Ingersoll Rand

Q2 2021 Earnings Presentation

July 29, 2021

Forward-Looking Statements

This presentation contains “forward-looking statements” as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995, including statements related to Ingersoll Rand Inc.’s (the “Company” or “Ingersoll Rand” and f/k/a Gardner Denver Holdings, Inc. or “Gardner Denver”) expectations regarding the performance of its business, its financial results, its liquidity and capital resources and other non-historical statements, including statements regarding the completed transaction (the “transaction”) between Ingersoll Rand plc’s Industrial segment (“Ingersoll Rand Industrial”) and the Company and the recently-announced proposed acquisitions of Seepex GmbH and Maximus Solutions. These forward-looking statements generally are identified by the words “believe,” “project,” “expect,” “anticipate,” “estimate,” “forecast,” “outlook,” “target,” “endeavor,” “seek,” “predict,” “intend,” “strategy,” “plan,” “may,” “could,” “should,” “will,” “would,” “will be,” “on track to” “will continue,” “will likely result,” or the negative thereof or variations thereon or similar terminology generally intended to identify forward-looking statements. All statements, other than historical facts, including, but not limited to, statements regarding the expected benefits of the transaction, including future financial and operating results and strategic benefits, the tax consequences of the transaction, and the combined company’s plans, objectives, expectations and intentions, legal, economic and regulatory conditions, the future impact of the ongoing coronavirus (COVID-19) pandemic on the Company’s business, the proposed transaction to sell a majority interest in the High Pressure Solutions segment and any assumptions underlying any of the foregoing, are forward-looking statements.

These forward-looking statements are based on Ingersoll Rand’s current expectations and are subject to risks and uncertainties, which may cause actual results to differ materially from these current expectations. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. The inclusion of such statements should not be regarded as a representation that such plans, estimates or expectations will be achieved. Important factors that could cause actual results to differ materially from such plans, estimates or expectations include, among others, (1) the impact on the Company’s business, suppliers and customers and global economic conditions of the COVID-19 pandemic; (2) unexpected costs, charges or expenses resulting from the completed and proposed business combinations; (3) uncertainty of the expected financial performance of the Company; (4) failure to realize the anticipated benefits of the completed and proposed business combinations, including as a result of delay in integrating the businesses of Gardner Denver and Ingersoll Rand Industrial; (5) the ability of the Company to implement its business strategy; (6) difficulties and delays in achieving revenue and cost synergies; (7) inability of the Company to retain and hire key personnel; (8) risks and uncertainties with respect to the proposed Seepex GmbH and Maximus Solutions acquisitions, including, without limitation, that one or more closing conditions to the transaction, including certain regulatory approvals, may not be satisfied or waived, on a timely basis or otherwise, or that the proposed transaction may not be completed on the terms or in the time frame expected by the Company, or at all; (9) evolving legal, regulatory and tax regimes; (10) changes in general economic and/or industry specific conditions; (11) actions by third parties, including government agencies; (12) adverse impact on our operations and financial performance due to natural disaster, catastrophe, pandemic or other event events outside of our control; and (13) other risk factors detailed in Ingersoll Rand’s most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (the “SEC”), as such factors may be updated from time to time in its periodic filings with the SEC, which are available on the SEC’s website at http://www.sec.gov. The foregoing list of important factors is not exclusive.

Any forward-looking statements speak only as of the date of this presentation. Ingersoll Rand undertakes no obligation to update any forward-looking statements, whether as a result of new information or developments, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on any of these forward-looking statements.

Non-GAAP Financial Measures

Included in this presentation are certain non-GAAP financial measures designed to supplement, and not substitute, the financial information provided in accordance with generally accepted accounting principles in the United States of America because management believes such measures are useful to investors. The reconciliation of those measures to the most comparable GAAP measures for historical periods is set forth in the appendix to this presentation.

A Premier Industrial Company with Iconic Brands and Market-Leading Positions

1. **Further Accelerating Our Transformation**
   Completed Sale of Specialty Vehicle Technologies segment ("SVT"), Impactful Organic Investments, Announced Intention to Acquire Seepex and Maximus Solutions

2. **Executing Strong Performance**
   Commercial and operational outperformance in 1H'21
   Raising Guidance for FY'21

3. **Operating Sustainably is a Strategic Imperative**
   Continuing Our ESG Journey Using IRX Tools

Recent Key Accomplishments – Guided By Our 5 Strategic Imperatives

Strategic Imperatives	*Areas of Focus*	*Recent Accomplishments*
Deploy Talent	• Nurturing single culture through Purpose & Values Engagement, Diversity & Inclusion • Executing on talent priorities • Fostering ownership mindset	✓ Named Elizabeth Hepding as Senior Vice President, Business Development and Kate Keene as Senior Vice President, Human Resources, Talent, and Diversity, Equity and Inclusion
Accelerate Growth	• Implementing product / services initiatives • IoT / Digital / e-Commerce	✓ Completed the sale of SVT segment to the global private equity firm Platinum Equity ✓ Entered into agreement to acquire Seepex, a world-leading manufacturer of progressive cavity pumps ✓ Entered into agreement to acquire Maximus Solutions, a provider of digital controls and Industrial Internet of Things (IIoT) production management systems for the AgriTech market
Expand Margins	• Continuing to capture savings in Supply Chain / Procurement and Footprint	
Allocate Capital Effectively	• Ongoing strategic M&A • Executing multiple initiatives to increase FCF; Divested High Pressure Solutions ("HPS") and SVT segments	
Operate Sustainably	• Building an ongoing cadence of transparency and disclosure • Issued 2030 & 2050 Environmental and 2025 Diversity, Equity and Inclusion goals	✓ In July 2021, published second annual Sustainability Report (2020) and submitted Dow Jones Sustainability Index

✓ *Completed PHASE 1* — **Strong Foundation**

✓ *Completed PHASE 2* — **Pivot to Growth**

PHASE 3 — **Portfolio Optimization**

Advancing ESG Efforts with a Relentless Focus on Our People and Planet

2020

Established Key Focus Areas

- ✓ Operated effectively during COVID-19 crisis to keep employees safe and deliver for our customers
- ✓ Signatory to CEO Action for Diversity and Inclusion; ***50% diverse Board of Directors*** (ethnicity and gender)
- ✓ Completed ESG materiality assessment
- ✓ Published 2019 Sustainability Report

2021

Acted as Owners in Stewardship of Employee, Customer and Environmental Outcomes

- ✓ Launched 2025 Diversity, Equity & Inclusion goals; ***43% diverse extended leadership team***
- ✓ Established ***2030 & 2050 environmental goals***
- ✓ Incorporated ***energy efficiency*** metrics in new product development processes
- ✓ Made meaningful ***shareholder-empowering changes*** in Board governance practices
- ✓ Published 2020 Sustainability Report

2022+

Accelerate IR Commitment to Sustainably Serving All Stakeholders

- Execute on ambitious 2025 Diversity, Equity & Inclusion goals
- Deliver on milestones towards 2030 & 2050 environmental targets
- Continue to leverage IRX to ensure ESG is competitive advantage

August 6, 2021
Investor Call ESG / Sustainability Report Update
8:00 a.m. ET

Recent Acquisitions Support Growth Strategy

Key Characteristics	Seepex	Maximus Solutions
Market Leader	✓ Global #2 progressive cavity pump player with substantial installed base and strong aftermarket support	✓ A market leader with 2021E Adjusted EBITDA margin in line with current PST margin profile with meaningful improvement opportunity
Strong Organic Growth	✓ Established history of high single digit revenue CAGR since 2017	✓ Established history of >30% revenue CAGR since 2015
Sustainable End Markets	✓ Expands Precision and Science Technologies (PST) Segment's total addressable market (TAM) by estimated $1.7B through addition of incremental positive displacement pump technology	✓ Clear opportunity to pull technology through existing PST presence in other high-growth AgriTech and industrial water treatment markets; expands PST TAM by estimated $2.1B
High Aftermarket Content	✓ Recurring revenues driven by aftermarket sales (>40% of revenue)	✓ SaaS solution provides meaningful growth potential across PST
Strong Synergy Potential	✓ Well positioned suite of solutions in targeted verticals including environmental, food and beverage, and chemical	✓ Adds system-level controls and digital connectivity to equipment (including IR's Dosatron® smart dosing pump system) utilized in an AgriTech facility, resulting in improved facility efficiency and increased production
Enhance Digital Capabilities	✓ Scalable IIoT software and hardware platform enables various digital revenue streams, from e-commerce to full scale SaaS	✓ Leading controls and IIoT technologies and experience that can be leveraged across Ingersoll Rand

These combined acquisitions expected to **grow PST addressable market by an estimated 40%** and hold **significant upside synergy potential** that is expected to yield **single digit post-synergy Adjusted EBITDA purchase multiples** (including flow through from organic growth) by year three

M&A Pipeline Remains Robust After Recent Announcements

Active Funnel Development

- IRX tools driving weekly progress toward funnel KPIs with high level of engagement from executive and P&L leadership
- Rigorous evaluation criteria applied to all targets: 32 targets evaluated and passed on in Q2 2021
- Funnel is probability-weighted and comprised of only targets currently being actioned
- Focused on strategic bolt-on targets with high-growth, sustainable end markets, digital capabilities and strong synergy potential, similar to Seepex and Maximus Solutions

Active Funnel Progression KPIs Since GDI – IR RMT

As reported	Q1 2021 vs. Q2 2020	Q2 2021 vs. Q2 2020
Funnel Size	~5x	~5x
Average Revenue	>50%	>45%
Velocity through Funnel	>50%	>60%

- 32 Passed Targets
- Signed Deals (e.g. Seepex, Maximus Solutions)
- SPX FLOW

Excluded *from Q2 2021 Funnel KPIs above*

We Will Remain Focused on Disciplined Capital Deployment

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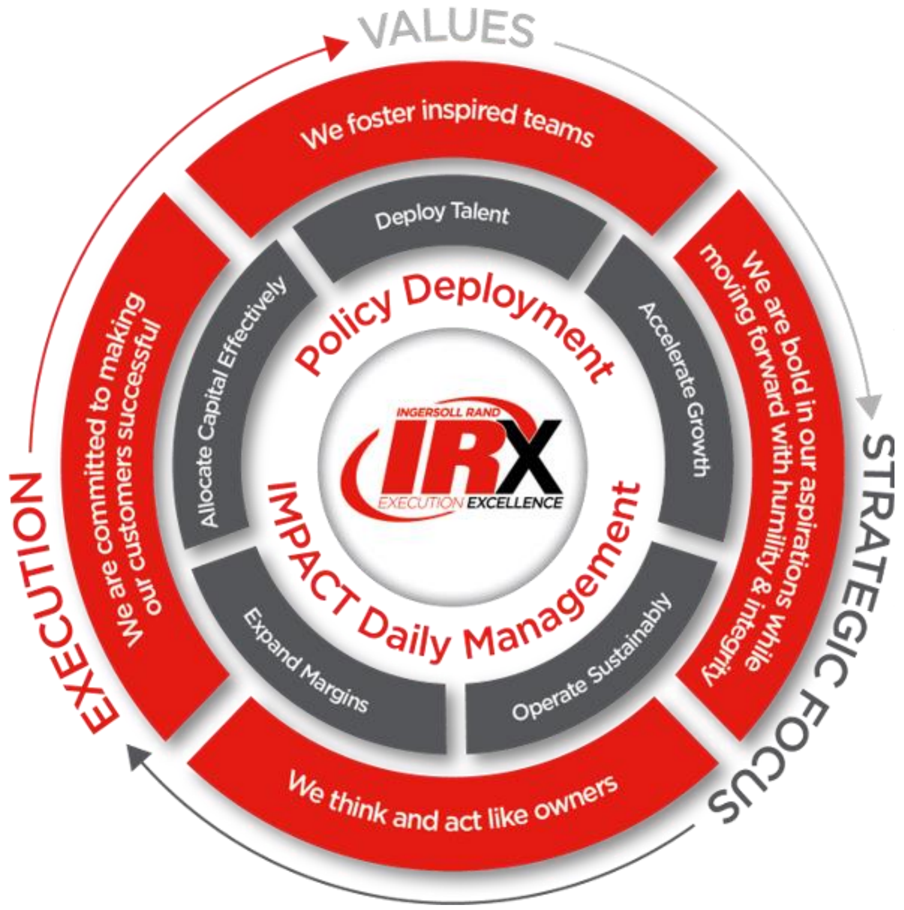
IRX is our Competitive Differentiator – Q2 Highlights[1]



Cost Synergy Capture[2]	**On track to deliver $300M commitment**
Orders and Revenue	**Strong momentum**[1] • *Orders:* Up 48% Y/Y; strong organic growth across both segments (ITS +41% & PST +20%) • *Revenue:* Up 25% Y/Y
Adj. EBITDA[3]	**$292M with margin of 22.8%** • Up $75M and +160 bps improvement Y/Y • Q2 YoY EBITDA increase +34%
Free Cash Flow[3]	**$136M** • Includes $12M of synergy and stand-up related outflows • Includes $36M of tax outflows related to HPS and SVT businesses
Liquidity	**$4.7B** • $3.7B cash on hand at end of Q2; up $2B vs Q1´21
Net Leverage	**0.2x** • Improved 1.7x from Q1'21

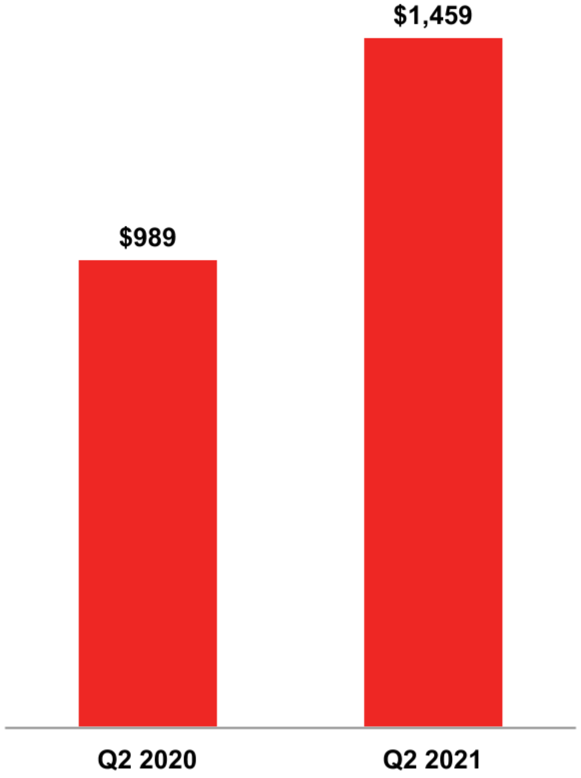
[1] All figures as shown and associated comparisons based on continuing operations. [2] We expect to be able to realize anticipated cost synergies of ~$300M by the end of year 3 after closing the RMT transaction with Ingersoll-Rand plc. We expect to incur ~$450M of expense in connection with both achieving these cost synergies and the associated stand-up of the new company. [3] Non-GAAP measure (definitions and/or reconciliations in appendix).

Q2 2021 vs. Q2 2020 Financial Performance

($M, excl. EPS)

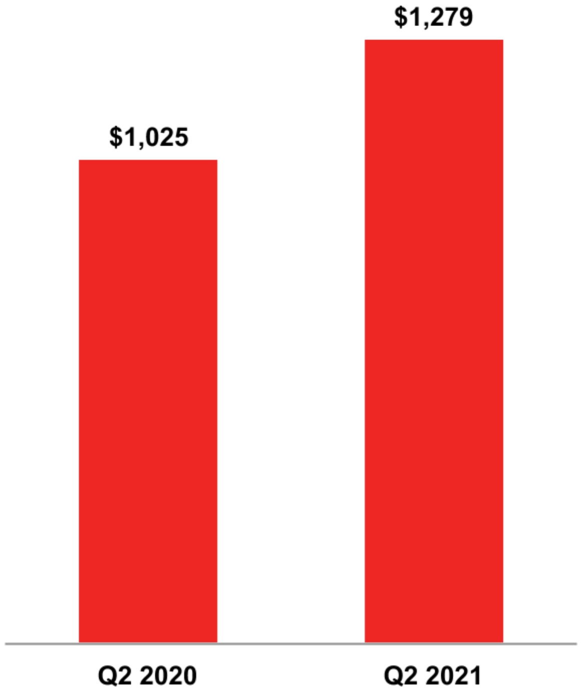
Orders

Up 48%; Up 40% ex-FX



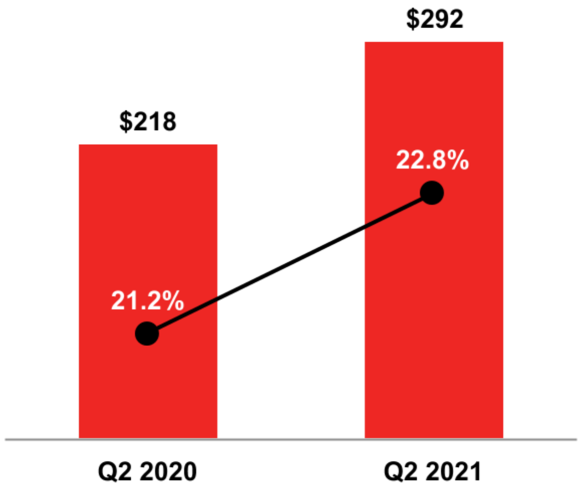
Revenue

Up 25%; Up 19% ex-FX



Adj. EBITDA & Margin[1]

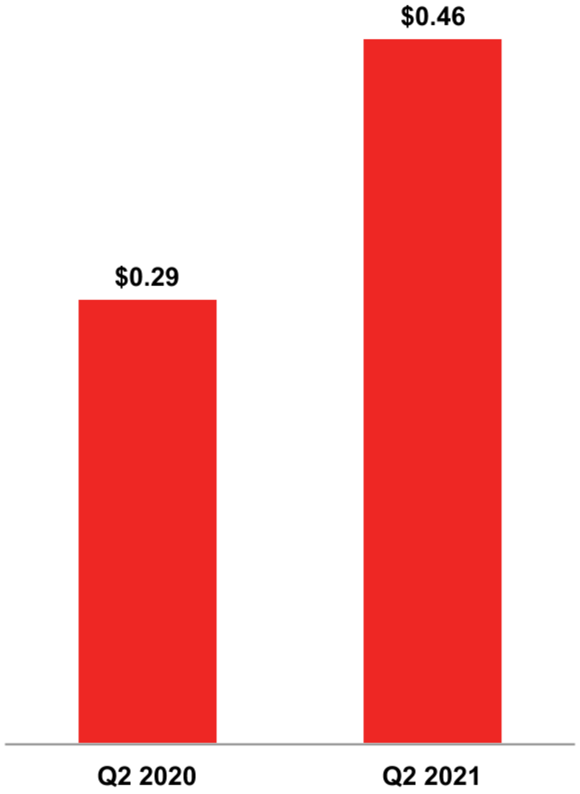
Up 34%



Adj. EBITDA Margin Expansion	
ITS	250 bps
PST	40 bps
Total IR	**160 bps**

Adj. Diluted EPS[1,2]

Up $0.17



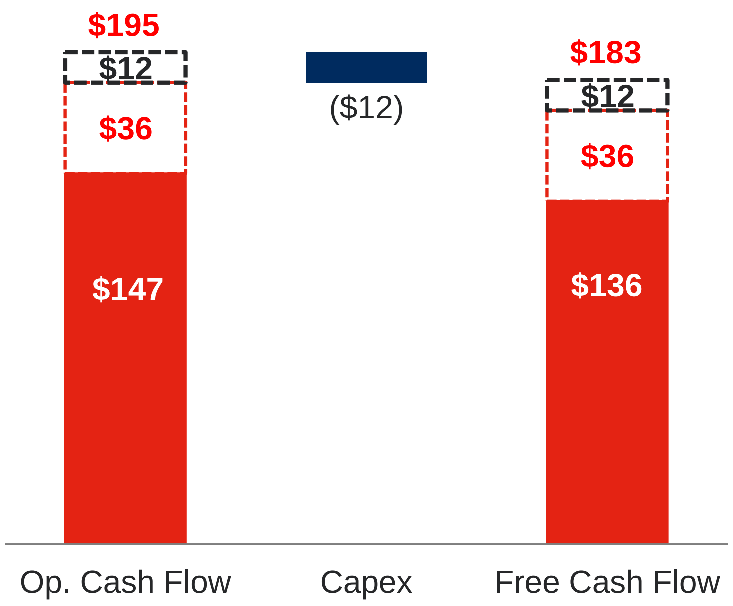
[1] Non-GAAP measure (definitions and/or reconciliations in appendix). [2] Adjusted Diluted EPS defined as (Adjusted Net Income) / (Diluted Average Shares Outstanding).

Q2 2021 Financial Performance

($M, excl. Leverage)

Free Cash Flow[1]

Cash Flows from Operations less Capex

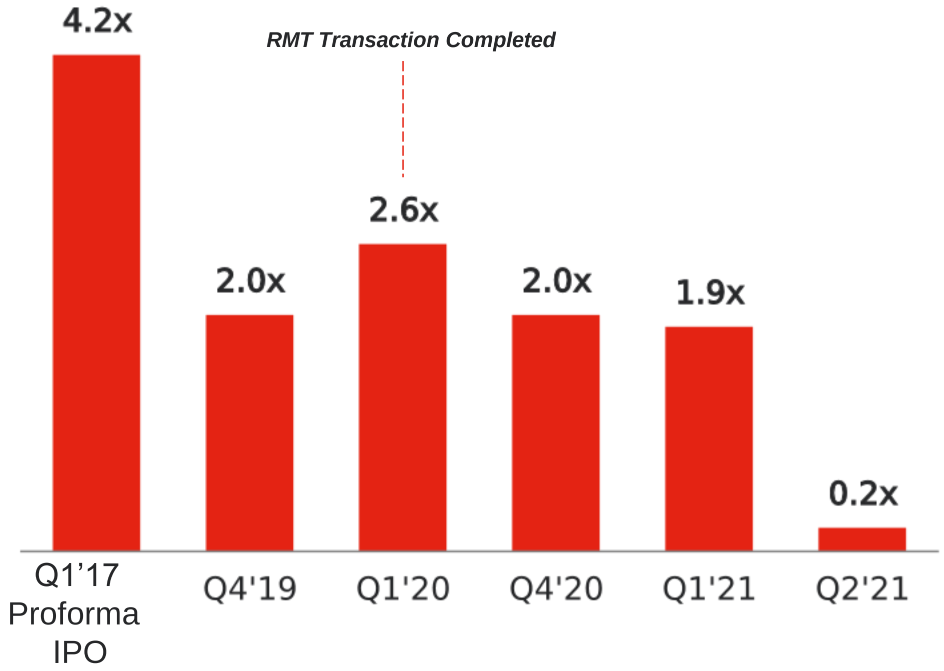


Q2'21 Op. Cash Flow and Free Cash Flow Include:

- **$12M** synergy delivery and stand-up related
- **$36M** cash taxes related to HPS and SVT businesses

Leverage[2]

(Net Debt / LTM Adjusted EBITDA)



Leverage improved 1.7x vs prior quarter

Liquidity & Leverage

- ✓ Total available liquidity of $4.7B including:
  - Cash and Cash Equivalents: $3,670B
  - Available Revolving Credit Facility Balance: $1,016B
  - Q2 cash includes gross proceeds from HPS and SVT divestitures
- ✓ Increased liquidity $2B versus prior quarter

[1] Non-GAAP measure (definitions and/or reconciliations in appendix). [2] Q1'20, Q4'20 and Q1'21 Net Debt Leverage ratios based on As Reported Net Debt and Supplemental Adjusted EBITDA for the respective quarterly periods. For a definition of Supplemental Adjusted EBITDA for those periods and a reconciliation to the closest GAAP financial measure, see the appendices to the earnings presentations for the respective periods.

Strong Execution on Synergy Delivery[1] and Cost Control

Synergy Delivery Update

Estimated One-Time Costs of ~$350M[3] to Achieve Cost Synergies and ~$100M[3] for Associated Stand-up of New Company

- ✓ Reaffirming $300M cost savings target
  - Delivered ~40% savings in 2020 (~$115M)
  - Expecting incremental ~33% savings in 2021 (~$100M)
  - Remaining savings to be delivered in 2022 (~$50M) and 2023 (~$35M)
- ✓ Cost synergy funnel remains in excess of $350M with continued room for growth
- ✓ ~$250M of annualized cost reductions executed or in motion
  - ~$110M of annualized structural reductions executed including ~$85M delivered in 2020 and ~$25M expected in 2021
  - ~$85M of annualized procurement savings executed including ~$30M delivered in 2020 and ~$50M expected in 2021
  - ~$30M of annualized i2V savings executed including ~$15M expected in 2021
  - ~$25M of annualized footprint and other functional cost savings executed including ~$10M expected in 2021

Managing Price / Cost Equation

- Expecting price/cost equation to remain positive for 2021 despite headwinds from:
  - Direct material and logistics inflation
  - Ongoing strategic growth investments
  - Return of certain one-time and discretionary costs
- Proactive pricing actions taken across all businesses in 1H'21 and evaluating further targeted actions in 2H'21
- Procurement and supply chain teams using IRX discipline to ensure appropriate balance between synergy savings execution and inflation mitigation
- Expecting ongoing Adjusted EBITDA margin expansion in 2H'21 although more subdued as compared to 1H'21

[1] Amounts set forth herein impacted by material spend are based on 2019 direct material spend. [2] We expect to be able to realize anticipated cost synergies of ~$300M by the end of year 3 after closing. We expect to incur ~$450M of expense in connection with both achieving these cost synergies and the associated stand-up of the new company. [3] Excludes transaction costs

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Industrial Technologies and Services Q2 2021 Highlights

Q2 2021 vs. Q2 2020 ($M)

	Current Year	Prior Year	YoY Δ	Ex-FX YoY Δ
Revenue	$1,047.5	$829.6	26.3%	20.0%
Adj. EBITDA	$258.6	$183.8	40.7%	—
Adj. EBITDA Margin	24.7%	22.2%	250 bps	—

Q2 2021 vs. Q2 2020 Revenue/Orders Bridge

	Organic	FX	M&A	YoY Δ
Orders Growth	41.3%	7.5%	4.0%	52.8%
Revenue Growth	17.0%	6.3%	3.0%	26.3%

Highlights

- Book to bill of 1.15x
- Adjusted EBITDA margin up 250 bps fueled by use of IRX; incremental margin of 34%

Product[1]	Annualized Segment Mix	Orders (YoY)	Revenue (YoY)
Compressors	~65%	↑ Mid 40s	↑ Mid 20s
Industrial Vacuum & Blowers	~20%	↑ Mid 40s	↑ Low 30s
Power Tools & Lifting	~10%	↑ High 50s	↑ Low 40s
Other	~5%	↑ 100%+	↑ Low Single Digits

Regional Split for Compressors	Orders (YoY)	Revenue (YoY)	Order Commentary
Americas	↑ Mid 40s	↑ Low 20s	• N. America: ↑ Low 40s • L. America: ↑ Mid 70s
EMEIA	↑ Mid 60s	↑ Low 30s	• Mainland EU: ↑ Low 50s • ME & India: ↑ 100%+
APAC	↑ Low 30s	↑ Low 20s	• China: ↑ Low 30s • Rest of APAC: ↑ High 20s

Sustainable Innovation in Action

Launched NEW Refrigerated Dryer Portfolio

- **Sustainability focus** in new product development
- New technologies and i2V process driving **lower material and labor cost**
- Filling **customer needs across multiple brands** – Gardner Denver, Ingersoll Rand and ZEKS

20%
Higher efficiency than prior models

50%
Reduction in greenhouse gas emissions (GHG)



[1] Compressors include oil lubricated, oil free, reciprocating and centrifugal offerings; Industrial Vacuum & Blowers include all blower/vacuum offerings and Nash/Garo products; Other includes Emco Wheaton Fuel Systems and Loading Arms as well as OEM, portable and other offerings.

Precision and Science Technologies Q2 2021 Highlights

Q2 2021 vs. Q2 2020 ($M)

	Current Year	Prior Year	YoY Δ	Ex-FX YoY Δ
Revenue	**$231.6**	**$195.8**	**18.3%**	**13.0%**
Adj. EBITDA	**$71.1**	**$59.3**	**19.9%**	**—**
Adj. EBITDA Margin	**30.7%**	**30.3%**	**40 bps**	**—**

Q2 2021 vs. Q2 2020 Revenue/Orders Bridge

	Organic	FX	M&A	YoY Δ
Orders Growth	**19.8%**	**5.7%**	**1.3%**	**26.8%**
Revenue Growth	**11.8%**	**5.3%**	**1.2%**	**18.3%**

Highlights

- Book to bill of 1.10x
- Orders up 21% ex-FX
    - Continued double digit growth in Medical and Dosatron businesses due to exposure to niche end markets such as lab/life-sciences, water and animal health and strong performance of ARO and Milton Roy businesses
    - Continued strong momentum on funnel for hydrogen fueling applications from the Haskel business
- Revenue up 13% ex-FX
    - Continued double digit growth in Medical, Dosatron, ARO and Haskel businesses
- Adjusted EBITDA margin performance of 30.7%, up 40 bps, driven by pricing and productivity coupled with use of IRX to deliver synergies and cost controls
- Incremental margin of 33%

Sustainable Innovation in Action

Organic Investments in Hydrogen expected to lead to Significant Growth

- Haskel is developing hydrogen solutions to support a more sustainable world through cleaner processes and effortless refueling
- Targeting ~$45M investment over next 5 years with ~$10M in next 12 months
    - Double capacity with plant expansions in Europe
    - Product development for unique future solutions
- Orders +20% YTD

~$45M	~3x	$2.5B
Investment over next 5 years	**Growth of funnel since Jan 2021**	**Market opportunity by 2027**

Raising 2021 Guidance

	Prior (as of 4/29/21)		Revised (as of 7/29/21)	
	Revenue Growth[1]	Adjusted EBITDA	Revenue Growth[1]	Adjusted EBITDA
Total	**LDD**	**$1,120M - $1,150M**	**Mid Teens**	**$1,150M - $1,180M**
Industrial Technologies & Services (Organic)	HSD	-	LDD	-
Precision & Science Technologies (Organic)	HSD	-	LDD	-
FX Impact[2]	LSD (~2%)	-	LSD (~3%)	-
M&A (Tuthill)	~$60M	-	~$60M	-

Other Assumptions

- Guidance does not include HPS, SVT or pending Seepex and Maximus Solutions acquisitions
- Q3/Q4 corporate expense expected to be ~$38M / quarter (consistent with Q2 or ~$6M / quarter higher than what was embedded in prior guidance due to strategic investments and incentive compensation)
- FCF Conversion to Adj. Net Income: ≥ 100%
- Capex: ~1.5% of Revenue
- Adj. Effective Tax Rate: ~20%

Increasing Guidance: Up ~250-300 bps Organic Growth; Up ~$30M Adj. EBITDA

[1] All revenue outlook commentary expressed in percentages and based on growth as compared to 2020 (except where otherwise noted)
[2] Based on March 2021 FX rates for prior guidance and June 2021 FX rates for revised guidance

Key Takeaways – Investing with Ingersoll Rand

01 Strong performance in Q2 with momentum into Q3; **2021 is poised to be a strong year**

02 Continuing to **differentiate Ingersoll Rand as an investment:**

- Focusing the portfolio
- Investing for growth
- Becoming more sustainable

03 **Utilizing IRX** to create unique execution-focused culture to deliver sustainable value creation

04 Executing on strategic opportunities supported by **ample liquidity** and **strong balance sheet**

05 **Delivering on our planned transformation** and increasing value for all stakeholders

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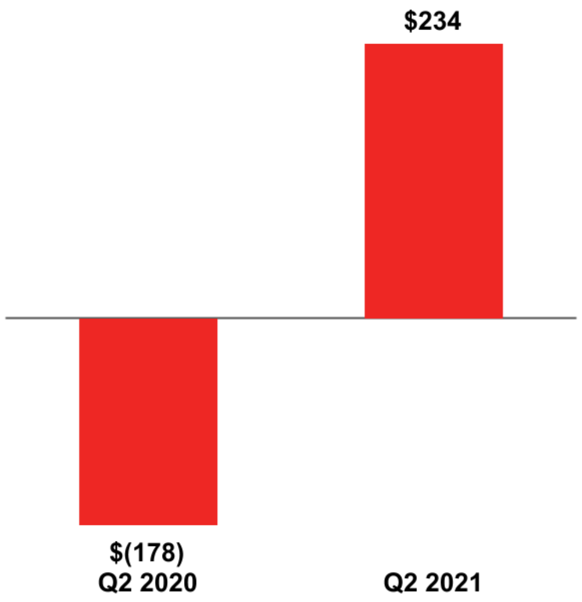
Appendix

Q2 2021 Financial Performance – As Reported

($M, excl. EPS)

Net Income[1]	EPS[2]
Up 232%	Up $0.98



- Q2’21 includes $165 million of pre-tax income from discontinued operations, amortization, restructuring and related business transformation costs, acquisition-related expenses and other adjustments

[1] Net Income as reported defined as Net Income (Loss) Attributable to Ingersoll Rand Inc. [2] Diluted EPS defined as (Net Income (Loss) Attributable to Ingersoll Rand Inc.) / (Diluted Average Shares Outstanding).

Reconciliation of Net Loss to Adjusted Net Income

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2021	2020	2021	2020
Net Income (Loss)	$ 234.6	$ (176.5)	$ 144.5	$ (213.4)
Less: Income (Loss) from Discontinued Operations	258.5	(7.2)	80.7	5.3
Less: Income Tax Provision from Discontinued Operations	(162.2)	(17.4)	(164.6)	(25.5)
Income (Loss) from Continuing Operations	138.3	(151.9)	228.4	(193.2)
Plus:				
Provision for income taxes	12.5	78.4	23.1	11.5
Amortization of acquisition related intangible assets	76.3	94.0	155.9	140.0
Restructuring and related business transformation costs	6.7	31.0	9.4	69.6
Acquisition related expenses and non-cash charges	14.3	90.3	24.8	179.8
Stock-based compensation	21.5	12.1	43.1	14.9
Foreign currency transaction losses (gains), net	3.4	4.9	(14.7)	6.9
Loss on equity method investments	0.7	—	0.7	—
Loss on extinguishment of debt	—	—	—	2.0
Gain on settlement of post-acquisition contingencies	(30.1)	—	(30.1)	—
Other adjustments	0.8	3.0	(0.2)	2.4
Minus:				
Income tax provision, as adjusted	49.6	38.5	77.6	56.1
Adjusted Net Income	$ 194.8	$ 123.3	$ 362.8	$ 177.8

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Reconciliation of Net Income (Loss) Per Share to Adjusted Diluted Earnings Per Share from Continuing Operations

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2021	2020	2021	2020
Diluted Income (Loss) Per Share (As Reported)[1]	$ 0.55	$ (0.43)	$ 0.34	$ (0.62)
Less: Diluted Income (Loss) Per Share from Discontinued Operations (As Reported)[1]	0.23	(0.06)	(0.20)	(0.06)
Diluted Income (Loss) Per Share from Continuing Operations (As Reported)[1]	0.32	(0.37)	0.53	(0.56)
Plus:				
Effect of Adjusted diluted shares	—	0.01	—	0.01
Provision for income taxes	0.03	0.19	0.05	0.03
Amortization of acquisition related intangible assets	0.18	0.22	0.37	0.40
Restructuring and related business transformation costs	0.02	0.07	0.02	0.20
Acquisition related expenses and non-cash charges	0.04	0.21	0.06	0.51
Stock-based compensation	0.05	0.03	0.10	0.04
Foreign currency transaction losses (gains), net	0.01	0.01	(0.03)	0.02
Loss on equity method investments	—	—	—	—
Loss on extinguishment of debt	—	—	—	0.01
Gain on settlement of post-acquisition contingencies	(0.07)	—	(0.07)	—
Other adjustments	—	0.01	—	0.01
Minus:				
Income tax provision, as adjusted	0.12	0.09	0.18	0.16
Adjusted Diluted Earnings Per Share from Continuing Operations[2]	$ 0.46	$ 0.29	$ 0.85	$ 0.51
Average shares outstanding:				
Basic, as reported	419.9	417.0	419.5	347.2
Diluted, as reported[3]	426.8	417.0	426.4	347.2
Adjusted diluted[2]	426.8	423.0	426.8	351.3

[1] Basic and diluted earnings (loss) per share (as reported) are calculated by dividing net income (loss) attributable to Ingersoll Rand Inc. by the basic and diluted average shares outstanding for the respective periods.

[2] Adjusted diluted share count and adjusted diluted earnings per share include incremental dilutive shares, using the treasury stock method, which are added to average shares outstanding.

[3] Due to net losses in certain periods shown, basic and diluted average shares outstanding are the same in those periods.

Reconciliation of Net Income (Loss) to Adjusted Earnings per Share

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Restructuring and related business transformation costs	6.7	31.0	9.4	69.6
Acquisition related expenses and non-cash charges	14.3	90.3	24.8	179.8
Stock-based compensation	21.5	12.1	43.1	14.9
Foreign currency transaction losses (gains), net	3.4	4.9	(14.7)	6.9
Loss on equity method investments	0.7	—	0.7	—
Loss on extinguishment of debt	—	—	—	2.0
Gain on settlement of post-acquisition contingencies	(30.1)	—	(30.1)	—
Other adjustments	0.8	3.0	(0.2)	2.4
Minus:				
Income tax provision, as adjusted	49.6	38.5	77.6	56.1
Adjusted Net Income	$ 194.8	$ 123.3	$ 362.8	$ 177.8
Adjusted Basic Earnings Per Share[1]	$ 0.46	$ 0.30	$ 0.86	$ 0.51
Adjusted Diluted Earnings Per Share[2]	$ 0.46	$ 0.29	$ 0.85	$ 0.51
Average shares outstanding:				
Basic, as reported	419.9	417.0	419.5	347.2
Diluted, as reported[3]	426.8	417.0	426.4	347.2
Adjusted diluted[2]	426.8	423.0	426.8	351.3

[1] Adjusted basic and diluted (loss) earnings per share are calculated by dividing adjusted net income by the basic and diluted average shares outstanding for the respective periods.

[2] Adjusted diluted share count and adjusted diluted earnings per share include incremental dilutive shares, using the treasury stock method, which are added to average shares outstanding.

[3] Due to net losses in certain periods shown, basic and diluted average shares outstanding are the same in those periods.

Reconciliation of Net Income (Loss) to Adjusted EBITDA and Adjusted Net Income and CFOA to Free Cash Flow

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2021	2020	2021	2020
Net Income (Loss)	$ 234.6	$ (176.5)	$ 144.5	$ (213.4)
Less: Income (loss) from discontinued operations	258.5	(7.2)	80.7	5.3
Less: Income tax provision from discontinued operations	(162.2)	(17.4)	(164.6)	(25.5)
Income (loss) from continuing operations, net of tax	138.3	(151.9)	228.4	(193.2)
Plus:				
Interest expense	22.7	30.8	45.8	57.9
Provision for income taxes	12.5	78.4	23.1	11.5
Depreciation expense	21.0	22.5	41.3	34.8
Amortization expense	80.3	96.4	164.5	143.1
Restructuring and related business transformation costs	6.7	31.0	9.4	69.6
Acquisition related expenses and non-cash charges	14.3	90.3	24.8	179.8
Stock-based compensation	21.5	12.1	43.1	14.9
Foreign currency transaction losses (gains), net	3.4	4.9	(14.7)	6.9
Loss on equity method investments	0.7	—	0.7	—
Loss on extinguishment of debt	—	—	—	2.0
Gain on settlement of post-acquisition contingencies	(30.1)	—	(30.1)	—
Other adjustments	0.8	3.0	(0.2)	2.4
Adjusted EBITDA	$ 292.1	$ 217.5	$ 536.1	$ 329.7
Minus:				
Interest expense	22.7	30.8	45.8	57.9
Income tax provision, as adjusted	49.6	38.5	77.6	56.1
Depreciation expense	21.0	22.5	41.3	34.8
Amortization of non-acquisition related intangible assets	4.0	2.4	8.6	3.1
Adjusted Income from Continuing Operations, Net of Tax	$ 194.8	$ 123.3	$ 362.8	$ 177.8
Free Cash Flow from Continuing Operations:				
Cash flows - operating activities	147.3	198.8	234.8	196.3
Minus:				
Capital expenditures	11.6	15.6	25.9	22.7
Free Cash Flow from Continuing Operations	$ 135.7	$ 183.2	$ 208.9	$ 173.6

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Reconciliation of Segment Adjusted EBITDA to Net Income (Loss)

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2021	2020	2021	2020
Orders				
Industrial Technologies and Services	$ 1,204.0	$ 787.9	$ 2,246.4	$ 1,355.4
Precision and Science Technologies	255.2	201.3	513.4	332.1
Total Orders	$ 1,459.2	$ 989.2	$ 2,759.8	$ 1,687.5
Revenue				
Industrial Technologies and Services	$ 1,047.5	$ 829.6	$ 1,961.3	$ 1,333.6
Precision and Science Technologies	231.6	195.8	447.3	308.6
Total Revenue	$ 1,279.1	$ 1,025.4	$ 2,408.6	$ 1,642.2
Segment Adjusted EBITDA				
Industrial Technologies and Services	$ 258.6	$ 183.8	$ 470.1	$ 278.6
Precision and Science Technologies	71.1	59.3	138.3	92.2
Total Segment Adjusted EBITDA	$ 329.7	$ 243.1	$ 608.4	$ 370.8
Less items to reconcile Segment Adjusted EBITDA to Income (Loss) from Continuing Operations Before Income Taxes:				
Corporate expenses not allocated to segments	$ 37.6	$ 25.6	$ 72.3	$ 41.1
Interest expense	22.7	30.8	45.8	57.9
Depreciation and amortization expense	101.3	118.9	205.8	177.9
Restructuring and related business transformation costs	6.7	31.0	9.4	69.6
Acquisition related expenses and non-cash charges	14.3	90.3	24.8	179.8
Stock-based compensation	21.5	12.1	43.1	14.9
Foreign currency transaction losses (gains), net	3.4	4.9	(14.7)	6.9
Loss on extinguishment of debt	—	—	—	2.0
Gain on settlement of post-acquisition contingencies	(30.1)	—	(30.1)	—
Other adjustments	0.8	3.0	(0.2)	2.4
Income (Loss) from Continuing Operations Before Income Taxes	151.5	(73.5)	252.2	(181.7)
Provision for income taxes	12.5	78.4	23.1	11.5
Loss on equity method investments	(0.7)	—	(0.7)	—
Income (Loss) from Continuing Operations	138.3	(151.9)	228.4	(193.2)
Income (loss) from discontinued operations, net of tax	96.3	(24.6)	(83.9)	(20.2)
Net Income (Loss)	$ 234.6	$ (176.5)	$ 144.5	$ (213.4)

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Orders and Revenue Growth/(Decline) by Segment[1]

	For the Three Month Period Ended June 30, 2021	
	Orders	Revenue
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Organic growth	36.9%	16.0%
Impact of foreign currency	7.2%	6.1%
Impact of acquisitions	3.4%	2.6%
Total orders and revenue growth	47.5%	24.7%
Industrial Technologies & Services		
Organic growth	41.3%	17.0%
Impact of foreign currency	7.5%	6.3%
Impact of acquisitions	4.0%	3.0%
Total orders and revenue growth	52.8%	26.3%
Precision & Science Technologies		
Organic growth	19.8%	11.8%
Impact of foreign currency	5.7%	5.3%
Impact of acquisitions	1.3%	1.2%
Total orders and revenue growth	26.8%	18.3%

(1) Organic growth/(decline), impact of foreign currency, and impact of acquisitions are non-GAAP measures. References to "impact of acquisitions" refer to GAAP sales from acquired businesses recorded prior to the first anniversary of the acquisition. The portion of GAAP revenue attributable to currency translation is calculated as the difference between (a) the period-to-period change in revenue (excluding acquisition sales) and (b) the period-to-period change in revenue (excluding acquisition sales) after applying prior year foreign exchange rates to the current year period.