# Q3 2023 Earnings Presentation

# Forward Looking Statements

This presentation by Ingersoll Rand Inc. (the “Company” or “Ingersoll Rand”) contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including statements related the Company’s expectations regarding the performance of its business, its financial results, its liquidity and capital resources and other non-historical statements. These forward-looking statements generally are identified by the words “believe,” “project,” “expect,” “anticipate,” “estimate,” “forecast,” “outlook,” “target,” “endeavour,” “seek,” “predict,” “intend,” “strategy,” “plan,” “may,” “could,” “should,” “will,” “would,” “will be,” “on track to” “will continue,” “will likely result,” “guidance” or the negative thereof or variations thereon or similar terminology generally intended to identify forward-looking statements. All statements other than historical facts 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) adverse impact on our operations and financial performance due to natural disaster, catastrophe, global pandemics (including COVID-19), geopolitical tensions, cyber events or other events outside of our control; (2) unexpected costs, charges or expenses resulting from completed and proposed business combinations; (3) uncertainty of the expected financial performance of the Company; (4) failure to realize the anticipated benefits of completed and proposed business combinations; (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) evolving legal, regulatory and tax regimes; (9) changes in general economic and/or industry specific conditions; (10) actions by third parties, including government agencies; and (11) 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 development, 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 (“GAAP”) 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. Reconciliations of non-GAAP measures related to full-year 2023 guidance have not been provided due to the unreasonable efforts it would take to provide such reconciliations due to the high variability, complexity and uncertainty with respect to forecasting and quantifying certain amounts that are necessary for such reconciliations, including net income (loss) and adjustments that could be made for acquisitions-related expenses, restructuring and other business transformation costs, gains or losses on foreign currency exchange and the timing and magnitude of other amounts in the reconciliation of historic numbers. For the same reasons, we are unable to address the probable significance of the unavailable information, which could have a potentially unpredictable, and potentially significant, impact on our future GAAP financial results.

We are a

# Premier company with iconic brands and market-leading positions

1

**Our Economic Growth Engine Continues to Deliver Compounding Results**

Double-digit growth in Revenue, Adjusted EBITDA[1], Adjusted EPS[1], and Free Cash Flow[1]

2

**Remaining Nimble and Focused**

Concentrating on controlling what we can control and focusing demand generation activities on high-growth, sustainable end markets

3

**Raising 2023 Guidance**

Strong year-to-date results with continued momentum for the full year



[1] Non-GAAP measure (definitions and/or reconciliations in appendix)

Our Economic Growth Engine

# Continues to Deliver Compounding Annual Results

**Megatrends**

Sustainability | Digitization | Quality of Life

**Organic Growth Enablers**
Target: Mid-Single Digits

Demand Generation | IIoT | Product and Service Innovation

+

**Inorganic Growth Enablers**
Target: Mid-Single Digits

Product and Service M&A | Technology Investments

+

**Quality of Earnings**
Target: ~ 100 bps/yr.

Aftermarket | Price | i2V

×

## High Performance Execution Process

**Ownership Mindset**

INGERSOLL RAND IRX EXECUTION EXCELLENCE

**Our Competitive Differentiator**

=

## Premier Growth Compounder

**Double Digit Earnings Growth**

**High Teens Free Cash Flow Margin**

# Economic Growth Engine in Action: Organic Growth

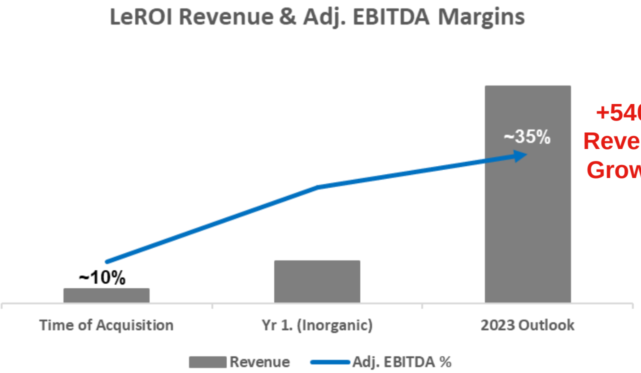
Examples of leveraging previous M&A to deliver organic growth and margin expansion

## LeROI

**Description:** LeROI is a leading manufacturer of innovative reciprocating and rotary gas compression systems for high-growth sustainable markets. A core application is the compression of raw biogas, enabling the conversion of up to 50% into pipeline-quality renewable natural gas (RNG).

**Close:** Acquired in May 2017

**Post-tax ROIC[1]:** 155%




+540% Revenue Growth[2]

**11x** Adj. EBITDA Purchase Multiple

**0.5x** Post-Synergy Adj. EBITDA Purchase Multiple[1]

- ✓ Re-focused portfolio on high-growth, sustainable end markets including renewable natural gas (RNG)
- ✓ Pivoted from single unit sales approach to complete ecosystem solution
- ✓ Leverage broad Gardner Denver distribution network for geographic expansion

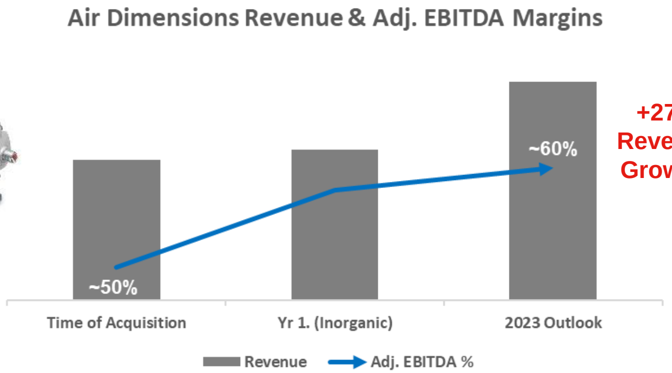
## Air Dimensions

An Ingersoll Rand Business

**Description:** Air Dimensions is a market leader in diaphragm vacuum pumps used for precision gas analysis in both safe and hazardous applications. Its key end markets include environmental services, manufacturing, and petrochemical processing.

**Close:** Acquired in November 2021

**Post-tax ROIC[1]:** On track to meet/exceed initial targets by year 3




+27% Revenue Growth[2]

**11x** Adj. EBITDA Purchase Multiple

**8x** Post-Synergy Adj. EBITDA Purchase Multiple[1]

- ✓ Demonstrated innovate to value (i2V) by developing and launching a higher-pressure product, expanding the offering
- ✓ Rapidly adopted Demand Generation process to increase marketing qualified leads (MQLs) and responsiveness
- ✓ Geographic expansion is a significant growth opportunity as most current customers are based in North America

[1] Based on 2023 estimates. Post-tax return on invested capital defined as Net Operating Profit After Taxes divided by purchase price including acquisition expenses [2] Revenue growth calculated on change in revenue from time of acquisition to latest outlook

# On Track to Deliver Our Inorganic Growth Commitment

## Closed M&A

**Oxywise s.r.o.**

- **Description**: Expands our technology ecosystem with a product offering complimentary to the compressor, a leading provider of onsite oxygen and nitrogen generating-systems.
- **Annual Revenue:** ~$10M
- **Headquarters:** Piešťany, Slovakia
- **Close:** October 4, 2023
- **Segment:** ITS
- **Rationale:** Increases Ingersoll Rand's broader air treatment capabilities in pressure swing adsorption technology, cylinder filling systems, containerized systems and gas control solutions.


**Fraserwoods Fabrication and Machining Ltd.**

- **Description**: Leading provider of aftermarket services for blowers and pumps in the vacuum truck market.
- **Annual Revenue:** ~$4M
- **Headquarters:** Acheson, Alberta, Canada
- **Close:** October 4, 2023
- **Segment:** ITS
- **Rationale:** Expands Ingersoll Rand's technical expertise and service capabilities in western Canada.


## Funnel Update

**>5x**

Weighted funnel size vs Q2 2020

**4**

Additional transactions at LOI stage[1]

**~90%**

Deals internally sourced

**$200M - $300M**

(400bps – 500bps)

Reaffirming our annualized inorganic revenue target for acquisitions in 2023

[1] As of November 1, 2023

# Delivering Results in ESG Through IRX[1]

Recognized for Achieving Corporate Responsibility and Pioneering Employee Ownership

## Industry Leading Results

S&P Dow Jones Indices

A Division of S&P Global

Member of DJSI World and member of DJSI North America; as of Feb 17, 2023, Ingersoll Rand ranked as the number one performer in the IEQ Machinery and Electrical Equipment Industry in North America and number four globally

**#1** in North America

**#4** in the World

**82** ESG Score[2] (+10 YoY)

Rated

MORNINGSTAR | SUSTAINALYTICS

Ingersoll Rand ranked as the number three performer out of 573 companies in the Machinery Industry Group; ESG risk rating improved from 23.5 (Medium Risk) in 2022 to 12.8 (Low Risk) in 2023

**#3** in Machinery Industry

**Low Risk** Score[3]

MSCI ESG RATINGS

| CCC | B | BB | BBB | A | AA | AAA |
|---|---|---|---|---|---|---|

Ingersoll Rand improved its ESG rating from A in 2022 to AA in 2023 and ranks as a "Leader" among 47 companies in the industrial machinery industry

**AA** ESG Score[4]

## Achieving Corporate Responsibility

100 Best Corporate Citizens 2023

3BL Media ranked Ingersoll Rand #5 among capital goods industry companies and #33 overall on its list of 100 Best Corporate Citizens of 2023. The 1,000 largest, publicly-traded U.S. companies are researched and ranked on ESG transparency and performance.

**#5** in Capital Goods Industry

**#33** among Russell 1000

Partnering with organizations globally to support the communities where we live and serve including:

feednc – Food - Education - Essentials - Dignity

Planet Water Foundation

American Heart Association – Live Fierce – Stand for All

Drop in the Bucket – Water • Education

La Escuelita Bilingual Preschool – aprender, jugar, y crecer

## Pioneer in Employee Ownership

Best Companies to Work For – U.S. News & World Report – Industrials and Business Services 2024

US News & World Report recognized Ingersoll Rand on their inaugural list of Best Companies to Work For 2024

## Ownership Works Program

Grants equity to all new employees after their one-year anniversary[5]

**~$650M** Equity value as of September 30, 2023

**~$280M** Equity awarded to employees since 2017

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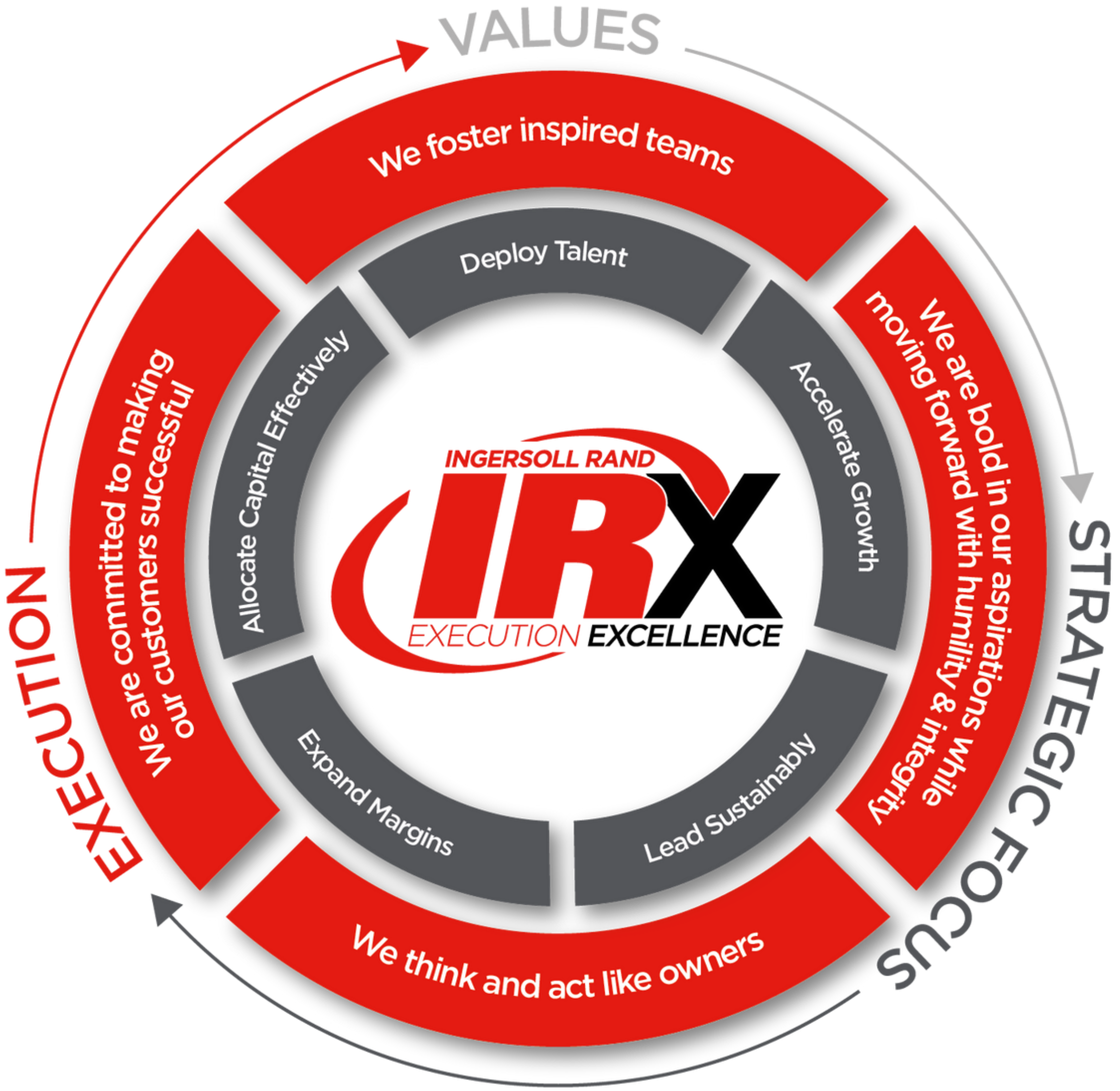
[1] See page 27 for footnote disclosures 2-5

IRX is our Competitive Differentiator

# Q3 Highlights[1]

| | |
|---|---|
| **Revenue** | **Continued momentum**<br>• Organic Revenue: up 6% YoY<br>• Incremental margin of 38%<br>• Q3'23 ending backlog up ~6% YoY<br>• Book to Bill 0.94x |
| **Adj. EBITDA[2]** | **$462M with margin of 26.5%**<br>• Up $85M YoY, an increase of 23%<br>• 170 bps improvement YoY |
| **Adj. EPS[2]** | **Adjusted EPS of $0.77**<br>• +24% vs prior year<br>• YoY growth includes ($0.03) in interest expense headwinds |
| **Free Cash Flow[2]** | **$369M**<br>• Operating Cash Flow: $397M<br>• Capex: ($29M)<br>• Free cash flow Margin of 21% |
| **Liquidity** | **$3.2B**<br>• $1.2B cash on hand at end of Q3; flat vs prior quarter |
| **Net Leverage[3]** | **0.9x**<br>• Improved 0.1x vs prior year and 0.1x vs prior quarter |

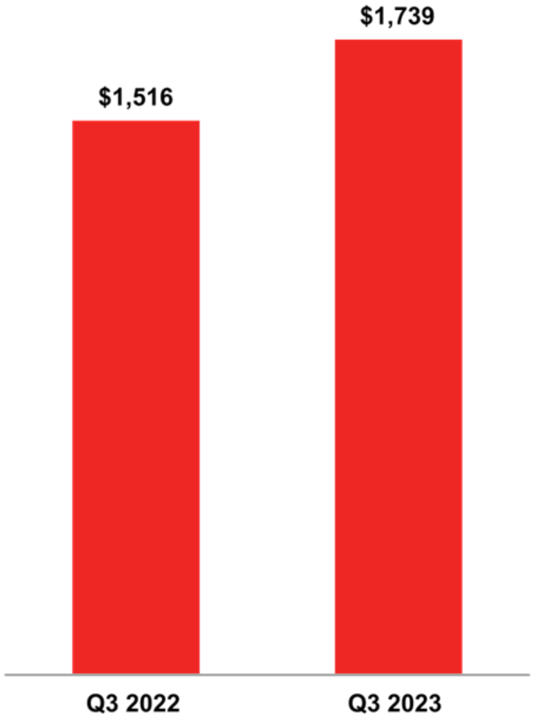


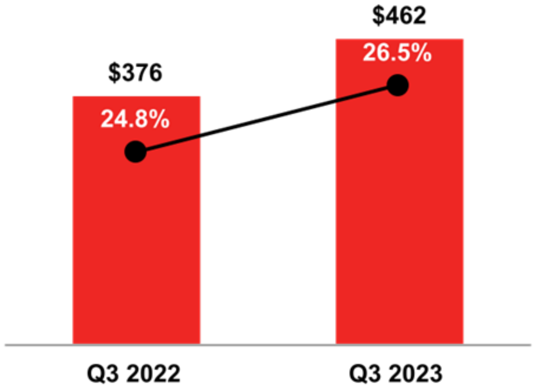

[1] All figures as shown and associated comparisons based on continuing operations. [2] Non-GAAP measure (definitions and/or reconciliations in appendix). [3] Calculated as Net Debt to LTM Adjusted EBITDA

# Q3 2023 vs. Q3 2022 Financial Performance

($M, Excluding EPS)

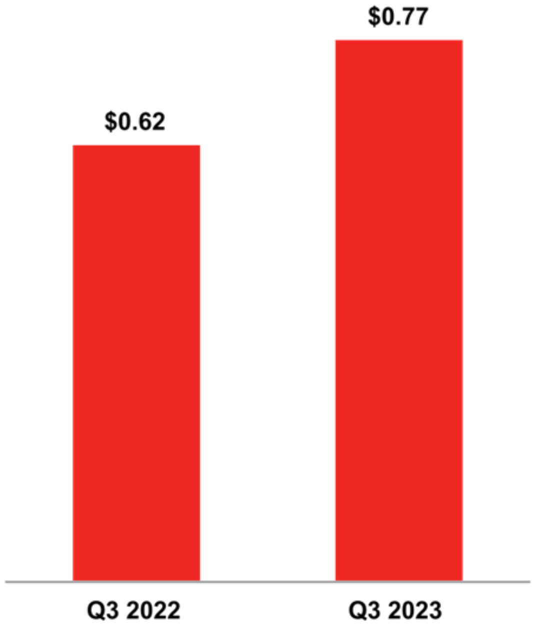
| Orders | Revenue | Adj. EBITDA & Margin[1] | Adj. Diluted EPS[1,2] |
|---|---|---|---|
| Down 1%; Down 2% ex-FX | Up 15%; Up 13% ex-FX | Up 23% | Up $0.15 |


**Adj. EBITDA Margin Expansion**

| | |
|---|---|
| ITS | 260 bps |
| PST | 120 bps |
| **Total IR** | **170 bps** |




- Adj. Diluted EPS[1,2] growth of 24% including ($0.03) of interest expense headwinds

Book to Bill of 0.94x
Backlog up ~6% YoY and down ~1% QoQ

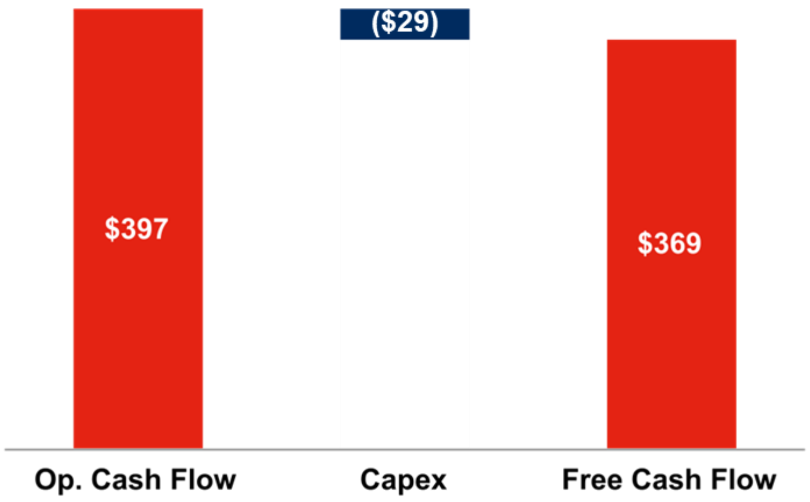
[1] Non-GAAP measure (definitions and/or reconciliations in appendix). [2] Adjusted Diluted EPS defined as (Adjusted Net Income attributable to Ingersoll Rand) / (Diluted Average Shares Outstanding).

# Q3 2023 Financial Performance

($M, Excluding Leverage)

## Free Cash Flow[1]

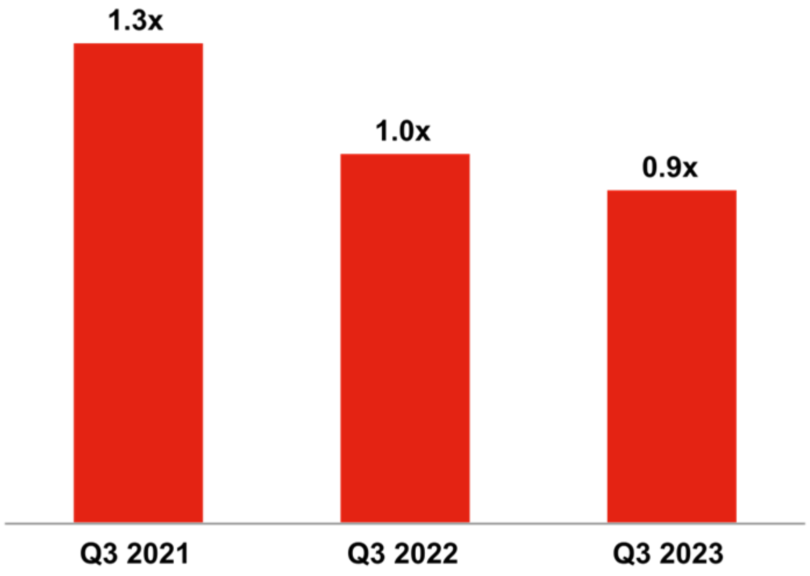
Cash Flows from Operations less Capex




**Free Cash Flow[1] up 46% YoY**

## Leverage

(Net Debt / LTM Adjusted EBITDA)




## Liquidity & Leverage

- Total available liquidity of $3.2B including:
  - Cash and cash equivalents: $1.2B
  - Available credit facilities: $2.0B
- Leverage improvement of 0.1x vs prior year
- Q3 Cash outflows primarily driven by:
  - $308M deployed to M&A
  - $8M returned to shareholders through dividend payment

[1] Non-GAAP measure (definitions and/or reconciliations in appendix).



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# Transforming our Debt Portfolio to Investment Grade

**Investment grade rated across all three ratings agencies**

| Credit Ratings | Q3 2022 | Q3 2023 |
|---|---|---|
| Moody's | Ba2 (Stable) | Baa3 (Positive) |
| S&P | BB+ (Positive) | BBB- (Positive) |
| Fitch | N/A | BBB- (Positive) |

**Key Metrics**

| Key Metrics | Q2 2023 | Q3 2023 |
|---|---|---|
| Annualized Interest Expense[2] | ~$165M | ~$145M |
| Fixed / Floating Ratio[3] | 56% / 44% | 74% / 26% |
| Weighted Avg. Maturity | 4 years | 6 years |

**Amended debt portfolio – committed to a full investment grade capital structure**

| Facility | Rate | Maturity | Q3 2022 Balance | Q3 2023 Balance |
|---|---|---|---|---|
| USD Term Loans | S+185bps | Feb 2027 | $2,757M | $1,248M |
| 5-year Senior Unsecured Bond[1] | 5.4% | Aug 2028 | - | $500M |
| 10-year Senior Unsecured Bond[1] | 5.7% | Aug 2033 | - | $1,000M |
| Other | Varies | Varies | $21M | $16M |
| **Total Debt** | | | **$2,778M** | **$2,764M** |
| Revolver Capacity (Undrawn) | | | $1,100M | $2,000M |

## Prudent Balance Sheet Management

- Investment grade credit rated across all three ratings agencies
- Refinanced $1.5B of floating Secured Term Loans and issued our inaugural Unsecured Investment Grade bonds
- Capital structure continues to evolve over time and is designed to facilitate our capital allocation strategy
- Committed to having a fully unsecured investment grade capital structure
- Annualized interest expense[2] savings of ~$20M split between 2023 and 2024

[1] Debt balance represents gross debt excluding unamortized discounts and debt issuance costs. [2] Annualized interest expense is based on the debt structure at the outlined date and the 1-month forward SOFR and EURIBOR curve for floating rate debt. [3] Fixed / Float ratio includes Fixed debt of $1.5B Fixed rate Bonds + $528M pay fixed swaps, "other" debt is not included in the ratio



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# Industrial Technologies and Services

Broad Range of Compressor, Vacuum and Blower Solutions as well as Industrial Technologies Including Power Tools and Lifting Equipment

## Q3 2023 vs. Q3 2022 ($M)

| | Current Year | Prior Year | YoY Δ | Ex-FX YoY Δ |
|---|---|---|---|---|
| Revenue | $1,428.4 | $1,199.6 | 19.1% | 17.7% |
| Adj. EBITDA | $410.9 | $314.0 | 30.9% | — |
| Adj. EBITDA Margin | 28.8% | 26.2% | 260 bps | — |

## Q3 2023 vs. Q3 2022 Revenue/Orders Bridge

| | Organic | FX | M&A | YoY Δ |
|---|---|---|---|---|
| Orders Growth | (8.7)% | 1.0% | 7.1% | (0.6)% |
| Revenue Growth | 9.5% | 1.4% | 8.2% | 19.1% |

## Highlights

- Book to Bill of 0.94x; 42% YoY incremental margins; margins up 260bps vs. prior year
- Orders finished largely in line with expectations in Q3 and Book to Bill remains on track and consistent with previous guidance of ~1.0x for the year
- Q3 2-year stack for organic order growth of 8%

**Product Line Highlights[1]:**

- Americas compressor order growth impacted by tough YoY comps
  - Low-30's order growth in PY
- China compressor orders remained positive YoY
- Core product lines continue to show strong momentum ex-FX on a two-year stack[2]:
  - Compressor orders up 10%; revenue up mid-30's
  - Industrial Vacuum & Blower orders up mid-teens; revenue up low-30's
- See page 17 in appendix for detailed product line chart previously shown in prior earnings presentations

## Innovation in Action

**New Oil Free Screw Compressor – E-Series**

Best-in-class efficiency, durable design, and smart controls for lowest total cost of ownership

**~ 14%**

**Efficiency improvement vs previous model**

**~ 5%**

**More efficient than the next best competitive alternative[3]**

**IIoT Ready**

**Remote monitoring with smart controller embedded**




[1] See page 18 for disclosures. [2] Based on a two-year stack defined as current year growth rate + prior year growth rate. [3] Management assessment.

# Precision and Science Technologies

Highly Specialized Fluid Management Solutions Including Precision Liquid and Gas Pumps and Niche Compression Technologies

## Q3 2023 vs. Q3 2022 ($M)

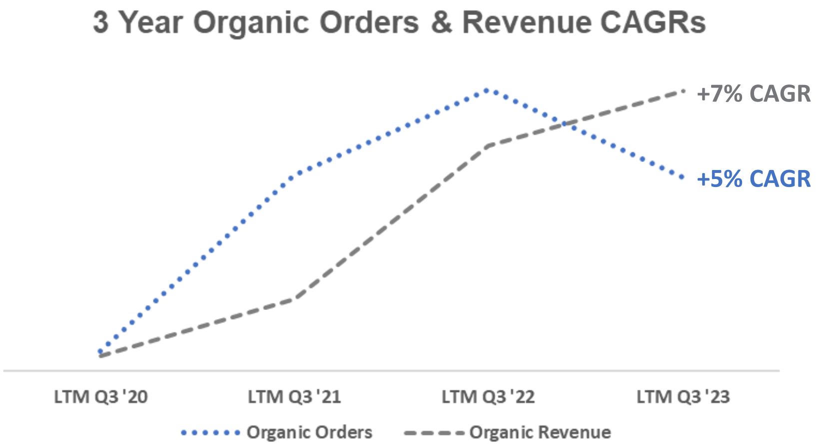
| | Current Year | Prior Year | YoY ∆ | Ex-FX YoY ∆ |
|---|---|---|---|---|
| Revenue | **$310.5** | **$316.1** | **(1.8)%** | **(3.5)%** |
| Adj. EBITDA | **$94.2** | **$92.0** | **2.3%** | **—** |
| Adj. EBITDA Margin | **30.3%** | **29.1%** | **120 bps** | **—** |

## Q3 2023 vs. Q3 2022 Revenue/Orders Bridge

| | Organic | FX | M&A | YoY ∆ |
|---|---|---|---|---|
| Orders Growth | **(6.0)%** | **1.7%** | **1.5%** | **(2.8)%** |
| Revenue Growth | **(5.3)%** | **1.7%** | **1.8%** | **(1.8)%** |

## Highlights

- Q3 Book to Bill of 0.94x; margins up 120bps vs prior year
- Short cycle orders remain positive seeing MSD growth year over year and up sequentially driven by demand generation activities and lead time reductions
- Business remains on track to meet long-term investor day commitments:




- Orders decline driven primarily by the Life Sciences business, which continues to experience customer challenges in oxygen concentration and softness in the biopharma end markets, as well as delays in large projects

## Innovation in Action – Delivering Mission-Critical Solutions for RNG Odorization

- In Q2 2023, Ingersoll Rand and GRDF (operator of the largest natural gas transmission network in Europe) executed a 10-year contract valued at ~€20M to provide mission-critical odorization equipment for RNG applications

**Future Opportunities:**

- EU has committed to replacing 20% of lost Russian gas supply with RNG by 2030
- French government declared that RNG will represent 7-10% of pipeline grid capacity by 2030

# Raising 2023 Guidance[1]

| | Key Metrics[2] | | | |
|---|---|---|---|---|
| | **Previous Guidance as of 5/3/23** | **Previous Guidance as of 8/2/23** | **Revised Guidance as of 11/1/23** | **Change at Midpoint vs. Previous Guidance** |
| **Revenue - Total Ingersoll Rand** | **10-12%** | **12-14%** | **14-16%** | **+200 bps** |
| Ingersoll Rand (Organic)[3] | 6-8% | 8-10% | 9-11% | **+100 bps** |
| Industrial Technologies and Services (Organic) | 6-8% | 9-11% | 11-13% | **+200 bps** |
| Precision and Science Technologies (Organic) | 5-7% | 5-7% | 1-3% | **(400 bps)** |
| FX Impact[4] | ~Flat | ~Flat | (~1%) | **(100 bps)** |
| M&A[5] | ~$270M | ~$300M | ~$360M | **+$60M** |
| **Corporate Costs** | **(~$160M)** | **(~$165M)** | **(~$170M)** | **+$5M** |
| **Adjusted EBITDA[3]** | **$1,660M - $1,710M** (+16% - +19% YoY) | **$1,690 - $1,740M** (+18% - + 21% YoY) | **$1,730 - $1,770M** (+21% - + 23% YoY) | **+2%** |
| **Adjusted EPS[3]** | **$2.64 - $2.74** (+11% - +16% YoY) | **$2.70 - $2.80** (+14% - +19% YoY) | **$2.81 - $2.89** (+19% - +22% YoY) | **+3%** |

## Full Year 2023 Assumptions

- Book to bill ~1x
- 2023 incremental margins: ~35%
- Interest Expense: ~$155M
- Adj. Tax Rate: ~23%
- Capex: ~2% of revenue
- FCF[3] to Adj. Net Income Conversion: ~100%
- Share count: ~408M

## Q4 2023 Assumptions

- Organic orders expected to be positive both sequentially and year over year
- Organic revenue expected to be positive year over year, on both price and volume
- Incremental margins: ~35%

[1] Reconciliations of non-GAAP measures related to full-year 2023 guidance have not been provided due to the unreasonable efforts it would take to provide such reconciliations due to the high variability, complexity and uncertainty with respect to forecasting and quantifying certain amounts that are necessary for such reconciliations, including net income (loss) and adjustments that could be made for acquisitions-related expenses, restructuring and other business transformation costs, gains or losses on foreign currency exchange and the timing and magnitude of other amounts in the reconciliation of historic numbers. For the same reasons, we are unable to address the probable significance of the unavailable information, which could have a potentially unpredictable, and potentially significant, impact on our future GAAP financial results. [2] All revenue outlook commentary expressed in percentages and based on growth as compared to 2022. [3] Non-GAAP measure (definitions and/or reconciliations in appendix). [4] Based on September 2023 FX rates; does not include impact of FX on M&A. [5] Reflects all completed and closed M&A as of November 1, 2023.



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# Key Takeaways

## Investing with Ingersoll Rand

01

Continued **robust performance** in Q3 2023:

- Delivering record results while navigating ongoing macro challenges
- Ongoing backlog momentum provides confidence in updated guidance
- Prepared and nimble in the event of a downturn

02

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

- Impactful innovation targeted at high-growth sustainable markets
- Sustainability as a growth enabler and an operational imperative
- Delivering organic and inorganic growth to drive improved profitability

03

**IRX is our backbone** and continues to enable outperformance in every facet of the Company

04

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

05

**Disciplined, comprehensive and reaffirmed capital allocation strategy** to compound earnings and deliver continued value creation for shareholders

# Appendix


VALUES
STRATEGIC FOCUS
EXECUTION
We foster inspired teams
We are bold in our aspirations while moving forward with humility & integrity
We think and act like owners
We are committed to making our customers successful
Deploy Talent
Accelerate Growth
Lead Sustainably
Expand Margins
Allocate Capital Effectively
INGERSOLL RAND
IRX
EXECUTION EXCELLENCE

# Industrial Technologies and Services Product Line Results

| | | Orders Performance[1,2,4] | | | Revenue Performance[1,2,4] | | |
|---|---|---|---|---|---|---|---|
| **Product[3]** | **Segment Mix[2]** | **Q3'22 YoY** | **Q3'23 YoY** | **2-Year Stack** | **Q3'22 YoY** | **Q3'23 YoY** | **2-Year Stack** |
| Compressors | ~65% | ↑ High Teens | ↓ High Single Digits | ↑ Low Double Digits | ↑ Low 20s | ↑ Low Double Digits | ↑ Mid 30s |
| Industrial Vacuum & Blowers | ~20% | ↑ Low 20s | ↓ High Single Digits | ↑ Mid Teens | ↑ Mid Teens | ↑ High Teens | ↑ Low 30s |
| Power Tools & Lifting | ~10% | ↑ High Teens | ↓ Mid Single Digits | ↑ Low Double Digits | ↑ High Teens | ↓ Mid Single Digits | ↑ Low Double Digits |
| Other | ~5% | ↑ Mid Single Digits | ↑ Low Single Digits | ↑ Mid Single Digits | ↑ High Teens | ↑ Low Single Digits | ↑ Low 20s |
| **Regional Split for Compressors** | | **Q3'22 YoY** | **Q3'23 YoY** | **2-Year Stack** | **Q3'22 YoY** | **Q3'23 YoY** | **2-Year Stack** |
| Americas | | ↑ Low 30s | ↓ Low Double Digits | ↑ High Teens | ↑ High 20s | ↑ Mid Teens | ↑ Low 40s |
| EMEIA | | ↑ Mid Single Digits | ↓ Mid Single Digits | ↑ Low Single Digits | ↑ Mid 20s | ↑ Mid Teens | ↑ Low 40s |
| APAC | | ↑ High Single Digits | ↓ Low Single Digits | ↑ Mid Single Digits | ↑ High Single Digits | ↑ High Single Digits | ↑ High Teens |

[1] Excludes the impact of Foreign Exchange. [2] Excludes the impact of the acquisition of SPX Flow Air Treatment business and Roots [3] 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. [4] Two year stack defined as current year growth rate + prior year growth rate

# Non-U.S. GAAP Measures of Financial Performance

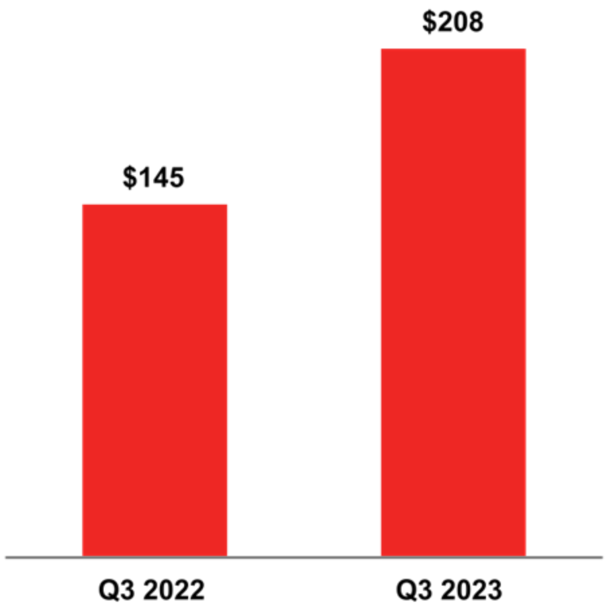
In addition to consolidated GAAP financial measures, Ingersoll Rand reviews various non-GAAP financial measures, including “Organic Revenue Growth,” “Adjusted EBITDA,” “Adjusted Net Income,” “Adjusted Diluted EPS” and “Free Cash Flow.” Ingersoll Rand believes Adjusted EBITDA, Adjusted Net Income, and Adjusted Diluted EPS are helpful supplemental measures to assist management and investors in evaluating the Company’s operating results as they exclude certain items that are unusual in nature or whose fluctuation from period to period do not necessarily correspond to changes in the operations of Ingersoll Rand’s business. Ingersoll Rand believes Organic Revenue Growth is a helpful supplemental measure to assist management and investors in evaluating the Company’s operating results as it excludes the impact of foreign currency and acquisitions on revenue growth. Adjusted EBITDA represents net income before interest, taxes, depreciation, amortization and certain non-cash, non-recurring and other adjustment items. Adjusted Net Income is defined as net income including interest, depreciation and amortization of non-acquisition related intangible assets and excluding other items used to calculate Adjusted EBITDA and further adjusted for the tax effect of these exclusions. Organic Revenue Growth is defined as As Reported Revenue growth less the impacts of Foreign Currency and Acquisitions. Ingersoll Rand believes that the adjustments applied in presenting Adjusted EBITDA and Adjusted Net Income are appropriate to provide additional information to investors about certain material non-cash items and about non-recurring items that the Company does not expect to continue at the same level in the future. Adjusted Diluted EPS is defined as Adjusted Net Income divided by Adjusted Diluted Average Shares Outstanding. Incrementals/Decrementals are defined as the change in Adjusted EBITDA versus the prior year period divided by the change in revenue versus the prior year period.

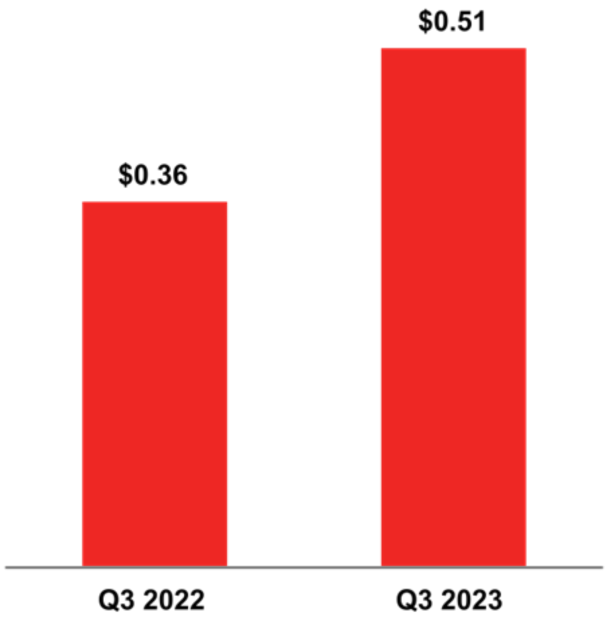
Ingersoll Rand uses Free Cash Flow to review the liquidity of its operations. Ingersoll Rand measures Free Cash Flow as cash flows from operating activities less capital expenditures. Ingersoll Rand believes Free Cash Flow is a useful supplemental financial measures for management and investors in assessing the Company’s ability to pursue business opportunities and investments and to service its debt. Free Cash Flow is not a measure of our liquidity under GAAP and should not be considered as an alternative to cash flows from operating activities.

# Q3 2023 Financial Performance – As Reported

($M, excl. EPS)

| Net Income[1] | Diluted EPS[2] |
|---|---|
| Up 44% | Up $0.15 |






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

# Adjusted Financial Information

| *(Unaudited; in millions)* | For the Three Month Period Ended September 30, 2023 | For the Three Month Period Ended September 30, 2022 | For the Nine Month Period Ended September 30, 2023 | For the Nine Month Period Ended September 30, 2022 |
|---|---|---|---|---|
| Revenues | $ 1,738.9 | $ 1,515.7 | $ 5,054.7 | $ 4,292.6 |
| Adjusted EBITDA | $ 461.5 | $ 376.1 | $ 1,286.3 | $ 1,014.6 |
| Adjusted EBITDA Margin | 26.5 % | 24.8 % | 25.4 % | 23.6 % |
| Adjusted Net Income | $ 316.0 | $ 253.1 | $ 861.2 | $ 676.8 |
| Adjusted Net Income Margin | 18.2 % | 16.7 % | 17.0 % | 15.8 % |

# Reconciliation of Net Income to Adjusted Net Income

| *(Unaudited; in millions)* | For the Three Month Period Ended September 30, | | For the Nine Month Period Ended September 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| **Net Income** | $ 209.6 | $ 146.0 | $ 553.6 | $ 389.8 |
| Less: Income from discontinued operations | — | 0.6 | — | 0.8 |
| Less: Income tax provision from discontinued operations | — | (0.1) | — | (0.2) |
| **Income from Continuing Operations** | 209.6 | 145.5 | 553.6 | 389.2 |
| Plus: | | | | |
| Provision for income taxes | 60.3 | 30.3 | 168.9 | 104.6 |
| Amortization of acquisition related intangible assets | 89.8 | 84.8 | 266.7 | 248.2 |
| Restructuring and related business transformation costs | 2.2 | 7.2 | 12.4 | 30.9 |
| Acquisition and other transaction related expenses and non-cash charges | 14.8 | 12.1 | 46.6 | 27.0 |
| Stock-based compensation | 11.2 | 27.1 | 35.2 | 69.3 |
| Foreign currency transaction losses (gains), net | 1.1 | (6.7) | 1.0 | (12.3) |
| Loss (income) on equity method investments | 3.9 | (2.6) | 1.2 | 2.5 |
| Loss on extinguishment of debt | 12.6 | — | 13.5 | 1.1 |
| Adjustments to LIFO inventories | (0.3) | 33.0 | 14.0 | 33.0 |
| Cybersecurity incident costs | 0.1 | — | 2.3 | — |
| Gain on settlement of post-acquisition contingencies | — | (6.2) | — | (6.2) |
| Other adjustments | (8.2) | (4.4) | (20.4) | (18.7) |
| Minus: | | | | |
| Income tax provision, as adjusted | 89.0 | 70.0 | 252.5 | 194.8 |
| Interest income on cash and cash equivalents | (7.9) | (3.0) | (18.7) | (3.0) |
| **Adjusted Net Income** | $ 316.0 | $ 253.1 | $ 861.2 | $ 676.8 |

# Reconciliation of Diluted Net Income Per Share to Adjusted Diluted Net Income Per Share from Continuing Operations

| *(Unaudited; in millions, except per share amounts)* | For the Three Month Period Ended September 30, | | For the Nine Month Period Ended September 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| **Diluted Net Income Per Share (As Reported)[1]** | $ 0.51 | $ 0.36 | $ 1.34 | $ 0.94 |
| Less: Diluted Net Income Per Share from Discontinued Operations (As Reported)[1] | — | — | — | — |
| **Diluted Net Income Per Share from Continuing Operations (As Reported)[1]** | 0.51 | 0.35 | 1.34 | 0.94 |
| Plus: | | | | |
| Provision for income taxes | 0.15 | 0.07 | 0.41 | 0.25 |
| Amortization of acquisition related intangible assets | 0.22 | 0.21 | 0.65 | 0.60 |
| Restructuring and related business transformation costs | 0.01 | 0.02 | 0.03 | 0.08 |
| Acquisition and other transaction related expenses and non-cash charges | 0.03 | 0.03 | 0.11 | 0.07 |
| Stock-based compensation | 0.03 | 0.07 | 0.09 | 0.17 |
| Foreign currency transaction losses (gains), net | — | (0.01) | — | (0.03) |
| Loss (income) on equity method investments | 0.01 | (0.01) | — | 0.01 |
| Loss on extinguishment of debt | 0.03 | — | 0.03 | — |
| Adjustments to LIFO inventories | — | 0.08 | 0.04 | 0.08 |
| Cybersecurity incident costs | — | — | 0.01 | — |
| Gain on settlement of post-acquisition contingencies | — | (0.02) | — | (0.02) |
| Other adjustments | (0.02) | (0.01) | (0.05) | (0.05) |
| Minus: | | | | |
| Income tax provision, as adjusted | 0.22 | 0.17 | 0.62 | 0.47 |
| Interest income on cash and cash equivalents | (0.02) | (0.01) | (0.05) | (0.01) |
| **Adjusted Diluted Net Income Per Share from Continuing Operations[2]** | $ 0.77 | $ 0.62 | $ 2.09 | $ 1.64 |
| | | | | |
| **Average shares outstanding:** | | | | |
| Basic, as reported | 404.5 | 404.0 | 404.8 | 405.4 |
| Diluted, as reported | 408.6 | 408.5 | 408.9 | 410.3 |
| Adjusted diluted[2] | 408.6 | 408.5 | 408.9 | 410.3 |

[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.



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# Reconciliation of Net Income to Adjusted Earnings per Share

| *(Unaudited; in millions, except per share amounts)* | For the Three Month Period Ended September 30, | | For the Nine Month Period Ended September 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| **Net Income** | $ 209.6 | $ 146.0 | $ 553.6 | $ 389.8 |
| Less: Income from discontinued operations | — | 0.6 | — | 0.8 |
| Less: Income tax provision from discontinued operations | — | (0.1) | — | (0.2) |
| **Income from Continuing Operations** | 209.6 | 145.5 | 553.6 | 389.2 |
| Plus: | | | | |
| Provision for income taxes | 60.3 | 30.3 | 168.9 | 104.6 |
| Amortization of acquisition related intangible assets | 89.8 | 84.8 | 266.7 | 248.2 |
| Restructuring and related business transformation costs | 2.2 | 7.2 | 12.4 | 30.9 |
| Acquisition and other transaction related expenses and non-cash charges | 14.8 | 12.1 | 46.6 | 27.0 |
| Stock-based compensation | 11.2 | 27.1 | 35.2 | 69.3 |
| Foreign currency transaction losses (gains), net | 1.1 | (6.7) | 1.0 | (12.3) |
| Loss (income) on equity method investments | 3.9 | (2.6) | 1.2 | 2.5 |
| Loss on extinguishment of debt | 12.6 | — | 13.5 | 1.1 |
| Adjustments to LIFO inventories | (0.3) | 33.0 | 14.0 | 33.0 |
| Cybersecurity incident costs | 0.1 | — | 2.3 | — |
| Gain on settlement of post-acquisition contingencies | — | (6.2) | — | (6.2) |
| Other adjustments | (8.2) | (4.4) | (20.4) | (18.7) |
| Minus: | | | | |
| Income tax provision, as adjusted | 89.0 | 70.0 | 252.5 | 194.8 |
| Interest income on cash and cash equivalents | (7.9) | (3.0) | (18.7) | (3.0) |
| **Adjusted Net Income** | $ 316.0 | $ 253.1 | $ 861.2 | $ 676.8 |
| | | | | |
| **Adjusted Basic Earnings Per Share**[1] | $ 0.78 | $ 0.63 | $ 2.13 | $ 1.67 |
| **Adjusted Diluted Earnings Per Share**[2] | $ 0.77 | $ 0.62 | $ 2.09 | $ 1.64 |
| | | | | |
| **Average shares outstanding:** | | | | |
| Basic, as reported | 404.5 | 404.0 | 404.8 | 405.4 |
| Diluted, as reported | 408.6 | 408.5 | 408.9 | 410.3 |
| Adjusted diluted[2] | 408.6 | 408.5 | 408.9 | 410.3 |

[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.



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# Reconciliation of Net Income to Adjusted EBITDA and Adjusted Income from Continuing Operations, Net of Tax and Cash Flows from Operating Activities from Continuing Operations to Free Cash Flow

| *(Unaudited; in millions)* | For the Three Month Period Ended September 30, | | For the Nine Month Period Ended September 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| **Net Income** | $ 209.6 | $ 146.0 | $ 553.6 | $ 389.8 |
| Less: Income from discontinued operations | — | 0.6 | — | 0.8 |
| Less: Income tax provision from discontinued operations | — | (0.1) | — | (0.2) |
| **Income from Continuing Operations, Net of Tax** | 209.6 | 145.5 | 553.6 | 389.2 |
| Plus: | | | | |
| Interest expense | 39.6 | 26.6 | 119.3 | 68.8 |
| Provision for income taxes | 60.3 | 30.3 | 168.9 | 104.6 |
| Depreciation expense | 22.4 | 20.4 | 64.4 | 61.8 |
| Amortization expense | 92.2 | 93.8 | 274.3 | 263.6 |
| Restructuring and related business transformation costs | 2.2 | 7.2 | 12.4 | 30.9 |
| Acquisition and other transaction related expenses and non-cash charges | 14.8 | 12.1 | 46.6 | 27.0 |
| Stock-based compensation | 11.2 | 27.1 | 35.2 | 69.3 |
| Foreign currency transaction losses (gains), net | 1.1 | (6.7) | 1.0 | (12.3) |
| Loss (income) on equity method investments | 3.9 | (2.6) | 1.2 | 2.5 |
| Loss on extinguishment of debt | 12.6 | — | 13.5 | 1.1 |
| Adjustments to LIFO inventories | (0.3) | 33.0 | 14.0 | 33.0 |
| Cybersecurity incident costs | 0.1 | — | 2.3 | — |
| Gain on settlement of post-acquisition contingencies | — | (6.2) | — | (6.2) |
| Other adjustments | (8.2) | (4.4) | (20.4) | (18.7) |
| **Adjusted EBITDA** | $ 461.5 | $ 376.1 | $ 1,286.3 | $ 1,014.6 |
| Minus: | | | | |
| Interest expense | 39.6 | 26.6 | 119.3 | 68.8 |
| Income tax provision, as adjusted | 89.0 | 70.0 | 252.5 | 194.8 |
| Depreciation expense | 22.4 | 20.4 | 64.4 | 61.8 |
| Amortization of non-acquisition related intangible assets | 2.4 | 9.0 | 7.6 | 15.4 |
| Interest income on cash and cash equivalents | $ (7.9) | $ (3.0) | $ (18.7) | $ (3.0) |
| **Adjusted Income from Continuing Operations, Net of Tax** | $ 316.0 | $ 253.1 | $ 861.2 | $ 676.8 |
| | | | | |
| **Free Cash Flow from Continuing Operations:** | | | | |
| Cash flows from operating activities from continuing operations | 397.3 | 274.4 | 796.0 | 510.6 |
| Minus: | | | | |
| Capital expenditures | 28.6 | 21.8 | 75.8 | 61.1 |
| **Free Cash Flow from Continuing Operations** | $ 368.7 | $ 252.6 | $ 720.2 | $ 449.5 |



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# Orders & Revenue by Segment and Reconciliation of Segment Adjusted EBITDA to Net Income

| *(Unaudited; in millions)* | For the Three Month Period Ended September 30, 2023 | 2022 | For the Nine Month Period Ended September 30, 2023 | 2022 |
|---|---|---|---|---|
| **Orders** | | | | |
| Industrial Technologies and Services | $ 1,346.9 | $ 1,355.2 | $ 4,241.5 | $ 3,928.6 |
| Precision and Science Technologies | 290.9 | 299.3 | 910.5 | 954.6 |
| **Total Orders** | $ 1,637.8 | $ 1,654.5 | $ 5,152.0 | $ 4,883.2 |
| **Revenue** | | | | |
| Industrial Technologies and Services | $ 1,428.4 | $ 1,199.6 | $ 4,124.0 | $ 3,389.7 |
| Precision and Science Technologies | 310.5 | 316.1 | 930.7 | 902.9 |
| **Total Revenue** | $ 1,738.9 | $ 1,515.7 | $ 5,054.7 | $ 4,292.6 |
| **Segment Adjusted EBITDA** | | | | |
| Industrial Technologies and Services | $ 410.9 | $ 314.0 | $ 1,134.0 | $ 853.4 |
| Precision and Science Technologies | 94.2 | 92.0 | 278.7 | 254.8 |
| **Total Segment Adjusted EBITDA** | $ 505.1 | $ 406.0 | $ 1,412.7 | $ 1,108.2 |
| Less items to reconcile Segment Adjusted EBITDA to Income from Continuing Operations Before Income Taxes: | | | | |
| Corporate expenses not allocated to segments | $ 43.6 | $ 29.9 | $ 126.4 | $ 93.6 |
| Interest expense | 39.6 | 26.6 | 119.3 | 68.8 |
| Depreciation and amortization expense | 114.6 | 114.2 | 338.7 | 325.4 |
| Restructuring and related business transformation costs | 2.2 | 7.2 | 12.4 | 30.9 |
| Acquisition and other transaction related expenses and non-cash charges | 14.8 | 12.1 | 46.6 | 27.0 |
| Stock-based compensation | 11.2 | 27.1 | 35.2 | 69.3 |
| Foreign currency transaction losses (gains), net | 1.1 | (6.7) | 1.0 | (12.3) |
| Loss on extinguishment of debt | 12.6 | — | 13.5 | 1.1 |
| Adjustments to LIFO inventories | (0.3) | 33.0 | 14.0 | 33.0 |
| Cybersecurity incident costs | 0.1 | — | 2.3 | — |
| Gain on settlement of post-acquisition contingencies | — | (6.2) | — | (6.2) |
| Other adjustments | (8.2) | (4.4) | (20.4) | (18.7) |
| **Income from Continuing Operations Before Income Taxes** | 273.8 | 173.2 | 723.7 | 496.3 |
| Provision for income taxes | 60.3 | 30.3 | 168.9 | 104.6 |
| Income (loss) on equity method investments | (3.9) | 2.6 | (1.2) | (2.5) |
| **Income from Continuing Operations** | 209.6 | 145.5 | 553.6 | 389.2 |
| Income from discontinued operations, net of tax | — | 0.5 | — | 0.6 |
| **Net Income** | $ 209.6 | $ 146.0 | $ 553.6 | $ 389.8 |

# Orders and Revenue Growth by Segment[1]

| *(Unaudited)* | For the Three Month Period Ended September 30, 2023 | |
|---|---|---|
| | Orders | Revenue |
| **Ingersoll Rand** | | |
| Organic growth (decline) | (8.2%) | 6.4% |
| Impact of foreign currency | 1.1% | 1.4% |
| Impact of acquisitions | 6.1% | 6.9% |
| Total orders and revenue growth (decline) | (1.0%) | 14.7% |
| **Industrial Technologies & Services** | | |
| Organic growth (decline) | (8.7%) | 9.5% |
| Impact of foreign currency | 1.0% | 1.4% |
| Impact of acquisitions | 7.1% | 8.2% |
| Total orders and revenue growth (decline) | (0.6%) | 19.1% |
| **Precision & Science Technologies** | | |
| Organic decline | (6.0%) | (5.3%) |
| Impact of foreign currency | 1.7% | 1.8% |
| Impact of acquisitions | 1.5% | 1.7% |
| Total orders and revenue decline | (2.8%) | (1.8%) |

[1] Organic growth/(decline), impact of foreign currency, and impact of acquisitions are non-GAAP adjustments. 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.



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# Supplemental Footnote Disclosures to Slide 7

[2] Receipt of an S&P Global ESG Score does not represent a sponsorship, endorsement or recommendation on the part of S&P Global to buy, sell or hold any security and a decision to invest in any subject company should not be made based on the receipt of any such note. S&P, S&P Global, and the S&P Global logo are trademarks of S&P Global Inc. or its subsidiaries, registered in many jurisdictions worldwide.

[3] As of April 2023, Ingersoll Rand received an ESG Risk Rating of 12.8 from Morningstar Sustainalytics, ranking it second in the Machinery industry group, which places it in the 1st percentile for its industry. This risk rating also places Ingersoll Rand in the 6th percentile of all companies rated by Morningstar Sustainalytics. This risk rating is based on information and data developed by Sustainalytics and is proprietary to Sustainalytics and/or its third party suppliers and is provided for informational purposes only. The risk rating does not constitute an endorsement of any product or project, nor an investment advice and the information upon which it is based is not warranted to be complete, timely, accurate or suitable for a particular purpose. The use of the risk rating is subject to conditions available at https://www.sustainalytics.com/legal-disclaimers. In no event shall this risk rating be construed as investment advice or expert opinion as defined by any applicable legislation or otherwise.

[4] The use by Ingersoll Rand of any MSCI ESG research LLC or its affiliates (“MSCI”) data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Ingersoll Rand by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided “as-is” and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

[5] Employees must be full time and have one year of service to be eligible. Not available to employees who participate in the Company’s management equity program or where prohibited by local law or regulation or where such grant is required to be bargained for with an employee union unless such grant is agreed to as part of such bargaining.