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DELTA REPORT

10-Q

VNT - VONTIER CORP

10-Q - JUNE 28, 2024 COMPARED TO 10-Q - MARCH 29, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	513
CHANGES	201
DELETIONS	152
ADDITIONS	160

REFINITIV

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 29, June 28, 2024

or

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

For the transition period from to

Commission file number 001-39483

Vontier Corporation

(Exact name of registrant as specified in its charter)

Delaware	**84-2783455**
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification number)

5438 Wade Park Boulevard, Suite 600
Raleigh, NC 27607
(Address of principal executive offices, including zip code)
Registrant's telephone number, including area code: **(984) 275-6000**

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.0001 per share	VNT	New York Stock Exchange

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x 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.

Large accelerated filer	x	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes ☐ No x

As of April 29, 2024 July 29, 2024, there were 154.4 million 153.7 million shares of the Registrant's common stock outstanding.

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

VONTIER CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
(in millions, except per share amounts)

	March 29, 2024	December 31, 2023	June 28, 2024	December 31, 2023
	(unaudited)			
ASSETS				
ASSETS				
ASSETS				
Current assets:				
Current assets:				
Current assets:				
Cash and cash equivalents				
Cash and cash equivalents				
Cash and cash equivalents				
Accounts receivable, less allowance for credit losses of $36.6 million and $35.7 million as of March 29, 2024 and December 31, 2023, respectively				
Accounts receivable, less allowance for credit losses of $35.3 million and $35.7 million as of June 28, 2024 and December 31, 2023, respectively				
Inventories				
Prepaid expenses and other current assets				
Current assets held for sale				
Total current assets				
Property, plant and equipment, net				
Operating lease right-of-use assets				

Long-term financing receivables, less allowance for credit losses of $32.8 million and $33.7 million as of March 29, 2024 and December 31, 2023, respectively				
Long-term financing receivables, less allowance for credit losses of $32.9 million and $33.7 million as of June 28, 2024 and December 31, 2023, respectively				
Other intangible assets, net				
Goodwill				
Other assets				
Total assets				
LIABILITIES AND EQUITY				
Current liabilities:				
Current liabilities:				
Current liabilities:				
Short-term borrowings and current portion of long-term debt				
Short-term borrowings and current portion of long-term debt				
Short-term borrowings and current portion of long-term debt				
Trade accounts payable				
Current operating lease liabilities				
Accrued expenses and other current liabilities				
Current liabilities held for sale				
Total current liabilities				
Long-term operating lease liabilities				
Long-term debt				
Other long-term liabilities				
Total liabilities				
Commitments and Contingencies (Note 9)	Commitments and Contingencies (Note 9)		Commitments and Contingencies (Note 9)	
Equity:				
Preferred stock, 15.0 million shares authorized; no par value; no shares issued and outstanding				
Preferred stock, 15.0 million shares authorized; no par value; no shares issued and outstanding				
Preferred stock, 15.0 million shares authorized; no par value; no shares issued and outstanding				
Common stock, 2.0 billion shares authorized; $0.0001 par value; 171.7 million and 170.8 million shares issued, and 154.6 million and 154.3 million outstanding as of March 29, 2024 and December 31, 2023, respectively				
Treasury stock, at cost, 17.1 million and 16.5 million shares as of March 29, 2024 and December 31, 2023, respectively				
Common stock, 2.0 billion shares authorized; $0.0001 par value; 171.8 million and 170.8 million shares issued, and 153.8 million and 154.3 million outstanding as of June 28, 2024 and December 31, 2023, respectively				
Treasury stock, at cost, 18.0 million and 16.5 million shares as of June 28, 2024 and December 31, 2023, respectively				
Additional paid-in capital				
Retained earnings				
Accumulated other comprehensive income				
Total Vontier stockholders’ equity				
Noncontrolling interests				
Total equity				
Total liabilities and equity				

See the accompanying Notes to the Consolidated Condensed Financial Statements.

VONTIER CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS AND COMPREHENSIVE INCOME
(in millions, except per share amounts)
(unaudited)

	Three Months Ended		Six Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Sales				

Sales
Sales
Operating costs and expenses:
Operating costs and expenses:
Operating costs and expenses:
Cost of sales, excluding amortization of acquisition-related intangible assets
Cost of sales, excluding amortization of acquisition-related intangible assets
Cost of sales, excluding amortization of acquisition-related intangible assets
Selling, general and administrative expenses
Selling, general and administrative expenses
Selling, general and administrative expenses
Research and development expenses
Research and development expenses
Research and development expenses
Amortization of acquisition-related intangible assets
Amortization of acquisition-related intangible assets
Amortization of acquisition-related intangible assets
Operating profit
Operating profit
Operating profit
Non-operating income (expense), net:
Non-operating income (expense), net:
Non-operating income (expense), net:
Interest expense, net
Interest expense, net
Interest expense, net
Gain on sale of business
Gain on sale of business
Gain on sale of business
Other non-operating expense, net
Other non-operating expense, net
(Loss) gain on sale of business
Other non-operating expense, net
Earnings before income taxes
Earnings before income taxes
Earnings before income taxes
Provision for income taxes
Provision for income taxes
Provision for income taxes
Net earnings
Net earnings
Net earnings
Net earnings per share:
Net earnings per share:
Net earnings per share:
Basic
Basic
Basic
Diluted
Diluted
Diluted

Weighted average shares outstanding:
Weighted average shares outstanding:
Weighted average shares outstanding:
Basic
Basic
Basic
Diluted
Diluted
Diluted
Net earnings
Net earnings
Net earnings
Other comprehensive income (loss), net of income taxes:
Other comprehensive income (loss), net of income taxes:
Other comprehensive income (loss), net of income taxes:
Foreign currency translation adjustments
Foreign currency translation adjustments
Foreign currency translation adjustments
Other adjustments
Other adjustments
Other adjustments
Total other comprehensive loss, net of income taxes
Total other comprehensive loss, net of income taxes
Total other comprehensive loss, net of income taxes
Comprehensive income
Comprehensive income
Comprehensive income

See the accompanying Notes to the Consolidated Condensed Financial Statements.

VONTIER CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CHANGES IN EQUITY
(in millions, except per share amounts)
(unaudited)

	Common Stock Shares	Common Stock	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Noncontrolling Interests	Total	Common Stock	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Noncontrolling Interests	Total
Balance, December 31, 2023															
Balance, December 31, 2023															
Balance, December 31, 2023															
Net earnings															
Dividends on common stock ($0.025 per share)															
Other comprehensive loss, net of income taxes															
Stock-based compensation expense															
Common stock-based award activity, net of shares for tax withholding															
Purchase of treasury stock															
Other															
Balance, March 29, 2024															

Net earnings
Dividends on common stock ($0.025 per share)
Other comprehensive loss, net of income taxes
Stock-based compensation expense
Common stock-based award activity, net of shares for tax withholding
Purchase of treasury stock
Change in noncontrolling interests
Balance, June 28, 2024

	Common Stock		Treasury Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Noncontrolling Interests	Total
	Shares	Amount	Shares	Amount					
Balance, December 31, 2022	169.7	$ —	13.7	$ (328.0)	$ 27.6	$ 770.8	$ 106.1	$ 3.0	$ 579.5
Net earnings	—	—	—	—	—	82.8	—	—	82.8
Dividends on common stock ($0.025 per share)	—	—	—	—	—	(3.9)	—	—	(3.9)
Other comprehensive loss, net of income taxes	—	—	—	—	—	—	(3.7)	—	(3.7)
Stock-based compensation expense	—	—	—	—	6.1	—	—	0.7	6.8
Common stock-based award activity, net of shares for tax withholding	0.5	—	—	—	(3.1)	—	—	—	(3.1)
Purchase of treasury stock	—	—	0.9	(18.4)	—	—	—	—	(18.4)
Balance, March 31, 2023	170.2	—	14.6	(346.4)	30.6	849.7	102.4	3.7	640.0

See the accompanying Notes to the Consolidated Condensed Financial Statements.

VONTIER CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CHANGES IN EQUITY (continued)
(in millions, except per share amounts)
(unaudited)

	Common Stock		Treasury Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Noncontrolling Interests	Total
	Shares	Amount	Shares	Amount					
Balance, December 31, 2022	169.7	$ —	13.7	$ (328.0)	$ 27.6	$ 770.8	$ 106.1	$ 3.0	$ 579.5
Net earnings	—	—	—	—	—	82.8	—	—	82.8
Dividends on common stock ($0.025 per share)	—	—	—	—	—	(3.9)	—	—	(3.9)
Other comprehensive loss, net of income taxes	—	—	—	—	—	—	(3.7)	—	(3.7)
Stock-based compensation expense	—	—	—	—	6.1	—	—	0.7	6.8
Common stock-based award activity, net of shares for tax withholding	0.5	—	—	—	(3.1)	—	—	—	(3.1)
Purchase of treasury stock	—	—	0.9	(18.4)	—	—	—	—	(18.4)
Balance, March 31, 2023	170.2	—	14.6	(346.4)	30.6	849.7	102.4	3.7	640.0
Net earnings	—	—	—	—	—	97.3	—	—	97.3
Dividends on common stock ($0.025 per share)	—	—	—	—	—	(3.9)	—	—	(3.9)
Other comprehensive loss, net of income taxes	—	—	—	—	—	—	(8.3)	—	(8.3)

Stock-based compensation expense	—	—	—	—	7.0	—	—	1.5	8.5
Common stock-based award activity, net of shares for tax withholding	0.1	—	—	—	0.2	—	—	—	0.2
Purchase of treasury stock	—	—	1.1	(32.1)	—	—	—	—	(32.1)
Change in noncontrolling interests	—	—	—	—	—	—	—	(0.3)	(0.3)
Balance, June 30, 2023	170.3	$ —	15.7	$ (378.5)	$ 37.8	$ 943.1	$ 94.1	$ 4.9	$ 701.4

See the accompanying Notes to the Consolidated Condensed Financial Statements.

VONTIER CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(in millions)
(unaudited)

	Three Months Ended		Six Months Ended	
	March 29, 2024	March 31, 2023	June 28, 2024	June 30, 2023
Cash flows from operating activities:				
Net earnings				
Net earnings				
Net earnings				
Non-cash items:				
Depreciation expense				
Depreciation expense				
Depreciation expense				
Amortization of acquisition-related intangible assets				
Stock-based compensation expense				
Gain on sale of business				
Other non-cash items				
Change in deferred income taxes				
Other non-cash items				
Change in deferred income taxes				
Change in deferred income taxes				
Other non-cash items				
Change in deferred income taxes				
Change in accounts receivable and long-term financing receivables, net				
Change in other operating assets and liabilities				
Net cash provided by operating activities				
Cash flows from investing activities:				
Proceeds from sale of business, net of cash provided				
Proceeds from sale of business, net of cash provided				
Proceeds from sale of business, net of cash provided				
Payments for additions to property, plant and equipment				
Payments for additions to property, plant and equipment				
Payments for additions to property, plant and equipment				
Proceeds from sale of property				
Proceeds from sale of property, plant and equipment				
Cash paid for equity investments				
Proceeds from sale of equity securities				
Net cash provided by investing activities				
Net cash provided by investing activities				
Net cash provided by investing activities				
Cash flows from financing activities:				

Repayment of long-term debt
Repayment of long-term debt
Repayment of long-term debt
Net (repayments of) proceeds from short-term borrowings
Payments of common stock cash dividend
Payments of common stock cash dividend
Payments of common stock cash dividend
Purchases of treasury stock
Proceeds from stock option exercises
Other financing activities
Net cash used in financing activities
Effect of exchange rate changes on cash and cash equivalents
Net change in cash and cash equivalents
Beginning balance of cash and cash equivalents
Ending balance of cash and cash equivalents

See the accompanying Notes to the Consolidated Condensed Financial Statements.

VONTIER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(unaudited)

NOTE 1. BUSINESS OVERVIEW AND BASIS OF PRESENTATION

Nature of Business

Vontier Corporation ("Vontier" or the "Company") is a global industrial technology company uniting productivity, automation and multi-energy technologies to meet the needs of a rapidly evolving, more connected mobility ecosystem. The Company operates through three reportable segments which align to the Company's three operating segments: (i) Mobility Technologies, which provides digitally enabled equipment and solutions to support efficient operations across the mobility ecosystem, including point-of-sale and payment systems, workflow automation solutions, telematics, data analytics, software platform for electric vehicle charging networks, and integrated solutions for alternative fuel dispensing; (ii) Repair Solutions, which manufactures and distributes aftermarket vehicle repair tools, toolboxes, automotive diagnostic equipment and software through a network of mobile franchisees; and (iii) Environmental & Fueling Solutions, which provides environmental and fueling hardware and software, and aftermarket solutions for global fueling infrastructure. The Company's Global Traffic Technologies and Coats businesses, which were divested during April 2023 and January 2024, respectively, are presented in Other for periods prior to the divestitures.

Basis of Presentation and Unaudited Interim Financial Information

The accompanying Consolidated Condensed Financial Statements present the Company's historical financial position, results of operations, changes in equity and cash flows in accordance with generally accepted accounting principles in the United States of America ("GAAP") and are unaudited.

The interim Consolidated Condensed Financial Statements include the accounts of Vontier and its subsidiaries. All intercompany balances and transactions have been eliminated upon consolidation. The Consolidated Condensed Financial Statements also reflect the impact of noncontrolling interests. Noncontrolling interests do not have a significant impact on the Company's consolidated results of operations, therefore, net earnings and net earnings per share attributable to noncontrolling interests are not presented separately in the Company's Consolidated Condensed Statements of Earnings and Comprehensive Income. Net earnings attributable to noncontrolling interests have been reflected in selling, general and administrative expenses ("SG&A") and were insignificant in all periods presented.

In the opinion of the Company's management, all adjustments of a normal recurring nature necessary for a fair presentation have been reflected. Certain financial information that is normally included in annual financial statements prepared in accordance with GAAP, but that is not required for interim reporting purposes, has been omitted. The accompanying interim Consolidated Condensed Financial Statements and the related notes should be read in conjunction with the Company's Consolidated Financial Statements and related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 Annual Report on Form 10-K").

Foreign Currency Translation and Transactions

Exchange rate adjustments resulting from foreign currency transactions are recognized in Net earnings, whereas effects resulting from the translation of financial statements are reflected as a component of Accumulated other comprehensive income within equity. Assets and liabilities of subsidiaries operating outside the United States with a functional currency other than U.S. dollars are translated into U.S. dollars using period-end exchange rates and income statement accounts are translated at weighted average exchange rates. Net foreign currency transaction gains or losses were not material in any of the periods presented.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Recently Issued Accounting Standards Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09"), which requires consistent categories and greater disaggregation of information in the rate reconciliation and disaggregation of income taxes paid by jurisdiction. ASU 2023-09 is effective for the Company's annual financial statements for the year ended December 31, 2025, with early adoption permitted. Prospective application is required, with retrospective application permitted. The Company is currently assessing the impact ASU 2023-09 will have on its consolidated financial statements.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures ("ASU 2023-07"), which enhances segment disclosures primarily by requiring disclosure of significant segment expenses. ASU 2023-07 is effective for the Company's annual financial statements for the year ended December 31, 2024, and for its interim financial statements beginning with the first fiscal quarter of the year ended December 31, 2025, with early adoption permitted. Retrospective application is required. The Company is currently assessing the impact ASU 2023-07 will have on its consolidated financial statements.

NOTE 2. FINANCING AND TRADE RECEIVABLES

The Company's financing receivables are comprised of commercial purchase security agreements originated between the Company's franchisees and technicians or independent shop owners that are assumed by the Company ("PSAs") and commercial loans to the Company's franchisees ("Franchisee Notes") in the Repair Solutions segment. Financing receivables are generally secured by the underlying tools and equipment financed.

PSAs are installment sales contracts originated between the franchisee and technicians or independent shop owners which enable these customers to purchase tools and equipment on an extended-term payment plan. PSA payment terms are generally up to five years. Upon origination, the Company assumes the PSA by crediting the franchisee's trade accounts receivable. As a result, originations of PSAs are non-cash transactions. The Company records PSAs at amortized cost.

Franchisee Notes have payment terms of up to 10 years and include financing to fund business startup costs including: (i) installment loans to franchisees used generally to finance inventory, equipment, and franchise fees; and (ii) lines of credit to finance working capital, including additional purchases of inventory.

Revenues associated with the Company's interest income related to financing receivables are recognized to approximate a constant effective yield over the contract term. Accrued interest is included in Accounts receivable, less allowance for credit losses on the Consolidated Condensed Balance Sheets and was insignificant as of March 29, 2024 June 28, 2024 and December 31, 2023.

Product sales to franchisees and the related financing income is included in Cash flows from operating activities in the accompanying Consolidated Condensed Statements of Cash Flows.

The components of financing receivables with payments due in less than twelve months that are presented in Accounts receivable, less allowance for credit losses on the Consolidated Condensed Balance Sheets were as follows:

($ in millions)	($ in millions)	March 29, 2024	December 31, 2023	($ in millions)	June 28, 2024	December 31, 2023
Gross current financing receivables:						
PSAs						
PSAs						
PSAs						
Franchisee Notes						
Current financing receivables, gross						
Allowance for credit losses:						
Allowance for credit losses:						
Allowance for credit losses:						
PSAs						
PSAs						
PSAs						
Franchisee Notes						
Total allowance for credit losses						
Net current financing receivables:						
Net current financing receivables:						
Net current financing receivables:						
PSAs, net						
PSAs, net						
PSAs, net						
Franchisee Notes, net						
Total current financing receivables, net						

The components of Long-term financing receivables, less allowance for credit losses, which consists of financing receivables with payments due beyond one year, were as follows:

($ in millions)	($ in millions)	March 29, 2024	December 31, 2023	($ in millions)	June 28, 2024	December 31, 2023
Gross long-term financing receivables:						
PSAs						
PSAs						

PSAs

Franchisee Notes

Long-term financing receivables, gross

Allowance for credit losses:

Allowance for credit losses:

Allowance for credit losses:

PSAs

PSAs

PSAs

Franchisee Notes

Total allowance for credit losses

Net long-term financing receivables:

Net long-term financing receivables:

Net long-term financing receivables:

PSAs, net

PSAs, net

PSAs, net

Franchisee Notes, net

Total long-term financing receivables, net

As of March 29, 2024 June 28, 2024 and December 31, 2023, the net unamortized discount on our financing receivables was $18.5 $18.3 million and $17.6 million, respectively.

Credit score and distributor tenure are the primary indicators of credit quality for the Company’s financing receivables. The amortized cost basis and current period gross write-offs of PSAs and Franchisee Notes by origination year as of and for the three six months ended March 29, 2024 June 28, 2024, is as follows:

($ in millions)	($ in millions)	2024	2023	2022	2021	2020	Prior	Total	($ in millions)	2024	2023	2022	2021	2020	Prior	Total
PSAs																
Credit Score:																
Credit Score:																
Credit Score:																
Less than 400																
Less than 400																
Less than 400																
400-599																
600-799																
800+																
Total PSAs																
Franchisee Notes																
Franchisee Notes																
Franchisee Notes																
Active distributors																
Active distributors																
Active distributors																
Separated distributors																
Total Franchisee Notes																
Current Period Gross Write-offs																
Current Period Gross Write-offs																
Current Period Gross Write-offs																
PSAs																
PSAs																
PSAs																
Franchisee Notes																
Total current period gross write-offs																

Past Due

PSAs are considered past due when a contractual payment has not been made. If a customer is making payments on its account, interest will continue to accrue. The table below sets forth the aging of the Company's PSA balances as of:

($ in millions)	($ in millions)	30-59 days past due	60-90 days past due	Greater than 90 days past due	Total past due	Total not considered past due	Total	Greater than 90 days past due and accruing interest	($ in millions)	30-59 days past due	60-90 days past due	Greater than 90 days past due	Total past due	Total not considered past due	Total	Greater than 90 days past due and accruing interest
March 29, 2024																
June 28, 2024																
December 31, 2023																

Franchisee Notes are considered past due when payments have not been made for 21 days after the due date. Past due Franchisee Notes (where the franchisee had not yet separated) were insignificant as of March 29, 2024 June 28, 2024 and December 31, 2023.

Uncollectable Status

PSAs are deemed uncollectable and written off when they are both contractually delinquent and no payment has been received for 180 days.

Franchisee Notes are deemed uncollectable and written off after a distributor separates and no payments have been received for one year.

The Company stops accruing interest and other fees associated with financing receivables when (i) a customer is placed in uncollectable status and repossession efforts have begun; (ii) upon receipt of notification of bankruptcy; (iii) upon notification of the death of a customer; or (iv) other instances in which management concludes collectability is not reasonably assured.

Allowance for Credit Losses Related to Financing Receivables

The Company calculates the allowance for credit losses considering several factors, including the aging of its financing receivables, historical credit loss and portfolio delinquency experience and current economic conditions. The Company also evaluates financing receivables with identified exposures, such as customer defaults, bankruptcy or other events that make it unlikely it will recover the amounts owed to it. In calculating such reserves, the Company evaluates expected cash flows, including estimated proceeds from disposition of collateral, and calculates an estimate of the potential loss and the probability of loss. When a loss is considered probable on an individual financing receivable, a specific reserve is recorded.

The following is a rollforward of the PSAs and Franchisee Notes components of the Company's allowance for credit losses related to financing receivables as of:

		March 29, 2024				June 28, 2024		
($ in millions)	($ in millions)	PSAs	Franchisee Notes	Total	($ in millions)	PSAs	Franchisee Notes	Total
Allowance for credit losses, beginning of year								
Provision for credit losses								
Write-offs								
Recoveries of amounts previously charged off								
Allowance for credit losses, end of period								

Allowance for Credit Losses Related to Trade Accounts Receivables

The following is a rollforward of the allowance for credit losses related to the Company's trade accounts receivables, excluding financing receivables, and the Company's trade accounts receivable cost basis as of:

($ in millions)		March 29, June 28, 2024
Cost basis of trade accounts receivable	$	432.5 410.6
Allowance for credit losses balance, beginning of year		15.6
Provision for credit losses		2.5 1.2
Write-offs		(2.0)
Foreign currency and other		(0.2) (0.3)
Allowance for credit losses balance, end of period		15.9 14.5
Net trade accounts receivable balance	$	416.6 396.1

NOTE 3. INVENTORIES

The classes of inventory as of March 29, 2024 June 28, 2024 and December 31, 2023 are summarized as follows:

($ in millions)	($ in millions)	March 29, 2024	December 31, 2023	($ in millions)	June 28, 2024	December 31, 2023

Finished goods	
Work in process	
Raw materials	
Total	

NOTE 4. FINANCING

The Company had the following debt outstanding as of:

($ in millions)	($ in millions)	March 29, 2024	December 31, 2023	($ in millions)	June 28, 2024	December 31, 2023
Short-term borrowings:						
Short-term borrowings and bank overdrafts						
Short-term borrowings and bank overdrafts						
Short-term borrowings and bank overdrafts						
Long-term debt:						
Long-term debt:						
Long-term debt:						
Three-Year Term Loans due 2024						
Three-Year Term Loans due 2024						
Three-Year Term Loans due 2024						
Three-Year Term Loans due 2025						
1.800% senior unsecured notes due 2026						
2.400% senior unsecured notes due 2028						
2.950% senior unsecured notes due 2031						
Revolving Credit Facility due 2026						
Total long-term debt						
Less: current portion of long-term debt						
Less: discounts and debt issuance costs						
Total long-term debt, net						

The Company's long-term debt requires, among others, that the Company maintains certain financial covenants, and the Company was in compliance with all of these covenants as of March 29, 2024 June 28, 2024.

Credit Facilities

Revolving Credit Facility

The Revolving Credit Facility bears interest at a variable rate equal to SOFR plus an 11.4 basis points SOFR adjustment, plus a ratings-based margin which was 117.5 basis points as of March 29, 2024 June 28, 2024. As of March 29, 2024 June 28, 2024, there were no borrowings outstanding and $750.0 million of available borrowing capacity under the Revolving Credit Facility.

Three-Year Term Loans Due 2024

The Three-Year Term Loans Due 2024 which were to mature on October 28, 2024, bear interest at a variable rate equal to SOFR plus an 11.4 basis points SOFR adjustment, plus a ratings-based margin which was 112.5 basis points as of March 29, 2024. The interest rate was 6.57% per annum as of March 29, 2024. The Company is was not obligated to make repayments prior to the maturity date but did voluntarily repay $50.0 the remaining $100.0 million during the three months ended March 29, 2024. The Company is not permitted to re-borrow once repayment is made. There was no material difference between the carrying value and the estimated fair value of the debt outstanding as of March 29, 2024 December 31, 2023 during the six months ended June 28, 2024.

Three-Year Term Loans Due 2025

The Three-Year Term Loans Due 2025 (together with the Three-Year ("Term Loans Due 2024, the "Term Loans") , which mature on December 30, 2025, bear interest at a variable rate equal to SOFR plus a 10.0 basis points credit spread adjustment, plus a ratings-based margin which was 125.0 basis points as of March 29, 2024 June 28, 2024. The interest rate was 6.69% per annum as of March 29, 2024 June 28, 2024. There was no material difference between the carrying value and the estimated fair value of the debt outstanding as of March 29, 2024 June 28, 2024.

Senior Unsecured Notes

The Company's senior unsecured notes (collectively, the "Registered Notes") consist of the following:

- $500.0 million aggregate principal amount of senior notes due April 1, 2026 bearing interest at the rate of 1.800% per year;
- $500.0 million aggregate principal amount of senior notes due April 1, 2028 bearing interest at the rate of 2.400% per year; and

- $600.0 million aggregate principal amount of senior notes due April 1, 2031 bearing interest at the rate of 2.950% per year.

The estimated fair value of the Registered Notes was $1.4 billion as of March 29, 2024 June 28, 2024. The fair value of the Registered Notes was determined based upon Level 2 inputs including indicative prices based upon observable market data. The difference between the fair value and the carrying amounts of the Registered Notes may be attributable to changes in market interest rates and/or the Company's credit ratings subsequent to the incurrence of the borrowing.

Short-term Borrowings

As of March 29, 2024 June 28, 2024, certain of the Company's businesses were in a cash overdraft position, and such overdrafts are included in Short-term borrowings and current portion of long-term debt on the Consolidated Condensed Balance Sheets. Additionally, the Company has other short-term borrowing arrangements with various banks to facilitate short-term cash flow requirements in certain countries also included in Short-term borrowings and current portion of long-term debt on the Consolidated Condensed Balance Sheets. Given the nature of the short-term borrowings, the carrying value approximates fair value as of March 29, 2024 June 28, 2024.

NOTE 5. ACCUMULATED OTHER COMPREHENSIVE INCOME

Foreign currency translation adjustments are generally not adjusted for income taxes as they relate to indefinite investments in non-U.S. subsidiaries.

The changes in Accumulated other comprehensive income by component are summarized below:

($ in millions)	Foreign Currency Translation Adjustments	Other Adjustments (b)	Total
For the Three Months Ended March 29, 2024:			
Balance, December 31, 2023	$ 106.5	$ (1.6)	$ 104.9
Other comprehensive loss before reclassifications, net of income taxes	(23.3)	—	(23.3)
Amounts reclassified from accumulated other comprehensive income:			
Sale of business	1.0 (c)	—	1.0
Increase	—	0.1 (a)	0.1
Amounts reclassified from accumulated other comprehensive income, net of income taxes	1.0	0.1	1.1
Net current period other comprehensive (loss) income, net of income taxes	(22.3)	0.1	(22.2)
Balance, March 29, 2024	$ 84.2	$ (1.5)	$ 82.7
For the Three Months Ended March 31, 2023:			
Balance, December 31, 2022	$ 107.8	$ (1.7)	$ 106.1
Other comprehensive loss before reclassifications, net of income taxes	(3.8)	—	(3.8)
Amounts reclassified from accumulated other comprehensive income:			
Increase	—	0.1 (a)	0.1
Amounts reclassified from accumulated other comprehensive income, net of income taxes	—	0.1	0.1
Net current period other comprehensive (loss) income, net of income taxes	(3.8)	0.1	(3.7)
Balance, March 31, 2023	$ 104.0	$ (1.6)	$ 102.4

(a) This accumulated other comprehensive income component is included in the computation of net periodic pension cost.

(b) Includes balances relating to defined benefit plans and supplemental executive retirement plans.

(c) Reclassified to Gain on sale of business in the Consolidated Condensed Statements of Earnings and Comprehensive Income.

($ in millions)	Foreign Currency Translation Adjustments	Other Adjustments (a)	Total
For the Three Months Ended June 28, 2024:			
Balance, March 29, 2024	$ 84.2	$ (1.5)	$ 82.7
Other comprehensive loss before reclassifications, net of income taxes	(4.7)	—	(4.7)
Net current period other comprehensive loss, net of income taxes	(4.7)	—	(4.7)
Balance, June 28, 2024	$ 79.5	$ (1.5)	$ 78.0
For the Three Months Ended June 30, 2023:			
Balance, March 31, 2023	$ 104.0	$ (1.6)	$ 102.4
Other comprehensive loss before reclassifications, net of income taxes	(8.6)	—	(8.6)

Amounts reclassified from accumulated other comprehensive income:			
Sale of business	0.3 [b]	—	0.3
Amounts reclassified from accumulated other comprehensive income, net of income taxes	0.3	—	0.3
Net current period other comprehensive loss, net of income taxes	(8.3)	—	(8.3)
Balance, June 30, 2023	$ 95.7	$ (1.6)	$ 94.1

(a) Includes balances relating to defined benefit plans and supplemental executive retirement plans.

(b) Reclassified to (Loss) gain on sale of business in the Consolidated Condensed Statements of Earnings and Comprehensive Income.

($ in millions)	Foreign Currency Translation Adjustments	Other Adjustments (b)	Total
For the Six Months Ended June 28, 2024:			
Balance, December 31, 2023	$ 106.5	$ (1.6)	$ 104.9
Other comprehensive loss before reclassifications, net of income taxes	(28.0)	—	(28.0)
Amounts reclassified from accumulated other comprehensive income:			
Sale of business	1.0 [c]	—	1.0
Increase	—	0.1 [a]	0.1
Amounts reclassified from accumulated other comprehensive income, net of income taxes	1.0	0.1	1.1
Net current period other comprehensive (loss) income, net of income taxes	(27.0)	0.1	(26.9)
Balance, June 28, 2024	$ 79.5	$ (1.5)	$ 78.0
For the Six Months Ended June 30, 2023:			
Balance, December 31, 2022	$ 107.8	$ (1.7)	$ 106.1
Other comprehensive loss before reclassifications, net of income taxes	(12.4)	—	(12.4)
Amounts reclassified from accumulated other comprehensive income:			
Sale of business	0.3 [c]	—	0.3
Increase	—	0.1 [a]	0.1
Amounts reclassified from accumulated other comprehensive income, net of income taxes	0.3	0.1	0.4
Net current period other comprehensive (loss) income, net of income taxes	(12.1)	0.1	(12.0)
Balance, June 30, 2023	$ 95.7	$ (1.6)	$ 94.1

(a) This accumulated other comprehensive income component is included in the computation of net periodic pension cost.

(b) Includes balances relating to defined benefit plans and supplemental executive retirement plans.

(c) Reclassified to (Loss) gain on sale of business in the Consolidated Condensed Statements of Earnings and Comprehensive Income.

NOTE 6. SALES

Contract Assets

In certain circumstances, contract assets are recorded which include unbilled amounts typically resulting from sales under contracts when revenue recognized exceeds the amount billed to the customer, and right to payment is subject to contractual performance obligations rather than subject only to the passage of time. Contract assets were $6.6 million $7.5 million and $6.8 million as of March 29, 2024 June 28, 2024 and December 31, 2023, respectively, and are included in Prepaid expenses and other current assets in the accompanying Consolidated Condensed Balance Sheets.

Contract Costs

The Company incurs direct incremental costs to obtain and fulfill certain contracts, typically costs associated with assets used by our customers in certain sales arrangements and sales-related commissions. As of March 29, 2024 June 28, 2024 and December 31, 2023, the Company had $93.6 million $100.1 million and $90.9 million, respectively, in revenue-related capitalized contract costs primarily related to assets used by the Company's customers in certain software contracts, which are recorded in Prepaid expenses and other current assets, for the current portion, and Other assets, for the noncurrent portion, in the accompanying Consolidated Condensed Balance Sheets.

Contract Liabilities

The Company's contract liabilities consist of deferred revenue generally related to customer deposits, post contract support ("PCS") and extended warranty sales. In these arrangements, the Company generally receives up-front payment and recognizes revenue over the support term of the contracts where applicable. Deferred revenue is classified as current or noncurrent based on the timing of when revenue is expected to be recognized and is included in Accrued expenses and other current liabilities and Other long-term liabilities, respectively, in the accompanying Consolidated Condensed Balance Sheets.

The Company's contract liabilities consisted of the following:

($ in millions)	($ in millions)	March 29, 2024	December 31, 2023	($ in millions)	June 28, 2024	December 31, 2023
Deferred revenue, current						
Deferred revenue, noncurrent						
Total contract liabilities						

During the three and six months ended March 29, 2024 June 28, 2024, the Company recognized $50.5 million $26.0 million and $76.5 million of revenue related to the Company's contract liabilities at December 31, 2023. , respectively. The change in contract liabilities from December 31, 2023 to March 29, 2024 June 28, 2024 was primarily due to the timing of cash receipts and sales of PCS and extended warranty services.

Remaining Performance Obligations

Remaining performance obligations represent the transaction price allocated to performance obligations which are unsatisfied as of the end of the period. The Company has excluded performance obligations with an original expected duration of one year or less and amounts for variable consideration allocated to wholly-unsatisfied performance obligations. Remaining performance obligations as of March 29, 2024 June 28, 2024 were $483.0 million $500.1 million, the majority of which are related to software-as-a-service and extended warranty and service contracts. The Company expects approximately 65 percent of the remaining performance obligations will be fulfilled within the next two years, 80 percent within the next three years, and 90 percent within four years.

Disaggregation of Revenue

Revenue from contracts with customers is disaggregated by sales of products and services and geographic location for each of our reportable segments, as it best depicts how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

Disaggregation of revenue was as follows for the three months ended March 29, 2024 June 28, 2024:

($ in millions)

($ in millions)

($ in millions)	($ in millions)	Mobility Technologies	Repair Solutions	Environmental & Fueling Solutions	Other	Eliminations	Total	Mobility Technologies	Repair Solutions	Environmental & Fueling Solutions	Eliminations	Total
Sales:												
Sales of products												
Sales of products												
Sales of products												
Sales of services												
Intersegment sales												
Total												
Geographic:												
Geographic:												
Geographic:												
North America (a)												
North America (a)												
North America (a)												
Western Europe												
High growth markets												
Rest of world												
Intersegment sales												
Total												

(a) Includes total sales in the United States of $537.4 million $478.0 million.

Disaggregation of revenue was as follows for the three months ended March 31, 2023 June 30, 2023:

($ in millions)	($ in millions)	Mobility Technologies	Repair Solutions	Environmental & Fueling Solutions	Other	Total	($ in millions)	Mobility Technologies	Repair Solutions	Environmental & Fueling Solutions	Other	Total
Sales:												

Sales of products
Sales of products
Sales of products
Sales of services
Total
Geographic:
Geographic:
Geographic:
North America (a)
North America (a)
North America (a)
Western Europe
High growth markets
Rest of world
Total

(a) Includes total sales in the United States of $547.8 million $522.5 million.

Disaggregation of revenue was as follows for the six months ended June 28, 2024:

($ in millions)	Mobility Technologies	Repair Solutions	Environmental & Fueling Solutions	Other	Eliminations	Total
Sales:						
Sales of products	$ 402.7	$ 332.0	$ 571.4	$ 0.9	$ —	$ 1,307.0
Sales of services	72.8	1.2	70.8	0.4	—	145.2
Intersegment sales	4.8	—	—	—	(4.8)	—
Total	$ 480.3	$ 333.2	$ 642.2	$ 1.3	$ (4.8)	$ 1,452.2
Geographic:						
North America (a)	$ 317.9	$ 333.2	$ 402.7	$ 1.3	$ —	$ 1,055.1
Western Europe	41.9	—	77.6	—	—	119.5
High growth markets	76.5	—	137.2	—	—	213.7
Rest of world	39.2	—	24.7	—	—	63.9
Intersegment sales	4.8	—	—	—	(4.8)	—
Total	$ 480.3	$ 333.2	$ 642.2	$ 1.3	$ (4.8)	$ 1,452.2

(a) Includes total sales in the United States of $1,015.4 million.

Disaggregation of revenue was as follows for the six months ended June 30, 2023:

($ in millions)	Mobility Technologies	Repair Solutions	Environmental & Fueling Solutions	Other	Total
Sales:					
Sales of products	$ 422.3	$ 338.7	$ 568.1	$ 49.8	$ 1,378.9
Sales of services	62.4	1.1	85.0	13.4	161.9
Total	$ 484.7	$ 339.8	$ 653.1	$ 63.2	$ 1,540.8
Geographic:					
North America (a)	$ 335.0	$ 339.8	$ 405.4	$ 62.2	$ 1,142.4
Western Europe	44.0	—	83.1	—	127.1
High growth markets	65.6	—	136.5	1.0	203.1
Rest of world	40.1	—	28.1	—	68.2
Total	$ 484.7	$ 339.8	$ 653.1	$ 63.2	$ 1,540.8

(a) Includes total sales in the United States of $1,070.3 million.

NOTE 7. INCOME TAXES

The Company's effective tax rate for the three and six months ended March 29, 2024 June 28, 2024 was 16.0% 23.8% and 18.8%, respectively, as compared to 24.0% 25.3% and 24.7% for the three and six months ended March 31, 2023. June 30, 2023, respectively. The decrease in the effective tax rate for the three months ended March 29, 2024 June 28, 2024 as compared to the comparable period in the prior year was primarily due to the non-taxable gain on unfavorable tax impacts of the divestiture of the Global Traffic Technologies business during the three months ended June 30, 2023. The decrease in the effective tax rate for the six months ended June 28, 2024 as compared to the comparable period in the prior year was primarily due to the favorable tax impacts of the divestiture of the Coats business in during the three six months ended March 29, 2024 June 28, 2024 and the unfavorable tax impacts of the divestiture of the Global Traffic Technologies business during the six months ended June 30, 2023.

The Company's effective tax rate for the three and six months ended March 29, 2024 June 28, 2024 differs from the U.S. federal statutory rate of 21% primarily due to the effect of state taxes, foreign taxable earnings at a rate different from the U.S. federal statutory rate, tax credits, and the non-taxable gain on impact of the divestiture of the Coats business. The Company's effective tax rate for the three and six months ended March 31, 2023 June 30, 2023 differs from the U.S. federal statutory rate of 21% primarily due to the effect of state taxes. taxes and foreign taxable earnings at a rate different from the U.S. federal statutory rate.

NOTE 8. SEGMENT INFORMATION

Segment operating profit is used as a performance metric by the chief operating decision maker ("CODM") in determining how to allocate resources and assess performance. Segment operating profit represents total segment sales less operating costs attributable to the segment, which does not include unallocated corporate costs and other operating costs not allocated to the reportable segments as part of the CODM's assessment of reportable segment operating performance, including stock-based compensation expense, amortization of acquisition-related intangible assets, restructuring costs, transaction- and deal-related costs, and other costs not indicative of the segment's core operating performance. As part of the CODM's assessment of the Repair Solutions segment, a capital charge based on the segment's financing receivables portfolio is assessed by Corporate (the "Repair Solutions Capital Charge"). The unallocated corporate and other operating costs are presented in Corporate & other unallocated costs in the reconciliation to earnings before income taxes below.

Intersegment sales primarily result from solutions developed by the Mobility Technologies segment that are integrated into products sold by the Environmental & Fueling Solutions segment. Intersegment sales are recorded at cost plus a margin which is intended to reflect the contribution made by the Mobility Technologies segment. Segment operating profit includes the operating profit from intersegment sales. Intersegment sales for the three and six months ended March 31, 2023 June 30, 2023 are not significant and have been eliminated in the segments' results.

The Company's CODM does not review any information regarding total assets on a segment basis.

Segment results for the periods indicated were as follows:

		Three Months Ended	Three Months Ended		Six Months Ended
		Three Months Ended			
		Three Months Ended			
($ in millions)	($ in millions)	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
($ in millions)					
($ in millions)					
Sales:					
Sales:					
Sales:					
Mobility Technologies(a)					
Mobility Technologies(a)					
Mobility Technologies(a)					
Repair Solutions(b)					
Repair Solutions(b)					
Repair Solutions(b)					
Environmental & Fueling Solutions					
Environmental & Fueling Solutions					
Environmental & Fueling Solutions					
Other					
Other					
Other					
Intersegment eliminations					
Intersegment eliminations					
Intersegment eliminations					
Total					
Total					
Total					
Segment operating profit:					

Segment operating profit:
Segment operating profit:
Mobility Technologies
Mobility Technologies
Mobility Technologies
Repair Solutions(c)
Repair Solutions(c)
Repair Solutions(c)
Environmental & Fueling Solutions
Environmental & Fueling Solutions
Environmental & Fueling Solutions
Other
Other
Other
Segment operating profit
Segment operating profit
Segment operating profit
Corporate & other unallocated costs(c)(d)
Corporate & other unallocated costs(c)(d)
Corporate & other unallocated costs(c)(d)
Operating profit
Operating profit
Operating profit
Interest expense, net
Interest expense, net
Interest expense, net
Gain on sale of business
Gain on sale of business
Gain on sale of business
(Loss) gain on sale of business
Other non-operating expense, net
Other non-operating expense, net
Other non-operating expense, net
Earnings before income taxes
Earnings before income taxes
Earnings before income taxes
Depreciation expense:
Depreciation expense:
Depreciation expense:
Mobility Technologies
Mobility Technologies
Mobility Technologies
Repair Solutions
Repair Solutions
Repair Solutions
Environmental & Fueling Solutions
Environmental & Fueling Solutions
Environmental & Fueling Solutions
Other
Other
Other

Corporate
Corporate
Corporate
Total
Total
Total

(a) Includes intersegment sales of $1.6 $3.2 million and $4.8 million for the three and six months ended March 29, 2024. June 28, 2024, respectively.

(b) Includes interest income related to financing receivables of $18.9 $19.6 million, $19.0 million, $38.5 million and $19.8 $38.8 million for the three and six months ended March 29, 2024 June 28, 2024 and March 31, 2023 June 30, 2023, respectively.

(c) Includes the Repair Solutions Capital Charge of $10.9 million, $10.3 million, $21.8 million and $10.2 $20.5 million for the three and six months ended March 29, 2024 June 28, 2024 and March 31, 2023 June 30, 2023, respectively.

(d) Includes amortization of acquisition-related intangible assets.

NOTE 9. LITIGATION AND CONTINGENCIES

Warranty

Estimated warranty costs are generally accrued at the time of sale. In general, manufactured products are warrantied against defects in material and workmanship when properly used for their intended purpose, installed correctly and appropriately maintained. Warranty period terms depend on the nature of the product and range from 90 days up to the life of the product. The amount of the accrued warranty liability is determined based on historical information such as past experience, product failure rates or number of units repaired, estimated cost of material and labor, and in certain instances, estimated property damage. The accrued warranty liability is reviewed on a quarterly basis and may be adjusted as additional information regarding expected warranty costs becomes known.

The following is a rollforward of the accrued warranty liability:

($ in millions)		
Balance, December 31, 2023	$	43.0
Accruals for warranties issued during the period		8.0 15.9
Settlements made		(9.9) (20.4)
Effect of foreign currency translation		(0.2)
Balance, March 29, 2024 June 28, 2024	$	40.9 38.3

Litigation and Other Contingencies

The Company is involved in legal proceedings from time to time in the ordinary course of its business. Although the outcome of such matters is uncertain, management believes that these legal proceedings will not have a material adverse effect on the financial condition or results of future operations of the Company.

In accordance with accounting guidance, the Company records a liability in the Consolidated Condensed Financial Statements for loss contingencies when a loss is known or considered probable and the amount can be reasonably estimated. If the reasonable estimate of a known or probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. If a loss does not meet the known or probable level but is reasonably possible and a loss or range of loss can be reasonably estimated, the estimated loss or range of loss is disclosed.

Gross liabilities associated with known and future expected asbestos claims and projected insurance recoveries were as follows as of:

($ in millions)	($ in millions)	Classification	March 29, 2024	December 31, 2023	($ in millions)	Classification	June 28, 2024	December 31, 2023
Gross liabilities								
Current								
Current								
Current								
Long-term								
Total								
Projected insurance recoveries								
Projected insurance recoveries								
Projected insurance recoveries								
Current								
Current								
Current								
Long-term								

Total

Guarantees

As of March 29, 2024 June 28, 2024 and December 31, 2023, the Company had guarantees consisting primarily of outstanding standby letters of credit, bank guarantees, and performance and bid bonds of approximately $77.5 $76.9 million and $79.2 million, respectively. These guarantees have been provided in connection with certain arrangements with vendors, customers, financing counterparties, and governmental entities to secure the Company's obligations and/or performance requirements related to specific transactions.

NOTE 10. FAIR VALUE MEASUREMENTS

Below is a summary of financial assets and liabilities that are measured at fair value on a recurring basis as of:

($ in millions)	($ in millions)	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total	($ in millions)	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
March 29, 2024										
June 28, 2024										
Contingent consideration liabilities										
Contingent consideration liabilities										
Contingent consideration liabilities										
Deferred compensation liabilities(a)										
December 31, 2023										
Contingent consideration liabilities										
Contingent consideration liabilities										
Contingent consideration liabilities										
Deferred compensation liabilities(a)										

(a) Refer to Note 8. Fair Value Measurements to the Consolidated Financial Statements in the Company's 2023 Annual Report on Form 10-K for more information on the Company's deferred compensation liabilities.

Contingent Consideration

The fair value of the contingent consideration liabilities relates to payments to previous owners of acquired companies contingent on the achievement of certain revenue targets. The Company records a liability for contingent consideration in the purchase price for acquisitions at fair value on the acquisition date, and remeasures the liability at each reporting date, based on the Company's estimate of the expected probability of achievement of the contingency targets. This estimate is based on significant unobservable inputs and represents a Level 3 measurement within the fair value hierarchy.

Nonrecurring Fair Value Measurements

Certain assets and liabilities are carried on the accompanying Consolidated Condensed Balance Sheets at cost and are not remeasured to fair value on a recurring basis. These assets include finite-lived intangible assets, which are tested for impairment when a triggering event occurs, and goodwill and identifiable indefinite-lived intangible assets, which are tested for impairment at least annually as of the first day of the fourth quarter or more frequently if events and circumstances indicate that the asset may not be recoverable.

As of March 29, 2024 June 28, 2024, assets carried on the balance sheet and not remeasured to fair value on a recurring basis included $1.7 billion of goodwill and $546.4 million $526.5 million of identifiable intangible assets, net.

NOTE 11. CAPITAL STOCK AND EARNINGS PER SHARE

Earnings Per Share

Basic earnings per share is calculated by dividing net earnings by the weighted average number of shares of common stock outstanding. Diluted earnings per share is calculated by adjusting weighted average common shares outstanding for the dilutive effect of the assumed issuance of shares under stock-based compensation plans, determined using the treasury-stock method, except where the inclusion of such shares would have an anti-dilutive impact.

Information related to the calculation of net earnings per share of common stock is summarized as follows:

		Three Months Ended		Three Months Ended		Six Months Ended
		Three Months Ended				
		Three Months Ended				
(in millions, except per share amounts)	(in millions, except per share amounts)	June 28, 2024	June 30, 2023		June 28, 2024	June 30, 2023
(in millions, except per share amounts)						
(in millions, except per share amounts)						

Numerator:
Numerator:
Numerator:
Net earnings
Net earnings
Net earnings
Denominator:
Denominator:
Denominator:
Basic weighted average common shares outstanding
Basic weighted average common shares outstanding
Basic weighted average common shares outstanding
Effect of dilutive stock options and RSUs
Effect of dilutive stock options and RSUs
Effect of dilutive stock options and RSUs
Diluted weighted average common shares outstanding
Diluted weighted average common shares outstanding
Diluted weighted average common shares outstanding
Earnings per share:
Earnings per share:
Earnings per share:
Basic
Basic
Basic
Diluted
Diluted
Diluted
Anti-dilutive shares
Anti-dilutive shares
Anti-dilutive shares

Share Repurchase Program

On May 24, 2022, the Company's Board of Directors approved a replenishment of the Company's previously approved share repurchase program announced in May 2021, bringing the total amount authorized for future share repurchases to $500.0 million. Under the share repurchase program, the Company may purchase shares of common stock from time to time in open market transactions, privately negotiated transactions, accelerated share repurchase programs, or by combinations of such methods, any of which may use prearranged trading plans that are designed to meet the requirements of Rule 10b5-1(c) of the Securities Exchange Act of 1934. The timing of any repurchases and the actual number of shares repurchased will depend on a variety of factors, including the Company's stock price, corporate and regulatory requirements, restrictions under the Company's debt obligations and other market and economic conditions. The share repurchase program may be suspended or discontinued at any time and has no expiration date.

The Company repurchased 0.6 0.9 million of the Company's shares for $21.6 $38.1 million through open market transactions at an average price per share of $35.04 $40.31 during the three months ended March 29, 2024 June 28, 2024 and 1.5 million of the Company's shares for $59.7 million through open market transactions at an average price per share of $38.23 during the six months ended June 28, 2024. As of March 29, 2024 June 28, 2024, the Company has remaining authorization to repurchase $332.7 $294.6 million of its common stock under the share repurchase program.

NOTE 12. DIVESTITURES

On January 8, 2024, the Company completed the sale of Coats for $74.5 million, subject to the finalization of $72.4 million. The Company finalized customary working capital adjustments. adjustments during the three months ended June 28, 2024. As a result of the transaction, the Company recognized a preliminary loss of $2.6 million and a gain of $39.8 million $37.2 million during the three and six months ended March 29, 2024 June 28, 2024, respectively, which is are presented in Gain (Loss) gain on sale of business in the Consolidated Condensed Statements of Earnings and Comprehensive Income. There is a transition services agreement (the "TSA") in place between the Company and Coats which sets forth the terms and conditions pursuant to which the Company will provide certain services to Coats. Receipts related to the TSA were insignificant for the three and six months ended March 29, 2024 June 28, 2024. The operations of Coats did not meet the criteria to be presented as discontinued operations.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is designed to provide a reader of our financial statements with a narrative from the perspective of management and is intended to help the reader understand the results of operations and financial condition of the Company. Our MD&A should be read in conjunction with our MD&A and Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (the "2023 Annual Report on Form 10-K") and our Consolidated Condensed Financial Statements as of and for the three and six months ended March 29, 2024 June 28, 2024 included in this Form 10-Q.

INFORMATION RELATING TO FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this quarterly report, in other documents we file with or furnish to the Securities and Exchange Commission ("SEC"), in our press releases, webcasts, conference calls, materials delivered to shareholders and other communications, are "forward-looking statements" within the meaning of the United States federal securities laws.

Forward-looking statements are not guarantees of future performance and actual results may differ materially from the results, developments and business decisions contemplated by our forward-looking statements. Accordingly, you should not place undue reliance on any such forward-looking statements. Forward-looking statements speak only as of the date of the report, document, press release, webcast, call, materials or other communication in which they are made. Important factors that could cause actual results to differ materially from those envisaged in the forward-looking statements include the following:

- If we cannot adjust our manufacturing capacity, supply chain management or the purchases required for our manufacturing activities to reflect changes in market conditions, customer demand and supply chain or transportation disruptions, our profitability may suffer. In addition, our reliance upon sole or limited sources of supply for certain materials, components and services could cause production interruptions, delays and inefficiencies.
- Our growth depends in part on the timely development and commercialization, and customer acceptance, of new and enhanced products and services based on technological innovation.
- Changes in our software and subscription businesses may adversely impact our business, financial condition and results of operations.
- The indemnification provisions of acquisition agreements by which we have acquired companies may not fully protect us and as a result we may face unexpected liabilities.
- Our restructuring actions could have long-term adverse effects on our business.
- As of March 29, 2024 June 28, 2024, we have outstanding indebtedness of approximately $2.3 billion $2.2 billion and the ability to incur an additional $750.0 million of indebtedness under the Revolving Credit Facility and in the future we may incur additional indebtedness. This indebtedness could adversely affect our businesses and our ability to meet our obligations and pay dividends.
- We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.
- Any inability to consummate acquisitions at our historical rates and at appropriate prices, and to make appropriate investments that support our long-term strategy, could negatively impact our growth rate and stock price.
- Our acquisition of businesses, investments, joint ventures and other strategic relationships could negatively impact our financial statements.
- Divestitures or other dispositions could negatively impact our business, and contingent liabilities from businesses that we or our predecessors have sold could adversely affect our financial statements.
- Conditions in the global economy, the particular markets we serve and the financial markets may adversely affect our business and financial statements.
- Adverse changes in our relationships with, or the financial condition, performance, purchasing patterns or inventory levels of, key distributors and other channel partners could adversely affect our financial statements.
- Our financial results are subject to fluctuations in the cost and availability of commodities that we use in our operations.
- Defects, tampering, unanticipated use or inadequate disclosure with respect to our products or services (including software), or allegations thereof, could adversely affect our business, reputation and financial statements.
- Our growth could suffer if the markets into which we sell our products and services decline, do not grow as anticipated or experience cyclicality.
- Our reputation, ability to do business and financial statements may be impaired by improper conduct by any of our employees, agents or business partners.
- If we do not or cannot adequately protect our intellectual property, or if third parties infringe our intellectual property rights, we may suffer competitive injury or expend significant resources enforcing our rights.
- Third parties may claim that we are infringing or misappropriating their intellectual property rights and we could suffer significant litigation expenses, losses or licensing expenses or be prevented from selling products or services.

- If we suffer a loss to our facilities, supply chains, distribution systems or information technology systems due to catastrophe or other events, our operations could be seriously harmed.
- Our ability to attract, develop and retain talented executives and other key employees is critical to our success.
- Work stoppages, union and works council campaigns and other labor disputes could adversely impact our productivity and results of operations.
- International Global economic, political, legal, compliance, supply chain, epidemic, pandemic and business factors could negatively affect our financial statements.
- Foreign currency exchange rates may adversely affect our financial statements.
- Changes in, or status of implementation of, industry standards and governmental regulations, including interpretation or enforcement thereof, may reduce demand for our products or services, increase our expenses or otherwise adversely impact our business model.
- Our businesses are subject to extensive regulation; failure to comply with those regulations could adversely affect our financial statements and our business, including our reputation.
- We are party to asbestos-related product litigation that could adversely affect our financial condition, results of operations and cash flows.
- A significant disruption in, or breach in security of, our information technology systems or data or violation of data privacy laws could adversely affect our business, reputation and financial statements.

- Our operations, products and services expose us to the risk of environmental, health and safety liabilities, costs and violations that could adversely affect our business, reputation and financial statements.
- We are subject to a variety of litigation and other legal and regulatory proceedings in the course of our business that could adversely affect our business and financial statements.
- If we are unable to implement and maintain effective internal control over financial reporting in the future, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock may be negatively affected.
- We may be required to recognize impairment charges for our goodwill and other intangible assets.
- Changes in our effective tax rates or exposure to additional income tax liabilities or assessments could affect our profitability. In addition, audits by tax authorities could result in additional payments for prior periods.

See “Item 1A. Risk Factors” in our 2023 Annual Report on Form 10-K and “Part II - Item 1A. Risk Factors” in this Form 10-Q for further discussion regarding reasons that actual results may differ materially from the results, developments and business decisions contemplated by our forward-looking statements. Forward-looking statements speak only as of the date of the report, document, press release, webcast, call, materials or other communication in which they are made. We do not assume any obligation to update or revise any forward-looking statement, whether as a result of new information, future events and developments or otherwise.

OVERVIEW

General

Vontier is a global industrial technology company uniting productivity, automation and multi-energy technologies to meet the needs of a rapidly evolving, more connected mobility ecosystem. Leveraging leading market positions, decades of domain expertise and unparalleled portfolio breadth, Vontier enables the way the world moves, delivering smart, safe and sustainable solutions to our customers and the planet. Vontier has a culture of continuous improvement and innovation built upon the foundation of the Vontier Business System and embraced by colleagues worldwide.

We operate through three reportable segments which align to our three operating segments: (i) Mobility Technologies, which provides digitally enabled equipment and solutions to support efficient operations across the mobility ecosystem, including point-of-sale and payment systems, workflow automation solutions, telematics, data analytics, software platform for electric vehicle charging networks, and integrated solutions for alternative fuel dispensing; (ii) Repair Solutions, which manufactures and distributes aftermarket vehicle repair tools, toolboxes, automotive diagnostic equipment and software through a network of mobile franchisees; and (iii) Environmental & Fueling Solutions, which provides environmental and fueling hardware and software, and aftermarket solutions for global fueling infrastructure. Our Global Traffic Technologies and Coats businesses, which were divested during April 2023 and January 2024, respectively, are presented in Other for periods prior to the divestitures.

Outlook

We expect core sales growth for the year ended December 31, 2024 to increase on a year-over-year basis in 2024 be lower than our longer-term growth expectations due to increasing demand for softening in certain of our products. end markets as further discussed below in “Results of Operations”. Our outlook is subject to various assumptions and risks, including but not limited to the resilience and durability of the economies of the United States and other critical regions, ongoing challenges with global logistics and supply chain including the availability of electronic components, the impact of international conflicts, including Russia-Ukraine and conflicts in the Middle East, market conditions in key end product segments, and the impact of energy disruption in Europe. Additional uncertainties are identified in “Information Relating to Forward-Looking Statements” above.

We continue to monitor the macroeconomic and geopolitical conditions which may impact our business, including monetary and fiscal policies, changes in the banking system, international trade and relations between the U.S., China and other nations, and investment and taxation policy initiatives being considered in the United States and by the Organization for Economic Co-operation and Development (the “OECD”). We also continue to monitor the Russia-Ukraine conflict and conflicts in the Middle East and the impact on our business and operations. As of the filing date of this report, we do not believe they are material.

RESULTS OF OPERATIONS

Comparison of Results of Operations

		Three Months Ended				Six Months Ended			
($ in millions)	($ in millions)	June 28, 2024	% of Sales	June 30, 2023	% of Sales	June 28, 2024	% of Sales	June 30, 2023	% of Sales
($ in millions)									
($ in millions)									
Sales									
Sales									
Sales									
Operating costs and expenses:									
Operating costs and expenses:									
Operating costs and expenses:									

Cost of sales(a)												
Cost of sales(a)												
Cost of sales(a)	(360.9)	51.8	51.8 %	(416.3)	54.5	54.5 %	(744.7)	51.3	51.3 %	(839.7)	54.5	54.5 %
Selling, general and administrative expenses ("SG&A")	(156.3)	22.4	22.4 %	(166.9)	21.8	21.8 %	(321.7)	22.2	22.2 %	(324.4)	21.1	21.1 %
Selling, general and administrative expenses ("SG&A")												
Selling, general and administrative expenses ("SG&A")												
Research and development expenses ("R&D")												
Research and development expenses ("R&D")												
Research and development expenses ("R&D")	(45.1)	6.5	6.5 %	(40.3)	5.3	5.3 %	(89.6)	6.2	6.2 %	(81.3)	5.3	5.3 %
Amortization of acquisition-related intangible assets	(20.0)	2.9	2.9 %	(20.3)	2.7	2.7 %	(40.0)	2.8	2.8 %	(41.0)	2.7	2.7 %
Amortization of acquisition-related intangible assets												
Amortization of acquisition-related intangible assets												
Operating profit	$114.1	16.4	16.4 %	$120.6	15.8	15.8 %	$256.2	17.6	17.6 %	$254.4	16.5	16.5 %
Operating profit												
Operating profit												

(a) Excluding amortization of acquisition-related intangible assets.

Sales

The components of our consolidated sales growth were as follows for the periods indicated:

	% Change Three Months Ended March 29, 2024 vs. Comparable 2023 Period
Total sales growth (GAAP)	**(2.7)%**
Core sales (Non-GAAP)	3.9 %
Acquisitions and divestitures (Non-GAAP)	(5.8)%
Currency exchange rates (Non-GAAP)	(0.8)%

	% Change Three Months Ended June 28, 2024 vs. Comparable 2023 Period	% Change Six Months Ended June 28, 2024 vs. Comparable 2023 Period
Total sales growth (GAAP)	**(8.9)%**	**(5.8)%**
Core sales (Non-GAAP)	(3.2)%	0.4 %
Acquisitions and divestitures (Non-GAAP)	(4.8)%	(5.3)%
Currency exchange rates (Non-GAAP)	(0.9)%	(0.9)%

Sales for each of our segments were as follows for the periods indicated:

		Three Months Ended		Three Months Ended	Six Months Ended
		Three Months Ended			
		Three Months Ended			
($ in millions)					
($ in millions)					
($ in millions)	($ in millions)	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Mobility Technologies					
Mobility Technologies					
Mobility Technologies					
Repair Solutions					
Repair Solutions					
Repair Solutions					
Environmental & Fueling Solutions					
Environmental & Fueling Solutions					
Environmental & Fueling Solutions					
Other					
Other					
Other					
Intersegment eliminations					
Intersegment eliminations					
Intersegment eliminations					
Total					
Total					
Total					

Mobility Technologies

The components of sales growth for our Mobility Technologies segment were as follows for the periods indicated:

	% Change Three Months Ended March 29, 2024 vs. Comparable 2023 Period
Total sales growth (GAAP)	**(1.3)%**
Core sales (Non-GAAP)	0.3 %
Acquisitions and divestitures (Non-GAAP)	— %
Currency exchange rates (Non-GAAP)	(1.6)%

	% Change Three Months Ended June 28, 2024 vs. Comparable 2023 Period	% Change Six Months Ended June 28, 2024 vs. Comparable 2023 Period
Total sales growth (GAAP)	**(0.5)%**	**(0.9)%**
Core sales (Non-GAAP)	1.0 %	0.7 %
Acquisitions and divestitures (Non-GAAP)	— %	— %
Currency exchange rates (Non-GAAP)	(1.5)%	(1.6)%

Total sales within our Mobility Technologies segment decreased 1.3% 0.5% during the three months ended March 29, 2024 June 28, 2024, as compared to the comparable period in 2023, driven by a 1.5% decrease due to the impact of currency translation, partially offset by a 1.0% increase in core sales. The increase in core sales was primarily due to solid demand for our convenience store payment and enterprise productivity solutions, partially offset by lower demand for our car wash solutions and a decrease in sales for our alternative energy solutions due to shipment timing.

Total sales within our Mobility Technologies segment decreased 0.9% during the six months ended June 28, 2024, as compared to the comparable period in 2023, driven by a 1.6% decrease due to the impact of currency translation, partially offset by a 0.3% 0.7% increase in core sales. The increase in core sales was primarily due to solid demand for our convenience store payment and enterprise productivity and alternative energy solutions, partially offset by softer lower demand for our car wash solutions.

Repair Solutions

The components of sales growth for our Repair Solutions segment were as follows for the periods indicated:

	% Change Three Months Ended March 29, 2024 vs. Comparable 2023 Period
Total sales growth (GAAP)	**0.6%**
Core sales (Non-GAAP)	0.6 %
Acquisitions and divestitures (Non-GAAP)	— %
Currency exchange rates (Non-GAAP)	— %

	% Change Three Months Ended June 28, 2024 vs. Comparable 2023 Period	% Change Six Months Ended June 28, 2024 vs. Comparable 2023 Period
Total sales growth (GAAP)	**(4.8)%**	**(1.9)%**
Core sales (Non-GAAP)	(4.8)%	(1.9)%
Acquisitions and divestitures (Non-GAAP)	— %	— %
Currency exchange rates (Non-GAAP)	— %	— %

Total sales and core sales within our Repair Solutions segment increased 0.6% decreased 4.8% during the three months ended March 29, 2024 June 28, 2024, as compared to the comparable period in 2023, primarily due to strong demand a decrease in the tool storage and diagnostics hardline product categories driven by macroeconomic impacts on service technicians' discretionary spending, partially offset by an increase in the diagnostics and power tools product categories.

Total sales and core sales within our Repair Solutions segment decreased 1.9% during the six months ended June 28, 2024, as compared to the comparable period in 2023, primarily due to a decrease in the hardline product category, partially offset by an increase in the diagnostics product category.

Environmental & Fueling Solutions

The components of sales growth for our Environmental & Fueling Solutions segment were as follows for the periods indicated:

	% Change Three Months Ended March 29, 2024 vs. Comparable 2023 Period
Total sales growth (GAAP)	**5.5%**
Core sales (Non-GAAP)	9.6 %
Acquisitions and divestitures (Non-GAAP)	(3.5)%
Currency exchange rates (Non-GAAP)	(0.6)%

	% Change Three Months Ended June 28, 2024 vs. Comparable 2023 Period	% Change Six Months Ended June 28, 2024 vs. Comparable 2023 Period
Total sales growth (GAAP)	**(8.3)%**	**(1.7)%**
Core sales (Non-GAAP)	(5.0)%	2.0 %
Acquisitions and divestitures (Non-GAAP)	(2.5)%	(3.0)%
Currency exchange rates (Non-GAAP)	(0.8)%	(0.7)%

Total sales within our Environmental & Fueling Solutions segment increased 5.5% decreased 8.3% during the three months ended March 29, 2024 June 28, 2024, as compared to the comparable period in 2023, driven primarily by a 9.6% increase 5.0% decrease in core sales, partially offset by a 3.5% 2.5% decrease due to the impact of recently exited businesses and product lines and a 0.6% 0.8% decrease due to the impact of currency translation. The decrease in core sales was driven by the impact of order timing and shipment delays for fuel dispenser systems, partially offset by strong demand for aftermarket products and a slight increase in environmental solutions.

Total sales within our Environmental & Fueling Solutions segment decreased 1.7% during the six months ended June 28, 2024, as compared to the comparable period in 2023, driven primarily by a 3.0% decrease due to the impact of recently exited businesses and product lines and a 0.7% decrease due to the impact of currency translation, partially offset by a 2.0% increase in core sales. The increase in core sales was driven by strong higher demand for North America fuel dispenser systems, aftermarket products and environmental solutions.

Cost of Sales

Cost of sales, excluding amortization of acquisition-related intangible assets, decreased $39.6 $55.4 million, or 9.4% 13.3%, for the three months ended March 29, 2024 June 28, 2024, as compared to the comparable period in 2023, primarily due to the decrease in sales in the Environmental & Fueling Solutions segment, as discussed above, and the impact of recently divested and exited businesses and product lines and cost optimization.

Cost of sales, excluding amortization of acquisition-related intangible assets, decreased $95.0 million, or 11.3%, for the six months ended June 28, 2024, as compared to the comparable period in 2023, primarily due to the impact of favorable mix, cost optimization and recently divested and exited businesses and product lines.

lines and cost optimization.

Operating Costs and Other Expenses

SG&A Expenses

SG&A expenses increased $7.9 decreased $10.6 million, or 5.0% 6.4%, during the three months ended March 29, 2024 June 28, 2024, as compared to the comparable period in 2023, and as a percentage of sales, increased 160 60 basis points during the same period, primarily due to an increase in variable the impact of recently divested and stock-based compensation expense exited businesses and product lines and restructuring savings, partially offset by the impact of reserve-related adjustments to the Repair Solutions receivables portfolio. portfolio.

SG&A expenses decreased $2.7 million, or 0.8%, during the six months ended June 28, 2024, as compared to the comparable period in 2023, and as a percentage of sales, increased 110 basis points during the same period, primarily due to the impact of recently divested and exited businesses and product lines and restructuring savings, partially offset by a decrease in transaction and deal-related costs. the impact of reserve-related adjustments to the Repair Solutions receivables portfolio.

R&D Expenses

R&D expenses increased $3.5 $4.8 million, or 8.5% 11.9%, during the three months ended March 29, 2024 June 28, 2024, as compared to the comparable period in 2023, primarily due to continued growth investments in our Mobility Technologies segment. R&D expenses as a percentage of sales increased 60 120 basis points during the three months ended March 29, 2024 June 28, 2024, as compared to the comparable period in 2023.

R&D expenses increased $8.3 million, or 10.2%, during the six months ended June 28, 2024, as compared to the comparable period in 2023, primarily due to continued growth investments in our Mobility Technologies segment. R&D expenses as a percentage of sales increased 90 basis points during the six months ended June 28, 2024, as compared to the comparable period in 2023.

Amortization of Acquisition-Related Intangible Assets

Amortization of acquisition-related intangible assets decreased $0.7 $0.3 million, or 3.4% 1.5%, during the three months ended March 29, 2024 June 28, 2024, as compared to the comparable period in 2023 and as a percentage of sales, increased 20 basis points during the same period.

Amortization of acquisition-related intangible assets decreased $1.0 million, or 2.4%, during the six months ended June 28, 2024, as compared to the comparable period in 2023 and as a percentage of sales, increased 10 basis points during the same period.

Operating Profit

Operating profit increased $8.3 million decreased $6.5 million, or 6.2% 5.4%, during the three months ended March 29, 2024 June 28, 2024, as compared to the comparable period in 2023, and operating profit margins increased 160 60 basis points during the same period.

Operating profit increased $1.8 million, or 0.7%, during the six months ended June 28, 2024, as compared to the comparable period in 2023, and operating profit margins increased 110 basis points during the same period.

Segment operating profit is used as a performance metric by the CODM in determining how to allocate resources and assess performance. Segment operating profit represents total segment sales less operating costs attributable to the segment, which does not include unallocated corporate costs and other operating costs not allocated to the reportable segments as part of the CODM's assessment of reportable segment operating performance, including stock-based compensation expense, amortization of acquisition-related intangible assets, restructuring costs, transaction- and deal-related costs, and other costs not indicative of the segment's core operating performance. As part of the CODM's assessment of the Repair Solutions segment, a capital charge based on the segment's financing receivables portfolio is assessed by Corporate. Refer to Note 8. Segment Information to the Consolidated Condensed Financial Statements for additional information.

Segment operating profit, operating profit and related margins were as follows for the periods indicated:

		Three Months Ended			Three Months Ended			Six Months Ended				
		Three Months Ended										
		Three Months Ended										
($ in millions)												
($ in millions)												
($ in millions)	($ in millions)	June 28, 2024		Margin	June 30, 2023		Margin	June 28, 2024		Margin	June 30, 2023		Margin
Mobility Technologies	Mobility Technologies	$ 41.2	17.3	17.3 %	$ 44.7	18.7	18.7 %	$ 88.8	18.5	18.5 %	$ 92.6	19.1	19.1 %
Mobility Technologies													
Mobility Technologies													
Repair Solutions													
Repair Solutions													
Repair Solutions													
Environmental & Fueling Solutions													
Environmental & Fueling Solutions													
Environmental & Fueling Solutions													
Other													
Other													
Other													
Segment operating profit													
Segment operating profit													
Segment operating profit													
Corporate & other unallocated costs(a)													
Corporate & other unallocated costs(a)													
Corporate & other unallocated costs(a)													
Total operating profit	Total operating profit	$ 114.1	16.4	16.4 %	$ 120.6	15.8	15.8 %	$ 256.2	17.6	17.6 %	$ 254.4	16.5	16.5 %
Total operating profit													
Total operating profit													

(a) Margin for Corporate & other unallocated costs is presented as a percentage of total sales. Corporate & other unallocated costs includes amortization of acquisition-related intangible assets.

Mobility Technologies

Segment operating profit for our Mobility Technologies segment decreased $0.3 million $3.5 million, or 0.6% 7.8%, during the three months ended March 29, 2024 June 28, 2024, as compared to the comparable period in 2023, and segment operating profit margin increased 10 decreased 140 basis points during the same period. The decrease in segment operating profit margin was primarily due to an increase in R&D and unfavorable mix.

Segment operating profit for our Mobility Technologies segment decreased $3.8 million, or 4.1%, during the six months ended June 28, 2024, as compared to the comparable period despite in 2023, and segment operating profit margin decreased 60 basis points during the same period. The decrease in segment operating profit margin was primarily due to an increase in R&D and other continued growth investments in the segment.

Repair Solutions

Segment operating profit for our Repair Solutions segment decreased $2.6 million $9.5 million, or 5.5% 22.8%, during the three months ended March 29, 2024 June 28, 2024, as compared to the comparable period in 2023, and segment operating profit margin decreased 160 500 basis points during the same period. The decrease in segment operating profit margin was primarily due to the impact of a decrease in volume and reserve-related adjustments to the receivables portfolio.

Segment operating profit for our Repair Solutions segment decreased $12.1 million, or 13.6%, during the six months ended June 28, 2024, as compared to the comparable period in 2023, and segment operating profit margin decreased 320 basis points during the same period. The decrease in segment operating profit margin was primarily due to the impact of a decrease in volume and reserve-related adjustments to the receivables portfolio.

Environmental & Fueling Solutions

Segment operating profit for our Environmental & Fueling Solutions segment increased $16.6 million decreased $5.9 million, or 20.6% 6.2%, during the three months ended March 29, 2024 June 28, 2024, as compared to the comparable period in 2023, and segment operating profit margin increased 370 60 basis points during the same period. The increase in segment operating profit margin was primarily due to product price-cost benefits and geographic mix cost optimization.

Segment operating profit for our Environmental & Fueling Solutions segment increased $10.7 million, or 6.1%, during the six months ended June 28, 2024, as compared to the comparable period in 2023, and segment operating profit margin increased 220 basis points during the same period. The increase in segment operating profit margin was primarily due to price-cost benefits and cost optimization.

Corporate & Other Unallocated Costs

Corporate & other unallocated costs increased $1.2 million decreased $14.6 million, or 2.6% 23.1%, during the three months ended March 29, 2024 June 28, 2024, as compared to the comparable period in 2023, primarily due to an increase in variable and stock-based compensation expense, partially offset by a decrease in costs associated with restructuring activities and transaction and deal-related costs. Corporate & other unallocated costs as a percentage of total sales increased 30 decreased 130 basis points during the three months ended March 29, 2024 June 28, 2024, as compared to the comparable period in 2023.

Corporate & other unallocated costs decreased $13.4 million, or 12.3%, during the six months ended June 28, 2024, as compared to the comparable period in 2023, primarily due to a decrease in costs associated with restructuring activities and transaction and deal-related costs. Corporate & other unallocated costs as a percentage of total sales decreased 50 basis points during the six months ended June 28, 2024, as compared to the comparable period in 2023.

NON-GAAP FINANCIAL MEASURES

Core Sales

We define core sales as total sales excluding (i) sales from acquired and certain divested businesses; (ii) the impact of currency translation; and (iii) certain other items.

- References to sales attributable to acquisitions or acquired businesses refer to GAAP sales from acquired businesses recorded prior to the first anniversary of the acquisition less the amount of sales attributable to certain divested or exited businesses or product lines not considered discontinued operations.
- The portion of sales attributable to the impact of currency translation is calculated as the difference between (a) the period-to-period change in sales (excluding sales from acquired businesses) and (b) the period-to-period change in sales, including foreign operations, (excluding sales from acquired businesses) after applying the current period foreign exchange rates to the prior year period.
- The portion of sales attributable to other items is calculated as the impact of those items which are not directly correlated to core sales which do not have an impact on the current or comparable period.

Core sales should be considered in addition to, and not as a replacement for or superior to, total sales, and may not be comparable to similarly titled measures reported by other companies.

Management believes that reporting the non-GAAP financial measure of core sales provides useful information to investors by helping identify underlying growth trends in our business and facilitating easier comparisons of our sales performance with our performance in prior and future periods and to our peers. We exclude the effect of acquisitions and certain divestiture-related items because the nature, size and number of such transactions can vary dramatically from period to period and between us and our peers. We exclude the effect of currency translation and certain other items from core sales because these items are either not under management's control or relate to items not directly correlated to core sales. Management believes the exclusion of these items from core sales may facilitate assessment of underlying business trends and may assist in comparisons of long-term performance.

INTEREST COSTS

Interest expense, net was $18.9 million $18.4 million during the three months ended March 29, 2024 June 28, 2024, as compared to $24.0 million $23.9 million for the comparable period in 2023, a decrease of $5.1 million $5.5 million, driven primarily by a decrease in our outstanding debt obligations and an increase in interest income between periods.

Interest expense, net was $37.3 million during the six months ended June 28, 2024, as compared to $47.9 million for the comparable period in 2023, a decrease of $10.6 million, driven primarily by a decrease in our outstanding debt obligations and an increase in interest income between periods.

For a discussion of our outstanding indebtedness, refer to Note 4. Financing to the Consolidated Condensed Financial Statements.

INCOME TAXES

Effective Tax Rate

Our effective tax rate for the three and six months ended March 29, 2024 June 28, 2024 was 16.0% 23.8% and 18.8%, respectively, as compared to 24.0% 25.3% and 24.7% for the three and six months ended March 31, 2023. June 30, 2023, respectively. The decrease in the effective tax rate for the three months ended March 29, 2024 June 28, 2024 as compared to the comparable period in the prior year was primarily due to the non-taxable gain on unfavorable tax impacts of the divestiture of the Global Traffic Technologies business during the three months ended June 30, 2023. The decrease in the effective tax rate for the six months ended June 28, 2024 as compared to the comparable period in the prior year was primarily due to the favorable tax impacts of the divestiture of the Coats business during the three six months ended March 29, 2024 June 28, 2024 and the unfavorable tax impacts of the divestiture of the Global Traffic Technologies business during the six months ended June 30, 2023.

Pillar Two

The OECD agreed among over 130 countries on the Pillar Two proposals which establish a global minimum effective tax rate of 15% for multinational groups with annual global revenue exceeding €750 million. Many countries continue to announce changes in their tax laws and regulations based on the Pillar Two proposals, including the European Union ("EU") Member States which unanimously adopted the EU Pillar Two Directive, providing for a minimum effective tax rate of 15%. EU Member States are required to enact the EU Pillar Two Directive into their national laws by December 31, 2023, with effective dates of January 1, 2024 and January 1, 2025, respectively, for different aspects of the EU Pillar Two Directive. We do not expect the EU Pillar Two Directive to have a significant impact on our financial statements.

COMPREHENSIVE INCOME

Comprehensive income increased decreased by $35.5 million $23.6 million during the three months ended March 29, 2024 June 28, 2024, as compared to the comparable period in 2023. Comprehensive income for the three months ended March 29, 2024 June 30, 2023 includes a gain on the sale of the Company's Global Traffic Technologies business of $34.1 million.

Comprehensive income increased by $11.9 million during the six months ended June 28, 2024, as compared to the comparable period in 2023. Comprehensive income for the six months ended June 28, 2024 includes a gain on the sale of the Company's Coats business of $39.8 million $37.2 million while comprehensive income for the six months ended June 30, 2023 includes a gain on the sale of the Company's Global Traffic Technologies business of $34.1 million.

Refer to Note 12. Divestitures to the Consolidated Condensed Financial Statements for additional information on the divestiture of our Coats business.

LIQUIDITY AND CAPITAL RESOURCES

We assess our liquidity in terms of our ability to generate cash to fund our operating, investing and financing activities. As of March 29, 2024 June 28, 2024, we held $406.0 million $331.3 million of cash and cash equivalents and had $750.0 million of borrowing capacity under our revolving credit facility. We generate substantial cash from operating activities and believe that our operating cash flow and other sources of liquidity will be sufficient to allow us to continue to support working capital needs, capital expenditures, pay interest and service debt, pay taxes and any related interest or penalties, fund our restructuring activities and pension plans as required, invest in existing businesses, consummate strategic acquisitions, manage our capital structure on a short and long-term basis and support other business needs or objectives. We also have purchase obligations which consist of agreements to purchase goods or services that are enforceable and legally binding on us and that specify all significant terms, including fixed or minimum quantities to be purchased, fixed, minimum or variable price provisions and the approximate timing of the transaction. As of March 29, 2024 June 28, 2024, we believe that we have sufficient liquidity to satisfy our cash needs.

Our long-term debt requires, among others, that we maintain certain financial covenants, and we were in compliance with all of these covenants as of March 29, 2024 June 28, 2024.

2024 Financing and Capital Transactions

During the three six months ended March 29, 2024 June 28, 2024, we completed the following financing and capital transactions:

- Voluntarily repaid $50.0 $100.0 million of the Three-Year Term Loans Due 2024;
- Repurchased 0.6 1.5 million shares for $21.6 $59.7 million in the open market.

Refer to Note 4. Financing to the Consolidated Condensed Financial Statements for more information related to our long-term indebtedness and Note 11. Capital Stock and Earnings per Share to the Consolidated Condensed Financial Statements for more information related to our share repurchases.

Overview of Cash Flows and Liquidity

Following is an overview of our cash flows and liquidity:

		Three Months Ended			Six Months Ended	
($ in millions)	($ in millions)	March 29, 2024	March 31, 2023	($ in millions)	June 28, 2024	June 30, 2023
Net cash provided by operating activities						
Proceeds from sale of business, net of cash provided						
Proceeds from sale of business, net of cash provided						
Proceeds from sale of business, net of cash provided						
Payments for additions to property, plant and equipment						
Payments for additions to property, plant and equipment						
Payments for additions to property, plant and equipment						
Proceeds from sale of property						
Proceeds from sale of property, plant and equipment						
Cash paid for equity investments						
Proceeds from sale of equity securities						
Net cash provided by investing activities						
Repayment of long-term debt						
Repayment of long-term debt						
Repayment of long-term debt						

Net (repayments of) proceeds from short-term borrowings
Net (repayments of) proceeds from short-term borrowings
Net (repayments of) proceeds from short-term borrowings
Payments of common stock cash dividend
Purchases of treasury stock
Proceeds from stock option exercises
Other financing activities
Net cash used in financing activities

Operating Activities

Cash flows from operating activities can fluctuate significantly from period to period as working capital needs and the timing of payments for income taxes, restructuring activities and other items impact reported cash flows.

Cash flows from operating activities were $91.5 million $137.6 million during the three six months ended March 29, 2024 June 28, 2024, an increase a decrease of $10.5 million $20.9 million, as compared to the comparable period in 2023. The year-over-year change in operating cash flows was primarily attributable to the following factors:

- The aggregate of accounts receivable and long-term financing receivables used $28.2 million $15.5 million of operating cash flows during the three six months ended March 29, 2024 June 28, 2024 compared to generating $42.1 million $11.5 million in the comparable period of 2023. The amount of cash flow generated from or used by accounts receivable depends upon how effectively we manage the cash conversion cycle and can be significantly impacted by the timing of collections in a period. Additionally, when we originate certain financing receivables, we assume the financing receivable by decreasing the franchisee's trade accounts receivable. As a result, originations of certain financing receivables are non-cash transactions.
- The aggregate of other operating assets and liabilities used $11.8 million $91.4 million during the three six months ended March 29, 2024 June 28, 2024 compared to using $75.8 $69.0 million in the comparable period of 2023. This change is due primarily to working capital needs and the timing of accruals and payments and tax-related amounts.

Investing Activities

Net cash provided by investing activities was $51.0 million $23.9 million during the three six months ended March 29, 2024 June 28, 2024, driven primarily by proceeds from the sale of our Coats business, partially offset by payments for additions to property, plant and equipment. Net cash provided by investing activities was $9.0 million $103.5 million during the three six months ended March 31, 2023 June 30, 2023, driven primarily by the proceeds from the sale of our Global Traffic Technologies business, equity securities and property, partially offset by payments for additions to property, plant and equipment.

We made capital expenditures of $20.2 million $44.0 million and $13.7 million $26.1 million during the three six months ended March 29, 2024 June 28, 2024 and March 31, 2023 June 30, 2023, respectively.

Financing Activities

Net cash used in financing activities was $74.4 million $167.5 million during the three six months ended March 29, 2024 June 28, 2024, driven primarily by the voluntary repayment of $50.0 $100.0 million of the Three-Year Term Loans due 2024 and repurchases of the Company's common stock of $21.6 $59.7 million. Net cash used in financing activities was $87.2 million $222.6 million during the three six months ended March 31, 2023 June 30, 2023, driven primarily by the voluntary repayment of $65.0 $165.0 million of the Three-Year Term Loans due 2024 and repurchases of the Company's common stock of $18.1 million $50.0 million.

Share Repurchase Program

Refer to Note 11. Capital Stock and Earnings per Share to the Consolidated Condensed Financial Statements for a description of the Company's share repurchase program.

Dividends

We paid regular quarterly cash dividends of $0.025 per share during the three six months ended March 29, 2024 June 28, 2024. The declaration of future cash dividends is at the discretion of our Board of Directors and will depend upon, among other things, our future earnings, cash flows, capital requirements, financial condition and general business conditions.

Supplemental Guarantor Financial Information

As of March 29, 2024 June 28, 2024, we had $1.6 billion in aggregate principal amount of the Registered Notes and $650.0 million $600.0 million in aggregate principal amount outstanding of the Term Loans. Our obligations to pay principal and interest on the Registered Notes and Term Loans are fully and unconditionally guaranteed on a joint and several basis on an unsecured, unsubordinated basis by Gilbarco Inc. and Matco Tools Corporation, two of Vontier's wholly-owned subsidiaries (the "Guarantor Subsidiaries"). Our other subsidiaries do not guarantee any such indebtedness (collectively, the "Non-Guarantor Subsidiaries"). Refer to Note 4. Financing to the Consolidated Condensed Financial Statements for additional information regarding the terms of our Registered Notes and the Term Loans.

The Registered Notes and the guarantees thereof are the Company's and the Guarantor Subsidiaries' senior unsecured obligations and:

- rank without preference or priority among themselves and equally in right of payment with our existing and any future unsecured and unsubordinated indebtedness, including, without limitation, indebtedness under our credit agreement;
- are senior in right of payment to any of our existing and future indebtedness that is subordinated to the notes;
- are effectively subordinated to any of our existing and future secured indebtedness to the extent of the assets securing such indebtedness; and
- are structurally subordinated to all existing and any future indebtedness and any other liabilities of our Non-Guarantor Subsidiaries.

The following tables present summarized financial information for Vontier Corporation and the Guarantor Subsidiaries on a combined basis and after the elimination of (a) intercompany transactions and balances between Vontier Corporation and the Guarantor Subsidiaries and (b) equity in earnings from and investments in the Non-Guarantor Subsidiaries.

Summarized Results of Operations Data ($ in millions)		Three Six Months Ended March 29, June 28, 2024
Net sales (a)	$	410.4 764.1
Operating profit (b)		140.3 258.0
Net income (c)	$	93.2 174.4

(a) Includes intercompany sales of $5.0 million $14.0 million for the three six months ended March 29, 2024 June 28, 2024.

(b) Includes intercompany operating profit of $0.7 million $5.3 million for the three six months ended March 29, 2024 June 28, 2024.

(c) Includes intercompany pretax income of $0.4 million $3.8 million for the three six months ended March 29, 2024 June 28, 2024.

Summarized Balance Sheet Data ($ in millions)		March 29, June 28, 2024
Assets		
Current assets	$	419.7 418.9
Intercompany receivables		1,826.4 1,927.8
Noncurrent assets		649.9 655.3
Total assets	$	2,896.0 3,002.0
Liabilities		
Current liabilities	$	405.4 322.4
Intercompany payables		277.6 293.1
Noncurrent liabilities		2,242.9 2,243.6
Total liabilities	$	2,925.9 2,859.1

CRITICAL ACCOUNTING ESTIMATES

There were no material changes to the Company's critical accounting estimates described in the Company's 2023 Annual Report on Form 10-K.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Quantitative and qualitative disclosures about market risk appear in "Management's Discussion and Analysis of Financial Condition and Results of Operations — Financial Instruments and Risk Management," in the Company's 2023 Annual Report on Form 10-K. There were no material changes to this information during the three six months ended March 29, 2024 June 28, 2024.

ITEM 4. CONTROLS AND PROCEDURES

Our management, with the participation of the President and Chief Executive Officer, and the Senior Vice President and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on such evaluation, the President and Chief Executive Officer, and the Senior Vice President and Chief Financial Officer, have concluded that, as of the end of such period, these disclosure controls and procedures were effective.

There have been no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the most recent completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Vontier is party in the ordinary course of business, and may in the future be involved in, legal proceedings, litigation, claims, and government investigations. Although the results of the legal proceedings, claims, and government investigations in which we are involved cannot be predicted with certainty, we do not believe that the final outcome of these matters is reasonably likely to have a material adverse effect on our business, financial condition, or operating results.

Refer to Note 9. Litigation and Contingencies to the Consolidated Condensed Financial Statements in this Form 10-Q for more information on certain legal proceedings.

ITEM 1A. RISK FACTORS

Information regarding risk factors appears in "Management's Discussion and Analysis of Financial Condition and Results of Operations - Information Relating to Forward-Looking Statements," in Part I - Item 2 of this Form 10-Q and in "Risk Factors" in Part I - Item 1A of our 2023 Annual Report on Form 10-K. There were no material changes during the three months ended March 29, 2024 June 28, 2024 to the risk factors reported in our 2023 Annual Report on Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(a) Not applicable.
(b) Not applicable.
(c) Purchases of Equity Securities by the Issuer

On May 24, 2022, the Company's Board of Directors approved a replenishment of the Company's previously approved share repurchase program announced in May 2021, bringing the total amount authorized for future share repurchases to $500.0 million. Under the share repurchase program, the Company may purchase shares of common stock from time to time in open market transactions, privately negotiated transactions, accelerated share repurchase programs, or by combinations of such methods, any of which may use prearranged trading plans that are designed to meet the requirements of Rule 10b5-1(c) of the Securities Exchange Act of 1934. The timing of any repurchases and the actual number of shares repurchased will depend on a variety of factors, including the Company's stock price, corporate and regulatory requirements, restrictions under the Company's debt obligations and other market and economic conditions. The share repurchase program may be suspended or discontinued at any time and has no expiration date.

The following table sets forth our share repurchase activity for the three months ended March 29, 2024 June 28, 2024:

Period	Total Number of Shares Purchased (in millions)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (in millions)	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs ($ in millions)
January 1, 2024 - January 26, 2024	0.5	$ 34.06	0.5	$ 335.6
January 27, 2024 - February 23, 2024	—	—	—	335.6
February 24, 2024 - March 29, 2024	0.1	43.08	0.1	332.7
Total	0.6		0.6	

Period	Total Number of Shares Purchased (in millions)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (in millions)	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs ($ in millions)
March 30, 2024 - April 26, 2024	0.2	$ 40.89	0.2	$ 322.7
April 27, 2024 - May 24, 2024	0.5	40.36	0.5	302.7
May 25, 2024 - June 28, 2024	0.2	39.51	0.2	294.6
Total	0.9		0.9	

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Rule 10b5-1 Trading Plans

During the three months ended March 29, 2024 June 28, 2024, none of the Company's directors or executive officers adopted, modified or terminated any contract, instruction or written plan for the purchase or sale of the Company's securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

ITEM 6. EXHIBITS

Incorporated by Reference (Unless Otherwise Indicated)

Exhibit Number	Exhibit Index	Form	File No.	Exhibit	Filing Date
22.1	List of Guarantor Subsidiaries	10-K	001-39483	22.1	February 15, 2024

31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	—		Filed herewith
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	—		Filed herewith
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	—	—		Filed herewith
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	—	—		Filed herewith
101.INS	Inline XBRL Instance Document - the Instance Document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document	—	—		Filed herewith
101.SCH	Inline XBRL Taxonomy Schema Document	—	—		Filed herewith
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	—	—		Filed herewith
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	—	—		Filed herewith
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	—	—		Filed herewith
101.PRE	Inline Taxonomy Extension Presentation Linkbase Document	—	—		Filed herewith
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	—	—		Filed herewith

SIGNATURES

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

VONTIER CORPORATION:

Date: May 2, 2024 August 1, 2024

By: /s/ Anshooman Aga
Anshooman Aga
Senior Vice President and Chief Financial Officer

Date: May 2, 2024 August 1, 2024

By: /s/ Paul V. Shimp
Paul V. Shimp
Chief Accounting Officer

Exhibit 31.1

Certification

I, Mark D. Morelli, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Vontier Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer 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 the registrant and have:
    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2024 August 1, 2024

By: /s/ Mark D. Morelli
Mark D. Morelli
President and Chief Executive Officer

Exhibit 31.2

Certification

I, Anshooman Aga, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Vontier Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer 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 the registrant and have:
    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2024 August 1, 2024

By: /s/ Anshooman Aga
Anshooman Aga
Senior Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark D. Morelli, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge, Vontier Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2024 June 28, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Vontier Corporation.

Date: May 2, 2024 August 1, 2024

By: /s/ Mark D. Morelli
Mark D. Morelli
President and Chief Executive Officer

This certification accompanies the Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that Vontier Corporation specifically incorporates it by reference.

Exhibit 32.2

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

I, Anshooman Aga, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge, Vontier Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2024 June 28, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Vontier Corporation.

Date: May 2, 2024 August 1, 2024

By: /s/ Anshooman Aga
Anshooman Aga
Senior Vice President and Chief Financial Officer

This certification accompanies the Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that Vontier Corporation specifically incorporates it by reference.