

REFINITIV

# DELTA REPORT

## 10-Q

ECL - ECOLAB INC.

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

The following comparison report has been automatically generated

TOTAL DELTAS	1825
CHANGES	358
DELETIONS	638
ADDITIONS	829

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
  
FORM 10-Q

(Mark One)

☒

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

September 30, 2023

March 31, 2024

OR

☐

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

Commission File No. 1-9328

ECOLAB INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

41-0231510

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

1 Ecolab Place, St. Paul, Minnesota 55102  
(Address of principal executive offices)(Zip Code)

1-800-232-6522  
(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(s)	Name of each exchange on which registered
Common Stock, \$1.00 par value	ECL	New York Stock Exchange
2.625% Euro Notes due 2025	ECL 25	New York Stock Exchange
1.000% Euro Notes due 2024	ECL 24	New York Stock Exchange

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

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

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

The number of shares of each of the registrant's classes of Common Stock outstanding as of September 30, 2023 March 31, 2024: 285,139,820 285,569,775 shares, par value \$1.00 per share.

## PART I - FINANCIAL INFORMATION

### Item 1. Financial Statements

#### CONSOLIDATED STATEMENTS OF INCOME

(unaudited)

(millions, except per share amounts)	Third Quarter Ended		Nine Months Ended		First Quarter Ended	
	September 30		September 30		March 31	
	2023	2022	2023	2022	2024	2023
Product and equipment sales	\$3,170.9	\$2,963.0	\$9,152.0	\$8,473.9	\$2,986.5	\$2,876.3
Service and lease sales	787.2	706.3	2,229.8	2,042.7	765.4	695.3
Net sales	3,958.1	3,669.3	11,381.8	10,516.6	3,751.9	3,571.6
Product and equipment cost of sales	1,868.1	1,877.1	5,561.7	5,371.7	1,679.2	1,798.3
Service and lease cost of sales	462.4	414.5	1,308.8	1,204.4	448.9	406.9
Cost of sales (including special charges (a))	2,330.5	2,291.6	6,870.5	6,576.1	2,128.1	2,205.2
Selling, general and administrative expenses	1,024.9	876.9	3,026.8	2,731.7	1,077.7	990.3
Special (gains) and charges	36.7	17.8	82.2	45.5	28.2	24.5
Operating income	566.0	483.0	1,402.3	1,163.3	517.9	351.6
Other (income) expense (b)	(14.5)	5.7	(42.0)	(32.6)	(12.6)	(13.1)
Interest expense, net	74.3	65.1	226.3	174.1	71.6	74.2
Income before income taxes	506.2	412.2	1,218.0	1,021.8	458.9	290.5
Provision for income taxes	96.8	60.2	235.8	182.4	42.3	52.4
Net income including noncontrolling interest	409.4	352.0	982.2	839.4	416.6	238.1
Net income attributable to noncontrolling interest	5.4	4.9	15.1	12.1	4.5	4.7
Net income attributable to Ecolab	\$404.0	\$347.1	\$967.1	\$827.3	\$412.1	\$233.4

Earnings attributable to Ecolab per common share						
Basic	\$1.42	\$1.22	\$3.39	\$2.90	\$1.44	\$0.82
Diluted	\$1.41	\$1.21	\$3.38	\$2.88	\$1.43	\$0.82
Weighted-average common shares outstanding						
Basic	285.1	284.9	284.9	285.4	285.7	284.6
Diluted	286.9	286.3	286.4	287.0	287.8	285.9

- (a) Cost of sales includes special (gains) and charges of \$5.9 \$1.6 and \$7.1 in the third quarter of 2023 and 2022, respectively, and \$17.2 and \$61.7 \$3.2 in the first nine months quarter of 2023 2024 and 2022, 2023, respectively, which is recorded in product and equipment cost of sales and service and lease cost of sales.
- (b) Other expense (income) includes special charges of \$24.8 in the third quarter and first nine months of 2022.

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

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## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(unaudited)

(millions)	Third Quarter Ended September 30		Nine Months Ended September 30		First Quarter Ended March 31	
	2023	2022	2023	2022	2024	2023
Net income including noncontrolling interest	\$409.4	\$352.0	\$982.2	\$839.4	\$416.6	\$238.1
Other comprehensive income (loss), net of tax						
Foreign currency translation adjustments						
Foreign currency translation	(27.7)	(246.7)	(13.6)	(367.2)	(46.6)	11.1
(Loss) gain on net investment hedges	(8.2)	82.7	(48.7)	173.0		
Gain (loss) on net investment hedges					8.9	(16.7)
Total foreign currency translation adjustments	(35.9)	(164.0)	(62.3)	(194.2)	(37.7)	(5.6)
Derivatives and hedging instruments	0.1	11.6	(6.1)	13.1	5.1	(4.7)
Pension and postretirement benefits	(3.2)	(62.3)	(7.3)	(20.6)	2.3	0.2
Subtotal	(39.0)	(214.7)	(75.7)	(201.7)	(30.3)	(10.1)
Total comprehensive income, including noncontrolling interest	370.4	137.3	906.5	637.7	386.3	228.0
Comprehensive income attributable to noncontrolling interest	6.0	2.8	14.2	6.1	5.0	5.2
Comprehensive income attributable to Ecolab	\$364.4	\$134.5	\$892.3	\$631.6	\$381.3	\$222.8

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

## CONSOLIDATED BALANCE SHEETS

(unaudited)

	September 30 2023	December 31 2022	March 31 2024	December 31 2023
(millions, except per share amounts)				
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$1,001.3	\$598.6	\$479.9	\$919.5
Accounts receivable, net	2,823.5	2,698.1	2,786.6	2,834.2
Inventories	1,536.0	1,792.8	1,565.9	1,497.2
Other current assets	428.6	404.7	379.3	393.2
Total current assets	5,789.4	5,494.2	5,211.7	5,644.1
Property, plant and equipment, net	3,332.8	3,293.4	3,451.1	3,474.6
Goodwill	8,098.4	8,012.7	8,111.4	8,148.2
Other intangible assets, net	3,528.6	3,680.7	3,413.6	3,493.5
Operating lease assets	536.0	448.2	566.3	553.5
Other assets	572.9	535.1	544.4	532.7
Total assets	\$21,858.1	\$21,464.3	\$21,298.5	\$21,846.6
<b>LIABILITIES AND EQUITY</b>				
Current liabilities				
Short-term debt	\$1,129.1	\$505.1	\$11.3	\$630.4
Accounts payable	1,498.8	1,728.2	1,607.1	1,566.3
Compensation and benefits	553.3	493.6	527.0	655.5
Income taxes	134.3	197.6	201.6	158.7
Other current liabilities	1,285.0	1,285.9	1,354.1	1,334.9
Total current liabilities	4,600.5	4,210.4	3,701.1	4,345.8
Long-term debt	7,487.1	8,075.3	7,528.6	7,551.4
Pension and postretirement benefits	627.1	670.3	640.4	651.7
Deferred income taxes	450.9	505.6	352.0	418.2
Operating lease liabilities	415.0	337.8	434.0	425.5
Other liabilities	455.0	406.3	416.8	381.8
Total liabilities	14,035.6	14,205.7	13,072.9	13,774.4
Commitments and contingencies (Note 16)				
Equity (a)				
Common stock	365.4	364.7	366.8	365.7
Additional paid-in capital	6,710.1	6,580.2	6,917.6	6,766.7
Retained earnings	9,832.8	9,318.8	10,324.5	10,075.4
Accumulated other comprehensive loss	(1,801.4)	(1,726.6)	(1,881.2)	(1,850.4)
Treasury stock	(7,311.1)	(7,301.0)	(7,522.1)	(7,312.7)
Total Ecolab shareholders' equity	7,795.8	7,236.1	8,205.6	8,044.7
Noncontrolling interest	26.7	22.5	20.0	27.5
Total equity	7,822.5	7,258.6	8,225.6	8,072.2
Total liabilities and equity	\$21,858.1	\$21,464.3	\$21,298.5	\$21,846.6

(a) Common stock, 800.0 shares authorized, \$1.00 par value per share, 285.1 285.6 shares outstanding as of September 30, 2023 March 31, 2024 and 284.5 285.4 shares outstanding as of December 31, 2022 December 31, 2023. Shares outstanding are net of treasury stock.

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

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

(millions)	Nine Months Ended	
	September 30	
	2023	2022
<b>OPERATING ACTIVITIES</b>		
Net income including noncontrolling interest	\$982.2	\$839.4
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation	463.3	463.4
Amortization	229.8	238.8
Deferred income taxes	(45.9)	(106.6)
Share-based compensation expense	73.4	67.2
Pension and postretirement plan contributions	(92.2)	(51.8)
Pension and postretirement plan expense (income), net	6.0	20.5
Restructuring charges, net of cash paid	(17.5)	(17.8)
Other, net	21.1	13.2
Changes in operating assets and liabilities, net of effect of acquisitions:		
Accounts receivable	(88.9)	(350.8)
Inventories	266.4	(385.7)
Other assets	25.2	(345.0)
Accounts payable	(245.7)	260.2
Other liabilities	(17.9)	284.2
Cash provided by operating activities	1,559.3	929.2
<b>INVESTING ACTIVITIES</b>		
Capital expenditures	(512.2)	(510.0)
Property and other assets sold	9.5	1.4
Acquisitions and investments in affiliates, net of cash acquired	(106.8)	(7.2)
Other, net	(32.6)	9.4
Cash used for investing activities	(642.1)	(506.4)
<b>FINANCING ACTIVITIES</b>		
Net (repayments) issuances of commercial paper and notes payable	(0.3)	87.6
Reacquired shares	(11.7)	(445.4)
Dividends paid	(462.6)	(445.0)
Exercise of employee stock options	61.2	20.8
Hedge settlements	(53.4)	109.6
Other, net	(2.4)	(3.2)
Cash used for financing activities	(469.2)	(675.6)
Effect of exchange rate changes on cash and cash equivalents	(45.3)	5.8

Increase (decrease) in cash and cash equivalents	402.7	(247.0)
Cash and cash equivalents, beginning of period	598.6	359.9
Cash and cash equivalents, end of period	\$1,001.3	\$112.9

First Quarter Ended		
March 31		
(millions)	2024	2023
<b>OPERATING ACTIVITIES</b>		
Net income including noncontrolling interest	\$416.6	\$238.1
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation	157.0	158.7
Amortization	77.8	75.6
Deferred income taxes	(74.4)	(18.0)
Share-based compensation expense	47.0	31.4
Pension and postretirement plan contributions	(15.3)	(14.6)
Pension and postretirement plan (income) expense, net	4.0	2.6
Restructuring charges, net of cash paid	0.2	(27.3)
Other, net	1.5	2.3
Changes in operating assets and liabilities, net of effect of acquisitions:		
Accounts receivable	49.0	41.0
Inventories	(65.5)	70.6
Other assets	21.3	3.5
Accounts payable	82.7	(268.5)
Other liabilities	(52.5)	(97.2)
Cash provided by operating activities	649.4	198.2
<b>INVESTING ACTIVITIES</b>		
Capital expenditures	(201.5)	(173.7)
Property and other assets sold	0.7	4.8
Other, net	(0.2)	(20.5)
Cash used for investing activities	(201.0)	(189.4)
<b>FINANCING ACTIVITIES</b>		
Net issuances of commercial paper and notes payable	7.2	5.5
Long-term debt repayments	(629.6)	-
Reacquired shares	(196.4)	(10.6)
Dividends paid	(175.2)	(157.7)
Exercise of employee stock options	105.5	15.5
Hedge settlements	-	(18.4)
Other, net	(0.8)	(0.7)
Cash used for financing activities	(889.3)	(166.4)
Effect of exchange rate changes on cash and cash equivalents	1.3	(21.6)
Decrease in cash and cash equivalents	(439.6)	(179.2)
Cash and cash equivalents, beginning of period	919.5	598.6
Cash and cash equivalents, end of period	\$479.9	\$419.4

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

## CONSOLIDATED STATEMENTS OF EQUITY

(unaudited)

(millions, except per share amounts)	Third Quarter Ended September 30, 2023 and 2022									First Quarter Ended March 31, 2024 and 2023								
	Common Stock	Additional Paid-in Capital	Retained Earnings	AOCI (Loss)	Treasury Stock	Ecolab Shareholders' Equity	Non- Controlling Interest	Total Equity		Common Stock	Additional Paid-in Capital	Retained Earnings	AOCI (Loss)	Treasury Stock	Ecolab Shareholders' Equity	Non- Controlling Interest	Total Equity	
Balance, June 30, 2022	\$364.5	\$6,529.8	\$9,003.3	(\$1,617.9)	(\$7,186.3)	\$7,093.4	\$25.0	\$7,118.4										
Balance, December 31, 2022	\$364.7	\$6,580.2	\$9,318.8	(\$1,726.6)	(\$7,301.0)	\$7,236.1	\$22.5	\$7,258.6										
Net income			347.1			347.1	4.9	352.0				233.4			233.4	4.7	238.1	
Other comprehensive income (loss) activity				(212.6)		(212.6)	(2.1)	(214.7)										
Other comprehensive income (loss)													(10.6)		(10.6)	0.5	(10.7)	
Cash dividends declared (a)			(145.3)			(145.3)	(0.5)	(145.8)				(150.9)			(150.9)	(6.9)	(157.8)	
Stock options and awards	0.1	22.0			0.5	22.6		22.6		0.3	46.3			0.2	46.8		46.1	
Reacquired shares					(42.6)	(42.6)		(42.6)						(10.6)	(10.6)		(10.6)	
Balance, September 30, 2022	\$364.6	\$6,551.8	\$9,205.1	(\$1,830.5)	(\$7,228.4)	\$7,062.6	\$27.3	\$7,089.9										
Balance, March 31, 2023	\$365.0	\$6,626.5	\$9,401.3	(\$1,737.2)	(\$7,311.4)	\$7,344.2	\$20.8	\$7,365.3										
Balance, June 30, 2023	\$365.3	\$6,684.1	\$9,580.0	(\$1,761.8)	(\$7,310.9)	\$7,556.7	\$23.8	\$7,580.5										
Balance, December 31, 2023	\$365.7	\$6,766.7	\$10,075.4	(\$1,850.4)	(\$7,312.7)	\$8,044.7	\$27.5	\$8,072.6										
Net income			404.0			404.0	5.4	409.4				412.1			412.1	4.5	416.6	
Other comprehensive income (loss) activity				(39.6)		(39.6)	0.6	(39.0)										



Other comprehensive income (loss)									(30.8)		(30.8)	0.5	(30.3)
Cash dividends declared (a)		(151.2)		(151.2)	(3.1)	(154.3)		(163.0)		(163.0)	(12.5)	(175.5)	
Stock options and awards	0.1	26.0		0.5	26.6	26.6	1.1	150.9		0.6	152.6	152.6	
Reacquired shares				(0.7)	(0.7)	(0.7)				(210.0)	(210.0)	(210.0)	
Balance, September 30, 2023	\$365.4	\$6,710.1	\$9,832.8	(\$1,801.4)	(\$7,311.1)	\$7,795.8	\$26.7	\$7,822.5					

Nine Months Ended September 30, 2023 and 2022									
(millions, except per share amounts)	Additional Common Stock	Paid-in Capital	Retained Earnings	OCI (Loss)	Treasury Stock	Ecolab Shareholders' Equity	Non- Controlling Interest	Total Equity	

Balance,								
December 31,								
2021	\$364.1	\$6,464.6	\$8,814.5	(\$1,634.8)	(\$6,784.2)	\$7,224.2	\$28.9	\$7,253.1
Net income			827.3			827.3	12.1	839.4
Other comprehensive income (loss) activity				(195.7)		(195.7)	(6.0)	(201.7)
Cash dividends declared (a)			(436.7)			(436.7)	(8.3)	(445.0)
Fair value adjustment of prior acquisition						-	0.6	0.6
Stock options and awards	0.5	87.2			1.2	88.9		88.9
Reacquired shares					(445.4)	(445.4)		(445.4)
Balance,								
September 30,								
2022	\$364.6	\$6,551.8	\$9,205.1	(\$1,830.5)	(\$7,228.4)	\$7,062.6	\$27.3	\$7,089.9

Balance,								
December 31,								
2022	\$364.7	\$6,580.2	\$9,318.8	(\$1,726.6)	(\$7,301.0)	\$7,236.1	\$22.5	\$7,258.6
Net income			967.1			967.1	15.1	982.2
Other comprehensive income (loss)								
activity				(74.8)		(74.8)	(0.9)	(75.7)
Cash dividends declared (a)			(453.1)			(453.1)	(10.0)	(463.1)
Changes in noncontrolling interests								
		(4.5)				(4.5)		(4.5)

Stock options and awards	0.7	134.4			1.6	136.7	136.7	
Reacquired shares					(11.7)	(11.7)	(11.7)	
Balance, September 30, 2023	\$365.4	\$6,710.1	\$9,832.8	(\$1,801.4)	(\$7,311.1)	\$7,795.8	\$26.7	\$7,822.5
Balance, March 31, 2024							\$366.8	\$6,917.6
							\$10,324.5	(\$1,881.2)
							(\$7,522.1)	\$8,205.6
							\$20.0	\$8,225.1

(a) Dividends declared per common share were \$0.53 \$0.57 and \$0.51 in the third quarter of 2023 and 2022, respectively, and \$1.59 and \$1.53 \$0.53 in the first nine months quarter of 2023 2024 and 2022 2023, respectively.

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

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## CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

### 1. CONSOLIDATED FINANCIAL INFORMATION

The unaudited consolidated financial information for the third first quarter ended September 30, 2023 March 31, 2024 and 2022 2023 reflects, in the opinion of management, all adjustments necessary for a fair statement of the financial position, results of operations, comprehensive income, equity and cash flows of Ecolab Inc. ("Ecolab" or "the Company") for the interim periods presented. Any adjustments consist of normal recurring items.

The financial results for any interim period are not necessarily indicative of results for the full year. The consolidated balance sheet data as of December 31, 2022 December 31, 2023 was derived from the audited consolidated financial statements but does not include all disclosures required by accounting principles generally accepted in the United States of America. The unaudited consolidated financial information should be read in conjunction with the consolidated financial statements and notes thereto incorporated in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 filed with the Securities and Exchange Commission ("SEC") on February 24, 2023 February 23, 2024.

With respect to the unaudited financial information of the Company for the third first quarter ended September 30, 2023 March 31, 2024 and 2022 2023 included in this Form 10-Q, PricewaterhouseCoopers LLP reported that they have applied limited procedures in accordance with professional standards for a review of such information. Their separate report dated November 2, 2023 May 2, 2024 appearing herein states that they did not audit and they do not express an opinion on that unaudited financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. PricewaterhouseCoopers LLP is not subject to the liability provisions of Section 11 of the Securities Act of 1933, as amended (the "Act"), for their report on the unaudited financial information because that report is not a "report" or a "part" of a registration statement prepared or certified by PricewaterhouseCoopers LLP within the meaning of Sections 7 and 11 of the Act.

### 2. SPECIAL (GAINS) AND CHARGES

Special (gains) and charges reported on the Consolidated Statements of Income include the following:

(millions)	Third Quarter Ended September 30		Nine Months Ended September 30		First Quarter Ended March 31	
	2023	2022	2023	2022	2024	2023

Cost of sales							
Restructuring activities	\$5.9	\$2.1	\$17.2	\$5.5	\$1.6	\$3.2	
Acquisition and integration activities	-	4.2	-	32.7			
Russia/Ukraine	-	0.8	-	7.2			
Other	-	-	-	16.3			
Cost of sales subtotal	5.9	7.1	17.2	61.7	1.6	3.2	
Special (gains) and charges							
Restructuring activities	20.0	(0.3)	46.3	0.8	18.1	12.6	
Acquisition and integration activities	3.0	4.1	11.5	15.0	2.5	5.0	
Russia/Ukraine	0.5	-	1.1	5.9			
Other	13.2	14.0	23.3	23.8	7.6	6.9	
Special (gains) and charges subtotal	36.7	17.8	82.2	45.5	28.2	24.5	
Operating income subtotal	42.6	24.9	99.4	107.2			
Other (income) expense	-	24.8	-	24.8			
Total special (gains) and charges	\$42.6	\$49.7	\$99.4	\$132.0	\$29.8	\$27.7	

For segment reporting purposes, special (gains) and charges are not allocated to reportable segments, which is consistent with the Company's internal management reporting.

#### Restructuring activities

Restructuring activities are primarily related to the Combined Program which is described below. These activities have been included as a component of cost of sales and special (gains) and charges on the Consolidated Statements of Income. Restructuring liabilities have been classified as a component of other current and other noncurrent liabilities on the Consolidated Balance Sheets.

#### Combined Program

In November 2022 the Company approved a Europe cost savings program. In connection with these actions, the Company expected to incur pre-tax charges of \$130 million (\$110 million after tax). In February 2023, the Company expanded its previously announced Europe

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cost savings program to focus on its Institutional and Healthcare businesses in other regions. In connection with the expanded program ("Combined Program"), the Company expects to incur total pre-tax charges of \$195 million (\$150 million after tax). The Company expects that these restructuring charges will be substantially completed by the end of 2024. Program actions include headcount reductions from terminations, not filling certain open positions, and facility closures. The Combined Program charges are expected to be primarily cash expenditures related to severance and asset disposals.

In anticipation of this Combined Program, a limited number of actions were taken in the fourth quarter of 2022. As a result, the Company reclassified \$19.3 million (\$14.5 million after tax) from other restructuring to the Combined Program in the first quarter of 2023.

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During the third first quarter of 2024 and first nine months of 2023, the Company recorded total Combined Program restructuring charges of \$24.2 million \$19.7 million (\$20.5 \$15.8 million after tax) and \$57.3 million \$13.4 million (\$46.9 \$10.2 million after tax), respectively, primarily related to severance, severance and professional services. The Company has

recorded \$183.9 million (\$152.7 million after tax) of cumulative charges under the Combined Plan. The net liability related to the Combined Program was \$58.4 million \$44.1 million and \$62.0 million \$43.1 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. The remaining liability is expected to be paid over a period of a few months to several quarters and will continue to be funded from operating activities.

Restructuring activity related to the Combined Program since inception of the underlying actions includes the following items:

(millions)							
	Employee Costs	Asset Disposals	Total	Employee Costs	Asset Disposals	Other	Total
2022 Activity							
Recorded expense and accrual	\$67.2	\$-	\$67.2				
Net cash payments	(5.2)	-	(5.2)				
Net restructuring liability, December 31, 2022	62.0	-	62.0				
2023 Activity							
2022-2023 Activity							
Recorded expense and accrual	43.4	13.9	57.3	\$114.2	\$14.0	\$16.7	\$144.9
Net cash payments	(66.3)	-	(66.3)	(90.4)	-	(16.7)	(107.1)
Non-cash charges	-	(13.9)	(13.9)	-	(14.0)	-	(14.0)
Reclassification	19.3	-	19.3	19.3	-	-	19.3
Net restructuring liability, September 30, 2023	\$58.4	\$-	\$58.4				
Net restructuring liability, December 31, 2023				43.1	-	-	43.1
2024 Activity							
Recorded expense and accrual				2.3	0.4	17.0	19.7
Net cash payments				(15.9)	-	(2.4)	(18.3)
Non-cash charges				-	(0.4)	-	(0.4)
Net restructuring liability, March 31, 2024				\$29.5	\$-	\$14.6	\$44.1

#### Institutional Advancement Program

The Company approved a restructuring plan in 2020 focused on the Institutional business ("the Institutional Plan") which is intended to enhance the Company's Institutional sales and service structure and allow the sales team to capture share and penetration while maximizing service effectiveness by leveraging the Company's ongoing investments in digital technology. In February 2021, the Company expanded the Institutional Plan, and expects that these restructuring charges will be completed by the end of 2023, with total anticipated costs of \$70 million (\$55 million after tax). The remaining costs are expected to be primarily non-cash costs related to equipment disposals. Actual costs may vary from these estimates depending on actions taken.

During the third quarter of 2023 and 2022, the Company recorded restructuring charges of \$1.7 million (\$1.2 million after tax) and \$1.8 million (\$1.3 million after tax), respectively, and \$6.2 million (\$4.6 million after tax) and \$3.9 million (\$2.9 million after tax) in the first nine months of 2023 and 2022, respectively, primarily related to severance, disposals of equipment and office closures. The Company has recorded \$60.3 million (\$46.0 million after tax) of cumulative restructuring charges under the Institutional Plan. Net cash payments were \$0 million and non-cash net charges were \$1.7 million for the third quarter of 2023. Net cash payments were \$3.1 million and non-cash net charges were \$5.0 million for the first nine months of 2023. The liability related to the Institutional Plan was \$0 million and \$1.9 million as of September 30, 2023 and December 31, 2022, respectively.

#### Accelerate 2020

During 2018, the Company formally commenced a restructuring plan, Accelerate 2020 ("the A2020 Plan"), to leverage technology and system investments and organizational changes. The goals of the Plan were to further simplify and automate processes and tasks, reduce complexity and management layers, consolidate facilities and focus on key long-term growth areas by further leveraging technology and structural improvements. The restructuring activities were completed at the end of 2022, with total costs of \$254.4 million (\$198.4 million after tax).

Net cash payments were \$1.9 million and \$11.4 million for the third quarter and first nine months of 2023, respectively. The liability related to the Plan was \$6.7 million and \$18.1 million as of the September 30, 2023 and December 31, 2022, respectively. The remaining liability is expected to be paid over a period of several quarters and will continue to be funded from operating activities.

#### Other Restructuring Activities

During the third quarter and first nine months of 2022, the Company recorded restructuring charges of \$0.6 million (\$0.5 million after tax) and \$2.6 million (\$2.0 million after tax), respectively, related to other immaterial restructuring activity. The charges are primarily related to severance and asset write-offs.

The restructuring liability balance for all other restructuring plans excluding Combined Program, the A2020 Plan and the Institutional Plan was \$3.7 million and \$23.2 million as of September 30, 2023 and December 31, 2022, respectively. The decrease in liability was driven primarily by the reclass of \$19.3 million from other restructuring to the Combined Program in the first nine months of 2023. Cash payments during the third quarter and first nine months of 2023 related to all other restructuring plans excluding the Combined Program, the A2020 Plan and the Institutional Plan were \$0 million and \$0.2 million, respectively.

#### Acquisition and integration related costs

Acquisition and integration related costs reported in product and equipment cost of sales on the Consolidated Statements of Income in the third quarter and first nine months of 2022 include \$4.2 million (\$3.9 million after tax) and \$32.7 million (\$25.8 million after tax) related primarily to the recognition of fair value step-up in the Purolite Corporation ("Purolite") inventory and other integration costs.

Acquisition and integration related costs reported in special (gains) and charges on the Consolidated Statements of Income include \$3.0 million \$2.5 million (\$2.2 1.9 million after tax) and \$4.1 million \$5.0 million (\$3.9 million after tax) during the third quarter of 2023 and 2022, respectively and \$11.5 million (\$8.6 million after tax) and \$15.0 million (\$11.9 3.7 million after tax) during the first nine months quarter of 2024 and 2023, and 2022, respectively. Charges are integration related costs primarily related to the Purolite acquisition.

Further information related to the Company's acquisitions is included in Note 3.

#### Russia/Ukraine

In light of Russia's invasion of Ukraine and the sanctions against Russia by the United States and other countries, the Company has made the determination that it will limit its Russian business to operations that are essential to life, providing minimal support for its healthcare, life sciences, food and beverage and certain water businesses. The Company recorded charges of \$0.5 million (\$0.4 million after tax) and \$1.1 million (\$0.9 million after tax) in the third quarter and first nine months of 2023, respectively, and recorded charges of \$0.8 million (\$0.7 million after tax) and \$13.1 million (\$14.0 million after tax) in the third quarter and first nine months of 2022, respectively, primarily related to recoverability risk of certain assets in both Russia and Ukraine.

#### Other operating activities

Other special charges of \$13.2 million \$7.6 million (\$9.9 5.4 million after tax) and \$23.3 million \$6.9 million (\$17.6 5.4 million after tax) recorded in the third first quarter of 2024 and first nine months of 2023, respectively relate primarily to certain legal charges, which are recorded in special (gains) and charges on the Consolidated Statements of Income.

#### Other (income) expense

The Company incurred settlement expense recorded in other expense on the Consolidated Statements of Income of \$24.8 million (\$18.8 million after tax) during the third quarter and first nine months of 2022. Expenses are related to U.S. pension plan lump-sum payments to retirees.

3. ACQUISITIONS

Acquisitions

The Company makes business acquisitions that align with its strategic business objectives. The assets and liabilities of acquired businesses are recorded in the Consolidated Balance Sheets based on estimates of the fair value of assets acquired, liabilities assumed and noncontrolling interests acquired as of the acquisition date. Goodwill is recognized in the amount that the purchase consideration paid exceeds the fair value of the net assets acquired. Purchase consideration includes both cash paid and the fair value of noncash consideration exchanged, including stock and/or contingent consideration, **exchanged**, and is reduced by the amount of cash or cash equivalents acquired.

In May 2023, the Company acquired Chemlink Laboratories LLC, a U.S.-based producer of small format cleaning solutions. The Company made two other immaterial acquisitions during the second quarter of 2023. All three acquisitions became part of the Global Institutional & Specialty reporting segment.

The purchase accounting for these acquisitions are preliminary and subject to change as the Company finalizes the valuation of intangible assets, income tax balances and working capital. The goodwill arising from the acquisition of Chemlink Laboratories LLC is tax deductible.

No acquisitions occurred during the **third first** quarter of **2023 2024** or first nine months of 2022. The following table summarizes the acquisition date fair value of net assets acquired from the Company's acquisitions during the first nine months of 2023: **2023**.

	Nine Months Ended September 30
(millions)	2023
Net tangible assets (liabilities) acquired	\$9.8
Identifiable intangible assets	
Customer relationships	35.5
Other technology	21.8
Total intangible assets	57.3
Goodwill	40.5
Total aggregate purchase price	107.6
Acquisition-related liabilities and contingent consideration	(5.3)
Net cash paid for acquisitions, including acquisition-related liabilities and contingent consideration	\$102.3

During the first nine months of 2022, the Company recorded purchase accounting adjustments associated with the finalization of the purchase accounting for its 2022 and 2021 acquisitions. As a result of these purchase accounting adjustments, the Company made \$7.2 million of acquisition-related payments, acquisition related net tangible assets increased by \$5.4 million, definite-lived intangible assets decreased by \$5.6 million, and goodwill increased by \$7.4 million.

During the third quarter of 2023, the Company recorded purchase accounting adjustments. As a result of these purchase accounting adjustments, the Company made \$1.7 million of acquisition-related payments, acquisition related net tangible assets increased by \$0.4 million, acquisition related liabilities and contingent consideration increased by \$0.5 million and goodwill increased by \$1.8 million.

The weighted average useful life of identifiable intangible assets acquired during the first nine months of 2023 was 12 years. No intangible assets were acquired during the first nine months of 2022.

4. BALANCE SHEETS INFORMATION

	September 30 2023	December 31 2022	March 31 2024	December 31 2023
(millions)				
Accounts receivable, net				
Accounts receivable	\$2,983.1	\$2,829.0	\$2,939.1	\$2,983.2
Allowance for expected credit losses and other accruals	(159.6)	(130.9)	(152.5)	(149.0)
Total	\$2,823.5	\$2,698.1	\$2,786.6	\$2,834.2
Inventories				
Finished goods	\$967.7	\$1,122.7	\$970.2	\$911.4
Raw materials and parts	785.7	849.2	702.4	704.7
Inventories at FIFO cost	1,753.4	1,971.9	1,672.6	1,616.1
FIFO cost to LIFO cost difference	(217.4)	(179.1)	(106.7)	(118.9)
Total	\$1,536.0	\$1,792.8	\$1,565.9	\$1,497.2
Other current assets				
Prepaid assets	\$137.7	\$123.9	\$153.5	\$143.9
Taxes receivable	194.6	184.1	169.3	186.9
Derivative assets	44.6	57.5	7.2	3.3
Other	51.7	39.2	49.3	59.1
Total	\$428.6	\$404.7	\$379.3	\$393.2
Property, plant and equipment, net				
Land	\$155.3	\$161.3	\$154.9	\$155.6
Buildings and leasehold improvements	1,160.5	1,126.9	1,178.8	1,171.0
Machinery and equipment	2,057.6	1,966.3	2,146.7	2,113.8
Merchandising and customer equipment	2,726.7	2,635.5	2,817.7	2,758.4
Capitalized software	961.0	962.1	1,006.4	985.9
Construction in progress	379.9	403.8	454.1	470.1
	7,441.0	7,255.9	7,758.6	7,654.8
Accumulated depreciation	(4,108.2)	(3,962.5)	(4,307.5)	(4,180.2)
Total	\$3,332.8	\$3,293.4	\$3,451.1	\$3,474.6
Other intangible assets, net				
Intangible assets not subject to amortization				
Trade names	\$1,230.0	\$1,230.0	\$1,230.0	\$1,230.0
Intangible assets subject to amortization				
Customer relationships	3,352.6	3,292.8	3,374.8	3,385.1
Patents	504.9	497.0	505.2	503.6
Trademarks	406.2	404.0	404.4	406.5
Other technologies	539.9	518.8	551.0	551.2
	4,803.6	4,712.6	4,835.4	4,846.4
Accumulated amortization				
Customer relationships	(1,749.2)	(1,581.7)	(1,850.9)	(1,805.0)
Patents	(315.5)	(292.3)	(326.3)	(319.4)
Trademarks	(229.1)	(202.5)	(244.6)	(238.0)
Other technologies	(211.2)	(185.4)	(230.0)	(220.5)
	(2,505.0)	(2,261.9)	(2,651.8)	(2,582.9)
Net intangible assets subject to amortization	2,298.6	2,450.7	2,183.6	2,263.5
Total	\$3,528.6	\$3,680.7	\$3,413.6	\$3,493.5

Other assets				
Deferred income taxes	\$115.6	\$108.1	\$122.0	\$119.3
Pension	153.1	118.4	120.8	118.4
Derivative asset	36.5	44.5	26.5	23.6
Other	267.7	264.1	275.1	271.4
Total	\$572.9	\$535.1	\$544.4	\$532.7

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	September 30 2023	December 31 2022	March 31 2024	December 31 2023
(millions)				
Other current liabilities				
Discounts and rebates	\$411.4	\$357.8	\$442.1	\$438.8
Dividends payable	151.1	150.8	163.0	162.7
Interest payable	58.5	58.7	64.6	68.5
Taxes payable, other than income	161.5	162.9	143.8	153.2
Derivative liability	0.1	21.9	1.2	3.7
Restructuring	69.3	100.6	48.8	48.9
Contract liability	105.5	116.5	118.0	110.9
Operating lease liabilities	119.1	108.3	130.1	126.1
Other	208.5	208.4	242.5	222.1
Total	\$1,285.0	\$1,285.9	\$1,354.1	\$1,334.9
Accumulated other comprehensive income (loss)				
Unrealized (loss) gain on derivative financial instruments, net of tax	(\$2.4)	\$3.7		
Unrealized gain (loss) on derivative financial instruments, net of tax			\$1.0	(\$4.1)
Unrecognized pension and postretirement benefit expense, net of tax	(474.7)	(467.4)	(532.4)	(534.7)
Cumulative translation, net of tax	(1,324.3)	(1,262.9)	(1,349.8)	(1,311.6)
Total	(\$1,801.4)	(\$1,726.6)	(\$1,881.2)	(\$1,850.4)

## 5. DEBT AND INTEREST

### Short-term Debt

The following table provides the components of the Company's short-term debt obligations as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

	September 30 2023	December 31 2022	March 31 2024	December 31 2023
(millions)				
Short-term debt				
Commercial paper	\$-	\$-		
Notes payable	3.4	3.7	\$8.9	\$1.8
Long-term debt, current maturities	1,125.7	501.4	2.4	628.6



Total		\$1,129.1	\$505.1	\$11.3	\$630.4
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#### Lines of Credit

As of September 30, 2023 March 31, 2024, the Company has a \$2.0 billion multi-year revolving credit facility which expires in April 2026. The credit facility has been established with a diverse syndicate of banks and supports the Company's U.S. and Euro commercial paper programs. There were no borrowings under the Company's credit facility as of either September 30, 2023 March 31, 2024 or December 31, 2022 December 31, 2023.

#### Commercial Paper

The Company's commercial paper program is used as a potential source of liquidity and consists of a \$2.0 billion U.S. commercial paper program and a \$2.0 billion Euro commercial paper program. The maximum aggregate amount of commercial paper that may be issued by the Company under its commercial paper programs may not exceed \$2.0 billion.

The Company had no outstanding commercial paper under its U.S. and Euro commercial paper programs as of September 30, 2023 and as of December 31, 2022 March 31, 2024 or December 31, 2023.

#### Notes Payable

The Company's notes payable consists of uncommitted credit lines with major international banks and financial institutions, primarily to support global cash pooling structures. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company had \$3.4 million \$8.9 million and \$3.7 million \$1.8 million, respectively, outstanding under these credit lines.

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#### Long-term Debt

The following table provides the components of the Company's long-term debt obligations, including current maturities, as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

(millions)	Maturity by Year	September 30 2023	December 31 2022	Maturity by Year	March 31 2024	December 31 2023
Long-term debt						
Public notes (2023 principal amount)						
Two year 2021 senior notes (\$500 million)	2023	\$499.7	\$498.7			
Public notes (2024 principal amount)						
Seven year 2016 senior notes (€575 million)	2024	623.0	596.9	2024	\$-	\$625.9
Ten year 2015 senior notes (€575 million)	2025	622.3	596.7	2025	620.4	625.1
Ten year 2016 senior notes (\$750 million)	2026	723.0	721.1	2026	728.8	728.2
Ten year 2017 senior notes (\$500 million)	2027	435.5	433.9	2027	447.7	448.3
Six Year 2021 senior notes (\$500 million)	2027	497.2	496.5	2027	497.6	497.4
Five Year 2022 senior notes (\$500 million)	2028	493.8	492.7	2028	494.5	494.2
Ten year 2020 senior notes (\$698 million)	2030	634.5	653.5	2030	647.7	662.7
Ten year 2020 senior notes (\$600 million)	2031	547.9	555.2	2031	556.1	561.0
Eleven year 2021 senior notes (\$650 million)	2032	645.0	644.6	2032	645.3	645.2
Thirty year 2011 senior notes (\$389 million)	2041	384.7	384.5	2041	384.8	384.7
Thirty year 2016 senior notes (\$200 million)	2046	197.3	197.3	2046	197.4	197.4

Thirty year 2017 senior notes (\$484 million)	2047	426.5	425.5	2047	427.2	426.8
Thirty year 2020 senior notes (\$500 million)	2050	491.0	490.7	2050	491.2	491.1
Thirty year 2021 senior notes (\$850 million)	2051	839.2	838.9	2051	839.4	839.3
Thirty-four year 2021 senior notes (\$685 million)	2055	538.7	537.2	2055	539.7	539.2
Finance lease obligations and other		13.5	12.8		13.2	13.5
Total debt		8,612.8	8,576.7		7,531.0	8,180.0
Long-term debt, current maturities		(1,125.7)	(501.4)		(2.4)	(628.6)
Total long-term debt		\$7,487.1	\$8,075.3		\$7,528.6	\$7,551.4

#### Public Notes

The Company's public notes may be redeemed by the Company at its option at redemption prices that include accrued and unpaid interest and a make-whole premium. Upon the occurrence of a change of control accompanied by a downgrade of the public notes below investment grade rating, within a specified time period, the Company would be required to offer to repurchase the public notes at a price equal to 101% of the aggregate principal amount thereof, plus any accrued and unpaid interest to the date of repurchase. The public notes are senior unsecured and unsubordinated obligations of the Company and rank equally with all other senior and unsubordinated indebtedness of the Company.

#### Covenants

The Company is in compliance with all covenants under the Company's outstanding indebtedness as of **September 30, 2023** **March 31, 2024**.

#### Net Interest Expense

Interest expense and interest income recognized during the **third first quarter of 2024** and **first nine months of 2023** and **2022** were as follows:

(millions)	Third Quarter Ended		Nine Months Ended		First Quarter Ended	
	September 30		September 30		March 31	
	2023	2022	2023	2022	2024	2023
Interest expense	\$91.3	\$66.7	\$254.1	\$179.1	\$94.5	\$80.1
Interest income	(17.0)	(1.6)	(27.8)	(5.0)	(22.9)	(5.9)
Interest expense, net	\$74.3	\$65.1	\$226.3	\$174.1	\$71.6	\$74.2

Interest expense generally includes the expense associated with the interest on the Company's outstanding borrowings, including the impact of the Company's interest rate swap agreements. Interest expense also includes the amortization of debt issuance costs and debt discounts, which are both recognized over the term of the related debt.

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## 6. GOODWILL AND OTHER INTANGIBLE ASSETS

### Goodwill

Goodwill arises from the Company's acquisitions and represents the excess of the fair value of the purchase consideration exchanged over the fair value of net assets acquired. The Company's reporting units are its **ten eight** operating segments. The Company assesses goodwill for impairment on an annual basis during the second quarter. If circumstances change or events occur that demonstrate it is more likely than not that the carrying amount of a reporting unit exceeds its fair value, the Company completes an interim goodwill assessment of that reporting unit prior to the next annual assessment. If the results of an annual or interim goodwill assessment demonstrate the carrying amount of a reporting unit is greater than its fair value, the Company will recognize an impairment loss for the amount by which the reporting unit's carrying amount exceeds its fair value, but not to exceed the carrying amount of goodwill assigned to that reporting unit.

During the second quarter of 2023, the Company completed its annual goodwill impairment assessment for its reporting units using discounted cash flow analyses that incorporated assumptions regarding future growth rates, terminal values and discount rates. The Company's goodwill impairment assessments for 2023 indicated the estimated fair values of each of these ten reporting units exceeded the carrying amounts of the respective reporting unit by a significant margin. There has been no impairment of goodwill in any of the periods presented.

The changes in the carrying amount of goodwill for each of the Company's reportable segments during the nine months first quarter ended September 30, 2023 March 31, 2024 were as follows:

(millions)	Global					Global				
	Global Industrial	Institutional & Specialty	Healthcare & Life Sciences	Other	Total	Global Industrial	Institutional & Specialty	Healthcare & Life Sciences	Pest Elimination	Other
December 31, 2022	\$4,081.8	\$567.6	\$3,125.4	\$237.9	\$8,012.7					
Current year business combinations	-	40.5	-	-	40.5					
December 31, 2023	\$4,140.6	\$610.0	\$3,158.4	\$-	\$8,148.2					
Segment changes (a)	102.9	-	-	136.3	(239.2)					
December 31, 2023 recast	4,243.5	610.0	3,158.4	136.3	8,148.2					
Effect of foreign currency translation	14.0	2.6	27.7	0.9	45.2	(26.0)	(0.8)	(9.8)	(0.2)	(36.8)
September 30, 2023	\$4,095.8	\$610.7	\$3,153.1	\$238.8	\$8,098.4					
March 31, 2024	\$4,217.5	\$609.2	\$3,148.6	\$136.1	\$8,111.4					

(a) Relates to reclassifications made to reportable segments in the current year. Effective January 1, 2024, the Company's former Textile Care and Colloidal Technologies Group ("CTG") operating segments are now part of the Water operating segment which continues to remain in the Global Industrial reportable segment. Additionally, the Pest Elimination operating segment, formerly aggregated with the Textile Care and CTG operating segments within Other, is now reported as the stand-alone Global Pest Elimination reportable segment. After these changes, the Company has eight operating segments aligned with eight reporting units. Refer to Note 15 for further information.

## Other Intangible Assets

The Nalco trade name is the Company's only indefinite life intangible asset, which is tested for impairment on an annual basis during the second quarter. DuringBased on the second quarter ongoing performance of 2023, the Company completed its annual impairment assessment of Company's reporting units associated with the Nalco trade name, using the relief from royalty discounted cash flow method, which incorporates assumptions regarding future sales projections, royalty rates and discount rates. The Company's Nalco tradename an interim indefinite life intangible asset impairment assessment for 2023 indicated was not performed during the estimated fair value first quarter of the Nalco trade name exceeded its \$1.2 billion carrying amount by a significant margin. 2024. There has been no impairment of the Nalco trade name intangible since it was acquired.

The Company's intangible assets subject to amortization include customer relationships, trademarks, patents and other technologies primarily acquired through business acquisitions. The fair value of intangible assets acquired in business acquisitions are estimated primarily using discounted cash flow valuation methods at the time of acquisition. Intangible assets are amortized on a straight-line basis over their estimated lives. Total amortization expense related to intangible assets during the third first quarter of 2024 and 2023 was \$77.8 million and 2022 was \$77.4 million and \$80.6 million, respectively, and during the first nine months of 2023 and 2022 was \$229.8 million and \$238.8 million \$75.6 million, respectively. Amortization expense related to intangible assets for the remaining three-month nine-month period of 2023 2024 is expected to be approximately \$76 million \$224 million.

## 7. FAIR VALUE MEASUREMENTS

The Company's financial instruments include cash and cash equivalents, accounts receivable, accounts payable, contingent consideration obligations, commercial paper, notes payable, foreign currency forward contracts, interest rate swap agreements, cross-currency swap derivative contracts and long-term debt.

Fair value is defined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. A hierarchy has been established for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring the most observable inputs be used when available. The hierarchy is broken down into three levels:

**Level 1** - Inputs are quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

**Level 2** - Inputs include observable inputs other than quoted prices in active markets.

**Level 3** - Inputs are unobservable inputs for which there is little or no market data available.

The carrying amount and the estimated fair value for assets and liabilities measured on a recurring basis were:

(millions)	September 30, 2023				March 31, 2024			
	Carrying Amount	Fair Value Measurements			Carrying Amount	Fair Value Measurements		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Assets</b>								
Foreign currency forward contracts	\$70.0	\$-	\$70.0	\$-	\$21.6	\$-	\$21.6	\$-
Cross-currency swap derivative contracts	47.5	-	47.5	-	33.1	-	33.1	-
<b>Liabilities</b>								
Foreign currency forward contracts	25.6	-	25.6	-	15.6	-	15.6	-
Interest rate swap agreements	207.1	-	207.1	-	167.6	-	167.6	-
Cross-currency swap derivative contracts	18.4	-	18.4	-	22.1	-	22.1	-

(millions)	December 31, 2022				December 31, 2023			
	Carrying Amount	Fair Value Measurements			Carrying Amount	Fair Value Measurements		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Assets</b>								
Foreign currency forward contracts	\$118.9	\$-	\$118.9	\$-	\$26.6	\$-	\$26.6	\$-
Cross-currency swap derivative contracts	58.7	-	58.7	-	29.1	-	29.1	-
<b>Liabilities</b>								
Foreign currency forward contracts	83.3	-	83.3	-	27.0	-	27.0	-
Interest rate swap agreements	181.4	-	181.4	-	146.5	-	146.5	-
Cross-currency swap derivative contracts	14.5	-	14.5	-	24.9	-	24.9	-

The carrying value of foreign currency forward contracts is at fair value, which **are is** determined based on foreign currency exchange rates as of the balance sheet date and **are** classified within Level 2. The carrying value of interest rate swap agreements **are is** at fair value, which **are is** determined based on current forward interest rates as of the balance sheet date and are classified within Level 2. The cross-currency swap derivative contracts are used to partially hedge the Company's net investments in foreign operations against adverse movements in exchange rates between the U.S. dollar and the **Euro, Euro and the U.S. dollar and CNH (CNH is the Chinese Yuan traded in the offshore market)**. The carrying value of the cross-currency swap derivative contracts **are is** at fair value, which **are is** determined based on the income approach with the relevant interest rates and foreign currency current exchange rates and forward curves as inputs as of the balance sheet date and are classified within Level 2. For purposes of fair value disclosure above, derivative values are presented gross. Further discussion of gross versus net presentation of the Company's derivatives **is included** within Note 8.

Contingent consideration obligations are recognized and measured at fair value at the acquisition date and thereafter until settlement or expiration. Contingent consideration is classified within Level 3 as the underlying fair value is determined using income-based valuation approaches appropriate for the terms and conditions of each respective contingent consideration. The consideration expected to be transferred is based on the Company's expectations of various financial measures. The ultimate payment of contingent consideration could deviate from current estimates based on the actual results of these financial measures. Contingent consideration was not material to the Company's consolidated financial statements.

The carrying values of accounts receivable, accounts payable, cash and cash equivalents, commercial paper and notes payable approximate fair value because of their short maturities and as such are classified within Level 1.

The fair value of long-term debt is based on quoted market prices for the same or similar debt instruments (classified as Level 2). The carrying amount, which includes adjustments related to the impact of interest rate swap agreements, premiums and discounts, and deferred debt issuance costs, and the estimated fair value of long-term debt, including current maturities, held by the Company were:

	September 30, 2023		December 31, 2022		March 31, 2024		December 31, 2023	
	Carrying	Fair	Carrying	Fair	Carrying	Fair	Carrying	Fair
	Amount	Value	Amount	Value	Amount	Value	Amount	Value
Long-term debt, including current maturities	\$8,612.8	\$7,541.9	\$8,576.7	\$7,643.6	\$7,531.0	\$6,765.9	\$8,180.0	\$7,552.5

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## 8. DERIVATIVES AND HEDGING TRANSACTIONS

The Company uses foreign currency forward contracts, interest rate swap agreements, cross-currency swap derivative contracts and foreign currency debt to manage risks associated with foreign currency exchange rates, interest rates and net investments in foreign operations. The Company does not hold derivative financial instruments of a speculative nature or for trading purposes. The Company records derivatives as assets and liabilities in the Consolidated Balance Sheets at fair value. Changes in fair value are recognized immediately in earnings unless the derivative qualifies and is designated as a hedge. Cash flows from derivatives are classified in the **statement Consolidated Statements of cash flows Cash Flows** in the same category as the cash flows from the items subject to designated hedge or undesignated (economic) hedge relationships. The Company evaluates hedge effectiveness at inception and on an ongoing basis. If a derivative is no longer expected to be effective, hedge accounting is discontinued.

The Company is exposed to credit risk in the event of nonperformance of counterparties for foreign currency forward exchange contracts and interest rate swap agreements. The Company monitors its exposure to credit risk by using credit approvals and credit limits and by selecting major global banks and financial institutions as counterparties. The Company does not anticipate nonperformance by any of these counterparties, and therefore, recording a valuation allowance against the Company's derivative balance is not considered necessary.

### Derivative Positions Summary

Certain of the Company's derivative transactions are subject to master netting arrangements that allow the Company to net settle contracts with the same counterparties. These arrangements generally do not call for collateral and as of the applicable dates presented in the following table, no cash collateral had been received or pledged related to the underlying derivatives.

The respective net amounts are included in other current assets, other assets, other current liabilities and other liabilities on the Consolidated Balance Sheets.

The following table summarizes the gross fair value and the net value of the Company's outstanding derivatives:

(millions)	Derivative Assets		Derivative Liabilities		Derivative Assets		Derivative Liabilities	
	September 30	December 31	September 30	December 31	March 31	December 31	March 31	December 31
	2023	2022	2023	2022	2024	2023	2024	2023
Derivatives designated as hedging instruments								
Foreign currency forward contracts	\$41.2	\$78.6	\$5.7	\$9.2	\$8.6	\$6.7	\$2.2	\$5.2
Interest rate swap agreements	-	-	207.1	181.4	-	-	167.6	146.5
Cross-currency swap derivative contracts	47.5	58.7	18.4	14.5	33.1	29.1	22.1	24.9
Derivatives not designated as hedging instruments								
Foreign currency forward contracts	28.8	40.3	19.9	74.1	13.0	19.9	13.4	21.8
Gross value of derivatives	117.5	177.6	251.1	279.2	54.7	55.7	205.3	198.4

Gross amounts offset in the									
Consolidated Balance Sheets		(36.4)	(75.6)	(36.4)	(75.6)	(21.0)	(28.8)	(21.0)	(28.8)
Net value of derivatives		\$81.1	\$102.0	\$214.7	\$203.6	\$33.7	\$26.9	\$184.3	\$169.6

The following table summarizes the notional values of the Company's outstanding derivatives:

(millions)	Notional Values		Notional Values	
	September 30	December 31	March 31	December 31
	2023	2022	2024	2023
Foreign currency forward contracts	\$3,801	\$5,745	\$2,978	\$3,745
Interest rate swap agreements	1,500	1,500	1,500	1,500
Cross-currency swap derivative contracts	811	650	976	998

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Cash Flow Hedges

The Company uses utilizes foreign currency forward contracts to hedge the effect of foreign currency exchange rate fluctuations on forecasted foreign currency transactions, including inventory purchases and intercompany royalty, intercompany loans, management fee and other payments. These forward contracts are designated as cash flow hedges. The changes in fair value of these contracts are recorded in accumulated other comprehensive income (loss) ("AOCI") until the hedged items affect earnings, at which time the gain or loss is reclassified into the same line item on in the Consolidated Statements of Income as the underlying exposure being hedged. Cash flow hedged transactions impacting AOCI are forecasted to occur within the next year. For forward contracts designated as hedges of foreign currency exchange rate risk associated with forecasted foreign currency transactions, the Company excludes the changes in fair value attributable to time value from the assessment of hedge effectiveness. The initial value of the excluded component (i.e., the forward points) is amortized on a straight-line basis over the life of the hedging instrument and recognized in the same line item on in the Consolidated Statements of Income as the underlying exposure being hedged for intercompany loans. For all other cash flow hedge types, the forward points are marked-to-market mark-to-market monthly and recognized in the same line item on in the Consolidated Statements of Income as the underlying exposure being hedged. The difference between fair value changes of the excluded component and the amount amortized on in the Consolidated Statements of Income is recorded in AOCI.

Fair Value Hedges

The Company manages interest expense using a mix of fixed and floating rate debt. To help manage exposure to interest rate movements and to reduce borrowing costs, the Company may enter into interest rate swap agreements swaps under which the Company agrees to exchange, at specified intervals, the difference between fixed and floating interest amounts calculated by reference to an agreed upon notional principal amount. The mark-to-market of these fair value hedges is recorded as gains or losses in interest (income) expense and is offset by the gain or loss of the underlying debt instrument, which also is recorded in interest (income) expense. These fair value hedges are highly effective and thus, there is no impact on earnings due to hedge ineffectiveness.

In aggregate, the Company has entered into a series of interest rate swap agreements to convert \$1.5 billion of its debt from a fixed interest rate to a floating interest rate. The fixed interest rates range from 1.3% to 4.8% and mature between 2026 and 2031. These interest rate swap agreements are designated as fair value hedges.

The following amounts were recorded in the Consolidated Balance Sheets related to cumulative basis adjustments for fair value hedges:

	Cumulative amount of the fair value hedging adjustment included in the carrying amount of the hedged liabilities
Carrying amount of the hedged liabilities	

Line item in which the hedged item is included	Cumulative amount of the fair value hedging adjustment included in the carrying amount of the hedged liabilities as of				First Quarter Ended		First Quarter Ended	
	September 30		September 30		March 31		March 31	
	2023	2022	2023	2022	2024	2023	2024	2023
	(millions)							
Long-term debt	\$1,294.4	\$1,305.6	(\$208.0)	(\$196.7)	\$1,333.6	\$1,348.9	(\$168.7)	(\$153.4)

## Net Investment Hedges

The Company designates its outstanding €1,150 million €575 million (\$1,247 621 million at the end of the third first quarter of 2023) 2024 senior notes ("Euronotes") and related accrued interest as hedges a hedge of its Euro denominated exposures from the Company's investments in certain of its Euro denominated functional currency subsidiaries.

The Company entered into a series of Euro cross-currency swap derivative contracts maturing in 2026 and 2030. These cross-currency swap derivative contracts are designated as net investment hedge of its the Company's Euro denominated exposures from the Company's investments in certain of its Euro denominated functional currency subsidiaries. The cross-currency swap derivative contracts exchange fixed-rate payments in one currency for fixed-rate payments in another currency. As of September 30, 2023 March 31, 2024, the Company had €625 million (\$661 674 million) cross-currency swap derivative contracts outstanding as hedges a hedge of the Company's net investment in foreign operations. The changes in the spot rate of these instruments are recorded in AOCI in stockholders' equity, partially offsetting the foreign currency translation adjustment of the Company's related net investment that is also recorded in AOCI. Any ineffective portions of net investment hedges are reclassified from AOCI into earnings during the period of change. The interest income or expense from these swaps are recorded in interest expense on the accompanying Consolidated Statements of Income consistent with the classification of interest expense attributable to the underlying debt.

In August During 2023, the Company entered into a CNH cross-currency swap derivative contract contracts with a notional amount of CNH 1,094 million 1,094 million and CNH 1,098 million, respectively, both maturing in 2032 (CNH is the Chinese Yuan traded in the offshore market), 2032. The cross-currency swap derivative contract is contracts are designated as a net investment hedge hedges of its Chinese Yuan ("CNY") denominated exposures from the Company's investments in certain of its CNY denominated functional currency subsidiaries. The cross-currency swap derivative contract exchanges contracts exchange fixed-rate payments in USD for fixed-rate payments in CNH. As of September 30, 2023 March 31, 2024, the Company had a in aggregate, CNH 1,094 million 2,192 million (\$150 302 million) cross-currency swap derivative contract contracts outstanding as a hedge of the Company's net investment in foreign operations. The changes in the spot rate of these instruments are recorded in accumulated other comprehensive income (loss) AOCI in stockholders' equity, partially offsetting the foreign currency translation adjustment of the Company's related net investment that is also recorded in accumulated other comprehensive income (loss), AOCI. The interest income or expense from these swaps are is recorded in interest expense on the accompanying Consolidated Statements of Income consistent with the classification of interest expense attributable to the underlying debt.

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The revaluation gains and losses on the Euronotes and cross-currency swap derivative contracts, which are designated and effective as hedges of the Company's net investments, have been included as a component of the cumulative translation adjustment account, and were as follows:

(millions)	Third Quarter Ended		Nine Months Ended		First Quarter Ended	
	September 30		September 30		March 31	
	2023	2022	2023	2022	2024	2023
Revaluation (loss) gain, net of tax:						
Revaluation gain (loss), net of tax:						
Euronotes	(\$13.5)	\$59.8	(\$38.4)	\$112.6	\$2.5	(\$15.1)
Cross-currency swap derivative contracts	5.3	22.9	(10.3)	60.4	6.4	(1.6)
Total revaluation (loss) gain, net of tax	(\$8.2)	\$82.7	(\$48.7)	\$173.0		
Total revaluation gain (loss), net of tax					\$8.9	(\$16.7)

## Derivatives Not Designated as Hedging Instruments

The Company also uses foreign currency forward contracts to offset its exposure to the change in value of certain foreign currency denominated assets and liabilities held at foreign subsidiaries, primarily receivables and payables, which are remeasured at the end of each period. Although the contracts are effective economic hedges, they are not

designated as accounting hedges. Therefore, changes in the value of these derivatives are recognized immediately in earnings, thereby offsetting the current earnings effect of the related foreign currency denominated assets and liabilities.

### Effect of all Derivative Instruments on Income

The gain (loss) of all derivative instruments recognized in product and equipment cost of sales ("COS"), selling, general and administrative expenses ("SG&A") and interest expense, net ("interest") is summarized below:

Third Quarter Ended September 30						
(millions)	2023			2022		
	COS	SG&A	Interest	COS	SG&A	Interest
Gain (loss) on derivatives in cash flow hedging relationship:						
Foreign currency forward contracts						
Amount of gain (loss) reclassified from AOCI to income	\$1.5	(\$10.4)	\$-	\$2.7	\$52.7	\$-
Amount excluded from the assessment of effectiveness recognized in earnings based on changes in fair value	-	-	1.9	-	-	3.3
Interest rate swap agreements						
Amount of (loss) gain reclassified from AOCI to income	-	-	(0.5)	-	-	(0.6)
(Loss) gain on derivatives not designated as hedging instruments:						
Foreign currency forward contracts						
Amount of (loss) gain recognized in income	-	(6.2)	-	-	49.6	-
Total gain (loss) of all derivative instruments	\$1.5	(\$16.6)	\$1.4	\$2.7	\$102.3	\$2.7

  

Nine Months Ended September 30						
(millions)	2023			2022		
	COS	SG&A	Interest	COS	SG&A	Interest
Gain (loss) on derivatives in cash flow hedging relationship:						
Foreign currency forward contracts						
Amount of gain (loss) reclassified from AOCI to income	\$9.6	(\$20.8)	\$-	\$3.5	\$104.8	\$-
Amount excluded from the assessment of effectiveness recognized in earnings based on changes in fair value	-	-	6.0	-	-	11.0
Interest rate swap agreements						
Amount of (loss) gain reclassified from AOCI to income	-	-	(1.4)	-	-	(1.8)
(Loss) gain on derivatives not designated as hedging instruments:						
Foreign currency forward contracts						
Amount of (loss) gain recognized in income	-	(34.3)	-	-	98.0	-
Total gain (loss) of all derivative instruments	\$9.6	(\$55.1)	\$4.6	\$3.5	\$202.8	\$9.2

### Subsequent Event

First Quarter Ended March 31						
(millions)	2024			2023		
	COS	SG&A	Interest	COS	SG&A	Interest
Gain (loss) on derivatives designated as hedging instruments:						
Foreign currency forward contracts						
Amount of gain (loss) reclassified from AOCI to income	\$-	\$0.7	\$-	\$5.3	(\$6.0)	\$-
Amount excluded from the assessment of effectiveness recognized in earnings based on changes in fair value	-	-	-	-	-	2.0
Interest rate swap agreements						



Amount of (loss) gain reclassified from AOCI to income	-	-	(0.5)	-	-	(0.5)
Gain (loss) on derivatives not designated as hedging instruments:						
Foreign currency forward contracts						
Amount of gain (loss) recognized in income	-	0.4	-	-	(24.6)	-
Total gain (loss) of all derivative instruments	\$-	\$1.1	(\$0.5)	\$5.3	(\$30.6)	\$1.5

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## 9. OTHER COMPREHENSIVE INCOME (LOSS) INFORMATION

Other comprehensive income (loss) includes net income, foreign currency translation adjustments, defined benefit pension and postretirement plan adjustments, gains and losses on derivative instruments designated and effective as cash flow hedges and non-derivative instruments designated and effective as foreign currency net investment hedges that are charged or credited to the accumulated other comprehensive loss account in shareholders' equity. Refer to Note 8 for additional information related to the Company's derivatives and hedging transactions. Refer to Note 13 for additional information related to the Company's pension and postretirement benefits activity.

The following tables provide other comprehensive income information related to the Company's derivatives and hedging instruments and pension and postretirement benefits:

(millions)	Third Quarter Ended September 30		Nine Months Ended September 30		First Quarter Ended March 31	
	2023	2022	2023	2022	2024	2023
Derivative and Hedging Instruments						
Unrealized (loss) gain on derivative and hedging instruments						
Unrealized gain (loss) on derivative and hedging instruments						
Amount recognized in AOCI	(\$8.2)	\$74.2	(\$14.9)	\$134.6	\$6.6	(\$5.1)
(Gain) loss reclassified from AOCI into income						
COS	(1.5)	(2.7)	(9.6)	(3.5)	-	(5.3)
SG&A	10.4	(52.7)	20.8	(104.8)	(0.7)	6.0
Interest (income) expense, net	(1.4)	(2.7)	(4.6)	(9.2)	0.5	(1.5)
Other activity	7.5	(58.1)	6.6	(117.5)	(0.2)	(0.8)
Tax impact	(1.1)	0.2	0.1	0.7	-	0.1
Net of tax	1.9	(4.7)	2.1	(4.7)	(1.3)	1.1
Pension and Postretirement Benefits						
Amount recognized in AOCI						
Current period net actuarial (loss) gain	\$-	(\$151.7)	\$-	(\$151.7)		
Amount reclassified from AOCI into income						
Settlement charge	-	24.8	0.6	25.7	\$0.4	\$0.6
Amortization of net actuarial loss and prior period service credits, net	1.0	14.3	3.5	43.7		
Amortization of losses and prior period service credits, net					1.7	1.6
Other activity	1.0	(112.6)	4.1	(82.3)	2.1	2.2
	(3.3)	24.7	(9.4)	42.6	0.9	(1.6)

Tax impact	(0.9)	25.6	(2.0)	19.1	(0.7)	(0.4)
Net of tax	(\$3.2)	(\$62.3)	(\$7.3)	(\$20.6)	\$2.3	\$0.2

The following table summarizes the derivative and pension and postretirement benefit amounts reclassified from AOCI into income:

	Third Quarter Ended		Nine Months Ended		First Quarter Ended	
	September 30		September 30		March 31	
	2023	2022	2023	2022	2024	2023
(millions)						
Derivative (gain) loss reclassified from AOCI into income, net of tax	\$5.6	(\$43.7)	\$4.9	(\$88.5)	(\$0.1)	(\$0.6)
Pension and postretirement benefits amortization of net actuarial losses and prior period service credits and settlement charges reclassified from AOCI into income, net of tax	(3.2)	29.7	(7.3)	53.1		
Pension and postretirement benefits amortization of losses and prior period service credits, net and settlement charge, reclassified from AOCI into income, net of tax					2.3	0.2

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## 10. SHAREHOLDERS' EQUITY

### Share Repurchase Authorization

In February 2015 and November 2022, the Company's Board of Directors authorized the repurchase of up to 20,000,000 and 10,000,000, respectively, additional shares of its common stock, including shares to be repurchased under Rule 10b5-1. As of September 30, 2023 March 31, 2024, 12,917,097 12,083,711 shares remained to be repurchased under the Company's repurchase authorization. The Company intends to repurchase all shares under its authorization, for which no expiration date has been established, in open market or privately negotiated transactions, subject to market conditions.

### Share Repurchases

During the first nine months quarter of 2024, the Company reacquired 921,618 shares of its common stock, of which 833,386 related to share repurchases through open market and 88,232 related to shares withheld for taxes on the exercise of stock options and the vesting of stock awards and units.

During the first quarter of 2023, the Company reacquired 72,900 66,862 shares of its common stock related to shares withheld for taxes on the exercise of stock options and the vesting of stock awards and units.

## 11. EARNINGS ATTRIBUTABLE TO ECOLAB PER COMMON SHARE ("EPS")

The difference in the weighted average common shares outstanding for calculating basic and diluted EPS is a result of the dilution associated with the Company's equity compensation plans. As noted in the table below, certain stock options and units outstanding under these equity compensation plans were not included in the computation of diluted EPS because they would not have had a dilutive effect.

The computations of the basic and diluted EPS amounts were as follows:

Third Quarter Ended	Nine Months Ended	First Quarter Ended
---------------------	-------------------	---------------------

(millions, except per share)	September 30		September 30		March 31	
	2023	2022	2023	2022	2024	2023
Net income attributable to Ecolab	\$404.0	\$347.1	\$967.1	\$827.3	\$412.1	\$233.4
Weighted-average common shares outstanding						
Basic	285.1	284.9	284.9	285.4	285.7	284.6
Effect of dilutive stock options and units	1.8	1.4	1.5	1.6	2.1	1.3
Diluted	286.9	286.3	286.4	287.0	287.8	285.9
Earnings attributable to Ecolab per common share						
Basic EPS	\$1.42	\$1.22	\$3.39	\$2.90	\$1.44	\$0.82
Diluted EPS	\$1.41	\$1.21	\$3.38	\$2.88	\$1.43	\$0.82
Anti-dilutive securities excluded from the computation of diluted EPS	2.3	2.5	3.5	2.5	2.4	4.6
Amounts do not necessarily sum due to rounding.						

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## 12. INCOME TAXES

The Company's tax rate was 19.1%, 9.2% and 14.6% for the third quarter of 2023 and 2022, respectively, and 19.4% and 17.9% 18.0% for the first nine months quarter of 2023 2024 and 2022, 2023, respectively. The change in the Company's tax rate for the third first quarter and first nine months of 2023 2024 compared to the third first quarter and first nine months of 2022 2023 was driven primarily by the impact of discrete tax items and special (gains) and charges. Further information related to special (gains) and charges is included in Note 2.

The Company recognized net tax expense benefits related to discrete tax items of \$3.5 million and \$2.3 million \$48.2 million in the third first quarter and first nine months of 2023, respectively, 2024. This included a tax benefit of \$41.9 million associated with transferring certain intangible property between affiliates and \$8.6 million associated with share-based compensation excess tax benefits of \$0.8 million and \$2.7 million in the third quarter and first nine months of 2023, respectively. Additionally, the Company recognized discrete tax benefits. The remaining net expense of \$4.3 million and \$5.0 million during \$2.3 million is from other income tax adjustments including the third quarter and first nine months impact of 2023, respectively, primarily due to prior year adjustments, changes in estimates, tax laws, audit settlements, uncertain tax positions, and repricing of deferred tax balances, other changes in estimates.

The Company recognized net tax benefit benefits related to discrete tax items of \$14.2 million and \$9.5 million \$4.0 million in the third first quarter and first nine months of 2022, respectively. This included a deferred tax benefit of \$14.6 million associated with utilization of tax attributes as a result of legal entity rationalization and share-based compensation excess tax benefits of \$0.7 million and \$4.3 million in the third quarter and first nine months of 2022, respectively. Additionally, the Company recognized discrete tax expense of \$1.1 million and \$9.4 million during the third quarter and first nine months of 2022, respectively, 2023 primarily due to audit settlements, changes in uncertain tax positions, prior year return adjustments, repricing of deferred tax balances, and other changes in estimates.

The Inflation Reduction Act (IRA), which Organization for Economic Co-operation's ("OECD") global minimum tax regime ("Pillar Two") became effective January 1, 2023, includes a corporate alternative minimum in certain countries where the Company operates starting in 2024. As such, an estimate of Pillar Two tax on certain large corporations and climate change mitigation incentives. In addition, there are other non-income tax provisions, including an excise tax on has been considered within the repurchase of corporate stock, provision for income taxes. The Company continues to assess the impact of the IRA monitor these legislative developments, but based on information available does not anticipate any material impacts on to the Company's 2024 financial statements.

### 13. PENSION AND POSTRETIREMENT PLANS

The Company has a non-contributory, qualified, defined benefit pension plan covering the majority of its U.S. employees. The Company also has non-contributory, non-qualified, defined benefit pension plans, which provide for benefits to employees in excess of limits permitted under its U.S. pension plans. Various international subsidiaries also have defined benefit pension plans. The Company also provides postretirement health care and life insurance benefits to certain U.S. employees and retirees.

The components of net periodic pension and postretirement health care benefit expense for the **third first** quarter ended **September 30 March 31** are as follows:

(millions)	U.S. Pension		International Pension		U.S. Postretirement Health Care	
	2023	2022	2023	2022	2023	2022
Service cost	\$9.8	\$10.5	\$6.3	\$6.8	\$0.1	\$0.2
Interest cost on benefit obligation	22.0	14.1	11.5	5.3	1.4	0.8
Expected return on plan assets	(36.2)	(36.7)	(14.2)	(16.8)	-	(0.1)
Recognition of net actuarial loss (gain)	-	10.0	2.5	5.6	(0.8)	(0.1)
Amortization of prior service benefit	(0.6)	(1.2)	(0.1)	-	-	-
Curtailements and settlements	-	24.8	-	-	-	-
Total expense (benefit)	(\$5.0)	\$21.5	\$6.0	\$0.9	\$0.7	\$0.8

The components of net periodic pension and postretirement health care benefit expense for the nine months ended September 30 are as follows:

(millions)	U.S. Pension		International Pension		U.S. Postretirement Health Care		U.S. Pensions		International Pensions		U.S. Postretirement Benefits	
	2023	2022	2023	2022	2023	2022	2024	2023	2024	2023	2024	2023
Service cost	\$30.6	\$31.5	\$17.1	\$21.0	\$0.3	\$0.6	\$11.6	\$10.2	\$4.9	\$5.4	\$0.1	\$0.1
Interest cost on benefit obligation	66.0	42.3	34.5	16.5	4.2	2.4	21.8	22.0	12.4	11.4	1.3	1.4
Expected return on plan assets	(108.8)	(110.1)	(42.0)	(52.8)	-	(0.3)	(37.7)	(36.3)	(12.5)	(13.8)	-	-
Recognition of net actuarial loss (gain)	-	30.0	9.3	17.4	(2.4)	(0.3)	1.5	-	2.2	3.5	(0.8)	(0.8)
Amortization of prior service benefit	(3.1)	(3.4)	(0.3)	-	-	-	(1.1)	(1.0)	(0.1)	(0.1)	-	-
Curtailements and settlements	0.7	25.7	-	-	(0.1)	-	0.4	0.7	-	-	-	(0.1)
Total expense (benefit)	(\$14.6)	\$16.0	\$18.6	\$2.1	\$2.0	\$2.4	(\$3.5)	(\$4.4)	\$6.9	\$6.4	\$0.6	\$0.6

Service cost is included as employee compensation cost in either cost of sales or selling, general and administrative expenses on the Consolidated Statements of Income based on employee roles, while non-service components are included in other (income) expense in the Consolidated Statements of Income.

As of **September 30, 2023 March 31, 2024**, the Company is in compliance with all funding requirements of each of its defined benefit plans.

During the first **nine months quarter** of **2023, 2024**, the Company made contributions of **\$5 million \$2 million** to its U.S. non-contributory non-qualified defined benefit plans and estimates it will contribute an additional **\$4 million \$7 million** to such plans during the remainder of **2023, 2024**. In September 2023, the Company made a **\$50 million voluntary contribution to its non-contributory qualified U.S. pension plan, 2024**.

During the first **nine months quarter** of **2023, 2024**, the Company made contributions of **\$29 million \$10 million** to its international pension plans and estimates it will contribute an additional **\$11 million \$35 million** to such plans during the remainder of **2023, 2024**.

During the first **nine months quarter** of **2023, 2024**, the Company made contributions of **\$8 million \$3 million** to its U.S. postretirement health care plans and estimates it will contribute an additional **\$3 million \$9 million** to such plans during the remainder of **2023, 2024**.

## 14. REVENUES

### Revenue Recognition

#### Product and Sold Equipment

Product revenue is generated from sales of cleaning, sanitizing, water treatment, process treatment and colloidal silica products. In addition, the Company sells equipment which may be used in combination with its specialized products. Revenue recognized from product and equipment sales is recognized at the point in time when the obligations in the contract with the customer are satisfied, which generally occurs with the transfer of the product or delivery of the equipment.

On June 3, 2020, the Company completed the separation of its Upstream Energy business ("ChampionX"). The Company entered into a Master Cross Supply and Product Transfer agreement with ChampionX to provide, receive or transfer certain products for a transitional period. Transitional period up to 36 months and for a smaller set of products with limited suppliers over the next few years. Sales of product to ChampionX under this agreement are recorded in product and equipment sales in the Corporate segment along with the related cost of sales, while purchases from ChampionX are recorded in inventory. Sales of product to ChampionX post-separation are recorded in product and equipment sales in the third quarter Global Industrial segment along with the related cost of 2023 and 2022 were \$15.0 million and \$27.8 million, respectively, and for the first nine months of 2023 and 2022 were \$55.4 million and \$96.4 million, respectively. As of September 30, 2023 and December 31, 2022, the Company had an outstanding accounts receivable balance for sales of product to ChampionX of \$9.4 million and \$12.9 million, respectively.

#### Service and Lease Equipment

Service and lease equipment revenue is generated from providing services or leasing equipment to customers. Service offerings include installing or repairing certain types of equipment, activities that supplement or replace headcount at the customer location, or fulfilling deliverables included in the contract. Global Industrial segment services are associated with water treatment and paper process applications. Global Institutional & Specialty segment services include cleaning and sanitizing programs and wash process solutions. Global Healthcare & Life Sciences segment services include pharmaceutical, personal care, infection and containment control solutions. Revenues included in Other Global Pest Elimination primarily relate to services designed to detect, eliminate and prevent pests. Service revenue is recognized over time utilizing an input method and aligns with when the services are provided. Typically, revenue is recognized over time using costs incurred to date because the effort provided by the field selling and service organization represents services provided, which corresponds with the transfer of control. Revenue recognized from leased equipment primarily relates to warewashing and water treatment equipment recognized on a straight-line basis over the length of the lease contract pursuant to Topic 842 Leases.

The Company's operating lease revenue was as follows:

	Third Quarter Ended September 30		Nine Months Ended September 30		First Quarter Ended March 31	
(millions)	2023	2022	2023	2022	2024	2023
Operating lease revenue*	\$128.4	\$118.1	\$383.5	\$345.4	\$133.2	\$126.4

\*Includes immaterial variable lease revenue

The following table shows principal activities, separated by reportable segments, from which the Company generates its revenue. The Corporate segment includes sales to ChampionX under the Master Cross Supply and Product Transfer agreements transitional supply agreement entered into as part of the ChampionX Separation. For more information about the Company's reportable segments, refer to Note 15.

Net sales at public exchange rates by reportable segment are as follows:

	First Quarter Ended March 31	
(millions)	2024	2023
<b>Global Industrial</b>		
Product and sold equipment	\$1,612.5	\$1,592.3
Service and lease equipment	226.7	216.8
<b>Global Institutional &amp; Specialty</b>		

Product and sold equipment	1,021.4	920.8
Service and lease equipment	245.3	208.0
<b>Global Healthcare &amp; Life Sciences</b>		
Product and sold equipment	352.6	352.6
Service and lease equipment	27.3	27.1
<b>Global Pest Elimination</b>		
Product and sold equipment	-	-
Service and lease equipment	266.1	243.4
<b>Corporate</b>		
Product and sold equipment	-	10.6
Service and lease equipment	-	-
<b>Total</b>		
Total product and sold equipment	\$2,986.5	\$2,876.3
Total service and lease equipment	\$765.4	\$695.3

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Net sales at public exchange rates by reportable segment are as follows:

(millions)	Third Quarter Ended		Nine Months Ended	
	September 30		September 30	
	2023	2022	2023	2022
<b>Global Industrial</b>				
Product and sold equipment	\$1,614.0	\$1,551.8	\$4,700.0	\$4,381.6
Service and lease equipment	227.8	217.8	659.7	643.6
<b>Global Institutional &amp; Specialty</b>				
Product and sold equipment	1,071.8	966.9	3,039.8	2,730.2
Service and lease equipment	241.2	199.1	674.2	574.5
<b>Global Healthcare &amp; Life Sciences</b>				
Product and sold equipment	378.5	329.5	1,095.0	1,023.7
Service and lease equipment	27.7	27.1	81.7	86.6
<b>Other</b>				
Product and sold equipment	91.6	87.1	261.8	242.1
Service and lease equipment	290.5	262.3	814.2	737.9
<b>Corporate</b>				
Product and sold equipment	15.0	27.7	55.4	96.3
Service and lease equipment	-	-	-	0.1
<b>Total</b>				
Total product and sold equipment	\$3,170.9	\$2,963.0	\$9,152.0	\$8,473.9
Total service and lease equipment	\$787.2	\$706.3	\$2,229.8	\$2,042.7

Net sales at public exchange rates by geographic region for the third first quarter ended September 30 March 31 are as follows:

Global Industrial		Global Institutional & Specialty		Global Healthcare & Life Sciences		Other		Corporate	
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022

North America	\$832.1	\$836.4	\$963.5	\$860.5	\$170.3	\$146.5	\$244.9	\$227.1	\$12.8	\$24.8
Europe	385.8	350.3	183.8	162.8	186.5	163.0	81.2	70.0	0.5	0.7
Asia Pacific	218.4	207.2	58.3	53.5	25.5	23.1	21.5	19.6	1.0	1.1
Latin America	193.2	160.6	49.4	40.8	6.8	6.4	14.9	12.9	0.7	1.1
Greater China	95.5	101.0	40.9	33.5	11.5	12.8	17.2	17.1	-	-
India, Middle East and Africa	116.8	114.1	17.1	14.9	5.6	4.8	2.4	2.7	-	-
Total	\$1,841.8	\$1,769.6	\$1,313.0	\$1,166.0	\$406.2	\$356.6	\$382.1	\$349.4	\$15.0	\$27.7

Net sales at public exchange rates by geographic region for the nine months ended September 30 are as follows:

(millions)	Global Industrial		Global Institutional & Specialty		Global Healthcare & Life Sciences		Other		Corporate		Global Industrial		Global Institutional & Specialty		Global Healthcare & Life Sciences	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2024	2023	2024	2023	2024	2023
North America	\$2,437.5	\$2,329.6	\$2,731.2	\$2,420.6	\$490.6	\$449.1	\$687.5	\$623.7	\$45.9	\$84.5						
United States											\$793.8	\$793.0	\$883.2	\$786.0	\$149.8	\$167.0
Europe	1,117.0	1,005.1	505.0	463.8	547.0	513.8	222.5	201.8	2.5	2.2	374.6	377.4	160.5	146.5	184.5	174.0
Asia Pacific	654.9	621.3	173.5	159.2	67.8	67.5	64.7	55.8	2.8	3.2	230.7	228.4	59.3	56.8	23.4	19.0
Latin America	531.4	453.0	138.3	119.1	19.1	17.6	42.7	39.0	4.2	6.2	189.6	158.2	49.9	41.3	5.5	5.0
Greater China	291.1	317.7	117.0	102.4	35.2	44.6	51.5	51.7	-	0.1	97.7	96.9	44.7	35.6	9.4	10.0
India, Middle East and Africa	327.8	298.5	49.0	39.6	17.0	17.7	7.1	8.0	-	0.2	99.2	104.4	15.5	14.7	5.4	5.0
Canada											53.6	50.8	53.6	47.9	1.9	2.0
Total	\$5,359.7	\$5,025.2	\$3,714.0	\$3,304.7	\$1,176.7	\$1,110.3	\$1,076.0	\$980.0	\$55.4	\$96.4	\$1,839.2	\$1,809.1	\$1,266.7	\$1,128.8	\$379.9	\$379.0

Net sales by geographic region were determined based on origin of sale. The United States made up 53% and 53% 54% of total revenues during both the nine months first quarter ended September 30, 2023 March 31, 2024 and 2022, respectively 2023.

## Accounts Receivable and Allowance for Expected Credit Losses

Accounts receivable are carried at the invoiced amounts, less an allowance for expected credit losses, and generally do not bear interest. The Company's allowance for expected credit losses estimates the amount of expected future credit losses by analyzing accounts receivable balances by age and applying historical write-off and collection experience. The Company's estimates separately consider macroeconomic trends, specific circumstances and credit conditions of customer receivables. Account balances are written off against the allowance when it is determined the receivable will not be recovered.

The Company's allowance for expected return of products shipped and credits related to pricing or quantities shipped was \$76.8 \$73.5 million and \$37.1 \$71.7 million as of September 30, 2023 March 31, 2024 and 2022, December 31, 2023, respectively. Returns and credit activity is recorded directly as a reduction to revenue.

The following table summarizes the activity in the allowance for expected credit losses:

(millions)	Nine Months Ended		First Quarter Ended	
	September 30		March 31	
	2023	2022	2024	2023
Beginning balance	\$71.9	\$52.8	\$77.3	\$71.9
Bad debt expense	44.2	26.8	13.2	14.7
Write-offs	(32.6)	(12.8)	(10.6)	(7.9)
Other (a)	(0.8)	2.1	(0.9)	(1.3)
Ending balance	\$82.7	\$68.9	\$79.0	\$77.4

(a) Other amounts are primarily the effects of changes in currency translations.

Contract Liability

Payments received from customers are based on invoices or billing schedules as established in contracts with customers. Accounts receivable are recorded when the right to consideration becomes unconditional. The contract liability relates to billings in advance of performance (primarily service obligations) under the contract. Contract liabilities are recognized as revenue when the performance obligation has been performed, which primarily occurs during the subsequent quarter.

The following table summarizes the contract liability activity:

(millions)	Nine Months Ended		First Quarter Ended	
	September 30		March 31	
	2023	2022	2024	2023
Contract liability as of beginning of the year	\$116.5	\$91.7	\$110.9	\$116.5
Revenue recognized in the period from:				
Amounts included in the contract liability at the beginning of the year	(116.5)	(91.7)	(110.9)	(116.5)
Increases due to billings excluding amounts recognized as revenue during the period ended	105.5	109.1	118.0	107.5
Contract liability as of end of period	\$105.5	\$109.1	\$118.0	\$107.5

15. OPERATING SEGMENTS

The Company's organizational structure consists of global business unit and global regional leadership teams. The Company's **ten** **eight** operating segments follow its commercial and product-based activities and are based on engagement in business activities, availability of discrete financial information and review of operating results by the Chief Operating Decision Maker at the identified operating segment level.

The Company's operating segments that share similar economic characteristics and future prospects, nature of the products and production processes, end-use markets, channels of distribution and regulatory environment have been aggregated into **three** **four** reportable segments: Global Industrial, Global Institutional & Specialty, **and** Global Healthcare & Life Sciences. The Company's operating segments that do not meet the quantitative criteria to be separately reported have been combined into Other. The Company provides similar information for Other as the Company considers the information regarding its underlying operating segments as useful in understanding its consolidated results. **Sciences and Global Pest Elimination.**



## Comparability of Reportable Segments

Effective **January 1, 2023** **January 1, 2024**, the Company's former **Downstream** Textile Care and Colloidal Technologies Group ("CTG") operating **segment is** segments are now part of the Water operating **segment**. **This change did not have any impact on segment which continues to remain in** the Global Industrial reportable segment. **Additionally, the Pest Elimination operating segment, formerly aggregated with the Textile Care and CTG operating segments within Other, is now reported as the stand-alone Global Pest Elimination reportable segment.** The Company made other immaterial changes, including the movement of certain customers and cost allocations between reportable segments. **These changes are presented in "Other" columns of the table below. Prior period amounts have been recast to conform with current period presentation.**

The Company evaluates the performance of its non-U.S. dollar functional currency international operations based on fixed currency exchange rates, which eliminates the impact of exchange rate fluctuations on its international operations. Fixed currency amounts are updated annually at the beginning of each year based on translation into U.S. dollars at foreign currency exchange rates established by management, with all periods presented using such rates. The "Fixed Currency Rate Change" column shown in the following table reflects international operations at fixed currency exchange rates established by management at the beginning of **2023, 2024**, rather than the **2022 2023** established rates. The difference between the fixed currency exchange rates and the actual currency exchange rates is reported within the "Effect of foreign currency translation" row in the following table. **The "Other" column shown in the following table reflects immaterial changes between reportable segments, including the movement of certain customers and cost allocations.**

The impact of the preceding changes on previously reported full year **2022 2023** reportable segment net sales and operating income is summarized as follows:

(millions)	December 31, 2022				December 31, 2023			
	2022 Reported		Fixed	2022 Reported	2023 Reported		Fixed	2023 Reported
	Valued at 2022		Currency	Valued at 2023	Valued at 2023		Currency	Valued at 2024
	Management Rates	Other	Rate Change	Management Rates	Management Rates	Other	Rate Change	Management Rates
Net Sales								
Global Industrial	\$6,944.0	\$-	(\$207.7)	\$6,736.3	\$7,193.1	\$407.3	\$40.1	\$7,640.5
Global Institutional & Specialty	4,480.0	10.2	(75.9)	4,414.3	4,994.0	-	20.6	5,014.6
Global Healthcare & Life Sciences	1,570.0	-	(64.2)	1,505.8	1,576.9	-	30.6	1,607.5
Global Pest Elimination					-	1,061.5	8.7	1,070.2
Other	1,355.0	(10.2)	(31.5)	1,313.3	1,442.3	(1,442.3)	-	-
Corporate	124.1	-	(0.4)	123.7	69.1	(26.5)	0.1	42.7
Subtotal at fixed currency rates	14,473.1	-	(379.7)	14,093.4	15,275.4	-	100.1	15,375.5
Effect of foreign currency translation	(285.3)		379.7	94.4	44.8		(100.1)	(55.3)
Consolidated reported GAAP net sales	\$14,187.8	\$-	\$-	\$14,187.8	\$15,320.2	\$-	\$-	\$15,320.2
Operating Income								
Global Industrial	\$977.0	\$0.8	(\$42.0)	\$935.8	\$1,080.7	\$39.0	\$2.3	\$1,122.0
Global Institutional & Specialty	634.5	(1.6)	(11.2)	621.7	823.0	14.9	3.9	841.8
Global Healthcare & Life Sciences	205.0	(1.8)	(9.9)	193.3	160.0	(6.7)	7.5	160.8
Global Pest Elimination					-	209.0	1.4	210.4
Other	212.8	2.6	(5.5)	209.9	255.0	(255.0)	-	-
Corporate	(416.7)	-	2.3	(414.4)	(331.7)	(1.2)	0.1	(332.8)
Subtotal at fixed currency rates	1,612.6	-	(66.3)	1,546.3	1,987.0	-	15.2	2,002.2
Effect of foreign currency translation	(50.1)		66.3	16.2	5.3	-	(15.2)	(9.9)
Consolidated reported GAAP operating income	\$1,562.5	\$-	\$-	\$1,562.5	\$1,992.3	\$-	\$-	\$1,992.3

## Reportable Segment Information

Financial information for the Company's reportable segments, is as follows:

(millions)	Third Quarter Ended		Nine Months Ended		First Quarter Ended	
	September 30		September 30		March 31	
	2023	2022	2023	2022	2024	2023
Net Sales						
Global Industrial	\$1,826.9	\$1,763.4	\$5,321.8	\$4,928.1	\$1,841.7	\$1,808.2
Global Institutional & Specialty	1,308.7	1,165.7	3,703.9	3,275.2	1,270.3	1,131.2
Global Healthcare & Life Sciences	400.7	360.1	1,166.8	1,092.7	382.9	386.1
Other	380.3	350.8	1,072.2	970.1		
Global Pest Elimination					266.8	244.6
Corporate	15.0	27.7	55.3	96.1	-	10.7
Subtotal at fixed currency rates	3,931.6	3,667.7	11,320.0	10,362.2	3,761.7	3,580.8
Effect of foreign currency translation	26.5	1.6	61.8	154.4	(9.8)	(9.2)
Consolidated reported GAAP net sales	\$3,958.1	\$3,669.3	\$11,381.8	\$10,516.6	\$3,751.9	\$3,571.6
Operating Income						
Global Industrial	\$287.5	\$266.6	\$758.5	\$663.3	\$265.0	\$219.8
Global Institutional & Specialty	249.9	195.2	584.3	452.4	248.0	130.1
Global Healthcare & Life Sciences	44.0	32.0	111.7	129.1	37.0	35.4
Other	72.9	63.3	186.4	152.0		
Global Pest Elimination					48.8	44.5
Corporate	(92.2)	(76.6)	(248.4)	(263.0)	(79.8)	(77.4)
Subtotal at fixed currency rates	562.1	480.5	1,392.5	1,133.8	519.0	352.4
Effect of foreign currency translation	3.9	2.5	9.8	29.5	(1.1)	(0.8)
Consolidated reported GAAP operating income	\$566.0	\$483.0	\$1,402.3	\$1,163.3	\$517.9	\$351.6

The profitability of the Company's operating segments is evaluated by management based on operating income.

Consistent with the Company's internal management reporting, Corporate amounts in the table above include sales to ChampionX in accordance with the long-term transitional supply agreement entered into with the Transaction, as discussed in Note 14. Corporate also includes intangible asset amortization specifically from the Nalco and Puralite acquisitions and special (gains) and charges, as discussed in Note 2, that are not allocated to the Company's reportable segments.

## 16. COMMITMENTS AND CONTINGENCIES

The Company is subject to various claims and contingencies related to, among other things, workers' compensation, general liability (including product liability), automobile claims, health care claims, environmental matters and lawsuits. The Company is also subject to various claims and contingencies related to income taxes. The Company also has contractual obligations including lease commitments.

The Company records liabilities when a contingent loss is probable and can be reasonably estimated. If the reasonable estimate of a probable loss is a range, the Company records the most probable estimate of the loss or the minimum amount when no amount within the range is a better estimate than any other amount. The Company discloses a contingent liability even if the liability is not probable or the amount is not estimable, or both, if there is a reasonable possibility that a material loss may have been incurred.

### Insurance

Globally, the Company has insurance policies with varying deductible levels for property and casualty losses. The Company is insured for losses in excess of these deductibles, subject to policy terms and conditions and has recorded both a liability and an offsetting receivable for amounts in excess of these deductibles. The Company is self-insured for health care claims for eligible participating employees, subject to certain deductibles and limitations. The Company determines its liabilities for claims on an actuarial basis.

### Litigation and Environmental Matters

The Company and certain subsidiaries are party to various lawsuits, claims and environmental actions that have arisen in the ordinary course of business. These include from time to time antitrust, employment, commercial, patent infringement, tort, product liability and wage hour lawsuits, as well as possible obligations to investigate and mitigate the effects on the environment of the disposal or release of certain chemical substances at various sites, such as Superfund sites and other operating or closed facilities. The Company has established accruals for certain lawsuits, claims and environmental matters. The Company currently believes that there is not a reasonably possible risk of material loss in excess of the amounts accrued related to these legal matters. Because litigation is inherently uncertain, and unfavorable rulings or developments could occur, there can be no certainty that the Company may not ultimately incur charges in excess of recorded liabilities. A future adverse ruling, settlement or unfavorable development could result in future charges that could have a material adverse effect on the Company's results of operations or cash flows in the period in which they are recorded.

The Company currently believes that such future charges related to suits and legal claims, if any, would not have a material adverse effect on the Company's consolidated financial position.

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#### **TPC Group Litigation**

On November 27, 2019, a Butadiene production plant owned and operated by TPC Group, Inc. in Port Neches, Texas, experienced an explosion and fire that resulted in personal injuries, the release of chemical fumes and extensive property damage to the plant and surrounding areas in and near Port Neches, Texas.

Nalco Company LLC, a subsidiary of Ecolab, supplied process chemicals to TPC used in TPC's production processes. Nalco did not operate, manage, maintain or control any aspect of TPC's plant operations.

In connection with its provision of process chemicals to TPC, Nalco has been named in numerous lawsuits stemming from the plant explosion. Nalco has been named a defendant, along with TPC and other defendants, in multi-district litigation ("MDL") proceedings pending in Orange County, Texas, alleging among other things claims for personal injury, property damage and business losses (In re TPC Group Litigation – A2020-0236-MDL, Orange County, Texas). In addition, numerous other lawsuits have been filed against Nalco, including TPC Group v. Nalco, E0208239, Jefferson County, Texas, a subrogation claim by TPC's insurers seeking reimbursement for property damage losses. Over 5,000 plaintiffs (including the subrogation matter) currently have asserted claims against Nalco. All claims have been consolidated for pretrial purposes into the MDL.

All of these cases make similar allegations and seek damages for personal injury, property damage, business losses and other damages, including exemplary damages. The Company expects all these cases will be consolidated for pretrial purposes into the Orange County MDL referenced above. Due to the large number of plaintiffs, the early stage of the litigation and the fact that many of the claims do not specify an amount of damages, any estimate of any loss or range of losses cannot be made at this time.

On June 1, 2022, TPC and seven of its affiliated companies filed for bankruptcy under Chapter 11 (Case No. 22-10493-CTG, United States Bankruptcy Court for the District of Delaware). In connection with the bankruptcy cases, TPC disclosed an estimated range of its liability related to the Port Neches incident to individuals and homeowners (including subrogation claims) of approximately \$152 million to \$520 million. As part of their bankruptcy plan, TPC and its affiliates announced a settlement which allows the MDL plaintiffs a \$500 million claim solely for purposes of claim allowance in the chapter 11 case and distribution of value pursuant to TPC's bankruptcy plan. Other key terms of the settlement between TPC and the MDL plaintiffs include the establishment of a settlement trust for the benefit of certain general unsecured creditors, which is funded with \$30 million and the assignment of TPC's claims and causes of action, if any, against certain third parties, including Nalco, related to the TPC plant explosion. As part of the bankruptcy process, TPC and its debtor affiliates received a discharge of all MDL related claims, as did certain non-debtor affiliates to the extent third parties did not opt out of the non-debtor releases. As a result, TPC is no longer a defendant in the MDL. Nalco opted out of these releases, preserving any direct causes of action it may have against non-debtors. Furthermore, the allowance of the \$500 million claim should have no effect on any claims or defenses asserted against or by Nalco in the MDL litigation. On December 1, 2022, the bankruptcy court confirmed the TPC bankruptcy plan, including the approval of the settlement and establishment of the aforementioned settlement trust. On December 16, 2022, the TPC bankruptcy plan went effective. As a result of the bankruptcy, the MDL was stayed. The stay was lifted in the fourth quarter of 2023 and various activities advancing discovery have resumed.

The Company believes the claims asserted against Nalco in the lawsuits stemming from the TPC plant explosion are without merit and intends to defend the claims vigorously. The Company also believes any potential loss should be covered by insurance subject to deductibles. However, the Company cannot predict the outcome of these lawsuits, the involvement the Company might have in these matters in the future or the potential for future litigation.

#### **Environmental Matters**

The Company is currently participating in environmental assessments and remediation at approximately 25 locations, the majority of which are in the U.S., and environmental liabilities have been accrued reflecting management's best estimate of future costs. Potential insurance reimbursements are not anticipated in the Company's accruals for environmental liabilities.

17. NEW ACCOUNTING PRONOUNCEMENTS

Standards That Were Are Not Yet Adopted:

Standard	Date of Issuance	Description	Date of Adoption	Effect on the Financial Statements
ASU 2021-08 - Business Combinations 2023-09 Income taxes (Topic 805) 740: Accounting for Contract Assets and Contract Liabilities from Contracts with Customers Improvements to Income Tax Disclosures	October 2021 December 2023	The amendments in this Update to improve require that public business entities on an annual basis (1) disclose specific categories in the accounting rate reconciliation and (2) provide additional information for acquired revenue contracts with customers in reconciling items that meet a business combination by addressing diversity in practice and inconsistency related to the recognition of an acquired contract liability and payment terms and their effect on subsequent revenue recognized by the acquirer. quantitative threshold.	January 1, 2025	The Company is currently evaluating the impact of adoption and additional disclosure requirements.

ASU 2023-07 - Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures	November 2023	The adoption amendments in this ASU are to improve the disclosures about reportable segments and add more detailed information about a reportable segment's expenses. The amendments in the ASU require public entities to disclose on an annual and interim basis significant segment expenses that are regularly provided to the chief operating decision maker ("CODM") and included within each reported measure of this standard did segment profit or loss, other segment items by reportable segment, the title and position of the CODM, and an explanation of how the CODM uses the reported measures of segment profit or loss in assessing segment performance and deciding how to allocate resources. The ASU does not have change the definition of a significant segment, the method for determining segments, the criteria for aggregating operating segments into reportable segments, or the current specifically enumerated segment expenses that are required to be disclosed.	Effective for annual periods beginning after December 15, 2023	Entities are required to apply the disclosure amendments on a retrospective basis to all periods presented. The Company is currently evaluating the impact on the Company's financial statements of adoption.
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No other new accounting pronouncements issued or effective have had or are expected to have a material impact on the Company's consolidated financial statements.

18. Subsequent Events

On April 27, 2024, the Company reached a definitive agreement to sell its global surgical solutions business for total consideration of \$950 million in cash, subject to certain working capital and other purchase price adjustments. The sale is expected to close in the second half of 2024, subject to regulatory clearances and other customary closing conditions. The Company expects to record an associated pre-tax gain within special (gains) and charges in the Consolidated Statements of Income.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Ecolab Inc.

Results of Review of Interim Financial Statements

We have reviewed the accompanying consolidated balance sheet of Ecolab Inc. and its subsidiaries (the "Company") as of September 30, 2023, March 31, 2024, and the related consolidated statements of income, comprehensive income, equity and equity cash flows for the three-month and nine-month periods ended September 30, March 31, 2024 and 2023, and 2022, and the consolidated statements of cash flows for the nine-month periods ended September 30, 2023 and 2022, including the related notes (collectively referred to

as the "interim financial statements"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of the Company as of **December 31, 2022** **December 31, 2023**, and the related consolidated statements of income, comprehensive income, equity and **of cash flow flows** for the year then ended (not presented herein), and in our report dated **February 24, 2023** **February 23, 2024**, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet information as of **December 31, 2022** **December 31, 2023**, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

#### **Basis for Review Results**

These interim financial statements are the responsibility of the Company's management. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our review in accordance with the standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ PricewaterhouseCoopers LLP

Minneapolis, Minnesota

**November** **May 2, 2023** **2024**

**29** **26**

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

The following management discussion and analysis ("MD&A") provides information we believe is useful in understanding our operating results, cash flows and financial condition. We provide quantitative **or qualitative** information about the material sales drivers including the impact of changes in volume and pricing and the effect of acquisitions and changes in foreign currency at the corporate and reportable segment level. We also provide quantitative information regarding special (gains) and charges, discrete tax items and other significant factors we believe are useful for understanding our results. Such quantitative drivers are supported by comments meant to be qualitative in nature. Qualitative factors are generally ordered based on estimated significance.

The MD&A should be read in conjunction with both the unaudited consolidated financial information and related notes included in this Form 10-Q, and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**. This discussion contains various Non-GAAP Financial Measures and also contains various Forward-Looking Statements within the meaning of the Private Securities Litigation Reform Act of 1995. We refer readers to the statements entitled "Non-GAAP Financial Measures" and "Forward-Looking Statements" located at the end of Part I of this report.

### **Comparability of Results**

#### **Impact of Acquisitions and Divestitures**

Our non-GAAP financial measures for organic sales, organic operating income and organic operating income margin are at fixed currency and exclude the impact of special (gains) and charges, the results of our acquired businesses from the first twelve months post acquisition and the results of divested businesses from the twelve months prior to divestiture. As part of the separation of ChampionX in 2020, we entered into **a Master Cross Supply and Product Transfer an** agreement with ChampionX to provide, receive or transfer certain products for a **transitional period. Transitional** period **of 36 months and for a small set of products with limited suppliers over the next few years. Sales sales** of product to ChampionX under this agreement are recorded in product and equipment sales in the Corporate **segment along with the related cost of sales. The remaining sales to ChampionX**

are recorded in product and equipment sales in the Global Industrial segment along with the related cost of sales. These transactions are removed from the consolidated results as part of the calculation of the impact of acquisitions and divestitures.

**Comparability of Reportable Segments**

Effective January 1, 2023 January 1, 2024, our the former Downstream Textile Care and Colloidal Technologies Group ("CTG") operating segment is segments are now part of the Water operating segment. This change did not have any impact on segment which continues to remain in the Global Industrial reportable segment. Additionally, the Pest Elimination operating segment, formerly aggregated with the Textile Care and CTG operating segments within Other, is now reported as the stand-alone Global Pest Elimination reportable segment. We made other immaterial changes, including the movement of certain customers and cost allocations between reportable segments. After these changes, we have eight operating segments.

**Fixed Currency Foreign Exchange Rates**

Management evaluates the sales and operating income performance of our non-U.S. dollar functional currency international operations based on fixed currency exchange rates, which eliminate the impact of exchange rate fluctuations on our international operations. Fixed currency amounts are updated annually at the beginning of each year based on translation into U.S. dollars at foreign currency exchange rates established by management, with all periods presented using such rates. Public currency rate data provided within the "Segment Performance" section of this MD&A reflect amounts translated at actual public average rates of exchange prevailing during the corresponding period and is provided for informational purposes only.

**OVERVIEW OF THE THIRD FIRST QUARTER ENDED SEPTEMBER 30, 2023 MARCH 31, 2024**

**Sales Performance**

When comparing third first quarter 2023 2024 against third first quarter 2022, 2023, sales performance was as follows:

- Reported net sales increased 8% 5% to \$3,958.1 million \$3,751.9 million and organic sales increased 7% 5%.
- Organic sales for our Global Industrial segment increased 4% 1% to \$1,826.9 million \$1,815.6 million, led by as growth in Food & Beverage and Water which more than offset the expected short-term decline in Paper sales sales.
- Organic sales for our Global Institutional & Specialty segment increased 11% to \$1,291.4 million \$1,252.3 million with double-digit growth in both the Institutional and Specialty. Specialty operating segments.
- Organic sales for our Global Healthcare & Life Sciences segment increased 11% decreased 1% to \$400.7 million driven \$382.9 million as lower Healthcare sales were offset by improved growth in Healthcare and Life Sciences.
- Organic sales for Other Global Pest Elimination increased 8% 9% to \$380.3 million led by double-digit growth in Pest Elimination. \$266.8 million.

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**Financial Performance**

When comparing third first quarter 2023 2024 against third first quarter 2022, 2023, our financial performance was as follows:

- Reported operating income increased 17% 47% to \$566.0 million \$517.9 million. Organic operating income increased 20% 44%.
- Net income attributable to Ecolab increased 16% 77% to \$404.0 million \$412.1 million. Excluding the impact of special (gains) and charges and discrete tax items from both 2023 2024 and 2022 2023 reported results, our adjusted net income attributable to Ecolab increased 19% 54%.
- Reported diluted EPS increased 17% 74% to \$1.41, \$1.43. Excluding the impact of special (gains) and charges and discrete tax items from both 2023 2024 and 2022 2023 reported results, adjusted diluted EPS increased 18% 52% to \$1.54 \$1.34 in the third first quarter of 2023, 2024.
- Our reported tax rate was 19.1% 9.2% during the third first quarter of 2023, 2024, compared to 14.6% 18.0% during the third first quarter of 2022, 2023. Excluding the tax rate impact of special (gains) and charges and discrete tax items from both 2023 2024 and 2022 2023 results, our adjusted tax rate was 18.5% 19.9% during the third first quarter of 2023, 2024, compared to 18.3% 19.8% during the third first quarter of 2022, 2023.

**RESULTS OF OPERATIONS**

## Net Sales

(millions)	Third Quarter Ended			Nine Months Ended			First Quarter Ended		
	September 30			September 30			March 31		
	2023	2022	Change	2023	2022	Change	2024	2023	Change
Product and equipment sales	\$3,170.9	\$2,963.0		\$9,152.0	\$8,473.9		\$2,986.5	\$2,876.3	
Service and lease sales	787.2	706.3		2,229.8	2,042.7		765.4	695.3	
Reported GAAP net sales	\$3,958.1	\$3,669.3	8 %	\$11,381.8	\$10,516.6	8 %	\$3,751.9	\$3,571.6	5 %
Effect of foreign currency translation	(26.5)	(1.6)		(61.8)	(154.4)		9.8	9.2	
Non-GAAP fixed currency sales	\$3,931.6	\$3,667.7	7 %	\$11,320.0	\$10,362.2	9 %	\$3,761.7	\$3,580.8	5 %
Effect of acquisitions and divestitures	(32.3)	(27.7)		(79.0)	(96.1)		(44.1)	(24.0)	
Non-GAAP organic sales	\$3,899.3	\$3,640.0	7 %	\$11,241.0	\$10,266.1	9 %	\$3,717.6	\$3,556.8	5 %

Product and sold equipment revenue is generated from providing cleaning, sanitizing and water treatment products or selling equipment used in combination with specialized products. Service and lease equipment revenue is generated from providing services or leasing equipment to customers. All of our sales are subject to the same economic conditions.

The percentage components of the period-over-period 2023 2024 sales change are shown below:

(percent)	Third Quarter Ended		Nine Months Ended	
	September 30		September 30	
	2023		2023	
Volume	- %		- %	
Price changes	7		10	
Organic sales change	7		9	
Acquisitions and divestitures	-		-	
Fixed currency sales change	7		9	
Foreign currency translation	1		(1)	
Reported GAAP net sales change	8 %		8 %	

  

(percent)	First Quarter Ended	
	March 31	
	2024	
Volume	2 %	
Pricing	3	
Organic sales change	5	
Acquisitions and divestitures	1	
Fixed currency sales change	5	
Foreign currency translation	-	
Reported GAAP net sales change	5 %	

Amounts do not necessarily sum due to rounding.

## Cost of Sales ("COS") and Gross Profit Margin

(millions/percent)	Third Quarter Ended				Nine Months Ended				First Quarter Ended			
	September 30				September 30				March 31			
	2023		2022		2023		2022		2024		2023	
	Gross		Gross		Gross		Gross		Gross		Gross	
	COS	Margin	COS	Margin	COS	Margin	COS	Margin	COS	Margin	COS	Margin
Product and equipment cost of sales	\$1,868.1		\$1,877.1		\$5,561.7		\$5,371.7		\$1,679.2		\$1,798.3	



Service and lease cost of sales	462.4		414.5		1,308.8		1,204.4		448.9		406.9	
Reported GAAP COS and gross margin	\$2,330.5	41.1 %	\$2,291.6	37.5 %	\$6,870.5	39.6 %	\$6,576.1	37.5 %	\$2,128.1	43.3 %	\$2,205.2	38.3 %
Special (gains) and charges	5.9		7.1		17.2		61.7		1.6		3.2	
Non-GAAP adjusted COS and gross margin	\$2,324.6	41.3 %	\$2,284.5	37.7 %	\$6,853.3	39.8 %	\$6,514.4	38.1 %	\$2,126.5	43.3 %	\$2,202.0	38.3 %

Our COS and corresponding gross profit margin ("gross margin") are shown in the table above. Gross margin is defined as net sales less cost of sales divided by net sales.

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Our reported gross margin was 41.1% 43.3% and 37.5% for the third quarter of 2023 and 2022, respectively. Our reported gross margin was 39.6% and 37.5% 38.3% for the first nine months quarter of 2023 2024 and 2022 2023, respectively. Special (gains) and charges included in items impacting cost of sales are shown within the "Special (Gains) and Charges" table below.

Excluding the impact of special (gains) and charges within COS, third first quarter 2023 2024 and 2022 2023 adjusted gross margin was 41.3% 43.3% and 37.7%, respectively, and for the first nine months of 2023 and 2022 was 39.8% and 38.1% 38.3%, respectively.

Our adjusted gross margin increased when comparing the third first quarter of 2024 against the first quarter of 2023 against the third quarter of 2022 reflecting strong pricing and slightly lower delivered product costs, costs and strong pricing.

### Selling, General and Administrative Expense

Selling, general and administrative ("SG&A") expenses as a percentage of sales were 25.9% and 26.6% 28.7% for the third first quarter and first nine months of 2023, respectively, 2024 compared to 23.9% and 26.0% 27.7% for the third first quarter and first nine months of 2022, respectively, 2023. The SG&A ratio to sales in the third first quarter of 2023 2024 increased as sales leverage and cost savings were productivity was offset by growth-oriented investments in the business including incentive compensation, business.

### Special (Gains) and Charges

Special (gains) and charges reported on the Consolidated Statements of Income include the following items:

(millions)	Third Quarter Ended		Nine Months Ended		First Quarter Ended	
	September 30		September 30		March 31	
	2023	2022	2023	2022	2024	2023
Cost of sales						
Restructuring activities	\$5.9	\$2.1	\$17.2	\$5.5	\$1.6	\$3.2
Acquisition and integration activities	-	4.2	-	32.7		
Russia/Ukraine	-	0.8	-	7.2		
Other	-	-	-	16.3		
Cost of sales subtotal	5.9	7.1	17.2	61.7	1.6	3.2
Special (gains) and charges						
Restructuring activities	20.0	(0.3)	46.3	0.8	18.1	12.6
Acquisition and integration activities	3.0	4.1	11.5	15.0	2.5	5.0
Russia/Ukraine	0.5	-	1.1	5.9		
Other	13.2	14.0	23.3	23.8	7.6	6.9
Special (gains) and charges subtotal	36.7	17.8	82.2	45.5	28.2	24.5
Operating income subtotal	42.6	24.9	99.4	107.2		

Other (income) expense	-	24.8	-	24.8			
Total special (gains) and charges	\$42.6	\$49.7	\$99.4	\$132.0	\$29.8	\$27.7	

For segment reporting purposes, special (gains) and charges are not allocated to reportable segments, which is consistent with our internal management reporting.

#### Restructuring activities

Restructuring activities are primarily related to the Combined Program which are is described below. These activities have been included as a component of cost of sales and special (gains) and charges on the Consolidated Statements of Income. Restructuring liabilities have been classified as a component of other current and other noncurrent liabilities on the Consolidated Balance Sheets.

Further details related to our restructuring charges are included in Note 2.

#### Combined Program

In November 2022, we approved a Europe cost savings program. In connection with these actions, we expected to incur pre-tax charges of \$130 million (\$110 million after tax) or \$0.38 per diluted share. In February 2023, we expanded our previously announced Europe cost savings program to focus on its Institutional and Healthcare businesses in other regions. In connection with the expanded program ("Combined Program"), we expect to incur total pre-tax charges of \$195 million (\$150 million after tax) or \$0.52 per diluted share. We expect that these restructuring charges will be substantially completed by the end of 2024. Program actions include headcount reductions from terminations, not filling certain open positions, and facility closures. The Combined Program charges are expected to be primarily cash expenditures related to severance and asset disposals.

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In anticipation of this Combined Program, a limited number of actions were taken in the fourth quarter of 2022. As a result, we reclassified \$19.3 million (\$14.5 million after tax) or \$0.05 per diluted share from other restructuring to the Combined Program in the first quarter of 2023.

During the third first quarter of 2024 and first nine months of 2023, we recorded total Combined Program restructuring charges of \$24.2 million \$19.7 million (\$20.5 15.8 million after tax) or \$0.07 \$0.05 per diluted share, and \$57.3 million \$13.4 million (\$46.9 10.2 million after tax) or \$0.16 \$0.04 per diluted share, respectively, primarily related to severance. The net liability related to the Combined Program was \$58.4 million \$44.1 million and \$62.0 million \$43.1 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. The remaining liability is expected to be paid over a period of a few months to several quarters and will continue to be funded from operating activities.

The Combined Program has delivered \$104 million \$137 million of cumulative cost savings with estimated annualized cost savings of \$175 million in continuing operations by 2024.

#### Institutional Advancement Program

We approved a restructuring plan in 2020 focused on the Institutional business ("the Institutional Plan") which is intended to enhance our Institutional sales and service structure and allow the sales team to capture share and penetration while maximizing service effectiveness by leveraging our ongoing investments in digital technology. In February 2021, we expanded the Institutional Plan, and we expect that these restructuring charges will be completed by the end of 2023, with total anticipated costs of \$70 million (\$55 million after tax) or \$0.19 per diluted share. The remaining costs are expected to be primarily non-cash charges related to equipment disposals. Actual costs may vary from these estimates depending on actions taken.

In the third quarter and first nine months of 2023, we recorded restructuring charges of \$1.7 million (\$1.2 million after tax) or \$0.01 per diluted share and \$6.2 million (\$4.6 million after tax) or \$0.02 per diluted share, respectively, primarily related to disposals of equipment. We have recorded \$60.3 million (\$40.6 million after tax), or \$0.14 per diluted share of cumulative restructuring charges under the Institutional Plan. Net cash payments were \$0 million and \$3.1 million and non-cash net charges were \$1.7 million and \$5.0 million for the third quarter and first nine months of 2023, respectively. The liability related to the Institutional Plan was \$0 million and \$1.9 million as of September 30, 2023 and December 31, 2022, respectively.

The Institutional Plan has delivered \$54 million of annual cost savings.

#### Accelerate 2020

During 2018, we formally commenced a restructuring plan Accelerate 2020 ("the A2020 Plan"), to leverage technology and system investments and organizational changes. The goals of the Plan were to further simplify and automate processes and tasks, reduce complexity and management layers, consolidate facilities and focus on key long-term growth areas by further leveraging technology and structural improvements. The restructuring activities were completed at the end of 2022, with total costs of \$254 million (\$198 million after tax), or \$0.69 per diluted share.

Net cash payments were \$1.9 million and \$11.4 million for the third quarter and first nine months of 2023, respectively. The liability related to the Plan was \$6.7 million and \$18.1 million as of September 30, 2023 and December 31, 2022, respectively. The remaining liability is expected to be paid over a period of a few months to several quarters which continue to be funded from operating activities.

The A2020 Plan has delivered \$315 million of cumulative cost savings.

#### Other Restructuring Activities

During the third quarter and first nine months of 2022, we incurred restructuring charges of \$0.6 million (\$0.5 million after tax), or less than \$0.01 per diluted share and \$2.6 million (\$2.0 million after tax), or less than \$0.01 per diluted share, respectively, related to other immaterial restructuring activity.

The restructuring liability balance for all other restructuring plans excluding the Combined Program, the A2020 Plan and the Institutional Plan was \$3.7 million and \$23.2 million as of September 30, 2023 and December 31, 2022, respectively. The decrease in liability was driven primarily by the reclass of \$19.3 million from other restructuring to the Combined Program in the first nine months of 2023. Cash payments during the third quarter and first nine months of 2023 related to all other restructuring plans excluding the Combined Program, the A2020 Plan and the Institutional Plan were \$0 million and \$0.2 million, respectively.

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#### Acquisition and integration related costs

Acquisition and integration costs reported in product and equipment cost of sales on the Consolidated Statements of Income in the third quarter and first nine months of 2022 include \$4.2 million (\$3.9 million after tax) or \$0.01 per diluted share and \$32.7 million (\$25.8 million after tax) or \$0.09 per diluted share, respectively, related primarily to the recognition of fair value step-up in the Purolite Corporation ("Purolite") inventory.

Acquisition and integration related costs reported in special (gains) and charges on the Consolidated Statements of Income include \$3.0 million \$2.5 million (\$2.2 1.9 million after tax) or \$0.01 per diluted share and \$11.5 million \$5.0 million (\$8.6 3.7 million after tax) or \$0.03 per diluted share in the third quarter and first nine months of 2023, respectively. Charges are integration related costs primarily related to the Purolite acquisition.

#### Russia/Ukraine activities

In light of Russia's invasion of Ukraine and the sanctions against Russia by the United States and other countries, we have made the determination that we will limit our Russian business to operations that are essential to life, providing minimal support for our healthcare, life sciences, food and beverage and certain water businesses. We incurred charges of \$0.5 million (\$0.4 million after tax) or less than \$0.01 per diluted share and charges of \$0.8 million (\$0.7 million after tax) or less than \$0.01 per diluted share in the third first quarter of 2024 and 2023, and 2022, respectively, and charges of \$1.1 million (\$0.9 million after tax) or less than \$0.01 per diluted share and charges of \$13.1 million (\$14.0 million after tax) or \$0.05 per diluted share in the first nine months of 2023 and 2022, respectively, primarily related to recoverability risk of certain assets in both Russia and Ukraine, respectively.

#### Other operating activities

Other special charges recorded in **product and equipment cost of sales and** special (gains) and charges on the Consolidated Statements of Income in the **third first** quarter of **2024** and **2023** and **2022** were **\$13.2 million \$7.6 million** (**\$9.9 5.4** million after tax) or **\$0.03 \$0.02** per diluted share and **\$14.0 million \$6.9 million** (**\$10.8 5.4** million after tax) or **\$0.04 \$0.02** per diluted share, respectively, and in the first nine months of 2023 and 2022 were \$23.3 million (\$17.6 million after tax) or \$0.06 per diluted share and \$40.1 million (\$30.5 million after tax) or \$0.11 per diluted share, respectively, primarily related to certain legal charges and 2022 COVID-19 related inventory charges.

#### Other (income) expense

We incurred settlement expense recorded in other (income) expense on the Consolidated Statements of Income of \$24.8 million (\$18.8 million after tax) or \$0.07 per diluted share during the third quarter and first nine months of 2022. Expenses are related to U.S. pension plan lump-sum payments to retirees, respectively.

#### Operating Income and Operating Income Margin

	Third Quarter Ended September 30			Nine Months Ended September 30			First Quarter Ended March 31		
(millions)	2023	2022		2023	2022		2024	2023	Change
Reported GAAP operating income	\$566.0	\$483.0	17 %	\$1,402.3	\$1,163.3	21 %	\$517.9	\$351.6	47 %
Special (gains) and charges	42.6	24.9		99.4	107.2		29.8	27.7	
Non-GAAP adjusted operating income	608.6	507.9	20 %	1,501.7	1,270.5	18 %	547.7	379.3	44 %
Effect of foreign currency translation	(4.6)	(2.1)		(10.5)	(27.9)		1.2	0.8	
Non-GAAP adjusted fixed currency operating income	604.0	505.8	19 %	1,491.2	1,242.6	20 %	548.9	380.1	44 %
Effect of acquisitions and divestitures	0.1	(0.4)		(1.9)	(0.4)		(0.9)	(0.5)	
Non-GAAP organic operating income	\$604.1	\$505.4	20 %	\$1,489.3	\$1,242.2	20 %	\$548.0	\$379.6	44 %

  

	Third Quarter Ended September 30		Nine Months Ended September 30		First Quarter Ended March 31	
(percent)	2023	2022	2023	2022	2024	2023
Reported GAAP operating income margin	14.3 %	13.2 %	12.3 %	11.1 %	13.8 %	9.8 %
Non-GAAP adjusted operating income margin	15.4 %	13.8 %	13.2 %	12.1 %	14.6 %	10.6 %
Non-GAAP adjusted fixed currency operating income margin	15.4 %	13.8 %	13.2 %	12.0 %	14.6 %	10.6 %
Non-GAAP organic operating income margin	15.5 %	13.9 %	13.2 %	12.1 %	14.7 %	10.7 %

Our operating income and corresponding operating income margin are shown in the previous tables. Operating income margin is defined as operating income divided by net sales.

Our reported operating income increased **17% and 21% 47%** in the **third first** quarter and **first nine months** of **2023, respectively, 2024** versus the comparable **periods period** of **2022, 2023**. Our reported operating income for **2023 2024** and **2022 2023** was impacted by special (gains) and charges; excluding the impact of special (gains) and charges from **2023 2024** and **2022 2023** reported results, our adjusted operating income increased **20% and 18% 44%** in the **third first** quarter and **first nine months** of **2023, 2024**.

As shown in the previous table, foreign currency had a **1 and (2) zero** percentage point impact on adjusted operating income growth for the **third first** quarter and **first nine months** of **2023, respectively, 2024**. Foreign currency had a **5 and 4** percentage **points point** impact on adjusted operating income growth for the **third first** quarter and **first nine months** of **2022, 2023**.

#### Other (Income) Expense

Third Quarter Ended September 30	Nine Months Ended September 30	First Quarter Ended March 31
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(millions)	2023	2022	Change	2023	2022	Change	2024	2023	Change
Reported GAAP other (income) expense	(\$14.5)	\$5.7	(354)%	(\$42.0)	(\$32.6)	29 %	(\$12.6)	(\$13.1)	(4)%
Special (gains) and charges	-	24.8		-	24.8				
Non-GAAP adjusted other (income) expense	(\$14.5)	(\$19.1)	(24)%	(\$42.0)	(\$57.4)	(27)%			

Reported other (income) expense increased decreased to (\$14.5) 12.6 million from \$5.7 million in the third quarter of 2023 compared to the third quarter of 2022, respectively. Reported other income increased to \$42.0 million from \$32.6 million (\$13.1) million in the first nine months quarter of 2023 2024 compared to the first nine months of 2022, respectively. We recognized pension settlement expense of \$24.8 million in special (gains) and charges in third quarter and first nine months of 2022. Other income in the third quarter of 2023, increased as modestly respectively, driven by higher pension costs were more than offset by the 2022 \$24.8 million settlement expense related to U.S. pension plan lump-sum payments to retirees.

## Interest Expense, Net

(millions)	Third Quarter Ended September 30			Nine Months Ended September 30			First Quarter Ended March 31		
	2023	2022	Change	2023	2022	Change	2024	2023	Change
Reported GAAP interest expense, net	\$74.3	\$65.1	14 %	\$226.3	\$174.1	30 %	\$71.6	\$74.2	(4)%

Reported net interest expense was \$74.3 million \$71.6 million and \$65.1 million in the third quarter of 2023 and 2022, respectively, and \$226.3 million and \$174.1 million \$74.2 million in the first nine months quarter of 2023 2024 and 2022, 2023, respectively. The increase decrease in interest expense reflected the favorable impact from lower outstanding debt and higher average interest income earned on cash balances partially offset by higher interest rates on outstanding floating rate debt.

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## Provision for Income Taxes

The following table provides a summary of our tax rate:

(percent)	Third Quarter Ended September 30		Nine Months Ended September 30		First Quarter Ended March 31	
	2023	2022	2023	2022	2024	2023
Reported GAAP tax rate	19.1 %	14.6 %	19.4 %	17.9 %	9.2 %	18.0 %
Tax rate impact of:						
Special (gains) and charges	0.1	0.6	0.1	0.2	0.8	0.5
Discrete tax items	(0.7)	3.1	(0.2)	0.8	9.9	1.3
Non-GAAP adjusted tax rate	18.5 %	18.3 %	19.3 %	18.9 %	19.9 %	19.8 %

Our reported tax rate was 19.1% 9.2% and 14.6% for the third quarter of 2023 and 2022, respectively and 19.4% and 17.9% 18.0% for the first nine months quarter of 2023 2024 and 2022, 2023, respectively. The change in our tax rate for the third first quarter and first nine months of 2023 2024 versus the comparable periods period of 2022 2023 was driven primarily by discrete tax items and special (gains) and charges. The change in our tax rate includes the tax impact of special (gains) and charges and discrete tax items, which have impacted the comparability of our historical reported tax rates, as amounts included in our special (gains) and charges are derived from tax jurisdictions with rates that vary from our tax rate, and discrete tax items are not necessarily consistent across periods. The tax impact of special (gains) and charges and discrete tax items will likely continue to impact comparability of our reported tax rate in the future.

We recognized net tax expense benefits related to discrete tax items of \$3.5 million and \$2.3 million \$48.2 million in the third first quarter and first nine months of 2023, respectively. 2024. This included a tax benefit of \$41.9 million associated with transferring certain intangible property between affiliates and \$8.6 million associated with share-based compensation excess tax benefits benefits. The remaining net expense of \$0.8 million \$2.3 million is from other income tax adjustments including the impact of changes in tax laws, audit settlements, and \$2.7 million other changes in the third quarter and first nine months of 2023, respectively. Additionally, we estimates.

We recognized net tax expense benefits related to discrete tax items of \$4.3 million and \$5.0 million \$4.0 million in the third first quarter and first nine months of 2023 respectively, primarily due to prior year adjustments, changes in estimates, audit settlements, uncertain tax positions, and repricing of deferred tax balances.

We recognized a net tax benefit related to discrete tax items of \$14.2 million and \$9.5 million in the third quarter and first nine months of 2022, respectively. This included a deferred tax benefit of \$14.6 million associated with utilization of tax attributes as a result of legal entity rationalization and share-based compensation excess tax benefits of \$0.7 million and \$4.3 million in the third quarter and first nine months of 2022, respectively. Additionally, we recognized discrete tax expense of \$1.1 million and \$9.4 million in the third quarter and first nine months of 2022, respectively, primarily due to audit settlements, uncertain tax positions, prior year return adjustments, repricing of deferred tax balances, and other changes in estimates.

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The Organization for Economic Co-operation's ("OECD") global minimum tax regime ("Pillar Two") became effective in certain countries where we operate starting in 2024. As such, an estimate of Pillar Two tax has been considered within the provision for income taxes. We continue to monitor these legislative developments, but based on information available we do not anticipate material impacts to the 2024 financial statements.

#### Net Income Attributable to Ecolab

(millions)	Third Quarter Ended September 30			Nine Months Ended September 30			First Quarter Ended March 31		
	2023	2022	Change	2023	2022	Change	2024	2023	Change
Reported GAAP net income attributable to Ecolab	\$404.0	\$347.1	16 %	\$967.1	\$827.3	17 %	\$412.1	\$233.4	77 %
Adjustments:									
Special (gains) and charges, after tax	34.2	39.6		78.6	105.8		23.1	21.1	
Discrete tax net expense	3.5	(14.2)		2.3	(9.5)		(48.2)	(4.0)	
Non-GAAP adjusted net income attributable to Ecolab	\$441.7	\$372.5	19 %	\$1,048.0	\$923.6	13 %	\$387.0	\$250.5	54 %

#### Diluted EPS

(dollars)	Third Quarter Ended September 30			Nine Months Ended September 30			First Quarter Ended March 31		
	2023	2022	Change	2023	2022	Change	2024	2023	Change
Reported GAAP diluted EPS	\$1.41	\$ 1.21	17 %	\$3.38	\$ 2.88	17 %	\$1.43	\$0.82	74 %
Adjustments:									
Special (gains) and charges, after tax	0.12	0.14		0.27	0.37		0.08	0.07	
Discrete tax net expense	0.01	(0.05)		0.01	(0.03)		(0.17)	(0.01)	
Non-GAAP adjusted diluted EPS	\$1.54	\$ 1.30	18 %	\$3.66	\$ 3.22	14 %	\$1.34	\$0.88	52 %

Per share amounts in the above tables do not necessary sum due to rounding.

Currency translation had an unfavorable impact of approximately (\$0.00) and (\$0.08) 0.01 per share on diluted EPS for the third first quarter and first nine months of 2023, 2024 when compared to the comparable periods period of 2022, 2023.

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## SEGMENT PERFORMANCE

The non-U.S. dollar functional international amounts included within our reportable segments are based on translation into U.S. dollars at the fixed currency exchange rates used by management for 2023, 2024. The difference between the fixed currency exchange rates and the actual currency exchange rates is reported as "effect of foreign currency translation" in the following tables. All other accounting policies of the reportable segments are consistent with U.S. GAAP and the accounting policies described in Note 2 of our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023. Additional information about our reportable segments is included in Note 15.

Fixed currency net sales and operating income for the third first quarter and first nine months of 2023 and 2022 2024 for our reportable segments are shown in the following tables:

Net Sales	Third Quarter Ended						First Quarter Ended		
	September 30			September 30			March 31		
	2023	2022	Change	2023	2022	Change	2024	2023	Change
(millions)									
Global Industrial	\$1,826.9	\$1,763.4	4 %	\$5,321.8	\$4,928.1	8 %	\$1,841.7	\$1,808.2	2 %
Global Institutional & Specialty	1,308.7	1,165.7	12	3,703.9	3,275.2	13	1,270.3	1,131.2	12
Global Healthcare & Life Sciences	400.7	360.1	11	1,166.8	1,092.7	7	382.9	386.1	(1)
Other	380.3	350.8	8	1,072.2	970.1	11			
Global Pest Elimination							266.8	244.6	9
Corporate	15.0	27.7	(46)	55.3	96.1	(42)	-	10.7	(100)
Subtotal at fixed currency	3,931.6	3,667.7	7	11,320.0	10,362.2	9	3,761.7	3,580.8	5
Effect of foreign currency translation	26.5	1.6		61.8	154.4		(9.8)	(9.2)	
Consolidated reported GAAP net sales	\$3,958.1	\$3,669.3	8 %	\$11,381.8	\$10,516.6	8 %	\$3,751.9	\$3,571.6	5 %

Operating Income	Third Quarter Ended						First Quarter Ended		
	September 30			September 30			March 31		
	2023	2022	Change	2023	2022	Change	2024	2023	Change
(millions)									
Global Industrial	\$287.5	\$266.6	8 %	\$758.5	\$663.3	14 %	\$265.0	\$219.8	21 %
Global Institutional & Specialty	249.9	195.2	28	584.3	452.4	29	248.0	130.1	91
Global Healthcare & Life Sciences	44.0	32.0	38	111.7	129.1	(13)	37.0	35.4	5
Other	72.9	63.3	15	186.4	152.0	23			
Global Pest Elimination							48.8	44.5	10
Corporate	(92.2)	(76.6)	(20)	(248.4)	(263.0)	6	(79.8)	(77.4)	3
Subtotal at fixed currency	562.1	480.5	17	1,392.5	1,133.8	23	519.0	352.4	47
Effect of foreign currency translation	3.9	2.5		9.8	29.5		(1.1)	(0.8)	
Consolidated reported GAAP operating income	\$566.0	\$483.0	17 %	\$1,402.3	\$1,163.3	21 %	\$517.9	\$351.6	47 %

The following tables reconcile the impact of acquisitions and divestitures within our reportable segments:

Net Sales	Third Quarter Ended	
	September 30	
	2023	2022

(millions)	Impact of			Impact of		
	Fixed Currency	Acquisitions and Divestitures	Organic	Fixed Currency	Acquisitions and Divestitures	Organic
Global Industrial	\$1,826.9	\$-	\$1,826.9	\$1,763.4	\$-	\$1,763.4
Global Institutional & Specialty	1,308.7	(17.3)	1,291.4	1,165.7	-	1,165.7
Global Healthcare & Life Sciences	400.7	-	400.7	360.1	-	360.1
Other	380.3	-	380.3	350.8	-	350.8
Corporate	15.0	(15.0)	-	27.7	(27.7)	-
Subtotal at fixed currency	3,931.6	(32.3)	3,899.3	3,667.7	(27.7)	3,640.0
Effect of foreign currency translation	26.5			1.6		
Consolidated reported GAAP net sales	\$3,958.1			\$3,669.3		
Operating Income			2023	2022		
(millions)	Impact of			Impact of		
	Fixed Currency	Acquisitions and Divestitures	Organic	Fixed Currency	Acquisitions and Divestitures	Organic
Global Industrial	\$287.5	\$-	\$287.5	\$266.6	\$-	\$266.6
Global Institutional & Specialty	249.9	(0.1)	249.8	195.2	-	195.2
Global Healthcare & Life Sciences	44.0	-	44.0	32.0	-	32.0
Other	72.9	-	72.9	63.3	-	63.3
Corporate	(50.3)	0.2	(50.1)	(51.3)	(0.4)	(51.7)
Non-GAAP adjusted fixed currency operating income	604.0	0.1	604.1	505.8	(0.4)	505.4
Special (gains) and charges	41.9			25.3		
Subtotal at fixed currency	562.1			480.5		
Effect of foreign currency translation	3.9			2.5		
Consolidated reported GAAP operating income	\$566.0			\$483.0		
Nine Months Ended						
September 30						
Net Sales			2023	2022		
(millions)	Impact of			Impact of		
	Fixed Currency	Acquisitions and Divestitures	Organic	Fixed Currency	Acquisitions and Divestitures	Organic
Global Industrial	\$5,321.8	\$-	\$5,321.8	\$4,928.1	\$-	\$4,928.1
Global Institutional & Specialty	3,703.9	(23.7)	3,680.2	3,275.2	-	3,275.2
Global Healthcare & Life Sciences	1,166.8	-	1,166.8	1,092.7	-	1,092.7
Other	1,072.2	-	1,072.2	970.1	-	970.1
Corporate	55.3	(55.3)	-	96.1	(96.1)	-
Subtotal at fixed currency	11,320.0	(79.0)	11,241.0	10,362.2	(96.1)	10,266.1
Effect of foreign currency translation	61.8			154.4		
Consolidated reported GAAP net sales	\$11,381.8			\$10,516.6		
Operating Income			2023	2022		
(millions)	Impact of			Impact of		
	Fixed Currency	Acquisitions and Divestitures	Organic	Fixed Currency	Acquisitions and Divestitures	Organic
Global Industrial	\$758.5	\$-	\$758.5	\$663.3	\$-	\$663.3
Global Institutional & Specialty	584.3	(0.8)	583.5	452.4	-	452.4
Global Healthcare & Life Sciences	111.7	-	111.7	129.1	-	129.1
Other	186.4	-	186.4	152.0	-	152.0
Corporate	(149.7)	(1.1)	(150.8)	(154.2)	(0.4)	(154.6)
Non-GAAP adjusted fixed currency operating income	1,491.2	(1.9)	1,489.3	1,242.6	(0.4)	1,242.2
Special (gains) and charges	98.7			108.8		



Subtotal at fixed currency	1,392.5	1,133.8
Effect of foreign currency translation	9.8	29.5
Consolidated reported GAAP operating income	\$1,402.3	\$1,163.3

First Quarter Ended						
March 31						
Net Sales	2024			2023		
	Impact of			Impact of		
	Fixed	Acquisitions and	Acquisition	Fixed	Acquisitions and	Acquisition
(millions)	Currency	Divestitures	Adjusted	Currency	Divestitures	Adjusted
Global Industrial	\$1,841.7	(\$26.1)	\$1,815.6	\$1,808.2	(\$13.3)	\$1,794.9
Global Institutional & Specialty	1,270.3	(18.0)	1,252.3	1,131.2	-	1,131.2
Global Healthcare & Life Sciences	382.9	-	382.9	386.1	-	386.1
Global Pest Elimination	266.8	-	266.8	244.6	-	244.6
Corporate	-	-	-	10.7	(10.7)	-
Subtotal at fixed currency	3,761.7	(44.1)	3,717.6	3,580.8	(24.0)	3,556.8
Effect of foreign currency translation	(9.8)			(9.2)		
Consolidated reported GAAP net sales	\$3,751.9			\$3,571.6		
Operating Income	2024			2023		
	Impact of			Impact of		
	Fixed	Acquisitions and	Acquisition	Fixed	Acquisitions and	Acquisition
(millions)	Currency	Divestitures	Adjusted	Currency	Divestitures	Adjusted
Global Industrial	\$265.0	\$-	\$265.0	\$219.8	(\$0.2)	\$219.6
Global Institutional & Specialty	248.0	(0.9)	247.1	130.1	-	130.1
Global Healthcare & Life Sciences	37.0	-	37.0	35.4	-	35.4
Global Pest Elimination	48.8	-	48.8	44.5	-	44.5
Corporate	(49.9)	-	(49.9)	(49.7)	(0.3)	(50.0)
Non-GAAP adjusted fixed currency operating income	548.9	(0.9)	548.0	380.1	(0.5)	379.6
Special (gains) and charges at fixed currency rates	29.9			27.7		
Subtotal at fixed currency	519.0			352.4		
Effect of foreign currency translation	(1.1)			(0.8)		
Consolidated reported GAAP operating income	\$517.9			\$351.6		

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Unless otherwise noted, the following segment performance commentary compares the third first quarter and first nine months of 2023 2024 against the third first quarter and first nine months of 2022, 2023.

## Global Industrial

	Third Quarter Ended		Nine Months Ended		First Quarter Ended	
	September 30		September 30		March 31	
	2023	2022	2023	2022	2024	2023
Sales at fixed currency (millions)	\$1,826.9	\$1,763.4	\$5,321.8	\$4,928.1	\$1,841.7	\$1,808.2
Sales at public currency (millions)	1,841.8	1,769.6	5,359.7	5,025.2	1,839.2	1,809.1

Volume	(3)%		(2)%			
Price changes	6 %		11 %			
Organic sales change	4 %		8 %		1 %	
Acquisitions and divestitures	- %		- %		1 %	
Fixed currency sales change	4 %		8 %		2 %	
Foreign currency translation	- %		(1)%		- %	
Public currency sales change	4 %		7 %		2 %	
Operating income at fixed currency (millions)	\$287.5	\$266.6	\$758.5	\$663.3	\$265.0	\$219.8
Operating income at public currency (millions)	289.8	269.0	765.1	684.2	265.4	221.3
Fixed currency operating income change	8 %		14 %		21 %	
Fixed currency operating income margin	15.7 %	15.1 %	14.3 %	13.5 %	14.4 %	12.2 %
Organic operating income change	8 %		14 %		21 %	
Organic operating income margin	15.7 %	15.1 %	14.3 %	13.5 %	14.6 %	12.2 %
Public currency operating income change	8 %		12 %		20 %	

Percentages in the above table do not necessarily sum due to rounding.

#### Net Sales

Organic sales for Global Industrial increased in the **third first quarter and first nine months of 2023, led by 2024 as** growth in Food & Beverage and Water **which** more than offset the expected **short-term** decline in **third quarter** Paper sales.

**Water** organic sales increased **5% and 9% 2%** in the **third first quarter and first nine months of 2023, respectively, 2024** driven by **pricing sales growth in Downstream, Light and new business wins. Heavy that overcame lower Mining sales.** Light industry reported **good** sales growth **led driven** by continued strong performance **across data centers in high-tech and microelectronics, growth in food & beverage and institutional segments.** Heavy industry recorded **strong** sales growth **led by in chemicals,** primary metals, **while power** and chemicals sales showed solid growth, **power.** Downstream industry reported **strong** sales growth driven by water treatment. **Food & Beverage organic sales increased 7% and 11% 3% in the third first quarter and first nine months of 2023, respectively, reflecting strong 2024, driven sales growth driven by pricing in dairy, food, and new business. beverage & brewery. Paper organic sales decreased 7% and remained flat 5% in the third first quarter and first nine months of 2023, respectively, 2024, reflecting pricing and new business wins that were more than offset by easing lower customer production rates.**

#### Operating Income

Organic operating income and organic operating income margins increased for Global Industrial in **both the third first quarter and first nine months of 2023, respectively, 2024.**

Organic operating income margins increased **0.6 2.4** percentage points during the **third first quarter of 2023, 2024** as the **4.9 4.0** percentage point positive impact of **pricing overcame lower delivered product costs was partially offset by the 4.0 1.9** percentage point **negative impacts impact** of investments in the **business including incentive compensation, and lower volume.** Organic operating income margins increased 0.8 percentage points during the first nine months of 2023, as the 8.2 percentage point positive impact of pricing overcame the 6.8 percentage point negative impacts of investments in the business including incentive compensation, lower volume, and higher delivered product costs, **business.**

	Third Quarter Ended		Nine Months Ended		First Quarter Ended	
	September 30		September 30		March 31	
	2023	2022	2023	2022	2024	2023
Sales at fixed currency (millions)	\$1,308.7	\$1,165.7	\$3,703.9	\$3,275.2	\$1,270.3	\$1,131.2
Sales at public currency (millions)	1,313.0	1,166.0	3,714.0	3,304.7	1,266.7	1,128.8
Volume	3 %		2 %			
Price changes	8 %		11 %			
Organic sales change	11 %		12 %		11 %	
Acquisitions and divestitures	1 %		1 %		2 %	
Fixed currency sales change	12 %		13 %		12 %	
Foreign currency translation	- %		(1)%		- %	
Public currency sales change	13 %		12 %		12 %	
Operating income at fixed currency (millions)	\$249.9	\$195.2	\$584.3	\$452.4	\$248.0	\$130.1
Operating income at public currency (millions)	250.8	196.1	585.9	457.6	247.0	129.8
Fixed currency operating income change	28 %		29 %		91 %	
Fixed currency operating income margin	19.1 %	16.7 %	15.8 %	13.8 %	19.5 %	11.5 %
Organic operating income change	28 %		29 %		90 %	
Organic operating income margin	19.3 %	16.7 %	15.9 %	13.8 %	19.7 %	11.5 %
Public currency operating income change	28 %		28 %		90 %	

Percentages in the above table do not necessarily sum due to rounding.

#### Net Sales

Organic sales for Global Institutional & Specialty increased in the third first quarter and first nine months of 2023, 2024 with double-digit growth in both the Institutional and Specialty divisions.

At an operating segment level, **Institutional** organic sales increased 10% and 12% 11% in the third first quarter and first nine months of 2023, respectively, 2024, reflecting strong sales growth driven by pricing across foodservice, lodging and new business wins, long term care. **Specialty** organic sales increased 12% and 13% 10% in the third first quarter and first nine months of 2023, respectively, 2024, reflecting sales growth driven by pricing quick service and new business wins, food retail.

#### Operating Income

Organic operating income and organic operating income margin increased in both the third first quarter and first nine months of 2023 2024 for our Global Institutional & Specialty segment.

Organic operating income margins increased 2.6 8.2 percentage points during the third first quarter of 2023, 2024, as the 5.7 8.8 percentage point positive impact from strong pricing, overcame 3.5 higher volumes, and lower delivered product costs were partially offset by the 1.1 percentage point negative impacts impact from investments in the business including incentive compensation. Organic operating income margins increased 2.1 percentage points during the first nine months of 2023, as the 7.2 percentage point positive impact from pricing overcame 5.3 percentage point negative impacts from investments in the business including incentive compensation and higher supply chain costs, business.

	Third Quarter Ended		Nine Months Ended		First Quarter Ended	
	September 30		September 30		March 31	
	2023	2022	2023	2022	2024	2023
Sales at fixed currency (millions)	\$400.7	\$360.1	\$1,166.8	\$1,092.7	\$382.9	\$386.1
Sales at public currency (millions)	406.2	356.6	1,176.7	1,110.3	379.9	379.7
Volume	7 %		- %			
Price changes	4 %		8 %			
Organic sales change	11 %		7 %		(1)%	
Acquisitions and divestitures	- %		- %		- %	
Fixed currency sales change	11 %		7 %		(1)%	
Foreign currency translation	3 %		(1)%		1 %	
Public currency sales change	14 %		6 %		- %	
Operating income at fixed currency (millions)	\$44.0	\$32.0	\$111.7	\$129.1	\$37.0	\$35.4
Operating income at public currency (millions)	45.2	31.3	113.7	132.2	36.3	33.7
Fixed currency operating income change	38 %		(13)%		5 %	
Fixed currency operating income margin	11.0 %	8.9 %	9.6 %	11.8 %	9.7 %	9.2 %
Organic operating income change	38 %		(13)%		5 %	
Organic operating income margin	11.0 %	8.9 %	9.6 %	11.8 %	9.7 %	9.2 %
Public currency operating income change	44 %		(14)%		8 %	

Percentages in the above table do not necessarily sum due to rounding.

#### Net Sales

Organic sales for Global Healthcare & Life Sciences increased decreased in both the third first quarter and first nine months of 2023 reflecting improved 2024 as lower Healthcare sales was offset by growth in Healthcare and Life Sciences.

At an operating segment level, **Healthcare** organic sales increased 15% and 8% decreased 2% in the third first quarter and first nine months of 2023, respectively, 2024, reflecting pricing and new strategic low margin business wins across both North America and Europe, exits. **Life Sciences** organic sales increased 7% and 5% 1% in third the first quarter and first nine months of 2023 as growth 2024 reflected improved led by new underlying business wins and pricing, which more than momentum that offset soft near-term industry demand.

#### Operating Income

Organic operating income and organic operating income margins both increased in the third first quarter of 2023 and both decreased for the first nine months of 2023 2024 for our Global Healthcare & Life Sciences segment.

Organic operating income margins increased 2.1 0.5 percentage points during the third first quarter of 2023, 2024, as the 5.3 6.7 percentage point positive impact from strong pricing higher volume, and cost savings overcame lower supply chain costs were partially offset by the 3.5 5.6 percentage point negative impacts from continued targeted investments in the business including incentive compensation. Organic operating income margins decreased 2.2 percentage points during the first nine months of 2023, as the 5.2 percentage point positive impact from pricing was more than offset by the 7.0 percentage point negative impacts from and lower volume and targeted investments in the business.

## Other Global Pest Elimination

	Third Quarter Ended September 30		Nine Months Ended September 30		First Quarter Ended March 31	
	2023	2022	2023	2022	2024	2023
Sales at fixed currency (millions)	\$380.3	\$350.8	\$1,072.2	\$970.1	\$266.8	\$244.6
Sales at public currency (millions)	382.1	349.4	1,076.0	980.0	266.1	243.4
Volume	2 %		2 %			
Price changes	6 %		8 %			
Organic sales change	8 %		11 %		9 %	
Acquisitions and divestitures	- %		- %		- %	
Fixed currency sales change	8 %		11 %		9 %	
Foreign currency translation	1 %		(1)%		- %	
Public currency sales change	9 %		10 %		9 %	
Operating income at fixed currency (millions)	\$72.9	\$63.3	\$186.4	\$152.0	\$48.8	\$44.5
Operating income at public currency (millions)	72.9	63.1	186.6	153.2	48.7	44.3
Fixed currency operating income change	15 %		23 %		10 %	
Fixed currency operating income margin	19.2 %	18.0 %	17.4 %	15.7 %	18.3 %	18.2 %
Organic operating income change	15 %		23 %		10 %	
Organic operating income margin	19.2 %	18.0 %	17.4 %	15.7 %	18.3 %	18.2 %
Public currency operating income change	16 %		22 %		10 %	

Percentages in the above table do not necessarily sum due to rounding.

### Net Sales

Organic sales for **Other Global Pest Elimination** increased in both the third quarter and first nine months of 2023 led by double-digit growth in Pest Elimination.

At an operating segment level, **Pest Elimination** organic sales increased 10% and 11% 9% in the **third first** quarter and first nine months of 2023, respectively, reflecting strong sales 2024 driven by growth led by double-digit gains in restaurants, food & beverage, restaurants, and food retail, and healthcare. **Textile Care** organic sales increased 6% and 10% in the third quarter and first nine months of 2023, respectively. **Colloidal Technologies Group** organic sales increased 2% and 7% in the third quarter and first nine months of 2023, respectively, retail.

### Operating Income

Organic operating income and organic operating income margins increased for **Other Global Pest Elimination** in both the **third first** quarter and first nine months of 2023, 2024.

Organic operating income margins increased 1.2 0.1 percentage points during the **third first** quarter of 2023, 2024, as the 4.7 4.3 percentage point positive impact from strong pricing overcame and higher volumes were partially offset by the 4.2 percentage point negative impacts impact of investments in the business including incentive compensation. Organic operating income margins increased 1.7 percentage points during the first nine months of 2023, as the 6.3 percentage point positive impact from pricing overcame the 4.8 percentage point negative impacts of investments in the business including incentive compensation and unfavorable mix business.

## Corporate

Consistent with our internal management reporting, Corporate amounts in the table on page 36 31 include sales to ChampionX in accordance with the long-term transitional supply agreement entered into with the Transaction transaction post-separation, as discussed in Note 14, intangible asset amortization specifically from the Nalco and Purolite transactions and special (gains) and charges that are not allocated to our reportable segments. Items included within special (gains) and charges are shown in the table on page 32. 29.

## FINANCIAL POSITION, CASH FLOWS AND LIQUIDITY

### Financial Position

Total assets were \$21.9 billion \$21.3 billion as of September 30, 2023 March 31, 2024, compared to total assets of \$21.5 billion \$21.8 billion as of December 31, 2022 December 31, 2023.

Total liabilities were \$14.0 billion \$13.1 billion as of September 30, 2023 March 31, 2024, compared to total liabilities of \$14.2 billion \$13.8 billion as of December 31, 2022 December 31, 2023. Total debt was \$8.6 billion \$7.5 billion as of September 30, 2023 March 31, 2024 and \$8.6 billion \$8.2 billion as of December 31, 2022 December 31, 2023. See further discussion of our debt activity within the "Liquidity and Capital Resources" section of this MD&A.

Our net debt to earnings before interest, taxes, depreciation and amortization ("EBITDA") is shown in the following table. EBITDA is a non-GAAP measure discussed further in the "Non-GAAP Financial Measures" section of this MD&A.

The inputs to EBITDA reflect the trailing twelve months of activity for the period presented:

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
(ratio)				
Net debt to EBITDA	2.8	3.2	2.2	2.4
(millions)				
Total debt	\$8,616.2	\$8,580.4	\$7,539.9	\$8,181.8
Cash	1,001.3	598.6	479.9	919.5
Net debt	\$7,614.9	\$7,981.8	\$7,060.0	\$7,262.3
Net income including noncontrolling interest	\$1,251.7	\$1,108.9	\$1,571.5	\$1,393.0
Provision for income taxes	287.9	234.5	352.4	362.5
Interest expense, net	295.8	243.6	294.1	296.7
Depreciation	618.4	618.5	615.0	616.7
Amortization	311.2	320.2	309.1	306.9
EBITDA	\$2,765.0	\$2,525.7	\$3,142.1	\$2,975.8

### Cash Flows

#### Operating Activities

	Nine Months Ended September 30			First Quarter Ended March 31		
(millions)	2023	2022	Change	2024	2023	Change
Cash provided by operating activities	\$1,559.3	\$929.2	\$630.1	\$649.4	\$198.2	\$451.2

We continue to generate cash flow from operations, allowing us to fund our ongoing operations, acquisitions, investments in the business and pension obligations along with returning cash to our shareholders through dividend payments and share repurchases. Cash provided by operating activities increased \$630 million \$451 million in the first nine months quarter of 2023 2024 compared to the first nine months quarter of 2022 2023, driven primarily by a \$408 million \$223 million net favorable change in working capital and

**\$143 million** **\$179 million** increase in net income. The cash flow impact from working capital was primarily driven by improvement in **inventory and receivables** **accounts payable**, partially offset by **a decrease an increase** in **accounts payable**, **inventory**.

**Investing Activities**

	Nine Months Ended September 30			First Quarter Ended March 31		
(millions)	2023	2022	Change	2024	2023	Change
Cash used for investing activities	(\$642.1)	(\$506.4)	(\$135.7)	(\$201.0)	(\$189.4)	(\$11.6)

Cash used for investing activities is primarily impacted by capital investments in the business.

We continue to make capital investments in the business, including merchandising equipment, manufacturing equipment and facilities. Total capital expenditures were **\$512 million** **\$202 million** and **\$510 million** **\$174 million** in the first **nine months quarter** of **2024** and **2023**, and **2022**, respectively.

**Total cash paid for acquisitions, net of cash acquired along with net cash received from dispositions, during the first nine months of 2023 and 2022, was \$107 million and \$7 million, respectively. Our acquisitions are discussed further in Note 3. We continue to target strategic business acquisitions which complement our growth strategy and expect to continue to make capital investments and acquisitions in the future to support our long-term growth.**

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**Financing Activities**

	Nine Months Ended September 30			First Quarter Ended March 31		
(millions)	2023	2022	Change	2024	2023	Change
Cash used for financing activities	(\$469.2)	(\$675.6)	\$206.4	(\$889.3)	(\$166.4)	(\$722.9)

Our cash flows from financing activities primarily reflect the issuances and repayment of debt, common stock repurchases, proceeds from common stock issuances related to our equity incentive programs and dividend payments.

We had net issuances of commercial paper and notes payable of **\$88 million** **\$7 million** and **\$6 million** in the first **nine months quarter** of **2022**, **2024** and **2023**, respectively.

Shares are repurchased for the purpose of partially offsetting the dilutive effect of our equity compensation plans, to manage our capital structure and to efficiently return capital to shareholders. We reacquired a total of **\$12 million** **\$196 million** and **\$445 million** **\$11 million** of shares in the first **nine months quarter** of **2023** **2024** and **2022**, **2023**, respectively. Cash proceeds and tax benefits from stock option exercises provide a portion of the funding for repurchase activity.

There was no long-term debt issuance **or repayment** activity through the first **nine months quarter** of **2023** **2024** or **2022**, **2023**. We repaid **\$630 million** of long-term debt in the first **quarter of 2024**.

We paid dividends of **\$463 million** **\$175 million** and **\$445 million** **\$158 million** in the first **nine three** months of **2023** **2024** and **2022**, **2023**, respectively.

**Liquidity and Capital Resources**

We currently expect to fund the cash requirements which are reasonably foreseeable for the next twelve months, including scheduled debt repayments, new investments in the business, share repurchases, dividend payments, possible business acquisitions and pension and postretirement contributions with cash from operating activities, and as needed, additional short-term and/or long-term borrowings. We continue to expect our operating cash flow to remain strong.

As of **September 30, 2023** **March 31, 2024**, we had **\$1,001 million** **\$480 million** of cash and cash equivalents on hand, of which **\$585 million** **\$195 million** was held outside of the U.S. **Our cash balance is intended to fund current maturities of long-term debt.** We will continue to evaluate our cash position in light of future developments.

As of September 30, 2023 March 31, 2024, we have a \$2.0 billion multi-year credit facility which expires in April 2026. The credit facility has been established with a diverse syndicate of banks and supports our U.S. and Euro commercial paper programs. The maximum aggregate amount of commercial paper that may be issued under our U.S. commercial paper program and our Euro commercial paper program may not exceed \$2.0 billion. At the end of the third first quarter of both 2024 and 2023, we had no outstanding commercial paper under our U.S. program nor our Euro program. At the end of the third quarter of 2022, we had \$485 million outstanding commercial paper under our U.S. program and no outstanding commercial paper under our Euro program. There were no borrowings under our credit facility as of September 30, 2023 March 31, 2024 or 2022, 2023. As of September 30, 2023 March 31, 2024, both programs were rated A-2 by Standard & Poor's, P-2 by Moody's and F-1 by Fitch.

There was no long-term debt issuance or repayment activity through the first nine months quarter of 2023, 2024. We repaid \$630 million of long-term debt in the first quarter of 2024.

We are in compliance with our debt covenants and other requirements of our credit agreements and indentures. We believe we have sufficient borrowing capacity to meet our foreseeable operating activities, as needed.

The schedule of contractual obligations included in the Financial Position and Liquidity section of our Form 10-K for the year ended December 31, 2022 December 31, 2023 disclosed total notes payable and long-term debt due within one year of \$505 million \$630 million. As of September 30, 2023 March 31, 2024, the total notes payable and long-term debt due within one year was \$1.1 billion \$11 million. We had no outstanding commercial paper under our U.S. program as of September 30, 2023 March 31, 2024 and as of December 31, 2022 December 31, 2023.

Our gross liability for uncertain tax positions was \$21 million \$24 million as of September 30, 2023 March 31, 2024 and \$25 million as of December 31, 2022 December 31, 2023. We are not able to reasonably estimate the amount by which the liability will increase or decrease over time; however, at this time, we do not expect significant payments related to these obligations within the next year.

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## GLOBAL ECONOMIC ENVIRONMENT

### Global Economies

Approximately half of our sales are outside of the U.S. Our international operations subject us to changes in economic conditions and foreign currency exchange rates as well as political uncertainty in some countries which could impact future operating results. We expect a more challenging macroeconomic environment, especially in Europe, as the war and weak economic growth are having a significant impact on costs and demand. We also assume slightly lower delivered product cost inflation and for interest rates to remain high through 2023.

Argentina and Turkey are classified as highly inflationary economies in accordance with U.S. GAAP, and the U.S. dollar is the functional currency for our subsidiaries in Argentina and Turkey. During the first nine months quarter of 2023, 2024, sales in Argentina and Turkey represented less than 1% of our consolidated sales. Assets held in Argentina at the end of the first nine months of 2023 represented less than 1% of our

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consolidated assets. During the first nine months of 2023, sales in Turkey represented less than 1% of our consolidated sales. Assets held in and Turkey at the end of the first nine months quarter of 2023 2024 represented less than 1% of our consolidated assets.

In light of Russia's invasion of Ukraine and the sanctions against Russia by the United States and other countries, we have made the determination that we will limit our Russian business to operations that are essential to life, providing minimal support for our healthcare, life sciences, food and beverage and certain water businesses. We may further



narrow our presence in Russia depending on future developments. During the first **nine months quarter** of **2023, 2024**, our Russian and Ukraine operations represented approximately 1% of our **2023, 2024** consolidated net sales.

## NEW ACCOUNTING PRONOUNCEMENTS

For information on new accounting pronouncements, refer to Note 17 to the Consolidated Financial Statements.

## SUBSEQUENT EVENTS

On April 27, 2024, we reached a definitive agreement to sell our global surgical solutions business for total consideration of \$950 million in cash, subject to certain working capital and other purchase price adjustments. The sale is expected to close in the second half of 2024, subject to regulatory clearances and other customary closing conditions. We expect to record an associated pre-tax gain within special (gains) and charges in the Consolidated Statements of Income.

## NON-GAAP FINANCIAL MEASURES

This Quarterly Report on Form 10-Q, including "Management's Discussion and Analysis of Financial Condition and Results of Operation" in Item 2, contains financial measures that have not been calculated in accordance with accounting principles generally accepted in the U.S. (GAAP). These non-GAAP measures include:

- Fixed currency sales
- Organic sales **formerly known as acquisition adjusted fixed currency sales**
- Adjusted cost of sales
- Adjusted gross margin
- Fixed currency operating income
- Fixed currency operating income margin
- Adjusted operating income
- Adjusted operating income margin
- Adjusted fixed currency operating income
- Adjusted fixed currency operating income margin
- Organic operating income **formerly known as acquisition adjusted fixed currency operating income**
- Organic operating income margin **formerly known as acquisition adjusted fixed currency operating income margin**
- EBITDA
- Adjusted tax rate
- Adjusted net income attributable to Ecolab
- Adjusted diluted EPS

We provide these measures as additional information regarding our operating results. We use these non-GAAP measures internally to evaluate our performance and in making financial and operational decisions, including with respect to incentive compensation. We believe that our presentation of these measures provides investors with greater transparency with respect to our results of operations and that these measures are useful for period-to-period comparison of results.

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Our non-GAAP **adjusted** financial measures for **adjusted** cost of sales, **adjusted** gross margin and **adjusted** operating income exclude the impact of special (gains) and charges and our non-GAAP **adjusted** financial measures for **adjusted** tax rate, **adjusted** net income attributable to Ecolab and **adjusted** diluted earnings per share further exclude the impact of discrete tax items. We include items within special (gains) and charges and discrete tax items that we believe can significantly affect the period-over-period assessment of operating results and not necessarily reflect costs and/or income associated with historical trends and future results. After tax special (gains) and charges are derived by applying the applicable local jurisdictional tax rate to the corresponding pre-tax special (gains) and charges.

EBITDA is defined as the sum of net income including noncontrolling interest, provision for income taxes, net interest expense, depreciation and amortization. EBITDA is used in our net debt to EBITDA ratio, which we view as important indicators of the operational and financial health of our organization.

We evaluate the performance of our international operations based on fixed currency rates of foreign exchange. Fixed currency amounts included in this Form 10-Q are based on translation into U.S. dollars at the fixed foreign currency exchange rates established by management at the beginning of 2023, 2024. We also provide our segment results based on public currency rates for informational purposes.

Our reportable segments do not include the impact of intangible asset amortization from the Nalco and Purolite transactions or the impact of special (gains) and charges as these are not allocated to our reportable segments.

Our non-GAAP financial measures for organic sales, organic operating income and organic operating income margin are at fixed currency and exclude the impact of special (gains) and charges, the results of our acquired businesses from the first twelve months post acquisition and the results of divested businesses from the twelve months prior to divestiture. As part of the separation of ChampionX in 2020, we entered into a Master Cross Supply and Product Transfer agreement with ChampionX to provide, receive or transfer certain products for a transitional period. Transitional period up to 36 months and for a small set of products with limited suppliers over the next few years. Sales sales of product to

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ChampionX under this agreement are recorded in product and equipment sales in the Corporate segment along with the related cost of sales. The remaining sales to ChampionX are recorded in product and equipment sales in Global Industrial segment along with the related cost of sales. These transactions are removed from the consolidated results as part of the calculation of the impact of acquisitions and divestitures.

These non-GAAP measures are not in accordance with, or an alternative to U.S. GAAP, and may be different from non-GAAP measures used by other companies. Investors should not rely on any single financial measure when evaluating our business. We recommend that investors view these measures in conjunction with the U.S. GAAP measures included in this MD&A and we have provided reconciliations of reported U.S. GAAP amounts to the non-GAAP amounts.

## FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, including "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 2, contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include our business performance and prospects; expectations concerning timing, amount and type of restructuring costs and savings from restructuring activities; macroeconomic environment, delivered product cost inflation and interest rates; Russian operations; working capital; capital investments, acquisitions and share repurchases; amortization expense; non-performance of financial counterparties; payments and contributions to pension and postretirement health care benefit plans; the impact of lawsuits, claims and environmental matters; impact of new accounting pronouncements and tax laws; cash flows, borrowing capacity and funding of cash requirements, including current maturities repayment of long-term debt; payments related to uncertain tax positions; and implementation of ERP system upgrade, upgrade; and statements regarding the expected timing and likelihood of completion of the sale of our global surgical solutions business, including the timing, receipt and terms and conditions of any required governmental and regulatory clearance of the proposed transaction, the occurrence of any event, change or other circumstances that could give rise to the termination of the definitive agreement, the inability to consummate the proposed transaction due to the failure to satisfy other closing conditions, risks that the proposed transaction disrupts current operations, and the amount of the costs, fees, expenses and charges related to the proposed transaction.

Without limiting the foregoing, words or phrases such as "will likely result," "are expected to," "will continue," "is anticipated," "we believe," "we expect," "estimate," "project" (including the negative or variations thereof) or similar terminology, generally identify forward-looking statements. Forward-looking statements may also represent challenging goals for us. These statements, which represent our expectations or beliefs concerning various future events, are based on current expectations that involve a number of risks and uncertainties that could cause actual results to differ materially from those of such forward-looking statements. In particular, the ultimate results of any restructuring or efficiency initiative, integration and business improvement actions, including cost synergies, depend on a number of factors, including the development of final plans, the impact of local regulatory requirements regarding employee terminations, the time necessary to develop and implement the restructuring or efficiency initiative and other business improvement initiatives and the level of success achieved through such actions in improving competitiveness, efficiency and effectiveness. We caution that undue reliance should not be placed on such forward-looking statements, which speak only as of the date made.

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Some of the factors which could cause results to differ materially from those expressed in any forward-looking statements are set forth under Item 1A of our most recent Form 10-K and our other public filings with the Securities and Exchange Commission (the "SEC"), and include the impact of economic factors such as the worldwide economy, capital flows, interest rates, foreign currency risk, reduced sales and earnings in our international operations resulting from the weakening of local currencies versus the U.S. dollar, demand uncertainty, supply chain challenges and inflation; the vitality of the markets we serve; exposure to global economic, political and legal risks related to our international operations, including geopolitical instability and the impact escalation of sanctions armed conflicts; our ability to successfully execute organizational change and management transitions; information technology infrastructure failures or other actions taken by the U.S. or other countries, and retaliatory measures taken by Russia breaches in response, in connection with the conflict in Ukraine; data security; difficulty in procuring raw materials or fluctuations in raw material costs; our ability to attract, retain and develop high caliber management talent to lead our business and successfully execute organizational change and changing labor market dynamics; information technology infrastructure failures or breaches in data security; the effects and duration occurrence of the COVID-19 pandemic or other severe public health outbreaks epidemics or pandemics; not limited to COVID-19; our ability to acquire complementary businesses and to effectively integrate such businesses, including Purolite businesses; our ability to execute key business initiatives, including restructurings and our Enterprise Resource Planning system upgrades; initiatives; our ability to successfully compete with respect to value, innovation and customer support; pressure on operations from consolidation of customers or vendors; restraints on pricing flexibility due to contractual obligations and our ability to meet our contractual commitments; the costs and effects of complying with laws and regulations, including those relating to the environment, climate change standards, and to the manufacture, storage, distribution, sale and use of our products, as well as to the conduct of our business generally, including labor and employment and anti-corruption; potential chemical spill or release; our commitments, goals, targets, objectives and initiatives related to sustainability; potential to incur significant tax liabilities or indemnification liabilities relating to the separation and split-off of our ChampionX business; the occurrence of litigation or claims, including class action lawsuits; the loss or insolvency of a major customer or distributor; repeated or prolonged government and/or business shutdowns or similar events; acts of war or terrorism; natural or man-made disasters; water shortages; severe weather conditions; changes in tax laws and unanticipated tax liabilities; potential loss of deferred tax assets; our indebtedness, and any failure to comply with covenants that apply to our indebtedness; potential losses arising from the impairment of goodwill or other assets; and other uncertainties or risks reported from time to time in our reports to the SEC. There can be no assurances that our earnings levels will meet investors' expectations. Except as may be required under applicable law, we do not undertake, and expressly disclaim, any duty to update our Forward-Looking Statements.

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### Item 3. Quantitative and Qualitative Disclosures about Market Risk

We use foreign currency forward contracts, interest rate swap agreements and foreign currency debt to manage risks associated with foreign currency exchange rates, interest rates and net investments in our foreign operations. We do not hold derivative financial instruments of a speculative nature or for trading purposes. For a more detailed discussion of derivative instruments, refer to Note 8, entitled "Derivatives and Hedging Transactions", of the consolidated financial statements located under Part I, Item 1 of this quarterly report on Form 10-Q.

### Item 4. Controls and Procedures

As of September 30, 2023 March 31, 2024, we carried out an evaluation, under the supervision and with the participation of our management, including our Chairman and Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based upon that evaluation, our Chairman and Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures are effective.

During the period July 1, 2023 January 1, 2024 through September 30, 2023 March 31, 2024 there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

We are continuing our implementation of our enterprise resource planning ("ERP") system upgrades, which are expected to occur in phases over the next several years. These upgrades, which include supply chain and certain finance functions, are expected to improve the efficiency of certain financial and related transactional processes. These upgrades of the ERP systems will affect the processes that constitute our internal control over financial reporting and will require testing for effectiveness.

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## PART II - OTHER INFORMATION

### Item 1. Legal Proceedings

Note 16, entitled "Commitments and Contingencies" located under Part I, Item 1 of this Form 10-Q is incorporated herein by reference.

### Item 1A. Risk Factors

In our report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**, filed with the Securities and Exchange Commission on **February 24, 2023** **February 23, 2024**, we identify under Item 1A important factors which could affect our financial performance and could cause our actual results for future periods to differ materially from our anticipated results or other expectations, including those expressed in any forward-looking statements made in this Form 10-Q. See the section entitled Forward-Looking Statements located on page **45 40** of this Form 10-Q. We may also refer to such disclosure to identify factors that may cause results to differ from those expressed in other forward-looking statements made in oral presentations, including telephone conferences and/or webcasts open to the public.

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

Period	Number of shares				Maximum number of			
	Total number of shares purchased (1)	Average price paid per share (2)	of publicly announced plans	yet be purchased under the plans	Total number of shares purchased (1)	Average price paid per share (2)	of publicly announced plans	yet be purchased under the plans
July 1-31, 2023	-	\$ -	-	12,917,097	-	-	-	12,917,097
August 1-31, 2023	4,188	183.2846	-	12,917,097	-	-	-	12,917,097
September 1-30, 2023	-	-	-	12,917,097	-	-	-	12,917,097
January 1-31, 2024	-	\$ -	-	12,917,097	-	-	-	12,917,097
February 1-29, 2024	195,803	220.6220	107,571	12,809,526	195,803	220.6220	107,571	12,809,526
March 1-31, 2024	725,815	226.9213	725,815	12,083,711	725,815	226.9213	725,815	12,083,711
Total	4,188	\$ 183.2846	-	12,917,097	921,618	\$ 225.5830	833,386	12,083,711

- (1) Includes **4,188 88,232** shares reacquired from employees and/or directors as swaps for the cost of stock options, or shares surrendered to satisfy minimum statutory tax obligations under our stock incentive plans.
- (2) The average price paid per share includes brokerage commissions associated with publicly announced plan purchases plus the value of such other reacquired shares.
- (3) As announced on February 24, 2015, our Board of Directors authorized the repurchase of up to 20,000,000 common shares. As announced on November 3, 2022, our Board of Directors authorized the repurchase of up to an additional 10,000,000 shares. Subject to market conditions, we expect to repurchase all shares under these authorizations, for which no expiration date has been established, in open market or privately negotiated transactions, including pursuant to Rule 10b5-1 and accelerated share repurchase program.

### Item 3. Defaults Upon Senior Securities

Not applicable.

[Item 4. Mine Safety Disclosures](#)

Not applicable.

[Item 5. Other Information](#)

**Rule 10b5-1 Plan Adoptions and Modifications**

None.

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[Item 6. Exhibits](#)

Exhibit No.	Document	Method of Filing
(a)	The following documents are filed as exhibits to this report:	
(15.1)	<a href="#">Letter regarding unaudited interim financial information.</a>	Filed herewith electronically.
(31.1)	<a href="#">Rule 13a - 14(a) CEO Certification.</a>	Filed herewith electronically.
(31.2)	<a href="#">Rule 13a - 14(a) CFO Certification.</a>	Filed herewith electronically.
(32.1)	<a href="#">Section 1350 CEO and CFO Certifications.</a>	Filed herewith electronically.
(101.INS)	Inline 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.	Filed herewith electronically.
(101.SCH)	Inline XBRL Taxonomy Extension Schema.	Filed herewith electronically.
(101.CAL)	Inline XBRL Taxonomy Extension Calculation Linkbase.	Filed herewith electronically.
(101.DEF)	Inline XBRL Taxonomy Extension Definition Linkbase.	Filed herewith electronically.
(101.LAB)	Inline XBRL Taxonomy Extension Label Linkbase.	Filed herewith electronically.
(101.PRE)	Inline XBRL Taxonomy Extension Presentation Linkbase.	Filed herewith electronically.
(104)	Cover Page Interactive Data File.	Formatted as Inline XBRL and contained in Exhibit 101.

## 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.

ECOLAB INC.

Date: November 2, 2023 May 2, 2024

By: /s/ Jennifer J. Bradway

Jennifer J. Bradway

Senior Vice President and Corporate Controller

(duly authorized officer and

Chief Accounting Officer)

## Exhibit (15.1)

May 2, 2024

Securities and Exchange Commission

100 F Street, N.E.

Washington, DC 20549

Commissioners:

We are aware that our report dated May 2, 2024 on our review of interim financial statements of Ecolab Inc., which appears in this Quarterly Report on Form 10-Q, is incorporated by reference in the Registration Statements on Form S-3 (Registration No. 333-275302) and Form S-8 (Registration Nos. 2-90702; 33-18202; 33-55986; 33-56101; 33-34000, 33-56151, 33-56125, 33-60266; 333-95043; 333-109890; 333-18627; 333-109891; 333-70835; 333-95041; 333-40239; 333-95037; 333-50969; 333-58360; 333-97927; 333-115567; 333-129427; 333-129428; 333-140988; 333-115568; 333-132139; 333-147148; 333-163837; 333-163838; 333-165130; 333-165132; 333-166646; 333-174028; 333-178300; 333-178302; 333-190317; 333-199730; 333-199732; 333-226534; 333-250090; 333-271653; and 333-271654) of Ecolab Inc.

Very truly yours,

/s/ PricewaterhouseCoopers LLP

Minneapolis, Minnesota

**CERTIFICATION**

I, Christophe Beck, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended **September 30, 2023** **March 31, 2024** of Ecolab 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(s) 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 May 2, 2024

/s/ Christophe Beck  
Christophe Beck  
Chief Executive Officer

Exhibit (31.2)

### CERTIFICATION

I, Scott D. Kirkland, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 31, 2024 of Ecolab 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(s) 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and



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

Date: May 2, 2024

/s/ Scott D. Kirkland  
Scott D. Kirkland  
Chief Financial Officer

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Exhibit (32.1)

Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549

Commissioners:

We are aware that our report dated May 2, 2024 on our review of interim financial statements of Ecolab Inc., which appears in this Quarterly Report on Form 10-Q, is incorporated by reference in the Registration Statements on Form S-3 (Registration No. 333-275302) and Form S-8 (Registration Nos. 2-90702; 33-18202; 33-55986; 33-56101; 33-34000, 33-56151, 33-56125, 33-60266; 333-95043; 333-109890; 333-18627; 333-109891; 333-70835; 333-95041; 333-40239; 333-95037; 333-50969; 333-58360; 333-97927; 333-115567; 333-129427; 333-129428; 333-140988; 333-115568; 333-132139; 333-147148; 333-163837; 333-163838; 333-165130; 333-165132; 333-166646; 333-174028; 333-178300; 333-178302; 333-190317; 333-199730; 333-199732; 333-226534; 333-250090; 333-271653; and 333-271654) of Ecolab Inc.

Very truly yours,

/s/ PricewaterhouseCoopers LLP  
Minneapolis, Minnesota

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Section 1350 Certifications Exhibit (31.1)

Pursuant to 18 U.S.C. Section 1350, each of the undersigned officers of Ecolab Inc. does hereby **CERTIFICATION**

I, Christophe Beck, certify that:

- the Quarterly Report I have reviewed this quarterly report on Form 10-Q of Ecolab Inc., for the quarter ended September 30, 2023
- (a) 1. (the "Report") fully complies with the requirements March 31, 2024 of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and Ecolab 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;
- (b)

3. Based on my knowledge, the financial statements, and other financial information contained included in the Report this report, fairly presents, present in all material respects the financial condition, and results of operations and cash flows of Ecolab Inc. the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) 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(s) 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 2, 2023 Date:  
May 2, 2024

Christophe Beck  
Chief Executive Officer

Dated: November 2, 2023 /s/  
Christophe Beck  
\_\_\_\_\_  
Christophe Beck

/s/ Scott D. Kirkland  
\_\_\_\_\_

Scott D. Kirkland Chief Executive  
Officer

**CERTIFICATION**

I, Scott D. Kirkland, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended **September 30, 2023** **March 31, 2024** of Ecolab 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(s) 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **November 2, 2023** **May 2, 2024**

/s/ Scott D. Kirkland  
 Scott D. Kirkland  
 Chief Financial Officer

November 2, 2023

Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549

Commissioners:

We are aware that our report dated November 2, 2023 May 2, 2024 on our review of interim financial statements of Ecolab Inc., which appears in this Quarterly Report on Form 10-Q, is incorporated by reference in the Registration Statements on Form S-3 (Registration No. 333-275302) and Form S-8 (Registration Nos. 2-90702; 33-18202; 33-55986; 2-90702; 33-18202; 33-55986; 33-56101; 33-34000, 33-56151, 33-56125, 33-60266; 333-95043; 333-109890; 33-34000; 33-56151; 333-18627; 333-109891; 33-56125; 333-70835; 33-60266; 333-95041; 333-40239; 333-95037; 333-50969; 333-58360; 333-97927; 333-115567; 333-129427; 333-129428; 333-140988; 333-115568; 333-132139; 333-147148; 333-163837; 333-163838; 333-165130; 333-165132; 333-166646; 333-174028; 333-178300; 333-178302; 333-190317; 333-199730; 333-199732; 333-226534; 333-250090; 333-271653; and 333-271654) of Ecolab Inc.

Very truly yours,

/s/ PricewaterhouseCoopers LLP  
Minneapolis, Minnesota

**CERTIFICATION**

I, Christophe Beck, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 31, 2024 of Ecolab 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(s) 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2024

/s/ Christophe Beck

Christophe Beck

Chief Executive Officer

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Exhibit (31.2)

**CERTIFICATION**

I, Scott D. Kirkland, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 31, 2024 of Ecolab 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(s) 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2024

/s/ Scott D. Kirkland

Scott D. Kirkland

Chief Financial Officer

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Exhibit (32.1)

#### Section 1350 Certifications

Pursuant to 18 U.S.C. Section 1350, each of the undersigned officers of Ecolab Inc. does hereby certify that:

- (a) the Quarterly Report on Form 10-Q of Ecolab Inc. for the quarter ended March 31, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Ecolab Inc.

Dated: May 2, 2024

/s/ Christophe Beck

Christophe Beck

Chief Executive Officer

Dated: May 2, 2024

/s/ Scott D. Kirkland

Scott D. Kirkland

Chief Financial Officer

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