

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): January 30, 2025

PARKER-HANNIFIN CORPORATION

(Exact Name of Registrant as Specified in Charter)

Ohio
(State or other jurisdiction of
Incorporation or Organization)

1-4982

(Commission File Number)

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

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

44124-4141
(Zip Code)

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

Not Applicable

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

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

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

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

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

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

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition

On January 30, 2025, Parker-Hannifin Corporation issued a press release and presented a Webcast announcing results of operations for the quarter ended December 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 January 30, 2025.](#)

[99.2 Webcast presentation by Parker-Hannifin Corporation, dated January 30, 2025.](#)

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: January 30, 2025



Parker Reports Fiscal 2025 Second Quarter Results

Record segment operating margin, EPS and YTD cash flow from operations

CLEVELAND, January 30, 2025 -- Parker Hannifin Corporation (NYSE: PH), the global leader in motion and control technologies, today reported results for the quarter ended December 31, 2024, that included the following highlights (compared with the prior year quarter):

Fiscal 2025 Second Quarter Highlights:

- Sales were \$4.7 billion; organic sales growth was 1%
- Net income was \$949 million, an increase of 39%, or \$853 million adjusted, an increase of 6%
- EPS were \$7.25, an increase of 39%, or \$6.53 adjusted, an increase of 6%
- Segment operating margin was 22.1%, an increase of 100 bps, or 25.6% adjusted, an increase of 110 bps
- YTD cash flow from operations increased 24% to \$1.7 billion, or 17.4% of sales

"Our performance this quarter reflects our focus on operational excellence and the strength of our balanced portfolio," said Jenny Parmentier, Chairman and Chief Executive Officer. "We delivered record segment operating margin across all businesses, record earnings per share and year-to-date cash flow from operations. Strong cash flow from operations coupled with proceeds from previously announced divestitures allowed us to substantially reduce debt by \$1.1 billion this quarter. We are encouraged to see industrial orders turn positive mainly in our longer-cycle businesses. Looking ahead, we have updated our outlook for fiscal year 2025 to reflect stronger Aerospace growth, currency headwinds and a continued delay in the expected industrial recovery. Our strong cash generation creates capital deployment optionality, and we remain committed to our strategy of actively deploying capital to drive shareholder value."

This news release contains non-GAAP financial measures. Reconciliations of adjusted numbers and certain non-GAAP financial measures are included in the financial tables of this press release.

Outlook

Guidance for the fiscal year ending June 30, 2025 has been updated. The company expects:

- Sales growth in fiscal 2025 of (2%) to 1%, with organic sales growth of approximately 2%; divestitures of (1.5%) and unfavorable currency of (1.0%)
 - Total segment operating margin of approximately 22.7%, or approximately 25.8% on an adjusted basis
 - EPS of \$24.46 to \$25.06, or \$26.40 to \$27.00 on an adjusted basis
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Segment Results

Diversified Industrial Segment

North America Businesses

<i>\$ in mm</i>	FY25 Q2	FY24 Q2	Change	Organic Growth
Sales	\$ 1,928	\$ 2,110	-8.6 %	-5.0 %
Segment Operating Income	\$ 427	\$ 462	-7.6 %	
Segment Operating Margin	22.1 %	21.9 %	20 bps	
Adjusted Segment Operating Income	\$ 473	\$ 510	-7.2 %	
Adjusted Segment Operating Margin	24.6 %	24.2 %	40 bps	

- Achieved record adjusted segment operating margin
- Continued softness in transportation and off-highway markets
- Delayed industrial recovery

International Businesses

<i>\$ in mm</i>	FY25 Q2	FY24 Q2	Change	Organic Growth
Sales	\$ 1,325	\$ 1,404	-5.7 %	-3.0 %
Segment Operating Income	\$ 284	\$ 290	-2.2 %	
Segment Operating Margin	21.4 %	20.7 %	70 bps	
Adjusted Segment Operating Income	\$ 320	\$ 323	-1.2 %	
Adjusted Segment Operating Margin	24.1 %	23.0 %	110 bps	

- Achieved record adjusted segment operating margin
- Broad-based softness continued in Europe
- Gradual recovery continued in Asia

Aerospace Systems Segment

<i>\$ in mm</i>	FY25 Q2	FY24 Q2	Change	Organic Growth
Sales	\$ 1,490	\$ 1,306	14.0 %	14.0 %
Segment Operating Income	\$ 338	\$ 263	28.5 %	
Segment Operating Margin	22.7 %	20.1 %	260 bps	
Adjusted Segment Operating Income	\$ 420	\$ 347	21.2 %	
Adjusted Segment Operating Margin	28.2 %	26.5 %	170 bps	

- Achieved record sales and adjusted segment operating margin
- Achieved 14% organic sales growth
- 20%+ aftermarket and mid-single digit OEM sales growth

Order Rates

	FY25 Q2
Parker	+5%
Diversified Industrial Segment - North America Businesses	+3%
Diversified Industrial Segment - International Businesses	+4%
Aerospace Systems Segment	+9%

- Company order rates increased across all reported businesses
 - North America orders turned positive on long-cycle strength
 - International order growth continued, led by Asia
 - Aerospace orders accelerated against a tough prior year comparison
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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. Learn more at www.parker.com or [@parkerhannifin](https://twitter.com/parkerhannifin).

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Notice of Webcast

Parker Hannifin's conference call and slide presentation to discuss its fiscal 2025 second quarter results are available to all interested parties via live webcast today at 11:00 a.m. ET, at investors.parker.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 investors.parker.com.

Note on Orders The company reported orders for the quarter ending December 31, 2024, compared with the same quarter a year ago. All comparisons are at constant currency exchange rates, with the prior year quarter restated to the current-year rates, 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 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 operating margin and segment operating margins; (d) adjusted operating income and segment operating income and (e) organic sales growth. The adjusted net income, adjusted earnings per share, adjusted operating margin, adjusted segment operating margin, adjusted operating income, adjusted 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. Although adjusted net income, adjusted earnings per share, adjusted operating margin and segment operating margins, adjusted operating income and segment operating income, and organic sales growth are not measures of performance calculated in accordance with GAAP, we believe that they are useful to an investor in evaluating the results of this quarter versus the prior 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 may also include statements regarding future performance, orders, earnings projections, events or developments. Parker cautions readers not to place undue reliance on these statements. It is possible that the future performance may differ materially from expectations, including those based on past performance.

Among other factors that may affect future performance are: changes in business relationships with and orders by or from major customers, suppliers or distributors, including delays or cancellations in shipments; disputes regarding contract terms, changes in contract costs and revenue estimates for new development programs; changes in product mix; ability to identify acceptable strategic acquisition targets; uncertainties surrounding timing, successful completion or integration of acquisitions and similar transactions; ability to successfully divest businesses planned for divestiture and realize the anticipated benefits of such divestitures; the determination and ability to successfully undertake business realignment activities and the expected costs, including cost savings, thereof; 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 other government actions, including related to environmental protection, and associated compliance costs; supply chain and labor disruptions, including as a result of tariffs and labor shortages; threats associated with international conflicts and cybersecurity risks and risks associated with protecting our intellectual property; uncertainties surrounding the ultimate resolution of outstanding legal proceedings, including the outcome of any appeals; effects on market conditions, including sales and pricing, resulting from global reactions to U.S. trade policies; manufacturing activity, air travel trends, currency exchange rates, difficulties entering new markets and economic conditions such as inflation, deflation, interest rates and credit availability; inability to obtain, or meet conditions imposed for, required governmental and regulatory approvals; changes in the tax laws in the United States and foreign jurisdictions and judicial or regulatory interpretations thereof; and large scale disasters, such as floods, earthquakes, hurricanes, industrial accidents and pandemics. Readers should also consider 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, 2024 and other periodic filings made with the SEC.

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PARKER HANNIFIN CORPORATION - DECEMBER 31, 2024

CONSOLIDATED STATEMENT OF INCOME

(Unaudited) (Dollars in thousands, except per share amounts)	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	2024	2023	2024	2023
Net sales	\$ 4,742,593	\$ 4,820,947	\$ 9,646,577	\$ 9,668,435
Cost of sales	3,022,229	3,101,962	6,119,948	6,199,311
Selling, general and administrative expenses	782,421	806,802	1,631,210	1,680,493
Interest expense	100,802	129,029	213,893	263,497
Other income, net	(328,716)	(85,011)	(359,517)	(163,466)
Income before income taxes	1,165,857	868,165	2,041,043	1,688,600
Income taxes	217,208	186,108	393,866	355,471
Net income	948,649	682,057	1,647,177	1,333,129
Less: Noncontrolling interests	107	206	215	451
Net income attributable to common shareholders	\$ 948,542	\$ 681,851	\$ 1,646,962	\$ 1,332,678
Earnings per share attributable to common shareholders:				
Basic earnings per share	\$ 7.37	\$ 5.31	\$ 12.80	\$ 10.38
Diluted earnings per share	\$ 7.25	\$ 5.23	\$ 12.60	\$ 10.23
Average shares outstanding during period - Basic	128,752,836	128,426,247	128,707,962	128,449,398
Average shares outstanding during period - Diluted	130,758,808	130,367,351	130,716,482	130,314,326

CASH DIVIDENDS PER COMMON SHARE

(Unaudited) (Amounts in dollars)	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	2024	2023	2024	2023
Cash dividends per common share	\$ 1.63	\$ 1.48	\$ 3.26	\$ 2.96

RECONCILIATION OF ORGANIC GROWTH

(Unaudited)	Three Months Ended			
	As Reported	Currency	Divestitures	Adjusted
	December 31, 2024			December 31, 2024
Diversified Industrial Segment	(7.4) %	(1.3) %	(1.9) %	(4.2) %
Aerospace Systems Segment	14.0 %	— %	— %	14.0 %
Total	(1.6) %	(0.9) %	(1.4) %	0.7 %

(Unaudited)	Six Months Ended			
	As Reported	Currency	Divestitures	Adjusted
	December 31, 2024			December 31, 2024
Diversified Industrial Segment	(5.9) %	(0.8) %	(1.0) %	(4.1) %
Aerospace Systems Segment	15.9 %	0.3 %	— %	15.6 %
Total	(0.2) %	(0.5) %	(0.8) %	1.1 %

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

(Unaudited) (Dollars in thousands)	Three Months Ended December 31,		Six Months Ended December 31,	
	2024	2023	2024	2023
Net income attributable to common shareholders	\$ 948,542	\$ 681,851	\$ 1,646,962	\$ 1,332,678
Adjustments:				
Acquired intangible asset amortization expense	138,126	142,027	278,247	297,547
Business realignment charges	20,855	14,354	30,361	27,446
Integration costs to achieve	6,893	10,014	13,304	16,420
Gain on sale of building	—	—	(10,461)	—
Gain on divestitures	(249,748)	(12,391)	(249,748)	(25,651)
Tax effect of adjustments ¹	(11,437)	(33,476)	(45,648)	(69,624)
Adjusted net income attributable to common shareholders	\$ 853,231	\$ 802,379	\$ 1,663,017	\$ 1,578,816

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

(Unaudited) (Amounts in dollars)	Three Months Ended December 31,		Six Months Ended December 31,	
	2024	2023	2024	2023
Earnings per diluted share	\$ 7.25	\$ 5.23	\$ 12.60	\$ 10.23
Adjustments:				
Acquired intangible asset amortization expense	1.06	1.09	2.13	2.28
Business realignment charges	0.16	0.11	0.23	0.21
Integration costs to achieve	0.05	0.08	0.10	0.13
Gain on sale of building	—	—	(0.08)	—
Gain on divestitures	(1.91)	(0.10)	(1.91)	(0.20)
Tax effect of adjustments ¹	(0.08)	(0.26)	(0.33)	(0.53)
Adjusted earnings per diluted share	\$ 6.53	\$ 6.15	\$ 12.74	\$ 12.12

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

BUSINESS SEGMENT INFORMATION

(Unaudited) (Dollars in thousands)	Three Months Ended December 31,		Six Months Ended December 31,	
	2024	2023	2024	2023
Net sales				
Diversified Industrial	\$ 3,252,806	\$ 3,514,473	\$ 6,708,964	\$ 7,133,001
Aerospace Systems	1,489,787	1,306,474	2,937,613	2,535,434
Total net sales	\$ 4,742,593	\$ 4,820,947	\$ 9,646,577	\$ 9,668,435
Segment operating income				
Diversified Industrial	\$ 710,562	\$ 752,334	\$ 1,494,108	\$ 1,559,088
Aerospace Systems	338,184	263,112	661,170	489,372
Total segment operating income	1,048,746	1,015,446	2,155,278	2,048,460
Corporate general and administrative expenses	56,264	49,902	105,058	105,558
Income before interest expense and other income, net	992,482	965,544	2,050,220	1,942,902
Interest expense	100,802	129,029	213,893	263,497
Other income, net	(274,177)	(31,650)	(204,716)	(9,195)
Income before income taxes	\$ 1,165,857	\$ 868,165	\$ 2,041,043	\$ 1,688,600

PARKER HANNIFIN CORPORATION - DECEMBER 31, 2024

RECONCILIATION OF SEGMENT OPERATING MARGINS TO ADJUSTED SEGMENT OPERATING MARGINS

(Unaudited) (Dollars in thousands)	Three Months Ended December 31,		Six Months Ended December 31,	
	2024	2023	2024	2023
	Diversified Industrial Segment sales	\$ 3,252,806	\$ 3,514,473	\$ 6,708,964
Diversified Industrial Segment operating income	\$ 710,562	\$ 752,334	\$ 1,494,108	\$ 1,559,088
Adjustments:				
Acquired intangible asset amortization	62,570	67,309	127,834	135,260
Business realignment charges	19,343	13,285	28,243	25,924
Integration costs to achieve	627	871	1,405	2,010
Adjusted Diversified Industrial Segment operating income	\$ 793,102	\$ 833,799	\$ 1,651,590	\$ 1,722,282
Diversified Industrial Segment operating margin	21.8 %	21.4 %	22.3 %	21.9 %
Adjusted Diversified Industrial Segment operating margin	24.4 %	23.7 %	24.6 %	24.1 %

(Unaudited) (Dollars in thousands)	Three Months Ended December 31,		Six Months Ended December 31,	
	2024	2023	2024	2023
	Aerospace Systems Segment sales	\$ 1,489,787	\$ 1,306,474	\$ 2,937,613
Aerospace Systems Segment operating income	\$ 338,184	\$ 263,112	\$ 661,170	\$ 489,372
Adjustments:				
Acquired intangible asset amortization	75,556	74,718	150,413	162,287
Business realignment charges	386	(123)	394	330
Integration costs to achieve	6,266	9,143	11,899	14,410
Adjusted Aerospace Systems Segment operating income	\$ 420,392	\$ 346,850	\$ 823,876	\$ 666,399
Aerospace Systems Segment operating margin	22.7 %	20.1 %	22.5 %	19.3 %
Adjusted Aerospace Systems Segment operating margin	28.2 %	26.5 %	28.0 %	26.3 %

RECONCILIATION OF SEGMENT OPERATING MARGINS TO ADJUSTED SEGMENT OPERATING MARGINS

(Unaudited) (Dollars in thousands)	Three Months Ended December 31,		Six Months Ended December 31,	
	2024	2023	2024	2023
	Total net sales	\$ 4,742,593	\$ 4,820,947	\$ 9,646,577
Total segment operating income	\$ 1,048,746	\$ 1,015,446	\$ 2,155,278	\$ 2,048,460
Adjustments:				
Acquired intangible asset amortization	138,126	142,027	278,247	297,547
Business realignment charges	19,729	13,162	28,637	26,254
Integration costs to achieve	6,893	10,014	13,304	16,420
Adjusted total segment operating income	\$ 1,213,494	\$ 1,180,649	\$ 2,475,466	\$ 2,388,681
Total segment operating margin	22.1 %	21.1 %	22.3 %	21.2 %
Adjusted total segment operating margin	25.6 %	24.5 %	25.7 %	24.7 %

CONSOLIDATED BALANCE SHEET

(Unaudited)	December 31,	June 30,
(Dollars in thousands)	2024	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 395,507	\$ 422,027
Trade accounts receivable, net	2,445,845	2,865,546
Non-trade and notes receivable	304,829	331,429
Inventories	2,806,983	2,786,800
Prepaid expenses	246,467	252,618
Other current assets	148,831	140,204
Total current assets	6,348,462	6,798,624
Property, plant and equipment, net	2,800,992	2,875,668
Deferred income taxes	87,400	92,704
Investments and other assets	1,232,636	1,207,232
Intangible assets, net	7,444,670	7,816,181
Goodwill	10,357,303	10,507,433
Total assets	\$ 28,271,463	\$ 29,297,842
Liabilities and equity		
Current liabilities:		
Notes payable and long-term debt payable within one year	\$ 2,373,286	\$ 3,403,065
Accounts payable, trade	1,794,884	1,991,639
Accrued payrolls and other compensation	420,477	581,251
Accrued domestic and foreign taxes	364,143	354,659
Other accrued liabilities	1,034,501	982,695
Total current liabilities	5,987,291	7,313,309
Long-term debt	6,667,955	7,157,034
Pensions and other postretirement benefits	409,873	437,490
Deferred income taxes	1,394,882	1,583,923
Other liabilities	684,401	725,193
Shareholders' equity	13,118,553	12,071,972
Noncontrolling interests	8,508	8,921
Total liabilities and equity	\$ 28,271,463	\$ 29,297,842

CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited) (Dollars in thousands)	Six Months Ended December 31,	
	2024	2023
Cash flows from operating activities:		
Net income	\$ 1,647,177	\$ 1,333,129
Depreciation and amortization	454,869	468,165
Stock incentive plan compensation	106,472	108,061
Gain on sale of businesses	(250,373)	(25,964)
(Gain) loss on property, plant and equipment and intangible assets	(6,975)	5,097
Net change in receivables, inventories and trade payables	70,981	(42,804)
Net change in other assets and liabilities	(405,002)	(407,366)
Other, net	61,584	(86,331)
Net cash provided by operating activities	1,678,733	1,351,987
Cash flows from investing activities:		
Capital expenditures	(216,493)	(204,117)
Proceeds from sale of property, plant and equipment	13,259	1,360
Proceeds from sale of businesses	622,182	74,595
Other, net	(6,941)	(2,954)
Net cash provided by (used in) investing activities	412,007	(131,116)
Cash flows from financing activities:		
Net payments for common stock activity	(189,681)	(136,394)
Acquisition of noncontrolling interests	—	(2,883)
Net payments for debt	(1,494,484)	(784,847)
Dividends paid	(420,061)	(381,115)
Net cash used in financing activities	(2,104,226)	(1,305,239)
Effect of exchange rate changes on cash	(13,034)	(7,999)
Net decrease in cash and cash equivalents	(26,520)	(92,367)
Cash and cash equivalents at beginning of year	422,027	475,182
Cash and cash equivalents at end of period	\$ 395,507	\$ 382,815

PARKER HANNIFIN CORPORATION - DECEMBER 31, 2024

RECONCILIATION OF FORECASTED ORGANIC GROWTH

(Unaudited)

(Amounts in percentages)

	Fiscal Year 2025
Forecasted net sales	(2%) to 1%
Adjustments:	
Currency	1.0%
Divestitures	1.5%
Adjusted forecasted net sales	0.5% to 3.5%

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

(Unaudited)

(Amounts in percentages)

	Fiscal Year 2025
Forecasted segment operating margin	~ 22.7%
Adjustments:	
Business realignment charges	0.2%
Costs to achieve	0.1%
Acquisition-related intangible asset amortization expense	2.8%
Adjusted forecasted segment operating margin	~ 25.8%

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

(Unaudited)

(Amounts in dollars)

	Fiscal Year 2025
Forecasted earnings per diluted share	\$24.46 to \$25.06
Adjustments:	
Business realignment charges	0.39
Costs to achieve	0.15
Acquisition-related intangible asset amortization expense	4.22
Net gain on divestitures	(1.91)
Gain on sale of building	(0.08)
Tax effect of adjustments ¹	(0.83)
Adjusted forecasted earnings per diluted share	\$26.40 to \$27.00

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.

Note: Totals may not foot due to rounding

**PARKER HANNIFIN CORPORATION - DECEMBER 31, 2024
SUPPLEMENTAL INFORMATION**

BUSINESS SEGMENT INFORMATION

(Unaudited) (Dollars in thousands)	Three Months Ended December 31,		Six Months Ended December 31,	
	2024	2023	2024	2023
Net sales				
Diversified Industrial:				
North America businesses	\$ 1,928,008	\$ 2,110,203	\$ 4,028,332	\$ 4,340,109
International businesses	1,324,798	1,404,270	2,680,632	2,792,892
Segment operating income				
Diversified Industrial:				
North America businesses	\$ 426,567	\$ 461,850	\$ 911,130	\$ 967,903
International businesses	283,995	290,484	582,978	591,185

RECONCILIATION OF ORGANIC GROWTH

(Unaudited)	Three Months Ended			
	As Reported December 31, 2024	Currency	Divestitures	Adjusted December 31, 2024
Diversified Industrial Segment:				
North America businesses	(8.6) %	(0.4) %	(3.2) %	(5.0) %
International businesses	(5.7) %	(2.7) %	— %	(3.0) %
(Unaudited)	Six Months Ended			
	As Reported December 31, 2024	Currency	Divestitures	Adjusted December 31, 2024
Diversified Industrial Segment:				
North America businesses	(7.2) %	(0.5) %	(1.7) %	(5.0) %
International businesses	(4.0) %	(1.3) %	— %	(2.7) %

PARKER HANNIFIN CORPORATION - DECEMBER 31, 2024
SUPPLEMENTAL INFORMATION

RECONCILIATION OF SEGMENT OPERATING MARGINS TO ADJUSTED SEGMENT OPERATING MARGINS

(Unaudited) (Dollars in thousands)	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	2024	2023	2024	2023
Diversified Industrial Segment:				
North America businesses sales	\$ 1,928,008	\$ 2,110,203	\$ 4,028,332	\$ 4,340,109
North America businesses operating income	\$ 426,567	\$ 461,850	\$ 911,130	\$ 967,903
Adjustments:				
Acquired intangible asset amortization	40,985	44,699	83,960	89,382
Business realignment charges	5,444	3,250	8,888	5,834
Integration costs to achieve	445	562	1,050	1,507
Adjusted North America businesses operating income	\$ 473,441	\$ 510,361	\$ 1,005,028	\$ 1,064,626
North America businesses operating margin	22.1 %	21.9 %	22.6 %	22.3 %
Adjusted North America businesses operating margin	24.6 %	24.2 %	24.9 %	24.5 %

(Unaudited) (Dollars in thousands)	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	2024	2023	2024	2023
Diversified Industrial Segment:				
International businesses sales	\$ 1,324,798	\$ 1,404,270	\$ 2,680,632	\$ 2,792,892
International businesses operating income	\$ 283,995	\$ 290,484	\$ 582,978	\$ 591,185
Adjustments:				
Acquired intangible asset amortization	21,585	22,610	43,874	45,878
Business realignment charges	13,899	10,035	19,355	20,090
Integration costs to achieve	182	309	355	503
Adjusted International businesses operating income	\$ 319,661	\$ 323,438	\$ 646,562	\$ 657,656
International businesses operating margin	21.4 %	20.7 %	21.7 %	21.2 %
Adjusted International businesses operating margin	24.1 %	23.0 %	24.1 %	23.5 %

Parker Hannifin Corporation

Fiscal 2025 Second Quarter Earnings Presentation



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ENGINEERING YOUR SUCCESS.

January 30, 2025



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 may also include statements regarding future performance, orders, earnings projections, events or developments. Parker cautions readers not to place undue reliance on these statements. It is possible that the future performance may differ materially from expectations, including those based on past performance.

Among other factors that may affect future performance are: changes in business relationships with and orders by or from major customers, suppliers or distributors, including delays or cancellations in shipments; disputes regarding contract terms, changes in contract costs and revenue estimates for new development programs; changes in product mix; ability to identify acceptable strategic acquisition targets; uncertainties surrounding timing, successful completion or integration of acquisitions and similar transactions; ability to successfully divest businesses planned for divestiture and realize the anticipated benefits of such divestitures; the determination and ability to successfully undertake business realignment activities and the expected costs, including cost savings, thereof; 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 other government actions, including related to environmental protection, and associated compliance costs; supply chain and labor disruptions, including as a result of tariffs and labor shortages; threats associated with international conflicts and cybersecurity risks and risks associated with protecting our intellectual property; uncertainties surrounding the ultimate resolution of outstanding legal proceedings, including the outcome of any appeals; effects on market conditions, including sales and pricing, resulting from global reactions to U.S. trade policies; manufacturing activity, air travel trends, currency exchange rates, difficulties entering new markets and economic conditions such as inflation, deflation, interest rates and credit availability; inability to obtain, or meet conditions imposed for, required governmental and regulatory approvals; changes in the tax laws in the United States and foreign jurisdictions and judicial or regulatory interpretations thereof; and large scale disasters, such as floods, earthquakes, hurricanes, industrial accidents and pandemics. Readers should also consider 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, 2024 and other periodic filings made with the SEC.

This presentation contains references to non-GAAP financial information including adjusted net income, organic sales, adjusted earnings per share, adjusted segment operating margin for Parker and by segment, EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, free cash flow, and free cash flow margin. As used in this presentation, EBITDA is defined as earnings before interest, taxes, depreciation and amortization. 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 adjusted net income, organic sales, adjusted earnings per share, adjusted segment operating margin for Parker and by segment, EBITDA, EBITDA margin, adjusted EBITDA, 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 periods presented. 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 investors.parker.com for more information.



Operational Excellence Delivers Record Performance

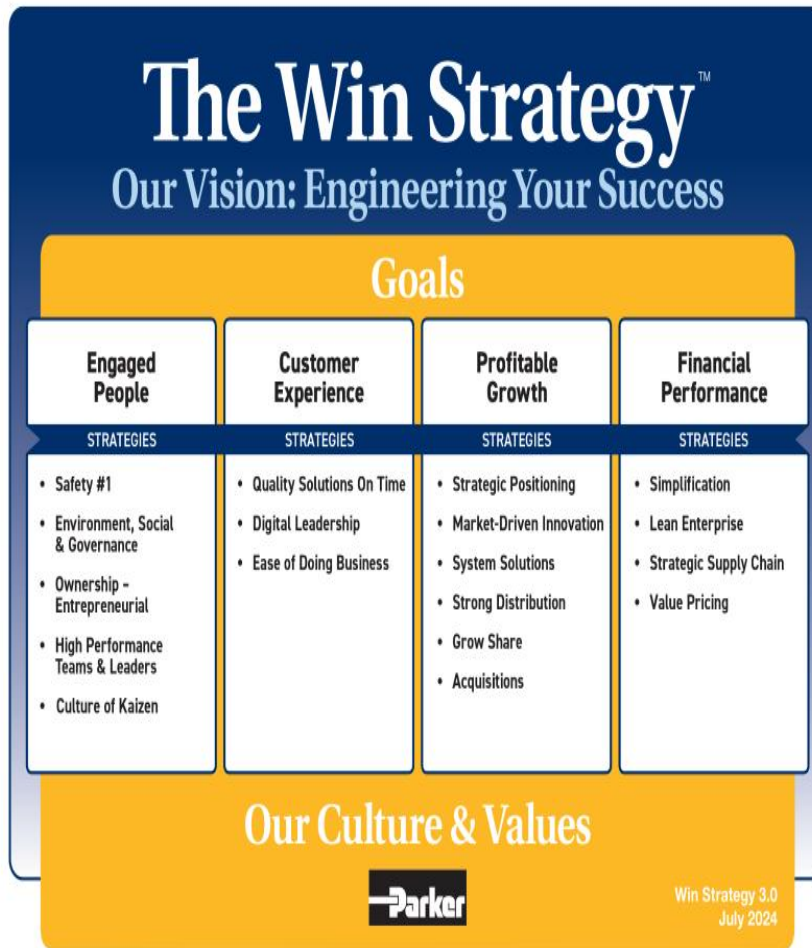
- Top quartile safety performance
- Strength of our balanced portfolio
- Continued strong Aerospace aftermarket
- Record Adjusted Segment Operating Margin¹ of 25.6%
- Record YTD Cash Flow from Operations of \$1.7B
- Longer cycle businesses drive positive orders

FY25 Q2 Highlights	
19% Reduction in Recordable Incidents	\$4.7B Sales (1.6%) Reported +0.7% Organic ¹
25.6% Adjusted Segment Operating Margin ¹ +110 bps	26.8% Adjusted EBITDA Margin ¹ +110 bps
6% Adjusted EPS Growth ¹	\$1.7B YTD CFOA +24.2% Growth

1. Includes certain non-GAAP adjustments and financial measures. See Appendix for additional details and reconciliations.
 Note: FY25 Q2 As Reported: Segment Operating Margin of 22.1%, EBITDA Margin of 31.5%, Net Income of \$949M, EPS growth of 39%.



Our Business System Drives Operational Excellence



The Parker Lean System is Fundamental to our Culture



The Win Strategy Drives Performance through the Cycle

Background

- A North American Filtration division example
- Diverse exposure across industrial market verticals
- Balanced OEM / Aftermarket

Win Strategy Execution

- Safety
- The Parker Lean System
- Simple by Design
- Strategic Supply Chain

FY25 YTD Results

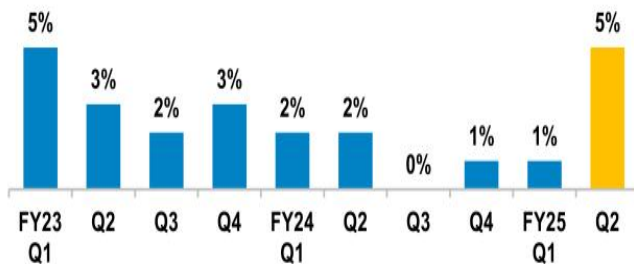


1. Includes certain non-GAAP adjustments and financial measures. See slide 22 in the Appendix for additional details and reconciliations.



A Transformed Portfolio: Strong Long-Cycle Orders

Parker Order Rates















- Order rates increased across all reported businesses
- Aerospace order strength continued in both Aftermarket and OEM
- Industrial North America orders turned positive on long-cycle strength
- Industrial International order growth continued, led by Asia

Note: All comparisons are at constant currency exchange rates; with the prior year quarter restated to the current-year rates and exclude divestitures. Diversified Industrial orders are rolling 3-month average computations and Aerospace Systems are rolling 12-month average computations.



FY25 Sales Growth Forecast by Key Market Verticals

Key Market Verticals	% of Sales	Previous FY25 Guidance	Commentary	Current FY25 Guidance	Current vs. Previous Guidance
 Aerospace & Defense	33%	~10%	<ul style="list-style-type: none"> ▪ Aftermarket strength continues ▪ Gradual OEM rate increase 	~11%	
 In-Plant & Industrial	20%	LSD	<ul style="list-style-type: none"> ▪ Continued delays in expected industrial recovery ▪ Distribution expecting recovery 	LSD	
 Transportation	15%	LSD	<ul style="list-style-type: none"> ▪ Automotive market weakness ▪ Work truck demand remains strong 	Neutral	
 Off-Highway	15%	(HSD)	<ul style="list-style-type: none"> ▪ OEM destocking continues ▪ Ag weakness persists 	(Mid-Teens)	
 Energy	8%	Neutral	<ul style="list-style-type: none"> ▪ Projects & CapEx delays continue 	Neutral	
 HVAC/R	4%	LSD	<ul style="list-style-type: none"> ▪ Refrigerant changes driving growth 	MSD	

FY25 Organic Forecast: ~2%

Summary of Fiscal 2025 2nd Quarter Highlights

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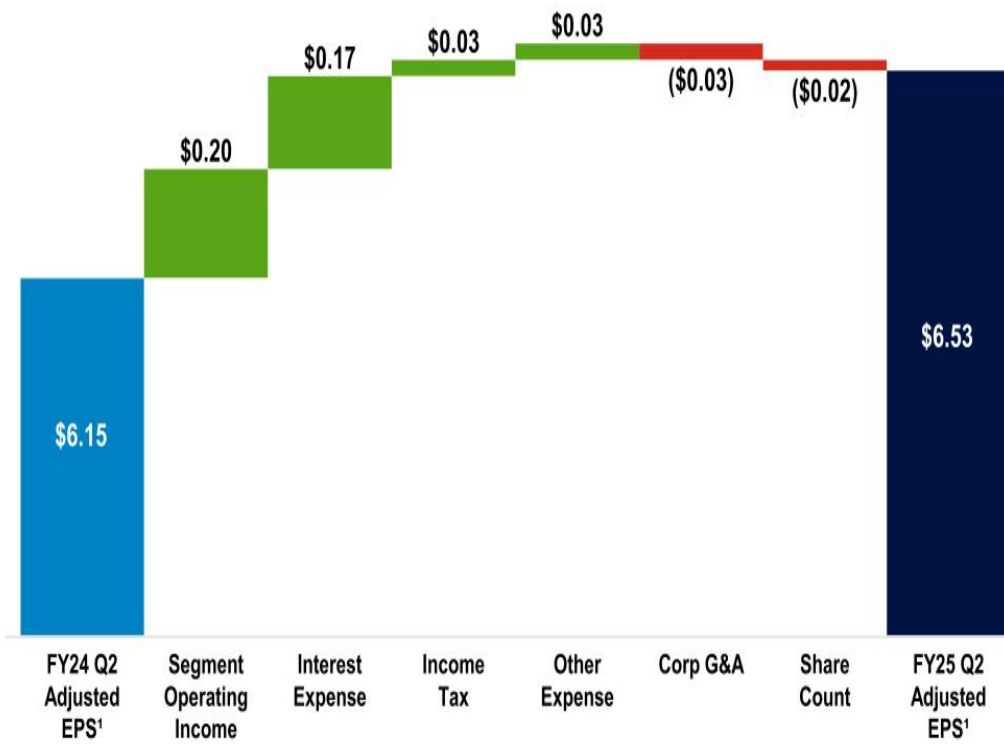
FY25 Q2 Financial Summary

\$ Millions, except per share amounts	FY25 Q2 As Reported	FY25 Q2 Adjusted ¹	FY24 Q2 Adjusted ¹	YoY Change Adjusted
Sales	\$4,743	\$4,743	\$4,821	(1.6%)
Segment Operating Margin	22.1%	25.6%	24.5%	+110 bps
EBITDA Margin	31.5%	26.8%	25.7%	+110 bps
Net Income	\$949	\$853	\$802	+6.3%
EPS	\$7.25	\$6.53	\$6.15	+6.2%

1. Sales figures As Reported. Includes certain non-GAAP adjustments and financial measures. See Appendix for additional details and reconciliations.
 Note: FY24 Q2 As Reported: Segment Operating Margin of 21.1%, EBITDA Margin of 25.4%, Net Income of \$682M, EPS of \$5.23.



FY25 Q2 Adjusted Earnings per Share Bridge



1. FY24 Q2 As Reported EPS of \$5.23. FY25 Q2 As Reported EPS of \$7.25. Includes certain non-GAAP adjustments and financial measures. See Appendix for additional details and reconciliations.



FY25 Q2 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 Businesses	\$1,928M (5.0%) Organic	22.1%	24.6% +40 bps YoY	+3%	<ul style="list-style-type: none"> Record adjusted segment operating margins Continued softness in transportation and off-highway Delayed industrial recovery
	International Businesses	\$1,325M (3.0%) Organic	21.4%	24.1% +110 bps YoY	+4%	<ul style="list-style-type: none"> Record adjusted segment operating margins Broad-based softness remains in Europe Gradual recovery continues in Asia
	Aerospace Systems	\$1,490M +14.0% Organic	22.7%	28.2% +170 bps YoY	+9%	<ul style="list-style-type: none"> Record sales and adjusted segment operating margin Achieved 14% organic sales growth 20%+ MRO and mid-single digit OEM sales growth
	Parker	\$4,743M +0.7% Organic	22.1%	25.6% +110 bps YoY	+5%	<ul style="list-style-type: none"> Operational excellence & transformed portfolio Record adjusted segment operating margins Longer cycle businesses drive order growth

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

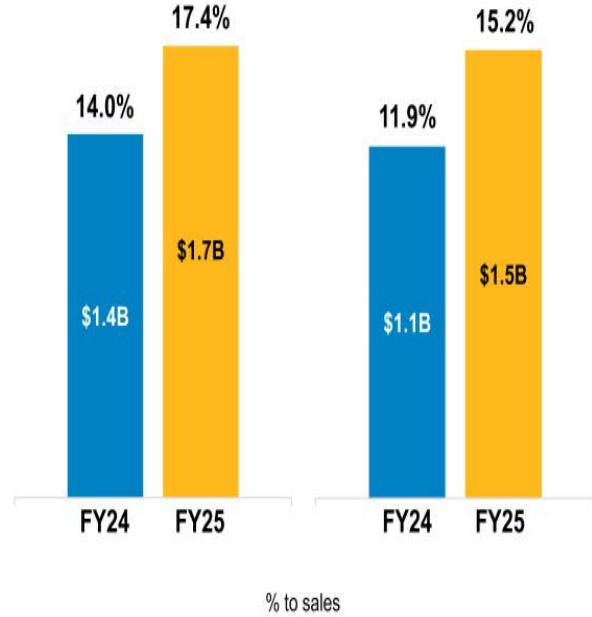
2. All comparisons are at constant currency exchange rates; with the prior year quarter restated to the current-year rates and exclude divestitures. Diversified Industrial orders are rolling 3-month average computations and Aerospace Systems are rolling 12-month average computations.

FY25 Q2 YTD Cash Flow Performance

Cash Flow Highlights	
<p>\$1.7B</p> <p>Cash Flow from Operations +24.2% growth</p>	<p>17.4%</p> <p>Cash Flow from Operations Margin</p>
<p>\$1.5B</p> <p>Free Cash Flow¹ +27.4% growth</p>	<p>15.2%</p> <p>Free Cash Flow Margin¹</p>
<p>\$1.5B</p> <p>YTD Debt Reduction (includes \$0.6B proceeds from divestitures)</p>	

Cash Flow from Operations

Free Cash Flow¹



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

FY25 Guidance Update

EPS Midpoint: \$24.76 As Reported, \$26.70 Adjusted

Guidance Metric	FY25 Full Year	Full Year Assumptions	FY25 Q3 Midpoint
Reported Sales	(2%) - 1%	<ul style="list-style-type: none"> Currency unfavorable (~1%) Divestitures impact (~1.5%) 	~\$4.9B
Organic Sales Growth ¹	~2%	<ul style="list-style-type: none"> Raised Aerospace organic growth to 11% Continued delays in expected industrial recovery 	~1.5%
Adj. Operating Margin ¹	~25.8%	<ul style="list-style-type: none"> All segments expected to expand margins 90 bps margin expansion vs. prior year 	~25.6%
Adj. EPS ¹	\$26.40 - \$27.00	<ul style="list-style-type: none"> Full year tax rate ~22% Split: 1H: 48% 2H: 52% 	\$6.65
Free Cash Flow ¹	\$3.0B - \$3.3B	<ul style="list-style-type: none"> CapEx: ~2% of sales FCF Conversion >100% 	--



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

What Drives Parker

- Safety, Engagement, Ownership

- Living up to Our Purpose

- Top Quartile Performance

- Great Generators & Deployers of Cash





Upcoming Event Calendar

FY25 Q3 Earnings Release	May 1, 2025
FY25 Q4 Earnings Release	August 7, 2025

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Appendix

- FY25 Guidance Details
- Reconciliation of Organic Growth
- Adjusted Amounts Reconciliation – Consolidated Statement of Income
- Adjusted Amounts Reconciliation – Segment Operating Income
- Reconciliation of North American Filtration Division Margin to North American Filtration Division Adjusted Margin
- Reconciliation of EBITDA to Adjusted EBITDA
- Reconciliation of Free Cash Flow Margin
- Supplemental Sales Information – Global Technology Platforms
- Reconciliation of Q3 FY25 Guidance
- Reconciliation of FY25 Guidance



FY25 Guidance Details

Sales Growth vs. Prior Year	As Reported	Organic ¹
Diversified Industrial Segment		
North America Businesses	(8%) – (5%)	(4%) – (1%)
International Businesses	(4%) – (1%)	(1.5%) – 1.5%
Aerospace Systems Segment	9.5% – 12.5%	9.5% – 12.5%
Parker	(2%) – 1%	0.5% – 3.5%

Segment Operating Margins	As Reported	Adjusted ¹
Diversified Industrial Segment		
North America Businesses	~23.2%	~25.4%
International Businesses	~21.9%	~24.1%
Aerospace Systems Segment	~22.8%	~28.0%
Parker	~22.7%	~25.8%

Earnings Per Share	As Reported	Adjusted ¹
Midpoint	\$24.76	\$26.70
Range	\$24.46 - \$25.06	\$26.40 - \$27.00

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

Additional Items	As Reported	Adjusted ¹
Corporate G&A	~\$215M	~\$215M
Interest Expense	~\$405M	~\$405M
Other (Income) Expense	(~\$215M)	~\$45M
Tax Rate	~21%	~22%
Diluted Shares Outstanding	~130.7M	

Detail of Pre-Tax Adjustments to:	Segment Margins	Below Segment
Acquired Intangible Asset Amortization	~\$550M	—
Business Realignment Charges	~\$50M	~\$1.7M
Integration Costs to Achieve	~\$20M	—
Gain on Sale of Building	—	(~\$10.5M)
Gain on Divestitures	—	(~\$250M)



Reconciliation of Organic Growth

(Dollars in thousands)
(Unaudited)

Net Sales	Quarter-to-Date				
	As Reported		Adjusted		As Reported
	December 31, 2024	Currency	Divestitures	December 31, 2024	December 31, 2023
Diversified Industrial	\$ 3,252,806	\$ 46,362	\$ 67,385	\$ 3,366,553	\$ 3,514,473
Aerospace Systems	1,489,787	(58)	-	1,489,729	1,306,474
Total Parker Hannifin	\$ 4,742,593	\$ 46,304	\$ 67,385	\$ 4,856,282	\$ 4,820,947

	As reported	Currency	Divestitures	Organic
Diversified Industrial	(7.4)%	(1.3)%	(1.9)%	(4.2)%
Aerospace Systems	14.0 %	0.0 %	0.0 %	14.0 %
Total Parker Hannifin	(1.6)%	(0.9)%	(1.4)%	0.7 %

Supplemental Information:

Net Sales	As Reported			Adjusted	As Reported
	December 31, 2024	Currency	Divestitures	December 31, 2024	December 31, 2023
Diversified Industrial:					
North America businesses	\$ 1,928,008	\$ 8,913	\$ 67,385	\$ 2,004,306	\$ 2,110,203
<u>International businesses</u>					
Europe	697,997	10,175	-	708,172	772,351
Asia Pacific	552,813	14,609	-	567,422	553,076
Latin America	73,988	12,665	-	86,653	78,843
International businesses	\$ 1,324,798	\$ 37,449	\$ -	\$ 1,362,247	\$ 1,404,270

	As reported	Currency	Divestitures	Organic
Diversified Industrial:				
North America businesses	(8.6)%	(0.4)%	(3.2)%	(5.0)%
<u>International businesses</u>				
Europe	(9.6)%	(1.3)%	0.0 %	(8.3)%
Asia Pacific	(0.0)%	(2.6)%	0.0 %	2.6 %
Latin America	(6.2)%	(16.1)%	0.0 %	9.9 %
International businesses	(5.7)%	(2.7)%	0.0 %	(3.0)%



Adjusted Amounts Reconciliation Consolidated Statement of Income

(Dollars in thousands, except per share data)

(Unaudited)

	Quarter-to-Date FY 2025							
	As Reported		Acquired	Business	Meggitt	Gain on	Adjusted	
	December 31, 2024	% of Sales	Intangible Asset Amortization	Realignment Charges	Costs to Achieve	Divestitures	December 31, 2024	% of Sales
Net sales	\$ 4,742,593	100.0 %	\$ -	\$ -	\$ -	\$ -	\$ 4,742,593	100.0 %
Cost of sales	3,022,229	63.7 %	23,068	10,590	154	-	2,988,417	63.0 %
Selling, general and admin. expenses	782,421	16.5 %	115,058	9,714	6,739	-	650,910	13.7 %
Interest expense	100,802	2.1 %	-	-	-	-	100,802	2.1 %
Other (income) expense, net	(328,716)	(6.9)%	-	551	-	(249,748)	(79,519)	(1.7)%
Income before income taxes	1,165,857	24.6 %	(138,126)	(20,855)	(6,893)	249,748	1,081,983	22.8 %
Income taxes	217,208	4.6 %	31,769	4,797	1,585	(26,714)	228,645	4.8 %
Net income	948,649	20.0 %	(106,357)	(16,058)	(5,308)	223,034	853,338	18.0 %
Less: Noncontrolling interests	107	0.0 %	-	-	-	-	107	0.0 %
Net income - common shareholders	\$ 948,542	20.0 %	\$ (106,357)	\$ (16,058)	\$ (5,308)	\$ 223,034	\$ 853,231	18.0 %
Diluted earnings per share	\$ 7.25		\$ (0.81)	\$ (0.13)	\$ (0.04)	\$ 1.70	\$ 6.53	

	Quarter-to-Date FY 2024							
	As Reported		Acquired	Business	Meggitt	Gain on	Adjusted	
	December 31, 2023	% of Sales	Intangible Asset Amortization	Realignment Charges	Costs to Achieve	Divestiture	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	



Adjusted Amounts Reconciliation Segment Operating Income

(Dollars in thousands)
(Unaudited)

	Quarter-to-Date FY 2025							
	As Reported		Acquired	Business	Meggitt	Gain on	Adjusted	
	December 31, 2024	% of Sales	Intangible Asset Amortization	Realignment Charges	Costs to Achieve	Divestitures	December 31, 2024	% of Sales ²
Diversified Industrial ¹	\$ 710,562	21.8%	\$ 62,570	\$ 19,343	\$ 627	\$ -	\$ 793,102	24.4%
Aerospace Systems ¹	338,184	22.7%	75,556	386	6,266	-	420,392	28.2%
Total segment operating income	1,048,746	22.1%	(138,126)	(19,729)	(6,893)	-	1,213,494	25.6%
Corporate administration	56,264	1.2%	-	575	-	-	55,689	1.2%
Income before interest and other	992,482	20.9%	(138,126)	(20,304)	(6,893)	-	1,157,805	24.4%
Interest expense	100,802	2.1%	-	-	-	-	100,802	2.1%
Other (income) expense	(274,177)	-5.8%	-	551	-	(249,748)	(24,980)	-0.5%
Income before income taxes	\$ 1,165,857	24.6%	\$ (138,126)	\$ (20,855)	\$ (6,893)	\$ 249,748	\$ 1,081,983	22.8%

Supplemental Information:

Diversified Industrial:								
North America businesses ¹	\$ 426,567	22.1%	\$ 40,985	\$ 5,444	\$ 445	\$ -	\$ 473,441	24.6%
International businesses ¹	283,995	21.4%	21,585	13,899	182	-	319,661	24.1%

	Quarter-to-Date FY 2024							
	As Reported		Acquired	Business	Meggitt	Gain on	Adjusted	
	December 31, 2023	% of Sales	Intangible Asset Amortization	Realignment Charges	Cost to Achieve	Divestiture	December 31, 2023	% of Sales ²
Diversified Industrial ¹	\$ 752,334	21.4%	\$ 67,309	\$ 13,285	\$ 871	\$ -	\$ 833,799	23.7%
Aerospace Systems ¹	263,112	20.1%	74,718	(123)	9,143	-	346,850	26.5%
Total segment operating income	1,015,446	21.1%	(142,027)	(13,162)	(10,014)	-	1,180,649	24.5%
Corporate administration	49,902	1.0%	-	-	-	-	49,902	1.0%
Income before interest and other	965,544	20.0%	(142,027)	(13,162)	(10,014)	-	1,130,747	23.5%
Interest expense	129,029	2.7%	-	-	-	-	129,029	2.7%
Other (income) expense	(31,650)	-0.7%	-	1,192	-	(12,391)	(20,451)	-0.4%
Income before income taxes	\$ 868,165	18.0%	\$ (142,027)	\$ (14,354)	\$ (10,014)	\$ 12,391	\$ 1,022,169	21.2%

Supplemental Information:

Diversified Industrial:								
North America businesses ¹	\$ 461,850	21.9%	\$ 44,699	\$ 3,250	\$ 562	\$ -	\$ 510,361	24.2%
International businesses ¹	290,484	20.7%	22,610	10,035	309	-	323,438	23.0%

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 North American Filtration Division Margin to North American Filtration Division Adjusted Margin

(Unaudited)

(Amounts in percentages)

	6 Months ended 12/31/23	6 Months ended 12/31/24
North American Filtration Division Margin	22.3%	22.5%
Adjustments:		
Acquisition-related intangible asset amortization expense	2.9%	3.0%
Business realignment charges	0.0%	0.2%
North American Filtration Division Adjusted Margin	25.2%	25.7%



Reconciliation of EBITDA to Adjusted EBITDA

(Dollars in thousands) (Unaudited)	Three Months Ended			
	December 31,			
	2024	% of Sales	2023	% of Sales
Net sales	\$ 4,742,593	100.0%	\$ 4,820,947	100.0%
Net income	\$ 948,649	20.0%	\$ 682,057	14.1%
Income taxes	217,208	4.6%	186,108	3.9%
Depreciation	87,697	1.8%	85,751	1.8%
Amortization	138,126	2.9%	142,027	2.9%
Interest expense	100,802	2.1%	129,029	2.7%
EBITDA	<u>1,492,482</u>	<u>31.5%</u>	<u>1,224,972</u>	<u>25.4%</u>
Adjustments:				
Business realignment charges	20,855	0.4%	14,354	0.3%
Meggitt costs to achieve	6,893	0.1%	10,014	0.2%
Gain on divestitures	(249,748)	-5.3%	(12,391)	-0.3%
EBITDA - Adjusted	<u>\$ 1,270,482</u>	<u>26.8%</u>	<u>\$ 1,236,949</u>	<u>25.7%</u>
EBITDA margin		31.5 %		25.4 %
EBITDA margin - Adjusted		26.8 %		25.7 %



Reconciliation of Free Cash Flow Margin

(Unaudited) (Dollars in thousands)	Six Months Ended December 31,	
	2024	2023
Net Sales	\$ 9,646,577	\$ 9,668,435
Cash Flow from Operations	\$ 1,678,733	\$ 1,351,987
Capital Expenditures	(216,493)	(204,117)
Free Cash Flow	\$ 1,462,240	\$ 1,147,870
Free Cash Flow Margin	15.2%	11.9%



Supplemental Sales Information

Global Technology Platforms

(Unaudited) (Dollars in thousands)	Three Months Ended December 31,	
	2024	2023
Net sales		
Diversified Industrial:		
Motion Systems	\$ 804,462	\$ 917,966
Flow and Process Control	1,059,614	1,122,400
Filtration and Engineered Materials	1,388,730	1,474,107
Aerospace Systems	1,489,787	1,306,474
Total	\$ 4,742,593	\$ 4,820,947



Reconciliation of Q3 FY25 Guidance

RECONCILIATION OF ORGANIC GROWTH

(Unaudited)

(Amounts in percentages)

	Q3 Fiscal Year 2025
Forecasted net sales	(~2.0%)
Adjustments:	
Currency	1.5%
Divestitures	2.0%
Adjusted forecasted net sales	~1.5%

RECONCILIATION OF OPERATING INCOME TO ADJUSTED OPERATING INCOME

(Unaudited)

(Amounts in percentages)

	Q3 Fiscal Year 2025
Forecasted segment operating margin	~22.5%
Adjustments:	
Business realignment charges	0.3%
Costs to achieve	0.1%
Acquisition-related intangible asset amortization expense	2.7%
Adjusted forecasted segment operating margin	~25.6%

RECONCILIATION OF FORECASTED EARNINGS PER SHARE

(Unaudited)

(Amounts in dollars)

	Q3 Fiscal Year 2025
Forecasted earnings per diluted share	~\$5.71
Adjustments:	
Business realignment charges	0.10
Costs to achieve	0.03
Acquisition-related intangible asset amortization expense	1.05
Tax effect of adjustments ¹	(0.24)
Adjusted forecasted earnings per diluted share	~\$6.65

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



Reconciliation of FY25 Guidance

RECONCILIATION OF ORGANIC GROWTH

	Fiscal Year 2025			
	Forecasted Net Sales	Currency	Divestitures	Adjusted Forecasted Net Sales
Diversified Industrial				
North America Businesses	(8.0%) to (5.0%)	~0.5%	~3.5%	(4.0%) to (1.0%)
International Businesses	(4.0%) to (1.0%)	~2.5%	-	(1.5%) to 1.5%
Aerospace Systems	9.5% to 12.5%	~0.0%	-	9.5% to 12.5%
Parker	(2.0%) to 1.0%	~1.0%	~1.5%	0.5% to 3.5%

RECONCILIATION OF OPERATING INCOME TO ADJUSTED OPERATING INCOME

	Fiscal Year 2025				
	Forecasted Segment Operating Margin	Business Realignment Charges	Costs to Achieve	Acquisition-Related Intangible Asset Amortization Expense	Adjusted Forecasted Segment Operating Margin
Diversified Industrial					
North America Businesses	~23.2%	~0.2%	-	~2.0%	~25.4%
International Businesses	~21.9%	~0.6%	-	~1.6%	~24.1%
Aerospace Systems	~22.8%	-	~0.3%	~4.9%	~28.0%
Parker	~22.7%	~0.2%	~0.1%	~2.8%	~25.8%

RECONCILIATION OF FORECASTED EARNINGS PER SHARE

	Fiscal Year 2025	
	(Unaudited)	(Amounts in dollars)
Forecasted earnings per diluted share	\$24.46	\$25.06
Adjustments:		
Business realignment charges	0.39	
Costs to achieve	0.15	
Acquisition-related intangible asset amortization expense	4.22	
Net gain on divestitures	(1.91)	
Gain on sale of building	(0.08)	
Tax effect of adjustments ¹	(0.83)	
Adjusted forecasted earnings per diluted share	\$26.40	\$27.00

RECONCILIATION OF CASH FLOW FROM OPERATIONS TO FREE CASH FLOW

	Fiscal Year 2025	
	(Unaudited)	(Dollars in millions)
Cash flow from operations	\$3,400	\$3,700
Less: Capital Expenditures	~(400)	
Free cash flow	\$3,000	\$3,300

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



