First-Quarter 2017 Results

April 26, 2017

Safe Harbor

This presentation includes “forward-looking statements,” which are statements that are not historical facts, including statements that relate to the mix of and demand for our products; performance of the markets in which we operate; our share repurchase program including the amount of shares to be repurchased and timing of such repurchases; our projected 2017 full-year financial performance and targets including assumptions regarding our effective tax rate. These forward-looking statements are based on our current expectations and are subject to risks and uncertainties, which may cause actual results to differ materially from our current expectations. Such factors include, but are not limited to, global economic conditions, the outcome of any litigation, demand for our products and services, and tax law changes. Additional factors that could cause such differences can be found in our Form 10-K for the year ended December 31, 2016, Form 10-Q for the quarter ended March 31, 2017, and other SEC filings. We assume no obligation to update these forward-looking statements.

This presentation also includes non-GAAP financial information which should be considered supplemental to, not a substitute for, or superior to, the financial measure calculated in accordance with GAAP. The definitions of our non-GAAP financial information and reconciliation to GAAP is attached to the earnings news release that can be found at www.ingersollrand.com and are defined in footnotes at the end of this presentation. All data beyond the first quarter of 2017 are estimates.

Strategic Foundation Continues to Underpin Top-Quartile Performance

Sustainable and Profitable Growth, Cash Flow and Shareholder Value

Sustained Growth

Operational Excellence

Capital Allocation

Winning Culture

Strong, recognized brands | Leading market shares | Well positioned in both geographic and end markets

2017 Forecast for End-Market Performance Largely Unchanged

End Markets				Organic Revenue
	Americas	EMEA	Asia	Guidance
Commercial HVAC	↑	=	↑=	Up mid-single digits
Residential HVAC	↑			Up mid-single digits
Transport	↓	↑	↑	Down low-single digits
Compression-related & Industrial Products	=↓	=	↓=	Down low-single digits
Golf / Utility / Consumer	↑=	↑=	=	Flat/Up low-single digits

Key Takeaways Q1 2017

- **Continued strong operating results**
  - Adjusted EPS of $0.57, up 14% year-over-year
  - Adjusted margin improvement in both segments

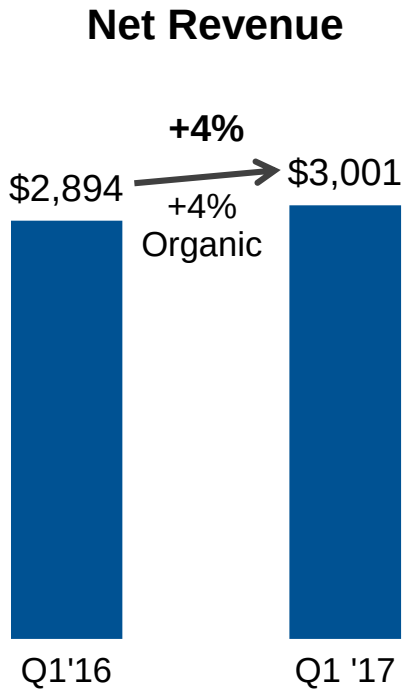
- **Robust Commercial & Residential performance**
  - Commercial and Residential revenue and bookings up high-single digits
  - Adjusted margin expansion in both businesses

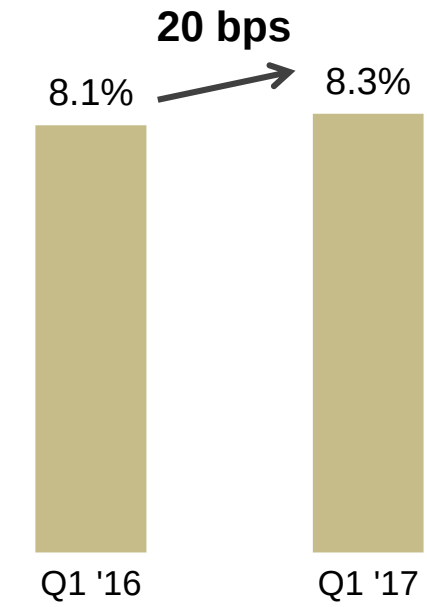
- **Industrial business continues to make steady progress**
  - Drove strong organic bookings, up 9 percent
  - Improved operating margins driven by services, new products and cost reductions

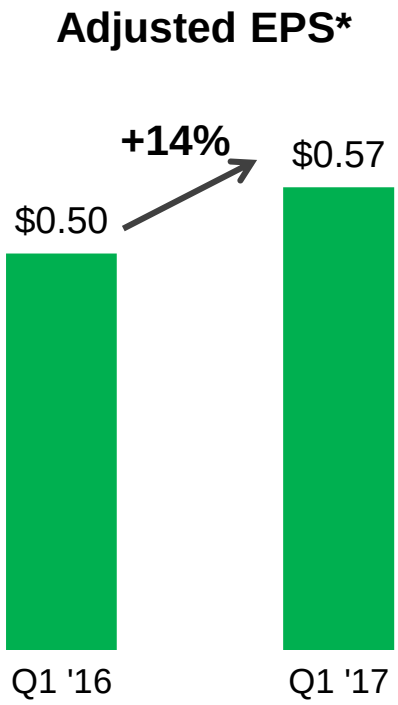
- **Dynamic allocation of capital**
  - Paid dividends of ~$103M ($0.40 / share); ~2% dividend yield
  - Repurchased $417M or 5.1M shares YTD ($250M Q1)

Adjusted margin and adjusted EPS excludes restructuring in 2016 and 2017. See tables in news release for additional information.

Q1 2017 Continued Strong Operational Results







Highlights

- Company continues to innovate with leading products and services in durable end markets
- Long term focus with consistent strategy and strong execution
- Margin and EPS expansion led by our business operating system

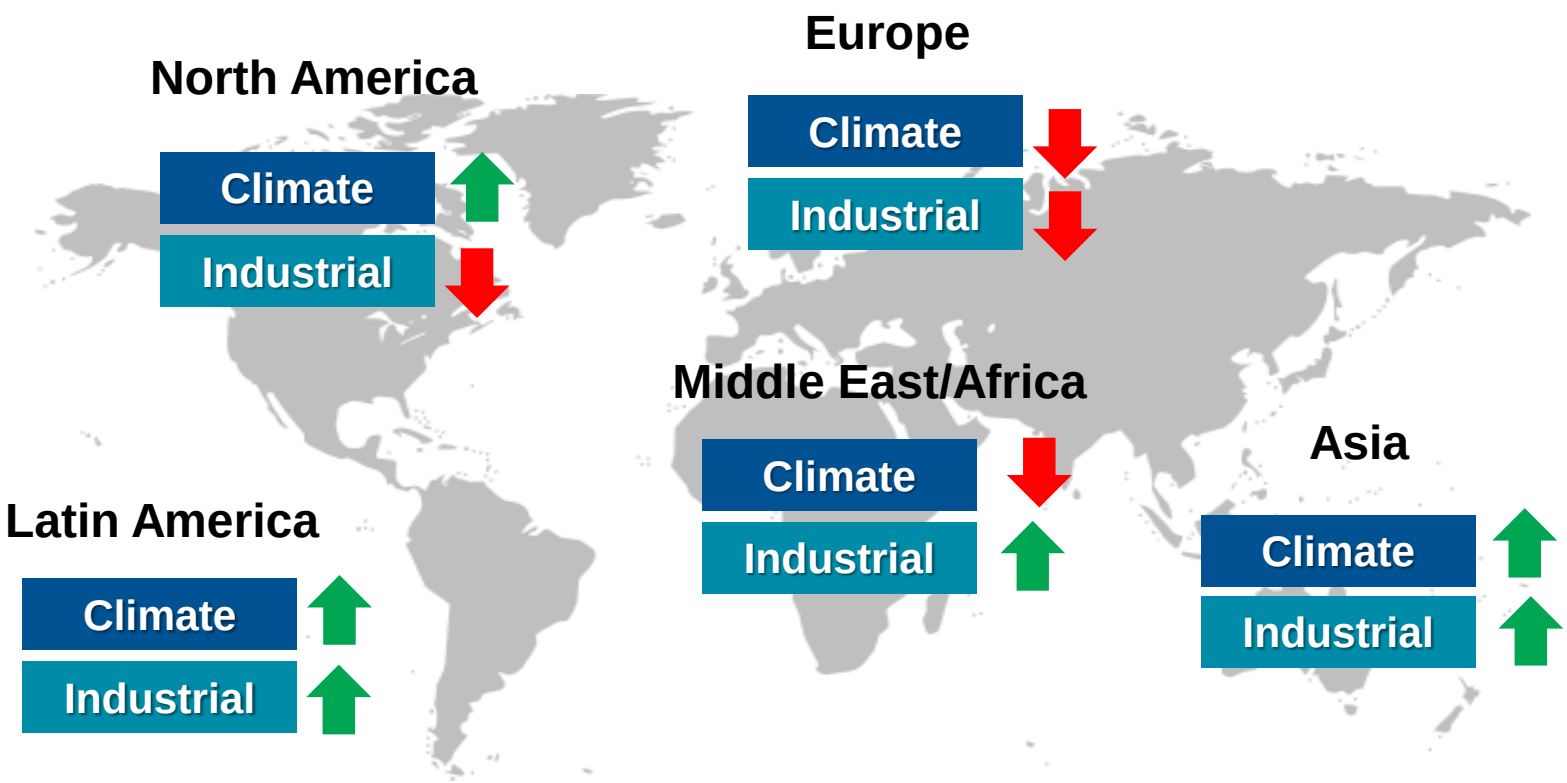
* Adjusted margin and adjusted EPS excludes restructuring in 2016 and 2017. See tables in news release for additional information.

Strong Q1 Bookings Led by Commercial and Residential HVAC, Compressor and Small Electric Vehicles Businesses

Y-O-Y % Change	Reported	Organic
Q1 2016	1%	4%
Q2	2%	3%
Q3	2%	3%
Q4	6%	7%
Q1 2017	**6%**	**7%**

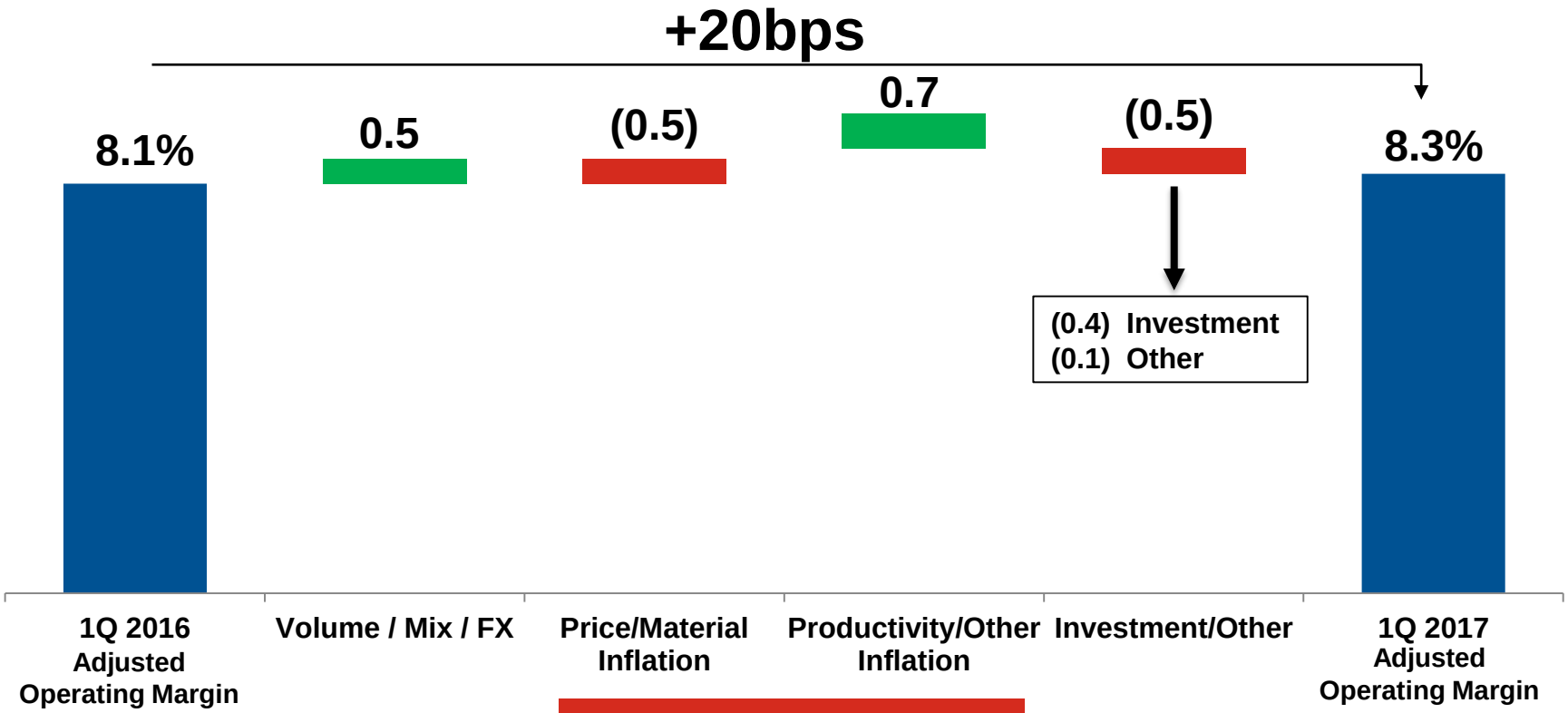
Climate	**Y-O-Y Change in Organic Bookings**
Commercial HVAC	+ high-single digits
- N. America	+ high-single digits
- L. America	+ mid-single digits
- EMEA	+ low-teens
- Asia	+ low-single digits
Residential HVAC	+ high-single digits
Transport	- low-single digits
Total	+ **6%**
Industrial	
Compression Tech	+ high-single digits
Industrial Products	+ mid-single digits
Small Elec. Vehicle	+ mid-teens
Total	+ **9%**

Q1 Segment Organic Revenue Growth Led by N.A. Climate, Asia and Latin America



Revenue change Y-O-Y	Q1 Reported	Q1 Organic
Climate	+5%	+6%
Industrial	-1%	+1%
Total	**+4%**	**+4%**

Innovation, Operational Excellence and Productivity Continue to Drive Adjusted Margin Expansion



Highlights

- Continued margin expansion excluding restructuring
- Higher margin driven largely by volume and productivity initiatives
- Business continues to leverage cost structure as top line grows
- Continuation of successful strategy of investment in products, systems, services and channel

Q1 Strong Commercial and Residential HVAC Partially Offset by Softer Transport Results

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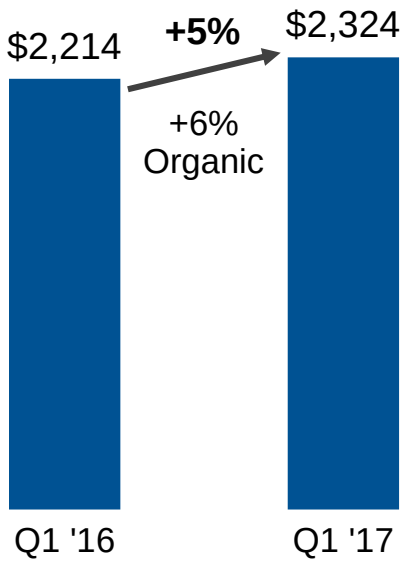
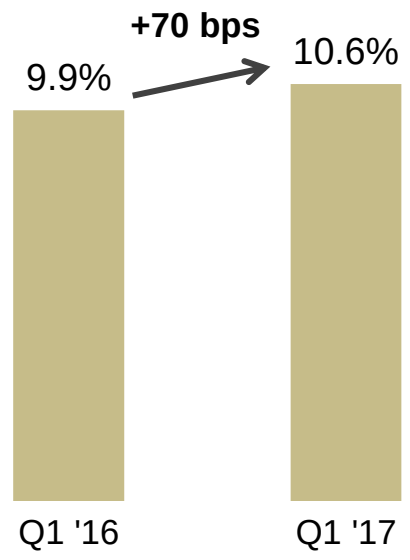
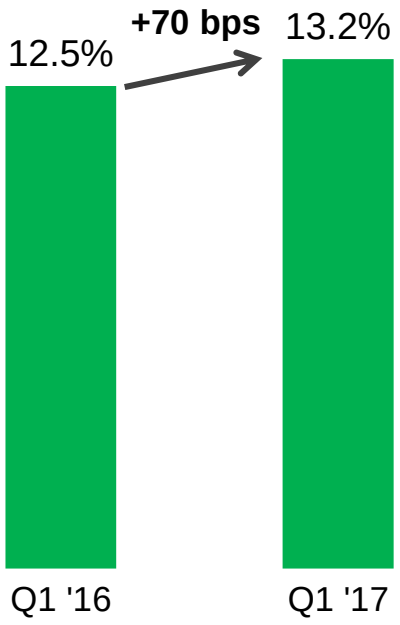
Net Revenue



Adj. Operating Margin*



Adj. OI + D&A %**



Highlights

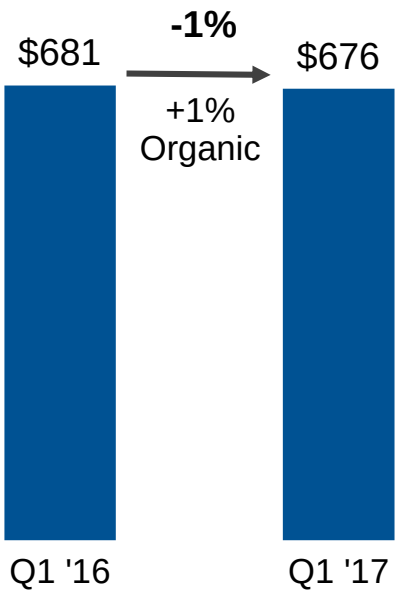
- Strong Commercial growth in applied equipment, unitary equipment, parts and service
- Residential continues to outperform with market share gains
- Mid-single digit revenue decline at Thermo King due to softening market in N.A. Trailer
- Continue to leverage costs with volume, as adjusted operating margin improved 70 bps

* Adjusted operating margin excludes restructuring in 2016 and 2017. See tables in news release for additional information.
** Adjusted OI + D&A divided by revenue. This excludes restructuring in 2016 and 2017. See tables in news release for additional information.

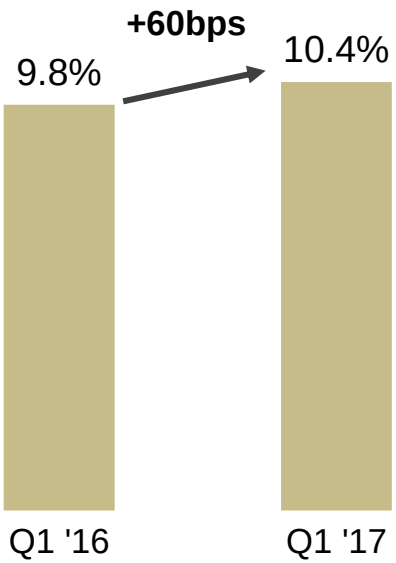
INDUSTRIAL SEGMENT

Q1 Solid Margin Expansion

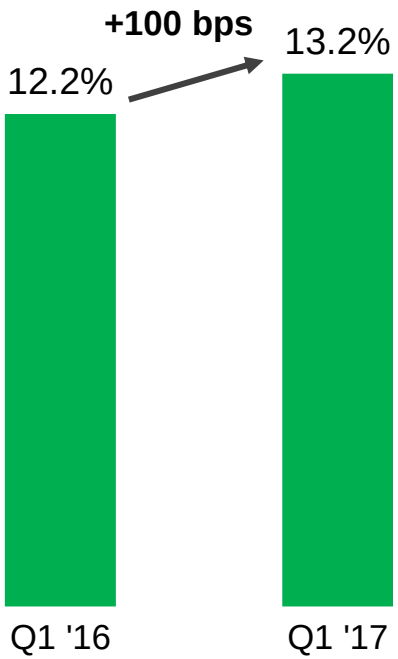
Net Revenue



Adj. Operating Margin*



Adj. OI + D&A %**



Highlights

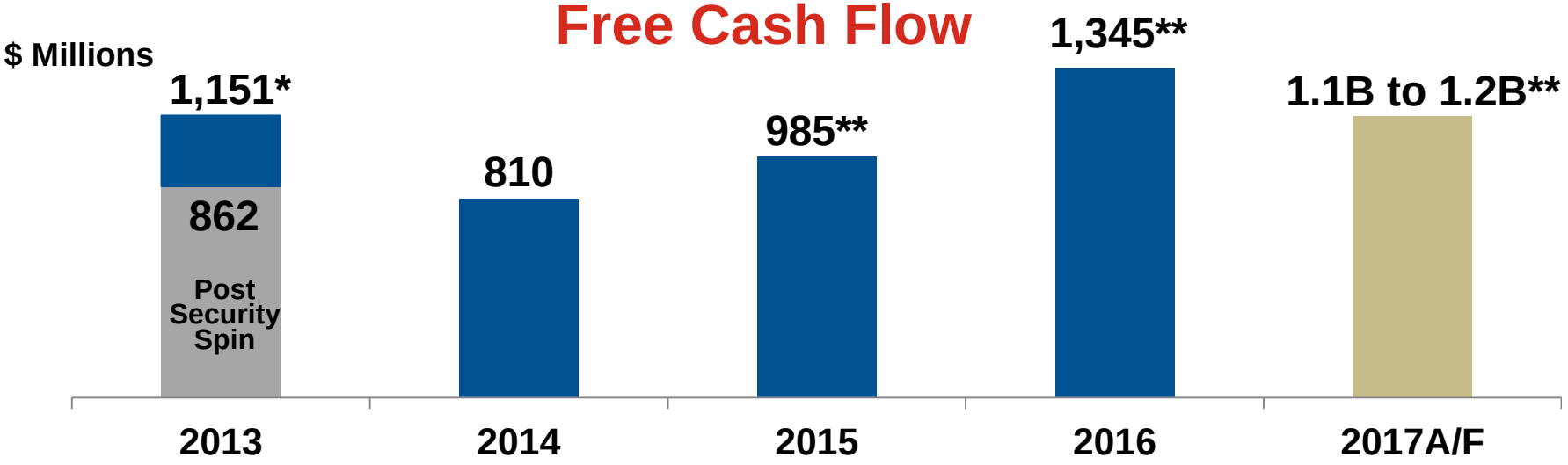
- Significant aftermarket growth in Compression Technologies and continued growth at Club Car
- Focus on aftermarket mix resulted in strong organic bookings, up 9 percent
- Service focus, new product development, cost reduction initiatives drove margin expansion

* Adjusted operating margin excludes restructuring in 2016 and 2017. See tables in news release for additional information.
** Adjusted OI + D&A divided by revenue. This excludes restructuring in 2016 and 2017. See tables in news release for additional information.

Strong Balance Sheet and Free Cash Flow

$Mil	YE 15	Q1 16	Q2 16	Q3 16	YE 16	Q1 17
Cash	737	613	929	1,505	1,715	1,322
Debt	4,218	4,473	4,086	4,070	4,070	4,072
Net Debt	3,481	3,860	3,157	2,565	2,355	2,750

Free Cash Flow



- Q1 FCF of $(73)M as expected, due to normal annual inventory build-up
- Working capital as a percent revenue improved 40 bps Y-O-Y
- Capex of $35M
- 2017 FCF guidance remains at $1.1 to $1.2B

**Reported – includes Allegion security business and excludes restructuring and one-time spin costs and refinancing premium*
***Excludes the impact of the IRS agreement and restructuring in 2015, excludes restructuring and the proceeds on the sale of Hussmann in 2016 and excludes restructuring in 2017*

Dynamic Capital Allocation Focused on Delivering High Returns; 2017 Plan to Deploy $415M for Dividends and $1.5B for Share Repurchase and Acquisitions

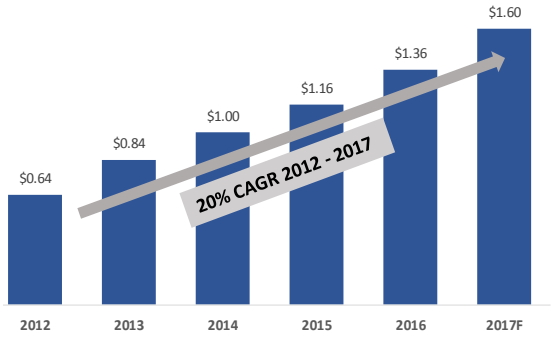
Strategic Business Investment

- ✓ Digital
- ✓ Energy efficiency
- ✓ Channel Expansion

Maintained Strong Balance Sheet at BBB Metrics

- ✓ No meaningful debt maturities until 2018

Competitive Dividend Payout

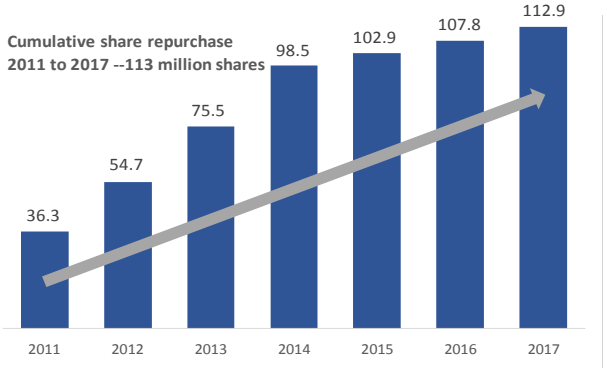


- ✓ Paid ~$103M in dividends Q1 2017
- ✓ Dividend at $1.60/share, annualized
- ✓ 20% annual CAGR 2012 to 2017

Building value through acquisitions

- ✓ Acquired strategic asset Thermocold
- ✓ Working on pipeline of targets

Share Repurchase – Minimum Offset Dilution from Benefits Program



- ✓ YTD April 2017: Repurchased 5.1M shares for $417M

Guidance

2017 Enterprise Guidance

	Original FY Guidance	With Pension Adj.*
Climate		
– Revenue Reported	~3%	~3%
– Revenue Organic	~4%	~4%
Adjusted Operating Margin	**14.5% to 15.0%**	**14.6% to 15.1%**
Industrial		
– Revenue Reported	~-2%	~-2%
– Revenue Organic	~-1%	~-1%
Adjusted Operating Margin	**11.0% to 12.0%**	**11.1% to 12.1%**
Total		
– Revenue Reported	**~2%**	**~2%**
– Revenue Organic	**~3%**	**~3%**
Adjusted Operating Margin	**12.2% to 12.6%**	**12.4% to 12.8%**

* On January 1, 2017, the company adopted accounting standard ASU 2017-07. Non-service pension costs that were previously reported in COGS and SG&A expense are now reported in other income/expense, net. This has no net impact to EPS. Please refer to slide 18 and table 9 of the news release for additional information.

2017 Guidance: Full-year Continuing Adjusted EPS Increases to $4.35 to $4.50

	Full Year
Y-O-Y change in revenue	
• Reported	**~2%**
• Organic	**~3%**
EPS continuing	**$4.20 to $4.35**
Restructuring – (**add back)**	($0.15)
EPS continuing – adjusted	**$4.35 to $4.50**
EPS – discontinued	($0.13)
Share Count – Millions	~261
Free Cash Flow	$1.1B to $1.2B
Tax Rate	21% to 22%
Corporate G&A	~$240M
CAPEX	~$250M

Accounting Changes in Q1

- **Stock Options Expense –** Accounting Standard Update (ASU) 2016-09
  - Included in initial tax guidance for 2017
  - $15 million benefit to Q1 tax rate
  - 2017 full-year tax rate remains in the range of 21% to 22%

- **Pension and Postretirement Accounting –** ASU 2017-07
  - Standard released in March 2017; company early adopted in Q1 2017
  - No net impact to Q1 EPS
    - ~$8M benefit to operating income
    - Offset by ~$8M of cost to other income/expense
  - 2016 results have been restated for comparability
  - 2017 annual impact estimated at $26M and 2016 annual restatement is $30M

Restructuring and Corporate Costs

- **Restructuring Costs in Q1**
  - Planned restructuring costs $32.7M or $(0.10) of EPS vs $8.4M for Q1 2016
  - Was included in 2017 guidance
  - Consolidated three plants and distributed product to other plants in region. Cash payback period less than 5 years
  - Continue to expect full-year restructuring cost to be ~$(0.15) EPS

- **Corporate cost – $68 million in Q1, ~$240 million full year**
  - Planned incubator investments in technologies that benefit all businesses heavier in first half vs second half
  - Other employee benefits and stock based compensation timing

Topics of Interest

Topics of Interest

- **Currency Impact on 2017**
  - Net currency had a ~1 percentage point drag on Q1 revenue
  - Full year currency drag expected to be ~1 percentage point
  - Expected ~(10) cent negative impact on full-year 2017 EPS
- **Price and Material inflation in 2017**
  - Targeting positive price/materials inflation gap of ~10 bps for the year and expect volume and productivity to drive continued margin improvement
  - Price positive in Q1; more than offset by material inflation driven by steel and Tier 2 components
  - Tough compares with first half deflation in prior year; second half tier 2 and steel inflation
  - Expect negative first half price/material inflation gap

Topics of Interest (Continued)

- **Transport Business**
  - Q1 on track with expectations
  - Have built a more diversified, durable Transport business over time
  - Continue to expect annual revenues down low-single digits with a minor decline in adjusted operating margins despite a declining N. America Trailer market

- **Industrial Segment improvement**
  - Strong bookings in Q1
  - Continue to expect industrial markets to stabilize in 2017
  - Still expect margin improvement versus 2016 driven by operational excellence programs and restructuring

Summary: 2017 Expected to be Another Strong Year With Top Quartile Performance

- Continued strong Q1 results indicative of successful execution of our strategy and performance of our business operating system
- Commercial and Residential HVAC businesses expected to remain robust
- Continued improvement in margins through 2017 for Industrial, albeit quarterly results may show some cyclicality
- Expect modest declines in revenue and operating income in Transport despite declining N.A. Trailer market given business diversity and durability
- Planning 2017 cash deployment of ~$1.5B for share buybacks and acquisitions plus ~$415M for dividends
  - YTD dynamic capital allocation: ~$103M dividends, ~$417M share buybacks
- Low end of full-year continuing adjusted EPS guidance range increased by $0.05 to $4.35 to $4.50
- 2017 investor day May 10

Appendix

Q1 Organic Revenue Up 4% Year-Over-Year

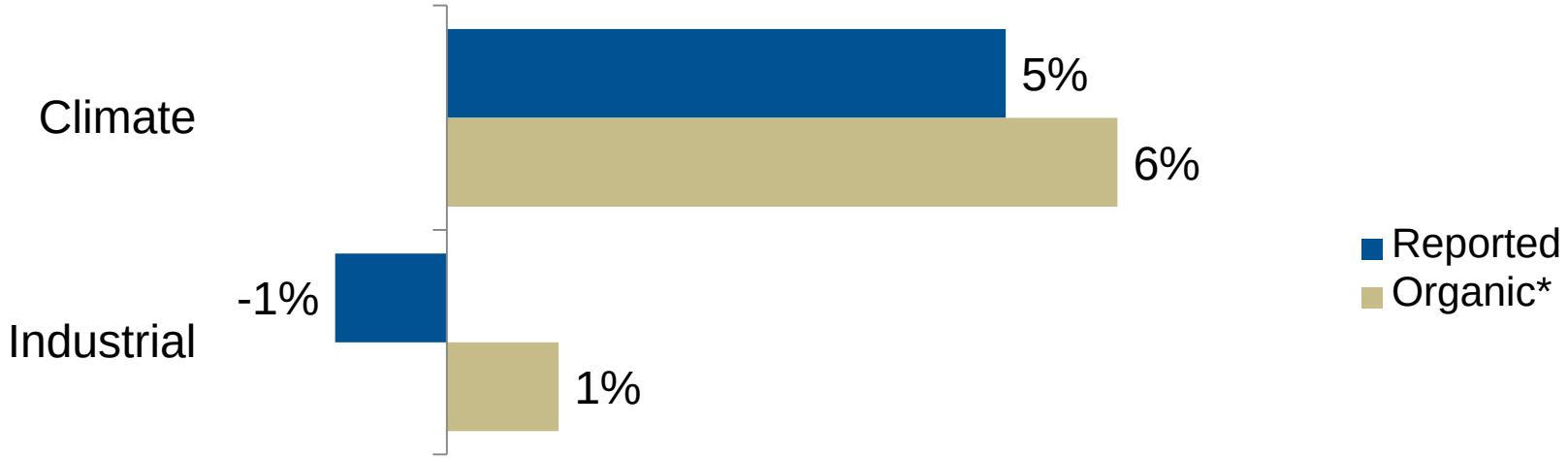
Reported	2015					2016					2017
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1
Climate	6%	2%	4%	2%	3%	3%	4%	3%	3%	3%	5%
Industrial	7%	(1%)	(2%)	5%	2%	(7%)	(4%)	Flat	(4%)	(4%)	(1%)
Total	**6%**	**2%**	**3%**	**3%**	**3%**	**Flat**	**2%**	**2%**	**1%**	**2%**	**4%**

Organic*	2015					2016					2017
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1
Climate	9%	5%	8%	5%	7%	4%	5%	3%	4%	4%	6%
Industrial	4%	(4%)	(2%)	(2%)	(1%)	(5%)	(3%)	1%	(3%)	(3%)	1%
Total	**8%**	**3%**	**6%**	**3%**	**5%**	**2%**	**3%**	**3%**	**2%**	**3%**	**4%**

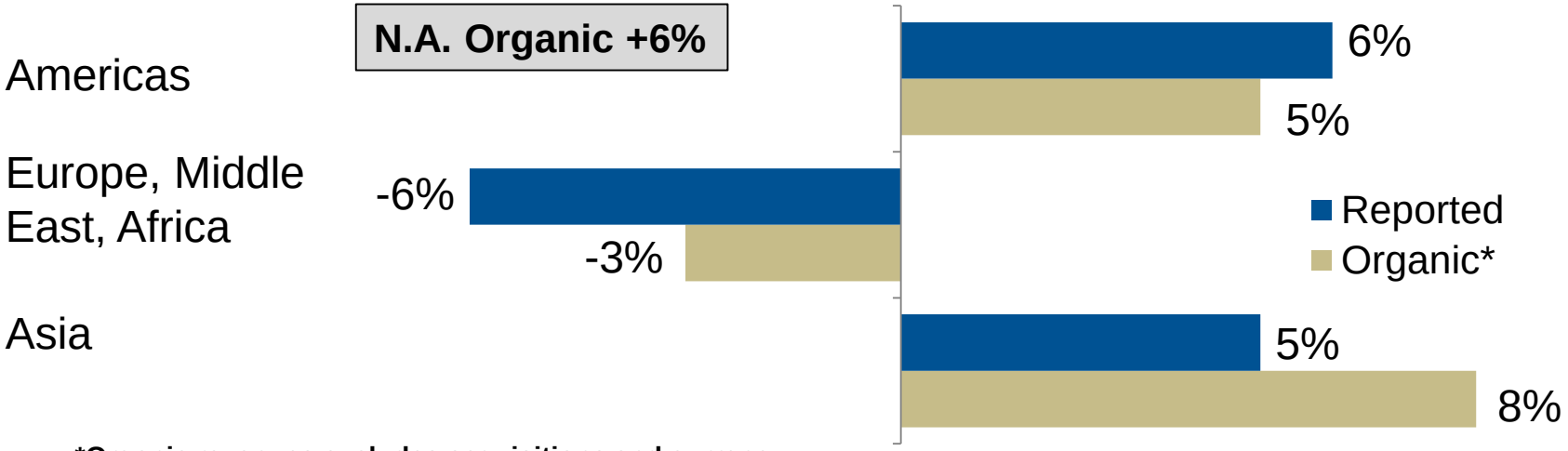
***Organic revenues excludes acquisitions and currency**

Q1 Revenue Up 4% and Organic Up 4%

Segment Revenue Change



Geographic Revenue Change

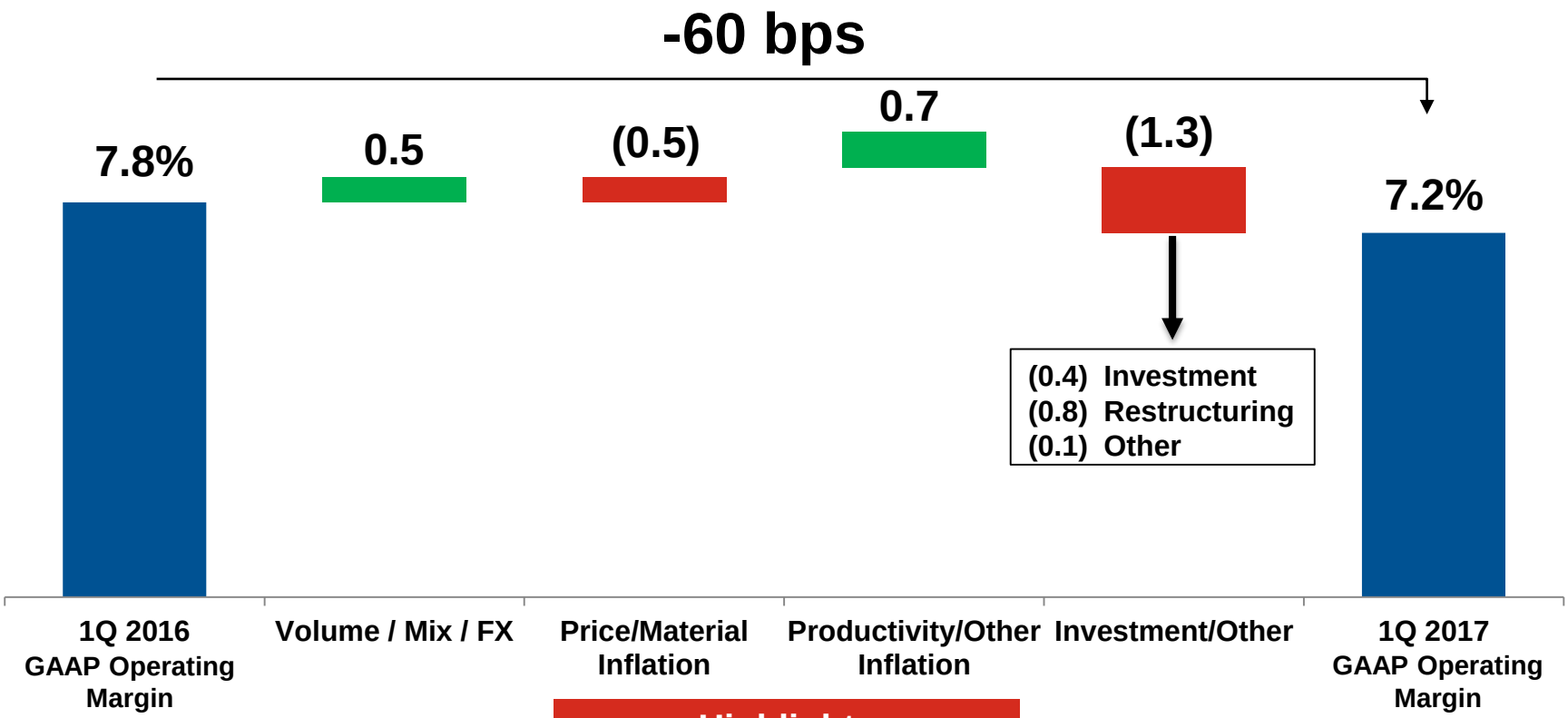


*Organic revenues excludes acquisitions and currency

Q1 2017 Y-O-Y Revenue Change

	Reported	Organic
Climate		
- Commercial HVAC	+ High-single	+ High-single
- Residential HVAC	+ High- single	+ High-single
- Transport	- Mid-single	- Mid-single
Total Climate	**+ 5%**	**+ 6%**
Industrial		
- Compression-related Products	- Low-single	+ Low-single
- Industrial Products	- Mid-single	- Mid-single
- Small Electric Vehicle	+ Mid-single	+ Mid-single
Total Industrial	**- 1%**	**+ 1%**
Total Company	**+ 4%**	**+ 4%**

Volume and Cost Reduction Initiatives Offset by Discrete Restructuring Expense and Inflation Headwinds



Highlights

- Continued margin expansion excluding restructuring
- Volume and productivity initiatives continue to gain traction
- The company continues to invest in products, while expanding channels
- Increased restructuring cost resulted in 80 bps headwind Y-O-Y

Non-GAAP Measures Definitions

Organic revenue is defined as GAAP net revenues adjusted for the impact of currency and acquisitions. Organic bookings is defined as reported orders closed/completed in the current period adjusted for the impact of currency and acquisitions.

- Currency impacts on net revenues and bookings are measured by applying the prior year's foreign currency exchange rates to the current period's net revenues and bookings reported in local currency. This measure allows for a direct comparison of operating results excluding the year-over-year impact of foreign currency translation.

Adjusted operating income is defined as GAAP operating income plus restructuring expenses in the first quarter of 2017 and 2016. Please refer to the reconciliation of GAAP to non-GAAP measures on tables 3 and 4 of the news release.

Adjusted operating margin is defined as the ratio of adjusted operating income divided by net revenues.

In 2017 and 2016, Adjusted EPS is defined as GAAP EPS plus EPS related to restructuring expenses, net of tax impacts. Please refer to the reconciliation of GAAP to non-GAAP measures on tables 3 and 4 of the news release.

Cash flow return on invested capital is defined as annual free cash flow divided by the sum of gross fixed assets, receivables and inventory less accounts payables

Free cash flow in 2017 and 2016 is defined as net cash provided by operating activities, less capital expenditures, plus cash payments for restructuring. Please refer to the free cash flow reconciliation on table 8 of the news release.

Non-GAAP Measures Definitions

Working Capital measures a firm's operating liquidity position and its overall effectiveness in managing the enterprises' current accounts.

- Working capital is calculated by adding net accounts and notes receivables and inventories and subtracting total current liabilities that exclude short term debt, dividend payables and income tax payables.

- Working capital as a percent of revenue is calculated by dividing the working capital balance (e.g. as of March 31) by the annualized revenue for the period (e.g. reported revenues for the three months ended March 31) multiplied by 4 to annualize for a full year).

Adjusted effective tax rate for Q1 2017 and Q1 2016 is defined as the ratio of income tax expense, plus or minus the tax effect of adjustments for restructuring expenses, divided by earnings from continuing operations before income taxes plus restructuring expenses. This measure allows for a direct comparison of the adjusted effective tax rate between periods.

Adjusted OI + D&A is defined as adjusted operating income plus depreciation and amortization expense.

Operating leverage is defined as the ratio of the change in adjusted operating income for the current period (e.g. Q1 2017) less the prior period (e.g. Q1 2016), divided by the change in net revenues for the current period less the prior period.

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