Fourth-Quarter 2019 Results

January 29, 2020

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Inspiring Progress™

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 capital allocation strategy including projected acquisitions; restructuring activity; our name change, our projected 2020 full-year financial performance and targets including assumptions regarding our effective tax rate and other factors described in our guidance. 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, the factors outlined in press release dated April 30, 2019 announcing the proposed transaction, global economic conditions, the outcome of any litigation, demand for our products and services, and tax law changes and interpretations. Additional factors that could cause such differences can be found in our Form 10-K for the year ended December 31, 2018, as well as our subsequent reports on Form 10-Q and other SEC filings. Forward-looking statements also include statements that relate to the proposed Reverse Morris Trust transaction with Gardner Denver Holdings, Inc. (GDI). These forward-looking statements are based on GDI’s and Ingersoll Rand’s current expectations and are subject to risks and uncertainties, which may cause actual results to differ materially from GDI’s and Ingersoll Rand’s 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) 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, including that a governmental entity may prohibit, delay or refuse to grant approval for the consummation of the proposed transaction, may require conditions, limitations or restrictions in connection with such approvals or that the required approval by the stockholders of GDI may not be obtained; (2) the risk that the proposed transaction may not be completed on the terms or in the time frame expected by Ingersoll Rand or GDI, or at all, (3) unexpected costs, charges or expenses resulting from the proposed transaction, (4) uncertainty of the expected financial performance of the combined company following completion of the proposed transaction; (5) failure to realize the anticipated benefits of the proposed transaction, including as a result of delay in completing the proposed transaction or integrating the businesses of GDI and Ingersoll Rand Industrial, or at all, (6) the ability of the combined company to implement its business strategy; (7) difficulties and delays in the combined company and ClimateCo achieving revenue and cost synergies; (8) inability of the combined company and ClimateCo to retain and hire key personnel; (9) the occurrence of any event that could give rise to termination of the proposed transaction; (10) the risk that stockholder litigation in connection with the proposed transaction or other settlements or investigations may affect the timing or occurrence of the proposed transaction or result in significant costs of defense, indemnification and liability, (11) evolving legal, regulatory and tax regimes; (12) changes in general economic and/or industry specific conditions; (13) actions by third parties, including government agencies; and (14) other risk factors detailed from time to time in Ingersoll Rand’s and GDI’s reports filed with the SEC, including Ingersoll Rand’s and GDI’s annual reports on Form 10-K and subsequent 10-Qs. 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 are included as an appendix in our presentation and reconciliations can be found in our earnings releases for the relevant periods located on our website at www.ingersollrand.com. All data beyond the fourth quarter of 2019 are estimates.

Executing a Consistent Strategy that Delivers Profitable Growth

1. Sustained Growth

Nexus of sustainability and energy efficiency global megatrends

+

2. Operational Excellence

Margin improvement and powerful cash flow

+

3. Dynamic Capital Allocation

Reinvestment, dividends, share repurchase and acquisitions

+

4. Winning Culture

Commitment to integrity, ingenuity and engagement

Sustainable growth above GDP | **Strong operating system and sustainable culture** | **Powerful cash flow and balanced capital allocation**

2019 Highlights – Sustainability-Focused Strategy Delivering Top-tier Performance in Dynamic Market Landscape

- **Differentiated, top-quartile performance in FY 2019**
  - FY 2019 adjusted continuing EPS growth—up 14% compounding on 24% growth in 2018
  - Strong revenue growth, margin expansion, and exceptional FCF conversion: up 6%, up 70bps, 118% of adj. net earnings, respectively
- **4Q19 – continuing strength in HVAC revenues and bookings, with particular strength continuing in N.A. CHVAC**
  - Exceptional N.A. CHVAC revenue growth, up high-teens against tough 2018 comp (2 year average up ~low-teens)
  - Healthy end markets globally with strong revenue growth across N.A., Europe and China
  - Enterprise & Climate organic bookings +HSD & +low-teens, respectively ex. Transport. Also excludes previously disclosed 4Q18 large, long-term CHVAC order (~$200M).
- **4Q19 leverage lower than company expectations impacted by 3 primary drivers split ~50% / ~25% / ~25% (1, 2, 3 below):**
  - 1) GM% de-leverage on HSD rev decline (~$50M rev) in Transport & mix shift to CHVAC, 2) 4Q19 FCF sig. exceeding expectations driving higher 2019 incentive comp. (4Q true-up), 3) unplanned year-end Climate segment inventory adjustments
  - Strong pricing ahead of material inflation and tariffs (40-50 bps+) was more than offset by the above drivers
- **4Q19 Transport markets beginning correction cycle following explosive 2018 growth**
  - 2019 declining order rates beginning to impact revenue flow through with normalized backlog levels
  - HSD decline in revenues in 4Q19, as we approach what we expect to be a short-term reset
- **4Q19 solid performance in Industrial**
  - 240 bps adjusted margin improvement driven by operational improvements / restructuring actions
  - Well positioned for combination with GDI
- **Continued balanced capital allocation - $2.8B in FY 2019**
  - Dividends: Q4 - $127M; 2019 - $510M; share repurchases: Q4 - $250M; 2019 - $750M; acquisitions: 2019 - $1.5B
- **Climate franchise well positioned to become Trane Technologies* pure-play focused 100% on sustainability strategy**

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*Trane Technologies name subject to shareholder approval.
** Includes certain Non-GAAP financial measures. See the company's Q4 2019 earnings release for additional details and reconciliations.

Top Quartile 2019 Performance

	2019 Guidance**	2019 Results		Year over year improvement
Net Revenue	4% to 5% reported 5% to 6% organic	$16.6B	✓	+ 6% reported + 6% organic
Adj. Operating Margin*	13.1% to 13.6%	13.5%	✓	+ 70 bps
Adj. Continuing EPS*	$6.15 to $6.35	$6.37	✓	+ 14%
Free Cash Flow*	> 100% Adj. Net Earnings	118% Adj. Net Earnings	✓	+ 60%

Highlights

- Record revenues, strong margin expansion and EPS growth, exceptional FCF of 118% of net earnings

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* Includes certain Non-GAAP financial measures. See the company's Q4 2019 earnings release for additional details and reconciliations.
** Initial 2019 guidance, January 30, 2019

Well Positioned for Trane Technologies* Pure-Play Debut (Early 2020)

- 100% of Trane Technologies portfolio tightly linked to global megatrends and at the intersection of sustainability and advanced technology and innovation
- Expect continued health across Global HVAC markets with company strategy driving GDP+ growth
- Transport refrigeration markets anticipated to move through short-lived down-cycle in 2020 with a steep decline in 1Q20 and emerging with growth by 4Q20
  - Expect Trane Technologies Transport business to outperform broader markets driven by diversification / resilience – opportunities in aftermarket, APU's, Marine / Bus / Rail, share capture, technology and innovation
- Expect to drive solid margin expansion despite near-term Transport down-cycle headwinds; ~25% operating leverage
- Targeting ~$100M stranded cost reduction by end of 2021: ~$40M in 2020, ~$60M in 2021
  - Development of long-term savings targets and financial plans underway, accelerate post-RMT close
- Expect to drive strong revenue growth, EPS growth and FCF generation in 2020 and beyond
- Expect to host Investor day Fall 2020 to roll out Trane Technologies long-term strategy / financial targets

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Strong Climate Organic Revenue Growth; Strong Bookings in Climate (ex. Transport and PY large HVAC order)

Q4 Organic* Y-O-Y Change

	Bookings	Revenue
Commercial HVAC	+	+
- North America	+	+
- Latin America	+	+
- Europe	+	+
- MEA	-	+
- Asia	-	-
Residential HVAC	+	+
Transport	-	-
Climate	**- 6%**	**+ 7%**
Compression Technologies	-	-
Industrial Products	-	-
Small Electric Vehicles	+	+
Industrial	**- 4%**	**- 2%**
Enterprise	**- 6%**	**+ 5%**

Climate

- Climate bookings up low-teens ex-TK and large 4Q18 CHVAC order
- Cont'd strong HVAC rev growth – led by CHVAC N.A. up high-teens
- Europe & Res HVAC revs strong; up MSD
- Asia mkts mixed, revs down LSD; China up MSD on PY low-teens growth
- China bookings flattish; CHVAC Asia bookings down MSD
- Transport revs soft in Europe and N.A.; bookings down double digits on 2018 extraordinary N.A. pre-buy

Industrial

- CTS and Industrial Products orders and revs soft on expected weakness in short-cycle investment spending
- Cont'd growth in Small Electric Vehicles

*Organic bookings and organic revenues exclude acquisitions and currency

Continued Growth in Healthy End Markets; Company Expects to Outgrow Market Rates

Commercial HVAC	• Strong bookings & rev growth in global CHVAC businesses - led by N.A.; Europe remains strong; Asia revs down LSD in mixed mkts; China revs up MSD on low teens comps • *2020 global CHVAC outlook healthy w/* ***LSD market*** *growth expected; strong backlog and order pipeline support 2020 growth expectations*
Residential HVAC	• Cont'd solid revenue growth, up MSD on PY low-teens growth • Solid demand outlook - replacement market remains healthy • ***LSD market*** *growth expected in 2020*
Transport	• 4Q19 Transport markets beginning correction cycle following explosive 2018 growth • HSD decline in revenues in 4Q19, as we approach what we expect to be a short-term reset • Broad based weakness in Trailer / APU markets in 2020 (N.A., EMEA) • *See slide 21 for complete market outlook*
Compression Technologies	• Cont'd economic uncertainty driving soft short-cycle industrial investment spending • *Global markets mixed with weak short-cycle; long-cycle more resilient*
Small Elec Veh. & Indust. Products	• Strong Small Electric Vehicles growth led by consumer vehicles • Industrial Products impacted by short-cycle slowdown due to ongoing economic uncertainty

Solid Q4 Financial Performance

- Strong Q4 organic revenue growth
  - Strong Climate organic rev growth, up 7% building on 9% in 2018; strong HVAC, led by N.A. CHVAC
  - Climate organic bookings up low-teens (ex-Transport & 4Q18 large HVAC order)
  - Industrial organic revenues down 2%; Small Electric Vehicles revenue growth offset by soft short-cycle demand

- Exceptional Free Cash Flow
  - Delivered ~$1.8B FCF in 2019; 118% adj. net earnings
  - Working capital reduced to 3.8% of revenues; 40 bps improvement vs 2018

- Delivered $1.40 adjusted continuing EPS, up 6% on tough YOY comps (29%)
  - Strong Climate revenue growth and Industrial adj operating margin expansion (240 bps) more than offset increased interest from March 2019 $1.5B senior notes offering and higher yoy tax rate

- Continued balanced capital allocation strategy
  - 4Q19 deployed $127M in dividends; $250M in buybacks
  - 2019 deployed $510M in dividends; $750M in buybacks (6.4M shares)
  - PFS performing as planned; proposed transaction with GDI on track for early 2020 close

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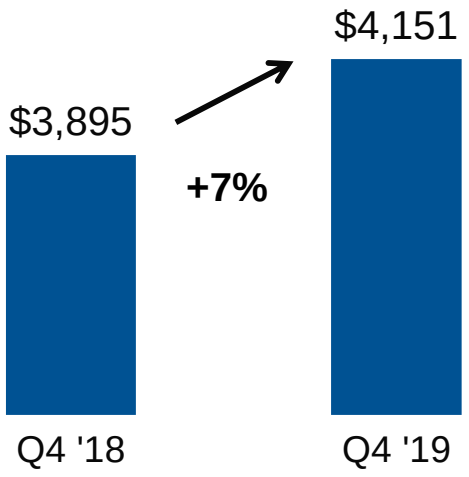
* Includes certain Non-GAAP financial measures. See the company's Q4 2019 earnings release for additional details and reconciliations.

Q4 2019 Strong Revenue and EPS Growth

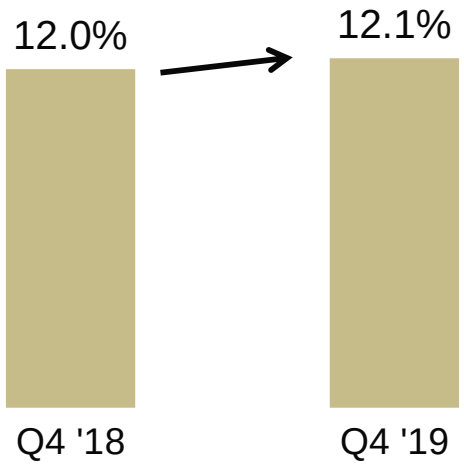
Net Revenue

+5% Organic



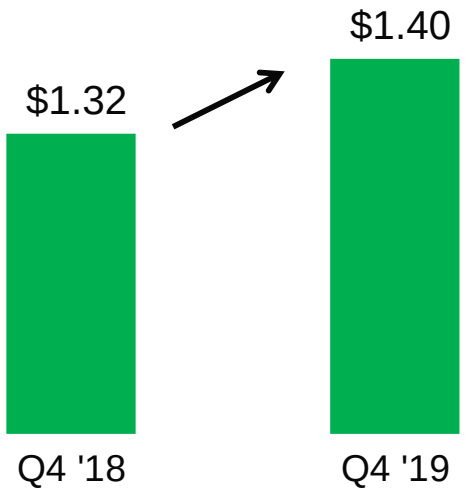
Adj. Operating Margin*

+10 bps



Adj. Continuing EPS*

+6%



Highlights

- Strong organic revenue growth compounding on 8% growth in 2018 led by Climate segment
- Adj. operating margins expanded on strong price realization and volume, partially offset by product mix

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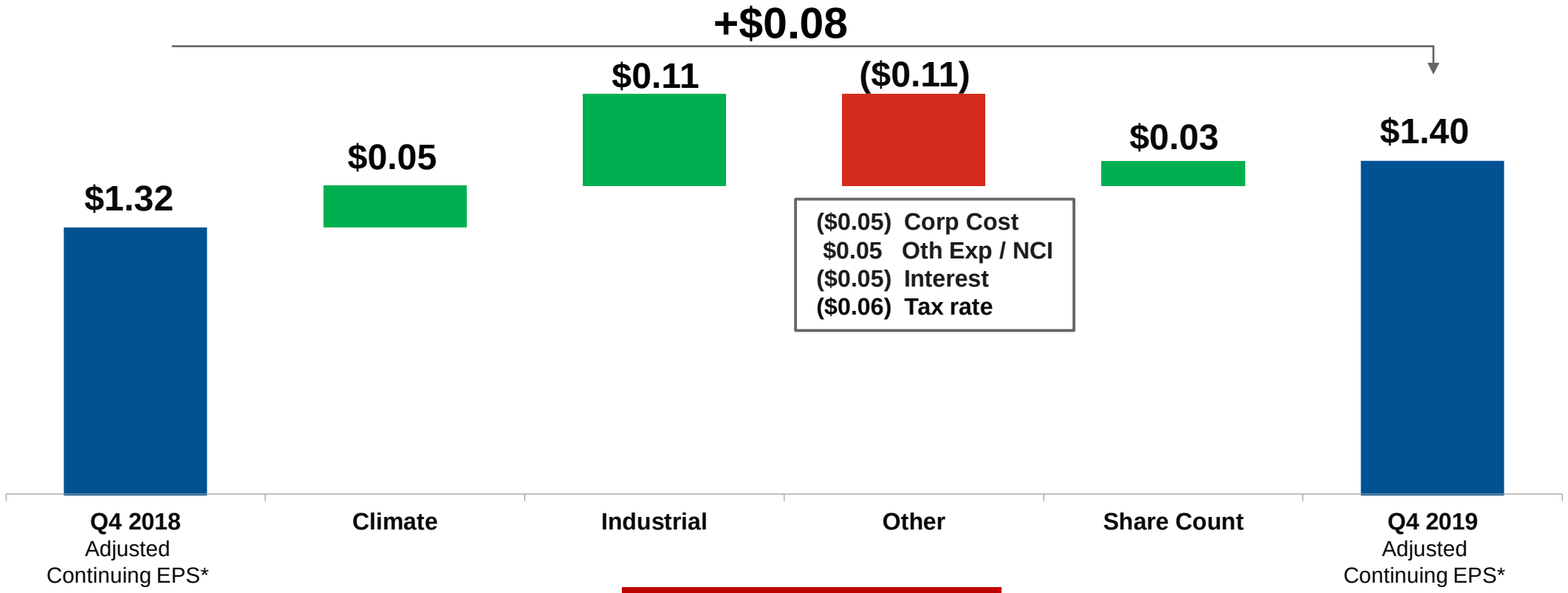
ENTERPRISE

EPS Growth Driven by Operational Improvement in Both Segments



Highlights

- Industrial segment +240 bps margin expansion
- Margin expansion on strong global HVAC revenue growth (+HSD) partially offset by transport revenue decline
- Higher corp costs: 1) timing of functional spend, 2) 4Q19 FCF outperformance and associated incentive comp
- Interest higher due to March 2019 $1.5B senior notes offering; tax rate up from prior year (in line with FY guidance)

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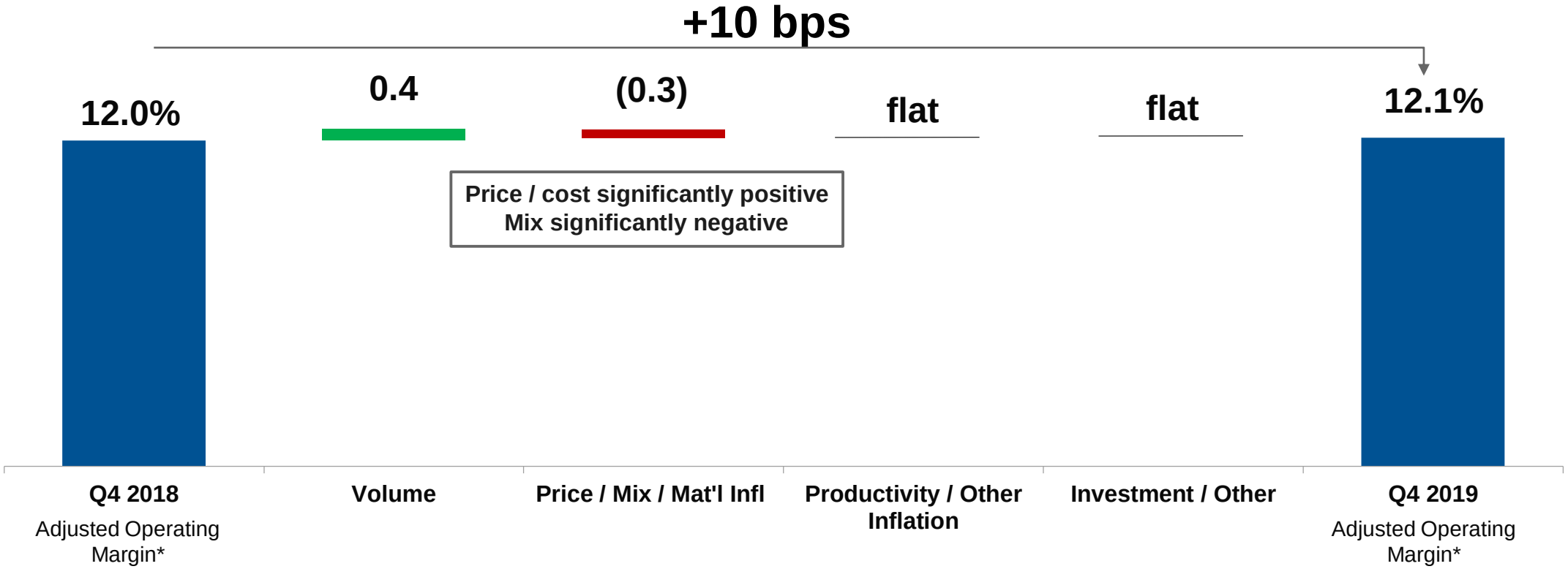
Strong Volume and Price Over Material Inflation Offsetting Negative Mix; Driving 10 bps Margin Expansion



Highlights

- Price / cost better than expected: price realization remains strong; material inflation improved (mainly raws)
- Mix negatively impacted by Transport revenue decline at ~GM% de-leverage & mix shift to CHVAC
- Solid prod / other infl offset by higher FY incentive comp on 4Q19 FCF outperformance & year-end inventory adj. (Climate)
- Gross investment spending remains at high levels

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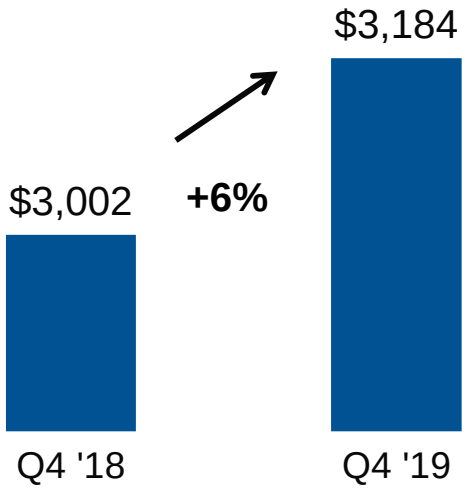
Q4 Continued Strong Revenue Growth; Margin Impacted by Mix Headwinds

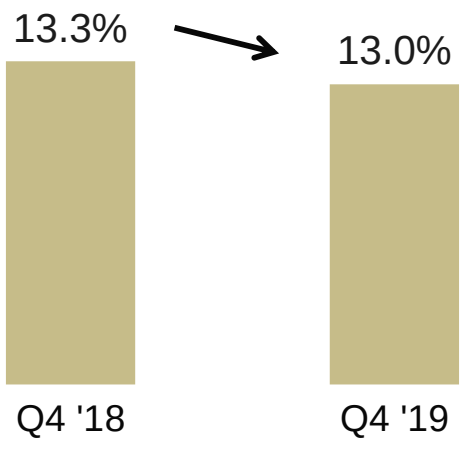
Net Revenue

+7% Organic



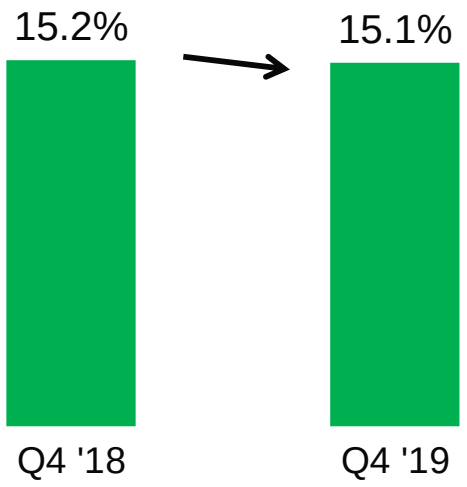
Adj. Operating Margin*

-30 bps



Adj. EBITDA %*

-10 bps



Highlights

- Strong organic rev growth - N.A. CHVAC up high-teens; Europe & Res HVAC up MSD
- Operating leverage below expectations due to 1) GM% de-leverage on HSD rev decline (~$50M rev) in Transport & mix shift to CHVAC, 2) 4Q19 FCF significantly exceeding expectations driving higher 2019 incentive comp. (4Q true-up), 3) unplanned year-end Climate segment inventory adjs.

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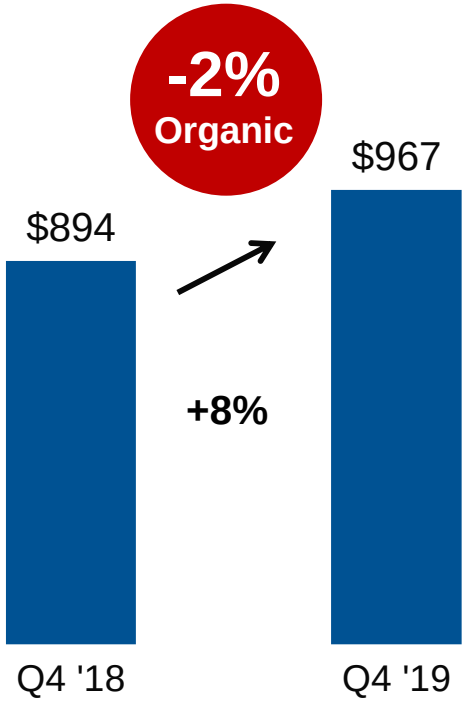
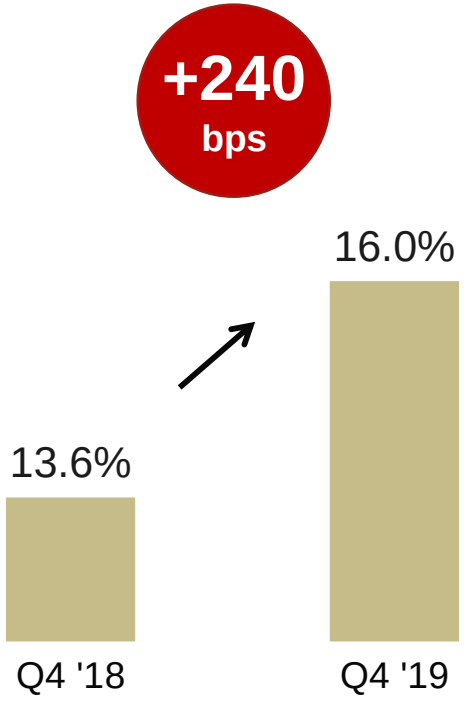
Strong Margin Expansion Despite Soft Short-Cycle Industrial Backdrop

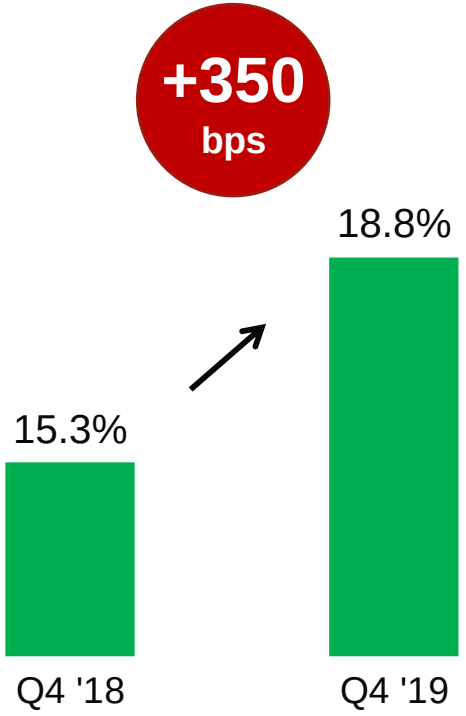
Net Revenue



Adj. Operating Margin*



Adj. EBITDA %*



Highlights

- Solid Small Electric Vehicles revenue growth offset by short-cycle declines (CTS, Industrial Products)
- Strong margin expansion - productivity / operational improvements / restructuring savings
- Adj. EBITDA improvement - margin expansion and high-EBITDA PFS acquisition in 2Q19

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* Includes certain Non-GAAP financial measures. See the company's Q4 2019 earnings release for additional details and reconciliations.

Continued Execution of Balanced Capital Allocation Strategy

1 Invest for Growth

- Strengthen the core business and extend product & market leadership
- Invest in new technology and innovation
- Strategic acquisitions - pipeline remains active
- Completed 4 acquisitions for $1.5B

2 Maintain Healthy, Efficient Balance Sheet

- Exceptional FCF conversion of 118% of adjusted net earnings
- Strengthening balance sheet
- Strong BBB investment grade rating offers optionality as markets evolve
- Completed $1.5B senior notes offering

3 Return Capital to Shareholders

- Expect to consistently deploy 100% of excess cash over time
- Paid $510M in dividends; expect to maintain annual dividend at $2.12 / share post-closing of RMT transaction with GDI and through 2020; expect to grow dividends >= adj. net earnings growth over time
- Repurchased $750M in shares





Guidance

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2020 Guidance: New Trane Technologies*

2020 Guidance	Full Year	YOY Change
“Apples to Apples” Climate Reported / Organic** Revenue	~$13.5B to ~$13.7B	~3.0% to ~5.0% growth
“Apples to Apples” Climate Segment Adj. OI Margin	15.3% to 15.7%	+30 to +70 bps
Unallocated Corporate Costs	~$260M	--
Stranded Costs	*see slide 20*	--
Trane Technologies Depreciation and Amortization	~$300M	--
Interest Expense (~$600M debt retirement May 2020)	~$240M	flat
Free Cash Flow	>= 100% Adj. Net Earnings	--
CapEx	~1% to ~2% of revenues	--
Share Repurchases (for modeling purposes)	~$500M	--

*Trane Technologies name subject to shareholder approval.
** Assumes foreign exchange has no meaningful impact on the full-year.

Topics of Interest

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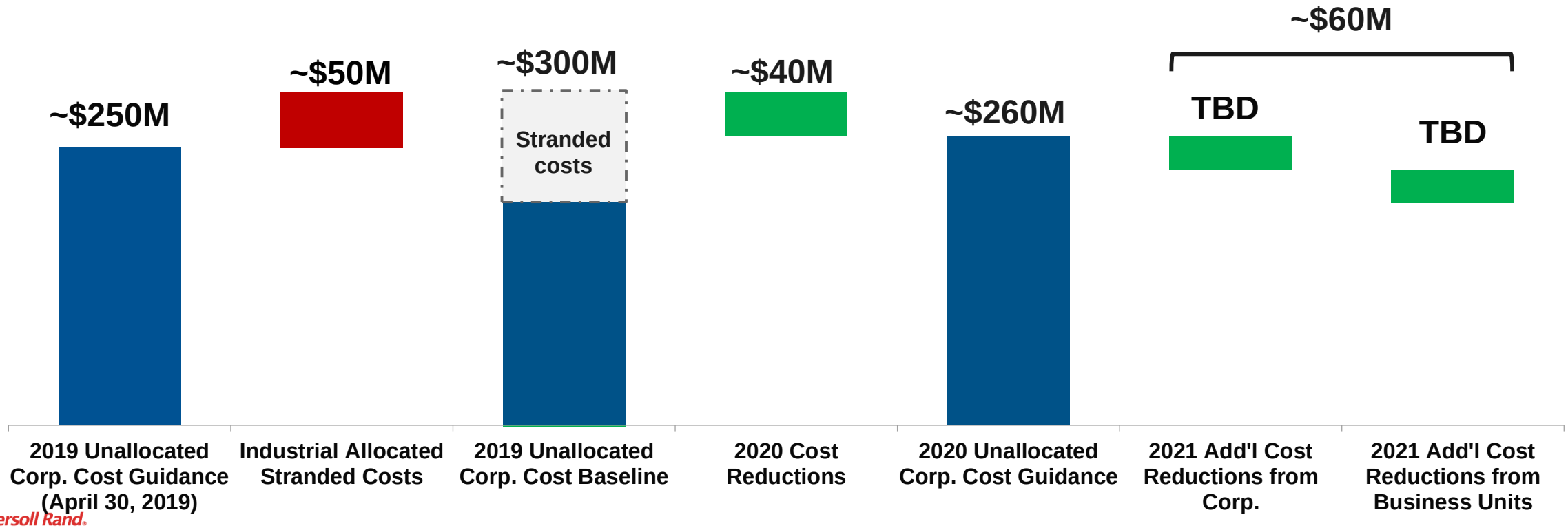
Topics of Interest

- **Proposed Industrial Segment Reverse Morris Trust Update**
  - **Separation and Integration Planning**
    - Transaction close: on track for early 2020
    - Separation & transaction related costs: anticipate to be at high end of ~$150M to ~$200M range (unchanged from 3Q19)
      - Status: ~$95M 2019, remainder 2020
    - Separation / Integration Planning / Transformation: work continues, significantly ramps post-close
  - **Trane Technologies***
    - Expect to trade on NYSE as “TT”
    - Investor Day expected Fall 2020
      - Strategy & long-term financial targets outlined

*Trane Technologies name subject to shareholder approval.

Topics of Interest: Stranded Costs of ~$100M Related to RMT

- Expect to reduce ~$40M in 2020, balance in 2021. Expect reductions in business units and unallocated Corporate
- 2020 cost reductions reflected in unallocated Corporate for illustrative purposes only
  - Additional guidance on Corporate vs. business unit allocation will follow when available
- Will provide stranded cost updates on a quarterly basis
- Expect $100M - $150M in costs to realize $100M savings target

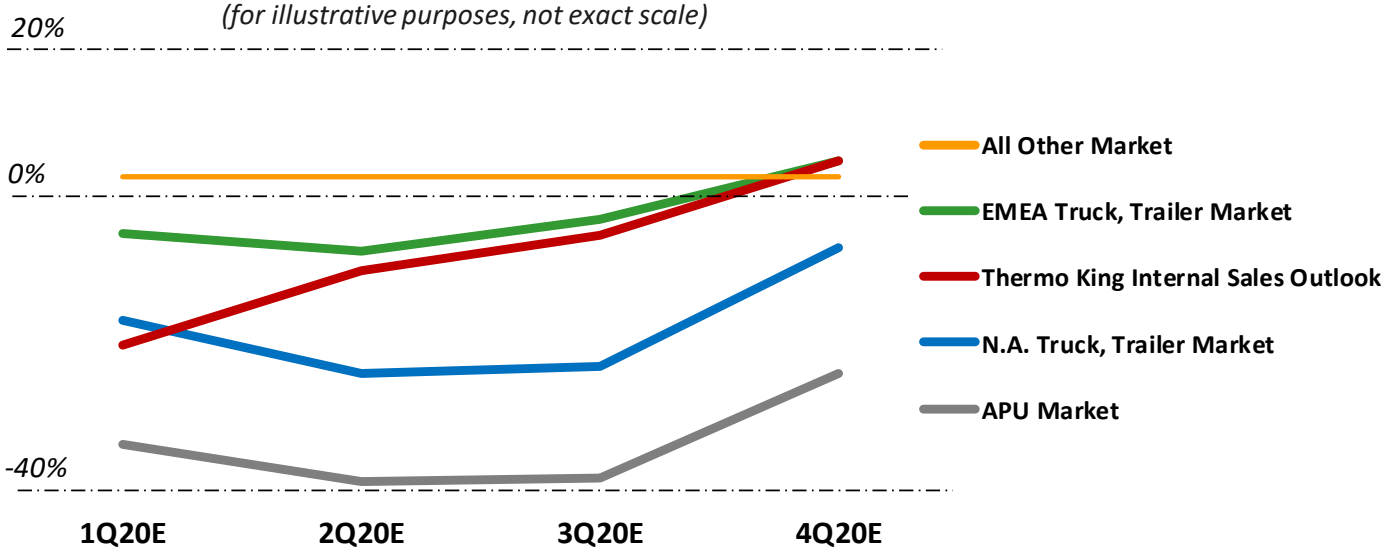


Topics of Interest: Transport Markets and Thermo King Revenue Outlook 2020

- Transport markets beginning correction cycle following explosive 2018 order growth and steep 2019 order declines
- ACT / IHS / IR internal estimates expect mkt decline in Trailer / APU mkts in 2020, with normalization in 2021 (flat to +LSD growth)
- Thermo King (TK) represents ~$2B of Trane Technologies* revenues; expected to outperform the overall Transport markets in 2020
- TK's portfolio mix includes ~60% Trailer, Truck, APU business where mkts are expected to be down
- However, 40% of TK's portfolio is in mkts where modest growth (LSD-MSD) is expected in 2020 (e.g., aftermarket parts & Bus)
- TK 2020 rev. profile expected to outperform the broader mkts, by driving aftermarket mix higher, APU bolt-on rates higher, growth in areas like Bus and through market share gains in Trailer / Truck driven by innovation and new product launches
- Net, we're closely monitoring incoming order rates and market dynamics and currently anticipate TK total revenues to be down ~20% in Q1, gradually improving Q2-Q4. Full year is currently expected to decline roughly 5% to 10%

Transport Market Growth Outlook - 2020 (units)

(for illustrative purposes, not exact scale)



Source: ACT, IHS, Ingersoll Rand internal estimates

Climate Business Mix

Approximate Revenue Mix — FY 2019

Transport Products	% Total TK	% Total Climate
NA Truck & Trailer	~30%	~6%
EMEA Truck & Trailer	~20%	~4%
APU	~10%	~2%
All Other	~40%	~7%
Total %	100%	~19%

*Trane Technologies name subject to shareholder approval.

Summary: Delivered Top-Tier Rev, EPS Growth & Exceptional FCF in 2019; Expect Continued Strong Financial Performance in 2020

Strategy	• Strategy tied to attractive end markets supported by global mega trends
Brands	• Franchise brands and businesses with leadership market positions
Innovation	• Sustained business investments delivering innovation and growth, operating excellence and improving margins
Performance	• Experienced management and high performing team culture
Cash Flow	• Operating model delivers powerful cash flow
Capital Allocation	• Capital allocation priorities deliver strong shareholder returns

Ingersoll Rand TRANE THERMO KING Club Car

Appendix

Q4 Organic Revenue Up 5% Year-Over-Year
Organic Bookings Up HSD ex-TK and PY Large CHVAC order

Organic* Bookings	2017					2018					2019				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Climate	6%	3%	5%	7%	5%	11%	17%	12%	20%	15%	-3%	-4%	2%	-6%	-3%
Industrial	9%	5%	5%	12%	8%	5%	8%	7%	6%	6%	1%	8%	0%	-4%	1%
Total	**7%**	**4%**	**5%**	**8%**	**6%**	**9%**	**15%**	**11%**	**17%**	**13%**	**-2%**	**-2%**	**1%**	**-6%**	**-2%**

Organic* Revenue	2017					2018					2019				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Climate	6%	8%	3%	6%	6%	8%	9%	10%	9%	9%	10%	5%	8%	7%	7%
Industrial	1%	2%	(1%)	5%	2%	9%	9%	9%	6%	8%	3%	2%	0%	-2%	1%
Total	**4%**	**7%**	**2%**	**6%**	**5%**	**8%**	**9%**	**10%**	**8%**	**9%**	**8%**	**4%**	**6%**	**5%**	**6%**

*Organic revenues and bookings exclude acquisitions and currency

Q4 Non-GAAP Measures Definitions

Organic bookings is defined as reported orders in the current period adjusted for the impact of currency and acquisitions. Organic revenue is defined as GAAP net revenues 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 in 2019 is defined as GAAP operating income plus restructuring costs, PFS acquisition-related transaction costs, PFS inventory step-up and backlog amortization and Industrial Segment separation-related costs. Adjusted operating income in 2018 is defined as GAAP operating income plus restructuring costs.

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

Adjusted earnings from continuing operations attributable to Ingersoll-Rand plc (adjusted net earnings) in 2019 is defined as GAAP earnings from continuing operations attributable to Ingersoll Rand plc plus restructuring costs, PFS acquisition-related transaction costs, PFS inventory step-up and backlog amortization, Industrial Segment separation-related costs and Industrial Segment separation activities resulting in foreign exchange losses, net of tax impacts. Adjusted net earnings in 2018 is defined as GAAP earnings from continuing operations attributable to Ingersoll Rand plc plus restructuring costs, net of tax impacts less Tax Reform non-cash measurement period adjustments and a U.S. discrete non-cash tax adjustment.

Adjusted continuing EPS in 2019 is defined as GAAP continuing EPS plus restructuring costs, PFS acquisition-related transaction costs, PFS inventory step-up and backlog amortization, Industrial Segment separation-related costs and Industrial Segment separation activities resulting in foreign exchange losses, net of tax impacts. Adjusted continuing EPS in 2018 is defined as GAAP continuing EPS plus restructuring costs, net of tax impacts plus Tax Reform non-cash measurement period adjustments less a U.S. discrete non-cash tax adjustment.

Adjusted EBITDA is defined as adjusted operating income plus depreciation and amortization expense plus or minus other income / (expense), net.

Q4 Non-GAAP Measures Definitions

Free cash flow in 2019 is defined as net cash provided by continuing operating activities, less capital expenditures, plus cash payments for PFS acquisition-related transaction costs, Industrial Segment separation-related costs and restructuring. Free cash flow in 2018 is defined as net cash provided by continuing operating activities, less capital expenditures plus cash payments for restructuring. In 2018, the Company updated its definition of free cash flow to exclude the impacts of discontinued operations.

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 December 31) by the annualized revenue for the period (e.g. reported revenues for the three months ended December 31) multiplied by 4 to annualize for a full year.

Adjusted effective tax rate for 2019 is defined as the ratio of income tax expense plus the tax effect of adjustments for restructuring costs, PFS acquisition-related transaction costs, PFS inventory step-up and backlog amortization, Industrial Segment separation-related costs and Industrial Segment separation activities resulting in foreign exchange losses divided by earnings from continuing operations before income taxes plus restructuring costs, PFS acquisition-related transaction costs, PFS inventory step-up and backlog amortization, Industrial Segment separation-related costs and Industrial Segment separation activities resulting in foreign exchange losses. Adjusted effective tax rate for 2018 is defined as the ratio of income tax expense minus the tax effect of Tax Reform non-cash measurement period adjustments plus a U.S. discrete non-cash tax adjustment and the tax effect of restructuring costs divided by earnings from continuing operations before income taxes plus restructuring costs. This measure allows for a direct comparison of the effective tax rate between periods.

Operating leverage is defined as the ratio of the change in adjusted operating income for the current period (e.g. Q4 2019) less the prior period (e.g. Q4 2018), divided by the change in net revenues for the current period less the prior period.