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

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2024

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Franklin Electric

Commission file number 0-362

FRANKLIN ELECTRIC CO., INC.
(Exact name of registrant as specified in its charter)

Indiana	35-0827455
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
9255 Coverdale Road Fort Wayne, Indiana	46809
(Address of principal executive offices)	(Zip Code)

(260) 824-2900
(Registrant's telephone number, including area code)

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

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

Common Stock, $0.10 par value	FELE	NASDAQ Global Select Market
(Title of each class)	(Trading symbol)	(Name of each exchange on which registered)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

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

Yes ☒ No ☐

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

Large Accelerated Filer	☒	**Accelerated Filer**	☐	**Non-Accelerated Filer**	☐	**Smaller Reporting Company**	☐
			Emerging Growth Company		☐		

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

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

Yes ☐ **No** ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class of Common Stock Par Value	**Outstanding at July 24, 2024**
$ 0.10	**45,672,183 shares**

FRANKLIN ELECTRIC CO., INC.
TABLE OF CONTENTS

PART I - FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FRANKLIN ELECTRIC CO., INC. AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Second Quarter Ended		Six Months Ended	
(In thousands, except per share amounts)	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Net sales	$ 543,258	$ 569,181	$ 1,004,158	$ 1,053,732
Cost of sales	343,461	380,700	640,781	702,986
Gross profit	199,797	188,481	363,377	350,746
Selling, general, and administrative expenses	120,648	107,429	236,292	216,964
Restructuring expense	—	149	—	273
Operating income	79,149	80,903	127,085	133,509
Interest expense	(1,976)	(4,178)	(3,424)	(7,325)
Other income, net	184	1,179	890	1,588
Foreign exchange expense	(436)	(3,571)	(5,316)	(5,615)
Income before income taxes	76,921	74,333	119,235	122,157
Income tax expense	17,590	14,173	26,812	24,421
Net income	$ 59,331	$ 60,160	$ 92,423	$ 97,736
Less: Net income attributable to noncontrolling interests	(232)	(560)	(365)	(811)
Net income attributable to Franklin Electric Co., Inc.	$ 59,099	$ 59,600	$ 92,058	$ 96,925
Earnings per share:				
Basic	$ 1.28	$ 1.29	$ 1.99	$ 2.09
Diluted	$ 1.26	$ 1.27	$ 1.97	$ 2.06

See Notes to Condensed Consolidated Financial Statements.

FRANKLIN ELECTRIC CO., INC. AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
(Unaudited)

	Second Quarter Ended		Six Months Ended	
(In thousands)	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Net income	$ 59,331	$ 60,160	$ 92,423	$ 97,736
Other comprehensive income/(loss), before tax:				
Foreign currency translation adjustments	(10,299)	4,495	(17,514)	10,989
Employee benefit plan activity	577	555	1,153	1,110
Other comprehensive income/(loss)	(9,722)	5,050	(16,361)	12,099
Income tax expense related to items of other comprehensive income/(loss)	(143)	(139)	(286)	(277)
Other comprehensive income/(loss), net of tax	(9,865)	4,911	(16,647)	11,822
Comprehensive income	49,466	65,071	75,776	109,558
Less: Comprehensive income attributable to noncontrolling interests	(217)	(573)	(309)	(847)
Comprehensive income attributable to Franklin Electric Co., Inc.	$ 49,249	$ 64,498	$ 75,467	$ 108,711

See Notes to Condensed Consolidated Financial Statements.

FRANKLIN ELECTRIC CO., INC. AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In thousands, except per share amounts)	June 30, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 58,104	$ 84,963
Receivables, less allowances of $ 3,754 and $ 3,594 , respectively	299,185	222,418
Inventories:		
Raw material	170,195	176,706
Work-in-process	28,788	26,880
Finished goods	326,452	305,110
Total inventories	525,435	508,696
Other current assets	35,972	37,718
Total current assets	918,696	853,795
Property, plant, and equipment, at cost:		
Land and buildings	164,196	167,028
Machinery and equipment	315,491	316,227
Furniture and fixtures	57,840	56,997
Other	62,785	59,747
Property, plant, and equipment, gross	600,312	599,999
Less: Allowance for depreciation	(376,116)	(370,260)
Property, plant, and equipment, net	224,196	229,739
Lease right-of-use assets, net	63,270	57,014
Deferred income taxes	9,726	8,758
Intangible assets, net	221,118	230,027
Goodwill	339,770	342,404
Other assets	7,570	6,385
Total assets	$ 1,784,346	$ 1,728,122

	June 30, 2024	December 31, 2023
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 175,553	$ 152,419
Accrued expenses and other current liabilities	104,494	100,249
Current lease liability	18,274	17,316
Income taxes	5,394	4,700
Current maturities of long-term debt and short-term borrowings	42,375	12,355
Total current liabilities	346,090	287,039
Long-term debt	87,242	88,056
Long-term lease liability	43,638	38,549
Income taxes payable non-current	—	4,837
Deferred income taxes	29,529	29,461
Employee benefit plans	29,931	35,973
Other long-term liabilities	21,886	33,914
Commitments and contingencies (see Note 15)		
Redeemable noncontrolling interest	1,134	1,145
Shareholders' equity:		
Common stock (65,000 shares authorized, $ .10 par value) outstanding (45,749 and 46,067 , respectively)	4,575	4,607
Additional paid-in capital	356,016	344,717
Retained earnings	1,099,285	1,078,512
Accumulated other comprehensive loss	(237,705)	(221,114)
Total shareholders' equity	1,222,171	1,206,722
Noncontrolling interest	2,725	2,426
Total equity	1,224,896	1,209,148
Total liabilities and equity	$ 1,784,346	$ 1,728,122

See Notes to Condensed Consolidated Financial Statements.

FRANKLIN ELECTRIC CO., INC. AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(In thousands)	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Cash flows from operating activities:		
Net income	$ 92,423	$ 97,736
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	27,690	26,259
Non-cash lease expense	10,105	8,523
Share-based compensation	7,015	6,410
Deferred income taxes	(939)	1,924
(Gain)/loss on disposals of plant and equipment	(62)	357
Foreign exchange expense	5,316	5,615
Changes in assets and liabilities, net of acquisitions:		
Receivables	(82,828)	(70,725)
Inventory	(23,982)	(24,125)
Accounts payable and accrued expenses	13,171	(3,880)
Operating leases	(10,314)	(8,706)
Income taxes	(2,755)	(6,691)
Income taxes-U.S. Tax Cuts and Jobs Act	(3,870)	(2,902)
Employee benefit plans	(384)	831
Other, net	4,417	12,400
Net cash flows from operating activities	35,003	43,026
Cash flows from investing activities:		
Additions to property, plant, and equipment	(19,445)	(20,241)
Proceeds from sale of property, plant, and equipment	418	—
Cash paid for acquisitions, net of cash acquired	(1,151)	(6,641)
Other, net	21	2
Net cash flows from investing activities	(20,157)	(26,880)
Cash flows from financing activities:		
Proceeds from issuance of debt	225,039	294,650
Repayments of debt	(195,856)	(262,479)
Proceeds from issuance of common stock	4,302	9,010
Purchases of common stock	(47,895)	(25,541)
Dividends paid	(23,980)	(20,872)
Deferred payments for acquisitions	(348)	(186)
Net cash flows from financing activities	(38,738)	(5,418)
Effect of exchange rate changes on cash and cash equivalents	(2,967)	(3,291)
Net change in cash and cash equivalents	(26,859)	7,437
Cash and cash equivalents at beginning of period	84,963	45,790
Cash and cash equivalents at end of period	$ 58,104	$ 53,227

Non-cash items:				
Additions to property, plant, and equipment, not yet paid	$	422	$	540
Right-of-Use Assets obtained in exchange for new operating lease liabilities	$	17,202	$	3,090
Payable to sellers of acquired entities	$	1,300	$	644
Non-cash investment to acquire property in lieu of cash payment for products provided	$	—	$	419
Payable for share repurchases	$	316	$	—

See Notes to Condensed Consolidated Financial Statements.

FRANKLIN ELECTRIC CO., INC. AND CONSOLIDATED SUBSIDIARIES
INDEX TO NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying condensed consolidated balance sheet as of December 31, 2023, which has been derived from audited financial statements, and the unaudited interim condensed consolidated financial statements as of June 30, 2024, and for the second quarters and six months ended June 30, 2024 and June 30, 2023 have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Certain information and note disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to those rules and regulations. In the opinion of management, all accounting entries and adjustments (including normal, recurring adjustments) considered necessary for a fair presentation of the financial position and the results of operations for the interim periods have been made. Operating results for the second quarter and six months ended June 30, 2024 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2024. For further information, including a description of the critical accounting policies of Franklin Electric Co., Inc. (the "Company"), refer to the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

2. ACCOUNTING PRONOUNCEMENTS

Accounting Standards Issued But Not Yet Adopted

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. ASU 2023-07 is intended to improve reportable segment disclosure requirements, primarily through additional and more detailed information about a reportable segment's expenses. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The guidance is to be applied retrospectively to all prior periods presented in the financial statements. The Company plans to adopt this ASU for its fiscal year end December 31, 2024 disclosures, but does not anticipate the adoption to have a material impact on the Company's financial disclosures.

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

3. ACQUISITIONS

2023

During the fourth quarter ended December 31, 2023, the Company acquired substantially all of the assets of Aqua Systems of Fort Myers, a water treatment systems distributor. In another separate transaction, the Company acquired substantially all of the assets of Action Manufacturing and Supply, Inc., a water treatment equipment provider located in southwest Florida. The Company also acquired, in a separate transaction, substantially all of the assets of LCA Pump, LLC, which operates Water Works Pump, a Missouri based professional groundwater distributor. The combined purchase price for the acquisitions in the fourth quarter of 2023, was $ 36.0 million, including contingent consideration with an estimated fair value of $ 4.3 million, after purchase price adjustments based on the level of working capital acquired. In the first quarter of 2024, the Company recorded a measurement period adjustment of $ 1.3 million to increase the acquisition-date fair value of the contingent consideration transferred. The measurement period adjustment resulted in an increase to acquired identifiable intangible assets of $ 2.3 million and a reduction to acquired goodwill of $ 1.0 million. The measurement period adjustments did not have a significant impact on the Company’s results of operations. The fair value of the assets acquired and liabilities assumed for the above acquisitions is preliminary as of June 30, 2024.

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

acquisitions in the first quarter of 2023 was $ 8.7 million after purchase price adjustments based on the level of working capital acquired. The fair value of the assets acquired and liabilities assumed for both acquisitions was final as of March 31, 2024.
The Company has not presented separate results of operations of the acquired companies since the closing of the acquisitions or combined pro forma financial information of the Company and the acquired interests as the results of operations for all 2023 acquisitions are immaterial.

Transaction costs were expensed as incurred under the guidance of FASB Accounting Standards Codification Topic 805, *Business Combinations* and were insignificant for all periods presented.

4. FAIR VALUE MEASUREMENTS
FASB Accounting Standards Codification Topic 820, *Fair Value Measurements and Disclosures*, provides guidance for defining, measuring, and disclosing fair value within an established framework and hierarchy. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The standard established a fair value hierarchy which requires an entity to maximize the use of observable inputs and to minimize the use of unobservable inputs when measuring fair value. The three levels of inputs that may be used to measure fair value within the hierarchy are as follows:

Level 1 – Quoted prices for identical assets and liabilities in active markets;
Level 2 – Quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets; and
Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

As of June 30, 2024 and December 31, 2023, the assets and liabilities measured at fair value on a recurring basis were as set forth in the table below:

(In millions)	June 30, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash equivalents	$ 7.4	$ 7.4	$ —	$ —
Total assets	$ 7.4	$ 7.4	$ —	$ —
Liabilities:				
Share swap transaction	$ 0.3	$ 0.3	$ —	$ —
Forward currency contracts	0.1	—	0.1	—
Contingent payments related to acquisition	4.6	—	—	4.6
Total liabilities	$ 5.0	$ 0.3	$ 0.1	$ 4.6

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

The Company’s Level 1 cash equivalents assets are generally comprised of foreign bank guaranteed certificates of deposit and short term deposits. The share swap transaction asset is recorded within the "Receivables" line of the condensed consolidated balance sheets, and the share swap transaction and forward currency contracts liabilities are recorded within the "Accounts payable" lines of the condensed consolidated balance sheets and are further described in Note 5 - Financial Instruments.

The Company's Level 3 category includes contingent consideration related to acquisitions, which valuation inputs are unobservable and significant to the fair value measurement. Projections and estimated probabilities are used to estimate future contingent earn-out payments, which are discounted back to present value to compute contingent earn-out liabilities. The following table provides a roll-forward of the contingent consideration liability, which is included in "Other long-term liabilities" as of December 31, 2023 and "Accrued expenses and other current liabilities" as of June 30, 2024 in the condensed consolidated balance sheets:

	Second Quarter Ended	Six Months Ended
(In millions)	June 30, 2024	June 30, 2024
Fair value at beginning of period	$ 4.5	$ 3.0
Adjustments to prior year acquisition	—	1.3
Change in fair value recognized in earnings	0.1	0.3
Payments	—	—
Fair value at end of period	$ 4.6	$ 4.6

Total debt, including current maturities, have carrying amounts of $ 129.6 million and $ 100.5 million and estimated fair values of $ 127.0 million and $ 98.6 million as of June 30, 2024 and December 31, 2023, respectively. In the absence of quoted prices in active markets, considerable judgment is required in developing estimates of fair value. Estimates are not necessarily indicative of the amounts the Company could realize in a current market transaction. In determining the fair value of its debt, the Company uses estimates based on rates currently available to the Company for debt with similar terms and remaining maturities. Accordingly, the fair value of debt is classified as Level 2 within the valuation hierarchy.

5. FINANCIAL INSTRUMENTS

The Company’s non-employee directors' deferred compensation stock program is subject to variable plan accounting and, accordingly, is adjusted for changes in the Company’s stock price at the end of each reporting period. The Company has entered into share swap transaction agreements (the "swap") to mitigate the Company’s exposure to the fluctuations in the Company's stock price. The swap has not been designated as a hedge for accounting purposes and is cancellable with 30 days' written notice by either party. As of June 30, 2024 and December 31, 2023, the swap had a notional value based on 240,000 shares. For the second quarter and six months ended June 30, 2024, changes in the fair value of the swap resulted in losses of $ 2.9 million, and $ 0.8 million, respectively. For the second quarter and six months ended June 30, 2023, changes in the fair value of the swap resulted in gains of $ 1.7 million and $ 4.7 million, respectively. Gaines and losses resulting from the swap were largely offset by gains and losses on the fair value of the deferred compensation stock liability. All gains or losses and expenses related to the swap are recorded in the Company's condensed consolidated statements of income within the “Selling, general, and administrative expenses” line.

The Company is exposed to foreign currency exchange rate risk arising from transactions in the normal course of business including making sales and purchases of raw materials and finished goods in foreign denominated currencies with third party customers and suppliers as well as to wholly owned subsidiaries of the Company. To reduce its exposure to foreign currency exchange rate volatility, the Company enters into various forward currency contracts to offset these fluctuations. The Company uses forward currency contracts only in an attempt to limit underlying exposure from foreign currency exchange rate fluctuations and to minimize earnings volatility associated with foreign currency exchange rate fluctuations and has not elected to use hedge accounting. Decisions on whether to use such derivative instruments are primarily based on the amount of exposure to the currency involved and an assessment of the near-term market value for each currency. As of June 30, 2024, the Company had a notional amount of $ 28.2 million in forward currency contracts outstanding and the related fair value of those contracts was not material. As of December 31, 2023, the Company had no foreign currency contracts outstanding. For the second quarter and six months ended June 30, 2024, changes in the fair value of the forward currency contracts resulted in losses of $ 0.9 million and $ 0.3 million, respectively. For the second quarter and six months ended June 30, 2023, changes in the fair value of the forward currency contracts resulted in gains of $ 0.6 million and $ 1.6 million, respectively. These gains and losses are recorded in the Company's condensed consolidated statements of income within the "Foreign exchange expense" line.

6. GOODWILL AND OTHER INTANGIBLE ASSETS

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

(In millions)	June 30, 2024		December 31, 2023	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortizing intangibles:				
Customer relationships	$ 263.5	$ (122.1)	$ 263.7	$ (115.5)
Patents	7.3	(7.3)	7.3	(7.3)
Technology	7.5	(7.5)	7.5	(7.5)
Trade names	44.1	(7.0)	44.1	(5.8)
Other	3.2	(2.7)	3.4	(2.8)
Total	$ 325.6	$ (146.6)	$ 326.0	$ (138.9)
Non-amortizing intangibles:				
Trade names	42.1	—	42.9	—
Total intangibles	$ 367.7	$ (146.6)	$ 368.9	$ (138.9)

Amortization expense related to intangible assets for the second quarters ended June 30, 2024 and June 30, 2023 was $ 4.7 million and $ 4.3 million, respectively, and for six months ended June 30, 2024 and June 30, 2023 was $ 9.5 million and $ 8.5 million, respectively.

The change in the carrying amount of goodwill by reportable segment for the six months ended June 30, 2024 is as follows:

(In millions)	Water Systems	Fueling Systems	Distribution	Consolidated
Balance as of December 31, 2023	$ 221.4	$ 70.4	$ 50.6	$ 342.4
Adjustments to prior year acquisitions	(0.7)	—	(0.1)	(0.8)
Foreign currency translation	(1.8)	—	—	(1.8)
Balance as of June 30, 2024	$ 218.9	$ 70.4	$ 50.5	$ 339.8

7. EMPLOYEE BENEFIT PLANS

The following table sets forth the aggregated net periodic benefit cost for all pension plans for the second quarters and six months ended June 30, 2024 and June 30, 2023:

(In millions)	Pension Benefits			
	Second Quarter Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Service cost	$ 0.2	$ 0.2	$ 0.3	$ 0.3
Interest cost	1.6	1.8	3.1	3.3
Expected return on assets	(1.9)	(1.8)	(3.8)	(3.6)
Amortization of:				
Prior service cost	0.6	—	1.2	—
Actuarial loss	—	0.5	—	1.1
Settlement cost	—	—	—	—
Net periodic benefit cost	$ 0.5	$ 0.7	$ 0.8	$ 1.1

The following table sets forth the aggregated net periodic benefit cost for the other post-retirement benefit plan for the second quarters and six months ended June 30, 2024 and June 30, 2023:

(In millions)	Other Benefits			
	Second Quarter Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Service cost	$ —	$ —	$ —	$ —
Interest cost	—	—	0.1	0.1
Expected return on assets	—	—	—	—
Amortization of:				
Prior service cost	—	—	—	—
Actuarial loss	—	—	—	—
Settlement cost	—	—	—	—
Net periodic benefit cost	$ —	$ —	$ 0.1	$ 0.1

8. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consist of:

(In millions)	June 30, 2024	December 31, 2023
Salaries, wages, and commissions	$ 41.6	$ 45.9
Product warranty costs	9.4	9.3
Insurance	2.1	2.5
Employee benefits	15.0	13.8
Other	36.4	28.7
Total	$ 104.5	$ 100.2

9. INCOME TAXES

The Company’s effective tax rate for the six-month period ended June 30, 2024 was 22.5 percent as compared to 20.0 percent for the six-month period ended June 30, 2023. The effective tax rate differs from the U.S. statutory rate of 21 percent primarily due to state taxes and foreign earnings taxed at rates higher than the U.S. statutory rate partially offset by the recognition of the U.S. foreign-derived intangible income (FDII) provisions and certain discrete events including excess tax benefits from share-based compensation. For the second quarter of 2024, the effective tax rate was 22.9 percent compared to 19.1 percent for the second quarter of 2023.

The increase in the effective tax rate for the second quarter and first six months of 2024 compared to the comparable period in the prior year was a result of less favorable discrete events in 2024, primarily related to excess tax benefits from share-based compensation, in addition to an increase in the rate on foreign earnings with the implementation of the European Union’s Pillar Two Directive.

10. DEBT

Debt consisted of the following:

(In millions)	June 30, 2024	December 31, 2023
New York Life Agreement	$ 75.0	$ 75.0
Credit Agreement	41.0	11.0
Tax increment financing debt	13.4	14.1
Foreign subsidiary debt	0.3	0.5
Less: unamortized debt issuance costs	(0.1)	(0.1)
	$ 129.6	$ 100.5
Less: current maturities	(42.4)	(12.4)
Long-term debt	$ 87.2	$ 88.1

Prudential Agreement

The Company maintains the Fourth Amended and Restated Note Purchase and Private Shelf Agreement (the "Prudential Agreement") with PGIM, Inc. and its affiliates. On May 15, 2024, the Company entered into Amendment No. 1 that increased the total available facility amount from lenders to $ 250.0 million from $ 150.0 million and changed the expiration date from July 30, 2024 to May 15, 2027.

New York Life Agreement

The Company maintains an uncommitted and unsecured private shelf agreement with NYL Investors LLC and its affiliates (the "New York Life Agreement"). On May 15, 2024, the Company entered into Amendment No. 1 that increased the total available facility amount from lenders to $ 250.0 million from $ 200.0 million and changed the expiration date from July 30, 2024 to May 15, 2027.

Credit Agreement

As of June 30, 2024, the Company had $ 41.0 million outstanding borrowings with a weighted-average interest rate of 6.3 percent, $ 3.5 million in letters of credit outstanding, and $ 305.5 million of available capacity under its credit agreement. As of December 31, 2023, the Company had $ 11.0 million outstanding borrowings with a weighted-average interest rate of 6.3 percent, $ 3.6 million in letters of credit outstanding, and $ 335.4 million of available capacity under its credit agreement.

The Company also has overdraft lines of credit for certain subsidiaries with various expiration dates. The aggregate maximum borrowing capacity of these overdraft lines of credits is $ 17.4 million. As of June 30, 2024, there were no outstanding borrowings and $ 17.4 million of available capacity under these lines of credit. As of December 31, 2023, there were $ 17.9 million overdraft lines of credit with no outstanding borrowings and $ 17.9 million of available capacity under these lines of credit.

11. EARNINGS PER SHARE

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

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

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

	Second Quarter Ended		Six Months Ended	
(In millions, except per share amounts)	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Numerator:				
Net income attributable to Franklin Electric Co., Inc.	$ 59.1	$ 59.6	$ 92.1	$ 96.9
Less: Earnings allocated to participating securities	0.2	0.2	0.3	0.3
Net income available to common shareholders	$ 58.9	$ 59.4	$ 91.8	$ 96.6
Denominator:				
Basic weighted average common shares outstanding	46.0	46.2	46.0	46.2
Effect of dilutive securities:				
Non-participating employee stock options, performance awards, and deferred shares to non-employee directors	0.6	0.7	0.6	0.7
Diluted weighted average common shares outstanding	46.6	46.9	46.6	46.9
Basic earnings per share	$ 1.28	$ 1.29	$ 1.99	$ 2.09
Diluted earnings per share	$ 1.26	$ 1.27	$ 1.97	$ 2.06

There were 0.1 million stock options outstanding for the second quarters and six months ended June 30, 2024 and June 30, 2023, that were excluded from the computation of diluted earnings per share, as their inclusion would be anti-dilutive.

12. EQUITY ROLL FORWARD

The schedules below set forth equity changes in the second quarters and six months ended June 30, 2024 and June 30, 2023:

(In thousands)	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Noncontrolling Interest	Total Equity	Redeemable Noncontrolling Interest
Balance as of March 31, 2024	$ 4,609	$ 352,797	$ 1,090,874	$ (227,855)	$ 2,554	$ 1,222,979	$ 1,109
Net income	—	—	59,099	—	186	59,285	46
Dividends on common stock ($ 0.250 /share)	—	—	(11,564)	—	—	(11,564)	—
Common stock issued	—	252	—	—	—	252	—
Common stock repurchased	(40)	—	(39,124)	—	—	(39,164)	—
Share-based compensation	6	2,967	—	—	—	2,973	—
Dividend to noncontrolling interest	—	—	—	—	—	—	(21)
Currency translation adjustment	—	—	—	(10,284)	(15)	(10,299)	—
Pension and other post retirement plans, net of taxes	—	—	—	434	—	434	—
Balance as of June 30, 2024	$ 4,575	$ 356,016	$ 1,099,285	$ (237,705)	$ 2,725	$ 1,224,896	$ 1,134

(In thousands)	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Noncontrolling Interest	Total Equity	Redeemable Noncontrolling Interest
Balance as of March 31, 2023	$ 4,614	$ 332,263	$ 980,114	$ (224,560)	$ 2,537	$ 1,094,968	$ 633
Net income	—	—	59,600	—	292	59,892	268
Dividends on common stock ($ 0.225 /share)	—	—	(10,432)	—	—	(10,432)	—
Common stock issued	15	6,057	—	—	—	6,072	—
Common stock repurchased	(9)	—	(8,399)	—	—	(8,408)	—
Share-based compensation	6	2,492	—	—	—	2,498	—
Currency translation adjustment	—	—	—	4,482	13	4,495	—
Pension and other post retirement plans, net of taxes	—	—	—	416	—	416	—
Balance as of June 30, 2023	$ 4,626	$ 340,812	$ 1,020,883	$ (219,662)	$ 2,842	$ 1,149,501	$ 901

(In thousands)	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Noncontrolling Interest	Total Equity	Redeemable Noncontrolling Interest
Balance as of December 31, 2023	$ 4,607	$ 344,717	$ 1,078,512	$ (221,114)	$ 2,426	$ 1,209,148	$ 1,145
Net Income	—	—	92,058	—	355	92,413	10
Dividends on common stock ($ 0.500 /share)	—	—	(23,124)	—	—	(23,124)	—
Common stock issued	7	4,295	—	—	—	4,302	—
Common stock repurchased	(50)	—	(48,161)	—	—	(48,211)	—
Share-based compensation	11	7,004	—	—	—	7,015	—
Dividend to noncontrolling interest	—	—	—	—	—	—	(21)
Currency translation adjustment	—	—	—	(17,458)	(56)	(17,514)	—
Pension and other post retirement plans, net of taxes	—	—	—	867	—	867	—
Balance as of June 30, 2024	$ 4,575	$ 356,016	$ 1,099,285	$ (237,705)	$ 2,725	$ 1,224,896	$ 1,134

(In thousands)	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Noncontrolling Interest	Total Equity	Redeemable Noncontrolling Interest
Balance as of December 31, 2022	$ 4,619	$ 325,426	$ 969,261	$ (231,448)	$ 2,276	$ 1,070,134	$ 620
Net Income	—	—	96,925	—	530	97,455	281
Dividends on common stock ($ 0.450 /share)	—	—	(20,872)	—	—	(20,872)	—
Common stock issued	22	8,988	—	—	—	9,010	—
Common stock repurchased	(27)	—	(24,431)	—	—	(24,458)	—
Share-based compensation	12	6,398	—	—	—	6,410	—
Currency translation adjustment	—	—	—	10,953	36	10,989	—
Pension and other post retirement plans, net of taxes	—	—	—	833	—	833	—
Balance as of June 30, 2023	$ 4,626	$ 340,812	$ 1,020,883	$ (219,662)	$ 2,842	$ 1,149,501	$ 901

13. ACCUMULATED OTHER COMPREHENSIVE INCOME/(LOSS)

Changes in accumulated other comprehensive income/(loss) by component for the six months ended June 30, 2024 and June 30, 2023, are summarized below:

(In millions) **For the six months ended June 30, 2024:**	Foreign Currency Translation Adjustments	Pension and Post-Retirement Plan Benefit Adjustments [2]	Total
Balance as of December 31, 2023	**$ (179.3)**	**$ (41.8)**	**$ (221.1)**
Other comprehensive income/(loss) before reclassifications	(17.5)	—	(17.5)
Amounts reclassified from accumulated other comprehensive income/(loss) [1]	—	0.9	0.9
Net other comprehensive income/(loss)	(17.5)	0.9	(16.6)
Balance as of June 30, 2024	**$ (196.8)**	**$ (40.9)**	**$ (237.7)**
For the six months ended June 30, 2023:			
Balance as of December 31, 2022	**$ (191.3)**	**$ (40.1)**	**$ (231.4)**
Other comprehensive income/(loss) before reclassifications	10.9	—	10.9
Amounts reclassified from accumulated other comprehensive income/(loss) [1]	—	0.8	0.8
Net other comprehensive income/(loss)	10.9	0.8	11.7
Balance as of June 30, 2023	**$ (180.4)**	**$ (39.3)**	**$ (219.7)**

(1) This accumulated other comprehensive income/(loss) component is included in the computation of net periodic pension cost (refer to Note 7 for additional details) and is included in the "Other income, net" line of the Company's condensed consolidated statements of income.

(2) Net of tax expense of $ 0.3 million for the six months ended June 30, 2024 and June 30, 2023, respectively.

Amounts related to noncontrolling interests were not material.

14. SEGMENT AND GEOGRAPHIC INFORMATION

The accounting policies of the operating segments are the same as those described in Note 1 of the Company's Annual Report on Form 10-K for the year ended December 31, 2023. Revenue is recognized based on the invoice price at the point in time when the customer obtains control of the product, which is typically upon shipment to the customer. The Water and Fueling segments include manufacturing operations and supply certain components and finished goods, both between segments and to the Distribution segment. The Company reports these product transfers between Water and Fueling as inventory transfers as a significant number of the Company's manufacturing facilities are shared across segments for scale and efficiency purposes. The Company reports intersegment transfers from Water to Distribution as intersegment revenue at market prices to properly reflect the commercial arrangement of vendor to customer that exists between the Water and Distribution segments.

Segment operating income is a key financial performance measure. Operating income by segment is based on net sales less identifiable operating expenses and allocations and includes profits recorded on sales to other segments of the Company.

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

(In millions)	Second Quarter Ended June 30, 2024	Second Quarter Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
	Net sales			
Water Systems				
External sales				
United States & Canada	$ 157.7	$ 176.8	$ 295.7	$ 336.2
Latin America	41.8	42.0	83.1	82.3
Europe, Middle East & Africa	56.0	54.6	108.3	105.0
Asia Pacific	24.2	22.2	44.4	41.0
Intersegment sales				
United States & Canada	35.9	26.1	70.7	63.8
Total sales	315.6	321.7	602.2	628.3
Distribution				
External sales				
United States & Canada	190.5	193.1	337.5	336.1
Intersegment sales	—	—	—	—
Total sales	190.5	193.1	337.5	336.1
Fueling Systems				
External sales				
United States & Canada	58.4	60.4	105.1	114.4
All other	14.7	20.0	30.1	38.7
Intersegment sales	—	—	—	—
Total sales	73.1	80.4	135.2	153.1
Intersegment Eliminations/Other	(35.9)	(26.1)	(70.7)	(63.8)
Consolidated	$ 543.3	$ 569.1	$ 1,004.2	$ 1,053.7

	Second Quarter Ended June 30, 2024	Second Quarter Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
	Operating income/(loss)			
Water Systems	$ 62.3	$ 50.8	$ 109.5	$ 99.8
Distribution	9.8	17.8	11.7	22.5
Fueling Systems	26.0	26.7	44.8	47.5
Intersegment Eliminations/Other	(19.0)	(14.4)	(38.9)	(36.3)
Consolidated	$ 79.1	$ 80.9	$ 127.1	$ 133.5

	June 30, 2024	December 31, 2023
	Total assets	
Water Systems	$ 1,056.5	$ 1,044.4
Distribution	415.5	365.6
Fueling Systems	259.5	256.4
Other	52.8	61.7
Consolidated	$ 1,784.3	$ 1,728.1

Other Assets are generally Corporate assets that are not allocated to the segments and are comprised primarily of cash and property, plant and equipment.

15. COMMITMENTS AND CONTINGENCIES

In 2011, the Company became aware of a review of alleged issues with certain underground piping connections installed in filling stations in France owned by the French Subsidiary of Exxon Mobile, Esso S.A.F. A French court ordered that a designated, subject-matter expert review 103 filling stations to determine what, if any, damages are present and the cause of those damages. The Company has participated in this investigation since 2011, along with several other third parties including equipment installers, engineering design firms who designed and provided specifications for the stations, and contract manufacturers of some of the installed equipment. In May 2022, the subject-matter expert issued its final report, which indicates that total damages incurred by Esso amounted to approximately 9.5 million Euro. It is the Company's position that its products were not the cause of any alleged damage. The Company submitted its response to the expert's final report in February 2023. The Company cannot predict the ultimate outcome of this matter. If payments result from a resolution of this matter, depending on the amount, they could have a material effect on the Company's financial position, results of operations, or cash flows.

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

At June 30, 2024, the Company had $ 7.5 million of commitments primarily for capital expenditures and purchase of raw materials to be used in production and finished goods.

At June 30, 2024, the Company has a contingent consideration liability with an estimated fair value of $ 4.6 million that could result in a payment of up to $ 5.0 million if a future profitability milestone is achieved.

The changes in the carrying amount of the warranty accrual, as recorded in the "Accrued expenses and other current liabilities" line of the Company's condensed consolidated balance sheet for the six months ended June 30, 2024, are as follows:

(In millions)		
Balance as of December 31, 2023	$	9.3
Accruals related to product warranties		6.4
Reductions for payments made		(6.3)
Balance as of June 30, 2024	$	9.4

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

Second Quarter 2024 vs. 2023

OVERVIEW

Net sales in the second quarter and first six months of 2024 were $543.3 million and $1.0 billion, respectively, and decreased 5 percent from the prior-year periods. The sales decreases were primarily due to lower volumes and the negative impact of foreign currency translation, partially offset by the incremental sales impact from recent acquisitions. The Company's consolidated gross profit was $199.8 million and $363.4 million, respectively, for the second quarter and first six months of 2024, increases of 6 percent and 4 percent, respectively, from the prior-year periods. Diluted earnings per share was $1.26 and $1.97, respectively, for the second quarter and first six months of 2024, decreases of $0.01 and $0.09, respectively, from the prior-year periods.

RESULTS OF OPERATIONS

Net Sales

Net sales in the second quarter and first six months of 2024 were $543.3 million and $1.0 billion, respectively, and decreased 5 percent as compared to the prior-year periods. Sales were negatively impacted by changes in foreign exchange rates, principally due to the strengthening of the U.S. Dollar relative to the Argentine Peso and Turkish Lira. However, the Company increases prices in the local currency to offset the impact of currency devaluation in the Argentina and Turkey hyperinflationary economies. As a result, the net negative impact of foreign currency exchange rates on net sales was 1 percent in the second quarter and first six months of 2024 compared to the same periods in the prior year.

	Net Sales		
(In millions)	Q2 2024	Q2 2023	2024 v 2023
Water Systems	$ 315.6	$ 321.7	$ (6.1)
Fueling Systems	73.1	80.4	(7.3)
Distribution	190.5	193.1	(2.6)
Eliminations/Other	(35.9)	(26.1)	(9.8)
Consolidated	$ 543.3	$ 569.1	$ (25.8)

	Net Sales		
(In millions)	YTD June 30, 2024	YTD June 30, 2023	2024 v 2023
Water Systems	$ 602.2	$ 628.3	$ (26.1)
Fueling Systems	135.2	153.1	(17.9)
Distribution	337.5	336.1	1.4
Eliminations/Other	(70.7)	(63.8)	(6.9)
Consolidated	$ 1,004.2	$ 1,053.7	$ (49.5)

Net Sales-Water Systems

Water Systems net sales decreased 2 percent in the second quarter and 4 percent in the first six months of 2024, as compared to the prior-year periods. This sales decline was primarily due to lower volumes, which decreased due to weaker end market demand for large dewatering equipment. Sales decreased 2 percent in the second quarter and 1 percent in the first six months of 2024 due to the negative impact from foreign exchange rates, as compared to prior-year periods. The incremental sales impact from recent acquisitions favorably impacted sales 2 percent in the second quarter and first six months of 2024.

Water Systems net sales in the U.S. and Canada decreased 5 percent in the second quarter and 8 percent in the first six months of 2024, as compared to the prior-year periods. In the second quarter of 2024, sales of large dewatering equipment decreased 44 percent, sales of water treatment products increased 13 percent, sales of all other surface pumping equipment increased 11 percent and sales of groundwater pumping equipment increased 6 percent compared to 2023. In the first half of 2024, sales of large dewatering equipment decreased 47 percent, sales of groundwater pumping equipment decreased 1 percent, sales of water treatment products increased 13 percent and sales of all other surface pumping equipment increased 6 percent compared to 2023.

Water Systems net sales in markets outside the U.S. and Canada increased 3 percent in the second quarter and first six months of 2024, as compared to the prior-year periods. Sales decreased 4 percent in the second quarter and 3 percent in the first six months of 2024 due to the negative impact from foreign exchange rates, as compared to prior-year periods. In both the second quarter and first half of 2024, outside the U.S. and Canada, excluding the impact of foreign currency translation, sales increased in all three major regions: EMEA, Latin America and Asia Pacific.

Net Sales-Fueling Systems

Fueling Systems net sales decreased 9 percent in the second quarter and 12 percent in the first six months of 2024, as compared to the prior-year periods. This sales decline was primarily due to lower volumes.

Fueling Systems net sales in the U.S. and Canada decreased 4 percent in the second quarter and 6 percent in the first six months of 2024, as compared to the prior-year periods. The decrease was primarily in fuel management systems and pumping systems. Outside the U.S. and Canada, Fueling Systems sales decreased 7 percent in the second quarter and 6 percent in the first six months of 2024, as compared to the prior-year periods, due primarily to lower sales in European and Asia Pacific markets.

Net Sales - Distribution

Distribution net sales decreased 1 percent in the second quarter and were flat in the first six months of 2024, as compared to the prior-year periods. The Distribution segment sales were negatively impacted by unfavorable weather conditions and commodity pricing declines, partially offset by the incremental sales impact from a recent acquisition which favorably impacted net sales by 2 percent in the second quarter and first six months of 2024.

Gross Profit and Expenses Ratios

	Three Months Ended June 30,			
(In Millions)	2024	% of Net Sales	2023	% of Net Sales
Gross Profit	$ 199.8	36.8 %	$ 188.5	33.1 %
Selling, General and Administrative Expense	120.6	22.2 %	107.4	18.9 %

	Six Months Ended June 30,			
(In Millions)	2024	% of Net Sales	2023	% of Net Sales
Gross Profit	$ 363.4	36.2 %	$ 350.7	33.3 %
Selling, General and Administrative Expense	236.3	23.5 %	217.0	20.6 %

Gross Profit

The gross profit margin ratio was 36.8 percent and 36.2 percent in the second quarter and first six months of 2024, respectively, and 33.1 percent and 33.3 percent in the second quarter and first six months of 2023, respectively. The gross profit margin was impacted in the second quarter and first six months of 2024 by cost management, including lower freight costs in Water Systems and Fueling Systems, and a favorable product and geographic sales mix shift.

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

SG&A expenses were $120.6 million in the second quarter and $236.3 million in the first half of 2024 compared to $107.4 million in the second quarter and $217.0 million in the first half of 2023. SG&A expenses increased in the second quarter and first half of 2024 primarily due to higher compensation costs and advertising and marketing expenses. The SG&A expenses ratio was 22.2 percent and 23.5 percent in the second quarter and first six months of 2024, respectively, and 18.9 percent and 20.6 percent in the second quarter and first six months of 2023, respectively.

Restructuring Expenses

There were no restructuring expenses in the second quarter and first six months of 2024, and $0.1 million and $0.3 million in the second quarter and first six months of 2023, respectively. Restructuring expenses were primarily from continued miscellaneous manufacturing realignment activities, branch closings and consolidations.

Operating Income

Operating income in the second quarter and first half of 2024 was $79.1 million and $127.1 million, respectively, decreases of 2 percent and 5 percent, respectively, as compared to the prior-year periods.

(In millions)	Operating income (loss) Q2 2024		Q2 2023		2024 v 2023	
Water Systems	$	62.3	$	50.8	$	11.5
Fueling Systems		26.0		26.7		(0.7)
Distribution		9.8		17.8		(8.0)
Eliminations/Other		(19.0)		(14.4)		(4.6)
Consolidated	$	79.1	$	80.9	$	(1.8)

(In millions)	Operating income (loss) YTD June 30, 2024		YTD June 30, 2023		2024 v 2023	
Water Systems	$	109.5	$	99.8	$	9.7
Fueling Systems		44.8		47.5		(2.7)
Distribution		11.7		22.5		(10.8)
Eliminations/Other		(38.9)		(36.3)		(2.6)
Consolidated	$	127.1	$	133.5	$	(6.4)

Operating Income-Water Systems

Water Systems operating income in the second quarter and first six months of 2024 was $62.3 million and $109.5 million, respectively, increases of $11.5 million and $9.7 million, respectively, as compared to the prior-year periods. The increases were primarily due to cost management and a favorable product and geographic sales mix shift. The second quarter operating income margin was 19.7 percent, an increase of 390 basis points from 15.8 percent in the second quarter of 2023. The first six months of 2024 operating income margin was 18.2 percent, an increase of 230 basis points from 15.9 percent in the first six months of 2023. Operating income margin increased primarily due to cost management and a favorable product and geographic sales mix shift.

Operating Income-Fueling Systems

Fueling Systems operating income in the second quarter and first six months of 2024 was $26.0 million and $44.8 million, respectively, decreases of $0.7 million and $2.7 million, respectively, as compared to the prior-year periods. The decreases were primarily due to lower sales. The second quarter operating income margin was 35.6 percent, an increase of 240 basis points from 33.2 percent in the second quarter of 2023. The first six months of 2024 operating income margin was 33.1 percent, an increase of 210 basis points from 31.0 percent in the first six months of 2023. Operating income margin increased primarily due to price realization and cost management.

Operating Income-Distribution

Distribution operating income in the second quarter and first six months of 2024 was $9.8 million and $11.7 million, respectively, decreases of $8.0 million and $10.8 million, respectively, as compared to the prior-year periods. The second quarter operating income margin was 5.1 percent, a decrease of 410 basis points from 9.2 percent in the second quarter of 2023. The first six months of 2024 operating income margin was 3.5 percent, a decrease of 320 basis points from 6.7 percent in the first six months of 2023. Operating income and operating income margin decreased primarily due to the negative impact on sales from wet weather across much of the United States, decreases in pricing of commodity-based products sold through the business and increased SG&A costs.

Operating Income-Eliminations/Other

Operating income-Eliminations/Other is composed primarily of intersegment sales and profit eliminations and unallocated general and administrative expenses. The intersegment profit elimination impact in the second quarter and first six months of 2024 compared to the prior-year periods of 2023 was an unfavorable $2.9 million and $1.4 million, respectively. The intersegment elimination of operating income effectively defers the operating income on sales from Water Systems to Distribution in the consolidated financial results until such time as the transferred product is sold from the Distribution segment to its end third party customer. General and administrative expenses increased $1.7 million and $1.2 million, respectively, compared to the prior-year periods, primarily due to higher compensation and professional fees.

Interest Expense

Interest expense was $2.0 million and $3.4 million in the second quarter and first six months of 2024, respectively, and $4.2 million and $7.3 million in the second quarter and first six months of 2023, respectively. The decreases in the second quarter and first six months of 2024 were primarily driven by lower debt.

Other Income, Net

Other income, net was $0.2 million and $0.9 million in the second quarter and first six months of 2024, respectively, and $1.2 million and $1.6 million in the second quarter and first six months of 2023, respectively. The decreases were primarily due to lower interest income.

Foreign Exchange

Foreign currency-based transactions produced an expense of $0.4 million and $5.3 million in the second quarter and first six months of 2024, respectively, and an expense of $3.6 million and $5.6 million in the second quarter and first six months of 2023, respectively. The expense in 2024 was primarily due to transaction losses associated with the Argentine Peso and Turkish Lira relative to the U.S. dollar. The expense in 2023 was primarily due to transaction losses associated with the Turkish Lira, Argentine and Mexican Peso relative to the U.S. dollar. The Company reports the results of its subsidiaries in Argentina and Turkey using highly inflationary accounting, which requires that the functional currency of the entity be changed to the reporting currency of its parent.

Income Taxes

The provision for income taxes in the second quarter and first six months of 2024 was $17.6 million and $26.8 million, respectively, and $14.2 million and $24.4 million in the second quarter and first six months of 2023, respectively. The effective tax rate for the second quarter and first six months of 2024 was 22.9 percent and 22.5 percent, respectively, and 19.1 percent and 20.0 percent in the second quarter and the first six months of 2023, respectively. The increase in the effective tax rates for the second quarter and first six months of 2024 compared to the comparable periods in the prior year was a result of less favorable discrete events in 2024, primarily related to excess tax benefits from share-based compensation, in addition to an increase in the rate on foreign earnings with the implementation of European Union’s Pillar Two Directive.

Net Income

Net income in the second quarter and first six months of 2024 was $59.3 million and $92.4 million, respectively, and $60.2 million and $97.7 million in the second quarter and first six months of 2023, respectively. Net income attributable to Franklin Electric Co., Inc. in the second quarter and first six months of 2024 was $59.1 million and $92.1 million, respectively, or $1.26 and $1.97 per diluted share. Net income attributable to Franklin Electric Co., Inc. in the second quarter and first six months of 2023 was $59.6 million and $96.9 million, respectively, or $1.27 and $2.06 per diluted share.

CAPITAL RESOURCES AND LIQUIDITY

Sources of Liquidity

The Company's primary sources of liquidity are cash on hand, cash flows from operations, revolving credit agreements, and long-term debt funds available. The Company believes its capital resources and liquidity position at June 30, 2024 is adequate to meet projected needs for the foreseeable future. The Company expects that ongoing requirements for operations, capital expenditures, pension obligations, dividends, share repurchases, and debt service will be adequately funded from cash on hand, operations, and existing credit agreements.

As of June 30, 2024, the Company had a $350.0 million revolving credit facility. The facility is scheduled to mature on May 13, 2026. As of June 30, 2024, the Company had $305.5 million borrowing capacity under its credit agreement as $3.5 million in letters of commercial and standby letters of credit were outstanding and undrawn and $41.0 million in revolver borrowings were drawn and outstanding, which were primarily used for funding working capital requirements.

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

The Company also has other long-term debt borrowings outstanding as of June 30, 2024. See Note 10 - Debt included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, for additional information regarding these obligations and future maturities as well as Note 10 - Debt of this current quarterly report for changes to these agreements since December 31, 2023.

At June 30, 2024, the Company had $53.0 million of cash and cash equivalents held in foreign jurisdictions, which is intended to be used to fund foreign operations. There is currently no need or intent to repatriate the majority of these funds in order to meet domestic funding obligations or scheduled cash distributions.

Cash Flows

The following table summarizes significant sources and uses of cash and cash equivalents for the first six months of 2024 and 2023.

(in millions)	2024	2023
Net cash flows from operating activities	$ 35.0	$ 43.0
Net cash flows from investing activities	(20.2)	(26.9)
Net cash flows from financing activities	(38.7)	(5.4)
Impact of exchange rates on cash and cash equivalents	(3.0)	(3.3)
Change in cash and cash equivalents	$ (26.9)	$ 7.4

Cash Flows from Operating Activities

2024 vs. 2023

Net cash provided by operating activities was $35.0 million for the six months ended June 30, 2024 compared to $43.0 million provided by operating activities for the six months ended June 30, 2023. The change in operating cash flow was primarily due to lower earnings, partially offset by continued actions to improve working capital.

Cash Flows from Investing Activities

2024 vs. 2023

Net cash used in investing activities was $20.2 million for the six months ended June 30, 2024 compared to $26.9 million used in investing activities for the six months ended June 30, 2023. The change in investing cash flow was primarily attributable to decreased acquisition activity in the first six months of 2024.

Cash Flows from Financing Activities

2024 vs. 2023

Net cash used in financing activities was $38.7 million for the six months ended June 30, 2024 compared to $5.4 million used in financing activities for the six months ended June 30, 2023. The change in financing cash flow was primarily due to increased share repurchase activity and higher dividends in 2024 compared to 2023, partially offset by lower proceeds from option exercises and lower net borrowings under the Company's credit facility.

FACTORS THAT MAY AFFECT FUTURE RESULTS

This quarterly report on Form 10-Q contains certain forward-looking information, such as statements about the Company’s financial goals, acquisition strategies, financial expectations including anticipated revenue or expense levels, business prospects, market positioning, product development, manufacturing re-alignment, capital expenditures, tax benefits and expenses, and the effect of contingencies or changes in accounting policies. Forward-looking statements are typically identified by words or phrases such as “believe,” “expect,” “anticipate,” “intend,” “estimate,” “may increase,” “may fluctuate,” “plan,” “goal,” “target,” “strategy,” and similar expressions or future or conditional verbs such as “may,” “will,” “should,” “would,” and “could.” While the Company believes that the assumptions underlying such forward-looking statements are reasonable based on present conditions, forward-looking statements made by the Company involve risks and uncertainties and are not guarantees of future performance. Actual results may differ materially from those forward-looking statements as a result of various factors, including regional or general economic and currency conditions, various conditions specific to the Company’s business and industry, new housing starts, weather conditions, epidemics and pandemics, market demand, competitive factors, changes in distribution channels, supply constraints, effect of price increases, raw material costs and availability, technology factors, integration of acquisitions, litigation, government and regulatory actions, the Company’s accounting policies, and other risks, all as described in the Company's Securities and Exchange Commission filings, included in Part I, Item 1A of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, and in Exhibit 99.1 thereto. Any forward-looking statements included in this Form 10-Q are based upon information presently available. The Company does not assume any obligation to update any forward-looking information, except as required by law.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no significant changes in the Company's exposure to market risk during the second quarter ended June 30, 2024. For additional information, refer to Part II, Item 7A of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

ITEM 4. CONTROLS AND PROCEDURES

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

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

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is defending various claims and legal actions which have arisen in the ordinary course of business. For a description of the Company's material legal proceedings, refer to Note 15 - Commitments and Contingencies, in the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1, "Notes to Condensed Consolidated Financial Statements (Unaudited)," of this Quarterly Report on Form 10-Q, which is incorporated into this Item 1 by reference. In the opinion of management, based on current knowledge of the facts and after discussion with counsel, other claims and legal actions can be defended or resolved without a material effect on the Company’s financial position, results of operations, and net cash flows.

ITEM 1A. RISK FACTORS

There have been no material changes to the Company's risk factors as set forth in the annual report on Form 10-K for the fiscal year ended December 31, 2023. Additional risks and uncertainties, not presently known to the Company or currently deemed immaterial, could negatively impact the Company’s results of operations or financial condition in the future.

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

(c) Issuer Repurchases of Equity Securities

In April 2007, the Company's Board of Directors approved a plan to increase the number of shares remaining for repurchase from 628,692 to 2,300,000 shares. There is no expiration date for this plan. On August 3, 2015, the Company's Board of Directors approved a plan to increase the number of shares remaining for repurchase by an additional 3,000,000 shares. The authorization was in addition to the 535,107 shares that remained available for repurchase as of July 31, 2015. In February 2023, the Company’s Board of Directors approved a plan to increase the number of shares remaining for repurchase by an additional 1,000,000 shares. The authorization was in addition to the 215,872 shares that remained available for repurchase as of February 16, 2023. The Company repurchased 378,985 shares for approximately $37.0 million under the plan during the second quarter of 2024. The maximum number of shares that may still be purchased under this plan as of June 30, 2024 is 459,566.

Period	Total Number of Shares Repurchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan	Maximum Number of Shares that may yet to be Repurchased
April 1 - April 30	51,682	$ 99.74	51,682	786,869
May 1 - May 31	140,340	$ 98.50	140,340	646,529
June 1 - June 30	186,963	$ 96.61	186,963	459,566
Total	378,985	$ 97.74	378,985	459,566

ITEM 5. OTHER INFORMATION

None of the Company’s directors or officers adopted, modified, or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the Company’s fiscal quarter ended June 30, 2024.

ITEM 6. EXHIBITS

Number	Description
3.1	Amended and Restated Articles of Incorporation of Franklin Electric Co., Inc. (incorporated by reference to Exhibit 3.1 of the Company's Form 8-K filed on May 7, 2019)
3.2	Amended and Restated Bylaws of Franklin Electric Co., Inc., as amended January 27, 2020 (incorporated by reference to Exhibit 3.1 of the Company's Form 8-K filed on January 30, 2020)
10.1	Offer Letter to Joseph Ruzynski dated April 26, 2024 (filed herewith)*
10.2	Employment Security Agreement between the Company and Joseph Ruzynski (filed herewith)*
10.3	Confidentiality and Non-Compete Agreement between the Company and Joseph Ruzynski (filed herewith)*
10.4	Franklin Electric Co., Inc. Executive Severance Policy, as amended and restated effective July 1, 2024 (filed herewith)*
10.5	First Amendment to Amended and Restated Note Purchase and Private Shelf Agreement, dated May 15, 2024, by and among Franklin Electric Co., Inc., Franklin Electric B.V., NYL Investors LLC , and the purchasers named therein (incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed on May 16, 2024)
10.6	First Amendment to Fourth Amended and Restated Note Purchase and Private Shelf Agreement, dated May 15, 2024, by and among Franklin Electric Co., Inc., Franklin Electric B.V., Prudential Insurance Company, and the purchasers named therein (incorporated by reference to Exhibit 10.2 of the Company's Form 8-K filed on May 16, 2024)
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Chief Executive Officer Certification Pursuant to 18 U.S.C. Section 1350 As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Chief Financial Officer Certification Pursuant to 18 U.S.C. Section 1350 As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following financial information from Franklin Electric Co., Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, formatted in Inline eXtensible Business Reporting Language (Inline XBRL): (i) Condensed Consolidated Statements of Income for the second quarters and six months ended June 30, 2024 and 2023 (ii) Condensed Consolidated Statements of Comprehensive Income/(Loss) for the second quarter and six months ended June 30, 2024 and 2023, (iii) Condensed Consolidated Balance Sheets as of June 30, 2024, and December 31, 2023, (iv) Condensed Consolidated Statement of Cash Flows for the six months ended June 30, 2024 and 2023, and (v) Notes to Condensed Consolidated Financial Statements (filed herewith)
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

*Management Contract, Compensatory Plan or Arrangement

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.

FRANKLIN ELECTRIC CO., INC.

Registrant

Date: July 26, 2024

By /s/ Joseph A. Ruzynski

Joseph A. Ruzynski , Chief Executive Officer

(Principal Executive Officer)

Date: July 26, 2024

By /s/ Jeffery L. Taylor

Jeffery L. Taylor, Vice President and Chief Financial Officer

(Principal Financial and Accounting Officer)

EXHIBIT 10.1

April 26, 2024

Joseph A. Ruzynski
*[Address]**
*[Email address]**

Dear Joe:

Franklin Electric Co., Inc. (the “Company”) is pleased to offer you the position of Chief Executive Officer, reporting directly to the Company’s Board of Directors. In addition, you will also be appointed as a member of the Company’s Board of Directors upon your start date. Your employment will be based in the Company’s Fort Wayne, Indiana Headquarters, with duties and responsibilities customarily attendant to the Chief Executive Officer position, as assigned and directed by the Company’s Board of Directors.

Your annual salary will be $900,000, paid bi-weekly. In addition to your annual salary, you will be eligible for participation in the Franklin Electric Manager Bonus Plan with a target level of one hundred percent (100%), for the fiscal year 2024, payable in March 2025. This bonus will be based on your paid salary for the 2024 fiscal year, and the metrics will be consistent with those that our Board of Directors had approved for your predecessor’s bonus calculation (50% based on earnings per share achievement, 50% based on reduction of working capital as a ratio of sales). Franklin Electric will also offer a signing bonus of $250,000, payable with your first paycheck. This signing bonus would need to be repaid in the event you leave Franklin Electric within 12 months of your starting date.

Upon your starting date you will be granted a special award of restricted FELE equity instruments with an award value of $5,250,000, [1] consisting of fifty percent (50%) performance stock units, twenty five percent (25%) restricted stock awards and twenty five percent (25%) stock options. For a description of these equity instruments, please see the Company’s 2024 Proxy Statement, as filed with the Securities and Exchange Commission. These awards will be subject to the terms and conditions of their respective grant agreements, copies of which have been provided to you. The performance stock units will vest, subject to the performance conditions contained in the grant agreement, on December 31, 2026, consistent with the 2024 awards issued to other executive officers of the Company. Starting in 2025, you will be eligible to participate in the annual grant cycle of the Franklin LTI (Long Term Incentive) Equity Plan (such grants to be made in February/March 2025), subject to annual approval of the FELE Equity Plan participation recommendations by the Management, Organization and Compensation Committee of the Company’s Board of Directors. You should be aware that the Company requires the Chief Executive Officer to maintain direct ownership of Company stock equal to six times the applicable base salary amount within five years of the start date. Until you attain the requisite stock ownership, you must retain fifty percent (50%) of all shares acquired under the Company’s compensation plans. In addition to shares held outright, this policy credits the officer with ownership of certain equity awards that are not yet vested and/or exercised. In addition, equity awards (as well as certain other incentive-based compensation) are subject to certain clawback policies. Copies of these policies will be provided to you.

Franklin Electric will provide executive level relocation support to assist with your move to Fort Wayne, IN. These services will be coordinated through our relocation vendor, Promisor. A summary of those benefits is enclosed. In addition, the Company will reimburse you for up to $50,000 of relocation expenses actually incurred by you above and beyond the coverage of the relocation policy, subject to the Company’s receipt of reasonable documentation. The Chief Executive Officer position is highly visible both internally and externally, and as such, it is essential that you relocate to the Fort Wayne, IN area as soon as practicable. By accepting this offer, you agree that you will move your permanent residence to Fort Wayne by August 30, 2025.

As an employee of the Company, you will be eligible to participate in insurance, savings, and other benefit programs as eligibility permits. This participation includes the receipt of a Medicare tax reimbursement relating to the annual Company contributions in the Company’s Supplemental Retirement Plan. Insurance becomes effective the day you become an employee. You will be able to rollover an existing 401K savings plan into the Franklin Electric 401K program if you wish to do so. You will be offered paid vacation per the FE Officer vacation plan which is a flexible paid time off benefit. You will be eligible to participate in an annual executive physical so long as such program is authorized by the Company’s Board of Directors.

[1] The sum of (1) $4,000,000 representing the “Buy Out Grant” and (2) pro rata portion of $2,500,000 “Annual Grant” based on start date. Assuming a July 1 start date, this would be equal to $5,250,000.

**Personal information redacted*

In addition to the benefits described above, you will have the option to use the Company's corporate aircraft from time to time for non-business purposes, subject to a maximum of 30 flight hours during the period from [July 1, 2024 through June 30, 2025][2]. This use of the aircraft is subject to its being available and operational in the ordinary course. The amount of income attributed to you for the use of the aircraft for non-business purposes will be determined by the Standard Industry Fare Level method, and you will be responsible for paying the tax on this income. Continued non-business use of the Company's corporate aircraft after this period will be subject to the discretion of the Company's Board of Directors.

Also, should you elect to join Franklin Electric, you will be eligible for coverage under the Franklin Electric Co., Inc. Executive Severance Policy and an Employment Security Agreement which address certain severance benefits, including pursuant to a corporate change in control contingency. A copy of the policy and agreement are enclosed.

All employees at Franklin Electric are required to sign a confidentiality agreement and a Non-Compete Agreement. I have enclosed copies of each for your review. This offer is also contingent upon successful completion of a drug test and background check.

Please contact me if you have any additional questions concerning the position or this offer letter.

I am looking forward to having you lead our World Class Team at Franklin Electric and await your affirmative response.

Your anticipated start date is July 1, 2024; however, this offer is valid until close of business May 17, 2024.

Please sign below and return a copy of this letter to confirm your acceptance.

Best Regards,

/s/ Jennifer L. Sherman
Jennifer L. Sherman
Lead Independent Director
Franklin Electric Co., Inc.

Accepted:	/s/ Joseph A. Ruzynski Joseph A. Ruzynski	Date:	05/01/2024

[2] Assuming July 1, 2024 start date.

EXHIBIT 10.2

EMPLOYMENT SECURITY AGREEMENT

This Employment Security Agreement (“Agreement”), is entered into as of July 1, 2024, by and between Franklin Electric Co., Inc., an Indiana corporation (“Franklin”), and Joseph Ruzynski (“Executive”).

WITNESSETH:

WHEREAS, Executive is currently employed by Franklin as its Chief Executive Officer;

WHEREAS, Franklin desires to provide certain security to Executive in connection with Executive’s employment with Franklin; and

WHEREAS, Executive and Franklin desire to enter into this Agreement pertaining to the terms of the security Franklin is providing to Executive with respect to his employment.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Definitions. For purposes of this Agreement:

(a) “Affiliate” has the meaning set forth in Rule 12b-2 under the Securities Exchange Act of 1934.

(b) “Base Salary” means Executive’s annual base salary at the rate in effect on the date of a Change in Control, or if greater, the rate in effect immediately prior to Executive’s termination of employment with Franklin.

(c) “Change in Control” means the occurrence of any of the following events:

(i) any individual, partnership, firm, corporation, association, trust, unincorporated organization or other entity (other than Franklin or a trustee or other fiduciary holding securities under an employee benefit plan of Franklin), or any syndicate or group deemed to be a person under Section 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is or becomes the "beneficial owner" (as defined in Rule 13d-3 of the General Rules and Regulations under the Exchange Act), directly or indirectly, of securities of Franklin representing 20% or more of the combined voting power of Franklin’s then outstanding securities entitled to vote generally in the election of directors;

(ii) Franklin is party to a merger, consolidation, reorganization or other similar transaction with another corporation or other legal person unless, following such transaction, more than 50% of the combined voting power of the outstanding securities of the surviving, resulting or acquiring corporation or person or its parent entity entitled to vote generally in the election of directors (or persons performing similar functions) is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners of Franklin’s outstanding securities entitled to vote generally in the election of directors immediately prior to such transaction, in substantially the same proportions as their ownership, immediately prior to such transaction, of Franklin’s outstanding securities entitled to vote generally in the election of directors;

(iii) The stockholders of Franklin approve a plan of complete liquidation or dissolution of Franklin or Franklin sells all or substantially all of its business and/or assets to another corporation or other legal person unless, following such sale, more than 50% of the combined voting power of the outstanding securities of the acquiring corporation or person or its parent entity entitled to vote generally in the election of directors (or persons performing similar functions) is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners of Franklin’s outstanding securities entitled to vote generally in the election of directors immediately prior to such sale, in substantially the same proportions as their ownership, immediately prior to such sale, of Franklin’s outstanding securities entitled to vote generally in the election of directors; or

(iv) during any period of two consecutive years or less, individuals who at the beginning of such period constituted the Board of Directors of Franklin (and any new Directors, whose appointment or election by the Board of Directors or nomination for election by Franklin’s stockholders was approved by a vote of at least two-thirds of the Directors then still in office who either were Directors at the beginning of the period or whose appointment, election or nomination for election was so approved) cease for any reason to constitute a majority of the Board of Directors.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur by virtue of any transaction in which Executive is a participant in a group effecting an acquisition of Franklin if Executive holds an equity interest in the entity acquiring Franklin at the time of such acquisition.

(d) "Good Cause" means:

(i) Executive's intentional and material misappropriation of, or damage to, the property or business of Franklin;

(ii) Executive's conviction of a criminal violation involving fraud or dishonesty or of a felony that causes material harm or injury (whether financial or otherwise) to Franklin; or

(iii) Executive's willful and continuous failure to perform his obligations under the Agreement, provided that Franklin shall first give written notice to Executive describing such failure and, as long as it is capable of being cured and does not involve acts of material dishonesty directed against Franklin, Executive does not substantially cure or correct such failure within 30 days thereafter, or if such failure can not reasonably be cured within such period, cure is not commenced within such period and diligently pursued and fully cured within 60 days of Franklin's original notice to Executive.

Notwithstanding anything herein to the contrary, in the event Franklin terminates the employment of Executive for Good Cause hereunder, Franklin shall give Executive at least 30 days prior written notice specifying in detail the reason or reasons for Executive's termination.

(e) "Good Reason" means:

(i) a material reduction in Executive's salary or retirement benefits or a material reduction in Executive's compensation and benefits in the aggregate, excluding, in the case of incentive benefits that are based upon the performance of Executive or Franklin, reductions in benefits resulting from diminished performance by Executive or Franklin;

(ii) any purchaser (or affiliate thereof) who purchases substantially all of the assets of Franklin shall decline to assume all of Franklin's obligations under this Agreement; or

(iii) the relocation of the Executive's principal place of employment by more than 50 miles.

(f) "Severance Period" means the period beginning on the date Executive's employment with Franklin terminates under circumstances described in Section 2 and ending on the date 36 months thereafter.

(g) "Target Bonus" means the amount that would be payable to Executive under the Executive Officer Annual Incentive Cash Bonus Program or any successor plan thereto for the year in which Executive's employment with Franklin terminates, assuming attainment of the target performance goals at 100% level and employment of Executive at the end of such year (such amount to be determined regardless of whether Executive would otherwise be eligible for a bonus under the terms of any such plan or the extent to which the performance goals are actually met).

2. Termination of Employment. If within two years after a Change in Control, (a) Franklin terminates Executive's employment for any reason other than Good Cause, or (b) Executive terminates his employment with Franklin for Good Reason, Franklin shall make the payments and provide the benefits described in Section 3 below.

3. Benefits Upon Termination of Employment. Upon termination of Executive's employment with Franklin under circumstances described in Section 2 above:

(a) Within 30 days following the date of such termination, Franklin shall pay Executive a lump sum cash payment equal to the sum of (i), (ii) and (iii) below:

(i) unpaid Base Salary earned by Executive through the date of termination (which shall include payment for all accrued but unused vacation pay);

(ii) three times Executive's Base Salary; and

(iii) an amount equal to the sum of (A) a prorata portion of Executive's Target Bonus (based on the date on which such termination of employment occurs), and (B) three times Executive's Target Bonus.

(b) Franklin shall pay Executive a lump sum payment (calculated based on his age as of his termination of employment) within 30 days following his termination of employment of an amount equal to the increase in benefits under all tax-qualified and supplemental retirement plans maintained by Franklin in which Executive participates at termination of employment that results from crediting Executive with an additional 36 months of service for all purposes (including determining service and age for early retirement factors, if applicable) under such plans, and deeming Executive to be an employee of Franklin during the Severance Period. The amounts attributable to additional benefits under any such plan shall be based on Executive's compensation level as of his termination of employment. The amounts attributable to additional benefits under any retirement plan that is a defined contribution plan shall include the additional Franklin contributions that would have been made or credited on Executive's behalf had he authorized the same elective contributions he had elected for the year in which the termination of employment occurs, and shall include earnings that would have accrued under the applicable plan during the Severance Period (the earnings will be determined by multiplying the aggregate contributions to each such plan by the weighted average of the rate of return of the actual investment alternatives elected by Executive as of the beginning of the 12-month period ending on the employment termination date). Benefits accrued under such plans prior to Executive's termination of employment shall be paid in accordance with the terms of such plans. Notwithstanding the foregoing, the payment under this Section 3(b) shall be offset by the lump sum value of the amounts of additional benefits paid or payable in accordance with the terms of such plans as a result of the occurrence of a Change in Control but not below zero.

(c) If Executive holds any stock-based awards as of the date of his termination of employment, (i) all such awards that are stock options shall immediately become exercisable on such date and shall be exercisable for 12 months following such termination of employment, or if earlier, until the expiration of the term of the stock option; (ii) all restrictions on any awards of restricted stock or restricted stock units shall terminate or lapse; and (iii) all performance goals applicable to any performance-based awards shall be deemed satisfied at the target performance level, and in each case settlement of such awards shall be made to Executive within 30 days of Executive's termination. To the extent any of the foregoing is not permissible under the terms of any plan pursuant to which the awards were granted, Franklin shall pay to Executive, in a lump sum within 30 days after termination of Executive's employment, an amount as follows: (A) to the extent the acceleration of the exercise of such stock options is not permissible, an amount equal to the excess, if any, of the aggregate fair market value of the stock subject to such options, determined on the date of Executive's termination of employment, over the aggregate exercise price of such stock options; (B) to the extent the termination or lapse of restrictions on restricted stock or restricted stock units is not permissible, an amount equal to the aggregate fair market value of the stock subject to the restrictions (determined without regard to such restrictions); and (C) to the extent performance awards are limited, an amount equal to the aggregate fair market value of the additional shares that were not awarded. Executive shall surrender all outstanding awards for which payment pursuant to the preceding sentence is made.

(d) During the Severance Period, Executive and his spouse and eligible dependents shall continue to be covered by all employee benefit plans of Franklin providing health, prescription drug, dental, vision, disability and life insurance in which he or his spouse or eligible dependents were participating immediately prior to the date of his termination of employment, as if he continued to be an active employee of Franklin, and Franklin shall continue to pay the costs of such coverage under such plans on the same basis as is applicable to active employees covered thereunder; provided that, if participation in any one or more of such plans is not possible under the terms thereof, Franklin shall provide substantially identical benefits. The date of Executive's termination of employment shall be considered a "qualifying event" as such term is defined in Title I, Part 6 of the Employee Retirement Income Security Act of 1974 ("COBRA"), and any continued coverage by Executive, his spouse or eligible dependents under Franklin's group health plan after Executive's termination of employment shall be considered COBRA coverage.

(e) During the Severance Period, Executive will receive 12 months of executive outplacement services (not to exceed $50,000) with a professional outplacement firm selected by Franklin.

(f) If at the time of Executive's termination of employment for reasons other than death he is a "Key Employee" as determined in accordance with the procedures set forth in Treas. Reg. §1.409A-1(i), any amounts payable to Executive pursuant to this Agreement that are subject to Section 409A of the Internal Revenue Code shall not be paid or commence to be paid until six months following Executive's termination of employment, or if earlier, Executive's subsequent death, with the first payment to include the payments that otherwise would have been made during such period and including interest accruing thereon from the first day of the month following the date of such termination of employment until the date of payment, based on the applicable interest rate as defined in Section 417(e)(3) of the Internal Revenue Code. Each payment made pursuant to Section 3 shall be considered a separate payment for purposes of Section 409A.

4. **Release of Claims**. Payment by Franklin of the termination benefits provided in Section 3 hereof shall be conditioned on Executive's execution, and nonrevocation, of a release of claims. Payment of such termination benefits shall be delayed until the expiration of the revocation period applicable to the executed release of claims, provided that if Executive does not execute the release of claims within 60 days of the date of termination of employment, the termination benefits described in Section shall be forfeited and Executive shall be entitled to receive only the benefits to which he is otherwise entitled under applicable law.

5. Death. If Executive dies during the Severance Period, all amounts payable hereunder to Executive, to the extent not paid, shall be paid, within 30 days of the date of Executive's death, to his surviving spouse or his designated beneficiary, or if none, then to his estate. Executive's surviving spouse and eligible dependents shall continue to be covered under plans described in Section 3(d) during the remainder of the Severance Period. On the death of the surviving spouse and eligible dependents, no further coverage under such plans shall be provided (other than any coverage required pursuant to COBRA).

6. Excise Tax.

(a) If in connection with the Change in Control or other event Executive would be or is subject to an excise tax under Section 4999 of the Internal Revenue Code (an "Excise Tax") with respect to any cash, benefits or other property received, or any acceleration of vesting of any benefit or award (the "Change in Control Benefits"), Executive may elect to have the Change in Control Benefits otherwise payable under this Agreement reduced to the largest amount payable without resulting in the imposition of such Excise Tax. Within 15 days after the occurrence of the event that triggers the Excise Tax, a nationally recognized accounting firm selected by Franklin shall make a determination as to whether any Excise Tax would be reported with respect to the Change in Control Benefits and, if so, the amount of the Excise Tax, the total net after-tax amount of the Change in Control Benefits (after taking into account federal, state and local income and employment taxes and the Excise Tax) and the amount of reduction to the Change in Control Benefits necessary to avoid such Excise Tax. Any reduction to the Change in Control Benefits shall first be made from any cash benefits payable pursuant to this Agreement, if any, and thereafter, as determined by Executive, and Franklin shall provide Executive with such information as is necessary to make such determination. Franklin shall be responsible for all fees and expenses connected with the determinations by the accounting firm pursuant to this paragraph 6.

(b) Executive agrees to notify Franklin in the event of any audit or other proceeding by the IRS or any taxing authority in which the IRS or other taxing authority asserts that any Excise Tax should be assessed against Executive and to cooperate with Franklin in contesting any such proposed assessment with respect to such Excise Tax (a "Proposed Assessment"). Executive agrees not to settle any Proposed Assessment without the consent of Franklin. If Franklin does not consent to allow Executive to settle the Proposed Assessment, within 30 days following such demand therefor, Franklin shall indemnify and hold harmless Executive with respect to any additional taxes, interest and/or penalties that Executive is required to pay by reason of the delay in finally resolving Executive's tax liability (such indemnification to be made as soon as practicable, but in no event later than the end of the calendar year following the calendar year in which Executive makes such remittance).

7. Indemnification. Franklin shall indemnify, protect, defend and hold harmless Executive from and against all liabilities, costs and expenses (including but not limited to attorneys' fees) incurred as a result of Executive's employment with Franklin to the fullest extent permitted by the Indiana Business Corporation Law.

8. Litigation Expenses. Franklin shall reimburse Executive all out-of-pocket expenses, including attorneys' fees, incurred by Executive in connection with any enforcement, claim or legal action or proceeding involving this Agreement, whether brought by Executive or by or on behalf of Franklin or by another party. Such reimbursement shall be made within 30 days of Executive's submission of an invoice following resolution of the claim. Franklin shall pay prejudgment interest on any money judgment obtained by Executive, calculated at the published prime interest rate charged by Franklin's principal banking connection from the date that payment(s) to him should have been made under this Agreement.

9. Post-Termination Payment Obligations. Subject to Section 4, Franklin's obligation to pay Executive the compensation and to make the other arrangements provided herein to be paid and made after termination of Executive's employment with Franklin shall be absolute and unconditional and shall not be affected by any circumstances, including, without limitation, any set-off, counterclaim, recoupment, defense or other right that Franklin may have against him or anyone else. All amounts so payable by Franklin shall be paid without notice or demand. Each and every such payment made by Franklin shall be final and Franklin will not seek to recover all or any part of such payment from Executive or from whomsoever may be entitled thereto, for any reason whatsoever.

10. Disclosure Of Confidential Information. Without the consent of Franklin, Executive shall not at any time divulge, furnish or make accessible to anyone (other than in the regular course of business of Franklin) any knowledge or information with respect to confidential or secret processes, inventions, formulae, machinery, plan, devices or materials of Franklin or with respect to any confidential or secret engineering development or research work of Franklin or with respect to any other confidential or secret aspect of the business of Franklin. Executive recognizes that irreparable injury will result to Franklin and its business and properties, in the event of any breach by Executive of any of the provisions of this Section 10. In the event of any breach of any of the commitments of Executive pursuant to this Section 10, Franklin shall be entitled, in addition to any other remedies and damages available, to injunctive relief to restrain the violation of such commitments by Executive or by any person or persons acting for or with Executive in any capacity whatsoever.

11. **Solicitation Of Employees**. During Executive's employment with Franklin and for a period of 24 months after termination of employment, Executive shall not (a) directly or indirectly, employ or retain or solicit for employment or arrange to have any other person, firm or other entity employ or retain or solicit for employment or otherwise participate in the employment or retention of any person who is an employee of Franklin or (b) encourage or solicit any such employee to leave the service of Franklin. Executive also acknowledges and agrees that he shall comply with the terms of the Confidentiality and Non-Compete Agreement in effect between him and Franklin. Executive and Franklin agree that of the amount paid to Executive pursuant to Section 3 of this Agreement, a portion equal to one times Executive's Base Salary and one times the Target Bonus paid or payable to Executive pursuant to subparagraph 3(c) shall serve as adequate consideration for the restrictive covenants set forth in this Section 11.

12. **Executive Assignment.** No interest of Executive or his spouse or any other beneficiary under this Agreement, or any right to receive any payment or distribution hereunder, shall be subject in any manner to sale, transfer, assignment, pledge, attachment, garnishment, or other alienation or encumbrance of any kind, nor may such interest or right to receive a payment or distribution be taken, voluntarily or involuntarily, for the satisfaction of the obligations or debts of, or other claims against, Executive or his spouse or other beneficiary, by operation of law or otherwise, other than pursuant to the terms of a qualified domestic relations order to which Executive is a party.

13. **Reimbursements or In-Kind Benefits.** Reimbursements or in-kind benefits provided under this Agreement that are subject to Section 409A of the Internal Revenue Code of 1986, as amended, are subject to the following restrictions: (a) the amount of expenses eligible for reimbursements, or in-kind benefits provided, to Executive during a calendar year shall not affect the expenses eligible for reimbursement or the in-kind benefits provided in any other calendar year, and (b) reimbursement of an eligible expense shall be made as soon as practicable, but in no event later than the last day of the calendar year following the calendar year in which the expense was incurred.

14. **Waiver, Modification.** No provisions of this Agreement may be waived, modified or discharged unless such waiver, modification or discharge is agreed to in a writing signed by Executive and Franklin. No waiver by either party at any time of any breach by the other party of, or compliance with, any condition or provision of this Agreement to be performed by the other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same time or at any prior or subsequent time.

15. **Applicable Law.** This Agreement shall be construed and interpreted pursuant to the laws of Indiana.

16. **Entire Agreement.** This Agreement contains the entire Agreement between Franklin and Executive and supersedes any and all previous agreements, written or oral, between the parties relating to severance benefits, including any previous employment agreement or employment security agreement between Executive and Franklin. No amendment or modification of the terms of this Agreement shall be binding upon the parties hereto unless reduced to writing and signed by Franklin and Executive.

17. **Severability.** If any provision of this Agreement or the application thereof is held invalid, such invalidity shall not affect other provisions or applications of this Agreement that can be given effect without the invalid provision or application and, to such end, the provisions of this Agreement are declared to be severable.

18. **No Employment Contract.** Nothing contained in this Agreement shall be construed to be an employment contract between Executive and Franklin. Executive is employed at will and Franklin may terminate his employment at any time, with or without cause.

19. **Employment with an Affiliate.** If Executive is employed by Franklin and an Affiliate, or solely by an Affiliate, on the date of termination of employment of Executive under circumstances described in Section 2, then (a) employment or termination of employment as used in this Agreement shall mean employment or termination of employment of Executive with Franklin and such Affiliate, or with such Affiliate, as applicable, and related references to Franklin shall also include Affiliate, as applicable, and (b) the obligations of Franklin hereunder shall be satisfied by Franklin and/or such Affiliate as Franklin, in its discretion, shall determine; provided that Franklin shall remain liable for such obligations to the extent not satisfied by such Affiliate.

20. **Successors.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, representatives and successors. Any reference in this Agreement to Franklin shall be deemed a reference to any successor (whether direct or indirect, by purchase of stock or assets, merger or consolidation or otherwise) to all or substantially all of the business and/or assets of Franklin; provided that Executive's employment by a successor shall not be deemed a termination of Executive's employment with Franklin.

21. **Withholding**. Franklin may withhold from any payment that it is required to make under this Agreement amounts sufficient to satisfy applicable withholding requirements under any federal, state, or local law.

22. **Headings**. The headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of any provision of this Agreement.

23. **Notice.** Notices given pursuant to this Agreement shall be in writing and shall be deemed given when received or, if mailed, two days after mailing by United States registered or certified mail, return receipt requested, postage prepaid and addressed as herein provided. Notice to Franklin shall be addressed to Corporate Secretary, Franklin Electric Co., Inc. at 9255 Coverdale Road, Fort Wayne, Indiana 46809. Notices to Executive shall be addressed to Executive at his last permanent address as shown on Franklin's records. Notwithstanding the foregoing, if either party shall designate a different address by notice to the other party given in the foregoing manner, then notices to such party shall be addressed as designated until the designation is revoked by further notice given in such manner.

24. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the parties have executed this Employment Security Agreement as of the day and year written above.

FRANKLIN ELECTRIC CO., INC.

/s/ Jonathan M. Grandon
Jonathan M. Grandon
General Counsel

EXECUTIVE
/s/ Joseph A. Ruzynski
Joseph A. Ruzynski
CEO

EXHIBIT 10.3

CONFIDENTIALITY AND NON-COMPETE AGREEMENT

In consideration of my employment with Franklin Electric Co., Inc. (“Employer”), my access to Employer’s customer relationships and/or confidential information, and other good and valuable consideration, the receipt and sufficiency of which consideration are hereby acknowledged, I agree on this 1st day of July, in the year 2024 as follows:

CONFIDENTIALITY

1. I acknowledge that Employer has certain non-public confidential information, including (a) technical information, such as drawings, specifications, design tolerances, manufacturing methods and processes, as well as research and development efforts, results and plans, and (b) client information, such as client contact information, contract terms, client listings, files, purchase history, needs and preferences; (c) financial information, such as sales plans and forecasts, sales and earnings figures, profitability information, and pricing; (d) corporate strategies, new product, marketing and other strategic plans; and (e) personnel files and information (“Confidential Information”). I understand that my employment with Employer places me in a position of trust and confidence, and in the course of my employment with Employer and because of the nature of my responsibilities, I have received and will receive access to Employer’s Confidential Information, which I recognize and agree is highly sensitive and valuable, and is the exclusive property of Employer.

2. During my employment with Employer and thereafter, I will maintain all Confidential Information that comes into my possession as confidential and as the exclusive property of Employer, and such Confidential Information shall not be disclosed by me nor used by me in any way, except as required by my duties to, and for the benefit of, Employer. I will not remove any Confidential Information from Employer’s premises, whether electronically, on paper, or otherwise, except as my duties shall require and as authorized by Employer.

3. Upon any termination of my employment, I will immediately turn over all of the following to my supervisor, and I shall retain no copies thereof: all documents and files (whether paper, digital, electronic or otherwise) that were supplied to me by Employer, or that were received, obtained or created by me pursuant to my duties for Employer, including all drawings, designs, specifications, and manuals; keys and key cards; computer equipment and software; computer printouts and databases; and any other materials supplied to me by Employer or purchased with Employer’s funds, and all copies (whether copied onto paper, electronic, digital, tape, or other media) thereof.

4. I acknowledge that I have been instructed not to bring to Employer’s premises or to use, and I agree not to bring or to use, whatever confidential information I might have regarding previous employers. I have been informed about the nature of my employment with Employer, and I warrant and represent that I can fulfill my job duties for Employer without using or disclosing whatever confidential information I might have relating to previous employers.

COVENANT NOT TO COMPETE, NOT TO HIRE EMPLOYEES, AND OTHER COVENANTS

A. Activity Covenant: During the term of my employment and for a period of twenty-four (24) months after I cease to be employed by Employer for any reason, I will not directly or indirectly engage in, or assist any other person or entity to engage in, any Restricted Activity. “Restricted Activity” as used herein means: (i) the sale, marketing, design, development, manufacture, assembly, or distribution of water or fuel pumping equipment, electrical submersible motors and electrical submersible motor controls, and water; pump filtration or treatment technologies that are designed, manufactured, sold, or are offered or intended for sale, within or to the Restricted Area in competition with those designed, developed, manufactured, assembled, distributed, marketed or sold by Employer and (ii) the solicitation, encouragement, or inducement (or assisting anyone else to solicit, encourage, or induce) any customer, agent, vendor, supplier or independent contractor to terminate, reduce or curtail their business or relationship with Employer. “Restricted Area” means the areas of the world where the Employer’s products are currently offered for sale.

B. Customer-Based Restriction: During the term of my employment and for a period of twenty-four (24) months after I cease for any reason, I will not, directly or indirectly, solicit (or assist in the solicitation of) orders for Competitive Products from, or provide any Competitive Product to, any Customer or Potential Customer of Employer. “Customer” means only those customers of Employer with whom Employer actually did business, and with whom I had contact or about whom I had access to confidential information, during the last year of my employment. “Potential Customer” shall mean any person or entity to which Employer provided a proposal or bid during the last year of my employment with which I had involvement or about which I had access to confidential information. “Competitive Products” means water and fuel pumping equipment, electrical submersible motors and electrical submersible motor controls and water pump filtration or treatment technologies.

C. Non-Compete Covenant: During the term of my employment and for a period of twenty-four (24) months after I cease to be employed by employer for any reason other than termination due to a layoff or work force reduction, I will not directly or indirectly, within the Restricted Area, become employed by, work for, or otherwise provide services to, any Competitor in in the same or similar capacity as I worked for the Company or any other role in which I could exploit the Company's goodwill or confidential information. "Competitor" means any person or entity that designs, develops, manufactures, assembles, distributes, markets or sells water or fuel pumping equipment, electrical submersible motors, electrical submersible motor controls or filtration or water treatment systems or components in competition with Employer, including but not limited to Dover, Vontier, Pentair, Xylem, ITT, Ebarra, Grundfos, Wilo, Clack, Kinetico, AO Smith, Culligan, and Hitachi.

D. Non-Hire Agreement: During the term of my employment and for a period of twenty-four (24) months after I cease for any reason to be an employee of Employer, I will not, directly or indirectly, (a) hire, interview for employment, offer employment to, or employ any Restricted Employee, or assist anyone else to do so, or (b) solicit, advise, encourage or induce (or assist in the solicitation, advising, encouragement or inducement of) any Restricted Employee to terminate his or her employment with Employer or suggest that s/he do so. "Restricted Employee" means any person who was employed by Employer within the last three (3) months of my employment with Employer, and with whom I had contact or for whom I had direct or indirect supervisory responsibility during my employment with Employer. Restricted Employees are further limited to those employees of the Company who themselves possess customer goodwill and/or Confidential Information.

E. Disclosure: Employee shall make the terms and conditions of the covenants in this Agreement known to any business, entity or persons engaged in activities competitive with Employer's business with which Employee becomes associated during Employee's employment with Employer or in the twenty-four (24) months after the termination of that employment for any reason. Employer shall also have the right to make the terms of the Agreement known to third persons. Employee agrees that at the time employment with Employer is terminated for any reason, Employee shall also advise Employer concerning the Employee's plans for employment during the next twenty-four (24) months.

F. Other covenants: At the time of giving my notice, I will also inform Employer of the name of my new employer. I recognize that the business of Employer is global, with most of my activities for Employer expected to relate to its business in (and its Confidential Information relating to) the Restricted Area. The foregoing restrictions will not unduly hamper my ability to make a living in my field, and these restrictions are a fair and reasonable way to protect Employer and its legitimate business interests.

OTHER AGREEMENTS

5. Notice of Immunity: The law provides that: 1) no person shall be held liable under trade secret law for disclosing a trade secret in confidence to a government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law; or in a filing in a lawsuit or other proceeding, if such filing is made under seal; and 2) an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to their attorney and use it in the court proceeding, if the individual files any document containing the trade secret under seal; and does not disclose it, except pursuant to court order. To the extent Employee suspects a violation of the law, the employee should report their suspicion to their immediate supervisor, human resources, or an officer of the company.

6. Inventions: All Inventions made or conceived by Employee, either solely or jointly with others, shall become and remain the exclusive property of Employer, whether patentable or not, and Employee will, without royalty or any other compensation: (a) inform Employer promptly and fully of such Inventions by written reports, setting forth in detail the procedures employed and the results achieved; (b) assign to Employer all of Employee's right, title and interest in and to such Inventions, any applications for or issued United States and foreign letters patents, and any renewals thereof granted upon such Inventions; and (c) assist Employer or its nominees, at the expense of Employer, to obtain such United States and foreign letters patents for such Inventions as Employer may elect. Such assistance may include, but is not limited to: executing, acknowledging and delivering to Employer written documents and doing such other acts as may be necessary, in the opinion of Employer, to obtain and maintain United States and foreign letters patent upon such Inventions and to vest the entire rights and title thereto in Employer. Inventions means discoveries, concepts, and ideas, whether patentable or not, including, but not limited to, systems, apparatus, processes, methods, software, techniques, and formulae, as well as improvements thereof or know how related thereto, relating to any present or prospective product, process, or service of Employer.

7. Works Made for Hire: All works of authorship fixed in any tangible medium of expression by Employee in the course of or resulting from or in any way relating to his/her employment with Employer ("Works") shall be and remain exclusively the property of Employer. Works created by Employee are "works made for hire" under the copyright law and Employer may file applications to register copyrights in such Works as author and copyright owner thereof. If, for

any reason, a Work created by Employee is excluded from the definition of a “work made for hire” under the copyright law, then Employee does hereby assign, sell, and convey to Employer the entire rights, title, and interests in and to such Work, including the copyright therein. Employee will execute any documents which Employer deems necessary in connection with the assignment of such Work and copyright. Employer shall have free and unlimited access at all times to all Works and all copies thereof and shall have the right to claim and take possession on demand of such Works and copies.

8. Promotional Materials: Employee authorizes and consents to the creation and/or use of their likeness as well as their name by Employer, and persons or organizations authorized by it, without reservation or limitation and without further consideration. Pursuant to this authorization and consent, Employer may, for example, publish and distribute advertising, sales, or other promotional literature containing a likeness of Employee in the course of performing their job duties. Employee also waives any cause of action for personal injury and/or property damage by virtue of the creation and use of such a likeness. Property rights to any likeness of Employee produced or prepared by Employer, or any person or organization authorized by it, shall vest in and remain with Employer. As used herein, “likeness” shall include a photograph, photographic reproduction, audio transmission, audio recording, video transmission and/or video recording, as well as any other similar medium.

9. In addition to any damages awarded by any court and all other remedies otherwise available at law or in equity, Employer shall be entitled to injunctions, both preliminary and final, enjoining and restraining any breach or threatened or intended breach of the covenants herein, and I hereby consent to the issuance thereof without Employer being required to post any bond. In the event that Employer shall successfully enforce any part of this Agreement through legal proceedings, I agree to pay to Employer all costs, attorneys’ fees, and expert witness fees, reasonably incurred by it in that endeavor. In the event that I am found to have breached any covenant in this agreement, the time period provided for in that covenant shall be deemed tolled (i.e., it will not run) for so long as I am in violation of that covenant.

10. I understand and agree that this Agreement is not a guarantee of continued employment for any period. My employment is at will. This means I am free to terminate my employment at any time, for any reason, and that Employer retains the same rights. I understand and agree that this Agreement is assignable by Employer and is enforceable by Employer’s successors and assigns.

11. This Agreement shall be construed and applied under Indiana law. If any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid or unenforceable in any respect, this Agreement shall be construed as if such provision had never been contained herein, and the remainder of this Agreement shall be enforceable and binding upon the parties. If any one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad (for example as to temporal scope), it shall be construed, reformed, and/or “blue penciled” as to be compatible with the applicable law as it then shall appear.

12. Alleged Breach or Failure to Enforce by Employer: The existence of any claim or cause of action by Employee against the Employer, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Employer of the covenants in this Agreement. Likewise, Employee acknowledges that any prior failure by the Employer to insist upon strict compliance with any terms or provisions of this Agreement shall not be deemed a waiver of any rights in the future.

EMPLOYEE:	**EMPLOYER:**
/s/ Joseph A. Ruzynski	/s/ Jonathan M. Grandon
Joseph A. Ruzynski	Jonathan M. Grandon

EXHIBIT 10.4

FRANKLIN ELECTRIC CO., INC.
EXECUTIVE SEVERANCE POLICY

1. Definitions.

(a) **Board** means the Board of Directors of Franklin Electric Co., Inc.

(b) **Cause** means:

(i) the executive's willful failure to perform his or her duties (other than any such failure resulting from incapacity due to physical or mental illness);

(ii) the Executive's willful failure to comply with any valid and legal directive of the Board or the person to whom the Executive reports;

(iii) the Executive's willful engagement in dishonesty, illegal conduct or gross misconduct, which is, in each case, materially injurious to the Company or its affiliates;

(iv) the Executive's embezzlement, misappropriation or fraud, whether or not related to the Executive's employment with the Company;

(v) the Executive's conviction of or plea of guilty or nolo contendere to a crime that constitutes a felony (or state law equivalent) or a crime that constitutes a misdemeanor involving moral turpitude;

(vi) the Executive's violation of the Company's written policies or codes of conduct, including written policies related to discrimination, harassment, performance of illegal or unethical activities, and ethical misconduct; or

(vii) the Executive's engagement in conduct that brings or is reasonably likely to bring the Company negative publicity or into public disgrace, embarrassment, or disrepute.

For purposes of this definition, no act or failure to act on the part of the Executive shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company.

(c) **Committee** means the Management Organization and Compensation Committee of the Board.

(d) **Company** means Franklin Electric Co., Inc.

(e) **Effective Date** means July 1, 2024.

(f) **Executive** means an individual who may from time to time be appointed as an executive officer of the Company by the Board or a committee thereof.

(g) **Good Reason** means: (i) a material reduction in Executive's salary or retirement benefits or a material reduction in Executive's compensation and benefits in the aggregate, excluding, in the case of incentive benefits that are based upon the performance of Executive or Franklin, reductions in benefits resulting from diminished performance by Executive or the Company; (ii) any purchaser (or affiliate thereof) who purchases substantially all of the assets of Franklin shall decline to assume all of Franklin's obligations under this Agreement; or (iii) the relocation of the Executive's principal place of employment by more than 50 miles.

(h) **Policy** means this Franklin Electric Co., Inc. Executive Severance Policy, currently in effect and as may be amended from time to time

(i) **Severance Period** means (i) 18 months for the Chief Executive Officer and (ii) 12 months for all other Executives.

2 . Eligibility. Executives (a) who are not a party to an employment agreement, employment security agreement or similar agreement with the Company, to the extent that such agreement would provide severance benefits pursuant to a termination of employment for which severance benefits under this Policy would be available and (b) who agree to be bound by all of the restrictions, conditions and limitations under this Policy will be entitled to severance payments and other benefits under this Policy. For the avoidance of doubt, if the Executive's individual arrangement would not provide severance in a particular situation, the Executive shall be eligible under this Policy.

3. Severance Benefits. In the event an Executive is terminated by the Company for any reason other than for Cause or, in the case of the Chief Executive Officer only, such Chief Executive Officer resigns with Good Reason, such Executive will receive severance compensation as follows:

(a) Cash Severance Compensation

The Executive shall be paid the amount set forth below corresponding to the Executive's role at the time of termination of employment. Severance payments shall be based on the salary and target bonus of the Executive on the date of termination and shall be paid in a lump sum within 10 days following the expiration of the revocation period applicable to the release of claims described in Section 5.

Chief Executive Officer: 1.5 times the sum of the annual base pay *plus* target bonus

All Other Executive Officers: 1 times annual base pay *plus* target bonus

(b) Bonus Compensation

The Executive will receive a pro-rata portion of the Executive's annual bonus in effect on the employment termination date, based on the level of achievement of the Company's performance goals, as approved by the Committee for the year in which the Executive's termination of employment occurs. The pro-rata portion of the annual bonus will be paid after determination of the level of achievement of the Company's performance goals is made and approved by the Committee, and consistent with the Company's payroll practices for bonus payments.

(c) Equity Compensation

If the Executive holds any stock-based awards as of the date of the Executive's termination of employment and is not otherwise eligible for accelerated vesting under the terms of the applicable stock award agreement, (i) all such awards that are stock options shall immediately become exercisable on such employment termination date and shall be exercisable for ninety (90) days following such termination of employment, or if earlier, until the expiration of the term of the stock option and (ii) all restrictions on any time-based awards of restricted stock or restricted stock units shall terminate or lapse and settlement of such restricted stock or stock unit awards shall be made to the Executive within 30 days of the Executive's termination.

The vesting of any performance-based stock awards or units held by the Executive will accelerate and any payment due thereon will be paid at the end of the performance period identified in the applicable performance-based award agreement, based on the actual attainment of the performance-based goals.

To the extent any of the foregoing is not permissible under the terms of any plan pursuant to which the awards were granted, the Company shall pay to the Executive, in a lump sum within 30 days after termination of the Executive's employment, an amount as follows: (A) to the extent the acceleration of the exercise of such stock options is not permissible, an amount equal to the excess, if any, of the aggregate fair market value of the stock subject to such options, determined on the date of the Executive's termination of employment, over the aggregate exercise price of such stock options; (B) to the extent the termination or lapse of restrictions on restricted stock or restricted stock units is not permissible, an amount equal to the aggregate fair market value of the stock subject to the restrictions (determined without regard to such restrictions); and (C) to the extent performance awards are limited, an amount equal to the aggregate fair market value of the additional shares that were not awarded. Executive shall surrender all outstanding awards for which payment pursuant to the preceding sentence is made.

Amounts paid under this provision will be net of any severance or other payments required to be paid pursuant to applicable law or regulation.

Termination of employment by the Executive for any reason will not entitle the executive to any benefits under this Policy.

4. COBRA. During the Severance Period, the Company shall reimburse to the Executive the monthly COBRA premium paid by the Participant for himself or herself and his or her eligible dependents ("Benefit Continuation"). The Benefit Continuation reimbursement shall be paid to the Participant within 30 days from the date when the Participant timely remits the premium payment.

5. Release of Claims. Payment by the Company of the termination benefits provided in Section 3 of this policy shall be conditioned on the Executive's execution, and nonrevocation, of a release of claims, which shall be provided to the Executive at termination of employment. Payment of such termination benefits shall be delayed until the expiration of the revocation period applicable to the executed release of claims, provided that if the Executive does not execute the release of claims within the time period set forth in the release document, the termination benefits described in Section 3 shall be forfeited and the Executive shall be entitled to receive only the benefits to which he is otherwise entitled under applicable law.

6. Successors. The Company will require any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business or assets, to assume the obligations of the Company under this policy and to agree expressly to perform the obligations under this policy for the express benefit of Executives then participating in the Policy, in the same manner and to the same extent as the Company would be required to perform it in the absence of a succession. The Company's failure to obtain such agreement prior to the effectiveness of a succession shall entitle each such Executive to terminate employment within 60 days following the effectiveness of such succession and receive all of the compensation and benefits to which the Executive would have been entitled under this Policy if the Company had terminated the Executive's employment for any reason other than Cause. For all purposes under this policy, the term "Company" shall include any successor to the Company's business or assets that executes and delivers the assumption agreement described in this paragraph, or that becomes bound by this policy by operation of law.

7. Right to Amend. The Board will have the right to amend the policy to reduce, modify or eliminate the severance benefit or other terms and conditions of the policy in the Board's sole discretion, provided that such modification affects all similarly situated participants equally and are promptly disclosed.

8 . Binding Effect. Subject to the Company's right to amend the Policy as described above, this policy is legally binding on the Company and its successors, including any acquiring or successor company (whether by the purchase or stock, assets or by operation of law). This policy will be effective only to the extent permitted by applicable law or regulation.

9 . Governing Law; Venue. The Policy shall, in all respects, be governed by, and construed and enforced in accordance with, the laws of the State of Indiana without reference to the principles of conflicts of law. Any litigation commenced or arising in connection with the Plan shall be commenced and venued exclusively in the United States District Court for the Northern District of Indiana.

EXHIBIT 31.1

CERTIFICATIONS

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

I, Joseph A. Ruzynski , certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Franklin Electric Co., Inc., for the second quarter ending June 30, 2024;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Franklin Electric Co., Inc. as of, and for, the periods presented in this report;
4. Franklin Electric Co., Inc.'s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Franklin Electric Co., Inc. and we have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Franklin Electric Co., Inc., including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of Franklin Electric Co., Inc.'s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any changes in Franklin Electric Co., Inc.'s internal control over financial reporting that occurred during Franklin Electric Co., Inc.'s most recent fiscal quarter (the registrant’s fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. Franklin Electric Co., Inc.'s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Franklin Electric Co., Inc.'s auditors and the audit committee of Franklin Electric Co., Inc.'s board of directors:
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Franklin Electric Co., Inc.'s ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in Franklin Electric Co., Inc.'s internal control over financial reporting.

Date: July 26, 2024

/s/ Joseph A. Ruzynski
Joseph A. Ruzynski
Chief Executive Officer
Franklin Electric Co., Inc.

EXHIBIT 31.2

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

I, Jeffery L. Taylor, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Franklin Electric Co., Inc., for the second quarter ending June 30, 2024;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Franklin Electric Co., Inc. as of, and for, the periods presented in this report;
4. Franklin Electric Co., Inc.'s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Franklin Electric Co., Inc. and we have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Franklin Electric Co., Inc., including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of Franklin Electric Co., Inc.'s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in Franklin Electric Co., Inc.'s internal control over financial reporting that occurred during Franklin Electric Co., Inc.'s most recent fiscal quarter (the registrant’s fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, Franklin Electric Co., Inc.'s internal control over financial reporting; and
5. Franklin Electric Co., Inc.'s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Franklin Electric Co., Inc.'s auditors and the audit committee of Franklin Electric Co., Inc.'s board of directors:
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Franklin Electric Co., Inc.'s ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in Franklin Electric Co., Inc.'s internal control over financial reporting.

Date: July 26, 2024

/s/ Jeffery L. Taylor

Jeffery L. Taylor

Vice President and Chief Financial Officer

Franklin Electric Co., Inc.

EXHIBIT 32.1

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

In connection with the Quarterly Report of Franklin Electric Co., Inc. (the “Company”) on Form 10-Q for the second quarter ending June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Joseph A. Ruzynski , Chief Executive Officer of the Company, certify to my knowledge, pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350), that:

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

Date: July 26, 2024

/s/ Joseph A. Ruzynski

Joseph A. Ruzynski

Chief Executive Officer

Franklin Electric Co., Inc.

EXHIBIT 32.2

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

In connection with the Quarterly Report of Franklin Electric Co., Inc. (the “Company”) on Form 10-Q for the second quarter ending June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jeffery L. Taylor, Vice President and Chief Financial Officer of the Company, certify to my knowledge, pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350), that:

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

Date: July 26, 2024

/s/ Jeffery L. Taylor

Jeffery L. Taylor

Vice President and Chief Financial Officer

Franklin Electric Co., Inc.