



## Trane Technologies Reports Strong First-Quarter 2023 Results; Raises 2023 Guidance

### **Highlights (first-quarter 2023 versus first-quarter 2022, unless otherwise noted):**

- Reported revenues of \$3.7 billion, up 9 percent; organic revenues\* up 9 percent
- GAAP operating margin up 90 bps; adjusted operating margin\* up 140 bps
- GAAP continuing EPS of \$1.35; adjusted continuing EPS\* of \$1.41, up 26 percent
- Reported bookings of \$4.3 billion, down 1 percent; organic bookings\* down 1 percent
- Strong first-quarter book-to-bill ratio of 117 percent
- Record backlog of \$7.3 billion, up \$400 million from year-end 2022

\*This news release contains non-GAAP financial measures. Definitions of the non-GAAP financial measures can be found in the footnotes of this news release. See attached tables for additional details and reconciliations.

**SWORDS, Ireland, May 3, 2023** - Trane Technologies plc (NYSE:TT), a global climate innovator, today reported diluted earnings per share (EPS) from continuing operations of \$1.35 for the first quarter of 2023. Adjusted continuing EPS was \$1.41, up 26 percent, excluding \$15.6 million of pre-tax non-GAAP adjustments.

### **First-Quarter 2023 Results**

#### **Financial Comparisons - First-Quarter Continuing Operations**

\$, millions except EPS	Q1 2023	Q1 2022	Y-O-Y Change	Organic Y-O-Y Change
<b>Bookings</b>	\$4,306	\$4,335	(1)%	(1)%
<b>Net Revenues</b>	\$3,666	\$3,356	9%	9%
<b>GAAP Operating Income</b>	\$457	\$388	18%	
<b>GAAP Operating Margin</b>	12.5%	11.6%	90 bps	
<b>Adjusted Operating Income*</b>	\$472	\$385	23%	
<b>Adjusted Operating Margin*</b>	12.9%	11.5%	140 bps	
<b>Adjusted EBITDA*</b>	\$542	\$462	17%	
<b>Adjusted EBITDA Margin*</b>	14.8%	13.8%	100 bps	
<b>GAAP Continuing EPS</b>	\$1.35	\$1.13	19%	
<b>Adjusted Continuing EPS</b>	\$1.41	\$1.12	26%	
<b>Pre-Tax Non-GAAP Adjustments, net**</b>	\$15.6	(\$3.3)	\$18.9	

\*\*For details see table 2 of the news release.

"In the first quarter, we continued our track record of strong financial results and expect our performance to once again rank in the top quartile among industrials," said Dave Regnery, chair and CEO, Trane Technologies. "Our global team delivered robust bookings, organic revenue growth of 9 percent, adjusted EBITDA margin expansion of 100 basis points and adjusted EPS growth of 26 percent.

"Our strong first-quarter performance, diverse and resilient portfolio and unprecedented backlog give us confidence in raising our full-year guidance for organic revenue and adjusted EPS growth. With our

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focused sustainability strategy, leading innovation and uplifting culture, we are well positioned to continue delivering superior growth and differentiated shareholder returns over the long term.”

## Highlights from the First Quarter of 2023 (all comparisons against first-quarter 2022 unless otherwise noted)

- Delivered strong first-quarter revenue, operating income, EBITDA and EPS growth.
- Enterprise reported and organic bookings were both down 1 percent.
- Enterprise reported and organic revenues were both up 9 percent.
- Strong book-to-bill ratio of 117 percent.
- GAAP operating margin was up 90 basis points, adjusted operating margin was up 140 basis points and adjusted EBITDA margin was up 100 basis points.
- Strong positive price realization, volume and productivity more than offset inflation related to supply chain challenges and higher costs to serve customers. The Company also continued high levels of business reinvestment.
- Enterprise exited the first quarter of 2023 with backlog more than 2.5 times historical norms.

## First-Quarter Business Review (all comparisons against first-quarter 2022 unless otherwise noted)

**Americas Segment:** innovates for customers in the North America and Latin America regions. The Americas segment encompasses commercial heating, cooling and ventilation systems, building controls, and energy services and solutions; residential heating and cooling; and transport refrigeration systems and solutions.

\$, millions	Q1 2023	Q1 2022	Y-O-Y Change	Organic Y-O-Y Change
<b>Bookings</b>	\$3,324.1	\$3,448.5	(4)%	(4)%
<b>Net Revenues</b>	\$2,861.0	\$2,633.2	9%	8%
<b>GAAP Operating Income</b>	\$391.6	\$350.8	12%	
<b>GAAP Operating Margin</b>	13.7%	13.3%	40 bps	
<b>Adjusted Operating Income</b>	\$400.0	\$344.8	16%	
<b>Adjusted Operating Margin</b>	14.0%	13.1%	90 bps	
<b>Adjusted EBITDA</b>	\$455.8	\$405.6	12%	
<b>Adjusted EBITDA Margin</b>	15.9%	15.4%	50 bps	

- Reported and organic bookings were both down 4 percent.
- Reported revenues were up 9 percent; organic revenues were up 8 percent.
- Strong book-to-bill ratio of 116 percent.
- Americas segment exited the first quarter of 2023 with backlog at approximately 3 times historical norms.
- GAAP operating margin was up 40 basis points, adjusted operating margin was up 90 basis points and adjusted EBITDA margin was up 50 basis points.
- Strong positive price realization, volume and productivity more than offset inflation related to supply chain challenges and higher costs to serve customers. The Company also continued high levels of business reinvestment.

**Europe, Middle East and Africa (EMEA) Segment:** innovates for customers in the Europe, Middle East and Africa region. The EMEA segment encompasses heating, cooling and ventilation systems, services and solutions for commercial buildings and transport refrigeration systems and solutions.

\$, millions	Q1 2023	Q1 2022	Y-O-Y Change	Organic Y-O-Y Change
<b>Bookings</b>	\$591.7	\$536.3	10%	10%
<b>Net Revenues</b>	\$510.5	\$441.3	16%	15%
<b>GAAP Operating Income</b>	\$85.7	\$50.9	68%	
<b>GAAP Operating Margin</b>	16.8%	11.5%	530 bps	
<b>Adjusted Operating Income</b>	\$86.6	\$51.2	69%	
<b>Adjusted Operating Margin</b>	17.0%	11.6%	540 bps	
<b>Adjusted EBITDA</b>	\$94.4	\$59.1	60%	
<b>Adjusted EBITDA Margin</b>	18.5%	13.4%	510 bps	

- Reported and organic bookings were both up 10 percent.
- Reported revenues were up 16 percent, including approximately 6 percentage points related to acquisitions offset by approximately 6 percentage points of negative foreign exchange impact. Organic revenues were up 15 percent.
- Strong book-to-bill ratio of 116 percent.
- EMEA segment exited the first quarter of 2023 with backlog approximately 60 percent more than historical norms.
- GAAP operating margin was up 530 basis points, adjusted operating margin was up 540 basis points and adjusted EBITDA margin was up 510 basis points.
- Strong positive price realization, volume and productivity more than offset inflation related to supply chain challenges and higher costs to serve customers. The Company also continued high levels of business reinvestment.

**Asia Pacific Segment:** innovates for customers throughout the Asia Pacific region. The Asia Pacific segment encompasses heating, cooling and ventilation systems, services and solutions for commercial buildings and transport refrigeration systems and solutions.

\$, millions	Q1 2023	Q1 2022	Y-O-Y Change	Organic Y-O-Y Change
<b>Bookings</b>	\$390.1	\$350.4	11%	13%
<b>Net Revenues</b>	\$294.3	\$281.0	5%	8%
<b>GAAP Operating Income</b>	\$49.3	\$38.5	28%	
<b>GAAP Operating Margin</b>	16.8%	13.7%	310 bps	
<b>Adjusted Operating Income</b>	\$50.6	\$38.7	31%	
<b>Adjusted Operating Margin</b>	17.2%	13.8%	340 bps	
<b>Adjusted EBITDA</b>	\$57.2	\$43.5	31%	
<b>Adjusted EBITDA Margin</b>	19.4%	15.5%	390 bps	

- Reported bookings were up 11 percent; organic bookings were up 13 percent.
- Reported revenues were up 5 percent including approximately 3 percentage points related to acquisitions offset by approximately 6 percentage points of negative foreign exchange impact. Organic revenues were up 8 percent.
- Strong book-to-bill ratio of 133 percent.
- Asia Pacific segment exited the first quarter of 2023 with backlog approximately 70 percent more than historical norms.

- GAAP operating margin was up 310 basis points, adjusted operating margin was up 340 basis points and EBITDA margin was up 390 basis points.
- Strong positive price realization, volume and productivity more than offset inflation related to supply chain challenges and higher costs to serve customers. The Company also continued high levels of business reinvestment.

## Balance Sheet and Cash Flow

\$, millions	Q1 2023	Q1 2022	Y-O-Y Change
<b>Cash From Continuing Operating Activities Y-T-D</b>	\$17	(\$4)	\$21
<b>Free Cash Flow Y-T-D*</b>	(\$52)	\$27	(\$79)
<b>Working Capital/Revenue*</b>	6.6%	3.6%	300 bps increase
<b>Cash Balance March 31</b>	\$693	\$1,348	(\$655)
<b>Debt Balance March 31</b>	\$4,830	\$4,843	(\$13)

- First quarter of 2023 cash flow from continuing operating activities was \$17 million and free cash flow use was \$52 million. Working capital levels ended the first quarter as expected, reflecting seasonal inventory build.
- Year-to-date through May, the Company deployed approximately \$720 million, including \$170 million in dividends, \$300 million for share repurchases, and approximately \$250 million for M&A.
- The Company expects to continue to pay a competitive and growing dividend and to deploy 100 percent of excess cash to shareholders over time. In the first quarter of 2023, the Company increased its annual dividend by 12 percent to \$3.00 per share annualized. Since launching Trane Technologies in March of 2020, the company has raised the quarterly dividend by 42 percent.

## Raising Full-Year 2023 Revenue and EPS Guidance

- The Company expects full-year reported revenue growth of approximately 9 percent to 10 percent; organic revenue growth of approximately 7 percent to 8 percent versus full-year 2022.
- The Company expects GAAP continuing EPS for full-year 2023 of \$8.20 to \$8.40. This includes EPS of \$0.10 for non-GAAP adjustments. The Company expects adjusted continuing EPS for full-year 2023 of \$8.30 to \$8.50.
- Additional information regarding the Company's 2023 guidance is included in the Company's earnings presentation found at [www.tranetechnologies.com](http://www.tranetechnologies.com) in the Investor Relations section.

This news release includes “forward-looking statements,” which are statements that are not historical facts, including statements that relate to our future financial performance and targets, including revenue, EPS and operating income; our business operations; demand for our products and services, including bookings and backlog; capital deployment, including the amount and timing of our dividends, our share repurchase program, including the amount of shares to be repurchased and the timing of such repurchases and our capital allocation strategy, including acquisitions and investments, if any; our projected free cash flow and usage of such cash; our available liquidity; performance of the markets in which we operate; restructuring activity and cost savings associated with such activity; and 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, the impact of the global COVID-19 pandemic or future health care emergencies on our business, our suppliers and our customers; global economic conditions, including recessions and economic downturns, inflation, volatility in interest rates and foreign exchange; changing energy prices; the Russia-Ukraine conflict; financial institution disruptions; climate change and our sustainability strategies and goals; commodity shortages; supply chain constraints and price increases; government regulation; restructurings activity and cost savings associated with such activity; secular trends toward decarbonization, energy efficiency and internal air quality, the outcome of any litigation, including the risks and uncertainties associated with the Chapter 11 proceedings for our deconsolidated subsidiaries Aldrich Pump LLC and Murray Boiler LLC; cybersecurity risks; and tax audits 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, 2022, as well as our subsequent reports on Form 10-Q and other SEC filings. We assume no obligation to update these forward-looking statements.

This news release 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 are attached to this news release.

*All amounts reported within the earnings release above related to net earnings (loss), earnings (loss) from continuing operations, earnings (loss) from discontinued operations, adjusted EBITDA and per share amounts are attributed to Trane Technologies' ordinary shareholders.*

Trane Technologies (NYSE:TT) is a global climate innovator. Through our strategic brands Trane® and Thermo King®, and our portfolio of environmentally responsible products and services, we bring efficient and sustainable climate solutions to buildings, homes and transportation. For more information, visit [tranetechnologies.com](http://tranetechnologies.com).

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(See Accompanying Tables)

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- Table 6: Condensed Consolidated Balance Sheets
- Table 7: Condensed Consolidated Statement of Cash Flows
- Table 8: Balance Sheet Metrics and Free Cash Flow

Contacts:

Media:

Alys Daly Peters

305-815-0312

[alys.dalypeters@tranetechnologies.com](mailto:alys.dalypeters@tranetechnologies.com)

Investors:

Zac Nagle

704-990-3913

[InvestorRelations@tranetechnologies.com](mailto:InvestorRelations@tranetechnologies.com)

**\*Q1 Non-GAAP measures definitions**

**Adjusted operating income** in 2023 is defined as GAAP operating income adjusted for restructuring costs, transformation costs, non-cash adjustment for contingent consideration and merger and acquisition related costs. Adjusted operating income in 2022 is defined as GAAP operating income adjusted for restructuring costs, transformation costs and non-cash adjustments for contingent consideration. Please refer to the reconciliation of GAAP to non-GAAP measures on tables 2, 3 and 4 of the news release.

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

**Adjusted earnings from continuing operations attributable to Trane Technologies plc (Adjusted net earnings)** in 2023 is defined as GAAP earnings from continuing operations attributable to Trane Technologies plc adjusted for net of tax impacts of restructuring costs, transformation costs, non-cash adjustment for contingent consideration and merger and acquisition related costs. Adjusted net earnings in 2022 is defined as GAAP earnings from continuing operations attributable to Trane Technologies plc adjusted for net of tax impacts of restructuring costs, transformation costs and non-cash adjustments for contingent consideration. Please refer to the reconciliation of GAAP to non-GAAP measures on tables 2 and 3 of the news release.

**Adjusted continuing EPS** in 2023 is defined as GAAP continuing EPS adjusted for net of tax impacts of restructuring costs, transformation costs, non-cash adjustment for contingent consideration and merger and acquisition related costs. Adjusted continuing EPS in 2022 is defined as GAAP continuing EPS adjusted for net of tax impacts of restructuring costs, transformation costs and non-cash adjustments for contingent consideration. Please refer to the reconciliation of GAAP to non-GAAP measures on tables 2 and 3 of the news release.

**Adjusted EBITDA** in 2023 and 2022 is defined as adjusted operating income adjusted for depreciation and amortization expense, and other income / (expense), net. Please refer to the reconciliation of GAAP to non-GAAP measures on tables 4 and 5 of the news release.

**Adjusted EBITDA margin** is defined as the ratio of adjusted EBITDA divided by net revenues.

**Adjusted effective tax rate** for 2023 is defined as the ratio of income tax expense adjusted for the net tax effect of adjustments for restructuring costs, transformation costs, non-cash adjustment for contingent consideration, and merger and acquisition related costs divided by adjusted net earnings. Adjusted effective tax rate for 2022 is defined as the ratio of income tax expense adjusted for the net tax effect of adjustments for restructuring costs, transformation costs and non-cash adjustment for contingent consideration divided by adjusted net earnings. This measure allows for a direct comparison of the effective tax rate between periods.

**Free cash flow** in 2023 is defined as net cash provided by (used in) continuing operating activities adjusted for capital expenditures, cash payments for restructuring costs, transformation costs and merger and acquisition related costs. Free cash flow in 2022 is defined as net cash provided by (used in) continuing operating activities adjusted for capital expenditures, cash payments for restructuring costs, transformation costs and the continuing operations component of the qualified settlement fund (QSF) funding. Please refer to the free cash flow reconciliation on table 8 of the news release.

**Operating leverage** is defined as the ratio of the change in adjusted operating income for the current period (e.g. Q1 2023) less the prior period (e.g. Q1 2022), divided by the change in net revenues for the current period less the prior period.

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

**Working capital** measures a firm's operating liquidity position and its overall effectiveness in managing the enterprise's 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 payable 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).

The Company reports its financial results in accordance with generally accepted accounting principles in the United States (GAAP). The following schedules provide non-GAAP financial information and a quantitative reconciliation of the difference between the non-GAAP financial measures and the financial measures calculated and reported in accordance with GAAP.

The non-GAAP financial measures should be considered supplemental to, not a substitute for or superior to, financial measures calculated in accordance with GAAP. They have limitations in that they do not reflect all of the costs associated with the operations of our businesses as determined in accordance with GAAP. In addition, these measures may not be comparable to non-GAAP financial measures reported by other companies.

We believe the non-GAAP financial information provides important supplemental information to both management and investors regarding financial and business trends used in assessing our financial condition and results of operations.

Non-GAAP financial measures assist investors with analyzing our business results as well as with predicting future performance. In addition, these non-GAAP financial measures are also reviewed by management in order to

evaluate the financial performance of each segment. Presentation of these non-GAAP financial measures helps investors and management to assess the operating performance of the Company.

As a result, one should not consider these measures in isolation or as a substitute for our results reported under GAAP. We compensate for these limitations by analyzing results on a GAAP basis as well as a non-GAAP basis, prominently disclosing GAAP results and providing reconciliations from GAAP results to non-GAAP results.

**TRANE TECHNOLOGIES PLC**  
**Condensed Consolidated Income Statement**  
(In millions, except per share amounts)

**UNAUDITED**

	For the quarter ended March 31,	
	2023	2022
Net revenues	\$ 3,665.8	\$ 3,355.5
Cost of goods sold	(2,522.3)	(2,366.5)
Selling and administrative expenses	(686.7)	(600.8)
Operating income	456.8	388.2
Interest expense	(57.6)	(56.0)
Other income/(expense), net	(9.4)	(0.7)
Earnings before income taxes	389.8	331.5
Provision for income taxes	(73.2)	(61.1)
Earnings from continuing operations	316.6	270.4
Discontinued operations, net of tax	(5.5)	(7.0)
Net earnings	311.1	263.4
Less: Net earnings from continuing operations attributable to noncontrolling interests	(4.0)	(3.2)
Net earnings attributable to Trane Technologies plc	<u>\$ 307.1</u>	<u>\$ 260.2</u>
<u>Amounts attributable to Trane Technologies plc ordinary shareholders:</u>		
Continuing operations	\$ 312.6	\$ 267.2
Discontinued operations	(5.5)	(7.0)
Net earnings	<u>\$ 307.1</u>	<u>\$ 260.2</u>
<u>Diluted earnings (loss) per share attributable to Trane Technologies plc ordinary shareholders:</u>		
Continuing operations	\$ 1.35	\$ 1.13
Discontinued operations	(0.02)	(0.03)
Net earnings	<u>\$ 1.33</u>	<u>\$ 1.10</u>
Weighted-average number of common shares outstanding:		
Diluted	231.5	237.1



**TRANE TECHNOLOGIES PLC**  
**Reconciliation of GAAP to non-GAAP**  
(In millions, except per share amounts)  
**UNAUDITED**

	For the quarter ended March 31, 2023		
	As Reported	Adjustments	As Adjusted
Net revenues	\$ 3,665.8	\$ —	\$ 3,665.8
Operating income	456.8	15.6 (a,b,c,d,e)	472.4
Operating margin	12.5 %		12.9 %
Earnings from continuing operations before income taxes	389.8	15.6 (a,b,c,d,e)	405.4
Provision for income taxes	(73.2)	(2.9) (f)	(76.1)
Tax rate	18.8 %		18.8 %
Earnings from continuing operations attributable to Trane Technologies plc	\$ 312.6	\$ 12.7 (g)	\$ 325.3
<u>Diluted earnings per common share</u>			
Continuing operations	\$ 1.35	\$ 0.06	\$ 1.41
Weighted-average number of common shares outstanding:			
Diluted	231.5	—	231.5
<u>Detail of Adjustments:</u>			
(a) Restructuring costs (COGS & SG&A)		\$ 6.3	
(b) Transformation costs (SG&A)		1.1	
(c) M&A transaction costs (SG&A)		2.9	
(d) Acquisition inventory step-up and backlog amortization (COGS & SG&A)		2.6	
(e) Non-cash adjustment for contingent consideration (SG&A)		2.7	
(f) Tax impact of adjustments (a,b,c,d,e)		(2.9)	
(g) Impact of adjustments on earnings from continuing operations attributable to Trane Technologies plc		<u>\$ 12.7</u>	
Pre-tax impact of adjustments on cost of goods sold		\$ 8.2	
Pre-tax impact of adjustments on selling & administrative expenses		7.4	
Pre-tax impact of adjustments on operating income		<u>\$ 15.6</u>	

**TRANE TECHNOLOGIES PLC**  
**Reconciliation of GAAP to non-GAAP**  
(In millions, except per share amounts)  
**UNAUDITED**

	For the quarter ended March 31, 2022		
	As Reported	Adjustments	As Adjusted
Net revenues	\$ 3,355.5	\$ —	\$ 3,355.5
Operating income	388.2	(3.3) (a,b,c)	384.9
Operating margin	11.6 %		11.5 %
Earnings from continuing operations before income taxes	331.5	(3.3) (a,b,c)	328.2
Benefit (Provision) for income taxes	(61.1)	0.8 (d)	(60.3)
Tax rate	18.4 %		18.4 %
Earnings from continuing operations attributable to Trane Technologies plc	\$ 267.2	\$ (2.5) (e)	\$ 264.7
<u>Diluted earnings per common share</u>			
Continuing operations	\$ 1.13	\$ (0.01)	\$ 1.12
Weighted-average number of common shares outstanding:			
Diluted	237.1	—	237.1
<u>Detail of Adjustments:</u>			
(a) Non-cash adjustment for contingent consideration (SG&A)		\$ (6.5)	
(b) Restructuring costs (COGS & SG&A)		1.3	
(c) Transformation costs (SG&A)		1.9	
(d) Tax impact of adjustments (a,b,c)		0.8	
(e) Impact of adjustments on earnings from continuing operations attributable to Trane Technologies plc		<u>\$ (2.5)</u>	
Pre-tax impact of adjustments on cost of goods sold		\$ 3.2	
Pre-tax impact of adjustments on selling & administrative expenses		(6.5)	
Pre-tax impact of adjustments on operating income		<u>\$ (3.3)</u>	

**TRANE TECHNOLOGIES PLC**  
**Reconciliation of GAAP to non-GAAP**  
(In millions)  
**UNAUDITED**

		For the quarter ended March 31, 2023		For the quarter ended March 31, 2022	
		As Reported	Margin	As Reported	Margin
<b>Americas</b>	Net revenues	\$ 2,861.0		\$ 2,633.2	
	Segment operating income	\$ 391.6	13.7 %	\$ 350.8	13.3 %
	Restructuring/Other <sup>(a)</sup>	8.4	0.3 %	(6.0)	(0.2)%
	Adjusted operating income *	400.0	14.0 %	344.8	13.1 %
	Depreciation and amortization	61.2	2.1 %	60.1	2.3 %
	Other income/(expense), net	(5.4)	(0.2)%	0.7	— %
	<b>Adjusted EBITDA *</b>	<b>\$ 455.8</b>	<b>15.9 %</b>	<b>\$ 405.6</b>	<b>15.4 %</b>
<b>Europe, Middle East &amp; Africa</b>	Net revenues	\$ 510.5		\$ 441.3	
	Segment operating income	\$ 85.7	16.8 %	\$ 50.9	11.5 %
	Restructuring/Other <sup>(b)</sup>	0.9	0.2 %	0.3	0.1 %
	Adjusted operating income	86.6	17.0 %	51.2	11.6 %
	Depreciation and amortization	8.7	1.7 %	7.8	1.8 %
	Other income/(expense), net	(0.9)	(0.2)%	0.1	— %
	<b>Adjusted EBITDA</b>	<b>\$ 94.4</b>	<b>18.5 %</b>	<b>\$ 59.1</b>	<b>13.4 %</b>
<b>Asia Pacific</b>	Net revenues	\$ 294.3		\$ 281.0	
	Segment operating income	\$ 49.3	16.8 %	\$ 38.5	13.7 %
	Restructuring/Other <sup>(c)</sup>	1.3	0.4 %	0.2	0.1 %
	Adjusted operating income	50.6	17.2 %	38.7	13.8 %
	Depreciation and amortization <sup>(d)</sup>	4.8	1.6 %	4.1	1.5 %
	Other income/(expense), net	1.8	0.6 %	0.7	0.2 %
	<b>Adjusted EBITDA</b>	<b>\$ 57.2</b>	<b>19.4 %</b>	<b>\$ 43.5</b>	<b>15.5 %</b>
<b>Corporate</b>	Unallocated corporate expense	\$ (69.8)		\$ (52.0)	
	Restructuring/Other <sup>(e)</sup>	5.0		2.2	
	Adjusted corporate expense	(64.8)		(49.8)	
	Depreciation and amortization	4.7		5.3	
	Other income/(expense), net	(4.9)		(2.2)	
	<b>Adjusted EBITDA</b>	<b>\$ (65.0)</b>		<b>\$ (46.7)</b>	
<b>Total Company</b>	Net revenues	\$ 3,665.8		\$ 3,355.5	
	Operating income	\$ 456.8	12.5 %	\$ 388.2	11.6 %
	Restructuring/Other <sup>(a,b,c,e)</sup>	15.6	0.4 %	(3.3)	(0.1)%
	Adjusted operating income	472.4	12.9 %	384.9	11.5 %
	Depreciation and amortization <sup>(d)</sup>	79.4	2.2 %	77.3	2.3 %
	Other income/(expense), net	(9.4)	(0.3)%	(0.7)	— %
	<b>Adjusted EBITDA</b>	<b>\$ 542.4</b>	<b>14.8 %</b>	<b>\$ 461.5</b>	<b>13.8 %</b>

\*Represents a non-GAAP measure, refer to pages 5-6 in the Earnings Release for definitions.

(a) Other within Americas includes a non-cash adjustment for contingent consideration of \$2.7 million and \$(6.5) million in 2023 and 2022, respectively.

(b) Other within EMEA includes \$1.2 million of acquisition inventory step-up in 2023.

(c) Other within Asia Pacific includes \$1.4 million of acquisition inventory step-up and backlog amortization in 2023.

(d) Depreciation and amortization within Asia Pacific excludes \$0.4 million of acquisition backlog amortization which has been accounted for in the Restructuring/Other line.

(e) Other within Corporate includes \$1.1 million and \$2.9 million of transformation and M&A transaction costs, respectively in 2023, and \$1.9 million of transformation costs in 2022.

SEE ATTACHED RELEASE FOR ADDITIONAL INFORMATION

**TRANE TECHNOLOGIES PLC**  
**Reconciliation of GAAP to non-GAAP**  
(In millions)

**UNAUDITED**

	For the quarter ended March 31,	
	2023	2022
<b>Total Company</b>		
Adjusted EBITDA *	\$ 542.4	\$ 461.5
Less: items to reconcile adjusted EBITDA to net earnings attributable to Trane Technologies plc		
Depreciation and amortization <sup>(1)</sup>	(79.4)	(77.3)
Interest expense	(57.6)	(56.0)
Provision for income taxes	(73.2)	(61.1)
Restructuring costs	(6.3)	(1.3)
Transformation costs	(1.1)	(1.9)
M&A transaction costs	(2.9)	—
Non-cash adjustment for contingent consideration	(2.7)	6.5
Acquisition inventory step-up and backlog amortization	(2.6)	—
Discontinued operations, net of tax	(5.5)	(7.0)
Net earnings from continuing operations attributable to noncontrolling interests	(4.0)	(3.2)
Net earnings attributable to Trane Technologies plc	<u>\$ 307.1</u>	<u>\$ 260.2</u>

(1) Depreciation and amortization excludes acquisition backlog amortization of \$0.4 million which has been included in the acquisition inventory step-up and backlog amortization line

\*Represents a non-GAAP measure, refer to pages 5-6 in the Earnings Release for definitions.

**TRANE TECHNOLOGIES PLC**  
**Condensed Consolidated Balance Sheets**  
(In millions)

**UNAUDITED**

	March 31 2023	December 31, 2022
<b>ASSETS</b>		
Cash and cash equivalents	\$ 692.9	\$ 1,220.5
Accounts and notes receivable, net	2,606.0	2,780.1
Inventories	2,343.7	1,993.8
Other current assets	432.2	384.8
Total current assets	6,074.8	6,379.2
Property, plant and equipment, net	1,582.3	1,536.1
Goodwill	5,522.6	5,503.7
Intangible assets, net	3,231.4	3,264.0
Other noncurrent assets	1,486.3	1,398.6
Total assets	<u>\$ 17,897.4</u>	<u>\$ 18,081.6</u>
<b>LIABILITIES AND EQUITY</b>		
Accounts payable	\$ 1,962.6	\$ 2,091.6
Accrued expenses and other current liabilities	2,520.5	2,547.2
Short-term borrowings and current maturities of long-term debt	348.3	1,048.0
Total current liabilities	4,831.4	5,686.8
Long-term debt	4,481.8	3,788.3
Other noncurrent liabilities	2,529.9	2,501.3
Shareholders' Equity	6,054.3	6,105.2
Total liabilities and equity	<u>\$ 17,897.4</u>	<u>\$ 18,081.6</u>

**TRANE TECHNOLOGIES PLC**  
**Condensed Consolidated Statement of Cash Flows**  
(In millions)

**UNAUDITED**

	For the three months ended March 31,	
	2023	2022
<b>Operating Activities</b>		
Earnings from continuing operations	\$ 316.6	\$ 270.4
Depreciation and amortization	79.8	77.3
Changes in assets and liabilities and other non-cash items	(379.6)	(351.6)
Net cash provided by (used in) continuing operating activities	16.8	(3.9)
Net cash provided by (used in) discontinued operating activities	(8.3)	(184.3)
Net cash provided by (used in) operating activities	8.5	(188.2)
<b>Investing Activities</b>		
Capital expenditures, net	(77.1)	(74.8)
Other investing activities, net	(13.9)	(7.9)
Net cash provided by (used in) continuing investing activities	(91.0)	(82.7)
Net cash provided by (used in) discontinued investing activities	—	(0.6)
Net cash provided by (used in) investing activities	(91.0)	(83.3)
<b>Financing Activities</b>		
Net proceeds from (payments of) debt	(0.9)	—
Dividends paid to ordinary shareholders	(170.3)	(155.9)
Repurchase of ordinary shares	(300.0)	(350.0)
Other financing activities, net	12.0	(28.7)
Net cash provided by (used in) financing activities	(459.2)	(534.6)
Effect of exchange rate changes on cash and cash equivalents	14.1	(4.7)
Net increase (decrease) in cash and cash equivalents	(527.6)	(810.8)
Cash and cash equivalents - beginning of period	1,220.5	2,159.2
Cash and cash equivalents - end of period	<u>\$ 692.9</u>	<u>\$ 1,348.4</u>

**TRANE TECHNOLOGIES PLC**  
**Balance Sheet Metrics and Free Cash Flow**  
(\$ in millions)  
**UNAUDITED**

	<u>March 31,</u> <u>2023</u>	<u>March 31,</u> <u>2022</u>	<u>December 31,</u> <u>2022</u>
Net Receivables	\$ 2,606.0	\$ 2,429.8	\$ 2,780.1
Days Sales Outstanding	64.9	66.1	62.3
Net Inventory	\$ 2,343.7	\$ 1,872.3	\$ 1,993.8
Inventory Turns	4.3	5.1	5.7
Accounts Payable	\$ 1,962.6	\$ 1,931.6	\$ 2,091.6
Days Payable Outstanding	71.0	74.5	66.9

	<u>Three months ended</u> <u>March 31, 2023</u>	<u>Three months ended</u> <u>March 31, 2022</u>
Net cash flow provided by (used in) continuing operating activities	\$ 16.8	\$ (3.9)
Capital expenditures	(77.1)	(74.8)
Cash payments for restructuring	4.4	9.7
Transformation costs paid	0.8	4.5
M&A transaction costs	3.5	—
QSF funding (continuing operations component) <sup>1</sup>	—	91.8
Free cash flow *	<u>\$ (51.6)</u>	<u>\$ 27.3</u>

<sup>1</sup> On March 2, 2022, the Company funded \$270.0 million to the qualified settlement fund (QSF), of which \$91.8 million was allocated to continuing operations and \$178.2 million was allocated to discontinued operations

\*Represents a non-GAAP measure, refer to pages 5-6 in the Earnings Release for definitions.