

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2025  
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File number 1-4982



**PARKER-HANNIFIN CORPORATION**

(Exact name of registrant as specified in its charter)

Ohio	34-0451060
(State or other jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
6035 Parkland Boulevard, Cleveland, Ohio	44124-4141
(Address of Principal Executive Offices)	(Zip Code)

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

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 (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes  No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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.

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Number of Common Shares outstanding at December 31, 2025: 126,216,529

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

PARKER-HANNIFIN CORPORATION  
CONSOLIDATED STATEMENTS OF INCOME  
(In millions, except per share amounts)  
(Unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
<b>Net sales</b>	\$ 5,174	\$ 4,743	\$ 10,258	\$ 9,647
Cost of sales	3,243	3,022	6,420	6,120
Selling, general and administrative expenses	837	782	1,710	1,631
Interest expense	106	101	207	214
Other income, net	(76)	(328)	(183)	(359)
Income before income taxes	1,064	1,166	2,104	2,041
Income taxes	219	217	451	394
<b>Net income</b>	\$ 845	\$ 949	\$ 1,653	\$ 1,647
<b>Earnings per share:</b>				
Basic	\$ 6.69	\$ 7.37	\$ 13.08	\$ 12.80
Diluted	\$ 6.60	\$ 7.25	\$ 12.89	\$ 12.60

See accompanying notes to consolidated financial statements.

**PARKER-HANNIFIN CORPORATION**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(In millions)  
(Unaudited)

	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	2025	2024	2025	2024
<b>Net income</b>	<b>\$ 845</b>	<b>\$ 949</b>	<b>\$ 1,653</b>	<b>\$ 1,647</b>
Other comprehensive income (loss), net of tax				
Foreign currency translation adjustment and other	19	(450)	(26)	(105)
Retirement benefits plan activity	2	4	6	7
Other comprehensive income (loss)	21	(446)	(20)	(98)
Less: Other comprehensive loss for noncontrolling interests	—	(1)	—	(1)
Other comprehensive income (loss) attributable to common shareholders	21	(445)	(20)	(97)
<b>Total comprehensive income</b>	<b>\$ 866</b>	<b>\$ 504</b>	<b>\$ 1,633</b>	<b>\$ 1,550</b>

See accompanying notes to consolidated financial statements.

**PARKER-HANNIFIN CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
(In millions, except par value)  
(Unaudited)

	December 31, 2025	June 30, 2025
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 427	\$ 467
Trade accounts receivable, net of allowances of \$7 and \$10	2,757	2,910
Non-trade and notes receivable	307	318
Inventories	3,152	2,839
Prepaid expenses	367	263
Other current assets	183	153
Total current assets	7,193	6,950
Property, plant and equipment, net of accumulated depreciation of \$4,574 and \$4,480	2,966	2,937
Deferred income taxes	271	270
Other long-term assets	1,322	1,269
Intangible assets, net	7,610	7,374
Goodwill	11,149	10,694
Total assets	<u>\$ 30,511</u>	<u>\$ 29,494</u>
<b>Liabilities and Equity</b>		
Current liabilities:		
Notes payable and long-term debt payable within one year	\$ 2,386	\$ 1,791
Accounts payable, trade	2,054	2,126
Accrued payrolls and other compensation	488	587
Accrued domestic and foreign taxes	221	382
Other current liabilities	937	933
Total current liabilities	6,086	5,819
Long-term debt	7,484	7,494
Pensions and other postretirement benefits	239	267
Deferred income taxes	1,610	1,490
Other long-term liabilities	772	733
Total liabilities	16,191	15,803
Shareholders' equity:		
Serial preferred stock, \$.50 par value; authorized 3.0 shares; none issued	—	—
Common stock, \$.50 par value; authorized 600.0 shares; issued 181.0 shares	91	91
Additional paid-in capital	822	194
Retained earnings	22,972	21,775
Accumulated other comprehensive loss	(903)	(883)
Treasury shares, at cost; 54.8 shares and 54.4 shares	(8,671)	(7,495)
Total shareholders' equity	14,311	13,682
Noncontrolling interests	9	9
Total equity	14,320	13,691
Total liabilities and equity	<u>\$ 30,511</u>	<u>\$ 29,494</u>

See accompanying notes to consolidated financial statements.

**PARKER-HANNIFIN CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In millions)  
(Unaudited)

	Six Months Ended December 31,	
	2025	2024
<b>Cash flows from operating activities</b>		
Net income	\$ 1,653	\$ 1,647
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	177	177
Amortization	288	278
Stock-based compensation expense	108	106
Deferred income taxes	(9)	50
Gain on property, plant and equipment	(8)	(7)
Gain on sale of businesses	(1)	(250)
Other, net	(19)	12
Changes in assets and liabilities, net of effect of acquisitions and divestitures:		
Accounts receivable, net	230	362
Inventories	(236)	(138)
Prepaid expenses	(99)	3
Other current assets	(29)	(5)
Other long-term assets	(36)	(53)
Accounts payable, trade	(103)	(153)
Accrued payrolls and other compensation	(112)	(145)
Other current liabilities	(161)	(147)
Pensions and other postretirement benefits	(25)	(17)
Other long-term liabilities	26	(41)
Net cash provided by operating activities	1,644	1,679
<b>Cash flows from investing activities</b>		
Acquisitions, net of cash acquired	(1,013)	—
Capital expenditures	(183)	(216)
Proceeds from sale of property, plant and equipment	32	13
Proceeds from sale of businesses	1	622
Other, net	17	(7)
Net cash (used in) provided by investing activities	(1,146)	412
<b>Cash flows from financing activities</b>		
Payments for common shares	(667)	(192)
Proceeds from (payments for) notes payable, net	595	(505)
Proceeds from long-term borrowings	12	12
Payments for long-term borrowings	(12)	(1,001)
Dividends paid	(456)	(420)
Other, net	(1)	2
Net cash used in financing activities	(529)	(2,104)
Effect of exchange rate changes on cash	(9)	(13)
Net decrease in cash and cash equivalents	(40)	(26)
Cash and cash equivalents at beginning of year	467	422
Cash and cash equivalents at end of period	\$ 427	\$ 396

See accompanying notes to consolidated financial statements.

**PARKER-HANNIFIN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(In millions, except per share amounts or as otherwise noted)**

**1. Basis of presentation**

In the opinion of the management of the Company, the accompanying unaudited consolidated financial statements contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the Company's financial position as of December 31, 2025, the results of operations for the three and six months ended December 31, 2025 and 2024 and cash flows for the six months then ended. These financial statements should be read in conjunction with the consolidated financial statements and related notes included in the Company's 2025 Annual Report on Form 10-K.

As used in this Quarterly Report on Form 10-Q, unless the context otherwise requires, the terms "Company", "Parker", "we" or "us" refer to Parker-Hannifin Corporation and its subsidiaries.

The Company has changed its presentation from thousands to millions and, as a result, any necessary rounding adjustments have been made to prior period disclosed amounts.

**2. New accounting pronouncements**

In December 2025, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2025-10, "Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities," which adds guidance on the recognition, measurement, and presentation of government grants. The amendments are effective for fiscal years beginning after December 15, 2028, and interim reporting periods within those annual reporting periods, with early adoption permitted. The Company is currently evaluating the ASU to determine its impact on the Company's disclosures and consolidated financial statements.

In November 2025, the FASB issued ASU 2025-09, "Derivatives and Hedging (Topic 815): Hedge Accounting Improvements," which includes amendments intended to more closely align hedge accounting with the underlying economics of the Company's risk management activities. The amendments are effective for fiscal years beginning after December 15, 2026 and interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating the ASU to determine its impact on the Company's disclosures and consolidated financial statements.

In September 2025, the FASB issued ASU 2025-06, "Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software," which modernizes the accounting for costs related to internal-use software by removing all references to prescriptive and sequential software development stages. The amendments are effective for fiscal years beginning after December 15, 2027, and interim reporting periods within those annual reporting periods, with early adoption permitted. The Company is currently evaluating the ASU to determine its impact on the Company's disclosures and consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses," which requires expanded interim and annual disclosures of expense information, including the amounts of inventory purchases, employee compensation, depreciation, amortization and depletion within commonly presented expense captions during the period. The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The amendments should be applied either (1) prospectively to financial statements issued for reporting periods after the effective date or (2) retrospectively to any or all prior periods presented in the financial statements. The Company is currently evaluating the ASU to determine its impact on the Company's disclosures.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures," which enhances the disclosure requirements for income taxes primarily related to the rate reconciliation and income taxes paid information. The amendments are effective for fiscal years beginning after December 15, 2024. The amendment should be applied on a prospective basis. Retrospective application is permitted. The Company will adopt the standard in its annual reporting for the fiscal year ended June 30, 2026. The adoption of the standard will result in expanded annual income tax disclosures, with no impact to the Company's financial position or results of operations.

### 3. Revenue recognition

Revenue is derived primarily from the sale of products in the aerospace and defense, in-plant and industrial equipment, transportation, off-highway, energy and HVAC and refrigeration markets. A majority of the Company's revenues are recognized at a point in time. However, a portion of the Company's revenues are recognized over time.

Diversified Industrial Segment revenues by technology platform:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
Motion Systems	\$ 893	\$ 804	\$ 1,717	\$ 1,653
Flow and Process Control	1,114	1,059	2,272	2,185
Filtration and Engineered Materials	1,461	1,390	2,922	2,871
Total	\$ 3,468	\$ 3,253	\$ 6,911	\$ 6,709

Aerospace Systems Segment revenues by market segment:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
Commercial original equipment manufacturer ("OEM")	\$ 561	\$ 447	\$ 1,100	\$ 881
Commercial aftermarket	619	531	1,213	1,052
Defense OEM	305	285	599	547
Defense aftermarket	221	227	435	458
Total	\$ 1,706	\$ 1,490	\$ 3,347	\$ 2,938

Total Company revenues by geographic region based on the Company's selling operation's location:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
North America	\$ 3,422	\$ 3,199	\$ 6,872	\$ 6,532
Europe	1,019	897	1,979	1,832
Asia Pacific	680	596	1,296	1,176
Latin America	53	51	111	107
Total	\$ 5,174	\$ 4,743	\$ 10,258	\$ 9,647

The majority of revenues from the Aerospace Systems Segment are generated from sales within North America.

#### **Contract balances**

Contract assets and contract liabilities are reported on a contract-by-contract basis. Contract assets reflect revenue recognized and performance obligations satisfied in advance of customer billing. Contract liabilities relate to payments received in advance of the satisfaction of performance under the contract. Payments from customers are received based on the terms established in the contract with the customer.

Total contract assets and contract liabilities are as follows:

	December 31, 2025	June 30, 2025
Contract assets, current (included within Other current assets)	\$ 177	\$ 149
Contract assets, noncurrent (included within Other long-term assets)	19	16
<b>Total contract assets</b>	<b>196</b>	<b>165</b>
Contract liabilities, current (included within Other current liabilities)	(198)	(211)
Contract liabilities, noncurrent (included within Other long-term liabilities)	(106)	(71)
<b>Total contract liabilities</b>	<b>(304)</b>	<b>(282)</b>
<b>Net contract liabilities</b>	<b>\$ (108)</b>	<b>\$ (117)</b>

Net contract liabilities at December 31, 2025 decreased from the June 30, 2025 amount primarily due to timing differences between when revenue was recognized and the receipt of advance payments. During the six months ended December 31, 2025, approximately \$93 million of revenue was recognized that was included in the contract liabilities at June 30, 2025.

#### ***Remaining performance obligations***

Our backlog represents written firm orders from a customer to deliver products and, in the case of blanket purchase orders, only includes the portion of the order for which a schedule or release has been agreed to with the customer. We believe our backlog represents our unsatisfied or partially unsatisfied performance obligations. Backlog at December 31, 2025 was \$11.7 billion, of which approximately 70 percent is expected to be recognized as revenue within the next 12 months and the balance thereafter.

#### **4. Acquisitions and divestitures**

##### ***Pending Acquisition***

On November 11, 2025, the Company announced that it has agreed to acquire Filtration Group Corporation ("Filtration Group") from Madison Industries for approximately \$9.25 billion in cash.

Filtration Group is a global provider of proprietary and complementary filtration technologies for critical applications across the life sciences, HVAC and refrigeration, and in-plant and industrial market verticals. The transaction is subject to customary closing conditions, including receipt of applicable regulatory approvals, and is expected to close six to 12 months from the announcement date.

##### ***Acquisitions***

On September 18, 2025, we acquired all outstanding stock of Curtis Instruments, Inc. ("Curtis") from Rehlko, for approximately \$1.0 billion, net of cash acquired. Curtis designs and manufactures motor speed controllers, instrumentation, power conversion and input devices that complement Parker's capabilities in electric and hybrid vehicle motors and controls, as well as hydraulic and pneumatic technologies for the mobile machinery market. For segment reporting purposes, Curtis is included within the Diversified Industrial Segment.

The acquisition of Curtis has been accounted for using the acquisition method of accounting, which requires the assets acquired and liabilities assumed to be recognized at their respective fair values as of the acquisition date. The following table presents the preliminary estimated fair values of Curtis's assets acquired and liabilities assumed on the acquisition date. These preliminary estimates are subject to revision during the measurement period, not to exceed 12 months from the date of the acquisition, as third-party valuations are finalized, additional information becomes available and as additional analysis is performed. Such revisions may have a material impact on the preliminary purchase price allocation.

	September 18, 2025 (previously reported)	Measurement Period Adjustments	September 18, 2025 (revised)
Cash and cash equivalents	\$ 53	\$ —	\$ 53
Accounts receivable	38	—	38
Inventories	82	(3)	79
Prepaid expenses	5	—	5
Intangible assets	551	—	551
Property, plant and equipment	54	(1)	53
Other long-term assets	20	2	22
Accounts payable, trade	(32)	—	(32)
Other current liabilities	(19)	—	(19)
Deferred income taxes	(139)	—	(139)
Other long-term liabilities	(20)	(1)	(21)
<b>Net assets acquired</b>	<b>\$ 593</b>	<b>(3)</b>	<b>590</b>
Goodwill	472	3	475
<b>Total purchase price</b>	<b>\$ 1,065</b>	<b>\$ —</b>	<b>\$ 1,065</b>

Goodwill is calculated as the excess of the purchase price over the net assets acquired and represents cost synergies and enhancements to our existing technologies. For tax purposes, Curtis's goodwill is not deductible. The intangible assets primarily include \$275 million of customer relationships, \$220 million of patents and technology and \$56 million of trademarks, with weighted-average estimated useful lives of 18, 10 and 13 years, respectively. These intangible assets were valued using the income approach, which includes significant assumptions around future revenue growth, earnings before interest, taxes, depreciation and amortization, royalty rates and discount rates. Such assumptions are classified as level 3 inputs within the fair value hierarchy.

Our Consolidated Statements of Income for the first six months of fiscal 2026 include the results of operations of Curtis from the date of acquisition. Net sales attributable to Curtis during this period were \$85 million and segment operating results were immaterial.

Unaudited pro forma financial information is not provided, as the impact of the acquisition did not have a material effect on the Company's consolidated financial statements.

Acquisition-related costs totaled \$28 million for the first six months of fiscal 2026, of which \$8 million represented amortization expense related to the step-up in inventory to fair value resulting from the Curtis acquisition. These costs are included in selling, general and administrative expenses and cost of sales, respectively, in the Consolidated Statements of Income.

#### ***Divestitures***

We continually assess our existing businesses and may divest those that are not considered to be a good long-term strategic fit for the Company. There were no significant divestitures completed during the six months ended December 31, 2025.

During November 2024, we divested our composites and fuel containment ("CFC") business within the North America businesses of the Diversified Industrial Segment, which was acquired in the acquisition of Meggitt plc ("Meggitt"), for net proceeds of \$555 million. The resulting pre-tax gain of \$238 million is included in other income, net in the Consolidated Statements of Income for the six-months ended December 31, 2024. The operating results and net assets of this business were immaterial to the Company's consolidated results of operations and financial position.

During November 2024, we divested a non-core filtration business within the North America businesses of the Diversified Industrial Segment for proceeds of \$66 million. The resulting pre-tax gain of \$11 million is included in other income, net in the Consolidated Statements of Income for the six-months ended December 31, 2024. The operating results and net assets of this business were immaterial to the Company's consolidated results of operations and financial position.

## 5. Earnings per share

The following table presents a reconciliation of the numerator and denominator of basic and diluted earnings per share.

	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
<b>Numerator:</b>				
Net income	\$ 845	\$ 949	\$ 1,653	\$ 1,647
<b>Denominator:</b>				
Basic - weighted average common shares	126.2	128.8	126.4	128.7
Dilutive effect of equity-based awards	1.9	2.0	1.9	2.0
Diluted - weighted-average common shares	128.1	130.8	128.2	130.7
<b>Basic earnings per share<sup>(1)</sup></b>				
	\$ 6.69	\$ 7.37	\$ 13.08	\$ 12.80
<b>Diluted earnings per share<sup>(1)</sup></b>				
	\$ 6.60	\$ 7.25	\$ 12.89	\$ 12.60

<sup>(1)</sup> Figures in the table may not recalculate exactly due to rounding. Earnings per share is calculated using unrounded numbers.

For the three months ended December 31, 2025 and 2024, 0.2 million and 0.2 million common shares subject to equity-based awards, respectively, were excluded from the computation of diluted earnings per share because the effect of their exercise would be anti-dilutive.

For the six months ended December 31, 2025 and 2024, 0.2 million and 0.3 million common shares subject to equity-based awards, respectively, were excluded from the computation of diluted earnings per share because the effect of their exercise would be anti-dilutive.

## 6. Non-trade and notes receivable

The non-trade and notes receivable caption in the Consolidated Balance Sheets is comprised of the following components:

	December 31, 2025	June 30, 2025
Notes receivable	\$ 90	\$ 84
Accounts receivable, other	217	234
Total	\$ 307	\$ 318

## 7. Inventories

The inventories caption in the Consolidated Balance Sheets is comprised of the following components:

	December 31, 2025	June 30, 2025
Finished products	\$ 880	\$ 778
Work in process	1,623	1,485
Raw materials	649	576
Total	\$ 3,152	\$ 2,839

## 8. Supply chain financing

We have supply chain financing ("SCF") programs with financial intermediaries, which provide certain suppliers the option to be paid by the financial intermediaries earlier than the due date on the applicable invoice. We are not a party to the agreements between the participating financial intermediaries and the suppliers in connection with the programs. The range of payment terms we negotiate with our suppliers is consistent, irrespective of whether a supplier participates in the SCF programs. We do not reimburse suppliers for any costs they incur for participation in the SCF programs and their participation is voluntary.

Amounts due to our suppliers that elected to participate in the SCF programs are included in accounts payable, trade on the Consolidated Balance Sheets and payments made under the SCF programs are included within operating activities on the Consolidated Statements of Cash Flows. Accounts payable, trade included approximately \$174 million and \$175 million payable to suppliers who have elected to participate in the SCF programs as of December 31, 2025 and June 30, 2025,

respectively. The amounts settled through the SCF programs and paid to the participating financial intermediaries totaled \$298 million and \$215 million during the first six months of fiscal 2026 and 2025, respectively.

### 9. Business realignment

We incurred business realignment charges in the first six months of fiscal 2026 and 2025, which included severance costs related to actions taken under the Company's simplification initiative aimed at reducing organizational and process complexity, as well as plant closures. In both fiscal 2026 and 2025, a majority of the business realignment charges were incurred in Europe. We believe the realignment actions will positively impact future results of operations, but will not have a material effect on liquidity and sources and uses of capital.

Business realignment charges by business segment are as follows:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
Diversified Industrial	\$ 13	\$ 20	\$ 27	\$ 29
Aerospace Systems	—	—	1	—
Corporate general and administrative expenses	—	1	—	1
Other expense, net	—	—	—	1

Reductions to our workforce made in connection with such business realignment charges by business segment are as follows:

(Headcount in single units)	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
Diversified Industrial	409	393	599	720
Aerospace Systems	2	16	27	16
Corporate general and administrative expenses	—	14	—	14

The business realignment charges are presented in the Consolidated Statements of Income as follows:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
Cost of sales	\$ 8	\$ 12	\$ 17	\$ 17
Selling, general and administrative expenses	5	9	11	13
Other income, net	—	—	—	1

During the first six months of fiscal 2026, approximately \$28 million in payments were made relating to business realignment charges. Remaining payments related to business realignment actions of approximately \$26 million, a majority of which are expected to be paid by June 30, 2026, are primarily reflected within the accrued payrolls and other compensation and other current liabilities captions in the Consolidated Balance Sheets. Additional charges may be recognized in future periods related to the business realignment actions described above, the timing and amount of which are not known at this time.

## 10. Equity

Changes in equity for the three months ended December 31, 2025 and 2024 are as follows:

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Shares	Noncontrolling Interests	Total Equity
Balance at September 30, 2025	\$ 91	\$ 823	\$ 22,355	\$ (924)	\$ (8,568)	\$ 9	\$ 13,786
Net income	—	—	845	—	—	—	845
Other comprehensive income	—	—	—	21	—	—	21
Dividends paid (\$1.80 per share)	—	—	(228)	—	—	—	(228)
Stock incentive plan activity	—	(1)	—	—	(28)	—	(29)
Shares purchased at cost, including excise tax	—	—	—	—	(75)	—	(75)
Balance at December 31, 2025	\$ 91	\$ 822	\$ 22,972	\$ (903)	\$ (8,671)	\$ 9	\$ 14,320

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Shares	Noncontrolling Interests	Total Equity
Balance at September 30, 2024	\$ 91	\$ 275	\$ 19,593	\$ (1,090)	\$ (5,977)	\$ 9	\$ 12,901
Net income	—	—	949	—	—	—	949
Other comprehensive loss	—	—	—	(445)	—	(1)	(446)
Dividends paid (\$1.63 per share)	—	—	(210)	—	—	—	(210)
Stock incentive plan activity	—	(31)	—	—	14	—	(17)
Shares purchased at cost	—	—	—	—	(50)	—	(50)
Balance at December 31, 2024	\$ 91	\$ 244	\$ 20,332	\$ (1,535)	\$ (6,013)	\$ 8	\$ 13,127

Changes in equity for the six months ended December 31, 2025 and 2024 are as follows:

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Shares	Noncontrolling Interests	Total Equity
Balance at June 30, 2025	\$ 91	\$ 194	\$ 21,775	\$ (883)	\$ (7,495)	\$ 9	\$ 13,691
Net income	—	—	1,653	—	—	—	1,653
Other comprehensive loss	—	—	—	(20)	—	—	(20)
Dividends paid (\$3.60 per share)	—	—	(456)	—	—	—	(456)
Stock incentive plan activity <sup>(1)</sup>	—	628	—	—	(622)	—	6
Shares purchased at cost, including excise tax	—	—	—	—	(554)	—	(554)
Balance at December 31, 2025	\$ 91	\$ 822	\$ 22,972	\$ (903)	\$ (8,671)	\$ 9	\$ 14,320

<sup>(1)</sup> During the six months ended December 31, 2025, the Company recorded a \$578 million reclassification between Treasury Shares and Additional Paid-in Capital to correct the historical accounting for shares withheld for taxes related to equity compensation issuances. The Company concluded the out-of-period adjustment was not material to the current period or any prior periods.

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Shares	Noncontrolling Interests	Total Equity
Balance at June 30, 2024	\$ 91	\$ 264	\$ 19,105	\$ (1,438)	\$ (5,950)	\$ 9	\$ 12,081
Net income	—	—	1,647	—	—	—	1,647
Other comprehensive loss	—	—	—	(97)	—	(1)	(98)
Dividends paid (\$3.26 per share)	—	—	(420)	—	—	—	(420)
Stock incentive plan activity	—	(20)	—	—	37	—	17
Shares purchased at cost	—	—	—	—	(100)	—	(100)
Balance at December 31, 2024	\$ 91	\$ 244	\$ 20,332	\$ (1,535)	\$ (6,013)	\$ 8	\$ 13,127

Changes in accumulated other comprehensive loss within Parker's shareholders' equity by component are as follows:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
<b>Foreign Currency Translation Adjustment and Other</b>				
Beginning balance	\$ (762)	\$ (785)	\$ (717)	\$ (1,130)
Other comprehensive income (loss) before reclassifications	20	(441)	(29)	(102)
Income tax	(1)	(8)	3	(2)
Other comprehensive income (loss), net of tax	19	(449)	(26)	(104)
Ending balance	\$ (743)	\$ (1,234)	\$ (743)	\$ (1,234)
<b>Retirement Benefit Plans</b>				
Beginning balance	\$ (162)	\$ (305)	\$ (166)	\$ (308)
Other comprehensive income (loss) before reclassifications	—	1	2	—
Reclassified from accumulated other comprehensive loss:				
Amortization of net actuarial loss and other <sup>(1)</sup>	3	4	6	9
Tax benefit	(1)	(1)	(2)	(2)
Other comprehensive income (loss), net of tax	2	4	6	7
Ending balance	\$ (160)	\$ (301)	\$ (160)	\$ (301)
Total accumulated other comprehensive loss ending balance	\$ (903)	\$ (1,535)	\$ (903)	\$ (1,535)

<sup>(1)</sup> The amounts reclassified include the amortization of net actuarial loss and amortization of prior service cost. These costs are included in the computation of net periodic benefit cost (income) which is recorded in other income, net. Refer to Note 12 for additional information.

### Share repurchase program

On October 22, 2014, the Board of Directors approved a share repurchase program authorizing the repurchase of up to 35.0 million of the Company's common shares. On August 21, 2025, the Board of Directors approved an update to the number of shares available under the Company's existing share repurchase authorization so that the aggregate number of shares available for repurchase as of such date was 20.0 million. There is no limitation on the number of shares that can be repurchased in a fiscal year and there is no expiration date for the program. Repurchases may be funded primarily from operating cash flows and commercial paper borrowings and the shares are initially held as treasury shares.

Under our share repurchase programs, the Company repurchased 0.1 million and 0.1 million shares for \$75 million and \$50 million during the three months ended December 31, 2025 and 2024, respectively. The Company repurchased 0.7 million and 0.2 million shares for \$550 million and \$100 million during the six months ended December 31, 2025 and 2024, respectively. As of December 31, 2025, 19.3 million shares remained available under the repurchase authorization.

### 11. Goodwill and intangible assets

The changes in the carrying amount of goodwill for the six months ended December 31, 2025 are as follows:

	Diversified Industrial Segment	Aerospace Systems Segment	Total
Balance at June 30, 2025	\$ 7,728	\$ 2,966	\$ 10,694
Acquisition	475	—	475
Foreign currency translation	(15)	(5)	(20)
Balance at December 31, 2025	\$ 8,188	\$ 2,961	\$ 11,149

Intangible assets are amortized using the straight-line method over their legal or estimated useful lives. The following summarizes the gross carrying value and accumulated amortization for each major category of intangible assets:

	December 31, 2025		June 30, 2025	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Patents and technology	\$ 2,348	\$ 610	\$ 2,134	\$ 556
Trade names	1,090	526	1,037	499
Customer relationships and other	8,449	3,141	8,194	2,936
Total	\$ 11,887	\$ 4,277	\$ 11,365	\$ 3,991

Total intangible asset amortization expense for the six months ended December 31, 2025 and 2024 was \$288 million and \$278 million, respectively. The estimated amortization expense for the five years ending June 30, 2026 through 2030 is \$585 million, \$586 million, \$578 million, \$557 million and \$528 million, respectively.

The increase in goodwill and intangible assets in fiscal 2026 relates to the acquisition of Curtis. Refer to Note 4 for more information.

## 12. Retirement benefits

The components of net periodic benefit cost (income) for our defined benefit pension and other postretirement plans were as follows:

	U.S. Pension Benefits Three Months Ended December 31,		Non-U.S. Pension Benefits Three Months Ended December 31,		Other Postretirement Benefits Three Months Ended December 31,	
	2025	2024	2025	2024	2025	2024
	Service cost	\$ 6	\$ 7	\$ 5	\$ 5	\$ —
Interest cost	42	46	19	19	—	—
Expected return on plan assets	(58)	(61)	(22)	(21)	—	—
Amortization of prior service cost	1	1	—	—	—	—
Amortization of net actuarial loss (gain)	1	2	1	1	—	—
Net periodic benefit cost (income)	\$ (8)	\$ (5)	\$ 3	\$ 4	\$ —	\$ —

	U.S. Pension Benefits Six Months Ended December 31,		Non-U.S. Pension Benefits Six Months Ended December 31,		Other Postretirement Benefits Six Months Ended December 31,	
	2025	2024	2025	2024	2025	2024
	Service cost	\$ 12	\$ 14	\$ 11	\$ 11	\$ —
Interest cost	84	92	37	38	1	1
Expected return on plan assets	(116)	(122)	(45)	(43)	—	—
Amortization of prior service cost	2	2	—	—	—	—
Amortization of net actuarial loss (gain)	2	4	3	3	(1)	—
Net periodic benefit cost (income)	\$ (16)	\$ (10)	\$ 6	\$ 9	\$ —	\$ 1

Components of net periodic benefit cost (income), other than service cost, are included in other income, net in the Consolidated Statements of Income.

### **13. Debt**

#### ***Revolving Credit Agreement and Commercial Paper***

In August 2025, the Company amended its revolving credit agreement to increase the total line of credit to \$3.75 billion, and authorized a corresponding increase in the commercial paper program size to \$3.75 billion. The revolving credit agreement expires in June 2028; however, we have the right to request a one-year extension of the expiration date. The credit agreement supports our commercial paper program, and issuances of commercial paper reduce the amount of credit available under the agreement. As of December 31, 2025 and June 30, 2025, there were no borrowings outstanding under the revolving credit agreement, and commercial paper notes outstanding were \$2.4 billion and \$1.8 billion, respectively.

#### ***Filtration Group Credit Facilities***

On December 10, 2025, the Company entered into a 364-Day Term Loan Agreement and a Three-Year Term Loan Agreement, which provide for senior unsecured delayed draw term loan facilities in aggregate principal amounts of \$5.25 billion and \$2.50 billion, respectively (together, the "Filtration Group Credit Facilities"). Proceeds from the Filtration Group Credit Facilities, if and when drawn, will be used to finance a portion of the consideration for the Company's proposed acquisition of Filtration Group. The Filtration Group Credit Facilities mature 364 days and three years, respectively, following the date of the initial funding of all or a portion of the applicable delayed draw term loan. Borrowings under the Filtration Group Credit Facilities are expected to bear interest at a secured overnight financing rate plus an applicable margin, and we are obligated to pay certain fees on the undrawn portion of the commitments until the closing of the Filtration Group acquisition or other termination of the commitments. As of December 31, 2025, the Company has not borrowed any funds under the Filtration Group Credit Facilities.

#### ***Covenants***

Based on the Company's rating level at December 31, 2025, the most restrictive financial covenant provides that the ratio of debt to debt-shareholders' equity cannot exceed 0.65 to 1.0. At December 31, 2025, our debt to debt-shareholders' equity ratio was 0.41 to 1.0. We are in compliance, and expect to remain in compliance, with all covenants set forth in the credit agreements and indentures governing certain debt securities.

### **14. Income taxes**

On July 4, 2025, H.R. 1, commonly referred to as the One Big Beautiful Bill Act, (the "Act"), was signed into law. The Act makes various provisions of the 2017 Tax Cuts and Jobs Act permanent while restoring full expensing of research and development costs and capital investments. The Act did not have a significant impact on our current period financial statements.

Unrecognized tax benefits reflect the difference between positions taken or expected to be taken on income tax returns and the amounts reflected in the financial statements. As of December 31, 2025, we had gross unrecognized tax benefits of \$94 million, all of which, if recognized, would impact the effective tax rate. The accrued interest and accrued penalties related to the gross unrecognized tax benefits, excluded from the amount above, is \$25 million and \$2 million, respectively. It is reasonably possible that within the next 12 months the amount of gross unrecognized tax benefits could be reduced by up to approximately \$60 million as a result of the revaluation of existing uncertain tax positions arising from developments in the examination process or the closure of tax statutes. Any increase in the amount of gross unrecognized tax benefits within the next 12 months is expected to be insignificant.

We file income tax returns in the United States and in various foreign jurisdictions. In the normal course of business, we are subject to examination by taxing authorities throughout the world. We are open to assessment on our U.S. federal income tax returns by the Internal Revenue Service for fiscal years after 2013, and our state and local returns for fiscal years after 2018. We are also open to assessment for significant foreign jurisdictions for fiscal years after 2013.

### **15. Financial instruments**

The Company utilizes derivative and non-derivative financial instruments, including forward exchange contracts, cross-currency swap contracts and certain foreign currency denominated debt, to manage foreign currency transaction and translation risk. The derivative financial instrument contracts are with major investment grade financial institutions, and the Company does not anticipate any material non-performance by any of the counterparties. The Company does not hold or issue derivative financial instruments for trading purposes.

### Net Investment Hedges

The Company uses cross-currency swap contracts and foreign currency denominated debt, a non-derivative financial instrument, to hedge portions of the Company's investments in foreign subsidiaries and manage foreign exchange risk. The effect of translating the debt into U.S. dollars is recorded in foreign currency translation within accumulated other comprehensive loss and remains there until the underlying net investment is sold or substantially liquidated. For the cross-currency swap contracts that are designated as, and qualify as, net investment hedges, we assess the effectiveness using the spot method and the net gains or losses attributable to changes in the spot rate are recorded in foreign currency translation within accumulated other comprehensive loss. Any ineffective portions of the net investment hedges are reclassified from accumulated other comprehensive loss into earnings through interest expense during the period of change. During the six months ended December 31, 2025 and 2024, the periodic interest settlements related to the cross-currency swaps were not material.

The notional amounts for the cross-currency swap contracts designated as hedging instruments were €69 million, €290 million and ¥2.1 billion as of December 31, 2025 and 2024, respectively.

The Company's €700 million aggregate principal amount of 2.90 percent Senior Notes due 2030 have been designated as a hedge of the Company's net investment in certain foreign subsidiaries.

### Non-Designated Derivative Contracts

In addition to the net investment hedges, the Company utilizes forward exchange contracts that are not designated as hedging instruments but serve as economic hedges of forecasted transactions. These derivatives are used to mitigate foreign exchange risk. Changes in the fair value of these instruments are recorded in other income, net in the Consolidated Statements of Income.

### Financial Statement Impact

Derivative financial instruments are recognized on the Consolidated Balance Sheets as either assets or liabilities and are measured at fair value. The location and fair value of derivative financial instruments reported on the Consolidated Balance Sheets are as follows:

	Balance Sheet Caption	December 31, 2025	June 30, 2025
Net investment hedges			
Cross-currency swap contracts	Other long-term assets	\$ 5	\$ 4
Cross-currency swap contracts	Other long-term liabilities	21	26
Non-designated derivative contracts			
Forward exchange contracts	Non-trade and notes receivable	3	3
Forward exchange contracts	Other current liabilities	14	38

The cross-currency swap and forward exchange contracts are reflected on a gross basis in the Consolidated Balance Sheets. The Company has not entered into any master netting arrangements.

Gains (losses) on derivative financial instruments were recorded in the Consolidated Statements of Income as follows:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
Forward exchange contracts	\$ 13	\$ 39	\$ 21	\$ 26

Gains (losses) on derivative and non-derivative financial instruments that were recorded in accumulated other comprehensive loss in the Consolidated Balance Sheets are as follows:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
Cross-currency swap contracts	\$ 3	\$ 8	\$ 5	\$ (2)
Foreign currency denominated debt	—	41	(1)	19

### Fair Values of Financial Instruments

The Company's financial instruments include cash and cash equivalents, accounts receivable, accounts payable, notes payable and long-term debt. The carrying values for cash and cash equivalents, accounts receivable, accounts payable and notes payable approximate fair value due to their short-term nature.

The carrying value of long-term debt, which excludes the impact of net unamortized debt issuance costs, and estimated fair value of long-term debt are as follows:

	December 31, 2025		June 30, 2025	
Carrying value of long-term debt	\$	7,541	\$	7,555
Estimated fair value of long-term debt		7,220		7,174

The fair value of long-term debt is classified within level 2 of the fair value hierarchy.

A summary of derivative assets and liabilities that were measured at fair value on a recurring basis at December 31, 2025 and June 30, 2025 are as follows:

	December 31, 2025		Level 1		Level 2		Level 3	
Derivative assets	\$	8	\$	—	\$	8	\$	—
Derivative liabilities		35		—		35		—
	June 30, 2025		Level 1		Level 2		Level 3	
Derivative assets	\$	7	\$	—	\$	7	\$	—
Derivative liabilities		64		—		64		—

The calculation of fair value for cross-currency swaps and forward contracts utilizes market observable inputs including both spot and forward prices for the same underlying currencies. The calculation of fair value of the cross-currency swap contracts also utilizes a present value cash flow model.

### 16. Business segment information

The Company operates in two reportable business segments: Diversified Industrial and Aerospace Systems. Both segments utilize eight core technologies, including hydraulics, pneumatics, electromechanical, filtration, fluid and gas handling, process control, engineered materials and climate control, to drive superior customer problem solving and value creation.

**Diversified Industrial** - This segment is an aggregation of several business units that design, manufacture, and provide aftermarket support for highly engineered solutions that create value for customers primarily in aerospace and defense, in-plant and industrial equipment, transportation, off-highway, energy, and HVAC and refrigeration markets around the world. Diversified Industrial Segment products are marketed direct to OEMs and independent distributors through field sales employees.

**Aerospace Systems** - This segment designs, manufactures, and provides aftermarket support for highly engineered airframe and engine solutions for both OEMs and end users. Our components and systems are utilized across commercial transport, defense fixed wing, business jets, regional transport, helicopter and energy applications. Aerospace Systems Segment products are marketed by field sales employees and are sold directly to manufacturers and end users.

The Company's Chief Operating Decision Maker ("CODM") is the Chief Executive Officer. The CODM uses Segment Operating Income as a measure to assess performance, drive decisions and allocate human and financial capital to our reportable segments. Annual plan, monthly forecasts and prior year results are continually compared to this measure when evaluating performance. Other segment items are managed on a consolidated basis for the CODM's review.

	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	2025	2024	2025	2024
Net sales				
Diversified Industrial	\$ 3,468	\$ 3,253	\$ 6,911	\$ 6,709
Aerospace Systems	1,706	1,490	3,347	2,938
Total net sales	\$ 5,174	\$ 4,743	\$ 10,258	\$ 9,647
Other Segment Items: <sup>(1)</sup>				
Diversified Industrial	\$ 2,676	\$ 2,543	\$ 5,298	\$ 5,215
Aerospace Systems	1,263	1,152	2,493	2,277
	\$ 3,939	\$ 3,695	\$ 7,791	\$ 7,492
Segment operating income				
Diversified Industrial	\$ 792	\$ 710	\$ 1,613	\$ 1,494
Aerospace Systems	443	338	854	661
Total segment operating income	1,235	1,048	2,467	2,155
Corporate general and administrative expenses	53	56	102	105
Income before interest expense and other expense (income), net	1,182	992	2,365	2,050
Interest expense	106	101	207	214
Other expense (income), net	12	(275)	54	(205)
Income before income taxes	\$ 1,064	\$ 1,166	\$ 2,104	\$ 2,041

<sup>(1)</sup> Other segment items are primarily comprised of cost of sales; selling, general and administrative expenses; and income related to equity method investments.

	Assets	
	December 31, 2025	June 30, 2025
Diversified Industrial	\$ 16,881	\$ 15,953
Aerospace Systems <sup>(1)</sup>	12,204	12,218
Corporate	1,426	1,323
Total	\$ 30,511	\$ 29,494

<sup>(1)</sup> Assets include an investment in a joint venture in which ownership is 50 percent or less and in which the Company does not have operating control (\$222 million as of December 31, 2025 and \$226 million as of June 30, 2025).

	Property Additions		Depreciation		Amortization	
	Three Months Ended December 31,					
	2025	2024	2025	2024	2025	2024
Diversified Industrial	\$ 69	\$ 99	\$ 59	\$ 56	\$ 73	\$ 63
Aerospace Systems	22	21	23	28	75	75
Corporate	3	1	3	4	—	—
Total	\$ 94	\$ 121	\$ 85	\$ 88	\$ 148	\$ 138

	Property Additions		Depreciation				Amortization	
			Six Months Ended December 31,					
	2025	2024	2025	2024	2025	2024		
Diversified Industrial	\$ 143	\$ 174	\$ 118	\$ 115	\$ 137	\$ 128		
Aerospace Systems	34	35	53	56	151	150		
Corporate	6	7	6	6	—	—		
Total	\$ 183	\$ 216	\$ 177	\$ 177	\$ 288	\$ 278		

### 17. Other income, net

The table below includes the components of other income, net in the Consolidated Statements of Income:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
Foreign currency transaction (gain) loss <sup>(1)</sup>	\$ (3)	\$ (32)	\$ (10)	\$ 5
Income related to equity method investments <sup>(2)</sup>	(51)	(39)	(109)	(77)
Non-service components of retirement benefit cost (income) <sup>(3)</sup>	(16)	(13)	(33)	(25)
Gain on disposal of assets and divestitures <sup>(4)</sup>	(9)	(248)	(8)	(257)
Interest income	(2)	(2)	(7)	(5)
Gain on insurance recoveries <sup>(5)</sup>	—	—	(20)	—
Other items, net	5	6	4	—
Total other income, net	\$ (76)	\$ (328)	\$ (183)	\$ (359)

<sup>(1)</sup> Foreign currency transaction (gain) loss primarily relates to the impact of exchange rates on cash, forward contracts and intercompany transactions.

<sup>(2)</sup> Equity method investments consist of investments in joint venture companies in which ownership is 50 percent or less and in which the Company does not have operating control. Sales to and services performed for joint venture companies totaled \$26 million and \$23 million for the three months ended December 31, 2025 and 2024, respectively, and \$53 million and \$43 million for the six months ended December 31, 2025 and 2024, respectively. We received cash dividends from joint venture companies of \$112 million and \$73 million during the six months ended December 31, 2025 and 2024, respectively.

<sup>(3)</sup> For further discussion of non-service components of retirement benefit cost (income) refer to Note 12.

<sup>(4)</sup> For further discussion of the gain on disposal of assets and divestitures during the prior-year quarter and first six months of fiscal 2025 refer to Note 4.

<sup>(5)</sup> Gain on insurance recoveries for damaged property associated with a fire at one of our U.S. facilities within the Diversified Industrial segment that occurred in the third quarter of fiscal 2025.

**PARKER-HANNIFIN CORPORATION**  
**FORM 10-Q**  
**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF**  
**FINANCIAL CONDITION AND RESULTS OF OPERATIONS**  
**FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2025**  
**AND COMPARABLE PERIODS ENDED DECEMBER 31, 2024**

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to provide a reader of our financial statements with a narrative, from management's perspective, on our financial condition and results of operations. The following discussion and analysis should be read in conjunction with, the consolidated financial statements and the accompanying notes in Item 1 in this Quarterly Report on Form 10-Q, as well as our Annual Report on Form 10-K for the year ended June 30, 2025. As used in this Quarterly Report on Form 10-Q, unless the context otherwise requires, the terms "Company", "Parker", "we" or "us" refer to Parker-Hannifin Corporation and its subsidiaries. Dollars are presented in millions, except per share amounts or as otherwise noted. The Company has changed its presentation on the consolidated financial statements from thousands to millions and, as a result, any necessary rounding adjustments have been made to prior period disclosed amounts within MD&A.

**OVERVIEW**

The Company is a global leader in motion and control technologies. Leveraging a unique combination of interconnected technologies, we design, manufacture, and provide aftermarket support for highly engineered solutions that create value for customers primarily in aerospace and defense, in-plant and industrial equipment, transportation, off-highway, energy, and HVAC and refrigeration markets around the world.

By aligning around our purpose, Enabling Engineering Breakthroughs that Lead to a Better Tomorrow, Parker is better positioned for the challenges and opportunities of tomorrow.

The Win Strategy is Parker's business system that defines the goals and initiatives that create responsible, sustainable growth and enable Parker's long-term success. It works with our purpose, which is a foundational element of The Win Strategy, to engage team members and create responsible and sustainable growth. Our shared values shape our culture and our interactions with stakeholders and the communities in which we operate and live.

We believe many opportunities for profitable growth are available. The Company intends to focus primarily on business opportunities in the areas of aerospace and defense, in-plant and industrial equipment, transportation, off-highway, energy and HVAC and refrigeration. We believe we can meet our strategic objectives by:

- serving the customer and continuously enhancing its experience with the Company;
- successfully executing The Win Strategy initiatives relating to engaged people, customer experience, profitable growth and financial performance;
- maintaining a decentralized division and sales company structure;
- fostering a safety-first and entrepreneurial culture;
- engineering innovative systems and products to provide superior customer value through improved service, efficiency and productivity;
- delivering products, systems and services that have demonstrable savings to customers and are priced by the value they deliver;
- enabling a sustainable future by providing innovative technology solutions that offer a positive global environmental impact and operating responsibly by reducing our energy use and emissions;
- acquiring strategic businesses;
- organizing around targeted regions, technologies and markets;
- driving efficiency by implementing lean enterprise principles; and
- creating a culture of empowerment through our values, inclusion, accountability and teamwork.

We manage our supply chain through our "local for local" manufacturing strategy, ongoing supplier management process and broadened supply base. We actively monitor global trade policies and inflation, managing their impact through a variety of cost and pricing measures. In addition, continuous improvement and lean initiatives, along with disciplined workforce and discretionary spending management, further enhance our ability to mitigate these impacts. At the same time, we are appropriately addressing the ongoing needs of our business so that we continue to serve our customers.

Over the long term, the extent to which our business and results of operations will be impacted by global economic and political uncertainty and geopolitical risks depends on future developments that remain uncertain. We will continue to monitor the global environment and manage our business with the goal to minimize unfavorable impacts on operations and financial results.

## CONSOLIDATED STATEMENTS OF INCOME

(dollars in millions)	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
Net sales	\$ 5,174	\$ 4,743	\$ 10,258	\$ 9,647
Gross profit margin	37.3 %	36.3 %	37.4 %	36.6 %
Selling, general and administrative expenses	\$ 837	\$ 782	\$ 1,710	\$ 1,631
Selling, general and administrative expenses, as a percent of sales	16.2 %	16.5 %	16.7 %	16.9 %
Interest expense	\$ 106	\$ 101	\$ 207	\$ 214
Other income, net	\$ (76)	\$ (328)	\$ (183)	\$ (359)
Effective tax rate	20.6 %	18.6 %	21.4 %	19.3 %
Net income	\$ 845	\$ 949	\$ 1,653	\$ 1,647
Net income, as a percent of sales	16.3 %	20.0 %	16.1 %	17.1 %

**Net sales** increased in the current-year quarter due to higher sales in both the Aerospace Systems and Diversified Industrial Segments. The effect of currency exchange rate changes increased net sales during the current-year quarter by approximately \$84 million. The impact of prior-year divestiture activity decreased net sales by approximately \$38 million during the current-year quarter. The impact of the acquisition of Curtis increased net sales by approximately \$74 million during the current-year quarter.

Net sales increased in the first six months of fiscal 2026 due to higher sales in both the Aerospace Systems and Diversified Industrial Segments. The effect of currency exchange rate changes increased net sales during the first six months of fiscal 2026 by approximately \$117 million. The impact of divestiture activity decreased net sales by approximately \$146 million during the first six months of fiscal 2026. The impact of the acquisition of Curtis increased net sales by approximately \$85 million during the first six months of fiscal 2026.

**Gross profit margin** (calculated as net sales minus cost of sales, divided by net sales) increased in the current-year quarter and first six months of fiscal 2026 due to higher margins in both segments primarily due to favorable product mix, cost containment initiatives and benefits from prior-year business realignment activities.

Cost of sales also included business realignment and acquisition integration charges of \$9 million and \$12 million for the current and prior-year quarter, respectively, and \$18 million and \$17 million for the first six months of fiscal 2026 and 2025, respectively.

**Selling, general and administrative expenses** ("SG&A") increased in the current-year quarter and first six months of fiscal 2026 primarily due to higher acquisition-related expenses, stock-based compensation expense, research and development expenses, and intangible asset amortization.

SG&A also included business realignment and acquisition integration charges of \$5 million and \$16 million for the current and prior-year quarter, respectively, and \$17 million and \$26 million for the first six months of fiscal 2026 and 2025, respectively.

**Interest expense** increased during the current-year quarter primarily due to higher average debt outstanding, and decreased in the first six months of fiscal 2026 primarily due to lower average debt outstanding and lower average interest rates.

Other income, net included the following:

(dollars in millions)	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
Foreign currency transaction (gain) loss <sup>(1)</sup>	\$ (3)	\$ (32)	\$ (10)	\$ 5
Income related to equity method investments	(51)	(39)	(109)	(77)
Non-service components of retirement benefit cost (income)	(16)	(13)	(33)	(25)
Gain on disposal of assets and divestitures <sup>(2)</sup>	(9)	(248)	(8)	(257)
Interest income	(2)	(2)	(7)	(5)
Gain on insurance recoveries <sup>(3)</sup>	—	—	(20)	—
Other items, net	5	6	4	—
Total other income, net	\$ (76)	\$ (328)	\$ (183)	\$ (359)

<sup>(1)</sup> Foreign currency transaction (gain) loss primarily relates to the impact of exchange rates on cash, forward contracts and intercompany transactions.

<sup>(2)</sup> For further discussion of the gain on disposal of assets and divestitures during the prior-year quarter and first six months of fiscal 2025 refer to Note 4 to the Consolidated Financial Statements.

<sup>(3)</sup> Gain on insurance recoveries for damaged property associated with a fire at one of our U.S. facilities within the Diversified Industrial segment that occurred in the third quarter of fiscal 2025.

**Effective tax rate** for the current-year quarter of fiscal 2026 was less than the U.S. Federal statutory rate of 21 percent due to tax benefits from share-based compensation, U.S. Federal tax credits, and foreign-derived intangible income, which were partially offset by taxes related to international activities and U.S. state and local taxes.

The effective tax rate for the first six months of fiscal 2026 was greater than the U.S. Federal statutory rate of 21 percent due to taxes related to international activities and U.S. state and local taxes, which were partially offset by tax benefits from share-based compensation and foreign-derived intangible income.

The effective tax rate for the comparable prior-year periods was lower than the U.S. Federal statutory rate of 21 percent due to tax benefits from share-based compensation, lower taxable gain on divestitures than gain under accounting principles generally accepted in the United States of America ("GAAP"), and foreign-derived intangible income, which were partially offset by U.S. state and local taxes and taxes related to international activities.

The fiscal 2026 effective tax rate is expected to be approximately 22 percent.

## BUSINESS SEGMENT INFORMATION

We operate in two reportable business segments: Diversified Industrial and Aerospace Systems. The business segment information presents sales and operating income on a basis that is consistent with the manner in which our various businesses are managed for internal review and decision-making.

### Diversified Industrial Segment

(dollars in millions)	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
Net sales				
North America businesses	\$ 1,986	\$ 1,928	\$ 4,030	\$ 4,028
International businesses	1,482	1,325	2,881	2,681
Diversified Industrial Segment	3,468	3,253	6,911	6,709
Operating income				
North America businesses	444	426	951	911
International businesses	348	284	662	583
Diversified Industrial Segment	\$ 792	\$ 710	\$ 1,613	\$ 1,494
Operating margin				
North America businesses	22.4 %	22.1 %	23.6 %	22.6 %
International businesses	23.5 %	21.4 %	23.0 %	21.7 %
Diversified Industrial Segment	22.8 %	21.8 %	23.3 %	22.3 %
Backlog	\$ 3,738	\$ 3,508	\$ 3,738	\$ 3,508

The Diversified Industrial Segment operations experienced the following percentage changes in net sales in the current-year periods versus the comparable prior-year periods:

	Period Ending December 31, 2025	
	Three Months	Six Months
North America businesses – as reported	3.0 %	— %
Acquisitions	2.1 %	1.2 %
Divestitures	(2.0)%	(3.6)%
Currency	0.4 %	0.1 %
North America businesses – without acquisitions, divestitures and currency <sup>(1)</sup>	2.5 %	2.3 %
International businesses – as reported	11.8 %	7.5 %
Acquisitions	2.5 %	1.4 %
Currency	4.7 %	3.3 %
International businesses – without acquisitions and currency <sup>(1)</sup>	4.6 %	2.8 %
Diversified Industrial Segment – as reported	6.6 %	3.0 %
Acquisitions	2.3 %	1.3 %
Divestitures	(1.2)%	(2.2)%
Currency	2.1 %	1.4 %
Diversified Industrial Segment – without acquisitions, divestitures and currency <sup>(1)</sup>	3.4 %	2.5 %

<sup>(1)</sup> This table reconciles the percentage changes in net sales of the Diversified Industrial Segment reported in accordance with GAAP to percentage changes in net sales adjusted to remove the effects of acquisitions and divestitures for 12 months after their completion as well as changes in currency exchange rates (a non-GAAP measure). The effects of acquisitions, divestitures and changes in currency exchange rates are removed to allow management and investors to meaningfully evaluate the percentage changes in net sales on a comparable basis from period to period.

## Net Sales

Diversified Industrial Segment sales increased \$215 million and \$202 million from the prior-year quarter and first six months of fiscal 2025, respectively. The effect of the Curtis acquisition increased sales by approximately \$74 million and \$85 million in the current-year quarter and first six months of fiscal 2026, respectively. The effect of changes in currency exchange rates increased sales by approximately \$69 million and \$93 million in the current-year quarter and first six months of fiscal 2026, respectively. The impact of divestiture activity decreased sales by approximately \$38 million and \$146 million in the current-year quarter and first six months of fiscal 2026, respectively. Excluding the effects of the acquisition, changes in currency exchange rates and divestiture activity, sales increased \$110 million and \$170 million from the prior-year quarter and first six months of fiscal 2025, respectively.

*North America businesses* - Sales increased \$58 million from the prior-year quarter and remained flat when compared to the first six months of fiscal 2025. The effect of the Curtis acquisition increased sales by approximately \$41 million and \$47 million in the current-year quarter and first six months of fiscal 2026, respectively. The effects of divestiture activity decreased sales by approximately \$38 million and \$146 million in the current-year quarter and first six months of fiscal 2026, respectively. The effect of changes in currency exchange rates increased sales by approximately \$7 million in both the current-year fiscal quarter and first six months of fiscal 2026, respectively. Excluding the effects of the Curtis acquisition, divestiture activity and changes in currency exchange rates, sales in the North America businesses increased \$48 million and \$94 million in the current-year quarter and first six months of fiscal 2026, respectively. In the current-year quarter and first six months of fiscal 2026, the increase in sales is primarily due to higher demand from end users in the in-plant and industrial equipment, aerospace and defense, HVAC and refrigeration and off-highway markets, partially offset by lower demand from end users in the transportation and energy markets.

*International businesses* - Sales increased \$157 million and \$200 million from the prior-year quarter and first six months of fiscal 2025, respectively. The effect of the Curtis acquisition increased sales by approximately \$33 million and \$38 million in the current-year quarter and first six months of fiscal 2026, respectively. The effect of changes in currency exchange rates increased sales by approximately \$62 million and \$86 million in the current-year quarter and first six months of fiscal 2026, respectively. Excluding the effects of the Curtis acquisition and changes in currency exchange rates, sales in the International businesses increased \$62 million and \$76 million in the current-year quarter and first six months of fiscal 2026, respectively, primarily due to higher sales in the Asia Pacific region, where we experienced higher demand within the electronics and semiconductor and in-plant and industrial equipment markets, partially offset by lower demand from end users in the transportation market. During the current-year quarter, sales also increased due to higher sales in Europe, primarily due to higher demand across the in-plant and industrial equipment and transportation and off-highway markets.

## Operating Margin

Diversified Industrial Segment operating margin increased during the current-year quarter and first six months of fiscal 2026 in both the North America and International businesses primarily due to favorable product mix, price increases, and benefits from prior-year business realignment activities, partially offset by an increase in material costs.

## Business Realignment and Acquisition Integration Charges

The following business realignment and acquisition integration charges are included in the Diversified Industrial Segment operating income:

(dollars in millions)	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	2025	2024	2025	2024
North America businesses	\$ 7	\$ 6	\$ 9	\$ 10
International businesses	10	14	24	20
Diversified Industrial Segment	\$ 17	\$ 20	\$ 33	\$ 30

In both periods, business realignment and acquisition integration charges primarily related to business realignment activities. The business realignment charges primarily consist of severance costs related to actions taken under our simplification initiative aimed at reducing organizational and process complexity, as well as plant closures. Business realignment charges within the International businesses were primarily incurred in Europe.

We anticipate that cost savings realized from the workforce reduction measures taken in the first six months of fiscal 2026 will not materially impact operating income in fiscal 2026 and will increase operating income by approximately one percent in fiscal 2027. We expect to continue to take actions necessary to appropriately structure the operations of the Diversified Industrial Segment. We currently anticipate incurring approximately \$40 million of additional business realignment charges in the remainder of fiscal 2026. However, continually changing business conditions could impact the ultimate costs we incur.

### Backlog

Diversified Industrial Segment backlog, as of December 31, 2025, increased from both the comparable prior-year quarter and the June 30, 2025 balance of \$3.7 billion primarily due to orders exceeding shipments in both the North America and International businesses.

Backlog consists of written firm orders from a customer to deliver products and, in the case of blanket purchase orders, only includes the portion of the order for which a schedule or release date has been agreed to with the customer. The dollar value of backlog is equal to the amount that is expected to be billed to the customer and reported as a sale.

### Aerospace Systems Segment

(dollars in millions)	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
Net sales	\$ 1,706	\$ 1,490	\$ 3,347	\$ 2,938
Operating income	\$ 443	\$ 338	\$ 854	\$ 661
Operating margin	26.0 %	22.7 %	25.5 %	22.5 %
Backlog	\$ 8,007	\$ 7,008	\$ 8,007	\$ 7,008

### Net Sales

Aerospace Systems Segment sales increased in both the current-year quarter and first six months of fiscal 2026 primarily due to higher volume in the commercial OEM and aftermarket, as well as the defense OEM market segment.

### Operating Margin

Aerospace Systems Segment operating margin increased during the current-year quarter and first six months of fiscal 2026 due to higher sales volume, aftermarket profitability, as well as benefits from cost containment initiatives.

### Business Realignment and Acquisition Integration Charges

Within the Aerospace Systems Segment, business realignment and acquisition integration charges were immaterial during the current-year quarter and first six months of fiscal 2026. During the prior-year quarter and first six months of fiscal 2025, business realignment and acquisition integration charges were \$7 million and \$12 million, respectively, and primarily related to acquisition integration activities. We do not expect to incur material business realignment or acquisition integration charges for the remainder of fiscal 2026. However, continually changing business conditions could impact the ultimate costs we incur.

### Backlog

Aerospace Systems Segment backlog as of December 31, 2025, increased from both the comparable prior-year quarter and the June 30, 2025 balance of \$7.4 billion, primarily due to orders exceeding shipments in all market segments, especially in the commercial OEM and aftermarket market segments.

Backlog consists of written firm orders from a customer to deliver products and, in the case of blanket purchase orders, only includes the portion of the order for which a schedule or release date has been agreed to with the customer. The dollar value of backlog is equal to the amount that is expected to be billed to the customer and reported as a sale.

### Corporate general & administrative expenses

(dollars in millions)	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
Corporate general and administrative expense	\$ 53	\$ 56	\$ 102	\$ 105
Corporate general and administrative expense, as a percent of sales	1.0 %	1.2 %	1.0 %	1.1 %

Corporate general and administrative expenses in both the current-year quarter and first six months of fiscal 2026 primarily included salaries, benefits and incentive compensation expense, professional service fees, information technology, charitable contributions and other discretionary spending.

**Other expense (income), net**

(dollars in millions)	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
Foreign currency transaction (gain) loss <sup>(1)</sup>	\$ (3)	\$ (32)	\$ (10)	\$ 5
Stock-based compensation expense	28	15	108	73
Non-service components of retirement benefit cost (income)	(16)	(12)	(33)	(25)
Acquisition-related expenses	7	—	20	—
Gain on disposal of assets and divestitures <sup>(2)</sup>	(9)	(249)	(8)	(257)
Interest income	(2)	(2)	(7)	(5)
Gain on insurance recoveries <sup>(3)</sup>	—	—	(20)	—
Other items, net	7	5	4	4
<b>Total other expense (income), net</b>	<b>\$ 12</b>	<b>\$ (275)</b>	<b>\$ 54</b>	<b>\$ (205)</b>

<sup>(1)</sup> Foreign currency transaction (gain) loss primarily relates to the impact of exchange rates on cash, forward contracts and intercompany transactions.

<sup>(2)</sup> For further discussion of the gain on disposal of assets and divestitures during the prior-year quarter and first six months of fiscal 2025 refer to Note 4 to the Consolidated Financial Statements.

<sup>(3)</sup> Gain on insurance recoveries for damaged property associated with a fire at one of our U.S. facilities within the Diversified Industrial segment that occurred in the third quarter of fiscal 2025.

## LIQUIDITY AND CAPITAL RESOURCES

We believe that we are great generators and deployers of cash. We assess our liquidity in terms of our ability to generate cash to fund our operations and meet our strategic capital deployment objectives, which include the following:

- Investing in organic growth and productivity
- Continuing our record annual dividend increases
- Strategic acquisitions that strengthen our portfolio
- Share repurchases, including repurchases under the 10b5-1 share repurchase program

We expect that our cash and cash equivalents, cash flows from operations, availability under our commercial paper program, and access to capital markets will be sufficient to meet these liquidity needs for the next twelve months and the foreseeable future.

At December 31, 2025, we had cash and cash equivalents totaling \$427 million, of which \$371 million was held by our foreign subsidiaries. We intend to repatriate certain foreign earnings, which may result in non-federal U.S. or foreign tax liabilities. All other undistributed foreign earnings are considered to be permanently reinvested.

### Cash Flows

A summary of cash flows is as follows:

(dollars in millions)	Six Months Ended		
	December 31,		
	2025	2024	Change
Cash provided by (used in):			
Operating activities	\$ 1,644	\$ 1,679	\$ (35)
Investing activities	(1,146)	412	(1,558)
Financing activities	(529)	(2,104)	1,575
Effect of exchange rates	(9)	(13)	4
Net decrease in cash and cash equivalents	\$ (40)	\$ (26)	\$ (14)

**Net cash provided by operating activities** decreased \$35 million for the first six months of fiscal 2026 compared to the first six months of fiscal 2025. The decrease was primarily driven by higher cash tax payments and increased working capital requirements, specifically within accounts receivable and inventory, which more than offset the higher net income adjusted for non-cash items (including depreciation, amortization, stock-based compensation expense, deferred income taxes and gains on sale of businesses). We continue to focus on managing inventory and other working capital requirements.

- Days sales outstanding relating to trade accounts receivable was 49 days at December 31, 2025, 51 days at June 30, 2025 and 48 days at December 31, 2024.
- Days supply of inventory on hand was 95 days at December 31, 2025, 82 days at June 30, 2025 and 89 days at December 31, 2024.

**Net cash (used in) provided by investing activities** decreased by \$1.6 billion in the first six months of fiscal 2026 compared to the first six months of fiscal 2025. The decrease was primarily attributable to \$1.0 billion in cash used for the Curtis acquisition and lower proceeds from sale of businesses in fiscal 2026. Proceeds from sale of businesses in fiscal 2025 included net proceeds of \$621 million related to the divestitures of the composites and fuel containment business and the non-core filtration business.

**Net cash used in financing activities** for the first six months of fiscal 2026 and 2025 were impacted by the following factors:

- Net commercial paper borrowings of \$595 million in the first six months of fiscal 2026 compared to net commercial paper repayments of \$515 million in the first six months of fiscal 2025.
- Principal payments totaling \$490 million related to borrowings under a term loan facility in the first six months of fiscal 2025.
- Aggregate principal payment of \$500 million related to the maturity of medium-term notes during fiscal 2025.
- Repurchases under our share repurchase program amounted to 0.7 million common shares for \$550 million during the first six months of fiscal 2026, compared to 0.2 million common shares for \$100 million during the first six months of fiscal 2025.

## **Debt**

To fund short-term liquidity needs, we utilize a commercial paper program that is supported by our revolving credit agreement.

In August 2025, we amended our revolving credit agreement to increase the total line of credit to \$3.75 billion, and authorized a corresponding increase in the commercial paper program size to \$3.75 billion. The revolving credit agreement expires in June 2028; however, we have the right to request a one-year extension of the expiration date. Advances from the credit agreement can be used for general corporate purposes, including acquisitions, and for the refinancing of existing indebtedness. Issuances of commercial paper reduce the amount of credit available under the revolving credit agreement. As of December 31, 2025, there were no borrowings outstanding under the revolving credit agreement, and commercial paper notes outstanding were \$2.4 billion. Taking into account outstanding commercial paper notes, \$1.4 billion was available for borrowing under the credit agreement as of December 31, 2025.

On December 10, 2025, we entered into a 364-Day Term Loan Agreement and a Three-Year Term Loan Agreement, which provide for senior unsecured delayed draw term loan facilities in aggregate principal amounts of \$5.25 billion and \$2.50 billion, respectively. Proceeds from the Filtration Group Credit Facilities, if and when drawn, will be used to finance a portion of the consideration for the Company's proposed acquisition of Filtration Group. The Filtration Group Credit Facilities mature 364 days and three years, respectively, following the date of the initial funding of all or a portion of the applicable delayed draw term loan. As of December 31, 2025, we have not borrowed any funds under the Filtration Group Credit Facilities.

We primarily utilize unsecured medium-term notes and senior notes to meet our financing needs and we expect to continue to borrow funds at reasonable rates over the long term.

Our credit agreements and indentures governing certain debt securities contain various covenants. Violation of these covenants would limit or preclude the use of the credit agreements for future borrowings or could accelerate the maturity of the related outstanding borrowings. Based on our rating level at December 31, 2025, the most restrictive financial covenant requires that the ratio of debt to debt-shareholders' equity not exceed 0.65 to 1.0. As of December 31, 2025, we are in compliance with all covenants, with a ratio of 0.41 to 1.0. We expect to remain in compliance with all covenants set forth in our credit agreements and indentures.

Our goal is to maintain an investment-grade credit profile. The rating agencies periodically update our credit ratings as events occur. At December 31, 2025, the long-term credit ratings assigned to our senior debt securities were as follows:

Fitch Ratings	A-
Moody's Investors Services, Inc.	A3
Standard & Poor's	BBB+

Refer to the cash flows from financing activities section below and Note 13 to the consolidated financial statements for further discussion.

## **Capital Expenditures**

We are targeting 2.5 percent of sales for capital expenditures for the remainder of fiscal 2026 and have an annual long-term target of 2.0 percent. We will continue to prioritize capital expenditures related to safety, productivity and strategic investments.

## **Dividends**

We declared a quarterly cash dividend of \$1.80 per share on October 22, 2025, which was paid on December 5, 2025. Dividends have been paid for 302 consecutive quarters, including a yearly increase in dividends for 69 consecutive fiscal years. Additionally, we declared a quarterly cash dividend of \$1.80 per share on January 22, 2026, payable on March 6, 2026.

## **Share Repurchases**

On August 21, 2025, the Board of Directors approved an update to the number of shares available under our previous share repurchase authorization so that the aggregate number of shares available for repurchase as of such date was 20.0 million. There is no limitation on the number of shares that can be repurchased in a year and there is no expiration date for the program. As of December 31, 2025, 19.3 million shares remained available under the repurchase authorization. Refer to Note 10 to the consolidated financial statements for further discussion of share repurchases.

### ***Strategic Acquisitions and Divestitures***

Acquisitions will be considered from time to time to the extent there is a strong strategic fit, while at the same time maintaining our strong financial position. In addition, we will continue to assess our existing businesses and initiate efforts to divest businesses that are not considered to be a good long-term strategic fit for Parker. On September 18, 2025, we completed the acquisition of Curtis, for approximately \$1.0 billion, net of cash acquired. On November 11, 2025, we announced that we have agreed to acquire Filtration Group from Madison Industries for approximately \$9.25 billion in cash. The transaction is subject to customary closing conditions, including receipt of applicable regulatory approvals, and is expected to close six to 12 months from the announcement date. We expect to fund the transaction with a combination of new debt and cash. Refer to Note 4 to the consolidated financial statements for further discussion.

### ***Supply Chain Financing***

We continue to identify opportunities to improve our liquidity and working capital efficiency, which include the extension of payment terms with our suppliers. We have supply chain financing programs with financial intermediaries, which provide certain suppliers the option to be paid by the financial intermediaries earlier than the due date on the applicable invoice. We do not believe that changes in the availability of supply chain financing will have a significant impact on our liquidity. Refer to Note 8 to the consolidated financial statements for further discussion.

## 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, orders, 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 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 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; including the pending acquisition of Filtration Group and the integration of Curtis;
- 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 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, 2025 and other periodic filings made with the Securities and Exchange Commission.

The Company makes these statements as of the date of the filing of this Quarterly Report on Form 10-Q for the quarter ended December 31, 2025, and undertakes no obligation to update them unless otherwise required by law.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

A substantial portion of our operations are conducted by our subsidiaries outside of the U.S. in currencies other than the U.S. dollar. Most of our non-U.S. subsidiaries conduct their business primarily in their local currencies, which are also their functional currencies. Foreign currency exposures arise from the translation of foreign currency-denominated assets and liabilities into U.S. dollars and from transactions denominated in a currency other than the subsidiary's functional currency. We continue to manage the associated foreign currency transaction and translation risk using existing processes.

The Company manages foreign currency transaction and translation risk by utilizing derivative and non-derivative financial instruments, including forward exchange contracts, cross-currency swap contracts and certain foreign currency denominated debt designated as net investment hedges. The derivative financial instrument contracts are with major investment grade financial institutions and we do not anticipate any material non-performance by any of the counterparties. We do not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are recognized on the Consolidated Balance Sheets as either assets or liabilities and are measured at fair value. Further information on the fair value of these contracts is provided in Note 15 to the consolidated financial statements. Derivatives that are not designated as hedges are adjusted to fair value by recording gains and losses through the Consolidated Statements of Income. Derivatives that are designated as hedges are adjusted to fair value by recording gains and losses through accumulated other comprehensive loss in the Consolidated Balance Sheets until the hedged item is recognized in earnings. For cross-currency swap contracts measured using the spot method, the periodic interest settlements are recognized directly in earnings through interest expense. The translation of the foreign currency denominated debt that has been designated as a net investment hedge is recorded in accumulated other comprehensive loss and remains there until the underlying net investment is sold or substantially liquidated. A 10 percent change in foreign exchange rates related to our forward exchange contracts as of December 31, 2025 would affect earnings by approximately \$125 million. A majority of the impact would be offset by changes in value from the remeasurement of the underlying items being hedged. Collectively, the forward exchange contracts and their associated hedged items do not create material market risk.

The Company's debt portfolio contains variable rate debt, consisting of commercial paper, inherently exposing the Company to interest rate risk. Our objective is to maintain a 60/40 mix between fixed rate and variable rate debt thereby limiting our exposure to changes in near-term interest rates. A 100 basis point increase in near-term interest rates would increase annual interest expense on variable rate debt, consisting of commercial paper borrowings for the six months ended December 31, 2025, by approximately \$24 million.

### **ITEM 4. CONTROLS AND PROCEDURES**

The Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's principal executive officer and principal financial officer, of the effectiveness of the Company's disclosure controls and procedures as of December 31, 2025. Based on this evaluation, the Company's principal executive officer and principal financial officer concluded that, as of December 31, 2025, the Company's disclosure controls and procedures were effective.

The Company acquired Curtis on September 18, 2025. As a result of the acquisition, management is in the process of integrating, evaluating and, where necessary, implementing changes in controls and procedures. Other than with respect to the acquisition, there have been no changes in the Company's internal control over financial reporting during the quarter ended December 31, 2025 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**PARKER-HANNIFIN CORPORATION**

**PART II - OTHER INFORMATION**

ITEM 1. Legal Proceedings.

From time to time we are involved in matters that involve governmental authorities as a party under federal, state and local laws that have been enacted or adopted regulating the discharge of materials into the environment or primarily for the purpose of protecting the environment. We will report such matters that exceed, or that we reasonably believe may exceed, \$1.0 million or more in monetary sanctions.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds.

- (a) *Unregistered Sales of Equity Securities.* Not applicable.
- (b) *Use of Proceeds.* Not applicable.
- (c) *Issuer Purchases of Equity Securities.*

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid Per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs <sup>(1)</sup>	(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs <sup>(1)</sup>
October 1, 2025 through October 31, 2025	35,900	\$ 752.41	35,900	19,390,747
November 1, 2025 through November 30, 2025	27,400	\$ 825.89	27,400	19,363,347
December 1, 2025 through December 31, 2025	28,899	\$ 877.51	28,899	19,334,448
Total:	<u>92,199</u>		<u>92,199</u>	

<sup>(1)</sup> On August 21, 2025, the Board of Directors approved an update to the number of shares available under the Company's previous share repurchase authorization so that the aggregate number of shares available for repurchase as of such date was 20.0 million. There is no limitation on the number of shares that can be repurchased in a year and there is no expiration date for the program.

ITEM 5. Other Information

None of the Company's directors or officers adopted, modified or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the Company's fiscal quarter ended December 31, 2025.

## ITEM 6. Exhibits.

The following documents are furnished as exhibits and are numbered pursuant to Item 601 of Regulation S-K:

Exhibit No.	Description of Exhibit
2(a)	<a href="#">Agreement and Plan of Merger, dated November 10, 2025, by and between Parker-Hannifin Corporation, Prosper Merger Sub Corp., Filtration Group Corporation and Filtration Group Equity LLC, incorporated by reference to Exhibit 2.1 to Registrant's Report on Form 8-K filed with the SEC on November 12, 2025 (Commission File No. 1-4982).</a>
10(a)	<a href="#">Form of Notice of Award under the Parker-Hannifin Corporation Long-Term Incentive Performance Plan, as Amended and Restated, effective as of January 21, 2026.*</a>
10(b)	<a href="#">364-Day Term Loan Agreement, dated December 10, 2025, by and among Parker-Hannifin Corporation, Barclays Bank PLC, as administrative agent, and the lenders party thereto, incorporated by reference to Exhibit 10.1 to Registrant's Report on Form 8-K filed with the SEC on December 10, 2025 (Commission File No. 1-4982).</a>
10(c)	<a href="#">Three-Year Term Loan Agreement, dated December 10, 2025, by and among Parker-Hannifin Corporation, KeyBank National Association, as administrative agent, and the lenders party thereto, incorporated by reference to Exhibit 10.2 to Registrant's Report on Form 8-K filed with the SEC on December 10, 2025 (Commission File No. 1-4982).</a>
31(a)	<a href="#">Certification of the Principal Executive Officer Pursuant to 17 CFR 240.13a-14(a), as Adopted Pursuant to §302 of the Sarbanes-Oxley Act of 2002.*</a>
31(b)	<a href="#">Certification of the Principal Financial Officer Pursuant to 17 CFR 240.13a-14(a), as Adopted Pursuant to §302 of the Sarbanes-Oxley Act of 2002.*</a>
32	<a href="#">Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to §906 of the Sarbanes-Oxley Act of 2002.*</a>
101.INS	Inline XBRL Instance Document.*
101.SCH	Inline XBRL Taxonomy Extension Schema Document.*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.*
104	Cover page Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101).

\* Submitted electronically herewith.

Attached as Exhibit 101 to this report are the following formatted in Inline XBRL (Extensible Business Reporting Language): (i) Consolidated Statements of Income for the three and six months ended December 31, 2025 and 2024, (ii) Consolidated Statements of Comprehensive Income for the three and six months ended December 31, 2025 and 2024, (iii) Consolidated Balance Sheets at December 31, 2025 and June 30, 2025, (iv) Consolidated Statements of Cash Flows for the six months ended December 31, 2025 and 2024, and (v) Notes to Consolidated Financial Statements for the six months ended December 31, 2025.

**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 thereunto duly authorized.

PARKER-HANNIFIN CORPORATION  
(Registrant)

/s/ Todd M. Leombruno  
Todd M. Leombruno  
Executive Vice President and Chief Financial Officer

Date: January 30, 2026



TO: [PARTICIPANT NAME]

**PARKER-HANNIFIN CORPORATION OFFICER LONG-TERM INCENTIVE PERFORMANCE PLAN (LTIP)**

**OFFICER AWARD AGREEMENT**

(L36)

The Human Resources and Compensation Committee of the Board of Directors (the "Committee") of Parker-Hannifin Corporation (the "Company") has awarded to you the contingent right to receive the following number of common shares of the Company ("Maximum Shares") under the Company's Officer Long-Term Incentive Performance Plan (As Amended and Restated) (the "Plan"), which operates under the Parker-Hannifin Corporation 2023 Omnibus Stock Incentive Plan (as defined in the Plan):

Grant Date: [Grant Date]

Performance Period: CY 2026-2027-2028

Maximum Shares: [Number]

Target Shares: [Number Granted]

The number of Maximum Shares and Target Shares granted is based on your grade level at the Grant Date and your expected service in your position through the end of the Performance Period. The number of Maximum Shares and Target Shares granted is subject to adjustment in the event of a change in your grade level or your employment status with the Company during the Performance Period as provided in the Plan. Your award constitutes a performance-based Restricted Stock Unit Award for purposes of the Stock Incentive Plan.

**Payout of Your Award.** Your right to earn all or a portion of the Target Shares under your award will be based upon the Company's performance during the Performance Period in comparison to a defined peer group for certain key objective financial metrics described in the Plan, and the Committee's discretion to reduce the amount payable under your award (including for example, a possible reduction to the number of Target Shares set out above), based on the Company's performance in comparison to its peer group and otherwise as described in the Plan. Subject to your continued employment through the end of the Performance Period, any amount payable under your award will be paid in the form of Shares (as defined in the Plan), to be issued in April 2029 following the Committee's certification of performance results of the Company, subject to the Committee's exercise of any discretion to reduce the amount payable, and the Committee's authorization of payment.

Subject to your continued employment through the end of the Performance Period, any Shares earned hereunder will be issued after the end of the Performance Period following the

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Committee's certification of performance results, authorization of any Share issuance, and considerations of other appropriate factors as the Committee may determine.

**Clawback Provisions.** By accepting this award, you acknowledge and agree that the terms and conditions set forth in the Claw-back Policy of Parker-Hannifin Corporation that applies to compensation granted or paid on or after July 1, 2009 (as may be amended and restated from time to time, the "Clawback Policy") and the Parker-Hannifin Corporation Section 16 Officer Clawback Policy (as may be amended and restated from time to time, the "Dodd-Frank Policy") are incorporated in this Award Agreement by reference. To the extent the Clawback Policy or the Dodd-Frank Policy is applicable to you, it creates additional rights for the Company with respect to your award and other applicable compensation, including, without limitation, annual cash incentive compensation awards granted to you by the Company. Notwithstanding any provisions in this Award Agreement, the Plan or the Stock Incentive Plan to the contrary, any award granted under the Stock Incentive Plan and such other applicable compensation, including, without limitation, annual cash incentive compensation, will be subject to potential mandatory cancellation, forfeiture and/or repayment by you to the Company to the extent you are, or in the future become, subject to (a) any Company clawback or recoupment policy, including the Clawback Policy, the Dodd-Frank Policy, and any other policies that are adopted by the Company, whether to comply with the requirements of any applicable laws, rules, regulations, stock exchange listing standards or otherwise, or (b) any applicable laws that impose mandatory clawback or recoupment requirements under the circumstances set forth in such laws, including as required by the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or other applicable laws, rules, regulations or stock exchange listing standards, as may be in effect from time to time, and which may operate to create additional rights for the Company with respect to awards and the recovery of amounts relating thereto. By accepting this award and pursuant to this Award Agreement, you consent to be bound by the terms of the Clawback Policy or the Dodd-Frank Policy, if applicable, and agree and acknowledge that you are obligated to cooperate with, and provide any and all assistance necessary to, the Company in its efforts to recover or recoup this award, any gains or earnings related to this award, or any other applicable compensation, including, without limitation, annual cash incentive compensation, that is subject to clawback or recoupment pursuant to such laws, rules, regulations, stock exchange listing standards or Company policy. Such cooperation and assistance shall include, but is not limited to, executing, completing and submitting any documentation necessary to facilitate the recovery or recoupment by the Company from you of any such amounts, including from your accounts or from any other compensation, to the extent permissible under Section 409A of the Internal Revenue Code of 1986, as amended.

**Your Action Items.** Please take the following actions:

**Accept your Awards by clicking on the "Accept" button below.** In relation to the award described herein (your "Award"), attached below for your review and incorporated into this Award Agreement is the Plan. **Inform the Company of any change in address or contact information, as necessary.** Refer to the section of the Plan titled "**Notification of Change in Personal Data**" for instructions on how to provide notification to the Company.

Also available through your UBS One Source account are the following documents pertinent to your Award:

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2023 Omnibus Stock Incentive Plan  
2023 Omnibus Stock Incentive Plan Prospectus  
Annual Report and Proxy Statement

**Parker-Hannifin Corporation**  
**Officer Long-Term Incentive Performance Plan (as Amended and Restated Effective January 21, 2026)**

**Summary and  
Terms and Conditions**

**1. Effective Date and Purpose.** Parker-Hannifin Corporation, an Ohio corporation (the “Company”), originally adopted this Plan effective as of January 26, 2011, thereafter amended and restated the Plan from time to time, and most recently amended and restated the Plan effective as of January 21, 2026. The purpose of this Plan is to attract and retain key executives for the Company and to provide such persons with incentives for superior performance in the form of an opportunity to earn a long-term incentive award structured as a performance-based Restricted Stock Unit Award under the Stock Incentive Plan and payable in Common Shares (“Shares”). This Plan and each Award Opportunity hereunder shall be subject to the terms and conditions of this Plan and the applicable Award Agreement and the terms and conditions of the Stock Incentive Plan. Capitalized terms not defined in this Plan shall have the meanings set forth in the Stock Incentive Plan.

**2. Eligibility.** The Committee shall designate the Participants, if any, for each Performance Period. An Eligible Officer who is designated as a Participant for a given Performance Period is not guaranteed of being selected as a Participant for any other Performance Period.

**3. Establishment of Award Opportunities.** Not later than the 90<sup>th</sup> day of each Performance Period, the Committee shall establish the Maximum Shares and Target Shares for each Participant’s Award Opportunity for the Performance Period. The Committee shall provide an Award Agreement to each Participant as soon as practical following the establishment of the Maximum Shares and Target Shares under the Participant’s Award Opportunity for the Performance Period.

**4. Dividend Equivalent Units; Voting and Other Rights.**

**A. Shareholder Rights Generally.** A Participant shall have no rights of ownership in the Shares underlying an Award Opportunity and no right to vote the Shares underlying an Award Opportunity until the date on which the Shares underlying such Award Opportunity are issued or transferred to the Participant pursuant to Section 6 or Section 8 hereof.

**B. Dividend Equivalent Units.** With respect to each Award Opportunity, from and after the applicable Grant Date and until the earlier of (i) the time when the Award Opportunity is paid in accordance with Section 6 or Section 8 hereof or (ii) the time when the applicable Participant’s right to payment of the Award Opportunity is forfeited in accordance with Section 7 hereof or otherwise, on the date that the Company pays a cash dividend (if any) to holders of Shares generally, such Participant shall be credited with a number of additional Target

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Shares (the “Dividend Equivalent Units”) determined by dividing the aggregate amount of the cash dividend that would be payable on such date to a holder of a number of Shares equal to the number of such Participant’s unpaid Target Shares with respect to such Award Opportunity by the closing price per Share on the New York Stock Exchange on the last trading day preceding the dividend payment date. Any such Dividend Equivalent Units will be considered Target Shares for purposes of the applicable Award Opportunity and this Plan, and will be subject to all of the terms, conditions and restrictions set forth herein.

**5. Determination of Amount Payable Under Award Opportunities.**

**A. Committee Certification of Management Objectives.** Subject to potential reduction as set forth in Section 5.B and further subject to the other terms and conditions of this Plan, the full number of Maximum Shares granted to a Participant with respect to a Performance Period shall be earned as of the last day of such Performance Period, provided that (i) following the end of the Performance Period, the Committee has certified that the Company has achieved either (a) average Return on Average Equity of 4% during the Performance Period, or (b) average Free Cash Flow Margin of 4% during the Performance Period; and (ii) the Participant has been continuously employed by the Company and its Affiliates through the last day of the Performance Period.

**B. Committee Discretion to Reduce Long-Term Incentive Awards.** Notwithstanding Section 5.A, the actual number of Shares payable to a Participant with respect to a Performance Period may be reduced (including a reduction to zero) by the Committee in its sole and absolute discretion based on such factors as the Committee determines to be appropriate including, without limitation, the Company’s performance with respect to the performance measures (the “Peer Performance Measures”) set out below, with the number of a Participant’s Target Shares under an Award Opportunity allocated to each of the Peer Performance Measures in proportion to the percentages set out below. Achievement with respect to the Peer Performance Measures shall be determined for the Company at the conclusion of the Performance Period, in comparison to the performance of the members of the Company’s Peer Group set out below, determined for each member of the Peer Group based on its performance at the conclusion of the three fiscal year period of such company ending with or immediately prior to the conclusion of the Performance Period.

<b>Peer Performance Measure:</b>	<b>Weight:</b>
Revenue Growth	40%
Earnings Per Share Growth	40%
Average Return on Invested Capital	20%

It is the intention of the Committee that the Committee will exercise its discretion as it deems appropriate to reduce the number of Shares that may be delivered to a Participant with respect to each Performance Period based on the Company’s percentile ranking among the members of the Peer Group with respect to each Peer Performance Measure in accordance with the following table; provided, however, that the Committee reserves the right to deviate from such approach and may exercise its discretion to reduce the number of Shares that may be delivered to a Participant with respect to each Performance Period, if any, based on such other factors as the Committee in its sole and absolute discretion determines to be appropriate:

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<b>Company Percentile Ranking Among Peer Group:</b>	<b>% of Allocable Target Shares Earned:</b>
75 <sup>th</sup> percentile or higher	200%
50 <sup>th</sup> percentile	100% (Target Shares)
25 <sup>th</sup> percentile	50%
lower than 25 <sup>th</sup> percentile	0%

To the extent that the Company's percentile ranking among the members of the Peer Group with respect to a Peer Performance Measure is between the 25<sup>th</sup> and the 50<sup>th</sup> percentile, or between the 50<sup>th</sup> and the 75<sup>th</sup> percentile, it is currently intended that the Committee will exercise its discretion to determine the appropriate percentage of the allocable Target Shares that are earned by straight-line interpolation between the percentages set out in the table above.

Peer Group:

• Caterpillar Inc.	• Ingersoll Rand Inc.
• Cummins Inc.	• ITT Inc.
• Deere & Company	• Johnson Controls International plc
• Dover Corporation	• Moog Inc.
• Eaton Corporation plc	• RTX Corporation
• Emerson Electric Co.	• Rockwell Automation Inc.
• Flowserve Corporation	• Textron Inc.
• Fortive Corporation	• Trane Technologies plc
• Honeywell International Inc.	• 3M Co.
• Illinois Tool Works Inc.	

**6. Payment of Awards.** Except as otherwise provided in this Plan, during the fourth month following the end of the applicable Performance Period, the Company shall deliver to each Participant the Shares, if any, that the Committee has determined (in accordance with Section 5) to be payable with respect to any Award Opportunity.

**7. Terminations.** Except as otherwise provided in this Section 7 or Section 8, a Participant must remain continuously employed by the Company and its Affiliates through the last day of a Performance Period in order to be entitled to receive payment with respect to any Award Opportunity pursuant to this Plan for such Performance Period.

**A. Qualifying Retirement.** Notwithstanding the foregoing, in the event of a Participant's termination of employment during a Performance Period due to a Qualifying Retirement with respect to such Performance Period, the Participant will be entitled to receive the Shares, if any, that the Committee determines (in accordance with Section 5) to be payable with respect to the Award Opportunity for such Performance Period, as if the Participant had remained continuously employed through the end of the Performance Period. Any such Shares will be payable at the time provided in Section 6, following the certification of the achievement of the management objectives by the Committee in accordance with Section 5.A.

**B. Death, Disability, Termination Without Cause, Other Retirement.** Notwithstanding the foregoing, in the event of a Participant's termination of employment during a

Performance Period due to death, Disability, termination of employment by the Company without Cause, or Other Retirement, the Participant will be entitled to receive prorated Shares with respect to the Award Opportunity for that Performance Period equal to the product of the number of Shares, if any, determined to be payable with respect to such Award Opportunity by the Committee (pursuant to Section 5) multiplied by a fraction, the numerator of which is the number of full months of continuous employment during the Performance Period and the denominator of which is 36. Any such prorated amount will be payable at the time provided in Section 6, following the certification of the achievement of the management objectives by the Committee in accordance with Section 5.A.

**C. Other Terminations.** Except as otherwise provided pursuant to Section 8, in the event of a Participant's termination of employment during a Performance Period for any reason other than Qualifying Retirement, Other Retirement, death, Disability, or termination of employment by the Company without Cause, the Participant will forfeit his or her Award Opportunity for such Performance Period, without any further action or notice.

**8. Change in Control.** In the event of a Change in Control (as defined in the Stock Incentive Plan and including the date immediately prior to an "Anticipatory Termination" as defined therein) of the Company during a Performance Period, each Participant then holding an outstanding Award Opportunity granted under this Plan for such Performance Period shall receive payment of his or her Award Opportunity as follows: (a) within fifteen (15) days following the date of the Change in Control, each such Participant shall receive a number of Shares equal to the number of Target Shares subject to such Award Opportunity; and (b) within forty-five (45) days after the date of such Change in Control, each such Participant shall receive a number of Shares equal to the excess, if any, of (i) the number of Shares that would be payable in accordance with Section 5 if the Company had achieved the management objectives described in Section 5.A for the Performance Period, the Committee had exercised its discretion to reduce the number of Shares payable in accordance with Section 5.B based on the Company's percentile ranking among the Peer Group with respect to the Peer Performance Measures as described therein, and the Company's percentile ranking among the Peer Group for each of those Peer Performance Measures during the Performance Period through the end of the fiscal quarter immediately preceding the date of the Change in Control continued throughout the Performance Period at the same level; over (ii) the number of Target Shares subject to such Award Opportunity.

**9. Promotions and New Hires.** With respect to a Participant who is newly hired or is promoted by the Company during a Performance Period, the Committee shall grant an Award Opportunity, or adjust an Award Opportunity previously granted, to such Participant for such Performance Period pursuant to the provisions of this Section 9.

**A. Pro-Rated Award Opportunities for Newly-Eligible Executives.** A Participant who is granted an Award Opportunity more than 90 days after the beginning of the Performance Period, either because the Participant is a newly hired Eligible Officer or is promoted into an Eligible Officer position, will be granted an Award Opportunity under this Plan for such Performance Period based on the number of Maximum Shares and Target Shares established by the Committee during the first 90 days of the Performance Period for the Participant's grade level, with the number of Maximum Shares and Target Shares pro-rated based on the ratio of the number of full months remaining in the Performance Period on and after

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the date of hire or promotion (as applicable) to the total number of months in the Performance Period. For any salary grade created between the salary grades for which the Committee has established the number of Maximum Shares and Target Shares as described above, straight-line interpolation shall be used to determine the pro-rated number of Maximum Shares and Target Shares in accordance with this Section 9.A.

**B. Adjustments to Outstanding Award Opportunities.** If a Participant is promoted after the beginning of a Performance Period, the Participant's outstanding Award Opportunity granted for such Performance Period will be adjusted, effective as of the date of such promotion, based on the number of Maximum Shares and Target Shares established by the Committee during the first 90 days of the Performance Period for the Participant's grade level. The adjustments to each such Participant's Award Opportunity shall be pro-rated on a monthly basis, with the number of Maximum Shares and Target Shares for the Participant's original position applicable for the number of full months preceding the effective date of the promotion and the number of Maximum Shares and Target Shares for the Participant's new position applicable for the remaining number of months in the Performance Period. For any salary grade created between the salary grades for which the Committee has established the number of Maximum Shares and Target Shares as described above, straight-line interpolation shall be used to determine the pro-rated number of Maximum Shares and Target Shares in accordance with this Section 9.B.

**C. Negative Discretion.** Notwithstanding any other provision of this Section 9, the Committee retains the discretion to reduce the amount of any Award Opportunity, including a reduction of such amount to zero. By way of illustration, and not in limitation of the foregoing, the Committee may, in its discretion, determine (i) not to grant a pro-rated Award Opportunity pursuant to Section 9.A above, (ii) not to adjust an outstanding Award Opportunity pursuant to Section 9.B above, (iii) to grant a pro-rated Award Opportunity in a smaller amount than would otherwise be provided by Section 9.A above, or (iv) to adjust an outstanding Award Opportunity to produce a smaller Award Opportunity than would otherwise be provided by Section 9.B above.

**10. Plan Administration.** The Committee shall be responsible for administration of this Plan. The Committee is authorized to interpret this Plan, to prescribe, amend and rescind regulations relating to this Plan, and to make all other determinations necessary or advisable for the administration of this Plan, but only to the extent not contrary to the express provisions of this Plan and the Stock Incentive Plan. Determinations, interpretations or other actions made or taken by the Committee pursuant to the provisions of this Plan shall be final, binding and conclusive for all purposes and upon all Participants, Eligible Officers, Beneficiaries and all other persons who have or claim an interest herein. Subject to the terms of the Stock Incentive Plan and applicable law and stock exchange requirements, the Committee may, in its discretion, delegate to one or more directors or employees of the Company any of the Committee's authority under this Plan. The acts of any such delegates shall be treated under this Plan as acts of the Committee with respect to any matters so delegated, and any reference to the Committee in this Plan shall be deemed a reference to any such delegates with respect to any matters so delegated.

**11. Tax Withholding.** Each Participant is responsible for any federal, state, local, foreign or other taxes with respect to any amount payable under this Plan. To the extent the Company is required to withhold any federal, state, local, foreign or other taxes in connection

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with the delivery of Shares or any other payment or vesting event under this Plan, then the Company may, in its sole discretion, (a) retain a number of Shares otherwise deliverable hereunder with a value equal to the required withholding (based on the Fair Market Value (as defined in the Stock Incentive Plan) of the Shares on the applicable date), (b) facilitate a sale of Shares payable pursuant to the Award Opportunity to cover such tax withholding obligation, or (c) apply any other withholding method determined by the Company; provided that in no event shall the value of the Shares retained or sold exceed the minimum amount of taxes required to be withheld or such other amount that will not result in a negative accounting impact.

**12. Unfunded Plan.** Each Award Opportunity granted under this Plan represents only a contingent right to receive all or a portion of the number of Maximum Shares subject to the terms and conditions of the Award Agreement, this Plan, and the Stock Incentive Plan. Nothing in this Plan shall be construed to create a trust or to establish or evidence any Participant's claim of any right to payment of an Award Opportunity earned under this Plan other than as an unsecured general creditor with respect to any payment to which he or she may be entitled under this Plan.

**13. Rights of Employer; No Right to Future Awards.** Neither anything contained in this Plan nor any action taken under this Plan or the Award Agreement shall be construed as a contract of employment or as giving any Participant or Eligible Officer any right to continued employment with the Company or any Affiliate. Each Award Opportunity granted under this Plan to a Participant is a voluntary, discretionary award being made on a one-time basis and it does not constitute a commitment to make any future awards. The grant of an Award Opportunity and any payments made hereunder will not be considered salary or other compensation for purposes of any severance pay or similar allowance, except as otherwise required by law.

**14. Nontransferability.** Except as otherwise provided in this Plan or the Award Agreement, the benefits provided under this Plan may not be alienated, assigned, transferred, pledged or hypothecated by or to any person or entity, except by will or the laws of descent and distribution, and these benefits shall be exempt from the claims of creditors of any Participant or other claimants and from all orders, decrees, levies, garnishment or executions against any Participant to the fullest extent allowed by law. Notwithstanding the foregoing, to the extent permitted by the Company, a Participant may designate a Beneficiary or Beneficiaries (both primary and contingent) to receive, in the event of the Participant's death, any Shares remaining to be delivered with respect to the Participant under this Plan. The Participant shall have the right to revoke any such designation and to re-designate a Beneficiary or Beneficiaries in such manner as may be prescribed by the Company.

**15. Successors.** The rights and obligations of the Company under this Plan shall inure to the benefit of, and shall be binding upon, the successors and assigns of the Company.

**16. Governing Law.** This Plan and all Award Opportunities shall be construed in accordance with and governed by the laws of the State of Ohio, but without regard to its conflict of law provisions.

**17. Amendment or Termination.** The Committee reserves the right, at any time, without either the consent of, or any prior notification to, any Participant, Eligible Officer or

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other person, to amend, suspend or terminate this Plan or any Award Opportunity granted thereunder, in whole or in part, in any manner, and for any reason; provided that any such amendment shall not, after the end of the 90-day period described in Section 3 of this Plan, cause the amount payable under an Award Opportunity to be increased as compared to the amount that would have been paid in accordance with the terms established as of the end of such period. Notwithstanding the foregoing, no amendment, suspension or termination of this Plan following a Change in Control (as defined in the Stock Incentive Plan) may adversely affect in a material way any Award Opportunity that was outstanding on the date of the Change in Control, without the consent of the affected Participant.

#### **18. Claw-back Policy; Investigations.**

**A. Claw-back Policy.** Each Award Opportunity granted, and each Share paid, pursuant to this Plan shall be subject to the terms and conditions of the Claw-back Policy of Parker-Hannifin Corporation that applies to compensation granted or paid on or after July 1, 2009 (as may be amended and restated from time to time) and the Parker-Hannifin Corporation Section 16 Officer Clawback Policy (as may be amended and restated from time to time), to the extent provided under the terms of each such policy.

**B. Investigations.** Notwithstanding anything in this Plan or the Stock Incentive Plan to the contrary, nothing in this Plan or the Stock Incentive Plan (or in any other agreement, contract or arrangement with the Company or its Subsidiaries or affiliates, or in any policy, procedure or practice of the Company or its Subsidiaries or affiliates) (i) prevents a Participant from providing, without prior notice to the Company, information to governmental authorities regarding possible legal violations or otherwise testifying or participating in any investigation or proceeding by any governmental authorities regarding possible legal violations, and, for purpose of clarity, Participants are not prohibited from providing information voluntarily to the Securities and Exchange Commission pursuant to Section 21F of the Exchange Act or (ii) limits a Participant's right to any monetary award offered by a government-administered whistleblower award program for providing information directly to a government agency (including the Securities and Exchange Commission pursuant to Section 21F of the Exchange Act).

**19. Section 409A of the Code.** It is the Company's intent that each Award Opportunity payable under this Plan shall be compliant with or exempt from the requirements of Section 409A of the Code under the "short-term deferral" exception set out in Section 1.409A-1(b)(4) of the Treasury Regulations. This Plan and each Award Agreement hereunder shall be interpreted and administered in a manner consistent with such intent, and any provision that would cause an Award Agreement or this Plan to fail to satisfy Section 409A of the Code shall have no force or effect until amended to comply with or being exempt from Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Company without the consent of any Participant).

**20. Plan Terms Control.** In the event of a conflict between the terms and conditions of any Award Agreement and the terms and conditions of this Plan, the terms and conditions of this Plan shall prevail. In the event of a conflict between the terms and conditions of any Award Agreement or this Plan and the terms and conditions of the Stock Incentive Plan, the terms and conditions of the Stock Incentive Plan shall prevail.

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**21. Severability.** If any provision of this Plan is held invalid, void or unenforceable, the same shall not affect, in any respect whatsoever, the validity of any other provisions of this Plan.

**22. Waiver.** The waiver by the Company of any breach of any provision of this Plan by a Participant shall not operate or be construed as a waiver of any subsequent breach.

**23. Captions.** The captions of the sections of this Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

**24. Consent to Transfer Personal Data.** By acknowledging an Award Opportunity, each Participant will voluntarily acknowledge and consent to the collection, use, processing and transfer of personal data as described in this Section 24. Participants are not obliged to consent to such collection, use, processing and transfer of personal data. However, failure to provide the consent may affect the Participant's ability to participate in this Plan. The Company and its Affiliates hold certain personal information about each Participant, that may include name, home address and telephone number, fax number, email address, family size, marital status, sex, beneficiary information, emergency contacts, passport / visa information, age, language skills, driver's license information, date of birth, birth certificate, social security number or other employee identification number, nationality, C.V. (or resume), wage history, employment references, job title, employment or severance contract, current wage and benefit information, personal bank account number, tax related information, plan or benefit enrollment forms and elections, option or benefit statements, any shares of stock or directorships in the Company, details of all options or any other entitlements to Shares awarded, canceled, purchased, vested, unvested or outstanding in the Participant's favor, for the purpose of managing and administering this Plan ("Data"). The Company and its Affiliates will transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of each Participant's participation in this Plan, and may further transfer Data to any third parties assisting the Company and its Affiliates in the implementation, administration and management of this Plan. These recipients may be located throughout the world, including the United States. By acknowledging an Award Opportunity, each Participant will authorize such third parties to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in this Plan, including any requisite transfer of such Data as may be required for the administration of this Plan and/or the subsequent holding of Shares on the Participant's behalf to a broker or other third party with whom the Participant may elect to deposit any Shares acquired pursuant to this Plan. A Participant may, at any time, review Data, require any necessary amendments to it or withdraw the consents herein in writing by contacting the Company; however, withdrawing such consent may affect the Participant's ability to participate in this Plan.

**25. Notification of Change in Personal Data.** If a Participant's address or contact information changes prior to the delivery of any Shares pursuant to an Award Opportunity, the Company must be notified in order to administer this Plan and such Award Opportunity. Notification of such changes should be provided to the Company as follows:

**A. U.S. and Canada Participants** (employees who are on the U.S. or Canadian payroll system):

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• Active employees: A Participant must update the Participant's address and contact information directly through the Participant's Personal Profile section in the Employee Self-Service site.

• Retired, terminated or family member of deceased Participant: A Participant must contact the Benefits Service Center at 1-800-992-5564.

**B. Rest of World Participants** (employees who are not on the U.S. or Canadian payroll system): A Participant' must contact the Participant's country Human Resources Manager.

**26. Electronic Delivery.** By acknowledging an Award Opportunity, each Participant consents and agrees to electronic delivery of any documents that the Company may elect to deliver (including, but not limited to, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports, and all other forms of communications) in connection with any Award Opportunity granted under this Plan. By acknowledging an Award Opportunity, each Participant consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may elect to deliver, and each Participant agrees that his or her electronic signature is the same as, and shall have the same force and effect as, his or her manual signature. By acknowledging an Award Opportunity, each Participant consents and agrees that any such procedures and delivery may be effected by a third party engaged by the Company to provide administrative services related to this Plan.

**27. Prospectus Notification.** Copies of the Stock Incentive Plan, the plan summary and prospectus which describes the Stock Incentive Plan (the "Prospectus") and the most recent Annual Report and Proxy Statement issued by the Company (collectively, the "Prospectus Information") are available for review by Participants on the UBS One Source Web site. Each Participant shall have the right to receive a printed copy of the Prospectus Information, free of charge, upon request by either calling the third-party Plan Administrator at 877-742-7471 or by sending a written request to the Company's Total Rewards Department.

**28. Definitions.** The following capitalized words as used in this Plan shall have the following meanings:

"Affiliate" means any corporation or other entity (including, but not limited to, partnerships, limited liability companies and joint ventures) controlled by the Company.

"Award Agreement" means a written or electronic communication to a Participant with respect to a Performance Period, which provides notice of the Participant's Maximum Shares and Target Shares for such Performance Period, subject to the terms and conditions of this Plan and the Stock Incentive Plan.

"Award Opportunity" means an opportunity granted by the Committee to a Participant to earn a long-term incentive award under this Plan with respect to a Performance Period (which opportunity constitutes a performance-based Restricted Stock Unit Award under

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the Stock Incentive Plan), with such opportunity subject to the terms and conditions of the Award Agreement, this Plan, and the Stock Incentive Plan.

“Beneficiary” means a person designated by a Participant in accordance with Section 14 of this Plan to receive, in the event of the Participant’s death, any Shares remaining to be delivered with respect to the Participant under this Plan.

“Board” means the Board of Directors of the Company.

“Cause” means any conduct or activity, whether or not related to the business of the Company, that is determined in individual cases by the Committee to be detrimental to the interests of the Company, including without limitation (a) the rendering of services to an organization, or engaging in a business, that is, in the judgment of the Committee, in competition with the Company; (b) the disclosure to anyone outside of the Company, or the use for any purpose other than the Company’s business, of confidential information or material related to the Company, whether acquired by the Participant during or after employment with the Company; (c) fraud, embezzlement, theft-in-office or other illegal activity; or (d) a violation of the Company’s Code of Conduct or other policies.

“Code” means the Internal Revenue Code of 1986, as amended.

“Committee” means the Human Resources and Compensation Committee of the Board, or such other committee appointed by the Board to administer this Plan.

“Company” has the meaning given such term in Section 1 of this Plan.

“Disability” has the meaning set forth in the Parker-Hannifin Corporation Executive Long-Term Disability Plan or such other long-term disability program of the Company or an Affiliate in which the Participant participates.

“Eligible Officer” means any employee of the Company or an Affiliate, who is an executive officer of the Company, whether such person is so employed at the time this Plan is adopted or becomes so employed subsequent to the adoption of this Plan, who is eligible for awards under the Stock Incentive Plan.

“Free Cash Flow Margin” means the Company’s net cash flow provided by operating activities less capital expenditures for a calendar year in the Performance Period, expressed as a percentage of the Company’s net sales for such calendar year. Free Cash Flow Margin shall be determined in accordance with generally accepted accounting principles as in effect on the first day of the applicable Performance Period. Discretionary pension contributions by the Company during the Performance Period are not included in the calculation of Free Cash Flow Margin. For this purpose, a discretionary pension contribution means a contribution by the Company or one of its Subsidiaries to a qualified pension plan for employees of the Company or its Subsidiaries where absent actions taken by the Company to affect its funding level in a particular year, no minimum required contribution would have been required under applicable laws and regulations.

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“Maximum Shares” means, with respect to an Award Opportunity granted to a Participant for a Performance Period, the notional number of Shares equal to 200% of the Participant’s Target Shares for such Performance Period. Each Maximum Share shall represent the contingent right to receive one Share and shall at all times be equal in value to one Share.

“Other Retirement” means a termination of employment by a Participant during a Performance Period that constitutes “retirement” under the policy of the Company or an Affiliate applicable to the Participant at the time of such termination of employment, other than a Qualifying Retirement. For purposes of clarity, whether a Participant’s termination of employment constitutes an Other Retirement will be determined separately with respect to each Performance Period for which such Participant has an outstanding Award Opportunity at the time of termination of employment.

“Participant” means an Eligible Officer who has been granted an Award Opportunity with respect to a Performance Period.

“Peer Group” means the group of peer companies established as such by the Committee for each Award Opportunity and set forth in this Plan for such Award Opportunity.

“Performance Period” means a period of three consecutive calendar years.

“Plan” means the Parker-Hannifin Corporation Officer Long-Term Incentive Performance Plan, as amended from time to time.

“Qualifying Retirement” applies to participants in this Plan who receive their first Award Opportunity pursuant to this Plan on or before January 24, 2018, and means termination of employment by a Participant during a Performance Period (i) after attainment of age 65, or (ii) after attainment of age 60 with at least 10 years of service and after completion of at least 12 months of continuous employment during such Performance Period. For purposes of clarity, whether a Participant’s termination of employment constitutes a Qualifying Retirement will be determined separately with respect to each Performance Period for which such Participant has an outstanding Award Opportunity at the time of termination of employment.

“Return on Average Equity” means the Company’s net income for a calendar year in the Performance Period, divided by the average of shareholder’s equity as of the first and last day of such calendar year. Return on Average Equity shall be determined in accordance with generally accepted accounting principles as in effect on the first day of the applicable Performance Period.

“Stock Incentive Plan” means the Parker-Hannifin Corporation 2023 Omnibus Stock Incentive Plan, as amended from time to time, or any successor plan.

“Target Shares” means the notional number of Shares specified as such in a Participant’s Award Agreement for a Performance Period, which may be used by the Committee in the exercise of its discretion under Section 5.B of this Plan to reduce the amount otherwise payable pursuant to the Participant’s Award Opportunity.

CERTIFICATIONS

I, Jennifer A. Parmentier, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Parker-Hannifin Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: January 30, 2026

/s/ Jennifer A. Parmentier

Jennifer A. Parmentier  
Chief Executive Officer

CERTIFICATIONS

I, Todd M. Leombruno, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Parker-Hannifin Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: January 30, 2026

/s/ Todd M. Leombruno

Todd M. Leombruno

Executive Vice President and Chief Financial Officer

Certification Pursuant to  
18 U.S.C. Section 1350,  
As Adopted Pursuant to  
§ 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in connection with the filing of the Quarterly Report on Form 10-Q of Parker-Hannifin Corporation (the "Company") for the quarterly period ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies, that, to such officer's knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

Dated: January 30, 2026

/s/ Jennifer A. Parmentier

Name: Jennifer A. Parmentier

Title: Chief Executive Officer

/s/ Todd M. Leombruno

Name: Todd M. Leombruno

Title: Executive Vice President and Chief Financial Officer