

---

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

---

**Form 10-Q**

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

For the quarterly period ended

June 30, 2024

OR

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

For the transition period from

to

Commission File Number: **1-10235**

**INDEX CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**

**36-3555336**

(State or other jurisdiction of  
incorporation or organization)

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

**3100 Sanders Road, Suite 301, Northbrook, Illinois**

**60062**

(Address of principal executive offices)

(Zip Code)

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

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

Title of each class

Trading Symbol(s)

Name of each exchange on which registered

**Common Stock, par value \$0.01 per share**

**IEX**

**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

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

Large accelerated filer

Accelerated filer

Non-accelerated

filer

Smaller reporting company

Emerging  
growth company

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

Number of shares of common stock of INDEX Corporation outstanding as of July 26, 2024: **75,703,395**.

---

## TABLE OF CONTENTS

### Part I. Financial Information

Item 1.	<u>Financial Statements</u>	1
	<u>Condensed Consolidated Statements of Income</u>	1
	<u>Condensed Consolidated Statements of Comprehensive Income</u>	2
	<u>Condensed Consolidated Balance Sheets</u>	3
	<u>Condensed Consolidated Statements of Equity</u>	4
	<u>Condensed Consolidated Statements of Cash Flows</u>	5
	<u>Notes to Condensed Consolidated Financial Statements</u>	6
	<u>Note 1. Basis of Presentation and Significant Accounting Policies</u>	6
	<u>Note 2. Acquisitions and Divestitures</u>	6
	<u>Note 3. Business Segments</u>	9
	<u>Note 4. Revenue</u>	10
	<u>Note 5. Earnings Per Common Share</u>	13
	<u>Note 6. Balance Sheet Components</u>	14
	<u>Note 7. Goodwill and Intangible Assets</u>	14
	<u>Note 8. Borrowings</u>	16
	<u>Note 9. Fair Value Measurements</u>	16
	<u>Note 10. Accumulated Other Comprehensive Loss</u>	18
	<u>Note 11. Share Repurchases</u>	19
	<u>Note 12. Share-Based Compensation</u>	19
	<u>Note 13. Retirement Benefits</u>	22
	<u>Note 14. Commitments and Contingencies</u>	23
	<u>Note 15. Income Taxes</u>	23
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	24
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	36
Item 4.	<u>Controls and Procedures</u>	36

### Part II. Other Information

Item 1.	<u>Legal Proceedings</u>	37
Item 1A.	<u>Risk Factors</u>	37
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	37
Item 5.	<u>Other Information</u>	37
Item 6.	<u>Exhibits</u>	38
	<u>Signatures</u>	39

#### **Cautionary Statement Under the Private Securities Litigation Reform Act**

This quarterly report on Form 10-Q, including the "Overview," "Results of Operations" and "Liquidity and Capital Resources" sections of this Management's Discussion and Analysis of Financial Condition and Results of Operations, contains "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. These statements may relate to, among other things, the Company's business strategy, outlook and the assumptions underlying these expectations, plant and equipment capacity for future growth, planned production, anticipated future acquisition behavior and capital deployment, inventory recalibration and future order stabilization and lead time, expectations regarding market sector contraction, recovery, stabilization or growth, availability and sufficiency of cash and financing alternatives, the anticipated benefits of the Company's recent acquisitions and the expected timing for the closing of the Mott Corporation acquisition, and are indicated by words or phrases such as "anticipates," "estimates," "plans," "guidance," "expects," "projects," "forecasts," "should," "could," "will," "management believes," "the Company believes," "the Company intends" and similar words or phrases. These statements are subject to inherent uncertainties and risks that could cause actual results to differ materially from those anticipated at the date of this report.

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

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

---

**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements**

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net sales	\$ 807.2	\$ 846.2	\$ 1,607.7	\$ 1,691.6
Cost of sales	440.4	468.2	883.5	931.1
Gross profit	366.8	378.0	724.2	760.5
Selling, general and administrative expenses	182.8	174.3	377.9	364.0
Restructuring expenses and asset impairments	1.3	3.6	2.4	4.1
Operating income	182.7	200.1	343.9	392.4
Gain on sale of business	(4.6)	—	(4.6)	—
Other expense (income) – net	—	8.3	(2.7)	7.7
Interest expense – net	8.1	13.3	17.5	26.4
Income before income taxes	179.2	178.5	333.7	358.3
Provision for income taxes	38.0	40.0	71.2	80.0
Net income	141.2	138.5	262.5	278.3
Net loss attributable to noncontrolling interest	0.1	0.1	0.2	0.1
Net income attributable to IDEX	<u>\$ 141.3</u>	<u>\$ 138.6</u>	<u>\$ 262.7</u>	<u>\$ 278.4</u>
<i>Earnings per common share:</i>				
Basic earnings per common share attributable to IDEX	\$ 1.86	\$ 1.83	\$ 3.46	\$ 3.68
Diluted earnings per common share attributable to IDEX	\$ 1.86	\$ 1.82	\$ 3.46	\$ 3.66
<i>Share data:</i>				
Basic weighted average common shares outstanding	75.7	75.6	75.7	75.6
Diluted weighted average common shares outstanding	75.9	75.9	75.9	75.9

See Notes to Condensed Consolidated Financial Statements

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	\$ 141.2	\$ 138.5	\$ 262.5	\$ 278.3
<b>Other comprehensive (loss) income:</b>				
Pension and other postretirement adjustments, net of tax	(0.2)	(0.9)	(0.3)	(0.5)
Cumulative translation adjustment	(6.0)	2.3	(70.3)	38.9
Other comprehensive (loss) income	(6.2)	1.4	(70.6)	38.4
<b>Comprehensive income</b>	<b>135.0</b>	<b>139.9</b>	<b>191.9</b>	<b>316.7</b>
Comprehensive loss attributable to noncontrolling interest	0.1	0.1	0.2	0.1
<b>Comprehensive income attributable to INDEX</b>	<b>\$ 135.1</b>	<b>\$ 140.0</b>	<b>\$ 192.1</b>	<b>\$ 316.8</b>

See Notes to Condensed Consolidated Financial Statements

**INDEX CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in millions, except per share amounts)  
(unaudited)

	June 30, 2024	December 31, 2023
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 700.7	\$ 534.3
Receivables – net	426.2	427.8
Inventories – net	427.9	420.8
Other current assets	74.7	63.4
Total current assets	1,629.5	1,446.3
Property, plant and equipment – net of accumulated depreciation of \$64.8 and \$545.7, respectively	419.1	430.3
Goodwill	2,787.2	2,838.3
Intangible assets – net	930.9	1,011.8
Other noncurrent assets	136.6	138.5
Total assets	<u>\$ 5,903.3</u>	<u>\$ 5,865.2</u>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities		
Trade accounts payable	\$ 172.4	\$ 179.7
Accrued expenses	252.0	271.5
Current portion of long-term borrowings	0.6	0.6
Dividends payable	52.4	48.5
Total current liabilities	477.4	500.3
Long-term borrowings – net	1,297.3	1,325.1
Deferred income taxes	281.3	291.9
Other noncurrent liabilities	193.9	206.7
Total liabilities	2,249.9	2,324.0
Commitments and contingencies <a href="#">(Note 14)</a>		
Shareholders' equity		
Preferred stock:		
Authorized: 5.0 million shares, \$.01 per share par value; Issued:None	—	—
Common stock:		
Authorized: 150.0 million shares, \$.01 per share par value		
Issued: 90.1 million shares at both June 30, 2024 and December 31, 2023	0.9	0.9
Treasury stock at cost: 14.2 million shares at June 30, 2024 and 14.3 million shares at December 31, 2023	(1,179.1)	(1,187.0)
Additional paid-in capital	855.9	839.0
Retained earnings	4,092.5	3,934.3
Accumulated other comprehensive loss	(116.4)	(45.8)
Total shareholders' equity	3,653.8	3,541.4
Noncontrolling interest	(0.4)	(0.2)
Total equity	3,653.4	3,541.2
Total liabilities and equity	<u>\$ 5,903.3</u>	<u>\$ 5,865.2</u>

See Notes to Condensed Consolidated Financial Statements

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

	Common		Accumulated Other				Total		
	Common Stock	Stock and	Treasury Stock	Treasury Stock	Comprehensive Loss	Retained Earnings	Shareholders' Equity	Noncontrolling Interest	Total Equity
		Shares							
<b>Three Months Ended June 30, 2024</b>									
Balance, March 31, 2024	90.1	\$ 852.4	14.2	\$ (1,179.3)	\$ (110.2)	\$ 4,055.7	\$ 3,618.6	\$ (0.3)	\$ 3,618.3
Net income (loss)	—	—	—	—	—	141.3	141.3	(0.1)	141.2
Cumulative translation adjustment	—	—	—	—	(6.0)	—	(6.0)	—	(6.0)
Net change in retirement obligations (net of tax of \$0.1)	—	—	—	—	(0.2)	—	(0.2)	—	(0.2)
Net issuance of shares of treasury stock (net of tax of \$0.2)	—	—	—	0.2	—	—	0.2	—	0.2
Share-based compensation	—	4.4	—	—	—	—	4.4	—	4.4
Cash dividends declared - \$1.38 per common share	—	—	—	—	—	(104.5)	(104.5)	—	(104.5)
Balance, June 30, 2024	90.1	\$ 856.8	14.2	\$ (1,179.1)	\$ (116.4)	\$ 4,092.5	\$ 3,653.8	\$ (0.4)	\$ 3,653.4
<b>Six Months Ended June 30, 2024</b>									
Balance, December 31, 2023	90.1	\$ 839.9	14.3	\$ (1,187.0)	\$ (45.8)	\$ 3,934.3	\$ 3,541.4	\$ (0.2)	\$ 3,541.2
Net income (loss)	—	—	—	—	—	262.7	262.7	(0.2)	262.5
Cumulative translation adjustment	—	—	—	—	(70.3)	—	(70.3)	—	(70.3)
Net change in retirement obligations (net of tax of \$0.1)	—	—	—	—	(0.3)	—	(0.3)	—	(0.3)
Net issuance of shares of treasury stock (net of tax of \$2.4)	—	—	(0.1)	7.9	—	—	7.9	—	7.9
Share-based compensation	—	16.9	—	—	—	—	16.9	—	16.9
Cash dividends declared - \$1.38 per common share	—	—	—	—	—	(104.5)	(104.5)	—	(104.5)
Balance, June 30, 2024	90.1	\$ 856.8	14.2	\$ (1,179.1)	\$ (116.4)	\$ 4,092.5	\$ 3,653.8	\$ (0.4)	\$ 3,653.4
<b>Three Months Ended June 30, 2023</b>									
Balance, March 31, 2023	90.1	\$ 830.9	14.4	\$ (1,184.0)	\$ (89.2)	\$ 3,671.5	\$ 3,229.2	\$ 0.3	\$ 3,229.5
Net income (loss)	—	—	—	—	—	138.6	138.6	(0.1)	138.5
Cumulative translation adjustment	—	—	—	—	2.3	—	2.3	—	2.3
Net change in retirement obligations (net of tax of \$0.4)	—	—	—	—	(0.9)	—	(0.9)	—	(0.9)
Net issuance of shares of treasury stock (net of tax of \$0.3)	—	—	—	3.1	—	—	3.1	—	3.1
Repurchases of common stock	—	—	—	(1.1)	—	—	(1.1)	—	(1.1)
Share-based compensation	—	4.2	—	—	—	—	4.2	—	4.2
Cash dividends declared - \$1.28 per common share	—	—	—	—	—	(96.7)	(96.7)	—	(96.7)
Balance, June 30, 2023	90.1	\$ 835.1	14.4	\$ (1,182.0)	\$ (87.8)	\$ 3,713.4	\$ 3,278.7	\$ 0.2	\$ 3,278.9
<b>Six Months Ended June 30, 2023</b>									
Balance, December 31, 2022	90.1	\$ 818.1	14.5	\$ (1,184.3)	\$ (126.2)	\$ 3,531.7	\$ 3,039.3	\$ 0.3	\$ 3,039.6
Net income (loss)	—	—	—	—	—	278.4	278.4	(0.1)	278.3
Cumulative translation adjustment	—	—	—	—	38.9	—	38.9	—	38.9
Net change in retirement obligations (net of tax of \$0.2)	—	—	—	—	(0.5)	—	(0.5)	—	(0.5)
Net issuance of shares of treasury stock (net of tax of \$2.1)	—	—	(0.1)	3.4	—	—	3.4	—	3.4
Repurchases of common stock	—	—	—	(1.1)	—	—	(1.1)	—	(1.1)
Share-based compensation	—	17.0	—	—	—	—	17.0	—	17.0
Cash dividends declared - \$1.28 per common share	—	—	—	—	—	(96.7)	(96.7)	—	(96.7)
Balance, June 30, 2023	90.1	\$ 835.1	14.4	\$ (1,182.0)	\$ (87.8)	\$ 3,713.4	\$ 3,278.7	\$ 0.2	\$ 3,278.9

See Notes to Condensed Consolidated Financial Statements

[Table of Contents](#)

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

	Six Months Ended June 30,	
	2024	2023
<b>Cash flows from operating activities</b>		
Net income	\$ 262.5	\$ 278.3
<b>Adjustments to reconcile net income to net cash flows provided by operating activities:</b>		
Gain on sale of business	(4.6)	—
Credit loss on note receivable from collaborative partner	—	7.7
Depreciation	32.5	27.2
Amortization of intangible assets	48.5	46.8
Share-based compensation expense	16.9	17.0
Deferred income taxes	0.4	—
<b>Changes in (net of the effect from acquisitions/divestitures and foreign currency translation):</b>		
Receivables – net	(11.9)	(5.8)
Inventories – net	(19.8)	(2.0)
Other current assets	(12.2)	(18.6)
Trade accounts payable	0.3	(17.9)
Deferred revenue	0.3	4.2
Accrued expenses	(21.9)	(52.5)
Other – net	(0.8)	4.7
<b>Net cash flows provided by operating activities</b>	<b>290.2</b>	<b>289.1</b>
<b>Cash flows from investing activities</b>		
Capital expenditures	(35.9)	(48.2)
Acquisition of business, net of cash acquired	1.6	(110.3)
Proceeds from sale of business, net of cash remitted	45.5	—
Purchases of marketable securities	—	(19.1)
Other – net	0.5	1.0
<b>Net cash flows provided by (used in) investing activities</b>	<b>11.7</b>	<b>(176.6)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of long-term borrowings	—	100.0
Payment of long-term borrowings	(25.0)	(100.0)
Cash dividends paid to shareholders	(100.7)	(93.9)
Proceeds from share issuances, net of shares withheld for taxes	7.9	3.4
Repurchases of common stock	—	(1.0)
Other – net	(0.4)	(0.5)
<b>Net cash flows used in financing activities</b>	<b>(118.2)</b>	<b>(92.0)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(17.3)</b>	<b>6.3</b>
<b>Net increase in cash and cash equivalents</b>	<b>166.4</b>	<b>26.8</b>
Cash and cash equivalents at beginning of year	534.3	430.2
<b>Cash and cash equivalents at end of period</b>	<b>\$ 700.7</b>	<b>\$ 457.0</b>
<b>Supplemental cash flow information</b>		
Cash paid for:		
Interest	\$ 23.0	\$ 25.1
Income taxes – net	84.6	102.9

See Notes to Condensed Consolidated Financial Statements

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

**1. Basis of Presentation and Significant Accounting Policies**

The Condensed Consolidated Financial Statements of INDEX Corporation ("INDEX" or the "Company") have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") applicable to interim financial information and the instructions to Form 10-Q under the Securities Exchange Act of 1934, as amended. The statements are unaudited but include all adjustments, consisting only of recurring items, except as noted, that the Company considers necessary for a fair presentation of the information set forth herein. The results of operations for the three and six months ended June 30, 2024 are not necessarily indicative of the results to be expected for the entire year.

The Condensed Consolidated Financial Statements set forth in this report should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

*Recently Issued Accounting Standards*

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which improves the disclosures required for reportable segments in the Company's annual and interim financial statements, primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 is effective for annual periods beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. Adoption of this ASU should be applied retrospectively to all prior periods presented in the financial statements. Early adoption is permitted. The Company is currently evaluating the impact of the adoption of this standard on the Consolidated Financial Statements and disclosures.

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

**2. Acquisitions and Divestitures**

All of the Company's acquisitions of businesses have been accounted for under Accounting Standards Codification ("ASC") 805, *Business Combinations*. Accordingly, the assets and liabilities of the acquired companies, after adjustments to reflect the fair values assigned to the assets and liabilities, have been included in the Condensed Consolidated Balance Sheets from their respective dates of acquisition. The results of operations of businesses acquired have been included in the Condensed Consolidated Statements of Income since their respective dates of acquisition. Supplemental pro forma information has not been provided as the acquisitions did not have a material impact on the Condensed Consolidated Financial Statements individually or in the aggregate.

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

*Pending Acquisitions*

*Mott Corporation*

On July 23, 2024, the Company entered into a definitive agreement to acquire Mott Corporation and its subsidiaries ("Mott") for cash consideration of \$1.0 billion, subject to customary adjustments. The acquisition is expected to close by the end of the third quarter of this year, subject to regulatory approvals and customary closing conditions. The acquisition is

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

expected to be funded using a combination of cash on hand, borrowings under the Company's Revolving Credit Facility and potential debt issuance. Mott is a leading microfiltration business specializing in the design, customization and manufacturing of sintered porous metal components and engineered solutions used in fluidic applications. Mott will operate in the Company's Health & Science Technologies segment.

**2024 Acquisitions**

*Subterra AI, Inc.*

On July 25, 2024, the Company acquired Subterra, AI, Inc. ("Subterra AI") for cash consideration of \$ 7.5 million, subject to customary adjustments. Subterra AI is a technology company that specializes in digitizing underground infrastructure. Subterra AI will operate in the Company's Fluid Metering and Technologies segment.

**2023 Acquisitions**

*Iridian*

On May 19, 2023, the Company acquired Iridian Spectral Technologies ("Iridian") in a stock acquisition. Iridian is a global leader in designing and manufacturing thin-film, multi-layer optical filters serving the laser communications, telecommunications and life sciences markets and expands the Company's array of optical technology offerings. Headquartered in Ottawa, Canada, Iridian operates in the Company's Scientific Fluidics & Optics reporting unit within the Health & Science Technologies segment. Iridian was acquired for cash consideration of \$109.8 million. The entire purchase price was funded with cash on hand. Goodwill and intangible assets recognized as part of this transaction were \$54.2 million and \$44.1 million, respectively. The goodwill is not deductible for tax purposes. The goodwill recorded for the acquisition reflects the strategic fit, revenue and earnings growth potential of the acquired business.

As of June 30, 2024, the final allocation of the purchase price to the assets acquired and liabilities assumed, based on their estimated fair values at the acquisition date, is as follows:

	<b>Total</b>
Current assets, net of cash acquired	\$ 10.6
Property, plant and equipment	19.4
Goodwill	54.2
Intangible assets	44.1
Other noncurrent assets	5.4
<b>Total assets acquired</b>	<b>133.7</b>
Current liabilities	(1.2)
Deferred income taxes	(17.8)
Other noncurrent liabilities	(4.9)
<b>Net assets acquired</b>	<b>\$ 109.8</b>

Acquired intangible assets consist of trade names, customer relationships and unpatented technology. The acquired intangible assets and weighted average amortization periods are as follows:

	<b>Total</b>	<b>Weighted Average Life</b>
Trade names	\$ 5.2	15
Customer relationships	27.8	12
Unpatented technology	11.1	11
<b>Acquired intangible assets</b>	<b>\$ 44.1</b>	

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

STC

On December 14, 2023, the Company acquired STC Material Solutions ("STC") in a stock acquisition. STC specializes in the design and manufacturing of technical ceramics and hermetic sealing products for critical applications in the semiconductor, aerospace and defense, industrial technology, medical technology and energy markets. Headquartered in St. Albans, Vermont, with additional operations in Santa Ana, California, STC operates in the Company's Scientific Fluidics & Optics reporting unit within the Health & Science Technologies segment. STC was acquired for cash consideration of \$200.4 million. The entire purchase price was funded with cash on hand. Goodwill and intangible assets recognized as part of this transaction were \$104.2 million and \$92.3 million, respectively. The goodwill is not deductible for tax purposes. The goodwill recorded for the acquisition reflects the strategic fit, revenue and earnings growth potential of the acquired business.

As of June 30, 2024, the preliminary allocation of the purchase price to the assets acquired and liabilities assumed, based on their estimated fair values at the acquisition date, is as follows:

	<b>Total</b>
Current assets, net of cash acquired	\$ 16.9
Property, plant and equipment	12.7
Goodwill	104.2
Intangible assets	92.3
Other noncurrent assets	2.9
Total assets acquired	229.0
Current liabilities	(5.5)
Deferred income taxes	(20.4)
Other noncurrent liabilities	(2.7)
Net assets acquired <sup>(1)</sup>	<u><u>\$ 200.4</u></u>

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

Acquired intangible assets consist of trade names, customer relationships and unpatented technology. The acquired intangible assets and weighted average amortization periods are as follows:

	<b>Total</b>	<b>Weighted Average Life</b>
Trade names	\$ 9.3	15
Customer relationships	63.0	15
Unpatented technology	20.0	11
Acquired intangible assets	<u><u>\$ 92.3</u></u>	

#### *Acquisition-Related Costs*

The Company incurred acquisition-related costs of \$ 2.5 million during both the three months ended June 30, 2024 and 2023 and \$ 3.8 million and \$3.6 million during the six months ended June 30, 2024 and 2023, respectively. These costs were recorded in Selling, general and administrative expenses and were related to completed, pending and potential transactions, including transactions that ultimately were not completed. The Company also recorded a \$2.5 million fair value inventory step-up charge associated with the completed 2023 acquisition of STC in Cost of sales during the six months ended June 30, 2024. There were no step-up charges recorded during the three months ended June 30, 2024.

#### *Divestitures*

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

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

On June 3, 2024, the Company completed the sale of Alfa Valvole, Srl ("Alfa Valvole") for proceeds of \$ 45.5 million, net of cash remitted, resulting in a gain on the sale of \$4.6 million, net of a release of cumulative foreign currency translation losses of \$ 5.5 million. There was no income tax impact associated with this transaction in the Condensed Consolidated Statements of Income due to the participation exemption of its consolidated group. The results of Alfa Valvole were reported in the Valves reporting unit within the Fluid & Metering Technologies segment through the date of disposition.

### 3. Business Segments

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>NET SALES</b>				
Fluid & Metering Technologies				
External customers	\$ 318.9	\$ 324.1	\$ 632.4	\$ 645.2
Intersegment sales	0.5	1.0	0.7	1.7
Total segment sales	319.4	325.1	633.1	646.9
Health & Science Technologies				
External customers	303.0	338.4	612.4	688.7
Intersegment sales	0.8	1.1	1.5	1.8
Total segment sales	303.8	339.5	613.9	690.5
Fire & Safety/Diversified Products				
External customers	185.3	183.7	362.9	357.7
Intersegment sales	0.1	1.1	0.5	1.5
Total segment sales	185.4	184.8	363.4	359.2
Intersegment eliminations	(1.4)	(3.2)	(2.7)	(5.0)
Net sales	\$ 807.2	\$ 846.2	\$ 1,607.7	\$ 1,691.6
<b>ADJUSTED EBITDA</b>				
Fluid & Metering Technologies	\$ 107.7	\$ 114.1	\$ 213.1	\$ 220.3
Health & Science Technologies	84.2	93.7	165.6	194.4
Fire & Safety/Diversified Products	53.8	54.5	105.2	104.2
Segment Adjusted EBITDA	245.7	262.3	483.9	518.9
Corporate and other <sup>(1)</sup>	(21.5)	(21.6)	(51.4)	(48.4)
Interest expense – net	(8.1)	(13.3)	(17.5)	(26.4)
Depreciation <sup>(2)</sup>	(16.3)	(14.4)	(32.5)	(27.2)
Amortization of intangible assets <sup>(2)</sup>	(23.9)	(23.2)	(48.5)	(46.8)
Fair value inventory step-up charges	—	—	(2.5)	—
Restructuring expenses and asset impairments	(1.3)	(3.6)	(2.4)	(4.1)
Gain on sale of business	4.6	—	4.6	—
Credit loss on note receivable from collaborative partner <sup>(3)</sup>	—	(7.7)	—	(7.7)
Income before income taxes	\$ 179.2	\$ 178.5	\$ 333.7	\$ 358.3

[Table of Contents](#)

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

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

(2) Depreciation and amortization of intangible assets by segment for the three and six months ended June 30, 2024 and 2023 was:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Fluid & Metering Technologies	\$ 9.5	\$ 9.8	\$ 19.1	\$ 18.9
Health & Science Technologies	26.7	23.7	53.8	46.9
Fire & Safety/Diversified Products	3.7	3.9	7.6	7.7
Corporate and other	0.3	0.2	0.5	0.5
<b>Total</b>	<b>\$ 40.2</b>	<b>\$ 37.6</b>	<b>\$ 81.0</b>	<b>\$ 74.0</b>

(3) Represents a reserve on an investment with a collaborative partner recorded in Other expense (income) – net during the three and six months ended June 30, 2023. During the fourth quarter of 2023, the Company converted the promissory note receivable from the collaborative partner to equity, resulting in a cost method investment with zero value.

	June 30, 2024	December 31, 2023
<b>ASSETS</b>		
Fluid & Metering Technologies	\$ 1,653.1	\$ 1,674.7
Health & Science Technologies	3,175.9	3,262.4
Fire & Safety/Diversified Products	823.3	792.6
Corporate and other	251.0	135.5
<b>Total assets</b>	<b>\$ 5,903.3</b>	<b>\$ 5,865.2</b>

#### 4. Revenue

*Disaggregation of Revenue*

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

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

Revenue by reporting unit for the three and six months ended June 30, 2024 and 2023 was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Pumps	\$ 101.4	\$ 109.2	\$ 203.3	\$ 214.3
Water	88.9	87.3	171.9	181.4
Energy	57.7	55.7	110.3	106.4
Agriculture	38.6	40.1	78.3	78.7
Valves	32.8	32.8	69.3	66.1
Intersegment elimination	(0.5)	(1.0)	(0.7)	(1.7)
Fluid & Metering Technologies	318.9	324.1	632.4	645.2
Scientific Fluidics & Optics	157.6	169.0	320.3	347.6
Sealing Solutions	59.8	62.4	120.3	127.1
Performance Pneumatic Technologies	59.3	66.0	116.8	135.4
Material Processing Technologies	27.1	33.0	56.5	60.7
Micropump <sup>(1)</sup>	—	9.1	—	19.7
Intersegment elimination	(0.8)	(1.1)	(1.5)	(1.8)
Health & Science Technologies	303.0	338.4	612.4	688.7
Fire & Safety	111.7	109.8	216.8	216.0
Dispensing	45.1	44.7	86.6	80.9
BAND-IT	28.6	30.3	60.0	62.3
Intersegment elimination	(0.1)	(1.1)	(0.5)	(1.5)
Fire & Safety/Diversified Products	185.3	183.7	362.9	357.7
Net sales	\$ 807.2	\$ 846.2	\$ 1,607.7	\$ 1,691.6

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

Revenue by geographical region for the three and six months ended June 30, 2024 and 2023 was as follows:

	Three Months Ended June 30, 2024			
	FMT	HST	FSDP	INDEX
U.S.	\$ 181.2	\$ 141.8	\$ 84.5	\$ 407.5
North America, excluding U.S.	17.3	4.7	8.9	30.9
Europe	55.3	98.5	46.3	200.1
Asia	41.5	53.8	36.5	131.8
Other <sup>(1)</sup>	24.1	5.0	9.2	38.3
Intersegment elimination	(0.5)	(0.8)	(0.1)	(1.4)
Net sales	\$ 318.9	\$ 303.0	\$ 185.3	\$ 807.2

[Table of Contents](#)

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

	Three Months Ended June 30, 2023			
	FMT	HST	FSDP	INDEX
U.S.	\$ 180.7	\$ 148.5	\$ 96.7	\$ 425.9
North America, excluding U.S.	17.9	8.2	8.1	34.2
Europe	51.5	111.2	42.4	205.1
Asia	48.8	65.2	28.0	142.0
Other <sup>(1)</sup>	26.2	6.4	9.6	42.2
Intersegment elimination	(1.0)	(1.1)	(1.1)	(3.2)
Net sales	<u>\$ 324.1</u>	<u>\$ 338.4</u>	<u>\$ 183.7</u>	<u>\$ 846.2</u>

	Six Months Ended June 30, 2024			
	FMT	HST	FSDP	INDEX
U.S.	\$ 353.8	\$ 280.7	\$ 170.6	\$ 805.1
North America, excluding U.S.	33.6	10.3	16.3	60.2
Europe	114.1	202.6	91.3	408.0
Asia	86.2	109.5	67.2	262.9
Other <sup>(1)</sup>	45.4	10.8	18.0	74.2
Intersegment elimination	(0.7)	(1.5)	(0.5)	(2.7)
Net sales	<u>\$ 632.4</u>	<u>\$ 612.4</u>	<u>\$ 362.9</u>	<u>\$ 1,607.7</u>

	Six Months Ended June 30, 2023			
	FMT	HST	FSDP	INDEX
U.S.	\$ 357.5	\$ 298.1	\$ 186.1	\$ 841.7
North America, excluding U.S.	37.3	13.4	16.6	67.3
Europe	110.7	232.1	87.1	429.9
Asia	93.9	131.8	51.4	277.1
Other <sup>(1)</sup>	47.5	15.1	18.0	80.6
Intersegment elimination	(1.7)	(1.8)	(1.5)	(5.0)
Net sales	<u>\$ 645.2</u>	<u>\$ 688.7</u>	<u>\$ 357.7</u>	<u>\$ 1,691.6</u>

<sup>(1)</sup> Other includes: South America, Middle East, Australia and Africa.

*Performance Obligations*

The Company's performance obligations are satisfied either at a point in time or over time as work progresses. Revenue from products and services transferred to customers at a point in time comprised approximately 95% of the Company's revenue and over time comprised approximately 5% of the Company's revenue in all periods presented.

*Contract Assets and Liabilities*

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

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

The composition of customer receivables was as follows:

	June 30, 2024	December 31, 2023
Billed receivables	\$ 407.6	\$ 408.1
Unbilled receivables	8.5	10.9
<b>Total customer receivables</b>	<b>\$ 416.1</b>	<b>\$ 419.0</b>

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

The composition of deferred revenue was as follows:

	June 30, 2024	December 31, 2023
Deferred revenue – current	\$ 59.1	\$ 55.9
Deferred revenue – noncurrent	17.4	17.3
<b>Total deferred revenue</b>	<b>\$ 76.5</b>	<b>\$ 73.2</b>

## 5. Earnings Per Common Share

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

ASC 260, *Earnings Per Share* ("ASC 260"), concludes that all outstanding unvested share-based payment awards that contain rights to non-forfeitable dividends participate in undistributed earnings with common shareholders. If awards are considered participating securities, the Company is required to apply the two-class method of computing basic and diluted earnings per share. The Company has determined that its outstanding shares of restricted stock granted prior to the adoption of the 2024 Incentive Award Plan are participating securities. Under the 2024 Incentive Award Plan, dividend rights for restricted stock are subject to the same vesting requirements as the underlying restricted stock awards. Consequently, any restricted stock awarded under the 2024 Incentive Plan will not be considered participating securities. Accordingly, Diluted EPS attributable to INDEX was computed using the two-class method prescribed by ASC 260.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Basic weighted average common shares outstanding	75.7	75.6	75.7	75.6
Dilutive effect of restricted stock, performance share units and stock options	0.2	0.3	0.2	0.3
<b>Diluted weighted average common shares outstanding</b>	<b>75.9</b>	<b>75.9</b>	<b>75.9</b>	<b>75.9</b>

Share-based payment awards of approximately 0.5 million and 0.2 million shares of common stock for the three months ended June 30, 2024 and 2023, respectively, and 0.5 million and 0.2 million shares of common stock for the six months ended June 30, 2024 and 2023, respectively, were not included in the computation of Diluted EPS attributable to INDEX because the effect of their inclusion would have been antidilutive.

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

**6. Balance Sheet Components**

	June 30, 2024	December 31, 2023
<b>RECEIVABLES – NET</b>		
Customers	\$ 416.1	\$ 419.0
Other	17.5	16.3
Total	433.6	435.3
Less: allowance for credit losses	7.4	7.5
Receivables – net	<u>426.2</u>	<u>427.8</u>
<b>INVENTORIES – NET</b>		
Raw materials and component parts	\$ 284.8	\$ 268.1
Work in process	40.4	44.5
Finished goods	102.7	108.2
Inventories – net	<u>427.9</u>	<u>420.8</u>
<b>ACCRUED EXPENSES</b>		
Payroll and related items	\$ 82.9	\$ 97.1
Management incentive compensation	11.2	16.4
Income taxes payable	14.8	18.5
Deferred revenue	59.1	55.9
Lease liability	23.2	22.0
Other	60.8	61.6
Accrued expenses	<u>252.0</u>	<u>271.5</u>

**7. Goodwill and Intangible Assets**

The changes in the carrying amount of goodwill for the six months ended June 30, 2024, by reportable business segment, were as follows:

	FMT	HST	FSDP	INDEX
Goodwill	\$ 805.7	\$ 1,834.5	\$ 398.7	\$ 3,038.9
Accumulated goodwill impairment losses	(20.7)	(149.8)	(30.1)	(200.6)
Balance at January 1, 2024	785.0	1,684.7	368.6	2,838.3
Foreign currency translation	(5.6)	(30.8)	(4.8)	(41.2)
Measurement period adjustments	—	1.7	—	1.7
Divestitures	(11.6)	—	—	(11.6)
Balance at June 30, 2024	<u>767.8</u>	<u>1,655.6</u>	<u>363.8</u>	<u>2,787.2</u>

ASC 350, *Goodwill and Other Intangible Assets* ("ASC 350"), requires that goodwill be tested for impairment at the reporting unit level on an annual basis and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying value. Annually, on October 31, goodwill and other acquired intangible assets with indefinite lives are tested for impairment. Based on the results of the Company's annual impairment test at October 31, 2023, all reporting units had fair values in excess of their carrying values. During the six months ended June 30, 2024, there were no events or circumstances that would have required an interim impairment test.

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

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

	June 30, 2024				December 31, 2023			
	Gross Carrying Amount	Accumulated Amortization	Weighted Average Life	Gross Carrying Amount	Accumulated Amortization	Net		
<b>Amortized intangible assets:</b>								
Patents	\$ 2.8	\$ (2.1)	\$ 0.7	12	\$ 2.7	\$ (2.0)	\$ 0.7	
Trade names	161.4	(54.2)	107.2	15	171.9	(54.3)	117.6	
Customer relationships	818.6	(242.7)	575.9	13	860.7	(228.7)	632.0	
Unpatented technology	228.2	(74.6)	153.6	12	233.5	(66.3)	167.2	
Software	4.9	(2.3)	2.6	5	5.3	(1.9)	3.4	
<b>Total amortized intangible assets</b>	<b>1,215.9</b>	<b>(375.9)</b>	<b>840.0</b>	<b>13</b>	<b>1,274.1</b>	<b>(353.2)</b>	<b>920.9</b>	
<b>Indefinite-lived intangible assets:</b>								
Banjo trade name	62.1	—	62.1		62.1	—	62.1	
Akron Brass trade name	28.8	—	28.8		28.8	—	28.8	
<b>Total intangible assets</b>	<b>\$ 1,306.8</b>	<b>\$ (375.9)</b>	<b>\$ 930.9</b>		<b>\$ 1,365.0</b>	<b>\$ (353.2)</b>	<b>\$ 1,011.8</b>	

The Banjo and Akron Brass trade names are indefinite-lived intangible assets which are tested for impairment on an annual basis in accordance with ASC 350 or more frequently if events or changes in circumstances indicate that the assets might be impaired. Based on the results of the Company's annual impairment test at October 31, 2023, these indefinite-lived intangible assets had fair values in excess of their carrying values. During the six months ended June 30, 2024, there were no events or circumstances that would have required an interim impairment test on these indefinite-lived intangible assets.

Amortization of intangible assets was \$23.9 million and \$48.5 million for the three and six months ended June 30, 2024, respectively. Amortization of intangible assets was \$23.2 million and \$46.8 million for the three and six months ended June 30, 2023, respectively. Based on the intangible asset balances as of June 30, 2024, expected amortization expense for the remaining six months of 2024 and for the years 2025 through 2028 is as follows:

	Estimated Amortization
Remainder of 2024	\$ 47.3
2025	93.3
2026	91.6
2027	88.1
2028	85.1

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

**8. Borrowings**

Borrowings at June 30, 2024 and December 31, 2023 consisted of the following:

	June 30, 2024	December 31, 2023
3.37% Senior Notes, due June 2025 (the " 3.37% Senior Notes") <sup>(1)</sup>	\$ 100.0	\$ 100.0
5.13% Senior Notes, due June 2028 (the " 5.13% Senior Notes")	100.0	100.0
3.00% Senior Notes, due May 2030 (the " 3.00% Senior Notes")	500.0	500.0
2.625% Senior Notes, due June 2031 (the " 2.625% Senior Notes")	500.0	500.0
\$800.0 million Revolving Facility, due November 2027 (the "Revolving Facility") <sup>(2)</sup>	78.1	81.0
\$200.0 million Term Facility, due November 2027 (the "Term Facility") <sup>(3)</sup>	25.0	50.0
Other borrowings	1.8	2.3
Total borrowings	1,304.9	1,333.3
Less: current portion	0.6	0.6
Less: deferred debt issuance costs	6.0	6.5
Less: unaccreted debt discount	1.0	1.1
Long-term borrowings	<hr/> \$ 1,297.3	<hr/> \$ 1,325.1

<sup>(1)</sup> As of June 30, 2024, the \$ 100.0 million 3.37% Senior Notes, due in June 2025, have been classified as Long-term borrowings on the Condensed Consolidated Balance Sheets. The Company has the ability and intent to either refinance or repay these Notes using the available borrowing capacity of the Revolving Facility, due November 2027.

<sup>(2)</sup> At June 30, 2024, there was \$ 78.1 million outstanding under the Revolving Facility and \$ 2.7 million of outstanding letters of credit, resulting in a net available borrowing capacity under the Revolving Facility of approximately \$719.2 million. The weighted-average interest rate for borrowings outstanding under the Revolving Facility was 4.60% and 4.22% as of June 30, 2024 and December 31, 2023, respectively.

<sup>(3)</sup> The weighted-average interest rate for borrowings outstanding under the Term Facility was 6.65% and 6.22% as of June 30, 2024 and December 31, 2023, respectively. During the second quarter of 2024, the Company repaid \$25.0 million of the \$50.0 million previously outstanding under the Term Facility.

At June 30, 2024, the Company was in compliance with the covenants contained in the credit agreement associated with the Revolving Facility as well as other long-term debt agreements.

**9. Fair Value Measurements**

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

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

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

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

	<b>Basis of Fair Value Measurements</b>			
	<b>June 30, 2024</b>		<b>December 31, 2023</b>	
	<b>Level 1</b>	<b>Level 1</b>	<b>Level 1</b>	<b>Level 1</b>
Trading securities - mutual funds held in nonqualified SERP <sup>(1)</sup>	\$ 10.3	\$ 10.5	\$ 10.3	\$ 10.5
Available-for-sale securities - equities <sup>(2)</sup>	4.4	4.4	4.4	4.4

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

<sup>(2)</sup> The securities are included in Other current assets on the Condensed Consolidated Balance Sheets and are available for overnight cash settlement, if necessary, to fund current operations.

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

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

The following table provides the fair value of the outstanding indebtedness described in [Note 8](#), "Borrowings," which is based on quoted market prices and current market rates for debt with similar credit risk and maturity, as well as the carrying value. These fair value measurements are classified as Level 2 within the fair value hierarchy since they are determined based upon significant inputs observable in the market, including interest rates on recent financing transactions to entities with a credit rating similar to the Company's rating.

	<b>June 30, 2024</b>		<b>December 31, 2023</b>	
	<b>Fair Value</b>	<b>Carrying Amount</b>	<b>Fair Value</b>	<b>Carrying Amount</b>
Total Borrowings, less unaccreted debt discount	\$ 1,158.9	\$ 1,303.9	\$ 1,203.5	\$ 1,332.2

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

**10. Accumulated Other Comprehensive Loss**

The components of Accumulated other comprehensive loss for the three and six months ended June 30, 2024 and 2023 are as follows:

	Cumulative Translation Adjustment	Pension and Other Postretirement Adjustments		Accumulated Other Comprehensive Loss		
		Three Months Ended June 30, 2024		Six Months Ended June 30, 2024		
Balance, March 31, 2024 <sup>(1)</sup>	\$ (113.6)	\$ 3.4	\$ (110.2)	\$ (49.3)	\$ 3.5	\$ (45.8)
Other comprehensive loss before reclassification adjustments	(11.5)	—	(11.5)	(75.8)	—	(75.8)
Gain reclassified from Accumulated other comprehensive loss <sup>(2)(3)</sup>	—	(0.3)	(0.3)	—	(0.4)	(0.4)
Loss reclassified related to divestitures <sup>(4)</sup>	5.5	—	5.5	—	0.1	0.1
Tax expense	—	(0.2)	(0.2)	—	(0.3)	(0.3)
Net other comprehensive loss <sup>(1)</sup>	(6.0)	—	(6.2)	(70.3)	—	(70.6)
Balance, June 30, 2024 <sup>(1)</sup>	\$ (119.6)	\$ 3.2	\$ (116.4)	\$ (98.2)	\$ 10.4	\$ (87.8)
Six Months Ended June 30, 2023						
Balance, December 31, 2023 <sup>(1)</sup>	\$ (49.3)	\$ 3.5	\$ (45.8)	\$ (100.5)	\$ 11.3	\$ (89.2)
Other comprehensive loss before reclassification adjustments	(75.8)	—	(75.8)	2.3	—	2.3
Gain reclassified from Accumulated other comprehensive loss <sup>(2)(3)</sup>	—	(1.3)	(1.3)	—	0.4	0.4
Loss reclassified related to divestitures <sup>(4)</sup>	5.5	—	5.5	—	(0.9)	(0.9)
Tax expense	—	0.1	0.1	2.3	—	1.4
Net other comprehensive income (loss) <sup>(1)</sup>	(70.3)	(0.9)	(70.6)	(98.2)	\$ 10.4	\$ (87.8)
Balance, June 30, 2023 <sup>(1)</sup>	\$ (119.6)	\$ 3.2	\$ (116.4)	\$ (137.1)	\$ 10.9	\$ (126.2)
Three Months Ended June 30, 2023						
Balance, December 31, 2022 <sup>(1)</sup>	\$ (137.1)	\$ 10.9	\$ (126.2)	38.9	—	38.9
Other comprehensive income before reclassification adjustments	—	(0.7)	(0.7)	—	0.2	0.2
Gain reclassified from Accumulated other comprehensive loss <sup>(2)(3)</sup>	—	(0.7)	(0.7)	—	(0.5)	(0.5)
Tax expense	—	0.2	0.2	38.9	—	38.4
Net other comprehensive income (loss) <sup>(1)</sup>	38.9	(0.5)	38.4	(98.2)	\$ 10.4	\$ (87.8)
Balance, June 30, 2023 <sup>(1)</sup>	\$ (98.2)	\$ 10.4	\$ (87.8)			

<sup>(1)</sup> Amounts are presented net of tax.

<sup>(2)</sup> Included in the computation of net periodic cost. See [Note 13](#), "Retirement Benefits."

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

<sup>(3)</sup> Included in Other expense (income) – net in the Condensed Consolidated Statements of Income.

<sup>(4)</sup> In conjunction with the divestiture of Alfa Valvole, the Company released the associated cumulative foreign currency translation losses and included the release as part of the gain on sale of business.

## 11. Share Repurchases

On March 17, 2020, the Company's Board of Directors approved an increase of \$ 500.0 million in the authorized level of repurchases of common stock. This approval is in addition to the prior repurchase authorization of the Board of Directors of \$300.0 million on December 1, 2015. These authorizations have no expiration date. There were no share repurchases during the six months ended June 30, 2024. During the six months ended June 30, 2023, the Company repurchased a total of 5,400 shares at a cost of \$1.1 million, of which \$0.1 million was settled in July 2023. As of June 30, 2024, the amount of share repurchase authorization remaining was \$539.7 million.

## 12. Share-Based Compensation

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

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

### Stock Options

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Weighted average fair value of grants	\$62.41	\$57.13	\$63.72	\$60.70
Dividend yield	1.13%	1.13%	1.09%	1.07%
Volatility	26.43%	27.20%	26.67%	27.19%
Risk-free interest rate	4.42%	3.81%	4.31%	4.12%
Expected life (in years)	4.60	4.50	4.60	4.50

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

A summary of the Company's stock option activity as of June 30, 2024 and changes during the six months ended June 30, 2024 are presented in the following table:

<b>Stock Options</b>	<b>Shares</b>	<b>Exercise Price</b>	<b>Weighted-Average</b>	<b>Weighted-Average</b>	<b>Aggregate Intrinsic Value</b>
			<b>Remaining Contractual Term (years)</b>	<b>Remaining Contractual Term (years)</b>	
Outstanding at January 1, 2024	983,267	\$ 178.86		6.88	\$ 39.3
Granted	195,365	234.84			
Exercised	(66,464)	155.75			
Forfeited	(27,943)	199.50			
Outstanding at June 30, 2024	<u>1,084,225</u>	\$ 189.84		7.02	\$ 23.5
Vested and expected to vest as of June 30, 2024	<u>1,067,056</u>	\$ 189.46		7.00	\$ 23.4
Exercisable at June 30, 2024	610,104	\$ 167.42		5.69	\$ 22.1

As of June 30, 2024, there was \$12.8 million of total unrecognized compensation cost related to stock options that is expected to be recognized over a weighted-average period of 1.5 years.

#### Restricted Stock

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

<b>Restricted Stock</b>	<b>Shares</b>	<b>Weighted-Average Grant Date Fair Value</b>	
		<b>Shares</b>	<b>Value</b>
Unvested at January 1, 2024	112,891	\$ 193.03	
Granted	36,540	227.48	
Vested	(21,080)	198.38	
Forfeited	(8,810)	208.81	
Unvested at June 30, 2024	<u>119,541</u>	\$ 201.45	

As of June 30, 2024, there was \$8.7 million of total unrecognized compensation cost related to restricted stock that is expected to be recognized over a weighted-average period of 1.1 years.

#### Cash-Settled Restricted Stock

The Company also maintains a cash-settled share-based compensation plan for certain employees. Cash-settled restricted stock awards generally cliff vest after three years. The service period for certain retiree eligible participants is accelerated. Cash-settled restricted stock awards are recorded at fair value on a quarterly basis using the market price of the Company's stock on the last day of the quarter. At June 30, 2024 and December 31, 2023, the Company had accrued \$3.3 million and \$4.2 million, respectively, for cash-settled restricted stock in Accrued expenses in the Condensed Consolidated Balance Sheets and had accrued \$1.8 million and \$2.9 million, respectively, for cash-settled restricted stock in Other noncurrent liabilities in the Condensed Consolidated Balance Sheets. These recurring fair value measurements are classified as Level 1 in the fair value hierarchy. Dividend equivalents are paid on certain cash-settled restricted stock awards. A summary of the Company's unvested cash-settled restricted stock activity as of June 30, 2024 and changes during the six months ended June 30, 2024 are presented in the following table:

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

<u>Cash-Settled Restricted Stock</u>	Shares	Weighted-Average Fair Value
Unvested at January 1, 2024	56,655	\$ 217.11
Granted	19,850	234.95
Vested	(15,140)	235.65
Forfeited	(3,925)	201.20
Unvested at June 30, 2024	<u>57,440</u>	<u>\$ 201.20</u>

As of June 30, 2024, there was \$4.9 million of total unrecognized compensation cost related to cash-settled restricted shares that is expected to be recognized over a weighted-average period of 1.1 years.

**Performance Share Units**

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

	Six Months Ended June 30,	
	2024	2023
Weighted average fair value of grants	\$349.59	\$308.18
Dividend yield	—%	—%
Volatility	22.23%	27.00%
Risk-free interest rate	4.45%	4.37%
Expected life (in years)	2.94	2.94

A summary of the Company's performance share unit activity as of June 30, 2024 and changes during the six months ended June 30, 2024 are presented in the following table:

<u>Performance Share Units</u>	Shares	Weighted-Average Grant Date Fair Value
Unvested at January 1, 2024	67,455	\$ 265.15
Granted	27,135	349.59
Vested	(9,606)	245.40
Forfeited	(11,239)	251.16
Unvested at June 30, 2024	<u>73,745</u>	<u>\$ 300.49</u>

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

As of June 30, 2024, there was \$4.9 million of total unrecognized compensation cost related to performance share units that is expected to be recognized over a weighted-average period of 1.1 years.

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

**Summary of Share-Based Compensation Expense**

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Stock options expense	\$ 1.5	\$ 1.5	\$ 6.9	\$ 7.5
Restricted stock expense	2.1	1.7	4.1	3.3
Cash-settled restricted stock expense	(0.3)	0.6	1.6	1.7
Performance share units expense	0.8	0.8	5.9	6.0
Total pre-tax share-based compensation expense	4.1	4.6	18.5	18.5
Income tax benefit	(0.7)	(0.8)	(1.6)	(1.6)
Total share-based compensation expense, net of income taxes	\$ 3.4	\$ 3.8	\$ 16.9	\$ 16.9

**13. Retirement Benefits**

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

	Pension Benefits			
	Three Months Ended June 30,			
	2024		2023	
Service cost	\$ —	\$ 0.4	\$ —	\$ 0.3
Interest cost	0.1	0.7	0.1	0.7
Expected return on plan assets	—	(0.5)	—	(0.4)
Net amortization	0.1	(0.1)	—	(0.1)
Net periodic cost	\$ 0.2	\$ 0.5	\$ 0.1	\$ 0.5

	Pension Benefits			
	Six Months Ended June 30,			
	2024		2023	
Service cost	\$ —	\$ 0.8	\$ —	\$ 0.6
Interest cost	0.2	1.3	0.2	1.4
Expected return on plan assets	(0.1)	(0.9)	(0.1)	(0.8)
Net amortization	0.2	(0.1)	0.1	(0.3)
Net periodic cost	\$ 0.3	\$ 1.1	\$ 0.2	\$ 0.9

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

	Other Postretirement Benefits							
	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	2024	2023				
Service cost	\$ 0.1	\$ 0.1	\$ 0.2	\$ 0.2				
Interest cost	0.2	0.2	0.4	0.4				
Net amortization	(0.3)	(0.3)	(0.5)	(0.5)				
Net periodic cost	\$ —	\$ —	\$ 0.1	\$ 0.1				

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

The Company expects to contribute approximately \$ 3.6 million to its defined benefit plans and \$ 1.1 million to its other postretirement benefit plans in 2024. The Company contributed a total of \$2.4 million and \$2.6 million to fund these plans during the six months ended June 30, 2024 and 2023, respectively.

#### 14. Commitments and Contingencies

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

#### 15. Income Taxes

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

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	2024	2023	2024	2023		
Provision for income taxes	\$ 38.0	\$ 40.0	\$ 71.2	\$ 80.0				
Effective tax rate	21.2 %	22.4 %	21.4 %	22.3 %				

The effective tax rate for the three and six months ended June 30, 2024 reflects the impact of the discrete benefits related to the finalization of prior years' research and development tax incentives with taxing authorities in a foreign jurisdiction. The effective tax rate for the six months ended June 30, 2024 also reflects the discrete benefit related to the finalization of tax impacts of a previously recorded legal entity restructuring.

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

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

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

**Overview**

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

**Second Quarter Highlights**

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

(Dollars in millions, except per share amounts)	Three Months Ended June 30,		
	2024	2023	% / bps Change
<b>Net sales</b>	\$ 807.2	\$ 846.2	(5%)
Change in organic net sales*			(4%)
<b>Gross profit<sup>(1)</sup></b>	<b>366.8</b>	378.0	(3%)
<b>Net income attributable to IDEX</b>	<b>141.3</b>	138.6	2%
Adjusted net income attributable to IDEX*	<b>156.1</b>	165.4	(6%)
Adjusted EBITDA*	<b>224.2</b>	240.7	(7%)
<b>Diluted EPS attributable to IDEX</b>	<b>1.86</b>	1.82	2%
Adjusted diluted EPS attributable to IDEX*	<b>2.06</b>	2.18	(6%)
<b>Cash flows from operating activities</b>	<b>133.6</b>	141.2	(5%)
Free cash flow*	<b>117.7</b>	119.6	(2%)
<b>Gross margin<sup>(1)</sup></b>	<b>45.4%</b>	44.7%	70 bps
<b>Net income margin</b>	<b>17.5%</b>	16.4%	110 bps
Adjusted EBITDA margin*	<b>27.8%</b>	28.4%	(60) bps

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

<sup>(1)</sup> There were no non-GAAP adjustments during the three months ended June 30, 2024 or 2023, respectively, to Gross profit or Gross margin.

During the three months ended June 30, 2024, the Company delivered solid operating performance, despite challenging market headwinds. Continued market softness, largely within the Health & Science Technologies segment, resulted in lower sales volumes, which were partly offset by strong price/cost and productivity across all segments.

## Results of Operations

The following is a discussion and analysis of the Company's results of operations for the three and six months ended June 30, 2024 compared with the three and six months ended June 30, 2023.

(Dollars in millions, except per share amounts)	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	% / bps Change	2024	2023	% / bps Change
<b>Net sales</b>	<b>\$ 807.2</b>	<b>\$ 846.2</b>	(5 %)	<b>\$ 1,607.7</b>	<b>\$ 1,691.6</b>	(5 %)
Cost of sales	440.4	468.2	(6 %)	883.5	931.1	(5 %)
<b>Gross profit</b>	<b>366.8</b>	378.0	(3 %)	<b>724.2</b>	760.5	(5 %)
<b>Gross margin</b>	<b>45.4 %</b>	44.7 %	70 bps	<b>45.0 %</b>	45.0 %	0 bps
Selling, general and administrative expenses	182.8	174.3	5 %	377.9	364.0	4 %
Restructuring expenses and asset impairments	1.3	3.6	(64 %)	2.4	4.1	(41 %)
<b>Operating income</b>	<b>182.7</b>	200.1	(9 %)	<b>343.9</b>	392.4	(12 %)
Gain on sale of business	(4.6)	—	100 %	(4.6)	—	100 %
Other expense (income) – net	—	8.3	(100 %)	(2.7)	7.7	(135 %)
Interest expense – net	8.1	13.3	(39 %)	17.5	26.4	(34 %)
Income before income taxes	179.2	178.5	— %	333.7	358.3	(7 %)
Provision for income taxes	38.0	40.0	(5 %)	71.2	80.0	(11 %)
<b>Effective tax rate</b>	<b>21.2 %</b>	22.4 %	(120) bps	<b>21.4 %</b>	22.3 %	(90) bps
<b>Net income attributable to IDEX</b>	<b>\$ 141.3</b>	\$ 138.6	2 %	<b>\$ 262.7</b>	\$ 278.4	(6 %)
<b>Diluted earnings per common share attributable to IDEX</b>	<b>\$ 1.86</b>	\$ 1.82	2 %	<b>\$ 3.46</b>	\$ 3.66	(5 %)

### Net Sales

Net sales for both the three and six months ended June 30, 2024 decreased 5% as compared to the same prior year periods. Organic net sales for the same periods decreased 4% and 5%, respectively, as a result of lower volumes, largely as a result of market conditions in the Health & Science Technologies businesses, partially offset by price capture across all segments.

In the three months ended June 30, 2024, net sales decreased 4% domestically and 5% internationally. In the six months ended June 30, 2024, net sales decreased 4% domestically and 6% internationally. Sales to customers outside the U.S. were approximately 50% of total sales in each of the three and six months ended June 30, 2024 and 2023.

### Gross Profit and Gross Margin

Gross profit decreased for both the three and six months ended June 30, 2024, primarily due to lower volume leverage, unfavorable mix and higher employee-related costs, partially offset by strong price/cost and favorable operational productivity. Gross margin increased for the three months ended June 30, 2024 and was flat for the six months ended June 30, 2024. The negative impacts of lower volume leverage, unfavorable mix and higher-employee related costs on gross margin were offset by the positive impacts of strong price/cost and favorable operational productivity.

### Selling, General and Administrative Expenses

Selling, general and administrative expenses for the three and six months ended June 30, 2024 increased primarily due to the \$2.1 million and \$5.6 million impact from acquisitions, net of divestitures, including amortization, respectively, as well as increased professional services and discretionary spending as compared to the same prior year periods.

### Restructuring Expenses and Asset Impairments

Restructuring expenses and asset impairments decreased in the three and six months ended June 30, 2024 primarily due to lower severance costs compared with the same periods in 2023. Severance costs were incurred in conjunction with cost mitigation efforts as a result of market conditions.

### **Gain on Sale of Business**

During the three and six months ended June 30, 2024, the Company completed the sale of Alfa Valvole, Srl ("Alfa Valvole") for proceeds of \$45.5 million, net of cash remitted, resulting in a gain on the sale of \$4.6 million, net of a release of cumulative foreign currency translation losses of \$5.5 million. For additional information regarding the divestiture of Alfa Valvole, refer to [Note 2](#), "Acquisitions and Divestitures," in the Notes to Condensed Consolidated Financial Statements.

### **Other Expense (Income) – Net**

Other expense (income) – net for the three and six months ended June 30, 2024 benefited from the absence of a \$7.7 million credit loss reserve on a note receivable from a collaborative partner that did not reoccur during 2024. Additionally, the current year periods benefited from a favorable impact of foreign currency transactions as compared to the same prior year periods.

### **Interest Expense – Net**

Interest expense – net for the three and six months ended June 30, 2024 decreased compared to the same periods in 2023 due to a decrease in the amount of debt outstanding and higher interest earned on cash balances in 2024, partially offset by increases in interest rates on outstanding debt, which increased interest expense by approximately \$0.6 million and \$1.4 million for the three and six months ended June 30, 2024, respectively.

### **Income Taxes**

The Company's provision for income taxes is based upon estimated annual tax rates for the year applied to federal, state and foreign income. The effective tax rate was 21.2% and 21.4% for the three and six months ended June 30, 2024, respectively, as compared to 22.4% and 22.3% during the same periods in 2023, respectively. The decrease in effective tax rate during the three and six months ended June 30, 2024 was primarily due to benefits realized in the second quarter of 2024 related to the finalization of prior years' research and development tax incentives with taxing authorities in a foreign jurisdiction. The decrease in the effective tax rate during the six months ended June 30, 2024 also reflected the finalization of tax impacts of a previously recorded legal entity restructuring.

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

### **Results of Reportable Business Segments**

The Company has three reportable segments: Fluid & Metering Technologies ("FMT"), Health & Science Technologies ("HST") and Fire & Safety/Diversified Products ("FSDP"). For a detailed description of the operations within each segment, refer to Note 13, "Business Segments and Geographic Information," in the Notes to Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2023. Management's measurements of segment performance are Net sales, adjusted earnings before interest, income taxes, depreciation and amortization ("Adjusted EBITDA") and Adjusted EBITDA margin.

[Table of Contents](#)

The table below illustrates the share of Net sales and Adjusted EBITDA contributed by each segment on the basis of total segments (not total Company) for the three and six months ended June 30, 2024.

	Three Months Ended June 30, 2024				Six Months Ended June 30, 2024			
	FMT	HST	FSDP	Total	FMT	HST	FSDP	Total
Net sales as a percent of total	40 %	38 %	22 %	100 %	39 %	38 %	23 %	100 %
Adjusted EBITDA <sup>(1)</sup>	44 %	34 %	22 %	100 %	44 %	34 %	22 %	100 %

<sup>(1)</sup> Segment Adjusted EBITDA excludes the impact of unallocated corporate costs of \$21.5 million and \$51.4 million for the three and six months ended June 30, 2024, respectively.

*Fluid & Metering Technologies Segment*

(Dollars in millions)	Three Months Ended June 30,			Components of Change			
	2024	2023	Change	Organic	Acq/Div <sup>(1)</sup>	Foreign Currency	Total
Domestic sales	\$ 181.2	\$ 180.7	—%				
International sales	138.2	144.4	(4%)				
Net sales	\$ 319.4	\$ 325.1	(2%)	—%	(1%)	(1%)	(2%)
Adjusted EBITDA	107.7	114.1	(6%)	(4%)	(1%)	(1%)	(6%)
Adjusted EBITDA margin	33.7 %	35.1 %	(140) bps	(140) bps	—	—	(140) bps

(Dollars in millions)	Six Months Ended June 30,			Components of Change			
	2024	2023	Change	Organic	Acq/Div <sup>(1)</sup>	Foreign Currency	Total
Domestic sales	\$ 353.8	\$ 357.5	(1%)				
International sales	279.3	289.4	(3%)				
Net sales	\$ 633.1	\$ 646.9	(2%)	(1%)	—	(1%)	(2%)
Adjusted EBITDA	213.1	220.3	(3%)	(2%)	—	(1%)	(3%)
Adjusted EBITDA margin	33.7 %	34.1 %	(40) bps	(40) bps	—	—	(40) bps

<sup>(1)</sup> Divestitures included Alfa Valvole, sold in June 2024.

- Organic net sales were flat and slightly down for the three and six months ended June 30, 2024, respectively, as compared to the same prior year periods. Both the quarter and year to date results were negatively impacted by lower volumes, primarily in the industrial market. The impact of lower volumes was offset by price capture in both the three and six months ended June 30, 2024.
- Adjusted EBITDA margin for the three and six months ended June 30, 2024 decreased primarily due to higher discretionary spending, lower volume leverage and higher employee-related costs, partially offset by strong price/cost and favorable operational productivity. The six months ended June 30, 2024 were also negatively impacted by unfavorable mix.

*Health & Science Technologies Segment*

(Dollars in millions)	Three Months Ended June 30,			Components of Change			
	2024	2023	Change	Organic	Acq/Div <sup>(1)</sup>	Foreign Currency	Total
Domestic sales	\$ 141.8	\$ 148.5	(5%)				
International sales	162.0	191.0	(15%)				
Net sales	303.8	339.5	(11%)	(11%)	—	—	(11%)
Adjusted EBITDA	84.2	93.7	(10%)	(12%)	2%	—	(10%)
Adjusted EBITDA margin	27.7 %	27.6 %	10 bps	(20) bps	30 bps	—	10 bps

(Dollars in millions)	Six Months Ended June 30,			Components of Change			
	2024	2023	Change	Organic	Acq/Div <sup>(1)</sup>	Foreign Currency	Total
Domestic sales	\$ 280.7	\$ 298.1	(6%)				
International sales	333.2	392.4	(15%)				
Net sales	\$ 613.9	\$ 690.5	(11%)	(12%)	1%	—	(11%)
Adjusted EBITDA	165.6	194.4	(15%)	(17%)	2%	—	(15%)
Adjusted EBITDA margin	27.0 %	28.2 %	(120) bps	(160) bps	40 bps	—	(120) bps

<sup>(1)</sup> Acquisitions included Iridian Spectral Technologies acquired in May 2023 and STC Material Solutions acquired in December 2023. Divestitures included Micropump, Inc. sold in August 2023 and Novotema, SpA sold in December 2023.

- Organic net sales for the three and six months ended June 30, 2024 were negatively impacted by lower volumes driven by continued broad based market softness, which began in the second half of 2023. This decrease was partially offset by price capture.
- Excluding the net accretive impact of acquisitions and divestitures, Adjusted EBITDA margin for the three and six months ended June 30, 2024 decreased primarily due to lower volume leverage, unfavorable mix and higher employee-related costs, partially offset by favorable operational productivity, strong price/cost and lower discretionary spending.

*Fire & Safety/Diversified Products Segment*

(Dollars in millions)	Three Months Ended June 30,			Components of Change			
	2024	2023	Change	Organic	Acq/Div	Foreign Currency	Total
Domestic sales	\$ 84.5	\$ 96.7	(13%)				
International sales	100.9	88.1	15%				
Net sales	185.4	184.8	—%	1%	—	(1%)	—%
Adjusted EBITDA	53.8	54.5	(1%)	—%	—	(1%)	(1%)
Adjusted EBITDA margin	29.0 %	29.4 %	(40) bps	(30) bps	—	(10) bps	(40) bps
(Dollars in millions)	Six Months Ended June 30,			Components of Change			
	2024	2023	Change	Organic	Acq/Div	Foreign Currency	Total
Domestic sales	\$ 170.6	\$ 186.1	(8%)				
International sales	192.8	173.1	11%				
Net sales	\$ 363.4	\$ 359.2	1%	1%	—	—	1%
Adjusted EBITDA	105.2	104.2	1%	1%	—	—	1%
Adjusted EBITDA margin	28.9 %	29.0 %	(10) bps	(10) bps	—	—	(10) bps

- Organic net sales for the three and six months ended June 30, 2024 were positively impacted by price capture across all markets, which more than offset the impact of slightly lower volumes as compared to the same prior year periods.
- Excluding the dilutive impact of foreign currency, Adjusted EBITDA margin for the three and six months ended June 30, 2024 decreased primarily due to higher employee-related costs and lower volume leverage, partially offset by strong price/cost. The three months ended June 30, 2024 also benefited from favorable operational productivity, while the six months ended June 30, 2024 were favorably impacted by mix.

**Liquidity and Capital Resources****Liquidity**

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

Select key liquidity metrics at June 30, 2024 are as follows:

(In millions)	June 30, 2024
Working capital	\$ 1,152.1
Current ratio	3.4 to 1
Cash and cash equivalents	\$ 700.7
Cash held outside of the United States	558.8
Revolving Facility capacity	\$ 800.0
Borrowings	78.1
Letters of credit	2.7
Revolving Facility availability	\$ 719.2

**Operating Working Capital**

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

(In millions)	June 30, 2024	December 31, 2023	Change	Organic Change
Receivables – net	\$ 426.2	\$ 427.8	\$ (1.6)	\$ 11.9
Inventories – net	427.9	420.8	7.1	19.6
Less: Trade accounts payable	172.4	179.7	(7.3)	(0.9)
Operating working capital	\$ 681.7	\$ 668.9	\$ 12.8	\$ 32.4

Operating working capital increased \$12.8 million to \$681.7 million at June 30, 2024. Acquisitions, divestitures and foreign currency translation decreased Operating working capital by \$19.6 million during the six months ended June 30, 2024. Apart from these items, receivables increased due to strong price capture, which more than offset the impact of lower volumes and inventories increased to support planned production.

### Cash Flow Summary

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

(In millions)	Six Months Ended June 30,	
	2024	2023
Net cash flows provided by (used in):		
Operating activities	\$ 290.2	\$ 289.1
Investing activities	11.7	(176.6)
Financing activities	(118.2)	(92.0)

#### *Operating Activities*

Cash flows provided by operating activities increased \$1.1 million to \$290.2 million in the six months ended June 30, 2024 primarily due to lower cash payments including payments for variable compensation and lower tax payments in 2024 compared to the prior year, largely offset by lower earnings in 2024 compared to the prior year and higher investments in working capital driven by higher inventory purchases to support planned production and increased receivables due to strong price capture.

#### *Investing Activities*

Cash flows provided by investing activities increased during the six months ended June 30, 2024 as the six months ended June 30, 2024 included the proceeds received of \$45.5 million from the sale of Alfa Valvole in June 2024. The six months ended June 30, 2023 included the purchase of Iridian Spectral Technologies for \$110.3 million as well as the purchase of marketable securities of \$19.1 million, which did not reoccur during the six months ended June 30, 2024. Additionally, the six months ended June 30, 2023 included higher capital expenditures of \$48.2 million, as compared to \$35.9 million in the six months ended June 30, 2024.

#### *Financing Activities*

Cash flows used in financing activities primarily consisted of dividends of \$100.7 million and \$93.9 million paid to common shareholders during the six months ended June 30, 2024 and 2023, respectively. Additionally, the Company repaid \$25.0 million of the \$50.0 million previously outstanding under the Term Facility during the six months ended June 30, 2024.

#### *Free Cash Flow*

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

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

(Dollars in millions)	Six Months Ended June 30,	
	2024	2023
Cash flows provided by operating activities	\$ 290.2	\$ 289.1
Less: capital expenditures	35.9	48.2
Free cash flow	\$ 254.3	\$ 240.9

The increase in free cash flow for the six months ended June 30, 2024 as compared to 2023 is primarily due to lower capital expenditures in 2024 compared with the six months ended June 30, 2023.

## **Cash Requirements**

### *Mott Corporation Pending Acquisition*

On July 23, 2024, the Company entered into a definitive agreement to acquire Mott Corporation and its subsidiaries for cash consideration of \$1.0 billion, subject to customary adjustments. The acquisition is expected to be funded using a combination of cash on hand, borrowings under the Company's Revolving Credit Facility and potential debt issuance. For additional information regarding the Company's pending acquisition of Mott Corporation, refer to [Note 2](#), "Acquisitions and Divestitures," in the Notes to Condensed Consolidated Financial Statements.

### *Subterra AI Acquisition*

On July 25, 2024, the Company acquired Subterra AI, Inc. ("Subterra AI") for cash consideration of \$7.5 million. For additional information regarding the Company's acquisition of Subterra AI, refer to [Note 2](#), "Acquisitions and Divestitures," in the Notes to Condensed Consolidated Financial Statements.

### *Capital Expenditures*

Capital expenditures generally include machinery and equipment that support growth and improved productivity, tooling, business system technology, replacement of equipment and investments in new facilities. The Company believes it has sufficient operating cash flows to continue to meet current obligations and invest in planned capital expenditures. Cash flows from operations were more than adequate to fund capital expenditures of \$35.9 million and \$48.2 million in the first six months of 2024 and 2023, respectively.

### *Share Repurchases*

There were no share repurchases during the six months ended June 30, 2024. During the six months ended June 30, 2023, the Company repurchased 5,400 shares at a cost of \$1.1 million, of which \$0.1 million was settled in July 2023. As of June 30, 2024, the amount of share repurchase authorization remaining was \$539.7 million. For additional information regarding the Company's share repurchase program, refer to [Note 11](#), "Share Repurchases," in the Notes to Condensed Consolidated Financial Statements.

### *Dividends*

Total dividend payments to common shareholders were \$100.7 million during the six months ended June 30, 2024 compared with \$93.9 million during the six months ended June 30, 2023.

### *Covenants*

The key financial covenants that the Company is required to maintain in connection with the Revolving Facility, the Term Facility, the 3.37% Senior Notes and the 5.13% Senior Notes, are a minimum interest coverage ratio of 3.0 to 1 and a maximum leverage ratio of 3.50 to 1. At June 30, 2024, the Company was in compliance with these financial covenants, as the Company's interest coverage ratio was 18.73 to 1 for covenant calculation purposes and the leverage ratio was 1.50 to 1. There are no financial covenants relating to the 2.625% Senior Notes or the 3.00% Senior Notes; however, both are subject to cross-default provisions.

### *Credit Ratings*

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

- S&P Global Ratings reaffirmed the Company's corporate credit rating of BBB (stable outlook) in August 2023.
- Moody's Investors Service affirmed the Company's corporate credit rating of Baa2 (stable outlook) in December 2021.
- Fitch Ratings reaffirmed the Company's corporate credit rating of BBB+ (stable outlook) in June 2024.

***Off-Balance Sheet Arrangements***

The Company had \$21.2 million of letters of credit as of June 30, 2024, primarily issued as security for insurance and other performance obligations. Of the \$21.2 million of letters of credit, only \$2.7 million reduced the Company's borrowing capacity under the Revolving Facility as of June 30, 2024.

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

**Critical Accounting Estimates**

There have been no changes to the Company's critical accounting estimates described in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

**Non-GAAP Disclosures**

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

Management uses Adjusted EBITDA as its principal measure of segment performance, and believes it is a useful indicator of the strength and performance of the Company and its segments' ongoing business operations, as well as a way for investors to evaluate and compare operating performance and value companies within the Company's industry. Management believes that Adjusted EBITDA margin is useful for the same reason as Adjusted EBITDA. The definition of Adjusted EBITDA used here may differ from that used by other companies.

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

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

All table footnotes can be found at the end of this Non-GAAP Disclosures section.

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

	FMT	HST	FSDP	IDEK
<b>Three Months Ended June 30, 2024</b>				
Change in net sales	(2 %)	(11 %)	— %	(5 %)
Less:				
Net impact from acquisitions/divestitures <sup>(1)</sup>	(1 %)	— %	— %	— %
Impact from foreign currency	(1 %)	— %	(1 %)	(1 %)
Change in organic net sales	— %	(11 %)	1 %	(4 %)
<b>Six Months Ended June 30, 2024</b>				
Change in net sales	(2 %)	(11 %)	1 %	(5 %)
Less:				
Net impact from acquisitions/divestitures <sup>(1)</sup>	— %	1 %	— %	— %
Impact from foreign currency	(1 %)	— %	— %	— %
Change in organic net sales	(1 %)	(12 %)	1 %	(5 %)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Gross profit	\$ 366.8	\$ 378.0	\$ 724.2	\$ 760.5
Fair value inventory step-up charges	—	—	2.5	—
Adjusted gross profit	\$ 366.8	\$ 378.0	\$ 726.7	\$ 760.5
Net sales	\$ 807.2	\$ 846.2	\$ 1,607.7	\$ 1,691.6
Gross margin	45.4 %	44.7 %	45.0 %	45.0 %
Adjusted gross margin	45.4 %	44.7 %	45.2 %	45.0 %

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Reported net income attributable to IDEX	\$ 141.3	\$ 138.6	\$ 262.7	\$ 278.4
Fair value inventory step-up charges	—	—	2.5	—
Tax impact on fair value inventory step-up charges	—	—	(0.5)	—
Restructuring expenses and asset impairments	1.3	3.6	2.4	4.1
Tax impact on restructuring expenses and asset impairments	(0.3)	(0.8)	(0.6)	(0.9)
Gain on sale of business	(4.6)	—	(4.6)	—
Tax impact on gain of sale of business	—	—	—	—
Credit loss on note receivable from collaborative partner <sup>(2)</sup>	—	7.7	—	7.7
Tax impact on credit loss on note receivable from collaborative partner	—	(1.6)	—	(1.6)
Acquisition-related intangible asset amortization	23.9	23.2	48.5	46.8
Tax impact on acquisition-related intangible asset amortization	(5.5)	(5.3)	(11.1)	(10.5)
Adjusted net income attributable to IDEX	\$ 156.1	\$ 165.4	\$ 299.3	\$ 324.0
Reported diluted EPS attributable to IDEX	\$ 1.86	\$ 1.82	\$ 3.46	\$ 3.66
Fair value inventory step-up charges	—	—	0.03	—
Tax impact on fair value inventory step-up charges	—	—	(0.01)	—
Restructuring expenses and asset impairments	0.02	0.05	0.03	0.06
Tax impact on restructuring expenses and asset impairments	—	(0.01)	(0.01)	(0.01)
Gain on sale of business	(0.06)	—	(0.06)	—
Tax impact on gain of sale of business	—	—	—	—
Credit loss on note receivable from collaborative partner <sup>(2)</sup>	—	0.10	—	0.10
Tax impact on credit loss on note receivable from collaborative partner	—	(0.02)	—	(0.02)
Acquisition-related intangible asset amortization	0.31	0.31	0.64	0.62
Tax impact on acquisition-related intangible asset amortization	(0.07)	(0.07)	(0.14)	(0.14)
Adjusted diluted EPS attributable to IDEX	\$ 2.06	\$ 2.18	\$ 3.94	\$ 4.27
Diluted weighted average shares outstanding	75.9	75.9	75.9	75.9

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Reported net income	\$ 141.2	\$ 138.5	\$ 262.5	\$ 278.3
Provision for income taxes	38.0	40.0	71.2	80.0
Interest expense – net	8.1	13.3	17.5	26.4
Gain on sale of business	(4.6)	—	(4.6)	—
Depreciation	16.3	14.4	32.5	27.2
Amortization	23.9	23.2	48.5	46.8
Fair value inventory step-up charges	—	—	2.5	—
Restructuring expenses and asset impairments	1.3	3.6	2.4	4.1
Credit loss on note receivable from collaborative partner <sup>(2)</sup>	—	7.7	—	7.7
Adjusted EBITDA	<u>\$ 224.2</u>	<u>\$ 240.7</u>	<u>\$ 432.5</u>	<u>\$ 470.5</u>
Adjusted EBITDA Components				
FMT	\$ 107.7	\$ 114.1	\$ 213.1	\$ 220.3
HST	84.2	93.7	165.6	194.4
FSDP	53.8	54.5	105.2	104.2
Corporate and other	(21.5)	(21.6)	(51.4)	(48.4)
Total Adjusted EBITDA	<u>\$ 224.2</u>	<u>\$ 240.7</u>	<u>\$ 432.5</u>	<u>\$ 470.5</u>
Net sales	\$ 807.2	\$ 846.2	\$ 1,607.7	\$ 1,691.6
Net income margin	17.5 %	16.4 %	16.3 %	16.4 %
Adjusted EBITDA margin	27.8 %	28.4 %	26.9 %	27.8 %

<sup>(1)</sup> Represents the sales from acquired or divested businesses during the first 12 months of ownership or prior to divestiture.

<sup>(2)</sup> Represents a reserve on an investment with a collaborative partner recorded in Other expense (income) – net during the three and six months ended June 30, 2023. During the fourth quarter of 2023, the Company converted the promissory note receivable from the collaborative partner to equity, resulting in a cost method investment with zero value.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

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

**Item 4. Controls and Procedures**

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

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

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

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

The Company and its subsidiaries are party to legal proceedings arising in the ordinary course of business as described in [Note 14](#) in Part I, Item 1, "Commitments and Contingencies," and such disclosure is incorporated by reference into this Item 1. "Legal Proceedings."

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

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

### Item 1A. Risk Factors

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

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

The following table provides information about the Company's purchases of its common stock during the quarter ended June 30, 2024:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value that May Yet be Purchased Under the Plans or Programs <sup>(1)</sup>
April 1, 2024 to April 30, 2024	—	\$ —	—	\$ 539,689,117
May 1, 2024 to May 30, 2024	—	—	—	539,689,117
June 1, 2024 to June 30, 2024	—	—	—	539,689,117
Total	—	\$ —	—	\$ 539,689,117

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

### Item 5. Other Information

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

**Item 6. *Exhibits***

<b>Exhibit Number</b>	<b>Description</b>
10.1**	<a href="#">INDEX Corporation 2024 Incentive Award Plan (incorporated by reference to Exhibit 4.3 to the Registrant's Registration Statement on Form S-8, filed with the Commission on May 7, 2024)</a>
31.1*	<a href="#">Certification of Chief Executive Officer Pursuant to Section 302 of Sarbanes Oxley Act of 2002</a>
31.2*	<a href="#">Certification of Chief Financial Officer Pursuant to Section 302 of Sarbanes Oxley Act of 2002</a>
32.1*	<a href="#">Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350</a>
32.2*	<a href="#">Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350</a>
101*	The following financial information from INDEX Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 formatted in Inline eXtensible Business Reporting Language (iXBRL) includes: (i) the Cover Page, (ii) the Condensed Consolidated Statements of Income, (iii) the Condensed Consolidated Statements of Comprehensive Income, (iv) the Condensed Consolidated Balance Sheets, (v) the Condensed Consolidated Statements of Equity, (vi) the Condensed Consolidated Statements of Cash Flows, and (vii) Notes to Condensed Consolidated Financial Statements.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

\* Filed herewith.

\*\* Management contract or compensatory plan or agreement.

**SIGNATURES**

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

INDEX Corporation

By: /s/ ABHISHEK KHANDELWAL

Abhishek Khandelwal

Senior Vice President and Chief Financial Officer

Date: August 1, 2024

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

I, Eric D. Ashleman, certify that:

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

*/s/ ERIC D. ASHLEMAN*

Eric D. Ashleman

*Chief Executive Officer and President*

Date: August 1, 2024

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

I, Abhishek Khandelwal, certify that:

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

*/s/ ABHISHEK KHANDELWAL*

Abhishek Khandelwal

*Senior Vice President and Chief Financial Officer*

Date: August 1, 2024

**Certification of Chief Executive Officer**

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

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2024 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

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

*/s/ ERIC D. ASHLEMAN*

Eric D. Ashleman

*Chief Executive Officer and President*

Date: August 1, 2024

**Certification of Chief Financial Officer**

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

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2024 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

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

*/s/ ABHISHEK KHANDELWAL*

Abhishek Khandelwal

*Senior Vice President and Chief Financial Officer*

Date: August 1, 2024