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DELTA REPORT

10-Q

B - BARNES GROUP INC

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

The following comparison report has been automatically generated

TOTAL DELTAS	1862
CHANGES	360
DELETIONS	999
ADDITIONS	503

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

(Mark One)

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

For the quarterly period ended September 30, 2023 March 31, 2024

OR

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

For the transition period from to

Commission File Number 1-4801

Barnes-Logo.jpg

BARNES GROUP INC.

(Exact name of registrant as specified in its charter)

Delaware	**06-0247840**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

123 Main Street	
Bristol	
Connecticut	**06010**
(Address of Principal Executive Offices)	(Zip Code)

(860) 583-7070

Registrant's telephone number, including area code

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

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, par value $0.01 per share	B	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 x 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 x No ¨

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

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

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

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

The registrant had outstanding 50,674,896 50,702,072 shares of common stock as of November 1, 2023 April 24, 2024.

Barnes Group Inc.
Index to Form 10-Q
For the Quarterly Period Ended September 30, 2023 March 31, 2024

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. See “FORWARD-LOOKING STATEMENTS” under Part I - Item 2 “Management's Discussion and Analysis of Financial Condition and Results of Operations” of this Quarterly Report on Form 10-Q.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

BARNES GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF (LOSS) INCOME
(Dollars in thousands, except per share data)
(Unaudited)

	Three Months Ended March 31,
	Three Months Ended March 31,
	Three Months Ended March 31,

		2024			
		2024			
		2024			
Net sales					
Net sales					
Net sales					
		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
Net sales		$ 360,988	$ 314,744	$ 1,035,329	$ 948,395
Cost of sales					
Cost of sales					
Cost of sales	Cost of sales	253,490	208,649	704,358	628,593
Selling and administrative expenses	Selling and administrative expenses	97,508	76,059	271,688	218,646
Goodwill impairment charge		—	—	—	68,194
Selling and administrative expenses					
Selling and administrative expenses					
		350,998	284,708	976,046	915,433
Operating income	Operating income	9,990	30,036	59,283	32,962
Operating income					
Operating income					
Interest expense	Interest expense	22,792	3,357	34,612	10,249
Interest expense					
Interest expense					
Other expense (income), net	Other expense (income), net	(874)	2,423	(2,427)	3,650
(Loss) income before income taxes		(11,928)	24,256	27,098	19,063
Other expense (income), net					
Other expense (income), net					
Income before income taxes					
Income before income taxes					
Income before income taxes					
Income taxes					
Income taxes					
Income taxes	Income taxes	9,802	7,277	18,318	21,152
Net (loss) income		$ (21,730)	$ 16,979	$ 8,780	$ (2,089)
Net income					
Net income					
Net income					
Per common share:	Per common share:				
Per common share:					
Per common share:					
Basic	Basic	$ (0.43)	$ 0.33	$ 0.17	$ (0.04)
Basic					
Basic					
Diluted					
Diluted					
Diluted	Diluted	(0.43)	0.33	0.17	(0.04)

Weighted average common shares outstanding:	Weighted average common shares outstanding:				
Weighted average common shares outstanding:					
Weighted average common shares outstanding:					
Basic					
Basic					
Basic	Basic	51,057,979	50,919,955	51,033,181	50,981,874
Diluted	Diluted	51,057,979	51,059,906	51,223,978	50,981,874
Diluted					
Diluted					

See accompanying notes.

BARNES GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(Dollars in thousands)
(Unaudited)

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	**2022**	**2023**	**2022**
Net (loss) income		$ (21,730)	$ 16,979	$ 8,780	$ (2,089)
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		2024			
		2024			
		2024			
Net income					
Net income					
Net income					
Other comprehensive (loss) income, net of tax					
Other comprehensive (loss) income, net of tax					
Other comprehensive (loss) income, net of tax	Other comprehensive (loss) income, net of tax				
Unrealized gain (loss) on hedging activities, net of tax (1)	Unrealized gain (loss) on hedging activities, net of tax (1)	814	2,391	663	5,793
Unrealized gain (loss) on hedging activities, net of tax (1)					
Unrealized gain (loss) on hedging activities, net of tax (1)					
Foreign currency translation adjustments, net of tax (2)					
Foreign currency translation adjustments, net of tax (2)					

Foreign currency translation adjustments, net of tax (2)	Foreign currency translation adjustments, net of tax (2)	(14,282)	(63,433)	(10,146)	(145,238)
Defined benefit pension and other postretirement benefits, net of tax (3)	Defined benefit pension and other postretirement benefits, net of tax (3)	539	(3,737)	10,810	2,114
Defined benefit pension and other postretirement benefits, net of tax (3)					
Defined benefit pension and other postretirement benefits, net of tax (3)					
Total other comprehensive (loss) income, net of tax	Total other comprehensive (loss) income, net of tax	(12,929)	(64,779)	1,327	(137,331)
Total other comprehensive (loss) income, net of tax					
Total other comprehensive (loss) income, net of tax					
Total comprehensive (loss) income					
Total comprehensive (loss) income					
Total comprehensive (loss) income	Total comprehensive (loss) income	$ (34,659)	$ (47,800)	$ 10,107	$ (139,420)

(1) Net of tax of $255 $3,030 and $751 $(276) for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and $218 and $1,827 for the nine months ended September 30, 2023 and 2022, 2023, respectively.

(2) Net of tax of $0 for the three and nine months ended September 30, 2023 March 31, 2024 and 2022. 2023.

(3) Net of tax of $113 $475 and $(1,383) $3,639 for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and $3,741 and $233 for the nine months ended September 30, 2023 and 2022, 2023, respectively.

See accompanying notes.

BARNES GROUP INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except per share data)
(Unaudited)

		September 30, 2023	December 31, 2022		
	March 31, 2024			March 31, 2024	December 31, 2023
Assets	**Assets**				
Current assets	Current assets				
Current assets					
Current assets					
Cash and cash equivalents	Cash and cash equivalents	$ 90,040	$ 76,858		
Accounts receivable, less allowances (2023 - $5,827; 2022 - $5,222)		348,456	291,883		
Accounts receivable, less allowances (2024 - $6,994; 2023 - $7,258)					

Inventories	Inventories	370,669	283,402
Prepaid expenses and other current assets	Prepaid expenses and other current assets	94,248	80,161
Assets held for sale			
Total current assets	Total current assets	903,413	732,304
Deferred income taxes	Deferred income taxes	13,548	18,028
Deferred income taxes			
Deferred income taxes			
Property, plant and equipment	Property, plant and equipment	1,009,351	906,980
Property, plant and equipment			
Property, plant and equipment			
Less accumulated depreciation	Less accumulated depreciation	(614,337)	(586,841)
	348,509		
		395,014	320,139
Goodwill			
Goodwill			
Goodwill	Goodwill	1,152,074	835,472
Other intangible assets, net	Other intangible assets, net	721,610	442,492
Other assets	Other assets	91,675	65,295
Assets held for sale			
Total assets	Total assets	$3,277,334	$2,413,730
Liabilities and Stockholders' Equity	**Liabilities and Stockholders' Equity**		
Liabilities and Stockholders' Equity			
Liabilities and Stockholders' Equity			
Current liabilities	Current liabilities		
Current liabilities			
Current liabilities			
Notes and overdrafts payable			
Notes and overdrafts payable			
Notes and overdrafts payable	Notes and overdrafts payable	$ 29	$ 8
Accounts payable	Accounts payable	156,060	145,060
Accrued liabilities	Accrued liabilities	220,088	158,568
Long-term debt - current	Long-term debt - current	4,412	1,437

Liabilities held for sale			
Total current liabilities	Total current liabilities	380,589	305,073
Long-term debt			
Long-term debt			
Long-term debt	Long-term debt	1,307,853	569,639
Accrued retirement benefits	Accrued retirement benefits	43,427	54,352
Deferred income taxes	Deferred income taxes	142,027	62,562
Long-term tax liability	Long-term tax liability	21,714	39,086
Other liabilities	Other liabilities	44,673	36,691
Liabilities held for sale			
Commitments and contingencies (Note 16)	Commitments and contingencies (Note 16)		
Commitments and contingencies (Note 16)			
Commitments and contingencies (Note 16)			
Stockholders' equity	Stockholders' equity		
Common stock - par value $0.01 per share Authorized: 150,000,000 shares Issued: at par value (2023 - 64,585,444 shares; 2022 - 64,481,493 shares)		646	645
Common stock - par value $0.01 per share Authorized: 150,000,000 shares Issued: at par value (2024 - 64,615,788 shares; 2023 - 64,600,635 shares)			
Common stock - par value $0.01 per share Authorized: 150,000,000 shares Issued: at par value (2024 - 64,615,788 shares; 2023 - 64,600,635 shares)			
Common stock - par value $0.01 per share Authorized: 150,000,000 shares Issued: at par value (2024 - 64,615,788 shares; 2023 - 64,600,635 shares)			
Additional paid-in capital	Additional paid-in capital	535,777	529,791
Treasury stock, at cost (2023 - 13,912,139 shares; 2022 - 13,890,802 shares)		(532,364)	(531,507)

Treasury stock, at cost (2024 - 13,916,108 shares; 2023 - 13,914,076 shares)			
Retained earnings	Retained earnings	1,552,165	1,567,898
Accumulated other non-owner changes to equity	Accumulated other non-owner changes to equity	(219,173)	(220,500)
Total stockholders' equity	Total stockholders' equity	1,337,051	1,346,327
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	$3,277,334	$2,413,730

See accompanying notes.

BARNES GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)
(Unaudited)

	Three Months Ended March 31,		Three Months Ended March 31,	
	2024		2024	2023
Operating activities:		**Operating activities:**		
Net income				
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization				
Depreciation and amortization				
Depreciation and amortization				
	Nine Months Ended September 30,			
Loss (gain) on disposition of property, plant and equipment				
Loss (gain) on disposition of property, plant and equipment				
Loss (gain) on disposition of property, plant and equipment				

Stock compensation expense

		2023	2022
Operating activities:			
Net income (loss)		$ 8,780	$ (2,089)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization		79,196	69,022
Amortization of debt discount		58	—
(Gain) loss on disposition of property, plant and equipment		(202)	14
Stock compensation expense		8,121	9,547
Non-cash goodwill impairment charge		—	68,194
Changes in assets and liabilities, net of the effects of acquisition:	Changes in assets and liabilities, net of the effects of acquisition:		
Changes in assets and liabilities, net of the effects of acquisition:			
Changes in assets and liabilities, net of the effects of acquisition:			
Accounts receivable			
Accounts receivable			
Accounts receivable	Accounts receivable	(5,273)	(17,923)
Inventories	Inventories	(8,699)	(40,428)
Prepaid expenses and other current assets	Prepaid expenses and other current assets	5,367	(13,310)
Accounts payable	Accounts payable	(11,629)	10,509
Accrued liabilities	Accrued liabilities	22,437	(28,637)
Deferred income taxes	Deferred income taxes	(3,541)	(4,350)
Long-term retirement benefits	Long-term retirement benefits	(13,096)	(660)
Long-term tax liability		(13,029)	(6,948)
Other	Other	2,483	521
Net cash provided by operating activities		70,973	43,462

Other			
Other			
Net cash (used) provided by operating activities			
Investing activities:	**Investing activities:**		
Investing activities:			
Investing activities:			
Proceeds from disposition of property, plant and equipment			
Proceeds from disposition of property, plant and equipment			
Proceeds from disposition of property, plant and equipment	Proceeds from disposition of property, plant and equipment	6,990	104
Capital expenditures			
Capital expenditures			
Capital expenditures	Capital expenditures	(37,405)	(21,655)
Business acquisitions, net of cash acquired	Business acquisitions, net of cash acquired	(718,782)	—
Other	Other	(921)	(2,168)
Other			
Other			
Net cash used by investing activities	Net cash used by investing activities	(750,118)	(23,719)
Financing activities:	**Financing activities:**		
Financing activities:			
Financing activities:			
Net change in other borrowings			
Net change in other borrowings			
Net change in other borrowings	Net change in other borrowings	(167)	(941)
Payments on long-term debt	Payments on long-term debt	(268,580)	(80,777)

Proceeds from the issuance of long-term debt	Proceeds from the issuance of long-term debt	1,006,333	85,082
Payments of debt issuance costs		(11,341)	—
Proceeds from the issuance of common stock	Proceeds from the issuance of common stock	277	338
Common stock repurchases		—	(6,721)
Proceeds from the issuance of common stock			
Proceeds from the issuance of common stock			
Dividends paid			
Dividends paid			
Dividends paid	Dividends paid	(24,302)	(24,282)
Withholding taxes paid on stock issuances	Withholding taxes paid on stock issuances	(857)	(818)
Cash settlement of foreign currency hedges related to intercompany financing			
Other	Other	(8,971)	(18,548)
Net cash provided (used) by financing activities	Net cash provided (used) by financing activities	692,392	(46,667)
Effect of exchange rate changes on cash flows	Effect of exchange rate changes on cash flows	(2,190)	(9,467)
Increase (decrease) in cash, cash equivalents and restricted cash		11,057	(36,391)
Effect of exchange rate changes on cash flows			
Effect of exchange rate changes on cash flows			
(Decrease) increase in cash, cash equivalents and restricted cash			

Cash, cash equivalents and restricted cash at beginning of period	Cash, cash equivalents and restricted cash at beginning of period	81,128	111,909
Cash, cash equivalents and restricted cash at end of period	Cash, cash equivalents and restricted cash at end of period	92,185	75,518
Less: Restricted cash, included in Prepaid expenses and other current assets	Less: Restricted cash, included in Prepaid expenses and other current assets	(2,145)	(1,976)
Less: Restricted cash, included in Other assets		—	(1,957)
Less: Cash, included in Assets held for sale			
Cash and cash equivalents at end of period	Cash and cash equivalents at end of period	$ 90,040	$71,585

See accompanying notes.

BARNES GROUP INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(All dollar amounts included in the notes are stated in thousands except per share data)
(Unaudited)

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying Condensed Consolidated Balance Sheet and the related Condensed Consolidated Statements of (Loss) Income, Comprehensive (Loss) Income and Cash Flows have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. The Condensed Consolidated Financial Statements do not include all information and notes required by accounting principles generally accepted in the United States of America for complete financial statements. The balance sheet as of December 31, 2022 December 31, 2023 has been derived from the 2022 2023 financial statements of Barnes Group Inc. (the "Company"). For additional information, please refer to the consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023. In the opinion of management, all adjustments, including normal recurring accruals considered necessary for a fair statement of the results, have been included. Operating results for the three- and nine-month periods three month period ended September 30, 2023 March 31, 2024 are not necessarily indicative of the results that may be expected for the year ending December 31, 2023 December 31, 2024. Certain reclassifications have been made to prior year amounts to conform to current year presentation (see Note 4).

Business Combinations

In accordance with the Business Combinations guidance, acquisitions are recorded using the acquisition method of accounting. The Company includes the operating results of acquired entities from their respective dates of acquisition. The Company allocates the purchase consideration to the assets acquired and liabilities assumed in the acquired entity generally based on their fair values at the acquisition date. The excess of the fair value of purchase consideration over the fair value of these assets acquired and liabilities assumed in the acquired entity is recorded as goodwill. The primary items that generate goodwill include the increase in global market access and the acquired assembled workforce, neither of which qualify for recognition as an intangible asset. Costs incurred as a result of a business combination other than costs related to the issuance of debt or equity securities are recorded in the period the costs are incurred. During the measurement period, which may be up to one year from the acquisition date, the Company may record adjustments to assets acquired and liabilities assumed with the corresponding offset to goodwill.

2. Recent Accounting Standards

The Financial Accounting Standards Board ("FASB") establishes changes to accounting principles under U.S. generally accepted accounting principles ("US GAAP") through the use of Accounting Standards Updates ("ASUs") to the FASB's Accounting Standards Codification. The Company evaluates the applicability and potential impacts of recent ASUs on its Condensed Consolidated Financial Statements and related disclosures.

Recently Adopted Issued Accounting Standards

In October 2021, November 2023, the FASB amended its guidance related to business combinations. segment reporting requirements. The amended guidance requires entities serves to recognize and measure contract assets and contract liabilities acquired in business combinations on the acquisition date in accordance with Accounting Standards Codification 606, *Revenue from Contracts with Customers*. improve segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The new amended guidance is effective on a prospective basis for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years beginning after December 15, 2022, with early adoption permitted. December 15, 2024. The guidance requires application on a retrospective basis to all periods presented. The Company adopted this guidance, on a prospective basis, on January 1, 2023 and applied is currently evaluating the impact that the guidance as it relates to may have on the acquisition of MB Aerospace Holdings, Inc. (Note 3). disclosures within its Consolidated Financial Statements.

In September 2022, December 2023, the FASB amended its guidance related to supplier finance programs. income tax disclosure requirements. The amended guidance requires additional disclosures surrounding establishes new income tax disclosure requirements including providing greater disaggregation in the use of supplier finance programs to purchase goods or services including disclosing the key terms of the programs, the amount of obligations outstanding at the end of the reporting period, rate reconciliation and a roll-forward of those obligations. information on taxes paid. The new amended guidance except the amendment on roll-forward information, is effective for fiscal years annual periods beginning after December 15, 2022, including interim periods within those fiscal years. The amendment on roll-forward information December 15, 2024. Early adoption is effective for fiscal years beginning after December 15, 2023. permitted. The Company adopted this is currently evaluating the impact that the guidance may have on the disclosures within the Condensed its Consolidated Financial Statements filed as of March 31, 2023 and it did not have a material impact on the Company's Condensed Consolidated Financial Statements, however it did result in additional disclosures pursuant to the new guidance. See Note 16.

Recently Issued Accounting Standards

The United Kingdom's Financial Conduct Authority, which regulates the London Interbank Offered Rate ("LIBOR"), announced its intent to phase out the use of LIBOR by December 31, 2021. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, identified the Secured Overnight Financing Rate ("SOFR") as its preferred benchmark alternative to U.S. dollar LIBOR. Published by the Federal Reserve Bank of New York, SOFR represents a measure of the cost of borrowing cash overnight, collateralized by U.S. Treasury securities, and is calculated based on directly observable U.S. Treasury-backed repurchase transactions. In March 2020, in response to this transition, the FASB issued guidance related to this rate reform, which provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships and other transactions that reference LIBOR or another reference rate expected to be discontinued by reference rate reform, and addresses operational issues likely to arise in modifying contracts to replace discontinued reference rates with new rates. In January 2021, the FASB issued further clarifying guidance regarding derivatives, as it relates to this transition. In December 2022, the FASB extended the expiration of the guidance through December 31, 2024. The Company's Unsecured Credit Agreement (Note 9) and corresponding USD interest rate Swaps (Note 10) each mature in February 2026. In March 2021, the Intercontinental Exchange Benchmark Association announced that it will extend the publication of overnight, 1, 3, 6 and 12 month LIBOR rates until June 30, 2023, while ceasing publication of all other LIBOR rates including 1 week and 2 month rates. The Company's Unsecured Credit Agreement was further amended in October 2021 and in April 2022 to address the replacement of LIBOR via the LIBOR Transition Agreement and Amendment No. 1, respectively (see Note 9), with SOFR. The Company's corresponding interest rate Swaps were amended in May 2022 to address the replacement of LIBOR. As a result of the Company's contract amendments to address the replacement of LIBOR, the Company does not anticipate a material impact on our business, financial condition, results of operations or cash flow as a result of this change. Statements.

3. Acquisition Divestiture

On August 31, 2023 ("Acquisition Date") January 11, 2024, the Company completed entered into a Share Purchase and Asset Agreement ("SPA") with One Equity Partners ("OEP") to sell its acquisition of MB Aerospace Holdings Inc., a Delaware corporation ("MB Aerospace"), along with such entity's subsidiaries Associated Spring™ and Hänggi™ businesses (the "Transaction" "Businesses") by acquiring all for $175,000, subject to certain adjustments (the "Sale"). The Businesses operate within the Motion Control Solutions business. The Company classified the assets and liabilities of the issued and outstanding shares Businesses, which operate within the Industrial segment, as "held for sale" on the Consolidated Balance Sheet as of capital stock of MB Aerospace. MB Aerospace is a leading provider of precision aero-engine component manufacture and repair services serving major aerospace and defense engine original equipment manufacturers ("OEMs"), tier 1 suppliers and maintenance, repair and overhaul ("MRO") providers. This business, which is being integrated into our Aerospace segment, provides significant growth opportunities and enhances March 31, 2024. Pursuant to the Company's ability to deliver value-add solutions across the aero-engine value chain. Further, the acquisition of MB Aerospace increases customer diversification within both commercial aerospace and defense platforms and provides required accounting guidance, the Company with a well-balanced portfolio across aerospace allocated $58,900 of goodwill from the Motion Control Solutions reporting unit to the Businesses based on the estimated relative fair values of the Businesses to be disposed of and industrial end markets. the portion of the reporting unit that will be retained.

The Company acquired MB Aerospace Businesses' assets and liabilities held for an aggregate purchase price of $728,607, which includes preliminary adjustments under the terms sale are comprised of the Stock Purchase Agreement ("the Agreement") and is subject to post-closing adjustments under the terms following as of the Agreement. The Company paid $718,782, net of $9,825 of cash acquired, in cash, using cash on hand and borrowings under the Company's $1,000,000 Revolving Credit Facility and its $650,000 Term Loan Facility (see Note 9).

During the three months ended September 30, 2023, the Company incurred $17,423 of acquisition-related costs related to the acquisition of MB Aerospace. These transaction costs have been recognized in the Company's Condensed Consolidated Statements of (Loss) Income, of which $7,817 was recognized as selling and administrative expenses and of which $9,606 primarily relating to the bridge loan facility financing was recognized as Interest expense (see Note 9).

During the nine months ended September 30, 2023, the Company incurred $22,711 of acquisition-related costs related to the acquisition of MB Aerospace. These costs include $1,729 of due diligence costs and $20,982 of transaction costs to complete the acquisition. These transaction costs have been recognized in the Company's Condensed Consolidated Statements of (Loss) Income, of which $13,105 was recognized as selling and administrative expenses and of which $9,606 primarily relating to the bridge loan facility financing was recognized as Interest expense (see Note 9).

The operating results of MB Aerospace have been included in the Consolidated Statements of Income since the Acquisition Date. The Company reported $26,476 in net sales and an operating loss of $7,386 from MB Aerospace, included within the Aerospace segment's operating profit, inclusive of $8,019 of short-term purchase accounting adjustments related to inventory step-up and backlog intangible amortization and $2,208 of amortization of other intangible assets acquired, for the period from the Acquisition Date through September 30, 2023. March 31, 2024:

Preliminary Estimated Fair Value of Assets Acquired and Liabilities Assumed

The Company accounted for the MB Aerospace acquisition as a business combination. The identifiable assets acquired and liabilities assumed are recorded at their preliminary fair values as of the Acquisition Date and are consolidated into the Company's condensed consolidated financial statements. The assignment of fair market value requires significant judgments regarding the estimates and assumptions used to value the acquired assets and liabilities assumed. In determining the fair values of the assets acquired and liabilities assumed, the Company utilized the cost, income and market approaches from the perspective of a market participant. The Company used third party valuation professionals to aid in the determination of the estimated fair value of certain assets acquired and liabilities assumed.

The following table summarizes the preliminary estimated fair values for each major class of assets acquired, net of cash acquired, and liabilities assumed at the Acquisition Date:

Accounts receivable Assets		
Cash	$	50,817 2,459
Accounts receivable, less allowance of $821		44,537
Inventories		78,464 32,818
Prepaid expenses and other current assets		18,836 4,964
Current assets held for sale		84,778
Property, plant and equipment, net		80,480 51,428
Goodwill		318,307 58,900
Other intangible assets		321,000 4,011
Other Assets Non-current assets held for sale		10,627 114,339
Total Assets Acquired Liabilities	878,531	
Accounts payable	(21,826) $	17,605
Accrued liabilities		(34,955) 8,255
Deferred income taxes Current liabilities held for sale		(83,886) 25,860
Accrued retirement benefits		4,570
Other liabilities		(9,659) 3,475
Debt assumed Non-current liabilities held for sale		(9,423) 8,045
Net Assets Acquired	$	718,782

The Company recorded completed the fair values of the assets acquired and liabilities assumed of MB Aerospace as of August 31, 2023Sale to OEP on April 4, 2024. The final purchase price allocation is subject to post-closing adjustments pursuant Pursuant to the terms of the an Amended Share Purchase and Asset Agreement and finalization SPA (the "Amended SPA"), total cash consideration is estimated at $172,998, inclusive of fair value estimates. Estimates and assumptions used in such valuations are $2,459 of cash sold, subject to change, which could be significant, within post-closing adjustments. At the measurement period up to one year from the acquisition date. time of closing on April 4, 2024, $151,638 was received. The areas residual $21,360 of the valuations that are not yet finalized relate $172,998 relates to the amounts for property, plant two foreign facilities and equipment, long term intangible assets and the final amount of residual goodwill. The Company may obtain additional information to assist in determining fair values of net assets acquired at the Acquisition Date during the measurement period.

Goodwill represents the excess of the purchase consideration over the fair value of the underlying acquired net tangible and intangible assets. Goodwill has been allocated to the Company's Aerospace segment. None of the recognized goodwill from the acquisition of MB Aerospace is expected to be deductible for income tax purposes (see Note 8).

received upon completion of the transfer of the foreign assets. Expected net cash proceeds of approximately $150,000 will be used to reduce debt. The Other intangible assets Company expects to record a pre-tax gain of approximately $6,000 inclusive of transaction costs, of which $4,504 expense was recorded in the table above consist of backlog, developed technology, and customer relationships, which are amortized over their respective estimated useful lives (see Note 8).

Supplemental Pro Forma Information

first quarter. The following table reflects the unaudited pro forma operating results of the Company for the three and nine months ended September 30, 2023 and 2022, which give effect to the acquisition of MB Aerospace as if it had occurred on January 1, 2022. The pro forma results are based on assumptions that the Company believes are reasonable under the circumstances. The pro forma results are not necessarily indicative of the operating results that would have occurred had the acquisition been effective January 1, 2022, nor are they intended to be indicative of results that may occur in the future. The underlying pro forma information includes the historical financial results of the Company and MB Aerospace adjusted for certain items including depreciation and amortization expense associated with the assets acquired and the Company's expense related to financing arrangements, with the related expected tax effects.

The unaudited pro forma combined condensed financial information has been prepared using the acquisition method of accounting in accordance with Accounting Standards Codification 805, Business Combinations ("ASC 805").

The pro forma information does not include the effects of any synergies or cost reduction initiatives charges related to the acquisition. Sale are estimated to approximate $16,000, with $5,724 (including a discrete tax charge of $6,794) of these charges being recorded during the first quarter of 2024. The residual is expected to be recorded during 2024, following the completion of the Sale and the transfer of the assets.

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Net sales	$ 416,088	$ 380,644	$ 1,249,129	$ 1,153,395
Net (loss) income	(5,712)	1,781	6,122	(82,303)

The unaudited pro forma combined condensed financial information during the three and nine month periods ended September 30, 2023 were adjusted to include:

a. *Depreciation and Amortization* - Adjustment of $(4,032) and $884 for the three and nine months ended September 30, 2023, respectively, to reflect the adjustment to property, plant, and equipment depreciation and amortization expense from the acquired backlog, developed technology and customer relationships.

b. *Transaction Costs* - Adjustments of $(7,817) and $(13,105) for the three and nine months ended September 30, 2023, respectively, to reflect the elimination of non-recurring transaction costs.

c. *Interest Expense* - Adjustment of $(9,858) and $3,209 for the three and nine months ended September 30, 2023, respectively, to reflect the adjustment to interest expense resulting from interest on the new debt to finance the acquisition of MB Aerospace and the extinguishment of MB Aerospace's existing debt and the amortization of related debt issuance costs.

d. *Inventory Step-Up* - Adjustment of $(3,019) and $(3,019) for the three and nine months ended September 30, 2023, respectively, to eliminate the inventory fair value adjustment that was recognized in cost of sales during the three and nine months ended September 30, 2023.

e. *Income Taxes* - The estimated tax impacts of the pro forma adjustments have been reflected within the unaudited pro forma condensed combined statement of operations by using a blended foreign, federal and state statutory income tax rate.

The unaudited pro forma combined condensed financial information during the three and nine month periods ended September 30, 2022 were adjusted to include:

a. *Depreciation and Amortization* - Adjustment of $3,331 and $20,645 for the three and nine months ended September 30, 2022, respectively, to reflect the adjustment to property, plant, and equipment depreciation and the amortization expense from the acquired backlog, developed technology and customer relationships.

b. *Transaction Costs* - Adjustments of $0 and $13,105 for the three and nine months ended September 30, 2022, respectively, to reflect non-recurring transaction costs.

c. *Interest Expense* - Adjustments of $7,993 and $17,506 for the three and nine months ended September 30, 2022, respectively, to reflect the adjustment to interest expense resulting from interest on the new debt to finance the acquisition of MB Aerospace and the extinguishment of MB Aerospace's existing debt and the amortization of related debt issuance costs.

d. *Inventory Step-Up* - Adjustment of $0 and $12,337 for the three and nine months ended September 30, 2022, respectively, to reflect the increase in cost of sales for the impact of the $12,337 fair value adjustment to inventory for the acquired inventory.

e. *Income Taxes* - The estimated tax impacts of the pro forma adjustments have been reflected within the unaudited pro forma condensed combined statement of operations by using a blended foreign, federal and state statutory income tax rate.

4. Revenue

The Company is a global provider of highly engineered products, differentiated industrial technologies, and innovative solutions, serving a wide range of end markets and customers. Its specialized products and services are used in far-reaching applications in aerospace, healthcare, automation, packaging, mobility and manufacturing.

Revenue is recognized by the Company when control of the product or solution is transferred to the customer. Control is generally transferred when products are shipped or delivered to customers, title is transferred, the significant risks and rewards of ownership have transferred, and the Company has rights to payment and the rewards of ownership pass to the customer. Customer acceptance may also be a factor in determining whether control of the product has transferred. Although revenue is generally recognized at a point in time, a certain portion of the Company's businesses with customized products or contracts in which the Company performs work on customer-owned assets requires the use of an over-time recognition model as certain contracts meet one or more of the established criteria pursuant to the accounting guidance. Also, service revenue is recognized as control transfers, which is concurrent with the services being performed.

The following table presents the Company's revenue disaggregated by products and services, and geographic regions, by segment:

	Three Months Ended September 30, 2023			Three Months Ended September 30, 2022		
	Aerospace	Industrial	Total Company	Aerospace	Industrial	Total Company
Products and Services(A)						
Aerospace Original Equipment Manufacturing Products	$ 97,994	$ —	$ 97,994	$ 65,229	$ —	65,229
Aerospace Aftermarket Products and Services	58,096	—	58,096	45,558	—	45,558
Motion Control Solutions Products (B)	—	91,442	91,442	—	93,527	93,527
Molding Solutions Products	—	99,428	99,428	—	97,243	97,243
Automation Products	—	14,028	14,028	—	13,187	13,187
	$ 156,090	$ 204,898	$ 360,988	$ 110,787	$ 203,957	$ 314,744
Geographic Regions (C)						
Americas	$ 106,608	$ 89,574	$ 196,182	$ 78,535	$ 96,201	$ 174,736
Europe	29,708	74,777	104,485	19,859	65,637	85,496
Asia	17,213	38,738	55,951	10,888	40,995	51,883
Rest of World	2,561	1,809	4,370	1,505	1,124	2,629
	$ 156,090	$ 204,898	$ 360,988	$ 110,787	$ 203,957	$ 314,744

	Nine Months Ended September 30, 2023			Nine Months Ended September 30, 2022		
	Aerospace	Industrial	Total Company	Aerospace	Industrial	Total Company
Three Months Ended March 31, 2024 Aerospace						
Products and Services(A) **Products and Services(A)**						
Aerospace Original Equipment Manufacturing Products Aerospace Original Equipment Manufacturing Products	$ 246,094	$ —	$ 246,094	$ 200,360	$ —	200,360
Aerospace Original Equipment Manufacturing Products						
Aerospace Original Equipment Manufacturing Products						
Aerospace Aftermarket Products and Services Aerospace Aftermarket Products and Services	149,268	—	149,268	120,290	—	120,290
Motion Control Solutions Products (B)	—	290,356	290,356	—	282,120	144,537
Motion Control Solutions Products						

	Three Months Ended March 31, 2024			Three Months Ended March 31, 2023		
	Aerospace	Industrial	Total Company	Aerospace	Industrial	Total Company

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Molding Solutions Products	Molding Solutions Products	—	303,082	303,082	—	301,488	301,488
Automation Products	Automation Products	—	46,529	46,529	—	44,136	44,136
	$						
		$ 395,362	$639,967	$1,035,329	$ 320,650	$627,745	$948,395
Geographic Regions (C)							
Geographic Regions (B)							
Geographic Regions (B)							
Geographic Regions (B)							
Americas							
Americas							
Americas	Americas	$ 279,029	$278,768	$ 557,797	$ 231,798	$271,176	$502,974
Europe	Europe	70,776	235,406	306,182	58,343	222,776	281,119
Asia	Asia	38,876	119,670	158,546	26,553	129,484	156,037
Rest of World	Rest of World	6,681	6,123	12,804	3,956	4,309	8,265
	$						
		$ 395,362	$639,967	$1,035,329	$ 320,650	$627,745	$948,395

(A) The results of MB Aerospace, from the acquisition on August 31, 2023, have been included within the Company's revenue disaggregated by products and services, and geographic regions within the Aerospace Segment for the three and nine month periods ended September 30, 2023 March 31, 2024.

(B) Effective January 1, 2023, the Company combined Industrial's Force & Motion Control and Engineered Components businesses to form a single strategic business unit named Motion Control Solutions. As a result of the combination, Motion Control Solutions Products reflects product revenues that were previously disclosed as Force & Motion Control Products and Engineered Components Products. Prior period amounts have been reclassified to conform to the current year presentation.

(C) Sales by geographic region are based on the location to which the product is shipped and services are delivered.

Revenue from products and services transferred to customers at a point in time accounted for approximately 75 percent and 80 percent of total revenue for the three month periods ended September 30, 2023 March 31, 2024 and September 30, 2022 March 31, 2023, respectively. Revenue from products and services transferred to customers at a point in time accounted for approximately 80 percent of total revenue for each of the nine month periods ended September 30, 2023 and September 30, 2022. A majority of revenue within the Industrial segment and Aerospace Original Equipment Manufacturing Products business ("OEM"), along with a portion of revenue within the Aerospace Aftermarket Products and Services business ("Aftermarket"), is recognized at a point in time, primarily when the product or solution is shipped to the customer.

Revenue from products and services transferred to customers over-time accounted for approximately 25 percent of total revenue and 20 percent of total revenue for the three month periods ended September 30, 2023 March 31, 2024 and September 30, 2022 March 31, 2023, respectively. Revenue from products and services transferred to customers over-time accounted for approximately 20 percent of total revenue for each of the nine month periods ended September 30, 2023 and September 30, 2022. The Company recognizes revenue over-time in instances where a contract supports a continual transfer of control to the customer. Substantially all of our revenue in the Aerospace Aftermarket maintenance repair and overhaul business (within Aftermarket Products and Services) and a portion of the revenue for Motion Control Solutions products, Molding Solutions products and Aerospace OEM products is recognized over-time. Within the Molding Solutions and Aerospace Aftermarket businesses, this continual transfer of control to the customer partially results from repair and refurbishment work performed on customer-controlled assets. With other contracts, this continual transfer of control to the customer is supported by clauses in the contract, or governing commercial law of the relevant jurisdiction, where we deliver products that do not have an alternative use and require an enforceable right to payment of costs incurred (plus a reasonable profit) or the Company has a contractual right to complete any work in process and receive full contract price.

The majority of our revenue is from contracts that are for less than one year, however certain Aerospace OEM and Molding Solutions business contracts extend beyond one year. In the Industrial segment, customers are typically OEMs or suppliers to OEMs and, in some businesses, distributors. In the Aerospace segment, customers include commercial airlines, OEMs, defense-related manufacturers, and industry parts and service providers.

A performance obligation represents a promise within a contract to provide a distinct good or service to the customer. Revenue is recognized in an over-time model based on the extent of progress towards completion of the performance obligation. The

selection of the method to measure progress towards completion requires judgment and is based on the nature of the products or services to be provided. The Company utilizes the cost-to-cost measure of progress for over-time contracts as we believe this measure best depicts the transfer of control to the customer, which occurs as we incur costs on contracts.

Adjustments to net sales, cost of sales and the related impact to operating income are recognized as necessary in the period they become known. Revenue recognized from performance obligations satisfied in previous periods was not material in both the three month period ended March 31, 2024 and nine month periods ended September 30, 2023 and 2022. 2023.

Contract Balances. The timing of revenue recognition, invoicing and cash collections affects accounts receivable, unbilled receivables (contract assets) and customer advances and deposits (contract liabilities) on the Condensed Consolidated Balance Sheets.

Unbilled Receivables (Contract Assets) - Pursuant to the over-time revenue recognition model, revenue may be recognized prior to the customer being invoiced. An unbilled receivable is recorded to reflect revenue that is recognized when 1) the cost-to-cost method is applied and 2) such revenue exceeds the amount invoiced to the customer. Unbilled receivables are included within Prepaid Expenses and Other Current Assets on the Condensed Consolidated Balance Sheets as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

Customer Advances and Deposits (Contract Liabilities) - The Company may receive a customer advance or deposit, or have an unconditional right to receive a customer advance, prior to revenue being recognized. Certain contracts within the Molding Solutions business, for example, may require such advances. Since the performance obligations related to such advances have not been satisfied, a contract liability is established. An offsetting asset of equal amount is recorded as an account receivable until the advance is collected. Advances and deposits are included within Accrued Liabilities on the Condensed Consolidated Balance Sheets until the respective revenue is recognized. Advance payments are not considered a significant financing component as they are generally received less than one year before the customer solution is completed. These assets and liabilities are reported on the Condensed Consolidated Balance Sheets on an individual contract basis at the end of each reporting period.

Net contract assets (liabilities) consisted of the following:

		September 30, 2023	December 31, 2022	$ Change	% Change									
	March 31, 2024							March 31, 2024		December 31, 2023		$ Change		% Change
Unbilled receivables (contract assets)	Unbilled receivables (contract assets)	$ 54,565	$ 42,423	$12,142	29 %	Unbilled receivables (contract assets)	$68,685	$	$ 59,652	$	$ 9,033	15	15 %	
Contract liabilities	Contract liabilities	(43,259)	(27,857)	(15,402)	55 %	Contract liabilities	(38,093)	(42,428)	(42,428)	4,335	4,335	(10)	(10)	%
Net contract assets	Net contract assets	$ 11,306	$ 14,566	$ (3,260)	(22) %	Net contract assets	$30,592	$	$ 17,224	$	$13,368	78	78 %	

Contract liabilities balances at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 include $10,731 $11,014 and $9,593, $10,032, respectively, of customer advances for which the Company has not yet collected payment, but has an unconditional right to collect payment. Accounts receivable, as presented on the Condensed Consolidated Balance Sheet, includes corresponding balances at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

Changes in the net contract assets during the nine three month period ended September 30, 2023 March 31, 2024 included a $15,402 increase in contract liabilities, driven primarily by new customer advances and deposits, partially offset by revenue recognized in the current period. Offsetting this net contract assets decrease was a $12,142 $9,033 increase in contract assets, driven primarily by contract progress (i.e., unbilled receivable), partially offset by earlier contract progress being invoiced to the customer. Of Adding to this net contract asset increase $11,506 was attributable to MB Aerospace at September 30, 2023. a $4,335 decrease in contract liabilities, driven primarily by revenue recognized in the current period, partially offset by new customer advances.

The Company recognized approximately 15% 55% of the revenue related to the contract liabilities balance as of December 31, 2023 during the three month period ended March 31, 2024, and 85% approximately 40% of the revenue related to the contract liabilities balance as of December 31, 2022 during the three and nine month periods period ended September 30, 2023 March 31, 2023, respectively, and approximately 10% and 85% of the revenue related to the contract liabilities balance as of December 31, 2021 during the three and nine month periods ended September 30, 2022, respectively, primarily representing revenue from the sale of molds and hot runners within the Molding Solutions business.

Remaining Performance Obligations. The Company has elected to disclose remaining performance obligations only for contracts with an original duration of greater than one year. Such remaining performance obligations represent the transaction price of firm orders for which work has not yet been performed and, for Aerospace, excludes projections of components and assemblies that Aerospace OEM customers anticipate purchasing in the future under existing programs, which represent orders that are beyond lead time and do not represent performance obligations pursuant to accounting guidance. As of September 30,

2023, March 31, 2024, the aggregate amount of the transaction price allocated to remaining performance obligations including the balance within MB Aerospace, was $538,898. $573,830. The Company expects to recognize revenue on approximately 75% 65% of the remaining performance obligations over the next 12 months, with the remainder to be recognized within 24 months.

5. Stockholders' Equity

A schedule of consolidated changes in equity for the nine three months ended September 30, 2023 March 31, 2024 is as follows (number of shares in thousands):

	Common Stock (Number of Shares)	Common Stock (Amount)	Additional Paid-In Capital	Treasury Stock (Number of Shares)	Treasury Stock (Amount)	Retained Earnings	Accumulated Other Non-Owner Changes to Equity	Total Stockholders' Equity
December 31, 2022	64,481	$ 645	$ 529,791	13,891	$ (531,507)	$ 1,567,898	$ (220,500)	$ 1,346,327

Comprehensive income	—	—	—	—	—	13,159	29,209	42,368
Dividends declared ($0.16 per share)	—	—	—	—	—	(8,096)	—	(8,096)
Residual interest in subsidiary	—	—	(2,381)	—	—	—	—	(2,381)
Employee stock plans	23	—	2,665	6	(252)	(83)	—	2,330
March 31, 2023	64,504	$ 645	$ 530,075	13,897	$(531,759)	$1,572,878	$ (191,291)	$ 1,380,548
Comprehensive income (loss)	—	—	—	—	—	17,352	(14,953)	2,399
Dividends declared ($0.16 per share)	—	—	—	—	—	(8,099)	—	(8,099)
Employee stock plans	22	—	2,339	3	(124)	(76)	—	2,139
June 30, 2023	64,526	$ 645	$ 532,414	13,900	$(531,883)	$1,582,055	$ (206,244)	$ 1,376,987
	Common Stock (Number of Shares)							
	Common Stock (Number of Shares)	Common Stock (Amount)	Additional Paid-In Capital	Treasury Stock (Number of Shares)	Treasury Stock (Amount)	Retained Earnings	Accumul Othe Non-Ow Change Equit	
December 31, 2023								
Comprehensive loss Comprehensive loss	—	—	—	—	—	(21,730)	(12,929)	(34,659)
Dividends declared ($0.16 per share) Dividends declared ($0.16 per share)	—	—	—	—	—	(8,107)	—	(8,107)
Employee stock plans Employee stock plans	59	1	3,363	12	(481)	(53)	—	2,830
September 30, 2023	64,585	$ 646	$ 535,777	13,912	$(532,364)	$1,552,165	$ (219,173)	$ 1,337,051
Employee stock plans								
Employee stock plans								
March 31, 2024								

A schedule of consolidated changes in equity for the nine three months ended September 30, 2022 March 31, 2023 is as follows (number of shares in thousands):

	Common Stock (Number of Shares)	Common Stock (Amount)	Additional Paid-In Capital	Treasury Stock (Number of Shares)	Treasury Stock (Amount)	Retained Earnings	Accumulated Other Non-Owner Changes to Equity	Total Stockholders' Equity
December 31, 2021	64,344	$ 643	$ 516,562	13,658	$ (523,642)	$ 1,587,041	$ (151,838)	$ 1,428,766
Comprehensive income (loss)	—	—	—	—	—	20,484	(2,590)	17,894
Dividends declared ($0.16 per share)	—	—	—	—	—	(8,111)	—	(8,111)
Employee stock plans	12	1	2,665	2	(49)	(136)	—	2,481
March 31, 2022	64,356	$ 644	$ 519,227	13,660	$ (523,691)	$ 1,599,278	$ (154,428)	$ 1,441,030
Comprehensive loss	—	—	—	—	—	(39,552)	(69,962)	(109,514)
Dividends declared ($0.16 per share)	—	—	—	—	—	(8,081)	—	(8,081)
Common stock repurchases	—	—	—	200	(6,721)	—	—	(6,721)
Employee stock plans	23	—	3,548	3	(106)	(62)	—	3,380
June 30, 2022	64,379	$ 644	$ 522,775	13,863	$ (530,518)	$ 1,551,583	$ (224,390)	$ 1,320,094
Comprehensive income (loss)	—	—	—	—	—	16,979	(64,779)	(47,800)
Dividends declared ($0.16 per share)	—	—	—	—	—	(8,090)	—	(8,090)
Employee stock plans	70	—	3,592	19	(663)	(77)	—	2,852
September 30, 2022	64,449	$ 644	$ 526,367	13,882	$ (531,181)	$ 1,560,395	$ (289,169)	$ 1,267,056

	Common Stock (Number of Shares)		Common Stock (Amount)		Additional Paid-In Capital	Treasury Stock (Number of Shares)		Treasury Stock (Amount)		Retained Earnings		Accumulated Other Non-Owner Changes to Equity		Total Stockholders' Equity
December 31, 2022	64,481	$	645	$	529,791	13,891	$	(531,507)	$	1,567,898	$	(220,500)	$	1,346,327
Comprehensive income	—		—		—	—		—		13,159		29,209		42,368
Dividends declared ($0.16 per share)	—		—		—	—		—		(8,096)		—		(8,096)
Residual interest in subsidiary	—		—		(2,381)	—		—		—		—		(2,381)
Employee stock plans	23		—		2,665	6		(252)		(83)		—		2,330
March 31, 2023	64,504	$	645	$	530,075	13,897	$	(531,759)	$	1,572,878	$	(191,291)	$	1,380,548

6. Net (Loss) Income Per Common Share

For the purpose of computing diluted net income per common share, the weighted-average number of common shares outstanding is increased for the potential dilutive effects of stock-based incentive plans. No potentially dilutive shares have

been included in the diluted earnings per share calculations for the three-month period ended September 30, 2023 due to the Company's reported net loss for the period. For the purpose of computing diluted net income per common share for the nine-month period ended September 30, 2023, the weighted-average number of common shares outstanding was increased by 190,797. For the purpose of computing diluted net income per common share for the three- hree month period periods ended September 30, 2022, March 31, 2024 and 2023, the weighted-average number of common shares outstanding was increased by 139,951. No potentially dilutive shares have been included in the diluted earnings per share calculations for the nine 68,789 and-month period ended September 30, 2022 due to the Company's reported net loss for the period. 275,266, respectively.

The calculation of weighted-average diluted shares outstanding excludes all shares that would have been anti-dilutive. During the three month periods ended September 30, 2023 March 31, 2024 and 2022, 2023, the Company excluded 683,374 1,962,390 and 875,706 805,977 stock awards, respectively, from the calculation of weighted-average diluted shares outstanding as the stock awards were considered anti-dilutive. During the nine month periods ended September 30, 2023 and 2022, the Company excluded 757,813 and 823,365 stock awards, respectively, from the calculation of weighted-average diluted shares outstanding as the stock awards were considered anti-dilutive.

The Company granted 120,195 144,100 stock options, 152,476 196,660 restricted stock unit awards and 131,025 145,100 performance share awards ("PSAs") in February 2023 2024 as part of its annual long-term incentive equity grant awards. All of the stock options and the restricted stock unit awards vest upon meeting certain service conditions. The restricted stock unit awards are included in basic weighted-average common shares outstanding as they contain nonforfeitable rights to dividend payments. The PSAs are part of the long-term Performance Share Award Program and are based on performance goals that are driven by a combination of independently measured metrics (depending on the grant year) with each metric being weighted equally. . The metrics for awards granted in 2023 2024 include the Company's total shareholder return ("TSR"), return on invested capital ("ROIC") and operating income before depreciation and amortization growth ("EBITDA growth"). with metrics weighted 50%, 25% and 25%, respectively. The TSR and EBITDA growth metrics are designed to assess the long-term Company performance relative to the performance of companies included in the Russell 2000 Index over a three-year performance period. ROIC is designed to assess the Company's performance compared to pre-established Company targets over a three-year performance period. The participants can earn from zero to 250% 200% of the target award and the award includes a forfeitable right to dividend equivalents, which are not included in the aggregate target award numbers. The fair value of the TSR is determined using a Monte Carlo valuation method as the award contains a market condition.

7. Inventories

The components of inventories consisted of:

		September 30, 2023	December 31, 2022		
	March 31, 2024			March 31, 2024	December 31, 2023
Finished goods	Finished goods	$ 104,046	$ 105,965		
Work-in-process	Work-in-process	116,561	68,664		
Raw material and supplies	Raw material and supplies	150,062	108,773		
		$ 370,669	$ 283,402		
	$				

8. Goodwill and Other Intangible Assets

Goodwill:

The following table sets forth the change in the carrying amount of goodwill for each reportable segment and for the Company as of and for the period ended September 30, 2023 March 31, 2024:

	Industrial	Aerospace	Total Company
December 31, 2022 (A)	$ 804,686	$ 30,786	$ 835,472
Acquisition related	—	$ 318,307	$ 318,307
Foreign currency translation	(1,438)	(267)	(1,705)
September 30, 2023	$ 803,248	$ 348,826	$ 1,152,074

	Aerospace	Industrial	Total Company
December 31, 2023 (A)	$ 352,352	$ 831,272	$ 1,183,624
Reclassified to assets held for sale (see Note 3)	—	(58,900)	(58,900)
Foreign currency translation	(784)	(21,587)	(22,371)
March 31, 2024	$ 351,568	$ 750,785	$ 1,102,353

(A) Industrial amounts are net of accumulated goodwill impairment losses of $68,194.

The changes recorded at Aerospace include $318,307 Company completed the Sale of goodwill the Businesses in 2023 resulting from the acquisition of MB Aerospace in August 2023. April 2024. See Note 3. The amounts allocated Pursuant to goodwill reflect the benefits that required accounting guidance, the Company expects allocated $58,900 of goodwill within the Motion Control Solutions reporting unit to realize from an increase in global market access and MB Aerospace's assembled workforce. None the Businesses based on the estimated relative fair values of the recognized goodwill from the acquisition of MB Aerospace is expected to be deductible for income tax purposes. The purchase price for the MB Aerospace acquisition is subject to post-closing adjustments and finalization of purchase price allocation, therefore goodwill may require adjustment accordingly.

In the second quarter of 2023, management performed its annual impairment testing of goodwill and determined that there was no goodwill impairment. businesses.

Other Intangible Assets:

Other intangible assets consisted of:

				September 30, 2023		December 31, 2022	
		Range of Life - Years		Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization
Amortized intangible assets:	Amortized intangible assets:						
Revenue Sharing Programs (RSPs)	Revenue Sharing Programs (RSPs)	Up to 30		$ 299,500	$ (173,404)	$299,500	$ (164,162)
Component Repair Programs (CRPs)	Component Repair Programs (CRPs)	Up to 30		111,839	(47,664)	111,839	(41,880)
Customer relationships	Customer relationships	10-16		587,189	(172,627)	337,189	(156,442)
Patents and technology	Patents and technology	4-18		178,433	(98,538)	123,433	(92,875)
Trademarks/trade names	Trademarks/trade names	10-30		10,949	(10,875)	10,949	(10,772)
Other	Other	Up to 10		26,334	(8,074)	9,413	(2,966)
				1,214,244	(511,182)	892,323	(469,097)
			1,198,156				

March 31, 2024			March 31, 2024		December 31, 2023	
Range of Life -Years		Range of Life - Years	Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization
	Amortized intangible assets:					

Unamortized intangible assets:	Unamortized intangible assets:				
Trade names					
Trade names					
Trade names	Trade names	55,670	—	55,670	—
Foreign currency translation	Foreign currency translation	(37,122)	—	(36,404)	—
Other intangible assets	Other intangible assets	$1,232,792	$ (511,182)	$911,589	$ (469,097)

In connection with the acquisitionGross amounts of MB Aerospace in August 2023, the Company recorded intangible assets of $321,000 which includes $250,000 of$7,139, $4,153 and $3,821 that were included within customer relationships, $55,000 of developedpatents and technology, and $16,000trademarks, respectively, at December 31, 2023, were related to the Businesses, and are therefore classified within Assets Held for Sale as of customer backlog included within Other above.March 31, 2024. The estimated weighted-average useful lives of the acquired assetsgross amounts were 15 years, 18 years and 1 year, respectively.fully amortized at March 31, 2024.

Amortization of intangible assets for the three months period ended March 31, 2024 and nine month periods ended September 30, 2023March 31, 2023 was $18,860$17,562 and $42,084, respectively. Amortization of intangible assets for the three and nine month periods ended September 30, 2022 was $11,747 and $33,918,$11,620, respectively. Estimated amortization of intangible assets for future periods is as follows: 20232024 (remainder) - $25,000; 2024$53,000; 2025 - $71,000; 2025 - $70,000; 2026 - $67,000;$68,000; 2027 - $66,000$66,000; 2028 - $63,000 and 20282029 - $62,000.

In the second quarter of 2023, management performed its annual impairment testing of its trade names, which are indefinite-lived intangible assets. Based on this assessment, there were no impairments.

9. Debt

Long-term debt and notes and overdrafts payable at September 30, 2023March 31, 2024 and December 31, 2022December 31, 2023 consisted of:

		September 30, 2023		December 31, 2022		March 31, 2024		December 31, 2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Revolving Credit Facility	Revolving Credit Facility	$ 662,937	$ 664,674	$466,672	$464,373				
Term Loan Facility	Term Loan Facility	650,000	651,625	—	—				
Unamortized deferred financing costs and original issue discount - Term Loan Facility	Unamortized deferred financing costs and original issue discount - Term Loan Facility	(12,915)	—	—	—				
3.97% Senior Notes		—	—	100,000	96,894				
Borrowings under lines of credit and overdrafts									
Borrowings under lines of credit and overdrafts									
Borrowings under lines of credit and overdrafts	Borrowings under lines of credit and overdrafts	29	29	8	8				
Finance leases	Finance leases	12,243	11,947	4,404	4,085				
		1,312,294	1,328,275	571,084	565,360				
		1,314,056							
		1,314,056							

		1,314,056	
Less current maturities	Less current maturities	(4,441)	(1,445)
Less current maturities			
Less current maturities			
Long-term debt	Long-term debt	$1,307,853	$569,639
Long-term debt			
Long-term debt			

On February 10, 2021, the Company and certain of its subsidiaries entered into the sixth amended and restated senior unsecured revolving credit agreement (the "Unsecured Credit Agreement") and retained Bank of America, N.A. as the Administrative Agent for the lenders. The $1,000,000 Unsecured Credit Agreement was to mature in February 2026. Borrowings under the Unsecured Credit Agreement bore interest at either the Eurocurrency rate, as defined in the Unsecured Credit Agreement, plus a margin of 1.175% to 1.775% or the base rate, as defined in the Unsecured Credit Agreement, plus a margin of 0.175% to 0.775%, depending on the Company's leverage ratio at the time of the borrowing. Multi-currency borrowings, pursuant to the Unsecured Credit Agreement, bore interest at their respective interbank offered rate (i.e. Euribor) or 0.00% (higher of the two rates) plus a margin of between 1.175% and 1.775%. The Unsecured Credit Agreement required the Company to maintain a Senior Debt Ratio of not more than 3.25 times. In addition, the Unsecured Credit Agreement required the Company to maintain a Total Debt Ratio of not more than 3.75 times for each fiscal quarter. A ratio of Consolidated EBITDA to Consolidated Cash Interest Expense, as defined, of not less than 4.25 times, was also required at the end of each fiscal quarter. The Unsecured Credit Agreement also contemplated the potential replacement of LIBOR (as defined below) with a successor financing rate, pursuant to the intent of the United Kingdom's Financial Conduct Authority to phase out use of LIBOR (see discussion below). The Company paid fees and expenses of $4,306 in conjunction with executing the Unsecured Credit Agreement. Such fees have been deferred within Other Assets on the Condensed Consolidated Balance Sheets and will be amortized into interest expense on the Condensed Consolidated Statements of (Loss) Income through its maturity. Cash used to pay these fees was recorded through other financing activities on the Condensed Consolidated Statements of Cash Flows. The Company subsequently amended the Unsecured Credit Agreement on October 11, 2021 (the "LIBOR Transition Amendment"), defining certain applicable multi-currency borrowing rates that could be used as replacement rates for LIBOR, which was expected to be discontinued by reference rate reform. See Note 2 of the Condensed Consolidated Financial Statements, as well as the discussion below.

On April 6, 2022, the Company entered into Amendment No. 1 to the Unsecured Credit Agreement (“Amendment No. 1”), which (i) replaced the LIBOR interest rate for U.S. dollar loans to a term Secured Overnight Financing Rate including a Secured Overnight Financing Rate adjustment (or "SOFR", as defined in the Unsecured Credit Agreement), (ii) added a daily SOFR option for U.S. dollar loans and a term SOFR option for U.S. dollar loans, and (iii) added the ability to borrow foreign swing line loans based on the Euro Short Term Rate ("€STR") (as defined) with the same interest spread as the interest spread for SOFR Loans (as defined) and Alternative Currency Loans (defined as loans denominated in Euro, Sterling, Swiss Francs or Yen). In addition, Amendment No. 1 lowered the interest rate spread on (i) SOFR Loans and Alternative Currency Loans to a range from 0.975% to 1.70%, depending on the leverage ratio (the “Leverage Ratio”) of Consolidated Total Debt (as defined) to Consolidated EBITDA (as defined) as of the end of each fiscal quarter, and (ii) loans based on the Base Rate (as defined), to a range from 0.00% to 0.70%, depending on the Company’s Leverage Ratio as of the end of each fiscal quarter. Amendment No. 1 also lowered the facility fee, which was required to be paid by the Company under the Unsecured Credit Agreement and was calculated on the full amount of the revolving facility, to a range from 0.15% to 0.30%, depending on the Company’s Leverage Ratio at the end of each fiscal quarter. In April 2022, the Company paid fees and expenses of $1,037 in conjunction with executing Amendment No. 1. Such fees have been deferred within Other Assets on the Condensed Consolidated Balance Sheets and will be amortized into interest expense on the Condensed Consolidated Statements of (Loss) Income through its maturity. Cash used to pay these fees was recorded through other financing activities on the Condensed Consolidated Statements of Cash Flows.

The United Kingdom's Financial Conduct Authority, which regulates the London Interbank Offered Rate (“LIBOR”), announced its intent to phase out the use of LIBOR by December 31, 2021. The U.S. Federal Reserve, in conjunction with the

Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, identified SOFR as its preferred benchmark alternative to U.S. dollar LIBOR. Published by the Federal Reserve Bank of New York, SOFR represents a measure of the cost of borrowing cash overnight, collateralized by U.S. Treasury securities, and is calculated based on directly observable U.S. Treasury-backed repurchase transactions. The Company’s Unsecured Credit Agreement and corresponding interest rate swap were tied to LIBOR, with each maturing in February 2026. In March 2021, the ICE Benchmark Association announced that it would extend the publication of overnight, 1, 3, 6 and 12 month LIBOR rates until June 30, 2023, while ceasing publication of all other LIBOR rates including 1 week and 2 month rates. The Company's Unsecured Credit Agreement was further amended in October 2021 and in April 2022 to address the replacement of LIBOR, which, as a result of the Company's contract amendments as discussed above, did not have a material impact on our business, financial condition, results of operations or cash flow.

On June 5, 2023, the Company entered into the Agreement with MB Aerospace Group Holdings Limited, a Cayman Islands limited company. See Note 3. In connection with entry into the Agreement, on June 5, 2023, the Company entered into the Second Amendment (the “Second Amendment”) to Note Purchase Agreement and Amendment No. 2 ("Amendment No. 2") to Unsecured Credit Agreement to facilitate the Transaction, as well as a commitment letter with Bank of America, N.A. and BofA Securities, Inc. (collectively, the “Commitment Parties”), pursuant to which the Commitment Parties agreed to provide, subject to the satisfaction of customary closing conditions contained therein, a $1,000,000 backstop senior secured revolving credit facility and a $700,000 senior secured 364-day bridge loan facility ("Bridge Loan Facility"). The Bridge Loan Facility was only intended to be drawn to the extent that the Company did not obtain alternative financing prior to the closing of the Transaction. The Company recorded fees of $9,500 in conjunction with the Bridge Loan Facility and $1,000,000 backstop senior secured revolving credit facility into interest expense on the Condensed Consolidated Statements of (Loss) Income in the three months ended September 30, 2023. 2023. On the Acquisition Date, pursuant to the terms of the Agreement, the Company completed the Transaction for an aggregate purchase price of $728,607, $728,448, subject to customary and specified closing adjustments, as set forth in the Agreement. Concurrently, the Company entered into a new Credit Agreement (the “Credit Agreement”) among the Company and certain of its subsidiaries, the issuing banks, lenders and other parties party thereto, and Bank of America, N.A., as administrative agent, as collateral agent and as swingline lender, which provides for senior secured financing of $1,650,000, consisting of a term loan facility (the “Term Loan Facility”) in an aggregate principal amount of $650,000, at an original issue discount of $4,875, and a revolving credit facility (the “Revolving Credit Facility” and, together with the Term Loan Facility, the “Senior Facilities”) in an aggregate principal amount of up to $1,000,000, including a letter of credit sub-facility of up to $50,000. Proceeds of the loans borrowed under the Senior Facilities on the Acquisition Date, net of a 0.75% original issue discount on the Term Loan Facility, were used to fund, in part, the transactions contemplated by the Agreement, including the consummation of the Transaction, the repayment in full of the 3.97% Senior Notes, and to pay related fees and expenses. As of the Acquisition Date, the Revolving Credit Facility had outstanding borrowings in an aggregate principal amount of approximately $698,000. Proceeds of any loans under the Revolving Credit Facility borrowed after the Acquisition Date will be used for general corporate purposes. The Company paid fees and expenses of $3,058 in conjunction with executing the Revolving Credit Facility. Such fees have been deferred within Other Assets on the Condensed Consolidated Balance Sheets and will be amortized into interest expense on the Condensed Consolidated Statements of (Loss) Income through the maturity of the Credit Agreement with the previously recorded debt issuance costs. The Company incurred $8,283 of debt issuance costs in conjunction with executing the Term Loan Facility. Such fees have been recorded as a direct deduction from the carrying amount of the Term Loan Facility and will be amortized into interest expense on the Condensed Consolidated Statements of (Loss) Income through the maturity of the Term Loan Facility. Cash used to pay these fees was recorded through financing activities on the Condensed Consolidated Statements of Cash Flows. On August 31, 2023, in connection with the Credit Agreement and the closing of the Transaction, the Bridge Loan Facility was terminated.

On March 19, 2024, the Company entered into a Refinancing Amendment (“Amendment No. 2”) to the Credit Agreement which replaced the outstanding principal amount of term loans under the Term Loan Facility (the “Existing Term Loans”) with an equal amount of new term loans (the “New Term Loans”) having substantially similar terms as the Existing Term Loans, except with respect to the interest rate applicable to the New Term Loans and certain other provisions. The interest rate margin applicable to the New Term Loans was reduced to 1.50%, in the case of ABR loans, and 2.50%, in the case of Term SOFR loans (with the Term SOFR floor remaining at 0.0%). The interest rate margin applicable to the Existing Term Loans was 2.00%, in the case of ABR loans, and 3.00%, in the case of Term SOFR loans. In addition, the Term SOFR adjustment applicable to the New Term Loans was reduced to 0.00%, from 0.10% for the Existing Term Loans. The Company recorded fees of $1,579 in conjunction with Amendment No. 2 within interest expense on the Condensed Consolidated Statements of Income in the three months ended March 31, 2024.

The Senior Facilities are guaranteed by each of the Company’s wholly owned domestic subsidiaries and are secured by substantially all assets of the Company and of each subsidiary guarantor, in each case subject to certain exceptions.

Borrowings under the Senior Facilities bear interest at a rate per annum equal to, at the Company’s option, either Term SOFR (subject to a 0.00% floor) or an alternate base rate ("ABR"), in each case plus an applicable margin of (i) in the case of borrowings under the Term Loan Facility, 3.00% 2.50% for Term SOFR loans and 2.00% 1.50% for ABR loans and (ii) in the case of borrowings under the Revolving Credit Facility, initially, 2.375% for Term SOFR loans and 1.375% for ABR loans. The applicable margin for borrowings under the Revolving Credit Facility varies depending on the Company’s total net leverage ratio. At March 31, 2024, the applicable margin for borrowings under the Revolving Credit Facility was 2.125%. The Company is also required to pay a commitment fee initially equal to 0.35% per annum to the lenders under the Revolving Credit Facility in respect of the unutilized commitments thereunder. The commitment fee under the Revolving Credit Facility varies depending on the Company’s total net leverage ratio. At March 31, 2024, the commitment fee under the Revolving Credit Facility was 0.30%.

The Term Loan Facility matures on the seven-year anniversary of the Acquisition Date and amortizes in equal quarterly installments ($6,500 annually), starting with the first full fiscal quarter after the Acquisition Date, of 0.25% of the initial principal amount. The Revolving Credit Facility matures on the five-year anniversary of the Acquisition Date. Date (August 31, 2028). In addition, the Company is required to prepay outstanding loans under the Term Loan Facility, subject to certain exceptions, with up to 50% of the Company’s annual excess cash flow (as defined under the Credit Agreement) in excess of the greater of $50,000 and 15.0% of Last Twelve Months ("LTM") Adjusted Consolidated EBITDA (as defined in the Credit Agreement) as of the applicable time, and with up to 100% of the net cash proceeds of certain recovery events and non-ordinary course asset sales (which percentages vary depending on the Company’s first lien secured net leverage ratio).

The Company may generally prepay outstanding loans under the Senior Facilities at any time, without prepayment premium or penalty, subject to customary “breakage” costs with respect to Term SOFR loans. Prepayments of the Term Loan Facility in connection with certain “repricing events” resulting in a lower yield occurring at any time during the first six months after following the Acquisition Company's execution of Amendment No. 2 Date must be accompanied by a 1.00% prepayment premium.

The Revolving Credit Facility requires that the Company maintain a maximum Total Net Leverage Ratio, as defined in the Credit Agreement, initially of 5.50 to 1.00 as of the last day of each fiscal quarter for which financials have been (or were required to be) delivered, commencing with the first full fiscal quarter after the Acquisition Date, stepping down to 4.00 to 1.00 over time. For material acquisitions in certain circumstances, such ratio may be increased by up to 0.50 to 1.00. The actual ratio, as defined, was 3.77 3.62 at September 30, 2023 March 31, 2024. The Revolving Credit Facility also requires that the Company not permit the Interest Coverage Ratio as of the last day of any test period to be less than 3.00 to 1.00. The actual ratio, as defined, was 3.36 3.58 as of September 30, 2023 March 31, 2024. At September 30, 2023 March 31, 2024, the Company was in compliance with all applicable covenants.

The Senior Facilities contain certain affirmative and negative covenants that limit the ability of the Company, among other things and subject to certain significant exceptions, to incur debt or liens, make investments, enter into certain mergers, consolidations, asset sales and acquisitions, pay dividends and make other restricted payments and enter into transactions with affiliates. The Senior Facilities also contain certain events of default, including relating to a change of control. If an event of default occurs, the lenders under the Senior Facilities will be entitled to take various actions, including the acceleration of amounts due under the Senior Facilities.

Borrowings and availability under the Revolving Credit Facility were $662,937 $655,902 and $337,063, $344,098, respectively, at September 30, 2023. Borrowings March 31, 2024 and availability under the Unsecured Credit Facility were $466,672 $642,988 and $533,328, $357,012, respectively, at December 31, 2022 December 31, 2023, subject to covenants discussed above. The average interest rate on these borrowings was 7.04% 6.77% and 3.67% 6.76% on September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. The average interest rate excludes the impact of the Company’s interest swap agreements. See Note 10. Borrowings included Euro-denominated borrowings of 296,500 Euros ($317,937) 320,902) at September 30, 2023 March 31, 2024 and 310,700 296,500 Euros ($331,672) 327,988) at December 31, 2022 December 31, 2023. The fair value of the borrowings is based on observable Level 2 inputs. The borrowings were valued using discounted cash flows based upon the Company's estimated interest costs for similar types of borrowings.

Borrowings under the Term Loan Facility were $650,000 $646,750 and $648,375 at September 30, 2023. March 31, 2024 and December 31, 2023, respectively. The average interest rate on these borrowings was 8.42% 7.83% and 8.46% on September 30, 2023. March 31, 2024 and December 31, 2023, respectively. The average interest rate excludes the impact of the Company’s interest swap agreements. See Note 10. The fair value of the borrowings is based on the quoted market price of the borrowings on September 30, 2023 March 31, 2024, which represents Level 1 observable inputs.

In addition, the Company has approximately $83,000 $81,000 in uncommitted short-term bank credit lines ("Credit Lines") and overdraft facilities. The Credit Lines are accessed locally and are available primarily within the U.S., Europe and Asia. The Credit Lines are subject to the applicable borrowing rates within each respective country and vary between jurisdictions (i.e. LIBOR, Euribor, etc.). Under the Credit Lines, $10,000 was borrowed at March 31, 2024 at an average rate of 7.83%. The Company had no borrowings under the Credit Lines at September 30, 2023 or December 31, 2022 December 31, 2023. The Company had borrowed $29 $25 and $8 $16 under the overdraft facilities at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. Repayments under the Credit Lines are due within one month after being borrowed. Repayments of the overdrafts are generally due within two days after being borrowed. The carrying amounts of the Credit Lines and overdrafts approximate fair value due to the short maturities of these financial instruments.

In October 2014, the Company entered into a Note Purchase Agreement (“Note Purchase Agreement”), among the Company and New York Life Insurance Company, New York Life Insurance and Annuity Corporation and New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account, as purchasers, for the issuance of $100,000 aggregate principal amount of the 3.97% Senior Notes due October 17, 2024 (the “Notes”). The Notes were senior unsecured obligations of the Company and paid interest semi-annually on April 17 and October 17 of each year at an annual rate of 3.97%. Subject to certain conditions, the Company could, at its option, prepay all or any part of the Notes in an amount equal to 100% of the principal amount so prepaid, plus any accrued and unpaid interest to the date of prepayment, plus the Make-Whole Amount, as defined in the Note Purchase Agreement, with respect to such principal amount being prepaid. The Notes, together with accrued and unpaid interest thereon, were repaid on August 31, 2023 in connection with the Transaction. There was no

Make-Whole Amount. The fair value of the Notes at December 31, 2022 was determined using the U.S. Treasury yield and a long-term credit spread for similar types of borrowings, which represented Level 2 observable inputs.

The Company also has several finance leases under which $12,243 $13,441 and $4,404 $11,999 was outstanding at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. The fair value of the finance leases is based on observable Level 2 inputs. These instruments were valued using discounted cash flows based upon the Company's estimated interest costs for similar types of borrowings.

10. Derivatives

The Company has manufacturing, service and sales facilities around the world and thus makes investments and conducts business transactions denominated in various currencies. The Company is also exposed to fluctuations in interest rates and commodity price changes. These financial exposures are monitored and managed by the Company as an integral part of its risk management program.

Derivative financial instruments have been used by the Company to hedge its exposure to fluctuations in interest rates. On April 28, 2017 March 24, 2021, the Company entered into an interest rate swap agreement (the "2017 "2021 Swap") with one bank which converted the interest on $100,000 of the Company's one-month LIBOR-based borrowings from a variable rate plus the borrowing spread to a fixed rate of 1.92% plus the borrowing spread. The 2017 Swap expired on January 31, 2022. On March 24, 2021, the Company entered into a new interest rate swap agreement (the "2021 Swap") with this same bank that commenced on January 31, 2022 and that converted the interest on $100,000 of the Company's one-month LIBOR-based borrowings from a variable rate plus the borrowing spread to a fixed rate of 1.17% plus the borrowing spread. Effective, April 30, 2022, the Company amended the 2021 Swap (the "Amended 2021 Swap"), such that the one-month SOFR-based borrowing rate replaced the one-month LIBOR-based borrowing rate. The Amended 2021 Swap, which will expire on January 30, 2026, converts the interest on $100,000 of the Company's one-month SOFR-based borrowings from a variable rate plus the borrowing spread to a fixed rate of 1.075% plus the borrowing spread. The execution of the Amended 2021 Swap did not have a material impact on our business, financial condition, results of operations or cash flow. On July 19, 2023, the Company entered into an interest rate swap agreement (the "Euribor Swap") with one bank that commenced on July 31, 2023, which converts the interest on €150,000 of the Company's Euribor-based borrowings from a variable rate plus the borrowing spread to a fixed rate of 3.257% plus the borrowing spread. Under the Euribor Swap, €50,000 will expire on July 31, 2026, with the remaining balance of €100,000 expiring on July 31, 2028. On September 12, 2023, the Company entered into six additional interest rate swap agreement agreements (the "2023 Swaps") with six different banks that commenced on September 29, 2023, which convert the interest on $600,000 of the Company's one-month SOFR-based borrowings from a variable rate plus the borrowing spread to a blended fixed rate of 4.321% plus the borrowing spread. Under the 2023 Swaps, $50,000 will expire on August 31, 2026, $100,000 will expire on August 31, 2027, $200,000 will expire on August 31, 2028, $50,000 will expire on August 31, 2029 and the remaining balance of $200,000 will expire on August 31, 2030. The execution of the interest rate swap agreements in 2023 did not have a material impact on our business, financial condition, results of operations or cash flow. These interest rate swap agreements (the "Swaps") are accounted for as cash flow hedges.

The Company also uses derivative financial instruments to hedge its exposures to fluctuations in foreign currency exchange rates. The Company has various contracts outstanding which primarily hedge recognized assets or liabilities and anticipated transactions in various currencies including the Euro, British pound sterling, U.S. dollar, Canadian dollar, Japanese yen, Singapore dollar, Korean won, Swedish kroner, Chinese renminbi, Mexican peso, Hong Kong dollar and Swiss franc. Certain foreign currency derivative instruments are treated as cash flow hedges of forecasted transactions. All foreign exchange contracts are due within two years.

The Company does not use derivatives for speculative or trading purposes or to manage commodity exposures.

The Company records the derivatives at fair value on the Condensed Consolidated Balance Sheets within Prepaid Expenses and Other Current Assets, Other Assets, Accrued Liabilities or Other Liabilities depending on their fair value and remaining contractual period. Changes in the fair market value of derivatives accounted for as cash flow hedges are recorded to accumulated other comprehensive income (loss) and reclassified to earnings in a manner that matches the earnings impact of the hedged transaction. Reclassifications to earnings for the Swaps are recorded through interest expense and reclassifications to earnings for foreign exchange contracts are recorded through net sales. Changes in the fair market value of the foreign exchange contracts that are not designated hedging instruments are recorded directly to earnings through Other expense (income), net.

The fair values of the Amended 2021 Swap were $8,282 $6,183 and $8,535 $5,976 as of September 30, 2023 March 31, 2024 and December 31, 2022, respectively, the fair values of the Euribor Swap were $183 and $0 as of September 30, 2023 and December 31, 2022, respectively, and the fair values of the 2023 Swaps were $1,159 and $0 as of September 30, 2023 and December 31, 2022 December 31, 2023, respectively, and were recorded in Other Assets in the Condensed Consolidated Balance Sheets for the periods. The fair values of the Euribor Swap were $(3,545) and $(5,485) as of March 31, 2024 and December 31, 2023, respectively, and were recorded in Other Liabilities in the Condensed Consolidated

Balance Sheets for the periods. The fair values of the 2023 Swaps were $(9,352) and $(19,984) as of March 31, 2024 and December 31, 2023, respectively, and were recorded in Other Liabilities in the Condensed ConsolidatedBalance Sheets for the periods. The fair values of the Company's other derivatives were not

material to the Company's Condensed Consolidated Balance Sheets as of September 30, 2023 March 31, 2024 or December 31, 2022 December 31, 2023. See Note 11. The activity related to the derivatives that have been designated hedging instruments was not material to the Company's Condensed Consolidated Financial Statements for the periods ended September 30, 2023 March 31, 2024 or 2022. 2023. The Company recognized losses of $2,517 $11,903 and $8,094 gains of $(1,599) related to the foreign exchange contracts that are not accounted for as hedging instruments within other expense (income), net, in the Condensed Consolidated Statements of (Loss) Income for the three-month periods ended September 30, 2023 and 2022, respectively. The Company recognized losses of $5,466 and $18,671 related to the foreign exchange contracts that are not accounted for as hedging instruments within Other Expense (income), net, in the Consolidated Statements of (Loss) Income for the nine month three-month periods ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. Such losses (gains) were substantially offset by net gains (losses) recorded on the underlying hedged asset or liability (the "underlying"). Offsetting net gains (losses) on the underlying are also recorded within Other expense (income), net.

The Company's policy for classifying cash flows from derivatives is to report the cash flows consistent with the underlying hedged item. Other financing cash flows during the nine three month periods ended September 30, 2023 March 31, 2024 and 2022, 2023, as presented on the Condensed Consolidated Statements of Cash Flows, include $6,346 $11,213 and $17,271, $(1,353), respectively, of net cash payments (proceeds) related to the settlement of foreign currency hedges related to intercompany financing.

11. Fair Value Measurements

The provisions of the accounting standard for fair value define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This standard classifies the inputs used to measure fair value into the following hierarchy:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 Unadjusted quoted prices in active markets for similar assets or liabilities, or unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.

Level 3 Unobservable inputs for the asset or liability.

The following table provides the assets and liabilities reported at fair value and measured on a recurring basis as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

			Fair Value Measurements Using							
			Fair Value Measurements Using							Fair Value Measurements Using
Description	**Description**	**Total**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Description**	**Total**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
September 30, 2023										
March 31, 2024										
Asset derivatives										
Asset derivatives										
Asset derivatives	Asset derivatives	$10,712	$ —	$ 10,712	$ —					
Liability derivatives	Liability derivatives	(1,052)	—	(1,052)	—					
Bank acceptances	Bank acceptances	10,615	—	10,615	—					
Rabbi trust assets	Rabbi trust assets	1,791	1,791	—	—					
Total	Total	$22,066	$ 1,791	$ 20,275	$ —					
December 31, 2022										
December 31, 2023										
December 31, 2023										

December 31, 2023					
Asset derivatives					
Asset derivatives					
Asset derivatives	Asset derivatives	$ 8,856	$ —	$ 8,856	$ —
Liability derivatives	Liability derivatives	(1,023)	—	(1,023)	—
Bank acceptances	Bank acceptances	13,260	—	13,260	—
Rabbi trust assets	Rabbi trust assets	2,104	2,104	—	—
Total	Total	$23,197	$ 2,104	$ 21,093	$ —

The derivative contracts are valued using observable current market information as of the reporting date such as the prevailing SOFR-based interest rates and foreign currency spot and forward rates. Bank acceptances represent financial instruments accepted from certain China-based customers in lieu of cash paid on receivables, have maturities of one year or less and are guaranteed by banks. The carrying amounts of the bank acceptances, which are included within prepaid expenses and other current assets, approximate fair value due to their short maturities. The fair values of rabbi trust assets are based on quoted market prices from various financial exchanges.

12. Pension and Other Postretirement Benefits

Pension and other postretirement benefits (income) cost consisted of the following:

	Three Months Ended March 31,
	Three Months Ended March 31,
	Three Months Ended March 31,
Pensions	
Pensions	
Pensions	
Service cost	
Service cost	
Service cost	
Interest cost	
Interest cost	
Interest cost	
Expected return on plan assets	
Expected return on plan assets	
Expected return on plan assets	
Amortization of prior service cost	
Amortization of prior service cost	
Amortization of prior service cost	
Amortization of actuarial losses	
Amortization of actuarial losses	
Amortization of actuarial losses	
Curtailment loss	
Curtailment loss	

Curtailment loss

	Three Months Ended September 30,		Nine Months Ended September 30,	
Pensions	**2023**	**2022**	**2023**	**2022**
Service cost	$ 622	$ 1,462	$ 1,972	$ 4,345
Interest cost	4,796	3,643	14,492	10,511
Expected return on plan assets	(7,453)	(7,264)	(22,436)	(21,801)
Amortization of prior service cost	88	97	258	304
Amortization of actuarial losses	402	3,098	1,240	9,755
Curtailment loss (gain)	—	1,158	(668)	1,158
Settlement gain	—	—	(731)	—
Special termination benefits	—	259	—	395
Net periodic benefit (income) cost	$ (1,545)	$ 2,453	$ (5,873)	$ 4,667

Net periodic benefit income

Net periodic benefit income

Net periodic benefit income

		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,			
Other Postretirement Benefits					
Other Postretirement Benefits					
Other Postretirement Benefits	**Other Postretirement Benefits**	**2023**	**2022**	**2023**	**2022**
Service cost	Service cost	$ 10	$ 19	$ 29	$ 58
Service cost					
Service cost					
Interest cost					
Interest cost					
Interest cost	Interest cost	282	197	842	606
Amortization of prior service cost	Amortization of prior service cost	3	9	8	27
Amortization of prior service cost					
Amortization of prior service cost					
Amortization of actuarial gains					
Amortization of actuarial gains					
Amortization of actuarial gains	Amortization of actuarial gains	(37)	(1)	(110)	(2)
Net periodic benefit cost	Net periodic benefit cost	$ 258	$ 224	$ 769	$ 689
Net periodic benefit cost					
Net periodic benefit cost					

The service cost component of net periodic benefit cost is included within Cost of sales and Selling and administrative expenses. The components of net periodic benefit (income) cost other than the service cost component are included in Other expense (income), net on the Condensed Consolidated Statements of (Loss) Income. See Note 14.

In July 2022, the Company authorized restructuring actions, which resulted in pension curtailment and settlement gains of $668 and $476, respectively, during the nine months ended September 30, 2023. See Note 17.

In February 2023, the Company elected to freeze the benefits associated with one of its U.S-based defined benefit pension plans. The action was approved in February and future benefits are scheduled to cease effective December 31, 2023. Pursuant to the applicable accounting guidance, the Company performed an interim remeasurement of its pension plan assets and obligations and recognized a curtailment gain as of January 31, 2023, represented by a $11,324 of non-cash after-tax increase in stockholders equity (through other non-owner changes to equity). This increase in stockholders equity resulted from favorable variances between expected and actual returns on pension plan assets and the net incremental change in the benefit obligation as a result of the elimination of future benefit accruals, partially offset by the impacts of changes in actuarial assumptions, primarily a decrease in discount rates.

13. Income Taxes

The Company's effective tax rate for the first nine three months of 2024 was 85.2% compared with 20.9% in the first three months of 2023 was 67.6% compared with 111.0% in the first nine months of 2022 and 64.7% 51.9% for the full year 2022. 2023. The increase in the effective tax rate in during the first nine three months of 2023 2024, as compared with the rate for the full year 2022 2023, is driven primarily due by the inclusion of $6,794 of tax expense (rate impact of 51.6%) relating to the recording Sale of the Associated Spring and Hanggi businesses. The Company determined during the first quarter of 2024, in conjunction with the Sale, that its investment in a valuation allowance on disallowed interest expense under Section 163(j) and an increase in GILTI tax, both significantly impacted by certain disposed foreign subsidiary no longer met the MB Aerospace acquisition. classification as "permanently reinvested". The increase is also due to a decrease in earnings in 2023 Company has therefore recognized income taxes related to MB Aerospace acquisition costs this entity as of which a portion are capitalized for tax purposes. The increase is offset by March 31, 2024, in advance of the absence completion of a goodwill impairment charge of $68,194, which was not tax deductible for book purposes. the Sale on April 4, 2024.

The Aerospace and Industrial segments have a number of multi-year tax holidays in China, Malaysia and Singapore. The tax holiday in China holiday was granted in 2021 and provides for a corporate income tax expired at the end of 15% for the approved businesses. 2023. The China holiday runs for a three-year period ending December 31, 2023. It is anticipated that the Company will plans to re-apply for the China approval of a potential three-year holiday in China but, under China rules, cannot file the application until after June 2024 and does not expect a decision regarding approval of the holiday until the end of 2024. The Aerospace segment was granted an income tax holiday for operations recently established in Malaysia. The Malaysia This holiday commenced effective November 2020 (retroactively) and remains effective for a period of ten years. The Aerospace business was granted additional tax holidays in Singapore under the Pioneer program in the fourth quarter of 2022. The Singapore This holiday provides reduced tax rates for certain Aerospace programs manufactured at the Singapore location and will run continue through December 2025. All of the holidays are subject to the Company meeting certain commitments in the respective jurisdictions.

In October 2021, the Organization for Economic Co-operation and Development ("OECD") introduced an inclusive framework to address tax challenges arising from the digitalization of the economy through a two-pillar solution. One of the components of the solution is the implementation of a global minimum corporate tax rate of 15% for large multinational corporations (“Pillar Two”). The OECD continues to release additional guidance on the two-pillar solution with implementation to begin in 2024 while reporting of the tax applicable will not occur until 2026. As of the first quarter of 2024, the Company does not anticipate any additional taxes in 2024 relating to the implementation of Pillar Two.

On August 31, 2023, the Company completed its acquisition of MB Aerospace by acquiring all of the issued and outstanding shares of capital stock of MB Aerospace Holdings Inc., a Delaware corporation, in a taxable stock transaction. For accounting purposes, the assets and liabilities of MB Aerospace have been stepped up to fair market value which require the recording of deferred taxes on the associated step up. The Company has also determined that it is unlikely to recognize a tax benefit associated with MB Aerospace disallowed interest, net operating loss and credit carryforwards. As a result, the Company has booked a valuation allowance associated with these carryforwards. Additionally, the Company evaluated the impact of the MB Aerospace acquisition on the deferred tax assets of the Company. The Company determined that it was unlikely to be able to utilize legacy disallowed interest carryforwards and has recorded a corresponding valuation allowance. The Company will continue to evaluate associated Pillar Two impacts, and how they will be applied within the combined group of companies.

In August 2022, the U.S. government enacted tax legislation commonly referred to as the Inflation Reduction Act of 2022 (“IRA”) into law. The IRA will impose a 1% excise tax on the fair market value of certain stock repurchased by a public traded company after December 31, 2022 and restored and modified certain tax-related energy incentives. The Company does not anticipate a material impact on our business, financial condition, results of operations or cash flow as a result of this change.

14. Changes in Accumulated Other Comprehensive Income (Loss) by Component

The following tables set forth the changes in accumulated other comprehensive income (loss), net of tax, by component for the nine three month periods ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Gains and Losses on Cash Flow Hedges	Pension and Other Postretirement Benefit Items	Foreign Currency Items	Total
December 31, 2022	$ 5,941	$ (108,640)	$ (117,801)	$ (220,500)
Other comprehensive income (loss) before reclassifications	2,456	10,717	(10,146)	3,027
Amounts reclassified from accumulated other comprehensive income to the Condensed Consolidated Statements of (Loss) Income	(1,793)	93	—	(1,700)
Net current-period other comprehensive income (loss)	663	10,810	(10,146)	1,327
September 30, 2023	$ 6,604	$ (97,830)	$ (127,947)	$ (219,173)

	Gains and Losses on Cash Flow Hedges	Pension and Other Postretirement Benefit Items	Foreign Currency Items	Total
December 31, 2023	$ (14,504)	$ (100,776)	$ (79,849)	$ (195,129)
Other comprehensive income (loss) before reclassifications	11,518	(218)	(38,683)	(27,383)
Amounts reclassified from accumulated other comprehensive income to the Condensed Consolidated Statements of Income	(2,171)	1,484	—	(687)
Net current-period other comprehensive income (loss)	9,347	1,266	(38,683)	(28,070)
March 31, 2024	$ (5,157)	$ (99,510)	$ (118,532)	$ (223,199)

	Gains and Losses on Cash Flow Hedges	Pension and Other Postretirement Benefit Items	Foreign Currency Items	Total
December 31, 2021	$ 160	$ (112,307)	$ (39,691)	$ (151,838)
Other comprehensive income (loss) before reclassifications	5,765	(5,945)	(145,238)	(145,418)
Amounts reclassified from accumulated other comprehensive income to the Condensed Consolidated Statements of (Loss) Income	28	8,059	—	8,087
Net current-period other comprehensive income (loss)	5,793	2,114	(145,238)	(137,331)
September 30, 2022	$ 5,953	$ (110,193)	$ (184,929)	$ (289,169)

	Gains and Losses on Cash Flow Hedges	Pension and Other Postretirement Benefit Items	Foreign Currency Items	Total
December 31, 2022	$ 5,941	$ (108,640)	$ (117,801)	$ (220,500)
Other comprehensive income (loss) before reclassifications	(352)	11,249	18,473	29,370
Amounts reclassified from accumulated other comprehensive income to the Condensed Consolidated Statements of Income	(534)	373	—	(161)
Net current-period other comprehensive income (loss)	(886)	11,622	18,473	29,209
March 31, 2023	$ 5,055	$ (97,018)	$ (99,328)	$ (191,291)

The following table sets forth the reclassifications out of accumulated other comprehensive loss by component for the three month periods ended September 30, 2023 March 31, 2024 and 2022: 2023:

Details about Accumulated Other Comprehensive Income (Loss) Components	Amount Reclassified from Accumulated Other Comprehensive Income (Loss)		Affected Line Item in the Condensed Consolidated Statements of (Loss) Income
	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	
Cash flow hedges			
Interest rate contracts	$ 1,146	$ 266	Interest expense
Foreign exchange contracts	(278)	(45)	Net sales
	868	221	Total before tax
	(213)	(53)	Tax expense
	655	168	Net of tax
Pension and other postretirement benefit items			
Amortization of prior service costs	$ (91)	$ (106)	(A)
Amortization of actuarial losses	(365)	(3,097)	(A)
Curtailment gain	—	(450)	(A)
Settlement gain	—	—	(A)
	(456)	(3,653)	Total before tax
	116	859	Tax benefit
	(340)	(2,794)	Net of tax

Total reclassifications in the period	$ 315	$ (2,626)

(A) These accumulated other comprehensive income (loss) components are included within the computation of net periodic Pension and Other Postretirement Benefits cost. See Note 12.

The following table sets forth the reclassifications out of accumulated other comprehensive loss by component for the nine month periods ended September 30, 2023 and 2022:

Details about Accumulated Other Comprehensive Income (Loss) Components	Details about Accumulated Other Comprehensive Income (Loss) Components	Amount Reclassified from Accumulated Other Comprehensive Income (Loss)			Affected Line Item in the Consolidated Statements of (Loss) Income	Details about Accumulated Other Comprehensive Income (Loss) Components	Amount Reclassified from Accumulated Other Comprehensive Income (Loss)			Affected Line Item in the Condensed Consolidated Statements of (Loss) Income	
			Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022							
		Three Months Ended March 31, 2024									
Cash flow hedges											
Cash flow hedges											
Cash flow hedges	Cash flow hedges										
Interest rate contracts	Interest rate contracts		$ 2,999	6	Interest expense						
Interest rate contracts											
Interest rate contracts							$2,844	$ 865			Interest expense
Foreign exchange contracts	Foreign exchange contracts		(627)	(42)	Net sales	Foreign exchange contracts	(64)	(159)	(159)	Net sales	Net sales
			2,372	(36)	Total before tax						
			(579)	8	Tax benefit						
			1,793	(28)	Net of tax						
		2,780						2,780	706		Total before tax
		(609)						(609)	(172)		Tax expense
		2,171						2,171	534		Net of tax
Pension and other postretirement benefit items	Pension and other postretirement benefit items										
Pension and other postretirement benefit items											
Pension and other postretirement benefit items											
Amortization of prior service costs											
Amortization of prior service costs											

Amortization of prior service costs	Amortization of prior service costs	$ (266)	$ (331)	(A)		$(27)	$	$	(90)	(A)	(A)
Amortization of actuarial losses	Amortization of actuarial losses	(1,130)	(9,753)	(A)	Amortization of actuarial losses	(562)	(392)		(392)	(A)	(A)
Curtailment gain (loss)		241	(450)	(A)							
Settlement gain		731	—	(A)							
Curtailment loss					Curtailment loss	(1,370)			—		(A)
		(424)	(10,534)	Total before tax							
		331	2,475	Tax benefit							
		(93)	(8,059)	Net of tax							
		(1,959)									
		(1,959)									
		(1,959)						(482)		Total before tax	
	475							475		109	Tax bene
	(1,484)							(1,484)		(373)	Net tax
Total reclassifications in the period	Total reclassifications in the period	$ 1,700	$ (8,087)								
Total reclassifications in the period											
Total reclassifications in the period											

(A) These accumulated other comprehensive income (loss) components are included within the computation of net periodic Pension and Other Postretirement Benefits cost. See Note 12.

15. Information on Business Segments

The Company is organized based upon the nature of its products and services and reports under two global business segments: Aerospace and Industrial. Segment information is consistent with how management reviews the businesses, makes investing and resource allocation decisions and assesses operating performance. The Company has not aggregated operating segments for purposes of identifying these two reportable segments.

Aerospace is a global manufacturer of complex fabricated and precision machined components and assemblies for turbine engines, nacelles and structures for both commercial and defense-related aircraft. The Aerospace Aftermarket business provides aircraft engine component MRO services, including services performed under our Component Repair Programs (“CRPs”), for many of the world’s major turbine engine manufacturers, commercial airlines and the defense market. The Aerospace Aftermarket activities also include the manufacture and delivery of aerospace aftermarket spare parts, including through revenue sharing programs (“RSPs”) under which the Company receives an exclusive right to supply designated aftermarket parts over the life of specific aircraft engine programs.

Industrial is a global provider of highly-engineered, high-quality precision components, products and systems for critical applications serving a diverse customer base in end-markets such as mobility, industrial equipment, automation, personal care, packaging, electronics, mobility and medical devices. Focused on innovative custom solutions, Industrial participates in the design phase of components and assemblies whereby customers receive the benefits of application and systems engineering, new product development, testing and evaluation, and the manufacturing of final products. Products are sold primarily through its direct sales force and global distribution channels. Industrial's Molding Solutions business designs and manufactures customized hot runner systems, advanced mold cavity sensors and process control systems, and precision high cavitation mold assemblies - collectively, the enabling technologies for many complex injection molding applications. Effective January 1, 2023, the Company combined Industrial's Force & Motion Control business and Engineered Components business to form a single new strategic business called Motion Control Solutions business. The Motion Control Solutions business provides innovative cost effective force and motion control solutions for a wide range of metal forming and other industrial markets. The Motion Control Solutions business also manufactures and supplies precision mechanical products used in mobility and industrial applications,

including mechanical springs, and high-precision punched and fine-blanked components.The Automation business designs and develops robotic grippers, advanced end-of-arm tooling systems, sensors and other automation components for intelligent robotic handling solutions and industrial automation applications. The Motion Control Solutions business provides innovative cost-effective force and motion control solutions for a wide range of metal forming and other industrial markets and manufactures and supplies precision mechanical products used in mobility and industrial applications. See Note 3 as the Company completed the Sale of its Associated Spring™ and Hänggi™ businesses, both within the Motion Control Solutions business, in April 2024.

The following tables set forth information about the Company's operations by its two reportable segments:

		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			
Net sales					
Net sales					
Net sales	Net sales				
Aerospace(A)	Aerospace(A)	$ 156,090	$ 110,787	$ 395,362	$ 320,650
Aerospace(A)					
Aerospace(A)					
Industrial					
Industrial					
Industrial	Industrial	204,898	203,959	639,977	627,746
Intersegment sales	Intersegment sales	—	(2)	(10)	(1)
Intersegment sales					
Intersegment sales					
Total net sales					
Total net sales					
Total net sales	Total net sales	$ 360,988	$ 314,744	$ 1,035,329	$ 948,395
Operating profit (loss)					
Operating profit					
Operating profit					
Operating profit					
Aerospace(A)	Aerospace(A)	$ 3,622	$ 21,227	$ 38,953	$ 58,162
Industrial(B)		6,368	8,809	20,330	(25,200)
Aerospace(A)					
Aerospace(A)					
Industrial					
Industrial					
Industrial					
Total operating profit					
Total operating profit					
Total operating profit	Total operating profit	9,990	30,036	59,283	32,962
Interest expense	Interest expense	22,792	3,357	34,612	10,249
Interest expense					
Interest expense					
Other expense (income), net	Other expense (income), net	(874)	2,423	(2,427)	3,650
(Loss) income before income taxes		$ (11,928)	$ 24,256	$ 27,098	$ 19,063
Other expense (income), net					
Other expense (income), net					
Income before income taxes					
Income before income taxes					
Income before income taxes					

(A) The results of MB Aerospace from the acquisition on August 31, 2023, have been included within the Company's Consolidated Financial Statements in the Aerospace segment for the three and nine months ended September 30, 2023 March 31, 2024.
(B) Industrial operating losses in the nine-month period ended September 30, 2022 include a $68,194 goodwill impairment charge.

		September 30, 2023	December 31, 2022		
March 31, 2024				March 31, 2024	December 31, 2023
Assets	Assets				
Aerospace(A)		$1,484,676	$ 590,598		
Aerospace					
Aerospace					
Aerospace					
Industrial	Industrial	1,638,970	1,680,415		
Other (B)		153,688	142,717		
Other (A)					
Total assets	Total assets	$3,277,334	$2,413,730		

(A) The increase in assets within the Aerospace segment primarily reflects the acquisition of MB Aerospace.
(B) "Other" assets include corporate-controlled assets, the majority of which are cash and cash equivalents and deferred tax assets.

16. Commitments and Contingencies

Product Warranties

The Company provides product warranties in connection with the sale of certain products. From time to time, the Company is subject to customer claims with respect to product warranties. The Company accrues its estimated exposure for warranty claims at the time of sale based upon the length of the warranty period, historical experience and other related information known to the Company. Liabilities related to product warranties and extended warranties were not material as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

In July 2021, a customer asserted breach of contract and contractual warranty claims regarding a part manufactured by the Company. The Company disputes the asserted claims and no litigation or other proceeding has been initiated. While it is currently not possible to determine the ultimate outcome of this matter, the Company intends to vigorously defend its position and believes that the ultimate resolution will not have a material adverse effect on the Company’s consolidated financial position or liquidity, but could be material to the consolidated results of operations of any one period.

Litigation

The Company is subject to litigation from time to time in the ordinary course of business and various other suits, proceedings and claims are pending involving the Company and its subsidiaries. The Company records a loss contingency liability when a loss is considered probable and the amount can be reasonably estimated. While it is not possible to determine the ultimate disposition of each of these proceedings and whether they will be resolved consistent with the Company's beliefs, the Company expects that the outcome of such proceedings, individually or in the aggregate, will not have a material adverse effect on financial condition or results of operations.

Supplier Finance Programs

The Company participates in a Supplier Finance Program (the "Program") under which it agrees to pay a third-party finance provider the stated amount of confirmed invoices from participating suppliers based on the original invoice due date. Suppliers, at their sole discretion, may elect to finance confirmed invoices prior to their scheduled due date at a discounted price with the Company's third-party finance provider. Outstanding obligations related to the Program were not material as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023. These obligations were recorded within Accounts Payable on the Condensed Consolidated Balance Sheets. The Company does not have any assets nor any other forms of guarantees pledged as security to the third-party finance provider as part of the Program.

17. Business Reorganizations

In July 2022, Company management, commenced a systematic multi-phased initiative to significantly reduce costs and integrate the Company's operations, decreasing complexity and focusing on improved performance across Industrial. More specifically, at this time, the Company announced a restructuring program to further reduce costs within the Industrial segment and, more broadly, transform our businesses in response to macroeconomic disruptions. Additional actions were subsequently announced in October 2022, April 2023 (including Aerospace) and most recently, during the current quarter, in September 2023. 2023 (including Aerospace). Management continues to adjust its cost structures to align with market conditions.

2022 Actions

The Company authorized restructuring actions (“2022 Actions”) focused on the consolidation of two manufacturing sites and a number of branch offices and changes in infrastructure to eliminate certain roles across a number of locations in the Industrial segment businesses in July and October 2022. Resulting The 2022 Actions resulted in pre-tax charges of $17,986 and $10,328 recorded in 2022 (recorded in second half of 2022) and 2023 (recorded primarily in the first and third quarters of 2023), respectively. Of the aggregate pre-tax charges of $10,328 recorded in 2023, $3,990 were recorded in 2022. Of the aggregate, $11,880 related to employee termination costs, first quarter, primarily employee severance within Cost of sales in the accompanying Condensed Consolidated Statements of Income, and other termination benefits, which are expected to be paid in cash by the end of 2023 and which were recorded within Selling and administrative expenses. The remaining $6,106 primarily related to $3,186 $1,593 of accelerated depreciation of assets and $1,417 $2,397 of pension curtailment losses and special termination benefits which were recorded in Cost transfer of sales and Other expense (income), net, respectively. work charges.

During the third first quarter of 2023, 2024, additional pre-tax charges of $3,156, $2,367 related to the 2022 Actions, including $1,553 primarily related to site consolidation and transfer of work charges, and $724 of accelerated depreciation of assets, were recorded within Cost of sales, $233 and $90 of expenses were recorded within Selling and administrative expenses in the accompanying Condensed Consolidated Statements of (Loss) Income.

During the first nine months of 2023, The Company does not expect any additional pre-tax charges of $9,120, including $3,185 of accelerated depreciation of assets, $6,073 primarily costs related to site consolidation and transfer of work charges, were recorded within Cost of sales, $1,006 primarily related the 2022 Actions to employee and other termination benefits, were recorded within Selling and administrative expenses, and $1,144 of pension curtailment and settlement gains recorded were included within Other income (expense), net, in the accompanying Condensed Consolidated Statements of (Loss) Income. be significant.

A corresponding liability of $2,879, $509, per below, related to the employee termination costs remained and was included within accrued liabilities as of September 30, 2023 March 31, 2024. The Company expects to incur additional costs of approximately $1,000 in 2023 related to the 2022 Actions, primarily related to transfer of work charges, which is payable in cash. The 2022 Actions are expected to be predominately completed in 2023.

The following table sets forth the change in the liability for the employee termination benefits related to the 2022 Actions:

December 31, 2022	$	10,900
Employee severance and other termination benefits		(594)
Payments		(7,427)
September 30, 2023	$	2,879 538
Payments		(29)
March 31, 2024	$	509

April 2023 Actions

In April 2023, the Company authorized additional restructuring actions ("April 2023 Actions") focused on manufacturing footprint optimization, including the consolidation of manufacturing sites and optimization of production. These actions include the geographic transfer of certain programs within both the Industrial and Aerospace segments and changes in infrastructure to drive improvements and efficiencies in business processes, including the elimination of certain roles across several locations. Resulting The April 2023 Actions resulted in pre-tax charges of $9,519 were recorded $13,783 in 2023 (recorded primarily in the second and third quarters of 2023).

During the first quarter of 2023. Of the aggregate, $9,163 related to employee termination costs, primarily employee severance and other termination benefits, which are expected to be paid in cash by the end of 2025 and which were recorded within Selling and administrative Expenses. The remaining $356 primarily related to accelerated rent expenses and consulting fees, which were recorded within Selling and administrative expenses, in the accompanying Condensed Consolidated Statements of (Loss) Income. Of the aggregate charges recorded, $9,294 was reflected within the results of the Industrial segment and $225 was reflected within the results of the Aerospace segment. During the third quarter of 2023, 2024, additional pre-tax charges of $624, $595 related to the April 2023 Actions, primarily related to $682 $470 of transfer of work charges, were recorded within Cost of sales and offset by $(58) $125 of expenses were recorded within selling and administrative expenses, in the accompanying Condensed Consolidated Statements of (Loss) Income. Of the aggregate charges recorded, $603 $232 was reflected within the results of the Industrial segment and $21 $363 was reflected within the results of the Aerospace segment.

A corresponding liability of $6,975, $1,699, per below, related to the employee termination costs remained and was included within accrued liabilities as of September 30, 2023 March 31, 2024. The Company expects to incur additional costs of approximately $4,000 in 2023 related to the April 2023 Actions, including approximately $1,000 related to the Aerospace segment and $3,000 related to the Industrial segment, all of which is payable in cash. The Company also expects to incur additional costs beyond 2023 of approximately $12,000 $13,000 related to the April 2023 Actions, which are primarily related to transfer of work charges. Of the aggregate, approximately $8,000 $10,000 and $4,000 $3,000 relate to the Aerospace and Industrial segments, respectively. The April 2023 Actions are expected to be completed throughout multiple periods, with completion in 2025.

The following table sets forth the change in the liability for the employee termination benefits related to the April 2023 Actions:

December 31, 2022	$	—
Employee severance and other termination benefits		8,938
Payments		(1,963)
September 30, 2023	$	6,975 6,247
Payments		(4,548)
March 31, 2024	$	1,699

September 2023 Actions

In September 2023, the Company authorized additional restructuring actions ("September 2023 Actions") including organizational realignment within a Barnes Industrial business and within Barnes Aerospace following the MB Aerospace acquisition. Resulting pre-tax charges of $8,622 $7,878 were recorded primarily in the third quarter of 2023 related to employee termination costs, primarily employee severance and other termination benefits, which are expected to be paid in cash by the end of 2025 and which were recorded within Selling and administrative expenses in 2025. The Company does not expect any additional costs related to the accompanying Condensed Consolidated Statements of (Loss) Income. Of the aggregate charges recorded, $5,801 was reflected within the results of the Industrial segment and $2,821 was reflected within the results of the Aerospace segment. September 2023 Actions to be significant.

A corresponding liability of $7,320, $1,563, per below, related to the employee termination costs remained and was included within accrued liabilities as of September 30, 2023 March 31, 2024. The Company does not expect any additional costs related to the September 2023 Actions to be significant.

The following table sets forth the change in the liability for the employee termination benefits related to the September 2023 Actions:

December 31, 2022 2023	$	— 2,736
Employee severance and other termination benefits		8,622 23
Payments		(1,302) (1,196)
September 30, 2023 March 31, 2024	$	7,320 1,563

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

OVERVIEW

Please refer to the Overview in the Management's Discussion and Analysis of Financial Condition and Results of Operations in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023. The Annual Report on Form 10-K, along with the Company's other filings, can be found on the Securities and Exchange Commission's website, www.sec.gov, as well as on the Company's website: www.onebarnes.com.

Third First Quarter Highlights

On January 11, 2024, the Company entered into a Share Purchase and Asset Agreement ("SPA") with One Equity Partners ("OEP") to sell its Associated Spring™ and Hänggi™ businesses (the "Businesses"). The Company completed the sale of the Businesses to OEP on April 4, 2024. See Note 3 of the Consolidated Financial Statements for additional discussion related to the divestiture of the Businesses.

The Company reported net sales of $361.0 million $430.6 million in the third first quarter of 2023, 2024, an increase of $46.2 million $95.3 million or 14.7% 28.4% from the third first quarter of 2022. 2023. Organic sales increased by $11.6 million $12.8 million, or 3.7% 3.8%, including an increase of $18.8 million $21.9 million, or 17.0% 18.7%, at Aerospace, and partially offset by a decrease of $7.2 million $9.1 million, or 3.5% 4.2%, at Industrial. The year-over-year increase at Aerospace was driven by volume increases within both the Aerospace Original Equipment Manufacturing ("OEM") and the Aerospace Aftermarket businesses, reflecting continued strength in aerospace end markets. The acquisition of MB Aerospace (as defined below) on August 31, 2023 in August 2023 provided incremental sales of $26.5 million $82.2 million within the Aerospace segment during the three months ended September 30, 2023 March 31, 2024. From an Industrial standpoint, the year-over-year decrease was driven primarily by volume decreases within the Motion Control Solutions and Molding Solutions each of the businesses, partially offset by favorable pricing initiatives. The weakening of the U.S. dollar against foreign currencies increased net sales within the Industrial segment by approximately $8.1 million $0.3 million. Operating margins decreased increased from 9.5% 6.9% in the 2022 2023 period to 2.8% 9.2% in the current period, largely a result of $8.0 million lower pre-tax charges related to restructuring and transformation related actions and favorable pricing initiatives, partially offset by $2.1 million of short-term purchase accounting adjustments and $7.8 million $5.4 million of acquisition transaction increased amortization costs on other acquired long-term intangible assets related to the acquisition of MB Aerospace (see below), in addition to $13.2 million of restructuring and transformation related charges.

On August 31, 2023 ("Acquisition Date"), the Company completed its acquisition of MB Aerospace Holdings Inc., a Delaware corporation ("MB Aerospace"), along with such entity's subsidiaries (the "Transaction") by acquiring all of the issued and outstanding shares of capital stock of MB Aerospace. The Company acquired MB Aerospace for an aggregate purchase price of $728.6 million which was financed using cash on hand, borrowings under the Company's revolving credit facility and a term loan facility. See "Item 2 - Liquidity and Capital Resources" for additional information As well, divestiture transaction costs related to the financing of MB Aerospace. The purchase price includes preliminary adjustments under the terms sale of the MB Aerospace Sale Associated Spring and Purchase Agreement (the "Agreement") Hanggi businesses and shareholder advisory costs approximated $3.1 million and $2.0 million, including approximately $9.8 million respectively. Pre-tax charges related to cash acquired. In connection restructuring, transformation approximated $4.1 million within the current period, compared with $13.9 million in the acquisition, the Company recorded $321.0 million of intangible assets and $318.3 million of goodwill. See Notes 3 and 8 to the Condensed Consolidated Financial Statements. prior year period.

Impact of Macroeconomic Trends and Management Actions

Several Certain of the macroeconomic trends continue to present that have presented challenges across our businesses during 2023, in the prior year, including rising interest rates, inflationary pressures primarily related and labor constraints began to raw material costs. stabilize during recent periods, whereas supply chain constraints continue to linger, thereby continuing to impact the performance of the businesses. Management has taken several continues to take actions to mitigate the lingering impacts of these costs. In addition events and circumstances and remains proactive in addressing any potential future impacts.

Management has continued to taking implement pricing actions to recover costs, the Company has remained focused on cost management and drive productivity initiatives to mitigate these impacts. macroeconomic pressures. Management also continues to focus on driving core business execution through revenue growth, margin expansion, and new business development. More recently, management Management's attention has been also remains directed towards integrating our existing businesses, and MB Aerospace, consolidating operations and facilities where appropriate, and rationalizing operational costs and investments; all with the goal of improving profitability and return on invested capital. During the third quarter of 2023, the national union representing the United Auto Workers opted to strike, potentially impacting managements sales channels within automotive end markets.

In July 2022, management commenced Management is leading a systematic multi-phased initiative to significantly reduce costs and integrate the Company's operations, decreasing complexity and focusing on improved performance across Industrial. More specifically, at this time, the Company has announced a restructuring program programs (see Note 17 of the Consolidated Financial Statements) to further reduce costs primarily within the Industrial segment and, more broadly, transform our businesses both segments, in response to changes in macroeconomic disruptions. Additional actions were subsequently announced in October 2022, April 2023 and, most recently, during the current quarter, in September 2023. factors. Management also continues to adjust its cost structures to align with market conditions, with aggregate targeted annualized savings in excess of $50 million. See Note 17 evaluate the Condensed ongoing geopolitical risks, such as the Russia-Ukraine war, China-Taiwan relations and Red Sea freight disruptions, for any potential for impacts on the Company's Consolidated Financial Statements for additional discussion. Effective January 1, 2023, the Company combined its Force & Motion Control and Engineered Components businesses to form a single new strategic business unit named Motion Control Solutions. The formation of Motion Control Solutions aligns with management's “Integrate, Consolidate & Rationalize” initiative as we continue to transform the Company. During the first quarter of 2023, management also took actions to reduce costs associated with one of its U.S-based defined benefit pension plans (see Note 12 of the Condensed Consolidated Financial Statements). Statements.

RESULTS OF OPERATIONS

Net Sales

		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,							
(in millions)									
(in millions)									
(in millions)	*(in millions)*	2023	2022	Change		2023	2022	Change	
Aerospace	Aerospace	$ 156.1	$ 110.8	$ 45.3	40.9 %	$ 395.4	$ 320.7	$ 74.7	23.3 %
Aerospace									
Aerospace									
Industrial									
Industrial									
Industrial	Industrial	204.9	204.0	0.9	0.5 %	640.0	627.7	12.2	1.9 %
Total	Total	$ 361.0	$ 314.7	$ 46.2	14.7 %	$ 1,035.3	$ 948.4	$ 86.9	9.2 %
Total									
Total									

The Company reported net sales of $361.0 million $430.6 million in the third first quarter of 2023, 2024, an increase of $46.2 million $95.3 million from the third first quarter of 2022. 2023. Organic sales increased by $11.6 million $12.8 million, or 3.7% 3.8%, including an increase of $18.8 million $21.9 million at Aerospace, partially offset by a decrease of $7.2 million $9.1 million at Industrial. The year-over-year increase at Aerospace was driven by volume increases within both the Aerospace OEM and the Aerospace Aftermarket businesses, reflecting the ongoing recovery in strength within aerospace end markets. The acquisition of MB Aerospace in August 2023 provided incremental sales of $26.5 million $82.2 million within the Aerospace segment during the three months ended September 30, 2023 March 31, 2024, impacting both the OEM and Aftermarket businesses. From an Industrial standpoint, the year-over-year decrease was primarily driven by volume decreases within across each of the Molding Solutions and Motion Control Solutions businesses, partially offset by favorable pricing actions. The weakening of the U.S. dollar against foreign currencies increased net sales within the Industrial segment by approximately $8.1 million $0.3 million.

The Company reported net sales of $1,035.3 million in the first nine months of 2023, an increase of $86.9 million, or 9.2%, from the first nine months of 2022. Organic sales in the first nine months of 2023 increased by $56.7 million, driven by an increase of $48.2 million at Aerospace and an increase of $8.5 million at Industrial. The increase at Aerospace was driven by sales growth across both businesses. The acquisition of MB Aerospace on August 31, 2023 provided incremental sales of $26.5 million within the Aerospace segment during the nine months ended September 30, 2023. From an Industrial standpoint, the year-over-year increase was driven by favorable pricing actions within each of the businesses. The weakening of the U.S. dollar against foreign currencies increased net sales within the Industrial segment by approximately $3.7 million.

Expenses and Operating Income

	Three Months Ended September 30,				Nine Months Ended September 30,			
(in millions)	2023	2022	Change		2023	2022	Change	
Cost of sales	$ 253.5	$ 208.6	$ 44.8	21.5 %	$ 704.4	$ 628.6	$ 75.8	12.1 %
% sales	70.2 %	66.3 %			68.0 %	66.3 %		

Gross profit (1)	$ 107.5	$ 106.1	$ 1.4	1.3 %	$ 331.0	$ 319.8	$ 11.2	3.5 %
% sales	29.8 %	33.7 %			32.0 %	33.7 %		
Selling and administrative expenses	$ 97.5	$ 76.1	$ 21.4	28.2 %	$ 271.7	$ 218.6	$ 53.0	24.3 %
% sales	27.0 %	24.2 %			26.2 %	23.1 %		
Goodwill impairment charge	$ —	$ —	$ —	— %	$ —	$ 68.2	$ (68.2)	NM
% sales	— %	— %			— %	7.2 %		
Operating income	$ 10.0	$ 30.0	$ (20.0)	(66.7)%	$ 59.3	$ 33.0	$ 26.3	79.9 %
% sales	2.8 %	9.5 %			5.7 %	3.5 %		

NM - Not Meaningful

	Three Months Ended March 31,			
(in millions)	**2024**	**2023**	**Change**	
Cost of sales	$ 300.1	$ 226.2	$ 73.9	32.6 %
% sales	69.7 %	67.5 %		
Gross profit (1)	$ 130.5	$ 109.1	$ 21.4	19.6 %
% sales	30.3 %	32.5 %		
Selling and administrative expenses	$ 90.9	$ 85.8	$ 5.0	5.9 %
% sales	21.1 %	25.6 %		
Operating income	$ 39.7	$ 23.3	$ 16.4	70.4 %
% sales	9.2 %	6.9 %		

(1) Sales less cost of sales .

Cost of sales in the third first quarter of 2023 2024 increased 21.5% 32.6% from the 2022 2023 period and gross profit margin decreased from 33.7% 32.5% in the 2022 2023 period to 29.8% 30.3% in the 2023 2024 period. Within Industrial, gross profit and gross profit margin remained flat decreased primarily as a result of the profit contribution of lower sales within each of the businesses, offset by pricing actions taken by the businesses. Gross profit remained flat increased and gross profit margin decreased within Aerospace during the third first quarter of 2023. 2024. Within Aerospace, higher volumes within both the OEM and Aftermarket business, in particular, driven by the acquisition of MB Aerospace positively impacted gross profit. Unfavorable

productivity mix and $8.0 million $2.1 million of short-term purchase accounting adjustments related to the acquisition of MB Aerospace negatively impacted both gross profit and gross profit margin within the segment. segment, partially offset by a favorable Aftermarket mix. As well, $3.7 million $2.7 million of pre-tax charges related to restructuring and transformation related actions (aggregate of $13.2 million $4.1 million, including selling and administrative costs) impacted gross profit across the segments. Pre-tax charges impacting gross profit related to restructuring and workforce reduction actions during the comparable three month period of 2022 2023 were $1.8 million $3.4 million (aggregate of $9.0 million $13.9 million). Selling and administrative expenses in the third first quarter of 2023 2024 increased 28.2% 5.9% from the 2022 2023 period, whereas sales increased by 14.7% 28.4% between the comparable 2023 2024 and 2022 2023 periods. As a percentage of sales, selling and administrative costs increased decreased from 24.2% 25.6% in the third first quarter of 2022 2023 to 27.0% 21.1% in the 2023 2024 period. The increase decrease in selling and administrative costs as a percentage of sales was primarily driven by $7.8 million an increase in sales partially offset by $3.1 million of acquisition divestiture transaction costs, $5.4 million of long-term purchase accounting adjustments related to the acquisition of MB Aerospace, $2.0 million of shareholder advisory costs and $9.5 million $1.4 million (aggregate of $13.2 million $4.1 million) of restructuring and transformation related charges. Pre-tax charges impacting selling and administrative expenses related to restructuring and workforce reduction actions during the comparable three month period of 2022 2023 were $7.2 million (aggregate $10.5 million

(aggregate of $9.0 million $13.9 million). Operating income in the third first quarter of 2023 decreased 2024 increased by 66.7% 70.4% to $10.0 million $39.7 million, compared with the third first quarter of 2022, 2023, and operating income margin decreased increased from 9.5% 6.9% to 2.8% 9.2%, driven by the items noted above.

Cost of sales in the first nine months of 2023 increased 12.1% from the 2022 period, while gross profit margin decreased from 33.7% in the 2022 period to 32.0% in the 2023 period. Gross profit margins remained flat at Industrial and declined at Aerospace. Within Industrial, pricing actions taken by the business contributed to an increase in gross profit during the first nine months of 2023. Gross profit margin remained flat during the first nine months of 2023, however, as a result of unfavorable productivity, in part caused by inflationary pressure, combined with an unfavorable mix between businesses.
Within Aerospace, higher volumes within the OEM business, in particular, contributed to an increase in gross profit during the first nine months of 2023. Gross profit margin decreased during the first nine months of 2023 at Aerospace, however, given the unfavorable product mix within the OEM business and Aftermarket businesses and unfavorable productivity. The first nine months of 2023 includes $8.0 million of short-term purchase accounting adjustments related to the acquisition of MB Aerospace. As well, $10.0 million of pre-tax charges related to restructuring and transformation related actions (aggregate of $40.9 million, including selling and administrative costs) impacted gross profit across the segments. Pre-tax charges impacting gross profit related to restructuring and workforce reduction actions during the comparable nine month period were $2.6 million (aggregate of $9.8 million). Selling and administrative expenses in the first nine months of 2023 increased 24.3% from the 2022 period, whereas sales increased by 9.2% between the comparable 2022 and 2023 periods. As a percentage of sales, selling and administrative costs increased from 23.1% in the first nine months of 2022 to 26.2% in the 2023 period. The increase in selling and administrative costs as a percentage of sales was primarily driven by $11.4 million of acquisition transaction costs, $3.8 million of due diligence costs and $30.9 of restructuring and transformation related charges (aggregate of $40.9 million). Pre-tax charges impacting selling and administrative costs related to restructuring and workforce reduction actions during the comparable nine month period were $7.2 million (aggregate of $9.8 million). A goodwill impairment charge of $68.2 million related to the Automation reporting unit impacted operating results during the first nine months of 2022. Operating income in the first nine months of 2023 increased by 79.9% to $59.3 million, compared with first nine months of 2022. Operating income margin increased from 3.5% in the 2022 period to 5.7% in the 2023 period, primarily driven by the absence of the goodwill impairment

charge and the additional items noted above. Excluding the goodwill impairment charge, operating profit and operating margin during the first nine months of 2022 were $101.2 million and 10.7%, respectively.

Interest expense

Interest expense increased by $19.4 million in the third quarter of 2023 and by $24.4 million $19.5 million in the first nine months quarter of 2023 2024 as compared with the prior year periods, period, primarily a result of bridge financing fees of $9.5 million related to the MB Acquisition that were incurred during the quarter and nine month periods (see Note 9 to Consolidated Financial Statements). As well, interest expense increased as a result of higher average borrowings during interest rate, given the recapitalization of the Company's debt structure since the prior year period and higher average interest rates during borrowings, largely related to the respective periods. acquisition of MB Aerospace.

Other expense (income), net

Other expense (income), net in the third first quarter of 2023 2024 was $(0.9) million $1.7 million compared to $2.4 million $1.3 million in the third first quarter of 2022. 2023. This income increase in expense was primarily driven by a reduction in income in the other components of net periodic benefit costs of $1.9 million in the third quarter of 2023, compared with expense of $1.2 million in from the other components of net periodic benefit costs related to pension and other postretirement benefits. Other expense (income), net in the first nine months of 2023 was $(2.4) million compared to $3.7 million in first nine months of 2022. This decrease in expense was also primarily driven by income in the other components of net periodic benefit costs of $7.1 million in the first nine months of 2023 compared with expense in the other components of net periodic benefit costs of $1.0 million in the first nine months of 2022. Other expense (income) also includes foreign currency losses of $2.9 million in the first nine months of 2023 compared to foreign currency gains of $0.4 million in the first nine months of 2022.

Income Taxes

The Company's effective tax rate for the first nine three months of 2024 was 85.2% compared with 20.9% in the first three months of 2023 was 67.6% compared with 111.0% in the first nine months of 2022 and 64.7% 51.9% for the full year 2022. 2023. The increase in the effective tax rate in during the first nine three months of 2023 2024, as compared with the rate for the full year 2022 2023, is driven primarily due by the inclusion of $6.8 million of tax expense (rate impact of 51.6%) relating to the recording Sale of the Associated Spring and Hanggi businesses. The Company determined during the first quarter of 2024, in conjunction with the Sale, that its investment in a valuation allowance on disallowed interest expense under Section 163(j) and an increase in GILTI tax, both significantly impacted by certain disposed foreign subsidiary no longer met the MB Aerospace acquisition. classification as "permanently reinvested". The increase is also due to a decrease in earnings in 2023 Company has therefore recognized income taxes related to MB Aerospace acquisition costs this entity as of which a portion are capitalized for tax purposes. The increase is offset by March 31, 2024, in advance of the absence completion of a goodwill impairment charge of $68,194, which was not tax deductible for book purposes. the Sale on April 4, 2024.

The Aerospace and Industrial segments have a number of multi-year tax holidays in China, Malaysia and Singapore. The tax holiday in China holiday was granted in 2021 and provides for a corporate income tax expired at the end of 15% for the approved businesses. 2023. The China holiday runs for a three-year period ending December 31, 2023. It is anticipated that the company will Company plans to re-apply for the China approval of a potential three-year holiday in China but, under China rules, cannot file the application until after June 2024 and does not expect a decision regarding the approval of the holiday until the end of 2024. Aerospace was granted an income tax holiday for operations recently established in Malaysia. The Malaysia This holiday commenced effective November 2020 (retroactively) and remains effective for a period of ten years. The Aerospace business was granted additional tax holidays in Singapore under the Pioneer program in the fourth quarter of 2022. The Singapore This holiday provides reduced tax rates for certain Aerospace programs manufactured at the Singapore location and will run continue through December 2025. All of the holidays are subject to the Company meeting certain commitments in the respective jurisdictions.

In October 2021, the Organization for Economic Co-operation Income and Development ("OECD") introduced an inclusive framework to address tax challenges arising from the digitalization of the economy through a two-pillar solution. One of the components of the solution is the implementation of a global minimum corporate tax rate of 15% for large multinational corporations ("Pillar Two"). The OECD continues to release additional guidance on the two-pillar solution with implementation to begin in 2024 while reporting of the tax applicable will not occur until 2026. The Company is currently evaluating the potential impact of Pillar Two on our Consolidated Financial Statements and related disclosures.

On August 31, 2023, the Company completed its acquisition of MB Aerospace by acquiring all of the issued and outstanding shares of capital stock of MB Aerospace Holdings Inc., a Delaware corporation, in a taxable stock transaction. For accounting purposes, the assets and liabilities of MB Aerospace have been stepped up to fair market value which require the recording of deferred taxes on the associated step up. The Company has also determined that it is unlikely to recognize a tax benefit associated with MB Aerospace disallowed interest, net operating loss and credit carryforwards. As a result, the Company has booked a valuation allowance associated with these carryforwards. Additionally, the Company evaluated the impact of the MB Aerospace acquisition on the deferred tax assets of the Company. The Company determined that it was unlikely to be able to utilize legacy disallowed interest carryforwards and has recorded a corresponding valuation allowance.

In August 2022, the U.S. government enacted tax legislation commonly referred to as the Inflation Reduction Act of 2022 ("IRA") into law. The IRA will impose a 1% excise tax on the fair market value of certain stock repurchased by a public traded company after December 31, 2022 and restored and modified certain tax-related energy incentives. The Company does not anticipate a material impact on our business, financial condition, results of operations or cash flow as a result of this change.

(Loss) income and (Loss) income per Share

	Three Months Ended September 30,				Nine Months Ended September 30,			
(in millions, except per share)	2023	2022	Change		2023	2022	Change	
Net (loss) income	$ (21.7)	$ 17.0	$ (38.7)	(228.0)%	$ 8.8	$ (2.1)	$ 10.9	(520.3)%
Net (loss) income per common share:								
Basic	$ (0.43)	$ 0.33	$ (0.76)	(230.3)%	$ 0.17	$ (0.04)	$ 0.21	(525.0)%

Diluted	(0.43)	0.33	(0.76)	(230.3)%	0.17	(0.04)	0.21	(525.0)%
Weighted average common shares outstanding:								
Basic	51.1	50.9	0.1	0.3 %	51.0	51.0	0.1	0.1 %
Diluted	51.1	51.1	—	— %	51.2	51.0	0.2	0.5 %

NM - Not Meaningful

	Three Months Ended March 31,			
(in millions, except per share)	2024	2023	Change	
Net income	$ 1.9	$ 13.2	$ (11.2)	(85.2)%
Net income per common share:				
Basic	$ 0.04	$ 0.26	$ (0.22)	(84.6)%
Diluted	0.04	0.26	(0.22)	(84.6)%
Weighted average common shares outstanding:				
Basic	51.2	51.0	0.2	0.5 %
Diluted	51.3	51.3	—	0.1 %

Basic and diluted net income per common share decreased from the three and nine months periods ended September 30, 2022 to net losses per common share for the three March 31, 2024 and nine months periods ended September 30, 2023 March 31, 2023 due to the changes from decreases in net income to net losses for during the periods. Basic and diluted weighted average common shares outstanding were consistent for the periods and were only slightly impacted by the repurchase of 200,000 shares during the first nine three months of 2022 2023 as part of the Company's publicly announced Repurchase Program (as defined herein) as well as the issuance of additional shares for employee stock plans.

Financial Performance by Business Segment

Aerospace

		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,							
(in millions)									
(in millions)									
(in millions)	*(in millions)*	2023	2022	Change		2023	2022	Change	
Sales	Sales	$ 156.1	$ 110.8	$ 45.3	40.9 %	$ 395.4	$ 320.7	$ 74.7	23.3 %
Sales									
Sales									
Operating profit									
Operating profit									
Operating profit	Operating profit	3.6	21.2	(17.6)	(82.9) %	39.0	58.2	(19.2)	(33.0) %
Operating margin	Operating margin	2.3 %	19.2 %			9.9 %	18.1 %		
Operating margin									
Operating margin									

The Aerospace segment reported sales of $156.1 million $221.4 million in the third first quarter of 2023, 2024, an 40.9% 88.8% increase from the third first quarter of 2022. Organic 2023. Excluding MB Aerospace, organic sales increased 23.7% 15.8% and 7.4% 23.4% within the OEM and Aftermarket businesses, respectively, relative to the comparable 2022 2023 period. The acquisition of MB Aerospace provided incremental sales of $82.2 million within the segment during the three months ended March 31, 2024, impacting both the OEM and Aftermarket businesses. The year-over-year increase in organic OEM sales was driven primarily by continued growth within narrow-body airframe production. production, although wide-body airframe production also continued to improve during the 2024 period. Organic sales within the Aftermarket Maintenance Repair and Overhaul ("MRO") also improved during the third first quarter of 2023 2024 relative to the comparable period as airline traffic and aircraft utilization have continued to ramp. During the first nine months of 2023, the Aerospace segment reported sales of $395.4 million, a 23.3% increase from the first nine months of 2022, also driven by volume growth within each of the Aerospace businesses. The acquisition of MB Aerospace in August 2023 provided incremental sales of $26.5 million within the Aerospace segment during the three and nine months ended September 30, 2023. Sales within the segment are largely denominated in U.S. dollars and therefore were not significantly impacted by changes in foreign currency.

Operating profit at Aerospace in the third first quarter of 2024 increased 65.8% from the first quarter of 2023 decreased 82.9% from the third quarter of 2022 to $3.6 million $31.1 million, largely a result of transaction the contribution of higher organic sales volumes, inclusive of pricing, favorable mix and the contribution of MB Aerospace sales, partially offset by unfavorable productivity, restructuring and transformation related charges and acquisition related costs related to the August 2023 acquisition of MB Aerospace. More specifically, operating results were impacted by $8.0 million $2.1 million of short-term purchase accounting adjustments (amortization of customer backlog and inventory step-up), $7.8 million of acquisition transaction costs and $2.2 million $5.4 million of increased amortization costs for other acquired long-term intangible assets and $3.9 million $0.4 million of pre-tax restructuring and transformation related charges. Pre-tax restructuring charges all related to the acquisition of MB Aerospace. Unfavorable productivity also impacted operating results in the third quarter of 2023. The above items were partially offset by pricing, the profit contribution of higher organic sales volumes and MB Aerospace sales. prior year period approximated $1.8 million. Operating margin decreased from 19.2% 16.0% in the 2022 2023 period to 2.3% 14.0% in the 2023 2024 period, largely as a result of the Aerospace MB acquisition-related items. Operating profit in the first nine months items and their relative sales mix impact on overall Aerospace operating margins. Shareholder advisory costs of 2023 decreased 33.0% from the first nine months of 2022 to $39.0 million, driven by the items described above, including $8.0 million of short-term purchase accounting adjustments, $1.5 million of due diligence costs $1.0 million were also allocated to the segment $11.4 million of acquisition transaction costs and $6.3 million of restructuring and transformation-related charges that were recorded in during the first nine months of 2023. Operating margin decreased from 18.1% to 9.9% in the first nine months of 2023, primarily as a result of the acquisition related cost items noted above. 2024 period.

Outlook:

Sales in the Aerospace OEM business are based on the general state of the aerospace market driven by the worldwide global economy and are supported by its order backlog through participation in certain strategic commercial and defense-related engine and airframe programs. As noted earlier, the Company completed its acquisition of MB Aerospace during the third quarter of 2023. MB Aerospace represents a strategic fit for Barnes Aerospace, with highly complementary programs, global operations, technical capabilities, and product and service offerings. OEM sales grew in 2023 2024 relative to the comparable 2022 2023 period, as customer aircraft production schedules continue to ramp. The Company expects that the OEM business will see a continued strength in demand for its manufactured components as narrow body airframe production remains strong, whereas and wide body airframe production albeit improving, remains below pre-pandemic levels. improves. Aerospace management continues to work with customers to evaluate engine and airframe build schedules, giving management the ability to react timely to such changes. Management is working closely with suppliers to align raw material schedules with production requirements.

Management also remains focused on labor and supply chain constraints that continue to impact the business, on executing long-term agreements, and expanding our share of production on key programs. Backlog at OEM, including that of the acquired MB Aerospace MB business, was $1,250.4 million $1,463.6 million at September 30, 2023. This represents March 31, 2024, an increase of 66.7% 18.6% since December 31, 2022 December 31, 2023, at which time backlog was $750.1 million $1,233.6 million. Approximately 50% 45% of OEM backlog is expected to be recognized over the next 12 months. The Aerospace OEM business may also be impacted by changes in the content levels on certain platforms, changes in customer sourcing decisions, adjustments to customer inventory levels, labor and commodity availability (including the availability of commodities such as titanium sourced in Russia) and pricing, vendor sourcing capacity and the use of alternate materials. Additional impacts may include the redesign of parts, quantity of parts per engine, cost schedules agreed to under contract with the engine and airframe manufacturers, as well as the pursuit and duration of new programs. Fluctuations in fuel costs, interest rates, and potential changes in regulatory requirements could impact airlines' decisions on maintaining, deferring or canceling new aircraft purchases, in part based on the value associated with new fuel-efficient technologies and targets established by airlines to reduce greenhouse gas emissions.

The Aerospace Aftermarket business continues to demonstrate strong signs of recovery performance as airline traffic and aircraft utilization improve. trends remain healthy. Domestic and international passenger traffic have improved as significant health and travel restrictions have been lifted with continued growth forecasted throughout 2023. 2024. Freight-related air traffic remains solid. Sales in the Aerospace Aftermarket business may continue to be impacted by inventory management and changes in customer sourcing, deferred or limited maintenance activity during engine shop visits and the use of surplus (used) material during the engine repair and overhaul process. Management believes that its the Aerospace Aftermarket business continues to be competitively positioned based on well-established long-term customer relationships, including maintenance and repair contracts in the MRO business and long-term Revenue Sharing Programs ("RSPs") and Component Repair Programs ("CRPs"). The MRO business may also be impacted by airlines electing to closely manage their aftermarket costs as engine performance and quality improves. Fluctuations in fuel costs, interest rates and potential changes in regulatory requirements and their corresponding impacts on airline profitability and behaviors within the aerospace industry could also impact levels and frequency of aircraft maintenance and overhaul activities, and airlines' decisions on maintaining, deferring or canceling new aircraft purchases, in part based on the economics associated with new fuel-efficient technologies. Challenges experienced by aircraft OEMs to increase the delivery of new aircraft may serve to benefit our aftermarket business as older aircraft fill the need, especially as it relates to narrow-body platforms.

Given the pressures on sales growth resulting from labor and supply chain constraints, the The Company remains focused on proactive cost management and improved productivity to mitigate continued pressure on operating profit. In April 2023, the Company authorized the third phase of the Actions, with pre-tax charges expected The segment continued to approximate $8 million within the Aerospace segment. In September 2023, the Company authorized additional take restructuring actions related to the MB Aerospace acquisition. These actions include organizational realignments including elimination of certain roles. Industry capacity remains partially constrained by the availability of skilled labor, although improvements were continuing to be recognized during throughout the first nine months quarter of 2023. 2024. Aerospace will continue to explore opportunities for additional productivity opportunities, including working closely with vendors and customers as it relates to the timing of deliveries and pricing initiatives. Also, management seeks additional opportunities to leverage cost and facility synergies from the integration of our legacy Aerospace business with MB Aerospace. Management also remains focused on growth through strategic investments, acquisition acquisitions and new product and process introductions. Driving productivity continues as a key initiative. Operating profit is expected to may be affected impacted by the impact of the changes in sales volume, noted above, mix and pricing, particularly as they relate to the higher profit Aftermarket RSP spare parts business, and investments made in each of its businesses. Operating profits may also be impacted by potential changes in tariffs, trade agreements and trade policies that may affect the cost and/or availability of goods and labor constraints. Costs associated with new product and process introductions, the physical transfer of work to other global regions, additional productivity initiatives and restructuring activities to drive improved operating profit in the longer term, while potentially negatively impact impacting operating profit in the short-term.

Industrial

(in millions)	Three Months Ended September 30, 2023	2022	Change		Nine Months Ended September 30, 2023	2022	Change	
Sales	$ 204.9	$ 204.0	$ 0.9	0.5 %	$ 640.0	$ 627.7	$ 12.2	1.9 %
Operating profit (loss)	6.4	8.8	(2.4)	(27.7)%	20.3	(25.2)	45.5	NM
Operating margin	3.1 %	4.3 %			3.2 %	(4.0)%		

NM - Not Meaningful

(in millions)	Three Months Ended March 31, 2024	2023	Change	
Sales	$ 209.3	$ 218.1	$ (8.8)	(4.1)%
Operating profit	8.6	4.5	4.1	89.6 %
Operating margin	4.1 %	2.1 %		

Sales at Industrial were $204.9 million $209.3 million in the third first quarter of 2023, 2024, a $0.9 million $8.8 million, or 0.5% 4.1%, increase decrease from the third first quarter of 2022. 2023. Organic sales decreased by $7.2 million $9.1 million, or 3.5% 4.2%, during the 2023 2024 period, primarily driven by volume decreases within each of the Molding Solutions and Motion Control Solutions businesses, partially offset by favorable pricing actions. Foreign currency increased sales on a year-over-year basis by approximately $8.1 million as the U.S. dollar weakened against foreign currencies. During the first nine months of 2023, this segment reported sales of $640.0 million, a 1.9% increase from the first nine months of 2022. Organic sales increased by $8.5 million, or 1.4%, during the 2023 period, largely a result of favorable pricing initiatives. Foreign currency increased sales by approximately $3.7 million $0.3 million as the U.S. dollar weakened against foreign currencies.

Operating profit at Industrial in the third first quarter of 2024 increased 89.6% from the first quarter of 2023 decreased 27.7% from the third quarter of 2022 to $6.4 million $8.6 million. Operating results were impacted by $9.3 million of lower pre-tax charges related to restructuring and transformation related actions recorded by the segment in the third first quarter of 2023, 2024, favorable pricing and Barnes Transformation Office cost saving initiatives (described further below), partially offset by $3.1 million of divestiture transaction costs, lower organic sales volumes and unfavorable mix mix. More specifically, operating results were impacted by $3.7 million of pre-tax restructuring and lower productivity. Pre-tax transformation related charges during the current period, as compared with $12.1 million of such costs during the prior year period. The divestiture transactions costs related to restructuring the agreement to sell our Associated Spring and workforce reduction actions Hänggi businesses (see Note 3 to the Consolidated Financial Statements). Shareholder advisory costs of $1.0 million were also allocated to the segment during the comparable 2022 period was $9.4 million. Pricing and procurement actions taken by the Company in response to inflationary pressures and increased global sourcing costs provided a recovery of approximately $10.1 million during the third quarter of 2023. 2024 period. Operating margin decreased increased from 4.3% 2.1% in the 2022 2023 period to 3.1% 4.1% in the 2023 2024 period, primarily as a result of the items describe above. The operating profit in the first nine months of 2023 was $20.3 million, as compared with an operating loss of $25.2 million in the first nine months of 2022, driven by the absence of the $68.2 million goodwill impairment charge, partially offset by $34.7 million of pre-tax charges related to restructuring and transformation actions, $2.3 million of due diligence costs allocated to the segment and unfavorable productivity. Excluding the goodwill impairment charge, operating profit during the first nine months of 2022 was $43.0 million. Pre-tax charges related to restructuring and workforce reduction actions during the comparable nine month period were $9.8 million. Pricing and procurement actions taken by the Company in response to inflationary pressures and increased global sourcing costs provided a recovery of approximately $23.5 million during first nine months of 2023. Operating margin increased from (4.0)% in the 2022 period to 3.2% in the 2023 period, primarily a result of the items described above. Excluding the goodwill impairment charge, Industrial operating margin during the first nine months of 2022 was 6.8%.

Outlook: In

At Industrial, management remains focused on generating organic sales growth through expanded go-to-market strategies, which includes additional sales and marketing resources and the introduction of new products and services expanded go-to-market strategies to comprehensively leverage the Company's full product portfolio with across customers in our and global industrial end-markets. Our end markets remain business remains impacted by continuing economic headwinds that include inflationary pressures. Sales within Europe improved on a year-over-year basis including inflation and remained flat within North America, however sales within China declined on a year-over-year basis. weakness. Order rates declined on a year-over-year basis within China and North America, albeit improved on a year-over-year basis within Europe. Management continues to evaluate the current markets driven by weakness in China, given continued softness, North American and the potential impacts on our Motion Control Solutions businesses. For overall industrial end-markets, European markets. From a macro environment standpoint, the manufacturing Purchasing Managers' Index ("PMI") remained below ended the quarter above 50 in the United States and China, while Europe however, China ended the first nine months of 2023 above quarter below 50. Our customers and the markets we serve may impose emissions reduction or other environmental standards and requirements, including our conventional fuel-based automotive markets, thereby impacting sales volumes within our automotive end markets. During the current quarter, the national union representing the United Auto Workers opted to strike, potentially impacting managements sales channels within automotive end markets. Management also tracks closely monitors the impact of pricing changes and lead times on raw materials and freight, given the continued ongoing pressure of supply chain constraints. Within Following the April 2024 sale of the Associated Spring and Hanggi businesses that serve the automotive component manufacturing end market, the outlook for global automotive production will not be as meaningful a metric moving forward. Orders for the remaining Motion Control Solutions business were favorable in general industrial markets but softer within tool and die. At our Molding Solutions business, orders within the global medical end market strengthened during the current quarter, and are expected to remain favorable over the longer term given an aging population and expanded medical applications. Orders within the markets improved on a year-over year basis, while transportation, personal care and packaging end markets improved on a year-over-year basis. softened. Sales volumes at certain of our businesses is dependent upon the need for equipment used in plastic injection molding markets, which may be significantly influenced by the demand for plastic products, the capital investment needs of companies in the plastic injection molding and plastics processing industries, changes in technological advances and changes in laws or regulations such as those related to single-use plastics, product and packaging composition and recycling. Automation orders softened both on a year-over-year basis and on a sequential basis during the current quarter. year over-year basis. To the extent that the U.S. dollar fluctuates relative to other foreign currencies, our sales may be impacted relative to the prior year periods. The relative impact on operating profit is not expected to be as significant as the impact on sales as most of our businesses have expenses primarily denominated in local currencies, where their revenues reside, however operating margins may be impacted. Management is focused on sales growth through customer engagement, innovation and expanding geographic reach.

Strategic investments in new technologies, manufacturing processes and product development are expected to provide benefits over the long term, and management continues to evaluate such opportunities.

The Company is focused on the proactive management of costs to increase competitiveness and productivity, and to mitigate the ongoing impacts of the current macroeconomic environments, including the continuing risks of supply chain constraints and broad based broad-based inflation on operating profit. Management also remains focused on strategic investments and new product and process introductions, as well as driving productivity. The Company continues to manage its cost structure to align with the intake of orders and sales given remaining uncertainty within certain end-markets. In July 2022, management commenced a systematic multi-phased restructuring initiative (the "Actions") to significantly reduce costs and integrate the Company's operations, decreasing complexity and focusing on improved performance across Industrial. During More specifically, the first phase Company has announced restructuring programs (see Note 17 of the Actions, authorized in July 2022, management focused on the consolidation of two manufacturing sites and a number of branch offices, and changes in infrastructure Consolidated Financial Statements) to eliminate certain roles across a number of locations in the Industrial segment businesses. The second phase of the Actions commenced during October 2022, resulting in the consolidation of operating locations to drive efficiencies within the businesses. Collectively, the first and second phase of the Actions are expected to further reduce annualized

costs by approximately $26.0 million primarily within the Industrial segment, with an estimated cost of $29.0 million. The third phase of in response to the Actions, authorized in April 2023, focused on manufacturing footprint optimization, including the consolidation of manufacturing sites and optimization of production. The third phase of the Actions include the geographic transfer of certain programs within the Industrial segment and changes in infrastructure to drive improvements and efficiencies in business processes. The pre-tax charges associated with the third phase of the Actions are expected to approximate $16.0 million within the segment. In September 2023, the Company authorized additional restructuring actions including organizational realignment within a Barnes Industrial business. macroeconomic disruptions. These actions include organizational realignment including elimination of certain roles across several locations.

During 2023, we formed the Barnes Transformation Office to enable a more agile, responsive organization using standard tools, processes and systems. We are currently executing numerous transformation initiatives that support the acceleration of growth and profitability. We are advancing our manufacturing facility optimization through footprint rationalization with plant closures in Molding Solutions, Motion Control Solutions and several smaller underperforming technology and service centers in the Automation business. Management will continue to explore opportunities for additional cost savings, while working closely with vendors and customers as it relates to the timing of deliveries and pricing initiatives.Operating profit may continue to be impacted by changes in sales volume, mix and pricing, inflation, labor costs, utility cost, and the levels of investments in growth and innovation that are made within each of the Industrial businesses. Operating profit may also be impacted by enactment of or changes in tariffs, trade agreements and trade policies that may affect the cost, lead times and/or availability of goods, including but not limited to, steel and aluminum. Costs associated with new product and process introductions, restructuring and other cost initiatives, and strategic investments may negatively impact operating profit.

LIQUIDITY AND CAPITAL RESOURCES

Management assesses the Company's liquidity in terms of its overall ability to generate cash to fund its operating and investing activities. Of particular importance in the management of liquidity are cash flows generated from operating activities, capital expenditure levels, dividends, capital stock transactions, effective utilization of surplus cash positions overseas and adequate lines of credit. The Company currently maintains sufficient liquidity and will continue to evaluate ways to enhance its liquidity position as it navigates through the macroeconomic trends discussed above.

The Company believes that its ability to generate cash from operations in excess of its internal operating needs is one of its financial strengths. Management continues to focus on cash flow and working capital management, and anticipates that operating activities in 2023 2024 will generate sufficient cash to fund operations. See additional discussion regarding currently available debt facilities below. The Company continues to invest within its businesses, with its estimate of 2023 2024 capital spending to approximate $50 million $70 million.

On June 5, 2023, the Company entered into the a Stock Purchase Agreement with MB Aerospace Group Holdings Limited, a Cayman Islands limited company. See Note 3. company (the "Agreement"). In connection with entry into the Agreement, on June 5, 2023, the Company entered into the Second Amendment (the “Second Amendment”) to Note Purchase Agreement (as defined below) and Amendment No. 2 ("Amendment No. 2") to the restated senior unsecured revolving credit agreement ("Unsecured Credit Agreement Agreement") to facilitate the Transaction, as well as a commitment letter with Bank of America, N.A. and BofA Securities, Inc. (collectively, the “Commitment Parties”), pursuant to which the Commitment Parties agreed to provide, subject to the satisfaction of customary closing conditions contained therein, a $1,000.0 million backstop senior secured revolving credit facility and a $700.0 million senior secured 364-day bridge loan facility ("Bridge Loan Facility"). The Bridge Loan Facility was only intended to be drawn to the extent that the Company did not obtain alternative financing prior to the closing of the Transaction. The Company expensed fees of $9.5 million in conjunction with the Bridge Loan Facility and $1,000.0 million backstop senior secured revolving credit facility into interest expense on the Condensed Consolidated Statements of (Loss) Income in the three months year ended September 30, 2023 December 31, 2023. On August 31, 2023 (the “Acquisition Date”), pursuant to the terms of the Agreement, the Company completed the Transaction for an aggregate purchase price of $728.6 million$728.4 million, subject to customary and specified closing adjustments, as set forth in the Agreement. Concurrently, the Company entered into a new Credit Agreement (the “Credit Agreement”) among the Company and certain of its subsidiaries, the issuing banks, lenders and other parties party thereto, and Bank of America, N.A., as administrative agent, as collateral agent and as swingline lender, which provides for senior secured financing of $1,650.0 million, consisting of a term loan facility (the “Term Loan Facility”) in an aggregate principal amount of $650.0 million, with an original issue discount of $4.9 million, and a revolving credit facility (the “Revolving Credit Facility” and, together with the Term Loan Facility, the “Senior Facilities”) in an aggregate principal amount of up to $1,000.0 million, including a letter of credit sub-facility of up to $50.0 million. Proceeds of the loans borrowed under the Senior Facilities on the Acquisition Date, net of a 0.75% original issue discount on the Term Loan Facility, were used to fund, in part, the transactions contemplated by the Agreement, including the consummation of the Transaction, the repayment in full of the 3.97% Senior Notes, and to pay related fees and expenses. As of the Acquisition Date, the Revolving Credit Facility had outstanding borrowings in an aggregate principal amount of approximately $698.0 million. Proceeds of any loans under the Revolving Credit Facility borrowed after the Acquisition Date will be used for general corporate purposes. The Company paid fees and expenses of $3.1 million in conjunction with executing the Revolving Credit Facility with the previously recorded debt issuance costs. Facility. Such fees have been deferred within Other Assets on the Condensed Consolidated Balance Sheets and will be amortized into interest expense on the Condensed Consolidated Statements of (Loss) Income through the maturity of the Credit Agreement. Agreement with the previously recorded debt issuance costs. The Company incurred $8.3 million of debt issuance costs in conjunction with executing the Term Loan Facility. Such fees have been recorded as a direct deduction from the carrying amount of the Term Loan Facility and will be amortized into interest expense on the Condensed Consolidated Statements of (Loss) Income through the maturity of the Term Loan Facility. Cash used to pay these fees was recorded through financing activities on the Condensed Consolidated Statements of Cash Flows. On August 31, 2023, in connection with the Credit Agreement and the closing of the Transaction, the Bridge Loan Facility was terminated.

On March 19, 2024, the Company entered into a Refinancing Amendment (“Amendment No. 2”) to the Credit Agreement which replaced the outstanding principal amount of term loans under the Term Loan Facility (the “Existing Term Loans”) with an equal amount of new term loans (the “New Term Loans”) having substantially similar terms as the Existing Term Loans, except with respect the interest rate applicable to the New Term Loans and certain other provisions. The interest rate margin applicable to the New Term Loans was reduced to 1.50%, in the case of ABR loans, and 2.50%, in the case of Term SOFR loans (with the Term SOFR floor remaining at 0.0%). The interest rate margin applicable to the Existing Term Loans was 2.00%, in the case of ABR loans, and 3.00%, in the case of Term SOFR loans. In addition, the Term SOFR adjustment applicable to the New Term Loans was reduced to 0.00%. The Term SOFR adjustment applicable to the Existing Term Loans was 0.10%. The Company recorded fees of $1.6 million in conjunction with Amendment No. 2 within interest expense on the Condensed Consolidated Statements of Income in the three months ended March 31, 2024.

The Senior Facilities are guaranteed by each of the Company’s wholly owned domestic subsidiaries and are secured by substantially all assets of the Company and of each subsidiary guarantor, in each case subject to certain exceptions.

Borrowings under the Senior Facilities bear interest at a rate per annum equal to, at the Company’s option, either Term SOFR (subject to a 0.00% floor) or an alternate base rate ("ABR"), in each case plus an applicable margin of (i) in the case of borrowings under the Term Loan Facility, 3.00% 2.50% for Term SOFR loans and 2.00% 1.50% for ABR loans and (ii) in the case of borrowings under the Revolving Credit Facility, initially, 2.375% for Term SOFR loans and 1.375% for ABR loans. The applicable margin for borrowings under the Revolving Credit Facility varies depending on the Company’s total net leverage ratio. At March 31, 2024, the applicable margin for borrowings under the Revolving Credit Facility was 2.125%. The Company is also required to pay a commitment fee initially equal to 0.35% per annum to the lenders under the Revolving Credit Facility

in respect of the unutilized commitments thereunder. The commitment fee under the Revolving Credit Facility varies depending on the Company’s total net leverage ratio. At March 31, 2024, the commitment fee under the Revolving Credit Facility was 0.30%.

The Term Loan Facility matures on the seven-year anniversary of the Acquisition Date and amortizes in equal quarterly installments ($6.5 million annually), starting with the first full fiscal quarter after the Acquisition Date, of 0.25% of the initial principal amount. The Revolving Credit Facility matures on the five-year anniversary of the Acquisition Date. In addition, the Company is required to prepay outstanding loans under the Term Loan Facility, subject to certain exceptions, with up to 50% of the Company’s annual excess cash flow (as defined under the Credit Agreement) in excess of the greater of $50.0 million and 15.0% of LTM Adjusted Consolidated EBITDA (as defined in the Credit Agreement) during the last twelve months ("LTM") as of the applicable time, and with up to 100% of the net cash proceeds of certain recovery events and non-ordinary course asset sales (which percentages vary depending on the Company’s first lien secured net leverage ratio).

The Company may generally prepay outstanding loans under the Senior Facilities at any time, without prepayment premium or penalty, subject to customary “breakage” costs with respect to Term SOFR Secured Overnight Financing Rate ("SOFR") loans. Prepayments of the Term Loan Facility in connection with certain “repricing events” resulting in a lower yield occurring at any time during the first six months after following the Acquisition Date Company's execution of Amendment No. 2 must be accompanied by a 1.00% prepayment premium.

The Revolving Credit Facility requires that the Company maintain a maximum Total Net Leverage Ratio, as defined in the Credit Agreement, initially of 5.50 to 1.00 as of the last day of each fiscal quarter for which financials have been (or were required to be) delivered, commencing with the first full fiscal quarter after the Acquisition Date, stepping down to 4.00 to 1.00 over time. The actual ratio, as defined, was 3.77 3.62 as of September 30, 2023 March 31, 2024. For material acquisitions in certain circumstances, such ratio may be increased by up to 0.50 to 1.00. The Revolving Credit Facility also requires that the Company not permit the Interest Coverage Ratio as of the last day of any test period to be less than 3.00 to 1.00. The actual ratio, as defined, was 3.36 3.58 as of September 30, 2023 March 31, 2024. At September 30, 2023 March 31, 2024, the Company was in compliance with all applicable covenants.

The Senior Facilities contain certain affirmative and negative covenants that limit the ability of the Company, among other things and subject to certain significant exceptions, to incur debt or liens, make investments, enter into certain mergers, consolidations, asset sales and acquisitions, pay dividends and make other restricted payments and enter into transactions with affiliates. The Senior Facilities also contain certain events of default, including relating to a change of control. If an event of default occurs, the lenders under the Senior Facilities will be entitled to take various actions, including the acceleration of amounts due under the Senior Facilities.

Management repurchased 0.2 million shares On January 11, 2024, the Company entered into a Share Purchase and Asset Agreement ("SPA") with One Equity Partners ("OEP") to sell its Associated Spring™ and Hänggi™ businesses for $175.0 million, subject to certain adjustments. These businesses operate within the Motion Control Solutions business. See Note 3 of the Company's common stock under Consolidated Financial Statements for additional disclosure related to the Repurchase Program at a cost Sale of $6.7 million during these businesses that closed in April 2024, with the first nine months of 2022. proceeds being used to repay debt.

The Company did not repurchase any shares of the Company's common stock during the first nine months quarter of 2024 or 2023. Management will continue to evaluate additional repurchases based on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. See "Part II - Item 2 - Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities".

Operating cash flow may be supplemented with external borrowings to meet near-term business expansion needs and the Company's current financial commitments. The Company has assessed its credit facilities in conjunction with the Credit Agreement and currently expects that its bank syndicate, syndicate, comprised of 10 banks, will continue to support its Revolving Credit Facility, which matures in August 2028. At September 30, 2023 March 31, 2024, the Company had $337.1 million $344.1 million unused and available for borrowings under its $1,000.0 million Revolving Credit Facility. The Company intends to use borrowings under its Revolving Credit Facility to support the Company's ongoing growth initiatives. While the Company continues to evaluate potential

acquisition targets, it is now more narrowly assessing acquisitions, primarily with Aerospace, as evidenced by the consummation of the Transaction on August 31, 2023. Management remains focused on driving core business execution and financial performance via the planned integration and consolidation actions described above. The Company believes its credit facilities and access to capital markets, coupled with cash generated from operations, are adequate for its anticipated future requirements. See additional discussion above related to the Transaction and the Credit Agreement. The Company maintains communication with its bank syndicate as it continues to monitor its cash requirements.

The Company had no $10.0 million of borrowings under short-term bank credit lines at September 30, 2023 March 31, 2024.

In October 2014, On March 24, 2021, the Company entered into a Note Purchase Agreement ("Note Purchase Agreement"), among the Company and New York Life Insurance Company, New York Life Insurance and Annuity Corporation and New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account, as purchasers, for the issuance of $100,000 aggregate principal amount of the 3.97% Senior Notes due October 17, 2024 (the "Notes"). The Notes were senior unsecured obligations of the Company and paid interest semi-annually on April 17 and October 17 of each year at an annual rate of 3.97%. Subject to certain conditions, the Company could, at its option, prepay all or any part of the Notes in an amount equal to 100% of the principal amount so prepaid, plus any accrued and unpaid interest to the date of prepayment, plus the Make-Whole Amount, as defined in the Note Purchase Agreement, with respect to such principal amount being prepaid. The Notes, together with accrued and unpaid interest thereon, were repaid on August 31, 2023 in connection with the Transaction. There was no Make-Whole Amount.

The Company entered into an interest rate swap agreement (the "2017 "2021 Swap") with one bank, which converted the interest on $100.0 million of the Company's one-month LIBOR-based borrowings from a variable rate plus the borrowing spread to a fixed rate of 1.92% plus the borrowing spread. The 2017 Swap expired on January 31, 2022. On March 24, 2021, the Company entered into a new interest rate swap agreement (the "2021 Swap") with this same bank that commenced on January 31, 2022 and that converted the interest on $100.0 million of the Company's one-month LIBOR-based borrowings from a variable rate plus the borrowing spread to a fixed rate of 1.17% plus the borrowing spread. Effective April 30, 2022, the Company amended the 2021 Swap (the "Amended 2021 Swap") such that the one-month SOFR-based borrowing rate replaced the one-month LIBOR-based borrowing rate. The Amended 2021 Swap, which will expire on January 30, 2026, converts the interest on $100.0 million of the Company's one-month SOFR-based borrowings from a variable rate plus the borrowing spread to a fixed rate of 1.075% plus the borrowing spread. The execution of the Amended 2021 Swap did not have a material impact on our business, financial condition, results of operations or cash flow.

On July 19, 2023, the Company entered into an interest rate swap agreement (the "Euribor Swap") with one bank that commenced on July 31, 2023, which converts the interest on €150.0 million of the Company's Euribor-based borrowings from a variable rate plus the borrowing spread to a fixed rate of 3.257% plus the borrowing spread. Under the 2023 Euribor Swap, €50.0 million will expire on July 31, 2026, with the remaining balance of €100.0 million expiring July 31, 2028. On September 12, 2023, the Company entered into six additional interest rate swap agreement agreements (the "2023 Swaps") with six different banks that commenced on September 29, 2023, which convert the interest on $600.0 million of the Company's one-month SOFR-based borrowings from a variable rate plus the borrowing spread to a blended fixed rate of 4.321% plus the borrowing spread. Under the 2023 Swaps, $50.0 million will expire on August 31, 2026, $100.0 million will expire on August 31, 2027, $200.0 million will expire on August 31, 2028, $50.0 million will expire on August 31, 2029 and the remaining balance of $200.0 million will expire on August 31, 2030. The execution of the interest rate swap agreements in 2023 did not have a material impact on our business, financial condition, results of operations or cash flow. These interest rate swap agreements (the "Swaps") are accounted for as cash flow hedges.At September 30, 2023 March 31, 2024, the Company's total borrowings were comprised of 66% 64% fixed rate debt and 34% 36% variable rate debt. At December 31, 2022 December 31, 2023, the Company's total borrowings were comprised of 35% 67% fixed rate debt and 65% 33% variable rate debt.

At September 30, 2023 March 31, 2024, the Company held $90.0 million $81.6 million in cash and cash equivalents, the majority of which was held by foreign subsidiaries. These amounts have no material regulatory or contractual restrictions and, on a long-term basis, are expected to primarily fund international investments.

Cash Flow

		Nine Months Ended September 30,						
Three Months Ended March 31,						Three Months Ended March 31,		
(in millions)	*(in millions)*	**2023**	**2022**	**Change**	*(in millions)*	**2024**	**2023**	**Change**
Operating activities	Operating activities	$ 71.0	$ 43.5	$ 27.5				
Investing activities	Investing activities	(750.1)	(23.7)	(726.4)				
Financing activities	Financing activities	692.4	(46.7)	739.1				
Exchange rate effect	Exchange rate effect	(2.2)	(9.5)	7.3				
Increase (decrease) in cash, cash equivalents and restricted cash		$ 11.1	$(36.4)	$ 47.4				
(Decrease) increase in cash, cash equivalents and restricted cash								

Operating activities provided $71.0 million used $2.3 million in the first ninethree months of 2023 2024 and provided $43.5 million $32.2 million in the first ninethree months of 2022. 2023. The 2022 2023 period included a use of cash for working capital of $47.8 million $2.8 million, with $40.4 million $7.1 million reflecting growth in inventories, compared to the 2023 2024 period, which included a use of cash for working capital of $25.6 million $8.9 million, with $8.7 million $6.5 million reflecting continued growth in inventories. Inventory levels increased during the first nine months of 2023 and 2022 primarily as a result of strategic builds to support customer demands, combined with the impact of inflation. Operating cash flows in the 2022 2024 period were also negatively impacted by higher outflows for accrued liabilities ($22.9 million), primarily related to payments of incentive compensation, relative to payments made severance and income taxes, whereas an increase in 2023.contract assets (included within Other Current Assets) drove an $12.1 million use of cash.

Investing activities used $750.1 million $12.7 million in the first ninethree months of 2023 2024 compared to $23.7 million $11.3 million in the first ninethree months of 2022. 2023. Investing activities in the 2024 period primarily included capital expenditures of $12.8 million compared to $10.9 million in the 2023 period. Investing activities in the current period also included outflows of $718.8 million $0.2 million used to fund the MB Aerospace Acquisition. Investing activities in the 2023 period also included capital expenditures of $37.4 million compared to $21.7 million in the 2022 periodAcquisition (post-closing adjustments). See Note 3 to the Condensed Consolidated Financial Statements. The Company expects capital spending in 2023 2024 to approximate $50 million $70 million.

Financing activities in the first ninethree months of 2023 2024 included a net increase in borrowings of $737.6 million $29.5 million compared to a net increase decrease in borrowings of $3.4 million $13.2 million in the comparable 2022 2023 period. In the 2023 period, net borrowings were primarily used to fund the MB Aerospace acquisition. In addition, the Company paid $11.3 million of fees in connection with entering the new Credit Agreement in connection with the MB Aerospace acquisition. See Note 3 and Note 9 to the Consolidated Financial Statements. Proceeds from the issuance of common stock were $0.3 million $0.1 million in both the 2024 and 2023 period, flat compared to the 2022 period. periods. Total cash used to pay dividends was $24.3 million also $8.1 million in both the 2023 and 2022 periods. Other financing Financing cash flows during the first ninethree months of 2024 and 2023 also included $11.2 million of payments and 2022 included $6.3 million and $17.3 million $1.4 million of net cash payments, proceeds, respectively, resulting from the settlement of foreign currency hedges related to intercompany financing. Other financing cash flows in the first nine months of 2023 also included $2.4 million of payments that related to the residual interest in a subsidiary.

OTHER MATTERS

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant accounting policies are disclosed in Note 1 of the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023. The most significant areas involving management judgments and estimates are described in Management's Discussion and Analysis of Financial Condition and Results of Operations in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023. Actual results could differ from those estimates. There have been no material changes to such judgments and estimates.

Critical Accounting Estimates

Goodwill and Indefinite-Lived Intangible Assets: Goodwill and indefinite-lived intangible assets are subject to impairment testing annually or earlier if an event or change in circumstances indicates that the fair value of a reporting unit has been reduced below its carrying value. Management completes their annual impairment assessments during the second quarter of each year as of April 1. The Company utilizes the option to first assess qualitative factors to determine whether it is necessary to perform the Step 1 quantitative goodwill impairment test in accordance with the applicable accounting standards. Under the qualitative assessment, management considers relevant events and circumstances including but not limited to macroeconomic conditions, industry and market considerations, overall reporting unit performance and events directly affecting a reporting unit. If the Company determines that the Step 1 quantitative impairment test is required, management estimates the fair value of the reporting unit using the income approach. Inherent in management's development of cash flow projections are assumptions and estimates, including those related to future earnings and growth and the weighted average cost of capital. The Company compares the fair value of the reporting unit with the carrying value of the reporting unit. If the fair values were to fall below the carrying values, the Company would recognize a non-cash impairment charge to income from operations for the amount by which the carrying amount of any reporting unit exceeds the reporting unit's fair value, assuming the loss recognized does not exceed the total amount of goodwill for the reporting unit. Based on our annual assessment in the second quarter of 2023, the estimated fair value of the Automation reporting unit, which represents the 2018 acquisition of Gimatic, exceeded its carrying value, while the estimated fair value of each of the remaining reporting units significantly exceeded their carrying values. During the prior year 2022 period, management recorded a non-cash goodwill impairment charge related to the Automation reporting unit as the estimated fair value of the reporting unit declined below its carrying value. There was no goodwill impairment at any reporting units in the 2023 period. Many of the factors used in assessing fair value are outside the control of management, and these assumptions and estimates can change in future periods as a result of both Company-specific and overall economic conditions. Management's quantitative assessment includes a review of the potential impacts of current and projected market conditions from a market participant's perspective on reporting units' projected cash flows, growth rates and cost of capital to assess the likelihood of whether the fair value would be less than the carrying value. The Company also completed its annual impairment testing of its trade names, indefinite-lived intangible assets, in the second quarter of 2023 and determined that there were no impairments.

EBITDA

Earnings before interest expense, income taxes and depreciation and amortization ("EBITDA") was $140.9 million for the first nine months of 2023 compared to $166.5 million for the first nine months of 2022. EBITDA is a measurement not in accordance with generally accepted accounting principles ("GAAP"). The Company defines EBITDA as net income plus interest expense, income taxes, and depreciation and amortization which the Company incurs in the normal course of business. The Company does not intend EBITDA to represent cash flows from operations as defined by GAAP, and the reader should not consider it as an alternative to net income, net cash provided by operating activities or any other items calculated in accordance with GAAP, or as an indicator of the Company's operating performance. The Company's definition of EBITDA may not be comparable with EBITDA as defined by other companies. The Company believes EBITDA is commonly used by financial analysts and others in the industries in which the Company operates and, thus, provides useful information to investors. Accordingly, the calculation has limitations depending on its use.

Following is a reconciliation of EBITDA to the Company's net income (in millions):

	Nine Months Ended September 30,	
	2023	2022
Net income (loss)	$ 8.8	$ (2.1)
Add back:		
Interest expense	34.6	10.2
Income taxes	18.3	21.2
Depreciation and amortization	79.2	69.0
Non-cash goodwill impairment charge	—	68.2
EBITDA	$ 140.9	$ 166.5

FORWARD-LOOKING STATEMENTS

Certain statements in this Quarterly Report on Form 10-Q are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended and the Private Securities Litigation Reform Act of 1995. Forward-looking statements often address our expected future operating and financial performance and financial condition, and often contain words such as "anticipate," "believe," "expect," "plan," "estimate," "project," "continue," "will," "should," "may," and similar terms. These forward-looking statements do not constitute guarantees of future performance and are subject to a variety of risks and uncertainties that may cause actual results to differ materially from those expressed in the forward-looking statements. These risks and uncertainties include, among others: the Company's ability to manage economic, business and geopolitical conditions, including rising interest rates, global price inflation and shortages impacting the availability of materials; the duration and severity of unforeseen events such as an epidemic or a pandemic, including their impacts across our business on demand, supply chains, operations and liquidity; failure to successfully negotiate collective bargaining agreements or potential strikes, work stoppages or other similar events; changes in market demand for our products and services; rapid technological and market change; the ability to protect and avoid infringing upon intellectual property rights; challenges associated with the introduction or development of new products or transfer of work; higher risks in global operations and markets; the impact of intense competition; the physical and operational risks from natural disasters, severe weather events, and climate change which may limit accessibility to sufficient water resources, outbreaks of contagious diseases and other adverse public health developments; acts of war, terrorism and other international conflicts; the failure to achieve anticipated cost savings and benefits associated with workforce reductions and restructuring actions; currency fluctuations and foreign currency exposure; impacts from goodwill impairment and related charges; our dependence upon revenues and earnings from a small number of significant customers; a major loss of customers; inability to realize expected sales or profits from existing backlog due to a range of factors, including changes in customer sourcing decisions, material changes, production schedules and volumes of specific programs; the impact of government budget and funding decisions; our ability to successfully integrate and achieve anticipated synergies associated with recently announced and future acquisitions, including the acquisition of MB Aerospace; government-imposed sanctions, tariffs, trade agreements and trade policies; changes or uncertainties in laws, regulations, rates, policies or interpretations that impact the Company's business operations or tax status, including those that address climate change, environmental, health and safety matters, and the materials processed by our products or their end markets; fluctuations in the pricing or availability of raw materials, freight, transportation, energy, utilities and other items required by our operations; labor shortages or other business interruptions at transportation centers, shipping ports, our suppliers' facilities or our facilities; disruptions in information technology systems, including as a result of cybersecurity attacks or data security breaches; the ability to hire and retain senior management and qualified personnel; the continuing impact of prior acquisitions and divestitures, and any other ongoing and future strategic actions, and our ability to achieve the financial and operational targets set in connection with any such actions; the ability to achieve social and environmental performance goals; the outcome of pending and future litigation and governmental proceedings; the impact of actual, potential or alleged defects or failures of our products or third-party products within which our products are integrated, including product liabilities, product recall costs and uninsured claims; future repurchases of common stock; future levels of indebtedness; the impact of shareholder activism; and other risks and uncertainties described in documents filed with or furnished to the Securities and Exchange Commission ("SEC") by the Company, including, among others, those in the Management's Discussion and Analysis of Financial Condition and Results of Operations and Risk Factors sections of the Company's filings. The Company assumes no obligation to update its forward-looking statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For discussion of the Company's exposure to market risk, refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023. There have been no material changes to such risk during the nine three months ended September 30, 2023 March 31, 2024.

Item 4. Controls and Procedures

Management, including the Company's Chief Executive Officer and Chief Financial Officer, has evaluated 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. We completed the acquisition of MB Aerospace on August 31, 2023. In accordance with applicable SEC guidance, the scope of our assessment of the effectiveness of disclosure controls and procedures does not include MB Aerospace as it was not practical to do so given the date of acquisition. MB Aerospace's total assets excluded from the scope of our assessment represent approximately 7% 8% of the related consolidated assets as of September 30, 2023 March 31, 2024. MB Aerospace's total net sales excluded from the scope of our assessment represent approximately 3% and 7% 19% of consolidated total net sales for the three and nine months ended September 30, 2023 March 31, 2024, respectively. Based upon, and as of the date of, that evaluation, the President and Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective, in all material respects, and designed to provide reasonable assurance that the information required to be disclosed in the reports the Company

files and submits under the Securities Exchange Act of 1934 (the "Exchange Act"), as amended, is (i) recorded, processed, summarized and reported as and when required and (ii) is accumulated and communicated to the Company's management, including our President and Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting during the Company's third first quarter of 2023 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are subject to litigation from time to time in the ordinary course of business and various other suits, proceedings and claims are pending against us and our subsidiaries. While it is not possible to determine the ultimate disposition of each of these proceedings and whether they will be resolved consistent with our beliefs, we expect that the outcome of these proceedings, individually or in the aggregate, will not have a material adverse effect on our consolidated financial position, cash flows or results of operations.

Item 1A. Risk Factors

In addition There have been no material changes to the Company's risk factors as disclosed in Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, our business, financial condition, results of operations and/or cash flows could be materially and adversely affected by any of the following risks:

RISKS RELATED TO THE ACQUISITION OF MB AEROSPACE

We are subject to risks relating to the acquisition of MB Aerospace December 31, 2023. We expect to incur significant costs in connection with the integration, which may exceed those currently anticipated; and we have incurred significant additional indebtedness in connection with the acquisition, which will increase our interest expense and financial leverage. Any of the foregoing risks and uncertainties could have a material adverse effect on our business, financial condition, results of operations or cash flows and negatively impact the value of our securities. Challenges arising from the expanded operations as a result of the acquisition of MB Aerospace may affect our future results. The acquisition of MB Aerospace greatly expanded the size and complexity of our aerospace business. Our future success depends, in part, on the ability to integrate MB Aerospace with our existing aerospace business, and to anticipate and overcome challenges arising from the expansion and integration of our operations, including challenges related to expanded global operations and new manufacturing processes and products or services, and the associated costs and complexity. There can be no assurance that we will be able to anticipate or overcome all of the challenges resulting from our expanding operations or that we will be able to successfully integrate the MB Aerospace business or realize the expected benefits of the acquisitions within the intended timeframe or at all, which may cause our future results to be adversely affected.

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

(c) Issuer Purchases of Equity Securities

Period	(a) Total Number of Shares (or Units) Purchased		(b) Average Price Paid Per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs(2)
July 1-31, 2023	529	$	39.97	—	3,404,000
August 1-30, 2023	11,534	$	38.47	—	3,404,000
September 1-30, 2023	411	$	38.47	—	3,404,000
Total	12,474 (1)	$	38.54	—	

Period	(a) Total Number of Shares (or Units) Purchased		(b) Average Price Paid Per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs(2)
January 1-31, 2024	361	$	32.04	—	3,404,000
February 1-29, 2024	971	$	35.09	—	3,404,000
March 1-31, 2024	700	$	36.76	—	3,404,000
Total	2,032 (1)	$	35.12	—	

(1) All acquisitions of equity securities during the third first quarter of 2023 2024 were the result of the operation of the terms of the Company's stockholder-approved equity compensation plans and the terms of the equity rights granted pursuant to those plans to pay for the related income tax upon issuance of shares. The purchase price of a share of stock used for tax withholding is the market price on the date of issuance.

(2) At March 31, 2019, 1.5 million shares of common stock had not been purchased under the publicly announced Repurchase Program (the "Program"). On April 25, 2019, the Board of Directors of the Company increased the number of shares authorized for repurchase under the Program by 3.5 million shares of common stock (5.0 million authorized, in total). The Program permits open market purchases, purchases under a Rule 10b5-1 trading plan and privately negotiated transactions.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

During the three months ended September 30, 2023 March 31, 2024, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

Refer to the Exhibit Index immediately following this page.

EXHIBIT INDEX

Barnes Group Inc.

Quarterly Report on Form 10-Q
For the Quarter ended September 30, 2023 March 31, 2024

Exhibit No.	Description	Reference	
10.1	Amendment No. 1 to Credit Agreement, dated as of August 31, 2023 February 6, 2024, by and among Barnes Group Inc., certain subsidiaries thereto, the lenders and other parties signatory thereto and Bank of America, N.A., as administrative agent.	Incorporated by reference to Exhibit 10.3(ii) to the Form 10-K filed by the Company on February 26, 2024.	
10.2	Amendment to Transition and Retirement Agreement, dated as of January 17, 2024.	Incorporated by reference to Exhibit 10.10(ii) to the Form 10-K filed by the Company on February 26, 2024.	
10.3	Amendment No. 2, dated as of March 19, 2024, by and among Barnes, Barnes Group Switzerland GmbH, a limited liability company (Gesellschaft mit beschränkter Haftung) organized under the laws of Switzerland, Barnes Group Acquisition GmbH, a limited liability company (Gesellschaft mit beschränkter Haftung) incorporated under the laws of Germany, the lenders party thereto from time to time, and Bank of America, N.A., as Administrative Agent and as Collateral Agent and as Swingline Lender, and each Issuing Bank and Lender party thereto from time to time. Agent.	Incorporated by reference to Exhibit 10.1 to the Form 8-K filed by the Company on August 31, 2023 March 20, 2024.	
10.2 10.4	Barnes Group Inc. Executive Separation Pay plan, as amended and restated effective August1, 2023.	Filed with this report	
10.3	Transition and Retirement Cooperation Agreement, dated as of September 7, 2023 March 5, 2024, by and between among Barnes Group Inc., Irenic Capital Management LP, and Marian Acker. other parties set forth on the signature pages thereto.	Incorporated by reference to Exhibit 10.1 to the Form 8-K filed by the Company on March 5, 2024.	Filed with this report
31.1	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed with this report.	
31.2	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed with this report.	
32	Certification pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Furnished with this report.	
Exhibit 101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	Filed with this report.	
Exhibit 101.SCH	XBRL Taxonomy Extension Schema Document.	Filed with this report.	
Exhibit 101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.	Filed with this report.	
Exhibit 101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.	Filed with this report.	
Exhibit 101.LAB	XBRL Taxonomy Extension Label Linkbase Document.	Filed with this report.	
Exhibit 101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.	Filed with this report.	
104	Cover Page Interactive Data File (formatted is Inline XBRL and contained in Exhibit 101).	Filed with this report.	

SIGNATURES

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

Barnes Group Inc.
(Registrant)

Date: November 8, 2023 April 29, 2024

/s/ JULIE K. STREICH

Julie K. Streich
Senior Vice President, Finance
Chief Financial Officer
(Principal Financial Officer)

Date: November 8, 2023 April 29, 2024

/s/ MARIAN ACKER

Marian Acker
Vice President, Controller
(Principal Accounting Officer)

BARNES GROUP INC. EXECUTIVE SEPARATION PAY PLAN
As Amended and Restated Effective August 1, 2023

Preamble

The Barnes Group Inc. Executive Separation Pay Plan (the "Plan") was amended and restated effective December 31, 2008 to respond to Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and the Treasury Regulations and official guidance thereunder. Any provision of the Plan as so amended and restated to the contrary notwithstanding, if any provision of the Plan as so amended and restated would change the time or form of payment of any amount that is payable under the Plan as in effect before December 31, 2008, such provision shall "apply only to amounts that would not otherwise be payable in 2008" within the meaning of paragraph .02 of §3 of IRS Notice 2006-79 as modified by Section 3.01(B)(1) of IRS Notice 2007-86, and shall be administered, interpreted and construed accordingly. The Plan was further amended and restated effective March 7, 2019, and is now further amended and restated as provided herein.

1. **Purpose.** The purpose of the Plan is to provide appropriate benefits to eligible executives of Barnes Group Inc. (the "Company") whose employment is terminated by the Company.

2. **Covered Employees**. Full-time salaried employees of the Company who are employed in the United States in salary grades 24 and above, and full-time salaried employees of the Company who are employed in the United States in salary grades 18 through 23 who have at least six months of service, are covered by the Plan. A person is considered to be a full-time employee if the person is regularly scheduled to work at least 30 hours per week. Employees who are part of the Company's "BarnesWorx" program are not covered by the Plan and shall not be eligible for benefits under the Plan; provided, however, that if an employee who is part of the BarnesWorx program is subsequently reclassified as a regular, full-time employee, the employee will become covered by the Plan, with eligibility, payments and benefits calculated in accordance with Section 8.3.

3. **Payment of Benefits.** An employee covered under the Plan is entitled to receive benefits under the Plan if s/he has an "involuntary Separation from Service" within the meaning of Treasury

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Regulation section 1.409A-1(n)(1) and such involuntary Separation from Service is without Cause; provided, however, that no benefits will be paid under the Plan if:

(1) the termination action is determined by the Company to be based on misconduct of any type including, but not limited to, violation of any Company rules or policies, or activity which results in the conviction of a felony; or

(2) the termination is the result of the sale of the stock or substantially all of the assets of a business unit of the Company and the employee is offered employment by the purchaser, within 30 days after the closing of the sale, in a position that is at least comparable to, and for compensation and benefits that are, in the aggregate, at least substantially equivalent to, the employee's position, compensation and benefits with the Company prior to the sale; or

(3) the employee is a party on December 31, 2008 to a severance agreement with the Company relating to Separation from Service after a "Change in Control" of the Company as defined in the agreement (a "Severance Agreement"), or is an executive officer of the Company hired after that date, and the Separation from Service is both (i) a Separation from Service within two years following a "Change in Control", and (ii) either an involuntary Separation from Service (within the meaning of Treasury Regulation section 1.409A-1(n)(1)) by the Company other than for "Cause" or "Disability", or a Separation from Service by the employee for "Good Reason", as such terms in quotation marks are defined in the form of Severance Agreement as amended December 31, 2008; or

(4) the employee incurs a termination of employment in connection with a failure to return to work under the Company's leave of absence policies (including disability leave, workers' compensation leave or other approved leave of absence).

For the avoidance of doubt, the exclusion set forth in this clause (c) shall apply even if the Change in Control referred to in subclause (i) hereof does not occur during the term of the Severance Agreement, and even if no severance benefits are payable pursuant to the Severance Agreement in respect of the Separation from Service and, in the case of an executive officer hired after December 31, 2008, even if the employee is not party to a Severance Agreement.

For purposes of this Plan, (A) a "Separation from Service" means a "separation from service with the employer" within the meaning of Treasury Regulation section 1.409A-1(h), where the "employer" means the Company and all corporations and trades or businesses with which the Company would be considered a single employer under Section 414(b) or Section 414(c) of the Code (as determined in accordance with the first sentence of Treasury Regulation section 1.409A-1(b)(3)); and (B) "Cause" means misconduct or activity described in (a) above, serious dereliction of duty, or grossly negligent or reckless conduct in connection with one's employment. An employee who is entitled to receive benefits under the Plan in accordance with Section 2 and the foregoing provisions of this Section 3 is hereinafter sometimes referred to as a "terminated employee".

4. **Severance Pay.**

4.1 A terminated employee who is entitled to receive benefits under this Plan is eligible to receive severance pay based on the following schedule:

(1) Grades 18-20: four months of base salary plus an additional two weeks of base salary for each year of service over five years up to a maximum total payment of six months of base salary.

(2) Grades 21-23: seven months of base salary.

(3) Grades 24 and above, except for the President and Chief Executive Officer: twelve months of base salary.

The minimum severance pay benefit payable under this Plan shall be one month's base salary or the amount of accrued vacation, whichever is greater, and shall be paid within thirty days after the terminated employee's Separation from Service. For purposes of the Plan, "base salary" means the employee's base salary in effect immediately prior to the employee's Separation from Service, and any severance payment shall be calculated on the basis of the employee's salary grade immediately prior to the employee's Separation from Service.

4.2 Subject to the other provisions of this Section 4 and Section 8.5 below, payment shall be made on the terminated employee's regularly scheduled payroll payment dates as if no Separation from Service had occurred and he/she had continued as an employee, commencing with the next regularly scheduled payroll payment date after the date on which the terminated employee's Separation from Service occurs, and continuing on each regularly scheduled payroll payment date thereafter until full payment has been made in accordance with Section 4.1 above, and will be subject to normal deductions for items such as income taxes, Social Security, and Medicare. For the avoidance of doubt, (a) ~regularly scheduled payroll payment dates" means the payroll payment dates per the payroll schedule applicable to the terminated employee immediately prior to the employee's Separation from Service, and (b) subject to the other provisions of this Section 4 and Section 8.5 below, the amount payable on each such regularly scheduled payment date is the amount of base salary that would have been paid to the terminated employee on that date if no Separation from Service had occurred and the terminated employee had been an employee of the Company on that date, but in no event shall the aggregate payments exceed the severance pay benefit determined in accordance with Section 4.1 above, nor shall payments be made more than twelve calendar months after the calendar month in which an employee's Separation from Service occurs.

4.3 In no event will more than the minimum severance pay benefit (including but not limited to benefits payable pursuant to Section 6 below) be paid or provided unless the terminated employee executes after Separation from Service a release of any claims against the Company in a form approved by the Company's General Counsel, the executed release is delivered to the Company within 50 days after the Separation from Service or within such lesser period after the Separation from Service as the Company's General Counsel may require, and the release becomes irrevocable within 60 days after the Separation from Service or within such lesser period after the Separation from Service as the Company's General Counsel may require. Any severance pay benefits in excess of the minimum severance pay benefit (including but not limited to benefits payable pursuant to Section 6 below) that, in the absence of this Section 4.3, would be paid or provided pursuant to Section 4.2 above or Section 6 below before the release becomes irrevocable shall be paid or provided after the release becomes irrevocable and within 74 days after the Separation from Service.

4.4 The Company may at any time provide in advance of any date after the employee's Separation from Service occurs that any severance pay benefit payable to the terminated employee pursuant to Section 4.2 above or Section 6 below on or after that date will be forfeited unless on or before that date, (a) the terminated employee executes a second release of claims' against the Company and delivers such second release to the Company, and (b) such second release of claims becomes irrevocable.

4.5 Severance pay for a terminated employee who was in any of salary grades 18 through 26 shall cease on the date that such terminated employee begins other employment, including but not limited to work for another party. The terminated employee shall promptly notify the Company in writing when he/she commences such employment.

4.6 Severance pay for a terminated employee who was in any of salary grades 27 and above shall not cease on the date that such terminated employee begins other employment, including but not limited to work for another party, but shall continue throughout the entire severance period.

5. **Accrued Vacation.** A terminated employee who executes a release of claims in a form approved by the Company's General Counsel shall be paid for any unused vacation or paid time off that he/she has accrued in accordance with Company policy prior to the Separation from Service. Payment for such accrued unused vacation or paid time off shall be made in a lump sum, net of normal deductions for items such as income taxes, Social Security and Medicare, within thirty days after the employee's Separation from Service.

6. **Other Benefits.**

6.1 A person may continue participation in the Company's medical and dental plans, in accordance with the terms of the applicable plans, for the period during which he/she receives severance payments. In addition, a person may continue participation in the health care reimbursement account portion of his/her flexible benefits plan, in accordance with the terms of such plan, using pre-tax dollars from such severance payments, for the period during which he/she receives severance payments, but not later than the end of the calendar year in which Separation from

Service occurs. If severance payments cease prior to the end of any month, coverage will continue until the end of the last month during which the person receives any severance payments. Subject to Section 4.3 and Section 4.4 above and to Section 8.5 below, if immediately prior to the Separation from Service the terminated employee was a participant in the Company's Enhanced Life Insurance Program ("ELIP") or Senior Executive Enhanced Life Insurance Program ("SEELIP") who had not yet attained age fifty-five (55) and at least ten (10) years of service with the Company and/or an "Affiliate" (as defined in the ELIP and SEELIP), then until the end of the calendar quarter in which the last severance payment is made to the terminated employee pursuant to Section 4 hereof, such terminated employee shall receive the same benefits, if any, under the ELIP or SEELIP as in effect immediately prior to Separation from Service (whichever program, if any, applied to the terminated employee immediately prior to such employee's Separation from Service), at the same times, that the terminated employee would have received if the ELIP and SEELIP as in effect immediately prior to Separation from Service had remained in effect and no Separation from Service had occurred and the terminated employee had continued to be actively employed and to receive his or her base salary until the last day of the calendar quarter in which the last severance payment is made to such terminated employee pursuant to Section 4 above; provided that, notwithstanding anything herein to the contrary, the Company may reduce the benefits payable pursuant to this sentence at any time, and, provided further, that in no event shall any benefits be paid or provided pursuant to this sentence after the calendar quarter in which the last severance payment is made to the terminated employee pursuant to Section 4 hereof. If prior to the Separation from Service the terminated employee was a participant in the ELIP or SEELIP who had attained age fifty-five (55) and at least ten (10) years of service with the Company and/or an "Affiliate" (as defined in the ELIP and SEELIP), then after the Separation from Service the terminated employee's entitlement to any benefits under the ELIP or SEELIP shall be determined in accordance with the ELIP or SEELIP (whichever program, if any, applied to the terminated employee immediately prior to such employee's

Separation from Service). Notwithstanding anything to the contrary herein, the Company reserves the right to discontinue or change the terms (including but not limited to the carrier) of any employee benefit plan, including without limitation the ELIP and the SEELIP. After severance payments cease, medical and dental coverage and the health care reimbursement account may be continued under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), in accordance with applicable law and as provided in such plans.

No person will be eligible for benefits under the short-term disability and/or long-term disability plans if they become disabled while receiving severance payments. Except as provided above, all other coverages cease upon Separation from Service in accordance with the applicable plan documents, subject to any conversion or portability rights under such plans. Within the meaning of Treasury Regulation section 1.409A-3(i)(l)(iv), the amount of any expenses eligible for reimbursement, or in-kind benefits provided, pursuant to this Section 6.1 or otherwise during a terminated employee's taxable year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, pursuant to this Section 6.1 or otherwise in any other taxable year.

6.2 Except to facilitate benefit continuation as provided in Section 6.1 hereof, a person's status as an employee shall cease upon the termination of employment date and not continue during the period in which severance payments are made absent an agreement with the Company to the contrary. Without limiting the foregoing, employment shall be terminated for purposes of the Retirement Savings Plan, any applicable pension or profit-sharing plan, stock option plans, and for all other purposes upon the termination of employment date.

6.3 The right of a terminated employee to any series of installment payments, including without limitation severance payments and taxable benefits, that are to be paid or provided under this Plan, which right is eligible to be treated as a right to a series of separate payments under Treasury Regulation section 1.409A-2(b)(2)(iii), including in particular but not limited to the right of a terminated employee to the series of severance payments under Section 4 and benefits (including without limitation ELIP and SEELIP benefits) under Section 6.1, shall be treated as a right

to a series of separate payments for purposes of Section 409A of the Code, including without limitation for purposes of the short-term deferral rule set forth in Treasury Regulation section 1.409A- 1 (b)(4).

7. **Administration**.

7.1 Benefits Committee. The Plan is administered by the Benefits Committee appointed by the Company's Board of Directors (the "Committee"). The Committee may promulgate rules or regulations for the administration of the Plan. The Committee shall, in its sole discretion, interpret and construe the Plan's terms and conditions, and determine an individual's eligibility for benefits. Any interpretations, constructions or determinations made by the Committee in good faith shall be final and binding on all concerned.

7.2 Claims Procedure. If any person believes that he/she is not receiving any benefits to which he/she is entitled under the Plan, the person, after reviewing the matter with the human resource representative serving the person's place of work, may file a written claim with the Director, Leadership and Development. Barnes Group Inc., 123 Main Street, Bristol, Connecticut 06010, or such other person designated by the Benefits Committee, who shall respond to such claim in writing within 45 days after its receipt. If any claim is denied, the claimant may appeal such denial in writing to the Benefits Committee, c/o Barnes Group Inc., 123 Main Street, Bristol, Connecticut 06010. Any such appeal must be filed within 60 days after the denial of the claim. The Benefits Committee shall notify the claimant of its decision in writing within 60 days after receiving the appeal.

8. **Other Provisions**.

8.1 This Plan may be amended or terminated at any time and in any respect by the vote of a majority of the members of the Benefits Committee or by the unanimous written consent of the members of the Benefits Committee, except that, with respect to Company Officers, only the Compensation and Management Development Committee of the Company's Board of Directors shall have the power to terminate the Plan or make amendments affecting the level of benefits under the Plan. As

used herein, "Officers" shall have the same meaning as in the Company's bylaws, excluding individuals with the "Assistant" title.

8.2 The benefits to be provided under this Plan shall not be funded and shall be paid out of the general assets of the Company.

8.3 For purposes of determining:

(1) an employee's eligibility under Section 2 of the Plan;

(2) the schedule of severance pay payments under Section 4 of the Plan; and

(3) the period of continuation of other benefits described in Section 6 of the Plan,

only service since the employee's last date of hire with the Company shall be counted (provided, however, for any BarnesWorx employees who were subsequently reclassified as regular, full-time employees of the Company without any Separation from Service, the period of service as a BarnesWorx employee shall also be counted).

8.4 The Plan shall be construed, administered and enforced under the laws of the State of Connecticut except to the extent such laws are preempted by federal law.

8.5 Any provision of this Plan to the contrary notwithstanding, (a) no "distributions" (within the meaning of Treasury Regulation section 1.409A- 1(c)(3)(v)) of deferred compensation that is subject to Section 409A of the Code may be made pursuant to this Plan to a "specified employee" (within the meaning of Treasury Regulation section 1.409A-1(i))("Specified Employee") due to a Separation from Service before the date that is six months after the date of such Specified Employee's Separation from Service (or, if earlier than the end of the six month period, the date of his or her death); and (b) any distribution that, but for the preceding clause (a), would be made before the date that is six months after the date of the Specified Employee's Separation from Service shall be paid on the first day of the seventh month following the date of his or her Separation from Service (or, if earlier, within 14 days after the date of his or her death). For the avoidance of doubt, the preceding sentence shall apply to any amount or benefit (and only to any amount or benefit) to be paid or provided pursuant to this Plan to which Code Section 409A(a)(2)(B)(i) (relating to Specified Employees) applies, and shall not apply to any amount or

benefit to be paid or provided pursuant to this Plan if and to the extent that such amount or benefit is not subject to Section 409A of the Code as a result of Treasury Regulation section 1.409A-1(a)(4) (relating to welfare benefits), Treasury Regulation Section 1.409A-1(b)(4) (relating to short-term deferrals), Treasury Regulation Section 1.409A-1(b)(9) (relating to separation pay plans), or otherwise.

8.6 If at any time during the 12-month period ending on any "specified employee identification date", which shall be December 31, a person who participates in or has any legally binding right, contingent or otherwise, under this Plan (a "Plan Participant"), is in Salary Grade 20 or above or meets the requirements of Code section 416(i)(1)(A)(ii) or (iii) (applied in accordance with the Treasury Regulations thereunder and disregarding Code Section 41 6(i)(5)), then the Plan Participant shall be treated as a Specified Employee for purposes of Section 8.5 above for the entire 12-month period beginning on the "specified employee effective date", which shall be the January 1 that immediately follows such specified employee identification date, unless the Board of Directors of the Company (the "Board of Directors") or its Compensation and Management Development Committee (the "CMDC") at any time prescribes a different method of identifying service providers who will be subject to the six month delay required by Section 409A(a)(2)(B)(i) of the Code (the "Six Month Delay") in accordance with Treasury Regulation section 1.409A-1(i) or the transition rules and official guidance under Code Section 409A (a "Different Identification Method") or elects a different specified employee identification date or specified employee effective date or makes any other election that may be made in accordance with Treasury Regulation section 1.409A-1(i) or the transition rules and official guidance under Code Section 409A (a "Different Election"), in which case whether the Plan Participant shall be treated as a Specified Employee shall be determined in accordance with any such Different Identification Method so prescribed and any such Different Election so made by the Board of Directors or the CMDC, By participating or continuing to participate in this Plan or accepting any legally binding right or benefit under this Plan, each Plan Participant irrevocably (a) consents to any such Different Identification Method that the Board of Directors or

CMDC may prescribe at any time and any such Different Election that the Board of Directors or CMDC may make at any time for purposes of identifying the service providers who will be subject to the Six Month Delay with respect to payments under this Plan, and (b) agrees that the Plan Participant's consent to any such Different Identification Method or Different Election shall be as effective as if such Different Identification Method or Different Election were fully set forth herein, and (c) waives any right he or she may have to consent to the Different Identification Method or Different Election in question if for any reason the Plan Participant's consent to such Different Identification Method or Different Election is not legally effective.

8.7 Any payments that may be made and benefits that may be provided pursuant to this Plan are intended to qualify for an exclusion from Section 409A of the Code (including without limitation the exclusion for certain welfare benefits under Treasury Regulation section 1.409A-1(a)(5), the exclusion for short-term deferrals under Treasury Regulation section 1.409A-1(b)(4), and the exclusions for separation pay plans under Treasury Regulation section 1.409A-1(b)(9)) and/or are intended to meet the requirements of Section 409A(a)(2), (3) and (4) of the Code, so that none of the payments that may be made and benefits that may be provided pursuant to this Plan will be includible in any Plan Participant's federal gross income pursuant to Section 409A(a)(1)(A) of the Code. This Plan and any agreement or instrument issued under this Plan shall be administered, interpreted and construed to carry out such intentions and any provision of this Plan or any such agreement or instrument that cannot be so administered, interpreted and construed shall to that extent be disregarded. However, the Company does not represent, warrant or guarantee that any payments that may be made and benefits that may be provided pursuant to this Plan will not be ineludible in any Plan Participant's federal gross income pursuant to Section 409A(a)(l)(A) of the Code; nor does the Company make any other representation, warranty or guaranty to any Plan Participant as to the tax consequences of this Plan or of participation in this Plan.

Effective: May 1, 1992

Revised: April 5, 2000
June 29, 2006
August 29, 2006
December 30, 2007
December 31, 2007
December 31, 2008
September 17, 2010
December 15, 2011
March 7, 2019
August 1, 2023

image_0.jpg

September 7, 2023

Marian Acker

Dear Marian:

In your discussions with Julie Streich ("Barnes' CFO") and me, you have advised us of your intent to retire as an employee of Barnes Group Inc. (the "Company") effective April 30, 2024 (the "Retirement Date"), and have offered to assist the Company in its orderly and effective transition to a new Vice President, Corporate Accounting, including accepting reassignment to the role of "Senior Advisor" before the Retirement Date once the Vice President, Corporate Accounting has been appointed, and providing additional services as a consultant after the Retirement Date.

This letter agreement ("Agreement") confirms your intent to retire on the Retirement Date and the following arrangements relating to the transition and other matters:

1. **Pre-Retirement Transition.** You will continue to be employed in your role as Vice President, Controller through the Retirement Date; provided that, at the Company's request at any time before the Retirement Date, you will resign your role as Vice President, Controller and accept a new non-executive role as

"Senior Advisor," as further described in (c) below. You will also resign from any other roles you hold with the Company or its affiliates, other than as Senior Advisor, as requested by the Company. For clarity:

(a) During the period of your employment before the Retirement Date, you will continue to receive your employment compensation and participate in employment benefits as in effect as of the date of this Agreement, subject to any changes that are subsequently implemented for all executive employees generally. For example, you will continue to accrue and may use vacation, and you will continue to participate in the Company's Management Incentive Compensation Plan ("MICP") for 2023 and for the pro-rata portion of 2024 through the Retirement Date, subject to the terms of the MICP. You will also continue to maintain your existing office at 123 Main Street until the Retirement Date, including as Senior Advisor.

(b) Your resignation as Vice President, Controller and appointment as Senior Advisor as described in this Section 1 is a voluntary employment reassignment and will not constitute an employment separation from or demotion by the Company for any purposes, including any compensation, benefit or severance plan.

(c) In your capacity as Senior Advisor, you will report to Barnes' CFO and work at her direction to facilitate an orderly and effective transition of the duties of Vice President, Controller to Barnes' CFO's designee, including (1) continuing to perform specified duties to ensure that matters are properly handled as the transition is occurring; (2) consulting, training and providing other assistance to Barnes' CFO's designee with respect to matters for

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which you have had responsibility or may have particular knowledge; and (3) coordinating with Company employees and consultants as directed.

(d) You will remain an employee at will, notwithstanding this Agreement. For example, your employment remains subject to your full and faithful performance of your responsibilities as Vice President, Controller and, as applicable, Senior Advisor, in compliance with Company rules and policies, including the Company's Code of Business Ethics and Conduct.

2. **Post-Retirement Consulting.** The Company desires to engage your services after your retirement to support specified projects as requested from time to time by Barnes' CFO. Accordingly, the Company will engage you to provide consulting services as an independent consultant after the Retirement Date for the period from May 1, 2024, to October 31, 2024, for
$330,000, which amount will be payable in six equal monthly installments in arrears, pursuant to an agreement substantially in the form attached as Exhibit A. As a consultant, you will report to Barnes' CFO or her designee and provide services on an as requested basis, as will be more fully defined in the applicable consulting agreement.

3. **Retirement.** Your retirement is a voluntary separation, and nothing in this Agreement is intended to modify the circumstances of your retirement or the benefits you are entitled to receive on your retirement. For example, your participation in employment benefits, like medical and dental coverage, will cease as of the Retirement Date, subject to any COBRA or other post-separation rights provided by the terms of the applicable benefit plan, and, while you will not accrue further service under the MICP for 2024 after the Retirement Date, you will be entitled to receive a payout, if any, for the pro-rata portion of the MICP earned for 2024 through the Retirement Date pursuant to the MICP. You will continue to be subject to certain obligations to the Company following your retirement, including under existing confidentiality agreements and pursuant to the provisions of this Agreement. Additionally, nothing in this Agreement is intended to preclude your eligibility to receive any discretionary award related to Project Merion, if any such award is granted on or prior to your Retirement Date. Also, any such award would be granted at the sole discretion and subject to the approval of the Compensation Management Development Committee of the Company's Board of Directors.

4. **Release.** In consideration for the Company's promises contained in this Agreement, you will execute the release attached as Exhibit B (the "Release") on the Retirement Date, and not revoke the Release within the applicable statutory period. If you do not execute the Release, or subsequently revoke the Release, the Company may elect to terminate this Agreement and/or any related agreement (including the consulting services agreement described in Section 2) without recourse or further obligation to you. **You are advised to consult with an attorney before signing this Agreement and the Release.**

5. **Non-Solicitation/Non-Interference.** During the remainder of your employment and for eighteen (18) months following the Retirement Date, you will not, directly or indirectly
(a) hire or solicit or facilitate or arrange for the hiring or solicitation of any person who is an employee of the Company or any affiliate of the Company ("affiliate"), or encourage any such employee to leave such employment, or knowingly assist any business he/she has become associated with to do so; or (b) discourage, or attempt to discourage, any individual, person, firm, corporation or business entity from doing business with the Company or any of its affiliates.

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6. **Confidentiality.** This Agreement and the Release are confidential, and you will not disclose to anyone other than your spouse, partner, lawyer, accountant, income tax preparer or financial planner (together, "permitted advisors") that you have entered into this Agreement and the Release except upon written approval of the Company's Senior Vice President, Human Resources or Senior Vice President, General Counsel (each, an "Authorized Officer") or by court order or otherwise as compelled by law. You and your permitted advisors will keep the facts and terms of this Agreement and the Release in strict confidence, unless and only to the extent you have been authorized in writing by an Authorized Officer to make such disclosure or as compelled by law or court order. You will not disclose this Agreement, including the Release, its contents or subject matter to any person other than to a permitted advisor, except pursuant to written authorization by an Authorized Officer or as compelled by law or court order. Notwithstanding the foregoing, this Agreement and the Release may be used as evidence in any subsequent proceeding alleging a breach of this Agreement and the Release. You will be responsible for any breach of this confidentiality provision, whether it be your breach or a breach by a permitted advisor. This confidentiality provision will cease to apply on the date that the Company is required to publicly disclose the terms of the Agreement, if applicable.

7. **Non-Disparagement.** You will make no written or oral statements that directly or indirectly disparage the Company or any affiliate in any manner whatsoever, including but not limited to the working conditions or employment practices of the Company. This covenant is in addition to, and not in lieu of, any other non-disparagement obligation that you have to the Company. You will not directly or indirectly contact the press or media, any federal, state, local or foreign governmental agency, the Company's employees, customers of the Company or any entity that has a business relationship with the Company, for the purpose of disparaging the good morale or business reputation or business practices of the Company or any of the Company's current or former officers, directors, managers, employees or agents. It will not be a violation of your obligations under this paragraph for you to make truthful statements, under oath, as required by law or formal legal process. Notwithstanding any provision of this Agreement to the contrary, you may provide any truthful and accurate information to, and cooperate with, any federal, state, local or foreign governmental agency or entity.

8. **Post-Employment Cooperation.** You will cooperate with the Company in connection with any investigation, administrative proceeding or litigation relating to any matter that occurred during your employment in which you were involved or of which you have knowledge. You further agree that, in the event you are subpoenaed by any person or entity (including, but not limited to, any government agency) to give testimony (in a deposition, court proceeding or otherwise) which in any way relates to your employment with the Company, you will give prompt written notice of such request to an Authorized Officer at Barnes Group Inc., 123 Main Street, Bristol, Connecticut, 06010, to allow the Company a reasonable opportunity to first contest the right of the requesting person or entity to such disclosure. Nothing in this Agreement will preclude you from responding truthfully to a valid subpoena.

9. **Miscellaneous.**

(a) You represent that you have had an opportunity to consult with an attorney and have carefully read and understand the scope and effect of the provisions of this Agreement. Accordingly, this Agreement will be deemed as prepared jointly by the parties and construed without regard to the party or parties responsible for its preparation. Any ambiguity will not be

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interpreted or construed against either party. You also represent that you have not relied upon any representations or statements made by or on behalf of the Company, except for those that are specifically set forth in this Agreement.

(b) If any provision or any portion of any provision in this Agreement becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Agreement will continue in full force and effect without such provision or portion of provision.

(c) This Agreement (including the Release and consulting services agreement described in Section 2) represents the entire agreement and understanding between you and the Company concerning preparations for your retirement through the Retirement Date, and supersedes and replaces any and all prior agreements and understandings with respect thereto. No waiver by any party of the breach of any provision of this Agreement will be deemed to constitute a waiver of any continuing or subsequent breach of such provision or any other provision hereof.

(d) This Agreement may only be amended in a writing signed by you and an Authorized Officer.

(e) This Agreement will be governed by the laws of the State of Connecticut, without regard for choice-of-law provisions. The Parties consent to personal and exclusive jurisdiction and venue in the State of Connecticut.

(f) In the event that either party institutes legal proceedings to enforce the terms of this Agreement, it is specifically understood and agreed that such a claim shall be submitted to final and binding arbitration in Hartford County, Connecticut, pursuant to the rules of the American Arbitration Association, and that the prevailing party shall recover its costs and reasonable attorney's fees incurred in such arbitration proceeding.

10. **Acknowledgement.** You acknowledge that, before signing this Agreement, you have read it; you fully understand its terms, content and effect; you have had the opportunity to seek the advice of an attorney of your own choosing, and you have relied fully and completely on your own judgment in executing this Agreement.

[*continued on next page*]

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We appreciate your long service as a Barnes employee and your contributions the Company's success. We also appreciate your assistance and support for the transition that ensures we maintain the high standards you have demonstrated throughout your career.

Please sign below to confirm your acceptance of the terms in this Agreement and return to the Senior Vice President, Human Resources, Barnes no later than September 7, 2023.

BARNES GROUP INC.
By:
/s/ Dawn N. Edwards
Dawn N. Edwards
Senior Vice President, Human Resources

Agreed to and accepted:
/s/ Marian Acker
MARIAN ACKER
September 07, 2023
DATE

Exhibit A

Form of Consulting Agreement

[*Barnes' Standard Form Consulting Agreement attached*]

SERVICES/CONSULTING AGREEMENT

(Not valid if signed before May 1, 2024)

Company and Service Provider (as defined below), for good and valuable consideration, agree as follows:

1. Defined Terms.

Service Provider:	**Marian Acker**
Company:	**Barnes Group Inc., a Delaware corporation 123 Main Street, Bristol, CT 06010**
Term:	**May 1, 2024** (the "Effective Date") through **October 31, 2024**.

2. Service Provider's Responsibilities. Service Provider will devote her best efforts and diligence to performing the services described on Exhibit A ("Services"), will act in a legal and ethical manner while performing the Services, and will abide by all applicable laws, rules and regulations.

3. Fees. Company agrees to pay Service Provider all fees and authorized expenses in connection with the Services ("Consulting Fees") according to the terms described on Exhibit A.

4. Termination. Company may immediately terminate this Agreement for any reason; provided that any termination without cause shall not terminate or otherwise limit Company's obligation to pay the fees as described in Exhibit A.

5. Confidential Information; Intellectual Property.

A. During the course of providing Services, Service Provider will have access to and acquire Confidential Information. "Confidential Information" means information including trade secrets belonging to Company including (a) designs, specifications, drawings; (b) information regarding Company's customers and suppliers; (c) manufacturing methods under investigation in Company's facilities; and (d) information on litigation, litigation strategy, markets, costs, pricing and pricing policies, forecasts, business plans and marketing strategies.

B. Service Provider will not, either during or after the Term, disclose any Confidential Information and will use Confidential Information only as necessary to perform the Services. Service Provider will strictly protect Company's Confidential Information. All originals, copies, summaries and derivations of Confidential Information in whatever form will be returned to Company or destroyed upon request. Company retains the entire right, title and interest, including all intellectual property rights, in and to its Confidential Information.

C. Service Provider agrees to fully disclose to Company all work product, ideas, inventions, discoveries, processes, or improvements conceived, produced or prepared in performing, or arising out of, the Services (collectively, "Inventions"). All Inventions will become Company's exclusive property, and Service Provider will promptly assign and transfer to Company all its right, title and interest in and to any such Inventions. Further, Service Provider will sign, whether or not during the Term, all documents necessary or appropriate to evidence Company's exclusive ownership of Inventions. Service Provider may not use any Inventions for the benefit of any party other than Company. The use of Inventions in any manner by Company or its assigns will result in no additional claim for compensation by Service Provider.

D. Service Provider will not incorporate any of its intellectual property in any deliverables for Company without Company's prior written consent. Should Service Provider include its intellectual property

Confidential
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without this written consent, then Company will be granted a worldwide, non-exclusive, unlimited royalty free, irrevocable right to use, reproduce, display, and distribute such intellectual property.

E. Service Provider agrees not to use any trademarks of Company or its affiliates without Company's prior written consent.

F. Service Provider agrees that during the Term and for a period of one (1) year from the expiration of the Term of this Agreement, Service Provider will not directly or indirectly: (i) solicit for employment or hire any employees of Company or any of its affiliates; provided that this non-solicitation covenant will not apply to a recruitment offer made to or employment of any person in response to a *bona fide* non-targeted solicitation process (including to the use of search firms or employment advertisements); or (ii) contact any customer of the Company or any of its affiliates to offer such customer any competing product, or otherwise interfere in the contractual relationship between the Company and its affiliates and their respective customers.

G. Service Provider acknowledges and agrees that Company will have no adequate remedy at law, and would be irreparably harmed, if Service Provider breached or threatened to breach any of the provisions of this section. Service Provider agrees that Company will be entitled to equitable and/or injunctive relief to prevent any such breach or threatened breach, and to seek specific performance.

H. The provisions of this section will survive termination or expiration of this Agreement.

6. Conflict of Interests. If, at any time during the Term, Service Provider proposes to perform services for others that may either directly or indirectly conflict with the interests of Company, Service Provider will request Company's prior written approval. Service Provider represents that as of the Effective Date it has no such conflicting interests, nor any agreement which would prohibit Service Provider from providing the Services. Nothing will restrict Service Provider from providing non-conflicting services to others.

7. Indemnification; Liability. Service Provider will defend, indemnify, and hold Company, its successors, assignees and affiliates, and their respective employees, officers, directors, stockholders and agents (the "Indemnified Parties"), harmless from any and all claims, liabilities, costs, damages and expenses (including attorneys' fees and expenses) related to: (a) Service Provider's acts, omissions, including negligence or willful misconduct, or breach of its obligations under this Agreement, (b) property damage or personal injury or death arising from the Services, (c) any violation of laws by Service Provider, (d) Service Provider's failure to properly withhold and remit national, provincial, state or federal taxes, including to social security and unemployment contributions, and (e) any governmental claims, including workers' compensation and unemployment insurance claims, concerning Service Provider or its employees. These obligations will survive the Term and apply regardless of whether any claim, liability, cost, damage or expense result from the negligence of Company, its agents or employees.

8. Nature of Relationship. Service Provider is acting solely as an independent contractor and not as an employee, agent or representative of Company. Accordingly, Service Provider has no right to receive any employee benefits from Company and is solely responsible for payment of all taxes including Federal, state and local taxes arising out of the Services and the Consulting Fees.

9. Miscellaneous.

A. Company has the right to audit all books and records of Service Provider related to the Services and the Consulting Fees.

B. Time is of the essence in performing the Services, provided neither party will be liable to the other for any delays or failures to perform due to causes beyond its reasonable control.

C. Service Provider may not assign this Agreement or subcontract any of its obligations without Company's prior written consent.

Confidential
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D. This Agreement, including the attached exhibits, constitutes the entire agreement between the parties with respect to the subject matter and will be amended only by the parties' written agreement. This Agreement supersedes all previous agreements between the parties.

E. This Agreement is governed by the internal laws of the State of Connecticut, U.S.A. Service Provider irrevocably and unconditionally submits to the exclusive jurisdiction of the courts of the State of Connecticut, U.S.A. and agrees to bring any action related to this Agreement only in such courts.

F. The invalidity or unenforceability of any provision of this Agreement will not in any way affect the validity or enforceability of the remaining provisions. No course of dealing or any delay by a party in exercising any rights will operate as a waiver.

G. All notices will be in writing and sent to the addresses provided above (or as updated from time to time).

H. This Agreement may be executed in one or more counterparts, all of which will constitute one and the same instrument.

I. This Agreement shall be treated as Confidential Information of the Company and shall not be disclosed by Service Provider except to their partner, financial, legal and tax advisors.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

BARNES GROUP INC.		**SERVICE PROVIDER:**
		Marian Acker
By:		
Name:	**Julie Streich**	
Title:	**Sr. Vice President, Finance & CFO**	

EXHIBIT A

SERVICES

Service Provider shall perform such services as are requested from time to time by the Chief Financial Officer or her designee(s) that are consistent with Service Provider's expertise and experience in areas including but not limited to financial accounting, general accounting, and SEC reporting and including supporting Company's Controller in successfully executing his/her duties.

Service Provider shall have continued use of Company equipment solely to execute the Services until the end of the Agreement term. Company and Service Provider will coordinate return of equipment when Agreement term is completed.

Service Provider agrees to make herself reasonably available to meet and confer with the Company, its employees, attorneys and designated representatives at such times and places as required to adequately perform the Services. The Company we will use best efforts to respect Service Provider's time and schedule.

Service Provider agrees to maintain any applicable privileges (including attorney-client privilege) and keep all information disclosed to her as strictly confidential.

Service Provider agrees not to disclose or use any information provided to her for any purpose other than to further the Company's interests unless expressly authorized by the Company in writing or required by law after having provided timely notice to the Company.

FEES

- Company will pay Service Provider a total of **$330,000** for the Services payable in six (6) monthly installments of **$55,000.00** following retirement date of 4/30/2024.

Company will reimburse Service Provider for all reasonable expenses incurred by Service Provider to perform the Services at Company's request. All expenses must be approved in advance by Company and must be properly documented with appropriate receipts. If the Services require travel by Service Provider, Company will reimburse Service Provider only for reasonable and necessary out-of-pocket travel expenses that are incurred while traveling at Company's request.

Service Provider agrees that he will be responsible for any and all taxes due on account of any payments received under the terms of this Agreement. Company will issue Service Provider a Form 1099 for all compensation provided to Service Provider during the relevant calendar year.

EXHIBIT 31.1

CERTIFICATION

I, Thomas J. Hook, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended September 30, 2023 March 31, 2024 of Barnes Group Inc.;

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

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

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

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

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

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

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

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

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

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

Date: November 8, 2023 April 29, 2024

/s/ THOMAS J. HOOK

Thomas J. Hook

President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Julie K. Streich, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended September 30, 2023 March 31, 2024 of Barnes Group Inc.;

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

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

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

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

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

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

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

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

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

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

Date: November 8, 2023 April 29, 2024

/s/ JULIE K. STREICH

Julie K. Streich

Senior Vice President, Finance and Chief Financial Officer

EXHIBIT 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Barnes Group Inc. (the "Company") on Form 10-Q for the period ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ THOMAS J. HOOK	/s/ JULIE K. STREICH
Thomas J. Hook	**Julie K. Streich**
President and Chief Executive Officer	**Senior Vice President, Finance and Chief Financial Officer**
November 8, 2023 April 29, 2024	**November 8, 2023 April 29, 2024**

A signed original of this written statement required by Section 906 or other document authenticating, acknowledging, or otherwise adopting the signature that appears in the typed form within the electronic version of this written statement required by Section 906, has been provided to Barnes Group Inc. and will be retained by Barnes Group Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

DISCLAIMER

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