

REFINITIV

DELTA REPORT

10-Q

AME - AMETEK INC/

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	772
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 CHANGES	390
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 DELETIONS	229
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 ADDITIONS	153
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended **September 30, 2023** **March 31, 2024**

OR

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

For the transition period from _____ to _____

Commission File Number 1-12981

AMETEK, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

1100 Cassatt Road

Berwyn, Pennsylvania

(Address of principal executive offices)

14-1682544

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

19312-1177

(Zip Code)

Registrant's telephone number, including area code: (610) 647-2121

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

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

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	AME	New York Stock Exchange

The number of shares of the registrant's common stock outstanding as of the latest practicable date was: Common Stock, \$0.01 Par Value, outstanding at **October 27, 2023** **April 29, 2024** was **230,798,657** **231,469,581** shares.

PART I. FINANCIAL INFORMATION

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

AMETEK, Inc. Consolidated Statement of Income (In thousands, except per share amounts) (Unaudited)

Three Months Ended September 30,		Nine Months Ended September 30,	
2023	2022	2023	2022
Three Months Ended March 31,			

		Three Months Ended March 31,			
		Three Months Ended March 31,			
		2024			
		2024			
		2024			
Net sales					
Net sales					
Net sales	Net sales	\$ 1,622,837	\$ 1,551,786	\$ 4,866,065	\$ 4,524,863
Cost of sales	Cost of sales	1,020,920	1,004,596	3,096,635	2,941,604
Cost of sales					
Cost of sales					
Selling, general and administrative					
Selling, general and administrative					
Selling, general and administrative	Selling, general and administrative	163,782	162,670	506,963	480,657
Total operating expenses	Total operating expenses	1,184,702	1,167,266	3,603,598	3,422,261
Total operating expenses					
Total operating expenses					
Operating income					
Operating income					
Operating income	Operating income	438,135	384,520	1,262,467	1,102,602
Interest expense	Interest expense	(18,386)	(20,245)	(57,678)	(60,165)
Interest expense					
Interest expense					
Other (expense) income, net					
Other (expense) income, net					
Other (expense) income, net	Other (expense) income, net	(6,256)	3,227	(15,313)	7,752
Income before income taxes	Income before income taxes	413,493	367,502	1,189,476	1,050,189
Income before income taxes					

Income before income taxes					
Provision for income taxes					
Provision for income taxes					
Provision for income taxes	Provision for income taxes	73,123	69,861	219,152	197,728
Net income	Net income	\$ 340,370	\$ 297,641	\$ 970,324	\$ 852,461
Net income					
Net income					
Basic earnings per share					
Basic earnings per share					
Basic earnings per share	Basic earnings per share	\$ 1.48	\$ 1.30	\$ 4.21	\$ 3.70
Diluted earnings per share	Diluted earnings per share	\$ 1.47	\$ 1.29	\$ 4.19	\$ 3.68
Diluted earnings per share					
Diluted earnings per share					
Weighted average common shares outstanding:					
Weighted average common shares outstanding:					
Weighted average common shares outstanding:	Weighted average common shares outstanding:				
Basic shares	Basic shares	230,691	229,500	230,431	230,360
Basic shares					
Basic shares					
Diluted shares					
Diluted shares					
Diluted shares	Diluted shares	231,751	230,714	231,414	231,675
Dividends declared and paid per share	Dividends declared and paid per share	\$ 0.25	\$ 0.22	\$ 0.75	\$ 0.66
Dividends declared and paid per share					
Dividends declared and paid per share					

See accompanying notes.

AMETEK, Inc.
Condensed Consolidated Statement of Comprehensive Income
(In thousands)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Total comprehensive income	\$ 294,757	\$ 215,568	\$ 977,660	\$ 694,902

	Three Months Ended	
	March 31,	
	2024	2023
Total comprehensive income	\$ 285,557	\$ 223,639

See accompanying notes.

AMETEK, Inc.
Consolidated Balance Sheet
(In thousands)

	September 30,		December 31,	
	2023		2022	
	(Unaudited)			
	March 31,		March 31,	December 31,
	2024		2024	2023
	(Unaudited)			
ASSETS				
ASSETS				
ASSETS	ASSETS			
Current assets:	Current assets:			
Current assets:				
Current assets:				
Cash and cash equivalents				

Cash and cash equivalents			
Cash and cash equivalents	Cash and cash equivalents	\$ 841,901	\$ 345,386
Receivables, net	Receivables, net	936,803	919,335
Inventories, net	Inventories, net	1,087,584	1,044,284
Other current assets	Other current assets	252,407	219,053
Total current assets	Total current assets	3,118,695	2,528,058
Property, plant and equipment, net	Property, plant and equipment, net	631,692	635,641
Right of use assets, net	Right of use assets, net	165,450	170,295
Goodwill	Goodwill	5,479,025	5,372,562
Other intangibles, net	Other intangibles, net	3,283,846	3,342,085
Investments and other assets	Investments and other assets	414,668	382,479
Total assets	Total assets	\$13,093,376	\$12,431,120
LIABILITIES AND STOCKHOLDERS' EQUITY	LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:	Current liabilities:		
Current liabilities:			
Current liabilities:			
Short-term borrowings and current portion of long-term debt, net			
Short-term borrowings and current portion of long-term debt, net			
Short-term borrowings and current portion of long-term debt, net	Short-term borrowings and current portion of long-term debt, net	\$ 304,480	\$ 226,079
Accounts payable	Accounts payable	486,581	497,134

Customer advanced payments	Customer advanced payments	362,985	357,674
Income taxes payable	Income taxes payable	61,800	48,171
Accrued liabilities and other	Accrued liabilities and other	457,874	435,144
Total current liabilities	Total current liabilities	1,673,720	1,564,202
Long-term debt, net	Long-term debt, net	1,856,129	2,158,928
Deferred income taxes	Deferred income taxes	629,590	694,267
Other long-term liabilities	Other long-term liabilities	591,428	537,211
Total liabilities	Total liabilities	4,750,867	4,954,608
Stockholders' equity:	Stockholders' equity:		
Common stock	Common stock	2,708	2,700
Common stock	Common stock		
Capital in excess of par value	Capital in excess of par value	1,148,107	1,094,236
Retained earnings	Retained earnings	9,655,114	8,857,485
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(567,609)	(574,945)
Treasury stock	Treasury stock	(1,895,811)	(1,902,964)
Total stockholders' equity	Total stockholders' equity	8,342,509	7,476,512
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	\$13,093,376	\$12,431,120

See accompanying notes.

AMETEK, Inc.
Consolidated Statement of Stockholders' Equity
(In thousands)
(Unaudited)

		Three months ended September 30,		Nine months ended September 30,	
		2023	2022	2023	2022
		Three months ended March 31,			
		Three months ended March 31,			
		Three months ended March 31,			
		2024			
		2024			
		2024			
Capital stock					
Capital stock					
Capital stock	Capital stock				
Common stock, \$0.01 par value	Common stock, \$0.01 par value				
Common stock, \$0.01 par value					
Common stock, \$0.01 par value					
Balance at the beginning of the period	Balance at the beginning of the period				
Balance at the beginning of the period	Balance at the beginning of the period				
Balance at the beginning of the period	Balance at the beginning of the period	\$ 2,707	\$ 2,695	\$ 2,700	\$ 2,689
Shares issued	Shares issued	1	—	8	6
Shares issued					
Shares issued					
Balance at the end of the period	Balance at the end of the period				
Balance at the end of the period	Balance at the end of the period				
Balance at the end of the period	Balance at the end of the period	2,708	2,695	2,708	2,695
Capital in excess of par value	Capital in excess of par value				
Capital in excess of par value					
Capital in excess of par value					
Balance at the beginning of the period	Balance at the beginning of the period				
Balance at the beginning of the period	Balance at the beginning of the period				
Balance at the beginning of the period	Balance at the beginning of the period	1,123,920	1,040,951	1,094,236	1,012,526

Issuance of common stock under employee stock plans	Issuance of common stock under employee stock plans	11,274	6,068	18,098	11,966
Issuance of common stock under employee stock plans					
Issuance of common stock under employee stock plans					
Share-based compensation expense					
Share-based compensation expense					
Share-based compensation expense	Share-based compensation expense	12,913	12,060	35,773	34,587
Balance at the end of the period	Balance at the end of the period	1,148,107	1,059,079	1,148,107	1,059,079
Balance at the end of the period					
Balance at the end of the period					
Retained earnings					
Retained earnings					
Retained earnings	Retained earnings				
Balance at the beginning of the period	Balance at the beginning of the period	9,372,368	8,353,735	8,857,485	7,900,113
Balance at the beginning of the period					
Balance at the beginning of the period					
Net income	Net income	340,370	297,641	970,324	852,461
Net income					
Net income					
Cash dividends paid					
Cash dividends paid					
Cash dividends paid	Cash dividends paid	(57,622)	(50,438)	(172,693)	(151,635)
Other	Other	(2)	—	(2)	(1)
Other					
Other					
Balance at the end of the period					
Balance at the end of the period					
Balance at the end of the period	Balance at the end of the period	9,655,114	8,600,938	9,655,114	8,600,938
Accumulated other comprehensive (loss) income	Accumulated other comprehensive (loss) income				
Accumulated other comprehensive (loss) income					
Accumulated other comprehensive (loss) income					
Foreign currency translation:					
Foreign currency translation:					

Foreign currency translation:		Foreign currency translation:				
Balance at the beginning of the period	Balance at the beginning of the period	(318,359)	(352,851)	(368,124)	(275,365)	
Balance at the beginning of the period						
Balance at the beginning of the period						
Translation adjustments						
Translation adjustments						
Translation adjustments	Translation adjustments	(62,092)	(110,524)	568	(225,100)	
Change in long-term intercompany notes	Change in long-term intercompany notes	(6,994)	(17,393)	(1,091)	(40,512)	
Net investment hedge instruments gain (loss), net of tax of \$(7,126) and \$(14,604) for the quarter ended September 30, 2023 and 2022 and \$(1,004) and \$(34,212) for the nine months ended September 30, 2023 and 2022, respectively		21,881	44,844	3,083	105,053	
Change in long-term intercompany notes						
Change in long-term intercompany notes						
Net investment hedge instruments gain (loss), net of tax of \$(3,987) and \$3,805 for the quarter ended March 31, 2024 and 2023, respectively						
Net investment hedge instruments gain (loss), net of tax of \$(3,987) and \$3,805 for the quarter ended March 31, 2024 and 2023, respectively						
Net investment hedge instruments gain (loss), net of tax of \$(3,987) and \$3,805 for the quarter ended March 31, 2024 and 2023, respectively						
Balance at the end of the period						
Balance at the end of the period						
Balance at the end of the period	Balance at the end of the period	(365,564)	(435,924)	(365,564)	(435,924)	
Defined benefit pension plans:	Defined benefit pension plans:					
Defined benefit pension plans:						
Defined benefit pension plans:						
Balance at the beginning of the period	Balance at the beginning of the period	(203,637)	(193,079)	(206,821)	(195,079)	
Amortization of net actuarial loss and other, net of tax of \$(518) and \$(326) for the quarter ended September 30, 2023 and 2022 and \$(1,554) and \$(977) for the nine months ended September 30, 2023 and 2022, respectively		1,592	1,000	4,776	3,000	
Balance at the beginning of the period						
Balance at the beginning of the period						

Amortization of net actuarial loss and other, net of tax of \$(365) and \$(518) for the quarter ended March 31, 2024 and 2023, respectively

Amortization of net actuarial loss and other, net of tax of \$(365) and \$(518) for the quarter ended March 31, 2024 and 2023, respectively

Amortization of net actuarial loss and other, net of tax of \$(365) and \$(518) for the quarter ended March 31, 2024 and 2023, respectively

Balance at the end of the period

Balance at the end of the period

Balance at the end of the period	Balance at the end of the period	(202,045)	(192,079)	(202,045)	(192,079)
Accumulated other comprehensive loss at the end of the period	Accumulated other comprehensive loss at the end of the period	(567,609)	(628,003)	(567,609)	(628,003)

Accumulated other comprehensive loss at the end of the period

Accumulated other comprehensive loss at the end of the period

Treasury stock

Treasury stock

Treasury stock	Treasury stock				
Balance at the beginning of the period	Balance at the beginning of the period	(1,895,628)	(1,901,360)	(1,902,964)	(1,573,000)

Balance at the beginning of the period

Balance at the beginning of the period

Issuance of common stock under employee stock plans

Issuance of common stock under employee stock plans

Issuance of common stock under employee stock plans	Issuance of common stock under employee stock plans	(129)	(632)	13,731	2,387
Purchase of treasury stock	Purchase of treasury stock	(54)	(45)	(6,578)	(331,424)

Purchase of treasury stock

Purchase of treasury stock

Balance at the end of the period

Balance at the end of the period

Balance at the end of the period	Balance at the end of the period	(1,895,811)	(1,902,037)	(1,895,811)	(1,902,037)
----------------------------------	----------------------------------	-------------	-------------	-------------	-------------

Total stockholders' equity	Total stockholders' equity	<u>\$ 8,342,509</u>	<u>\$ 7,132,672</u>	<u>\$ 8,342,509</u>	<u>\$ 7,132,672</u>
Total stockholders' equity					
Total stockholders' equity					

See accompanying notes.

AMETEK, Inc.
Condensed Consolidated Statement of Cash Flows
(In thousands)
(Unaudited)

		Nine months ended September 30,			
		2023	2022		
		Three months ended March 31,		Three months ended March 31,	
		2024		2024	2023
Cash provided by (used for):	Cash provided by (used for):				
Operating activities:	Operating activities:				
Operating activities:	Operating activities:				
Operating activities:	Operating activities:				
Net income	Net income				
Net income	Net income				
Net income	Net income	\$ 970,324	\$852,461		
Adjustments to reconcile net income to total operating activities:	Adjustments to reconcile net income to total operating activities:				
Depreciation and amortization	Depreciation and amortization	245,713	230,968		
Depreciation and amortization	Depreciation and amortization				
Deferred income taxes	Deferred income taxes	(67,525)	(32,889)		
Share-based compensation expense	Share-based compensation expense	35,773	34,587		
Gain on sale of business/investment	Gain on sale of business/investment	—	(3,584)		

Gain on sale of facilities			
Gain on sale of facilities			
Gain on sale of facilities	Gain on sale of facilities	—	(7,054)
Net change in assets and liabilities, net of acquisitions	Net change in assets and liabilities, net of acquisitions	27,266	(299,311)
Pension contributions	Pension contributions	(3,927)	(5,244)
Other, net	Other, net	(12,985)	(5,576)
Total operating activities	Total operating activities	1,194,639	764,358
Investing activities:		Investing activities:	
Additions to property, plant and equipment	Additions to property, plant and equipment	(76,506)	(80,829)
Additions to property, plant and equipment			
Additions to property, plant and equipment			
Purchases of businesses, net of cash acquired	Purchases of businesses, net of cash acquired	(246,656)	(190,321)
Proceeds from sale of business/investment		—	3,734
Proceeds from sale of facilities			
Proceeds from sale of facilities			
Proceeds from sale of facilities	Proceeds from sale of facilities	—	11,754
Other, net	Other, net	(3,149)	124
Total investing activities	Total investing activities	(326,311)	(255,538)
Financing activities:		Financing activities:	
Net change in short-term borrowings	Net change in short-term borrowings	(220,555)	(26,315)
Net change in short-term borrowings			
Net change in short-term borrowings			
Repurchases of common stock			
Repurchases of common stock			
Repurchases of common stock	Repurchases of common stock	(6,578)	(331,424)

Cash dividends paid	Cash dividends paid	(172,693)	(151,635)
Proceeds from stock option exercises	Proceeds from stock option exercises	40,120	23,241
Other, net	Other, net	(5,068)	(15,056)
Total financing activities	Total financing activities	(364,774)	(501,189)
Effect of exchange rate changes on cash and cash equivalents	Effect of exchange rate changes on cash and cash equivalents	(7,039)	(44,459)
Increase in cash and cash equivalents		496,515	(36,828)
(Decrease) increase in cash and cash equivalents			
Cash and cash equivalents:	Cash and cash equivalents:		
Beginning of period	Beginning of period	345,386	346,772
Beginning of period			
Beginning of period			
End of period	End of period	\$ 841,901	\$309,944

See accompanying notes.

AMETEK, Inc.
Notes to Consolidated Financial Statements
September 30, 2023 March 31, 2024
(Unaudited)

1. Basis of Presentation

The accompanying consolidated financial statements are unaudited. AMETEK, Inc. (the "Company") believes that all adjustments (which primarily consist of normal recurring accruals) necessary for a fair presentation of the consolidated financial position of the Company at September 30, 2023 March 31, 2024, the consolidated results of its operations for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 and its cash flows for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 have been included. Quarterly results of operations are not necessarily indicative of results for the full year. The accompanying consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes presented in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 as filed with the U.S. Securities and Exchange Commission.

2. Recent Accounting Pronouncements

Recent Accounting Pronouncements

In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures ("ASU 2023-07"), which requires disclosure of significant segment expenses and other segment items on an annual and interim basis under ASC 280. ASU 2023-07 is effective for annual periods beginning after December 15, 2023, and for

interim periods beginning after December 15, 2024. Early adoption is permitted and the amendments in this ASU should be applied on a retrospective basis to all periods presented. The Company has not determined the impact ASU 2023-07 may have on the Company's financial statement disclosures.

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09"), which improves income tax disclosures by requiring (1) consistent categories and greater disaggregation of information in the rate reconciliation and (2) income taxes paid disaggregated by jurisdiction. It also includes certain other amendments to improve the effectiveness of income tax disclosures. ASU 2023-09 is effective for annual periods beginning after December 15, 2024. Early adoption is permitted. The ASU indicates that all entities will apply its guidance prospectively with an option for retroactive application to each period in the financial statements. The Company has not determined the impact ASU 2023-09 may have on the Company's financial statement disclosures.

3. Revenues

The outstanding contract asset and liability accounts were as follows:

		2023	2022
		(In thousands)	
		2024	2023
		(In thousands)	
Contract assets—	Contract assets—		
January 1	January 1	\$119,741	\$ 95,274
Contract assets –			
September 30		139,771	111,687
Contract assets –			
March 31			
Change in contract assets –	Change in contract assets –		
increase	increase		
(decrease)	(decrease)	20,030	16,413
Contract liabilities –	Contract liabilities –		
January 1	January 1	398,692	328,816
Contract liabilities –			
September 30		422,415	371,411
Contract liabilities –			
March 31			
Change in contract liabilities –	Change in contract liabilities –		
(increase)	(increase)		
decrease	decrease	(23,723)	(42,595)

Net change	Net change	\$ (3,693)	\$(26,182)
------------	------------	------------	------------

The net change for the **nine** **three** months ended **September 30, 2023** **March 31, 2024** was **primarily** driven by contract liabilities, specifically growth in advance payments from **customers**. **customers** being largely offset by the increase in contract **assets**. For the **nine** **three** months ended **September 30, 2023** **March 31, 2024** and **2022, 2023**, the Company recognized revenue of **\$297.7 million** **\$219.0 million** and **\$252.4 million** **\$199.3 million**, respectively, that was previously included in the beginning balance of contract liabilities.

Contract assets are reported as a component of Other current assets in the consolidated balance sheet. At **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, **\$59.4 million** **\$47.5 million** and **\$41.0 million** **\$57.3 million** of Customer advanced payments (contract liabilities), respectively, were recorded in Other long-term liabilities in the consolidated balance sheets.

AMETEK, Inc.

Notes to Consolidated Financial Statements

March 31, 2024

(Unaudited)

The remaining performance obligations not expected to be completed within one year as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** were **\$570.7 million** **\$596.3 million** and **\$526.0 million** **\$607.5 million**, respectively. Remaining performance obligations represent the transaction price of firm, non-cancelable orders, with expected delivery dates to customers greater than one year from the balance sheet date, for which the performance obligation is unsatisfied or partially unsatisfied. These performance obligations will be substantially satisfied within two to three years.

AMETEK, Inc.

Notes to Consolidated Financial Statements

September 30, 2023

(Unaudited)

Geographic Areas

Net sales were attributed to geographic areas based on the location of the customer. Information about the Company's operations in different geographic areas was as follows for the three **and nine** months ended **September 30, March 31:**

Three months ended September 30, 2023			Nine months ended September 30, 2023		
EIG	EMG	Total	EIG	EMG	Total
(In thousands)					
Three months ended March 31, 2024					
Three months ended March 31, 2024					
Three months ended March 31, 2024					
EIG					
EIG					
EIG					
(In thousands)					

		(In thousands)					
		(In thousands)					
United States	United States	\$ 616,988	\$ 274,146	\$ 891,134	\$ 1,754,165	\$ 805,876	\$ 2,560,041
International ⁽¹⁾ :	International ⁽¹⁾ :						
International ⁽¹⁾ :							
International ⁽¹⁾ :							
United Kingdom							
United Kingdom							
United Kingdom	United Kingdom	23,327	30,348	53,675	74,515	89,812	164,327
European Union countries	European Union countries	115,026	99,931	214,957	381,495	327,614	709,109
European Union countries							
European Union countries							
Asia							
Asia							
Asia	Asia	271,922	47,699	319,621	846,450	151,357	997,807
Other foreign countries	Other foreign countries	108,867	34,583	143,450	331,398	103,383	434,781
Other foreign countries							
Other foreign countries							
Total international							
Total international							
Total international	Total international	519,142	212,561	731,703	1,633,858	672,166	2,306,024
Consolidated net sales	Consolidated net sales	\$ 1,136,130	\$ 486,707	\$ 1,622,837	\$ 3,388,023	\$ 1,478,042	\$ 4,866,065
Consolidated net sales							
Consolidated net sales							

(1) Includes U.S. export sales of \$391.7 million and \$1,265.0 million \$473.8 million for the three and nine months ended September 30, 2023, respectively. March 31, 2024.

Three months ended September 30, 2022			Nine months ended September 30, 2022		
EIG	EMG	Total	EIG	EMG	Total
(In thousands)					
Three months ended March 31, 2023					
Three months ended March 31, 2023					
Three months ended March 31, 2023					
EIG					

		EIG						
		EIG						
		(In thousands)						
		(In thousands)						
		(In thousands)						
United States	United States	\$ 554,048	\$ 265,549	\$ 819,597	\$ 1,589,641	\$ 736,626	\$ 2,326,267	
International ⁽¹⁾ :	International ⁽¹⁾ :							
International ⁽¹⁾ :								
International ⁽¹⁾ :								
United Kingdom								
United Kingdom								
United Kingdom	United Kingdom	18,409	28,694	47,103	65,414	89,071	154,485	
European Union countries	European Union countries	113,935	100,427	214,362	344,074	322,607	666,681	
European Union countries								
European Union countries								
Asia								
Asia								
Asia	Asia	264,432	70,375	334,807	776,084	204,006	980,090	
Other foreign countries	Other foreign countries	103,300	32,617	135,917	294,918	102,422	397,340	
Other foreign countries								
Other foreign countries								
Total international								
Total international								
Total international	Total international	500,076	232,113	732,189	1,480,490	718,106	2,198,596	
Consolidated net sales	Consolidated net sales	\$ 1,054,124	\$ 497,662	\$ 1,551,786	\$ 3,070,131	\$ 1,454,732	\$ 4,524,863	
Consolidated net sales								
Consolidated net sales								

(1) Includes U.S. export sales of \$415.4 million and \$1,217.2 million \$434.2 million for the three and nine months ended September 30, 2022, respectively. March 31, 2023.

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Major Products and Services

The Company's major products and services in the reportable segments were as follows:

		Three months ended September 30, 2023			Nine months ended September 30, 2023		
		EIG	EMG	Total	EIG	EMG	Total
		(In thousands)					
		Three months ended March 31, 2024					
		Three months ended March 31, 2024					
		Three months ended March 31, 2024					
		EIG					
		EIG					
		EIG					
		(In thousands)					
		(In thousands)					
		(In thousands)					
Process and analytical instrumentation	Process and analytical instrumentation	\$ 801,027	\$ —	\$ 801,027	\$ 2,394,127	\$ —	\$ 2,394,127
Aerospace and power	Aerospace and power	335,103	146,843	481,946	993,896	439,685	1,433,581
Aerospace and power							
Aerospace and power							
Automation and engineered solutions							
Automation and engineered solutions							
Automation and engineered solutions	Automation and engineered solutions	—	339,864	339,864	—	1,038,357	1,038,357
Consolidated net sales	Consolidated net sales	\$ 1,136,130	\$ 486,707	\$ 1,622,837	\$ 3,388,023	\$ 1,478,042	\$ 4,866,065
Consolidated net sales							
Consolidated net sales							

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		Three months ended September 30, 2022			Nine months ended September 30, 2022		
		EIG	EMG	Total	EIG	EMG	Total
		(In thousands)					
		Three months ended March 31, 2023					
		Three months ended March 31, 2023					
		Three months ended March 31, 2023					
		EIG					
		EIG					
		EIG					
		(In thousands)					
		(In thousands)					
		(In thousands)					
Process and analytical instrumentation	Process and analytical instrumentation	\$ 758,868	\$ —	\$ 758,868	\$ 2,219,821	\$ —	\$ 2,219,821
Aerospace and power	Aerospace and power	295,256	143,689	438,945	850,310	407,771	1,258,081
Aerospace and power							
Aerospace and power							
Automation and engineered solutions							
Automation and engineered solutions							
Automation and engineered solutions	Automation and engineered solutions	—	353,973	353,973	—	1,046,961	1,046,961
Consolidated net sales	Consolidated net sales	\$ 1,054,124	\$ 497,662	\$ 1,551,786	\$ 3,070,131	\$ 1,454,732	\$ 4,524,863
Consolidated net sales							
Consolidated net sales							

Timing of Revenue Recognition

		Three months ended September 30, 2023			Nine months ended September 30, 2023		
		EIG	EMG	Total	EIG	EMG	Total
		(In thousands)					
		Three months ended March 31, 2024					
		Three months ended March 31, 2024					
		Three months ended March 31, 2024					
		EIG					

		EIG											
		EIG											
			(In thousands)										
			(In thousands)										
			(In thousands)										
Products transferred at a point in time	Products transferred at a point in time	\$	937,382	\$	437,542	\$	1,374,924	\$	2,809,624	\$	1,314,761	\$	4,124,385
Products and services transferred over time	Products and services transferred over time		198,748		49,165		247,913		578,399		163,281		741,680
Products and services transferred over time													
Products and services transferred over time													
Consolidated net sales	Consolidated net sales	\$	1,136,130	\$	486,707	\$	1,622,837	\$	3,388,023	\$	1,478,042	\$	4,866,065
Consolidated net sales													
Consolidated net sales													

		Three months ended September 30, 2022			Nine months ended September 30, 2022		
		EIG	EMG	Total	EIG	EMG	Total
		(In thousands)					
		Three months ended March 31, 2023					
		Three months ended March 31, 2023					
		Three months ended March 31, 2023					
		EIG					
		EIG					
		EIG					
		(In thousands)					
		(In thousands)					
		(In thousands)					
Products transferred at a point in time	Products transferred at a point in time	\$ 869,455	\$ 436,222	\$ 1,305,677	\$ 2,522,351	\$ 1,272,382	\$ 3,794,733
Products and services transferred over time	Products and services transferred over time	184,669	61,440	246,109	547,780	182,350	730,130
Products and services transferred over time							

Products and services transferred over time							
Consolidated net sales	Consolidated net sales	\$ 1,054,124	\$ 497,662	\$ 1,551,786	\$ 3,070,131	\$ 1,454,732	\$ 4,524,863
Consolidated net sales							
Consolidated net sales							

Product Warranties

The Company provides limited warranties in connection with the sale of its products. The warranty periods for products sold vary among the Company’s operations, but the majority do not exceed one year. The Company calculates its warranty expense provision based on its historical warranty experience and adjustments are made periodically to reflect actual warranty expenses. Product warranty obligations are reported as a component of Accrued liabilities and other in the consolidated balance sheet.

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Changes in the accrued product warranty obligation were as follows:

		Nine Months Ended September 30,	
		2023	2022
		(In thousands)	
		Three Months Ended March 31,	
		2024	2023
		(In thousands)	
Balance at the beginning of the period	Balance at the beginning of the period	\$26,487	\$27,478
Accruals for warranties issued during the period	Accruals for warranties issued during the period	15,711	8,530

Settlements made during the period	Settlements made during the period	(10,868)	(8,769)
Warranty accruals related to acquired businesses and other during the period	Warranty accruals related to acquired businesses and other during the period	21	(1,080)
Balance at the end of the period	Balance at the end of the period	<u>\$31,351</u>	<u>\$26,159</u>

Accounts Receivable

The Company maintains allowances for estimated losses resulting from the inability of customers to meet their financial obligations to the Company. The Company recognizes an allowance for credit losses, on all accounts receivable and contract assets, which considers risk of future credit losses based on factors such as historical experience, contract terms, as well as general and market business conditions, country, and political risk. Balances are written off when determined to be uncollectible.

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At September 30, 2023 March 31, 2024, the Company had \$936.8 million \$983.9 million of accounts receivable, net of allowances of \$13.9 million \$13.3 million. Changes in the allowance were not material for the three and nine months ended September 30, 2023 March 31, 2024.

3.4. Earnings Per Share

The calculation of basic earnings per share is based on the weighted average number of common shares considered outstanding during the periods. The calculation of diluted earnings per share reflects the effect of all potentially dilutive securities (principally outstanding stock options and restricted stock grants). The number of weighted average shares used in the calculation of basic earnings per share and diluted earnings per share was as follows:

Three Months Ended September 30,		Nine Months Ended September 30,	
2023	2022	2023	2022
(In thousands)			
Three Months Ended March 31,			
Three Months Ended March 31,			
Three Months Ended March 31,			

		2024			
		2024			
		2024			
		(In thousands)			
		(In thousands)			
		(In thousands)			
Weighted average shares:	Weighted average shares:				
Basic shares	Basic shares	230,691	229,500	230,431	230,360
Basic shares					
Basic shares					
Equity-based compensation plans					
Equity-based compensation plans					
Equity-based compensation plans	Equity-based compensation plans	1,060	1,214	983	1,315
Diluted shares	Diluted shares	231,751	230,714	231,414	231,675
Diluted shares					
Diluted shares					

The calculation of diluted earnings per share for the three months ended March 31, 2024 excluded an immaterial number of stock options because the exercise prices of these stock options exceeded the average market price of the Company’s common shares, and the effect of their inclusion would have been antidilutive. There were no antidilutive shares for the three months ended March 31, 2023.

4.5. Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The Company utilizes a valuation hierarchy for disclosure of the inputs to the valuations used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. Level 3 inputs are unobservable inputs based on the Company’s own assumptions used

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to measure assets and liabilities at fair value. A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The following table provides the Company's assets that are measured at fair value on a recurring basis, consistent with the fair value hierarchy, at **September 30, 2023**, **March 31, 2024** and **December 31, 2022**, **December 31, 2023**:

		September 30, 2023			
		Total	Level 1	Level 2	Level 3
		(In thousands)			
		March 31, 2024			
		Total	Total	Level 1	Level 2 Level 3
		(In thousands)			
Mutual fund investments	Mutual fund investments	\$10,981	\$10,981	\$ —	\$ —
Foreign currency forward contracts	Foreign currency forward contracts	(2,616)	—	(2,616)	—
		December 31, 2022			
		Total	Level 1	Level 2	Level 3
		(In thousands)			
		December 31, 2023			
		Total	Total	Level 1	Level 2 Level 3
		(In thousands)			
Mutual fund investments	Mutual fund investments	\$9,856	\$9,856	\$ —	\$ —
Foreign currency forward contracts	Foreign currency forward contracts	3,032	—	3,032	—

The fair value of mutual fund investments is based on quoted market prices. The mutual fund investments are shown as a component of investments and other assets on the consolidated balance sheet.

For the **nine** **three** months ended **September 30, 2023**, **March 31, 2024** and **2022**, **2023**, gains and losses on the investments noted above were not significant. No transfers between level 1 and level 2 investments occurred during the **nine** **three** months ended **September 30, 2023**, **March 31, 2024** and **2022**.

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2023.

Foreign Currency

At September 30, 2023 March 31, 2024, the Company had a Euro forward contract for a total notional value of 40.0 50.0 million Euros. The foreign currency forward contract is valued as a level 2 liability as it is corroborated by foreign currency exchange rates and shown as a component of other current liabilities on the consolidated balance sheet. For the nine three months ended September 30, 2023 March 31, 2024, realized and unrealized gains and losses on the foreign currency forward contracts were not significant.

Financial Instruments

Cash, cash equivalents and mutual fund investments are recorded at fair value at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 in the accompanying consolidated balance sheet.

The following table provides the estimated fair values of the Company's financial instrument liabilities, for which fair value is measured for disclosure purposes only, compared to the recorded amounts at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

	September 30, 2023		December 31, 2022	
	Recorded Amount	Fair Value	Recorded Amount	Fair Value
(In thousands)				
Long-term debt (including current portion)	\$ (2,158,388)	\$ (1,989,002)	\$ (2,161,643)	\$ (2,010,867)

	March 31, 2024		December 31, 2023	
	Recorded Amount	Fair Value	Recorded Amount	Fair Value
(In thousands)				
Long-term debt (including current portion)	\$ (2,179,727)	\$ (2,072,710)	\$ (2,197,538)	\$ (2,087,607)

The fair value of net short-term borrowings approximates the carrying value. The Company's net long-term debt is all privately held with no public market for this debt, therefore, the fair value of net long-term debt was computed based on comparable current market data for similar debt instruments and is considered a level 3 liability.

5.6. Hedging Activities

The Company has designated certain foreign-currency-denominated long-term borrowings as hedges of the net investment in certain foreign operations. As of September 30, 2023 March 31, 2024, these net investment hedges included British-pound-and Euro-denominated long-term debt. These borrowings were designed to create net investment hedges in certain designated foreign subsidiaries. The Company designated the British-pound- and Euro-denominated loans as hedging instruments to offset

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translation gains or losses on the net investment due to changes in the British pound and Euro exchange rates. These net investment hedges are evidenced by management's contemporaneous documentation supporting the hedge designation. Any gain or loss on the hedging instruments (the debt) following hedge designation is reported in accumulated other comprehensive income in the same manner as the translation adjustment on the hedged investment based on changes in the spot rate, which is used to measure hedge effectiveness.

At **September 30, 2023** **March 31, 2024**, the Company had **\$274.8 million** **\$284.3 million** of British-pound-denominated loans, which were designated as a hedge against the net investment in British pound functional currency foreign subsidiaries. At **September 30, 2023** **March 31, 2024**, the Company had **\$562.1 million** **\$558.3 million** in Euro-denominated loans, which were designated as a hedge against the net investment in Euro functional currency foreign subsidiaries. As a result of the British-pound- and Euro-denominated loans designated and 100% effective as net investment hedges, **\$4.1 million** **\$16.2 million** of pre-tax currency remeasurement gains have been included in the foreign currency translation component of other comprehensive income for the **nine** **three** months ended **September 30, 2023** **March 31, 2024**.

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6.7. Inventories, net

		September			
		30,	December 31,		
		2023	2022		
		<hr/>			
		(In thousands)			
March 31,		March 31,		December 31,	
2024		2024		2023	
<hr/>				<hr/>	
(In thousands)				(In thousands)	
Finished goods and parts	Finished goods and parts	\$ 116,143	\$	130,989	
Work in process	Work in process	150,317		138,043	
Raw materials and purchased parts	Raw materials and purchased parts	821,124		775,252	
Total inventories, net	Total inventories, net	\$1,087,584		\$1,044,284	

7.8. Leases

The components of lease expense were as follows:

Supplemental balance sheet information related to leases was as follows:

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Right of use assets, net	Right of use assets, net	\$165,450	\$170,295
Lease liabilities included in Accrued Liabilities and other	Lease liabilities included in Accrued Liabilities and other	44,932	46,366
Lease liabilities included in Other long-term liabilities	Lease liabilities included in Other long-term liabilities	124,462	129,227
Total lease liabilities	Total lease liabilities	\$169,394	\$175,593

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Maturities of lease liabilities as of **September 30, 2023** **March 31, 2024** were as follows:

Lease Liability Maturity Analysis	Lease Liability Maturity Analysis	Operating Leases	Lease Liability Maturity Analysis	Operating Leases
		(In thousands)		
Remaining 2023		\$ 12,834		
2024		47,997		
		(In thousands)		(In thousands)
Remaining 2024				
2025	2025	38,110		
2026	2026	29,112		
2027	2027	19,317		
2028				
Thereafter	Thereafter	40,340		
Total lease payments	Total lease payments	187,710		

Less:	Less:	
imputed	imputed	
interest	interest	18,316
		<u>\$ 169,394</u>
		<u>\$</u>

The Company does not have any significant leases that have not yet commenced.

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8. Acquisitions

9. Acquisitions

The Company spent \$246.7 million in cash, net of cash acquired, to acquire Bison Gear & Engineering Corp. ("Bison") in March 2023 and United Electronic Industries ("UEI") in August 2023. Bison is a leading manufacturer of highly engineered motion control solutions serving diverse markets and applications. Bison is part of EMG. UEI is a leading provider of data acquisition and control solutions initial accounting for the aerospace, defense, energy and semiconductor industries. UEI December 2023 Paragon Medical acquisition is part of EIG.

The following table represents being finalized, including the allocation measurement of the purchase price for acquired tangible and intangible assets and liabilities, as well as, the net assets associated income tax considerations. All amounts could change, potentially materially, as there is significant additional information that the Company must obtain to finalize the valuations of the 2023 acquisitions based on assets acquired and liabilities assumed, and to finalize the estimated fair values at acquisition (in millions):

Property, plant and equipment	\$ 13.4
Goodwill	82.6
Other intangible assets	124.0
Net working capital and other ⁽¹⁾	26.7
Total cash paid	<u>\$ 246.7</u>

(1) Includes \$12.9 million in accounts receivable, whose fair value contractual cash flows and expected cash flows are approximately equal.

The amount allocated to goodwill is reflective of the benefits the Company expects to realize from the acquisitions. Bison's engineering expertise and broad product portfolio complement the Company's existing motion control and automation solutions business. UEI's innovative solutions complement the Company's existing testing and data acquisition expertise. The Company expects approximately \$73.5 million of the goodwill relating to the acquisitions will be tax deductible in future years.

At September 30, 2023, the purchase price allocated to other intangible assets of \$124.0 million consists of \$23.8 million of indefinite-lived intangible trade names, which are not subject to amortization. The remaining \$100.2 million of other intangible assets consists of \$75.8 million of customer relationships, which are being amortized over a period of 20 years, and \$24.4 million of purchased technology, which is being amortized over a period of 10 to 20 years. Amortization expense for each of the next five years for the 2023 acquisition is expected to approximate \$5 million per year. assets.

The Company finalized its measurements of certain tangible and intangible assets and liabilities for its September 2022 August 2023 acquisition of Navitar, Inc. and its October 2022 acquisition of RTDS Technologies, United Electronic Industries, which had no material impact to the consolidated statement of income and balance sheet. The Company has substantially completed its purchase accounting, however it is in the process of finalizing the accounting for income taxes, for its acquisition of Bison. The Company is in the process of finalizing the measurement of the intangible assets and tangible assets and liabilities, including accounting for income taxes, for its acquisition of UEI.

The acquisitions had an immaterial impact on reported net sales, net income, and diluted earnings per share for the three and nine months ended September 30, 2023. Had the acquisitions been made at the beginning of 2023 or 2022, pro forma net sales, net income, and diluted earnings per share for the three and nine months ended September 30, 2023 and 2022, would not have been materially different than the amounts reported.

Acquisitions Subsequent to September 30, 2023

In October 2023 the Company acquired acquisition of Amplifier Research Corp., for approximately \$105 million in cash. Amplifier Research has estimated annual sales of approximately \$60 million. Amplifier Research is a leading manufacturer of radio frequency and microwave amplifiers and electromagnetic compatibility testing equipment. Amplifier Research has joined EIG.

In October 2023, the Company entered into a definitive agreement to acquire Paragon Medical, for approximately \$1.9 billion in cash. Paragon Medical has estimated annual sales of approximately \$500 million. Paragon Medical is a leading provider of medical components and instruments. Paragon Medical serves a wide range of specialty applications including orthopedics, minimally invasive surgery, robotic surgery, and drug delivery. Paragon's product portfolio includes single-use and consumable surgical instruments and implantable components sold to a diverse blue-chip customer base of leading medical

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device manufacturers. The transaction is subject to customary closing conditions, including applicable regulatory approvals. Paragon Medical will join EMG.

9.10. Goodwill

The changes in the carrying amounts of goodwill by segment were as follows:

	EIG	EMG	Total
	(In millions)		
Balance at December 31, 2022	\$ 4,236.1	\$ 1,136.5	\$ 5,372.6
Goodwill acquired from 2023 acquisitions	57.1	25.5	82.6
Purchase price allocation adjustments and other	25.4	—	25.4
Foreign currency translation adjustments	(1.6)	—	(1.6)

Balance at September 30, 2023	\$	4,317.0	\$	1,162.0	\$	5,479.0
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	EIG	EMG	Total
	(In millions)		
Balance at December 31, 2023	\$ 4,365.0	\$ 2,082.6	\$ 6,447.6
Purchase price allocation adjustments and other	11.8	0.6	12.4
Foreign currency translation adjustments	(16.0)	(5.3)	(21.3)
Balance at March 31, 2024	\$ 4,360.8	\$ 2,077.9	\$ 6,438.7

10.11. Income Taxes

At September 30, 2023 March 31, 2024, the Company had gross uncertain tax benefits of \$207.4 million \$244.1 million, of which \$153.9 million \$195.1 million, if recognized, would impact the effective tax rate.

The following is a reconciliation of the liability for uncertain tax positions (in millions):

Balance at December 31, 2022 December 31, 2023	\$	174.7	233.5
Additions for tax positions		33.5	10.6
Reductions for tax positions		(0.8)	—
Balance at September 30, 2023 March 31, 2024	\$	207.4	244.1

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The additions above primarily reflect the tax positions for foreign tax planning initiatives. The Company recognizes interest and penalties accrued related to uncertain tax positions in income tax expense. The amounts recognized in income tax expense for interest and penalties during the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 were not significant.

The effective tax rate for the three months ended September 30, 2023 March 31, 2024 was 17.7% 18.5%, compared with 19.0% 19.5% for the three months ended September 30, 2022 March 31, 2023. The lower effective tax rate in the third first quarter of 2023 2024 is primarily reflects greater utilization due to lower foreign and state taxes compared to the first quarter of research and development credits. 2023.

11.12. Share-Based Compensation

The Company's share-based compensation plans are described in Note 11, Share-Based Compensation, to the consolidated financial statements in Part II, Item 8, filed on the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

Share Based Compensation Expense

Total share-based compensation expense was as follows:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
	(In thousands)			
Stock option expense	\$ 3,560	\$ 3,043	\$ 10,740	\$ 9,866
Restricted stock expense	5,578	4,800	15,875	14,831
Performance restricted stock unit expense	3,775	4,217	9,158	9,890
Total pre-tax expense	\$ 12,913	\$ 12,060	\$ 35,773	\$ 34,587

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	Three Months Ended	
	March 31,	
	2024	2023
	(In thousands)	
Stock option expense	\$ 3,509	\$ 3,584
Restricted stock expense	4,797	5,040
Performance restricted stock unit expense	635	1,655
Total pre-tax expense	\$ 8,941	\$ 10,279

Pre-tax share-based compensation expense is included in the consolidated statement of income in either Cost of sales or Selling, general and administrative expenses, depending on where the recipient's cash compensation is reported.

Stock Options

The fair value of each stock option grant is estimated on the grant date using a Black-Scholes-Merton option pricing model. The following weighted average assumptions were used in the Black-Scholes-Merton model to estimate the fair values of stock options granted during the periods indicated:

Nine Months Ended	Year Ended
September 30, 2023	December 31, 2022

Three Months Ended March 31, 2024				Three Months Ended March 31, 2024		Year Ended December 31, 2023
Expected volatility	Expected volatility	26.0 %	24.5 %	Expected volatility	28.2 %	26.0 %
Expected term (years)	Expected term (years)	5.0	5.0	Expected term (years)	5.0	5.0
Risk-free interest rate	Risk-free interest rate	3.54 %	2.33 %	Risk-free interest rate	4.31 %	3.54 %
Expected dividend yield	Expected dividend yield	0.72 %	0.65 %	Expected dividend yield	0.62 %	0.72 %
Black-Scholes-Merton fair value per stock option granted	Black-Scholes-Merton fair value per stock option granted	\$38.11	\$32.54			

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The following is a summary of the Company's stock option activity and related information:

	Shares (In thousands)	Weighted Average		
		Price (In thousands)	Remaining Contractual Life (Years)	Aggregate Intrinsic Value (In millions)
Outstanding at December 31, 2022	3,060	\$ 79.46		

		Weighted		Weighted		Average		Aggregate	
		Average		Remaining		Contractual		Intrinsic	
Shares		Exercise		Price		Life		Value	
(In thousands)		(In thousands)		(In thousands)		(Years)		(In millions)	
Outstanding at December 31, 2023									
Granted									
Granted									
Granted	Granted	453	138.46						
Exercised	Exercised	(551)	71.78						
Exercised									
Exercised									
Forfeited	Forfeited	(65)	124.38						
Outstanding at September 30, 2023		2,897	\$ 99.97	6.7	\$	138.4			
Exercisable at September 30, 2023		1,976	\$ 83.88	5.7	\$	126.3			
Forfeited									
Forfeited									
Outstanding at March 31, 2024									
Outstanding at March 31, 2024									
Outstanding at March 31, 2024									
Exercisable at March 31, 2024									

The aggregate intrinsic value of stock options exercised during the nine three months ended September 30, 2023 March 31, 2024 was \$42.5 million \$30.0 million. The total fair value of stock options vested during the nine three months ended September 30, 2023 March 31, 2024 was \$12.8 million \$14.5 million. As of September 30, 2023 March 31, 2024, there was approximately \$21.9 million \$26.5 million of expected future pre-tax compensation expense related to the 0.9 million 0.7 million non-vested stock options outstanding, which is expected to be recognized over a weighted average period of approximately two years.

AMETEK, Inc.

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(Unaudited)

Restricted Stock

The following is a summary of the Company's non-vested restricted stock activity and related information:

		Shares	Weighted Average Grant Date Fair Value
		(In thousands)	
Non-vested restricted stock outstanding at December 31, 2022		356	\$ 117.18
		Shares	Weighted Average Grant Date Fair Value
		(In thousands)	
Non-vested restricted stock outstanding at December 31, 2023			
Non-vested restricted stock outstanding at December 31, 2023			
Non-vested restricted stock outstanding at December 31, 2023			
Granted	Granted	154	138.63
Vested	Vested	(156)	104.30
Forfeited	Forfeited	(26)	127.00
Non-vested restricted stock outstanding at September 30, 2023		328	\$ 132.61
Non-vested restricted stock outstanding at March 31, 2024			

The total fair value of restricted stock vested during the nine three months ended September 30, 2023 March 31, 2024 was \$16.3 million \$18.0 million. As of September 30, 2023 March 31, 2024, there was approximately \$28.8 million \$43.2 million of expected future pre-tax compensation expense related to the 0.3 million non-vested restricted shares outstanding, which is expected to be recognized over a weighted average period of approximately two years.

Performance Restricted Stock Units

In March 2023, 2024, the Company granted performance restricted stock units ("PRSU") to officers and certain key management-level employees. The PRSUs vest over a period up to three years from the grant date based on continuous service, with the number of shares earned (0% to 200% of the target award) depending upon the extent to which the Company achieves certain financial and market performance targets measured over the period from January 1 of the year of grant to December 31 of the third year. Half of the PRSUs were valued in a manner similar to restricted stock as the financial targets are based on the Company's operating results, which represents a performance condition. The grant date fair value of these PRSUs are recognized as compensation expense over the vesting period based on the probable number of awards to vest at each reporting date.

The other half of the PRSUs were valued using a Monte Carlo model as the performance target is related to the Company's total shareholder return compared to a group of peer companies, which represents a market condition. The Company recognizes the grant date fair value of these awards as compensation expense ratably over the vesting period.

AMETEK, Inc.
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The following is a summary of the Company's non-vested performance restricted stock activity and related information:

		Weighted Average Grant Date Fair Value
Shares		
(In thousands)		
Non-vested performance restricted stock outstanding at December 31, 2022		275 \$ 101.98

		Weighted Average Grant Date Fair Value
Shares	Shares	
(In thousands)		
Non-vested performance restricted stock outstanding at December 31, 2023		

Non-vested performance restricted stock outstanding at December 31, 2023			
Non-vested performance restricted stock outstanding at December 31, 2023			
Granted	Granted	79	138.46
Performance assumption change ¹	Performance assumption change ¹	48	63.37
Vested	Vested	(161)	63.37
Forfeited	Forfeited	(2)	131.76
Non-vested performance restricted stock outstanding at September 30, 2023		239	\$ 131.90
Non-vested performance restricted stock outstanding at March 31, 2024			

¹ Reflects the number of PRSUs above target levels based on performance metrics.

AMETEK, Inc.
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As of September 30, 2023 March 31, 2024, there was approximately \$7.6 million \$17.9 million of expected future pre-tax compensation expense related to the 0.2 million non-vested restricted shares outstanding, which is expected to be recognized over a weighted average period of approximately one year.

12.13. Retirement and Pension Plans

The components of net periodic pension benefit expense (income) were as follows:

Three Months Ended		Nine Months Ended	
September 30,		September 30,	
2023	2022	2023	2022
(In thousands)			
Three Months Ended			
March 31,			

		Three Months Ended March 31,			
		Three Months Ended March 31,			
		2024			
		2024			
		2024			
		(In thousands)			
		(In thousands)			
		(In thousands)			
Defined benefit plans:	Defined benefit plans:				
Service cost	Service cost	\$ 751	\$ 1,290	\$ 2,240	\$ 3,995
Service cost					
Service cost					
Interest cost					
Interest cost					
Interest cost	Interest cost	7,588	4,949	22,655	15,101
Expected return on plan assets	Expected return on plan assets	(13,100)	(14,812)	(39,167)	(45,113)
Expected return on plan assets					
Expected return on plan assets					
Amortization of net actuarial loss and other					
Amortization of net actuarial loss and other					
Amortization of net actuarial loss and other	Amortization of net actuarial loss and other	2,851	2,074	8,514	6,371
Pension income	Pension income	(1,910)	(6,499)	(5,758)	(19,646)
Pension income					
Pension income					
Other plans:					
Other plans:					
Other plans:	Other plans:				
Defined contribution plans	Defined contribution plans	9,908	9,217	33,936	32,289

Defined contribution plans					
Defined contribution plans					
Foreign plans and other					
Foreign plans and other					
Foreign plans and other	Foreign plans and other	2,011	2,027	6,581	6,422
Total other plans	Total other plans	11,919	11,244	40,517	38,711
Total other plans					
Total other plans					
Total net pension expense	Total net pension expense	\$ 10,009	\$ 4,745	\$ 34,759	\$ 19,065
Total net pension expense					
Total net pension expense					

For defined benefit plans, the net periodic benefit income, other than the service cost component, is included in “Other (expense) income, net” in the consolidated statement of income.

For the **nine****three** months ended **September 30, 2023****March 31, 2024** and **2022, 2023**, contributions to the Company's defined benefit pension plans were **\$3.9 million****\$1.5 million** and **\$5.2 million****\$1.4 million**, respectively. The Company's current estimate of **2023****2024** contributions to its worldwide defined benefit pension plans is in line with the range disclosed in Note 12 of the Company's Annual Report on Form 10-K for the year ended **December 31, 2022****December 31, 2023**.

13.

AMETEK, Inc.

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14. Contingencies

Asbestos Litigation

The Company (including its subsidiaries) has been named as a defendant in a number of asbestos-related lawsuits. Certain of these lawsuits relate to a business which was acquired by the Company and do not involve products which were manufactured or sold by the Company. In connection with these lawsuits, the seller of such business has agreed to indemnify the Company against these claims (the “Indemnified Claims”). The Indemnified Claims have been tendered to, and are being defended by, such seller. The seller has met its obligations, in all respects, and the Company does not have any reason to believe such party would fail to fulfill its obligations in the future. To date, no judgments have been rendered against the Company as a result of any asbestos-related lawsuit. The Company believes that it has good and valid defenses to each of these claims and intends to defend them vigorously.

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(Unaudited)

Environmental Matters

Certain historic processes in the manufacture of products have resulted in environmentally hazardous waste by-products as defined by federal and state laws and regulations. At September 30, 2023 March 31, 2024, the Company is named a Potentially Responsible Party ("PRP") at 13 12 non-AMETEK-owned former waste disposal or treatment sites (the "non-owned" sites). The Company is identified as a "de minimis" party in 12 a majority of these sites based on the low volume of waste attributed to the Company relative to the amounts attributed to other named PRPs. In eight of these sites, the Company has reached a tentative agreement on the cost of the de minimis settlement to satisfy its obligation and is awaiting executed agreements. The tentatively agreed-to settlement amounts are fully reserved. In the other four sites, the Company is continuing to investigate the accuracy of the alleged volume attributed to the Company as estimated by the parties primarily responsible for remedial activity at the sites to establish an appropriate settlement amount. At the remaining site where the Company is a non-de minimis PRP, the Company is participating in the investigation and/or related required remediation as part of a PRP Group and reserves have been established to satisfy the Company's expected obligations. The Company historically has resolved these issues within established reserve levels and reasonably expects this result will continue. In addition to these non-owned sites, the Company has an ongoing practice of providing reserves for probable remediation activities at certain of its current or previously owned manufacturing locations (the "owned" sites). For claims and proceedings against the Company with respect to other environmental matters, reserves are established once the Company has determined that a loss is probable and estimable. This estimate is refined as the Company moves through the various stages of investigation, risk assessment, feasibility study and corrective action processes. In certain instances, the Company has developed a range of estimates for such costs and has recorded a liability based on the best estimate. It is reasonably possible that the actual cost of remediation of the individual sites could vary from the current estimates and the amounts accrued in the consolidated financial statements; however, the amounts of such variances are not expected to result in a material change to the consolidated financial statements. In estimating the Company's liability for remediation, the Company also considers the likely proportionate share of the anticipated remediation expense and the ability of the other PRPs to fulfill their obligations.

Total environmental reserves at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 were \$39.7 \$35.6 million and \$41.1 \$37.1 million, respectively, for both non-owned and owned sites. For the nine three months ended September 30, 2023 March 31, 2024, the Company recorded \$4.7 \$3.3 million in reserves. Additionally, the Company spent \$6.1 \$4.8 million on environmental matters for the nine three months ended September 30, 2023 March 31, 2024.

The Company has agreements with other former owners of certain of its acquired businesses, as well as new owners of previously owned businesses. Under certain of the agreements, the former or new owners retained, or assumed and agreed to indemnify the Company against, certain environmental and other liabilities under certain circumstances. The Company and some of these other parties also carry insurance coverage for some environmental matters.

The Company believes it has established reserves for the environmental matters described above, which are sufficient to perform all known responsibilities under existing claims and consent orders. In the opinion of management, based on presently available information and the Company's historical experience related to such matters, an adequate provision for probable costs has been made and the ultimate cost resulting from these actions is not expected to materially affect the consolidated results of operations, financial position or cash flows of the Company.

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

Results of Operations

The following table sets forth net sales and income by reportable segment and on a consolidated basis:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		(In thousands)			
		Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,	
		2024	2024	2024	
		(In thousands)	(In thousands)	(In thousands)	
Net sales:	Net sales:				
Electronic Instruments	Electronic Instruments	\$ 1,136,130	\$ 1,054,124	\$ 3,388,023	\$ 3,070,131
Electronic Instruments					
Electronic Instruments					
Electromechanical					
Electromechanical					
Electromechanical	Electromechanical	486,707	497,662	1,478,042	1,454,732
Consolidated net sales	Consolidated net sales	\$ 1,622,837	\$ 1,551,786	\$ 4,866,065	\$ 4,524,863
Consolidated net sales					
Consolidated net sales					
Operating income and income before income taxes:					
Operating income and income before income taxes:					
Operating income and income before income taxes:	Operating income and income before income taxes:				
Segment operating income:	Segment operating income:				
Segment operating income:					
Segment operating income:					

Electronic Instruments					
Electronic Instruments					
Electronic Instruments	Electronic Instruments	\$ 335,171	\$ 272,714	\$ 951,970	\$ 782,603
Electromechanical	Electromechanical	127,534	136,467	384,253	389,047
Electromechanical					
Electromechanical					
Total segment operating income					
Total segment operating income					
Total segment operating income	Total segment operating income	462,705	409,181	1,336,223	1,171,650
Corporate administrative expenses	Corporate administrative expenses	(24,570)	(24,661)	(73,756)	(69,048)
Corporate administrative expenses					
Corporate administrative expenses					
Consolidated operating income					
Consolidated operating income					
Consolidated operating income	Consolidated operating income	438,135	384,520	1,262,467	1,102,602
Interest expense	Interest expense	(18,386)	(20,245)	(57,678)	(60,165)
Interest expense					
Interest expense					
Other (expense) income, net					
Other (expense) income, net					
Other (expense) income, net	Other (expense) income, net	(6,256)	3,227	(15,313)	7,752
Consolidated income before income taxes	Consolidated income before income taxes	\$ 413,493	\$ 367,502	\$ 1,189,476	\$ 1,050,189
Consolidated income before income taxes					
Consolidated income before income taxes					

For the quarter ended September 30, 2023 March 31, 2024, the Company posted record operating income, operating margins, net income, and diluted earnings per share. We achieved these results from contributions sales. Contributions from the acquisitions of Navitar in September 2022, RTDS in October 2022, Bison Gear & Engineering Corp. ("Bison") in March 2023, and United Electronic Industries ("UEI") in August 2023, Amplifier Research Corp. ("Amplifier Research") in October 2023, and Paragon Medical ("Paragon") in December 2023, as well as our Operational Excellence initiatives. We continue initiatives, had a positive impact on the first quarter of 2024 results. In the first quarter of 2024, the Company recorded pre-tax integration costs related to experience heightened levels the Paragon acquisition totaling \$29.2 million, of inflation in material which \$22.4 million is

employee severance. The integration costs supply chain constraints, as well as continued uncertainty in the global economy, including inventory normalization on short-term customer demand. We continue to evaluate the extent to which these factors will impact our business, financial condition, and results of operations. For 2023, our strong backlog, the reduced net income by \$22.2 million (\$0.10 per diluted share). The full year impact of the 2022 acquisitions, the 2023 acquisitions, including the continued integration of Bison Paragon, and UEI, and continued focus on and implementation of our Operational Excellence initiatives are expected to have a positive impact on the remainder of our 2023 2024 results.

Results of operations for the third first quarter of 2023 2024 compared with the third first quarter of 2022 2023

Net sales for the third first quarter of 2023 2024 were \$1,622.8 million \$1,736.2 million, an increase of \$71.0 \$139.1 million or 4.6% 8.7%, compared with net sales of \$1,551.8 million \$1,597.1 million for the third first quarter of 2022. 2023. The increase in net sales for the third first quarter of 2023 2024 was due to a 4% 9% increase from acquisitions and a 1% favorable effect of foreign currency translation. acquisitions.

Total international sales for the third first quarter of 2023 2024 were \$731.7 \$823.4 million or 45.1% 47.4% of net sales, a decrease an increase of \$1.3 \$35.3 million or 0.2% 4.5%, compared with international sales of \$733.0 \$788.1 million or 47.2% 49.3% of net sales for the third first quarter of 2022. 2023. The increase in international sales was primarily driven by contributions from recent acquisitions.

Orders for the third first quarter of 2023 2024 were \$1,550.6 \$1,662.7 million, a decrease of \$107.3 \$149.4 million or 6.5% 8.2%, compared with \$1,657.9 \$1,812.1 million for the third first quarter of 2022. 2023. The decrease in orders for the third first quarter of 2023 2024 was due to a 10% decline in organic orders and a 2% unfavorable effect of foreign currency translation, partially offset by a 1% 3% increase from acquisitions and a 3% favorable effect of foreign currency translation. acquisitions. The Company's backlog of unfilled orders at September 30, 2023 March 31, 2024 was \$3,369.7 \$3,460.7 million, an increase a decrease of \$151.1 \$73.4 million or 4.7% 2.1% compared with \$3,218.6 \$3,534.1 million at December 31, 2022 December 31, 2023.

Segment operating income for the third first quarter of 2023 2024 was \$462.7 \$443.6 million, an increase of \$53.5 \$13.3 million or 13.1% 3.1%, compared with segment operating income of \$409.2 \$430.3 million for the third first quarter of 2022. 2023. Segment operating margins, as a percentage of net sales, increased decreased to 28.5% 25.6% for the third first quarter of 2023, 2024, compared with 26.4% 26.9% for the third first quarter of 2022. 2023. Segment operating income and operating margins for the first quarter of 2024 included \$29.2 million of integration costs related to the Paragon acquisition, which negatively impacted segment operating margins by 160 basis points. Segment operating margins were positively also negatively impacted in the first quarter of 2024 by the dilutive impact of the 2023 by acquisitions. Excluding the dilutive impact of recent acquisitions and the Paragon integration costs, segment operating margins increased sales in our higher margin businesses, as well as 200 basis points compared to the first quarter of 2023, due to the continued benefits from the Company's Operational Excellence initiatives.

Cost of sales for the third first quarter of 2023 2024 was \$1,020.9 \$1,144.7 million or 62.9% 65.9% of net sales, an increase of \$16.3 \$122.2 million or 1.6% 11.9%, compared with \$1,004.6 \$1,022.5 million or 64.7% 64.0% of net sales for the third first quarter of 2022. The 2023. Cost of sales for the first quarter of 2024 included \$29.2 million of Paragon integration costs discussed above. Excluding the impact of the Paragon integration costs, the cost of sales increase for the first quarter of 2024 was primarily due to the 64.2% of net sales increase discussed above. sales.

Selling, general and administrative expenses for the third first quarter of 2023 2024 were \$163.8 \$174.3 million or 10.1% 10.0% of net sales, an increase of \$1.1 \$5.2 million or 0.7% 3.1%, compared with \$162.7 \$169.1 million or 10.5% 10.6% of net sales for the third first quarter of 2022, 2023. General and administrative expenses for the third first quarter of 2023 2024 were \$24.6 \$26.4 million, compared with \$24.7 million for the third first quarter of 2022, 2023.

Consolidated operating income was a record \$438.1 \$417.2 million or a record 27.0% 24.0% of net sales for the third first quarter of 2023, 2024, an increase of \$53.6 \$11.7 million or 13.9% 2.9%, compared with \$384.5 \$405.5 million or 24.8% 25.4% of net sales for the third first quarter of 2022, 2023. Operating income and operating margins for the first quarter of 2024 included \$29.2 million of integration costs related to the Paragon acquisition, which negatively impacted operating margins by 170 basis points. Operating margins were also negatively impacted in the first quarter of 2024 by the dilutive impact of the 2023 acquisitions. Excluding the dilutive impact of recent acquisitions and the Paragon integration costs, operating margins increased 180 basis points compared to the first quarter of 2023.

Other expense, net was \$6.3 \$0.6 million for the third first quarter of 2023, 2024, compared with \$3.2 \$5.4 million of other income, expense, net for the third first quarter of 2022, a change 2023. The decrease of \$9.5 million. The third \$4.7 million in the first quarter of 2023 includes lower 2024 is primarily driven by higher pension income of \$5.1 million and \$1.5 million, as well as higher acquisition-related due diligence expense compared to the third quarter interest income of 2022, \$1.2 million.

The effective tax rate for the third first quarter of 2023 2024 was 17.7% 18.5%, compared with 19.0% 19.5% for the third first quarter of 2022, 2023. The lower effective tax rate in the third first quarter of 2023 2024 is primarily reflects greater utilization due to lower foreign and state taxes compared to the first quarter of research and development credits, 2023.

Net income for the third first quarter of 2023 2024 was a record \$340.4 \$310.9 million, an increase of \$42.8 \$5.2 million or 14.4% 1.7%, compared with \$297.6 \$305.7 million for the third first quarter of 2022, 2023.

Diluted earnings per share for the third first quarter of 2023 2024 were a record \$1.47, \$1.34, an increase of \$0.18 \$0.02 or 14.0% 1.5%, compared with \$1.29 \$1.32 per diluted share for the third first quarter of 2022, 2023.

Segment Results

EIG's net sales totaled \$1,136.1 \$1,156.8 million for the third first quarter of 2023, 2024, an increase of \$82.0 \$39.6 million or 7.8% 3.5%, compared with \$1,054.1 \$1,117.2 million for the third first quarter of 2022, 2023. The net sales increase was due to a 3% 1% increase in organic sales and a 4% 3% increase from the recent acquisitions, and a 1% favorable effect of foreign currency translation, acquisitions.

EIG's operating income was a record \$335.2 \$352.9 million for the third first quarter of 2023, 2024, an increase of \$62.5 \$43.2 million or 22.9% 13.9%, compared with \$272.7 \$309.7 million for the third first quarter of 2022, 2023. EIG's operating margins were a record 29.5% 30.5% of net sales for the third first quarter of 2023, 2024, compared with 25.9% 27.7% for the third first quarter of 2022, 2023. EIG's operating margins increased in the third first quarter of 2023 2024 compared to the third first quarter of 2022 2023 due to the sales increase discussed above, which was primarily driven by our higher margin businesses, as well as continued benefits from the Company's Operational Excellence initiatives.

EMG's net sales totaled \$486.7 million for the third quarter of 2023, a decrease of \$11.0 million or 2.2%, compared with \$497.7 million for the third quarter of 2022. The net sales decrease was due to an 8% organic sales decrease, partially offset by a 4% increase from the 2023 acquisition and a 2% favorable effect of foreign currency translation.

EMG's operating income was \$127.5 million for the third quarter of 2023, a decrease of \$9.0 million or 6.6%, compared with \$136.5 million for the third quarter of 2022. EMG's operating margins were 26.2% of net sales for the third quarter of 2023, compared with 27.4% for the third quarter of 2022. EMG's operating margins decreased in the third quarter of 2023 compared to

the third quarter of 2022 due to the sales decrease discussed above. EMG's operating margins in the third quarter of 2023 were negatively impacted 40 basis points by the dilutive impact of the 2023 acquisition.

Results of operations for the first nine months of 2023 compared with the first nine months of 2022

Net sales for the first nine months of 2023 were \$4,866.1 million, an increase of \$341.2 million or 7.5%, compared with net sales of \$4,524.9 million for the first nine months of 2022. The increase in net sales for the first nine months of 2023 was due to a 4% organic sales increase and a 3% increase from acquisitions.

Total international sales for the first nine months of 2023 were \$2,306.0 million or 47.4% of net sales, an increase of \$107.4 million or 4.9%, compared with international sales of \$2,198.6 million or 48.6% of net sales for the first nine months of 2022. The increase in international sales was primarily driven by strong demand in Europe and Asia as well as contributions from the 2022 acquisitions.

Orders for the first nine months of 2023 were \$5,017.1 million, an increase of \$11.8 million or 0.2%, compared with \$5,005.3 million for the first nine months of 2022. The increase in orders for the first nine months of 2023 was due to a 3% increase from acquisitions and a 2% favorable effect of foreign currency translation, partially offset by an organic order decrease.

Segment operating income for the first nine months of 2023 was \$1,336.2 million, an increase of \$164.5 million or 14.0%, compared with segment operating income of \$1,171.7 million for the first nine months of 2022. Segment operating margins, as a percentage of net sales, increased to 27.5% for the first nine months of 2023, compared with 25.9% for the first nine months of 2022. Segment operating income and operating margins were positively impacted in 2023 by the increase in sales discussed above, which was primarily driven by our higher margin businesses, as well as continued benefits from the Company's Operational Excellence initiatives. In the first nine months of 2022, segment operating income included a \$7.1 million gain on the sale of a facility which increased operating margins by 20 basis points.

Cost of sales for the first nine months of 2023 was \$3,096.6 million or 63.6% of net sales, an increase of \$155.0 million or 5.3%, compared with \$2,941.6 million or 65.0% of net sales for the first nine months of 2022. The cost of sales increase was primarily due to the net sales increase discussed above.

Selling, general and administrative expenses for the first nine months of 2023 were \$507.0 million or 10.4% of net sales, an increase of \$26.3 million or 5.5%, compared with \$480.7 million or 10.6% of net sales for the first nine months of 2022. Selling expenses increased primarily due to the net sales increase discussed above. General and administrative expenses for the first nine months of 2023 were \$73.8 million, compared with \$69.0 million for the first nine months of 2022. The general and administrative expenses in the first nine months of 2023 include higher employee compensation costs compared to the first nine months of 2022.

Consolidated operating income was \$1,262.5 million or 25.9% of net sales for the first nine months of 2023, an increase of \$159.9 million or 14.5%, compared with \$1,102.6 million or 24.4% of net sales for the first nine months of 2022.

Other expense, net was \$15.3 million for the first nine months of 2023, compared with \$7.8 million of other income, net for the first nine months of 2022, a change of \$23.1 million. The first nine months of 2023 includes \$15.4 million of lower pension income and higher acquisition-related due diligence expense compared to the first nine months of 2022.

The effective tax rate for the first nine months of 2023 was 18.4%, compared with 18.8% for the first nine months of 2022. The lower effective rate for the nine months of 2023 primarily reflects greater utilization of research and development credits.

Net income for the first nine months of 2023 was \$970.3 million, an increase of \$117.8 million or 13.8%, compared with \$852.5 million for the first nine months of 2022.

Diluted earnings per share for the first nine months of 2023 were \$4.19, an increase of \$0.51 or 13.9%, compared with \$3.68 per diluted share for the first nine months of 2022.

Segment Results

EIG's net sales totaled \$3,388.0 million for the first nine months of 2023, an increase of \$317.9 million or 10.4%, compared with \$3,070.1 million for the first nine months of 2022. The net sales increase was due to a 7% organic sales increase and a 3% increase from acquisitions.

EIG's operating income was \$952.0 million for the first nine months of 2023, an increase of \$169.4 million or 21.6%, compared with \$782.6 million for the first nine months of 2022. EIG's operating margins were 28.1% of net sales for the first nine months of 2023, compared with 25.5% for the first nine months of 2022. EIG operating margins increased in the first nine months of 2023 compared to the first nine months of 2022, due to the increase in net sales discussed above, as well as continued benefits from the Company's Operational Excellence initiatives.

EMG's net sales totaled \$1,478.0 \$579.4 million for the first nine months quarter of 2023, 2024, an increase of \$23.3 \$99.5 million or 1.6% 20.7%, compared with \$1,454.7 \$479.9 million for the first nine months quarter of 2022, 2023. The net sales increase was due to a 3% 25% increase from the recent acquisitions, partially offset by an a 4% organic sales decrease. The organic sales decrease for the first quarter of 2024 is due to customer inventory normalization in our automation and engineered solutions core businesses

EMG's operating income was \$384.3 \$90.7 million for the first nine months quarter of 2023, 2024, a decrease of \$4.7 \$29.8 million or 1.2% 24.7%, compared with \$389.0 \$120.5 million for the first nine months quarter of 2022, 2023. EMG's operating margins were 26.0% 15.7% of net sales for the first nine months quarter of 2023, 2024, compared with 26.7% 25.1% for the first nine months quarter of 2022, 2023. EMG's operating income and operating margins for the first quarter of 2024 included \$29.2 million of integration costs related to the Paragon acquisition, which negatively impacted segment operating margins by 500 basis points. Segment operating margins were also negatively impacted in the first quarter of 2024 by the dilutive impact of the 2023 acquisition. For the first nine months of 2022, EMG's operating income included a \$7.1 million gain on the sale of a facility, which increased EMG operating margins by 40 basis points. acquisitions. Excluding the dilutive impact of the 2023 acquisition recent acquisitions and the gain on the sale of a facility, EMG Paragon integration costs, segment operating margins for the first nine months of 2023 increased 50 decreased 100 basis points compared to the first nine months quarter of 2022, 2023, due to the organic sales decrease discussed above.

Financial Condition

Liquidity and Capital Resources

Cash provided by operating activities totaled \$1,194.6 \$410.2 million for the first nine three months of 2023, 2024, an increase of \$430.2 \$23.7 million or 56.3% 6.1%, compared with \$764.4 \$386.5 million for the first nine three months of 2022, 2023. The increase in cash provided by operating activities for the first nine three months of 2023 2024 was primarily due to improved working capital management and higher net income. income, net of noncash depreciation and amortization expense related to recent acquisitions.

Free cash flow (cash flow provided by operating activities less capital expenditures) was \$1,118.1\$382.6 million for the first nine three months of 2023, 2024, compared with \$683.5\$366.5 million for the first nine three months of 2022, 2023. EBITDA (earnings before interest, income taxes, depreciation and amortization) was \$1,488.3\$512.8 million for the first nine three months of 2023, 2024, compared with \$1,340.3\$481.7 million for the first nine three months of 2022, 2023. Free cash flow and EBITDA are presented because the Company is aware that they are measures used by third parties in evaluating the Company.

Cash used by investing activities totaled \$326.3\$21.4 million for the first nine three months of 2023, 2024, compared with cash used by investing activities of \$255.5\$122.2 million for the first nine three months of 2022, 2023. For the first nine three months of 2023, the Company paid \$246.7 million, \$99.3 million, net of cash acquired, to purchase Bison and UEI. For the first nine months of 2022, the Company received \$11.8 million from the sale of a facility, Gear & Engineering Corp. Additions to property, plant and equipment totaled \$76.5\$27.7 million for the first nine three months of 2023, 2024, compared with \$80.8\$20.0 million for the first nine three months of 2022, 2023.

Cash used by financing activities totaled \$364.8\$417.5 million for the first nine three months of 2023, 2024, compared with cash used by financing activities of \$501.2\$215.0 million for the first nine three months of 2022, 2023. At September 30, 2023 March 31, 2024, total debt, net was \$2,160.6\$2,933.2 million, compared with \$2,385.0\$3,313.3 million at December 31, 2022 December 31, 2023. For the first nine three months of 2023, 2024, total borrowings decreased by \$220.6\$363.1 million compared with a \$26.3\$155.5 million decrease for the first nine three months of 2022, 2023. At September 30, 2023 March 31, 2024, the Company had available borrowing capacity of \$2,972.3\$2,187.5 million under its revolving credit facility, including the \$700 million accordion feature.

The debt-to-capital ratio was 20.6% 24.6% at September 30, 2023 March 31, 2024, compared with 24.2% 27.5% at December 31, 2022 December 31, 2023. The net debt-to-capital ratio (total debt, net less cash and cash equivalents divided by the sum of net debt and stockholders' equity) was 13.6% 22.2% at September 30, 2023 March 31, 2024, compared with 21.4% 25.0% at December 31, 2022 December 31, 2023. The net debt-to-capital ratio is presented because the Company is aware that this measure is used by third parties in evaluating the Company.

Additional financing activities for the first nine three months of 2023, 2024 included cash dividends paid of \$172.7\$64.7 million, compared with \$151.6\$57.5 million for the first nine three months of 2022, 2023. Effective February 9, 2023 February 9, 2024, the Company's Board of Directors approved a 14% 12% increase in the quarterly cash dividend on the Company's common stock to \$0.25 \$0.28 per common share from \$0.22 \$0.25 per common share. The Company repurchased \$6.6\$6.9 million of its common stock for the first nine three months of 2023, 2024, compared with \$331.4\$6.5 million for the first nine three months of 2022, 2023. Proceeds from stock option exercises were \$40.1\$23.6 million for the first nine three months of 2023, 2024, compared with \$23.2\$10.4 million for the first nine three months of 2022, 2023.

As a result of all of the Company's cash flow activities for the first nine three months of 2023, 2024, cash and cash equivalents at September 30, 2023 March 31, 2024 totaled \$841.9\$373.8 million, compared with \$345.4\$409.8 million at December 31, 2022 December 31, 2023. At September 30, 2023 March 31, 2024, the Company had \$354.1 million \$337.3 million in cash outside the United States, compared with \$334.1\$375.9 million at December 31, 2022 December 31, 2023. The Company utilizes this cash to fund its international operations, as well as to acquire international businesses. The Company is in compliance with all covenants, including financial covenants, for all of its debt agreements. The Company believes it has sufficient cash-generating capabilities from domestic and unrestricted foreign sources, available credit facilities and access to long-term capital funds to enable it to meet its operating needs and contractual obligations in the foreseeable future.

Acquisitions Subsequent to September 30, 2023

In October 2023, the Company acquired Amplifier Research Corp., for approximately \$105 million in cash. Amplifier Research has estimated annual sales of approximately \$60 million. Amplifier Research is a leading manufacturer of radio frequency and microwave amplifiers and electromagnetic compatibility testing equipment. Amplifier Research will join EIG.

Critical Accounting Policies

The Company’s critical accounting policies are detailed in Part II, Item 7, Management’s Discussion and Analysis of Financial Condition of its Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023. Primary disclosure of the Company’s significant accounting policies is also included in Note 1 to the Consolidated Financial Statements included in Part II, Item 8 of its Annual Report on Form 10-K.

Forward-Looking Information

Information contained in this discussion, other than historical information, is considered “forward-looking statements” and is subject to various factors and uncertainties that may cause actual results to differ significantly from expectations. These factors and uncertainties include risks related to the Company’s ability to consummate and successfully integrate future acquisitions; risks associated with international sales and operations, including supply chain disruptions; the Company’s ability to successfully develop new products, open new facilities or transfer product lines; the price and availability of raw materials; compliance with government regulations, including environmental regulations; changes in the competitive environment or the effects of competition in the Company’s markets; the ability to maintain adequate liquidity and financing sources; and general economic conditions affecting the industries the Company serves. A detailed discussion of these and other factors that may affect the Company’s future results is contained in AMETEK’s filings with the U.S. Securities and Exchange Commission, including its most recent reports on Form 10-K, 10-Q, and 8-K. AMETEK disclaims any intention or obligation to update or revise any forward-looking statements, unless required by the securities laws to do so.

Item 4. Controls and Procedures

The Company maintains a system of disclosure controls and procedures that is designed to provide reasonable assurance that information, which is required to be disclosed, is accumulated and communicated to management in a timely manner. Under the supervision and with the participation of our management, including the Company’s principal executive officer and principal financial officer, we have evaluated the effectiveness of our system of disclosure controls and procedures as required by Exchange Act Rule 13a-15(b) as of September 30, 2023 March 31, 2024. Based on that evaluation, the Company’s principal executive officer and principal financial officer concluded that the Company’s disclosure controls and procedures are effective at the reasonable assurance level.

Such evaluation did not identify any change in the Company’s internal control over financial reporting during the quarter ended September 30, 2023 March 31, 2024 that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II. OTHER INFORMATION

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

(c) Purchase of equity securities by the issuer and affiliated purchasers.

The following table reflects purchases of AMETEK, Inc. common stock by the Company during the three months ended September 30, 2023 March 31, 2024:

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Period	Total Number of Shares Purchased (1)(2)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan (2)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan
July 1, 2023 to July 31, 2023	—	\$ —	—	\$ 817,378,870
August 1, 2023 to August 31, 2023	337	159.75	337	817,325,034
September 1, 2023 to September 30, 2023	—	—	—	817,325,034
Total	337	\$ 159.75	337	

Period	Total Number of Shares Purchased (1)(2)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan (2)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan
January 1, 2024 to January 31, 2024	—	\$ —	—	\$ 816,130,993
February 1, 2024 to February 29, 2024	73	168.50	73	816,118,693
March 1, 2024 to March 31, 2024	41,228	167.42	41,228	809,216,260
Total	41,301	\$ 167.42	41,301	

- (1) Represents shares surrendered to the Company to satisfy tax withholding obligations in connection with employees' share-based compensation awards.
- (2) Consists of the number of shares purchased pursuant to the Company's Board of Directors \$1 billion authorization for the repurchase of its common stock announced in May 2022. Such purchases may be effected from time to time in the open market or in private transactions, subject to market conditions and at management's discretion.

Item 5. Other Information

Insider Trading Arrangements and Policies

During the quarter ended **September 30, 2023** **March 31, 2024**, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

Exhibit Number	Description
31.1*	Certification of Chief Executive Officer, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Chief Executive Officer, Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Chief Financial Officer, Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101).

* Filed electronically 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.

AMETEK, Inc.

By: /s/ THOMAS M. MONTGOMERY
Thomas M. Montgomery
Senior Vice President – Comptroller
(Principal Accounting Officer)

October 31, 2023 May 2, 2024

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CERTIFICATIONS

I, David A. Zapico, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of AMETEK, Inc. (the “registrant”);
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 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: **October 31, 2023** **May 2, 2024**

/s/ DAVID A. ZAPICO

David A. Zapico

Chairman of the Board and Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, William J. Burke, Dalip M. Puri, certify that:

1. 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;
2. 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;
3. 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;
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 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;
 - b) 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
 - 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
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 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: ~~October 31, 2023~~ May 2, 2024

/s/ ~~WILLIAM J. BURKE~~ DALIP M. PURI

~~William J. Burke~~ Dalip M. Puri

Executive Vice President – Chief Financial Officer

Exhibit 32.1

AMETEK, Inc.

**Certification Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of AMETEK, Inc. (the "Company") on Form 10-Q for the quarter ended ~~September 30, 2023~~ March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David A. Zapico, Chairman of the Board and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

/s/ DAVID A. ZAPICO

David A. Zapico

Chairman of the Board and Chief Executive
Officer

Date: ~~October 31, 2023~~ May 2, 2024

A signed original of this written statement required by Section 906 has been provided to AMETEK, Inc. and will be retained by AMETEK, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

AMETEK, Inc.

**Certification Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of AMETEK, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William J. Burke, Dalip M. Puri, Executive Vice President – Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

/s/ WILLIAM J. BURKE

DALIP M. PURI

William J. Burke Dalip M. Puri

Executive Vice President – Chief Financial Officer

Date: October 31, 2023 May 2, 2024

A signed original of this written statement required by Section 906 has been provided to AMETEK, Inc. and will be retained by AMETEK, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

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