Second-Quarter 2025 Results

July 30, 2025

TRANE TECHNOLOGIES

Forward-Looking Statements

This presentation includes “forward-looking" statements within the meaning of securities laws, which are statements that are not historical facts, including statements that relate to our future financial performance and targets, including revenue, EPS, operating income, operation margin and earnings; operating leverage; 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, and our capital allocation strategy, including M&A activities and investments, if any; our projected free cash flow and usage of such cash; our available liquidity; our anticipated revenue growth, including growth in organic revenue; performance of the markets in which we operate; our foreign exchange rate outlook, our credit rating; our productivity and cost savings initiatives; our sustainability initiatives 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, global economic conditions, including recessions and economic downturns, inflation, volatility in interest rates and foreign exchange; trade protection measures such as import or export restrictions, tariffs, or quotas; changing energy prices; worldwide geopolitical conflict; financial institution disruptions; climate change and our sustainability strategies and goals; future health care emergencies on our business, our suppliers and our customers; commodity shortages; price increases; government regulation; restructuring 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, 2024, as well as our subsequent reports on Form 10-Q and other SEC filings. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events and how they may affect the Company. 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.tranetechnologies.com. Unless otherwise indicated, all data beyond the second quarter of 2025 are estimates.

Focused Strategy Delivers Differentiated Shareholder Returns

1		2		3		4
Win Through		**Grow Margins and Cash Via**		**Maximize Value As**		**Continue With**
Sustainable Innovation	+	Execution Excellence	+	Focused Climate Co.	+	Dynamic Capital Allocation

Strong Foundation

Strong business operating system and performance culture | Powerful cash flow | Uplifting culture – integrity, ingenuity, community & engagement

TRANE TECHNOLOGIES

Record Revenues and Bookings, Adj. EPS* up 18%. Exceptional Strength in Americas CHVAC Offsetting Industry-Wide R454B Cylinder Shortage in Residential

Strong Enterprise Performance in Q2:

- Record enterprise bookings of $5.6B, up 5%; organic bookings* up 4%
- Record organic revenue*, up 7%, adjusted operating margin* up 90 basis points, adjusted EPS* up 18%
- Successfully mitigating tariff and other inflationary impacts with robust strategies, proactive measures, surgical pricing
- Quarter impacted by near-term challenges in residential - Industry-wide 454B cylinder shortage ($150M revs miss vs our expectations)

Exceptional Q2 Bookings and Backlog, Led by Commercial HVAC

- Q2 Americas CHVAC: all-time high quarterly bookings. Record applied bookings, up over 60% w/ 2-year stack applied bookings up over 120%
- CHVAC book to bill > 100% in all regions, further elevating global CHVAC backlog
- Q2 ending backlog of $7.1B, up 6% from year-end 2024. Backlog down ~$125M sequentially from Q1: CHVAC backlog up, Resi / TK backlog down

Well Positioned for Continued Growth in 2025 and 2026

- Backlog is > 90% CHVAC, with majority longer cycle applied systems carrying 8-10X services tail over equipment life
- Continued high bookings levels and strong backlog provides improving visibility for 2025 and increasingly 2026

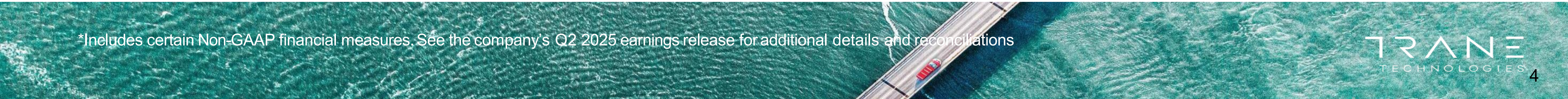
Durable Services Revenue Stream ~1/3rd of Enterprise Revenues - Up Low-teens in Q2, w/ + Low-teens CAGR since 2020

Best-in-Class Financial Position, Liquidity and Balance sheet

- Strong first half capital deployment including growing dividends and incremental share repurchases above dilution
- Strong Q2 cash flow; on track to deliver FY free cash flow* = / > 100% of adj. net earnings

Raising FY 2025 Guidance:

- Expect organic revenue of ~8% and adjusted EPS of ~$13.05. (see p.16 for more detail)



*Includes certain Non-GAAP financial measures. See the company's Q2 2025 earnings release for additional details and reconciliations

Continued Strong Demand with Record Bookings, High-Single-Digit Revenue Growth, Led by Americas CHVAC, Partially Offset by Resi Industry Challenges

Q2 Organic* Y-O-Y Change

	Bookings	Revenue
Enterprise	**+ 4%**	**+ 7%**
Americas	**+ 7%**	**+ 9%**
Commercial HVAC	+	+
Residential HVAC	-	-
Transport	+	-
EMEA	**- 2%**	**+ 3%**
Commercial HVAC	-	+
Transport	-	+
Asia Pacific	**- 17%**	**- 8%**
China	-	-
Rest of Asia	-	+

Americas
- All-time high CHVAC bookings: up over 20%, w/ 2yr stack bookings up >40%; all-time high CHVAC revs, up mid-teens, w/ 2yr stack revs up >40%. Q2 revs up high-teens in equipment, low-teens in services
- Resi revs down MSD vs tough comps of low-teens growth in prior year. Resi impacted by near-term cylinder issues. Solid YTD revs +3%
- Transport bookings up LSD. Revs down LSD, significantly outperforming end markets (ACT: truck / trailer / APU down >30% in Q2)

EMEA
- CHVAC bookings down LSD. Revs up LSD, impacted by timing of customer shipments Q2 into Q3
- Transport bookings down LSD. Revs up LSD, outperforming end markets (market down ~LSD)

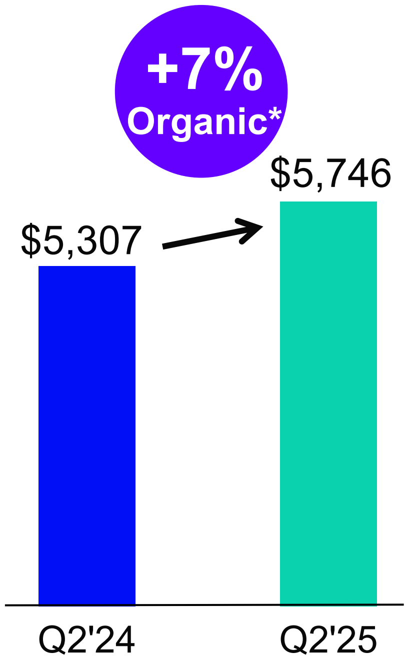
Asia Pacific
- Asia on pace to meet FY 2025 revenue expectations (flattish)
- Rest of Asia stronger than China
- China revenues and bookings down >20%

*Organic bookings and organic revenues exclude acquisitions and currency

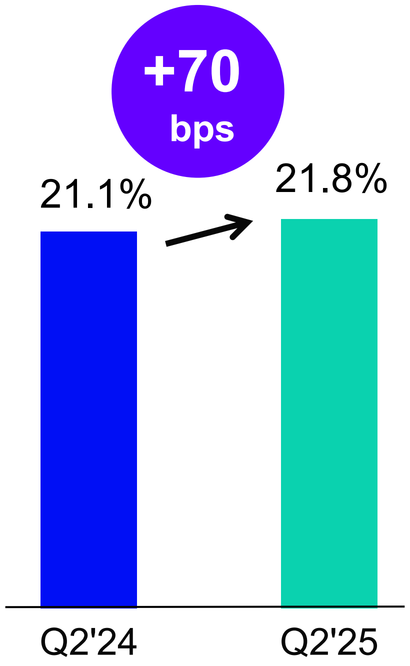
TRANE TECHNOLOGIES

Performance Scoreboard: Strong Revenue Growth, Margin Expansion and EPS Growth

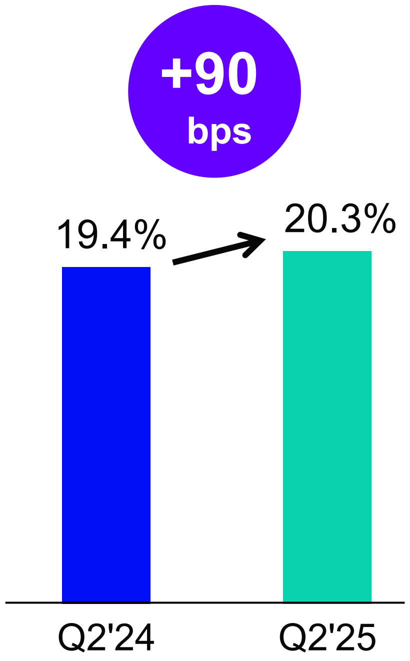
Net Revenue



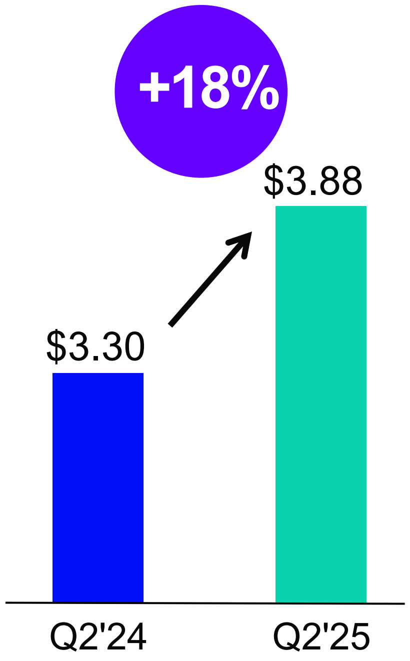
Adj. EBITDA Margin*



Adj. Operating Margin*



Adj. Continuing EPS*



- Organic revenue growth up MSD in equipment with strong services growth, up low-teens

- Strong volume growth, positive price realization and productivity more than offset inflation and continued high levels of business reinvestment
- Strong enterprise organic leverage* of ~40%

- Strong execution of company's business operating system driving operational excellence throughout P&L

*Includes certain Non-GAAP financial measures. See the company's Q2 2025 earnings release for additional details and reconciliations.

TRANE TECHNOLOGIES

High-Single-Digit Revenue Growth with Enterprise Margin Expansion Led by Americas

$M	Revenue Org.* Growth	Adj. EBITDA*% vs PY	Adj. OI*% vs PY
Americas	**$4,692** *+9%*	**24.0%** *+120 bps*	**22.4%** *+130 bps*
EMEA	**$708** *+3%*	**18.3%** *-200 bps*	**17.3%** *-150 bps*
Asia Pacific	**$346** *-8%*	**23.3%** *-220 bps*	**21.6%** *-250 bps*

Highlights

- Strong margin expansion in Americas
- Strong volume growth, positive price realization and productivity more than offset inflation in Americas
- EMEA margins impacted by timing of shipment volumes and significant investments for M&A and channel. Margin performance to improve in second half of 2025
- Lower volumes and inflation offset productivity in Asia
- High incremental business reinvestment in each segment supporting innovation, growth initiatives and organizational capabilities

* Includes certain Non-GAAP financial measures. See the company's Q2 2025 earnings release for additional details and reconciliations.

TRANE TECHNOLOGIES

Outlook Largely Unchanged with Stronger Americas Commercial HVAC Offsetting Softer Residential

Americas

Commercial HVAC
- Exceptional Q2 performance combined with strong and growing project pipelines. Particular strength in longer cycle capex projects which require complex, bespoke applied solutions
- Broad-based strength across core verticals. Particular strength in data centers / education / healthcare and services
- World-class direct salesforce leveraging unique market / customer insights and leading innovation to optimize opportunities and drive market outgrowth
- Raising Americas CHVAC FY outlook from +HSD to +LDD, second consecutive year of CHVAC 3 yr stack revs up > 50% in every quarter

Residential HVAC
- Expect near-term challenges from industry R454B cylinder shortage and for modestly elevated channel inventory to normalize in 2H - combined impact of ~$150M to revenues in 2H
- 2025 expect flattish residential revenues vs prior +MSD to +HSD expectations
- Long term residential markets remain healthy and in-line w/ GDP+ framework

Transport
- We continue to see 28K units for N.A. trailer market in 2025 (down ~mid-twenties) and company guide incorporates this scenario
- Expect to outperform transport markets which are expected to be down appx 20% in 2025
- Continued high levels of investment in innovation to drive outperformance as markets recover

EMEA

Commercial HVAC
- Q2 performance largely in-line w/ expectations – modest shift in timing of customer shipments delayed from Q2 to Q3
- Expect 2H revenue growth of HSD
- Continued robust demand for innovative products and services led by compelling paybacks; momentum continues for Thermal Management Systems

Transport
- 2025 market expected to be down ~LSD. Expect TK to outperform through innovation-led, diversified, resilient portfolio

Asia Pacific

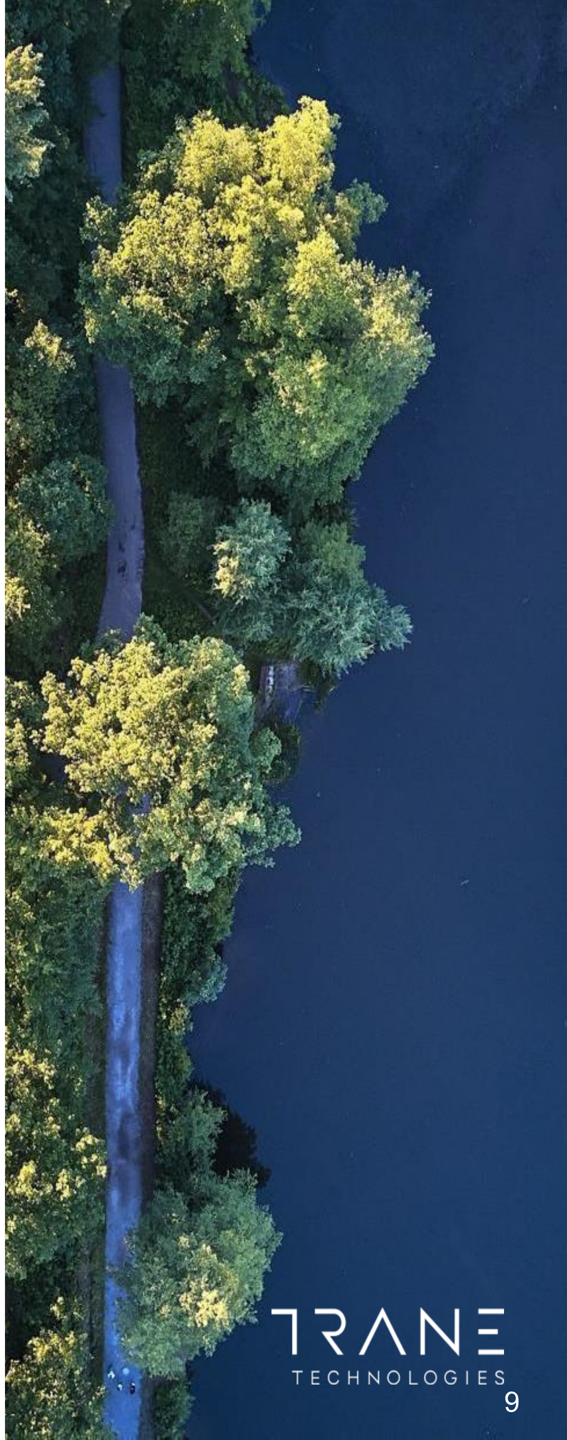
Commercial HVAC & Transport
- Asia on pace to meet FY 2025 expectations for flattish revs
- Mixed performance – China continues to be challenging as we approach anniversary of tightened credit policies (Q3 2024)
- Rest of Asia stronger than China in 2025

Expect Continued Strong Execution Through Dynamic Macro Environment. Raising Full-Year Revenue & EPS Guidance

	April 30th FY Guidance	Current FY Guidance*
Organic Revenues**	+7% to +8% *(~+7.5% to ~+8.5% reported, incl. M&A & FX)*	~+8% *(~+9% reported, incl. M&A & FX)* *Q3'25 expect ~+6.0%*
Adj. EPS**	$12.70 to $12.90 *(+13% to +15%)*	~$13.05 *(+16%)* *Q3'25 expect ~$3.80+*
Operating Leverage**	Organic 25%+	Organic 25%+ *Q3'25 expect ~25%+*
Free Cash Flow**	≥ Adj. Net Earnings	≥ Adj. Net Earnings

***See page 16 for additional details including tariff impact**

** Includes certain Non-GAAP financial measures. See the company's Q2 2025 earnings release for additional details and reconciliations



TRANE TECHNOLOGIES

Strong FCF Drives Continued Balanced Capital Deployment Strategy

1

Invest for Growth

- Strengthen the core business and extend product & market leadership
- Invest in new technology and innovation
- Strategic investments in value-accretive M&A

2

Maintain Healthy, Efficient Balance Sheet

- Expect to deliver FCF* ≥ 100% of adjusted net earnings
- Strengthening balance sheet
- Strong A3/BBB+ investment grade rating offers optionality as markets evolve

3

Return Capital to Shareholders

- Expect to consistently deploy 100% of excess cash over time
- Pay competitive and growing dividend over time
- Repurchase shares when stock is trading below our calculated intrinsic value

* Includes certain Non-GAAP financial measures. See the company's Q2 2025 earnings release for additional details and reconciliations

Strong, Balanced Capital Allocation; On Track to Deploy ~$2.5B to ~$3.0B in 2025

Balanced Capital Deployment

	Actual YTD July 2025	Target FY 2025
Dividends	~$420M	~$0.8B
M&A, investments	~$15M*	~$1.5B to ~$2.0B
Share repurchases	~$900M**	
Debt retirement	~$150M	~$150M
Total Capital Deployed	**~$1.5B**	**~$2.5B to ~$3.0B**

- Q2 dividends of $210M (YTD $420M); increased dividend 12% in February 2025 to $3.76 per share annualized, up 77% since the launch of Trane Technologies (March 2020)
- YTD July share repurchases accelerated to $900M** leveraging opportunities from share price trading below intrinsic value; $5.25B remaining under repurchase authorizations
- M&A pipeline remains active; maintain disciplined approach
- Shares remain attractive, trading below our calculated intrinsic value

*Excludes $260M that was included in FY 2024 total capital deployed

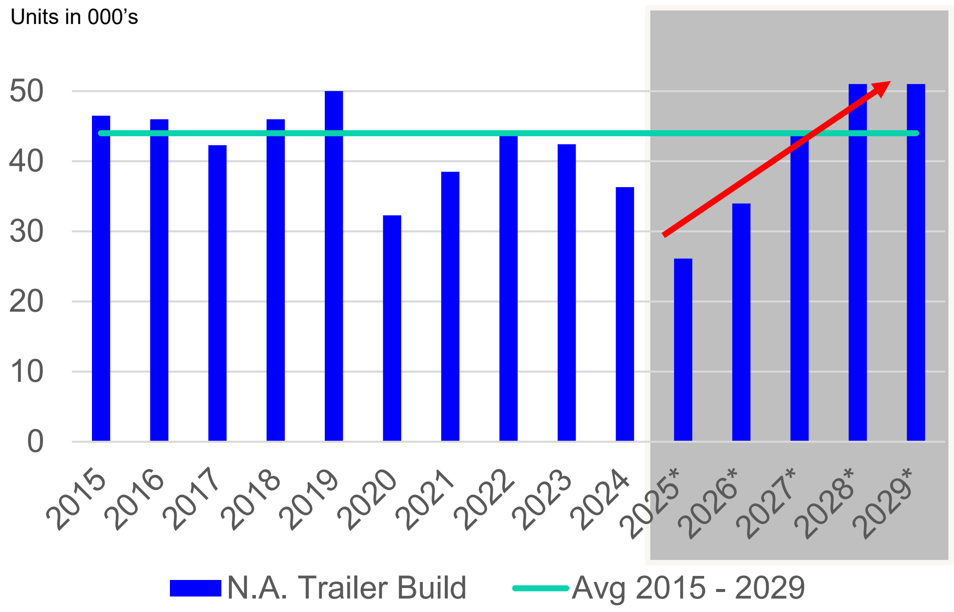
**Excludes Jan 2025 share repurchases of $100M that were included in FY 2024 total capital deployed

TRANE TECHNOLOGIES

Topics of Interest

ACT Projects Robust Growth in 2026 (~34K units) to 2029 (~50K units)

ACT North America Trailer Market Outlook



* Forecast shown in grey
Source: ACT July 2025 Forecast

Comments

- ACT updated 2025 trailer market forecast to ~26K, down from ~30K prior (down ~30% from down ~15% prior), with market bottoming in 1H, slight improvement in 2H
- We continue to estimate trailer market forecast of ~28K units (down ~mid-twenties), or 2K units higher vs. ACT for 2025
- ACT expects ~30% growth in 2026 and 2027 with continued strong markets through 2029
- Underlying refrigerated trailer demand remains high, average ~42k units per year
- Diversified Americas / EMEA Thermo King businesses poised to outperform end markets through continued innovation / execution

IN SUMMARY

Positioned to Outperform Over the Long-Term

Secular Tailwinds	The markets we serve expected to continue to outgrow GDP, fueled by long-term sustainability megatrends
Sustainability Focused Innovation	We are positioned to outgrow the market and expand margins with market-leading sustainable innovations
Margin Expansion	Our best-in-class business operating system and uplifting culture enables us to maximize margins and cash generation
Financial Strength	Our strong balance sheet, exceptional cash generation and balanced capital allocation strategy deliver significant value to shareholders

Appendix

FY'25 Detailed Guidance for Modeling Purposes

Metric	FY Guidance
Organic Revenue*	~+8%
M&A	~+100 bps (Neg ~-$0.15 EPS impact)
FX	~Flat
Reported Revenue	~+9%
Adj. EPS*	~$13.05 +16%

*Includes certain Non-GAAP financial measures. See the company's Q2 2025 earnings release for additional details and reconciliations.

2025 Commentary / Tariff Impact

- ~25%+ organic leverage* for FY'25
- ~+100 bps M&A, FX ~flat vs -50 bps prior
- Includes ~$140M of tariff costs and related pricing
- FY'25 expect ~$0.15 negative impact to adj. EPS from M&A. M&A primarily related to technology acquisition BrainBox AI, with accelerated intangibles amortization and year one acquisition and integration related costs. In Q1, acquired additional 50 bps M&A in 2025, driving additional ~$0.05 neg impact related to year-one acquisition and integration costs
- Expect acquisitions to be EPS accretive by year 3

Other Items

3Q'25: expect ~+6% organic revenue growth, Adj. EPS ~$3.80+. Expect ~+100 bps M&A or ~$0.03 negative impact to Adj EPS.

FY'25 Other Items:

- ~$315M corporate costs – Continued above-average incremental high ROI investment (normal range ~40 bps year) including digital, factory automation, sales force excellence, service business excellence, product innovation
- ~$235M interest expense
- ~20% adj. effective tax rate
- ~226M diluted shares
- Expect CapEx at high-end of 1% to 2% of revenues in 2025
- FY'25 Other income / expense of ~$30M; includes 1H results and pension expense of ~$5M each remaining quarter. Other items in other inc. / exp. such as FX impacts are unknown / not forecastable

TRANE TECHNOLOGIES

Trane Technologies Sustainability Strategy

Global Megatrends

CLIMATE CHANGE

DEMOGRAPHICS

URBANIZATION

DIGITAL CONNECTEDNESS

RESOURCE SCARCITY

INDOOR AIR QUALITY (IAQ)

Our 2030 Commitments

The Gigaton Challenge

Reduce one gigaton of carbon emissions (CO_2e) from our customers' footprint

Leading by Example

Achieve carbon neutral operations, zero waste to landfill, and reduce embodied carbon by 40%

Opportunity for All

Invest in our people, culture and communities, build the workforce of the future

Where We Focus Our Efforts

Operations

- Emissions & energy reduction
- Renewable energy
- Water usage

Technology & Innovation

- Energy efficiency & electrification
- Low-emission products & systems
- Digital solutions & services
- Product life cycle & circularity

Supply Chain

- Responsible sourcing
- Supplier sustainability

Employees

- Engagement
- Inclusion
- Ethics & integrity
- Safety
- Development

Communities

- Education
- Access to cooling, food & wellness
- Workforce development

Governance

- Board oversight
- Financial performance
- Public policy

Targets Align with Global Priorities

SUSTAINABLE DEVELOPMENT GOALS

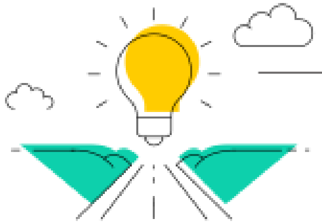
- 2 Zero Hunger
- 4 Quality Education
- 5 Gender Equality
- 6 Clean Water & Sanitation
- 7 Affordable & Clean Energy
- 8 Decent Work & Economic Growth
- 9 Industry, Innovation & Infrastructure
- 11 Sustainable Cities & Communities
- 12 Responsible Consumption & Production
- 13 Climate Action

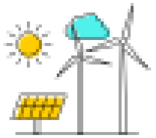
We believe in ambitious goals founded in science.
Trane Technologies is 1st in industry to be 2050 Net-Zero Approved by the Science-Based Targets Initiative (SBTi)

TRANE TECHNOLOGIES

A LEGACY OF ACTION

Delivering performance through sustainability





2010

Founded Center for Energy Efficiency & Sustainability (CEES)

Launched internal Diversity & Inclusion Council

2011

Launched the first Sustainability Addendum to our Annual Report

First annual submission to DJSI

2012 - 2013

Formed internal and external Sustainability Advisory Councils

Conducted first Futures Exercises, Climate Scenario and Materiality Assessment

2014

Announced first set of major goals: 2020 Climate Commitments

2015

We Mean Business partner (Paris Accord)

Launched EcoWise product portfolio

2016 - 2017

First in industry to have SBTi validated and approved science-based targets for 50% reduction in refrigerant global warming potential and 35% reduction in operational emissions by 2020

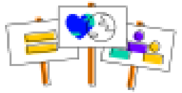
First in industry to join Paradigm for Parity and CEO Action for Diversity & Inclusion

2018

Achieved 2020 Climate Commitments two years ahead of schedule

Launched our first formal ESG Report

Installed first on-site solar generation project



2019

Announced 2030 Sustainability Commitments

Invested in first wind power agreement

Received World Environment Center Gold Medal

Joined RE100, EP100 and 3% Club

2020

SBTi validated achievement of 2020 Climate Commitments and validated 2030 Sustainability Commitments, covering product-use and operational emissions

2021

Received inaugural Terra Carta Seal for sustainability leadership

2022

SBTi approved 2050 Net-Zero target

Launched internal 25x25 initiative to accelerate reduction of Scope 1 and 2 carbon emissions by an additional 25% from 2021 by the end of 2025

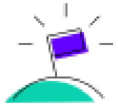
First in industry to join SteelZero; low-carbon steel represented 20%+ of annual steel purchases

2023

Published 2050 Net-Zero Roadmap

Joined EV100

Became a signatory of United Nations Global Compact



2024

Added 2030 Sustainability Commitment to reduce embodied carbon by 40%

Met and exceeded 25x25 initiative goal

Global time of service volunteer event

Years in purple indicate activities since becoming Trane Technologies

TRANE TECHNOLOGIES

Sensitivity: Confidential

Widely Recognized for Sustainability Leadership and Uplifting Culture

Highly Regarded Sustainability Performance

14 Consecutive Years on the North America Index
4th consecutive year on the World Index

2025 JUST 100:
Ranked 6th overall;
Industry Leader for 3rd consecutive year

Named to CDP Climate A List
Third consecutive year

94th Percentile
74/100; Silver Medal

Ethisphere 2025 World's Most Ethical Companies®
Second consecutive year

Corporate Knights' 2025 Global 100
Second consecutive year, ranked 26th overall

TIME World's Most Sustainable Companies
Second consecutive year, Ranked 20th overall

2024 All-America Executive Team
Rated Top 3 in sector for Best CEO, CFO, Company Board, IR Program, IR Team and ESG

People and Citizenship

Fortune World's Most Admired Companies
13 consecutive years

TIME World's Best Companies
2nd consecutive year, ranking climbed 369 spots from 2023

Fortune Best Workplaces in Manufacturing & Production
Ranked 5th overall in 2024, our highest ever ranking

The Civic 50
Highlights companies that improve the quality of life in their communities

"World's Most Ethical Companies" and "Ethisphere" names and marks are registered trademarks of Ethisphere LLC.

Q2 YoY Organic Revenues up 7%; Bookings up 4%

Organic* Revenue	2022					2023					2024					2025	
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2
Americas	+13%	+13%	+19%	+14%	+15%	+8%	+9%	+11%	+7%	+9%	+15%	+16%	+15%	+11%	+14%	+13%	+9%
EMEA	+6%	+11%	+18%	+23%	+15%	+15%	+8%	+3%	+8%	+8%	+4%	+5%	+8%	+7%	+6%	+6%	+3%
Asia Pacific	+14%	-12%	+28%	+19%	+12%	+8%	+41%	-1%	flat	+10%	+16%	-3%	-21%	+1%	-3%	-3%	-8%
Total	**+12%**	**+11%**	**+19%**	**+16%**	**+15%**	**+9%**	**+11%**	**+9%**	**+6%**	**+9%**	**+14%**	**+13%**	**+11%**	**+10%**	**+12%**	**+11%**	**+7%**

Organic* Bookings	2022					2023					2024					2025	
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2
Americas	+6%	+10%	+11%	flat	+7%	-4%	-8%	+7%	+13%	+2%	+20%	+23%	+8%	+1%	+13%	+5%	+7%
EMEA	flat	-12%	-10%	+2%	-5%	+10%	+14%	+12%	+10%	+11%	+7%	+10%	+9%	+9%	+9%	+13%	-2%
Asia Pacific	+14%	+16%	+3%	-6%	+7%	+13%	+6%	+12%	+2%	+8%	+6%	flat	-31%	+8%	-5%	-13%	-17%
Total	**+6%**	**+7%**	**+8%**	**flat**	**+5%**	**-1%**	**-5%**	**+8%**	**+12%**	**+3%**	**+17%**	**+19%**	**+5%**	**+2%**	**+11%**	**+4%**	**+4%**

*Non-GAAP financial measures. See the company's Q2 2025 earnings release for additional details and reconciliations.

TRANE TECHNOLOGIES

Q2 Non-GAAP Measures Definitions

Adjusted operating income in 2025 is defined as GAAP operating income adjusted for restructuring costs, and merger and acquisition transaction costs. Adjusted operating income in 2024 is defined as GAAP operating income adjusted for restructuring costs, a non-cash adjustment for contingent consideration, merger and acquisition transaction costs, and legacy legal liability. 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 2025 is defined as GAAP earnings from continuing operations attributable to Trane Technologies plc adjusted for net of tax impacts of restructuring costs, and merger and acquisition transaction costs. Adjusted net earnings in 2024 is defined as GAAP earnings from continuing operations attributable to Trane Technologies plc adjusted for net of tax impacts of restructuring costs, a non-cash adjustment for contingent consideration, merger and acquisition transaction costs, and legacy legal liability. Please refer to the reconciliation of GAAP to non-GAAP measures on tables 2 and 3 of the news release.

Adjusted continuing EPS in 2025 is defined as GAAP continuing operations attributable to Trane Technologies plc adjusted for net of tax impacts of restructuring costs, and merger and acquisition transaction costs. Adjusted continuing EPS in 2024 is defined as GAAP continuing operations attributable to Trane Technologies plc adjusted for net of tax impacts of restructuring costs, a non-cash adjustment for contingent consideration, merger and acquisition transaction costs, and legacy legal liability. Please refer to the reconciliation of GAAP to non-GAAP measures on tables 2 and 3 of the news release.

Adjusted EBITDA in 2025 is defined as adjusted operating income adjusted to exclude depreciation and amortization expense and include other income / (expense), net. Adjusted EBITDA in 2024 is defined as adjusted operating income adjusted to exclude depreciation and amortization expense and include other income / (expense), net. Other income / (expense), net mainly comprises interest income, foreign currency exchange gains and losses and certain components pension and postretirement benefit costs. 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.

Q2 Non-GAAP Measures Definitions

Adjusted effective tax rate for 2025 is defined as the ratio of income tax expense adjusted for the net tax effect of adjustments for restructuring costs and merger and acquisition transaction costs divided by adjusted net earnings. Adjusted effective tax rate for 2024 is defined as the ratio of income tax expense adjusted for the net tax effect of adjustments for restructuring costs, merger and acquisition transaction costs, and legacy legal liability divided by adjusted net earnings. This measure allows for a direct comparison of the effective tax rate between periods.

Free cash flow in 2025 is defined as net cash provided by (used in) continuing operating activities adjusted for capital expenditures, cash payments for restructuring costs, legacy legal liability, and merger and acquisition transaction costs. Free cash flow in 2024 is defined as net cash provided by (used in) continuing operating activities adjusted for capital expenditures, cash payments for restructuring costs, legacy legal liability, and merger and acquisition transaction costs. Please refer to the free cash flow reconciliation on table 8 of the news release.

- **Free cash flow conversion** is defined as the ratio of free cash flow divided by adjusted net earnings

Operating leverage is defined as the ratio of the change in adjusted operating income for the current period (e.g. Q2 2025) less the prior period (e.g. Q2 2024), 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 June 30) by the annualized revenue for the period (e.g. reported revenues for the three months ended June 30 multiplied by 4 to annualize for a full year).

TRANE TECHNOLOGIES