Investor Meeting

Robin Davenport
Vice President Corporate Finance

ENGINNEERING YOUR SUCCESS.

March 8, 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 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, 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 international conflicts and efforts to combat terrorism and cybersecurity 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. As used in this presentation, EBITDA is defined as earnings before interest, taxes, depreciation and amortization. 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 the non-GAAP financial metrics in this presentation 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 periods presented. Detailed reconciliations of these non-GAAP financial measures to the comparable GAAP financial measures have been included in the appendix to this presentation, except for the non-GAAP metrics included in our new 5-year targets for fiscal year 2027, which reconciliations could not be provided without unreasonable effort.

Please visit www.PHStock.com for more information.
Parker’s Presenters

Tom Williams
Chairman & CEO

Lee Banks
Vice Chairman & President

Jenny Parmentier
Chief Operating Officer

Todd Leombruno
Executive VP & CFO

Robin Davenport
VP Corporate Finance
## Today’s Program

<table>
<thead>
<tr>
<th>Segment</th>
<th>Presenter</th>
<th>Title</th>
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<tbody>
<tr>
<td>Welcome</td>
<td>Robin Davenport</td>
<td>Vice President Corporate Finance</td>
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<tr>
<td>Parker's Promising Future</td>
<td>Tom Williams</td>
<td>Chairman &amp; CEO</td>
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<tr>
<td>Secular Growth Trends</td>
<td>Lee Banks</td>
<td>Vice Chairman &amp; President</td>
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<td>Jenny Parmentier</td>
<td>Chief Operating Officer</td>
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<tr>
<td>Financial Performance</td>
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<td>EVP and Chief Financial Officer</td>
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<tr>
<td>ESG &amp; Closing Comments</td>
<td>Tom Williams</td>
<td>Chairman &amp; CEO</td>
</tr>
<tr>
<td>10 Minute Recess</td>
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<tr>
<td>Q&amp;A</td>
<td>The Office of the Chief Executive</td>
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</tbody>
</table>
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

- #1 Position in $135B Motion & Control Industry
- ~$16B Revenue, ~$40B Market Capitalization
- ~11% market share; goal to reach 20%
- A technology powerhouse of interconnected solutions
- Global network of ~17k distribution outlets
  - Generates ~50% of Industrial Revenues
- Great generators and deployers of cash

Enabling Engineering Breakthroughs that Lead to a Better Tomorrow

Note: Figures represent FY22 Estimates
Unmatched Breadth of Core Technologies

<table>
<thead>
<tr>
<th>HYDRAULICS</th>
<th>PNEUMATICS</th>
<th>ELECTRO-MECHANICAL</th>
<th>FILTRATION</th>
<th>FLUID &amp; GAS HANDLING</th>
<th>PROCESS CONTROL</th>
<th>ENGINEERED MATERIALS</th>
<th>CLIMATE CONTROL</th>
</tr>
</thead>
</table>

2/3’s of Our Revenue:
From customers who buy 4 or more Parker technologies

2/3’s of Our Portfolio:
Enables clean technologies

Partnering with Our Customers to Increase their Productivity and Profitability
Key Messages

- Highly engaged global team living up to our purpose
- The Win Strategy 3.0 has accelerated our performance
- Strategic portfolio transformation - longer cycle & more resilient
- Positioned for growth with secular trends
- New 5-year targets with continued margin expansion
- Our clean technologies enable a more sustainable world

A Transformed Parker with a Promising Future
Portfolio Transformation
Revenue by Technology Platform

FY15 Revenue
$12.7 Billion

Flow & Process Control
$4.0B
Motion Systems
$3.6B
Aerospace
$2.3B
Filtration & Engineered Materials
$2.8B

FY19 Revenue
$14.3 Billion

Flow & Process Control
$4.3B
Motion Systems
$3.5B
Aerospace
$2.5B
Filtration & Engineered Materials
$4.0B

FY22G Revenue
Proforma with Meggitt CY21
$17.8 Billion1

Motion Systems
$3.5B
Aerospace
$4.6B
Filtration & Engineered Materials
$5.2B
Flow & Process Control
$4.5B

Aerospace, Filtration & Engineered Materials ~2X Growth

1. CY21 Meggitt Revenues using 1.38 GBP / USD exchange rate. Acquisition of Meggitt is pending.
Portfolio Evolution
A More Resilient, Better Parker

Adjusted Segment Operating Margin\(^1\)

- **FY16:** 15.7%
- **FY22 Guide:** 22.1%
- **Change:** +640 bps

Adjusted EPS\(^1\)

- **FY16:** $6.99
- **FY22 Guide:** $18.05
- **Change:** >2.5x

Free Cash Flow\(^1\)

- **FY16:** $1.3B
- **FY22 Guide:** $2.4B
- **Change:** +540 bps

- **FY16:** 11.1% of Sales
- **FY22 Guide:** 16.5% of Sales
- **Change:** +540 bps

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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
Strategy
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
- Ease of Doing Business

**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
Engaged People
Safety
The Path to Zero

Recordable Incident Rate

<table>
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<tr>
<th>Year</th>
<th>Rate</th>
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</thead>
<tbody>
<tr>
<td>FY15</td>
<td>1.5</td>
</tr>
<tr>
<td>FY21</td>
<td>.40</td>
</tr>
<tr>
<td>FY25</td>
<td>.25</td>
</tr>
<tr>
<td>FY30</td>
<td>0</td>
</tr>
</tbody>
</table>

73% Reduction

Safety… Our #1 Goal
Parker’s Brand of Kaizen

High Performance Teams

Top Quartile Engagement

Kaizen

Lean

Safety
Assign every team member to a star point

Example:

10-person natural team for cell or value stream:
- One team member is the point person per star point
- Rotate over time
Kaizen – “A Way of Life”

- Kaizen = Action
- Operator is the Focus
- Speed of Execution
- Step Change Mentality
- Drives Engagement
- Better Customer Experience

400+ Kaizen Weeks, ~10,000 Participants in CY21
Engagement & Empowerment Strategy

3 Focus Areas

**TEAM WORK**
- High Performance Teams
- Star Point Teams
- Kaizen
- Gemba Walks

**TRUST**
- Safety Focus
- Career Days
- Skip Level Meetings
- Site Leader Development

**PRIDE**
- Community Outreach
- Purpose in Action
- Customer Experience
- Recognition & Celebration

I belong

I matter

I make a difference
Engaged People Create an Ownership Culture
Customer Experience
The Importance of Best-in-Class Customer Experience

Engagement + Customer Experience = Growth
Digital Leadership

- Digital Customer Experience
- Digital Products
- Digital Operations
- Digital Productivity
Digital Productivity Solutions

Digital Collaboration

Robotic Process Automation

Data Analytics and Artificial Intelligence

Driving Productivity Across the Organization
Data Analytics Structure and Organization

**Steering Committee**
- 12 Members
- Executive stakeholders providing guidance & sponsorship

**Data Champions**
- 10 Members
- Promoting governance & data quality

**Community of Practice**
- 770 Members
- Increase user adoption and create data driven culture

**PACE Team**
- 16 Members
- Parker Analytics Center of Excellence

Driving Cultural Shift to Data, Analytics & Artificial Intelligence
### Key Enterprise Artificial Intelligence Initiatives

<table>
<thead>
<tr>
<th>Financial Forecasting</th>
<th>Opportunity to Sales</th>
<th>Claims AI</th>
<th>Bid Response Management</th>
<th>Demand Forecasting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Performance</td>
<td>Sales &amp; Marketing</td>
<td>Customer Experience</td>
<td>Strategic Pricing</td>
<td>Supply Chain</td>
</tr>
</tbody>
</table>

- **AI-powered forecast delivers unbiased insights**
- **Opportunities scored for targeted engagement**
- **Approves claims with quick turnaround to customer**
- **Automation of simple quotes, analytical guidance for complex quotes**
- **Part level forecast improves operational efficiency**
Zero Defect Strategy Drives Quality & Margin Expansion

- Zero Defect Tools
- Simple by Design™
- Robust Products
- Capable Processes
- Engaged People
- Ownership Culture
Profitable Growth
Sustaining Organic Growth Over the Cycle

**Performance**
- Strategic Positioning
- Innovation
- Simple by Design™
- International Distribution
- Annual Cash Incentive Program (ACIP)
- Secular Trends

**Portfolio**
Acquire companies with higher growth trajectory and resiliency:
- CLARCOR
- LORD
- Exotic
- Meggitt¹

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Consistent Growth Requires both Performance and Portfolio Actions

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1: Offer to acquire Meggitt PLC announced August 2, 2021. Acquisition is pending.
Strategic Positioning

Strategy = Operational Effectiveness + Strategic Positioning

- Developed standard work for segmentation
- Established monthly review process
- Two-year cycle to complete division reviews

Embedded in Operating Cadence of the Company
Winovation: Our Stage Gate Innovation Process

Key Process Changes
- New Product Blueprinting (NPB) – Outside-In Ideation
- Simple by Design™ (SbD) – Design Excellence

Key Metric Changes
- Product Vitality Index (PVI) – Innovation Ownership
Product Vitality Index (PVI)
% of Sales from Products Launched within the Last 5 Years

FY15: 9%
Today: 20%
FY27: 25%

>2x Improvement

+500 bps

Drives Faster Growth & Supports Secular Trends
Expanding International Distribution Sales Mix

- Dedicated Global and Regional Leadership
- 1000 new Distributors…. > 300 Former Parker Team Members

Shifting Sales Mix 100 bps per Year
Annual Cash Incentive Program (ACIP)
Accelerates Performance

Each measured against Annual Plan

Implementation Complete FY23
Positioned for Growth Opportunities from Secular Trends

Aerospace

Digital

Electrification

Clean Technology
Portfolio Changes & Secular Trends
End Market Impact

FY15 Sales Mix
- Industrial Aftermarket
  - Longer Cycle
  - Shorter Cycle

FY22E Sales Mix
- Industrial Aftermarket
  - Longer Cycle
  - Shorter Cycle

FY27 Sales Mix
- Industrial Aftermarket
  - Longer Cycle + Secular Trends
  - Shorter Cycle

1. CY21 Meggitt Revenues using 1.38 GBP / USD exchange rate. Acquisition of Meggitt is pending.
Portfolio Evolution with Secular Trends

Expected End Market Impact

- **Markets**
  - Aerospace & Defense ~33%
  - Ag, Construction, Mining ~4%
  - Automotive ~3%
  - Semiconductor & Telecom ~3%
  - Heavy Truck ~2%
  - HVAC & Refrigeration ~2%
  - Life Sciences & Medical ~2%
  - Material Handling ~1%
  - Power Generation ~1%

- **Markets**
  - Industrial Aftermarket ~33%

- **Markets**
  - General Industrial ~3%
  - Ag, Construction, Mining ~4%
  - Automotive ~1%
  - Machine Tools ~1%
  - Heavy Truck ~3%
  - Mills & Foundries ~1%
  - Oil & Gas ~1%
  - Material Handling ~1%
  - Rubber & Tires ~1%

Note: Not a forecast of FY27 revenues by market. Based on current sales mix today and reflects expected impact secular trends have on select markets.
Financial Performance
Simplification – 4 Areas of Focus

- **Structure & Footprint**
  ~33% reduction in reporting units completed

- **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
The Journey to Simple by Design™

Operational Excellence

Commercial Excellence

Design Excellence
Simple by Design™

- ~ 70% Product cost is influenced by product design
- Most companies direct effort toward material, labor & overhead productivity
- Design decisions have long lasting implications on product cost

Simple by Design™ Drives Design Excellence
Simple by Design™
4 Guiding Principles

Design with Forward Thinking
Design to Reduce
Design to Reuse
Design to Flow

Made Possible by Artificial Intelligence (AI)
Spin-on Filter Complexity Reduction

Applying Simple by Design™ Principles

- Eliminates over 45 assemblies & 130 components
- Patented design creates aftermarket protection
- Smaller package size fits into more applications
- Simplification improves speed; reduces lead time

20% Product Cost Reduction

- Eliminate overlap in product offering
- Retain aftermarket

- Consolidate head designs: 9 to 4
- Reduce die-cast tooling required

- Use existing pump, heat & media options

- Common filter head with modular attachments
A320 LEAP Engine Complexity Reduction
Applying Simple by Design™ Principles

- Established ‘should cost’ estimates
- Replaces existing supplier on the A320 engine program
- Cost savings can extend more than 20 years

15% Product Cost Reduction

Design Principles

**Forward Thinking**
- Simplified actuator & improved thermal mgmt

**Reduce**
- 7 Parts eliminated
- Eliminates servo valves

**Reuse**
- 60% of pressure regulator parts are common on similar valves

**Flow**
- Plug and play sub-assemblies
- Reduced operational steps in final assembly
Semiconductor Pressure Regulator Simplification
Applying Simple by Design™ Principles

- Eliminated 4 product families
- New design optimizes long-term performance
- Coordinated with customer throughout development

10% Product Cost Reduction

Design Principles

Forward Thinking
- Established standard body platforms

Reduce
- Consolidated redundant offerings

Reuse
- 80%+ recycled part numbers

Flow
- Utilized standard grade stainless steel
- Reduced assembly complexity
Capital Deployment
Transformative Acquisitions

- Doubled Filtration
- 80% Aftermarket

- Doubled Engineered Materials
- Complementary Technologies

- Complementary Technologies
- Engine Content

- Strategic capital deployment
- Longer cycle growth dynamics
- Accretive to growth, margins & cash

Well Positioned for Secular Growth

1. Excludes one-time costs and deal-related amortization.
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

Source: Meggitt investor materials
1. Excludes one-time costs and deal-related amortization
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

- Debt reduction

- M&A and discretionary share repurchases
Performance Scorecard
## Parker’s Top Quartile Performance vs Proxy Peers

**Last 5 years – CY16-21**

### Revenue CAGR

<table>
<thead>
<tr>
<th></th>
<th>Parker Top Quartile</th>
<th>Peer Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth Rate</td>
<td>6.4%</td>
<td>6.3%</td>
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</tbody>
</table>

### Adj. EBITDA CAGR

<table>
<thead>
<tr>
<th></th>
<th>Parker Top Quartile</th>
<th>Peer Median</th>
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</thead>
<tbody>
<tr>
<td>Growth Rate</td>
<td>14.3%</td>
<td>12.3%</td>
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</table>

### Adj. EPS CAGR

<table>
<thead>
<tr>
<th></th>
<th>Parker Top Quartile</th>
<th>Peer Median</th>
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<tbody>
<tr>
<td>Growth Rate</td>
<td>18.2%</td>
<td>15.0%</td>
</tr>
</tbody>
</table>

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1. As of most recent financial period ended on or before 2/1/2022 to capture nontraditional quarter close peers (i.e. Deere). Source Capital IQ.
2. Adjusted for business realignment, acquisition-related expenses, costs to achieve, asset writedowns/impairments, and one-time gains/losses.
3. Adjusted LTM earnings per diluted share. Adjusted for intangible amortization, business realignment, acquisition-related expenses, costs to achieve, asset writedowns/impairments, one-time gains/losses, and the tax effect of these adjustments. Adjusted numbers are non-GAAP financial measures. See appendix for additional details and reconciliation.
4. Entry point for Top Quartile performance – Parker plus 18 Peer Group Companies included in calculation.
Performance
Our People, Portfolio & Strategy Transform Performance

>2.5x EPS growth

Adjusted EPS\(^1\)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>As Reported EPS</th>
<th>Adjusted EPS</th>
<th>Adjusted Net Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY16</td>
<td>$5.89</td>
<td>$6.99</td>
<td>$0.81B</td>
</tr>
<tr>
<td>FY17</td>
<td>$7.25</td>
<td>$8.86</td>
<td>$0.98B</td>
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<tr>
<td>FY18</td>
<td>$7.83</td>
<td>$11.57</td>
<td>$1.06B</td>
</tr>
<tr>
<td>FY19</td>
<td>$11.57</td>
<td>$13.10</td>
<td>$1.53B</td>
</tr>
<tr>
<td>FY20</td>
<td>$9.26</td>
<td>$12.44</td>
<td>$1.20B</td>
</tr>
<tr>
<td>FY21</td>
<td>$13.35</td>
<td>$15.04</td>
<td>$1.75B</td>
</tr>
<tr>
<td>FY22 G</td>
<td>$14.67 Midpoint</td>
<td>$18.05</td>
<td>$0.84B</td>
</tr>
</tbody>
</table>

Adjusted EBITDA\(^1\)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>As Reported Net Income</th>
<th>Adjusted EBITDA</th>
<th>EPS Growth</th>
</tr>
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<tbody>
<tr>
<td>FY16</td>
<td>$0.81B</td>
<td>14.7%</td>
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<td>FY17</td>
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<td>16.7%</td>
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<td>FY19</td>
<td>$1.53B</td>
<td>18.3%</td>
<td>18.3%</td>
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<td>FY20</td>
<td>$1.20B</td>
<td>19.3%</td>
<td>19.3%</td>
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<td>FY21</td>
<td>$1.75B</td>
<td>21.3%</td>
<td>21.3%</td>
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<tr>
<td>FY22 H1</td>
<td>$0.84B</td>
<td>22.4% YTD</td>
<td>22.4%</td>
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1. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.
Fiscal 2027 Goals
New FY27 Five-Year Targets

<table>
<thead>
<tr>
<th>FY27 TARGETS</th>
<th></th>
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<tbody>
<tr>
<td><strong>Organic Growth</strong></td>
<td>4 – 6%</td>
</tr>
<tr>
<td><strong>Adjusted Segment Operating Margin</strong></td>
<td>25%</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA Margin</strong></td>
<td>25%</td>
</tr>
<tr>
<td><strong>Free Cash Flow Margin</strong></td>
<td>16%</td>
</tr>
<tr>
<td><strong>Adjusted EPS Growth</strong></td>
<td>10%+</td>
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# Future Sales Growth Drivers

<table>
<thead>
<tr>
<th>Our Business System</th>
<th>Industrial Capex Investment</th>
<th>Channel Restock</th>
<th>Acquisitions</th>
<th>Secular Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic Growth Drivers</strong></td>
<td>▪ Address last decade under investment</td>
<td>▪ Replenish inventory levels</td>
<td>▪ CLARCOR</td>
<td>▪ Aerospace</td>
</tr>
<tr>
<td></td>
<td>▪ Supply chain development</td>
<td>▪ De-risk supply chain</td>
<td>▪ LORD</td>
<td>▪ Digital</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>▪ Exotic</td>
<td>▪ Electrification</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>▪ Meggitt(^1)</td>
<td>▪ Clean Technologies</td>
</tr>
<tr>
<td><strong>Outcomes</strong></td>
<td>Machinery automation, equipment &amp; infrastructure spend</td>
<td>Rebuild inventory</td>
<td>Accretive &amp; longer cycle growth</td>
<td>2/3’s Portfolio enable Clean Technologies</td>
</tr>
</tbody>
</table>

## Target 4-6% Organic Growth over the Cycle

1: Offer to acquire Meggitt PLC announced August 2, 2021. Acquisition is pending.
Margin Expansion Drivers are Built into The Win Strategy
Strategy Summary

Why We Win

- The Win Strategy™
- Decentralized business model
- Technology breadth & interconnectivity
- Engineered products with IP
- Long product life cycles
- Global distribution
- Low capital investment needs
- Great generators and deployers of cash over the cycle

Where We Are Going

- The Win Strategy™ 3.0
- Purpose Statement
- Growth strategies
- Capitalize on 4 secular trends:
  - Aerospace
  - Digital
  - Electrification
  - Clean Technologies
- Portfolio transformation

Position Parker for Top Quartile Performance
Thank You
Secular Growth Trends

Aerospace & Digital

Presented by:
Lee Banks
President and Vice Chairman

ENGINEERING YOUR SUCCESS.  March 8, 2022
Positioned for Growth Opportunities from Secular Trends

- Aerospace
- Digital
- Electrification
- Clean Technology
Global Aerospace Trends

18k+ Estimated new commercial airplane deliveries 2021-2030*

80% Commercial transport fleet renewal over the next 20 years*

4.0% CAGR Revenue passenger km (RPK) growth the next 20 years*

4x Increase in F-35 repair activity by FY30

Meggitt will add New Capabilities & Double Aerospace Portfolio

* Boeing 2021 Current Market Outlook – aircraft with 100+ passengers
Significant Content on Attractive Programs

- Proprietary designs on premier commercial and military programs
- Long cycle, multi-decade production
- Large installed based drives strong aftermarket annuity
Resilient & Balanced Long Cycle Portfolio
Aerospace Systems Segment FY22G Midpoint Sales of $2.5B

- Commercial Transport: 26%
- Engine: 26%
- Military Fixed Wing: 21%
- Helicopters: 8%
- Business & Gen. Aviation: 10%
- Regional Transport & Other: 9%

- Aftermarket: 36%
- OEM: 64%
- Military: 47%
- Commercial: 53%
Commercial Market Recovery Will Drive Growth
Expect Recovery to Prior Peak in CY24

**Air Traffic Forecast**

Available Seat km (ASK, Trillions)

**Commercial Aircraft Forecast**

Airbus & Boeing Deliveries

1. Source: Naveo
2. Represents median and range of several consultant and equity analyst estimates
## Investing in Low Carbon Technologies

A Multi-Decade Aerospace Growth Enabler

<table>
<thead>
<tr>
<th>Estimated Time Frame</th>
<th>Current to 2030+</th>
<th>2025+</th>
<th>2030+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key Market Drivers</td>
<td>Fleet Shift to More Efficient Aircraft</td>
<td>Sustainable Aviation Fuels (SAF)</td>
<td>New Technologies &amp; Advanced Air Mobility</td>
</tr>
</tbody>
</table>

Advanced Air Mobility (AAM) Expands Market

**Applications**

- eVTOL: Electric Vertical Take-off & Landing
- eCTOL: Electric Conventional Take-off & Landing

- Investing in portfolio electrification
- Applications across nearly all systems areas
- Applicable to next gen commercial transports and military aircraft

New Addressable Market of $1B by 2030
Military Growth Drivers

**OEM**
- F-35 / F135 Engine
  Multi-decade production
- Next Generation Helicopter
  Programs starting 2030
- New F-15 Derivative Fly-by-wire Aircraft by 2030

**Aftermarket**
- F-35 / F135 Engine
  Aftermarket Ramp-up
- Product Improvements & Retrofits for an aging fleet
- Military Repair Depot Partnerships

Long Lifecycle Programs with Growing Aftermarket Annuity
Continued Progress on Meggitt Transaction

Compelling Strategic Aerospace Combination
Meggitt Strengthens Aftermarket Mix by 500 bps
A More Balanced Aerospace Portfolio Across Cycles

Parker Aerospace
FY22G Sales: $2.5B

64% OEM
36% Aftermarket

Meggitt
CY21 Sales: $2.1B

54% OEM
46% Aftermarket

Combined
Combined Sales: $4.6B

41% OEM
59% Aftermarket

Source: Parker and Meggitt investor materials, 1. Aerospace Systems Segment sales mix  2. 1.38 USD / GBP
Complementary Airframe Products & Systems
Meggitt Complements Airframe Capabilities & Adds Low Carbon Technologies

Source: Parker and Meggitt investor materials
Expansion of Engine Products
Meggitt Adds New Capabilities and Helps Customers Reduce Carbon Footprint

Source: Parker and Meggitt investor materials
Aerospace Provides Short & Long-term Sustainable Growth

- Resilient & balanced long-cycle commercial and military portfolio
- Growth from commercial market recovery; FY22G is 70% of pre-COVID level
- Low carbon technology investments position Parker for next gen aircraft
- Advanced air mobility & next gen military helicopters sustain growth post-commercial market recovery
- Meggitt acquisition will add new capabilities and doubles aerospace portfolio

Multi-Decade Growth Levers
Global Digital Trends

$4.4T
Expected US eCommerce revenue 2022 to 2025\(^1\)  
>100% increase vs. the prior 4-year period

$600B
Global Semiconductor Capital Spending Forecast 2022-2025\(^2\)  
>60% increase vs. the prior 4-year period

$700B
Global 5G network Capital Spending Forecast 2022-2025\(^3\)  
>130% increase vs. the prior 4-year period

1: Statista. 2: IC Insights. 3: GMSA Intelligence
Expertise Supporting Semiconductor Manufacturing

Applications
- Liquid & gas mobile transport
- Bulk gas distribution at facility
- Specialty chemical delivery
- Valve manifold boxes
- Semiconductor tool hookup
- Fabrication tools

Parker Technologies
Process Control
- Ultra high purity (UHP) valves
- UHP pressure regulators
- Fluoropolymer valve manifolds

Fluid & Gas Handling
- Cooling hoses
- Quick couplings

Electromechanical
- Solenoid actuation valves
- Servo systems for wafer spinning

Filtration
- Critical liquid & gas microfiltration

Engineered Materials
- Electromagnetic shielding
- Load lock & chamber seals

Parker Technologies Essential to the Digital Supply Chain
Expertise Supporting 5G Infrastructure Build Out

Applications
• 5G tower upgrades/installations
• Site preparation
• Communication equipment protection

Parker Technologies

Filtration
• Hydraulic filtration
• Fuel filtration

Engineered Materials
• Electromagnetic shielding
• Thermal management

Fluid & Gas Handling
• Hydraulic hose & fittings
• Quick couplings
• Thermoplastic hose

Hydraulics
• Pumps, motors, valves
• Safety sensors
• Electronic displays
• Rotary actuators

Parker Technologies Essential to the Digital Infrastructure
Expertise in Data Center Liquid Cooling

Applications

- Data Centers
- Edge Computing
- Cloud

- Autonomous Vehicles
- Artificial Intelligence
- 5G

Parker Technologies Critical for Data Center Operation & Efficiency

Parker Technologies

Filtration
- HVAC filtration

Fluid & Gas Handling
- Quick Disconnects
- Hoses
- Push-to-connect fittings
- Tubing
- Manifolds

Engineered Materials
- O-rings
- Specialty Seals

Process Control
- Refrigeration Fittings
- Valves
Expertise in Factory Machine Automation

Applications
- Specialty industrial machinery
- Assembly machines
- Test and Inspection
- Part handling / positioning

Parker Technologies

Electromechanical
- Servo motors
- Servo drive-controllers
- Electric actuators

Pneumatic
- Control valves
- Pneumatic actuators
- Pressure regulators

Fluid Conveyance
- Pneumatic tubing
- Pneumatic quick connectors

Filtration
- Compressed air filtration

Automated Circuit Board Soldering System
Digital Secular Trend
Impacting Our End Markets

- 5G Infrastructure build out
- Semiconductor manufacturing
- Data center modernization
- Logistics (Transportation, Warehousing, Robots)
- Connected products
- Machinery automation
Secular Growth Trends

Electrification & Clean Technology

Presented by: 
Jenny Parmentier 
Chief Operating Officer

Parker

PH
LISTED
NYSE

ENGINEERING YOUR SUCCESS.  
March 8, 2022
Global Electrification Trends

25 Million Units
Light Vehicle
Expected annual volume of EV’s manufactured by 2028$^1$

4x+
Increase in annual battery cell production 2020-2030$^2$
630 Gwh annually to more than 2900 Gwh

Light to Heavy
Off-Road Mobile Equipment
Adopting of electric migrating from lighter to heavier machines
Exploring cleaner combustion and hydrogen for heavy machines

Motion & Control System Equipment

<table>
<thead>
<tr>
<th>Energy Source</th>
<th>Primary Parker Content Today</th>
<th>Parker BOM Content Increases with Electrification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diesel</td>
<td>Work Function</td>
<td>$1 → $1.5-2x</td>
</tr>
<tr>
<td>Fuel Cell</td>
<td>Propel Function</td>
<td></td>
</tr>
<tr>
<td>Electric</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hybrid</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Parker Well Positioned Today, Even Better for Tomorrow
Light On-Road Electric Vehicle Technology

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

Vehicle Content Increases by 2x from a Combustion Engine to EV
Off-Road Electric Tractor Technology

Applications
- Vehicle Powertrain
- Machine Implements
- Electrified Power-Takeoff (ePTO)

Battery Pack & Housings
- Steering & Ride control
- Charging & Power Electronics

Parker Technologies

Hydraulics & Electromechanical
- Electric motors
- Motor controllers
- Pumps, valves and actuators
- Electronic controls

Engineered Materials
- Flame-resistant coatings & high temp materials
- Structural adhesives & engineered plastics
- Thermal gels & interface materials
- Electromagnetic shielding
- Vibration dampening
- Electrically conductive or isolating materials
- Steer by wire tactile feedback

Filtration
- Hydraulic & lube filtration

Fluid & Gas Handling
- Fluid conveyance hoses & fittings

Content Increases by 1.5 - 2x from a Combustion Engine to EV
Heavy On-Road Electrified Trucks

Applications

- Vehicle Powertrain
- Work truck Implements
- Battery Pack & Housing

- Charging & Power Electronics
- Steering & Ride control
- Electrified Power-Takeoff (ePTO)

Parker Technologies

Hydraulics & Electromechanical

- Electric motors and generators
- Motor controllers
- Pumps, valves and actuators
- Electronic controls

Engineered Materials

- Flame-resistant coatings & high temp materials
- Structural adhesives & engineered plastics
- Thermal gels & interface materials
- Electromagnetic shielding
- Vibration dampening
- Electrically conductive or isolating materials

Filtration

- Hydraulic & lube filtration
- Clean combustion/FCEV: FCEV or H2 filtration

Fluid & Gas Handling

- Fluid conveyance hoses & fittings

Content Increases by 1.5 - 2x from a Combustion Engine to EV / Hybrid
Electrification Key Messages

- Consumer adoption of electric vehicles continues in automotive
- Increased clean energy regulations & incentives
- Rapid pace of electric technology development
- Convergence of consumer preference, public policy, & technology
- Serving agriculture, construction, material handling, smaller truck & marine markets

Parker Technology Enables Wide Range Electrified Machines
Global Clean Technology Trends

Net Zero pledges require $275T in global investments by 2050

Growth in global renewable energy from 2020-2050 will require multiple energy sources to meet demand & support grid load

Increase in global lithium demand from 2020-2030

1: McKinsey. 2: EIA. 3: Statista
Expertise in Wind Energy Production

Applications
• Blade Pitch & Yaw Actuation
• Hydraulic Power Units
• Brake & Locking Systems

Parker Technologies

Hydraulics
• Actuation
• Motors & Pumps
• Valves and Accumulators

Fluid & Gas Handling
• Hoses and Tubing
• Fittings & Quick Couplings

Filtration
• Hydraulic & Lube System Filtration
• Air Intake Filtration

Engineered Materials
• Electromagnetic shielding
• Sealing solutions

Parker Technologies Essential to Wind Energy Production
Expertise in Solar Energy Production

**Applications**
- Positioning Troughs and Panels
- Hydraulic systems
- Solar Panel Fabrication
- Solar Tracking Systems

**Parker Technologies**

**Position Control**
- Rotary Actuation
- Linear Actuation
- Valves and Accumulators

**Fluid Conveyance**
- Fittings and Quick Couplings
- Tubing and Hoses

**Filtration**
- Hydraulic System Filtration
- Lubrication System Filtration

**Engineered Materials**
- Sealing & Shielding
- Specialty Adhesives

Parker Technologies Essential to Solar Energy Production
Expertise in Hydrogen Production, Storage & Dispensing

Applications
- Process Purification
- Water Separation
- Humidification and Gas Drying

Parker Technologies
- Hydraulics & Pneumatics
  - Motors and Pumps
  - Hydraulic Intensifiers
  - Valves & Accumulators

- Fluid & Gas Handling
  - Fittings and Quick Couplings
  - Cryogenic Solutions

- Filtration
  - Gas Filtration and Separation
  - Humidification & Gas Drying

- Engineered Materials
  - Hermetic Sealing
  - Cryogenic Sealing

Parker Technologies Essential for Hydrogen Infrastructure
Parker Filtration Enables a Cleaner World
The broadest portfolio of filtration solutions in the industry

- Engine and Mobile
- Hydraulics and Lube
- Industrial Air
- Process and Water
Filtration is Critical for Clean Technologies

Transportation
- On & Off Highway
- Aerospace
- Rail

Energy & Infrastructure
- Dispensing
- H₂ Production
- Renewables

Green Industrial
- Hydrogen Generation
- Lithium
Enabling Faster Lithium Extraction

**Application & Benefits**

- Traditional Lithium extraction utilizes large evaporation ponds that are inefficient, deplete groundwater, and not environmentally friendly.
- Parker’s proprietary and modular system rapidly extracts lithium, and returns filtered water to the environment.

**Parker Technologies**

**Electromechanical**
- Variable Frequency Drives

**Engineered Materials**
- Sealing & shielding

**Filtration**
- Reverse osmosis filter modules
- Water pre-filters
- RO water pumps

**Fluid & Gas Handling**
- Stainless Steel Valves & Fittings

Parker Enables more Sustainable and Productive Lithium Extraction
Clean Technology Secular Trend
Impacting Our End Markets

- Power Generation
- Renewable Energy
- HVAC/Refrigeration
- Life Sciences & Medical
- Infrastructure
Thank You
Key Messages

- Proven track record of EPS, Operating and EBITDA margin expansion
- Transformational acquisitions with significant synergy capture
- Long history of strong cash flow generation
- Well positioned for sales growth from secular trends
- Active capital deployment strategy

FY27 Targets to Compound EPS and Deliver Top Quartile Returns
The Win Strategy Drives Sustainable Value Creation

Organic Growth

| Value Creation Drivers | Diverse end markets and secular trends | The Win Strategy delivers consistent margin expansion | Longer cycle, accretive to performance | Resilient cash flow generation over the cycle | 65-year record of increased dividends paid | Top Quartile Total Shareholder Returns |

Shareholder Value Creation

Capital Returns

Cash Flow

Acquisitions

Margin Expansion

Adj. EPS CAGR FY16–FY22G

+17%

Resilient cash flow generation over the cycle
Parker 5-Year Total Shareholder Return
Sizably Outperformed S&P500 Industrials

Data as of 12/31/21, source Capital IQ; Index weighted by market capitalization.
Track Record of Raising and Achieving Margin Targets

Segment Operating Margin Targets

- Long stated historical target of 15%
- Raised FY20 target 200 bps to 17%
- Raised FY23 target 200 bps to 19%
- Restated FY23 target to 21% after excluding deal related amortization
- New FY27 target raised to 25%
  - 400 bps above prior target
  - Largest increase in our history

FY27 Target increased by 400 bps

Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations; 21% and 25% Segment Operating Margins are on an Adjusted Basis;
Continued Margin Expansion Levers

Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations.
Performance and Portfolio Additions to Drive EPS Growth

Key FY27 5-Year Target Modeling Assumptions

- Includes Meggitt, assumes CY22 Q3 close
- ~ 4%-6% Organic Sales Growth
- ~ 30% Incremental Margins
- ~ 23% Tax Rate
- ~ 130M Diluted Shares Outstanding
- +10% Adjusted EPS CAGR

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

- Step change in cash flow generation
- 20 years of FCF conversion >100%
- Increased capital deployment capacity

Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations. 20 consecutive years FCF conversion > 100% through FY21.
Active Capital Deployment Strategy
Prior 6 Year Period FY16 - FY21

$16B Capital Deployed

- Acquisitions: $9.8B (63%)
- Dividends: $2.4B (15%)
- Capital Expenditures: $1.2B (8%)
- Share Repurchases: $2.2B (14%)
Consistently Increasing Dividends Paid

- 65-year history of increasing annual dividends paid
- Target Payout Ratio:
  - 30% - 35% of 5-year average net income
- Last 12 Month Payout Ratio:
  - ~30% of 5-year average net income
Capital Expenditures Support Growth and Productivity

- Target 2% of Sales
- Focused on
  - Safety
  - Automation
  - Robotics
  - AI Optical Inspection
  - Industry 4.0

Increased Capital Expenditure

- FY16: $149M
- FY22 Guide: $250M
- FY27 Target: ~$450M
## Transformative Acquisitions
### Longer Cycle, Accretive to Growth, Margins & Cash Flow

<table>
<thead>
<tr>
<th>Acquisition</th>
<th>Synergized Deal Multiple&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Announced Synergies</th>
<th>Realized Synergies</th>
<th>Adjusted EBITDA Margin (%)&lt;sup&gt;2&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CLARCOR</strong> (FY 2017)</td>
<td>10.9x EV/EBITDA</td>
<td>$140M Cost Synergies in year 3</td>
<td>$160M Cost Synergies, $100M Revenue Synergies in year 3</td>
<td>Mid 20%</td>
</tr>
<tr>
<td><strong>LORD</strong> (FY 2020)</td>
<td>9.9x EV/EBITDA</td>
<td>$125M Cost Synergies in year 3</td>
<td>$125M Cost Synergies in year 2</td>
<td>High 20%</td>
</tr>
<tr>
<td><strong>EXOTIC METALS FORMING COMPANY LLC</strong> (FY 2020)</td>
<td>10.5x EV/EBITDA</td>
<td>$13M Cost Synergies in year 3</td>
<td>$13M Cost Synergies in year 3</td>
<td>Mid 20%</td>
</tr>
<tr>
<td><strong>MEGGITT</strong></td>
<td>10.9x EV/EBITDA</td>
<td>$300M Cost Synergies in year 3</td>
<td>Expect Deal Close CY22 Q3</td>
<td>~30%</td>
</tr>
</tbody>
</table>

1. Synergized EBITDA multiples as announced; 2. For Meggitt, ~30% EBITDA margin represents the implied margin calculated by adding estimated synergies $300m to 2019 adjusted EBITDA. All others represent FY22 forecast; Adjusted numbers include certain non-GAAP financial measures. See deal announcement materials for additional details and reconciliations.
Note: All financials reflect TTM EBITDA. Dashed box represents pre-funded bonds prior to close of LORD ($2.4B) and pre-funding prior to close of Meggitt ($1.9B commercial paper balance at 12/31/21). Does not reflect additional debt financing that may be incurred related to the Meggitt transaction.
Balanced Debt Maturity Profile
Goal to Maintain Strong Investment Grade Rating

- Current Ratings:
  - Baa1 / BBB+¹
- Weighted average interest rate 2.8%
- Weighted average maturity 9 years
- Commercial paper balance fully attributed to Meggitt financing
- Ample cash flow to service debt

Note: Data as of 12/31/21; Does not reflect additional debt financing that may be incurred related to the Meggitt transaction. 1. Current Ratings on Credit Watch Negative.
Future Capital Deployment
Next 6 Year Period FY22G - FY27

- Capital Deployment Optionality: ~$5B-$10B (35%)
- Dividends: ~$5B (16%)
- Capital Expenditures: ~$3B (9%)
- Share Repurchases: ~$1B (5%)
- MEGGITT Acquisition: ~$10B (35%)
New FY27 Five-Year Targets

<table>
<thead>
<tr>
<th>FY27 TARGETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic Growth</td>
</tr>
<tr>
<td>4 – 6%</td>
</tr>
<tr>
<td>Adjusted Segment Operating Margin</td>
</tr>
<tr>
<td>Adjusted EBITDA Margin</td>
</tr>
<tr>
<td>25%</td>
</tr>
<tr>
<td>Free Cash Flow Margin</td>
</tr>
<tr>
<td>16%</td>
</tr>
<tr>
<td>Adjusted EPS Growth</td>
</tr>
<tr>
<td>10%+</td>
</tr>
</tbody>
</table>
Key Messages

- Proven track record of EPS, Operating and EBITDA margin expansion
- Transformational acquisitions with significant synergy capture
- Long history of strong cash flow generation
- Well positioned for sales growth from secular trends
- Active capital deployment strategy

FY27 Targets to Compound EPS and Deliver Top Quartile Returns
Thank You
ESG & Closing Comments

Presented by:
Tom Williams
Chairman & CEO

March 8, 2022
Unmatched Breadth of Core Technologies

Partnering with Our Customers to Increase their Productivity and Profitability

HYDRAULICS | PNEUMATICS | ELECTRO-MECHANICAL | FILTRATION | FLUID & GAS HANDLING | PROCESS CONTROL | ENGINEERED MATERIALS | CLIMATE CONTROL

~ 2/3’s of Our Revenue:
From customers who buy 4 or more Parker technologies

~ 2/3’s of Our Portfolio:
Enables clean technologies

2/3’s
Positioned for Growth Opportunities from Secular Trends

Aerospace

Digital

Electrification

Clean Technology
### Future Sales Growth Drivers

#### Our Business System

<table>
<thead>
<tr>
<th>Strategic Growth Drivers</th>
<th>Industrial Capex Investment</th>
<th>Channel Restock</th>
<th>Acquisitions</th>
<th>Secular Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Address last decade under investment</td>
<td>• Replenish inventory levels</td>
<td>• CLARCOR</td>
<td>• Aerospace</td>
</tr>
<tr>
<td></td>
<td>• Supply chain development</td>
<td>• De-risk supply chain</td>
<td>• LORD</td>
<td>• Digital</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Exotic</td>
<td>• Electrification</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Meggitt¹</td>
<td>• Clean Technologies</td>
</tr>
</tbody>
</table>

#### Growth & Financial Performance

<table>
<thead>
<tr>
<th>Outcomes</th>
<th>Machinery automation, equipment &amp; infrastructure spend</th>
<th>Rebuild inventory</th>
<th>Accretive &amp; longer cycle growth</th>
<th>2/3’s Portfolio enable Clean Technologies</th>
</tr>
</thead>
</table>

**Target 4-6% Organic Growth over the Cycle**

¹: Offer to acquire Meggitt PLC announced August 2, 2021. Acquisition is pending.
### ESG Strategy Framework

#### Overview

<table>
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<tr>
<th>Environment</th>
<th>Social</th>
<th>Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate Action</td>
<td>Safe Workplace</td>
<td>Strategy, Purpose &amp; Values</td>
</tr>
<tr>
<td>Water Conservation</td>
<td>Diversity &amp; Inclusion</td>
<td>Board of Directors</td>
</tr>
<tr>
<td>Product Stewardship</td>
<td>Social Responsibility</td>
<td>Enterprise Risk Management</td>
</tr>
</tbody>
</table>

**Purpose**

Enabling Engineering Breakthroughs that Lead to a Better Tomorrow

**Communications & Reporting**
External Assessment

Climate Action Goals

2021 Commitment

#92 of Top 200 Clean Technology Companies

Carbon Disclosure Project – Climate Management Band Rating (B-)

ESG Ratings

1st Quartile Industrial Machinery Sector

2nd Quartile Industrial Machinery Sector

2nd Quartile IEQ Machinery Sector

External Recognition of our Sustainability Progress
## Climate Action
### 2040 Commitment

<table>
<thead>
<tr>
<th>Business Segment</th>
<th>Targets*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2030</td>
</tr>
<tr>
<td>Operations (Scopes I &amp; II) Direct Energy Use</td>
<td>50%</td>
</tr>
<tr>
<td>Supply Chain (Scope III) Indirect Energy Use</td>
<td>15%</td>
</tr>
<tr>
<td>Products Customer Expectations</td>
<td>Enable our customers’ sustainability programs</td>
</tr>
</tbody>
</table>

*Absolute reduction from 2019 baseline year

---

**Parker’s Technologies Uniquely Positioned for a Cleaner Tomorrow**
### Social Responsibility Framework

<table>
<thead>
<tr>
<th>Strategy Alignment</th>
<th>Areas of Focus</th>
<th>Key Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team Member Engagement</td>
<td>STEM Education (Science, Technology, Engineering, Mathematics)</td>
<td>Volunteer</td>
</tr>
<tr>
<td>Talent Attraction</td>
<td>Community Needs</td>
<td>Grants</td>
</tr>
<tr>
<td>Talent Development</td>
<td>Sustainability</td>
<td>Matching Gift</td>
</tr>
<tr>
<td></td>
<td>Diversity &amp; Inclusion</td>
<td>Disaster Relief</td>
</tr>
</tbody>
</table>
Diversity & Inclusion – Our Vision

- Want our company to be reflective of society
  - Census data
  - Manufacturing peers’ data

- Pay equity
  - Fair pay analysis – regular reviews

- Know how our people feel
  - Engagement Survey
  - Diversity & Inclusion dimension

- I Belong, I Matter, I Make a Difference

Enables Our Purpose & Top Quartile Performance
Strengthening the Board

- Board composition & refreshment are persistent areas of focus – key considerations:
  - Diversity
  - Skills & Qualifications
  - Culture & Values

Most Recent Additions (2019-21)

Jill Evanko  
President & CEO  
Chart Industries, Inc.

Lance Fritz  
Chairman, President & CEO  
Union Pacific Corporation

Bill Lacey  
Vice President, Finance  
Amazon

Laura Thompson  
EVP & CFO (retired)  
The Goodyear Tire & Rubber Co.
Current Board Composition

INDEPENDENCE

10 ARE INDEPENDENT

TENURE

6.8 YEARS AVERAGE TENURE

DIVERSITY

7 DIVERSE BY GENDER, RACE OR ETHNICITY

GENDER

RACE

ETHNICITY

0-5 YEARS

6-10 YEARS

11-17 YEARS
Key Messages

- Highly engaged global team living up to our purpose
- The Win Strategy™ 3.0 has accelerated our performance
- Strategic portfolio transformation - longer cycle & more resilient
- Positioned for growth with secular trends
- New 5-year targets with continued margin expansion
- Our clean technologies enable a more sustainable world
Thank You
Appendix
Reconciliation of Earnings per Diluted Share to Adjusted Earnings per Diluted Share

<table>
<thead>
<tr>
<th>RECONCILIATION OF EPS TO ADJUSTED EPS</th>
<th>12 Months ended</th>
<th>12 Months ended</th>
<th>12 Months ended</th>
<th>12 Months ended</th>
<th>12 Months ended</th>
<th>12 Months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6/30/16</td>
<td>6/30/17</td>
<td>6/30/18</td>
<td>6/30/19*</td>
<td>6/30/20*</td>
<td>6/30/21</td>
</tr>
<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*</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>

*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 Earnings per Diluted Share to Adjusted Earnings per Diluted Share

(Unaudited)  
(Amounts in Dollars)

<table>
<thead>
<tr>
<th></th>
<th>12 Months ended 12/31/16</th>
<th>12 Months ended 12/31/21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Earnings per diluted share</strong></td>
<td>$6.47</td>
<td>$13.86</td>
</tr>
<tr>
<td><strong>Adjustments:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition-related intangible asset amortization expense</td>
<td>0.73</td>
<td>2.45</td>
</tr>
<tr>
<td>Business realignment charges</td>
<td>0.52</td>
<td>0.15</td>
</tr>
<tr>
<td>Acquisition-related expenses &amp; Costs to achieve</td>
<td>0.12</td>
<td>0.63</td>
</tr>
<tr>
<td>Loss on deal-contingent forward contracts</td>
<td>0.00</td>
<td>1.14</td>
</tr>
<tr>
<td>Tax effect of adjustments$^1$</td>
<td>(0.39)</td>
<td>(1.01)</td>
</tr>
<tr>
<td><strong>Adjusted earnings per diluted share</strong></td>
<td>$7.45</td>
<td>$17.22</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.
Reconciliation of EPS  
Fiscal Year 2022 Guidance

(Unaudited)

(Amounts in dollars)

<table>
<thead>
<tr>
<th></th>
<th>Fiscal Year 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Forecasted earnings per diluted share</strong></td>
<td>$14.42 to $14.92</td>
</tr>
<tr>
<td>Adjustments:</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 adjustments¹</strong></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>

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.
### Reconciliation of Total Segment Operating Margin to Adjusted Total Segment Operating Margin

(Unaudited)

(Dollars in millions)

<table>
<thead>
<tr>
<th></th>
<th>12 Months ended 6/30/16</th>
<th>Guidance Issued February 3, 2022 12 Months ended 6/30/22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>$11,361</td>
<td>$15,585 to $15,875</td>
</tr>
<tr>
<td>Total segment operating income</td>
<td>$1,576</td>
<td>$3,060 to $3,180</td>
</tr>
</tbody>
</table>

**Adjustments:**

- Goodwill amortization: $101 to $320
- Acquisition-related intangible asset amortization: 101 to 320
- Business realignment charges: 107 to 30
- Acquisition-related expenses & Costs to Achieve: 5

**Adjusted total segment operating income**

|                        | $1,783 | $3,415 to $3,535 |

**Total segment operating margin**

<table>
<thead>
<tr>
<th></th>
<th>13.9%</th>
<th>19.6% to 20.0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted total segment operating margin</td>
<td>15.7%</td>
<td>21.9% to 22.3%</td>
</tr>
</tbody>
</table>

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

((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>Net sales</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>Net income</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>Income taxes</td>
<td>308</td>
<td>345</td>
<td>641</td>
<td>424</td>
<td>305</td>
<td>500</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>307</td>
<td>355</td>
<td>406</td>
<td>436</td>
<td>538</td>
<td>595</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>137</td>
<td>162</td>
<td>214</td>
<td>190</td>
<td>308</td>
<td>250</td>
</tr>
<tr>
<td>EBITDA*</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>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Voluntary retirement expense</td>
<td>12</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business realignment charges</td>
<td>97</td>
<td>50</td>
<td>46</td>
<td>10</td>
<td>70</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 Withdrawal of Assets or land</td>
<td>32</td>
<td>37</td>
<td>30</td>
<td>211</td>
<td>15</td>
<td>(101)</td>
</tr>
<tr>
<td>Adjusted EBITDA*</td>
<td>$1,667</td>
<td>$2,006</td>
<td>$2,497</td>
<td>$2,621</td>
<td>$2,639</td>
<td>$3,065</td>
</tr>
<tr>
<td>EBITDA margin</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>Adjusted EBITDA margin</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>

¹Amounts have been adjusted to reflect the change in inventory accounting method.
²Totals may not foot due to rounding
## Reconciliation of EBITDA to Adjusted EBITDA

(Unaudited)
(Dollars in millions)

<table>
<thead>
<tr>
<th></th>
<th>12 Months ended 12/31/16</th>
<th>12 Months ended 12/31/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$881</td>
<td>$1,817</td>
</tr>
<tr>
<td>Income taxes</td>
<td>341</td>
<td>501</td>
</tr>
<tr>
<td>Depreciation</td>
<td>186</td>
<td>266</td>
</tr>
<tr>
<td>Amortization</td>
<td>114</td>
<td>321</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>134</td>
<td>242</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td><strong>$1,656</strong></td>
<td><strong>$3,147</strong></td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business realignment charges</td>
<td>71</td>
<td>20</td>
</tr>
<tr>
<td>Acquisition-related expenses &amp; Costs to Achieve</td>
<td>16</td>
<td>81</td>
</tr>
<tr>
<td>Loss on deal-contingent forward contracts</td>
<td>-</td>
<td>149</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td><strong>$1,743</strong></td>
<td><strong>$3,397</strong></td>
</tr>
</tbody>
</table>

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

(Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Six Months Ended December 31,</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td></td>
<td>$ 7,587,389</td>
</tr>
<tr>
<td>Net income</td>
<td></td>
<td>$ 839,192</td>
</tr>
<tr>
<td>Income taxes</td>
<td></td>
<td>222,877</td>
</tr>
<tr>
<td>Depreciation</td>
<td></td>
<td>131,113</td>
</tr>
<tr>
<td>Amortization</td>
<td></td>
<td>158,512</td>
</tr>
<tr>
<td>Interest expense</td>
<td></td>
<td>120,710</td>
</tr>
<tr>
<td>EBITDA</td>
<td></td>
<td>1,472,404</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business realignment charges</td>
<td></td>
<td>6,659</td>
</tr>
<tr>
<td>Integration costs to achieve</td>
<td></td>
<td>2,009</td>
</tr>
<tr>
<td>Acquisition-related expenses</td>
<td></td>
<td>71,341</td>
</tr>
<tr>
<td>Loss on deal-contingent forward contracts</td>
<td></td>
<td>149,382</td>
</tr>
<tr>
<td>Gain on sale of land</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td></td>
<td>$ 1,701,795</td>
</tr>
</tbody>
</table>

EBITDA margin

Adjusted EBITDA margin

19.4 %

22.4 %
## Reconciliation of EBITDA to Adjusted EBITDA

<table>
<thead>
<tr>
<th></th>
<th>CLARCOR Actual 12 Months ended 8/27/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income/(loss)</td>
<td>$143</td>
</tr>
<tr>
<td>Income taxes</td>
<td>64</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>58</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>7</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td><strong>$272</strong></td>
</tr>
<tr>
<td><strong>Adjusted EBITDA (without synergies)</strong></td>
<td><strong>$253</strong></td>
</tr>
<tr>
<td>Synergies</td>
<td>140</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA (with synergies)</strong></td>
<td><strong>$393</strong></td>
</tr>
</tbody>
</table>

Note: Year 3 run rate synergies as announced
Reconciliation of EBITDA to Adjusted EBITDA

ESTIMATED IFRS TO NON-US GAAP RECONCILIATION

(Unaudited)
(in millions)

<table>
<thead>
<tr>
<th></th>
<th>Meggitt Actual 12 Months ended 12/31/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income/(loss) In accordance with IFRS</td>
<td>£ 223</td>
</tr>
<tr>
<td>Income taxes</td>
<td>£ 64</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>£ 194</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>£ 41</td>
</tr>
<tr>
<td><strong>EBITDA - IFRS</strong></td>
<td>£ 522</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
</tr>
<tr>
<td>Non-recurring charges(^1)</td>
<td>£ (17)</td>
</tr>
<tr>
<td>Business realignment charges(^2)</td>
<td>£ 26</td>
</tr>
<tr>
<td>Disposal, acquisition and closure of business</td>
<td>£ (24)</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA - IFRS(^3)</strong></td>
<td>£ 507</td>
</tr>
<tr>
<td>Capitalized R&amp;D expense and program participation costs</td>
<td>£ (57)</td>
</tr>
<tr>
<td>Operating lease expense and other, net</td>
<td>£ (14)</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA - Non-US GAAP (without synergies)(^4)</strong></td>
<td>£ 437</td>
</tr>
<tr>
<td>Synergies</td>
<td>£ 216</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA (with synergies)</strong></td>
<td>£ 652</td>
</tr>
</tbody>
</table>

Note: Totals may not foot due to rounding. Synergies are by the end of the 3rd full year.

1) Meggitt results include impairment losses, other asset write-downs, COVID-19 incremental non-recurring costs, finance income and financial instruments gains/losses
2) Meggitt results include site consolidations, business restructuring costs and other exceptional operating items
3) Represents underlying EBITDA as presented by Meggitt management and discussed in Meggitt Annual Report & Accounts 2020
4) IFRS to Non-US GAAP EBITDA adjustments based upon preliminary review of Meggitt Annual Report & Accounts 2020

In accordance with IFRS - IFRS

ESTIMATED IFRS TO NON-US GAAP RECONCILIATION

(Unaudited)
## Reconciliation of EBITDA to Adjusted EBITDA

### (Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>LORD</th>
<th>Exotic Metals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Forecasted 12 Months ended 12/31/19</td>
<td>Forecasted 12 Months ended 12/31/19</td>
</tr>
<tr>
<td>Earnings before income taxes</td>
<td>$188</td>
<td>$119</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>36</td>
<td>10</td>
</tr>
<tr>
<td>Interest Expense¹</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>$234</td>
<td>$129</td>
</tr>
<tr>
<td><strong>Adjustments:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upfront expenses for cost reduction initiatives</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Patent litigation award</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-recurring charges²</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>Business realignment charges</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Disposal, acquisition and closure of business</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA (without synergies)</strong></td>
<td>$244</td>
<td>$134</td>
</tr>
<tr>
<td>Synergies</td>
<td>125</td>
<td>13</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA (with synergies)</strong></td>
<td>$369</td>
<td>$147</td>
</tr>
</tbody>
</table>

Note: All synergies shown on Year 3 run rate

1) LORD results nets $1 of interest income against interest expense
2) LORD and Exotic Metals results adjusted for miscellaneous other non-recurring charges
## Reconciliation of Gross Debt to TTM EBITDA

### Reconciliation of Gross Debt to TTM EBITDA

(Unaudited)

(in millions)

<table>
<thead>
<tr>
<th></th>
<th>Parker Hannifin at CLARCOR close 12 Months ended 2/28/17</th>
<th>Parker Hannifin at Exotic Metals/LORD close 12 Months ended 10/31/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Debt</td>
<td>$6,082</td>
<td>$9,987</td>
</tr>
<tr>
<td>Net Income</td>
<td>$928</td>
<td>$1,434</td>
</tr>
<tr>
<td>Income Taxes</td>
<td>$354</td>
<td>$418</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>$284</td>
<td>$423</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>$136</td>
<td>$227</td>
</tr>
<tr>
<td>TTM EBITDA</td>
<td>$1,702</td>
<td>$2,502</td>
</tr>
<tr>
<td>Gross Debt to TTM EBITDA</td>
<td>3.6x</td>
<td>4.0x</td>
</tr>
</tbody>
</table>
# 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>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>$568</td>
<td>$662</td>
<td>$654</td>
<td>$551</td>
<td>$957</td>
<td>$1,131</td>
<td>$1,129</td>
<td>$1,219</td>
<td>$1,167</td>
<td>$1,191</td>
<td>$1,388</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>
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<tr>
<td>Discretionary Pension Contribution</td>
<td>-</td>
<td>-</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>-</td>
<td>226</td>
<td>75</td>
<td>-</td>
<td>200</td>
<td>220</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash Provided by Operating Activities - Adjusted</td>
<td>$631</td>
<td>$568</td>
<td>$662</td>
<td>$654</td>
<td>$551</td>
<td>$957</td>
<td>$1,131</td>
<td>$1,129</td>
<td>$1,219</td>
<td>$1,167</td>
<td>$1,191</td>
<td>$1,388</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>
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</table>

## Free Cash Flow
### Reconciliation to GAAP
#### (Unaudited)
##### (Dollars in millions)

<table>
<thead>
<tr>
<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>
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<tbody>
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<td>$662</td>
<td>$654</td>
<td>$551</td>
<td>$957</td>
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<td>$1,129</td>
<td>$1,219</td>
<td>$1,167</td>
<td>$1,191</td>
<td>$1,388</td>
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<td>$1,211</td>
<td>$1,302</td>
<td>$1,597</td>
<td>$1,730</td>
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<td>$2,572</td>
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<td>219</td>
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<td>960</td>
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<td>75</td>
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<td>200</td>
<td>220</td>
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<tr>
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<td>$1,349</td>
<td>$1,730</td>
<td>$1,838</td>
</tr>
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</table>

*Totals may not foot due to rounding*