

Parker Hannifin Corporation
Shareholder Meeting
October 24, 2018

Additional Non-GAAP Reconciliations

RECONCILIATION OF EBITDA TO ADJUSTED EBITDA

(Unaudited)

Twelve Months Ended June 30,

(Dollars in thousands)

2018

2017

Net sales	\$ 14,302,392	\$ 12,029,312
Earnings before income taxes	\$ 1,702,277	\$ 1,328,641
Depreciation and amortization	466,085	355,229
Interest expense	213,873	162,436
EBITDA	2,382,235	1,846,306
Adjustments:		
Net loss on sale and write-down of assets	31,837	-
Business realignment charges	46,319	56,397
Clarcor costs to achieve	36,676	-
Acquisition-related expenses	-	103,146
Adjusted EBITDA	\$ 2,497,067	\$ 2,005,849
EBITDA margin	16.7%	15.3%
Adjusted EBITDA margin	17.5%	16.7%

RECONCILIATION OF NET INCOME TO ADJUSTED NET INCOME

(Unaudited)

Twelve Months Ended June 30,

(Dollars in thousands)

2018

2017

Net Sales	\$ 14,302,392	\$ 12,029,312
Net Income	\$ 1,061,315	\$ 983,844
Adjustments:		
Net loss on sale and write-down of assets	56,109	-
Business realignment charges	33,955	41,170
Clarcor costs to achieve	27,102	-
Acquisition-related expenses	-	75,297
U.S. tax reform one-time impact, net	233,072	-
Adjusted Net Income	\$ 1,411,553	\$ 1,100,311
Return on sales	7.4%	8.2%
Adjusted Return on sales	9.9%	9.1%