Second-Quarter 2026 Results

July 30, 2026

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, 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. Unless otherwise indicated, all data beyond the second quarter of 2026 are estimates.

CLEAR PRIORITIES

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

Consistent Execution — Record Bookings and Backlog, Raised FY Guidance

Strong Q2 Results

- Organic revenue* +9%, led by Americas CHVAC, services, residential
- Adjusted EPS* +11%
- Organic bookings* +37% → record backlog of $12.1B, up ~70% YOY
- YTD FCF* of ~$1.6B
- $12.1B backlog; exceptional visibility into 2H, future growth

Multiple Drivers Underpin Durable Growth

- Americas CHVAC applied bookings +130% — 4th straight quarter >100%; backlog up ~90% YOY
- Global applied bookings up ~100%; broad-based across segments and vertical markets
- Services ~1/3 of revenue, low-teens CAGR since 2020
- Robust project pipeline across key verticals
- Resi and Americas transport tailwinds in 2H / 2027

Best-in-Class Financial Position

- Balance sheet, liquidity and strong FCF provide optionality for balanced capital deployment
- Top priority - business reinvestments in capacity, innovation, operational excellence for continued market outgrowth

Raising FY 2026 Guidance

- Expect organic revenue* growth of ~+9% & reported revenue growth of ~+11.5%
- Expect adjusted EPS of $15.20 to $15.30, up from $14.75 to $14.95 prior (see pages 9 & 17 for more detail)

*Includes certain Non-GAAP financial measures. See the company's Q2 2026 earnings release for additional details and reconciliations

Strong Demand for CHVAC Globally with Standout Performance in the Americas

	Q2 Organic* Y-O-Y Change	
	Bookings	Revenue
Enterprise	**+ 37%**	**+ 9%**
Americas	**+ 43%**	**+ 11%**
Commercial HVAC	+	+
Residential HVAC	+	+
Transport	+	-
EMEA	**+ 4%**	**- 4%**
Commercial HVAC	+	-
Transport	-	-
Asia Pacific	**+ 31%**	**+ 10%**
China	-	-
Rest of Asia	+	+

Americas
- Exceptional CHVAC bookings / revenues, up 50% / up low-teens, respectively. Revenue growth led by strong applied and services, w/ applied solutions up >40%
- Resi bookings / revs, up high-twenties / up low-teens, respectively
- Transport bookings / revs, up LSD / down LDD, respectively, as expected

EMEA
- CHVAC bookings up LDD; revs down LSD
- Transport bookings / revs down MSD / down HSD, respectively
- Excluding Middle East, segment bookings / revs up mid-teens / up LSD, respectively

Asia Pacific
- CHVAC bookings / revs, up mid-thirties / up LDD
- China CHVAC bookings / revs down LDD / down LSD, respectively.
- Rest of Asia (ROA) bookings up over ~70% / revs up high-teens

*Organic bookings and organic revenues exclude acquisitions and currency

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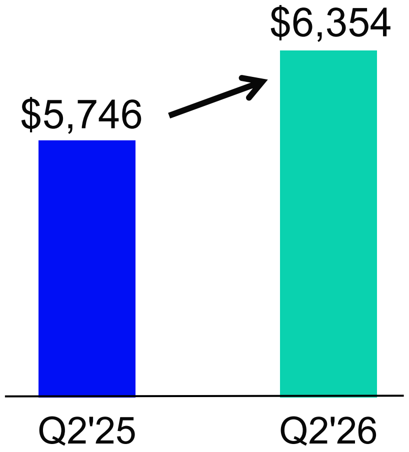
Performance Scoreboard: Solid Revenue & EPS Growth

Net Revenue

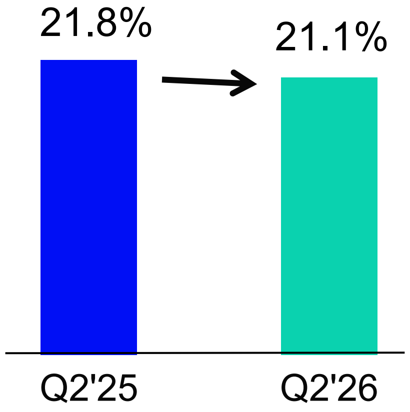
+9% Organic*



- Organic revenue growth up HSD in equipment, with continued strong HSD services growth

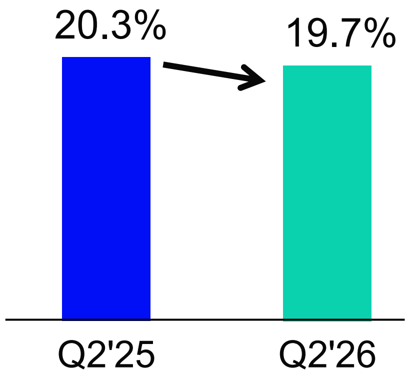
Adj. EBITDA Margin*

-70 bps



Adj. Operating Margin*

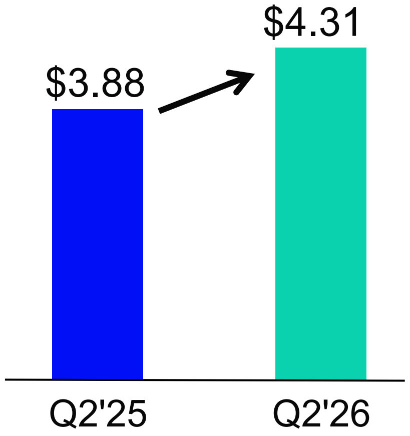
-60 bps



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

Adj. Continuing EPS*

+11%



- BOS driving operational excellence throughout P&L

*Includes certain Non-GAAP financial measures. See the company's Q2 2026 earnings release for additional details and reconciliations.

Margins In Line with Expectations Including Accelerated Investments

$M	Revenue Org.* Growth	Adj. EBITDA*% vs PY	Adj. OI*% vs PY
Americas	**$5,271.3** *+11%*	**23.5%** *-50 bps*	**22.1%** *-30 bps*
EMEA	**$697.6** *-4%*	**14.7%** *-360 bps*	**13.1%** *-420 bps*
Asia Pacific	**$384.6** *+10%*	**21.8%** *-150 bps*	**21.0%** *-60 bps*

Highlights

- Americas margins impacted by ramp in business reinvestments to support future growth - mainly 1) capacity, 2) innovation, 3) operational excellence projects
- EMEA – solid Europe performance. ME impacted by continued conflict in the region (~$30M OI impact). Took actions in late Q2 to right size ME cost structure for lower revenues expected Q3-Q4
- Strong overall performance led by ROA, w/ leverage impacted by accelerated channel investments to support future growth

* Includes certain Non-GAAP financial measures. See the company's Q2 2026 earnings release for additional details and reconciliations.

FY 2026 Outlook Strong: Record Bookings & Backlog Support Robust Growth in 2027

Americas

Commercial HVAC

- Strong demand across data centers and core markets (K-12, office/warehouse, high-tech industrial)
- Q2 book-to-bill ~135%; backlog up ~90% YOY with a robust project pipeline
- Accelerating investments in 2026 to support exceptional bookings / backlog momentum and market outgrowth: 1) capacity, 2) innovation, 3) operational excellence
- Ramping revenue growth in 2H, ~low-teens+ in Q3, mid-teens+ in Q4
- On pace to deliver ~$500M of Stellar Energy revenue in 2026, ~$1B run rate by 2028

Residential HVAC

- Strong performance through 1H. YTD sell-in on par w/ sell-through; channel inventory remains healthy
- Raising 2026 revenue outlook to +MSD growth, reflecting YTD strength & modest 2H growth vs easier comps

Transport

- Transport market KPIs remain healthy & support late 2026 recovery / healthy 2027 markets. Expect flattish market in 2026 w/ healthy growth in Q4
- TK well positioned to outperform as market recovers

EMEA

EMEA Segment

- 2H continued headwinds from ME conflict – estimate negative YOY impact of ~$100M revenue / $30M OI (~$0.10 EPS)
- 2H rev growth of +LSD expected, w/ margins flattish; FY rev growth flattish, w/ margins down ~200bps

Commercial HVAC

- Excluding ME - expect FY +HSD revenues w/ 25%+ leverage, reflecting robust bookings momentum

Transport

- 2026 EMEA market expected to be down HSD. Expect TK to outperform and deleverage at gross margin rates

Asia Pacific

Commercial HVAC & Transport

- 2026 - expect +LSD to +MSD growth for APAC led by ROA
- China remains dynamic

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

	January 29th FY Guidance	April 30th FY Guidance	Current FY Guidance*
Organic Revenues**	+6% to +7% *(~+8.5% to ~+9.5% reported, incl. M&A & FX)*	~+7% *(~+9.5% reported, incl M&A & FX)*	~+9% *(~+11.5% reported, incl M&A & FX)* *Q3'26 expect ~+10%*
Adj. EPS**	$14.65 to $14.85 *(~+12% to ~+14%)*	$14.75 to $14.95 *(~+13% to ~+15%)*	$15.20 to $15.30 *(~+16% to ~+17%)* *Q3'26 expect ~$4.70*
Operating Leverage**	Organic 25%+	Organic 25%+	Organic 25%+
Free Cash Flow**	≥ Adj. Net Earnings	≥ Adj. Net Earnings	≥ Adj. Net Earnings

***See page 17 for additional details**

**Includes certain Non-GAAP financial measures. See the company's Q2 2026 earnings release for additional details and reconciliations

Accelerated Performance in 2H 2026, Strong Momentum into 2027

METRIC	1H 2026	2H 2026 (Guidance Mid-Point)
ORGANIC REVENUE* GROWTH	6.5%	11.5%
ADJUSTED EPS* GROWTH	9.6%	23.5%
BACKLOG ENTERING PERIOD	$7.8B	$12.1B

*Includes certain Non-GAAP financial measures. See the company's Q2 2026 earnings release for additional details and reconciliations

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/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 Q2 2026 earnings release for additional details and reconciliations

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On Track to Deploy $2.8B - $3.3B in 2026

	YTD Actual & Committed July 2026	Target FY 2026
Dividends	~$690M	~$0.9B
M&A, investments	~$340M*	~$1.9B to ~$2.4B
Share repurchases	~$840M**	
Total Capital Deployed/Committed	**~$1.9B**	**~$2.8B to ~$3.3B**

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

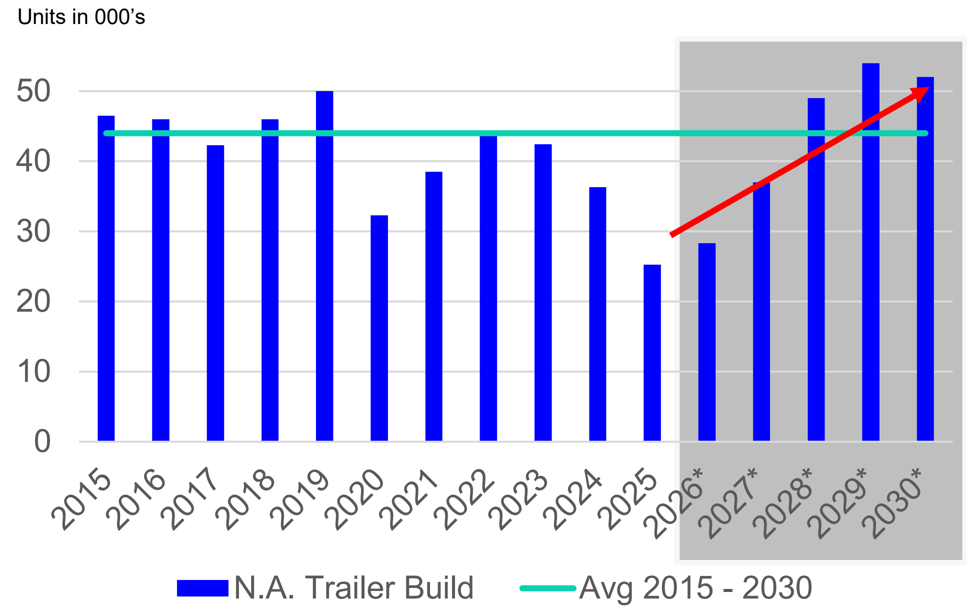
**Excludes Jan 2026 share repurchases of $90M that were included in FY 2025; includes ~$170M share repurchases in July 2026

- Increased dividend 12% in 2026 to $4.20 per share annualized, up 98% since the launch of Trane Technologies (March 2020)
- Share repurchases of ~$0.8B YTD 2026, ~$3.8B 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

Topics of Interest

ACT Projecting 2H 2026 Market Recovery; Strong Growth 2027 - 2030

ACT North America Trailer Market Outlook



* Forecast shown in grey
Source: ACT July 2026 Forecast

Comments

- ACT 2026 trailer market forecast to ~28.3K, or up ~12% YOY, with recovery weighted to 2H 2026
  - TT model more conservative given trailer OEM capacity constraints; growth mainly 4Q weighted
- 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
Organic Revenue*	~+9%
M&A	~+2 pts
FX	~+0.5 pts
Reported Revenue	~+11.5%
Adj. EPS*	$15.20 to $15.30 ~+16% to ~+17%

*Includes certain Non-GAAP financial measures. See the company's Q2 2026 earnings release for additional details and reconciliations.

2026 Commentary

- ~25%+ organic leverage* for FY'26
- Impact of M&A on organic vs reported leverage expected to be ~700 bps (reported leverage lower on modest M&A OI contribution due to year one acquisition and integration related costs)
- Stellar Energy neutral to EPS w/ capacity and BOS investments (prior +$0.03)

Other Items

3Q'26: expect ~+10% organic revenue growth, Adj. EPS ~$4.70

FY'26 Other Items (unchanged):

- Expect CapEx of 2% to 3% of 2026 revs
- ~222M diluted shares

FY'26 Other Items (updated):

- ~$330M corporate costs (prior $300M) - Continued above-average incremental high ROI investment (normal range ~40 bps year) including digital, factory automation, sales force excellence, service business excellence, product innovation.
- ~$220M interest expense (prior $235M)
- ~19% adj. effective tax rate (prior ~20%)
- FY'26 Other income / expense of ~$25M (prior ~$20M). Expect Q3/Q4 $5M each. Other items in other inc. / exp. such as FX impacts are unknown / not forecast-able
- ~$25M non-controlling interest (NCI)

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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, 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

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

2012–2014

Formed internal and external Sustainability Advisory Councils

Conducted first Futures Exercises, Climate Scenario and Materiality Assessment

Announced 2020 Climate Commitments

2015–2017

We Mean Business partner (Paris Accord)

Launched EcoWise product portfolio

First in our industry to have SBTi-approved science-based targets

First in our 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 Sustainability Report

Installed first on-site solar energy generation project

2019

Announced 2030 Sustainability Commitments

Invested in first wind power agreement

Received World Environment Center Gold Medal

Joined RE100, the Smart Energy Coalition and 3% Club

2020–2021

SBTi validated our achievement of our 2020 science-based targets and approved our 2030 operational and product-use emissions reduction targets

Received inaugural Terra Carta Seal for sustainability leadership

2022

SBTi approved our 2050 net-zero target

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

Established new commitment to reduce embodied carbon in our products by 40%

Introduced a Global Time of Service volunteer event

2025

Established two new circularity impact metrics

Published our first Climate Transition Plan and Nature Impact Assessment

Joined the CEO Water Mandate

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

Widely Recognized for Sustainability Leadership and Uplifting Culture

Highly Regarded Sustainability Performance

TIME World's Most Sustainable Companies
Third consecutive year, Ranked 19th overall

Corporate Knights USA 25 Most Sustainable Corporations
Made the inaugural list

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

Financial Times Europe's Climate Leaders 2026
Sixth consecutive year

Named to CDP Climate A List
Fourth consecutive year

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

Gold Medal
83/100, 98th percentile

Glassdoor's Best-Led Companies 2025
First time on list, Ranked 35th overall

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

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 5th among companies in the Engineering/Manufacturing industry

Q2 YoY Organic Revenues up 9%; Bookings up 37%

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

Organic* Bookings	2023					2024					2025					2026	
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2
Americas	-4%	-8%	+7%	+13%	+2%	+20%	+23%	+8%	+1%	+13%	+5%	+7%	+12%	+26%	+12%	+29%	+43%
EMEA	+10%	+14%	+12%	+10%	+11%	+7%	+10%	+9%	+9%	+9%	+13%	-2%	+14%	+9%	+8%	-9%	+4%
Asia Pacific	+13%	+6%	+12%	+2%	+8%	+6%	flat	-31%	+8%	-5%	-13%	-17%	+32%	+1%	-2%	+26%	+31%
Total	**-1%**	**-5%**	**+8%**	**+12%**	**+3%**	**+17%**	**+19%**	**+5%**	**+2%**	**+11%**	**+4%**	**+4%**	**+13%**	**+22%**	**+11%**	**+24%**	**+37%**

*Non-GAAP financial measures. See the company's Q2 2026 earnings release for additional details and reconciliations.

YTD 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 restructuring costs, 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 restructuring costs, 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 restructuring costs, 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.

YTD 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 the net tax effect of adjustments for restructuring costs and 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. Q2 2026) less the prior period (e.g. Q2 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 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).