

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT  
Pursuant to Section 13 or 15 (d) of The  
Securities Exchange Act of 1934**

**Date of Report** (Date of earliest event reported) — **October 25, 2017**

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**INGERSOLL-RAND PUBLIC LIMITED COMPANY**  
(Exact name of registrant as specified in its charter)

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**Ireland**  
(State or other jurisdiction  
of incorporation)

**001-34400**  
(Commission  
File Number)

**98-0626632**  
(I.R.S. Employer  
Identification No.)

**170/175 Lakeview Drive  
Airside Business Park  
Swords, Co. Dublin  
Ireland**  
(Address of principal executive offices, including zip code)

**+(353)(0)18707400**  
(Registrant's phone number, including area code)

**N/A**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2):

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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**Item 2.02. Results of Operations and Financial Condition**

On October 25, 2017, Ingersoll-Rand plc issued a press release announcing its third quarter 2017 results. The information in this Form 8-K and the exhibit attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities under that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference.

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release of Ingersoll-Rand plc dated October 25, 2017.

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

INGERSOLL-RAND PLC  
(Registrant)

Date: October 25, 2017

/s/ Susan K. Carter

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**Susan K. Carter, Senior Vice President  
and Chief Financial Officer**

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## EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
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99.1	<a href="#">Press Release of Ingersoll-Rand plc dated October 25, 2017.</a>
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## News Release

### Ingersoll Rand Reports Strong Third-Quarter 2017 Results

#### Highlights (versus prior year, unless otherwise noted):

- Bookings growth up 6 percent; organic bookings\* up 5 percent in Industrial and Climate
- Revenues up 3 percent, organic revenues\* up 2 percent with continued strength in Climate
- Q3 continuing EPS of \$1.41; adjusted continuing EPS\* of \$1.44
- Natural disasters negatively impact EPS approximately (\$0.04) to (\$0.05)
- Full-year 2017 continuing EPS guidance unchanged; continuing EPS of approximately \$4.22 and adjusted continuing EPS of approximately \$4.50

\* This news release contains non-GAAP financial measures. Definitions of the non-GAAP financial measures can be found in the footnotes of this news release. See attached tables for additional details and reconciliations.

**Swords, Ireland, October 25, 2017** - Ingersoll-Rand plc (NYSE:IR), a world leader in creating comfortable, sustainable and efficient environments, today reported diluted earnings per share (EPS) from continuing operations of \$1.41 for the third quarter of 2017. Excluding restructuring costs of (\$10.0M) adjusted continuing EPS was \$1.44.

#### Third-Quarter 2017 Results

#### Financial Comparisons - Third-Quarter Continuing Operations

\$, millions	Q3 2017	Q3 2016**	Y-O-Y Change	Organic Y-O-Y Change
Bookings	\$3,646	\$3,450	6%	5%
Net Revenues	\$3,671	\$3,568	3%	2%
Operating Income	\$506	\$512	-1%	
Operating Margin	13.8%	14.3%	(0.5) PPts	
Adjusted Operating Income*	\$516	\$519	-1%	
Adjusted Operating Margin*	14.1%	14.5%	(0.4) PPts	
Continuing EPS	\$1.41	\$1.39	1%	
Adjusted Continuing EPS	\$1.44	\$1.41	2%	
Restructuring Cost	(\$10.0)	(\$7.3)	(\$2.7)	

\*\* Restated for adoption of ASU 2017-07. See tables in news release for additional information.

“Financial and operational performance was solid in the third quarter,” said Michael W. Lamach, chairman and chief executive officer. “We delivered strong bookings growth in both our Climate and Industrial segments and low-single digit organic revenue growth. Our Industrial segment continues to perform ahead of our expectations with significant margin improvement on relatively flat revenue and our Transport business is performing well in a challenging market as anticipated. We continue to have success driving strong growth in highly competitive verticals in commercial HVAC in China and in the Middle East which negatively impacted enterprise adjusted operating margins by more than 50 basis points in the quarter.

Additionally, while our teams have been resilient and have performed well managing through an unprecedented number of natural disasters in the third quarter, we estimate the negative financial impact from natural disasters was approximately \$0.04 to \$0.05 in Q3. Our business operating system remains strong and the outlook for our end markets continues to present good opportunities for profitable growth. However, our leverage for 2017 is below our expectations and we expect to drive improvement in 2018 and beyond. While we forecast material inflation and pricing pressures to moderate as we move through 2018, we are nonetheless planning to execute more aggressive productivity initiatives to underpin our margin expansion plans.”

**Highlights from the Third Quarter of 2017 (all comparisons against the third quarter of 2016 unless otherwise noted)**

- Bookings up 6 percent; strong organic bookings growth of 5 percent with growth across all businesses.
- Enterprise revenue up 3 percent, organic revenue up 2 percent; North America up 2 percent and international up 1 percent organically.
- Operating margin down 50 basis points, adjusted operating margin down 40 basis points; positive price, higher volume and productivity offset by negative price / cost primarily in Commercial HVAC Asia and Middle East (~55 bps) and natural disasters. Unallocated corporate expenses also contributed to the decline in operating margins by approximately 50 bps due to unusually low corporate costs in Q3 2016.
- Natural disasters negatively impacted EPS approximately (\$0.04) to (\$0.05).
- Q3 tax rate favorably impacted by anticipated discrete items; adjusted estimated full-year tax rate ~21 percent.

**Third-Quarter Business Review (all comparisons against the third quarter of 2016 unless otherwise noted)**

**Climate Segment:** delivers energy-efficient products and innovative energy services. The segment includes Trane<sup>®</sup> and American Standard<sup>®</sup> Heating & Air Conditioning which provide heating, ventilation and air conditioning (HVAC) systems, and commercial and residential building services, parts, support and controls; energy services and building automation through Trane Building Advantage<sup>™</sup> and Nexia<sup>™</sup>; and Thermo King<sup>®</sup> transport temperature control solutions.

\$, millions	Q3 2017	Q3 2016**	Y-O-Y Change	Organic Y-O-Y Change
<b>Bookings</b>	\$2,886	\$2,731	6%	5%
<b>Net Revenues</b>	\$2,939	\$2,838	4%	3%
<b>Operating Income</b>	\$480	\$475	1%	
<b>Operating Margin</b>	16.3%	16.7%	(0.4) PPTs	
<b>Adjusted Operating Income</b>	\$486	\$477	2%	
<b>Adjusted Operating Margin</b>	16.5%	16.8%	(0.3) PPTs	

\*\* Restated for adoption of ASU 2017-07. See tables in news release for additional information.

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- Bookings up 6 percent, organic bookings up 5 percent. Revenue up 4 percent, organic revenue up 3 percent.
- Operating margin declined 40 bps; adjusted operating margin declined 30 bps primarily related to natural disaster impacts. Higher revenue, positive price and productivity offset by negative price / cost from Commercial HVAC Asia and Middle East market penetration strategy (~65 bps).

### Commercial HVAC

- Reported and organic bookings up mid-single digits. High-teen increases in EMEA and Asia organic bookings with mid-teen growth in Latin America. North America organic bookings up low-single digits.
- Reported and organic revenue up low-single digits with gains in both HVAC equipment and parts and service.
- Regionally, low-single digit reported and organic revenue growth in North America; Asia was up low-teens in reported and organic revenue; Europe reported revenue was up low-teens and organic revenue was up high-single digits.

### Residential HVAC

- Bookings and revenue up low-single digits; continued improvement in operating margins.
- Product, channel and digital investments continue to yield market share gains.

### Transport Refrigeration

- Reported and organic revenues up low-single digits due to growth in aftermarket parts, truck, auxiliary power units and marine, offsetting declines in the North America and Europe trailer markets.
- Bookings increased high-single digits and organic bookings increased mid-single digits due to strong orders for trailer, truck, marine and for auxiliary power units. North America trailer orders up high-single digits.

**Industrial Segment:** delivers products and services that enhance energy efficiency, productivity and operations. The segment includes compressed air and gas systems and services, power tools, material handling systems, ARO<sup>®</sup> fluid management equipment, as well as Club Car<sup>®</sup> golf, utility and consumer low-speed vehicles.

\$, millions	Q3 2017	Q3 2016**	Y-O-Y Change	Organic Y-O-Y Change
<b>Bookings</b>	\$760	\$718	6%	5%
<b>Net Revenues</b>	\$731	\$730	0%	(1)%
<b>Operating Income</b>	\$89	\$81	10%	
<b>Operating Margin</b>	12.2%	11.1%	1.1 PPts	
<b>Adjusted Operating Income</b>	\$93	\$86	8%	
<b>Adjusted Operating Margin</b>	12.7%	11.8%	0.9 PPts	

\*\* Restated for adoption of ASU 2017-07. See tables in news release for additional information.

- The segment continues to maintain focus on improving operating margins through driving mix to services, new product development and cost reductions.
- Bookings up 6 percent and organic bookings up 5 percent. Revenue flat with organic revenue down 1 percent.
- Regionally, modest organic revenue growth in the Americas was partially offset by declines in EMEA and Asia.

### Compression Technologies

- Primary drivers of segment margin improvement were continued commercial focus, operational excellence initiatives and cost containment.

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- Bookings up mid-single digits and organic bookings up low-single digits driven by high-single digit equipment order growth.
- Equipment reported and organic revenue down low-teens primarily due to a decline in large compressor volumes. Aftermarket parts and services revenues up mid-single digits and organic revenues up low-single digits.

#### Industrial Products

- Bookings up mid-single digits. Aftermarket parts and services bookings up high-single digits.
- Revenues up high-single digits and organic revenues up mid-single digits.

#### Small electric vehicle (Club Car)

- Bookings and revenue up high-single digits with gains in consumer vehicles and aftermarket.

#### Balance Sheet and Cash Flow

\$, millions	Q3 2017	Q3 2016**	Y-O-Y Change
<b>Cash From Operating Activities Y-T-D</b>	\$873	\$1,117	-\$244
<b>Free Cash Flow Y-T-D*</b>	\$749	\$1,006	-\$257
<b>Working Capital/Revenue*</b>	5.0%	4.9%	10 bps increase
<b>Cash Balance 30 September</b>	\$1,259	\$1,505	-\$246
<b>Debt Balance 30 September</b>	\$4,063	\$4,070	-\$7

\*\* Restated for adoption of ASU 2016-09.

- The company repurchased \$1 billion or 11.8 million shares October year to date; \$336 million or 3.8 million shares repurchased in the third quarter.
- Approximately \$200 million spent or committed to date in acquisitions.
- Third-quarter cash flow from operating activities was \$467 million.
- Working capital on track for 2017.

#### Company Maintains Full-Year 2017 Revenue, EPS and Cash Flow Guidance

- Revenues up ~4.5 percent compared with 2016.
- Continuing EPS of ~\$4.22, including EPS of \$(0.15) for restructuring and EPS of \$(0.13) for the discrete non-cash tax item in Q2; adjusted continuing EPS of ~\$4.50.
- Average diluted shares of approximately 258 million including the \$1 billion year-to-date share repurchase.
- Cash flow from operating activities ~\$1.5 billion. Free cash flow ~\$1.2 billion.
- Adjusted effective tax rate\* of approximately 21 percent.
- Capital allocation: ~\$1.9 billion; \$1.5 billion between share buyback and acquisitions and ~\$430 million for dividends. Year to date the company has spent \$1 billion on share buybacks and \$318 million on dividends. Expect approximately \$400 million to \$500 million spent or committed to acquisitions in 2017.

This news release 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; our projected 2017 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. Additional factors that could cause such differences can be found in our Form 10-K for the year ended December 31, 2016, as well as our subsequent reports on Form 10-Q and other SEC filings. We assume no obligation to update these forward-looking statements.

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This news release 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 and reconciliation to GAAP is attached to this news release.

*All amounts reported within the earnings release above related to net earnings (loss), earnings (loss) from continuing operations, earnings (loss) from discontinued operations, and per share amounts are attributed to Ingersoll Rand's ordinary shareholders.*

Ingersoll Rand (NYSE:IR) advances the quality of life by creating comfortable, sustainable and efficient environments. Our people and our family of brands - including [Club Car](#)®, [Ingersoll Rand](#)®, [Thermo King](#)® and [Trane](#)® - work together to enhance the quality and comfort of air in homes and buildings; transport and protect food and perishables; and increase industrial productivity and efficiency. We are a \$13 billion global business committed to a world of sustainable progress and enduring results. For more information, visit [ingersollrand.com](http://ingersollrand.com).

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10/25/17

(See Accompanying Tables)

- Table 1: Condensed Consolidated Income Statement
- Table 2: Business Review
- Tables 3 - 5: Reconciliation of GAAP to Non-GAAP
- Table 6: Condensed Consolidated Balance Sheets
- Table 7: Condensed Consolidated Statement of Cash Flows
- Table 8: Balance Sheet Metrics and Free Cash Flow
- Table 9: Impact from the adoption of ASU 2017-07

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**\* Non-GAAP measures definitions**

**Organic revenue** is defined as GAAP net revenues adjusted for the impact of currency and acquisitions. **Organic bookings** is defined as reported orders closed/completed in the current period 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 expenses in 2017 and 2016. Please refer to the reconciliation of GAAP to non-GAAP measures on tables 3 and 4 of the news release.

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

In 2017 **Adjusted continuing EPS** is defined as GAAP continuing EPS plus restructuring expenses, net of tax impacts, plus the discrete non-cash tax adjustment in Latin America. In 2016 Adjusted continuing EPS is defined as GAAP continuing EPS plus restructuring expenses, less the gain from the sale of the company's remaining interest in

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Husmann, net of tax impacts. Please refer to the reconciliation of GAAP to non-GAAP measures on tables 3 and 4 of the news release.

**Free cash flow** in 2017 and 2016 is defined as net cash provided by operating activities, less capital expenditures, plus cash payments for restructuring. Please refer to the free cash flow reconciliation on table 8 of the news release.

**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 September 30) by the annualized revenue for the period (e.g. reported revenues for the three months ended September 30) multiplied by 4 to annualize for a full year.

**Adjusted effective tax rate** for 2017 is defined as the ratio of income tax expense, plus or minus the tax effect of adjustments for restructuring costs and the discrete non-cash tax adjustment in Latin America, divided by earnings from continuing operations before income taxes plus restructuring expenses. Adjusted effective tax rate for 2016 is defined as the ratio of income tax expense, plus or minus the tax effect of adjustments for restructuring costs and the gain on sale of Husmann interest, divided by earnings from continuing operations before income taxes less the gain on sale of Husmann interest plus restructuring expenses. This measure allows for a direct comparison of the effective tax rate between periods.

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**INGERSOLL-RAND PLC**  
**Condensed Consolidated Income Statement**  
(In millions, except per share amounts)

**UNAUDITED**

	For the quarter ended September 30,		For the nine months ended September 30,	
	2017	2016*	2017	2016*
Net revenues	\$ 3,670.5	\$ 3,567.8	\$ 10,579.5	\$ 10,150.1
Cost of goods sold	(2,489.9)	(2,412.9)	(7,269.1)	(6,960.6)
Selling & administrative expenses	(674.5)	(643.2)	(2,031.7)	(1,939.1)
Operating income	506.1	511.7	1,278.7	1,250.4
Interest expense	(53.9)	(54.5)	(162.0)	(167.7)
Other income/(expense), net	(7.6)	(6.3)	(23.8)	390.5
Earnings before income taxes	444.6	450.9	1,092.9	1,473.2
Provision for income taxes	(76.4)	(83.2)	(243.2)	(217.6)
Earnings from continuing operations	368.2	367.7	849.7	1,255.6
Discontinued operations, net of tax	3.7	14.2	5.5	34.3
Net earnings	371.9	381.9	855.2	1,289.9
Less: Net earnings attributable to noncontrolling interests	(4.9)	(4.5)	(12.5)	(12.5)
Net earnings attributable to Ingersoll-Rand plc	<u>\$ 367.0</u>	<u>\$ 377.4</u>	<u>\$ 842.7</u>	<u>\$ 1,277.4</u>
<u>Amounts attributable to Ingersoll-Rand plc</u>				
<u>ordinary shareholders:</u>				
Continuing operations	\$ 363.3	\$ 363.2	\$ 837.2	\$ 1,243.1
Discontinued operations	3.7	14.2	5.5	34.3
Net earnings	<u>\$ 367.0</u>	<u>\$ 377.4</u>	<u>\$ 842.7</u>	<u>\$ 1,277.4</u>
<u>Diluted earnings per share attributable to</u>				
<u>Ingersoll-Rand plc ordinary shareholders:</u>				
Continuing operations	\$ 1.41	\$ 1.39	\$ 3.22	\$ 4.76
Discontinued operations	0.02	0.05	0.02	0.13
	<u>\$ 1.43</u>	<u>\$ 1.44</u>	<u>\$ 3.24</u>	<u>\$ 4.89</u>
 Weighted-average number of common shares outstanding:				
Diluted	256.7	261.8	259.7	261.4

\* Retrospectively restated for adoption of ASU 2017-07, see Table 9 for additional information.

SEE ATTACHED RELEASE FOR ADDITIONAL INFORMATION

**INGERSOLL-RAND PLC****Business Review**

(In millions, except percentages)

**UNAUDITED**

	For the quarter ended September 30,		For the nine months ended September 30,	
	2017	2016**	2017	2016**
<u>Climate</u>				
Net revenues	\$ 2,939.3	\$ 2,838.1	\$ 8,407.2	\$ 7,986.4
Segment operating income *	480.1	474.7	1,224.5	1,188.8
and as a % of Net revenues	16.3%	16.7%	14.6%	14.9%
<u>Industrial</u>				
Net revenues	731.2	729.7	2,172.3	2,163.7
Segment operating income *	89.0	80.9	247.0	215.0
and as a % of Net revenues	12.2%	11.1%	11.4%	9.9%
Unallocated corporate expense	(63.0)	(43.9)	(192.8)	(153.4)
<u>Total</u>				
Net revenues	\$ 3,670.5	\$ 3,567.8	\$ 10,579.5	\$ 10,150.1
Consolidated operating income	\$ 506.1	\$ 511.7	\$ 1,278.7	\$ 1,250.4
and as a % of Net revenues	13.8%	14.3%	12.1%	12.3%

\* Segment operating income is the measure of profit and loss that the Company uses to evaluate the financial performance of the business and as the basis for performance reviews, compensation and resource allocation. For these reasons, the Company believes that Segment operating income represents the most relevant measure of segment profit and loss.

\*\* Retrospectively restated for adoption of ASU 2017-07, see Table 9 for additional information.

SEE ATTACHED RELEASE FOR ADDITIONAL INFORMATION

**INGERSOLL-RAND PLC**  
**Reconciliation of GAAP to non-GAAP**  
(In millions, except per share amounts)  
**UNAUDITED**

	For the quarter ended September 30, 2017			For the nine months ended September 30, 2017		
	As Reported	Adjustments	As Adjusted	As Reported	Adjustments	As Adjusted
Net revenues	\$ 3,670.5	\$ —	\$ 3,670.5	\$ 10,579.5	\$ —	\$ 10,579.5
Operating income	506.1	10.0 (a)	516.1	1,278.7	48.2 (a)	1,326.9
Operating margin	13.8%		14.1%	12.1%		12.5%
Earnings from continuing operations before income taxes	444.6	10.0 (a)	454.6	1,092.9	48.2 (a)	1,141.1
Provision for income taxes	(76.4)	(4.0) (b)	(80.4)	(243.2)	18.3 (b,c)	(224.9)
Tax rate	17.2%		17.7%	22.3%		19.7%
Earnings from continuing operations attributable to Ingersoll-Rand plc	\$ 363.3	\$ 6.0 (d)	\$ 369.3	\$ 837.2	\$ 66.5 (d)	\$ 903.7
<u>Diluted earnings per common share</u>						
Continuing operations	\$ 1.41	\$ 0.03	\$ 1.44	\$ 3.22	\$ 0.26	\$ 3.48
<u>Weighted-average number of common shares outstanding</u>						
Diluted	256.7	—	256.7	259.7	—	259.7
<u>Detail of Adjustments:</u>						
(a) Restructuring costs		\$ 10.0			\$ 48.2	
(b) Tax impact of adjustments (a)		(4.0)			(15.0)	
(c) Latin American discrete non-cash tax adjustment		—			33.3	
(d) Impact of adjustments on earnings from continuing operations attributable to Ingersoll-Rand plc		\$ 6.0			\$ 66.5	

The Company reports its financial results in accordance with generally accepted accounting principles in the United States (GAAP). This supplemental schedule provides non-GAAP financial information and a quantitative reconciliation of the difference between the non-GAAP financial measures and the financial measures calculated and reported in accordance with GAAP.

The non-GAAP financial measures should be considered supplemental to, not a substitute for or superior to, financial measures calculated in accordance with GAAP. They have limitations in that they do not reflect all of the costs associated with the operations of our businesses as determined in accordance with GAAP. In addition, these measures may not be comparable to non-GAAP financial measures reported by other companies.

We believe the non-GAAP financial information provides important supplemental information to both management and investors regarding financial and business trends used in assessing our financial condition and results of operations.

The non-GAAP financial measures associated with operating income and margin, tax rate and EPS assist investors with analyzing our business segment results as well as with predicting future performance. In addition, these non-GAAP financial measures are also reviewed by management in order to evaluate the financial performance of each segment. They are the basis for performance reviews, compensation and resource allocation. We believe that the presentation of these non-GAAP financial measures will permit investors to assess the performance of the Company on the same basis as management.

As a result, one should not consider these measures in isolation or as a substitute for our results reported under GAAP. We compensate for these limitations by analyzing results on a GAAP basis as well as a non-GAAP basis, prominently disclosing GAAP results and providing reconciliations from GAAP results to non-GAAP results.

SEE ATTACHED RELEASE FOR ADDITIONAL INFORMATION

**INGERSOLL-RAND PLC**  
**Reconciliation of GAAP to non-GAAP**  
(In millions, except per share amounts)  
**UNAUDITED**

	For the quarter ended September 30, 2016			For the nine months ended September 30, 2016		
	As Reported*	Adjustments	As Adjusted	As Reported*	Adjustments	As Adjusted
Net revenues	\$ 3,567.8	\$ —	\$ 3,567.8	\$ 10,150.1	\$ —	\$ 10,150.1
Operating income	511.7	7.3 (a)	519.0	1,250.4	20.8 (a)	1,271.2
Operating margin	14.3%		14.5%	12.3%		12.5%
Earnings from continuing operations before income taxes	450.9	7.3 (a)	458.2	1,473.2	(377.0) (a,b)	1,096.2
Provision for income taxes	(83.2)	(2.4) (c)	(85.6)	(217.6)	(6.3) (c)	(223.9)
Tax rate	18.5%		18.7%	14.8%		20.4%
Earnings from continuing operations attributable to Ingersoll-Rand plc	\$ 363.2	\$ 4.9 (d)	\$ 368.1	\$ 1,243.1	\$ (383.3) (d)	\$ 859.8
<u>Diluted earnings per common share</u>						
Continuing operations	\$ 1.39	\$ 0.02	\$ 1.41	\$ 4.76	\$ (1.47)	\$ 3.29
Weighted-average number of common shares outstanding						
Diluted	261.8	—	261.8	261.4	—	261.4
<u>Detail of Adjustments:</u>						
(a) Restructuring costs		\$ 7.3			\$ 20.8	
(b) Hussmann Gain		—			(397.8)	
(c) Tax impact of adjustments (a) and (b)		(2.4)			(6.3)	
(d) Impact of adjustments on earnings from continuing operations attributable to Ingersoll-Rand plc		<u>\$ 4.9</u>			<u>\$ (383.3)</u>	

\* Retrospectively restated for adoption of ASU 2017-07, see Table 9 for additional information.

The Company reports its financial results in accordance with generally accepted accounting principles in the United States (GAAP). This supplemental schedule provides non-GAAP financial information and a quantitative reconciliation of the difference between the non-GAAP financial measures and the financial measures calculated and reported in accordance with GAAP.

The non-GAAP financial measures should be considered supplemental to, not a substitute for or superior to, financial measures calculated in accordance with GAAP. They have limitations in that they do not reflect all of the costs associated with the operations of our businesses as determined in accordance with GAAP. In addition, these measures may not be comparable to non-GAAP financial measures reported by other companies.

We believe the non-GAAP financial information provides important supplemental information to both management and investors regarding financial and business trends used in assessing our financial condition and results of operations.

The non-GAAP financial measures associated with operating income and margin, tax rate and EPS assist investors with analyzing our business segment results as well as with predicting future performance. In addition, these non-GAAP financial measures are also reviewed by management in order to evaluate the financial performance of each segment. They are the basis for performance reviews, compensation and resource allocation. We believe that the presentation of these non-GAAP financial measures will permit investors to assess the performance of the Company on the same basis as management.

As a result, one should not consider these measures in isolation or as a substitute for our results reported under GAAP. We compensate for these limitations by analyzing results on a GAAP basis as well as a non-GAAP basis, prominently disclosing GAAP results and providing reconciliations from GAAP results to non-GAAP results.

SEE ATTACHED RELEASE FOR ADDITIONAL INFORMATION

**INGERSOLL-RAND PLC**  
**Reconciliation of GAAP to non-GAAP**  
(In millions)  
**UNAUDITED**

	For the quarter ended September 30, 2017		For the quarter ended September 30, 2016*	
	As Reported	Margin	As Reported	Margin
<b>Climate</b>				
Net revenues	\$ 2,939.3		\$ 2,838.1	
Segment operating income	\$ 480.1	16.3%	\$ 474.7	16.7%
Restructuring	5.5	0.2%	2.5	0.1%
Adjusted operating income	485.6	16.5%	477.2	16.8%
Depreciation and amortization	61.8	2.1%	56.9	2.0%
Adjusted OI plus D&A	\$ 547.4	18.6%	\$ 534.1	18.8%
<b>Industrial</b>				
Net revenues	\$ 731.2		\$ 729.7	
Segment operating income	\$ 89.0	12.2%	\$ 80.9	11.1%
Restructuring	3.8	0.5%	4.8	0.7%
Adjusted operating income	92.8	12.7%	85.7	11.8%
Depreciation and amortization	19.0	2.6%	16.6	2.2%
Adjusted OI plus D&A	\$ 111.8	15.3%	\$ 102.3	14.0%
<b>Corporate</b>				
Unallocated corporate expense	\$ (63.0)		\$ (43.9)	
Restructuring	0.7		—	
Adjusted corporate expense	(62.3)		(43.9)	
Depreciation and amortization	7.0		15.2	
Adjusted corporate expense plus D&A	\$ (55.3)		\$ (28.7)	
<b>Total Company</b>				
Net revenues	\$ 3,670.5		\$ 3,567.8	
Operating income	\$ 506.1	13.8%	\$ 511.7	14.3%
Restructuring	10.0	0.3%	7.3	0.2%
Adjusted operating income	516.1	14.1%	519.0	14.5%
Depreciation and amortization	87.8	2.4%	88.7	2.5%
Adjusted OI plus D&A	\$ 603.9	16.5%	\$ 607.7	17.0%

\* Retrospectively restated for adoption of ASU 2017-07, see Table 9 for additional information.

The Company reports its financial results in accordance with generally accepted accounting principles in the United States (GAAP). This supplemental schedule provides non-GAAP financial information and a quantitative reconciliation of the difference between the non-GAAP financial measures and the financial measures calculated and reported in accordance with GAAP.

The non-GAAP financial measures should be considered supplemental to, not a substitute for or superior to, financial measures calculated in accordance with GAAP. They have limitations in that they do not reflect all of the costs associated with the operations of our businesses as determined in accordance with GAAP. In addition, these measures may not be comparable to non-GAAP financial measures reported by other companies.

We believe the non-GAAP financial information provides important supplemental information to both management and investors regarding financial and business trends used in assessing our financial condition and results of operations.

The non-GAAP financial measures of adjusted operating income, plus depreciation and amortization, adjusted corporate expense, plus depreciation and amortization, and related margins assist investors with analyzing our business segment results as well as with predicting future performance. In addition, these non-GAAP financial measures are also reviewed by management in order to evaluate the financial performance of each segment. They are the basis for performance reviews, compensation and resource allocation. We believe that the presentation of these non-GAAP financial measures will permit investors to assess the performance of the Company on the same basis as management.

As a result, one should not consider these measures in isolation or as a substitute for our results reported under GAAP. We compensate for these limitations by analyzing results on a GAAP basis as well as a non-GAAP basis, prominently disclosing GAAP results and providing reconciliations from GAAP results to non-GAAP results.

SEE ATTACHED RELEASE FOR ADDITIONAL INFORMATION

**INGERSOLL-RAND PLC**  
**Condensed Consolidated Balance Sheets**  
(In millions)

	September 30, 2017	December 31, 2016
<b>ASSETS</b>	<u>UNAUDITED</u>	
Cash and cash equivalents	\$ 1,259.0	\$ 1,714.7
Accounts and notes receivable, net	2,468.2	2,223.0
Inventories	1,661.1	1,385.8
Other current assets	425.6	255.8
Total current assets	5,813.9	5,579.3
Property, plant and equipment, net	1,529.0	1,511.0
Goodwill, net	5,851.2	5,658.4
Intangible assets, net	3,740.9	3,785.1
Other noncurrent assets	787.8	863.6
Total assets	<u>\$ 17,722.8</u>	<u>\$ 17,397.4</u>
<b>LIABILITIES AND EQUITY</b>		
Accounts payable	\$ 1,487.9	\$ 1,334.0
Accrued expenses and other current liabilities	2,094.0	1,895.5
Short-term borrowings and current maturities of long-term debt	1,106.7	360.8
Total current liabilities	4,688.6	3,590.3
Long-term debt	2,955.9	3,709.4
Other noncurrent liabilities	3,233.9	3,379.4
Shareholders' Equity	6,844.4	6,718.3
Total liabilities and equity	<u>\$ 17,722.8</u>	<u>\$ 17,397.4</u>

SEE ATTACHED RELEASE FOR ADDITIONAL INFORMATION



**INGERSOLL-RAND PLC**  
**Condensed Consolidated Statement of Cash Flows**  
(In millions)

**UNAUDITED**

	For nine months ended September 30,	
	2017	2016*
<b>Operating Activities</b>		
Earnings from continuing operations	\$ 849.7	\$ 1,255.6
Depreciation and amortization	261.9	264.7
Changes in assets and liabilities and other non-cash items	(220.8)	(497.7)
Net cash provided by continuing operating activities	890.8	1,022.6
Net cash provided by (used in) discontinued operating activities	(17.6)	94.1
Net cash provided by operating activities	873.2	1,116.7
<b>Investing Activities</b>		
Capital expenditures	(149.9)	(127.5)
Acquisition of businesses, sale of equity investment and other, net	(56.5)	415.9
Net cash provided by (used in) investing activities	(206.4)	288.4
<b>Financing Activities</b>		
Short-term borrowings (payments), net	(11.6)	(150.6)
Dividends paid to ordinary shareholders	(318.0)	(245.6)
Repurchase of ordinary shares	(911.1)	(250.1)
Other financing activities, net	18.2	0.4
Net cash used in financing activities	(1,222.5)	(645.9)
Effect of exchange rate changes on cash and cash equivalents	100.0	8.6
Net increase (decrease) in cash and cash equivalents	(455.7)	767.8
Cash and cash equivalents - beginning of period	1,714.7	736.8
Cash and cash equivalents - end of period	\$ 1,259.0	\$ 1,504.6

\* Retrospectively restated for the adoption of ASU 2016-09 on January 1, 2017, the impact of which resulted in an improvement to cash flow provided by operating activities with a corresponding reduction to cash flow used in financing activities of \$14.3 million.

SEE ATTACHED RELEASE FOR ADDITIONAL INFORMATION

**INGERSOLL-RAND PLC**  
**Balance Sheet Metrics and Free Cash Flow**  
(\$ in millions)  
**UNAUDITED**

	December 31, 2016*	September 30, 2017	September 30, 2016*
Net Receivables	\$ 2,223	\$ 2,468	\$ 2,361
Days Sales Outstanding	60.4	61.4	60.4
Net Inventory	\$ 1,386	\$ 1,661	\$ 1,556
Inventory Turns	6.8	6.0	6.2
Accounts Payable	\$ 1,334	\$ 1,488	\$ 1,392
Days Payable Outstanding	51.9	54.5	52.7

	Forecast (b) For the year ending December 31, 2017	Nine months ended September 30, 2017	Nine months ended September 30, 2016**
Cash flow provided by operating activities (a)	\$ 1,360.0 - \$ 1,385.0	\$ 873.2	\$ 1,116.7
Capital expenditures	(250.0) - (225.0)	(149.9)	(127.5)
Cash payment for restructuring	40.0 - 40.0	25.2	17.2
Free cash flow	\$ 1,150.0 - \$ 1,200.0	\$ 748.5	\$ 1,006.4

(a) Includes both continuing and discontinued operations.

(b) Amounts are approximate.

\* Retrospectively restated for adoption of ASU 2017-07, see Table 9 for additional information.

\*\* Retrospectively restated for the adoption of ASU 2016-09 on January 1, 2017, the impact of which resulted in an improvement to cash flow provided by (used in) operating activities of \$14.3 million.

The Company reports its financial results in accordance with generally accepted accounting principles in the United States (GAAP). This supplemental schedule provides non-GAAP financial information and a quantitative reconciliation of the difference between the non-GAAP financial measure and the financial measure calculated and reported in accordance with GAAP.

The non-GAAP financial measure should be considered supplemental to, not a substitute for or superior to, the financial measure calculated in accordance with GAAP. It has limitations in that it does not reflect all of the costs associated with the operations of our businesses as determined in accordance with GAAP. In addition, this measure may not be comparable to non-GAAP financial measures reported by other companies.

We believe the non-GAAP financial information provides important supplemental information to both management and investors regarding financial and business trends used in assessing our financial condition and cash flow.

The non-GAAP financial measure of free cash flow assists investors with analyzing our business results as well as with predicting future performance. In addition, this non-GAAP financial measure is reviewed by management in order to evaluate the financial performance of each segment as well as the Company as a whole. It is the basis for performance reviews, compensation and resource allocation. We believe that the presentation of this non-GAAP financial measure will permit investors to assess the performance of the Company on the same basis as management.

As a result, one should not consider this measure in isolation or as a substitute for our results reported under GAAP. We compensate for these limitations by analyzing results on a GAAP basis as well as a non-GAAP basis, prominently disclosing GAAP results and providing reconciliations from GAAP results to non-GAAP results.

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**INGERSOLL-RAND PLC**  
**Impact for the adoption of ASU 2017-07 (1)**  
(In millions)

**UNAUDITED**

	For the quarter ended September 30, 2017			For the quarter ended September 30, 2016		
	Cost of goods sold	Selling & administrative expenses	Total	Cost of goods sold	Selling & administrative expenses	Total
Climate	(2) \$ 1.4	\$ 2.1	\$ 3.5	\$ 1.9	\$ 0.9	\$ 2.8
Industrial	0.4	0.8	1.2	0.5	0.9	1.4
Unallocated corporate	2.5	0.1	2.6	3.4	0.4	3.8
Operating Income	4.3	3.0	7.3	5.8	2.2	8.0
Other income/(expense), net	(4.3)	(3.0)	(7.3)	(5.8)	(2.2)	(8.0)
Earnings before income taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
	For the nine months ended September 30, 2017			For the nine months ended September 30, 2016		
	Cost of goods sold	Selling & administrative expenses	Total	Cost of goods sold	Selling & administrative expenses	Total
Climate	(2) \$ 6.4	\$ 3.5	\$ 9.9	\$ 5.7	\$ 2.9	\$ 8.6
Industrial	1.1	2.5	3.6	1.5	2.7	4.2
Unallocated corporate	7.5	0.7	8.2	10.2	1.2	11.4
Operating Income	15.0	6.7	21.7	17.4	6.8	24.2
Other income/(expense), net	(15.0)	(6.7)	(21.7)	(17.4)	(6.8)	(24.2)
Earnings before income taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

(1) The Company adopted ASU 2017-07, Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost, on January 1, 2017. This adoption requires that components of net periodic pension and postretirement benefit cost other than the service cost component be included in the line item "Other income/(expense), net" in the income statement.

(2) Amounts recorded within the 2017 Cost of Goods Sold account of Climate contain a non-cash pension curtailment loss of \$2.3 million recorded in the first quarter of 2017 associated with a certain defined benefit plan freeze that is effective January 1, 2022 and a settlement loss of \$1.4 million recorded during the third quarter of 2017 associated with lump sum distributions of a non-U.S. defined pension plan.

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