

REFINITIV

DELTA REPORT

10-Q

IEX - IDEX CORP /DE/

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

The following comparison report has been automatically generated

TOTAL DELTAS 1232

■ CHANGES	182
■ DELETIONS	721
■ ADDITIONS	329

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

Form 10-Q

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

For the quarterly period ended

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

OR

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

For the transition period from

to

Commission File Number: **1-10235**

INDEX CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

36-3555336

(State or other jurisdiction of
incorporation or organization)

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

3100 Sanders Road, Suite 301, Northbrook, Illinois

60062

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: **(847) 498-7070**

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, par value \$0.01 per share

IEX

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 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

Number of shares of common stock of INDEX Corporation outstanding as of **October 20, 2023** **April 19, 2024**: **75,625,539**, **75,695,352**.

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Cautionary Statement Under the Private Securities Litigation Reform Act

This quarterly report on Form 10-Q, including the "Overview," "Results of Operations" and "Liquidity and Capital Resources" sections of this Management's Discussion and Analysis of Financial Condition and Results of Operations, contains "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995, as

amended. These statements may relate to, among other things, the Company's full year 2024 focus and the assumptions underlying these expectations, plant and equipment capacity for future growth, planned production, anticipated future acquisition behavior and capital deployment, inventory recalibration and future order stabilization and lead time, expectations regarding market sector contraction, recovery, stabilization or growth, availability and sufficiency of cash and financing alternatives and the anticipated benefits of the Company's recent acquisitions, and are indicated by words or phrases such as "anticipates," "estimates," "plans," "guidance," "expects," "projects," "forecasts," "should," "could," "will," "management believes," "the Company believes," "the Company intends" and similar words or phrases. These statements are subject to inherent uncertainties and risks that could cause actual results to differ materially from those anticipated at the date of this report.

The risks and uncertainties include, but are not limited to, the following: levels of industrial activity and economic conditions in the U.S. and other countries around the world, including uncertainties in the financial markets; pricing pressures, including inflation and rising interest rates, and other competitive factors and levels of capital spending in certain industries; the impact of catastrophic weather events, natural disasters and public health threats; economic and political consequences resulting from terrorist attacks and wars; the Company's ability to make acquisitions and to integrate and operate acquired businesses on a profitable basis; cybersecurity incidents; the relationship of the U.S. dollar to other currencies and its impact on pricing and cost competitiveness; political and economic conditions in foreign countries in which the Company operates; developments with respect to trade policy and tariffs; interest rates; capacity utilization and the effect this has on costs; labor markets; supply chain conditions; market conditions and material costs; risks related to environmental, social and corporate governance issues, including those related to climate change and sustainability; and developments with respect to contingencies, such as litigation and environmental matters.

Additional factors that could cause actual results to differ materially from those reflected in the forward-looking statements include, but are not limited to, the risks discussed in the "Risk Factors" section included in the Company's most recent annual report on Form 10-K and the Company's subsequent quarterly reports filed with the Securities and Exchange Commission ("SEC") and the other risks discussed in the Company's filings with the SEC. The forward-looking statements included here are only made as of the date of this report, and management undertakes no obligation to publicly update them to reflect subsequent events or circumstances, except as may be required by law. Investors are cautioned not to rely unduly on forward-looking statements when evaluating the information presented here.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

INDEX CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 (In millions, except per share amounts)
 (unaudited)

		Three Months				Three Months Ended March 31,	2024	2023			
		Ended September 30,		Nine Months Ended September 30,							
		2023	2022	2023	2022						
Net sales	Net sales	\$793.4	\$824.0	\$2,485.0	\$2,371.2						
Cost of sales	Cost of sales	443.8	442.2	1,374.9	1,290.0						
Gross profit	Gross profit	349.6	381.8	1,110.1	1,081.2						
Selling, general and administrative expenses	Selling, general and administrative expenses	165.9	161.9	529.9	483.7						
Restructuring expenses and asset impairment	Restructuring expenses and asset impairment	4.1	17.7	8.2	21.1						
Operating income	Operating income	179.6	202.2	572.0	576.4						
Gain on sale of business		(93.8)	(34.8)	(93.8)	(34.8)						
Other (income)	Other (income)										
expense - net	expense - net	(2.1)	(1.0)	5.6	(3.3)						
Interest expense		13.7	9.6	40.1	28.6						
Interest expense - net											

Income before income taxes	Income before income taxes	261.8	228.4	620.1	585.9
Provision for income taxes	Provision for income taxes	52.8	49.7	132.8	129.2
Net income	Net income	209.0	178.7	487.3	456.7
Net loss attributable to noncontrolling interest	Net loss attributable to noncontrolling interest	0.1	—	0.2	0.2
Net income attributable to IDEX	Net income attributable to IDEX	\$209.1	\$178.7	\$ 487.5	\$ 456.9
<i>Earnings per common share:</i>	<i>Earnings per common share:</i>				
Basic earnings per common share attributable to IDEX	Basic earnings per common share attributable to IDEX				
Basic earnings per common share attributable to IDEX	Basic earnings per common share attributable to IDEX				
Basic earnings per common share	Basic earnings per common share				
attributable to IDEX	attributable to IDEX				
INDEX	INDEX	\$ 2.76	\$ 2.37	\$ 6.44	\$ 6.02
Diluted earnings per common share	Diluted earnings per common share				
attributable to IDEX	attributable to IDEX				
INDEX	INDEX	\$ 2.75	\$ 2.36	\$ 6.42	\$ 6.00
<i>Share data:</i>	<i>Share data:</i>				
Share data:	Share data:				
Basic weighted average common shares outstanding	Basic weighted average common shares outstanding				
Basic weighted average common shares outstanding	Basic weighted average common shares outstanding				
Basic weighted average common shares outstanding	Basic weighted average common shares outstanding				
Basic weighted average common shares outstanding	Basic weighted average common shares outstanding				
Diluted weighted average common shares outstanding	Diluted weighted average common shares outstanding				
Diluted weighted average common shares outstanding	Diluted weighted average common shares outstanding				
Diluted weighted average common shares outstanding	Diluted weighted average common shares outstanding				
Diluted weighted average common shares outstanding	Diluted weighted average common shares outstanding				

See Notes to Condensed Consolidated Financial Statements

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INDEX CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)
(unaudited)

	Net income	Three Months Ended September 30,		Nine Months Ended September 30,		
		2023	2022	2023	2022	
		\$ 209.0	\$ 178.7	\$ 487.3	\$ 456.7	
Other comprehensive loss:						
Net income						
Net income						
Other comprehensive (loss) income:						
Other comprehensive (loss) income:						
Other comprehensive (loss) income:						
Pension and other postretirement adjustments, net of tax						
Pension and other postretirement adjustments, net of tax						
Pension and other postretirement adjustments, net of tax	Pension and other postretirement adjustments, net of tax	(0.3)	0.6	(0.8)	1.8	
Cumulative translation adjustment	Cumulative translation adjustment	(58.1)	(94.9)	(19.2)	(196.3)	
Other comprehensive loss		(58.4)	(94.3)	(20.0)	(194.5)	
Cumulative translation adjustment						
Cumulative translation adjustment						
Other comprehensive (loss) income						
Other comprehensive (loss) income						
Other comprehensive (loss) income						
Comprehensive income						
Comprehensive income						
Comprehensive income	Comprehensive income	150.6	84.4	467.3	262.2	
Comprehensive loss attributable to noncontrolling interest	Comprehensive loss attributable to noncontrolling interest	0.1	—	0.2	0.2	
Comprehensive loss attributable to noncontrolling interest						
Comprehensive loss attributable to noncontrolling interest						
Comprehensive income attributable to IDEX	Comprehensive income attributable to IDEX	\$ 150.7	\$ 84.4	\$ 467.5	\$ 262.4	
Comprehensive income attributable to IDEX						
Comprehensive income attributable to IDEX						

See Notes to Condensed Consolidated Financial Statements

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INDEX CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in millions, except per share amounts)
(unaudited)

		September 30, 2023	December 31, 2022		March 31, 2024	December 31, 2023
ASSETS	ASSETS					
Current assets	Current assets					
Current assets						
Current assets						
Cash and cash equivalents	Cash and cash equivalents	\$ 562.7	\$ 430.2			
Receivables - net of allowance for credit losses of \$6.9 and \$8.0, respectively		430.6	442.8			
Cash and cash equivalents						
Cash and cash equivalents						
Receivables - net						
Inventories - net	Inventories - net	446.6	470.9			
Other current assets	Other current assets	78.3	55.4			
Total current assets	Total current assets	1,518.2	1,399.3			
Property, plant and equipment - net of accumulated depreciation of \$539.6 and \$516.7, respectively		421.5	382.1			
Property, plant and equipment - net of accumulated depreciation of \$556.1 and \$545.7, respectively						
Goodwill	Goodwill	2,677.3	2,638.1			
Intangible assets - net	Intangible assets - net	919.6	947.8			
Other noncurrent assets	Other noncurrent assets	133.0	144.6			
Total assets	Total assets	\$ 5,669.6	\$ 5,511.9			
LIABILITIES AND EQUITY	LIABILITIES AND EQUITY					
Current liabilities	Current liabilities					
Current liabilities						
Trade accounts payable						
Trade accounts payable						
Trade accounts payable	Trade accounts payable	\$ 176.3	\$ 208.9			
Accrued expenses	Accrued expenses	262.0	289.1			
Current portion of long-term borrowings - net		0.7	—			
Current portion of long-term borrowings						
Dividends payable	Dividends payable	48.5	45.6			

Total current liabilities	Total current liabilities	487.5	543.6
Long-term borrowings - net	Long-term borrowings - net	1,320.8	1,468.7
Deferred income taxes	Deferred income taxes	279.3	264.2
Other noncurrent liabilities	Other noncurrent liabilities	194.8	195.8
Total liabilities	Total liabilities	2,282.4	2,472.3

Commitments and contingencies ([Note 17](#))

Commitments and contingencies ([Note 14](#))

Shareholders' equity

Preferred stock:

Authorized: 5,000,000 shares, \$.01 per share par value; Issued: None

Preferred stock:

Authorized: 5.0 million shares, \$.01 per share par value; Issued: None

Authorized: 5.0 million shares, \$.01 per share par value; Issued: None

Authorized: 5.0 million shares, \$.01 per share par value; Issued: None

Common stock:

Authorized: 150,000,000 shares, \$.01 per share par value

Issued: 89,962,648 shares at September 30, 2023 and 90,064,988 shares at December 31, 2022

0.9

0.9

Authorized: 150.0 million shares, \$.01 per share par value

Authorized: 150.0 million shares, \$.01 per share par value

Authorized: 150.0 million shares, \$.01 per share par value

Issued: 90.1 million shares at March 31, 2024 and 90.1 million shares at December 31, 2023

Issued: 90.1 million shares at March 31, 2024 and 90.1 million shares at December 31, 2023

Issued: 90.1 million shares at March 31, 2024 and 90.1 million shares at December 31, 2023

Treasury stock at cost: 14.2 million shares at March 31, 2024 and 14.3 million shares at December 31, 2023

Additional paid-in capital

Additional paid-in capital

836.1

817.2

Retained earnings	Retained earnings	3,874.0	3,531.7
Treasury stock at cost: 14,337,849 shares at September 30, 2023 and 14,451,032 shares at December 31, 2022			
		(1,177.7)	(1,184.3)
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(146.2)	(126.2)
Total shareholders' equity	Total shareholders' equity	3,387.1	3,039.3
Noncontrolling interest	Noncontrolling interest	0.1	0.3
Total equity	Total equity	3,387.2	3,039.6
Total liabilities and equity	liabilities and equity	\$ 5,669.6	\$ 5,511.9

See Notes to Condensed Consolidated Financial Statements

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INDEX CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(Dollars in millions)
(unaudited)

	Accumulated Other Comprehensive Loss									
	Common			Stock and Treasury						
	Stock and		Retained		Cumulative Translation		Retirement		Shareholders'	
	Paid-In Capital	Earnings	Adjustment		Benefits	Adjustment	Treasury Stock	Equity	Noncontrolling Interest	Total Equity
Balance, June 30, 2023	\$ 835.1	\$ 3,713.4	\$ (98.2)	\$ 10.4	\$ (1,182.0)	\$ 3,278.7	\$ 0.2	\$ 3,278.9		
Net income (loss)	—	209.1	—	—	—	—	209.1	(0.1)	209.0	
Cumulative translation adjustment	—	—	(58.1)	—	—	—	(58.1)	—	(58.1)	
Net change in retirement obligations (net of tax of \$—)	—	—	—	(0.3)	—	—	(0.3)	—	(0.3)	
Net issuance of 29,360 shares of common stock (net of tax of \$0.4)	—	—	—	—	—	4.3	4.3	—	4.3	
Share-based compensation	1.9	—	—	—	—	—	1.9	—	1.9	
Cash dividends declared - \$0.64 per common share outstanding	—	(48.5)	—	—	—	—	(48.5)	—	(48.5)	
Balance, September 30, 2023	\$ 837.0	\$ 3,874.0	\$ (156.3)	\$ 10.1	\$ (1,177.7)	\$ 3,387.1	\$ 0.1	\$ 3,387.2		

	Common								
	Stock and			Treasury					
	Common Stock		Additional	Treasury Stock	Treasury	Accumulated Other	Retained	Shareholders'	Noncontrolling
	Shares	Paid-In Capital	Shares	Stock	Stock	Comprehensive Loss	Earnings	Equity	Interest
Balance, December 31, 2023	90.1	\$ 839.9	14.3	\$ (1,187.0)	\$ (45.8)	\$ 3,934.3	\$ 3,541.4	\$ (0.2)	\$ 3,541.2
Net income (loss)	—	—	—	—	—	121.4	121.4	(0.1)	121.3
Cumulative translation adjustment	—	—	—	—	(64.3)	—	(64.3)	—	(64.3)
Net change in retirement obligations (net of tax of \$0.0)	—	—	—	—	(0.1)	—	(0.1)	—	(0.1)
Net issuance of shares of common stock (net of tax of \$2.2)	—	—	(0.1)	7.7	—	—	7.7	—	7.7
Share-based compensation	—	12.5	—	—	—	—	12.5	—	12.5
Balance, March 31, 2024	90.1	\$ 852.4	14.2	\$ (1,179.3)	\$ (110.2)	\$ 4,055.7	\$ 3,618.6	\$ (0.3)	\$ 3,618.3

Accumulated Other Comprehensive Loss									
Common		Accumulated Other Comprehensive Loss							
Stock and		Retained		Retirement		Total			
Additional		Earnings		Cumulative Translation	Benefits	Treasury	Shareholders'	Noncontrolling	
Paid-In Capital		Earnings		Adjustment	Adjustment	Stock	Equity	Interest	Total Equity

Balance, June 30, 2022	\$ 810.0	\$ 3,313.8	\$ (163.6)	\$ (6.2)	\$ (1,165.8)	\$ 2,788.2	\$ (0.2)	\$ 2,788.0
Net income	—	178.7	—	—	—	178.7	—	178.7
Cumulative translation adjustment	—	—	(94.9)	—	—	(94.9)	—	(94.9)
Net change in retirement obligations (net of tax of \$—)	—	—	—	0.6	—	0.6	—	0.6
Net issuance of 28,034 shares of common stock (net of tax of \$0.4)	—	—	—	—	3.6	3.6	—	3.6
Repurchase of 166,433 shares of common stock	—	—	—	—	(30.9)	(30.9)	—	(30.9)
Share-based compensation	2.9	—	—	—	—	2.9	—	2.9
Cash dividends declared - \$0.60 per common share outstanding	—	(45.4)	—	—	—	(45.4)	—	(45.4)
Balance, September 30, 2022	\$ 812.9	\$ 3,447.1	\$ (258.5)	\$ (5.6)	\$ (1,193.1)	\$ 2,802.8	\$ (0.2)	\$ 2,802.6

Balance, December 31, 2022	\$ 818.1	\$ 3,531.7	\$ (137.1)	\$ 10.9	\$ (1,184.3)	\$ 3,039.3	\$ 0.3	\$ 3,039.6
Net income (loss)	—	487.5	—	—	—	487.5	(0.2)	487.3
Cumulative translation adjustment	—	—	(19.2)	—	—	(19.2)	—	(19.2)
Net change in retirement obligations (net of tax of \$(0.2))	—	—	—	(0.8)	—	(0.8)	—	(0.8)
Net issuance of 120,767 shares of common stock (net of tax of \$2.5)	—	—	—	—	7.7	7.7	—	7.7
Repurchase of 5,400 shares of common stock	—	—	—	—	(1.1)	(1.1)	—	(1.1)
Share-based compensation	18.9	—	—	—	—	18.9	—	18.9
Cash dividends declared - \$1.92 per common share outstanding	—	(145.2)	—	—	—	(145.2)	—	(145.2)
Balance, September 30, 2023	\$ 837.0	\$ 3,874.0	\$ (156.3)	\$ 10.1	\$ (1,177.7)	\$ 3,387.1	\$ 0.1	\$ 3,387.2

Common	Common							
	Stock and		Common					
	Common Stock	Additional	Treasury Stock	Treasury	Accumulated Other	Retained	Shareholders'	Noncontrolling
Shares	Paid-In Capital	Shares	Stock	Comprehensive Loss	Earnings	Equity	Interest	Total Equity
Balance, December 31, 2022	90.1	\$ 818.1	14.5	\$ (1,184.3)	\$ (126.2)	\$ 3,531.7	\$ 3,039.3	\$ 0.3
Net income	—	—	—	—	—	139.8	139.8	—
Cumulative translation adjustment	—	—	—	—	36.6	—	36.6	—
Net change in retirement obligations (net of tax of \$(0.2))	—	—	—	—	0.4	—	0.4	—
Net issuance of shares of common stock (net of tax of \$1.8)	—	—	(0.1)	0.3	—	—	0.3	—
Share-based compensation	—	12.8	—	—	—	—	12.8	—
Balance, March 31, 2023	90.1	\$ 830.9	14.4	\$ (1,184.0)	\$ (89.2)	\$ 3,671.5	\$ 3,229.2	\$ 0.3

Common	Accumulated Other Comprehensive Loss							
Stock and	Accumulated Other Comprehensive Loss							
Additional	Retained	Cumulative Translation	Benefits	Treasury	Shareholders'	Noncontrolling	Total	
Paid-In Capital	Earnings	Adjustment	Adjustment	Stock	Equity	Interest		Total Equity
Balance, December 31, 2021	\$ 796.5	\$ 3,126.5	\$ (62.2)	\$ (7.4)	\$ (1,050.3)	\$ 2,803.1	\$ —	\$ 2,803.1
Net income (loss)	—	456.9	—	—	—	456.9	(0.2)	456.7

Cumulative translation adjustment	—	—	(196.3)	—	—	(196.3)	—	(196.3)
Net change in retirement obligations (net of tax of \$0.7)	—	—	—	1.8	—	1.8	—	1.8
Net issuance of 117,656 shares of common stock (net of tax of \$2.5)	—	—	—	—	3.9	3.9	—	3.9
Repurchase of 788,623 shares of common stock	—	—	—	—	(146.7)	(146.7)	—	(146.7)
Share-based compensation	16.4	—	—	—	—	16.4	—	16.4
Cash dividends declared - \$1.80 per common share outstanding	—	(136.3)	—	—	—	(136.3)	—	(136.3)
Balance, September 30, 2022	\$ 812.9	\$ 3,447.1	\$ (258.5)	\$ (5.6)	\$ (1,193.1)	\$ 2,802.8	\$ (0.2)	\$ 2,802.6

See Notes to Condensed Consolidated Financial Statements

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INDEX CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(unaudited)

		Nine Months Ended September 30,		Three Months Ended March 31, 2024		2023
		2023	2022			
Cash flows from operating activities	Cash flows from operating activities					
Net income	Net income	\$ 487.3	\$ 456.7			
Net income	Net income					
Adjustments to reconcile net income to net cash flows provided by operating activities:	Adjustments to reconcile net income to net cash flows provided by operating activities:					
Gain on sale of business	(93.8)	(34.8)				
Asset impairments	0.8	17.0				
Credit loss on note receivable from collaborative partner	7.7	—				
Depreciation	Depreciation	41.9	37.0			
Amortization of intangible assets	Amortization of intangible assets	70.6	49.2			
Share-based compensation expense	Share-based compensation expense	18.9	16.4			
Deferred income taxes	Deferred income taxes	(1.8)	0.2			
Changes in (net of the effect from acquisitions/divestitures and foreign currency translation):						
Receivables		11.6	(62.5)			
Inventories		24.5	(99.6)			
Changes in (net of the effect from acquisitions and foreign currency translation):						

Receivables - net				
Receivables - net				
Receivables - net				
Inventories -				
net				
Other current assets	Other current assets	0.3	(4.8)	
Trade accounts payable	Trade accounts payable	(30.2)	25.6	
Deferred revenue	Deferred revenue	5.6	(24.7)	
Accrued expenses	Accrued expenses	(34.0)	13.1	
Other - net	Other - net	6.3	1.3	
Net cash flows provided by operating activities	Net cash flows provided by operating activities	515.7	390.1	
Cash flows from investing activities	Cash flows from investing activities			
Capital expenditures	Capital expenditures	(68.3)	(48.0)	
Acquisition of businesses, net of cash acquired		(110.3)	(232.6)	
Proceeds from sale of business, net of cash remitted		110.3	49.4	
Capital expenditures				
Capital expenditures				
Purchases of marketable securities	Purchases of marketable securities	(24.6)	—	
Other - net	Other - net	2.9	6.8	
Net cash flows used in investing activities	Net cash flows used in investing activities	(90.0)	(224.4)	
Cash flows from financing activities	Cash flows from financing activities			
Borrowings under revolving credit facilities		—	40.0	
Payments under revolving credit facilities		—	(40.0)	
Proceeds from issuance of 5.13% Senior Notes		100.0	—	
Payment of 3.20% Senior Notes		(100.0)	—	
Payments under Term Facility		(150.0)	—	
Cash dividends paid to shareholders	Cash dividends paid to shareholders	(142.3)	(132.2)	
Net proceeds from stock option exercises		7.7	3.9	

Repurchases of common stock	(1.1)	(146.3)
Cash dividends paid to shareholders		
Cash dividends paid to shareholders		
Proceeds from share issuances, net of shares withheld for taxes		
Other - net	Other - net	(1.0) —
Net cash flows used in financing activities	Net cash flows used in financing activities	(286.7) (274.6)
Effect of exchange rate changes on cash and cash equivalents	Effect of exchange rate changes on cash and cash equivalents	(6.5) (65.8)
Net increase (decrease) in cash and cash equivalents		132.5 (174.7)
Net increase in cash and cash equivalents		
Cash and cash equivalents at beginning of year	Cash and cash equivalents at beginning of year	430.2 855.4
Cash and cash equivalents at end of period	Cash and cash equivalents at end of period	\$562.7 \$680.7
Supplemental cash flow information	Supplemental cash flow information	
Supplemental cash flow information		
Supplemental cash flow information		
Cash paid for:		
Cash paid for:		
Cash paid for:	Cash paid for:	
Interest	Interest	\$ 30.5 \$ 18.9
Income taxes		147.1 129.5
Interest		
Interest		
Income taxes - net		

See Notes to Condensed Consolidated Financial Statements

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INDEX CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(unaudited)

1. Basis of Presentation and Significant Accounting Policies

The Condensed Consolidated Financial Statements of INDEX Corporation ("INDEX" or the "Company") have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") applicable to interim financial information and the instructions to Form 10-Q under the Securities Exchange Act of 1934, as amended. The statements are unaudited but include all adjustments, consisting only of recurring items, except as noted, that the Company considers necessary for a fair

presentation of the information set forth herein. The results of operations for the three and nine months ended **September 30, 2023** **March 31, 2024** are not necessarily indicative of the results to be expected for the entire year.

The Condensed Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations set forth in this report should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**.

Recently Adopted Issued Accounting Standards

The In November 2023, the Financial Accounting Standards Board establishes changes ("FASB") issued Accounting Standards Update ("ASU") 2023-07, Segment Reporting (Topic 280): Improvements to U.S. GAAP Reportable Segment Disclosures, which improves the disclosures required for reportable segments in the form Company's annual and interim financial statements, primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 is effective for annual periods beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. Adoption of accounting standards updates ("ASUS") this ASU should be applied retrospectively to all prior periods presented in the Accounting Standards Codification ("ASC") financial statements. Early adoption is permitted. The Company considers is currently evaluating the applicability and impact of all ASUs. Any recent ASUs were assessed and determined to be either not applicable or are expected to have an immaterial impact the adoption of this standard on the Company's Condensed Consolidated Financial Statements. Statements and disclosures.

In December 2023, the FASB issued ASU 2023-09, Improvements to Income Tax Disclosures, which requires public entities, on an annual basis, to disclose standard categories in tax rate reconciliations, additional information for reconciling items that meet a quantitative threshold and income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for annual periods beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the impact of the adoption of this standard on the Consolidated Financial Statements and disclosures.

2. Acquisitions and Divestitures

All of the Company's acquisitions of businesses have been accounted for under **ASC Accounting Standards Codification ("ASC") 805, Business Combinations**. Accordingly, the assets and liabilities of the acquired companies, after adjustments to reflect the fair values assigned to the assets and liabilities, have been included in the Company's Condensed Consolidated Balance Sheets from their respective dates of acquisition. The results of operations of **Nexsight, LLC** and its businesses **EnviroSight, WinCan, MyTana and Pipeline Renewal Technologies ("Nexsight")** (acquired February 28, 2022), **KZ CO. ("KZ Valve")** (acquired May 2, 2022), **Muon B.V. and its subsidiaries ("Muon Group")** (acquired November 18, 2022) and **Iridian Spectral Technologies ("Iridian")** (acquired May 19, 2023) acquired have been included in the Company's Condensed Consolidated Statements of Income since the their respective dates of acquisition. The results of operations of **Micropump, Inc. ("Micropump")** (sold on August 3, 2023) and **Knight LLC ("Knight")** (sold on September 9, 2022) have been included in the Company's Condensed Consolidated Statements of Income through the respective dates of disposition. Supplemental pro forma information has not been provided as the acquisitions did not have a material impact on the Company's Condensed Consolidated Financial Statements individually or in the aggregate. In addition, the divestitures did not represent a strategic shift that had a major effect on operations and financial results and, therefore, did not qualify for presentation as discontinued operations.

2023 Acquisitions

Iridian

On May 19, 2023, the Company acquired Iridian in a stock acquisition. Iridian is a global leader in designing and manufacturing thin-film, multi-layer optical filters serving the laser communications, telecommunications and life sciences markets and expands the Company's array of optical technology offerings. Headquartered in Ottawa, Ontario, Canada, Iridian operates in the Company's Scientific Fluidics & Optics reporting unit within the Health & Science Technologies ("HST") segment. Iridian was acquired for cash consideration of \$110.3 million. The entire purchase price was funded with cash on hand. Goodwill and intangible assets recognized as part of this transaction were \$53.6 million and \$45.6 million, respectively. The goodwill is not deductible for tax purposes.

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The Company made makes a preliminary allocation of the purchase price for the Iridian each acquisition as of the acquisition date based on its understanding of the fair value of the acquired assets and assumed liabilities. These nonrecurring fair value measurements are classified as Level 3 in the fair value hierarchy. As the Company continues to obtain additional information, primarily related to the valuations of these assets and liabilities, and continues to integrate the newly acquired business, the Company will refine the estimates of fair value and more accurately allocate the purchase price. price through the completion of the measurement period, which is not to exceed one year from the date of acquisition. Only items identified as of the acquisition date are considered for subsequent adjustment.

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2023 Acquisitions

Iridian

On May 19, 2023, the Company acquired Iridian Spectral Technologies ("Iridian") in a stock acquisition. Iridian is a global leader in designing and manufacturing thin-film, multi-layer optical filters serving the laser communications, telecommunications and life sciences markets and expands the Company's array of optical technology offerings. Headquartered in Ottawa, Canada, Iridian operates in the Company's Scientific Fluidics & Optics reporting unit within the Health & Science Technologies segment. Iridian was acquired for cash consideration of \$109.8 million. The Company will continue to make required adjustments to the entire purchase price allocation prior to the completion was funded with cash on hand. Goodwill and intangible assets recognized as part of the measurement period, this transaction were \$52.7 million and \$45.6 million, respectively. The goodwill is not deductible for tax purposes.

The As of March 31, 2024, the preliminary allocation of the purchase price to the assets acquired and liabilities assumed, based on their estimated fair values at the acquisition date, is as follows:

	Total
Current assets, net of cash acquired	\$ 10.6
Property, plant and equipment	19.9
Goodwill	53.6 52.7
Intangible assets	45.6
Other noncurrent assets	5.4
Total assets acquired	135.1 134.2
Current liabilities	(1.2)
Deferred income taxes	(18.7)(18.3)
Other noncurrent liabilities	(4.9)
Net assets acquired	\$ 110.3 109.8

Acquired intangible assets consist of trade names, customer relationships and unpatented technology. The goodwill recorded for the acquisition reflects the strategic fit, revenue and earnings growth potential of this business.

The acquired intangible assets and weighted average amortization periods are as follows:

	Total	Weighted Average Life
Trade names	\$ 5.2	15
Customer relationships	29.3	12
Unpatented technology	11.1	11
Acquired intangible assets	\$ 45.6	

2022 Acquisitions

Nexsight STC

On February 28, 2022 December 14, 2023, the Company acquired Nexsight STC Material Solutions ("STC") in a partial stock and partial asset acquisition. Nexsight complements and creates synergies with STC specializes in the Company's existing iPEK and ADS business units that design and create sewer crawlers, inspection manufacturing of technical ceramics and monitoring systems hermetic sealing products for critical applications in the semiconductor, aerospace and software applications that allow teams to identify, anticipate defense, industrial technology, medical technology and correct wastewater system issues remotely, energy markets. Headquartered in Randolph, New Jersey, Nexsight St. Albans, Vermont, with additional operations in Santa Ana, California, STC operates in the Company's Water Scientific Fluidics & Optics reporting unit within the Fluid Health & Metering Science Technologies ("FMT") segment. Nexsight STC was acquired for cash consideration of \$112.5 million \$200.4 million. The entire purchase price was funded with cash on hand. Goodwill and intangible assets recognized as part of this transaction were \$54.7 million \$104.5 million and \$49.8 million \$92.3 million, respectively. The goodwill is partially not deductible for tax purposes.

The Company finalized the allocation of the purchase price for the Nexsight acquisition as of the acquisition date based on its understanding of the fair value of the acquired assets and assumed liabilities. These nonrecurring fair value measurements are classified as Level 3 in the fair value hierarchy.

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INDEX CORPORATION NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Dollars in millions, except per share amounts) (unaudited)

The final allocation As of the purchase price to the assets acquired and liabilities assumed, based on their estimated fair values at the acquisition date, is as follows:

	Total
Current assets, net of cash acquired	\$ 16.6
Property, plant and equipment	2.0
Goodwill	54.7
Intangible assets	49.8
Other noncurrent assets	4.3
Total assets acquired	127.4
Current liabilities	(9.2)
Deferred income taxes	(1.9)
Other noncurrent liabilities	(3.8)
Net assets acquired	\$ 112.5

Acquired intangible assets consist of trade names, customer relationships and software. The goodwill recorded for the acquisition reflects the strategic fit, revenue and earnings growth potential of this business.

The acquired intangible assets and weighted average amortization periods are as follows:

	Total	Weighted Average Life
Trade names	\$ 13.5	15
Customer relationships	31.5	10
Software	4.8	5
Acquired intangible assets	\$ 49.8	

KZValve

On May 2, 2022 March 31, 2024, the Company acquired KZValve in an asset acquisition. KZValve is a leading manufacturer of electric valves and controllers used primarily in agricultural applications. KZValve augments and expands INDEX's agricultural portfolio, complementing Banjo's current fluid management solutions for these applications. Headquartered in Greenwood, Nebraska, KZValve operates in the Company's Agriculture reporting unit within the FMT segment. KZValve was acquired for cash consideration of \$120.1 million. The entire purchase was funded with cash on hand. Goodwill and intangible assets recognized as part of this transaction were \$56.4 million and \$52.0 million, respectively. The goodwill is deductible for tax purposes.

The Company finalized the allocation of the purchase price for the KZValve acquisition as of the acquisition date based on its understanding of the fair value of the acquired assets and assumed liabilities. These nonrecurring fair value measurements are classified as Level 3 in the fair value hierarchy.

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The final preliminary allocation of the purchase price to the assets acquired and liabilities assumed, based on their estimated fair values at the acquisition date, is as follows:

	Total
Current assets, net of cash acquired	\$ 9.7 16.9
Property, plant and equipment	1.8 12.5
Goodwill	56.4 104.5
Intangible assets	52.0 92.3
Other noncurrent assets	2.9
Total assets acquired	229.1
Current liabilities	(5.5)
Deferred income taxes	0.2 (20.5)
Other noncurrent assets	1.0
Total assets acquired	121.1
Current liabilities	(1.0) (2.7)
Net assets acquired ⁽¹⁾	\$ 120.1 200.4

⁽¹⁾ The Company finalized the purchase price of STC, resulting in a \$1.6 million downward adjustment to the purchase price. Funds were received by the Company in April 2024.

Acquired intangible assets consist of trade names, customer relationships and unpatented technology. The goodwill recorded for the acquisition reflects the strategic fit, revenue and earnings growth potential of this business.

The acquired intangible assets and weighted average amortization periods are as follows:

		Weighted Average					
		Total	Life	Total		Weighted Average Life	
Trade names	Trade names	\$ 7.5	15	Trade names	\$ 9.3	15	15
Customer relationships	Customer relationships	36.0	13	Customer relationships	63.0	15	15
Unpatented technology	Unpatented technology	8.5	10	Unpatented technology	20.0	11	11
Acquired intangible assets	Acquired intangible assets	\$52.0					

Muon Group

On November 18, 2022, the Company acquired the stock of Muon Group. Muon Group manufactures highly precise flowpaths in a variety of materials that enable the movement of various liquids and gases in critical applications for medical, semiconductor, food processing, digital printing and filtration technologies. Muon Group maintains operations in Hapert, the Netherlands; Eerbeek, the Netherlands; Wijchen, the Netherlands; Dorset, United Kingdom and Pune, India and operates in the Company's Scientific Fluidics & Optics reporting unit within the HST segment. Muon Group was acquired for cash consideration of \$713.0 million. The purchase price was funded with \$342.6 million of cash on hand, \$170.4 million of proceeds from the Company's Revolving Credit Facility and \$200.0 million of proceeds from the Company's Term Facility. Goodwill and intangible assets recognized as part of this transaction were \$394.4 million and \$319.1 million, respectively. The goodwill is not deductible for tax purposes. Acquisition-Related Costs

The Company made incurred \$1.3 million and \$1.1 million of acquisition-related costs during the three months ended March 31, 2024 and 2023, respectively. These costs were recorded in Selling, general and administrative expenses and were related to completed transactions, pending transactions and potential transactions, including transactions that ultimately were not completed. The Company also recorded a preliminary allocation \$2.5 million fair value inventory step-up charge associated with the completed 2023 acquisition of STC in Cost of sales during the purchase price for three months ended March 31, 2024.

3. Business Segments

INDEX has three reportable business segments: Fluid & Metering Technologies ("FMT"), Health & Science Technologies ("HST") and Fire & Safety/Diversified Products ("FSDP"). When determining these reportable segments, the Muon Group acquisition as of the acquisition date Company aggregated operating segments based on its understanding of their similar economic and operating characteristics.

Information on the fair value of the acquired assets and assumed liabilities. These nonrecurring fair value measurements are classified as Level 3 in the fair value hierarchy. As the Company continues to obtain additional information, primarily related to the valuations of these assets and liabilities, and continues to integrate the newly acquired Company's business the Company will refine the estimates of fair value and more accurately allocate the purchase price. Only items identified as of the acquisition date are considered for subsequent adjustment. segments is presented below. The Company will continue uses Adjusted EBITDA as its principal measure of segment performance. Intersegment sales are contracted with terms equivalent to make required adjustments to the purchase price allocation prior to the completion those of the measurement period, an arm's-length transaction.

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	Three Months Ended March 31,	
	2024	2023
NET SALES		
Fluid & Metering Technologies		
External customers	\$ 313.5	\$ 321.1
Intersegment sales	0.2	0.7
Total segment sales	313.7	321.8
Health & Science Technologies		
External customers	309.4	350.3

Intersegment sales	0.7	0.7
Total segment sales	310.1	351.0
Fire & Safety/Diversified Products		
External customers	177.6	174.0
Intersegment sales	0.4	0.4
Total segment sales	178.0	174.4
Intersegment eliminations	(1.3)	(1.8)
Net sales	\$ 800.5	\$ 845.4
ADJUSTED EBITDA		
Fluid & Metering Technologies	\$ 105.4	\$ 106.2
Health & Science Technologies	81.4	100.7
Fire & Safety/Diversified Products	51.4	49.7
Segment Adjusted EBITDA	238.2	256.6
Corporate and other ⁽¹⁾	(29.9)	(26.8)
Adjusted EBITDA	208.3	229.8
Interest expense - net	(9.4)	(13.1)
Depreciation	(16.2)	(12.8)
Amortization of intangible assets	(24.6)	(23.6)
Fair value inventory step-up charges	(2.5)	—
Restructuring expenses and asset impairments	(1.1)	(0.5)
Income before income taxes	\$ 154.5	\$ 179.8

⁽¹⁾Corporate expenses that can be identified with a segment have been included in determining segment results. The remainder is included in Corporate and other.

	March 31, 2024	December 31, 2023
ASSETS		
Fluid & Metering Technologies	\$ 1,702.6	\$ 1,674.7
Health & Science Technologies	3,193.6	3,262.4
Fire & Safety/Diversified Products	804.3	792.6
Corporate and other	188.9	135.5
Total assets	\$ 5,889.4	\$ 5,865.2

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The preliminary allocation of the purchase price to the assets acquired and liabilities assumed, based on their estimated fair values at the acquisition date, is as follows:

	Total
Current assets, net of cash acquired	\$ 52.0
Property, plant and equipment	59.1
Goodwill	394.4
Intangible assets	319.1
Other noncurrent assets	9.6
Total assets acquired	834.2
Current liabilities	(26.7)
Deferred income taxes	(83.8)
Other noncurrent liabilities	(10.7)
Net assets acquired	\$ 713.0

Acquired intangible assets consist of trade names, customer relationships and unpatented technology. The goodwill recorded for the acquisition reflects the strategic fit, revenue and earnings growth potential of this business.

The acquired intangible assets and weighted average amortization periods are as follows:

	Total	Weighted Average Life
Trade names	\$ 38.3	15
Customer relationships	212.4	13
Unpatented technology	68.4	11
Acquired intangible assets	<u><u>\$ 319.1</u></u>	

Acquisition-Related Costs

The Company incurred \$1.8 million and \$5.4 million of acquisition-related costs during the three and nine months ended September 30, 2023, respectively, and \$2.7 million and \$5.3 million of acquisition-related costs during the three and nine months ended September 30, 2022, respectively. These costs were recorded in Selling, general and administrative expenses and were related to completed, pending and potential acquisitions, including those that ultimately were not completed.

The Company also recorded a \$1.2 million fair value inventory step-up charge associated with the completed 2023 acquisition of Iridian in Cost of sales during the three and nine months ended September 30, 2023, and \$0.1 million and \$0.3 million of fair value inventory step-up charges associated with the completed 2022 acquisitions of Nexsight and KZValve, respectively, in Cost of sales during the nine months ended September 30, 2022.

Divestitures

The Company periodically reviews its businesses for their strategic fit within its core businesses and customers and may from time to time sell various businesses or assets for a variety of reasons. Any resulting gain or loss recognized due to divestitures is recorded within Gain on sale of business in the Condensed Consolidated Statements of Income.

On August 3, 2023, the Company completed the sale of Micropump for proceeds of \$110.3 million, net of cash remitted, resulting in a pre-tax gain on the sale of \$93.8 million. The divestiture resulted in \$22.7 million of income tax expense in the Condensed Consolidated Statements of Income during the three and nine months ended September 30, 2023. Micropump was its own reporting unit and its results were reported within the HST segment.

On September 9, 2022, the Company completed the sale of Knight for proceeds of \$49.4 million, net of cash remitted, resulting in a pre-tax gain on the sale of \$34.8 million. The divestiture resulted in \$5.5 million of income tax expense in the

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INDEX CORPORATION
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Condensed Consolidated Statements of Income during the three and nine months ended September 30, 2022. The results of Knight were reported in the Water reporting unit within the FMT segment.

3. Collaborative Investments

During 2021 and 2022, a subsidiary of IDEX funded a total of \$7.2 million in promissory notes as an investment in a start-up company that provides communication technology to improve individual performance and team coordination for firefighters' responses, which aligns with IDEX's Fire & Safety/Diversified Products ("FSDP") segment's strategic plan. On a quarterly basis, the Company evaluates whether an allowance for credit losses is required for these promissory notes and measures the allowance using the current expected credit loss model. While the Company continues to retain certain convertible equity rights as well as a secured interest in the intellectual property of the start-up company, during the second quarter of 2023, IDEX concluded it would not provide additional funding to the start-up at that time. As a result of the Company's analysis of the recoverability of its investment during the second quarter of 2023, IDEX determined that its investment may no longer be recoverable. As a result, IDEX recorded a credit loss of \$7.7 million in Other expense (income) - net in the Condensed Consolidated Statements of Income and a reserve in Other noncurrent assets on the Condensed Consolidated Balance Sheets for the full amount of the principal and accrued interest outstanding.

4. Business Segments

IDEX has three reportable business segments: Fluid & Metering Technologies ("FMT"), Health & Science Technologies ("HST") and Fire & Safety/Diversified Products ("FSDP").

The FMT segment designs, produces and distributes positive displacement pumps, valves, small volume provers, flow meters, injectors and other fluid-handling pump modules and systems and provides flow monitoring and other services for the food, chemical, general industrial, water and wastewater, agriculture and energy industries. FMT application-specific pump and metering solutions serve a diverse range of end markets, including industrial infrastructure (fossil fuels, refined and alternative fuels and water and wastewater), energy, chemical processing, agriculture, food and beverage, semiconductor, pulp and paper, automotive/transportation, plastics and resins, electronics and electrical, construction and mining, pharmaceutical and biopharmaceutical, machinery and numerous other specialty niche markets.

The HST segment designs, produces and distributes a wide range of precision fluidics, positive displacement pumps, powder and liquid processing technologies, drying systems, micro-precision components, pneumatic components and sealing solutions, high performance molded and extruded sealing components, custom mechanical and shaft seals, engineered hygienic mixers and valves, biocompatible medical devices and implantables, air compressors and blowers, optical components and coatings, laboratory and commercial equipment and precision photonic solutions. HST serves a variety of end markets, including food and beverage, life sciences, analytical instruments, pharmaceutical and biopharmaceutical, industrial, semiconductor, automotive/transportation, medical/dental, energy, cosmetics, marine, chemical, wastewater and water treatment, research and aerospace/defense markets.

The FSDP segment designs, produces and distributes firefighting pumps, valves and controls, rescue tools, lifting bags and other components and systems for the fire and rescue industry, engineered stainless steel banding and clamping devices used in a variety of industrial and commercial applications in the automotive, energy and industrial markets and precision equipment for dispensing, metering and mixing colorants and paints used in a variety of retail and commercial businesses in the paint and industrial markets around the world.

Information on the Company's business segments is presented below based on the nature of the products and services offered. The Company uses Adjusted EBITDA as its principal measure of segment performance. Intersegment sales are contracted with terms equivalent to those of an arm's-length transaction.

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	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net sales				
Fluid & Metering Technologies				
External customers	\$ 300.5	\$ 307.4	\$ 945.7	\$ 878.8
Intersegment sales	0.6	0.2	2.3	0.7
Total segment sales	<u>301.1</u>	<u>307.6</u>	<u>948.0</u>	<u>879.5</u>
Health & Science Technologies				
External customers	312.7	344.3	1,001.4	984.3
Intersegment sales	0.5	0.7	2.3	1.9
Total segment sales	<u>313.2</u>	<u>345.0</u>	<u>1,003.7</u>	<u>986.2</u>
Fire & Safety/Diversified Products				
External customers	180.2	172.3	537.9	508.1
Intersegment sales	0.4	0.1	1.9	0.2
Total segment sales	<u>180.6</u>	<u>172.4</u>	<u>539.8</u>	<u>508.3</u>
Intersegment eliminations	(1.5)	(1.0)	(6.5)	(2.8)
Net sales	<u><u>\$ 793.4</u></u>	<u><u>\$ 824.0</u></u>	<u><u>\$ 2,485.0</u></u>	<u><u>\$ 2,371.2</u></u>
ADJUSTED EBITDA				
Fluid & Metering Technologies	\$ 103.6	\$ 104.4	\$ 323.9	\$ 287.8
Health & Science Technologies	84.4	101.4	278.8	304.8
Fire & Safety/Diversified Products	52.8	47.8	157.0	137.3
Segment Adjusted EBITDA	<u>240.8</u>	<u>253.6</u>	<u>759.7</u>	<u>729.9</u>
Corporate and other ⁽¹⁾	(15.3)	(22.2)	(63.7)	(64.6)
Adjusted EBITDA	<u><u>225.5</u></u>	<u><u>231.4</u></u>	<u><u>696.0</u></u>	<u><u>665.3</u></u>
Interest expense	(13.7)	(9.6)	(40.1)	(28.6)
Depreciation	(14.7)	(12.3)	(41.9)	(37.0)
Amortization	(23.8)	(17.0)	(70.6)	(49.2)
Fair value inventory step-up charges	(1.2)	—	(1.2)	(0.4)
Restructuring expenses and asset impairments	(4.1)	—	(8.2)	(2.8)
Net impact from the exit of a COVID-19 testing application ⁽²⁾	—	1.1	—	1.1
Gain on sale of business	93.8	34.8	93.8	34.8
Gains on sales of assets	—	—	—	2.7
Credit loss on note receivable from collaborative partner ⁽³⁾	—	—	(7.7)	—
Income before income taxes	<u><u>\$ 261.8</u></u>	<u><u>\$ 228.4</u></u>	<u><u>\$ 620.1</u></u>	<u><u>\$ 585.9</u></u>

⁽¹⁾Corporate expenses that can be identified with a segment have been included in determining segment results. The remainder is included in Corporate and Other.

⁽²⁾Represents the net impact of the acceleration of previously deferred revenue of \$17.9 million and an impairment charge of \$16.8 million as a result of a customer's decision to discontinue further investment in commercializing its COVID-19 testing application in the HST segment in 2022 that did not reoccur in 2023. See [Note 12](#) in the Notes to Condensed Consolidated Financial Statements for further detail.

⁽³⁾Represents a reserve recorded on an investment with a collaborative partner that may no longer be recoverable. See [Note 3](#) in the Notes to Condensed Consolidated Financial Statements for further detail.

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	September 30, 2023	December 31, 2022
ASSETS		
Fluid & Metering Technologies	\$ 1,700.0	\$ 1,676.9
Health & Science Technologies	2,997.3	2,931.1
Fire & Safety/Diversified Products	797.2	771.8
Corporate and other	175.1	132.1
Total assets	\$ 5,669.6	\$ 5,511.9

5. Revenue

Disaggregation of Revenue

The Company has a comprehensive offering of products, including technologies, built to customers' specifications that are sold in niche markets throughout the world. The Company disaggregates its revenue from contracts with customers by reporting unit and geographical region for each segment as the Company believes it best depicts how the amount, nature, timing and uncertainty of its revenue and cash flows are affected by economic factors. Revenue, or Net sales, was attributed to geographical region based on the location of the customer. The following tables present revenue disaggregated by reporting unit and geographical region.

Revenue by reporting unit for the three and nine months ended [September 30, 2023](#) [March 31, 2024](#) and [2022](#) was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Three Months Ended March 31,				
Three Months Ended March 31,				
Three Months Ended March 31,				
2024				
2024				
2024				
Pumps				
Pumps				
Pumps	Pumps	\$ 94.7	\$ 102.6	\$ 309.0
Water	Water	79.8	82.1	261.2
Water				
Water				
Energy				
Energy				
Energy	Energy	53.7	51.3	160.1
Agriculture	Agriculture	39.2	42.1	117.9
Agriculture				
Agriculture				
Valves				
Valves				

Valves	Valves	33.7	29.5	99.8	90.1
Intersegment elimination	Intersegment elimination	(0.6)	(0.2)	(2.3)	(0.7)
Intersegment elimination					
Intersegment elimination					
Fluid & Metering Technologies	Fluid & Metering Technologies	300.5	307.4	945.7	878.8
Scientific Fluidics & Optics ⁽¹⁾		162.1	172.4	509.7	462.8
Fluid & Metering Technologies					
Fluid & Metering Technologies					
Scientific Fluidics & Optics					
Scientific Fluidics & Optics					
Scientific Fluidics & Optics					
Sealing Solutions					
Sealing Solutions					
Sealing Solutions					
Performance Pneumatic Technologies	Performance Pneumatic Technologies	60.0	64.1	195.4	191.2
Sealing Solutions		59.2	64.9	186.3	203.1
Performance Pneumatic Technologies					
Performance Pneumatic Technologies					
Material Processing Technologies	Material Processing Technologies	29.7	34.6	90.4	103.1
Micropump ⁽²⁾		2.2	9.0	21.9	26.0
Material Processing Technologies					
Material Processing Technologies					
Micropump ⁽¹⁾					
Micropump ⁽¹⁾					
Micropump ⁽¹⁾					
Intersegment elimination					
Intersegment elimination					
Intersegment elimination	Intersegment elimination	(0.5)	(0.7)	(2.3)	(1.9)
Health & Science Technologies	Health & Science Technologies	312.7	344.3	1,001.4	984.3
Health & Science Technologies					
Health & Science Technologies					
Fire & Safety					
Fire & Safety					
Fire & Safety	Fire & Safety	112.0	100.6	328.0	296.1
Dispensing	Dispensing	41.9	42.8	122.8	128.2
Dispensing					
Dispensing					
BAND-IT					
BAND-IT					
BAND-IT	BAND-IT	26.7	29.0	89.0	84.0
Intersegment elimination	Intersegment elimination	(0.4)	(0.1)	(1.9)	(0.2)
Intersegment elimination					
Intersegment elimination					
Fire & Safety/Diversified Products					
Fire & Safety/Diversified Products					
Fire & Safety/Diversified Products	Fire & Safety/Diversified Products	180.2	172.3	537.9	508.1

Net sales	Net sales	\$ 793.4	\$ 824.0	\$ 2,485.0	\$ 2,371.2
Net sales					
Net sales					

⁽¹⁾ Revenue from Micropump, Inc. (sold on August 3, 2023) has been included in the Condensed Consolidated Statements of Income through the date of disposition.

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⁽¹⁾ The three and nine months ended September 30, 2022 include the acceleration of previously deferred revenue of \$17.9 million as a result of a customer's decision to discontinue further investment in commercializing its COVID-19 testing application. See [Note 12](#) for further detail.

⁽²⁾ Revenue from Micropump (sold on August 3, 2023) has been included in the Company's Condensed Consolidated Statements of Income through the date of disposition. See [Note 2](#) for further detail.

Revenue by geographical region for the three and nine months ended **September 30, 2023** **March 31, 2024** and **2022** **2023** was as follows:

Three Months Ended September 30, 2023						
	FMT	HST	FSDP	INDEX		
U.S.	\$ 168.4	\$ 139.2	\$ 94.4	\$ 402.0		
North America, excluding U.S.	15.5	3.2	8.8	27.5		
Europe	52.3	106.0	39.0	197.3		
Asia	43.1	57.8	29.0	129.9		
Other ⁽¹⁾	21.8	7.0	9.4	38.2		
Intersegment elimination	(0.6)	(0.5)	(0.4)	(1.5)		
Net sales	<u>\$ 300.5</u>	<u>\$ 312.7</u>	<u>\$ 180.2</u>	<u>\$ 793.4</u>		
Three Months Ended September 30, 2022						
	FMT	HST	FSDP	INDEX		
U.S. ⁽²⁾	\$ 178.4	\$ 175.0	\$ 93.5	\$ 446.9		
North America, excluding U.S.	20.4	3.3	8.4	32.1		
Europe ⁽²⁾	47.2	93.0	36.8	177.0		
Asia	39.1	67.4	25.4	131.9		
Other ⁽¹⁾	22.5	6.3	8.3	37.1		
Intersegment elimination	(0.2)	(0.7)	(0.1)	(1.0)		
Net sales	<u>\$ 307.4</u>	<u>\$ 344.3</u>	<u>\$ 172.3</u>	<u>\$ 824.0</u>		
Nine Months Ended September 30, 2023						
	FMT	HST	FSDP	INDEX		
Three Months Ended March 31, 2024						
Three Months Ended March 31, 2024						
Three Months Ended March 31, 2024						
	FMT	HST	FSDP	INDEX		
U.S.	U.S.	\$ 525.9	\$ 437.3	\$ 280.5	\$ 1,243.7	
North America, excluding U.S.	North America, excluding U.S.	52.8	16.6	25.4	94.8	
Europe	Europe	163.0	338.1	126.1	627.2	
Asia	Asia	137.0	189.6	80.4	407.0	
Other ⁽¹⁾	Other ⁽¹⁾	69.3	22.1	27.4	118.8	

Intersegment elimination	Intersegment elimination	(2.3)	(2.3)	(1.9)	(6.5)
Net sales	Net sales	\$945.7	\$1,001.4	\$537.9	\$2,485.0

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		Nine Months Ended September 30, 2022			
		FMT	HST	FSDP	INDEX
U.S.(2)		\$498.9	\$484.7	\$255.0	\$1,238.6
Three Months Ended March 31, 2023					
Three Months Ended March 31, 2023					
Three Months Ended March 31, 2023					
		FMT	HST	FSDP	INDEX
U.S.					
North America, excluding U.S.	North America, excluding U.S.	54.3	20.3	27.8	102.4
Europe(2)		147.7	276.8	123.8	548.3
Europe					
Asia	Asia	116.8	187.0	75.4	379.2
Other(1)	Other(1)	61.8	17.4	26.3	105.5
Intersegment elimination	Intersegment elimination	(0.7)	(1.9)	(0.2)	(2.8)
Net sales	Net sales	\$878.8	\$984.3	\$508.1	\$2,371.2

(1) Other includes: South America, Middle East, Australia and Africa.

(2) The HST segment includes the acceleration of \$17.9 million of previously deferred revenue related to a customer's decision to discontinue further investment in commercializing its COVID-19 testing application, of which \$9.5 million was recognized in the U.S. and \$8.4 million was recognized in Europe in both the three and nine months ended September 30, 2022. See [Note 12](#) for further detail.

Performance Obligations

A majority of the Company's contracts have a single performance obligation which represents, in most cases, the product being sold to the customer. Some contracts include multiple performance obligations such as a product and the related installation, extended warranty, software and/or maintenance services. For contracts with multiple performance obligations, the Company allocates the total transaction price to each performance obligation in an amount based on the estimated relative standalone selling prices of the promised products or services underlying each performance obligation.

The Company's performance obligations are satisfied either at a point in time or over time as work progresses. For performance obligations satisfied at a point in time, revenue is recognized when control transfers to the customer, typically upon shipment. For performance obligations in which the Company transfers control of a product or service over time, revenue is recognized over time as work is performed. Typically, this results when the Company performs services over time or the Company creates a product with no alternative use and has an enforceable right to payment for its performance to date. Revenue from products and services transferred to customers at a point in time comprised approximately 95% of the Company's revenue and over time was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenue from products transferred at a point in time	95 %	96 %	95 %	96 %
Revenue from products and services transferred over time	5 %	4 %	5 %	4 %

comprised approximately 5% of the Company's revenue for both the three months ended March 31, 2024 and 2023, respectively.

Contract Balances Assets and Liabilities

The timing of billings and cash collections can result in customer receivables, billings in excess of revenue recognized, advance payments or deposits. Customer receivables include both amounts billed and currently due from customers as well as unbilled amounts (contract assets) and are included in Receivables **- net** on the Condensed Consolidated Balance Sheets.

The composition of customer receivables was as follows:

	September 30, 2023	December 31, 2022	March 31, 2024	March 31, 2024	December 31, 2023
Billed receivables	Billed receivables	\$ 413.4	\$ 421.3		
Unbilled receivables	Unbilled receivables	9.4	10.0		
Total customer receivables	Total customer receivables	\$ 422.8	\$ 431.3		

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Billings in excess of revenue recognized, advance payments and deposits represent contract liabilities and are included in deferred revenue which is classified as current or noncurrent based on when the Company expects to recognize the revenue. The current portion is included in Accrued expenses and the noncurrent portion is included in Other noncurrent liabilities on the Condensed Consolidated Balance Sheets.

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The composition of deferred revenue was as follows:

	September 30, 2023	December 31, 2022	March 31, 2024	March 31, 2024	December 31, 2023
Deferred revenue - current	Deferred revenue - current	\$ 48.9	\$ 44.7		
Deferred revenue - noncurrent	Deferred revenue - noncurrent	15.8	15.0		
Total deferred revenue	Total deferred revenue	\$ 64.7	\$ 59.7		

6.5. Earnings Per Common Share

Diluted earnings per common share ("EPS") attributable to INDEX is computed by dividing Net income attributable to INDEX by the weighted average number of common shares outstanding (basic) plus common stock equivalents outstanding (diluted) for the period. Common stock equivalents consist of restricted stock, performance share units and stock options, which have been included in the calculation of weighted average common shares outstanding using the treasury stock method.

ASC 260, *Earnings Per Share* ("ASC 260"), concludes that all outstanding unvested share-based payment awards that contain rights to non-forfeitable dividends participate in undistributed earnings with common shareholders. If awards are considered participating securities, the Company is required to apply the two-class method of computing basic and diluted earnings per share. The Company has determined that its outstanding shares of restricted stock are participating securities. Accordingly, Diluted EPS attributable to INDEX was computed using the two-class method prescribed by ASC 260.

Basic weighted average common shares outstanding reconciles to diluted weighted average common shares outstanding as follows:

		Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31, 2024		2023	
		2023	2022	2023	2022				
Basic weighted average common shares outstanding	Basic weighted average common shares outstanding	75.6	75.4	75.6	75.8				
Dilutive effect of restricted stock, performance share units and stock options	Dilutive effect of restricted stock, performance share units and stock options	0.3	0.4	0.3	0.3				
Diluted weighted average common shares outstanding	Diluted weighted average common shares outstanding	75.9	75.8	75.9	76.1				

Options to purchase Share-based payment awards of approximately 0.5 million and 0.2 million shares of common stock that for the three months ended March 31, 2024 and 2023, respectively, were not included in the computation of Diluted EPS attributable to IDEX because the effect of their inclusion would have been antidilutive were as follows: antidilutive.

Antidilutive shares not included in Diluted EPS attributable to IDEX	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023		2022	
	2023	2022	2023	2022
Antidilutive shares not included in Diluted EPS attributable to IDEX	0.2	0.5	0.2	0.5

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7.6. Balance Sheet Components

INVENTORIES	September December		March 31, 2024	December 31, 2023
	30, 2023	31, 2022		
RECEIVABLES - NET				
Customers				
Customers				
Customers				
Other				
Total				
Less:				
allowance for credit losses				
Receivables - net				

INVENTORIES -			
NET			
Raw materials and component parts			
Raw materials and component parts			
Raw materials and component parts	Raw materials and component parts	\$ 289.7	\$ 301.2
Work in process	Work in process	47.0	54.3
Finished goods	Finished goods	109.9	115.4
Inventories - net	Inventories - net	\$ 446.6	\$ 470.9
ACCRUED EXPENSES	ACCRUED EXPENSES		
Payroll and related items	Payroll and related items	\$ 91.7	\$ 102.7
Payroll and related items			
Payroll and related items			
Management incentive compensation	Management incentive compensation	9.7	26.4
Income taxes payable	Income taxes payable	17.9	30.2
Insurance		10.6	11.2
Warranty		8.0	8.1
Deferred revenue			
Deferred revenue			
Deferred revenue	Deferred revenue	48.9	44.7
Lease liability	Lease liability	21.0	21.6
Restructuring		3.4	1.4
Accrued interest		13.6	5.5
Pension and retiree medical obligations		3.3	3.3
Other			
Other			
Other	Other	33.9	34.0
Accrued expenses	Accrued expenses	\$ 262.0	\$ 289.1
OTHER NONCURRENT LIABILITIES			
Pension and retiree medical obligations		\$ 53.4	\$ 55.1
Transition tax payable		5.0	9.1
Deferred revenue		15.8	15.0
Lease liability		96.9	96.6
Other		23.7	20.0
Other noncurrent liabilities		\$ 194.8	\$ 195.8

8.7. Goodwill and Intangible Assets

The changes in the carrying amount of goodwill for the **nine** three months ended **September 30, 2023** **March 31, 2024**, by reportable business segment, were as follows:

		FMT	HST	FSDP	INDEX		FMT	HST	FSDP	INDEX
		FMT					FMT			
Goodwill	Goodwill	\$800.9	\$1,644.8	\$393.0	\$2,838.7					
Accumulated goodwill impairment losses	Accumulated goodwill impairment losses	(20.7)	(149.8)	(30.1)	(200.6)					
Balance at January 1, 2023		780.2	1,495.0	362.9	2,638.1					
Balance at January 1, 2024										
Foreign currency translation	Foreign currency translation	(1.3)	(6.1)	(1.3)	(8.7)					
Acquisitions		—	53.6	—	53.6					
Measurement period adjustments	Measurement period adjustments	(1.8)	3.3	—	1.5					
Divestitures		—	(7.2)	—	(7.2)					
Balance at September 30, 2023		<u>\$777.1</u>	<u>\$1,538.6</u>	<u>\$361.6</u>	<u>\$2,677.3</u>					
Measurement period adjustments										
Measurement period adjustments										
Balance at March 31, 2024										
Balance at March 31, 2024										
Balance at March 31, 2024										

ASC 350, *Goodwill and Other Intangible Assets* ("ASC 350"), requires that goodwill be tested for impairment at the reporting unit level on an annual basis and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying value. Annually, on October 31, goodwill and other acquired intangible assets with indefinite lives are tested for impairment. Based on the results of the Company's annual impairment test at October 31, 2023, all reporting units had fair values in excess of their carrying values. During the three months ended March 31, 2024, there were no events or circumstances that would have required an interim impairment test.

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the fair value of the reporting unit below its carrying value. In the first nine months of 2023, there were no events or circumstances that would have required an interim impairment test. Annually, on October 31, goodwill and other acquired intangible assets with indefinite lives are tested for impairment. Based on the results of the Company's annual impairment test at October 31, 2022, all reporting units had fair values in excess of their carrying values.

The following table provides the gross carrying value and accumulated amortization for each major class of intangible asset at **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**:

		At September 30, 2023			At December 31, 2022			At March 31, 2024			At December 31, 2023		
		Gross		Weighted	Gross			Gross	Weighted	Gross	Weighted	Gross	Weighted
		Carrying	Accumulated	Average	Carrying	Accumulated	Average	Carrying	Accumulated	Carrying	Accumulated	Carrying	Accumulated
		Amount	Amortization	Net	Amount	Amortization	Net	Amount	Amortization	Net	Amount	Amortization	Net
Amortized intangible assets:	Amortized intangible assets:												

Patents										
Patents										
Patents	Patents	\$ 2.8	\$ (2.0)	\$ 0.8	12	\$ 2.9	\$ (1.8)	\$ 1.1		
Trade names	Trade names	180.8	(71.5)	109.3	15	186.5	(71.4)	115.1		
Customer relationships	Customer relationships	793.7	(225.0)	568.7	13	772.2	(184.9)	587.3		
Unpatented technology	Unpatented technology	210.5	(63.9)	146.6	12	207.1	(57.8)	149.3		
Software	Software	4.8	(1.5)	3.3	5	4.8	(0.7)	4.1		
Total amortized intangible assets	Total amortized intangible assets	1,192.6	(363.9)	828.7		1,173.5	(316.6)	856.9		
Indefinite-lived intangible assets:	Indefinite-lived intangible assets:									
Banjo trade name	Banjo trade name	62.1	—	62.1		62.1	—	62.1		
Banjo trade name										
Banjo trade name										
Akron Brass trade name	Akron Brass trade name	28.8	—	28.8		28.8	—	28.8		
Total intangible assets	Total intangible assets	\$1,283.5	\$ (363.9)	\$919.6		\$1,264.4	\$ (316.6)	\$947.8		

The Banjo trade name and the Akron Brass trade name names are indefinite-lived intangible assets which are tested for impairment on an annual basis in accordance with ASC 350 or more frequently if events or changes in circumstances indicate that the assets might be impaired. Based on the results of the Company's annual impairment test at **October 31, 2022** **October 31, 2023**, these indefinite-lived intangible assets had fair values in excess of their carrying values. In During the first nine three months of 2023, ended March 31, 2024, there were no events or circumstances that would have required an interim impairment test on these indefinite-lived intangible assets.

Amortization of intangible assets was \$23.8 million \$24.6 million and \$70.6 million \$23.6 million for the three and nine months ended September 30, 2023, respectively. Amortization of intangible assets was \$17.0 million March 31, 2024 and \$49.2 million for the three and nine months ended September 30, 2022 2023, respectively. Based on the intangible asset balances as of **September 30, 2023** **March 31, 2024**, expected amortization expense for the remaining three nine months of 2023 2024 and for the years 2024 2025 through **2027** **2028** is as follows:

Maturity of Intangible Assets	Estimated Amortization	
2023 (excluding the nine months ended September 30, 2023)	\$ 23.4	
2024	90.2	
Remainder of 2024	Estimated Amortization	Estimated Amortization
2025	2025	88.8
2026	2026	87.0
2027	2027	83.2
2028		

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9.8. Borrowings

Borrowings at **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** consisted of the following:

	September 30, 2023	December 31, 2022
3.20% Senior Notes, due June 2023	\$ —	\$ 100.0
3.37% Senior Notes, due June 2025	100.0	100.0
5.13% Senior Notes, due June 2028	100.0	—
3.00% Senior Notes, due May 2030	500.0	500.0
2.625% Senior Notes, due June 2031	500.0	500.0
\$800.0 million Revolving Credit Facility, due November 2027 ⁽¹⁾	76.9	77.7
\$200.0 million Term Facility, due November 2027 ⁽²⁾	50.0	200.0
Other borrowings	2.5	0.1
Total borrowings	1,329.4	1,477.8
Less current portion	0.7	—
Less deferred debt issuance costs	6.8	7.9
Less unaccreted debt discount	1.1	1.2
Long-term borrowings	\$ 1,320.8	\$ 1,468.7

	March 31, 2024	December 31, 2023
3.37% Senior Notes, due June 2025 (the "3.37% Senior Notes")	100.0	100.0
5.13% Senior Notes, due June 2028 (the "5.13% Senior Notes")	100.0	100.0
3.00% Senior Notes, due May 2030 (the "3.00% Senior Notes")	500.0	500.0
2.625% Senior Notes, due June 2031 (the "2.625% Senior Notes")	500.0	500.0
\$800.0 million Revolving Facility, due November 2027 (the "Revolving Facility") ⁽¹⁾	78.8	81.0
\$200.0 million Term Facility, due November 2027 (the "Term Facility") ⁽²⁾	50.0	50.0
Other borrowings	2.1	2.3
Total borrowings	1,330.9	1,333.3
Less: current portion	0.7	0.6
Less: deferred debt issuance costs	6.3	6.5
Less: unaccreted debt discount	1.0	1.1
Long-term borrowings	\$ 1,322.9	\$ 1,325.1

⁽¹⁾ At **September 30, 2023** **March 31, 2024**, there was **\$76.9 million** **\$78.8 million** outstanding under the Revolving **Credit Facility** with a weighted average interest rate of **2.95%** and **\$7.2 million** **\$3.4 million** of outstanding letters of credit, resulting in a net available borrowing capacity under the Revolving **Credit Facility** of approximately **\$715.9 million** **\$717.8 million**. The weighted-average interest rate for borrowings outstanding under the Revolving Facility was **5.02%** and **4.22%** as of **March 31, 2024** and **December 31, 2023**, respectively.

⁽²⁾ The **Term Facility** has a weighted average **weighted-average** interest rate of **6.10%**. During the third quarter of 2023, the Company repaid **\$150.0 million** of the **\$200.0 million** previously for borrowings outstanding under the **Term Facility**. Facility was **6.66%** and **6.22%** as of **March 31, 2024** and **December 31, 2023**, respectively.

At **September 30, 2023** **March 31, 2024**, the Company was in compliance with the covenants contained in the credit agreement associated with the Revolving **Credit Facility** as well as other long-term debt agreements.

Issuance of 5.13% Senior Notes in 2023

On June 13, 2023, the Company completed a private placement of \$100 million aggregate principal amount of 5.13% Senior Notes due June 13, 2028 (the "5.13% Senior Notes") pursuant to a Note Purchase and Master Note Agreement, dated as of June 13, 2023 (the "Purchase Agreement"), among the Company, NYL Investors LLC ("New York Life") and certain affiliates of New York Life identified as Purchasers of the 5.13% Senior Notes therein. The 5.13% Senior Notes are unsecured obligations of the Company and

rank pari passu in right of payment with all of the Company's other unsecured, unsubordinated debt. The Company used the proceeds from the 5.13% Senior Notes issuance to repay the 3.20% Senior Notes due June 13, 2023.

The Company may at any time prepay all, or any portion of the 5.13% Senior Notes, provided that such portion is not less than 5% of the aggregate principal amount of all notes then outstanding under the Purchase Agreement. In the event of a prepayment, the Company will pay an amount equal to par plus accrued interest plus a make-whole amount. The Company also has the ability to make certain other offers to repurchase any notes outstanding under the Purchase Agreement.

The Purchase Agreement contains certain covenants that restrict the Company's and its subsidiaries' ability to, among other things, transfer or sell assets, create liens, incur indebtedness, transact with affiliates and engage in certain mergers or consolidations. In addition, the Company must comply with a leverage ratio, interest coverage ratio and priority debt ratio as set forth in the Purchase Agreement. The Purchase Agreement provides for customary events of default. In the case of an event of default arising from specified events of bankruptcy or insolvency, all notes then outstanding under the Purchase Agreement will become due and payable immediately without further action or notice. In the case of payment events of default, any holder of

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such notes affected thereby may declare all of the notes outstanding under the Purchase Agreement held by it due and payable immediately. In the case of any other event of default, a majority of the holders of the notes then outstanding under the Purchase Agreement may declare all of such notes to be due and payable immediately, in each case subject to certain cure and notice provisions.

10.9. Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures*, defines fair value, provides guidance for measuring fair value and requires certain disclosures. This standard discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow) and the cost approach (cost to replace the service capacity of an asset or replacement cost). The standard utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

- Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs, other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs that reflect the reporting entity's own assumptions.

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The following table summarizes the basis used to measure the Company's financial assets (liabilities) at fair value on a recurring basis in the balance sheets at **September 30, 2023**, **March 31, 2024** and **December 31, 2022**.

		Basis of Fair Value		Measurements		Basis of Fair Value Measurements
		September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023	
		Level 1	Level 1	Level 1	Level 1	
Trading securities - mutual funds held in nonqualified SERP ₍₁₎	Trading securities - mutual funds held in nonqualified SERP ₍₁₎	\$ 9.1	\$ 7.5			
Available-for-sale securities - equities ₍₂₎	Available-for-sale securities - equities ₍₂₎	24.6	—			

(1) The Supplemental Executive Retirement Plan ("SERP") investment assets are offset by a SERP liability which represents the Company's obligation to distribute SERP funds to participants. The SERP investment assets and liability are included in Other noncurrent assets and Other noncurrent liabilities, respectively, on the Condensed Consolidated Balance Sheets.

(2) At September 30, 2023, the The securities are included in Other current assets on the Company's Condensed Consolidated Balance Sheets and are available for overnight cash settlement, if necessary, to fund current operations.

There were no transfers of assets or liabilities between Level 1 and Level 2 during the three and nine months ended September 30, 2023 March 31, 2024 or the year ended December 31, 2022 December 31, 2023.

The carrying values of the Company's cash and cash equivalents, accounts receivable, marketable securities, accounts payable and accrued expenses approximate fair value because of the short-term nature of these instruments.

The following table provides the fair value of the outstanding indebtedness described in Note 9.8, "Borrowings," which is based on quoted market prices and current market rates for debt with similar credit risk and maturity, as well as the carrying value. These fair value measurements are classified as Level 2 within the fair value hierarchy since they are determined based upon significant inputs observable in the market, including interest rates on recent financing transactions to entities with a credit rating similar to the Company's rating.

	September 30, 2023		December 31, 2022	
	Fair Value	Carrying Amount	Fair Value	Carrying Amount
Total Borrowings, less deferred debt issuance costs	\$ 1,135.4	\$ 1,328.3	\$ 1,328.7	\$ 1,476.6
 				
	March 31, 2024		December 31, 2023	
	Fair Value	Carrying Amount	Fair Value	Carrying Amount
Total Borrowings, less unaccreted debt discount	\$ 1,239.7	\$ 1,329.9	\$ 1,203.5	\$ 1,332.2

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11. Leases

The Company has commitments under operating leases for certain office facilities, warehouses, manufacturing plants, equipment (which includes both office and plant equipment) and vehicles used in its operations. Leases with an initial term of 12 months or less are not recorded on the balance sheet and the Company recognizes lease expense for these leases on a straight-line basis over the lease term.

Certain leases can include one or more options to renew. The exercise of lease renewal options is at the Company's sole discretion. The Company does not include renewal periods in any of the leases' terms until the renewal is executed as they are generally not reasonably certain of being exercised. The Company does not have any material purchase options.

Certain of the Company's lease agreements contain provisions for future rent increases or have rental payments that are adjusted periodically for inflation or based on usage. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Company does not have any significant leases that have not yet commenced.

Supplemental balance sheet information related to leases as of September 30, 2023 and December 31, 2022 was as follows:

	Balance Sheet Caption	September 30, 2023	December 31, 2022
Right-of-Use ("ROU") Assets:			
Building ROU assets - net	Other noncurrent assets	\$ 106.3	\$ 104.4
Equipment ROU assets - net	Other noncurrent assets	6.5	5.6
Total ROU assets - net		\$ 112.8	\$ 110.0
Lease Liabilities:			
Current lease liabilities	Accrued expenses	\$ 21.0	\$ 21.6
Noncurrent lease liabilities	Other noncurrent liabilities	96.9	96.6

Total lease liabilities	\$ 117.9	\$ 118.2
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The components of lease cost for the three and nine months ended September 30, 2023 and 2022 were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Fixed lease cost ⁽¹⁾	\$ 8.5	\$ 11.4	\$ 24.2	\$ 27.8
Variable lease cost	0.6	0.6	1.9	1.8
Total lease cost	\$ 9.1	\$ 12.0	\$ 26.1	\$ 29.6

⁽¹⁾ Includes short-term leases, which are immaterial.

Supplemental cash flow information related to leases for the nine months ended September 30, 2023 and 2022 was as follows:

	Nine Months Ended September 30,	
	2023	2022
Cash paid for amounts included in the measurement of lease liabilities	\$ 24.8	\$ 28.1
Right-of-use assets obtained in exchange for new lease liabilities	17.6	7.1

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Other supplemental information related to leases as of September 30, 2023 and December 31, 2022 was as follows:

	September 30, 2023	December 31, 2022
Lease Term and Discount Rate		
Weighted-average remaining lease term (years):		
Building and equipment	7.14	7.43
Vehicles	2.61	2.14
Weighted-average discount rate:		
Building and equipment	3.68 %	3.41 %
Vehicles	2.81 %	1.70 %

The Company uses its incremental borrowing rate to determine the present value of the lease payments.

Total lease liabilities at September 30, 2023 have scheduled maturities as follows:

Maturity of Lease Liabilities		
2023 (excluding the nine months ended September 30, 2023)	\$	6.4
2024		19.6
2025		22.3
2026		19.5
2027		15.5
Thereafter		52.0
Total lease payments		135.3
Less: Imputed interest		(17.4)
Present value of lease liabilities	\$	117.9

12. Restructuring Expenses and Asset Impairments

From time to time, the Company incurs expenses to facilitate long-term sustainable growth through cost reduction actions, consisting of employee reductions, facility rationalization and contract termination costs. These costs include severance costs, exit costs and asset impairments and are included in Restructuring expenses and asset

impairments in the Condensed Consolidated Statements of Income. Severance costs primarily consist of severance benefits through payroll continuation, COBRA subsidies, outplacement services, conditional separation costs and employer tax liabilities, while exit costs primarily consist of lease exit and contract termination costs.

2023 Initiative

During the three and nine months ended September 30, 2023, the Company incurred severance costs related to employee reductions in conjunction with cost mitigation efforts as a result of current market conditions, contract termination costs and asset impairments.

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Pre-tax restructuring expenses and asset impairments by segment for the three and nine months ended September 30, 2023 were as follows:

	Three Months Ended September 30, 2023				
	Severance Costs	Exit Costs	Asset Impairments	Total	
Fluid & Metering Technologies	\$ 0.8	\$ 0.6	\$ 0.3	\$ 1.7	
Health & Science Technologies	1.5	—	—	1.5	
Fire & Safety/Diversified Products	0.4	—	—	0.4	
Corporate/Other	0.5	—	—	0.5	
Restructuring expenses and asset impairments	<u>\$ 3.2</u>	<u>\$ 0.6</u>	<u>\$ 0.3</u>	<u>\$ 4.1</u>	

	Nine Months Ended September 30, 2023				
	Severance Costs	Exit Costs	Asset Impairments	Total	
Fluid & Metering Technologies	\$ 1.0	\$ 0.6	\$ 0.8	\$ 2.4	
Health & Science Technologies	4.5	—	—	4.5	
Fire & Safety/Diversified Products	0.8	—	—	0.8	
Corporate/Other	0.5	—	—	0.5	
Restructuring expenses and asset impairments	<u>\$ 6.8</u>	<u>\$ 0.6</u>	<u>\$ 0.8</u>	<u>\$ 8.2</u>	

2022 Initiative

During the three and nine months ended September 30, 2022, the restructuring costs incurred by the Company primarily related to asset impairments. In addition, the Company also incurred severance costs related to employee reductions.

In the second quarter of 2020, the Company engaged in the development of a COVID-19 testing application with a customer at one of the Company's businesses in the HST segment. As part of this contract, the customer fully funded the \$28.7 million investment needed to complete the development and production of microfluidic cartridges during 2020 and 2021. The costs incurred by the Company were primarily recorded as Property, plant and equipment – net in the Condensed Consolidated Balance Sheets and were being depreciated over the expected life of the assets, while the reimbursement was recorded as Deferred revenue in the Condensed Consolidated Balance Sheets and was being recognized as units were shipped.

In the third quarter of 2022, the Company was informed by the customer of its decision to discontinue further investment in commercializing its COVID-19 testing application. This event was deemed a triggering event, which required an interim impairment test be performed on the Property, plant and equipment related to this contract, resulting in an impairment charge of \$16.8 million that was recorded as Restructuring expenses and asset impairments in the Condensed Consolidated Statements of Income during three and nine months ended September 30, 2022. In addition, the Company accelerated previously deferred revenue of \$17.9 million related to units that are no longer expected to be shipped and recorded it as Net sales in the Condensed Consolidated Statements of Income during the three and nine months ended September 30, 2022.

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Pre-tax restructuring expenses and asset impairments by segment for the three and nine months ended September 30, 2022 were as follows:

	Three Months Ended September 30, 2022				
	Severance Costs	Exit Costs	Asset Impairments	Total	

Fluid & Metering Technologies	\$ 0.1	\$ —	\$ —	\$ 0.1
Health & Science Technologies	0.4	—	16.8	17.2
Fire & Safety/Diversified Products	0.4	—	—	0.4
Corporate/Other	—	—	—	—
Restructuring expenses and asset impairments	\$ 0.9	\$ —	\$ 16.8	\$ 17.7

Nine Months Ended September 30, 2022						
	Severance Costs	Exit Costs	Asset Impairments	Total		
Fluid & Metering Technologies	\$ 1.6	\$ 0.3	\$ 0.2	\$	2.1	
Health & Science Technologies	0.6	—	16.8		17.4	
Fire & Safety/Diversified Products	1.4	—	—		1.4	
Corporate/Other	0.2	—	—		0.2	
Restructuring expenses and asset impairments	\$ 3.8	\$ 0.3	\$ 17.0	\$	21.1	

Restructuring accruals reflected in Accrued expenses in the Company's Condensed Consolidated Balance Sheets are as follows:

	Restructuring Initiatives
Balance at January 1, 2023	\$ 1.4
Restructuring expenses	7.4
Payments, utilization and other	(5.4)
Balance at September 30, 2023	\$ 3.4

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13.10. Accumulated Other Comprehensive Loss

The components of **Other Accumulated other** comprehensive loss are as follows:

	Three Months Ended September 30, 2023			Three Months Ended September 30, 2022		
	Pre-tax	Tax	Net of tax	Pre-tax	Tax	Net of tax
Cumulative translation adjustment	\$ (58.1)	\$ —	\$ (58.1)	\$ (94.9)	\$ —	\$ (94.9)
Pension and other postretirement adjustments	(0.3)	—	(0.3)	0.6	—	0.6
Total other comprehensive loss	\$ (58.4)	\$ —	\$ (58.4)	\$ (94.3)	\$ —	\$ (94.3)

	Pension and Other Postretirement		Accumulated Other Comprehensive
	Cumulative Translation Adjustment	Adjustments	Loss
Balance, December 31, 2023 ⁽¹⁾	\$ (49.3)	\$ 3.5	\$ (45.8)
Other comprehensive loss before reclassification adjustments	(64.3)	—	(64.3)
Gain reclassified from Accumulated other comprehensive loss ⁽²⁾⁽³⁾	—	(0.1)	(0.1)
Tax benefit	—	—	—
Net other comprehensive loss ⁽¹⁾	(64.3)	(0.1)	(64.4)
Balance, March 31, 2024 ⁽¹⁾	(113.6)	3.4	(110.2)

	Nine Months Ended September 30, 2023			Nine Months Ended September 30, 2022		
	Pre-tax	Tax	Net of tax	Pre-tax	Tax	Net of tax
Cumulative translation adjustment	\$ (19.2)	\$ —	\$ (19.2)	\$ (196.3)	\$ —	\$ (196.3)
Pension and other postretirement adjustments	(1.0)	0.2	(0.8)	2.5	(0.7)	1.8

Total other comprehensive loss	\$ (20.2)	\$ 0.2	\$ (20.0)	\$ (193.8)	\$ (0.7)	\$ (194.5)
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	Cumulative Translation Adjustment	Pension and Other Postretirement		Accumulated Other Comprehensive	
		Adjustments		Loss	
Balance, December 31, 2022 ⁽¹⁾	\$ (137.1)	\$ 10.9	\$ (126.2)		
Other comprehensive income before reclassification adjustments	36.6	—	36.6		
Loss reclassified from Accumulated other comprehensive loss ⁽²⁾⁽³⁾	—	0.6	0.6		
Tax benefit	—	(0.2)	(0.2)		
Net other comprehensive income ⁽¹⁾	36.6	0.4	37.0		
Balance, March 31, 2023 ⁽¹⁾	(100.5)	11.3	(89.2)		

The amounts reclassified from Accumulated other comprehensive loss to Net income during⁽¹⁾ Amounts are presented net of tax.

⁽²⁾ Included in the three and nine months ended September 30, 2023 and 2022 are as follows: computation of net periodic cost. See Note 13, "Retirement Benefits."

⁽³⁾ Included in Other (income) expense - net in the Condensed Consolidated Statements of Income.

	Three Months Ended September 30,		Nine Months Ended September 30,		Income Statement Caption
	2023	2022	2023	2022	
Pension and other postretirement plans:					
Amortization of actuarial (gains) losses and prior service costs	\$ (0.3)	\$ 0.6	\$ (1.0)	\$ 2.5	Other (income) expense - net
Total before tax	(0.3)	0.6	(1.0)	2.5	
Provision for income taxes	—	—	0.2	(0.7)	
Total net of tax	\$ (0.3)	\$ 0.6	\$ (0.8)	\$ 1.8	

14.11. Share Repurchases

On March 17, 2020, the Company's Board of Directors approved an increase of \$500.0 million in the authorized level of repurchases of common stock. This approval is in addition to the prior repurchase authorization of the Board of Directors of \$300.0 million on December 1, 2015. These authorizations have no expiration date. Repurchases under There were no share repurchases during the program will be funded with future cash flow generation or borrowings available under the Revolving Credit Facility. During the nine three months ended September 30, 2023, the Company repurchased a total of 5,400 shares at a cost of \$1.1 million. During the nine months ended September 30, 2022, the Company repurchased a total of 788,623 shares at a cost of \$146.3 million, of which \$0.5 million was settled in October 2022. March 31, 2024 and 2023. As of September 30, 2023 March 31, 2024, the amount of share repurchase authorization remaining was \$562.8 million \$539.7 million.

15.12. Share-Based Compensation

The Company typically grants equity awards annually at its regularly scheduled first quarter meeting of the Board of Directors based on the recommendation from the Compensation Committee.

The Company's policy is to recognize compensation cost on a straight-line basis, assuming forfeitures, over the requisite service period for the entire award. Classification of stock share-based compensation cost within the Condensed Consolidated Statements of Income is consistent with the classification of cash compensation for the same employees.

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Stock Options

Stock options granted under the Company's plans are generally non-qualified and are granted with an exercise price equal to the market price of the Company's stock on the date of grant. The fair value of each option grant was estimated on the date of the grant using the Black Scholes valuation model. Stock options generally vest ratably over four years, with vesting beginning one year from the date of grant, and generally expire 10 years from the date of grant. The service period for certain retiree eligible participants is accelerated. Weighted average stock option The assumptions used in determining the fair values and assumptions for value of the periods presented are disclosed below.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Weighted average fair value of grants	\$56.47	\$52.91	\$60.49	\$41.90

Dividend yield	1.20%	1.16%	1.07%	1.14%
Volatility	26.78%	25.99%	27.17%	25.16%
Risk-free interest rate	4.26%	3.35%	4.12%	1.87%
Expected life (in years)	4.50	4.90	4.50	4.90

Total compensation cost for stock options is recorded in the Condensed Consolidated Statements of Income for the respective periods as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Cost of sales	\$ 0.1	\$ 0.1	\$ 0.5	\$ 0.4
Selling, general and administrative expenses ⁽¹⁾	1.0	0.7	8.2	6.6
Total expense before income taxes	1.1	0.8	8.7	7.0
Income tax benefit	(0.2)	(0.1)	(0.8)	(0.6)
Total expense after income taxes	\$ 0.9	\$ 0.7	\$ 7.9	\$ 6.4

⁽¹⁾ The three months ended September 30, 2023 include \$0.4 million of higher expense due to timing of accelerated stock compensation costs for retiree eligible participants, net of \$0.2 million of executive forfeitures compared with the same period in 2022. The nine months ended September 30, 2023 include \$1.5 million of higher expense compared with the same period in 2022 as it relates to the timing of accelerated stock compensation costs for retiree eligible participants.

	Three Months Ended March 31,	
	2024	2023
Weighted average fair value of grants	\$63.74	\$60.80
Dividend yield	1.09%	1.06%
Volatility	26.67%	27.19%
Risk-free interest rate	4.31%	4.12%
Expected life (in years)	4.60	4.50

A summary of the Company's stock option activity as of **September 30, 2023** **March 31, 2024** and changes during the **nine** **three** months ended **September 30, 2023** **March 31, 2024** are presented in the following table:

As of **September 30, 2023** **March 31, 2024**, there was **\$10.0 million** **\$14.5 million** of total unrecognized compensation cost related to stock options that is expected to be recognized over a weighted-average period of **1.5** **1.6** years.

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Restricted Stock

Restricted stock awards generally cliff vest after three years for employees and non-employee directors. The service period for certain retiree eligible participants is accelerated. Unvested restricted stock carries dividend and voting rights and the sale of the shares is restricted prior to the date of vesting. Dividends are paid on restricted stock awards and their fair value is equal to the market price of the Company's stock at the date of the grant. A summary of the Company's restricted stock activity as of **September 30, 2023** **March 31, 2024** and changes during the **nine** **three** months ended **September 30, 2023** **March 31, 2024** are presented in the following table:

Restricted Stock	Weighted-Average Grant Date Fair		
	Shares	Value	
Unvested at January 1, 2023	104,382	\$	179.45
Granted	41,075		219.72
Vested	(22,992)		173.91
Forfeited	(12,220)		201.97
Unvested at September 30, 2023	<u>110,245</u>	<u>\$</u>	<u>193.11</u>

Total compensation cost for restricted stock is recorded in the Condensed Consolidated Statements of Income as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Cost of sales	\$ 0.1	\$ —	\$ 0.4	\$ 0.2
Selling, general and administrative expenses ⁽¹⁾	1.0	2.2	4.0	5.4
Total expense before income taxes	1.1	2.2	4.4	5.6
Income tax benefit	(0.2)	(0.4)	(0.9)	(1.0)
Total expense after income taxes	<u>\$ 0.9</u>	<u>\$ 1.8</u>	<u>\$ 3.5</u>	<u>\$ 4.6</u>

⁽¹⁾ The three and nine months ended September 30, 2023 include \$1.1 million and \$0.6 million, respectively, of lower expense due to timing of accelerated stock compensation costs for retiree eligible participants compared with the same period in 2022.

Restricted Stock	Weighted-Average Grant Date Fair		
	Shares	Value	
Unvested at January 1, 2024	112,891	\$	193.03
Granted	28,545		228.93
Vested	(15,035)		198.33
Forfeited	(3,395)		206.55
Unvested at March 31, 2024	<u>123,006</u>	<u>\$</u>	<u>200.34</u>

As of **September 30, 2023** **March 31, 2024**, there was **\$7.3 million** **\$11.3 million** of total unrecognized compensation cost related to restricted stock that is expected to be recognized over a weighted-average period of 1.1 years.

Cash-Settled Restricted Stock

The Company also maintains a cash-settled share-based compensation plan for certain employees. Cash-settled restricted stock awards generally cliff vest after three years. The service period for certain retiree eligible participants is accelerated. Cash-settled restricted stock awards are recorded at fair value on a quarterly basis using the market price of the Company's stock on the last day of the quarter. At March 31, 2024 and December 31, 2023, the Company had accrued \$3.8 million and \$4.2 million, respectively, for cash-settled restricted stock in Accrued expenses in the Condensed Consolidated Balance Sheets and had accrued \$1.7 million and \$2.9 million, respectively, for cash-settled restricted stock in Other noncurrent liabilities in the Condensed Consolidated Balance Sheets. These recurring fair value measurements are classified as Level 1 in the fair value hierarchy.

Dividend equivalents are paid on certain cash-settled restricted stock awards. A summary of the Company's unvested cash-settled restricted stock activity as of **September 30, 2023** **March 31, 2024** and changes during the **nine** **three** months ended **September 30, 2023** **March 31, 2024** are presented in the following table:

<u>Cash-Settled Restricted Stock</u>	Weighted-Average	
	Shares	Fair Value
Unvested at January 1, 2024	56,655	\$ 217.11
Granted	19,760	235.01
Vested	(14,980)	235.97
Forfeited	(1,700)	244.02
Unvested at March 31, 2024	<u>59,735</u>	<u>\$ 244.02</u>

As of March 31, 2024, there was \$7.0 million of total unrecognized compensation cost related to cash-settled restricted shares that is expected to be recognized over a weighted-average period of 1.2 years.

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<u>Cash-Settled Restricted Stock</u>	Weighted-Average	
	Shares	Fair Value
Unvested at January 1, 2023	57,356	\$ 228.33
Granted	20,705	225.34
Vested	(15,981)	229.03
Forfeited	(3,420)	208.02
Unvested at September 30, 2023	<u>58,660</u>	<u>\$ 208.02</u>

Total compensation cost for cash-settled restricted stock is recorded in the Condensed Consolidated Statements of Income as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023		2022	
	\$	—	\$	—
Cost of sales	\$	—	\$	0.2
Selling, general and administrative expenses	0.6		1.1	2.1
Total expense before income taxes	0.6		1.1	2.3
Income tax benefit	—		—	(0.1)
Total expense after income taxes	\$	0.6	\$	2.2
				\$ 1.1

As of September 30, 2023, there was \$4.8 million of total unrecognized compensation cost related to cash-settled restricted shares that is expected to be recognized over a weighted-average period of 1.1 years.

Performance Share Units

Weighted average performance share unit fair values and assumptions for the periods specified are disclosed below. The performance share units are market condition awards and have been assessed at fair value on the date of grant using a Monte Carlo simulation model. The assumptions used in determining the fair value of the performance share units granted in the respective periods were as follows:

	Nine Months Ended		Three Months Ended March 31,	
	September 30,		March 31,	
	2023	2022	2024	2023
Weighted average fair value of grants				
of grants	\$308.18	\$235.54		\$349.59
Dividend yield	—%	—%	Dividend yield	—%
				—%

Volatility	Volatility	27.00%	28.09%	Volatility	22.23%	27.00%
Risk-free interest rate	Risk-free interest rate			Risk-free interest rate		
Expected life (in years)	Expected life (in years)	4.37%	1.73%	Expected life (in years)	4.45%	4.37%
2.94	2.93			2.94		2.94

A summary of the Company's performance share unit activity as of **September 30, 2023** **March 31, 2024** and changes during the **nine** **three** months ended **September 30, 2023** **March 31, 2024** are presented in the following table:

		Weighted-Average			
		Grant	Date Fair	Performance Share Units	Shares
Performance	Performance	Shares	Value		
Share Units	Share Units				
Unvested at January 1, 2023		70,915	\$236.66		
Unvested at January 1, 2024					
Granted	Granted	28,030	308.18		
Vested	Vested	(18,105)	226.86		
Forfeited	Forfeited	(12,050)	262.44		
Unvested at September 30, 2023		<u>68,790</u>	<u>\$265.22</u>		
Unvested at March 31, 2024					

On **January 31, 2023** **January 31, 2024**, **18,105** **19,200** performance share units vested. Based on the Company's relative total shareholder return rank during the **three** **year** three-year period ended **January 31, 2023** **January 31, 2024**, the Company achieved a **173%** **50%** payout factor and issued **31,334** **9,606** common shares in February **2023** **2024** for awards that vested in **2023** **2024**.

As of March 31, 2024, there was \$5.7 million of total unrecognized compensation cost related to performance share units that is expected to be recognized over a weighted-average period of 1.2 years.

Summary of Share-Based Compensation Expense

Pre-tax compensation cost is recognized in both Cost of sales and Selling, general and administrative expenses in the Condensed Consolidated Statements of Income depending on the functional area of the underlying employees. Total compensation cost related to all share-based awards was as follows:

	Three Months Ended March 31,	
	2024	2023
Stock options expense	\$ 5.4	\$ 6.0
Restricted stock expense	2.0	1.6
Cash-settled restricted stock expense	1.9	1.1
Performance share units expense	5.1	5.2
Total pre-tax share-based compensation expense	14.4	13.9
Income tax benefit	(0.9)	(0.8)
Total share-based compensation expense, net of income taxes	\$ 13.5	\$ 13.1

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Total compensation cost for performance share units is recorded in the Condensed Consolidated Statements of Income as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023		2022	
	\$	—	\$	—
Cost of sales				
Selling, general and administrative expenses ⁽¹⁾	(0.3)		0.2	
Total expense before income taxes	(0.3)		0.2	
Income tax benefit	(0.1)		—	
Total expense after income taxes	\$ (0.4)	\$ 0.2	\$ 5.4	\$ 3.9

⁽¹⁾ The three months ended September 30, 2023 include \$1.0 million of lower expense due to executive forfeitures, net of \$0.4 million of higher expense due to timing of accelerated stock compensation costs for retiree eligible participants compared with the same period in 2022. The nine months ended September 30, 2023 include \$2.0 million of higher expense as it relates to the timing of accelerated stock compensation costs for retiree eligible participants, net of \$0.7 million of executive forfeitures when compared with the same period in 2022.

As of September 30, 2023, there was \$3.1 million of total unrecognized compensation cost related to performance share units that is expected to be recognized over a weighted-average period of 1.1 years.

16.13. Retirement Benefits

The Company sponsors several qualified and nonqualified defined benefit and defined contribution pension plans as well as other post-retirement plans for its employees. The following tables provide the components of net periodic benefit cost for its major defined benefit plans and its other postretirement plans.

	Pension Benefits			
	Three Months Ended September 30,			
	2023		2022	
Service cost	\$ 0.1	\$ 0.3	\$ —	\$ 0.5
Interest cost	0.1	0.6	0.1	0.2
Expected return on plan assets	(0.1)	(0.4)	(0.1)	(0.4)
Net amortization	—	(0.1)	0.1	0.2
Net periodic cost	\$ 0.1	\$ 0.4	\$ 0.1	\$ 0.5

	Pension Benefits				Pension Benefits	
	Nine Months Ended September 30,				Three Months Ended March 31,	
	2023		2022		2024	2023
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	U.S.
Service cost	\$ 0.1	\$ 0.9	\$ 0.1	\$ 1.4		
Interest cost	0.3	2.0	0.2	0.7		
Expected return on plan assets	(0.2)	(1.2)	(0.2)	(1.0)		
Net amortization	0.1	(0.4)	0.2	0.6		
Net periodic cost	\$ 0.3	\$ 1.3	\$ 0.3	\$ 1.7		

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Other Postretirement Benefits

Other Postretirement Benefits

	Three Months Ended		Nine Months Ended		Three Months Ended March 31, 2024	2023
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022		
	2023	2022	2023	2022		
	Service cost	Service cost	\$ 0.1	\$ 0.2	\$ 0.3	\$ 0.5
Interest cost	Interest cost	0.2	0.1	0.6	0.4	
Net amortization	Net amortization	(0.2)	(0.1)	(0.7)	(0.3)	
Net periodic cost	Net periodic cost	\$ 0.1	\$ 0.2	\$ 0.2	\$ 0.6	

The Company recognizes the service cost component in both Cost of sales and Selling, general and administrative expenses in the Condensed Consolidated Statements of Income depending on the functional area of the underlying employees and the interest cost, expected return on plan assets and net amortization components in Other (income) expense (income) - net in the Condensed Consolidated Statements of Income.

The Company expects to contribute approximately \$3.9 million \$3.6 million to its defined benefit plans and \$1.1 million to its other post-retirement benefit plans in 2023. During the first nine months of 2023, the 2024. The Company contributed a total of \$3.9 million \$1.2 million and \$1.3 million to fund these plans, plans during the three months ended March 31, 2024 and 2023, respectively.

17.14. Commitments and Contingencies

The Company and certain of its subsidiaries are involved in pending and threatened legal, regulatory and other proceedings arising in the ordinary course of business. These proceedings may pertain to matters such as product liability or contract disputes, and may also involve governmental inquiries, inspections, audits or investigations relating to issues such as tax matters, intellectual property, environmental, health and safety issues, governmental regulations, employment and other matters. Although the results of such legal proceedings cannot be predicted with certainty, the Company believes that the ultimate disposition of these matters will not have a material adverse effect, individually or in the aggregate, on the Company's business, financial condition, results of operations or cash flows.

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15. Income Taxes

The Company's provision for income taxes is based upon estimated annual tax rates for the year applied to federal, state and foreign income. The provision for income taxes and the effective tax rates were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,		2023	2022		
	2023	2022	2023	2022				
Three Months Ended March 31, 2024								
Three Months Ended March 31, 2024								
Three Months Ended March 31, 2024								
2024								
2024								
2024								
Provision for income taxes								
Provision for income taxes								
Provision for income taxes	Provision for income taxes	\$ 52.8	\$ 49.7	\$ 132.8	\$ 129.2			
Effective tax rate	Effective tax rate	20.2 %	21.8 %	21.4	%	22.1 %		
Effective tax rate								
Effective tax rate								

The decrease in the effective tax rate for both the three and nine months ended September 30, 2023 is primarily due to March 31, 2024 reflects the tax impact of a discrete benefit related to the finalization of the impact tax impacts with taxing authorities of research expenditure capitalization on the foreign derived intangible income deduction and the

reduction of Global Intangible Low-Tax Income ("GILTI") as a result of the tax amortization of goodwill related to the Muon Group acquisition, previously recorded legal entity restructuring.

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

The following discussion and analysis should be read in conjunction with the Company's Condensed Consolidated Financial Statements and related notes in this quarterly report. This discussion may contain forward-looking statements based upon current expectations that involve risks and uncertainties. The Company's actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of several factors, including those set forth under Item 1A, "Risk Factors" in the Company's most recent annual report on Form 10-K and under the heading "Cautionary Statement Under the Private Securities Litigation Reform Act" discussed elsewhere in this quarterly report.

This discussion includes certain non-GAAP financial measures that have been defined and reconciled to the most directly comparable financial measure prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") under the headings "Non-GAAP Disclosures" and "Free Cash Flow." This discussion also includes Operating working capital, which has been defined under the heading "Liquidity and Capital Resources." The non-GAAP financial measures disclosed by the Company should not be considered a substitute for, or superior to, financial measures prepared in accordance with U.S. GAAP. The financial results prepared in accordance with U.S. GAAP and the reconciliations from these results should be carefully evaluated.

Overview

IDEX is an applied solutions company provider specializing in the manufacture manufacturing of fluid and metering technologies, health and science technologies and fire, safety and other diversified products built to customers' specifications. IDEX's products are sold in niche markets across a wide range of industries throughout the world. Accordingly, IDEX's businesses are affected by levels of industrial activity and economic conditions in the U.S. and in other countries where it does business, as well as by the relationship of the U.S. dollar to other currencies. Levels of capacity utilization and capital spending in certain industries and overall industrial activity are important factors that influence the demand for IDEX's products.

Third First Quarter Highlights

Select key financial results for the three months ended **September 30, 2023** **March 31, 2024** when compared to the same period in the prior year are as follows:

		Three Months Ended September 30,			Three Months Ended March 31,			
(Dollars in millions, except per share amounts)	(Dollars in millions, except per share amounts)	2023	2022	% / bps Change	(Dollars in millions, except per share amounts)	2024	2023	% / bps Change
Net sales	Net sales	\$793.4	\$824.0	(4%)	Net sales	\$ 800.5	\$ 845.4	(5%)
Adjusted net sales*	793.4	806.1	(2%)					
Organic net sales growth*			(6%)					
Change in organic net sales*								
Gross profit	Gross profit	349.6	381.8	(8%)	Gross profit	357.4	382.5	(7%)
Adjusted gross profit*	Adjusted gross profit*	350.8	363.9	(4%)	Adjusted gross profit*	359.9	382.5	(6%)
Net income attributable to IDEX	Net income attributable to IDEX	209.1	178.7	17%	Net income attributable to IDEX	121.4	139.8	(13%)
Adjusted net income attributable to IDEX*	Adjusted net income attributable to IDEX*	160.6	161.9	(1%)	Adjusted net income attributable to IDEX*	143.2	158.6	(10%)
Adjusted EBITDA*	Adjusted EBITDA*	225.5	231.4	(3%)	Adjusted EBITDA*	208.3	229.8	(9%)
Diluted EPS attributable to IDEX	Diluted EPS attributable to IDEX	2.75	2.36	17%	Diluted EPS attributable to IDEX	1.60	1.84	(13%)

Adjusted diluted EPS attributable to IDEX*	Adjusted diluted EPS attributable to IDEX*	2.12	2.14	(1%)	Adjusted diluted EPS attributable to IDEX*	1.88	2.09	(10%)
Cash flows from operating activities	Cash flows from operating activities	226.6	198.1	14%	Cash flows from operating activities	156.6	147.9	6%
Free cash flow*	Free cash flow*	206.5	181.8	14%	Free cash flow*	136.6	121.3	13%
Gross margin	Gross margin	44.1%	46.3%	bps	Gross margin	44.6%	45.2%	(60) bps
Adjusted gross margin*	Adjusted gross margin*	44.2%	45.1%	bps	Adjusted gross margin*	45.0%	45.2%	(20) bps
Net income margin	Net income margin	26.3%	21.7%	bps	Net income margin	15.2%	16.5%	(130) bps
Adjusted EBITDA margin*	Adjusted EBITDA margin*	28.4%	28.7%	bps	Adjusted EBITDA margin*	26.0%	27.2%	(120) bps

*These are non-GAAP measures. See the definitions of these non-GAAP measures and reconciliations to their most directly comparable GAAP financial measures under the headings "Non-GAAP Disclosures" and "Free Cash Flow."

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During the three months ended **September 30, 2023** **March 31, 2024**, the Company delivered **strong** **a solid** operating performance. While **continued customer inventory recalibration**, **some market softness** carried over from 2023, largely within the Company's Health & Science Technologies segment, **resulted** **resulting** in lower sales volumes, the Company realized strong price/cost and achieved favorable operational productivity across its segments. **Net income attributable to IDEX** also reflects a \$71.1 million gain, net of tax, on the divestiture of the Company's Micropump business, which was sold in August 2023. **Cash** **Strong cash** flow from operating activities was \$226.6 million during the quarter, of \$156.6 million, an increase of **14%** **6%** compared to the same prior year period, **driven** **primarily** **by** **inventory reduction efforts**. **Strong operating cash flow** resulted in **record** **free cash flow** of **\$206.5 million** **\$136.6 million** during the quarter.

The Company believes its customer destocking efforts are largely complete and expects orders to begin to stabilize and lead times to return to more normalized levels during the fourth quarter of 2023.

Results of Operations

The following is a discussion and analysis of the Company's results of operations for the three and nine months ended **September 30, 2023** **March 31, 2024** compared with the three and nine months ended **September 30, 2022** **March 31, 2023**.

Three Months Ended September 30, Nine Months Ended September 30,								
Three Months Ended March 31,								
Three Months Ended March 31,								
Three Months Ended March 31,								
(Dollars in millions, (Dollars in millions, except per share except per share amounts) amounts)	2023	2022	% / bps Change	2023	2022	% / bps Change	(Dollars in millions, except per share amounts)	2024 2023 Change
Net sales	Net sales	\$ 793.4	\$ 824.0	(4 %)	\$ 2,485.0	\$ 2,371.2	5 %	Net sales
Cost of sales	Cost of sales	443.8	442.2	— %	1,374.9	1,290.0	7 %	Cost of sales
Gross profit	Gross profit	349.6	381.8	(8 %)	1,110.1	1,081.2	3 %	Gross profit
Gross margin	Gross margin	44.1 %	46.3 %	bps	44.7 %	45.6 %	bps	Gross margin
Selling, general and administrative expenses	Selling, general and administrative expenses	165.9	161.9	2 %	529.9	483.7	10 %	Selling, general and administrative expenses

Restructuring expenses and asset impairments	Restructuring expenses and asset impairments	1.1	0.5	120 %
Operating income	Operating income	179.6	202.2	(11 %)
Gain on sale of business	(93.8)	(34.8)	170 %	(93.8)
Other (income) expense - net	Other (income) expense - net	(2.1)	(1.0)	110 %
Interest expense	Interest expense	13.7	9.6	43 %
Interest expense - net	Interest expense - net	9.4	13.1	(28 %)
Income before income taxes	Income before income taxes	261.8	228.4	15 %
Provision for income taxes	Provision for income taxes	52.8	49.7	6 %
Effective tax rate	Effective tax rate	20.2 %	21.8 %	(160) bps
Net income attributable to IDEX	Net income attributable to IDEX	\$ 209.1	\$ 178.7	17 %
Diluted earnings per common share attributable to IDEX	Diluted earnings per common share attributable to IDEX	\$ 2.75	\$ 2.36	17 %
Net income attributable to IDEX	Net income attributable to IDEX	\$ 487.5	\$ 456.9	7 %
Diluted earnings per common share attributable to IDEX	Diluted earnings per common share attributable to IDEX	\$ 6.42	\$ 6.00	7 %

Net Sales

Net sales for the three months ended **September 30, 2023** **March 31, 2024** decreased **4% 5%** as compared to the same prior year period. Organic period reflecting a 6% decrease in organic net sales, decreased 6% partially offset by a 1% increase in acquisitions, net of divestitures. The decrease in organic net sales was driven by the impact lower volumes, largely as a result of current market conditions on volumes in the Health & Science Technologies businesses, partially offset by price capture across all segments. This decrease, combined with the acceleration of previously deferred revenue related to the exit of a COVID-19 testing application in 2022 that did not reoccur in 2023 (see [Note 12](#) in the Notes to Condensed Consolidated Financial Statements for further detail), was partially offset by acquisition-related growth, net of divestitures, of 3% (see [Note 2](#) in the Notes to Condensed Consolidated Financial Statements for further detail on acquisitions and divestitures) and a favorable impact from foreign currency translation.

Net sales for the nine months ended September 30, 2023 increased 5% as compared to the same prior year period driven by a 5% increase in acquisitions, net of divestitures, and a 1% increase in organic sales. Price capture offset the impact of lower volumes in the Health & Science Technologies segment as well as the acceleration of previously deferred revenue in 2022 that did not reoccur in 2023, both of which are discussed above.

In the three months ended **September 30, 2023** **March 31, 2024**, net sales decreased **10% 4%** domestically and **increased 4%** internationally, and sales to customers outside the U.S. were approximately 49% of total sales in the third quarter of 2023 compared with 46% during the same period in 2022. In the nine months ended September 30, 2023, net sales were flat domestically and increased **10% 6%** internationally, and sales to customers outside the U.S. were approximately 50% of total sales in the first nine months quarter of 2023 compared with 48% during the same period in 2022.

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Cost of Sales

Cost of sales for both the three **2024** and **nine months ended September 30, 2023** increased due to acquisitions, net of divestitures, inflation and higher employee-related costs, partially offset by lower sales volume. **2023**.

Gross Profit and Gross Margin

Gross profit and Gross margin for the three **and nine** months ended **September 30, 2023** **March 31, 2024** decreased primarily due to lower volume leverage and higher employee-related costs, partially offset by strong operational productivity and price/cost and negatively impacted by lower volume leverage, unfavorable mix and higher employee-related costs. While acquisitions, net of divestitures, as well as the acceleration of previously deferred revenue related to the exit of a COVID-19 testing application in 2022 that did not reoccur in 2023 also positively impacted Gross profit, they resulted in a dilutive impact to overall Gross margin. **favorable operational productivity.**

Selling, General and Administrative Expenses

Selling, general and administrative expenses **in** for the three months ended **September 30, 2023** **March 31, 2024** increased primarily due to the **\$11.0 million** **\$3.5 million** impact from acquisitions, including amortization, net of divestitures. **Excluding** this impact, selling, general and administrative expenses decreased by **\$7.0 million** as compared with the same prior year period primarily due to lower employee-related costs, including the impact of executive forfeitures recorded during the current year period as well as the timing of retirement eligibility of participants.

Selling, general and administrative expenses in the nine months ended September 30, 2023 increased primarily due to the **\$40.0 million** impact from acquisitions, including amortization, net of divestitures, as well as increases in employee-related costs, which include accelerated stock compensation costs for retiree eligible participants.

Restructuring Expenses and Asset Impairments

Restructuring expenses and asset impairments **decreased** **increased** in both the three and nine months ended **September 30, 2023** **March 31, 2024** primarily due to an asset impairment charge of **\$16.8 million** related to the exit of a COVID-19 testing application in 2022, partially offset by higher severance costs, **in 2023** which were incurred in conjunction with cost mitigation efforts as a result of **current** market conditions. See **conditions**, compared with the same period in 2023.

[Note 12 Table of Contents](#) in the Notes to Condensed Consolidated Financial Statements for further detail.

Gain on Sale of Business

In the third quarter of 2023, the Company completed the sale of Micropump for proceeds of **\$110.3 million**, net of cash remitted, resulting in a pre-tax gain on the sale of **\$93.8 million**. In the third quarter of 2022, the Company completed the sale of Knight for proceeds of **\$49.4 million**, net of cash remitted, resulting in a pre-tax gain on the sale of **\$34.8 million**.

Other (Income) Expense - Net

Other (income) expense - net increased to **\$2.1 million** **\$2.7 million** of income in the three months ended September 30, 2023 **first quarter of 2024** compared to **\$1.0 million** **\$0.6 million** of income during the same period in **2022** **2023**. The increase was primarily due to higher **interest** earned in **2023**.

Other (income) expense - net decreased to **\$5.6 million** of expense in the nine months ended September 30, 2023 compared to **\$3.3 million** of income during the same period in 2022. The increase in expense was primarily due to a **\$7.7 million** credit loss reserve on a note receivable from a collaborative partner (see [Note 3](#) in the Notes to Condensed Consolidated Financial Statements for further detail), higher foreign currency transaction losses and **\$2.7 million** of gains **on** **during** the **sale** of assets in 2022 that did not reoccur in 2023, partially offset by higher **interest** earned in **2023**. **current year period**.

Interest Expense - Net

Interest expense - net for the three and nine months ended **September 30, 2023** **March 31, 2024** decreased compared to the same period in **2022** **2023** due to a decrease in the **borrowings** incurred under the **Revolving Credit Facility** amount of debt outstanding and the **Term Facility** **higher** **interest** earned on cash balances in connection with the **Muon Group** acquisition **2024**, partially offset by increases in **November 2022** as well as **higher** **interest** rates on the Company's **indebtedness**, **outstanding debt**, which increased **interest** expense by approximately **\$0.8 million**.

Income Taxes

The **effective** Company's provision for income taxes is based upon estimated annual tax rates of **20.2%** for the year applied to federal, state and **21.4%** foreign income. The provision for income taxes decreased to **\$33.2 million** for the three and nine months ended **September 30, 2023**, respectively, decreased as compared with the effective tax rates of **21.8%** and **22.1%** **March 31, 2024** from **\$40.0 million** during the same period in **2022** **2023**. The effective tax rate decreased to **21.5%** for the three months ended **March 31, 2024** from **22.2%** during the same period in **2023** primarily due to **the**

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finalization of both research expenditure capitalization on foreign derived income as well as the reduction of tax **benefits** related to the **treatment** finalization of tax impacts with taxing authorities of a previously recorded legal entity restructuring.

In October 2021, members of the **acquisition** **Organization for Economic Co-operation and Development ("OECD")** and **G20 Inclusive Framework on Base Erosion and Profit Shifting** agreed to a two-pillar solution to address the tax challenges associated with the digitalization of **Muon Group** **acquisition**, **the economy**. In December 2021, the **OECD** released the **Pillar Two Model Rules ("Pillar Two")**, which define the global minimum tax and call for the taxation of large corporations at a minimum rate of 15%. Although it is uncertain when and how the rules will be fully enacted into law, based on our initial assessment, nearly all of the jurisdictions in which the Company operates have an effective tax rate above the 15% threshold. Therefore, the Company does not expect a material impact from the **Pillar Two** income tax rules.

Results of Reportable Business Segments

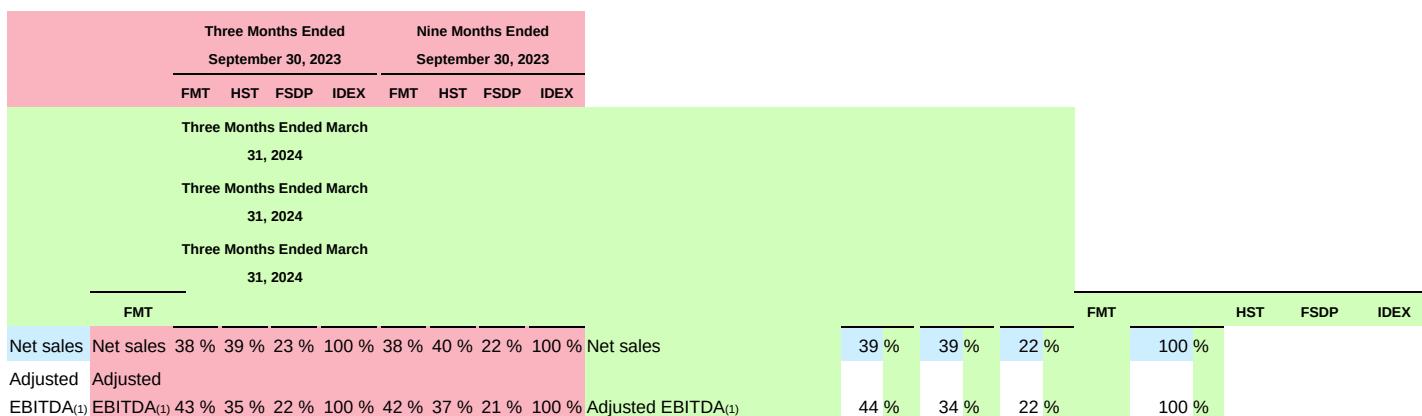
The Company has three reportable segments: Fluid & Metering Technologies ("FMT"), Health & Science Technologies ("HST") and Fire & Safety/Diversified Products ("FSDP"). For a detailed description of the operations within each segment, refer to [Note 43](#), "Business Segments," in the Notes to Condensed Consolidated Financial Statements.

Within its three reportable segments, the Company maintains 12 reporting units where the Company focuses on organic growth and strategic acquisitions. Management's primary measurements of segment performance are Net sales, adjusted earnings before interest, income taxes, depreciation and amortization ("Adjusted EBITDA") and Adjusted EBITDA margin.

FMT	HST ⁽¹⁾	FSDP
Pumps	Scientific Fluidics & Optics	Fire & Safety
Water	Sealing Solutions	Dispensing
Energy	Performance Pneumatic Technologies	BAND-IT
Valves	Material Processing Technologies	
Agriculture		

⁽¹⁾ The results of operations of Micropump (sold on August 3, 2023) have been included in the Company's Condensed Consolidated Statements of Income through the date of disposition.

The table below illustrates the share of Net sales and Adjusted EBITDA contributed by each segment on the basis of total segments (not total Company) for the three and nine months ended [September 30, 2023](#) [March 31, 2024](#).



⁽¹⁾ Segment Adjusted EBITDA excludes the impact of unallocated corporate costs of \$15.3 million and \$63.7 million \$29.9 million for the three and nine months ended September 30, 2023, respectively.

Fluid & Metering Technologies Segment

(Dollars in millions)	Three Months Ended September 30,			Components of Change			
	2023	2022	Change	Organic	Acq/Div ⁽¹⁾	Foreign Currency	Total
Domestic sales	\$ 168.4	\$ 178.4	(6%)				
International sales	132.7	129.2	3%				
Net sales ⁽²⁾	301.1	307.6	(2%)	(1%)	(2%)	1%	(2%)
Adjusted EBITDA	\$ 103.6	\$ 104.4	(1%)	—	(1%)	—	(1%)
Adjusted EBITDA margin	34.4 %	33.9 %	50 bps	50 bps	—	—	50 bps

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(Dollars in millions)	Nine Months Ended September 30,			Components of Change			
	2023	2022	Change	Organic ⁽³⁾	Acq/Div ⁽¹⁾⁽³⁾	Foreign Currency	Total
Domestic sales	\$ 525.9	\$ 498.9	5%				
International sales	422.1	380.6	11%				

Net sales ⁽²⁾	948.0	879.5	8%	6%	2%	—	8%
Adjusted EBITDA	\$ 323.9	\$ 287.8	13%	11%	2%	—	13%
Adjusted EBITDA margin	34.2 %	32.7 %	150 bps	170 bps	(20) bps	—	150 bps

⁽¹⁾Divestitures included Knight sold in September 2022.

⁽²⁾Net sales to customers outside the U.S. were approximately 44% of total segment sales in the third quarter of 2023 compared with 42% during the same period in 2022 and approximately 45% of total segment sales in the first nine months of 2023 compared with 43% during the same period in 2022.

⁽³⁾Based on the timing of the acquisitions, Nexsight results for the first three months of 2023 and KZValve results for the first four months of 2023 are reflected in the acquisitions/divestitures column while the remaining year-over-year impact is included in the organic column.

- Organic net sales for both the three and nine months ended September 30, 2023 was positively impacted by the following:
 - Water reporting unit driven by price capture, favorability in the municipal water market, targeted growth performance and operational execution;
 - Energy reporting unit driven by operational execution related to backlog reduction, improved supply chain conditions, price capture and growth initiatives; and
 - Valves reporting unit driven by strong price capture and demand in Asia.
- Organic net sales for both the three and nine months ended September 30, 2023 was negatively impacted by the Agriculture reporting unit driven by distribution inventory recalibration, partially offset by positive OEM demand.
- In addition, within the Pumps reporting unit, strong price capture only partially offset the impact of softness in the industrial market during the three months ended September 30, 2023, while strong price capture and operational execution more than offset the impact of softness in the industrial market during the nine months ended September 30, 2023.
- The increase in Adjusted EBITDA margin for both the three and nine months ended September 30, 2023 was primarily due to strong price/cost, favorable operational productivity and lower discretionary spending, partially offset by lower volume leverage and higher employee-related costs. In addition, unfavorable mix negatively impacted the nine months ended September 30, 2023 March 31, 2024.

Health & Science Technologies Segment

(Dollars in millions)	Three Months Ended September 30,			Components of Change				
	2023	2022	Change	Organic	Acq/Div ⁽¹⁾	Other ⁽²⁾	Foreign Currency	Total
Domestic sales	\$ 139.2	\$ 175.0	(20%)					
International sales	174.0	170.0	2%					
Net sales ⁽³⁾	313.2	345.0	(9%)	(15%)	10%	(5%)	1%	(9%)
Adjusted net sales ⁽⁴⁾	313.2	327.1	(4%)	(15%)	10%	—	1%	(4%)
Adjusted EBITDA	84.4	101.4	(17%)	(25%)	8%	—	—	(17%)
Adjusted EBITDA margin	26.9 %	31.0 %	(410) bps	(370) bps	(40) bps	—	—	(410) bps

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(Dollars in millions)	Nine Months Ended September 30,			Components of Change				
	2023	2022	Change	Organic	Acq/Div ⁽¹⁾	Other ⁽²⁾	Foreign Currency	Total
Domestic sales	\$ 437.3	\$ 484.7	(10%)					
International sales	566.4	501.5	13%					
Net sales ⁽³⁾	1,003.7	986.2	2%	(6%)	10%	(2%)	—	2%
Adjusted net sales ⁽⁴⁾	1,003.7	968.3	4%	(6%)	10%	—	—	4%
Adjusted EBITDA	278.8	304.8	(9%)	(18%)	9%	—	—	(9%)
Adjusted EBITDA margin	27.8 %	31.5 %	(370) bps	(370) bps	(10) bps	—	10 bps	(370) bps

Fluid & Metering Technologies Segment

(Dollars in millions)	Three Months Ended March 31,			Components of Change				
	2024	2023	Change	Organic	Acq/Div	Foreign Currency	Total	

Domestic sales	\$ 172.6	\$ 176.8	(2%)				
International sales	141.1	145.0	(3%)				
Net sales	\$ 313.7	\$ 321.8	(3%)	(3%)	—	—	(3%)
Adjusted EBITDA	105.4	106.2	(1%)	(1%)	—	—	(1%)
Adjusted EBITDA margin	33.6 %	33.0 %	60 bps	60 bps	—	—	60 bps

- Organic net sales for the three months ended March 31, 2024 were negatively impacted by lower volumes, primarily in the industrial markets, largely driven by non-repeat of projects from the prior year and greater reduction of backlog in the prior year. This decrease was partially offset by price capture across all markets.
- Organic Adjusted EBITDA margin for the three months ended March 31, 2024 increased primarily due to favorable operational productivity and strong price/cost, partially offset by lower volume leverage, unfavorable mix, higher employee-related costs and higher discretionary spending.

Health & Science Technologies Segment

(Dollars in millions)	Three Months Ended March 31,			Components of Change			
			Change	Organic	Acq/Div ⁽¹⁾	Foreign Currency	Total
	2024	2023					
Domestic sales	\$ 138.9	\$ 149.6	(7%)				
International sales	171.2	201.4	(15%)				
Net sales	\$ 310.1	\$ 351.0	(12%)	(13%)	1%	—	(12%)
Adjusted EBITDA	81.4	100.7	(19%)	(22%)	3%	—	(19%)
Adjusted EBITDA margin	26.2 %	28.7 %	(250) bps	(310) bps	60 bps	—	(250) bps

⁽¹⁾ Acquisitions included Iridian Spectral Technologies acquired in May 2023 and Muon Group STC Material Solutions acquired in November 2022, December 2023. Divestitures included Micropump, Inc. sold in August 2023 and Novotema, SpA sold in December 2023.

- ⁽²⁾ • Includes Organic net sales for the impact of the acceleration of previously deferred revenue of \$17.9 million as a result of a customer's decision to discontinue further investment in commercializing its COVID-19 testing application in 2022 that did not reoccur in 2023. See Note 12 three months ended March 31, 2024 were negatively impacted by lower volumes, primarily in the Notes to Consolidated Financial Statements for further detail. analytical instrumentation, life sciences and semiconductor markets, largely driven by inventory recalibration and the carryover of market slowness from 2023. This decrease was partially offset by price capture across all markets.
- ⁽³⁾ • Net sales to customers outside the U.S. were approximately 56% of total segment sales in the third quarter of 2023 compared with 49% during the same period in 2022 and approximately 56% of total segment sales in the first nine months of 2023 compared with 51% during the same period in 2022.

⁽⁴⁾ Adjusted net sales is a non-GAAP measure. Adjusted net sales is calculated as net sales less the acceleration of previously deferred revenue related to the exit of a COVID-19 testing application. See the reconciliation of adjusted net sales to its most directly comparable financial measure under the heading "Non-GAAP Disclosures." Adjusted net sales is used in the calculation of Organic Adjusted EBITDA margin for the three and nine months ended September 30, 2022. See Note 12 in the Notes to Consolidated Financial Statements for further detail.

- The decrease in organic net sales for both the three and nine months ended September 30, 2023 was attributed to decreases in the following:
 - Scientific Fluidics & Optics reporting unit driven by lower demand from Analytical Instrumentation and Life Science original equipment manufacturers due to customer inventory recalibration and market slowing, partially offset by price capture;
 - Sealing Solutions reporting unit driven by softness in the semiconductor market; and
 - Material Processing Technologies reporting unit driven by lower demand in the pharma/biopharma and food/nutrition markets, partially offset by operational execution related to backlog reduction and price capture.

In addition, within the Performance Pneumatics Technologies reporting unit, price capture only partially offset the impact of softness in the industrial market during the three months ended September 30, 2023, while targeted growth performance and price capture more than offset the impact of softness in the industrial market during the nine months ended September 30, 2023.

- The decrease in Adjusted EBITDA margin for both the three and nine months ended September 30, 2023 was March 31, 2024 decreased primarily due to lower volume leverage, higher employee-related costs and unfavorable mix, partially offset by strong price/cost, favorable operational productivity, and lower discretionary spending. In addition, higher employee-related costs negatively impacted Adjusted EBITDA during the nine months ended September 30, 2023. spending and strong price/cost.

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Fire & Safety/Diversified Products Segment

(Dollars in millions)	Three Months Ended September 30,			Components of Change			
	2023	2022	Change	Organic	Acq/Div	Foreign Currency	Total

Domestic sales	\$ 94.4	\$ 93.5	1%				
International sales	86.2	78.9	9%				
Net sales ⁽¹⁾	180.6	172.4	5%	3%	—	2%	5%
Adjusted EBITDA	52.8	47.8	10%	8%	—	2%	10%
Adjusted EBITDA margin	29.3 %	27.8 %	150 bps	150 bps	—	—	150 bps

(Dollars in millions)	Nine Months Ended September 30,			Components of Change			
	2023	2022	Change	Organic	Acq/Div	Foreign Currency	Total
Domestic sales	\$ 280.5	\$ 255.0	10%				
International sales	259.3	253.3	2%				
Net sales ⁽¹⁾	539.8	508.3	6%	7%	—	(1%)	6%
Adjusted EBITDA	157.0	137.3	14%	14%	—	—	14%
Adjusted EBITDA margin	29.1 %	27.0 %	210 bps	210 bps	—	—	210 bps

⁽¹⁾ Net sales to customers outside the U.S. were approximately 48% of total segment sales in the third quarter of 2023 compared with 46% during the same period in 2022 and approximately 48% of total segment sales in the first nine months of 2023 compared with 50% during the same period in 2022.

(Dollars in millions)	Three Months Ended March 31,			Components of Change			
	2024	2023	Change	Organic	Acq/Div	Foreign Currency	Total
Domestic sales	\$ 86.1	\$ 89.4	(4%)				
International sales	91.9	85.0	8%				
Net sales	\$ 178.0	\$ 174.4	2%	2%	—	—	2%
Adjusted EBITDA	51.4	49.7	3%	3%	—	—	3%
Adjusted EBITDA margin	28.9 %	28.5 %	40 bps	40 bps	—	—	40 bps

- The change in organic Organic net sales for both the three and nine months ended September 30, 2023 was attributed to an increase in the Fire & Safety reporting unit driven by price capture, continued demand for rescue tools, improved supply chain conditions and operational execution. This increase was partially offset by a decrease in the Dispensing report unit driven by timing of deliveries within Europe and Asia, partially offset by higher North American project sales. In addition, within the BAND-IT reporting unit, continued share gain in an otherwise flat automotive market positively impacted the three months ended September 30, 2023 while a decline in the aerospace and energy markets negatively March 31, 2024 were positively impacted the three and nine months ended September 30, 2023, by price capture across all markets. Volumes were flat period over period.
- The increase in Organic Adjusted EBITDA margin for both the three and nine months ended September 30, 2023 was March 31, 2024 increased primarily due to strong price/cost and favorable operational productivity, lower discretionary spending, partially offset by unfavorable mix as well as higher employee-related costs and discretionary spending. In addition, lower volume leverage negatively impacted the three months ended September 30, 2023, while higher volume leverage positively impacted the nine months ended September 30, 2023, costs.

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Liquidity and Capital Resources

Liquidity

Based on management's current expectations and currently available information, the Company believes current cash, cash from operations and cash available under the Revolving Credit Facility will be sufficient to meet its operating cash requirements, planned capital expenditures, interest and principal payments on all borrowings, pension and postretirement funding requirements, share repurchases and quarterly dividend payments to holders of the Company's common stock for the foreseeable future. Additionally, in the event that suitable businesses are available for acquisition upon acceptable terms, the Company may obtain all or a portion of the financing for these acquisitions through the incurrence of additional borrowings.

Select key liquidity metrics at September 30, 2023 March 31, 2024 are as follows:

(In millions)	September 30, 2023	March 31, 2024
Working capital	\$ 1,030.7	1,093.9
Current ratio	3.1	3.4 to 1
Cash and cash equivalents	\$ 562.7	616.3
Cash held outside of the United States	427.7	475.0
Revolving Credit Facility capacity	\$ 800.0	
Borrowings	76.9	78.8
Letters of credit	7.2	3.4
Revolving Credit Facility availability	\$ 715.9	717.8

The Company believes that additional borrowings through various financing alternatives remain available, if required.

Operating Working Capital

Operating working capital, calculated as Receivables - net plus Inventories - net minus Trade accounts payable, is used by management as a measurement of operational results as well as the short-term liquidity of the Company. The following table details operating working capital as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

(In millions)	September 30, 2023	December 31, 2022
Receivables	\$ 430.6	\$ 442.8
Inventories	446.6	470.9
Less: Trade accounts payable	176.3	208.9
Operating working capital	\$ 700.9	\$ 704.8

Operating working capital decreased \$3.9 million to \$700.9 million during the nine months ended September 30, 2023. Acquisitions, divestitures and foreign currency translation contributed \$3.7 million to the decrease in Operating working capital. Reduced inventory levels were largely offset by lower levels of accounts payable and strong price capture partially offset the impact of lower volume on Receivables.

(In millions)	March 31, 2024	December 31, 2023	Change	Organic Change
Receivables - net	\$ 437.9	\$ 427.8	\$ 10.1	\$ 13.9
Inventories - net	426.0	420.8	5.2	9.4
Less: Trade accounts payable	185.8	179.7	6.1	8.2
Operating working capital	\$ 678.1	\$ 668.9	\$ 9.2	\$ 15.1

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Operating working capital increased \$9.2 million to \$678.1 million at March 31, 2024. Acquisitions and foreign currency translation decreased Operating working capital by \$5.9 million during the first quarter of 2024. Apart from these items, receivables increased due to strong price capture, which more than offset the impact of lower volumes; inventories increased to support planned production; and accounts payable increased as a result of higher inventory purchases.

Cash Flow Summary

The following table is derived from the Condensed Consolidated Statements of Cash Flows:

Nine Months					
Ended September					
30,					
Three					
Months					
Ended					
March 31,				Three Months Ended March 31,	
(In millions)	(In millions)	2023	2022	(In millions)	
				2024	2023

Net cash flows provided by (used in):	Net cash flows provided by (used in):
Operating activities	Operating activities
	\$515.7
	\$390.1
Operating activities	
Operating activities	
Investing activities	Investing activities
	(90.0)
	(224.4)
Financing activities	Financing activities
	(286.7)
	(274.6)

Operating Activities

Cash flows provided by operating activities increased \$125.6 million to \$8.7 million to \$515.7 million in the nine three months ended September 30, 2023 March 31, 2024 primarily due to lower investments cash payments for variable compensation in working capital in 2023 as a result of efforts 2024 compared to recalibrate inventory levels in response to normalizing market conditions. The prior year, period included investments partially offset by lower earnings in operating working capital related 2024 compared to higher volumes and increased inventories to support production amid supply chain challenges. the prior year.

Investing Activities

Cash flows used in investing activities decreased during the nine three months ended September 30, 2023 March 31, 2024 primarily due to the purchase lower capital expenditures of Iridian \$20.0 million in 2023 for \$110.3 million 2024 as compared with \$26.6 million in the purchases of Nexsight and KZValve in 2022 for \$232.6 million as well as proceeds of \$110.3 million in 2023 from the sale of Micropump as compared with \$49.4 million in 2022 from the sale of Knight. These decreases in cash flows used in investing activities were partially offset by higher capital expenditures of \$68.3 million in 2023 as compared with \$48.0 million in 2022 and the purchase of marketable securities in 2023 for \$24.6 million three months ended March 31, 2023.

Financing Activities

Cash flows used in financing activities during the nine months ended September 30, 2023 primarily consisted of payments of \$150.0 million on the Term Facility and dividends of \$142.3 million \$48.5 million and \$45.5 million paid to common shareholders. Cash flows used in financing activities shareholders during the nine three months ended September 30, 2022 primarily consisted of the repurchase of 788,623 shares for \$146.3 million March 31, 2024 and dividends of \$132.2 million paid to common shareholders. March 31, 2023, respectively.

Free Cash Flow

The Company believes free cash flow, a non-GAAP measure, is an important measure of performance because it provides a measurement of cash generated from operations that is available for payment obligations such as operating cash requirements, planned capital expenditures, interest and principal payments on all borrowings, pension and postretirement funding requirements and quarterly dividend payments to holders of the Company's common stock as well as for funding acquisitions and share repurchases. Free cash flow is calculated as cash flows provided by operating activities less capital expenditures.

The following table reconciles free cash flow to cash flows provided by operating activities to free cash flow:

Nine Months Ended September 30,		Three Months Ended March 31,		Three Months Ended March 31,	
(Dollars in millions)	(Dollars in millions)	2023	2022	(Dollars in millions)	
Cash flows provided by operating activities	Cash flows provided by operating activities	\$515.7	\$390.1		
Less: capital expenditures	Less: capital expenditures	68.3	48.0		
Free cash flow	Free cash flow	\$447.4	\$342.1	2024	2023

Free cash flow as a percent of adjusted net income attributable to IDEX	92.3 %	73.5 %	Free cash flow as a percent of adjusted net income attributable to IDEX	95.4 %	76.5 %
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The increase in free cash flow for the three months ended March 31, 2024 as compared to 2022 2023 is due to lower investments cash payments for variable compensation in working capital in 2023 2024 as discussed above as and lower capital expenditures in 2024 compared with 2022, partially offset by higher capital expenditures, the three months ended March 31, 2023.

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Cash Requirements

Capital Expenditures

Capital expenditures generally include machinery and equipment that support growth and improved productivity, tooling, business system technology, replacement of equipment and investments in new facilities. The Company believes it has sufficient operating cash flows to continue to meet current obligations and invest in planned capital expenditures. Cash flows from operations were more than adequate to fund capital expenditures of \$68.3 million \$20.0 million and \$48.0 million \$26.6 million in the first nine three months of 2023 2024 and 2022 2023, respectively.

Share Repurchases

During There were no share repurchases during the nine three months ended September 30, 2023, the Company repurchased 5,400 shares at a cost of \$1.1 million. March 31, 2024 and 2023. As of September 30, 2023 March 31, 2024, the amount of share repurchase authorization remaining was \$562.8 million \$539.7 million. For additional information regarding the Company's share repurchase program, refer to [Note 14 11, "Share Repurchases,"](#) in the Notes to Condensed Consolidated Financial Statements.

Dividends

Total dividend payments to common shareholders were \$142.3 million \$48.5 million during the nine three months ended September 30, 2023 March 31, 2024 compared with \$132.2 million \$45.5 million during the nine three months ended September 30, 2022 March 31, 2023.

Covenants

The key financial covenants that the Company is required to maintain in connection with the Revolving Credit Facility, the Term Facility, the 3.37% Senior Notes and the 5.13% Senior Notes, are a minimum interest coverage ratio of 3.0 to 1 and a maximum leverage ratio of 3.50 to 1. At September 30, 2023 March 31, 2024, the Company was in compliance with these financial covenants, as the Company's interest coverage ratio was 18.62 18.48 to 1 for covenant calculation purposes and the leverage ratio was 1.42 1.49 to 1. There are no financial covenants relating to the 2.625% Senior Notes or the 3.00% Senior Notes; however, both are subject to cross-default provisions.

Credit Ratings

The Company's credit ratings, which were independently developed by the following credit agencies, are detailed below:

- S&P Global Ratings reaffirmed the Company's corporate credit rating of BBB (stable outlook) in August 2023.
- Moody's Investors Service affirmed the Company's corporate credit rating of Baa2 (stable outlook) in December 2021.
- Fitch Ratings reaffirmed the Company's corporate credit rating of BBB+ (stable outlook) in April 2023.

Off-Balance Sheet Arrangements

The Company had \$21.4 million of letters of credit as of March 31, 2024, primarily issued as security for insurance and other performance obligations. Of the \$21.4 million of letters of credit, only \$3.4 million reduced the Company's borrowing capacity under the Revolving Facility as of March 31, 2024.

Except as disclosed above, the Company has no off-balance sheet arrangements that currently have or are reasonably likely to have a material effect on the Company's consolidated financial condition, changes in financial condition, results of operations, liquidity, capital expenditures or capital resources.

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Critical Accounting Estimates

As discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023, the preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and judgments that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities, and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. There have been no changes to the Company's critical accounting estimates described in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

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Non-GAAP Disclosures

Set forth below are reconciliations of Organic net sales, Adjusted net sales, Adjusted gross profit, Adjusted gross margin, Adjusted net income attributable to IDEXX, Adjusted diluted earnings per share ("EPS") attributable to IDEXX, Consolidated Adjusted earnings before interest, income taxes, depreciation and amortization ("Adjusted EBITDA") and Consolidated Adjusted EBITDA margin to their respective most directly comparable U.S. GAAP measure. Management uses these metrics to measure performance of the Company since they exclude items that are not reflective of ongoing operations, as identified in the reconciliations below. Management also supplements its U.S. GAAP financial statements with adjusted information to provide investors with greater insight, transparency and a more comprehensive understanding of the information used by management in its financial and operational decision making.

This report references organic sales, a non-GAAP Management uses Adjusted EBITDA as its principal measure that excludes (1) the impact of foreign currency translation segment performance, and (2) sales from acquired or divested businesses during the first 12 months of ownership or prior to divestiture and (3) the impact from the exit of a COVID-19 testing application. The portion of sales attributable to foreign currency translation is calculated as the difference between (a) the period-to-period change in organic sales and (b) the period-to-period change in organic sales after applying prior period foreign exchange rates to the current year period. Management believes that reporting organic sales provides useful information to investors by helping to identify underlying growth trends in the Company's business and facilitating easier comparisons of the Company's revenue with prior and future periods and to its peers. The Company excludes the effect of foreign currency translation from organic sales because foreign currency translation is not under management's control, is subject to volatility and can obscure underlying business trends. The Company excludes the effect of acquisitions and divestitures because they can obscure underlying business trends and make comparisons of long-term performance difficult due to the varying nature, size and number of transactions from period to period and between the Company and its peers. The Company excludes the impact from the exit of a COVID-19 testing application because it is not reflective of ongoing operations and can obscure underlying business trends.

Management believes that Adjusted EBITDA, which is EBITDA adjusted for items that are not reflective of ongoing operations, is a useful as a performance indicator of ongoing operations. The Company believes that Adjusted EBITDA is useful to investors as an indicator of the strength and performance of the Company and its segments' ongoing business operations, as well as a way for investors to evaluate and compare operating performance and value companies within the Company's industry. Management believes that Adjusted EBITDA margin is useful for the same reason as Adjusted EBITDA. The definition of Adjusted EBITDA used here may differ from that used by other companies.

This report also references free cash flow. This non-GAAP measure is discussed and reconciled to its most directly comparable U.S. GAAP measure in the section above titled "Free Cash Flow."

The non-GAAP financial measures disclosed by the Company should not be considered a substitute for, or superior to, financial measures prepared in accordance with U.S. GAAP. Due to rounding, numbers presented throughout this and other documents may not add up or recalculate precisely. The financial results prepared in accordance with U.S. GAAP and the reconciliations from these results should be carefully evaluated.

1. Reconciliations of the Change in Net Sales to Organic Net Sales

	Three Months Ended September 30, 2023			
	FMT	HST	FSDP	IDEXX
Change in net sales	(2 %)	(9 %)	5 %	(4 %)
Net impact from acquisitions/divestitures	2 %	(10 %)	— %	(3 %)
Impact from foreign currency	(1 %)	(1 %)	(2 %)	(1 %)
Impact from the exit of a COVID-19 testing application ⁽¹⁾	— %	5 %	— %	2 %
Change in organic net sales	(1 %)	(15 %)	3 %	(6 %)

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1. Reconciliations of the Change in Net Sales to Organic Net Sales



⁽¹⁾ Represents the acceleration sales from acquired or divested businesses during the first 12 months of previously deferred revenue of \$17.9 million as a result of a customer's decision ownership or prior to discontinue further investment in commercializing its COVID-19 testing application in 2022 that did not reoccur in 2023. See [Note 12](#) in the Notes to Condensed Consolidated Financial Statements for further detail.

2. Reconciliations of Reported-to-Adjusted Gross Profit, Net Sales and Gross Margin (dollars in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023		2022	
	\$		\$	
Gross profit	\$ 349.6		\$ 381.8	\$ 1,110.1
Impact from the exit of a COVID-19 testing application ⁽¹⁾	—		(17.9)	—
Fair value inventory step-up charges	1.2		—	1.2
Adjusted gross profit	\$ 350.8		\$ 363.9	\$ 1,111.3
Net sales	\$ 793.4		\$ 824.0	\$ 2,485.0
Impact from the exit of a COVID-19 testing application ⁽¹⁾	—		(17.9)	—
Adjusted net sales	\$ 793.4		\$ 806.1	\$ 2,485.0
Gross margin	44.1 %		46.3 %	44.7 %
Adjusted gross margin	44.2 %		45.1 %	44.7 %
				45.6 %
				45.2 %

⁽¹⁾ Represents the acceleration of previously deferred revenue of \$17.9 million as a result of a customer's decision to discontinue further investment in commercializing its COVID-19 testing application in 2022 that did not reoccur in 2023. See [Note 12](#) in the Notes to Condensed Consolidated Financial Statements for further detail.

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3. Reconciliations of Reported-to-Adjusted Net Income Attributable to IDEX and Diluted EPS Attributable to IDEX (in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Reported net income attributable to IDEX	\$ 209.1	\$ 178.7	\$ 487.5	\$ 456.9
Fair value inventory step-up charges	1.2	—	1.2	0.4
Tax impact on fair value inventory step-up charges	(0.3)	—	(0.3)	(0.1)
Restructuring expenses and asset impairments	4.1	—	8.2	2.8
Tax impact on restructuring expenses and asset impairments	(0.9)	—	(1.8)	(0.7)
Net impact from the exit of a COVID-19 testing application ⁽¹⁾	—	(1.1)	—	(1.1)
Tax impact on the exit of a COVID-19 testing application	—	0.3	—	0.3
Gain on sale of business	(93.8)	(34.8)	(93.8)	(34.8)
Tax impact on gain on sale of business	22.7	5.5	22.7	5.5
Gains on sales of assets	—	—	—	(2.7)
Tax impact on gains on sales of assets	—	—	—	0.6
Credit loss on note receivable from collaborative partner ⁽²⁾	—	—	7.7	—
Tax impact on credit loss on note receivable from collaborative partner	—	—	(1.6)	—
Acquisition-related intangible asset amortization	23.8	17.0	70.6	49.2
Tax impact on acquisition-related intangible asset amortization	(5.3)	(3.7)	(15.8)	(11.0)
Adjusted net income attributable to IDEX	<u>\$ 160.6</u>	<u>\$ 161.9</u>	<u>\$ 484.6</u>	<u>\$ 465.3</u>

⁽¹⁾Represents the net impact of the acceleration of previously deferred revenue of \$17.9 million and an impairment charge of \$16.8 million as a result of a customer's decision to discontinue further investment in commercializing its COVID-19 testing application in 2022 that did not reoccur in 2023. See [Note 12](#) in the Notes to Condensed Consolidated Financial Statements for further detail.

⁽²⁾Represents a reserve recorded on an investment with a collaborative partner that may no longer be recoverable. See [Note 3](#) in the Notes to Condensed Consolidated Financial Statements for further detail.

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3. Reconciliations of Reported-to-Adjusted Net Income Attributable to IDEX and Diluted EPS Attributable to IDEX (continued)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Reported diluted EPS attributable to IDEX	\$ 2.75	\$ 2.36	\$ 6.42	\$ 6.00
Fair value inventory step-up charges	0.02	—	0.02	—
Tax impact on fair value inventory step-up charges	—	—	—	—
Restructuring expenses and asset impairments	0.06	—	0.11	0.04
Tax impact on restructuring expenses and asset impairments	(0.01)	—	(0.03)	(0.01)
Net impact from the exit of a COVID-19 testing application ⁽¹⁾	—	(0.01)	—	(0.01)
Tax impact on the exit of a COVID-19 testing application	—	—	—	—
Gain on sale of business	(1.24)	(0.46)	(1.24)	(0.46)
Tax impact on gain on sale of business	0.30	0.07	0.30	0.07
Gains on sales of assets	—	—	—	(0.03)
Tax impact on gains on sales of assets	—	—	—	0.01
Credit loss on note receivable from collaborative partner ⁽²⁾	—	—	0.10	—
Tax impact on credit loss on note receivable from collaborative partner	—	—	(0.02)	—
Acquisition-related intangible asset amortization	0.31	0.23	0.93	0.65
Tax impact on acquisition-related intangible asset amortization	(0.07)	(0.05)	(0.21)	(0.14)
Adjusted diluted EPS attributable to IDEX	<u>\$ 2.12</u>	<u>\$ 2.14</u>	<u>\$ 6.38</u>	<u>\$ 6.12</u>

Diluted weighted average shares outstanding	75.9	75.8	75.9	76.1
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⁽¹⁾Represents the net impact of the acceleration of previously deferred revenue of \$17.9 million and an impairment charge of \$16.8 million as a result of a customer's decision to discontinue further investment in commercializing its COVID-19 testing application in 2022 that did not reoccur in 2023. See [Note 12](#) in the Notes to Condensed Consolidated Financial Statements for further detail.

⁽²⁾Represents a reserve recorded on an investment with a collaborative partner that may no longer be recoverable. See [Note 3](#) in the Notes to Condensed Consolidated Financial Statements for further detail.

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4. Reconciliations of Net Income to Adjusted EBITDA and Net Sales to Adjusted Net Sales (dollars in millions)

	Three Months Ended September 30,									
	2023					2022				
	FMT	HST	FSDP	Corporate	INDEX	FMT	HST	FSDP	Corporate	INDEX
Reported net income	\$ —	\$ —	\$ —	\$ —	\$ 209.0	\$ —	\$ —	\$ —	\$ —	\$ 178.7
Provision for income taxes	—	—	—	—	52.8	—	—	—	—	49.7
Interest expense	—	—	—	—	13.7	—	—	—	—	9.6
Other (income) expense - net	—	—	—	—	(2.1)	—	—	—	—	(1.0)
(Gain) on sale of business	—	—	—	—	(93.8)	—	—	—	—	(34.8)
Operating income (loss)	92.1	54.7	48.4	(15.6)	179.6	94.5	85.6	43.6	(21.5)	202.2
Other income (expense) - net	1.1	1.3	0.2	(0.5)	2.1	0.2	1.1	0.5	(0.8)	1.0
Depreciation	3.1	9.0	2.3	0.3	14.7	3.9	6.2	2.1	0.1	12.3
Amortization	5.6	16.7	1.5	—	23.8	5.8	9.6	1.6	—	17.0
Fair value inventory step-up charges	—	1.2	—	—	1.2	—	—	—	—	—
Restructuring expenses and asset impairments	1.7	1.5	0.4	0.5	4.1	—	—	—	—	—
Net impact from the exit of a COVID-19 testing application ⁽¹⁾	—	—	—	—	—	—	(1.1)	—	—	(1.1)
Adjusted EBITDA	\$ 103.6	\$ 84.4	\$ 52.8	\$ (15.3)	\$ 225.5	\$ 104.4	\$ 101.4	\$ 47.8	\$ (22.2)	\$ 231.4
Net sales (eliminations)	\$ 301.1	\$ 313.2	\$ 180.6	\$ (1.5)	\$ 793.4	\$ 307.6	\$ 345.0	\$ 172.4	\$ (1.0)	\$ 824.0
Impact from the exit of a COVID-19 testing application ⁽¹⁾	—	—	—	—	—	—	(17.9)	—	—	(17.9)
Adjusted net sales (eliminations)	\$ 301.1	\$ 313.2	\$ 180.6	\$ (1.5)	\$ 793.4	\$ 307.6	\$ 327.1	\$ 172.4	\$ (1.0)	\$ 806.1
Net income margin	26.3 %					21.7 %				
Adjusted EBITDA margin	34.4 %	26.9 %	29.3 %	n/m	28.4 %	33.9 %	31.0 %	27.8 %	n/m	28.7 %

⁽¹⁾The net impact in the Adjusted EBITDA reconciliation represents the acceleration of previously deferred revenue of \$17.9 million less the impairment charge of \$16.8 million related to a customer's decision to discontinue further investment in commercializing its COVID-19 testing application in 2022 that did not reoccur in 2023, while the impact in the Adjusted net sales reconciliation represents only the acceleration of previously deferred revenue of \$17.9 million discussed above. See [Note 12](#) in the Notes to Condensed Consolidated Financial Statements for further detail.

2. Reconciliations of Reported-to-Adjusted Gross Profit and Gross Margin (dollars in millions)

	Three Months Ended March 31,	
	2024	2023
Gross profit	\$ 357.4	\$ 382.5
Fair value inventory step-up charges	2.5	—
Adjusted gross profit	\$ 359.9	\$ 382.5

Net sales	\$	800.5	\$	845.4
Gross margin		44.6 %		45.2 %
Adjusted gross margin		45.0 %		45.2 %

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4. Reconciliations of Net Income to Adjusted EBITDA and Net Sales to Adjusted Net Sales (dollars in millions) (continued)

	Nine Months Ended September 30,									
	2023					2022				
	FMT	HST	FSDP	Corporate	INDEX	FMT	HST	FSDP	Corporate	INDEX
Reported net income	\$ —	\$ —	\$ —	\$ —	\$ 487.3	\$ —	\$ —	\$ —	\$ —	\$ 456.7
Provision for income taxes	—	—	—	—	132.8	—	—	—	—	129.2
Interest expense	—	—	—	—	40.1	—	—	—	—	28.6
Other (income) expense - net	—	—	—	—	5.6	—	—	—	—	(3.3)
(Gain) on sale of business	—	—	—	—	(93.8)	—	—	—	—	(34.8)
Operating income (loss)	291.9	199.7	145.0	(64.6)	572.0	257.8	255.7	124.0	(61.1)	576.4
Other income (expense) - net	2.0	0.8	(0.3)	(8.1)	(5.6)	2.0	2.5	2.6	(3.8)	3.3
Depreciation	10.3	24.1	6.7	0.8	41.9	12.0	18.4	6.3	0.3	37.0
Amortization	17.3	48.5	4.8	—	70.6	15.1	29.2	4.9	—	49.2
Fair value inventory step-up charges	—	1.2	—	—	1.2	0.4	—	—	—	0.4
Restructuring expenses and asset impairments	2.4	4.5	0.8	0.5	8.2	1.7	0.1	1.0	—	2.8
Net impact from the exit of a COVID-19 testing application ⁽¹⁾	—	—	—	—	—	—	(1.1)	—	—	(1.1)
Gains on sales of assets	—	—	—	—	(1.2)	—	(1.5)	—	—	(2.7)
Credit loss on note receivable from collaborative partner ⁽²⁾	—	—	—	7.7	7.7	—	—	—	—	—
Adjusted EBITDA	\$ 323.9	\$ 278.8	\$ 157.0	\$ (63.7)	\$ 696.0	\$ 287.8	\$ 304.8	\$ 137.3	\$ (64.6)	\$ 665.3
Net sales (eliminations)	\$ 948.0	\$ 1,003.7	\$ 539.8	\$ (6.5)	\$ 2,485.0	\$ 879.5	\$ 986.2	\$ 508.3	\$ (2.8)	\$ 2,371.2
Impact from the exit of a COVID-19 testing application ⁽¹⁾	—	—	—	—	—	—	(17.9)	—	—	(17.9)
Adjusted net sales (eliminations)	\$ 948.0	\$ 1,003.7	\$ 539.8	\$ (6.5)	\$ 2,485.0	\$ 879.5	\$ 968.3	\$ 508.3	\$ (2.8)	\$ 2,353.3
Net income margin					19.6 %					19.3 %
Adjusted EBITDA margin	34.2 %	27.8 %	29.1 %	n/m	28.0 %	32.7 %	31.5 %	27.0 %	n/m	28.3 %

3. Reconciliations of Reported-to-Adjusted Net Income Attributable to INDEX and Diluted EPS Attributable to INDEX (in millions, except for share amounts)

	Three Months Ended March 31,	
	2024	2023
Reported net income attributable to INDEX	\$ 121.4	\$ 139.8
Fair value inventory step-up charges	2.5	—
Tax impact on fair value inventory step-up charges	(0.5)	—
Restructuring expenses and asset impairments	1.1	0.5
Tax impact on restructuring expenses and asset impairments	(0.3)	(0.1)
Acquisition-related intangible asset amortization	24.6	23.6
Tax impact on acquisition-related intangible asset amortization	(5.6)	(5.2)
Adjusted net income attributable to INDEX	\$ 143.2	\$ 158.6

Reported diluted EPS attributable to IDEX	\$	1.60	\$	1.84
Fair value inventory step-up charges		0.03		—
Tax impact on fair value inventory step-up charges		(0.01)		—
Restructuring expenses and asset impairments		0.01		0.01
Tax impact on restructuring expenses and asset impairments		—		—
Acquisition-related intangible asset amortization		0.32		0.31
Tax impact on acquisition-related intangible asset amortization		(0.07)		(0.07)
Adjusted diluted EPS attributable to IDEX	\$	1.88	\$	2.09
Diluted weighted average shares outstanding		75.9		75.9

(1) The net impact in the Adjusted EBITDA reconciliation represents the acceleration of previously deferred revenue of \$17.9 million less the impairment charge of \$16.8 million related to a customer's decision to discontinue further investment in commercializing its COVID-19 testing application in 2022 that did not reoccur in 2023, while the impact in the Adjusted net sales reconciliation represents only the acceleration of previously deferred revenue of \$17.9 million discussed above. See Note 12 Contents in the Notes to Condensed Consolidated Financial Statements for further detail.

(2) Represents a reserve recorded on an investment with a collaborative partner that may no longer be recoverable. See Note 3 in the Notes to Condensed Consolidated Financial Statements for further detail.

4. Reconciliations of Net Income to Adjusted EBITDA (dollars in millions)

	Three Months Ended March 31,									
	2024					2023				
	FMT	HST	FSDP	Corporate	IDEX	FMT	HST	FSDP	Corporate	IDEX
Reported net income	\$ —	\$ —	\$ —	\$ —	\$ 121.3	\$ —	\$ —	\$ —	\$ —	\$ 139.8
Provision for income taxes	—	—	—	—	33.2	—	—	—	—	40.0
Interest expense - net	—	—	—	—	9.4	—	—	—	—	13.1
Other (income) expense - net	—	—	—	—	(2.7)	—	—	—	—	(0.6)
Operating income (loss)	94.8	49.2	47.7	(30.5)	161.2	96.5	77.5	46.0	(27.7)	192.3
Other income (expense) - net	0.5	2.1	(0.2)	0.3	2.7	0.5	(0.3)	(0.2)	0.6	0.6
Depreciation	4.3	9.4	2.3	0.2	16.2	3.1	7.3	2.1	0.3	12.8
Amortization	5.3	17.7	1.6	—	24.6	6.0	15.9	1.7	—	23.6
Fair value inventory step-up charges	—	2.5	—	—	2.5	—	—	—	—	—
Restructuring expenses and asset impairments	0.5	0.5	—	0.1	1.1	0.1	0.3	0.1	—	0.5
Adjusted EBITDA	\$ 105.4	\$ 81.4	\$ 51.4	\$ (29.9)	\$ 208.3	\$ 106.2	\$ 100.7	\$ 49.7	\$ (26.8)	\$ 229.8
Net sales (eliminations)	\$ 313.7	\$ 310.1	\$ 178.0	\$ (1.3)	\$ 800.5	\$ 321.8	\$ 351.0	\$ 174.4	\$ (1.8)	\$ 845.4
Net income margin	15.2 %					16.5 %				
Adjusted EBITDA margin	33.6 %	26.2 %	28.9 %	n/m	26.0 %	33.0 %	28.7 %	28.5 %	n/m	27.2 %

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Cautionary Statement Under the Private Securities Litigation Reform Act

This quarterly report on Form 10-Q, including the "Overview," "Results of Operations" and "Liquidity and Capital Resources" sections of this Management's Discussion and Analysis of Financial Condition and Results of Operations, contains "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. These statements may relate to, among other things, anticipated changes in the fourth quarter of 2023, anticipated future acquisition behavior, expectations regarding customer destocking efforts and future order stabilization and lead time, availability of cash and financing alternatives and the anticipated benefits of the Company's recent acquisitions, and are indicated by words or phrases such as "anticipates," "estimates," "plans," "guidance," "expects," "projects," "forecasts," "should," "could," "will," "management

believes," "the Company believes," "the Company intends" and similar words or phrases. These statements are subject to inherent uncertainties and risks that could cause actual results to differ materially from those anticipated at the date of this report.

The risks and uncertainties include, but are not limited to, the following: levels of industrial activity and economic conditions in the U.S. and other countries around the world, including uncertainties in the financial markets and adverse developments affecting the financial services industry; pricing pressures, including inflation and rising interest rates, and other competitive factors and levels of capital spending in certain industries, all of which could have a material impact on order rates and the Company's results; the impact of health epidemics and pandemics and terrorist attacks and wars, which could have an adverse impact on the Company's business by creating disruptions in the global supply chain and by potentially having an adverse impact on the global economy; the Company's ability to make acquisitions and to integrate and operate acquired businesses on a profitable basis; the relationship of the U.S. dollar to other currencies and its impact on pricing and cost competitiveness; political and economic conditions in foreign countries in which the Company operates; developments with respect to trade policy and tariffs; capacity utilization and the effect this has on costs; labor markets; supply chain conditions; market conditions and material costs; risks related to environmental, social and corporate governance issues, including those related to climate change and sustainability; and developments with respect to contingencies, such as litigation and environmental matters.

Additional factors that could cause actual results to differ materially from those reflected in the forward-looking statements include, but are not limited to, the risks discussed in the "Risk Factors" section included in the Company's most recent annual report on Form 10-K and the Company's subsequent quarterly reports filed with the Securities and Exchange Commission ("SEC") and the other risks discussed in the Company's filings with the SEC. The forward-looking statements included here are only made as of the date of this report, and management undertakes no obligation to publicly update them to reflect subsequent events or circumstances, except as may be required by law. Investors are cautioned not to rely unduly on forward-looking statements when evaluating the information presented here.

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Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes with respect to market risks disclosed in the Company's Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**.

Item 4. Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

As required by SEC Rule 13a-15(b), the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of **September 30, 2023** **March 31, 2024**.

There has been no change in the Company's internal control over financial reporting during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company and its subsidiaries are party to legal proceedings arising in the ordinary course of business as described in [Note 17.14](#) in Part I, Item 1, "Commitments and Contingencies," and such disclosure is incorporated by reference into this Item 1. "Legal Proceedings."

The Company's threshold for disclosing material environmental legal proceedings involving a government authority where potential monetary sanctions are involved is \$1.0 million.

In addition, the Company and six of its subsidiaries are presently named as defendants in a number of lawsuits claiming various asbestos-related personal injuries, allegedly as a result of exposure to products manufactured with components that contained asbestos. These components were acquired from third party suppliers and were not manufactured by the Company or any of the defendant subsidiaries. To date, the majority of the Company's settlements and legal costs, except for costs of coordination, administration, insurance investigation and a portion of defense costs, have been covered in full by insurance, subject to applicable deductibles. However, the Company cannot predict whether and to what extent insurance will be available to continue to cover these settlements and legal costs, or how insurers may respond to claims that are tendered to them. Asbestos-related claims have been filed in jurisdictions throughout the United States and the United Kingdom. Most of the claims resolved to date have been dismissed without payment. The balance of the claims have been settled for various immaterial amounts. Only one case has been tried, resulting in a verdict for the Company's business unit. No provision has been made in the financial statements of the Company, other than for insurance deductibles in the ordinary course, and the Company does not currently believe the asbestos-related claims will have a material adverse effect on the Company's business, financial position, results of operations or cash flows.

Item 1A. Risk Factors

There have been no material changes with respect to risk factors disclosed in the Company's Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**.

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

The following table provides information about the Company's purchases of its common stock during the quarter ended **September 30, 2023** **March 31, 2024**:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Shares Purchased as Part of Publicly Announced Plans or Programs	Total Number of	Approximate Dollar Value that May be Purchased Under the Plans or Programs ⁽¹⁾
				or Programs	
July 1, 2023 to July 31, 2023	—	\$ —	—	—	\$ 562,763,657 539,689,117
August 1, 2023 to August 31, 2023	—	—	—	—	562,763,657 539,689,117
September 1, 2023 to September 30, 2023	—	—	—	—	562,763,657 539,689,117
Total	—	\$ —	—	—	\$ 562,763,657 539,689,117

⁽¹⁾ On March 17, 2020, the Company's Board of Directors approved an increase of \$500.0 million in the authorized level of repurchases of common stock. This approval is in addition to the prior repurchase authorization of the Board of Directors of \$300.0 million on December 1, 2015. These authorizations have no expiration date.

Item 5. Other Information

During the quarter ended **September 30, 2023** **March 31, 2024**, none of the Company's directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement" as defined in Item 408 of Regulation S-K under the Securities Exchange Act of 1934, as amended.

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Item 6. Exhibits

Exhibit Number	Description
10.1**	Termination and Release Agreement between Fast & Fluid Management B.V. and M.A. Uleman, dated as of August 31, 2023
31.1*	Certification of Chief Executive Officer Pursuant to Section 302 of Sarbanes Oxley Act of 2002
31.2*	Certification of Chief Financial Officer Pursuant to Section 302 of Sarbanes Oxley Act of 2002
32.1*	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350
32.2*	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350
101*	The following financial information from IDEX Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024 formatted in Inline eXtensible Business Reporting Language (iXBRL) includes: (i) the Cover Page, (ii) the Condensed Consolidated Balance Sheets, (iii) the Condensed Consolidated Statements of Income, (iv) the Condensed Consolidated Statements of Comprehensive Income, (v) the Condensed Consolidated Statements of Equity, (vi) the Condensed Consolidated Statements of Cash Flows, and (vii) Notes to Condensed Consolidated Financial Statements.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

** Management contract or compensatory plan or agreement.

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SIGNATURES

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

INDEX Corporation

By:

/s/ ALLISON S. LAUSAS ABHISHEK KHANDELWAL

Allison S. Lausas Abhishek Khandelwal

Interim Senior Vice President and Chief Financial Officer and Chief Accounting Officer
(Principal Financial and Accounting Officer)

Date: **October 26, 2023** April 24, 2024

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Page 1 of 7 THE UNDERSIGNED: Fast & Fluid Management B.V., a private company with limited liability, having its corporate seat in Sassenheim, The Netherlands and its formal place of business at Hub van Doorneweg 31, (2171KZ) Sassenheim, The Netherlands, for purpose of this agreement duly represented by Ms. Melissa Flores, hereinafter the "Company", and Mr. M.A. Uleman, born on [Redacted], currently residing at [Redacted] in The Netherlands, hereinafter "Uleman", The parties to this Agreement are hereinafter collectively referred to as the "Parties" and individually as a "Party"; PARTIES HAVE AGREED AS FOLLOWS: RECITALS: (1) Uleman entered the employment of the Company on 9 January 2012 and currently holds the position of Senior Vice President, Group Executive, Health & Science Technologies (the "Role") based on an employment agreement for an indefinite period of time (the "Employment Agreement"); (2) The salary most recently earned by Uleman is EUR 43.334,- gross per month (the "Salary"), including vacation allowance of 8% and excluding other fringe benefits; (3) The Company is a subsidiary of the ultimate parent company IDEX Corporation (IDEX). In this Agreement the "Group" refers to the Company as well as to all companies affiliated to the Company (both in and outside of The Netherlands), which includes but is not limited to direct and indirect subsidiaries, parent companies and other companies within the IDEX group of companies including the parent company IDEX as well as all their legal predecessors and successors; (4) Due to a restructuring the Role is eliminated and consequently Uleman will become redundant effective 11 September 2023; (5) The Company has investigated whether it can redeploy Uleman in another position but had to conclude that alternative suitable employment is not available for Uleman, nor will such position become available in the near future. Consequently, the elimination of Uleman's Role results in the inevitable termination of the Employment Agreement; (6) As the Company seeks to terminate the Employment Agreement, the Parties have discussed the conditions for such termination. In view of the above, and to end all points of dispute regarding the consequences of the termination of the Employment Agreement, the Parties have reached EX-
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Page 2 of 7 the agreement as set out in this settlement agreement (the "Agreement"); (7) The decision to grant Uleman the terms set out in this Agreement has been taken by the competent body of the Company; (8) Uleman is fully aware of the content of this Agreement and its consequences and has been given the opportunity to consider and receive expert legal advice (the "Representative") prior to signing this Agreement; (9) Within 14 (fourteen) days as from the date that Parties have reached full agreement about the terms and conditions set out in this Agreement, Uleman has the right to withdraw his acceptance of the subject Agreement and rescind it extra-judicially. The rescission must be made in writing and must be delivered to the Company per e-mail with a confirm delivery and read option at the notice of Melissa Flores, Senior Vice President, Chief Human Resources Officer (the "Rescission of Acceptance"). 1. TERMINATION OF EMPLOYMENT BY MUTUAL CONSENT 1.1 Termination Date. The Employment Agreement will end with mutual consent effective 31 December 2023 (the "Termination Date"). 1.2 Transfer of Duties and Support to BUs. Uleman agrees to ensure that his duties are properly finalized and transferred to the designated business leaders as per the instructions of IDEX by 11 September 2023. From 11 September 2023 until and including 20 November 2023, Uleman agrees to provide transitional support for the businesses within the Health and Science Segment moving under new leadership with an emphasis on completing the first-year integration plan for the Muon businesses in collaboration with the corresponding Group President. 1.3 Cooperation in Deregistration. Uleman agrees to collaborate fully and timely with IDEX and FFM HR and Legal teams in relation to any required deregistrations from any roles or titles that Uleman holds resulting from the termination of his Employment Agreement. 2. SEVERANCE PACKAGE — OTHER EMPLOYMENT BENEFITS - REFERENCE LETTER 2.1 Severance Package. In consideration for the promises and benefits made herein, the Company agrees to provide the following "Severance Package" if Uleman signs, does not deliver a Rescission of Acceptance, and complies with this Agreement: a. Release from duties. As per 21 November 2023 Uleman shall be released from duties (the "Release Date") with entitlement to his full pay (but excluding expense allowances, travel allowances, and other allowances related to active duty) until the Termination Date (the "Release Period"). During the Release Period, Uleman is not allowed to perform any form of paid work or commercial/economically valuable side activities in the broadest sense of the word. b. Contractual Severance. Pursuant to article 3.2 of the Employment Agreement, the

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Page 3 of 7 Company will pay Uleman an amount of EUR 910,000,- gross (the "Contractual Severance"), under the condition that the Employment Agreement terminates in accordance with Clause 1.1 of this Agreement and Uleman properly fulfills his obligations as stipulated in Clause 1.2. The Severance Payment is intended to supplement any benefits under social security laws or a lower salary earned elsewhere. c. Outplacement. The Company will provide Uleman with outplacement services for a period of six (6) months. Outplacement services will be provided by Robertson Lowstuter, Inc., with an executive package selected and paid by the Company directly to the outplacement service provider. Uleman is not able to initiate outplacement services until this Agreement has been signed and returned to the Company and the fourteen (14) day revision period has passed without Uleman's revision thereof (provided Uleman does not breach the Agreement). Uleman is required to initiate outplacement services within ninety (90) days following the Termination Date or the benefit described in this Clause 2.1 (c) will be waived. d. MICP and IAP. Nothing in this Agreement shall alter or reduce any vested benefits (if any) to which Uleman may be entitled under any equity-related agreement between IDEX and Uleman, which shall be subject to the terms of the applicable plan documents and/or equity agreements. For the avoidance of doubt, Uleman's MICP for 2023 will be governed according to the Plan as applicable to active employees, using the IDEX factor and payable no later than April 30, 2024. Uleman may confirm the factor applied via the Company's annual proxy statement. As set forth in the applicable Plan documents, Uleman is eligible for retirement classification with respect to bonus and equity grants. The requirements to exercise the grants are as set forth in the Plan documents. Uleman may continue to access his UBS account and PSU tracking systems following his Termination Date on the same terms as any non-employee investor. The Company will not take any action to disable his UBS account. e. Legal Advice. As far as Uleman is not insured for legal aid, the Company will compensate the costs for legal counsel incurred up to a maximum amount of EUR 2,000,- excluding VAT (one thousand euros) (the "Contribution"). Uleman shall pay his lawyer's invoice and shall submit the invoice in accordance with the Company's Business Expenses Policy before the Release Date. The Company shall reimburse the Contribution to Uleman within 30 days from submission of the expense claim, but not earlier than after the 14-days reconsideration period as reflected in Recital (9) of this Agreement. 2.2 Waiver. As per the agreed terms in the Employment Agreement, Uleman accepts the Contractual Severance as full and final compensation for the termination of his Employment Agreement and any benefits connected thereto, and waives any other claims or rights to other financial compensation (such as, but not limited to, pay out of vacation days, vacation allowance, future bonus (MICP), stock and equity grants (IAP), damages etc.). 2.3 Positive Reference. At Uleman's request, the Company shall issue a positive letter of recommendation in conformity with the provisions of The Netherlands law. The Company is willing to provide references in accordance thereto.

Page 4 of 7 2.4 Collective Schemes. Uleman's participation in any collective Company scheme and/or Group insurance — including pension through PME, and the pension allowance - will continue under the applicable terms and conditions of the scheme until the Termination Date. Effective the Termination Date, Uleman's participation in all collective schemes will cease. 3. EXPENSES — COMPANY PROPERTY 3.1 Expenses. Uleman shall submit all business expenses claims (if any) properly incurred up to the Release Date by submitting all his expenses through Concur before the Termination Date. The Company shall reimburse Uleman for any such expenses in the usual way in accordance with Company policy. 3.2 Return of Company Property. Uleman agrees to return all Company property which is still in his possession and control as of 20 November 2023. Company property includes, but is not limited to, all equipment that has become available to Uleman during his tenure at the Company such as, but not limited to, Company-issued office entrance badge(s), laptop, laptop charger, laptop head phones, and mobile phones, for any business related systems and accounts. Uleman may port his mobile phone number to a private telecommunications provider to allow his private use of the number upon his return of the Company-issued phone. Uleman further agrees to return or destroy by 20 November 2023 the original and any copies of Confidential Information as defined in the employment agreement and Parties' Confidential Information, Work Product and Restrictive Covenant (CWR) Agreement, as amended and incorporated into the Employment Agreement and trade secret information in the broadest sense of the word, including but not limited to IDEX and Group data, e-mails, files, agendas and any other record, or document relating to the Company, the Group or their business, products, or services. Any damages to or loss of Company and/or Group property shall be deducted from the final settlement of accounts. 4. RESTRICTIONS AND POST-CONTRACTUAL ARRANGEMENTS 4.1 Contractual Restrictions. Until and after the Termination Date, Uleman remains bound by all (post-) contractual restrictions and any penalty clause connected thereto as agreed in this Agreement, the Employment Agreement and including the CWR Agreement, albeit that, with respect to Paragraphs 5(a) and (b) of the CWR Agreement, the Company agrees to enter into good faith discussions with Uleman in connection with his desire to obtain a waiver of the obligations contained in Paragraphs 5(a) and (b) in the event Uleman is presented with a viable employment opportunity. The Company agrees to take into consideration the facts and circumstances relating to Uleman's employment opportunity during these discussions. Uleman agrees that he shall contact Melissa Flores, SVP, Chief Human Resources Officer, should he desire to obtain such a waiver. 4.1 Confidentiality. The Parties represent and warrant that they have not disclosed, and agree not to disclose, any and all matters concerning this Agreement and the Employment Agreement, as well as the facts, circumstances, and contents leading up to this Agreement and any related negotiations, except that Uleman may disclose such information about this Agreement and the Employment Agreement to his lawyer(s), tax advisor(s), other professional(s) providing services



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Page 5 of 7 to Uleman and to his partner/spouse. Uleman may disclose to others the fact that there is a separation agreement and that its terms are confidential, and Uleman may provide UWV with a copy of this Agreement if and insofar as he applies for social security benefits. The Company may disclose the same to any advisors, executives, or employees of the Company/Group on a need-to-know basis as determined at the Company's discretion. Nothing in this Agreement shall prohibit either Party from complying with any legal requirement to disclose information relating to any matter concerning this Agreement, including, but not limited to, IDEX's disclosure obligations pursuant to the rules and requirements of the United States Securities and Exchange Commission. Moreover, to the extent Uleman is required to disclose this Agreement pursuant to a legal obligation, Uleman agrees to immediately notify the Company both verbally and in writing by contacting the CHRO of IDEX per email. Uleman further acknowledges that maintaining the confidentiality of this Agreement is a critical consideration for the Company entering into this Agreement. 4.2 Non-Disparagement. Uleman promises and agrees that he shall not, directly or indirectly, to any person or entity, including but not limited to, present or former employees of the Company, customers or vendors of the Company, make any disparaging oral or written statements about the Company or Group, or its or their employees or customers, or do anything which damages the Company or Group or its or their services, reputation, financial status, or business relationships. 4.3 Social Media. Effective the Termination Date, Uleman shall adjust his LinkedIn profile to reflect that the Company no longer employs him and shall remove all references to his continued association with the Company and the Group from all social media channels which he uses (which may include, but are not limited to, LinkedIn, Twitter, Facebook etc.). Following the Termination Date, Uleman may continue to mention on his LinkedIn that he was previously employed by the Company. 5. FULL AND FINAL DISCHARGE 5.1 Released Parties. Uleman accepts the terms and conditions laid down in this Agreement in full and final settlement of any claims and/or rights of action that he has or may have against the Company or Group, and its or their current, former, or future officers, directors, employees and/or shareholders (the "Released Parties") and declares that he has no further right to any payments (including but not limited to the statutory transition fee ('transitievergoeding')) or any other financial compensation in relation to the Employment Agreement and the termination thereof, which includes but is not limited to payments under any bonus or profit sharing scheme (ex gratia or otherwise), grants or allowances, all unless explicitly agreed otherwise in this Agreement. To the extent that any such claim or right exists or may exist, Uleman hereby irrevocably and unconditionally waives, releases, acquires, and forever discharges the Released Parties from any such claims or rights. 5.2 Full & Final Discharge. In the negotiations, the Parties have had the opportunity to address all existing or potential rights, obligations, and points of dispute. Except for the observance of the rights and obligations set forth in this Agreement, the Parties hereby grant each other full and

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Page 6 of 7 final discharge with respect to the Employment Agreement, the termination thereof and otherwise. This discharge by Uleman also pertains to the Group as well as all Released Parties.

6. FINAL SETTLEMENT OF ACCOUNTS

6.1 Settlement of Accounts. The Company will prepare a final settlement of accounts with respect to the amounts that are still due as per the Termination Date in connection with the Employment Agreement and the termination thereof as reflected in this Agreement. Uleman is not eligible for any other payments after the Termination Date, other than as specifically provided herein. No Contractual Severance or any other payment under the Severance Package will be paid or provided to Uleman until all expense reports have been received, reviewed, and finalized as provided in Clause 3.1 of this Agreement, and all Company property has been returned or destroyed as provided in Clause 3.2 of this Agreement. All payments under this Agreement will be made within 30 days from the Termination Date, unless explicitly agreed otherwise in this Agreement.

6.2 Payment to Estate. In the event Uleman is deceased before the payments described in Clause 2.1 (b) and (e) of this Agreement are made, and the Agreement has been timely executed and not revoked or breached, the Company agrees to pay remaining unpaid amounts, if any, to Uleman's estate upon receipt of proper proof of authority to collect payment on behalf of Uleman's estate.

6.3 Taxes. All payments pursuant to this Agreement will be made after deduction of the applicable withholdings of taxes and premiums. If changes in payroll or income tax regulations have any tax consequences for this Agreement, these will be exclusively for the account of Uleman.

7. LEGAL FRAMEWORK

7.1 Entire Agreement & Any Prior Written Agreements. This Agreement sets forth the entire agreement and understanding of the Parties and supersedes all prior agreements or understandings regarding the matters covered herein, except as otherwise provided for in this Agreement.

7.2 Invalidity. The invalidity of any provision or part of a provision of this Agreement will not affect the validity of the other provisions or parts thereof.

7.3 Termination for Cause and Rescission of Acceptance. The Company is entitled to terminate the Employment Agreement with immediate effect and such urgent cause has become known to the Company after signing this Agreement if the characteristics or conduct of Uleman constitute an urgent cause to terminate the Employment Agreement with immediate effect and such urgent cause has become known to the Company after signing this Agreement.

Breach by Uleman of the terms of this Agreement prior to the Termination Date shall qualify as an urgent cause. In case of instant dismissal or if Uleman opts for a Rescission of Acceptance, the performances already delivered and the performances that still need to be delivered by the Company, will no longer be due and, to the extent already delivered, such performances will be undone. In all other respects, the Parties explicitly waive their right to terminate ("entbinden") this Agreement or to request dissolution of this Agreement in court.



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Page 7 of 7 7.4 Settlement Agreement. This Agreement is a settlement agreement to end a dispute as referred to in Article 7:900 up to and including Article 7:906 of the Dutch Civil Code. 8. APPLICABLE LAW AND DISPUTES 8.1 Governing Law. This Agreement shall be governed exclusively by The Netherlands law, except for the provisions of private international law concerning the law applicable on contractual obligations. 8.2 Competent Court. Any dispute in relation to and arising from this Agreement shall be brought exclusively before the competent court in The Netherlands. SIGNATURES This Agreement may be executed in any number of counterparts, each of which, when executed, shall be an original, and all the counterparts together shall constitute one and the same instrument. Thus, executed in counterparts, on 30 August 2023 East & Fluid Management B.V. /s/ Melissa Flores Ms. Melissa Flores, CHRO INDEX Corporation on 31 August 2023 Mr. M.A. Uelman /s/ Marc Uelman

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Exhibit 31.1

**Certification of Chief Executive Officer Pursuant to Section 302 of the
Sarbanes-Oxley Act of 2002**

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I, Eric D. Ashleman, certify that:

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

/s/ ERIC D. ASHLEMAN

Eric D. Ashleman

Chief Executive Officer and President

Date: October 26, 2023 April 24, 2024

Exhibit 31.2

**Certification of Chief Financial Officer Pursuant to Section 302 of the
Sarbanes-Oxley Act of 2002**

I, Allison S. Lausas, Abhishek Khandelwal, certify that:

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

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ **ALLISON S. LAUSAS ABHISHEK KHANDELWAL**

Allison S. Lausas Abhishek Khandelwal

Interim Senior Vice President and Chief Financial Officer and Chief Accounting Officer

Date: **October 26, 2023** **April 24, 2024**

Exhibit 32.1

Certification of Chief Executive Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of IDEX Corporation (the "Company") hereby certifies, to such officer's knowledge, that:

- (i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended **September 30, 2023** **March 31, 2024** (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ **ERIC D. ASHLEMAN**

Eric D. Ashleman

Chief Executive Officer and President

Date: **October 26, 2023** **April 24, 2024**

Exhibit 32.2

Certification of Chief Financial Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of IDEX Corporation (the "Company") hereby certifies, to such officer's knowledge, that:

- (i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended **September 30, 2023** **March 31, 2024** (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ **ALLISON S. LAUSAS ABHISHEK KHANDELWAL**

Allison S. Lausas Abhishek Khandelwal

Interim Senior Vice President and Chief Financial Officer and Chief Accounting Officer

Date: **October 26, 2023** **April 24, 2024**

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