

DONALDSON COMPANY

SECOND QUARTER FISCAL YEAR 2026

FEBRUARY 2026



Donaldson.
FILTRATION SOLUTIONS

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; impacts from unexpected events; effects of unavailable raw materials, significant demand fluctuations or material cost changes; 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; inability to achieve commitments related to sustainability; 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; and ability to close and recognize the expected benefits of the Facet acquisition. 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, 2025. 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. The results presented herein are preliminary, unaudited and subject to revision until the Company files its results with the United States Securities and Exchange Commission on Form 10-Q.

Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures, such as adjusted diluted EPS, adjusted gross margin, adjusted operating expense, adjusted EBITDA, adjusted operating income, adjusted operating margin, 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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Invest with Donaldson

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



Second Quarter 2026 Update and Overview

Key Updates

Positioning for Long-Term Growth

- ✓ **Delivered on strong customer demand** and made further progress on **footprint optimization initiatives**
- ✓ **Announced acquisition of Facet Filtration**, expanding portfolio with high-performance fuel and fluid filtration for mission-critical applications
- ✓ **Returned \$51M** in second quarter to **shareholders** in dividends and share repurchases
- ✓ **Richard Lewis, COO**, to succeed Tod Carpenter as **President and CEO**

Second Quarter Financials

Delivered Sales Growth Across all Business Segments

- ✓ **Sales of \$896M** increased 3% YoY
 - FX +3%, pricing +2%
- ✓ **Adjusted EPS^(1,2) of \$0.83** flat YoY
 - Adjusted gross margin⁽²⁾ decreased 150 bps from volume deleverage, operating inefficiencies and footprint optimization costs
 - Adjusted operating margin⁽²⁾ decreased 120 bps
- ✓ **Adjusted free cash flow conversion^(2,3) of 18%**

FY 2026 Guidance

Updating Fiscal 2026 Guidance

- ✓ **Sales outlook of 1% to 5% growth**
- ✓ **Adjusted operating margin of 16.0% to 16.4%**
- ✓ **Adjusted EPS guidance within a range of \$3.93 to \$4.01**

¹ All EPS figures refer to diluted EPS.

² Adjusted for restructuring and other and business development charges. See the reconciliation of Non-GAAP Financial measures appendix for additional information.

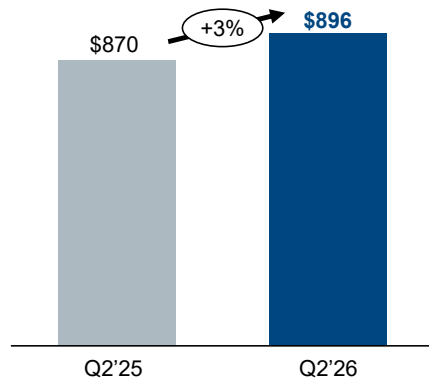
³ Free cash flow = cash from operations minus capital expenditures; Adjusted free cash flow conversion = free cash flow / adjusted net earnings.



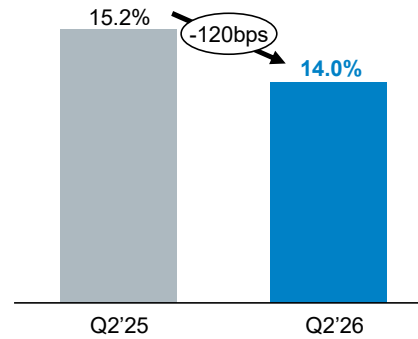
Second Quarter FY26 Overview & Highlights

Sales (\$M)

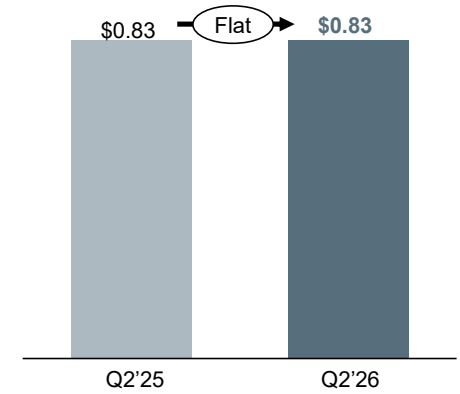
Down 0.1% YoY Constant Currency Basis



Adjusted Operating Margin⁽¹⁾



Adjusted Diluted EPS⁽¹⁾



Highlights

- +2% YoY contribution from price
- Segment Performance YoY:
 - Mobile Solutions +2%
 - Industrial Solutions +2%
 - Life Sciences +16%

Highlights

- Adjusted gross margin⁽¹⁾ down versus prior year due to volume deleverage, operational inefficiencies and footprint optimization costs
- Adjusted operating expenses as a percent of sales⁽¹⁾ improved 30 bps YoY

Highlights

- Adjusted operating income⁽¹⁾ decreased 5% YoY

¹ Adjusted for restructuring and other and business development charges. See the reconciliation of Non-GAAP Financial Measures appendix for additional information.



Mobile Solutions Segment Second Quarter FY26 Results



	Q2'26	Q2'25	YoY
Sales	\$557	\$548	+2%
EBT	\$94	\$96	-2%
% of sales	16.8%	17.4%	-60 bps

Second Quarter Overview

Sales

- Total Sales YoY: +2% reported and -1% on a constant currency basis
 - Sales increased as currency and pricing more than offset volume declines
 - Aftermarket sales driven by solid independent channel sales, partially offset by declines in OE channel following significant stocking in the prior year quarter
 - Off-road sales increased due to improving end market conditions
 - On-road sales decreased due to lower truck production
- Performance by region YoY:
 - US/CA -4%
 - EMEA +13%
 - APAC +8%
 - LATAM -6%
- China Sales YoY:
 - +18% reported

Margins and Key Updates

- Segment EBT margin -60 bps YoY primarily due to volume deleverage, particularly related to Aftermarket OE channel sales, and higher operating costs related to footprint optimization initiatives



Industrial Solutions Segment Second Quarter FY26 Results



	Q2'26	Q2'25	YoY
Sales	\$260	\$254	+2%
EBT	\$31	\$41	-24%
% of sales	11.9%	16.1%	-420 bps

Second Quarter Overview

Sales

- Total Sales YoY: +2% reported and flat on a constant currency basis
 - Sales increased as currency translation and pricing were partially offset by volume declines, particularly in Aerospace and Defense, following significant stocking in the prior year quarter
 - Industrial Filtration Solutions sales increased due to robust growth in Power Generation new equipment sales
- Performance by region YoY:
 - US/CA -9%
 - EMEA +22%
 - APAC +5%
 - LATAM +6%
- Performance by end-market YoY:
 - Industrial Filtration Solutions +7%
 - Aerospace and Defense -19%

Margins and Key Updates

- Segment EBT margin -420 bps YoY due to operational inefficiencies, including those related to elevated customer demand in Power Generation, and footprint optimization costs



Life Sciences Segment Second Quarter FY26 Results



	Q2'26	Q2'25	YoY
Sales	\$80	\$69	+16%
EBT	\$7	-\$1	NM
% of sales	9.3%	-0.7%	NM

Second Quarter Overview

Sales

- Total Sales YoY: +16% reported and +10% constant currency basis
 - Higher sales driven by strong new equipment sales in Food and Beverage and Disk Drive, combined with benefits from currency translation
- Performance by region YoY:
 - US/CA +28%
 - EMEA +15%
 - APAC +14%
 - LATAM -1%

Margins and Key Updates

- Segment EBT margin expansion YoY driven by strong sales in Food and Beverage and Disk Drive businesses and benefits from expense optimization



Facet: Overview



Facet
Filtration Group®

High-performance fuel and fluid filtration for mission-critical applications

\$108M

Sales¹

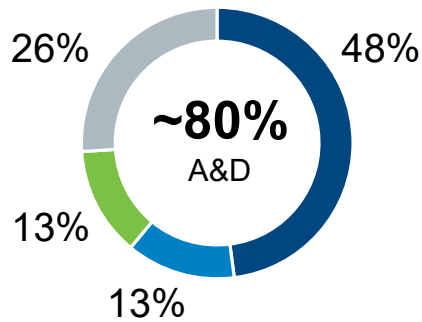
38%

EBITDA Margin¹

~70%

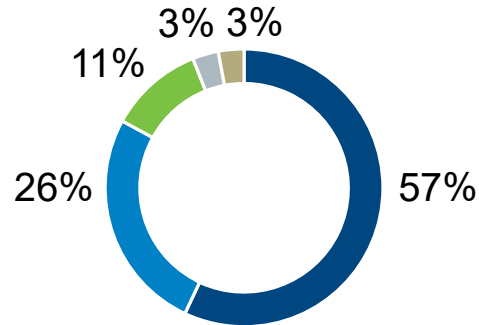
Consumables Sales

Sales by End Market¹



- Commercial Aviation
- Military Aviation
- Military Marine & Land
- Other

Sales by Geography¹



- North America
- Europe
- Asia
- South America
- Rest of World

Highlights



Designs and manufactures filter elements, housings, and integrated systems



Trusted in applications where safety, compliance, and uptime are critical



236 employees in 7 countries



Manufacturing sites in Oklahoma and Spain



\$8B total addressable market across aerospace & defense, power generation, data centers, and other industrials



Facet: Transaction Summary

Price & Valuation

- Acquisition of Facet from Filtration Group
- Purchase price of \$820M in cash
- Represents 20.0x CY2025 EBITDA; 16.6x including expected tax benefit and cost synergies

Financial Highlights

- \$108M of revenue in CY2025, growing at high single digits
- \$41M of EBITDA in CY2025, at 38% margin; immediate margin accretion with EPS accretion in FY27
- Strong cash flow conversion with CapEx <2% of sales

Leadership & Integration

- Facet leadership team and technical talent provide continuity across customer relationships and certification requirements
- To be integrated with Donaldson's Industrial Solutions segment

Financing

- Funded through a combination of cash on hand and new debt financing

Timing & Approvals

- Closing subject to customary closing conditions including required regulatory approvals



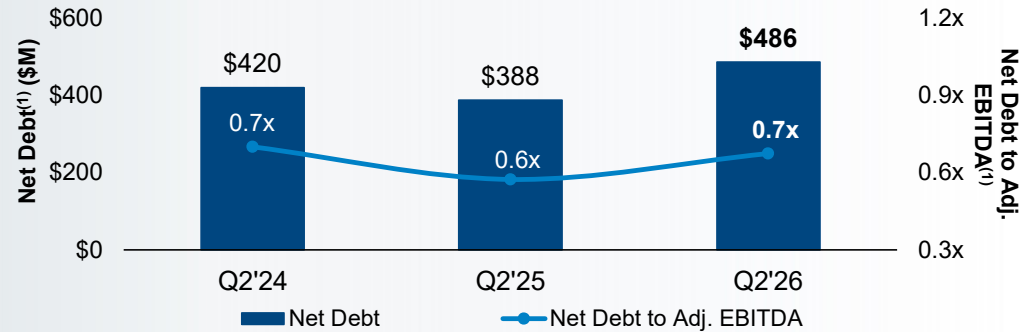
Balance Sheet and Cash Flow Overview

Highlights

- Adjusted free cash flow conversion^(1,2) of 18% in Q2'26
 - Lower conversion driven by increased working capital
- Returned \$51 million to shareholders in dividends and share buybacks in Q2'26
- Strong balance sheet supports future growth and strategic investments



Net Debt and Financial Leverage



Consolidated Results (\$M)

	Q2'26	Q2'25
Cash from Operations	\$33	\$90
Capital Expenditures	(\$15)	(\$19)
Free Cash Flow ⁽²⁾	\$18	\$72
Dividends	(\$35)	(\$32)
Share Buybacks	(\$17)	(\$7)

¹ Adjusted for restructuring and other and business development charges. See the Reconciliation of Non-GAAP Financial Measures appendix for additional information.

² Free cash flow = cash from operations minus capital expenditures; Adjusted free cash flow conversion = free cash flow / adjusted net earnings.



Updated Fiscal 2026 Financial Outlook⁽¹⁾

Total Company Sales Growth

No Change
+1 to +5%

Total Company Gross Margin

No Change
YoY Expansion

Total Company Operating Margin

Current	Prior (Q1'26)
16.0% to 16.4%	16.2% to 16.8%

Adjusted Diluted EPS

Current	Prior (Q1'26)
\$3.93 to \$4.01	\$3.95 to \$4.11

Capital Expenditures

Current	Prior (Q1'26)
\$60M to \$75M	\$65M to \$85M

FCF Conversion

No Change
85% to 95%

Segment Outlook



Mobile Solutions

	Current	Prior (Q1'26)
Total Sales	+2% to 6%	+0% to 4%
Off-Road	+ Mid-single digits	+ Mid-single digits
On-Road	Flat	Flat
Aftermarket	+ Mid-single digits	+ Low-single digits



Industrial Solutions

	Current	Prior (Q1'26)
Total Sales	-1% to 3%	+2% to 6%
Industrial Filtration Solutions	+ Low-single digits	+ Mid-single digits
Aerospace and Defense	- Mid-single digits	Flat



Life Sciences

	Current	Prior (Q1'26)
Total Sales	+5% to 9%	+1% to 5%

Other Assumptions

- Tax rate of 22% to 24%
- Pricing benefit of approximately 1%
- Currency translation benefit of approximately 1%
- Interest expense approximately \$26M, up from \$24M previously
- Other income between \$17M to \$19M, up from \$14M to \$18M previously

¹ Adjusted for restructuring and other and business development charges. See the Reconciliation of Non-GAAP Financial Measures appendix for additional information.



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Appendix



Reconciliation of Non-GAAP Financial Measures

(\$ in millions, except per share amounts)
(Unaudited)

	Three Months Ended		Six Months Ended	
	January 31,		January 31,	
	2026	2025	2026	2025
Net cash provided by operating activities	\$ 33.0	\$ 90.4	\$ 158.4	\$ 163.3
Net capital expenditures	(15.0)	(18.9)	(28.7)	(43.9)
Free cash flow	\$ 18.0	\$ 71.5	\$ 129.7	\$ 119.4
Net earnings	\$ 92.5	\$ 95.9	\$ 206.4	\$ 194.9
Income taxes	24.1	29.1	57.7	60.6
Interest expense	7.7	5.9	14.8	11.4
Depreciation and amortization	24.6	25.0	48.9	50.5
EBITDA	\$ 148.9	\$ 155.9	\$ 327.8	\$ 317.4
Adjusted net earnings	\$ 97.5	\$ 101.0	\$ 208.2	\$ 202.5
Adjusted income taxes	25.7	30.6	58.2	62.9
Interest expense	7.7	5.9	14.8	11.4
Depreciation and amortization	24.6	25.0	48.9	50.5
Adjusted EBITDA	\$ 155.5	\$ 162.5	\$ 330.1	\$ 327.3
Gross profit	\$ 299.8	\$ 305.9	\$ 628.6	\$ 625.5
Restructuring and other charges	2.2	0.6	4.2	1.7
Adjusted gross profit	\$ 302.0	\$ 306.5	\$ 632.8	\$ 627.2
Operating expense	\$ 181.1	\$ 180.4	\$ 360.6	\$ 369.2
Restructuring and other charges	(0.7)	(1.6)	(3.7)	(3.8)
Business development charges	(3.8)	(4.4)	(3.8)	(4.4)
Gain on the sale of fixed assets	—	—	9.3	—
Adjusted operating expense	\$ 176.6	\$ 174.4	\$ 362.4	\$ 361.0
Operating income	\$ 118.7	\$ 125.5	\$ 268.0	\$ 256.3
Restructuring and other charges	2.9	2.2	7.9	5.5
Business development charges	3.8	4.4	3.8	4.4
Gain on the sale of fixed assets	—	—	(9.3)	—
Adjusted operating income	\$ 125.4	\$ 132.1	\$ 270.4	\$ 266.2
Net earnings	\$ 92.5	\$ 95.9	\$ 206.4	\$ 194.9
Restructuring and other charges, net tax	2.1	1.7	5.9	4.2
Business development charges, net tax	2.9	3.4	2.9	3.4
Gain on the sale of fixed assets, net tax	—	—	(7.0)	—
Adjusted net earnings	\$ 97.5	\$ 101.0	\$ 208.2	\$ 202.5
Diluted EPS	\$ 0.78	\$ 0.79	\$ 1.75	\$ 1.60
Restructuring and other charges per share	0.02	0.01	0.05	0.03
Business development charges per share	0.03	0.03	0.03	0.03
Gain on the sale of fixed assets per share	—	—	(0.06)	—
Adjusted diluted EPS	\$ 0.83	\$ 0.83	\$ 1.77	\$ 1.66



Reconciliation of Non-GAAP Financial Measures

(\$ in millions, except per share amounts)
(Unaudited)

	January 31,		
	2026	2025	2024
Total debt	\$ 680.8	\$ 577.4	\$ 614.1
Less: Cash and cash equivalents	(194.4)	(189.1)	(193.8)
Net debt	\$ 486.3	\$ 388.3	\$ 420.3

	Three Months ended January 31,		
	2026	2025	2024
Adjusted EBITDA	\$ 704.0	\$ 677.1	\$ 612.8
Net debt to adjusted EBITDA	0.7x	0.6x	0.7x