



Mike Lamach  
Chairman and CEO

Morgan Stanley 3rd Annual Laguna Conference,  
September 2015

## 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 projected 2015 third-quarter and full-year financial performance, the resolution of tax disputes previously described in the company’s periodic filings, the financial impact of such resolutions, expectations related to cash outflows related to the resolution, and assumptions regarding our effective tax rate. These forward-looking statements are based on our current expectations and are subject to risks and uncertainties, which may cause actual results to differ materially from our current expectations. Such factors include, but are not limited to, global economic conditions, demand for our products and services, the impact of currency and tax law changes. Additional factors that could cause such differences can be found in our Form 10-K for the year ended December 31, 2014, Form 10-Q for the quarter ended March 31, 2015 and June 30, 2015 and other SEC filings. We assume no obligation to update these forward-looking statements.

This presentation also includes adjusted 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. Further information about the adjusted non-GAAP financial information is included in financial tables attached to the earnings news release that can be found at [www.ingersollrand.com](http://www.ingersollrand.com).

All data for beyond the second quarter of 2015 are estimates.

# Our Model to Deliver Shareholder Value



## Sustainable, Profitable Growth and Shareholder Value

**Accelerating  
Revenue Growth**

**Operational  
Excellence**

**Balanced  
Capital Allocation**

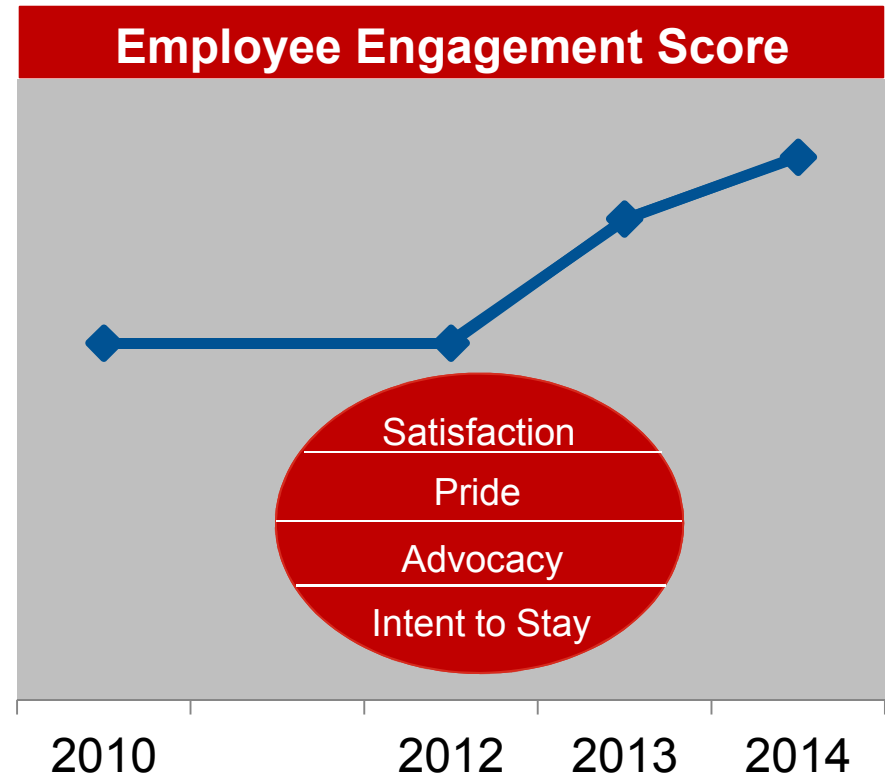
**Strong, recognized brands**

**Leading market shares**

**Well positioned in both  
geographic and end markets**

# Employee Commitment, Engagement and Development Critical to Change Culture

- Top-quartile performance for peer group and overall manufacturing companies
- High participation rate at 95%
- Improved on every survey dimension
- 95% retention of key talent



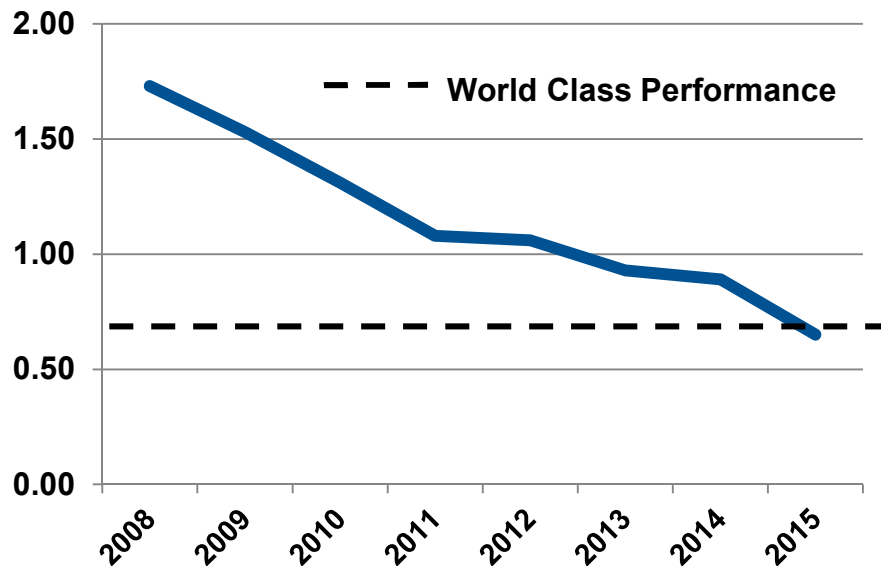
#1 in Category

#9 in Innovativeness Among All Most Admired Companies

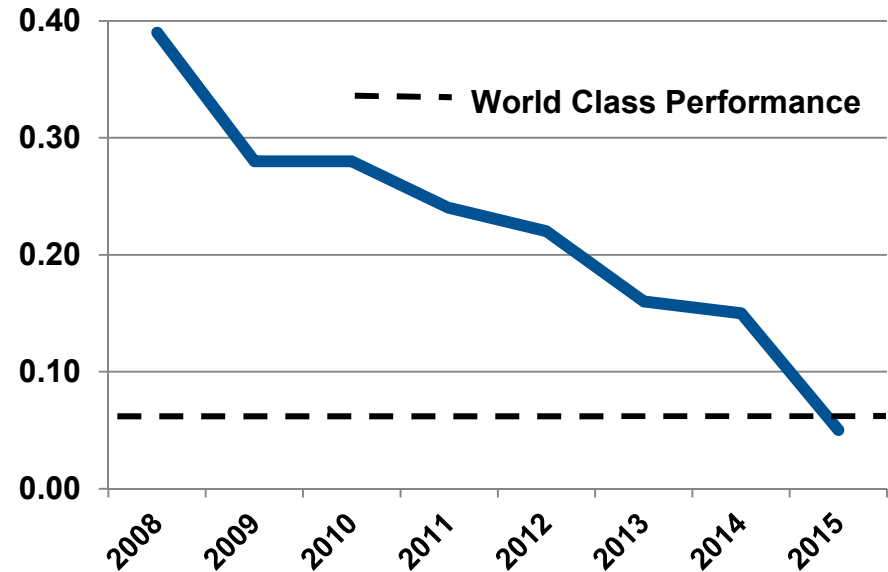


# Distinguished Safety Performance Due to Rigor, Engagement of Employees

## Total Recordable Incident Rate



## Lost Time Incident Rate

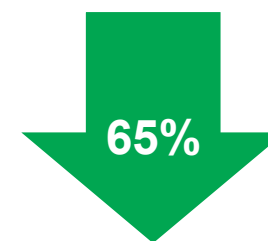


## Focus and Positive Outcomes are Continuing

Year-Over-Year  
Q1 2015 Performance



Year-Over-Year  
Q1 2015 Performance



# Our Business Operating System is Standard Framework for How We Operate

## Longevity



### Over 5 Years

Foundation of our commitment to operational excellence and growth excellence

## Multi-year Performance Trend



Top Quartile Revenue Growth



Top Quartile EPS Growth



Top Quartile TSR



Top Quartile Employee Engagement

## Lean Transformation

2013

40% of conversion costs

2014

60% of conversion costs

2015F

~80% of conversion costs and ~30% of employees

## Maturity and Growth



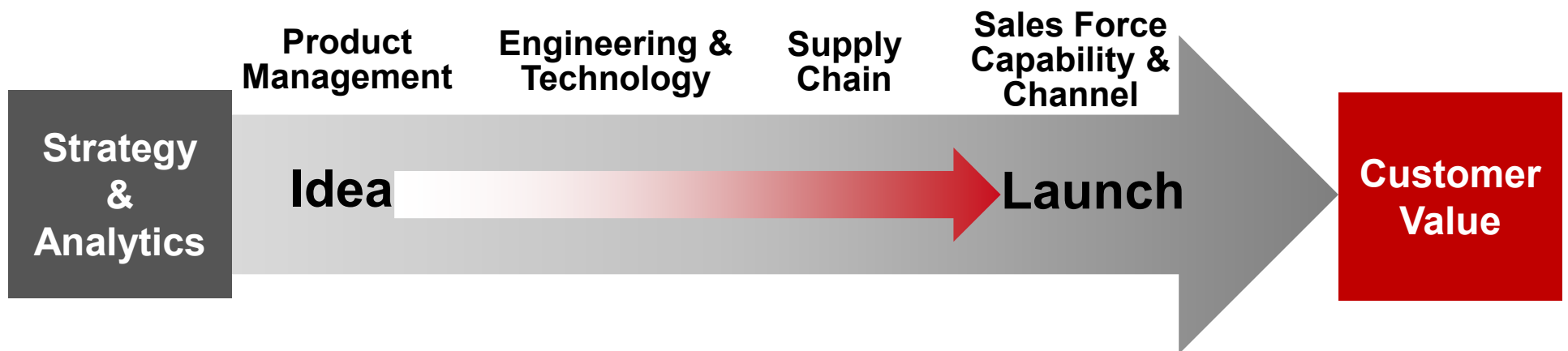
### +72%

Year-over-year increase in business operating system user base



# Value Stream Expansion Offers Significant Opportunity to Grow and Expand Margins

## Product Growth Team-Led Value Streams



## Value Stream Discipline

- Rigorous analytics, market segmentation and customer insights
- Generating, developing and launching offerings
- Reduce cycle times and increase speed to market

# Ingersoll Rand Possesses Expertise to Address Pressing World Challenges

**Energy Consumption**

**Urbanization**

**Food & Water Scarcity**

**Climate Change**

**Industrial Productivity  
& Efficiency**





# Global Opportunities

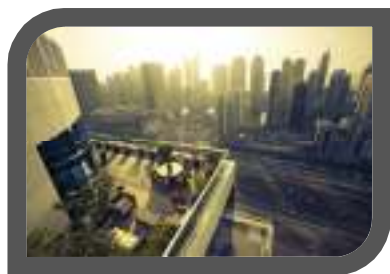
## Demand for Sustainable Growth



75% of infrastructure globally that will exist in 2050 has yet to be built



In India, 85% of buildings that will exist in 2050 have yet to be built



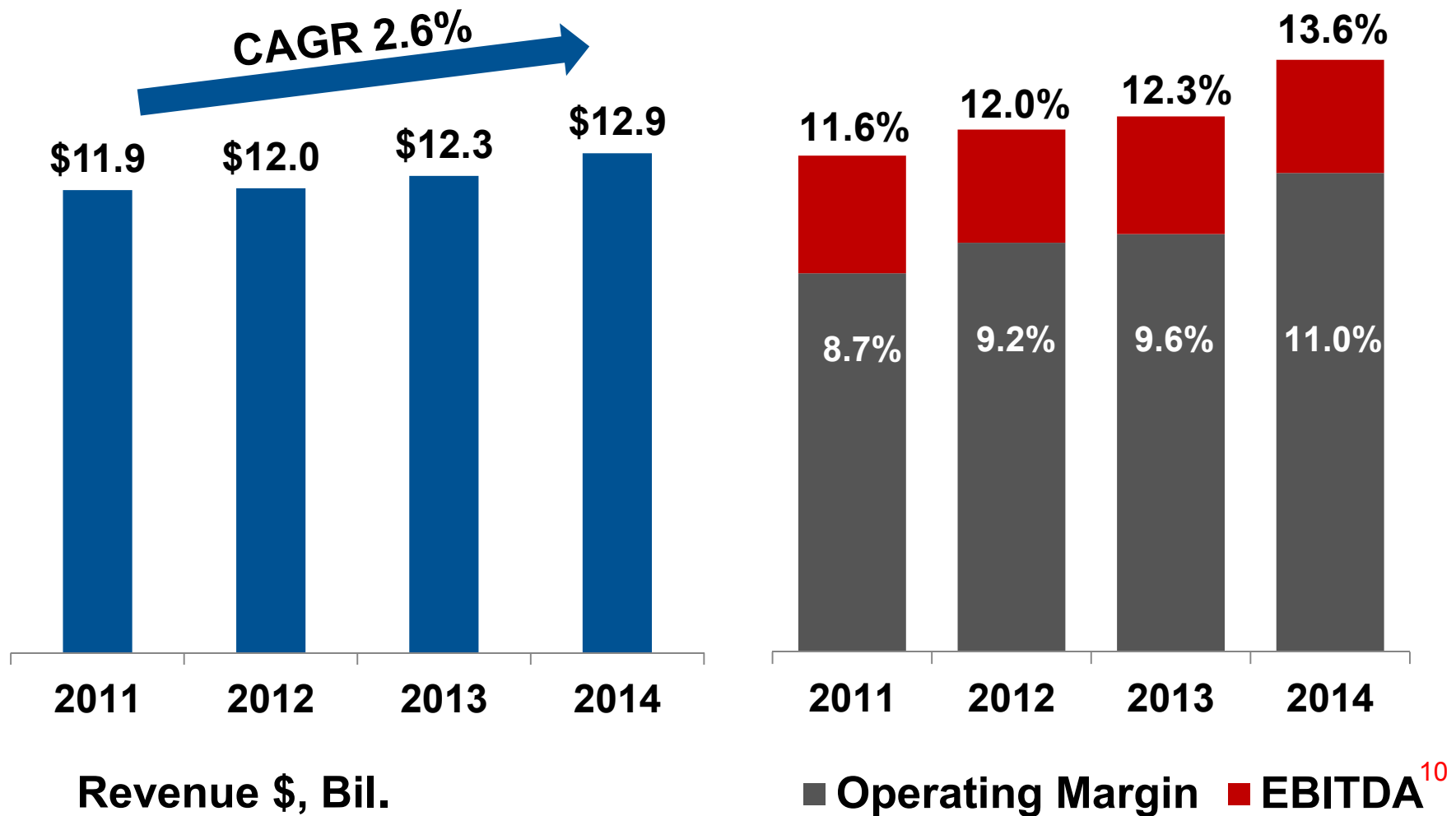
We will see a 70-85% increase in our urban population in the next 35 years



The growing and urbanizing population will require housing and food



# Adjusted Operating and EBITDA Margins Show Steady Improvements in Operating Performance



# Balancing Capital Allocation Alternatives Creates Shareholder Value

**Balance Sheet**

- BBB Rating
- No debt maturities until 2018

**Organic Investment**

- New Product Dev.
- BOS expansion
- CAPEX=Depreciation

**Competitive Dividend**

- Peer group payout
- 28% dividend CAGR, 2011-15

**Shareholder Value**

**M&A**

- Focused on core businesses
- Value accretive on a risk adjusted basis

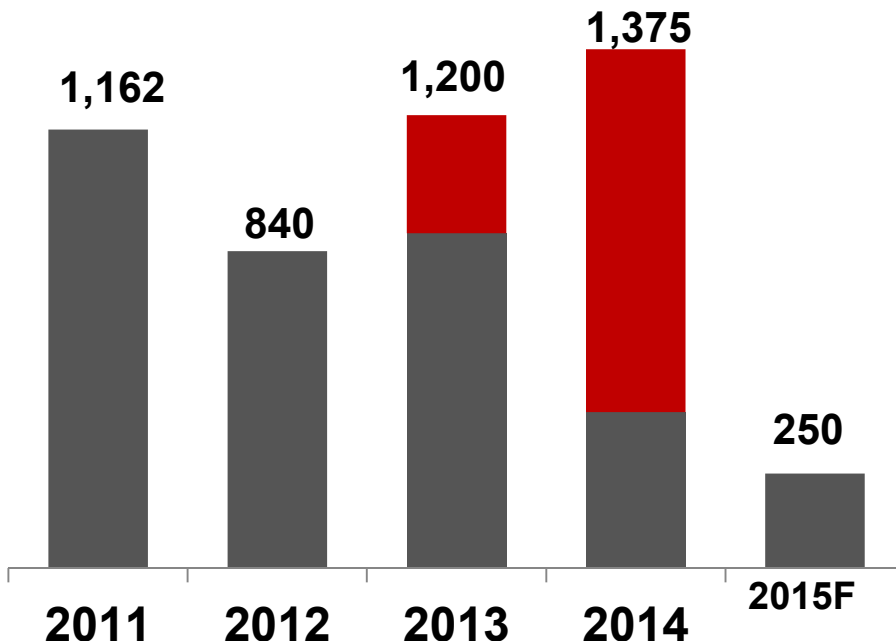
**Share Repurchase**

- Repurchased 98M shares for \$4.6B from 2011-14
- At a minimum will offset share dilution

# Returned \$5.5 B to Shareholders 2011-14



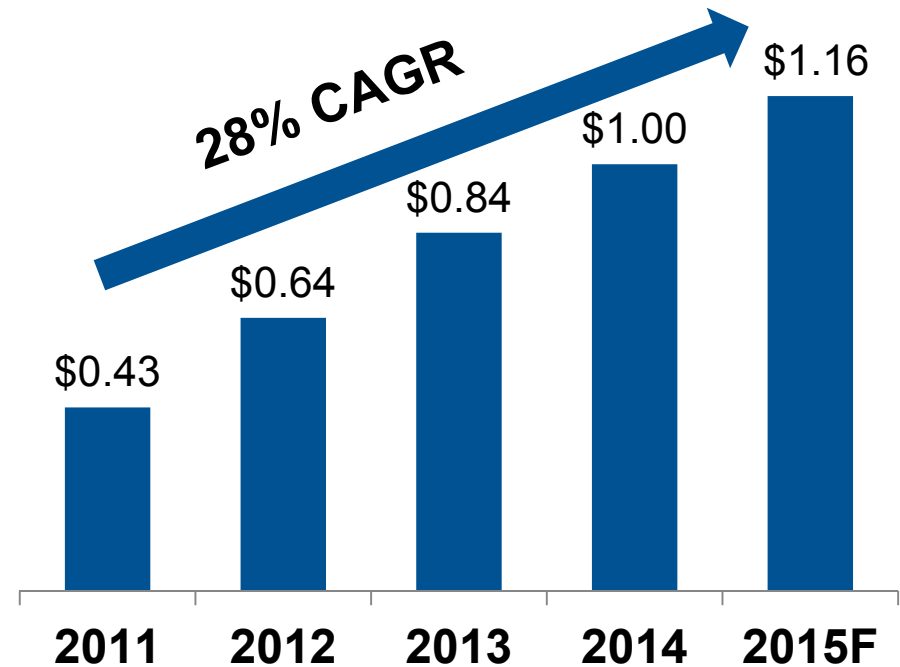
### Share Repurchase, \$M



Year	2011	2012	2013	2014	#Shares Purchased Mil.
	36.3	18.4	21.8	23.0	

- New authorization in 2014 of \$1.5B ; ~\$900 million remaining
- ~98M shares for \$4.6B for 2011 to 2014
- Average share price of repurchase = \$46.50 per share

### Annual Dividend Per Share



- \$1.16 per share dividend for 2015
- 2015 dividend increased by 16% from 2014
- 28% dividend CAGR 2011 to 2015

## M&A Framework

- Maintaining disciplined process; pipeline built from strategic plan
- Leverage existing businesses products, technologies and geographies
- Accretive to EBITDA, EPS and ROIC first full year of ownership
- Best talent on integration teams
- Will not overpay

### Cameron Centrifugal Compressor

### FRIGOBLOCK

#### Key Product Lines



Engineered Air



Process Gas



Plant Air



## Much Progress... More Opportunity Ahead

- Strong momentum and further upside
  - Attractive end markets
  - Leading brands and growth through innovation
  - Substantial position in developing markets with significant potential
- Excellent management team executing consistently on strategy
- Value creation model delivers sustainable results and returns to shareholders
  - Growth
  - Operational Excellence
  - Balanced capital allocation



# 3Q Market Update

## No Change to 3Q EPS Forecast



- End markets continue to be choppy. Taking cost reduction and restructuring actions in soft areas
- Continuing difficult markets for Industrial across all regions and in Latin America
- North America HVAC Institutional demand recovery, solid demand in Commercial/ Industrial building market and aftermarket
- HVAC in Europe and Mid-East growing organically, flat to down with currency
- Residential and Thermo King demand as expected
- Choppy demand pattern in Asia. Slower China and emerging markets in short-cycle businesses compared with prior forecast



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