



# First-Quarter 2026 Results

April 30, 2026



# Forward-Looking Statements

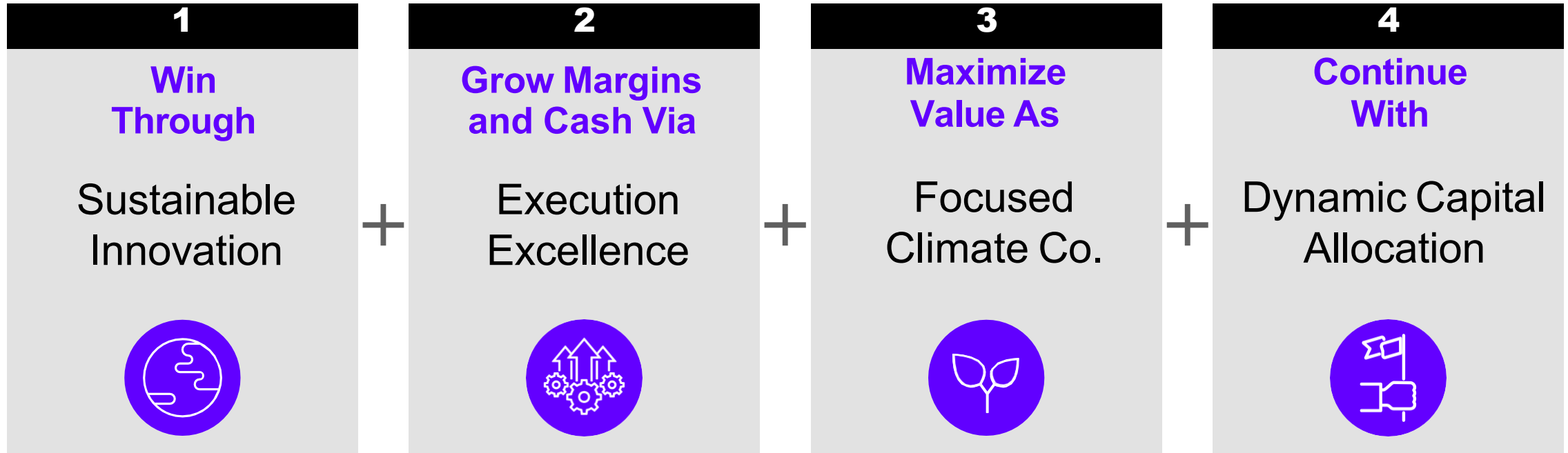
This presentation includes “forward-looking” statements within the meaning of securities laws, which are statements that are not historical facts, including statements that relate to our future financial performance and targets, including revenue, EPS, operating income, operation margin and earnings; 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, modifications to trade agreements or quotas; changing energy prices; worldwide geopolitical conflict; including the Middle East conflicts; 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, 2025, 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](http://www.tranetechnologies.com). Unless otherwise indicated, all data beyond the first quarter of 2026 are estimates.

# Focused Strategy Delivers Differentiated Shareholder Returns



## Strong Foundation

Strong business operating system and performance culture

Powerful cash flow

Uplifting culture – integrity, ingenuity, community & engagement

# Continued Exceptional CHVAC Performance and Robust Services Growth. Record Bookings and Backlog Support Strong Growth in 2026 and Beyond. Raising FY Guidance

## Strong Enterprise Performance in Q1

- Exceptional enterprise organic bookings\*, up 24%; record backlog of \$10.7B, up over 30% versus year-end 2025
- Organic revenue\* up 3%, led by Americas CHVAC and **double-digits global services growth**
- Adjusted EPS\* up 7%

## Exceptional Q1 Bookings and Backlog, Led by Commercial HVAC

- Americas CHVAC: record Q1 bookings, **up ~40% YOY**; **Applied bookings up over 160%**
- Combined Americas and EMEA CHVAC **backlog up \$2.7B** since Y/E 2025, with **Americas +~40% including ~\$1B Stellar Energy backlog**
- Global applied bookings up >100%; majority of backlog is applied equipment with higher-margin services tail

## Operational Excellence

- Expect to mitigate tariff and inflationary pressures with robust strategies and proactive measures through our BOS

## Well Positioned for Continued Growth in 2026 and beyond – Executing on the Controllables

- **High visibility for CHVAC** - exceptional bookings / record backlog support continued market outgrowth & revenue growth acceleration in 2H
- **Robust project pipeline** – strong and rapidly growing project pipelines across key verticals buoy confidence in long-term outlook
- **Consistent, durable services revenue growth over long term** – 1/3<sup>rd</sup> of enterprise revenues with low-teens CAGR since 2020
- **Resi market tailwinds in 2H** – better than expected Q1, 2H on improving market fundamentals / easier PY comps
- **Americas transport market recovery** – fundamentals continue to improve, strengthening outlook for late 2026 / 2027 market recovery

## Best-in-Class Financial Position, Liquidity and Balance Sheet

- Strong balance sheet, liquidity and FCF\* provide excellent optionality for balanced capital deployment

## Raising FY 2026 Guidance:

- Expect organic revenue growth of ~+7%, at the high end of previous guidance range, and adjusted EPS of approximately \$14.75 to \$14.95, up from \$14.65 to \$14.85 prior. (see pages 9 & 16 for more detail)

\*Includes certain Non-GAAP financial measures. See the company's Q1 2026 earnings release for additional details and reconciliations

# Strong Demand for CHVAC Globally with Standout Performance in the Americas

## Q1 Organic\* Y-O-Y Change

Bookings                      Revenue

<b>Enterprise</b>	<b>+ 24%</b>	<b>+ 3%</b>
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<b>Americas</b>	<b>+ 29%</b>	<b>+ 4%</b>
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Commercial HVAC	+	+
Residential HVAC	+	-
Transport	+	+

<b>EMEA</b>	<b>- 9%</b>	<b>- 1%</b>
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Commercial HVAC	-	+
Transport	-	-

<b>Asia Pacific</b>	<b>+ 26%</b>	<b>+ 3%</b>
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China	-	+
Rest of Asia	+	+

### Americas

- Exceptional CHVAC bookings / revenues, up ~40% / up HSD, respectively. Strong services growth with revs up double digits. 3 yr stack revs up ~50% (applied up >80%)
- Resi bookings / revs, up LSD / down MSD, respectively
- Transport bookings / revs, up double digits / up LSD, respectively, outperforming end markets – Truck, Trailer, APU down ~double digits Q1

### EMEA

- CHVAC bookings down LSD; revs up ~4%
- Transport bookings / revs down low-twenties / down ~7%, respectively, outperforming end markets (down ~double digits)

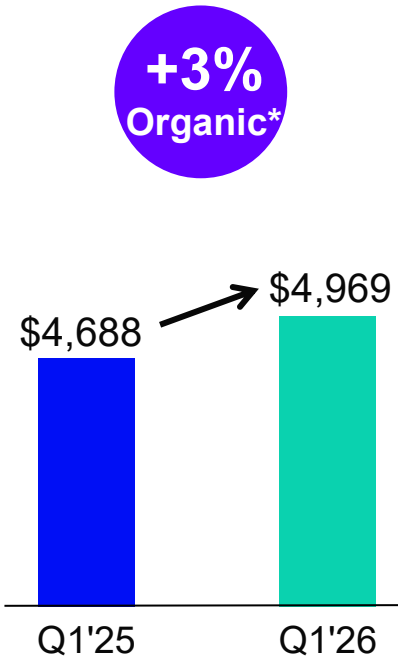
### Asia Pacific

- CHVAC bookings / revs, up high twenties / up LSD
- China CHVAC bookings / revs both up LSD
- Rest of Asia bookings up ~50% / revs up LSD

\*Organic bookings and organic revenues exclude acquisitions and currency

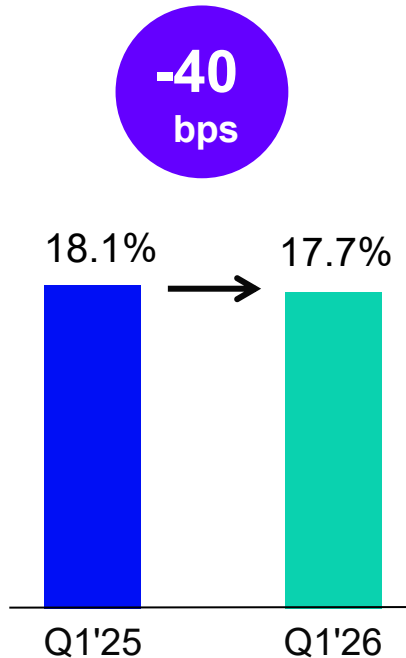
# Performance Scoreboard: Solid Revenue & EPS Growth

## Net Revenue



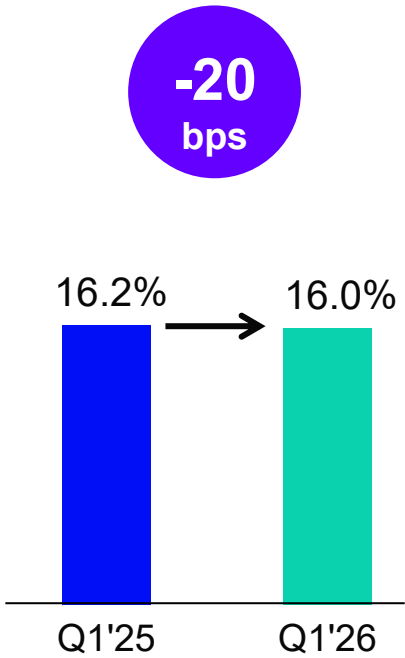
- Organic revenue growth flattish in equipment, with continued strong LDD services growth

## Adj. EBITDA Margin\*

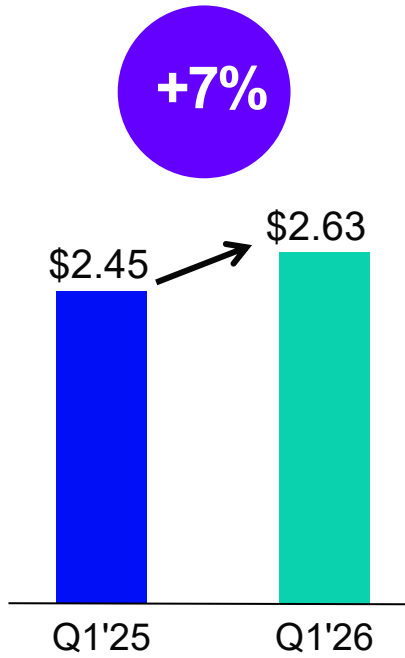


- Volume growth and positive price was more than offset by inflation and high levels of business reinvestment
- Enterprise organic leverage of high teens

## Adj. Operating Margin\*



## Adj. Continuing EPS\*



- BOS driving operational excellence throughout P&L

\*Includes certain Non-GAAP financial measures. See the company's Q1 2026 earnings release for additional details and reconciliations.

# Margins In Line with Expectations

	Revenue Org.* Growth	Adj. EBITDA*% vs PY	Adj. OI*% vs PY	Highlights
Americas	\$3,998.4 +4%	19.8% <i>flat</i>	17.9% +10 bps	<ul style="list-style-type: none"> <li>Americas margins impacted by margin deleverage in resi business on lower volumes</li> <li>EMEA margins impacted by Middle East challenges; M&amp;A integration costs</li> <li>Asia OI margins expanded on prudent cost management, offsetting challenging China macro environment</li> <li>Acceleration of incremental business reinvestment in each segment to pull forward high ROI innovation &amp; growth initiatives</li> </ul>
EMEA	\$639.5 -1%	13.5% -260 bps	11.9% -260 bps	
Asia Pacific	\$331.5 +3%	23.7% +120 bps	22.1% +90 bps	

\* Includes certain Non-GAAP financial measures. See the company's Q1 2026 earnings release for additional details and reconciliations.

# FY 2026 Outlook Remains Strong. Record Bookings and Backlog to Support Continued Growth in 2026 and 2027

<p><b>Americas</b></p>	<p><b>Commercial HVAC</b></p> <ul style="list-style-type: none"> <li>• Strong demand continues in data centers and core markets (higher education, government, healthcare)</li> <li>• Q1 Book-to-bill of ~150%, backlog up nearly 70% YOY, project pipeline remains robust</li> <li>• Expect to convert ~\$500M (~\$350M acquisition, ~\$150M organic) of Stellar Energy backlog in 2026; expect modest EPS accretion in year 1 with high levels of investments as we deploy our BOS</li> <li>• Expect ~10% rev growth in Q2, accelerating to low teens in the second half of the year</li> </ul> <p><b>Residential HVAC</b></p> <ul style="list-style-type: none"> <li>• Strong start to the year; Q2 performance will provide greater visibility for 2026</li> <li>• Expect flat revs in Q2, with growth returning in the second half, aided by easier prior-year comparisons</li> <li>• Prudent outlook of flat revs for 2026. Outlook to remain fluid as year evolves</li> </ul> <p><b>Transport</b></p> <ul style="list-style-type: none"> <li>• TT forecast for transport markets remains unchanged, with an expected mid-single-digit decline for 2026</li> <li>• Improving fundamentals support a market trough in the first half, with recovery expected in late 2026 / early 2027</li> <li>• Expect TK to outperform end markets for FY; timing of large customer shipments may drive unevenness Qtr to Qtr</li> </ul>
<p><b>EMEA</b></p>	<p><b>EMEA Segment</b></p> <ul style="list-style-type: none"> <li>• Q1 results in line with expectations, excluding Middle East headwind of ~\$25M revs and ~\$0.02 EPS impact vs guidance; Middle East headwind is expected to continue in Q2, with a negative impact of \$50M in revs and ~\$0.05 EPS impact YOY</li> <li>• FY 2026 revs outlook modestly lowered to growth of +LSD</li> </ul> <p><b>Commercial HVAC</b></p> <ul style="list-style-type: none"> <li>• Strong underlying performance. Expect -MSD% y/y revs decline in Q2, +MSD revs growth FY 2026</li> </ul> <p><b>Transport</b></p> <ul style="list-style-type: none"> <li>• 2026 market expected to be down HSD. Expect TK to outperform through innovation-led, diversified, resilient portfolio</li> </ul>
<p><b>Asia Pacific</b></p>	<p><b>Commercial HVAC &amp; Transport</b></p> <ul style="list-style-type: none"> <li>• China remains dynamic due to macroeconomic conditions</li> <li>• The rest of Asia is expected to perform more strongly than China in 2026</li> <li>• FY 2026 revs outlook for the region remains flattish</li> </ul>

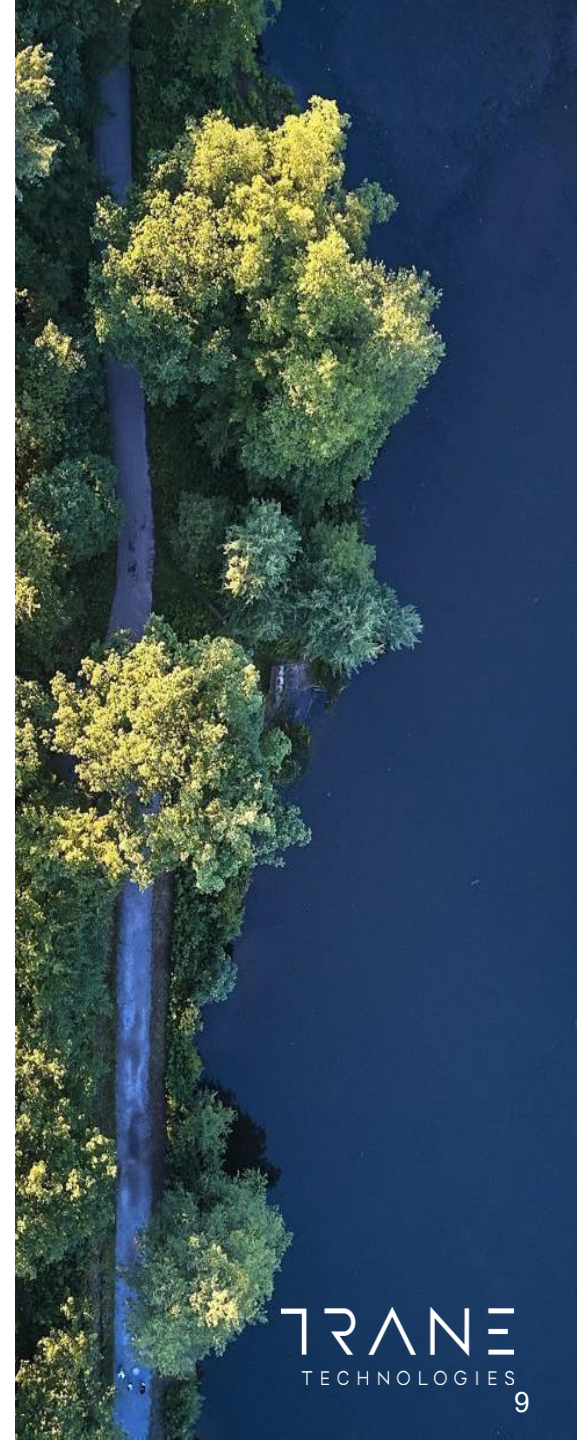
# Leveraging Value Creation Flywheel to Drive Strong Revenue, EPS Growth and FCF in 2026

	January 29 <sup>th</sup> FY Guidance	Current FY Guidance*
Organic Revenues**	+6% to +7% <i>(~+8.5% to ~+9.5% reported, incl. M&amp;A &amp; FX)</i>	~+7% <i>(~+9.5% reported, incl M&amp;A &amp; FX) Q2'26 expect ~+5%</i>
Adj. EPS**	\$14.65 to \$14.85 <i>(~+12% to ~+14%)</i>	\$14.75 to \$14.95 <i>(~+13% to ~+15%) Q2'26 expect ~\$4.20 - \$4.25</i>
Operating Leverage**	Organic 25%+	Organic 25%+
Free Cash Flow**	≥ Adj. Net Earnings	≥ Adj. Net Earnings

\*See page 16 for additional details

\*\* Includes certain Non-GAAP financial measures. See the company's Q1 2026 earnings release for additional details and reconciliations

Sensitivity: Highly Confidential



# 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\*  $\geq$  100% of adjusted net earnings
- Strengthening balance sheet
- Strong A3/A- 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 Q1 2026 earnings release for additional details and reconciliations

# Strong, Balanced Capital Allocation on Track to Deploy \$2.8B - \$3.3B in 2026

## Balanced Capital Deployment

	YTD Actual & Committed April 2026	Target FY 2026
Dividends	~\$232M	~\$0.9B
M&A, investments	~\$340M*	~\$1.9B to ~\$2.4B
Share repurchases	~\$300M**	
Debt retirement	-	-
<b>Total Capital Deployed/Committed</b>	<b>~\$0.9B</b>	<b>~\$2.8B to ~\$3.3B</b>

- Increased dividend 12% in 2026 to \$4.20 per share annualized, up 98% since the launch of Trane Technologies (March 2020)
- Share repurchases of ~\$0.3B in 2026, ~\$4.4B remaining under repurchase authorization
- M&A pipeline remains active; maintain disciplined approach
- Shares remain attractive, trading below our calculated intrinsic value
- Strategic investments in capacity to support future growth, long-term capacity & master purchase agreements. Expect 2026 capex to be 2%-3% of revs vs 1%-2% historical range

\*Excludes Stellar Energy and K&P investment which were committed to and included in FY 2025 capital deployment

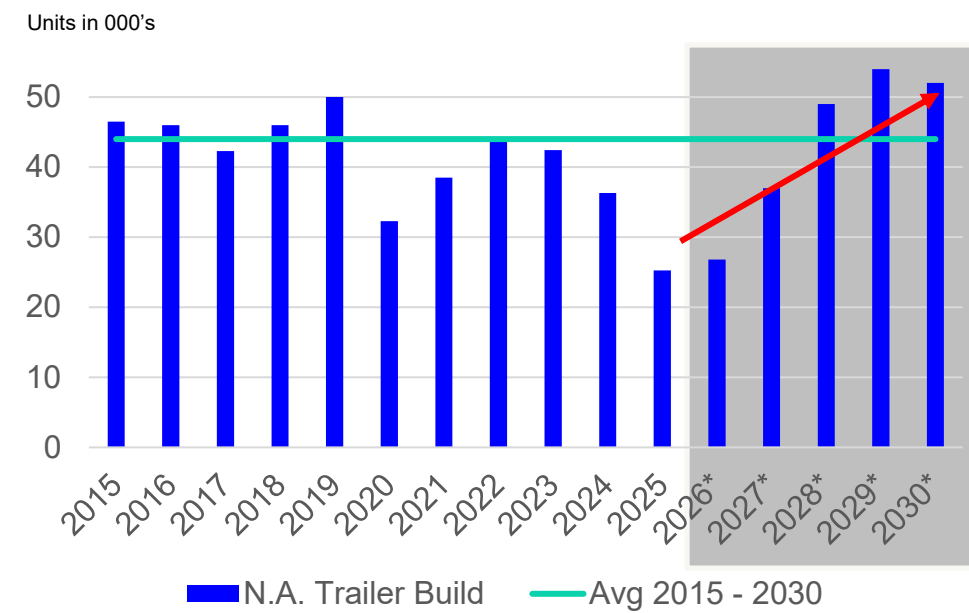
\*\*Excludes Jan 2026 share repurchases of \$90M that were included in FY 2025; includes ~\$100M share repurchases in April 2026



# Topics of Interest

# ACT Projecting 2H 2026 Market Recovery, with Strong Growth Forecast for 2027 - 2030

## ACT North America Trailer Market Outlook



\* Forecast shown in grey  
Source: ACT April 2026 Forecast

## Comments

- ACT 2026 trailer market forecast to ~26.8K, or up ~6% YOY, with recovery weighted to 2H 2026
  - TT model more conservative, down ~MSD in FY 2026, mainly on slope of 2H recovery
- ACT expects significant growth from 2027 to 2030
  - TT internal view aligned w/ markets showing strong growth, albeit at a more moderate rate
- Underlying longer term refrigerated trailer demand remains solid, 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'26 Detailed Guidance for Modeling Purposes

Metric	FY Guidance	2026 Commentary
<b>Organic Revenue*</b>	<b>~+7%</b>	<ul style="list-style-type: none"> <li>~25%+ organic leverage* for FY'26</li> <li>Impact of combined M&amp;A and FX on organic vs reported leverage expected to be ~700 bps (reported leverage lower on modest M&amp;A OI contribution due to year one acquisition and integration related costs)</li> <li>Stellar Energy modestly EPS accretive in year one ~ \$11M, or \$0.03 (post acquisition and yr 1 integration costs)</li> </ul>
<b>M&amp;A</b>	<b>~+2 pts (+\$0.03)</b>	
<b>FX</b>	<b>~+0.5 pt (+\$0.05)</b>	
<b>Reported Revenue</b>	<b>~ +9.5%</b>	
<b>Adj. EPS*</b>	<b>\$14.75 to \$14.95 ~+13% to ~+15%</b>	
		<b>Other Items</b>
		<p><b>2Q'26:</b> expect ~5% organic revenue growth, Adj. EPS \$4.20-\$4.25</p> <p><b>FY'26 Other Items (unchanged):</b></p> <ul style="list-style-type: none"> <li>~\$300M 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.</li> <li>~\$235M interest expense</li> <li>~20% adj. effective tax rate</li> <li>~222M diluted shares</li> <li>FY'26 Other income / expense of ~\$20M; includes pension expense of ~\$5M per quarter. Other items in other inc. / exp. such as FX impacts are unknown / not forecast-able</li> </ul> <p><b>FY'26 Other Items (updated):</b></p> <ul style="list-style-type: none"> <li>Expect CapEx of 2% to 3% of 2026 revs vs prior expectations of high end of 1% to 2%</li> </ul>

\*Includes certain Non-GAAP financial measures. See the company's Q1 2026 earnings release for additional details and reconciliations.

# 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<sub>2</sub>e) from our customers' footprint

### Leading by Example

Achieve carbon neutral operations, zero waste to landfill, reduce embodied carbon by 40%, design for circularity

### 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

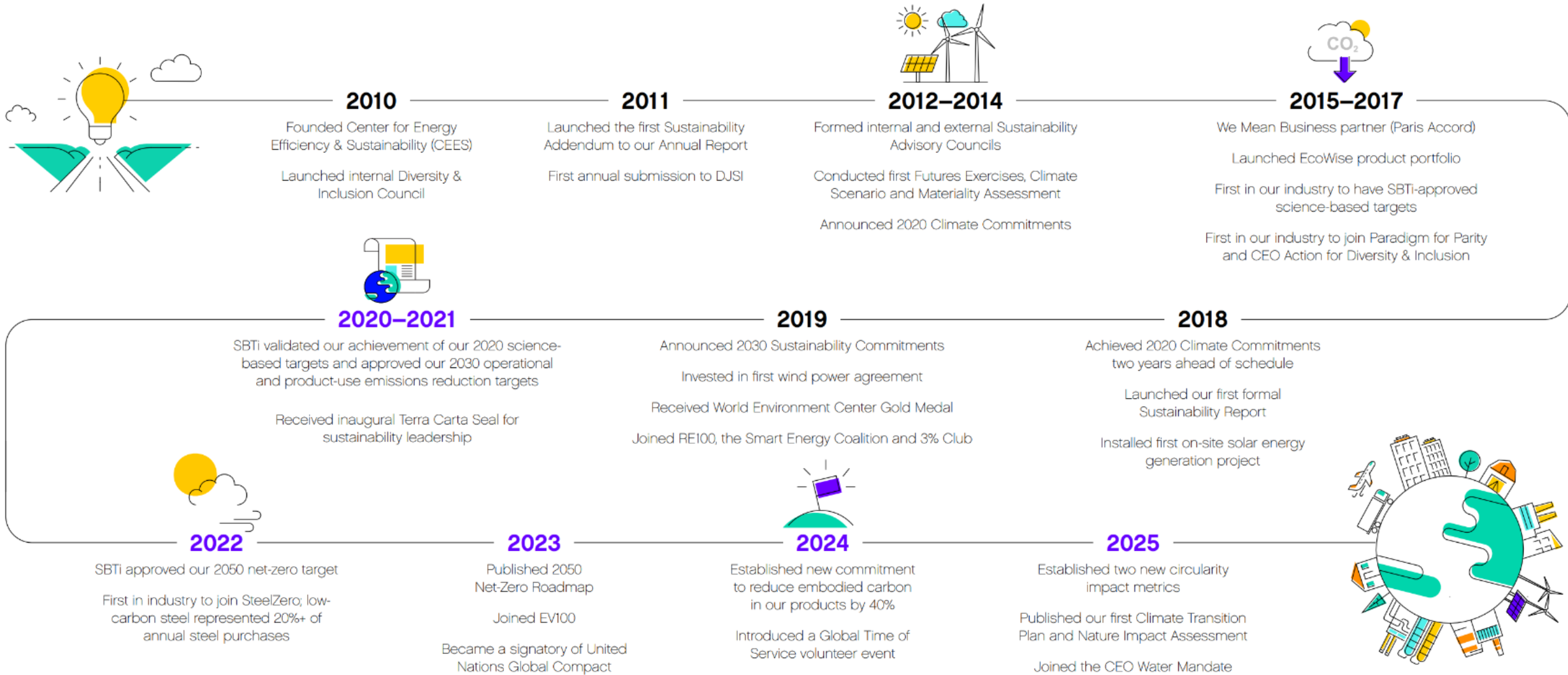
## Targets Align with Global Priorities



<b>2</b> Zero Hunger 	<b>4</b> Quality Education 	<b>5</b> Gender Equality 	<b>6</b> Clean Water & Sanitation 	<b>7</b> Affordable & Clean Energy 	<b>8</b> Decent Work & Economic Growth 	<b>9</b> Industry, Innovation & Infrastructure 	<b>11</b> Sustainable Cities & Communities 	<b>12</b> Responsible Consumption & Production 	<b>13</b> Climate Action 
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We believe in ambitious goals founded in science.  
Trane Technologies is 1<sup>st</sup> in industry to be 2050 Net-Zero Approved by the Science-Based Targets Initiative (SBTi)

# Delivering performance through sustainability



Years in purple designate years since the launch of Trane Technologies.

# Widely Recognized for Sustainability Leadership and Uplifting Culture

## Highly Regarded Sustainability Performance



**14 Consecutive Years on the North America Index**  
Fourth consecutive year on the World Index



**Just Capital Best of American Business**  
Industry Leader for 4th consecutive year



**Named to CDP Climate A List**  
Fourth consecutive year



**Gold Medal**  
83/100, 98<sup>th</sup> percentile



**TIME World's Most Sustainable Companies**  
Second consecutive year,  
Ranked 20<sup>th</sup> overall



**Financial Times Europe's Climate Leaders 2025**  
Fifth consecutive year



**Ethisphere 2026 World's Most Ethical Companies®**  
Third consecutive year



**Glassdoor's Best-Led Companies 2025**  
First time on list,  
Ranked 35<sup>th</sup> overall

## People and Citizenship



**Fortune 2026 World's Most Admired Companies**  
14 consecutive years



**TIME World's Best Companies**  
Third consecutive year



**Fortune Best Workplaces in Manufacturing & Production**  
Second consecutive year



**Forbes America's Best Employers for Women 2025**  
Ranked 5<sup>th</sup> among companies in the Engineering/Manufacturing industry

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# Q1 YoY Organic Revenues up 3%; Bookings up 24%

Organic* Revenue	2023					2024					2025					2026
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1
<b>Americas</b>	+8%	+9%	+11%	+7%	+9%	+15%	+16%	+15%	+11%	+14%	+13%	+9%	+4%	+5%	+7%	+4%
<b>EMEA</b>	+15%	+8%	+3%	+8%	+8%	+4%	+5%	+8%	+7%	+6%	+6%	+3%	+3%	+2%	+3%	-1%
<b>Asia Pacific</b>	+8%	+41%	-1%	flat	+10%	+16%	-3%	-21%	+1%	-3%	-3%	-8%	+9%	-6%	-3%	+3%
<b>Total</b>	<b>+9%</b>	<b>+11%</b>	<b>+9%</b>	<b>+6%</b>	<b>+9%</b>	<b>+14%</b>	<b>+13%</b>	<b>+11%</b>	<b>+10%</b>	<b>+12%</b>	<b>+11%</b>	<b>+7%</b>	<b>+4%</b>	<b>+4%</b>	<b>+6%</b>	<b>+3%</b>

Organic* Bookings	2023					2024					2025					2026
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1
<b>Americas</b>	-4%	-8%	+7%	+13%	+2%	+20%	+23%	+8%	+1%	+13%	+5%	+7%	+12%	+26%	+12%	+29%
<b>EMEA</b>	+10%	+14%	+12%	+10%	+11%	+7%	+10%	+9%	+9%	+9%	+13%	-2%	+14%	+9%	+8%	-9%
<b>Asia Pacific</b>	+13%	+6%	+12%	+2%	+8%	+6%	flat	-31%	+8%	-5%	-13%	-17%	+32%	+1%	-2%	+26%
<b>Total</b>	<b>-1%</b>	<b>-5%</b>	<b>+8%</b>	<b>+12%</b>	<b>+3%</b>	<b>+17%</b>	<b>+19%</b>	<b>+5%</b>	<b>+2%</b>	<b>+11%</b>	<b>+4%</b>	<b>+4%</b>	<b>+13%</b>	<b>+22%</b>	<b>+11%</b>	<b>+24%</b>

\*Non-GAAP financial measures. See the company's Q1 2026 earnings release for additional details and reconciliations.

Sensitivity: Highly Confidential

# Q1 Non-GAAP Measures Definitions

**Adjusted operating income** in 2026 is defined as GAAP operating income adjusted for merger and acquisition transaction costs, amortization of acquired backlog intangible asset and restructuring costs. Adjusted operating income in 2025 is defined as GAAP operating income adjusted for merger and acquisition transaction costs and a non-cash adjustment 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 2026 is defined as GAAP earnings from continuing operations attributable to Trane Technologies plc adjusted for net of tax impacts of merger and acquisition transaction costs, amortization of acquired backlog intangible asset, a non-cash gain from acquisition of a previously held investment and restructuring costs. 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 merger and acquisition transaction costs and a non-cash adjustment 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 2026 is defined as GAAP continuing operations attributable to Trane Technologies plc adjusted for net of tax impacts of merger and acquisition transaction costs, amortization of acquired backlog intangible asset, a non-cash gain from acquisition of a previously held investment and restructuring costs. Adjusted continuing EPS in 2025 is defined as GAAP continuing operations attributable to Trane Technologies plc adjusted for net of tax impacts of merger and acquisition transaction costs and a non-cash adjustment 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 2026 is defined as adjusted operating income excluding depreciation and amortization expense and including other income / (expense), net, excluding a non-cash gain from acquisition of a previously held investment. Adjusted EBITDA in 2025 is defined as adjusted operating income excluding depreciation and amortization expense and including other income / (expense), net. Other income / (expense), net mainly comprises interest income, foreign currency exchange gains and losses and certain components of 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

# Q1 Non-GAAP Measures Definitions

**Adjusted effective tax rate** for 2026 is defined as the ratio of income tax expense adjusted for the net tax effect of adjustments for merger and acquisition transaction costs, amortization of acquired backlog intangible asset and restructuring costs divided by adjusted net earnings. Adjusted effective tax rate for 2025 is defined as the ratio of income tax expense adjusted for merger and acquisition transaction costs divided by adjusted net earnings. This measure allows for a direct comparison of the effective tax rate between periods.

**Free cash flow** in 2026 is defined as net cash provided by (used in) continuing operating activities adjusted for capital expenditures, cash payments for restructuring costs and merger and acquisition transaction costs. 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. 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. Q1 2026) less the prior period (e.g. Q1 2025), 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).