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.

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 Meggitt PLC; 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 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, 2022 and other periodic filings made with the SEC.

This presentation contains references to non-GAAP financial information including organic sales for Parker and by segment, adjusted earnings per share, adjusted segment operating margin for Parker and by segment, adjusted net income, EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, Gross Debt to Adjusted EBITDA, Net Debt to Adjusted 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 segment operating margin for Parker and by segment, adjusted net income, EBITDA, adjusted EBITDA, EBITDA margin, adjusted EBITDA margin and free cash flow are not measures of performance calculated in accordance with GAAP, we believe that they are useful to an investor in evaluating the company performance for the period. Detailed reconciliations of these non-GAAP financial measures to the comparable GAAP financial measures have been included in the appendix to this presentation.

Effective July 1, 2022, the company began classifying certain expenses, previously classified as cost of sales, as selling, general and administrative expenses (“SG&A”) or within other (income) expense, net. During the integration of recently acquired businesses, the company has seen diversity in practice of the classifications of certain expenses, and the reclassification was made to better align the presentation of expenses on the Consolidated Statement of Income with management’s internal reporting. The expenses reclassified from cost of sales to SG&A relate to certain administrative activities conducted in production facilities and research and development. Foreign currency transaction expense was also reclassified from cost of sales to other (income) expense, net on the Consolidated Statement of Income. These reclassifications had no impact on net income, earnings per share, cash flows, segment reporting or the financial position of the Company and were retrospectively applied to all periods presented in the financial tables of this presentation.

Please visit www.PHRstock.com for more information
The Strength & Interconnectivity of the Parker Portfolio

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

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

- #1 Position in $135B Motion & Control Industry
- ~13% market share; goal to reach 20%
- A technology powerhouse of interconnected solutions
- Global network of independent distribution outlets
- Decentralized operating structure
- Great generators and deployers of cash
- Parker’s business system: The Win Strategy™ 3.0

Operations in 45 countries across six continents

Sales by Segment

- Industrial North America 47%
- Industrial International 30%
- Aerospace Systems 23%

~$19 Billion in Sales

Enabling Engineering Breakthroughs that Lead to a Better Tomorrow

1. FY23 Sales guidance midpoint issued May 4, 2023
Unmatched Breadth of Core Technologies

Partnering with Our Customers to Increase their Productivity and Profitability

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

~2/3’s of Our Portfolio:
Enables clean technologies
Our People, Portfolio & Strategy Transform Performance
A More Resilient, Better Parker

- Reduced safety incidents by 73\%\(^2\)
- Top quartile engagement scores
- Great generators & deployers of cash
- >$25 billion in capital deployed\(^2\)
- Longer cycle, more resilient portfolio

1. Adjusted numbers include certain non-GAAP financial measures. See Appendix for additional details and reconciliations. 2. FY16 through FY23 Q1.
Positioned for Growth Opportunities from Secular Trends

Aerospace

Digital

Electrification

Clean Technology
Expanding Longer Cycle and Secular Trend Exposure

Revenue Mix Reflects Transforming Portfolio

FY15

Longer Cycle

Industrial Aftermarket

Shorter Cycle

FY23E

Longer Cycle

Industrial Aftermarket

Shorter Cycle

FY27 Illustration

Longer Cycle + Secular Trends

Industrial Aftermarket

Shorter Cycle
Portfolio Evolution with Secular Trends

Expected End Market Impact

FY27 Sales Mix Illustration

- Industrial Aftermarket
  - 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%

- Longer Cycle + Secular Trends
  - Industrial Aftermarket ~33%
  - 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.
Parker and Meggitt
A Powerful Aerospace Combination

- Highly complementary technologies and platforms on premier programs
- Increases Aerospace aftermarket mix by 500bps
- Highly engaged team with similar heritage and culture
- Poised to benefit from Aerospace market recovery
- Well positioned to drive the future of sustainable aviation
- Combination creates a more compelling value proposition for customers

Expected to Drive Significant Shareholder Value Creation
Office of the Chief Executive

Strong Continuity & Seasoned Leadership Team

Jenny Parmentier  
Chief Executive Officer

Lee Banks  
Vice Chairman & President

Todd Leombruno  
Executive Vice President & Chief Financial Officer

Andy Ross  
Chief Operating Officer
The Win Strategy™
Our Vision: Engineering Your Success

Goals

Engaged People
- Safety #1
- Environment, Social & Governance
- Ownership - Entrepreneurial
- High Performance Teams & Leaders
- Culture of 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

Win Strategy 3.0
June 2022
Parker’s Core Values

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

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

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

Engaged Leadership
We lead by example, demonstrating our values in all circumstances and at all times. Our character, experience and abilities are the foundation of Parker’s operational excellence. We hold ourselves accountable for achieving the results our stakeholders expect. We listen to, and encourage one another, and take pride in our growth and accomplishments.
Sustainability Targets Announced July 2021

REDUCE EMISSIONS
directly from Parker’s operations

50% by 2030

ACHIEVE

carbon neutral

operations by 2040

Enabling a More Sustainable Future
## ESG Strategy Framework

### Overview

<table>
<thead>
<tr>
<th>Environment</th>
<th>Social</th>
<th>Governance</th>
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</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>
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</tbody>
</table>

**Communications & Reporting**

**Purpose**

Enabling Engineering Breakthroughs that Lead to a Better Tomorrow
Our Purpose
What is Parker’s purpose?

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

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

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

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

► A Better Tomorrow
  • Parker people and technologies play a vital role in making the world a better place
## Bringing our Purpose to Life

**Quick Coupling Technology**

### Enabling Engineering Breakthroughs that Lead to a Better Tomorrow

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

[Click Here](#) to See a Video of this Breakthrough Technology in Action
Our Robust Business Model
What Drives Parker?

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

- The Win Strategy™
- Decentralized business model
- Technology breadth & interconnectivity
- Engineered products with intellectual property
- Long product life cycles
- Global distribution, service & support
- Low capital investment requirements
- Great generators and deployers of cash over the cycle
#1 Position within the Motion & Control Industry
$135 Billion Addressable Market

- Highly fragmented market; ~13% market share
- Long-term opportunity to achieve ~20% market share
- Organic Growth Strategy
  - Strategic Positioning
  - Innovation – Winovation™ PVI + NPB
  - Simple by Design™
  - International distribution growth
  - Digital customer experience
  - Annual Cash Incentive Program (ACIP)

- Acquisition Strategy
  - Consolidator of choice
  - Targeted products and technologies
  - Increasing margins, sales growth resilience and cash flow

Opportunities for Organic Growth & Market Consolidation

PVI = Product Vitality Index  NPB = New Product Blueprinting
Interconnected Parker Technologies

Utility Lift Vehicle

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

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

- DUST COLLECTION FILTERS
- BAG FILTERS
- POINT-OF-USE FILTERS
- TRANSAIR PIPE
- HYDRAULIC POWER UNITS
- ENGINE AND MOBILE FILTERS
- PNEMATIC TUBING, FITTINGS & MANIFOLD
- HYDRAULIC PUMP, VALVES, CYLINDERS, HOSE, CONNECTORS, FILTRATION, SENSORS
- ELECTRIC POSITIONERS
- PNEUMATIC NETWORK CONTROLS
- INDUSTRIAL HOSE, TUBING, CONNECTORS & FILTRATION
- SERVO DRIVE & CONTROLLER
- NITROGEN GENERATOR
- WATER FILTRATION
- HYDRAULIC PUMP
- EMI SHIELDING
- HVAC FILTER

- SENSOR NODE CONDITION MONITORING
- HYPERCHILL WATER CHILLER
- CONTROLLER & HUMAN MACHINE INTERFACE (HMI)
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
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
Motion & Control Market Channels

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

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

**Industrial Mobile**
- Agriculture
- Automotive
- Construction
- Defense
- Engines
- Heavy Truck & Trailer
- Material Handling
- Rail

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

~50% of Industrial Sales through Distribution Channel
Strategies to Grow & Expand Margins

Performance

The Win Strategy™ 3.0
- Simplification: 80/20 + Simple by Design™
- Innovation: Winovation Updates
- Digital leadership
- Expand and grow distribution
- Kaizen, High Performance Teams and Lean
- Annual Cash Incentive Program (ACIP)

Portfolio

Acquire companies with higher growth trajectory and resiliency:
- CLARCOR
- LORD
- Exotic
- Meggitt

Executing Both Portfolio & Performance Actions
Global Independent Distribution Network: At-a-Glance

**DISTRIBUTION PARTNERS**

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

~50% of Industrial Segment Revenue through Independent Distributors

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

- **Multiple Technologies, Systems Focused**
- **Single Technology Focus**
- **Product Line Focus**
- **Market Focus**
- **MRO Focus**

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

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

### INTERNATIONAL GROWTH
- Dedicated sales force and executive leadership focused on channel expansion
- Driving an increasing mix of 100bps per year of Distribution vs. Direct sales
- Expand capabilities of existing channel
- Focus on developing markets
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
Parker’s Transformation
Parker Transformed by Portfolio & Performance Actions

- Two major enhancements to the Parker Business System:
  - The Win Strategy™ 2.0
  - The Win Strategy™ 3.0

- Simplification has streamlined organization structure:
  - 130 to 95 divisions inclusive of acquisitions

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

  CLARCOR  LORD  EXOTIC METALS FORMING  MEGGITT

Enhanced Performance Resilience Over the Business Cycle
## 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>
</tr>
</thead>
<tbody>
<tr>
<td>CLARCOR (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>
</tr>
<tr>
<td>LORD (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>
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<tr>
<td>EXOTIC METALS FORMING COMPANY LLC (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>
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<tr>
<td>MEGGITT</td>
<td>10.9x EV/EBITDA</td>
<td>$300M Cost Synergies Expected FY26</td>
<td>Deal Closed FY23 Q1</td>
</tr>
</tbody>
</table>

1. Synergized EBITDA multiples as announced
The Win Strategy™ 3.0 Expands Growth & Simplification

Our Vision: Engineering Your Success

Goals

- **Engaged People**
  - Safety #1
  - Environment, Social & Governance
  - Ownership – Entrepreneurial
  - High Performance Teams & Leaders
  - Culture of 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

Enabling Engineering Breakthroughs that Lead to a Better Tomorrow

- **Engaged People**
  - Zero Safety Incidents
  - Carbon Neutral 2040
  - Speed & Agility
  - High Performance Teams
  - Diversity, Equity & Inclusion
  - Engagement > 75%

- **Customer Experience**
  - Likelihood to Recommend
  - Customer Dashboards
  - Zero Defects
  - 98% On-Time Delivery
  - Best-in-Class Lead Times

- **Profitable Growth**
  - Organic Growth 4-6%
  - 20%+ Market Share
  - #1, #2 Position Each Business
  - Grow Global Distribution
  - Increasing New Product Vitality & Gross Margins

- **Financial Performance**
  - Top Quartile Performance
  - Year-over-Year Growth in:
    - ONS
    - EPS
  - 25% Operating Margin
  - 30% MRos
  - 15% ROIC
  - >100% FCF Conversion
  - 16% FCF Margin

The Win Strategy 3.0 & Our Purpose Propel Our Future

Win Strategy 3.0
June 2022
Cultivating a Zero Incident Safety Culture

Focus Areas

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

High Performance Teams Driving Ownership & Improvement

Note: FY23 YTD includes Meggitt
Higher Engagement Level Drives Results

% Engagement – Team Member Survey Results

2017: 61%  
2018: 64%  
2019: 67%  
2022: 73%

2022 Engagement Survey Results in the Top 8% of Industrials

1. Source: Korn Ferry
A Culture of Continuous Improvement
Parker's Brand of Kaizen

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

- Ownership
- Speed
- Productivity
- Customer Experience

Compelling Combination Drives Elevated Performance
Parker’s Simplification Initiative

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

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

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

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

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

Product Cost

30% Labor & OH

70% Design driven material and purchased cost

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

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

Enables Speed, Margin Expansion and Growth
Simple by Design™
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 w/ modular attachments
A History of Strong Financial Performance & Capital Deployment
The Win Strategy Drives Sustainable Value Creation

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
- 66-year record of increased dividends paid
- Top Quartile Total Shareholder Returns

Shareholder Value Creation
- Capital Returns
- Cash Flow
- Acquisitions
- Margin Expansion
- Organic Growth

+17% Adj. EPS CAGR FY16–FY22

Resilient cash flow generation over the cycle
17% + Adj. EPS CAGR FY16–FY22
Performance
Our People, Portfolio & Strategy Transform Performance

Adjusted EPS\textsuperscript{1}

<table>
<thead>
<tr>
<th>Year</th>
<th>As Reported EPS</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
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<tr>
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<td>$5.89</td>
<td>$6.99</td>
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<td>$13.10</td>
<td>$12.44</td>
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Increased 790 bps

Adjusted EBITDA\textsuperscript{1}

<table>
<thead>
<tr>
<th>Year</th>
<th>As Reported Net Income</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
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<td>17.5%</td>
<td>18.3%</td>
<td>19.3%</td>
<td>21.3%</td>
<td>22.6%</td>
</tr>
</tbody>
</table>

1. 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.
Future Capital Deployment
6 Year Period FY22 - FY27

- Capital Deployment Optionality: ~$5B-$10B (35%)
- Dividends: ~$5B (16%)
- Capital Expenditures: ~$3B (9%)
- Share Repurchases: ~$1B (5%)
- Meggitt Acquisition: ~$10B (35%)

Potential Capital Deployment: ~$30B

Meggitt Acquisition represents transaction value announced August 2021.
Capital Deployment Priorities

- Dividend: Maintain record and target 5-year average payout 30-35% of net income
- CapEx: Target 2% of sales to fund organic growth and productivity
- 10b5-1 share repurchase program
- Near term: Debt reduction
- Strategic acquisitions and/or discretionary share repurchase

Great Generators & Deployers of Cash
## FY27 Five-Year Targets

<table>
<thead>
<tr>
<th>FY27 TARGETS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organic Growth</strong></td>
<td><strong>4 – 6%</strong></td>
</tr>
<tr>
<td><strong>Adjusted Segment Operating Margin</strong></td>
<td><strong>25%</strong></td>
</tr>
<tr>
<td><strong>Adjusted EBITDA Margin</strong></td>
<td><strong>25%</strong></td>
</tr>
<tr>
<td><strong>Free Cash Flow Margin</strong></td>
<td><strong>16%</strong></td>
</tr>
<tr>
<td><strong>Adjusted EPS Growth</strong></td>
<td><strong>10%+</strong></td>
</tr>
</tbody>
</table>
# FY16 – FY22 Transformation
## Accelerated Execution

<table>
<thead>
<tr>
<th>Launched <strong>The Win Strategy™ 2.0 &amp; 3.0</strong></th>
<th>Launched <strong>Parker’s Purpose Statement</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduced incident rate by &gt;70%</td>
<td>CLARCOR, LORD, Exotic acquisitions: Strategic portfolio transformation</td>
</tr>
<tr>
<td>Achieved <strong>first quartile engagement scores</strong></td>
<td><strong>Acquisition of Meggitt PLC</strong> Increases Aero aftermarket mix by 500 bps</td>
</tr>
<tr>
<td><strong>Simplified organization structure</strong> 126 to 95 divisions</td>
<td><strong>Increased Adjusted EBITDA¹ margins 790 bps</strong> From 14.7% in FY16 to 22.6% in FY22</td>
</tr>
<tr>
<td><strong>Step Change in Operating Cash Flow¹</strong> &gt;70% From $1.4B in FY16 to $2.4B in FY22</td>
<td><strong>Free Cash Flow¹ Conversion &gt; 100%</strong> 20+ consecutive years</td>
</tr>
</tbody>
</table>

---

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

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

- Fortune 250 global leader in motion and control technologies and solutions
- Market leadership driven by breadth of technologies, accelerated innovation, unparalleled scale and global distribution with strong service and support network
- 4-6% target organic growth over the cycle with clear margin expansion opportunities
- Building on a strong foundation and executing our Win Strategy
- Great generators and deployers of capital to maximize long-term shareholder value creation

Leveraging the Win Strategy 3.0 to Achieve Top Quartile Performance
Reconciliation of EBITDA margin to Adjusted EBITDA margin

(Unaudited)

(Dollars in millions)

<table>
<thead>
<tr>
<th></th>
<th>12 Months ended 6/30/16</th>
<th>12 Months ended 6/30/17</th>
<th>12 Months ended 6/30/18</th>
<th>12 Months ended 6/30/19</th>
<th>12 Months ended 6/30/20</th>
<th>12 Months ended 6/30/21</th>
<th>12 Months ended 6/30/22</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>
<td>$15,862</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>
<td>1,316</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>
<td>298</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>307</td>
<td>355</td>
<td>466</td>
<td>436</td>
<td>538</td>
<td>595</td>
<td>572</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>
<td>255</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>
<td>$2,441</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business realignment charges</td>
<td>109</td>
<td>56</td>
<td>46</td>
<td>16</td>
<td>76</td>
<td>48</td>
<td>15</td>
</tr>
<tr>
<td>Acquisition-related expenses &amp; Costs to Achieve</td>
<td>-</td>
<td>103</td>
<td>37</td>
<td>30</td>
<td>211</td>
<td>15</td>
<td>100</td>
</tr>
<tr>
<td>Loss on deal-contingent forward contracts</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,015</td>
</tr>
<tr>
<td>(Gain) / Loss on Sale and Writedown of Assets or land</td>
<td>-</td>
<td>-</td>
<td>32</td>
<td>-</td>
<td>-</td>
<td>(101)</td>
<td>-</td>
</tr>
<tr>
<td>Russia liquidation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>20</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>$3,055</td>
<td>$3,592</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>
<td>15.4%</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>
<td>22.6%</td>
</tr>
</tbody>
</table>

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

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

(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>
<th>12 Months ended 6/30/22</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>
<td>$10.09</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></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>
<td>2.41</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>
<td>0.11</td>
</tr>
<tr>
<td>Acquisition-related expenses &amp; Costs to achieve</td>
<td>-</td>
<td>0.76</td>
<td>0.27</td>
<td>0.23</td>
<td>1.62</td>
<td>0.11</td>
<td>0.78</td>
</tr>
<tr>
<td>(Gain) / loss on sale and written down of assets or land</td>
<td>-</td>
<td>-</td>
<td>0.24</td>
<td>-</td>
<td>-</td>
<td>(0.77)</td>
<td>-</td>
</tr>
<tr>
<td>Loss on deal-contingent forward contracts</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7.79</td>
</tr>
<tr>
<td>Russia liquidation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.15</td>
</tr>
<tr>
<td>Tax effect of adjustments¹</td>
<td>(0.44)</td>
<td>(0.59)</td>
<td>(0.42)</td>
<td>(0.44)</td>
<td>(1.03)</td>
<td>(0.50)</td>
<td>(2.61)</td>
</tr>
<tr>
<td>Favorable tax settlement</td>
<td>-</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>-</td>
<td>-</td>
<td>1.72</td>
<td>0.11</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>
<td>$18.72</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Cash Provided by Operating Activities</th>
<th>Reconciliation to GAAP</th>
<th>(Unaudited)</th>
<th>(Dollars in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY02</td>
<td>FY03</td>
<td>FY04</td>
<td>FY05</td>
</tr>
<tr>
<td>Cash Provided by Operating Activities - As Reported</td>
<td>$631</td>
<td>$558</td>
<td>$662</td>
</tr>
<tr>
<td>Cash Provided by Operating Activities - Adjusted</td>
<td>$631</td>
<td>$663</td>
<td>$737</td>
</tr>
</tbody>
</table>

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

| FY02 | FY03 | FY04 | FY05 | FY06 | FY07 | FY08 | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 |
|--------------------------------------|------------------------|------------|----------------------|
| Cash Provided by Operating Activities - As Reported | 631 | 558 | 662 | 854 | 951 | 967 | 1,317 | 1,129 | 1,219 | 1,167 | 1,530 | 1,191 | 1,388 | 1,363 | 1,211 | 1,301 | 1,997 | 1,730 | 2,071 | 2,575 | 2,442 |
| Capital Expenditures | 207 | 156 | 138 | 155 | 198 | 238 | 280 | 271 | 129 | 207 | 219 | 266 | 216 | 216 | 149 | 204 | 248 | 195 | 233 | 210 | 230 |
| Free Cash Flow | 424 | 401 | 524 | 699 | 753 | 719 | 1,036 | 858 | 1,089 | 960 | 1,312 | 925 | 1,172 | 1,148 | 1,061 | 1,097 | 1,349 | 1,535 | 1,638 | 2,365 | 2,212 |
| Discretionary Pension Contribution | - | 106 | 75 | 83 | 101 | 161 | 12 | - | 100 | 400 | - | 226 | 75 | - | 200 | 220 | - | 200 | - | - | - |
| Free Cash Flow - Adjusted for Discretionary Pension | $424 | $507 | $599 | $782 | $853 | $880 | $1,049 | $858 | $1,190 | $1,360 | $1,312 | $1,151 | $1,247 | $1,148 | $1,261 | $1,317 | $1,349 | $1,735 | $1,638 | $2,365 | $2,212 |

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

(Unaudited)
(Dollars in thousands)

<table>
<thead>
<tr>
<th>Description</th>
<th>Twelve Months Ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2022</td>
<td></td>
</tr>
<tr>
<td>Net Income</td>
<td>$1,316,186</td>
<td></td>
</tr>
<tr>
<td>Cash Flow from Operations</td>
<td>$2,441,730</td>
<td></td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>$(230,044)</td>
<td></td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>$2,211,686</td>
<td></td>
</tr>
</tbody>
</table>

Free Cash Flow Conversion (Free Cash Flow / Net Income) 168%