	

(Dollars in thousands, except per share data)

	Year-to-Date FY 2022											
	As Reported		Acquired	Business	Lord	Acquisition	Loss on	Russia	Meggitt	Adjusted		
	June 30, 2022	% of Sales	Intangible Asset	Realignment	Costs to	Related	Deal-Contingent	Liquidation	Cost to	June 30, 2022		
Net sales	\$ 15,861,608	100.0 %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,861,608	100.0 %	
Cost of sales*	10,550,309	66.5 %	61,888	5,007	181	-	-	9,493	-	-	10,473,740	66.0 %
Selling, general and admin. expenses*	2,504,061	15.8 %	252,562	9,747	3,408	44,190	-	2,847	1,177	-	2,190,130	13.8 %
Interest expense	255,252	1.6 %	-	-	-	-	-	-	-	-	255,252	1.6 %
Other (income) expense, net*	937,760	5.9 %	-	3	-	51,537	1,015,426	7,717	-	-	(136,923)	(0.9)%
Income before income taxes	1,614,226	10.2 %	(314,450)	(14,757)	(3,589)	(95,727)	(1,015,426)	(20,057)	(1,177)	-	3,079,409	19.4 %
Income taxes	298,040	1.9 %	71,223	3,340	813	21,627	240,901	2,089	265	-	638,298	4.0 %
Net income	1,316,186	8.3 %	(243,227)	(11,417)	(2,776)	(74,100)	(774,525)	(17,968)	(912)	-	2,441,111	15.4 %
Less: Noncontrolling interests	581	0.0 %	-	-	-	-	-	-	-	-	581	0.0 %
Net income - common shareholders	\$ 1,315,605	8.3 %	\$ (243,227)	\$ (11,417)	\$ (2,776)	\$ (74,100)	\$ (774,525)	\$ (17,968)	\$ (912)	\$ -	\$ 2,440,530	15.4 %
Diluted earnings per share	\$ 10.09		\$ (1.87)	\$ (0.09)	\$ (0.02)	\$ (0.57)	\$ (5.94)	\$ (0.13)	\$ (0.01)	\$ -	\$ 18.72	

*Prior period amounts have been recast to reflect the income statement reclassification.



Adjusted Amounts Reconciliation Segment Operating Income

(Dollars in thousands)

(Unaudited)

	Quarter-to-Date FY 2023										
	As Reported		Acquired	Business	Meggitt	Acquisition	Amortization	Meggitt	Adjusted		% of Sales ²
	June 30, 2023	% of Sales	Intangible Asset Amortization	Realignment Charges	Costs to Achieve	Related Expenses	of Inventory Step-Up to FV	Early Debt Retirement	June 30, 2023	% of Sales ²	
Diversified Industrial:											
North America ¹	\$ 490,823	21.3%	\$ 47,138	\$ 1,792	\$ 877	\$ -	\$ -	\$ -	\$ 540,630	23.5%	
International ¹	309,373	20.5%	34,935	7,385	358	-	-	-	352,051	23.3%	
Total Diversified Industrial ¹	800,196	21.0%	82,073	9,177	1,235	-	-	-	892,681	23.4%	
Aerospace Systems ¹	327,595	25.5%	44,223	49	17,551	-	(57,992)	-	331,426	25.8%	
Total segment operating income	1,127,791	22.1%	(126,296)	(9,226)	(18,786)	-	57,992	-	1,224,107	24.0%	
Corporate administration	83,336	1.6%	-	-	-	-	-	-	83,336	1.6%	
Income before interest and other	1,044,455	20.5%	(126,296)	(9,226)	(18,786)	-	57,992	-	1,140,771	22.4%	
Interest expense	157,176	3.1%	-	-	-	-	-	9,999	147,177	2.9%	
Other (income) expense	(15,916)	-0.3%	-	-	-	2,754	-	-	(18,670)	-0.4%	
Income before income taxes	\$ 903,195	17.7%	\$ (126,296)	\$ (9,226)	\$ (18,786)	\$ (2,754)	\$ 57,992	\$ (9,999)	\$ 1,012,264	19.9%	

(Dollars in thousands)

(Unaudited)

	Quarter-to-Date FY 2022										
	As Reported		Acquired	Business	Lord	Acquisition	Loss on	Meggitt	Adjusted		% of Sales ²
	June 30, 2022	% of Sales	Intangible Asset Amortization	Realignment Charges	Costs to Achieve	Related Expenses	Deal-Contingent Forward Contracts	Cost to Achieve	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%	
Total Diversified Industrial ¹	726,980	20.7%	64,331	4,952	647	-	-	-	796,910	22.7%	
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)	(647)	-	-	(1,177)	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)	(647)	-	-	(1,177)	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)	\$ (647)	\$ (11,662)	\$ (619,061)	\$ (1,177)	\$ 832,734	19.9%	

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

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



Adjusted Amounts Reconciliation Segment Operating Income

(Dollars in thousands)
(Unaudited)

	Year-to-Date FY 2023											
	As Reported		Acquired	Business	Meggett	Acquisition	Loss on		Amortization	Meggett	Adjusted	
	June 30, 2023	% of Sales	Intangible Asset Amortization	Realignment Charges	Costs to Achieve	Related Expenses	Deal-Contingent Forward Contracts	Net Gain on Divestitures	of Inventory Step-Up to FV	Early Debt Retirement	June 30, 2023	% of Sales ²
Diversified Industrial:												
North America ¹	\$ 1,853,079	20.8%	\$ 181,954	\$ 4,024	\$ 4,636	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,043,693	22.9%
International ¹	1,218,331	21.0%	85,825	19,617	3,875	-	-	-	-	-	1,327,648	22.9%
Total Diversified Industrial ¹	3,071,410	20.9%	267,779	23,641	8,511	-	-	-	-	-	3,371,341	22.9%
Aerospace Systems ¹	562,444	12.9%	232,934	3,065	86,928	-	-	-	109,981	-	995,352	22.8%
Total segment operating income	3,633,854	19.1%	(500,713)	(26,706)	(95,439)	-	-	-	(109,981)	-	4,366,693	22.9%
Corporate administration	229,677	1.2%	-	-	-	-	-	-	-	-	229,677	1.2%
Income before interest and other	3,404,177	17.9%	(500,713)	(26,706)	(95,439)	-	-	-	(109,981)	-	4,137,016	21.7%
Interest expense	573,894	3.0%	-	-	-	-	-	-	-	9,999	563,895	3.0%
Other (income) expense	150,619	0.8%	-	-	-	166,294	389,992	(362,003)	-	-	(43,664)	-0.2%
Income before income taxes	\$ 2,679,664	14.1%	\$ (500,713)	\$ (26,706)	\$ (95,439)	\$ (166,294)	\$ (389,992)	\$ 362,003	\$ (109,981)	\$ (9,999)	\$ 3,616,785	19.0%

(Dollars in thousands)
(Unaudited)

	Year-to-Date FY 2022											
	As Reported		Acquired	Business	Lord	Acquisition	Loss on		Meggett		Adjusted	
	June 30, 2022	% of Sales	Intangible Asset Amortization	Realignment Charges	Costs to Achieve	Related Expenses	Deal-Contingent Forward Contracts	Russia Liquidation	Cost to Achieve		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%
Total Diversified Industrial ¹	2,693,303	20.2%	263,430	13,787	3,589	-	-	6,257	-	-	2,980,366	22.3%
Aerospace Systems ¹	501,431	19.9%	51,020	967	-	-	-	6,570	1,177	-	561,165	22.3%
Total segment operating income	3,194,734	20.1%	(314,450)	(14,754)	(3,589)	-	-	(12,827)	(1,177)	-	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)	(3,589)	-	-	(12,827)	(1,177)	-	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)	\$ (3,589)	\$ (95,727)	\$ (1,015,426)	\$ (20,057)	\$ (1,177)	\$ -	\$ 3,079,409	19.4%

1. Segment operating income as a percent of sales is calculated on segment sales.
2. Adjusted amounts as a percent of sales are calculated on as reported sales.



Reconciliation of EBITDA to Adjusted EBITDA

(Dollars in thousands) (Unaudited)	Three Months Ended June 30,				(Dollars in thousands) (Unaudited)	Twelve Months Ended June 30,			
	2023	% of Sales	2022	% of Sales		2023	% of Sales	2022	% of Sales
Net sales	\$ 5,095,943	100.0%	\$ 4,187,832	100.0%	Net sales	\$ 19,065,194	100.0%	\$ 15,861,608	100.0%
Net income	\$ 709,078	13.9%	\$ 128,906	3.1%	Net income	\$ 2,083,536	10.9%	\$ 1,316,186	8.3%
Income taxes	194,117	3.8%	(10,738)	-0.3%	Income taxes	596,128	3.1%	298,040	1.9%
Depreciation	82,767	1.6%	62,369	1.5%	Depreciation	317,416	1.7%	257,314	1.6%
Amortization	126,296	2.5%	77,073	1.8%	Amortization	500,713	2.6%	314,450	2.0%
Interest expense	157,176	3.1%	71,270	1.7%	Interest expense	573,894	3.0%	255,252	1.6%
EBITDA	1,269,434	24.9%	328,880	7.9%	EBITDA	4,071,687	21.4%	2,441,242	15.4%
Adjustments:					Adjustments:				
Business realignment charges	9,226	0.2%	4,946	0.1%	Business realignment charges	26,706	0.1%	14,757	0.1%
Meggitt costs to achieve	18,786	0.4%	1,177	0.0%	Meggitt costs to achieve	95,439	0.5%	1,177	0.0%
Lord costs to achieve	-	0.0%	647	0.0%	Lord costs to achieve	-	0.0%	3,589	0.0%
Acquisition-related expenses	2,754	0.1%	11,662	0.3%	Acquisition-related expenses	166,294	0.9%	95,727	0.6%
Loss on deal-contingent forward contracts	-	0.0%	619,061	14.8%	Loss on deal-contingent forward contracts	389,992	2.0%	1,015,426	6.4%
Amortization of inventory step-up to FV	(57,992)	-1.1%	-	0.0%	Net gain on divestitures	(362,003)	-1.9%	-	0.0%
EBITDA - Adjusted	\$ 1,242,208	24.4%	\$ 966,373	23.1%	Amortization of inventory step-up to FV	109,981	0.6%	-	0.0%
					Russia Liquidation	-	0.0%	20,057	0.1%
EBITDA margin	24.9 %		7.9 %		EBITDA - Adjusted	\$ 4,498,096	23.6%	\$ 3,591,975	22.6%
EBITDA margin - Adjusted	24.4 %		23.1 %		EBITDA margin	21.4 %		15.4 %	
					EBITDA margin - Adjusted	23.6 %		22.6 %	



Reconciliation of Gross and Net Debt / Adjusted EBITDA

(Unaudited) (Dollars in thousands)	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023
Notes payable and long-term debt payable within one year	\$ 1,725,077	\$ 1,994,333	\$ 1,992,919	\$ 3,763,175
Long-term debt	12,238,900	12,025,860	11,412,304	8,796,284
Add: Deferred debt issuance costs	87,934	83,758	79,018	74,713
Total gross debt	\$ 14,051,911	\$ 14,103,951	\$ 13,484,241	\$ 12,634,172
Cash and cash equivalents	\$ 502,307	\$ 756,055	\$ 534,831	\$ 475,182
Marketable securities and other investments	19,504	21,611	23,466	8,390
Total cash	\$ 521,811	\$ 777,666	\$ 558,297	\$ 483,572
Net debt (Gross debt less total cash)	\$ 13,530,100	\$ 13,326,285	\$ 12,925,944	\$ 12,150,600
TTM Net Sales	\$ 16,331,574	\$ 17,181,805	\$ 18,157,083	\$ 19,065,194
Net income	\$ 1,252,760	\$ 1,260,492	\$ 1,503,364	\$ 2,083,536
Income tax	293,066	311,753	391,273	596,128
Depreciation	258,530	280,656	297,018	317,416
Amortization	321,693	385,208	451,490	500,713
Interest Expense	313,696	399,267	487,988	573,894
TTM EBITDA	\$ 2,439,745	\$ 2,637,376	\$ 3,131,133	\$ 4,071,687
Adjustments:				
Business realignment charges	15,604	17,337	22,426	26,706
Costs to achieve	15,555	48,166	78,477	95,439
Acquisition-related costs	203,786	186,627	175,202	166,294
Loss on deal-contingent forward contracts	1,405,418	1,256,036	1,009,053	389,992
Gain on Aircraft Wheel & Brake divestiture	(372,930)	(372,930)	(372,930)	(372,930)
Amortization of inventory step-up to FV	18,358	130,331	167,973	109,981
Net loss on divestitures	0	0	10,927	10,927
Russia liquidation	20,057	20,057	0	0
TTM Adjusted EBITDA	\$ 3,745,593	\$ 3,923,000	\$ 4,222,261	\$ 4,498,096
Gross Debt/TTM Adjusted EBITDA	3.8	3.6	3.2	2.8
Net Debt/TTM Adjusted EBITDA	3.6	3.4	3.1	2.7



Reconciliation of Free Cash Flow Conversion

(Unaudited) (Dollars in thousands)	Twelve Months Ended June 30,	
	2023	2022
Net Income	\$ 2,083,536	\$ 1,316,186
Cash Flow from Operations	\$ 2,979,930	\$ 2,441,730
Capital Expenditures	(380,747)	(230,044)
Free Cash Flow	\$ 2,599,183	\$ 2,211,686
Free Cash Flow Conversion (Free Cash Flow / Net Income)	125%	168%



Supplemental Sales Information

Global Technology Platforms

(Unaudited) (Dollars in thousands)	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2023	2022	2023	2022
Net sales				
Diversified Industrial:				
Motion Systems	\$ 992,659	\$ 921,265	\$ 3,830,062	\$ 3,489,431
Flow and Process Control	1,263,428	1,229,853	4,939,356	4,616,270
Filtration and Engineered Materials	1,557,344	1,360,502	5,936,275	5,236,345
Aerospace Systems	1,282,512	676,212	4,359,501	2,519,562
Total	\$ 5,095,943	\$ 4,187,832	\$ 19,065,194	\$ 15,861,608



Reconciliation of Forecasted Segment Operating Margin

(Unaudited)

(Amounts in percentages)

	<u>Fiscal Year 2024</u>
Forecasted segment operating margin	19.7% to 20.1%
Adjustments:	
Business realignment charges	0.4%
Costs to achieve	0.2%
Acquisition-related intangible asset amortization expense	2.8%
Adjusted forecasted segment operating margin	23.0% to 23.4%

*Totals may not foot due to rounding

Reconciliation of EPS

(Unaudited)

(Amounts in dollars)

	<u>Fiscal Year 2024</u>
Forecasted earnings per diluted share	\$18.05 to \$19.05
Adjustments:	
Business realignment charges	0.54
Costs to achieve	0.27
Acquisition-related intangible asset amortization expense	4.23
Tax effect of adjustments ¹	(1.19)
Adjusted forecasted earnings per diluted share	\$21.90 to \$22.90

1. This 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.



