

**PARKER HANNIFIN CORPORATION - MARCH 31, 2021**

**CONSOLIDATED STATEMENT OF INCOME**

(Unaudited) (Dollars in thousands, except per share amounts)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2021	2020	2021	2020
<b>Net sales</b>	\$ 3,746,326	\$ 3,702,432	\$ 10,388,771	\$ 10,534,917
Cost of sales	2,714,773	2,766,693	7,618,646	7,929,199
Selling, general and administrative expenses	386,831	413,460	1,113,254	1,303,760
Interest expense	60,830	80,765	189,778	233,612
Other (income), net	(13,460)	(12,643)	(122,066)	(73,713)
Income before income taxes	597,352	454,157	1,589,159	1,142,059
Income taxes	125,619	86,788	348,212	231,051
Net income	471,733	367,369	1,240,947	911,008
Less: Noncontrolling interests	86	116	585	383
<b>Net income attributable to common shareholders</b>	<b>\$ 471,647</b>	<b>\$ 367,253</b>	<b>\$ 1,240,362</b>	<b>\$ 910,625</b>

**Earnings per share attributable to common shareholders:**

Basic earnings per share	\$ 3.65	\$ 2.86	\$ 9.62	\$ 7.09
Diluted earnings per share	\$ 3.59	\$ 2.83	\$ 9.50	\$ 7.01
Average shares outstanding during period - Basic	129,085,563	128,289,720	128,935,696	128,383,549
Average shares outstanding during period - Diluted	131,377,933	129,746,547	130,626,600	129,862,815

**CASH DIVIDENDS PER COMMON SHARE**

(Unaudited) (Amounts in dollars)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2021	2020	2021	2020
<b>Cash dividends per common share</b>	<b>\$ 0.88</b>	<b>\$ 0.88</b>	<b>\$ 2.64</b>	<b>\$ 2.64</b>

**RECONCILIATION OF EARNINGS PER DILUTED SHARE TO ADJUSTED EARNINGS PER DILUTED SHARE**

(Unaudited) (Amounts in dollars)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2021	2020	2021	2020
<b>Earnings per diluted share</b>	<b>\$ 3.59</b>	<b>\$ 2.83</b>	<b>\$ 9.50</b>	<b>\$ 7.01</b>
Adjustments:				
Acquired intangible asset amortization expense	0.62	0.62	1.87	1.57
Business realignment charges	0.04	0.10	0.30	0.22
Lord costs to achieve	0.02	0.06	0.07	0.14
Exotic costs to achieve	—	—	—	0.01
Acquisition-related expenses	—	0.14	—	1.42
Gain on sale of land	—	—	(0.77)	—
Tax effect of adjustments <sup>1</sup>	(0.16)	(0.22)	(0.32)	(0.80)
Favorable tax settlement	—	(0.14)	—	(0.14)
<b>Adjusted earnings per diluted share</b>	<b>\$ 4.11</b>	<b>\$ 3.39</b>	<b>\$ 10.65</b>	<b>\$ 9.43</b>

<sup>1</sup>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.

**PARKER HANNIFIN CORPORATION - MARCH 31, 2021**  
**RECONCILIATION OF EBITDA TO ADJUSTED EBITDA**

(Unaudited) (Dollars in thousands)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2021	2020	2021	2020
<b>Net sales</b>	<b>\$ 3,746,326</b>	<b>\$ 3,702,432</b>	<b>\$ 10,388,771</b>	<b>\$ 10,534,917</b>
Net income	\$ 471,733	\$ 367,369	\$ 1,240,947	\$ 911,008
Income taxes	125,619	86,788	348,212	231,051
Depreciation and amortization	150,548	137,649	448,808	390,949
Interest expense	60,830	80,765	189,778	233,612
<b>EBITDA</b>	<b>808,730</b>	<b>672,571</b>	<b>2,227,745</b>	<b>1,766,620</b>
Adjustments:				
Business realignment charges	5,602	13,454	40,070	28,013
Lord costs to achieve	2,631	8,364	9,495	18,503
Exotic costs to achieve	24	486	699	1,570
Acquisition-related expenses	—	18,165	—	184,081
Gain on sale of land	—	—	(100,893)	—
<b>Adjusted EBITDA</b>	<b>\$ 816,987</b>	<b>\$ 713,040</b>	<b>\$ 2,177,116</b>	<b>\$ 1,998,787</b>
<b>EBITDA margin</b>	<b>21.6 %</b>	<b>18.2 %</b>	<b>21.4 %</b>	<b>16.8 %</b>
<b>Adjusted EBITDA margin</b>	<b>21.8 %</b>	<b>19.3 %</b>	<b>21.0 %</b>	<b>19.0 %</b>

**PARKER HANNIFIN CORPORATION - MARCH 31, 2021****BUSINESS SEGMENT INFORMATION**

(Unaudited)	Three Months Ended March 31,		Nine Months Ended March 31,	
(Dollars in thousands)	2021	2020	2021	2020
<b>Net sales</b>				
Diversified Industrial:				
North America	\$ 1,758,383	\$ 1,775,578	\$ 4,853,371	\$ 5,016,035
International	1,388,999	1,182,273	3,777,875	3,408,207
Aerospace Systems	598,944	744,581	1,757,525	2,110,675
<b>Total net sales</b>	<b>\$ 3,746,326</b>	<b>\$ 3,702,432</b>	<b>\$ 10,388,771</b>	<b>\$ 10,534,917</b>
<b>Segment operating income</b>				
Diversified Industrial:				
North America	\$ 336,589	\$ 279,628	\$ 887,041	\$ 766,159
International	274,427	176,954	681,541	499,343
Aerospace Systems	102,303	127,440	279,798	371,459
<b>Total segment operating income</b>	<b>713,319</b>	<b>584,022</b>	<b>1,848,380</b>	<b>1,636,961</b>
Corporate general and administrative expenses	48,089	48,342	123,544	132,904
Income before interest expense and other expense	665,230	535,680	1,724,836	1,504,057
Interest expense	60,830	80,765	189,778	233,612
Other expense (income)	7,048	758	(54,101)	128,386
<b>Income before income taxes</b>	<b>\$ 597,352</b>	<b>\$ 454,157</b>	<b>\$ 1,589,159</b>	<b>\$ 1,142,059</b>

**PARKER HANNIFIN CORPORATION - MARCH 31, 2021**

**RECONCILIATION OF TOTAL SEGMENT OPERATING MARGIN TO ADJUSTED TOTAL SEGMENT OPERATING MARGIN**

(Unaudited) (Dollars in thousands)	Three Months Ended March 31, 2021		Three Months Ended March 31, 2020	
	Operating income	Operating margin	Operating income	Operating margin
	<b>Total segment operating income</b>	<b>\$ 713,319</b>	<b>19.0 %</b>	<b>\$ 584,022</b>
Adjustments:				
Acquired intangible asset amortization expense	81,253		80,506	
Business realignment charges	5,445		13,333	
Lord costs to achieve	2,631		8,364	
Exotic costs to achieve	24		486	
Acquisition-related expenses	—		18,060	
<b>Adjusted total segment operating income</b>	<b>\$ 802,672</b>	<b>21.4 %</b>	<b>\$ 704,771</b>	<b>19.0 %</b>

	Nine Months Ended March 31, 2021		Nine Months Ended March 31, 2020	
	Operating income	Operating margin	Operating income	Operating margin
	<b>Total segment operating income</b>	<b>\$ 1,848,380</b>	<b>17.8 %</b>	<b>\$ 1,636,961</b>
Adjustments:				
Acquired intangible asset amortization expense	244,193		203,895	
Business realignment charges	37,890		27,770	
Lord costs to achieve	9,495		18,503	
Exotic costs to achieve	699		1,570	
Acquisition-related expenses	—		69,304	
<b>Adjusted total segment operating income</b>	<b>\$ 2,140,657</b>	<b>20.6 %</b>	<b>\$ 1,958,003</b>	<b>18.6 %</b>

**PARKER HANNIFIN CORPORATION - MARCH 31, 2021**

**CONSOLIDATED BALANCE SHEET**

(Unaudited)

(Dollars in thousands)

	March 31, 2021	June 30, 2020	March 31, 2020
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 489,600	\$ 685,514	\$ 697,617
Marketable securities and other investments	40,270	70,805	92,536
Trade accounts receivable, net	2,118,437	1,854,398	2,174,425
Non-trade and notes receivable	309,568	244,870	322,187
Inventories	1,898,159	1,814,631	2,011,367
Prepaid expenses and other	193,019	214,986	183,294
<b>Total current assets</b>	<b>5,049,053</b>	<b>4,885,204</b>	<b>5,481,426</b>
Property, plant and equipment, net	2,249,122	2,292,735	2,296,990
Deferred income taxes	125,382	126,839	124,515
Investments and other assets	791,221	764,563	750,743
Intangible assets, net	3,595,182	3,798,913	3,881,827
Goodwill	8,031,586	7,869,935	7,829,779
<b>Total assets</b>	<b>\$ 19,841,546</b>	<b>\$ 19,738,189</b>	<b>\$ 20,365,280</b>
<b>Liabilities and equity</b>			
<b>Current liabilities:</b>			
Notes payable and long-term debt payable within one year	\$ 186,388	\$ 809,529	\$ 1,035,191
Accounts payable, trade	1,551,460	1,111,759	1,422,011
Accrued payrolls and other compensation	430,008	424,231	415,213
Accrued domestic and foreign taxes	204,241	195,314	151,029
Other accrued liabilities	664,550	607,540	650,165
<b>Total current liabilities</b>	<b>3,036,647</b>	<b>3,148,373</b>	<b>3,673,609</b>
Long-term debt	6,571,908	7,652,256	8,097,922
Pensions and other postretirement benefits	1,777,137	1,887,414	1,320,167
Deferred income taxes	416,223	382,528	497,920
Other liabilities	631,702	539,089	468,235
Shareholders' equity	7,392,202	6,113,983	6,295,990
Noncontrolling interests	15,727	14,546	11,437
<b>Total liabilities and equity</b>	<b>\$ 19,841,546</b>	<b>\$ 19,738,189</b>	<b>\$ 20,365,280</b>

**PARKER HANNIFIN CORPORATION - MARCH 31, 2021****CONSOLIDATED STATEMENT OF CASH FLOWS**

(Unaudited)

Nine Months Ended March 31,

(Dollars in thousands)

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities:</b>		
Net income	\$ 1,240,947	\$ 911,008
Depreciation and amortization	448,808	390,949
Share incentive plan compensation	101,907	91,857
Gain on property, plant and equipment	(108,449)	(5,194)
(Gain) loss on marketable securities	(8,489)	434
Gain on investments	(6,008)	(1,849)
Net change in receivables, inventories and trade payables	127,164	111,416
Net change in other assets and liabilities	94,742	(218,979)
Other, net	(9,217)	11,217
<b>Net cash provided by operating activities</b>	<b>1,881,405</b>	<b>1,290,859</b>
<b>Cash flows from investing activities:</b>		
Acquisitions (net of cash of \$82,192 in 2020)	—	(5,076,064)
Capital expenditures	(136,064)	(182,502)
Proceeds from sale of property, plant and equipment	132,740	25,398
Purchases of marketable securities and other investments	(30,608)	(191,277)
Maturities and sales of marketable securities and other investments	71,225	249,306
Other	14,120	129,938
<b>Net cash provided by (used in) investing activities</b>	<b>51,413</b>	<b>(5,045,201)</b>
<b>Cash flows from financing activities:</b>		
Net payments for common stock activity	(125,519)	(192,174)
Net (payments for) proceeds from debt	(1,748,818)	1,805,210
Dividends paid	(341,333)	(340,291)
<b>Net cash (used in) provided by financing activities</b>	<b>(2,215,670)</b>	<b>1,272,745</b>
Effect of exchange rate changes on cash	86,938	(40,553)
Net decrease in cash and cash equivalents	(195,914)	(2,522,150)
Cash and cash equivalents at beginning of year	685,514	3,219,767
<b>Cash and cash equivalents at end of period</b>	<b>\$ 489,600</b>	<b>\$ 697,617</b>

**PARKER HANNIFIN CORPORATION - MARCH 31, 2021**

**RECONCILIATION OF FORECASTED EARNINGS PER DILUTED SHARE TO ADJUSTED FORECASTED EARNINGS PER DILUTED SHARE**

(Unaudited)

(Amounts in dollars)

	<b>Fiscal Year 2021</b>
<b>Forecasted earnings per diluted share</b>	<b>\$12.96 to \$13.26</b>
Adjustments:	
Business realignment charges	<b>0.38</b>
Costs to achieve	<b>0.10</b>
Acquisition-related intangible asset amortization expense	<b>2.47</b>
Gain on sale of land	<b>(0.77)</b>
Tax effect of adjustments <sup>1</sup>	<b>(0.49)</b>
<b>Adjusted forecasted earnings per diluted share</b>	<b>\$14.65 to \$14.95</b>

<sup>1</sup>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.