REFINITIV

DELTA REPORT

10-Q

FUL - FULLER H B CO

10-Q - JUNE 01, 2024 COMPARED TO 10-Q - MARCH 02, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	1143
CHANGES	180
DELETIONS	599
ADDITIONS	364

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 2, 2024 June 1, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______________to ________________.

Commission file number: 001-09225

H.B. FULLER COMPANY

(Exact name of registrant as specified in its charter)

Minnesota (State or other jurisdiction of incorporation or organization)	41-0268370 (I.R.S. Employer Identification No.)
1200 Willow Lake Boulevard, St. Paul, Minnesota (Address of principal executive offices)	55110-5101 (Zip Code)

Registrant's telephone number, including area code: **(651) 236-5900**

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value $1.00 per share	FUL	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☐
	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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12(b) of the Exchange Act. Yes ☐ No ☒

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PROCEEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☐ No ☐

APPLICABLE ONLY TO CORPORATE ISSUERS

The number of shares outstanding of the Registrant's Common Stock, par value $1.00 per share, was 54,489,816 54,521,587 as of March 22, 2024 June 21, 2024.

H.B. Fuller Company
Quarterly Report on Form 10-Q
Table of Contents

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

H.B. FULLER COMPANY AND SUBSIDIARIES
Consolidated Statements of Income
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended		Three Months Ended		Six Months Ended	
	March 2, 2024	March 4, 2023	June 1, 2024	June 3, 2023	June 1, 2024	June 3, 2023
Net revenue	$ 810,419	$ 809,183	$ 917,107	$ 898,239	$ 1,727,525	$ 1,707,421
Cost of sales	(571,182)	(594,374)	(635,055)	(641,464)	(1,206,237)	(1,235,838)
Gross profit	239,237	214,809	282,052	256,775	521,288	471,583
Selling, general and administrative expenses	(172,362)	(154,542)	(181,456)	(166,625)	(353,817)	(321,167)
Other income, net	1,501	2,604	3,634	605	5,135	3,209
Interest expense	(31,901)	(33,069)	(32,314)	(33,131)	(64,216)	(66,200)
Interest income	1,307	667	1,199	932	2,506	1,599
Income before income taxes and income from equity method investments	37,782	30,469	73,115	58,556	110,896	89,024
Income taxes	(7,814)	(9,733)	(22,418)	(19,291)	(30,231)	(29,024)
Income from equity method investments	1,044	1,180	600	1,157	1,644	2,338
Net income including non-controlling interest	31,012	21,916	51,297	40,422	82,309	62,338
Net income attributable to non-controlling interest	(21)	(27)	(33)	(21)	(54)	(48)
Net income attributable to H.B. Fuller	$ 30,991	$ 21,889	$ 51,264	$ 40,401	$ 82,255	$ 62,290
Earnings per share attributable to H.B. Fuller common stockholders:						
Basic	$ 0.57	$ 0.40	$ 0.93	$ 0.74	$ 1.50	$ 1.15
Diluted	$ 0.55	$ 0.39	$ 0.91	$ 0.73	$ 1.45	$ 1.12
Weighted-average common shares outstanding:						
Basic	54,702	54,174	54,946	54,269	54,824	54,222
Diluted	56,573	55,919	56,636	55,717	56,604	55,818
Dividends declared per common share	$ 0.205	$ 0.190	$ 0.223	$ 0.205	$ 0.428	$ 0.395

See accompanying Notes to Unaudited Consolidated Financial Statements.

H.B. FULLER COMPANY AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
(In thousands)
(Unaudited)

	Three Months Ended		Three Months Ended		Six Months Ended	
	March 2, 2024	March 4, 2023	June 1, 2024	June 3, 2023	June 1, 2024	June 3, 2023
Net income including non-controlling interest	$ 31,012	$ 21,916	$ 51,297	$ 40,422	$ 82,309	$ 62,338
Other comprehensive (loss) income						
Foreign currency translation	(19,362)	(3,636)	(26,926)	26,410	(46,288)	22,774
Defined benefit pension plans adjustment, net of tax	2,119	851	419	858	2,538	1,709
Interest rate swaps, net of tax	(2,465)	8,335	10,196	(9,488)	7,731	(1,153)
Net investment hedges, net of tax	3,790	(299)	123	(5,384)	3,913	(5,683)
Other comprehensive (loss) income	(15,918)	5,251	(16,188)	12,396	(32,106)	17,647
Comprehensive income	15,094	27,167	35,109	52,818	50,203	79,985
Less: Comprehensive income attributable to non-controlling interest	12	37	1	6	13	43
Comprehensive income attributable to H.B. Fuller	$ 15,082	$ 27,130	$ 35,108	$ 52,812	$ 50,190	$ 79,942

See accompanying Notes to Unaudited Consolidated Financial Statements.

H.B. FULLER COMPANY AND SUBSIDIARIES

Consolidated Balance Sheets

(In thousands, except share and per share amounts)

(Unaudited)

	March 2, 2024	December 2, 2023	June 1, 2024	December 2, 2023
Assets				
Current assets:				
Cash and cash equivalents	$ 165,249	$ 179,453	$ 114,823	$ 179,453
Trade receivables (net of allowances of $11,658 and $11,080, as of March 2, 2024 and December 2, 2023, respectively)	525,689	577,932		
Trade receivables (net of allowances of $12,523 and $11,080, as of June 1, 2024 and December 2, 2023, respectively)			571,134	577,932
Inventories	490,179	442,040	496,085	442,040
Other current assets	115,731	112,678	109,021	112,678
Total current assets	1,296,848	1,312,103	1,291,063	1,312,103
Property, plant and equipment	1,772,088	1,755,035	1,813,723	1,755,035
Accumulated depreciation	(949,189)	(930,380)	(974,875)	(930,380)
Property, plant and equipment, net	822,899	824,655	838,848	824,655
Goodwill	1,486,784	1,486,512	1,578,297	1,486,512
Other intangibles, net	702,307	729,140	813,063	729,140
Other assets	373,135	371,165	397,839	371,165
Total assets	$ 4,681,973	$ 4,723,575	$ 4,919,110	$ 4,723,575
Liabilities, non-controlling interest and total equity				
Current liabilities				
Notes payable	$ 1,544	$ 1,841	$ 1,396	$ 1,841
Trade payables	460,649	439,700	474,095	439,700
Accrued compensation	63,116	95,680	78,343	95,680
Income taxes payable	49,516	47,688	46,883	47,688

Other accrued expenses	78,352	107,902	83,350	107,902
Total current liabilities	653,177	692,811	684,067	692,811
Long-term debt	1,829,253	1,836,590	2,023,520	1,836,590
Accrued pension liabilities	50,529	50,189	50,848	50,189
Other liabilities	380,769	388,072	368,561	388,072
Total liabilities	$ 2,913,728	$ 2,967,662	$ 3,126,996	$ 2,967,662
Commitments and contingencies (Note 12)				
Commitments and contingencies (Note 13)				
Equity				
H.B. Fuller stockholders' equity:				
Preferred stock (no shares outstanding) shares authorized – 10,045,900	-	-	-	-
Common stock, par value $1.00 per share, shares authorized – 160,000,000, shares outstanding – 54,437,953 and 54,092,987 as of March 2, 2024 and December 2, 2023, respectively	$ 54,438	$ 54,093		
Common stock, par value $1.00 per share, shares authorized – 160,000,000, shares outstanding – 54,507,836 and 54,092,987 as of June 1, 2024 and December 2, 2023, respectively			$ 54,508	$ 54,093
Additional paid-in capital	309,624	301,485	310,458	301,485
Retained earnings	1,862,252	1,842,507	1,901,372	1,842,507
Accumulated other comprehensive loss	(458,789)	(442,880)	(474,945)	(442,880)
Total H.B. Fuller stockholders' equity	1,767,525	1,755,205	1,791,393	1,755,205
Non-controlling interest	720	708	721	708
Total equity	1,768,245	1,755,913	1,792,114	1,755,913
Total liabilities, non-controlling interest and total equity	$ 4,681,973	$ 4,723,575	$ 4,919,110	$ 4,723,575

See accompanying Notes to Unaudited Consolidated Financial Statements.

H.B. FULLER COMPANY AND SUBSIDIARIES

Consolidated Statements of Total Equity

(In thousands)

(Unaudited)

	H.B. Fuller Company Shareholders						H.B. Fuller Company Shareholders					
	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest	Total	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest	Total
Balance at December 2, 2023	$ 54,093	$ 301,485	$ 1,842,507	$ (442,880)	$ 708	$ 1,755,913	$ 54,093	$ 301,485	$ 1,842,507	$ (442,880)	$ 708	$ 1,755,913
Comprehensive income	-	-	30,991	(15,909)	12	15,094	-	-	30,991	(15,909)	12	15,094
Dividends	-	-	(11,246)	-	-	(11,246)	-	-	(11,246)	-	-	(11,246)
Stock option exercises	200	8,777	-	-	-	8,977	200	8,777	-	-	-	8,977
Share-based compensation plans and other, net	225	5,490	-	-	-	5,715	225	5,490	-	-	-	5,715
Repurchases of common stock	(80)	(6,128)	-	-	-	(6,208)	(80)	(6,128)	-	-	-	(6,208)

Balance at March 2, 2024	$ 54,438	$ 309,624	$ 1,862,252	$ (458,789)	$ 720	$ 1,768,245	$ 54,438	$ 309,624	$ 1,862,252	$ (458,789)	$ 720	$ 1,768,245
Comprehensive income							-	-	51,264	(16,156)	1	35,109
Dividends							-	-	(12,144)	-	-	(12,144)
Stock option exercises							189	9,123	-	-	-	9,312
Share-based compensation plans and other, net							81	7,111	-	-	-	7,192
Repurchases of common stock							(200)	(15,400)	-	-	-	(15,600)
Balance at June 1, 2024							$ 54,508	$ 310,458	$ 1,901,372	$ (474,945)	$ 721	$ 1,792,114

	H.B. Fuller Company Shareholders						H.B. Fuller Company Shareholders					
	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest	Total	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest	Total
Balance at December 3, 2022	$ 53,677	$ 266,491	$ 1,741,359	$ (451,357)	$ 624	$ 1,610,794	$ 53,677	$ 266,491	$ 1,741,359	$ (451,357)	$ 624	$ 1,610,794
Comprehensive income	-	-	21,889	5,241	37	27,167	-	-	21,889	5,241	37	27,167
Dividends	-	-	(10,305)	-	-	(10,305)	-	-	(10,305)	-	-	(10,305)
Stock option exercises	76	3,520	-	-	-	3,596	76	3,520	-	-	-	3,596
Share-based compensation plans and other, net	102	5,221	-	-	-	5,323	102	5,221	-	-	-	5,323
Repurchases of common stock	(36)	(2,412)	-	-	-	(2,448)	(36)	(2,412)	-	-	-	(2,448)
Balance at March 4, 2023	$ 53,819	$ 272,820	$ 1,752,943	$ (446,116)	$ 661	$ 1,634,127	$ 53,819	$ 272,820	$ 1,752,943	$ (446,116)	$ 661	$ 1,634,127
Comprehensive income (loss)							-	-	40,401	12,411	6	52,818
Dividends							-	-	(11,129)	-	-	(11,129)
Stock option exercises							13	584	-	-	-	597
Share-based compensation plans other, net							30	6,818	-	-	-	6,848
Repurchases of common stock							(2)	(102)	-	-	-	(104)
Balance at June 3, 2023							$ 53,860	$ 280,120	$ 1,782,215	$ (433,705)	$ 667	$ 1,683,157

See accompanying Notes to Unaudited Consolidated Financial Statements.

H.B. FULLER COMPANY AND SUBSIDIARIES

Consolidated Statements of Cash Flows

(In thousands)

(Unaudited)

	Three Months Ended		Six Months Ended	
	March 2, 2024	March 4, 2023	June 1, 2024	June 3, 2023
Cash flows from operating activities:				
Net income including non-controlling interest	$ 31,012	$ 21,916	$ 82,309	$ 62,338
Adjustments to reconcile net income including non-controlling interest to net cash provided by operating activities:				
Depreciation	23,168	19,248	45,099	39,163
Amortization	20,355	18,683	39,574	37,813
Deferred income taxes	(5,658)	(5,746)	(24,117)	(16,831)
Income from equity method investments, net of dividends received	(1,044)	(1,180)	(1,644)	(2,338)
Debt issuance costs write-off	-	2,689	-	2,689
Loss on fair value adjustment on contingent consideration liability	-	139	-	(220)
Gain on sale or disposal of assets	(86)	(4)	(166)	(42)
Share-based compensation	5,088	4,527	11,930	10,953
Pension and other post-retirement benefit plan activity	(2,126)	(3,476)	(4,370)	(6,226)
Change in assets and liabilities, net of effects of acquisitions:				
Trade receivables, net	56,886	55,407	22,639	66,896
Inventories	(50,189)	(33,800)	(56,512)	8,285
Other assets	(9,064)	(28,947)	(22,328)	(36,951)
Trade payables	27,640	8,996	38,781	(20,301)
Accrued compensation	(31,862)	(57,000)	(16,424)	(42,190)
Other accrued expenses	(12,040)	(6,414)	(7,002)	(9,988)
Income taxes payable	(5,121)	(2,235)	(11,218)	10,025
Other liabilities	(399)	(3,085)	(1,786)	18,819
Other	791	15,827	34,210	(13,497)
Net cash provided by operating activities	47,351	5,545	128,975	108,397
Cash flows from investing activities:				
Purchased property, plant and equipment	(43,293)	(47,604)	(90,181)	(82,578)
Purchased businesses, net of cash acquired	-	(16,723)	(254,287)	(103,744)
Proceeds from sale of property, plant and equipment	568	611	694	2,623
Net cash used in investing activities	(42,725)	(63,716)	(343,774)	(183,699)
Cash flows from financing activities:				
Proceeds from issuance of long-term debt	195,000	1,300,000	1,497,000	1,300,000
Repayment of long-term debt	(203,250)	(1,176,650)	(1,305,500)	(1,176,650)
Payment of debt issuance costs	-	(10,214)	(3,493)	(10,214)
Net payment of notes payable	(276)	(881)	(376)	(239)
Dividends paid	(11,151)	(10,222)	(23,295)	(21,258)
Proceeds from stock options exercised	8,977	3,595	18,289	4,193
Repurchases of common stock	(6,208)	(2,448)	(21,809)	(2,552)
Net cash (used in) provided by financing activities	(16,908)	103,180		
Net cash provided by financing activities			160,816	93,280
Effect of exchange rate changes on cash and cash equivalents	(1,922)	563	(10,647)	5,295
Net change in cash and cash equivalents	(14,204)	45,572	(64,630)	23,273
Cash and cash equivalents at beginning of period	179,453	79,910	179,453	79,910
Cash and cash equivalents at end of period	$ 165,249	$ 125,482	$ 114,823	$ 103,183

See accompanying Notes to Unaudited Consolidated Financial Statements.

H.B. FULLER COMPANY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(Amounts in thousands, except per share amounts)

(Unaudited)

Note 1: Basis of Presentation

Overview

The accompanying unaudited interim Consolidated Financial Statements of H.B. Fuller Company and Subsidiaries have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information necessary for a fair presentation of results of operations, comprehensive income, financial position and cash flows in conformity with U.S. generally accepted accounting principles. In our opinion, the unaudited interim Consolidated Financial Statements reflect all adjustments of a normal recurring nature considered necessary for the fair presentation of the results for the periods presented. Operating results for interim periods are not necessarily indicative of results that may be expected for the fiscal year as a whole.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosures at the date of the financial statements and during the reporting period. Actual results could differ from these estimates. These unaudited interim Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and Notes thereto included in our Annual Report on Form 10-K for the year ended December 2, 2023 as filed with the Securities and Exchange Commission.

New Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued ASU No. 2023-09, *Income Taxes (Topic 740) - Improvements to Income Tax Disclosures*. This ASU provides new disclosure requirements including presentation of prescribed line items in the effective tax rate reconciliation and disclosures regarding state and local tax payments. Our effective date for adoption of this ASU is our fiscal year ending November 28, 2026. We are evaluating the impact the new disclosure guidance will have on our Consolidated Finance Statements.

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280) - Improvements to Reportable Segment Disclosures*. This ASU extends the existing requirements for annual disclosures to quarterly periods, and requires that both annual and quarterly disclosures present segment expenses using line items consistent with information regularly provided to the chief operating decision maker. Our effective date for adoption of this ASU is our fiscal year ending November 29, 2025. We are evaluating the impact the new disclosure guidance will have on our Consolidated Finance Statements.

Supplier Finance Program

In September 2022, the FASB issued ASU No. 2022-04, *Liabilities - Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations.* This ASU requires that a buyer in a supplier finance program disclose sufficient information about the program to allow a user of the financial statements to understand the program's nature, activity during the period, changes from period to period, and potential magnitude. To achieve that objective, the buyer should disclose qualitative and quantitative information about its supplier finance programs. ASU 2022-04 is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years, except for the requirement on rollforward information which is an annual requirement. During the first quarter of our fiscal year ending November 30, 2024, we adopted ASU 2022-04. We will present the annual roll-forward disclosure requirement within our annual report on Form 10-K.

We have agreements with third parties to provide supplier finance programs which facilitate participating suppliers' ability to finance payment obligations of the Company with designated third-party financial institutions. Participating suppliers may, at their sole discretion, elect to finance one or more payment obligations of the Company prior to their scheduled due dates at a discounted price to participating financial institutions. The Company has no economic interest in the sale of these suppliers' receivables and no direct financial relationship with the financial institutions concerning these services. The Company's obligations to its suppliers, including amounts due and scheduled payment dates, are not impacted by suppliers' decisions to finance amounts under these arrangements. The outstanding payment obligations that were confirmed as valid and remained outstanding as of March 2, June 1, 2024 were approximately $4,025. $4,710. These obligations under the Company's supplier finance programs are included in Accounts Payable in the Consolidated Balance Sheets, and the associated payments are reflected in the cash flows from operating activities section of the Consolidated Statements of Cash Flows.

Recently issued accounting standards or pronouncements not disclosed above have been excluded as they are not relevant to the company.

Note 2: Acquisitions

ND Industries, Inc.

On May 20, 2024, we acquired the assets of ND Industries, Inc. (“ND Industries”) for a base purchase price of $255,734 which was funded through borrowings on our credit facility and existing cash. This includes a holdback amount of $1,446 that will be paid on the 4-month anniversary of the closing date. ND Industries, headquartered in Clawson, Michigan, is a leading provider of specialty adhesives and fastener locking and sealing solutions serving customers in the automotive, electronics, aerospace and other industries. The acquisition of ND Industries is expected to accelerate the realization of our top growth priorities, consistent with our strategy to proactively drive capital allocation to the highest margin, highest growth market segments within the functional coatings, adhesives, sealants and elastomer industry. The acquisition fair value measurement was preliminary as of June 1, 2024. ND Industries is included in our Engineering Adhesives operating segment.

The following table summarizes the fair value measurement of the assets acquired and liabilities assumed as of the date of acquisition:

	Amounts
Current assets	$ 15,417
Property, plant and equipment	21,888
Goodwill	89,825
Other intangibles	
Customer relationships	113,200
Trademarks/trade names	4,800
Technology	11,800
Other assets	662
Current liabilities	(1,442)
Other liabilities	(416)
Total	$ 255,734

The expected useful lives of the acquired intangible assets are 12 years. Based on the fair value measurement of the assets acquired and liabilities assumed, we allocated $89,825 to goodwill for the expected synergies from combining ND Industries with our existing business. Such goodwill is deductible for tax purposes. The goodwill was assigned to our Engineering Adhesives operating segment.

Sanglier Ltd.

On September 8, 2023, we acquired the assets of Sanglier Ltd. (“Sanglier”) for a base purchase price of 13,361 British pound sterling, or approximately $16,660 which was funded through existing cash. This includes a holdback amount of 2,100 British pound sterling that will be paid on the 18-month anniversary of the closing date. Sanglier, headquartered in Mansfield, United Kingdom, is a manufacturer and filler of sprayable (aerosol and cannister) industrial adhesives. The acquisition of Sanglier expands our innovation capabilities and product portfolio across the United Kingdom and Europe transforming adhesives applications to enable sprayable delivery providing end users with an opportunity to greatly improve labor efficiency. The acquisition fair value measurement was preliminary as of March 2, June 1, 2024 and includes intangible assets of $10,723 $7,354, goodwill of $3,362 and other net assets of $5,937. $5,944. Sanglier is included in our Construction Adhesives operating segment.

Adhezion Biomedical LLC

On June 23, 2023, we acquired Adhezion Biomedical LLC (“Adhezion”) for a base purchase price of $80,802 which was funded through borrowings on our credit facility. This includes a holdback amount of $780 that will be paid on the 12-month anniversary of the closing date. The agreement includes a payment of contingent consideration up to $15,000 following the completion of certain performance goals and conditions. Adhezion, headquartered in Wyomissing, Pennsylvania, is a manufacturer of cyanoacrylate-based healthcare adhesives and infection prevention products. The acquisition of Adhezion positions us for expansion in the healthcare adhesives industry and creates a solid, unique platform from which to scale and innovate in the healthcare adhesives industry. The acquisition fair value measurement was preliminary is final as of March 2, June 1, 2024 and includes intangible assets of $38,500, goodwill of $37,589 and other net assets of $4,713. Goodwill represents expected synergies from combining Adhezion with our existing business. As of March 2, 2024, the The amount of goodwill that is deductible for tax purposes is $25,702. $25,717. Adhezion is included in our Hygiene, Health and Consumable Adhesives operating segment.

XChem International LLC

On June 12, 2023, we acquired XChem International LLC ("XChem") for a base purchase price of approximately $14,496 which was funded through borrowings on our credit facility. This includes a holdback amount of $1,650 that will be paid on the 18-month anniversary of the closing date. XChem, headquartered in Ras Al-Khaimah, United Arab Emirates, is a manufacturer of adhesives and sealants for construction-related applications. The acquisition of XChem provides our construction adhesives global business with additional manufacturing presence for certain brands outside the U.S. and broadens our construction adhesives portfolio of highly specified applications and diversifies it toward both non-U.S. and infrastructure-oriented markets. The acquisition fair value measurement was preliminary is final as of March 2, June 1, 2024 and includes intangible assets of $4,600, goodwill of

$4,504 $4,318 and other net assets of $5,392. $5,578. Goodwill represents expected synergies from combining XChem with our existing business. Goodwill is not deductible for tax purposes. XChem is included in our Construction Adhesives operating segment.

Beardow Adams Holdings Ltd.

On May 1, 2023, we acquired Beardow Adams Holdings Ltd. (“Beardow Adams”) for a total purchase price of 80,738 British pound sterling, or approximately $100,885, which was funded through borrowings on our credit facility. This includes a holdback amount of 8,000 British pound sterling that will be paid on the 18-month anniversary of the closing date. Beardow Adams, based in the United Kingdom, develops and manufactures adhesives, sealants and coatings, principally in the fields of packaging and related applications. The acquisition of Beardow Adams is expected to accelerate profitable growth in many of our core end markets and generate business synergies through better raw material pricing, production optimization and an expanded distribution platform. The acquisition fair value measurement was preliminary is final as of March 2, June 1, 2024 and includes intangible assets of $35,425, goodwill of $27,280 $28,148 and other net assets of $38,180. $37,312. Goodwill represents expected synergies from combining Beardow Adams with our existing business. As of March 2, 2024, the The amount of goodwill that is deductible for tax purposes is $2,998. $3,561. The remaining goodwill is not deductible for tax purposes. Beardow Adams is included in our Hygiene, Health and Consumable Adhesives operating segment.

Aspen Research Corporation

On January 31, 2023, we acquired the assets of Aspen Research Corporation (“Aspen”) for a total purchase price of $9,761, which was funded through existing cash. This includes a holdback amount of $500 that will be paid on the 18-month anniversary of the closing date. Aspen, located in Maple Grove, Minnesota, is a contract research organization that develops and manufactures innovative solutions for some of the adhesives used in our insulating glass market. Aspen is known for their superior understanding of materials science, engineering and analytical testing and specializes in custom materials manufacturing for chemicals and adhesives products. The acquisition of Aspen is expected to expand our Engineering Adhesives footprint in North America and strengthen our capabilities in the insulating glass market, in addition to bringing additive continuous flow, process manufacturing capabilities that we plan to leverage. The acquisition fair value measurement was final as of December 2, 2023 and includes intangible assets of $4,900, goodwill of $3,832 and other net assets of $1,029. Goodwill represents expected synergies from combining Aspen with our existing business. Goodwill is deductible for tax purposes. Aspen is included in our Engineering Adhesives operating segment.

Lemtapes Oy

On December 15, 2022, we acquired Lemtapes Oy (“Lemtapes”) for a total purchase price of $8,922 Euro, or approximately $9,482 which was funded through existing cash. This includes a holdback amount of 850 Euro that will be paid on the 18-month anniversary of the closing date. Lemtapes, located in Valkeakoski, Finland, is a solutions provider of ecological, innovative tapes and adhesives for the packaging and plywood industries. The acquisition of Lemtapes is expected to reinforce our strategic position in Europe, especially for our adhesives coated solutions products. This acquisition will also accelerate our growth strategy of fast-growing, high margin businesses while adding technology capabilities and strong customer relationships. The acquisition fair value measurement was final as of December 2, 2023 and includes intangible assets of $5,526, goodwill of $3,028 and other net assets of $928. Goodwill represents expected synergies from combining Lemtapes with our existing business. Goodwill is not deductible for tax purposes. Lemtapes is included in our Hygiene, Health and Consumable Adhesives operating segment.

All acquisitions, individually and in the aggregate, are not material and therefore pro forma financial information is not provided.

Note 3: Restructuring Actions

During fiscal year 2023, the Company approved restructuring plans (the "Plans") related to organizational changes and other actions to optimize operations and integrate acquired businesses. The Plans were implemented in the second quarter of fiscal year 2023 and are currently expected to be completed during fiscal year 2026, with the majority of the charges recognized and cash payments occurring in fiscal 2023 and 2024. In implementing the Plans, the Company currently expects to incur pre-tax costs of approximately $39,100 to $44,100 for severance and related employee costs globally, other restructuring costs related to the streamlining of processes and the payment of anticipated income taxes in certain jurisdictions related to the Plans.

The following table summarizes the pre-tax distribution of charges under these restructuring plans by income statement classification:

	Three Months Ended		Three Months Ended		Six Months Ended	
	March 2, 2024	March 4, 2023	June 1, 2024	June 3, 2023	June 1, 2024	June 3, 2023

Cost of sales	$ 2,915	$ 2,301	$ 1,279	$ 2,784	$ 4,194	$ 5,085
Selling, general and administrative	1,165	625	1,279	2,618	2,444	3,243
	$ 4,080	$ 2,926	$ 2,558	$ 5,402	$ 6,638	$ 8,328

The restructuring charges are all recorded in Corporate Unallocated for segment reporting purposes.

A summary of the restructuring liability is presented below:

	Employee-Related	Asset-Related	Other	Total	Employee-Related	Asset-Related	Other	Total
Balance at December 3, 2022	$ 57	$ -	$ -	$ 57	$ 57	$ -	$ -	$ 57
Expenses incurred	22,731	1,369	487	24,587	22,731	1,369	487	24,587
Non-cash charges	-	(1,369)	(453)	(1,822)	-	(1,369)	(453)	(1,822)
Cash payments	(9,802)	-	(34)	(9,836)	(9,802)	-	(34)	(9,836)
Foreign currency translation	(1,263)	-	-	(1,263)	(1,263)	-	-	(1,263)
Balance at December 2, 2023	$ 11,723	$ -	$ -	$ 11,723	$ 11,723	$ -	$ -	$ 11,723
Expenses incurred	1,611	2,417	52	4,080	2,918	3,607	113	6,638
Non-cash charges	-	(2,417)	(41)	(2,458)	-	(3,607)	(102)	(3,709)
Cash payments	(4,118)	-	(11)	(4,129)	(9,017)	-	(11)	(9,028)
Foreign currency translation	(142)	-	-	(142)	(140)	-	-	(140)
Balance at March 2, 2024	$ 9,074	$ -	$ -	$ 9,074				
Balance at June 1, 2024					$ 5,484	$ -	$ -	$ 5,484

Non-cash charges primarily include accelerated depreciation resulting from the cessation of use of certain long-lived assets. assets and inventory disposals. Restructuring liabilities have been classified as a component of other accrued expenses on the Consolidated Balance Sheets.

Note 4: Inventories

The composition of inventories is as follows:

	March 2, 2024	December 2, 2023	June 1, 2024	December 2, 2023
Raw materials	$ 230,044	$ 206,140	$ 225,908	$ 206,140
Finished goods	260,135	235,900	270,177	235,900
Total inventories	$ 490,179	$ 442,040	$ 496,085	$ 442,040

Note 5: Goodwill and Other Intangible Assets

The goodwill activity by reportable segment for the three six months ended March 2, June 1, 2024 is presented below:

	Hygiene, Health and Consumable Adhesives	Engineering Adhesives	Construction Adhesives	Total	Hygiene, Health and Consumable Adhesives	Engineering Adhesives	Construction Adhesives	Total
Balance at December 2, 2023	$ 402,598	$ 651,145	$ 432,769	$ 1,486,512	$ 402,598	$ 651,145	$ 432,769	$ 1,486,512
Acquisitions	$ 551	$ -	$ 3,006	3,557	$ 1,674	$ 89,825	$ 2,897	94,396
Foreign currency translation effect	$ (1,129)	$ (2,214)	$ 58	(3,285)	$ (719)	$ (1,999)	$ 107	(2,611)
Balance at March 2, 2024	$ 402,020	$ 648,931	$ 435,833	$ 1,486,784				
Balance at June 1, 2024					$ 403,553	$ 738,971	$ 435,773	$ 1,578,297

Balances of amortizable identifiable intangible assets, excluding goodwill and other non-amortizable intangible assets, are as follows:

Amortizable Intangible Assets	March 2, 2024 Purchased Technology and Patents	March 2, 2024 Customer Relationships	March 2, 2024 Trade Names	March 2, 2024 Other	March 2, 2024 Total	June 1, 2024 Purchased Technology and Patents	June 1, 2024 Customer Relationships	June 1, 2024 Trade Names	June 1, 2024 Other	June 1, 2024 Total
Original cost	$ 136,904	$ 973,481	$ 58,205	$ 9,885	$ 1,178,475	$ 144,456	$ 1,068,558	$ 62,944	$ 9,887	$ 1,285,845
Accumulated amortization	(54,091)	(391,506)	(24,815)	(6,229)	(476,641)	(52,568)	(387,964)	(26,320)	(6,402)	(473,254)
Net identifiable intangibles	$ 82,813	$ 581,975	$ 33,390	$ 3,656	$ 701,834	$ 91,888	$ 680,594	$ 36,624	$ 3,485	$ 812,591

Amortizable Intangible Assets	December 2, 2023 Purchased Technology and Patents	Customer Relationships	Trade Names	Other	Total
Original cost	$ 144,763	$ 986,470	$ 58,484	$ 10,911	$ 1,200,628
Accumulated amortization	(59,631)	(382,220)	(23,099)	(7,012)	(471,962)
Net identifiable intangibles	$ 85,132	$ 604,250	$ 35,385	$ 3,899	$ 728,666

Amortization expense with respect to amortizable intangible assets was $20,355 $19,219 and $18,683 $19,130 for the three months ended March 2, June 1, 2024 and March 4, June 3, 2023, respectively. respectively, and was $39,574 and $37,813 for the six months ended June 1, 2024 and June 3, 2023

Estimated aggregate amortization expense based on the current carrying value of amortizable intangible assets for the next five fiscal years is as follows:

Fiscal Year	Remainder 2024	2025	2026	2027	2028	Thereafter	Remainder 2024	2025	2026	2027	2028	Thereafter
Amortization expense	$ 55,446	$ 76,531	$ 69,810	$ 66,495	$ 66,188	$ 367,364	$ 40,716	$ 87,399	$ 80,670	$ 77,359	$ 77,103	$ 449,344

11

The above amortization expense forecast is an estimate. Actual amounts may change from such estimated amounts due to fluctuations in foreign currency exchange rates, additional intangible asset acquisitions, potential impairment, accelerated amortization or other events.

Non-amortizable intangible assets as of March 2, June 1, 2024 and December 2, 2023 were $473 $472 and $474, respectively, and relate to trademarks and trade names. The change in non-amortizable assets as of March 2, June 1, 2024 compared to December 2, 2023 was due to changes in foreign currency exchange rates.

Note 6: Long-Term Debt

On March 4, 2024, we entered into a Refinancing and Incremental Amendment (the “Refinancing and Incremental Amendment”), which amends the Second Amended and Restated Credit Agreement dated as of February 15, 2023, as previously amended. Pursuant to the Refinancing and Incremental Amendment, the existing Term B loans under the Credit Agreement were refinanced by “Refinancing Loans” (as defined in the Credit Agreement) in the principal amount of $794,000 (the “Amended TLB”), certain lenders party to the Refinancing and Incremental Amendment made additional Term B loans to the Company in the principal amount of $200,000, thereby increasing the aggregate principal amount of the Amended TLB to $994,000, and the interest rate margins applicable to the Amended TLB were decreased by 25 basis points (0.25% per annum) to 200 basis points for SOFR rate loans and 100 basis points for prime rate loans. The additional $200,000 of proceeds will be used to finance our working capital needs and for general corporate purposes, including permitted acquisitions. Interest on Term Loan B borrowings are payable at SOFR plus an interest rate spread of 200 basis points with a SOFR floor of 50 basis points (7.33 percent at June 1, 2024). The maturity date of February 15, 2030 remains unchanged. The commitment fee rates and interest rates applicable to the revolving credit facility and the Term Loan A facility remain unchanged.

Note 7:Components of Net Periodic Benefit related to Pension and Other Postretirement Benefit Plans

	Three Months Ended March 2, 2024 and March 4, 2023	Three Months Ended June 1, 2024 and June 3, 2023
	Other	Other

	Pension Benefits				Postretirement Benefits		Pension Benefits				Postretirement Benefits	
	U.S. Plans		Non-U.S. Plans				U.S. Plans		Non-U.S. Plans			
Net periodic (benefit) cost:	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Service cost	$ -	$ -	$ 350	$ 413	$ -	$ -	$ -	$ -	$ 347	$ 413	$ -	$ -
Interest cost	3,464	3,475	1,569	1,410	291	301	3,464	3,475	1,560	1,410	291	301
Expected return on assets	(6,555)	(7,206)	(1,637)	(1,730)	(2,727)	(2,465)	(6,555)	(7,205)	(1,627)	(1,730)	(2,727)	(2,465)
Amortization:												
Prior service cost	-	-	16	15	-	-	-	-	16	15	-	-
Actuarial loss	1,159	635	513	491	-	-	1,159	635	510	491	-	-
Net periodic (benefit) cost	$ (1,932)	$ (3,096)	$ 811	$ 599	$ (2,436)	$ (2,164)	$ (1,932)	$ (3,095)	$ 806	$ 599	$ (2,436)	$ (2,164)

	Six Months Ended June 1, 2024 and June 3, 2023					
	Pension Benefits				Other Postretirement Benefits	
	U.S. Plans		Non-U.S. Plans			
Net periodic (benefit) cost:	2024	2023	2024	2023	2024	2023
Service cost	$ -	$ -	$ 697	$ 833	$ -	$ -
Interest cost	6,928	6,951	3,129	2,846	583	602
Expected return on assets	(13,110)	(14,412)	(3,264)	(3,492)	(5,454)	(4,929)
Amortization:						
Prior service (benefit) cost	-	-	32	30	-	-
Actuarial loss (gain)	2,318	1,271	1,024	990	-	-
Net periodic (benefit) cost	$ (3,864)	$ (6,190)	$ 1,618	$ 1,207	$ (4,871)	$ (4,327)

Service cost is included with employee compensation cost in cost of sales and selling, general and administrative expenses in the Consolidated Statements of Income. The components of our net periodic defined benefit pension and postretirement benefit costs other than service cost are presented in other income, net in the Consolidated Statements of Income.

Note 7: 8: Accumulated Other Comprehensive Income (Loss)

The following table provides details of total comprehensive income (loss):

	Three Months Ended March 2, 2024				Three Months Ended March 4, 2023				Three Months Ended June 1, 2024				Three Months	
	H.B. Fuller Stockholders			Non-controlling Interest	H.B. Fuller Stockholders			Non-controlling Interest	H.B. Fuller Stockholders			Non-controlling Interest	H.B. Fuller Stock	
	Pre-tax	Tax	Net	Net	Pre-tax	Tax	Net	Net	Pre-tax	Tax	Net	Net	Pre-tax	Tax
Net income attributable to H.B. Fuller and non-controlling interest			$ 30,991	$ 21			$ 21,889	$ 27			$ 51,264	$ 33		
Foreign currency translation¹	$ (19,353)	$ -	(19,353)	(9)	$ (3,646)	$ -	(3,646)	10	$ (26,894)	$ -	(26,894)	(32)	$ 26,425	$ -

Defined benefit pension plans adjustment²	2,821	(702)	2,119	-	1,141	(290)	851	-	555	(136)	419	-	1,151	(293
Interest rate swaps³	(3,276)	811	(2,465)	-	11,055	(2,720)	8,335	-	13,493	(3,297)	10,196	-	(12,584)	3,096
Net investment hedges³	**5,025**	**(1,235)**	**3,790**	-	(397)	98	(299)	-	**163**	**(40)**	**123**	-	(7,141)	1,757
Other comprehensive (loss) income	$ (14,783)	$ (1,126)	$ (15,909)	$ (9)	$ 8,153	$ (2,912)	$ 5,241	$ 10	$ (12,683)	$ (3,473)	$ (16,156)	$ (32)	$ 7,851	$ 4,560
Comprehensive income			$ 15,082	$ 12			$ 27,130	$ 37			$ 35,108	$ 1		

¹ Income taxes are not provided for foreign currency translation relating to permanent investments in international subsidiaries.

² Loss reclassified from accumulated other comprehensive income ("AOCI") into earnings as part of net periodic cost related to pension and other postretirement benefit plans is reported in cost of sales and SG&A expense.

³ Income (loss) reclassified from AOCI into earnings is reported in other income, net.

	Six Months Ended June 1, 2024				Six Months Ended June 3, 2023			
	H.B. Fuller Stockholders			Non-controlling Interest	H.B. Fuller Stockholders			Non-controlling Interest
	Pretax	**Tax**	**Net**	**Net**	**Pretax**	**Tax**	**Net**	**Net**
Net income attributable to H.B. Fuller and non-controlling interest			$ 82,255	$ 54			$ 62,290	$ 48
Foreign currency translation adjustment¹	$ **(165,302)**	$ **-**	**(46,247)**	**(41)**	$ 22,779	$ -	22,779	(5)
Defined benefit pension plans adjustment²	3,376	(838)	2,538	-	2,292	(583)	1,709	-
Interest rate swap³	10,217	(2,486)	7,731	-	(1,529)	376	(1,153)	-
Net investment hedges³	5,188	(1,275)	3,913	-	(7,538)	1,855	(5,683)	-
Other comprehensive income (loss)	$ (146,521)	$ (4,599)	$ (32,065)	$ (41)	$ 16,004	$ 1,648	$ 17,652	$ (5)
Comprehensive income (loss)			$ 50,190	$ 13			$ 79,942	$ 43

The components of accumulated other comprehensive loss are as follows:

	March 2, 2024		
	Total	**H.B. Fuller Stockholders**	**Non-controlling Interest**
Foreign currency translation adjustment	$ (266,080)	$ (266,045)	$ (35)
Defined benefit pension plans adjustment, net of taxes of $66,280	(125,350)	(125,350)	-
Interest rate swap, net of taxes of ($649)	2,007	2,007	-
Net investment hedges, net of taxes of $16,509	(51,060)	(51,060)	-
Reclassification of AOCI tax effects	(18,341)	(18,341)	-
Accumulated other comprehensive loss	$ (458,824)	$ (458,789)	$ (35)

	June 1, 2024		
			Non-

		H.B. Fuller	controlling
	Total	Stockholders	Interest
Foreign currency translation adjustment	$ (292,943)	$ (292,940)	$ (3)
Defined benefit pension plans adjustment, net of taxes of $66,144	(124,930)	(124,930)	-
Interest rate swap, net of taxes of ($3,946)	12,203	12,203	-
Net investment hedges, net of taxes of $16,469	(50,937)	(50,937)	-
Reclassification of AOCI tax effects	(18,341)	(18,341)	-
Accumulated other comprehensive loss	$ (474,948)	$ (474,945)	$ (3)

	December 2, 2023		
			Non-
		H.B. Fuller	controlling
	Total	Stockholders	Interest
Foreign currency translation adjustment	$ (246,736)	$ (246,692)	$ (44)
Defined benefit pension plans adjustment, net of taxes of $66,982	(127,469)	(127,469)	-
Interest rate swap, net of taxes of ($1,460)	4,472	4,472	-
Net investment hedges, net of taxes of $17,744	(54,850)	(54,850)	-
Reclassification of AOCI tax effects	(18,341)	(18,341)	-
Accumulated other comprehensive loss	$ (442,924)	$ (442,880)	$ (44)

Note 8: 9: Income Taxes

Income tax expense for the three and sixmonths ended March 2, June 1, 2024 includes $2,527 $1,317 of discrete tax expense and $1,210 of discrete tax benefit, respectively, relating to various foreign tax matters, as well as an excess tax benefit related to U.S. stock compensation. Excluding the discrete tax expense and benefit, the overall effective tax rate was 27.4 28.9 percent and 28.4 percent for the three and sixmonths ended March 2, June 1, 2024., respectively.

Income tax expense for the three and sixmonths ended March 4, June 3, 2023 includes $846 $2,042 and $2,888 of discrete tax expense, respectively, relating to various foreign tax matters offset by an excess tax benefit related to U.S. stock compensation. Excluding the discrete tax expense, the overall effective tax rate was 29.2 29.5 percent and 29.4 percent for the three and sixmonths ended March 4, June 3, 2023., respectively.

As of March 2, June 1, 2024, we had a liability of $14,127 $14,097 recorded for gross unrecognized tax benefits (excluding interest) compared to $14,254 as of December 2, 2023. As of March 2, June 1, 2024 and December 2, 2023, we had accrued $6,649 $6,797 and $6,310 of gross interest relating to unrecognized tax benefits, respectively.

Note 9: 10: Earnings Per Share

A reconciliation of the common share components for the basic and diluted earnings per share calculations is as follows:

	Three Months Ended		Three Months Ended		Six Months Ended	
(Shares in thousands)	March 2, 2024	March 4, 2023	June 1, 2024	June 3, 2023	June 1, 2024	June 3, 2023
Weighted-average common shares - basic	54,702	54,174	54,946	54,269	54,824	54,222
Equivalent shares from share-based compensations plans	1,871	1,745	1,690	1,448	1,780	1,596
Weighted-average common and common equivalent shares diluted	56,573	55,919	56,636	55,717	56,604	55,818

Basic earnings per share is calculated by dividing net income attributable to H.B. Fuller by the weighted-average number of common shares outstanding during the applicable period. Diluted earnings per share is based upon the weighted-average number of common and common equivalent shares outstanding during the applicable period. The difference between basic and diluted earnings per share is attributable to share-based compensation awards. We use the treasury stock method to calculate the effect of outstanding shares, which computes total employee proceeds as the sum of (a) the amount the employee must pay upon exercise of the award and (b) the amount of unearned share-based compensation costs attributed to future services. Share-based compensation awards for which total employee proceeds exceed the average market price over the applicable period have an antidilutive effect on earnings per share, and accordingly, are excluded from the calculation of diluted earnings per share.

Share-based compensation awards of 1,138,264 787,801 and 1,172,987 1,026,155 shares for the three months ended March 2, June 1, 2024 and March 4, June 3, 2023, respectively, and 1,110,664 and 1,156,557 shares for the six months ended June 1, 2024 and June 3, 2023, respectively, were excluded from diluted earnings per share calculations because they were antidilutive.

14

Note 10: 11: Financial Instruments

Overview

As a result of being a global enterprise, foreign currency exchange rates and fluctuations in those rates may affect the Company's net investment in foreign subsidiaries, and our earnings, cash flows and financial position are exposed to foreign currency risk from foreign currency denominated receivables and payables.

We use foreign currency forward contracts, cross-currency swaps, interest rate swaps and net investment hedges to manage risks associated with foreign currency exchange rates and interest rates. We do not hold derivative financial instruments of a speculative nature or for trading purposes. We record derivatives as assets and liabilities on the balance sheet at fair value. Changes in fair value are recognized immediately in earnings unless the derivative qualifies and is designated as a hedge. Cash flows from derivatives are classified in the Consolidated Statement of Cash Flows in the same category as the cash flows from the items subject to designated hedge or undesignated (economic) hedge relationships. We evaluate hedge effectiveness at inception and on an ongoing basis. If a derivative is no longer expected to be effective, hedge accounting is discontinued. Hedge ineffectiveness, if any, is recorded in earnings.

We are exposed to credit risk in the event of nonperformance of counterparties for foreign currency forward exchange contracts and interest rate swap agreements. We select investment-grade multinational banks and financial institutions as counterparties for derivative transactions and monitor the credit quality of each of these banks on a periodic basis as warranted. We do not anticipate nonperformance by any of these counterparties, and valuation allowances, if any, are de minimis.

Cash Flow Hedges

On January 12, 2023, we entered into an interest rate swap agreement to convert $400,000 of our variable rate 1-month LIBOR rate debt to a fixed rate of 3.6895 percent that matures on January 12, 2028. On February 28, 2023, after refinancing our debt, we amended the interest rate swap agreement to our 1-month SOFR rate debt to a fixed rate of 3.7260 in accordance with the practical expedients included in ASC 848, *Reference Rate Reform*. The combined fair value of the interest rate swap was an asset of $3,777 $8,454 at March 2, June 1, 2024 and was included in other assets in the Consolidated Balance Sheets. The swap was designated for hedge accounting treatment as a cash flow hedge. We are applying the hypothetical derivative method to assess hedge effectiveness for this interest rate swap. Changes in the fair value of a hypothetically perfect swap with terms that match the critical terms of our variable rate debt are compared with the change in the fair value of the swap.

On March 16, 2023, we entered into an interest rate swap agreement to convert $300,000 of our 1-month SOFR rate debt to a fixed rate of 3.7210 percent that matures on February 15, 2028. The combined fair value of the interest rate swap was a liability an asset of $4,044 $6,168 at March 2, June 1, 2024 and was included in other liabilities assets in the Consolidated Balance Sheets. The swap was designated for hedge accounting treatment as a cash flow hedge. We are applying the hypothetical derivative method to assess hedge effectiveness for this interest rate swap. Changes in the fair value of a hypothetically perfect swap with terms that match the critical terms of our variable rate debt are compared with the change in the fair value of the swaps.

On March 16, 2023, we entered into an interest rate swap agreement to convert $100,000 of our 1-month SOFR rate debt to a fixed rate of 3.8990 percent that matures on February 15, 2028. The combined fair value of the interest rate swap was an asset of $293 $1,527 aat t March 2, June 1, 2024 and was included in other assets in the Consolidated Balance Sheets. The swap was designated for hedge accounting treatment as a cash flow hedge. We are applying the hypothetical derivative method to assess hedge effectiveness for these interest rate swaps. Changes in the fair value of a hypothetically perfect swap with terms that match the critical terms of our variable rate debt are compared with the change in the fair value of the swaps.

The amounts of pretax gains (losses) gains recognized in Comprehensive Income related to derivative instruments designated as cash flow hedges are as follows:

	Three Months Ended	
	March 2, 2024	**March 4, 2023**
Interest rate swap contracts	(3,276)	11,055

	Three Months Ended		Six Months Ended	
	June 1, 2024	June 3, 2023	June 1, 2024	June 3, 2023
Interest rate swap contracts	13,493	(12,584)	10,217	(1,529)

Fair Value Hedges

On February 12, 2021, we entered into interest rate swap agreements to convert our $300,000 Public Notes that were issued on October 20, 2020 to a variable interest rate of 1-month LIBOR plus 3.28 percent. On June 30, 2023, 1-month LIBOR rates ceased to exist and the IBOR Fallbacks Protocol published by the International Swaps and Derivatives Association ("ISDA") took effect as outlined in the interest rate swap agreement. As a result, the interest rate swap agreement was converted to Overnight SOFR plus 3.28 percent. We applied the practical expedients included in ASC 848, *Reference Rate Reform*. These interest rate swap agreements mature on October 15, 2028. The combined fair value of the interest rate swaps was a liability of $40,698 $42,374 at March 2, June 1, 2024, and was included in other liabilities in the Consolidated Balance Sheets. The swaps were designated for hedge accounting treatment as fair value hedges. We apply the short cut method and assume hedge effectiveness. Changes in the fair value of a hypothetically perfect swap with terms that match the critical terms of our $300,000 fixed rate Public Notes are compared with the change in the fair value of the swaps.

Net Investment Hedges

On October 17, 2022, we entered into a float-to-float cross-currency interest rate swap agreement with a notional amount of €307,173 maturing in October 2028. On October 20, 2022, we entered into fixed-to-fixed cross-currency interest rate swap agreements for a total notional amount of €300,000 with tranches maturing in August 2025, August 2026 and February 2027. On June 30, 2023, 1-month LIBOR rates ceased to exist and the IBOR Fallbacks Protocol published by the International Swaps and Derivatives Association (ISDA) took effect as outlined in the interest rate swap agreement. As a result, the 1-month LIBOR leg of the float-to-float agreement was converted to Overnight SOFR plus 3.28 percent. On July 17, 2023, we amended the 1-month EURIBOR leg of the float-to-float agreement to Overnight ESTR plus 3.2195 percent. We applied the practical expedients included in ASC 848, *Reference Rate Reform*. As of March 2, June 1, 2024, the combined fair value of the swaps was a liability of $67,574 $67,411 and was included in other liabilities in the Consolidated Balance Sheets. The cross-currency interest rate swaps hedge a portion of the Company's investment in Euro denominated foreign subsidiaries.

The swaps are designated as net investment hedges for accounting treatment. The net gains or losses attributable to changes in spot exchange rates are recorded in the cumulative translation adjustment within other comprehensive income. The gains or losses are reclassified into earnings upon a liquidation event or deconsolidation of the foreign subsidiary. Any ineffective portions of net investment hedges are reclassified from accumulated other comprehensive income (loss) into earnings during the period of change. The amount in accumulated other comprehensive income (loss) related to net investment hedge cross-currency swaps was a loss of $51,060 $50,937 of March 2, June 1, 2024. The amounts of pretax gain recognized in comprehensive income related to the net investment hedge was $5,025 $163 for the three months ended March 2, June 1, 2024. As of March 2, June 1, 2024, we did not reclassify any gains or losses into earnings from net investment hedges and we do not expect to reclassify any such gain or loss into earnings within the next twelve months. No amounts related to net investment hedges have been excluded from the assessment of hedge effectiveness.

Derivatives Not Designated as Hedging Instruments

We use foreign currency forward contracts to offset our exposure to the change in value of certain foreign currency denominated assets and liabilities held at foreign subsidiaries that are remeasured at the end of each period. Although the contracts are effective economic hedges, they are not designated as accounting hedges. Foreign currency forward contracts are recorded as assets and liabilities on the balance sheet at fair value. Changes in the value of these derivatives are recognized immediately in earnings, thereby offsetting the current earnings effect of the related foreign currency denominated assets and liabilities. See Note 11 12 for the fair value amounts of these derivative instruments.

As of March 2, June 1, 2024, we had forward foreign currency contracts maturing between March 4, June 3, 2024 and May 13, 2024. February 5, 2025. The mark-to-market effect associated with these contracts was largely offset by the underlying transaction gains and losses resulting from the foreign currency exposures for which these contracts relate.

The amounts of pretax gains (losses) recognized in other income, net related to derivative instruments not designated as hedging instruments for the three six months ended March 2, June 1, 2024 and March 4, June 3, 2023 were $5,061 $263 and $7,154, $1,276, respectively.

Concentrations of credit risk with respect to trade accounts receivable are limited due to the large number of entities in the customer base and their dispersion across many different industries and countries. As of March 2, June 1, 2024, there were no significant concentrations of credit risk.

Note 11: 12: Fair Value Measurements

Overview

Estimates of fair value for financial assets and liabilities are based on the framework established in the accounting guidance for fair value measurements. The framework defines fair value, provides guidance for measuring fair value and requires certain disclosures. The framework discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow) and the cost approach (cost to replace the service capacity of an asset or replacement cost). The framework utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

- Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs that reflect management's assumptions, and include situations where there is little, if any, market activity for the asset or liability.

Balances Measured at Fair Value on a Recurring Basis

The following table presents information about our financial assets and liabilities that are measured at fair value on a recurring basis as of March 2, June 1, 2024 and December 2, 2023, and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value.

Description	March 2, 2024	Fair Value Measurements Using: Level 1	Level 2	Level 3	June 1, 2024	Fair Value Measurements Using: Level 1	Level 2	Level 3
Assets:								
Marketable securities	$ 11,052	$ 11,052	$ -	$ -	$ 3,228	$ 3,228	$ -	$ -
Foreign exchange contract assets	8,972	-	8,972	-	4,289	-	4,289	-
Interest rate swaps, cash flow hedge assets	4,070	-	4,070	-	16,149	-	16,149	-
Liabilities:								
Foreign exchange contract liabilities	$ 3,911	$ -	3,911	$ -	$ 4,026	$ -	4,026	$ -
Interest rate swaps, cash flow hedge liabilities	4,044	-	4,044	-				
Interest rate swaps, fair value hedge liabilities	40,698	-	40,698	-	42,374	-	42,374	-
Net investment hedge liabilities	67,574	-	67,574	-	67,411	-	67,411	-
Contingent consideration liability	500	-	-	500	500	-	-	500

Description	December 2, 2023	Fair Value Measurements Using: Level 1	Level 2	Level 3
Assets:				
Marketable securities	$ 19,314	$ 19,314	$ -	$ -
Foreign exchange contract assets	13,501	-	13,501	-
Interest rate swaps, cash flow hedge assets	3,632	-	3,632	-
Liabilities:				
Foreign exchange contract liabilities	$ 5,004	$ -	$ 5,004	$ -
Interest rate swaps, cash flow hedge liabilities	63	-	63	
Interest rate swaps, fair value hedge liabilities	41,532	-	41,532	
Net investment hedge liabilities	72,589	-	72,589	-
Contingent consideration liabilities	1,370	-	-	1,370

The valuation of our contingent consideration liability related to the acquisition of TissueSeal and was $500 as of March 2, June 1, 2024. The contingent consideration of $870 related to the acquisition of GSSI was paid in the first quarter of 2024. Adjustments to the fair value of contingent consideration are recorded to selling, general and administrative expenses in the Statement of Income. See Note 2 for further discussion regarding our acquisitions. The following table provides details of the contingent consideration liabilities:

	Amounts	Amounts
Balance at December 2, 2023	$ 1,370	$ 1,370
Contingent consideration payment	(870)	(870)
Balance at March 2, 2024	$ 500	
Balance at June 1, 2024		$ 500

Balances Measured at Fair Value on a Nonrecurring Basis

We measure certain assets and liabilities at fair value on a nonrecurring basis. These assets include intangible assets acquired in an acquisition. The identified intangible assets of customer relationships, technology and tradenames acquired in connection with our acquisitions were measured using unobservable (Level 3) inputs. The fair value of the intangible assets was calculated using either the income or cost approach. Significant inputs include estimated revenue growth rates, gross margins, operating expenses, attrition rate, royalty rate and discount rate.

See Note 2 for further discussion regarding our acquisitions.

Balances Disclosed at Fair Value

Long-term debt had an estimated fair value of $1,804,124 $2,008,768 and $1,785,199 as of March 2, June 1, 2024 and December 2, 2023, respectively. The fair value of long-term debt is based on quoted market prices for the same or similar issues or on the current rates offered for debt of similar maturities. The estimated fair value of these long-term obligations is not necessarily indicative of the amount that would be realized in a current market exchange.

Note 12: 13: Commitments and Contingencies

Environmental Matters

We are involved in environmental investigations, clean-up activities and administrative proceedings related to environmental compliance matters at former and current operating facilities. We have also been identified as a potentially responsible party ("PRP") under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") and/or similar state laws that impose liability for costs relating to the clean-up of contamination resulting from past spills, disposal or other release of hazardous substances associated with landfills and/or hazardous waste sites. As a PRP, we may be required to pay a share of the costs of investigation and clean-up of these sites. We are subject to similar laws in some of the countries where current and former facilities are located. Our environmental, health and safety department monitors compliance with applicable laws on a global basis. To the extent we can reasonably estimate the amount of our probable liabilities for environmental matters, we establish an undiscounted financial provision. We recorded liabilities of $4,581 $4,426 and $5,034 as of March 2, June 1, 2024 and December 2, 2023, respectively, for probable and reasonably estimable environmental remediation costs. Of the amount reserved, $1,888 $1,745 and $2,301 as of March 2, June 1, 2024 and December 2, 2023, respectively, is attributable to a facility we own in Simpsonville, South Carolina as a result of our Royal Adhesives acquisition that is a designated site under CERCLA.

While uncertainties exist with respect to the amounts and timing of the ultimate environmental liabilities, based on currently available information, we have concluded that these matters, individually or in the aggregate, will not have a material adverse effect on our results of operations, financial condition or cash flow.

Other Legal Proceedings

From time to time and in the ordinary course of business, we are a party to, or a target of, lawsuits, claims, investigations and proceedings, including product liability, personal injury, contract, patent and intellectual property, environmental, health and safety, tax and employment matters. While we are unable to predict the outcome of these matters, we have concluded, based upon currently available information, that the ultimate resolution of any pending matter, individually or in the aggregate, including the asbestos litigation described in the following paragraphs, will not have a material adverse effect on our results of operations, financial condition or cash flow.

We have been named as a defendant in lawsuits in which plaintiffs have alleged injury due to products containing asbestos manufactured more than 35 years ago. The plaintiffs generally bring these lawsuits against multiple defendants and seek damages (both actual and punitive) in very large amounts. In many cases, plaintiffs are unable to demonstrate that they have suffered any compensable injuries or that the injuries suffered were the result of exposure to products manufactured by us. We are typically dismissed as a defendant in such cases without payment. If the plaintiff presents evidence indicating that compensable injury occurred as a result of exposure to our products, the case is generally settled for an amount that reflects the seriousness of the injury, the length, intensity and character of exposure to products containing asbestos, the number and solvency of other defendants in the case, and the jurisdiction in which the case has been brought.

A significant portion of the defense costs and settlements in asbestos-related litigation is paid by third parties, including indemnification pursuant to the provisions of a 1976 agreement under which we acquired a business from a third party. Currently, this third party is defending and paying settlement amounts, under a reservation of rights, in most of the asbestos cases tendered to the third party.

In addition to the indemnification arrangements with third parties, we have insurance policies that generally provide coverage for asbestos liabilities, including defense costs. Historically, insurers have paid a significant portion of our defense costs and settlements in asbestos-related litigation. However, certain of our insurers are insolvent. We have entered into cost-sharing agreements with our insurers that provide for the allocation of defense costs and settlements and judgments in asbestos-related lawsuits. These agreements require, among other things, that we fund a share of settlements and judgments allocable to years in which the responsible insurer is insolvent.

A summary of the number of and settlement amounts for asbestos-related lawsuits and claims is as follows:

	Three Months Ended		3 Years Ended	Six Months Ended		3 Years Ended
	March 2, 2024	March 4, 2023	December 2, 2023	June 1, 2024	June 3, 2023	December 2, 2023
Lawsuits and claims settled	4	2	18	7	5	18
Settlement amounts	$ 705	$ 30	$ 4,581	$ 1,033	$ 3,495	$ 4,581
Insurance payments received or expected to be received	$ 519	$ 39	$ 2,629	$ 730	$ 1,944	$ 2,629

We do not believe that it would be meaningful to disclose the aggregate number of asbestos-related lawsuits filed against us because relatively few of these lawsuits are known to involve exposure to asbestos-containing products that we manufactured. Rather, we believe it is more meaningful to disclose the number of lawsuits that are settled and result in a payment to the plaintiff. To the extent we can reasonably estimate the amount of our probable liabilities for pending asbestos-related claims, we establish a financial provision and a corresponding receivable for insurance recoveries.

In February 2024, the named plaintiffs in *Rouse et al. v. H.B. Fuller Company et al.* filed a third amended complaint in their lawsuit against the Company and one of its subsidiaries, which was initiated in September 2022. The suit is pending in the federal District of Minnesota and seeks damages arising from property damage attributed to alleged defects in grout sold by the Company or its affiliates. The named plaintiffs seek to represent a class but have not yet moved for class certification. The Company intends to vigorously defend itself against the claims outlined in this lawsuit. As of March 2, June 1, 2024, we are unable to estimate any possible loss or range of possible losses and have not recorded a loss contingency for this matter.

Based on currently available information, we have concluded that the resolution of any pending matter, including asbestos-related litigation, individually or in the aggregate, will not have a material adverse effect on our results of operations, financial condition or cash flow.

Note 13: 14: Share Repurchase Program

On April 22,2022, the Board of Directors authorized a share repurchase program of up to $300,000 of our outstanding common shares for a period of up to five years. Under the program, we are authorized to repurchase shares for cash on the open market, from time to time, in privately negotiated transactions or block transactions, or through an accelerated repurchase agreement. The timing of such repurchases is dependent on price, market conditions and applicable regulatory requirements. Upon repurchasing shares, we reduce our common stock for the par value of the shares with the excess being applied against additional paid-in capital.

During the second quarter of 2024, we repurchased shares under this program with an aggregate value of $14,262. Of this amount, $183 reduced common stock and $14,079 reduced additional paid-in capital. There were no shares repurchased under this program during the first quarter of 2024 or the firstsix months of 2023.

Note 15: Segments

We are required to report segment information in the same way that we internally organize our business for assessing performance and making decisions regarding allocation of resources. Revenue and operating income of each of our segments are regularly reviewed by our chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance. Segment operating income is identified as gross profit less SG&A expenses. Corporate expenses, other than those included in

Corporate Unallocated, are allocated to each operating segment. Consistent with our internal management reporting, Corporate Unallocated amounts include business acquisition and integration costs, organizational restructuring charges and project costs associated with implementing a global Enterprise Resource Planning ("ERP") system that we refer to as Project ONE. Corporate assets are not allocated to the operating segments. Inter-segment revenues are recorded at cost plus a markup for administrative costs.

We have three reportable segments: Hygiene, Health and Consumable Adhesives, Engineering Adhesives and Construction Adhesives. The business components within each operating segment are managed to maximize the results of the overall operating segment rather than the results of any individual business component of the operating segment. Results of individual components of each operating segment are subject to numerous allocations of segment-wide costs that may or may not have been focused on that particular component for a particular reporting period. The costs for these allocated resources are not tracked on a "where-used" basis as financial performance is assessed at the total operating segment level.

The table below provides certain information regarding net revenue and operating income (loss) for each of our operating segments.

	Three Months Ended				Three Months Ended			
	March 2, 2024		March 4, 2023		June 1, 2024		June 3, 2023	
	Net Revenue	Operating Income (Loss)	Net Revenue	Operating Income (Loss)	Net Revenue	Operating Income (Loss)	Net Revenue	Operating Income (Loss)
Hygiene, Health and Consumable Adhesives	$ 367,693	$ 46,877	$ 383,528	$ 45,146	$ 393,111	$ 50,488	$ 404,486	$ 51,592
Engineering Adhesives	328,766	34,834	333,067	32,475	373,518	51,822	364,080	44,400
Construction Adhesives	113,960	(2,619)	92,588	(9,634)	150,478	10,418	129,673	5,969
Total segment	$ 810,419	$ 79,092	$ 809,183	$ 67,987	$ 917,107	$ 112,728	$ 898,239	$ 101,961
Corporate Unallocated[1]	-	(12,217)	-	(7,720)	-	(12,132)	-	(11,811)
Total	$ 810,419	$ 66,875	$ 809,183	$ 60,267	$ 917,107	$ 100,596	$ 898,239	$ 90,150

	Six Months Ended			
	June 1, 2024		June 3, 2023	
	Net Revenue	Operating Income (Loss)	Net Revenue	Operating Income (Loss)
Hygiene, Health and Consumable Adhesives	$ 760,804	$ 97,366	$ 788,014	$ 96,738
Engineering Adhesives	702,283	86,655	697,147	76,875
Construction Adhesives	264,438	7,799	222,260	(3,664)
Total segment	$ 1,727,525	$ 191,820	$ 1,707,421	$ 169,949
Corporate Unallocated	-	(24,349)	-	(19,533)
Total	$ 1,727,525	$ 167,471	$ 1,707,421	$ 150,416

[1] Consistent with our internal management reporting, Corporate Unallocated amounts in the tables above include charges that are not allocated to the Company's reportable segments.

The table below provides a reconciliation of operating income to income before income taxes and income from equity method investments:

	Three Months Ended		Three Months Ended		Six Months Ended	
	March 2, 2024	March 4, 2023	June 1, 2024	June 3, 2023	June 1, 2024	June 3, 2023
Operating income	$ 66,875	$ 60,267	$ 100,596	$ 90,150	$ 167,471	$ 150,416
Other income, net	1,501	2,604	3,634	605	5,135	3,209
Interest expense	(31,901)	(33,069)	(32,314)	(33,131)	(64,216)	(66,200)
Interest income	1,307	667	1,199	932	2,506	1,599
Income before income taxes and income from equity method investments	$ 37,782	$ 30,469	$ 73,115	$ 58,556	$ 110,896	$ 89,024

We view the following disaggregation of net revenue by geographic region as useful to understanding the composition of revenue recognized during the respective reporting periods:

	Three Months Ended March 2, 2024				Three Months Ended June 1, 2024			
	Hygiene, Health and Consumable Adhesives	Engineering Adhesives	Construction Adhesives	Total	Hygiene, Health and Consumable Adhesives	Engineering Adhesives	Construction Adhesives	Total
Americas	$ 216,306	$ 133,051	$ 82,532	$ 431,889	$ 227,068	$ 159,216	$ 112,284	$ 498,568
EIMEA	103,889	105,132	24,985	234,006	112,631	116,468	29,523	258,622
Asia Pacific	47,498	90,583	6,443	144,524	53,412	97,834	8,671	159,917
Total	$ 367,693	$ 328,766	$ 113,960	$ 810,419	$ 393,111	$ 373,518	$ 150,478	$ 917,107

	Three Months Ended March 4, 2023				Three Months Ended June 3, 2023			
	Hygiene, Health and Consumable Adhesives	Engineering Adhesives	Construction Adhesives	Total	Hygiene, Health and Consumable Adhesives	Engineering Adhesives	Construction Adhesives	Total
Americas	$ 223,618	$ 133,470	$ 70,964	$ 428,052	$ 237,325	$ 149,239	$ 101,642	$ 488,206
EIMEA	107,072	113,360	14,578	235,010	114,723	119,199	19,917	253,839
Asia Pacific	52,838	86,237	7,046	146,121	52,438	95,642	8,114	156,194
Total	$ 383,528	$ 333,067	$ 92,588	$ 809,183	$ 404,486	$ 364,080	$ 129,673	$ 898,239

Note 14: Subsequent Event

	Six Months Ended June 1, 2024			
	Hygiene, Health and Consumable Adhesives	Engineering Adhesives	Construction Adhesives	Total
Americas	$ 443,374	$ 292,267	$ 194,816	$ 930,457
EIMEA	216,520	221,599	54,508	492,627
Asia Pacific	100,910	188,417	15,114	304,441
Total	$ 760,804	$ 702,283	$ 264,438	$ 1,727,525

On March 4, 2024, we entered into a Refinancing and Incremental Amendment (the "Refinancing and Incremental Amendment"), which amends the Second Amended and Restated Credit Agreement dated as of February 15, 2023, as previously amended. Pursuant to the Refinancing and Incremental Amendment, (i) the existing Term B loans under the Credit Agreement were refinanced by "Refinancing Loans" (as defined in the Credit Agreement) in the principal amount of $794,000 (the "Amended TLB"), (ii) certain lenders party to the Refinancing and Incremental Amendment made additional Term B loans to the Company in the principal amount of $200,000, thereby increasing the aggregate principal amount of the Amended TLB to $994,000, and (iii) the interest rate margins applicable to the Amended TLB were decreased by 25 basis points (0.25% per annum) to 200 basis points for SOFR rate loans and 100 basis points for prime rate loans. The commitment fee rates and interest rates applicable to the revolving credit facility and the term loan A facility remain unchanged.

	Six Months Ended June 3, 2023			
	Hygiene, Health and Consumable Adhesives	Engineering Adhesives	Construction Adhesives	Total
Americas	$ 460,944	$ 282,709	$ 172,606	$ 916,259
EIMEA	221,794	232,559	34,495	488,848

Asia Pacific	105,276	181,879	15,159	302,314
Total	$ 788,014	$ 697,147	$ 222,260	$ 1,707,421

21

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

The Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with the MD&A included in our Annual Report on Form 10-K for the year ended December 2, 2023 for important background information related to our business.

Net revenue in the first second quarter of 2024 increased 0.2 2.1 percent from the first second quarter of 2023. Net revenue increased 5.0 3.9 percent due to acquisitions and , 3.3 percent due to sales volume, partially offset by a 3.3 3.4 percent decrease in pricing 0.9 percent decrease due to sales volume and 0.6 a 1.7 percent decrease due to negative currency effect compared to the first second quarter of 2023. The negative currency effects were primarily driven by a weaker Turkish lira, Chinese renminbi and Egyptian pound offset by a stronger Brazilian real and Mexican peso compared to the U.S. dollar. Gross profit margin increased 220 basis points primarily due to lower raw material costs and higher sales volume partially offset by lower product pricing.

Net revenue in the first six months of 2024 increased 1.2 percent from the first six months of 2023. Net revenue increased 4.4 percent due to acquisitions and 1.4 percent due to sales volume, partially offset by a 3.4 percent decrease in pricing and a 1.2 percent decrease due to negative currency effect compared to the first six months of 2023. The negative currency effects were primarily driven by a weaker Turkish lira, Chinese renminbi and Egyptian pound offset by a stronger Euro, Brazilian real, Mexican peso and Mexican Colombian peso compared to the U.S. dollar. Gross profit margin increased 300 260 basis points primarily due to lower raw material costs partially offset by the impact of lower product pricing and sales volume. pricing.

Net income attributable to H.B. Fuller in the second quarter of 2024 was $51.3 million compared to $40.4 million in the second quarter of 2023. Diluted earnings per share for the second quarter of 2024 was $0.91 per share compared to $0.73 per share for the second quarter of 2023.

Net income attributable to H.B. Fuller in the first quarter six months of 2024 was $31.0 $82.3 million compared to $21.9 $62.3 million in the first quarter six months of 2023. Diluted earnings per share for the first quarter six months of 2024 was $0.55 $1.45 per share compared to $0.39 $1.12 per share for the first quarter six months of 2023.

Restructuring Plans

During the second and third quarters of 2023, the Company approved restructuring plans (the "Plans") related to organizational changes and other actions to optimize operations and integrate acquired businesses. In implementing the Plans, the Company currently expects to incur costs of approximately $39.1 million to $44.1 million ($30.4 million to $34.4 million after-tax), which include (i) cash expenditures of approximately $28.4 million to $29.6 million ($22.0 million to $23.0 million after tax) for severance and related employee costs globally and (ii) other restructuring costs related to the streamlining of processes and the payment of anticipated income taxes in certain jurisdictions related to the Plans. We have incurred costs of $32.2 million $37.1 million under the Plans as of March 2, 2024 June 1, 2024. The Plans were implemented in the second quarter of fiscal year 2023 and are currently expected to be completed during fiscal year 2026. The restructuring costs will be spread across the next several fiscal quarters as the measures are implemented with the majority of the charges recognized and cash payments occurring in fiscal 2023 and 2024.

Results of Operations

Net revenue:

	Three Months Ended			Three Months Ended			Six Months Ended		
	March 2,	March 4,	2024 vs	June 1,	June 3,	2024 vs	June 1,	June 3,	2024 vs
($ in millions)	2024	2023	2023	2024	2023	2023	2024	2023	2023
Net revenue	$ 810.4	$ 809.2	0.2 %	$ 917.1	$ 898.2	2.1 %	$ 1,727.5	$ 1,707.4	1.2 %

We review variances in net revenue in terms of changes related to sales volume, product pricing, business acquisitions and divestitures ("M&A") and changes in foreign currency exchange rates. The following table shows the net revenue variance analysis for the second quarter and first quarter six months of 2024 compared to the third second quarter and first nine six months of 2023:

Three Months Ended

	March 2, 2024 vs. March 4, 2023
Organic growth	(4.2)%
M&A	5.0 %
Currency	(0.6)%
Total	0.2 %

	Three Months Ended June 1, 2024 vs. June 3, 2023	Six Months Ended June 1, 2024 vs. June 3, 2023
Organic growth	(0.1)%	(2.0)%
M&A	3.9 %	4.4 %
Currency	(1.7)%	(1.2)%
Total	2.1 %	1.2 %

Organic growth was a negative 4.2 revenue decreased 0.1 percent in the first second quarter of 2024 compared to the first second quarter of 2023 and consisted of a 9.4 7.2 percent increase in Construction Adhesives and a 2.5 percent increase in Engineering Adhesives, offset by a 4.7 percent decrease in Hygiene, Health and Consumable Adhesives and Adhesives. The decrease was driven by a 2.3 3.4 percent decrease in Engineering Adhesives, product pricing, partially offset by a 10.3 3.3 percent increase in Construction Adhesives. The decrease is driven by a decrease in product pricing and sales volume. The 5.0 3.9 percent increase from M&A is was due to our acquisitions that occurred in the last twelve months. The negative 0.6 1.7 percent foreign currency impact was primarily driven by a weaker Turkish lira, Chinese renminbi and Egyptian pound offset by a stronger Brazilian real and Mexican peso compared to the U.S. dollar.

Organic revenue decreased 2.0 percent in the first six months of 2024 compared to the first six months of 2023 and consisted of an 8.5 percent increase in Construction Adhesives and a 0.2 percent increase in Engineering Adhesives, offset by a 7.1 percent decrease in Hygiene, Health and Consumable Adhesives. The decrease was driven by a 3.4 percent decrease in product pricing, partially offset by a 1.4 percent increase in sales volume. The 4.4 percent increase from M&A was due to our acquisitions that occurred in the last twelve months. The negative 1.2 percent foreign currency impact was primarily driven by a weaker Turkish lira, Chinese renminbi and Egyptian pound offset by a stronger Euro, Brazilian real, Mexican peso and Mexican Colombian peso compared to the U.S. dollar.

Cost of sales:

	Three Months Ended			Three Months Ended			Six Months Ended		
($ in millions)	March 2, 2024	March 4, 2023	2024 vs 2023	June 1, 2024	June 3, 2023	2024 vs 2023	June 1, 2024	June 3, 2023	2024 vs 2023
Cost of sales	$ 571.2	$ 594.4	(3.9)%	$ 635.1	$ 641.5	(1.0)%	$ 1,206.2	$ 1,235.8	(2.4)%
Percent of net revenue	70.5%	73.5%		69.3%	71.4%		69.8%	72.4%	

Cost of sales in the first second quarter of 2024 compared to the first second quarter of 2023 decreased 300 210 basis points as a percentage of net revenue. Lower Raw material cost as a percentage of net revenue decreased 280 basis points in 2024 compared to 2023 due to lower raw material costs. Other manufacturing costs as a percentage of net revenue increased 70 basis points in 2024 compared to 2023 due to a decrease in product pricing partially offset by higher sales volume.

Cost of sales in the impact of lower sales volume and pricing led first six months of 2024 compared to the decrease. first six months of 2023 decreased 260 basis points as a percentage of net revenue. Raw material cost as a percentage of net revenue decreased 370 basis points in 2024 compared to 2023 due to lower raw material costs. Other manufacturing costs as a percentage of net revenue increased 110 basis points in 2024 compared to 2023 primarily due to a decrease in product pricing.

Gross profit:

	Three Months Ended			Three Months Ended			Six Months Ended		
($ in millions)	March 2, 2024	March 4, 2023	2024 vs 2023	June 1, 2024	June 3, 2023	2024 vs 2023	June 1, 2024	June 3, 2023	2024 vs 2023
Gross profit	$ 239.2	$ 214.8	11.4%	$ 282.1	$ 256.8	9.9%	$ 521.3	$ 471.6	10.5%
Percent of net revenue	29.5%	26.5%		30.8%	28.6%		30.2%	27.6%	

Gross profit in the first second quarter of 2024 increased 11.4 9.9 percent and gross profit margin increased 300 220 basis points compared to the first second quarter of 2023. The increase in gross profit margin was primarily due to lower a 280 basis point decrease in raw material costs, materials partially offset by a 70 basis point increase in other manufacturing costs.

Gross profit in the impact first six months of lower sales volume 2024 increased 10.5 percent and decreased product pricing gross profit margin increased 260 basis points compared to the first six months of 2023. The increase in gross profit margin was due to a 370 basis point decrease in raw materials offset by a 110 basis point increase in other manufacturing costs.

Selling, general and administrative (SG&A) expenses:

	Three Months Ended			Three Months Ended			Six Months Ended		
($ in millions)	March 2, 2024	March 4, 2023	2024 vs 2023	June 1, 2024	June 3, 2023	2024 vs 2023	June 1, 2024	June 3, 2023	2024 vs 2023
SG&A	$ 172.4	$ 154.5	11.6 %	$ 181.5	$ 166.6	8.9 %	$ 353.8	$ 321.2	10.1 %
Percent of net revenue	21.3 %	19.1 %		19.8 %	18.5 %		20.5 %	18.8 %	

SG&A expenses for the first second quarter of 2024 compared to the first second quarter of 2023 increased 220 130 basis points as a percentage of net revenue. The increase is was due to the impact of acquisitions and higher restructuring compensation costs.

SG&A expenses for the first six months of 2024 compared to the first six months of 2023 increased 170 basis points as a percentage of net revenue. The increase was due to the impact of acquisitions and variable higher compensation costs.

Other income, net:

	Three Months Ended			Three Months Ended			Six Months Ended		
($ in millions)	March 2, 2024	March 4, 2023	2024 vs 2023	June 1, 2024	June 3, 2023	2024 vs 2023	June 1, 2024	June 3, 2023	2024 vs 2023
Other income, net	$ 1.5	$ 2.6	(42.3)%	$ 3.6	$ 0.6	500.0 %	$ 5.1	$ 3.2	59.4 %

Other income, net in the first second quarter of 2024 included $4.0 million of net defined benefit pension benefits, partially offset by $2.1 $0.3 million of currency transaction losses and a $0.4 $0.1 million of other expense. Other income, net in the second quarter of 2023 included $3.6 million of net defined benefit pension benefits and $0.4 million of other income, partially offset by $3.4 million of currency transaction losses.

Other income, net in the first six months of 2024 included $7.9 million of net defined benefit pension benefits, partially offset by $2.3 million of currency transaction losses, a $0.4 million loss from the write-off of a cost method investment. investment and $0.1 million of other expense. Other income, net in the first quarter six months of 2023 included $6.5 $10.1 million of net defined benefit pension benefits and $0.2 million $0.7 million of other income, partially offset by $4.1 million $7.6 million of currency transaction losses.

Interest expense:

	Three Months Ended			Three Months Ended			Six Months Ended		
($ in millions)	March 2, 2024	March 4, 2023	2024 vs 2023	June 1, 2024	June 3, 2023	2024 vs 2023	June 1, 2024	June 3, 2023	2024 vs 2023
Interest expense	$ 31.9	$ 33.1	(3.6)%	$ 32.3	$ 33.1	(2.4)%	$ 64.2	$ 66.2	(3.0)%

Interest expense in the first second quarter of 2024 was $31.9 32.3 million compared to $33.1 million in the first second quarter of 2023 and was lower primarily due to lower interest rates and lower debt balances.

Interest expense in the first six months of2024 was $64.2 million compared to $66.2 million in the first six months of2023 and was lower primarily due to lower interest rates and lower debt balances.

Interest income:

($ in millions)	Three Months Ended March 2, 2024	Three Months Ended March 4, 2023	Three Months Ended 2024 vs 2023	Three Months Ended June 1, 2024	Three Months Ended June 3, 2023	Three Months Ended 2024 vs 2023	Six Months Ended June 1, 2024	Six Months Ended June 3, 2023	Six Months Ended 2024 vs 2023
Interest income	$ 1.3	$ 0.7	85.7 %	$ 1.2	$ 0.9	33.3 %	$ 2.5	$ 1.6	56.3 %

Interest income in the second quarter of 2024 and 2023 was $1.2 million and $0.9 million, respectively, consisting primarily of interest on cross-currency swap activity and other miscellaneous interest income.

Interest income in the first quarter six months of 2024 and 2023 was $1.3 $2.5 million and $0.7 $1.6 million, respectively, consisting primarily of interest on cross-currency swap activity and other miscellaneous interest income.

Income taxes:

($ in millions)	Three Months Ended March 2, 2024	Three Months Ended March 4, 2023	Three Months Ended 2024 vs 2023	Three Months Ended June 1, 2024	Three Months Ended June 3, 2023	Three Months Ended 2024 vs 2023	Six Months Ended June 1, 2024	Six Months Ended June 3, 2023	Six Months Ended 2024 vs 2023
Income taxes	$ 7.8	$ 9.7	(19.6)%	$ 22.4	$ 19.3	16.1 %	$ 30.2	$ 29.0	4.1 %
Effective tax rate	20.7 %	31.9 %		30.7 %	33.0 %		27.3 %	32.6 %	

Income tax expense of $7.8 $22.4 million in the second quarter of 2024 includes $1.3 million of discrete tax expense. Excluding the discrete tax expense, the overall effective tax rate was 28.9 percent. The discrete tax expense relates to various foreign tax matters offset by an excess tax benefit related to U.S. stock compensation. Income tax expense of $19.3 million in the second quarter of 2023 includes $2.0 million of discrete tax expense. Excluding the discrete tax expense, the overall effective tax rate was 29.5 percent. The discrete tax expense related to various foreign tax matters.

Income tax expense of $30.2 million in the first quarter six months of 2024 includes $2.5 million $1.2 million of discrete tax benefit. Excluding the discrete tax benefit, the overall effective tax rate was 27.4 28.4 percent. The discrete tax benefit relates to various foreign tax matters, as well an excess tax benefit related to U.S. stock compensation. compensation offset by various foreign tax matters. Income tax expense of $9.7 $29.0 million in the first quarter six months of 2023 includes $0.8 million $2.9 million of discrete tax expense. Excluding the discrete tax expense, the overall effective tax rate was 29.2 29.4 percent. The discrete tax expense relates related to various foreign tax matters offset by an excess tax benefit related to U.S. stock compensation.

Income from equity method investments:

($ in millions)	Three Months Ended March 2, 2024	Three Months Ended March 4, 2023	Three Months Ended 2024 vs 2023	Three Months Ended June 1, 2024	Three Months Ended June 3, 2023	Three Months Ended 2024 vs 2023	Six Months Ended June 1, 2024	Six Months Ended June 3, 2023	Six Months Ended 2024 vs 2023
Income from equity method investments	$ 1.0	$ 1.2	(16.7)%	$ 0.6	$ 1.2	(50.0)%	$ 1.6	$ 2.3	(30.4)%

The income from equity method investments relates to our 50 percent ownership of the Sekisui-Fuller joint venture in Japan. The lower income for the second quarter and first quarter six months of 2024 compared to the second quarter and first quarter six months of 2023 is due to lower net income in our joint venture and the unfavorable impact of the weakening of the Japanese yen against the U.S. dollar.

Net income attributable to H.B. Fuller:

($ in millions)	Three Months Ended March 2, 2024	Three Months Ended March 4, 2023	Three Months Ended 2024 vs 2023	Three Months Ended June 1, 2024	Three Months Ended June 3, 2023	Three Months Ended 2024 vs 2023	Six Months Ended June 1, 2024	Six Months Ended June 3, 2023	Six Months Ended 2024 vs 2023
Net income attributable to H.B. Fuller	$ 31.0	$ 21.9	41.6 %	$ 51.3	$ 40.4	27.0 %	$ 82.3	$ 62.3	32.1 %
Percent of net revenue	3.8 %	2.7 %		5.6 %	4.5 %		4.8 %	3.6 %	

The net income attributable to H.B. Fuller for the second quarter of 2024 was $51.3 million compared to $40.4 million for the second quarter of 2023. The diluted earnings per share for the second quarter of 2024 was $0.91 per share as compared to $0.73 per share for the second quarter of 2023.

The net income attributable to H.B. Fuller for the first quarter six months of 2024 was $31.0 $82.3 million compared to $21.9 $62.3 million for the first quarter six months of 2023. The diluted earnings per share for the first quarter six months of 2024 was $0.55 $1.45 per share as compared to $0.39 $1.12 per share for the first quarter six months of 2023.

Operating Segment Results

We have three reportable segments: Hygiene, Health and Consumable Adhesives, Engineering Adhesives and Construction Adhesives. Operating results of each of these segments are regularly reviewed by our chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance.

The tables below provide certain information regarding the net revenue and operating income of each of our operating segments.

Corporate Unallocated amounts include business acquisition and integration costs, organizational restructuring charges and project costs associated with implementing a global Enterprise Resource Planning ("ERP") system that we refer to as Project ONE.

Net Revenue by Segment:

	Three Months Ended				Three Months Ended				Six Months Ended			
	March 2, 2024		March 4, 2023		June 1, 2024		June 3, 2023		June 1, 2024		June 3, 2023	
($ in millions)	Net Revenue	% of Total	Net Revenue	% of Total	Net Revenue	% of Total	Net Revenue	% of Total	Net Revenue	% of Total	Net Revenue	% of Total
Hygiene, Health and Consumable Adhesives	$ 367.7	45%	$ 383.5	47%	$ 393.1	43%	$ 404.5	45%	$ 760.8	44%	$ 788.0	46%
Engineering Adhesives	328.7	41%	333.1	41%	373.5	41%	364.1	41%	702.3	41%	697.1	41%
Construction Adhesives	114.0	14%	92.6	12%	150.5	16%	129.6	14%	264.4	15%	222.3	13%
Segment total	$ 810.4	100%	$ 809.2	100%	$ 917.1	100%	$ 898.2	100%	$ 1,727.5	100%	$ 1,707.4	100%
Corporate Unallocated	-	-	-	-	-	-	-	-	-	-	-	-
Total	$ 810.4	100%	$ 809.2	100%	$ 917.1	100%	$ 898.2	100%	$ 1,727.5	100%	$ 1,707.4	100%

Segment Operating Income (Loss):

	Three Months Ended				Three Months Ended				Six Months Ended			
	March 2, 2024		March 4, 2023		June 1, 2024		June 3, 2023		June 1, 2024		June 3, 2023	
($ in millions)	Segment Operating Income (Loss)	% of Total	Segment Operating Income (Loss)	% of Total	Segment Operating Income (Loss)	% of Total	Segment Operating Income (Loss)	% of Total	Segment Operating Income (Loss)	% of Total	Segment Operating Income (Loss)	% of Total
Hygiene, Health and Consumable Adhesives	$ 46.9	70%	$ 45.1	75%	$ 50.5	50%	$ 51.6	57%	$ 97.4	58%	$ 96.7	64%
Engineering Adhesives	34.8	52%	32.5	54%	51.8	52%	44.4	49%	86.6	52%	76.9	51%
Construction Adhesives	(2.6)	(4)%	(9.6)	(16)%	10.4	10%	6.0	7%	7.8	5%	(3.7)	(2)%
Segment total	$ 79.1	118%	$ 68.0	113%	$ 112.7	112%	$ 102.0	113%	$ 191.8	115%	$ 169.9	113%
Corporate Unallocated	(12.2)	(18)%	(7.7)	(13)%	(12.1)	(12)%	(11.8)	(13)%	(24.3)	(15)%	(19.5)	(13)%
Total	$ 66.9	100%	$ 60.3	100%	$ 100.6	100%	$ 90.2	100%	$ 167.5	100%	$ 150.4	100%

Hygiene, Health and Consumable Adhesives

	Three Months Ended			Three Months Ended			Six Months Ended		
($ in millions)	March 2, 2024	March 4, 2023	2024 vs 2023	June 1, 2024	June 3, 2023	2024 vs 2023	June 1, 2024	June 3, 2023	2024 vs 2023
Net revenue	$ 367.7	$ 383.5	(4.1)%	$ 393.1	$ 404.5	(2.8)%	$ 760.8	$ 788.0	(3.5)%

Segment operating income	$ 46.9	$ 45.1	4.0%	$ 50.5	$ 51.6	(2.1)%	$ 97.4	$ 96.7	0.6%
Segment operating margin	12.8%	11.8%		12.8%	12.8%		12.8%	12.3%	

The following table provides details of the Hygiene, Health and Consumable Adhesives net revenue variances:

	Three Months Ended March 2, 2024 vs. March 4, 2023
Organic growth	(9.4)%
M&A	5.8 %
Currency	(0.5)%
Total	(4.1)%

	Three Months Ended June 1, 2024 vs. June 3, 2023	Six Months Ended June 1, 2024 vs. June 3, 2023
Organic growth	(4.7)%	(7.1)%
M&A	4.0 %	4.9 %
Currency	(2.1)%	(1.3)%
Total	(2.8)%	(3.5)%

Net revenue decreased 4.1 2.8 percent in the first second quarter of 2024 compared to the first second quarter of 2023. The decrease in organic growth was attributable to a decrease in product pricing, partially offset by a slight increase in sales volume and product pricing. volume. The 5.8 4.0 percent increase in net revenue from M&A was due to the acquisitions of Beardow Adams in the second quarter of 2023 and Adhezion in the third quarter of 2023. The negative currency effect was due to a weaker Turkish lira, Egyptian pound and Chinese renminbi and Egyptian pound offset by a stronger Brazilian real and Mexican peso compared to the U.S. dollar. As a percentage of net revenue, gross margin increased raw material costs decreased 260 basis points due to lower raw material costs. Other manufacturing costs as a percentage of net revenue increased 60 basis points due to lower product pricing, partially offset by a slight increase in sales volume. SG&A expenses as a percentage of net revenue increased 200 basis points due to the impact of acquisitions and lower net revenue. Segment operating income decreased 2.1 percent and segment operating margin as a percentage of net revenue was flat compared to the second quarter of 2023.

Net revenue decreased 3.5 percent in the first six months of 2024 compared to the first six months of 2023. The decrease in organic growth was attributable to a decrease in product pricing and sales volume. The 4.9 percent increase in net revenue from M&A was due to the acquisitions of Beardow Adams in the second quarter of 2023 and Adhezion in the third quarter of 2023. The negative currency effect was due to a weaker Turkish lira, Egyptian pound, and Chinese renminbi offset by a stronger Brazilian real, Mexican peso and Colombian peso compared to the U.S. dollar. As a percentage of net revenue, raw material costs decreased 390 basis points due to lower raw material costs. Other manufacturing costs as a percentage of net revenue increased 100 basis points due to lower product pricing and lower sales volume. SG&A expenses as a percentage of net revenue increased 240 basis points due to the impact of acquisitions, lower net revenue and higher variable compensation costs. Segment operating income increased 4.00.6 percent and segment operating margin as a percentage of net revenue increased 10050 basis points compared to the first quarter of 2023 six months of2023.

Engineering Adhesives

($ in millions)	Three Months Ended March 2, 2024	Three Months Ended March 4, 2023	2024 vs 2023	Three Months Ended June 1, 2024	Three Months Ended June 3, 2023	2024 vs 2023	Six Months Ended June 1, 2024	Six Months Ended June 3, 2023	2024 vs 2023
Net revenue	$ 328.7	$ 333.1	(1.3)%	$ 373.5	$ 364.1	2.6%	$ 702.3	$ 697.1	0.7%
Segment operating income	$ 34.8	$ 32.5	7.1%	$ 51.8	$ 44.4	16.7%	$ 86.6	$ 76.9	12.7%
Segment operating margin	10.6%	9.8%		13.9%	12.2%		12.3%	11.0%	

The following tables provide details of the Engineering Adhesives net revenue variances:

Three Months Ended

	March 2, 2024 vs. March 4, 2023
Organic growth	(2.3)%
M&A	1.9 %
Currency	(0.9)%
Total	(1.3)%

	Three Months Ended June 1, 2024 vs. June 3, 2023	Six Months Ended June 1, 2024 vs. June 3, 2023
Organic growth	2.5 %	0.2 %
M&A	1.9 %	1.9 %
Currency	(1.8)%	(1.4)%
Total	2.6 %	0.7 %

Net revenue decreased 1.3increased 2.6 percent in the firstsecond quarter of 2024 compared to the firstsecond quarter of 2023. The decreaseincrease in organic growth was attributable to an increase in sales volume, partially offset by a decrease in product pricing and sales volume. pricing. The 1.9 percent increase in net revenue from M&A was due to the acquisition of ND Industries in the second quarter of 2024. The negative currency effect was due to a weaker Chinese renminbi and Turkish lira offset by a stronger British pound sterling compared to the U.S. dollar. As a percentage of net revenue, raw material costs decreased 290 basis points due to lower raw material costs. Other manufacturing costs as a percentage of net revenue increased 50 basis points. SG&A expenses as a percentage of net revenue increased 70 basis points primarily due to higher compensation costs. Segment operating income increased 16.7 percent and segment operating margin increased 170 basis points compared to the second quarter of 2023.
Net revenue increased 0.7 percent in the first six months of2024 compared to the first six months of2023. The increase in organic growth was attributable to an increase in sales volume, partially offset by a decrease in product pricing. The 1.9 percent increase in net revenue from M&A was due to the acquisition of Aspen in the first quarter of 2023. 2023 and ND Industries in the second quarter of 2024. The negative currency effect was due to a weaker Chinese renminbi and Turkish lira offset by a stronger Euro compared to the U.S. dollar. Gross margin As a percentage of net revenue, raw material costs decreased 350 basis points due to lower raw material costs. Other manufacturing costs as a percentage of net revenue increased 90 basis points due to lower raw material costs, partially offset by the impact of lower product pricing, andpartially offset by increased sales volume. SG&A expenses as a percentage of net revenue increased by 130 basis points due to lower net revenue and higher variable compensation costs. Segment operating income increased 7.112.7 percent and segment operating margin increased 80130 basis points compared to the first quarter of 2023 six months of2023.

Construction Adhesives

	Three Months Ended			Three Months Ended			Six Months Ended		
($ in millions)	March 2, 2024	March 4, 2023	2024 vs 2023	June 1, 2024	June 3, 2023	2024 vs 2023	June 1, 2024	June 3, 2023	2024 vs 2023
Net revenue	$ 114.0	$ 92.6	23.1 %	$ 150.5	$ 129.6	16.1 %	$ 264.4	$ 222.3	19.0 %
Segment operating loss	$ (2.6)	$ (9.6)	(72.9)%						
Segment operating income				$ 10.4	$ 6.0	74.5 %	$ 7.8	$ (3.7)	(312.9)%
Segment operating margin	(2.3)%	(10.4)%		6.9 %	4.6 %		2.9 %	(1.7)%	

The following tables provide details of the Construction Adhesives net revenue variances:

	Three Months Ended March 2, 2024 vs. March 4, 2023
Organic growth	10.3 %
M&A	12.7 %
Currency	0.1 %
Total	23.1 %

	Three Months Ended	Six Months Ended

	June 1, 2024 vs. June 3, 2023	June 1, 2024 vs. June 3, 2023
Organic growth	7.2 %	8.5 %
M&A	8.9 %	10.5 %
Currency	(0.1)%	0.0 %
Total	16.0 %	19.0 %

Net revenue increased 23.1 16.0 percent in the first second quarter of 2024 compared to the first second quarter of 2023. The increase in organic growth was attributable to an increase in sales volume, partially offset by a slight decrease in product pricing. The 12.7 8.9 percent increase in net revenue from M&A was due to the acquisition acquisitions of XChem in the third quarter of 2023 and Sanglier in the fourth quarter of 2023. As a percentage of net revenue, raw material costs decreased Gross margin 130 basis points due to lower raw material costs. Other manufacturing costs as a percentage of net revenue increased primarily decreased 60 basis points due to higher sales volume, and lower raw material costs partially offset by a slight decrease in lower product pricing. SG&A expenses as a percentage of net revenue decreased 40 basis points. Segment operating income increased 74.5 percent and segment operating margin increased 230 basis points compared to the second quarter of 2023.

Net revenue increased 19.0 percent in the first six months of 2024 compared to the first six months of 2023. The increase in organic growth was attributable to an increase in sales volume, partially offset by a decrease in product pricing. The 10.5 percent increase in net revenue from M&A was due to the acquisitions of XChem in the third quarter of 2023 and Sanglier in the fourth quarter of 2023. As a percentage of net revenue, raw material costs decreased 190 basis points due to lower raw material costs. Other manufacturing costs as a percentage of net revenue decreased 90 basis points due to higher sales volume, partially offset by lower product pricing. SG&A expenses as a percentage of net revenue decreased by 190 basis points due increased net revenue, partially offset by the impact of acquisitions and higher variable compensation costs. Segment operating loss decreased 72.9312.9 percent to operating income and segment operating margin increased 810470 basis points compared to the first quarter of 2023 six months of2023.

Corporate Unallocated

($ in millions)	Three Months Ended March 2, 2024	Three Months Ended March 4, 2023	Three Months Ended 2024 vs 2023	Three Months Ended June 1, 2024	Three Months Ended June 3, 2023	Three Months Ended 2024 vs 2023	Six Months Ended June 1, 2024	Six Months Ended June 3, 2023	Six Months Ended 2024 vs 2023
Net revenue	$ -	$ -	0.0 %	$ -	$ -	0.0 %	$ -	$ -	0.0 %
Segment operating loss	$ (12.2)	$ (7.7)	58.4 %	$ (12.1)	$ (11.8)	2.7 %	$ (24.3)	$ (19.5)	24.7 %
Segment operating margin	NMP	NMP		NMP	NMP		NMP	NMP	

NMP = Non-meaningful percentage

Corporate Unallocated includes acquisition and integration-related charges, restructuring-related charges, and costs related to the implementation of Project ONE.

Segment operating loss in the first second quarter of 2024 increased 58.4 2.7 percent compared to the second quarter of 2023 due to higher restructuring and acquisition project costs.

Segment operating loss in the first six months of 2024 increased 24.7 percent compared to the first quarter six months of 2023 due to higher restructuring and acquisition project costs.

Financial Condition, Liquidity and Capital Resources

Total cash and cash equivalents as of March 2, 2024 June 1, 2024 were $165.2 $114.8 million compared to $179.5 million as of December 2, 2023 and $125.5 million $103.2 million as of March 4, 2023 June 3, 2023. The majority of the $165.2 $114.8 million in cash and cash equivalents as of March 2, 2024 June 1, 2024 was held outside the United States. Total long and short-term debt was $1,830.8 $2,024.9 million as of March 2, 2024 June 1, 2024, $1,838.4 million as of December 2, 2023 and $1,873.5 $1,882.3 million as of March 4, 2023 June 3, 2023. The total debt to total capital ratio as measured by total debt divided by total debt plus total stockholders' equity was 50.9 53.0 percent as of March 2, 2024 June 1, 2024 as compared to 51.1 percent as of December 2, 2023 and 53.4 52.8 percent as of March 4, 2023 June 3, 2023.

We believe that cash flows from operating activities will be adequate to meet our short-term and long-term liquidity and capital expenditure needs. In addition, we believe we have the ability to obtain both short-term and long-term debt to meet our financing needs for the foreseeable future. Cash available in the United States has historically been sufficient and we expect it will continue to be sufficient to fund U.S. operations, U.S. capital spending and U.S. pension and other postretirement benefit contributions in addition to funding U.S. acquisitions, dividend payments, debt service and share repurchases as needed. For those international earnings considered to be reinvested indefinitely, we currently have no intention to, and plans do not indicate a need to, repatriate these funds for U.S. operations.

Our credit agreements include restrictive covenants that, if not met, could lead to a renegotiation of our credit lines and a significant increase in our cost of financing. As of March 4, 2023 June 3, 2023, we were in compliance with all covenants of our contractual obligations as shown in the following table:

Covenant	Debt Instrument	Measurement	Result as of March 2, 2024 June 1, 2024
Secured Total Indebtedness / TTM[1] EBITDA	Revolving Facility and Term Loan A Facility	Not greater than 4.75[2]	2.0 2.3
TTM[1] EBITDA / Consolidated Interest Expense	Revolving Facility and Term Loan A Facility	Not less than 2.0	4.8 5.0

[1] TTM = Trailing 12 months

[2] The Maximum Secured Leverage Ratio prior to June 1, 2024, shall be 4.75 to 1.00 and will step down to 4.50 to 1.0 with respect to quarters ending after June 1, 2024

EBITDA for covenant purposes is defined as consolidated net income, plus (i) interest expense, (ii) expense for taxes paid or accrued, (iii) depreciation and amortization, (iv) certain non-cash impairment losses, (v) extraordinary non-cash losses incurred other than in the ordinary course of business, (vi) nonrecurring extraordinary non-cash restructuring charges and the non-cash impact of purchase accounting, (vii) any non-cash charge for the excess of rent expense over actual cash rent paid due to the use of straight-line rent, non-cash charge pursuant to any management equity plan, stock option plan or any other management or employee benefit, (viii) any non-cash finance charges in respect of any pension liabilities or other provisions and income (loss) attributable to deferred compensation plans, (ix) any non-recurring or unusual cash restructuring charges and operating improvements, (x) cost savings initiative and cost synergies related to acquisitions within 12 months, (xi) non-capitalized charges relating to the Company's SAP implementation, (xii) fees, costs, expenses and charges incurred in connection with the financing, (xiii) fees, costs, expenses, make-whole or penalty payments and other similar items arising out of acquisitions, investments and dispositions, the incurrence, issuance, repayment or refinancing of indebtedness and any issuance of equity interests; minus, non-recurring or unusual non-cash gains incurred not in the ordinary course of business. Provided that the aggregate amounts that may be added back for any period pursuant to clauses (ix), (x) and (xi) shall not exceed 15% of EBITDA for such period (calculated prior to giving effect to all addbacks and adjustments). For Secured Total Indebtedness / TTM EBITDA ratio, TTM EBITDA is adjusted for the pro forma results from Material Acquisitions and Material Divestitures, both as defined in the Second Amended and Restated Credit Agreement, as if the acquisition or divestiture occurred at the beginning of the calculation period. The full definition is set forth in the Second Amended and Restated Credit Agreement, the Company filed as an exhibit to its 8-K filing dated February 21, 2023.

Consolidated Interest Expense for covenant purposes is defined as the interest expense (including without limitation to the portion of capital lease obligations that constitutes imputed interest in accordance with GAAP) of the Company and its subsidiaries calculated on a consolidated basis for such period with respect to all outstanding indebtedness allocable to such period in accordance with GAAP, including net costs (or benefits) under Interest Rate Swap Agreements and commissions, discounts and other fees and charges with respect to letters of credit and the interest component of all Attributable Receivables Indebtedness.

We believe we have the ability to meet all of our contractual obligations and commitments in fiscal 2024.

Selected Metrics of Liquidity

Key metrics we monitor are net working capital as a percent of annualized net revenue, trade receivable days sales outstanding ("DSO"), inventory days on hand, trade accounts payable outstanding ("DPO") free cash flow after dividends and debt capitalization ratio.

	March 2, 2024	March 4, 2023	June 1, 2024	June 3, 2023
Net working capital as a percentage of annualized net revenue[1]	17.1 %	19.8 %	16.2 %	18.1 %
Accounts receivable DSO (in days)[2]	59	64	57	59
Inventory days on hand (in days)[3]	82	84	74	74
Trade accounts payable DPO (in days)[4]	73	69	68	62
Free (negative) cash flow[5]	$ 4.1	$ (42.1)		
Free cash flow[5]			$ 38.8	$ 4.5
Total debt to total capital ratio[6]	50.9 %	53.4 %	53.0 %	52.8 %

1 Current quarter net working capital (trade receivables, net of allowance for doubtful accounts plus inventory minus trade payables) divided by annualized net revenue (current quarter multiplied by four).

2 Trade receivables net of the allowance for doubtful accounts at the balance sheet date multiplied by 91 (13 weeks) and divided by the net revenue for the quarter.

3 Total inventory multiplied by 91 and divided by cost of sales (excluding delivery costs) for the quarter.

4 Trade accounts payable multiplied by 91 (13 weeks) and divided by the net revenue for the quarter.

[5]Year-to-date net cash provided by operating activities, less purchased property, plant and equipment. See reconciliation of net cash provided by operating activities to free (negative) cash flow.

[6]Total debt divided by (total debt plus total stockholders' equity).

Free cash flow, a non-GAAP financial measure, is defined as net cash provided by operating activities less purchased property, plant and equipment. Free cash flow is an integral financial measure used by the Company to assess its ability to generate cash in excess of its operating needs, therefore, the Company believes this financial measure provides useful information to investors. The following table reflects the manner in which free cash flow is determined and provides a reconciliation of free cash flow to net cash provided by operating activities, the most directly comparable financial measure calculated and reported in accordance with U.S. GAAP.

Reconciliation of "Net cash provided by operating activities" to free (negative) cash flow

($ in millions)	Three Months Ended March 2, 2024	Three Months Ended March 4, 2023	Six Months Ended June 1, 2024	Six Months Ended June 3, 2023
Net cash provided by operating activities	$ 47.4	$ 5.5	$ 129.0	$ 108.4
Less: Purchased property, plant and equipment	43.3	47.6	90.2	82.6
Free (negative) cash flow	$ 4.1	$ (42.1)		
Free cash flow			$ 38.8	$ 25.8

Summary of Cash Flows

Cash Flows from Operating Activities:

($ in millions)	Three Months Ended March 2, 2024	Three Months Ended March 4, 2023	Six Months Ended June 1, 2024	Six Months Ended June 3, 2023
Net cash provided by operating activities	$ 47.4	$ 5.5	$ 129.0	$ 108.4

Net income including non-controlling interest was $31.0 $82.3 million in the first three six months of 2024 compared to $21.9 $62.3 million in the first three six months of 2023. Depreciation and amortization expense totaled $43.5 $84.7 million in the first three six months of 2024 compared to $37.9 $77.0 million in the first three six months of 2023. Deferred income taxes was a use of cash of $5.7 million $24.1 million in the first three six months of 2024 and compared to $16.8 million in the first six months of 2023. Accrued compensation was a use of cash of $31.9 million $16.4 million in 2024 compared to $57.0 million $42.2 million in 2023. Other assets was a use of cash of $9.1 million $22.3 million in the first three six months of 2024 compared to $28.9 million $37.0 million in the first three six months of 2023. Other liabilities was a use of cash of $0.4 million $1.8 million in the first three six months of 2024 compared to a use source of cash of $3.1 million $18.8 million in the first three six months of 2023.

Changes in net working capital (trade receivables, inventory and trade payables) accounted for a source of cash of $34.3 $4.9 million compared to a source of cash of $30.6 million $54.9 million last year. The table below provides the cash flow impact due to changes in the components of net working capital and an assessment of each of the components:

($ in millions)	Three Months Ended March 2, 2024	Three Months Ended March 4, 2023	Six Months Ended June 1, 2024	Six Months Ended June 3, 2023
Trade receivables, net	$ 56.9	$ 55.4	$ 22.6	$ 66.9
Inventory	(50.2)	(33.8)	(56.5)	8.3
Trade payables	27.6	9.0	38.8	(20.3)
Total cash flow impact	$ 34.3	$ 30.6	$ 4.9	$ 54.9

- Trade receivables, net – Trade receivables, net was a source of cash of $56.9 million $22.6 million and $55.4 million $66.9 million in the first three six months of 2024 and 2023, respectively. The slightly higher source of cash in 2024 compared to 2023 was due to more cash collected on trade receivables in the current year compared to the prior year. The DSO were 57 days at June 1, 2024 and 59 days at March 2, 2024 and 64 days at March 4, 2023 June 3, 2023.

- Inventory – Inventory was a use of cash of $50.2 million $56.5 million and $33.8 million a source of cash of $8.3 million in the first three six months of 2024 and 2023, respectively. The higher use of cash in 2024 compared to 2023 is due to higher inventory purchases in 2024 compared to 2023. Inventory days on hand were 82 74 days as of March 2, 2024 June 1, 2024 and 84 74 days as of March 4, 2023 June 3, 2023.

- Trade payables – Trade payables was a source of cash of $27.6 million $38.8 million and $9.0 million a use of cash of $20.3 million in the first three six months of 2024 and 2023, respectively. The higher source of cash in 2024 compared to 2023 reflects lower payments on trade payables in the current year compared to the prior year.

Cash Flows from Investing Activities:

	Three Months Ended		Six Months Ended	
	March 2, 2024	March 4, 2023	June 1, 2024	June 3, 2023
($ in millions)				
Net cash used in investing activities	$ (42.7)	$ (63.7)	$ (343.8)	$ (183.7)

Purchases of property, plant and equipment were $43.3 million $90.2 million during the first three six months of 2024 compared to $47.6 million $82.6 million for the same period of 2023. This difference reflects the timing of capital projects and expenditures related to growth initiatives.

During the first three six months of 2024, we paid $254.3 million of cash, net of cash acquired for purchased businesses. During the first six months of 2023, we paid $16.7 million of cash, $103.7 million, net of cash acquired for purchased businesses.

Cash Flows from Financing Activities:

	Three Months Ended		Six Months Ended	
	March 2, 2024	March 4, 2023	June 1, 2024	June 3, 2023
($ in millions)				
Net cash (used in) provided by financing activities	$ (16.9)	$ 103.2	$ 160.8	$ 93.3

In the first three six months of 2024, borrowings on our revolving credit facility were $195.0 $1,497.0 million and repayments on our revolving credit facility and our long-term debt totaled $203.3 million $1,305.5 million. These borrowings are for general working capital purposes. purposes and permitted acquisitions. Borrowings on our long-term debt were $1,300.0 and payments on our revolving credit facility were $1,176.7 million in the first three six months of 2023. Payment of debt issue costs were $3.5 million in the first six months of 2024 and $10.2 million in the first three six months of 2023. Net payments of notes payable were $0.3 million a use of cash of $0.4 million in the first three six months of 2024 and $0.9 million compared to $0.2 million in the same period of 2023. Cash dividends paid were $11.2 $23.3 million in the first three six months of 2024 compared to $10.2 million $21.3 million in the same period of 2023. Repurchases of common stock were $6.2 million $21.8 million in the first three six months of 2024 compared to $2.4 million $2.6 million in the same period of 2023.

Forward-Looking Statements and Risk Factors

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may be identified by the use of words like "plan," "expect," "aim," "believe," "project," "anticipate," "intend," "estimate," "will," "should," "could" (including the negative or variations thereof) and other expressions that indicate future events and trends. These plans and expectations are based upon certain underlying assumptions, including those mentioned with the specific statements. Such assumptions are in turn based upon internal estimates and analyses of current market conditions and trends, our plans and strategies, economic conditions and other factors. These plans and expectations and the assumptions underlying them are necessarily subject to risks and uncertainties inherent in projecting future conditions and results. Actual results could differ materially from expectations expressed in the forward-looking statements if one or more of the underlying assumptions and expectations proves to be inaccurate or is unrealized. In addition to the factors described in this report, Item 1A. Risk Factors identifies some of the important factors that could cause our actual results to differ materially from those in any such forward-looking statements. In order to comply with the terms of the safe harbor, we have identified these important factors which could affect our financial performance and could cause our actual results for future periods to differ materially from the anticipated results or other expectations expressed in the forward-looking statements. These factors should be considered, together with any similar risk factors or other cautionary language that may be made elsewhere in this Quarterly Report on Form 10-Q.

The list of important factors in Item 1A. Risk Factors does not necessarily present the risk factors in order of importance. This disclosure, including that under Forward-Looking Statements and Risk Factors, and other forward-looking statements and related disclosures made by us in this report and elsewhere from time to time, represents our best judgment as of the date the information is given. We do not undertake responsibility for updating any of such information, whether as a result of new information, future events, or otherwise, except as required by law. Investors are advised, however, to consult any further public company disclosures (such as in filings with the SEC or in our press releases) on related subjects.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to various market risks, including changes in interest rates, foreign currency rates and prices of raw materials. Market risk is the potential loss arising from adverse changes in market rates and prices, such as interest rates and foreign currency exchange rates. See Part II, Item 7A in our Annual Report on Form 10-K for the year ended December 2, 2023 for further discussion of these market risks. There have been no material changes in the reported market risk of the Company since December 2, 2023.

Item 4. Controls and Procedures

Controls and Procedures

We conducted an evaluation, under the supervision and with the participation of our president and chief executive officer and executive vice president, chief financial officer, of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (Exchange Act)) as of March 2, 2024 June 1, 2024. Based on this evaluation, our president and chief executive officer and executive vice president, chief financial officer concluded that, as of March 2, 2024 June 1, 2024, our disclosure controls and procedures were effective.

For purposes of Rule 13a-15(e), the term *disclosure controls and procedures* means controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act (15 U.S.C. 78a et seq.) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its president and chief executive officer and executive vice president, chief financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during our most recently completed fiscal quarter that have materially affected or are reasonably likely to materially affect our internal control over financial reporting, as defined in Rule 13a-15(f) under the Exchange Act.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Environmental Matters

We are involved in environmental investigations, clean-up activities and administrative proceedings related to environmental compliance matters at former and current operating facilities. We have also been identified as a potentially responsible party ("PRP") under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and/or similar state laws that impose liability for costs relating to the clean up of contamination resulting from past spills, disposal or other release of hazardous substances associated with landfills and/or hazardous waste sites. As a PRP, we may be required to pay a share of the costs of investigation and clean-up of these sites. We are subject to similar laws in some of the countries where current and former facilities are located. Our environmental, health and safety department monitors compliance with applicable laws on a global basis.

To the extent we can reasonably estimate the amount of our probable liabilities for environmental matters, we establish a financial provision.

While uncertainties exist with respect to the amounts and timing of the ultimate environmental liabilities, based on currently available information, we have concluded that these matters, individually or in the aggregate, will not have a material adverse effect on our results of operations, financial condition or cash flow.

Other Legal Proceedings

From time to time and in the ordinary course of business, we are a party to, or a target of, lawsuits, claims, investigations and proceedings, including product liability, personal injury, contract, patent and intellectual property, environmental, health and safety, tax and employment matters. While we are unable to predict the outcome of these matters, we have concluded, based upon currently available information, that the ultimate resolution of any pending matter, individually or in the aggregate, including asbestos-related litigation, will not have a material adverse effect on our results of operations, financial condition or cash flow. However, adverse developments and/or periodic settlements could negatively impact the results of operations or cash flows in one or more future periods.

For additional information regarding environmental matters and other legal proceedings, see Note 13 to our Consolidated Financial Statements.

Item 1A. Risk Factors

This Form 10-Q contains forward-looking statements concerning our future programs, products, expenses, revenue, liquidity and cash needs as well as our plans and strategies. These forward-looking statements are based on current expectations and we assume no obligation to update this information. Numerous factors could cause actual results to differ significantly from the results described in these forward-looking statements, including the risk factors identified under Part I, Item 1A. Risk Factors contained in our Annual Report on Form 10-K for the fiscal year ended December 2, 2023. There have been no material changes in the risk factors disclosed by us under Part I, Item 1A. Risk Factors contained in the Annual Report on Form 10-K for the fiscal year ended December 2, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

The Company did not repurchase any Information on our purchase of equity securities during the first quarter ended March 2, 2024. June 1, 2024 is as follows:

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(d) Maximum Approximate Dollar Value of Shares that may yet be Purchased Under the Plan or Program (millions)
March 3, 2024 - April 6, 2024	-	$ -	$ 300
April 7, 2024 - May 4, 2024	25,000	$ 75.58	$ 298
May 5, 2024 - June 1, 2024	157,400	$ 78.60	$ 286

On April 7, 2022, the Board of Directors authorized a new share repurchase program of up to $300.0 million of our outstanding common shares for a period of up to five years. Under the program, we are authorized to repurchase shares for cash on the open market, from time to time, in privately negotiated transactions or block transactions, or through an accelerated repurchase agreement. The timing of such repurchases is dependent on price, market conditions and applicable regulatory requirements. Upon repurchase of the shares, we reduce our common stock for the par value of the shares with the excess being applied against additional paid-in capital. This authorization replaces the April 6, 2017 authorization to repurchase shares.

Item 5. Other Information

Rule 10b5-1 Plan Adoptions and Modifications

None.

Item 6. Exhibits

*10.1	Form of Restricted Stock Unit Award Agreement under the Second Amended Refinancing and Restated Incremental Amendment dated March 4, 2024, among H.B. Fuller Company 2020 Master Incentive Plan for awards made on or after January 22, 2024
*10.2	Form of Performance Share Award Agreement under and JPMorgan Chase Bank, N.A., as administrative agent and the Second Amended and Restated H.B. Fuller Company 2020 Master Incentive Plan for awards made on or after January 22, 2024
*10.3	H.B. Fuller Company Management Short-Term Incentive Plan for Executive Officers various other parties named thereto(1)
31.1	Form of 302 Certification – Celeste B. Mastin
31.2	Form of 302 Certification – John J. Corkrean
32.1	Form of 906 Certification – Celeste B. Mastin
32.2	Form of 906 Certification – John J. Corkrean
101	The following materials from the H.B. Fuller Company Quarterly Report on Form 10-Q for the quarter ended March 2, 2024 June 1, 2024 formatted in Inline Extensible Business Reporting Language (Inline XBRL): (i) the Consolidated Statements of Income, (ii) the Consolidated Statements of Comprehensive Income, (iii) the Consolidated Balance Sheets, (iv) the Consolidated Statements of Total Equity, (v) the Consolidated Statements of Cash Flows and (vi) the Notes to Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Asterisked items are management contracts or compensatory plans or arrangements required to be filed.

(1) Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 25, 2024 March 8, 2024

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 thereunto duly authorized.

H.B. Fuller Company

Dated: March 28, 2024 June 27, 2024

/s/ John J. Corkrean

John J. Corkrean

Executive Vice President,

Chief Financial Officer

Exhibit Index

Exhibits

*10.1	Form of Restricted Stock Unit Award Agreement under the Second Amended Refinancing and Restated Incremental Amendment dated March 4, 2024, among H.B. Fuller Company 2020 Master Incentive Plan for awards made on or after January 22, 2024
*10.2	Form of Performance Share Award Agreement under and JPMorgan Chase Bank, N.A., as administrative agent and the Second Amended and Restated H.B. Fuller Company 2020 Master Incentive Plan for awards made on or after January 22, 2024
*10.3	H.B. Fuller Company Management Short-Term Incentive Plan for Executive Officers various other parties named thereto(1)
31.1	Form of 302 Certification – Celeste B. Mastin
31.2	Form of 302 Certification – John J. Corkrean
32.1	Form of 906 Certification – Celeste B. Mastin
32.2	Form of 906 Certification – John J. Corkrean

101 The following materials from the H.B. Fuller Company Quarterly Report on Form 10-Q for the quarter ended March 2, 2024 June 1, 2024 formatted in Inline Extensible Business Reporting Language (Inline XBRL): (i) the Consolidated Statements of Income, (ii) the Consolidated Statements of Comprehensive Income, (iii) the Consolidated Balance Sheets, (iv) the Consolidated Statements of Total Equity, (v) the Consolidated Statements of Cash Flows and (vi) the Notes to Consolidated Financial Statements.

104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Asterisked items are management contracts or compensatory plans or arrangements required to be filed.

(1) Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 25, 2024 March 8, 2024

36

Exhibit 10.1

FORM OF RESTRICTED STOCK UNIT AGREEMENT

H.B. FULLER COMPANY

RESTRICTED STOCK UNIT AWARD AGREEMENT

(Under the Second Amended and Restated H.B. Fuller Company 2020 Master Incentive Plan)

THIS AGREEMENT, dated as of _______________, 20___ (the "Grant Date"), is entered into between H.B. Fuller Company, a Minnesota corporation (the “Company”), and ____________________, an employee of the Company or an affiliate of the Company (“Participant”).

WHEREAS, the Company, pursuant to the Second Amended and Restated H.B. Fuller Company 2020 Master Incentive Plan (the “Plan”), wishes to award to the Participant Restricted Stock Units, representing the right to receive shares (“Shares”) of common stock, par value $1.00 per share, of the Company (“Common Stock”), subject to certain restrictions and on the terms and conditions contained in this Agreement and the Plan;

WHEREAS, the Participant’s rights to receive Shares of Common Stock hereunder are sometimes referred to as “Restricted Stock Units” in this Agreement.

NOW, THEREFORE, in consideration of the premises and agreements set forth herein, the parties hereto hereby agree as follows:

1. Award of Restricted Stock Units. The Company, effective as of the Grant Date, hereby grants to the Participant an award of ______ Restricted Stock Units, each Restricted Stock Unit representing the right to receive one Share of Common Stock on such date as set forth herein, plus an additional amount pursuant to Section 2(b) hereof, subject to the terms and conditions set forth in this Agreement and the Plan.

2. Rights of the Participant with Respect to the Restricted Stock Units.

(a) No Shareholder Rights. The Restricted Stock Units granted pursuant to this Agreement do not and shall not entitle the Participant to any rights of a shareholder of Common Stock. The rights of the Participant with respect to the Restricted Stock Units shall remain forfeitable at all times prior to the date on which such rights become vested, and the restrictions with respect to the Restricted Stock Units lapse, in accordance with Section 3 hereof.

(b) Dividend Equivalents. As long as the Participant holds Restricted Stock Units granted pursuant to this Agreement on the applicable record date, the Company shall credit to the Participant, on each date that the Company pays a cash dividend to holders of Common Stock generally, an additional number of Restricted Stock Units (“Additional Restricted Stock Units”) equal to the total number of whole Restricted Stock Units and Additional Restricted Stock Units previously credited to the Participant under this Agreement multiplied by the dollar amount of the cash dividend paid per Share of Common Stock by the Company on such date, divided by the Fair Market Value of a Share of Common Stock on such date. Any fractional Restricted Stock Unit resulting from such calculation shall be included in the Additional Restricted Stock Units. The Additional Restricted Stock Units so credited shall be subject to the same terms and conditions as the Restricted Stock Units granted pursuant to this Agreement and the Additional Restricted Stock Units shall be forfeited in the event that the Restricted Stock Units with respect to which the dividend equivalents were credited are forfeited.

(c) Issuance of Shares; Conversion of Restricted Stock Units. No Shares of Common Stock shall be issued to the Participant prior to the date on which the Restricted Stock Units vest, and the restrictions with respect to the Restricted Stock Units lapse, in accordance with Section 3 hereof. Neither this Section 2(c) nor any action taken pursuant to or in accordance with this Section 2(c) shall be construed to create a trust of any kind. After any Restricted Stock Units vest pursuant to Section 3 hereof, the Company shall promptly cause to be issued, in either certificated or uncertificated form, Shares of Common Stock registered in the Participant’s name or in the name of the Participant’s legal representatives, beneficiaries or heirs, as the case may be, in payment of such vested whole Restricted Stock Units and any Additional Restricted Stock Units and shall cause such certificated or uncertificated Shares to be delivered to the Participant or the Participant’s legal representatives, beneficiaries or heirs, as the case may be. In no event shall issuance of Shares occur more than ninety (90) days after the applicable vesting date. The value of any fractional Restricted Stock Unit shall be cancelled at the time certificated or uncertificated Shares are delivered to the Participant in payment of the Restricted Stock Units and any Additional Restricted Stock Units.

3. Vesting; Forfeiture.

(a) Subject to the terms and conditions of this Agreement, the Restricted Stock Units shall vest in full in _______ annual installment(s) and the restrictions with respect to the Restricted Stock Units shall lapse on the vesting date(s) (each, a “Vesting Date”) set forth below if the Participant remains continuously employed by the Company or an Affiliate of the Company through the applicable Vesting Date:

Date	Percentage of Restricted Stock Units to Vest
____ anniversary of the Grant Date	__%
____ anniversary of the Grant Date	__%
____ anniversary of the Grant Date	__%
____ anniversary of the Grant Date	__%
____ anniversary of the Grant Date	__%

(b) Change in Control. Notwithstanding the foregoing provisions of this Agreement, but subject to the other terms and conditions set forth herein, in the event that a Change in Control of the Company occurs prior to a Vesting Date, and the Participant incurs a Qualifying Termination of Employment during the Protected Period, all unvested Restricted Stock Units then outstanding (and not previously forfeited) shall immediately vest, and the Participant shall be entitled to receive a payment of the Shares of Common Stock corresponding to such Vesting Date. Such payment shall be made promptly following the Qualifying Termination of Employment. For the purposes of this Agreement, a "Change in Control" shall be deemed to have occurred upon any of the following events:

(i) a public announcement (which, for purposes hereof, shall include, without limitation, a report filed pursuant to Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that any individual, corporation, partnership, association, trust or other entity becomes the beneficial owner (as defined in Rule 13(d)(3) promulgated under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the voting power of the Company then outstanding;

(ii) the individuals who, as of the date of this Agreement, are members of the Board of Directors of the Company (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board (provided, however, that if the election or nomination for election by the Company's shareholders of any new director was approved by a vote of at least a majority of the Incumbent Board, such new director shall be considered to be a member of the Incumbent Board);

(iii) the approval of the shareholders of the Company, and consummation, of (A) any consolidation, merger or statutory share exchange of the Company with any person in which the surviving entity would not have as its directors at least 60% of the Incumbent Board and as a result of which those persons who were shareholders of the Company immediately prior to such transaction would not hold, immediately after such transaction, at least 60% of the voting power of the Company then outstanding or the combined voting power of the surviving entity's then outstanding voting securities; (B) any sale, lease, exchange or other transfer in one transaction or series of related transactions substantially all of the assets of the Company; or (C) the adoption of any plan or proposal for the complete or partial liquidation or dissolution of the Company; or

(iv) a determination by a majority of the members of the Incumbent Board, in their sole and absolute discretion, that there has been a Change in Control of the Company.

For purposes of this Section 3(b), "voting power" when used with reference to the Company shall mean the voting power of all classes and series of capital stock of the Company now or hereafter authorized.

Notwithstanding the foregoing, if any payment due under this Section 3(b) is deferred compensation subject to Section 409A of the Code, any payment made on account of the Participant's termination of employment (other than a Disability) shall not be made unless such termination of employment constitutes the Participant's separation from service, and such payment shall be subject to any additional required delay under Section 9(a).

(c) For the purposes of this Agreement, a "Qualifying Termination of Employment" shall mean either (i) an involuntary termination of employment by the Company or an Affiliate other than for Cause or Disability during the Protected Period; or (ii) a voluntary resignation by the Participant for Good Reason during the Protected Period.

(d) For purposes of this Agreement, "Protected Period" means the 24-month period beginning on and immediately following each and every Change in Control. "Cause" means any act by the Participant that is materially inimical to the best interests of the Company and that constitutes common law fraud, a felony or other gross malfeasance of duty on the part of the Participant. "Disability" means disabled within the meaning of Section 409A(a)(2)(C)(i) of the Code. "Good Reason" shall mean the occurrence of any of the following events, in each case, after the Participant has provided written notice to the Company within 60 days of the occurrence of such event and the Company has failed to cure the cause of such event within 60 days after the date of such written notice (and the Participant terminates employment within 60 days of the expiration of such cure period), except for the occurrence of such an event in connection with the termination or reassignment of Participant's employment by the Company or an Affiliate for Cause or for Disability:

(i) a material change in the Participant's pay consisting of a 10% or more reduction in total cash compensation opportunity as in effect immediately prior to the Change in Control (unless such reduction is part of an across-the-board uniformly applied reduction affecting all similarly situated Participants of the Company); or

(ii) a significant diminution in the Participant's authority and duties as in effect immediately prior to the Change of Control (excluding an isolated, insubstantial or inadvertent action not taken in bad faith that is remedied promptly by the Company after receiving notice); provided, however, that a change of the individual or officer to whom the Participant reports, in and of itself, would not constitute diminution; or

(iii) a change of the Participant's principal work location of 50 or more miles from that immediately prior to the Change in Control.

(e) Effect of Other Termination of Employment. In the event that the Participant's employment with the Company and all Affiliates is terminated prior to a Vesting Date (other than a Qualifying Termination of Employment), the Participant's right to receive any Shares (including the right to receive any Shares relating to Additional Restricted Stock Units) corresponding to that Vesting Date shall be immediately and irrevocably forfeited, unless such termination is by reason of:

(i) the Participant's Disability;

(ii) the Participant's death; or

(iii) the Participant's retirement (as defined below in Section 3(g) below).

For avoidance of doubt, if the Participant is employed by an Affiliate that is sold or otherwise ceases to be an Affiliate of the Company, the Participant shall incur a termination of employment by the Company and all Affiliates of the Company under this Agreement.

(f) Early Vesting on Death or Disability. In the event the Participant dies or becomes permanently disabled prior to a Vesting Date, all unvested Restricted Stock Units then outstanding (and not previously forfeited) shall immediately vest, and the Participant or the Participant's estate shall be entitled to receive a payment of all corresponding Shares of Common Stock. Such payment shall be made as soon as administratively feasible (but in no event more than ninety (90) days) following the Participant's death or permanent disability, as applicable.

(g) Retirement. In the event the Participant retires prior to a Vesting Date, as long as such retirement is at least 180 days after the Grant Date, then the Participant's rights under this Agreement shall remain outstanding as if the Participant had remained employed through the Vesting Date. For purposes of this Section 3, "retirement" shall mean the voluntary or involuntary termination of the Participant's employment for any reason other than Cause, Disability or death, after the Participant has completed at least ten years of service as an employee of the Company and/or an Affiliate and has attained age 55, so long as the Participant has at all times that Restricted Stock Units are outstanding under this Agreement complied with the terms of any applicable confidentiality, non-disclosure and/or non-competition agreement between the Company and the Participant. In all other cases, any unvested Restricted Stock Units and Additional Restricted Stock Units shall terminate upon retirement.

(h) Forfeiture. If the Participant ceases to be employed by the Company or an Affiliate of the Company for any reason other than "retirement" as defined in Section 3(g) above or the Participant's death or permanent disability as specified in Section 3(f) hereof, or a Qualifying Termination of Employment as defined in Section 3(c) hereof, prior to the vesting of the Restricted Stock Units pursuant to Section 3(a) hereof, the Participant's rights to all of the unvested Restricted Stock Units shall be immediately and irrevocably forfeited, including the right to receive any Additional Restricted Stock Units.

If any early payment is made pursuant to Section 3(b) or (f), no payment shall be made pursuant to Section 3(a) of this Agreement.

4. Restrictions on Transfer. The Restricted Stock Units shall not be transferable other than by will or by the laws of descent and distribution. Notwithstanding the foregoing, the Participant may, in the manner established by the Committee, designate a beneficiary or beneficiaries to exercise the rights of the Participant and receive any property distributable with respect to the Restricted Stock Units upon the death of the Participant. Each right under this Agreement shall be exercisable during the Participant's lifetime only by the Participant or, if permissible under applicable law, by the Participant's legal representative. The Restricted Stock Units and any rights under this Agreement may not be sold, assigned, transferred, pledged, alienated, attached or otherwise encumbered and any purported sale, assignment, transfer, pledge, alienation, attachment or encumbrance shall be void and unenforceable against the Company or any Affiliate.

5. Income Tax Matters. In order to comply with all applicable federal, foreign, state or local income tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, foreign, state or local payroll, withholding, income or other taxes, which are the sole and absolute responsibility of the Participant, are withheld or collected from the Participant. Upon vesting of the Restricted Stock Units and the lapse of the restrictions with respect to the Restricted Stock Units under the terms of this Award Agreement, the Participant shall be obligated to pay any applicable withholding taxes arising from such vesting and lapse of restrictions. Unless the Company receives an irrevocable written instruction, addressed to the attention of the Secretary of the Company, from the Participant prior to the date that the Restricted Stock Units vest and the restrictions lapse, the Company shall automatically withhold as payment the number of Shares of Common Stock, determined by the Fair Market Value, required to pay the applicable withholding taxes (but only to the extent necessary to satisfy minimum statutory withholding requirements if required under ASC Topic 718).

6. Securities Matters. No Shares of Common Stock shall be issued pursuant to this Agreement prior to such time as counsel to the Company shall have determined that the issuance of such shares will not violate any securities or other laws, rules or regulations. The Company shall not be required to deliver any Shares of Common Stock until the requirements of any applicable securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied. In addition, the grant of these Restricted Stock Units and/or the delivery of any Shares of Common Stock under this Agreement are subject to the Company's Executive and Key Manager Compensation Recovery Policy and any other clawback or compensation recovery policies the Company may adopt in the future.

7. Tax Consequences. The Participant agrees that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimize the Participant's tax liabilities. The Participant will not make any claim against the Company, or any of its officers, directors, employees or Affiliates related to tax liabilities arising from the Restricted Stock Units or the Participant's other compensation.

8. Adjustments. In the event that the Committee shall determine that any dividend or other distribution (whether in the form of cash, shares, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of shares or other securities of the Company, issuance of warrants or other rights to purchase shares or other securities of the Company or other similar corporate transaction or event affects the Common Stock such that an adjustment is necessary in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Agreement, then the Committee shall, in such manner as it may deem equitable, in its sole discretion, adjust any or all of the number and type of shares subject to the Restricted Stock Units.

9. General Provisions.

(a) Section 409A. Notwithstanding the foregoing, to the extent that any payment due hereunder is (i) deferred compensation subject to Section 409A of the Code ("Section 409A"), and (ii) is payable to a specified employee (as that term is defined in Section 409A), and (iii) is payable on account of the specified employee's separation from service (as that term is defined in Section 409A), payment of any part of such amount that would have been made during the six (6) months following the separation from service shall not then be paid but shall rather be paid on the first day of the seventh (7th) month following the separation from service.

(i) For this purpose, specified employees shall be identified by the Company on a basis consistent with regulations issued under Section 409A, and consistently applied to all plans, programs, contracts, *etc*. maintained by the Company that are subject to Section 409A.

(ii) For this purpose, "termination of employment" shall be defined as "separation from service" as that term is defined under Section 409A.

(iii) To the extent that Section 409A is applicable to this Agreement, this Agreement shall be construed and administered to comply with the rules of Section 409A. Neither the Company nor any of its officers, directors, agents or affiliates shall be obligated, directly or indirectly, to any participant or any other person for any taxes, penalties, interest or like amounts that may be imposed on the participant or other person on account of any amounts under this Plan or on account of any failure to comply with any Code section.

(iv) The rules of section 409A of the Code shall apply to this Agreement, and this Agreement shall be construed and administered accordingly. Notwithstanding the foregoing, neither the Company nor any of its officers, directors, agents or affiliates shall be obligated, directly or indirectly, to any Participant or any other person for any taxes, penalties, interest or like amounts that may be imposed on the Participant or other person on account of any amounts under this Agreement or on account of any failure to comply with any section of the Code.

(b) Interpretations. This Agreement is subject in all respects to the terms of the Plan. Terms used herein which are defined in the Plan shall have the respective meanings ascribed to such terms in the Plan, unless otherwise defined herein. In the event that any provision of this Agreement is inconsistent with the terms of the Plan, the terms of the Plan shall govern. Any question of administration or interpretation arising under this Agreement shall be determined by the Committee, and such determination shall be final and conclusive upon all parties in interest.

(c) No Right to Employment. The grant of the Restricted Stock Units shall not be construed as giving the Participant the right to be retained as an employee of the Company or any Affiliate. In addition, the Company or an Affiliate may at any time dismiss the Participant from employment, free from any liability or any claim under this Agreement, unless otherwise expressly provided in this Agreement or the Plan.

(d) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision hereof.

(e) Severability. If any provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction under any law deemed to be applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable law, or if it cannot be so construed or amended without, in the determination of the Committee, materially altering the purpose or intent of this Agreement, such provision shall be stricken as to such jurisdiction or this Agreement, and the remainder of this Agreement shall remain in full force and effect.

(f) Venue and Governing Law. The internal law, and not the law of conflicts, of the State of Minnesota will govern all questions concerning the validity, construction and effect of this Agreement. For purposes of any action, lawsuit or other proceedings brought to enforce the Agreement, relating to it, or arising from it, the parties hereby submit to and consent to the sole and exclusive jurisdiction of the courts of Ramsey County, Minnesota, or the federal courts for the United States for the District of Minnesota, and no other courts, where this grant is made and/or to be performed.

(g) Addendum.Notwithstanding the provisions of this Agreement, the award shall be subject to any special terms and conditions for the Participant's country set forth in the Addendum to this Agreement. To the extent any provision in the Addendum is inconsistent with a provision in the body of this Agreement, the provision in the Addendum shall prevail. Moreover, if the Participant relocates to one of the countries included in the Addendum, the terms and conditions for such country will apply to the Participant to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first set forth above.

H.B. FULLER COMPANY

By: ______________________________

________ ______________________________

Participant

Date: ______________________________

Addendum

This Addendum intentionally left blank.

Exhibit 10.2

H.B. FULLER COMPANY

PERFORMANCE SHARE AWARD AGREEMENT

(Under the Second Amended and Restated H.B. Fuller Company 2020 Master Incentive Plan)

THIS AGREEMENT, dated as of ____________, 20__ (the "Grant Date"), is entered into between H.B. Fuller Company, a Minnesota corporation (the "Company"), and _____________, an employee of the Company or an affiliate of the Company ("Participant").

WHEREAS, the Company, pursuant to the Second Amended and Restated H.B. Fuller Company 2020 Master Incentive Plan (the "Plan"), wishes to award to the Participant a Performance Share Award representing the right to receive shares ("Shares") of common stock, par value $1.00 per share, of the Company ("Common Stock"), subject to certain restrictions and on the terms and conditions contained in this Performance Share Award Agreement and the Plan;

WHEREAS, the Participant's rights to receive Shares of Common Stock hereunder are sometimes referred to as "Restricted Stock Units" in this Agreement.

NOW, THEREFORE, in consideration of the premises and agreements set forth herein, the parties hereto hereby agree as follows:

1. Performance Share Award. The Company, effective as of the Grant Date, hereby grants to the Participant a Performance Share Award representing the right to receive a specified number of Shares of Common Stock as set forth below and subject to the terms and conditions set forth in this Agreement and the Plan:

(a) ______ Target Number of Shares Subject to Award. The Target Number shall consist of one (1) tranche (the "tranche"). The number of Shares payable with respect to the tranche ranges from a maximum number of Shares equal to 200% of the tranche to a potential for a -0- payout in the event the threshold level of performance for the Tranche is not achieved (see **Exhibit A**).

(b) The Performance Period(s) and Vesting Date(s)(s) for purposes of determining whether, and the extent to which, Shares of Common Stock within the tranche become payable hereunder shall be:

Performance Period	Tranche	Vesting Date
____________, 20__ – ___________, 20__	100%	third (3rd) anniversary date of the Grant Date

The performance goal(s) for purposes of determining whether, and the extent to which, the Shares of Common Stock will be paid are set forth in Exhibit A to this Agreement, which Exhibit is made a part of this Agreement.

2. Rights of Participant with Respect to the Restricted Stock Units.

(a) No Shareholder Rights. The Restricted Stock Units granted pursuant to this Agreement do not and shall not entitle the Participant to any rights of a shareholder of Common Stock. The rights of the Participant with respect to the Restricted Stock Units shall remain forfeitable at all times prior to the date on which such rights become vested, and the restrictions with respect to the Restricted Stock Units lapse, in accordance with Section 3 hereof.

(b) Dividend Equivalents. As long as the Participant holds Restricted Stock Units granted pursuant to this Agreement on the applicable record date, the Company shall credit to the Participant, on each date that the Company pays a cash dividend to holders of Common Stock generally, an additional number of Restricted Stock Units ("Additional Restricted Stock Units") equal to the total number of whole Restricted Stock Units and Additional Restricted Stock Units previously credited to the Participant under this Agreement multiplied by the dollar amount of the cash dividend paid per share of Common Stock by the Company on such date, divided by the Fair Market Value of a share of Common Stock on such date. Any fractional Restricted Stock Unit resulting from such calculation shall be included in the Additional Restricted Stock Units. The Additional Restricted Stock Units so credited shall be subject to the same terms and conditions as the Restricted Stock Units granted pursuant to this Agreement and the Additional Restricted Stock Units shall be forfeited in the event that the Restricted Stock Units with respect to which the dividend equivalents were credited are forfeited.

(c) Issuance of Shares; Conversion of Restricted Stock Units. No Shares of Common Stock shall be issued to the Participant prior to the date on which the Restricted Stock Units vest, and the restrictions with respect to the Restricted Stock Units lapse, in accordance with Section 1 or Section 3 hereof. Neither this Section 2(c) nor any action taken pursuant to or in accordance with this Section 2(c) shall be construed to create a trust of any kind. After any Restricted Stock Units vest pursuant to Section 1 or Section 3 hereof, the Company shall promptly cause to be issued, in either certificated or uncertificated form, Shares of Common Stock registered in the Participant's name or in the name of the Participant's legal representatives, beneficiaries or heirs, as the case may be, in payment of such vested whole Restricted Stock Units and any Additional Restricted Stock Units and shall cause such certificated or uncertificated shares to be delivered to the Participant or the Participant's legal representatives, beneficiaries or heirs, as the case may be. In no event shall issuance of Shares occur more than ninety (90) days after the applicable vesting date. The value of any fractional Restricted Stock Unit shall be cancelled at the time certificated or uncertificated shares are delivered to the Participant in payment of the Restricted Stock Units and any Additional Restricted Stock Units.

3. Vesting; Forfeiture.

(a) Termination of Employment. In the event that the Participant's employment with the Company and all Affiliates is terminated prior to the Vesting Date, the Participant's right to receive any Shares (including the right to receive any Shares relating to Additional Restricted Stock Units) shall be immediately and irrevocably forfeited, unless such termination is by reason of:

(i) the Participant's permanent disability (within the meaning of Section 409A(a)(2)(C)(i) of the Code);

(ii) the Participant's death; or

(iii) the Participant's retirement (as defined below in Section 3(c) below).

For avoidance of doubt, if the Participant is employed by an Affiliate that is sold or otherwise ceases to be an Affiliate of the Company, the Participant shall incur a termination of employment by the Company and all Affiliates of the Company under this Agreement.

(b) Early Vesting on Death or Disability. In the event the Participant dies or becomes permanently disabled prior to the commencement or completion of a Performance Period, or after completion of a Performance Period but prior to the Vesting Date, then the Participant or the Participant's estate shall be entitled to receive a payment of the Shares of Common Stock based on, and assuming that, performance would be achieved at the target level for the Performance Period, as set forth in **Exhibit A** to this Agreement. Such payment shall be made as soon as administratively feasible (but in no event more than ninety (90) days) following the Participant's death or permanent disability, as applicable. If a payment is made pursuant to this Section 3(b), no payment shall be made pursuant to Section 1 of this Agreement.

(c) Retirement. In the event the Participant retires prior to the commencement or completion of a Performance Period or prior to the Vesting Date, as long as such retirement is at least 180 days after the Grant Date, then the Participant's rights under the Performance Award shall remain outstanding as if the Participant had remained employed for the duration of the Performance Period and through the Vesting Date. The Participant shall be entitled to receive payment of the Performance Award, if any, that becomes payable under Section 1 based on actual performance achieved. For purposes of this Section 3, "retirement" shall mean the voluntary or involuntary termination of the Participant's employment for any reason other than Cause, Disability or death, after the Participant has completed at least ten years of service as an employee of the Company and/or an Affiliate of the Company, and has attained age 55, so long as the Participant has at all times that Restricted Stock Units are outstanding under this Agreement complied with the terms of any applicable confidentiality, non-disclosure and/or non-competition agreement between the Company and the Participant.

(d) Change in Control. Notwithstanding the foregoing provisions of this Agreement, but subject to the other terms and conditions set forth herein, in the event that a Change in Control of the Company occurs prior to the Vesting Date, and the Participant incurs a Qualifying Termination of Employment during the Protected Period, the Participant shall be entitled to receive a payment of the Shares of Common Stock based on, and assuming that, performance would have been achieved at the target level for the Performance Period, as set forth in **Exhibit A** to this Agreement. Such payment shall be made promptly following the date of the Qualifying Termination of Employment. For the purposes of this Agreement, a "Change in Control" shall be deemed to have occurred upon any of the following events:

(i) a public announcement (which, for purposes hereof, shall include, without limitation, a report filed pursuant to Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that any individual, corporation, partnership, association, trust or other entity becomes the beneficial owner (as defined in Rule 13(d)(3) promulgated under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the voting power of the Company then outstanding;

(ii) the individuals who, as of the date of this Agreement, are members of the Board of Directors of the Company (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board (provided, however, that if the election or nomination for election by the Company's shareholders of any new director was approved by a vote of at least a majority of the Incumbent Board, such new director shall be considered to be a member of the Incumbent Board);

(iii) the approval of the shareholders of the Company, and consummation, of (i) any consolidation, merger or statutory share exchange of the Company with any person in which the surviving entity would not have as its directors at least 60% of the Incumbent Board and as a result of which those persons who were shareholders of the Company immediately prior to such transaction would not hold, immediately after such transaction, at least 60% of the voting power of the Company then outstanding or the combined voting power of the surviving entity's then outstanding voting securities; (ii) any sale, lease, exchange or other transfer in one transaction or series of related transactions substantially all of the assets of the Company; or (iii) the adoption of any plan or proposal for the complete or partial liquidation or dissolution of the Company; or

(iv) a determination by a majority of the members of the Incumbent Board, in their sole and absolute discretion, that there has been a Change in Control of the Company.

For purposes of this Section 3(d), "voting power" when used with reference to the Company shall mean the voting power of all classes and series of capital stock of the Company now or hereafter authorized.

If a payment is made pursuant to this Section 3(d), no payment shall be made pursuant to Section 1 of this Agreement. Notwithstanding the foregoing, if any payment due under this Section 3(d) is deferred compensation subject to Section 409A of the Code, any payment made on account of the Participant's termination of employment (other than a Disability) shall not be made unless such termination of employment constitutes the Participant's separation from service, and such payment shall be subject to any additional required delay under Section 9(a).

For the purposes of this Agreement, a "Qualifying Termination of Employment" shall mean either (i) an involuntary termination of employment by the Company or an Affiliate other than for Cause or Disability during the Protected Period; or (ii) a voluntary resignation by the Participant for Good Reason during the Protected Period.

(e) For purposes of this Agreement, "Protected Period" means the 24-month period beginning on and immediately following each and every Change in Control. "Cause" means any act by the Participant that is materially inimical to the best interests of the Company and that constitutes common law fraud, a felony or other gross malfeasance of duty on the part of the Participant. "Disability" means disabled within the meaning of Section 409A(a)(2)(C)(i) of the Code. "Good Reason" shall mean the occurrence of any of the following events, in each case, after the Participant has provided written notice to the Company within 60 days of the occurrence of such event and the Company has failed to cure the cause of such event within 60 days after the date of such written notice (and the Participant terminates employment within 60 days of the expiration of such cure period), except for the occurrence of such an event in connection with the termination or reassignment of the Participant's employment by the Company or an Affiliate for Cause or for Disability:

(i) a material change in the Participant's pay consisting of a 10% or more reduction in total cash compensation opportunity as in effect immediately prior to the Change in Control (unless such reduction is part of an across-the-board uniformly applied reduction affecting similarly situated executives of the Company); or

(ii) a significant diminution in the Participant's authority and duties as in effect immediately prior to the Change of Control (excluding an isolated, insubstantial or inadvertent action not taken in bad faith that is remedied promptly by the Company after receiving notice); provided, however, that a change of the individual or officer to whom the Participant reports, in and of itself, would not constitute diminution; or

(iii) a change of the Participant's principal work location of 50 or more miles from that immediately prior to the Change in Control.

4. Restrictions on Transfer. The Restricted Stock Units shall not be transferable other than by will or by the laws of descent and distribution. Notwithstanding the foregoing, the Participant may, in the manner established by the Committee, designate a beneficiary or beneficiaries to exercise the rights of the Participant and receive any property distributable with respect to the Restricted Stock Units upon the death of the Participant. Each right under this Agreement shall be exercisable during the Participant's lifetime only by the Participant or, if permissible under applicable law, by the Participant's legal representative. The Restricted Stock Units and any rights under this Agreement may not be sold, assigned, transferred, pledged, alienated, attached or otherwise encumbered and any purported sale, assignment, transfer, pledge, alienation, attachment or encumbrance shall be void and unenforceable against the Company or any Affiliate.

5. Income Tax Matters. In order to comply with all applicable federal, foreign, state or local income tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, foreign, state or local payroll, withholding, income or other taxes, which are the sole and absolute responsibility of the Participant, are withheld or collected from the Participant. Upon vesting of the Restricted Stock Units and the lapse of the restrictions with respect to the Restricted Stock Units under the terms of this Award Agreement, the Participant shall be obligated to pay any applicable withholding taxes arising from such vesting and lapse of restrictions. Unless the Company receives an irrevocable written instruction, addressed to the attention of the Secretary of the Company, from the Participant prior to the date that the Restricted Stock Units vest and the restrictions lapse, the Company shall automatically withhold as payment the number of Shares of Common Stock, determined by the Fair Market Value, required to pay the applicable withholding taxes (but only to the extent necessary to satisfy minimum statutory withholding requirements if required under ASC Topic 718).

6. Securities Matters. No Shares of Common Stock shall be issued pursuant to this Agreement prior to such time as counsel to the Company shall have determined that the issuance of such shares will not violate any securities or other laws, rules or regulations. The Company shall not be required to deliver any Shares of Common Stock until the requirements of any applicable securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied. In addition, the grant of these Restricted Stock Units and/or the delivery of any Shares of Common Stock under this Agreement are subject to the Company's Executive and Key Manager Compensation Recovery Policy and any other clawback or compensation recovery policies the Company may adopt in the future.

7. Tax Consequences. The Participant agrees that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimize the Participant's tax liabilities. The Participant will not make any claim against the Company, or any of its officers, directors, employees or Affiliates related to tax liabilities arising from the Restricted Stock Units or the Participant's other compensation.

8. Adjustments. In the event that the Committee shall determine that any dividend or other distribution (whether in the form of cash, shares, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of shares or other securities of the Company, issuance of warrants or other rights to purchase shares or other securities of the Company or other similar corporate transaction or event affects the Common Stock such

that an adjustment is necessary in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Agreement, then the Committee shall, in such manner as it may deem equitable, in its sole discretion, adjust any or all of the number and type of shares subject to the Restricted Stock Units.

9. General Provisions.

(a) Section 409A. Notwithstanding the foregoing, to the extent that any payment due hereunder is (i) deferred compensation subject to Section 409A of the Code ("Section 409A"), and (ii) is payable to a specified employee (as that term is defined in Section 409A), and (iii) is payable on account of the specified employee's separation from service (as that term is defined in Section 409A), payment of any part of such amount that would have been made during the six (6) months following the separation from service shall not then be paid but shall rather be paid on the first day of the seventh (7th) month following the separation from service.

(i) For this purpose, specified employees shall be identified by the Company on a basis consistent with regulations issued under Section 409A, and consistently applied to all plans, programs, contracts, etc. maintained by the Company that are subject to Section 409A.

(ii) For this purpose, "termination of employment" shall be defined as "separation from service" as that term is defined under Section 409A.

(iii) To the extent that Section 409A is applicable to this Agreement, this Agreement shall be construed and administered to comply with the rules of Section 409A. Neither the Company nor any of its officers, directors, agents or affiliates shall be obligated, directly or indirectly, to any participant or any other person for any taxes, penalties, interest or like amounts that may be imposed on the participant or other person on account of any amounts under this Plan or on account of any failure to comply with any Code section.

(iv) The rules of section 409A of the Code shall apply to this Agreement, and this Agreement shall be construed and administered accordingly. Notwithstanding the foregoing, neither the Company nor any of its officers, directors, agents or affiliates shall be obligated, directly or indirectly, to any Participant or any other person for any taxes, penalties, interest or like amounts that may be imposed on the Participant or other person on account of any amounts under this Agreement or on account of any failure to comply with any section of the Code.

(b) Interpretations. This Agreement is subject in all respects to the terms of the Plan. Terms used herein which are defined in the Plan shall have the respective meanings ascribed to such terms in the Plan, unless otherwise defined herein. In the event that any provision of this Agreement is inconsistent with the terms of the Plan, the terms of the Plan shall govern. Any question of administration or interpretation arising under this Agreement shall be determined by the Committee, and such determination shall be final and conclusive upon all parties in interest.

(c) No Right to Employment. The grant of the Restricted Stock Units shall not be construed as giving the Participant the right to be retained as an employee of the Company or any Affiliate. In addition, the Company or an Affiliate may at any time dismiss the Participant from employment, free from any liability or any claim under this Agreement, unless otherwise expressly provided in this Agreement or the Plan.

(d) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision hereof.

(e) Severability. If any provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction under any law deemed to be applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable law, or if it cannot be so construed or amended without, in the determination of the Committee, materially altering the purpose or intent of this Agreement, such provision shall be stricken as to such jurisdiction or this Agreement, and the remainder of this Agreement shall remain in full force and effect.

(f) Venue and Governing Law. The internal law, and not the law of conflicts, of the State of Minnesota will govern all questions concerning the validity, construction and effect of this Agreement. For purposes of any action, lawsuit or other proceedings brought to enforce the Agreement, relating to it, or arising from it, the parties hereby submit to and consent to the sole and exclusive jurisdiction of the courts of Ramsey County, Minnesota, or the federal courts for the United States for the District of Minnesota, and no other courts, where this grant is made and/or to be performed.

(g) Addendum.Notwithstanding the provisions of this Agreement, the award shall be subject to any special terms and conditions for the Participant's country set forth in the Addendum to this Agreement. To the extent any provision in the Addendum is inconsistent with a provision in the body of this Agreement, the provision in the Addendum shall prevail. Moreover, if the Participant relocates to one of the countries included in the Addendum, the terms and conditions for such country will apply to the Participant to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first set forth above.

H.B. FULLER COMPANY

By: ______________________________

______ ______________________________

Participant

Date: ______________________________

Exhibit A

Performance Goals for the Performance Period

_____________, 20__ – _____________, 20__: 100%

Metric is a 3-year average of annual ROIC. Each year's ROIC will be calculated according to the formula below and subject to adjustments for acquisitions, and those calculations will be averaged and assessed relative to the predetermined goal and range noted in the table below.

ROIC Performance	Payout (as % of Target)

Target + 4% [Superior]	200%
Target + 3%	175%
Target + 2%	150%
Target + 1%	125%
Target	100%
Target - 1%	75%
Target - 2% [Threshold]	50%
Less than threshold	0%

Performance between threshold and target and target and superior will be calculated on a pro rata basis.The level of achievement of the performance goal shallbe determined by the Compensation Committee of the Board of Directors of the Company.

Definition of ROIC:

$$\frac{\text{NOPAT}^{1}}{(\text{Short-Term Debt} + \text{Long-Term Debt} + \text{Total Equity} - \text{Cash})^{2}}$$

Acquisitions will be treated as follows:

Material Acquisition	Acquisition
Year 1: For acquisitions in Q3/Q4, year 1 includes the following fiscal year. Remove expected acquisition performance from measurement completely.	**Year 1:** For acquisitions in Q3/Q4, year 1 includes the following fiscal year. Remove expected acquisition performance from measurement completely.
Year 2: Remove expected acquisition performance from measurement completely	**Year 2**: Remove amortization from the calculation of ROIC
Year 3: Remove amortization from the calculation of ROIC	**Year 3**: No adjustments
Year 4: No adjustments	

ROIC will be adjusted for divestitures based on timing and relevant impact.

1 NOPAT = (Gross Profit – SG&A Expense + Other Income (Expense), net) * (1-Effective Tax Rate) + Income from Equity Investments

Includes adjustments as publicly disclosed in the Company's quarterly earnings release. Also includes adjustments for any change in GAAP or in the application thereof that has occurred since the grant date.

Effective tax rate defined as (Adjusted Tax Expense / Adjusted Pretax Earnings)

2 End-of-year metrics. Denominator also includes redeemable non-controlling interest

835

Exhibit 31.1

CERTIFICATION

I, Celeste B. Mastin, certify that:

1. I have reviewed this report on Form 10-Q of H.B. Fuller Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-115(e) and 15d-115(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d–15(f)) for the registrant and have:

   a.) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b.) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c.) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d.) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a.) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 28, June 27, 2024

/s/ Celeste B. Mastin

Celeste B. Mastin
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, John J. Corkrean, certify that:

1. I have reviewed this report on Form 10-Q of H.B. Fuller Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-115(e) and 15d-115(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d–15(f)) for the registrant and have:

a.) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b.) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c.) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and d.) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a.) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 28, June 27, 2024

/s/ John J. Corkrean

John J. Corkrean
Executive Vice President, Chief Financial Officer

Exhibit 32.1

CERTIFICATION

I, Celeste B. Mastin, in connection with the Quarterly Report of H.B. Fuller Company on Form 10-Q for the quarter ended March 2, June 1, 2024 (the “Report”), hereby certify that:

(a) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)), and

(b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of H.B. Fuller Company.

Date: March 28, June 27, 2024

/s/ Celeste B. Mastin

Celeste B. Mastin
President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION

I, John J. Corkrean, in connection with the Quarterly Report of H.B. Fuller Company on Form 10-Q for the quarter ended March 2, June 1, 2024 (the “Report”), hereby certify that:

(a) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)), and

(b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of H.B. Fuller Company.

Date: March 28, June 27, 2024

/s/ John J. Corkrean

John J. Corkrean

Executive Vice President, Chief Financial Officer

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.