

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): May 2, 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 May 2, 2024, Parker-Hannifin Corporation issued a press release and presented a Webcast announcing results of operations for the quarter ended March 31, 2024. 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 May 2, 2024.](#)

[99.2 Webcast presentation by Parker-Hannifin Corporation, dated May 2, 2024.](#)

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: May 2, 2024



For Release: Immediately

Exhibit 99.1

Contact: Media -

Aidan Gormley - Director, Global Communications and Branding
aidan.gormley@parker.com

216-896-3258

Financial Analysts -

Jeff Miller - Vice President, Investor Relations
jeffrey.miller@parker.com

216-896-2708

Stock Symbol: PH - NYSE

Parker Reports Fiscal 2024 Third Quarter Results

- Sales were a record at \$5.07 billion; organic sales increased 1%
- Segment operating margin was 21.5%, or a record 24.7% adjusted, an increase of 150 basis points
- EPS were \$5.56, or a record \$6.51 adjusted, an increase of 10%
- Company increases outlook for segment operating margin and EPS
- 2024 Investor Meeting scheduled for May 16 at 2 p.m. Eastern time

CLEVELAND, May 2, 2024 -- Parker Hannifin Corporation (NYSE: PH), the global leader in motion and control technologies, today reported results for the fiscal 2024 third quarter ended March 31, 2024. Sales were \$5.07 billion compared with \$5.06 billion in the third quarter of fiscal 2023. Net income was \$726.6 million compared with \$590.9 million in the prior year quarter. Adjusted net income was \$850.7 million, an increase of 10% compared with \$771.9 million in the third quarter of fiscal 2023. Earnings per share were \$5.56 compared with \$4.54 in the prior year quarter. Adjusted earnings per share increased 10% to a record at \$6.51 compared with \$5.93 in the third quarter of fiscal 2023. Fiscal 2024 year-to-date cash flow from operations increased 20% to a record \$2.1 billion, or 14.6% of sales, compared with \$1.8 billion, or 12.8% of sales, in the prior year. A reconciliation of non-GAAP measures is included in the financial tables of this press release.

"We produced record results this quarter across nearly all key metrics, a reflection of the strength of our transformed portfolio and our global team's ability to drive operational improvements," said Chairman and Chief Executive Officer, Jenny Parmentier. "We delivered significant adjusted segment operating margin improvement with our Aerospace Systems Segment delivering another standout quarter. Our strong performance also led to record year-to-date operating cash flow."

Segment Results

Diversified Industrial Segment: North American third quarter sales decreased 5% to \$2.2 billion and operating income was \$490.5 million compared with \$489.3 million in the same period a year ago. On an adjusted basis, North American operating income was \$538.3 million, or 24.1% of sales, a 120 basis point increase compared with the third quarter of fiscal 2023. International third quarter sales decreased 6% to \$1.4 billion and operating income was \$309.8 million compared with \$329.5 million in the same period a year ago. On an adjusted basis, International operating income was \$336.6 million, or 23.5% of sales, a 10 basis point increase compared with the prior year quarter.

Aerospace Systems Segment: Third quarter sales increased 18% to \$1.4 billion and operating income was \$289.3 million compared with \$133.9 million in the same period a year ago. On an adjusted basis, operating income was \$376.1 million, or 26.7% of sales, a 320 basis point increase compared with the prior year quarter.

Orders

The company reported the following orders for the quarter ending March 31, 2024, compared with the same quarter a year ago:

- Orders were flat for total Parker
- Orders decreased 4% in the Diversified Industrial North America businesses
- Orders decreased 8% in the Diversified Industrial International businesses
- Orders increased 15% 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 approximately 4%; total segment operating margin of approximately 21.2%, or 24.6% on an adjusted basis; and earnings per share in the range of \$20.80 to \$21.00, or \$24.65 to \$24.85 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 based on the strong third quarter performance delivered by our team members and double-digit organic growth in aerospace. Parker remains well positioned to continue producing record performance and creating shareholder value by executing The Win Strategy™. We look forward to presenting more about our promising future at our upcoming investor day on May 16, 2024."

NOTICE OF WEBCAST: Parker Hannifin's webcast to discuss its fiscal 2024 third quarter results is 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 68 consecutive fiscal years, among the top five longest-running dividend-increase records in the S&P 500 index. Learn more at www.parker.com or [@parkerhannifin](https://twitter.com/parkerhannifin).

Note on Orders

Orders provide near-term perspective on the company's outlook, particularly when viewed in the context of prior and future quarterly order rates. However, orders are not in themselves an indication of future performance. All comparisons are at constant currency exchange rates, with the prior year restated to the current-year rates. 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. A change in the economic conditions in individual markets may have a particularly volatile effect on segment performance.

Among other factors which may affect future performance 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; the impact of political, social and economic instability and disruptions; 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; our ability to effectively manage expanded operations from acquisitions; the ability to successfully divest businesses planned for divestiture and realize the anticipated benefits of such divestitures; the determination to undertake business realignment activities and the expected costs thereof and, if undertaken, the ability to complete such activities and realize the anticipated cost savings from such activities; ability to implement successfully capital allocation initiatives, including timing, pricing and execution of share repurchases; availability, limitations or cost increases of raw materials, component products and/or commodities that cannot be recovered in product pricing; 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, credit availability and changes in consumer habits and preferences; ability to manage costs related to insurance and employee retirement and health care benefits; legal and regulatory developments and changes; additional liabilities relating to changes in tax rates or exposure to additional income tax liabilities; ability to enter into, own, renew, protect and maintain intellectual property and know-how; leverage and future debt service obligations; potential impairment of goodwill; compliance costs associated with environmental laws and regulations; potential labor disruptions or shortages and the ability to attract and retain key personnel; uncertainties surrounding the ultimate resolution of outstanding legal proceedings, including the outcome of any appeals; global competitive market conditions, including U.S. trade policies and resulting effects on sales and pricing; local and global political and economic conditions, including the Russia-Ukraine war and other armed conflicts and their residual effects; inability to obtain, or meet conditions imposed for, required governmental and regulatory approvals; government actions and natural phenomena such as pandemics, floods, earthquakes, hurricanes or other natural phenomena that may be related to climate change; increased cyber security threats and sophisticated computer crime; and success of business and operating initiatives. 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.

###

PARKER HANNIFIN CORPORATION - MARCH 31, 2024

Exhibit 99.1

CONSOLIDATED STATEMENT OF INCOME

(Unaudited) (Dollars in thousands, except per share amounts)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
Net sales	\$ 5,074,356	\$ 5,061,665	\$ 14,742,791	\$ 13,969,251
Cost of sales	3,279,650	3,340,764	9,478,961	9,373,032
Selling, general and administrative expenses	816,337	868,393	2,496,830	2,519,163
Interest expense	123,732	151,993	387,229	416,718
Other income, net	(65,406)	(55,866)	(228,872)	(116,131)
Income before income taxes	920,043	756,381	2,608,643	1,776,469
Income taxes	193,309	165,421	548,780	402,011
Net income	726,734	590,960	2,059,863	1,374,458
Less: Noncontrolling interests	160	71	611	478
Net income attributable to common shareholders	\$ 726,574	\$ 590,889	\$ 2,059,252	\$ 1,373,980

Earnings per share attributable to common shareholders:

Basic earnings per share	\$ 5.65	\$ 4.61	\$ 16.03	\$ 10.71
Diluted earnings per share	\$ 5.56	\$ 4.54	\$ 15.82	\$ 10.58
Average shares outstanding during period - Basic	128,502,829	128,293,039	128,467,209	128,343,788
Average shares outstanding during period - Diluted	130,593,026	130,151,487	130,169,331	129,831,989

CASH DIVIDENDS PER COMMON SHARE

(Unaudited) (Amounts in dollars)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
Cash dividends per common share	\$ 1.48	\$ 1.33	\$ 4.44	\$ 3.99

RECONCILIATION OF ORGANIC GROWTH

(Unaudited)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
Sales growth - as reported	0.3 %	23.9 %	5.5 %	19.7 %
Adjustments:				
Acquisitions	— %	15.3 %	3.6 %	12.0 %
Divestitures	(0.3)%	(0.5)%	(0.4)%	(0.4)%
Currency	(0.6)%	(2.4)%	0.2 %	(3.9)%
Organic sales growth	1.2 %	11.5 %	2.1 %	12.0 %

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

(Unaudited) (Dollars in thousands)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
Net income attributable to common shareholders	\$ 726,574	\$ 590,889	\$ 2,059,252	\$ 1,373,980
Adjustments:				
Acquired intangible asset amortization expense	141,216	145,147	438,763	374,417
Business realignment charges	8,468	8,241	35,914	17,480
Integration costs to achieve	13,256	31,244	29,676	76,653
Acquisition-related expenses	—	1,299	—	163,540
Loss on deal-contingent forward contracts	—	—	—	389,992
Net loss (gain) on divestitures	—	10,927	(25,651)	(362,003)
Amortization of inventory step-up to fair value	—	37,642	—	167,973
Tax effect of adjustments ¹	(38,779)	(53,520)	(108,403)	(195,766)
Adjusted net income attributable to common shareholders	\$ 850,735	\$ 771,869	\$ 2,429,551	\$ 2,006,266

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

(Unaudited) (Amounts in dollars)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
Earnings per diluted share	\$ 5.56	\$ 4.54	\$ 15.82	\$ 10.58
Adjustments:				
Acquired intangible asset amortization expense	1.08	1.12	3.36	2.88
Business realignment charges	0.06	0.06	0.27	0.13
Integration costs to achieve	0.10	0.24	0.23	0.59
Acquisition-related expenses	—	0.01	—	1.27
Loss on deal-contingent forward contracts	—	—	—	3.00
Net loss (gain) on divestitures	—	0.09	(0.20)	(2.78)
Amortization of inventory step-up to fair value	—	0.29	—	1.29
Tax effect of adjustments ¹	(0.29)	(0.42)	(0.82)	(1.51)
Adjusted earnings per diluted share	\$ 6.51	\$ 5.93	\$ 18.66	\$ 15.45

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 - MARCH 31, 2024

Exhibit 99.1

BUSINESS SEGMENT INFORMATION

(Unaudited) (Dollars in thousands)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
Net sales				
Diversified Industrial:				
North America	\$ 2,231,478	\$ 2,342,590	\$ 6,571,587	\$ 6,615,035
International	1,434,165	1,524,515	4,227,057	4,277,227
Aerospace Systems	1,408,713	1,194,560	3,944,147	3,076,989
Total net sales	\$ 5,074,356	\$ 5,061,665	\$ 14,742,791	\$ 13,969,251
Segment operating income				
Diversified Industrial:				
North America	\$ 490,452	\$ 489,349	\$ 1,458,355	\$ 1,362,256
International	309,759	329,498	900,944	908,958
Aerospace Systems	289,339	133,905	778,711	234,849
Total segment operating income	1,089,550	952,752	3,138,010	2,506,063
Corporate general and administrative expenses	56,782	45,780	162,340	146,341
Income before interest expense and other (income) expense, net	1,032,768	906,972	2,975,670	2,359,722
Interest expense	123,732	151,993	387,229	416,718
Other (income) expense, net	(11,007)	(1,402)	(20,202)	166,535
Income before income taxes	\$ 920,043	\$ 756,381	\$ 2,608,643	\$ 1,776,469

RECONCILIATION OF SEGMENT OPERATING MARGINS TO ADJUSTED SEGMENT OPERATING MARGINS

(Unaudited) (Dollars in thousands)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
Diversified Industrial North America sales	\$ 2,231,478	\$ 2,342,590	\$ 6,571,587	\$ 6,615,035
Diversified Industrial North America operating income	\$ 490,452	\$ 489,349	\$ 1,458,355	\$ 1,362,256
Adjustments:				
Acquired intangible asset amortization	43,945	44,184	133,327	134,816
Business realignment charges	3,058	761	8,892	2,232
Integration costs to achieve	841	2,442	2,348	3,759
Adjusted Diversified Industrial North America operating income	\$ 538,296	\$ 536,736	\$ 1,602,922	\$ 1,503,063
Diversified Industrial North America operating margin	22.0 %	20.9 %	22.2 %	20.6 %
Adjusted Diversified Industrial North America operating margin	24.1 %	22.9 %	24.4 %	22.7 %

PARKER HANNIFIN CORPORATION - MARCH 31, 2024

Exhibit 99.1

RECONCILIATION OF SEGMENT OPERATING MARGINS TO ADJUSTED SEGMENT OPERATING MARGINS

(Unaudited) (Dollars in thousands)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
Diversified Industrial International sales	\$ 1,434,165	\$ 1,524,515	\$ 4,227,057	\$ 4,277,227
Diversified Industrial International operating income	\$ 309,759	\$ 329,498	\$ 900,944	\$ 908,958
Adjustments:				
Acquired intangible asset amortization	22,464	17,266	68,342	50,890
Business realignment charges	3,895	7,314	23,985	12,232
Integration costs to achieve	451	2,953	954	3,517
Adjusted Diversified Industrial International operating income	<u>\$ 336,569</u>	<u>\$ 357,031</u>	<u>\$ 994,225</u>	<u>\$ 975,597</u>
Diversified Industrial International operating margin	21.6 %	21.6 %	21.3 %	21.3 %
Adjusted Diversified Industrial International operating margin	23.5 %	23.4 %	23.5 %	22.8 %

(Unaudited) (Dollars in thousands)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
Aerospace Systems sales	\$ 1,408,713	\$ 1,194,560	\$ 3,944,147	\$ 3,076,989
Aerospace Systems operating income	\$ 289,339	\$ 133,905	\$ 778,711	\$ 234,849
Adjustments:				
Acquired intangible asset amortization	74,807	83,697	237,094	188,711
Business realignment charges	(12)	166	318	3,016
Integration costs to achieve	11,964	25,849	26,374	69,377
Amortization of inventory step-up to fair value	—	37,642	—	167,973
Adjusted Aerospace Systems operating income	<u>\$ 376,098</u>	<u>\$ 281,259</u>	<u>\$ 1,042,497</u>	<u>\$ 663,926</u>
Aerospace Systems operating margin	20.5 %	11.2 %	19.7 %	7.6 %
Adjusted Aerospace Systems operating margin	26.7 %	23.5 %	26.4 %	21.6 %

(Unaudited) (Dollars in thousands)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
Total net sales	\$ 5,074,356	\$ 5,061,665	\$ 14,742,791	\$ 13,969,251
Total segment operating income	\$ 1,089,550	\$ 952,752	\$ 3,138,010	\$ 2,506,063
Adjustments:				
Acquired intangible asset amortization	141,216	145,147	438,763	374,417
Business realignment charges	6,941	8,241	33,195	17,480
Integration costs to achieve	13,256	31,244	29,676	76,653
Amortization of inventory step-up to fair value	—	37,642	—	167,973
Adjusted total segment operating income	<u>\$ 1,250,963</u>	<u>\$ 1,175,026</u>	<u>\$ 3,639,644</u>	<u>\$ 3,142,586</u>
Total segment operating margin	21.5 %	18.8 %	21.3 %	17.9 %
Adjusted total segment operating margin	24.7 %	23.2 %	24.7 %	22.5 %

PARKER HANNIFIN CORPORATION - MARCH 31, 2024
CONSOLIDATED BALANCE SHEET

Exhibit 99.1

(Unaudited)

(Dollars in thousands)

	March 31, 2024	June 30, 2023	March 31, 2023
Assets			
Current assets:			
Cash and cash equivalents	\$ 405,484	\$ 475,182	\$ 534,831
Marketable securities and other investments	9,968	8,390	23,466
Trade accounts receivable, net	2,913,357	2,827,297	2,881,534
Non-trade and notes receivable	310,355	309,167	349,903
Inventories	2,966,336	2,907,879	3,067,614
Prepaid expenses and other	337,055	306,314	376,066
Total current assets	6,942,555	6,834,229	7,233,414
Property, plant and equipment, net	2,870,919	2,865,030	2,843,795
Deferred income taxes	72,808	81,429	131,782
Investments and other assets	1,150,784	1,104,576	1,188,671
Intangible assets, net	7,961,957	8,450,614	8,287,517
Goodwill	10,579,307	10,628,594	10,830,548
Total assets	\$ 29,578,330	\$ 29,964,472	\$ 30,515,727
Liabilities and equity			
Current liabilities:			
Notes payable and long-term debt payable within one year	\$ 4,080,759	\$ 3,763,175	\$ 1,992,919
Accounts payable, trade	1,964,211	2,050,934	2,080,147
Accrued payrolls and other compensation	514,021	651,319	543,527
Accrued domestic and foreign taxes	358,061	374,571	270,807
Other accrued liabilities	1,077,318	895,371	900,769
Total current liabilities	7,994,370	7,735,370	5,788,169
Long-term debt	7,290,208	8,796,284	11,412,304
Pensions and other postretirement benefits	455,254	551,510	781,139
Deferred income taxes	1,528,529	1,649,674	1,780,533
Other liabilities	709,548	893,355	960,417
Shareholders' equity	11,590,852	10,326,888	9,781,297
Noncontrolling interests	9,569	11,391	11,868
Total liabilities and equity	\$ 29,578,330	\$ 29,964,472	\$ 30,515,727

PARKER HANNIFIN CORPORATION - MARCH 31, 2024
CONSOLIDATED STATEMENT OF CASH FLOWS

Exhibit 99.1

(Unaudited)

(Dollars in thousands)

Nine Months Ended March 31,

	2024	2023
Cash flows from operating activities:		
Net income	\$ 2,059,863	\$ 1,374,458
Depreciation and amortization	696,463	609,066
Stock incentive plan compensation	128,682	117,536
Gain on sale of businesses	(23,667)	(366,345)
Loss (gain) on property, plant and equipment and intangible assets	5,847	(1,270)
Gain on marketable securities	(55)	(1,391)
Gain on investments	(2,555)	(4,341)
Net change in receivables, inventories and trade payables	(244,268)	(19,052)
Net change in other assets and liabilities	(427,509)	(77,389)
Other, net	(45,724)	163,622
Net cash provided by operating activities	2,147,077	1,794,894
Cash flows from investing activities:		
Acquisitions (net of cash of \$89,704 in 2023)	—	(7,146,110)
Capital expenditures	(283,328)	(272,603)
Proceeds from sale of property, plant and equipment	8,905	11,821
Proceeds from sale of businesses	75,561	471,720
Purchases of marketable securities and other investments	(10,091)	(31,275)
Maturities and sales of marketable securities and other investments	8,664	35,075
Payments of deal-contingent forward contracts	—	(1,405,418)
Other	5,988	251,875
Net cash used in investing activities	(194,301)	(8,084,915)
Cash flows from financing activities:		
Net payments for common stock activity	(237,689)	(199,911)
Acquisition of noncontrolling interests	(2,883)	—
Net (payments for) proceeds from debt	(1,193,373)	906,811
Financing fees paid	—	(8,911)
Dividends paid	(571,583)	(513,232)
Net cash (used in) provided by financing activities	(2,005,528)	184,757
Effect of exchange rate changes on cash	(16,946)	(7,781)
Net decrease in cash, cash equivalents and restricted cash	(69,698)	(6,113,045)
Cash, cash equivalents and restricted cash at beginning of year	475,182	6,647,876
Cash and cash equivalents at end of period	\$ 405,484	\$ 534,831

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

(Unaudited)

(Amounts in percentages)

	Fiscal Year 2024
Forecasted segment operating margin	~21.2%
Adjustments:	
Business realignment charges	0.3%
Costs to achieve	0.2%
Acquisition-related intangible asset amortization expense	2.9%
Adjusted forecasted segment operating margin	~24.6%

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	\$20.80 to \$21.00
Adjustments:	
Business realignment charges	0.46
Costs to achieve	0.27
Acquisition-related intangible asset amortization expense	4.44
Net gain on divestitures	(0.20)
Tax effect of adjustments ¹	(1.12)
Adjusted forecasted earnings per diluted share	\$24.65 to \$24.85

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 2024 Third Quarter Earnings Presentation



PH
LISTED
NYSE

ENGINEERING YOUR SUCCESS.

May 2, 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. A change in the economic conditions in individual markets may have a particularly volatile effect on segment performance.

Among other factors which may affect future performance 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; the impact of political, social and economic instability and disruptions; 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; our ability to effectively manage expanded operations from acquisitions; the ability to successfully divest businesses planned for divestiture and realize the anticipated benefits of such divestitures; the determination to undertake business realignment activities and the expected costs thereof and, if undertaken, the ability to complete such activities and realize the anticipated cost savings from such activities; ability to implement successfully capital allocation initiatives, including timing, pricing and execution of share repurchases; availability, limitations or cost increases of raw materials, component products and/or commodities that cannot be recovered in product pricing; 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, credit availability and changes in consumer habits and preferences; ability to manage costs related to insurance and employee retirement and health care benefits; legal and regulatory developments and changes; additional liabilities relating to changes in tax rates or exposure to additional income tax liabilities; ability to enter into, own, renew, protect and maintain intellectual property and know-how; leverage and future debt service obligations; potential impairment of goodwill; compliance costs associated with environmental laws and regulations; potential labor disruptions or shortages and the ability to attract and retain key personnel; uncertainties surrounding the ultimate resolution of outstanding legal proceedings, including the outcome of any appeals; global competitive market conditions, including U.S. trade policies and resulting effects on sales and pricing; local and global political and economic conditions, including the Russia-Ukraine war and other armed conflicts and their residual effects; inability to obtain, or meet conditions imposed for, required governmental and regulatory approvals; government actions and natural phenomena such as pandemics, floods, earthquakes, hurricanes or other natural phenomena that may be related to climate change; increased cyber security threats and sophisticated computer crime; and success of business and operating initiatives. 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, free cash flow and free cash flow margin. 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, free cash flow and free cash flow margin 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 for more information



FY24 Q3: The Win Strategy™ Delivers Outstanding Results

- Continuous improvement culture driven by our global team members
- Robust aerospace demand
- Significant margin expansion
- Transformed portfolio and strong performance drive full year guidance increase

FY24 Q3 Highlights	
17% Reduction in Recordable Incidents	\$5.1B Sales +0.3% Reported +1.2% Organic ¹
24.7% Adjusted Segment Margin ¹ +150 bps	10% Adjusted EPS Growth ¹
12.6% YTD Free Cash Flow Margin ¹	

¹. Includes certain non-GAAP adjustments and financial measures. See Appendix for additional details and reconciliations.
Note: FY24 Q3 As Reported: Segment Operating Margin of 21.5%, EPS of \$5.56. YTD Cash Flow from Operations: \$2,147M



The Win Strategy™

Our Vision: Engineering Your Success

Goals

Engaged People	Customer Experience	Profitable Growth	Financial Performance
STRATEGIES	STRATEGIES	STRATEGIES	STRATEGIES
<ul style="list-style-type: none">• Safety #1• Environment, Social & Governance• Ownership - Entrepreneurial• High Performance Teams & Leaders• Culture of Kaizen	<ul style="list-style-type: none">• Quality Solutions On Time• Digital Leadership• Ease of Doing Business	<ul style="list-style-type: none">• Strategic Positioning• Market-Driven Innovation• System Solutions• Strong Distribution• Grow Share• Acquisitions	<ul style="list-style-type: none">• Simplification• Lean Enterprise• Strategic Supply Chain• Value Pricing

Our Culture & Values

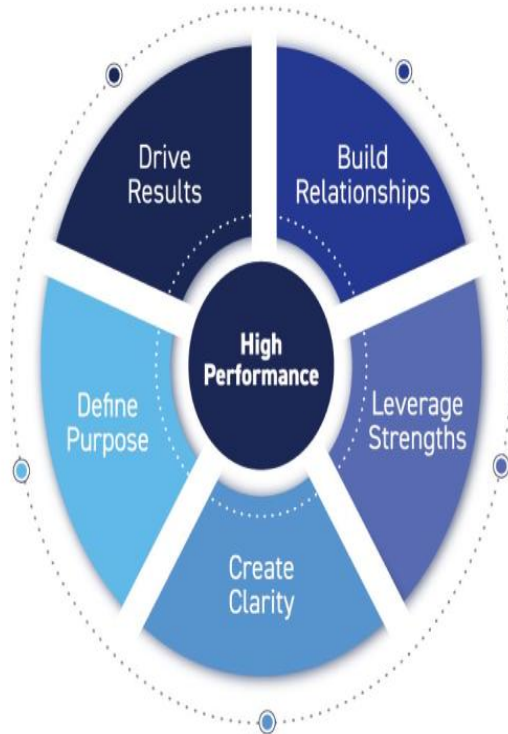


Win Strategy 3.0
June 2022



High-Performance Culture is a Competitive Advantage

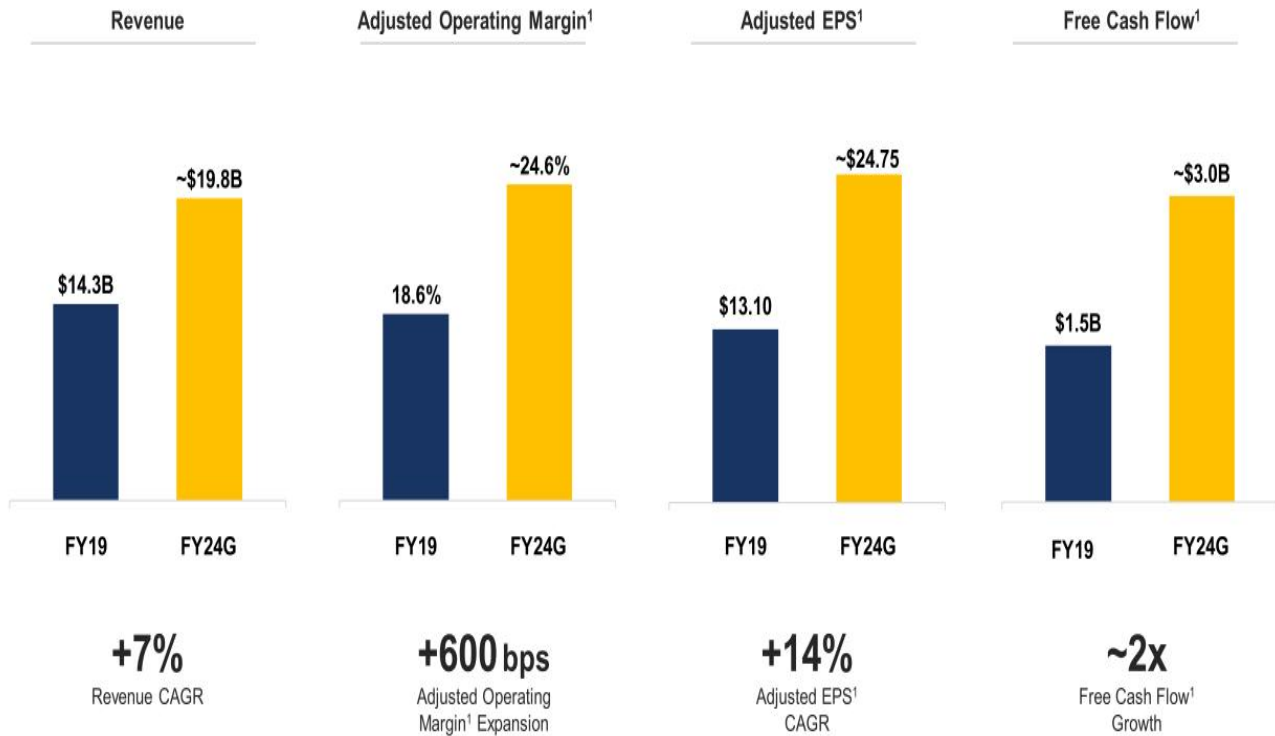
Builds a better, more resilient Parker



- Increases engagement and commitment
- Strength-based approach to culture
- Reinforces our customer-centric mindset
- Drives continuous improvement



Our People, Strategy & Portfolio Drive Performance



1. Includes certain non-GAAP adjustments and financial measures. See Appendix for additional details and reconciliations.

Note: FY19 As reported: Operating Margin of 17.0%, EPS of \$11.57, CFOA of \$1.7B. FY24G As reported: Operating Margin of 21.2%, EPS of \$20.90, CFOA of \$3.4B



Summary of Fiscal 2024 3rd Quarter Highlights

PH
LISTED
NYSE



FY24 Q3 Financial Summary

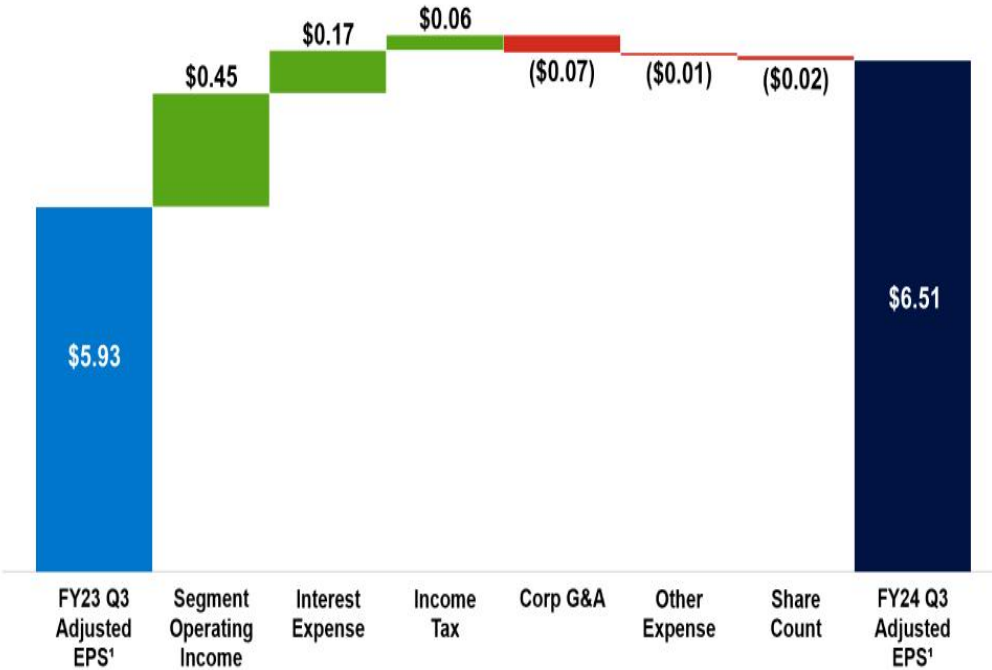
\$ Millions, except per share amounts

	FY24 Q3 As Reported	FY24 Q3 Adjusted ¹	FY23 Q3 Adjusted ¹	YoY Change Adjusted
Sales	\$5,074	\$5,074	\$5,062	+0.3%
Segment Operating Margin	21.5%	24.7%	23.2%	+150 bps
EBITDA Margin	25.1%	25.5%	24.2%	+130 bps
Net Income	\$727	\$851	\$772	+10.2%
EPS	\$5.56	\$6.51	\$5.93	+9.8%

1. Sales figures As Reported. Includes certain non-GAAP adjustments and financial measures. See Appendix for additional details and reconciliations.
 Note: FY23 Q3 As Reported: Segment Operating Margin of 18.8%, EBITDA Margin of 22.4%, Net Income of \$591M, EPS of \$4.54.



FY24 Q3 Adjusted Earnings per Share Bridge



1. FY23 Q3 As Reported EPS of \$4.54. FY24 Q3 As Reported EPS of \$5.56. Includes certain non-GAAP adjustments and financial measures. See Appendix for additional details and reconciliations.



FY24 Q3 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	\$2,231M (4.6%) Organic	22.0%	24.1% +120 bps YoY	(4%)	<ul style="list-style-type: none"> Operational excellence drives margin expansion Softness in off-highway and transportation Destocking continued at a decelerating rate
Diversified Industrial International	\$1,434M (3.1%) Organic	21.6%	23.5% +10 bps YoY	(8%)	<ul style="list-style-type: none"> Margin expansion on lower volumes Continued contraction in off-highway, transportation and industrial markets Choppy orders in EMEA; APAC improves
Aerospace Systems	\$1,409M +17.9% Organic	20.5%	26.7% +320 bps YoY	+15%	<ul style="list-style-type: none"> Growth across all market segments 25%+ commercial aftermarket sales growth Substantial segment margin expansion
Parker	\$5,074M +1.2% Organic	21.5%	24.7% +150 bps YoY	Flat	<ul style="list-style-type: none"> Positive growth from transformed portfolio Win Strategy delivers another record quarter 150 bps adjusted segment margin¹ expansion Strong orders against tough prior year comp

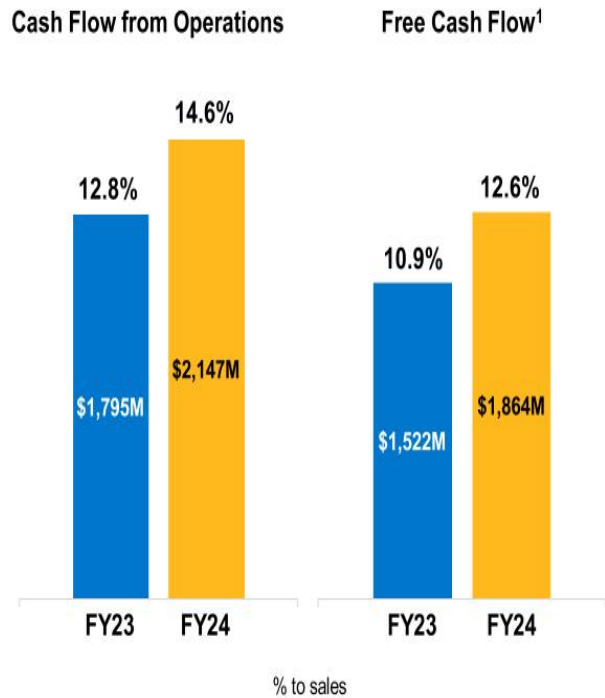
1. Includes certain non-GAAP adjustments and financial measures. See Appendix for additional details and reconciliations.

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 Q3 YTD Cash Flow Performance

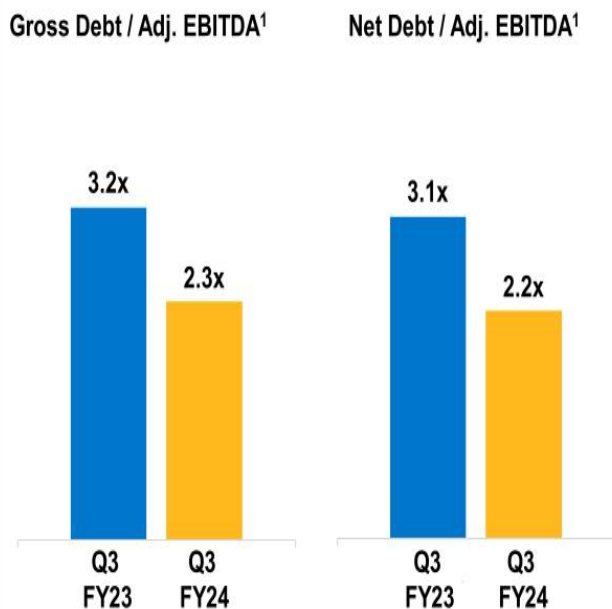
- 10% quarterly dividend increase:
 - \$1.63 declared on April 25, 2024
 - 68 fiscal years of increasing annual dividends per share paid
- Cash Flow from Operations +20% vs. prior
- Free Cash Flow +22% vs. prior¹
- FY24 Guidance:
 - Reaffirming Free Cash Flow of ~\$3B¹
 - Committed to FCF Conversion >100%



¹. Includes certain non-GAAP adjustments and financial measures. See Appendix for additional details and reconciliations.

Debt & Leverage Reduction Ahead of Schedule

- Since Meggitt acquisition close:
 - ~\$2.6B debt reduction
 - ~40% leverage reduction in 18 months
- ~\$420M debt reduction during Q3
- Committed to ~\$2B debt paydown in FY24
- On track for 2.0x leverage by June 2024



¹. Includes certain non-GAAP adjustments and financial measures. See Appendix for additional details and reconciliations.

FY24 Guidance Increased

EPS Midpoint: \$20.90 As Reported, \$24.75 Adjusted

Guidance Metric	FY24 Full Year	Key Assumptions
Reported Sales	~4.0%	<ul style="list-style-type: none"> Reaffirming ~4% sales growth midpoint Robust Aerospace demand Split: 1H: 49% 2H: 51%
Organic Sales Growth ¹	~1.5%	<ul style="list-style-type: none"> Reaffirming organic growth midpoint Raising Aerospace organic to 15% vs. 12% in prior guidance
Adj. Operating Margin ¹	~24.6%	<ul style="list-style-type: none"> Raising midpoint to 24.6%: +170 bps vs. prior year
Adj. EPS ¹	\$24.65 - \$24.85	<ul style="list-style-type: none"> Raising midpoint to \$24.75: +15% EPS growth vs. prior year Split: 1H: 49% 2H: 51% Tax rate: ~22%
Free Cash Flow ¹	~\$3B	<ul style="list-style-type: none"> CapEx: ~2% of sales Split: 1H: ~40% 2H: ~60% FCF Conversion >100%



¹. Includes certain non-GAAP adjustments and financial measures. See Appendix for additional details and reconciliations.

FY24 Key Messages

- High performance culture builds a better, more resilient Parker
- Operational excellence driven by The Win Strategy™ 3.0
- Robust aerospace demand
- Transformed portfolio drives growth
- Great generators and deployers of cash



2024 Investor Meeting

May 16th at 2:00pm Eastern Time

➤ Presenters

- **Jenny Parmentier**
Chairman & CEO
- **Andy Ross**
President & COO
- **Todd Leombruno**
EVP & CFO
- **Jeff Miller**
VP Investor Relations

➤ Key Themes

- Transforming the Company
- Positioned for Growth from Secular Trends
- Operational Excellence
- Financial Performance



Upcoming Event Calendar

2024 Investor Meeting	May 16, 2024
FY24 Q4 Earnings Release	August 8, 2024
FY25 Q1 Earnings Release	October 31, 2024

PH
LISTED
NYSE

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 Year-to-Date Free Cash Flow
- Supplemental Sales Information – Global Technology Platforms
- Reconciliation of FY19 Financials
- Reconciliation of FY24 Guidance



FY24 Guidance Details

Sales Growth vs. Prior Year	As Reported	Organic ¹
Diversified Industrial North America	~(1.5%)	~(2.5%)
Diversified Industrial International	~(2.0%)	~(2.5%)
Aerospace Systems	~23%	~15%
Parker	~4.0%	~1.5%

Segment Operating Margins	As Reported	Adjusted ¹
Diversified Industrial North America	~22.0%	~24.2%
Diversified Industrial International	~21.2%	~23.5%
Aerospace Systems	~20.1%	~26.4%
Parker	~21.2%	~24.6%

Earnings Per Share	As Reported	Adjusted ¹
Midpoint	\$20.90	\$24.75
Range	\$20.80 - \$21.00	\$24.65 - \$24.85

Additional Items	As Reported
Corporate G&A	~\$235M
Interest Expense	~\$510M
Other (Income) Expense	~(\$20M)
Reported Tax Rate	~22%
Diluted Shares Outstanding	~130.5M

Detail of Pre-Tax Adjustments to:	Segment Margins	Below Segment
Acquired Intangible Asset Amortization	~\$580M	—
Business Realignment Charges	~\$57M	\$3M
Integration Costs to Achieve	~\$35M	—
Net Gain on Divestitures	—	(\$26M)

1. Includes certain non-GAAP adjustments and financial measures.



Reconciliation of Organic Growth

(Dollars in thousands)
(Unaudited)

Net Sales	Quarter-to-Date				
	As Reported	Currency	Divestitures	Adjusted	As Reported
	March 31, 2024			March 31, 2024	March 31, 2023
Diversified Industrial:					
North America	\$ 2,231,478	\$ (6,471)	\$ 9,464	\$ 2,234,471	\$ 2,342,590
International					
Europe	830,166	5,773	-	835,939	880,962
Asia Pacific	527,732	24,298	-	552,030	567,954
Latin America	76,267	13,706	-	89,973	75,599
International	1,434,165	43,777	-	1,477,942	1,524,515
Total Diversified Industrial	3,665,643	37,306	9,464	3,712,413	3,867,105
Aerospace Systems	1,408,713	(6,033)	6,078	1,408,758	1,194,560
Total Parker Hannifin	\$ 5,074,356	\$ 31,273	\$ 15,542	\$ 5,121,171	\$ 5,061,665
	As reported	Currency	Divestitures	Organic	
Diversified Industrial:					
North America	(4.7)%	0.3 %	(0.4)%	(4.6)%	
International					
Europe	(5.8)%	(0.7)%	0.0 %	(5.1)%	
Asia Pacific	(7.1)%	(4.3)%	0.0 %	(2.8)%	
Latin America	0.9 %	(18.1)%	0.0 %	19.0 %	
International	(5.9)%	(2.8)%	0.0 %	(3.1)%	
Total Diversified Industrial	(5.2)%	(1.0)%	(0.2)%	(4.0)%	
Aerospace Systems	17.9 %	0.5 %	(0.5)%	17.9 %	
Total Parker Hannifin	0.3 %	(0.6)%	(0.3)%	1.2 %	



Adjusted Amounts Reconciliation Consolidated Statement of Income

(Dollars in thousands, except per share data)

(Unaudited)

Quarter-to-Date FY 2024

	As Reported		Acquired Intangible Asset Amortization	Business Realignment Charges	Meggitt Costs to Achieve	Adjusted	
	March 31, 2024	% of Sales				March 31, 2024	% of Sales
Net sales	\$ 5,074,356	100.0 %	\$ -	\$ -	\$ -	\$ 5,074,356	100.0 %
Cost of sales	3,279,650	64.6 %	27,193	3,014	743	3,248,700	64.0 %
Selling, general and admin. expenses	816,337	16.1 %	114,023	3,927	12,513	685,874	13.5 %
Interest expense	123,732	2.4 %	-	-	-	123,732	2.4 %
Other (income) expense, net	(65,406)	(1.3)%	-	1,527	-	(66,933)	(1.3)%
Income before income taxes	920,043	18.1 %	(141,216)	(8,468)	(13,256)	1,082,983	21.3 %
Income taxes	193,309	3.8 %	33,609	2,015	3,155	232,088	4.6 %
Net income	726,734	14.3 %	(107,607)	(6,453)	(10,101)	850,895	16.8 %
Less: Noncontrolling interests	160	0.0 %	-	-	-	160	0.0 %
Net income - common shareholders	\$ 726,574	14.3 %	\$ (107,607)	\$ (6,453)	\$ (10,101)	\$ 850,735	16.8 %
Diluted earnings per share	\$ 5.56		\$ (0.82)	\$ (0.05)	\$ (0.08)	\$ 6.51	

(Dollars in thousands, except per share data)

(Unaudited)

Quarter-to-Date FY 2023

	As Reported		Acquired Intangible Asset Amortization	Business Realignment Charges	Meggitt Costs to Achieve	Acquisition Related Expenses	Net Loss on Divestitures	Amortization of Inventory Step-Up to FV	Adjusted	
	March 31, 2023	% of Sales							March 31, 2023	% of Sales
Net sales	\$ 5,061,665	100.0 %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,061,665	100.0 %
Cost of sales	3,340,764	66.0 %	15,345	5,033	3,575	-	37,642	-	3,279,169	64.8 %
Selling, general and admin. Expenses	868,393	17.2 %	129,802	3,208	27,669	1,299	-	-	706,415	14.0 %
Interest expense	151,993	3.0 %	-	-	-	-	-	-	151,993	3.0 %
Other (income) expense, net	(55,866)	(1.1)%	-	-	-	-	10,927	-	(66,793)	(1.3)%
Income before income taxes	756,381	14.9 %	(145,147)	(8,241)	(31,244)	(1,299)	(10,927)	(37,642)	990,881	19.6 %
Income taxes	165,421	3.3 %	34,960	1,986	7,530	313	(361)	9,072	216,941	4.3 %
Net income	590,960	11.7 %	(110,167)	(6,255)	(23,714)	(986)	(11,288)	(28,570)	771,940	15.3 %
Less: Noncontrolling interests	71	0.0 %	-	-	-	-	-	-	71	0.0 %
Net income - common shareholders	\$ 590,889	11.7 %	\$ (110,167)	\$ (6,255)	\$ (23,714)	\$ (986)	\$ (11,288)	\$ (28,570)	\$ 771,869	15.2 %
Diluted earnings per share	\$ 4.54		\$ (0.84)	\$ (0.05)	\$ (0.18)	\$ (0.01)	\$ (0.09)	\$ (0.22)	\$ 5.93	



Adjusted Amounts Reconciliation Segment Operating Income

(Dollars in thousands)
(Unaudited)

	Quarter-to-Date FY 2024											
	As Reported		Acquired	Business	Meggitt						Adjusted	
	March 31, 2024	% of Sales	Intangible Asset Amortization	Realignment Charges	Costs to Achieve						March 31, 2024	% of Sales ²
Diversified Industrial:												
North America ¹	\$ 490,452	22.0%	\$ 43,945	\$ 3,058	\$ 841	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 538,296	24.1%
International ¹	309,759	21.6%	22,464	3,895	451	-	-	-	-	-	336,569	23.5%
Total Diversified Industrial ¹	800,211	21.8%	66,409	6,953	1,292	-	-	-	-	-	874,865	23.9%
Aerospace Systems ¹	289,339	20.5%	74,807	(12)	11,964	-	-	-	-	-	376,098	26.7%
Total segment operating income	1,089,550	21.5%	(141,216)	(6,941)	(13,256)	-	-	-	-	-	1,250,963	24.7%
Corporate administration	56,782	1.1%	-	-	-	-	-	-	-	-	56,782	1.1%
Income before interest and other	1,032,768	20.4%	(141,216)	(6,941)	(13,256)	-	-	-	-	-	1,194,181	23.5%
Interest expense	123,732	2.4%	-	-	-	-	-	-	-	-	123,732	2.4%
Other (income) expense	(11,007)	-0.2%	-	1,527	-	-	-	-	-	-	(12,534)	-0.2%
Income before income taxes	\$ 920,043	18.1%	\$ (141,216)	\$ (8,468)	\$ (13,256)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,082,983	21.3%

(Dollars in thousands)
(Unaudited)

	Quarter-to-Date FY 2023										
	As Reported		Acquired	Business	Meggitt	Acquisition	Amortization	Net Loss on	Adjusted		% of Sales ²
	March 31, 2023	% of Sales	Intangible Asset Amortization	Realignment Charges	Cost to Achieve	Related Expenses	of Inventory Step-Up to FV	Divestitures	March 31, 2023		
Diversified Industrial:											
North America ¹	\$ 489,349	20.9%	\$ 44,184	\$ 761	\$ 2,442	\$ -	\$ -	\$ -	\$ -	\$ 536,736	22.9%
International ¹	329,498	21.6%	17,266	7,314	2,953	-	-	-	-	357,031	23.4%
Total Diversified Industrial ¹	818,847	21.2%	61,450	8,075	5,395	-	-	-	-	893,767	23.1%
Aerospace Systems ¹	133,905	11.2%	83,697	166	25,849	-	37,642	-	-	281,259	23.5%
Total segment operating income	952,752	18.8%	(145,147)	(8,241)	(31,244)	-	(37,642)	-	-	1,175,026	23.2%
Corporate administration	45,780	0.9%	-	-	-	-	-	-	-	45,780	0.9%
Income before interest and other	906,972	17.9%	(145,147)	(8,241)	(31,244)	-	(37,642)	-	-	1,129,246	22.3%
Interest expense	151,993	3.0%	-	-	-	-	-	-	-	151,993	3.0%
Other (income) expense	(1,402)	0.0%	-	-	-	1,299	-	10,927	-	(13,628)	-0.3%
Income before income taxes	\$ 756,381	14.9%	\$ (145,147)	\$ (8,241)	\$ (31,244)	\$ (1,299)	\$ (37,642)	\$ (10,927)	\$ -	\$ 990,881	19.6%

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			
	March 31,			
	2024	% of Sales	2023	% of Sales
Net sales	\$ 5,074,356	100.0%	\$ 5,061,665	100.0%
Net income	\$ 726,734	14.3%	\$ 590,960	11.7%
Income taxes	193,309	3.8%	165,421	3.3%
Depreciation	87,082	1.7%	80,194	1.6%
Amortization	141,216	2.8%	145,147	2.9%
Interest expense	123,732	2.4%	151,993	3.0%
EBITDA	1,272,073	25.1%	1,133,715	22.4%
Adjustments:				
Business realignment charges	8,468	0.2%	8,241	0.2%
Meggitt costs to achieve	13,256	0.3%	31,244	0.6%
Acquisition-related expenses	-	0.0%	1,299	0.0%
Amortization of inventory step-up to FV	-	0.0%	37,642	0.7%
Net loss on divestitures	-	0.0%	10,927	0.2%
EBITDA - Adjusted	\$ 1,293,797	25.5%	\$ 1,223,068	24.2%
EBITDA margin	25.1 %		22.4 %	
EBITDA margin - Adjusted	25.5 %		24.2 %	



Reconciliation of Gross and Net Debt / Adjusted EBITDA

(Unaudited)		
(Dollars in thousands)	March 31, 2024	March 31, 2023
Notes payable and long-term debt payable within one year	\$ 4,080,759	\$ 1,992,919
Long-term debt	7,290,208	11,412,304
Add: Deferred debt issuance costs	61,794	79,018
Total gross debt	<u>\$ 11,432,761</u>	<u>\$ 13,484,241</u>
Cash and cash equivalents	\$ 405,484	\$ 534,831
Marketable securities and other investments	9,968	23,466
Total cash	<u>\$ 415,452</u>	<u>\$ 558,297</u>
Net debt (Gross debt less total cash)	<u>\$ 11,017,309</u>	<u>\$ 12,925,944</u>
TTM Net Sales	\$ 19,838,734	\$ 18,157,083
Net income	\$ 2,768,941	\$ 1,503,364
Income tax	742,897	391,273
Depreciation	340,467	297,018
Amortization	565,059	451,490
Interest Expense	544,405	487,988
TTM EBITDA	<u>\$ 4,961,769</u>	<u>\$ 3,131,133</u>
Adjustments:		
Business realignment charges	45,140	22,426
Costs to achieve	48,462	78,477
Acquisition-related costs	2,754	175,202
Loss on deal-contingent forward contracts	0	1,009,053
Gain on divestitures	(25,651)	(372,930)
Amortization of inventory step-up to FV	(57,992)	167,973
Net loss on divestitures	0	10,927
Russia liquidation	0	0
TTM Adjusted EBITDA	<u>\$ 4,974,482</u>	<u>\$ 4,222,261</u>
Gross Debt/TTM Adjusted EBITDA	2.3	3.2
Net Debt/TTM Adjusted EBITDA	2.2	3.1



Reconciliation of Year-to-Date Free Cash Flow

(Unaudited) (Dollars in thousands)	Nine Months Ended March 31,	
	2024	2023
Net Sales	\$ 14,742,791	\$ 13,969,251
Cash Flow from Operations	\$ 2,147,077	\$ 1,794,894
Capital Expenditures	(283,328)	(272,603)
Free Cash Flow	\$ 1,863,749	\$ 1,522,291
Cash Flow from Operations Margin	14.6%	12.8%
Free Cash Flow Margin	12.6%	10.9%



*Totals may not foot due to rounding

Supplemental Sales Information

Global Technology Platforms

(Unaudited) (Dollars in thousands)	Three Months Ended March 31,	
	2024	2023
Net sales		
Diversified Industrial:		
Motion Systems	\$ 942,667	\$ 1,017,974
Flow and Process Control	1,185,622	1,298,204
Filtration and Engineered Materials	1,537,354	1,550,927
Aerospace Systems	1,408,713	1,194,560
Total	\$ 5,074,356	\$ 5,061,665



Reconciliation of FY19 Financials

RECONCILIATION OF OPERATING INCOME TO ADJUSTED OPERATING INCOME		RECONCILIATION OF EPS TO ADJUSTED EPS		RECONCILIATION OF CASH FLOW FROM OPERATIONS TO FREE CASH FLOW	
(Unaudited)		(Unaudited)		(Unaudited)	
(Dollars in millions)		(Amounts in Dollars)		(Dollars in thousands)	
	12 Months ended 6/30/19		12 Months ended 6/30/19*		Twelve Months Ended June 30, 2019
Net sales	\$ 14,320	Earnings per diluted share	\$ 11.57	Cash Flow from Operations	\$ 1,730,140
Segment Operating Income	2,431	Adjustments:		Capital Expenditures	(195,089)
Adjustments:		Acquisition-related intangible asset amortization expense	1.51	Free Cash Flow	\$ 1,535,051
Acquisition-related intangible asset amortization expense	200	Business realignment charges	0.12		
Business realignment charges	16	Acquisition-related expenses & costs to achieve	0.23		
Acquisition-related expenses & costs to achieve	13	Tax expense related to U.S. tax reform	0.11		
		Tax effect of adjustments ³	(0.44)		
Adjusted Segment Operating Income	\$ 2,660	Adjusted earnings per diluted share	\$ 13.10		
Segment Operating margin¹	17.0%				
Adjusted Segment Operating margin²	18.6%				

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.

3. 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.

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

**Totals may not foot due to rounding



Reconciliation of FY24 Guidance

RECONCILIATION OF ORGANIC GROWTH

(Unaudited)

(Amounts in percentages)

	<u>Fiscal Year 2024</u>
Forecasted net sales	~4.0%
Adjustments:	
Currency	(0.1%)
Acquisitions	(2.6%)
Divestitures	0.2%
Adjusted forecasted net sales	~1.5%

RECONCILIATION OF OPERATING INCOME TO ADJUSTED OPERATING INCOME

(Unaudited)

(Amounts in percentages)

	<u>Fiscal Year 2024</u>
Forecasted segment operating margin	~21.2%
Adjustments:	
Business realignment charges	0.3%
Costs to achieve	0.2%
Acquisition-related intangible asset amortization expense	2.9%
Adjusted forecasted segment operating margin	~24.6%

RECONCILIATION OF FORECASTED EARNINGS PER SHARE

(Unaudited)

(Amounts in dollars)

	<u>Fiscal Year 2024</u>
Forecasted earnings per diluted share	\$20.80 to \$21.00
Adjustments:	
Business realignment charges	0.46
Costs to achieve	0.27
Acquisition-related intangible asset amortization expense	4.44
Net gain on divestitures	(0.20)
Tax effect of adjustments ¹	(1.12)
Adjusted forecasted earnings per diluted share	\$24.65 to \$24.85

RECONCILIATION OF CASH FLOW FROM OPERATIONS TO FREE CASH FLOW

(Unaudited)

(Dollars in millions)

	<u>Fiscal Year 2024</u>
Cash flow from operations	~\$3,400
Less: Capital Expenditures	~(400)
Free cash flow	~\$3,000

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



