

Ingersoll Rand

Q1 2020 Earnings Presentation

May 12, 2020



Forward-Looking Statements

This presentation contains “forward-looking statements” as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995, including statements related to Ingersoll Rand Inc.’s (the “Company” or “Ingersoll Rand” and f/k/a Gardner Denver Holdings, Inc. or “Gardner Denver”) expectations regarding the performance of its business, its financial results, its liquidity and capital resources and other non-historical statements, including statements regarding the completed transaction (the “transaction”) between Ingersoll Rand plc’s Industrial segment (“Ingersoll Rand Industrial”) and the Company. These forward-looking statements generally are identified by the words “believe,” “project,” “expect,” “anticipate,” “estimate,” “forecast,” “outlook,” “target,” “endeavor,” “seek,” “predict,” “intend,” “strategy,” “plan,” “may,” “could,” “should,” “will,” “would,” “will be,” “on track to” “will continue,” “will likely result,” or the negative thereof or variations thereon or similar terminology generally intended to identify forward-looking statements. All statements, other than historical facts, including, but not limited to, statements regarding the expected benefits of the transaction, including future financial and operating results and strategic benefits, the tax consequences of the transaction, and the combined company’s plans, objectives, expectations and intentions, legal, economic and regulatory conditions, the potential impact of the coronavirus (COVID-19) pandemic on the Company’s business and any assumptions underlying any of the foregoing, are forward-looking statements.

These forward-looking statements are based on Ingersoll Rand’s current expectations and are subject to risks and uncertainties, which may cause actual results to differ materially from these current expectations. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. The inclusion of such statements should not be regarded as a representation that such plans, estimates or expectations will be achieved. Important factors that could cause actual results to differ materially from such plans, estimates or expectations include, among others, (1) the impact on the Company’s business, suppliers and customers and global economic conditions of the COVID-19 pandemic; (2) unexpected costs, charges or expenses resulting from the transaction; (3) uncertainty of the expected financial performance of the combined company following completion of the transaction; (4) failure to realize the anticipated benefits of the proposed transaction, including as a result of delay in integrating the businesses of Gardner Denver and Ingersoll Rand Industrial; (5) the ability of the combined company to implement its business strategy; (6) difficulties and delays in the combined company achieving revenue and cost synergies; (7) inability of the combined company to retain and hire key personnel; (8) evolving legal, regulatory and tax regimes; (9) changes in general economic and/or industry specific conditions; (10) actions by third parties, including government agencies; (11) adverse impact on our operations and financial performance due to natural disaster, catastrophe, pandemic or other event events outside of our control; and (12) other risk factors detailed from time to time in Ingersoll Rand’s reports filed with the Securities and Exchange Commission (the “SEC”), including Ingersoll Rand’s annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and other documents filed with the SEC, which are available on the SEC’s website at <http://www.sec.gov>. The foregoing list of important factors is not exclusive.

Any forward-looking statements speak only as of the date of this presentation. Ingersoll Rand undertakes no obligation to update any forward-looking statements, whether as a result of new information or development, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on any of these forward-looking statements.

Non-GAAP Financial Measures

Included in this presentation are certain non-GAAP financial measures designed to supplement, and not substitute, the financial information provided in accordance with generally accepted accounting principles in the United States of America because management believes such measures are useful to investors. The reconciliation of those measures to the most comparable GAAP measures is set forth in the appendix to this presentation.

Today's Agenda

Our Top Priorities

Company Highlights

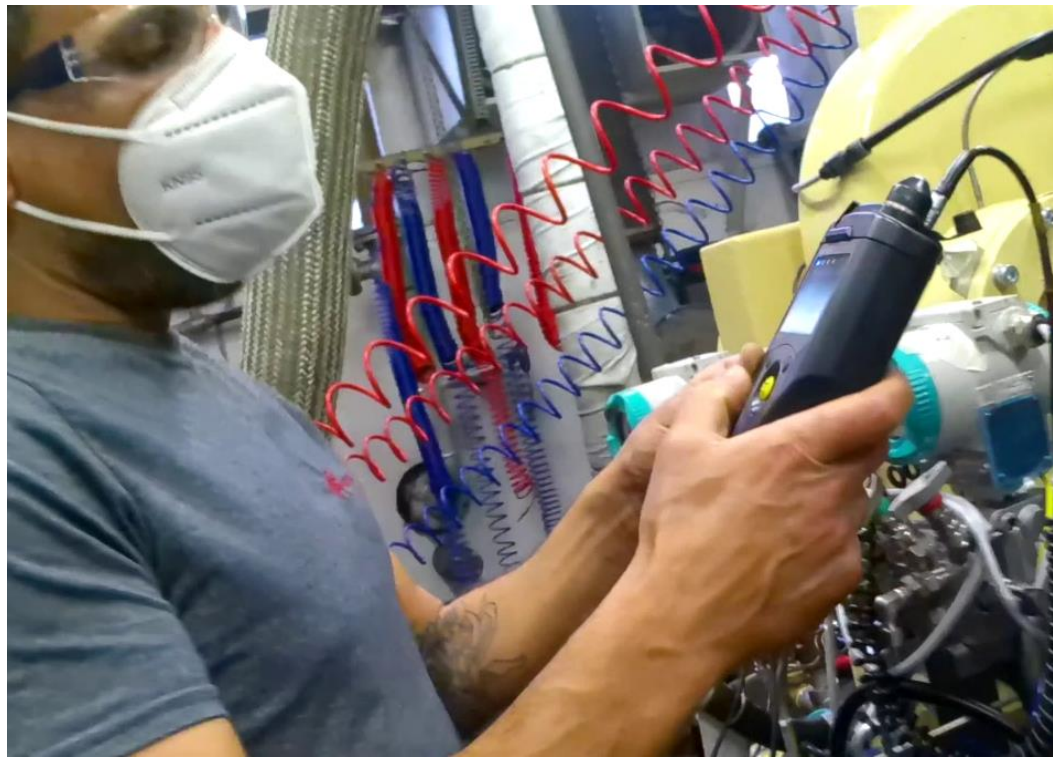
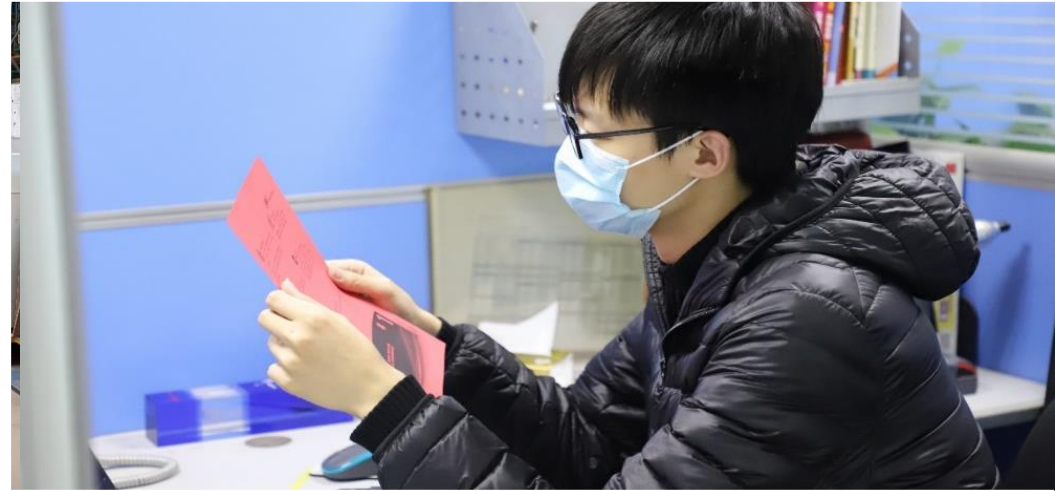
Segment Highlights

Key Takeaways

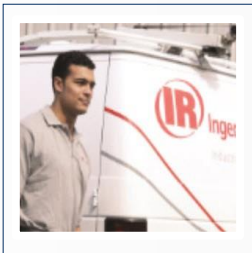
Q&A



THANK YOU to Our Essential Workers for Delivering Critical Products



Three Key Priorities and Today's Framework



01

ENSURING THE SAFETY OF EMPLOYEES, CUSTOMERS AND COMMUNITIES

- Living our Purpose and Values
- Strong and Swift Company Response to COVID-19
- Employee Response

02

STRONG FOCUS ON INTEGRATION AND EXECUTION

- Accelerating Synergy Delivery: Structural Cost Reductions and Procurement Execution
- Managing All Variable and Discretionary Spend
- Prioritizing Solid Cash Flow and Enhancing Liquidity

03

EXECUTING FIVE POINTS OF STRATEGY

- Merging Strong Cultures and Driving an Ownership Mindset
- Executing Aspirational ESG Goals Across the Enterprise
- Utilizing IRX to Navigate Current Environment and Emerge as a Stronger Company

Coming Together as One Company and During COVID-19, Enabled by Strong Purpose

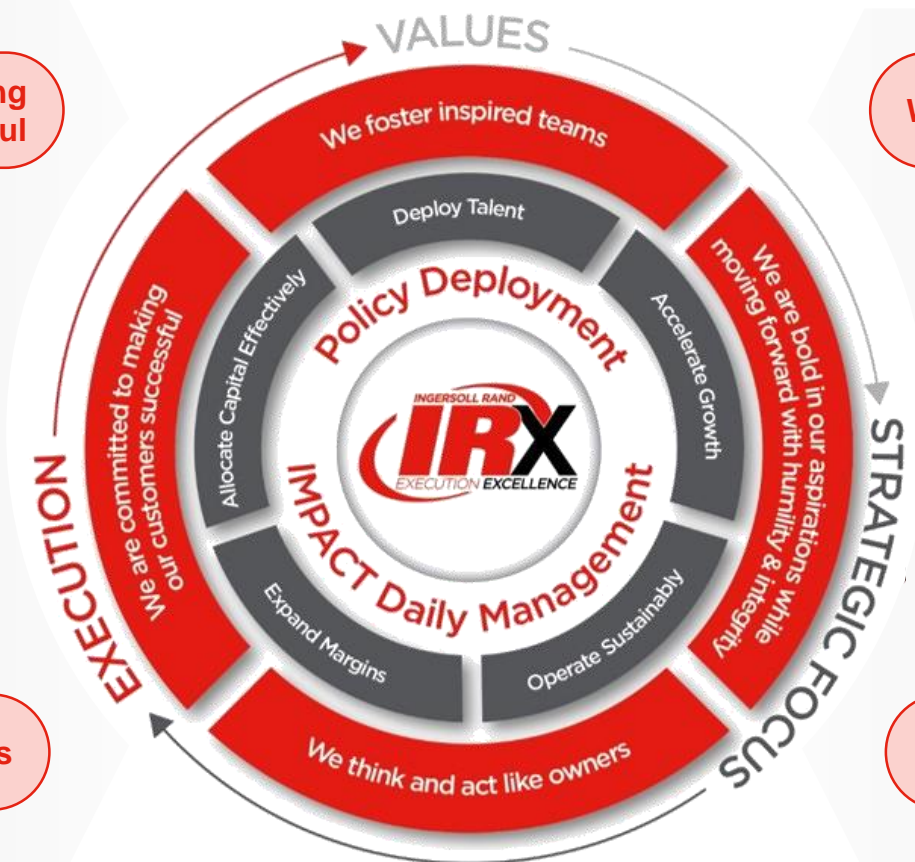
Our Values are an Integral Part of IR Execution Excellence (“IRX”)

We Are Committed to Making Our Customers Successful

We Foster Inspired Teams

We Think and Act Like Owners

We Are Bold in Our Aspirations While Moving Forward with Humility and Integrity



Our Purpose: Lean on Us to Help You Make Life Better

Safety of Employees and Communities: COVID-19 Response

Employee Health, Safety and Support

SUPPORTING EMPLOYEES

- ✓ Daily tracking of status of all employees by global EHS team
- ✓ Increasing health benefits for employees who are on furlough and assisting employees in applying for benefits
- ✓ Fewer than 30 confirmed employee cases of COVID-19 globally to date (as of 5/11/20)

ENGAGING EMPLOYEES TO DRIVE CHANGE

- ✓ Initiated weekly organization-wide CEO communication regarding COVID-19
 - Driving culture with ownership mindset
 - Employees submitted 200+ cost savings ideas

"I am proud to see the level of engagement and communications from leadership..."

"...cost reduction actions that all employees are contributing as responsible owners are encouraging and building confidence in the long-term strength of our company..."

"Leading by example has defined how the culture is changing. This is good!..."

Employee email submission

Business Continuity and Supply Chain

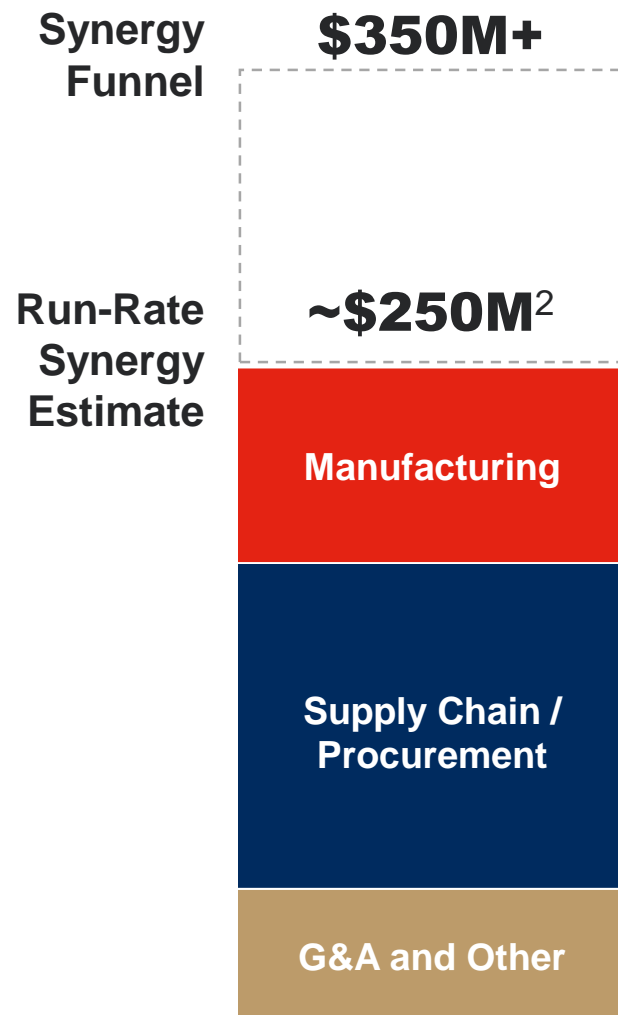
STATUS OF OPERATIONS

- ✓ 98% of company sites operational or transitioned to remote work model (as of 5/11/20)
 - Major manufacturing locations in US, UK, Germany, Italy, Brazil and China operational
 - Locations primarily in China, Italy and India impacted during quarter due largely to government restrictions
 - Following all local governmental recommendations and applying for exemption status where applicable due to mission-critical nature of products and industries served
- ✓ Modified production workflows in plants to allow for 6 feet of employee separation, where possible; all other employees being provided facial covering

STATUS OF SUPPLY CHAIN

- **Americas:** Impacted suppliers significantly improved from mid-April; leveraging dual sources and China supply where possible
- **EMEIA:** Stabilizing as Italian supply base comes back online and continuing to leverage global supply chain for critical components; India continues to be largest risk due to extended shut down
- **APAC:** Stabilized with no current delivery issues

Strong Focus on Integration: Accelerating Pace of Synergy Delivery¹



Estimated One-Time Costs of ~\$350M³
to Achieve Cost Synergies and ~\$100M³ for Associated Stand-up of New Company

SYNERGY DELIVERY UPDATE

- ✓ Synergy funnel built in excess of \$350M with continued room for growth
- ✓ Accelerating pace of delivery
 - **\$90M of annualized structural reductions already executed** with ~\$70M of savings expected in 2020
 - Procurement Wave 1
 - 18 RFQs launched covering ~\$750M of spend
 - Implemented “Dial for \$’s” and “Quick Wins” initiatives
 - Expecting ~\$10-\$20M of savings in 2020
 - i2V: Developing roadmap with launch expected in 2H’20
 - Footprint: All sites consolidated in database (14M+ sq. ft.); targeting sales office consolidation and targeted lease renegotiations
- ✓ Continue to target ~\$250M of cost savings over 3 years
 - Now expecting to achieve ~35% of savings in 2020 (**~3x higher than previously discussed Year 1 savings**)
 - Remaining prudent on volume-dependent synergy savings (procurement and i2V) given current environment

¹ Amounts set forth herein impacted by material spend are based on 2019 direct material spend. ² We expect to be able to realize anticipated cost synergies of ~\$250M by the end of year 3 after closing. We expect to incur ~\$450M of expense in connection with both achieving these cost synergies and the associated stand-up of the new company. ³ Excludes transaction costs.

Managing the Situation: Incremental Cost Actions While Continuing to Invest in Future

Decremental Margins¹ Limited to <30% for
Total Company Despite 15% Revenue Decline² ...

...Due to Our Aggressive Focus on
Cost Management

MANAGING MARGINS ²	Q1'20 Adj EBITDA Decrementals	2020 COST ACTIONS (Incremental to Deal Synergies)
Industrial Technologies & Services	(25%)	<ul style="list-style-type: none"> Reduced compensation for executive management, senior leaders and Board Total company merit deferral Furloughs and reduced work schedules Discretionary spend reductions (travel, contractors, prof services, etc.) Governmental incentives
Precision & Science Technologies	(15%)	
Specialty Vehicle Technologies	N/M	
High Pressure Solutions	(46%)	
Total Ingersoll Rand	(29%)	<p>\$40M - \$50M in Year Savings</p>

Balancing Near-Term with Long-Term: Continuing to Invest in Strategic Growth Initiatives

Maintaining R&D Spend at Same Levels as Prior Years; Remain Focused on Key Projects	Demand Generation	IoT and Connected Customer Platforms	Customer-centric Sales Platforms in Targeted Businesses (i.e., Specialty Vehicles)	Pricing and Customer Segmentation Tools
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Strong Focus on Integration and Execution: Prioritizing Cash and Liquidity

Key Debt and Liquidity Statistics

Debt Summary	March 31, 2020
New Term Loan B Priced at L+175	\$1,900M
Legacy Term Loans Refinanced in Feb'20	\$1,591M
Financing Leases	\$18M
Total Debt	\$3,508M
Liquidity Summary	
Cash and Cash Equivalents	\$556M
Receivables Financing Agreement	\$66M
Available Revolving Credit Facility Balance ¹	\$955M
Total Available Liquidity	\$1,577M

✓ No maturities until 2027 (term loans)

✓ Financial covenants – none on term loans

Areas of Opportunity

- ✓ Working Capital:
 - Utilizing IRX to drive inventory reductions
 - Deploying AR/AP best practices that helped drive 500+ bps of NWC as % of sales improvement at Gardner Denver
 - Weekly AR collection calls and managing supplier terms
- ✓ Interest: Expect 2H'20 tailwind from legacy fixed rate swaps expiring
- ✓ Taxes: Driving proactive planning and structural changes to drive sustainable reduction to cash tax rate
- ✓ Exploring possibility of incremental debt issuance given potential attractive rate and covenant environment

Executing Five Points of Strategy; Introducing Sustainability as a New Pillar



Deploy Talent

- Ownership culture
- Highly engaged employees



Accelerate Growth

- Speed of innovation in selected niche markets
- Execution of Demand Generation



Expand Margins

- Grow aftermarket revenue stream (40%+)
- Innovate to Value (i2V)



Allocate Capital Effectively

- Unlocking cash (NWC as % of sales)
- Expanded TAM driving bolt-on M&A opportunities (P&ST segment)



Operate Sustainably

NEW

- Embedding Environmental, Social, Governance (“ESG”) mindset into our way of life
- Aspiring to be in ESG top quartile in industry

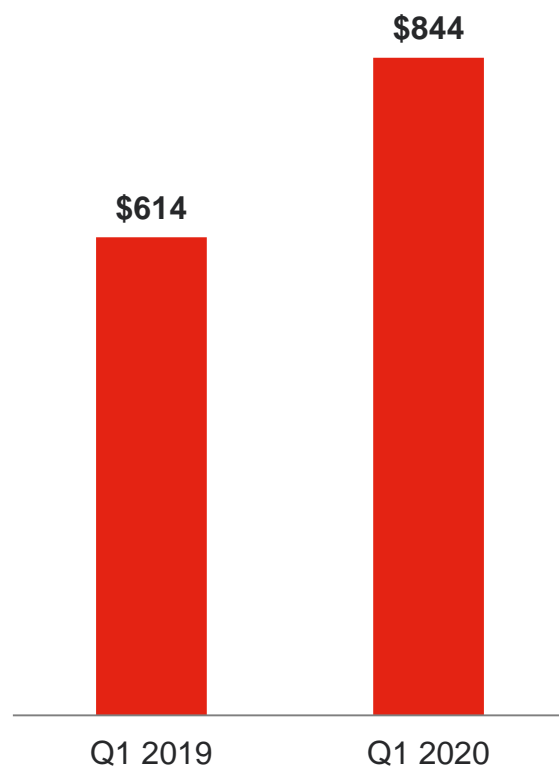


Q1 2020 Financial Performance – As Reported¹

(\$M, excl. EPS)

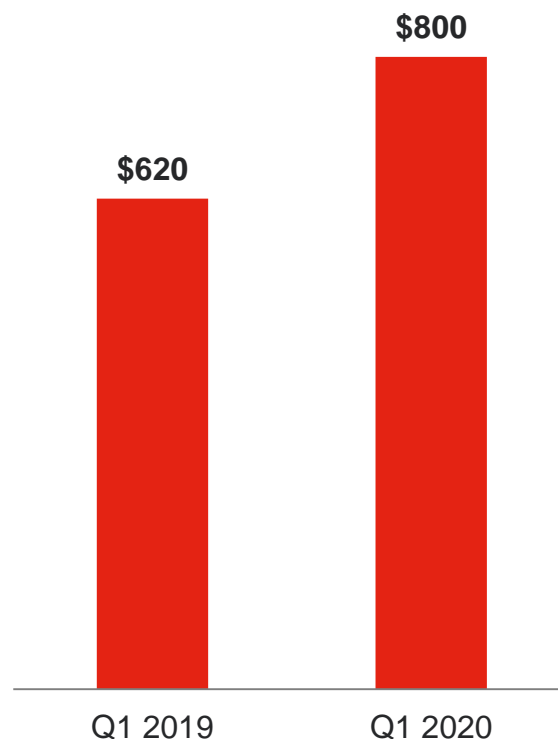
Orders

Up 38%



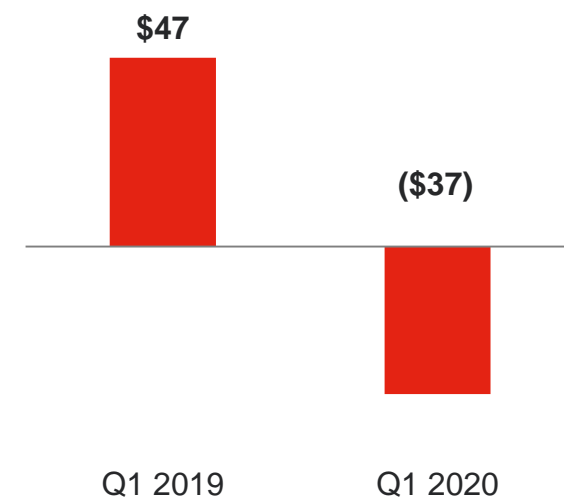
Revenue

Up 29%



Net Income

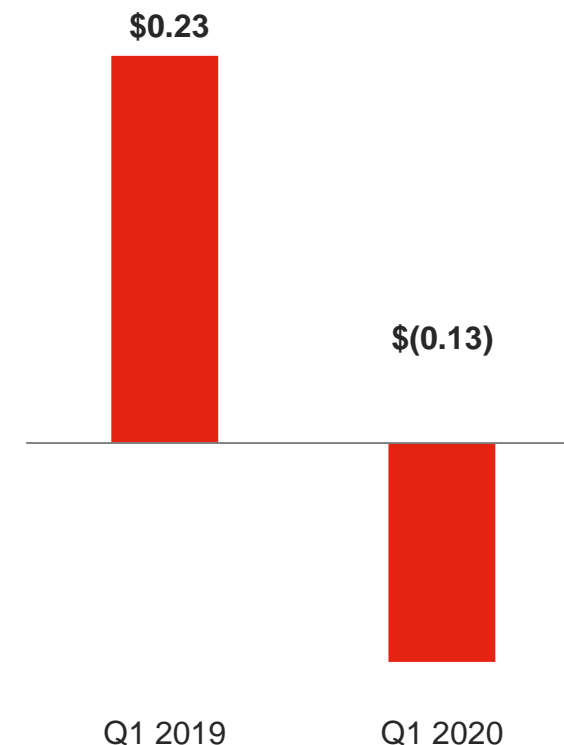
Down 178%



- Q1'20 includes \$197 million of pre-tax amortization, restructuring and related business transformation costs, acquisition-related expenses and other adjustments

EPS

Down \$0.36

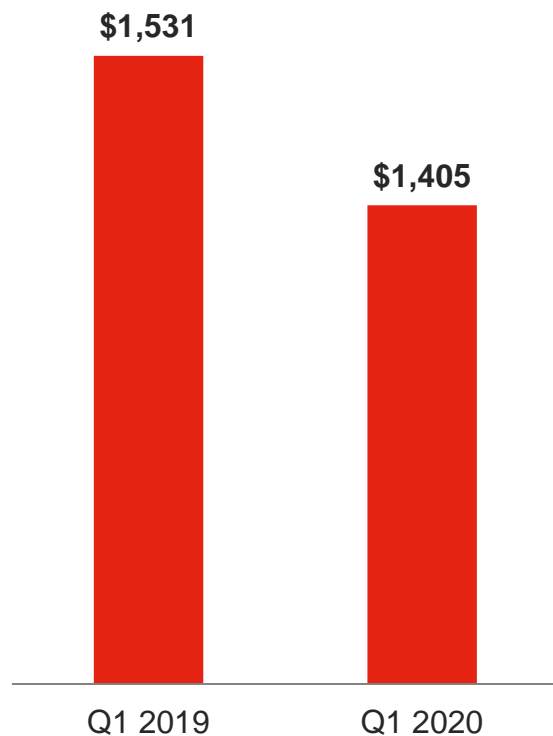


Q1 2020 Financial Performance – Supplemental Financial Information¹

(\$M, excl. EPS)

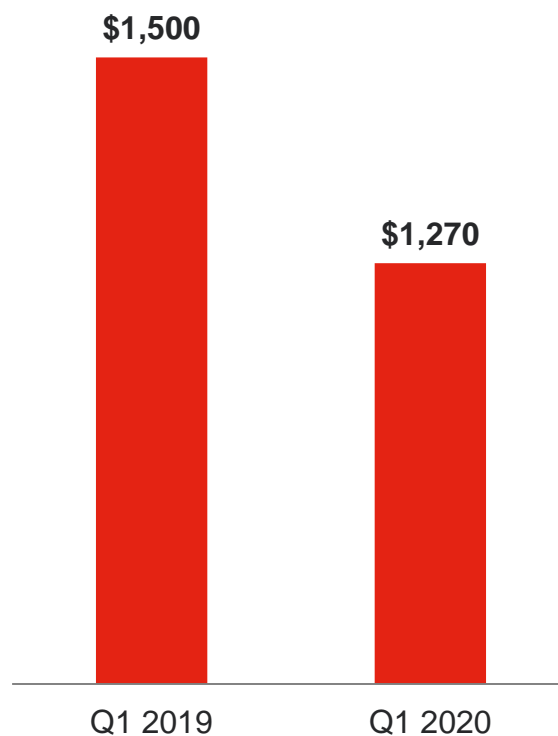
Adjusted Orders

Down 8%; Down 7% ex-FX



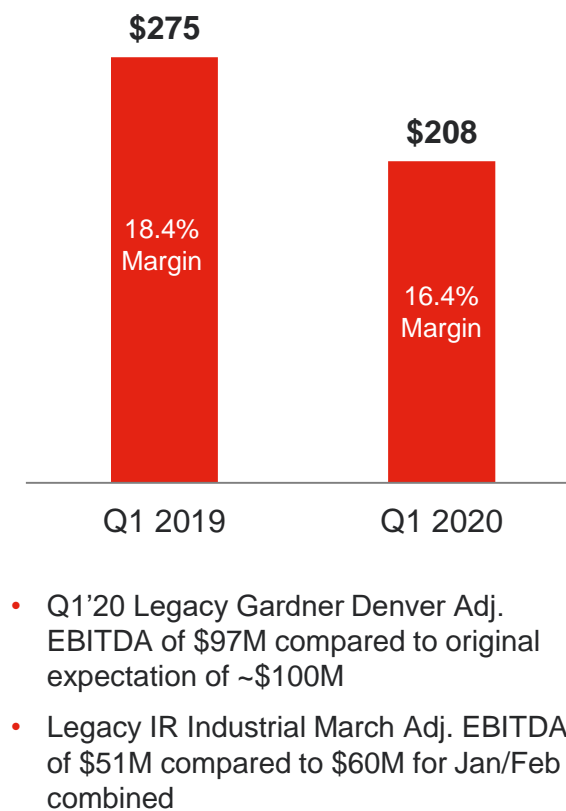
Adjusted Revenue

Down 15%; Down 14% ex-FX



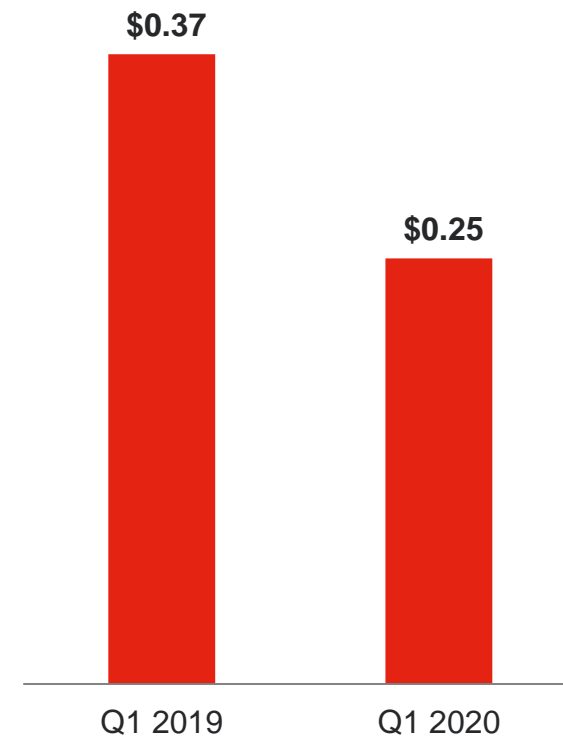
Adjusted EBITDA

Down 24%



Further Adj Diluted EPS²

Down \$0.12

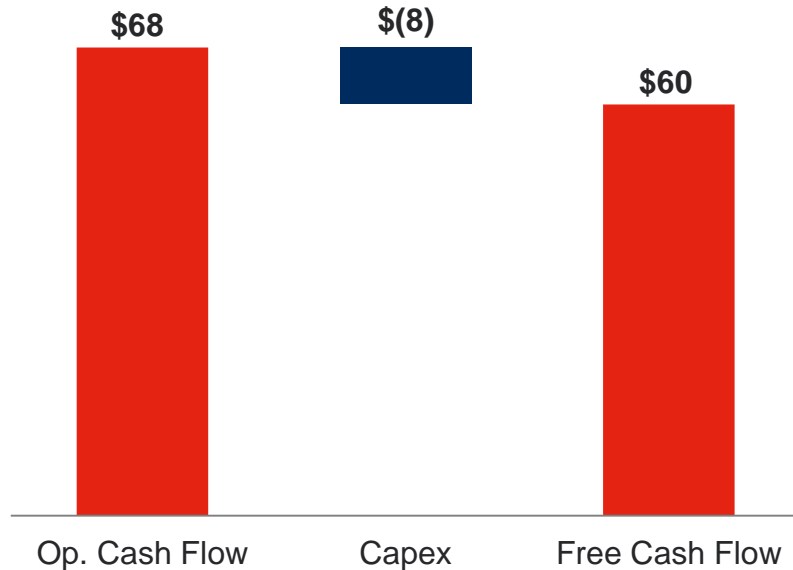


Q1 2020 Financial Performance

(\$M, excl. Leverage)

Free Cash Flow¹

On As Reported Basis

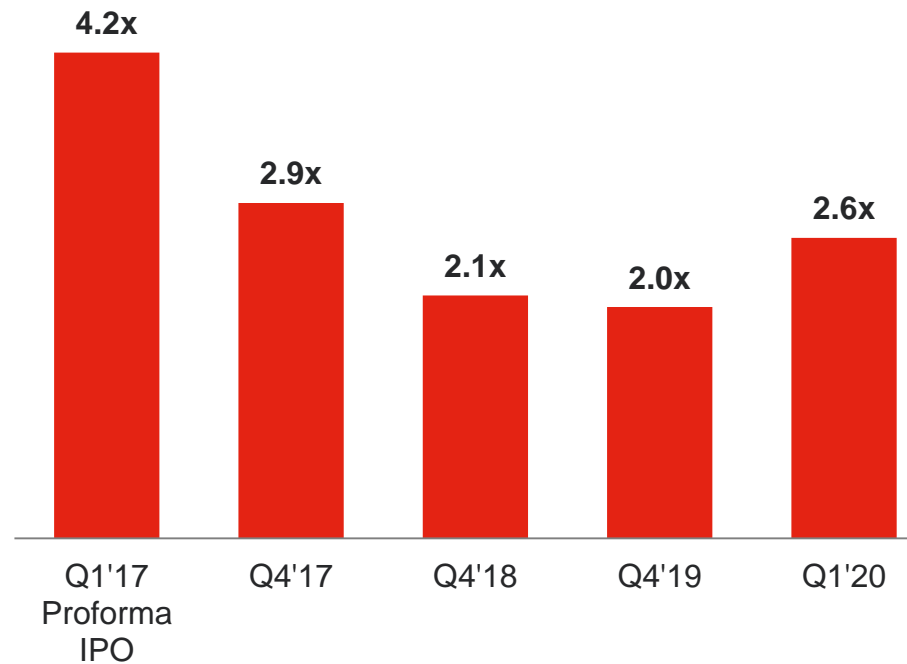


Q1'20 FCF Includes \$63M of Transaction-related Spend:

- \$38M of synergy delivery and stand-up related spend
- \$25M of transaction fees

Leverage²

(Net Debt / LTM Adjusted EBITDA)



Commentary

- ✓ Capex: All spend approved by CEO/CFO; targeting spend reduction to <1.5% of sales (as opposed to ~2% historically)
- ✓ Capital allocation priorities consistent with prior uses
 - Reinvestment for growth
 - Prudent debt pay down
 - Targeted bolt-on M&A
 - No share repurchases or dividends anticipated

Industrial Technologies and Services Q1 2020 Highlights

Q1 2020 Financials – Supplemental Financial Info (\$M)

	Current Year	Prior Year	YoY Δ	Ex-FX YoY Δ
Adjusted Revenue	\$795.8	\$976.2	(18.5)%	(16.8)%
Adj. EBITDA (non-GAAP)	\$135.1	\$180.8	(25.3)%	-
Adj. EBITDA Margin (non-GAAP)	17.0%	18.5%	(150) bps	-

Highlights

- Book to bill of 1.12
- Adjusted orders down 9% ex-FX
- Adjusted revenue down 17% ex-FX on top of 5% ex-FX growth in prior year
- COVID-19 and associated economic slowdown impacting demand:
 - AME down 7% and EMEIA down 15%, both ex-FX
 - AP down 36%, ex-FX, due to Jan/Feb impact w/ improving trend in March
 - Power Tools & Lift down 23%, ex-FX
- Non-GAAP Adjusted EBITDA margin down 150 bps due to volume declines; partially offset by strong cost controls limiting decrements to 25%

Q1 2020 Supplemental Financial Info Revenue/Orders Bridge

	Organic	FX	M&A	YoY Δ
Adjusted Orders Growth	(9.5)%	(1.9)%	0.1%	(11.3)%
Adjusted Revenue Growth	(16.9)%	(1.7)%	0.1%	(18.5)%

Q1 2019 Supplemental Revenue Bridge¹

Adj. Rev Growth	4.1%	(4.6)%	1.3%	0.8%
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Innovation in Action

Side Channel Blowers for Ventilators

In the fight against COVID-19, ventilators play a key role in assisting patient breathing; side channel blowers are a compact, lightweight and energy efficient source for generating large flows of air that are at the heart of a ventilator.



Precision and Science Technologies Q1 2020 Highlights

Q1 2020 Financials – Supplemental Financial Info (\$M)

	Current Year	Prior Year	YoY Δ	Ex-FX YoY Δ
Adjusted Revenue	\$192.2	\$213.6	(10.0)%	(8.6)%
Adj. EBITDA (non-GAAP)	\$53.3	\$56.5	(5.7)%	-
Adj. EBITDA Margin (non-GAAP)	27.7%	26.5%	120 bps	-

Highlights

- Adjusted orders up 2% ex-FX
 - Strong demand for Medical pumps, up 9% ex-FX, with March momentum carrying into April
 - Relatively stable demand for PFS/ARO pumps due to niche end markets like water treatment and chemicals
- Adjusted revenue down 9% ex-FX on top of 12% growth in prior year
 - Impacted by COVID-19 and associated shipment deferrals
- Non-GAAP Adjusted EBITDA margin up 120 bps driven by strong cost controls and productivity improvements despite revenue decline; decrements limited to 15%

Q1 2020 Supplemental Financial Info Revenue/Orders Bridge

	Organic	FX	M&A	YoY Δ
Adjusted Orders Growth	1.1%	(1.6)%	0.5%	0.0%
Adjusted Revenue Growth	(8.9)%	(1.4)%	0.3%	(10.0)%

Q1 2019 Supplemental Revenue Bridge¹

Adj. Rev Growth	9.1%	(3.9)%	3.2%	8.4%
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Innovation in Action

Medical Pumps for Use in Intensive Care & Acute Care

In the fight against COVID-19, our medical pumps have a strong presence in the ICU and acute care OEM products. The wide diversity of pump technologies are used to provide the highest quality products to patients and medical staff in applications such as ventilation/oxygen therapy, blood gas monitoring, aspirators, dialysis machines and air mattress beds.

1 Ventilators



2 Patient Monitors



3 Aspirators



4 Dialysis



5 Hospital Beds



Specialty Vehicle Technologies Q1 2020 Highlights

Q1 2020 Financials – Supplemental Financial Info (\$M)

	Current Year	Prior Year	YoY Δ	Ex-FX YoY Δ
Adjusted Revenue	\$185.4	\$173.9	6.6%	7.0%
Adj. EBITDA (non-GAAP)	\$18.4	\$18.6	(1.1)%	-
Adj. EBITDA Margin (non-GAAP)	9.9%	10.7%	(80) bps	-

Highlights

- Adjusted orders up 8% ex-FX
- Adjusted revenue up 7% ex-FX on top of 3% growth in prior year
 - Total quarter book to bill ratio of 1.15
- Strong Jan/Feb momentum in Golf, Consumer and Connectivity product offerings with sharp decline in second half of March due to COVID-19
- Non-GAAP Adjusted EBITDA margin down 80 bps due largely to internal investments for future growth and product mix

Q1 2020 Supplemental Financial Info Revenue/Orders Bridge

	Organic	FX	M&A	YoY Δ
Adjusted Orders Growth	8.2%	(0.3)%	0.0%	7.9%
Adjusted Revenue Growth	7.0%	(0.4)%	0.0%	6.6%

Q1 2019 Supplemental Revenue Bridge¹

Adj. Rev Growth	2.8%	(1.0)%	0.0%	1.8%
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Innovation in Action

Tempo Lithium Ion

Club Car's lithium ion fleet car brings advanced battery technology and industry first smart electrical architecture to deliver best in class performance and safety. Golf courses can see up to a 50% reduction in energy usage and much lower maintenance costs, including less turf impact due to a much lower vehicle weight.



High Pressure Solutions Q1 2020 Highlights

Q1 2020 Financials – Supplemental Financial Info (\$M)

	Current Year	Prior Year	YoY Δ	Ex-FX YoY Δ
Adjusted Revenue	\$96.4	\$135.9	(29.0)%	(28.6)%
Adj. EBITDA (non-GAAP)	\$23.7	\$41.9	(43.4)%	-
Adj. EBITDA Margin (non-GAAP)	24.6%	30.8%	(620) bps	-

Highlights

- Adjusted orders down 25% ex-FX
- Adjusted revenue down 29% ex-FX
- Overall performance above original expectations despite tough operating environment
 - Sequentially vs Q4'19: Adjusted orders up 6% and Adjusted revenue up 22%
 - ~90% of revenue from aftermarket product lines; continued strong commercial execution in consumables product offerings
- Non-GAAP Adjusted EBITDA margin down 620 bps due to overall revenue declines partially offset by proactive cost measures; achieved 24.6% Adj EBITDA margin, up 430 bps from Q4'19

Q1 2020 Supplemental Financial Info Revenue/Orders Bridge

	Organic	FX	M&A	YoY Δ
Adjusted Orders Growth	(25.4)%	(0.4)%	0.0%	(25.8)%
Adjusted Revenue Growth	(28.6)%	(0.4)%	0.0%	(29.0)%

Q1 2019 Supplemental Revenue Bridge¹

Adj. Rev Growth	(17.2)%	(0.4)%	0.8%	(16.8)%
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Innovation in Action

Helping Customers Manage through Market Volatility – New VX Fluid End

The new VX fluid end is designed as an economical alternative to existing fluid end offerings. Utilizing state-of-the-art internal geometry, the VX fluid end is optimized for fatigue life comparable to legacy designs, but in a smaller footprint, offering cost savings without sacrificing operating life.



Current Business Trends and Scenario Analysis

Current Business Trends

April 2020 Performance

Order Rates	Stabilizing but down ~20% YoY ¹ ... Book to Bill >1
IT&S	Down ~20% driven negatively by Power Tools, EMEIA and Americas while Asia Pacific positive... Book to Bill >1
P&ST	Positive YoY performance
SVT	Down ~20%... improving sequentially within the month
HPS	Down ~80%... driven by current market dynamics and prior year comparisons; in line with market expectations for active fleet count

Scenario Analysis

Cash Breakeven Scenario

- Stress testing balance sheet against across multiple scenarios based on different revenue levels to assess impact on cash flows
- Revenue needs to decline by ~40% to be breakeven on a cash flow basis for 2020 using the following assumptions
 - Average historical decrementals
 - Capex: ~1.5% of sales
 - Minimal improvement in working capital for balance of year
 - All Q1 transaction and integration related cash outflows included
 - Savings from Q1 structural actions and the announced discretionary spend reductions to date

Due to Market Uncertainty Related to COVID-19, We Are Not Providing Guidance for Q2 or FY 2020

Key Takeaways – Investing with Ingersoll Rand

01

Creating a Premier Industrial Company with Iconic Brands and Market Leading Positions in **Early Stages of Transformation**

02

Multiple Levers for Value Creation while **Executing our Top Priorities**

- Safety of Our Employees and Communities
 - Strong Focus on Integration and Execution
 - Executing Five Points of Strategy
-

03

Ample Liquidity and **Durable Balance Sheet**

04

Utilizing IRX to Create Unique Execution-Focused Culture

05

\$40B+ Addressable Market with High Degree of Fragmentation and Attractive Bolt-on M&A Opportunities

Appendix



As Reported Financials: Reconciliation of Net (Loss) Income and Earnings per Share to Adjusted Net Income and Adjusted Earnings per Share

INGERSOLL RAND INC. AND SUBSIDIARIES
RECONCILIATION OF NET (LOSS) INCOME AND EARNINGS PER SHARE TO
ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER SHARE
(Dollars in millions, except per share amounts)
(Unaudited)

	For the Three Month Period Ended March 31,	
	2020	2019
Net (Loss) Income	\$ (36.8)	\$ 47.1
Basic (Loss) Earnings Per Share (As Reported)	\$ (0.13)	\$ 0.23
Diluted (Loss) Earnings Per Share (As Reported)	\$ (0.13)	\$ 0.23
Plus:		
(Benefit) provision for income taxes	(58.9)	12.0
Amortization of acquisition related intangible assets	51.8	28.4
Restructuring and related business transformation costs	42.2	4.1
Acquisition related expenses and non-cash charges	96.1	1.6
Establish public company financial reporting compliance	-	0.6
Stock-based compensation	3.0	8.7
Foreign currency transaction losses, net	2.6	3.1
Loss on extinguishment of debt	2.0	-
Shareholder litigation settlement recoveries	-	(6.0)
Other adjustments	(0.6)	(0.1)
Minus:		
Income tax provision, as adjusted	26.3	21.3
Adjusted Net Income	\$ 75.1	\$ 78.2
Adjusted Basic Earnings Per Share	\$ 0.27	\$ 0.39
Adjusted Diluted Earnings Per Share¹	\$ 0.27	\$ 0.38
Average shares outstanding:		
Basic, as reported	277.3	201.6
Diluted, as reported ²	277.3	207.7
Adjusted diluted ¹	281.5	207.7

¹ Adjusted diluted share count and adjusted diluted earnings per share include incremental dilutive shares, using the treasury stock method, which are added to average shares outstanding.

² Due to net losses in certain periods shown, basic and diluted average shares outstanding are the same in those periods.

As Reported Financials: Reconciliation of Net (Loss) Income to Adjusted EBITDA and Adjusted Net Income and CFOA to Free Cash Flow

INGERSOLL RAND INC. AND SUBSIDIARIES
RECONCILIATION OF NET (LOSS) INCOME TO ADJUSTED EBITDA AND ADJUSTED
NET INCOME AND CASH FLOWS - OPERATING ACTIVITIES TO FREE CASH FLOW
(Dollars in millions)
(Unaudited)

	For the Three Month Period Ended March 31,	
	2020	2019
Net (Loss) Income	\$ (36.8)	\$ 47.1
Plus:		
Interest expense	27.1	22.4
(Benefit) provision for income taxes	(58.9)	12.0
Depreciation expense	15.9	14.1
Amortization expense	55.2	31.4
Restructuring and related business transformation costs	42.2	4.1
Acquisition related expenses and non-cash charges	96.1	1.6
Establish public company financial reporting compliance	-	0.6
Stock-based compensation	3.0	8.7
Foreign currency transaction losses, net	2.6	3.1
Loss on extinguishment of debt	2.0	-
Shareholder litigation settlement recoveries	-	(6.0)
Other adjustments	(0.6)	(0.1)
Adjusted EBITDA	<u>\$ 147.8</u>	<u>\$ 139.0</u>
Minus:		
Interest expense	27.1	22.4
Income tax provision, as adjusted	26.3	21.3
Depreciation expense	15.9	14.1
Amortization of non-acquisition related intangible assets	3.4	3.0
Adjusted Net Income	<u>\$ 75.1</u>	<u>\$ 78.2</u>
Free Cash Flow		
Cash flows - operating activities	68.4	68.8
Minus:		
Capital expenditures	8.3	14.1
Free Cash Flow	<u>\$ 60.1</u>	<u>\$ 54.7</u>

As Reported Financials: Reconciliation of Segment Adjusted EBITDA to (Loss) Income Before Income Taxes

INGERSOLL RAND INC. AND SUBSIDIARIES
RECONCILIATION OF SEGMENT ADJUSTED EBITDA TO (LOSS) INCOME BEFORE INCOME TAXES
(Dollars in millions)
(Unaudited)

	For the Three Month Period Ended March 31,	
	2020	2019
Revenue		
Industrial Technologies and Services	\$ 504.0	\$ 405.1
Precision and Science Technologies	112.9	79.3
Specialty Vehicle Technologies	86.6	-
High Pressure Solutions	96.4	135.9
Total Revenue	<u>\$ 799.9</u>	<u>\$ 620.3</u>
Segment Adjusted EBITDA		
Industrial Technologies and Services	\$ 94.8	\$ 85.5
Precision and Science Technologies	32.9	23.1
Specialty Vehicle Technologies	14.1	-
High Pressure Solutions	23.5	41.8
Total Segment Adjusted EBITDA	<u>\$ 165.3</u>	<u>\$ 150.4</u>
Less items to reconcile Segment Adjusted EBITDA to (Loss) Income Before Income Taxes:		
Corporate expenses not allocated to segments	\$ 17.5	\$ 11.4
Interest expense	27.1	22.4
Depreciation and amortization expense	71.1	45.5
Restructuring and related business transformation costs	42.2	4.1
Acquisition related expenses and non-cash charges	96.1	1.6
Establish public company financial reporting compliance	-	0.6
Stock-based compensation	3.0	8.7
Foreign currency transaction losses, net	2.6	3.1
Loss on extinguishment of debt	2.0	-
Shareholder litigation settlement recoveries	-	(6.0)
Other adjustments	(0.6)	(0.1)
(Loss) Income Before Income Taxes	<u>\$ (95.7)</u>	<u>\$ 59.1</u>

Unaudited Supplemental Adjusted Combined Financial Information

Ingersoll Rand is providing the below unaudited supplemental historical financial information of the Company on a non-GAAP adjusted basis for the quarterly periods ended March 31, 2020 and 2019 as if the Transaction was completed on January 1, 2018, to assist investors in assessing Ingersoll Rand's historical performance on a basis that includes the combined results of operations of both Gardner Denver Holdings, Inc. and Ingersoll-Rand plc's Industrial segment. Ingersoll Rand management believes this unaudited supplemental historical financial information helps investors understand the long-term profitability trends of its newly combined business giving effect to the Transaction and facilitates comparisons of our profitability to prior and future periods and to our peers. The supplemental historical financial information herein may not be comparable to similarly titled measures reported by other companies.

- **Table 1:** In Table 1, the Company presents its unaudited combined Supplemental Adjusted Orders, Supplemental Adjusted Revenues, Supplemental Adjusted EBITDA, and Supplemental Adjusted EBITDA Margin at both the consolidated Company level and segment levels on a basis that reflects the Transaction happening on January 1, 2018 and Ingersoll Rand's new segment structure post-Transaction. Additionally, the table presents unaudited Supplemental Further Adjusted Net Income and unaudited Supplemental Further Adjusted Diluted EPS at the consolidated Company level.
- **Table 2:** In Table 2, the Company presents unaudited supplemental adjusted combined revenue growth/(decline), orders growth/(decline), and their components (including the non-GAAP measures of organic revenue growth/(decline), impact of foreign currency, and impact of acquisitions) on a basis that reflects the Transaction happening on January 1, 2018 and Ingersoll Rand's new segment structure post-Transaction.
- **Table 3:** In Table 3, the Company presents a reconciliation of unaudited Supplemental Adjusted Net Income and unaudited Supplemental Adjusted Diluted EPS to unaudited Supplemental Further Adjusted Net Income and unaudited Supplemental Further Adjusted Diluted EPS (including a reconciliation from diluted shares outstanding to adjusted diluted shares outstanding).
- **Table 4:** In Table 4, the Company presents a reconciliation of unaudited Supplemental Adjusted Diluted EPS to unaudited Supplemental Further Adjusted Diluted EPS on a per share basis.
- **Table 5:** In Table 5, the Company presents a reconciliation of unaudited Supplemental Adjusted Net Income to unaudited Supplemental Adjusted EBITDA and unaudited Supplemental Further Adjusted Net Income.
- **Table 6:** In Table 6, the Company presents unaudited Supplemental Adjusted Revenues by segment and a reconciliation of unaudited Supplemental Segment Adjusted EBITDA to unaudited Supplemental Adjusted Income Before Income Taxes at the consolidated Company level.
- **Table 7:** In Table 7, the Company presents a reconciliation of GAAP Revenue to Supplemental Adjusted Revenue by Segment and for the Company and Adjusted EBITDA to Supplemental Segment Adjusted EBITDA.
- **Table 8:** In Table 8, the Company presents a reconciliation of GAAP Net (Loss) Income to Adjusted EBITDA and Supplemental Adjusted EBITDA and Supplemental Further Adjusted Net Income.
- **Table 9:** In Table 9, the Company presents a reconciliation of GAAP Diluted EPS to Supplemental Further Adjusted Diluted EPS.

Table 1: Unaudited Supplemental Adjusted Combined Financial Information by Segment

INGERSOLL RAND INC. AND SUBSIDIARIES
UNAUDITED SUPPLEMENTAL ADJUSTED COMBINED FINANCIAL INFORMATION
BY SEGMENT
(Dollars in millions, per share amounts in whole dollars)

	For the Three Month Period Ended March 31,	
	2020	2019
Ingersoll Rand		
Supplemental Adjusted Orders	\$1,404.5	\$1,530.8
Supplemental Adjusted Revenue (non-GAAP)	1,269.8	1,499.6
Supplemental Adjusted EBITDA (non-GAAP)	208.1	275.4
Supplemental Adjusted EBITDA Margin (non-GAAP)	16.4%	18.4%
Supplemental Further Adjusted Net Income (non-GAAP)	106.2	154.1
Supplemental Further Adjusted Diluted EPS (non-GAAP)	\$ 0.25	\$ 0.37
Industrial Technologies & Services		
Supplemental Adjusted Orders	\$ 889.4	\$1,002.4
Supplemental Adjusted Revenue (non-GAAP)	795.8	976.2
Supplemental Adjusted EBITDA (non-GAAP)	135.1	180.8
Supplemental Adjusted EBITDA Margin (non-GAAP)	17.0%	18.5%
Precision & Science Technologies		
Supplemental Adjusted Orders	\$ 218.3	\$ 218.2
Supplemental Adjusted Revenue (non-GAAP)	192.2	213.6
Supplemental Adjusted EBITDA (non-GAAP)	53.3	56.5
Supplemental Adjusted EBITDA Margin (non-GAAP)	27.7%	26.5%
Specialty Vehicle Technologies		
Supplemental Adjusted Orders	\$ 213.3	\$ 197.6
Supplemental Adjusted Revenue (non-GAAP)	185.4	173.9
Supplemental Adjusted EBITDA (non-GAAP)	18.4	18.6
Supplemental Adjusted EBITDA Margin (non-GAAP)	9.9%	10.7%
High Pressure Solutions		
Supplemental Adjusted Orders	\$ 83.5	\$ 112.6
Supplemental Adjusted Revenue (non-GAAP)	96.4	135.9
Supplemental Adjusted EBITDA (non-GAAP)	23.7	41.9
Supplemental Adjusted EBITDA Margin (non-GAAP)	24.6%	30.8%

Table 2: Unaudited Supplemental Adjusted Combined Revenue and Order Growth / (Decline) by Segment¹

INGERSOLL RAND INC. AND SUBSIDIARIES
UNAUDITED SUPPLEMENTAL ADJUSTED COMBINED FINANCIAL INFORMATION
UNAUDITED SUPPLEMENTAL ADJUSTED REVENUE AND ORDER GROWTH / (DECLINE) BY SEGMENT

	For the Three Month Period Ended March 31, 2020	
	Orders	Revenue
Ingersoll Rand		
Organic decline (non-GAAP)	(6.9%)	(14.0%)
Impact of foreign currency (non-GAAP)	(1.5%)	(1.4%)
Impact of acquisitions (non-GAAP)	0.2%	0.1%
Total adjusted orders and revenue decline (non-GAAP)	(8.2%)	(15.3%)
Industrial Technologies & Services		
Organic decline (non-GAAP)	(9.5%)	(16.9%)
Impact of foreign currency (non-GAAP)	(1.9%)	(1.7%)
Impact of acquisitions (non-GAAP)	0.1%	0.1%
Total adjusted orders and revenue decline (non-GAAP)	(11.3%)	(18.5%)
Precision & Science Technologies		
Organic growth (decline) (non-GAAP)	1.1%	(8.9%)
Impact of foreign currency (non-GAAP)	(1.6%)	(1.4%)
Impact of acquisitions (non-GAAP)	0.5%	0.3%
Total adjusted orders and revenue decline (non-GAAP)	- %	(10.0%)
Specialty Vehicle Technologies		
Organic growth (non-GAAP)	8.2%	7.0%
Impact of foreign currency (non-GAAP)	(0.3%)	(0.4%)
Impact of acquisitions (non-GAAP)	- %	- %
Total adjusted orders and revenue growth (non-GAAP)	7.9%	6.6%
High Pressure Solutions		
Organic decline (non-GAAP)	(25.4%)	(28.6%)
Impact of foreign currency (non-GAAP)	(0.4%)	(0.4%)
Impact of acquisitions (non-GAAP)	- %	- %
Total adjusted orders and revenue decline (non-GAAP)	(25.8%)	(29.0%)

(1) Organic growth/(decline), impact of foreign currency, and impact of acquisitions are non-GAAP measures. References to "impact of acquisitions" refer to GAAP sales from acquired businesses recorded prior to the first anniversary of the acquisition. The portion of GAAP revenue attributable to currency translation is calculated as the difference between (a) the period-to-period change in revenue (excluding acquisition sales) and (b) the period-to-period change in revenue (excluding acquisition sales) after applying prior year foreign exchange rates to the current year period.

Table 3: Reconciliation of Unaudited Supplemental Adjusted Net Income and Supplemental Adjusted Diluted EPS to Supplemental Further Adjusted Net Income and Supplemental Further Adjusted Diluted EPS

INGERSOLL RAND INC. AND SUBSIDIARIES
UNAUDITED SUPPLEMENTAL ADJUSTED COMBINED FINANCIAL INFORMATION
RECONCILIATION OF UNAUDITED SUPPLEMENTAL ADJUSTED NET INCOME AND
SUPPLEMENTAL ADJUSTED DILUTED EPS TO SUPPLEMENTAL FURTHER ADJUSTED NET INCOME AND
SUPPLEMENTAL FURTHER ADJUSTED DILUTED EPS
(Dollars and Shares in millions, except per share amounts)

	For the Three Month Period Ended March 31,	
	2020	2019
Supplemental Adjusted Net Income	\$ 7.5	\$ 62.2
Supplemental Adjusted Diluted Earnings Per Share	\$ 0.02	\$ 0.15
Plus:		
Adjusted amortization of acquisition related intangible assets (a)	\$ 70.7	\$ 87.3
Adjusted acquisition related expenses and non-cash charges (b)	1.6	1.6
Adjusted restructuring and related business transformation costs (c)	44.8	15.1
Adjusted stock-based compensation (d)	3.0	11.6
Adjusted foreign currency transaction losses, net	3.8	2.5
Adjusted shareholder litigation settlement recoveries (e)	-	(6.0)
Adjusted other adjustments (f)	1.0	0.7
Minus:		
Adjusted Income tax provisions, as adjusted (g)	26.2	20.9
Supplemental Further Adjusted Net Income	\$ 106.2	\$ 154.1
Supplemental Further Adjusted Diluted Earnings Per Share	\$ 0.25	\$ 0.37
Supplemental Adjusted Diluted Shares Outstanding	421.1	419.0

Table 4: Reconciliation of Supplemental Adjusted Diluted EPS to Supplemental Further Adjusted Diluted EPS

INGERSOLL RAND INC. AND SUBSIDIARIES
UNAUDITED SUPPLEMENTAL ADJUSTED COMBINED FINANCIAL INFORMATION
RECONCILIATION OF SUPPLEMENTAL ADJUSTED DILUTED EPS TO
SUPPLEMENTAL FURTHER ADJUSTED DILUTED EPS
(Per share amounts in whole dollars)

	For the Three Month Period Ended March 31,	
	2020	2019
Supplemental Adjusted Diluted Earnings Per Share	\$ 0.02	\$ 0.15
Plus:		
Adjusted amortization of acquisition related intangible assets (a)	0.17	0.21
Adjusted acquisition related expenses and non-cash charges (b)	-	-
Adjusted restructuring and related business transformation costs (c)	0.10	0.03
Adjusted stock-based compensation (d)	0.01	0.03
Adjusted foreign currency transaction losses, net	0.01	0.01
Adjusted shareholder litigation settlement recoveries (e)	-	(0.01)
Adjusted other adjustments (f)	-	-
Minus:		
Adjusted income tax provisions, as adjusted (g)	0.06	0.05
Supplemental Further Adjusted Diluted Earnings Per Share	\$ 0.25	\$ 0.37

Table 5: Reconciliation of Supplemental Adjusted Net Income to Supplemental Adjusted EBITDA and Supplemental Further Adjusted Net Income

INGERSOLL RAND INC. AND SUBSIDIARIES
UNAUDITED SUPPLEMENTAL ADJUSTED COMBINED FINANCIAL INFORMATION
RECONCILIATION OF SUPPLEMENTAL ADJUSTED NET INCOME TO
SUPPLEMENTAL ADJUSTED EBITDA AND SUPPLEMENTAL FURTHER ADJUSTED NET INCOME
(Dollars in millions)

	For the Three Month Period Ended March 31,	
	2020	2019
Supplemental Adjusted Net Income	\$ 7.5	\$ 62.2
Plus:		
Adjusted interest expense	\$ 35.2	\$ 39.3
Adjusted provision for income taxes	10.7	31.1
Adjusted depreciation expense	25.6	25.0
Adjusted amortization expense (a)	74.9	92.3
Adjusted acquisition related expenses and non-cash charges (b)	1.6	1.6
Adjusted restructuring and related business transformation costs (c)	44.8	15.1
Adjusted stock-based compensation (d)	3.0	11.6
Adjusted foreign currency transaction losses, net	3.8	2.5
Adjusted shareholder litigation settlement recoveries (e)	-	(6.0)
Adjusted other adjustments (f)	1.0	0.7
Supplemental Adjusted EBITDA	\$ 208.1	\$ 275.4
Minus:		
Adjusted interest expense	\$ 35.2	\$ 39.3
Adjusted income tax provision, as adjusted (g)	36.9	52.0
Adjusted depreciation expense	25.6	25.0
Adjusted amortization of non-acquisition related intangible assets (a)	4.2	5.0
Supplemental Further Adjusted Net Income	\$ 106.2	\$ 154.1

Table 6: Supplemental Adjusted Revenue by Segment and a Reconciliation of Supplemental Segment Adjusted EBITDA to Supplemental Adjusted Income Before Income Taxes

INGERSOLL RAND INC. AND SUBSIDIARIES
UNAUDITED SUPPLEMENTAL ADJUSTED COMBINED FINANCIAL INFORMATION
SUPPLEMENTAL ADJUSTED REVENUE BY SEGMENT AND A RECONCILIATION OF
SUPPLEMENTAL SEGMENT ADJUSTED EBITDA TO SUPPLEMENTAL ADJUSTED INCOME BEFORE INCOME TAXES
(Dollars in millions)

	For the Three Month Period Ended March 31,	
	2020	2019
Supplemental Adjusted Revenue		
Industrial Technologies & Services	\$ 795.8	\$ 976.2
Precision & Science Technologies	192.2	213.6
Specialty Vehicle Technologies	185.4	173.9
High Pressure Solutions	96.4	135.9
Total Supplemental Adjusted Revenue	<u>\$ 1,269.8</u>	<u>\$ 1,499.6</u>
Supplemental Segment Adjusted EBITDA		
Industrial Technologies & Services	\$ 135.1	\$ 180.8
Precision & Science Technologies	53.3	56.5
Specialty Vehicle Technologies	18.4	18.6
High Pressure Solutions	23.7	41.9
Total Supplemental Segment Adjusted EBITDA	<u>\$ 230.5</u>	<u>\$ 297.8</u>
Less items to reconcile Supplemental Segment Adjusted EBITDA to Supplemental Adjusted Income Before Income Taxes:		
Adjusted corporate expenses not allocated to segments	\$ 22.4	\$ 22.4
Adjusted interest expense	35.2	39.3
Adjusted depreciation and amortization expense	100.5	117.3
Adjusted acquisition related expenses and non-cash charges (b)	1.6	1.6
Adjusted restructuring and related business transformation costs (c)	44.8	15.1
Adjusted stock-based compensation (d)	3.0	11.6
Adjusted foreign currency transaction losses, net	3.8	2.5
Adjusted shareholder litigation settlement recoveries (e)	-	(6.0)
Adjusted other adjustments (f)	1.0	0.7
Supplemental Adjusted Income Before Income Taxes	<u>\$ 18.2</u>	<u>\$ 93.3</u>

Table 7: Reconciliation of GAAP Revenue to Supplemental Adjusted Revenue by Segment and for the Company and Segment Adjusted EBITDA to Supplemental Segment Adjusted EBITDA

INGERSOLL RAND INC. AND SUBSIDIARIES
UNAUDITED SUPPLEMENTAL ADJUSTED COMBINED FINANCIAL INFORMATION
RECONCILIATION OF GAAP REVENUE TO SUPPLEMENTAL ADJUSTED REVENUE BY SEGMENT AND FOR THE COMPANY AND
SEGMENT ADJUSTED EBITDA TO SUPPLEMENTAL SEGMENT ADJUSTED EBITDA
(Dollars in millions)

	For the Three Month Period Ended March 31, 2020			For the Three Month Period Ended March 31, 2019			For the Three Month Period Ended March 31, 2018		
	GAAP Revenue	Adjustments (1)	Supplemental Adjusted Revenue	GAAP Revenue	Adjustments (2)	Supplemental Adjusted Revenue	GAAP Revenue	Adjustments (3)	Supplemental Adjusted Revenue
Segment									
Industrial Technologies & Services	\$ 504.0	\$ 291.8	\$ 795.8	\$ 405.1	\$ 571.1	\$ 976.2	\$ 392.2	\$ 576.5	\$ 968.7
Precision & Science Technologies	112.9	79.3	192.2	79.3	134.3	213.6	64.1	132.9	197.0
Specialty Vehicle Technologies	86.6	98.8	185.4	-	173.9	173.9	-	170.8	170.8
High Pressure Solutions	96.4	-	96.4	135.9	-	135.9	163.3	-	163.3
Total Company	<u>\$ 799.9</u>	<u>\$ 469.9</u>	<u>\$ 1,269.8</u>	<u>\$ 620.3</u>	<u>\$ 879.3</u>	<u>\$ 1,499.6</u>	<u>\$ 619.6</u>	<u>\$ 880.2</u>	<u>\$ 1,499.8</u>
	Adjusted EBITDA	Adjustments (1)	Supplemental Adjusted EBITDA	Adjusted EBITDA	Adjustments (2)	Supplemental Adjusted EBITDA			
Segment									
Industrial Technologies & Services	\$ 94.8	\$ 40.3	\$ 135.1	\$ 85.5	\$ 95.3	\$ 180.8			
Precision & Science Technologies	32.9	20.4	53.3	23.1	33.4	56.5			
Specialty Vehicle Technologies	14.1	4.3	18.4	-	18.6	18.6			
High Pressure Solutions	23.5	0.2	23.7	41.8	0.1	41.9			
Total Segments	<u>\$ 165.3</u>	<u>\$ 65.2</u>	<u>\$ 230.5</u>	<u>\$ 150.4</u>	<u>\$ 147.4</u>	<u>\$ 297.8</u>			

- (1) For the quarter ended March 31, 2020, the "Adjustments" column represents the impact of two months (January and February 2020) of standalone legacy Ingersoll Rand Industrial Segment activity. As it relates to adjustments to Segment Adjusted EBITDA, these amounts are impacted by the newly merged Company's corporate costs, a portion of which is allocated to the business segments.
- (2) For the quarter ended March 31, 2019, the "Adjustments" column represents the impact of one full quarter of 2019 standalone legacy Ingersoll Rand Industrial Segment activity. As it relates to adjustments to Segment Adjusted EBITDA, these amounts are impacted by the newly merged Company's corporate costs, a portion of which is allocated to the business segments.
- (3) For the quarter ended March 31, 2018, the "Adjustments" column represents the impact of one full quarter of 2018 standalone legacy Ingersoll Rand Industrial Segment activity.

Table 8: Reconciliation of GAAP Net (Loss) Income to Adjusted EBITDA and Supplemental Adjusted EBITDA and Supplemental Further Adjusted Net Income

INGERSOLL RAND INC. AND SUBSIDIARIES
UNAUDITED SUPPLEMENTAL ADJUSTED COMBINED FINANCIAL INFORMATION
RECONCILIATION OF GAAP NET (LOSS) INCOME TO ADJUSTED EBITDA AND
SUPPLEMENTAL ADJUSTED EBITDA AND SUPPLEMENTAL FURTHER ADJUSTED NET INCOME
(Dollars in millions)

	For the Three Month Period Ended March 31,	
	2020	2019
Net (Loss) Income (GAAP)	\$ (36.8)	\$ 47.1
Plus (1):		
Interest expense	27.1	22.4
(Benefit) provision for income taxes	(58.9)	12.0
Depreciation expense	15.9	14.1
Amortization expense	55.2	31.4
Restructuring and related business transformation costs	42.2	4.1
Acquisition related expenses and non-cash charges	96.1	1.6
Stock-based compensation	3.0	8.7
Foreign currency transaction losses (gains), net	2.6	3.1
Loss on extinguishment of debt	2.0	-
Shareholder litigation settlement recoveries	-	(6.0)
Other adjustments	(0.6)	0.5
Adjusted EBITDA (1)	147.8	139.0
Additional Segment Adjusted EBITDA Adjustments (2):		
Industrial Technologies & Services	40.3	95.3
Precision & Science Technologies	20.4	33.4
Specialty Vehicle Technologies	4.3	18.6
High Pressure Solutions	0.2	0.1
Incremental corporate expenses not allocated to segments	(4.9)	(11.0)
Supplemental Adjusted EBITDA	208.1	275.4
Minus:		
Adjusted interest expense	35.2	39.3
Adjusted income tax provision, as adjusted	36.9	52.0
Adjusted depreciation expense	25.6	25.0
Adjusted amortization of non-acquisition related intangible assets	4.2	5.0
Supplemental Further Adjusted Net Income	\$ 106.2	\$ 154.1

(1) These amounts are reported in accordance with US GAAP and have not been adjusted to reflect the pro forma impact of a full quarter of the newly combined Ingersoll Rand in either period presented.

(2) These "Additional Segment Adjusted EBITDA Adjustments" represent the impact of two months (January and February of 2020) of standalone legacy Ingersoll Rand Industrial Segment activity in the three month period ended March 31, 2020 and a full quarter of standalone legacy Ingersoll Rand Industrial Segment activity in the three month period ended March 31, 2019. The incremental corporate expenses not allocated to segments represent additional corporate expenses incurred by the Company to operate the newly combined Ingersoll Rand.

Table 9: Reconciliation of GAAP Diluted EPS to Supplemental Further Adjusted Diluted EPS

INGERSOLL RAND INC. AND SUBSIDIARIES
UNAUDITED SUPPLEMENTAL ADJUSTED COMBINED FINANCIAL INFORMATION
RECONCILIATION OF GAAP DILUTED EARNINGS PER SHARE TO
SUPPLEMENTAL FURTHER ADJUSTED DILUTED EARNINGS PER SHARE
(Shares in millions, per share amounts in whole dollars)

	For the Three Month Period Ended March 31,	
	2020	2019
Diluted Earnings Per Share (GAAP)	\$ (0.13)	\$ 0.23
Plus:		
Effect of transaction (1)	0.04	(0.12)
Legacy Ingersoll Rand Industrial Segment's earnings (2)	0.14	0.33
Interest expense	0.06	0.05
(Benefit) provision for income taxes	(0.14)	0.03
Depreciation expense	0.04	0.03
Amortization expense	0.13	0.07
Restructuring and related business transformation costs	0.10	0.01
Acquisition related expenses and non-cash charges	0.23	-
Stock-based compensation	0.01	0.02
Foreign currency transaction losses, net	0.01	0.01
Loss on extinguishment of debt	-	-
Shareholder litigation settlement recoveries	-	(0.01)
Other adjustments	-	-
Minus:		
Adjusted interest expense	0.08	0.09
Adjusted income tax provision, as adjusted	0.09	0.12
Adjusted depreciation expense	0.06	0.06
Adjusted amortization of non-acquisition related intangible assets	0.01	0.01
Supplemental Further Adjusted Diluted Earnings Per Share	\$ 0.25	\$ 0.37
Supplemental Adjusted Diluted Shares Outstanding	421.1	419.0

- (1) This amount represents the impact of adjusting the GAAP weighted average shares outstanding for the period by the additional shares outstanding as if the acquisition of the Ingersoll Rand Industrial Segment was in effect for the entirety of each of the three month periods ended March 31, 2020 and 2019.
- (2) The "Legacy Ingersoll Rand Industrial Segment's earnings" represent the impact of two months (January and February 2020) of standalone legacy Ingersoll Rand Industrial Segment activity in the three month period ended March 31, 2020 and a full quarter of standalone legacy Ingersoll Rand Industrial Segment activity in the three month period ended March 31, 2019. This line is inclusive of incremental corporate expenses not allocated to segments which represent additional corporate expenses incurred by the Company to operate the newly combined Ingersoll Rand.

Notes to Tables 3, 4, 5, and 6 of the Unaudited Supplemental Adjusted Combined Financial Information on Slides 28 – 31

All unaudited supplemental adjusted financial information presented in this document represents the newly combined Ingersoll Rand giving effect to the Merger as if it happened on January 1, 2018.

(a) Adjusted amortization expense consisted of the following:

	For the Three Month Period Ended March 31,	
	2020	2019
Adjusted amortization of acquisition-related intangible assets	\$ 70.7	\$ 87.3
Adjusted amortization of non-acquisition related intangible assets	4.2	5.0
Total adjusted amortization expense	\$ 74.9	\$ 92.3

(b) Represents costs associated with successful and/or abandoned acquisitions, including third-party expenses, post-closure integration costs (including certain incentive and non-incentive cash compensation costs), and non-cash charges and credits arising from fair value purchase accounting adjustments.

(c) Adjusted restructuring and related business transformation costs consisted of the following.

	For the Three Month Period Ended March 31,	
	2020	2019
Adjusted restructuring charges	\$ 44.6	\$ 13.0
Adjusted severance, sign-on, relocation and executive search costs	0.1	1.0
Adjusted facility reorganization, relocation and other costs	0.1	0.6
Adjusted information technology infrastructure transformation	-	0.3
Adjusted losses on asset and business disposals	-	0.1
Adjusted consultant and other advisor fees	-	0.1
Adjusted other, net	-	-
Total adjusted restructuring and related business transformation costs	\$ 44.8	\$ 15.1

(d) Represents adjusted stock-based compensation expense recognized for stock options outstanding of \$0.0 million and \$10.4 million for the quarters ended March 31, 2020 and 2019, respectively.

Notes to Tables 3, 4, 5, and 6 of the Unaudited Supplemental Adjusted Combined Financial Information on Slides 28 – 31 (continued)

(e) Represents insurance recoveries of our shareholder litigation settlement in 2014.

(f) Adjusted other adjustments are comprised of the following items:

- i. estimated environmental remediation costs and losses relating to a former production facility;
- ii. certain expenses related to our initial public offering and secondary offerings;
- iii. third party expenses to comply with the requirements of Sarbanes-Oxley and the accelerated adoption of new accounting standards in the first quarter of 2018 and 2019, respectively;
- iv. losses on the extinguishment of the Company's senior notes, extinguishment of a portion of the Company's U.S. Term Loan, refinancing of the Company's Original Dollar Term Loan Facility and the Company's Original Euro Term Loan Facility and losses reclassified from accumulated other comprehensive income/(loss) into income related to the amendment of the interest rate swaps in conjunction with the debt repayment; and
- v. other individually immaterial miscellaneous adjustments.

(g) Represents our adjusted income tax provision further adjusted for the tax effect of pre-tax items excluded from Supplemental Adjusted Net Income and the removal of applicable discrete tax items. The tax effect of pre-tax items excluded from Supplemental Adjusted Net Income is computed using the statutory tax rate related to the jurisdiction that was impacted by the adjustment after taking into account the impact of permanent differences and valuation allowances. The income tax provision, as adjusted for each of the periods presented below consists of the following:

	For the Three Month Period Ended March 31,	
	2020	2019
Adjusted provision for income taxes	\$ 10.7	\$ 31.1
Adjusted tax impact of pre-tax income adjustments	26.2	20.9
Adjusted income tax provision, as adjusted	\$ 36.9	\$ 52.0