



DONALDSON COMPANY

2023 INVESTOR DAY

APRIL 2023

BLOOMINGTON, MINNESOTA





Donaldson.
FILTRATION SOLUTIONS

2023
INVESTOR
DAY

Agenda

8:00 AM – 9:10 AM	Formal Presentations	
	<i>Welcome and Opening Remarks</i>	Sarika Dhadwal Senior Director, Investor Relations
	<i>Donaldson Redesigned for Long-Term Profitable Growth</i>	Tod Carpenter Chairman, President, and Chief Executive Officer
	<i>Enabling a Cleaner World Through Advanced Filtration</i>	Ashley Merrill Director, ESG and Sustainability
	<i>Technology Enabling Future Growth</i>	Michael Wynblatt Chief Technology Officer
9:10 AM – 9:30 AM	Q&A	
9:30 AM – 9:40 AM	Break	
9:40 AM – 10:40 AM	<i>Driving the Next Phase of Growth Across Mobile Solutions</i>	Rich Lewis President, Mobile Solutions
	<i>Strengthening Value Proposition to Further Penetrate Industrial End Markets</i>	Guillermo Briseño President, Industrial Solutions
	<i>Life Sciences Primed for Profitable Growth</i>	Andrew Dahlgren President, Life Sciences
10:40 AM – 11:00 AM	Q&A	
11:00 AM – 11:10 AM	Break	
11:10 AM – 11:45 AM	<i>Long-Term Financial Overview</i>	Scott Robinson Chief Financial Officer
	<i>Closing Remarks</i>	Tod Carpenter Chairman, President, and Chief Executive Officer
11:45 AM – 12:00 PM	Q&A	
12:00 PM – 1:00 PM	Lunch	
1:00 PM – 3:00 PM	Lab Tour	



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Forward Looking Statement - Safe Harbor

Statements in this presentation regarding future events and expectations, such as forecasts, plans, trends, and projections relating to the Company's business and financial performance, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and are identified by words or phrases such as "will likely result," "are expected to," "will continue," "will allow," "estimate," "project," "believe," "expect," "anticipate," "forecast," "plan" and similar expressions. These forward-looking statements speak only as of the date such statements are made and are subject to risks and uncertainties that could affect the Company's performance and could cause the Company's actual results for future periods to differ materially from any opinions or statements expressed. These factors include, but are not limited to, challenges in global operations; impacts of global economic, industrial and political conditions on product demand, including the Russia and Ukraine conflict; impacts from unexpected events, including the COVID-19 pandemic; effects of unavailable raw materials or material cost inflation; inability to attract and retain qualified personnel; inability to meet customer demand; inability to maintain competitive advantages; threats from disruptive technologies; effects of highly competitive markets with pricing pressure; exposure to customer concentration in certain cyclical industries; inability to manage productivity improvements; results of execution of any acquisition, divestiture and other strategic transactions; vulnerabilities associated with information technology systems and security; inability to protect and enforce intellectual property rights; costs associated with governmental laws and regulations; impacts of foreign currency fluctuations; and effects of changes in capital and credit markets. These and other factors are described in Part I, Item 1A, "Risk Factors" of the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 2022. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law.

Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures, such as adjusted diluted EPS, adjusted gross margin, adjusted operating expense, adjusted EBIT, adjusted operating income, adjusted operating margin, adjusted ROIC, and free cash flow, which exclude the impact of certain matters not related to ongoing operations. See the Reconciliation of Non-GAAP Financial Measures schedules in the appendix for additional information.



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Donaldson Redesigned for Long-Term Profitable Growth

Tod Carpenter - Chairman, President, and Chief Executive Officer



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What You Will Hear Today



We are **the leader in filtration** solving increasingly complex problems across a global customer base, harnessing a rapidly expanding portfolio of **best-in-class technology**



We are partnering with our customers to solve **the world's most pressing filtration challenges and opportunities** by:

- **Enabling a greener modern economy** by helping customers achieve their sustainability goals including **transitioning to alternative power solutions**
- Progressing towards **Life Sciences market leadership to address urgent human needs** by providing foundational technology to enable a rapidly accelerating addressable market
- Leveraging a more **customer-centric organizational design** to fully capitalize on these trends



We are doing this with **a balanced growth strategy** focused on expanding our traditional leadership in legacy markets while executing across new market opportunities **to drive long-term profitable growth**





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Overview of a Redesigned Donaldson Company (NYSE: DCI)

Key Statistics

1915
Year Founded

~14,000
Employees

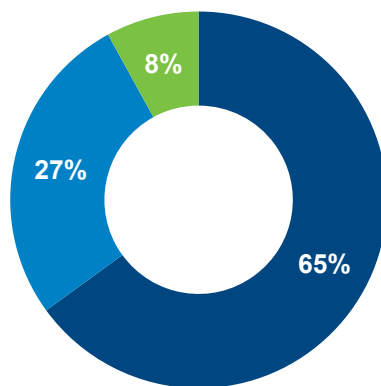
140+
Locations

2,700+
Active Patents

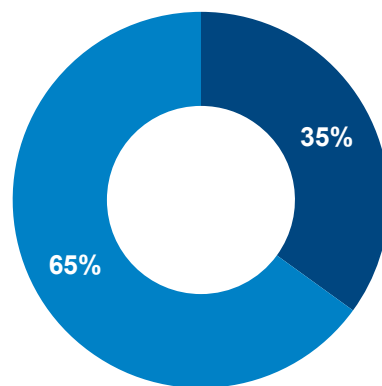
~\$7.8B
Market Cap¹

~13%
Long-term
Dividend CAGR

Diversified Revenue Base (FY22 Sales)



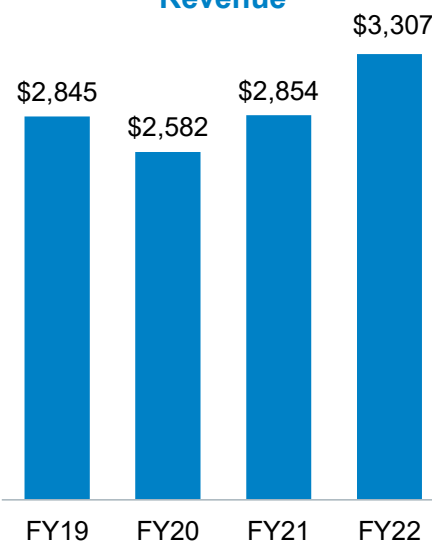
■ Mobile Solutions
■ Industrial Solutions
■ Life Sciences



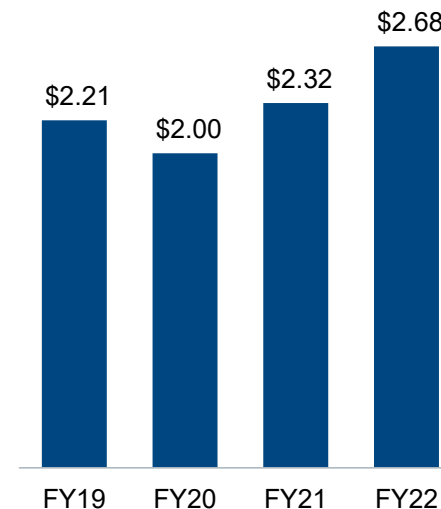
■ First-Fit, New Products
■ Replacement

Generating Meaningful Results

Revenue



Adjusted EPS



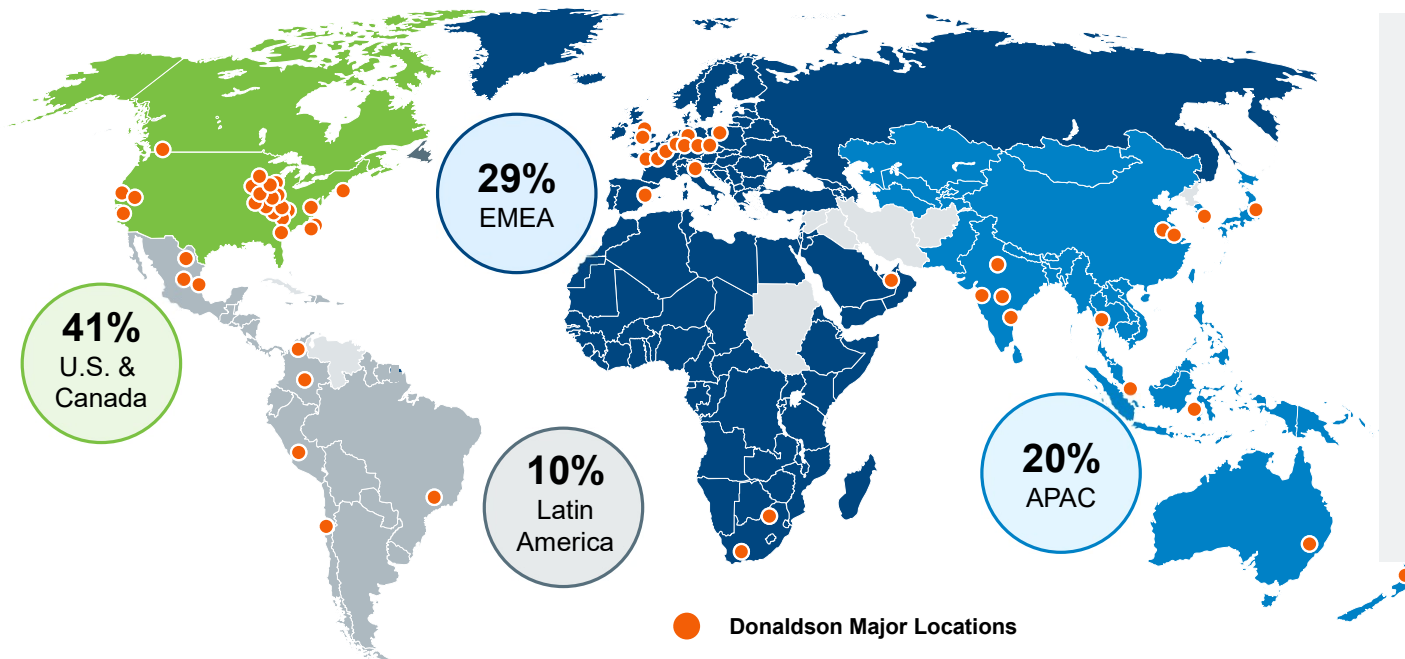
¹As of March 28, 2023



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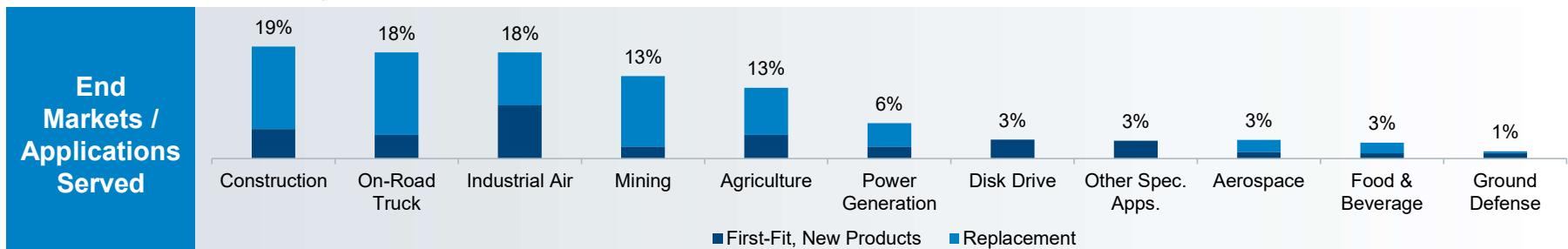
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Diverse Product Offering Across Industries on a Global Scale



Global Sales Reach with Local Touch

- ✓ Physical sales presence in +80% of countries in which business is conducted
- ✓ 75% of volume produced within region
- ✓ Ability to leverage “best-cost-country” manufacturing when appropriate (China, Mexico, India)
- ✓ Global engineering and lab investments heavily align to regional revenue split



Percentage of FY22 revenue



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Experienced, Invested, and Diverse Leadership Team



Tod Carpenter
Chairman, President and
Chief Executive Officer



Amy Becker
Chief Legal Officer
and Corporate Secretary



Guillermo Briseño
President,
Industrial Solutions



Andrew Dahlgren
President,
Life Sciences



Richard Lewis
President,
Mobile Solutions



Scott Robinson
Chief Financial
Officer



Bart Driesen
President, Mobile
Solutions Aftermarket



Sheila Kramer
Chief Human
Resources Officer



Thomas Scalf
President, Enterprise
Operations and Supply Chain



Dave Wood
Vice President,
Corporate Development



Michael Wynblatt
Chief Technology
Officer

Key Governance Highlights

Leadership

200+ years
of combined
industry experience

**35% women and
people of color**
in officer positions

Stock ownership
requirements
well above
common market practices

Board of Directors

**40% women and
people of color**
on the board

90% Independent
directors

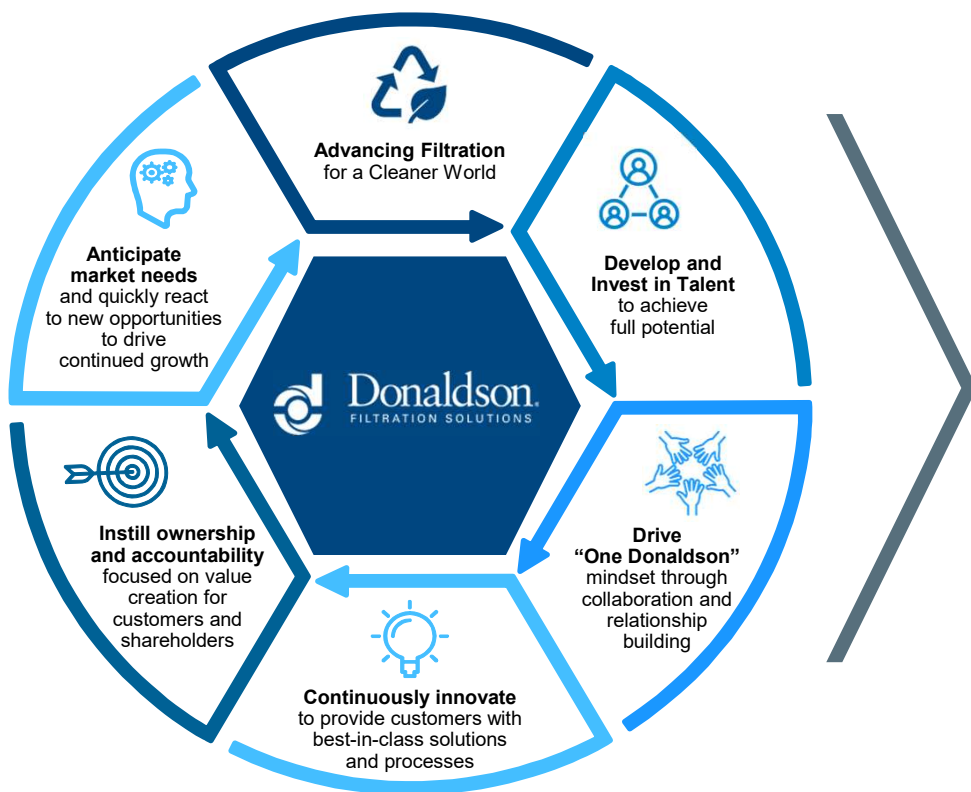
Balanced
Tenure



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Donaldson Operating Model Committed to Global Success



Proof Points of Success

13%

Revenue growth CAGR post-COVID¹

~90%

3-year average adjusted FCF conversion

25+

Key market innovations since 2019

1,200+

New patents developed since 2019

Over 50%

Sales through custom solutions

Over 90%

On-time delivery pre-COVID²

FOUNDATIONAL PRINCIPLES

Act with Integrity

Engage and Empower our People

Cultivate Innovation

Deliver for our Customers

Operate Safely and Sustainably

Enrich our Communities

¹FY20 – FY22
²Prior to FY20



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Strengthening Position Through Strategic Evolution

2015 – 2016

- **Restructured** business to gain efficiencies
- Built upon **resilient** razor/razor blade **business model**
- Acquired Engineered Products Company to **strengthen engine** air/liquid **filtration sensor** offering
- **Expanded presence in Colombia** through acquisition of Industrias Partmo

2017 – 2018

- Increased R&D to further strengthen **material science capabilities**
- **Invested heavily** in technology development, distribution, capacity expansion, e-commerce and connectivity
- Acquired BOFA, a **global expert in fume extraction**
- Acquired Hy-Pro, an **industrial hydraulic and lubrication filtration provider**

2019 – 2020

- Invested \$15M for a **new material research center** at HQ
- Introduced the **Dual-Stage Battery Vent**
- **Expanded** iCue connected filtration services to **Europe**

2021 – NOW

- Strengthened position for future growth through **organizational redesign** and new stand-alone Life Sciences segment
- Significantly **expanded serviceable addressable market (SAM)** through Life Sciences acquisitions of Purilogics, Solaris, and Isolere Bio
- Entered strategic agreement with Wildtype to **manufacture new generation of large-scale bioreactors** for cultivated seafood production

Company Highlights

\$3.3B

FY22 Record Sales

~13%

FY20-FY22 Sales CAGR

\$2.68

FY22 Record Adjusted EPS

~16%

FY20-FY22 Adjusted EPS CAGR



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Increasing Opportunities Through Innovation and M&A

+1,200 Patents Granted and 4 Acquisitions Since Last Investor Day



Sustainability Trend Penetrators

- Dual stage battery vent
- EV powertrain vent
- Recycled hard plastics
- Hydrogen dryer



Expand Service Offering

- Filterminder connected air
- Filterminder connect fuel and lube
- Facilities air modeling
- Remaining useful life modeling



Access New Markets

- Bioreactors for cultivated food production
- Purification in cell and gene therapy
- Membrane chromatography purification products



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Filtration Leader with Durable Competitive Advantages

Long History of Filtration Technology Leadership



- Over 100 years of filtration innovation
- Invented the first engine air filter
- Expanding filtration and separation market opportunities in Life Sciences

Deep Customer Relationships



- Solve mission critical needs with differentiated solutions
- Protect and build brands with equipment-enhancing offerings
- Connected services solutions monitor equipment to avoid costs associated with unplanned downtime
- Strong e-commerce channel with improved data integration and product navigation

Enabler of Greener and More Efficient Modern Economy



- Advanced filtration assisting in carbon reduction initiatives
- Products enable adoption of alternative power solutions

Diversified Business with Global Scale



- Investments in every major region to support production and distribution of innovative and high-growth products
- Broad geographic reach and presence to serve global customer base

High Aftermarket Retention



- Business model embeds Donaldson throughout the entire customer product lifecycle
- Full-suite of proprietary products to accommodate customer needs
- Strong OEM relationships driven by deep technical expertise and product compatibility

Best-in-class Operations



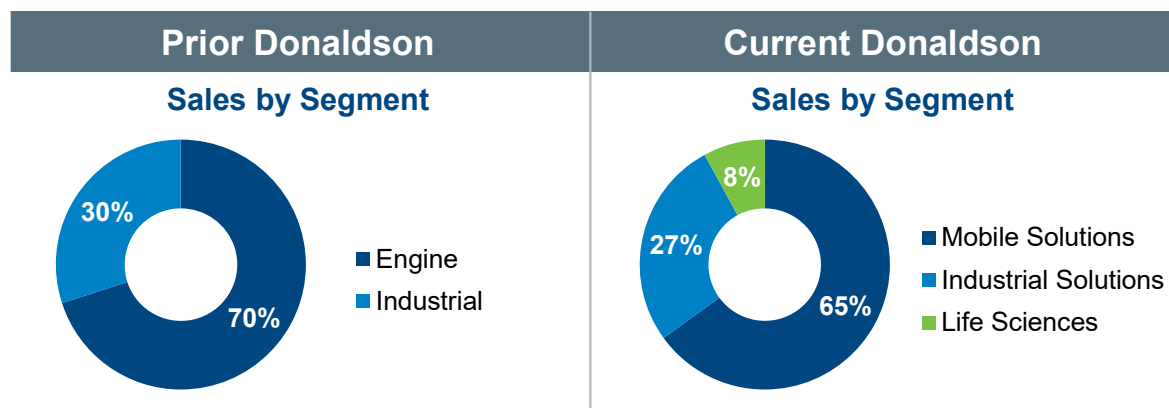
- Perpetual productivity improvements including automation
- Lean manufacturing
- Continuous culture of enhancing profitability: supply chain refinement, footprint optimization, strategic sourcing



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Redesigned to Further Leverage Competitive Strengths



Reportable Industries		
Mobile Solutions	Off-Road On-Road Aftermarket Aerospace & Defense	Off-Road On-Road Aftermarket
Industrial Solutions	Industrial Filtration Solutions Gas Turbine Systems Special Applications	Industrial Filtration Solutions (new) Aerospace & Defense
Life Sciences	N.A.	Life Sciences

Inherited Benefits
✓ Increased ownership and accountability ✓ Improved end-market focus to execute on opportunities ✓ Enhanced production agility and reaction time to changes ✓ Strengthened communication between segments and R&D to improve speed to market

Based on FY22 sales

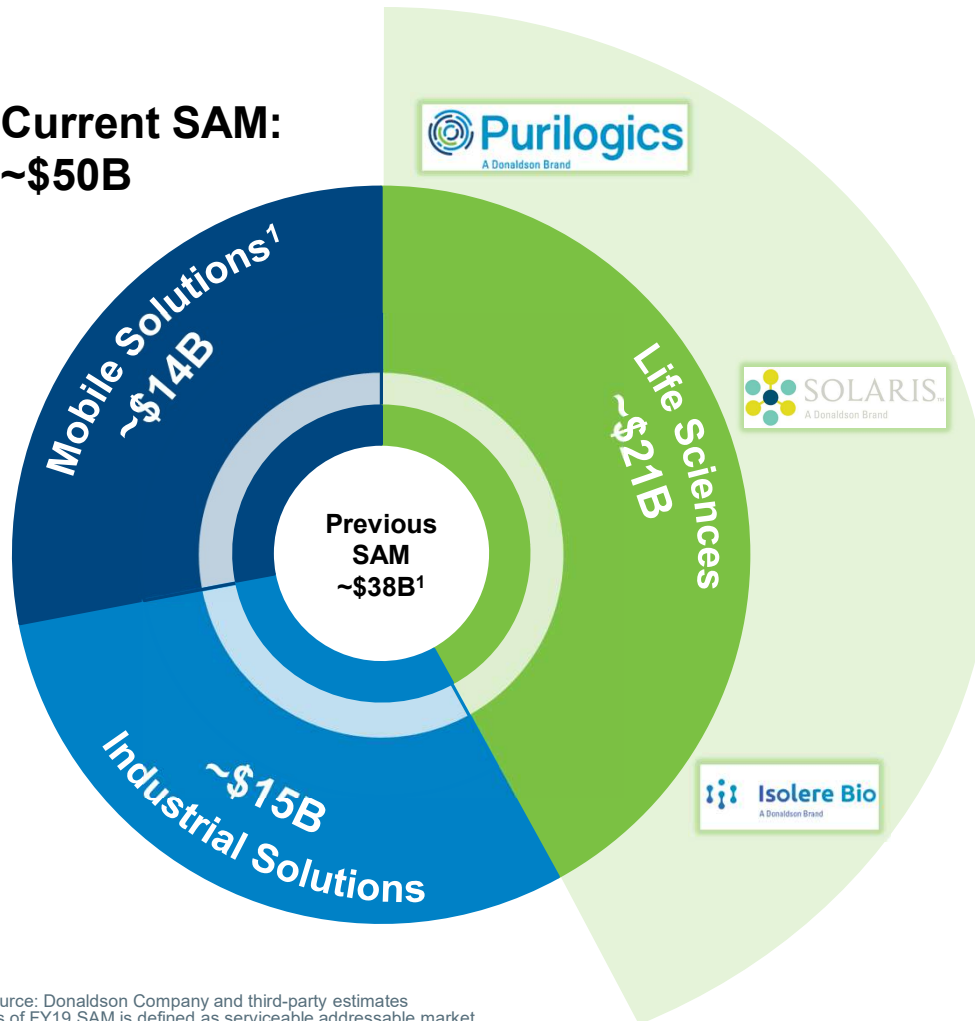


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Significant Market Expansion Through Life Sciences

Current SAM:
~\$50B



Leveraging Leadership Positions

Media and filter performance
in air, hydraulic, and fuel

Global mining air filtration
and aftermarket products

Dust, fume, and mist collection
for industrial markets

Filtration systems for **semiconductor**
production and **data storage**

Source: Donaldson Company and third-party estimates
¹As of FY19 SAM is defined as serviceable addressable market



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Better Positioned to Address a Portfolio of Opportunities Across All Segments

MOBILE SOLUTIONS



- Growing customer need for higher performance solutions to offset labor challenges
- Utilizing technology to improve efficiencies and fuel economies in all end markets
- Increased activity in construction, agriculture, and mining markets driven by expansion in living standards

INDUSTRIAL SOLUTIONS



- Complementing automation trends through expanded connectivity applications
- Industrial Solutions equipment designed for optimized energy consumption and carbon footprint reduction
- Growing operational efficiency needs to reduce costs associated with maintenance and downtime

LIFE SCIENCES



- Increasing need of cell and gene therapy as well as membrane applications for disease treatment and cures
- Growing customer preference for sustainable food and materials
- Continued cloud demand and growing automation trends play well to microelectronics and disk drive offering



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Path to Zero Emissions Plays Well to Donaldson's Offering



Next Generation Diesel Engines

Advanced technology and increased efficiency engines will continue to utilize advanced filtration solutions



Hydrogen Fuel Cell (FCEV)

Different and higher technology filtration solutions required



Battery Electric (BEV)

Complex filtration systems will be required such as integrated venting solutions and other opportunities

DONALDSON PRODUCT OFFERING EXAMPLES



FUTURE OPPORTUNITIES

- Oil contaminant identification
- Media applications

- Air cleaner for trace levels of multiple contaminants
- Core fuel cell PTFE membrane

- Lithium-Air battery air cleaner
- Dust collection across the battery manufacturing process



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Case Study: Enabling Sustainable Customer Outcomes

	SOLUTIONS EXAMPLES	SUSTAINABILITY ENABLERS	STRENGTHS & ATTRIBUTES
Alternative Power	Fuel Cell Air Intake Filter 	Supporting customers with their transition to low/zero emissions vehicles	- Ensures fuel cell durability and performance - High-efficiency particulate and chemical filtration
Industrial Manufacturing	Dust Collector 	Fosters reduction of atmospheric and working space particles pollution	- Energy efficient systems - Using optimized space with ease of operation for a broad set of applications across the industry
Bioprocessing	Bioreactor 	Supporting development and commercialization of sustainable food – cultivated meats and seafood, plant-based protein	- Broad product offering - Deep application knowledge - Ease of use



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Strategic Priorities to Drive Profitable Growth



Extend Market Access

Grow Addressable Market by Extending Presence Across Adjacencies

- Significantly growing presence in bioprocessing via acquisitions with newly created stand-alone Life Sciences segment providing further support
- Strengthening position across alternative power solutions through increased focus and introduction of innovative and differentiated products



Expand Technologies and Solutions

Leverage Foundational Filtration Capabilities to Expand Best-in-class Technology and Service Offerings

- Expanding Industrial Solutions connected services offering while transitioning from a subscription model to a complimentary service to gain additional aftermarket share
- Broadening battery vent offering to capture growing EV opportunities
- Enhancing digital experience through stronger data integration and navigation capabilities



Pursue Strategic Acquisitions

Accelerate Long-Term Growth Through Strategic Acquisitions in High-Margin Areas

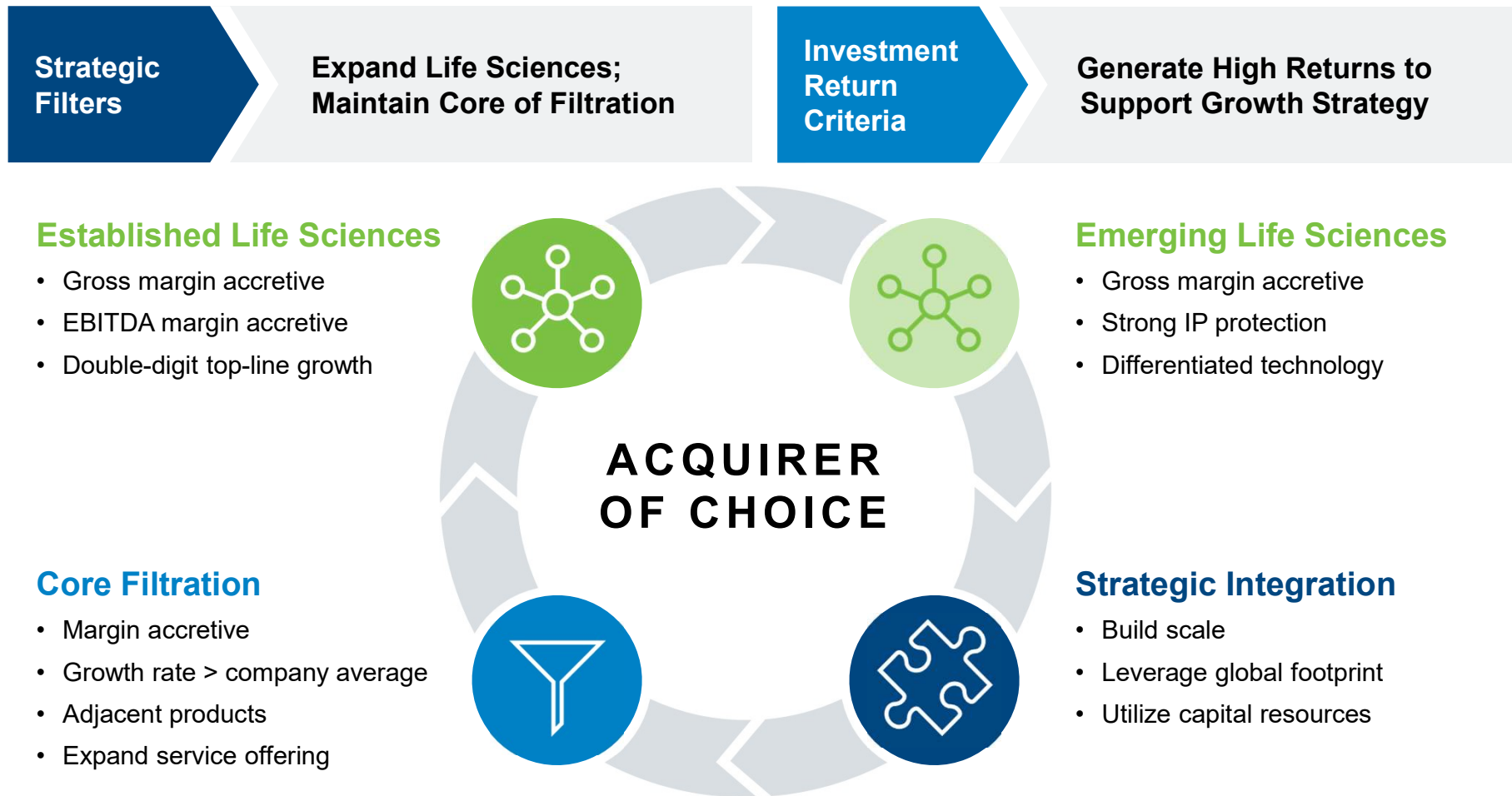
- Strengthening presence in bioprocessing with disruptive technologies through the acquisitions of Purilogs, Solaris, and Isolere
- Penetrating underserved regions and expanding service offering through acquisition of P.A. Industrial



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Strategic and Disciplined Approach to M&A





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Unveiling 2026 Financial Targets

Sales

\$3.8B – \$4.3B

+4% - 8%
3-year CAGR¹

Operating Margin

15.6% – 16.4%

+80 - 160 bps
vs fiscal year 2023

Incremental Margin

20% – 24%

Over the Cycle¹

Strengthening Position for Profitable Growth Through Strategic Initiatives

- Mid-single digit growth in Mobile Solutions and Industrial Solutions
- Approximately 20% growth in newly created and higher-margin Life Sciences segment
- Future acquisitions incremental to target

- Margin accretion in all segments
 - Value pricing
- Disciplined operating expense management
- Targeted investments enabled by very strong balance sheet

- Increasing profitability on increasing sales



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Key Takeaways

1

Leader in filtration with long history of solving the most difficult filtration problems and forming mission critical partnerships across global customer base

2

Best-in-class technology and strategic organizational redesign strengthens ability to drive long-term profitable growth

3

Enablers of a greener modern economy by helping customers achieve their sustainability goals through advanced filtration

4

Clear **strategic and balanced growth strategy** focused on expanding leadership position in legacy markets and further penetrating new markets

5

Progress towards Life Sciences market leadership and exposure to mega trends provides significant addressable market and long-term profitable growth potential



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Enabling a Cleaner World Through Advanced Filtration

Ashley Merrill - Director, ESG and Sustainability



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Key Messages

1

Executing sustainability strategy by **enabling and advancing filtration** for a thriving future

2

Building on a strong foundation by establishing **measurable 2030 ambitions** aligned with our vision and aspirations

3

Creating **long-term value for stakeholders** through products that enable a cleaner world and practices that strengthen operations and sustainability

4

Integrating sustainability throughout Donaldson's operations, from product development to customer support and service





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Company Purpose is Foundation of Sustainability Strategy

PURPOSE

ADVANCING FILTRATION FOR A CLEANER WORLD



FILTRATION FOR A THRIVING FUTURE

Sustainability strategy, ***Filtration for a Thriving Future***, is grounded by company purpose – Advancing Filtration for a Cleaner World.

This strategy represents the choices made to ensure **Products** and **Practices** have a positive impact today and create a thriving future for **People** and the **Planet**.

Principles

Act with
Integrity

Engage and
Empower
our People

Deliver for
our Customers

Cultivate
Innovation

Operate Safely
and Sustainably

Enrich our
Communities

Enabling Sustainable Outcomes for Customers, Employees, and Society



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Aspirations and 2030 Ambitions



Scan to access Donaldson's
FY22 Sustainability Report and
first Task Force on Climate-
related Financial Disclosures
(TCFD) report published today

PRINCIPLE

ASPIRATION

2030 AMBITION

Operate Sustainably

Help mitigate
climate change

Targeting an absolute reduction of
Scope 1 and 2 GHG by **42%**^{1,2}

Operate Safely

Provide safe and
healthy workplaces

Aim to have year-over-year reductions in
life-changing events and consistently have
zero life-changing events

Engage and Empower Employees

Advance opportunity and
equity in the workplace
by recruiting, retaining,
developing and promoting
a diverse workforce

Aim to increase the number of women in
global leadership positions to **35%**³

Enrich Communities

Positively impact
our communities
through education

Aim to increase charitable giving through the
Donaldson Foundation by **25%** every four
years, giving cumulatively at least **\$13.5M** from
FY22 to FY30

Published Measurable Ambitions Aligned With Purpose, Principles, and Aspirations Today

Note: Achievements by the end of fiscal year 2030

¹From a baseline of 2021 ²Target is science-based and aligns with the Intergovernmental Panel on Climate Change (IPCC) 1.5°C global warming scenario ³From baseline of 20% at January 2023



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Road to GHG Emissions Reduction

APPROACH

Identify our priorities



ASPIRATIONS

What we **strive** to do

AMBITIONS

Commit to targets



ACTIONS

Execute detailed action plan

ACHIEVEMENTS

Achieve and report out progress on ambitions



PAST PERFORMANCE

2019-2022

Exceeded Near-Term Target
↓ 18% GHG intensity FY19-FY22
(8,000 mtCO₂e)

Established
Near-Term Target
↓ 5% GHG intensity
(6,000 mtCO₂e)

Execution of energy
efficiency projects and
renewable energy sourced
through regional onsite
solar projects

MEDIUM-TERM

2023-2025

Announce 2030
GHG Emissions
Reduction Goal
of (42%)

Investigate virtual
Power Purchase
Agreement options

Implement Energy
Performance
Reporting System

Conduct
Comprehensive
Site Assessments

Increase renewable
electricity through
energy attribute
certificates and onsite
solar projects

Train and
Knowledge
Dissipation

Perform Scope 3
GHG Emissions
Assessment

LONG-TERM

2026-2030

Execute Virtual
Power Purchase
Agreement

Achieve 42%
Scope 1 & 2 GHG
Emissions Reduction

Work Toward Scope 3
GHG Emissions Goal

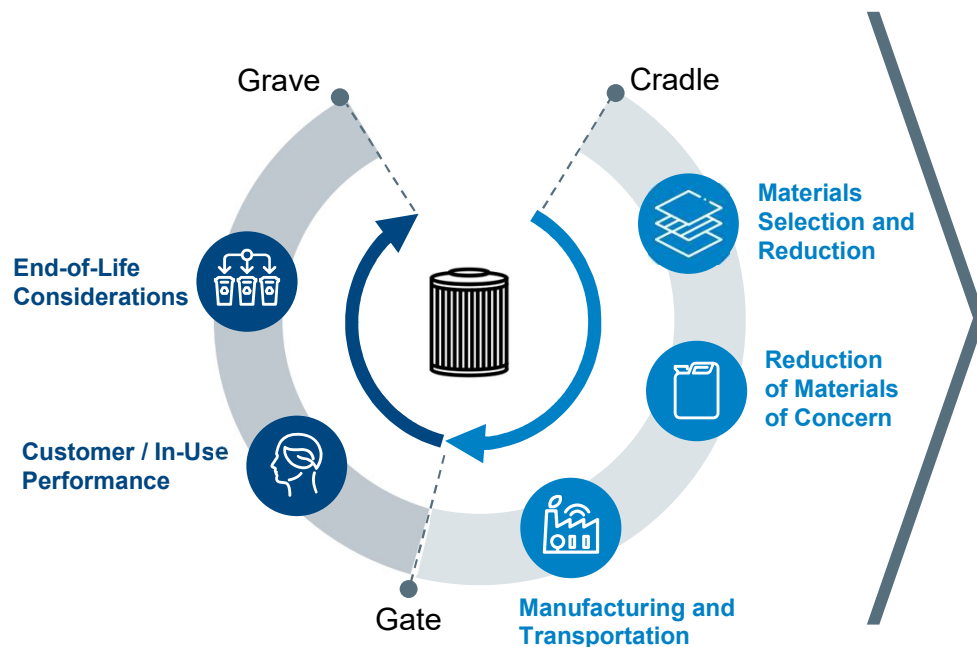


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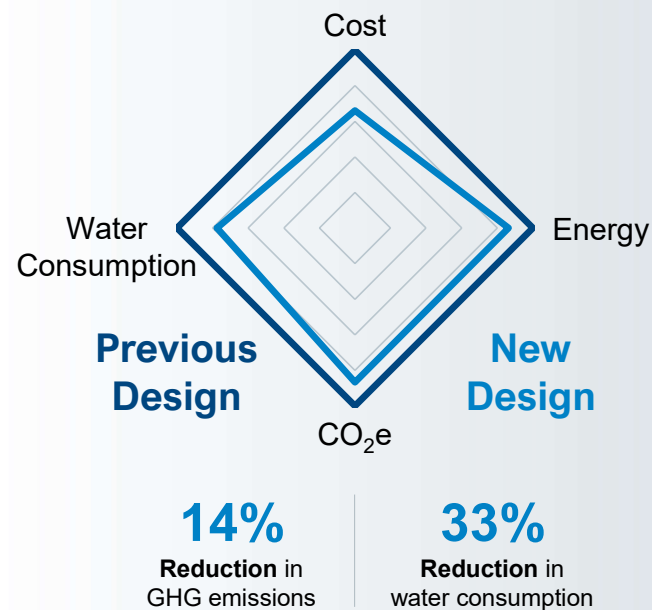
Continually Integrating Sustainability into Solutions

Product Sustainability Impact Process



Case Study: Designing Sustainability Into Next-Gen Product

Re-designed an engine air filter for a large customer, significantly reducing the resource inputs, while improving functionality and cost



Sustainability Impact Process Helps Drive Holistic Product Improvements for Customers



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Integrating Sustainability into Operational Excellence

Case Study: Sustainability in León, Mexico

- Donaldson announced the expansion of a **new plant in León, Mexico** in 2021
- The 265,000 square foot facility will help **meet increased demand**
- **Expected to be completed in FY23** and will be sustainability friendly



High-efficiency
LED lighting with
occupancy sensors
and dimming controls



Cooling systems
with seasonal **energy**
efficiency ratios of
16 or greater



Roof waterproofing
membrane containing
at least 15%
recycled material



Advanced
water conservation
technologies



A roof structure
designed to support
10,000 square meters of
future solar modules



A **state-of-the-art,**
high efficiency
compressed air system



World Class Sustainability Meets Cutting Edge Operational Efficiencies and Savings

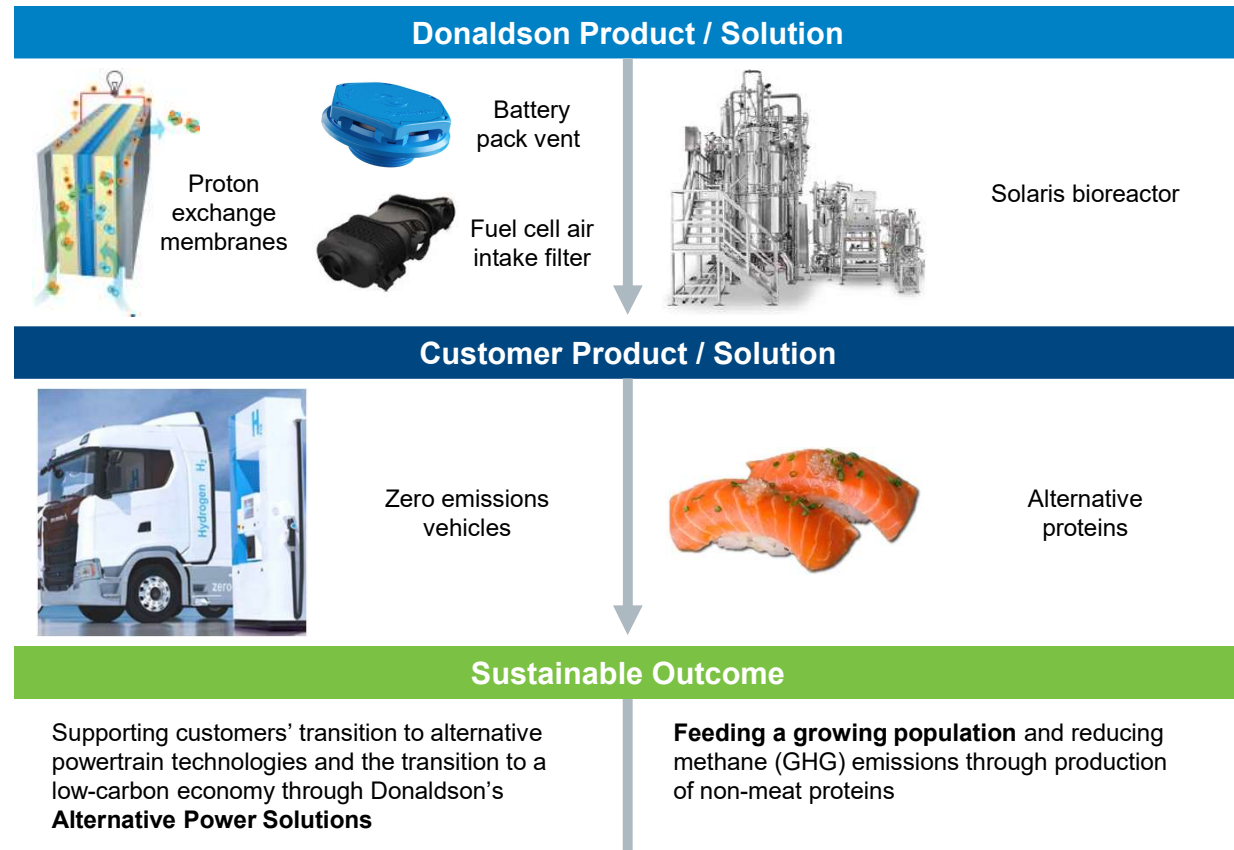


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Enabling Customer Sustainability Through Filtration



Cultivating Innovation and Delivering Sustainable Filtration Solutions to Customers



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Key Takeaways

1

Executing sustainability strategy by **enabling and advancing filtration** for a thriving future

2

Building on a strong foundation by establishing **measurable 2030 ambitions** aligned with our vision and aspirations

3

Creating **long-term value for stakeholders** through products that enable a cleaner world and practices that strengthen operations and sustainability

4

Integrating sustainability throughout Donaldson's operations, from product development to customer support and service



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Technology Enabling Future Growth

Michael Wynblatt, Chief Technology Officer



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Key Messages

1

Purification of fluids is challenging and **critical to customer success**

2

Donaldson's core technical capabilities, custom micro-materials and custom chemistry, **create solutions and opportunities** across many markets

3

Filters in key working fluids gather and leverage intelligence to create **new customer value propositions**

4

Technology leadership has driven proven results and will play a critical role in the future through new solutions and innovative products





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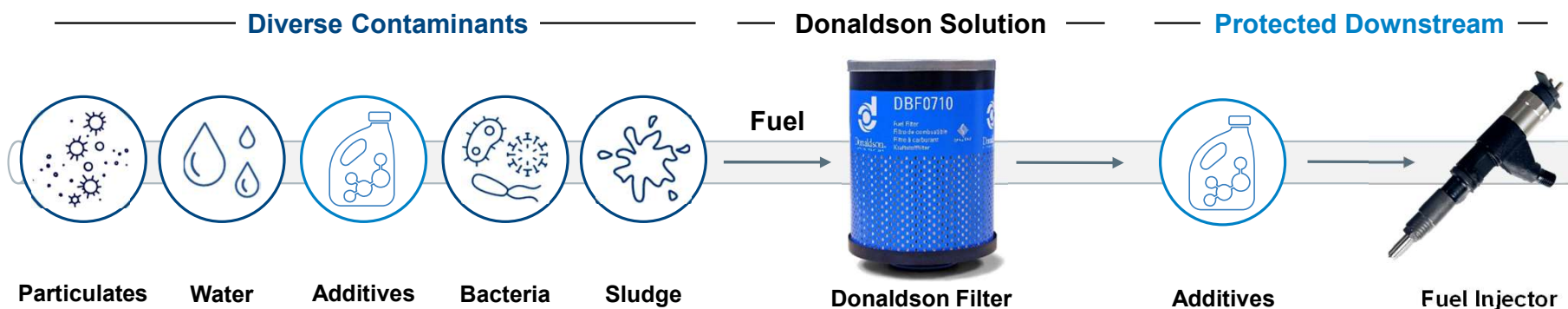
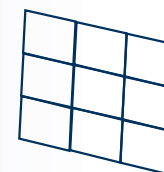
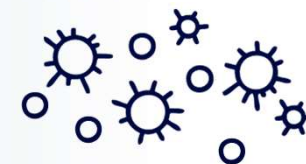
Filtration is Challenging but Crucial

The Cost of Not Having Proper Fuel Filtration

- Fuel injectors easily damaged
- \$1200 typical repair
- \$4 billion in annual repairs

Particulates

- Vary in size
- Narrow sieve = catch smaller particulates
- Wide sieve = greater flow for fluids



Purifying Fluids is Complex – the Customer Suffers When it's Not Done Right

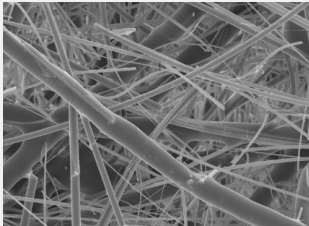


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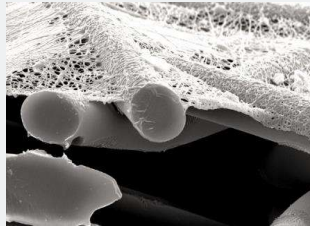
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Donaldson's Core Capabilities Form a Solution Toolbox

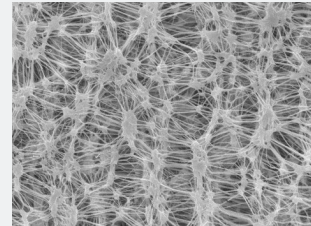
1. PHYSICAL SEPARATION BY CUSTOM MICRO-MATERIALS



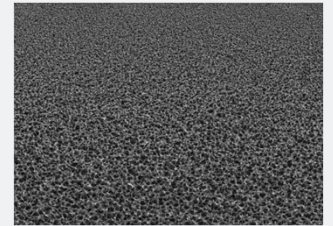
Wet-Laid Media



Nano Fibers

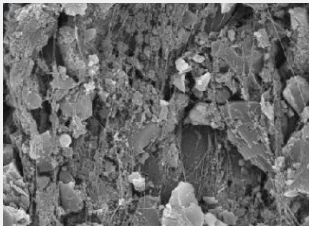


Expanded Membranes

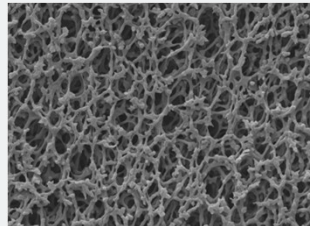


Cast Membranes

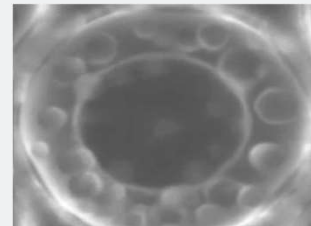
2. CHEMICAL SEPARATION BY CUSTOM CHEMISTRIES



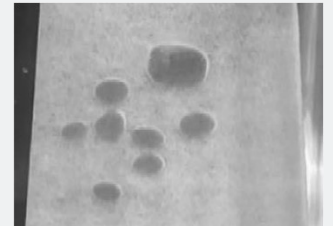
Carbon Web



Purexa



IsoTag



Water Coalescing

Custom Micro-Materials and Custom Chemistries are Donaldson's Tools of Separation



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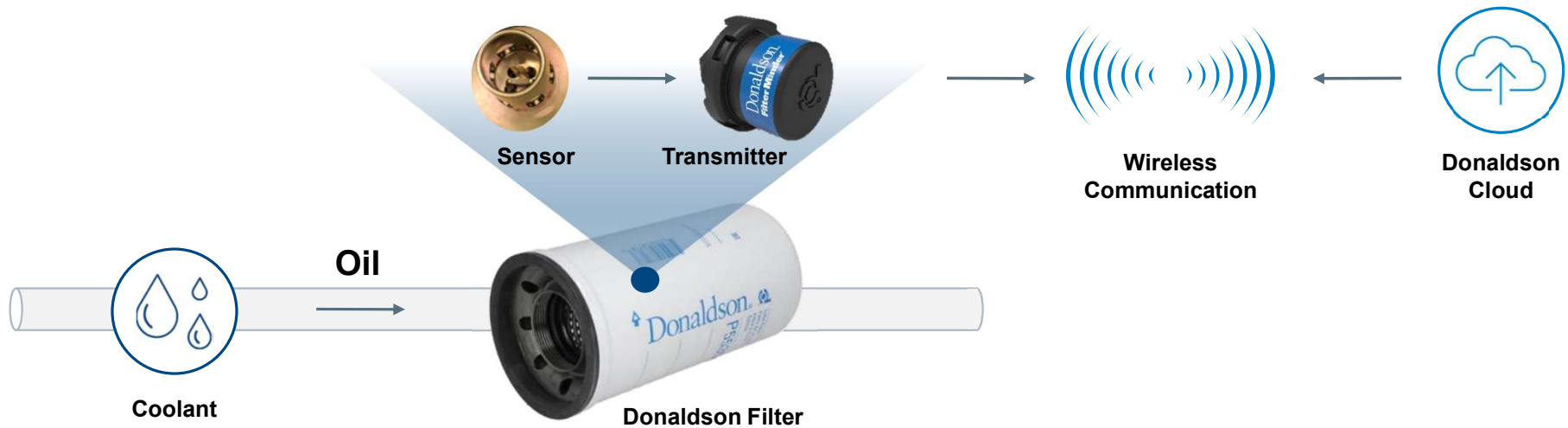
Immersed in Critical Working Fluids, Filters can Monitor Whole System Performance

Donaldson Capabilities

- Pressure sensing
- Acidification measurement
- Contaminant recognition

Value Proposition

- Remaining useful life of the filter
- Remaining useful life of the oil
- Identify specific contaminants in the oil



Intelligent Filtration Creates Entirely New Value for the Customer



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Donaldson Has Built an Innovation Engine

>1,300

Scientists and Engineers

>160,000

Laboratory Sq. Ft

**R&D-Dedicated
Pilot Production Facilities**

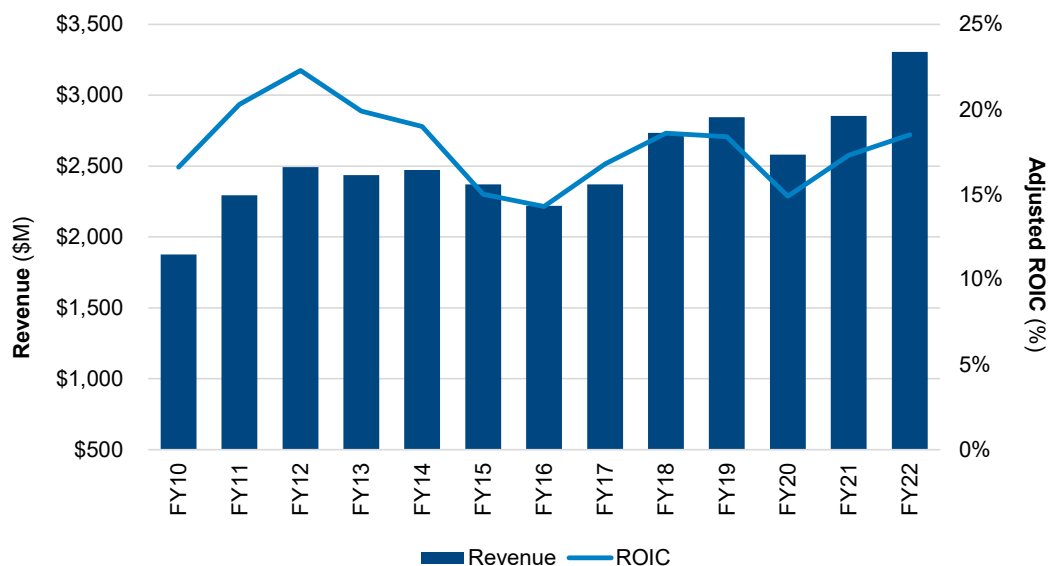
2,715

Active Patents

>6% CAGR

6 yr. R&D Investment

Historical Revenue (\$M) and Adjusted Return on Invested Capital (%)



Entering New Markets

- **1970's** - Factory Air Filtration
- **1980's** - Disk Drive
- **1990's** - Membranes
- **2000's** - Venting
- **2010's** - Food and Beverage
- **2020's** - Bioproduction

Investments in R&D have Yielded Strong ROI and Entry into New Markets

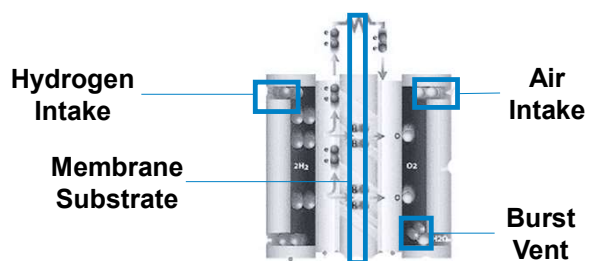


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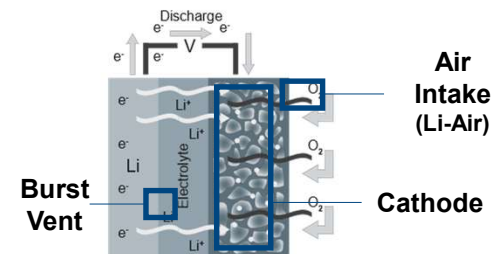
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Donaldson Core Capabilities Address Key Electric Vehicle Challenges

FUEL CELL

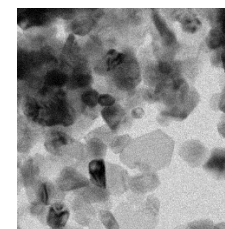
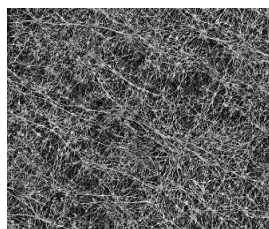


BATTERY



FUEL CELL AND SOME BATTERIES

	Membrane Substrate	Hydrogen Intake	Air Intake	Burst Vent	Nanofiber Cathode
Customer Challenge	Strong and Heat-resistant, but Thin	Variety of Contaminants	Sensitive to Low Concentrations	Consistent Burst Pressure	Optimal, Consistent Particle Size
Solution Capability	Micro-Materials	Micro-Materials and Custom Chemistry	Micro-Materials and Custom Chemistry	Micro-Materials	Micro-Materials and Custom Chemistry



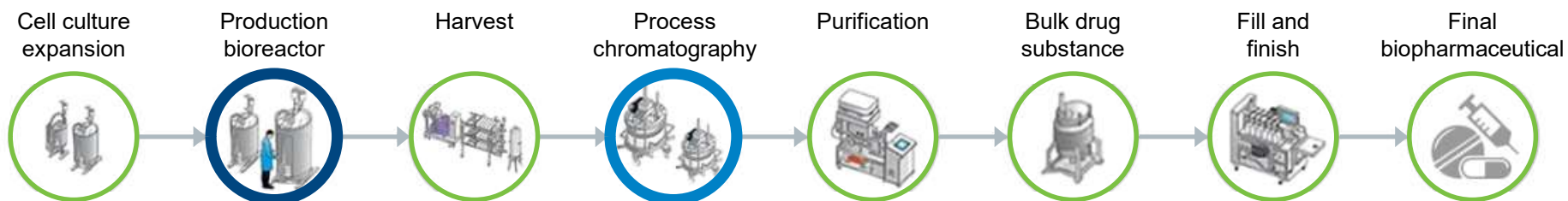
Micromaterials and Custom Chemistries Lead to Donaldson Opportunities in Fuel Cells and BEVs



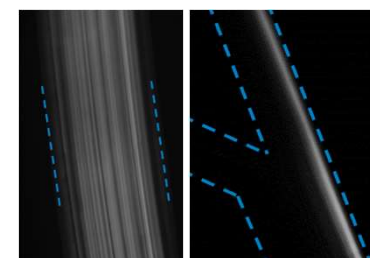
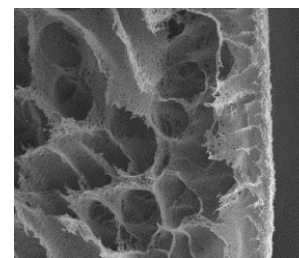
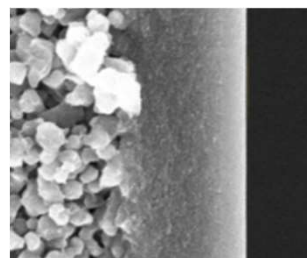
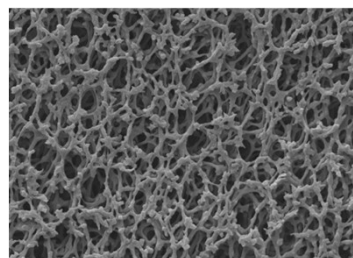
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Donaldson Core Capabilities Apply Directly to Bioproduction



	Alternative Chromatography	Solvent Reclamation	Cultured Food Feedstock Reclamation	Cell Separation for Perfusion Bioreactors
Customer Challenge	Processing Rate	Azeotrope Separation	Wasted Feedstock	Continuous Separation
Solution Capability	Custom Chemistry	Micro-Materials	Micro-Materials and Custom Chemistry	Micro-Materials



Donaldson Expertise in Micromaterials and Chemistry Unlocks Huge Opportunities in Bioproduction



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Intelligent Filtration Drives Services Capabilities



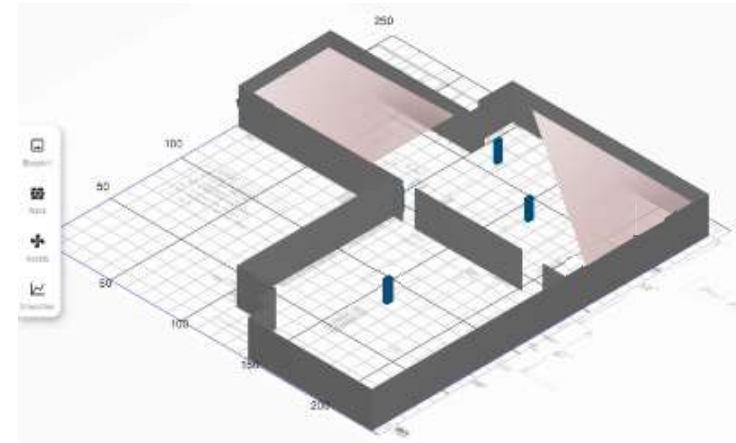
iCue Connected Dust Collector

LAUNCHED

- Pulse Valve Health Monitoring
- Bin Fill Sensing
- Compliance Support

IN DEVELOPMENT

- Remaining Filter Life



■ Contaminant ■ Dust Collector ■ Wall

Facility Air Modeling Tool

LAUNCHED

- Plant Contaminant Flow Simulation
- Dust Collector Impact Simulation

IN DEVELOPMENT

- Plant Air Service Digital Twin



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Key Takeaways

1

Purification of fluids is challenging and **critical to customer success**

2

Donaldson's core technical capabilities, custom micro-materials and custom chemistry, **create solutions and opportunities** across many markets

3

Filters in key working fluids gather and leverage intelligence to create **new customer value propositions**

4

Technology leadership has driven proven results and will play a critical role in the future through new solutions and innovative products



DONALDSON COMPANY

Q&A

APRIL 2023

BLOOMINGTON, MINNESOTA



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Driving the Next Phase of Growth Across Mobile Solutions

Rich Lewis - President, Mobile Solutions



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Key Messages

1

Market leader in technology-led filtration systems across Mobile Solutions end markets

2

Strong position in aftermarket products provides a **resilient demand** profile

3

Top-line growth enabled by **competitive advantages** and solid execution across a broad portfolio of opportunities

4

Well positioned to support customers' sustainability targets and transition to **alternative power solutions**

5

Poised to **expand margins** through profitable growth initiatives





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Mobile Solutions at a Glance

Key Statistics¹

7,000

Employees

44

Plants and
Distribution Centers

~450 / 5,500+

OE / AFM
Customers Served

~30%

of Sales from
Proprietary Products

~64%

of Company
Revenue

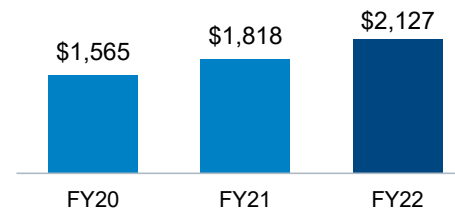
~60%

of Company
Pre-Tax Profit²

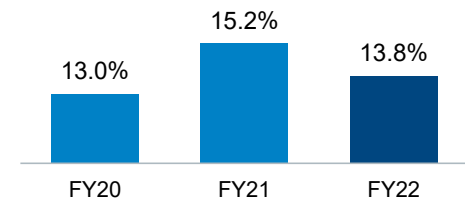
Segment Overview

- Leading systems and replacement part provider for air filtration, fuel, hydraulic, and emission applications to construction, mining, agriculture, and transportation markets
- Large customer base consisting of OEMs, OEM dealer networks, independent distributors, private label accounts and large fleet operators
- Unmatched value proposition including custom solutions and monitoring services that reduce downtime and maximizes performance

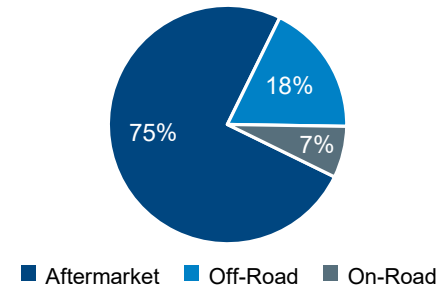
Revenue



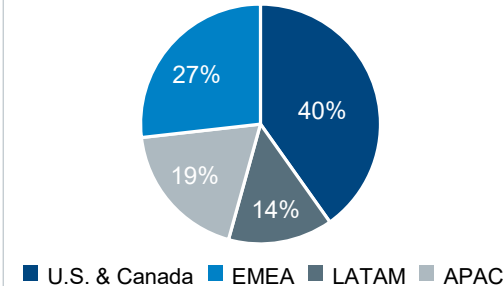
Adjusted Pre-Tax Profit Margin²



2022 End Market Mix



2022 Geographic Mix



¹As of FY22

²Excludes corporate and unallocated expense



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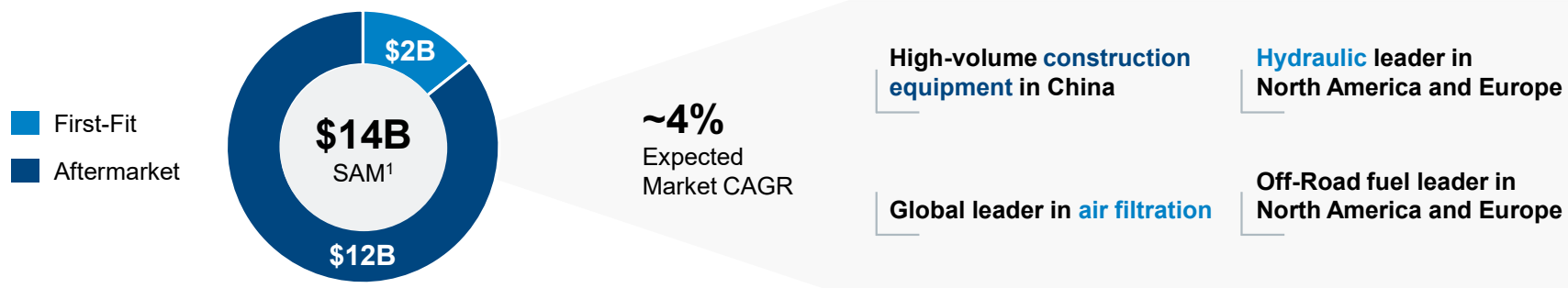
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Product and Market Overview

PRODUCTS SOLD



MARKET LEADERSHIP POSITIONS



MARKETS SERVED



¹Serviceable Addressable Market
Percentages based on FY22 sales



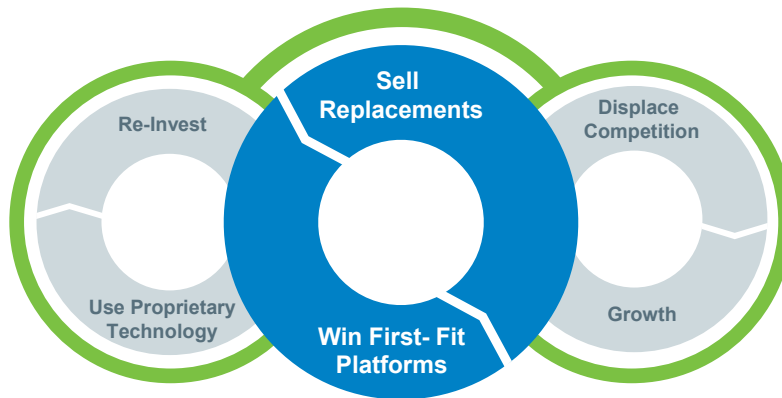
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Executing Defined Strategy Through Distinct Competitive Advantages

BUSINESS MODEL

- “**Razor To Sell Razor Blades**” model - *Win First Fit Platforms; Sell Replacement Filters*
 - Design novel and patented interfaces and filters that maximize replacement part revenue
- High retention rates across an **average vehicle model year length of 7-15 years** provides a resilient demand profile



COMPETITIVE ADVANTAGES

Technology and innovation leader offering differentiated proprietary solutions that solve problems competitors cannot

Protect and build customers' brands by providing **best-in-class filtration** systems that drives equipment performance and engine protection

Superior value proposition and custom solutions supported by enhanced integration capabilities and connected services

Broad product portfolio of filtration products and accessories (+16,000 SKUs)

Global reach and scale **provides customers exceptional product availability and fill rates** through a local touch consisting of over 27,000 distribution points

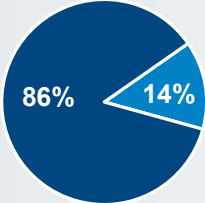


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Case Study | North America On-Road Truck Success Story

Business Model Execution

Problem	Customer required complex, specialized filtration for truck platform
Solution	Donaldson provided custom filtration solution packaged in a unique form with patented protection that fit in a small space
Result	Secured the highest volume truck platform in the US
Benefits	- Developed novel and patent-protected technology that maximized aftermarket revenue - Strong total profits earned during and after the production cycle Sales of \$180M+ over 10 years  ■ OEM ■ Aftermarket



Proven Business Model Maximizing Value Across Selling Channels



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Evidence of Solving Customer Sustainability Problems



Off-Road Hydraulic Tank
Case Study

Opportunity

- Major global Off-Road OEM approached Donaldson looking for solution to address **limited space** in a machine under concept development due **to large hydraulic tank size**

Solution

- Donaldson **deaeration technology** permitted targeted space saving by filtering air
- Multifunction filter** offered component failure isolation with case drain filtration, further protecting entire hydraulic system

Outcome

- 36% HYD tank size reduction**
- Improved serviceability** and HYD system protection
- Identified as technology provider and partner that offers tangible solutions** for OEMs and end users



China Off-Road Air Filtration
Case Study

Opportunity

- Global customer looked to **improve efficiency of wheel loader vehicles** within their mining operations

Solution

- Donaldson **provided proprietary PowerCore Solution**, extending filter life and providing better fuel economy

Outcome

- 12% average savings** in fuel
- Applied solution to 240** wheel loaders and **290** mining trucks
- Working with major wheel loader OEMs to **expand offering**



European Off-Road Emissions
Case Study

Opportunity

- Customer asked DCI to solve an **emission deposit problem** from a competitor's system to meet demanding Tier 4 emissions regulations

Solution

- Donaldson provided a **proprietary mixing technology** that met the emissions requirements without leaving permanent deposits

Outcome

- Awarded Donaldson the mixer business of ~\$2M
- Awarded Donaldson the complete system at Stage V emissions totaling ~\$19M
- Enabled hydrogen ICE opportunity**



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Several Market Trends Support Continued Growth

A More Efficient and Modern World Drives Demand



Automation / Digitalization

Partnering with customers in several markets to provide solutions that support the growing labor market challenge



Productivity

Supporting customers who look to technology to maximize performance of fuel economies and work speeds for all end markets



Industrialization

Expansion in living standards drive higher activity specific to construction, agriculture, and mining markets

A Cleaner World Requires Filtration



Sustainability

Driving growth to support new infrastructure as well as the material extraction needed to support battery manufacturing



Emissions Regulations

Customers continuing to design new engines to meet evolving emission standards



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Key Considerations Around Alternative Power Adoption

The Pace of Adoption Will Be Driven By Several Factors:



Infrastructure



Total Cost of Ownership



Customer Acceptance



Regulation Standards and Government Influence

Key Conclusions

- These factors will influence the speed of change and vary across markets and products
- Multiple technologies across key end markets will play a role in customer sustainability efforts and require complex filtration solutions
- **Ample runway for additional growth across both ICE and alternative power solutions through share gains from superior technology, global footprint, and aftermarket leadership**





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Well Positioned to Address All Engine Adoption Scenarios

APPLICABLE SOLUTIONS:

Cabin air filtration



Hydraulic filtration



Hydraulic reservoir breather



Hydraulic in-tank filtration



Air filtration



Air pre-cleaner



Fuel filtration



Charge pump filtration

Hydraulic fan drive filtration

Lube filtration

Next Generation Diesel / Other¹



Hydrogen Fuel Cell



Battery Electric



Battery enclosure vents

Powertrain vents

Opportunities to expand content through Donaldson's commitment to R&D and best-in-class technologies

Fuel cell enclosure vents

Proton exchange membranes

Different and higher technology filtration solutions required play to Donaldson's core capabilities and strength



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Improving Mobile Solutions Position for Profitable Growth

GROWTH ENABLERS

Technology and Innovation

- Best-in-class engineering
- Deep application expertise
- Patented IP filters

Regional Opportunities

- China and India
- Local engineering, sales, manufacturing, and distribution

Market Growth

- GDP plus
- Higher Aftermarket growth

Strengthening Aftermarket

- Product innovation
- Customer experience
- Operational excellence

PROFITABILITY ENABLERS



Operational Improvements

- ✓ Supply chain refinement
- ✓ Footprint optimization
- ✓ Strategic sourcing



Commercial Excellence

- ✓ Pricing optimization
- ✓ Contract management
- ✓ Incentives alignment with ROI
- ✓ Product lifecycle management



Operational Excellence

- ✓ Productivity improvements
- ✓ Automation
- ✓ Lean manufacturing
- ✓ VAVE (value analysis/value engineering)



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Identified Opportunities to Strengthen Aftermarket Leadership



Product Innovation

- Acceleration of new technologies and products through speed-to-market initiatives
- IoT Commercialization - Filter Minder Connect air, lube, and fuel product kits
- Strategic product lifecycle management approach

- Early market availability supports market share acquisition and profitability objectives
- Complements Donaldson overall product coverage value proposition
- Optimized decision making



Customer Experience

- Digital transformation expands reach and engagement
- Focus on fostering customer relationships, including strategic accounts

Expected Benefits/Outcomes

- Customer enablement and engagement, and channel access
- Customer loyalty through alignment, added value, effective communication, and achieved expectations



Operational Excellence

- Global Employee Health and Safety (EHS)
- Leading levels of service
 - On-time delivery levels
 - High quality products and support
- Pricing optimization
- Inventory management

- Skilled employee and customer retention and business continuity
- Improved profitability and cash conversion

Execution Enabled Through Organizational Redesign

Faster decisions
Focused go-to-market strategies

Dedicated, cross-functional team with end-market customer focus

More efficiently utilize global resources to support region-for-region strategy



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Fiscal Year 2026 KPIs to Measure Success

Business Assumptions

Sales

\$2.3B - \$2.6B

+2% - 6%
3-year CAGR¹

- **Solid growth** over the cycle driven by strength in both First-Fit and Aftermarket sales
- Supported by **proven business model** with **distinct competitive advantages** and **broader macro tailwinds**

Pre-Tax Profit Margin

15.6% - 16.4%

- **Balancing price cost** and **continuing to leverage** as business grows
- **Mix benefit** from Aftermarket sales





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Key Takeaways

1

Market leader in technology-led filtration systems across Mobile Solutions end markets

2

Strong position in aftermarket products provides a **resilient demand** profile

3

Top-line growth enabled by **competitive advantages** and solid execution across a broad portfolio of opportunities

4

Well positioned to support customers' sustainability targets and transition to **alternative power solutions**

5

Poised to **expand margins** through profitable growth initiatives



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Strengthening Value Proposition to Further Penetrate Industrial End Markets

Guillermo Briseño - President, Industrial Solutions



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Key Messages

1

Leaders in industrial filtration with distinct competitive advantages to leverage across a large addressable market with plenty of runway for growth and share gains

2

Enabling deeper **customer relationships** and **aftermarket share gains** through a broad connected service offering

3

Play critical role in the evolving ESG journey of customers by providing **sustainable solutions** and improving operational efficiencies

4

Well positioned for **profitable growth** through enhanced commercial execution and efficiencies from the organizational redesign





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Industrial Solutions at a Glance

Key Statistics¹

+2,700

Employees

26

Facilities

+25K

Customers
Served

~25%

of Sales from
Proprietary Products

~27%

of Company
Revenue

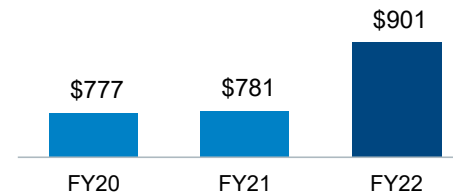
~27%

of Company
Pre-Tax Profit²

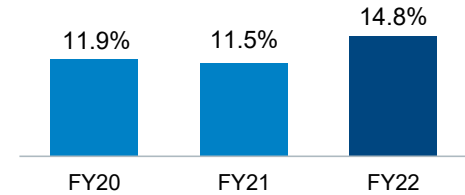
Segment Overview

- Leading systems and replacement part provider for metal, manufacturing, energy, food and beverage, industrial gasses, pharmaceutical, oil and gas, agricultural, construction, mining, packaging, aerospace and defense industries
- Large customer base consisting of various dealers, distributors, and OEMs
- Unmatched value proposition including custom solutions and connected services that monitor equipment to reduce downtime and maximize performance

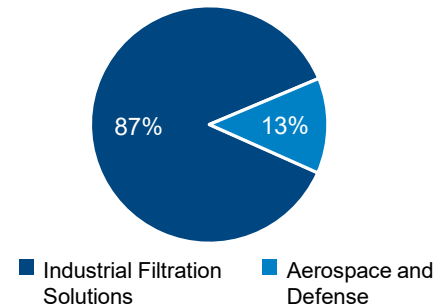
Revenue



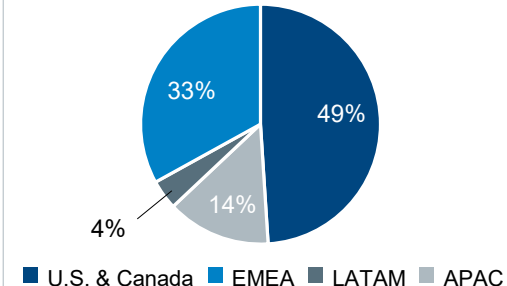
Adjusted Pre-Tax Profit Margin²



2022 End Market Mix



2022 Geographic Mix



¹As of FY22

²Excludes corporate and unallocated expense



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Large Addressable Markets With Significant White Space Opportunities

Market		SAM ¹	Description	Product Categories
IFS Businesses	 Industrial Air Filtration	\$4.8B	Solves customers' toughest contamination and regulatory challenges with premium engineered equipment and solutions	Mist, Dust, Fumes, Cartridges, Pleated Bags, Replacement parts, Solenoid, Will-Fit
	 Industrial Gasses	\$6.3B	Provides solutions for customers' most challenging industrial gas purification objectives with premium filtration, drying, and purification products	Dryers, Compressed Air, Gasses, Steam, Liquids, Sterile, Condensation Management
	 Industrial Hydraulics	\$2.0B	Solves customers' toughest contamination challenges with premium filtration products for hydraulics, lubrication, etc.	Bulk Fluids, Fluids Analysis, Assemblies, Offline Filtration, Stationary.
	 Power Generation	\$0.5B	Provides leading turbomachinery OEMs complete air inlet equipment systems that deliver world-class filtration and air handling performance	Conical and cylindrical cartridges, panels, filter housings, air inlet augmentation, and silencing
	 Aerospace And Defense	\$1.0B	Addresses critical filtration applications in fixed wing, rotorcraft, ground vehicle and marine platforms for commercial and defense markets. Protects critical assets and helps clean cabin air environment	Air Filtration – Cabin, Avionics, and Engine Inlet Liquid Filtration – Lubrication, Fuel, coolant and Hydraulic

¹Serviceable Addressable Market



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Industrial Filtration Leader with Sustainable Competitive Advantages

MARKET LEADERSHIP POSITIONS

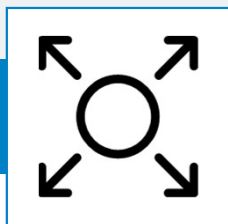
Dust, Fume and Mist Collection
Solutions for Diverse Markets



Global Reach and Availability

- 17 manufacturing facilities and 6 distribution centers
- Global sales and distribution network capabilities

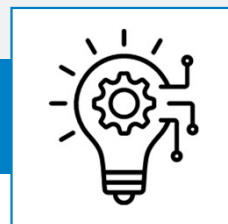
High Efficiency Media Development
for Industrial Applications



Breadth of Product Offering

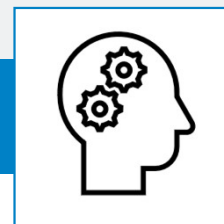
- Dust, fume, mist, gasses, and lubrication fluids filtration solutions
- Connected Solutions to obtain real time information on performance
- Service capabilities to improve total cost of ownership

Product Breath for Different
Applications and Industries



Technology and Innovation Leadership

- Innovative filter media formulations and configurations
- Engineered solutions for energy efficiency and lowest total cost of ownership
- Digital applications for improved customer experience



Deep Technical and Application Expertise

- Global network of application engineering capabilities
- Tailor made engineered solutions for complex applications
- Supporting challenges across diverse markets and niches



Operational Excellence

- Continuous improvement culture
- Global supply chain processes and optimization of lead times
- Industry leading levels of service



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Well Positioned to Address Key Opportunities and Secular Trends

Market Drivers and Megatrends	Products and Solutions
 Sustainability	• Dust and fume control solutions for environmental filtration challenges • Industrial Solutions equipment designed for optimized energy consumption and carbon footprint reduction • Systems designed to outperform regular filtrations solutions with self cleaning mechanisms.
 Energy Optimization	• Energy efficiency monitoring and alerting to keep equipment running at designed threshold values
 Operational Efficiency	• Extended filter lifetime to reduce downtime and maintenance • Predictive modeling to better forecast and schedule maintenances and improve total cost of ownership
 Connectivity, AI, Manufacturing 4.0	• Evolved business model to align and integrate additional applications towards a connected ecosystem supporting automation and ease of operation through technology
 Electrification	• New opportunities such as clean hydrogen for fuel cells utilizing a Donaldson-developed membrane • Complete portfolio for Power Generation capabilities need for electricity increases

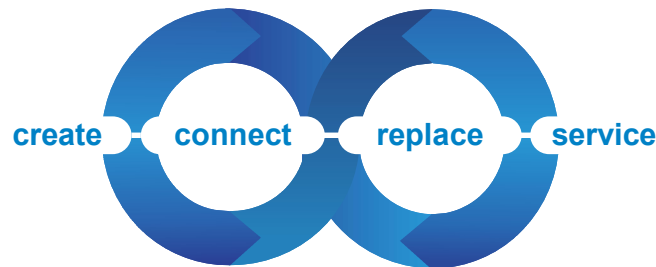
Donaldson is at the Forefront of Gaining Market Share in High-Return Areas of the Industry



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Strategic and Differentiated Business Model Enhancing Customer Relationships and Strengthening Leadership



Create

- Solving complex contamination challenges for dust, fume, mist, gasses, and lubrication fluids
- High-quality First-Fit engineered solutions
- Initiates virtuous cycle for improved customer relationships



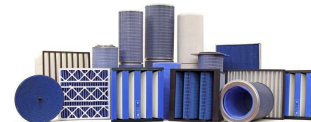
Connect

- Real-time information on equipment performance
- Integration of complete scope of filtration applications
- Demonstrates value of filtration solutions when operating at designed threshold values



Replace

- “One-stop shop” for Donaldson branded equipment for diverse filtration portfolio
- Incremental market share gains with non-Donaldson branded equipment
- Provides incremental profit opportunities and secures customer loyalty



Service

- Improves and restores equipment performance to designed threshold levels
- Reduces total cost of ownership including maintenance
- Improves and enhances relationships with customers



Improves Customer Lifetime Value, Accelerates Revenues, and Leverages Profit



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Clear Growth Strategy Redesigned to Strengthen Leadership and Execution

Leveraging Across a Redesigned and More Efficient Donaldson:

- **New Aftermarket and Services Organization**
 - Focused team on a highly profitable revenue stream
 - “One-stop shop” approach for replacement parts
 - Preventive and proactive servicing
- **Expand Technologies and Solutions Offering**
 - Develop new innovative solutions for complex filtration problems
 - Expand connectivity to all Industrial business units
 - Employ opportunistic approach to strategic acquisitions
- **Enhance Customer Experience**
 - Continuous improvements to digital experience capabilities (eCom & MarCom)
 - “One-stop shop” experience for all filtration solutions

Enabled by the Organizational Redesign:

- One single source of filtration solutions for customers
- Global operational capabilities consolidation for improved levels of service
- Leverage capabilities focused on gross margin improvements

Market	Market CAGR ¹ (FY23-FY26)	Growth Drivers and Initiatives
 Industrial Hydraulics	7 - 9%	• Global expansion of Hy-Pro brand • Product development and modernization
 Industrial Air Filtration	5 - 6%	• Deliver new technology pipeline focused on vitality index and incremental revenue • Expand service capabilities across the globe
 Industrial Gasses	3 - 5%	• Geographical expansion of complete product portfolio • New markets access such as hydrogen purification and other gasses
 Power Generation	3 - 5%	• Expand within strategic accounts • Increase turbine OEM and retrofit revenues
 Aerospace and Defense	4 - 5%	• Develop and deploy new technologies focused on new Aerospace and Defense programs • Focus on aftermarket opportunities within specialized segments



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Improving the Customer Experience to Drive Additional Growth

Expanded Solutions

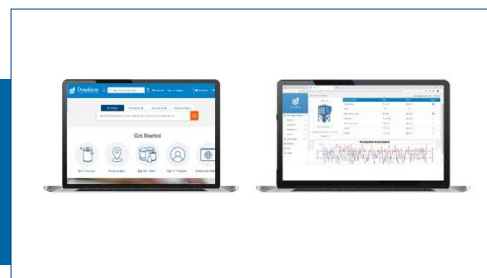


Sustainability Benefit to Customer
More efficient energy consumption due to extended filter life

Operational Benefit to Customer
Less down time / maintenance time with predictive models

Solution Benefit to Customer
Best approach to serve specific needs across the filtration journey

Customer Digital Experience



eCommerce Enhancements
“One-stop shop” experience

Content Excellence
End-user focused content

Other Digital Initiatives
Improved customer digital experience between platforms enabling cross-sell and uplift

Mapping and Identifying Buyer Personas
Understanding new journeys and buyer personas in the industry

Operational Excellence



Improving Fill Rates and Delivery Times
Consolidated global operational capabilities for improved customer satisfaction

Improve Availability
Better forecasting and forward-thinking initiatives to support leading levels of service

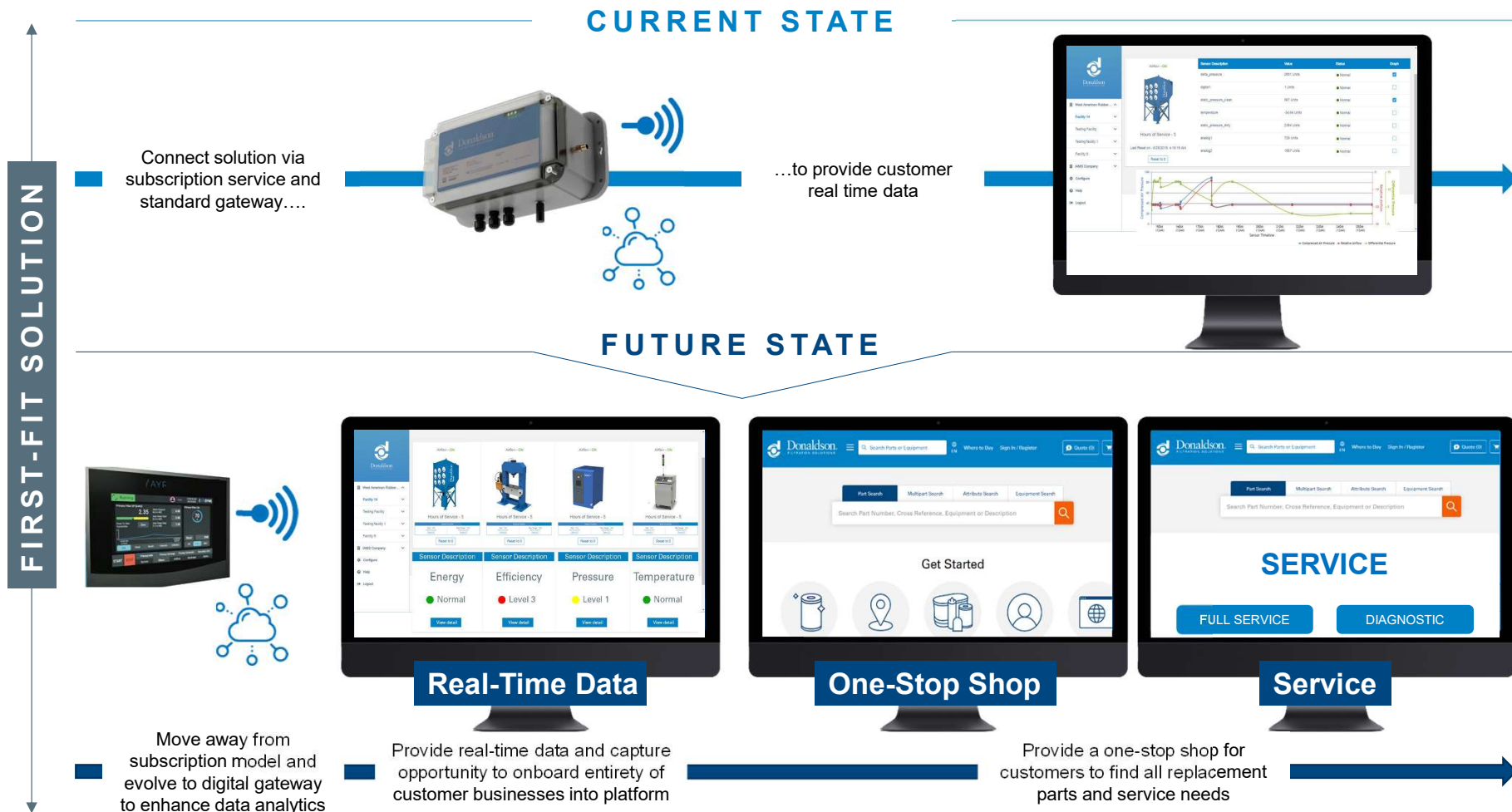
Integrated Pricing Strategy
Pricing center of excellence designed for sustainable profitability



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Expanding Technologies and Solutions

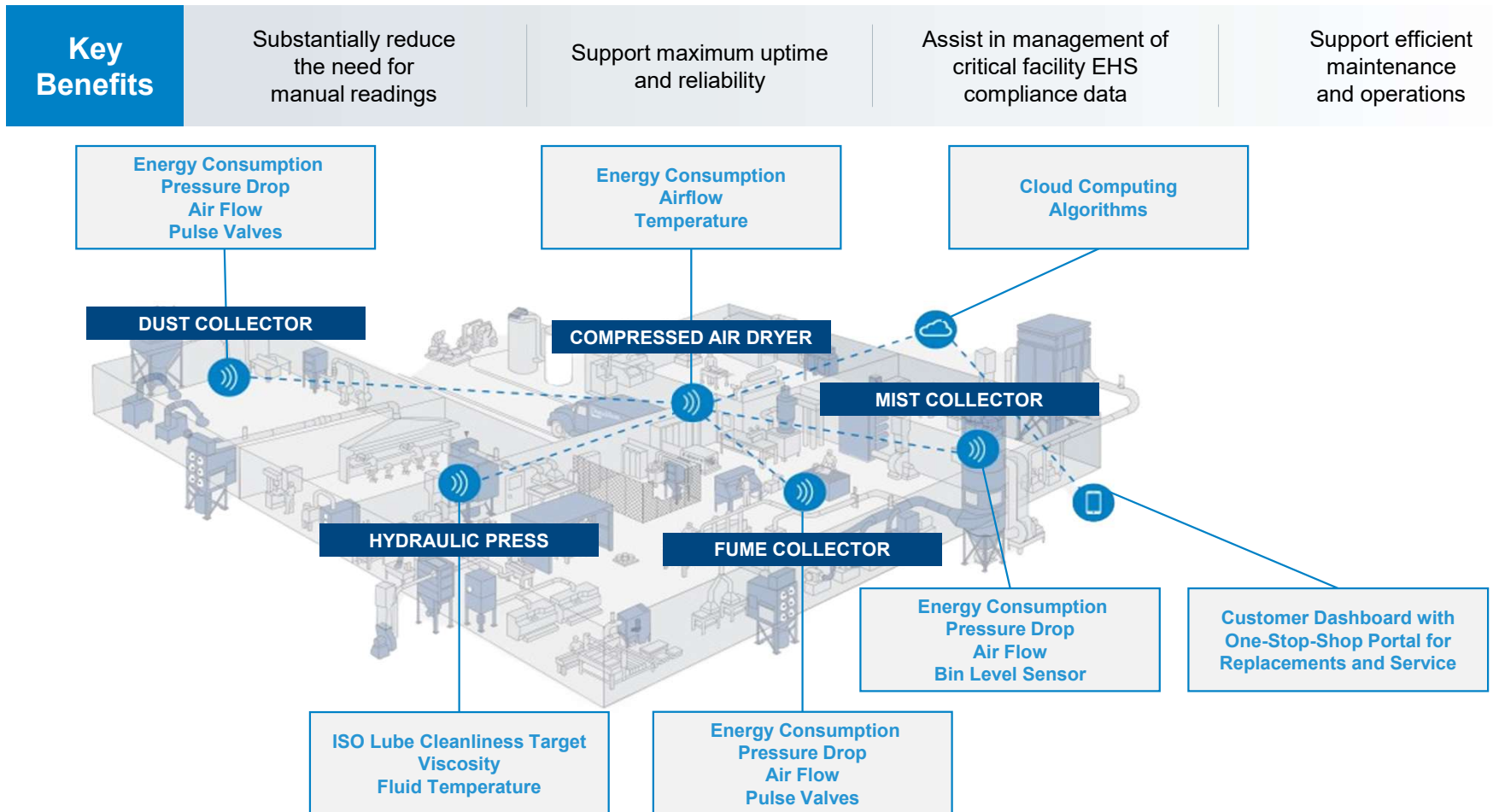




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Connected Services Overview and Value Proposition

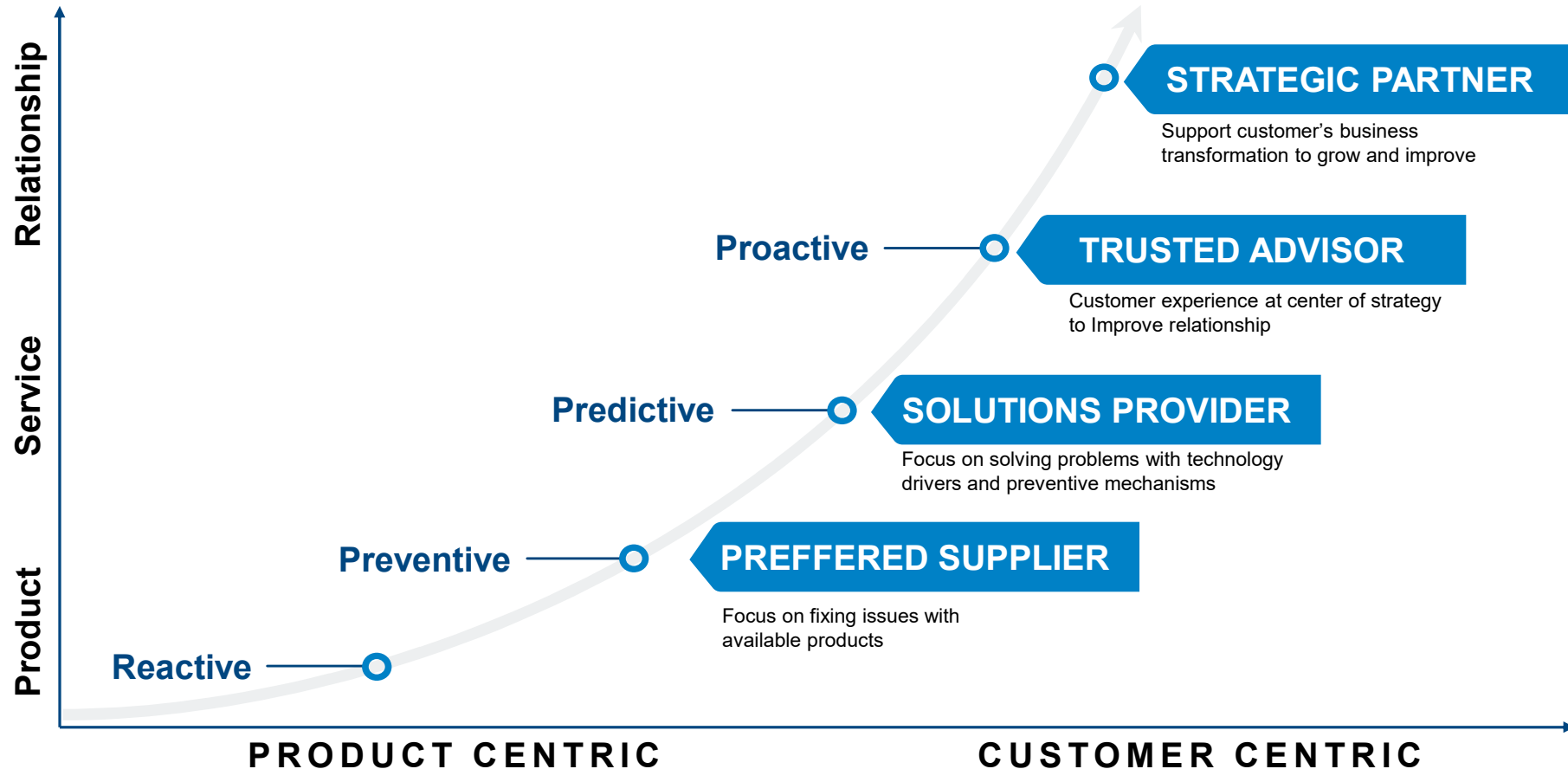




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Expanding Technologies and Solutions to Form Strategic Partnerships

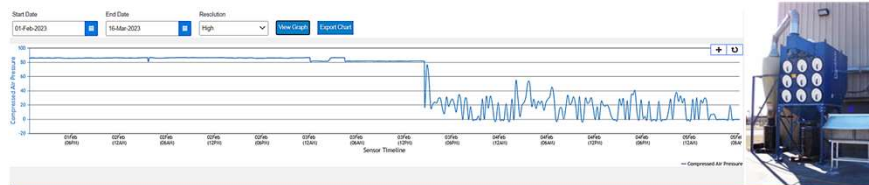




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Further Evidence of Connected Services Value



Short Filter Life Case Study

Opportunity

- Filter life was not optimal (<6 weeks)
- Energy levels were higher than designed
- Increased risk of
 - Energy consumption
 - Filter changes
 - Dirty and dusty workplace
 - Unplanned maintenance

Solution

- Multiple alerts received on iCue monitoring platform
- Customer service representative called end-user resulting in compressed air being recalibrated and adjusted

Outcome

- System returned to normal operation and significant downtime costs avoided



No Compressed Air Case Study

Opportunity

- Differential pressure tripled
- Airflow decreased 47%
- Increased risk of
 - Employee safety
 - Machine contamination
 - Dirty and dusty workplace

Solution

- Multiple alerts received on iCue monitoring platform
- Customer service representative called end-user resulting in compressed air being restored

Outcome

- System returned to normal operation, downtime costs and employee injuries were avoided



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Improving Industrial Solutions Position for Profitable Growth

Leveraging Leadership Position

- Enhancing business model to include service and connected solutions offering provides leading edge within the filtration markets. Donaldson offers best-in-class experiences with an end-user focus.
- Improving relationships drive better synergies evolving customers towards strategic partnerships while gaining profitable market share.

Ongoing Initiatives

- Aftermarket and service-focused organization
- Integration of customer facing interfaces into a “one-stop shop” experience
- Expansion of connected capabilities to other business units outside of dust, fume and mist collection
- Consolidated global operational capabilities to drive improved gross margins and customer satisfaction

DRIVING AFTERMARKET



Improving relationships and generating more opportunities



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Fiscal Year 2026 KPIs to Measure Success

Business Assumptions

Sales

\$1.1B - \$1.2B

+4% - 8%
3-year CAGR¹

- **Sales strength** in high-margin **Industrial Filtration Solutions** and **Aerospace and Defense**
- Increase Connected Customer penetration **from <1% to 5 - 10%** by FY26

Pre-Tax Profit Margin

16.6% - 17.4%

- Improved **revenue mix** from **aftermarket** share gains
- **Operational efficiencies** with continuous improvement culture
- Continued **pricing** strategies





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Key Takeaways

1

Leaders in industrial filtration with distinct competitive advantages to leverage across a large addressable market with plenty of runway for growth and share gains

2

Enabling deeper **customer relationships** and **aftermarket share gains** through a broad connected service offering

3

Play critical role in the evolving ESG journey of customers by providing **sustainable solutions** and improving operational efficiencies

4

Well positioned for **profitable growth** through enhanced commercial execution and efficiencies from the organizational redesign



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Life Sciences Primed for Profitable Growth

Andrew Dahlgren - President, Life Sciences



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Key Messages

1

Large addressable market with significant opportunity to **gain share** by **leveraging competitive** strengths and global reach

2

Favorable end market dynamics with exposure to **sustainability trends** and continued M&A focus creates meaningful **long-term growth prospects**

3

Significant runway for **margin improvement** through recent acquisition commercialization and scale up of higher margin technical product offering





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Life Sciences at a Glance

Key Statistics¹

1,550
Employees

15
Production and
Distribution Facilities

6
Industries
Served

6,900+
Customers
Served

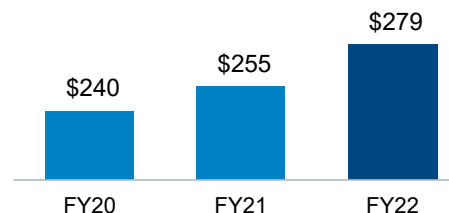
~8%
of Company
Revenue

~13%
of Company
Pre-Tax Profit²

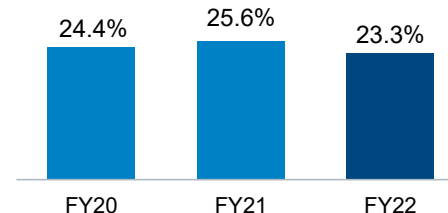
Segment Overview

- **Bioprocessing** – Supporting development of life-changing vaccine, cell and gene therapies
- **Food and Beverage** – Enabling process integrity for the world's food and beverage supply, supporting development of sustainable foods
- **Medical Device** – Supporting development of revolutionary therapy delivery systems, quality of life devices
- **Alternative Power** – Extending range and reliability of battery and fuel cell systems
- **Microelectronics** – Enabling increased processing speeds and miniaturization of semiconductors
- **Disk Drive** – Enabling next generation storage technology

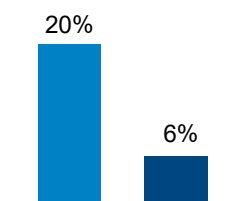
Historical Revenue



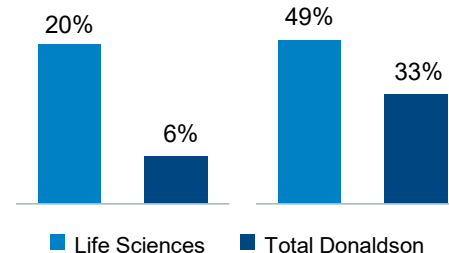
Adjusted Pre-Tax Profit Margin²



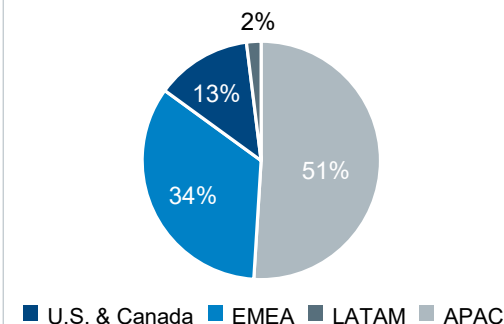
FY23-FY26 Expected Sales CAGR



3-Year Average Gross Margin³



2022 Geographic Mix



¹As of FY22 ²Excludes corporate and unallocated expense

³FY20 – FY22



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Large Addressable Market Primed For Significant Growth

	Market	SAM ¹	Market Growth	Demand Drivers	Product / Application Examples
Core Life Sciences	 Bioprocessing	\$12B	~25%	- Investment in vaccines, cell and gene therapies - Customer preferences for sustainable food and materials - Single-use systems for increased productivity	- Bioreactors and fermenters - Chromatography separation and purification - Tangential and direct flow filtration - Single-use bioreactors, bags and connectors
	 Food and Beverage	\$5B	~10%	- Demand for bottled water, dairy, alcoholic beverages - Demand for sustainable plant-based and cell-cultured proteins	- Sterile liquid, air and steam filtration - Compressed air dryers - Bioreactors and fermenters - Tangential and direct flow filtration
	 Medical Device	\$1B	~15%	- Aging population driving demand for devices that improve quality of life - Development of new therapy delivery systems	- Ostomy bag vents - Hearing aid vents - Implantable devices
Digitization and Electrification	 Alternative Power	\$1B	~20%	- Emission regulations - Consumer preferences for sustainable energy - Automotive OEM strategy and investment	- Battery vents - Powertrain vents - Fuel cell vents - Proton exchange membranes
	 Microelectronics	\$1.5B	~5%	- Reshoring of chip manufacturing (e.g. CHIPS act) - Demand for faster, smaller microelectronics devices - Industry 4.0 IoT - Automotive electrification	- Lithography process air filtration - Point of use chemical filtration - Compressed air dryers - Liquid filtration
	 Disk Drive	\$0.1B	~0-5%	- Increasing cloud storage / data center demand - Video storage - Decreasing PC, laptop demand (negative – transitioning to SSD format)	- Particle filters - Chemical filters - Relative humidity control

¹Serviceable Addressable Market



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Distinct Sustainable Competitive Advantages Provide Runway for Growth

Leveraging inherited strengths to go beyond filtration and into new applications
such as separation for bio-processing, medical devices, food and beverage



Differentiation

Increasing productivity and purity for vaccine, cell and gene therapy processes

- Purilogs membrane chromatography
- Isolere reagents



Deep Application Knowledge

Trusted partner in customer's operations – ensuring process integrity where the cost of failure is enormous

- Food and beverage global partnerships
- Advanced semiconductor lithography process filtration



Unique Integration and Innovation Capabilities

Provide seamless device integration – blending filtration technology and wide array of assembly capabilities into cost-effective custom solutions

- Automotive battery venting
- Ostomy bag venting
- Disk Drive environmental control devices



Broad Solutions Portfolio

Wide range of solutions allow us to partner with customers from lab discovery to cost-effective large-scale production

- Widest size range of bioreactors enabling sustainable food industry development
- Able to separate and purify wide array of complex molecules



Global Scale and Reliability

Gives customers confidence that they will be strongly supported with best-in-class products manufactured through high quality processes at scale

- Our end markets require world-class service, delivery, quality and reliability



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Leveraging Capabilities and Filtration Knowledge Across End Markets

							
		Membrane Technology	Chemical Filtration	Integration	Precision Manufacturing	Systems	Purification
Core Life Sciences	 Bioprocessing	✓				✓	✓
	 Food and Beverage			✓	✓		
	 Medical Device	✓			✓		
Digitization and Electrification	 Alternative Power	✓		✓	✓		
	 Micro electronics		✓		✓		
	 Disk Drive	✓	✓	✓	✓		
		 Core Capability  Leveraging					



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Leveraging Capabilities and Filtration Knowledge Across End Markets

							
		Membrane Technology	Chemical Filtration	Integration	Precision Manufacturing	Systems	Purification
Core Life Sciences	 Bioprocessing	✓	✓	✓	✓	✓	✓
	 Food and Beverage	✓	✓	✓	✓	✓	✓
	 Medical Device	✓		✓	✓	✓	✓
Digitization and Electrification	 Alternative Power	✓		✓	✓		
	 Micro electronics	✓	✓	✓	✓	✓	✓
	 Disk Drive	✓	✓	✓	✓		

✓ Core Capability ✓ Leveraging



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Redesigned to Execute on a Clearly Defined Growth Strategy

Redesigned for Performance

End-Market Focus, Leveraged Functional Expertise

End-market focused commercial teams to maximize application knowledge and response to market opportunities

- Bioprocessing Equipment
- Bioprocessing Consumables
- Food and Beverage
- Medical Devices
- Alternative Power
- Microelectronics
- Disk Drive

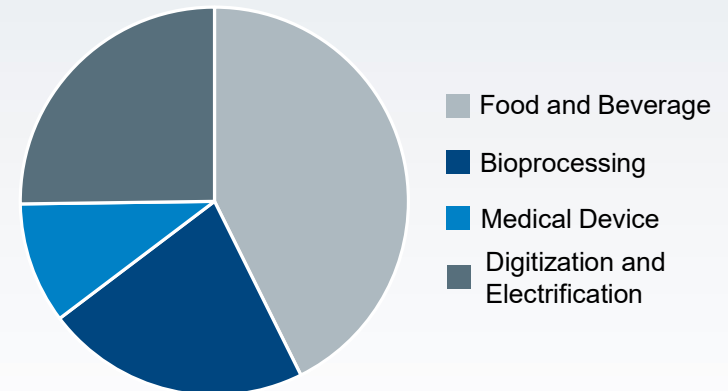
Centralized functional teams to leverage capabilities across end markets

- Strategy and Marketing
- Product and Technology
- Quality and Regulatory
- Operations

Clear Growth Strategy

**Resulting in sales growing to
~\$450M by FY26**

Sources of Organic Growth FY23-FY26





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Leveraging a Digitalization and Electrification Foundation



Alternative Power



Microelectronics



Disk Drive

KEY OPPORTUNITIES

- Electric vehicle growth – hybrid, battery and fuel cell

- Increasing demand for smaller, more powerful chips
- Reshoring of semiconductor manufacturing – CHIPS act

- Long term cloud data center growth
- Next generation technology driving filtration evolution

MARKET CHALLENGES

- Extending range
- Establishing reliability under harsh operating conditions

- Extreme Ultraviolet (EUV) Lithography drives increased filtration needs

- Pandemic-related investment and inventory correction
- Secular decline in PC and laptop market
- Expect slow recovery in CY23 second half

OUR SOLUTIONS

- Innovative powertrain, battery and fuel cell venting technology – winning 35% of programs quoted
- Range extending Teratex™ fuel cell proton exchange membrane

- Lithoguard™ filtration technology
- Ultralow dewpoint compressed dry air filtration systems
- Enabling 50% of global advanced semiconductor production

- Innovative humidity control and chemical filtration
- Protecting 75% of global cloud data



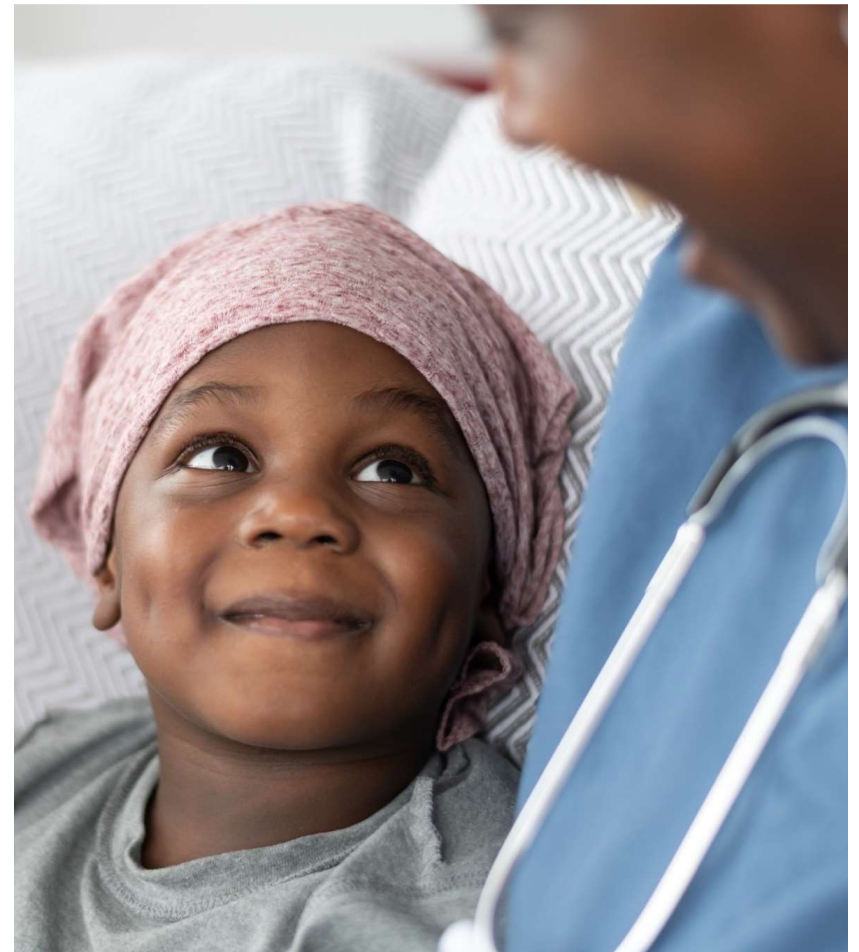
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Sustainable Food



Improving Human Health





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Life Science Trends Create a Tailwind for Innovation

Food and Beverage



100M

Filters consumed for bottled water, growing 5% annually

Alternative Protein



10B

Bioreactor liters required for alternative proteins by 2030

Biopharma



100K

mRNA, cell and gene therapy assets in pipeline by 2033

Medical Device



430M

People living with disabling hearing loss, <20% use aids



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Pursuing Full Spectrum of Life Sciences Opportunities

 Food and Beverage	 Alternative Protein	 Bioprocessing	 Medical Device
KEY OPPORTUNITIES			
• Sterile air, liquid, and steam • Bottled water, dairy, and alcoholic beverages	• Plant-based protein • Cultivated protein	• Vaccines • Cell therapy • Gene therapy	• Class I: Ostomy bags • Class II: Hearing aids • Class III: Implantable devices (in development)
MARKET CHALLENGES			
• Process integrity • Food and beverage safety	• Sustainability • Cost-effective scaleup	• Separation and purification of large molecules	• Device function in challenging use cases
DONALDSON SOLUTIONS			
• LifeTec™ • Deep application knowledge • Global support and reliability 	• Lab to production scale bioreactors • Downstream filtration and purification solutions 	• Lab to production scale bioreactors • Breakthrough Purilogics and Isolere Bio products 	• d-Guard™ hearing aid filters – 20 million / year • Ostomy bag vents – 40 million / year • Novel and advanced membrane applications 



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Providing Process Integrity in Food and Beverage



Food and Beverage



Growth Strategy

- Leverage selling model – global agreements, sector specialists, outbound calling, local support
- Scale up bottled water, dairy, alcoholic beverage business globally
- Penetrate sustainable food market

Competitive Strengths

- Deep application knowledge
- Broad product portfolio
- Global support

Our Products



LifeTec™ Liquid



LifeTec™ Steam



LifeTec™ Gas



Filter Housings

**LifeTec™ filtration systems help ensure process integrity
when the cost of failure is enormous**

Strategic Account Spotlight

Plant by Plant Sales Strategy

75% of the market represented by
15 strategic accounts

Pivoted to Strategic Account Approach

Focused on global partnerships,
leveraging selling model

Result

11 strategic account agreements in place

Doubled strategic account sales

30% LifeTec™ liquid growth



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Enabling Scaleup of >\$250B Alternative Protein Market



Alternative Protein Market

Multi-billion market growing at 20% CAGR

- Improving sustainability of food supply
- Reducing food contaminants (e.g. microplastics)
- Reducing CO₂ emissions

Developers need cost-effective scale-up

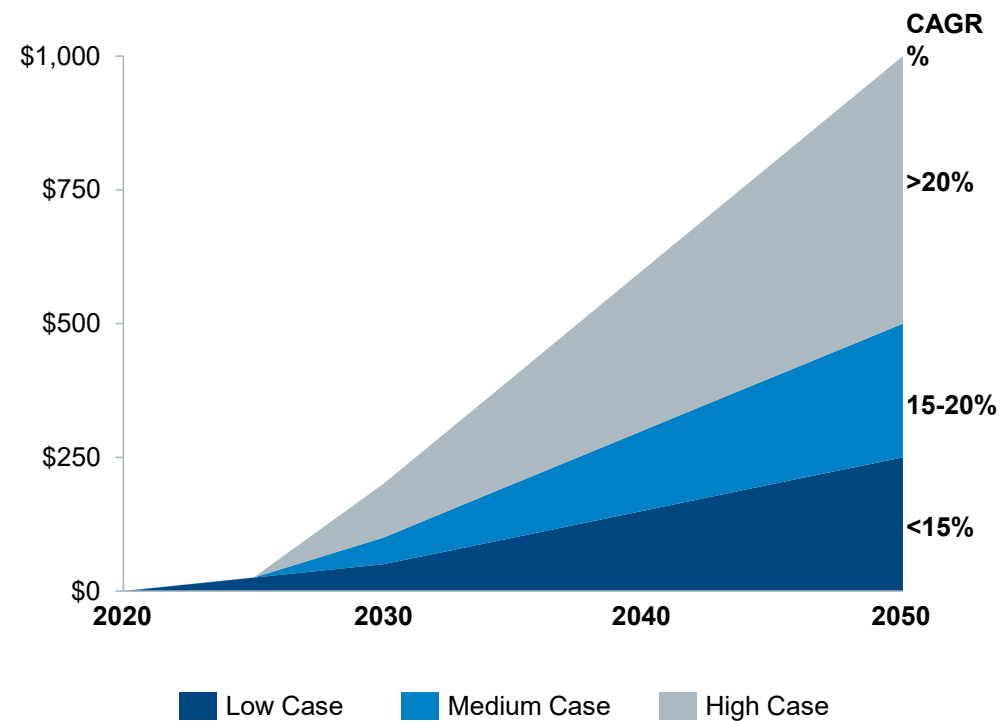
Donaldson solutions

- Full range of bioreactors and fermenters
- Advanced filtration, separation, and purification
- Application expertise to improve yields and reduce costs

Alternate protein results

- 95% CAGR for Donaldson Food and Beverage
- 55% of Solaris bookings

Total Global Alternative Protein Market (\$B)



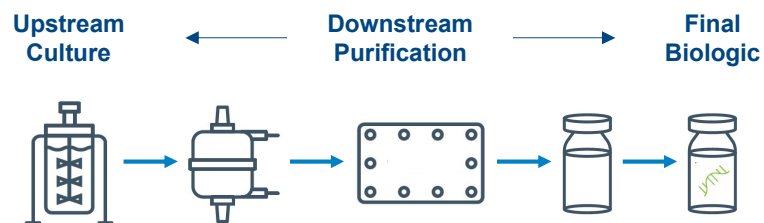
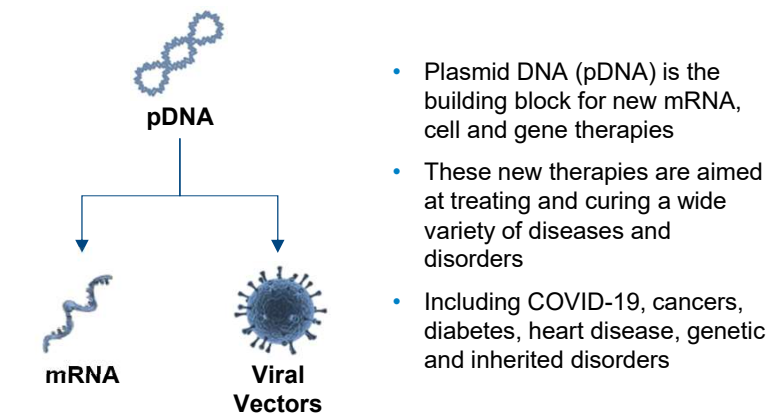
Source: Good Food Institute, 2021 State of the Industry Report



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Supporting Development of New Therapeutics with Differentiated and Disruptive Technologies



Full line of bioreactors and fermenters for upstream culture

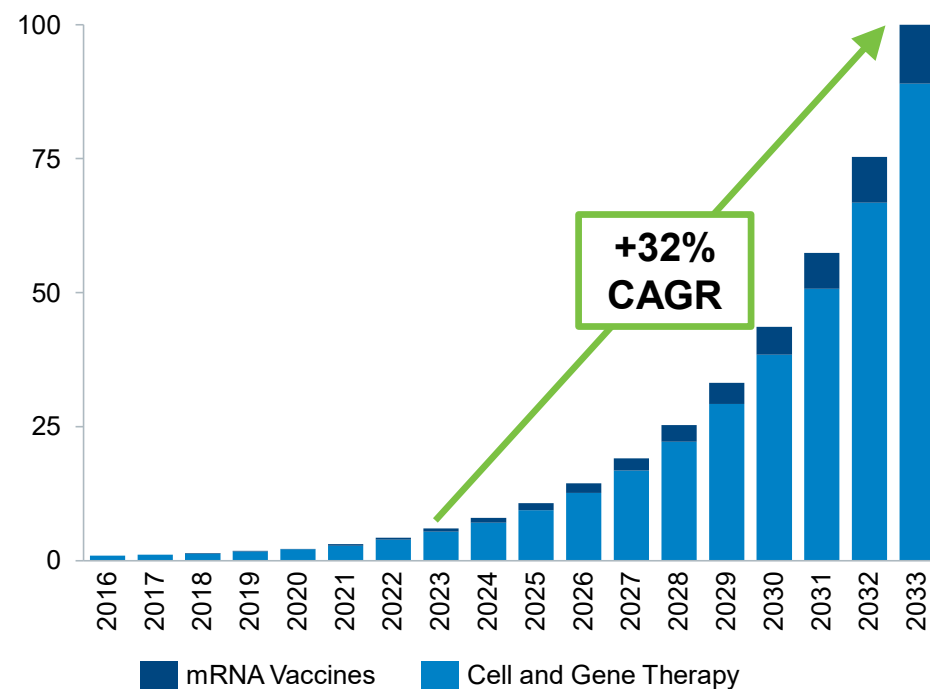


Membrane chromatography for pDNA and mRNA purification



Phase separation reagents for viral vector purification

Global mRNA, Cell and Gene Therapy Asset Pipeline Forecast (Thousands of Assets)



Source: KPMG Analysis



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Donaldson Technology Better Suited for Large Biologics

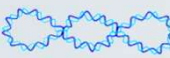


Conventional (1-2 nm)


Small Molecules

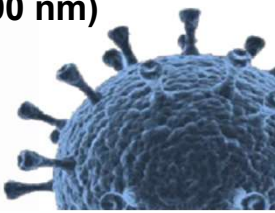

mAb

Vaccine, Cell and Gene Therapy molecule sizes (10-90 nm)


pDNA

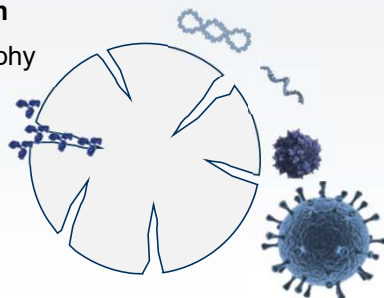

mRNA


AAV


Lentivirus

The Challenge

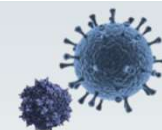
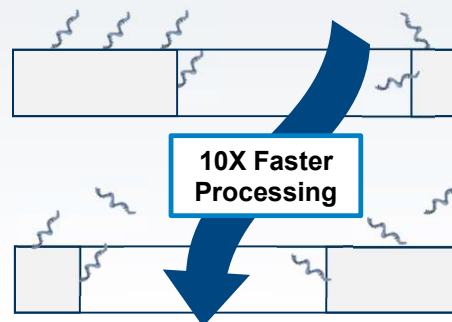
- New therapeutics are larger in size and more delicate and **can break under stress**
- **High demand** for **plasmid DNA** production to meet growing mRNA, cell, and gene therapy assets
- **Low purity and quality** require larger doses to reach efficacy levels
- Need solutions that can **scale** from lab research to **commercial production**
- Traditional chromatography resin systems are slow, inefficient, and **not optimized for larger molecules**



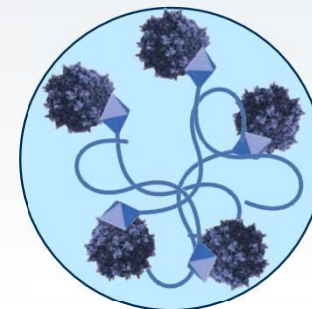
The Solution



Large pores structures enable **increasing binding capacity, faster flow rates, and less stress on cells**



Breakthrough technology allows purification in solution with **no size limitation**





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Acquisitions Provide Differentiated Solutions to Critical Parts of the Cell and Gene Therapy Value Chain



Solving a Life Changing Bottleneck Through Strategic M&A



0.2 to 20,000 Liters

Full size range of customizable bioreactors and fermenters



10x

Up to 10x higher productivity compared to traditional resin systems

1st

Membrane chromatography solution for pDNA purification and mRNA separation

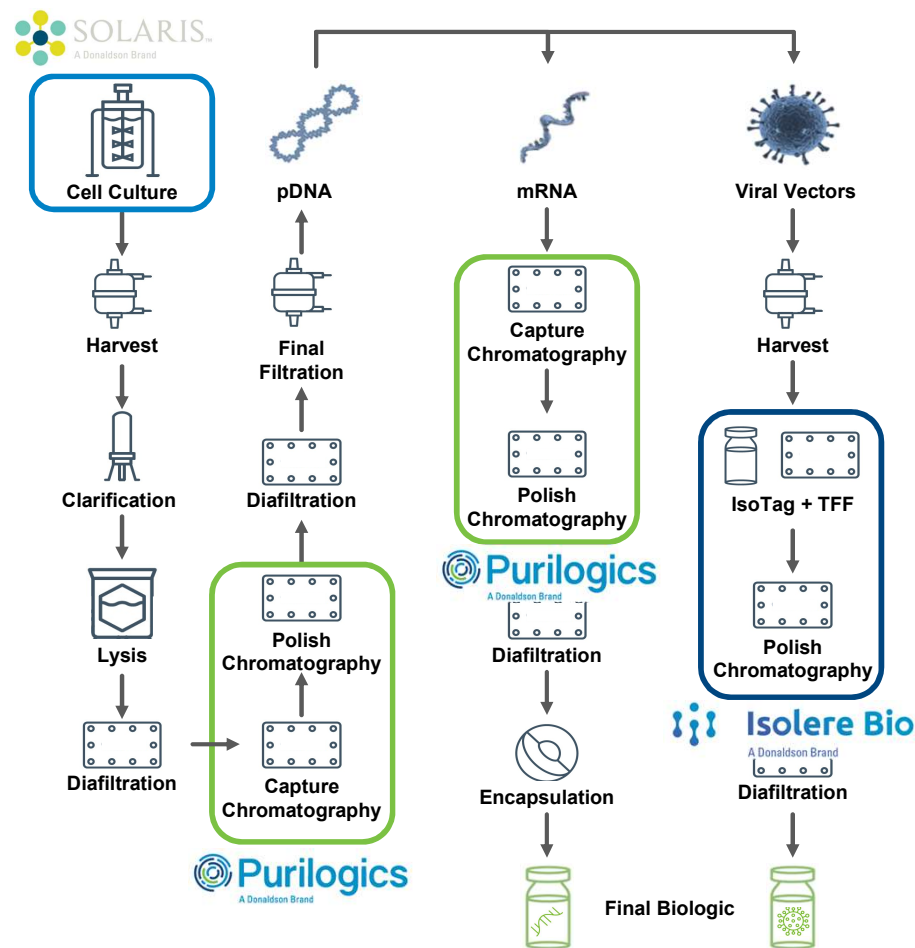


99%

Higher purity of AAV with lower aggregates than traditional resins

30x

Faster concentration of Lentivirus with 96% retention





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Fiscal Year 2026 KPIs to Measure Success

Business Assumptions

Sales

\$430M - \$470M

+18% - 22%
3-year CAGR¹

- **25% CAGR** in core Life Sciences, driven by bioprocessing market penetration, food and beverage scaleup, and class III medical device entry
- **10% CAGR** in digitization and electrification, driven by alternative power adoption, disk drive recovery, and microelectronics investments

Pre-Tax Profit Margin

22.1% - 22.9%

- **Strong profitability** driven by future leverage of growth investments





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Key Takeaways

1

Large addressable market with significant opportunity to **gain share** by **leveraging competitive** strengths and global reach

2

Favorable end market dynamics with exposure to **sustainability trends** and continued M&A focus creates meaningful **long-term growth prospects**

3

Significant runway for **margin improvement** through recent acquisition commercialization and scale up of higher margin technical product offering



DONALDSON COMPANY

Q&A

APRIL 2023

BLOOMINGTON, MINNESOTA



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Long-Term Financial Overview

Scott Robinson - Chief Financial Officer



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Key Messages

1

Investing in **leading technologies** to accelerate growth across **several opportunities** including **sustainability trends**

2

Strengthening position across industries with **favorable megatrends** that provide **long-term growth tailwinds**

3

Increasing level of investment directed towards **higher-margin opportunities** to drive profitable growth and **shareholder value**

4

Committed to achieving **higher levels of profitability** on **higher sales** by executing on growth initiatives

5

Well positioned to **achieve or exceed** long-term financial targets



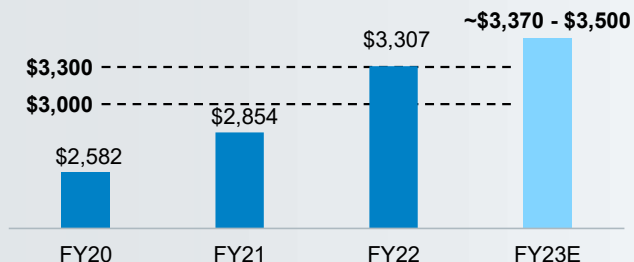


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Historical Financials Highlight Consistent EPS Growth

Sales (\$M)

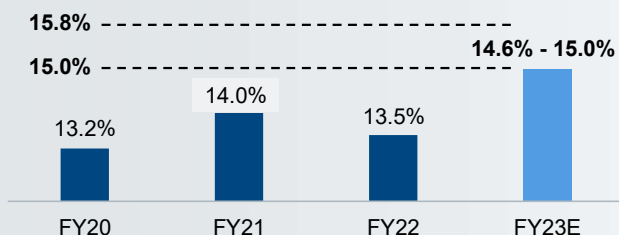


FY21 target achievement delayed due to COVID-19 business impacts

✓ **Target achieved in FY22**

- FY20-FY22 CAGR of ~13% driven by strategic initiatives (e.g., innovative products, replacement parts, process filtration)
- Expect FY23 YoY sales growth of 2%-6% following record FY22 sales

Adjusted Operating Margin (%)

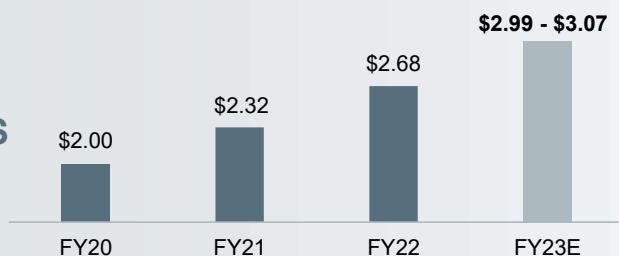


FY21 target negatively impacted by unprecedented inflation and supply chain headwinds

✓ **Target within range in FY23**

- Significant YoY improvement expected in FY23 driven by gross margin expansion and operating expense management
- Strong and disciplined track record of proactive expense management and flexing production to meet demand

Adjusted EPS



- FY20-FY22 adjusted EPS CAGR of ~16% exemplifies long track record of consistent growth
- Expect continued improvement in FY23 with YoY improvement of ~13%, following 16% YoY improvement in FY22
- Returned \$281M to shareholders in form of dividends and share repurchases in FY22

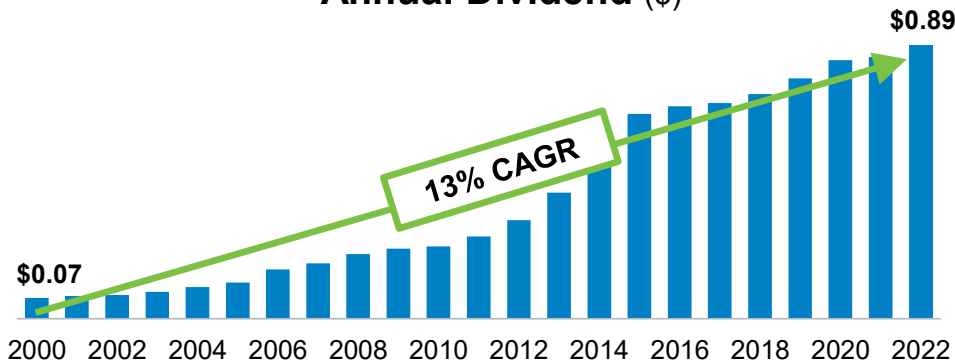


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Strong History of Consistently Rewarding Shareholders

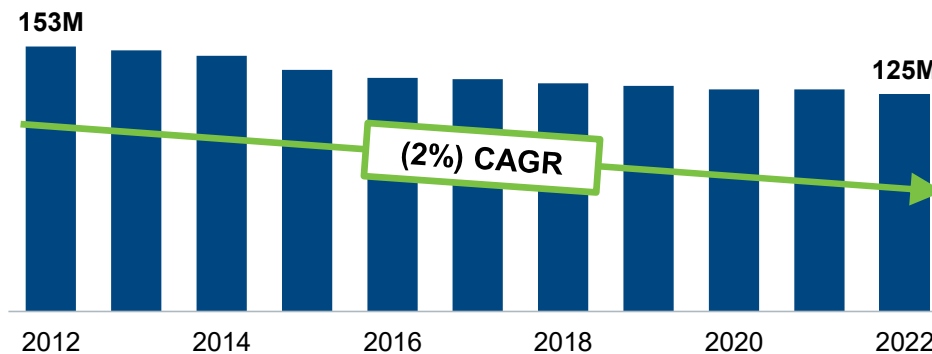
Annual Dividend (\$)



Consecutive Annual Dividend Increases
for 25+ years

Added to
S&P High-Yield Aristocrat Fund
in Jan. 2016

Shares Outstanding



28M Shares Repurchased
since 2012

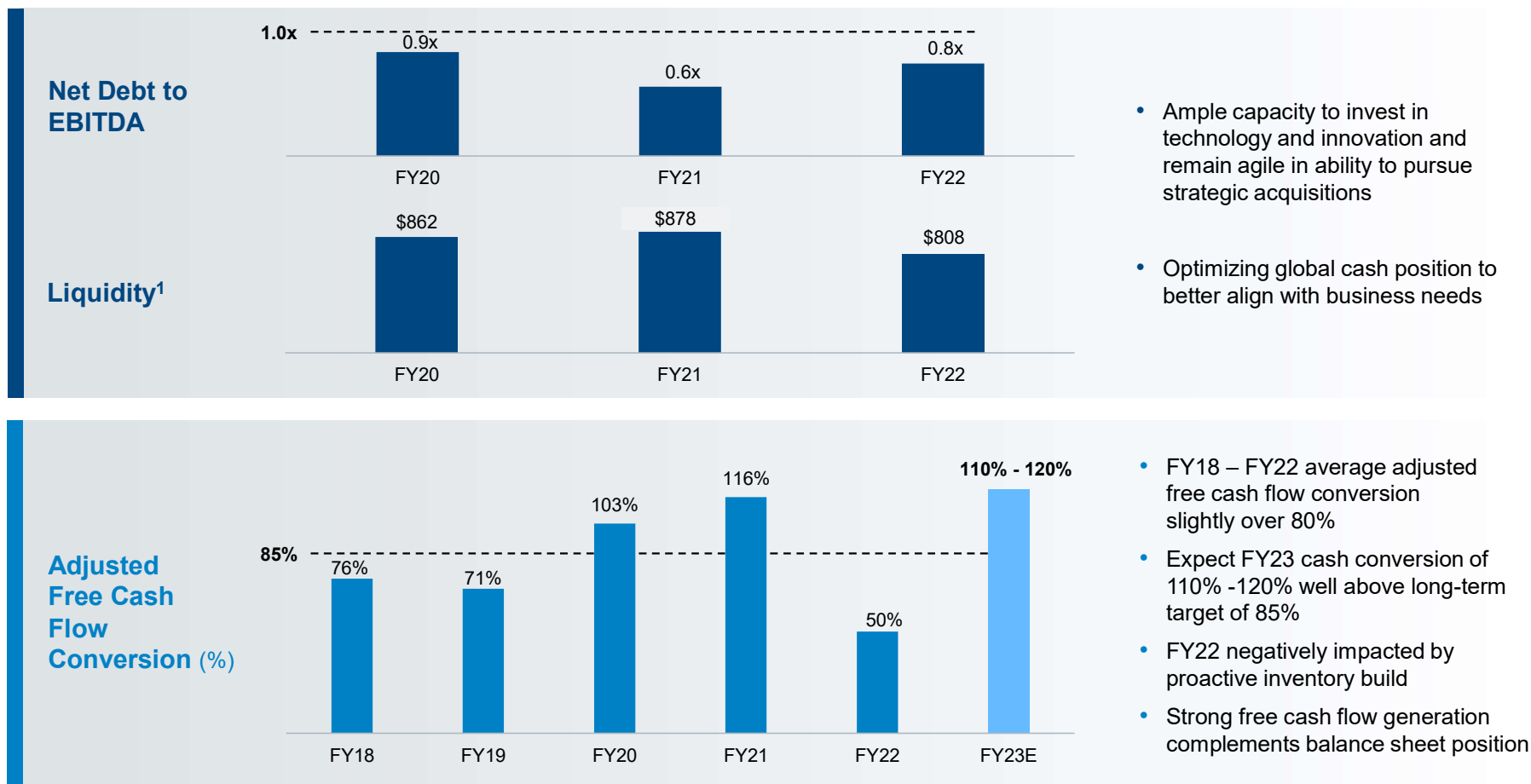
Committed to
At Least Offset Annual Dilution
of ~1%



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Strong Balance Sheet, Liquidity Position, and Free Cash Generation Strongly Supports Pursuance of Strategy



--- Long-term Targets

¹Liquidity defined as cash and revolver availability

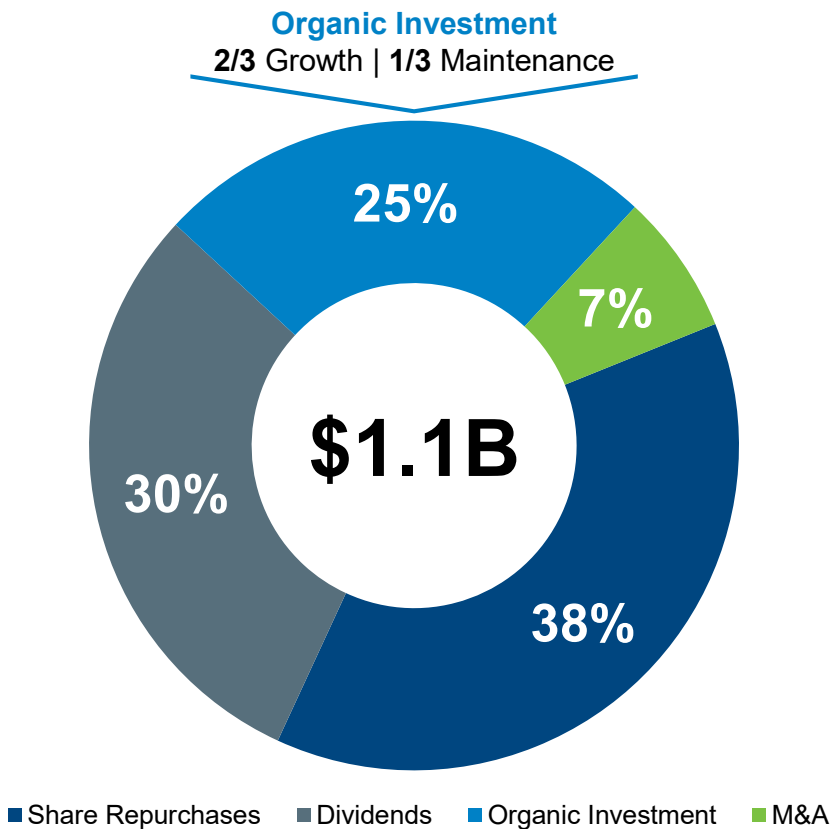


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A Balanced Capital Allocation Framework

Use of Cash Over Last 3-Years



Future Priorities

Organic Investment

- Strategic footprint expansion focused on underserved markets and strengthening global presence
- Investments in Life Sciences including acquisition integration and commercial scale up
- Capex expected to be ~3.5% of sales going forward
- Maintenance capex focused on manufacturing facilities modernization to improve operational efficiencies

M&A

- Primary focus on expanding and strengthening Life Sciences offering in adjacent products and end markets
- Potential for strategic services opportunities in Industrial Solutions

Dividends

- Committed to continuing long history of dividend growth

Share Repurchases

- Maintaining target to repurchase > 1% of shares outstanding, fully offsetting annual dilution

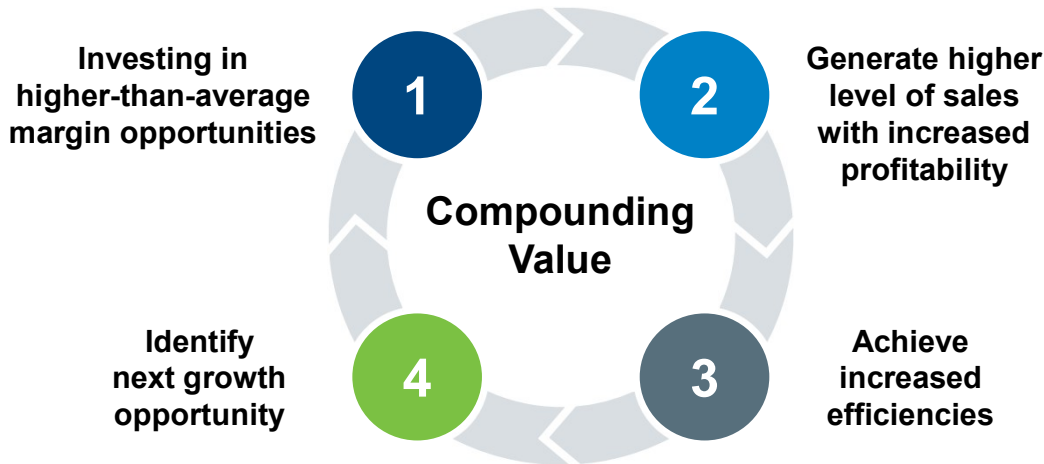


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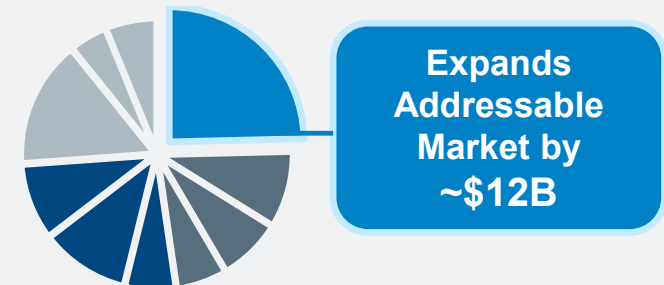
Capturing Higher-Margin Opportunities

Donaldson's investment mindset has changed with greater focus on higher-margin growth opportunities...



...and plans to leverage across a redesigned and more efficient Donaldson:

- Ability to better serve customers by more closely aligning business models and resources to specific end-market needs
- Greater internal ownership and accountability for both short-term and long-term performance
- Enhanced readiness and response time to market changes
- New Life Sciences segment better positioned to penetrate high-growth markets and significantly expands addressable market





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Strong Balance Sheet and Free Cash Flow Generation Supports M&A and Organic Growth Strategy

~1.0x

Long-Term Net Debt to
Adjusted EBITDA Target

~85%

Annual FCF Conversion
Long-Term Average

+\$800M

In Available
Liquidity

Sound Criteria

Established Life Sciences:

- Double-digit top-line growth
- Gross Margins >40%
- EBITDA margin > Company average

Emerging Life Sciences:

- Novel, differentiated technology
- Strong IP protection
- Gross Margin potential >40% with consumables 50%+

Non-Life Sciences:

- Growth rates, gross margin and EBITDA margins > Company average

Strategic Focus

Life Sciences:

- Separation & purification technologies and adjacent products
- High-margin consumables
- Rapidly growing markets such as bioprocessing and cultivated food

Non-Life Sciences:

- Higher-margin opportunities including services and adjacent products

Integration Strategies

Building Scale:

- Aggressively scaling-up size of membrane chromatography devices and manufacturing output

Leveraging Strengths and Capabilities:

- Developing new offerings for customers with products such as combining Solaris' Tangential Flow Filtration products with Isolere Bio's IsoTag reagents
- Offering filtration solutions with Purilogs' membrane chromatography products to provide complete purification solutions

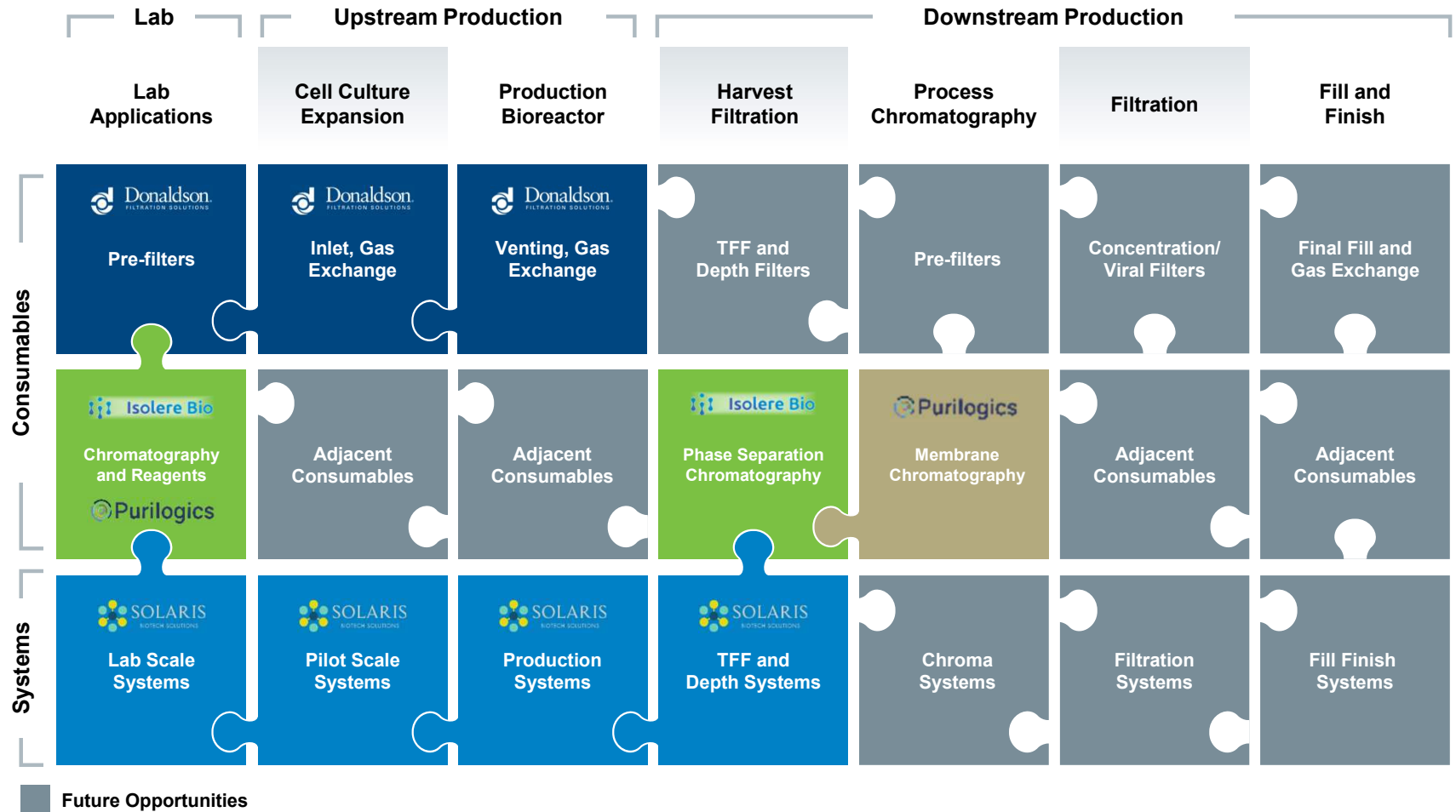
AN
ACQUIRER
OF CHOICE



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Planting Seeds of Growth by Filling in the Bioproduction Puzzle





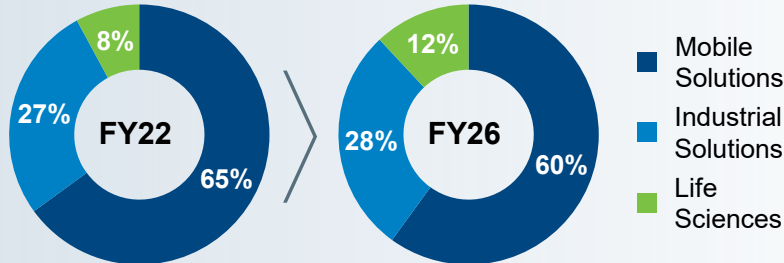
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Enabling Continuous Margin Improvement



PORTFOLIO SHIFT



OPERATIONAL IMPROVEMENTS

Organizational Redesign Enhances

- Inventory management and service levels
- Accountability and production management



PRICING AND MIX

Pricing Optimization

- ↑ Aftermarket growth
- ↑ Alternative Power products
- ↑ Bioprocessing products

**Continuous
Improvement
Expected
Through
Fiscal Year
2026 and
Beyond**



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Long-Term Financial Goals | FY26

Sales

\$3.8B - \$4.3B

+4% - 8%
3-year CAGR¹

Operating Margin

15.6% - 16.4%

80 to 160 bps improvement vs FY23

Incremental Margin

20% - 24%

Over the Cycle¹

Segment 3-year Sales CAGR

Mobile Solutions	Industrial Solutions	Life Sciences
+2% - 6%	+4% - 8%	+18% to 22%

- Stable sales growth driven by momentum in newly entered Life Sciences markets, exposure to sustainability and electrification trends, as well as regional share gain opportunities
- Well positioned to grow beyond FY26

Segment FY26 Pre-Tax Profit Margin² Targets

Mobile Solutions	Industrial Solutions	Life Sciences
15.6% - 16.4%	16.6% - 17.4%	22.1% to 22.9%

- Driven by steady portfolio shift towards higher margin segments, aftermarket share gains, and operational efficiencies
- Well positioned to expand margins beyond FY26

Well Positioned to Leverage Sales Growth

- Committed to delivering higher level of profitability on higher sales
- Favorable incremental margins will be achievable beyond FY26 due to continued focus to mix up the business by gravitating towards higher-margin market opportunities

¹FY23 starting point

²Excludes corporate and unallocated expense



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Key Takeaways

1

Investing in **leading technologies** to accelerate growth across **several opportunities** including **sustainability trends**

2

Strengthening position across industries with **favorable megatrends** that provide **long-term growth tailwinds**

3

Increasing level of investment directed towards **higher-margin opportunities** to drive profitable growth and **shareholder value**

4

Committed to achieving **higher levels of profitability** on **higher sales** by executing on growth initiatives

5

Well positioned to **achieve or exceed** long-term financial targets



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Closing Remarks

Tod Carpenter - Chairman, President, and Chief Executive Officer



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Redesigned for Future Growth

MOBILE SOLUTIONS



- Drive additional growth by winning first fit platforms and introducing innovative products
- Establish leadership across alternative power solutions
- Strengthen aftermarket leadership through several initiatives and opportunities

INDUSTRIAL SOLUTIONS



- Drive additional growth through product innovation and service expansion
- Capitalize on sustainability trends and customers efforts to reduce their carbon footprint
- Expand connected services offering across customer base and leverage Create Connect Replace Service model

LIFE SCIENCES



- Commercialize and scale recent acquisitions in bioprocessing
- Capitalize on growing cell and gene therapy as well as sustainable food trends
- Compliment offering with Donaldson filtration products and continued innovation

Up to
\$1B
Incremental
Revenue
by FY 2026



DONALDSON COMPANY

Q&A

APRIL 2023

BLOOMINGTON, MINNESOTA



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Appendix



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Reconciliation of Non-GAAP Financial Measures

	Year Ended July 31,			
	2019	2020	2021	2022
Diluted EPS	\$ 2.05	\$ 2.00	\$ 2.24	\$ 2.66
Tax expense per share for Federal Tax Cuts and Jobs Act	0.14	-	-	-
Charges per share related to the conflict in Eastern Europe	-	-	-	0.02
Restructuring charges per share	0.02	-	0.08	-
Adjusted diluted EPS	<u>\$ 2.21</u>	<u>\$ 2.00</u>	<u>\$ 2.32</u>	<u>\$ 2.68</u>

(In millions, except percentages)	Twelve Months Ended July 31,		
	2020	2021	2022
Net sales	\$ 2,581.8	\$ 2,853.9	\$ 3,306.6
Operating income	\$ 340.1	\$ 384.7	\$ 443.5
Charges related to the conflict in Eastern Europe	-	-	3.4
Restructuring charges	-	14.8	-
Adjusted operating income	<u>\$ 340.1</u>	<u>\$ 399.5</u>	<u>\$ 446.9</u>
Operating margin	13.2%	13.5%	13.4%
Charges related to the conflict in Eastern Europe	0.0%	0.0%	0.1%
Restructuring charges	0.0%	0.5%	0.0%
Adjusted operating margin	<u>13.2%</u>	<u>14.0%</u>	<u>13.5%</u>

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Reconciliation of Non-GAAP Financial Measures

(In millions)	Year Ended July 31,		
	2020	2021	2022
Current debt	\$ 3.7	\$ 48.5	\$ 9.5
Long-term debt	644.3	461.0	617.4
Total debt	648.0	509.5	626.9
Less: Cash and cash equivalents	(193.3)	(222.8)	(236.6)
Net debt	<u>\$ 454.7</u>	<u>\$ 286.7</u>	<u>\$ 390.3</u>

(In millions, except percentages)	Twelve Months Ended July 31,				
	2018	2019	2020	2021	2022
Net earnings	\$ 180.3	\$ 267.2	\$ 257.0	\$ 286.9	\$ 332.8
Tax expense for Federal Tax Cuts and Jobs Act	84.1	18.6	-	-	-
Restructuring charges	-	2.1	-	10.5	-
Charges related to the conflict in Eastern Europe	-	-	-	-	2.6
Adjusted net earnings	<u>\$ 264.4</u>	<u>\$ 287.9</u>	<u>\$ 257.0</u>	<u>\$ 297.4</u>	<u>\$ 335.4</u>
Free cash flow	\$ 167.0	\$ 195.4	\$ 264.5	\$ 343.6	\$ 167.7
Discretionary cash contribution to U.S. pension plans	35.0	8.0	-	-	-
Adjusted free cash flow	<u>\$ 202.0</u>	<u>\$ 203.4</u>	<u>\$ 264.5</u>	<u>\$ 343.6</u>	<u>\$ 167.7</u>
Free cash flow (%)	92.6%	73.1%	102.9%	119.8%	50.4%
Less: Adjustments noted above	-16.2%	-2.5%	0.0%	-4.3%	-0.4%
Adjusted free cash flow (%)	<u>76.4%</u>	<u>70.6%</u>	<u>102.9%</u>	<u>115.5%</u>	<u>50.0%</u>



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Reconciliation of Non-GAAP Financial Measures

(In millions, except percentages)	Twelve Months Ended July 31,		
	2020	2021	2022
Mobile Solutions			
Net sales	\$ 1,564.5	\$ 1,818.4	\$ 2,126.5
Earnings before income taxes	\$ 203.1	\$ 276.1	\$ 293.8
Restructuring charges	-	0.4	-
Adjusted earnings before income taxes	<u>\$ 203.1</u>	<u>\$ 276.5</u>	<u>\$ 293.8</u>
Pre-tax profit margin	13.0%	15.2%	13.8%
Restructuring charges	0.0%	0.0%	0.0%
Adjusted pre-tax profit margin	<u>13.0%</u>	<u>15.2%</u>	<u>13.8%</u>
Industrial Solutions			
Net sales	\$ 777.1	\$ 781.0	\$ 901.0
Earnings before income taxes	\$ 92.5	\$ 81.0	\$ 133.0
Restructuring charges	-	8.6	-
Adjusted earnings before income taxes	<u>\$ 92.5</u>	<u>\$ 89.6</u>	<u>\$ 133.0</u>
Pre-tax profit margin	11.9%	10.4%	14.8%
Restructuring charges	0.0%	1.1%	0.0%
Adjusted pre-tax profit margin	<u>11.9%</u>	<u>11.5%</u>	<u>14.8%</u>
Life Sciences			
Net sales	\$ 240.2	\$ 254.5	\$ 279.1
Earnings before income taxes	\$ 58.6	\$ 65.2	\$ 64.9
Restructuring charges	-	-	-
Adjusted earnings before income taxes	<u>\$ 58.6</u>	<u>\$ 65.2</u>	<u>\$ 64.9</u>
Pre-tax profit margin	24.4%	25.6%	23.3%
Restructuring charges	0.0%	0.0%	0.0%
Adjusted pre-tax profit margin	<u>24.4%</u>	<u>25.6%</u>	<u>23.3%</u>