

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): February 1, 2024

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 February 1, 2024, Parker-Hannifin Corporation issued a press release and presented a Webcast announcing results of operations for the quarter ended December 31, 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 February 1, 2024.](#)

[99.2 Webcast presentation by Parker-Hannifin Corporation, dated February 1, 2024.](#)

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

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## **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: February 1, 2024



**For Release:** Immediately

Exhibit 99.1

**Contact:** Media -

Aidan Gormley - Director, Global Communications and Branding  
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216-896-2708

**Stock Symbol:** PH - NYSE

## **Parker Reports Fiscal 2024 Second Quarter Results**

- Sales increased 3% to \$4.8 billion; organic sales increased 3%
- Segment operating margin was 21.1%, or a record 24.5% adjusted, an increase of 300 basis points
- EPS were \$5.23, or a record \$6.15 adjusted, an increase of 29%
- Company increases outlook for segment operating margin and EPS

**CLEVELAND, February 1, 2024** -- Parker Hannifin Corporation (NYSE: PH), the global leader in motion and control technologies, today reported results for the fiscal 2024 second quarter ended December 31, 2023. Sales were a record at \$4.8 billion, an increase of 3%, compared with \$4.7 billion in the second quarter of fiscal 2023. Net income was \$681.9 million compared with \$395.2 million in the prior year quarter. Adjusted net income was \$802.4 million, an increase of 30% compared with \$618.9 million in the second quarter of fiscal 2023. Earnings per share were \$5.23 compared with \$3.04 in the prior year quarter. Adjusted earnings per share increased 29% to \$6.15 compared with \$4.76 in the second quarter of fiscal 2023. Fiscal 2024 year-to-date cash flow from operations increased 26% to \$1.4 billion, or 14.0% of sales, compared with \$1.1 billion, or 12.1% of sales, in the prior year. A reconciliation of non-GAAP measures is included in the financial tables of this press release.

"We continue to produce exceptional results that reflect the strength of our portfolio and our ability to execute at a high level, underpinned by our business system, The Win Strategy™," said Chairman and Chief Executive Officer, Jenny Parmentier. "Our adjusted operating margin increased by 300 basis points year-over-year, as we saw meaningful margin improvement in every segment. Strong aerospace and defense results, including synergies from the Meggitt acquisition, were a key driver of performance in the quarter. We continued to generate strong cash flow and direct it towards reducing debt. Our results are a testament to the dedication and persistence of our global teams."

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## **Segment Results**

*Diversified Industrial Segment:* North American second quarter sales decreased 1% to \$2.1 billion and operating income was \$461.9 million compared with \$419.9 million in the same period a year ago. On an adjusted basis, North American operating income was \$510.4 million, or 24.2% of sales, a 240 basis point increase compared with the second quarter of fiscal 2023. International second quarter sales were flat at \$1.4 billion and operating income was \$290.5 million compared with \$285.5 million in the same period a year ago. On an adjusted basis, International operating income was \$323.4 million, or 23.0% of sales, a 110 basis point increase compared with the prior year quarter.

*Aerospace Systems Segment:* Second quarter sales increased 15% to \$1.3 billion and operating income was \$263.1 million compared with \$8.8 million in the same period a year ago. On an adjusted basis, operating income was \$346.9 million, or 26.5% of sales, a 590 basis point increase compared with the prior year quarter.

## **Orders**

The company reported the following orders for the quarter ending December 31, 2023, compared with the same quarter a year ago:

- Orders increased 2% for total Parker
- Orders decreased 4% in the Diversified Industrial North America businesses
- Orders decreased 5% in the Diversified Industrial International businesses
- Orders increased 21% in the Aerospace Systems Segment on a rolling 12-month average basis.

## **Outlook**

Parker's outlook for the fiscal year ending June 30, 2024 has been updated. The company expects total sales growth in fiscal 2024 to be in the range of 3% to 5%; total segment operating margin in the range of 20.7% to 21.1%, or 24.1% to 24.5% on an adjusted basis; and earnings per share in the range of \$20.00 to \$20.60, or \$23.90 to \$24.50 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 are increasing our outlook for fiscal 2024 and expect another year of record performance. We will continue to stay focused on executing the Win Strategy and leveraging the growth in aerospace markets. Our future looks very bright supported by favorable secular growth trends and further opportunities to improve our customer experience."

**NOTICE OF WEBCAST:** Parker Hannifin's webcast to discuss its fiscal 2024 second quarter results is available to all interested parties via live webcast today at 11:00 a.m. ET, at [www.phstock.com](http://www.phstock.com). A replay

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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](http://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](http://www.parker.com) or [@parkerhannifin](mailto:@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. 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 on 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.

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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; 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; 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, 2023 and other periodic filings made with the SEC.

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**PARKER HANNIFIN CORPORATION - DECEMBER 31, 2023**

Exhibit 99.1

**CONSOLIDATED STATEMENT OF INCOME**

(Unaudited)	Three Months Ended December 31,		Six Months Ended December 31,	
(Dollars in thousands, except per share amounts)	2023	2022	2023	2022
<b>Net sales</b>	<b>\$ 4,820,947</b>	<b>\$ 4,674,811</b>	<b>\$ 9,668,435</b>	<b>\$ 8,907,586</b>
Cost of sales	3,101,962	3,236,812	6,199,311	6,032,268
Selling, general and administrative expenses	806,802	814,966	1,680,493	1,650,770
Interest expense	129,029	146,931	263,497	264,725
Other income, net	(85,011)	(40,641)	(163,466)	(60,265)
Income before income taxes	868,165	516,743	1,688,600	1,020,088
Income taxes	186,108	121,282	355,471	236,590
Net income	682,057	395,461	1,333,129	783,498
Less: Noncontrolling interests	206	224	451	407
<b>Net income attributable to common shareholders</b>	<b>\$ 681,851</b>	<b>\$ 395,237</b>	<b>\$ 1,332,678</b>	<b>\$ 783,091</b>

**Earnings per share attributable to common shareholders:**

Basic earnings per share	\$ 5.31	\$ 3.08	\$ 10.38	\$ 6.10
Diluted earnings per share	\$ 5.23	\$ 3.04	\$ 10.23	\$ 6.03
Average shares outstanding during period - Basic	128,426,247	128,313,322	128,449,398	128,369,162
Average shares outstanding during period - Diluted	130,367,351	130,045,013	130,314,326	129,961,696

**CASH DIVIDENDS PER COMMON SHARE**

(Unaudited)	Three Months Ended December 31,		Six Months Ended December 31,	
(Amounts in dollars)	2023	2022	2023	2022
<b>Cash dividends per common share</b>	<b>\$ 1.48</b>	<b>\$ 1.33</b>	<b>\$ 2.96</b>	<b>\$ 2.66</b>

**RECONCILIATION OF ORGANIC GROWTH**

(Unaudited)	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2022	2023	2022
<b>Sales growth - as reported</b>	<b>3.1 %</b>	<b>22.2 %</b>	<b>8.5 %</b>	<b>17.4 %</b>
Adjustments:				
Acquisitions	— %	16.5 %	5.6 %	10.2 %
Divestitures	(0.3)%	(0.5)%	(0.4)%	(0.3)%
Currency	0.5 %	(4.1)%	0.7 %	(4.7)%
<b>Organic sales growth</b>	<b>2.9 %</b>	<b>10.3 %</b>	<b>2.6 %</b>	<b>12.2 %</b>



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

(Unaudited)	Three Months Ended December 31,		Six Months Ended December 31,	
(Dollars in thousands)	2023	2022	2023	2022
<b>Net income attributable to common shareholders</b>	<b>\$ 681,851</b>	<b>\$ 395,237</b>	<b>\$ 1,332,678</b>	<b>\$ 783,091</b>
Adjustments:				
Acquired intangible asset amortization expense	142,027	142,256	297,547	229,270
Business realignment charges	14,354	5,378	27,446	9,239
Integration costs to achieve	10,014	33,418	16,420	45,409
Acquisition-related expenses	—	1,983	—	162,241
Loss on deal-contingent forward contracts	—	—	—	389,992
Net gain on divestitures	(12,391)	—	(25,651)	(372,930)
Amortization of inventory step-up to fair value	—	111,973	—	130,331
Tax effect of adjustments <sup>1</sup>	(33,476)	(71,391)	(69,624)	(142,246)
<b>Adjusted net income attributable to common shareholders</b>	<b>\$ 802,379</b>	<b>\$ 618,854</b>	<b>\$ 1,578,816</b>	<b>\$ 1,234,397</b>

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

(Unaudited)	Three Months Ended December 31,		Six Months Ended December 31,	
(Amounts in dollars)	2023	2022	2023	2022
<b>Earnings per diluted share</b>	<b>\$ 5.23</b>	<b>\$ 3.04</b>	<b>\$ 10.23</b>	<b>\$ 6.03</b>
Adjustments:				
Acquired intangible asset amortization expense	1.09	1.09	2.28	1.76
Business realignment charges	0.11	0.04	0.21	0.07
Integration costs to achieve	0.08	0.26	0.13	0.35
Acquisition-related expenses	—	0.02	—	1.26
Loss on deal-contingent forward contracts	—	—	—	3.00
Net gain on divestitures	(0.10)	—	(0.20)	(2.87)
Amortization of inventory step-up to fair value	—	0.86	—	1.00
Tax effect of adjustments <sup>1</sup>	(0.26)	(0.55)	(0.53)	(1.09)
<b>Adjusted earnings per diluted share</b>	<b>\$ 6.15</b>	<b>\$ 4.76</b>	<b>\$ 12.12</b>	<b>\$ 9.51</b>

<sup>1</sup>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.

**PARKER HANNIFIN CORPORATION - DECEMBER 31, 2023**

Exhibit 99.1

**BUSINESS SEGMENT INFORMATION**

(Unaudited)	Three Months Ended December 31,		Six Months Ended December 31,	
(Dollars in thousands)	2023	2022	2023	2022
<b>Net sales</b>				
Diversified Industrial:				
North America	\$ 2,110,203	\$ 2,140,685	\$ 4,340,109	\$ 4,272,445
International	1,404,270	1,397,699	2,792,892	2,752,712
Aerospace Systems	1,306,474	1,136,427	2,535,434	1,882,429
<b>Total net sales</b>	<b>\$ 4,820,947</b>	<b>\$ 4,674,811</b>	<b>\$ 9,668,435</b>	<b>\$ 8,907,586</b>
<b>Segment operating income</b>				
Diversified Industrial:				
North America	\$ 461,850	\$ 419,921	\$ 967,903	\$ 872,907
International	290,484	285,520	591,185	579,460
Aerospace Systems	263,112	8,793	489,372	100,944
<b>Total segment operating income</b>	<b>1,015,446</b>	<b>714,234</b>	<b>2,048,460</b>	<b>1,553,311</b>
Corporate general and administrative expenses	49,902	48,901	105,558	100,561
Income before interest expense and other expense	965,544	665,333	1,942,902	1,452,750
Interest expense	129,029	146,931	263,497	264,725
Other (income) expense, net	(31,650)	1,659	(9,195)	167,937
<b>Income before income taxes</b>	<b>\$ 868,165</b>	<b>\$ 516,743</b>	<b>\$ 1,688,600</b>	<b>\$ 1,020,088</b>

**RECONCILIATION OF SEGMENT OPERATING MARGINS TO ADJUSTED SEGMENT OPERATING MARGINS**

(Unaudited)	Three Months Ended December 31,		Six Months Ended December 31,	
(Dollars in thousands)	2023	2022	2023	2022
<b>Diversified Industrial North America sales</b>	<b>\$ 2,110,203</b>	<b>\$ 2,140,685</b>	<b>\$ 4,340,109</b>	<b>\$ 4,272,445</b>
<b>Diversified Industrial North America operating income</b>	<b>\$ 461,850</b>	<b>\$ 419,921</b>	<b>\$ 967,903</b>	<b>\$ 872,907</b>
Adjustments:				
Acquired intangible asset amortization	44,699	44,358	89,382	90,632
Business realignment charges	3,250	1,338	5,834	1,471
Integration costs to achieve	562	1,270	1,507	1,317
<b>Adjusted Diversified Industrial North America operating income</b>	<b>\$ 510,361</b>	<b>\$ 466,887</b>	<b>\$ 1,064,626</b>	<b>\$ 966,327</b>
<b>Diversified Industrial North America operating margin</b>	<b>21.9 %</b>	<b>19.6 %</b>	<b>22.3 %</b>	<b>20.4 %</b>
<b>Adjusted Diversified Industrial North America operating margin</b>	<b>24.2 %</b>	<b>21.8 %</b>	<b>24.5 %</b>	<b>22.6 %</b>

PARKER HANNIFIN CORPORATION - DECEMBER 31, 2023

Exhibit 99.1

RECONCILIATION OF SEGMENT OPERATING MARGINS TO ADJUSTED SEGMENT OPERATING MARGINS

(Unaudited) (Dollars in thousands)	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2022	2023	2022
<b>Diversified Industrial International sales</b>	<b>\$ 1,404,270</b>	<b>\$ 1,397,699</b>	<b>\$ 2,792,892</b>	<b>\$ 2,752,712</b>
<b>Diversified Industrial International operating income</b>	<b>\$ 290,484</b>	<b>\$ 285,520</b>	<b>\$ 591,185</b>	<b>\$ 579,460</b>
Adjustments:				
Acquired intangible asset amortization	22,610	16,819	45,878	33,624
Business realignment charges	10,035	3,039	20,090	4,918
Integration costs to achieve	309	425	503	564
<b>Adjusted Diversified Industrial International operating income</b>	<b>\$ 323,438</b>	<b>\$ 305,803</b>	<b>\$ 657,656</b>	<b>\$ 618,566</b>
<b>Diversified Industrial International operating margin</b>	<b>20.7 %</b>	<b>20.4 %</b>	<b>21.2 %</b>	<b>21.1 %</b>
<b>Adjusted Diversified Industrial International operating margin</b>	<b>23.0 %</b>	<b>21.9 %</b>	<b>23.5 %</b>	<b>22.5 %</b>

(Unaudited) (Dollars in thousands)	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2022	2023	2022
<b>Aerospace Systems sales</b>	<b>\$ 1,306,474</b>	<b>\$ 1,136,427</b>	<b>\$ 2,535,434</b>	<b>\$ 1,882,429</b>
<b>Aerospace Systems operating income</b>	<b>\$ 263,112</b>	<b>\$ 8,793</b>	<b>\$ 489,372</b>	<b>\$ 100,944</b>
Adjustments:				
Acquired intangible asset amortization	74,718	81,079	162,287	105,014
Business realignment charges	(123)	1,001	330	2,850
Integration costs to achieve	9,143	31,723	14,410	43,528
Amortization of inventory step-up to fair value	—	111,973	—	130,331
<b>Adjusted Aerospace Systems operating income</b>	<b>\$ 346,850</b>	<b>\$ 234,569</b>	<b>\$ 666,399</b>	<b>\$ 382,667</b>
<b>Aerospace Systems operating margin</b>	<b>20.1 %</b>	<b>0.8 %</b>	<b>19.3 %</b>	<b>5.4 %</b>
<b>Adjusted Aerospace Systems operating margin</b>	<b>26.5 %</b>	<b>20.6 %</b>	<b>26.3 %</b>	<b>20.3 %</b>

(Unaudited) (Dollars in thousands)	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2022	2023	2022
<b>Total net sales</b>	<b>\$ 4,820,947</b>	<b>\$ 4,674,811</b>	<b>\$ 9,668,435</b>	<b>\$ 8,907,586</b>
<b>Total segment operating income</b>	<b>\$ 1,015,446</b>	<b>\$ 714,234</b>	<b>\$ 2,048,460</b>	<b>\$ 1,553,311</b>
Adjustments:				
Acquired intangible asset amortization	142,027	142,256	297,547	229,270
Business realignment charges	13,162	5,378	26,254	9,239
Integration costs to achieve	10,014	33,418	16,420	45,409
Amortization of inventory step-up to fair value	—	111,973	—	130,331
<b>Adjusted total segment operating income</b>	<b>\$ 1,180,649</b>	<b>\$ 1,007,259</b>	<b>\$ 2,388,681</b>	<b>\$ 1,967,560</b>
<b>Total segment operating margin</b>	<b>21.1 %</b>	<b>15.3 %</b>	<b>21.2 %</b>	<b>17.4 %</b>
<b>Adjusted total segment operating margin</b>	<b>24.5 %</b>	<b>21.5 %</b>	<b>24.7 %</b>	<b>22.1 %</b>

**PARKER HANNIFIN CORPORATION - DECEMBER 31, 2023**  
**CONSOLIDATED BALANCE SHEET**

Exhibit 99.1

(Unaudited) (Dollars in thousands)	December 31, 2023	June 30, 2023	December 31, 2022
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 382,815	\$ 475,182	\$ 756,055
Marketable securities and other investments	11,053	8,390	21,611
Trade accounts receivable, net	2,611,404	2,827,297	2,578,045
Non-trade and notes receivable	321,680	309,167	371,474
Inventories	3,092,923	2,907,879	3,095,722
Prepaid expenses and other	309,985	306,314	462,093
<b>Total current assets</b>	<b>6,729,860</b>	<b>6,834,229</b>	<b>7,285,000</b>
Property, plant and equipment, net	2,905,744	2,865,030	2,839,524
Deferred income taxes	77,256	81,429	133,348
Investments and other assets	1,156,710	1,104,576	1,206,194
Intangible assets, net	8,153,468	8,450,614	8,387,917
Goodwill	10,671,897	10,628,594	10,668,904
<b>Total assets</b>	<b>\$ 29,694,935</b>	<b>\$ 29,964,472</b>	<b>\$ 30,520,887</b>
<b>Liabilities and equity</b>			
<b>Current liabilities:</b>			
Notes payable and long-term debt payable within one year	\$ 3,681,167	\$ 3,763,175	\$ 1,994,333
Accounts payable, trade	1,971,943	2,050,934	1,966,757
Accrued payrolls and other compensation	472,243	651,319	453,037
Accrued domestic and foreign taxes	302,113	374,571	236,227
Other accrued liabilities	1,069,607	895,371	1,053,049
<b>Total current liabilities</b>	<b>7,497,073</b>	<b>7,735,370</b>	<b>5,703,403</b>
Long-term debt	8,108,696	8,796,284	12,025,860
Pensions and other postretirement benefits	482,752	551,510	807,124
Deferred income taxes	1,579,197	1,649,674	1,751,321
Other liabilities	714,838	893,355	898,703
Shareholders' equity	11,302,578	10,326,888	9,322,380
Noncontrolling interests	9,801	11,391	12,096
<b>Total liabilities and equity</b>	<b>\$ 29,694,935</b>	<b>\$ 29,964,472</b>	<b>\$ 30,520,887</b>

**PARKER HANNIFIN CORPORATION - DECEMBER 31, 2023**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

Exhibit 99.1

(Unaudited)

(Dollars in thousands)

Six Months Ended December 31,

	2023	2022
<b>Cash flows from operating activities:</b>		
Net income	\$ 1,333,129	\$ 783,498
Depreciation and amortization	468,165	383,725
Stock incentive plan compensation	108,061	89,709
Gain on sale of businesses	(25,964)	(377,251)
Loss (gain) on disposal of property, plant and equipment	5,097	(2,551)
Gain on marketable securities	(96)	(1,354)
Gain on investments	(1,384)	(2,929)
Net change in receivables, inventories and trade payables	(42,804)	112,216
Net change in other assets and liabilities	(407,366)	(112,066)
Other, net	(84,851)	203,137
<b>Net cash provided by operating activities</b>	<b>1,351,987</b>	<b>1,076,134</b>
<b>Cash flows from investing activities:</b>		
Acquisitions (net of cash of \$89,704 in 2022)	—	(7,146,110)
Capital expenditures	(204,117)	(185,704)
Proceeds from sale of property, plant and equipment	1,360	11,632
Proceeds from sale of businesses	74,595	447,300
Purchases of marketable securities and other investments	(9,396)	(25,198)
Maturities and sales of marketable securities and other investments	6,880	30,594
Payments of deal-contingent forward contracts	—	(1,405,418)
Other	(438)	251,174
<b>Net cash used in investing activities</b>	<b>(131,116)</b>	<b>(8,021,730)</b>
<b>Cash flows from financing activities:</b>		
Net payments for common stock activity	(136,394)	(119,944)
Acquisition of noncontrolling interests	(2,883)	—
Net (payments for) proceeds from debt	(784,847)	1,536,211
Financing fees paid	—	(8,911)
Dividends paid	(381,115)	(342,360)
<b>Net cash (used in) provided by financing activities</b>	<b>(1,305,239)</b>	<b>1,064,996</b>
Effect of exchange rate changes on cash	(7,999)	(11,221)
Net decrease in cash, cash equivalents and restricted cash	(92,367)	(5,891,821)
Cash, cash equivalents and restricted cash at beginning of year	475,182	6,647,876
<b>Cash and cash equivalents at end of period</b>	<b>\$ 382,815</b>	<b>\$ 756,055</b>

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

(Unaudited)

(Amounts in percentages)

	Fiscal Year 2024
<b>Forecasted segment operating margin</b>	<b>20.7% to 21.1%</b>
Adjustments:	
Business realignment charges	0.3%
Costs to achieve	0.2%
Acquisition-related intangible asset amortization expense	2.9%
<b>Adjusted forecasted segment operating margin</b>	<b>24.1% to 24.5%</b>

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

(Unaudited)

(Amounts in dollars)

	Fiscal Year 2024
<b>Forecasted earnings per diluted share</b>	<b>\$20.00 to \$20.60</b>
Adjustments:	
Business realignment charges	0.54
Costs to achieve	0.27
Acquisition-related intangible asset amortization expense	4.45
Net gain on divestitures	(0.20)
Tax effect of adjustments <sup>1</sup>	(1.16)
<b>Adjusted forecasted earnings per diluted share</b>	<b>\$23.90 to \$24.50</b>

<sup>1</sup>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.

# Parker Hannifin Corporation

## Fiscal 2024 Second Quarter Earnings Presentation



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February 1, 2024



# 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, 2023 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.

Please visit [www.PHstock.com](http://www.PHstock.com) for more information





# FY24 Q2: Exceptional Results

- Excellent operating performance driven by our team members executing The Win Strategy™
- 300bps adjusted segment margin<sup>1</sup> expansion
- Aerospace strength a significant driver
- Synergies ahead of schedule:
  - Increasing by \$50M to \$200M cumulative in FY24
  - Committed to \$300M by FY26
- Backlog remains resilient at \$10.8B
- Strong finish to first half, increasing FY24 guidance

FY24 Q2 Highlights	
<b>16%</b> Reduction in Recordable Incidents	<b>\$4.8B</b> Sales +3% Reported +3% Organic <sup>1</sup>
<b>24.5%</b> Adjusted Segment Margin <sup>1</sup> +300bps	<b>29%</b> Adjusted EPS Growth <sup>1</sup>
<b>11.9%</b> YTD Free Cash Flow Margin <sup>1</sup>	

1. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.  
Note: FY24 Q2 As Reported: Segment Operating Margin of 21.1%, EPS of \$5.23.



# A Technology Powerhouse of Interconnected Solutions



~ **2/3's** of Our Revenue:

From customers who buy  
4 or more Parker technologies

~ **2/3's** of Our Portfolio:

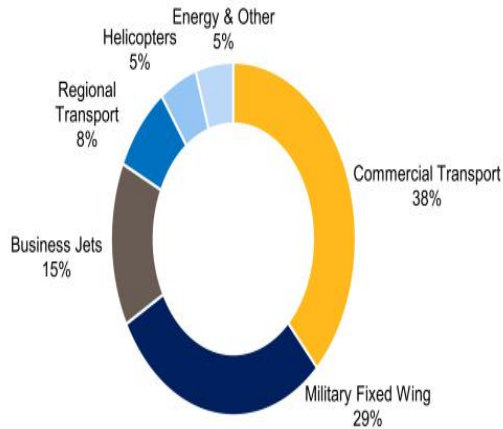
Enables clean technologies

Delivering Value for Customers in Aerospace & Industrial Markets



# Significant Content on Leading Aerospace Programs Drives Growth

FY24 1H Sales Mix by Application



Competitive Advantages

- Diversified customer base and market segments
- Proprietary designs on premier programs
- Comprehensive offering
- Long lifecycle with growing aftermarket annuity
- Key electrification and low carbon technologies



A220



A320



A350



737



777



787



G650/700/800



G400/500/600



F-35



F/A-18



F-16



F-15



Black Hawk



Apache



ERJ-175/195 E1

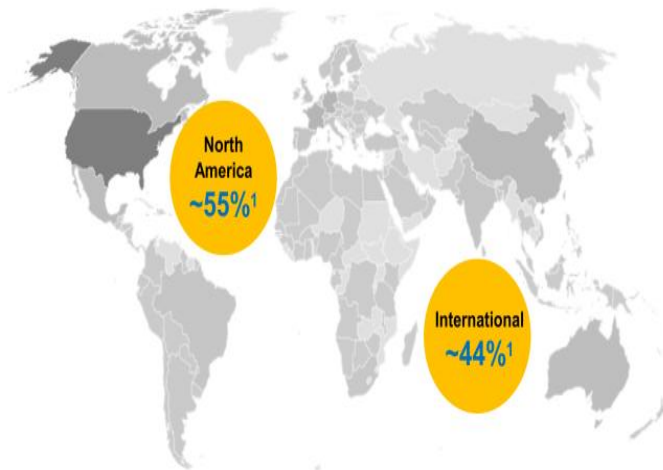


Global 7500/8000

# Competitive Differentiator - Global Distribution Network

~50% of Diversified Industrial Revenue Through Distribution

Distribution vs. Direct Revenue Mix



1. Percentage represents revenue through independent distributors.

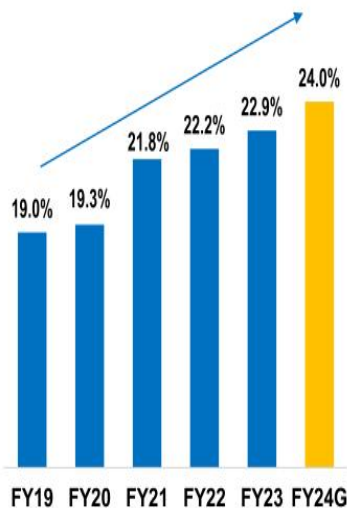
- **High margin** channel serving **aftermarket** and small to mid-size OEMs
- **Integrating Parker technologies** to solve customer problems
- **Extension** of Parker's sales and engineering teams
- Driving an **increasing revenue mix of 100bps** per year in international markets





# Proven Record of Broad-Based Margin Expansion

## Diversified Industrial North America



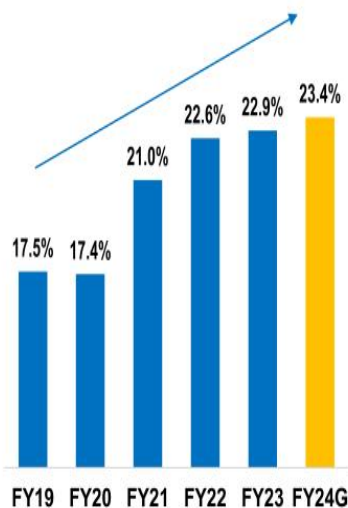
As Reported  
Op. Margin

16.7%	15.3%	18.7%	19.7%	20.8%	21.5%
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**+500bps**

Adj. Operating Margin<sup>1</sup>

## Diversified Industrial International

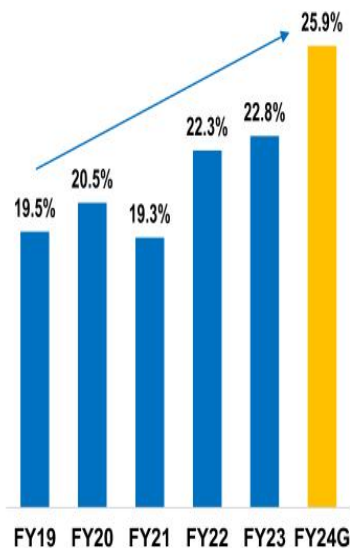


16.1%	15.0%	18.7%	20.9%	21.0%	20.9%
-------	-------	-------	-------	-------	-------

**+590bps**

Adj. Operating Margin<sup>1</sup>

## Aerospace Systems



19.4%	17.4%	16.9%	19.9%	12.9%	19.7%
-------	-------	-------	-------	-------	-------

**+640bps**

Adj. Operating Margin<sup>1</sup>



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

# Summary of Fiscal 2024 2<sup>nd</sup> Quarter Highlights

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# FY24 Q2 Financial Summary

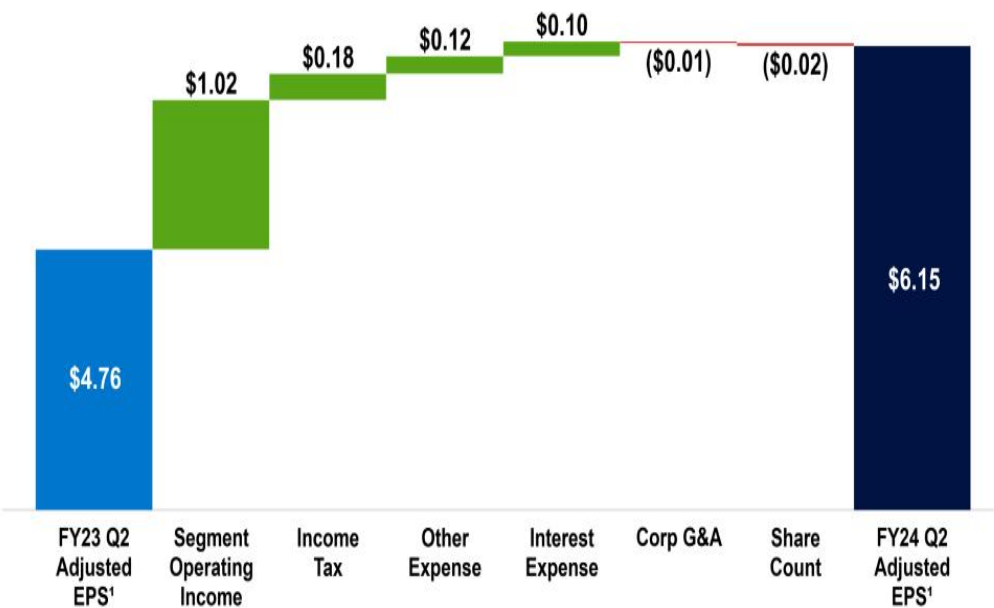
\$ Millions, except per share amounts

	FY24 Q2 As Reported	FY24 Q2 Adjusted <sup>1</sup>	FY23 Q2 Adjusted <sup>1</sup>	YoY Change Adjusted
Sales	\$4,821	<b>\$4,821</b>	\$4,675	+3%
Segment Operating Margin	21.1%	<b>24.5%</b>	21.5%	+300 bps
EBITDA Margin	25.4%	<b>25.7%</b>	22.4%	+330 bps
Net Income	\$682	<b>\$802</b>	\$619	+30%
EPS	\$5.23	<b>\$6.15</b>	\$4.76	+29%

1. Sales figures As Reported. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.  
 Note: FY23 Q2 As Reported: Segment Operating Margin of 15.3%, EBITDA Margin of 19.1%, Net Income of \$395M, EPS of \$3.04.



# FY24 Q2 Adjusted Earnings per Share Bridge



1. FY23 Q2 As Reported EPS of \$3.04, FY24 Q2 As Reported EPS of \$5.23. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.





# FY24 Q2 Segment Performance

	Sales As Reported \$ Organic % <sup>1</sup>	Segment Operating Margin As Reported	Segment Operating Margin Adjusted <sup>1</sup>	Order Rates <sup>2</sup>	Commentary
Diversified Industrial North America	\$2,110M (1.5%) Organic	21.9%	24.2% +240 bps YoY	(4%)	<ul style="list-style-type: none"> <li>• Excellent operational execution</li> <li>• Softness in off-highway markets</li> <li>• Destocking continued in channel &amp; with OEMs</li> </ul>
Diversified Industrial International	\$1,404M (0.2%) Organic	20.7%	23.0% +110 bps YoY	(5%)	<ul style="list-style-type: none"> <li>• Resilient margin driven by cost management</li> <li>• EMEA order softness continues</li> <li>• China recovery remains slow</li> </ul>
Aerospace Systems	\$1,306M +15.0% Organic	20.1%	26.5% +590 bps YoY	+21%	<ul style="list-style-type: none"> <li>• 25% commercial aftermarket growth</li> <li>• Favorable aftermarket spares mix</li> <li>• Outstanding Meggitt performance</li> </ul>
Parker	\$4,821M +2.9% Organic	21.1%	24.5% +300 bps YoY	+2%	<ul style="list-style-type: none"> <li>• Win Strategy drives high performance</li> <li>• 300bps adjusted segment margin<sup>1</sup> expansion</li> <li>• Synergies ahead of schedule</li> <li>• Orders remain positive on aerospace strength</li> </ul>

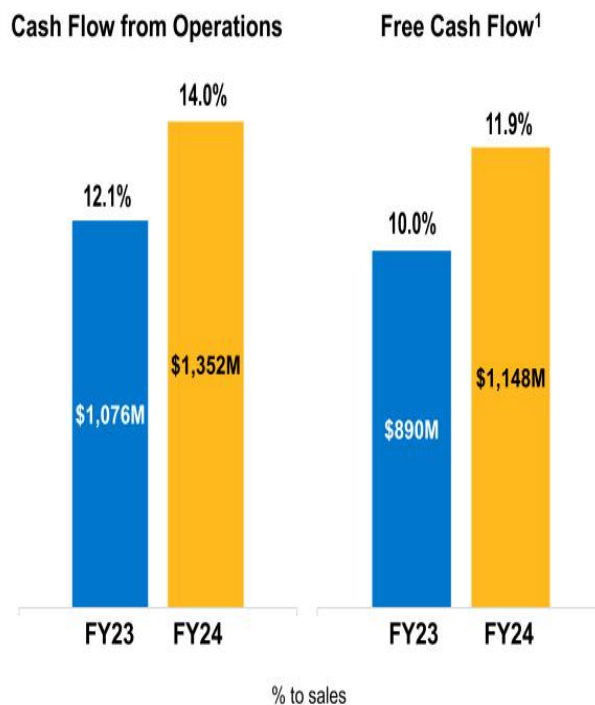
1. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.

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.



# FY24 Q2 YTD Cash Flow Performance

- Cash Flow from Operations +26% vs. prior
- Free Cash Flow +29% vs. prior<sup>1</sup>
- Free Cash Flow Conversion 86%<sup>1</sup>
- Increasing FY24 Guidance:
  - Free Cash Flow of \$2.8B - \$3.1B<sup>1</sup>
  - Committed to FCF Conversion >100%

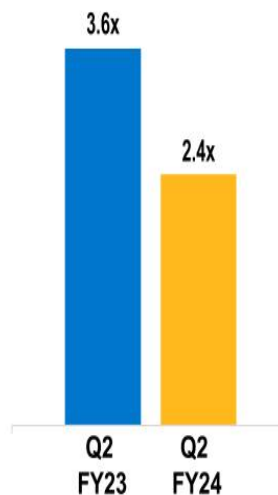


1. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.

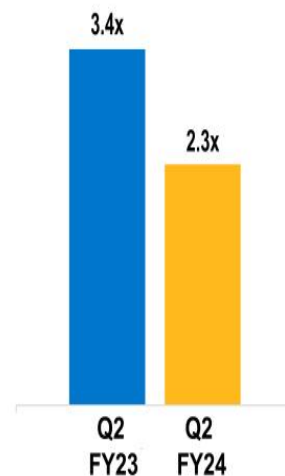
# Debt & Leverage Reduction Ahead of Schedule

- Since Meggitt acquisition close:
  - ~\$2.2B debt reduction
  - 1.4x leverage reduction
- ~\$400M debt reduction during Q2
- Committed to ~\$2B debt paydown in FY24
- On track for 2.0x leverage by June 2024

Gross Debt / Adj. EBITDA<sup>1</sup>



Net Debt / Adj. EBITDA<sup>1</sup>



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

# FY24 Guidance Increased

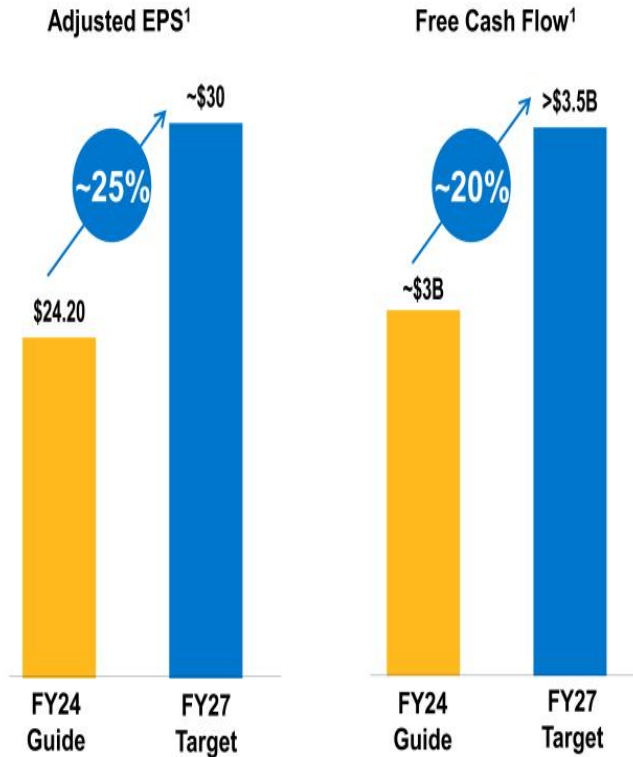
EPS Midpoint: \$20.30 As Reported, \$24.20 Adjusted

Guidance Metric	FY24 Full Year	Key Assumptions
Reported Sales	3.0% - 5.0%	<ul style="list-style-type: none"><li>Reaffirming 4% sales growth midpoint</li><li>Robust Aerospace demand</li><li>Split: 1H: 49%   2H: 51%</li></ul>
Organic Sales Growth <sup>1</sup>	~1.5%	<ul style="list-style-type: none"><li>Reaffirming organic growth midpoint</li><li>Raising Aerospace organic to 12% vs. 10% in prior guidance</li></ul>
Adj. Operating Margin <sup>1</sup>	24.1% - 24.5%	<ul style="list-style-type: none"><li>Raising midpoint to 24.3%: +70bps vs. prior guidance</li><li>Increased FY24 cumulative synergies from \$150M to \$200M</li></ul>
Adj. EPS <sup>1</sup>	\$23.90 - \$24.50	<ul style="list-style-type: none"><li>Tax rate: ~22.5%</li><li>Split: 1H: 50%   2H: 50%</li></ul>
Free Cash Flow <sup>1</sup>	\$2.8B - \$3.1B	<ul style="list-style-type: none"><li>CapEx: ~2% of sales</li><li>Split: 1H: ~40%   2H: ~60%</li><li>FCF Conversion &gt;100%</li></ul>



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

# Parker's Promising Future



- Performance acceleration from The Win Strategy™
- Strengthening customer value proposition
- Longer cycle & more resilient portfolio
- Growth from secular trends
- Organic growth 4-6% over the cycle



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



## Upcoming Event Calendar

FY24 Q3 Earnings Release	May 2, 2024
2024 Investor Meeting	May 16, 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 Free Cash Flow
- Reconciliation of Forecasted Segment Operating Margin
- Reconciliation of Forecasted EPS





# FY24 Guidance Details

Sales Growth vs. Prior Year	As Reported	Organic <sup>1</sup>
Diversified Industrial North America	(1.5%) - 0.5%	~(1.5%)
Diversified Industrial International	(2.0%) - 0.0%	~(2.0%)
Aerospace Systems	19.5% - 21.5%	~12%
<b>Parker</b>	<b>3.0% - 5.0%</b>	<b>~1.5%</b>

Segment Operating Margins	As Reported	Adjusted <sup>1</sup>
Diversified Industrial North America	21.3% - 21.7%	23.8% - 24.2%
Diversified Industrial International	20.7% - 21.1%	23.2% - 23.6%
Aerospace Systems	19.5% - 19.9%	25.7% - 26.1%
<b>Parker</b>	<b>20.7% - 21.1%</b>	<b>24.1% - 24.5%</b>

Earnings Per Share	As Reported	Adjusted <sup>1</sup>
Midpoint	\$20.30	\$24.20
Range	\$20.00 - \$20.60	\$23.90 - \$24.50

Additional Items	As Reported and Adjusted <sup>1</sup>	
Corporate G&A	~\$235M	
Interest Expense	~\$510M	
Other (Income) Expense	~(\$10M)	~\$15M
Reported Tax Rate	22.5%	
Diluted Shares Outstanding	~130.5M	

Detail of Pre-Tax Adjustments to:	Segment Margins	Below Segment
Acquired Intangible Asset Amortization	~\$580M	—
Business Realignment Charges	~\$70M	—
Integration Costs to Achieve	~\$35M	—
Net Gain on Divestitures	—	(\$26M)

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





# Reconciliation of Organic Growth

(Dollars in thousands)  
(Unaudited)

Net Sales	Quarter-to-Date				
	As Reported		Adjusted		As Reported
	December 31, 2023	Currency	Divestitures	December 31, 2023	December 31, 2022
Diversified Industrial:					
North America	\$ 2,110,203	\$ (6,672)	\$ 3,980	\$ 2,107,511	\$ 2,140,685
International					
Europe	772,351	(19,298)	-	753,053	748,105
Asia Pacific	553,076	7,249	-	560,325	574,869
Latin America	78,843	2,763	-	81,606	74,725
International	1,404,270	(9,286)	-	1,394,984	1,397,699
Total Diversified Industrial	3,514,473	(15,958)	3,980	3,502,495	3,538,384
Aerospace Systems	1,306,474	(9,354)	9,344	1,306,464	1,136,427
Total Parker Hannifin	\$ 4,820,947	\$ (25,312)	\$ 13,324	\$ 4,808,959	\$ 4,674,811
	As reported	Currency	Divestitures	Organic	
Diversified Industrial:					
North America	(1.4)%	0.3 %	(0.2)%	(1.5)%	
International					
Europe	3.2 %	2.5 %	0.0 %	0.7 %	
Asia Pacific	(3.8)%	(1.3)%	0.0 %	(2.5)%	
Latin America	5.5 %	(3.7)%	0.0 %	9.2 %	
International	0.5 %	0.7 %	0.0 %	(0.2)%	
Total Diversified Industrial	(0.7)%	0.4 %	(0.1)%	(1.0)%	
Aerospace Systems	15.0 %	0.8 %	(0.8)%	15.0 %	
Total Parker Hannifin	3.1 %	0.5 %	(0.3)%	2.9 %	



# Adjusted Amounts Reconciliation

## Consolidated Statement of Income

(Dollars in thousands, except per share data)

(Unaudited)

### Quarter-to-Date FY 2024

	As Reported December 31, 2023	% of Sales	Acquired Intangible Asset Amortization	Business Realignment Charges	Meggitt Costs to Achieve	Gain on Divestiture		Adjusted December 31, 2023	% of Sales
Net sales	\$ 4,820,947	100.0 %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,820,947	100.0 %
Cost of sales	3,101,962	64.3 %	27,227	8,467	855	-	-	3,065,413	63.6 %
Selling, general and admin. expenses	806,802	16.7 %	114,800	4,695	9,159	-	-	678,148	14.1 %
Interest expense	129,029	2.7 %	-	-	-	-	-	129,029	2.7 %
Other (income) expense, net	(85,011)	(1.8)%	-	1,192	-	(12,391)	-	(73,812)	(1.5)%
Income before income taxes	868,165	18.0 %	(142,027)	(14,354)	(10,014)	12,391	-	1,022,169	21.2 %
Income taxes	186,108	3.9 %	33,660	3,402	2,373	(5,959)	-	219,584	4.6 %
Net income	682,057	14.1 %	(108,367)	(10,952)	(7,641)	6,432	-	802,585	16.6 %
Less: Noncontrolling interests	206	0.0 %	-	-	-	-	-	206	0.0 %
Net income - common shareholders	\$ 681,851	14.1 %	\$ (108,367)	\$ (10,952)	\$ (7,641)	\$ 6,432	\$ -	\$ 802,379	16.6 %
Diluted earnings per share	\$ 5.23		\$ (0.83)	\$ (0.08)	\$ (0.06)	\$ 0.05	\$ -	\$ 6.15	

(Dollars in thousands, except per share data)

(Unaudited)

### Quarter-to-Date FY 2023

	As Reported December 31, 2022	% of Sales	Acquired Intangible Asset Amortization	Business Realignment Charges	Meggitt Costs to Achieve	Acquisition Related Expenses	Amortization of Inventory Step-Up to FV	Adjusted December 31, 2022	% of Sales
Net sales	\$ 4,674,811	100.0 %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,674,811	100.0 %
Cost of sales	3,236,812	69.2 %	37,652	3,214	3,153	-	111,973	3,080,820	65.9 %
Selling, general and admin. Expenses	814,966	17.4 %	104,604	2,164	30,265	1,983	-	675,950	14.5 %
Interest expense	146,931	3.1 %	-	-	-	-	-	146,931	3.1 %
Other (income) expense, net	(40,641)	(0.9)%	-	-	-	-	-	(40,641)	(0.9)%
Income before income taxes	516,743	11.1 %	(142,256)	(5,378)	(33,418)	(1,983)	(111,973)	811,751	17.4 %
Income taxes	121,282	2.6 %	34,426	1,301	8,087	480	27,097	192,673	4.1 %
Net income	395,461	8.5 %	(107,830)	(4,077)	(25,331)	(1,503)	(84,876)	619,078	13.2 %
Less: Noncontrolling interests	224	0.0 %	-	-	-	-	-	224	0.0 %
Net income - common shareholders	\$ 395,237	8.5 %	\$ (107,830)	\$ (4,077)	\$ (25,331)	\$ (1,503)	\$ (84,876)	\$ 618,854	13.2 %
Diluted earnings per share	\$ 3.04		\$ (0.83)	\$ (0.03)	\$ (0.20)	\$ (0.01)	\$ (0.65)	\$ 4.76	

# Adjusted Amounts Reconciliation

## Segment Operating Income

(Dollars in thousands)

(Unaudited)

Diversified Industrial:

North America<sup>1</sup>

International<sup>1</sup>

Total Diversified Industrial<sup>1</sup>

Aerospace Systems<sup>1</sup>

Total segment operating income

Corporate administration

Income before interest and other

Interest expense

Other (income) expense

Income before income taxes

Quarter-to-Date FY 2024									
As Reported			Acquired	Business	Meggitt			Adjusted	
December 31, 2023	% of Sales		Intangible Asset	Realignment	Costs to	Gain on		December 31, 2023	% of Sales <sup>2</sup>
			Amortization	Charges	Achieve	Divestiture			
\$ 461,850	21.9%	\$ 44,699	\$ 3,250	\$ 562	\$ -	\$ -	\$ 510,361	24.2%	
290,484	20.7%	22,610	10,035	309	-	-	323,438	23.0%	
752,334	21.4%	67,309	13,285	871	-	-	833,799	23.7%	
263,112	20.1%	74,718	(123)	9,143	-	-	346,850	26.5%	
1,015,446	21.1%	(142,027)	(13,162)	(10,014)	-	-	1,180,649	24.5%	
49,902	1.0%	-	-	-	-	-	49,902	1.0%	
965,544	20.0%	(142,027)	(13,162)	(10,014)	-	-	1,130,747	23.5%	
129,029	2.7%	-	-	-	-	-	129,029	2.7%	
(31,650)	-0.7%	-	1,192	-	(12,391)	-	(20,451)	-0.4%	
\$ 868,165	18.0%	\$ (142,027)	\$ (14,354)	\$ (10,014)	\$ 12,391	\$ -	\$ 1,022,169	21.2%	

(Dollars in thousands)

(Unaudited)

Diversified Industrial:

North America<sup>1</sup>

International<sup>1</sup>

Total Diversified Industrial<sup>1</sup>

Aerospace Systems<sup>1</sup>

Total segment operating income

Corporate administration

Income before interest and other

Interest expense

Other (income) expense

Income before income taxes

Quarter-to-Date FY 2023									
As Reported			Acquired	Business	Meggitt	Acquisition	Amortization	Adjusted	
December 31, 2022	% of Sales		Intangible Asset	Realignment	Cost to	Related	of Inventory	December 31, 2022	% of Sales <sup>2</sup>
			Amortization	Charges	Achieve	Expenses	Step-Up to FV		
\$ 419,921	19.6%	\$ 44,358	\$ 1,338	\$ 1,270	\$ -	\$ -	\$ -	\$ 466,887	21.8%
285,520	20.4%	16,819	3,039	425	-	-	-	305,803	21.9%
705,441	19.9%	61,177	4,377	1,695	-	-	-	772,690	21.8%
8,793	0.8%	81,079	1,001	31,723	-	-	111,973	234,569	20.6%
714,234	15.3%	(142,256)	(5,378)	(33,418)	-	-	(111,973)	1,007,259	21.5%
48,901	1.0%	-	-	-	-	-	-	48,901	1.0%
665,333	14.2%	(142,256)	(5,378)	(33,418)	-	-	(111,973)	958,358	20.5%
146,931	3.1%	-	-	-	-	-	-	146,931	3.1%
1,659	0.0%	-	-	-	1,983	-	-	(324)	0.0%
\$ 516,743	11.1%	\$ (142,256)	\$ (5,378)	\$ (33,418)	\$ (1,983)	\$ (111,973)	\$ -	\$ 811,751	17.4%

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.



# Adjusted Amounts Reconciliation Segment Operating Income

(Unaudited)

(Dollars in millions)

	12 Months ended 6/30/19	12 Months ended 6/30/20	12 Months ended 6/30/21	12 Months ended 6/30/22	12 Months ended 6/30/23	12 Months ended 6/30/24
<b>Net sales</b>	\$ 6,809	\$ 6,456	\$ 6,676	\$ 7,703	\$ 8,916	~\$ 8,870
<b>North America Segment Operating Income</b>	1,139	986	1,247	1,515	1,853	~1,910
Adjustments:						
Acquisition-related intangible asset amortization expense	143	174	191	188	182	~180
Business realignment charges	5	27	7	3	4	~20
Acquisition-related expenses & costs to achieve	9	58	7	1	5	~15
<b>North America Adjusted Segment Operating Income</b>	\$ 1,296	\$ 1,244	\$ 1,452	\$ 1,707	\$ 2,044	~\$ 2,125
<b>North America Segment Operating margin</b>	16.7%	15.3%	18.7%	19.7%	20.8%	21.5%
<b>North America Adjusted Segment Operating margin</b>	19.0%	19.3%	21.8%	22.2%	22.9%	24.0%

(Unaudited)

(Dollars in millions)

	12 Months ended 6/30/19	12 Months ended 6/30/20	12 Months ended 6/30/21	12 Months ended 6/30/22	12 Months ended 6/30/23	12 Months ended 6/30/24
<b>Net sales</b>	\$ 5,001	\$ 4,505	\$ 5,284	\$ 5,639	\$ 5,789	~\$ 5,730
<b>International Segment Operating Income</b>	805	675	988	1,178	1,218	~1,200
Adjustments:						
Voluntary retirement expense	-	-	-	-	-	-
Acquisition-related intangible asset amortization expense	53	70	83	75	86	~90
Business realignment charges	11	25	31	11	20	~45
Acquisition-related expenses & costs to achieve	4	14	4	2	4	~5
Russia liquidation	-	-	-	6	-	-
<b>International Adjusted Segment Operating Income</b>	\$ 873	\$ 785	\$ 1,107	\$ 1,273	\$ 1,328	~\$ 1,340
<b>International Segment Operating margin</b>	16.1%	15.0%	18.7%	20.9%	21.0%	20.9%
<b>International Adjusted Segment Operating margin</b>	17.5%	17.4%	21.0%	22.6%	22.9%	23.4%

(Unaudited)

(Dollars in millions)

	12 Months ended 6/30/19	12 Months ended 6/30/20	12 Months ended 6/30/21	12 Months ended 6/30/22	12 Months ended 6/30/23	12 Months ended 6/30/24
<b>Net sales</b>	\$ 2,511	\$ 2,735	\$ 2,387	\$ 2,520	\$ 4,360	~\$ 5,250
<b>Aerospace Segment Operating Income</b>	488	477	403	501	562	~1,035
Adjustments:						
Voluntary retirement expense	-	-	-	-	-	-
Acquisition-related intangible asset amortization expense	3	41	51	51	233	~310
Business realignment charges	-	22	7	1	3	-
Acquisition-related expenses & costs to achieve	-	19	1	1	87	~15
Amortization of inventory step-up to FV	-	-	-	-	110	-
Russia liquidation	-	-	-	7	-	-
<b>Aerospace Adjusted Segment Operating Income</b>	\$ 491	\$ 559	\$ 461	\$ 561	\$ 995	~\$ 1,360
<b>Aerospace Segment Operating margin</b>	19.4%	17.4%	16.9%	19.9%	12.9%	19.7%
<b>Aerospace Adjusted Segment Operating margin</b>	19.5%	20.5%	19.3%	22.3%	22.8%	25.9%

\*Totals may not foot due to rounding



# Reconciliation of EBITDA to Adjusted EBITDA

(Dollars in thousands) (Unaudited)	Three Months Ended December 31,			
	2023	% of Sales	2022	% of Sales
<b>Net sales</b>	\$ 4,820,947	100.0%	\$ 4,674,811	100.0%
Net income	\$ 682,057	14.1%	\$ 395,461	8.5%
Income taxes	186,108	3.9%	121,282	2.6%
Depreciation	85,751	1.8%	87,488	1.9%
Amortization	142,027	2.9%	142,256	3.0%
Interest expense	129,029	2.7%	146,931	3.1%
<b>EBITDA</b>	1,224,972	25.4%	893,418	19.1%
Adjustments:				
Business realignment charges	14,354	0.3%	5,378	0.1%
Meggitt costs to achieve	10,014	0.2%	33,418	0.7%
Acquisition-related expenses	-	0.0%	1,983	0.0%
Amortization of inventory step-up to FV	-	0.0%	111,973	2.4%
Gain on divestiture	(12,391)	-0.3%	-	0.0%
<b>EBITDA - Adjusted</b>	<u>\$ 1,236,949</u>	<u>25.7%</u>	<u>\$ 1,046,170</u>	<u>22.4%</u>
<b>EBITDA margin</b>	25.4 %		19.1 %	
<b>EBITDA margin - Adjusted</b>	25.7 %		22.4 %	



# Reconciliation of Gross and Net Debt / Adjusted EBITDA

(Unaudited)		
(Dollars in thousands)		
	<b>December 31, 2022</b>	<b>December 31, 2023</b>
Notes payable and long-term debt payable within one year	\$ 1,994,333	\$ 3,681,167
Long-term debt	12,025,860	8,108,696
Add: Deferred debt issuance costs	83,758	66,098
Total gross debt	<u>\$ 14,103,951</u>	<u>\$ 11,855,961</u>
Cash and cash equivalents	\$ 756,055	\$ 382,815
Marketable securities and other investments	21,611	11,053
Total cash	<u>\$ 777,666</u>	<u>\$ 393,868</u>
Net debt (Gross debt less total cash)	<u>\$ 13,326,285</u>	<u>\$ 11,462,093</u>
TTM Net Sales	\$ 17,181,805	\$ 19,826,043
Net income	\$ 1,260,492	\$ 2,633,167
Income tax	311,753	715,009
Depreciation	280,656	333,579
Amortization	385,208	568,990
Interest Expense	399,267	572,666
TTM EBITDA	<u>\$ 2,637,376</u>	<u>\$ 4,823,411</u>
Adjustments:		
Business realignment charges	17,337	44,913
Costs to achieve	48,166	66,450
Acquisition-related costs	186,627	4,053
Loss on deal-contingent forward contracts	1,256,036	0
Gain on divestitures	(372,930)	(25,651)
Amortization of inventory step-up to FV	130,331	(20,350)
Net loss on divestitures	0	10,927
Russia liquidation	20,057	0
TTM Adjusted EBITDA	<u>\$ 3,923,000</u>	<u>\$ 4,903,753</u>
<b>Gross Debt/TTM Adjusted EBITDA</b>	<b>3.6</b>	<b>2.4</b>
<b>Net Debt/TTM Adjusted EBITDA</b>	<b>3.4</b>	<b>2.3</b>





# Reconciliation of Free Cash Flow Conversion

(Unaudited) (Dollars in thousands)	Six Months Ended December 31,	
	2023	2022
<b>Net Income</b>	\$ 1,333,129	\$ 783,498
Cash Flow from Operations	\$ 1,351,987	\$ 1,076,134
Capital Expenditures	(204,117)	(185,704)
<b>Free Cash Flow</b>	<b>\$ 1,147,870</b>	<b>\$ 890,430</b>
<b>Free Cash Flow Conversion (Free Cash Flow / Net Income)</b>	<b>86%</b>	<b>114%</b>



# Supplemental Sales Information

## Global Technology Platforms

(Unaudited) (Dollars in thousands)	Three Months Ended December 31,	
	2023	2022
<b>Net sales</b>		
Diversified Industrial:		
Motion Systems	\$ 917,966	\$ 913,415
Flow and Process Control	1,122,400	1,173,260
Filtration and Engineered Materials	1,474,107	1,451,709
Aerospace Systems	1,306,474	1,136,427
<b>Total</b>	<b>\$ 4,820,947</b>	<b>\$ 4,674,811</b>





# Reconciliation of Forecasted Free Cash Flow

(Unaudited)

(Dollars in thousands)

**Forecasted cash flow from operations**

Less: Capital Expenditures

**Forecasted free cash flow**

**Fiscal Year 2024**

**\$3,200 to \$3,500**

~(400)

**\$2,800 to \$3,100**



\*Totals may not foot due to rounding

# Reconciliation of Forecasted Segment Operating Margin

(Unaudited)	
(Amounts in percentages)	<b>Fiscal Year 2024</b>
<b>Forecasted segment operating margin</b>	<b>20.7% to 21.1%</b>
Adjustments:	
Business realignment charges	0.3%
Costs to achieve	0.2%
Acquisition-related intangible asset amortization expense	2.9%
<b>Adjusted forecasted segment operating margin</b>	<b>24.1% to 24.5%</b>



\*Totals may not foot due to rounding

# Reconciliation of Forecasted EPS

(Unaudited)	
(Amounts in dollars)	
	<b>Fiscal Year 2024</b>
<b>Forecasted earnings per diluted share</b>	<b>\$20.00 to \$20.60</b>
Adjustments:	
Business realignment charges	0.54
Costs to achieve	0.27
Acquisition-related intangible asset amortization expense	4.45
Net gain on divestitures	(0.20)
Tax effect of adjustments <sup>1</sup>	(1.16)
<b>Adjusted forecasted earnings per diluted share</b>	<b>\$23.90 to \$24.50</b>

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.



\*Totals may not foot due to rounding

