REFINITIV

DELTA REPORT

10-Q

LECO - LINCOLN ELECTRIC HOLDINGS

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

The following comparison report has been automatically generated

TOTAL DELTAS	1516
CHANGES	192
DELETIONS	343
ADDITIONS	981

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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 **September 30, 2023** **March 31, 2024**

or

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

For the transition period from _____________ to _____________

Commission File Number: 0-1402

Graphic

LINCOLN ELECTRIC HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Ohio	34-1860551
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
22801 St. Clair Avenue, Cleveland, Ohio	44117
(Address of principal executive offices)	(Zip Code)

(216) 481-8100

(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:

Title of each class	Trading Symbol	Name of exchange on which registered
Common Shares, without par value	LECO	The NASDAQ Stock Market LLC

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

Yes ☒ No ☐

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

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "small 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 Exchange Act).

Yes ☐ No ☒

The number of shares outstanding of the registrant's common shares as of September 30, 2023 March 31, 2024 was 57,199,736. 56,908,333.

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EX-10.1*	Form of Stock Option Agreement for Executive Officers (filed herewith).
EX-10.2*	Form of Restricted Stock Unit Agreement for Executive Officers (filed herewith).
EX-10.3*	Form of Performance Share Award Agreement for Executive Officers (filed herewith).
EX-31.1	Certification of the Chairman, President and Chief Executive Officer (Principal Executive Officer) pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
EX-31.2	Certification of the Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer) pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
EX-32.1	Certification of the Chairman, President and Chief Executive Officer (Principal Executive Officer) and Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer) pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
EX-101	Instance Document
EX-101	Schema Document
EX-101	Calculation Linkbase Document
EX-101	Label Linkbase Document

EX-101 Presentation Linkbase Document

EX-101 Definition Linkbase Document

* Reflects management contract or other compensatory arrangement required to be filed as an exhibit pursuant to Item 15(b) of this report.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

LINCOLN ELECTRIC HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)
(In thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
Net sales (Note 2)	$ 1,033,214	$ 935,240	$ 3,133,122	$ 2,830,277	$ 981,197	$1,039,343
Cost of goods sold	667,584	625,722	2,038,707	1,857,501	612,798	683,986
Gross profit	365,630	309,518	1,094,415	972,776	368,399	355,357
Selling, general & administrative expenses	187,115	159,045	569,979	492,523	198,747	190,116
Rationalization and asset impairment charges (Note 6)	7,074	8,364	10,618	9,405	4,605	877
Operating income	171,441	142,109	513,818	470,848	165,047	164,364
Interest expense, net	10,809	8,210	35,708	20,867	8,779	13,201
Other income (Note 11)	801	3,588	11,727	7,088		
Other income					2,262	4,181
Income before income taxes	161,433	137,487	489,837	457,069	158,530	155,344
Income taxes (Note 12)	32,090	28,262	101,232	93,991		
Income taxes (Note 11)					35,115	33,413
Net income	$ 129,343	$ 109,225	$ 388,605	$ 363,078	$ 123,415	$ 121,931
Basic earnings per share (Note 3)	$ 2.26	$ 1.89	$ 6.76	$ 6.24	$ 2.17	$ 2.12
Diluted earnings per share (Note 3)	$ 2.22	$ 1.87	$ 6.67	$ 6.17	$ 2.14	$ 2.09
Cash dividends declared per share	$ 0.64	$ 0.56	$ 1.92	$ 1.68	$ 0.71	$ 0.64

See notes to these consolidated financial statements.

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LINCOLN ELECTRIC HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)
(In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
Net income	$ 129,343	$ 109,225	$ 388,605	$ 363,078	$ 123,415	$ 121,931
Other comprehensive income (loss), net of tax:						
Other comprehensive (loss) income, net of tax:						
Unrealized gain on derivatives designated and qualifying as cash flow hedges	2,665	7,777	6,908	22,082	3,715	9,131
Defined benefit pension plan activity	(15)	85	(821)	148	73	560
Currency translation adjustment	(32,297)	(52,129)	3,478	(94,193)	(13,395)	14,818
Other comprehensive (loss) income:	(29,647)	(44,267)	9,565	(71,963)	(9,607)	24,509
Comprehensive income	$ 99,696	$ 64,958	$ 398,170	$ 291,115	$ 113,808	$ 146,440

See notes to these consolidated financial statements.

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LINCOLN ELECTRIC HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
	(UNAUDITED)	(NOTE 1)	(UNAUDITED)	(NOTE 1)
ASSETS				
Current Assets				
Cash and cash equivalents	$ 342,667	$ 197,150	$ 374,978	$ 393,787
Accounts receivable (less allowance for doubtful accounts of $11,202 in 2023; $12,556 in 2022)	537,637	541,529		
Accounts receivable (less allowance for doubtful accounts of $11,237 in 2024; $11,464 in 2023)			544,514	538,830
Inventories (Note 8)	612,338	665,451	567,279	562,864
Other current assets	179,652	153,660	192,979	197,630
Total Current Assets	1,672,294	1,557,790	1,679,750	1,693,111
Property, plant and equipment (less accumulated depreciation of $920,048 in 2023; $890,543 in 2022)	565,875	544,871		

Property, plant and equipment (less accumulated depreciation of $885,421 in 2024; $876,990 in 2023)			582,178	575,316
Goodwill	686,625	665,257	689,868	694,452
Other assets	401,101	412,628	427,921	414,418
TOTAL ASSETS	**$ 3,325,895**	**$ 3,180,546**	**$ 3,379,717**	**$ 3,377,297**
LIABILITIES AND EQUITY				
Current Liabilities				
Short-term debt (Note 10)	$ 7,700	$ 93,483	$ 4,720	$ 2,435
Trade accounts payable	328,460	352,079	327,798	325,435
Accrued employee compensation and benefits	207,116	109,369	114,770	112,373
Other current liabilities	264,866	297,966	301,585	314,367
Total Current Liabilities	808,142	852,897	748,873	754,610
Long-term debt, less current portion (Note 10)	1,102,858	1,110,396	1,102,677	1,102,771
Other liabilities	189,313	183,212	220,339	211,064
Total Liabilities	2,100,313	2,146,505	2,071,889	2,068,445
Shareholders' Equity				
Common Shares	9,858	9,858	9,858	9,858
Additional paid-in capital	519,151	481,857	560,439	523,357
Retained earnings	3,578,154	3,306,500	3,766,297	3,688,038
Accumulated other comprehensive loss	(265,833)	(275,398)	(239,454)	(229,847)
Treasury Shares	(2,615,748)	(2,488,776)	(2,789,312)	(2,682,554)
Total Equity	1,225,582	1,034,041	1,307,828	1,308,852
TOTAL LIABILITIES AND TOTAL EQUITY	**$ 3,325,895**	**$ 3,180,546**	**$ 3,379,717**	**$ 3,377,297**

See notes to these consolidated financial statements.

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LINCOLN ELECTRIC HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF EQUITY

(UNAUDITED)

(In thousands, except per share amounts)

	Common Shares Outstanding	Common Shares	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Shares	Total	Common Shares Outstanding	Common Shares	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Shares	Total
Balance at December 31, 2022	57,624	$ 9,858	$ 481,857	$ 3,306,500	$ (275,398)	$ (2,488,776)	$ 1,034,041							
Balance at December 31, 2023								56,977	$ 9,858	$ 523,357	$ 3,688,038	$ (229,847)	$ (2,682,554)	$ 1,308,852
Net income				121,931			121,931				123,415			123,415

Unrecognized amounts from defined benefit pension plans, net of tax					560		560					73		73
Unrealized gain on derivatives designated and qualifying as cash flow hedges, net of tax					9,131		9,131					3,715		3,715
Currency translation adjustment, net of tax					14,818		14,818					(13,395)		(13,395)
Cash dividends declared - $0.64 per share				(36,971)			(36,971)							
Cash dividends declared - $0.71 per share											(41,273)			(41,273)
Stock-based compensation activity	143		12,475			1,635	14,110	397		34,981			3,647	38,628
Purchase of shares for treasury	(194)					(32,158)	(32,158)	(466)					(110,405)	(110,405)
Other			3,691	(3,917)			(226)			2,101	(3,883)			(1,782)
Balance at March 31, 2023	57,573	$ 9,858	$ 498,023	$ 3,387,543	$ (250,889)	$ (2,519,299)	$ 1,125,236							
Net income				137,331			137,331							
Unrecognized amounts from defined benefit pension plans, net of tax					(1,366)		(1,366)							
Unrealized (loss) on derivatives designated and qualifying as cash flow hedges, net of tax					(4,888)		(4,888)							

Currency translation adjustment, net of tax					20,957		20,957
Cash dividends declared – $0.64 per share				(36,917)			(36,917)
Stock-based compensation activity	152		12,818			1,697	14,515
Purchase of shares for treasury	(312)					(53,076)	(53,076)
Other			4,462	(4,830)			(368)
Balance at June 30, 2023	57,413	$ 9,858	$ 515,303	$ 3,483,127	$ (236,186)	$ (2,570,678)	$ 1,201,424
Net income				129,343			129,343
Unrecognized amounts from defined benefit pension plans, net of tax					(15)		(15)
Unrealized gain on derivatives designated and qualifying as cash flow hedges, net of tax					2,665		2,665
Currency translation adjustment, net of tax					(32,297)		(32,297)
Cash dividends declared – $0.64 per share				(36,876)			(36,876)
Stock-based compensation activity	26		6,513			285	6,798
Purchase of shares for treasury	(238)					(45,355)	(45,355)
Other			(2,665)	2,560			(105)
Balance at September 30, 2023	57,201	$ 9,858	$ 519,151	$ 3,578,154	$ (265,833)	$ (2,615,748)	$ 1,225,582

Balance at March 31, 2024	56,908	$ 9,858	$ 560,439	$ 3,766,297	$ (239,454)	$ (2,789,312)	$ 1,307,828

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LINCOLN ELECTRIC HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF EQUITY
(UNAUDITED)
(In thousands, except per share amounts)

	Common Shares Outstanding	Common Shares	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Shares	Total	Common Shares Outstanding	Common Shares	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Shares	Total
Balance at December 31, 2021	58,787	$ 9,858	$ 451,268	$ 2,970,303	$ (257,579)	$ (2,309,941)	$ 863,909							
Balance at December 31, 2022								57,624	$ 9,858	$ 481,857	$ 3,306,500	$ (275,398)	$ (2,488,776)	$ 1,034,041
Net income				126,030			126,030				121,931			121,931
Unrecognized amounts from defined benefit pension plans, net of tax					107		107					560		560
Unrealized gain on derivatives designated and qualifying as cash flow hedges, net of tax					5,355		5,355					9,131		9,131

Currency translation adjustment					(7,448)		(7,448)							
Cash dividends declared – $0.56 per share				(32,505)			(32,505)							
Currency translation adjustment, net of tax												14,818		14,818
Cash dividends declared – $0.64 per share											(36,971)			(36,971)
Stock-based compensation activity	116		10,834			1,349	12,183	143		12,475			1,635	14,110
Purchase of shares for treasury	(805)					(104,579)	(104,579)	(194)					(32,158)	(32,158)
Other			115	(107)			8			3,691	(3,917)			(226)
Balance at March 31, 2022	58,098	$ 9,858	$ 462,217	$ 3,063,721	$ (259,565)	$ (2,413,171)	$ 863,060							
Net income				127,823			127,823							
Unrecognized amounts from defined benefit pension plans, net of tax					(44)		(44)							
Unrealized gain on derivatives designated and qualifying as cash flow hedges, net of tax					8,950		8,950							
Currency translation adjustment					(34,616)		(34,616)							
Cash dividends declared – $0.56 per share				(32,698)			(32,698)							
Stock-based compensation activity	15		5,428			146	5,574							

Purchase of shares for treasury	(191)					(25,119)	(25,119)
Other			(2,021)	2,074			53
Balance at June 30, 2022	57,922	$ 9,858	$ 465,624	$ 3,160,920	$ (285,275)	$ (2,438,144)	$ 912,983
Net income				109,225			109,225
Unrecognized amounts from defined benefit pension plans, net of tax					85		85
Unrealized gain on derivatives designated and qualifying as cash flow hedges, net of tax					7,777		7,777
Currency translation adjustment					(52,129)		(52,129)
Cash dividends declared – $0.56 per share				(32,580)			(32,580)
Stock-based compensation activity	14		5,158			202	5,360
Purchase of shares for treasury	(198)					(26,518)	(26,518)
Other			390	(365)			25
Balance at September 30, 2022	57,738	$ 9,858	$ 471,172	$ 3,237,200	$ (329,542)	$ (2,464,460)	$ 924,228
Balance at March 31, 2023	57,573	$ 9,858	$ 498,023	$ 3,387,543	$ (250,889)	$ (2,519,299)	$ 1,125,236

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LINCOLN ELECTRIC HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

(In thousands)

	Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	**2022**	**2024**	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	$ 388,605	$ 363,078	$ 123,415	$ 121,931
Adjustments to reconcile Net income to Net cash provided by operating activities:				
Rationalization and asset impairment net charges	1,128	7,776	64	—
Depreciation and amortization	64,701	59,009	21,586	21,295
Equity (earnings) loss in affiliates, net	(463)	254		
Deferred income taxes	3,201	(34,403)	(7,348)	(7,019)
Stock-based compensation	22,124	20,949	14,190	11,634
Other, net	(3,435)	15,867	5,104	(2,117)
Changes in operating assets and liabilities, net of effects from acquisitions:				
Decrease (increase) in accounts receivable	6,695	(64,569)		
Decrease (increase) in inventories	57,781	(135,578)		
Increase in other current assets	(14,729)	(34,368)		
(Decrease) increase in trade accounts payable	(24,672)	19,572		
Increase in other current liabilities	57,975	66,838		
Increase in accounts receivable			(9,603)	(27,664)
(Increase) decrease in inventories			(9,416)	5,881
Decrease (increase) in other current assets			3,331	(16,587)
Increase in trade accounts payable			3,957	6,841
(Decrease) increase in other current liabilities			(8,121)	10,505
Net change in other assets and liabilities	(13,031)	(12,841)	(3,865)	(769)
NET CASH PROVIDED BY OPERATING ACTIVITIES	545,880	271,584	133,294	123,931
CASH FLOWS FROM INVESTING ACTIVITIES				
Capital expenditures	(66,459)	(52,301)	(26,256)	(18,787)
Acquisition of businesses, net of cash acquired	(32,685)	(22,294)		
Proceeds from sale of property, plant and equipment	4,596	2,338	316	3,314
Purchase of marketable securities	(6,561)	—		
Other investing activities			—	(576)
NET CASH USED BY INVESTING ACTIVITIES	(101,109)	(72,257)	(25,940)	(16,049)
CASH FLOWS FROM FINANCING ACTIVITIES				
(Payments on) proceeds from short-term borrowings	(74,818)	9,399		
(Payments on) proceeds from long-term borrowings	(7,997)	5,600		
Proceeds from (payments on) short-term borrowings			2,016	(43,940)
Payments on long-term borrowings			(169)	(111)
Proceeds from exercise of stock options	13,299	2,168	24,438	2,476
Purchase of shares for treasury	(130,589)	(156,216)	(110,405)	(32,158)
Cash dividends paid to shareholders	(111,277)	(98,377)	(41,280)	(37,583)
NET CASH USED BY FINANCING ACTIVITIES	(311,382)	(237,426)	(125,400)	(111,316)
Effect of exchange rate changes on Cash and cash equivalents	12,128	(13,552)	(763)	5,087
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	145,517	(51,651)		
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS			(18,809)	1,653
Cash and cash equivalents at beginning of period	197,150	192,958	393,787	197,150
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 342,667	$ 141,307	$ 374,978	$ 198,803

See notes to these consolidated financial statements.

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LINCOLN ELECTRIC HOLDINGS, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
Dollars in thousands, except per share amounts

NOTE 1 — SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Lincoln Electric Holdings, Inc. and its wholly-owned and majority-owned subsidiaries for which it has a controlling interest (the "Company") after elimination of all inter-company accounts, transactions and profits.

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, these unaudited consolidated financial statements do not include all of the information and notes required by GAAP for complete financial statements. However, in the opinion of management, these unaudited consolidated financial statements contain all the adjustments (consisting of normal recurring accruals) considered necessary to present fairly the financial position, results of operations and cash flows for the interim periods. Operating results for the nine three months ended September 30, 2023 March 31, 2024 are not necessarily indicative of the results to be expected for the year ending December 31, 2023 December 31, 2024.

The accompanying Condensed Consolidated Balance Sheet at December 31, 2022 December 31, 2023 has been derived from the audited financial statements at that date, but does not include all of the information and notes required by GAAP for complete financial statements. For further information, 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, 2022 December 31, 2023.

Certain reclassifications have been made to the prior period amounts to conform to the current period presentation, none of which are material.

Turkey – Highly Inflationary Economy

Effective April 1, 2022, the financial statements of the Company's Turkish operation are reported under highly inflationary accounting rules. As a result, the financial statements of the Company's Turkish operation have been remeasured into the Company's reporting currency (U.S. dollar) and the exchange gains and losses from the remeasurement of monetary assets and liabilities are reflected in current earnings, rather than "Accumulated other comprehensive loss" on the balance sheet. For the nine months ended September 30, 2023, this impact was not significant to the Company's results.

New Accounting Pronouncements:

This section provides a description of new accounting pronouncements ("Accounting Standards Updates" or "ASUs") issued by the Financial Accounting Standards Board ("FASB") that are applicable to the Company.

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LINCOLN ELECTRIC HOLDINGS, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
Dollars in thousands, except per share amounts

Dollars in thousands, except per share amounts

The following ASUs were adopted as of January 1, 2023 January 1, 2024:

Standard	Description
ASU No. 2023-01, Leases-Common Control Arrangements (Topic 842), issued March 2023	Requires a lessee in a common-control arrangement to amortize leasehold improvements that it owns over the improvements' useful life, regardless of the lease term. The requirements of the ASU are effective January 1, 2024 and the adoption did not have an impact on the Company's consolidated
ASU No. 2023-07, Segment Reporting (Topic 280), issued November 2023	Requires enhanced disclosures about significant segment expenses, including significant segment expenses that are regularly provided to the chief operating decision maker ("CODM"), the title and position of the CODM, an amount for other segment items by reportable segment, and disclosures about segment profit or loss and assets on an annual and interim basis. The amendments are effective for annual periods beginning January 1, 2024, and interim periods beginning January 1, 2025. Early
ASU No. 2022-04, *Liabilities-Supplier Finance Programs (Subtopic 405-50)*, issued September 2022.	Requires disclosure about a company's supplier finance program, programs, including key terms, amount outstanding, assets pledged, as applicable, a period-over-period balance roll forward. This requirement of the ASU is effective for annual periods beginning January 1, 2024 and presentation
ASU No. 2021-08, *Business Combinations (Subtopic 805)*, issued October 2021.	Requires the acquirer in a business combination to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606. The adoption did not have a material impact on the Company's consolidated financial statements. annual period

The Company is currently evaluating the impact on its financial statements of the following ASUs:

Standard	Description
ASU No. 2023-01, 2023-06, Disclosure Improvement*Leases-Common Control Arrangements (Topic 842)* s, issued	Requires amending certain disclosure and presentation requirements for a lessee variety of topics within the ASC. The effective date for each amended topic in a common-control arrangement to amortize leasehold improvements that it owns over the improvements' useful life, regardless ASC is
ASU No. 2022-04, *Liabilities-Supplier Finance Programs (Subtopic 405-50)* 2023-09, Income Taxes (Topic 740), issued September	Requires disclosure of specific categories in rate reconciliation and additional information for reconciling items that meet a quantitative threshold, additional information about income taxes paid, and disclosure of disaggregated income tax information. The amendments are effective January 1,
ASU No. 2024-01, Compensation – Stock Compensation (Topic 718), issued March 2024	Requires determining whether a company's supplier finance program, including a period-over-period balance roll forward. This requirement of the ASU is effective January 1, 2024 and profits interest award should be applied prospectively accounted for as a share-based payment arrangement or other

NOTE 2 — REVENUE RECOGNITION

The following table presents the Company's Net sales disaggregated by product line:

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
Consumables	$ 543,132	$ 547,596	$ 1,690,726	$ 1,655,613	$ 527,738	$ 569,684
Equipment	490,082	387,644	1,442,396	1,174,664	453,459	469,659
Net sales	$ 1,033,214	$ 935,240	$ 3,133,122	$ 2,830,277	$ 981,197	$ 1,039,343

Consumable sales consist of welding, brazing and soldering filler metals. Equipment sales consist of arc welding, welding accessories, arc welding equipment, wire feeding systems, fume control equipment, plasma and oxy-fuel cutting systems, specialty gas regulators, and education solutions; as well as a comprehensive portfolio of automated solutions

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Dollars in thousands, except per share amounts

for joining, cutting, material handling, module assembly, and end of line testing. Consumable and Equipment products are sold within each of the Company's operating segments.

Within the Equipment product line, there are certain customer contracts related to automation products that may include multiple performance obligations. For such arrangements, the Company allocates revenue to each performance obligation based on its relative standalone selling price. The Company generally determines the standalone selling price based on the prices charged to customers or using expected cost plus margin. Less than 10% of the Company's Net sales are recognized over time.

At September 30, 2023 March 31, 2024, the Company recorded $60,312 $37,609 related to advance customer payments and $58,971 $55,401 related to billings in excess of revenue recognized. These contract liabilities are included in Other current liabilities in the Condensed Consolidated Balance Sheets. At December 31, 2022 December 31, 2023, the balances related to advance customer payments and billings in excess of revenue recognized were $78,756 $40,063 and $34,771, $52,422, respectively. Substantially all of the Company's contract liabilities are recognized within twelve months based on contract duration. The Company records an asset for

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contracts where it has recognized revenue, but has not yet invoiced the customer for goods or services. At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company recorded $55,078 $45,147 and $35,252, $41,816, respectively, related to these contract assets which are included in Other current assets in the Condensed Consolidated Balance Sheets. Contract asset amounts are expected to be billed within the next twelve months.

NOTE 3 — EARNINGS PER SHARE

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

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
Numerator:						
Net income	$ 129,343	$ 109,225	$ 388,605	$ 363,078	$123,415	$121,931
Denominator (shares in 000's):						
Basic weighted average shares outstanding	57,320	57,823	57,465	58,148	56,865	57,596
Effect of dilutive securities - Stock options and awards	816	703	812	667	776	821
Diluted weighted average shares outstanding	58,136	58,526	58,277	58,815	57,641	58,417
Basic earnings per share	$ 2.26	$ 1.89	$ 6.76	$ 6.24	$ 2.17	$ 2.12
Diluted earnings per share	$ 2.22	$ 1.87	$ 6.67	$ 6.17	$ 2.14	$ 2.09

For the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, common shares subject to equity-based awards of 19,368 25,147 and 52,495, 29,112, respectively, were excluded from the computation of diluted earnings per share because the effect of their exercise would be anti-dilutive. For the nine months ended September 30, 2023 and 2022, common shares subject to equity-based awards of 67,549 and 120,106, respectively, were excluded from the computation of diluted earnings per share because the effect of their exercise would be anti-dilutive.

NOTE 4 — ACQUISITIONS

On April 1, 2024, the Company acquired 100% ownership of Superior Controls, LLC ("RedViking"), a privately held automation system integrator based in Plymouth, Michigan. The net purchase price was $115,000, net of cash acquired, and it was accounted for as a business combination. In 2023, RedViking generated sales of approximately $70,000 (unaudited). RedViking specializes in the development and integration of state-of-the-art autonomous guided vehicles and mobile robots, custom assembly and dynamic test systems, and proprietary manufacturing execution system software. The acquisition broadened the Company's portfolio of automation solutions and extends the Company's ability to serve customers in the growing aerospace and defense industries.

Dollars in thousands, except per share amounts

On May 3, 2023, the Company acquired 100% ownership of Powermig Automação e Soldagem Ltda. ("Powermig"), a privately held automation engineering firm headquartered in Caxias do Sul, Rio Grande do Sul, in Brazil. The net purchase price was $29,572, net of cash acquired, and it was accounted for as a business combination. In 2022, Powermig generated sales of approximately $15,000 (unaudited). Beginning May 3, 2023, the Company's Consolidated Statement of Income includes the results of Powermig, which were not material for the three and nine months ended September 30, 2023. Powermig specializes in designing and engineering industrial welding automation solutions for the heavy industry and transportation sectors. The acquisition broadened the Company's automation portfolio and capabilities.

On December 1, 2022, the Company acquired 100% ownership of Fori Automation, LLC ("Fori") for an agreed upon purchase price of $427,000, which was adjusted for certain debt like obligations, for total purchase price consideration of $468,683, or $416,353 net of cash acquired, before final and customary adjustments. In 2022, the Company recognized $5,196 in acquisition costs related to Fori and were expensed as incurred. Fori is a leading designer and manufacturer of complex, multi-armed automated welding systems, with an extensive range of automated assembly systems, automated material handling solutions, automated large-scale, industrial guidance vehicles, and end of line testing systems. The acquisition of Fori extended the Company's market presence within the automotive sector as well as its automation footprint in the International Welding segment. For the three and nine months ended September 30, 2023, the Company's Consolidated Statements of Income include the results of Fori, including Net Sales of $77,674 and $174,675, respectively, while net income for the periods was not material.

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The acquisition of Fori has been accounted for as a business combination, which requires the assets acquired and liabilities assumed be recognized at their respective fair values as of the acquisition date. The process of estimating the fair values of certain tangible assets, identifiable intangible assets and assumed liabilities requires the use of judgment in determining the appropriate assumptions and estimates. The table below summarizes the preliminary estimated fair values of the assets acquired and liabilities assumed on the acquisition date. These preliminary estimates are based on available information and may be revised during the measurement period, not to exceed 12 months from the acquisition date, as third-party valuations are finalized, further information becomes available and additional analyses are performed. The Company does not expect any such revisions to have a material impact on the Company's preliminary purchase price allocation. As of and for the three and nine months ended September 30, 2023, these revisions did not have a material impact on the Condensed Consolidated Balance Sheets or Consolidated Statements of Income.

Assets acquired and liabilities assumed	Preliminary Purchase Price Allocation
Cash and cash equivalents	$ 52,330
Accounts receivable	64,439
Inventory	63,463
Property, plant and equipment (1)	36,863
Intangible assets (2)	69,350
Accounts payable	17,996
Net other assets and liabilities (3)	200,234
Total purchase price consideration	$ 468,683

Dollars in thousands, except per share amounts

(1) Property, plant and equipment acquired includes a number of manufacturing and distribution sites, including the related facilities, land and leased sites, and machinery and equipment for use in manufacturing operations.

(2) Intangible asset balances of $22,000 and $18,200, respectively, were assigned to trade names and customer relationships (15 year weighted average useful life). Of the remaining amount, $24,900 was assigned to technology know-how (10 year weighted average useful life) and $4,250 was assigned to restrictive covenants (4 year weighted average life).

(3) Consists primarily of goodwill of $245,625.

Goodwill is calculated as the excess of the consideration transferred over the net assets recognized and represents the anticipated synergies of acquiring Fori. A portion of the goodwill is deductible for tax purposes.

On March 1, 2022, the Company acquired 100% ownership of Kestra Universal Soldas, Industria e Comercio, Imporacao e Exportacao Ltda. (“Kestra”), a privately held manufacturer headquartered in Atibaia, Sao Paulo State, Brazil. The net purchase price was $22,294, $29,572, net of cash acquired, and it was accounted for as a business combination. In 2022, Beginning May 3, 2023, the Company recognized $365Company’s Consolidated Statement of Income includes the results of Powermig, which were not material for the three months ended March 31, 2024. Powermig specializes in acquisition costs related to Kestra designing and were expensed as incurred. Kestra manufactures engineering industrial welding automation solutions for the heavy industry and provides specialty welding consumables, wear plates and maintenance and repair services for alloy and wear-resistant products commonly used in mining, steel, agricultural and industrial mill applications. transportation sectors. The acquisition broadened the Company’s specialty alloys automation portfolio and services. capabilities.

In 2024, the Company recognized $1,762 in acquisition costs, which were expensed as incurred.

The acquired companies discussed above are not material individually, or in the aggregate, to the actual or pro forma Consolidated Statements of Income or Consolidated Statements of Cash Flows; as such, pro forma information related to these acquisitions have not been presented.

NOTE 5 — SEGMENT INFORMATION

The Company’s business units are aligned into three operating segments. The operating segments consist of Americas Welding, International Welding and The Harris Products Group. The Americas Welding segment includes welding operations in North and South America. The International Welding segment includes welding operations in Europe, Africa, Asia and Australia. The Harris Products Group includes the Company’s global oxy-fuel cutting, soldering and brazing businesses as well as its retail business in the United States.

Segment performance is measured and resources are allocated based on a number of factors, the primary measure being the adjusted earnings before interest and income taxes (“Adjusted EBIT”) profit measure. EBIT is defined as Operating income plus Other income (expense). EBIT is adjusted for special items as determined by management such as the impact of rationalization activities, certain asset impairment charges and gains or losses on disposals of assets.

The following table presents Adjusted EBIT by segment:

	Americas Welding	International Welding	The Harris Products Group	Corporate / Eliminations	Consolidated
Three Months Ended March 31, 2024					
Net sales	$ 624,099	$ 235,761	$ 121,337	$ —	$ 981,197

Dollars in thousands, except per share amounts

Inter-segment sales	29,978	8,408	3,093	(41,479)	—
Total	$ 654,077	$ 244,169	$ 124,430	$ (41,479)	$ 981,197
Adjusted EBIT	$ 136,100	$ 27,776	$ 19,878	$ (10,078)	$ 173,676
Special items charge (1)	—	3,069	1,536	1,762	6,367
EBIT	$ 136,100	$ 24,707	$ 18,342	$ (11,840)	$ 167,309
Interest income					3,221
Interest expense					(12,000)
Income before income taxes					$ 158,530
Three Months Ended March 31, 2023					
Net sales	$ 658,645	$ 252,416	$ 128,282	$ —	$ 1,039,343
Inter-segment sales	32,318	6,753	2,897	(41,968)	—
Total	$ 690,963	$ 259,169	$ 131,179	$ (41,968)	$ 1,039,343
Adjusted EBIT	$ 132,453	$ 29,598	$ 18,983	$ (9,402)	$ 171,632
Special items charge (2)	2,785	302	—	—	3,087
EBIT	$ 129,668	$ 29,296	$ 18,983	$ (9,402)	$ 168,545
Interest income					854
Interest expense					(14,055)
Income before income taxes					$ 155,344

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(1) In the three months ended March 31, 2024, special items include Rationalization and asset impairment charges of $3,069 and $1,536 in International Welding and The Harris Products Group, respectively, as discussed in Note 6 and Acquisition transaction costs of $1,762 in Corporate/Eliminations.

(2) In the three months ended March 31, 2023, special items include amortization of step up in value of acquired inventories of $2,785 and $1,071 in Americas and International Welding, respectively, Rationalization and asset impairment net charges of $877 in International Welding and a gain on disposal of $1,646 in International Welding.

NOTE 6 — RATIONALIZATION AND ASSET IMPAIRMENTS

The Company has rationalization plans within International Welding and The Harris Products Group segments. The plans include headcount restructuring and the consolidation of manufacturing operations to better align the Company's cost structure with economic conditions and operating needs. At March 31, 2024, liabilities of $9,801 and $386 for International Welding and The Harris Products Group, respectively, were recognized in Other current liabilities in the Company's Condensed Consolidated Balance Sheet. The Company does not anticipate significant additional charges related to the completion of these plans.

The Company recorded Rationalization and asset impairment net charges of $3,069 and $1,536 in International Welding and The Harris Products Group in the three months ended March 31, 2024, respectively. The Company recorded Rationalization and asset impairment net charges of $877 in International Welding in the three months ended March 31, 2023. The charges are primarily related to restructuring activities.

The Company believes the rationalization actions will positively impact future results of operations and will not have a material effect on liquidity and sources and uses of capital. The Company continues to evaluate its cost structure and additional rationalization actions may result in charges in future periods.

The following table summarizes the activity related to rationalization liabilities for the three months ended March 31, 2024:

	International Welding	The Harris Products Group	Consolidated
Balance at December 31, 2023	$ 15,086	$ —	$ 15,086
Payments and other adjustments	(8,290)	(1,150)	(9,440)
Charged to expense	3,005	1,536	4,541
Balance at March 31, 2024	$ 9,801	$ 386	$ 10,187

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LINCOLN ELECTRIC HOLDINGS, INC.

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Dollars in thousands, except per share amounts

NOTE 7 – ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) ("AOCI")

The following table presents Adjusted EBIT tables set forth the total changes in AOCI by segment: component, net of taxes:

	Americas Welding	International Welding	The Harris Products Group	Corporate / Eliminations	Consolidated
Three Months Ended September 30, 2023					
Net sales	$ 665,228	$ 242,010	$ 125,976	$ —	$ 1,033,214
Inter-segment sales	28,875	4,896	2,299	(36,070)	—
Total	$ 694,103	$ 246,906	$ 128,275	$ (36,070)	$ 1,033,214
Adjusted EBIT	$ 136,476	$ 30,239	$ 20,405	$ (2,952)	$ 184,168
Special items charge (1)	4,056	7,870	—	—	11,926
EBIT	$ 132,420	$ 22,369	$ 20,405	$ (2,952)	$ 172,242
Interest income					1,852
Interest expense					(12,661)
Income before income taxes					$ 161,433
Three Months Ended September 30, 2022					
Net sales	$ 585,628	$ 216,497	$ 133,115	$ —	$ 935,240
Inter-segment sales	35,353	9,994	2,642	(47,989)	—
Total	$ 620,981	$ 226,491	$ 135,757	$ (47,989)	$ 935,240
Adjusted EBIT	$ 118,804	$ 25,225	$ 14,432	$ (1,685)	$ 156,776
Special items charge (gain) (2)	(353)	8,364	—	3,068	11,079
EBIT	$ 119,157	$ 16,861	$ 14,432	$ (4,753)	$ 145,697
Interest income					376
Interest expense					(8,586)
Income before income taxes					$ 137,487

Nine Months Ended September 30, 2023					
Net sales	$ 2,000,839	$ 747,829	$ 384,454	$ —	$ 3,133,122
Inter-segment sales	92,043	19,941	8,063	(120,047)	—
Total	$ 2,092,882	$ 767,770	$ 392,517	$ (120,047)	$ 3,133,122
Adjusted EBIT	$ 408,800	$ 93,609	$ 58,898	$ (14,538)	$ 546,769
Special items charge (1)	9,798	11,426	—	—	21,224
EBIT	$ 399,002	$ 82,183	$ 58,898	$ (14,538)	$ 525,545
Interest income					3,520
Interest expense					(39,228)
Income before income taxes					$ 489,837
Nine Months Ended September 30, 2022					
Net sales	$ 1,715,342	$ 711,167	$ 403,768	$ —	$ 2,830,277
Inter-segment sales	92,540	25,749	8,570	(126,859)	—
Total	$ 1,807,882	$ 736,916	$ 412,338	$ (126,859)	$ 2,830,277
Adjusted EBIT	$ 348,439	$ 97,321	$ 51,952	$ (10,470)	$ 487,242
Special items charge (gain) (3)	(3,627)	9,865	—	3,068	9,306
EBIT	$ 352,066	$ 87,456	$ 51,952	$ (13,538)	$ 477,936
Interest income					980
Interest expense					(21,847)
Income before income taxes					$ 457,069

	Three Months Ended March 31, 2024			
	Unrealized gain (loss) on derivatives designated and qualifying as cash flow hedges	Defined benefit pension plan activity	Currency translation adjustment	Total
Balance at December 31, 2023	$ 16,536	$ (1,996)	$ (244,387)	$ (229,847)
Other comprehensive income (loss) before reclassification	4,528	—	(13,395)	(8,867)
Amounts reclassified from AOCI	(813)	73	—	(740)
Net current-period other comprehensive income (loss)	3,715	73	(13,395)	(9,607)
Balance at March 31, 2024	$ 20,251	$ (1,923)	$ (257,782)	$ (239,454)

(1) In the three and nine months ended September 30, 2023, special items exclude amortization of step up in value of acquired inventories of $3,648 and $9,390 in Americas Welding and $1,204 and $2,862 in International Welding, respectively, and Rationalization and asset impairment net charges of $408 in Americas Welding and $6,666 and $10,210 in International Welding as discussed in Note 6. In the nine months ended September 30, 2023, special items reflect a gain on asset disposal of $1,646 in International Welding.

(2) In the three months ended September 30, 2022, special items exclude an adjustment to the amortization of the step up in value of acquired inventories of $353 in Americas Welding, Rationalization and asset impairment charges of $8,364 in International Welding as discussed in Note 6 and acquisition transaction costs of $3,068 in Corporate/Eliminations related to an acquisition.

	Three Months Ended March 31, 2023			
	Unrealized gain (loss) on derivatives designated and qualifying as cash flow hedges	Defined benefit pension plan activity	Currency translation adjustment	Total
Balance at December 31, 2022	$ 13,909	$ (1,781)	$ (287,526)	$ (275,398)
Other comprehensive income before reclassification	10,134	—	14,818	24,952
Amounts reclassified from AOCI	(1,003)	560	—	(443)
Net current-period other comprehensive income	9,131	560	14,818	24,509

Dollars in thousands, except per share amounts

Balance at March 31, 2023	$ 23,040	$ (1,221)	$ (272,708)	$ (250,889)

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(3) In the nine months ended September 30, 2022, special items exclude a favorable adjustment related to the termination of a pension plan of $3,735, the amortization of the step up in value of acquired inventories of $1,106 and Rationalization and asset impairment net gains of $998 in Americas Welding, Rationalization and asset impairment charges of $10,403 in International Welding as discussed in Note 6 and acquisition transaction costs of $3,086 in Corporate/Eliminations related to an acquisition.

NOTE 6 — RATIONALIZATION AND ASSET IMPAIRMENTS

The Company has rationalization plans within the International Welding segment. The plans include headcount restructuring and the consolidation of manufacturing operations to better align the Company's cost structure with economic conditions and operating needs. At September 30, 2023, liabilities of $6,360 for International Welding were recognized in Other current liabilities in the Company's Condensed Consolidated Balance Sheet. The Company does not anticipate significant additional charges related to the completion of these plans.

The Company recorded Rationalization and asset impairment net charges of $10,618 and $9,405 in the nine months ended September 30, 2023 and 2022, respectively. The charges are primarily related to restructuring activities.

The Company believes the rationalization actions will positively impact future results of operations and will not have a material effect on liquidity and sources and uses of capital. The Company continues to evaluate its cost structure and additional rationalization actions may result in charges in future periods.

The following table summarizes the activity related to rationalization liabilities for the nine months ended September 30, 2023:

	Consolidated
Balance at December 31, 2022	$ 2,207
Payments and other adjustments	(5,337)
Charged to expense	9,490
Balance at September 30, 2023	$ 6,360

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Dollars in thousands, except per share amounts

NOTE 7 – ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) ("AOCI")

The following tables set forth the total changes in AOCI by component, net of taxes:

	Three Months Ended September 30, 2023				
	Unrealized gain (loss) on derivatives designated and qualifying as cash flow hedges		Defined benefit pension plan activity	Currency translation adjustment	Total
Balance at June 30, 2023	$ 18,152		$ (2,587)	$ (251,751)	$ (236,186)
Other comprehensive income (loss) before reclassification	4,063		—	(32,297)	(28,234)
Amounts reclassified from AOCI	(1,398)	1	(15)	—	(1,413)
Net current-period other comprehensive income (loss)	2,665		(15)	(32,297)	(29,647)
Balance at September 30, 2023	$ 20,817		$ (2,602)	$ (284,048)	$ (265,833)

	Three Months Ended September 30, 2022				
	Unrealized gain (loss) on derivatives designated and qualifying as cash flow hedges		Defined benefit pension plan activity	Currency translation adjustment	Total
Balance at June 30, 2022	$ 22,399		$ (13,168)	$ (294,506)	$ (285,275)
Other comprehensive income (loss) before reclassification	8,142		—	(52,129)	(43,987)
Amounts reclassified from AOCI	(365)	1	85	—	(280)
Net current-period other comprehensive income (loss)	7,777		85	(52,129)	(44,267)
Balance at September 30, 2022	$ 30,176		$ (13,083)	$ (346,635)	$ (329,542)

(1) During the three months ended September 30, 2023, the AOCI reclassification is a component of Net sales of $1,287 (net of tax of $470) and Cost of goods sold of $(111) (net of tax of $(45)); during the three months ended September 30, 2022, the reclassification is a component of Net sales of $155 (net of tax of $74) and Cost of goods sold of $(210) (net of tax of $(44)). See Note 13 to the consolidated financial statements for additional details.

	Nine Months Ended September 30, 2023				
	Unrealized gain (loss) on derivatives designated and qualifying as cash flow hedges		Defined benefit pension plan activity	Currency translation adjustment	Total
Balance at December 31, 2022	$ 13,909		$ (1,781)	$ (287,526)	$ (275,398)
Other comprehensive income before reclassification	10,738		—	3,478	14,216
Amounts reclassified from AOCI	(3,830)	1	(821)	—	(4,651)
Net current-period other comprehensive income (loss)	6,908		(821)	3,478	9,565
Balance at September 30, 2023	$ 20,817		$ (2,602)	$ (284,048)	$ (265,833)

LINCOLN ELECTRIC HOLDINGS, INC.

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Dollars in thousands, except per share amounts

	Nine Months Ended September 30, 2022			
	Unrealized gain (loss) on derivatives designated and qualifying as cash flow hedges	Defined benefit pension plan activity	Currency translation adjustment	Total
Balance at December 31, 2021	$ 8,094	$ (13,231)	$ (252,442)	$ (257,579)
Other comprehensive income (loss) before reclassification	23,430	—	(94,193)	(70,763)
Amounts reclassified from AOCI	(1,348) (1)	148	—	(1,200)
Net current-period other comprehensive income (loss)	22,082	148	(94,193)	(71,963)
Balance at September 30, 2022	$ 30,176	$ (13,083)	$ (346,635)	$ (329,542)

(1) During the nine months ended September 30, 2023, the AOCI reclassification is a component of Net sales of $3,555 (net of tax of $1,292) and Cost of goods sold of $(275) (net of tax of $(106)); during the nine months ended September 30, 2022, the reclassification is a component of Net sales of $409 (net of tax of $181) and Cost of goods sold of $(939) (net of tax of $(223)). See Note 13 to the consolidated financial statements for additional details.

NOTE 8 — INVENTORIES

Inventories in the Condensed Consolidated Balance Sheets are comprised of the following components:

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Raw materials	$ 162,417	$ 181,076	$ 141,217	$ 160,809
Work-in-process	149,205	164,778	137,803	125,756
Finished goods	300,716	319,597	288,259	276,299
Total	$ 612,338	$ 665,451	$ 567,279	$ 562,864

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, approximately 36% and 38% 37%, respectively, of total inventories were valued using the last-in, first-out ("LIFO") method. The excess of current cost over LIFO cost was $135,088 $129,415 and $133,909 $129,946 at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

NOTE 9 — LEASES

The table below summarizes the right-of-use assets and lease liabilities in the Company's Condensed Consolidated Balance sheets:

Operating Leases	Balance Sheet Classification	September 30, 2023	December 31, 2022	Balance Sheet Classification	March 31, 2024	December 31, 2023
Right-of-use assets	Other assets	$ 52,736	$ 44,810	Other assets	$ 52,615	$ 53,284
Current liabilities	Other current liabilities	$ 12,480	$ 10,378	Other current liabilities	$ 13,191	$ 13,104
Noncurrent liabilities	Other liabilities	41,752	35,945	Other liabilities	40,747	41,576
Total lease liabilities		$ 54,232	$ 46,323		$ 53,938	$ 54,680

Total lease expense, which is included in Cost of goods sold and Selling, general & administrative expenses in the Company's Consolidated Statements of Income, was $5,322 $6,161 and $11,173 $5,851 in the three and nine months ended September 30, 2023 March 31, 2024 and $5,109 and $15,415 in the three and nine months ended September 30, 2022, 2023, respectively. Cash paid for amounts included in the measurement of lease liabilities for the three months ended March 31, 2024 and 2023, respectively, were $4,049 and $3,145 and are included in Net cash provided by operating activities in the Company's Consolidated Statements of Cash Flows. Right-of-use assets obtained in exchange for operating lease liabilities were $3,546 and $3,896 during the three months ended March 31, 2024 and 2023, respectively.

Dollars in thousands, except per share amounts

The total future minimum lease payments for noncancelable operating leases were as follows:

	March 31, 2024
2024	$ 11,281
2025	12,540
2026	9,807
2027	7,148
2028	5,191
After 2028	14,394
Total lease payments	$ 60,361
Less: Imputed interest	6,423
Operating lease liabilities	$ 53,938

As of March 31, 2024, the weighted average remaining lease term is 6.8 years and the weighted average discount rate used to determine the operating lease liability is 3.6%.

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amounts included in the measurement of lease liabilities for the three and nine months ended September 30, 2023, respectively, were $3,494 and $9,716 and are included in Net cash provided by operating activities in the Company's Consolidated Statements of Cash Flows. Cash paid for amounts included in the measurement of lease liabilities for the three and nine months ended September 30, 2022, respectively, were $2,930 and $9,101 and are included in Net cash provided by operating activities in the Company's Consolidated Statements of Cash Flows. Right-of-use assets obtained in exchange for operating lease liabilities were $1,077 and $6,410 during the three and nine months ended September 30, 2023 and $4,739 and $8,217 for the three and nine months ended September 30, 2022, respectively.

The total future minimum lease payments for noncancelable operating leases were as follows:

	September 30, 2023
2023	$ 4,716
2024	13,631
2025	10,853
2026	8,276
2027	6,113
After 2027	18,475
Total lease payments	$ 62,064
Less: Imputed interest	7,832
Operating lease liabilities	$ 54,232

As of September 30, 2023, the weighted average remaining lease term is 7.1 years and the weighted average discount rate used to determine the operating lease liability is 3.4%.

NOTE 10 — DEBT

Revolving Credit Agreements

On April 23, 2021, the Company amended and restated the agreement governing its line of credit by entering into the Second Amended and Restated Credit Agreement (“Credit Agreement”). The Credit Agreement has a line of credit totaling $500,000, has a term of 5 years with a maturity date of April 23, 2026 and may be increased, subject to certain conditions including the consent of its lenders, by an additional amount up to $150,000. On March 8, 2023, the Credit Agreement was amended to replace the LIBOR rate to a term secured overnight finance rate (“SOFR”); as such, the interest rate on borrowings is based on SOFR plus a spread of 0.85% to 1.85% based on (1) the Company’s net leverage ratio and (2) a credit spread adjustment. The Credit Agreement contains customary representations and warranties, as well as customary affirmative, negative and financial covenants for credit facilities of this type (subject to negotiated baskets and exceptions), including limitations on the Company and its subsidiaries with respect to liens, investments, distributions, mergers and acquisitions, dispositions of assets and transactions with affiliates. As of September 30, 2023 March 31, 2024, the Company was in compliance with all of its covenants and had no outstanding borrowings under the Credit Agreement.

The Company has other lines of credit and debt agreements totaling $84,876. $90,945. As of September 30, 2023 March 31, 2024, the Company was in compliance with all of its covenants and had outstanding debt under short-term lines of credit of $7,482. $4,720.

Senior Unsecured Notes

On April 1, 2015 and October 20, 2016, the Company entered into separate Note Purchase Agreements pursuant to which it issued senior unsecured notes (the "Notes") through a private placement. The 2015 Notes and 2016 Notes each have an aggregate principal amount of $350,000, comprised of four different series ranging from $50,000 to $100,000,

with maturity dates ranging from August 20, 2025 through April 1, 2045, and interest rates ranging from 2.75% to 4.02%. Interest on the Notes is paid semi-annually. The Company’s total weighted average effective interest rate and remaining weighted average tenure of the Notes is 3.3% and 10.6 10.1 years, respectively. The proceeds of the Notes were used for general corporate purposes. The Notes contain certain affirmative and negative covenants. As of September 30, 2023 March 31, 2024, the Company was in compliance with all of its debt covenants relating to the Notes.

Term Loan

On November 29, 2022, the Company entered into a term loan in the aggregate principal amount of $400,000 (the “Term Loan”), which was borrowed in full. The Term Loan matures on November 29, 2025. The Term Loan bears an interest at a rate based on SOFR, plus a margin ranging from 0.75% to 1.75% based on the Company’s consolidated net leverage ratio. The proceeds of the Term Loan were used to pay a portion of the purchase price in connection with the acquisition of Fori. As of September 30, 2023 March 31, 2024, the Company was in compliance with all of its covenants.

In March 2023, the Company entered into interest rate swap agreements to effectively convert the interest rate on $150,000 of the Term Loan from a variable rate to a fixed rate.

Shelf Agreements

On November 27, 2018, the Company entered into seven uncommitted master note facilities (the "Shelf Agreements") that allow borrowings up to $700,000 in the aggregate. The Shelf Agreements have a term of 5 years and the average life of borrowings cannot exceed 15 years. The Company is required to comply with covenants similar to those contained in the Notes. As of September 30, 2023, the Company was in compliance with all of its covenants and had no outstanding borrowings under the Shelf Agreements.

Dollars in thousands, except per share amounts

Fair Value of Debt

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the fair value of long-term debt, including the current portion, was approximately $974,061 $981,481 and $1,009,020, $1,013,795, respectively, which was determined using available market information and methodologies requiring judgment. The carrying value of this debt at such dates was $1,103,076 $1,102,677 and $1,121,435, $1,102,771, respectively. Since judgment is required in interpreting market information, the fair value of the debt is not necessarily the amount which could be realized in a current market exchange.

NOTE 11 — OTHER INCOME

The components of Other income were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Equity earnings (loss) in affiliates	$ 169	$ (434)	$ 463	$ (254)
Other components of net periodic pension (cost) income (1)	(293)	(29)	(907)	3,871
Other income (2)	925	4,051	12,171	3,471
Total Other income	$ 801	$ 3,588	$ 11,727	$ 7,088

(1) In 2022, Other components of net periodic pension (cost) income includes pension settlements and curtailments.

(2) In 2023, Other income primarily relates to non-recurring items such as royalty and other non-operating gains.

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NOTE 12 11 — INCOME TAXES

The Company recognized $101,232 $35,115 of tax expense on pretax income of $489,837, $158,530, resulting in an effective income tax rate of 20.7% 22.2% for the nine three months ended September 30, 2023 March 31, 2024. The effective income tax rate was 20.6% 21.5% for the nine three months ended September 30, 2022 March 31, 2023.

The effective tax rate was slightly higher for the nine three months ended September 30, 2023 March 31, 2024, as compared with the same period in 2022, 2023, primarily due to mix of earnings and discrete tax items.

As of September 30, 2023 March 31, 2024, the Company had $13,750 $12,855 of unrecognized tax benefits. If recognized, approximately $10,714 $10,304 would be reflected as a component of income tax expense.

The Company files income tax returns in the U.S. and various state, local and foreign jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, state and local or non-U.S. income tax examinations by tax authorities for years before 2018. 2019. The Company is currently subject to U.S., various state and non-U.S. income tax audits.

Unrecognized tax benefits are reviewed on an ongoing basis and are adjusted for changing facts and circumstances, including progress of tax audits and closing of statutes of limitations. Based on information currently available, management believes that additional audit activity could be completed and/or statutes of limitations may close relating to existing unrecognized tax benefits. It is reasonably possible there could be a reduction of $1,203 $1,864 in previously unrecognized tax benefits by the end of the third first quarter 2024. 2025.

NOTE 13 12 — DERIVATIVES

The Company uses derivative instruments to manage exposures to currency exchange rates, interest rates and commodity prices arising in the normal course of business. Both at inception and on an ongoing basis, the derivative instruments that qualify for hedge accounting are assessed as to their effectiveness, when applicable. Hedge ineffectiveness was immaterial in the three and nine months ended September 30, 2023 March 31, 2024 and 2022. 2023.

Dollars in thousands, except per share amounts

The Company is subject to the credit risk of the counterparties to derivative instruments. Counterparties include a number of major banks and financial institutions. None of the concentrations of risk with any individual counterparty was considered significant at September 30, 2023 March 31, 2024. The Company does not expect any counterparties to fail to meet their obligations.

Cash Flow Hedges

Certain foreign currency forward contracts are qualified and designated as cash flow hedges. The dollar equivalent gross notional amount of these short-term contracts was $68,390 $98,808 at September 30, 2023 March 31, 2024 and $66,296 $84,148 at December 31, 2022 December 31, 2023.

The Company has interest rate forward starting swap agreements that are qualified and designated as cash flow hedges. In the first quarter 2024, the Company entered into short-term contracts with the dollar equivalent gross notional amount of $100,000 at March 31, 2024 and have a termination date of June 2024. The dollar equivalent gross notional amount of the long-term contracts was $100,000 at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 and have a termination date of August 2025.

The Company has no commodity contracts outstanding at September 30, 2023. The Company had commodity contracts with a notional amount of 875,000 pounds at December 31, 2022, which were that are qualified and designated as cash flow hedges.

In March 2023, the Company entered into interest rate swap agreements, which were qualified and designated as cash flow hedges, with an aggregate notional The Notional amount of $150,000. The interest rate swaps will effectively convert the interest rate on $150,000 of the Term Loan discussed in Note 10 from a variable rate based on one-month SOFR to a fixed rate. these contracts were 150,000 pounds and 200,000 pounds at March 31, 2024 and December 31, 2023, respectively.

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In March 2023, the Company entered into interest rate swap agreements, which were qualified and designated as cash flow hedges, with an aggregate notional amount of $150,000. The interest rate swaps will effectively convert the interest rate on $150,000 of the Term Loan discussed in Note 10 from a variable rate based on one-month SOFR to a fixed rate.

Net Investment Hedges

The Company has foreign currency forward contracts that qualify and are designated as net investment hedges. The dollar equivalent gross notional amount of these contracts was $87,748 $117,578 at September 30, 2023 March 31, 2024 and $88,843 $119,607 at December 31, 2022 December 31, 2023.

Derivatives Not Designated as Hedging Instruments

The Company has certain foreign exchange forward contracts that are not designated as hedges. These derivatives are held as economic hedges of certain balance sheet exposures. The dollar equivalent gross notional amount of these contracts was $403,802 $416,200 and $380,443 $492,600 at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

Fair values of derivative instruments in the Company's Condensed Consolidated Balance Sheets follow:

September 30, 2023				December 31, 2022				March 31, 2024				December 31, 2		
Other Current	Other Current	Other	Other	Other Current	Other Current	Other	Other	Other Current	Other Current	Other	Other	Other Current	Other Current	Ot

Derivatives by hedge designation	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Ass
Designated as hedging instruments:															
Foreign exchange contracts	$2,079	$ 786	$ —	$ —	$1,467	$ 738	$ —	$ —	$2,391	$ 238	$ —	$ —	$1,548	$ 687	$
Interest rate swap agreements	—	—	3,946	—	—	—	—	—	—	—	2,649	—	—	—	1,
Forward starting swap agreements	—	—	24,877	—	—	—	19,291	—	—	—	23,005	40	—	—	20,
Net investment contracts	291	—	—	—	—	2,229	—	—	1,261	—	—	—	—	3,351	
Commodity contracts	—	—	—	—	181	33	—	—	52	—	—	—	45	—	
Not designated as hedging instruments:															
Foreign exchange contracts	1,157	2,162	—	—	2,348	790	—	—	1,617	998	—	—	4,063	623	
Total derivatives	$3,527	$ 2,948	$28,823	$ —	$3,996	$ 3,790	$19,291	$ —	$5,321	$ 1,236	$25,654	$ 40	$5,656	$ 4,661	$21,

The effects of undesignated derivative instruments on the Company's Consolidated Statements of Income consisted of the following:

Derivatives by hedge designation	Classification of gain (loss)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Classification of (loss) gain	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Not designated as hedges:								
Foreign exchange contracts	Selling, general & administrative expenses	$ (6,705)	$ (3,374)	$ 5,066	$ (2,836)	Selling, general & administrative expenses	$ (1,615)	$ 6,690

The effects of designated hedges on AOCI and the Company's Consolidated Statements of Income consisted of the following:

Total gain recognized in AOCI, net of tax	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Foreign exchange contracts	$ 715	$ 627	$ 1,628	$ 721
Interest rate swap agreements	2,952	—	2,198	1,085
Forward starting swap agreements	17,150	13,191	16,386	14,696
Net investment contracts	10,295	9,440	9,089	7,136
Commodity contracts	—	91	39	34

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LINCOLN ELECTRIC HOLDINGS, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
Dollars in thousands, except per share amounts

The Company expects a gain of $715 $1,667 related to existing contracts to be reclassified from AOCI, net of tax, to earnings over the next 12 months as the hedged transactions are realized.

Derivative type	Gain (loss) recognized in the Consolidated Statements of Income:	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Gain recognized in the Consolidated Statements of Income:	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Foreign exchange contracts	Sales	$ 1,757	$ 229	$ 4,847	$ 590	Sales	$ 839	$ 1,206
	Cost of goods sold	159	573	187	1,202	Cost of goods sold	232	3
Commodity contracts	Cost of goods sold	(3)	(319)	194	(40)	Cost of goods sold	2	179

NOTE 14 13 - FAIR VALUE

The following table provides a summary of assets and liabilities as of September 30, 2023 March 31, 2024, measured at fair value on a recurring basis:

Description	Balance as of September 30, 2023	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of March 31, 2024	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:								
Foreign exchange contracts	$ 3,236	$ —	$ 3,236	$ —	$ 4,008	$ —	$ 4,008	$ —
Net investment contracts	291	—	291	—	1,261	—	1,261	—
Commodity contracts					52	—	52	—
Interest rate swap agreements	3,946	—	3,946	—	2,649	—	2,649	—
Forward starting swap agreements	24,877	—	24,877	—	23,005	—	23,005	—
Pension surplus	48,093	48,093	—	—	38,323	38,323	—	—
Total assets	$ 80,443	$ 48,093	$ 32,350	$ —	$ 69,298	$ 38,323	$ 30,975	$ —
Liabilities:								

Foreign exchange contracts	$ 2,948	$ —	$ 2,948	$ —	$ 1,236	$ —	$ 1,236	$ —
Forward starting swap agreements					40	—	40	—
Deferred compensation	39,136	—	39,136	—	54,126	—	54,126	—
Total liabilities	$ 42,084	$ —	$ 42,084	$ —	$ 55,402	$ —	$ 55,402	$ —

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LINCOLN ELECTRIC HOLDINGS, INC.

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Dollars in thousands, except per share amounts

The following table provides a summary of assets and liabilities as of December 31, 2022 December 31, 2023, measured at fair value on a recurring basis:

Description	Balance as of December 31, 2022	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of December 31, 2023	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:								
Foreign exchange contracts	$ 3,815	$ —	$ 3,815	$ —	$ 5,611	$ —	$ 5,611	$ —
Interest rate swap agreements					1,460	—	1,460	—
Commodity contracts	181	—	181	—	45	—	45	—
Forward starting swap agreements	19,291	—	19,291	—	20,377	—	20,377	—
Pension Surplus	56,418	56,418	—	—	41,849	41,849	—	—
Total assets	$ 79,705	$ 56,418	$ 23,287	$ —	$ 69,342	$ 41,849	$ 27,493	$ —
Liabilities:								
Foreign exchange contracts	$ 1,528	$ —	$ 1,528	$ —	$ 1,310	$ —	$ 1,310	$ —
Net investment contracts	2,229	—	2,229	—	3,351	—	3,351	—
Commodity contracts	33	—	33	—				

Deferred compensation	39,090	—	39,090	—	53,628	—	53,628	—
Total liabilities	$ 42,880	$ —	$ 42,880	$ —	$ 58,289	$ —	$ 58,289	$ —

The fair value of the Company’s pension surplus assets are based on quoted market prices in active markets and are included in the Level 1 fair value hierarchy. The pension surplus assets are invested in money market and short-term duration bond funds at September 30, 2023 March 31, 2024.

The Company’s derivative contracts are valued at fair value using the market approach. The Company measures the fair value of foreign exchange contracts, forward starting swap agreements, net investment contracts and interest rate swap agreements using Level 2 inputs based on observable spot and forward rates in active markets.

The deferred compensation liability is the Company’s obligation under its executive deferred compensation plan. The Company measures the fair value of the liability using the market values of the participants’ underlying investment fund elections.

The fair value of Cash and cash equivalents, Marketable securities, Accounts receivable, Short-term debt excluding the current portion of long-term debt and Trade accounts payable approximated book value due to the short-term nature of these instruments at both September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

The Company has various financial instruments, including cash and cash equivalents, short and long-term debt and forward contracts. While these financial instruments are subject to concentrations of credit risk, the Company has minimized this risk by entering into arrangements with a number of major banks and financial institutions and investing in several high-quality instruments. The Company does not expect any counterparties to fail to meet their obligations.

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LINCOLN ELECTRIC HOLDINGS, INC.

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Dollars in thousands, except per share amounts

NOTE 15 14 – SUPPLIER FINANCING PROGRAM

The Company’s suppliers, at the supplier’s sole discretion, are able to factor receivables due from the Company to a financial institution on terms directly negotiated with the financial institution without affecting the Company’s balance sheet classification of the corresponding payable. The Company pays the financial institution the stated amount of the confirmed invoices from its designated suppliers on the original maturity dates of the invoices. Invoices with suppliers have terms between 120 and 180 days. The Company does not provide secured legal assets or other forms of guarantees under the arrangement and has no involvement in establishing the terms or conditions of the arrangement between its suppliers and the financial institution. The amounts due to the financial institution for suppliers that participate in the supplier financing program are included in Trade accounts payable on the Company’s Condensed Consolidated Balance Sheets, and the associated payments are included in operating activities in the Consolidated Statements of Cash Flows. At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, Trade accounts payable included $35,745 $35,936 and $33,475, $29,111, respectively, payable to suppliers that have elected to participate in the supplier financing program.

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***ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Dollars in thousands, except per share amounts*)**

This Management's Discussion and Analysis of Financial Condition and Results of Operations should be read together with the Company's unaudited consolidated financial statements and other financial information included elsewhere in this Quarterly Report on Form 10-Q.

General

The Company is the world's largest designer and manufacturer of arc welding and cutting products, manufacturing a broad line of arc welding equipment, consumable welding products and other welding and cutting products. Welding products include arc welding power sources, computer numerical control and plasma cutters, wire feeding systems, robotic welding packages, integrated automation systems, fume extraction equipment, consumable electrodes, fluxes, welding accessories and specialty welding consumables and fabrication. The Company's product offering also includes oxy-fuel cutting systems and regulators and torches used in oxy-fuel welding, cutting and brazing. In addition, the Company has a leading global position in the brazing and soldering alloys market.

The Company's products are sold in both domestic and international markets. In the Americas, products are sold principally through industrial distributors, retailers and directly to users of welding products. Outside of the Americas, the Company has an international sales organization comprised of Company employees and agents who sell products from the Company's various manufacturing sites to distributors and product users.

The Company's business units are aligned into three operating segments. The operating segments consist of Americas Welding, International Welding and The Harris Products Group. The Americas Welding segment includes welding operations in North and South America. The International Welding segment includes welding operations in Europe, Africa, Asia and Australia. The Harris Products Group includes the Company's global oxy-fuel cutting, soldering and brazing businesses as well as its retail business in the United States.

On December 1, 2022, the Company acquired 100% ownership of Fori Automation, LLC ("Fori") for an agreed upon purchase price of $427,000, which was adjusted for certain debt like obligations. The Company funded the transaction with available cash on hand and a $400,000 senior unsecured term loan. Fori is a leading designer and manufacturer of complex, multi-armed automated welding systems, with an extensive range of automated assembly systems, automated material handling solutions, automated large-scale, industrial guidance vehicles, and end of line testing systems. The Fori acquisition extended the Company's market presence within the automotive sector as well as its automation footprint in the International Welding segment.

On July 21, 2023, Christopher L. Mapes, the Company's President and Chief Executive Officer and Chairman of the Board of Directors, notified the Company of his intention to retire from his position as President and Chief Executive Officer effective as of the close of business on December 31, 2023. After December 31, 2023, Mr. Mapes will be designated Executive Chairman of the Board. In connection with Mr. Mapes' notification of his retirement, the Board elected Steven B. Hedlund as President and Chief Executive Officer of the Company, effective as of January 1, 2024 (the "Transition Date"). Mr. Mapes will remain the Company's principal executive officer until the close of business on December 31, 2023, and Mr. Hedlund will succeed Mr. Mapes as principal executive officer as of the Transition Date.

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Results of Operations

The following table shows the Company's results of operations:

	Three Months Ended September 30,					
					Favorable (Unfavorable)	
	2023		2022		2023 vs. 2022	
	Amount	% of Sales	Amount	% of Sales	$	%
Net sales	$ 1,033,214		$ 935,240		$ 97,974	10.5 %
Cost of goods sold	667,584		625,722		(41,862)	(6.7)%
Gross profit	365,630	35.4 %	309,518	33.1 %	56,112	18.1 %
Selling, general & administrative expenses	187,115	18.1 %	159,045	17.0 %	(28,070)	(17.6)%
Rationalization and asset impairment charges	7,074	0.7 %	8,364	0.9 %	1,290	15.4 %
Operating income	171,441	16.6 %	142,109	15.2 %	29,332	20.6 %
Interest expense, net	10,809		8,210		(2,599)	(31.7)%
Other income	801		3,588		(2,787)	(77.7)%
Income before income taxes	161,433	15.6 %	137,487	14.7 %	23,946	17.4 %
Income taxes	32,090		28,262		(3,828)	(13.5)%
Effective tax rate	19.9 %		20.6 %		0.7 %	
Net income	$ 129,343	12.5 %	$ 109,225	11.7 %	$ 20,118	18.4 %
Diluted earnings per share	$ 2.22		$ 1.87		$ 0.35	18.7 %

	Nine Months Ended September 30,						Three Months Ended March 31,					
					Favorable (Unfavorable)						Favorable (Unfavorab	
	2023		2022		2023 vs. 2022		2024		2023		2024 vs. 2023	
	Amount	% of Sales	Amount	% of Sales	$	%	Amount	% of Sales	Amount	% of Sales	$	%
Net sales	$3,133,122		$2,830,277		$ 302,845	10.7 %	$981,197		$1,039,343		$ (58,146)	(5
Cost of goods sold	2,038,707		1,857,501		(181,206)	(9.8)%	612,798		683,986		71,188	10
Gross profit	1,094,415	34.9 %	972,776	34.4 %	121,639	12.5 %	368,399	37.5 %	355,357	34.2 %	13,042	3
Selling, general & administrative expenses	569,979	18.2 %	492,523	17.4 %	(77,456)	(15.7)%	198,747	20.3 %	190,116	18.3 %	(8,631)	(4
Rationalization and asset impairment charges	10,618	0.3 %	9,405	0.3 %	(1,213)	(12.9)%	4,605	0.5 %	877	0.1 %	(3,728)	(425
Operating income	513,818	16.4 %	470,848	16.6 %	42,970	9.1 %	165,047	16.8 %	164,364	15.8 %	683	0
Interest expense, net	35,708		20,867		(14,841)	(71.1)%	8,779		13,201		4,422	33
Other income	11,727		7,088		4,639	65.4 %	2,262		4,181		(1,919)	(45
Income before income taxes	489,837	15.6 %	457,069	16.1 %	32,768	7.2 %	158,530	16.2 %	155,344	14.9 %	3,186	2
Income taxes	101,232		93,991		(7,241)	(7.7)%	35,115		33,413		(1,702)	(5
Effective tax rate	20.7 %		20.6 %		(0.1)%		22.2 %		21.5 %		(0.7)%	
Net income	$ 388,605	12.4 %	$ 363,078	12.8 %	$ 25,527	7.0 %	$123,415	12.6 %	$ 121,931	11.7 %	$ 1,484	1
Diluted earnings per share	$ 6.67		$ 6.17		$ 0.50	8.1 %	$ 2.14		$ 2.09		$ 0.05	2

Net Sales:

The following table summarizes the impact of volume, acquisitions, price and foreign currency exchange rates on Net sales on a consolidated basis:

Three Months Ended September 30,	Net Sales 2022	Volume	Acquisitions	Price	Foreign Exchange	Net Sales 2023
		Change in Net Sales due to:				
Lincoln Electric Holdings, Inc.	$ 935,240	$ (6,551)	$ 82,723	$ 10,196	$ 11,606	$ 1,033,214
% Change						
Lincoln Electric Holdings, Inc.		(0.7)%	8.8 %	1.1 %	1.2 %	10.5 %

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Nine Months Ended September 30, / Three Months Ended March 31,	Net Sales 2022	Volume	Acquisitions	Price	Foreign Exchange	Net Sales 2023	Net Sales 2023	Volume	Acquisitions	Price	Foreign Exchange	Net Sales 2024
		Change in Net Sales due to:						Change in Net Sales due to:				
Lincoln Electric Holdings, Inc.	$ 2,830,277	$66,962	$ 185,284	$58,710	$(8,111)	$ 3,133,122	$ 1,039,343	$(63,781)	$ 4,164	$(283)	$ 1,754	$ 981,197
% Change												
Lincoln Electric Holdings, Inc.		2.4 %	6.5 %	2.1 %	(0.3)%	10.7 %		(6.1)%	0.4 %	0.0 %	0.2 %	(5.6)

Net sales increased decreased for the three months ended September 30, 2023 March 31, 2024 primarily due to the benefit of acquisitions.

Net sales increased for the nine months ended September 30, 2023 primarily due to the benefit of acquisitions, higher softer demand levels and increased product pricing as a result of higher input costs. across segments.

Gross Profit:

Gross profit increased for the three months ended September 30, 2023 March 31, 2024 driven by favorable mix and effective cost management and benefits of prior pricing actions.

Gross profit increased for the nine management. The three months ended September 30, 2023 driven by pricing actions taken to offset higher inputs costs. The three and nine months ended September 30, 2023 March 31, 2024 includes a last-in, first-out (“LIFO”) benefit of $1,323 and a charge of $1,179, respectively, $531, as compared with charges of $3,108 and $20,420, respectively, $2,191 in the same 2022 periods. comparable 2023 period.

Selling, General & Administrative ("SG&A") Expenses:

SG&A expenses increased for the three and nine months ended September 30, 2023 March 31, 2024 as compared to the same 2022 periods, 2023 period, primarily due to acquisitions and higher employee-related costs.

Income Taxes:

The effective tax rate was slightly lower higher for the three months and slightly higher for the nine months ended September 30, 2023 March 31, 2024 as compared to the same periods period in 2022, 2023, primarily due to mix of earnings and discrete tax items.

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Segment Results

Three Months Ended September 30,		Change in Net Sales due to:				
	Net Sales				Foreign	Net Sales
	2022	Volume [1]	Acquisitions [2]	Price [3]	Exchange [4]	2023
Operating Segments						
Americas Welding	$ 585,628	$ 2,072	$ 72,159	$ 3,488	$ 1,881	$ 665,228
International Welding	216,497	6,296	10,564	477	8,176	242,010
The Harris Products Group	133,115	(14,919)	—	6,231	1,549	125,976
% Change						
Americas Welding		0.4 %	12.3 %	0.6 %	0.3 %	13.6 %
International Welding		2.9 %	4.9 %	0.2 %	3.8 %	11.8 %
The Harris Products Group		(11.2)%	—	4.7 %	1.2 %	(5.4)%

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Nine Months Ended September 30,		Change in Net Sales due to:										
Three Months Ended March 31,								Change in Net Sales due to:				
	Net Sales				Foreign	Net Sales	Net Sales				Foreign	Net Sales
	2022	Volume [1]	Acquisitions [2]	Price [3]	Exchange	2023	2023	Volume [1]	Acquisitions	Price	Exchange	2024
Operating Segments												
Americas Welding	$1,715,342	$ 95,106	$ 161,355	$34,161	$ (5,125)	$ 2,000,839	$658,645	$(42,653)	$ 4,164	$ 2,284	$ 1,659	$ 624,099
International Welding	711,167	645	23,929	16,345	(4,257)	747,829	252,416	(12,272)	—	(4,010)	(373)	235,761
The Harris Products Group	403,768	(28,789)	—	8,204	1,271	384,454	128,282	(8,856)	—	1,443	468	121,337

% Change										
Americas Welding	5.5 %	9.4 %	2.0 %	(0.3)%	16.6 %	(6.5)%	0.6 %	0.3 %	0.3 %	(5.2)%
International Welding	0.1 %	3.4 %	2.3 %	(0.6)%	5.2 %	(4.9)%	—	(1.6)%	(0.1)%	(6.6)%
The Harris Products Group	(7.1)%	—	2.0 %	0.3 %	(4.8)%	(6.9)%	—	1.1 %	0.4 %	(5.4)%

(1) Modest growth Decrease for the three months ended September 30, 2023 for Americas Welding and International Welding offset by challenging prior year comparisons for The Harris Products Group. Increase for the nine months ended September 30, 2023 for Americas Welding and International Welding due to higher volumes in all product groups. Decrease for the nine months ended September 30, 2023 for The Harris Products group due to challenging prior year comparisons.

(2) Increase for the three and nine months ended September 30, 2023 for Americas Welding and International Welding due to the acquisitions discussed in Note 4 to the consolidated financial statements.

(3) Increase for the three months ended September 30, 2023 in The Harris Product Group due to increases in commodity costs. Increase for the nine months ended September 30, 2023 March 31, 2024 for all segments reflects increased product pricing to offset higher input costs.

(4) Increase for the three months ended September 30, 2023 in International Welding primarily due to appreciation of the Euro. softer demand.

Adjusted Earnings Before Interest and Income Taxes:

Segment performance is measured and resources are allocated based on a number of factors, the primary measure being the Adjusted EBIT profit measure. EBIT is defined as Operating income plus Other income (expense). EBIT is adjusted for special items as determined by management such as the impact of rationalization activities, certain asset impairment charges and gains or losses on disposals of assets.

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The following table presents Adjusted EBIT by segment:

	Three Months Ended September 30,		Favorable (Unfavorable) 2023 vs. 2022		Three Months Ended March 31,		Favorable (Unfavorable) 2024 vs. 2023	
	2023	2022	$	%	2024	2023	$	%
Americas Welding:								
Net sales	$ 665,228	$ 585,628	$ 79,600	13.6 %	$ 624,099	$ 658,645	$(34,546)	(5.2)%
Inter-segment sales	28,875	35,353	(6,478)	(18.3)%	29,978	32,318	(2,340)	(7.2)%
Total Sales	$ 694,103	$ 620,981	73,122	11.8 %	$ 654,077	$ 690,963	(36,886)	(5.3)%
Adjusted EBIT (4) (3)	$ 136,476	$ 118,804	17,672	14.9 %	$ 136,100	$ 132,453	3,647	2.8 %
As a percent of total sales (1)	19.7 %	19.1 %		0.6 %	20.8 %	19.2 %		1.6 %
International Welding:								
Net sales	$ 242,010	$ 216,497	25,513	11.8 %	$ 235,761	$ 252,416	(16,655)	(6.6)%
Inter-segment sales	4,896	9,994	(5,098)	(51.0)%	8,408	6,753	1,655	24.5 %
Total Sales	$ 246,906	$ 226,491	20,415	9.0 %	$ 244,169	$ 259,169	(15,000)	(5.8)%
Adjusted EBIT (5) (4)	$ 30,239	$ 25,225	5,014	19.9 %	$ 27,776	$ 29,598	(1,822)	(6.2)%
As a percent of total sales (2)	12.2 %	11.1 %		1.1 %	11.4 %	11.4 %		—
The Harris Products Group:								

Net sales	$ 125,976	$ 133,115	(7,139)	(5.4)%	$ 121,337	$ 128,282	(6,945)	(5.4)%
Inter-segment sales	2,299	2,642	(343)	(13.0)%	3,093	2,897	196	6.8 %
Total Sales	$ 128,275	$ 135,757	(7,482)	(5.5)%	$ 124,430	$ 131,179	(6,749)	(5.1)%
Adjusted EBIT (5)	$ 20,405	$ 14,432	5,973	41.4 %	$ 19,878	$ 18,983	895	4.7 %
As a percent of total sales (3) (2)	15.9 %	10.6 %		5.3 %	16.0 %	14.5 %		1.5 %
Corporate / Eliminations:								
Inter-segment sales	$ (36,070)	$ (47,989)	11,919	24.8 %	$ (41,479)	$ (41,968)	489	1.2 %
Adjusted EBIT (6)	(2,952)	(1,685)	(1,267)	(75.2)%	(10,078)	(9,402)	(676)	(7.2)%
Consolidated:								
Net sales	$ 1,033,214	$ 935,240	97,974	10.5 %	$ 981,197	$ 1,039,343	(58,146)	(5.6)%
Net income	$ 129,343	$ 109,225	20,118	18.4 %	$ 123,415	$ 121,931	1,484	1.2 %
As a percent of total sales	12.5 %	11.7 %		0.8 %	12.6 %	11.7 %		0.9 %
Adjusted EBIT (7)	$ 184,168	$ 156,776	27,392	17.5 %	$ 173,676	$ 171,632	2,044	1.2 %
As a percent of sales	17.8 %	16.8 %		1.0 %	17.7 %	16.5 %		1.2 %

(1) Increase for the three months ended September 30, 2023 March 31, 2024 as compared to September 30, 2022 March 31, 2023 primarily driven by effective cost management.

(2) Increase for the three months ended September 30, 2023 March 31, 2024 as compared to September 30, 2022 March 31, 2023 primarily driven by higher volumes and effective cost management.

(3) Increase for the The three months ended September 30, 2023 as compared to September 30, 2022 primarily reflects effective cost management and operational improvements. March 31, 2023 exclude the amortization of the step up in value of acquired inventories of $2,785.

(4) The three months ended September 30, 2023 March 31, 2024 exclude rationalization and asset impairment charges of $3,069 primarily due to restructuring activities as discussed in Note 6 of the consolidated financial statements. The three months ended March 31, 2023 exclude Rationalization and asset impairment net charges of $408 $877 primarily due to restructuring activities as discussed in Note 6 to the consolidated financial statements, and the amortization of the step up in value of acquired inventories of $3,648 as discussed in Note 4 to the consolidated financial statements. The three months ended September 30, 2022 exclude the amortization $1,071 and a gain on asset disposal of step up in value of acquired inventories of $353 related to an acquisition as discussed in Note 4 to the consolidated financial statements. $1,646.

(5) The three months ended September 30, 2023 March 31, 2024 exclude Rationalization and asset impairment net charges of $6,666 $1,536 primarily due to restructuring activities as discussed in Note 6 to the consolidated financial statements and the amortization of the step up in value of acquired inventories of $1,204 as discussed in Note 4 to the consolidated financial statements. The three months ended September 30, 2022 exclude Rationalization and asset impairment charges of $8,364 as discussed in Note 6 to the consolidated financial statements.

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(6) The three months ended September 30, 2022 March 31, 2024 exclude acquisition Acquisition transaction costs of $3,068 related to an acquisition $1,762 as discussed in Note 4 to the consolidated financial statements.

(7) See non-GAAP Financial Measures for a reconciliation of Net income as reported and Adjusted EBIT.

	Nine Months Ended September 30,		Favorable (Unfavorable) 2023 vs. 2022	
	2023	2022	$	%
Americas Welding:				
Net sales	$ 2,000,839	$ 1,715,342	$ 285,497	16.6 %

Inter-segment sales	92,043	92,540	(497)	(0.5)%
Total Sales	$ 2,092,882	$ 1,807,882	285,000	15.8 %
Adjusted EBIT (4)	$ 408,800	$ 348,439	60,361	17.3 %
As a percent of total sales (1)	19.5 %	19.3 %		0.2 %
International Welding:				
Net sales	$ 747,829	$ 711,167	36,662	5.2 %
Inter-segment sales	19,941	25,749	(5,808)	(22.6)%
Total Sales	$ 767,770	$ 736,916	30,854	4.2 %
Adjusted EBIT (5)	$ 93,609	$ 97,321	(3,712)	(3.8)%
As a percent of total sales (2)	12.2 %	13.2 %		(1.0)%
The Harris Products Group:				
Net sales	$ 384,454	$ 403,768	(19,314)	(4.8)%
Inter-segment sales	8,063	8,570	(507)	(5.9)%
Total Sales	$ 392,517	$ 412,338	(19,821)	(4.8)%
Adjusted EBIT	$ 58,898	$ 51,952	6,946	13.4 %
As a percent of total sales (3)	15.0 %	12.6 %		2.4 %
Corporate / Eliminations:				
Inter-segment sales	$ (120,047)	$ (126,859)	6,812	5.4 %
Adjusted EBIT (6)	(14,538)	(10,470)	(4,068)	(38.9)%
Consolidated:				
Net sales	$ 3,133,122	$ 2,830,277	302,845	10.7 %
Net income	$ 388,605	$ 363,078	25,527	7.0 %
As a percent of total sales	12.4 %	12.8 %		(0.4)%
Adjusted EBIT (7)	$ 546,769	$ 487,242	59,527	12.2 %
As a percent of sales	17.5 %	17.2 %		0.3 %

(1) Increase for the nine months ended September 30, 2023 as compared to September 30, 2022 primarily driven by higher volumes and pricing actions taken to offset higher inputs costs, offset by the impact of acquisitions.

(2) Decrease for the nine months ended September 30, 2023 as compared to September 30, 2022 primarily driven by challenging prior year comparisons.

(3) Increase for the nine months ended September 30, 2023 as compared to September 30, 2022 primarily reflects effective cost management and operational improvements.

(4) The nine months ended September 30, 2023 exclude Rationalization and asset impairment net charges of $408 primarily due to restructuring activities as discussed in Note 6 to the consolidated financial statements and the amortization of the step up in value of acquired inventories of $9,390 as discussed in Note 4 to the consolidated financial statements. The nine months ended September 30, 2022 exclude a favorable adjustment related to the termination of a pension plan of $3,735, the amortization of step up in value of acquired inventories of $1,106 as discussed in Note 4 to the consolidated financial statements and Rationalization and asset impairment net gains of $998 as discussed in Note 6 to the consolidated financial statements.

(5) The nine months ended September 30, 2023 exclude Rationalization and asset impairment net charges of $10,210 primarily due to restructuring activities as discussed in Note 6 to the consolidated financial statements,

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the amortization of the step up in value of acquired inventories of $2,862 as discussed in Note 4 to the consolidated financial statements and a gain on asset disposal of $1,646. The nine months ended September 30, 2022 exclude Rationalization and asset impairment charges of $10,403 as discussed in Note 6 to the consolidated financial statements.

(6) The nine months ended September 30, 2022 exclude acquisition transaction costs of $3,068 related to an acquisition as discussed in Note 4 to the consolidated financial statements.

(7) See non-GAAP Financial Measures for a reconciliation of Net income as reported and Adjusted EBIT.

Non-GAAP Financial Measures

The Company reviews Adjusted operating income, Adjusted net income, Adjusted EBIT, Adjusted effective tax rate, Adjusted diluted earnings per share ("EPS"), Adjusted return on invested capital ("Adjusted ROIC"), Adjusted net operating profit after taxes, Cash conversion and Organic sales, all non-GAAP financial measures, in assessing and evaluating the Company's underlying operating performance. These non-GAAP financial measures exclude the impact of special items on the Company's reported financial results. Non-GAAP financial measures should be read in conjunction with the generally accepted accounting principles in the United States ("GAAP") financial measures, as non-GAAP measures are a supplement to, and not a replacement for, GAAP financial measures.

The following table presents the reconciliations of Operating income as reported to Adjusted operating income, Net income as reported to Adjusted net income and Adjusted EBIT, Effective tax rate as reported to Adjusted effective tax rate and Diluted earnings per share as reported to Adjusted diluted earnings per share:

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
Operating income as reported	$ 171,441	$ 142,109	$ 513,818	$ 470,848	$ 165,047	$ 164,364
Special items (pre-tax):						
Rationalization and asset impairment charges (1)	7,074	8,364	10,618	9,405	4,605	877
Acquisition transaction costs (2)	—	3,068	—	3,068	1,762	—
Amortization of step up in value of acquired inventories (3)	4,852	(353)	12,252	1,106	—	3,856
Adjusted operating income	$ 183,367	$ 153,188	$ 536,688	$ 484,427	$ 171,414	$ 169,097
Net income as reported	$ 129,343	$ 109,225	$ 388,605	$ 363,078	$ 123,415	$ 121,931
Special items:						
Rationalization and asset impairment charges (1)	7,074	8,364	10,618	9,405	4,605	877
Acquisition transaction costs (2)	—	3,068	—	3,068	1,762	—
Pension settlement net gains (4)	—	—	—	(4,273)		
Amortization of step up in value of acquired inventories (3)	4,852	(353)	12,252	1,106	—	3,856
Gains on asset disposal (5)	—	—	(1,646)	—		
Tax effect of Special items (6)	(1,780)	(731)	(3,908)	58		
Gain on asset disposal (4)					—	(1,646)
Tax effect of Special items (5)					(1,126)	(818)
Adjusted net income	139,489	119,573	405,921	372,442	128,656	124,200
Interest expense, net	10,809	8,210	35,708	20,867	8,779	13,201
Income taxes as reported	32,090	28,262	101,232	93,991	35,115	33,413
Tax effect of Special items (6)	1,780	731	3,908	(58)		
Tax effect of Special items (5)					1,126	818
Adjusted EBIT	$ 184,168	$ 156,776	$ 546,769	$ 487,242	$ 173,676	$ 171,632
Effective tax rate as reported	19.9 %	20.6 %	20.7 %	20.6 %	22.2 %	21.5 %
Net special item tax impact	(0.4)%	(1.1)%	(0.1)%	(0.5)%	(0.2)%	0.1 %
Adjusted effective tax rate	19.5 %	19.5 %	20.6 %	20.1 %	22.0 %	21.6 %
Diluted earnings per share as reported	$ 2.22	$ 1.87	$ 6.67	$ 6.17	$ 2.14	$ 2.09
Special items per share	0.18	0.17	0.30	0.16	0.09	0.04
Adjusted diluted earnings per share	$ 2.40	$ 2.04	$ 6.97	$ 6.33	$ 2.23	$ 2.13

(1) Primarily related to restructuring activities as discussed in Note 6 to the consolidated financial statements.

(2) Costs related to acquisitions and are included in Selling, general & administrative. administrative expenses.

(3) Costs related to acquisitions and are included in Cost of goods sold.

(4) Pension net gains primarily due to the final settlement associated with the termination of a pension plan and are included in Other income.

(5) Gain on asset disposal and included in Other income. income

(6) (5) Includes the net tax impact of Special items recorded during the respective periods.

The tax effect of Special items impacting pre-tax income was calculated as the pre-tax amount multiplied by the applicable tax rate. The applicable tax rates reflect the taxable jurisdiction and nature of each Special item.

Liquidity and Capital Resources

The Company's cash flow from operations can be cyclical. Operational cash flow is a key driver of liquidity, providing cash and access to capital markets. In assessing liquidity, the Company reviews working capital measurements to define areas for improvement. Management anticipates the Company will be able to satisfy cash requirements for its ongoing businesses for at least the next twelve months and the foreseeable future thereafter primarily with cash generated by operations, existing cash balances, borrowings under its existing credit facilities and raising debt in capital markets.

The Company continues to expand globally and periodically looks at transactions that would involve significant investments. The Company can fund its global expansion plans with operational cash flow, but a significant acquisition may require access to capital markets, in particular, the long-term debt market, as well as the syndicated bank loan market. The Company's financing strategy is to fund itself at the lowest after-tax cost of funding. Where possible, the Company utilizes operational cash flows and raises capital in the most efficient market, usually the United States, and then lends funds to the specific subsidiary that requires funding. If additional acquisitions providing appropriate financial benefits become available, additional expenditures may be made.

The following table reflects changes in key cash flow measures:

	Nine Months Ended September 30,			Three Months Ended March 31,		
	2023	2022	$ Change	2024	2023	$ Change
Cash provided by operating activities (1)	$ 545,880	$ 271,584	$ 274,296	$ 133,294	$ 123,931	$ 9,363
Cash used by investing activities (2) (1)	(101,109)	(72,257)	(28,852)	(25,940)	(16,049)	(9,891)
Capital expenditures	(66,459)	(52,301)	(14,158)	(26,256)	(18,787)	(7,469)
Acquisition of businesses, net of cash acquired	(32,685)	(22,294)	(10,391)			
Cash used by financing activities (3)	(311,382)	(237,426)	(73,956)			
(Payments on) proceeds from short-term borrowings	(74,818)	9,399	(84,217)			
(Payments on) proceeds from long-term borrowings	(7,997)	5,600	(13,597)			
Cash used by financing activities (2)				(125,400)	(111,316)	(14,084)
Proceeds from (payments on) short-term borrowings				2,016	(43,940)	45,956
Purchase of shares for treasury	(130,589)	(156,216)	25,627	(110,405)	(32,158)	(78,247)
Cash dividends paid to shareholders	(111,277)	(98,377)	(12,900)	(41,280)	(37,583)	(3,697)
Increase (decrease) in Cash and cash equivalents (4)	145,517	(51,651)	197,168			
(Decrease) increase in Cash and cash equivalents (3)				(18,809)	1,653	(20,462)

(1) Cash provided by operating activities increased for the nine months ended September 30, 2023, compared with the nine months ended September 30, 2022 primarily due to improved working capital position.

(2) Cash used by investing activities increased for the nine three months ended September 30, 2023 March 31, 2024, compared with the nine three months ended September 30, 2022 March 31, 2023 primarily due to capital expenditures and cash used in the acquisition of businesses in 2023. expenditures. The Company currently anticipates capital expenditures of $80,000 $90,000 to $100,000 $110,000 in 2023. 2024. Anticipated capital expenditures include investments for capital maintenance and projects to increase efficiency, reduce costs, promote business growth or improve the overall safety and environmental conditions of the Company's facilities.

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(3) (2) Cash used by financing activities increased in the nine three months ended September 30, 2023 March 31, 2024, compared with the nine three months ended September 30, 2022 March 31, 2023 primarily due to increased payments on short- and long-term borrowings purchase of treasury stock in 2023. 2024.

(4) (3) Cash and cash equivalents increased 73.8% decreased 4.8%, or $145,517, $18,809, to $342,667 $374,978 during the nine three months ended September 30, 2023 March 31, 2024, from $197,150 $393,787 as of December 31, 2022. 2023. At September 30, 2023 March 31, 2024, $169,202 $179,657 of Cash and cash equivalents was held by international subsidiaries.

In October 2023, April 2024, the Company paid a cash dividend of $0.64 $0.71 per share, or $36,608, $40,405, to shareholders of record as of September 30, 2023 March 31, 2024.

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Working Capital Ratios

	September 30, 2023	December 31, 2022	September 30, 2022	March 31, 2024	December 31, 2023	March 31, 2023
Average operating working capital to Net sales (1)	18.3 %	20.9 %	19.5 %	18.8 %	17.1 %	19.6 %
Days sales in Inventories	116.6	132.5	129.0	120.5	104.6	122.4
Days sales in Accounts receivable	50.5	57.0	48.4	53.6	50.0	52.9
Average days in Trade accounts payable	49.8	57.0	54.0	54.9	47.6	53.9

(1) Average operating working capital to net sales is defined as the sum of Accounts receivable, Inventories and contract assets less Trade accounts payable and contract liabilities as of period end divided by annualized rolling three months of Net sales.

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Return on Invested Capital

The Company reviews ROIC in assessing and evaluating the Company's underlying operating performance. As discussed in the Non-GAAP Financial Measures section above, Adjusted ROIC is a non-GAAP financial measure that the Company believes is a meaningful metric to investors in evaluating the Company's financial performance. The calculation may be different than the method used by other companies to calculate ROIC. Adjusted ROIC is defined as rolling 12 months of Adjusted net income excluding tax-effected interest income and expense divided by invested capital. Invested capital is defined as total debt, which includes Short-term debt and Long-term debt, less current portions, plus Total equity.

The following table presents the reconciliations of ROIC and Adjusted ROIC to net income:

	Twelve Months Ended September 30,		Twelve Months Ended March 31,	
	2023	2022	2024	2023
Net income as reported	$ 497,751	$ 437,505	$ 546,733	$ 468,125
Plus: Interest expense (after-tax)	36,283	20,732	36,519	28,875
Less: Interest income (after-tax)	3,104	1,019	6,793	1,560
Net operating profit after taxes	$ 530,930	$ 457,218	$ 576,459	$ 495,440
Special items:				
Rationalization and asset impairment charges	13,001	10,955	(7,586)	10,780
Acquisition transaction costs	2,935	3,068	1,762	6,003
Pension settlement charges (1)	—	42,131	845	—
Amortization of step up in value of acquired inventories	12,253	1,379	8,397	4,962
Gain on asset disposal	(1,646)	—	—	(1,646)
Tax effect of Special items (2) (1)	(5,159)	(26,393)	2,228	(3,051)
Adjusted net operating profit after taxes	$ 552,314	$ 488,358	$ 582,105	$ 512,488
Invested Capital	September 30, 2023	September 30, 2022	March 31, 2024	March 31, 2023
Short-term debt	$ 7,700	$ 68,375	$ 4,720	$ 49,340
Long-term debt, less current portion	1,102,858	711,250	1,102,677	1,110,626
Total debt	1,110,558	779,625	1,107,397	1,159,966
Total equity	1,225,582	924,228	1,307,828	1,125,236
Invested capital	$ 2,336,140	$ 1,703,853	$ 2,415,225	$ 2,285,202
Return on invested capital as reported	22.7 %	26.8 %	23.9 %	21.7 %
Adjusted return on invested capital	23.6 %	28.7 %	24.1 %	22.4 %

(1) Related to lump sum pension payments due to the final settlement associated with the termination of a pension plan.
(2) Includes the net tax impact of Special items recorded during the respective periods.

The tax effect of Special items impacting pre-tax income was calculated as the pre-tax amount multiplied by the applicable tax rate. The applicable tax rates reflect the taxable jurisdiction and nature of each Special item.

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New Accounting Pronouncements

Refer to Note 1 to the consolidated financial statements for a discussion of new accounting pronouncements.

Acquisitions

Refer to Note 4 to the consolidated financial statements for a discussion of the Company's recent acquisitions.

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Debt

Fair Value of Debt

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the fair value of long-term debt, including the current portion, was approximately $974,061 $981,481 and $1,009,020, $1,013,795, respectively, which was determined using available market information and methodologies requiring judgment. The carrying value of this debt at such dates was $1,103,076 $1,102,677 and $1,121,435, $1,102,771, respectively. Since judgment is required in interpreting market information, the fair value of the debt is not necessarily the amount which could be realized in a current market exchange.

Revolving Credit Agreement

On April 23, 2021, the Company amended and restated the agreement governing its line of credit by entering into the Second Amended and Restated Credit Agreement (“Credit Agreement”). The Credit Agreement has a line of credit totaling $500,000, has a term of 5 years with a maturity date of April 23, 2026 and may be increased, subject to certain conditions including the consent of its lenders, by an additional amount up to $150,000. On March 8, 2023, the Credit Agreement was amended to replace the LIBOR rate to a term secured overnight finance rate (“SOFR”); as such, the interest rate on borrowings is based on SOFR plus a spread of 0.85% to 1.85% based on (1) the Company’s net leverage ratio and (2) a credit spread adjustment. The Credit Agreement contains customary representations and warranties, as well as customary affirmative, negative and financial covenants for credit facilities of this type (subject to negotiated baskets and exceptions), including limitations on the Company and its subsidiaries with respect to liens, investments, distributions, mergers and acquisitions, dispositions of assets and transactions with affiliates. As of September 30, 2023 March 31, 2024, the Company was in compliance with all of its covenants and had no outstanding borrowings under the Credit Agreement.

The Company has other lines of credit and debt agreements totaling $84,876. $90,945. As of September 30, 2023 March 31, 2024, the Company was in compliance with all of its covenants and had outstanding debt under short-term lines of credit of $7,482. $4,720.

Senior Unsecured Notes

On April 1, 2015 and October 20, 2016, the Company entered into separate Note Purchase Agreements pursuant to which it issued senior unsecured notes (the "Notes") through a private placement. The 2015 Notes and 2016 Notes each have an aggregate principal amount of $350,000, comprised of four different series ranging from $50,000 to $100,000, with maturity dates ranging from August 20, 2025 through April 1, 2045, and interest rates ranging from 2.75% and 4.02%. Interest on the Notes is paid semi-annually. The Company’s total weighted average effective interest rate and remaining weighted average tenure of the Notes is 3.3% and 10.6 10.1 years, respectively. The proceeds of the Notes were used for general corporate purposes. The Notes contain certain affirmative and negative covenants. As of September 30, 2023 March 31, 2024, the Company was in compliance with all of its debt covenants relating to the Notes.

Term Loan

On November 29, 2022, the Company entered into a term loan in the aggregate principal amount of $400,000 (the “Term Loan”), which was borrowed in full. The Term Loan matures on November 29, 2025. The Term Loan bears an interest at a rate based on SOFR, plus a margin ranging from 0.75% to 1.75% based on the Company’s consolidated net leverage ratio. The proceeds of the Term Loan were used to pay a portion of the purchase price in connection with the acquisition of Fori. As of September 30, 2023 March 31, 2024, the Company was in compliance with all of its covenants.

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In March 2023, the Company entered into interest rate swap agreements to effectively convert the interest rate on $150,000 of the Term Loan from a variable rate to a fixed rate.

Shelf Agreements

On November 27, 2018, the Company entered into seven uncommitted master note facilities (the "Shelf Agreements") that allow borrowings up to $700,000 in the aggregate. The Shelf Agreements have a term of 5 years and the average life

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of borrowings cannot exceed 15 years. The Company is required to comply with covenants similar to those contained in the Notes. As of September 30, 2023, the Company was in compliance with all of its covenants and had no outstanding borrowings under the Shelf Agreements.

Forward-looking Statements

The Company's expectations and beliefs concerning the future contained in this report are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements reflect management's current expectations and involve a number of risks and uncertainties. Forward-looking statements generally can be identified by the use of words such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe," "forecast," "guidance" or words of similar meaning. Actual results may differ materially from such statements due to a variety of factors that could adversely affect the Company's operating results. The factors include, but are not limited to: general economic, financial and market conditions; the effectiveness of operating initiatives; completion of planned divestitures; interest rates; disruptions, uncertainty or volatility in the credit markets that may limit our access to capital; currency exchange rates and devaluations; adverse outcome of pending or potential litigation; actual costs of the Company's rationalization plans; possible acquisitions, including the Company's ability to successfully integrate acquisitions; market risks and price fluctuations related to the purchase of commodities and energy; global regulatory complexity; the effects of changes in tax law; tariff rates in the countries where the Company conducts business; and the possible effects of events beyond our control, such as the impact of the Russia-Ukraine conflict, political unrest, acts of terror, natural disasters and pandemics, on the Company or its customers, suppliers and the economy in general. For additional discussion, see "Item 1A. Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in the Company's exposure to market risk since December 31, 2022 December 31, 2023. See "Item 7A. Quantitative and Qualitative Disclosures About Market Risk" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

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 Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, the Company's management, including the Chief Executive Officer and Chief Financial Officer, concluded that the Company's disclosure controls and procedures were effective as of September 30, 2023 March 31, 2024.

Changes in Internal Control Over Financial Reporting

In December 2022, the Company acquired Fori. The acquired business operated under its own set of systems and internal controls and the Company is currently maintaining those systems and much of that control environment until it is able to incorporate its processes into the Company's own systems and control environment. The Company expects to complete the incorporation of the acquired business' operations into the Company's systems and control environment in 2023.

Except for changes in connection with the Company's acquisition of Fori business noted above, there There have been no changes in the Company's internal control over financial reporting that occurred during the quarter ended September 30, 2023 March 31, 2024 that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is subject, from time to time, to a variety of civil and administrative proceedings arising out of its normal operations, including, without limitation, product liability claims, regulatory claims and health, safety and environmental claims. Among such proceedings are the cases described below.

As of September 30, 2023 March 31, 2024, the Company was a co-defendant in cases alleging asbestos induced illness involving claims by approximately 1,409 1,367 plaintiffs, which is a net decrease of 49 20 claims from those previously reported. In each instance, the Company is one of a large number of defendants. The asbestos claimants seek compensatory and punitive damages, in most cases for unspecified sums. Since January 1, 1995, the Company has been a co-defendant in asbestos cases that have been resolved as follows: 56,960 57,005 of those claims were dismissed, 23 were tried to defense verdicts, 7 were tried to plaintiff verdicts (which were reversed or resolved after appeal), 1 was resolved by agreement for an immaterial amount and 1,014 1,017 were decided in favor of the Company following summary judgment motions.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this Quarterly Report on Form 10-Q, the reader should carefully consider the factors discussed in "Item 1A. Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, 2023, which could materially affect the Company's business, financial condition or future results.

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

Issuer purchases of its common shares during the third first quarter of 2023 2024 were as follows:

Period	Total Number of Shares Repurchased	Average Price Paid Per Share	Total Number of Shares Repurchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs (2)	Total Number of Shares Repurchased	Average Price Paid Per Share	Total Number of Shares Repurchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs (2)
July 1 - 31, 2023	56,362 (1)	$ 200.74	55,773	8,386,013				
August 1 - 31, 2023	93,548 (1)	190.69	92,274	8,293,739				
September 1 - 30, 2023	88,583 (1)	182.91	87,720	8,206,019				
January 1 - 31, 2024					161,478 (1)	$ 215.54	160,459	7,698,061

February 1 - 29, 2024				160,627 (1)	237.17	140,167	7,557,894
March 1 - 31, 2024				144,090 (1)	253.91	121,818	7,436,076
Total	238,493	190.17	235,767	466,195	234.85	422,444	

(1) The above share repurchases include the surrender of the Company's common shares in connection with the vesting of restricted awards.

(2) On February 12, 2020, the Company's Board of Directors authorized a new share repurchase program for up to an additional 10 million shares of the Company's common stock. Total shares purchased through the share repurchase programs were 1.8 million 2.6 million shares at a total cost of $267.9 million $444.4 million for a weighted average cost of $149.32 $170.40 per share through September 30, 2023. March 31, 2024.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

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ITEM 5. OTHER INFORMATION

During the quarter ended September 30, 2023 March 31, 2024, 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," as those terms are defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS

(a) Exhibits

10.1*	Form of Stock Option Agreement for Executive Officers (filed herewith).
10.2*	Form of Restricted Stock Unit Agreement for Executive Officers (filed herewith).
10.3*	Form of Performance Share Award Agreement for Executive Officers (filed herewith).

31.1	Certification of the Chairman, President and Chief Executive Officer (Principal Executive Officer) pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
31.2	Certification of the Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer) pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
32.1	Certification of the Chairman, President and Chief Executive Officer (Principal Executive Officer) and Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer) pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
104	Cover page Interactive Data File (formatted as Inline XBRL and contained in the Exhibit 101 attachments)

* Reflects management contract or other compensatory arrangement required to be filed as an exhibit pursuant to Item 15(b) of this report.

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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.

LINCOLN ELECTRIC HOLDINGS, INC.

/s/ Gabriel Bruno

Gabriel Bruno
Executive Vice President, Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)
October 27, 2023 April 25, 2024

Exhibit 10.1

LINCOLN ELECTRIC HOLDINGS, INC.

2023 EQUITY AND INCENTIVE COMPENSATION PLAN

Stock Option Agreement

WHEREAS, Lincoln Electric Holdings, Inc. maintains the Company's 2023 Equity and Incentive Compensation Plan, as may be amended from time to time (the "Plan"), pursuant to which the Company may grant Option Rights to officers and certain key employees of the Company and its Subsidiaries (as defined in the Plan);

WHEREAS, the Optionee, whose name is set forth on the "Dashboard" tab on the Morgan Stanley StockPlan Connect portal, a secure third-party vendor website used by the Company (to be referred to herein as the "Grant Summary"), is an employee of the Company or one of its Subsidiaries; and

WHEREAS, the Optionee was granted an Option Right under the Plan by the Compensation and Executive Development Committee (the "Committee") of the Board of Directors of the Company (the "Board") on the Date of Grant in 20__ as set forth on the Grant Summary (the "Date of Grant"), and the Evidence of Award in the form hereof (the "Agreement") has been authorized by a resolution of the Committee duly adopted on such date.

NOW, THEREFORE, pursuant to the Plan and subject to the terms and conditions thereof and the terms and conditions hereinafter set forth, the Company hereby confirms to the Optionee the grant of an Option Right ("Option") to purchase the number of Common Shares of the Company set forth on the Grant Summary, at the exercise price per Common Share set forth on the Grant Summary, which exercise price is the closing price of a Common Share as reported on the NASDAQ Global Market on the Date of Grant (the "Option Price").

1. Definitions. Unless otherwise defined in this Agreement (including on Exhibit A hereto), terms used in this Agreement with initial capital letters will have the meanings assigned to them in the Plan. Certain terms used herein with initial capital letters will have the meaning set forth on Exhibit A hereto.

2. Grant of Option. The Company has granted to the Optionee the Option, which represents the right of the Optionee to purchase the number of Common Shares set forth on the Grant Summary at the Option Price set forth on the Grant Summary. The Option shall become exercisable in accordance with Section 4, Section 5, and Section 6 hereof.

3. Form of Option. The Option evidenced by this Agreement is intended to be a nonqualified stock option and shall not be treated as an "incentive stock option" within the meaning of that term under Section 422 of the Code.

4. Vesting of Option. Subject to the terms and conditions of Sections 5, 6 and 8 hereof, the Option shall become exercisable as follows:

(a) the Option shall become exercisable with respect to one-third (1/3) of the Common Shares underlying the Option on the first anniversary of the Date of Grant, if the

Graphic

Optionee shall have remained in the continuous employ of the Company or a Subsidiary until such anniversary; and

(b) the Option shall become exercisable with respect to an additional one-third (1/3) of the Common Shares underlying the Option on the second and third anniversaries of the Date of Grant, if the Optionee shall have remained in the continuous employ of the Company or a Subsidiary on each such anniversary; and

(c) In calculating one-thirds, the total shall be rounded down to the nearest whole Common Share on each of the first two anniversaries of the Date of Grant, and the remaining Common Share(s) shall be included with those Common Shares for which the Option is exercisable on the third anniversary of the Date of Grant.

5. Effect of Change in Control. Unless otherwise determined by the Committee, in the event a Change in Control occurs prior to the third anniversary of the Date of Grant, any portion of the Option that is not exercisable at the time of the Change in Control shall become exercisable in accordance with Section 12 of the Plan.

6. Effects of Death, Disability or Retirement.

(a) The entire Option subject to this Agreement shall become immediately exercisable in full (to the extent not already exercisable) (i) upon the death of the Optionee while in the employment of the Company or any Subsidiary, or (ii) if the Optionee's employment with the Company or any Subsidiary is terminated by the Company or any Subsidiary as a result of the Optionee becoming Disabled.

(b) If, at any time prior to the Option becoming fully exercisable and at a time when no grounds exist for a termination for Cause of the Optionee's employment with the Company or any Subsidiary, the Optionee terminates employment with the Company or any Subsidiary after either (A) the Optionee attains age 60 and completes five years of continuous employment or (B) the Optionee attains age 55 and completes 15 years of continuous employment ("Retirement"), then the Option shall become immediately exercisable in full upon such Retirement (to the extent not already exercisable).

7. Exercise of Option.

(a) To the extent that the Option has become exercisable in accordance with the terms of this Agreement, it may be exercised in whole or in part from time to time thereafter as described in this Agreement and will be settled in Common Shares.

(b) To exercise an Option, the Optionee shall give notice (in a manner prescribed by the Company), specifying the number of Common Shares as to which the Option is to be exercised and the date of exercise, and shall provide payment of the Option Price and any applicable taxes, along with any other documentation that may be required by the Company.

(c) The Option Price shall be payable upon exercise:

(i) by certified or bank check or other cash equivalent acceptable to the Company;

(ii) by transfer to the Company of nonforfeitable, unrestricted Common Shares of the Company that have been owned by the Optionee for at least six (6) months prior to the date of exercise;

(iii) pursuant to a net exercise arrangement as described in the Plan; or

(iv) by any combination of these methods.

Nonforfeitable, unrestricted Common Shares that are transferred by the Optionee or Common Shares that are withheld in payment of all or any part of the Option Price shall be valued on the basis of their Market Value per Share on the date of exercise.

8. Termination of Option; Effect of Unfair Competition. The Option shall terminate on the earliest of the following dates as provided below:

(a) automatically and without further notice three (3) months after the date upon which the Optionee ceases to be an employee of the Company or a Subsidiary, unless (i) the cessation of employment is a result of the death or Retirement of the Optionee, (ii) the cessation of employment is a result of the Optionee's termination by the Company or any Subsidiary as a result of the Optionee becoming Disabled, (iii) the cessation of employment occurs in connection with a Change in Control as described in Section 12(c)(i)(B) or 12(c)(iii) of the Plan (if and as applicable), or (iv) the cessation of employment occurs in a manner described in Section 8(d) or the last paragraph of this Section 8 below;

(b) automatically and without further notice (i) three (3) years after the date of the death of the Optionee while an employee of the Company or a Subsidiary, (ii) three (3) years after the date that the Optionee's employment is terminated by the Company or any Subsidiary as a result of the Optionee becoming Disabled, or (iii) ten (10) years after the Date of Grant in the case of Retirement of the Optionee;

(c) automatically and without further notice one (1) year after death of the Optionee, if the Optionee dies after the termination of employment with the Company or a Subsidiary and prior to the termination of the Option;

(d) automatically and without further notice upon the termination of the Optionee's employment for Cause; or

(e) automatically and without further notice ten years after the Date of Grant.

Notwithstanding anything in this Agreement to the contrary, unless otherwise determined by the Company, if the Company determines that the Optionee has engaged in unfair competition by failing to comply with any restrictive covenants applicable to the Optionee under any Proprietary Information, Inventions and Restrictive Covenant Agreement ("RCA") that applies to the Optionee, the Option shall terminate automatically and without further notice at the time of such Company determination. In addition, if the Company makes such an unfair competition determination, it may demand and receive from the Optionee a restoration of the value of the benefits the Optionee received from the Plan in reliance upon the Optionee's commitment to enter into and remain in compliance with the

RCA (as reflected in Section 19), to the fullest extent permitted by law. Accordingly, if the Company demands it, the Optionee shall, within 30 days of

the Company's written demand, (x) return to the Company, in exchange for payment by the Company of the Option Price paid therefor, all the Common Shares that the Optionee has not disposed of that were purchased pursuant to this Agreement within a period of one (1) year prior to the date of the commencement of such unfair competition, and (y) with respect to any Common Shares so purchased that the Optionee has disposed of, pay to the Company in cash the difference between (i) the Option Price and (ii) the Market Value per Share of the Common Shares on the date of exercise, in each case as reasonably determined by the Company. To the extent that such amounts are not promptly paid to the Company, the Company may (to the fullest extent allowed by law) set off the amounts so payable to it against any amounts (other than amounts of non-qualified deferred compensation as so defined under Section 409A of the Code) that may be owing from time to time by the Company or a Subsidiary to the Optionee.

9. Compliance with Law. Notwithstanding any other provision of this Agreement, the Option shall not be exercisable if the exercise thereof or the issuance of Common Shares pursuant thereto would result in a violation of any law. The Company will make reasonable efforts to comply with all applicable federal and state securities laws.

10. Transferability and Exercisability. Subject to Section 15 of the Plan, the Option, including any interest therein, shall not be transferable by the Optionee except by will or the laws of descent and distribution, and the Option shall be exercisable during the lifetime of the Optionee only by the Optionee or, in the event of the Optionee's legal incapacity to do so, by the Optionee's guardian or legal representative acting on behalf of the Optionee in a fiduciary capacity under state law and court supervision.

11. Withholding Taxes. No later than the date as of which an amount first becomes includible in the gross income of the Optionee for applicable income and employment tax and other required withholding purposes with respect to the Option evidenced by this Agreement, the Optionee shall pay to the Company, or make arrangements satisfactory to the Committee regarding the payment of, any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount. The Optionee agrees that any required minimum withholding obligations shall be settled by the withholding of a number of Common Shares required to be delivered to the Optionee upon exercise of the Option with a value equal to the amount of such required minimum withholding. The obligations of the Company under this Agreement shall be conditional on such payment or arrangements.

12. No Right to Employment. This Option award is a voluntary, discretionary bonus being made on a one-time basis and it does not constitute a commitment to make any future awards. This Option award and any payments made hereunder will not be considered salary or other compensation for purposes of any severance pay or similar allowance, except as otherwise required by law. The Plan and this Agreement will not confer upon the Optionee any right with respect to the continuance of employment or other service with the Company or any Subsidiary and will not interfere in any way with any right that the Company or any Subsidiary would otherwise have to terminate any employment or other service of the Optionee at any time. For purposes of this Agreement, the continuous employment of the Optionee with the Company or a Subsidiary shall not be deemed interrupted, and the Optionee shall not be deemed to have ceased to be an employee of the Company or any Subsidiary, by reason of (a) the transfer of the Optionee's employment among the Company and its Subsidiaries or (b) an approved leave of absence.

13. Relation to the Other Benefits. Any economic or other benefit to the Optionee under this Agreement or the Plan will not be taken into account in determining any benefits to which the Optionee may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or a Subsidiary and will not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or a Subsidiary.

14. Agreement Subject to Plan. The Option evidenced by this Agreement and all of the terms and conditions hereof are subject to all of the terms and conditions of the Plan. In the event of any inconsistency between this Agreement and the Plan, the terms of the Plan will govern.

15. Data Privacy.

(a) The Optionee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Optionee's personal data as described in this document by and among, as applicable, the Optionee's employer (the "Employer"), and the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing the Optionee's participation in the Plan.

(b) The Optionee understands that the Company, its Subsidiaries and the Employer hold certain personal information about the Optionee, including, but not limited to, name, home address, email address and telephone number, date of birth, social security, passport or insurance number or other identification number, salary, nationality, job title, any Common Shares or directorships held in the Company, details of all Options or any other entitlement to Common Shares awarded, canceled, purchased, exercised, vested, unvested or outstanding in the Optionee's favor for the purpose of implementing, managing and administering the Plan ("Data").

(c) The Optionee understands that the Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the Optionee's country or elsewhere (in particular the United States), and that the recipient country (e.g., the United States) may have different data privacy laws and protections than the Optionee's country. The Optionee understands that the Optionee may request a list with the names and addresses of any potential recipients of the Data by contacting the local human resources representative. The Optionee authorizes the Company, Morgan Stanley Smith Barney, LLC and any other possible recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Optionee's participation in the Plan, including any requisite transfer of such Data, as may be required to a broker or other third party with whom the Optionee may elect to deposit any Common Shares acquired under the Plan. The Optionee understands that Data will be held only as long as is necessary to implement, administer and manage participation in the Plan. The Optionee understands that the Optionee may, at any time, view Data, request additional information about the storage and processing of the Data, require any necessary amendments to the Data or refuse or withdraw the consents herein, in any case without cost, by contacting the local human resources representative in writing. The Optionee understands that refusing or withdrawing consent may affect the Optionee's ability to participate in the Plan. For more information on the consequences of refusing to consent or withdrawing consent, the Optionee understands that the Optionee may contact the Optionee's local human resources representative.

(d) If the Optionee is resident in California, the Optionee's attention is drawn to Schedule 1 to this Agreement, Employee Data Privacy Notice (United States), which addresses the California Consumer Privacy Act of 2018, as amended (CCPA).

16. Amendments. Any amendment to the Plan will be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that subject to Section 11 of the Plan and Section 20 of this Agreement, no such amendment will adversely affect the rights of the Optionee with respect to the Option without the Optionee's consent.

17. Severability. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

18. Governing Law/Venue. This Agreement is made under, and will be construed in accordance with, the internal substantive laws of the State of Ohio. All legal actions or proceedings relating to this Agreement shall be brought exclusively in the U.S. District Court for the Northern District of Ohio, Eastern Division or the Cuyahoga County Court of Common Pleas, located in Cuyahoga County, Ohio.

19. Restrictive Covenant Agreement. The grant of the Option under this Agreement is contingent upon the Optionee having executed the most recent version of the Company's RCA and having returned it to the Company, and the Optionee being in compliance, and remaining in compliance, with the Optionee's obligations under the RCA.

20. Option Subject to Clawback Policy. Notwithstanding anything in this Agreement to the contrary, (a) this Agreement and this Option (and the Optionee's other performance-based incentive compensation or related amounts) shall be subject to the Company's Supplemental Recovery of Funds Policy (or any similar clawback policy applicable to the Optionee), with which the Optionee shall comply, under their terms and conditions as may be in effect from time to time, including, without limitation, to implement Section 10D of the Exchange Act and any applicable rules or regulations (including applicable rules and regulations or any national securities exchange or national securities association on which the Common Shares may be traded) (the "Compensation Recovery Policy"), and (b) the Optionee acknowledges and agrees that any and all applicable provisions of this Agreement shall be deemed superseded by and subject to the terms and conditions of the Compensation Recovery Policy from and after the effective date thereof.

21. Electronic Delivery. The Company may, in its sole discretion, deliver any documents related to the Option and the Optionee's participation in the Plan, or future awards that may be granted under the Plan, by electronic means or request the Optionee's consent to participate in the Plan by electronic means. The Optionee hereby consents to receive such documents by electronic delivery and, if requested, agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

22. Appendix. Notwithstanding any provisions in this Agreement, the grant of Option is also subject to the special terms and conditions set forth in Appendix A to this Agreement if the Optionee resides in one of the countries listed therein. Moreover, if the Optionee relocates to one

of the countries included in Appendix A, the special terms and conditions for such country will apply to the Optionee, to the extent the Company determines that the application of such terms and conditions are necessary or advisable in order to comply with local law or facilitate the administration of the Plan. Appendix A constitutes part of this Agreement.

The Optionee hereby acknowledges receipt of this Agreement and accepts the right to receive the Options evidenced hereby subject to the terms and conditions of the Plan and the terms and conditions herein above set forth and represents that the Optionee understands the acceptance of this Agreement through an on-line or electronic system, if applicable, carries the same legal significance as if the Optionee manually signed this Agreement.

THIS AGREEMENT is executed in the name and on behalf of the Company on the Date of Grant as set forth in the Grant Summary.

LINCOLN ELECTRIC HOLDINGS, INC.

____

Steven B. Hedlund
President and Chief Executive Officer

EXHIBIT A

For purposes of this Agreement, the following terms shall have the following meanings:

1. “Disabled” means that the Optionee is disabled within the meaning of, and begins actually to receive disability benefits pursuant to, the long-term disability plan in effect for, or applicable to, the Optionee at the relevant time. In the event that the Company does not maintain a long-term disability plan at any relevant time, the Committee shall determine, in its sole discretion, that an Optionee is “Disabled” if the Optionee meets one of the following requirements: (a) the Optionee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, (b) the Optionee is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under the Company’s accident and health or long-term disability plan or any similar plan maintained by a third party, but excluding governmental plans, or (c) the Social Security Administration determines the Optionee to be totally disabled.

Exhibit 10.1

Schedule 1

CCPA Notice

Appendix A

Graphic

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Exhibit 10.2

LINCOLN ELECTRIC HOLDINGS, INC.

2023 EQUITY AND INCENTIVE COMPENSATION PLAN

Restricted Stock Unit Agreement

WHEREAS, Lincoln Electric Holdings, Inc. maintains the Company's 2023 Equity and Incentive Compensation Plan, as may be amended from time to time (the "Plan"), pursuant to which the Company may award Restricted Stock Units ("RSUs") to officers and certain key employees of the Company and its Subsidiaries;

WHEREAS, the Grantee, whose name is set forth on the "Dashboard" tab on the Morgan Stanley StockPlan Connect portal, a secure third-party vendor website used by the Company (to be referred to herein as the "Grant Summary"), is an employee of the Company or one of its Subsidiaries; and

WHEREAS, the Grantee was awarded RSUs under the Plan by the Compensation and Executive Development Committee (the "Committee") of the Board of Directors of the Company (the "Board") on the Date of Grant in 20__, as set forth on the Grant Summary (the "Date of Grant"), and the execution of an Evidence of Award in the form hereof (this "Agreement") has been authorized by a resolution of the Committee duly adopted on such date.

NOW, THEREFORE, pursuant to the Plan and subject to the terms and conditions thereof and the terms and conditions hereinafter set forth, the Company hereby confirms to the Grantee the award of the number of RSUs set forth on the Grant Summary.

1. Definitions. Unless otherwise defined in this Agreement (including on Exhibit A hereto), terms used in this Agreement with initial capital letters will have the meanings assigned to them in the Plan. Certain terms used herein with initial capital letters will have the meanings set forth on Exhibit A hereto.

2. Issuance of RSUs. The RSUs covered by this Agreement shall be issued to the Grantee effective upon the Date of Grant. Each RSU entitles the Grantee to receive one Common Share (or to have one Common Share credited to the Grantee's account under the Deferred Compensation Plan, if elected) upon the Grantee's Distribution Date. The Grantee shall not have the rights of a shareholder with respect to such RSUs, except as provided in Section 10, provided that such RSUs, together with any additional RSUs that the Grantee may become entitled to receive by virtue of a share dividend, a merger or a reorganization in which Lincoln Electric Holdings, Inc. is the surviving corporation or any other change in the capital structure of Lincoln Electric Holdings, Inc., shall be subject to the restrictions hereinafter set forth.

3. Restrictions on Transfer of RSUs. Subject to Section 15 of the Plan, the RSUs subject to this grant may not be sold, exchanged, assigned, transferred, pledged, encumbered or otherwise disposed of by the Grantee, except to the Company, until the Distribution Date; provided, however, that the Grantee's rights with respect to such RSUs may be transferred by will or pursuant to the laws of descent and distribution. Any purported transfer or encumbrance in violation of the provisions of this Section 3 shall be void, and the other party

Graphic

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to any such purported transaction shall not obtain any rights to or interest in such RSUs or the underlying Common Shares. The Company in its sole discretion, when and as permitted by the Plan, may waive the restrictions on transferability with respect to all or a portion of the RSUs subject to this Agreement.

4. Vesting of RSUs. Subject to the terms and conditions of Sections 5, 6 and 7 hereof, all of the RSUs covered by this Agreement shall become nonforfeitable upon the Grantee remaining in the continuous employment of the Company or a Subsidiary until the third anniversary of the Date of Grant (the period of time from the Date of Grant to the third anniversary, the "Restriction Period").

5. Effect of Change in Control. Unless otherwise determined by the Committee:

(a) In the event a Change in Control occurs during the Restriction Period, the RSUs covered by this Agreement shall become nonforfeitable to the extent Section 12(c)(1) of the Plan applies.

(b) If a Replacement Award is provided in connection with the Change in Control, notwithstanding anything in this Agreement or the Plan to the contrary, any outstanding RSUs that at the time of the Change in Control are not subject to a "substantial risk of forfeiture" (within the meaning of Section 409A of the Code) will be deemed to be nonforfeitable at the time of such Change in Control and will be paid within 15 days of the Change in Control; provided, however, that if such Change in Control would not qualify as a permissible date of distribution under Section 409A(a)(2)(A) of the Code and the regulations thereunder, and where Section 409A of the Code applies to such distribution, payment will be made on the date that would have otherwise applied pursuant to Section 8.

6. Effect of Death, Disability or Retirement.

(a) The RSUs subject to this Agreement shall become immediately nonforfeitable in full (i) upon the death of the Grantee while in the employment of the Company or any Subsidiary, or (ii) if the Grantee's employment with the Company or any Subsidiary is terminated by the Company or any Subsidiary as a result of the Grantee becoming Disabled.

(b) If, prior to the end of the Restriction Period and at a time when no grounds exist for a termination for Cause of the Grantee's employment with the Company or any Subsidiary, (i) the Grantee terminates employment with the Company or any Subsidiary after either (A) the Grantee attains age 60 and completes five years of continuous employment or (B) the Grantee attains age 55 and completes 15 years of continuous employment, and (ii) prior to such termination of employment, the Grantee has taken all action necessary to accept the RSUs subject to this Agreement through the Morgan Stanley StockPlan Connect portal (or its successor), then the RSUs subject to this Agreement shall become immediately nonforfeitable in full upon such termination of employment.

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7. Effect of Termination of Employment and Unfair Competition.

(a) In the event that the Grantee's employment shall terminate in a manner other than any specified in Section 5 or Section 6 hereof, the Grantee shall forfeit any RSUs that have not become nonforfeitable prior to or at the time of such termination as follows:

(i) except as described in the following clause (ii), at the time of such termination; or

(ii) if Section 12(c)(i)(B) of the Plan applies to the Grantee, then on the twelve-month anniversary of the Grantee's termination of employment if the RSUs do not become nonforfeitable on or prior to such twelve-month anniversary;

provided, however, that the Board upon recommendation of the Committee may order that part or all of such RSUs become nonforfeitable.

(b) Notwithstanding anything in this Agreement to the contrary, unless otherwise determined by the Company, if the Company determines that the Grantee has engaged in unfair competition by failing to comply with any restrictive covenants applicable to the Grantee under any Proprietary Information, Inventions and Restrictive Covenant Agreement ("RCA") that applies to the Grantee, the Grantee shall forfeit any RSUs that have not become nonforfeitable. In addition, if the Company makes such an unfair competition determination, it may demand and receive from the Grantee a restoration of the value of benefits the Grantee received from the Plan in reliance upon the Grantee's commitment to enter into and remain in compliance with the RCA (as reflected in Section 19), to the fullest extent permitted by law. Accordingly, if the Company demands it, the Grantee shall, within thirty (30) days of the Company's written demand, (x) return to the Company all the Common Shares that the Grantee has not disposed of that were issued in payment of RSUs that became nonforfeitable pursuant to this Agreement and an amount in cash equal to any related dividend equivalents awarded under Section 10(b) hereof, including amounts the Grantee elected to defer under Section 9 hereof, within a period of one (1) year prior to the date of the commencement of such unfair competition if the Grantee is an employee of the Company or a Subsidiary, or within a period of one (1) year prior to termination of employment with the Company or a Subsidiary if the Grantee is no longer an employee of the Company or a Subsidiary, and (y) with respect to any Common Shares so issued in payment of RSUs pursuant to this Agreement that the Grantee has disposed of, including amounts the Grantee elected to defer under Section 9 hereof, pay to the Company in cash the aggregate Market Value per Share of those Common Shares on the Distribution Date plus an amount in cash equal to any related dividend equivalents awarded under Section 10(b) hereof, in each case as reasonably determined by the Company. To the extent that such amounts are not promptly paid to the Company, the Company may (to the fullest extent allowed by law) set off the amounts so payable to it against any amounts (other than amounts of non-qualified deferred compensation as so defined under Section 409A of the Code) that may be owing from time to time by the Company or a Subsidiary to the Grantee.

8. Time of Payment of RSUs.

(a) With respect to RSUs (or any portion of RSUs) that constitute deferred compensation within the meaning of Section 409A of the Code (after taking into account any applicable exemptions from Section 409A of the Code), payment for such RSUs, if any, that are vested as of such date as determined in accordance with Section 409A of the Code (less any RSUs which became vested and were paid on an earlier date) shall be made on (or within 15 days after) the earliest of the following dates:

(i) the last day of the Restriction Period specified in Section 4;

(ii) the date of the Grantee's death;

(iii) the date the Grantee experiences a separation from service with the Company (determined in accordance with Section 409A of the Code); provided, however, that if the Grantee on the date of separation from service is a "specified employee" (within the meaning of Section 409A of the Code determined using the identification methodology selected by the Company from time to time), payment for the RSUs will be made on the tenth business day of the seventh month after the date of the Grantee's separation from service or, if earlier, the date of the Grantee's death; and

(iv) the date of a change in the ownership or effective control of the Company, or a change in the ownership of a substantial portion of the assets of the Company (each within the meaning of Section 409A of the Code).

(b) With respect to RSUs (or any portion of RSUs) that do not constitute deferred compensation within the meaning of Section 409A of the Code (after taking into account any applicable exemptions from Section 409A of the Code), payment for such RSUs shall be made within 60 days of the date on which such RSUs become nonforfeitable and in all events within the short-term deferral period specified in Treasury Regulation § 1.409A-1(b)(4).

9. Deferral of RSUs. The Grantee may elect to defer receipt of the Common Shares underlying the RSUs subject to this Agreement beyond the Distribution Date, pursuant to and in accordance with the terms of the Deferred Compensation Plan.

10. Dividend Equivalents and Other Rights.

(a) Except as provided in this Section, the Grantee shall not have any of the rights of a shareholder with respect to the RSUs covered by this Agreement; provided, however, that any additional Common Shares, share rights or other securities that the Grantee may become entitled to receive pursuant to a stock dividend, stock split, combination of shares, recapitalization, merger, consolidation, separation or reorganization or any other change in the capital structure of Lincoln Electric Holdings, Inc. shall be subject to the same restrictions as the RSUs covered by this Agreement.

(b) The Grantee shall have the right to receive dividend equivalents with respect to the Common Shares underlying the RSUs on a deferred basis and contingent on vesting of the RSUs. Dividend equivalents on the RSUs covered by this Agreement shall be sequestered by the Company from and after the Date of Grant until the Distribution Date, whereupon such dividend equivalents shall be paid to the Grantee in the form of cash (or credited to the Grantee's account under the Deferred Compensation Plan, if elected), to the extent such dividend equivalents are attributable to RSUs that have become nonforfeitable. To the extent that RSUs covered by this Agreement are forfeited pursuant to Section 7 hereof, all the dividend equivalents sequestered with respect to such RSUs shall also be forfeited. No interest shall be payable with respect to any such dividend equivalents.

(c) Under no circumstances will the Company distribute or credit dividend equivalents paid on RSUs as described in Section 10(b) until the Grantee's Distribution Date. The Grantee will not be entitled to vote the Common Shares underlying the RSUs until the Grantee receives such Common Shares on or after the Distribution Date.

(d) Notwithstanding anything to the contrary in this Section 10, to the extent that any of the RSUs become nonforfeitable pursuant to this Agreement and the Grantee elects pursuant to Section 9 to defer receipt of the Common Shares underlying the RSUs beyond the Distribution Date in accordance with the terms of the Deferred Compensation Plan, then the right to receive dividend equivalents thereafter will be governed by the Deferred Compensation Plan from and after the Distribution Date.

11. Withholding Taxes. No later than the date as of which an amount first becomes includible in the gross income of the Grantee for applicable income and employment tax and other required withholding purposes with respect to the RSUs evidenced by this Agreement, the Grantee shall pay to the Company, or make arrangements satisfactory to the Committee regarding the payment of, any federal, state local or foreign taxes of any kind required by law to be withheld with respect to such amount. The Grantee agrees that any required minimum withholding obligations shall be settled by the withholding of a number of Common Shares that are payable to the Grantee upon vesting of RSUs under this Agreement with a value equal to the amount of such required minimum withholding. The obligations of the Company under this Agreement shall be conditional on such payment or arrangements.

12. No Right to Employment. This award of RSUs is a voluntary, discretionary bonus being made on a one-time basis and it does not constitute a commitment to make any future awards. This award and any payments made hereunder will not be considered salary or other compensation for purposes of any severance pay or similar allowance, except as otherwise required by law. The Plan and this Agreement will not confer upon the Grantee any right with respect to the continuance of employment or other service with the Company or any Subsidiary and will not interfere in any way with any right that the Company or any Subsidiary would otherwise have to terminate any employment or other service of the Grantee at any time. For purposes of this Agreement, the continuous employment of the Grantee with the Company or a Subsidiary shall not be deemed interrupted, and the Grantee shall not be deemed to have ceased to be an employee of the Company or any Subsidiary,

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by reason of (a) the transfer of the Grantee's employment among the Company and any Subsidiary or (b) an approved leave of absence.

13. Relation to Other Benefits. Any economic or other benefit to the Grantee under this Agreement or the Plan will not be taken into account in determining any benefits to which the Grantee may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or a Subsidiary and will not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or a Subsidiary.

14. Agreement Subject to the Plan. The RSUs evidenced by this Agreement and all of the terms and conditions hereof are subject to all of the terms and conditions of the Plan. In the event of any inconsistency between this Agreement and the Plan, the terms of the Plan will govern.

15. Data Privacy.

(a) The Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in this document by and among, as applicable, the Grantee's employer (the "Employer"), and the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan.

(b) The Grantee understands that the Company, its Subsidiaries and the Employer hold certain personal information about the Grantee, including, but not limited to, name, home address, email address and telephone number, date of birth, social security, passport or insurance number or other identification number, salary, nationality, job title, any Common Shares or directorships held in the Company, details of all RSUs or any other entitlement to Common Shares awarded, canceled, purchased, exercised, vested, unvested or outstanding in the Grantee's favor for the purpose of implementing, managing and administering the Plan ("Data").

(c) The Grantee understands that the Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the Grantee's country or elsewhere (in particular the United States), and that the recipient country (e.g., the United States) may have different data privacy laws and protections than the Grantee's country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting the local human resources representative. The Grantee authorizes the Company, Morgan Stanley Smith Barney, LLC and any other possible recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Grantee's participation in the Plan, including any requisite transfer of such Data, as may be required to a broker or other third party with whom the Grantee may elect to deposit any Common Shares acquired under the Plan. The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage participation in the Plan. The Grantee understands that the Grantee may, at any time, view Data, request additional information about the storage and processing of the Data, require any necessary amendments to the Data or

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refuse or withdraw the consents herein, in any case without cost, by contacting the local human resources representative in writing. The Grantee understands that refusing or withdrawing consent may affect the Grantee's ability to participate in the Plan. For more information on the consequences of refusing to consent or withdrawing consent, the Grantee understands that the Grantee may contact the Grantee's local human resources representative.

(d) If the Grantee is resident in California, the Grantee's attention is drawn to Schedule 2 to this Agreement, Employee Data Privacy Notice (United States), which addresses the California Consumer Privacy Act of 2018, as amended (CCPA).

16. Amendments. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that subject to Section 11 of the Plan and Section 20 of this Agreement, no such amendment shall adversely affect the rights of the Grantee with respect to the RSUs without the Grantee's consent.

17. Severability. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated will be deemed to be separable from the other provisions hereof, and the remaining provisions hereof will continue to be valid and fully enforceable.

18. Governing Law/Venue. This Agreement is made under, and will be construed in accordance with, the internal substantive laws of the State of Ohio. All legal actions or proceedings relating to this Agreement shall be brought exclusively in the U.S. District Court for the Northern District of Ohio, Eastern Division or the Cuyahoga County Court of Common Pleas, located in Cuyahoga County, Ohio.

19. Restrictive Covenant Agreement. The grant of the RSUs under this Agreement is contingent upon the Grantee having executed the most recent version of the Company's RCA and having returned it to the Company, and the Grantee being in compliance, and remaining in compliance, with the Grantee's obligations under the RCA.

20. RSUs Subject to Clawback Policy. Notwithstanding anything in this Agreement to the contrary, (a) this Agreement and the RSUs covered by this Agreement (and the Grantee's other performance-based incentive compensation or related amounts) shall be subject to the Company's Supplemental Recovery of Funds Policy (or any similar clawback policy applicable to the Grantee), with which the Grantee shall comply, under their terms and conditions as may be in effect from time to time, including, without limitation, to implement Section 10D of the Exchange Act and any applicable rules or regulations (including applicable rules and regulations of any national securities exchange or national securities association on which the Common Shares may be traded) (the "Compensation Recovery Policy"), and (b) the Grantee acknowledges and agrees that any and all applicable provisions of this Agreement shall be deemed superseded by and subject to the terms and conditions of the Compensation Recovery Policy from and after the effective date thereof.

21. Section 409A of the Code. To the extent applicable, it is intended that this Agreement be designed and operated within the requirements of Section 409A of the Code (including any

applicable exemptions) and, in the event of any inconsistency between any provision of this Agreement or the Plan and Section 409A of the Code, the provisions of Section 409A of the Code shall control. Any provision in the Plan or this Agreement that is determined to violate the requirements of Section 409A of the Code shall be void and without effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Company without the consent of the Grantee). Any provision that is required by Section 409A of the Code to appear in the Agreement that is not expressly set forth herein shall be deemed to be set forth herein, and the Agreement shall be administered in all respects as if such provision was expressly set forth herein. Any reference in the Agreement to Section 409A of the Code or a Treasury Regulation section shall be deemed to include any similar or successor provisions thereto.

22. Electronic Delivery. The Company may, in its sole discretion, deliver any documents related to the RSUs and the Grantee's participation in the Plan, or future awards that may be granted under the Plan, by electronic means or request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and, if requested, agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

23. Appendix. Notwithstanding any provisions in this Agreement, the grant of RSUs is also subject to the special terms and conditions set forth in Appendix A to this Agreement if the Grantee resides in one of the countries listed therein. Moreover, if the Grantee relocates to one of the countries included in Appendix A, the special terms and conditions for such country will apply to the Grantee, to the extent the Company determines that the application of such terms and conditions are necessary or advisable in order to comply with local law or facilitate the administration of the Plan. Appendix A constitutes part of this Agreement.

The Grantee hereby acknowledges receipt of this Agreement and accepts the right to receive the RSUs evidenced hereby subject to the terms and conditions of the Plan and the terms and conditions herein above set forth and represents that the Grantee understands the acceptance of this Agreement through an on-line or electronic system, if applicable, carries the same legal significance as if the Grantee manually signed this Agreement.

THIS AGREEMENT is executed in the name and on behalf of the Company on the Date of Grant as set forth in the Grant Summary.

LINCOLN ELECTRIC HOLDINGS, INC.

Steven B. Hedlund
President and Chief Executive Officer

EXHIBIT A

For purposes of this Agreement, the following terms shall have the following meanings:

1. "Deferred Compensation Plan" means the Lincoln Electric Holdings, Inc. 2005 Deferred Compensation Plan for Executives, in effect from time to time.

2. "Disabled" means that the Grantee is disabled within the meaning of, and begins actually to receive disability benefits pursuant to, the long-term disability plan in effect for, or applicable to, the Grantee at the relevant time. In the event that the Company does not maintain a long-term disability plan at any relevant time, the Committee shall determine, in its sole discretion, that a Grantee is "Disabled" if the Grantee meets one of the following requirements: (a) the Grantee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, (b) the Grantee is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under the Company's accident and health or long-term disability plan or any similar plan maintained by a third party, but excluding governmental plans, or (c) the Social Security Administration determines the Grantee to be totally disabled.

3. "Distribution Date" means the date on which the Common Shares represented by nonforfeitable RSUs shall be distributed to the Grantee as specified in Section 8 (or would have been so distributed absent an election under the Deferred Compensation Plan).

4. "Separation from Service" shall have the meaning given in Section 409A of the Code, and references to employment termination or termination of employment in this Agreement shall be deemed to refer to a Separation from Service. In accordance with Treasury Regulation §1.409A-1(h)(1)(ii) (or any similar or successor provisions), a Separation from Service shall be deemed to occur, without limitation, if the Company and the Grantee reasonably anticipate that the level of bona fide services the Grantee will perform after a certain date (whether as an employee or as an independent contractor) will permanently decrease to less than fifty percent (50%) of the average level of bona fide services provided in the immediately preceding thirty-six (36) months.

Schedule 1

CCPA Notice

Appendix A

Exhibit 10.3

LINCOLN ELECTRIC HOLDINGS, INC.

2023 EQUITY AND INCENTIVE COMPENSATION PLAN

Performance Share Agreement

WHEREAS, Lincoln Electric Holdings, Inc. maintains the Company's 2023 Equity and Incentive Compensation Plan, as may be amended from time to time (the "Plan"), pursuant to which the Company may award Performance Shares (the "Performance Shares") to officers and certain key employees of the Company and its Subsidiaries;

WHEREAS, the Grantee, whose name is set forth on the "Dashboard" tab on the Morgan Stanley StockPlan Connect portal, a secure third-party vendor website used by the Company (to be referred to herein as the "Grant Summary"), is an employee of the Company or one of its Subsidiaries; and

WHEREAS, the Grantee was granted Performance Shares under the Plan by the Compensation and Executive Development Committee (the "Committee") of the Board of Directors of the Company (the "Board") on the Date of Grant in 20__, as set forth on the Grant Summary (the "Date of Grant"), and the execution of an Evidence of Award in the form hereof (this "Agreement") has been authorized by a resolution of the Committee duly adopted on such date.

NOW, THEREFORE, pursuant to the Plan and subject to the terms and conditions thereof and the terms and conditions hereinafter set forth, the Company hereby confirms to the Grantee the award of the target number of Performance Shares set forth on the Grant Summary. Subject to the achievement of the Management Objectives described in Section 4 of this Agreement, the Grantee may earn from 0% to 200% of the Performance Shares.

1. Definitions. Unless otherwise defined in this Agreement (including on Exhibit A hereto), terms used in this Agreement with initial capital letters will have the meanings assigned to them in the Plan. Certain terms used herein with initial capital letters will have the meanings set forth on Exhibit A hereto.

2. Earnings of Performance Shares. If the Performance Shares covered by this Agreement become nonforfeitable and payable ("Vest," or similar terms), the Grantee will be entitled to settlement of the Vested Performance Shares as specified in Section 8 of this Agreement. The Grantee shall not have the rights of a shareholder with respect to such Performance Shares, except as provided in Section 10, provided that such Performance Shares, together with any additional Performance Shares that the Grantee may become entitled to receive by virtue of a share dividend, a merger or a reorganization in which Lincoln Electric Holdings, Inc. is the surviving corporation or any other change in the capital structure of Lincoln Electric Holdings, Inc., shall be subject to the restrictions hereinafter set forth.

3. Restrictions on Transfer of Performance Shares. Subject to Section 15 of the Plan, the Performance Shares subject to this grant may not be sold, exchanged, assigned, transferred, pledged, encumbered or otherwise disposed of by the Grantee, except to the Company, until the Distribution Date; provided, however, that the Grantee's rights with respect to such Performance Shares may be transferred by will or pursuant to the laws of descent and distribution. Any purported transfer or encumbrance in violation of the provisions of this

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Section 3 shall be void, and the other party to any such purported transaction shall not obtain any rights to or interest in such Performance Shares or the underlying Common Shares. The Company in its sole discretion, when and as permitted by the Plan, may waive the restrictions on transferability with respect to all or a portion of the Performance Shares subject to this Agreement.

4. Vesting of Performance Shares. Subject to the terms and conditions of Sections 5, 6 and 7 hereof, the Performance Shares covered by this Agreement shall Vest based on the achievement of the Management Objectives for the Performance Period as follows:

(a) The applicable percentage of the Performance Shares that shall be earned by the Grantee for the Performance Period shall be determined by reference to the Statement of Management Objectives if the Grantee remains continuously employed by either the Company or any Subsidiary until the end of the Performance Period;

(b) In the event that achievement with respect to one of the Management Objectives is between the performance levels specified in the Statement of Management Objectives, the applicable percentage of the Performance Shares that shall be earned by the Grantee for the Performance Period for that particular Management Objective shall be determined by the Committee using straight-line mathematical interpolation; and

(c) To the extent the Management Objectives are not achieved by the end of the Performance Period, then the Performance Shares evidenced by this Agreement (including Performance Shares subject to Section 6(b) following the Grantee's Retirement, as described therein) will be forfeited without compensation or other consideration. The Vesting of the Performance Shares pursuant to this Section 4 shall be contingent upon a determination of the Committee that the Management Objectives have been satisfied.

5. Effect of Change in Control. Unless otherwise determined by the Committee, in the event a Change in Control occurs during the Performance Period, the Performance Shares covered by this Agreement shall become Vested in accordance with Section 12 of the Plan.

6. Effect of Death, Disability or Retirement.

(a) If, during the Performance Period, (i) the Grantee should die while in the employment of the Company or any Subsidiary or (ii) the Grantee's employment with the Company or any Subsidiary is terminated by the Company or any Subsidiary as a result of the Grantee becoming Disabled, then, in either such case, the Performance Shares shall become Vested upon such event at the target level.

(b) If, prior to the end of the Performance Period and at a time when no grounds exist for a termination for Cause of the Grantee's employment with the Company or any Subsidiary, the Grantee terminates employment with the Company or any Subsidiary after either (A) the Grantee attains age 60 and completes five years of continuous employment or (B) the Grantee attains age 55 and completes 15 years

of continuous employment ("Retirement"), then the Grantee shall Vest in the number of Performance Shares in which the Grantee would have Vested in accordance with the terms and conditions of Section 4 (or Section 12(c)(i) of the Plan, if applicable) if the Grantee had remained in the continuous employ of the Company or a Subsidiary from the Date of Grant until the end of the Performance Period or the occurrence of a Change in Control to the extent a Replacement Award is not provided, whichever occurs first, reduced by the number of Performance Shares that were otherwise Vested on the date of such Retirement.

7. Effect of Termination of Employment Unfair Competition.

(a) In the event that the Grantee's employment shall terminate in a manner other than as specified in Section 6(b) hereof, the Grantee shall forfeit any Performance Shares that have not become Vested prior to or at the time of such termination as follows:

(i) except as described in the following clause (ii), at the time of such termination; or

(ii) if Section 12(c)(i)(B) of the Plan applies to the Grantee, on the twelve-month anniversary of the Grantee's termination of employment, if the Performance Shares do not become Vested on or prior to such twelve-month anniversary.

(b) Notwithstanding anything in this Agreement to the contrary, unless otherwise determined by the Company, if the Company determines that the Grantee has engaged in unfair competition by failing to comply with any restrictive covenants applicable to the Grantee under any Proprietary Information, Inventions and Restrictive Covenant Agreement ("RCA") that applies to the Grantee, the Grantee shall forfeit any Performance Shares that have not become Vested. In addition, if the Company makes such an unfair competition determination, it may demand and receive from the Grantee a restoration of the value of benefits the Grantee received from the Plan in reliance upon the Grantee's commitment to enter into and remain in compliance with the RCA (as reflected in Section 19), to the fullest extent permitted by law. Accordingly, if the Company demands it, the Grantee shall, within thirty (30) days of the Company's written demand, (x) return to the Company all the Common Shares that the Grantee has not disposed of that were issued in payment of Performance Shares that became Vested pursuant to this Agreement and an amount in cash equal to any related dividend equivalents awarded under Section 10(b) hereof, including amounts the Grantee elected to defer under Section 9 hereof, within a period of one (1) year prior to the date of the commencement of such unfair competition if the Grantee is an employee of the Company or a Subsidiary, or within a period of one (1) year prior to termination of employment with the Company or a Subsidiary if the Grantee is no longer an employee of the Company or a Subsidiary, and (y) with respect to any Common Shares so issued in payment of Performance Shares pursuant to this Agreement that the Grantee has disposed of, including amounts the Grantee elected to defer under Section 9 hereof, pay to the Company in cash the aggregate Market Value per Share of those Common Shares on the Distribution Date plus an amount in cash equal to any related dividend equivalents awarded under Section 10(b) hereof, in each case as reasonably determined by the Company. To the extent that such amounts are not promptly paid to the Company, the Company may (to the fullest extent allowed by law) set off the amounts so payable to it against any amounts (other than amounts of non-qualified deferred compensation as so defined under Section 409A of the Code) that may be owing from time to time by the Company or a Subsidiary to the Grantee.

8. Form and Time of Payment of Performance Shares.

(a) General. Subject to Section 7(a) and Section 8(b), payment for Vested Performance Shares will be made in Common Shares (rounded down to the nearest whole Common Share) between January 1, 2027 and March 15, 2027.

(b) Other Payment Events. Notwithstanding Section 8(a), to the extent that the Performance Shares are Vested on the dates set forth below, payment with respect to the Performance Shares will be made as follows:

(i) Change in Control. Upon a Change in Control, the Grantee is entitled to receive payment for Vested Performance Shares in Common Shares (rounded down to the nearest whole Common Share) on the date of the Change in Control.

(ii) Death or Disability. On the date of the Grantee's death or the date the Grantee's employment is terminated by the Company or any Subsidiary as a result of the Grantee becoming Disabled, the Grantee is entitled to receive payment for Vested Performance Shares in Common Shares on such date.

(iii) Termination of Employment following Change in Control. Upon the Grantee's termination of employment during the two-year period following the occurrence of a Change in Control, the Grantee is entitled to receive payment for Vested Performance Shares in Common Shares on the date of such termination of employment.

Notwithstanding anything in this Agreement to the contrary, payment with respect to Vested Performance Shares shall be made in all events within the short-term deferral period specified in Treasury Regulation § 1.409A-1(b)(4).

9. Deferral of Performance Shares. The Grantee may elect to defer receipt of the Common Shares underlying the Vested Performance Shares subject to this Agreement beyond the Distribution Date, pursuant to and in accordance with the terms of the Deferred Compensation Plan.

10. Dividend Equivalents and Other Rights.

(a) Except as provided in this Section, the Grantee shall not have any of the rights of a shareholder with respect to the Performance Shares covered by this Agreement; provided, however, that any additional Common Shares, share rights or other securities that the Grantee may become entitled to receive pursuant to a stock dividend, stock split, combination of shares, recapitalization, merger, consolidation, separation or reorganization or any other change in the capital structure of Lincoln Electric Holdings, Inc. shall be subject to the same restrictions as the Performance Shares covered by this Agreement.

(b) The Grantee shall have the right to receive dividend equivalents with respect to the Common Shares underlying the Performance Shares on a deferred basis and contingent on vesting of the Performance Shares. Dividend equivalents on the Performance Shares covered by this Agreement shall be sequestered by the Company from and after the Date of Grant until the Distribution Date, whereupon such dividend equivalents shall be paid to the Grantee in the form of cash (or credited to the Grantee's account under the Deferred Compensation Plan, if elected) to the extent such dividend equivalents are attributable to Performance Shares that have become Vested. To the extent that Performance Shares covered by this Agreement are forfeited pursuant to Section 7 hereof, all the dividend equivalents sequestered with respect to such Performance Shares shall also be forfeited. No interest shall be payable with respect to any such dividend equivalents.

(c) Under no circumstances will the Company distribute or credit dividend equivalents paid on Performance Shares as described in Section 10(b) until the Grantee's Distribution Date. The Grantee will not be entitled to vote the Common Shares underlying the Performance Shares until the Grantee receives such Common Shares on or after the Distribution Date.

(d) Notwithstanding anything to the contrary in this Section 10, to the extent that any of the Performance Shares Vest pursuant to this Agreement and the Grantee elects pursuant to Section 9 to defer receipt of the Common Shares underlying the Performance Shares beyond the Distribution Date in accordance with the terms of the Deferred Compensation Plan, then the right to receive dividend equivalents thereafter will be governed by the Deferred Compensation Plan from and after the Distribution Date.

11. Withholding Taxes. No later than the date as of which an amount first becomes includible in the gross income of the Grantee for applicable income and employment tax and other required withholding purposes with respect to the Performance Shares evidenced by this Agreement, the Grantee shall pay to the Company, or make arrangements satisfactory to the Committee regarding the payment of, any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount. The Grantee agrees that any required minimum withholding obligations shall be settled by the withholding of a number of Common Shares that are payable to the Grantee upon vesting of Performance Shares under this Agreement with a value equal to the amount of such required minimum withholding. The obligations of the Company under this Agreement shall be conditional on such payment or arrangements.

12. No Right to Employment. This award of Performance Shares is a voluntary, discretionary bonus being made on a one-time basis and it does not constitute a commitment to make

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any future awards. This award and any payments made hereunder will not be considered salary or other compensation for purposes of any severance pay or similar allowance, except as otherwise required by law. The Plan and this Agreement will not confer upon the Grantee any right with respect to the continuance of employment or other service with the Company or any Subsidiary and will not interfere in any way with any right that the Company or any Subsidiary would otherwise have to terminate any employment or other service of the Grantee at any time. For purposes of this Agreement, the continuous employment of the Grantee with the Company or a Subsidiary shall not be deemed interrupted, and the Grantee shall not be deemed to have ceased to be an employee of the Company or any Subsidiary, by reason of (a) the transfer of the Grantee's employment among the Company and any Subsidiary or (b) an approved leave of absence.

13. Relation to Other Benefits. Any economic or other benefit to the Grantee under this Agreement or the Plan will not be taken into account in determining any benefits to which the Grantee may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or a Subsidiary and will not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or a Subsidiary.

14. Agreement Subject to the Plan. The Performance Shares evidenced by this Agreement and all of the terms and conditions hereof are subject to all of the terms and conditions of the Plan. In the event of any inconsistency between this Agreement and the Plan, the terms of the Plan will govern.

15. Data Privacy.

(a) The Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in this document by and among, as applicable, the Grantee's employer (the "Employer"), and the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan.

(b) The Grantee understands that the Company, its Subsidiaries and the Employer hold certain personal information about the Grantee, including, but not limited to, name, home address, email address and telephone number, date of birth, social security, passport or insurance number or other identification number, salary, nationality, job title, any Common Shares or directorships held in the Company, details of all Performance Shares or any other entitlement to Common Shares awarded, canceled, purchased, exercised, vested, unvested or outstanding in the Grantee's favor for the purpose of implementing, managing and administering the Plan ("Data").

(c) The Grantee understands that the Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the Grantee's country or elsewhere (in particular the United States), and that the recipient country (e.g., the United States) may have different data privacy laws and protections than the Grantee's country. The Grantee

understands that the Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting the local human resources representative. The Grantee authorizes the Company, Morgan Stanley Smith Barney, LLC and any other possible recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Grantee's participation in the Plan, including any requisite transfer of such Data, as may be required to a broker or other third party with whom the Grantee may elect to deposit any Common Shares acquired under the Plan. The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage participation in the Plan. The Grantee understands that the Grantee may, at any time, view Data, request additional information about the storage and processing of the Data, require any necessary amendments to the Data or refuse or withdraw the consents herein, in any case without cost, by contacting the local human resources representative in writing. The Grantee understands that refusing or withdrawing consent may affect the Grantee's ability to participate in the Plan. For more information on the consequences of refusing to consent or withdrawing consent, the Grantee understands that the Grantee may contact the Grantee's local human resources representative.

(d) If the Grantee is resident in California, the Grantee's attention is drawn to Schedule 1 to this Agreement, Employee Data Privacy Notice (United States), which addresses the California Consumer Privacy Act of 2018, as amended (CCPA).

16. Amendments. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that subject to Section 11 of the Plan and Section 20 of this Agreement, no such amendment shall adversely affect the rights of the Grantee with respect to the Performance Shares without the Grantee's consent.

17. Severability. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated will be deemed to be separable from the other provisions hereof, and the remaining provisions hereof will continue to be valid and fully enforceable.

18. Governing Law/Venue. This Agreement is made under, and will be construed in accordance with, the internal substantive laws of the State of Ohio. All legal actions or proceedings relating to this Agreement shall be brought exclusively in the U.S. District Court for the Northern District of Ohio, Eastern Division or the Cuyahoga County Court of Common Pleas, located in Cuyahoga County, Ohio.

19. Restrictive Covenant Agreement. The grant of the Performance Shares under this Agreement is contingent upon the Grantee having executed the most recent version of the Company's RCA and having returned it to the Company, and the Grantee being in compliance, and remaining in compliance, with the Grantee's obligations under the RCA.

20. Performance Shares Subject to Clawback Policy. Notwithstanding anything in this Agreement to the contrary, (a) this Agreement and the Performance Shares covered by this Agreement (and the Grantee's other performance-based incentive compensation or related amounts) shall be subject to the Company's Supplemental Recovery of Funds Policy (or any similar any clawback policy applicable to the Grantee) with which the Grantee shall comply, under their terms and conditions as may be in effect from time to time, including, without limitation, to implement Section 10D of the Exchange Act and any applicable rules or regulations (including applicable rules and regulations of any national securities exchange or national securities association on which the Common Shares may be traded) (the "Compensation Recovery Policy"), and (b) the Grantee acknowledges and agrees that any and all applicable provisions of this Agreement shall be deemed superseded by and subject to the terms and conditions of the Compensation Recovery Policy from and after the effective date thereof.

21. Section 409A of the Code. To the extent applicable, it is intended that this Agreement be designed and operated within the requirements of Section 409A of the Code (including any applicable exemptions) and, in the event of any inconsistency between any provision of this Agreement or the Plan and Section 409A of the Code, the provisions of Section 409A of the Code shall control. Any provision in the Plan or this Agreement that is determined to violate the requirements of Section 409A of the Code shall be void and without effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Company without the consent of the Grantee). Any provision that is required by Section 409A of the Code to appear in the Agreement that is not expressly set forth herein shall be deemed to be set forth herein, and the Agreement shall be administered in all respects as if such provision was expressly set forth herein. Any reference in the Agreement to Section 409A of the Code or a Treasury Regulation section shall be deemed to include any similar or successor provisions thereto.

22. Electronic Delivery. The Company may, in its sole discretion, deliver any documents related to the Performance Shares and the Grantee's participation in the Plan, or future awards that may be granted under the Plan, by electronic means or request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and, if requested, agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

The Grantee hereby acknowledges receipt of this Agreement and accepts the right to receive the Performance Shares evidenced hereby subject to the terms and conditions of the Plan and the terms and conditions herein above set forth and represents that the Grantee understands the acceptance of this Agreement through an on-line or electronic system, if applicable, carries the same legal significance as if the Grantee she manually signed this Agreement.

THIS AGREEMENT is executed in the name and on behalf of the Company on the Date of Grant as set forth in the Grant Summary.

LINCOLN ELECTRIC HOLDINGS, INC.

Steven B. Hedlund
President and Chief Executive Officer

Exhibit 10.3

EXHIBIT A

For purposes of this Agreement, the following terms shall have the following meanings:

1. "Deferred Compensation Plan" means the Lincoln Electric Holdings, Inc. 2005 Deferred Compensation Plan for Executives, in effect from time to time.

2. "Disabled" means that the Grantee is disabled within the meaning of, and begins actually to receive disability benefits pursuant to, the long-term disability plan in effect for, or applicable to, the Grantee at the relevant time. In the event that the Company does not maintain a long-term disability plan at any relevant time, the Committee shall determine, in its sole discretion, that a Grantee is "Disabled" if the Grantee meets one of the following requirements: (a) the Grantee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, (b) the Grantee is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under the Company's accident and health or long-term disability plan or any similar plan maintained by a third party, but excluding governmental plans, or (c) the Social Security Administration determines the Grantee to be totally disabled.

3. "Distribution Date" means the date on which the Common Shares represented by Vested Performance Shares shall be distributed to the Grantee as specified in Section 8 (or would have been so distributed absent an election under the Deferred Compensation Plan);

4. "ManagementObjectives" means the threshold, target and maximum goals (as set forth in the Statement of Management Objectives) established by the Committee on the Date of Grant for the Performance Period with respect to both Net Income Growth and ROIC.

5. “Net Income Growth” has the meaning set forth in the Statement of Management Objectives.

6. “Performance Period” means the three-year period commencing January 1, 2024 and ending on December 31, 2026.

7. “Return on Invested Capital” or “ROIC” has the meaning set forth in the Statement of Management Objectives.

8. “Separation from Service” shall have the meaning given in Section 409A of the Code, and references to employment termination or termination of employment in this Agreement shall be deemed to refer to a Separation from Service. In accordance with Treasury Regulation §1.409A-1(h)(1)(ii) (or any similar or successor provisions), a Separation from Service shall be deemed to occur, without limitation, if the Company and the Grantee reasonably anticipate that the level of bona fide services the Grantee will perform after a certain date (whether as an employee or as an independent contractor) will permanently

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decrease to less than fifty percent (50%) of the average level of bona fide services provided in the immediately preceding thirty-six (36) months.

9. “Statement of Management Objectives” means the Statement of Management Objectives for the Performance Period approved by the Committee on the Date of Grant and communicated to the Grantee in writing.

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Exhibit 10.3

Schedule 1

CCPA Notice

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Exhibit 31.1

CERTIFICATION

I, Christopher L. Mapes, Steven B. Hedlund, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Lincoln Electric Holdings, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: October 27, 2023 April 25, 2024

/s/ Christopher L. Mapes Steven B. Hedlund

Christopher L. Mapes Steven B. Hedlund

Chairman, President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Gabriel Bruno, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Lincoln Electric Holdings, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: October 27, 2023 April 25, 2024

/s/ Gabriel Bruno

Gabriel Bruno
Executive Vice President, Chief Financial
Officer and Treasurer

Exhibit 32.1

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 on Form 10-Q of Lincoln Electric Holdings, Inc. (the "Company") for the three months ended September 30, 2023 March 31, 2024, as filed with the Securities and Exchange Commission (the "Report"), each of the undersigned officers of the Company certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

(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 as of the dates and for the periods expressed in the Report.

Date: October 27, 2023 April 25, 2024

/s/ Christopher L. Mapes Steven B. Hedlund

Christopher L. Mapes Steven B. Hedlund
Chairman, President and Chief Executive Officer

/s/ Gabriel Bruno

Gabriel Bruno
Executive Vice President, Chief Financial
Officer and Treasurer

DISCLAIMER

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