

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 March 31, 2026  
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<br>Incorporation or Organization) | (I.R.S. Employer<br>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 March 31, 2026: 126,086,389

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 |               | Nine Months Ended |                 |
|--|--------------------|---------------|-------------------|-----------------|
|  | March 31,          |               | March 31,         |                 |
|  | 2026               | 2025          | 2026              | 2025            |
| <b>Net sales</b>   | \$ 5,486           | \$ 4,960      | \$ 15,744         | \$ 14,607       |
| Cost of sales  | 3,469              | 3,130         | 9,889             | 9,250           |
| Selling, general and administrative expenses                   | 884                | 785           | 2,594             | 2,416           |
| Interest expense   | 99                 | 96            | 306               | 310             |
| Other expense (income), net                                    | (85)               | (46)          | (268)             | (405)           |
| Income before income taxes                                     | 1,119              | 995           | 3,223             | 3,036           |
| Income taxes   | 215                | 33            | 666               | 427             |
| <b>Net income</b>  | <b>904</b>         | <b>962</b>    | <b>2,557</b>      | <b>2,609</b>    |
| Less: Noncontrolling interest in subsidiaries' earnings        | —                  | 1             | —                 | 1               |
| <b>Net income attributable to common shareholders</b>          | <b>\$ 904</b>      | <b>\$ 961</b> | <b>\$ 2,557</b>   | <b>\$ 2,608</b> |
| <b>Earnings per share attributable to common shareholders:</b> |                    |               |                   |                 |
| Basic  | \$ 7.16            | \$ 7.48       | \$ 20.24          | \$ 20.28        |
| Diluted  | \$ 7.06            | \$ 7.37       | \$ 19.95          | \$ 19.97        |

See accompanying notes to consolidated financial statements.

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

|   | Three Months Ended |                 | Nine Months Ended |                 |
|---|--------------------|-----------------|-------------------|-----------------|
|   | March 31,          |                 | March 31,         |                 |
|   | 2026               | 2025            | 2026              | 2025            |
| <b>Net income</b>   | <b>\$ 904</b>      | <b>\$ 962</b>   | <b>\$ 2,557</b>   | <b>\$ 2,609</b> |
| Less: Noncontrolling interests in subsidiaries' earnings              | —                  | 1               | —                 | 1               |
| Net income attributable to common shareholders                        | <b>904</b>         | <b>961</b>      | <b>2,557</b>      | <b>2,608</b>    |
| <b>Other comprehensive income (loss), net of tax</b>                  |                    |                 |                   |                 |
| Foreign currency translation adjustment and other                     | <b>(82)</b>        | 168             | <b>(108)</b>      | 63              |
| Retirement benefits plan activity                                     | <b>5</b>           | 3               | <b>11</b>         | 10              |
| Other comprehensive income (loss)                                     | <b>(77)</b>        | 171             | <b>(97)</b>       | 73              |
| Less: Other comprehensive loss for noncontrolling interests           | —                  | —               | —                 | (1)             |
| Other comprehensive income (loss) attributable to common shareholders | <b>(77)</b>        | 171             | <b>(97)</b>       | 74              |
| <b>Total comprehensive income attributable to common shareholders</b> | <b>\$ 827</b>      | <b>\$ 1,132</b> | <b>\$ 2,460</b>   | <b>\$ 2,682</b> |

See accompanying notes to consolidated financial statements.

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

|   | March 31,<br>2026 | June 30,<br>2025 |
|---|-------------------|------------------|
| <b>Assets</b>   |                   |                  |
| Current assets:   |                   |                  |
| Cash and cash equivalents   | \$ 476            | \$ 467           |
| Trade accounts receivable, net of allowances of \$8 and \$10                          | 3,161             | 2,910            |
| Non-trade and notes receivable  | 307               | 318              |
| Inventories   | 3,179             | 2,839            |
| Prepaid expenses  | 292               | 263              |
| Other current assets  | 193               | 153              |
| Total current assets  | 7,608             | 6,950            |
| Property, plant and equipment, net of accumulated depreciation of \$4,609 and \$4,480 | 2,959             | 2,937            |
| Deferred income taxes   | 267               | 270              |
| Other long-term assets  | 1,324             | 1,269            |
| Intangible assets, net  | 7,425             | 7,374            |
| Goodwill  | 11,096            | 10,694           |
| Total assets  | <u>\$ 30,679</u>  | <u>\$ 29,494</u> |
| <b>Liabilities and Equity</b>   |                   |                  |
| Current liabilities:  |                   |                  |
| Notes payable and long-term debt payable within one year                              | \$ 2,813          | \$ 1,791         |
| Accounts payable, trade   | 2,296             | 2,126            |
| Accrued payrolls and other compensation   | 560               | 587              |
| Accrued domestic and foreign taxes  | 233               | 382              |
| Other current liabilities   | 835               | 933              |
| Total current liabilities   | 6,737             | 5,819            |
| Long-term debt  | 6,769             | 7,494            |
| Pensions and other postretirement benefits  | 233               | 267              |
| Deferred income taxes   | 1,606             | 1,490            |
| Other long-term liabilities   | 717               | 733              |
| Total liabilities   | 16,062            | 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  | 824               | 194              |
| Retained earnings   | 23,649            | 21,775           |
| Accumulated other comprehensive loss  | (980)             | (883)            |
| Treasury shares, at cost; 55.0 shares and 54.4 shares                                 | (8,975)           | (7,495)          |
| Total shareholders' equity  | 14,609            | 13,682           |
| Noncontrolling interests  | 8                 | 9                |
| Total equity  | 14,617            | 13,691           |
| Total liabilities and equity  | <u>\$ 30,679</u>  | <u>\$ 29,494</u> |

See accompanying notes to consolidated financial statements.

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

|  | Nine Months Ended |          |
|--|-------------------|----------|
|  | March 31,         |          |
|  | 2026              | 2025     |
| <b>Cash flows from operating activities</b>  |                   |          |
| Net income   | \$ 2,557          | \$ 2,609 |
| Adjustments to reconcile net income to net cash provided by operating activities:  |                   |          |
| Depreciation   | 264               | 263      |
| Amortization   | 436               | 414      |
| Stock-based compensation expense   | 145               | 130      |
| Deferred income taxes  | (7)               | (254)    |
| Gain on sale of businesses   | (1)               | (253)    |
| Other, net   | (37)              | 17       |
| Changes in assets and liabilities, net of effect of acquisitions and divestitures: |                   |          |
| Accounts receivable, net   | (169)             | 15       |
| Inventories  | (279)             | (130)    |
| Prepaid expenses   | (24)              | (2)      |
| Other current assets   | (44)              | (23)     |
| Other long-term assets   | (46)              | (7)      |
| Accounts payable, trade  | 147               | 13       |
| Accrued payrolls and other compensation  | (37)              | (98)     |
| Other current liabilities  | (237)             | (310)    |
| Pensions and other postretirement benefits   | (27)              | (34)     |
| Other long-term liabilities  | (13)              | (41)     |
| Net cash provided by operating activities  | 2,628             | 2,309    |
| <b>Cash flows from investing activities</b>  |                   |          |
| Acquisitions, net of cash acquired   | (1,014)           | —        |
| Capital expenditures   | (286)             | (304)    |
| Proceeds from sale of property, plant and equipment                                | 37                | 32       |
| Proceeds from sale of businesses   | 1                 | 623      |
| Other, net   | 23                | (6)      |
| Net cash (used in) provided by investing activities                                | (1,239)           | 345      |
| <b>Cash flows from financing activities</b>  |                   |          |
| Payments for common shares   | (1,007)           | (860)    |
| Proceeds from (payments for) notes payable, net                                    | 323               | (203)    |
| Proceeds from long-term borrowings   | 12                | 739      |
| Payments for long-term borrowings  | (14)              | (1,730)  |
| Dividends paid   | (683)             | (630)    |
| Other, net   | (1)               | 3        |
| Net cash used in financing activities  | (1,370)           | (2,681)  |
| Effect of exchange rate changes on cash  | (10)              | 14       |
| Net increase (decrease) in cash and cash equivalents                               | 9                 | (13)     |
| Cash and cash equivalents at beginning of year                                     | 467               | 422      |
| Cash and cash equivalents at end of period   | \$ 476            | \$ 409   |

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 March 31, 2026, the results of operations for the three and nine months ended March 31, 2026 and 2025 and cash flows for the nine 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<br>March 31, |          | Nine Months Ended<br>March 31, |           |
|-------------------------------------|---------------------------------|----------|--------------------------------|-----------|
|                                     | 2026                            | 2025     | 2026                           | 2025      |
| Motion Systems                      | \$ 919                          | \$ 828   | \$ 2,636                       | \$ 2,481  |
| Flow and Process Control            | 1,220                           | 1,141    | 3,492                          | 3,326     |
| Filtration and Engineered Materials | 1,533                           | 1,420    | 4,455                          | 4,291     |
| Total                               | \$ 3,672                        | \$ 3,389 | \$ 10,583                      | \$ 10,098 |

Aerospace Systems Segment revenues by market segment:

|  | Three Months Ended<br>March 31, |          | Nine Months Ended<br>March 31, |          |
|--|---------------------------------|----------|--------------------------------|----------|
|  | 2026                            | 2025     | 2026                           | 2025     |
| Commercial original equipment manufacturer ("OEM") | \$ 601                          | \$ 493   | \$ 1,701                       | \$ 1,374 |
| Commercial aftermarket                             | 647                             | 568      | 1,860                          | 1,620    |
| Defense OEM  | 324                             | 286      | 923                            | 833      |
| Defense aftermarket                                | 242                             | 224      | 677                            | 682      |
| Total  | \$ 1,814                        | \$ 1,571 | \$ 5,161                       | \$ 4,509 |

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

|               | Three Months Ended<br>March 31, |          | Nine Months Ended<br>March 31, |           |
|---------------|---------------------------------|----------|--------------------------------|-----------|
|               | 2026                            | 2025     | 2026                           | 2025      |
| North America | \$ 3,687                        | \$ 3,369 | \$ 10,559                      | \$ 9,901  |
| Europe        | 1,086                           | 974      | 3,065                          | 2,806     |
| Asia Pacific  | 658                             | 563      | 1,954                          | 1,739     |
| Latin America | 55                              | 54       | 166                            | 161       |
| Total         | \$ 5,486                        | \$ 4,960 | \$ 15,744                      | \$ 14,607 |

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:

|  | March 31,<br>2026 | June 30,<br>2025 |
|--|-------------------|------------------|
| Contract assets, current (included within Other current assets)                | \$ 191            | \$ 149           |
| Contract assets, noncurrent (included within Other long-term assets)           | 17                | 16               |
| <b>Total contract assets</b>   | <b>208</b>        | <b>165</b>       |
| Contract liabilities, current (included within Other current liabilities)      | (209)             | (211)            |
| Contract liabilities, noncurrent (included within Other long-term liabilities) | (92)              | (71)             |
| <b>Total contract liabilities</b>  | <b>(301)</b>      | <b>(282)</b>     |
| <b>Net contract liabilities</b>  | <b>\$ (93)</b>    | <b>\$ (117)</b>  |

Net contract liabilities at March 31, 2026 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 nine months ended March 31, 2026, approximately \$158 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 March 31, 2026 was \$12.5 billion, of which approximately 67 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 within 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                                       | (5)                            | 77                           |
| 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>(5)</b>                     | <b>588</b>                   |
| Goodwill                      | 472                                      | 5                              | 477                          |
| <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 nine 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 \$161 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 \$34 million for the first nine months of fiscal 2026, of which \$11 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 nine months ended March 31, 2026.

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 expense (income), net in the Consolidated Statements of Income for the nine-months ended March 31, 2025. 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 expense (income), net in the Consolidated Statements of Income for the nine-months ended March 31, 2025. 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<br>March 31, |         | Nine Months Ended<br>March 31, |          |
|--|---------------------------------|---------|--------------------------------|----------|
|  | 2026                            | 2025    | 2026                           | 2025     |
| <b>Numerator:</b>                              |                                 |         |                                |          |
| Net income attributable to common shareholders | \$ 904                          | \$ 961  | \$ 2,557                       | \$ 2,608 |
| <b>Denominator:</b>                            |                                 |         |                                |          |
| Basic - weighted average common shares         | 126.2                           | 128.4   | 126.3                          | 128.6    |
| Dilutive effect of equity-based awards         | 1.8                             | 1.9     | 1.8                            | 2.0      |
| Diluted - weighted-average common shares       | 128.0                           | 130.3   | 128.2                          | 130.6    |
| Basic earnings per share <sup>(1)</sup>        | \$ 7.16                         | \$ 7.48 | \$ 20.24                       | \$ 20.28 |
| Diluted earnings per share <sup>(1)</sup>      | \$ 7.06                         | \$ 7.37 | \$ 19.95                       | \$ 19.97 |

<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 March 31, 2026 and 2025, 0.1 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 each of the nine months ended March 31, 2026 and 2025, 0.3 million common shares subject to equity-based awards 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:

|                            | March 31,<br>2026 | June 30,<br>2025 |
|----------------------------|-------------------|------------------|
| Notes receivable           | \$ 69             | \$ 84            |
| Accounts receivable, other | 238               | 234              |
| Total                      | \$ 307            | \$ 318           |

## 7. Inventories

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

|                   | March 31,<br>2026 | June 30,<br>2025 |
|-------------------|-------------------|------------------|
| Finished products | \$ 864            | \$ 778           |
| Work in process   | 1,671             | 1,485            |
| Raw materials     | 644               | 576              |
| Total             | \$ 3,179          | \$ 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 \$219 million and \$175 million payable to suppliers who have elected to participate in the SCF programs as of March 31, 2026 and June 30, 2025, respectively. The amounts settled through the SCF programs and paid to the participating financial intermediaries totaled \$461 million and \$324 million during the first nine months of fiscal 2026 and 2025, respectively.

## 9. Business realignment

We incurred business realignment charges in the first nine 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<br>March 31, |       | Nine Months Ended<br>March 31, |       |
|---|---------------------------------|-------|--------------------------------|-------|
|   | 2026                            | 2025  | 2026                           | 2025  |
| Diversified Industrial                        | \$ 24                           | \$ 10 | \$ 51                          | \$ 39 |
| Aerospace Systems                             | 1                               | —     | 2                              | —     |
| Corporate general and administrative expenses | —                               | —     | —                              | 1     |
| Other expense (income), net                   | —                               | (1)   | —                              | —     |

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

|  | Three Months Ended<br>March 31, |      | Nine Months Ended<br>March 31, |       |
|--|---------------------------------|------|--------------------------------|-------|
|  | 2026                            | 2025 | 2026                           | 2025  |
| Cost of sales                                | \$ 17                           | \$ 4 | \$ 34                          | \$ 21 |
| Selling, general and administrative expenses | 8                               | 6    | 19                             | 19    |
| Other expense (income), net                  | —                               | (1)  | —                              | —     |

During the first nine months of fiscal 2026, approximately \$47 million in payments were made relating to business realignment charges. Remaining payments related to business realignment actions of approximately \$31 million, a majority of which are expected to be paid by December 31, 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 March 31, 2026 and 2025 are as follows:

|  | Common Stock | Additional Paid-in Capital | Retained Earnings | Accumulated Other Comprehensive Loss | Treasury Shares | Noncontrolling Interests | Total Equity |
|--|--------------|----------------------------|-------------------|--------------------------------------|-----------------|--------------------------|--------------|
| Balance at December 31, 2025                   | \$ 91        | \$ 822                     | \$ 22,972         | \$ (903)                             | \$ (8,671)      | \$ 9                     | \$ 14,320    |
| Net income                                     | —            | —                          | 904               | —                                    | —               | —                        | 904          |
| Other comprehensive income                     | —            | —                          | —                 | (77)                                 | —               | —                        | (77)         |
| Dividends paid (\$1.80 per share)              | —            | —                          | (227)             | —                                    | —               | —                        | (227)        |
| Stock incentive plan activity                  | —            | 2                          | —                 | —                                    | (29)            | —                        | (27)         |
| Other  | —            | —                          | —                 | —                                    | —               | (1)                      | (1)          |
| Shares purchased at cost, including excise tax | —            | —                          | —                 | —                                    | (275)           | —                        | (275)        |
| Balance at March 31, 2026                      | \$ 91        | \$ 824                     | \$ 23,649         | \$ (980)                             | \$ (8,975)      | \$ 8                     | \$ 14,617    |

|  | Common Stock | Additional Paid-in Capital | Retained Earnings | Accumulated Other Comprehensive Loss | Treasury Shares | Noncontrolling Interests | Total Equity |
|--|--------------|----------------------------|-------------------|--------------------------------------|-----------------|--------------------------|--------------|
| Balance at December 31, 2024                   | \$ 91        | \$ 244                     | \$ 20,332         | \$ (1,535)                           | \$ (6,013)      | \$ 8                     | \$ 13,127    |
| Net income                                     | —            | —                          | 961               | —                                    | —               | 1                        | 962          |
| Other comprehensive income                     | —            | —                          | —                 | 171                                  | —               | —                        | 171          |
| Dividends paid (\$1.63 per share)              | —            | —                          | (210)             | —                                    | —               | —                        | (210)        |
| Stock incentive plan activity                  | —            | (1)                        | —                 | —                                    | 6               | —                        | 5            |
| Shares purchased at cost, including excise tax | —            | —                          | —                 | —                                    | (655)           | —                        | (655)        |
| Balance at March 31, 2025                      | \$ 91        | \$ 243                     | \$ 21,083         | \$ (1,364)                           | \$ (6,662)      | \$ 9                     | \$ 13,400    |

Changes in equity for the nine months ended March 31, 2026 and 2025 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                                     | —            | —                          | 2,557             | —                                    | —               | —                        | 2,557        |
| Other comprehensive loss                       | —            | —                          | —                 | (97)                                 | —               | —                        | (97)         |
| Dividends paid (\$5.40 per share)              | —            | —                          | (683)             | —                                    | —               | —                        | (683)        |
| Stock incentive plan activity <sup>(1)</sup>   | —            | 630                        | —                 | —                                    | (651)           | —                        | (21)         |
| Other  | —            | —                          | —                 | —                                    | —               | (1)                      | (1)          |
| Shares purchased at cost, including excise tax | —            | —                          | —                 | —                                    | (829)           | —                        | (829)        |
| Balance at March 31, 2026                      | \$ 91        | \$ 824                     | \$ 23,649         | \$ (980)                             | \$ (8,975)      | \$ 8                     | \$ 14,617    |

<sup>(1)</sup> During the nine months ended March 31, 2026, 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                                     | —            | —                          | 2,608             | —                                    | —               | 1                        | 2,609        |
| Other comprehensive income (loss)              | —            | —                          | —                 | 74                                   | —               | (1)                      | 73           |
| Dividends paid (\$4.89 per share)              | —            | —                          | (630)             | —                                    | —               | —                        | (630)        |
| Stock incentive plan activity                  | —            | (21)                       | —                 | —                                    | 43              | —                        | 22           |
| Shares purchased at cost, including excise tax | —            | —                          | —                 | —                                    | (755)           | —                        | (755)        |
| Balance at March 31, 2025                      | \$ 91        | \$ 243                     | \$ 21,083         | \$ (1,364)                           | \$ (6,662)      | \$ 9                     | \$ 13,400    |

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

|   | Three Months Ended<br>March 31, |            | Nine Months Ended<br>March 31, |            |
|---|---------------------------------|------------|--------------------------------|------------|
|   | 2026                            | 2025       | 2026                           | 2025       |
| <b>Foreign Currency Translation Adjustment and Other</b>    |                                 |            |                                |            |
| Beginning balance   | \$ (743)                        | \$ (1,234) | \$ (717)                       | \$ (1,130) |
| Other comprehensive income (loss) before reclassifications  | (78)                            | 167        | (107)                          | 65         |
| Income tax  | (4)                             | 1          | (1)                            | (1)        |
| Other comprehensive income (loss), net of tax               | (82)                            | 168        | (108)                          | 64         |
| Ending balance  | \$ (825)                        | \$ (1,066) | \$ (825)                       | \$ (1,066) |
| <b>Retirement Benefit Plans</b>                             |                                 |            |                                |            |
| Beginning balance   | \$ (160)                        | \$ (301)   | \$ (166)                       | \$ (308)   |
| Other comprehensive income (loss) before reclassifications  | 4                               | (1)        | 6                              | (1)        |
| Income tax  | (1)                             | —          | (1)                            | —          |
| Reclassified from accumulated other comprehensive loss:     |                                 |            |                                |            |
| Amortization of net actuarial loss and other <sup>(1)</sup> | 3                               | 6          | 9                              | 15         |
| Tax benefit   | (1)                             | (2)        | (3)                            | (4)        |
| Other comprehensive income (loss), net of tax               | 5                               | 3          | 11                             | 10         |
| Ending balance  | \$ (155)                        | \$ (298)   | \$ (155)                       | \$ (298)   |
| Total accumulated other comprehensive loss ending balance   | \$ (980)                        | \$ (1,364) | \$ (980)                       | \$ (1,364) |

<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 expense (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 0.3 million and 1.0 million shares for \$275 million and \$650 million during the three months ended March 31, 2026 and 2025, respectively. The Company repurchased 1.0 million and 1.2 million shares for \$825 million and \$750 million during the nine months ended March 31, 2026 and 2025, respectively. As of March 31, 2026, 19.0 million shares remained available under the repurchase authorization.

### 11. Goodwill and intangible assets

The changes in the carrying amount of goodwill for the nine months ended March 31, 2026 are as follows:

|                              | Diversified Industrial<br>Segment | Aerospace<br>Systems<br>Segment | Total     |
|------------------------------|-----------------------------------|---------------------------------|-----------|
| Balance at June 30, 2025     | \$ 7,728                          | \$ 2,966                        | \$ 10,694 |
| Acquisition                  | 477                               | —                               | 477       |
| Foreign currency translation | (57)                              | (18)                            | (75)      |
| Balance at March 31, 2026    | \$ 8,148                          | \$ 2,948                        | \$ 11,096 |

Goodwill is tested for impairment at the reporting unit level annually and between annual tests whenever events or circumstances indicate that the carrying value of a reporting unit may exceed its fair value. The Company performed its fiscal 2026 annual goodwill impairment test as of January 1, which indicated no impairment existed.

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:

|                                  | March 31, 2026        |                          | June 30, 2025         |                          |
|----------------------------------|-----------------------|--------------------------|-----------------------|--------------------------|
|                                  | Gross Carrying Amount | Accumulated Amortization | Gross Carrying Amount | Accumulated Amortization |
| Patents and technology           | \$ 2,338              | \$ 636                   | \$ 2,134              | \$ 556                   |
| Trade names                      | 1,085                 | 536                      | 1,037                 | 499                      |
| Customer relationships and other | 8,403                 | 3,229                    | 8,194                 | 2,936                    |
| Total                            | \$ 11,826             | \$ 4,401                 | \$ 11,365             | \$ 3,991                 |

Total intangible asset amortization expense for the nine months ended March 31, 2026 and 2025 was \$436 million and \$414 million, respectively. The estimated amortization expense for the five years ending June 30, 2026 through 2030 is \$585 million, \$587 million, \$579 million, \$558 million and \$529 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<br>Three Months Ended<br>March 31, |        | Non-U.S. Pension Benefits<br>Three Months Ended<br>March 31, |      | Other Postretirement Benefits<br>Three Months Ended<br>March 31, |      |
|---|--|--------|--|------|--|------|
|   | 2026   | 2025   | 2026   | 2025 | 2026   | 2025 |
|   | Service cost   | \$ 7   | \$ 7   | \$ 6 | \$ 5   | \$ — |
| Interest cost                             | 43   | 46     | 17   | 18   | 1  | 1    |
| Expected return on plan assets            | (59)   | (62)   | (22)   | (21) | —  | —    |
| Amortization of net actuarial loss (gain) | 2  | 4      | 2  | 3    | (1)  | (1)  |
| Net periodic benefit cost (income)        | \$ (7)   | \$ (5) | \$ 3   | \$ 5 | \$ —   | \$ — |

|   | U.S. Pension Benefits<br>Nine Months Ended<br>March 31, |         | Non-U.S. Pension Benefits<br>Nine Months Ended<br>March 31, |       | Other Postretirement Benefits<br>Nine Months Ended<br>March 31, |      |
|---|---|---------|---|-------|---|------|
|   | 2026  | 2025    | 2026  | 2025  | 2026  | 2025 |
|   | Service cost  | \$ 19   | \$ 21   | \$ 17 | \$ 16   | \$ — |
| Interest cost                             | 127   | 138     | 54  | 56    | 2   | 2    |
| Expected return on plan assets            | (175)   | (184)   | (67)  | (64)  | —   | —    |
| Amortization of prior service cost        | 2   | 2       | —   | —     | —   | —    |
| Amortization of net actuarial loss (gain) | 4   | 8       | 5   | 6     | (2)   | (1)  |
| Net periodic benefit cost (income)        | \$ (23)   | \$ (15) | \$ 9  | \$ 14 | \$ —  | \$ 1 |

Components of net periodic benefit cost (income), other than service cost, are included in other expense (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 March 31, 2026 and June 30, 2025, there were no borrowings outstanding under the revolving credit agreement, and commercial paper notes outstanding were \$2.1 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 March 31, 2026, the Company has not borrowed any funds under the Filtration Group Credit Facilities.

#### ***Covenants***

Based on the Company's rating level at March 31, 2026, the most restrictive financial covenant provides that the ratio of debt to debt-shareholders' equity cannot exceed 0.65 to 1.0. At March 31, 2026, our debt to debt-shareholders' equity ratio was 0.40 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 March 31, 2026, we had gross unrecognized tax benefits of \$90 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 \$24 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 nine months ended March 31, 2026 and 2025, 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 March 31, 2026 and June 30, 2025, 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 expense (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          | March 31, 2026 | June 30, 2025 |
|-------------------------------------|--------------------------------|----------------|---------------|
| Net investment hedges               |                                |                |               |
| Cross-currency swap contracts       | Other long-term assets         | \$ 6           | \$ 4          |
| Cross-currency swap contracts       | Other long-term liabilities    | 8              | 26            |
| Non-designated derivative contracts |                                |                |               |
| Forward exchange contracts          | Non-trade and notes receivable | 24             | 3             |
| Forward exchange contracts          | Other current liabilities      | 6              | 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<br>March 31, |         | Nine Months Ended<br>March 31, |        |
|----------------------------|---------------------------------|---------|--------------------------------|--------|
|                            | 2026                            | 2025    | 2026                           | 2025   |
| Forward exchange contracts | \$ 35                           | \$ (31) | \$ 56                          | \$ (5) |

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<br>March 31, |      | Nine Months Ended<br>March 31, |      |
|-----------------------------------|---------------------------------|------|--------------------------------|------|
|                                   | 2026                            | 2025 | 2026                           | 2025 |
| Cross-currency swap contracts     | \$ 10                           | \$ 4 | \$ 15                          | \$ 2 |
| Foreign currency denominated debt | 12                              | (24) | 12                             | (5)  |

### **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, including the current portion and excluding the impact of net unamortized debt issuance costs, and the estimated fair value are as follows:

|  | March 31, 2026 |       | June 30, 2025 |       |
|--|----------------|-------|---------------|-------|
| Carrying value of long-term debt       | \$             | 7,523 | \$            | 7,555 |
| Estimated fair value of long-term debt |                | 7,120 |               | 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 March 31, 2026 and June 30, 2025 is as follows:

|                        | March 31, 2026 |    | Level 1 |   | Level 2 |    | Level 3 |   |
|------------------------|----------------|----|---------|---|---------|----|---------|---|
| Derivative assets      | \$             | 30 | \$      | — | \$      | 30 | \$      | — |
| Derivative liabilities |                | 14 |         | — |         | 14 |         | — |
|                        | 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 |          | Nine Months Ended |           |
|--|--------------------|----------|-------------------|-----------|
|  | March 31,          |          | March 31,         |           |
|  | 2026               | 2025     | 2026              | 2025      |
| Net sales  |                    |          |                   |           |
| Diversified Industrial   | \$ 3,672           | \$ 3,389 | \$ 10,583         | \$ 10,098 |
| Aerospace Systems  | 1,814              | 1,571    | 5,161             | 4,509     |
| Total net sales  | \$ 5,486           | \$ 4,960 | \$ 15,744         | \$ 14,607 |
| Other Segment Items: <sup>(1)</sup>                            |                    |          |                   |           |
| Diversified Industrial   | \$ 2,847           | \$ 2,610 | \$ 8,145          | \$ 7,825  |
| Aerospace Systems  | 1,357              | 1,198    | 3,850             | 3,475     |
|  | \$ 4,204           | \$ 3,808 | \$ 11,995         | \$ 11,300 |
| Segment operating income                                       |                    |          |                   |           |
| Diversified Industrial   | \$ 825             | \$ 779   | \$ 2,438          | \$ 2,273  |
| Aerospace Systems  | 457                | 373      | 1,311             | 1,034     |
| Total segment operating income                                 | 1,282              | 1,152    | 3,749             | 3,307     |
| Corporate general and administrative expenses                  | 53                 | 44       | 155               | 149       |
| Income before interest expense and other expense (income), net | 1,229              | 1,108    | 3,594             | 3,158     |
| Interest expense   | 99                 | 96       | 306               | 310       |
| Other expense (income), net                                    | 11                 | 17       | 65                | (188)     |
| Income before income taxes                                     | \$ 1,119           | \$ 995   | \$ 3,223          | \$ 3,036  |

<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         |               |
|----------------------------------|----------------|---------------|
|                                  | March 31, 2026 | June 30, 2025 |
| Diversified Industrial           | \$ 17,042      | \$ 15,953     |
| Aerospace Systems <sup>(1)</sup> | 12,228         | 12,218        |
| Corporate                        | 1,409          | 1,323         |
| Total                            | \$ 30,679      | \$ 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 (\$225 million as of March 31, 2026 and \$226 million as of June 30, 2025).

|                        | Property Additions           |       | Depreciation |       | Amortization |        |
|------------------------|------------------------------|-------|--------------|-------|--------------|--------|
|                        | Three Months Ended March 31, |       |              |       |              |        |
|                        | 2026                         | 2025  | 2026         | 2025  | 2026         | 2025   |
| Diversified Industrial | \$ 80                        | \$ 59 | \$ 60        | \$ 55 | \$ 71        | \$ 61  |
| Aerospace Systems      | 22                           | 18    | 25           | 28    | 77           | 75     |
| Corporate              | 1                            | 11    | 2            | 3     | —            | —      |
| Total                  | \$ 103                       | \$ 88 | \$ 87        | \$ 86 | \$ 148       | \$ 136 |

|                        | Property Additions |        | Depreciation                |        |        |        | Amortization |  |
|------------------------|--------------------|--------|-----------------------------|--------|--------|--------|--------------|--|
|                        |                    |        | Nine Months Ended March 31, |        |        |        |              |  |
|                        | 2026               | 2025   | 2026                        | 2025   | 2026   | 2025   |              |  |
| Diversified Industrial | \$ 223             | \$ 233 | \$ 178                      | \$ 170 | \$ 208 | \$ 189 |              |  |
| Aerospace Systems      | 56                 | 53     | 78                          | 84     | 228    | 225    |              |  |
| Corporate              | 7                  | 18     | 8                           | 9      | —      | —      |              |  |
| Total                  | \$ 286             | \$ 304 | \$ 264                      | \$ 263 | \$ 436 | \$ 414 |              |  |

#### 17. Other expense (income), net

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

|   | Three Months Ended<br>March 31, |         | Nine Months Ended<br>March 31, |          |
|---|---------------------------------|---------|--------------------------------|----------|
|   | 2026                            | 2025    | 2026                           | 2025     |
| Foreign currency transaction (gain) loss <sup>(1)</sup>                   | \$ (14)                         | \$ 10   | \$ (24)                        | \$ 15    |
| Income related to equity method investments <sup>(2)</sup>                | (53)                            | (49)    | (162)                          | (126)    |
| Non-service components of retirement benefit cost (income) <sup>(3)</sup> | (17)                            | (12)    | (50)                           | (37)     |
| Gain on disposal of assets and divestitures <sup>(4)</sup>                | —                               | (5)     | (8)                            | (262)    |
| Interest income   | (2)                             | (4)     | (9)                            | (9)      |
| Insurance-related charges (recoveries) <sup>(5)</sup>                     | —                               | 8       | (20)                           | 8        |
| Other items, net  | 1                               | 6       | 5                              | 6        |
| Total other expense (income), net   | \$ (85)                         | \$ (46) | \$ (268)                       | \$ (405) |

<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 \$29 million and \$27 million for the three months ended March 31, 2026 and 2025, respectively, and \$82 million and \$69 million for the nine months ended March 31, 2026 and 2025, respectively. We received cash dividends from joint venture companies of \$161 million and \$112 million during the nine months ended March 31, 2026 and 2025, 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 nine months of fiscal 2025 refer to Note 4.

<sup>(5)</sup> Represents insurance-related charges and gains on recoveries 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 NINE MONTHS ENDED MARCH 31, 2026**  
**AND COMPARABLE PERIODS ENDED MARCH 31, 2025**

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. In particular, the tariff environment continues to be very dynamic. In February 2026, the U.S. Supreme Court ruled that tariffs imposed under the International Emergency Economic Powers Act ("IEEPA") on goods imported into the U.S. were unauthorized. We will continue to monitor developments; however, given the uncertainty surrounding potential refunds, we have not recorded a receivable for IEEPA tariffs paid as of March 31, 2026. Additionally, geopolitical tensions in the Middle East, including the ongoing conflict involving Iran, could adversely affect global supply chains and exert upward pressure on commodity, energy and logistic costs. 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 |          | Nine Months Ended |           |
|---|--------------------|----------|-------------------|-----------|
|   | March 31,          |          | March 31,         |           |
|   | 2026               | 2025     | 2026              | 2025      |
| Net sales   | \$ 5,486           | \$ 4,960 | \$ 15,744         | \$ 14,607 |
| Gross profit margin   | 36.8 %             | 36.9 %   | 37.2 %            | 36.7 %    |
| Selling, general and administrative expenses                        | \$ 884             | \$ 785   | \$ 2,594          | \$ 2,416  |
| Selling, general and administrative expenses, as a percent of sales | 16.1 %             | 15.8 %   | 16.5 %            | 16.5 %    |
| Interest expense  | \$ 99              | \$ 96    | \$ 306            | \$ 310    |
| Other expense (income), net   | \$ (85)            | \$ (46)  | \$ (268)          | \$ (405)  |
| Effective tax rate  | 19.2 %             | 3.4 %    | 20.7 %            | 14.1 %    |
| Net income  | \$ 904             | \$ 962   | \$ 2,557          | \$ 2,609  |
| Net income, as a percent of sales                                   | 16.5 %             | 19.4 %   | 16.2 %            | 17.9 %    |

**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 \$125 million. The impact of the acquisition of Curtis increased net sales by approximately \$76 million during the current-year quarter.

Net sales increased in the first nine 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 nine months of fiscal 2026 by approximately \$242 million. The impact of divestiture activity decreased net sales by approximately \$146 million during the first nine months of fiscal 2026. The impact of the acquisition of Curtis increased net sales by approximately \$161 million during the first nine months of fiscal 2026.

**Gross profit margin** (calculated as net sales minus cost of sales, divided by net sales) remained flat in the current-year quarter and increased in the first nine months of fiscal 2026. During the current-year quarter, gross profit margin increased in the Aerospace Systems Segment, which was primarily driven by higher sales volumes and aftermarket profitability as well as benefits from cost containment initiatives, offset by lower gross margin within the Diversified Industrial Segment. The Diversified Industrial Segment's gross profit margin decreased primarily due to unfavorable product mix, higher business realignment charges, as well as increased material costs offset by favorable pricing. During the first nine months of fiscal 2026, the increase in margin was driven by higher margins in both segments primarily due to higher sales volumes, 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 \$17 million and \$4 million for the current and prior-year quarter, respectively, and \$35 million and \$21 million for the first nine months of fiscal 2026 and 2025, respectively.

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

SG&A also included business realignment and acquisition integration charges of \$14 million and \$12 million for the current and prior-year quarter, respectively, and \$31 million and \$38 million for the first nine 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 nine months of fiscal 2026 primarily due to lower average interest rates.

**Other expense (income), net** included the following:

| (dollars in millions)                                      | Three Months Ended<br>March 31, |         | Nine Months Ended<br>March 31, |          |
|--|---------------------------------|---------|--------------------------------|----------|
|  | 2026                            | 2025    | 2026                           | 2025     |
| Foreign currency transaction (gain) loss <sup>(1)</sup>    | \$ (14)                         | \$ 10   | \$ (24)                        | \$ 15    |
| Income related to equity method investments                | (53)                            | (49)    | (162)                          | (126)    |
| Non-service components of retirement benefit cost (income) | (17)                            | (12)    | (50)                           | (37)     |
| Gain on disposal of assets and divestitures <sup>(2)</sup> | —                               | (5)     | (8)                            | (262)    |
| Interest income  | (2)                             | (4)     | (9)                            | (9)      |
| Insurance-related charges (recoveries) <sup>(3)</sup>      | —                               | 8       | (20)                           | 8        |
| Other items, net   | 1                               | 6       | 5                              | 6        |
| Total other expense (income), net                          | \$ (85)                         | \$ (46) | \$ (268)                       | \$ (405) |

<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 nine months of fiscal 2025 refer to Note 4 to the Consolidated Financial Statements.

<sup>(3)</sup> Represents insurance-related charges and gains on recoveries 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 and first nine months of fiscal 2026 was less than the U.S. Federal statutory rate of 21 percent due to tax benefits from share-based compensation, foreign-derived intangible income, and U.S. Federal tax credits, which were partially offset by taxes related to international activities and U.S. state and local taxes.

The effective tax rate for the comparable quarter of fiscal 2025 was lower than the U.S. Federal statutory rate of 21 percent due to tax benefits from the release of a foreign valuation allowance, share-based compensation, and foreign-derived intangible income, which were partially offset by U.S. state and local taxes and taxes related to international activities.

The effective tax rate for the first nine months of fiscal 2025 was lower than the U.S. Federal statutory rate of 21 percent for the same reasons as those listed above for the comparable quarter of 2025, plus a tax benefit from a lower taxable gain on divestitures than gain under accounting principles generally accepted in the United States of America ("GAAP").

The fiscal 2026 effective tax rate is expected to be approximately 21 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<br>March 31, |          | Nine Months Ended<br>March 31, |          |
|--------------------------------|---------------------------------|----------|--------------------------------|----------|
|                                | 2026                            | 2025     | 2026                           | 2025     |
| Net sales                      |                                 |          |                                |          |
| North America businesses       | \$ 2,141                        | \$ 2,031 | \$ 6,171                       | \$ 6,059 |
| International businesses       | 1,531                           | 1,358    | 4,412                          | 4,039    |
| Diversified Industrial Segment | 3,672                           | 3,389    | 10,583                         | 10,098   |
| Operating income               |                                 |          |                                |          |
| North America businesses       | 484                             | 467      | 1,435                          | 1,378    |
| International businesses       | 341                             | 312      | 1,003                          | 895      |
| Diversified Industrial Segment | \$ 825                          | \$ 779   | \$ 2,438                       | \$ 2,273 |
| Operating margin               |                                 |          |                                |          |
| North America businesses       | 22.6 %                          | 23.0 %   | 23.3 %                         | 22.7 %   |
| International businesses       | 22.3 %                          | 23.0 %   | 22.7 %                         | 22.2 %   |
| Diversified Industrial Segment | 22.5 %                          | 23.0 %   | 23.0 %                         | 22.5 %   |
| Backlog                        | \$ 4,065                        | \$ 3,748 | \$ 4,065                       | \$ 3,748 |

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 March 31, 2026 |             |
|---|------------------------------|-------------|
|   | Three Months                 | Nine Months |
| North America businesses – as reported  | 5.4 %                        | 1.8 %       |
| Acquisitions  | 2.0 %                        | 1.4 %       |
| Divestitures  | — %                          | (2.4) %     |
| Currency  | 0.6 %                        | 0.3 %       |
| North America businesses – without acquisitions, divestitures and currency <sup>(1)</sup>       | 2.8 %                        | 2.5 %       |
| International businesses – as reported  | 12.7 %                       | 9.2 %       |
| Acquisitions  | 2.7 %                        | 1.8 %       |
| Currency  | 6.7 %                        | 4.4 %       |
| International businesses – without acquisitions and currency <sup>(1)</sup>                     | 3.3 %                        | 3.0 %       |
| Diversified Industrial Segment – as reported  | 8.4 %                        | 4.8 %       |
| Acquisitions  | 2.2 %                        | 1.6 %       |
| Divestitures  | — %                          | (1.4) %     |
| Currency  | 3.2 %                        | 1.9 %       |
| Diversified Industrial Segment – without acquisitions, divestitures and currency <sup>(1)</sup> | 3.0 %                        | 2.7 %       |

<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 \$283 million and \$485 million from the prior-year quarter and first nine months of fiscal 2025, respectively. The effect of the Curtis acquisition increased sales by approximately \$76 million and \$161 million in the current-year quarter and first nine months of fiscal 2026, respectively. The effect of changes in currency exchange rates increased sales by approximately \$105 million and \$199 million in the current-year quarter and first nine months of fiscal 2026, respectively. The impact of divestiture activity decreased sales by approximately \$146 million in the first nine months of fiscal 2026. Excluding the effects of the acquisition, changes in currency exchange rates and divestiture activity, sales increased \$102 million and \$271 million from the prior-year quarter and first nine months of fiscal 2025, respectively.

*North America businesses* - Sales increased \$110 million and \$112 million from the prior-year quarter and first nine months of fiscal 2025, respectively. The effect of the Curtis acquisition increased sales by approximately \$40 million and \$87 million in the current-year quarter and first nine months of fiscal 2026, respectively. The effects of divestiture activity decreased sales by approximately \$146 million in the first nine months of fiscal 2026. The effect of changes in currency exchange rates increased sales by approximately \$13 million and \$21 million in the current-year quarter and first nine 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 \$57 million and \$150 million in the current-year quarter and first nine months of fiscal 2026, respectively, primarily due to higher demand from end users in the in-plant and industrial equipment, aerospace and defense, and off-highway markets, partially offset by lower demand from end users in the transportation market. During the first nine months of fiscal 2026, sales also increased due to higher demand from end users in the HVAC and refrigeration market.

*International businesses* - Sales increased \$173 million and \$373 million from the prior-year quarter and first nine months of fiscal 2025, respectively. The effect of the Curtis acquisition increased sales by approximately \$36 million and \$74 million in the current-year quarter and first nine months of fiscal 2026, respectively. The effect of changes in currency exchange rates increased sales by approximately \$92 million and \$178 million in the current-year quarter and first nine months of fiscal 2026, respectively. Excluding the effects of the Curtis acquisition and changes in currency exchange rates, sales in the International businesses increased \$45 million and \$121 million in the current-year quarter and first nine 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 and off-highway markets.

### Operating Margin

Diversified Industrial Segment operating margin decreased during the current-year quarter and increased during the first nine months of fiscal 2026. During the current-year quarter, operating margin decreased in both the North America and International businesses primarily due to unfavorable product mix, higher business realignment charges, higher amortization expense of acquired intangibles, as well as increased material costs offset by favorable pricing. Operating margin increased during the first nine months of fiscal 2026 in both the North America and International businesses primarily due to favorable product mix, benefits from prior-year business realignment activities, as well as favorable pricing offset by increased 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 |       | Nine Months Ended |       |
|--------------------------------|--------------------|-------|-------------------|-------|
|                                | March 31,          |       | March 31,         |       |
|                                | 2026               | 2025  | 2026              | 2025  |
| North America businesses       | \$ 8               | \$ 6  | \$ 17             | \$ 16 |
| International businesses       | 21                 | 7     | 45                | 27    |
| Diversified Industrial Segment | \$ 29              | \$ 13 | \$ 62             | \$ 43 |

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 nine 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 \$15 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 March 31, 2026, 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<br>March 31, |          | Nine Months Ended<br>March 31, |          |
|-----------------------|---------------------------------|----------|--------------------------------|----------|
|                       | 2026                            | 2025     | 2026                           | 2025     |
| Net sales             | \$ 1,814                        | \$ 1,571 | \$ 5,161                       | \$ 4,509 |
| Operating income      | \$ 457                          | \$ 373   | \$ 1,311                       | \$ 1,034 |
| Operating margin      | 25.2 %                          | 23.7 %   | 25.4 %                         | 22.9 %   |
| Backlog               | \$ 8,413                        | \$ 7,292 | \$ 8,413                       | \$ 7,292 |

### ***Net Sales***

Aerospace Systems Segment sales increased in the current-year quarter due to higher volume in all market segments. During the first nine months of fiscal 2026, sales increased 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 nine 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 nine months of fiscal 2026. During the prior-year quarter and first nine months of fiscal 2025, business realignment and acquisition integration charges were \$3 million and \$15 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 March 31, 2026, increased from the prior-year quarter primarily due to orders exceeding shipments in the commercial and defense OEM market segments, as well as the commercial aftermarket market segment. The increase in backlog from the June 30, 2025 balance of \$7.4 billion is 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<br>March 31, |       | Nine Months Ended<br>March 31, |        |
|---|---------------------------------|-------|--------------------------------|--------|
|   | 2026                            | 2025  | 2026                           | 2025   |
| Corporate general and administrative expense                        | \$ 53                           | \$ 44 | \$ 155                         | \$ 149 |
| Corporate general and administrative expense, as a percent of sales | 1.0 %                           | 0.9 % | 1.0 %                          | 1.0 %  |

Corporate general and administrative expenses in both the current-year quarter and first nine 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<br>March 31, |       | Nine Months Ended<br>March 31, |          |
|--|---------------------------------|-------|--------------------------------|----------|
|  | 2026                            | 2025  | 2026                           | 2025     |
| Foreign currency transaction (gain) loss <sup>(1)</sup>    | \$ (14)                         | \$ 10 | \$ (24)                        | \$ 15    |
| Stock-based compensation expense                           | 37                              | 12    | 145                            | 85       |
| Non-service components of retirement benefit cost (income) | (17)                            | (12)  | (50)                           | (37)     |
| Acquisition-related expenses                               | 3                               | —     | 23                             | —        |
| Gain on disposal of assets and divestitures <sup>(2)</sup> | —                               | (5)   | (8)                            | (262)    |
| Interest income  | (2)                             | (4)   | (9)                            | (9)      |
| Insurance-related charges (recoveries) <sup>(3)</sup>      | —                               | 8     | (20)                           | 8        |
| Other items, net   | 4                               | 8     | 8                              | 12       |
| Total other expense (income), net                          | \$ 11                           | \$ 17 | \$ 65                          | \$ (188) |

<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 nine months of fiscal 2025 refer to Note 4 to the Consolidated Financial Statements.

<sup>(3)</sup> Represents insurance-related charges and gains on recoveries 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 Filtration Group Credit Facilities, and access to capital markets will be sufficient to meet these liquidity needs for the next twelve months and the foreseeable future.

At March 31, 2026, we had cash and cash equivalents totaling \$476 million, of which \$423 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)                                | Nine Months Ended |          | Change  |
|--|-------------------|----------|---------|
|  | 2026              | 2025     |         |
| Cash provided by (used in):                          |                   |          |         |
| Operating activities                                 | \$ 2,628          | \$ 2,309 | \$ 319  |
| Investing activities                                 | (1,239)           | 345      | (1,584) |
| Financing activities                                 | (1,370)           | (2,681)  | 1,311   |
| Effect of exchange rates                             | (10)              | 14       | (24)    |
| Net increase (decrease) in cash and cash equivalents | \$ 9              | \$ (13)  | \$ 22   |

**Net cash provided by operating activities** increased \$319 million for the first nine months of fiscal 2026 compared to the first nine months of fiscal 2025. The increase was primarily driven by higher net income adjusted for non-cash items (including depreciation, amortization, stock-based compensation expense, deferred income taxes and gains on sale of businesses), which more than offset the increased working capital requirements, specifically within accounts receivable and inventory. We continue to focus on managing inventory and other working capital requirements.

- Days sales outstanding relating to trade accounts receivable was 53 days at March 31, 2026, 51 days at June 30, 2025 and 53 days at March 31, 2025.
- Days supply of inventory on hand was 88 days at March 31, 2026, 82 days at June 30, 2025 and 85 days at March 31, 2025.

**Net cash (used in) provided by investing activities** decreased by \$1.6 billion in the first nine months of fiscal 2026 compared to the first nine 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 nine months of fiscal 2026 and 2025 were impacted by the following factors:

- Net commercial paper borrowings of \$323 million in the first nine months of fiscal 2026 compared to net commercial paper repayments of \$213 million in the first nine months of fiscal 2025.
- During the first nine months of fiscal 2025, we made principal payments of \$490 million on our term loan facility and \$500 million in connection with the maturity of medium-term notes. Additionally, we issued €700 million aggregate principal amount of 2.90 percent Senior Notes due 2030, the proceeds of which were used to repay the €700 million aggregate principal amount of 1.125 percent Senior Notes due 2025. There were no comparable transactions during the first nine months of fiscal 2026.

- Repurchases under our share repurchase program amounted to 1.0 million common shares for \$825 million during the first nine months of fiscal 2026, compared to 1.2 million common shares for \$750 million during the first nine 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 March 31, 2026, there were no borrowings outstanding under the revolving credit agreement, and commercial paper notes outstanding were \$2.1 billion. Taking into account outstanding commercial paper notes, \$1.7 billion was available for borrowing under the credit agreement as of March 31, 2026.

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 March 31, 2026, 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 March 31, 2026, the most restrictive financial covenant requires that the ratio of debt to debt-shareholders' equity not exceed 0.65 to 1.0. As of March 31, 2026, we are in compliance with all covenants, with a ratio of 0.40 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 March 31, 2026, 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 and Note 13 to the consolidated financial statements for further discussion.

### **Capital Expenditures**

We are targeting 2.0 to 2.5 percent of sales for capital expenditures for 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 January 22, 2026, which was paid on March 6, 2026. Dividends have been paid for 303 consecutive quarters. Additionally, we declared a quarterly cash dividend of \$2.00 per share on April 23, 2026, payable on June 5, 2026, increasing our annual dividend per share paid to shareholders for 70 consecutive fiscal years.

### ***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 March 31, 2026, 19.0 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 within 12 months from the announcement date. We expect to fund the transaction with a combination of new debt, including borrowings under the Filtration Group Credit Facilities 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, including geopolitical tensions in the Middle East, 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 March 31, 2026, 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 March 31, 2026 would affect earnings by approximately \$142 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 nine months ended March 31, 2026, by approximately \$21 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 March 31, 2026. Based on this evaluation, the Company's principal executive officer and principal financial officer concluded that, as of March 31, 2026, 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 March 31, 2026 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<br>Number of<br>Shares<br>Purchased | (b) Average<br>Price Paid<br>Per Share | (c) Total Number of<br>Shares Purchased<br>as Part of Publicly<br>Announced Plans<br>or Programs <sup>(1)</sup> | (d) Maximum Number<br>(or Approximate Dollar<br>Value) of Shares that<br>May Yet Be Purchased<br>Under the Plans or<br>Programs <sup>(1)</sup> |
|--|---|--|---|--|
| January 1, 2026 through January 31, 2026   | 27,100  | \$ 925.09                              | 27,100  | 19,307,348   |
| February 1, 2026 through February 28, 2026 | 37,257  | \$ 997.24                              | 37,257  | 19,270,091   |
| March 1, 2026 through March 31, 2026       | 223,185                                       | \$ 953.38                              | 223,185   | 19,046,906   |
| Total:                                     | <u>287,542</u>                                |  | <u>287,542</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 March 31, 2026.

**ITEM 6. Exhibits.**

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

| <b>Exhibit No.</b> | <b>Description of Exhibit</b>   |
|--------------------|---|
| 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, incorporated by reference to Exhibit 10(a) to Registrant's Report on Form 10-Q for the quarterly period ended December 31, 2025.</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 nine months ended March 31, 2026 and 2025, (ii) Consolidated Statements of Comprehensive Income for the three and nine months ended March 31, 2026 and 2025, (iii) Consolidated Balance Sheets at March 31, 2026 and June 30, 2025, (iv) Consolidated Statements of Cash Flows for the nine months ended March 31, 2026 and 2025, and (v) Notes to Consolidated Financial Statements for the nine months ended March 31, 2026.

**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: May 1, 2026

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: May 1, 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: May 1, 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 March 31, 2026, 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: May 1, 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