



Fourth-Quarter and Full Year 2024 Results

January 30, 2025

Forward-Looking Statements

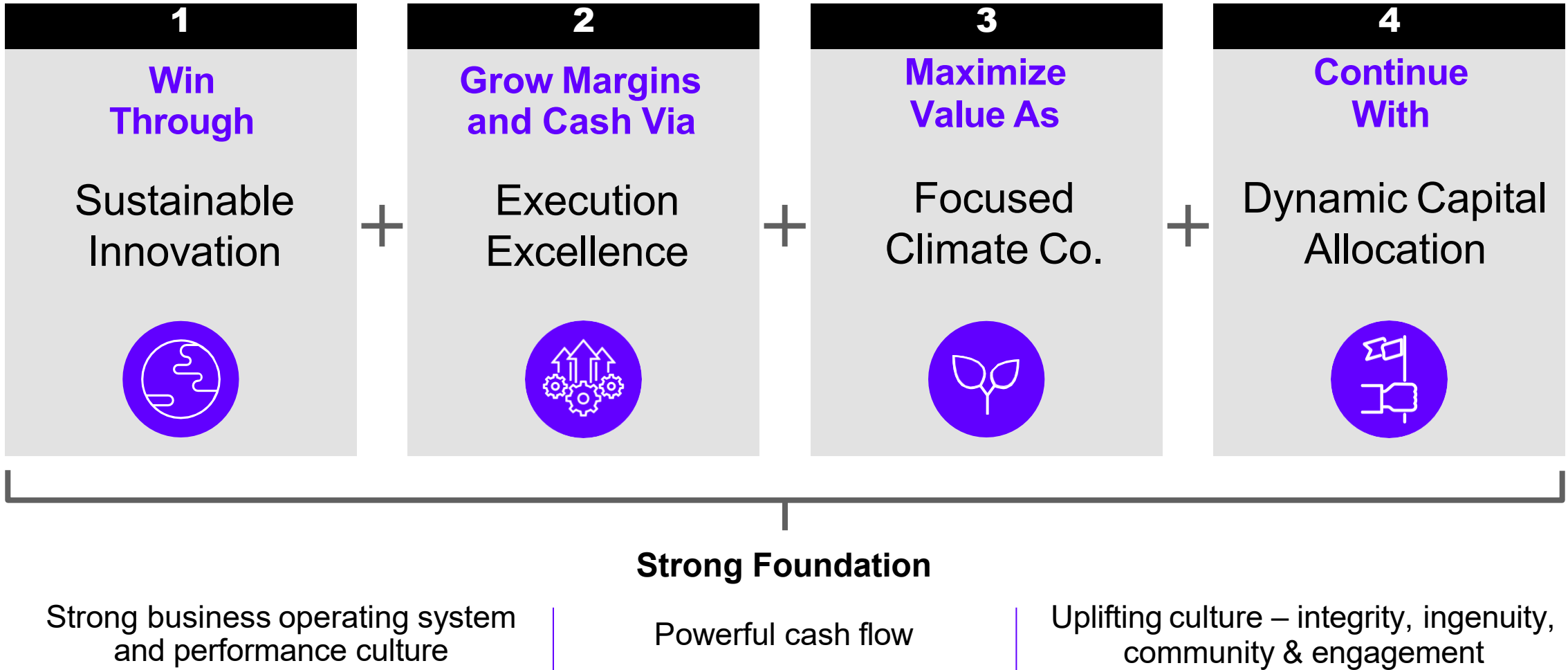
This news release includes “forward-looking” statements within the meaning of securities laws, which are statements that are not historical facts, including statements that relate to our future financial performance and targets, including revenue, EPS, operating income, operation margin and earnings; 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, 2023, 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 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 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 fourth quarter of 2024 are estimates.

Focused Strategy Delivers Differentiated Shareholder Returns



Strong Execution in 2024; Exceeded Financial Commitments on Top-Line, Bottom-Line and FCF Conversion

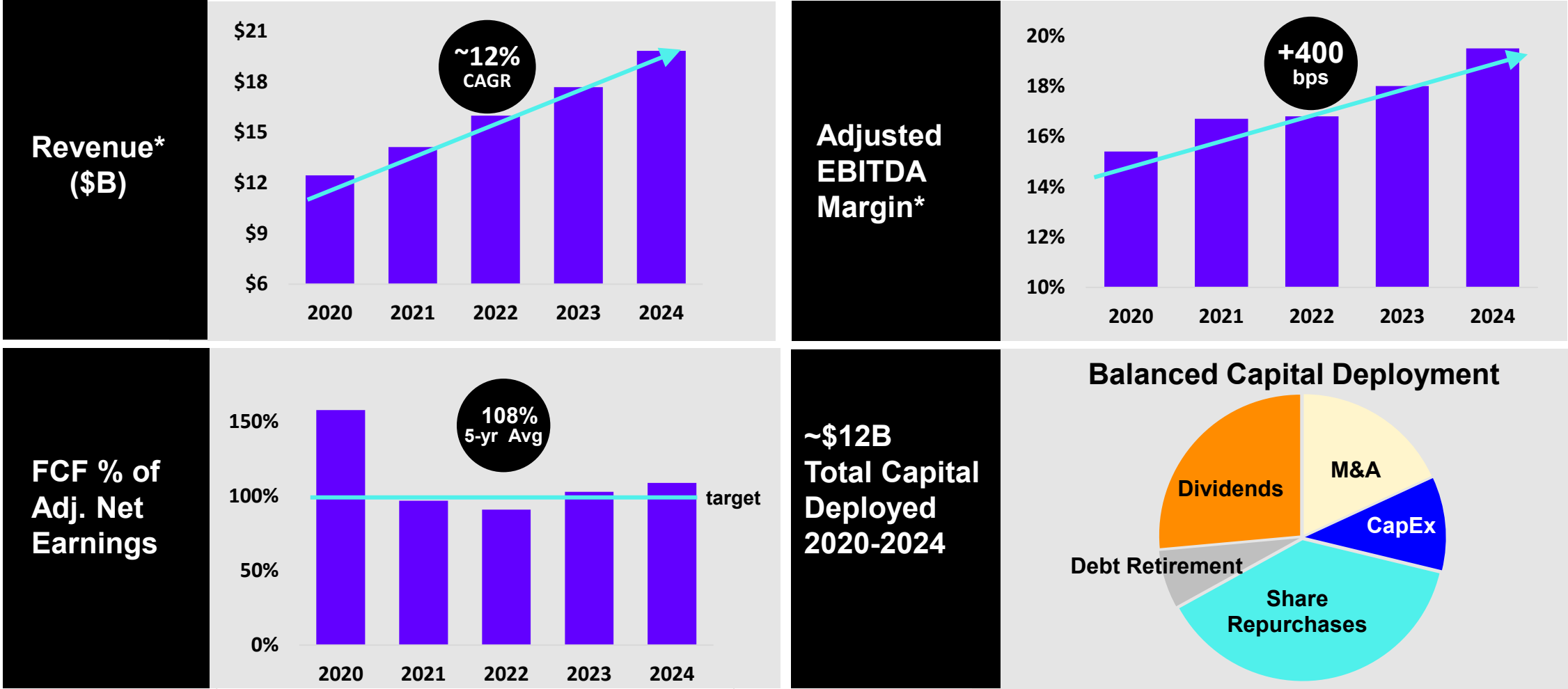
	2024 Initial Guidance**	2024 Actual Results*	
Organic Revenue*	+6% to +7%	+12%	✓+
Organic Operating Leverage*	25%+	+30%	✓+
Adj. EPS*	\$10.00 to \$10.30	\$11.22	✓+
Free Cash Flow*	≥ Adj. Net Earnings	109% Adj. Net Earnings	✓+



- Robust bookings and organic revenue growth and margin expansion
- Strong operating leverage with continued business reinvestment supporting high performance flywheel
- Industry leading organic revenue growth of 12% and adj. EPS growth of 24%
- Powerful free cash flow of ~\$2.8B and free cash flow conversion 109% of adj. net earnings

* Includes certain Non-GAAP financial measures. See the company's Q4 2024 earnings release for additional details and reconciliations.
** Initial 2024 guidance, February 1, 2024

Relentless Investments in Innovation and Growth, People and Culture and Best-in-Class BOS Delivering Consistently Strong Financial Performance



* 2020 historical information restated to reflect Ingersoll Rand Industrial segment in discontinued operations

Purpose Driven Strategy Drives Strong Financial Performance in 2024; Well-Positioned for Another Strong Year in 2025

- **Strong execution across diversified, resilient portfolio. Bookings / backlog remain strong led by longer-cycle commercial HVAC applied solutions**
 - Industry-leading revs and adj. EPS* growth in Q4, while maintaining high levels of business reinvestment for future market outgrowth
 - Q4 organic revs* up 10%, adj. EBITDA margins* up 110 basis points; adj. EPS up 20%
 - FY 2024 book to bill ratio of 102% – organic bookings* +11%, organic revs +12%; FY 2024 FCF conversion* of 109%
 - Backlog remains highly elevated at \$6.75B entering 2025, ~90% CHVAC and majority longer cycle applied solutions
- **Robust performance continues to be led by our world-class Commercial HVAC businesses over multi-year period**
 - Q4 Americas and EMEA CHVAC 3-year stack organic bookings up > 30%
 - Robust and consistent revs growth – 3-year stack on Q4 organic revs up mid-50% range in Americas CHVAC and up more than 60% in EMEA CHVAC
 - Strong track record of winning complex applied systems – 3-year stack on Q4 applied organic revs up more than 120% in Americas and up more than 90% in EMEA
 - Durable services organic revs up ~40% in both Americas and EMEA in Q4 on a 3-year stack
 - Strong and growing CHVAC project pipeline underpinned by robust multi-year capex cycle provides good visibility to continued market outgrowth into the future
- **Well positioned for continued growth in 2025**
 - Continued strength in CHVAC, Resi markets normalizing post modest 2024 pre buy (~\$75M-\$100M, mainly impacting Q1), Americas Transport markets expected to bottom in Q1, paving way for 2H 2025 recovery / strong growth in 2026-27, China recovering from acute credit tightening ahead of schedule
 - High levels of business reinvestment accelerating growth programs for 2025 and beyond
- **Continued execution of balanced capital allocation strategy**
 - Deployed \$2.5 billion in capital in FY 2024 including ~\$800 million to dividends, ~\$470 million to M&A and ~\$1.3 billion to share repurchases
 - Financial position, liquidity and balance sheet bolster resilience and optionality
- **Initiating strong 2025 revenue and adj. EPS guidance**
 - Organic revs growth of +7% to +8%
 - Adj. EPS of \$12.70 to \$12.90, up +13% to +15% (see p.18 for more detail)
 - Well positioned for continued market outgrowth, robust earnings and FCF* to deliver leading financial performance & differentiated shareholder returns long-term

*Includes certain Non-GAAP financial measures. See the company's Q4 2024 earnings release for additional details and reconciliations

Continued Strong Execution and Demand with Double-Digit Revenue Growth and Bookings of \$4.7B; Strong CHVAC Bookings up High Single-Digits

Q4 Organic* Y-O-Y Change

	Bookings	Revenue
--	----------	---------

Enterprise	+ 2%	+ 10%
------------	------	-------

Americas	+ 1%	+ 11%
Commercial HVAC	+	+
Residential HVAC	-	+
Transport	-	-

- Americas**
- Broad-based CHVAC demand: CHVAC bookings up HSD. Revs up mid-teens in both equip & services
 - Resi bookings down low single-digits. Revs up low-teens
 - Transport bookings down high-twenties. Revs down low-teens, outperforming end mkts
 - Ex-transport, Americas bookings were up ~6%

EMEA	+ 9%	+ 7%
Commercial HVAC	+	+
Transport	+	-

- EMEA**
- CHVAC bookings up MSD vs. up mid-teens prior year. Revs up low-teens w/ 3 yr stack revs up more than 60%
 - Transport bookings up high-teens. Revs down LSD, outperforming end mkts

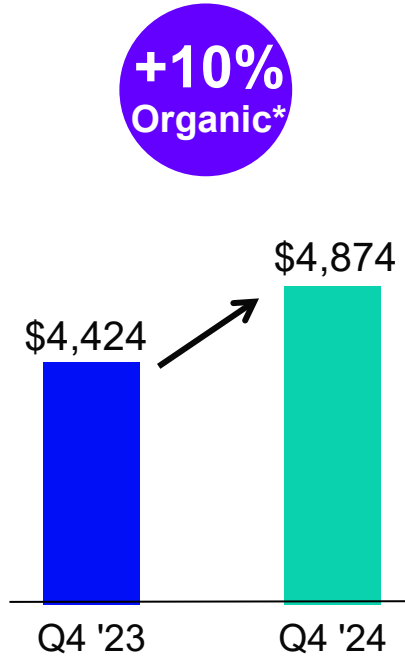
Asia Pacific	+ 8%	+ 1%
Commercial HVAC	+	-
Transport	+	+

- Asia Pacific**
- Asia bookings up HSD, China down LSD, Rest of Asia up high-teens
 - Asia Revs up LSD, China down low-teens, Rest of Asia up low-teens

*Organic bookings and organic revenues exclude acquisitions and currency

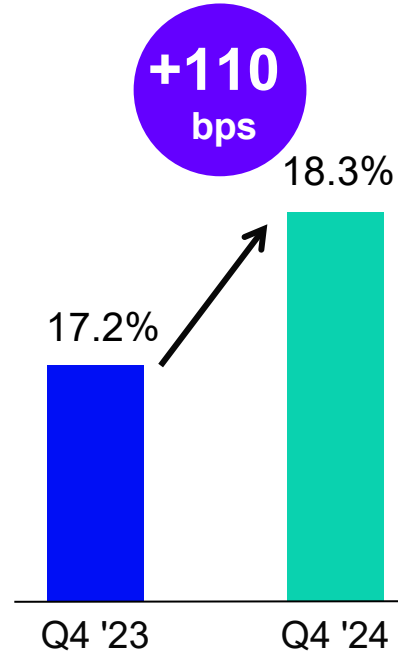
Performance Scoreboard: Robust Revenue Growth, Margin Expansion and EPS Growth

Net Revenue



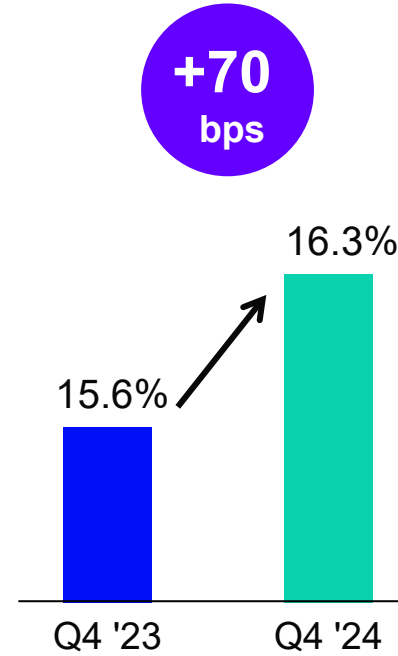
- Strong organic revenue growth
- Equipment revs up high-single-digits
- Strong services growth up low-teens, growth in all regions

Adj. EBITDA Margin*

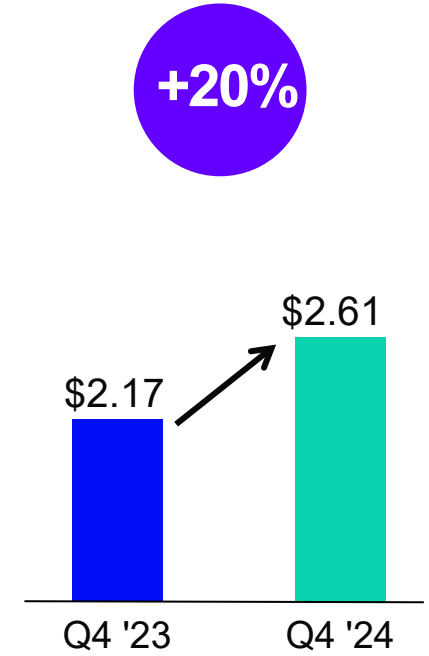


- Strong volume growth, positive price realization and productivity more than offset inflation
- Strong enterprise organic leverage* of ~25%

Adj. Operating Margin*



Adj. Continuing EPS*



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

*Includes certain Non-GAAP financial measures. See the company's Q4 2024 earnings release for additional details and reconciliations.

Strong Revenue Growth and Broad-Based Margin Expansion

\$M	Revenue Org.* Growth	Adj. EBITDA*% vs PY	Adj. OI*% vs PY	Highlights
Americas	\$3,803 +11%	19.5% +140 bps	17.6% +100 bps	<ul style="list-style-type: none"> Strong broad-based margin expansion Strong volume growth, positive price realization and productivity more than offset inflation High incremental business reinvestment in each segment supporting sustainability strategy, innovation and growth initiatives, people and culture
EMEA	\$690 +7%	18.9% +20 bps	17.3% +20 bps	
Asia Pacific	\$381 +1%	26.5% +280 bps	25.2% +280 bps	

* Includes certain Non-GAAP financial measures. See the company's Q4 2024 earnings release for additional details and reconciliations.

Market Outlook: Continued Strength in Global CHVAC, Residential Normalizing Post-A2L Transition. Transport Mkts Bottoming, Expect Robust Growth in 2026-2027

Americas

Commercial HVAC

- Continued strong execution, broad-based bookings and revenue growth across core verticals; strength in data centers / education / healthcare / services
- 2025 - expect cont'd strength in core verticals supported by secular tailwinds; particular strength in high growth-verticals
- World-class direct salesforce leveraging unique market / customer insights & leading innovation to optimize opportunity and drive market outgrowth

Residential HVAC

- Strong results driving market outgrowth in 2024. Modest pre-buy as anticipated, est. ~\$75-\$100M
- 2025 – expect return to GDP+ market framework, w/ tailwinds from low GWP mix partially offset by headwinds from 2024 pre-buy (majority expected 1Q'25)

Transport

- 2025 weighted avg market forecast flat to +/- LSD, bottoming in 1H and stronger in 2H, aligned w/ forecasted freight recovery
- ACT projects strong up-cycle in 2026 and 2027, up mid-teens each year
- TK remains focused on continued high levels of investment in innovation, electrification and sustainability to drive strong outperformance as market recovers

EMEA

Commercial HVAC

- Continued robust demand for innovative, sustainability-focused products and services; momentum continues for Thermal Management Systems
- Strong decarbonization trends continue led by compelling customer paybacks. Ongoing regulatory and policy tailwinds across the region

Transport

- Weighted average market forecast flat to up LSD in 2025. Expect TK to outperform through innovation-led, diversified, resilient portfolio

Asia Pacific

China

- Strong execution of tightened credit policies implemented in Q3 delivering sequential improvement in bookings and orders
- Expect market to remain challenging and for tightened credit policies to impact 1H
- Continued market opportunities in key verticals, including data centers, electronics and pharma

Rest of Asia

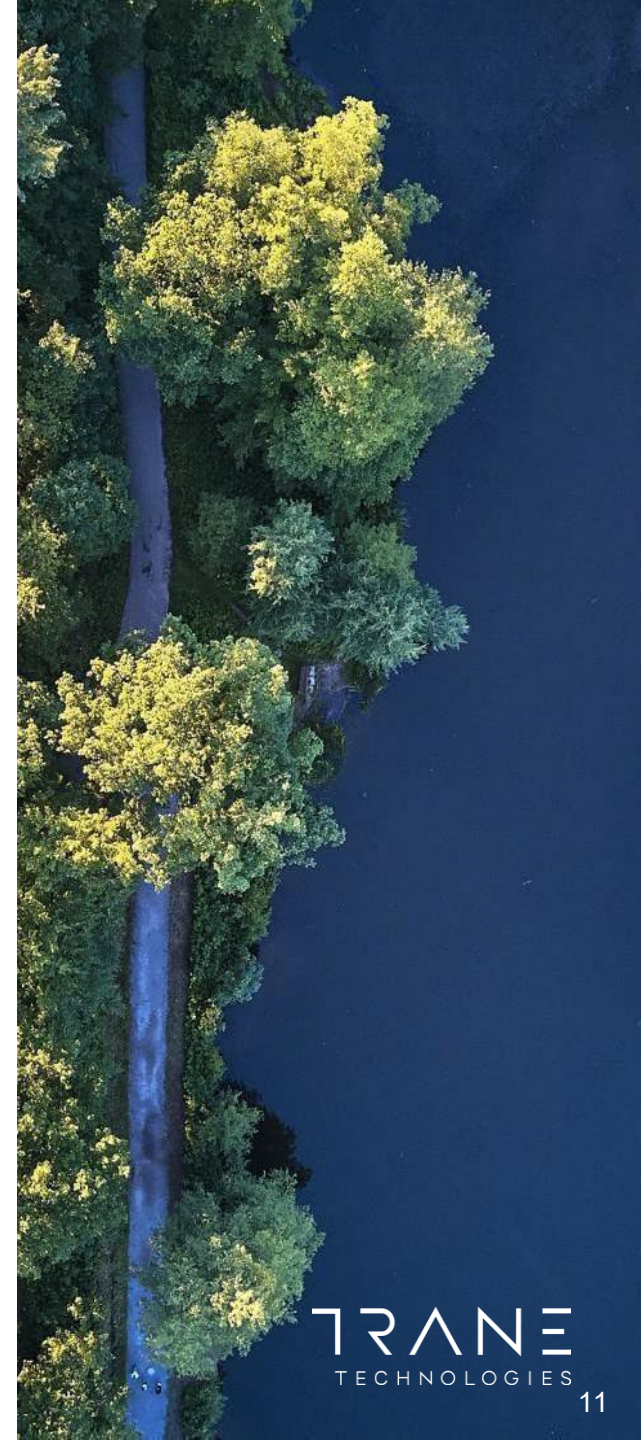
- Solid overall outlook with pockets of strength in data center, high tech industrials, healthcare, higher ed

Leveraging Value Creation Flywheel to Drive Strong Revenue, EPS Growth and FCF in 2025

	2025 Guidance*
Organic Revenues**	+7% to +8% (~+6.5% to ~+7.5% reported, incl. M&A & FX) Q1'25 expect +6% to +7% organic growth
Adj. EPS**	\$12.70 to \$12.90 (+13% to +15%) Q1'25 expect \$2.15 to \$2.20
Operating Leverage**	Organic 25%+ Q1'25 expect ~25%
Free Cash Flow**	≥ Adj. Net Earnings

*See page 18 for additional details

** Includes certain Non-GAAP financial measures. See the company's Q4 2024 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* \geq 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 Q4 2024 earnings release for additional details and reconciliations

~\$2.5B Capital Deployed in 2024 Including Targeted M&A Across Key Markets and Verticals. Expect to Deploy ~\$2.5B to ~\$3.0B in 2025

Balanced Capital Deployment

	Actual & Committed FY 2024	Target FY 2025
Dividends	~\$0.8B	~\$0.8B
M&A, investments	~\$470M	~\$1.5B to ~\$2.0B
Share repurchases	~\$1.3B	
Debt retirement	-	~\$150M
Total Capital Deployed/Committed	~\$2.5B	~\$2.5B to ~\$3.0B

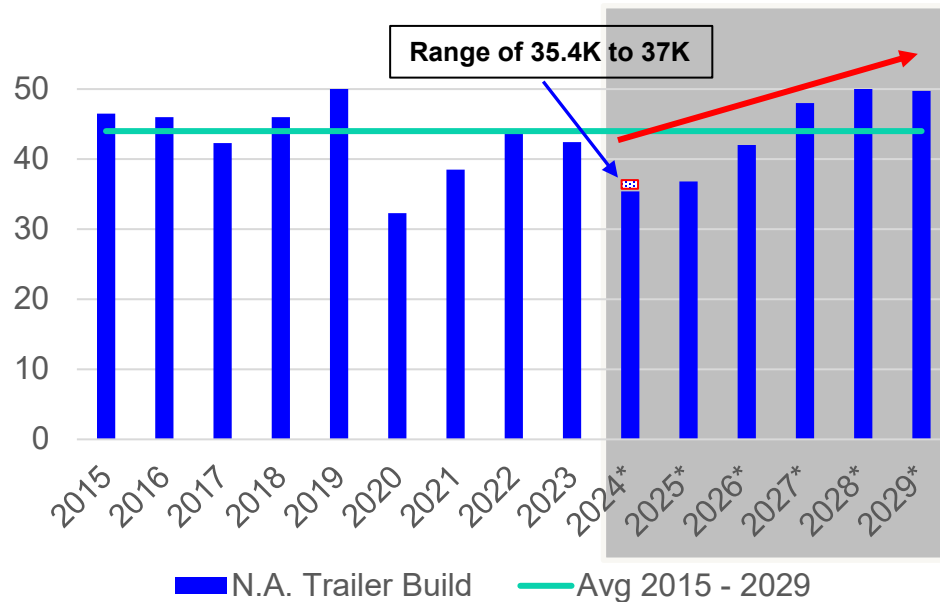
- Increased dividend 12% in 2024 to \$3.36 per share annualized, up 58% since the launch of Trane Technologies (March 2020)
- Share repurchases of \$1.3B in 2024; \$6.2B remaining under repurchase authorizations
- M&A pipeline remains active; maintain disciplined approach
- Deployed/Committed ~\$470M to M&A in 2024:
 - BrainBox AI augments digital building management capabilities
 - Specialized refrigerated transport in Americas
 - Multiple channel investments
- Shares remain attractive, trading below our calculated intrinsic value



Topics of Interest

ACT Projects Robust Growth in 2026 - 2029 (above 40k units)

ACT North America Trailer Market Outlook



* Forecast shown in grey
Source: ACT Jan 2025 Forecast

Comments

- Expect flattish growth in 2025 with market bottoming in 1H, growing in 2H
- ACT expects mid-teens growth in 2026 (42k units) and 2027 (48k units) providing strong upswing beginning late 2025
- Underlying refrigerated trailer demand remains high, average ~44k 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*	+7% to +8%
M&A	~+50 bps (Neg ~-\$0.10 EPS impact)
FX	minus ~100 bps (Neg ~-\$0.10 EPS impact)
Reported Revenue	~+6.5% to ~+7.5%
Adj. EPS*	\$12.70 to \$12.90 +13% to +15%

*Includes certain Non-GAAP financial measures. See the company's Q4 2024 earnings release for additional details and reconciliations.

2025 Commentary
<ul style="list-style-type: none"> ~25%+ organic leverage* for FY'25 ~+50 bps M&A offset by minus ~100 bps FX. FY'25 expect ~\$0.20 negative impact to adj. EPS / ~\$0.05 per quarter / from M&A/FX, M&A primarily related to technology acq, BrainBox AI, with accelerated intangibles amortization and year one acquisition and integration related costs. Expect acquisition to be EPS accretive by year 3.
Other Items
<p>1Q'25: expect +6% to +7% organic revenue growth, Adj. EPS \$2.15 to \$2.20. Expect ~+70 bps M&A offset by minus ~1 pt FX; ~\$0.05 negative impact to Adj EPS.</p> <p>FY'25 Other Items:</p> <ul style="list-style-type: none"> ~\$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 Cap Ex at high end of 1% to 2% of revenues in 2025 FY'25 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 forecastable

Trane Technologies Core Sustainability Strategy: Challenge Possible

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 (CO₂e) from our customers' footprint

Leading by Example

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

Opportunity for All

Create workforce diversity that mirrors our communities, invest in STEM education

Where We Focus Our Efforts

Operations

- Emissions & energy reduction
- Renewable energy
- Water usage

Products & Services

- Technology & innovation
- Energy efficiency
- Low-emission products
- Electrification & digital enablement
- Product life cycle & circularity

Supply Chain

- Responsible sourcing
- Supplier diversity

Employees

- Engagement
- Diversity & inclusion
- Ethics & integrity
- Safety
- Development

Communities

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

Governance

- Board oversight
- Financial performance
- Public policy

Targets Align with Global Priorities



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

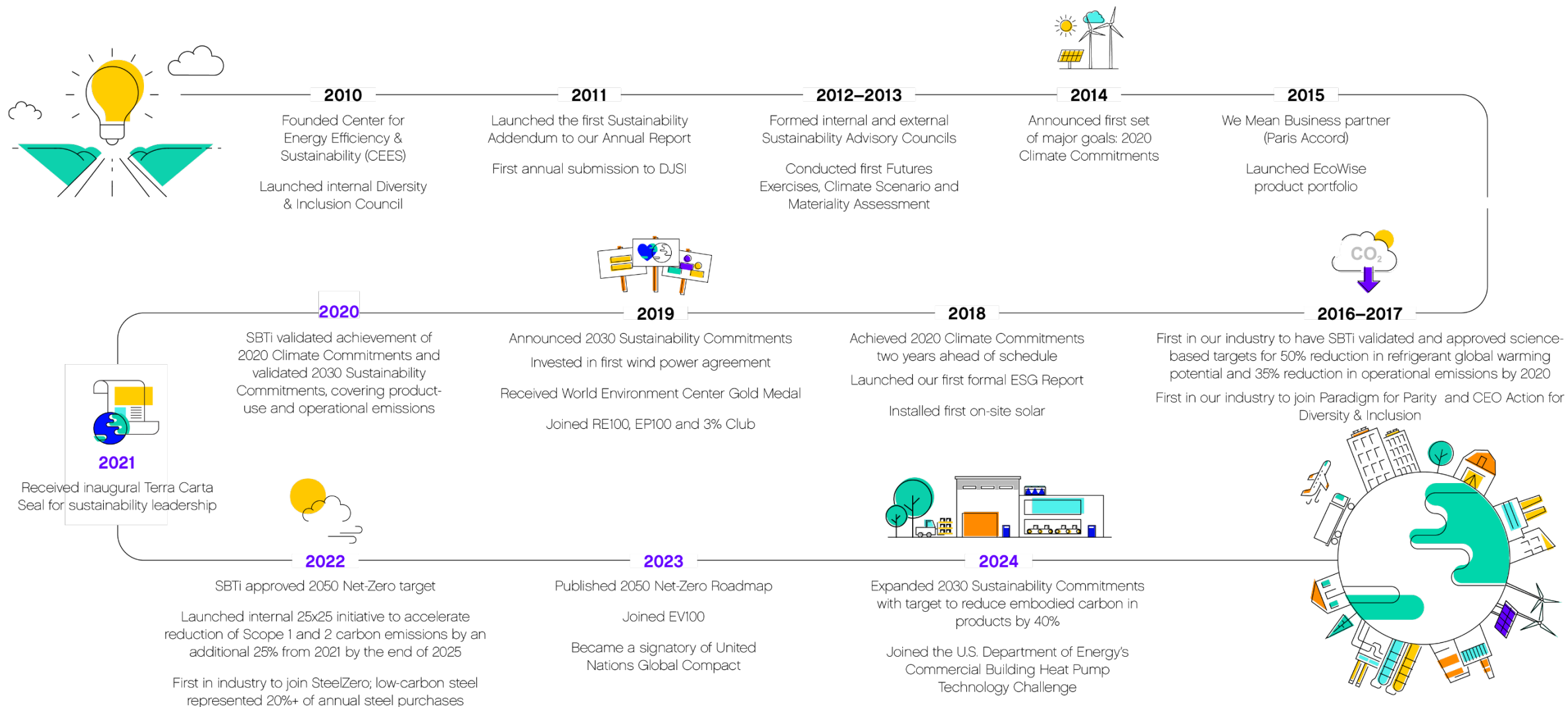


13 Climate Action



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)

Driving 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
4th consecutive year on the World Index



2024 JUST 100:
3rd consecutive year on the JUST 100; Industry Leader for 2nd consecutive year



Named to A List
One of 362 companies currently on the A List



97th Percentile
74/100; Gold Medal



Recognized in the inaugural edition
Ranks companies who promote corporate responsibility & advance sustainable practices



Ethisphere 2024 World's Most Ethical Companies®
First-Time Honoree



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



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

People and Citizenship



Fortune World's Most Admired Companies
12 consecutive years



U.S. News & World Report Best Companies to Work For
Also named to the Best Companies to Work For – Manufacturing list



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

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

From Fortune: ©2024 Fortune Media IP Limited. All rights reserved. Used under license. Fortune and Fortune Media IP Limited are not affiliated with, and do not endorse the products or services of Trane Technologies.



Q4 YoY Organic Revenues up 10%; Bookings up 2%

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

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

*Non-GAAP financial measures. See the company’s Q4 2024 earnings release for additional details and reconciliations.

Q4 Non-GAAP Measures Definitions

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. Adjusted operating income in 2023 is defined as GAAP operating income adjusted for restructuring costs, transformation costs, a non-cash adjustment for contingent consideration, merger and acquisition transaction costs, and an insurance settlement on a property claim. 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 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, legacy legal liability, and a U.S. discrete tax benefit. Adjusted net earnings in 2023 is defined as GAAP earnings from continuing operations attributable to Trane Technologies plc adjusted for an impairment of an equity investment and the net of tax impacts of restructuring costs, transformation costs, merger and acquisition transaction costs, a non-cash adjustment for contingent consideration, an insurance settlement on a property claim and a Brazil valuation allowance. Please refer to the reconciliation of GAAP to non-GAAP measures on tables 2 and 3 of the news release.

Adjusted continuing EPS in 2024 is defined as GAAP continuing EPS adjusted for net of tax impacts of restructuring costs, a non-cash adjustment for contingent consideration, merger and acquisition transaction costs, legacy legal liability, and a U.S. discrete tax benefit. Adjusted continuing EPS in 2023 is defined as GAAP continuing EPS adjusted for an impairment of an equity investment and the net of tax impacts of restructuring costs, transformation costs, merger and acquisition transaction costs, a non-cash adjustment for contingent consideration, an insurance settlement on a property claim and a Brazil valuation allowance. Please refer to the reconciliation of GAAP to non-GAAP measures on tables 2 and 3 of the news release.

Adjusted EBITDA in 2024 is defined as adjusted operating income adjusted to exclude depreciation and amortization expense and include other income / (expense), net. Adjusted EBITDA in 2023 is defined as adjusted operating income adjusted for depreciation and amortization expense, and other income / (expense), net, and an impairment of an equity investment. 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.

Q4 Non-GAAP Measures Definitions

Adjusted effective tax rate for 2024 is defined as the ratio of income tax expense adjusted for a U.S. discrete tax benefit and the net tax effect of adjustments for restructuring costs, a non-cash adjustment for contingent consideration, merger and acquisition transaction costs, and legacy legal liability divided by adjusted net earnings. Adjusted effective tax rate for 2023 is defined as the ratio of income tax expense adjusted for the net tax effect of adjustments restructuring costs, transformation costs, merger and acquisition transaction costs, a non-cash adjustment for contingent consideration, an insurance settlement on a property claim and a Brazil valuation allowance divided by adjusted net earnings. This measure allows for a direct comparison of the effective tax rate between periods.

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 less an adjustment for multi-year incentive outperformance compensation program. Free cash flow in 2023 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 transaction costs, and an insurance settlement on a property claim. Please refer to the free cash flow reconciliation on table 10 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. Q4 2024) less the prior period (e.g. Q4 2023), 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, acquisitions and divestitures.

Organic bookings is defined as reported orders in the current period adjusted for the impact of currency, acquisitions and divestitures.

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 payables and income tax payables.
- **Working capital as a percent of revenue** is calculated by dividing the working capital balance (e.g. as of December 31) by the annualized revenue for the period (e.g. reported revenues for the three months ended December 31 multiplied by 4 to annualize for a full year).