

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

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 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 0-362

FRANKLIN ELECTRIC CO., INC.

(Exact name of registrant as specified in its charter)

Indiana

35-0827455

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

9255 Coverdale Road

46809

Fort Wayne, Indiana

(Address of principal executive offices)

(Zip Code)

(260) 824-2900

(Registrant's telephone number, including area code)

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

Common Stock, \$0.10 par value

FELE

NASDAQ Global Select Market

(Title of each class)

(Trading symbol)

(Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act:

None

(Title of each class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes

No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes

No

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 and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post 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 the definitions of "large accelerated filer," "accelerated filer" "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

				Smaller Reporting Company	
Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>	Non-Accelerated Filer	<input type="checkbox"/>
				Emerging Growth Company	<input type="checkbox"/>

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes

No

The aggregate market value of the registrant's common stock held by non-affiliates of the registrant at June 30, 2024 (the last business day of the registrant's most recently completed second quarter) was \$ 4,386,004,855 . The stock price used in this computation was the last sales price on that date, as reported by NASDAQ Global Select Market. For purposes of this calculation, the registrant has excluded shares held by executive officers and directors of the registrant, including restricted shares and except for shares owned by the executive officers through the registrant's 401(k) Plan. Determination of stock ownership by non-affiliates was made solely for the purpose of responding to this requirement and the registrant is not bound by this determination for any other purpose.

Number of shares of common stock outstanding at February 5, 2025 :

45,717,687 shares

DOCUMENTS INCORPORATED BY REFERENCE

A portion of the Proxy Statement for the Annual Meeting of Shareholders to be held on May 2, 2025 (Part III).

FRANKLIN ELECTRIC CO., INC.
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PART I

ITEM 1. BUSINESS

Description of the Business

Franklin Electric Co., Inc. ("Franklin Electric" or the "Company") is an Indiana corporation founded in 1944 and incorporated in 1946. Named after America's pioneer electrical engineer, Benjamin Franklin, Franklin Electric manufactured the first water-lubricated submersible motor for water systems and the first submersible motor for fueling systems. With 2024 revenue of approximately \$2.0 billion, the Company designs, manufactures and distributes water and fuel pumping systems, composed primarily of submersible motors, pumps, electronic controls, water treatment systems, and related parts and equipment.

The Company's water pumping systems move fresh and wastewater for the residential, agricultural and other industrial end markets. The Company also sells various groundwater equipment products to well installation contractors, including water pumping systems, through its and third-party distribution branches located in the U.S. With a growing global footprint, the Company has also evolved into a top supplier of submersible fueling systems at gas stations, making pumps, pipes, electronic controls and monitoring devices.

The Company's products are sold worldwide by its employee sales force and independent manufacturing representatives. The Company offers normal and customary trade terms to its customers, no significant part of which is of an extended nature. Special inventory requirements are not necessary, and customer merchandise return rights do not extend beyond normal warranty provisions.

Franklin Electric's Key Factors for Success

While maintaining a culture of safety and lean principles, Franklin Electric strives to deliver quality, availability, service, innovation, and cost in every encounter the Company has with stakeholders, including direct or indirect customers, employees, shareholders, and suppliers. These key factors for success are a roadmap for the Company's growth as a global provider of water and energy systems, through geographic expansion and product line extensions, leveraging its global platform and competency in system design, all while consistently offering the best value to its customer.

Markets and Applications

The Company's business consists of three reportable segments based on the principal end market served: Water Systems, Energy Systems, and Distribution. The Company changed the name of the Fueling Systems segment to Energy Systems to reflect its diverse portfolio and growth strategy, as well as to better reflect the markets and customers served by the segment. The Company does not allocate corporate expenses or intersegment eliminations to a reportable segment. Segment and geographic information appears in Note 15 - Segment and Geographic Information to the consolidated financial statements.

The market for the Company's products is highly competitive and includes diversified accounts by size and type. The Company's Water Systems and Energy Systems products and related equipment are sold to specialty distributors and some original equipment manufacturers ("OEMs"), as well as industrial and petroleum equipment distributors and major oil and utility companies. The Company's Distribution segment sells products primarily to water well contractors.

Water Systems Segment

Water Systems is a global leader in the production and marketing of water pumping systems and is a technical leader in submersible motors, pumps, drives, electronic controls, water treatment systems, and monitoring devices. The Water Systems segment designs, manufactures and sells motors, pumps, drives, electronic controls, monitoring devices, and related parts and equipment primarily for use in groundwater, water transfer and wastewater.

Water Systems motors, pumps and controls are used principally for pumping clean water and wastewater in a variety of residential, agricultural, municipal and industrial applications. Water Systems also manufactures electronic drives and controls for the motors which control functionality and provide protection from various hazards, such as electrical surges, over-heating and dry wells or dry tanks. In the three years ended December 31, 2024, the Company only completed one significant acquisition in the segment when it acquired substantially all of the assets of Action Manufacturing & Supply, Inc. in 2023 expanding its portfolio in water treatment systems. In February 2025, the Company acquired PumpEng Pty Ltd. ("PumpEng"), a manufacturer of submersible pumps for the mining sector headquartered in Australia. Also in February 2025, the Company signed a definitive agreement to acquire Barnes de Colombia S.A. ("Barnes"), a leading manufacturer and distributor of industrial and commercial pumps based in Colombia.

Water Systems products are sold in highly competitive markets. Water Systems contributed about 60 percent of the Company's total revenue in 2024. Significant portions of segment revenue come from selling groundwater and surface pumps, motors, and

controls for residential and commercial buildings, as well as agricultural sales which are more seasonal and subject to commodity price changes. The Water Systems segment generates approximately 25 to 30 percent of its revenue in developing markets, which often lack municipal water systems. As those countries install water systems and further develop with an expanding middle class or improving quality of living, the Company views those markets as an opportunity. The Company has had 6 to 9 percent compounded annual sales growth in developing regions in recent years. Water Systems competes in each of its targeted markets based on product design, quality, performance, availability and price. The Company's principal competitors in the specialty water products industry are Grundfos Management A/S, Pentair, Inc. and Xylem, Inc.

2024 Water Systems research and development expenditures were primarily related to the following activities:

- Development of new integrated pressure boosting systems for residential and commercial applications
- Electronic variable frequency drives and controls for Pump and HVAC applications, including enhancements to include tethering and IOT capability for our drives and making our key platforms easier to utilize by our customers
- Development of expanded offering of standard electric skid pump package designs including the "SmartPrime" variable frequency drive skid packages and updated stackable units for rental and municipal dewatering markets
- Development of new HVAC condensate product offerings including new externally mounted mini-condensate pump
- Greywater pumping equipment, including the expansion of our electrical submersible pump lines with addition of range, materials, and control packages for the global market
- Submersible pumps for commercial, municipal, and agricultural applications including the development of global standardization of updated cast iron submersible turbine hydraulics, and upgrading the performance of line shaft turbine product offering
- Water treatment products focused on component performance improvements

Energy Systems Segment

Energy Systems is a global leader in the production and marketing of fuel pumping systems, fuel containment systems and monitoring and control systems. The Energy Systems segment designs, manufactures and sells pumps, motors, pipe, sumps, fittings, vapor recovery components, electronic controls, monitoring devices and related parts and equipment primarily for use in energy system applications.

Energy Systems offers a complete array of components between the tank and the dispenser, including submersible pumps, motors, station hardware, piping, sumps, vapor recovery, corrosion control systems and electronic controls and monitoring. The Energy Systems segment growth has been sustained by a commitment to protecting human health and the environment while delivering the lowest total cost of ownership. Energy Systems takes steps to ensure its products are installed and maintained properly through robust global certification tools for their third-party contractors. The segment serves other energy markets such as power reliability systems and includes intelligent electronic devices that are designed for online monitoring for the power utility, hydroelectric, rail, and telecommunication and data center infrastructure.

Energy Systems products are sold in highly competitive markets. The Company believes there is growth opportunity in developing markets. Energy Systems competes in each of its targeted markets based on product design, quality, performance, availability and price. The Company's principal competitors in the petroleum equipment industry are Vontier Corporation and Dover Corporation.

2024 Energy Systems research and development expenditures were primarily related to the following activities:

- Developed new overfill protection valve for the Indian market with a more robust valve design
- Developed Distribution Transformer Monitoring antenna, which allows for improved wireless monitoring transmission
- Developed new fiberglass tank sump and cover to withstand increased weight and side compression
- Developed Remote Integration Panel to allow remote control and power cycling of breakers at fueling stations
- Developed Trip Signature Monitor for continuous monitoring of substation circuit breakers
- Developed EV-Controls NexPhase 800 & 2000A, an upgraded electric vehicle charger switchgear

Distribution Segment

The Distribution segment is operated as a collection of wholly owned leading groundwater distributors known as the Headwater Companies. Headwater Companies deliver quality products and leading brands to the industry, providing contractors with the products and services they demand to meet their application challenges. The Distribution segment operates within the U.S. professional groundwater market. In 2023, the Distribution segment acquired substantially all of the assets of LCA Pump, LLC, which operated Water Works Pump, a professional groundwater distributor operating in the Midwest.

Information Regarding All Reportable Segments

Research and Development

The Company incurred research and development expenses as follows:

(In millions)	2024	2023	2022
Research and development expenses	\$ 21.5	\$ 17.7	\$ 16.7

Expenses incurred were for activities related to the development of new products, improvement of existing products and manufacturing methods and other applied research and development.

The Company owns a number of patents, trademarks, and licenses. In the aggregate, these patents are of material importance to the operation of the business; however, the Company believes that its operations are not dependent on any single patent or group of patents.

Raw Materials

The principal raw materials used in the manufacture of the Company's products are coil and bar steel, stainless steel, copper wire and aluminum ingot. Major components are electric motors, electrical components, motor protectors, forgings, gray iron castings, plastic resins and bearings. Most of these raw materials are available from multiple sources in the U.S. and world markets. Generally, the Company believes that adequate alternative sources are available for the majority of its key raw material and purchased component needs; however, the Company is dependent on a single or limited number of suppliers for certain materials or components. The Company believes that availability of fuel and energy is adequate to satisfy current and projected overall operations unless interrupted by government direction, allocation or other disruption.

Major Customers

No single customer accounted for over 10 percent of net sales in 2024, 2023, or 2022. No single customer accounted for over 10 percent of gross accounts receivable in 2024 and 2023.

Backlog

The dollar amount of backlog by segment was as follows:

(In millions)	February 5, 2025	February 7, 2024
Water Systems	\$ 98.4	\$ 120.2
Energy Systems	21.5	16.9
Distribution	20.8	23.5
Consolidated	\$ 140.7	\$ 160.6

The backlog is composed of written orders for products for which prices are typically established at the time the order is placed, primarily standard catalog items. All backlog orders are expected to be filled in 2025. The Company's sales in the first quarter are generally less than its sales in other quarters due to less water well drilling and overall product sales during the winter months in the Northern hemisphere. Beyond that, there is no seasonal pattern to the backlog and the backlog has not proven to be a significant indicator of future sales.

Environmental Matters

The Company believes that it is in compliance with all applicable federal, state and local laws concerning the discharge of material into the environment, or otherwise relating to the protection of the environment. The Company has not experienced any material costs in connection with environmental compliance, and does not believe that such compliance will have any material effect upon the financial position, results of operations, cash flows or competitive position of the Company.

Human Capital Resources

As of December 31, 2024, the Company had approximately 6,300 employees. The Company is committed to providing safe work environments for its employees, prioritizing wellness, health and safety best practices and requiring ethical compliance with established policies. Further information regarding its human capital details and initiatives can be found in the [2024 Franklin Electric Sustainability Report](#) available for download on the Company's website.

Available Information

The Company is a U.S. public reporting company under the Exchange Act and files reports, proxy statements and other information with the SEC, which can be accessed from the SEC's home page on the Internet at www.sec.gov. The Company's website address is www.franklin-electric.com. The Company makes available free of charge on or through its website its annual

report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports, as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission. Additionally, the Company's website includes the Company's corporate governance guidelines, its Board committee charters, Lead Independent Director charter, and the Company's code of business conduct and ethics. Information contained on the Company's website is not part of this annual report on Form 10-K.

ITEM 1A. RISK FACTORS

The following describes the principal risks affecting the Company and its business. Additional risks and uncertainties, not presently known to the Company, could negatively impact the Company's results of operations or financial condition in the future.

Risks Related to the Industry

Reduced housing starts adversely affect demand for the Company's products, thereby reducing revenues and earnings. Demand for certain Company products is affected by housing starts. Variation in housing starts due to economic volatility both within the United States and globally could adversely impact gross margins and operating results.

The Company's results may be adversely affected by global macroeconomic supply and demand conditions related to the energy and mining industries. The energy and mining industries are users of the Company's products, including the coal, iron ore, gold, copper, oil, and natural gas industries. Decisions to purchase the Company's products are dependent upon the performance of the industries in which our customers operate. If demand or output in these industries increases, the demand for our products will generally increase. Likewise, if demand or output in these industries declines, the demand for our products will generally decrease. The energy and mining industries' demand and output are impacted by the prices of commodities in these industries which are frequently volatile and change in response to general economic conditions, economic growth, commodity inventories, and any disruptions in production or distribution. Changes in these conditions could adversely impact sales, gross margin, and operating results.

Volatility in the prices and availability of raw materials, components, finished goods and other commodities could adversely affect operations. The Company purchases most of the raw materials for its products on the open market and relies on third parties for the sourcing of certain finished goods. Accordingly, the cost of its products may be affected by changes in the market price and its ability to successfully obtain raw materials, sourced components, or finished goods. The Company and its suppliers also use natural gas and electricity in manufacturing products both of which have historically been volatile. The Company does not generally engage in commodity hedging for raw materials and energy. Significant increases in the prices or disruptions in the supply chain of commodities, sourced components, finished goods, energy or other commodities could cause product prices to increase, which may reduce demand for products or make the Company more susceptible to competition. Furthermore, in the event the Company is unable to pass along increases in operating costs to its customers, margins and profitability may be adversely affected.

The growth of municipal water systems and increased government restrictions on groundwater pumping could reduce demand for private water wells and the Company's products, thereby reducing revenues and earnings. Demand for certain Company products is affected by rural communities shifting from private and individual water well systems to city or municipal water systems. Many economic and other factors outside the Company's control, including governmental regulations on water quality, and tax credits and incentives, could adversely impact the demand for private and individual water wells. A decline in private and individual water well systems in the United States or other economies in the international markets the Company serves could reduce demand for the Company's products and adversely impact sales, gross margins, and operating results.

Demand for Energy Systems products is impacted by environmental legislation which may cause significant fluctuations in costs and revenues. Environmental legislation related to air quality and fuel containment may create demand for certain Energy Systems products which must be supplied in a relatively short time frame to meet the governmental mandate. During periods of increased demand, the Company's revenues and profitability could increase significantly, although the Company can also be at risk of not having capacity to meet demand or cost overruns due to inefficiencies during ramp up to the higher production levels. After the Company's customers have met the compliance requirements, the Company's revenues and profitability may decrease significantly as the demand for certain products declines substantially. The risk of not reducing production costs in relation to the decreased demand and reduced revenues could have a material adverse impact on gross margins and the Company's results of operations.

Changes in tax legislation regarding the Company's U.S. or foreign earnings could materially affect future results. Since the Company operates in different countries and is subject to taxation in different jurisdictions, the Company's future effective tax rates could be impacted by changes in such countries' tax laws or their interpretations. Both domestic and international tax laws

are subject to change as a result of changes in fiscal policy, legislation, evolution of regulation and court rulings. The application of these tax laws and related regulations is subject to legal and factual interpretation, judgment, and uncertainty. The Company cannot predict whether any proposed changes in tax laws will be enacted into law or what, if any, changes may be made to any such proposals prior to their being enacted into law. If the tax laws change in a manner that increases the Company's tax obligation, it could have a material adverse impact on the Company's results of operations and financial condition.

On December 15, 2022, the European Union (EU) Member States formally adopted the EU's Pillar Two Directive, which generally provides for a minimum effective tax rate of 15%, as established by the Organization for Economic Co-operation and Development (OECD) Pillar Two Framework. A significant number of countries have enacted portions, or all, of the OECD proposal with effective dates in 2024 and 2025 for different aspects of the directive, with many additional countries expected to implement similar legislation with varying effective dates in the future. In 2024, Pillar Two did not have a material impact on the Company's income tax liability, provision for income taxes, or effective tax rate, nor does the Company expect a material impact in the future.

Risks Related to the Business

The Company is exposed to political, economic and other risks that arise from operating a multinational business. The Company has significant operations outside the United States, including Europe, South Africa, Brazil, Mexico, India, China, Turkey, Canada and Argentina. Further, the Company obtains raw materials and finished goods from foreign suppliers. Accordingly, the Company's business is subject to political, economic, and other risks that are inherent in operating a multinational business. These risks include, but are not limited to, the following:

- Difficulty in enforcing agreements and collecting receivables through foreign legal systems
- Trade protection measures and import or export licensing requirements
- Inability to obtain raw materials and finished goods in a timely manner from foreign suppliers
- Imposition of tariffs, exchange controls or other restrictions (including recent U.S. tariffs imposed or threatened to be imposed on China, Canada and Mexico and other countries and any retaliatory actions taken by such countries)
- Difficulty in staffing and managing widespread operations and the application of foreign labor regulations
- Compliance with foreign laws and regulations
- Changes in general economic and political conditions in countries where the Company operates

Additionally, the Company's operations outside the United States could be negatively impacted by changes in treaties, agreements, policies, and laws implemented by the United States. If the Company does not anticipate and effectively manage these risks, these factors may have a material adverse impact on its international operations or on the business as a whole.

The Company has significant investments in foreign entities and has significant sales and purchases in foreign denominated currencies creating exposure to foreign currency exchange rate fluctuations. The Company has significant investments outside the United States, including Europe, South Africa, Brazil, Mexico, India, China, Turkey, Canada and Argentina. Further, the Company has sales and makes purchases of raw materials and finished goods in foreign denominated currencies. Accordingly, the Company has exposure to fluctuations in foreign currency exchange rates relative to the U.S. dollar. Foreign currency exchange rate risk is partially mitigated through several means: maintenance of local production facilities in the markets served, invoicing of customers in the same currency as the source of the products, prompt settlement of intercompany balances, limited use of foreign currency denominated debt, and application of derivative instruments when appropriate. To the extent that these mitigating strategies are not successful, foreign currency rate fluctuations can have a material adverse impact on the Company's international operations or on the business as a whole.

In the second quarter of 2022, the Company concluded that Turkey represents a highly inflationary economy as its three-year cumulative inflation rate exceeded 100 percent. As a result, the Company started remeasuring the financial statements for the Company's Turkish operations in accordance with the highly inflationary accounting rules in the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 830 "Foreign Currency Matters" as of the beginning of the second quarter of 2022. As a result, all gains and losses resulting from the remeasurement of the financial results of operations and other transactional foreign exchange gains and losses are reflected in earnings, which have resulted in volatility within the Company's earnings, rather than as a component of the Company's comprehensive income within shareholders' equity. The Company also remeasures its financial statements for its Argentina operations in accordance with the highly inflationary accounting rules. Turkey and Argentina becoming highly inflationary economies has had an adverse effect on the Company's consolidated results of operations and further inflation may have additional adverse effects on the Company's consolidated financial position, results of operations, or cash flows in future periods.

The Company's acquisition strategy entails expense, integration risks, and other risks that could affect the Company's earnings and financial condition. One of the Company's continuing strategies is to increase revenues and expand market share through acquisitions that will provide complementary Water and Energy Systems products, add to the Company's global reach,

or both. The Company spends significant time and effort expanding existing businesses through identifying, pursuing, completing, and integrating acquisitions, which generate expense whether or not the acquisitions are actually completed. Competition for acquisition candidates may limit the number of opportunities and may result in higher acquisition prices. There is uncertainty related to successfully acquiring, integrating and profitably managing additional businesses without substantial costs, delays or other problems. There can also be no assurance that acquired companies will achieve revenues, profitability or cash flows that justify the investment. Failure to manage or mitigate these risks could adversely affect the Company's results of operations and financial condition.

The Company's products are sold in highly competitive markets, by numerous competitors whose actions could negatively impact sales volume, pricing and profitability. The Company is a global leader in the production and marketing of groundwater and fuel pumping systems. End user demand, distribution relationships, industry consolidation, new product capabilities of the Company's competitors or new competitors, and many other factors contribute to a highly competitive environment. Additionally, some of the Company's competitors have substantially greater financial resources than the Company. The Company believes that consistency of product quality, timeliness of delivery, service, and continued product innovation, as well as price, are principal factors considered by customers in selecting suppliers. Competitive factors previously described may lead to declines in sales or in the prices of the Company's products which could have an adverse impact on its results of operations and financial condition.

The Company's products are sold to numerous distribution outlets based on market performance. The Company may, from time to time, change distribution outlets in certain markets based on market share and growth. These changes could adversely impact sales and operating results.

Transferring operations of the Company to lower cost regions may not result in the intended cost benefits. The Company is continuing its rationalization of manufacturing capacity between all existing manufacturing facilities and the manufacturing complexes in lower cost regions. To implement this strategy, the Company must complete the transfer of assets and intellectual property between operations. Each of these transfers involves the risk of disruption to the Company's manufacturing capability, supply chain, and, ultimately, to the Company's ability to service customers and generate revenues and profits and may include significant severance amounts.

Delays in introducing new products or the inability to achieve or maintain market acceptance with existing or new products may cause the Company's revenues to decrease. The industries to which the Company belongs are characterized by intense competition, changes in end-user requirements, and evolving product offerings and introductions. The Company believes future success will depend, in part, on the ability to anticipate and adapt to these factors and offer, on a timely basis, products that meet customer demands. Failure to successfully develop new and innovative products or to enhance existing products could result in the loss of existing customers to competitors or the inability to attract new business, either of which may adversely affect the Company's revenues.

Certain Company products are subject to regulation and government performance requirements in addition to the warranties provided by the Company. The Company's product lines have expanded significantly and certain products are subject to government regulations and standards for manufacture, assembly, and performance in addition to the warranties provided by the Company. The Company's failure to meet all such standards or perform in accordance with warranties could result in significant warranty or repair costs, lost sales and profits, damage to the Company's reputation, fines or penalties from governmental organizations, and increased litigation exposure. Changes to these regulations or standards may require the Company to modify its business objectives and incur additional costs to comply. Any liabilities or penalties actually incurred could have a material adverse effect on the Company's earnings and operating results.

The Company has significant goodwill and intangible assets and future impairment of the value of these assets may adversely affect the Company's operating results and financial condition. The Company's total assets include substantial intangible assets, primarily goodwill. Goodwill results from the Company's acquisitions, representing the excess of the purchase price paid over the fair value of the net assets acquired. Goodwill and indefinite-lived intangible assets are tested annually for impairment during the fourth quarter or as warranted by triggering events. If future operating performance at one or more of the Company's operating segments were to decline significantly below current levels, the Company could incur a non-cash impairment charge to operating earnings. The recognition of an impairment of a significant portion of the Company's goodwill or intangible assets could have a material adverse impact on the Company's results of operations and financial condition.

The Company's business may be adversely affected by the seasonality of sales and weather conditions. The Company experiences seasonal demand in a number of markets within the Water Systems segment. End-user demand in primary markets follows warm weather trends and is at seasonal highs from April to August in the Northern Hemisphere. Demand for residential

and agricultural water systems are also affected by weather-related disasters including heavy flooding and drought. Changes in these patterns could reduce demand for the Company's products and adversely impact sales, gross margins, and operating results.

The Company depends on certain key suppliers, and any loss of those suppliers or their failure to meet commitments may adversely affect the Company's business and results of operations. The Company is dependent on a single or limited number of suppliers for some materials or components required in the manufacture of its products. If any of those suppliers fail to meet their commitments to the Company in terms of delivery or quality, the Company may experience supply shortages that could result in its inability to meet customer requirements, or could otherwise experience an interruption in operations that could negatively impact the Company's business and results of operations.

The Company's operations are dependent on information technology infrastructure and failures could significantly affect its business. The Company depends on information technology infrastructure in order to achieve business objectives. If the Company experiences a problem that impairs this infrastructure, such as a computer virus, a problem with the functioning of an important IT application, or an intentional disruption of IT systems by a third party, the resulting disruptions could impede the Company's ability to record or process orders, manufacture and ship products in a timely manner, or otherwise carry on business in the ordinary course. Any such events could cause the loss of customers or revenue and could cause significant expense to be incurred to eliminate these problems and address related security concerns. The Company is also subject to certain U.S. and international data protection and cybersecurity regulations. Complying with these laws may subject the Company to additional costs or require changes to the Company's business practices. Any inability to adequately address privacy and security concerns or comply with applicable privacy and data security laws, rules and regulations could expose the Company to potentially significant liabilities.

Additional Risks to the Company. The Company is subject to various risks in the normal course of business as well as catastrophic events including severe weather events, earthquakes, fires, acts of war, terrorism, civil unrest, epidemics and pandemics and other unexpected events. Exhibit 99.1 sets forth risks and other factors that may affect future results, including those identified above, and is incorporated herein by reference.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

The Company's data protection and privacy program is designed to help it assess, identify, manage, and mitigate risks relating to cybersecurity threats and incidents. The Company designs its cybersecurity standards, policies, processes and controls to operate in an integrated manner, leveraging applicable industry standards and security frameworks, including the National Institute of Standards and Technology (NIST) Cybersecurity Framework and Center for Internet Security, Inc (CIS) Controls, as guides in supporting its ability to perform such functions.

The Company manages its data protection and privacy program, fostering collaboration with partners across business units and functional areas to identify and assess material cybersecurity threats, evaluate their severity, and explore ways to mitigate and manage such risks. Third parties are engaged to assess the Company's cybersecurity posture and adherence to the NIST Cybersecurity Framework and CIS Controls, and the Company evaluates cybersecurity risks as part of its annual risk assessment process. Cybersecurity risk mitigation strategies and initiatives are developed based on these assessments.

As part of the Company's data protection and privacy program, it maintains a cyber risk management program that seeks to address key risk management concepts, including mission and vision, escalation path for risk mitigation, risk assessments, and risk treatment. The Company does so by conducting a variety of planning and preparedness activities, including employing monitoring tools to identify suspicious or anomalous activity, vulnerabilities, or signs of compromise across its networks, systems, and data. The Company utilizes data from attack surface management tools to produce a prioritized set of vulnerabilities for remediation. A key area for the program is employee cybersecurity education. The Company's employees play a key role in cybersecurity and participate in mandatory cybersecurity training, phishing attack simulations, educational events, and receive news bulletins. The Company's data protection and privacy program is designed to adhere to and adapt to global privacy and data protection laws.

The Company has established policies, processes, and controls that are designed to monitor, detect, investigate, respond to, and escalate management of cybersecurity threats and incidents. If the Company experiences a cybersecurity incident, the Company activates an incident response plan, which includes processes to enable it to triage, assess severity of, escalate, contain,

investigate, and remediate the incident, as well as to comply with applicable legal obligations and mitigate brand and reputational harm. Based on initial investigation into such incident's impact to the Company, the actor(s) involved, and other factors, the Company assigns a severity level to an incident, which dictates the escalation path for a given incident. Incidents rising to higher levels of severity and potential materiality are escalated to designated members of the Company's senior management for further assessment, response, and remediation. Additionally, the Company has established a Cyber Crisis Management Team, responsible for addressing and responding to the most severe cyber incidents. If warranted, senior management notifies the Audit Committee and/or the full Board of Directors, as appropriate. Throughout this process, the Company continues to investigate the incident and, as its understanding of the incident evolves, updates its severity assessment, as necessary.

Governance

The Company's cybersecurity program and approach is overseen by its Board of Directors, in coordination with the Audit Committee, and Senior Leadership, along with its Vice President, Information Technology. The Vice President, Information Technology reports to the Chief Administration Officer and has more than 25 years of IT experience with over 10 years of cybersecurity and international business experience. The Board of Directors receives annual reports from Senior Leadership on the Company's cybersecurity risks. In addition, Senior Leadership updates the Board of Directors, as necessary, regarding any significant cybersecurity incidents. The Board of Directors and Senior Leadership review the strategy, tools, metrics and latest trends affecting cybersecurity utilizing the NIST Cybersecurity Framework and CIS Controls as the foundation for its cybersecurity strategy and approach.

The Company's business strategy, results of operations and financial condition have not been materially affected and are not reasonably likely to be affected by risks from cybersecurity threats, including as a result of previously identified cybersecurity incidents, but it cannot provide assurance that they will not be materially affected in the future by such risks or any future material incidents. For more information on the Company's information technology related risks, see Item 1A Risk Factors of this Annual Report on Form 10-K.

ITEM 2. PROPERTIES

Franklin Electric serves customers worldwide with over 220 manufacturing and distribution facilities located in over 20 countries. The Global Headquarters is located in Fort Wayne, Indiana, United States and houses sales, marketing and administrative offices along with a state-of-the-art research and engineering facility. Besides the owned corporate facility, the Company considers the following to be principal properties:

Location / Segment	Purpose	Own/Lease
Santa Catarina, Brazil / Water & Energy	Manufacturing/Distribution/Sales	Own
Sao Paulo, Brazil / Water & Energy	Manufacturing/Distribution/Sales	Own
Jiangsu Province, China / Water & Energy	Manufacturing	Own
Brno, Czech Republic / Water	Manufacturing	Own
Vicenza, Italy / Water	Manufacturing	Own
Nuevo Leon, Mexico / Water & Energy	Manufacturing	Own
Edenvale, South Africa / Water	Manufacturing	Own
Izmir, Turkey / Water & Energy	Manufacturing/Distribution/Sales/R&D	Own
Indiana, United States / Water	Manufacturing/Distribution/Sales	Lease
Montana, United States / Distribution	Distribution	Own
North Carolina, United States / Distribution	Distribution	Own
Oklahoma, United States / Water	Manufacturing	Own
Oregon, United States / Water	Manufacturing/Distribution/Sales/R&D	Lease
Wisconsin, United States / Energy	Manufacturing/Distribution/Sales/R&D	Own

The Company also owns and leases other smaller facilities which serve as manufacturing locations and distribution warehouses. The Company does not consider these facilities to be principal to the business or operations. In the Company's opinion, its facilities are suitable for their intended use, adequate for the Company's business needs, all currently utilized and in good condition.

ITEM 3. LEGAL PROCEEDINGS

The Company is defending various claims and legal actions which have arisen in the ordinary course of business. For a description of the Company's material legal proceedings, refer to Note 7 - Commitments and Contingencies, in the Notes to Consolidated Financial Statements included in Part II, Item 8, "Financial Statements and Supplementary Data," of this Annual Report on Form 10-K, which is incorporated into this Item 3 by reference. In the opinion of management, based on current knowledge of the facts and after discussion with counsel, other claims and legal actions can be defended or resolved without a material effect on the Company's financial position, results of operations, and net cash flows.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

Current executive officers of the Company, their ages, current position, and business experience during at least the past five years as of December 31, 2024, are as follows:

Name	Age	Position Held	Period Holding Position
Gregg C. Sengstack	66	Chairperson of the Board	2015 - present
		Chief Executive Officer	2015 - 2024
Joseph A. Ruzynski	49	Chief Executive Officer	2024-present
		President of Enclosures, nVent Electric plc	2018-2024
Jeffery L. Taylor	58	Vice President, Chief Financial Officer	2021 - present
		Chief Financial Officer, Blue Bird Corporation	2020 - 2021
		Senior Vice President and Chief Financial Officer, Wabash National Corporation	2014 - 2020
Brent L. Spikes	53	Vice President, Global Manufacturing	2022 - present
		Vice President, Global Water Engineering	2020 - 2022
		Vice President, Manufacturing & Manufacturing Engineering	2019 - 2020
DeLancey W. Davis	59	Vice President and President, Headwater Companies	2017 - present
Greg M. Levine	51	Vice President and President, Global Water	2023 - present
		President and CEO, Motion Control and Drives, Nidec Corporation	2020-2023
		President, Motion Control, Nidec Corporation	2016-2020
Jay J. Walsh	55	Vice President and President, Energy Systems	2019 - present
Jonathan M. Grandon	49	Vice President, Chief Administrative Officer, General Counsel and Corporate Secretary	2016 - present

All executive officers are elected annually by the Board of Directors at the Board meeting held in conjunction with the annual meeting of shareholders. All executive officers hold office until their successors are duly elected or until their death, resignation or removal by the Board.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

The number of shareholders of record as of February 5, 2025 was 554. The Company's stock is traded on the NASDAQ Global Select Market under the symbol FELE. Broadridge Corporate Issuer Solutions, Inc. 1155 Long Island Avenue, Edgewood, New York, 11717 serves as the registrar, record keeper and stock transfer agent.

Dividends paid per common share as quoted by the NASDAQ Global Select Market for 2024 and 2023 were as follows:

	Dividends per Share	2024		2023	
		\$.250	\$.225
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					

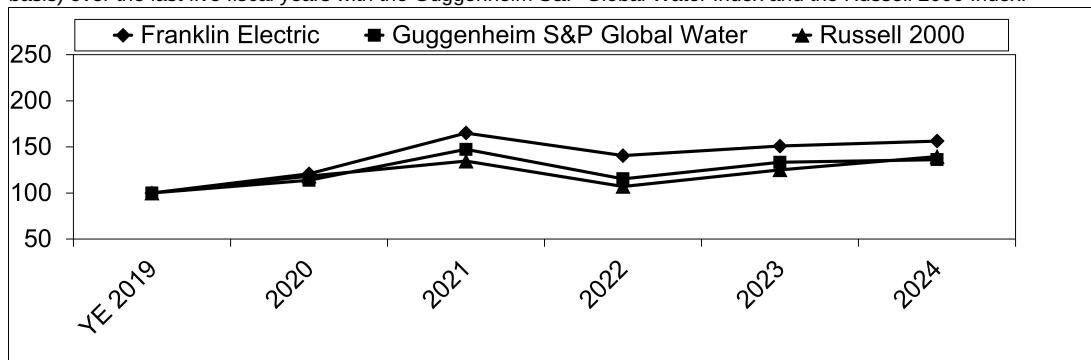
The Company has increased dividend payments on an annual basis for 32 consecutive years. The payment of dividends in the future will be determined by the Board of Directors and will depend on business conditions, earnings, and other factors.

Issuer Purchases of Equity Securities

In April 2007, the Company's Board of Directors unanimously approved a plan to increase the number of shares remaining for repurchase from 628,692 to 2,300,000 shares. There is no expiration date for this plan. On August 3, 2015, the Company's Board of Directors approved a plan to increase the number of shares remaining for repurchase by an additional 3,000,000 shares. The authorization was in addition to the 535,107 shares that remained available for repurchase as of July 31, 2015. In February 2023, the Company's Board of Directors approved a plan to increase the number of shares remaining for repurchase by an additional 1,000,000 shares. The authorization was in addition to the 215,872 shares that remained available for repurchase as of February 16, 2023. In October 2024, the Company's Board of Directors approved a plan to increase the number of shares remaining for repurchase by an additional 1,000,000 shares. The Company did not repurchase any shares under this plan during the fourth quarter of 2024. The maximum number of shares that may still be purchased under this plan as of December 31, 2024 is 1,367,593.

Stock Performance Graph

The following graph compares the Company's cumulative total shareholder return (Common Stock price appreciation plus dividends, on a reinvested basis) over the last five fiscal years with the Guggenheim S&P Global Water Index and the Russell 2000 Index.



Hypothetical \$100 invested on December 31, 2019 (fiscal year-end 2019) in Franklin Electric common stock (FELE), Guggenheim S&P Global Water Index, and Russell 2000 Index, assuming reinvestment of dividends:

	YE 2019	2020	2021	2022	2023	2024
FELE	\$ 100	\$ 121	\$ 165	\$ 141	\$ 151	\$ 156
Guggenheim S&P Global Water	100	114	147	115	133	136
Russell 2000	100	118	135	107	125	140

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Discussion of the year-over-year comparison of changes in the Company's financial condition and results of operation as of and for the fiscal years ended December 31, 2023 and December 31, 2022 can be found in Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

2024 vs. 2023

OVERVIEW

Net sales in 2024 decreased 2 percent compared to the prior year. The sales decrease in 2024 was primarily due to lower volumes and the negative impact of foreign currency translation, partially offset by the incremental sales impact from recent acquisitions. The Company's consolidated gross profit was \$717.3 million for 2024, an increase of \$20.3 million from the prior year. Diluted earnings per share was \$3.86 for 2024, a decrease of \$0.25 or 6 percent from the prior year.

RESULTS OF OPERATIONS

Net Sales

Net sales in 2024 were \$2.0 billion and decreased 2 percent compared to the prior year. Sales were negatively impacted by changes in foreign exchange rates, principally due to the strengthening of the U.S. Dollar relative to the Argentine Peso, Turkish Lira and Brazilian Real. However, the Company increases prices in the local currency to offset the impact of currency devaluation in the Argentina and Turkey highly inflationary economies. As a result, the net negative impact of foreign currency exchange rates on net sales was 1 percent in 2024.

(In millions)	Net Sales		
	2024	2023	2024 v 2023
Water Systems	\$ 1,184.0	\$ 1,203.7	\$ (19.7)
Energy Systems	273.7	296.5	(22.8)
Distribution	685.5	673.3	12.2
Eliminations	(121.9)	(108.4)	(13.5)
Consolidated	<u>\$ 2,021.3</u>	<u>\$ 2,065.1</u>	<u>\$ (43.8)</u>

Net Sales-Water Systems

Water Systems net sales decreased 2 percent in 2024, as compared to the prior year. This sales decline was primarily due to lower volumes, which decreased due to weaker end market demand for large dewatering equipment. Additionally, net sales decreased 2 percent in 2024 due to the negative impact from foreign exchange rates, as compared to prior year while the incremental sales impact from recent acquisitions favorably impacted sales 1 percent in 2024.

Water Systems net sales in the U.S. and Canada decreased 5 percent in 2024, as compared to the prior year. In 2024, sales of large dewatering equipment decreased 41 percent, sales of water treatment products increased 11 percent, sales of groundwater pumping equipment increased 4 percent and sales of all other surface pumping equipment increased 5 percent compared to 2023.

Water Systems net sales in markets outside the U.S. and Canada increased 4 percent in 2024, as compared to the prior year. Sales decreased 4 percent in 2024 due to the negative impact from foreign exchange rates, as compared to prior year. In 2024 excluding the impact of foreign currency translation, sales increased in all three major regions: EMEA, Latin America and Asia Pacific.

Net Sales-Energy Systems

Energy Systems net sales decreased 8 percent in 2024, as compared to the prior year. This sales decline was primarily due to lower volumes.

Energy Systems net sales in the U.S. and Canada decreased 3 percent in 2024, as compared to the prior year. Outside the U.S. and Canada, Energy Systems sales decreased 18 percent in 2024, as compared to the prior year. The decreases were across all product lines.

Net Sales-Distribution

Distribution net sales increased 2 percent in 2024, as compared to the prior year. The Distribution segment sales increase was primarily due to the incremental sales impact from a recent acquisition, which favorably impacted net sales by 3 percent, partially offset by the negative impact of commodity pricing declines and unfavorable weather.

Gross Profit and Expense Ratios

(In Millions)	Fiscal Year			
	2024	% of Net Sales	2023	% of Net Sales
Gross Profit	\$ 717.3	35.5 %	\$ 697.0	33.8 %
Selling, General and Administrative Expense	470.1	23.3 %	433.5	21.0 %

Gross Profit

The gross profit margin ratio was 35.5 percent and 33.8 percent in 2024 and 2023, respectively. The gross profit margin was favorably impacted in 2024 by cost management, including lower freight costs in Water Systems and Energy Systems, and a favorable product and geographic sales mix shift.

Selling, General and Administrative ("SG&A")

SG&A expenses were \$470.1 million in 2024 compared to \$433.5 million in 2023. SG&A expenses increased in 2024 primarily due to higher employee compensation costs, including incremental expenses associated with the Company's CEO transition, and the incremental expense impact of recent acquisitions. The SG&A expenses ratio was 23.3 percent and 21.0 percent in 2024 and 2023, respectively.

Restructuring Expenses

Restructuring expenses were \$3.5 million and \$1.1 million in 2024 and 2023, respectively. Restructuring actions in 2024 were primarily related to headcount reductions and facility closures to optimize the Company's cost structure. Restructuring expenses in 2023 were primarily from continued miscellaneous manufacturing realignment activities, branch closings and consolidations.

Operating Income

Operating income decreased 7 percent in 2024, as compared to the prior year.

(In millions)	Operating income (loss)		
	2024	2023	2024 v 2023
Water Systems	\$ 197.9	\$ 196.6	\$ 1.3
Energy Systems	93.6	92.7	0.9
Distribution	24.3	34.3	(10.0)
Corporate Expenses and Eliminations	(72.2)	(61.2)	(11.0)
Consolidated	\$ 243.6	\$ 262.4	\$ (18.8)

Operating Income-Water Systems

Water Systems operating income in 2024 was \$197.9 million, an increase of \$1.3 million as compared to the prior year. The 2024 operating income margin was 16.7 percent, an increase of 40 basis points from 16.3 percent in 2023. Operating income and operating margin increased in 2024 primarily due to price realization, cost management and a favorable product and geographic sales mix shift.

Operating Income-Energy Systems

Energy Systems operating income in 2024 was \$93.6 million, an increase of \$0.9 million as compared to the prior year. The 2024 operating income margin was 34.2 percent, an increase of 290 basis points from 31.3 percent in 2023. Operating income and operating margin increased primarily due to a favorable geographic mix of sales, price realization and cost management.

Operating Income-Distribution

Distribution operating income in 2024 was \$24.3 million, a decrease of \$10.0 million as compared to the prior-year period. The 2024 operating income margin was 3.5 percent, a decrease of 160 basis points from 5.1 percent in 2023. Operating income and operating income margin decreased in 2024 primarily due to the negative impact on sales from wet weather across much of the United States, decreases in pricing of commodity-based products sold through the business and increased SG&A costs.

Operating Income-Corporate Expenses and Eliminations

Operating income-corporate expenses and eliminations is composed primarily of intersegment sales and profit eliminations and unallocated general and administrative expenses. The intersegment profit elimination impact in 2024 compared to 2023 was an unfavorable \$2.7 million. The intersegment elimination of operating income effectively defers the operating income on sales from Water Systems to Distribution in the consolidated financial results until such time as the transferred product is sold from the Distribution segment to its end third party customer. General and administrative expenses increased \$8.3 million, compared to the prior year. The increase was primarily driven by higher employee compensation costs, including incremental expenses associated with the Company's CEO transition.

Interest Expense

Interest expense was \$6.3 million in 2024 and \$11.8 million in 2023, respectively. The decrease in 2024 was primarily driven by lower average borrowings in 2024.

Other Income or Expense

Other income (expense), net was a benefit of \$1.3 million in 2024 and \$3.7 million in 2023. The benefit in 2024 was lower than 2023 due to lower interest income realized in Argentina as excess cash balances and interest rates have declined in 2024 compared to 2023.

Foreign Exchange

Foreign currency-based transactions produced an expense of \$6.8 million in 2024 and \$12.1 million in 2023, respectively. The expense in 2024 and 2023 was primarily due to transaction losses associated with the Turkish Lira and Argentine Peso relative to the U.S. dollar. The Company reports the results of its subsidiaries in Argentina and Turkey using highly inflationary accounting, which requires that the functional currency of the entity be changed to the reporting currency of its parent.

Income Taxes

The provision for income taxes in 2024 and 2023 were \$50.2 million and \$47.5 million, respectively. The effective tax rate for 2024 was about 22 percent and included a favorable benefit from discrete events of 1 percent. The effective tax rate for 2023 was about 20 percent and included a favorable benefit from discrete events of 1 percent. The effective tax rate differs from the U.S. statutory rate of 21 percent, primarily due to U.S. states taxes, foreign earnings taxed at rates higher than the U.S. statutory rate, and nondeductible officer's compensation, partially offset by the recognition of the U.S. foreign-derived intangible income (FDII) provisions, certain incentives, and discrete events.

Net Income

Net income for 2024 was \$181.6 million compared to 2023 net income of \$194.7 million. Net income attributable to Franklin Electric Co., Inc. for 2024 was \$180.3 million, or \$3.86 per diluted share, compared to 2023 net income attributable to Franklin Electric Co., Inc. of \$193.3 million, or \$4.11 per diluted share.

CAPITAL RESOURCES AND LIQUIDITY

Sources of Liquidity

The Company's primary sources of liquidity are cash on hand, cash flows from operations, revolving credit agreements, and long-term debt funds available. The Company believes its capital resources and liquidity position at December 31, 2024 is adequate to meet projected needs for the foreseeable future. The Company expects that ongoing requirements for operations, capital expenditures, pension obligations, dividends, share repurchases, and debt service will be adequately funded from cash on hand, operations, and existing credit agreements.

As of December 31, 2024, the Company had a \$350.0 million revolving credit facility. The facility is scheduled to mature on May 13, 2026. As of December 31, 2024, the Company had \$304.1 million borrowing capacity under the Credit Agreement as \$4.5 million in letters of commercial and standby letters of credit were outstanding and undrawn and \$41.4 million in revolver borrowings were drawn or outstanding.

In addition, the Company maintains an uncommitted and unsecured private shelf agreement with NYL Investors LLC, an affiliate of New York Life, and each of the undersigned holders of Notes (the "New York Life Agreement"). On May 15, 2024, the Company entered into Amendment No. 1 that increased the total available facility amount from lenders to \$250.0 million from \$200.0 million. As of December 31, 2024, the remaining borrowing capacity on the New York Life Agreement was \$175.0 million. The Company also maintains an uncommitted and unsecured note purchase and private shelf agreement with PGIM, Inc. and its affiliates (the "Prudential Agreement"). On May 15, 2024, the Company entered into Amendment No. 1 that increased the total available facility amount from lenders to \$250.0 million from \$150.0 million. The maturity dates of both agreements were extended from July 30, 2024 to May 15, 2027.

At December 31, 2024, the Company had \$47.1 million of cash and cash equivalents held in foreign jurisdictions, which the Company intends to use to fund foreign operations. There is currently no need to repatriate these funds in order to meet domestic funding obligations or scheduled cash distributions.

Cash Flows

The following table summarizes significant sources and uses of cash and cash equivalents:

(in millions)	2024	2023
Cash flows from operating activities	\$ 261.4	\$ 315.7
Cash flows from investing activities	\$ (45.6)	\$ (74.3)
Cash flows from financing activities	\$ (74.1)	\$ (192.2)
Impact of exchange rates on cash and cash equivalents	\$ (6.1)	\$ (10.0)
Change in cash and cash equivalents	\$ 135.6	\$ 39.2

Cash Flows from Operating Activities

2024 vs 2023

Net cash provided by operating activities was \$261.4 million for 2024 compared to \$315.7 million for 2023. The change in operating cash flow was primarily attributable to changes in working capital and lower earnings. In 2023, the Company's cash flow benefited from actions it took to improve working capital including inventory reductions as its supply chain resiliency and lead times improved significantly compared to 2022.

Cash Flows from Investing Activities

2024 vs. 2023

Net cash used in investing activities was \$45.6 million in 2024 compared to \$74.3 million in 2023. The change in investing cash flow was primarily attributable to decreased acquisition activity in 2024.

In February 2025, the Company acquired 100 percent of the ownership interests of PumpEng for a purchase price of AUD 24.0 million (approximately \$15 million), subject to working capital and net debt closing adjustments. Also in February 2025, the Company signed a definitive agreement to acquire Barnes for an enterprise value of \$110.0 million, subject to working capital and net debt closing adjustments. The acquisition is subject to customary closing conditions, including Colombian antitrust clearance, and is expected to close on or about March 1, 2025.

Cash Flows from Financing Activities

2024 vs. 2023

Net cash used by financing activities was \$74.1 million in 2024 compared to \$192.2 million in 2023. The change in financing cash flow was primarily due to net borrowings under the Company's credit facility in 2024 compared to net repayments in 2023, partially offset by lower proceeds from option exercises, increased share repurchase activity and higher dividends.

AGGREGATE CONTRACTUAL OBLIGATIONS

The majority of the Company's contractual obligations to third parties relate to debt obligations. In addition, the Company has certain contractual obligations for future lease payments and purchase obligations. The payment schedule for these contractual obligations is as follows:

(In millions)	Total	2025	2026-2027	2028-2029	More than 5 years
Debt	\$ 129.5	\$ 117.8	\$ 3.0	\$ 2.9	\$ 5.8
Debt interest	9.4	7.5	1.0	0.5	0.4
Operating leases	73.5	22.7	30.2	13.9	6.7
Purchase obligations	12.6	12.6	—	—	—
Income Taxes-U.S. Tax Cuts and Jobs Act transition tax	\$ 4.8	\$ 4.8	\$ —	\$ —	\$ —
	<u>\$ 229.8</u>	<u>\$ 165.4</u>	<u>\$ 34.2</u>	<u>\$ 17.3</u>	<u>\$ 12.9</u>

Interest payments on debt obligations are calculated for future periods using interest rates in effect at the end of 2024. Certain of these projected interest payments may differ in the future based on interest rates or other factors or events. The projected interest payments only pertain to obligations and agreements outstanding at December 31, 2024.

The Company has pension and other post-retirement benefit obligations not included in the table above which will result in estimated future payments of approximately \$7.3 million in 2025. In addition, due to the timing of funding in future periods being uncertain and dependent on future movements in interest rates, investment returns, changes in laws and regulations and other variables, the table above excludes the non-current liability of \$24.1 million for cash outflows related to the Company's pension plans.

The Company also has unrecognized tax benefits, none of which are included in the table above. The unrecognized tax benefits of approximately \$1.3 million have been recorded as liabilities and the Company is uncertain as to if or when such amounts may be settled. Related to the unrecognized tax benefits, the Company has also recorded a liability for potential penalties and interest of \$0.1 million.

ACCOUNTING PRONOUNCEMENTS

For information regarding recent accounting pronouncements, refer to Note 2 - Accounting Pronouncements , in the Notes to Consolidated Financial Statements in the sections entitled ""Adoption of New Accounting Standards" and "Accounting Standards Issued But Not Yet Adopted", included in Part II, Item 8, "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.

CRITICAL ACCOUNTING ESTIMATES

Management's discussion and analysis of its financial condition and results of operations are based upon the Company's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosure of contingent assets and liabilities. Management evaluates estimates on an ongoing basis. Estimates are based on historical experience and on other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. There were no material changes to estimates or methodologies used to develop those estimates in 2024. The Company's critical accounting estimates are identified below:

Inventory Valuation

The Company uses certain estimates and judgments to value inventory. Inventory is recorded at the lower of cost or net realizable value. The Company reviews its inventories for excess or obsolete products or components. Based on an analysis of historical usage, management's evaluation of estimated future demand, market conditions, and alternative uses for possible excess or obsolete parts, carrying values are adjusted. The carrying value is reduced regularly to reflect the age and current anticipated product demand. If actual demand differs from the estimates, additional reductions would be necessary in the period such determination is made. Excess and obsolete inventory is periodically disposed of through sale to third parties, scrapping, or other means.

Business Combinations and Valuation of Acquired Intangible Assets

The Company follows the guidance under FASB ASC Topic 805, *Business Combinations*. The acquisition purchase price is allocated to the assets acquired and liabilities assumed based upon their respective fair values. The Company utilizes management estimates and may use an independent third-party valuation firm to assist in determining the fair values of assets acquired, including intangible assets, and liabilities assumed. The identifiable intangible assets acquired typically include customer relationships and trade names. Identifiable intangible assets are initially valued using a methodology commensurate with the intended use of the asset. The fair value of customer relationships is measured using the multi-period excess earnings method ("MPEEM"). The fair value of trade names is measured using a relief-from-royalty ("RFR") approach, which assumes the value of the trade name is the discounted amount of cash flows that would be paid to third parties had the Company not owned the trade name and instead licensed the trade name from another company. Higher royalty rates are assigned to premium brands within the marketplace based on name recognition and profitability, while other brands receive lower royalty rates. The basis for future sales projections for both the RFR and MPEEM are based on internal revenue forecasts which the Company believes represents reasonable market participant assumptions. The future cash flows are discounted using an applicable discount rate as well as any potential risk premium to reflect the inherent risk of holding a standalone intangible asset. The key uncertainties in the RFR and MPEEM calculations, as applicable, are the selection of an appropriate royalty rate, assumptions used in developing estimates of future cash flows, including revenue growth and expense forecasts, assumed customer attrition rates, as well as the perceived risk associated with those forecasts in determining the discount rate and risk premium. There is inherent uncertainty in forecasted future cash flows and therefore, actual results may differ and could result in subsequent impairment charges of acquired intangible assets and/or goodwill.

Indefinite-Lived Intangible Asset and Goodwill Impairment Evaluation

According to FASB ASC Topic 350, *Intangibles - Goodwill and Other*, goodwill and other intangible assets with indefinite lives must be tested for impairment at least annually or more frequently as warranted by triggering events that indicate potential impairment. The Company has the option to assess goodwill and other indefinite-lived intangible assets for impairment by initially performing a qualitative assessment to determine whether it is more-likely-than-not that the fair value of a reporting unit or indefinite-lived intangible asset is less than its carrying amount. If the Company determines that it is not more-likely-than-not that the fair value of a reporting unit or indefinite-lived intangible asset is less than its carrying amount, then a quantitative impairment test is not required to be performed. If the Company determines that it is more-likely-than-not that the fair value of a reporting unit or indefinite-lived intangible asset is less than its carrying amount, or if it does not elect the option to perform an initial qualitative assessment, it performs a quantitative impairment test.

The Company uses a variety of methodologies in conducting impairment assessments including qualitative reviews as well as quantitative reviews using the income and market approaches.

The market value approach compares the reporting units' current and projected financial results to entities of similar size and industry to determine the market value of the reporting unit. The income approach utilizes assumptions regarding estimated future cash flows and other factors to determine the fair value of the respective assets. These cash flows consider factors regarding expected future operating income and historical trends, as well as the effects of demand and competition. The Company is required to record an impairment if these assumptions and estimates change whereby the fair value of the reporting units or indefinite-lived intangible assets are below their associated carrying values.

During the fourth quarter of 2024, the Company completed its annual impairment tests of goodwill and indefinite-lived trade names. The Company determined it was not more likely than not that the fair values of its reporting units were lower than their carrying values. The Company also determined the fair value of all other indefinite-lived intangible assets were in excess of their respective carrying values. Significant judgment is required to determine if an indication of impairment has taken place. Factors to be considered include the following: adverse changes in operating results, decline in strategic business plans, significantly lower future cash flows, and sustainable declines in market data such as market capitalization. A 10 percent decrease in the estimated fair value of any of the indefinite-lived trade names would not have changed this determination. The sensitivity analysis required the use of numerous subjective assumptions, which, if actual experience varies, could result in material differences in the requirements for impairment charges. Further, an extended downturn in the economy may impact certain components of the operating segments more significantly and could result in an impairment determination.

Income Taxes

Under the requirements of FASB ASC Topic 740, *Income Taxes*, the Company records deferred tax assets and liabilities for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The Company analyzes the deferred tax assets and liabilities for their future realization based on the estimated existence of sufficient taxable income. This analysis considers the following sources of taxable income: prior year taxable income, future reversals of existing taxable temporary differences, future taxable income exclusive of reversing temporary differences and tax planning strategies that would generate taxable income in the relevant period. If sufficient taxable income is not projected then the Company will record a valuation allowance against the relevant deferred tax assets.

The Company's operations involve dealing with uncertainties and judgments in the application of complex tax regulations in multiple jurisdictions. These jurisdictions have different tax rates, and the Company determines the allocation of income to each of these jurisdictions based upon various estimates and assumptions. In the normal course of business, the Company will undergo tax audits by various tax jurisdictions. Such audits often require an extended period of time to complete and may result in income tax adjustments if changes to the allocation are required between jurisdictions with different tax rates. The final taxes paid are dependent upon many factors, including negotiations with taxing authorities in the various jurisdictions and resolution of disputes arising from federal, state, and international tax audits. Although the Company has recorded all income tax uncertainties in accordance with FASB ASC Topic 740, these accruals represent estimates that are subject to the inherent uncertainties associated with the tax audit process. Management judgment is required in determining the Company's provision for income taxes, deferred tax assets and liabilities, which, if actual experience varies, could result in material adjustments to tax expense and/or deferred tax assets and liabilities.

Pension and Employee Benefit Obligations

The Company consults with its actuaries to assist with the calculation of discount rates used in its pension and post retirement plans. The discount rates used to determine domestic pension and post-retirement plan liabilities are calculated using a full yield curve approach. Market conditions have caused the weighted-average discount rate to move from 4.90 percent last year to 5.48

percent this year for the domestic pension plans and from 4.88 percent last year to 5.47 percent this year for the postretirement health and life insurance plan. A change in the discount rate selected by the Company of 25 basis points would result in a change of about \$0.1 million to employee benefit expense and a change of about \$2.4 million of liability.

The Company consults with actuaries and investment advisors in making its determination of the expected long-term rate of return on plan assets. Using input from these consultations such as long-term investment sector expected returns, the correlations and standard deviations thereof, and the plan asset allocation, the Company will use an expected long-term rate of return on plan assets of 5.75 percent in measuring net periodic cost for 2025. Market conditions have caused the expected long-term rate of return to decrease from 6.20 percent as used in measuring net periodic cost for 2024. A change in the long-term rate of return selected by the Company of 25 basis points would result in a change of about \$0.3 million of employee benefit expense.

FACTORS THAT MAY AFFECT FUTURE RESULTS

This annual report on Form 10-K contains certain forward-looking information, such as statements about the Company's financial goals, acquisition strategies, financial expectations including anticipated revenue or expense levels, business prospects, market positioning, product development, manufacturing re-alignment, capital expenditures, tax benefits and expenses, and the effect of contingencies or changes in accounting policies. Forward-looking statements are typically identified by words or phrases such as "believe," "expect," "anticipate," "intend," "estimate," "may increase," "may fluctuate," "plan," "goal," "target," "strategy," and similar expressions or future or conditional verbs such as "may," "will," "should," "would," and "could." While the Company believes that the assumptions underlying such forward-looking statements are reasonable based on present conditions, forward-looking statements made by the Company involve risks and uncertainties and are not guarantees of future performance. Actual results may differ materially from those forward-looking statements as a result of various factors, including general economic and currency conditions, various conditions specific to the Company's business and industry, new housing starts, weather conditions, epidemics and pandemics, market demand, competitive factors, changes in distribution channels, supply constraints, effect of price increases, raw material costs, technology factors, integration of acquisitions, litigation, government and regulatory actions, the Company's accounting policies, and other risks, all as described in Item 1A and Exhibit 99.1 of this Form 10-K. Any forward-looking statements included in this Form 10-K are based upon information presently available. The Company does not assume any obligation to update any forward-looking information, except as required by law.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is subject to market risk associated with changes in foreign currency exchange rates, interest rates, and commodity prices. These exposures are actively monitored by management. Exposure to foreign exchange rate risk is due to certain costs, revenue and borrowings being denominated in currencies other than one of the Company's subsidiaries functional currency. Similarly, the Company is exposed to market risk as the result of changes in interest rates which may affect the cost of financing.

Foreign Currency Exchange Rate Risk

Foreign currency exchange rate risk is mitigated through several means including maintenance of local production facilities in the markets served, invoicing of customers in the currency which the Company is billed for production inputs, prompt settlement of third party and intercompany balances, limited use of foreign currency denominated debt, maintaining minimal foreign currency denominated cash balances, and application of derivative instruments when appropriate. Based on the 2024 mix of foreign currencies, the Company estimates that a hypothetical strengthening of the US Dollar by about 2 percent would have reduced the Company's 2024 sales by less than 1 percent.

Interest Rate Risk

The results of operations are exposed to changes in interest rates primarily with respect to borrowings under the Company's revolving credit agreement (the "Credit Agreement"). Borrowings in USD under the Credit Agreement may be made either at (i) a Secured Overnight Financing Rate (SOFR) Term Benchmark plus an applicable margin or (ii) an alternative base rate as defined in the Credit Agreement. Borrowings in EUR under the Credit Agreement may be made either at (i) a Euro Interbank Offer Rate (EURIBOR) Term Benchmark plus an applicable margin or (ii) an alternative base rate as defined in the Credit Agreement. The Company had \$41.4 million borrowings at year-end 2024 under the Credit Agreement. The Company estimates that a hypothetical increase of 100 basis points in interest rates would have increased interest expense by \$0.3 million during 2024. The Company also has exposure to changes in interest rates in the form of the fair value of outstanding fixed rate debt fluctuating in response to changing interest rates.

Commodity Price Exposures

Portions of the Company's business are exposed to volatility in the prices of certain commodities, such as copper, steel and aluminum, among others. The primary exposure to this volatility resides with the use of these materials in purchased component parts. The Company generally maintains long-term fixed price contracts on raw materials and component parts; however, the Company is prone to exposure as these contracts expire. Based on the 2024 use of commodities, the Company estimates that a hypothetical 10 percent adverse movement in prices for raw metal commodities would result in less than 1 percent decrease of gross margin as a percent of net sales.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

FRANKLIN ELECTRIC CO., INC. AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share amounts)	2024	2023	2022
Net sales	\$ 2,021,341	\$ 2,065,133	\$ 2,043,711
Cost of sales	1,304,061	1,368,125	1,352,276
Gross profit	717,280	697,008	691,435
Selling, general, and administrative expenses	470,136	433,476	432,076
Restructuring expense	3,499	1,091	2,170
Operating income	243,645	262,441	257,189
Interest expense	(6,319)	(11,790)	(11,525)
Other income/(expense), net	1,339	3,696	(3,201)
Foreign exchange expense	(6,818)	(12,124)	(7,236)
Income before income taxes	231,847	242,223	235,227
Income tax expense	50,238	47,489	46,416
Net income	\$ 181,609	\$ 194,734	\$ 188,811
Less: Net income attributable to noncontrolling interests	(1,300)	(1,462)	(1,479)
Net income attributable to Franklin Electric Co., Inc.	\$ 180,309	\$ 193,272	\$ 187,332
Earnings per share:			
Basic	\$ 3.92	\$ 4.17	\$ 4.02
Diluted	\$ 3.86	\$ 4.11	\$ 3.97

See Notes to Consolidated Financial Statements.

FRANKLIN ELECTRIC CO., INC. AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)	2024	2023	2022
Net income	\$ 181,609	\$ 194,734	\$ 188,811
Other comprehensive income/(loss), before tax:			
Foreign currency translation adjustments	(35,879)	12,026	(11,809)
Employee benefit plan activity:			
Net gain/(loss) arising during period	1,492	(4,449)	6,660
Amortization arising during period	2,282	2,148	5,828
Other comprehensive income/(loss)	(32,105)	9,725	679
Income tax benefit/(expense) related to items of other comprehensive income/(loss)	(938)	643	(3,647)
Other comprehensive income/(loss), net of tax	(33,043)	10,368	(2,968)
Comprehensive income	148,566	205,102	185,843
Less: Comprehensive income attributable to noncontrolling interests	(1,146)	(1,496)	(1,378)
Comprehensive income attributable to Franklin Electric Co., Inc.	\$ 147,420	\$ 203,606	\$ 184,465

See Notes to Consolidated Financial Statements.

FRANKLIN ELECTRIC CO., INC. AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In thousands, except per share amounts)

	2024	2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 220,540	\$ 84,963
Receivables, less allowances of \$ 3,547 and \$ 3,594 , respectively	226,826	222,418
Inventories:		
Raw material	160,875	176,706
Work-in-process	24,997	26,880
Finished goods	298,003	305,110
Total inventories	483,875	508,696
Other current assets	32,950	37,718
Total current assets	964,191	853,795
Property, plant, and equipment, at cost:		
Land and buildings	161,860	167,028
Machinery and equipment	316,454	316,227
Furniture and fixtures	58,300	56,997
Other	67,004	59,747
Property, plant, and equipment, gross	603,618	599,999
Less: Allowance for depreciation	(380,052)	(370,260)
Property, plant, and equipment, net	223,566	229,739
Lease right-of-use assets, net	62,637	57,014
Deferred income taxes	8,210	8,758
Intangible assets, net	212,973	230,027
Goodwill	338,501	342,404
Other assets	10,528	6,385
Total assets	\$ 1,820,606	\$ 1,728,122
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 157,046	\$ 152,419
Accrued expenses and other current liabilities	119,771	100,249
Current lease liability	18,878	17,316
Income taxes	20,218	4,700
Current maturities of long-term debt and short-term borrowings	117,814	12,355
Total current liabilities	433,727	287,039
Long-term debt	11,622	88,056
Long-term lease liability	43,304	38,549
Income taxes payable non-current	—	4,837
Deferred income taxes	10,193	29,461
Employee benefit plans	29,808	35,973
Other long-term liabilities	22,118	33,914
Commitments and contingencies (see Note 7)		
Redeemable noncontrolling interest	1,224	1,145
Shareholders' equity:		
Common stock (65,000 shares authorized, \$ 0.10 par value) outstanding (45,716 and 46,067 , respectively)	4,571	4,607
Additional paid-in capital	363,956	344,717
Retained earnings	1,151,575	1,078,512
Accumulated other comprehensive loss	(254,003)	(221,114)
Total shareholders' equity	1,266,099	1,206,722
Noncontrolling interest	2,511	2,426
Total equity	1,268,610	1,209,148
Total liabilities and equity	\$ 1,820,606	\$ 1,728,122

See Notes to Consolidated Financial Statements.

FRANKLIN ELECTRIC CO., INC. AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)	2024	2023	2022
Cash flows from operating activities:			
Net income	\$ 181,609	\$ 194,734	\$ 188,811
Adjustments to reconcile net income to net cash flows from operating activities:			
Depreciation and amortization	56,073	52,260	50,374
Non-cash lease expense	21,438	18,852	17,406
Share-based compensation	12,061	10,133	10,973
Deferred income taxes	(19,648)	(1,609)	(1,230)
(Gain)/Loss on disposals of plant and equipment	(497)	(256)	1,285
Foreign exchange expense	6,818	12,124	7,236
Changes in assets and liabilities, net of acquisitions:			
Receivables	(17,045)	19,150	(44,800)
Inventory	10,889	48,176	(101,080)
Accounts payable and accrued expenses	15,285	(23,085)	(12,283)
Operating leases	(21,129)	(18,874)	(17,406)
Income taxes	15,755	(1,524)	(679)
Income taxes-U.S. Tax Cuts and Jobs Act	(3,870)	(2,902)	(355)
Employee benefit plans	466	1,458	3,488
Other, net	3,148	7,073	(66)
Net cash flows from operating activities	<u>261,353</u>	<u>315,710</u>	<u>101,674</u>
Cash flows from investing activities:			
Additions to property, plant, and equipment	(41,682)	(41,415)	(41,903)
Proceeds from sale of property, plant, and equipment	1,182	1,494	6
Cash paid for acquisitions, net of cash acquired	(5,201)	(34,831)	(1,186)
Other, net	73	463	9
Net cash flows from investing activities	<u>(45,628)</u>	<u>(74,289)</u>	<u>(43,074)</u>
Cash flows from financing activities:			
Proceeds from issuance of debt	309,747	443,217	477,558
Repayments of debt	(280,512)	(558,746)	(448,622)
Proceeds from issuance of common stock	7,204	9,193	3,859
Purchases of common stock	(61,041)	(43,332)	(40,490)
Dividends paid	(46,876)	(41,723)	(36,991)
Deferred payments for acquisitions	(2,591)	(802)	(3,786)
Net cash flows from financing activities	<u>(74,069)</u>	<u>(192,193)</u>	<u>(48,472)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(6,079)</u>	<u>(10,055)</u>	<u>(4,874)</u>
Net change in cash and cash equivalents	<u>135,577</u>	<u>39,173</u>	<u>5,254</u>
Cash and cash equivalents at beginning of period	<u>84,963</u>	<u>45,790</u>	<u>40,536</u>
Cash and cash equivalents at end of period	<u><u>\$ 220,540</u></u>	<u><u>\$ 84,963</u></u>	<u><u>\$ 45,790</u></u>
Cash paid for income taxes, net of refunds			
Cash paid for interest	\$ 58,024	\$ 55,120	\$ 48,335
Non-cash items:			
Additions to property, plant, and equipment, not yet paid	\$ 1,748	\$ 2,229	\$ 628
Lease right-of-use assets obtained in exchange for new operating lease liabilities	\$ 30,796	\$ 25,899	\$ 17,599
Payable to sellers of acquired entities	\$ 1,750	\$ 7,027	\$ 354
Payable for share repurchases	\$ —	\$ —	\$ 1,083
Non-cash investment to acquire property in lieu of cash payment for products provided	\$ —	\$ 419	\$ —
Accrued dividends payable to noncontrolling interests	\$ 961	\$ 821	\$ —

See Notes to Consolidated Financial Statements.

FRANKLIN ELECTRIC CO., INC. AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY

(In thousands)	Total Shareholders' Equity							
	Common Shares		Additional		Accumulated		Noncontrolling Interest	Redeemable Noncontrolling Interest
	Outstanding	Stock	Paid-in Capital	Retained Earnings	Other Comprehensive Income/(Loss)	Noncontrolling Interest		
Balance as of year-end 2021	46,483	\$ 4,648	\$ 310,617	\$ 859,817	\$ (228,581)	\$ 2,161	\$ (19)	
Net Income	—	—	—	187,332	—	857	622	
Currency translation adjustment	—	—	—	—	(11,708)	(118)	17	
Pension and other post retirement plans, net of tax expense \$ 3,647	—	—	—	—	8,841	—	—	
Dividends on common stock (\$ 0.78 /share)	—	—	—	(36,367)	—	—	—	
Dividend to noncontrolling interest	—	—	—	—	—	(624)	—	
Common stock issued	90	9	3,850	—	—	—	—	
Share-based compensation	136	14	10,959	—	—	—	—	
Common stock repurchased	(516)	(52)	—	(41,521)	—	—	—	
Balance as of year-end 2022	46,193	\$ 4,619	\$ 325,426	\$ 969,261	\$ (231,448)	\$ 2,276	\$ 620	
Net Income	—	—	—	193,272	—	935	527	
Currency translation adjustment	—	—	—	—	11,992	36	(2)	
Pension and other post retirement plans, net of tax benefit \$ 643	—	—	—	—	(1,658)	—	—	
Dividends on common stock (\$ 0.90 /share)	—	—	—	(41,723)	—	—	—	
Dividend to noncontrolling interest	—	—	—	—	—	(821)	—	
Common stock issued	216	22	9,171	—	—	—	—	
Share-based compensation	131	13	10,120	—	—	—	—	
Common stock repurchased	(473)	(47)	—	(42,298)	—	—	—	
Balance as of year-end 2023	46,067	\$ 4,607	\$ 344,717	\$ 1,078,512	\$ (221,114)	\$ 2,426	\$ 1,145	
Net Income	—	—	—	180,309	—	1,193	107	
Currency translation adjustment	—	—	—	—	(35,725)	(147)	(7)	
Pension and other post retirement plans, net of tax expense \$ 938	—	—	—	—	2,836	—	—	
Dividends on common stock (\$ 1.00 /share)	—	—	—	(46,020)	—	—	—	
Dividend to noncontrolling interest	—	—	—	—	—	(961)	(21)	
Common stock issued	153	15	7,189	—	—	—	—	
Share-based compensation	119	11	12,050	—	—	—	—	
Common stock repurchased	(623)	(62)	—	(61,226)	—	—	—	
Balance as of year-end 2024	45,716	\$ 4,571	\$ 363,956	\$ 1,151,575	\$ (254,003)	\$ 2,511	\$ 1,224	

See Notes to Consolidated Financial Statements.

FRANKLIN ELECTRIC CO., INC. AND CONSOLIDATED SUBSIDIARIES
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Company--"Franklin Electric" or the "Company" shall refer to Franklin Electric Co., Inc. and its consolidated subsidiaries.

Fiscal Year--The financial statements and accompanying notes are as of and for the years ended December 31, 2024, December 31, 2023 and December 31, 2022, and referred to as 2024, 2023 and 2022, respectively.

Principles of Consolidation--The consolidated financial statements include the accounts of Franklin Electric Co., Inc. and its consolidated subsidiaries. All intercompany transactions have been eliminated.

Business Combinations--The Company allocates the purchase price of its acquisitions to the assets acquired, liabilities assumed, and noncontrolling interests based upon their respective fair values at the acquisition date. The Company utilizes management estimates and may use inputs from an independent third-party valuation firm to assist in determining these fair values. The excess of the acquisition price over estimated fair values of the net assets acquired is recorded as goodwill. Goodwill is adjusted for any changes to acquisition date fair value amounts made within the measurement period, which may be up to one year from the acquisition date. If the preliminary, estimated fair values of the net assets acquired are in excess of the acquisition price, that represents a bargain purchase gain, and the Company records this amount in "Accrued expenses and other current liabilities" on the consolidated balance sheet until it completes its determination of fair values for the net assets acquired. Once that fair value determination is completed, the bargain purchase gain is recognized on the consolidated statements of income in "Other income/(expense), net". Acquisition-related transaction costs are recognized separately from the business combination and expensed as incurred.

Revenue Recognition--Revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. The promise in a contract to transfer goods or services to a customer represents a performance obligation. The Company typically sells its products to customers by purchase order and does not have any additional performance obligations included in contracts to customers. Shipping and handling activities are considered to be fulfillment activities and are not considered to be a separate performance obligation. Therefore, the Company allocates the transaction price based on a single performance obligation. The Company typically ships products Free on Board (FOB) shipping point at which point control of the products passes to the customers. The Company considers the performance obligation satisfied and recognizes revenue at a point in time, the time of shipment. The Company applies a practical expedient to expense as incurred costs to obtain a contract with a customer when the amortization period would have been one year or less as well as applies the financing component practical expedient when the duration of the financing is one year or less.

The Company's products may include routine assurance-type warranties which do not qualify as separate performance obligations. In the event that significant post-shipment obligations were to exist for the Company's products, revenue recognition would be deferred until the performance obligations were satisfied.

The Company records net sales after discounts at the time of sale based on specific discount programs in effect, related historical data, and experience.

The following table disaggregates the Company's net sales from contracts with customers by segment:

(In millions)	Net Sales	2024			2023		2022		
		2024	2023	2022	2024	2023	2022	2022	
Water Systems									
External sales									
United States & Canada	\$ 586.6	\$ 636.0	\$ 596.9						
Latin America	170.9	174.2	159.3						
Europe, Middle East & Africa	211.4	198.3	192.8						
Asia Pacific	93.2	86.8	92.5						
Intersegment sales									
United States & Canada	121.9	108.4	116.0						
Total sales	1,184.0	1,203.7	1,157.5						
Distribution									
External sales									
United States & Canada	685.5	673.3	668.1						
Total sales	685.5	673.3	668.1						
Energy Systems									
External sales									
United States & Canada	212.4	220.9	242.6						
All other	61.3	75.6	91.5						
Total sales	273.7	296.5	334.1						
Intersegment Eliminations/Other									
Consolidated	\$ 2,021.3	\$ 2,065.1	\$ 2,043.7						

Shipping and Handling Costs--Shipping and handling costs are considered activities required to fulfill the Company's promise to transfer goods, and do not qualify as a separate performance obligation. Shipping and handling costs in the Company's Water Systems and Energy Systems segments are recorded as a component of cost of sales whereas shipping and handling costs in the Company's Distribution segment are recorded as a component of selling, general and administrative expenses.

Research and Development Expense--The Company's research and development activities are charged to expense in the period incurred. The Company incurred expenses of approximately \$ 21.5 million in 2024, \$ 17.7 million in 2023, and \$ 16.7 million in 2022 related to research and development.

Cash and Cash Equivalents--The Company considers cash on hand, demand deposits, and highly liquid investments with an original maturity date of three months or less to be cash and cash equivalents.

Fair Value of Financial Instruments--Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The standard established a fair value hierarchy which requires an entity to maximize the use of observable inputs and to minimize the use of unobservable inputs when measuring fair value. The three levels of inputs that may be used to measure fair value within the hierarchy are as follows:

Level 1 – Quoted prices for identical assets and liabilities in active markets;

Level 2 – Quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets; and

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

Accounts Receivable, Earned Discounts, and Allowance for Credit Losses --Accounts receivable are stated at estimated net realizable value. Accounts receivable are comprised of balances due from customers, net of earned discounts and estimated allowances for credit losses. Earned discounts are based on specific customer agreement terms. In determining allowances for credit losses, historical collection experience, current trends and reasonable, supportable future forecasts, aging of accounts receivable, and periodic credit evaluations of customers' financial condition are reviewed.

Inventories --Inventories are stated at the lower of cost or net realizable value. The majority of the cost of inventories is determined using the first in, first out (FIFO) method with a portion of inventory costs determined using the average cost method. The Company reviews its inventories for excess or obsolete products or components based on an analysis of historical usage and management's evaluation of estimated future demand, market conditions, and alternative uses for possible excess or obsolete parts.

Property, Plant, and Equipment--Property, plant, and equipment are stated at historical cost. The Company capitalizes certain computer software and software development costs incurred in connection with developing or obtaining computer software for internal use, which are included in property, plant, and equipment. Depreciation of property, plant and equipment is calculated on a straight line basis over the following estimated useful lives:

Land improvement and buildings	10 - 40 years
Machinery and equipment	5 - 10 years
Software	3 - 7 years
Furniture and fixtures	3 - 7 years

Maintenance, repairs, and renewals of a minor nature are expensed as incurred. Betterments and major renewals which extend the useful lives or add to the productive capacity of buildings, improvements, and equipment are capitalized. The Company reviews its property, plant, and equipment for impairment at the asset group level whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If an indicator is present, the Company compares carrying values to undiscounted future cash flows; if the undiscounted future cash flows are less than the carrying value, an impairment would be recognized for the difference between the fair value and the carrying value.

The Company's depreciation expense was \$ 37.2 million, \$ 35.1 million, and \$ 33.1 million in 2024, 2023, and 2022, respectively.

Leases--The Company determines if an arrangement is a lease, or contains a lease, at the inception of the arrangement and determines whether it is an operating or financing lease. Operating and financing leases result in the Company recording a right-of-use ("ROU") asset, current lease liability, and long term lease liability on its balance sheet. The Company has elected to not present leases with an initial term of 12 months or less on the balance sheet. The ROU assets and liabilities are initially recognized based on the present value of lease payments over the lease term. Initial direct costs and lease incentives are generally not material when measuring the ROU asset present value. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

In determining the present value of the ROU liability, the Company utilizes interest rates from lease agreements unless the lease agreement does not provide a readily determinable rate. In these instances, the Company utilizes its incremental borrowing rate based on the Company's borrowing information available at inception of the lease. A portion of the Company's leases include renewal options. The Company excludes these renewal options in the expected lease term unless the Company is reasonably certain that the option will be exercised. In addition, the Company has elected not to separate non-lease components from lease components when initially recording the ROU asset and liability.

Goodwill and Other Intangible Assets--Goodwill is the excess of the purchase price over the fair value of acquired assets and liabilities in a business combination. Goodwill is not amortized but is subject to an impairment review annually and whenever indicators of impairment exist. The Company has the option to assess goodwill for impairment by initially performing a qualitative assessment to determine whether it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount. If the Company determines that it is not more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, then the quantitative goodwill impairment test is not required to be performed. If the Company determines that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, or if it does not elect the option to perform an initial qualitative assessment, the Company performs a quantitative goodwill impairment test. In the quantitative impairment test, the Company calculates the estimated fair value of the reporting unit. If the carrying amount of the reporting unit exceeds the estimated fair value, an impairment charge is recorded for the amount that its carrying amount, including goodwill, exceeds its fair value, limited to the total amount of goodwill allocated to that reporting unit.

Indefinite-lived intangible assets, such as certain trade names with indefinite lives, are subject to an impairment review annually and whenever indicators of impairment exist. The Company has the option to assess indefinite-lived intangible assets for impairment by first performing qualitative assessments to determine whether it is more-likely-than-not that the fair values of the indefinite-lived intangible assets are less than the carrying amounts. If the Company determines that it is more-likely-than-not that an indefinite-lived intangible asset is impaired, or if the Company elects not to perform an initial qualitative assessment, the Company then performs the quantitative impairment test by comparing the fair value of the indefinite-lived intangible asset with its carrying amount. If the carrying amount exceeds the fair value of the indefinite-lived intangible asset, the Company writes the carrying amount down to the fair value.

Amortization is recorded and calculated for definite-lived intangible assets on a basis that reflects cash flows over the estimated useful lives. The estimated useful lives over which each intangible class is amortized is as follows:

Customer relationships	9 - 20 years
Patents	17 years
Technology	15 years
Trade names	5 - 20 years
Other	5 - 8 years

Definite-lived intangible assets are evaluated for impairment whenever a triggering event, including a significant change in the use of the asset or unexpected change in financial condition, occurs that indicates the carrying value may be impaired. The Company tests for impairment at the asset group level by comparing the carrying value of an asset group that includes the applicable definite lived intangible asset(s) to that asset group's undiscounted future cash flows. An impairment exists if the carrying value of the definite-lived intangible asset(s) is higher than the fair value, and the Company would record an impairment charge for the difference.

Warranty Obligations--The Company provides warranties on most of its products. The warranty terms vary but are generally 2 years to 5 years from the date of manufacture or 1 year to 5 years from the date of installation. Provisions for estimated expenses related to product warranty are made at the time products are sold or when specific warranty issues are identified. These estimates are established using historical information about the nature, frequency, and average cost of warranty claims. The Company actively studies trends of warranty claims and takes actions to improve product quality and minimize warranty claims.

Income Taxes--Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities and net operating loss and credit carry forwards using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be realized. The Company records a liability for uncertain tax positions by establishing a more likely than not recognition threshold and measurement attribute for recognition and measurement of a tax position taken or expected to be taken in a tax return.

Defined Benefit Plans--The Company makes its determination for pension, post retirement, and post employment benefit plans liabilities based on management estimates and consultation with actuaries. The Company incorporates estimates and assumptions of future plan service costs, future interest costs on projected benefit obligations, rates of compensation increases, employee turnover rates, anticipated mortality rates, expected investment returns on plan assets, asset allocation assumptions of plan assets, and other factors.

Earnings Per Common Share--The Company utilizes the two-class method to compute earnings available to common shareholders. Under the two-class method, the Company allocates net earnings to each class of common stock and participating security as if all of the net earnings for the period had been distributed. The Company's participating securities consist of share-based payment awards that contain a non-forfeitable right to receive dividends and therefore are considered to participate in undistributed earnings with common shareholders. Basic earnings per common share excludes dilution and is calculated by dividing net earnings allocated to common shares by the weighted-average number of common shares outstanding for the period. Diluted earnings per common share is calculated by dividing net earnings allocable to common shares by the weighted-average number of common shares outstanding for the period, as adjusted for the potential dilutive effect of non-participating share-based awards and non-employee deferred shares.

Translation of Foreign Currency Financial Statements--All assets and liabilities of foreign subsidiaries in a functional currency other than the U.S. dollar are translated at year-end exchange rates. All revenue and expense accounts are translated at

average rates in effect during the respective period. Transaction gains and losses and highly inflationary accounting adjustments are included in "Foreign exchange expense" within the Company's consolidated statements of income, as incurred.

In the second quarter of 2022, the Company concluded that Turkey represents a highly inflationary economy as its three-year cumulative inflation rate exceeded 100 percent. As a result, the Company started remeasuring the financial statements for the Company's Turkish operations in accordance with the highly inflationary accounting rules as of April 1, 2022. As a result, all gains and losses resulting from the remeasurement of the financial results of operations and other transactional foreign exchange gains and losses are reflected in earnings rather than as a component of the Company's comprehensive income within shareholders' equity. Additionally, the Company's operations in Argentina have also been accounted for using the highly inflationary accounting rules since the date they were acquired in 2018.

Significant Estimates--The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make significant estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Although the Company regularly assesses these estimates, actual results could materially differ. The Company bases its estimates on historical experience and various other assumptions that it believes to be reasonable under the circumstances.

2. ACCOUNTING PRONOUNCEMENTS

Adoption of New Accounting Standards

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. ASU 2023-07 is intended to improve reportable segment disclosure requirements, primarily through additional and more detailed information about a reportable segment's expenses. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The guidance is to be applied retrospectively to all prior periods presented in the financial statements. The Company adopted this ASU in 2024 and the required disclosures are included in Note 15 - Segment and Geographic Information.

Accounting Standards Issued But Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. ASU 2023-09 is intended to enhance the transparency and decision usefulness of income tax disclosures. This amendment modifies the rules on income tax disclosures to require entities to disclose (1) specific categories in the rate reconciliation and additional information for reconciling items that meet a quantitative threshold, (2) the amount of income taxes paid (net of refunds received) (disaggregated by federal, state, and foreign taxes) as well as individual jurisdictions in which income taxes paid is equal to or greater than 5 percent of total income taxes paid net of refunds, (3) the income or loss from continuing operations before income tax expense or benefit (disaggregated between domestic and foreign) and (4) income tax expense or benefit from continuing operations (disaggregated by federal, state and foreign). ASU 2023-09 is effective for annual periods beginning after December 15, 2024, with early adoption permitted. ASU 2023-09 should be applied on a prospective basis, while retrospective application is permitted. The Company will adopt this ASU effective with its 2025 annual financial statements and does not anticipate the adoption to have a material impact on its financial statements.

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires additional disclosure of the nature of expenses included in the income statement. The standard requires disclosures about specific types of expenses included in the expense captions presented in the income statement. This ASU is effective for fiscal years beginning after December 15, 2026, and interim periods beginning after December 15, 2027, with early adoption permitted. The requirements should be applied on a prospective basis while retrospective application is permitted. The Company is currently evaluating the impact that the adoption of this guidance will have on its disclosures.

3. ACQUISITIONS

2024

During the fourth quarter ended December 31, 2024, the Company acquired substantially all of the assets of FSHS Incorporated, a water treatment systems distributor. The all-cash purchase price for the acquisition was \$4.5 million. The fair value of the assets acquired and liabilities assumed is preliminary as of December 31, 2024.

2023

During the fourth quarter ended December 31, 2023, the Company acquired substantially all of the assets of Aqua Systems of Fort Myers, a water treatment systems distributor. In another separate transaction, the Company acquired substantially all of the assets of Action Manufacturing and Supply, Inc., a water treatment equipment provider located in southwest Florida. The

Company also acquired, in a separate transaction, substantially all of the assets of LCA Pump, LLC, which operates Water Works Pump, a Missouri based professional groundwater distributor. The combined, all-cash purchase price for the acquisitions in the fourth quarter of 2023 was \$ 36.0 million, including contingent consideration with an estimated fair value of \$ 4.3 million, after purchase price adjustments based on the level of working capital acquired. In 2024, the Company recorded a measurement period adjustment of \$ 1.3 million to increase the acquisition-date fair value of the contingent consideration transferred. The measurement period adjustment resulted in an increase to acquired identifiable intangible assets of \$ 2.3 million and a reduction to acquired goodwill of \$ 1.0 million. The measurement period adjustments did not have a significant impact on the Company's results of operations.

During the first quarter ended March 31, 2023, the Company acquired substantially all of the assets of Phil-Good Products, Inc. ("Phil-Good"). Phil-Good is an injection molded plastics component manufacturer. In another separate transaction in the first quarter of 2023, the Company acquired 100 percent of the ownership interests of Hydropompe S.r.l. ("Hydropompe"). Hydropompe is a pump manufacturer with a focus in dewatering and sewage products. The combined, all-cash purchase price for both acquisitions in the first quarter of 2023 was \$ 8.7 million after purchase price adjustments based on the level of working capital acquired.

The fair value of the assets acquired and liabilities assumed for all 2023 acquisitions is final as of December 31, 2024.

2022

During the fourth quarter ended December 31, 2022, the Company acquired 100 percent of the ownership interests of Casper Well Products ("Casper") for a purchase price of \$ 2.0 million after working capital adjustments. Casper conducts the sale and distribution of pumps, drilling equipment, tanks, pipe, accessories and other equipment used in drilling water wells and distribution of water-related products. The fair value of the assets acquired and liabilities assumed was final as of December 31, 2023.

The Company has not included various disclosures for the 2022 through 2024 acquisitions including presenting separate results of operations of any of the acquired companies since the closing of the acquisitions or combined pro forma financial information of the Company and the acquired interests, as the Company does not consider any of the acquisitions to be material individually or in the aggregate.

Transaction costs for all acquisition-related activity were expensed as incurred under the guidance of FASB ASC Topic 805, *Business Combinations*. Transaction costs are included in the "Selling, general, and administrative expenses" line of the Company's consolidated statements of income and were immaterial for all periods presented.

Subsequent Event

In February 2025, the Company acquired 100 percent of the ownership interests of PumpEng Pty Ltd ("PumpEng") for a purchase price of AUD 24.0 million (approximately \$ 15.0 million), subject to working capital and net debt closing adjustments. PumpEng, based in Australia, specializes in the design, manufacture and service of submersible pumps for the mining sector. The Company expects the purchase price to be primarily allocated to goodwill and other intangible assets.

Also in February 2025, the Company signed a definitive agreement to acquire Barnes de Colombia S.A., a leading manufacturer and distributor of industrial and commercial pumps based in Colombia for an enterprise value of \$ 110.0 million, subject to working capital and net debt closing adjustments. The acquisition is subject to customary closing conditions, including Colombian antitrust clearance, and is expected to close on or about March 1, 2025.

4. GOODWILL AND OTHER INTANGIBLE ASSETS

The carrying amounts of the Company's intangible assets, excluding goodwill, are as follows:

(In millions)

	2024		2023	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortizing intangibles:				
Customer relationships	\$ 263.4	\$ (128.8)	\$ 263.7	\$ (115.5)
Patents	7.2	(7.2)	7.3	(7.3)
Technology	7.5	(7.5)	7.5	(7.5)
Trade names	44.5	(8.1)	44.1	(5.8)
Other	2.8	(2.4)	3.4	(2.8)
Total	\$ 325.4	\$ (154.0)	\$ 326.0	\$ (138.9)
Non-amortizing intangibles:				
Trade names	41.6	—	42.9	—
Total intangibles	\$ 367.0	\$ (154.0)	\$ 368.9	\$ (138.9)

Amortization expense related to intangible assets for the years ended December 31, 2024, 2023, and 2022, was \$ 18.8 million, \$ 17.1 million, and \$ 17.2 million, respectively.

Amortization expense for each of the five succeeding years is projected as follows:

(In millions)

	2025	2026	2027	2028	2029
	\$ 18.0	\$ 17.1	\$ 15.6	\$ 15.1	\$ 14.0

The change in the carrying amount of goodwill by reportable segment for 2024 and 2023, is as follows:

(In millions)

	Water Systems	Energy Systems	Distribution	Consolidated
Balance as of December 31, 2022	\$ 211.9	\$ 70.3	\$ 45.8	\$ 328.0
Acquisitions	8.0	—	4.8	12.8
Adjustments to prior year acquisitions	0.1	—	—	0.1
Foreign currency translation	1.4	0.1	—	1.5
Balance as of December 31, 2023	\$ 221.4	\$ 70.4	\$ 50.6	\$ 342.4
Acquisitions	0.8	—	—	0.8
Adjustments to prior year acquisitions	(1.0)	—	—	(1.0)
Foreign currency translation	(3.6)	(0.1)	—	(3.7)
Balance as of December 31, 2024	\$ 217.6	\$ 70.3	\$ 50.6	\$ 338.5

5. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consist of:

(In millions)

	2024	2023
Salaries, wages, and commissions	\$ 49.0	\$ 45.9
Product warranty costs	9.0	9.3
Insurance	2.4	2.5
Employee benefits	19.9	13.8
Other	39.5	28.7
	\$ 119.8	\$ 100.2

6. DEBT

Debt consisted of the following:

(In millions)	2024	2023
New York Life Agreement	\$ 75.0	\$ 75.0
Credit Agreement	41.4	11.0
Tax increment financing debt	12.8	14.1
Foreign subsidiary debt	0.3	0.5
Less: unamortized debt issuance costs	(0.1)	(0.1)
	129.4	100.5
Less current maturities	(117.8)	(12.4)
Long-term debt	\$ 11.6	\$ 88.1

Debt outstanding at December 31, 2024, excluding unamortized debt issuance costs, matures as follows:

(In millions)	Total	2025	2026	2027	2028	2029	Thereafter
Debt	\$ 129.5	\$ 117.8	\$ 1.5	\$ 1.5	\$ 1.4	\$ 1.5	\$ 5.8

New York Life Agreement

On May 27, 2015, the Company entered into an uncommitted and unsecured private shelf agreement with NYL Investors LLC, an affiliate of New York Life, and each of the undersigned holders of Notes (the "New York Life Agreement") for \$ 150.0 million maximum aggregate principal borrowing capacity. On October 28, 2016, the Company entered into the First Amendment to the Note Purchase and Private Shelf Agreement. The Amendment was intended to make the covenants within the New York Life Agreement consistent with the covenants that were modified in the Third Amended and Restated Credit Agreement (the "Credit Agreement"). On September 26, 2018, the Company entered into the Second Amendment to the Note Purchase and Private Shelf Agreement which increased the aggregate borrowing capacity to \$ 200.0 million and authorized the issuance of \$ 75.0 million of fixed rate senior notes due September 26, 2025. These senior notes bear an interest rate of 4.04 percent with interest-only payments due semi-annually. The proceeds from the issuance of the notes were used to pay off existing variable rate indebtedness with New York Life. On July 30, 2021, the New York Life agreement was renewed with an expiration date of July 30, 2024. On May 15, 2024, the Company entered into Amendment No. 1 to the renewal that increased the total available facility amount from lenders to \$ 250.0 million from \$ 200.0 million and changed the expiration date from July 30, 2024 to May 15, 2027. As of December 31, 2024, there was \$ 175.0 million of remaining borrowing capacity under the New York Life Agreement.

Project Bonds

On December 31, 2012, the Company, Allen County, Indiana and certain institutional investors entered into a Bond Purchase and Loan Agreement. Under the agreement, Allen County, Indiana issued a series of Project Bonds entitled "Taxable Economic Development Bonds, Series 2012 (Franklin Electric Co., Inc. Project)." The aggregate principal amount of the Project Bonds that were issued, authenticated, and are now outstanding thereunder was limited to \$ 25.0 million. The Company then borrowed the proceeds under the Project Bonds through the issuance of Project Notes to finance the cost of acquisition, construction, installation and equipping of the new Global Corporate Headquarters and Engineering Center. These Project Notes ("Tax increment financing debt") bear interest at 3.6 percent per annum. Interest and principal balance of the Project Notes are due and payable by the Company directly to the institutional investors in aggregate semi-annual installments commencing on July 10, 2013, and concluding on January 10, 2033. The use of the proceeds from the Project Notes was limited to assist the financing of the new Global Corporate Headquarters and Engineering Center. On May 5, 2015, the Company entered into Amendment No. 1 to the Bond Purchase and Loan Agreement. This amendment provided for debt repayment guarantees from certain Company subsidiaries and waived certain non-financial covenants related to subsidiary guarantees.

Prudential Agreement

On April 9, 2007, the Company entered into the uncommitted and unsecured Amended and Restated Note Purchase and Private Shelf Agreement (the "Prudential Agreement") in the amount of \$ 175.0 million. Under the Prudential Agreement, the Company issued notes in an aggregate principal amount of \$ 110.0 million on April 30, 2007 (the "B-1 Notes") and \$ 40.0 million on September 7, 2007 (the "B-2 Notes"). The B-1 Notes and B-2 Notes bear a coupon of 5.79 percent and had, at issuance, an average life of 10 years with a final maturity in 2019. On July 22, 2010, the Company entered into Amendment No. 3 to the Prudential Agreement to increase its borrowing capacity by \$ 25.0 million. On December 14, 2011, the Company entered into Amendment No. 4 to the Second Amended and Restated Note Purchase and Private Shelf Agreement to redefine the debt to

EBITDA ratio covenant in order to be equivalent to that under the Agreement. On December 31, 2012, the Company and Prudential Insurance Company of America entered into an amendment to the Second Amended and Restated Note Purchase and Private Shelf Agreement to extend the effective date to December 31, 2015. On May 5, 2015, the Company entered into Amendment No. 6 to the Second Amended and Restated Note Purchase and Private Shelf Agreement. This amendment provided for debt repayment guarantees from certain Company subsidiaries and waived certain non-financial covenants related to subsidiary guarantees. On May 28, 2015, the Company entered into a Third Amended and Restated Note Purchase and Private Shelf Agreement with Prudential to increase the total borrowing capacity from \$ 200.0 million to \$ 250.0 million. On October 28, 2016, the Company entered into Amendment No. 1 to the Third Amended and Restated Note Purchase and Private Shelf Agreement. This amendment was intended to make the covenants within the Prudential Agreement consistent with the covenants that were modified in the Credit Agreement (below). On July 30, 2021, the Company entered into the Fourth Amended and Restated Note Purchase and Private Shelf Agreement, which reduced the borrowing capacity to \$ 150.0 million and extended the expiration date to July 30, 2024. On May 15, 2024, the Company entered into Amendment No. 1 to the Fourth Amended and Restated Note Purchase and Private Shelf Agreement that increased the total available facility amount from lenders to \$ 250.0 million from \$ 150.0 million and changed the expiration date from July 30, 2024 to May 15, 2027. As of December 31, 2024, the Company has \$ 250.0 million borrowing capacity available under the Prudential Agreement.

Credit Agreement

On May 13, 2021, the Company entered into the Fourth Amended and Restated Credit Agreement (the "Credit Agreement"). The Credit Agreement extended the maturity date of the Company's previous credit agreement to May 13, 2026, and decreased the commitment amount from \$ 300.0 million to \$ 250.0 million. On May 11, 2022, the Company entered into Amendment No. 1 that increased the commitment amount from \$ 250.0 million to \$ 350.0 million. The Credit Agreement provides that the Borrowers may request an increase in the aggregate commitments by up to \$ 125.0 million (not to exceed a total commitment of \$ 475.0 million) subject to the conditions contained therein. All of the Company's present and future material domestic subsidiaries unconditionally guaranty all of the Borrowers' obligations under and in connection with the Credit Agreement. Additionally, the Company unconditionally guarantees all of the obligations of Franklin Electric B.V. under the Credit Agreement. Under the Credit Agreement, the Borrowers are required to pay certain fees, including a facility fee of 0.100 percent to 0.275 percent (depending on the Company's leverage ratio) of the aggregate commitment, payable quarterly in arrears. USD loans may be made either at (i) a Secured Overnight Financing Rate (SOFR) Term Benchmark, with a zero percent floor, plus an applicable margin of 0.950 percent to 1.975 percent (depending on the Company's leverage ratio) or (ii) an alternative base rate as defined in the Credit Agreement. EUR loans may be made in Euro Interbank Offer Rate (EURIBOR) Term Benchmark, with a zero percent floor, plus an applicable margin of 0.850 percent to 1.875 percent (depending on the Company's leverage ratio) or (ii) an alternative base rate as defined in the Credit Agreement.

As of December 31, 2024, the Company had \$ 41.4 million outstanding borrowings with a weighted-average interest rate of 3.7 percent, \$ 4.5 million in letters of credit outstanding, and \$ 304.1 million of available capacity under the Credit Agreement. As of December 31, 2023, the Company had \$ 11.0 million outstanding borrowings with a weighted average interest rate of 6.3 percent, \$ 3.6 million in letters of credit outstanding, and \$ 335.4 million of available capacity under the Credit Agreement.

The Company also has lines of credit for certain subsidiaries with various expiration dates. The aggregate maximum borrowing capacity of these overdraft lines of credits is \$ 16.8 million. As of December 31, 2024, there were no outstanding borrowings and \$ 16.8 million of available capacity under these lines of credit. As of December 31, 2023, there were \$ 17.9 million overdraft lines of credit with no outstanding borrowings and \$ 17.9 million of available capacity under these lines of credit.

Covenants

The Company's credit agreements contain customary financial covenants. The Company's most significant agreements and restrictive covenants are in the New York Life Agreement, the Project Bonds, the Prudential Agreement, and the Credit Agreement; each containing both affirmative and negative covenants. The affirmative covenants relate to financial statements, notices of material events, conduct of business, inspection of property, maintenance of insurance, compliance with laws and most favored lender obligations. The negative covenants include limitations on loans, advances and investments, and the granting of liens by the Company or its subsidiaries, as well as prohibitions on certain consolidations, mergers, sales and transfers of assets. The covenants also include financial requirements including a maximum leverage ratio of 3.50 to 1.00 and a minimum interest coverage ratio of 3.00 to 1.00. Cross default is applicable with the Credit Agreement, the Prudential Agreement, the Project Bonds, and the New York Life Agreement, but only if the Company is defaulting on an obligation exceeding \$ 10.0 million. The Company was in compliance with all financial covenants as of December 31, 2024.

7. COMMITMENTS AND CONTINGENCIES

In 2011, the Company became aware of a review of alleged issues with certain underground piping connections installed in filling stations in France owned by the French Subsidiary of Exxon Mobile, Esso S.A.F. A French court ordered that a designated, subject-matter expert review 103 filling stations to determine what, if any, damages are present and the cause of

those damages. The Company has participated in this investigation since 2011, along with several other third parties including equipment installers, engineering design firms who designed and provided specifications for the stations, and contract manufacturers of some of the installed equipment. In May 2022, the subject-matter expert issued its final report, which indicates that total damages incurred by Esso amounted to approximately 9.5 million Euro. It is the Company's position that its products were not the cause of any alleged damage. The Company submitted its response to the expert's final report in February 2023. The Company cannot predict the ultimate outcome of this matter. Any exposure related to this matter is neither probable nor reasonably estimable at this time. If payments result from a resolution of this matter, depending on the amount, they could have a material effect on the Company's financial position, results of operations, or cash flows.

The Company is defending other various claims and legal actions which have arisen in the ordinary course of business. In the opinion of management, based on current knowledge of the facts and after discussion with counsel, these claims and legal actions can be defended or resolved without a material effect on the Company's financial position, results of operations, and net cash flows.

At December 31, 2024, the Company had \$ 12.6 million of commitments primarily for capital expenditures and the purchase of raw materials to be used in production.

At December 31, 2024, the Company has a contingent consideration liability with an estimated fair value of \$ 5.0 million, the maximum potential payout, that was paid in early 2025.

The changes in the carrying amount of the warranty accrual, as recorded in the "Accrued expenses and other current liabilities" line of the Company's consolidated balance sheets for 2024 and 2023, are as follows:

(In millions)	2024	2023
Beginning balance	\$ 9.3	\$ 11.2
Accruals related to product warranties	12.7	11.8
Additions related to acquisitions	—	—
Reductions for payments made	(13.0)	(13.7)
Ending balance	\$ 9.0	\$ 9.3

The Company maintains certain warehouses, distribution centers, office space, and equipment operating leases. The Company also has lease agreements that are classified as financing. However, these financing leases are immaterial to the Company.

The components of the Company's operating lease portfolio as of 2024, 2023, and 2022 are as follows:

Lease Cost (In millions):	2024	2023	2022
Operating lease cost	\$ 22.0	\$ 18.8	\$ 17.4
Variable lease cost	\$ 8.1	\$ 7.6	\$ 6.9
Other Information:			
Weighted-average remaining lease term	4.2 years	4.0 years	
Weighted-average discount rate	5.0 %	4.3 %	

The Company has entered into lease agreements with aggregate future minimum payments of approximately \$ 2.3 million that have not yet commenced as of December 31, 2024.

The future minimum rental payments for non-cancellable operating leases as of December 31, 2024, are as follows:

(In millions)	Total	2025	2026	2027	2028	2029	Thereafter
Undiscounted future minimum rental payments	\$ 73.5	\$ 22.7	\$ 17.6	\$ 12.6	\$ 9.0	\$ 4.9	\$ 6.7
Less: Imputed Interest	11.3						
Present value of lease liabilities	<u>\$ 62.2</u>						

8. SHAREHOLDERS' EQUITY

Share-based Compensation

In 2023, the Company amended The Franklin Electric Co., Inc. 2017 Stock Plan, which is called The Franklin Electric Co., Inc. Amended and Restated 2017 Stock Plan ("the 2017 Amended and Restated Stock Plan") and increased the number of shares available under the Plan by 900,000 to 2,300,000. The 2017 Amended and Restated Stock Plan is a stock-based compensation plan that provides for discretionary grants of stock options, stock awards, stock unit awards, and stock appreciation rights ("SARs") to key employees and non-employee directors. Stock options and SARs reduce the number of available shares by one share for each share subject to the option or SAR, and stock awards and stock unit awards settled in shares reduce the number of available shares by 1.5 shares for every one share delivered.

The Company also maintains the Franklin Electric Co., Inc. 2012 Stock Plan (the "2012 Stock Plan"), which is a share-based compensation plan that provides for discretionary grants of stock options, stock awards and stock unit awards to key employees and non-employee directors.

The 2012 Stock Plan authorized 2,400,000 shares for issuance as follows:

2012 Stock Plan	Authorized Shares
Stock Options	1,680,000
Stock/Stock Unit Awards	720,000

No additional options and awards are granted out of the 2012 Stock Plan. However, there are still unvested awards and unexercised options under this plan.

The Company currently issues new shares from its common stock balance to satisfy option exercises and the settlement of stock awards and stock unit awards made under the outstanding stock plans.

The Company recognizes share-based compensation expense only for the portion of shares that it expects to vest. As such, an estimated forfeiture rate is applied to calculate the share-based compensation expense, which is based on historical forfeiture data. The total share-based compensation expense recognized in 2024, 2023, and 2022 was \$ 12.1 million, \$ 10.1 million, and \$ 11.0 million, respectively. The tax benefit recognized in 2024, 2023, and 2022 was \$ 5.0 million, \$ 5.6 million, and \$ 4.7 million. Included in the benefit in 2024, 2023, and 2022 were excess tax benefits on share-based compensation of \$ 2.3 million, \$ 3.2 million, and \$ 2.1 million, respectively.

Stock Options:

Under the above plans, the exercise price of each option equals the market price of the Company's common stock on the date of grant, and the options expire 10 years after the date of the grant. Options vest at 33 percent a year and become fully vested and fully exercisable after 3 years. Vesting is accelerated upon retirement, death or disability. Subject to the terms of the plans, in general, the aggregate option exercise price and any applicable tax withholding may be satisfied in cash or its equivalent, by the plan participant's delivery of shares of the Company's common stock having a fair market value at the time of exercise equal to the aggregate option exercise price and/or the applicable tax withholding or by having shares otherwise subject to the award withheld by the Company or via cashless exercise through a broker-dealer.

The fair value of each option award is estimated on the date of grant using the Black-Scholes option valuation model with a single approach and amortized using a straight-line attribution method over the option's vesting period. Options granted to retirement eligible employees are immediately expensed. The Company uses historical data to estimate the expected volatility of its stock, the weighted average expected life, the period of time options granted are expected to be outstanding, and its dividend yield. The risk-free rates for periods within the contractual life of the option are based on the U.S. Treasury yield curve in effect at the time of the grant.

The table below provides the weighted average grant-date fair values and key assumptions used for the Black-Scholes model to determine the fair value of options granted during 2024, 2023, and 2022:

	2024	2023	2022
Risk-free interest rate	4.38 %	4.02 %	1.87 %
Dividend yield	1.03 %	0.95 %	0.93 %
Volatility factor	33.01 %	33.81 %	33.88 %
Expected term	6.0 years	6.0 years	5.5 years
Weighted average grant-date fair value of options	\$ 35.03	\$ 34.51	\$ 26.05

A summary of the Company's outstanding stock option activity and related information is as follows:

(Shares in thousands)	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value (000's)
Stock Options				
Outstanding at beginning of 2024	900	\$ 58.96		
Granted	116	96.90		
Exercised	(153)	46.88		
Forfeited	(2)	95.07		
Expired	—	—		
Outstanding at end of 2024	861	\$ 66.15	5.06 years	\$ 27,010
Expected to vest after applying forfeiture rate	857	\$ 66.03	5.04 years	\$ 27,001
Vested and exercisable at end of period	674	\$ 58.34	4.06 years	\$ 26,362
<hr/>				
(In millions)		2024	2023	2022
Intrinsic value of options exercised	\$ 8.8	\$ 11.6	\$ 3.7	
Cash received from the exercise of options	7.2	9.2	3.9	
Fair value of shares vested	2.5	3.1	3.1	
Tax benefit of options exercised	1.8	2.9	0.9	

As of December 31, 2024, there was \$ 2.2 million of total unrecognized compensation cost related to non-vested stock options granted under the stock plans. That cost is expected to be recognized over a weighted-average period of 1.90 years.

Stock/Stock Unit Awards:

Under the 2017 Stock Plan, non-employee directors and employees may be granted stock awards and stock units. Stock awards to non-employee directors are generally fully vested when made. Stock/stock unit awards to employees cliff vest over 3 years (subject to accelerated vesting of a pro rata portion in the case of retirement, death or disability) and may be contingent on the attainment of certain performance goals. Dividends are paid to the recipient prior to vesting, except that dividends on performance-based stock awards under the 2012 Stock Plan and the 2017 Stock Plan will be paid only to the extent the performance goals are met.

Stock/stock unit awards granted to retirement eligible employees are expensed over the vesting period. Compensation cost for the performance stock/stock unit awards is accrued based on the probable outcome of specified performance conditions.

A summary of the Company's restricted stock/stock unit award activity and related information is as follows:

(Shares in thousands)	Shares	Weighted-Average Grant- Date Fair Value
Restricted Stock/Stock Unit Awards		
Non-vested at beginning of 2024	259	\$ 85.05
Awarded	174	93.97
Vested	(104)	75.70
Forfeited	(15)	90.30
Non-vested at end of 2024	314	\$ 92.83

The weighted-average grant date fair value of restricted stock/stock unit awards granted in 2024, 2023, and 2022, is \$ 93.97 , \$ 87.31 , and \$ 81.16 , respectively. The fair value of restricted stock/stock unit awards that vested in 2024, 2023, and 2022, was \$ 7.9 million, \$ 8.0 million, and \$ 9.1 million, respectively.

As of December 31, 2024, there was \$ 8.8 million of total unrecognized compensation cost related to non-vested stock/stock unit awards granted under the stock plans. That cost is expected to be recognized over a weighted-average period of 1.42 years.

Authorized Shares

The Company has the authority to issue 65,000,000 , \$ 0.10 par value common shares.

The Company also has the authority to issue 100,000 preference shares with no par value and 5,000,000 preferred shares with no par value. No preference or preferred shares have been issued.

Repurchased Shares

During 2024, 2023, and 2022, pursuant to a stock repurchase program authorized by the Company's Board of Directors, the Company repurchased and retired the following amounts and number of shares:

(In millions, except share amounts)	2024	2023	2022
Repurchases	\$ 53.1	\$ 32.5	\$ 36.3
Shares	549,062	371,452	453,207

The Company retired shares in the amount of 74,513 , 101,690 , and 63,133 in 2024, 2023, and 2022, respectively, that were received from employees as payment for the exercise price of their stock options and taxes owed upon the exercise of their stock options and release of their restricted awards.

The Company also reduced outstanding shares in the amount of 5,930 , 0 , and 16,839 in 2024, 2023, and 2022, respectively, that had been previously granted as stock awards to employees but were forfeited upon not meeting the required restriction criteria or termination.

9. ACCUMULATED OTHER COMPREHENSIVE INCOME/(LOSS)

Changes in accumulated other comprehensive income/(loss), net of tax, by component are summarized below:

(In millions)	Foreign Currency Translation Adjustments	Pension and Post-Retirement Plan Benefit Adjustments	Total
Balance, December 31, 2021	\$ (179.6)	\$ (49.0)	\$ (228.6)
Other comprehensive income/(loss) before reclassifications ⁽¹⁾	(11.7)	4.9	(6.8)
Amounts reclassified from accumulated other comprehensive income/(loss) ⁽²⁾⁽³⁾	—	4.0	4.0
Net other comprehensive income/(loss)	(11.7)	8.9	(2.8)
Balance, December 31, 2022	\$ (191.3)	\$ (40.1)	\$ (231.4)
Other comprehensive income/(loss) before reclassifications ⁽¹⁾	12.0	(3.3)	8.7
Amounts reclassified from accumulated other comprehensive income/(loss) ⁽²⁾⁽³⁾	—	1.6	1.6
Net other comprehensive income/(loss)	12.0	(1.7)	10.3
Balance, December 31, 2023	\$ (179.3)	\$ (41.8)	\$ (221.1)
Other comprehensive income/(loss) before reclassifications ⁽¹⁾	(35.7)	1.1	(34.6)
Amounts reclassified from accumulated other comprehensive income/(loss) ⁽²⁾⁽³⁾	—	1.7	1.7
Net other comprehensive income/(loss)	(35.7)	2.8	(32.9)
Balance, December 31, 2024	\$ (215.0)	\$ (39.0)	\$ (254.0)

(1) Net of tax (benefit)/expense of \$ 0.3 million, \$(1.1) million and \$ 1.8 million for 2024, 2023, and 2022, respectively.

(2) This accumulated other comprehensive income/(loss) component is included in the computation of net periodic pension cost (refer to Note 10 - Employee Benefit Plans for additional details) and is included in the "Other income/(expense), net" line of the Company's consolidated statements of income.

(3) Net of tax expense of \$ 0.6 million, \$ 0.5 million and \$ 1.8 million for 2024, 2023, and 2022, respectively.

Amounts related to noncontrolling interests were not material.

10. EMPLOYEE BENEFIT PLANS

Defined Benefit Plans - As of December 31, 2024, the Company maintained two domestic pension plans and three German pension plans. The Company used a December 31, 2024 measurement date for these plans. One of the Company's domestic pension plans covers one active management employee, while the other domestic plan covers all eligible employees. Both domestic plans were frozen as of December 31, 2011. The two domestic and three German plans collectively comprise the 'Pension Benefits' disclosure caption.

Other Benefits - The Company's other post-retirement benefit plan provides health and life insurance to domestic employees hired prior to 1992. The Company effectively capped its cost for those benefits through plan amendments made in 1992, freezing Company contributions for insurance benefits at 1991 levels for current and future beneficiaries with actuarially reduced benefits for employees who retire before age 65. The disclosures surrounding this plan are reflected in the "Other Benefits" caption.

The following table sets forth aggregated information related to the Company's pension benefits and other postretirement benefits, including changes in the benefit obligations, changes in plan assets, funded status, amounts recognized in the balance sheet, amounts recognized in accumulated other comprehensive income, and actuarial assumptions that the Company considered in its determination of benefit obligations and plan costs.

(In millions)	Pension Benefits		Other Benefits	
	2024	2023	2024	2023
Accumulated benefit obligation, end of year	\$ 127.1	\$ 136.4	\$ 4.6	\$ 5.6
Change in projected benefit obligation:				
Benefit obligation, beginning of year	\$ 137.5	\$ 135.2	\$ 5.6	\$ 6.0
Service cost	0.6	0.6	—	—
Interest cost	6.1	6.4	0.3	0.3
Actuarial (gain)/loss	(5.3)	4.2	(0.6)	—
Settlements paid	—	(0.5)	—	—
Benefits paid	(9.8)	(8.9)	(0.7)	(0.7)
Foreign currency exchange	(1.2)	0.5	—	—
Benefit obligation, end of year	<u>\$ 127.9</u>	<u>\$ 137.5</u>	<u>\$ 4.6</u>	<u>\$ 5.6</u>
Change in plan assets:				
Fair value of assets, beginning of year	\$ 111.7	\$ 113.4	\$ —	\$ —
Actual return on plan assets	3.1	6.9	—	—
Company contributions	0.6	0.6	0.7	0.7
Settlements paid	—	(0.4)	—	—
Benefits paid	(9.8)	(8.9)	(0.7)	(0.7)
Foreign currency exchange	(0.3)	0.1	—	—
Plan assets, end of year	<u>\$ 105.3</u>	<u>\$ 111.7</u>	<u>\$ —</u>	<u>\$ —</u>
Funded status	<u>\$ (22.6)</u>	<u>\$ (25.8)</u>	<u>\$ (4.6)</u>	<u>\$ (5.6)</u>
Amounts recognized in balance sheet:				
Non current assets	\$ 7.6	\$ 4.2	\$ —	\$ —
Current liabilities	(6.1)	(0.5)	(0.7)	(0.7)
Non current liabilities	(24.1)	(29.5)	(3.9)	(4.9)
Net liability, end of year	<u>\$ (22.6)</u>	<u>\$ (25.8)</u>	<u>\$ (4.6)</u>	<u>\$ (5.6)</u>
Amount recognized in accumulated other comprehensive income/(loss):				
Prior service cost	\$ —	\$ —	\$ —	\$ —
Net actuarial gain (loss)	(39.8)	(42.1)	0.8	0.3
Settlement	—	—	—	—
Total recognized in accumulated other comprehensive income/(loss)	<u>\$ (39.8)</u>	<u>\$ (42.1)</u>	<u>\$ 0.8</u>	<u>\$ 0.3</u>

As of December 31, 2024, the pension benefits' aggregate accumulated benefit obligation and projected benefit obligation for plans that have an accumulated benefit obligation and projected benefit obligation in excess of plan assets was \$ 33.6 million and \$ 34.5 million, respectively and as of December 31, 2023, was \$ 33.3 million and \$ 34.4 million, respectively. As of December 31, 2024 and December 31, 2023, the aggregate fair value of plan assets related to these plans was \$ 4.3 million and \$ 4.4 million, respectively.

The following table sets forth other changes in plan assets and benefit obligation recognized in other comprehensive income for 2024 and 2023:

(In millions)

	Pension Benefits		Other Benefits	
	2024	2023	2024	2023
Net actuarial (gain)/loss	\$ (0.9)	\$ 4.4	\$ (0.6)	\$ —
Amortization of:				
Net actuarial loss	(2.3)	(2.1)	—	—
Prior service credit	—	—	—	—
Settlement recognition	—	—	—	—
Deferred tax asset	0.8	(0.6)	0.1	—
Foreign currency exchange	0.1	—	—	—
Total recognized in other comprehensive income	\$ (2.3)	\$ 1.7	\$ (0.5)	\$ —

The increased discount rate, partially offset by unfavorable returns on assets were the largest contributors to the net actuarial gains recorded in 2024. The decreased discount rate is the largest contributor to the net actuarial losses affecting the benefit obligation for the defined benefit pension plans in 2023.

Weighted-average assumptions used to determine domestic benefit obligations:

	Pension Benefits		Other Benefits	
	2024	2023	2024	2023
Discount rate	5.48 %	4.90 %	5.47 %	4.88 %
Rate of increase in future compensation	— % *	— % *	2.00 - 9.00 % (Graded)	2.00 - 9.00 % (Graded)

*No rate of increases in future compensation were used in the assumptions for 2024 and 2023, as the cash balance component of the domestic Pension Plan was frozen and the other domestic Pension Plan components do not base benefits on compensation. The weighted-average interest crediting rate of the cash balance component of the domestic Pension Plan was 4.5 percent for 2024, 2023, and 2022 and is based on the approximate 30-year Treasury rate as of November of the prior year with a minimum of 4.5 percent.

Assumptions used to determine domestic periodic benefit cost:

	Pension Benefits			Other Benefits		
	2024	2023	2022	2024	2023	2022
Discount rate	4.95 %	5.14 %	2.79 %	4.88 %	5.08 %	2.57 %
Rate of increase in future compensation	— % *	— % *	— % *	2.00 - 9.00 % (Graded)	2.00 - 9.00 % (Graded)	2.00 - 9.00 % (Graded)
Expected long-term rate of return on plan assets	6.20 %	5.70 %	4.50 %	— %	— %	— %

*No rate of increases in future compensation were used in the assumptions for 2024, 2023, and 2022, as the cash balance component of the domestic Pension Plan was frozen and the other domestic Pension Plan components do not base benefits on compensation.

For the years ended December 31, 2024 and December 31, 2023, the Company used the PRI-2012 aggregate mortality table, and then projected forward from 2012 using Scale MP-2021 released by the Society of Actuaries during 2021 to estimate future mortality rates based upon current data.

The following table sets forth the aggregated net periodic benefit cost for all defined benefit plans for 2024, 2023, and 2022:

(In millions)	Pension Benefits			Other Benefits		
	2024	2023	2022	2024	2023	2022
Service cost	\$ 0.6	\$ 0.6	\$ 0.7	\$ —	\$ —	\$ —
Interest cost	6.1	6.4	3.3	0.3	0.3	0.1
Expected return on assets	(7.5)	(7.2)	(6.1)	—	—	—
Amortization of:						
Transition obligation	—	—	—	—	—	—
Settlement cost	—	—	—	—	—	—
Prior service cost	—	—	—	—	—	—
Actuarial loss	2.3	2.1	5.6	—	—	0.1
Settlement cost	—	—	—	—	—	—
Net periodic benefit cost	\$ 1.5	\$ 1.9	\$ 3.5	\$ 0.3	\$ 0.3	\$ 0.2

The Company consults with a third party investment manager for the assets of the funded domestic defined benefit plan. The plan assets are currently invested primarily in pooled funds, where each fund in turn is composed of mutual funds that have at least daily net asset valuations. Thus, the Company's funded domestic defined benefit plan assets are invested in a "fund of funds" approach.

The Company's Board has delegated oversight and guidance to an appointed Employee Benefits Committee. The Committee has the tasks of reviewing plan performance and asset allocation, ensuring plan compliance with applicable laws, establishing plan policies, procedures, and controls, monitoring expenses, and other related activities.

The plan's investment policies and strategies focus on the ability to fund benefit obligations as they come due. Considerations include the plan's current funded level, plan design, benefit payment assumptions, funding regulations, impact of potentially volatile business results on the Company's ability to make certain levels of contributions, and interest rate and asset return volatility among other considerations. The Company currently attempts to maintain plan funded status at approximately 80 percent or greater pursuant to the Pension Protection Act of 2007. Given the plan's current funded status, the Company's cash on hand, cash historically generated from business operations, and cash available under committed credit facilities, the Company sees ample liquidity to achieve this goal.

Risk management and continuous monitoring requirements are met through monthly investment portfolio reports, quarterly Employee Benefits Committee meetings, annual valuations, asset/liability studies, and the annual assumption process focusing primarily on the return on asset assumption and the discount rate assumption. As of December 31, 2024 and December 31, 2023, funds were invested in equity, fixed income, and other investments as follows:

Asset Category	Target Percentage at Year-End 2024	Plan Asset Allocation at Year-End	
		2024	2023
Equity securities	16 %	16 %	16 %
Fixed income securities	79 %	79 %	79 %
Other	5 %	5 %	5 %
Total	100 %	100 %	100 %

The Company does not see any particular concentration of risk within the plans, nor any plan assets that pose difficulties for fair value assessment. The Company currently has no allocation to potentially illiquid or potentially difficult to value assets such as hedge funds, venture capital, private equity, and real estate.

The Company works with actuaries and consultants in making its determination of the asset rate of return assumption and also the discount rate assumption.

Asset class assumptions are set using a combination of empirical and forward-looking analysis for long-term rate of return on plan assets. A variety of models are applied for filtering historical data and isolating the fundamental characteristics of asset classes. These models provide empirical return estimates for each asset class, which are then reviewed and combined with a qualitative assessment of long-term relationships between asset classes before a return estimate is finalized. This provides an

additional means for correcting for the effect of unrealistic or unsustainable short-term valuations or trends, opting instead for return levels and behavior that are more likely to prevail over long periods. With that, the Company has assumed an expected long-term rate of return on plan assets of 5.75 percent for the 2025 net periodic benefit cost, down from 6.20 percent in the prior year.

The Company uses the Aon Hewitt AA Above Median curve to determine the discount rate. All cash flow obligations under the plan are matched to bonds in the Aon Hewitt universe of liquid, high-quality, non-callable / non-puttable corporate bonds with outliers removed. From that matching exercise, a discount rate is determined.

The Company's German pension plans are funded by insurance contract policies whereby the insurance company guarantees a fixed minimum return. Due to tax legislation, individual pension benefits can only be financed using direct insurance policies up to certain maximums. These maximum amounts in respect of each member are paid into such an arrangement on a yearly basis.

The Company designated all equity and most domestic fixed income plan assets as Level 1, as they are mutual funds with prices that are readily available. The U.S. Treasury securities and German plan assets are designated as Level 2 inputs. The fair value of the German plan assets are measured by the reserve that is supervised by the German Federal Financial Supervisory Authority. The U.S. Treasury securities are administered by the United States government.

The fair values of the Company's pension plan assets for 2024 and 2023 by asset category are as follows:

(In millions)	2024	Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)	
		\$	17.2	\$	17.2	\$	—
Equity							
International equity mutual funds	\$ 17.2	\$ 17.2	\$ —	\$ —	\$ —	\$ —	\$ —
Fixed income							
U.S. treasury and government agency securities	11.1	—	—	11.1	—	—	—
Fixed income mutual funds	72.1	72.1	—	—	—	—	—
Other							
Insurance contracts	4.3	—	—	4.3	—	—	—
Cash and equivalents	0.6	0.6	—	—	—	—	—
Total	\$ 105.3	\$ 89.9	\$ 15.4	\$ —	\$ —	\$ —	\$ —
(In millions)	2023	Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)	
		\$	18.3	\$	18.3	\$ —	\$ —
Equity							
International equity mutual funds	\$ 18.3	\$ 18.3	\$ —	\$ —	\$ —	\$ —	\$ —
Fixed income							
U.S. treasury and government agency securities	12.3	—	—	12.3	—	—	—
Fixed income mutual funds	76.0	76.0	—	—	—	—	—
Other							
Insurance contracts	4.4	—	—	4.4	—	—	—
Cash and equivalents	0.7	0.7	—	—	—	—	—
Total	\$ 111.7	\$ 95.0	\$ 16.7	\$ —	\$ —	\$ —	\$ —

The Company estimates total contributions to the plans of about \$ 7.3 million in 2025.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid in accordance with the following schedule:

(In millions)	Pension Benefits	Other Benefits
2025	\$ 16.0	\$ 0.6
2026	\$ 15.7	\$ 0.6
2027	\$ 14.8	\$ 0.6
2028	\$ 9.4	\$ 0.5
2029	\$ 9.1	\$ 0.5
Years 2030 through 2034	\$ 41.7	\$ 2.0

Defined Contribution Plans - The Company maintained two defined contribution plans during 2024, 2023, and 2022. The Company's cash contributions are allocated to participant's accounts based on investment elections.

The following table sets forth Company contributions to the defined contribution plans:

(In millions)	2024	2023	2022
Company contributions to the plans	\$ 11.4	\$ 11.5	\$ 11.4

11. INCOME TAXES

Income before income taxes consisted of the following:

(In millions)	2024	2023	2022
Domestic	\$ 169.5	\$ 163.9	\$ 157.6
Foreign	62.3	78.3	77.6
	\$ 231.8	\$ 242.2	\$ 235.2

The income tax provision/(benefit) consisted of the following:

(In millions)	2024	2023	2022
Current:			
Federal	\$ 42.5	\$ 27.0	\$ 25.3
Foreign	17.3	14.9	15.3
State	10.0	7.2	7.0
Total current	69.8	49.1	47.6
Deferred:			
Federal	(16.0)	(1.1)	(0.1)
Foreign	(0.8)	(0.3)	(2.6)
State	(2.8)	(0.2)	1.5
Total deferred	\$ (19.6)	\$ (1.6)	\$ (1.2)
	\$ 50.2	\$ 47.5	\$ 46.4

A reconciliation of the tax provision for continuing operations at the U.S. statutory rate to the effective income tax expense rate as reported is as follows:

	2024	2023	2022
U.S. Federal statutory rate	21.0 %	21.0 %	21.0 %
State income taxes, net of federal benefit	2.3	2.3	2.9
Foreign operations	1.0	(0.7)	(0.5)
R&D tax credits	(0.6)	(0.4)	(0.4)
Uncertain tax position adjustments	0.2	(0.1)	0.1
Valuation allowance on state and foreign deferred tax	0.2	(0.2)	(0.6)
Share-based compensation	(0.8)	(1.0)	(0.7)
Other items	0.9	(0.1)	(0.5)
Foreign Derived Intangible Income	(3.5)	(2.4)	(2.6)
Nondeductible officer's compensation	1.0	1.2	1.0
Effective tax rate	21.7 %	19.6 %	19.7 %

The effective tax rate differs from the U.S. statutory rate of 21 percent primarily due to U.S. state taxes, foreign earnings taxed at rates higher than the U.S. statutory rate, and nondeductible officer's compensation, which were partially offset by the recognition of the U.S. foreign-derived intangible income (FDII) provisions, certain incentives, and discrete events.

The Company recorded discrete excess tax benefits from share-based compensation of \$ 2.3 million in the year ended December 31, 2024. The Company recorded an increased benefit in the U.S. foreign-derived intangible income (FDII) provisions related to a prepayment of inventory from foreign subsidiaries, that is unlikely to recur in future periods.

Significant components of the Company's deferred tax assets and liabilities were as follows:

(In millions)	2024	2023
Deferred tax assets:		
Accrued expenses and reserves	\$ 15.5	\$ 15.1
Compensation and employee benefits	16.0	17.4
Intercompany prepayments (FDII related)	16.9	—
Net operating losses, tax credit carryforwards, and other	11.8	13.2
Lease liability	15.7	14.7
Research and development expenditures, net	7.4	7.0
Valuation allowance on state and foreign deferred tax	(4.4)	(4.1)
Other items	—	0.1
Total deferred tax assets	78.9	63.4
Deferred tax liabilities:		
Accelerated depreciation on fixed assets	15.6	17.7
Amortization of intangibles	49.2	51.3
Lease right-of-use asset, net	15.7	14.7
Other items	0.4	0.4
Total deferred tax liabilities	80.9	84.1
Net deferred tax liabilities	\$ (2.0)	\$ (20.7)

The Company assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. A significant piece of objective negative evidence evaluated was the cumulative loss for certain U.S. state and foreign income tax purposes incurred over the 3-year period ended December 31, 2024. Such objective evidence limits the ability to consider other subjective evidence, such as the Company's projections for future growth.

On the basis of this evaluation, as of December 31, 2024, a valuation allowance of \$ 4.4 million has been recorded to recognize only the portion of the deferred tax asset that is more likely than not to be realized. The Company has foreign income tax net operating loss ("NOL") and credit carryforwards of \$ 8.1 million and U.S. state income tax credit carryforwards of \$ 3.7 million, which will expire on various dates as follows:

(In millions)

2025-2029	\$	4.8
2030-2034		0.4
2035-2039		0.5
Unlimited		6.1
	\$	11.8

The Company believes that it is more likely than not that the benefit from certain foreign NOL carryforwards as well as certain U.S. state credit carryforwards will not be realized. In recognition of this risk, the Company has provided a valuation allowance of \$ 3.2 million on the deferred tax assets related to these foreign NOL carryforwards and a valuation allowance of \$ 1.2 million on the deferred tax assets related to these U.S. state credit carryforwards.

As of December 31, 2024, the Company has estimated accumulated undistributed earnings generated by the Company's foreign subsidiaries of approximately \$ 542.4 million. Any taxes due with respect to such earnings or the excess of the amount for financial reporting over the tax basis of its foreign investments would generally be limited to foreign and U.S. state taxes. The Company intends, however, to indefinitely reinvest these earnings and expects future U.S. cash generation to be sufficient to meet future U.S. cash needs. The Company, therefore, has not recorded a deferred tax liability of approximately \$ 4.4 million.

As of the beginning of 2024, the Company had gross unrecognized tax benefits of \$ 0.8 million, excluding accrued interest and penalties. The unrecognized tax benefits increased due to uncertain tax positions identified for the current and prior years based on evaluations made during 2024, which were offset by statute expirations. The Company had gross unrecognized tax benefits, excluding accrued interest and penalties, of \$ 1.3 million as of December 31, 2024.

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits for 2024, 2023, and 2022 (excluding interest and penalties) is as follows:

(In millions)	2024	2023	2022
Beginning balance	\$ 0.8	\$ 0.9	\$ 0.9
Additions for tax positions of the current year	0.6	0.3	0.1
Additions for tax positions of prior years	0.2	—	—
Reductions for tax positions of prior years	—	—	—
Statute expirations	(0.3)	(0.4)	(0.1)
Settlements	—	—	—
Ending balance	\$ 1.3	\$ 0.8	\$ 0.9

If recognized, each annual effective tax rate would be affected by the net unrecognized tax benefits of \$ 1.3 million, \$ 0.8 million, and \$ 0.9 million as of year-end 2024, 2023, and 2022, respectively.

The Company recognizes interest and penalties related to unrecognized tax benefits as a component of income tax expense. The Company has accrued interest and penalties as of December 31, 2024, December 31, 2023, and December 31, 2022 of approximately \$ 0.1 million, \$ 0.1 million, and \$ 0.2 million, respectively.

The Company is subject to taxation in the United States and various U.S. state and foreign jurisdictions. With few exceptions, as of December 31, 2024, the Company is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2021 and is no longer subject to foreign or U.S. state income tax examinations by tax authorities for years before 2019.

It is reasonably possible that the amounts of unrecognized tax benefits could change in the next twelve months as a result of an audit or due to the expiration of a statute of limitation. Based on the current audits in process and pending statute expirations, the payment of taxes as a result could be up to \$ 0.1 million.

12. EARNINGS PER SHARE

The Company calculates basic and diluted earnings per common share using the two-class method. Under the two-class method, net earnings are allocated to each class of common stock and participating security as if all of the net earnings for the period had been distributed. The Company's participating securities consist of share-based payment awards that contain a non-forfeitable right to receive dividends and therefore are considered to participate in undistributed earnings with common shareholders.

Basic earnings per common share excludes dilution and is calculated by dividing net earnings allocable to common shares by the weighted-average number of common shares outstanding for the period. Diluted earnings per common share is calculated by dividing net earnings allocated to common shares by the weighted-average number of common shares outstanding for the period, as adjusted for the potential dilutive effect of non-participating share-based awards.

The following table sets forth the computation of basic and diluted earnings per share:

(In millions, except per share amounts)	2024	2023	2022
Numerator:			
Net income attributable to Franklin Electric Co., Inc.	\$ 180.3	\$ 193.3	\$ 187.3
Less: Earnings allocated to participating securities	0.7	0.7	0.7
Net income available to common shareholders	\$ 179.6	\$ 192.6	\$ 186.6
Denominator:			
Basic weighted average common shares outstanding	45.9	46.2	46.3
Effect of dilutive securities:			
Non-participating employee stock options, performance awards, and deferred shares to non-employee directors	0.6	0.7	0.7
Diluted weighted average common shares outstanding	46.5	46.9	47.0
Basic earnings per share	\$ 3.92	\$ 4.17	\$ 4.02
Diluted earnings per share	\$ 3.86	\$ 4.11	\$ 3.97

There were 0.1 million stock options outstanding as of 2024, 2023, and 2022, respectively, that were excluded from the computation of diluted earnings per share, as their inclusion would be anti-dilutive.

13. FINANCIAL INSTRUMENTS

The Company's non-employee directors' deferred compensation stock program is subject to variable plan accounting and, accordingly, is adjusted for changes in the Company's stock price at the end of each reporting period. The Company has entered into share swap transaction agreements ("the swap") to mitigate the Company's exposure to these fluctuations in the Company's stock price. The swap has not been designated as a hedge for accounting purposes and is cancellable with 30 days written notice by either party. As of December 31, 2024 and December 31, 2023, the swap had a notional value based on 250,000 shares and 240,000 shares, respectively. For the years ended December 31, 2024, December 31, 2023, and December 31, 2022, the swap resulted in a loss of \$ 1.3 million, a gain of \$ 2.5 million, and a loss of \$ 3.4 million, respectively. Gains and losses resulting from the swap were primarily offset by gains and losses on the fair value of the deferred compensation stock liability. All gains or losses and expenses related to the deferred compensation stock liability and the swap are recorded in the Company's consolidated statements of income within the "Selling, general, and administrative expenses" line.

The Company is exposed to foreign currency exchange rate risk arising from transactions in the normal course of business including making sales and purchases of raw materials and finished goods in foreign denominated currencies with third party customers and suppliers as well as to wholly owned subsidiaries of the Company. To reduce its exposure to foreign currency exchange rate volatility, the Company enters into various forward currency contracts to offset these fluctuations. The Company uses forward currency contracts only in an attempt to limit underlying exposure from foreign currency exchange rate fluctuations and to minimize earnings volatility associated with foreign currency exchange rate fluctuations and has not elected to use hedge accounting. Decisions on whether to use such derivative instruments are primarily based on the amount of exposure to the currency involved and an assessment of the near-term market value for each currency. As of December 31, 2024 and December 31, 2023, the Company had no foreign currency contracts outstanding. For the years ended December 31, 2024, December 31, 2023, and December 31, 2022, the forward currency contracts resulted in a loss of \$ 0.2 million, a gain of \$ 1.6 million, and a gain of \$ 1.2 million, respectively. This is recorded in the Company's consolidated statements of income within the "Foreign exchange expense" line.

14. FAIR VALUE MEASUREMENTS

As of December 31, 2024 and December 31, 2023, the assets and liabilities measured at fair value on a recurring basis were as set forth in the table below:

(In millions)	December 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)	
Assets:							
Cash equivalents	\$ 5.0	\$ 5.0	\$ —	\$ —	\$ —	\$ —	\$ —
Total assets	\$ 5.0	\$ 5.0	\$ —	\$ —	\$ —	\$ —	\$ —
Liabilities:							
Share swap transaction	\$ 2.5	\$ 2.5	\$ —	\$ —	\$ —	\$ —	\$ —
Contingent payments related to acquisition	5.0	—	—	—	—	—	5.0
Total liabilities	\$ 7.5	\$ 2.5	\$ —	\$ —	\$ —	\$ —	\$ 5.0
		Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)	
December 31, 2023							
Assets:							
Cash equivalents	\$ 10.9	\$ 10.9	\$ —	\$ —	\$ —	\$ —	\$ —
Share swap transaction	1.1	1.1	—	—	—	—	—
Total assets	\$ 12.0	\$ 12.0	\$ —	\$ —	\$ —	\$ —	\$ —
Liabilities:							
Contingent payments related to acquisition	3.0	—	—	—	—	—	3.0
Total liabilities	\$ 3.0	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3.0

The Company's Level 1 cash equivalents assets are generally comprised of foreign bank guaranteed certificates of deposit and short term deposits. The share swap transaction is recorded within the "Accounts Payable" and "Receivables" lines of the consolidated balance sheets and is further described in Note 13 - Financial Instruments.

The Company has no assets measured on a recurring basis classified as Level 2 excluding the recurring fair value measurements in the Company's pension and other retirement plans as discussed in Note 10 - Employee Benefit Plans.

The Company's Level 3 category includes contingent consideration related to acquisitions, which valuation inputs are unobservable and significant to the fair value measurement. Projections and estimated probabilities are used to estimate future contingent earn-out payments, which are discounted back to present value to compute contingent earn-out liabilities. The following table provides a roll-forward of the contingent consideration liability, which is included in "Accrued expenses and other liabilities" as of December 31, 2024 and "Other long-term liabilities" as of December 31, 2023 in the consolidated balance sheets:

(In millions)	2024	2023
Fair value at beginning of period	\$ 3.0	\$ —
Additions	—	3.0
Adjustment to prior year acquisition	1.3	—
Change in fair value recognized in earnings	0.7	—
Payments	—	—
Fair value at end of period	\$ 5.0	\$ 3.0

Total debt, including current maturities, have carrying amounts of \$ 129.4 million as of December 31, 2024 and \$ 100.5 million at December 31, 2023. The estimated fair value of all debt was \$ 128.0 million and \$ 98.6 million as of December 31, 2024 and

December 31, 2023, respectively. In the absence of quoted prices in active markets, considerable judgment is required in developing estimates of fair value. Estimates are not necessarily indicative of the amounts the Company could realize in a current market transaction. In determining the fair value of its debt, the Company uses estimates based on rates currently available to the Company for debt with similar terms and remaining maturities. Accordingly, the fair value of debt is classified as Level 2 within the valuation hierarchy.

15. SEGMENT AND GEOGRAPHIC INFORMATION

The Company's business consists of the Water Systems, Distribution, and Energy Systems reportable segments, based on the principal end market served. The Company changed the name of the Fueling Systems segment to Energy Systems to reflect its diverse portfolio and growth strategy, as well as to better reflect the markets and customers served by the segment. The Company includes unallocated corporate expenses and intercompany eliminations that are not part of a reportable segment in its reconciliations to consolidated results.

The Water Systems segment designs, manufactures and sells motors, pumps, electronic controls, water treatment systems and related parts and equipment primarily for use in submersible water or other fluid system applications. The Energy Systems segment designs, manufactures and sells pumps, electronic controls and related parts and equipment primarily for use in submersible fueling system applications. The Energy Systems segment integrates and sells motors and electronic controls produced by the Water Systems segment. The Company reports these product transfers between Water Systems and Energy Systems as inventory transfers since a significant number of the Company's manufacturing facilities are shared across segments for scale and efficiency purposes. The Distribution segment sells to and provides presale support and specifications to the installing contractors. The Distribution segment sells products produced by the Water Systems segment. The Company reports intersegment transfers from Water Systems to Distribution as intersegment sales at market prices to properly reflect the commercial arrangement of vendor to customer that exists between the Water Systems and Distribution segments.

The accounting policies of the Company's reportable segments are the same as those described in Note 1 - Summary of Significant Accounting Policies. The Company's chief operating decision maker is its Chief Executive Officer. Performance is evaluated based on the sales and operating income of the segments. Operating income and margin are used to evaluate income generated from segment assets in deciding whether to reinvest profits into each segment or other parts of the entity. Operating income is also used to monitor budget versus actual results, for purposes of determining portions of management compensation and for benchmarking against similar measures used by peers and competitors. These results are not necessarily indicative of the results of operations that would have occurred had each segment been an independent, stand-alone entity during the periods presented as corporate expenses are not allocated to segments. Interest expense, other income (expense), net, foreign exchange expense and income tax expense are also not allocated to each segment.

Financial information by reportable business segment is included in the following summary:

2024

(In millions)	Water Systems	Distribution	Energy Systems	Total
External sales	\$ 1,062.1	\$ 685.5	\$ 273.7	\$ 2,021.3
Intersegment sales	121.9	—	—	121.9
	\$ 1,184.0	\$ 685.5	\$ 273.7	\$ 2,143.2
Elimination of intersegment sales				\$ (121.9)
Total consolidated sales				\$ 2,021.3
Cost of sales	\$ 782.0	\$ 505.9	\$ 137.6	
Selling, general and administrative expenses	201.7	154.6	42.1	
Restructuring expense	2.4	0.7	0.4	
Segment operating income	\$ 197.9	\$ 24.3	\$ 93.6	\$ 315.8
Reconciliation of segment operating income to income before income taxes				
Deferred intersegment profit				\$ (0.5)
Corporate general and administrative expenses				(71.7)
Interest expense				(6.3)
Other income/(expense), net				1.3
Foreign exchange expense				(6.8)
Consolidated income before income taxes				\$ 231.8

2023

(In millions)	Water Systems	Distribution	Energy Systems	Total
External sales	\$ 1,095.3	\$ 673.3	\$ 296.5	\$ 2,065.1
Intersegment sales	108.4	—	—	108.4
	\$ 1,203.7	\$ 673.3	\$ 296.5	\$ 2,173.5
Elimination of intersegment sales				\$ (108.4)
Total consolidated sales				\$ 2,065.1
Cost of sales	\$ 819.3	\$ 497.4	\$ 162.0	
Selling, general and administrative expenses	187.3	141.6	41.2	
Restructuring expense	0.5	—	0.6	
Segment operating income	\$ 196.6	\$ 34.3	\$ 92.7	\$ 323.6
Reconciliation of segment operating income to income before income taxes				
Deferred intersegment profit				\$ 2.2
Corporate general and administrative expenses				(63.4)
Interest expense				(11.8)
Other income/(expense), net				3.7
Foreign exchange expense				(12.1)
Consolidated income before income taxes				\$ 242.2
2022				
(In millions)	Water Systems	Distribution	Energy Systems	Consolidated
External sales	\$ 1,041.5	\$ 668.1	\$ 334.1	\$ 2,043.7
Intersegment sales	116.0	—	—	116.0
	\$ 1,157.5	\$ 668.1	\$ 334.1	\$ 2,159.7
Elimination of intersegment sales				\$ (116.0)
Total consolidated sales				\$ 2,043.7
Cost of sales	\$ 801.8	\$ 471.6	\$ 191.0	
Selling, general and administrative expenses	182.1	141.8	45.7	
Restructuring expense	1.4	0.2	0.6	
Segment operating income	\$ 172.2	\$ 54.5	\$ 96.8	\$ 323.5
Reconciliation of segment operating income to income before income taxes				
Deferred intersegment profit				\$ (3.9)
Corporate general and administrative expenses				(62.5)
Interest expense				(11.5)
Other income/(expense), net				(3.2)
Foreign exchange expense				(7.2)
Consolidated income before income taxes				\$ 235.2

(In millions)	2024	2023	2022
Depreciation and amortization			
Water Systems	\$ 39.0	\$ 36.9	\$ 35.2
Distribution	9.6	7.6	6.9
Energy Systems	4.3	4.2	4.2
Total segment depreciation and amortization	\$ 52.9	\$ 48.7	\$ 46.3
Corporate	3.2	3.6	4.1
Total depreciation and amortization	\$ 56.1	\$ 52.3	\$ 50.4
Capital Expenditures			
Water Systems	\$ 27.8	\$ 28.6	\$ 23.4
Distribution	9.3	9.3	13.4
Energy Systems	2.3	3.0	2.7
Total segment capital expenditure	\$ 39.4	\$ 40.9	\$ 39.5
Corporate	1.8	2.3	1.6
Total capital expenditure	\$ 41.2	\$ 43.2	\$ 41.1
Assets			
Water Systems	\$ 998.8	\$ 1,044.4	\$ 1,017.5
Distribution	358.9	365.6	360.4
Energy Systems	250.4	256.4	269.1
Total segment assets	\$ 1,608.1	\$ 1,666.4	\$ 1,647.0
Corporate	212.5	61.7	47.2
Total assets	\$ 1,820.6	\$ 1,728.1	\$ 1,694.2

Cash and property, plant and equipment are the major asset groups in "Corporate" of total assets for the years ended December 31, 2024 and December 31, 2023.

Financial information by geographic region is as follows:

(In millions)	Net sales			Long-lived assets		
	2024	2023	2022	2024	2023	2022
United States	\$ 1,400.4	\$ 1,441.6	\$ 1,414.1	\$ 626.6	\$ 625.3	\$ 601.7
Foreign	620.9	623.5	629.6	221.6	240.3	227.6
Consolidated	\$ 2,021.3	\$ 2,065.1	\$ 2,043.7	\$ 848.2	\$ 865.6	\$ 829.3

Net sales are attributed to geographic regions based upon the ship to location of the customer. Long-lived assets are attributed to geographic regions based upon the country of domicile.

The Company offers a large array of products and systems to multiple markets and customers. Product sales information is tracked regionally and products are categorized differently between regions based on local needs and reporting requirements. However, net sales by segment are representative of the Company's sales by major product category. The Company sells its products through various distribution channels including wholesale and retail distributors, specialty distributors, industrial and petroleum equipment distributors, as well as major oil and utility companies and original equipment manufacturers.

No single customer accounted for more than 10 percent of the Company's net sales in 2024, 2023, or 2022. No single customer accounted for more than 10 percent of the Company's gross accounts receivable in 2024 or 2023.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Franklin Electric Co., Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Franklin Electric Co., Inc. and subsidiaries (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, equity, and cash flows, for each of the three years in the period ended December 31, 2024, and the related notes and the schedule listed in the Index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 21, 2025, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Income Taxes — Uncertain Tax Positions — Refer to Notes 1 and 11 to the financial statements

Critical Audit Matter Description

The Company's operations involve dealing with uncertainties and judgments in the application of complex tax regulations in multiple jurisdictions. The Company records a liability for uncertain tax positions by establishing a more likely than not recognition threshold and measurement attribute for recognition and measurement of a tax position taken or expected to be taken in a tax return. Accruals for income tax uncertainties represent estimates that are subject to the inherent uncertainties associated with the tax audit process.

Because of the numerous taxing jurisdictions in which the Company files its tax returns and the complexity of tax laws and regulations, auditing uncertain tax positions and the determination of whether the more likely than not threshold was met requires a high degree of auditor judgment and increased extent of effort, including the involvement of our income tax specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to unrecognized tax benefits included the following, among others:

- We tested the effectiveness of controls over income taxes, including those over identifying and evaluating uncertain tax positions.
- We evaluated, with the assistance of our tax specialists, a selection of the Company's uncertain tax positions and the Company's application of the more likely than not principle by performing the following:
 - Obtaining management memoranda, including, as applicable, third-party specialist memoranda, regarding the analysis of uncertain tax positions and identifying the key judgments and evaluating whether the analysis was consistent with our interpretation of the relevant laws and regulations.
 - Evaluating the matters raised by tax authorities in former and ongoing tax examinations and considering the implications of these matters on open tax years.
 - Assessing changes and interpretation of applicable tax law.

/s/ DELOITTE & TOUCHE LLP

Chicago, Illinois

February 21, 2025

We have served as the Company's auditor since 1988.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

As of the end of the period covered by this report (the "Evaluation Date"), the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and the Company's Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rules 13a-15. Based upon that evaluation, the Company's Chief Executive Officer and the Company's Chief Financial Officer concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures were effective.

There have been no changes in the Company's internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15 under the Exchange Act during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining an adequate system of internal control over financial reporting of the Company. This system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

The Company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation and may not prevent or detect misstatements. Further, because of changes in conditions, effectiveness of internal controls over financial reporting may vary over time.

Management conducted an evaluation of the effectiveness of the system of internal control over financial reporting based on the framework in the *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Management excluded the asset acquisition of FSHS, Incorporated (Note 3 - Acquisitions) from its assessment of internal controls over financial reporting as the acquisition occurred in 2024. This exclusion is in accordance with the general guidance from the Staff of the Securities and Exchange Commission that an assessment of a recently acquired business may be omitted from the scope of management's assessment of internal control over financial reporting for one year following the acquisition. The net sales and total assets of the current year acquisition represented less than 1 percent of the consolidated financial statement amounts as of and for the year ended December 31, 2024. Based on its evaluation, management concluded that the Company's system of internal control over financial reporting was effective as of December 31, 2024.

Our independent registered public accounting firm has issued an audit report on the effectiveness of the Company's internal control over financial reporting as of December 31, 2024. This report appears on page 58.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Franklin Electric Co., Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Franklin Electric Co., Inc. and subsidiaries (the "Company") as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2024, of the Company and our report dated February 21, 2025, expressed an unqualified opinion on those financial statements.

As described in Management's Report on Internal Control over Financial Reporting, management excluded from its assessment the internal control over financial reporting at FSHS Incorporated, which was acquired in 2024. This acquired business constitutes less than 1% of net sales and total assets of the consolidated financial statements of the Company as of and for the year ended December 31, 2024. Accordingly, our audit did not include the internal control over financial reporting at this acquired business.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

Chicago, Illinois

February 21, 2025

ITEM 9B. OTHER INFORMATION

None of the Company's directors or officers adopted, modified, or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the Company's fiscal quarter ended December 31, 2024.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III**ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

The information concerning directors and director nominees required by this Item 10 is set forth in the Company's Proxy Statement for the Annual Meeting of Shareholders to be held on May 2, 2025, under the headings of "PROPOSAL 1: ELECTION OF DIRECTORS" and "INFORMATION CONCERNING NOMINEES AND CONTINUING DIRECTORS," and is incorporated herein by reference.

The information concerning executive officers required by this Item 10 is contained in Part I of this Form 10-K under the heading of "INFORMATION ABOUT OUR EXECUTIVE OFFICERS," and is incorporated herein by reference.

The information concerning Regulation S-K, Item 405 disclosures of delinquent Form 3, 4, or 5 filers required by this Item 10 is set forth in the Company's Proxy Statement for the Annual Meeting of Shareholders to be held on May 2, 2025, under the heading of "DELINQUENT SECTION 16(a) REPORTS" and is incorporated herein by reference.

The information concerning the procedures for shareholders to recommend nominees to the Company's board of directors, the Audit Committee of the board of directors, and the Company's code of conduct and ethics required by this Item 10 is set forth in the Company's Proxy Statement for the Annual Meeting of Shareholders to be held on May 2, 2025 under the heading "INFORMATION ABOUT THE BOARD AND ITS COMMITTEES," and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 is set forth in the Company's Proxy Statement for the Annual Meeting of Shareholders to be held on May 2, 2025, under the headings of "INFORMATION ABOUT THE BOARD AND ITS COMMITTEES," "MANAGEMENT ORGANIZATION AND COMPENSATION COMMITTEE REPORT," "COMPENSATION, DISCUSSION AND ANALYSIS," "SUMMARY COMPENSATION TABLE," "GRANT OF PLAN BASED AWARDS TABLE," "OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END TABLE," "OPTION EXERCISES AND STOCK VESTED TABLE," "PAY VERSUS PERFORMANCE TABLE," "PENSION BENEFITS TABLE," "NON-QUALIFIED DEFERRED COMPENSATION," "POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL OF THE COMPANY," and "DIRECTOR COMPENSATION," and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by Item 12 is set forth in the Company's Proxy Statement for the Annual Meeting of Shareholders to be held on May 2, 2025, under the headings of "SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS," "SECURITY OWNERSHIP OF MANAGEMENT" and "SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS," and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Item 13 is set forth in the Company's Proxy Statement for the Annual Meeting of Shareholders to be held on May 2, 2025, under the heading "INFORMATION ABOUT THE BOARD AND ITS COMMITTEES," and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by Item 14 is set forth in the Company's Proxy Statement for the Annual Meeting of Shareholders to be held on May 2, 2025, under the heading "PROPOSAL 2: RATIFICATION OF THE APPOINTMENT OF DELOITTE & TOUCHE LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE 2025 FISCAL YEAR," and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENTS SCHEDULES

Documents filed as part of this report:

1. Financial Statements - Franklin Electric Co., Inc.

[Consolidated Statements of Income for the three years ended December 31, 2024](#)

[Consolidated Statements of Comprehensive Income for the three years ended December 31, 2024](#)

[Consolidated Balance Sheets as of December 31, 2024 and December 31, 2023](#)

[Consolidated Statements of Cash Flows for the three years ended December 31, 2024](#)

[Consolidated Statements of Equity for the three years ended December 31, 2024](#)

[Notes to Consolidated Financial Statements](#)

[Report of Independent Registered Public Accounting Firm](#)

2. Financial Statement Schedule - Franklin Electric Co., Inc.

[Schedule II - Valuation and Qualifying Accounts](#)

Schedules other than those listed above are omitted for the reason that they are not required or are not applicable, or the required information is disclosed elsewhere in the financial statements and related notes.

3. Exhibits

Number	Description
3.1	Amended and Restated Articles of Incorporation of Franklin Electric Co., Inc. (incorporated by reference to Exhibit 3.1 of the Company's Form 8-K filed on May 7, 2019)
3.2	Amended and Restated Bylaws of Franklin Electric Co., Inc., as amended January 27, 2020 (incorporated by reference to Exhibit 3.1 of the Company's Form 8-K filed on January 30, 2020)
4.1	Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to Exhibit 4.1 of the Company's Form 10-K filed on February 24, 2021)
10.1	Franklin Electric Co., Inc. 2012 Stock Plan (incorporated by reference to Exhibit A of the Company's Proxy Statement for the Annual Meeting held on May 4, 2012)*
10.2	Franklin Electric Co., Inc. 2017 Stock Plan (incorporated by reference to Exhibit A of the Company's 2017 Proxy Statement filed on March 21, 2017)*
10.3	Franklin Electric Co., Inc. Amended and Restated 2017 Stock Plan (incorporated by reference to Exhibit A to the Company's 2023 Proxy Statement for the Annual Meeting held on May 5, 2023)*
10.4	Franklin Electric Co., Inc. Non-employee Directors' Deferred Compensation Plan, as amended and restated (incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed on May 6, 2020)*
10.5	First Amendment to the Franklin Electric Co., Inc. Non-employee Directors' Deferred Compensation Plan dated December 18, 2020 (incorporated by reference to Exhibit 10.5 of the Company's Form 10-K filed on February 24, 2021)*
10.6	Amended and Restated Franklin Electric Co., Inc. Pension Restoration Plan (incorporated by reference to Exhibit 10.4 of the Company's Form 10-K filed for the fiscal year ended January 3, 2009)*
10.7	First Amendment to the Franklin Electric Co., Inc. Pension Restoration Plan dated December 20, 2012 (incorporated by reference to Exhibit 10.8 of the Company's Form 10-K for the fiscal year ended December 29, 2012)*
10.8	Second Amendment to the Franklin Electric Co., Inc. Pension Restoration Plan (incorporated by reference to Exhibit 10.10 of the Company's Form 10-K for the fiscal year ended January 3, 2015)*
10.9	Franklin Electric Co., Inc. Supplemental Retirement and Deferred Compensation Plan, as Amended and Restated Effective January 1, 2022 (incorporated by reference to Exhibit 10.9 of the Company's Form 10-K filed for the fiscal year ended December 31, 2021)*
10.10	Offer Letter to Joseph Ruzynski dated April 26, 2024 (incorporated by reference to Exhibit 10.1 of the Company's Form 10-Q filed on July 26, 2024)*
10.11	Employment Security Agreement between the Company and Joseph Ruzynski (incorporated by reference to Exhibit 10.2 of the Company's Form 10-Q filed on July 26, 2024)*
10.12	Employment Agreement between the Company and Gregg C. Sengstack (incorporated by reference to Exhibit 10.13 of the Company's Form 10-K for the fiscal year ended December 29, 2012)*

Number	Description
10.13	Employment Security Agreement between the Company and Jeffery L. Taylor (incorporated by reference to Exhibit 10.1 of the Company's form 10-Q filed on August 3, 2021)*
10.14	Form of Employment Security Agreement between the Company and DeLancey W. Davis (incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed on May 7, 2013)*
10.15	Employment Security Agreement between the Company and Jonathan M. Grandon (incorporated by reference to Exhibit 10.1 of the Company's Form 10-Q filed on November 1, 2016)*
10.16	Employment Security Agreement between the Company and Jay J. Walsh (incorporated by reference to Exhibit 10.18 of the Company's Form 10-K for the fiscal year ended December 31, 2019)*
10.17	Employment Security Agreement between the Company and Kenneth Keene (incorporated by reference to Exhibit 10.1 of the Company's Form 10-Q filed on August 2, 2022)*
10.18	Employment Security Agreement between the Company and Brent Spikes (incorporated by reference to Exhibit 10.2 of the Company's Form 10-Q filed on August 2, 2022)*
10.19	Employment Security Agreement between the Company and Greg Levine (incorporated by reference to Exhibit 10.2 of the Company's Form 10-Q filed on July 28, 2023)*
10.20	Confidentiality and Non-Compete Agreement between the Company and Joseph Ruzynski (incorporated by reference to Exhibit 10.3 of the Company's Form 10-Q filed on July 26, 2024)*
10.21	Form of Confidentiality and Non-Compete Agreement between the Company and Greg Levine (incorporated by reference to Exhibit 10.3 of the Company's Form 10-Q filed on July 28, 2023)*
10.22	Form of Confidentiality and Non-Compete Agreement between the Company and Gregg C. Sengstack, Jeffery L. Taylor, DeLancey W. Davis, Jonathan M. Grandon, Brent Spikes, Kenneth Keene, and Jay J. Walsh (incorporated by reference to Exhibit 10.15 of the Company's Form 10-K for the fiscal year ended January 1, 2005)*
10.23	Franklin Electric Co., Inc. Executive Severance Policy, as amended and restated effective July 1, 2024 (incorporated by reference to Exhibit 10.4 of the Company's Form 10-Q filed on July 26, 2024)*
10.24	Description of the Executive Officer Annual Incentive Cash Bonus Program (incorporated by reference to Exhibit 10.19 of the Company's Form 10-K for the fiscal year ended January 2, 2016)*
10.25	Franklin Electric Co., Inc. Management Incentive Plan (incorporated by reference to Exhibit A of the Company's Proxy Statement for the Annual Meeting of Shareholders held May 8, 2015)*
10.26	Form of Non-Qualified Stock Option Agreement for Non-Director Employees (incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed on March 12, 2013)*
10.27	Form of Non-Qualified Stock Option Agreement for Director Employees (incorporated by reference to Exhibit 10.2 of the Company's Form 8-K filed on March 12, 2013)*
10.28	Form of Restricted Stock Unit Agreement for Non-Director Employees (incorporated by reference to Exhibit 10.5 of the Company's Form 8-K filed on March 12, 2013)*
10.29	Form of Restricted Stock Unit Agreement for Director Employees (incorporated by reference to Exhibit 10.4 of the Company's Form 8-K filed on March 12, 2013)*
10.30	Form of Restricted Stock Agreement for Non-Director Employees (incorporated by reference to Exhibit 10.3 of the Company's Form 8-K filed on March 12, 2013)*
10.31	Form of Restricted Stock Award Agreement for Director Employees (incorporated by reference to the Company's Form 8-K filed on May 4, 2012)*
10.32	Form of Performance Stock Unit Award Agreement for Non-Director Employees (incorporated by reference to Exhibit 10.6 of the Company's Form 8-K filed on March 12, 2013)*
10.33	Form of Performance Stock Unit Award Agreement for Director Employees (incorporated by reference to Exhibit 10.7 of the Company's Form 8-K filed on March 12, 2013)*
10.34	Fourth Amended and Restated Note Purchase and Private Shelf Agreement by and among Franklin Electric Co., Inc., Franklin Electric B.V., Prudential Insurance Company of America and the purchasers named therein (incorporated by reference to Exhibit 10.6 of the Company's Form 10-Q filed on August 3, 2021)
10.35	First Amendment to Fourth Amended and Restated Note Purchase and Private Shelf Agreement, dated May 15, 2024, by and among Franklin Electric Co., Inc., Franklin Electric B.V., Prudential Insurance Company, and the purchasers named therein (incorporated by reference to Exhibit 10.2 of the Company's Form 8-K filed on May 16, 2024)

Number	Description
10.36	Bond Purchase and Loan Agreement, dated December 31, 2012, among the Company, The Board of Commissioners of the County of Allen, Indiana, and the Bondholders referred to therein (incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed on January 2, 2013)
10.37	Amendment No. 1 to Bond Purchase and Loan Agreement and Waiver, dated May 5, 2015, among the Company, The Board of Commissioners of the County of Allen, and the Bondholders referred to therein (incorporated by reference to the Company's Form 10-Q filed on May 6, 2015)
10.38	Fourth Amended and Restated Credit Agreement, dated May 13, 2021, by and among Franklin Electric Co., Inc., Franklin Electric B.V., JPMorgan Chase Bank, N.A., as Administrative Agent, Bank of America, N.A., as Syndication Agent, and the lenders identified therein (incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed on May 13, 2021)
10.39	Amendment No. 1 dated May 11, 2022 to the Fourth Amended and Restated Credit Agreement, dated May 13, 2021, by and among Franklin Electric Co., Inc., Franklin Electric B.V., JPMorgan Chase Bank, N.A., as Administrative Agent, Bank of America, N.A., as Syndication Agent, and the lenders identified therein (incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed on May 11, 2022)
10.40	Amended and Restated Note Purchase and Private Shelf Agreement by and among Franklin Electric Co., Inc., Franklin Electric B.V., NYL Investors LLC, and the purchasers named therein (incorporated by reference to Exhibit 10.5 to the Company's form 10-Q filed on August 3, 2021)
10.41	First Amendment to Amended and Restated Note Purchase and Private Shelf Agreement, dated May 15, 2024, by and among Franklin Electric Co., Inc., Franklin Electric B.V., NYL Investors LLC, and the purchasers named therein (incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed on May 16, 2024)
10.42	Issuance of Series B Notes Pursuant to the New York Life Agreement dated May 27, 2015 (incorporated by reference to Exhibit 4.1 of the Company's Form 8-K filed on October 1, 2018)
10.43	Stock Redemption Agreement, dated April 15, 2015, between the Company and Ms. Patricia Schaefer and Ms. Diane Humphrey (incorporated by reference to Exhibit 99.1 of the Company's Form 8-K filed on April 20, 2015)
19	Insider Trading Policy (filed herewith)*
21	Subsidiaries of the Registrant
23.1	Consent of Independent Registered Public Accounting Firm
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes–Oxley Act of 2002
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes–Oxley Act of 2002
32.1	Chief Executive Officer Certification Pursuant to 18 U.S.C. Section 1350 As Adopted Pursuant to Section 906 of the Sarbanes–Oxley Act of 2002
32.2	Chief Financial Officer Certification Pursuant to 18 U.S.C. Section 1350 As Adopted Pursuant to Section 906 of the Sarbanes–Oxley Act of 2002
97	Form of Franklin Electric Co., Inc. Dodd-Frank Restatement Recoupment Policy (incorporated by reference to Exhibit 97 of the Company's Form 10-K for the fiscal year ended December 31, 2023)*
99.1	Forward-Looking Statements
101	The following financial information from Franklin Electric Co., Inc.'s Annual Report on Form 10-K for the year ended December 31, 2024, formatted in Inline eXtensible Business Reporting Language (Inline XBRL): (i) Consolidated Statements of Income for the years ended December 31, 2024, 2023, and 2022 (ii) Consolidated Statements of Comprehensive Income/(Loss) for the years ended December 31, 2024, 2023, and 2022, (iii) Consolidated Balance Sheets as of December 31, 2024 and 2023, (iv) Consolidated Statement of Cash Flows for the years ended December 31, 2024, 2023, and 2022, (v) Consolidated Statements of Equity for the years ended December 31, 2024, 2023, and 2022, and (vi) Notes to Condensed Consolidated Financial Statements (filed herewith)
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Management Contract, Compensatory Plan or Arrangement

FRANKLIN ELECTRIC CO., INC. AND CONSOLIDATED SUBSIDIARIES
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

(In millions)	Balance at Beginning of Period	Charged to Costs and Expenses	Deductions (a)	Other (b)	Balance at End of Period
2024					
Allowance for credit losses	\$ 3.6	\$ 1.6	\$ 1.7	\$ —	\$ 3.5
Allowance for deferred taxes	4.1	0.7	0.4	—	4.4
2023					
Allowance for credit losses	\$ 4.2	\$ (0.3)	\$ 0.4	\$ 0.1	\$ 3.6
Allowance for deferred taxes	4.9	—	0.8	—	4.1
2022					
Allowance for credit losses	\$ 4.0	\$ 0.1	\$ (0.1)	\$ —	\$ 4.2
Allowance for deferred taxes	6.5	0.4	2.0	—	4.9

(a) Charges for which allowances were created.

(b) Primarily related to acquisitions

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

FRANKLIN ELECTRIC CO., INC.

Registrant

Date: February 21, 2025

By

/s/ Joseph A. Ruzynski

Joseph A. Ruzynski, Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on February 21, 2025.

By

/s/ Joseph A. Ruzynski

Joseph A. Ruzynski
Chief Executive Officer
(Principal Executive Officer)

/s/ Jeffery L. Taylor

Jeffery L. Taylor
Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

/s/ Gregg C. Sengstack

Gregg C. Sengstack
Chairperson of the Board of Directors

/s/ Victor Grizzle

Victor Grizzle
Director

/s/ Alok Maskara

Alok Maskara
Director

/s/ Renee J. Peterson

Renee J. Peterson
Director

/s/ Jennifer L. Sherman

Jennifer L. Sherman
Director

/s/ Thomas R. VerHage

Thomas R. VerHage
Director

/s/ Chris Villavarayan

Chris Villavarayan
Director

/s/ David M. Wathen

David M. Wathen
Director

**Franklin Electric Co., Inc.
Insider Trading Policy**

Insider Trading Policy

This Insider Trading Policy (this "Policy") applies to all employees, officers and members of the Board of Directors of Franklin Electric Co., Inc. and all of its direct and indirect subsidiaries (collectively, the "Company") and members of their immediate family and household and provides guidelines for such persons with respect to transactions in the Company's securities. The Company may also determine that other persons should be subject to this Policy, such as contractors or consultants, who have access to Material Nonpublic Information (as defined below). It is your personal obligation and responsibility to understand and comply with this Policy.

Background

Your purchase or sale of Company securities while aware of Material Nonpublic Information, or the disclosure of Material Nonpublic Information to others who then trade or cause others to trade in the Company's securities, is prohibited by the federal securities laws. Insider trading violations are pursued vigorously by the United States Securities and Exchange Commission ("SEC") and the Department of Justice and can have severe consequences for the individual insider, the Company and the Company's management, which can range from fines and penalties to incarceration. The Company has adopted this Policy to assist in preventing insider trading and to help you avoid the severe consequences associated with violations of the insider trading laws.

Applicability of Policy

This Policy applies to all trading and other dispositions of the Company's securities, including without limitation, the purchase or sale of (a) any Company common stock, including stock purchased or sold in the market, stock that may be held for your account in the Company's 401(k) plan (including any initial elections, changes in elections or reallocation of Company stock in such plan), stock acquired under any Company stock option plan or stock incentive plan, and restricted stock or restricted stock units (upon vesting). This policy also applies to short-term trades, short sales, transactions in exchange-traded options, such as puts, calls or similar options, hedges, margin loans or pledges, gifts, and standing and limit orders on the Company's securities. It also applies to all trading and other dispositions of another company's securities if an Insider becomes aware of any material nonpublic information concerning another public company obtained in the course of such person's employment or other service with the Company.

General Policy

It is the policy of the Company to prohibit (a) the unauthorized disclosure of Material Nonpublic Information and (b) the misuse of Material Nonpublic Information in securities trading.

A. Specific Policies Applicable to all Employees, Officers and Directors

(1) Trading on Material Nonpublic Information. No employee, officer or member of the Board of Directors of the Company, no member of the immediate family or household of such person, and no entity controlled by such person (each of whom, for purposes of this Policy, is an "Insider") may trade the Company's securities while in possession of Material Nonpublic Information, until at least two full trading sessions have elapsed following the time at which full public disclosure of such information is made by the Company. For purposes of this Policy, a "trading session" means a complete day of trading from Nasdaq market open (9:30 AM ET) to market close (4:00 PM ET), without interruption. As an example, if the Company makes an announcement before a trading session opens on a Tuesday, Insiders may trade in Company securities starting on Thursday of that week, once two trading sessions (Tuesday and Wednesday) have elapsed after the announcement.

No Insider may trade the securities of another company while in possession of material nonpublic information that was obtained in the course of such person's employment or other service with the Company.

The Company may not, directly or indirectly, trade Company securities while in possession of Material Nonpublic Information related to the Company unless such trading activity otherwise complies with all applicable federal and state securities laws.

(a) Definition of "Material Nonpublic Information." It is not possible to define all categories of material information. In general, any information, positive or negative, that a reasonable investor would consider important in

making a decision to purchase, sell or hold Company securities should be considered material. Nonpublic information is information that has not been previously disclosed by the Company to the general public and is not otherwise available to the general public. If uncertain whether information is nonpublic or material, one should request confirmation from the General Counsel before trading.

There are certain categories of information that are generally considered to be particularly sensitive. Depending on the facts and circumstances and the exact nature of the information, information that falls into any of these categories should be given special attention, as the information may be considered material for purposes of this Policy. These categories include:

- Sales, be it for a specific division or region, or the Company as a whole;
- Guidance and projections, including with respect to revenues, gross margin, SG&A, pre-tax and net income, earnings per share, or other guidance;
- Information about guidance or projections or other aspects of performance that are inconsistent with the disclosure previously made by the Company or with the expectations of the investment community;
- A pending or proposed merger, acquisition, tender offer or joint venture;
- A pending or proposed acquisition or disposition of a significant asset or business;
- A change in the Company's capital allocation policy, including dividends, share repurchases, or the declaration of a stock dividend or split;
- The possibility of a public or private offering of securities or other financing;
- Defaults under agreements or actions by creditors or others relating to the Company's credit standing;
- The existence of severe liquidity problems;
- Significant pending or threatened litigation;
- Important developments in existing disputes, claims or litigation;
- The existence of a data breach, ransomware or other cyber attack; or
- Changes in Company management or other personnel changes.

(2) Tipping. No Insider may disclose ("tip") Material Nonpublic Information to any other person (including family members) where such information may be used by such person by trading in the securities of the Company or by passing the information on to others who may trade, whether or not such person intends to realize a profit from such "tip." In addition, no Insider may make recommendations to others or express opinions on the basis of Material Nonpublic Information about trading in the Company's securities.

(3) Confidentiality Generally. Information that you obtain in connection with your role with the Company is the property of the Company and the unauthorized disclosure of such information is prohibited by the Company's Code of Conduct, and potentially by civil and criminal laws. Serious problems could be caused for the Company by the unauthorized disclosure of information about the Company (including confidential information about our competitors or other companies with which the Company has business dealings), whether or not for the purpose of facilitating improper trading in Company securities.

Insiders should not discuss internal Company matters or developments with anyone outside of the Company, except as required in the performance of regular corporate duties. This prohibition includes, but is not limited to, inquiries about the Company which may be made by the press and media. It is important that all such communications on behalf of the Company be made only through an appropriately designated officer under carefully controlled circumstances. Unless you are expressly authorized to the contrary, if you receive any inquiries of this nature, you should decline comment and refer the inquiring party to the Chief Executive Officer, Chief Financial Officer, General Counsel, or other specifically designated representatives of the Company.

(4) Trading Windows and Restricted Periods. To ensure compliance with applicable federal and state securities laws, it is the Company's policy to permit trading by certain Insiders (as designated from time to time and set forth on the Designated Insiders List (the "Designated Insiders") maintained by the Legal Department) during specified open trading windows and to restrict trading for those Designated Insiders at all other times. Trading in Company securities by Designated Insiders outside of an open trading window is strictly prohibited, unless pursuant to an exception under subparagraph (7) below. The trading windows and restricted periods are determined as follows:

(a) The trading window opens with the opening of the market two full trading days following the issuance of each quarterly earnings press release. Once open, the trading window will remain open until the opening of the market ten trading days immediately prior to the end of the fiscal quarter.

(b) The restricted period will begin with the opening of the market ten trading days immediately prior to the end of each fiscal quarter (which shall include the last day of the fiscal quarter if a trading day), and will last until the opening of the market two full trading days after the next issuance of our quarterly earnings press release.

Certain Insiders who may have access to potential Material Nonpublic Information outside the context of the quarterly earnings processes may be subject to additional trading restrictions from time to time, and the Company may recommend that these Insiders be prohibited from trading because of developments not yet disclosed to the public. In such event, such Insiders will be notified of the additional restrictions and will not be permitted to engage in any transaction involving the purchase or sale of the Company's securities during such period. Insiders subject to an additional restricted period should not disclose to others (including other Insiders) the fact that they are prohibited from trading.

Even during an open trading window, any Insider possessing Material Nonpublic Information concerning the Company may not engage in any transaction in the Company's securities until at least two full trading days have elapsed following public disclosure of such information, regardless of whether the Company has specifically recommended a suspension of trading to that person. Trading in Company securities during an open trading window should not be considered a "safe harbor" from insider trading liability, and all Insiders should use good judgment at all times.

(5) Margin Accounts and Pledges of Company Securities. Securities held in a margin account or otherwise pledged to a lender may be sold, in accordance with the margin or pledge agreement, by the broker or lender without your consent if you fail to meet required margin calls. Because such a sale may occur at a time when you have material inside information or are otherwise not permitted to trade in Company securities, all Insiders are prohibited from purchasing or holding Company securities in a margin account or otherwise pledging Company securities.

(6) Gifts of the Company Securities. Gifts of Company securities are prohibited by all Insiders when in possession of Material Nonpublic Information and, for Designated Insiders, during restricted periods. In each case, an exception may be made at the discretion of the General Counsel if the donee expressly agrees in writing that it will not transact in Company securities until permitted by the General Counsel. All Designated Insiders are required to notify the General Counsel in writing of any gift of Company securities in advance of the proposed gift.

(7) Exceptions. Insiders are or may be permitted to trade Company securities outside of the aforementioned trading windows in the following limited circumstances:

(a) 401(k) Savings Plan. This Policy does not prohibit purchases of Company stock held in a Company sponsored 401(k) account (to the extent available as an investment option) resulting from periodic contributions of money pursuant to a payroll deduction election; however, Designated Insiders may not make elections, including but not limited to elections relating to plan loans, which may impact the balance of Company stock held in their 401(k) accounts during a restricted period, and no Insider may trade in Company stock within their 401(k) if in possession of Material Nonpublic Information.

(b) Estate Planning Transfers. Designated Insiders may participate in estate planning transfers, but only with prior approval from the General Counsel and provided that the transferor continues to control and directly or indirectly own such transferred Company securities.

(c) Vesting. This policy does not prohibit the vesting of restricted stock, restricted stock units or performance restricted stock units, or the exercise of a tax withholding right pursuant to which the Company withholds shares of Company securities to satisfy tax withholding requirements upon the vesting of any such awards, provided that any securities acquired pursuant to the vesting of such award may not be sold or otherwise disposed of during a restricted period.

(d) 10b5-1 Plans. Designated Insiders may trade in Company securities outside of an open trading window if such trade is executed pursuant to a valid contract, instruction or plan as described under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (a "10b5-1 Plan"). No 10b5-1 Plan may be entered into, adopted, modified or terminated by a Designated Insider outside of an open trading window, or when the Insider is in possession of Material Nonpublic Information. 10b5-1 Plans must include a representation certifying that, on the date the 10b5-1 Plan is adopted, the Designated Insider is not in possession of Material Nonpublic Information and that the 10b5-1 Plan is adopted in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1 and specify the number of shares or dollar value to be traded, a price and the date of the trade (or a formula for determining those items). Insiders require approval prior to entering into a 10b5-1 Plan, as described in subparagraph (10) below.

Any 10b5-1 Plan that a Designated Insider enters must provide that no purchases or sales shall occur until the expiration of a cooling-off period consisting of the later of: (1) ninety days after the date the 10b5-1 Plan is adopted, or (2) two business days after the disclosure of the Company's financial results in a Form 10-Q or Form 10-K for the completed fiscal quarter in which the 10b5-1 Plan was adopted (but not to exceed 120 days following the adoption).

An individual may not enter into multiple 10b5-1 Plans providing for transactions during overlapping periods except with respect to:

- separate contracts with different broker-dealers or other agents acting on behalf of the Designated Insider that may be treated as a single 10b5-1 Plan;
- one later commencing 10b5-1 Plan under which trading is not authorized to begin until after all trades under the earlier commencing 10b5-1 Plan is completed or expire without execution; and
- a 10b5-1 Plan providing for an "eligible sell-to-cover transaction" as allowed under Rule 10b5-1.

If a proposed new 10b5-1 Plan is designed to effect an open-market purchase or sale of the total amount of securities subject to that plan in a single transaction ("Single-Trade Plan"), the proposed new Single-Trade Plan may not be entered into if the Designated Insider wishing to enter into the new Single-Trade Plan has, during the prior 12-months, previously adopted another Single-Trade Plan. However, the above limitation on multiple Single-Trade Plans in any 12-month period does not apply if a proposed new Single-Trade Plan is designed solely to execute an "eligible sell-to-cover transaction."

Any modification to the amount, price or timing of the purchase or sale of the Company's securities underlying a 10b5-1 Plan is considered a termination of such 10b5-1 Plan and the adoption of a new 10b5-1 Plan.

This policy does not prohibit the purchase or sale of Company securities by the Company in accordance with a 10b5-1 Plan that complies with all applicable federal and state securities laws.

(e) Stock Options. Designated Insiders may exercise stock options outside an open trading window if no Company stock is sold in the market to fund the option exercise; provided that such Designated Insider obtains the prior approval from the General Counsel.

(8) Policy Subject to Change. The Company may announce other restrictions on trading in Company securities when such restrictions are determined to be necessary or appropriate to protect against violations of this Policy.

(9) Pre-clearance of Trades. All members of the Board of Directors, Executive Officers (as designated by the Board of Directors for purposes of Item 401(b) of Regulation S-K), direct reports to the CEO, and any other individual or role that may be specified from time (the "Pre-Clearance Insiders") on the Pre-clearance Insiders List maintained by the Legal Department must obtain approval from a Legal Department Designee prior to trading in the Company's securities (other than pursuant to an approved 10b5-1 plan), even during an open trading window.

In order to obtain pre-approval, Pre-Clearance Insiders must, prior to entering any order related to a transaction, obtain the approval of the General Counsel. Insiders shall comply with, and arrange for the delivery of, any additional information required for SEC filing purposes, which Company employees may file on behalf of Insiders as an administrative convenience.

Even if Pre-Clearance Insiders obtain pre-approval, such individual may not trade in Company securities while in possession of Material Nonpublic Information.

Discretionary purchases or sales of Company securities by the Company require prior approval from the General Counsel.

(10) Pre-clearance of 10b5-1 Plans. All Insiders must obtain approval from the General Counsel before entering into a 10b5-1 Plan. In connection with this approval, a copy of the proposed 10b5-1 Plan must be provided and executed on behalf of the Company by the General Counsel. Any proposed modification or termination of or deviation from an established 10b5-1 Plan will be treated as the adoption of a new plan, which must also be approved. Once such a plan is properly implemented, individual trades made under the 10b5-1 Plan will not require approval and, subject to the provisions in this Policy, may be made at any time, even outside of an open trading window, if the plan properly specifies the dates, prices and amounts of contemplated trades or establishes a formula for determining the dates, prices and amounts.

B. Possible Disciplinary Actions.

The Company considers strict compliance with this Policy to be a matter of utmost importance. Knowing or willful violations of this Policy will be grounds for disciplinary action, including immediate dismissal from the Company.

C. Applicability of Policy to Inside Information about Other Companies

Insiders may obtain material nonpublic information about other public companies — for example, competitors or other companies with which the Company has business dealings — in the course of their employment with, or other services performed on behalf of, the Company. Insiders are prohibited from trading in the securities of any other public company at a time when they are in possession of material nonpublic information about such company. All Insiders should treat material nonpublic information about such other public companies with the same care required with respect to information related directly to the Company.

D. Prohibition on Certain Trading Activities

Insiders may not engage in the following transactions:

(1) Short-Term Trades. Any purchase and sale or sale and purchase of Company securities within thirty calendar days where such subsequent transaction results in an investment gain to the individual placing the transaction.

(2) Short Sales. Sales of securities that are not then owned, including a "sale against the box" (a sale with delayed delivery).

(3) Transactions in Exchange-Traded Options. Transactions in publicly traded options in Company securities, such as puts, calls or similar options on Company stock, or in any derivative equity securities of the Company on an exchange or in any other organized market.

(4) Hedging Transactions. Hedging or monetization transactions or similar arrangements designed to hedge or offset any decrease in the market price of Company securities.

(5) Margin Loans and Pledging Securities. Holding Company securities in a margin account or pledging the Company securities as collateral for a loan. The foregoing restriction on purchasing Company securities on margin does not apply to the "cashless exercise" of stock options (i.e., the exercise of a stock option where the seller sells some of the shares underlying the option to pay the taxes required to be withheld, the exercise price of the options so exercised, and/or broker commissions related to the transactions).

(6) Standing and Limit Orders. Standing or limit orders on Company securities (other than under an approved 10b5-1 Plan). If an Insider determines that they must use a standing order or limit order, the order must be limited to brief periods of time when the Insider can be reasonably certain the order will not execute at a time when the Insider may possess Material Nonpublic Information and, for Designated Insiders, during a restricted period (except that standing orders may be used for longer periods under 10b5-1 Plans that comply with the requirements of Rule 10b5-1) and must otherwise comply with the restrictions and procedures set forth in this Policy.

FRANKLIN ELECTRIC CO., INC.
SUBSIDIARIES OF THE REGISTRANT

Subsidiary	State or Country of Organization	Percent of Voting Stock Owned
2M Company, LLC	Montana	100
Aqua Systems, LLC	Indiana	100
Blake Equipment, LLC	Connecticut	100
Drillers Service, LLC	North Carolina	100
FE Latin America B.V.	Netherlands	100
Franklin Electric (Australia) Pty. Ltd.	Australia	100
Franklin Electric (South Africa) Pty. Ltd.	South Africa	100
Franklin Electric (Suzhou) Co., Ltd.	China	100
Franklin Electric B.V.	Netherlands	100
Franklin Electric Europa GmbH	Germany	100
Franklin Electric Germany Holding GmbH	Germany	100
Franklin Electric Holding B.V.	Netherlands	100
Franklin Electric Industria de Motobombas SA	Brazil	100
Franklin Electric International, Inc.	Delaware	100
Franklin Electric Korea Ltd.	Korea, Rep of	100
Franklin Electric spol s.r.o.	Czech Republic	100
Franklin Electric S.r.l.	Italy	100
Franklin Fueling Systems (Beijing) Co Ltd.	China	100
Franklin Fueling Systems GmbH	Germany	100
Franklin Fueling Systems, LLC	Indiana	100
Franklin Water Treatment Canada, Inc	Canada	100
Franklin Water Treatment, LLC	Indiana	100
Gicon Pumps & Equipment, LLC	Texas	100
Headwater Companies, LLC	Indiana	100
Headwater Wholesale, LLC	Indiana	100
Impo Motor Pompa Sanayi ve Ticaret A.S.	Turkey	100
Industrias Rotor Pump S.A.	Argentina	100
Milan Supply Company, LLC	Michigan	100
Motores Electricos Sumergibles de Mexico S. de R.L de C.V.	Mexico	100
Motores Franklin S.A. de C.V.	Mexico	100
Motori Sommersi Riavvolgibili S.r.l.	Italy	75
Pioneer Pump Solutions Ltd.	United Kingdom	100
Valley Farms Supply, LLC	Michigan	100
Western Hydro, LLC	Delaware	100

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-34996, 333-166268, 333-181138, 333-217790, 333-222245, 333-238024, and 333-272211 on Form S-8 of our reports dated February 21, 2025, relating to the consolidated financial statements and financial statement schedule of Franklin Electric Co., Inc. and the effectiveness of Franklin Electric Co., Inc.'s internal control over financial reporting, appearing in this Annual Report on Form 10-K for the year ended December 31, 2024.

/s/DELOITTE & TOUCHE LLP

Chicago, Illinois

February 21, 2025

CERTIFICATIONS

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Joseph A. Ruzynski, certify that:

1. I have reviewed this Annual Report on Form 10-K of Franklin Electric Co., Inc., for the year ending December 31, 2024;
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 Franklin Electric Co., Inc. as of, and for, the periods presented in this report;
4. Franklin Electric Co., Inc.'s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Franklin Electric Co., Inc. and we 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 Franklin Electric Co., Inc., 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 Franklin Electric Co., Inc.'s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any changes in Franklin Electric Co., Inc.'s internal control over financial reporting that occurred during Franklin Electric Co., Inc.'s most recent fiscal quarter (the registrant's fourth 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. Franklin Electric Co., Inc.'s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Franklin Electric Co., Inc.'s auditors and the audit committee of Franklin Electric Co., Inc.'s board of directors:
 - 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 Franklin Electric Co., Inc.'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 Franklin Electric Co., Inc.'s internal control over financial reporting.

Date: February 21, 2025

/s/ Joseph A. Ruzynski

Joseph A. Ruzynski

Chief Executive Officer

Franklin Electric Co., Inc.

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jeffery L. Taylor, certify that:

1. I have reviewed this Annual Report on Form 10-K of Franklin Electric Co., Inc., for the year ending December 31, 2024;
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 Franklin Electric Co., Inc. as of, and for, the periods presented in this report;
4. Franklin Electric Co., Inc.'s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Franklin Electric Co., Inc. and we 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 Franklin Electric Co., Inc., 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 Franklin Electric Co., Inc.'s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in Franklin Electric Co., Inc.'s internal control over financial reporting that occurred during Franklin Electric Co., Inc.'s most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, Franklin Electric Co., Inc.'s internal control over financial reporting; and
5. Franklin Electric Co., Inc.'s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Franklin Electric Co., Inc.'s auditors and the audit committee of Franklin Electric Co., Inc.'s board of directors:
 - 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 Franklin Electric Co., Inc.'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 Franklin Electric Co., Inc.'s internal control over financial reporting.

Date: February 21, 2025

/s/ Jeffery L. Taylor

Jeffery L. Taylor

Vice President and Chief Financial Officer

Franklin Electric Co., Inc.

CHIEF EXECUTIVE OFFICER CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Franklin Electric Co., Inc. (the "Company") on Form 10-K for the year ending December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joseph A. Ruzynski, Chief Executive Officer of the Company, certify to my knowledge, pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350), that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 21, 2025

/s/ Joseph A. Ruzynski

Joseph A. Ruzynski

Chief Executive Officer

Franklin Electric Co., Inc.

CHIEF FINANCIAL OFFICER CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Franklin Electric Co., Inc. (the "Company") on Form 10-K for the year ending December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jeffery L. Taylor, Vice President and Chief Financial Officer of the Company, certify to my knowledge, pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350), that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 21, 2025

/s/ Jeffery L. Taylor

Jeffery L. Taylor

Vice President and Chief Financial Officer

Franklin Electric Co., Inc.

ADDITIONAL EXHIBITS

Forward-Looking Statements

Written and oral statements provided by the Company from time to time, including in the Company's annual report to shareholders and its annual report on Form 10-K and other filings under the Securities Exchange Act of 1934, may contain certain forward-looking information, such as statements about the Company's financial goals, acquisition strategies, financial expectations including anticipated revenue or expense levels, business prospects, market positioning, product development, manufacturing re-alignment, capital expenditures, tax benefits and expenses, and the effect of contingencies or changes in accounting policies. Forward-looking statements are typically identified by words or phrases such as "believe," "expect," "anticipate," "intend," "estimate," "may increase," "may fluctuate," "plan," "goal," "target," "strategy," and similar expressions or future or conditional verbs such as "may," "will," "should," "would," and "could." While the Company believes that the assumptions underlying such forward-looking statements are reasonable based on present conditions, forward-looking statements made by the Company involve risks and uncertainties and are not guarantees of future performance. Actual results may differ materially from those in the Company's written or oral forward-looking statements as a result of various factors, including, but not limited to, the following:

- The Company's success in its ongoing evaluation and implementation of its business strategies, especially its success in managing the expense and integration, valuation and other risks of its acquisition strategy and divestitures.
- Continued or increased competitive pressures that affect sales volume, pricing and profitability.
- Increased competition due to industry consolidation or new entrants into the Company's existing markets.
- The strength of the recovery and future health of the U.S. and international economies and other economic factors that directly or indirectly affect the demand for the Company's products, including the effect of economic conditions on housing starts in the United States and on the availability and terms of financing.
- Increases in the cost of raw material, components, other materials, transportation or other services which the Company is unable to pass on to customers or which impact demand for the Company's products.
- The effects of and changes in, trade, monetary and fiscal policies, laws and regulations and other activities of governments, agencies and similar organizations across the many countries and regions where the Company manufacturers or sells its products, including trade restrictions, inflation, currency fluctuations, import and other charges or taxes, nationalizations and unstable governments.
- The Company's success in implementing its strategy of concentrating production in low cost locations.
- The Company's ability to anticipate changing customer requirements, fund and accomplish product innovation, improve processes, and attract and retain capable staff in order to deal with increasing volume and complexity in its products.
- Difficulties or delays in the development, production, testing and marketing of products, including a failure to ship new products when anticipated, failure of customers to accept these products when planned, any defects in products or a failure of manufacturing economies to develop when planned.
- The costs and other effects of administrative, civil or criminal proceedings, settlements and investigations, claims, developments or assertions by or against the Company, including those relating to intellectual property rights and licenses, alleged defects in products and non-compliance with governmental regulations.
- The introduction of alternative products or governmental and regulatory actions that favor alternative methods of serving the same function as the Company's products, such as the extension of municipal water systems.
- The effect of environmental legislation and regulation on the Company's products and sales.
- The Company's success in reducing or controlling growth in selling, general and administrative expenses.

- The Company's ability to manage the life cycle of its products, reduce product costs and other costs and increase productivity.
- Events such as fires, floods, or other natural disasters, weather conditions, and epidemics and pandemics impacting the Company's ability to produce products or the demand for its products.
- A prolonged disruption of scheduled deliveries from suppliers when alternative sources of raw material and components are not available.
- Labor strikes or work stoppages by employees of the Company, its customers, suppliers, or freight contractors or other providers.
- The adoption of new, or changes in, accounting policies and practices.

Some of these and other risks and uncertainties that may affect future results are discussed in more detail in "Item 1A - Risk Factors," "Item 7A - Quantitative and Qualitative Disclosures About Market Risk," and Note 7, "Commitments and Contingencies" included in Item 8 of this Annual Report on Form 10-K. All forward-looking statements included herein are based upon information presently available. The Company does not assume any obligation to update any forward-looking information, except as required by law.