

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

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2024, OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission File Number: 1-13595

Mettler Toledo International Inc

(Exact name of registrant as specified in its charter)

Delaware

13-3668641

(State or other jurisdiction of incorporation or organization)

(I.R.S Employer Identification No.)

1900 Polaris Parkway
Columbus, OH 43240
and
Im Langacher, P.O. Box MT-100
CH 8606 Greifensee, Switzerland
1-614-438-4511 and +41-44-944-22-11

(Registrant's telephone number, including area code)

not applicable

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.01 par value	MTD	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 and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one): Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

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

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

The Registrant had 21,102,668 shares of Common Stock outstanding at September 30, 2024.

**METTLER-TOLEDO INTERNATIONAL INC.
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PART I. FINANCIAL INFORMATION**Item 1. Financial Statements**

METTLER-TOLEDO INTERNATIONAL INC.
INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
Three months ended September 30, 2024 and 2023
 (In thousands, except share data)
 (unaudited)

	September 30, 2024	September 30, 2023
Net sales		
Products	\$ 715,593	\$ 722,611
Service	238,942	219,851
Total net sales	<u>954,535</u>	<u>942,462</u>
Cost of sales		
Products	273,205	280,704
Service	108,863	102,219
Gross profit	<u>572,467</u>	<u>559,539</u>
Research and development	47,117	46,127
Selling, general and administrative	228,777	217,447
Amortization	18,243	18,314
Interest expense	18,599	20,278
Restructuring charges	2,631	7,385
Other charges (income), net	<u>(1,852)</u>	<u>(1,171)</u>
Earnings before taxes	258,952	251,159
Provision for taxes	<u>47,436</u>	<u>49,528</u>
Net earnings	<u><u>\$ 211,516</u></u>	<u><u>\$ 201,631</u></u>
Basic earnings per common share:		
Net earnings	\$ 10.01	\$ 9.26
Weighted average number of common shares	21,139,674	21,776,944
Diluted earnings per common share:		
Net earnings	\$ 9.96	\$ 9.21
Weighted average number of common and common equivalent shares	21,242,343	21,886,482
Comprehensive income, net of tax (Note 9)	\$ 194,101	\$ 205,694

The accompanying notes are an integral part of these interim consolidated financial statements.

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METTLER-TOLEDO INTERNATIONAL INC.
INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
Nine months ended September 30, 2024 and 2023
(in thousands, except share data)
(unaudited)

	September 30, 2024	September 30, 2023
Net sales		
Products	\$ 2,128,821	\$ 2,197,583
Service	698,413	655,734
Total net sales	<u>2,827,234</u>	<u>2,853,317</u>
Cost of sales		
Products	815,703	863,408
Service	325,263	300,261
Gross profit	<u>1,686,268</u>	<u>1,689,648</u>
Research and development	139,303	138,849
Selling, general and administrative	698,963	680,679
Amortization	54,649	54,135
Interest expense	56,781	57,711
Restructuring charges	17,624	19,680
Other charges (income), net	<u>(3,728)</u>	<u>(2,578)</u>
Earnings before taxes	722,676	741,172
Provision for taxes	<u>111,837</u>	<u>137,188</u>
Net earnings	<u><u>\$ 610,839</u></u>	<u><u>\$ 603,984</u></u>
Basic earnings per common share:		
Net earnings	\$ 28.69	\$ 27.54
Weighted average number of common shares	21,288,202	21,933,889
Diluted earnings per common share:		
Net earnings	\$ 28.55	\$ 27.37
Weighted average number of common and common equivalent shares	21,396,456	22,067,398
Comprehensive income, net of tax (Note 9)	\$ 602,872	\$ 568,064

The accompanying notes are an integral part of these interim consolidated financial statements.

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METTLER-TOLEDO INTERNATIONAL INC.
INTERIM CONSOLIDATED BALANCE SHEETS
As of September 30, 2024 and December 31, 2023
(In thousands, except share data)
(unaudited)

	September 30, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 71,574	\$ 69,807
Trade accounts receivable, less allowances of \$18,707 at September 30, 2024 and \$20,103 at December 31, 2023	637,202	663,893
Inventories	375,813	385,865
Other current assets and prepaid expenses	113,643	110,638
Total current assets	1,198,232	1,230,203
Property, plant and equipment, net	790,447	803,374
Goodwill	672,404	670,108
Other intangible assets, net	262,519	285,429
Deferred tax assets, net	31,729	31,199
Other non-current assets	364,497	335,242
Total assets	<u>\$ 3,319,828</u>	<u>\$ 3,355,555</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$ 202,859	\$ 210,411
Accrued and other liabilities	190,361	196,138
Accrued compensation and related items	174,217	160,308
Deferred revenue and customer prepayments	210,650	202,022
Taxes payable	221,057	219,984
Short-term borrowings and current maturities of long-term debt	185,824	192,219
Total current liabilities	1,184,968	1,181,082
Long-term debt	1,891,661	1,888,620
Deferred tax liabilities, net	107,742	108,679
Other non-current liabilities	289,810	327,112
Total liabilities	3,474,181	3,505,493
Commitments and contingencies (Note 14)		
Shareholders' equity:		
Preferred stock, \$0.01 par value per share; authorized 10,000,000 shares	—	—
Common stock, \$0.01 par value per share; authorized 125,000,000 shares; issued 44,786,011 and 44,786,011 shares; outstanding 21,102,668 shares and 21,526,172 shares at September 30, 2024 and December 31, 2023, respectively	448	448
Additional paid-in capital	889,862	871,110
Treasury stock at cost (23,683,343 shares at September 30, 2024 and 23,259,839 shares at December 31, 2023)	(8,838,306)	(8,212,437)
Retained earnings	8,121,425	7,510,756
Accumulated other comprehensive loss	(327,782)	(319,815)
Total shareholders' equity	(154,353)	(149,938)
Total liabilities and shareholders' equity	<u>\$ 3,319,828</u>	<u>\$ 3,355,555</u>

The accompanying notes are an integral part of these interim consolidated financial statements.

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METTLER-TOLEDO INTERNATIONAL INC.
INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
Nine months ended September 30, 2024 and 2023
(In thousands, except share data)
(unaudited)

									Accumulated
	Common Stock		Additional		Treasury	Retained	Other	Comprehensive	
	Shares	Amount	Paid-in	Capital	Stock	Earnings	Income (Loss)		Total
Balance at December 31, 2022	22,139,009	\$ 448	\$ 850,368	\$ (7,325,656)	\$ 6,726,866	\$ (227,233)	\$ 24,793		
Exercise of stock options and restricted stock units	47,849	—	1,278	12,720	(2,525)	—	—	11,473	
Repurchases of common stock	(166,628)	—	—	(249,999)	—	—	—	(249,999)	
Excise tax on net repurchases of common stock	—	—	—	(1,906)	—	—	—	(1,906)	
Share-based compensation	—	—	4,027	—	—	—	—	4,027	
Net earnings	—	—	—	—	188,426	—	—	188,426	
Other comprehensive income (loss), net of tax	—	—	—	—	—	(1,283)	(1,283)	(1,283)	
Balance at March 31, 2023	22,020,230	\$ 448	\$ 855,673	\$ (7,564,841)	\$ 6,912,767	\$ (228,516)	\$ (24,469)		
Exercise of stock options and restricted stock units	22,342	—	1,536	6,085	(7)	—	—	7,614	
Repurchases of common stock	(177,754)	—	—	(250,000)	—	—	—	(250,000)	
Excise tax on net repurchases of common stock	—	—	—	(2,272)	—	—	—	(2,272)	
Share-based compensation	—	—	4,195	—	—	—	—	4,195	
Net earnings	—	—	—	—	213,927	—	—	213,927	
Other comprehensive income (loss), net of tax	—	—	—	—	—	(38,700)	(38,700)	(38,700)	
Balance at June 30, 2023	21,864,818	\$ 448	\$ 861,404	\$ (7,811,028)	\$ 7,126,687	\$ (267,216)	\$ (89,705)		
Exercise of stock options and restricted stock units	621	—	—	173	(26)	—	—	147	
Repurchases of common stock	(181,637)	—	—	(223,999)	—	—	—	(223,999)	
Excise tax on net repurchases of common stock	—	—	—	(2,237)	—	—	—	(2,237)	
Share-based compensation	—	—	4,228	—	—	—	—	4,228	
Net earnings	—	—	—	—	201,631	—	—	201,631	
Other comprehensive income (loss), net of tax	—	—	—	—	—	4,063	4,063	4,063	
Balance at September 30, 2023	21,683,802	\$ 448	\$ 865,632	\$ (8,037,091)	\$ 7,328,292	\$ (263,153)	\$ (105,872)		
Balance at December 31, 2023	21,526,172	\$ 448	\$ 871,110	\$ (8,212,437)	\$ 7,510,756	\$ (319,815)	\$ (149,938)		
Exercise of stock options and restricted stock units	4,898	—	585	1,406	(160)	—	—	1,831	
Repurchases of common stock	(173,700)	—	—	(212,499)	—	—	—	(212,499)	
Excise tax on net repurchases of common stock	—	—	—	(2,083)	—	—	—	(2,083)	
Share-based compensation	—	—	4,722	—	—	—	—	4,722	
Net earnings	—	—	—	—	177,509	—	—	177,509	
Other comprehensive income (loss), net of tax	—	—	—	—	—	21,741	21,741	21,741	
Balance at March 31, 2024	21,357,370	\$ 448	\$ 876,417	\$ (8,425,613)	\$ 7,688,105	\$ (298,074)	\$ (158,717)		
Exercise of stock options and restricted stock units	18,640	—	856	5,449	—	—	—	6,305	
Repurchases of common stock	(156,792)	—	—	(212,499)	—	—	—	(212,499)	
Excise tax on net repurchases of common stock	—	—	—	(1,913)	—	—	—	(1,913)	
Share-based compensation	—	—	4,541	—	—	—	—	4,541	
Net earnings	—	—	—	—	221,814	—	—	221,814	
Other comprehensive income (loss), net of tax	—	—	—	—	—	(12,293)	(12,293)	(12,293)	
Balance at June 30, 2024	21,219,218	\$ 448	\$ 881,814	\$ (8,634,576)	\$ 7,909,919	\$ (310,367)	\$ (152,762)		
Exercise of stock options and restricted stock units	35,371	—	3,689	10,524	(10)	—	—	14,203	
Repurchases of common stock	(151,921)	—	—	(212,499)	—	—	—	(212,499)	
Excise tax on net repurchases of common stock	—	—	—	(1,755)	—	—	—	(1,755)	
Share-based compensation	—	—	4,359	—	—	—	—	4,359	
Net earnings	—	—	—	—	211,516	—	—	211,516	
Other comprehensive income (loss), net of tax	—	—	—	—	—	(17,415)	(17,415)	(17,415)	
Balance at September 30, 2024	21,102,668	\$ 448	\$ 889,862	\$ (8,838,306)	\$ 8,121,425	\$ (327,782)	\$ (154,353)		

The accompanying notes are an integral part of these interim consolidated financial statements.

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METTLER-TOLEDO INTERNATIONAL INC.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
Nine months ended September 30, 2024 and 2023
(In thousands)
(unaudited)

	September 30, 2024	September 30, 2023
Cash flows from operating activities:		
Net earnings	\$ 610,839	\$ 603,984
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation	37,709	36,406
Amortization	54,649	54,135
Deferred tax benefit	(5,061)	(4,455)
Share-based compensation	13,622	12,450
Non-cash discrete tax benefit	(22,982)	—
Increase (decrease) in cash resulting from changes in:		
Trade accounts receivable, net	22,616	61,978
Inventories	8,834	59,409
Other current assets	(1,775)	14,679
Trade accounts payable	(7,807)	(70,562)
Taxes payable	5,693	16,726
Accruals and other	(14,178)	(100,381)
Net cash provided by operating activities	702,159	684,369
Cash flows from investing activities:		
Proceeds from sale of property, plant and equipment	733	668
Purchase of property, plant and equipment	(62,622)	(72,907)
Proceeds from government funding	—	2,596
Acquisitions	(2,473)	(613)
Other investing activities	(4,048)	(25,937)
Net cash used in investing activities	(68,410)	(96,193)
Cash flows from financing activities:		
Proceeds from borrowings	1,561,649	1,569,973
Repayments of borrowings	(1,576,862)	(1,467,228)
Proceeds from stock option exercises	22,339	19,234
Repurchases of common stock	(637,497)	(723,998)
Acquisition contingent consideration payment	—	(7,767)
Other financing activities	(1,913)	(826)
Net cash used in financing activities	(632,284)	(610,612)
Effect of exchange rate changes on cash and cash equivalents	302	(3,855)
Net increase (decrease) in cash and cash equivalents	1,767	(26,291)
Cash and cash equivalents:		
Beginning of period	69,807	95,966
End of period	\$ 71,574	\$ 69,675

The accompanying notes are an integral part of these interim consolidated financial statements.

METTLER-TOLEDO INTERNATIONAL INC.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(In thousands, except share data, unless otherwise stated)

1. BASIS OF PRESENTATION

Mettler-Toledo International Inc. (Mettler-Toledo or the Company) is a leading global supplier of precision instruments and services. The Company manufactures weighing instruments for use in laboratory, industrial, packaging, logistics and food retailing applications. The Company also manufactures several related analytical instruments and provides automated chemistry solutions used in drug and chemical compound discovery and development. In addition, the Company manufactures metal detection and other end-of-line inspection systems used in production and packaging and provides solutions for use in certain process analytics applications. The Company's primary manufacturing facilities are located in China, Germany, Switzerland, the United Kingdom, the United States and Mexico. The Company's principal executive offices are located in Columbus, Ohio and Greifensee, Switzerland.

The accompanying interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and include all entities in which the Company has control, which are its wholly-owned subsidiaries. The interim consolidated financial statements have been prepared without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. The interim consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

The accompanying interim consolidated financial statements reflect all adjustments which, in the opinion of management, are necessary for a fair statement of the results of the interim periods presented. Operating results for the three and nine months ended September 30, 2024 are not necessarily indicative of the results to be expected for the full year ending December 31, 2024.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. These financial statements were prepared using information reasonably available as of September 30, 2024 and through the date of this report. Actual results may differ from those estimates due to uncertainty around ongoing developments in Ukraine, the war in the Middle East, as well as other factors.

All intercompany transactions and balances have been eliminated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Trade Accounts Receivable

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for expected credit losses represents the Company's best estimate based on historical information, current information, and reasonable and supportable forecasts of future events and circumstances.

METTLER-TOLEDO INTERNATIONAL INC.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(In thousands, except share data, unless otherwise stated)

Inventories

Inventories are valued at the lower of cost or net realizable value. Cost, which includes direct materials, labor and overhead, is generally determined using the first in, first out (FIFO) method. The estimated net realizable value is based on assumptions for future demand and related pricing. Adjustments to the cost basis of the Company's inventory are made for excess and obsolete items based on usage, orders and technological obsolescence. If actual market conditions are less favorable than those projected by management, reductions in the value of inventory may be required.

Inventories consisted of the following:

	September 30, 2024	December 31, 2023
Raw materials and parts	\$ 175,562	\$ 180,352
Work-in-progress	72,988	81,181
Finished goods	127,263	124,332
	<hr/> <hr/> \$ 375,813	<hr/> <hr/> \$ 385,865

Goodwill and Other Intangible Assets

Goodwill, representing the excess of purchase price over the net asset value of companies acquired, and indefinite-lived intangible assets are not amortized, but are reviewed for impairment annually in the fourth quarter, or more frequently if events or changes in circumstances indicate that an asset might be impaired. The annual evaluation for goodwill and indefinite-lived intangible assets are generally based on an assessment of qualitative factors to determine whether it is more likely than not that the fair value of the asset is less than the carrying amount.

Other intangible assets include indefinite-lived assets and assets subject to amortization. Where applicable, amortization is charged on a straight-line basis over the expected period of benefit. The straight-line method of amortization reflects an appropriate allocation of the cost of the intangible assets to earnings in proportion to the amount of economic benefits obtained by the Company in each reporting period. The Company assesses the initial acquisition of intangible assets in accordance with the provisions of ASC 805 "Business Combinations" and the continued accounting for previously recognized intangible assets and goodwill in accordance with the provisions of ASC 350 "Intangible - Goodwill and Other" and ASC 360 "Property, Plant and Equipment".

Other intangible assets consisted of the following:

	September 30, 2024			December 31, 2023		
	Gross Amount	Accumulated Amortization	Intangibles, Net	Gross Amount	Accumulated Amortization	Intangibles, Net
Customer relationships	\$ 288,272	\$ (113,886)	\$ 174,386	\$ 294,180	\$ (107,665)	\$ 186,515
Proven technology and patents	126,751	(80,521)	46,230	129,227	(75,014)	54,213
Tradenames (finite life)	7,934	(5,253)	2,681	7,908	(4,535)	3,373
Tradenames (indefinite life)	35,133	—	35,133	36,320	—	36,320
Other	12,372	(8,283)	4,089	13,236	(8,228)	5,008
	<hr/> <hr/> \$ 470,462	<hr/> <hr/> \$ (207,943)	<hr/> <hr/> \$ 262,519	<hr/> <hr/> \$ 480,871	<hr/> <hr/> \$ (195,442)	<hr/> <hr/> \$ 285,429

METTLER-TOLEDO INTERNATIONAL INC.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(In thousands, except share data, unless otherwise stated)

The Company recognized amortization expense associated with the above intangible assets of \$.8 million and \$7.0 million for the three months ended September 30, 2024 and 2023, respectively, and \$20.3 million and \$20.8 million for the nine months ended September 30, 2024 and 2023, respectively. The annual aggregate amortization expense based on the current balance of other intangible assets is estimated to be \$27.2 million for 2024, \$26.1 million for 2025, \$22.0 million for 2026, \$20.6 million for 2027, \$19.3 million for 2028, and \$17.5 million for 2029. Purchased intangible amortization was \$.4 million, \$5.0 million after tax, and \$6.7 million, \$5.2 million after tax, for the three months ended September 30, 2024 and 2023, respectively, and \$19.5 million, \$15.1 million after tax, and \$19.9 million, \$15.4 million after tax, for the nine months ended September 30, 2024 and 2023, respectively.

In addition to the above amortization, the Company recorded amortization expense associated with capitalized software of \$11.4 million and \$11.2 million for the three months ended September 30, 2024 and 2023, respectively, and \$34.2 million and \$33.2 million for the nine months ended September 30, 2024 and 2023, respectively.

Revenue Recognition

Product revenue is recognized from contracts with customers when a customer has obtained control of a product. The Company considers control to have transferred based upon shipping terms. To the extent the Company's arrangements have a separate performance obligation, revenue related to any post-shipment performance obligation is deferred until completed. Shipping and handling costs charged to customers are included in total net sales and the associated expense is a component of cost of sales. Certain products are also sold through indirect distribution channels whereby the distributor assumes any further obligations to the end customer. Revenue is recognized on these distributor arrangements upon transfer of control to the distributor. Contracts do not contain variable pricing arrangements that are retrospective, except for rebate programs. Rebates are estimated based on expected sales volumes and offset against revenue at the time such revenue is recognized. The Company generally maintains the right to accept or reject a product return in its terms and conditions and also maintains appropriate accruals for outstanding credits. The related provisions for estimated returns and rebates are immaterial to the consolidated financial statements.

Certain of the Company's product arrangements include separate performance obligations, primarily related to installation. Such performance obligations are accounted for separately when the deliverables have stand-alone value and the satisfaction of the undelivered performance obligations is probable and within the Company's control. The allocation of revenue between the performance obligations is based on the observable stand-alone selling prices at the time of the sale in accordance with a number of factors including service technician billing rates, time to install, and geographic location.

Software is generally not considered a distinct performance obligation with the exception of a few small software applications. The Company generally does not sell software products without the related hardware instrument as the software is embedded in the product. The Company's products typically require no significant production, modification, or customization of the hardware or software that is essential to the functionality of the products.

Service revenue not under contract is recognized upon the completion of the service performed. Revenue from spare parts sold on a stand-alone basis is recognized when control is transferred to the customer, which is generally at the time of shipment or delivery. Revenue from service contracts is recognized ratably over the contract period using a time-based method. These contracts represent an obligation to perform repair and other services including regulatory compliance qualification, calibration, certification, and preventative maintenance on a customer's pre-defined equipment over the contract period.

METTLER-TOLEDO INTERNATIONAL INC.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(In thousands, except share data, unless otherwise stated)

Share-Based Compensation

The Company recognizes share-based compensation expense within selling, general and administrative in the consolidated statements of operations and other comprehensive income with a corresponding offset to additional paid-in capital in the consolidated balance sheet. The Company recorded \$4.4 million and \$13.6 million of share-based compensation expense for the three and nine months ended September 30, 2024, respectively, compared to \$4.2 million and \$12.5 million for the corresponding periods in 2023.

Research and Development

Research and development costs primarily consist of salaries, consulting and other costs. The Company expenses these costs as incurred.

Business Combinations and Asset Acquisitions

The Company accounts for business acquisitions under the accounting standards for business combinations. The results of each acquisition are included in the Company's consolidated results as of the acquisition date. The purchase price of an acquisition is allocated to tangible and intangible assets and assumed liabilities based on their estimated fair values and any consideration in excess of the net assets acquired is recognized as goodwill. The determination of the values of the acquired assets and assumed liabilities, including goodwill and intangible assets, require significant judgment. Acquisition transaction costs are expensed when incurred.

In circumstances where an acquisition involves a contingent consideration arrangement, the Company recognizes a liability equal to the fair value of the expected contingent payments as of the acquisition date. Subsequent changes in the fair value of the contingent consideration are recorded to other charges (income), net.

Recent Accounting Pronouncements

In March 2020, January 2021 and December 2022, the FASB issued ASU 2020-04, ASU 2021-01 and ASU 2022-06: Reference Rate Reform, which provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by the discontinuance of LIBOR or another referenced rate. The guidance may be applied to any applicable contract entered into before December 31, 2024. The Company amended its credit agreement and cross currency swap agreements in June 2023 to change the interest rate benchmark from LIBOR to SOFR and other non-U.S. dollar references, which did not change the amount or timing of cash flows. As a result, the discontinuation of LIBOR did not have a material impact on the Company's financial statements.

In November 2023, the FASB issued ASU 2023-07: Improvements to Reportable Segment Disclosures which requires incremental disclosures about a public entity's reportable segments but does not change the definition of a segment or the guidance for determining reportable segments. The Company will adopt the annual disclosure requirements in 2024 and is currently evaluating the impact of these requirements on the consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09: Improvements to Income Tax Disclosures, which enhances income tax disclosures, especially related to the rate reconciliation and income taxes paid information. The Company will adopt the annual disclosure requirements in 2025 and is currently evaluating the impact of these requirements on the consolidated financial statements.

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3. REVENUE

The Company disaggregates revenue from contracts with customers by product, service, timing of revenue recognition and geography. A summary of revenue by the Company's reportable segments for the three and nine months ended September 30, 2024 and 2023 follows:

		For the three months ended September 30, 2024					
		U.S. Operations	Swiss Operations	Western European Operations	Chinese Operations	Other Operations	Total
Product Revenue		\$ 253,663	\$ 42,311	\$ 135,271	\$ 147,851	\$ 136,497	\$ 715,593
Service Revenue:							
Point in time		72,240	7,969	43,250	11,852	36,370	171,681
Over time		25,139	3,155	23,316	4,697	10,954	67,261
Total		\$ 351,042	\$ 53,435	\$ 201,837	\$ 164,400	\$ 183,821	\$ 954,535
		For the three months ended September 30, 2023					
		U.S. Operations	Swiss Operations	Western European Operations	Chinese Operations	Other Operations	Total
Product Revenue		\$ 264,095	\$ 40,270	\$ 135,608	\$ 147,312	\$ 135,326	\$ 722,611
Service Revenue:							
Point in time		68,082	7,049	42,663	10,570	34,420	162,784
Over time		21,581	2,914	20,249	4,130	8,193	57,067
Total		\$ 353,758	\$ 50,233	\$ 198,520	\$ 162,012	\$ 177,939	\$ 942,462
		For the nine months ended September 30, 2024					
		U.S. Operations	Swiss Operations	Western European Operations	Chinese Operations	Other Operations	Total
Product Revenue		\$ 768,744	\$ 125,350	\$ 423,919	\$ 425,298	\$ 385,510	\$ 2,128,821
Service Revenue:							
Point in time		219,213	23,348	129,289	33,506	102,194	507,550
Over time		71,423	9,172	65,707	13,178	31,383	190,863
Total		\$ 1,059,380	\$ 157,870	\$ 618,915	\$ 471,982	\$ 519,087	\$ 2,827,234
		For the nine months ended September 30, 2023					
		U.S. Operations	Swiss Operations	Western European Operations	Chinese Operations	Other Operations	Total
Product Revenue		\$ 776,505	\$ 113,393	\$ 406,719	\$ 522,001	\$ 378,965	\$ 2,197,583
Service Revenue:							
Point in time		210,957	21,756	124,659	34,938	96,607	488,917
Over time		62,812	8,256	58,641	12,510	24,598	166,817
Total		\$ 1,050,274	\$ 143,405	\$ 590,019	\$ 569,449	\$ 500,170	\$ 2,853,317

A breakdown of net sales to external customers by geographic customer destination for the three and nine months ended September 30 follows:

	Three Months Ended			Nine Months Ended	
	2024		2023	2024	
	Americas	\$ 393,620	\$ 397,721	\$ 1,181,992	\$ 1,166,691
Europe		259,993	255,157	792,690	755,470
Asia / Rest of World		300,922	289,584	852,552	931,156
Total		\$ 954,535	\$ 942,462	\$ 2,827,234	\$ 2,853,317

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The Company's global revenue mix by product category is laboratory (56% of sales), industrial (39% of sales) and retail (5% of sales). The Company's product revenue by reportable segment is proportionately similar to the Company's global mix except the Company's Swiss Operations is largely comprised of laboratory products while the Company's Chinese Operations has a slightly higher percentage of industrial products. A breakdown of the Company's sales by product category for the three and nine months ended September 30 is as follows:

	Three Months Ended		Nine Months Ended	
	2024	2023	2024	2023
Laboratory	\$ 534,835	\$ 508,817	\$ 1,583,123	\$ 1,555,547
Industrial	365,514	365,909	1,091,616	1,120,090
Retail	54,186	67,736	152,495	177,680
Total	<u>\$ 954,535</u>	<u>\$ 942,462</u>	<u>\$ 2,827,234</u>	<u>\$ 2,853,317</u>

The payment terms in the Company's contracts with customers do not exceed one year and therefore contracts do not contain a significant financing component. In most cases, after appropriate credit evaluations, payments are due in arrears and are recognized as receivables. Unbilled revenue is recorded when performance obligations have been satisfied, but not yet billed to the customer. Unbilled revenue as of September 30, 2024 and December 31, 2023 was \$40.6 million and \$35.7 million, respectively, and is included within accounts receivable. Deferred revenue and customer prepayments are recorded when cash payments are received or due in advance of the performance obligation being satisfied. Deferred revenue primarily includes prepaid service contracts, as well as deferred installation.

Changes in the components of deferred revenue and customer prepayments during the nine month periods ending September 30, 2024 and 2023 are as follows:

	2024	2023
Beginning balances as of January 1	\$ 202,022	\$ 192,759
Customer pre-payments/deferred revenue	483,079	485,721
Revenue recognized	(474,832)	(484,858)
Foreign currency translation	381	(2,838)
Ending balance as of September 30	<u>\$ 210,650</u>	<u>\$ 190,784</u>

The Company generally expenses sales commissions when incurred because the contract period is one year or less. These costs are recorded within selling, general, and administrative expenses. The value of unsatisfied performance obligations other than customer prepayments and deferred revenue associated with contracts greater than one year is immaterial.

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4. FINANCIAL INSTRUMENTS

The Company has limited involvement with derivative financial instruments and does not use them for trading purposes. The Company enters into certain interest rate and cross currency swap agreements in order to manage its exposure to changes in interest rates. The amount of the Company's fixed obligation interest payments may change based upon the expiration dates of its interest rate and cross currency swap agreements and the level and composition of its debt. The Company also enters into certain foreign currency forward contracts to limit the Company's exposure to currency fluctuations on the respective hedged items. For additional disclosures on derivative instruments regarding balance sheet location, fair value, and the amounts reclassified into other comprehensive income and the effective portion of the cash flow hedges, also see Note 5 and Note 9 to the interim consolidated financial statements. As also described in Note 7, the Company has designated its euro-denominated debt as a hedge of a portion of its net investment in euro-denominated foreign subsidiaries.

Cash Flow Hedges

The Company has entered into a number of cross currency swaps designated as cash flow hedges. The agreements convert borrowings under the Company's credit facility into synthetic Swiss franc debt, which allows the Company to effectively change the floating rate SOFR-based interest payments, excluding the credit spread, to a fixed Swiss franc income or expense as follows:

Agreement Date	Amount Converted	Effective		Maturity Date
		Swiss Franc Interest Rate		
June 2019	\$50 million	(0.82)%		June 2023
November 2021	\$50 million	(0.67)%	2023	November
June 2021	\$50 million	(0.73)%		June 2024
June 2021	\$50 million	(0.59)%		June 2025
December 2023	\$50 million	1.04%	2026	November
November 2023	\$50 million	1.16%	2026	November
June 2023	\$50 million	1.55%		June 2027
June 2024	\$50 million	1.15%		June 2027

In June 2024, the Company entered into a cross currency swap arrangement, as summarized above, to replace the cross currency swap that matured in June 2024. The new swap was designated as an effective cash flow hedge.

The Company amended all active cross currency swap agreements to replace all references of LIBOR to SOFR as the interest rate benchmark to align with the amendment to the Company's Prior Credit Facility Agreement, as discussed in Note 10 to the consolidated financial statements for the year ended December 31, 2023. As part of these amendments, the corresponding fixed Swiss franc interest rates were amended as well to reflect the change in the benchmark.

The Company's cash flow hedges are recorded gross at fair value in the consolidated balance sheet at September 30, 2024 and December 31, 2023, respectively. A derivative gain of \$5.3 million based upon interest rates at September 30, 2024, is expected to be reclassified from other comprehensive income (loss) to earnings in the next twelve months. The cash flow hedges remain effective as of September 30, 2024.

Other Derivatives

The Company enters into foreign currency forward contracts in order to economically hedge short-term trade and non-trade intercompany balances largely denominated in Swiss franc, other major

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European currencies, and the Chinese Renminbi with its foreign businesses. In accordance with U.S. GAAP, these contracts are considered "derivatives not designated as hedging instruments." Gains or losses on these instruments are reported in current earnings. The foreign currency forward contracts are recorded at fair value in the consolidated balance sheet at September 30, 2024 and December 31, 2023, as disclosed in Note 5. The Company recognized in other charges (income) a net loss of \$3.1 million and net loss of \$0.2 million during the three months ended September 30, 2024 and 2023, respectively, and a net gain of \$1.5 million and net loss of \$15.7 million during the nine months ended September 30, 2024 and 2023, respectively, which offset the related transaction gains (losses) associated with these contracts. At September 30, 2024 and December 31, 2023, these contracts had a notional value of \$916.1 million and \$793.9 million, respectively.

5. FAIR VALUE MEASUREMENTS

At September 30, 2024 and December 31, 2023, the Company had derivative assets totaling \$9.9 million and \$8.3 million respectively, and derivative liabilities totaling \$22.1 million and \$25.2 million, respectively. The Company has limited involvement with derivative financial instruments and therefore does not present all the required disclosures in tabular format. The fair values of the cross currency swap agreements and foreign currency forward contracts that economically hedge short-term intercompany balances are estimated based upon inputs from current valuation information obtained from dealer quotes and priced with observable market assumptions and appropriate valuation adjustments for credit risk. The Company has evaluated the valuation methodologies used to develop the fair values by dealers in order to determine whether such valuations are representative of an exit price in the Company's principal market. In addition, the Company uses an internally developed model to perform testing on the valuations received from brokers. The Company has also considered both its own credit risk and counterparty credit risk in determining fair value and determined these adjustments were insignificant at September 30, 2024 and December 31, 2023.

Under U.S. GAAP, fair value is defined as 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. A fair value measurement consists of observable and unobservable inputs that reflect the assumptions that a market participant would use in pricing an asset or liability.

A fair value hierarchy has been established that categorizes these inputs into three levels:

- Level 1: Quoted prices in active markets for identical assets and liabilities
- Level 2: Observable inputs other than quoted prices in active markets for identical assets and liabilities
- Level 3: Unobservable inputs

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The following table presents the Company's assets and liabilities, which are all categorized as Level 2, that are measured at fair value on a recurring basis. The Company does not have any assets or liabilities which are categorized as

	September 30, 2024	December 31, 2023	Balance Sheet Classification
Foreign currency forward contracts not designated as hedging instruments	\$ 9,889	\$ 8,330	Other current assets and prepaid expenses
Total derivative assets	\$ 9,889	\$ 8,330	
Foreign currency forward contracts not designated as hedging instruments	\$ 1,921	\$ 8,245	Accrued and other liabilities
Cash Flow Hedges:			
Cross currency swap agreement	2,477	2,678	Accrued and other liabilities
Cross currency swap agreement	17,710	14,270	Other non-current liabilities
Total derivative liabilities	\$ 22,108	\$ 25,193	
Level 1:			

The Company had \$8.4 million and \$4.0 million of cash equivalents at September 30, 2024 and December 31, 2023, respectively, the fair value of which is determined using Level 2 inputs, through quoted and corroborated prices in active markets. The fair value of cash equivalents approximates cost.

The fair value of the Company's debt is less than the carrying value by approximately \$74.1 million as of September 30, 2024. The fair value of the Company's fixed interest rate debt was estimated using Level 2 inputs, primarily discounted cash flow models, based on estimated current rates offered for similar debt under current market conditions for the Company.

During the nine months ended September 30, 2023, \$10.0 million of contingent consideration was paid relating to the PendoTECH acquisition of which \$5.6 million is included in financing activities for the amount accrued at the acquisition date and \$4.4 million is included in operating activities for the amount not accrued at the acquisition date on the Consolidated Statement of Cash Flows in accordance with U.S. GAAP. The Company no longer has a contingent consideration obligation relating to the PendoTECH acquisition as of September 30, 2024.

6. INCOME TAXES

The Company's reported tax rate was 18.3% and 19.7% during the three months ended September 30, 2024 and 2023, respectively and 15.5% and 18.5% during the nine months ended September 30, 2024 and 2023, respectively. The provision for taxes is based upon using the Company's projected annual effective tax rate of 19.0% before non-recurring discrete tax items during 2024 and 2023. The difference between the Company's projected annual effective tax rate and the reported tax rate for the nine month period ended September 30, 2024 is primarily related to a non-cash discrete tax benefit of \$23 million resulting from the reduction of uncertain tax position liabilities related to the settlement of a tax audit. The reported tax rate for the three and nine month periods ended September 30, 2024 is also impacted by the timing of excess tax benefits associated with stock option exercises.

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7. DEBT

Debt consisted of the following at September 30, 2024:

	U.S. Dollar	Other Principal Trading Currencies	Total
4.24% \$125 million ten-year Senior Notes due June 25, 2025	125,000	—	125,000
3.91% \$75 million ten-year Senior Notes due June 25, 2029	75,000	—	75,000
5.45% \$150 million ten-year Senior Notes due March 1, 2033	150,000	—	150,000
2.83% \$125 million twelve-year Senior Notes due July 22, 2033	125,000	—	125,000
3.19% \$50 million fifteen-year Senior Notes due January 24, 2035	50,000	—	50,000
2.81% \$150 million fifteen-year Senior Note due March 17, 2037	150,000	—	150,000
2.91% \$150 million fifteen-year Senior Note due September 1, 2037	150,000	—	150,000
1.47% Euro 125 million fifteen-year Senior Notes due June 17, 2030	—	139,461	139,461
1.30% Euro 135 million fifteen-year Senior Notes due November 6, 2034	—	150,618	150,618
1.06% Euro 125 million fifteen-year Senior Notes due March 19, 2036	—	139,461	139,461
Debt issuance costs, net	(2,400)	(1,258)	(3,658)
Total Senior Notes	822,600	428,282	1,250,882
\$1.35 billion Credit Agreement, interest at benchmark plus 97.5 basis points ^(a)	438,206	321,934	760,140
Other local arrangements	8,550	57,913	66,463
Total debt	1,269,356	808,129	2,077,485
Less: current portion	(128,162)	(57,662)	(185,824)
Total long-term debt	<u><u>\$ 1,141,194</u></u>	<u><u>\$ 750,467</u></u>	<u><u>\$ 1,891,661</u></u>

^(a) The benchmark interest rate is determined by the borrowing currency. The benchmark rates by borrowing currency are as follows: SO FR for U.S. dollars (plus a 10 basis points spread adjustment), SARON for Swiss franc, EURIBOR for Euro and SONIA for Great British pounds.

On May 30, 2024, the Company entered into a \$1.35 billion Credit Agreement (the Credit Agreement), which amended its \$1.25 billion Amended and Restated Credit Agreement (the Prior Credit Agreement). As of September 30, 2024, the Company had \$585.3 million of additional borrowings available under its Credit Agreement, and the Company maintained \$71.6 million of cash and cash equivalents.

The Credit Agreement is provided by a group of financial institutions (similar to the Company's Prior Credit Agreement) and has a maturity date of 2029. It is a revolving credit facility and is not subject to any scheduled principal payments prior to maturity. The obligations under the Credit Agreement are unsecured.

Borrowings under the Credit Agreement bear interest at current market rates plus a margin based on the Company's consolidated leverage ratio. The Company must also pay facility fees that are tied to its leverage ratio. The Credit Agreement contains covenants that are similar to those contained in the prior Credit Agreement, with which the Company was in compliance as of September 30, 2024.

The Company is required to maintain (i) a ratio of net funded indebtedness to EBITDA of 3.5 to 1.0 or less, except in certain circumstances and (ii) an interest coverage ratio of 3.0 to 1.0 or greater. The Credit Agreement also places certain limitations on the Company, including limiting the ability to incur liens or indebtedness at a subsidiary level. In addition, the Credit Agreement has several events of default,

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with customary grace periods applicable. The Company incurred approximately \$0.2 million of debt extinguishment costs during 2024 related to the Prior Credit Agreement. The Company capitalized \$2.0 million in financing fees during 2024 associated with the Credit Agreement, which will be amortized to interest expense through 2029.

In May 2023, the Company amended its Prior Credit Agreement to replace all references of LIBOR to SOFR and other non-U.S. dollar references as the interest rate benchmark.

In December 2022, the Company entered into an agreement to issue and sell \$150 million 10-year Senior Notes in a private placement. The Company issued \$150 million with a fixed interest rate of 5.45% (5.45% Senior Notes) in March 2023. The 5.45% Senior Notes are senior unsecured obligations of the Company. The 5.45% Senior Notes mature in March 2033. The terms of the 5.45% Senior Notes are consistent with the previous Senior Notes as described in the Company's Annual Report on Form 10-K. The Company used the proceeds from the sale of the 5.45% Senior Notes to refinance existing indebtedness and for other general corporate purposes.

The Company has designated the EUR 125 million 1.47% Euro Senior Notes, the EUR 135 million 1.30% Euro Senior Notes, and the EUR 125 million 1.06% Euro Senior Notes as a hedge of a portion of its net investment in euro-denominated foreign subsidiaries to reduce foreign currency risk associated with the net investment. Changes in the carrying value of this debt resulting from fluctuations in the euro to U.S. dollar exchange rate are recorded as foreign currency translation adjustments within other comprehensive income (loss). The Company recorded in other comprehensive income (loss) related to this net investment hedge an unrealized loss of \$17.9 million and an unrealized gain of \$15.3 million for the three months ended September 30, 2024 and 2023, respectively, and an unrealized loss of \$4.6 million and unrealized gain of \$6.4 million for the nine month periods ended September 30, 2024 and 2023, respectively. The Company has an unrealized gain of \$12.7 million recorded in accumulated other comprehensive income (loss) as of September 30, 2024.

Other Local Arrangements

In April 2018, two of the Company's non-U.S. pension plans issued loans totaling \$9.6 million (Swiss franc 38 million) to a wholly owned subsidiary of the Company. The loans have the same terms and conditions, which include an interest rate of SARON plus 97.5 basis points. This rate changed from SARON plus 87.5 basis points in August 2024. The loans were renewed for one year in April 2024.

8. SHARE REPURCHASE PROGRAM AND TREASURY STOCK

The Company has \$1.9 billion of remaining availability for its share repurchase program as of September 30, 2024. The share repurchases are expected to be funded from cash generated from operating activities, borrowings, and cash balances. Repurchases will be made through open market transactions, and the amount and timing of purchases will depend on business and market conditions, the stock price, trading restrictions, the level of acquisition activity, and other factors.

The Company has purchased 32.2 million shares at an average price per share of \$297.53 since the inception of the program in 2004 through September 30, 2024. During the nine months ended September 30, 2024 and 2023, the Company spent \$637.5 million and \$724.0 million on the repurchase of 482,413 shares and 526,019 shares at an average price per share of \$1,321.46 and \$1,388.54, respectively. The Company also reissued 58,909 shares and 70,812 shares held in treasury upon the exercise of stock options and vesting of restricted stock units during the nine months ended September 30, 2024 and 2023, respectively. In addition, the Company incurred \$5.8 million and \$6.4 million of excise tax during the nine months ended September 30, 2024 and 2023, respectively related to the Inflation Reduction Act which is reflected as a reduction in shareholders' equity in the Company's consolidated financial statements.

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9. ACCUMULATED OTHER COMPREHENSIVE INCOME

Comprehensive income (loss), net of tax consisted of the following as of September 30:

	Three Months Ended		Nine Months Ended	
	2024	2023	2024	2023
Net earnings	\$ 211,516	\$ 201,631	\$ 610,839	\$ 603,984
Other comprehensive income (loss), net of tax	(17,415)	4,063	(7,967)	(35,920)
Comprehensive income, net of tax	<u>\$ 194,101</u>	<u>\$ 205,694</u>	<u>\$ 602,872</u>	<u>\$ 568,064</u>

The following table presents changes in accumulated other comprehensive income by component for the nine months ended September 30, 2024 and 2023:

	Currency Translation Adjustment, Net of Tax	Net Unrealized Gain (Loss) on Cash Flow Hedging Arrangements, Net of Tax	Pension and Post-Retirement Benefit Related Items, Net of Tax	Total
Balance at December 31, 2023	\$ (117,230)	\$ 120	\$ (202,705)	\$ (319,815)
Other comprehensive income (loss), net of tax:				
Unrealized gains (losses) on cash flow hedging arrangements	—	4,448	—	4,448
Foreign currency translation adjustment	(12,677)	—	1,677	(11,000)
Amounts recognized from accumulated other comprehensive income (loss), net of tax	—	(8,767)	7,352	(1,415)
Net change in other comprehensive income (loss), net of tax	(12,677)	(4,319)	9,029	(7,967)
Balance at September 30, 2024	<u>\$ (129,907)</u>	<u>\$ (4,199)</u>	<u>\$ (193,676)</u>	<u>\$ (327,782)</u>
	Currency Translation Adjustment, Net of Tax	Net Unrealized Gain (Loss) on Cash Flow Hedging Arrangements, Net of Tax	Pension and Post-Retirement Benefit Related Items, Net of Tax	Total
Balance at December 31, 2022	\$ (82,864)	\$ 4,256	\$ (148,625)	\$ (227,233)
Other comprehensive income (loss), net of tax:				
Unrealized gains (losses) on cash flow hedging arrangements	—	2,555	—	2,555
Foreign currency translation adjustment	(36,740)	—	(991)	(37,731)
Amounts recognized from accumulated other comprehensive income (loss), net of tax	—	(5,541)	4,797	(744)
Net change in other comprehensive income (loss), net of tax	(36,740)	(2,986)	3,806	(35,920)
Balance at September 30, 2023	<u>\$ (119,604)</u>	<u>\$ 1,270</u>	<u>\$ (144,819)</u>	<u>\$ (263,153)</u>

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The following table presents amounts recognized from accumulated other comprehensive income (loss) for the three and nine month periods ended September 30:

	Three Months Ended		Location of Amounts Recognized in Earnings	
	September 30,			
	2024	2023		
Effective portion of (gains) losses on cash flow hedging arrangements:				
Cross currency swap agreement	\$ 11,042	\$ (7,736)	(a)	
Provision for taxes	<u>2,098</u>	<u>(1,470)</u>	Provision for taxes	
Total, net of taxes	<u><u>\$ 8,944</u></u>	<u><u>\$ (6,266)</u></u>		
Recognition of defined benefit pension and post-retirement items:				
Recognition of actuarial losses and prior service cost, before taxes	\$ 3,125	\$ 2,044	(b)	
Provision for taxes	<u>636</u>	<u>430</u>	Provision for taxes	
Total, net of taxes	<u><u>\$ 2,489</u></u>	<u><u>\$ 1,614</u></u>		

(a) The cross currency swap reflects an unrealized loss of \$13.9 million for the three months ended September 30, 2024 recorded in other charges (income) that was offset by the underlying unrealized gain on the hedged debt. The cross currency swap also reflects a realized gain of \$2.9 million recorded in interest expense for the three months ended September 30, 2024.

(b) These accumulated other comprehensive income (loss) components are included in the computation of net periodic pension and post-retirement cost. See Note 11 for additional details for the three months ended September 30, 2024 and 2023.

	Nine Months Ended		Location of Amounts Recognized in Earnings	
	September 30,			
	2024	2023		
Effective portion of (gains) losses on cash flow hedging arrangements:				
Cross currency swap agreement	\$ (10,823)	\$ (6,841)	(a)	
Provision for taxes	<u>(2,056)</u>	<u>(1,300)</u>	Provision for taxes	
Total, net of taxes	<u><u>\$ (8,767)</u></u>	<u><u>\$ (5,541)</u></u>		
Recognition of defined benefit pension and post-retirement items:				
Recognition of actuarial losses and prior service cost, before taxes	\$ 9,231	\$ 6,081	(b)	
Provision for taxes	<u>1,879</u>	<u>1,284</u>	Provision for taxes	
Total, net of taxes	<u><u>\$ 7,352</u></u>	<u><u>\$ 4,797</u></u>		

(a) The cross currency swap reflects an unrealized gain of \$1.9 million for the nine months ended September 30, 2024 recorded in other charges (income) that was offset by the underlying unrealized loss on the hedged debt. The cross currency swap also reflects a realized gain of \$9.0 million recorded in interest expense for the nine months ended September 30, 2024.

(b) These accumulated other comprehensive income (loss) components are included in the computation of net periodic pension and post-retirement cost. See Note 11 for additional details for the nine months ended September 30, 2024 and 2023.

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10. EARNINGS PER COMMON SHARE

In accordance with the treasury stock method, the Company has included the following common equivalent shares in the calculation of diluted weighted average number of common shares outstanding for the three and nine months ended September 30, relating to outstanding stock options and restricted stock units:

	2024	2023
Three months ended	102,669	109,538
Nine months ended	108,254	133,509

Outstanding options and restricted stock units to purchase or receive 45,292 and 52,423 shares of common stock for the three month period ended September 30, 2024 and 2023, respectively, have been excluded from the calculation of diluted weighted average number of common and common equivalent shares as such options and restricted stock units would be anti-dilutive. Options and restricted stock units to purchase or receive 60,982 and 48,490 shares for the nine month period ended September 30, 2024 and 2023, respectively, have been excluded from the calculation of diluted weighted average of common and common equivalent shares as such options and restricted stock units would be anti-dilutive.

11. NET PERIODIC PENSION COST

Net periodic pension cost for the Company's defined benefit pension plans and U.S. post-retirement medical plan includes the following components for the three months ended September 30:

	U.S. Pension Benefits		Non-U.S. Pension Benefits		Other U.S. Post-retirement Benefits		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Service cost, net	\$ 397	\$ 287	\$ 4,040	\$ 3,467	\$ —	\$ —	\$ 4,437	\$ 3,754
Interest cost on projected benefit obligations	1,192	1,256	4,503	4,965	7	7	5,702	6,228
Expected return on plan assets	(1,368)	(1,383)	(9,394)	(8,746)	—	—	(10,762)	(10,129)
Recognition of prior service cost	—	—	(1,167)	(1,074)	(18)	(19)	(1,185)	(1,093)
Recognition of actuarial losses/(gains)	521	548	3,782	2,591	8	—	4,311	3,139
Net periodic pension cost/(credit)	<u>\$ 742</u>	<u>\$ 708</u>	<u>\$ 1,764</u>	<u>\$ 1,203</u>	<u>\$ (3)</u>	<u>\$ (12)</u>	<u>\$ 2,503</u>	<u>\$ 1,899</u>

Net periodic pension cost for the Company's defined benefit pension plans and U.S. post-retirement medical plan includes the following components for the nine months ended September 30:

	U.S. Pension Benefits		Non-U.S. Pension Benefits		Other U.S. Post-retirement Benefits		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Service cost, net	\$ 1,191	\$ 866	\$ 11,952	\$ 10,288	\$ —	\$ —	\$ 13,143	\$ 11,154
Interest cost on projected benefit obligations	3,575	3,767	13,352	14,757	20	22	16,947	18,546
Expected return on plan assets	(4,104)	(4,149)	(27,789)	(25,958)	—	—	(31,893)	(30,107)
Recognition of prior service cost	—	—	(3,448)	(3,184)	(56)	(57)	(3,504)	(3,241)
Recognition of actuarial losses/(gains)	1,562	1,644	11,181	7,689	24	(1)	12,767	9,332
Net periodic pension cost/(credit)	<u>\$ 2,224</u>	<u>\$ 2,128</u>	<u>\$ 5,248</u>	<u>\$ 3,592</u>	<u>\$ (12)</u>	<u>\$ (36)</u>	<u>\$ 7,460</u>	<u>\$ 5,684</u>

METTLER-TOLEDO INTERNATIONAL INC.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(In thousands, except share data, unless otherwise stated)

As previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, the Company expects to make employer contributions of approximately \$27.3 million to its non-U.S. pension plans during the year ended December 31, 2024. This estimate may change based upon several factors, including fluctuations in currency exchange rates, actual returns on plan assets and changes in legal requirements.

12. OTHER CHARGES (INCOME), NET

Other charges (income), net includes non-service pension costs (benefits), (gains) losses from foreign currency transactions and related hedging activities, interest income and other items. Non-service pension benefits were \$1.9 million and \$1.9 million for both three month periods ended September 30, 2024 and 2023, and \$5.7 million and \$5.6 million for the nine months ended September 30, 2024 and 2023, respectively.

13. SEGMENT REPORTING

As disclosed in Note 18 to the Company's consolidated financial statements for the year ended December 31, 2023, the Company has determined there are five reportable segments: U.S. Operations, Swiss Operations, Western European Operations, Chinese Operations and Other.

The Company evaluates segment performance based on Segment Profit (gross profit less research and development and selling, general and administrative expenses, before amortization, interest expense, restructuring charges, other charges (income), net and taxes).

The following tables show the operations of the Company's operating segments:

For the three months ended September 30, 2024	Net Sales to		Total Net Sales	As of September 30, 2024	
	External Customers	Other Segments		Segment Profit	Goodwill
U.S. Operations	\$ 351,042	\$ 37,411	\$ 388,453	\$ 97,277	\$ 526,337
Swiss Operations	53,435	188,956	242,391	80,195	27,316
Western European Operations	201,837	43,605	245,442	43,960	104,334
Chinese Operations	164,400	78,069	242,469	89,435	629
Other (a)	183,821	5,786	189,607	31,455	13,788
Eliminations and Corporate (b)	—	(353,827)	(353,827)	(45,749)	—
Total	\$ 954,535	\$ —	\$ 954,535	\$ 296,573	\$ 672,404

For the nine months ended September 30, 2024	Net Sales to		Total Net Sales	As of September 30, 2024	
	External Customers	Other Segments		Segment Profit	Goodwill
U.S. Operations	\$ 1,059,380	\$ 110,846	\$ 1,170,226	\$ 291,160	—
Swiss Operations	157,870	581,521	739,391	195,085	—
Western European Operations	618,915	133,513	752,428	139,395	—
Chinese Operations	471,982	240,604	712,586	264,755	—
Other (a)	519,087	16,722	535,809	81,264	—
Eliminations and Corporate (b)	—	(1,083,206)	(1,083,206)	(123,657)	—
Total	\$ 2,827,234	\$ —	\$ 2,827,234	\$ 848,002	—

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METTLER-TOLEDO INTERNATIONAL INC.
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(In thousands, except share data, unless otherwise stated)

(a) Other includes reporting units in Eastern Europe, Latin America, Southeast Asia and other countries.

(b) Eliminations and Corporate includes the elimination of inter-segment transactions and certain corporate expenses and intercompany investments, which are not included in the Company's operating segments.

For the three months ended September 30, 2023	Net Sales to		Net Sales to		Segment Profit	As of September 30,	
	External Customers	Other Segments	Total Net Sales	2023		Goodwill	
U.S. Operations	\$ 353,758	\$ 34,253	\$ 388,011	\$ 90,604	\$ 524,459		
Swiss Operations	50,233	196,967	247,200	64,387		25,224	
Western European Operations	198,520	47,879	246,399	46,345		96,966	
Chinese Operations	162,012	70,392	232,404	83,865		596	
Other (a)	177,939	2,677	180,616	30,007		13,393	
Eliminations and Corporate (b)	—	(352,168)	(352,168)	(19,243)		—	
Total	\$ 942,462	\$ —	\$ 942,462	\$ 295,965		\$ 660,638	

For the nine months ended September 30, 2023	Net Sales to		Net Sales to		Segment Profit	As of September 30,	
	External Customers	Other Segments	Total Net Sales	2023		Goodwill	
U.S. Operations	\$ 1,050,274	\$ 101,243	\$ 1,151,517	\$ 276,605			
Swiss Operations	143,405	580,174	723,579	207,723			
Western European Operations	590,019	140,521	730,540	129,615			
Chinese Operations	569,449	198,123	767,572	284,828			
Other (a)	500,170	17,236	517,406	78,690			
Eliminations and Corporate (b)	—	(1,037,297)	(1,037,297)	(107,341)			
Total	\$ 2,853,317	\$ —	\$ 2,853,317	\$ 870,120			

(a) Other includes reporting units in Eastern Europe, Latin America, Southeast Asia and other countries.

(b) Eliminations and Corporate includes the elimination of inter-segment transactions and certain corporate expenses and intercompany investments, which are not included in the Company's operating segments.

A reconciliation of earnings before taxes to segment profit for the three and nine month periods ended September 30 follows:

	Three Months Ended		Nine Months Ended	
	2024	2023	2024	2023
Earnings before taxes	\$ 258,952	\$ 251,159	\$ 722,676	\$ 741,172
Amortization	18,243	18,314	54,649	54,135
Interest expense	18,599	20,278	56,781	57,711
Restructuring charges	2,631	7,385	17,624	19,680
Other income, net	(1,852)	(1,171)	(3,728)	(2,578)
Segment profit	\$ 296,573	\$ 295,965	\$ 848,002	\$ 870,120

METTLER-TOLEDO INTERNATIONAL INC.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(In thousands, except share data, unless otherwise stated)

14. CONTINGENCIES

The Company is party to various legal proceedings, including certain environmental matters, incidental to the normal course of business. Management does not expect that any of such proceedings, either individually or in the aggregate, will have a material adverse effect on the Company's financial condition, results of operations or cash flows.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the Unaudited Interim Consolidated Financial Statements included herein.

General

Our interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Operating results for the three and nine months ended September 30, 2024 are not necessarily indicative of the results to be expected for the full year ending December 31, 2024.

Changes in local currency exclude the effect of currency exchange rate fluctuations. Local currency amounts are determined by translating current and previous year consolidated financial information at an index utilizing historical currency exchange rates. We believe local currency information provides a helpful assessment of business performance and a useful measure of results between periods. We do not, nor do we suggest that investors should, consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. We present non-GAAP financial measures in reporting our financial results to provide investors with an additional analytical tool to evaluate our operating results.

We also include in the discussion below disclosures of immaterial qualitative factors that are not quantified. Although the impact of such factors is not considered material, we believe these disclosures can be useful in evaluating our operating results.

Results of Operations – Consolidated

The following tables set forth certain items from our interim consolidated statements of operations for the three and nine month periods ended September 30, 2024 and 2023 (amounts in thousands).

	Three months ended September 30,				Nine months ended September 30,			
	2024		2023		2024		2023	
	(unaudited)	%	(unaudited)	%	(unaudited)	%	(unaudited)	%
Net sales	\$ 954,535	100.0	\$ 942,462	100.0	\$ 2,827,234	100.0	\$ 2,853,317	100.0
Cost of sales	382,068	40.0	382,923	40.6	1,140,966	40.4	1,163,669	40.8
Gross profit	572,467	60.0	559,539	59.4	1,686,268	59.6	1,689,648	59.2
Research and development	47,117	4.9	46,127	4.9	139,303	4.9	138,849	4.9
Selling, general and administrative	228,777	24.0	217,447	23.1	698,963	24.7	680,679	23.9
Amortization	18,243	1.9	18,314	1.9	54,649	1.9	54,135	1.9
Interest expense	18,599	1.9	20,278	2.2	56,781	2.0	57,711	2.0
Restructuring charges	2,631	0.3	7,385	0.8	17,624	0.6	19,680	0.7
Other charges (income), net	(1,852)	(0.2)	(1,171)	(0.1)	(3,728)	(0.1)	(2,578)	(0.2)
Earnings before taxes	258,952	27.2	251,159	26.6	722,676	25.6	741,172	26.0
Provision for taxes	47,436	5.0	49,528	5.2	111,837	4.0	137,188	4.8
Net earnings	\$ 211,516	22.2	\$ 201,631	21.4	\$ 610,839	21.6	\$ 603,984	21.2

Net sales

Net sales were \$954.5 million and \$942.5 million for the three months ended September 30, 2024, and 2023, respectively, and \$2.8 billion and \$2.9 billion for the nine month periods ended September 30, 2024 and 2023, respectively. Sales in U.S. dollars increased 1% for the three month period and decreased 1% for the nine month period ended September 30, 2024. Excluding the effect of currency exchange rate fluctuations, or in local currencies, net sales increased 1% for the three month period and were flat for the nine month period ended September 30, 2024. We estimate that

net sales for the nine month period ended September 30, 2024 benefited by approximately 2% from the recovery of our previously disclosed shipping delays in 2023 related to a new external European logistics service provider.

During the three months ended September 30, 2024 we continued to experience soft market demand, particularly in China. We also continue to benefit from the execution of our global sales and marketing programs and our innovative product portfolio. However, there is uncertainty in the economic environment and our end markets, including the risk of recession in many countries, and market conditions may change quickly. The ongoing developments related to Ukraine, the war in the Middle East, and inflation also present several risks to our business as further described in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023. These topics could adversely impact our financial results and could have a greater impact on our operating results in future periods.

Net sales by geographic destination for the three months ended September 30, 2024 in U.S. dollars increased 2% in Europe and 4% in Asia/Rest of World, and decreased 1% in the Americas. In local currencies, our net sales by geographic destination increased 1% in Europe and 4% in Asia/Rest of World, and decreased 1% in the Americas. Our net sales by geographic destination for the nine months ended September 30, 2024 in U.S. dollars increased 5% in Europe and 1% in the Americas, and decreased 8% in Asia/Rest of World. Net sales by geographic destination for the nine months ended September 30, 2024 in local currencies increased 4% in Europe and 1% in the Americas, and decreased 6% in Asia/Rest of World. Net sales in Asia/Rest of World in local currency includes an increase of 1% and a decrease of 15% in China during the three and nine months ended September 30, 2024, respectively. Excluding the benefit of delayed fourth quarter 2023 shipments, local currency sales were flat in Europe and the Americas, and decreased 7% in Asia/Rest of World, with a 15% decline in China, during the nine months ended September 30, 2024. A discussion of sales by operating segment is included below.

As described in Note 18 to our consolidated financial statements for the year ended December 31, 2023, our net sales comprise product sales of precision instruments and related services. Service revenues are primarily derived from repair and other services, including regulatory compliance qualification, calibration, certification, preventative maintenance and spare parts.

Net sales of products decreased 1% in both U.S. dollars and local currencies for the three months ended September 30, 2024 and decreased 3% in U.S. dollars and 2% in local currencies for the nine months ended September 30, 2024, compared to the corresponding periods in 2023. Service revenue (including spare parts) increased 9% in both U.S. dollars and local currencies for the three months ended September 30, 2024, and increased 7% in both U.S. dollars and local currencies for the nine months ended September 30, 2024, compared to the corresponding periods in 2023.

Net sales of our laboratory products and services, which represented approximately 56% of our total net sales, increased 5% in both U.S. dollars and local currencies for the three months ended September 30, 2024, and increased 2% in both U.S. dollars and local currencies for the nine months ended September 30, 2024. Laboratory net sales benefited approximately 3% from the previously disclosed shipping delays during the nine month period ended September 30, 2024. The increase in local currency net sales for the three month period ended September 30, 2024 reflects growth in most product categories, especially analytical instruments and process analytics. Laboratory results for the nine month period ended September 30, 2024 were also negatively impacted by a significant decline in China.

Net sales of our industrial products and services, which represented approximately 39% of our total net sales, were flat in both U.S. dollars and local currencies for the three months ended September 30, 2024, and decreased 3% in U.S. dollars and 2% in local currencies for the nine months ended September 30, 2024. Industrial net sales benefited approximately 1% from the previously disclosed shipping delays during the nine months ended September 30, 2024. The local

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currency net sales of our industrial-related products for the three month period ended September 30, 2024 includes growth in product inspection, offset by a modest decline in core-industrial products.

Net sales in our food retailing products and services, which represented approximately 5% of our total net sales, decreased 20% in both U.S. dollars and local currencies for the three months ended September 30, 2024, and decreased 14% in both U.S. dollars and local currencies for the nine months ended September 30, 2024. Retail net sales benefited approximately 2% from the previously disclosed shipping delays during the nine months ended September 30, 2024. The local currency net sales decrease in food retailing products during the three and nine months ended September 30, 2024 is primarily due to the especially strong project related growth in the prior year.

Gross profit

Gross profit as a percentage of net sales was 60.0% and 59.4% for the three months ended September 30, 2024 and 2023, respectively, and 59.6% and 59.2% for the nine months ended September 30, 2024 and 2023, respectively.

Gross profit as a percentage of net sales for products was 61.8% and 61.2% for the three months ended September 30, 2024 and 2023, respectively, and 61.7% and 60.7% for the nine months ended September 30, 2024 and 2023, respectively.

Gross profit as a percentage of net sales for services (including spare parts) was 54.4% and 53.5% for the three months ended September 30, 2024 and 2023, respectively, and 53.4% and 54.2% for the nine months ended September 30, 2024 and 2023, respectively.

The increase in gross profit as a percentage of net sales for the three and nine months ended September 30, 2024 primarily reflects favorable price realization and business mix, offset in part by investments in our service organization.

Research and development and selling, general and administrative expenses

Research and development expenses as a percentage of net sales was 4.9% for the three and nine months ended September 30, 2024 and 2023. Research and development expenses increased 2% in U.S. dollars and 1% in local currencies for the three months ended September 30, 2024, and was flat in U.S. dollars and in local currencies for the nine months ended September 30, 2024, respectively, compared to the corresponding periods in 2023.

Selling, general and administrative expenses as a percentage of net sales were 24.0% and 23.1% for the three months ended September 30, 2024 and 2023, respectively, and were 24.7% and 23.9% for the nine months ended September 30, 2024 and 2023, respectively. Selling, general and administrative expenses increased 5% in both U.S. dollars and local currencies for the three months ended September 30, 2024, and increased 3% in both U.S. dollars and local currencies for the nine months ended September 30, 2024, respectively, compared to the corresponding periods in 2023. The increase includes higher variable compensation costs, offset in part by benefits from our cost savings initiatives.

Amortization, interest expense, restructuring charges, other charges (income), net and taxes

Amortization expense was \$18.2 million and \$18.3 million for the three months ended September 30, 2024 and 2023, respectively, and \$54.6 million and \$54.1 million for the nine months ended September 30, 2024 and 2023, respectively.

Interest expense was \$18.6 million and \$20.3 million for the three months ended September 30, 2024 and 2023, respectively, and \$56.8 million and \$57.7 million for the nine months ended September 30, 2024 and 2023, respectively.

Restructuring charges were \$2.6 million and \$7.4 million for the three months ended September 30, 2024 and 2023, respectively, and \$17.6 million and \$19.7 million for the nine months ended September 30, 2024 and 2023, respectively. Restructuring expenses are primarily comprised of employee-related costs.

Other charges (income), net includes non-service pension costs (benefits), net (gains) losses from foreign currency transactions and hedging activities, interest income and other items. Non-service pension benefits were \$1.9 million for the three months ended September 30, 2024 and 2023, and \$5.7 million and \$5.6 million for the nine months ended September 30, 2024 and 2023, respectively.

Our reported tax rate was 18.3% and 19.7% during the three months ended September 30, 2024 and 2023, respectively, and 15.5% and 18.5% during the nine months ended September 30, 2024 and 2023, respectively. The reported tax rate for the nine month period ended September 30, 2024 includes a non-cash discrete tax benefit of \$23 million resulting from the reduction of uncertain tax position liabilities related to the settlement of a tax audit. The provision for taxes is based upon using our projected annual effective tax rate of 19.0% before non-recurring discrete tax items for the three and nine month periods ended September 30, 2024 and 2023. The difference between the Company's projected annual effective tax rate and the reported tax rate for the nine month period ended September 30, 2024 is primarily related to a non-cash discrete tax benefit of \$23 million resulting from the reduction of uncertain tax position liabilities related to the settlement of a tax audit. The reported tax rate for the three and nine month periods ended September 30, 2024 is also impacted by the timing of excess tax benefits associated with stock option exercises.

Results of Operations – by Operating Segment

The following is a discussion of the financial results of our operating segments. We currently have five reportable segments: U.S. Operations, Swiss Operations, Western European Operations, Chinese Operations and Other. A more detailed description of these segments is outlined in Note 18 to our consolidated financial statements for the year ended December 31, 2023.

U.S. Operations (amounts in thousands)

	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	%	2024	2023	%
Total net sales	\$ 388,453	\$ 388,011	—%	\$ 1,170,226	\$ 1,151,517	2%
Net sales to external customers	\$ 351,042	\$ 353,758	(1)%	\$ 1,059,380	\$ 1,050,274	1%
Segment profit	\$ 97,277	\$ 90,604	7%	\$ 291,160	\$ 276,605	5%

Total net sales were flat and increased 2% for the three and nine months ended September 30, 2024, respectively, compared with the corresponding periods in 2023. Net sales to external customers decreased 1% and increased 1% for the three and nine months ended September 30, 2024, respectively, compared with the corresponding periods in 2023. Net sales to external customers benefited by approximately 1% from the previously disclosed shipping delays during the nine months ended September 30, 2024. Net sales to external customers for the three and nine months ended September 30, 2024 reflect a significant decline in food retailing related to strong project activity in the prior year, offset in part by growth in most other product categories. Net sales to external customers for the three months ended September 30, 2024 also reflect strong growth in process analytics.

Segment profit increased \$6.7 million and \$14.6 million for the three and nine month period ended September 30, 2024, respectively, compared to the corresponding periods in 2023. Segment profit increased during the three and nine months ended September 30, 2024 primarily due to improved business mix, and benefits from our margin expansion and cost savings initiatives.

Swiss Operations (amounts in thousands)

	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% ¹⁾	2024	2023	% ¹⁾
Total net sales	\$ 242,391	\$ 247,200	(2)%	\$ 739,391	\$ 723,579	2%
Net sales to external customers	\$ 53,435	\$ 50,233	6%	\$ 157,870	\$ 143,405	10%
Segment profit	\$ 80,195	\$ 64,387	25%	\$ 195,085	\$ 207,723	(6)%

1) Represents U.S. dollar growth (decline) for net sales and segment profit.

Total net sales decreased 2% in U.S. dollars and 3% in local currency for the three months ended September 30, 2024, and increased 2% in U.S. dollars and was flat in local currency for the nine months ended September 30, 2024, respectively, compared to the corresponding periods in 2023. Net sales to external customers increased 6% in U.S. dollars and 5% in local currency for the three months ended September 30, 2024 and increased 10% in U.S. dollars and 8% in local currency for the nine months ended September 30, 2024, compared to the corresponding periods in 2023. Net sales to external customers benefited by approximately 5% from our previously disclosed shipping delays during the nine months ended September 30, 2024. Net sales to external customers for the three and nine months ended September 30, 2024 reflect strong growth in most product categories, offset in part by a significant decline in food retailing related to strong project activity in the prior year.

Segment profit increased \$15.8 million and decreased \$12.6 million for the three and nine months ended September 30, 2024, respectively, compared to the corresponding periods in 2023. Segment profit during the three months ended September 30, 2024 reflects favorable business mix and inter-segment pricing, as well as benefits from our margin expansion and cost savings initiatives. Segment profit for the nine months ended September 30, 2024 includes unfavorable inter-segment pricing, unfavorable foreign currency translation and business mix.

Western European Operations (amounts in thousands)

	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% ¹⁾	2024	2023	% ¹⁾
Total net sales	\$ 245,442	\$ 246,399	—%	\$ 752,428	\$ 730,540	3%
Net sales to external customers	\$ 201,837	\$ 198,520	2%	\$ 618,915	\$ 590,019	5%
Segment profit	\$ 43,960	\$ 46,345	(5)%	\$ 139,395	\$ 129,615	8%

1) Represents U.S. dollar growth (decline) for net sales and segment profit.

Total net sales were flat in U.S. dollars and decreased 1% in local currencies for the three months ended September 30, 2024 and increased 3% in U.S. dollars and 2% in local currencies for the nine months ended September 30, 2024, compared to the corresponding periods in 2023. Net sales to external customers increased 2% in U.S. dollars and 1% in local currencies for the three months ended September 30, 2024, and increased 5% in U.S. dollars and 4% in local currencies for the nine months ended September 30, 2024, compared to the corresponding periods in 2023. Net sales benefited by approximately 3% from our previously disclosed shipping delays during the nine months ended September 30, 2024. Net sales to external customers for the three and nine months ended September 30, 2024 reflect modest growth in most product categories. Net sales to external customers for the three months ended September 30, 2024 also reflect strong growth in process analytics.

Segment profit decreased \$2.4 million and increased \$9.8 million for the three and nine month periods ended September 30, 2024, respectively, compared to the corresponding periods in 2023. Segment profit decreased during the three months ended September 30, 2024 primarily due to decreased sales volume, offset in part by benefits from our margin expansion and cost savings initiatives. Segment profit for the nine months ended September 30, 2024 reflects increased sales

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volume, favorable business mix and benefits from our margin expansion and cost savings initiatives.

Chinese Operations (amounts in thousands)

	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% ¹⁾	2024	2023	% ¹⁾
Total net sales	\$ 242,469	\$ 232,404	4%	\$ 712,586	\$ 767,572	(7)%
Net sales to external customers	\$ 164,400	\$ 162,012	1%	\$ 471,982	\$ 569,449	(17)%
Segment profit	\$ 89,435	\$ 83,865	7%	\$ 264,755	\$ 284,828	(7)%

1) Represents U.S. dollar growth (decline) for net sales and segment profit.

Total net sales increased 4% in U.S. dollars and 3% in local currency for the three months ended September 30, 2024 and decreased 7% in U.S. dollars and 5% in local currency for the nine months ended September 30, 2024, compared to the corresponding periods in 2023. Net sales to external customers increased 1% in both U.S. dollars and local currency for the three months ended September 30, 2024 and decreased 17% in U.S. dollars and 15% in local currency during the nine months ended September 30, 2024, compared to the corresponding periods in 2023. Net sales benefited by approximately 1% from our previously disclosed shipping delays during the nine months ended September 30, 2024. The increase in net sales to external customers for the three months ended September 30, 2024 benefited from easier prior year comparisons while market conditions remained soft. Results included growth in laboratory products, offset in part by a decline in industrial products. Net sales to external customers for the nine months ended September 30, 2024 reflect a significant decline in market demand in most product categories. Uncertainties continue to exist and market conditions may change quickly.

Segment profit increased \$5.6 million and decreased \$20.1 million for the three and nine month periods ended September 30, 2024, respectively, compared to the corresponding periods in 2023. The increase in segment profit for the three months ended September 30, 2024 includes increased sales volume and benefits from our margin expansion and cost savings initiatives. The decrease in segment profit for the nine months ended September 30, 2024 reflects significantly lower sales volumes and unfavorable currency translation.

Other (amounts in thousands)

	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% ¹⁾	2024	2023	% ¹⁾
Total net sales	\$ 189,607	\$ 180,616	5%	\$ 535,809	\$ 517,406	4%
Net sales to external customers	\$ 183,821	\$ 177,939	3%	\$ 519,087	\$ 500,170	4%
Segment profit	\$ 31,455	\$ 30,007	5%	\$ 81,264	\$ 78,690	3%

1) Represents U.S. dollar growth (decline) for net sales and segment profit.

Total net sales increased 5% in U.S. dollars and 7% in local currency for the three months ended September 30, 2024 and increased 4% in U.S. dollars and 6% in local currency for the nine months ended September 30, 2024, compared to the corresponding periods in 2023. Net sales to external customers increased 3% in U.S. dollars and 5% in local currencies for the three months ended September 30, 2024 and increased 4% in U.S. dollars and 6% in local currencies for the nine months ended September 30, 2024, compared to the corresponding periods in 2023. Net sales benefited by approximately 3% from our previously disclosed shipping delays during the nine months ended September 30, 2024. Net sales to external customers for the three and nine months ended September 30, 2024 reflect strong growth in laboratory products.

Segment profit increased \$1.4 million and \$2.6 million for the three and nine months ended September 30, 2024, respectively, compared to the corresponding periods in 2023. The increase in

segment profit for the three and nine months ended September 30, 2024 is primarily related to increased sales volume and our margin expansion initiatives, offset in part by unfavorable foreign currency translation.

Liquidity and Capital Resources

Liquidity is our ability to generate sufficient cash flows from operating activities to meet our obligations and commitments. In addition, liquidity includes available borrowings under our Credit Agreement, the ability to obtain appropriate financing and our cash and cash equivalent balances. Currently, our liquidity needs are primarily driven by working capital requirements, capital expenditures, share repurchases and acquisitions. Global market conditions can be uncertain, and our ability to generate cash flow could be reduced by a deterioration in global markets.

We currently believe that cash flows from operating activities, together with liquidity available under our Credit Agreement, local working capital facilities, and cash balances, will be sufficient to fund currently anticipated working capital needs and spending requirements for at least the foreseeable future.

Cash provided by operating activities totaled \$702.2 million during the nine months ended September 30, 2024, compared to \$684.4 million in the corresponding period in 2023. The increase for the nine months ended September 30, 2024 is primarily related to working capital, including lower cash incentive payments of approximately \$35 million.

Capital expenditures are made primarily for investments in information systems and technology, machinery, equipment and the purchase and expansion of facilities. Our capital expenditures totaled \$62.6 million for the nine months ended September 30, 2024 compared to \$72.9 million in the corresponding period in 2023.

In September 2021, we entered into an agreement with the U.S. Department of Defense to increase domestic production capacity of pipette tips and enhance manufacturing automation and logistics. We have received the maximum allowable funding of \$35.8 million related to the agreement during prior years, which offset associated capital expenditures.

We continue to explore potential acquisitions. In connection with any acquisition, we may incur additional indebtedness. During the nine months ended September 30, 2023, \$10.0 million of contingent consideration was paid relating to the PendoTECH acquisition of which \$5.6 million is included in financing activities for the amount accrued at the acquisition date and \$4.4 million is included in operating activities for the amount not accrued at the acquisition date on the Consolidated Statement of Cash Flows in accordance with U.S. GAAP.

Cash flows used in financing activities are primarily comprised of share repurchases. In accordance with our share repurchase program, we spent \$637.5 million and \$724.0 million on the repurchase of 482,413 shares and 526,019 shares, during the nine months ended September 30, 2024 and 2023, respectively.

The Inflation Reduction Act (IRA) was enacted on August 16, 2022. The IRA includes provisions imposing a 1% excise tax on net share repurchases that occur after December 31, 2022

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and introduces a 15% corporate alternative minimum tax (CAMT) on adjusted financial statement income. The financial impact of the IRA was immaterial to our financial statements.

Senior Notes and Credit Facility Agreement

Our debt consisted of the following at September 30, 2024:

	U.S. Dollar	Other Principal Trading Currencies	Total
4.24% \$125 million ten-year Senior Notes due June 25, 2025	125,000	—	125,000
3.91% \$75 million ten-year Senior Notes due June 25, 2029	75,000	—	75,000
5.45% \$150 million ten-year Senior Notes due March 1, 2033	150,000	—	150,000
2.83% \$125 million twelve-year Senior Notes due July 22, 2033	125,000	—	125,000
3.19% \$50 million fifteen-year Senior Notes due January 24, 2035	50,000	—	50,000
2.81% \$150 million fifteen-year Senior Note due March 17, 2037	150,000	—	150,000
2.91% \$150 million fifteen-year Senior Note due September 1, 2037	150,000	—	150,000
1.47% Euro 125 million fifteen-year Senior Notes due June 17, 2030	—	139,461	139,461
1.30% Euro 135 million fifteen-year Senior Notes due November 6, 2034	—	150,618	150,618
1.06% Euro 125 million fifteen-year Senior Notes due March 19, 2036	—	139,461	139,461
Debt issuance costs, net	(2,400)	(1,258)	(3,658)
Total Senior Notes	822,600	428,282	1,250,882
\$1.35 billion Credit Agreement, interest at benchmark plus 97.5 basis points ^(a)	438,206	321,934	760,140
Other local arrangements	8,550	57,913	66,463
Total debt	1,269,356	808,129	2,077,485
Less: current portion	(128,162)	(57,662)	(185,824)
Total long-term debt	\$ 1,141,194	\$ 750,467	\$ 1,891,661

^(a) The benchmark interest rate is determined by the borrowing currency. The benchmark rates by borrowing currency are as follows: SOFR for U.S. dollars (plus a 10 basis points spread adjustment), SARON for Swiss franc, EURIBOR for Euro and SONIA for Great British pounds.

On May 30, 2024, we entered into a \$1.35 billion Credit Agreement (the Credit Agreement), which amended our \$1.25 billion Amended and Restated Credit Agreement (the Prior Credit Agreement), that is further described in Note 7 of our consolidated financial statements.

As of September 30, 2024, we had \$585.3 million of additional borrowings available under our Credit Agreement, and we maintained \$71.6 million of cash and cash equivalents.

In May 2023 we amended our Prior Credit Agreement to replace all references of LIBOR to SOFR and other non-U.S. dollar references as the interest rate benchmark.

Changes in exchange rates between the currencies in which we generate cash flows and the currencies in which our borrowings are denominated affect our liquidity. In addition, because we borrow in a variety of currencies, our debt balances fluctuate due to changes in exchange rates. Further, we do not have any downgrade triggers relating to ratings from rating agencies that would accelerate the maturity dates of our debt. We were in compliance with our debt covenants as of September 30, 2024.

Other Local Arrangements

In April 2018, two of our non-U.S. pension plans issued loans totaling \$39.6 million (Swiss franc 38 million) to a wholly owned subsidiary of the Company. The loans have the same terms and conditions which include an interest rate of SARON plus 97.5 basis points. This rate changed from SARON plus 87.5 basis points in August 2024. The loans were renewed for one year in April 2024.

Share Repurchase Program

We have \$1.9 billion of remaining availability for our share repurchase program as of September 30, 2024. The share repurchases are expected to be funded from cash generated from operating activities, borrowings, and cash balances. Repurchases will be made through open market transactions, and the amount and timing of purchases will depend on business and market conditions, the stock price, trading restrictions, the level of acquisition activity, and other factors.

We have purchased 32.2 million shares at an average price per share of \$297.53 since the inception of the program in 2004 through September 30, 2024. During the nine months ended September 30, 2024 and 2023, we spent \$637.5 million and \$724.0 million on the repurchase of 482,413 and 526,019 shares at an average price per share of \$1,321.46 and \$1,388.54, respectively. We also reissued 58,909 shares and 70,812 shares held in treasury upon the exercise of stock options and vesting of restricted stock units during the nine months ended September 30, 2024 and 2023, respectively.

Effect of Currency on Results of Operations

Our earnings are affected by changes in exchange rates. We are most sensitive to changes in the exchange rates between the Swiss franc, euro, Chinese renminbi, and U.S. dollar. We have more Swiss franc expenses than we do Swiss franc sales because we develop and manufacture products in Switzerland that we sell globally, and have a number of corporate functions located in Switzerland. When the Swiss franc strengthens against our other trading currencies, particularly the U.S. dollar and euro, our earnings decrease. We also have significantly more sales in the euro than we do expenses. When the euro weakens against the U.S. dollar and Swiss franc, our earnings also decrease. We estimate a 1% strengthening of the Swiss franc against the euro would reduce our earnings before tax by approximately \$2.3 million to \$2.6 million annually.

We also conduct business in many geographies throughout the world, including Asia Pacific, the United Kingdom, Eastern Europe, Latin America, and Canada. Fluctuations in these currency exchange rates against the U.S. dollar can also affect our operating results. The most significant of these currency exposures is the Chinese renminbi. The impact on our earnings before tax of the Chinese renminbi weakening 1% against the U.S. dollar is a reduction of approximately \$2.5 million to \$2.8 million annually.

In addition to the effects of exchange rate movements on operating profits, our debt levels can fluctuate due to changes in exchange rates, particularly between the U.S. dollar, the Swiss franc and the euro. Based on our outstanding debt at September 30, 2024, we estimate that a 5% weakening of the U.S. dollar against the currencies in which our debt is denominated would result in an increase of approximately \$42.6 million in the reported U.S. dollar value of our debt.

Forward-Looking Statements Disclaimer

You should not rely on forward-looking statements to predict our actual results. Our actual results or performance may be materially different than reflected in forward-looking statements because of various risks and uncertainties, including statements about expected revenue growth, inflation, ongoing developments related to Ukraine and the war in the Middle East. You can identify forward-looking statements by terminology such as "may," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "believe," "estimate," "predict," "potential," or "continue."

We make forward-looking statements about future events or our future financial performance, including earnings and sales growth, earnings per share, strategic plans and contingency plans, growth opportunities or economic downturns, our ability to respond to changes in market conditions, planned research and development efforts and product introductions, adequacy of facilities, access to and the costs of raw materials, shipping and supplier costs, gross margins, customer demand, our competitive position, pricing, capital expenditures, cash flow, tax-related matters, the impact of foreign currencies, compliance with laws, effects of acquisitions, and the impact of inflation, ongoing developments related to Ukraine and the war in the Middle East on our business.

Our forward-looking statements may not be accurate or complete, and we do not intend to update or revise them in light of actual results. New risks also periodically arise. Please consider the risks and factors that could cause our results to differ materially from what is described in our forward-looking statements, including inflation, the ongoing developments related to Ukraine, and the war in the Middle East. See in particular "Factors Affecting Our Future Operating Results" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2023 and other reports filed with the SEC from time to time.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As of September 30, 2024, there was no material change in the information provided under Item 7A in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Item 4. Controls and Procedures

Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures as required by Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer, have concluded that these disclosure controls and procedures are effective. There were no changes in our internal control over financial reporting during the quarter ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings. None**Item 1A. Risk Factors.**

For the three and nine months ended September 30, 2024 there were no material changes from risk factors disclosed in Part I, Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.*Issuer Purchases of Equity Securities*

	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Program	(d) Approximate Dollar Value (in thousands) of Shares that may yet be Purchased under the Program
July 1 to July 30, 2024	54,054	\$ 1,375.64	54,054	\$ 2,059,072,950
August 1 to August 31, 2024	54,714	\$ 1,423.47	54,714	\$ 1,981,187,983
September 1 to September 30, 2024	43,153	\$ 1,396.26	43,153	\$ 1,920,934,295
Total	151,921	\$ 1,398.73	151,921	\$ 1,920,934,295

The Company has \$1.9 billion of remaining availability as of September 30, 2024. We have purchased 32.2 million shares at an average price per share of \$297.53 since the inception of the program through September 30, 2024.

During the nine months ended September 30, 2024 and 2023, we spent \$637.5 million and \$724.0 million on the repurchase of 482,413 and 526,019 shares at an average price per share of \$1,321.46 and \$1,388.54, respectively. We also reissued 58,909 shares and 70,812 shares held in treasury upon the exercise of stock options and vesting of restricted stock units during the nine months ended September 30, 2024 and 2023, respectively. In addition, we incurred \$5.8 million and \$6.4 million of excise tax during the nine months ended September 30, 2024 and 2023, respectively related to the Inflation Reduction Act which is reflected as a reduction in shareholders' equity in our consolidated financial statements.

Item 3. Defaults Upon Senior Securities. None**Item 5. Other information.** None**Item 6. Exhibits.** See Exhibit Index.

EXHIBIT INDEX

Exhibit No.	Description
31.1*	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes — Oxley Act of 2002
31.2*	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes — Oxley Act of 2002
32*	Certification Pursuant to Section 906 of the Sarbanes — Oxley Act of 2002
101.INS*	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document

* Filed herewith

SIGNATURE

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.

Mettler-Toledo International Inc.

Date: November 8, 2024

By: /s/ Shawn P. Vadala

Shawn P. Vadala

Chief Financial Officer

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Patrick Kaltenbach, certify that:

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

Dated: November 8, 2024

/s/ Patrick Kaltenbach

Patrick Kaltenbach

Chief Executive Officer

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Shawn P. Vadala certify that:

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

Dated: November 8, 2024

/s/ Shawn P. Vadala

Shawn P. Vadala

Chief Financial Officer

**Certification Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), each of the undersigned officers of Mettler-Toledo International Inc. (the "Company") does hereby certify, to such officer's knowledge, that:

This quarterly report on Form 10-Q for the period ending September 30, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in this periodic report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 8, 2024

/s/ Patrick Kaltenbach

Patrick Kaltenbach
Chief Executive Officer

/s/ Shawn P. Vadala

Shawn P. Vadala
Chief Financial Officer