Ingersoll Rand
Inspiring Progress™

Fourth-Quarter 2018 Results

January 30, 2019

Safe Harbor

This presentation includes “forward-looking statements” which are statements that are not historical facts, including statements that relate to the mix of and demand for our products; performance of the markets in which we operate; our share repurchase program including the amount of shares to be repurchased and timing of such repurchases; our capital allocation strategy including projected acquisitions; restructuring activity; our projected 2019 full-year financial performance and targets including assumptions regarding our effective tax rate and other factors described in our guidance. These forward-looking statements are based on our current expectations and are subject to risks and uncertainties, which may cause actual results to differ materially from our current expectations. Such factors include, but are not limited to, global economic conditions, the outcome of any litigation, demand for our products and services, and tax law changes and interpretations. Additional factors that could cause such differences can be found in our Form 10-K for the year ended December 31, 2017, as well as our subsequent reports on Form 10-Q and other SEC filings. We assume no obligation to update these forward-looking statements.

This presentation also includes non-GAAP financial information which should be considered supplemental to, not a substitute for, or superior to, the financial measure calculated in accordance with GAAP. The definitions of our non-GAAP financial information are included as an appendix in our presentation and reconciliations can be found in our earnings releases for the relevant periods located on our website at www.ingersollrand.com. All data beyond the fourth quarter of 2018 are estimates.

Executing a Consistent Strategy that Delivers Profitable Growth

1. Sustained Growth

Nexus of sustainability and energy efficiency global megatrends

+

2. Operational Excellence

Margin improvement and powerful cash flow

+

3. Dynamic Capital Allocation

Reinvestment, dividends, share repurchase and acquisitions

+

4. Winning Culture

Commitment to integrity, ingenuity and engagement

Sustainable growth above GDP | **Strong operating system and sustainable culture** | **Powerful cash flow and balanced capital allocation**

2018 Highlights – Execution of Strategy Continues to Deliver Top-Tier Operational and Financial Performance

- **Top-tier bookings and revenue growth with healthy end-markets in both Climate and Industrial segments**
  - Q4 organic bookings up 17%, up 11% excluding a large Commercial HVAC order. FY 2018 up 13%
  - Q4 organic revenues up 8%. FY 2018 up 9%
- **Top-tier adjusted continuing EPS growth**
  - Strong finish to 2018 w/ Q4 up 29%. FY 2018 up 24%
- **Effectively managed inflation and tariff related impacts, driving improved leverage throughout 2018**
  - 40 bps positive price versus cost in Q4; 10 bps positive FY 2018
  - 30 bps positive productivity versus other inflation in Q4; neutral FY 2018
  - 1H leverage of 15% and 2H leverage of 25%
- **Strong margin expansion**
  - 90 bps adjusted operating margin improvement in Q4; 60 bps FY 2018
- **Ongoing healthy business reinvestment building a stronger more resilient company**
  - 30 bps of incremental investment in FY 2018
  - $366M capex in FY 2018
- **FCF reinvested in working capital required to maintain high levels of bookings and revenues**
- **Continued balanced capital allocation - $1.7B in FY 2018**
  - $480M dividends
  - $900M share repurchase
  - $285M acquisitions

* Includes certain Non-GAAP financial measures. See the company’s Q4 2018 earnings release for additional details and reconciliations.

2018 Significantly Exceeded Initial Guidance Expectations

	2018 Guidance	Full Year 2018		Versus 2017
Net Revenue	~ 5% reported ~ 3% organic	$15,668	✓	+ 10% reported + 9% organic
Adj. Operating Margin*	12.5% to 13.0%	12.8%	✓	+ 60 bps
Adj. Continuing EPS*	$5.00 to $5.20	$5.61	✓	+ 24%
Free Cash Flow*	> 100% Adj. Net income	82% Adj. Net Income	✗	- 17%

Highlights

- Strong 2018 results: record revenues, solid margin expansion, 24% adj. continuing EPS growth
- FCF < 100% adj. net income – primarily impact of higher than normal working capital required to sustain continued very strong bookings and revenue growth; FCF in excess of 100% expected in 2019 and 100% remains long-term target

* Includes certain Non-GAAP financial measures. See the company's Q4 2018 earnings release for additional details and reconciliations.

Fundamentals Support Continued Strong Financial Performance in 2019

- Focused execution of our business strategy and favorable end-markets support continued growth in both Climate and Industrial segments
- Record backlog exiting 2018 providing improved visibility into 2019
- Effectively managing known inflationary & tariff-related impacts with price / productivity, driving solid leverage, improving operating margins and top-tier EPS growth
- Targeting FCF > 100% adjusted net income
- Continued execution of balanced allocation strategy (~100% of FCF):
  - Strong dividend growing at or above earnings growth rate
  - Acquisitions consistent with company's long-term strategic objectives
  - Share buybacks when stock trading below intrinsic value
- 2018 actuals and 2019 guidance outpacing glide-path to achieve 2017 Investor Day revenue growth, EPS growth and FCF targets

* Includes certain Non-GAAP financial measures. See the company's Q4 2018 earnings release for additional details and reconciliations.

Strong Growth Continues in Healthy End Markets

Commercial HVAC

- Global HVAC markets remain positive – strong service / equip revenue and bookings growth across virtually all regions
- Europe growth solid, outlook remains positive
- China mkt solid in Q4 w/ growth in equip & svcs; established direct mkt penetration strategy drives growth greater than mkt in 2019; monitoring risk around trade war concerns
- *2019 global outlook for CHVAC remains strong w/ LSD - MSD market growth expected; key economic indicators continue to be broadly supportive*

Residential HVAC

- Strong revenues and continued share gains in 2018
- Continued growth driven by strong replacement demand in qtr; expect continuation in 2019
- *Economic indicators point to cont'd healthy mkts in Resi in 2019; LSD – MSD mkt growth*

Strong Growth Continues in Healthy End Markets

Transport

- Global Transport business diversified and resilient across trailer, truck, APU, aftermarket
- Exceptional growth in N.A. trailer and APU mkts driving outsized backlog; End-2018 backlog conversion should drive healthy revenue growth in 2019
- European transport markets mixed; closely monitoring, Brexit uncertainty
- *LSD - MSD market revenue growth expected in 2019*

Compression Technologies

- Global mkts largely healthy w/ solid Q4 growth in equip / svcs; solid outlook into 2019
- U.S. / China trade war pausing some projects, esp. Chinese exporters
- *Overall, expect LSD - MSD market growth in 2019; monitoring geo-political uncertainty*

Small Electric Vehicles & Industrial Products

- Strong growth in small electric vehicles driven by consumer and commercial utility vehicles
- Industrial Products' businesses (Fluid Mgmt, Tools, Mat'l Handling) remain healthy
- *2019 outlook supports sustained growth*

Q4 Results Deliver Strong Finish to 2018

- Continued robust EPS growth
  - Q4 adjusted continuing EPS of $1.32, up 29% year over year driven by gains in both Climate and Industrial
  - Consistent performance delivered EPS growth over 20% in each quarter of 2018

- Strong Q4 organic revenue and bookings growth in both segments
  - Broad based Industrial organic bookings and revenue growth, up 6%. U.S. / China trade war pausing some projects, esp. Chinese exporters
  - Broad-based geographic and product organic revenue growth in Climate, up 9%; exceptional organic bookings up 20% with 13% growth excluding large Commercial HVAC order
  - Add'l working capital supported cont'd strong bookings & revenue; FY2018 FCF less than usual 100% of Adj NI

- Operational excellence delivering targeted leverage and good margin improvement
  - Q4 Enterprise adj. operating margins up 90 bps, 2018 margins up 60 bps
  - Effectively managing material / other inflation and tariff-related costs; price / cost positive 40 bps in Q4

- Continued balanced capital allocation
  - 2018 ~ $1.7B w/ $480M in dividends, $285M in acquisitions and $900M in share repurchases. Dividend increased 18% in June 2018
  - Maintain healthy and active M&A pipeline w/ targets aligned with company's core strategies
  - Expect to deploy ~100% of excess FCF

* Includes certain Non-GAAP financial measures. See the company's Q4 2018 earnings release for additional details and reconciliations.

Strong Organic Bookings and Revenue Growth Continues in Both Segments and Across Business Units Against Tough YOY Comps

Q4 Organic* Y-O-Y Change

	Bookings	**Revenue**
Commercial HVAC	+	+
- North America	+	+
- Latin America	+	+
- EMEA	+	-
- Asia	+	+
Residential HVAC	+	+
Transport	+	+
Climate	**+ 20%**	**+ 9%**
Compression Tech.	+	+
Industrial Products	+	+
Small Electric Vehicles	+	+
Industrial	**+ 6%**	**+ 6%**
Enterprise	**+ 17%**	**+ 8%**

CHVAC Organic EMEA Revenues:

Europe	+
MEA	-

(Strong Europe growth offset by decline in MEA related to two large Q3'17 orders that shipped in Q4'17; did not repeat in 2018)

*Organic bookings and organic revenues exclude acquisitions and currency

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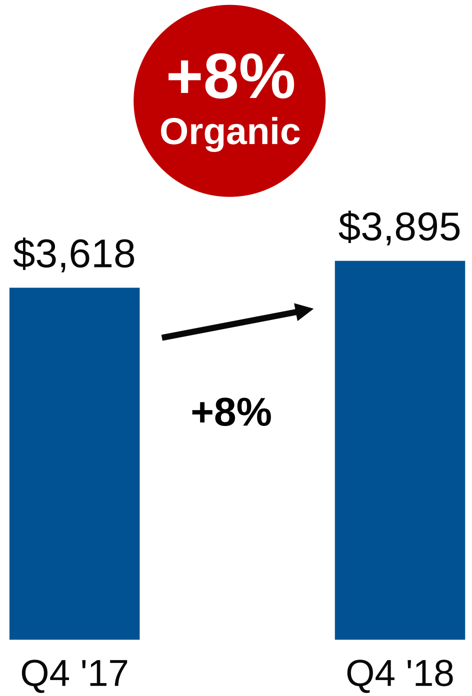
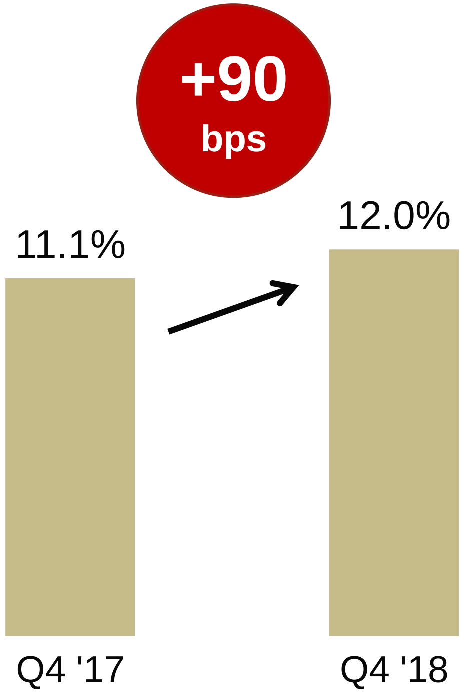
Q4 2018 Continued Strong Revenue Growth, Margin Expansion and EPS Growth

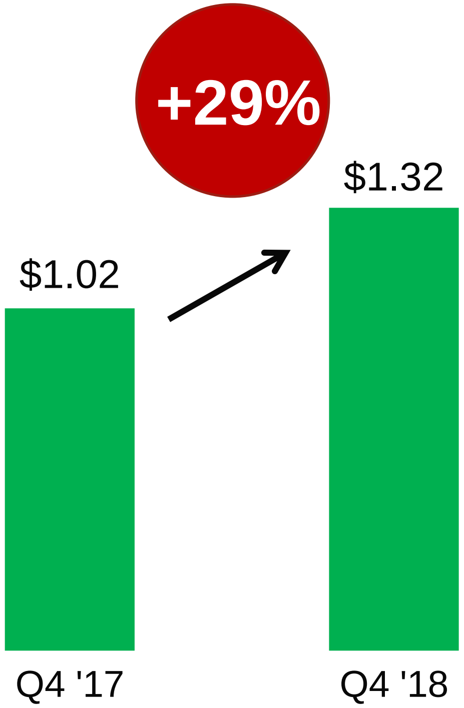
Net Revenue



Adj. Operating Margin*



Adj. Continuing EPS*

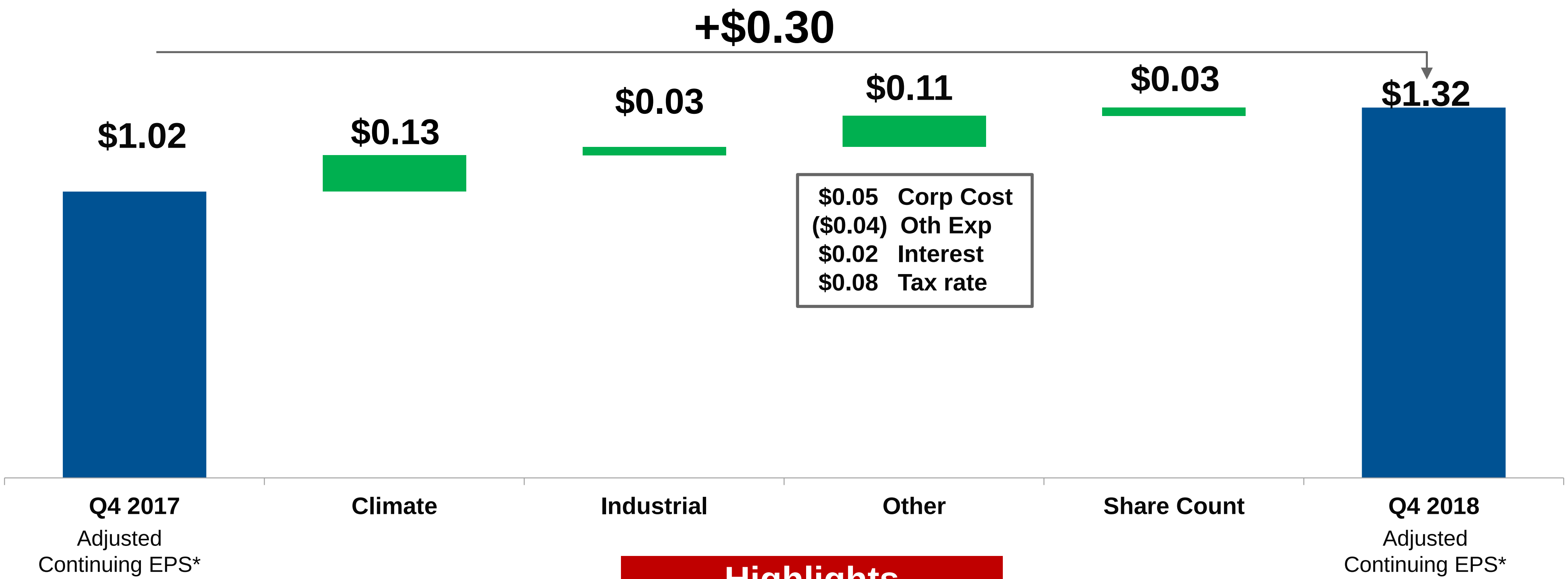


Highlights

- Ongoing business investments in NPD, channel, controls, delivering continued strong, broad-based organic revenue growth in virtually all products and geographies across both segments
- Adj. operating margin up significantly on higher volumes, productivity and effective mgmt of inflation & tariff-related headwinds. Achieved Q4 and 2H leverage target of 25%, up from 15% in 1H
- ~1% revenue growth from acquisitions offset by ~1% negative FX impact

* Includes certain Non-GAAP financial measures. See the company's Q4 2018 earnings release for additional details and reconciliations.

Focused Execution of Business Strategy Delivering Strong Q4 Results



Highlights

- Strong performance in Climate. Industrial solid w/ leverage negatively impacted by non-recurring adjustments in Q4 across Industrial products / Small Elec vehicles (~$5M). CTS leverage well in excess of 40%
- 2019 expect Industrials businesses to continue to drive strong leverage at ~GM% levels on avg.
- Corporate expenses lower $17M, the result of productivity savings; other expense includes discrete costs ($12M) primarily associated with legacy legal matters

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Strong Volume, Positive Price vs Material Inflation and Productivity vs Other Inflation Spreads Driving 90 bps Margin Expansion

Highlights

- Strong volume & effective mgmt of mat’l inflation & tariff-related costs combining for 90 bps op margin expansion
- Price / cost improved from neg 40 bps Q1 to +40 bps Q4; achieved +10 bps full year 2018 price / cost
- Notable productivity improvement in Q4 driving prod / other inflation (wages, freight, other) equation to +30 bps Q4 & neutral 2018, enabling significant margin expansion with significant incremental business reinvestment of -60 bps

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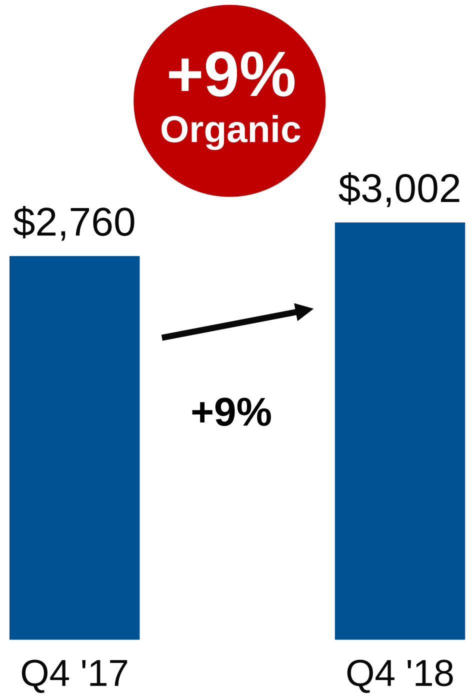
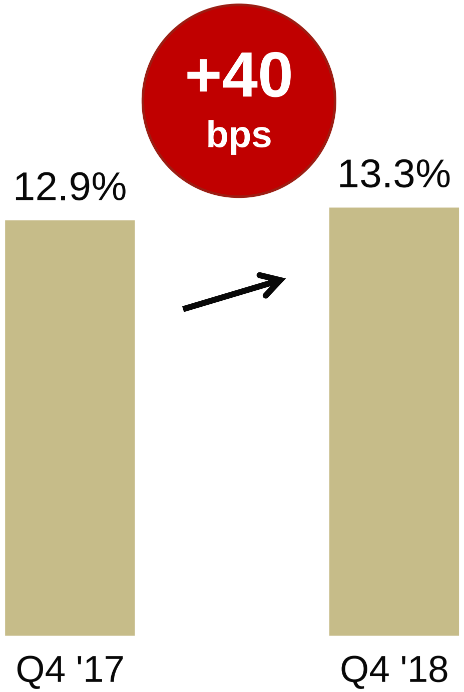
Q4 Continued Strong, Broad-Based Revenue Growth and Improved Margins

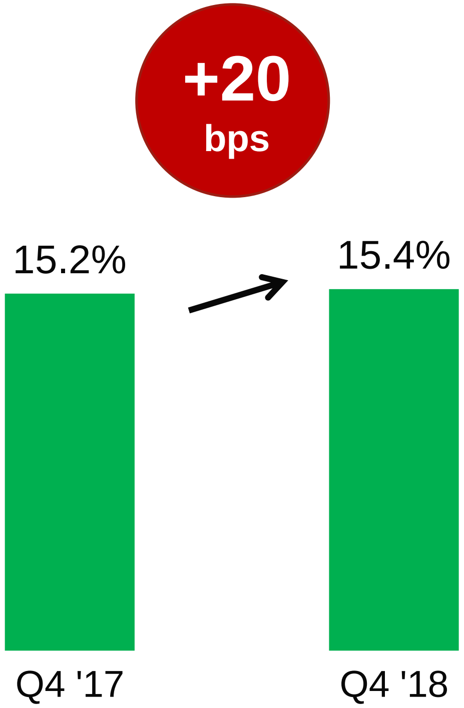
Net Revenue



Adj. Operating Margin*



Adj. OI + D&A %**



Highlights

- Continued exceptional, broad based revenue growth across virtually all regions / business units / products
- Strong volume growth and effective management of inflation and tariffs through price and productivity actions driving margin expansion

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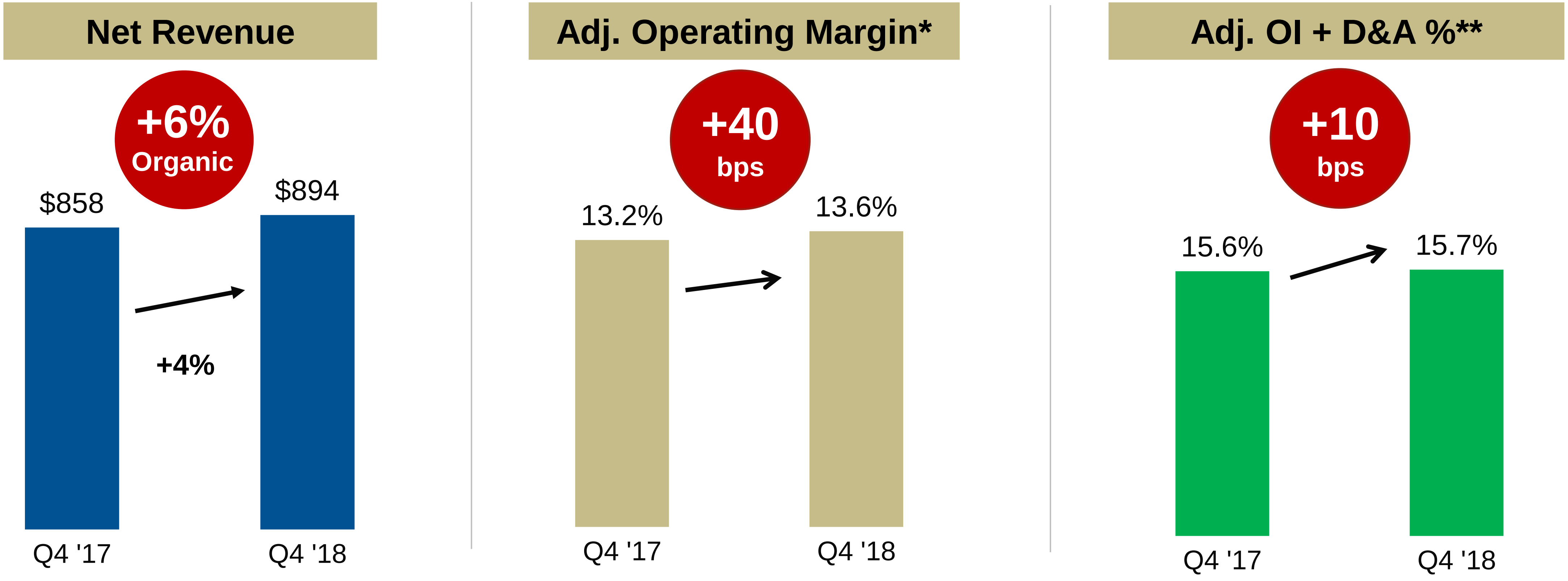
* Adjusted operating margin excludes restructuring in 2017 and 2018. See tables in news release for additional information.
** Adjusted OI + D&A divided by revenue. This excludes restructuring in 2017 and 2018. See tables in news release for additional information.

Q4 Strong Revenue Growth and Continued Margin Expansion



Highlights

- Broad based revenue growth w/ particular strength in small electric vehicles (consumer & utility)
- Continued strong (>40%) leverage in Compression Technologies through volume growth and effective management of inflation and tariffs through price and productivity actions

* Adjusted operating margin excludes restructuring in 2017 and 2018. See tables in news release for additional information.
** Adjusted OI + D&A divided by revenue. This excludes restructuring in 2017 and 2018. See tables in news release for additional information.

Continued Execution of Balanced Capital Allocation Strategy

1 Invest for Growth

- Strengthen the core business and extend product & market leadership
- Invest in new technology and innovation
- Strategic acquisitions - pipeline remains active
- ~ $285M cash outlay for acquisitions in 2018

2 Maintain Healthy, Efficient Balance Sheet

- Drive FCF conversion of 100% of adjusted net income
- Strengthening balance sheet
- Strong BBB investment grade rating offers optionality as markets evolve

3 Return Capital to Shareholders

- Expect to consistently deploy 100% of excess cash over time
- Paid $480M in dividends in 2018; expect to grow dividends >= adj net income growth over time
- Repurchased $900M in shares in 2018, $386M in Q4





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Guidance

2019 Enterprise Guidance

	Full Year Guidance		
	Reported Revenue	**Organic Revenue**	**Adjusted Operating Margin**
Climate	4.0% to 5.0%	5.0% to 6.0%	14.7% to 15.2%
Industrial	3.0% to 4.0%	4.5% to 5.5%	14.2% to 14.7%
Enterprise*	**4.0% to 5.0%**	**5.0% to 6.0%**	**13.1% to 13.6%**

* Enterprise organic revenue adjusted for ~1% from FX

2019 Guidance: Full-year Continuing Adjusted EPS $6.15 to $6.35

	Full Year
Y-O-Y change in revenue	
• Reported	**4.0% to 5.0%**
• Organic	**5.0% to 6.0%**
EPS continuing	**$5.90 to $6.10**
Restructuring – (**add back)**	($0.25)
EPS continuing – adjusted	**$6.15 to $6.35**
EPS – discontinued	($0.14)
Share Count – Millions	~244*
Free Cash Flow	~$1.6B
Tax Rate	~21% to ~22%
Corporate Costs	~$250M
CAPEX	~$300M

* ~244M FY 2019 share count assumes $500M in share repurchases for modeling purposes

Topics of Interest

Topics of Interest

- **Effectively Managing Tariffs and Inflation**
  - 2019 EPS guidance includes Sec. 232 and sec. 301 list 1, 2 and 3 tariffs (incl. 10% to 25% March increase), China retaliatory actions and tariff-related inflationary impacts
  - Actively managing tariff and inflation impacts
    - Rigorously utilizing business operating system to actively manage pricing and productivity actions throughout the enterprise
    - Continue to aggressively pursue procurement, pricing and productivity actions to mitigate tariff / inflation impacts to margins as we have effectively done in 2018

- **2019 Restructuring Costs (~$0.25)**
  - Ongoing restructuring including capital expenditures focused on large footprint optimization and plant consolidation
  - Proactively building stronger, more resilient businesses - both Industrial and Climate
  - Expected to deliver fixed-cost reductions and operational efficiencies
  - Payback periods are attractive (~4 years)

Summary: Expect Continued Strong Financial Performance in 2019

Strategy	Strategy tied to attractive end markets supported by global mega trends
Brands	Franchise brands and businesses with leadership market positions
Innovation	Sustained business investments delivering innovation and growth, operating excellence and improving margins
Performance	Experienced management and high performing team culture
Cash Flow	Operating model delivers powerful cash flow
Capital Allocation	Capital allocation priorities deliver strong shareholder returns

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Appendix

Q4 Organic Bookings Up 17%; Revenue Up 8% Year-Over-Year

Organic* Bookings	2016					2017					2018				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Climate	6%	6%	4%	10%	6%	6%	3%	5%	7%	5%	11%	17%	12%	20%	15%
Industrial	(5%)	(5%)	(1%)	(1%)	(3%)	9%	5%	5%	12%	8%	5%	8%	7%	6%	6%
Total	**4%**	**3%**	**3%**	**7%**	**4%**	**7%**	**4%**	**5%**	**8%**	**6%**	**9%**	**15%**	**11%**	**17%**	**13%**

Organic* Revenue	2016					2017					2018				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Climate	4%	5%	3%	4%	4%	6%	8%	3%	6%	6%	8%	9%	10%	9%	9%
Industrial	(5%)	(3%)	1%	(3%)	(3%)	1%	2%	(1%)	5%	2%	9%	9%	9%	6%	8%
Total	**2%**	**3%**	**3%**	**2%**	**3%**	**4%**	**7%**	**2%**	**6%**	**5%**	**8%**	**9%**	**10%**	**8%**	**9%**

*Organic revenues and bookings exclude acquisitions and currency

2019 Forecast for End-Market Performance

End Markets — Growth / Flat / mixed / Negative

	Americas	EMEA	Asia	Global Mkt Outlook
Commercial HVAC	Growth	Growth	Growth	Up low to mid-single digits
Residential HVAC	Growth	N/A	N/A	Up low to mid-single digits
Transport	Growth	Flat / mixed	Growth	Up low to mid-single digits
Compression-related & Industrial Products	Growth	Growth	Flat / mixed	Up low to mid-single digits
Golf / Utility / Consumer	Growth	Flat / mixed	Flat / mixed	Up low-single digits

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Q4 Non-GAAP Measures Definitions

Organic bookings is defined as reported orders closed/completed in the current period adjusted for the impact of currency and acquisitions. Organic revenue is defined as GAAP net revenues adjusted for the impact of currency and acquisitions.

- Currency impacts on net revenues and bookings are measured by applying the prior year's foreign currency exchange rates to the current period's net revenues and bookings reported in local currency. This measure allows for a direct comparison of operating results excluding the year-over-year impact of foreign currency translation.

Adjusted operating income is defined as GAAP operating income plus restructuring costs in 2018 and 2017.

Adjusted operating margin is defined as the ratio of adjusted operating income divided by net revenues.

Adjusted net income is defined as adjusted earnings from continuing operations attributable to Ingersoll-Rand plc in 2018 and 2017.

Adjusted continuing EPS in 2018 is defined as GAAP continuing EPS plus restructuring costs, net of tax impacts, plus non-cash tax reform measurement period adjustments less a discrete non-cash tax adjustment in the U.S. Adjusted continuing EPS in 2017 is defined as GAAP continuing EPS plus restructuring costs, net of tax impacts less U.S. tax legislation and other discrete items.

Free cash flow in 2018 and 2017 is defined as net cash provided by (used in) continuing operating activities, less capital expenditures, plus cash payments for restructuring. In 2018, the Company updated its definition of free cash flow to exclude the impacts of discontinued operations. As a result, free cash flow amounts in 2017 have been restated to conform with the current year definition.

Q4 Non-GAAP Measures Definitions

Working capital measures a firm's operating liquidity position and its overall effectiveness in managing the enterprises' current accounts.

- Working capital is calculated by adding net accounts and notes receivables and inventories and subtracting total current liabilities that exclude short term debt, dividend payables and income tax payables.
- Working capital as a percent of revenue is calculated by dividing the working capital balance (e.g. as of December 31) by the annualized revenue for the period (e.g. reported revenues for the three months ended December 31) multiplied by 4 to annualize for a full year.

Adjusted effective tax rate for 2018 is defined as the ratio of income tax expense, plus the tax effect of adjustments for restructuring expenses plus the discrete non-cash tax adjustment in the U.S less non-cash tax reform measurement period adjustments divided by earnings from continuing operations before income taxes plus restructuring expenses. Adjusted effective tax rate for 2017 is defined as the ratio of income tax benefit, less the tax effect of adjustments for restructuring costs, divided by earnings from continuing operations before income taxes plus restructuring costs. This measure allows for a direct comparison of the effective tax rate between periods.

Adjusted OI + D&A is defined as adjusted operating income plus depreciation and amortization expense.

Operating leverage is defined as the ratio of the change in adjusted operating income for the current period (e.g. Q4 2018) less the prior period (e.g. Q4 2017), divided by the change in net revenues for the current period less the prior period.