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. These statements may be identified from the use of forward-looking terminology such as “anticipates,” “believes,” “may,” “should,” “could,” “potential,” “continues,” “plans,” “forecasts,” “estimates,” “projects,” “predicts,” “would,” “intends,” “expects,” “targets,” “is likely,” “will,” or the negative of these terms and similar expressions, and include all statements regarding future performance, earnings projections, events or developments. Parker cautions readers not to place undue reliance on these statements. It is possible that the future performance and earnings projections of the company, including its individual segments, may differ materially from current expectations, depending on economic conditions within its mobile, industrial and aerospace markets, and the company’s ability to maintain and achieve anticipated benefits associated with announced realignment activities, strategic initiatives to improve operating margins, actions taken to combat the effects of the current economic environment, and growth, innovation and global diversification initiatives. Additionally, the actual impact of changes in tax laws in the United States and foreign jurisdictions and any judicial or regulatory interpretation thereof on future performance and earnings projections may impact the company’s tax calculations. A change in the economic conditions in individual markets may have a particularly volatile effect on segment performance.

The risks and uncertainties in connection with such forward-looking statements related to the proposed acquisition of Meggitt include, but are not limited to, the occurrence of any event, change or other circumstances that could delay the closing of the acquisition; the possibility of nonconsummation of the acquisition; the failure to satisfy any of the conditions to the acquisition (including the satisfaction of the conditions detailed in the Rule 2.7 announcement); the possibility that a governmental entity may prohibit the consummation of the acquisition or may delay or refuse to grant a necessary regulatory approval in connection with the acquisition, or that in order for the parties to obtain any such regulatory approvals, conditions are imposed that adversely affect the anticipated benefits from the acquisition or cause the parties to abandon the acquisition; adverse effects on Parker’s common stockbecause of the failure to complete the acquisition; Parker’s business experiencing disruptions due to acquisition-related uncertainty or other factors making it more difficult to maintain relationships with employees, business partners or governmental entities; the possibility that the expected synergies and value creation from the acquisition will not be realized or will not be realized within the expected time period; the parties being unable to successfully implement integration strategies and significant transaction costs related to the acquisition. 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, 2021 and other periodic filings made with the Securities and Exchange Commission.

Among other factors which may affect future performance are: the impact of the global outbreak of COVID-19 and governmental and other actions taken in response; changes in business relationships with and purchases by or from major customers, suppliers or distributors, including delays or cancellations in shipments; disputes regarding contract terms or significant changes in financial condition, changes in contract cost and revenue estimates for new development programs and changes in product mix; ability to identify acceptable strategic acquisition targets; uncertainties surrounding timing, successful completion or integration of acquisitions and similar transactions, including the integration of LORD Corporation or Exotic Metals; the ability to successfully divest businesses planned for divestiture and realize the anticipated benefits of such divestitures; the determination to undertake business realignment activities and the expected costs thereof and, if undertaken, the ability to complete such activities and realize the anticipated cost savings from such activities; ability to implement successfully capital allocation initiatives, including timing, price and execution of share repurchases; availability, limitations or cost increases of raw materials, component products and/or commodities that cannot be recovered in product pricing; ability to manage costs related to insurance and employee retirement and health care benefits; compliance costs associated with environmental laws and regulations; potential supply chain and labor disruptions, including as a result of labor shortages; threats associated with and efforts to combat terrorism and cyber-security risks; uncertainties surrounding the ultimate resolution of outstanding legal proceedings, including the outcome of any appeals; global competitive market conditions, including global reactions to U.S. trade policies, and resulting effects on sales and pricing; and global economic factors, including manufacturing activity, air travel trends, currency exchange rates, difficulties entering new markets and general economic conditions such as inflation, deflation, interest rates and credit availability. The company makes these statements as of the date of this disclosure and undertakes no obligation to update them unless otherwise required by law.
The Strength & Interconnectivity of the Parker Portfolio

- Fortune 250 global leader in motion and control technologies and solutions
- Robust business model with interconnected technologies and unparalleled distribution network
- Aligned by our purpose statement and executing The Win Strategy™ 3.0
- History of strong cash generation and strategic capital deployment

Drives a Compelling Investment Thesis
The Global Leader in Motion & Control Technologies
Parker Hannifin at-a-Glance (NYSE: PH)
Engineering Customer Success in Motion & Control Markets for over 100 Years

FY21 FINANCIAL HIGHLIGHTS

<table>
<thead>
<tr>
<th>Category</th>
<th>FY21 Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$14.3B</td>
</tr>
<tr>
<td>Adjusted Segment Margin</td>
<td>21.1%</td>
</tr>
<tr>
<td>Adjusted EBITDA Margin</td>
<td>21.3%</td>
</tr>
<tr>
<td>Operating Cash Flow</td>
<td>$2.6B</td>
</tr>
<tr>
<td>Cash Flow Margin</td>
<td>17.9%</td>
</tr>
<tr>
<td>Free Cash Flow Conversion</td>
<td>135%</td>
</tr>
<tr>
<td>Annual Dividends Paid</td>
<td>65-year increase record</td>
</tr>
</tbody>
</table>

DECENTRALIZED STRUCTURE

<table>
<thead>
<tr>
<th>Category</th>
<th>FY21 Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Groups</td>
<td>6</td>
</tr>
<tr>
<td>Divisions</td>
<td>84 with P&amp;L ownership</td>
</tr>
</tbody>
</table>

FY21 REVENUE SPLIT

BY REPORTING SEGMENT

- Diversified Industrial North America: 46%
- Diversified Industrial International: 17%
- Aerospace Systems: 37%

BY MARKET CHANNEL

- Industrial Distribution: 36%
- Industrial Stationary: 23%
- Industrial Mobile: 24%
- Aerospace Systems Segment: 17%
Unmatched Breadth of Core Technologies

- Partnering with our customers to increase their productivity and profitability
- Parker’s interconnected technologies drive superior customer problem solving & value creation
- Go-to-market strategy built on interconnected suite of technologies through multi-faceted channels
- ~2/3 of Revenue comes from customers buying 4 or more technologies

Positions Parker to Win at a Greater Level
## Motion & Control Market Channels

### Industrial Distribution
- General Industrial
- Life Sciences & Medical
- Machine Tools
- Oil & Gas
- Rubber, Plastics & Tire

### Industrial Stationary
- Chemical Processing
- Food & Beverage
- HVAC
- General Industrial
- Life Sciences & Medical
- Machine Tools
- Microelectronics
- Oil & Gas
- Power Generation
- Refrigeration
- Telecommunications

### Industrial Mobile
- Agriculture
- Automotive
- Construction
- Heavy Truck & Trailer

### Aerospace
- Engine & Power Generation
- Commercial Transport
- Military Fixed Wing
- Business & General Aviation
- Helicopters
- Regional Transport & Other

---

~50% of Industrial Sales through Distribution Channel
Parker’s Operating Groups

**Engineered Materials**
- Sealing & shielding
- Thermal management
- Adhesives & coatings
- Vibration control
- Engineered composites

**Filtration**
- Engine and mobile
- Hydraulics and lube
- Industrial air
- Process and water platforms

**Fluid Connectors**
- Hose and tubing assemblies
- Fittings
- Quick couplings
- Connected products & diagnostics

**Instrumentation**
- Process fittings, valves & manifolds
- Refrigeration flow & climate control
- Precision fluidics pumps & valves

**Motion Systems**
- Hydraulics & electro-hydraulics
- Pneumatic
- Electromechanical
- Components & systems

**Aerospace**
- Engine technologies
- Flight control actuation
- Fuel & fuel tank inerting
- Hydraulics & electro-hydraulics
- Airframe & engine fluid conveyance
- Wheels & brakes

Unmatched Breadth of Interconnected Motion & Control Technologies
Parker’s Core Values

Winning Culture
We insist on integrity and ethical behavior and we value compassion, respect and inclusion in all aspects of our global business. We seek to raise the quality of life through responsible, global stewardship.

Passionate People
We are empowered – every idea counts and every role has a voice. We are committed to safety and realize the value of our collective efforts. We believe our strength comes from the relationships and trust we establish with each other, our customers, suppliers, distributors and the world we serve.

Valued Customers
We partner with our customers to increase their productivity and profitability, ensuring their success as well as ours. We are committed to serving our customers through innovation, value creation and the highest quality systems solutions.

Engaged Leadership
We lead by example, demonstrating our values in all circumstances and at all times. Our character, experience and abilities are the foundation of Parker’s operational excellence. We hold ourselves accountable for achieving the results our stakeholders expect. We listen to, and encourage one another, and take pride in our growth and accomplishments.
Operational Leadership Team with Diverse Experience

Tom Williams
Chairman & CEO
Joined 2003

Lee Banks
Vice Chairman & President
Joined 1991

Jenny Parmentier
Chief Operating Officer
Joined 2008

Todd Leombruno
Executive VP & CFO
Joined 1993

Skip Bowman
President
Instrumentation Group
Joined 1983

Berend Bracht
President
Motion Systems Group
Joined 2018

Rob Malone
President
Filtration Group
Joined 2013

Andy Ross
President
Fluid Connectors Group
Joined 1998

Roger Sherrard
President
Aerospace Systems Group
Joined 1989

Andy Weeks
President
Engineered Materials Group
Joined 2013

Skip Bowman
President
Instrumentation Group
Joined 1983

Berend Bracht
President
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Executive VP & CFO
Joined 1993
Sustainability Targets Announced July 2021

REDUCE EMISSIONS
directly from Parker's operations

50%
by 2030

ACHIEVE

carbon neutral
operations by 2040

Enabling a More Sustainable Future
Commitment to Environmental, Social & Governance

<table>
<thead>
<tr>
<th>ENVIRONMENTAL STEWARDSHIP</th>
<th>SOCIAL RESPONSIBILITY</th>
<th>GOVERNANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Target to achieve carbon neutral operations by 2040</td>
<td>• High Performance Teams (HPTs) pursuing target of zero safety incidents</td>
<td>• 10 of 12 directors are independent</td>
</tr>
<tr>
<td>• Greenhouse Gas Intensity – 50% reduction since 2010</td>
<td>• Top Quartile Team Member Engagement Scores</td>
<td>• 7 of 12 of directors are diverse based on gender, race or ethnicity</td>
</tr>
<tr>
<td>• 1st quartile Carbon Disclosure Project Climate Change Score among diversified industrial peer companies</td>
<td>• Recordable Incident Rate Reduced by ~70% since 2015</td>
<td>• Balanced director tenure and age</td>
</tr>
<tr>
<td>• Recycle 85%+ of manufacturing waste</td>
<td>• The Parker Hannifin Foundation donated ~$65M over the last ten years</td>
<td>• Mandatory retirement after age 72</td>
</tr>
<tr>
<td>• Carbon Disclosure Project Water Report submitted since 2017</td>
<td>• Appointed Diversity and Inclusion leader and formed Executive led HPTs focused on D&amp;I initiatives</td>
<td>• Board committees are 100% composed of independent directors</td>
</tr>
<tr>
<td>• Joined the Hydrogen Council in 2021</td>
<td></td>
<td>• Each director must stand for election annually</td>
</tr>
</tbody>
</table>

Winning with Integrity & Purpose
Our Purpose
What is Parker’s purpose?

Enabling Engineering Breakthroughs that Lead to a Better Tomorrow
Our Purpose Creates Inspiration for our Team Members

► The Power of Purpose
  • Purpose is a platform for growth, change & positive impact
  • Team members who take ownership of their work are more engaged and enjoy higher levels of job satisfaction

► Enabling
  • Our team members enable the breakthroughs that help improve the lives of people everywhere

► Engineering Breakthroughs
  • Working alongside customers for more than a century, solving the most complex engineering challenges, to bring their ideas to light

► A Better Tomorrow
  • Parker people and technologies play a vital role in making the world a better place
Our Purpose in Action

Food Supply

Helping Patients

Vaccine Development

Transportation

Healthcare - Ventilators

Cold Storage
Clean Technologies Enabling a Sustainable Future

Electric Vehicle Technology Spotlight

Applications
- Battery Pack & Housing
- Motor & Gear Box
- Charger & Inverter
- Infotainment & Driver Assistance
- Power Electronics
- Lightweight Assembly

Parker Technologies

Safety
- Flame-resistant coatings
- High temperature materials
- Environmental & hermetic sealing

Weight Savings
- Structural adhesives
- Engineered plastics

Thermal Management
- Thermal gels & interface materials
- Environmental & hermetic sealing

Critical Protection
- Electromagnetic shielding
- Sealing
- Vibration dampening
- Electrically conductive or isolating materials

2/3’s of Portfolio Enables Clean Technologies
# Bringing our Purpose to Life

**Structural Adhesive Technology**

<table>
<thead>
<tr>
<th>Enabling Technology</th>
<th>Engineering Breakthrough</th>
<th>A Better Tomorrow</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adhesive technology</td>
<td>Enables lightweighting &amp; electrification</td>
<td>Fuel efficiency &amp; lower emissions</td>
</tr>
</tbody>
</table>

- **Enabling Technology:** Adhesive technology
- **Engineering Breakthrough:** Enables lightweighting & electrification
- **A Better Tomorrow:** Fuel efficiency & lower emissions
# Bringing our Purpose to Life

## Quick Coupling Technology

<table>
<thead>
<tr>
<th>Enabling Technology</th>
<th>Engineering Breakthrough</th>
<th>A Better Tomorrow</th>
</tr>
</thead>
<tbody>
<tr>
<td>Threaded connection (60 seconds)</td>
<td>Quick coupling solutions designed for performance under pressure</td>
<td>Firefighter safety and more time to rescue survivors</td>
</tr>
<tr>
<td>Quick connection solution (2 seconds)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

▶ Click Here to See a Video of this Breakthrough Technology in Action
Our Robust Business Model
What Drives Parker?

- Living Up to Our Purpose
- Great Generators and Deployers of Cash
- Top Quartile Performance vs. Proxy Peers
Parker’s Competitive Differentiators

- The Win Strategy™
- Decentralized business model
- Technology breadth & interconnectivity
- Engineered products with intellectual property
- Long product life cycles
- Global distribution, service & support
- Low capital investment requirements
- Great generators and deployers of cash over the cycle
Interconnected Parker Technologies
Utility Lift Vehicle

Electromechanical
Engineered Materials
Filtration
Fluid & Gas Handling
Hydraulics
Pneumatics
Interconnected Parker Technologies

Helicopter

Integrated Systems & Components Across the Platform

- Electromechanical
- Engineered Materials
- Filtration
- Fluid & Gas Handling
- Hydraulics
- Pneumatics
Parker Solutions for Manufacturing

Electromechanical
Engineered Materials
Filtration
Fluid & Gas Handling
Hydraulics
Pneumatics
Process & Climate

DUST COLLECTION FILTERS

SENSO NODE CONDITION MONITORING

HYPERCHILL WATER CHILLER

HOYAC FILTER

TRENSAIR PIPE

ENGINE AND MOBILE FILTERS

HYDRAULIC POWER UNITS

TRANSAIR PIPE

POINT-OF-USE FILTERS

BAG FILTERS

EMI SHIELDING

ENGINE AND MOBILE FILTERS

HYDRAULIC PUMP

WATER FILTRATION

PNEUMATIC NETWORK CONTROLS

INDUSTRIAL HOSE, TUBING, CONNECTORS & FILTRATION

SERVO DRIVE & CONTROLLER

NITROGEN GENERATOR

HYDRAULIC PUMP, VALVES, CYLINDERS, HOSE, CONNECTORS, FILTRATION, SENSORS

ELECTRIC POSITIONERS

PNEUMATIC TUBING, FITTINGS & MANIFOLD

26
Positioned for Growth Opportunities from Secular Trends

- Aerospace
- Electrification
- ESG
- Digitalization
#1 Position within the Motion & Control Industry

$135 Billion Addressable Market

- Highly fragmented market; ~11% market share
- Long-term opportunity to achieve ~20% market share
- Organic Growth Strategy
  - Strategic Positioning
  - Innovation – Winovation™ PVI + NPB
  - Simple by Design™
  - International distribution growth
  - Digital customer experience
  - Annual Cash Incentive Program (ACIP)
- Acquisition Strategy
  - Consolidator of choice
  - Targeted products and technologies
  - Increasing margins, sales growth resilience and cash flow

Opportunities for Organic Growth & Market Consolidation

PVI = Product Vitality Index
NPB = New Product Blueprinting
Strategies to Grow & Expand Margins

Performance

The Win Strategy™ 3.0

► Simplification: 80/20 + Simple by Design™
► Innovation: Winovation Updates
► Digital leadership
► Expand and grow distribution
► Kaizen, High Performance Teams and Lean
► Annual Cash Incentive Program (ACIP)

Portfolio

Acquire companies with higher growth trajectory and resiliency:

► CLARCOR
► LORD
► Exotic
► Meggitt¹

1: Offer to acquire Meggitt PLC announced August 2, 2021
Global Independent Distribution Network: At-a-Glance

**DISTRIBUTION PARTNERS**

- **High margin** channel serving aftermarket and small to mid-size OEM’s
- **Over 60 years** in the making
- **Global reach, local presence**
- **500 bps increase** in international distribution sales mix since FY15

**16,000+ DISTRIBUTION OUTLETS IN ~100 COUNTRIES**

- ~50% of Industrial Segment Revenue through Independent Distributors

**Keys to Growth, Resilience & Customer Loyalty**
Distribution Strategy – Multiple Channels

Multiple Technologies, Systems Focused

Single Technology Focus

Product Line Focus

Market Focus

MRO Focus

COMPETITIVE ADVANTAGES
• Integrating multiple Parker technologies to solve customer problems
• Value added services, including kitting, systems integration, vendor managed inventory and engineering expertise.
• Repair or replacement of Parker and competitor products

PARTNERSHIPS
• Extension of Parker’s sales team, finding opportunities otherwise unseen
• Content syndication for consistent high-quality content and lead generation
• Extensively staffed with former Parker leaders

INTERNATIONAL GROWTH
• Dedicated sales force and executive leadership focused on channel expansion
• Driving an increasing mix of 100bps per year of Distribution vs. Direct sales
• Expand capabilities of existing channel
• Focus on developing markets
Business Model Summary

Why We Win

► The Win Strategy™
► Decentralized business model
► Technology breadth & interconnectivity
► Engineered products with intellectual property
► Long product life cycles
► Global distribution, service & support
► Low capital investment requirements

Where We Are Going

► The Win Strategy™ 3.0
► Top quartile performance
► Great generators and deployers of cash over the cycle
► Purpose Statement

Strong Position for Sustainable Growth
Parker’s Transformation
Two major enhancements to the Parker Business System:
• 2015 – The Win Strategy™ 2.0
• 2019 – The Win Strategy™ 3.0

Simplification has streamlined organization structure:
• 126 to 84 divisions inclusive of acquisitions

Acquired companies with higher growth rates, margins and cash flow:

Enhanced Performance Resilience Over the Business Cycle
Cultivating a Zero Incident Safety Culture

Focus Areas
- Safety HPTs
- Training
- Machine guarding
- Energy control
- Ergonomics
- Non-routine work

High Performance Teams Driving Ownership & Improvement

Recordable Incident Rate (RIR)

FY15: 1.43
FY21: 0.40

~70% reduction
Team Member Engagement – Top Quartile Performance

% Engagement – Team Member Survey Results

- 2017: 61%
- 2018: 64%
- 2019: 67%
- 2020: 75%

Higher Engagement Level Drives Results
The Win Strategy™ 3.0 Expands Growth & Simplification

The Win Strategy™
Our Vision: Engineering Your Success

Goals

Engaged People
- Environmental, Health & Safety
- Ownership – Entrepreneurial
- High Performance Teams & Leaders
- Continuous Improvement – Kaizen

Customer Experience
- Quality Solutions On Time
- Digital Leadership

Profitable Growth
- Strategic Positioning
- Market-Driven Innovation
- System Solutions
- Strong Distribution
- Grow Share
- Acquisitions

Financial Performance
- Simplification
- Lean Enterprise
- Strategic Supply Chain
- Value Pricing

Our Culture & Values

#1 Motion & Control Company

Goals

Engaged People
- Zero Safety Incidents
- Speed & Agility
- 80%+ in High Performance Teams
- Inclusive Environment
- Engagement > 75%

Customer Experience
- Composite Likelihood to Recommend
- Customer Dashboards
- Zero Defects
- 98% On-Time Delivery

Profitable Growth
- Organic Growth 150 bps > Market
- 20%+ Market Share
- #1, #2 Position Each Business
- Grow Global Distribution & Services

Financial Performance
- Top Quartile Performance
- Year-over-Year Growth in:
  - DNE
  - EBIT
  - EPS
  - Cash Flow
- 21% Operating Income
- 30% MROS
- 21.6% ROA
- 17% ROIC
- >100% FCF Conversion

Note: Operating income percentage target has been updated to 21% to adjust for acquisition-related intangible asset amortization.
Parker’s Simplification Initiative

- **Structure & Footprint**
  Division consolidation mostly complete

- **Organization Design**
  Continual optimization of spans and layers for efficient operations

- **Revenue Complexity 80/20**
  Leveraging our channels; Product optimization

- **Simple by Design™**
  Focus on product design and engineering to reduce cost and enhance customer value proposition

Clear Path in Place for Margin Expansion Opportunities
Simple by Design™ - Expansion of Simplification Initiative

Product Cost

30% Labor & OH

70% Design driven material and purchased cost

Decisions Made Here
- Hundreds
- Limited impact
- Easier to change

Decisions Made Here
- Relatively few
- Significant/lasting impact
- Difficult to change

Enables Speed, Margin Expansion and Growth
Simple by Design™ - Guiding Principles & Tools
Made Possible by Big Data & Artificial Intelligence (AI)
Product Example – High Pressure Coupler

Simple by Design™

► New series was redesigned, requalified & launched
► 123 Parts Eliminated - **Reduce**
► 100% Function Achieved, 90% Components Shared - **Reuse**
► No Additional Capital Equipment – **Reuse**

Cost ↓  Inventory ↓  Delivery ↑
A Culture of Continuous Improvement
Parker’s Distinctive Approach to Kaizen

- Safety
- Lean
- Top Quartile Engagement
- High Performance Teams

- Ownership
- Speed
- Productivity
- Customer Experience

Compelling Combination Drives Elevated Performance
Transforming the Portfolio through Strategic Acquisitions

**FY 2017**

- $4.3B all cash deal
  - $160M cost synergies
- At Announcement:
  - 10.9x Synergized EV/EBITDA multiple
- Strategic portfolio acquisition – doubled our Filtration business
- Strong Recurring Revenue – 80%+ Aftermarket

**FY 2020**

- $3.7B all cash deal
  - $125M cost synergies
- At Announcement:
  - 9.9x Synergized EV/EBITDA multiple
- Recognized leader capturing growth within electrification and lightweighting mega trends
- Strengthens materials science, electrification and aerospace offerings

**FY 2020**

- $1.7B all cash deal
  - $13M cost synergies
- At Announcement:
  - 10.5x Synergized EV/EBITDA multiple
- Industry leader in performance critical components on engine and airframe
- Greatly expands aerospace engine offering with complementary products on marquee programs

…that are Longer Cycle, Margin Accretive, and Faster Growing
Offer to Acquire Meggitt PLC
Compelling Strategic Aerospace Combination

- Nearly doubles the size of Aerospace Systems Segment with complementary technologies
- 70% sole-source with proprietary products that expand system and component capabilities
- Strong recurring revenue – adds 500 bps to Aerospace aftermarket mix
- Strong growth potential driven by commercial aerospace recovery and synergies
- Accretive to organic sales growth, margin, EPS and cash flow\(^1\)

Source: Meggitt investor materials; 1. Excludes one-time costs and deal related amortization
A History of Strong Financial Performance & Capital Deployment
Our People, Portfolio & Strategy Transform Performance

Adjusted EPS

<table>
<thead>
<tr>
<th>Year</th>
<th>As Reported</th>
<th>Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY16</td>
<td>$5.89</td>
<td>$6.99</td>
</tr>
<tr>
<td>FY17</td>
<td>$7.25</td>
<td>$8.86</td>
</tr>
<tr>
<td>FY18</td>
<td>$7.83</td>
<td>$11.57</td>
</tr>
<tr>
<td>FY19</td>
<td>$11.57</td>
<td>$13.10</td>
</tr>
<tr>
<td>FY20</td>
<td>$9.26</td>
<td>$12.44</td>
</tr>
<tr>
<td>FY21</td>
<td>$13.35</td>
<td>$15.04</td>
</tr>
</tbody>
</table>

Increased 660 bps

Adjusted EBITDA

<table>
<thead>
<tr>
<th>Year</th>
<th>As Reported</th>
<th>Adjusted Net Income</th>
<th>Adjusted EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY16</td>
<td>$0.81B</td>
<td>$1.7B</td>
<td>14.7%</td>
</tr>
<tr>
<td>FY17</td>
<td>$0.98B</td>
<td>$2.0B</td>
<td>16.7%</td>
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<tr>
<td>FY18</td>
<td>$1.06B</td>
<td>$2.5B</td>
<td>17.5%</td>
</tr>
<tr>
<td>FY19</td>
<td>$1.53B</td>
<td>$2.6B</td>
<td>18.3%</td>
</tr>
<tr>
<td>FY20</td>
<td>$1.20B</td>
<td>$2.6B</td>
<td>19.3%</td>
</tr>
<tr>
<td>FY21</td>
<td>$1.75B</td>
<td>$3.1B</td>
<td>21.3%</td>
</tr>
</tbody>
</table>

1: Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.
Raising the Floor on Adjusted Operating Margins

Last 5 Manufacturing Recessions + COVID Recession

<table>
<thead>
<tr>
<th>Year</th>
<th>As Reported Operating Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY02</td>
<td>7.3%</td>
</tr>
<tr>
<td>FY09</td>
<td>9.7%</td>
</tr>
<tr>
<td>FY13</td>
<td>13.8%</td>
</tr>
<tr>
<td>FY16</td>
<td>13.9%</td>
</tr>
<tr>
<td>FY20</td>
<td>15.6%</td>
</tr>
<tr>
<td>FY21</td>
<td>18.4%</td>
</tr>
</tbody>
</table>

Note - Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.
Expanding Cashflow Dollars & Margins

Resilient Cash Flow Generation Across Cycles

FY21 Cash flow from operations

Consecutive years with 100%+ free cash flow\(^1\) conversion

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

- Dividends: Maintain annual increase record, 65 years running
  - Target 5-year average payout 30-35% of net income

- Fund organic growth and productivity
  - Target capital expenditures 2% of sales

- Offset share dilution through 10b5-1 share repurchase program

- Financing Meggitt acquisition
## FY23 Corporate Targets

<table>
<thead>
<tr>
<th>FY23 TARGETS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic Growth</td>
<td>150 bps &gt; GIPI</td>
</tr>
<tr>
<td>Adjusted Segment Operating Margin</td>
<td>21%</td>
</tr>
<tr>
<td>Adjusted EBITDA Margin</td>
<td>21%</td>
</tr>
<tr>
<td>Free Cash Flow Conversion</td>
<td>&gt; 100%</td>
</tr>
<tr>
<td>Adjusted EPS Growth</td>
<td>10%+</td>
</tr>
</tbody>
</table>

**New Long-Term Targets to be Announced in March 2022**
**FY16 – FY21 Transformation**

**Accelerated Execution**

| ► Launched The Win Strategy™ 2.0 & 3.0 | ► Launched Parker’s Purpose Statement |
| ► Reduced incident rate by ~70% | ► CLARCOR, LORD, Exotic acquisitions: Strategic portfolio transformation |
| ► Achieved first quartile engagement scores | ► Offer to acquire Meggitt PLC Increases Aero aftermarket mix by 500 bps |
| ► Simplified organization structure 126 to 84 divisions | ► Increased Adjusted EBITDA margins 660 bps From 14.7% in FY16 to 21.3% in FY21 |
| ► Increased Operating Cash Flow ~85% From $1.4B1 in FY16 to $2.6B in FY21 | ► Free Cash Flow\(^1\) Conversion > 100% 20 years in a row |

---

**Track Record of Delivering on Long-Term Margin Targets**

---

1: Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.
Focused on Achieving Sustainable Top Quartile Performance

- Fortune 250 global leader in motion and control technologies and solutions
- Market leadership driven by breadth of technologies, accelerated innovation, unparalleled scale and global distribution with strong service and support network
- Growing at GIPI\(^1\) + with large addressable markets with clear margin expansion opportunities
- Building on a strong foundation and executing our Win Strategy
- Great generators and deployers of capital to maximize long-term shareholder value creation

Leveraging the Win Strategy 3.0 to Achieve Top Quartile Performance

---

1. GIPI = Global industrial production index
APPENDIX
Reporting Segments & Operating Structure

**Reporting Segments**
- Engineered Materials
- Filtration
- Fluid Connectors
- Instrumentation
- Motion Systems
- Aerospace Systems

**Operating Groups**
- North America
- International

**Decentralized Structure**
- 84 Divisions with P&L Ownership

**Core Technologies**
- Engineered Materials
- Filtration
- Fluid & Gas Handling
- Climate Control
- Process Control
- Hydraulics
- Pneumatics
- Electro-mechanical

**Market Channel**
- Independent Distribution Network
- Global & National
- Direct Sales Teams
- Market Focused Group Serving Aerospace OEM & MRO
Non-GAAP Financial Measures

This presentation contains references to non-GAAP financial information for Parker, including adjusted earnings per share, adjusted operating margin, adjusted EBITDA, adjusted EBITDA margin, adjusted cash flow from operations, and free cash flow. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. For Parker, adjusted EBITDA is defined as EBITDA before business realignment, acquisition-related expenses, costs to achieve, and the gain/loss on sale and write down of assets or land. Free cash flow is defined as cash flow from operations less capital expenditures plus pension contributions. Although adjusted earnings per share, adjusted operating margin, EBITDA, adjusted EBITDA, adjusted EBITDA margin and free cash flow are not measures of performance calculated in accordance with GAAP, we believe that they are useful to an investor in evaluating the company performance for the period presented. Detailed reconciliations of these non-GAAP financial measures to the comparable GAAP financial measures have been included in the appendix to this presentation.

Please visit www.PHstock.com for more information
Reconciliation of Total Segment Operating Margin to Adjusted Total Segment Operating Margin

(Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>12 Months ended 6/30/02</th>
<th>12 Months ended 6/30/09</th>
<th>12 Months ended 6/30/13</th>
<th>12 Months ended 6/30/16</th>
<th>12 Months ended 6/30/20</th>
<th>12 Months ended 6/30/21</th>
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</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>$6,149</td>
<td>$10,309</td>
<td>$13,016</td>
<td>$11,361</td>
<td>$13,696</td>
<td>$14,348</td>
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<tr>
<td><strong>Total segment operating income</strong></td>
<td>$446</td>
<td>$1,004</td>
<td>$1,791</td>
<td>$1,576</td>
<td>$2,138</td>
<td>$2,638</td>
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<tr>
<td><strong>Adjustments:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition-related intangible asset amortization</td>
<td>3</td>
<td>99</td>
<td>118</td>
<td>101</td>
<td>285</td>
<td>325</td>
</tr>
<tr>
<td>Business realignment charges</td>
<td>37</td>
<td>45</td>
<td>12</td>
<td>107</td>
<td>74</td>
<td>45</td>
</tr>
<tr>
<td>Acquisition-related expenses &amp; Costs to Achieve</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted total segment operating income</strong></td>
<td>$486</td>
<td>$1,148</td>
<td>$1,922</td>
<td>$1,783</td>
<td>$2,589</td>
<td>$3,021</td>
</tr>
<tr>
<td><strong>Total segment operating margin</strong></td>
<td>7.3%</td>
<td>9.7%</td>
<td>13.8%</td>
<td>13.9%</td>
<td>15.6%</td>
<td>18.4%</td>
</tr>
<tr>
<td><strong>Adjusted total segment operating margin</strong></td>
<td>7.9%</td>
<td>11.1%</td>
<td>14.8%</td>
<td>15.7%</td>
<td>18.9%</td>
<td>21.1%</td>
</tr>
</tbody>
</table>

*Totals may not foot due to rounding
Reconciliation of EBITDA margin to Adjusted EBITDA margin

(Unaudited)

(Dollars in millions)

<table>
<thead>
<tr>
<th></th>
<th>12 Months ended 6/30/16</th>
<th>12 Months ended 6/30/17</th>
<th>12 Months ended 6/30/18</th>
<th>12 Months ended 6/30/19</th>
<th>12 Months ended 6/30/20</th>
<th>12 Months ended 6/30/21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$11,361</td>
<td>$12,029</td>
<td>$14,302</td>
<td>$14,320</td>
<td>$13,696</td>
<td>$14,348</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>807</td>
<td>984</td>
<td>1,061</td>
<td>1,525</td>
<td>1,202</td>
<td>1,747</td>
</tr>
<tr>
<td><strong>Income taxes</strong></td>
<td>308</td>
<td>345</td>
<td>641</td>
<td>424</td>
<td>305</td>
<td>500</td>
</tr>
<tr>
<td><strong>Depreciation and Amortization</strong></td>
<td>307</td>
<td>355</td>
<td>466</td>
<td>436</td>
<td>538</td>
<td>595</td>
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<tr>
<td><strong>Interest Expense</strong></td>
<td>137</td>
<td>162</td>
<td>214</td>
<td>190</td>
<td>308</td>
<td>250</td>
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<tr>
<td><strong>EBITDA</strong></td>
<td>$1,558</td>
<td>$1,846</td>
<td>$2,382</td>
<td>$2,576</td>
<td>$2,353</td>
<td>$3,092</td>
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<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business realignment charges</td>
<td>109</td>
<td>56</td>
<td>46</td>
<td>16</td>
<td>76</td>
<td>48</td>
</tr>
<tr>
<td>Acquisition-related expenses &amp; Costs to Achieve</td>
<td>103</td>
<td>37</td>
<td>30</td>
<td>211</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>(Gain) / Loss on Sale and Writedown of Assets or land</td>
<td>32</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(101)</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>$1,667</td>
<td>$2,006</td>
<td>$2,497</td>
<td>$2,621</td>
<td>$2,639</td>
<td>$3,055</td>
</tr>
</tbody>
</table>

EBITDA margin

<table>
<thead>
<tr>
<th></th>
<th>12 Months ended 6/30/16</th>
<th>12 Months ended 6/30/17</th>
<th>12 Months ended 6/30/18</th>
<th>12 Months ended 6/30/19</th>
<th>12 Months ended 6/30/20</th>
<th>12 Months ended 6/30/21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA margin</strong></td>
<td>13.7%</td>
<td>15.3%</td>
<td>16.7%</td>
<td>18.0%</td>
<td>17.2%</td>
<td>21.6%</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA margin</strong></td>
<td>14.7%</td>
<td>16.7%</td>
<td>17.5%</td>
<td>18.3%</td>
<td>19.3%</td>
<td>21.3%</td>
</tr>
</tbody>
</table>

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

*Totals may not foot due to rounding
Reconciliation of Earnings per Diluted Share to Adjusted Earnings per Diluted Share

RECONCILIATION OF EPS TO ADJUSTED EPS
(Unaudited)
(Amounts in Dollars)

<table>
<thead>
<tr>
<th></th>
<th>12 Months ended 6/30/16</th>
<th>12 Months ended 6/30/17</th>
<th>12 Months ended 6/30/18</th>
<th>12 Months ended 6/30/19*</th>
<th>12 Months ended 6/30/20*</th>
<th>12 Months ended 6/30/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings per diluted share</td>
<td>$ 5.89</td>
<td>$ 7.26</td>
<td>$ 7.83</td>
<td>$ 11.57</td>
<td>$ 9.26</td>
<td>$ 13.35</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition-related intangible asset amortization expense</td>
<td>0.74</td>
<td>1.02</td>
<td>1.59</td>
<td>1.51</td>
<td>2.19</td>
<td>2.49</td>
</tr>
<tr>
<td>Business realignment charges</td>
<td>0.80</td>
<td>0.42</td>
<td>0.34</td>
<td>0.12</td>
<td>0.59</td>
<td>0.36</td>
</tr>
<tr>
<td>Acquisition-related expenses &amp; Costs to achieve (Gain) / loss on sale and writedown of assets or land</td>
<td>0.76</td>
<td>0.27</td>
<td>0.23</td>
<td>1.62</td>
<td>0.11</td>
<td>0.11</td>
</tr>
<tr>
<td>Tax effect of adjustments¹</td>
<td>(0.44)</td>
<td>(0.59)</td>
<td>(0.42)</td>
<td>(0.44)</td>
<td>(1.03)</td>
<td>(0.50)</td>
</tr>
<tr>
<td>Favorable tax settlement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax expense related to U.S. Tax Reform</td>
<td>1.72</td>
<td>0.11</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted earnings per diluted share</td>
<td>$ 6.99</td>
<td>$ 8.86</td>
<td>$ 11.57</td>
<td>$ 13.10</td>
<td>$ 12.44</td>
<td>$ 15.04</td>
</tr>
</tbody>
</table>

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

*FY19 and FY20 have been adjusted to reflect the change in inventory accounting method.
# Reconciliation of Cash Flow from Operations to Adjusted Cash Flow from Operations and Free Cash Flow

## Cash Provided by Operating Activities

### Reconciliation to GAAP

(Unaudited)

(Dollars in millions)

<table>
<thead>
<tr>
<th></th>
<th>FY02</th>
<th>FY03</th>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Provided by Operating Activities - As Reported</td>
<td>$631</td>
<td>$558</td>
<td>$662</td>
<td>$564</td>
<td>$551</td>
<td>$567</td>
<td>$1,317</td>
<td>$1,129</td>
<td>$1,219</td>
<td>$1,167</td>
<td>$1,530</td>
<td>$1,191</td>
<td>$1,389</td>
<td>$1,363</td>
<td>$1,211</td>
<td>$1,302</td>
<td>$1,597</td>
<td>$1,730</td>
<td>$2,071</td>
<td>$2,572</td>
</tr>
<tr>
<td>Discretionary Pension Contribution</td>
<td>-109</td>
<td>75</td>
<td>83</td>
<td>101</td>
<td>161</td>
<td>12</td>
<td>-</td>
<td>109</td>
<td>400</td>
<td>226</td>
<td>75</td>
<td>-</td>
<td>200</td>
<td>220</td>
<td>-</td>
<td>200</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash Provided by Operating Activities - Adjusted</td>
<td>$631</td>
<td>$663</td>
<td>$737</td>
<td>$1,051</td>
<td>$1,118</td>
<td>$1,329</td>
<td>$1,129</td>
<td>$1,319</td>
<td>$1,559</td>
<td>$1,417</td>
<td>$1,463</td>
<td>$1,363</td>
<td>$1,411</td>
<td>$1,522</td>
<td>$1,597</td>
<td>$1,907</td>
<td>$2,071</td>
<td>$2,572</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Free Cash Flow

### Reconciliation to GAAP

(Unaudited)

(Dollars in millions)

<table>
<thead>
<tr>
<th></th>
<th>FY02</th>
<th>FY03</th>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Provided by Operating Activities - As Reported</td>
<td>631</td>
<td>558</td>
<td>662</td>
<td>564</td>
<td>551</td>
<td>567</td>
<td>1,317</td>
<td>1,129</td>
<td>1,219</td>
<td>1,167</td>
<td>1,530</td>
<td>1,191</td>
<td>1,389</td>
<td>1,363</td>
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<td>1,302</td>
<td>1,597</td>
<td>1,730</td>
<td>2,071</td>
<td>2,572</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>207</td>
<td>155</td>
<td>138</td>
<td>155</td>
<td>198</td>
<td>238</td>
<td>260</td>
<td>271</td>
<td>129</td>
<td>207</td>
<td>219</td>
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<td>216</td>
<td>216</td>
<td>149</td>
<td>204</td>
<td>246</td>
<td>195</td>
<td>233</td>
<td>210</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>424</td>
<td>401</td>
<td>524</td>
<td>699</td>
<td>753</td>
<td>719</td>
<td>1,036</td>
<td>858</td>
<td>1,099</td>
<td>960</td>
<td>1,312</td>
<td>925</td>
<td>1,172</td>
<td>1,148</td>
<td>1,061</td>
<td>1,099</td>
<td>1,349</td>
<td>1,535</td>
<td>1,838</td>
<td>2,385</td>
</tr>
<tr>
<td>Discretionary Pension Contribution</td>
<td>-106</td>
<td>75</td>
<td>83</td>
<td>101</td>
<td>161</td>
<td>12</td>
<td>-</td>
<td>109</td>
<td>400</td>
<td>226</td>
<td>75</td>
<td>-</td>
<td>200</td>
<td>220</td>
<td>-</td>
<td>200</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Free Cash Flow - Adjusted for Discretionary Pension</td>
<td>$424</td>
<td>$567</td>
<td>$598</td>
<td>$782</td>
<td>$853</td>
<td>$880</td>
<td>$1,049</td>
<td>$858</td>
<td>$1,198</td>
<td>$1,360</td>
<td>$1,312</td>
<td>$1,151</td>
<td>$1,247</td>
<td>$1,148</td>
<td>$1,261</td>
<td>$1,319</td>
<td>$1,349</td>
<td>$1,730</td>
<td>$1,838</td>
<td>$2,365</td>
</tr>
</tbody>
</table>

*Totals may not foot due to rounding*
Reconciliation of Free Cash Flow Conversion

<table>
<thead>
<tr>
<th></th>
<th>Twelve Months Ended June 30, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$ 1,746,861</td>
</tr>
<tr>
<td>Cash flow from operations</td>
<td>$ 2,575,061</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>(209,957)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>$ 2,365,044</td>
</tr>
</tbody>
</table>

Free cash flow conversion (free cash flow / net income) 135%