Parker Hannifin Corporation

Fiscal 2022 Second Quarter
Earnings Presentation

February 3, 2022
Forward-Looking Statements and Non-GAAP Financial Measures

Forward-looking statements contained in this and other written and oral reports are made based on known events and circumstances at the time of release, and as such, are subject to unforeseen uncertainties and risks. Often but not always, these statements may be identified by the use of forward-looking terminology such as “anticipates,” “believes,” “may,” “should,” “could,” “expects,” “targets,” “is likely,” “will,” or the negative of these terms and similar expressions, and include all statements regarding future performance, earnings projections, events or developments. Neither Parker nor any of its respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements will actually occur. Parker cautions readers not to place undue reliance on these statements. It is possible that the future performance and earnings projections of the company, including its individual segments, may differ materially from past performance or current expectations.

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 or prevent the closing of the proposed acquisition, including the failure to satisfy any of the conditions to the proposed acquisition; the possibility that in order for the parties to obtain regulatory approvals, conditions are imposed that prevent or otherwise adversely affect the anticipated benefits from the proposed acquisition or cause the parties to abandon the proposed acquisition; adverse effects on Parker’s common stock because of the failure to complete the proposed 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 proposed acquisition will not be realized or will not be realized within the expected time period, due to unsuccessful implementation strategies or otherwise; and significant transaction costs related to the proposed acquisition.

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 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 changes; 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; local and global political and 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 (including fluctuations associated with any potential credit rating decline) and credit availability; inability to obtain, or meet conditions imposed for, required governmental and regulatory approvals; changes in consumer habits and preferences; government actions, including the impact of changes in the tax laws in the United States and foreign jurisdictions and any judicial or regulatory interpretation 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, 2021 and other periodic filings made with the SEC.

This presentation contains references to non-GAAP financial information for Parker, including organic sales for Parker and by segment, adjusted earnings per share, adjusted operating margin for Parker and by segment, adjusted net income, EBITDA, adjusted EBITDA, EBITDA margin, adjusted EBITDA margin, adjusted net debt to EBITDA, 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, Integration costs to achieve, acquisition related expenses, and other one-time items. Free cash flow is defined as cash flow from operations less capital expenditures. Although organic sales, adjusted earnings per share, adjusted operating margin for Parker and by segment, adjusted net income, EBITDA, adjusted EBITDA, EBITDA margin, adjusted net debt to EBITDA, 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.PHototck.com for more information
FY22 Q2: Exceptional Execution in a Challenging Environment

- Focus on safety continues, leveraging high-performance teams and kaizen
- Sales growth of 12% YoY; Organic growth 13% YoY
- Second quarter records for Sales and Total Segment Operating Margin
- EBITDA margin was 18.2% as reported or 22.7% adjusted\(^1\), +180 bps vs. prior year
- Robust demand environment continues
- Execution driven by The Win Strategy\(^\text{™} \) 2.0 & 3.0

1. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.
What Drives Parker?

- Living Up to Our Purpose
- Great Generators and Deployers of Cash
- Top Quartile Performance vs. Proxy Peers
Performance
Our People, Portfolio & Strategy Transform Performance

>2.5x EPS growth

Adjusted EPS\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22 G</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS</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>
<td>$18.05</td>
</tr>
<tr>
<td>Midpoint</td>
<td></td>
<td></td>
<td>$14.67</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Increased 770 bps

Adjusted EBITDA\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td></td>
<td></td>
<td>14.7%</td>
<td>16.7%</td>
<td>17.5%</td>
<td>18.3%</td>
<td>19.3%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>21.3%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>22.4%</td>
</tr>
</tbody>
</table>

As Reported EPS

<table>
<thead>
<tr>
<th>Year</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>$0.81B</td>
<td>$0.98B</td>
<td>$1.06B</td>
<td>$1.53B</td>
<td>$1.20B</td>
<td>$1.75B</td>
<td>$0.84B</td>
</tr>
</tbody>
</table>

1. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.
Continued Progress on Meggitt Transaction

Compelling Strategic Aerospace Combination
Positioned for Growth Opportunities from Secular Trends

- Aerospace
- Electrification
- ESG
- Digitalization
Summary of Fiscal 2022 2nd Quarter Results
# Financial Summary

## FY22 Q2 vs. FY21 Q2

<table>
<thead>
<tr>
<th></th>
<th>Q2 FY22 As Reported</th>
<th>Q2 FY22 Adjusted¹</th>
<th>Q2 FY21 Adjusted¹</th>
<th>YoY Change Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>$3,825</td>
<td>$3,825</td>
<td>$3,412</td>
<td>+12.1%</td>
</tr>
<tr>
<td><strong>Segment Operating Margin</strong></td>
<td>19.4%</td>
<td>21.6%</td>
<td>20.4%</td>
<td>+120 bps</td>
</tr>
<tr>
<td><strong>EBITDA Margin</strong></td>
<td>18.2%</td>
<td>22.7%</td>
<td>20.9%</td>
<td>+180 bps</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>$388</td>
<td>$582</td>
<td>$452</td>
<td>+29%</td>
</tr>
<tr>
<td><strong>EPS</strong></td>
<td>$2.97</td>
<td>$4.46</td>
<td>$3.45</td>
<td>+29%</td>
</tr>
</tbody>
</table>

$ Millions, except per share amounts

1. Sales figures As Reported. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.

Note: FY21 Q2 As Reported: Segment Operating Margin of 17.4%, EBITDA Margin of 23.2%, Net Income of $448M, EPS of $3.42.
Adjusted Earnings per Share Bridge
FY21 Q2 to FY22 Q2

FY21 Q2 As Reported EPS of $3.42. FY22 Q2 As Reported EPS of $2.97. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.
## FY22 Q2 Segment Performance

<table>
<thead>
<tr>
<th>Segment</th>
<th>Sales As Reported $</th>
<th>Segment Operating Margin As Reported</th>
<th>Segment Operating Margin Adjusted¹</th>
<th>Order Rates²</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diversified Industrial North America</td>
<td>$1,807M</td>
<td>18.7%</td>
<td>21.3% Flat YoY</td>
<td>+17%</td>
<td>• Excellent performance in a challenging operating environment</td>
</tr>
<tr>
<td></td>
<td>+15.3% Organic</td>
<td></td>
<td></td>
<td></td>
<td>• Broad based growth continues</td>
</tr>
<tr>
<td>Diversified Industrial International</td>
<td>$1,399M</td>
<td>20.8%</td>
<td>22.4% +210 bps YoY</td>
<td>+14%</td>
<td>• Mid-teens organic growth in all regions</td>
</tr>
<tr>
<td></td>
<td>+14.1% Organic</td>
<td></td>
<td></td>
<td></td>
<td>• Sustainable benefits from regional realignment actions</td>
</tr>
<tr>
<td>Aerospace Systems</td>
<td>$618M</td>
<td>18.6%</td>
<td>20.7% +270 bps YoY</td>
<td>(7)%</td>
<td>• Strong commercial OEM &amp; MRO growth</td>
</tr>
<tr>
<td></td>
<td>+5.8% Organic</td>
<td></td>
<td></td>
<td></td>
<td>• Order rate +mid-teens excluding sizable multi-year military orders in prior period</td>
</tr>
<tr>
<td>Parker</td>
<td>$3,825M</td>
<td>19.4%</td>
<td>21.6% +120 bps YoY</td>
<td>+12%</td>
<td>• Strong secular growth</td>
</tr>
<tr>
<td></td>
<td>+13.2% Organic</td>
<td></td>
<td></td>
<td></td>
<td>• 32% incremental margin¹, 48% excluding prior year discretionary savings of $65M</td>
</tr>
</tbody>
</table>

1. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.
2. Order Rates exclude acquisitions, divestitures, & currency. Industrial is a 3 month YoY comparison of total dollars. Aerospace is a rolling 12 month YoY comparison.
FY22 Cash Flow Performance

- Cash Flow from Operations of 13.3%
- Free Cash Flow of 11.9%
- Free Cash Flow Conversion of 107%
- Net change in Working Capital\(^2\)
  - Use of cash of 1.9% of sales

Forecast Mid-Teens CFOA for FY22

\(^1\) Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.
\(^2\) Defined as net change in accounts receivable, inventory, and accounts payable trade per the statement of cash flows.
Capital Deployment Activity

- Quarterly dividend of $1.03 declared January 27th
  - 65 consecutive years of increased dividends paid

- Meggitt Financing Progress
  - Deal Contingent Forward Contracts secured for FX risk mitigation
  - $2.5B Restricted Cash Escrow funded via Commercial Paper issuance and Cash

- Leverage at FY22 Q2
  - Gross Debt / EBITDA = 2.7x
  - Net Debt / EBITDA = 2.5x
  - Net Debt / EBITDA, excluding $2.5B restricted cash escrow = 1.8x

1. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.
**FY22 Guidance Increased**

**EPS Midpoint:** $14.67 As Reported, $18.05 Adjusted

<table>
<thead>
<tr>
<th>Sales Growth vs. Prior Year</th>
<th>As Reported</th>
<th>Adjusted¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diversified Industrial North America</td>
<td>11% - 13%</td>
<td></td>
</tr>
<tr>
<td>Diversified Industrial International</td>
<td>7% - 9%</td>
<td></td>
</tr>
<tr>
<td>Aerospace Systems</td>
<td>5% - 7%</td>
<td></td>
</tr>
<tr>
<td>Parker</td>
<td>9% - 11%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Earnings Per Share</th>
<th>As Reported</th>
<th>Adjusted¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Range</td>
<td>$14.42 - $14.92</td>
<td>$17.80 - $18.30</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Additional Items</th>
<th>As Reported</th>
<th>Adjusted¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate G&amp;A, Interest and Other</td>
<td>$656M</td>
<td>$435M</td>
</tr>
<tr>
<td>Full Year Reported Tax Rate</td>
<td>~22%</td>
<td></td>
</tr>
<tr>
<td>Diluted Shares Outstanding</td>
<td>130.7M</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Detail of Pre-Tax Adjustments to:</th>
<th>Segment Margins</th>
<th>Below Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquired Intangible Asset Amortization</td>
<td>~$320M</td>
<td>—</td>
</tr>
<tr>
<td>Business Realignment Charges</td>
<td>~$30M</td>
<td>—</td>
</tr>
<tr>
<td>LORD Costs to Achieve</td>
<td>~$5M</td>
<td>—</td>
</tr>
<tr>
<td>Meggitt Acquisition Related Expenses</td>
<td>—</td>
<td>$71M²</td>
</tr>
<tr>
<td>Meggitt Deal Contingent Forward Contracts</td>
<td>—</td>
<td>$149M²</td>
</tr>
</tbody>
</table>

1. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.
2. Reflects expenses incurred to date. Future expenses related to Meggitt are not guided and will be adjusted as they occur.
Key Messages

- Highly engaged global team living up to our purpose
- The Win Strategy 3.0 drives current and future performance
- Strategic portfolio transformation - longer cycle & more resilient
- Positioned for growth from secular trends

Our People, Portfolio & Strategy Transform Performance
Upcoming Event Calendar

2022 Virtual Investor Meeting
March 8, 2022, 9am-12pm ET

3Q FY22 Earnings
May 5, 2022

4Q FY22 Earnings & FY23 Guidance
August 4, 2022

Annual Meeting of Shareholders
October 26, 2022
Appendix

- Reconciliation of Organic Growth
- Adjusted Amounts Reconciliation
- Reconciliation of EPS
- Reconciliation of Total Segment Operating Margin to Adjusted Total Segment Operating Margin
- Reconciliation of EBITDA to Adjusted EBITDA
- Reconciliation of Free Cash Flow Conversion
- Reconciliation of Adjusted Net Debt to EBITDA
- Supplemental Sales Information – Global Technology Platforms
- Reconciliation of Forecasted EPS
## Reconciliation of Organic Growth

(Dollars in thousands)  
(Unaudited)

<table>
<thead>
<tr>
<th>Quarter-to-Date</th>
<th>As Reported</th>
<th>Organic</th>
<th>As Reported</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>December 31, 2021</td>
<td>Currency</td>
<td>December 31, 2021</td>
</tr>
<tr>
<td><strong>Net Sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diversified Industrial:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North America</td>
<td>$1,807,024</td>
<td>$(1,131)</td>
<td>$1,805,893</td>
</tr>
<tr>
<td>International</td>
<td>1,399,179</td>
<td>37,780</td>
<td>1,436,959</td>
</tr>
<tr>
<td>Total Diversified Industrial</td>
<td>3,206,203</td>
<td>36,649</td>
<td>3,242,852</td>
</tr>
<tr>
<td>Aerospace Systems</td>
<td>618,377</td>
<td>921</td>
<td>619,298</td>
</tr>
<tr>
<td>Total Parker Hannifin</td>
<td>$3,824,580</td>
<td>$37,570</td>
<td>$3,862,150</td>
</tr>
<tr>
<td><strong>As reported</strong></td>
<td>$3,824,580</td>
<td>$37,570</td>
<td>$3,862,150</td>
</tr>
<tr>
<td><strong>Currency</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North America</td>
<td>15.3 %</td>
<td>— %</td>
<td>15.3 %</td>
</tr>
<tr>
<td>International</td>
<td>11.1 %</td>
<td>(3.0)%</td>
<td>14.1 %</td>
</tr>
<tr>
<td>Total Diversified Industrial</td>
<td>13.4 %</td>
<td>(1.3)%</td>
<td>14.7 %</td>
</tr>
<tr>
<td>Aerospace Systems</td>
<td>5.6 %</td>
<td>(0.2)%</td>
<td>5.8 %</td>
</tr>
<tr>
<td>Total Parker Hannifin</td>
<td>12.1 %</td>
<td>(1.1)%</td>
<td>13.2 %</td>
</tr>
</tbody>
</table>
### Adjusted Amounts Reconciliation

**Consolidated Statement of Income**

<table>
<thead>
<tr>
<th>(Dollars in thousands, except per share data)</th>
<th>Quarter-to-Date FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As Reported</strong></td>
<td><strong>Adjusted</strong></td>
</tr>
<tr>
<td><strong>December 31, 2021</strong></td>
<td><strong>December 31, 2021</strong></td>
</tr>
<tr>
<td>% of Sales</td>
<td>% of Sales</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>As Reported</th>
<th>% of Sales</th>
<th>Acquired Intangible Asset Amortization</th>
<th>Business Realignment Charges</th>
<th>Integration Costs to Achieve</th>
<th>Acquisition Related Expenses</th>
<th>Loss on Deal-Contingent Forward Contracts</th>
<th>Adjusted</th>
<th>% of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>$3,824,580</td>
<td>100.0 %</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$3,824,580</td>
<td>100.0 %</td>
</tr>
<tr>
<td><strong>Cost of Sales</strong></td>
<td>$2,764,725</td>
<td>72.3 %</td>
<td>$—</td>
<td>$1,710</td>
<td>$263</td>
<td>$—</td>
<td>$—</td>
<td>$2,762,752</td>
<td>72.2 %</td>
</tr>
<tr>
<td><strong>Selling, general, and admin. expenses</strong></td>
<td>$380,710</td>
<td>10.0 %</td>
<td>$78,741</td>
<td>$1,935</td>
<td>$544</td>
<td>$8,880</td>
<td>$—</td>
<td>$290,610</td>
<td>7.6 %</td>
</tr>
<tr>
<td><strong>Interest expense</strong></td>
<td>$61,360</td>
<td>1.6 %</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$61,360</td>
<td>1.6 %</td>
</tr>
<tr>
<td><strong>Other expense (income), net</strong></td>
<td>$127,461</td>
<td>3.3 %</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$10,262</td>
<td>$149,382</td>
<td>$(32,183)</td>
<td>(0.8)%</td>
</tr>
<tr>
<td><strong>Income before income taxes</strong></td>
<td>$490,324</td>
<td>12.8 %</td>
<td>$(78,741)</td>
<td>$(3,645)</td>
<td>$(807)</td>
<td>$(19,142)</td>
<td>$(149,382)</td>
<td>$742,041</td>
<td>19.4 %</td>
</tr>
<tr>
<td><strong>Income taxes</strong></td>
<td>$102,595</td>
<td>2.7 %</td>
<td>$17,874</td>
<td>$827</td>
<td>$183</td>
<td>$4,345</td>
<td>$33,910</td>
<td>$159,734</td>
<td>4.2 %</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>$387,729</td>
<td>10.1 %</td>
<td>$(60,867)</td>
<td>$(2,818)</td>
<td>$(624)</td>
<td>$(14,797)</td>
<td>$(115,472)</td>
<td>$582,307</td>
<td>15.2 %</td>
</tr>
<tr>
<td><strong>Less: Noncontrollable interests</strong></td>
<td>$129</td>
<td>0.0 %</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$129</td>
<td>0.0 %</td>
</tr>
<tr>
<td><strong>Net Income - common shareholders</strong></td>
<td>$387,600</td>
<td>10.1 %</td>
<td>$(60,867)</td>
<td>$(2,818)</td>
<td>$(624)</td>
<td>$(14,797)</td>
<td>$(115,472)</td>
<td>$582,178</td>
<td>15.2 %</td>
</tr>
<tr>
<td><strong>Diluted earnings per share</strong></td>
<td>$2.97</td>
<td>$ (0.47)</td>
<td>$ (0.02)</td>
<td>$—</td>
<td>$ (0.12)</td>
<td>$ (0.88)</td>
<td>$4.46</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Adjusted Amounts Reconciliation
### Consolidated Statement of Income

(Dollars in thousands, except per share data)
(Unaudited)

<table>
<thead>
<tr>
<th>Quarter-to-Date FY 2021</th>
<th>As Reported</th>
<th>Acquired Intangible Asset Amortization</th>
<th>Business Realignment Charges</th>
<th>Lord Costs to Achieve</th>
<th>Exotic Costs to Achieve</th>
<th>Gain On Sale of Land</th>
<th>Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>December 31, 2020*</td>
<td>% of Sales</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Net sales</strong></td>
<td>$ 3,411,905</td>
<td>100.0 %</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
</tr>
</tbody>
</table>

*Prior periods have been adjusted to reflect the change in inventory accounting method.
## Adjusted Amounts Reconciliation

### Business Segment Information

(Dollars in thousands)

(UNAUDITED)

<table>
<thead>
<tr>
<th></th>
<th>Quarter-to-Date FY 2022</th>
<th></th>
<th>% of Sales</th>
<th>% of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As Reported</td>
<td>Acquired</td>
<td>Business</td>
<td>Integration</td>
</tr>
<tr>
<td></td>
<td>December 31, 2021</td>
<td>Intangible</td>
<td>Realignment</td>
<td>Costs to</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Amortization</td>
<td>Charges</td>
<td>Achieve</td>
</tr>
<tr>
<td>Diversified Industrial</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North America¹</td>
<td>$ 337,417</td>
<td>$ 47,024</td>
<td>$ 660</td>
<td>$ 329</td>
</tr>
<tr>
<td></td>
<td>18.7 %</td>
<td>18.7%</td>
<td>2.2%</td>
<td>1.7%</td>
</tr>
<tr>
<td>International¹</td>
<td>291,555</td>
<td>18,958</td>
<td>2,387</td>
<td>478</td>
</tr>
<tr>
<td></td>
<td>20.8 %</td>
<td>20.8%</td>
<td>0.8%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Aerospace Systems¹</td>
<td>114,796</td>
<td>12,759</td>
<td>598</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>18.6 %</td>
<td>18.6%</td>
<td>0.5%</td>
<td>—</td>
</tr>
<tr>
<td>Total segment operating income</td>
<td>743,768</td>
<td>(78,741)</td>
<td>(3,645)</td>
<td>(807)</td>
</tr>
<tr>
<td></td>
<td>19.4%</td>
<td>(19.4%)</td>
<td>(1.5%)</td>
<td>(0.8%)</td>
</tr>
<tr>
<td>Corporate administration</td>
<td>42,587</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.1%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income before interest and other</td>
<td>701,181</td>
<td>(78,741)</td>
<td>(3,645)</td>
<td>(807)</td>
</tr>
<tr>
<td></td>
<td>18.3%</td>
<td>(18.3%)</td>
<td>(1.5%)</td>
<td>(0.8%)</td>
</tr>
<tr>
<td>Interest expense</td>
<td>61,360</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.6%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (income) expense</td>
<td>149,497</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3.9%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>$ 490,324</td>
<td>(78,741)</td>
<td>(3,645)</td>
<td>(807)</td>
</tr>
<tr>
<td></td>
<td>12.8%</td>
<td>(12.8%)</td>
<td>(0.7%)</td>
<td>(0.8%)</td>
</tr>
</tbody>
</table>

¹Segment operating income as a percent of sales is calculated on as reported segment sales.

²Adjusted amounts as a percent of sales are calculated on as reported segment sales.
Reconciliation of Earnings per Diluted Share to Adjusted Earnings per Diluted Share

(Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
</tr>
<tr>
<td>Earnings per diluted share</td>
<td>$2.97</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
</tr>
<tr>
<td>Acquired intangible asset amortization expense</td>
<td>0.60</td>
</tr>
<tr>
<td>Business realignment charges</td>
<td>0.03</td>
</tr>
<tr>
<td>Integration costs to achieve</td>
<td>0.01</td>
</tr>
<tr>
<td>Acquisition-related expenses</td>
<td>0.15</td>
</tr>
<tr>
<td>Loss on deal-contingent forward contracts</td>
<td>1.14</td>
</tr>
<tr>
<td>Gain on sale of land</td>
<td>—</td>
</tr>
<tr>
<td>Tax effect of adjustments(^1)</td>
<td>(0.44)</td>
</tr>
<tr>
<td>Adjusted earnings per diluted share</td>
<td>$4.46</td>
</tr>
</tbody>
</table>

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

*Prior periods have been adjusted to reflect the change in inventory accounting method.
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>$ 7.25</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>(0.77)</td>
</tr>
<tr>
<td>Tax effect of adjustments(^1)</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>(0.19)</td>
</tr>
<tr>
<td>Tax expense related to U.S. Tax Reform</td>
<td>1.72</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.11</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>

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

\(*\)FY19 and FY20 have been adjusted to reflect the change in inventory accounting method.
## Reconciliation of Total Segment Operating Margin to Adjusted Total Segment Operating Margin

(Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th></th>
<th>Three Months Ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>December 31, 2021</td>
<td>December 31, 2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total segment operating income</td>
<td>$743,768</td>
<td>19.4%</td>
<td>$592,561</td>
<td>17.4%</td>
</tr>
<tr>
<td><strong>Adjustments:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquired intangible asset amortization expense</td>
<td>78,741</td>
<td></td>
<td>81,237</td>
<td></td>
</tr>
<tr>
<td>Business realignment charges</td>
<td>3,645</td>
<td></td>
<td>17,922</td>
<td></td>
</tr>
<tr>
<td>Integration costs to achieve</td>
<td>807</td>
<td></td>
<td>3,592</td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted total segment operating income</strong></td>
<td>$826,961</td>
<td>21.6%</td>
<td>$695,312</td>
<td>20.4%</td>
</tr>
</tbody>
</table>
## Reconciliation of EBITDA to Adjusted EBITDA

(Unaudited)

<table>
<thead>
<tr>
<th>(Dollars in thousands)</th>
<th>Three Months Ended December 31,</th>
<th>Six Months Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
<td>2020*</td>
</tr>
<tr>
<td>Net sales</td>
<td>$3,824,580</td>
<td>$3,411,905</td>
</tr>
<tr>
<td>Net income</td>
<td>$387,729</td>
<td>$448,542</td>
</tr>
<tr>
<td>Income taxes</td>
<td>102,595</td>
<td>129,350</td>
</tr>
<tr>
<td>Depreciation</td>
<td>65,362</td>
<td>68,581</td>
</tr>
<tr>
<td>Amortization</td>
<td>78,741</td>
<td>81,237</td>
</tr>
<tr>
<td>Interest expense</td>
<td>61,360</td>
<td>62,990</td>
</tr>
<tr>
<td>EBITDA</td>
<td>695,787</td>
<td>790,700</td>
</tr>
</tbody>
</table>

Adjustments:

- Business realignment charges: 3,645
- Integration costs to achieve: 807
- Acquisition-related expenses: 19,142
- Loss on deal-contingent forward contracts: 149,382
- Gain on sale of land: —

Adjusted EBITDA: $868,763

EBITDA margin: 18.2 %
Adjusted EBITDA margin: 22.7 %

*Prior periods have been adjusted to reflect the change in inventory accounting method.
Reconciliation of Free Cash Flow Conversion

(Unaudited)
(Dollars in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Six Months Ended December 31, 2021</th>
<th>Six Months Ended December 31, 2020*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$839,192</td>
<td>$768,653</td>
</tr>
<tr>
<td>Cash flow from operations</td>
<td>$1,005,469</td>
<td>$1,353,988</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>(105,606)</td>
<td>(92,907)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>$899,863</td>
<td>$1,261,081</td>
</tr>
<tr>
<td>Free cash flow conversion (free cash flow / net income)</td>
<td>107 %</td>
<td>164 %</td>
</tr>
</tbody>
</table>

*Prior periods have been adjusted to reflect the change in inventory accounting method
## Reconciliation of Adjusted Net Debt to EBITDA

### Reconciliation of Adjusted Net Debt / EBITDA

<table>
<thead>
<tr>
<th>Description</th>
<th>December 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes payable and long-term debt payable within one year</td>
<td>$ 2,201,653</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>$ 6,250,525</td>
</tr>
<tr>
<td>Add: Deferred debt issuance costs</td>
<td>$ 57,732</td>
</tr>
<tr>
<td><strong>Total gross debt</strong></td>
<td><strong>$ 8,509,910</strong></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 449,481</td>
</tr>
<tr>
<td>Marketable securities and other investments</td>
<td>$ 40,511</td>
</tr>
<tr>
<td>Restricted cash (within Prepaid expenses and other)</td>
<td>$ 2,487,384</td>
</tr>
<tr>
<td><strong>Adjusted total cash</strong></td>
<td><strong>$ 2,977,376</strong></td>
</tr>
<tr>
<td>Adjusted net debt (Gross debt less adjusted total cash)</td>
<td>$ 5,532,634</td>
</tr>
<tr>
<td>TTM EBITDA</td>
<td>$ 3,146,512</td>
</tr>
<tr>
<td><strong>Adjusted net debt/TTM EBITDA</strong></td>
<td><strong>1.8</strong></td>
</tr>
</tbody>
</table>
# Supplemental Sales Information

## Global Technology Platforms

((Unaudited)

(Dollars in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended December 31,</th>
<th></th>
<th>Six Months Ended December 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
<td>2020</td>
<td>2021</td>
<td>2020</td>
</tr>
<tr>
<td>Net sales</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diversified Industrial:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motion Systems</td>
<td>$843,655</td>
<td>$720,315</td>
<td>$1,672,327</td>
<td>$1,377,456</td>
</tr>
<tr>
<td>Flow and Process Control</td>
<td>1,103,404</td>
<td>949,949</td>
<td>2,188,827</td>
<td>1,874,074</td>
</tr>
<tr>
<td>Filtration and Engineered Materials</td>
<td>1,259,144</td>
<td>1,156,238</td>
<td>2,515,200</td>
<td>2,232,334</td>
</tr>
<tr>
<td>Aerospace Systems</td>
<td>618,377</td>
<td>585,403</td>
<td>1,211,035</td>
<td>1,158,581</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,824,580</strong></td>
<td><strong>$3,411,905</strong></td>
<td><strong>$7,587,389</strong></td>
<td><strong>$6,642,445</strong></td>
</tr>
</tbody>
</table>
## Reconciliation of EPS
### Fiscal Year 2022 Guidance

(Unaudited)

<table>
<thead>
<tr>
<th>(Amounts in dollars)</th>
<th>Fiscal Year 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Forecasted earnings per diluted share</strong></td>
<td><strong>$14.42 to $14.92</strong></td>
</tr>
<tr>
<td><strong>Adjustments:</strong></td>
<td></td>
</tr>
<tr>
<td>Business realignment charges</td>
<td>0.22</td>
</tr>
<tr>
<td>Costs to achieve</td>
<td>0.04</td>
</tr>
<tr>
<td>Acquisition-related intangible asset amortization expense</td>
<td>2.43</td>
</tr>
<tr>
<td>Acquisition-related expenses</td>
<td>0.55</td>
</tr>
<tr>
<td>Loss on deal-contingent forward contracts</td>
<td>1.14</td>
</tr>
<tr>
<td><strong>Tax effect of adjustments</strong>$^{1}$</td>
<td>(1.00)</td>
</tr>
<tr>
<td><strong>Adjusted forecasted earnings per diluted share</strong></td>
<td><strong>$17.80 to $18.30</strong></td>
</tr>
</tbody>
</table>

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