REFINITIV

DELTA REPORT

10-Q

FMC CORP

10-Q - SEPTEMBER 30, 2023 COMPARED TO 10-Q - JUNE 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1477
CHANGES	447
DELETIONS	763
ADDITIONS	267

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

FORM 10-Q

 Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2023 September 30, 2023

or

 Transition Report Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number 1-2376

FMC CORPORATION
(Exact name of registrant as specified in its charter)

Delaware			**94-0479804**
(State or other jurisdiction of incorporation)			(I.R.S. Employer Identification No.)
2929 Walnut Street	**Philadelphia**	**Pennsylvania**	**19104**
(Address of principal executive offices)			(Zip Code)

Registrant's telephone number, including area code: 215-299-6000

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value $0.10 per share	**FMC**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes 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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

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

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

As of June 30, 2023 September 30, 2023, there were 124,733,535 124,758,887 of the registrant's common shares outstanding.

FMC CORPORATION

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

FMC CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)

		Three Months Ended June 30,		Six Months Ended June 30,			Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022		2023	2022	2023	2022
(in Millions, Except Per Share Data)	(in Millions, Except Per Share Data)	(unaudited)		(unaudited)		(in Millions, Except Per Share Data)	(unaudited)		(unaudited)	
Revenue	**Revenue**	$ 1,014.5	$ 1,452.3	$ 2,358.8	$ 2,803.1	**Revenue**	$ 981.9	$ 1,377.2	$ 3,340.7	$ 4,180.3
Costs and Expenses	**Costs and Expenses**					**Costs and Expenses**				
Costs of sales and services	Costs of sales and services	581.7	861.3	1,344.7	1,639.4	Costs of sales and services	600.7	899.7	1,945.4	2,539.1
Gross margin	**Gross margin**	$ 432.8	$ 591.0	$ 1,014.1	$ 1,163.7	**Gross margin**	$ 381.2	$ 477.5	$ 1,395.3	$ 1,641.2
Selling, general and administrative expenses	Selling, general and administrative expenses	205.6	194.8	391.5	383.3	Selling, general and administrative expenses	171.3	179.4	562.8	562.7
Research and development expenses	Research and development expenses	87.7	79.5	166.1	151.3	Research and development expenses	80.9	78.5	247.0	229.8
Restructuring and other charges (income)	Restructuring and other charges (income)	7.3	80.8	19.8	89.9	Restructuring and other charges (income)	28.2	9.0	48.0	98.9
Total costs and expenses	Total costs and expenses	$ 882.3	$ 1,216.4	$ 1,922.1	$ 2,263.9	Total costs and expenses	$ 881.1	$ 1,166.6	$ 2,803.2	$ 3,430.5

Income from continuing operations before non-operating pension and postretirement charges (income), interest expense, net and income taxes	Income from continuing operations before non-operating pension and postretirement charges (income), interest expense, net and income taxes	$ 132.2	$ 235.9	$ 436.7	$ 539.2	Income from continuing operations before non-operating pension and postretirement charges (income), interest expense, net and income taxes	$ 100.8	$ 210.6	$ 537.5	$ 749.8
Non-operating pension and postretirement charges (income)	Non-operating pension and postretirement charges (income)	4.6	3.9	9.2	8.2	Non-operating pension and postretirement charges (income)	4.2	(1.7)	13.4	6.5
Interest expense, net	Interest expense, net	64.5	35.3	115.9	65.2	Interest expense, net	64.6	41.8	180.5	107.0
Income (loss) from continuing operations before income taxes	Income (loss) from continuing operations before income taxes	$ 63.1	$ 196.7	$ 311.6	$ 465.8	Income (loss) from continuing operations before income taxes	$ 32.0	$ 170.5	$ 343.6	$ 636.3
Provision (benefit) for income taxes	Provision (benefit) for income taxes	9.2	54.7	50.3	97.0	Provision (benefit) for income taxes	27.4	36.0	77.7	133.0
Income (loss) from continuing operations	Income (loss) from continuing operations	$ 53.9	$ 142.0	$ 261.3	$ 368.8	Income (loss) from continuing operations	$ 4.6	$ 134.5	$ 265.9	$ 503.3
Discontinued operations, net of income taxes	Discontinued operations, net of income taxes	(21.5)	(10.8)	(33.0)	(26.0)	Discontinued operations, net of income taxes	(8.3)	(16.2)	(41.3)	(42.2)
Net income (loss)	Net income (loss)	$ 32.4	$ 131.2	$ 228.3	$ 342.8	Net income (loss)	$ (3.7)	$ 118.3	$ 224.6	$ 461.1
Less: Net income (loss) attributable to noncontrolling interests	Less: Net income (loss) attributable to noncontrolling interests	1.9	(3.0)	1.8	1.2	Less: Net income (loss) attributable to noncontrolling interests	(0.2)	(2.7)	1.6	(1.5)
Net income (loss) attributable to FMC stockholders	**Net income (loss) attributable to FMC stockholders**	**$ 30.5**	**$ 134.2**	**$ 226.5**	**$ 341.6**	**Net income (loss) attributable to FMC stockholders**	**$ (3.5)**	**$ 121.0**	**$ 223.0**	**$ 462.6**
Amounts attributable to FMC stockholders:	**Amounts attributable to FMC stockholders:**					**Amounts attributable to FMC stockholders:**				
Continuing operations, net of income taxes	Continuing operations, net of income taxes	$ 52.0	$ 145.0	$ 259.5	$ 367.6	Continuing operations, net of income taxes	$ 4.8	$ 137.2	$ 264.3	$ 504.8
Discontinued operations, net of income taxes	Discontinued operations, net of income taxes	(21.5)	(10.8)	(33.0)	(26.0)	Discontinued operations, net of income taxes	(8.3)	(16.2)	(41.3)	(42.2)
Net income (loss) attributable to FMC stockholders	Net income (loss) attributable to FMC stockholders	**$ 30.5**	**$ 134.2**	**$ 226.5**	**$ 341.6**	Net income (loss) attributable to FMC stockholders	**$ (3.5)**	**$ 121.0**	**$ 223.0**	**$ 462.6**
Basic earnings (loss) per common share attributable to FMC stockholders:	**Basic earnings (loss) per common share attributable to FMC stockholders:**					**Basic earnings (loss) per common share attributable to FMC stockholders:**				
Continuing operations	Continuing operations	$ 0.41	$ 1.15	$ 2.07	$ 2.91	Continuing operations	$ 0.04	$ 1.09	$ 2.11	$ 3.99

Discontinued operations	Discontinued operations	(0.17)	(0.09)	(0.26)	(0.21)	Discontinued operations	(0.07)	(0.13)	(0.33)	(0.33)
Net income (loss) attributable to FMC stockholders	Net income (loss) attributable to FMC stockholders	**$ 0.24**	**$ 1.06**	**$ 1.81**	**$ 2.70**	Net income (loss) attributable to FMC stockholders	**$ (0.03)**	**$ 0.96**	**$ 1.78**	**$ 3.66**
Diluted earnings (loss) per common share attributable to FMC stockholders:	**Diluted earnings (loss) per common share attributable to FMC stockholders:**					**Diluted earnings (loss) per common share attributable to FMC stockholders:**				
Continuing operations	Continuing operations	$ 0.41	$ 1.15	$ 2.06	$ 2.90	Continuing operations	$ 0.04	$ 1.08	$ 2.10	$ 3.98
Discontinued operations	Discontinued operations	(0.17)	(0.09)	(0.26)	(0.21)	Discontinued operations	(0.07)	(0.13)	(0.33)	(0.33)
Net income (loss) attributable to FMC stockholders	Net income (loss) attributable to FMC stockholders	**$ 0.24**	**$ 1.06**	**$ 1.80**	**$ 2.69**	Net income (loss) attributable to FMC stockholders	**$ (0.03)**	**$ 0.95**	**$ 1.77**	**$ 3.65**

The accompanying Notes are an integral part of these condensed consolidated financial statements.

FMC CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

		Three Months Ended June 30,		Six Months Ended June 30,			Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022		2023	2022	2023	2022
(in Millions)	(in Millions)	(unaudited)		(unaudited)		(in Millions)	(unaudited)		(unaudited)	
Net income (loss)	**Net income (loss)**	$ 32.4	$ 131.2	$ 228.3	$ 342.8	**Net income (loss)**	$ (3.7)	$ 118.3	$ 224.6	$ 461.1
Other comprehensive income (loss), net of tax:	**Other comprehensive income (loss), net of tax:**					**Other comprehensive income (loss), net of tax:**				
Foreign currency adjustments:	Foreign currency adjustments:					Foreign currency adjustments:				
Foreign currency translation gain (loss) arising during the period	Foreign currency translation gain (loss) arising during the period	$ (12.7)	$ (81.5)	$ 7.4	$ (120.9)	Foreign currency translation gain (loss) arising during the period	$ (40.7)	$ (92.5)	$ (33.3)	$ (213.4)
Reclassification of foreign currency translation (gains) losses	Reclassification of foreign currency translation (gains) losses	—	4.2	—	4.2	Reclassification of foreign currency translation (gains) losses	—	—	—	4.2
Total foreign currency translation adjustments (1)	Total foreign currency translation adjustments (1)	$ (12.7)	$ (77.3)	$ 7.4	$ (116.7)	Total foreign currency translation adjustments (1)	$ (40.7)	$ (92.5)	$ (33.3)	$ (209.2)
Derivative instruments:	Derivative instruments:					Derivative instruments:				
Unrealized hedging gains (losses) and other, net of tax expense (benefit) of $(7.7) and $(11.8) for the three and six months ended June 30, 2023 and $(2.1) and $(2.6) for the three and six months ended June 30, 2022, respectively		$ (39.5)	$ 40.2	$ (76.8)	$ (44.5)					

Reclassification of deferred hedging (gains) losses and other, included in net income, net of tax (expense) benefit of $6.6 and $8.8 for the three and six months ended June 30, 2023 and $3.7 and $5.2 for the three and six months ended June 30, 2022, respectively (2)	15.8	7.8	21.8	8.4
Total derivative instruments, net of tax expense (benefit) of $(1.1) and $(3.0) for the three and six months ended June 30, 2023 and $1.6 and $2.6 for the three and six months ended June 30, 2022, respectively	$ (23.7)	$ 48.0	$ (55.0)	$ (36.1)

Unrealized hedging gains (losses) and other, net of tax expense (benefit) of $(5.8) and $(17.6) for the three and nine months ended September 30, 2023 and $(6.8) and $(9.4) for the three and nine months ended September 30, 2022, respectively	Unrealized hedging gains (losses) and other, net of tax expense (benefit) of $(5.8) and $(17.6) for the three and nine months ended September 30, 2023 and $(6.8) and $(9.4) for the three and nine months ended September 30, 2022, respectively	$ 21.6	$ 8.1	$ (55.2)	$ (36.4)
Reclassification of deferred hedging (gains) losses and other, included in net income, net of tax (expense) benefit of $9.5 and $18.3 for the three and nine months ended September 30, 2023 and $6.1 and $11.3 for the three and nine months ended September 30, 2022, respectively (2)	Reclassification of deferred hedging (gains) losses and other, included in net income, net of tax (expense) benefit of $9.5 and $18.3 for the three and nine months ended September 30, 2023 and $6.1 and $11.3 for the three and nine months ended September 30, 2022, respectively (2)	22.6	12.0	44.4	20.4
Total derivative instruments, net of tax expense (benefit) of $3.7 and $0.7 for the three and nine months ended September 30, 2023 and $(0.7) and $1.9 for the three and nine months ended September 30, 2022, respectively	Total derivative instruments, net of tax expense (benefit) of $3.7 and $0.7 for the three and nine months ended September 30, 2023 and $(0.7) and $1.9 for the three and nine months ended September 30, 2022, respectively	$ 44.2	$ 20.1	$ (10.8)	$ (16.0)
Pension and other postretirement benefits:	Pension and other postretirement benefits:	Pension and other postretirement benefits:			

Unrealized actuarial gains (losses) and prior service (costs) credits, net of tax expense (benefit) of zero and zero for the three and six months ended June 30, 2023 and June 30, 2022, respectively	$ (0.1)	$ —	$ —	$ —
Reclassification of net actuarial and other (gain) loss and amortization of prior service costs, included in net income, net of tax (expense) benefit of $0.7 and $1.5 for the three and six months ended June 30, 2023 and 0.8 and 1.8 for the three and six months ended June 30, 2022, respectively (2)	2.9	3.2	5.7	6.8
Total pension and other postretirement benefits, net of tax expense (benefit) of $0.7 and $1.5 for the three and six months ended June 30, 2023 and 0.8 and 1.8 for the three and six months ended June 30, 2022, respectively	$ 2.8	$ 3.2	$ 5.7	$ 6.8

Unrealized actuarial gains (losses) and prior service (costs) credits, net of tax expense (benefit) of zero for the three and nine months ended September 30, 2023 and zero for the three and nine months ended September 30, 2022	Unrealized actuarial gains (losses) and prior service (costs) credits, net of tax expense (benefit) of zero for the three and nine months ended September 30, 2023 and zero for the three and nine months ended September 30, 2022	$ —	$ (0.1)	$ —	$ (0.1)
Reclassification of net actuarial and other (gain) loss and amortization of prior service costs, included in net income, net of tax (expense) benefit of $0.7 and $2.2 for the three and nine months ended September 30, 2023 and zero and $1.8 for the three and nine months ended September 30, 2022, respectively (2)	Reclassification of net actuarial and other (gain) loss and amortization of prior service costs, included in net income, net of tax (expense) benefit of $0.7 and $2.2 for the three and nine months ended September 30, 2023 and zero and $1.8 for the three and nine months ended September 30, 2022, respectively (2)	2.5	—	8.2	6.8

Total pension and other postretirement benefits, net of tax expense (benefit) of $0.7 and $2.2 for the three and nine months ended September 30, 2023 and zero and $1.8 for the three and nine months ended September 30, 2022, respectively						Total pension and other postretirement benefits, net of tax expense (benefit) of $0.7 and $2.2 for the three and nine months ended September 30, 2023 and zero and $1.8 for the three and nine months ended September 30, 2022, respectively	$ 2.5	$ (0.1)	$ 8.2	$ 6.7
Other comprehensive income (loss), net of tax	**Other comprehensive income (loss), net of tax**	$ (33.6)	$ (26.1)	$ (41.9)	$ (146.0)	**Other comprehensive income (loss), net of tax**	$ 6.0	$ (72.5)	$ (35.9)	$ (218.5)
Comprehensive income (loss)	Comprehensive income (loss)	$ (1.2)	$ 105.1	$ 186.4	$ 196.8	Comprehensive income (loss)	$ 2.3	$ 45.8	$ 188.7	$ 242.6
Less: Comprehensive income (loss) attributable to the noncontrolling interest	Less: Comprehensive income (loss) attributable to the noncontrolling interest	0.6	(4.3)	1.4	(0.1)	Less: Comprehensive income (loss) attributable to the noncontrolling interest	(0.8)	(3.4)	0.6	(3.5)
Comprehensive income (loss) attributable to FMC stockholders	**Comprehensive income (loss) attributable to FMC stockholders**	**$ (1.8)**	**$ 109.4**	**$ 185.0**	**$ 196.9**	**Comprehensive income (loss) attributable to FMC stockholders**	**$ 3.1**	**$ 49.2**	**$ 188.1**	**$ 246.1**

(1) Income taxes are not provided for foreign currency translation because the related investments are essentially permanent in duration.

(2) For more detail on the components of these reclassifications and the affected line item in the condensed consolidated statements of income (loss) see Note 14.

The accompanying Notes are an integral part of these condensed consolidated financial statements.

FMC CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS

(in Millions, Except Share and Par Value Data)	**(in Millions, Except Share and Par Value Data)**	**June 30, 2023**	**December 31, 2022**	**(in Millions, Except Share and Par Value Data)**	**September 30, 2023**	**December 31, 2022**
ASSETS	**ASSETS**	**(unaudited)**		**ASSETS**	**(unaudited)**	
Current assets	**Current assets**			**Current assets**		
Cash and cash equivalents	Cash and cash equivalents	$ 941.5	$ 572.0	Cash and cash equivalents	$ 323.8	$ 572.0
Trade receivables, net of allowance of $34.4 in 2023 and $33.9 in 2022		2,782.8	2,871.4			
Trade receivables, net of allowance of $36.7 in 2023 and $33.9 in 2022				Trade receivables, net of allowance of $36.7 in 2023 and $33.9 in 2022	2,564.5	2,871.4
Inventories	Inventories	2,072.3	1,651.6	Inventories	1,998.6	1,651.6
Prepaid and other current assets	Prepaid and other current assets	470.2	343.6	Prepaid and other current assets	435.4	343.6
Total current assets	**Total current assets**	$ 6,266.8	$ 5,438.6	**Total current assets**	$ 5,322.3	$ 5,438.6
Investments	Investments	17.8	14.5	Investments	19.3	14.5

Property, plant and equipment, net	Property, plant and equipment, net	867.9	849.6	Property, plant and equipment, net	872.5	849.6
Goodwill	Goodwill	1,592.3	1,589.3	Goodwill	1,584.7	1,589.3
Other intangibles, net	Other intangibles, net	2,488.6	2,508.1	Other intangibles, net	2,453.1	2,508.1
Other assets including long-term receivables, net	Other assets including long-term receivables, net	499.8	560.5	Other assets including long-term receivables, net	495.2	560.5
Deferred income taxes	Deferred income taxes	218.5	210.7	Deferred income taxes	209.3	210.7
Total assets	**Total assets**	**$ 11,951.7**	**$ 11,171.3**	**Total assets**	**$ 10,956.4**	**$ 11,171.3**
LIABILITIES AND EQUITY	**LIABILITIES AND EQUITY**			**LIABILITIES AND EQUITY**		
Current liabilities	**Current liabilities**			**Current liabilities**		
Short-term debt and current portion of long-term debt	Short-term debt and current portion of long-term debt	$ 1,660.5	$ 540.8	Short-term debt and current portion of long-term debt	$ 1,092.8	$ 540.8
Accounts payable, trade and other	Accounts payable, trade and other	1,032.7	1,252.2	Accounts payable, trade and other	662.5	1,252.2
Advance payments from customers	Advance payments from customers	3.4	680.5	Advance payments from customers	1.7	680.5
Accrued and other liabilities	Accrued and other liabilities	685.0	601.8	Accrued and other liabilities	673.1	601.8
Accrued customer rebates	Accrued customer rebates	743.1	465.3	Accrued customer rebates	809.5	465.3
Guarantees of vendor financing	Guarantees of vendor financing	106.3	142.0	Guarantees of vendor financing	95.6	142.0
Accrued pension and other postretirement benefits, current	Accrued pension and other postretirement benefits, current	3.5	2.3	Accrued pension and other postretirement benefits, current	3.5	2.3
Income taxes	Income taxes	118.2	114.7	Income taxes	107.8	114.7
Total current liabilities	**Total current liabilities**	$ 4,352.7	$ 3,799.6	**Total current liabilities**	$ 3,446.5	$ 3,799.6
Long-term debt, less current portion	Long-term debt, less current portion	3,022.0	2,733.2	Long-term debt, less current portion	3,022.9	2,733.2
Accrued pension and other postretirement benefits, long-term	Accrued pension and other postretirement benefits, long-term	29.7	31.6	Accrued pension and other postretirement benefits, long-term	29.6	31.6
Environmental liabilities, continuing and discontinued	Environmental liabilities, continuing and discontinued	430.6	439.1	Environmental liabilities, continuing and discontinued	416.0	439.1
Deferred income taxes	Deferred income taxes	324.2	321.5	Deferred income taxes	321.1	321.5
Other long-term liabilities	Other long-term liabilities	415.1	445.4	Other long-term liabilities	405.8	445.4
Commitments and contingent liabilities (Note 19)	Commitments and contingent liabilities (Note 19)			Commitments and contingent liabilities (Note 19)		
Equity	**Equity**			**Equity**		
Preferred stock, no par value, authorized 5,000,000 shares; no shares issued in 2023 or 2022	Preferred stock, no par value, authorized 5,000,000 shares; no shares issued in 2023 or 2022	$ —	$ —	Preferred stock, no par value, authorized 5,000,000 shares; no shares issued in 2023 or 2022	$ —	$ —

Common stock, $0.10 par value, authorized 260,000,000 shares in 2023 and 2022; 185,983,792 shares issued in 2023 and 2022	Common stock, $0.10 par value, authorized 260,000,000 shares in 2023 and 2022; 185,983,792 shares issued in 2023 and 2022	18.6	18.6	Common stock, $0.10 par value, authorized 260,000,000 shares in 2023 and 2022; 185,983,792 shares issued in 2023 and 2022	18.6	18.6
Capital in excess of par value of common stock	Capital in excess of par value of common stock	922.4	909.2	Capital in excess of par value of common stock	929.5	909.2
Retained earnings	Retained earnings	5,637.2	5,555.9	Retained earnings	5,561.1	5,555.9
Accumulated other comprehensive income (loss)	Accumulated other comprehensive income (loss)	(501.1)	(459.6)	Accumulated other comprehensive income (loss)	(494.5)	(459.6)
Treasury stock, common, at cost - 2023: 61,250,257 shares, 2022: 60,872,988 shares		(2,724.1)	(2,646.2)			
Treasury stock, common, at cost - 2023: 61,224,905 shares, 2022: 60,872,988 shares				Treasury stock, common, at cost - 2023: 61,224,905 shares, 2022: 60,872,988 shares	(2,723.8)	(2,646.2)
Total FMC stockholders' equity	Total FMC stockholders' equity	$ 3,353.0	$ 3,377.9	Total FMC stockholders' equity	$ 3,290.9	$ 3,377.9
Noncontrolling interests	Noncontrolling interests	24.4	23.0	Noncontrolling interests	23.6	23.0
Total equity	**Total equity**	**$ 3,377.4**	**$ 3,400.9**	**Total equity**	**$ 3,314.5**	**$ 3,400.9**
Total liabilities and equity	**Total liabilities and equity**	**$ 11,951.7**	**$ 11,171.3**	**Total liabilities and equity**	**$ 10,956.4**	**$ 11,171.3**

The accompanying Notes are an integral part of these condensed consolidated financial statements.

FMC CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

		Six Months Ended June 30,			Nine Months Ended September 30,	
		2023	2022		2023	2022
(in Millions)	(in Millions)	(unaudited)		(in Millions)	(unaudited)	
Cash provided (required) by operating activities of continuing operations:	**Cash provided (required) by operating activities of continuing operations:**			**Cash provided (required) by operating activities of continuing operations:**		
Net income (loss)	Net income (loss)	$ 228.3	$ 342.8	Net income (loss)	$ 224.6	$ 461.1
Discontinued operations, net of income taxes	Discontinued operations, net of income taxes	33.0	26.0	Discontinued operations, net of income taxes	41.3	42.2
Income (loss) from continuing operations	Income (loss) from continuing operations	$ 261.3	$ 368.8	Income (loss) from continuing operations	$ 265.9	$ 503.3
Adjustments from income from continuing operations to cash provided (required) by operating activities of continuing operations:	Adjustments from income from continuing operations to cash provided (required) by operating activities of continuing operations:			Adjustments from income from continuing operations to cash provided (required) by operating activities of continuing operations:		
Depreciation and amortization	Depreciation and amortization	$ 92.8	$ 85.2	Depreciation and amortization	$ 138.4	$ 126.6

Restructuring and other charges (income)	Restructuring and other charges (income)	19.8	89.9	Restructuring and other charges (income)	48.0	98.9
Deferred income taxes	Deferred income taxes	(1.8)	(0.6)	Deferred income taxes	2.4	10.0
Pension and other postretirement benefits	Pension and other postretirement benefits	10.7	10.6	Pension and other postretirement benefits	15.5	9.4
Share-based compensation	Share-based compensation	13.6	13.1	Share-based compensation	19.8	18.9
Changes in operating assets and liabilities, net of effect of acquisitions and divestitures:	Changes in operating assets and liabilities, net of effect of acquisitions and divestitures:			Changes in operating assets and liabilities, net of effect of acquisitions and divestitures:		
Trade receivables, net	Trade receivables, net	132.2	(432.6)	Trade receivables, net	312.4	(203.5)
Guarantees of vendor financing	Guarantees of vendor financing	(35.7)	(1.2)	Guarantees of vendor financing	(46.4)	(22.0)
Advance payments from customers	Advance payments from customers	(677.1)	(628.8)	Advance payments from customers	(678.2)	(627.1)
Accrued customer rebates	Accrued customer rebates	274.2	400.0	Accrued customer rebates	348.3	475.0
Inventories	Inventories	(423.3)	(235.8)	Inventories	(363.2)	(282.3)
Accounts payable, trade and other	Accounts payable, trade and other	(197.3)	38.8	Accounts payable, trade and other	(562.0)	(19.1)
Income taxes	Income taxes	(72.6)	19.7	Income taxes	(96.9)	(3.5)
Pension and other postretirement benefit contributions	Pension and other postretirement benefit contributions	(1.0)	(2.3)	Pension and other postretirement benefit contributions	(1.4)	(3.0)
Environmental spending, continuing, net of recoveries	Environmental spending, continuing, net of recoveries	(14.5)	(10.8)	Environmental spending, continuing, net of recoveries	(22.7)	(18.4)
Restructuring and other spending (1)	Restructuring and other spending (1)	(6.2)	(16.8)	Restructuring and other spending (1)	(17.2)	(25.7)
Transaction and integration costs	Transaction and integration costs	—	(0.5)	Transaction and integration costs	—	(0.5)
Change in other operating assets and liabilities, net (2)	Change in other operating assets and liabilities, net (2)	(94.9)	(98.6)	Change in other operating assets and liabilities, net (2)	19.1	(21.3)
Cash provided (required) by operating activities of continuing operations	Cash provided (required) by operating activities of continuing operations	$ (719.8)	$ (401.9)	Cash provided (required) by operating activities of continuing operations	$ (618.2)	$ 15.7
Cash provided (required) by operating activities of discontinued operations:	**Cash provided (required) by operating activities of discontinued operations:**			**Cash provided (required) by operating activities of discontinued operations:**		
Environmental spending, discontinued, net of recoveries	Environmental spending, discontinued, net of recoveries	$ (11.7)	$ (14.7)	Environmental spending, discontinued, net of recoveries	$ (34.4)	$ (27.7)
Other discontinued spending	Other discontinued spending	(15.2)	(16.9)	Other discontinued spending	(26.6)	(24.1)

Cash provided (required) by operating activities of discontinued operations	Cash provided (required) by operating activities of discontinued operations	$	(26.9)	$	(31.6)	Cash provided (required) by operating activities of discontinued operations	$	(61.0)	$	(51.8)

(1) In addition to cash payments shown in our roll forward of restructuring reserves in Note 9 to our consolidated financial statements included within this Form 10-Q, the restructuring and other spending amount above for the six nine months ended June 30, 2023 September 30, 2023 and 2022 includes spending of $1.3 $3.4 million and $3.2 $6.7 million, respectively, related to the Furadan® Furadan® asset retirement obligations. For additional detail on restructuring and other charges activities, see Note 9.

(2) Changes in all periods primarily represent timing of payments associated with all other operating assets and liabilities.

The accompanying Notes are an integral part of these condensed consolidated financial statements.

(continued)

FMC CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

		Six Months Ended June 30,					Nine Months Ended September 30,			
		2023		2022			2023		2022	
(in Millions)	**(in Millions)**	(unaudited)				**(in Millions)**	(unaudited)			
Cash provided (required) by investing activities of continuing operations:	**Cash provided (required) by investing activities of continuing operations:**					**Cash provided (required) by investing activities of continuing operations:**				
Capital expenditures	Capital expenditures	$	(75.8)	$	(73.7)	Capital expenditures	$	(108.8)	$	(108.4)
Acquisitions, including cost and equity method, net (3)	Acquisitions, including cost and equity method, net (3)		(3.2)		(0.5)	Acquisitions, including cost and equity method, net (3)		(16.0)		(191.5)
Proceeds from land disposition (3) (4)	Proceeds from land disposition (3) (4)		5.8		—	Proceeds from land disposition (3) (4)		5.8		—
Other investing activities	Other investing activities		(5.3)		8.9	Other investing activities		(7.8)		5.7
Cash provided (required) by investing activities of continuing operations	Cash provided (required) by investing activities of continuing operations	$	(78.5)	$	(65.3)	Cash provided (required) by investing activities of continuing operations	$	(126.8)	$	(294.2)
Cash provided (required) by financing activities of continuing operations:	**Cash provided (required) by financing activities of continuing operations:**					**Cash provided (required) by financing activities of continuing operations:**				
Increase (decrease) in short-term debt	Increase (decrease) in short-term debt	$	719.1	$	721.5	Increase (decrease) in short-term debt	$	158.4	$	401.4
Repayments of long-term debt	Repayments of long-term debt		(800.0)		(0.3)	Repayments of long-term debt		(800.0)		(1.1)
Proceeds from borrowings of long-term debt	Proceeds from borrowings of long-term debt		1,498.6		—	Proceeds from borrowings of long-term debt		1,498.6		—
Financing fees and interest rate swap settlements	Financing fees and interest rate swap settlements		(0.4)		(1.5)	Financing fees and interest rate swap settlements		(0.4)		(1.5)

Distributions to noncontrolling interests				Distributions to noncontrolling interests	(0.6)	—
Issuances of common stock, net	Issuances of common stock, net	3.9	8.3	Issuances of common stock, net	5.2	8.4
Dividends paid (4) (5)	Dividends paid (4) (5)	(145.4)	(133.7)	Dividends paid (4) (5)	(217.9)	(200.6)
Repurchases of common stock under publicly announced program	Repurchases of common stock under publicly announced program	(75.0)	—	Repurchases of common stock under publicly announced program	(75.0)	—
Other repurchases of common stock	Other repurchases of common stock	(6.2)	(8.6)	Other repurchases of common stock	(6.2)	(8.9)
Cash provided (required) by financing activities of continuing operations	Cash provided (required) by financing activities of continuing operations	$ 1,194.6	$ 585.7	Cash provided (required) by financing activities of continuing operations	$ 562.1	$ 197.7
Effect of exchange rate changes on cash and cash equivalents	Effect of exchange rate changes on cash and cash equivalents	0.1	(12.2)	Effect of exchange rate changes on cash and cash equivalents	(4.3)	(20.4)
Increase (decrease) in cash and cash equivalents	Increase (decrease) in cash and cash equivalents	$ 369.5	$ 74.7	Increase (decrease) in cash and cash equivalents	$ (248.2)	$ (153.0)
Cash and cash equivalents, beginning of period	Cash and cash equivalents, beginning of period	$ 572.0	$ 516.8	Cash and cash equivalents, beginning of period	$ 572.0	$ 516.8
Cash and cash equivalents, end of period	**Cash and cash equivalents, end of period**	**$ 941.5**	**$ 591.5**	**Cash and cash equivalents, end of period**	**$ 323.8**	**$ 363.8**

(3) The acquisitions, including cost and equity method, net amount in 2023 includes the $11.9 million payment related to the in-process research and development assets acquired during the third quarter. See Note 9 for additional detail. The 2022 activity includes the purchase price of Biophero of approximately $193 million which was primarily paid at closing on July 19, 2022. For additional detail on this transaction see Note 5 to our consolidated financial statements included within this Form 10-Q.

(4) During the six nine months ended June 30, 2023 September 30, 2023, we received the final payment of $5.8 million related to a land transfer agreement with the Shanghai Municipal People's Government, which was executed in December 2022.

(4) (5) See Note 14 regarding the quarterly cash dividend.

Supplemental disclosure of cash flow information: Cash paid for interest, net of capitalized interest was $101.1 million $135.0 million and $61.2 million $91.2 million, and income taxes paid, net of refunds were $105.2 million $143.2 million and $53.2 million $91.7 million for the six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively. Non-cash additions to property, plant and equipment and other assets were $20.5 million $20.2 million and $24.5 million $19.0 million for the six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively. Non-cash investing activities include a $19.3 million investment representing our beneficial interest in a trade receivables securitization program for the nine months ended September 30, 2022.

The accompanying Notes are an integral part of these condensed consolidated financial statements.

FMC CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(UNAUDITED)

(in Millions, Except Per Share Data)	(in Millions, Except Per Share Data)	FMC Stockholders' Equity: Common Stock, $0.10 Par Value	Capital In Excess of Par	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Non-controlling Interest	Total Equity	(in Millions, Except Per Share Data)	FMC Stockholders' Equity: Common Stock, $0.10 Par Value	Capital In Excess of Par	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	No contr Inte
Balance at December 31, 2022	**Balance at December 31, 2022**	$ 18.6	$ 909.2	$5,555.9	$ (459.6)	$(2,646.2)	$ 23.0	$3,400.9	**Balance at December 31, 2022**	$ 18.6	$ 909.2	$5,555.9	$ (459.6)	$(2,646.2)	$
Net income (loss)	Net income (loss)	—	—	196.0	—	—	(0.1)	195.9	Net income (loss)	—	—	196.0	—	—	

Stock compensation plans	Stock compensation plans	—	7.2	—	—	2.4	—	9.6	Stock compensation plans	—	7.2	—	—	2.4	
Shares for benefit plan trust	Shares for benefit plan trust	—	—	—	—	(0.1)	—	(0.1)	Shares for benefit plan trust	—	—	—	—	(0.1)	
Net pension and other benefit actuarial gains (losses) and prior service costs, net of income tax (1)	Net pension and other benefit actuarial gains (losses) and prior service costs, net of income tax (1)	—	—	—	2.9	—	—	2.9	Net pension and other benefit actuarial gains (losses) and prior service costs, net of income tax (1)	—	—	—	2.9	—	
Net hedging gains (losses) and other, net of income tax (1)	Net hedging gains (losses) and other, net of income tax (1)	—	—	—	(31.3)	—	—	(31.3)	Net hedging gains (losses) and other, net of income tax (1)	—	—	—	(31.3)	—	
Foreign currency translation adjustments (1)	Foreign currency translation adjustments (1)	—	—	—	19.2	—	0.9	20.1	Foreign currency translation adjustments (1)	—	—	—	19.2	—	
Dividends ($0.58 per share)	Dividends ($0.58 per share)	—	—	(72.7)	—	—	—	(72.7)	Dividends ($0.58 per share)	—	—	(72.7)	—	—	
Repurchases of common stock	Repurchases of common stock	—	—	—	—	(30.8)	—	(30.8)	Repurchases of common stock	—	—	—	—	(30.8)	
Balance at March 31, 2023	**Balance at March 31, 2023**	**$ 18.6**	**$ 916.4**	**$5,679.2**	**$ (468.8)**	**$(2,674.7)**	**$ 23.8**	**$3,494.5**	**Balance at March 31, 2023**	**$ 18.6**	**$ 916.4**	**$5,679.2**	**$ (468.8)**	**$(2,674.7)**	**$**
Net income (loss)	Net income (loss)	—	—	30.5	—	—	1.9	32.4	Net income (loss)	—	—	30.5	—	—	
Stock compensation plans	Stock compensation plans	—	6.0	—	—	2.4	—	8.4	Stock compensation plans	—	6.0	—	—	2.4	
Shares for benefit plan trust	Shares for benefit plan trust	—	—	—	—	(0.7)	—	(0.7)	Shares for benefit plan trust	—	—	—	—	(0.7)	
Net pension and other benefit actuarial gains (losses) and prior service costs, net of income tax (1)	Net pension and other benefit actuarial gains (losses) and prior service costs, net of income tax (1)	—	—	—	2.8	—	—	2.8	Net pension and other benefit actuarial gains (losses) and prior service costs, net of income tax (1)	—	—	—	2.8	—	
Net hedging gains (losses) and other, net of income tax (1)	Net hedging gains (losses) and other, net of income tax (1)	—	—	—	(23.7)	—	—	(23.7)	Net hedging gains (losses) and other, net of income tax (1)	—	—	—	(23.7)	—	

Foreign currency translation adjustments (1)	Foreign currency translation adjustments (1)	—	—	—	(11.4)	—	(1.3)	(12.7)	Foreign currency translation adjustments (1)	—	—	—	(11.4)	—	
Dividends ($0.58 per share)	Dividends ($0.58 per share)	—	—	(72.5)	—	—	—	(72.5)	Dividends ($0.58 per share)	—	—	(72.5)	—	—	
Repurchases of common stock	Repurchases of common stock	—	—	—	—	(51.1)	—	(51.1)	Repurchases of common stock	—	—	—	—	(51.1)	
Balance at June 30, 2023	**Balance at June 30, 2023**	**$ 18.6**	**$ 922.4**	**$5,637.2**	**$ (501.1)**	**$(2,724.1)**	**$ 24.4**	**$3,377.4**	**Balance at June 30, 2023**	**$ 18.6**	**$ 922.4**	**$5,637.2**	**$ (501.1)**	**$(2,724.1)**	**$**
Net income (loss)									Net income (loss)	—	—	(3.5)	—	—	
Stock compensation plans									Stock compensation plans	—	7.1	—	—	0.4	
Shares for benefit plan trust									Shares for benefit plan trust	—	—	—	—	(0.1)	
Net pension and other benefit actuarial gains (losses) and prior service costs, net of income tax (1)									Net pension and other benefit actuarial gains (losses) and prior service costs, net of income tax (1)	—	—	—	2.5	—	
Net hedging gains (losses) and other, net of income tax (1)									Net hedging gains (losses) and other, net of income tax (1)	—	—	—	44.2	—	
Foreign currency translation adjustments (1)									Foreign currency translation adjustments (1)	—	—	—	(40.1)	—	
Dividends ($0.58 per share)									Dividends ($0.58 per share)	—	—	(72.6)	—	—	
Balance at September 30, 2023									**Balance at September 30, 2023**	**$ 18.6**	**$ 929.5**	**$5,561.1**	**$ (494.5)**	**$(2,723.8)**	**$**

(1) See condensed consolidated statements of comprehensive income (loss).

		FMC Stockholders' Equity								FMC Stockholders' Equity					
					Accumulated								Accumulated		
(in Millions, Except Per Share Data)	**(in Millions, Except Per Share Data)**	**Common Stock, $0.10 Par Value**	**Capital In Excess of Par**	**Retained Earnings**	**Other Comprehensive Income (Loss)**	**Treasury Stock**	**Non-controlling Interest**	**Total Equity**	**(in Millions, Except Per Share Data)**	**Common Stock, $0.10 Par Value**	**Capital In Excess of Par**	**Retained Earnings**	**Other Comprehensive Income (Loss)**	**Treasury Stock**	**N contr Inte**
Balance at December 31, 2021	**Balance at December 31, 2021**	**$ 18.6**	**$ 880.4**	**$5,092.9**	**$ (325.5)**	**$(2,542.1)**	**$ 19.4**	**$3,143.7**	**Balance at December 31, 2021**	**$ 18.6**	**$ 880.4**	**$5,092.9**	**$ (325.5)**	**$(2,542.1)**	**$**

Net income (loss)	Net income (loss)	—	—	207.4	—	—	4.2	211.6	Net income (loss)	—	—	207.4	—	—
Stock compensation plans	Stock compensation plans	—	10.5	—	—	4.0	—	14.5	Stock compensation plans	—	10.5	—	—	4.0
Shares for benefit plan trust	Shares for benefit plan trust	—	—	—	—	0.1	—	0.1	Shares for benefit plan trust	—	—	—	—	0.1
Net pension and other benefit actuarial gains (losses) and prior service costs, net of income tax (1)	Net pension and other benefit actuarial gains (losses) and prior service costs, net of income tax (1)	—	—	—	3.6	—	—	3.6	Net pension and other benefit actuarial gains (losses) and prior service costs, net of income tax (1)	—	—	—	3.6	—
Net hedging gains (losses) and other, net of income tax (1)	Net hedging gains (losses) and other, net of income tax (1)	—	—	—	(84.1)	—	—	(84.1)	Net hedging gains (losses) and other, net of income tax (1)	—	—	—	(84.1)	—
Foreign currency translation adjustments (1)	Foreign currency translation adjustments (1)	—	—	—	(39.4)	—	—	(39.4)	Foreign currency translation adjustments (1)	—	—	—	(39.4)	—
Dividends ($0.53 per share)	Dividends ($0.53 per share)	—	—	(66.9)	—	—	—	(66.9)	Dividends ($0.53 per share)	—	—	(66.9)	—	—
Repurchases of common stock	Repurchases of common stock	—	—	—	—	(8.6)	—	(8.6)	Repurchases of common stock	—	—	—	—	(8.6)
Distributions to noncontrolling interests	Distributions to noncontrolling interests	—	—	—	—	—	(0.5)	(0.5)	Distributions to noncontrolling interests	—	—	—	—	—
Balance at March 31, 2022	**Balance at March 31, 2022**	**$ 18.6**	**$ 890.9**	**$5,233.4**	**$ (445.4)**	**$(2,546.6)**	**$ 23.1**	**$3,174.0**	**Balance at March 31, 2022**	**$ 18.6**	**$ 890.9**	**$5,233.4**	**$ (445.4)**	**$(2,546.6) $**
Net income (loss)	Net income (loss)	—	—	134.2	—	—	(3.0)	131.2	Net income (loss)	—	—	134.2	—	—
Stock compensation plans	Stock compensation plans	—	6.6	—	—	0.3	—	6.9	Stock compensation plans	—	6.6	—	—	0.3
Net pension and other benefit actuarial gains (losses) and prior service costs, net of income tax (1)	Net pension and other benefit actuarial gains (losses) and prior service costs, net of income tax (1)	—	—	—	3.2	—	—	3.2	Net pension and other benefit actuarial gains (losses) and prior service costs, net of income tax (1)	—	—	—	3.2	—
Net hedging gains (losses) and other, net of income tax (1)	Net hedging gains (losses) and other, net of income tax (1)	—	—	—	48.0	—	—	48.0	Net hedging gains (losses) and other, net of income tax (1)	—	—	—	48.0	—

Foreign currency translation adjustments (1)	Foreign currency translation adjustments (1)	—	—	—	(76.0)	—	(1.3)	(77.3)	Foreign currency translation adjustments (1)	—	—	—	(76.0)	—
Dividends ($0.53 per share)	Dividends ($0.53 per share)	—	—	(66.9)	—	—	—	(66.9)	Dividends ($0.53 per share)	—	—	(66.9)	—	—
Balance at June 30, 2022	**Balance at June 30, 2022**	**$ 18.6**	**$ 897.5**	**$5,300.7**	**$ (470.2)**	**$(2,546.3)**	**$ 18.8**	**$3,219.1**	**Balance at June 30, 2022**	**$ 18.6**	**$ 897.5**	**$5,300.7**	**$ (470.2)**	**$(2,546.3) $**
Net income (loss)									Net income (loss)	—	—	121.0	—	—
Stock compensation plans									Stock compensation plans	—	5.8	—	—	0.1
Net pension and other benefit actuarial gains (losses) and prior service costs, net of income tax (1)									Net pension and other benefit actuarial gains (losses) and prior service costs, net of income tax (1)	—	—	—	(0.1)	—
Net hedging gains (losses) and other, net of income tax (1)									Net hedging gains (losses) and other, net of income tax (1)	—	—	—	20.1	—
Foreign currency translation adjustments (1)									Foreign currency translation adjustments (1)	—	—	—	(91.8)	—
Dividends ($0.53 per share)									Dividends ($0.53 per share)	—	—	(66.9)	—	—
Repurchases of common stock									Repurchases of common stock	—	—	—	—	(0.3)
Balance at September 30, 2022									**Balance at September 30, 2022**	**$ 18.6**	**$ 903.3**	**$5,354.8**	**$ (542.0)**	**$(2,546.5) $**

(1) See condensed consolidated statements of comprehensive income (loss).

The accompanying Notes are an integral part of these condensed consolidated financial statements.

FMC CORPORATION

Notes to Condensed Consolidated Financial Statements (unaudited)

Note 1: Financial Information and Accounting Policies

In our opinion, the condensed consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") applicable to interim period financial statements and reflect all adjustments necessary for a fair statement of results of operations for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022, cash flows for the six nine months ended June 30, 2023 September 30, 2023 and 2022, changes in equity for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022, and our financial positions as of June 30, 2023 September 30, 2023 and December 31, 2022. All such adjustments included herein are of a normal, recurring nature unless otherwise disclosed in the Notes. The results of operations for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022 are not necessarily indicative of the results of operations for the full year. The condensed consolidated balance sheets as of June 30, 2023 September 30, 2023 and December 31, 2022, and the related condensed consolidated statements of income (loss) and condensed consolidated statements of comprehensive income (loss) for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022, condensed consolidated statements of cash flows for the six nine months ended June 30, 2023 September 30, 2023 and 2022, and condensed consolidated statements of changes in equity for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022 have been reviewed by our independent registered public accountants. The review is described more fully in their report included herein. Our accounting policies are set forth in detail in Note 1 to the consolidated financial statements included with our Annual Report on Form 10-K filed with the Securities and Exchange Commission for the year ended December 31, 2022 (the "2022 Form 10-K").

Note 2: Recently Issued and Adopted Accounting Pronouncements and Regulatory Items

New accounting guidance and regulatory items

In March 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting,* to provide optional guidance for a limited period of time to ease the potential burden in accounting for contracts and hedging relationships affected by reference rate reform. This applies to contracts that reference LIBOR or another rate that is expected to be discontinued as a result of rate reform and have modified terms that affect or have the potential to affect the amount and timing of contractual cash flows resulting from the discontinuance of reference rate. In December 2022, the FASB finalized ASU 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848,* which defers the sunset date for Topic 848 from December 31, 2022 to December 31, 2024. This standard amends the definition of the SOFR Swap Rate under Topic 815 so that it is not limited to the Overnight Indexed Swap rate based on SOFR and includes other rates based on SOFR. These amendments were effective upon issuance and should be applied prospectively. We are evaluating the impacts this standard will have on accounting for contracts and hedging relationships but do not believe it will have a material impact on our consolidated financial statements.

On December 20, 2021, the Organization for Economic Co-operation and Development (the "OECD") released Pillar Two Model Rules defining the global minimum tax, which calls for the taxation of large corporations at a minimum rate of 15%. The OECD continues to release additional guidance on the two-pillar framework, which could begin in 2024 for countries that choose to enact the legislation. We are continuing to evaluate the potential impact on future periods of the Pillar Two Framework, pending legislative adoption by individual countries.

Recently adopted accounting guidance

In September 2022, the FASB issued ASU No. 2022-04, *Liabilities—Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations*. This ASU enhances the transparency of supplier finance programs and their effect on working capital, liquidity, and cash flows. The new standard is effective for fiscal years beginning after December 15, 2022 (i.e. a January 1, 2023 effective date), including interim periods within those years. The amendments in the ASU should be applied retrospectively to all periods in which a balance sheet is presented, except for the amendment on roll forward information, which should be applied prospectively on an annual basis. In accordance with the new disclosure requirements, which we have adopted beginning January 1, 2023, we have included information regarding our key program terms and the amount outstanding that remains unpaid at period end as further described below.

We work with suppliers to optimize payment terms and conditions on accounts payable to improve working capital and cash flows. We offer to a select group of suppliers a voluntary Supply Chain Finance (“SCF”) program with a global financial institution. The suppliers, at their sole discretion, may sell their receivables to the financial institution based on terms negotiated between them. Our obligations to our suppliers are not impacted by our suppliers’ decisions to sell under these arrangements. Obligations outstanding under this program are recorded within "Accounts payable, trade and other" in our condensed consolidated balance sheets and the associated payments are included in operating activities within our condensed consolidated statements of cash flows.

FMC CORPORATION

Notes to Condensed Consolidated Financial Statements (unaudited) — (Continued)

Our payment terms with our suppliers are consistent, regardless of whether a supplier participates in the program. We deem these terms to be commercially reasonable and consistent with the range of industry standards within their respective regions. Under the terms of the agreement, we do not pledge assets as security or make any other forms of guarantees.

FMC's outstanding obligations confirmed as valid under the SCF was $281.6 $126.8 million and $307.5 million as of June 30, 2023 September 30, 2023 and December 31, 2022, respectively.

Note 3: Revenue Recognition

Disaggregation of revenue

We disaggregate revenue from contracts with customers by geographical areas and major product categories. We have three major agricultural product categories: insecticides, herbicides, and fungicides. Plant health, which includes biological products, is also included in the below table, because it is a growing part of our business. table. The disaggregated revenue tables are shown below for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022.

The following table provides information about disaggregated revenue by major geographical region:

(in Millions)	(in Millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022	(in Millions)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
North America	North America	$ 272.5	$ 364.6	$ 769.8	$ 754.4	North America	$ 159.6	$ 241.2	$ 929.4	$ 995.6
Latin America	Latin America	268.7	431.5	502.3	697.4	Latin America	466.1	697.1	968.4	1,394.5
Europe, Middle East & Africa (EMEA)	Europe, Middle East & Africa (EMEA)	207.6	280.8	590.6	679.0	Europe, Middle East & Africa (EMEA)	149.0	150.7	739.6	829.7
Asia	Asia	265.7	375.4	496.1	672.3	Asia	207.2	288.2	703.3	960.5
Total Revenue	**Total Revenue**	**$ 1,014.5**	**$ 1,452.3**	**$ 2,358.8**	**$ 2,803.1**	**Total Revenue**	**$ 981.9**	**$ 1,377.2**	**$ 3,340.7**	**$ 4,180.3**

The following table provides information about disaggregated revenue by product category:

(in Millions)	(in Millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022	(in Millions)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Insecticides	Insecticides	$ 658.9	$ 897.1	$ 1,405.6	$ 1,663.8	Insecticides	$ 582.4	$ 872.3	$ 1,988.0	$ 2,536.1
Herbicides	Herbicides	225.5	380.3	668.3	784.7	Herbicides	268.0	323.6	936.3	1,108.3
Fungicides	Fungicides	72.3	63.3	173.3	172.0	Fungicides	55.5	75.3	228.8	247.3
Plant Health	Plant Health	43.4	62.7	95.7	116.1	Plant Health	42.6	53.2	138.3	169.3
Other	Other	14.4	48.9	15.9	66.5	Other	33.4	52.8	49.3	119.3
Total Revenue	**Total Revenue**	**$ 1,014.5**	**$ 1,452.3**	**$ 2,358.8**	**$ 2,803.1**	**Total Revenue**	**$ 981.9**	**$ 1,377.2**	**$ 3,340.7**	**$ 4,180.3**

FMC CORPORATION

Notes to Condensed Consolidated Financial Statements (unaudited) — (Continued)

We earn revenue from the sale of a wide range of products to a diversified base of customers around the world. We develop, market and sell all three major classes of crop protection chemicals (insecticides, herbicides and fungicides) as well as biologicals, crop nutrition, and seed treatment products, which we group as plant health. These products are used in agriculture to enhance crop yield and quality by controlling a broad spectrum of insects, weeds and disease, as well as in non-agricultural markets for pest control. The majority of our product lines consist of insecticides and herbicides, with a smaller portfolio of fungicides mainly used in high value crop segments. We are investing in plant health which includes our growing biological products. Our insecticides are used to control a wide spectrum of pests, while our herbicide portfolio primarily targets a large variety of difficult-to-control weeds. Products in the other category include various agricultural products such as smaller classes of pesticides, growth promoters, and other miscellaneous revenue sources.

FMC CORPORATION

Notes to Condensed Consolidated Financial Statements (unaudited) — (Continued)

Sale of Goods

Revenue from product sales is recognized when (or as) we satisfy a performance obligation by transferring the promised goods to a customer, that is, when control of the good transfers to the customer. The customer is then invoiced at the agreed-upon price with payment terms generally ranging from 30 to 90 days, with some regions providing terms longer than 90 days. We do not typically give payment terms that exceed 360 days; however, in certain geographical regions such as Latin America, these terms may be given in limited circumstances. Additionally, a timing difference of over one year can exist between when products are delivered to the customer and when payment is received from the customer in these regions; however, the effect of these sales is not material to the financial statements as a whole. Furthermore, we have assessed the circumstances and arrangements in these regions and determined that the contracts with these customers do not contain a significant financing component.

In determining when the control of goods is transferred, we typically assess, among other things, the transfer of risk and title and the shipping terms of the contract. The transfer of title and risk typically occurs either upon shipment to the customer or upon receipt by the customer. As such, we typically recognize revenue when goods are shipped based on the relevant Incoterm for the product order, or in some regions, when delivery to the customer's requested destination has occurred. When we perform shipping and handling activities after the transfer of control to the customer (e.g., when control transfers prior to delivery), they are considered as fulfillment activities, and accordingly, the costs are accrued for when the related revenue is recognized. For FOB shipping point terms, revenue is recognized at the time of shipment since the customer gains control at this point in time.

We record amounts billed for shipping and handling fees as revenue. Costs incurred for shipping and handling are recorded as costs of sales and services. Amounts billed for sales and use taxes, value-added taxes, and certain excise and other specific transactional taxes imposed on revenue-producing transactions are presented on a net basis and excluded from sales in the consolidated income statements. We record a liability until remitted to the respective taxing authority.

Sales Incentives and Other Variable Considerations

As a part of our customary business practice, we offer a number of sales incentives to our customers including volume discounts, retailer incentives, and prepayment options. The variable considerations given can differ by products, support levels and other eligibility criteria. For all such contracts that include any variable consideration, we estimate the amount of variable consideration that should be included in the transaction price utilizing either the expected value method or the most likely amount method depending on the nature of the variable consideration. Variable consideration is included in the transaction price if, in our judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur. Although determining the transaction price for these considerations requires significant judgment, we have significant historical experience with incentives provided to customers and estimate the expected consideration considering historical patterns of incentive payouts. These estimates are reassessed each reporting period as required.

In addition to the variable considerations described above, in certain instances, we may require our customers to meet certain volume thresholds within their contract term. We estimate what amount of variable consideration should be included in the transaction price at contract inception and continually reassess this estimation each reporting period to determine situations when the minimum volume thresholds will not be met.

FMC CORPORATION

Notes to Condensed Consolidated Financial Statements (unaudited) — (Continued)

Right of Return

We extend an assurance warranty offering customers a right of refund or exchange in case delivered product does not conform to specifications. Additionally, in certain regions and arrangements, we may offer a right of return for a specified period. Both instances are accounted for as a right of return and transaction price is adjusted for an estimate of expected returns. Replacement products are accounted for under the warranty guidance if the customer exchanges one product for another of the same kind, quality, and price. We have significant experience with historical return patterns and use this experience to include returns in the estimate of transaction price.

FMC CORPORATION

Notes to Condensed Consolidated Financial Statements (unaudited) — (Continued)

Contract Asset and Contract Liability Balances

We satisfy our obligations by transferring goods and services in exchange for consideration from customers. The timing of performance sometimes differs from the timing the associated consideration is received from the customer, thus resulting in the recognition of a contract asset or contract liability. We recognize a contract liability if the customer's payment of consideration is received prior to completion of our related performance obligation.

The following table presents the opening and closing balances of our receivables, net of allowances and contract liabilities from contracts with customers:

(in Millions)	(in Millions)	Balance as of December 31, 2022	Balance as of June 30, 2023	Increase (Decrease)	(in Millions)	Balance as of December 31, 2022	Balance as of September 30, 2023	Increase (Decrease)
Receivables from contracts with customers, net of allowances (1)	Receivables from contracts with customers, net of allowances (1)	$ 2,932.2	$ 2,805.2	$ (127.0)	Receivables from contracts with customers, net of allowances (1)	$ 2,932.2	$ 2,588.0	$ (344.2)
Contract liabilities: Advance Payments from customers	Contract liabilities: Advance Payments from customers	680.5	3.4	(677.1)	Contract liabilities: Advance Payments from customers	680.5	1.7	(678.8)

(1) Amount includes $2,782.8 million $2,564.5 million of trade receivables and $22.4 million $23.5 million of net long-term customer receivables as of June 30, 2023 September 30, 2023. See Note 6 for more information.

The balance of receivables from contracts with customers listed in the table above include both current trade receivables and long-term receivables, net of allowance for doubtful accounts. The allowance for receivables represents our best estimate of the probable losses associated with potential customer defaults. We determine the allowance based on historical experience, current collection trends, and external business factors such as economic factors, including regional bankruptcy rates, and political factors. The change in allowance for doubtful accounts for both current trade receivables and long-term receivables is representative of the impairment of receivables as of June 30, 2023 September 30, 2023. Refer to Note 6 for further information.

The amount of revenue recognized in the six nine months ended June 30, 2023 September 30, 2023 that was included in the opening contract liability balance is $677.1 $678.8 million.

We periodically enter into prepayment arrangements with customers and receive advance payments for product to be delivered in future periods. Prepayment terms are extended to customers/distributors in order to capitalize on surplus cash with growers. Growers receive bulk payments for their produce, which they leverage to buy our products from distributors through prepayment options. This in turn creates opportunity for distributors to make large prepayments to us for securing the future supply of products to be sold to growers. Prepayments are typically received in the fourth quarter of the fiscal year and are for the following marketing year indicating that the time difference between prepayment and performance of corresponding performance obligations does not exceed one year.

We recognize these prepayments as a liability under "Advance payments from customers" on the condensed consolidated balance sheets when they are received. Revenue associated with advance payments is recognized as shipments are made and transfer of control to the customer takes place. Advance payments from customers were $1.7 million and $680.5 million as of December 31, 2022 September 30, 2023 and $3.4 million as of June 30, 2023. December 31, 2022, respectively.

FMC CORPORATION

Notes to Condensed Consolidated Financial Statements (unaudited) — (Continued)

Note 4: Goodwill and Intangible Assets

The changes in the carrying amount of goodwill are presented in the table below:

(in Millions)		Total
Balance, December 31, 2022	$	1,589.3
Foreign currency adjustments		3.0 (4.6)
Balance, June 30, 2023 September 30, 2023	**$**	**1,592.3 1,584.7**

There were We perform our goodwill and indefinite-lived intangible asset impairment tests at least annually. Our fiscal year 2023 annual goodwill and indefinite-lived intangible asset impairment test was performed during the three months ended September 30, 2023. We determined no events or circumstances indicating goodwill impairment existed and that goodwill might be impaired as the fair value was substantially in excess of June 30, 2023. the carrying value. Additionally, no indefinite-lived asset impairment existed and the estimated fair values also exceeded the carrying value for each of our indefinite-lived intangible assets.

FMC CORPORATION

Notes to Condensed Consolidated Financial Statements (unaudited) — (Continued)

Our intangible assets, other than goodwill, consist of the following:

	June 30, 2023						December 31, 2022					
(in Millions)		Gross		Accumulated Amortization		Net		Gross		Accumulated Amortization		Net
Intangible assets subject to amortization (finite-lived)												
Customer relationships	$	1,133.6	$	(383.2)	$	750.4	$	1,127.9	$	(351.3)	$	776.6
Patents		1.8		(1.5)		0.3		1.7		(1.4)		0.3
Brands (1)		49.2		(11.8)		37.4		16.1		(10.6)		5.5
Purchased and licensed technologies		130.1		(44.6)		85.5		128.4		(42.9)		85.5
Other intangibles		2.3		(1.7)		0.6		1.8		(1.7)		0.1
	$	1,317.0	$	(442.8)	$	874.2	$	1,275.9	$	(407.9)	$	868.0
Intangible assets not subject to amortization (indefinite-lived)												
Crop Protection Brands (2)	$	1,259.0			$	1,259.0	$	1,259.0			$	1,259.0
Brands (1)		344.2				344.2		370.1				370.1
In-process research & development		11.2				11.2		11.0				11.0

	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
	$ 1,614.4		$ 1,614.4	$ 1,640.1		$ 1,640.1
Total intangible assets	**$ 2,931.4**	**$ (442.8)**	**$ 2,488.6**	**$ 2,916.0**	**$ (407.9)**	**$ 2,508.1**

	September 30, 2023			December 31, 2022		
(in Millions)	**Gross**	**Accumulated Amortization**	**Net**	**Gross**	**Accumulated Amortization**	**Net**
Intangible assets subject to amortization (finite-lived)						
Customer relationships	$ 1,123.7	$ (393.8)	$ 729.9	$ 1,127.9	$ (351.3)	$ 776.6
Patents	1.8	(1.5)	0.3	1.7	(1.4)	0.3
Brands (1)	48.6	(11.9)	36.7	16.1	(10.6)	5.5
Purchased and licensed technologies	127.2	(45.0)	82.2	128.4	(42.9)	85.5
Other intangibles	2.3	(1.8)	0.5	1.8	(1.7)	0.1
	$ 1,303.6	$ (454.0)	$ 849.6	$ 1,275.9	$ (407.9)	$ 868.0
Intangible assets not subject to amortization (indefinite-lived)						
Crop Protection Brands (2)	$ 1,259.0		$ 1,259.0	$ 1,259.0		$ 1,259.0
Brands (1)	333.7		333.7	370.1		370.1
In-process research & development	10.8		10.8	11.0		11.0
	$ 1,603.5		$ 1,603.5	$ 1,640.1		$ 1,640.1
Total intangible assets	**$ 2,907.1**	**$ (454.0)**	**$ 2,453.1**	**$ 2,916.0**	**$ (407.9)**	**$ 2,508.1**

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(1) Represents trademarks, trade names and know-how.

(2) Represents proprietary brand portfolios, consisting of trademarks, trade names and know-how, of our crop protection brands.

		Three Months Ended June 30,		Six Months Ended June 30,			Three Months Ended September 30,		Nine Months Ended September 30,	
(in Millions)	**(in Millions)**	**2023**	**2022**	**2023**	**2022**	**(in Millions)**	**2023**	**2022**	**2023**	**2022**
Amortization expense	Amortization expense	$ 16.1	$ 15.3	$ 32.1	$ 30.7	Amortization expense	$ 16.2	$ 15.0	$ 48.3	$ 45.7

The full year estimated pre-tax amortization expense for the year ended December 31, 2023 and each of the succeeding five years is approximately $64 million, $63 million, $68 million, $69 million, $69 million, and $70 million, respectively.

FMC CORPORATION

Notes to Condensed Consolidated Financial Statements (unaudited) — (Continued)

Note 5: Acquisitions

On June 29, 2022, we announced a definitive agreement to acquire BioPhero ApS ("BioPhero"), a Denmark-based pheromone research and production company. The acquisition added state-of-the-art biologically produced pheromone insect control technology to our product portfolio and R&D pipeline, underscoring our role as a leader in delivering innovative and sustainable crop protection solutions.

The purchase price of approximately $193 million was primarily paid at closing on July 19, 2022. The acquisition, which was accounted for as a business combination, included all of BioPhero's technology, IP, supply agreements, employees and net assets of the business.

Purchase Price Allocation

The allocation of the purchase price to the assets acquired and liabilities assumed, including the residual amount allocated to goodwill, is considered complete. The allocation was subject to change within the measurement period (up to one year from the acquisition date) if additional information concerning final asset and liability valuations was obtained. There were no adjustments to the initial purchase price allocation during the measurement period.

FMC CORPORATION

Notes to Condensed Consolidated Financial Statements (unaudited) — (Continued)

The following table summarizes the consideration paid for the BioPhero acquisition and the amounts of the assets acquired and liabilities assumed.

Purchase Price Allocation

(in Millions)		
Fair Value of Assets Acquired		
Cash	$	10.0
Intangible assets		
Developed Technology (1)		66.3
In-process research & development		10.5
Goodwill		130.7
Other Assets		3.4
Total Assets	**$**	**220.9**
Fair Value of Liabilities Assumed		
Deferred income tax liabilities	$	16.6
Other Liabilities		1.1
Total Liabilities		**17.7**
Net Assets	**$**	**203.2**

Total Purchase Consideration:		**Amount**
Cash purchase price, net of acquired cash	$	193.2

(1) Expected life is 15 years and will be amortized based on the pattern of economic benefit

FMC CORPORATION

Notes to Condensed Consolidated Financial Statements (unaudited) — (Continued)

Note 6: Receivables

The following table displays a roll forward of the allowance for doubtful trade receivables.

(in Millions)		
Balance, December 31, 2021	**$**	**37.4**
Additions - charged to expense		0.7
Transfer from (to) allowance for credit losses (see below)		0.5
Net recoveries, write-offs and other		(4.7)
Balance, December 31, 2022	**$**	**33.9**
Additions - charged to expense		1.0 2.9
Transfer from (to) allowance for credit losses (see below)		(1.7) (1.5)
Net recoveries, write-offs and other		1.2 1.4
Balance, June 30, 2023 September 30, 2023	**$**	**34.4 36.7**

We have non-current receivables that represent long-term customer receivable balances related to past due accounts which are not expected to be collected within the current year. The net long-term customer receivables were $22.4 million $23.5 million as of June 30, 2023 September 30, 2023. These long-term customer receivable balances and the corresponding allowance are included in "Other assets including long-term receivables, net" on the condensed consolidated balance sheets.

FMC CORPORATION

Notes to Condensed Consolidated Financial Statements (unaudited) — (Continued)

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A portion of these long-term receivables have payment contracts. We have no reason to believe payments will not be made based upon the credit quality of these customers. Additionally, we also hold significant collateral against these customers including rights to property or other assets as a form of credit guarantee. If the customer does not pay or gives indication that they will not pay, these guarantees allow us to start legal action to block the sale of the customer's harvest. On an ongoing basis, we continue to evaluate the credit quality of our non-current receivables using aging of receivables, collection experience and write-offs, as well as evaluating existing economic conditions, to determine if an additional allowance is necessary.

The following table displays a roll forward of the allowance for credit losses related to long-term customer receivables:

(in Millions)		
Balance, December 31, 2021	**$**	**27.7**
Additions - charged (credited) to expense		(1.2)
Transfer from (to) allowance for doubtful accounts (see above)		(0.5)
Foreign currency adjustments		8.1
Net recoveries, write-offs and other		10.4
Balance, December 31, 2022	**$**	**44.5**
Additions - charged (credited) to expense		(0.3) 0.6
Transfer from (to) allowance for doubtful accounts (see above)		1.7 1.5
Foreign currency adjustments		0.8 0.2
Net recoveries, write-offs and other(1)		(1.3) (17.0)
Balance, June 30, 2023 September 30, 2023	**$**	**45.4 29.8**

(1) Relates to activity settled during the period that was provisioned for during prior periods.

Receivables Securitization Facility:

FMC entered into a trade receivables securitization program, primarily impacting our Brazilian operations during the third quarter of 2022. On a revolving basis, FMC may sell certain trade receivables into the facility in exchange for cash. A portion of the total receivables sold are deferred as an asset on our condensed consolidated balance sheets representing FMC's beneficial interest in the securitization fund.

In all instances, the transferred financial assets are sold on a non-recourse basis and have met the true sale criteria under ASC Topic 860. FMC has surrendered control of the receivables and as a result they will no longer be recognized on the condensed consolidated balance sheets. FMC may be engaged to serve as a special servicer for any delinquent receivables. In that capacity, we are entitled to market rate compensation for those services.

Cash receipts from the sale of trade receivables under the securitization arrangement, received at the time of sale, are classified as cash flows from operating activities. There were $67.5 $97.3 million in receivables sold under the securitization program during the six nine months ended June 30, 2023 September 30, 2023. A $6.5 million charge associated with the transfer of these financial assets is included as a component within selling, general and administrative expense during the nine months ended September 30, 2023.

There were no sales $50.5 million in receivables sold under the securitization program during the six nine months ended June 30, 2022 September 30, 2022. As part of the initial funding, approximately $19 million of the 2022 sale was retained by the investment fund and will be returned to FMC, including interest, at the maturity of the securitization. A $5.2 million charge associated with the transfer of these financial assets is included as a component within selling, general and administrative expense during the nine months ended September 30, 2022.

Other Receivable Factoring:

In addition to the above, we may sell trade receivables on a non-recourse basis to third-party financial institutions. These sales are normally driven by specific market conditions, including, but not limited to, foreign exchange environments, customer credit management, as well as other factors where the receivables may lay.

We account for these transactions as true sales and as a result they will no longer be recognized on the condensed consolidated balance sheets because the agreements transfer effective control and risk related to the receivables to the buyers. The net cash proceeds received are presented within cash provided by operating activities within our condensed consolidated statements of cash flows. The cost of factoring these accounts receivables is recorded as an expense within the condensed consolidated statements of income (loss) and has been inconsequential during each reporting period. During the six nine months ended June 30, 2023 September 30, 2023, there was $155.0 million in non-recourse factoring. There was no non-recourse factoring during the six nine months ended June 30, 2022 September 30, 2022.

Note 7: Inventories

Inventories consisted of the following:

(in Millions)		September 30, 2023		December 31, 2022
Finished goods	$	631.2	$	577.5

Work in process	1,002.7	807.4
Raw materials, supplies and other	364.7	266.7
Net inventories	**$ 1,998.6**	**$ 1,651.6**

Note 7: Inventories

Inventories consisted of the following:

(in Millions)	June 30, 2023	December 31, 2022
Finished goods	$ 718.9	$ 577.5
Work in process	992.7	807.4
Raw materials, supplies and other	360.7	266.7
Net inventories	**$ 2,072.3**	**$ 1,651.6**

Note 8: Property, Plant and Equipment

Property, plant and equipment consisted of the following:

(in Millions)	(in Millions)	June 30, 2023	December 31, 2022	(in Millions)	September 30, 2023	December 31, 2022
Property, plant and equipment	Property, plant and equipment	$ 1,481.8	$ 1,415.5	Property, plant and equipment	$ 1,511.3	$ 1,415.5
Accumulated depreciation	Accumulated depreciation	(613.9)	(565.9)	Accumulated depreciation	(638.8)	(565.9)
Property, plant and equipment, net	**Property, plant and equipment, net**	**$ 867.9**	**$ 849.6**	**Property, plant and equipment, net**	**$ 872.5**	**$ 849.6**

Note 9: Restructuring and Other Charges (Income)

Our restructuring and other charges (income) are comprised of restructuring, asset disposals and other charges (income) as noted below.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in Millions)	2023	2022	2023	2022
Restructuring charges	$ (0.9)	$ 3.4	$ —	$ 14.6
Other charges (income), net	8.2	77.4	19.8	75.3
Total restructuring and other charges (income)	**$ 7.3**	**$ 80.8**	**$ 19.8**	**$ 89.9**

FMC CORPORATION

Notes to Condensed Consolidated Financial Statements (unaudited) — (Continued)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in Millions)	2023	2022	2023	2022
Restructuring charges	$ 2.9	$ 2.0	$ 2.9	$ 16.6
Other charges (income), net	25.3	7.0	45.1	82.3
Total restructuring and other charges (income)	**$ 28.2**	**$ 9.0**	**$ 48.0**	**$ 98.9**

Restructuring charges

For detail on restructuring activities which commenced prior to 2023, see Note 9 to our consolidated financial statements included within our 2022 Form 10-K.

(in Millions)	(in Millions)	Severance and Employee Benefits	Other Charges (Income) (1)	Asset Disposal Charges (Income) (2)	Total	(in Millions)	Severance and Employee Benefits	Other Charges (Income) (1)	Asset Disposal Charges (Income) (2)	Total

DuPont Crop restructuring		$ —	$ (5.7)	$ —	$ (5.7)					
Other items (3)	Other items (3)	4.8	—	—	4.8	Other items (3)	2.5	0.4	—	2.9
Three Months Ended June 30, 2023		**$ 4.8**	**$ (5.7)**	**$ —**	**$ (0.9)**					
Three Months Ended September 30, 2023						**Three Months Ended September 30, 2023**	**$ 2.5**	**$ 0.4**	**$ —**	**$ 2.9**
DuPont Crop restructuring (4)	DuPont Crop restructuring (4)	$ —	$ 0.2	$ —	$ 0.2	DuPont Crop restructuring (4)	$ —	$ 0.1	$ —	$ 0.1
Regional realignment (5)	Regional realignment (5)	1.4	1.0	—	2.4	Regional realignment (5)	0.4	0.7	—	1.1
Other items	Other items	0.3	0.5	—	0.8	Other items	0.1	0.7	—	0.8
Three Months Ended June 30, 2022		**$ 1.7**	**$ 1.7**	**$ —**	**$ 3.4**					
Three Months Ended September 30, 2022						**Three Months Ended September 30, 2022**	**$ 0.5**	**$ 1.5**	**$ —**	**$ 2.0**
DuPont Crop restructuring	DuPont Crop restructuring	$ —	$ (8.1)	$ 2.8	$ (5.3)	DuPont Crop restructuring	$ —	$ (8.1)	$ 2.8	$ (5.3)
Other items (3)	Other items (3)	4.8	0.5	—	5.3	Other items (3)	6.8	1.4	—	8.2
Six Months Ended June 30, 2023		**$ 4.8**	**$ (7.6)**	**$ 2.8**	**$ —**					
Nine Months Ended September 30, 2023						**Nine Months Ended September 30, 2023**	**$ 6.8**	**$ (6.7)**	**$ 2.8**	**$ 2.9**
DuPont Crop restructuring (4)	DuPont Crop restructuring (4)	$ —	$ 0.5	$ —	$ 0.5	DuPont Crop restructuring (4)	$ —	$ 0.6	$ —	$ 0.6
Regional realignment (5)	Regional realignment (5)	3.4	1.5	—	4.9	Regional realignment (5)	3.8	2.2	—	6.0
Other items	Other items	(0.1)	1.1	8.2	9.2	Other items	—	1.8	8.2	10.0
Six Months Ended June 30, 2022		**$ 3.3**	**$ 3.1**	**$ 8.2**	**$ 14.6**					
Nine Months Ended September 30, 2022						**Nine Months Ended September 30, 2022**	**$ 3.8**	**$ 4.6**	**$ 8.2**	**$ 16.6**

(1) Primarily represents costs associated with miscellaneous restructuring activities, including third-party costs. Other income, if applicable, primarily represents favorable developments on previously recorded exit costs and recoveries associated with restructuring. The three and six nine months ended June 30, 2023 September 30, 2023 includes the recognition of a gain of $5.8 million for land disposition related to a transfer agreement with the Shanghai Municipal People's Government, which was executed in December 2022.

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Notes to Condensed Consolidated Financial Statements (unaudited) — (Continued)

(2) Primarily represents asset write-offs (recoveries) and accelerated depreciation on long-lived assets, which were or are to be abandoned. To the extent incurred, the acceleration effect of re-estimating settlement dates and revised cost estimates associated with asset retirement obligations due to facility shutdowns, are also included within the asset disposal charges. The amount for the six nine months ended June 30, 2022 September 30, 2022 represents fixed asset charges resulting from the closure of certain manufacturing sites during the period.

(3) During the three and six nine months ended June 30, 2023 September 30, 2023, we incurred severance charges associated with a targeted work force reduction initiative, primarily impacting our EMEA and APAC operations.

(4) Restructuring charges related to DuPont Crop restructuring during the three and six nine months ended June 30, 2022 September 30, 2022 represent the remaining in-flight restructuring charges as we completed the established DuPont Crop Restructuring program associated with integration. These charges are primarily associated with accelerated depreciation on certain fixed assets, severance, and other costs as we exit certain facilities.

(5) Beginning in the second quarter of 2021, we began to consolidate our global operations into centralized regional headquarters within EMEA and APAC. The regional realignment restructuring charges during the three and six nine months ended June 30, 2022 September 30, 2022 are primarily related to severance and other exit costs resulting from this consolidation.

Roll forward of restructuring reserves

The following table shows a roll forward of restructuring reserves, that will result in cash spending. These amounts exclude asset retirement obligations.

(in Millions)	(in Millions)	Balance at 12/31/22 (6)	Change in reserves (4)	Cash payments	Other (5)	Balance at 6/30/23 (6)	(in Millions)	Balance at 12/31/22 (6)	Change in reserves (4)	Cash payments	Other (5)	Balance at 9/30/23 (6)
DuPont Crop restructuring (1)	DuPont Crop restructuring (1)	$ 5.0	$ 0.1	$ (0.9)		$ 4.2	DuPont Crop restructuring (1)	$ 5.0	$ 0.2	$ (1.2)	$ (0.1)	$ 3.9
Regional realignment (2)	Regional realignment (2)	3.0	—	(1.5)	—	1.5	Regional realignment (2)	3.0	0.1	(2.2)	—	0.9
Other workforce related and facility shutdowns (3)	Other workforce related and facility shutdowns (3)	2.6	5.3	(2.3)	0.1	5.7	Other workforce related and facility shutdowns (3)	2.6	8.8	(7.2)	0.3	4.5
Total	**Total**	**$ 10.6**	**$ 5.4**	**$ (4.7)**	**$ 0.1**	**$ 11.4**	**Total**	**$ 10.6**	**$ 9.1**	**$ (10.6)**	**$ 0.2**	**$ 9.3**

(1) Primarily consists of residual separation costs associated with DuPont Crop restructuring activities.

(2) Primarily consists of severance and employee relocation costs as well as other costs associated with the relocation of our European headquarters and the consolidation of our Asia Pacific operations into a single regional headquarters in Singapore.

(3) Primarily severance costs and other exit costs related to workforce reductions and facility shutdowns.

(4) Primarily other miscellaneous exit costs. The accelerated depreciation and asset impairment charges associated with these restructurings that have impacted our property, plant and equipment or intangible balances are not included in this table.

(5) Primarily foreign currency translation adjustments.

(6) Included in "Accrued and other liabilities" and "Other long-term liabilities" on the consolidated balance sheets.

Other charges (income), net

		Three Months Ended June 30,		Six Months Ended June 30,			Three Months Ended September 30,		Nine Months Ended September 30,	
(in Millions)	(in Millions)	2023	2022	2023	2022	(in Millions)	2023	2022	2023	2022
Environmental charges, net	Environmental charges, net	$ 7.5	$ 0.9	$ 9.8	$ (2.4)	Environmental charges, net	$ 4.5	$ 3.4	$ 14.3	$ 1.0
Exit from Russian Operations		—	76.1	—	76.1					
Pakistan currency devaluation charge		—	—	6.9	—					
Exit from Russian operations						Exit from Russian operations	—	—	—	76.1

Currency devaluation charges						Currency devaluation charges	4.9	—	11.8	—
IPR&D asset acquisition charge						IPR&D asset acquisition charge	11.9	—	11.9	—
Other items, net	Other items, net	0.7	0.4	3.1	1.6	Other items, net	4.0	3.6	7.1	5.2
Other charges (income), net	**Other charges (income), net**	**$ 8.2**	**$ 77.4**	**$ 19.8**	**$ 75.3**	**Other charges (income), net**	**$ 25.3**	**$ 7.0**	**$ 45.1**	**$ 82.3**

Environmental charges, net

Environmental charges represent the net charges associated with environmental remediation at continuing operating sites. See Note 12 for additional details. Environmental obligations for continuing operations primarily represent obligations at shut down or abandoned facilities within businesses that do not meet the criteria for presentation as discontinued operations.

Exit from Russian Operations operations

As the Russia-Ukraine war continues, our values as a company as well as the sanctions imposed on, and cross-sanctions imposed and announced by, the Russian Federation led us to cease operations and business in Russia. This decision was made in mid-April of 2022 when we concluded that it was not sustainable to continue operations. As a result of this decision, we recorded a charge of approximately $76.1 million during the three and six nine months ended June 30, 2022 September 30, 2022. The charge primarily consists of noncash asset write offs, mainly working capital as well as the value of a packaging and formulation facility. This charge includes approximately $7 million of cash that was stranded and not accessible to us.

Pakistan currency Currency devaluation charge charges

Charges During the three months ended September 30, 2023, we incurred $4.9 million in losses related to the devaluation of the Argentine peso driven by government actions during the period. The nine months ended September 30, 2023, also includes a $6.9 million relate to a remeasurement charge which was recognized in the six months ended June 30, 2023 resulting from the significant currency depreciation of the Pakistani Rupee. Rupee during the first quarter of 2023. On January 25th, 2023, January 25, 2023, the Pakistani Rupee experienced its largest single day drop against the US dollar in over two decades following the removal of the USD-PKR exchange cap in place on the country's currency. This action, combined with the decision by Pakistan's central bank to raise interest rates to record highs during the quarter, resulted in the immediate and significant devaluation of the Pakistani Rupee.

IPR&D asset acquisition charge

During the third quarter of 2023, we finalized a development agreement which will bring to market a new herbicide active ingredient used to control weeds in rice. As part of the agreement, FMC acquired a data set that includes studies and technical research that will be used to support the development of formulations and product registrations. Acquired in-process research and development assets are expensed as incurred and included as a component of "Restructuring and other charges (income)" on the consolidated statements of income (loss).

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Notes to Condensed Consolidated Financial Statements (unaudited) — (Continued)

Note 10: Debt

Debt maturing within one year:

(in Millions)	(in Millions)	June 30, 2023	December 31, 2022	(in Millions)	September 30, 2023	December 31, 2022
Short-term foreign debt (1)	Short-term foreign debt (1)	$ 162.8	$ 81.8	Short-term foreign debt (1)	$ 132.4	$ 81.8
Commercial paper (2)	Commercial paper (2)	1,001.5	370.5	Commercial paper (2)	467.3	370.5
Total short-term debt	**Total short-term debt**	**$ 1,164.3**	**$ 452.3**	**Total short-term debt**	**$ 599.7**	**$ 452.3**
Current portion of long-term debt	Current portion of long-term debt	496.2	88.5	Current portion of long-term debt	493.1	88.5

Total short-term debt and current portion of long-term debt (3)	**Total short-term debt and current portion of long-term debt** (3)	**$**	**1,660.5**	**$**	**540.8**	**Total short-term debt and current portion of long-term debt** (3)	**$**	**1,092.8**	**$**	**540.8**

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(1) At June 30, 2023 September 30, 2023, the average effective interest rate on the borrowings was 13.6 14.1 percent.

(2) At June 30, 2023 September 30, 2023, the average effective interest rate on the borrowings was 5.9 6.0 percent.

(3) Based on cash generated from operations, our existing liquidity facilities, which includes the revolving credit agreement with the option to increase capacity up to $2.75 billion, and our continued access to debt capital markets, we have adequate liquidity to meet any of the company's debt obligations in the near term including any current portion of long-term debt.

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Notes to Condensed Consolidated Financial Statements (unaudited) — (Continued)

Long-term debt:

		June 30, 2023					**September 30, 2023**			
(in Millions)	**(in Millions)**	**Interest Rate Percentage**	**Maturity Date**	**June 30, 2023**	**December 31, 2022**	**(in Millions)**	**Interest Rate Percentage**	**Maturity Date**	**September 30, 2023**	**December 31, 2022**
Pollution control and industrial revenue bonds (less unamortized discounts of $0.1 and $0.1, respectively)	Pollution control and industrial revenue bonds (less unamortized discounts of $0.1 and $0.1, respectively)	6.45%	2032	$ 49.9	$ 49.9	Pollution control and industrial revenue bonds (less unamortized discounts of $0.1 and $0.1, respectively)	6.45%	2032	$ 49.9	$ 49.9
Senior notes (less unamortized discount of $1.9 and $0.6, respectively) (2)	Senior notes (less unamortized discount of $1.9 and $0.6, respectively) (2)	3.20% - 6.40%	2024 - 2053	3,398.1	1,899.4	Senior notes (less unamortized discount of $1.9 and $0.6, respectively) (2)	3.20% - 6.40%	2024 - 2053	3,398.1	1,899.4
2021 Term Loan Facility	2021 Term Loan Facility	—%	2024	—	800.0	2021 Term Loan Facility	—%	—	—	800.0
Revolving Credit Facility (1)	Revolving Credit Facility (1)	7.70%	2027	—	—	Revolving Credit Facility (1)	8.00%	2027	—	—
Foreign debt	Foreign debt	0% - 17.90%	2023 - 2024	96.1	88.5	Foreign debt	0% - 17.90%	2023 - 2024	93.1	88.5
Debt issuance cost	Debt issuance cost			(25.9)	(16.1)	Debt issuance cost			(25.1)	(16.1)
Total long-term debt	**Total long-term debt**			**$ 3,518.2**	**$ 2,821.7**	**Total long-term debt**			**$ 3,516.0**	**$ 2,821.7**
Less: debt maturing within one year	Less: debt maturing within one year			496.2	88.5	Less: debt maturing within one year			493.1	88.5
Total long-term debt, less current portion	**Total long-term debt, less current portion**			**$ 3,022.0**	**$ 2,733.2**	**Total long-term debt, less current portion**			**$ 3,022.9**	**$ 2,733.2**

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(1) Letters of credit outstanding under our Revolving Credit Facility totaled $243.1 million and available funds under this facility were $755.4 million $1,289.6 million at June 30, 2023 September 30, 2023.

Senior Notes

On May 18, 2023, we issued $500 million aggregate principal amount of 5.150% Senior Notes due 2026, $500 million aggregate principal amount of 5.650% Senior Notes due 2033 and $500 million aggregate principal amount of 6.375% Senior Notes due 2053 (together the "Senior Notes"). The net proceeds from the offering were used to pay down both outstanding commercial paper and the 2021 Term Loan Facility as well as for general corporate purposes.

Covenants

Among other restrictions, our Revolving Credit Facility contains financial covenants applicable to FMC and its consolidated subsidiaries related to leverage (measured as the ratio of debt to adjusted earnings) and interest coverage (measured as the ratio of adjusted earnings to interest expense). On June 30, 2023, the Company entered into Amendment No. 1 to that certain Fifth Amended and Restated Credit Agreement, dated as of June 17, 2022, which increased the maximum leverage ratio to 4.0 through the for a period ending March 31, 2024. The maximum leverage ratio will step down to 3.75 for the quarter ending June 30, 2024 and thereafter. of time, which has now been amended further as described below. Our actual leverage for the four consecutive quarters ended June 30, 2023 September 30, 2023 was 3.55, 3.80, which is below the maximum leverage of 4.00 at June 30, 2023 September 30, 2023. Our actual interest coverage for the four consecutive quarters ended June 30, 2023 September 30, 2023 was 5.84, 4.96, which is above the minimum interest coverage of 3.50. We were in compliance with all covenants at June 30, 2023 September 30, 2023.

November 7, 2023 Amendment

On November 7, 2023, the Company amended its credit agreement to provide additional financial flexibility given current market challenges, which are expected to persist during the covenant relief period. As defined in the amendment, the maximum leverage ratio is increased to 6.50 through the period ending June 30, 2024. The maximum leverage ratio will incrementally step down during the covenant relief period ending at 3.75 for the quarter ended September 30, 2025. The amendment also lowers the minimum interest coverage ratio to 2.50 beginning with the quarter ended December 31, 2023 and then incrementally increases during the covenant relief period. The minimum interest coverage ratio will return to the current level of 3.50 beginning with the quarter ended September 30, 2025. Additionally, the Company shall not repurchase shares during the covenant relief period, with the exception of share repurchases under our equity compensation plans.

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Notes to Condensed Consolidated Financial Statements (unaudited) — (Continued)

Note 11: Discontinued Operations

Discontinued operations include adjustments to retained assets and liabilities as well as provisions, net of recoveries, for environmental liabilities and legal reserves and expenses related to previously discontinued operations and retained liabilities. The primary liabilities retained include environmental liabilities, other postretirement benefit liabilities, self-insurance, long-term obligations related to legal proceedings and historical restructuring activities.

Our discontinued operations comprised the following:

		Three Months Ended June 30,		Six Months Ended June 30,			Three Months Ended September 30,		Nine Months Ended September 30,	
(in Millions)	**(in Millions)**	**2023**	**2022**	**2023**	**2022**	**(in Millions)**	**2023**	**2022**	**2023**	**2022**
Adjustment for workers' compensation, product liability, other postretirement benefits and other, net of income tax benefit (expense) of $(0.9) and $(1.3) for the three and six months ended June 30, 2023, respectively, and $(1.5) and $(1.7) for the three and six months ended June 30, 2022, respectively		$ (2.3)	$ (3.1)	$ (2.4)	$ (3.5)					
Provision for environmental liabilities, net of recoveries, net of income tax benefit of $3.8 and $4.3 for the three and six months ended June 30, 2023, respectively, and $0.3 and $0.9 for the three and six months ended June 30, 2022, respectively (1)		(11.9)	(0.6)	(14.1)	(2.7)					
Provision for legal reserves and expenses, net of recoveries, net of income tax benefit of $2.0 and $4.4 for the three and six months ended June 30, 2023, respectively, and $1.9 and $5.3 for the three and six months ended June 30, 2022, respectively		(7.3)	(7.1)	(16.5)	(19.8)					

Adjustment for workers' compensation, product liability, other postretirement benefits and other, net of income tax benefit (expense) of zero and $(1.3) for the three and nine months ended September 30, 2023, respectively, and $(0.7) and $(2.4) for the three and nine months ended September 30, 2022, respectively						Adjustment for workers' compensation, product liability, other postretirement benefits and other, net of income tax benefit (expense) of zero and $(1.3) for the three and nine months ended September 30, 2023, respectively, and $(0.7) and $(2.4) for the three and nine months ended September 30, 2022, respectively	$ (0.7)	$ (1.6)	$ (3.1)	$ (5.1)
Provision for environmental liabilities and expenses, net of recoveries, net of income tax benefit (expense) of $0.5 and $4.8 for the three and nine months ended September 30, 2023, respectively, and $1.0 and $1.9 for the three and nine months ended September 30, 2022, respectively (1)						Provision for environmental liabilities and expenses, net of recoveries, net of income tax benefit (expense) of $0.5 and $4.8 for the three and nine months ended September 30, 2023, respectively, and $1.0 and $1.9 for the three and nine months ended September 30, 2022, respectively (1)	(1.7)	(2.8)	(15.8)	(5.5)
Provision for legal reserves and expenses, net of recoveries, net of income tax benefit (expense) of $1.6 and $6.0 for the three and nine months ended September 30, 2023, respectively, and $3.1 and $8.4 for the three and nine months ended September 30, 2022, respectively						Provision for legal reserves and expenses, net of recoveries, net of income tax benefit (expense) of $1.6 and $6.0 for the three and nine months ended September 30, 2023, respectively, and $3.1 and $8.4 for the three and nine months ended September 30, 2022, respectively	(5.9)	(11.8)	(22.4)	(31.6)
Discontinued operations, net of income taxes	**Discontinued operations, net of income taxes**	**$ (21.5)**	**$ (10.8)**	**$ (33.0)**	**$ (26.0)**	**Discontinued operations, net of income taxes**	**$ (8.3)**	**$ (16.2)**	**$ (41.3)**	**$ (42.2)**

(1) The provision for the three nine months ended June 30, 2023 September 30, 2023 includes a $11.7 million charge resulting from a settlement agreement related to one of our foreign environmental remediation sites. The charge recorded adjusts the reserve to the anticipated payment amount. The agreement removes any future remediation obligations for the site.

Note 12: Environmental Obligations

We have reserves for potential environmental obligations which we consider probable and which we can reasonably estimate. The following table is a roll forward of our total environmental reserves, continuing and discontinued:

(in Millions)	(in Millions)	Gross	Recoveries (3)	Net	(in Millions)	Gross	Recoveries (3)	Net
Total environmental reserves at December 31, 2022	**Total environmental reserves at December 31, 2022**	**$ 543.1**	**$ (13.9)**	**$ 529.2**	**Total environmental reserves at December 31, 2022**	**$ 543.1**	**$ (13.9)**	**$ 529.2**
Provision (Benefit)	Provision (Benefit)	28.6	(0.4)	28.2	Provision (Benefit)	36.4	(0.6)	35.8
(Spending) Recoveries	(Spending) Recoveries	(28.4)	1.1	(27.3)	(Spending) Recoveries	(61.4)	1.0	(60.4)
Foreign currency translation adjustments	Foreign currency translation adjustments	1.9	—	1.9	Foreign currency translation adjustments	(1.0)	—	(1.0)
Net change	Net change	$ 2.1	$ 0.7	$ 2.8	Net change	$ (26.0)	$ 0.4	$ (25.6)
Total environmental reserves at June 30, 2023		**$ 545.2**	**$ (13.2)**	**$ 532.0**				
Total environmental reserves at September 30, 2023					**Total environmental reserves at September 30, 2023**	**$ 517.1**	**$ (13.5)**	**$ 503.6**
Environmental reserves, current (1)	Environmental reserves, current (1)	$ 101.7	$ (0.3)	$ 101.4	Environmental reserves, current (1)	$ 88.3	$ (0.7)	$ 87.6
Environmental reserves, long-term (2)	Environmental reserves, long-term (2)	443.5	(12.9)	430.6	Environmental reserves, long-term (2)	428.8	(12.8)	416.0
Total environmental reserves at June 30, 2023		**$ 545.2**	**$ (13.2)**	**$ 532.0**				
Total environmental reserves at September 30, 2023					**Total environmental reserves at September 30, 2023**	**$ 517.1**	**$ (13.5)**	**$ 503.6**

(1) These amounts are included within "Accrued and other liabilities" on the condensed consolidated balance sheets.

(2) These amounts are included in "Environmental liabilities, continuing and discontinued" on the condensed consolidated balance sheets.

(3) These recorded recoveries represent probable realization of claims against U.S. government agencies and are recorded as an offset to our environmental reserves in the condensed consolidated balance sheets.

The estimated reasonably possible environmental loss contingencies, net of expected recoveries, exceed amounts accrued by approximately $200 million at June 30, 2023 September 30, 2023. This reasonably possible estimate is based upon information available as of the date of the filing but the actual future losses may be higher given the uncertainties regarding the status of laws, regulations, enforcement policies, the impact of potentially responsible parties, technology and information related to individual sites. Potential environmental obligations that have not been reserved may be material to any one quarter's or year's results of operations in the future. However, we believe any such liability arising from such potential environmental obligations is not likely to have a material adverse effect on our liquidity or financial condition as it may be satisfied over many years.

The table below provides a roll forward of our environmental recoveries representing probable realization of claims against insurance carriers and other third parties. These recoveries are recorded as "Prepaid and other current assets" and "Other assets including long-term receivables, net" in the condensed consolidated balance sheets.

(in Millions)	(in Millions)	December 31, 2022	Increase (Decrease) in recoveries	Cash received	June 30, 2023	(in Millions)	December 31, 2022	Increase (Decrease) in recoveries	Cash received	September 30, 2023
Environmental recoveries	Environmental recoveries	$ 6.4	$ 0.4	$ (1.1)	$ 5.7	Environmental recoveries	$ 6.4	$ 0.8	$ (3.3)	$ 3.9

Our net environmental provisions relate to costs for the continued cleanup of both continuing and discontinued manufacturing operations from previous years. The net provisions are comprised as follows:

		Three Months Ended June 30,		Six Months Ended June 30,			Three Months Ended September 30,		Nine Months Ended September 30,	
(in Millions)	(in Millions)	2023	2022	2023	2022	(in Millions)	2023	2022	2023	2022
Environmental provisions, net - recorded to liabilities (1)	Environmental provisions, net - recorded to liabilities (1)	$ 22.9	$ 3.7	$ 28.2	$ 3.1	Environmental provisions, net - recorded to liabilities (1)	$ 7.6	$ 7.3	$ 35.8	$ 10.4
Environmental provisions, net - recorded to assets (2)	Environmental provisions, net - recorded to assets (2)	(0.1)	(1.9)	(0.4)	(1.9)	Environmental provisions, net - recorded to assets (2)	(0.9)	(0.1)	(0.9)	(2.0)
Environmental provision, net	**Environmental provision, net**	**$ 22.8**	**$ 1.8**	**$ 27.8**	**$ 1.2**	**Environmental provision, net**	**$ 6.7**	**$ 7.2**	**$ 34.9**	**$ 8.4**
Continuing operations (3)	Continuing operations (3)	$ 7.5	$ 0.9	$ 9.8	$ (2.4)	Continuing operations (3)	$ 4.5	$ 3.4	$ 14.3	$ 1.0
Discontinued operations (4)	Discontinued operations (4)	15.3	0.9	18.0	3.6	Discontinued operations (4)	2.2	3.8	20.6	7.4
Environmental provision, net	**Environmental provision, net**	**$ 22.8**	**$ 1.8**	**$ 27.8**	**$ 1.2**	**Environmental provision, net**	**$ 6.7**	**$ 7.2**	**$ 34.9**	**$ 8.4**

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(1) See above roll forward of our total environmental reserves as presented on the condensed consolidated balance sheets.

(2) See above roll forward of our total environmental recoveries as presented on the condensed consolidated balance sheets.

(3) Recorded as a component of "Restructuring and other charges (income)" on the condensed consolidated statements of income (loss). See Note 9. Environmental obligations for continuing operations primarily represent obligations at shut down or abandoned facilities within businesses that do not meet the criteria for presentation as discontinued operations.

(4) Recorded as a component of "Discontinued operations, net of income taxes" on the condensed consolidated statements of income (loss). The three and sixnine months ended June 30, 2023 September 30, 2023 includes a $11.7 million charge resulting from a settlement agreement with the other party involved at one of our foreign environmental remediation sites. See Note 11.

A more complete description of our environmental contingencies and the nature of our potential obligations are included in Notes 1 and 12 to our consolidated financial statements in our 2022 Form 10-K. See Note 12 to our consolidated financial statements in our 2022 Form 10-K for a description of significant updates to material environmental sites. There have been no significant updates since the information included in our 2022 Form 10-K.

Note 13: Earnings Per Share

Earnings per common share ("EPS") is computed by dividing net income by the weighted average number of common shares outstanding during the period on a basic and diluted basis.

Our potentially dilutive securities include potential common shares related to our stock options, restricted stock and restricted stock units. Diluted earnings per share ("Diluted EPS") considers the impact of potentially dilutive securities except in periods in which there is a loss from continuing operations because the inclusion of the potential common shares would have an antidilutive effect. Diluted EPS excludes the impact of potential common shares related to our stock options in periods in which the option exercise price is greater than the average market price of our common stock for the period. For the three and six nine months ended June 30, 2023 September 30, 2023 there were 0.7 million 1.0 million and 0.4 million 0.6 million potential common shares excluded from Diluted EPS, respectively. For the three and six nine months ended June 30, 2022 September 30, 2022 there were 0.4 0.5 million and 0.4 million potential common shares excluded from Diluted EPS, respectively.

Our non-vested restricted stock awards contain rights to receive non-forfeitable dividends, and thus, are participating securities requiring the two-class method of computing EPS. The two-class method determines EPS by dividing the sum of distributed earnings to common stockholders and undistributed earnings allocated to common stockholders by the weighted average number of shares of common stock outstanding for the period. In calculating the two-class method, undistributed earnings are allocated to both common shares and participating securities based on the weighted average number of shares outstanding during the period.

Earnings applicable to common stock and common stock shares used in the calculation of basic and diluted earnings per share are as follows:

(in Millions, Except Share and Per Share Data)	(in Millions, Except Share and Per Share Data)	Three Months Ended June 30,		Six Months Ended June 30,		(in Millions, Except Share and Per Share Data)	Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022		2023	2022	2023	2022
Earnings (loss) attributable to FMC stockholders:	**Earnings (loss) attributable to FMC stockholders:**					**Earnings (loss) attributable to FMC stockholders:**				
Continuing operations, net of income taxes	Continuing operations, net of income taxes	$ 52.0	$ 145.0	$ 259.5	$ 367.6	Continuing operations, net of income taxes	$ 4.8	$ 137.2	$ 264.3	$ 504.8
Discontinued operations, net of income taxes	Discontinued operations, net of income taxes	(21.5)	(10.8)	(33.0)	(26.0)	Discontinued operations, net of income taxes	(8.3)	(16.2)	(41.3)	(42.2)
Net income (loss) attributable to FMC stockholders	**Net income (loss) attributable to FMC stockholders**	**$ 30.5**	**$ 134.2**	**$ 226.5**	**$ 341.6**	**Net income (loss) attributable to FMC stockholders**	**$ (3.5)**	**$ 121.0**	**$ 223.0**	**$ 462.6**
Less: Distributed and undistributed earnings allocable to restricted award holders	Less: Distributed and undistributed earnings allocable to restricted award holders	(0.1)	(0.3)	(0.4)	(0.6)	Less: Distributed and undistributed earnings allocable to restricted award holders	—	(0.3)	0.3	(1.1)
Net income (loss) allocable to common stockholders	**Net income (loss) allocable to common stockholders**	**$ 30.4**	**$ 133.9**	**$ 226.1**	**$ 341.0**	**Net income (loss) allocable to common stockholders**	**$ (3.5)**	**$ 120.7**	**$ 223.3**	**$ 461.5**
Basic earnings (loss) per common share attributable to FMC stockholders:	**Basic earnings (loss) per common share attributable to FMC stockholders:**					**Basic earnings (loss) per common share attributable to FMC stockholders:**				
Continuing operations	Continuing operations	$ 0.41	$ 1.15	$ 2.07	$ 2.91	Continuing operations	$ 0.04	$ 1.09	$ 2.11	$ 3.99
Discontinued operations	Discontinued operations	(0.17)	(0.09)	(0.26)	(0.21)	Discontinued operations	(0.07)	(0.13)	(0.33)	(0.33)
Net income (loss) attributable to FMC stockholders	**Net income (loss) attributable to FMC stockholders**	**$ 0.24**	**$ 1.06**	**$ 1.81**	**$ 2.70**	**Net income (loss) attributable to FMC stockholders**	**$ (0.03)**	**$ 0.96**	**$ 1.78**	**$ 3.66**

Diluted earnings (loss) per common share attributable to FMC stockholders:	**Diluted earnings (loss) per common share attributable to FMC stockholders:**					**Diluted earnings (loss) per common share attributable to FMC stockholders:**				
Continuing operations	Continuing operations	$ 0.41	$ 1.15	$ 2.06	$ 2.90	Continuing operations	$ 0.04	$ 1.08	$ 2.10	$ 3.98
Discontinued operations	Discontinued operations	(0.17)	(0.09)	(0.26)	(0.21)	Discontinued operations	(0.07)	(0.13)	(0.33)	(0.33)
Net income (loss) attributable to FMC stockholders	**Net income (loss) attributable to FMC stockholders**	**$ 0.24**	**$ 1.06**	**$ 1.80**	**$ 2.69**	**Net income (loss) attributable to FMC stockholders**	**$ (0.03)**	**$ 0.95**	**$ 1.77**	**$ 3.65**
Shares (in thousands):	**Shares (in thousands):**					**Shares (in thousands):**				
Weighted average number of shares of common stock outstanding - Basic	Weighted average number of shares of common stock outstanding - Basic	125,085	126,204	125,201	126,127	Weighted average number of shares of common stock outstanding - Basic	124,887	126,224	125,109	126,157
Weighted average additional shares assuming conversion of potential common shares	Weighted average additional shares assuming conversion of potential common shares	579	742	682	754	Weighted average additional shares assuming conversion of potential common shares	373	667	575	722
Shares – diluted basis	**Shares – diluted basis**	**125,664**	**126,946**	**125,883**	**126,881**	**Shares – diluted basis**	**125,260**	**126,891**	**125,684**	**126,879**

FMC CORPORATION

Notes to Condensed Consolidated Financial Statements (unaudited) — (Continued)

Note 14: Equity

Accumulated other comprehensive income (loss)

Summarized below is the roll forward of accumulated other comprehensive income (loss), net of tax.

(in Millions)	(in Millions)	Foreign currency adjustments	Derivative Instruments (1)	Pension and other postretirement benefits (2)	Total	(in Millions)	Foreign currency adjustments	Derivative Instruments (1)	Pension and other postretirement benefits (2)	Total
Accumulated other comprehensive income (loss), net of tax at December 31, 2022	Accumulated other comprehensive income (loss), net of tax at December 31, 2022	$ (160.5)	$ (51.7)	$ (247.4)	$ (459.6)	Accumulated other comprehensive income (loss), net of tax at December 31, 2022	$ (160.5)	$ (51.7)	$ (247.4)	$ (459.6)
2023 Activity	***2023 Activity***					***2023 Activity***				

Other comprehensive income (loss) before reclassifications	Other comprehensive income (loss) before reclassifications	7.8	(76.8)	—	(69.0)	Other comprehensive income (loss) before reclassifications	(32.3)	(55.2)	—	(87.5)
Amounts reclassified from accumulated other comprehensive income (loss)	Amounts reclassified from accumulated other comprehensive income (loss)	—	21.8	5.7	27.5	Amounts reclassified from accumulated other comprehensive income (loss)	—	44.4	8.2	52.6
Net current period other comprehensive income (loss)	Net current period other comprehensive income (loss)	$ 7.8	$ (55.0)	$ 5.7	$ (41.5)	Net current period other comprehensive income (loss)	$ (32.3)	$ (10.8)	$ 8.2	$ (34.9)
Accumulated other comprehensive income (loss), net of tax at June 30, 2023		**$ (152.7)**	**$ (106.7)**	**$ (241.7)**	**$ (501.1)**					
Accumulated other comprehensive income (loss), net of tax at September 30, 2023						**Accumulated other comprehensive income (loss), net of tax at September 30, 2023**	**$ (192.8)**	**$ (62.5)**	**$ (239.2)**	**$ (494.5)**

(in Millions)	**(in Millions)**	**Foreign currency adjustments**	**Derivative Instruments (1)**	**Pension and other postretirement benefits (2)**	**Total**	**(in Millions)**	**Foreign currency adjustments**	**Derivative Instruments (1)**	**Pension and other postretirement benefits (2)**	**Total**
Accumulated other comprehensive income (loss), net of tax at December 31, 2021	Accumulated other comprehensive income (loss), net of tax at December 31, 2021	$ (62.5)	$ (22.2)	$ (240.8)	$ (325.5)	Accumulated other comprehensive income (loss), net of tax at December 31, 2021	$ (62.5)	$ (22.2)	$ (240.8)	$ (325.5)
2022 Activity	***2022 Activity***					***2022 Activity***				
Other comprehensive income (loss) before reclassifications	Other comprehensive income (loss) before reclassifications	(119.6)	(44.5)	—	(164.1)	Other comprehensive income (loss) before reclassifications	(211.4)	(36.4)	(0.1)	(247.9)
Amounts reclassified from accumulated other comprehensive income (loss)	Amounts reclassified from accumulated other comprehensive income (loss)	4.2	8.4	6.8	19.4	Amounts reclassified from accumulated other comprehensive income (loss)	4.2	20.4	6.8	31.4
Net current period other comprehensive income (loss)	Net current period other comprehensive income (loss)	$ (115.4)	$ (36.1)	$ 6.8	$ (144.7)	Net current period other comprehensive income (loss)	$ (207.2)	$ (16.0)	$ 6.7	$ (216.5)
Accumulated other comprehensive income (loss), net of tax at June 30, 2022		**$ (177.9)**	**$ (58.3)**	**$ (234.0)**	**$ (470.2)**					

Accumulated other comprehensive income (loss), net of tax at September 30, 2022	**Accumulated other comprehensive income (loss), net of tax at September 30, 2022**	**$ (269.7)**	**$ (38.2)**	**$ (234.1)**	**$ (542.0)**

(1) See Note 18 for more information.
(2) See Note 16 for more information.

Reclassifications of accumulated other comprehensive income (loss)

The table below provides details about the reclassifications from accumulated other comprehensive income (loss) and the affected line items in the condensed consolidated statements of income (loss) for each of the periods presented:

Details about Accumulated Other Comprehensive Income Components	Details about Accumulated Other Comprehensive Income Components	Amounts Reclassified from Accumulated Other Comprehensive Income (Loss) (1)				Affected Line Item in the Condensed Consolidated Statements of Income (Loss)	Details about Accumulated Other Comprehensive Income Components	Amounts Reclassified from Accumulated Other Comprehensive Income (Loss) (1)				Affected Line Item in the Condensed Consolidated Statements of Income (Loss)
		Three Months Ended June 30,		Six Months Ended June 30,				Three Months Ended September 30,		Nine Months Ended September 30,		
(in Millions)	(in Millions)	2023	2022	2023	2022		(in Millions)	2023	2022	2023	2022	
Foreign currency translation adjustments:	**Foreign currency translation adjustments:**						**Foreign currency translation adjustments:**					
Exit from Russia operations (2)	Exit from Russia operations (2)	$ —	$ (4.2)	$ —	$ (4.2)	Restructuring and other charges (income)	Exit from Russia operations (2)	$ —	$ —	$ —	$ (4.2)	Restructuring and other charges (income)
Derivative instruments	**Derivative instruments**						**Derivative instruments**					
Gain (loss) on foreign currency contracts	Gain (loss) on foreign currency contracts	$ (24.0)	$ (13.5)	$ (31.4)	$ (15.1)	Costs of sales and services	Gain (loss) on foreign currency contracts	$ (33.4)	$ (17.6)	$ (64.8)	$ (32.7)	Costs of sales and services
Gain (loss) on foreign currency contracts	Gain (loss) on foreign currency contracts	2.3	3.0	2.6	3.5	Selling, general and administrative expenses	Gain (loss) on foreign currency contracts	1.7	0.5	4.3	4.0	Selling, general and administrative expenses
Gain (loss) on interest rate contracts	Gain (loss) on interest rate contracts	(0.7)	(1.0)	(1.8)	(2.0)	Interest expense, net	Gain (loss) on interest rate contracts	(0.4)	(1.0)	(2.2)	(3.0)	Interest expense, net
Total before tax	**Total before tax**	**$ (22.4)**	**$ (11.5)**	**$ (30.6)**	**$ (13.6)**		**Total before tax**	**$ (32.1)**	**$ (18.1)**	**$ (62.7)**	**$ (31.7)**	
		6.6	3.7	8.8	5.2	Provision for income taxes		9.5	6.1	18.3	11.3	Provision for income taxes
Amount included in net income (loss)	**Amount included in net income (loss)**	**$ (15.8)**	**$ (7.8)**	**$ (21.8)**	**$ (8.4)**		**Amount included in net income (loss)**	**$ (22.6)**	**$ (12.0)**	**$ (44.4)**	**$ (20.4)**	

Pension and other postretirement benefits (3)	Pension and other postretirement benefits (3)						Pension and other postretirement benefits (3)					
Amortization of prior service costs	Amortization of prior service costs	$ —	$ —	$ —	$ —	Selling, general and administrative expenses	Amortization of prior service costs	$ —	$ —	$ —	$ —	Selling, general and administrative expenses
Amortization of unrecognized net actuarial and other gains (losses)	Amortization of unrecognized net actuarial and other gains (losses)	(3.6)	(4.0)	(7.2)	(8.2)	Non-operating pension and postretirement charges (income)	Amortization of unrecognized net actuarial and other gains (losses)	(3.2)	0.1	(10.4)	(8.1)	Non-operating pension and postretirement charges (income)
Recognized loss due to curtailment and settlement	Recognized loss due to curtailment and settlement	—	—	—	(0.4)	Non-operating pension and postretirement charges (income); Discontinued operations, net of income taxes	Recognized loss due to curtailment and settlement	—	(0.1)	—	(0.5)	Non-operating pension and postretirement charges (income); Discontinued operations, net of income taxes
Total before tax	**Total before tax**	**$ (3.6)**	**$ (4.0)**	**$ (7.2)**	**$ (8.6)**		**Total before tax**	**$ (3.2)**	**$ —**	**$ (10.4)**	**$ (8.6)**	
		0.7	0.8	1.5	1.8	Provision for income taxes; Discontinued operations, net of income taxes		0.7	—	2.2	1.8	Provision for income taxes; Discontinued operations, net of income taxes
Amount included in net income (loss)	**Amount included in net income (loss)**	**$ (2.9)**	**$ (3.2)**	**$ (5.7)**	**$ (6.8)**		**Amount included in net income (loss)**	**$ (2.5)**	**$ —**	**$ (8.2)**	**$ (6.8)**	
Total reclassifications for the period	**Total reclassifications for the period**	**$ (18.7)**	**$ (15.2)**	**$ (27.5)**	**$ (19.4)**	Amount included in net income	**Total reclassifications for the period**	**$ (25.1)**	**$ (12.0)**	**$ (52.6)**	**$ (31.4)**	Amount included in net income

(1) Amounts in parentheses indicate charges to the condensed consolidated statements of income (loss).

(2) The reclassification of historical cumulative translation adjustments was the result of the exit from our Russian operations. See Note 9 within these consolidated financial statements for more information.

(3) Pension and other postretirement benefits amounts include the impact from both continuing and discontinued operations. For detail on the continuing operations components of pension and other postretirement benefits, see Note 16.

Dividends and Share Repurchases

During the six nine months ended June 30, 2023 September 30, 2023 and June 30, 2022 September 30, 2022, we paid dividends of $145.4 million $217.9 million and $133.7 million $200.6 million, respectively. On July 20, 2023 October 19, 2023, we paid dividends totaling $72.5 million to our shareholders of record as of June 30, 2023 September 29, 2023. This amount is included in "Accrued and other liabilities" on the condensed consolidated balance sheet as of June 30, 2023 September 30, 2023.

During the six nine months ended June 30, 2023 September 30, 2023, 651,052 shares were repurchased under the publicly announced repurchase program. At June 30, 2023 September 30, 2023, $825 million remained unused under our Board-authorized repurchase program. This repurchase program does not include a specific timetable or price targets and may be suspended or terminated at any time. Shares may be purchased through open market or privately negotiated transactions at the discretion of management based on its evaluation of market conditions and other factors. We also reacquire shares from time to time from employees in connection with the vesting, exercise and forfeiture of awards under our equity compensation plans. Beginning January 1, 2023, share repurchases in excess of issuances are subject to a 1% excise tax imposed by the Inflation Reduction Act. This tax is included as part of the cost basis of the shares acquired and was not material during the six nine months ended June 30, 2023 September 30, 2023.

Note 15: Leases

We lease office space, vehicles and other equipment under non-cancellable leases with initial terms typically ranging from one to 20 years, with some leases having terms greater than 20 years. Our lease portfolio includes agreements with renewal options, purchase options and clauses for early termination based on the terms specific to the agreement.

At contract inception, we review the facts and circumstances of the arrangement to determine if the contract is a lease. We follow the guidance in ASC 842-10-15 and consider the following: whether the contract has an identified asset; if we have the right to obtain substantially all economic benefits from the asset; and if we have the right to direct the use of the underlying asset. When determining if a contract has an identified asset, we consider both explicit and implicit assets, and whether the supplier has the right to substitute the asset. When determining if we have the right to obtain substantially all economic benefits from the asset, we consider the primary outputs of the identified asset throughout the period of use and determine if we receive greater than 90 percent of those benefits. When determining if we have the right to direct the use of an underlying asset, we consider if we have the right to direct how and for what purpose the asset is used throughout the period of use and if we control the decision-making rights over the asset. All leased assets are classified as operating or finance under ASC 842. The lease term is determined as the non-cancellable period of the lease, together with all of the following: periods covered by an option to extend the lease which are reasonably certain to be exercised, periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option, and periods covered by an option to extend (or not to terminate) the lease in which exercise of the option is controlled by the lessor. At commencement, we assess whether any options included in the lease are reasonably certain to be exercised by considering all relevant economic factors including contract-based, asset-based, market-based, and company-based factors.

To determine the present value of future minimum lease payments, we use the implicit rate when readily determinable or our incremental borrowing rate at the lease commencement date. When determining our incremental borrowing rate, we consider our centralized treasury function and our current credit profile. We then make adjustments to this rate for securitization, the length of the lease term, and leases denominated in foreign currencies. Minimum lease payments are expensed over the term of the lease on a straight-line basis. Some leases may require additional contingent or variable lease payments based on factors specific to the individual agreement. Variable lease payments which we are typically responsible for include payment of vehicle insurance, real estate taxes, and maintenance expenses.

Most leases within our portfolio are classified as operating leases under the standard. Operating leases are included in "Other assets including long-term receivables, net", "Accrued and other liabilities", and "Other long-term liabilities" in our condensed consolidated balance sheets. Operating lease right-of-use ("ROU") assets are subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of any lease incentives received. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Operating leases relate to office spaces, IT equipment, transportation equipment, machinery equipment, furniture and fixtures, and plant and facilities under non-cancellable lease agreements. Leases primarily have fixed rental periods, with many of the real estate leases requiring additional payments for property taxes and occupancy-related costs. Leases for real estate typically have initial terms ranging from one to 20 years, with some leases having terms greater than 20 years. Leases for non-real estate (transportation, IT) typically have initial terms ranging from one to 10 years. We have elected not to record short-term leases on the balance sheet whose term is 12 months or less and does not include a purchase option or extension that is reasonably certain to be exercised.

We rent or sublease a small number of assets including equipment and office space to third party companies. Rental income from all subleases is not material to our business.

The ROU asset and lease liability balances as of June 30, 2023 September 30, 2023 and December 31, 2022 were as follows:

(in Millions)	(in Millions)	Classification	June 30, 2023	December 31, 2022	(in Millions)	Classification	September 30, 2023	December 31, 2022
Assets	**Assets**				**Assets**			
Operating lease ROU assets	Operating lease ROU assets	Other assets including long-term receivables, net	$ 122.8	$ 123.8	Operating lease ROU assets	Other assets including long-term receivables, net	$ 122.5	$ 123.8
Liabilities	**Liabilities**				**Liabilities**			
Operating lease current liabilities	Operating lease current liabilities	Accrued and other liabilities	$ 22.3	$ 22.0	Operating lease current liabilities	Accrued and other liabilities	$ 23.5	$ 22.0
Operating lease noncurrent liabilities	Operating lease noncurrent liabilities	Other long-term liabilities	126.4	128.6	Operating lease noncurrent liabilities	Other long-term liabilities	124.1	128.6

The components of lease expense for the three and nine months ended June 30, 2023 September 30, 2023 and 2022 were as follows:

			Three Months Ended June 30,		Six Months Ended June 30,				Three Months Ended September 30,		Nine Months Ended September 30,	
(in Millions)	(in Millions)	Lease Cost Classification	2023	2022	2023	2022	(in Millions)	Lease Cost Classification	2023	2022	2023	2022
Lease Cost	**Lease Cost**						**Lease Cost**					

Operating lease cost	Operating lease cost	Costs of sales and services / Selling, general and administrative expenses	$ 7.5	$ 7.8	$ 15.8	$ 16.8	Operating lease cost	Costs of sales and services / Selling, general and administrative expenses	$ 8.6	$ 8.5	$ 24.4	$ 25.3
Variable lease cost	Variable lease cost	Costs of sales and services / Selling, general and administrative expenses	3.4	1.4	5.9	2.6	Variable lease cost	Costs of sales and services / Selling, general and administrative expenses	3.6	1.8	9.5	4.4
Total lease cost	**Total lease cost**		**$ 10.9**	**$ 9.2**	**$ 21.7**	**$ 19.4**	**Total lease cost**		**$ 12.2**	**$ 10.3**	**$ 33.9**	**$ 29.7**

	June September 30, 2023
Operating Lease Term and Discount Rate	
Weighted-average remaining lease term (years)	7.9 7.6
Weighted-average discount rate	4.2 4.4 %

		Three Months Ended June 30,		**Six Months Ended June 30,**			**Three Months Ended September 30,**		**Nine Months Ended September 30,**	
(in Millions)	**(in Millions)**	**2023**	**2022**	**2023**	**2022**	**(in Millions)**	**2023**	**2022**	**2023**	**2022**
Other Information	**Other Information**					**Other Information**				
Cash paid for amounts included in the measurement of lease liabilities:	Cash paid for amounts included in the measurement of lease liabilities:					Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases	Operating cash flows from operating leases	$ (8.0)	$ (7.9)	$ (17.0)	$ (17.1)	Operating cash flows from operating leases	$ (8.7)	$ (8.1)	$ (25.7)	$ (25.2)
Supplemental non-cash information on lease liabilities arising from obtaining right-of-use assets:	Supplemental non-cash information on lease liabilities arising from obtaining right-of-use assets:					Supplemental non-cash information on lease liabilities arising from obtaining right-of-use assets:				
Right-of-use assets obtained in exchange for new operating lease liabilities	Right-of-use assets obtained in exchange for new operating lease liabilities	$ 2.1	$ 2.9	$ 11.9	$ 10.1	Right-of-use assets obtained in exchange for new operating lease liabilities	$ 4.0	$ 5.4	$ 15.9	$ 15.5

The following table represents our future minimum operating lease payments as of, and subsequent to, June 30, 2023 September 30, 2023 under ASC 842:

(in Millions)	(in Millions)		Operating Leases Total	(in Millions)		Operating Leases Total			
Maturity of Lease Liabilities	**Maturity of Lease Liabilities**			**Maturity of Lease Liabilities**					
2023 (excluding the six months ending June 30, 2023)		$	14.6						
2023 (excluding the nine months ending September 30, 2023)							2023 (excluding the nine months ending September 30, 2023)	$	7.7
2024	2024		25.1	2024		27.7			
2025	2025		22.6	2025		24.0			
2026	2026		20.9	2026		21.4			
2027	2027		19.9	2027		20.2			
Thereafter	Thereafter		73.8	Thereafter		73.6			
Total undiscounted lease payments	Total undiscounted lease payments	$	176.9	Total undiscounted lease payments	$	174.6			
Less: Present value adjustment	Less: Present value adjustment		(28.2)	Less: Present value adjustment		(27.0)			
Present value of lease liabilities	**Present value of lease liabilities**	**$**	**148.7**	**Present value of lease liabilities**	**$**	**147.6**			

Note 16: Pensions and Other Postretirement Benefits

The following table summarizes the components of net annual benefit cost (income):

		Three Months Ended June 30,				Six Months Ended June 30,					Three Months Ended September 30,				Nine Months Ended September 30,			
		Pensions		Other Benefits		Pensions		Other Benefits			Pensions		Other Benefits		Pensions		Other Benefits	
(in Millions)	(in Millions)	2023	2022	2023	2022	2023	2022	2023	2022	(in Millions)	2023	2022	2023	2022	2023	2022	2023	2022
Service cost	Service cost	$ 0.7	$ 1.2	$ —	$ —	$ 1.4	$ 2.3	$ —	$ —	Service cost	$ 0.6	$ 0.4	$ —	$ —	$ 2.0	$ 2.7	$ —	$ —
Interest cost	Interest cost	12.5	7.2	0.2	0.1	25.1	14.5	0.3	0.2	Interest cost	12.6	7.5	0.1	—	37.7	22.0	0.4	0.2
Expected return on plan assets	Expected return on plan assets	(11.8)	(7.7)	—	—	(23.7)	(15.5)	—	—	Expected return on plan assets	(11.8)	(9.3)	—	—	(35.5)	(24.8)	—	—
Amortization of prior service cost (credit)	Amortization of prior service cost (credit)	—	0.1	—	—	—	0.1	—	—	Amortization of prior service cost (credit)	0.1	—	—	—	0.1	0.1	—	—
Recognized net actuarial and other (gain) loss	Recognized net actuarial and other (gain) loss	3.9	4.5	(0.2)	(0.2)	7.9	9.0	(0.4)	(0.4)	Recognized net actuarial and other (gain) loss	3.6	0.2	(0.3)	(0.2)	11.5	9.2	(0.7)	(0.6)
Recognized loss due to settlement (1)	Recognized loss due to settlement (1)	—	—	—	—	—	0.4	—	—	Recognized loss due to settlement (1)	—	0.1	—	—	—	0.5	—	—
Net periodic benefit cost (income)	**Net periodic benefit cost (income)**	**$ 5.3**	**$ 5.3**	**$ —**	**$ (0.1)**	**$ 10.7**	**$ 10.8**	**$ (0.1)**	**$ (0.2)**	**Net periodic benefit cost (income)**	**$ 5.1**	**$ (1.1)**	**$ (0.2)**	**$ (0.2)**	**$ 15.8**	**$ 9.7**	**$ (0.3)**	**$ (0.4)**

(1) Settlement charge relates to the U.S. nonqualified defined benefit pension plan.

Note 17: Income Taxes

Our effective income tax rates from continuing operations for the three and six nine months ended June 30, 2023 September 30, 2023 were 14.6% 85.6 percent and 16.1%, 22.6 percent, respectively. Our effective income tax rates from continuing operations for the three and six nine months ended June 30, 2022 September 30, 2022 were 27.8% 21.1 percent and 20.8%, 20.9 percent, respectively. The decrease increase in the effective income tax rate for the three and nine months ended September 30, 2023 as compared to the three and nine months ended September 30, 2022 was primarily driven by the global mix of reduced earnings with minimal tax benefit primarily due to valuation allowances in Latin America. Separately, impacting the effective tax rate for the nine months ended September 30, 2022 was our decision to cease operations and business in Russia during the second quarter of 2022. As a result, we recorded a pre-tax charge of $76.1 million during the three nine months ended June 30, 2022 September 30, 2022 with minimal tax benefit. Refer to Note 9 for additional information. information on our exit from Russia.

We determine our interim tax provision using an Estimated Annual Effective Tax Rate methodology ("EAETR") in accordance with U.S. GAAP. The EAETR is applied to the year-to-date ordinary income, exclusive of discrete items. The tax effects of discrete items are then included to arrive at the total reported interim tax provision. The determination of the EAETR is based upon a number of estimates, including the estimated annual pretax ordinary income in each tax jurisdiction in which we operate. As our projections of ordinary income change throughout the year, the EAETR will change period-to-period. A significant amount of our earnings is generated by our foreign subsidiaries, which tax earnings at lower statutory rates than the United States federal statutory rate. Our future effective tax rates may be materially impacted by a future change in the composition of earnings from foreign and domestic tax jurisdictions. The tax effects of discrete items are recognized in the tax provision in the period they occur in accordance with U.S. GAAP. Depending on various factors, such as the item's significance in relation to total income and the rate of tax applicable in the jurisdiction to which it relates, discrete items in any quarter can materially impact the reported effective tax rate. As a global enterprise, our tax expense can be impacted by changes in tax rates or laws, the finalization of tax audits and reviews, as well as other factors. As a result, there can be significant volatility in interim tax provisions.

Note 18: Financial Instruments, Risk Management and Fair Value Measurements

Our financial instruments include cash and cash equivalents, trade receivables, other current assets, certain receivables classified as other long-term assets, accounts payable, and amounts included in investments and accruals meeting the definition of financial instruments. The carrying value of these financial instruments approximates their fair value. Our other financial instruments include the following:

Financial Instrument	Valuation Method
Foreign exchange forward contracts	Estimated amounts that would be received or paid to terminate the contracts at the reporting date based on current market prices for applicable currencies.
Commodity forward contracts	Estimated amounts that would be received or paid to terminate the contracts at the reporting date based on quoted market prices for applicable commodities.
Debt	Our estimates and information obtained from independent third parties using market data, such as bid/ask spreads for the last business day of the reporting period.

The estimated fair value of the financial instruments in the above table have been determined using standard pricing models which take into account the present value of expected future cash flows discounted to the balance sheet date. These standard pricing models utilize inputs derived from or corroborated by observable market data such as interest rate yield curves and currency and commodity spot and forward rates. In addition, we test a subset of our valuations against valuations received from the transaction's counterparty to validate the accuracy of our standard pricing models. Accordingly, the estimates presented may not be indicative of the amounts that we would realize in a market exchange at settlement date and do not represent potential gains or losses on these agreements. The estimated fair values of foreign exchange forward contracts and commodity forward contracts are included in the tables within this Note. The estimated fair value of debt is $4,610.1 million $3,937.6 million and $3,118.6 million and the carrying amount is $4,682.5 million $4,115.7 million and $3,274.0 million as of June 30, 2023 September 30, 2023 and December 31, 2022, respectively.

We enter into various financial instruments with off-balance sheet risk as part of the normal course of business. These off-balance sheet instruments include financial guarantees and contractual commitments to extend financial guarantees under letters of credit, and other assistance to customers. See Note 19 for more information. Decisions to extend financial guarantees to customers and the amount of collateral required under these guarantees are based on our evaluation of creditworthiness on a case-by-case basis.

Use of Derivative Financial Instruments to Manage Risk

We mitigate certain financial exposures, including currency risk, commodity purchase exposures and interest rate risk, through a program of risk management that includes the use of derivative financial instruments. We enter into derivative contracts, including forward contracts and purchased options, to reduce the effects of fluctuating currency exchange rates, interest rates, and commodity prices. A detailed description of these risks including a discussion on the concentration of credit risk is provided in Note 19 to our consolidated financial statements on our 2022 Form 10-K.

We formally document all relationships between hedging instruments and hedged items, as well as the risk management objective and strategy for undertaking various hedge transactions. This process includes relating derivatives that are designated as fair value or cash flow hedges to specific assets and liabilities on the balance sheet or to specific firm commitments or forecasted transactions. We also assess, both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item. If we determine that a derivative is not highly effective as a hedge, or if a derivative ceases to be a highly effective hedge, we discontinue hedge accounting with respect to that derivative prospectively.

Accounting for Derivative Instruments and Hedging Activities

Cash Flow Hedges

We recognize all derivatives on the balance sheet at fair value. On the date the derivative instrument is entered into, we generally designate the derivative as a hedge of the variability of cash flows to be received or paid related to a forecasted transaction (cash flow hedge). We record in accumulated other comprehensive income ("AOCI") changes in the fair value of derivatives that are designated as and meet all the required criteria for a cash flow hedge. We then reclassify these amounts into earnings as the underlying hedged item affects earnings. In contrast, we immediately record in earnings changes in the fair value of derivatives that are not designated as cash flow hedges.

As of June 30, 2023 September 30, 2023, we had open foreign currency forward contracts in AOCI in a net after tax loss position of $72.9 million $23.1 million designated as cash flow hedges of underlying forecasted sales and purchases. Current open contracts hedge forecasted transactions until December 31, 2024. At June 30, 2023 September 30, 2023, we had open forward contracts designated as cash flow hedges with various expiration dates to buy, sell or exchange foreign currencies with a U.S. dollar equivalent of approximately $1,087.8 million $1,069.4 million.

At June 30, 2023 September 30, 2023, we had no outstanding interest rate swap contracts.

In conjunction with the issuance of the Senior Notes on May 18, 2023, we settled on various interest rate swap agreements, which were entered into to hedge the variability in treasury rates. This settlement resulted in a gain of $29.7 million, which was recorded in other comprehensive income and will be amortized over the various terms of the Senior Notes. Refer to Note 11 for further details on the Senior Notes. Additionally, in prior periods, we settled on various interest rate swap agreements related to several bond issuances and recorded a loss in other comprehensive income, which is also being amortized over the various terms of those notes. As of June 30, 2023 September 30, 2023, there was a remaining net after-tax loss of $29.2 $28.9 million in AOCI related to these settlements.

As of June 30, 2023 September 30, 2023, we had no open commodity contracts in AOCI designated as cash flow hedges of underlying forecasted purchases. At June 30, 2023 September 30, 2023, we had no mmBTUs (millions of British Thermal Units) in aggregate notional volume of outstanding natural gas commodity forward contracts to hedge forecasted purchases.

Approximately $72.5 million $24.0 million of the net losses after-tax, representing open foreign currency exchange will be realized in earnings during the twelve months ending June 30, 2024 September 30, 2024 if spot rates in the future are consistent with forward rates as of June 30, 2023 September 30, 2023. The actual effect on earnings will be dependent on the actual spot rates when the forecasted transactions occur.

Derivatives Not Designated As Hedging Instruments

We hold certain forward contracts that have not been designated as cash flow hedging instruments for accounting purposes. Contracts used to hedge the exposure to foreign currency fluctuations associated with certain monetary assets and liabilities are not designated as cash flow hedging instruments, and changes in the fair value of these items are recorded in earnings.

We had open forward contracts not designated as cash flow hedging instruments for accounting purposes with various expiration dates to buy, sell or exchange foreign currencies with a U.S. dollar equivalent of approximately $3,090.9 million $1,931.1 million at June 30, 2023 September 30, 2023.

Fair Value of Derivative Instruments

The following tables provide the gross fair value and net balance sheet presentation of our derivative instruments.

		June 30, 2023						September 30, 2023				
		Gross Amount of Derivatives						Gross Amount of Derivatives				
(in Millions)	(in Millions)	Designated as Cash Flow Hedges	Not Designated as Hedging Instruments	Total Gross Amounts	Gross Amounts Offset in the Condensed Consolidated Balance Sheet (3)	Net Amounts	(in Millions)	Designated as Cash Flow Hedges	Not Designated as Hedging Instruments	Total Gross Amounts	Gross Amounts Offset in the Condensed Consolidated Balance Sheet (3)	Net Amounts
Foreign exchange contracts	Foreign exchange contracts	$ 15.1	$ 4.5	$ 19.6	$ (19.6)	$ —	Foreign exchange contracts	$ 22.4	$ 3.2	$ 25.6	$ (24.7)	$ 0.9
Total derivative assets (1)	**Total derivative assets (1)**	**$ 15.1**	**$ 4.5**	**$ 19.6**	**$ (19.6)**	**$ —**	**Total derivative assets (1)**	**$ 22.4**	**$ 3.2**	**$ 25.6**	**$ (24.7)**	**$ 0.9**
Foreign exchange contracts	Foreign exchange contracts	$ (96.2)	$ (5.7)	$ (101.9)	$ 19.6	$ (82.3)	Foreign exchange contracts	$ (49.3)	$ (6.1)	$ (55.4)	$ 24.7	$ (30.7)

Total derivative liabilities (2)	**Total derivative liabilities** (2)	**$ (96.2)**	**$ (5.7)**	**$ (101.9)**	**$ 19.6**	**$ (82.3)**	**Total derivative liabilities** (2)	**$ (49.3)**	**$ (6.1)**	**$ (55.4)**	**$ 24.7**	**$ (30.7)**
Net derivative assets (liabilities)	**Net derivative assets (liabilities)**	**$ (81.1)**	**$ (1.2)**	**$ (82.3)**	**$ —**	**$ (82.3)**	**Net derivative assets (liabilities)**	**$ (26.9)**	**$ (2.9)**	**$ (29.8)**	**$ —**	**$ (29.8)**

	December 31, 2022				
	Gross Amount of Derivatives				
(in Millions)	Designated as Cash Flow Hedges	Not Designated as Hedging Instruments	Total Gross Amounts	Gross Amounts Offset in the Condensed Consolidated Balance Sheet (3)	Net Amounts
Foreign exchange contracts	$ 10.5	$ 6.4	$ 16.9	$ (16.1)	$ 0.8
Interest rate contracts	12.4	—	12.4	—	12.4
Total derivative assets (1)	**$ 22.9**	**$ 6.4**	**$ 29.3**	**$ (16.1)**	**$ 13.2**
Foreign exchange contracts	$ (25.1)	$ (8.8)	$ (33.9)	$ 16.1	$ (17.8)
Total derivative liabilities (2)	**$ (25.1)**	**$ (8.8)**	**$ (33.9)**	**$ 16.1**	**$ (17.8)**
Net derivative assets (liabilities)	**$ (2.2)**	**$ (2.4)**	**$ (4.6)**	**$ —**	**$ (4.6)**

(1) Net balance is included in "Prepaid and other current assets" in the condensed consolidated balance sheets.
(2) Net balance is included in "Accrued and other liabilities" in the condensed consolidated balance sheets.
(3) Represents net derivatives positions subject to master netting arrangements.

The tables below summarize the gains or losses related to our cash flow hedges and derivatives not designated as hedging instruments.

Derivatives in Cash Flow Hedging Relationships

		Contracts							Contracts					
		Foreign Exchange		Interest rate		Total			Foreign Exchange		Interest rate		Total	
		Three Months Ended June 30,							Three Months Ended September 30,					
(in Millions)	(in Millions)	2023	2022	2023	2022	2023	2022	(in Millions)	2023	2022	2023	2022	2023	2022
Unrealized hedging gains (losses) and other, net of tax	Unrealized hedging gains (losses) and other, net of tax	$ (43.6)	$ 34.1	$ 4.1	$ 6.1	$ (39.5)	$ 40.2	Unrealized hedging gains (losses) and other, net of tax	$ 21.6	$ (3.2)	$ —	$ 11.3	$ 21.6	$ 8.1
Reclassification of deferred hedging (gains) losses, net of tax (1)	Reclassification of deferred hedging (gains) losses, net of tax (1)	15.3	7.0	0.5	0.8	15.8	7.8	Reclassification of deferred hedging (gains) losses, net of tax (1)	22.2	11.2	0.4	0.8	22.6	12.0
Total derivative instrument impact on comprehensive income, net of tax	**Total derivative instrument impact on comprehensive income, net of tax**	**$ (28.3)**	**$ 41.1**	**$ 4.6**	**$ 6.9**	**$ (23.7)**	**$ 48.0**	**Total derivative instrument impact on comprehensive income, net of tax**	**$ 43.8**	**$ 8.0**	**$ 0.4**	**$ 12.1**	**$ 44.2**	**$ 20.1**

	Contracts							Contracts					
	Foreign Exchange		Interest rate		Total			Foreign Exchange		Interest rate		Total	
	Six Months Ended June 30,							Nine Months Ended September 30,					

(in Millions)	(in Millions)	2023	2022	2023	2022	2023	2022	(in Millions)	2023	2022	2023	2022	2023	2022
Unrealized hedging gains (losses) and other, net of tax	Unrealized hedging gains (losses) and other, net of tax	$ (76.4)	$ (55.5)	$ (0.4)	$ 11.0	$ (76.8)	$ (44.5)	Unrealized hedging gains (losses) and other, net of tax	$ (54.8)	$ (58.7)	$ (0.4)	$ 22.3	$ (55.2)	$ (36.4)
Reclassification of deferred hedging (gains) losses, net of tax (1)	Reclassification of deferred hedging (gains) losses, net of tax (1)	20.5	6.8	1.3	1.6	21.8	8.4	Reclassification of deferred hedging (gains) losses, net of tax (1)	42.7	18.0	1.7	2.4	44.4	20.4
Total derivative instrument impact on comprehensive income, net of tax	**Total derivative instrument impact on comprehensive income, net of tax**	**$ (55.9)**	**$ (48.7)**	**$ 0.9**	**$ 12.6**	**$ (55.0)**	**$ (36.1)**	**Total derivative instrument impact on comprehensive income, net of tax**	**$ (12.1)**	**$ (40.7)**	**$ 1.3**	**$ 24.7**	**$ (10.8)**	**$ (16.0)**

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(1) See Note 14 for classification of amounts within the condensed consolidated statements of income (loss).

Derivatives Not Designated as Hedging Instruments

		Amount of Pre-tax Gain (Loss) Recognized in Income on Derivatives (1)					Amount of Pre-tax Gain (Loss) Recognized in Income on Derivatives (1)			
		Three Months Ended June 30,		Six Months Ended June 30,			Three Months Ended September 30,		Nine Months Ended September 30,	
(in Millions)	(in Millions)	2023	2022	2023	2022	(in Millions)	2023	2022	2023	2022
Foreign exchange contracts	Foreign exchange contracts	$ (19.1)	$ (19.0)	$ (17.9)	$ (35.2)	Foreign exchange contracts	$ (18.8)	$ 6.3	$ (36.7)	$ (28.8)
Total	**Total**	**$ (19.1)**	**$ (19.0)**	**$ (17.9)**	**$ (35.2)**	**Total**	**$ (18.8)**	**$ 6.3**	**$ (36.7)**	**$ (28.8)**

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(1) Amounts in the columns represent the gain or loss on the derivative instrument offset by the gain or loss on the hedged item. These amounts are included in "Costs of sales and services" and to a lesser extent "Selling, general, and administrative expenses" on the consolidated statements of income (loss).

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Market participants are defined as buyers or sellers in the principle or most advantageous market for the asset or liability that are independent of the reporting entity, knowledgeable and able and willing to transact for the asset or liability.

Fair Value Hierarchy

We have categorized our assets and liabilities that are recorded at fair value, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the assets and liabilities fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Recurring Fair Value Measurements

The following tables present our fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis in the condensed consolidated balance sheets. During the periods presented there were no transfers between fair value hierarchy levels.

(in Millions)	June 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				

Derivatives – Foreign exchange (1)	$ —	$ —	$ —	$ —
Other (2) (3)	40.2	20.9	—	19.3
Total assets	**$ 40.2**	**$ 20.9**	**$ —**	**$ 19.3**
Liabilities				
Derivatives – Foreign exchange (1)	$ 82.3	$ —	$ 82.3	$ —
Other (2)	26.4	26.4	—	—
Total liabilities	**$ 108.7**	**$ 26.4**	**$ 82.3**	**$ —**

(in Millions)	**December 31, 2022**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets				
Derivatives – Foreign exchange (1)	$ 0.8	$ —	$ 0.8	$ —
Derivatives - Interest Rate (1)	12.4	—	12.4	—
Other (2) (3)	41.8	22.5	—	19.3
Total assets	**$ 55.0**	**$ 22.5**	**$ 13.2**	**$ 19.3**
Liabilities				
Derivatives – Foreign exchange (1)	$ 17.8	$ —	$ 17.8	$ —
Derivatives – Interest rate (1)	—	—	—	—
Other (2)	23.5	23.5	—	—
Total liabilities	**$ 41.3**	**$ 23.5**	**$ 17.8**	**$ —**

(in Millions)	**September 30, 2023**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets				
Derivatives – Foreign exchange (1)	$ 0.9	$ —	$ 0.9	$ —
Other (2) (3)	43.1	19.9	—	23.2
Total assets	**$ 44.0**	**$ 19.9**	**$ 0.9**	**$ 23.2**
Liabilities				
Derivatives – Foreign exchange (1)	$ 30.7	$ —	$ 30.7	$ —
Other (2)	23.6	23.6	—	—
Total liabilities	**$ 54.3**	**$ 23.6**	**$ 30.7**	**$ —**

(in Millions)	**December 31, 2022**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets				
Derivatives – Foreign exchange (1)	$ 0.8	$ —	$ 0.8	$ —
Derivatives - Interest Rate (1)	12.4	—	12.4	—
Other (2) (3)	41.8	22.5	—	19.3
Total assets	**$ 55.0**	**$ 22.5**	**$ 13.2**	**$ 19.3**
Liabilities				
Derivatives – Foreign exchange (1)	$ 17.8	$ —	$ 17.8	$ —
Other (2)	23.5	23.5	—	—
Total liabilities	**$ 41.3**	**$ 23.5**	**$ 17.8**	**$ —**

(1) See the Fair Value of Derivative Instruments table within this Note for classification on the condensed consolidated balance sheets.

(2) Consists of a deferred compensation arrangement, through which we hold various investment securities, recognized on our balance sheets. Both the asset and liability are recorded at fair value. Asset amounts are included in "Other assets including long-term receivables, net" in the condensed consolidated balance sheets. Liability amounts are included in "Other long-term liabilities" in the condensed consolidated balance sheets.

(3) FMC maintains a beneficial interest in a trade receivables securitization fund. The fair value of the beneficial interest is determined by calculating the expected amount of cash to be received on the fund's outstanding credit notes. As part of this evaluation, we rely on unobservable inputs, including estimating the anticipated credit losses. We consider historical information, current conditions and other reasonable factors as part of this assessment. The amount is included in "Other assets including long-term receivables, net" in the condensed consolidated balance sheets.

Nonrecurring Fair Value Measurements

There were no nonrecurring fair value measurements in the condensed consolidated balance sheets during the periods presented.

FMC CORPORATION

Notes to Condensed Consolidated Financial Statements (unaudited) — (Continued)

Note 19: Guarantees, Commitments, and Contingencies

We continue to monitor the conditions that are subject to guarantees and indemnifications to identify whether a liability must be recognized in our financial statements.

Guarantees and Other Commitments

The following table provides the estimated undiscounted amount of potential future payments for each major group of guarantees at June 30, 2023 September 30, 2023. These guarantees arise during the ordinary course of business from relationships with customers and non-consolidated affiliates. Non-performance by the guaranteed party triggers the obligation requiring us to make payments to the beneficiary of the guarantee. Based on our experience, these types of guarantees have not had a material effect on our consolidated financial position or on our liquidity. Our expectation is that future payment or performance related to the non-performance of others is considered unlikely.

(in Millions)

Guarantees:		
Guarantees of vendor financing - short-term (1)	$	106.3 95.6
Other debt guarantees (2)		16.9 43.1
Total	**$**	**123.2 138.7**

(1) Represents guarantees to financial institutions on behalf of certain customers for their seasonal borrowing. This short-term amount is recorded within "Guarantees of vendor financing" on the condensed consolidated balance sheets.

(2) These guarantees represent the outstanding commitment provided to third-party banks for credit extended to various direct and indirect customers. The liability for the guarantees is recorded at an amount that approximates fair value (i.e. representing the stand-ready obligation) based on our historical collection experience and a current assessment of credit exposure. Historically, the fair value of these guarantees has been and continues to be in the current reporting period, immaterial and the majority of these guarantees have had an expiration date of less than one year.

Excluded from the chart above are parent-company guarantees we provide to lending institutions that extend credit to our foreign subsidiaries. Since these guarantees are provided for consolidated subsidiaries, the consolidated financial position is not affected by the issuance of these guarantees. Also excluded from the chart, in connection with our property and asset sales and divestitures, we have agreed to indemnify the buyer for certain liabilities, including environmental contamination and taxes that occurred prior to the date of sale or provided guarantees to third parties relating to certain contracts assumed by the buyer. Our indemnification or guarantee obligations with respect to certain liabilities may be indefinite as to duration and may or may not be subject to a deductible, minimum claim amount or cap. As such, it is not possible for us to predict the likelihood that a claim will be made or to make a reasonable estimate of the maximum potential loss or range of loss. If triggered, we may be able to recover some of the indemnity payments from third parties. Therefore, we have not recorded any specific liabilities for these guarantees. For certain obligations related to our divestitures for which we can make a reasonable estimate of the maximum potential loss or range of loss and is probable, a liability in those instances has been recorded.

Contingencies

A detailed discussion related to our outstanding contingencies can be found in Note 20 to our consolidated financial statements included within our 2022 Form 10-K. There have been no significant updates since the information included in our 2022 Form 10-K.

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

This report contains certain forward-looking statements that are based on our current views and assumptions regarding future events, future business conditions and the outlook for our company based on currently available information.

In some cases, we have identified these forward-looking statements by such words or phrases as "will likely result," "is confident that," "expect," "expects," "should," "could," "may," "will continue to," "believe," "believes," "anticipates," "predicts," "forecasts," "estimates," "projects," "potential," "intends" or similar expressions identifying "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including the negative of those words or phrases. Such forward-looking statements are based on our current views and assumptions regarding future events, future business conditions and the outlook for the company based on currently available information. The forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any results, levels of activity, performance or achievements expressed or implied by any forward-looking statement. These statements are qualified by reference to the risk factors included in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2022 (the "2022 Form 10-K"), the section captioned "Forward-Looking Information" in Part II of the 2022 Form 10-K and to similar risk factors and cautionary statements in all other reports and forms filed with the Securities and Exchange Commission ("SEC"). Moreover, investors are cautioned to interpret many of these factors as being impacted as a result of the residual adverse impacts of COVID and governmental, business, and societal responses to COVID. We wish to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Forward-looking statements are qualified in their entirety by the above cautionary statement.

We specifically decline to undertake any obligation, and specifically disclaims any duty, to publicly revise any forward-looking statements that have been made to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events, except as may be required by law.

APPLICATION OF CRITICAL ACCOUNTING POLICIES

Our consolidated financial statements are prepared in conformity with U.S. generally accepted accounting principles. The preparation of our financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. We have described our accounting policies in Note 1 to our consolidated financial statements included in our 2022 Form 10-K. We have reviewed these accounting policies, identifying those that we believe to be critical to the preparation and understanding of our consolidated financial statements. We have reviewed these critical accounting policies with the Audit Committee of our Board of Directors. Critical accounting policies are central to our presentation of results of operations and financial condition and require management to make estimates and judgments on certain matters. We base our estimates and judgments on historical experience, current conditions and other reasonable factors.

The following is a list of those accounting policies that we have deemed most critical to the presentation and understanding of our results of operations and financial condition. See the "Critical Accounting Policies" section in our 2022 Form 10-K for a detailed description of these policies and their potential effects on our results of operations and financial condition.

- Revenue recognition and trade receivables
- Environmental obligations and related recoveries
- Impairment and valuation of long-lived assets and indefinite-lived assets
- Pensions and other postretirement benefits
- Income taxes

RECENTLY ISSUED AND ADOPTED ACCOUNTING PRONOUNCEMENTS AND REGULATORY ITEMS

See Note 2 to the condensed consolidated financial statements included in this Form 10-Q for a discussion of recently adopted accounting guidance and other new accounting guidance.

OVERVIEW

We are an agricultural sciences company, providing innovative solutions to growers around the world with a robust product portfolio fueled by a market-driven discovery and development pipeline in crop protection, crop enhancement, and professional pest and turf management. We operate in a single distinct business segment. We develop, market and sell all three major classes of crop protection chemicals (insecticides, herbicides and fungicides) as well as biologicals, crop nutrition, and seed treatment products, which we group as plant health. These products are used in agriculture to enhance crop yield and quality by controlling a broad spectrum of insects, weeds and disease, as well as in non-agricultural markets for pest control. This powerful combination of advanced technologies includes leading insect control products based on Rynaxypyr® and Cyazypyr® active ingredients; Authority®, Boral®, Centium®, Command® and Gamit® branded herbicides; Isoflex™ active herbicide ingredient; Talstar® and Hero® branded insecticides; and flutriafol-based fungicides and biologicals such as Quartzo® and Presence® bionematicides as well as crop enhancers such as Accudo®. The FMC portfolio also includes Arc™ farm intelligence.

Inflation

Current global inflationary pressures have affected our business, primarily due to higher than normal input costs, specifically raw materials, resulting in pressure on our operating margins. Costs impacted by inflation include labor and overhead costs, costs of certain raw materials, freight and logistics costs, tolling services, and equipment costs. We have partially mitigated inflation headwinds through pricing actions, cost saving initiatives, and alternate sourcing options. Costs, overall are anticipated to remain specifically input costs, became a headwind throughout 2023; however, we are seeing deceleration tailwind during the third quarter of input cost inflation. 2023 representing the peak of inflationary headwinds.

Second Third Quarter 2023 Highlights

The following items are the more significant developments or financial highlights in our business during the three months ended June 30, 2023 September 30, 2023:

- As While grower consumption remains steady, third quarter results were significantly lower than prior year as a result of increased inventory carrying costs and improved security volume headwinds from a continuation of supply, growers and the distribution channel abruptly and significantly reduced purchases across all four regions during destocking behavior that began in the second quarter of 2023. Volumes were down significantly driving Specifically, in Latin America, the decrease in revenue was driven by lower volumes primarily as a decline result of destocking in results compared Brazil, which was particularly pronounced, and, to a lesser extent, drought conditions in Argentina. As a result of the prior year period. However, grower consumption and demand destocking conditions, we have initiated a restructuring process for our innovative portfolio remains steady. operations in Brazil. In addition, we have launched a broader, more comprehensive process to review and adjust our total Company cost structure as volume pressure persists.

- Revenue of $1,014.5 million $981.9 million for the three months ended June 30, 2023 September 30, 2023 decreased $437.8 million $395.3 million, or approximately 30 29 percent, versus the prior year period. A more detailed review of revenue is discussed under the section titled "Results of Operations". On a regional basis, sales in North America decreased by approximately 25 34 percent, sales in Latin America decreased approximately 38 33 percent, and sales in Asia decreased approximately 28 percent, while sales in Europe, Middle East and Africa decreased approximately 26 percent, and sales in Asia decreased approximately 29 percent. remained consistent period over period. Volume was substantially down continued to be negatively impacted by channel destocking across all four regions as a result of an abrupt and unexpected reduction in inventory by the distribution channel. regions. However, we experienced some benefits from pricing and new product sales, including branded diamides, during the period. Excluding foreign currency impacts, revenue decreased 28 percent during the quarter.
- Our gross margin of $432.8 million $381.2 million decreased versus the prior year quarter by $158.2 million $96.3 million as a result of a decrease in volumes across all regions. regions as well as a decrease in prices in Latin America. Gross margin percent of approximately 43 39 percent increased compared to approximately 41 35 percent in the prior year period. Positive price and input cost and foreign currency improvement, partially offset by price declines in Latin America, during the quarter contributed to our improved gross margin percent.
- Selling, general and administrative expenses increased decreased from $194.8 million $179.4 million to $205.6 million $171.3 million, or approximately 6 5 percent versus the prior year period. The increase decrease in selling, general and administrative expenses is a result of investments in growth as well as inflation partially offset by the operating cost mitigation actions implemented during the second quarter and continued in the third quarter.
- Research and development expenses of $87.7 million $80.9 million increased $8.2 million $2.4 million or 10 3 percent compared to previous year. The increase in research and development expenditures is related to continued investment in our new active ingredient pipeline, including our recently acquired pheromones business, as well as inflation and labor cost increases.
- Net income (loss) attributable to FMC stockholders decreased from $134.2 million income of $121.0 million to $30.5 million a loss of $3.5 million which represents a decrease of $103.7 million $124.5 million, or approximately 77 103 percent, compared to previous year. Adjusted after-tax earnings from continuing operations attributable to FMC stockholders of $62.6 million $55.4 million decreased compared to the prior year amount of $245.1 million $155.6 million. Results in the quarter were lower than the prior year period as the distribution channel remained focused on active inventory management, and drove an unprecedented which resulted in a decline in volumes. volumes year over year. See the disclosure of our Adjusted Earnings Non-GAAP financial measurement below, under the section titled "Results of Operations".

2023 Outlook Update

We expect 2023 revenue will be in the range of approximately $5.20 billion $4.48 billion to $5.40 billion $4.72 billion, down approximately 9 21 percent at the midpoint versus 2022. The channel's active inventory management is expected to continue. However, new launches Market conditions are expected to partially offset volume headwinds. persist, specifically in Latin America, resulting in lower volumes continuing into the fourth quarter of 2023. We expect adjusted EBITDA(1) of $1.30 billion $0.97 billion to $1.40 billion $1.03 billion, down approximately 4 29 percent at the midpoint versus 2022 results. We While volumes will remain a headwind in 2023, we are expecting cost tailwinds and improved mix from new products and launches to continue during the second half remainder of 2023, which should mostly offset anticipated volume headwinds. We have targeted additional 2023. Operating costs are expected to be consistent year over year as cost savings controls remain in selling, general and administrative expenses and research and development expenses as well place to partially offset lower volumes. 2023 adjusted earnings are expected to be in the range of $5.86 $3.57 to $6.80 $4.13 per diluted share(1), down approximately 15 48 percent at the midpoint versus 2022. For cash flow outlook, refer to the liquidity and capital resources section below.

(1) Although we provide forecasts for adjusted earnings per share and adjusted EBITDA (Non-GAAP financial measures), we are not able to forecast the most directly comparable measures calculated and presented in accordance with U.S. GAAP. Certain elements of the composition of the U.S. GAAP amounts are not predictable, making it impractical for us to forecast. Such elements include, but are not limited to, restructuring, acquisition charges, and discontinued operations. As a result, no U.S. GAAP outlook is provided.

RESULTS OF OPERATIONS

Overview

The following charts provide a reconciliation of Adjusted EBITDA, Adjusted Earnings, and Organic Revenue Growth, all of which are Non-GAAP financial measures, from the most directly comparable GAAP measure. Adjusted EBITDA and Organic Revenue Growth are provided to assist the readers of our financial statements with useful information regarding our operating results. Our operating results are presented based on how we assess operating performance and internally report financial information. For management purposes, we report operating performance based on earnings before interest, income taxes, depreciation and amortization, discontinued operations, and corporate special charges. Our Adjusted Earnings measure excludes corporate special charges, net of income taxes, discontinued operations attributable to FMC stockholders, net of income taxes, and certain Non-GAAP tax adjustments. These are excluded by us in the measure we use to evaluate business performance and determine certain performance-based compensation. Organic Revenue Growth excludes the impacts of foreign currency changes, which we believe is a meaningful metric to evaluate our revenue changes. These items are discussed in detail within the "Other Results of Operations" section that follows. In addition to providing useful information about our operating results to investors, we also believe that excluding the effect of corporate special charges, net of income taxes, and certain Non-GAAP tax adjustments from operating results and discontinued operations allows management and investors to compare more easily the financial performance of our underlying business from period to period. These measures should not be considered as substitutes for net income (loss) or other measures of performance or liquidity reported in accordance with U.S. GAAP.

		Three Months Ended June 30,		Six Months Ended June 30,			Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022		2023	2022	2023	2022
(in Millions)	(in Millions)	(unaudited)		(unaudited)		(in Millions)	(unaudited)		(unaudited)	
Revenue	**Revenue**	$ 1,014.5	$ 1,452.3	$ 2,358.8	$ 2,803.1	**Revenue**	$ 981.9	$ 1,377.2	$ 3,340.7	$ 4,180.3

Costs and Expenses	**Costs and Expenses**					**Costs and Expenses**				
Costs of sales and services	Costs of sales and services	581.7	861.3	1,344.7	1,639.4	Costs of sales and services	600.7	899.7	1,945.4	2,539.1
Gross margin	**Gross margin**	$ 432.8	$ 591.0	$ 1,014.1	$ 1,163.7	**Gross margin**	$ 381.2	$ 477.5	$ 1,395.3	$ 1,641.2
Selling, general and administrative expenses	Selling, general and administrative expenses	205.6	194.8	391.5	383.3	Selling, general and administrative expenses	171.3	179.4	562.8	562.7
Research and development expenses	Research and development expenses	87.7	79.5	166.1	151.3	Research and development expenses	80.9	78.5	247.0	229.8
Restructuring and other charges (income)	Restructuring and other charges (income)	7.3	80.8	19.8	89.9	Restructuring and other charges (income)	28.2	9.0	48.0	98.9
Total costs and expenses	Total costs and expenses	$ 882.3	$ 1,216.4	$ 1,922.1	$ 2,263.9	Total costs and expenses	$ 881.1	$ 1,166.6	$ 2,803.2	$ 3,430.5
Income from continuing operations before non-operating pension and postretirement charges (income), interest expense, net and income taxes (1)	Income from continuing operations before non-operating pension and postretirement charges (income), interest expense, net and income taxes (1)	$ 132.2	$ 235.9	$ 436.7	$ 539.2	Income from continuing operations before non-operating pension and postretirement charges (income), interest expense, net and income taxes(1)	$ 100.8	$ 210.6	$ 537.5	$ 749.8
Non-operating pension and postretirement charges (income)	Non-operating pension and postretirement charges (income)	4.6	3.9	9.2	8.2	Non-operating pension and postretirement charges (income)	4.2	(1.7)	13.4	6.5
Income from continuing operations before interest expense, net and income taxes	Income from continuing operations before interest expense, net and income taxes	$ 127.6	$ 232.0	$ 427.5	$ 531.0	Income from continuing operations before interest expense, net and income taxes	$ 96.6	$ 212.3	$ 524.1	$ 743.3
Interest expense, net	Interest expense, net	64.5	35.3	115.9	65.2	Interest expense, net	64.6	41.8	180.5	107.0
Income (loss) from continuing operations before income taxes	Income (loss) from continuing operations before income taxes	$ 63.1	$ 196.7	$ 311.6	$ 465.8	Income (loss) from continuing operations before income taxes	$ 32.0	$ 170.5	$ 343.6	$ 636.3
Provision (benefit) for income taxes	Provision (benefit) for income taxes	9.2	54.7	50.3	97.0	Provision (benefit) for income taxes	27.4	36.0	77.7	133.0
Income (loss) from continuing operations	Income (loss) from continuing operations	$ 53.9	$ 142.0	$ 261.3	$ 368.8	Income (loss) from continuing operations	$ 4.6	$ 134.5	$ 265.9	$ 503.3
Discontinued operations, net of income taxes	Discontinued operations, net of income taxes	(21.5)	(10.8)	(33.0)	(26.0)	Discontinued operations, net of income taxes	(8.3)	(16.2)	(41.3)	(42.2)
Net income (loss) (GAAP)	**Net income (loss) (GAAP)**	**$ 32.4**	**$ 131.2**	**$ 228.3**	**$ 342.8**	**Net income (loss) (GAAP)**	**$ (3.7)**	**$ 118.3**	**$ 224.6**	**$ 461.1**
Adjustments to arrive at Adjusted EBITDA (Non-GAAP):										

Adjustments to arrive at Adjusted EBITDA (Non-GAAP)(2):						Adjustments to arrive at Adjusted EBITDA (Non-GAAP)(2):				
Corporate special charges (income):	Corporate special charges (income):					Corporate special charges (income):				
Restructuring and other charges (income) (3)	Restructuring and other charges (income) (3)	$ 7.3	$ 80.8	$ 19.8	$ 89.9	Restructuring and other charges (income)(3)	$ 28.2	$ 9.0	$ 48.0	$ 98.9
Non-operating pension and postretirement charges (income) (4)	Non-operating pension and postretirement charges (income) (4)	4.6	3.9	9.2	8.2	Non-operating pension and postretirement charges (income)(4)	4.2	(1.7)	13.4	6.5
Discontinued operations, net of income taxes	Discontinued operations, net of income taxes	21.5	10.8	33.0	26.0	Discontinued operations, net of income taxes	8.3	16.2	41.3	42.2
Interest expense, net	Interest expense, net	64.5	35.3	115.9	65.2	Interest expense, net	64.6	41.8	180.5	107.0
Depreciation and amortization	Depreciation and amortization	48.1	42.8	92.8	85.2	Depreciation and amortization	45.6	41.4	138.4	126.6
Provision (benefit) for income taxes	Provision (benefit) for income taxes	9.2	54.7	50.3	97.0	Provision (benefit) for income taxes	27.4	36.0	77.7	133.0
Adjusted EBITDA (Non-GAAP) (2)	**Adjusted EBITDA (Non-GAAP) (2)**	**$ 187.6**	**$ 359.5**	**$ 549.3**	**$ 714.3**	**Adjusted EBITDA (Non-GAAP) (2)**	**$ 174.6**	**$ 261.0**	**$ 723.9**	**$ 975.3**

(1) Referred to as operating profit.

(2) Adjusted EBITDA is defined as operating profit excluding corporate special charges (income) and depreciation and amortization expense.

(3) See Note 9 for details of restructuring and other charges (income).

(4) Our non-operating pension and postretirement charges (income) are defined as those costs (benefits) related to interest, expected return on plan assets, amortized actuarial gains and losses and the impacts of any plan curtailments or settlements. These are excluded from our operating results and are primarily related to changes in pension plan assets and liabilities which are tied to financial market performance and we consider these costs to be outside our operational performance. We continue to include the service cost and amortization of prior service cost in our operating results noted above. These elements reflect the current year operating costs to our business for the employment benefits provided to active employees.

ADJUSTED EARNINGS RECONCILIATION

		Three Months Ended June 30,		Six Months Ended June 30,			Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022		2023	2022	2023	2022
(in Millions)	**(in Millions)**	(unaudited)		(unaudited)		**(in Millions)**	(unaudited)		(unaudited)	
Net income (loss) attributable to FMC stockholders (GAAP)	**Net income (loss) attributable to FMC stockholders (GAAP)**	$ 30.5	$ 134.2	$ 226.5	$ 341.6	**Net income (loss) attributable to FMC stockholders (GAAP)**	$ (3.5)	$ 121.0	$ 223.0	$ 462.6
Corporate special charges (income), pre-tax (1)	Corporate special charges (income), pre-tax (1)	11.9	84.7	29.0	98.1	Corporate special charges (income), pre-tax (1)	32.4	7.3	61.4	105.4

Income tax expense (benefit) on Corporate special charges (income) (2)	Income tax expense (benefit) on Corporate special charges (income) (2)	(2.3)	(0.9)	(4.3)	(1.8)	Income tax expense (benefit) on Corporate special charges (income) (2)	(4.2)	(1.0)	(8.5)	(2.8)
Corporate special charges (income), net of income taxes	Corporate special charges (income), net of income taxes	$ 9.6	$ 83.8	$ 24.7	$ 96.3	Corporate special charges (income), net of income taxes	$ 28.2	$ 6.3	$ 52.9	$ 102.6
Adjustment for noncontrolling interest, net of tax on Corporate special charges (income)	Adjustment for noncontrolling interest, net of tax on Corporate special charges (income)	0.8	—	(2.0)	—	Adjustment for noncontrolling interest, net of tax on Corporate special charges (income)	0.4	—	(1.6)	—
Discontinued operations attributable to FMC Stockholders, net of income taxes	Discontinued operations attributable to FMC Stockholders, net of income taxes	21.5	10.8	33.0	26.0	Discontinued operations attributable to FMC Stockholders, net of income taxes	8.3	16.2	41.3	42.2
Non-GAAP tax adjustments (3)	Non-GAAP tax adjustments (3)	0.2	16.3	3.5	19.9	Non-GAAP tax adjustments (3)	22.0	12.1	25.5	32.0
Adjusted after-tax earnings from continuing operations attributable to FMC stockholders (Non-GAAP)	**Adjusted after-tax earnings from continuing operations attributable to FMC stockholders (Non-GAAP)**	**$62.6**	**$245.1**	**$285.7**	**$483.8**	**Adjusted after-tax earnings from continuing operations attributable to FMC stockholders (Non-GAAP)**	**$55.4**	**$155.6**	**$341.1**	**$639.4**

(1) Represents restructuring and other charges (income), and non-operating pension and postretirement charges (income).

(2) The income tax expense (benefit) on corporate special charges (income) is determined using the applicable rates in the taxing jurisdictions in which the corporate special charge (income) occurred and includes both current and deferred income tax expense (benefit) based on the nature of the Non-GAAP performance measure.

(3) We exclude the GAAP tax provision, including discrete items, from the Non-GAAP measure of income, and instead include a Non-GAAP tax provision based upon the annual Non-GAAP effective tax rate. The GAAP tax provision includes, and the Non-GAAP tax provision excludes, certain discrete tax items including, but not limited to: income tax expenses or benefits that are not related to current year ongoing business operations; tax adjustments associated with fluctuations in foreign currency remeasurement of certain foreign operations; certain changes in estimates of tax matters related to prior fiscal years; certain changes in the realizability of deferred tax assets; and changes in tax law. Management believes excluding these discrete tax items assists investors and securities analysts in understanding the tax provision and the effective tax rate related to ongoing operations thereby providing investors with useful supplemental information about FMC's operational performance. See *Provision for income taxes* within this section of this Form 10-Q for a reconciliation of the Non-GAAP tax provision from the GAAP tax provision.

ORGANIC REVENUE GROWTH RECONCILIATION

		Three Months Ended June 30, 2023 vs. 2022		Six Months Ended June 30, 2023 vs. 2022			Three Months Ended September 30, 2023 vs. 2022		Nine Months Ended September 30, 2023 vs. 2022	
Total Revenue Change (GAAP)	**Total Revenue Change (GAAP)**	(30)	%	(16)	%	**Total Revenue Change (GAAP)**	(29)	%	(20)	%
Less: Foreign Currency Impact	Less: Foreign Currency Impact	(2)	%	(3)	%	Less: Foreign Currency Impact	—	%	(2)	%

Organic Revenue Change (Non-GAAP)	Organic Revenue Change (Non-GAAP)	(28)	%	(13)	%	Organic Revenue Change (Non-GAAP)	(29)	%	(18)	%

Results of Operations

In the discussion below, all comparisons are between the periods unless otherwise noted.

Revenue

Three Months Ended June 30, 2023 September 30, 2023 vs. 2022

Revenue of $1,014.5 million $981.9 million decreased $437.8 million $395.3 million, or approximately 30 29 percent, versus the prior year period. The decline was primarily driven by a 31 26 percent decrease from volumes, which were substantially down across all four regions due to continued channel destocking and, to a lesser extent, dry weather conditions in some areas. Unfavorable pricing actions, specifically in Latin America, accounted for an abrupt and unexpected approximate 3 percent decrease.

Nine Months Ended September 30, 2023 vs. 2022

Revenue of $3,340.7 million decreased $839.6 million, or approximately 20 percent, versus the prior year period. The decline was primarily driven by a 21 percent decrease from volumes, which were substantially down across all four regions due to the continued reduction in inventory by growers and the distribution channel. Favorable pricing actions accounted for an approximate 3 percent increase, which was partially offset by unfavorable foreign currency impacts of approximately 2 percent.

Six Months Ended June 30, 2023 vs. 2022

Revenue of $2,358.8 million decreased $444.3 million, or approximately 16 percent, versus the prior year period. The decline was primarily drive by an 18 percent decrease from volumes, which were substantially down across all four regions due to an abrupt and unexpected reduction in inventory by growers and the distribution channel. Favorable pricing actions accounted for an approximate 5 percent increase, which was partially offset by unfavorable foreign currency impacts of approximately 3 percent.

Total Revenue by Region

(in Millions)	(in Millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022	(in Millions)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
North America	North America	$ 272.5	$ 364.6	$ 769.8	$ 754.4	North America	$ 159.6	$ 241.2	$ 929.4	$ 995.6
Latin America	Latin America	268.7	431.5	502.3	697.4	Latin America	466.1	697.1	968.4	1,394.5
Europe, Middle East & Africa (EMEA)	Europe, Middle East & Africa (EMEA)	207.6	280.8	590.6	679.0	Europe, Middle East & Africa (EMEA)	149.0	150.7	739.6	829.7
Asia	Asia	265.7	375.4	496.1	672.3	Asia	207.2	288.2	703.3	960.5
Total Revenue	**Total Revenue**	**$1,014.5**	**$1,452.3**	**$2,358.8**	**$2,803.1**	**Total Revenue**	**$981.9**	**$1,377.2**	**$3,340.7**	**$4,180.3**

Three Months Ended June 30, 2023 September 30, 2023 vs. 2022

North America: Revenue decreased approximately 25 34 percent year-over-year growth (down 24 percent organically) primarily due to lower volumes as partners, retailers, and growers acted to reduce inventory. The decline in volumes was partially offset by an increase in sales continued destocking activity. Dry weather in Canada driven by high demand for branded diamides due to high insect pressure in was an additional volume headwind during the country. period.

Latin America: Revenue decreased approximately 38 33 percent versus the second third quarter of 2022. 2022 (down 36 percent organically). The region experienced volume pressure due to the continued channel inventory management, similar reduction, specifically in Brazil. To a lesser extent, drought conditions in Argentina and adjusted pricing also contributed to other regions. However, the decrease decline in revenues was also driven by significantly lower volumes in Brazil and Argentina as a result of historic drought conditions. revenue during the period.

EMEA: Revenue decreased approximately 26 1 percent (down 24 4 percent organically) compared to the prior year period. While there were strong period primarily due to the volume pressure from channel destocking impacts, particularly in Germany. The decrease in volumes was partially offset by pricing gains in the region the decline in volumes due to channel destocking and adverse weather conditions resulted in an overall decrease in revenues year-over-year. strong diamides sales.

Asia: Revenue decreased approximately 29 28 percent (down 23 percent organically) year-over-year due to lower volumes as channel inventory reduction continues to be a focus in the region, specifically particularly in India. Adverse weather across Pricing improvement and new product sales were slight tailwinds during the region also contributed to lower volumes. period.

Six Nine Months Ended June 30, 2023 September 30, 2023 vs. 2022

North America: Revenue increased decreased approximately 2 7 percent year-over-year growth. Product Partners, retailers, and growers have reduced inventory levels during the second and third quarter of 2023 resulting in a significant decrease in volumes period over period. The decrease in volumes was partially offset by improved product mix in the region improved during the first quarter of 2023 due to new branded products launched within the last five years and there was a higher demand in Canada for branded diamides. However, the increases were significantly offset by the decrease in volumes as partners, retailers, and growers acted to reduce inventory during the second quarter of 2023. years.

Latin America: Revenue decreased approximately 28 31 percent versus the six nine months ended June 30, 2022 September 30, 2022 driven primarily by the pressure on volumes due to channel destocking, specifically in Brazil, and, historic to a lesser extent, drought conditions in Brazil and Argentina. Pricing increases The decrease in volumes was partially offset the decline in volumes by positive FX movements during the period.

EMEA: Revenue decreased approximately 13 11 percent compared to the prior year period as a result of the decline in volumes due to a channel inventory management and as well as adverse weather conditions in the region partially offset by positive pricing actions and strong diamides sales in the region.

Asia: Revenue decreased approximately 26 27 percent versus the prior year period as channel inventory reduction continued during the period specifically in India, resulting in a decline in volumes during the period. FX continued to be a headwind in the region, specifically region. Pricing improvement and new product sales were slight tailwinds during the currency depreciation of the Pakistani Rupee. period.

Gross margin

Three Months Ended June 30, 2023 September 30, 2023 vs. 2022

Gross margin of $432.8 million $381.2 million decreased $158.2 million $96.3 million, or approximately 27 20 percent versus the prior year period. The decrease was primarily caused by the pressure on volumes across all regions due to market conditions. conditions as well as a decrease in prices in Latin America. Gross margin percent of approximately 43 39 percent increased compared to approximately 41 35 percent in the prior year period, driven primarily by positive price movement input cost and foreign currency improvement during the quarter as well as a decline in input costs. quarter.

Six Nine Months Ended June 30, 2023 September 30, 2023 vs. 2022

Gross margin of $1,014.1 million $1,395.3 million decreased $149.6 million $245.9 million, or approximately 13 15 percent versus the prior year period resulting from the decrease in volumes caused by a significant reduction in inventory by the distribution channel. Gross margin percent of approximately 43 42 percent increased compared to approximately 42 39 percent in the prior year period, driven primarily by higher prices. prices and positive input cost improvement.

Selling, general and administrative expenses

Three Months Ended June 30, 2023 September 30, 2023 vs. 2022

Selling, general and administrative expenses of $205.6 million increased $10.8 million $171.3 million decreased $8.1 million, or 6 5 percent, versus the prior year period. Spending increased globally as The decrease in selling, general and administrative expenses is a result of investments in growth and inflation, which was partially offset by the operating cost mitigation actions implemented during the second quarter and continued in the third quarter.

Six Nine Months Ended June 30, 2023 September 30, 2023 vs. 2022

Selling, general and administrative expenses of $391.5 million increased $8.2 million, or 2 percent, $562.8 million remained consistent versus the prior year period.

Research and development expenses

Three Months Ended June 30, 2023 September 30, 2023 vs. 2022

Research and development expenses of $87.7 million $80.9 million increased $8.2 million $2.4 million or 10 3 percent compared to the previous year. The increase in research and development expenditures is related to continued investment in our new active ingredient pipeline, including our recently acquired pheromones business, as well as inflation and labor cost increases.

Six Nine Months Ended June 30, 2023 September 30, 2023 vs. 2022

Research and development expenses of $166.1 million $247.0 million increased $14.8 million $17.2 million or 10 7 percent compared to the previous year. The increase in research and development expenditures is related to continued investment in our new active ingredient pipeline, including our recently acquired pheromones business, as well as inflation and labor cost increases.

Depreciation and amortization

Three Months Ended June 30, 2023 September 30, 2023 vs. 2022

Depreciation and amortization of $48.1 million $45.6 million increased $5.3 million $4.2 million or 12 10 percent as compared to the prior year period of $42.8 million $41.4 million. The increase was driven by additional assets placed into service during 2023 as well as accelerated depreciation associated with certain assets at one our facilities. 2023.

Six Nine Months Ended June 30, 2023 September 30, 2023 vs. 2022

Depreciation and amortization of $92.8 million $138.4 million increased $7.6 million $11.8 million or 9 percent as compared to the prior year period of $85.2 million $126.6 million. The increase was driven by additional assets placed into service during 2023 and accelerated depreciation associated with certain assets at one of our research facilities.

Interest expense, net

Three Months Ended June 30, 2023 September 30, 2023 vs. 2022

Interest expense, net of $64.5 million $64.6 million increased $29.2 million $22.8 million or 83 55 percent compared to the prior year period of $35.3 million $41.8 million. The increase was primarily driven by higher interest rates and, to a lesser extent, higher debt balances in our portfolio. Specifically, higher domestic short-term interest rates increased interest expense by approximately $25.0 $13.9 million and higher domestic short-term balances increased interest expense by approximately $2.6 $4.1 million. Higher foreign interest rates and debt balances also contributed to the increase by approximately $2.3 million.

Six Nine Months Ended June 30, 2023 September 30, 2023 vs. 2022

Interest expense, net of $115.9 million $180.5 million increased $50.7 million $73.5 million or 78 69 percent compared to the prior year period of $65.2 million $107.0 million. The increase was primarily driven by higher interest rates and, to a lesser extent, higher debt balances in our portfolio. Specifically, higher domestic interest rates increased interest expense by approximately $45.0 $67.8 million and higher domestic short-term balances increased interest expense by approximately $1.8 $2.2 million during the period. Higher foreign interest rates and debt balances also contributed to the increase by approximately $4.5 $6.9 million.

Corporate special charges (income)

Restructuring and other charges (income)

(in Millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Restructuring charges	$ (0.9)	$ 3.4	$ —	$ 14.6
Other charges (income), net	8.2	77.4	19.8	75.3
Total restructuring and other charges (income)	**$ 7.3**	**$ 80.8**	**$ 19.8**	**$ 89.9**

(in Millions)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Restructuring charges	$ 2.9	$ 2.0	$ 2.9	$ 16.6
Other charges (income), net	25.3	7.0	45.1	82.3
Total restructuring and other charges (income)	**$ 28.2**	**$ 9.0**	**$ 48.0**	**$ 98.9**

Three Months Ended June 30, 2023 September 30, 2023 vs. 2022

Restructuring charges during 2023 were $(0.9) million, which includes $4.3 million $2.5 million of severance and employee separation costs as well as $0.6 million and $0.4 million of other restructuring charges incurred exit costs as part of various restructuring initiatives. These charges were offset by a $5.8 million gain recognized on the disposition of land related to a previously closed manufacturing facility.

Restructuring charges in 2022 of $3.4 million $2.0 million relate to employee separation costs and other exit costs associated with various restructuring initiatives across the globe. During the three month period ended June 30, 2022, these primarily relate to our regional realignment activities.

Other charges (income), net of $25.3 million is comprised of $11.9 million in 2023 were $8.2 million, which primarily relate charges resulting from the third quarter acquisition of in-process research and development assets that do not meet the criteria for capitalization. Additionally, we incurred $4.9 million in losses related to the devaluation of the Argentine peso driven by government actions, $4.5 million of charges associated with our environmental sites, of $7.5 million as well as $0.7 million and $4.0 million of other miscellaneous charges.

Other charges (income), net in 2022 of $77.4 million $7.0 million is primarily the result of our decision to cease operations and business in Russia during the second quarter $3.4 million of 2022. As a result, we recorded a charge of $76.1 million during the three months ended June 30, 2022 which consisted primarily of noncash asset write off environmental charges. Refer to Note 9 for additional information.

Six Nine Months Ended June 30, 2023 September 30, 2023 vs. 2022

Restructuring charges during 2023 consisted of $4.3 million $6.8 million of severance and employee separation costs as well as $1.5 million $1.9 million of asset impairment and other restructuring charges incurred as part of various restructuring initiatives. These charges were offset by a $5.8 million gain recognized on the disposition of land related to a previously closed manufacturing facility.

Restructuring charges in 2022 of $14.6 million $16.6 million consist of $8.9 million $9.5 million in fixed asset and other charges resulting from the closure of a manufacturing site during the period. Restructuring charges also include an additional $5.7 million $7.1 million in charges from various restructuring initiatives across the globe.

Other charges (income), net of $45.1 million, is comprised of $11.9 million in 2023 were $19.8 million. $6.9 million relates to charges resulting from the third quarter acquisition of in-process research and development assets that do not meet the criteria for capitalization. We recognized a $6.9 million remeasurement charge resulting from triggered during the period as a result of the significant currency depreciation of the Pakistani Rupee. On January 25th, 2023, January 25, 2023, the Pakistani Rupee experienced its largest single day drop against the US dollar in over two decades following the removal of the USD-PKR exchange cap in place on the country's currency. This action, combined with Additionally, we incurred $4.9 million in losses related to the decision by Pakistan's central bank to raise interest rates to record highs during the quarter, resulted in the immediate and significant devaluation of the Pakistani Rupee. Additionally, other Argentine peso driven by government actions during the period, $14.3 million of charges (income) relating to associated with our environmental sites, of $9.8 million as well as $3.1 million and $7.1 million of other miscellaneous charges.

Other charges (income), net in 2022 of $75.3 million $82.3 million is primarily the result of our decision to cease operations and business in Russia during the second quarter of 2022. As a result, we recorded a charge of approximately $76.1 million during the six nine months ended June 30, 2022 September 30, 2022 which consisted primarily of noncash asset write off charges. Other charges (income), net also includes charges related to environmental sites of $1.0 million and other miscellaneous charges of $5.2 million.

Non-operating pension and postretirement charges (income)

Charges for the three months ended June 30, 2023 September 30, 2023 were $4.6 million $4.2 million compared to $3.9 million income of $1.7 million for the three months ended June 30, 2022 September 30, 2022. Higher interest rates during the period resulted in an increase to interest costs for pension and other postretirement benefits.

Charges for the six nine months ended June 30, 2023 September 30, 2023 were $9.2 million $13.4 million compared to $8.2 million $6.5 million for the six nine months ended June 30, 2022 September 30, 2022. Higher interest rates during the period resulted in an increase to interest costs for pension and other postretirement benefits.

Provision for income taxes

Three Months Ended June 30, 2023 September 30, 2023 vs. 2022

Provision for income taxes for the three months ended June 30, 2023 September 30, 2023 was $9.2 million $27.4 million resulting in an effective tax rate of 14.6 85.6 percent. Provision for income taxes for the three months ended June 30, 2022 September 30, 2022 was $54.7 million $36.0 million resulting in an effective tax rate of 27.8 21.1 percent. The decrease increase in the effective tax rate from GAAP continuing operations for the three months ended June 30, 2023 September 30, 2023 compared to the three months ended June 30, 2022 September 30, 2022 was driven by the global mix of reduced earnings with minimal tax benefit primarily due to valuation allowances in Latin America as well as factors shown in the table below.

		Three Months Ended June 30,							Three Months Ended September 30,					
		2023			2022				2023			2022		
(in Millions)	(in Millions)	Income (Expense)	Tax Provision (Benefit)	Effective Tax Rate	Income (Expense)	Tax Provision (Benefit)	Effective Tax Rate	(in Millions)	Income (Expense)	Tax Provision (Benefit)	Effective Tax Rate	Income (Expense)	Tax Provision (Benefit)	Effective Tax Rate
GAAP - Continuing operations	**GAAP - Continuing operations**	$ 63.1	$ 9.2	14.6 %	$ 196.7	$ 54.7	27.8 %	**GAAP - Continuing operations**	$ 32.0	$ 27.4	85.6 %	$ 170.5	$ 36.0	21.1 %
Corporate special charges (income)	Corporate special charges (income)	11.9	2.3		84.7	0.9		Corporate special charges (income)	32.4	4.2		7.3	1.0	
Tax adjustments (1)	Tax adjustments (1)	—	(0.2)		—	(16.3)		Tax adjustments (1)	—	(22.0)		—	(12.1)	
Non-GAAP - Continuing operations	**Non-GAAP - Continuing operations**	**$ 75.0**	**$ 11.3**	**15.0 %**	**$ 281.4**	**$ 39.3**	**14.0 %**	**Non-GAAP - Continuing operations**	**$ 64.4**	**$ 9.6**	**15.0 %**	**$ 177.8**	**$ 24.9**	**14.0 %**

(1) Refer to note 3 of the *Adjusted Earnings Reconciliation* table within this section of this Form 10-Q for an explanation of tax adjustments.

Six Nine Months Ended June 30, 2023 September 30, 2023 vs. 2022

Provision for income taxes for the six nine months ended June 30, 2023 September 30, 2023 was $50.3 million $77.7 million resulting in an effective tax rate of 16.1 22.6 percent. Provision for income taxes for the six nine months ended June 30, 2022 September 30, 2022 was $97.0 million $133.0 million resulting in an effective tax rate of 20.8 20.9 percent. The decrease increase in the effective tax rate from GAAP continuing operations for the six nine months ended June 30, 2023 September 30, 2023 compared to the six nine months ended June 30, 2022 September 30, 2022 was driven by the global mix of reduced earnings with minimal tax benefit primarily due to valuation allowances in Latin America as well as factors shown in the table below.

		Six Months Ended June 30,							Nine Months Ended September 30,					
		2023			2022				2023			2022		
(in Millions)	(in Millions)	Income (Expense)	Tax Provision (Benefit)	Effective Tax Rate	Income (Expense)	Tax Provision (Benefit)	Effective Tax Rate	(in Millions)	Income (Expense)	Tax Provision (Benefit)	Effective Tax Rate	Income (Expense)	Tax Provision (Benefit)	Effective Tax Rate
GAAP - Continuing operations	**GAAP - Continuing operations**	$ 311.6	$ 50.3	16.1 %	$ 465.8	$ 97.0	20.8 %	**GAAP - Continuing operations**	$ 343.6	$ 77.7	22.6 %	$ 636.3	$ 133.0	20.9 %
Corporate special charges (income) (1)	Corporate special charges (income) (1)	29.0	4.3		98.1	1.8		Corporate special charges (income) (1)	61.4	8.5		105.4	2.8	

Tax adjustments (1) (2)	Tax adjustments (1) (2)	—	(3.5)		—	(19.9)		Tax adjustments (1) (2)	—	(25.5)		—	(32.0)	
Non-GAAP - Continuing operations	**Non-GAAP - Continuing operations**	**$ 340.6**	**$ 51.1**	**15.0 %**	**$ 563.9**	**$ 78.9**	**14.0 %**	**Non-GAAP - Continuing operations**	**$ 405.0**	**$ 60.7**	**15.0 %**	**$ 741.7**	**$ 103.8**	**14.0 %**

(1) Primarily our decision to cease operations and business in Russia during the nine months ended September 30, 2022. As a result, we recorded a charge of approximately $76.1 million during the nine months ended September 30, 2022 with minimal tax benefit.

(1) (2) Refer to note 3 of the *Adjusted Earnings Reconciliation* table within this section of this Form 10-Q for an explanation of tax adjustments.

Discontinued operations, net of income taxes

Our discontinued operations include provisions, net of recoveries, for environmental liabilities and legal reserves and expenses related to previously discontinued operations and retained liabilities.

Three Months Ended June 30, 2023 September 30, 2023 vs. 2022

Discontinued operations, net of income taxes represented a loss of $21.5 million $8.3 million for the three months ended June 30, 2023 September 30, 2023 compared to a loss of $10.8 million $16.2 million for the three months ended June 30, 2022 September 30, 2022. The loss during both the three months ended June 30, 2023 September 30, 2023 and 2022 was primarily due to adjustments related to the retained liabilities from our previously discontinued operations. During the three months ended June 30, 2023, we recorded a $11.7 million charge as the result of a settlement agreement related to one of our foreign environmental remediation sites. The charge recorded adjusts the reserve to the anticipated payment amount. The agreement removes any future remediation obligations for the site.

Six Nine Months Ended June 30, 2023 September 30, 2023 vs. *2022*

Discontinued operations, net of income taxes represented a loss of $33 million $41.3 million for the six nine months ended June 30, 2023 September 30, 2023 compared to a loss of $26 million $42.2 million for the six nine months ended June 30, 2022 September 30, 2022. The loss during both the six nine months ended June 30, 2023 September 30, 2023 and 2022 was primarily due to adjustments related to the retained liabilities from our previously discontinued operations and the charge recorded as a result of a settlement agreement related to one of our foreign environmental remediation sites. operations.

Net income (loss)

Three Months Ended June 30, 2023 September 30, 2023 vs. 2022

Net income decreased The net loss recognized during the period was $3.7 million as compared to $32.4 million from net income of $131.2 million $118.3 million in the prior year period. Results in the quarter were lower than the prior year period due to an abrupt and unexpected reduction in inventory by the distribution substantially lower volumes across all four regions due to continued channel during the period significantly impacting volumes. destocking. Additionally, an increase in interest expense of $29.2 million $22.8 million, primarily driven by higher interest rates, and higher restructuring and other charges (income) during the period also contributed to the decrease.

Nine Months Ended September 30, 2023 vs. *2022*

Net income decreased to $224.6 million from income of $461.1 million in the prior year period. Results in the current year period were lower than the prior year period as a result of lower volumes caused by channel inventory reductions in the second quarter and third quarter of 2023. An increase in interest expense of $73.5 million, primarily driven by higher interest rates, also contributed to the decrease in net income. Net income The increase in the prior year included interest expense was partially offset by a charge of approximately $76.1 million $76.1 million related to exiting our Russian operations, which did not repeat during the current period.

Six Months Ended June 30, 2023 vs. *2022*

Net income decreased to $228.3 million from income of $342.8 million in the prior year period. Results in the quarter were lower than the prior year period as a result of volume declines caused by inventory reductions in the second quarter of 2023. An increase in interest expense of $50.7 million, primarily driven by higher interest rates, also contributed to the decrease in net income. Net income in the prior year included a charge of approximately $76.1 million related to exiting our Russian operations, which did not repeat during the six nine months ended June 30, 2023 September 30, 2023.

The only difference between Net income (loss) and Net income (loss) attributable to FMC stockholders is noncontrolling interest, which period over period is immaterial.

Adjusted EBITDA (Non-GAAP)

The Adjusted EBITDA amounts discussed below for three and six nine months ended June 30, 2023 September 30, 2023 and 2022 are reconciled from Net Income (loss) within this Form 10-Q. Refer to our *Overview* under the section titled "Results of Operations" above.

Three Months Ended June 30, 2023 September 30, 2023 vs. 2022

Adjusted EBITDA of $187.6 million $174.6 million decreased $171.9 million $86.4 million, or approximately 48 33 percent versus the prior year period. The decrease was due to lower volumes impacting adjusted EBITDA by 66 74 percent as well as unfavorable pricing of 15 percent. The decrease was partially offset by cost and foreign exchange movements, which both increased adjusted EBITDA by approximately 53 percent and 3 percent, respectively.

Nine Months Ended September 30, 2023 vs. *2022*

Adjusted EBITDA of $723.9 million decreased $251.4 million, or approximately 26 percent versus the prior year period. The decrease was due to lower volumes impacting adjusted EBITDA by 47 percent as well as unfavorable foreign currency impacts of approximately 11 7 percent. The decrease was partially offset by price and cost movements, which both increased adjusted EBITDA by approximately 14 11 percent and 15 percent, respectively.

Six Months Ended June 30, 2023 vs. 2022

Adjusted EBITDA of $549.3 million decreased $165.0 million, or approximately 23 percent versus the prior year period. The decrease was due to lower volumes impacting adjusted EBITDA by 37 percent as well as unfavorable foreign currency impacts of approximately 10 percent. The decrease was partially offset by price and cost movements, which both increased adjusted EBITDA by approximately 20 percent and 4 17 percent, respectively.

For 2023, full year Adjusted EBITDA is expected to be in the range of $1.30 billion $0.97 billion to $1.40 billion $1.03 billion, which represents approximately 4 29 percent decrease at the midpoint versus 2022. Although we provide a forecast for Adjusted EBITDA, a Non-GAAP financial measure, we are not able to forecast the most directly comparable measure calculated and presented in accordance with U.S. GAAP. See note 1 to our *2023 Outlook Update* within this section of the Form 10-Q.

LIQUIDITY AND CAPITAL RESOURCES

As a global agricultural sciences company, we require cash primarily for seasonal working capital needs, capital expenditures, and return of capital to shareholders. We plan to meet these liquidity needs through available cash, cash generated from operations, commercial paper issuances and borrowings under our committed revolving credit facility as well as other liquidity facilities, and in certain instances access to debt capital markets. We believe our strong financial standing and credit ratings will ensure adequate access to the debt capital markets on favorable conditions.

Cash

Cash and cash equivalents at June 30, 2023 September 30, 2023 and December 31, 2022, were $941.5 million $323.8 million and $572.0 million, respectively. Of the cash and cash equivalents balance at June 30, 2023 September 30, 2023, $891.7 million $314.4 million was held by our foreign subsidiaries. We have established plans to repatriate cash from certain foreign subsidiaries with minimal tax on a go forward basis. Other cash held by foreign subsidiaries is generally used to finance subsidiaries' operating activities and future foreign investments. See Note 13 to the consolidated financial statements included within our 2022 Form 10-K for more information on our indefinite reinvestment assertion.

Outstanding debt

At June 30, 2023 September 30, 2023, we had total debt of $4,682.5 million $4,115.7 million as compared to $3,274.0 million at December 31, 2022. Total debt included $3,022.0 million $3,022.9 million and $2,733.2 million of long-term debt (excluding current portions of $496.2 million $493.1 million and $88.5 million) at June 30, 2023 September 30, 2023 and December 31, 2022, respectively. Our short-term debt consists of foreign borrowings and borrowings under our commercial paper program. Foreign borrowings increased from $81.8 million at December 31, 2022 to $162.8 million $132.4 million at June 30, 2023 September 30, 2023 while outstanding commercial paper increased from $370.5 million at December 31, 2022 to $1,001.5 million $467.3 million at June 30, 2023 September 30, 2023. We provide parent-company guarantees to lending institutions providing credit to our foreign subsidiaries. See Note 10 and Note 19 in the condensed consolidated financial statements included in this Form 10-Q for further details.

On May 18, 2023, we issued $500 million aggregate principal amount of 5.150% Senior Notes due 2026, $500 million aggregate principal amount of 5.650% Senior Notes due 2033 and $500 million aggregate principal amount of 6.375% Senior Notes due 2053. The net proceeds from the offering were used to pay down both outstanding commercial paper and the 2021 Term Loan Facility as well as for general corporate purposes. Fees incurred to secure the Senior Notes have been deferred and will be amortized over the terms of the arrangement. In conjunction with the issuance of the Senior Notes, we settled on various interest rate swap agreements, which were entered into to hedge the variability in treasury rates. See Note 18 for details on the interest rate swap settlement, which will be amortized over the terms of the arrangement.

On June 30, 2023, the Company entered into Amendment No. 1 to that certain Fifth Amended and Restated Credit Agreement, dated as of June 17, 2022, which increased the maximum leverage ratio to 4.0 through the for a period ending March 31, 2024. The maximum leverage ratio will step down to 3.75 for the quarter ending June 30, 2024 and thereafter.

of time, which has now been amended further as described below. As of June 30, 2023 September 30, 2023, we were in compliance with all of our debt covenants. We remain committed to solid investment grade credit metrics, metrics.

November 7, 2023 Amendment

On November 7, 2023, the Company amended its credit agreement to provide additional financial flexibility given current market challenges, which are expected to persist during the covenant relief period. As defined in the amendment, the maximum leverage ratio is increased to 6.50 through the period ending June 30, 2024. The maximum leverage ratio will incrementally step down during the covenant relief period ending at 3.75 for the quarter ended September 30, 2025. The amendment also lowers the minimum interest coverage ratio to 2.50 beginning with the quarter ended December 31, 2023 and expect full year average leverage then incrementally increases during the covenant relief period. The minimum interest coverage ratio will return to be in line the current level of 3.50 beginning with this commitment in 2023. the quarter ended September 30, 2025. Additionally, the Company shall not repurchase shares during the covenant relief period, with the exception of share repurchases under our equity compensation plans.

Access to credit and future liquidity and funding needs

At June 30, 2023 September 30, 2023, our remaining borrowing capacity under our credit facility was $755.4 million $1,289.6 million. Our commercial paper program allows us to borrow at rates generally more favorable than those available under our credit facility. At June 30, 2023 September 30, 2023, we had $1,001.5 million $467.3 million commercial paper borrowings under the commercial paper program. At June 30, 2023 September 30, 2023, the average effective interest rate on the borrowings was 5.9 6.0 percent. Our commercial paper balances fluctuate from year to year depending on working capital needs. Based on cash generated from operations, our existing liquidity facilities, which includes the revolving credit agreement with the option to increase capacity up to $2.75 billion, and our continued access to debt capital markets, we have adequate liquidity to meet any of the company's debt obligations in the near term including any current portion of long-term debt.

Working Capital Initiatives

REFINITIV

We offer to a select group of suppliers a voluntary supply chain finance program as part of our continued efforts to improve our working capital efficiency. We do not believe that changes in the availability of the supply chain finance program would have a significant impact on our liquidity. See Note 2 for more information on the key terms and balances of the program.

From time to time, the Company may sell receivables on a non-recourse basis to third-party financial institutions. These sales are normally driven by specific market conditions, including, but not limited to, foreign exchange environments, customer credit management, as well as other factors where the receivables may lay. See Note 6 for more information on receivables factoring.

Statement of Cash Flows

Cash provided (required) by operating activities of continuing operations was (719.8)(618.2) million and $(401.9) million$15.7 million for the sixnine months ended June 30, 2023September 30, 2023 and 2022, respectively.

The table below presents the components of net cash provided (required) by operating activities of continuing operations.

		Six Months Ended June 30,			Nine Months Ended September 30,	
(in Millions)	**(in Millions)**	**2023**	**2022**	**(in Millions)**	**2023**	**2022**
Income from continuing operations before non-operating pension and postretirement charges (income), interest expense, net and income taxes **(GAAP)**	Income from continuing operations before non-operating pension and postretirement charges (income), interest expense, net and income taxes **(GAAP)**	$ 436.7	$ 539.2	Income from continuing operations before non-operating pension and postretirement charges (income), interest expense, net and income taxes **(GAAP)**	$ 537.5	$ 749.8
Restructuring and other charges (income) and depreciation and amortization	Restructuring and other charges (income) and depreciation and amortization	112.6	175.1	Restructuring and other charges (income) and depreciation and amortization	186.4	225.5
Operating income before depreciation and amortization	**Operating income before depreciation and amortization**	**$ 549.3**	**$ 714.3**	**Operating income before depreciation and amortization**	**$ 723.9**	**$ 975.3**
Change in trade receivables, net (1)	Change in trade receivables, net (1)	132.2	(432.6)	Change in trade receivables, net (1)	312.4	(203.5)
Change in guarantees of vendor financing	Change in guarantees of vendor financing	(35.7)	(1.2)	Change in guarantees of vendor financing	(46.4)	(22.0)
Change in advance payments from customers (2)	Change in advance payments from customers (2)	(677.1)	(628.8)	Change in advance payments from customers (2)	(678.2)	(627.1)
Change in accrued customer rebates (3)	Change in accrued customer rebates (3)	274.2	400.0	Change in accrued customer rebates (3)	348.3	475.0
Change in inventories (4)	Change in inventories (4)	(423.3)	(235.8)	Change in inventories (4)	(363.2)	(282.3)
Change in accounts payable (5)	Change in accounts payable (5)	(197.3)	38.8	Change in accounts payable (5)	(562.0)	(19.1)
Change in all other operating assets and liabilities (6)	Change in all other operating assets and liabilities (6)	(114.1)	(111.8)	Change in all other operating assets and liabilities (6)	(33.5)	(50.1)
Restructuring and other spending (7)	Restructuring and other spending (7)	(6.2)	(16.8)	Restructuring and other spending (7)	(17.2)	(25.7)
Environmental spending, continuing, net of recoveries (8)	Environmental spending, continuing, net of recoveries (8)	(14.5)	(10.8)	Environmental spending, continuing, net of recoveries (8)	(22.7)	(18.4)

Pension and other postretirement benefit contributions (9)	Pension and other postretirement benefit contributions (9)	(1.0)	(2.3)	Pension and other postretirement benefit contributions (9)	(1.4)	(3.0)
Net interest payments (10)	Net interest payments (10)	(101.1)	(61.2)	Net interest payments (10)	(135.0)	(91.2)
Tax payments, net of refunds (10)	Tax payments, net of refunds (10)	(105.2)	(53.2)	Tax payments, net of refunds (10)	(143.2)	(91.7)
Transaction and integration costs (11)	Transaction and integration costs (11)	—	(0.5)	Transaction and integration costs (11)	—	(0.5)
Cash provided (required) by operating activities of continuing operations (GAAP)	**Cash provided (required) by operating activities of continuing operations (GAAP)**	**$ (719.8)**	**$ (401.9)**	**Cash provided (required) by operating activities of continuing operations (GAAP)**	**$ (618.2)**	**$ 15.7**

(1) Both periods include the impacts of seasonality and the receivable build intrinsic in our business. The change in cash flows related to trade receivables in 2023 was driven by timing of collections as well as lower volumes for revenue year over year. Collection timing is more pronounced in certain countries such as Brazil where there may be terms significantly longer than the rest of our business. Additionally, timing of collection is impacted as amounts for both periods include carry-over balances remaining to be collected in Latin America, where collection periods are measured in months rather than weeks. During the six nine months ended June 30, 2023 September 30, 2023, we collected approximately $462.5 million $775.4 million of receivables in Brazil.

(2) Advance payments are primarily within North America and these payments are received in the fourth quarter of each year and recorded as deferred revenue on the balance sheet at December 31. Revenue associated with advance payments is recognized, generally in the first half of each year, as shipments are made and transfer of control to the customer takes place.

(3) These rebates are primarily associated within North America, and to a lesser extent Brazil, and in North America generally settle in the fourth quarter of each year given the end of the respective crop cycle. The changes year over year are associated with the mix in sales eligible for rebates and incentives which includes lower revenues for products eligible for rebates compared to the prior year and timing of certain rebate payments.

(4) Changes in inventory are a result of lower sales volume during the period.

(5) The change in cash flows related to accounts payable is primarily due to lower raw material inventory purchases due to the decline in demand and, to a lesser extent, the timing of payments made to suppliers and vendors.

(6) Changes in all periods presented primarily represent timing of payments associated with all other operating assets and liabilities. Additionally, for the six nine months ended June 30, 2022 September 30, 2022, the changes included the effects of the unfavorable contract amortization of approximately $54 million $82 million. The contract expired during the fourth quarter of 2022.

(7) See Note 9 in our condensed consolidated financial statements included in this Form 10-Q for further details.

(8) The amounts represent environmental remediation spending at our operating sites which were recorded against pre-existing reserves, net of recoveries. Refer to Note 12 for more details.

(9) There were no voluntary contributions to our U.S. qualified defined benefit plan, which is slightly over funded, for the six nine months ended June 30, 2023 September 30, 2023 and 2022.

(10) Amounts shown in the chart represent net payments of our continued operations.

(11) Represents payments for legal and professional fees associated with integrating the DuPont Crop Protection Business. The integration is complete and the 2022 payments are associated with settlement of final amounts payable to various vendors. payable.

Cash provided (required) by operating activities of discontinued operations was $(26.9) $(61.0) million and $(31.6) $(51.8) million for the six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively.

Cash (required) by operating activities of discontinued operations is directly related to environmental, other postretirement benefit liabilities, self-insurance, long-term obligations related to legal proceedings and historical restructuring activities. Period over period During the cash flow impacts third quarter of these activities were consistent, as expected. 2023, we paid a portion of the settlement amount related to one of our discontinued foreign environmental remediation sites. The remaining payment is expected in 2024.

Cash provided (required) by investing activities of continuing operations was $(78.5) $(126.8) million and $(65.3) $(294.2) million for the six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively.

Cash (required) by investing activities of continuing operations increased decreased during the nine*six* months ended June 30, 2023 September 30, 2023, compared to the same period in the prior year, primarily due to higher proceeds received the acquisition of Biophero during the six nine months ended June 30, 2022 which reduced the overall outflow during the period. September 30, 2022. The purchase price of approximately $190 million was paid at closing on July 19, 2022. See Note 5 for further information. Capital expenditures and other investing activities remained generally consistent during the two periods reported.

Cash provided (required) by financing activities of continuing operations was $1,194.6 million $562.1 million and $585.7 million $197.7 million for the six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively.

Cash provided by financing activities of continuing operations increased during the six nine months ended June 30, 2023 September 30, 2023, compared to the same period in the prior year primarily due to higher commercial paper balances and an increase in short term foreign borrowings as well as the proceeds from the Senior Notes. This increase was partially offset by the repayment of the $800 million term loan, and $75 million in repurchases of common stock under the publicly announced program. There were no share repurchases during the six nine months ended June 30, 2022 September 30, 2022.

Free Cash Flow (Non-GAAP)

We define free cash flow, a Non-GAAP financial measure, as all cash inflows and outflows excluding those related to financing activities (such as debt repayments, dividends, and share repurchases) and acquisition related investing activities. Free cash flow is calculated as all cash from operating activities reduced by spending for capital additions and other investing activities as well as legacy and transformation spending. Therefore, our calculation of free cash flow will almost always result in a lower amount than cash from operating activities from continuing operations, the most directly comparable U.S. GAAP measure. However, the free cash flow measure is consistent with management's assessment of operating cash flow performance and we believe it provides a useful basis for investors and securities analysts about the cash generated by routine business operations, including capital expenditures, in addition to assessing our ability to repay debt, fund acquisitions including cost and equity method investments, and return capital to shareholders through share repurchases and dividends.

Our use of free cash flow has limitations as an analytical tool and should not be considered in isolation or as a substitute for an analysis of our results under U.S. GAAP. First, free cash flow is not a substitute for cash provided (required) by operating activities of continuing operations, as it is not a measure of cash available for discretionary expenditures since we have non-discretionary obligations, primarily debt service, that are not deducted from the measure. Second, other companies may calculate free cash flow or similarly titled Non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of free cash flow as a tool for comparison. Additionally, the utility of free cash flow is further limited as it does not reflect our future contractual commitments and does not represent the total increase or decrease in our cash balance for a given period. Because of these and other limitations, free cash flow should be considered along with cash provided (required) by operating activities of continuing operations and other comparable financial measures prepared and presented in accordance with U.S. GAAP.

The table below presents a reconciliation of free cash flow from the most directly comparable U.S. GAAP measure:

FREE CASH FLOW RECONCILIATION

		Six Months Ended June 30,			Nine Months Ended September 30,	
(in Millions)	(in Millions)	2023	2022	(in Millions)	2023	2022
Cash provided (required) by operating activities of continuing operations (GAAP)	**Cash provided (required) by operating activities of continuing operations (GAAP)**	$ (719.8)	$ (401.9)	**Cash provided (required) by operating activities of continuing operations (GAAP)**	$ (618.2)	$ 15.7
Transaction and integration costs (1)	Transaction and integration costs (1)	—	0.5	Transaction and integration costs (1)	—	0.5
Adjusted cash from operations (2)	**Adjusted cash from operations (2)**	$ (719.8)	$ (401.4)	**Adjusted cash from operations (2)**	$ (618.2)	$ 16.2
Capital expenditures (3)	Capital expenditures (3)	(75.8)	(73.7)	Capital expenditures (3)	(108.8)	(108.4)
Other investing activities (3)(4)	Other investing activities (3)(4)	(5.3)	8.9	Other investing activities (3)(4)	(7.8)	5.7
Capital additions and other investing activities	**Capital additions and other investing activities**	$ (81.1)	$ (64.8)	**Capital additions and other investing activities**	$ (116.6)	$ (102.7)
Cash provided (required) by operating activities of discontinued operations (5)	Cash provided (required) by operating activities of discontinued operations (5)	(26.9)	(31.6)	Cash provided (required) by operating activities of discontinued operations (5)	(61.0)	(51.8)
Proceeds from land disposition (6)	Proceeds from land disposition (6)	5.8	—	Proceeds from land disposition (6)	5.8	—
Transaction and integration costs (1)	Transaction and integration costs (1)	—	(0.5)	Transaction and integration costs (1)	—	(0.5)
Legacy and transformation (7)	**Legacy and transformation (7)**	$ (21.1)	$ (32.1)	**Legacy and transformation (7)**	$ (55.2)	$ (52.3)
Free cash flow (Non-GAAP)	**Free cash flow (Non-GAAP)**	**$ (822.0)**	**$ (498.3)**	**Free cash flow (Non-GAAP)**	**$ (790.0)**	**$ (138.8)**

(1) Represents payments for legal and professional fees associated with integrating the DuPont Crop Protection Business. The integration is now complete with no additional remaining cash spending expected.

(2) Adjusted cash from operations is defined as cash provided (required) by operating activities of continuing operations excluding the effects of transaction-related cash flows, which are included within legacy and transformation. There are no remaining cash flows expected related to previously incurred transaction costs.

(3) Components of cash provided (required) by investing activities of continuing operations. Refer to the below discussion for further details.

(4) Included in the amounts is cash spending associated with contract manufacturers of $0.6 million $2.4 million and $2.9 million $4.9 million for the six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively.

(5) Refer to the above discussion for further details.

(6) During the six nine months ended June 30, 2023 September 30, 2023, we received the final payment of $5.8 million related to a land transfer agreement with the Shanghai Municipal People's Government, which was executed in December 2022.

(7) Includes our legacy liabilities such as environmental remediation and other legal matters that are reported in discontinued operations as well as business integration costs associated with the DuPont Crop Protection Business Acquisition and the implementation of our new SAP system which were completed in prior years.

2023 Cash Flow Outlook

Our cash needs for 2023 include operating cash requirements (particularly working capital, as well as environmental, asset retirement obligation, and restructuring spending), capital expenditures, and legacy and transformation spending, as well as mandatory payments of debt, dividend payments, and share repurchases. We plan to meet our liquidity needs through available cash, cash generated from operations, commercial paper issuances and borrowings under our committed revolving credit facility. At June 30, 2023 September 30, 2023, our remaining borrowing capacity under our credit facility was $755.4 million $1,289.6 million.

We expect 2023 free cash flow (Non-GAAP) to fall within a range of approximately negative $175 $860 million to positive $175 a negative $640 million. At the mid-point of the range, there is a significant decrease year over year driven by the decline in adjusted EBITDA as a result of market conditions an expected and a decline in accounts payable in the second half of the year as production is adjusted to balance inventory with demand further exacerbated by as well as higher interest and taxes. Capital additions are expected to be up slightly to support new product introduction. Legacy and transformation spending is expected to be essentially flat versus the prior year after adjusting for the disposal of an inactive site in 2022.

Although we provide a forecast for free cash flow, a Non-GAAP financial measure, we are not able to forecast the most directly comparable measure calculated and presented in accordance with U.S. GAAP, which is cash provided (required) by operating activities of continuing operations. Certain elements of the composition of the U.S. GAAP amount are not predictable, making it impractical for us to forecast. Such elements include, but are not limited to, restructuring, acquisition charges, and discontinued operations. As a result, no U.S. GAAP outlook is provided.

Cash from operating activities of continuing operations

We expect cash from operating activities to be in the range of approximately $40 negative $635 million to $370 negative $435 million. Transaction-related cash flows, if applicable, are included within legacy and transformation, which is consistent with how we evaluate our business operations from a cash flow standpoint are complete. Transaction-related cash flows included within legacy and transformation were completed during 2022. See below for further discussion on Legacy and transformation. Cash from operating activities also includes cash requirements related to our pension plans, environmental sites, restructuring and asset retirement obligations, taxes and interest on borrowings.

Pension

We do not expect to make any voluntary cash contributions to our U.S. qualified defined benefit pension plan in 2023. The plan is slightly over funded and our portfolio is comprised of 100 percent fixed income securities and cash. Our investment strategy is a liability hedging approach with an objective of maintaining the funded status of the plan such that the funded status volatility is minimized and the likelihood that we will be required to make significant contributions to the plan is limited.

Environmental

Projected 2023 spending, net of recoveries includes approximately $30 million to $40 million of net environmental remediation spending for our sites accounted for within continuing operations. Environmental obligations for continuing operations primarily represent obligations at shut down or abandoned facilities within businesses that do not meet the criteria for presentation as discontinued operations.

Projected 2023 spending, net of recoveries includes approximately $55 million to $65 million of net environmental remediation spending for our discontinued sites. These projections include spending as a result of a settlement reached in 2019 at our Middleport, New York site of $10 million maximum per year, on average, until the remediation is complete as well as a settlement agreement reached during the second quarter of 2023 with the other party involved at one of our foreign environmental remediation sites.

Total projected 2023 environmental spending, inclusive of sites accounted for within both continuing operations and discontinued sites, is expected to be in the range of approximately $85 million to $105 million.

Restructuring and asset retirement obligations

We expect to make payments of approximately $15 $20 million to $25 $30 million in 2023, of which approximately $10 million is related to exit and disposal costs as a result of our previous decision in 2019 to exit sales of all carbofuran formulations (including Furadan® insecticide/nematicide, as well as Curaterr® insecticide/nematicide and any other brands used with carbofuran products).

As a result of the destocking conditions, we have initiated a restructuring process for our operations in Brazil. In addition, we have launched a broader, more comprehensive process to review and adjust our total Company cost structure as volume pressure persists. We expect to incur restructuring costs as a result of these actions; however, the projected restructuring spending does not include any charges related to these activities as we have not committed to a program at this point.

Capital additions and other investing activities

Projected 2023 capital expenditures and expenditures related to contract manufacturers are expected to be in the range of approximately $125 $135 million to $135 $145 million. The spending is mainly driven by investments for our new products. Expenditures related to contract manufacturers are included within "other investing activities".

Legacy and transformation

Projected 2023 legacy and transformation spending is expected to be in the range of approximately $70 million to $80 million. This is primarily driven by environmental remediation spending for our discontinued sites, discussed above, and other legacy liabilities.

Share repurchases

In February 2022, the Board of Directors authorized the repurchase of up to $1 billion of the Company's common stock. During the six nine months ended June 30, 2023 September 30, 2023, 651,052 shares were repurchased under the publicly announced repurchase program. At June 30, 2023 September 30, 2023, $825.0 million remained unused under our Board-authorized repurchase program. This repurchase program does not include a specific timetable or price targets and may be suspended or terminated at any time. Shares may be purchased through open market or privately negotiated transactions at the discretion of management based on its evaluation of market conditions and other factors. We also reacquire shares from time to time from employees in connections with vesting, exercise and forfeiture of awards under our equity compensation plans. We do not plan any further share repurchases in 2023. We will evaluate restarting Further, as disclosed in more detail under the November 7, 2023 Amendment caption in the Liquidity and Capital Resources section of this Form 10-Q, in connection with an amendment to the Company's credit agreement, the Company agreed that it shall not repurchase shares until September 30, 2025, with the exception of share repurchases in 2024 as leverage returns to targeted levels. under our equity compensation plans.

Dividends

During the six nine months ended June 30, 2023 September 30, 2023 and June 30, 2022 September 30, 2022, we paid dividends of $145.4 million $217.9 million and $133.7 million $200.6 million, respectively. On July 20, 2023 October 19, 2023, we paid dividends totaling $72.5 million to our shareholders of record as of June 30, 2023 September 29, 2023. We expect to continue to make quarterly dividend payments. Future cash dividends, as always, will depend on a variety of factors, including earnings, capital requirements, financial condition, general economic conditions and other factors considered relevant by us and is subject to final determination by our Board of Directors.

Commitments and Contingencies

See Note 19 to the condensed consolidated financial statements included in this Form 10-Q.

Contractual Commitments

Information related to our contractual commitments at December 31, 2022 can be found within Part II, Item 7 of our 2022 Form 10-K. There have been no significant changes to our contractual commitments during the six nine months ended June 30, 2023 September 30, 2023.

Climate Change

A detailed discussion related to climate change can be found in Part II, Item 7 of our 2022 Form 10-K.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Fair Value Measurements

See Note 18 to the condensed consolidated financial statements in this Form 10-Q for additional discussion surrounding our fair value measurements.

DERIVATIVE FINANCIAL INSTRUMENTS AND MARKET RISKS

Our earnings, cash flows, and financial position are exposed to market risks relating to fluctuations in commodity prices, interest rates, and foreign currency exchange rates. Our policy is to minimize exposure to our cash flow over time caused by changes in commodity, interest, and currency exchange rates. To accomplish this, we have implemented a controlled program of risk management consisting of appropriate derivative contracts entered into with major financial institutions.

The analysis below presents the sensitivity of the market value of our financial instruments to selected changes in market rates and prices. The range of changes chosen reflects our view of changes that are reasonably possible over a one-year period. Market-value estimates are based on the present value of projected future cash flows considering the market rates and prices chosen.

At June 30, 2023 September 30, 2023, our financial instrument position was a net liability of $82.3 million $29.8 million compared to a net liability of $4.6 million at December 31, 2022. The change in the net financial instrument position was primarily due to changes in foreign exchange rates.

Since our risk management programs are generally highly effective, the potential loss in value for each risk management portfolio described below would be largely offset by changes in the value of the underlying exposure.

Commodity Price Risk

Energy costs are diversified among electricity and natural gas. We attempt to mitigate our exposure to increasing energy costs by hedging the cost of future deliveries of natural gas and electricity. To analyze the effect of changing energy prices, we perform a sensitivity analysis in which we assume an instantaneous 10 percent change in energy market prices from their levels at June 30, 2023 September 30, 2023 and December 31, 2022, with all other variables (including interest rates) held constant. Note, as of June 30, 2023 September 30, 2023 and December 31, 2022, we had no open commodity contracts. As a result, there was no sensitivity analysis performed over commodity price risk for the periods presented.

Foreign Currency Exchange Rate Risk

The primary currencies for which we have exchange rate exposure are the U.S. dollar versus the Euro, the Chinese yuan, the Brazilian real, Mexican peso, and the Argentine peso. Foreign currency debt and foreign exchange forward contracts are used in countries where we do business, thereby reducing our net asset exposure. Foreign exchange forward contracts are also used to hedge firm and highly anticipated foreign currency cash flows.

To analyze the effects of changing foreign currency rates, we have performed a sensitivity analysis in which we assume an instantaneous 10 percent change in the foreign currency exchange rates from their levels at June 30, 2023 September 30, 2023 and December 31, 2022, with all other variables (including interest rates) held constant.

(in Millions)	(in Millions)	Net Asset / (Liability) Position on Condensed Consolidated Balance Sheets	10% Strengthening	10% Weakening	(in Millions)	Net Asset / (Liability) Position on Condensed Consolidated Balance Sheets	10% Strengthening	10% Weakening
Net asset (liability) position at June 30, 2023		$ (82.3)	$ (27.4)	$ (138.1)				
Net asset (liability) position at September 30, 2023					**Net asset (liability) position at September 30, 2023**	$ (29.8)	$ 30.6	$ (74.4)
Net asset (liability) position at December 31, 2022	**Net asset (liability) position at December 31, 2022**	(17.0)	45.9	(79.7)	**Net asset (liability) position at December 31, 2022**	(17.0)	45.9	(79.7)

Interest Rate Risk

One of the strategies that we can use to manage interest rate exposure is to enter into interest rate swap agreements. In these agreements, we agree to exchange, at specified intervals, the difference between fixed and variable interest amounts calculated on an agreed-upon notional principal amount. As of June 30, 2023 September 30, 2023, we had no outstanding interest rate swap contracts. As a result, there was no sensitivity analysis performed over interest rate risk for the period ended June 30, 2023 September 30, 2023.

(in Millions)	(in Millions)	Net Asset / (Liability) Position on Condensed Consolidated Balance Sheets	1% Increase	1% Decrease	(in Millions)	Net Asset / (Liability) Position on Condensed Consolidated Balance Sheets	1% Increase	1% Decrease
Net asset (liability) position at June 30, 2023		$ —	$ —	$ —				
Net asset (liability) position at September 30, 2023					**Net asset (liability) position at September 30, 2023**	$ —	$ —	$ —
Net asset (liability) position at December 31, 2022	**Net asset (liability) position at December 31, 2022**	12.4	33.4	(8.6)	**Net asset (liability) position at December 31, 2022**	12.4	33.4	(8.6)

Our debt portfolio, at June 30, 2023 September 30, 2023, is composed of 75 86 percent fixed-rate debt and 25 14 percent variable-rate debt. The variable-rate component of our debt portfolio principally consists of borrowings under our Credit Facility, commercial paper program, and amounts outstanding under foreign subsidiary credit lines. Changes in interest rates affect different portions of our variable-rate debt portfolio in different ways.

Based on the variable-rate debt in our debt portfolio at June 30, 2023 September 30, 2023, a one percentage point increase in interest rates then in effect would have increased gross interest expense by $5.8 million $4.5 million and a one percentage point decrease in interest rates then in effect would have decreased gross interest expense by $5.8 million $4.5 million for the six nine months ended June 30, 2023 September 30, 2023.

REGULATION FD DISCLOSURES

The Company's investor relations website, located at https://investors.fmc.com, should be considered as a recognized channel of distribution, and the Company may periodically post important information to the web site for investors, including information that the Company may wish to disclose publicly for purposes of complying with the federal securities laws and our disclosure obligations under the SEC's Regulation FD. We encourage investors and others interested in the Company to monitor our investor relations website for material disclosures. Our website address is included in this Form 10-Q as a textual reference only and the information on the website is not incorporated by reference into this Form 10-Q.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information required by this item is provided in "Derivative Financial Instruments and Market Risks," under Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures. Based on management's evaluation (with the participation of the Company's Chief Executive Officer and Chief Financial Officer), the Chief Executive Officer and Chief Financial Officer have concluded that, as of June 30, 2023 September 30, 2023, the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) are effective to provide reasonable assurance that information required to be disclosed by the Company in reports filed or submitted under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and is accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

(b) Change in Internal Controls. There have been no changes in internal controls over financial reporting that occurred during the quarter ended June 30, 2023 September 30, 2023 that materially affected or are reasonably likely to materially affect our internal controls over financing reporting.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
FMC Corporation:

Results of Review of Interim Financial Information

We have reviewed the condensed consolidated balance sheet of FMC Corporation and subsidiaries (the Company) as of June 30, 2023 September 30, 2023, the related condensed consolidated statements of income (loss), comprehensive income (loss), and changes in equity for the three-month and six-month nine-month periods ended June 30, 2023 September 30, 2023 and 2022, and the related condensed consolidated statements of cash flows for the six-month nine-month periods ended June 30, 2023 September 30, 2023 and 2022, and the related notes (collectively, the consolidated interim financial information). Based on our reviews, we are not aware of any material modifications that should be made to the consolidated interim financial information for it to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of December 31, 2022, and the related consolidated statements of income (loss), comprehensive income (loss), changes in equity, and cash flows for the year then ended (not presented herein); and in our report dated February 24, 2023, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2022 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

This consolidated interim financial information is the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our reviews in accordance with the standards of the PCAOB. A review of consolidated interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ KPMG LLP

Philadelphia, Pennsylvania
August 3, November 7, 2023

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Other matters. For additional discussion of developments in the legal proceedings disclosed in Part I, Item 3 of our 2022 Form 10-K, see Notes 12 and 19 to the condensed consolidated financial statements as well as Part II, Item 5 included within this Form 10-Q.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this Form 10-Q, you should carefully consider the factors discussed in Part I, Item 1A "Risk Factors" of our 2022 Form 10-K filed with the U.S. Securities and Exchange Commission (the "SEC") for the fiscal year ended December 31, 2022 and the Company's other filings with the SEC, which are available at www.sec.gov and on the Company's website at www.fmc.com.

Forward-Looking Information

We wish to caution readers not to place undue reliance on any forward-looking statements contained herein, which speak only as of the date made. We specifically decline to undertake any obligation to publicly revise any forward-looking statements that have been made to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

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

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased (1)		Average Price Paid Per Share	Publicly Announced Program: Total Number of Shares Purchased	Publicly Announced Program: Total Dollar Amount Purchased		Publicly Announced Program: Maximum Dollar Value of Shares that May Yet be Purchased
April 2023	2,551	$	120.57	—	—	$	875,000,129
May 2023	464,999		109.42	457,237	49,999,988		825,000,141
June 2023	43		105.55	—	—		825,000,141
Total Q2 2023	**467,593**	**$**	**109.48**	**457,237**	**49,999,988**	**$**	**825,000,141**

Period	Total Number of Shares Purchased (1)		Average Price Paid Per Share	Publicly Announced Program: Total Number of Shares Purchased	Publicly Announced Program: Total Dollar Amount Purchased		Publicly Announced Program: Maximum Dollar Value of Shares that May Yet be Purchased
July 2023	373	$	95.61	—	—	$	825,000,141
August 2023	1,480		88.10	—	—		825,000,141
September 2023	2,151		75.34	—	—		825,000,141
Total Q3 2023	**4,004**	**$**	**81.95**	**—**	**—**	**$**	**825,000,141**

(1) Includes shares purchased in open market transactions by the independent trustee of the FMC Corporation Non-Qualified Savings and Investment Plan ("NQSP").

In February 2022, the Board of Directors authorized the repurchase of up to $1 billion of the Company's common stock. During the six nine months ended June 30, 2023 September 30, 2023, 651,052 shares were repurchased under the publicly announced repurchase program. At June 30, 2023 September 30, 2023, $825 million remained unused under our Board-authorized repurchase program. This repurchase program does not include a specific timetable or price targets and may be suspended or terminated at any time. Shares may be purchased through open market or privately negotiated transactions at the discretion of management based on its evaluation of market conditions and other factors. We also reacquire shares from time to time from employees in connection with the vesting, exercise and forfeiture of awards under our equity compensation plans.

ITEM 5. OTHER INFORMATION

Securities Trading Plans of Directors and Officers

During On August 16, 2023, Mark Douglas, President and Chief Executive Officer (an officer of the three months ended June 30, 2023, none Company as defined in Rule 16a-1(f) of the Securities and Exchange Act of 1934), adopted a trading plan (the "Plan") intended to satisfy the affirmative defense of Rule 10b5-1(c) of the Securities Exchange Act of 1934. The Plan provides for the exercise of 9,969 options (granted on February 17, 2014 and set to expire on February 17, 2024) to purchase shares of the Company's stock and the subsequent sale of the shares received from the exercise of such options. The Plan will terminate on the earlier of (i) February 16, 2024, (ii) the execution of all trades contemplated by the Plan, or (iii) the valid exercise of termination rights under the Plan by either Mark Douglas or the broker of the Plan.

No other directors or officers, as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934, of the Company adopted or terminated (i) a Rule 10b5-1 trading arrangement, as defined in Item 408(a) under Regulation S-K of the Securities Act of 1933, or (ii) a non-Rule 10b5-1 trading arrangement, as defined in Item 408(c) under Regulation S-K of the Securities Act of 1933. 1933, during the three months ended September 30, 2023.

ITEM 6. EXHIBITS

*4.1	Fifth Supplemental Indenture, dated as of May 18, 2023, by and between the Company and U.S. Bank Trust Company, National Association, as trustee (Exhibit 4.2 to the Current Report on the Form 8-K filed on May 18, 2023)
10.1	FMC Corporation 2023 Incentive Stock Plan
*10.2	Amendment No. 1, 2, dated as of June 30, 2023 November 7, 2023, to Fifth Amended and Restated Credit Agreement, dated as of June 17, 2022, among FMC Corporation, certain foreign subsidiaries of FMC Corporation party thereto, the lenders and issuing banks party thereto, and Citibank, N.A., as Administrative Agent for such lenders (Exhibit 10.1 to the Current Report on the Form 8-K filed on July 7, 2023 November 7, 2023)
*10.3	Executive Severance Agreement, dated April 1, 2019, between FMC Corporation and Michael Reilly (Exhibit 10.19 to the Annual Report on Form 10-K filed on February 25, 2021). Pursuant to Instruction 2 to Item 601 of Regulation S-K, the Executive Severance Agreement between FMC Corporation and Vsevolod Rostovtsev effective on April 3, 2023, which is substantially identical in all material respects, except as to the parties thereto and the dates thereof, is not filed herewith.
15	Awareness Letter of KPMG LLP
31.1	Chief Executive Officer Certification
31.2	Chief Financial Officer Certification
32.1	CEO Certification of Quarterly Report
32.2	CFO Certification of Quarterly Report
101	Interactive Data File (The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.)

* Incorporated by reference
† Management contract or compensatory plan or arrangement

SIGNATURES

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

FMC CORPORATION
(Registrant)

By: /s/ ANDREW D. SANDIFER

Andrew D. Sandifer
Executive Vice President and Chief Financial Officer

Date: August 3, 2023 November 7, 2023

Exhibit 10.1

FMC CORPORATION
2023 INCENTIVE STOCK PLAN
(Updated as of July 21, 2023)

SECTION 1. Purpose; Definitions. The purposes of the FMC Corporation 2023 Incentive Stock Plan (as amended from time to time, the "Plan") are to: (a) enable FMC Corporation (the "Company") and its affiliated companies to recruit and retain highly qualified employees, directors and consultants; (b) provide those employees, directors and consultants with an incentive for productivity; and (c) provide those employees, directors and consultants with an opportunity to share in the growth and value of the Company. Upon the Plan's Effective Date (as defined below), no further awards shall be made under the FMC Corporation Incentive Compensation and Stock Plan (As Amended and Restated on April 25, 2017) (the "Prior Plan").

For purposes of the Plan, the following terms will have the meanings defined below, unless the context clearly requires a different meaning:

(a) "Adoption Date" will have the meaning set forth in Section 24 hereof.

(b) “Affiliate” means, with respect to a Person, a Person that directly or indirectly controls, is controlled by, or is under common control with such Person.

(c) “Applicable Law” means the legal requirements relating to the administration of and issuance of securities under stock incentive plans, including, without limitation, the requirements of state corporations law, federal, state and foreign securities law, federal, state and foreign tax law, and the requirements of any stock exchange or quotation system upon which the Shares may then be listed or quoted.

(d) “Award” means an award of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Other Stock-Based Awards or Cash-Based Awards made under this Plan.

(e) “Award Agreement” means, with respect to any particular Award, the written document that sets forth the terms of that particular Award.

(f) “Board” means the Board of Directors of the Company, as constituted from time to time.

(g) “Cash-Based Award” means an Award granted under and subject to Section 10 hereof.

(h) “Cause” will, unless otherwise determined by the Committee or otherwise provided in an Award Agreement, (i) have the meaning provided in an Individual Agreement, for a Participant that is a party to an Individual Agreement that specifically defines “Cause,” and (ii) for each other Participant, mean: (1) the Participant’s habitual intoxication or drug addiction; (2) the Participant’s violation of the Company’s written policies, procedures or codes including, without limitation, those with respect to harassment (sexual or otherwise) and ethics; (3) the Participant’s refusal or willful failure by the Participant to perform such duties as may reasonably be delegated or assigned to the Participant, consistent with the Participant’s position; (4) the Participant’s willful refusal or willful failure to comply with any requirement of the US Securities and Exchange Commission or any securities exchange or self-regulatory organization then applicable to the Company; (5) the Participant’s willful misconduct in connection with the performance of the Participant’s duties including, without limitation, breach of fiduciary duties; (6) the Participant’s breach (whether due to inattention, neglect, or knowing conduct) of any of the material provisions of the Participant’s employment or service agreement, if any; (7) the Participant’s conviction of, guilty, no contest or nolo contendere plea to, or admission or confession to any felony, or any act of fraud, misappropriation, embezzlement or any misdemeanor involving moral turpitude; (8) the Participant’s involvement in any matter which, in the opinion of the Company’s Chief Executive Officer (or, in the case of the Chief Executive Officer, the Committee), is reasonably likely to cause material prejudice or reputational harm to the Company’s business; or (9) solely in the case of a Non-Employee Director, any other action by the Participant which the Board determines constitutes “Cause.”

(i) “Change in Control” shall mean the occurrence of any of the following events:

(i) An acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of twenty percent (20%) or more of either (1) the then outstanding shares of common stock of the Company (the “Outstanding Company Common Stock”) or (2) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); excluding, however, the following: (A) any acquisition directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company, or (D) any acquisition pursuant to a transaction which complies with Subsections (1), (2) and (3) of Section 1(i)(iii);

(ii) A change in the composition of the Board such that the individuals who, as of the Effective Date, constitute the Board (such Board will be hereinafter referred to as the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, for purposes of this Section 1(i)(ii), that any individual who becomes a member of the Board subsequent to the Effective Date, whose election, or nomination for election by the Company’s stockholders, was approved by a vote of at least a majority of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) will be considered as though such individual were a member of the Incumbent Board; but, provided further, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board will not be so considered as a member of the Incumbent Board;

(iii) Consummation of a reorganization, merger, or consolidation, sale or other disposition of all or substantially all of the assets of the Company, or acquisition by the Company of the assets or stock of another entity (“Corporate Event”); excluding, however, such a Corporate Event pursuant to which (1) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Corporate Event will beneficially own, directly or indirectly, more than sixty percent (60%) of, respectively, the outstanding shares of common stock, and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Event (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Corporate Event, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (2) no Person (other than the Company, any employee benefit plan (or related trust) of the Company or such corporation resulting from such Corporate Event) will beneficially own, directly or indirectly, twenty percent (20%) or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Event or the combined voting power of the outstanding voting securities of such corporation entitled to vote generally in the election of directors except to the extent that such ownership existed prior to the Corporate Event, and (3) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Event; or

(iv) The approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

Notwithstanding anything in the Plan or an Award Agreement to the contrary, to the extent necessary to comply with Section 409A of the Code, no event that, but for the application of this paragraph, would be a Change in Control as defined in the Plan or the Award Agreement, as applicable, shall be a Change in Control unless such event is also a "change in control event" as defined in Section 409A of the Code.

(j) "Code" means the US Internal Revenue Code of 1986, as amended from time to time, and any successor thereto.

(k) "Committee" means the committee designated by the Board to administer the Plan under Section 2. Unless otherwise determined by the Board, the Compensation Committee of the Board will serve as the Committee.

(l) "Company" will have the meaning set forth above in this Section 1.

(m) "Corporate Transaction" means a reorganization, merger, statutory share exchange, consolidation, sale of all or substantially all of the Company's assets, or the acquisition of assets or stock of another entity by the Company, or other corporate transaction involving the Company or any of its Subsidiaries.

(n) "Director" means a member of the Board.

(o) "Director Limit" will have the meaning set forth in Section 3(g) hereof.

(p) "Disabled" or "Disability" will, unless otherwise determined by the Committee or otherwise provided in an Award Agreement, (i) have the meaning provided in an Individual Agreement, for a Participant that is a party to an Individual Agreement that specifically defines "Disabled," or "Disability," and (ii) for each other Participant: (1) have the meaning that is set forth in the long-term disability plan maintained by the Company or its Affiliate that is then applicable to such Participant or (2) have the meaning set forth in Section 22(e)(3) of the Code, if no long-term disability plan is then applicable to such Participant.

(q) "Effective Date" will have the meaning set forth in Section 24 hereof.

(r) "Exchange Act" means the US Securities Exchange Act of 1934, as amended.

(s) "Fair Market Value" means, as of any date, unless otherwise provided by the Committee, the value of a Share determined as follows: (i) if the Shares are listed on any established stock exchange or a national market system, the Fair Market Value of a Share will be the closing sales price for such stock as quoted on that exchange or system at the close of regular hours trading on the date of determination (or if the date of determination is not a trading day, the last preceding trading day); (ii) if the Shares are regularly quoted by recognized securities dealers but selling prices are not reported, the Fair Market Value of a Share will be the last quoted sales price of a Share on the date of determination (or if the date of determination is not a trading day, the last preceding trading day); or (iii) if Shares are not traded as set forth above, the Fair Market Value will be determined in good faith by the Committee taking into consideration such factors as the Committee considers appropriate, such determination by the Committee to be final, conclusive and binding. Notwithstanding the foregoing, in connection with a Change in Control, Fair Market Value shall be determined in good faith by the Committee, such determination by the Committee to be final, conclusive and binding.

(t) "Full Value Award" means an Award of Restricted Stock, Restricted Stock Units, or an Other Stock-Based Award.

(u) "Good Reason" will, unless otherwise determined by the Committee or otherwise provided in an Award Agreement, (i) have the meaning provided in an Individual Agreement, for a Participant that is a party to an Individual Agreement that specifically defines "Good Reason," and (ii) for each other Participant, mean: (1) the assignment to the Participant of duties materially inconsistent with the Participant's authorities, duties, responsibilities or position, or a material adverse change in the Participant's authorities, duties, responsibilities, position or reporting requirements; (2) the Company's relocation of the Participant's principal worksite by more than (50) miles, excepting travel substantially consistent with the Participant's business obligations; or (3) a material reduction in the Participant's base salary, provided that any such event will constitute Good Reason only if the Participant notifies the Company in writing of such event within 90 days following the initial occurrence thereof, the Company fails to cure such event within 30 days after receipt from the Participant of written notice thereof, and the Participant resigns the Participant's employment within 180 days following the initial occurrence of such event.

(v) "Incentive Stock Option" means any Option intended to be an "Incentive Stock Option" within the meaning of Section 422 of the Code.

(w) "Incumbent Board" will have the meaning set forth in Section 1(i)(ii) hereof.

(x) "Individual Agreement" means an employment agreement, consulting agreement, or other similar arrangement between the Company (or any of its Affiliates) and a Participant.

(y) "Non-Employee Director" will have the meaning set forth in Rule 16b-3(b)(3)(i) promulgated by the US Securities and Exchange Commission under the Exchange Act, or any successor definition adopted by the US Securities and Exchange Commission.

(z) "Non-Qualified Stock Option" means any Option that is not an Incentive Stock Option.

(aa) "Option" means any option to purchase Shares (including an option to purchase Restricted Stock, if the Committee so determines) granted pursuant to Section 5.

(bb) "Other Stock-Based Award" means an Award valued in whole or in part by reference to, or otherwise based on, Shares, other than an Award of Options, Stock Appreciation Rights, Restricted Stock or Restricted Stock Units, which Award is granted pursuant to Section 9 hereof.

(cc) "Outstanding Company Common Stock" will have the meaning set forth in Section 1(i)(i) hereof.

(dd) "Outstanding Company Voting Securities" will have the meaning set forth in Section 1(i)(i) hereof.

(ee) "Parent" means, in respect of the Company, a "parent corporation" as defined in Section 424(e) of the Code.

(ff) "Participant" means an employee, consultant, Director, or other service provider of or to the Company or any of its Affiliates to whom an Award is granted.

(gg) "Person" means an individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act).

(hh) "Plan" will have the meaning set forth above in this Section 1.

(ii) "Prior Plan" will have the meaning set forth above in this Section 1.

(jj) "Prior Plan Awards" mean awards granted under the Prior Plan.

(kk) "Restriction Period" will have the meaning set forth in Section 7(c)(i) hereof.

(ll) "Restricted Stock" means Shares that are subject to restrictions pursuant to Section 7 hereof.

(mm) "Restricted Stock Unit" means a right granted under and subject to restrictions pursuant to Section 8 hereof.

(nn) "Section 409A" will have the meaning set forth in Section 23 hereof.

(oo) "Securities Act" means the US Securities Act of 1933, as amended.

(pp) "Shares" means shares of the Company's common stock, par value $0.10, subject to substitution or adjustment as provided in Section 12 hereof.

(qq) "Stock Appreciation Right" means a right granted under and subject to Section 6 hereof.

(rr) "Subsidiary" means, in respect of the Company, a subsidiary company as defined in Sections 424(f) and (g) of the Code.

(ss) "US" means the United States of America.

(tt) "Vesting Conditions" will have the meaning set forth in Section 5(c).

SECTION 2. Administration. The Plan shall be administered by the Committee; provided that, notwithstanding anything to the contrary herein, in its sole discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan except with respect to matters which under Applicable Law are required to be determined in the sole discretion of the Committee. Any action of the Committee in administering the Plan shall be final, conclusive and binding on all persons, including the Company, its Subsidiaries, Affiliates, their respective employees, the Participants, persons claiming rights from or through Participants and stockholders of the Company.

The Committee will have full authority to grant Awards under this Plan and determine the terms of such Awards. Such authority will include the right to:

(a) select the individuals to whom Awards are granted (consistent with the eligibility conditions set forth in Section 4);

(b) determine the type of Award to be granted;

(c) determine the number of Shares, if any, to be covered by each Award;

(d) establish the other terms and conditions of each Award;

(e) accelerate the vesting or exercisability of an Award, notwithstanding anything in the Plan to the contrary;

(f) waive any conditions or restrictions associated with an Award;

(g) extend the period of time during which an Award may be exercised (but in no event beyond the expiration of the original Award term); and

(h) modify or amend each Award, subject to the Participant's consent if such modification or amendment would materially impair such Participant's rights.

The Committee will have the authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it, from time to time, deems advisable; to interpret the terms and provisions of the Plan and any Award issued under the Plan (and any Award Agreement); and to otherwise take any action that may be necessary or desirable to facilitate the administration of the Plan. The Committee may correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any Award Agreement in the manner and to the extent it deems necessary to carry out the intent of the Plan.

To facilitate compliance with the laws in countries other than the US in which the Company and/or any of its respective Affiliates operate or have employees, Directors, consultants and other service providers, or the requirements of any foreign securities exchange or other Applicable Law, or to otherwise ensure the viability of the benefits from Awards granted to employees, Directors, consultants and other service providers performing services in such countries and to meet the objectives of the Plan, the Committee, in its discretion, shall have the power and authority to: (i) modify the terms and conditions of any Award granted to employees, Directors, consultants, and other service providers based outside the US; (ii) establish sub-plans and modify procedures, to the extent such actions may be necessary or advisable, including adoption of rules, procedures or sub-plans applicable to particular Affiliates or Participants in particular locations; provided, however, that no such sub-plans and/or modifications shall increase the share limitations contained in Section 3(a), and (iii) take any action, before or after an Award is made, that it deems advisable to obtain approval or facilitate compliance with any necessary local governmental regulatory exemptions, approvals or requirements. Without limiting the generality of the foregoing, the Committee is specifically authorized to adopt rules, procedures and sub-plans with provisions that limit or modify eligibility to receive an Award under the Plan or the effects of death, disability, retirement or other termination of employment, available methods of exercise or settlement of an Award, payment of income, social insurance contributions and payroll taxes, the shifting of employer tax or social insurance contribution liability to the Participant, withholding procedures and handling of any Share certificates or other indicia of ownership. Notwithstanding the foregoing, the Committee may not take any actions hereunder, and no Awards shall be granted, that would violate Applicable Law. For the avoidance of doubt, to the extent that any Committee action described under the foregoing paragraph requires stockholder approval under Applicable Law, then such action shall be subject to stockholder approval.

To the extent permitted by Applicable Law and the Company's governing documents, the Board or the Committee may delegate any of the authorities of the Committee identified herein to an individual or committee of individuals (who may, but need not, serve on the Board), including without limitation the authority to grant Awards hereunder. To the extent that the Board or the Committee so delegates authority, applicable references in the Plan to the Committee's authority to make awards and determinations with respect thereto shall be deemed to include the delegate. Notwithstanding the foregoing, the Committee will retain broad authority to administer the Plan, including the authority to make determinations with respect to awards previously granted by a delegate. The Board or the Committee, as applicable, may revoke any delegation it previously effectuated hereunder at any time, for any reason, with or without prior notice.

SECTION 3. Shares Subject to the Plan.

(a) Shares Subject to the Plan. Subject to adjustment as provided in Section 12 of the Plan, the maximum number of Shares that may be issued under the Plan is the sum of: (i) 5,000,000 Shares, (ii) such additional number of Shares (up to 1,700,000 Shares) as is equal to the number of Shares reserved for issuance under the Prior Plan that remain available for grant under the Prior Plan on the Effective Date, and (iii) the number of Shares underlying Prior Plan Awards that are outstanding as of the Effective Date (to the extent such Shares become available for grant under the Plan pursuant to Section 3(d) hereof). Any Shares issued hereunder may consist, in whole or in part, of authorized and unissued Shares or treasury shares.

(b) Fungible Share Pool. Each Share underlying an Option or Stock Appreciation Right granted hereunder will count against the number of Shares remaining available for issuance under Section 3(a) on a one to one basis, and each Share underlying a Full Value Award granted hereunder will count against the number of Shares remaining available for issuance under Section 3(a) as two Shares for each one Share underlying such Full Value Award.

(c) Substitute Awards. Notwithstanding the foregoing, any Shares issued in respect of Awards granted in substitution for equity-based awards of an entity acquired by the Company or a Subsidiary, or with which the Company or a Subsidiary combines, will not be counted against the number of Shares available for issuance hereunder.

(d) Award Forfeitures. If and to the extent that an Award or a Prior Plan Award terminates, expires, is canceled or is forfeited for any reason on or after the Effective Date, the Shares associated with that Award or Prior Plan Award will become available (or again be available) for grant under the Plan based on the applicable ratio specified above in Section 3(b).

(e) No Liberal Share Recycling. Notwithstanding anything in the Plan to the contrary, the following restrictions against liberal recycling of Shares shall apply:

(i) The full number of Shares subject to the exercise of a stock option (whether granted under this Plan or a Prior Plan) shall be unavailable for future issuance under Section 3(a) of the Plan, even if the option exercise price is satisfied through net-settlement or the delivery of Shares to the Company (either by actual delivery or attestation).

(ii) The full number of Shares subject to the exercise of a stock-settled stock appreciation right (whether granted under this Plan or a Prior Plan) shall be unavailable for future issuance under Section 3(a) of the Plan, even though only a net number of Shares are delivered upon exercise.

(iii) Shares withheld in settlement of a tax withholding obligation associated with an Award or a Prior Plan Award shall be unavailable for future issuance under Section 3(a) of the Plan.

(iv) Shares repurchased on the open market with the proceeds from the exercise of an Award or Prior Plan Award shall be unavailable for future issuance under Section 3(a) of the Plan.

(f) Incentive Stock Option Limit. Subject to adjustment as provided in Section 12 herein, the maximum aggregate number of Shares that may be issued under the Plan in respect of Incentive Stock Options is 5,000,000.

(g) Annual Compensation Limitations for Non-Employee Directors. Beginning with the first fiscal year following the fiscal year in which the Effective Date occurs, the aggregate amount of equity and cash compensation payable to a Non-Employee Director with respect to a fiscal year, whether under the Plan or otherwise, for services as a Non-Employee Director, shall not exceed $750,000; provided however, that such amount shall be $1,000,000 for the fiscal year in which the applicable Non-Employee Director is initially elected or appointed to the Board (collectively, the "Director Limit"). Equity incentive awards shall be counted towards the Director Limit in the fiscal year in which they are granted, based on the grant date fair value of such awards for financial reporting purposes (but excluding the impact of estimated forfeitures related to service-based vesting provisions). Cash fees shall be counted towards the Director Limit in the fiscal year for which they are reported as compensation in the Company's director compensation disclosures pursuant to Item 402 of Regulation S-K under the

Securities Act, or a successor provision. The Director Limit shall not apply to (i) equity and cash compensation earned by a Non-Employee Director solely in the Participant's capacity as chairperson of the Board or lead independent director; (ii) equity and cash compensation earned with respect to services a Non-Employee Director provides in a capacity other than as a Non-Employee Director, such as an advisor or consultant to the Company; and (iii) equity and cash compensation awarded by the Board to a Non-Employee Director in extraordinary circumstances, as determined by the Board in its discretion, in each case provided that the Non-Employee Director receiving such additional compensation does not participate in the decision to award such compensation.

SECTION 4. Eligibility. Employees, Directors, consultants, and other persons who provide services to the Company or its Affiliates are eligible to be granted Awards under the Plan. However, only employees of the Company, any Parent or a Subsidiary are eligible to be granted Incentive Stock Options.

SECTION 5. Options. Options granted under the Plan may be of two types: (i) Incentive Stock Options or (ii) Non-Qualified Stock Options. The Award Agreement shall state whether such grant is an Incentive Stock Option or a Non-Qualified Stock Option.

The Award Agreement evidencing any Option will incorporate the following terms and conditions and will contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee deems appropriate in its discretion:

(a) Option Price. The exercise price per Share under an Option will be determined by the Committee and will not be less than 100% of the Fair Market Value on the date of the grant. However, any Incentive Stock Option granted to any Participant who, at the time the Option is granted, owns, either directly and/or within the meaning of the attribution rules contained in Section 424(d) of the Code, stock possessing more than 10% of the total combined voting power of all classes of stock of the Company, will have an exercise price per Share of not less than 110% of Fair Market Value on the date of the grant.

(b) Option Term. The term of each Option will be fixed by the Committee, but no Option will be exercisable more than 10 years after the date the Option is granted. However, any Incentive Stock Option granted to any Participant who, at the time such Option is granted, owns, either directly and/or within the meaning of the attribution rules contained in Section 424(d) of the Code, stock possessing more than 10% of the total combined voting power of all classes of stock of the Company, may not have a term of more than 5 years. No Option may be exercised by any Person after the expiration of the term of the Option.

(c) Exercisability. Options will vest and be exercisable at such time or times and subject to such terms and conditions as determined by the Committee. Such terms and conditions may include the continued employment or service of the Participant, the attainment of specified individual or corporate goals, or such other factors as the Committee may determine in its discretion (the "Vesting Conditions"). The Committee may provide in the terms of an Award Agreement that the Participant may exercise the unvested portion of an Option in whole or in part in exchange for shares of Restricted Stock subject to the same vesting terms as the portion of the Option so exercised. Restricted Stock acquired upon the exercise of an unvested Option shall be subject to such additional terms and conditions as determined by the Committee.

(d) Method of Exercise. Subject to the terms of the applicable Award Agreement, the exercisability provisions of Section 5(c), Options may be exercised in whole or in part from time to time during their term by the delivery of written notice to the Company (which may be delivered electronically, including through the use of an alternative technological platform made available by the Company, unless otherwise determined by the Committee) specifying the number of Shares to be purchased. Such notice will be accompanied by payment in full of the purchase price and any taxes required to be withheld in connection with such exercise, either by certified or bank check, or such other means as the Committee may accept. The Committee may, in its discretion, permit payment of the exercise price of an Option in the form of previously acquired Shares based on the fair market value of the Shares on the date the Option is exercised or through means of a "net settlement," whereby the Option exercise price will not be due in cash and where the number of Shares issued upon such exercise will be equal to: (A) the product of (i) the number of Shares as to which the Option is then being exercised, and (ii) the excess, if any, of (a) the then current fair market value over (b) the Option exercise price, divided by (B) the then current fair market value.

An Option will not confer upon a Participant any of the rights or privileges of a stockholder in the Company unless and until the Participant exercises the Option in accordance with the paragraph above and is issued Shares pursuant to such exercise.

(e) Incentive Stock Option Limitations. In the case of an Incentive Stock Option, the aggregate Fair Market Value (determined as of the time of grant) of the Shares with respect to which Incentive Stock Options are exercisable for the first time by the Participant during any calendar year under the Plan and/or any other plan of the Company, its Parent or any Subsidiary, will not exceed $100,000. For purposes of applying the foregoing limitation, Incentive Stock Options will be taken into account in the order granted. To the extent any Option does not meet such limitation, that Option will be treated for all purposes as a Non-Qualified Stock Option.

(f) Automatic Exercise. Unless otherwise specified in the applicable Award Agreement, immediately before the time at which any Option that is unexercised on or after the Effective Date is scheduled to expire in accordance with the terms and conditions of the Plan and an Award Agreement, such Option shall be deemed automatically exercised subject to the following conditions:

(i) Such Option is covered by a then-current registration statement or a Notification under Regulation A under the 1933 Act,

(ii) The last reported sale price of a Share on the principal exchange on which Shares are listed on the date of determination, or if such date is not a trading day, the last preceding trading day, exceeds the option price per Share by such amount as may be determined by the Committee or its delegate from time to time. Absent a contrary determination, such excess per Share shall be $0.01, and

(iii) The employment or service of the Participant to whom such Option has been granted has not been terminated for Cause and immediately before the time at which any such Option is scheduled to expire in accordance with the terms and conditions of the Plan and the applicable Award Agreement, there is no basis for such a termination.

The exercise price of any Option exercised automatically pursuant to this Section 5(f) shall be satisfied through a "net settlement," as described in Section 5(d) above.

(g) Termination of Service. The Award Agreement for an Option will specify to what extent, if any, the Option will remain exercisable upon or following termination of employment or other service.

SECTION 6. Stock Appreciation Right. Subject to the other terms of the Plan, the Committee may grant Stock Appreciation Rights to eligible individuals. Each Stock Appreciation Right shall represent the right to receive, upon exercise, an amount equal to the number of Shares subject to the Award that is being exercised multiplied by the excess of (i) the Fair Market Value on the date the Award is exercised, over (ii) the base price specified in the applicable Award Agreement. Distributions may be made in cash, Shares, or a combination of both, at the discretion of the Committee. The Committee may impose one or more Vesting Conditions on Stock Appreciation Rights. The Award Agreement evidencing each Stock Appreciation Right shall indicate the base price, the term and the Vesting Conditions for such Award. A Stock Appreciation Right base price may never be less than the Fair Market Value of the underlying Share on the date of grant of such Stock Appreciation Right. The term of each Stock Appreciation Right will be fixed by the Committee, but no Stock Appreciation Right will be exercisable more than 10 years after the date the Stock Appreciation Right is granted. Subject to the terms and conditions of the applicable Award Agreement, Stock Appreciation Rights may be exercised in whole or in part from time to time during their term by the delivery of written notice to the Company specifying the portion of the Award to be exercised. The Award Agreement for a Stock Appreciation Right will specify to what extent, if any, the Stock Appreciation Right will remain exercisable upon or following termination of employment or other service.

SECTION 7. Restricted Stock.

(a) Issuance. Restricted Stock may be issued either alone or in conjunction with other Awards. The Committee will determine the time or times within which Restricted Stock may be subject to forfeiture, and all other conditions of such Awards. The purchase price for Restricted Stock may, but need not, be zero.

(b) Certificates. Upon the Award of Restricted Stock, the Committee may direct that a certificate or certificates representing the number of Shares subject to such Award be issued to the Participant or placed in a restricted stock account (including an electronic account) with the transfer agent and in either case designating the Participant as the registered owner. The certificate(s), if any, representing such shares shall be physically or electronically legended, as applicable, as to sale, transfer, assignment, pledge or other encumbrances during the Restriction Period (as defined below). If physical certificates are issued, they will be held in escrow by the Company or its designee during the Restriction Period. As a condition to any Award of Restricted Stock, the Participant may be required to deliver to the Company a share power, endorsed in blank, relating to the Shares covered by such Award.

(c) Restrictions and Conditions. The Award Agreement evidencing the grant of any Restricted Stock will incorporate the following terms and conditions and such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee deems appropriate in its discretion:

(i) During a period commencing with the date of an Award of Restricted Stock and ending at such time or times as specified by the Committee (the "Restriction Period"), the Participant will not be permitted to sell, transfer, pledge, assign or otherwise encumber Restricted Stock awarded under the Plan. The Committee may condition the lapse of restrictions on Restricted Stock upon one or more Vesting Conditions.

(ii) While any Share of Restricted Stock remains subject to restriction, the Participant will have, with respect to the Restricted Stock, the right to vote the Share.

(iii) Subject to the provisions of the applicable Award Agreement or as otherwise determined by the Committee, if the Participant's service with the Company and its Affiliates terminates prior to the expiration of the applicable Restriction Period, the Participant's Restricted Stock that then remains subject to forfeiture will then be forfeited automatically.

SECTION 8. Restricted Stock Units. Subject to the other terms of the Plan, the Committee may grant Restricted Stock Units to eligible individuals and may impose one or more Vesting Conditions on such units. Each Restricted Stock Unit will represent a right to receive from the Company, upon fulfillment of any applicable conditions, an amount equal to the Fair Market Value (at the time of the distribution). Payment in respect of a Restricted Stock Unit Award may be made in cash, Shares or both, at the discretion of the Committee. The Award Agreement evidencing a grant of Restricted Stock Units shall set forth the Vesting Conditions, and time and form of payment with respect to such Award. The Participant shall not have any stockholder rights with respect to the Shares subject to a Restricted Stock Unit Award until that Award vests and the Shares are actually issued thereunder. Subject to the provisions of the applicable Award Agreement or as otherwise determined by the Committee, if the Participant's service with the Company terminates prior to the Restricted Stock Unit Award vesting in full, any portion of the Participant's Restricted Stock Units that then remain subject to forfeiture will then be forfeited automatically.

SECTION 9. Other Stock-Based Awards. Subject to the other terms of the Plan, the Committee may grant Other Stock-Based Awards (including Awards to receive unrestricted Shares, or Awards that are payable in, valued in whole or in part by reference to, or otherwise based on or related to Shares) either alone or in conjunction with other Awards under the Plan. Subject to Applicable Law, Other Stock-Based Awards may be granted in lieu of other compensation to which the Participant is entitled from the Company (or an Affiliate). The Committee shall establish the terms and conditions of Other Stock-Based Awards in its discretion, including Vesting Conditions (if any). Payment in respect of an Other Stock-Based Award may be made in cash, Shares or both, at the discretion of the Committee.

SECTION 10. Cash-Based Awards. Subject to the other terms of the Plan, the Committee may grant Cash-Based Awards (including immediate cash payments) either alone or in conjunction with other Awards under the Plan. Subject to Applicable Law, Cash-Based Awards may be granted in lieu of other compensation to which the Participant is entitled from the Company (or an Affiliate). The Committee shall establish the terms and conditions of Cash-Based Awards in its discretion, including Vesting Conditions (if any).

SECTION 11. Dividends and Dividend Equivalent Rights. Notwithstanding anything to the contrary herein:

(a) No cash distribution or dividend equivalent rights will be payable with respect to Options or Stock Appreciation Rights;

(b) Cash distributions or dividends that become payable with respect to a Share of Restricted Stock while it remains subject to restriction may, in the Committee's discretion, be subjected to the same Restriction Period as is applicable to the Restricted Stock with respect to which such amounts are paid, or, if the Committee so determines, reinvested in additional Restricted Stock to the extent Shares are available under Section 3(a) of the Plan, which additional Restricted Stock, may, in the Committee's discretion, be subjected to the same Restriction Period; and

(c) An Award Agreement for Restricted Stock Units or an Other Stock-Based Award may provide for the inclusion of dividend equivalent rights entitling a Participant to payments or credits equal to the cash dividends that would otherwise have been paid with respect to the Shares subject to an Award, had such Shares been outstanding. The Committee may provide that such dividend equivalent rights will be paid or credited in cash or paid or credited in Shares (based on the Fair Market Value on the dividend payment date). Any such dividend equivalent payments or credits may, in the Committee's discretion, be subjected to the same Vesting Conditions as the underlying Award (or portion thereof) to which they relate.

SECTION 12. Adjustments. If the number of outstanding Shares is increased or decreased or the Shares are changed into or exchanged for a different number or kind of shares or other securities of the Company on account of any recapitalization, reclassification, stock split, reverse split, combination of shares, exchange of shares, stock dividend or other distribution payable in capital stock, or other increase or decrease in such Shares effected without receipt of consideration by the Company, or there occurs any spin-off, split-up, extraordinary cash dividend or other distribution of assets by the Company, the Committee, to prevent dilution or enlargement of Participants' rights under the Plan, shall, in such manner as it deems equitable, substitute or adjust, in its sole discretion, the number and kind of shares that may be issued under the Plan or under any outstanding Awards, the number and kind of shares subject to outstanding

Awards, the exercise price, grant price or purchase price applicable to outstanding Awards, and/or any other affected terms and conditions of this Plan or outstanding Awards.

SECTION 13.Corporate Transaction. Unless otherwise specified in the applicable Award Agreement, and subject to the provisions of Section 14, in the event of a Corporate Transaction, the Plan and the Awards issued hereunder shall continue in effect in accordance with their respective terms, except that following a Corporate Transaction either (i) each outstanding Award shall be treated as provided for in the agreement entered into in connection with the Corporate Transaction, or (ii) if not so provided in such agreement, each Participant shall be entitled to receive in respect of each Share subject to an outstanding Award, upon exercise or payment or transfer in respect of an Award, the same number and kind of stock, securities, cash, property or other consideration that each holder of a Share was entitled to receive in the Corporate Transaction in respect of a Share; provided, however, that, unless otherwise determined by the Committee, such stock, securities, cash, property or other consideration shall remain subject to all of the conditions, restrictions and performance criteria which were applicable to the Award prior to such Corporate Transaction. Without limiting the generality of the foregoing, the treatment of outstanding Options and Stock Appreciation Rights pursuant to this Section 13 in connection with a Corporate Transaction may include the cancellation of outstanding Options and Stock Appreciation Rights upon consummation of the Corporate Transaction as long as, at the election of the Committee, (i) the holders of affected Options and Stock Appreciation Rights have been given an opportunity to exercise the Options or Stock Appreciation Rights (to the extent otherwise exercisable) immediately prior to (and contingent upon the occurrence of) the Corporate Transaction or (ii) the holders of the affected Options and Stock Appreciation Rights are paid (in cash or cash equivalents) in respect of each Share covered by the Option or Stock Appreciation Right being canceled an amount equal to the excess, if any, of the per share price paid or distributed to stockholders in the Corporate Transaction (the value of any non-cash consideration to be determined by the Committee in its sole discretion) over the exercise price or base price, as applicable. For avoidance of doubt, (1) the cancellation of Options and Stock Appreciation Rights pursuant to clause (ii) of the preceding sentence may be effected notwithstanding anything to the contrary contained in this Plan or any Award Agreement and (2) if the amount determined pursuant to clause (ii) of the preceding sentence is zero or less, the affected Option or Stock Appreciation Right may be cancelled without any payment therefore. The Committee need not treat each Award in a uniform manner under this Section 13.

SECTION 14.Consequences of a Change in Control.

(a) Unless otherwise specified in the applicable Award Agreement or any applicable transaction documents, the Vesting Conditions for all outstanding Awards held by a Non-Employee Director shall be deemed fulfilled upon a Change in Control.

(b) Unless otherwise specified in the applicable Award Agreement or any applicable transaction documents, all outstanding Awards held by a Participant that is not a Non-Employee Director, shall be treated as follows upon a Change in Control:

(i) The Committee may, without the need for the consent of any Participant, arrange for the assumption, conversion or replacement of any such outstanding Awards upon a Change in Control. To the extent such Awards are assumed, converted or replaced by the resulting entity in the Change in Control, if, within two years after the date of the Change in Control, the Participant's service is terminated by the Company (or the resulting entity in the Change in Control) without Cause or due to a resignation by the Participant for Good Reason, then (x) all time-based Vesting Conditions shall be deemed fulfilled, and (y) performance-based Vesting Conditions for open performance periods shall be deemed fulfilled at the greater of the "target" performance level or the "actual" level of achievement through the Participant's termination date (or other reasonably proximate date selected by the Committee based on the availability of relevant data), as determined by the Committee in its discretion, subject to the execution of a release to the extent required by the applicable Award Agreement.

(ii) To the extent such Awards are not assumed, converted or replaced by the resulting entity in the Change in Control, then upon the Change in Control, (x) all time-based Vesting Conditions shall be deemed fulfilled, and (y) performance-based Vesting Conditions for open performance periods shall be deemed fulfilled at the greater of the "target" performance level or the "actual" level of achievement through the Change in Control (or other reasonably proximate date selected by the Committee based on the availability of relevant data), as determined by the Committee in its discretion.

Notwithstanding any provision of this Section 14, in the case of any Award subject to Section 409A of the Code, the Committee shall only be permitted to take actions under this Section 14 to the extent that such actions would be consistent with the intended treatment of such Award under Section 409A of the Code.

SECTION 15.Amendments and Termination. Subject to any stockholder approval that may be required under Applicable Law, the Board may amend or terminate the Plan at any time.

SECTION 16.Prohibition on Repricing Programs. Neither the Committee nor the Board shall (i) implement any cancellation/re-grant program pursuant to which outstanding Options or Stock Appreciation Rights are cancelled and new Options or Stock Appreciation Rights are granted in replacement with a lower exercise or base price per share, (ii) cancel outstanding Options or Stock Appreciation Rights with exercise prices or base prices per share in excess of the then current Fair Market Value for consideration payable in equity securities of the Company or cash, (iii) take any other action that may be considered "repricing" for purposes of US Generally Accepted Accounting Principles or the stockholder approval rules of any securities exchange or inter-dealer quotation system on which the Company's securities are listed or quoted, or (iv) otherwise directly reduce the exercise price or base price in effect for outstanding Options or Stock Appreciation Rights under the Plan (other than as permitted under Section 12, Section 13 or Section 14 herein), without in each such instance obtaining stockholder approval.

SECTION 17.Conditions Upon Grant of Awards and Issuance of Shares.

(a) The implementation of the Plan, the grant of any Award and the issuance of Shares in connection with the issuance, exercise or vesting of any Award made under the Plan shall be subject to the procurement of all approvals and permits the Committee determines, in its discretion, to be required by regulatory authorities having jurisdiction over the Plan, the Awards made under the Plan and the Shares issuable pursuant to those Awards.

(b) No Shares or other assets shall be issued or delivered under the Plan unless and until there shall have been compliance with all applicable requirements of Applicable Law.

(c) If the Company cannot, by the exercise of commercially reasonable efforts, obtain authority from any regulatory body having jurisdiction over the issuance or sale of Shares under this Plan, and such authority is deemed by the Company's counsel to be necessary to the lawful issuance of those Shares, the Company will be relieved of any liability for failing to issue or sell those Shares.

SECTION 18.Limits on Transferability; Beneficiaries. No Award or other right or interest of a Participant under the Plan shall be pledged, encumbered, or hypothecated to, or in favor of, or subject to any lien, obligation, or liability of such Participant to, any party, other than the Company, any Subsidiary or Affiliate, or assigned or transferred by such Participant other than by will or the laws of descent and distribution, and such Awards and rights shall be exercisable during the lifetime of the Participant only by the Participant or the Participant's guardian or legal representative. Notwithstanding the foregoing, the Committee may, in its discretion, provide that Awards or other rights or interests of a Participant granted pursuant to the Plan (other than an Incentive Stock Option) be transferable, without consideration, to immediate family members (i.e., children, grandchildren or spouse), to trusts for the benefit of such immediate family members and to partnerships in which such family members are the only partners. The Committee may attach to such transferability feature such terms and conditions as it deems advisable. In addition, if permitted by the Committee in its discretion, a Participant may, in the manner established by the Committee, designate a beneficiary (which may be a person or a trust) to exercise the surviving rights of the Participant, and to receive any distribution, with respect to any Award upon the death of the Participant. If the Committee does not so permit, or the Participant has not designated a beneficiary (or if any permitted beneficiary designation is later determined to be invalid), then following the Participant's death, the estate will succeed to any such surviving rights. A beneficiary, a guardian, a legal representative, an estate or any other Person claiming any rights under the Plan from or through any Participant shall be subject to all terms and conditions of the Plan and any Award Agreement applicable to such Participant, except as otherwise determined by the Committee, and to any additional restrictions deemed necessary or appropriate by the Committee.

SECTION 19.Withholding of Taxes. Whenever a taxable or tax withholding event occurs with respect to any Award under the Plan, the Participant will pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, any federal, foreign, state or local taxes of any kind required by law to be withheld with respect to such amount. To the extent authorized by the Committee, the required tax withholding may be satisfied by the withholding of Shares subject to the Award based on the fair market value of those Shares, as determined by the Company, but in any case, not in excess of the amount determined based on the maximum statutory tax rate in the applicable jurisdiction. The obligations of the Company under the Plan will be conditioned on such payment or arrangements and the Company will have the right to deduct any such taxes from any payment of any kind otherwise due to the Participant.

SECTION 20.Clawback Provisions. Notwithstanding anything in the Plan to the contrary:

(a) The Committee may, subject to Applicable Law, in the event of serious misconduct by a Participant (including, without limitation, any misconduct prejudicial to or in conflict with the Company or its Affiliates, or any termination for Cause), or any activity of a Participant in competition with the business of the Company or any Affiliate, (i) cancel any outstanding Award granted to such participant, in whole or in part, whether or not vested or deferred, and/or (ii) if such conduct or activity occurs within one year following the exercise or payment of an Award, require such Participant to repay to the Company any gain realized or payment received upon the exercise or payment of such Award (with such gain or payment valued as of the date of exercise or payment). Such cancellation or repayment obligation will be effective as of the date specified by the Committee. Any repayment obligation may be satisfied in Shares or cash or a combination thereof (based upon the fair market value of the Shares on the day of payment), and the Committee may, subject to Applicable Law, provide for an offset to any future payments owed by the Company or any Affiliate to the Participant if necessary to satisfy the repayment obligation. The determination of whether a Participant has engaged in serious misconduct or any activity in competition with the business of the Company or any Affiliate will be made by the Committee in good faith. This Section 20(a) will have no application following a Change in Control.

(b) Each Participant in the Plan shall also be subject to any current or future "clawback" or similar policy of the Company, as may be in effect from time to time, that is applicable to the Participant. In addition, each Participant in the Plan shall be subject to such deductions and "clawback" as may be required to be made pursuant to Applicable Law, government regulation or stock exchange listing requirement. Section 20(a) and Section 20(b) shall be applied so as to avoid duplication of recovery (i.e., the recovery of the same incentive compensation more than once from the same Participant).

SECTION 21. Company Policies. All Awards, and any Shares associated therewith, shall also be subject to the Company's stock ownership, securities trading, anti-hedging, anti-pledging and other similar policies, as in effect from time to time.

SECTION 22. General Provisions.

(a) The Committee may require each Participant to represent to and agree with the Company in writing that the Participant is acquiring securities of the Company for investment purposes and without a view to distribution thereof and as to such other matters as the Committee believes are appropriate.

(b) All Shares or other securities delivered under the Plan will be subject to such stop-transfer orders and other restrictions as the Board may deem necessary to reflect the terms of the applicable Award or advisable to comply with the rules, regulations and other requirements of the Securities Act, the Exchange Act, any stock exchange upon which the Shares are then listed, and any other Applicable Law, and the Board may cause Shares or other securities to be legended to reflect those restrictions.

(c) Nothing contained in the Plan will prevent the Company from adopting other or additional compensation arrangements, subject to stockholder approval if such approval is required. Similarly, the grant of any Award will not in any way affect the right or power of the Company to make adjustments, reclassification or changes in its capital or business structure or to merge, consolidate, dissolve, liquidate, sell or transfer all or any part of its business or assets.

(d) Neither the adoption of the Plan nor the execution of any document in connection with the Plan will: (i) confer upon any employee or other service provider of the Company or an Affiliate any right to continued employment or engagement with the Company or such Affiliate, or (ii) interfere in any way with any right the Company or such Affiliate may have to terminate the employment or engagement of any of its employees or other service providers at any time.

SECTION 23. Section 409A. All Awards are intended to be exempt from or comply with the requirements of Section 409A of the Code ("Section 409A") and should be interpreted accordingly. Nonetheless, the Company does not guaranty any particular tax treatment for any Award. For any Award that is non-qualified deferred compensation subject to Section 409A, the Committee may elect to liquidate such Award at any time in a manner intended to comply with Treas. Reg. § 1.409A-3(j)(4)(ix) or any successor provision. Notwithstanding anything to the contrary in the Plan or an Award, if at the time of a Participant's separation from service, such Participant is a "specified employee" (within the meaning of Section 409A), then any amounts payable under the Plan on account of such separation from service that would (but for this provision) be payable within six (6) months following the date of the separation from service shall instead be paid on the next business day following the expiration of such six (6) month period or, if earlier, upon the Participant's death, to the extent compliance with the requirements of Treas. Reg. § 1.409A3(i)(2) (or any successor provision) is necessary to avoid the application of an additional tax under Section 409A to such amounts. Notwithstanding the foregoing, neither the Company nor the Committee shall have any obligation to take any action to prevent the assessment of any excise tax or penalty on any Participant under Section 409A and neither the Company nor the Committee will have any liability to any Participant for such tax or penalty.

SECTION 24. Term of Plan. The Plan was adopted by the Board on February 24, 2023 (the "Adoption Date"), subject to approval by the Company's stockholders (the date of such approval, the "Effective Date"). The Plan shall terminate automatically on the tenth anniversary of the Adoption Date, February 24, 2023, provided that it may be terminated on any earlier date as provided in Section 15.

SECTION 25. Invalid Provisions. In the event that any provision of this Plan is found to be invalid or otherwise unenforceable under any Applicable Law, such invalidity or unenforceability will not be construed as rendering any other provisions contained herein as invalid or unenforceable, and all such other provisions will be given full force and effect to the same extent as though the invalid or unenforceable provision was not contained herein.

SECTION 26.Governing Law. The Plan and all Awards granted hereunder will be governed by and construed in accordance with the laws and judicial decisions of the State of Delaware, without regard to the application of the principles of conflicts of laws.

SECTION 27.Notices. Any notice to be given to the Company pursuant to the provisions of this Plan must be given in writing and addressed, if to the Company, to its principal executive office to the attention of its General Counsel (or such other Person as the Company may designate in writing from time to time), and, if to the Participant, to the address contained in the Company's personnel files, or at such other address as that Participant may hereafter designate in writing to the Company. Any such notice will be deemed duly given: if delivered personally or via recognized overnight delivery service, on the date and at the time so delivered; if sent via telecopier or email, on the date and at the time telecopied or emailed with confirmation of delivery; or, if mailed, five (5) days after the date of mailing by registered or certified mail.

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Exhibit 15

August 3, November 7, 2023

FMC Corporation
Philadelphia, Pennsylvania

Re: Registration Statement on Form S-3 (No. 333-265688) and Form S-8 (Nos. 333-235595, 333-219643, 333-64702, 333-62683, 333-36973, 333-24039, 333-18383, 333-69805, 333-69714, 333-111456, 333-172387, 333-172388, and 333-271466).

With respect to the subject registration statements, we acknowledge our awareness of the use therein of our report dated August 3, 2023 November 7, 2023 related to our review of interim financial information.

Pursuant to Rule 436 under the Securities Act of 1933 (the Act), such report is not considered part of a registration statement prepared or certified by an independent registered public accounting firm, or a report prepared or certified by an independent registered public accounting firm within the meaning of Sections 7 and 11 of the Act.

/s/ KPMG LLP

Philadelphia, Pennsylvania

ISSION-HEADER>

Exhibit 31.1

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Mark A. Douglas, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of FMC Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

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

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

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter 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 function):

   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: August 3, 2023 November 7, 2023

/s/ Mark A. Douglas

Mark A. Douglas
President and Chief Executive Officer

Exhibit 31.2

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Andrew D. Sandifer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of FMC Corporation;

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

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

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

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

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

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

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter 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 function):

   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: August 3, 2023 November 7, 2023

/s/ Andrew D. Sandifer

Andrew D. Sandifer
Executive Vice President
and Chief Financial Officer

Exhibit 32.1

CEO CERTIFICATION OF QUARTERLY REPORT

I, Mark A. Douglas, President and Chief Executive Officer of FMC Corporation ("the Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, based on my knowledge that:

(1) the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2023 September 30, 2023 (the "Report") fully complies with the requirements of Section 13(a) 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.

Dated: August 3, 2023 November 7, 2023

/s/ Mark A. Douglas

Mark A. Douglas
President and Chief Executive Officer

Exhibit 32.2

CFO CERTIFICATION OF QUARTERLY REPORT

I, Andrew D. Sandifer, Executive Vice President and Chief Financial Officer of FMC Corporation ("the Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, based on my knowledge that:

(1) the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2023 September 30, 2023 (the "Report") fully complies with the requirements of Section 13(a) 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.

Dated: August 3, 2023 November 7, 2023

/s/ Andrew D. Sandifer

Andrew D. Sandifer
Executive Vice President
and Chief Financial Officer

DISCLAIMER