

**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: 001-38095**

**Ingersoll Rand Inc.**  
(Exact Name of Registrant as Specified in Its Charter)

**Delaware**  
(State or Other Jurisdiction of Incorporation or Organization)

**46-2393770**  
(I.R.S. Employer Identification No.)

**525 Harbour Place Drive, Suite 600**  
**Davidson, North Carolina 28036**  
(Address of Principal Executive Offices) (Zip Code)  
**(704) 655-4000**  
(Registrant's Telephone Number, Including Area Code)

**Securities Registered Pursuant to Section 12(b) of the Act:**

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, \$0.01 Par Value per share	IR	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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>	Emerging growth Company	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>		

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

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

The registrant had outstanding 403,484,175 shares of Common Stock, par value \$0.01 per share, as of July 26, 2024.



INGERSOLL RAND INC. AND SUBSIDIARIES

FORM 10-Q

INDEX

	<b>Page No.</b>
PART I. FINANCIAL INFORMATION	
<a href="#">Item 1. Financial Statements</a>	5
<a href="#">Condensed Consolidated Statements of Operations (Unaudited)</a>	5
<a href="#">Condensed Consolidated Statements of Comprehensive Income (Loss) (Unaudited)</a>	6
<a href="#">Condensed Consolidated Balance Sheets (Unaudited)</a>	7
<a href="#">Condensed Consolidated Statements of Stockholders' Equity (Unaudited)</a>	8
<a href="#">Condensed Consolidated Statements of Cash Flows (Unaudited)</a>	10
<a href="#">Notes to Condensed Consolidated Financial Statements</a>	11
<a href="#">Note 1. Basis of Presentation and Recent Accounting Pronouncements</a>	11
<a href="#">Note 2. Acquisitions</a>	11
<a href="#">Note 3. Restructuring</a>	14
<a href="#">Note 4. Allowance for Credit Losses</a>	15
<a href="#">Note 5. Inventories</a>	15
<a href="#">Note 6. Goodwill and Other Intangible Assets</a>	15
<a href="#">Note 7. Supply Chain Finance Program</a>	16
<a href="#">Note 8. Accrued Liabilities</a>	16
<a href="#">Note 9. Benefit Plans</a>	17
<a href="#">Note 10. Debt</a>	18
<a href="#">Note 11. Stock-Based Compensation Plans</a>	20
<a href="#">Note 12. Accumulated Other Comprehensive Loss</a>	22
<a href="#">Note 13. Hedging Activities and Derivative Instruments</a>	24
<a href="#">Note 14. Fair Value Measurements</a>	27
<a href="#">Note 15. Revenue from Contracts with Customers</a>	29
<a href="#">Note 16. Income Taxes</a>	31
<a href="#">Note 17. Other Operating Expense, Net</a>	32
<a href="#">Note 18. Contingencies</a>	32
<a href="#">Note 19. Segment Results</a>	33
<a href="#">Note 20. Earnings Per Share</a>	35
<a href="#">Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	36
<a href="#">Item 3. Quantitative and Qualitative Disclosures About Market Risk</a>	49
<a href="#">Item 4. Controls and Procedures</a>	49
PART II. OTHER INFORMATION	
<a href="#">Item 1. Legal Proceedings</a>	50
<a href="#">Item 1A. Risk Factors</a>	50
<a href="#">Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</a>	50
<a href="#">Item 3. Defaults Upon Senior Securities</a>	50
<a href="#">Item 4. Mine Safety Disclosures</a>	50
<a href="#">Item 5. Other Information</a>	50
<a href="#">Item 6. Exhibits</a>	51
<a href="#">SIGNATURES</a>	52

## **SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

In addition to historical information, this Form 10-Q may contain “forward-looking statements” within the meaning of the “safe harbor provisions” of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts included in this Form 10-Q, including statements concerning our plans, objectives, goals, beliefs, business strategies, future events, business conditions, results of operations, financial position, business outlook, business trends and other information, may be forward-looking statements. Words such as “estimates,” “expects,” “contemplates,” “will,” “anticipates,” “projects,” “plans,” “intends,” “believes,” “forecasts,” “may,” “should” and variations of such words or similar expressions are intended to identify forward-looking statements. The forward-looking statements are not historical facts, and are based upon our current expectations, beliefs, estimates and projections, and various assumptions, many of which, by their nature, are inherently uncertain and beyond our control. Our expectations, beliefs, estimates and projections are expressed in good faith and we believe there is a reasonable basis for them. However, there can be no assurance that management’s expectations, beliefs, estimates and projections will result or be achieved and actual results may vary materially from what is expressed in or indicated by the forward-looking statements.

There are a number of risks, uncertainties and other important factors, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking statements contained in this Form 10-Q. Such risks, uncertainties and other important factors that could cause actual results to differ include, among others, the risks, uncertainties and factors set forth under “Part I, Item 1A. Risk Factors” and “Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (the “2023 Annual Report”) and under “Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this Form 10-Q, as such risk factors may be updated from time to time in our periodic filings with the SEC, and are accessible on the SEC’s website at [www.sec.gov](http://www.sec.gov), and also include the following:

- We have exposure to the risks associated with instability in the global economy and financial markets, which may negatively impact our revenues, liquidity, suppliers and customers.
- Information systems failure or disruption, due to cyber terrorism or other actions, may adversely impact our business and result in financial loss to the Company or liability to our customers.
- More than half of our sales and operations are in non-U.S. jurisdictions and we are subject to the economic, political, regulatory and other risks of international operations.
- A natural disaster, catastrophe, pandemic, geopolitical tensions or other event could adversely affect our operations.
- Large or rapid increases in the cost of raw materials and component parts, substantial decreases in their availability or our dependence on particular suppliers of raw materials and component parts could materially and adversely affect our operating results.
- We face competition in the markets we serve, which could materially and adversely affect our operating results.
- Shareholder, customer and regulatory agency emphasis on environmental, social, and governance responsibility may impose additional costs on us or expose us to new risks.
- Acquisitions, including integrating such acquisitions, and dispositions create certain risks and may affect our operating results.
- Our results of operations are subject to exchange rate and other currency risks. A significant movement in exchange rates could adversely impact our results of operations and cash flows.
- If we are unable to develop new products and technologies, our competitive position may be impaired, which could materially and adversely affect our sales and market share.
- Our business could suffer if we experience employee work stoppages, union and work council campaigns or other labor difficulties.
- Changes in tax or other laws, regulations, or adverse determinations by taxing or other governmental authorities could increase our effective tax rate and cash taxes paid or otherwise affect our financial condition or operating results.
- Our success depends on our ability to attract, retain and develop key personnel and other talent throughout the Company.
- The risk of non-compliance with U.S. and foreign laws and regulations applicable to our international operations could have a significant impact on our results of operations, financial condition or strategic objectives.
- Third parties may infringe upon our intellectual property or may claim we have infringed their intellectual property, and we may expend significant resources enforcing or defending our rights or suffer competitive injury.
- The loss of, or disruption in, our distribution network could have a negative impact on our abilities to ship products, meet customer demand and otherwise operate our business.
- Our ongoing and expected restructuring plans and other cost savings initiatives may not be as effective as we anticipate, and we may fail to realize the cost savings and increased efficiencies that we expect to result from these actions. Our operating results could be negatively affected by our inability to effectively implement such restructuring plans and other cost savings initiatives.

- Cost overruns, delays, penalties or liquidated damages could negatively impact our results, particularly with respect to fixed-price contracts for custom engineered products.
- Our operating results could be adversely affected by a loss or reduction of business with key customers or consolidation or the vertical integration of our customer base.
- Credit and counterparty risks could harm our business.
- The nature of our products creates the possibility of significant product liability and warranty claims, which could harm our business.
- A significant portion of our assets consists of goodwill and other intangible assets, the value of which may be reduced if we determine that those assets are impaired.
- Environmental compliance costs and liabilities could adversely affect our financial condition.
- We face risks associated with our pension and other postretirement benefit obligations.
- Our indebtedness could have important adverse consequences and adversely affect our financial condition.
- We may not be able to generate sufficient cash to service all of our indebtedness, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.
- Despite our level of indebtedness, we and our subsidiaries may still be able to incur substantially more debt, including off-balance sheet financing, contractual obligations and general and commercial liabilities. This could further exacerbate the risks to our financial condition.
- Our fixed rate to floating rate swap contracts subject us to interest rate risk, which could cause our debt service obligations to increase significantly.
- We utilize derivative financial instruments to manage interest rate exposure and fixed to float mix. We will be exposed to risks related to counterparty credit worthiness or non-performance of these instruments.
- If the syndicate of financial institutions which are party to our New Revolving Credit Facility (as defined herein) fail to extend credit under our New Revolving Credit Facility, our liquidity and results of operations may be adversely affected.

We caution you that the risks, uncertainties and other factors referenced above may not contain all of the risks, uncertainties and other factors that are important to you. In addition, we cannot assure you that we will realize the results, benefits or developments that we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our business in the way expected. There can be no assurance that (i) we have correctly measured or identified all of the factors affecting our business or the extent of these factors' likely impact, (ii) the available information with respect to these factors on which such analysis is based is complete or accurate, (iii) such analysis is correct or (iv) our strategy, which is based in part on this analysis, will be successful. All forward-looking statements in this report apply only as of the date of this report or as of the date they were made and, except as required by applicable law, we undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise.

All references to "we," "us," "our," the "Company" or "Ingersoll Rand" in this Quarterly Report on Form 10-Q mean Ingersoll Rand Inc. and its subsidiaries, unless the context otherwise requires.

#### **Website Disclosure**

We use our website [www.irco.com](http://www.irco.com) as a channel of distribution of Company information. Financial and other important information regarding us is routinely accessible through and posted on our website. Accordingly, investors should monitor our website, in addition to following our press releases, SEC filings and public conference calls and webcasts. In addition, you may automatically receive e-mail alerts and other information about Ingersoll Rand Inc. when you enroll your email address by visiting the "Investor Alerts" section of our website at [investors.irco.com](http://investors.irco.com). The contents of our website are not, however, a part of this Quarterly Report on Form 10-Q.

**PART I. FINANCIAL INFORMATION**
**ITEM 1. FINANCIAL STATEMENTS**

**INGERSOLL RAND INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited; in millions, except per share amounts)

	<b>For the Three Month Period Ended June 30,</b>		<b>For the Six Month Period Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Revenues</b>	\$ 1,805.3	\$ 1,686.5	\$ 3,475.4	\$ 3,315.8
Cost of sales	1,012.0	989.0	1,935.8	1,954.1
<b>Gross Profit</b>	<b>793.3</b>	<b>697.5</b>	<b>1,539.6</b>	<b>1,361.7</b>
Selling and administrative expenses	342.1	315.6	678.4	626.7
Amortization of intangible assets	91.2	89.7	182.8	182.1
Other operating expense, net	88.2	19.8	113.4	40.2
<b>Operating Income</b>	<b>271.8</b>	<b>272.4</b>	<b>565.0</b>	<b>512.7</b>
Interest expense	50.8	40.8	87.6	79.7
Loss on extinguishment of debt	3.0	0.9	3.0	0.9
Other income, net	(18.1)	(8.2)	(31.3)	(17.8)
<b>Income Before Income Taxes</b>	<b>236.1</b>	<b>238.9</b>	<b>505.7</b>	<b>449.9</b>
Provision for income taxes	46.1	60.5	100.5	108.6
Income (loss) on equity method investments	(3.5)	2.4	(14.2)	2.7
<b>Net Income</b>	<b>186.5</b>	<b>180.8</b>	<b>391.0</b>	<b>344.0</b>
Less: Net income attributable to noncontrolling interests	1.5	1.3	3.8	3.4
<b>Net Income Attributable to Ingersoll Rand Inc.</b>	<b>\$ 185.0</b>	<b>\$ 179.5</b>	<b>\$ 387.2</b>	<b>\$ 340.6</b>
Basic earnings per share	0.46	0.44	0.96	0.84
Diluted earnings per share	0.45	0.44	0.95	0.83

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

**INGERSOLL RAND INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
(Unaudited; in millions)

	<b>For the Three Month Period Ended June 30,</b>		<b>For the Six Month Period Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Comprehensive Income Attributable to Ingersoll Rand Inc.</b>				
Net income attributable to Ingersoll Rand Inc.	\$ 185.0	\$ 179.5	\$ 387.2	\$ 340.6
Other comprehensive loss, net of tax:				
Foreign currency translation adjustments, net	(34.0)	(46.6)	(107.5)	(15.8)
Unrecognized gain (loss) on cash flow hedges	(2.1)	10.9	(2.2)	5.6
Pension and other postretirement prior service cost and gain (loss), net	(1.4)	(1.1)	(2.8)	(1.3)
Total other comprehensive loss, net of tax	(37.5)	(36.8)	(112.5)	(11.5)
Comprehensive income attributable to Ingersoll Rand Inc.	\$ 147.5	\$ 142.7	\$ 274.7	\$ 329.1
<b>Comprehensive Income Attributable to Noncontrolling Interests</b>				
Net income attributable to noncontrolling interests	\$ 1.5	\$ 1.3	\$ 3.8	\$ 3.4
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments, net	0.1	(0.1)	(0.7)	0.8
Total other comprehensive income (loss), net of tax	0.1	(0.1)	(0.7)	0.8
Comprehensive income attributable to noncontrolling interests	1.6	1.2	3.1	4.2
<b>Total Comprehensive Income</b>	<b>\$ 149.1</b>	<b>\$ 143.9</b>	<b>\$ 277.8</b>	<b>\$ 333.3</b>

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

**INGERSOLL RAND INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited; in millions, except share amounts)

	June 30, 2024	December 31, 2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,062.5	\$ 1,595.5
Accounts receivable, net of allowance for credit losses of \$56.9 and \$53.8, respectively	1,301.4	1,234.2
Inventories	1,160.0	1,001.1
Other current assets	319.3	219.6
Total current assets	3,843.2	4,050.4
Property, plant and equipment, net of accumulated depreciation of \$535.0 and \$500.8, respectively	830.0	711.4
Goodwill	8,217.1	6,609.7
Other intangible assets, net	4,478.2	3,611.1
Deferred tax assets	29.6	31.5
Other assets	440.4	549.4
Total assets	\$ 17,838.5	\$ 15,563.5
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Short-term borrowings and current maturities of long-term debt	\$ 4.5	\$ 30.6
Accounts payable	748.5	801.2
Accrued liabilities	1,011.6	995.5
Total current liabilities	1,764.6	1,827.3
Long-term debt, less current maturities	4,750.9	2,693.0
Pensions and other postretirement benefits	150.9	150.0
Deferred income tax liabilities	838.2	612.6
Other liabilities	309.7	433.9
Total liabilities	\$ 7,814.3	\$ 5,716.8
Commitments and contingencies (Note 18)	—	—
Stockholders' equity		
Common stock, \$0.01 par value; 1,000,000,000 shares authorized; 430,371,281 and 428,589,061 shares issued as of June 30, 2024 and December 31, 2023, respectively	4.3	4.3
Capital in excess of par value	9,595.3	9,550.8
Retained earnings	2,068.3	1,697.2
Accumulated other comprehensive loss	(340.1)	(227.6)
Treasury stock at cost; 26,595,683 and 25,241,667 shares as of June 30, 2024 and December 31, 2023, respectively	(1,369.6)	(1,240.9)
Total Ingersoll Rand Inc. stockholders' equity	\$ 9,958.2	\$ 9,783.8
Noncontrolling interests	66.0	62.9
Total stockholders' equity	\$ 10,024.2	\$ 9,846.7
Total liabilities and stockholders' equity	\$ 17,838.5	\$ 15,563.5

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



**INGERSOLL RAND INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(Unaudited; in millions)

<b>Three Month Period Ended June 30, 2024</b>									
	<b>Common Stock</b>		<b>Capital in Excess of Par Value</b>	<b>Retained Earnings</b>	<b>Accumulated Other Comprehensive Loss</b>	<b>Treasury Stock</b>	<b>Total Ingersoll Rand Inc. Stockholders' Equity</b>	<b>Noncontrolling Interests</b>	<b>Total Equity</b>
	<b>Shares Issued</b>	<b>Par</b>							
Balance at beginning of period	429.7	\$ 4.3	\$ 9,569.8	\$ 1,891.3	\$ (302.6)	\$ (1,307.5)	\$ 9,855.3	\$ 64.4	\$ 9,919.7
Net income	—	—	—	185.0	—	—	185.0	1.5	186.5
Dividends declared	—	—	—	(8.0)	—	—	(8.0)	—	(8.0)
Issuance of common stock for stock-based compensation plans	0.7	—	11.2	—	—	—	11.2	—	11.2
Purchases of treasury stock	—	—	—	—	—	(62.6)	(62.6)	—	(62.6)
Issuance of treasury stock for stock-based compensation plans	—	—	(0.2)	—	—	0.5	0.3	—	0.3
Stock-based compensation	—	—	14.5	—	—	—	14.5	—	14.5
Other comprehensive income (loss), net of tax	—	—	—	—	(37.5)	—	(37.5)	0.1	(37.4)
Balance at end of period	430.4	\$ 4.3	\$ 9,595.3	\$ 2,068.3	\$ (340.1)	\$ (1,369.6)	\$ 9,958.2	\$ 66.0	\$ 10,024.2

<b>Three Month Period Ended June 30, 2023</b>									
	<b>Common Stock</b>		<b>Capital in Excess of Par Value</b>	<b>Retained Earnings</b>	<b>Accumulated Other Comprehensive Loss</b>	<b>Treasury Stock</b>	<b>Total Ingersoll Rand Inc. Stockholders' Equity</b>	<b>Noncontrolling Interests</b>	<b>Total Equity</b>
	<b>Shares Issued</b>	<b>Par</b>							
Balance at beginning of period	427.5	\$ 4.3	\$ 9,493.6	\$ 1,103.9	\$ (226.4)	\$ (1,058.1)	\$ 9,317.3	\$ 64.4	\$ 9,381.7
Net income	—	—	—	179.5	—	—	179.5	1.3	180.8
Dividends declared	—	—	—	(8.1)	—	—	(8.1)	—	(8.1)
Issuance of common stock for stock-based compensation plans	0.3	—	5.0	—	—	—	5.0	—	5.0
Purchases of treasury stock	—	—	—	—	—	(56.2)	(56.2)	—	(56.2)
Issuance of treasury stock for stock-based compensation plans	—	—	(0.3)	—	—	2.4	2.1	—	2.1
Stock-based compensation	—	—	12.0	—	—	—	12.0	—	12.0
Other comprehensive loss, net of tax	—	—	—	—	(36.8)	—	(36.8)	(0.1)	(36.9)
Balance at end of period	427.8	\$ 4.3	\$ 9,510.3	\$ 1,275.3	\$ (263.2)	\$ (1,111.9)	\$ 9,414.8	\$ 65.6	\$ 9,480.4

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

**INGERSOLL RAND INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (CONTINUED)**  
(Unaudited; in millions)

<b>Six Month Period Ended June 30, 2024</b>									
	<b>Common Stock</b>		<b>Capital in Excess of Par Value</b>	<b>Retained Earnings</b>	<b>Accumulated Other Comprehensive Loss</b>	<b>Treasury Stock</b>	<b>Total Ingersoll Rand Inc. Stockholders' Equity</b>	<b>Noncontrolling Interests</b>	<b>Total Equity</b>
	<b>Shares Issued</b>	<b>Par</b>							
Balance at beginning of period	428.6	\$ 4.3	\$ 9,550.8	\$ 1,697.2	\$ (227.6)	\$ (1,240.9)	\$ 9,783.8	\$ 62.9	\$ 9,846.7
Net income	—	—	—	387.2	—	—	387.2	3.8	391.0
Dividends declared	—	—	—	(16.1)	—	—	(16.1)	—	(16.1)
Issuance of common stock for stock-based compensation plans	1.8	—	21.3	—	—	—	21.3	—	21.3
Purchases of treasury stock	—	—	—	—	—	(135.5)	(135.5)	—	(135.5)
Issuance of treasury stock for stock-based compensation plans	—	—	(5.4)	—	—	6.8	1.4	—	1.4
Stock-based compensation	—	—	28.6	—	—	—	28.6	—	28.6
Other comprehensive loss, net of tax	—	—	—	—	(112.5)	—	(112.5)	(0.7)	(113.2)
Balance at end of period	430.4	\$ 4.3	\$ 9,595.3	\$ 2,068.3	\$ (340.1)	\$ (1,369.6)	\$ 9,958.2	\$ 66.0	\$ 10,024.2

  

<b>Six Month Period Ended June 30, 2023</b>									
	<b>Common Stock</b>		<b>Capital in Excess of Par Value</b>	<b>Retained Earnings</b>	<b>Accumulated Other Comprehensive Loss</b>	<b>Treasury Stock</b>	<b>Total Ingersoll Rand Inc. Stockholders' Equity</b>	<b>Noncontrolling Interests</b>	<b>Total Equity</b>
	<b>Shares Issued</b>	<b>Par</b>							
Balance at beginning of period	426.3	\$ 4.3	\$ 9,476.8	\$ 950.9	\$ (251.7)	\$ (984.5)	\$ 9,195.8	\$ 61.4	\$ 9,257.2
Net income	—	—	—	340.6	—	—	340.6	3.4	344.0
Dividends declared	—	—	—	(16.2)	—	—	(16.2)	—	(16.2)
Issuance of common stock for stock-based compensation plans	1.5	—	13.7	—	—	—	13.7	—	13.7
Purchases of treasury stock	—	—	—	—	—	(133.2)	(133.2)	—	(133.2)
Issuance of treasury stock for stock-based compensation plans	—	—	(3.6)	—	—	5.8	2.2	—	2.2
Stock-based compensation	—	—	23.4	—	—	—	23.4	—	23.4
Other comprehensive income (loss), net of tax	—	—	—	—	(11.5)	—	(11.5)	0.8	(10.7)
Balance at end of period	427.8	\$ 4.3	\$ 9,510.3	\$ 1,275.3	\$ (263.2)	\$ (1,111.9)	\$ 9,414.8	\$ 65.6	\$ 9,480.4

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

**INGERSOLL RAND INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited; in millions)

	For the Six Month Period Ended June 30,	
	2024	2023
<b>Cash Flows From Operating Activities:</b>		
Net income	\$ 391.0	\$ 344.0
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of intangible assets	182.8	182.1
Depreciation	51.3	43.7
Non-cash restructuring charges	—	1.9
Stock-based compensation expense	28.6	24.0
Loss (income) on equity method investments	14.2	(2.7)
Foreign currency transaction gains, net	(0.7)	(0.1)
Non-cash adjustments to carrying value of LIFO inventories	7.2	14.3
Loss on extinguishment of debt	3.0	0.9
Loss on sale of asbestos-related assets and liabilities	33.7	—
Other non-cash adjustments	3.4	5.2
Changes in assets and liabilities:		
Receivables	(8.1)	(62.7)
Inventories	(63.6)	(29.6)
Accounts payable	(72.8)	(126.8)
Accrued liabilities	(44.3)	53.1
Other assets and liabilities, net	(59.2)	(48.6)
Net cash provided by operating activities	466.5	398.7
<b>Cash Flows Used In Investing Activities:</b>		
Capital expenditures	(84.1)	(47.2)
Net cash paid in acquisitions	(2,744.0)	(615.8)
Disposals of property, plant and equipment	—	7.3
Other investing	(6.0)	0.3
Net cash used in investing activities	(2,834.1)	(655.4)
<b>Cash Flows From (Used In) Financing Activities:</b>		
Principal payments on long-term debt	(1,240.7)	(20.6)
Proceeds from long-term debt	3,296.9	—
Purchases of treasury stock	(135.5)	(132.8)
Cash dividends on common shares	(16.1)	(16.2)
Proceeds from stock option exercises	22.7	15.6
Payments to settle cross-currency swaps	(19.9)	—
Payments of deferred and contingent acquisition consideration	(12.0)	(5.3)
Payments of debt issuance costs	(32.3)	(5.3)
Other financing	(1.1)	(1.1)
Net cash provided by (used in) financing activities	1,862.0	(165.7)
Effect of exchange rate changes on cash and cash equivalents	(27.4)	(12.5)
Net decrease in cash and cash equivalents	(533.0)	(434.9)
Cash and cash equivalents, beginning of period	1,595.5	1,613.0
Cash and cash equivalents, end of period	\$ 1,062.5	\$ 1,178.1
<b>Supplemental Cash Flow Information</b>		
Cash paid for income taxes, net of refunds	\$ 128.9	\$ 100.3
Cash paid for interest, net of interest rate derivative settlements	56.9	73.5

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



**INGERSOLL RAND INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited; in millions, except per share amounts)

**Note 1. Basis of Presentation and Recent Accounting Pronouncements**

***Basis of Presentation***

Ingersoll Rand Inc. is a global provider of mission-critical flow creation products and life science and industrial solutions. The accompanying condensed consolidated financial statements include the accounts of Ingersoll Rand Inc. and its majority-owned subsidiaries (collectively referred to herein as “Ingersoll Rand” or the “Company”).

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial reporting, the instructions for Form 10-Q and Article 10 of the U.S. Securities and Exchange Commission (“SEC”) Regulation S-X. In the Company’s opinion, the condensed consolidated financial statements reflect all adjustments of a normal recurring nature necessary for a fair statement of the results for the interim periods presented. The condensed consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2023 (“2023 Annual Report”).

The results of operations for the three month period ended June 30, 2024 are not necessarily indicative of future results.

***Divestiture of Asbestos Liabilities and Certain Assets***

On June 10, 2024, the Company divested three wholly-owned subsidiaries that hold asbestos liabilities and certain assets, including the related insurance assets, to a third-party. The divestiture resulted in a pre-tax loss of \$58.8 million, recorded to “Other operating expense, net.” See Note 18 “[Contingencies](#)” for additional details.

***Recently Issued Accounting Pronouncements***

In November 2023, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standard Update (“ASU”) 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segments expenses. The amendments in this update are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The amendments in this update should be applied retrospectively to all prior periods presented in the financial statements. Upon transition, the segment expense categories and amounts disclosed in the prior periods should be based on the significant segment expense categories identified and disclosed in the period of adoption. The adoption will modify our disclosures but is not expected to have a material effect on our consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which addresses investor requests for more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The amendments in this update are effective for annual periods beginning after December 15, 2024. Early adoption is permitted for annual statements that have not yet been issued or made available for issuance. The amendments in this update should be applied on a prospective basis. Retrospective application is permitted. The adoption will modify our disclosures but is not expected to have a material effect on our consolidated financial statements.

**Note 2. Acquisitions**

***Acquisitions in 2024***

On February 1, 2024, the Company completed the acquisition of Friulair S.r.l. (“Friulair”) for initial cash consideration of \$142.2 million and contingent consideration of up to approximately \$11.0 million. The business is a manufacturer of dryers, filters, aftercoolers, and accessories for the treatment of compressed air and its chiller product line. The acquisition is intended to increase the scale of the Company’s air dryer business and will add new chiller production capabilities. Friulair has been reported within the Industrial Technologies and Services segment. The goodwill arising from the acquisition is primarily attributable to revenue and cost synergies, anticipated growth of new and existing customers, and the assembled workforce. Substantially all of this goodwill is not expected to be deductible for tax purposes.

On April 1, 2024, the Company completed the acquisition of Controlled Fluidics, LLC (“Controlled Fluidics”) for initial cash consideration of \$49.9 million and contingent consideration of up to \$2.0 million. The business specializes in thermoplastic, high-performance plastic bonding and custom plastic assembly products for life sciences, medical, aerospace, and industrial applications. The acquisition will complement Ingersoll Rand’s current life sciences offerings and increase the Company’s market share in high-growth, sustainable end markets. Controlled Fluidics has been reported within the Precision and Science Technologies segment.

On April 2, 2024, the Company completed the acquisition of Ethafilter s.r.l. (“Ethafilter”) for cash consideration of \$15.6 million. The business primarily produces filters and filter elements that can be used with all major brands in the compressed air sector. The acquisition will expand Ingersoll Rand’s product portfolio, extend its reach in highly attractive end markets with the addition of sterile filter technology, and drive ongoing growth from aftermarket services and offerings. Ethafilter has been reported within the Industrial Technologies and Services segment.

On May 1, 2024, the Company completed the acquisition of Air Systems, LLC (“Air Systems”) for cash consideration of \$35.2 million. The business is a provider of compressed air services. Air Systems has been reported within the Industrial Technologies and Services segment.

On May 31, 2024, the Company completed the acquisition of Complete Air and Power Solutions (“CAPS”) for cash consideration of \$96.7 million. The business is a provider of compressed air and power generation services. The acquisition is expected to expand the Company’s channel within Australia. CAPS has been reported within the Industrial Technologies and Services segment.

On May 31, 2024, the Company completed the acquisition of Fruvac Ltd. (“Fruitland Manufacturing”) for cash consideration of \$28.3 million. The business is a manufacturer of mobile and truck mounted vacuum pumps, systems, and peripheral parts. The acquisition is expected to expand the Company’s capabilities to include low flow applications in the mobile vacuum market. Fruitland Manufacturing has been reported within the Industrial Technologies and Services segment.

On June 1, 2024, the Company completed the acquisition of Del PD Pumps & Gear Pvt Ltd. (“Del Pumps”) for cash consideration of \$25.2 million. The business is a manufacturer of rotary, twin, and triple gear pumps for the loading, unloading, transfer, and pressurization of liquids. The acquisition will complement the Company’s portfolio of mission critical, high margin pumping solutions across life science, food and beverage, medical, natural gas, and wastewater treatment industries. Del Pumps has been reported within the Precision and Science Technologies segment.

On June 3, 2024, the Company completed the acquisition of Astronaut Topco, LP and Astronaut Topco GP, LLC (collectively “ILC Dover”) for initial cash consideration of \$2,360.2 million and contingent consideration of up to \$75.0 million. ILC Dover’s offerings include solutions for biopharmaceutical, pharmaceutical, and medical device markets as well as products for the space industry and will be reported in the Precision and Science Technologies segment. Based on the preliminary benchmarking valuation, the identified intangible assets consist of customer relationships, tradenames and technology. The goodwill arising from the acquisition is primarily attributable to revenue and cost synergies, anticipated growth of new and existing customers, and the assembled workforce. The majority of this goodwill is not expected to be deductible for tax purposes.

Other acquisitions completed during the six months ended June 30, 2024 include a manufacturer of vacuum pumps and accessories, substantially all of which have been reported within the Industrial Technologies and Services segment. The aggregate consideration for this acquisition was \$1.3 million.

The following table summarizes the allocation of consideration for all businesses acquired in 2024 to the fair values of identifiable assets acquired and liabilities assumed at the acquisition dates. Initial accounting for these acquisitions is preliminary, and

amounts assigned to acquired assets and liabilities assumed are subject to change as information necessary to complete the analysis is obtained.

	ILC Dover	Friulair	All Others	Total
Accounts receivable	\$ 41.7	\$ 14.2	\$ 22.3	\$ 78.2
Inventories	86.1	13.2	25.6	124.9
Other current assets	48.8	0.5	2.8	52.1
Property, plant and equipment	78.3	7.2	13.7	99.2
Goodwill	1,417.0	67.1	179.9	1,664.0
Other intangible assets	947.7	84.5	32.2	1,064.4
Other assets	16.3	—	5.7	22.0
Total current liabilities	(32.8)	(11.0)	(22.9)	(66.7)
Deferred tax liabilities	(174.4)	(24.2)	(1.5)	(200.1)
Other noncurrent liabilities	(18.5)	(2.8)	(5.3)	(26.6)
Total consideration	\$ 2,410.2	\$ 148.7	\$ 252.5	\$ 2,811.4

The aggregate revenue and operating income included in the condensed consolidated financial statements for these acquisitions subsequent to the dates of acquisition was \$64.5 million and \$6.1 million for the three month period ended June 30, 2024, respectively, and \$75.8 million and \$6.6 million for the six month period then ended, respectively. The operating income of these acquired businesses include the effects of acquisition-related accounting adjustments such as amortization of intangible assets and fair value adjustments to acquired inventory.

### ***Acquisitions in 2023***

On January 3, 2023, the Company completed the acquisition of SPX FLOW's Air Treatment business ("Air Treatment") for cash consideration of \$519.0 million. The business is a manufacturer of desiccant and refrigerated dryers, filtration systems and purifiers for dehydration in compressed air. The acquisition is intended to expand the Company's offerings of compressor system components through globally recognized brands. The Air Treatment business has been reported within the Industrial Technologies and Services segment. The goodwill arising from the acquisition is primarily attributable to revenue and cost synergies, anticipated growth of new and existing customers, and the assembled workforce. Substantially all of this goodwill is not expected to be deductible for tax purposes.

On February 1, 2023, the Company acquired Paragon Tank Truck Equipment ("Paragon"), a provider of solutions used for loading and unloading dry bulk and liquid tanks on and off of trucks, for cash consideration of \$42.2 million. Paragon has been reported within the Industrial Technologies and Services segment.

On April 1, 2023, the Company acquired EcoPlant Technological Innovation Ltd. ("EcoPlant"), for initial cash consideration of \$29.5 million and contingent consideration of up to \$17.0 million. EcoPlant is a provider of a software-as-a-service platform that dynamically controls compressed air systems to optimize performance and resource consumption. EcoPlant has been reported within the Industrial Technologies and Services segment.

On August 18, 2023, the Company completed the acquisition of Howden Roots LLC ("Roots"), for cash consideration of \$290.0 million. Roots is a leading manufacturer of engineered rotary and centrifugal blowers with an iconic brand developed over more than 160 years. The acquisition is intended to expand the Company's blower product portfolio and benefit from Roots' robust technical capabilities and exposure to growing sustainability-related applications. Roots has been reported within the Industrial Technologies and Services segment. The goodwill arising from the acquisition is primarily attributable to revenue and cost synergies, anticipated growth of new and existing customers, and the assembled workforce. This goodwill is expected to be deductible for tax purposes.

The Company acquired 10 additional businesses in 2023 for aggregate consideration of \$84.0 million. These primarily consist of manufacturers and distributors of existing and adjacent offerings in the Industrial Technologies and Services segment.

The following table summarizes the allocation of consideration for all businesses acquired in 2023 to the fair values of identifiable assets acquired and liabilities assumed at the acquisition dates. Initial accounting for Air Treatment is complete. Initial accounting for other acquisitions completed in 2023 is substantially complete.

	<b>Air Treatment</b>	<b>Roots</b>	<b>All Others</b>	<b>Total</b>
Accounts receivable	\$ 26.1	\$ 14.5	\$ 11.7	\$ 52.3
Inventories	43.9	34.2	21.0	99.1
Other current assets	2.1	2.9	6.2	11.2
Property, plant and equipment	18.4	42.0	5.0	65.4
Goodwill	279.9	105.6	126.7	512.2
Other intangible assets	238.6	116.9	25.4	380.9
Other assets	7.6	3.1	0.4	11.1
Total current liabilities	(35.9)	(26.9)	(19.5)	(82.3)
Deferred tax liabilities	(54.8)	—	(3.9)	(58.7)
Other noncurrent liabilities	(6.9)	(2.3)	(4.5)	(13.7)
Total consideration	<u>\$ 519.0</u>	<u>\$ 290.0</u>	<u>\$ 168.5</u>	<u>\$ 977.5</u>

The revenues included in the condensed consolidated financial statements for these acquisitions subsequent to their date of acquisition was \$110.5 million and \$60.6 million for the three month periods ended June 30, 2024 and 2023, respectively, and \$206.1 million and \$109.0 million for the six month periods then ended, respectively. The operating income included in the condensed consolidated financial statements for these acquisitions subsequent to their date of acquisition was \$16.7 million and \$3.7 million for the three month periods ended June 30, 2024 and 2023, respectively, and \$28.2 million and \$6.9 million for the six month periods then ended, respectively. The operating income of these acquired businesses include the effects of acquisition-related accounting adjustments such as amortization of intangible assets and fair value adjustments to acquired inventory.

### Note 3. Restructuring

#### 2024 and 2023 Actions

The Company continues to undertake restructuring actions to optimize our cost structure. Charges incurred from actions taken in 2024 and 2023 include workforce restructuring, facility consolidation and other exit and disposal costs.

For the three and six month periods ended June 30, 2024 and 2023, “Restructuring charges, net” were recognized within “Other operating expense, net” in the Condensed Consolidated Statements of Operations and consisted of the following.

	<b>For the Three Month Period Ended June 30,</b>		<b>For the Six Month Period Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Industrial Technologies and Services	\$ 3.1	\$ 3.8	\$ 8.2	\$ 6.9
Precision and Science Technologies	0.6	1.4	5.0	1.0
Corporate	0.2	—	0.4	0.2
Restructuring charges, net	<u>\$ 3.9</u>	<u>\$ 5.2</u>	<u>\$ 13.6</u>	<u>\$ 8.1</u>

The following table summarizes the activity associated with the Company’s restructuring programs for the three and six month periods ended June 30, 2024 and 2023.

	<b>For the Three Month Period Ended June 30,</b>		<b>For the Six Month Period Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Balance at beginning of period	\$ 20.6	\$ 13.4	\$ 15.5	\$ 14.9
Charged to expense - termination benefits	3.4	2.4	12.7	3.3
Charged to expense - other <sup>(1)</sup>	0.5	1.8	0.9	2.9
Payments	(8.9)	(7.2)	(13.2)	(10.8)
Currency translation adjustment and other	—	0.1	(0.3)	0.2
Balance at end of period	<u>\$ 15.6</u>	<u>\$ 10.5</u>	<u>\$ 15.6</u>	<u>\$ 10.5</u>



- (1) Excludes \$1.0 million and \$1.9 million of non-cash charges that impacted restructuring expense but not the restructuring liabilities during the three and six month periods ended June 30, 2023, respectively.

#### Note 4. Allowance for Credit Losses

The allowance for credit losses for the three and six month periods ended June 30, 2024 and 2023 consisted of the following.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2024	2023	2024	2023
Balance at beginning of the period	\$ 55.3	\$ 51.0	\$ 53.8	\$ 47.2
Provision charged to expense	1.8	2.2	4.3	6.2
Write-offs, net of recoveries	(0.6)	(1.3)	(0.9)	(1.7)
Foreign currency translation and other	0.4	(0.7)	(0.3)	(0.5)
Balance at end of the period	<u>\$ 56.9</u>	<u>\$ 51.2</u>	<u>\$ 56.9</u>	<u>\$ 51.2</u>

#### Note 5. Inventories

Inventories as of June 30, 2024 and December 31, 2023 consisted of the following.

	June 30, 2024	December 31, 2023
Raw materials, including parts and subassemblies	\$ 714.7	\$ 590.7
Work-in-process	129.9	145.1
Finished goods	395.1	337.8
	<u>1,239.7</u>	<u>1,073.6</u>
LIFO reserve	(79.7)	(72.5)
Inventories	<u>\$ 1,160.0</u>	<u>\$ 1,001.1</u>

#### Note 6. Goodwill and Other Intangible Assets

##### Goodwill

The changes in the carrying amount of goodwill attributable to each reportable segment for the six month period ended June 30, 2024 is presented in the table below.

	Industrial Technologies and Services	Precision and Science Technologies	Total
Balance at beginning of period	\$ 4,753.5	\$ 1,856.2	\$ 6,609.7
Acquisitions	178.3	1,485.7	1,664.0
Foreign currency translation and other <sup>(1)</sup>	(36.4)	(20.2)	(56.6)
Balance at end of period	<u>\$ 4,895.4</u>	<u>\$ 3,321.7</u>	<u>\$ 8,217.1</u>

- (1) Includes measurement period adjustments

As of both June 30, 2024 and December 31, 2023, goodwill included accumulated impairment losses of \$220.6 million within the Industrial Technologies and Services segment.

### Other Intangible Assets, Net

Other intangible assets as of June 30, 2024 and December 31, 2023 consisted of the following.

	June 30, 2024			December 31, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized intangible assets						
Customer lists and relationships	\$ 4,006.0	\$ (1,709.8)	\$ 2,296.2	\$ 3,279.3	\$ (1,585.4)	\$ 1,693.9
Technology	527.5	(210.0)	317.5	413.8	(178.9)	234.9
Tradenames	59.8	(30.0)	29.8	52.2	(27.9)	24.3
Backlog	4.4	(3.0)	1.4	3.0	(1.3)	1.7
Other	127.5	(108.2)	19.3	117.1	(104.1)	13.0
Unamortized intangible assets						
Tradenames	1,814.0	—	1,814.0	1,643.3	—	1,643.3
Total other intangible assets	<u>\$ 6,539.2</u>	<u>\$ (2,061.0)</u>	<u>\$ 4,478.2</u>	<u>\$ 5,508.7</u>	<u>\$ (1,897.6)</u>	<u>\$ 3,611.1</u>

### Intangible Asset Impairment Considerations

As of June 30, 2024 and December 31, 2023, there were no indications that the carrying value of goodwill and other intangible assets may not be recoverable.

### Note 7. Supply Chain Finance Program

The Company has agreements with financial institutions to facilitate a supply chain finance program (the “SCF Program”). Under the SCF Program, qualifying suppliers may elect to sell their receivables from the Company to the financial institution. Participating suppliers negotiate arrangements for sale of their receivables directly with the financial institution, and the terms of the Company’s payment obligations are not impacted by a supplier’s participation in the SCF Program. Once a qualifying supplier elects to participate in the SCF Program and reaches an agreement with the financial institution, the supplier elects which individual Company invoices they sell to the financial institution. However, all of the Company’s payments to participating suppliers are paid to the financial institution on the invoice due date, regardless of whether the individual invoice is sold by the supplier to the financial institution. The Company has not pledged any assets as security or provided other forms of guarantees. All outstanding amounts related to suppliers participating in the SCF Program are recorded within “Accounts payable” in our Condensed Consolidated Balance Sheets, and the associated payments are included in “Net cash provided by operating activities” within our Condensed Consolidated Statements of Cash Flows. Included in “Accounts payable” in the Condensed Consolidated Balance Sheets as of June 30, 2024 and December 31, 2023 were \$26.1 million and \$24.3 million of outstanding payment obligations, respectively, that were sold to the financial institution by participating suppliers.

### Note 8. Accrued Liabilities

Accrued liabilities as of June 30, 2024 and December 31, 2023 consisted of the following.

	June 30, 2024	December 31, 2023
Salaries, wages and related fringe benefits	\$ 199.8	\$ 262.4
Contract liabilities	324.0	331.2
Product warranty	72.3	61.9
Operating lease liabilities	47.1	41.6
Restructuring	15.6	15.5
Taxes	58.0	78.4
Accrued interest	55.8	33.1
Other	239.0	171.4
Total accrued liabilities	<u>\$ 1,011.6</u>	<u>\$ 995.5</u>

A reconciliation of the changes in the accrued product warranty liability for the three and six month periods ended June 30, 2024 and 2023 are as follows.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2024	2023	2024	2023
Balance at beginning of period	\$ 65.6	\$ 54.1	\$ 61.9	\$ 46.2
Product warranty accruals	12.7	15.8	26.3	24.7
Acquired warranty	0.7	—	0.7	1.4
Settlements	(6.5)	(11.0)	(15.8)	(14.9)
Foreign currency translation and other	(0.2)	(1.5)	(0.8)	—
Balance at end of period	\$ 72.3	\$ 57.4	\$ 72.3	\$ 57.4

## Note 9. Benefit Plans

### Net Periodic Benefit Cost

The following table summarizes the components of net periodic benefit cost for the Company's defined benefit pension plans and other postretirement benefit plans recognized for the three and six month periods ended June 30, 2024 and 2023.

	Pension Benefits					
	U.S. Plans		Non-U.S. Plans		Other Postretirement Benefits	
	For the Three Month Period Ended June 30,					
	2024	2023	2024	2023	2024	2023
Service cost	\$ —	\$ —	\$ 0.7	\$ 0.6	\$ —	\$ —
Interest cost	3.5	3.9	2.6	2.8	0.2	0.3
Expected return on plan assets	(3.3)	(3.4)	(2.7)	(2.7)	—	—
Recognition of:						
Unrecognized prior service cost	—	—	0.1	0.1	—	—
Unrecognized net actuarial loss	0.1	0.1	(0.4)	(0.5)	(0.2)	(0.2)
	0.3	0.6	0.3	0.3	—	0.1
Gain on settlement	—	(0.6)	—	—	—	—
	\$ 0.3	\$ —	\$ 0.3	\$ 0.3	\$ —	\$ 0.1

	Pension Benefits					
	U.S. Plans		Non-U.S. Plans		Other Postretirement Benefits	
	For the Six Month Period Ended June 30,					
	2024	2023	2024	2023	2024	2023
Service cost	\$ —	\$ —	\$ 1.4	\$ 1.2	\$ —	\$ —
Interest cost	7.0	7.9	5.3	5.5	0.4	0.5
Expected return on plan assets	(6.6)	(6.7)	(5.5)	(5.4)	—	—
Recognition of:						
Unrecognized prior service cost	—	—	0.1	0.1	—	—
Unrecognized net actuarial loss	0.1	0.1	(0.7)	(0.9)	(0.4)	(0.3)
	0.5	1.3	0.6	0.5	—	0.2
Gain on settlement	—	(0.6)	—	—	—	—
	\$ 0.5	\$ 0.7	\$ 0.6	\$ 0.5	\$ —	\$ 0.2

The components of net periodic benefit cost other than the service cost component are included in "Other income, net" in the Condensed Consolidated Statements of Operations.

## Note 10. Debt

Debt as of June 30, 2024 and December 31, 2023 is summarized as follows.

	June 30, 2024	December 31, 2023
<b>Short-term borrowings</b>	\$ 3.1	\$ 1.0
<b>Long-term debt:</b>		
Dollar Term Loan B, due February 2027 <sup>(1)(2)</sup>	—	347.7
Dollar Term Loan, due February 2027 <sup>(1)(2)</sup>	—	892.3
5.197% Senior Notes, due June 2027 <sup>(1)</sup>	699.9	—
5.400% Senior Notes, due August 2028 <sup>(1)</sup>	498.4	498.2
5.176% Senior Notes, due June 2029 <sup>(1)</sup>	750.0	—
5.314% Senior Notes, due June 2031 <sup>(1)</sup>	500.0	—
5.700% Senior Notes, due August 2033 <sup>(1)</sup>	993.0	992.6
5.450% Senior Notes, due June 2034 <sup>(1)</sup>	749.5	—
5.700% Senior Notes, due June 2054 <sup>(1)</sup>	597.6	—
Finance leases and other long-term debt	14.6	15.2
Swap valuation adjustments <sup>(3)</sup>	—	—
Unamortized debt issuance costs	(50.7)	(23.4)
Total long-term debt, net, including current maturities	4,752.3	2,722.6
Current maturities of long-term debt	1.4	29.6
Total long-term debt, net	\$ 4,750.9	\$ 2,693.0

(1) This amount is net of unamortized discounts. Total unamortized discounts were \$11.6 million and \$9.9 million as of June 30, 2024 and December 31, 2023, respectively.

(2) The weighted-average interest rate was 7.18% for the six month period ended June 30, 2024.

(3) As of June 30, 2024, the swap valuation adjustments on our interest rate swaps designated as fair value hedges were immaterial.

### New Senior Notes

On May 10, 2024, the Company issued \$3,300.0 million in aggregate principal amount of senior unsecured notes comprised of \$700.0 million aggregate principal amount of 5.197% Senior Notes due 2027 (the “2027 Notes”), \$750.0 million aggregate principal amount of 5.176% Senior Notes due 2029 (the “2029 Notes”), \$500.0 million aggregate principal amount of 5.314% Senior Notes due 2031 (the “2031 Notes”), \$750.0 million aggregate principal amount of 5.450% Senior Notes due 2034 (the “2034 Notes”) and \$600.0 million aggregate principal amount of 5.700% Senior Notes due 2054 (the “2054 Notes” and, together with the 2027 Notes, 2029 Notes, 2031 Notes and 2034 Notes, the “New Notes,” and collectively with the existing senior unsecured notes, the “Senior Notes”). The Company used the net proceeds of the 2034 Notes and the 2054 Notes to repay in full all indebtedness under, and terminate all commitments and discharge and release all guarantees in respect of, the Company’s former Senior Secured Credit Facilities and used the remaining net proceeds of such New Notes for general corporate purposes. The Company used the net proceeds of the 2027 Notes, the 2029 Notes and the 2031 Notes to partially fund the cash consideration of the acquisition of ILC Dover, with any remaining cash consideration funded with cash on hand. The New Notes were issued pursuant to a base indenture, dated as of August 14, 2023 (the “Base Indenture”), between the Company and Deutsche Bank Trust Company Americas, as trustee (the “Trustee”), as supplemented by the third supplemental indenture (the “Supplemental Indenture” and, together with the Base Indenture, the “New Indenture”) dated as of May 10, 2024, between the Company and the Trustee. The interest payment dates for the New Notes are June 15 and December 15 of each year, with interest payable in arrears. The New Notes mature on June 15 in their respective year of maturity.

The New Notes are senior unsecured obligations of the Company and rank equally in right of payment with all of the Company’s other senior unsecured indebtedness from time to time outstanding, senior in right of payment to all of the Company’s subordinated indebtedness from time to time outstanding, and effectively junior to all of the indebtedness and other liabilities of the Company’s subsidiaries from time to time outstanding and to all of the Company’s secured indebtedness from time to time outstanding to the extent of the value of the assets securing such secured indebtedness.

Prior to (i) May 15, 2027, in the case of the 2027 Notes, (ii) May 15, 2029, in the case of the 2029 Notes, (iii) April 15, 2031, in the case of the 2031 Notes, (iv) March 15, 2034, in the case of the 2034 Notes, and (v) December 15, 2053, in the case of the

2054 Notes, the Company may redeem the New Notes of a series at its option, in whole or in part, at any time from time to time, at a “make-whole” premium, plus accrued and unpaid interest thereon to, but not including, the redemption date. On or after (i) May 15, 2027, in the case of the 2027 Notes, (ii) May 15, 2029, in the case of the 2029 Notes, (iii) April 15, 2031, in the case of the 2031 Notes, (iv) March 15, 2034, in the case of the 2034 Notes, and (v) December 15, 2053, in the case of the 2054 Notes, the Company may redeem the New Notes of a series at its option, in whole or in part, at any time from time to time, at a price equal to 100% of the principal amount of the New Notes of such series to be redeemed, plus accrued and unpaid interest thereon to, but not including, the redemption date. Additionally, if the Company experiences certain types of change of control transactions, the Company must offer to repurchase the New Notes at 101% of the aggregate principal amount of the New Notes repurchased (or such higher amount as the Company may determine) plus accrued and unpaid interest thereon to, but not including, the date of repurchase.

#### ***Former Senior Secured Credit Facilities***

The former Senior Secured Credit Facilities provided senior secured financing consisting of (i) a senior secured term loan facility denominated in U.S. dollars (as refinanced and otherwise modified from time to time prior to February 28, 2020, the “Original Dollar Term Loan”), (ii) a senior secured term loan facility denominated in U.S. dollars (entered into at the time of the Merger, the “Dollar Term Loan B”), and (iii) a senior secured revolving credit facility (as refinanced and otherwise modified from time to time the “Revolving Credit Facility”). The Revolving Credit Facility is available to be drawn in U.S. dollars (“USD”), Euros (“EUR”), Great British Pounds (“GBP”) and other reasonably accepted foreign currencies, subject to certain sublimits for the foreign currencies. On April 21, 2023, the Company entered into Amendment No. 9 to the Credit Agreement, which (a) extended the maturity date for the revolving credit commitments from June 28, 2024 to April 21, 2028, (b) increased the aggregate revolving credit commitments from \$1,100.0 million to \$2,000.0 million, and (c) made certain other corresponding changes and updates. Other than as modified by Amendment No. 9, the loans under the Credit Agreement continue to have the same terms and the parties to the Credit Agreement continue to have the same obligations set forth in the Credit Agreement. The amendment resulted in the write-off of unamortized debt issuance costs of \$0.9 million which was recognized in “Loss on extinguishment of debt” in the Condensed Consolidated Statements of Operations. In August 2023, the Company repaid a portion of the Dollar Term Loan B which resulted in the write-off of unamortized discounts and debt issuance costs of \$12.6 million, which was recognized in “Loss on extinguishment of debt” in the Condensed Consolidated Statements of Operations. In May 2024, the Company repaid the remaining portion of the Dollar Term B and Dollar Term Loan which resulted in the write-off of unamortized discounts and debt issuance costs of \$3.0 million, which was recognized in “Loss on extinguishment of debt” in the Condensed Consolidated Statements of Operations.

See Note 11 “Debt” to the consolidated financial statements in the Company’s 2023 Annual Report for further information on the former Senior Secured Credit Facilities.

#### ***New Revolving Credit Facility***

On May 10, 2024, the Company entered into a credit agreement (the “New Revolving Credit Facility”), with the lenders party thereto and Citibank, N.A., as administrative agent. The New Revolving Credit Facility provides for a senior unsecured revolving facility in an aggregate committed amount of \$2,600 million, a portion of which is available for the issuance of letters of credit in U.S. dollars, EUR or GBP. The New Revolving Credit Facility will mature on May 10, 2029, subject to up to two additional one-year extensions pursuant to the terms of the New Revolving Credit Facility.

Borrowings under the New Revolving Credit Facility (other than borrowings in EUR or GBP) bear interest at a rate determined, at the Company’s option, based on either (i) an alternate base rate or (ii) a Term SOFR rate with a 0.10% per annum Term SOFR adjustment, plus, in each case, an applicable margin that varies depending on the credit rating of the Company. Borrowings under the New Revolving Credit Facility in EUR (if any) bear interest at a EURIBOR rate, plus, in each case, an applicable margin that varies depending on the credit rating of the Company. Borrowings under the New Revolving Credit Facility in GBP (if any) bear interest at a daily simple SONIA rate plus, in each case, an applicable margin that varies depending on the credit rating of the Company.

The financial covenant in the New Revolving Credit Facility requires the Company to maintain, as of the last day of each fiscal quarter (beginning with the second fiscal quarter of 2024), a ratio of adjusted consolidated total net debt to consolidated adjusted earnings before interest, taxes, depreciation and amortization (“EBITDA”) of not more than 3.50 to 1.00, provided that the Company may elect to increase such ratio to 4.00 to 1.00 following a qualified acquisition up to two times, each for a period of four fiscal quarters beginning with the quarter during which such qualified acquisition is consummated (and if the second election occurs during the first increase period, such increase will be effective for a total of eight consecutive fiscal quarters).

As of June 30, 2024, the aggregate amount of commitments under the New Revolving Credit Facility was \$2,600.0 million and the capacity under the New Revolving Credit Facility to issue letters of credit was \$200.0 million. As of June 30, 2024, the Company had no outstanding borrowings under the New Revolving Credit Facility, no outstanding letters of credit under the New Revolving Credit Facility and unused availability under the New Revolving Credit Facility of \$2,600.0 million.

As of June 30, 2024, we were in compliance with all covenants of our Senior Notes and New Revolving Credit Facility.

### ***Fair Value of Debt***

The fair value of the Company's debt instruments at June 30, 2024 was \$4.9 billion. The Company measures the fair value of its debt instruments for disclosure purposes based upon observable market prices quoted on public exchanges for similar assets. These fair value inputs are considered Level 2 within the fair value hierarchy. See Note 14, "[Fair Value Measurements](#)" for information on the fair value hierarchy.

### **Note 11. Stock-Based Compensation Plans**

The Company has outstanding stock-based compensation awards granted under the 2013 Stock Incentive Plan ("2013 Plan") and the 2017 Omnibus Incentive Plan (as amended by the First Amendment, dated April 27, 2021, "2017 Plan") as described in Note 18, "Stock-Based Compensation Plans" to the consolidated financial statements in its 2023 Annual Report.

The Company's stock-based compensation awards are generally granted in the first quarter of the year and consist of stock options, restricted stock units and performance share units. In some instances, such as death, awards may vest concurrently with or following an employee's termination.

### ***Stock-Based Compensation***

For the three month periods ended June 30, 2024 and 2023, the Company recognized stock-based compensation expense of \$14.5 million and \$11.9 million, respectively, and \$28.6 million and \$24.0 million for the six month periods then ended, respectively. These costs are included in "Cost of sales" and "Selling and administrative expenses" in the Condensed Consolidated Statements of Operations.

As of June 30, 2024, there was \$131.5 million of total unrecognized compensation expense related to outstanding stock options, restricted stock unit awards and performance stock unit awards granted to employees and non-employee directors, as well as 300,000 conditional stock options awarded during the third quarter of 2022 to our Chairman and CEO in which the service date precedes the grant date, and will be granted upon achievement of certain performance targets. These 300,000 stock options have not been included in the Stock Option Awards section below since the grant date has not occurred.

### ***Stock Option Awards***

Stock options are granted to employees with an exercise price equal to the fair value of the Company's per share common stock on the date of grant. Stock option awards typically vest over four years or five years and expire ten years from the date of grant.

A summary of the Company's stock option (including SARs) activity for the six month period ended June 30, 2024 is presented in the following table (underlying shares in thousands).

	Shares	Weighted-Average Exercise Price (per share)
Stock options outstanding as of December 31, 2023	5,282	\$ 31.09
Granted	525	90.35
Exercised or settled	(1,287)	17.62
Forfeited	(40)	58.96
Expired	(2)	31.29
Stock options outstanding as of June 30, 2024	4,478	41.66
Vested as of June 30, 2024	2,994	29.03

The following assumptions were used to estimate the fair value of options granted during the six month periods ended June 30, 2024 and 2023 using the Black-Scholes option-pricing model.

Assumptions	For the Six Month Period Ended June 30,	
	2024	2023
Expected life of options (in years)	6.3 - 7.5	6.3 - 7.5
Risk-free interest rate	4.2% - 4.3%	3.8% - 4.1%
Assumed volatility	35.1% - 35.2%	36.4% - 36.6%
Expected dividend rate	0.1 %	0.1 %

#### ***Restricted Stock Unit Awards***

Restricted stock units are granted to employees and non-employee directors based on the market price of the Company's common stock on the grant date and recognized in compensation expense over the vesting period. A summary of the Company's restricted stock unit activity for the six month period ended June 30, 2024 is presented in the following table (underlying shares in thousands).

	Shares	Weighted-Average Grant-Date Fair Value
Non-vested as of December 31, 2023	957	\$ 52.18
Granted	321	89.86
Vested	(397)	47.64
Forfeited	(43)	62.10
Non-vested as of June 30, 2024	838	68.24

#### ***Performance Share Unit ("PSUs") Awards***

Annually, during the first quarter, the Company grants TSR PSUs to certain officers in which the number of shares issued at the end of the performance period is determined by the Company's total shareholder return percentile rank versus the S&P 500 index for the three year performance period. The grant date fair value of these awards is determined using a Monte Carlo simulation pricing model and compensation cost is recognized straight-line over a three year period.

During the third quarter of 2022, the Company granted Special TSR PSUs to its Chairman and CEO that will become earned (but not vested) on the first date during the five year performance period on which the sum of (i) the 60-day volume-weighted average closing price of the Company's common stock, plus (ii) the cumulative value of any dividends paid during the five year performance period equals or exceeds \$81.85. The grant date fair value of these awards is determined using a Monte Carlo simulation pricing model and compensation cost is recognized straight-line over a five year period. The share price performance goal was achieved on March 6, 2024, but the PSUs will not vest until September 1, 2027, generally subject to Mr. Reynal's continued employment through such date. The Company also granted its Chairman and CEO Special EPS PSUs that are eligible to vest based on the level of compounded annual growth rate of the Company's Adjusted EPS during the five year performance period. The grant date fair value of these awards is based on the market price of the Company's common stock on the grant date and recognized as a compensation expense over a 4.3 year period.

A summary of the Company's performance stock unit activity for the six month period ended June 30, 2024 is presented in the following table (underlying shares in thousands).

	Shares	Weighted-Average Grant-Date Fair Value
Non-vested as of December 31, 2023	1,380	\$ 49.53
Granted	87	132.98
Change in units based on performance	122	55.84
Vested	(244)	55.84
Forfeited	(6)	71.81
Non-vested as of June 30, 2024	1,339	54.28

The following assumptions were used to estimate the fair value of performance share units granted during the six month periods ended June 30, 2024 and 2023 using the Monte Carlo simulation pricing model.

Assumptions	For the Six Month Period Ended June 30,	
	2024	2023
Expected term (in years)	2.8	2.9
Risk-free interest rate	4.5%	4.4 %
Assumed volatility	28.9%	31.8 %
Expected dividend rate	0.1 %	0.1 %

## Note 12. Accumulated Other Comprehensive Loss

The Company's other comprehensive income (loss) consists of (i) unrealized foreign currency net gains and losses on the translation of the assets and liabilities of its foreign operations; (ii) realized and unrealized foreign currency gains and losses on certain hedges of net investments in foreign operations, net of income taxes; (iii) unrealized gains and losses on cash flow hedges (consisting of interest rate swap and cap contracts), net of income taxes; and (iv) pension and other postretirement prior service cost and actuarial gains or losses, net of income taxes. See Note 9 "[Benefit Plans](#)" and Note 13 "[Hedging Activities and Derivative Instruments](#)."

The before tax income (loss) and related income tax effect are as follows.

	For the Three Month Period Ended June 30,					
	2024			2023		
	Before-Tax Amount	Tax Benefit (Expense)	Net of Tax Amount	Before-Tax Amount	Tax Benefit (Expense)	Net of Tax Amount
Foreign currency translation adjustments, net	\$ (26.5)	\$ (7.5)	\$ (34.0)	\$ (46.6)	\$ —	\$ (46.6)
Unrecognized gains (losses) on cash flow hedges	(7.1)	5.0	(2.1)	14.6	(3.7)	10.9
Pension and other postretirement benefit prior service cost and gain or loss, net	(1.8)	0.4	(1.4)	(1.5)	0.4	(1.1)
Other comprehensive loss	<u>\$ (35.4)</u>	<u>\$ (2.1)</u>	<u>\$ (37.5)</u>	<u>\$ (33.5)</u>	<u>\$ (3.3)</u>	<u>\$ (36.8)</u>

	For the Six Month Period Ended June 30,					
	2024			2023		
	Before-Tax Amount	Tax Benefit (Expense)	Net of Tax Amount	Before-Tax Amount	Tax Benefit (Expense)	Net of Tax Amount
Foreign currency translation adjustments, net	\$ (93.9)	\$ (13.6)	\$ (107.5)	\$ (0.4)	\$ (15.4)	\$ (15.8)
Unrecognized gains (losses) on cash flow hedges	(7.2)	5.0	(2.2)	7.5	(1.9)	5.6
Pension and other postretirement benefit prior service cost and gain or loss, net	(3.7)	0.9	(2.8)	(1.7)	0.4	(1.3)
Other comprehensive loss	<u>\$ (104.8)</u>	<u>\$ (7.7)</u>	<u>\$ (112.5)</u>	<u>\$ 5.4</u>	<u>\$ (16.9)</u>	<u>\$ (11.5)</u>

The tables above include only the other comprehensive income (loss), net of tax, attributable to Ingersoll Rand Inc. Other comprehensive income (loss), net, attributable to noncontrolling interest holders was \$0.1 million and \$(0.1) million for the three month periods ended June 30, 2024 and 2023, respectively, and \$(0.7) million and \$0.8 million for the six month periods ended June 30, 2024 and 2023, respectively, and related entirely to foreign currency translation adjustments.



Changes in accumulated other comprehensive loss by component for the six month periods ended June 30, 2024 and 2023 are presented in the following table, net of tax.

	Foreign Currency Translation Adjustments, Net	Cash Flow Hedges	Pension and Other Postretirement Benefit Plans	Total
Balance as of December 31, 2023	\$ (248.0)	\$ 12.2	\$ 8.2	\$ (227.6)
Other comprehensive income (loss) before reclassifications	(101.1)	4.4	(2.1)	(98.8)
Amounts reclassified from accumulated other comprehensive loss	(6.4)	(6.6)	(0.7)	(13.7)
Other comprehensive loss	(107.5)	(2.2)	(2.8)	(112.5)
Balance as of June 30, 2024	\$ (355.5)	\$ 10.0	\$ 5.4	\$ (340.1)

  

	Foreign Currency Translation Adjustments, Net	Cash Flow Hedges	Pension and Other Postretirement Benefit Plans	Total
Balance as of December 31, 2022	\$ (282.8)	\$ 16.0	\$ 15.1	\$ (251.7)
Other comprehensive income (loss) before reclassifications	(8.2)	10.1	(0.1)	1.8
Amounts reclassified from accumulated other comprehensive loss	(7.6)	(4.5)	(1.2)	(13.3)
Other comprehensive income (loss)	(15.8)	5.6	(1.3)	(11.5)
Balance as of June 30, 2023	\$ (298.6)	\$ 21.6	\$ 13.8	\$ (263.2)

Reclassifications out of accumulated other comprehensive loss for the six month periods ended June 30, 2024 and 2023 are presented in the following table.

**Amount Reclassified from Accumulated Other Comprehensive Loss**

Details about Accumulated Other Comprehensive Loss Components	For the Six Month Period Ended June 30,		Affected Line(s) in the Statement Where Net Income is Presented
	2024	2023	
Cash flow hedges (interest rate swaps and caps)	\$ (8.8)	\$ (6.0)	Interest expense
Provision for income taxes	2.2	1.5	Provision for income taxes
Cash flow hedges (interest rate swaps and caps), net of tax	\$ (6.6)	\$ (4.5)	
Net investment hedges	\$ (8.5)	\$ (10.2)	Interest expense
Provision for income taxes	2.1	2.6	Provision for income taxes
Net investment hedges, net of tax	\$ (6.4)	\$ (7.6)	
Amortization of defined benefit pension and other postretirement benefit items <sup>(1)</sup>	\$ (0.9)	\$ (1.6)	Cost of sales and Selling and administrative expenses
Provision for income taxes	0.2	0.4	Provision for income taxes
Amortization of defined benefit pension and other postretirement benefit items, net of tax	\$ (0.7)	\$ (1.2)	
Total reclassifications for the period, net of tax	\$ (13.7)	\$ (13.3)	

(1) These components are included in the computation of net periodic benefit cost. See Note 9 “[Benefit Plans](#)” for additional details.

### Note 13. Hedging Activities and Derivative Instruments

#### Hedging Activities

The Company is exposed to certain market risks during the normal course of its business arising from adverse changes in interest rates and foreign currency exchange rates. The Company selectively uses derivative financial instruments (“derivatives”), including cross-currency interest rate swap and foreign currency forward contracts and interest rate swap and cap contracts, to manage the risks from fluctuations in foreign currency exchange rates and interest rates, respectively. The Company does not purchase or hold derivatives for trading or speculative purposes.

The Company manages its debt centrally, considering tax consequences and its overall financing strategies. The Company manages its exposure to interest rate risk by using interest rate derivatives as cash flow hedges of variable rate debt or fair value hedges of fixed rate debt in order to adjust the relative fixed and variable proportions. The Company’s exposure to interest rate risk results primarily from its fixed rate to floating rate interest rate swap contracts.

A substantial portion of the Company’s operations is conducted by its subsidiaries outside of the United States in currencies other than the USD. Almost all of the Company’s non-U.S. subsidiaries conduct their business primarily in their local currencies, which are also their functional currencies. The USD, the EUR, GBP, Chinese Renminbi and Indian rupee are the principal currencies in which the Company and its subsidiaries enter into transactions. The Company is exposed to the impacts of changes in foreign currency exchange rates on the translation of its non-U.S. subsidiaries’ assets, liabilities and earnings into USD. The Company manages this exposure by having certain U.S. subsidiaries borrow in currencies other than the USD or utilizing cross-currency interest rate swaps as net investment hedges.

The Company and its subsidiaries are also subject to the risk that arises when they, from time to time, enter into transactions in currencies other than their functional currency. To mitigate this risk, the Company and its subsidiaries typically settle intercompany trading balances at least quarterly. The Company also selectively uses forward currency contracts to manage this risk. These contracts for the sale or purchase of European and other currencies generally mature within one year.

#### Derivative Instruments

The following table summarizes the notional amounts, fair values and classification of the Company’s outstanding derivatives by risk category and instrument type within the Condensed Consolidated Balance Sheets as of June 30, 2024 and December 31, 2023.

June 30, 2024						
Derivative Classification		Notional Amount <sup>(1)</sup>	Fair Value <sup>(1)</sup> Other Current Assets	Fair Value <sup>(1)</sup> Other Assets	Fair Value <sup>(1)</sup> Accrued Liabilities	Fair Value <sup>(1)</sup> Other Liabilities
<b>Derivatives Designated as Hedging Instruments</b>						
Interest rate swap contracts	Fair Value	\$ 750.0	\$ —	\$ 7.0	\$ 7.0	\$ —
Cross-currency interest rate swap contracts	Net investment	1,074.3	10.6	0.6	—	3.3
<b>Derivatives Not Designated as Hedging Instruments</b>						
Foreign currency forwards	Fair value	\$ 60.0	\$ —	\$ —	\$ —	\$ —
Foreign currency forwards	Fair value	73.5	—	—	—	1.4
December 31, 2023						
Derivative Classification		Notional Amount <sup>(1)</sup>	Fair Value <sup>(1)</sup> Other Current Assets	Fair Value <sup>(1)</sup> Other Assets	Fair Value <sup>(1)</sup> Accrued Liabilities	Fair Value <sup>(1)</sup> Other Liabilities
<b>Derivatives Designated as Hedging Instruments</b>						
Interest rate swap contracts	Cash Flow	\$ 528.5	\$ 8.2	\$ 1.2	\$ —	\$ —
Cross-currency interest rate swap contracts	Net investment	1,054.2	15.7	—	—	63.1

(1) Notional amounts represent the gross contract amounts of the outstanding derivatives excluding the total notional amount of positions that have been effectively closed through offsetting positions. The net gains and net losses associated with positions that have been effectively closed through offsetting positions but not yet settled are included in the asset and liability derivatives fair value columns, respectively.

Payments to settle cross-currency swaps are classified as financing cash flows in the Condensed Consolidated Statements of Cash Flows. All other cash flows related to derivatives are classified as operating cash flows in the Condensed Consolidated Statements of Cash Flows.

There were no off-balance sheet derivative instruments as of June 30, 2024 or December 31, 2023.

### Interest Rate Swap Contracts Designated as Fair Value Hedges

As of June 30, 2024, the Company was the variable rate payor on four interest rate swap contracts that effectively convert a total of \$400.0 million of the Company's fixed rate borrowings to variable rate borrowings. These contracts expire in May 2029. These swap agreements qualify as hedging instruments and have been designated as fair value hedges of \$400.0 million of the 2029 Notes, and were considered to be perfectly effective under the shortcut method.

As of June 30, 2024, the Company was the variable rate payor on two interest rate swap contracts that effectively convert a total of \$250.0 million of the Company's fixed rate borrowings to variable rate borrowings. These contracts expire in April 2031. These swap agreements qualify as hedging instruments and have been designated as fair value hedges of \$250.0 million of the 2031 Notes, and were considered to be perfectly effective under the shortcut method.

As of June 30, 2024, the Company was the variable rate payor on one interest rate swap contract that effectively convert a total of \$100.0 million of the Company's fixed rate borrowings to variable rate borrowings. This contract expires in March 2034. This swap agreement qualifies as a hedging instrument and has been designated as a fair value hedge of \$100.0 million of the 2034 Notes, and were considered to be perfectly effective under the shortcut method.

	June 30, 2024	December 31, 2023
<b>Long-term debt:</b>		
Carrying amount of hedged debt	\$ 750.0	\$ —
Cumulative hedging adjustments, included in carrying amount <sup>(1)</sup>	—	—

(1) As of June 30, 2024, the swap valuation adjustments on our interest rate swaps designated as fair value hedges were immaterial.

### Interest Rate Swap and Cap Contracts Designated as Cash Flow Hedges

In April 2024, the Company entered into forward-starting interest rate swap agreements to hedge against changes in future cash flows resulting from changes in interest rates from the trade date through the forecasted issuance date of debt. During the three months ended June 30, 2024, the Company entered into and terminated cash flow hedges with notional value of \$750.0 million in connection with the 2034 Notes and \$500.0 million in connection with the 2054 Notes, both of which were issued on May 10, 2024. The swaps were terminated on May 7, 2024, with a loss of \$2.1 million on the swaps associated with the 2034 Notes and \$2.3 million on the swaps associated with the 2054 Notes. These losses will be amortized as an increase to interest expense over the term of the respective notes.

The Company was previously the fixed rate payor on two interest rate swap contracts that effectively fixed the SOFR-based index used to determine the interest rates charged on a total of \$528.5 million of the Company's SOFR-based variable rate borrowings. These contracts carried a fixed rate of 3.2%. The Company and its counterparties terminated these contracts in May 2024. Prior to their termination, these swap agreements qualified as hedging instruments and were designated as cash flow hedges of forecasted interest payments. These forecasted interest payments are still expected to occur as specified in the Company's hedge designations; therefore, the unrecognized gain at the time of termination will be reclassified into earnings over the remaining period of original term of the contracts, ending in June 2025. The unrecognized gain remaining in AOCI as of June 30, 2024 was \$9.7 million, all of which is expected to be reclassified into earnings as a reduction to interest expense during the next 12 months.

The Company was previously a party to interest rate cap contracts that effectively limited the SOFR-based interest rates charged on a portion of the Company's variable rate borrowings to 4.0%. The Company and its counterparties terminated these contracts in August 2023. Prior to their termination, these cap contracts qualified as hedging instruments and were designated as cash flow hedges of forecasted interest payments. These forecasted interest payments are still expected to occur as specified in the Company's hedge designations; therefore, the unrecognized gain at the time of termination will be reclassified into earnings over the remaining period of the original term of the contracts, ending in June 2025. The unrecognized gain remaining in AOCI as of June 30, 2024 was \$3.4 million, all of which is expected to be reclassified into earnings as a reduction to interest expense during the next 12 months.

Gains (losses) on derivatives designated as cash flow hedges included in the Condensed Consolidated Statements of Comprehensive Income (Loss) for the three and six month periods ended June 30, 2024 and 2023 are as presented in the table below.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2024	2023	2024	2023
Gain (loss) recognized in OCI on derivatives	\$ (3.0)	\$ 18.6	\$ 1.6	\$ 13.5
Gain reclassified from AOCI into income (effective portion) <sup>(1)</sup>	4.1	4.0	8.8	6.0

(1) Gains on derivatives reclassified from AOCI into income were included within “Interest expense” in the Condensed Consolidated Statements of Operations.

#### Cross-Currency Interest Rate Swap Contracts Designated as Net Investment Hedges

As of June 30, 2024, the Company was the fixed rate payor on three cross-currency interest rate swap contracts that replace a fixed rate of 5.4% on a total of \$428.9 million with a fixed rate of 3.7% on a total of €400.0 million. These contracts expire in May 2027 and have been designated as net investment hedges of our Euro denominated subsidiaries and require an exchange of the notional amounts at maturity.

As of June 30, 2024, the Company was the fixed rate payor on three cross-currency interest rate swap contracts that replace a fixed rate of 5.7% on a total of \$322.7 million with a fixed rate of 4.1% on a total of €300.0 million. These contracts expire in May 2029 and have been designated as net investment hedges of our Euro denominated subsidiaries and require an exchange of the notional amounts at maturity.

As of June 30, 2024, the Company was the fixed rate payor on three cross-currency interest rate swap contracts that replace a fixed rate of 5.7% on a total of \$322.7 million with a fixed rate of 4.1% on a total of €300.0 million. These contracts expire in May 2031 and have been designated as net investment hedges of our Euro denominated subsidiaries and require an exchange of the notional amounts at maturity.

The Company was previously the fixed rate payor on two cross-currency interest rate swap contracts that replaced a fixed rate of 3.2% on a total of \$528.5 million with a fixed rate of 1.6% on a total of €500.0 million. These contracts were designated as net investment hedges of our Euro denominated subsidiaries until May 10, 2024 when they were terminated for \$10.0 million. The payments to settle the termination of the cross currency interest rate swaps are included in “Payments to settle cross-currency swaps” within our Condensed Consolidated Statements of Cash Flows. The recorded AOCI at the termination of the cross-currency interest rate swaps will remain in AOCI until there is a substantial liquidation of the Company’s net investment in subsidiaries with EUR functional currencies.

The Company was previously a party to three cross-currency interest rate swap contracts where we received SOFR on a total of \$525.7 million and paid EURIBOR on a total of €500.0 million. These contracts were designated as net investment hedges of our Euro denominated subsidiaries until May 10, 2024 when they were terminated for \$9.9 million. The payments to settle the termination of the cross currency interest rate swaps are included in “Payments to settle cross-currency swaps” within our Condensed Consolidated Statements of Cash Flows. The recorded AOCI at the termination of the cross-currency interest rate swaps will remain in AOCI until there is a substantial liquidation of the Company’s net investment in subsidiaries with EUR functional currencies.

Gains (losses) on derivatives designated as net investment hedges included in the Condensed Consolidated Statements of Comprehensive Income (Loss) for the three and six month periods ended June 30, 2024 and 2023 are as presented in the table below.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2024	2023	2024	2023
Gain (loss) recognized in OCI on derivatives	\$ 15.1	\$ (6.6)	\$ 43.7	\$ (12.1)
Gain reclassified from AOCI into income (effective portion) <sup>(1)</sup>	4.3	4.8	8.5	10.2

(1) Gains on derivatives reclassified from AOCI into income were included within “Interest expense” in the Condensed Consolidated Statements of Operations.

### Foreign Currency Forwards Not Designated as Hedging Instruments

The Company had three foreign currency forward contracts outstanding as of June 30, 2024 with notional amounts ranging from \$14.7 million to \$73.5 million. These contracts are used to hedge the change in fair value of recognized foreign currency denominated assets or liabilities caused by changes in currency exchange rates. The changes in the fair value of these contracts generally offset the changes in the fair value of a corresponding amount of the hedged items, both of which are included within “Other operating expense, net” in the Condensed Consolidated Statements of Operations. The Company’s foreign currency forward contracts are subject to master netting arrangements or agreements between the Company and each counterparty for the net settlement of all contracts through a single payment in a single currency in the event of default on or termination of any one contract with that certain counterparty. It is the Company’s practice to recognize the gross amounts in the Condensed Consolidated Balance Sheets. The amount available to be netted is not material.

The Company’s gains (losses) on derivative instruments not designated as accounting hedges and total net foreign currency gains for the three and six month periods ended June 30, 2024 and 2023 were as follows.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2024	2023	2024	2023
Foreign currency forward contracts gains (losses)	\$ (2.0)	\$ —	\$ (2.0)	\$ 0.2
Total foreign currency transaction gains, net	—	1.1	0.7	0.1

### Note 14. Fair Value Measurements

A financial instrument is defined as cash or cash equivalents, evidence of an ownership interest in an entity, or a contract that creates a contractual obligation or right to deliver or receive cash or another financial instrument from another party. The Company’s financial instruments consist primarily of cash and cash equivalents, trade accounts receivables, trade accounts payables, deferred compensation assets and obligations, acquisition related contingent consideration obligations, derivatives and debt instruments. The carrying values of cash and cash equivalents, trade accounts receivables, trade accounts payables, and variable rate debt instruments are a reasonable estimate of their respective fair values.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or more advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy is based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value as follows.

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities as of the reporting date.
- Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities as of the reporting date.
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following tables summarize the Company's financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2024 and December 31, 2023.

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Trading securities held in deferred compensation plan <sup>(1)</sup>	\$ 19.1	\$ —	\$ —	\$ 19.1
Interest rate swaps <sup>(2)</sup>	—	7.0	—	7.0
Cross-currency interest rate swaps <sup>(3)</sup>	—	11.2	—	11.2
Foreign currency forwards <sup>(4)</sup>	—	—	—	—
Total	\$ 19.1	\$ 18.2	\$ —	\$ 37.3
Financial Liabilities				
Deferred compensation plans <sup>(1)</sup>	\$ 26.5	\$ —	\$ —	\$ 26.5
Interest rate swaps <sup>(2)</sup>	—	7.0	—	7.0
Cross-currency interest rate swaps <sup>(3)</sup>	—	3.3	—	3.3
Contingent consideration <sup>(5)</sup>	—	—	98.7	98.7
Foreign currency forwards <sup>(4)</sup>	—	1.4	—	1.4
Total	\$ 26.5	\$ 11.7	\$ 98.7	\$ 136.9
December 31, 2023				
	Level 1	Level 2	Level 3	Total
Financial Assets				
Trading securities held in deferred compensation plan <sup>(1)</sup>	\$ 16.8	\$ —	\$ —	\$ 16.8
Interest rate swaps <sup>(2)</sup>	—	9.4	—	9.4
Cross-currency interest rate swaps <sup>(3)</sup>	—	15.7	—	15.7
Total	\$ 16.8	\$ 25.1	\$ —	\$ 41.9
Financial Liabilities				
Deferred compensation plan <sup>(1)</sup>	\$ 24.7	\$ —	\$ —	\$ 24.7
Cross-currency interest rate swaps <sup>(3)</sup>	—	63.1	—	63.1
Contingent consideration <sup>(5)</sup>	—	—	42.2	42.2
Total	\$ 24.7	\$ 63.1	\$ 42.2	\$ 130.0

- (1) Based on the quoted price of publicly traded mutual funds and other equity securities which are classified as trading securities and accounted for using the mark-to-market method.
- (2) Measured as the present value of all expected future cash flows based on the SOFR-based swap yield curves as of the end of the period. The present value calculation uses discount rates that have been adjusted to reflect the credit quality of the Company and its counterparties.
- (3) Measured as the present value of all expected future cash flows on each leg of the contracts. The model utilizes inputs of observable market data including interest yield curves and foreign currency exchange rates. The present value calculation uses cross-currency basis-adjusted discount factors that have been adjusted to reflect the credit quality of the Company and its counterparties.
- (4) Based on calculations that use readily observable market parameters as their basis, such as spot and forward rates.
- (5) Measured as the present value of expected consideration payable for completed acquisitions, generally derived using probability-weighted analysis of achieving projected revenue or EBITDA targets.

### Contingent Consideration

Certain of the Company's acquisitions may result in payments of consideration in future periods that are contingent upon the achievement of certain targets, generally measures of revenue and EBITDA. As part of the initial accounting for the acquisition, a liability is recorded for the estimated fair value of the contingent consideration on the acquisition date. The fair value of the contingent consideration is re-measured at each reporting period, and the change in fair value is recognized within "Other operating expense, net" in the Condensed Consolidated Statements of Operations. This fair value measurement of contingent consideration is categorized within Level 3 of the fair value hierarchy, as the measurement amount is based primarily on significant inputs that are not observable in the market.

The following table provides a reconciliation of the activity for contingent consideration for the three and six month periods ended June 30, 2024 and 2023.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2024	2023	2024	2023
Balance at beginning of the period	\$ 48.4	\$ 48.4	\$ 42.2	\$ 43.9
Acquisitions	50.2	12.8	56.7	12.8
Changes in fair value	0.3	4.1	0.5	8.4
Payments	(0.2)	(3.1)	(0.2)	(3.1)
Foreign currency translation	—	0.3	(0.5)	0.5
Balance at end of the period	\$ 98.7	\$ 62.5	\$ 98.7	\$ 62.5

As of June 30, 2024, the contingent consideration included in “Accrued liabilities” and “Other liabilities” on the Condensed Consolidated Balance Sheets were \$60.3 million and \$38.4 million, respectively.

## Note 15. Revenue from Contracts with Customers

### Overview

The Company recognizes revenue when the Company has satisfied its obligation and control is transferred to the customer. The amount of revenue recognized includes adjustments for any variable consideration, such as rebates, sales discounts, liquidated damages, etc., which are included in the transaction price, and allocated to each performance obligation. The variable consideration is estimated throughout the course of the contract using the Company’s best estimates.

The majority of the Company’s revenues are derived from short duration contracts and revenue is recognized at a single point in time when control is transferred to the customer, generally at shipment or when delivery has occurred or services have been rendered.

The Company has certain long duration engineered to order (“ETO”) contracts that require highly engineered solutions designed to customer specific applications. For contracts where the contractual deliverables have no alternative use and the contract termination clauses provide for the recovery of cost plus a reasonable margin, revenue is recognized over time based on the Company’s progress in satisfying the contractual performance obligations, generally measured as the ratio of actual costs incurred to date to the estimated total costs to complete the contract. For contracts with termination provisions that do not provide for recovery of cost and a reasonable margin, revenue is recognized at a point in time, generally at shipment or delivery to the customer. Identification of performance obligations, determination of alternative use, assessment of contractual language regarding termination provisions, and estimation of total project costs are all significant judgments required in the application of ASC 606.

Contractual specifications and requirements may be modified. The Company considers contract modifications to exist when the modification either creates new or changes the existing enforceable rights and obligations. In the event a contract modification is for goods or services that are not distinct in the contract, and therefore, form part of a single performance obligation that is partially satisfied as of the modification date, the effect of the contract modification on the transaction price and the Company’s measure of progress for the performance obligation to which it relates, is recognized on a cumulative catch-up basis.

Taxes assessed by a government authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a customer, are excluded from revenue. Sales commissions are generally due at either collection of payment from customers or recognition of revenue. Applying the practical expedient from ASC 340-40-25-4, the Company recognizes the incremental costs of obtaining contracts as an expense when incurred if the amortization period of the assets that the Company otherwise would have recognized is one year or less. These costs are included in “Selling and administrative expenses” in the Condensed Consolidated Statements of Operations.

### Disaggregation of Revenue

The following tables provide disaggregated revenue by reportable segment for the three and six month periods ended June 30, 2024 and 2023.

	Industrial Technologies and Services		Precision and Science Technologies		Total	
	Three Month Period Ended June 30,					
	2024	2023	2024	2023	2024	2023
Primary Geographic Markets						
United States	\$ 626.2	\$ 556.8	\$ 158.3	\$ 140.8	\$ 784.5	\$ 697.6
Other Americas	109.6	88.0	17.8	7.1	127.4	95.1
Total Americas	735.8	644.8	176.1	147.9	911.9	792.7
EMEIA	461.2	428.5	119.9	113.9	581.1	542.4
Asia Pacific	269.5	305.1	42.8	46.3	312.3	351.4
Total	\$ 1,466.5	\$ 1,378.4	\$ 338.8	\$ 308.1	\$ 1,805.3	\$ 1,686.5
Product Categories						
Original equipment <sup>(1)</sup>	\$ 897.6	\$ 843.2	\$ 265.2	\$ 244.5	\$ 1,162.8	\$ 1,087.7
Aftermarket <sup>(2)</sup>	568.9	535.2	73.6	63.6	642.5	598.8
Total	\$ 1,466.5	\$ 1,378.4	\$ 338.8	\$ 308.1	\$ 1,805.3	\$ 1,686.5
Pattern of Revenue Recognition						
Revenue recognized at point in time <sup>(3)</sup>	\$ 1,334.2	\$ 1,266.2	\$ 337.0	\$ 306.1	\$ 1,671.2	\$ 1,572.3
Revenue recognized over time <sup>(4)</sup>	132.3	112.2	1.8	2.0	134.1	114.2
Total	\$ 1,466.5	\$ 1,378.4	\$ 338.8	\$ 308.1	\$ 1,805.3	\$ 1,686.5

	Industrial Technologies and Services		Precision and Science Technologies		Total	
	Six Month Period Ended June 30,					
	2024	2023	2024	2023	2024	2023
Primary Geographic Markets						
United States	\$ 1,223.3	\$ 1,108.0	\$ 295.4	\$ 285.0	\$ 1,518.7	\$ 1,393.0
Other Americas	222.3	178.9	25.9	14.4	248.2	193.3
Total Americas	1,445.6	1,286.9	321.3	299.4	1,766.9	1,586.3
EMEIA	906.6	854.5	233.6	227.3	1,140.2	1,081.8
Asia Pacific	487.7	554.2	80.6	93.5	568.3	647.7
Total	\$ 2,839.9	\$ 2,695.6	\$ 635.5	\$ 620.2	\$ 3,475.4	\$ 3,315.8
Product Categories						
Original equipment <sup>(1)</sup>	\$ 1,724.7	\$ 1,633.3	\$ 490.2	\$ 489.8	\$ 2,214.9	\$ 2,123.1
Aftermarket <sup>(2)</sup>	1,115.2	1,062.3	145.3	130.4	1,260.5	1,192.7
Total	\$ 2,839.9	\$ 2,695.6	\$ 635.5	\$ 620.2	\$ 3,475.4	\$ 3,315.8
Pattern of Revenue Recognition						
Revenue recognized at point in time <sup>(3)</sup>	\$ 2,578.6	\$ 2,486.7	\$ 632.5	\$ 617.3	\$ 3,211.1	\$ 3,104.0
Revenue recognized over time <sup>(4)</sup>	261.3	208.9	3.0	2.9	264.3	211.8
Total	\$ 2,839.9	\$ 2,695.6	\$ 635.5	\$ 620.2	\$ 3,475.4	\$ 3,315.8



- (1) Revenues from sales of capital equipment within the Industrial Technologies and Services segment and sales of components to original equipment manufacturers in the Precision and Science Technologies segment.
- (2) Revenues from sales of spare parts, accessories, other components and services in support of maintaining customer owned, installed base of the Company's original equipment. Service revenue represents less than 10% of consolidated revenue.
- (3) Revenues from short and long duration product and service contracts recognized at a point in time when control is transferred to the customer generally when product delivery has occurred and services have been rendered.
- (4) Revenues primarily from long duration ETO product contracts, certain multi-year service contracts, and certain contracts for the delivery of a significant volume of substantially similar products recognized over time as contractual performance obligations are completed.

### ***Performance Obligations***

As of June 30, 2024, for contracts with an original duration greater than one year, the Company expects to recognize revenue in the future related to unsatisfied (or partially satisfied) performance obligations of \$692.6 million in the next twelve months and \$683.1 million in periods thereafter. The performance obligations that are unsatisfied (or partially satisfied) are primarily related to orders for goods or services that were placed prior to the end of the reporting period and have not been delivered to the customer, on-going work on ETO contracts where revenue is recognized over time and service contracts with an original duration greater than one year.

### ***Contract Balances***

The following table provides the contract balances as of June 30, 2024 and December 31, 2023 presented in the Condensed Consolidated Balance Sheets.

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Accounts receivable, net	\$ 1,301.4	\$ 1,234.2
Contract assets	124.1	85.6
Contract liabilities - current	324.0	331.2
Contract liabilities - noncurrent	0.9	1.0

### **Note 16. Income Taxes**

The following table summarizes the Company's provision for income taxes and effective income tax provision rate for the three and six month periods ended June 30, 2024 and 2023.

	<b>For the Three Month Period Ended June 30,</b>		<b>For the Six Month Period Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Income before income taxes	\$ 236.1	\$ 238.9	\$ 505.7	\$ 449.9
Provision for income taxes	\$ 46.1	\$ 60.5	\$ 100.5	\$ 108.6
Effective income tax provision rate	19.5 %	25.3 %	19.9 %	24.1 %

The decrease in the provision for income taxes and decrease in the effective income tax provision rate for the three month period ended June 30, 2024 when compared to the same three month period of 2023 is primarily due to a decrease in the pretax book income in jurisdictions with higher effective tax rates combined with an increase in earnings in jurisdictions with lower tax rates and a benefit from a windfall tax deduction.

The decrease in the provision for income taxes and decrease in the effective income tax provision rate for the six month period ended June 30, 2024 when compared to the same six month period of 2023 is primarily due to a decrease in the pretax book income in jurisdictions with higher effective tax rates combined with an increase in earnings in jurisdictions with lower tax rates and a benefit from a windfall tax deduction.

## Note 17. Other Operating Expense, Net

The components of “Other operating expense, net” for the three and six month periods ended June 30, 2024 and 2023 were as follows.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2024	2023	2024	2023
Foreign currency transaction gains, net	\$ —	\$ (1.1)	\$ (0.7)	\$ (0.1)
Restructuring charges, net <sup>(1)</sup>	3.9	5.2	13.6	8.1
Acquisition and other transaction related expenses <sup>(2)</sup>	25.9	12.8	41.2	28.0
Loss on asbestos sale <sup>(3)</sup>	58.8	—	58.8	—
Other, net	(0.4)	2.9	0.5	4.2
Total other operating expense, net	<u>\$ 88.2</u>	<u>\$ 19.8</u>	<u>\$ 113.4</u>	<u>\$ 40.2</u>

(1) See Note 3 “[Restructuring](#).”

(2) Represents costs associated with successful and abandoned acquisitions, including third-party expenses and post-closure integration costs.

(3) See Note 18 “[Contingencies](#).”

## Note 18. Contingencies

The Company is a party to various legal proceedings, lawsuits and administrative actions, which are of an ordinary or routine nature for a company of its size and sector. The Company believes that such proceedings, lawsuits and administrative actions will not materially adversely affect its operations, financial condition, liquidity or competitive position. For further description of the Company’s contingencies, reference is made to Note 21, “Contingencies” in the notes to consolidated financial statements in the Company’s 2023 Annual Report.

### *Asbestos and Silica Related Litigation*

Prior to the divestiture described below, “Accrued liabilities” and “Other liabilities” of the Condensed Consolidated Balance Sheets included a total litigation reserve of \$126.9 million as of December 31, 2023 with regards to potential liability arising from the Company’s asbestos-related litigation. The Company had an insurance recovery receivable for probable asbestos related recoveries of \$157.7 million as of December 31, 2023, which was included in “Other assets” in the Condensed Consolidated Balance Sheets.

On June 5, 2024, the Company entered into a Membership Interest Purchase Agreement (the “Purchase Agreement”) with Onyx TopCo LLC (the “Buyer”), a wholly owned subsidiary of Delticus Holdings LLC (“Delticus”), which is an entity owned by entities affiliated with Third Point LLC. Under the Purchase Agreement, the Company transferred 100% of the equity interests of three wholly-owned subsidiaries that hold asbestos liabilities and certain assets, including the related insurance assets, to the Buyer, effective as of June 10, 2024. In connection with the divestiture (the “Asbestos Portfolio Sale”), the divested entities were capitalized with a total of \$188.5 million, including \$143.5 million from insurance settlement proceeds, \$35.0 million from affiliates of Delticus, and \$10.0 million from Ingersoll Rand. As these subsidiaries were the obligors for the Company’s asbestos-related liabilities and policyholders of the related insurance assets, the rights and obligations related to these items transferred upon the sale. The divested subsidiaries have agreed to indemnify us and our affiliates for their asbestos-related liabilities, which encompassed all of our consolidated asbestos-related liabilities and contingent liabilities immediately prior to the sale. The Purchase Agreement contains customary representations and warranties with respect to the divested subsidiaries, the Company, and Delticus. Pursuant to the Purchase Agreement, the Company and Delticus will each indemnify the other for breaches of representation and warranties or breaches of covenants, subject to certain limitations as set forth in the agreement. In connection with the sale, the Company and its Board of Directors received a solvency opinion from an independent advisory firm that the divested entities were solvent and adequately capitalized immediately prior to, at the time of, and after giving effect to, the sale.

Following the completion of the transfer, the Company no longer has any obligation with respect to pending and future asbestos claims. As such, the divested entities have been deconsolidated from the financial results of the Company as we no longer maintain control of the entities. Therefore, all associated assets and liabilities are no longer reported on the Consolidated Balance Sheet. The transaction resulted in a pre-tax loss of \$58.8 million, recorded to “Other operating expense, net.” Additionally, the Company recorded a tax benefit as a result of the reversal of previously recorded net deferred tax liabilities of \$7.6 million, resulting in an after-tax loss of \$51.2 million recorded in the second quarter of 2024.

The following table summarizes the impacts of the divestiture.

<b>Assets divested:</b>	
Cash and cash equivalents	\$ 153.5
Insurance recovery receivable	13.9
<b>Liabilities divested:</b>	
Asbestos indemnity liability - current	(12.3)
Asbestos indemnity liability - noncurrent	(111.4)
Loss on Asbestos Sale, before transaction costs	43.7
Transaction costs	15.1
Loss on Asbestos Sale	58.8
Income tax benefit	(7.6)
Loss on Asbestos Sale, net of tax	\$ 51.2

### ***Environmental Matters***

The Company has been identified as a potentially responsible party (“PRP”) with respect to several sites designated for cleanup under U.S. federal “Superfund” or similar state laws that impose liability for cleanup of certain waste sites and for related natural resource damages. The Company has undiscounted accrued liabilities of \$18.2 million and \$16.7 million as of June 30, 2024 and December 31, 2023, respectively, on its Condensed Consolidated Balance Sheets to the extent costs are known or can be reasonably estimated for its remaining financial obligations in relation to environmental matters and does not anticipate that any of these matters will result in material additional costs beyond amounts accrued. Based upon consideration of currently available information, the Company does not anticipate any material adverse effect on its results of operations, financial condition, liquidity or competitive position as a result of compliance with federal, state, local or foreign environmental laws or regulations, or cleanup costs relating to these matters.

### **Note 19. Segment Results**

A description of the Company’s two reportable segments, including the specific products manufactured and sold follows below.

In the Industrial Technologies and Services segment, the Company designs, manufactures, markets and services a broad range of compression and vacuum equipment as well as fluid transfer equipment, and loading systems. The Company’s compression and vacuum products are used worldwide in industrial manufacturing, transportation, chemical processing, food and beverage production, clean energy, environmental and other applications. In addition to equipment sales, the Company offers a broad portfolio of service options tailored to customer needs and complete range of aftermarket parts, air treatment equipment, controls and other accessories. The Company’s engineered loading systems and fluid transfer equipment ensure the safe handling and transfer of crude oil, liquefied natural gas, compressed natural gas, chemicals, and bulk materials.

In the Precision and Science Technologies segment, the Company designs, manufactures and markets a broad range of specialized positive displacement pumps, fluid management equipment, powder containment and aftermarket parts for medical, laboratory, pharmaceutical and biopharmaceutical production, industrial manufacturing, water and wastewater, chemical processing, clean energy, food and beverage, agriculture, aerospace and other markets. The Company’s products are used for a diverse set of applications including precision dosing of chemicals and supplements, blood dialysis, oxygen therapy, food processing, fluid transfer and dispensing, spray finishing and coating, mixing, high-pressure air and gas management and others. The Company sells primarily through a broad global network of specialized and national distributors and original equipment manufacturers who integrate the Company’s products into their devices and systems.

The Chief Operating Decision Maker (“CODM”) evaluates the performance of the Company’s reportable segments based on, among other measures, Segment Adjusted EBITDA. Management closely monitors the Segment Adjusted EBITDA of each reportable segment to evaluate past performance and actions required to improve profitability. Inter-segment sales and transfers are not significant. Administrative expenses related to the Company’s corporate offices and shared service centers in the United States and Europe, which includes transaction processing, accounting and other business support functions, are allocated to the business segments. Certain administrative expenses, including senior management compensation, treasury, internal audit, tax compliance, certain information technology, and other corporate functions, are not allocated to the business segments.

The following table provides summarized information about the Company's operations by reportable segment and reconciles Segment Adjusted EBITDA to Income Before Income Taxes for the three and six month periods ended June 30, 2024 and 2023.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2024	2023	2024	2023
<b>Revenue</b>				
Industrial Technologies and Services	\$ 1,466.5	\$ 1,378.4	\$ 2,839.9	\$ 2,695.6
Precision and Science Technologies	338.8	308.1	635.5	620.2
<b>Total Revenue</b>	<u>\$ 1,805.3</u>	<u>\$ 1,686.5</u>	<u>\$ 3,475.4</u>	<u>\$ 3,315.8</u>
<b>Segment Adjusted EBITDA</b>				
Industrial Technologies and Services	\$ 436.2	\$ 377.5	\$ 847.3	\$ 723.1
Precision and Science Technologies	102.5	90.0	193.9	184.5
<b>Total Segment Adjusted EBITDA</b>	<u>\$ 538.7</u>	<u>\$ 467.5</u>	<u>\$ 1,041.2</u>	<u>\$ 907.6</u>
Less items to reconcile Segment Adjusted EBITDA to Income Before Income Taxes:				
Corporate expenses not allocated to segments	\$ 44.1	\$ 42.8	\$ 88.1	\$ 82.8
Interest expense	50.8	40.8	87.6	79.7
Depreciation and amortization expense <sup>(a)</sup>	115.8	111.0	232.1	224.1
Restructuring and related business transformation costs <sup>(b)</sup>	3.9	5.9	14.6	10.2
Acquisition and other transaction related expenses and non-cash charges <sup>(c)</sup>	27.7	13.8	43.0	31.8
Stock-based compensation	14.5	11.9	28.6	24.0
Foreign currency transaction gains, net	—	(1.1)	(0.7)	(0.1)
Loss on extinguishment of debt	3.0	0.9	3.0	0.9
Adjustments to LIFO inventories	0.4	6.5	7.2	14.3
Cybersecurity incident costs <sup>(d)</sup>	(0.1)	2.2	0.5	2.2
Loss on asbestos sale	58.8	—	58.8	—
Interest income on cash and cash equivalents	(16.3)	(6.1)	(27.7)	(10.8)
Other adjustments <sup>(e)</sup>	—	—	0.4	(1.4)
<b>Income Before Income Taxes</b>	<u>236.1</u>	<u>238.9</u>	<u>505.7</u>	<u>449.9</u>
Provision for income taxes	46.1	60.5	100.5	108.6
Income (loss) on equity method investments	(3.5)	2.4	(14.2)	2.7
<b>Net Income</b>	<u>\$ 186.5</u>	<u>\$ 180.8</u>	<u>\$ 391.0</u>	<u>\$ 344.0</u>

a) Depreciation and amortization expense excludes \$1.1 million and \$0.8 million of depreciation of rental equipment for the three month periods ended June 30, 2024 and 2023, respectively, and excludes \$2.0 million and \$1.7 million for the six month periods ended June 30, 2024 and 2023, respectively.

b) Restructuring and related business transformation costs consist of the following.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2024	2023	2024	2023
Restructuring charges	\$ 3.9	\$ 5.2	\$ 13.6	\$ 8.1
Facility reorganization, relocation and other costs	—	0.7	1.0	2.1
<b>Total restructuring and related business transformation costs</b>	<u>\$ 3.9</u>	<u>\$ 5.9</u>	<u>\$ 14.6</u>	<u>\$ 10.2</u>

c) Represents costs associated with successful and abandoned acquisitions, including third-party expenses, post-closure integration costs and non-cash charges and credits arising from fair value purchase accounting adjustments.

d) Represents non-recoverable costs associated with a cybersecurity event.

e) Includes (i) pension and other postemployment plan costs other than service cost and (ii) other miscellaneous adjustments.

**Note 20. Earnings Per Share**

The calculation of earnings per share is based on the weighted-average number of the Company's shares outstanding for the applicable period. The calculation of diluted earnings per share reflects the effect of all potentially dilutive shares that were outstanding during the respective periods, unless the effect of doing so is antidilutive. The Company uses the treasury stock method to calculate the dilutive effect of outstanding share-based compensation awards. The number of weighted-average shares outstanding used in the computations of basic and diluted earnings per share are as follows.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2024	2023	2024	2023
Weighted-average shares outstanding - Basic	403.5	404.5	403.5	404.8
Dilutive effect of outstanding share-based compensation awards	3.9	3.8	4.2	4.0
Weighted-average shares outstanding - Diluted	407.4	408.3	407.7	408.8

For the three month periods ended June 30, 2024 and 2023, 0.6 million and 1.6 million, respectively, of anti-dilutive shares were not included in the computation of diluted earnings per share. For the six month periods ended June 30, 2024 and June 30, 2023, 0.4 million and 1.6 million of anti-dilutive shares were not included in the computation of diluted earnings per share, respectively.

## ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion contains management’s discussion and analysis of our financial condition and results of operations and should be read together with the unaudited condensed consolidated financial statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q. This discussion contains forward-looking statements that reflect our plans, estimates and beliefs and involve numerous risks and uncertainties, including, but not limited to, those described in the “Risk Factors” section of our 2023 Annual Report. Actual results may differ materially from those contained in any forward-looking statements. You should carefully read “Special Note Regarding Forward-Looking Statements” in this Quarterly Report on Form 10-Q.*

### Overview

#### *Our Company*

Ingersoll Rand is a global market leader with a broad range of innovative and mission-critical air, fluid, energy and medical technologies, providing services and solutions to increase industrial productivity and efficiency. We manufacture one of the broadest and most complete ranges of compressor, pump, vacuum and blower products in our markets, which, when combined with our global geographic footprint and application expertise, allows us to provide differentiated product and service offerings to our customers. Our products are sold under a collection of premier, market-leading brands, including Ingersoll Rand, Gardner Denver, Nash, CompAir, ILC Dover, Thomas, Milton Roy, Seepex, Elmo Rietschle, ARO, Robuschi, Emco Wheaton and Runtech Systems, which we believe are globally recognized in their respective end-markets and known for product quality, reliability, efficiency and superior customer service.

We operate with two reportable segments: Industrial Technologies and Services and Precision and Science Technologies. See Note 19 “[Segment Results](#)” to our unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q for a description of our reportable segments.

### Items Affecting our Business, Industry and End Markets

#### *General Economic Conditions*

Our financial results closely follow changes in the industries and end-markets we serve. Demand for most of our products depends on the level of new capital investment and planned and unplanned maintenance expenditures by our customers. The level of capital expenditures depends, in turn, on the general economic conditions as well as access to capital at reasonable cost.

#### *Foreign Currency Fluctuations*

A significant portion of our revenues, approximately 53% for the six month period ended June 30, 2024, was denominated in currencies other than the U.S. dollar. Because much of our manufacturing facilities and labor force costs are outside of the United States, a significant portion of our costs are also denominated in currencies other than the U.S. dollar. Changes in foreign exchange rates can therefore impact our results of operations and are quantified when significant to our discussion.

### Factors Affecting the Comparability of our Results of Operations

Key factors affecting the comparability of our results of operations are summarized below.

#### *Acquisitions*

Part of our strategy for growth is to acquire complementary businesses that provide access to new technologies or geographies or expand our offerings. While acquisitions, as discussed further in Note 2, are not individually significant or significant in the aggregate, they may be relevant when comparing our results from period to period.

See Note 2 “[Acquisitions](#)” to our unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q for further discussion of these acquisitions.

#### *Restructuring and Other Business Transformation Initiatives*

We continue to execute business transformation initiatives. A key element of those initiatives are restructuring programs within our Industrial Technologies and Services and Precision and Science Technologies segments, as well as at the Corporate

level. Restructuring charges, program related facility reorganization, relocation and other costs, and related capital expenditures were impacted most significantly.

### **How We Assess the Performance of Our Business**

We manage operations through the two business segments described above. In addition to our consolidated GAAP financial measures, we review various non-GAAP financial measures, including Adjusted EBITDA, Adjusted Net Income and Free Cash Flow.

We believe Adjusted EBITDA and Adjusted Net Income are helpful supplemental measures to assist us and investors in evaluating our operating results as they exclude certain items whose fluctuation from period to period do not necessarily correspond to changes in the operations of our business. Adjusted EBITDA represents net income (loss) before interest, taxes, depreciation, amortization and certain non-cash, non-recurring and other adjustment items. We believe that the adjustments applied in presenting Adjusted EBITDA are appropriate to provide additional information to investors about certain material non-cash items and about non-recurring items that we do not expect to continue at the same level in the future. Adjusted Net Income is defined as net income (loss) including interest, depreciation and amortization of non-acquisition related intangible assets and excluding other items used to calculate Adjusted EBITDA and further adjusted for the tax effect of these exclusions.

We use Free Cash Flow to review the liquidity of our operations. We measure Free Cash Flow as cash flows from operating activities less capital expenditures. We believe Free Cash Flow is a useful supplemental financial measure for us and investors in assessing our ability to pursue business opportunities and investments and to service our debt. Free Cash Flow is not a measure of our liquidity under GAAP and should not be considered as an alternative to cash flows from operating activities.

Management and our board of directors regularly use these measures as tools in evaluating our operating and financial performance and in establishing discretionary annual compensation. Such measures are provided in addition to, and should not be considered to be a substitute for, or superior to, the comparable measures under GAAP. In addition, we believe that Adjusted EBITDA, Adjusted Net Income and Free Cash Flow are frequently used by investors and other interested parties in the evaluation of issuers, many of which also present Adjusted EBITDA, Adjusted Net Income and Free Cash Flow when reporting their results in an effort to facilitate an understanding of their operating and financial results and liquidity.

Adjusted EBITDA, Adjusted Net Income and Free Cash Flow should not be considered as alternatives to net income (loss) or any other performance measure derived in accordance with GAAP, or as alternatives to cash flow from operating activities as a measure of our liquidity. Adjusted EBITDA, Adjusted Net Income and Free Cash Flow have limitations as analytical tools, and you should not consider such measures either in isolation or as substitutes for analyzing our results as reported under GAAP.

See “Non-GAAP Financial Measures” below for reconciliation information.

### **Results of Operations**

Consolidated results should be read in conjunction with the segment results section herein and Note 19 “[Segment Results](#)” to our unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q, which provides more detailed discussions concerning certain components of our Condensed Consolidated Statements of Operations. All intercompany accounts and transactions have been eliminated within the consolidated results. The following table presents selected Condensed Consolidated Results of Operations of our business for the three and six month periods ended June 30, 2024 and 2023.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2024	2023	2024	2023
<b>Condensed Consolidated Statement of Operations:</b>				
Revenues	\$ 1,805.3	\$ 1,686.5	\$ 3,475.4	\$ 3,315.8
Cost of sales	1,012.0	989.0	1,935.8	1,954.1
Gross profit	793.3	697.5	1,539.6	1,361.7
Selling and administrative expenses	342.1	315.6	678.4	626.7
Amortization of intangible assets	91.2	89.7	182.8	182.1
Other operating expense, net	88.2	19.8	113.4	40.2
Operating income	271.8	272.4	565.0	512.7
Interest expense	50.8	40.8	87.6	79.7
Loss on extinguishment of debt	3.0	0.9	3.0	0.9
Other income, net	(18.1)	(8.2)	(31.3)	(17.8)
Income before income taxes	236.1	238.9	505.7	449.9
Provision for income taxes	46.1	60.5	100.5	108.6
Income (loss) on equity method investments	(3.5)	2.4	(14.2)	2.7
Net income	186.5	180.8	391.0	344.0
Less: Net income attributable to noncontrolling interests	1.5	1.3	3.8	3.4
Net income attributable to Ingersoll Rand Inc.	\$ 185.0	\$ 179.5	\$ 387.2	\$ 340.6

**Percentage of Revenues:**

Gross profit	43.9 %	41.4 %	44.3 %	41.1 %
Selling and administrative expenses	18.9 %	18.7 %	19.5 %	18.9 %
Operating income	15.1 %	16.2 %	16.3 %	15.5 %
Net income	10.3 %	10.7 %	11.3 %	10.4 %
Adjusted EBITDA	27.4 %	25.2 %	27.4 %	24.9 %

**Other Financial Data:**

Adjusted EBITDA <sup>(1)</sup>	\$ 494.6	\$ 424.7	\$ 953.1	824.8
Adjusted Net Income <sup>(1)</sup>	341.1	278.2	661.0	545.2
Cash flows - operating activities	304.9	228.4	466.5	398.7
Cash flows - investing activities	(2,628.5)	(73.9)	(2,834.1)	(655.4)
Cash flows - financing activities	1,941.6	(76.4)	1,862.0	(165.7)
Free Cash Flow <sup>(1)</sup>	283.1	203.6	382.4	351.5

(1) See the “Non-GAAP Financial Measures” section for a reconciliation to comparable GAAP measure.

**Revenues**

Revenues for the three month period ended June 30, 2024 were \$1,805.3 million, an increase of \$118.8 million, or 7.0%, compared to \$1,686.5 million for the same three month period in 2023. The increase in revenues was primarily due to acquisitions of \$117.0 million and higher pricing of \$42.3 million, partially offset by lower organic volumes of \$26.1 million and unfavorable impact of foreign currencies of \$14.4 million. The percentage of consolidated revenues derived from aftermarket parts and services was 35.6% in the three month period ended June 30, 2024 compared to 35.5% in the same three month period in 2023.

Revenues for the six month period ended June 30, 2024 were \$3,475.4 million, an increase of \$159.6 million, or 4.8%, compared to \$3,315.8 million for the same six month period in 2023. The increase in revenues was primarily due to acquisitions of \$172.7 million and higher pricing of \$90.6 million, partially offset by lower organic volumes of \$87.0 million and the unfavorable impact



of foreign currencies of \$16.7 million. The percentage of consolidated revenues derived from aftermarket parts and services was 36.3% in the six month period ended June 30, 2024 compared to 36.0% in the same six month period in 2023.

#### *Gross Profit*

Gross profit for the three month period ended June 30, 2024 was \$793.3 million, an increase of \$95.8 million, or 13.7%, compared to \$697.5 million for the same three month period in 2023, and as a percentage of revenues was 43.9% for the three month period ended June 30, 2024 and 41.4% for the same three month period in 2023. The increase in gross profit is primarily due to higher pricing and acquisitions discussed above. The increase in gross profit as a percentage of revenues is primarily due to increased price and input cost productivity improvements.

Gross profit for the six month period ended June 30, 2024 was \$1,539.6 million, an increase of \$177.9 million, or 13.1%, compared to \$1,361.7 million for the same six month period in 2023, and as a percentage of revenues was 44.3% for the six month period ended June 30, 2024 and 41.1% for the same six month period in 2023. The increase in gross profit is primarily due to higher pricing and acquisitions discussed above. The increase in gross profit as a percentage of revenues is primarily due to increased price and input cost productivity improvements.

#### *Selling and Administrative Expenses*

Selling and administrative expenses were \$342.1 million for the three month period ended June 30, 2024, an increase of \$26.5 million, or 8.4%, compared to \$315.6 million for the same three month period in 2023. The increase in selling and administrative expenses was primarily attributable to businesses acquired in the second half of 2023 and first half of 2024. Selling and administrative expenses as a percentage of revenues increased to 18.9% for the three month period ended June 30, 2024 from 18.7% in the same three month period in 2023.

Selling and administrative expenses were \$678.4 million for the six month period ended June 30, 2024, an increase of \$51.7 million, or 8.2%, compared to \$626.7 million for the same six month period in 2023. The increase in selling and administrative expenses was mainly from businesses acquired in the second half of 2023 and first half of 2024. Selling and administrative expenses as a percentage of revenues increased to 19.5% for the six month period ended June 30, 2024 from 18.9% in the same six month period in 2023.

#### *Amortization of Intangible Assets*

Amortization of intangible assets was \$91.2 million for the three month period ended June 30, 2024, an increase of \$1.5 million, compared to \$89.7 million in the same three month period in 2023. The increase was primarily due to businesses acquired in the second half of 2023 and first half of 2024 discussed in Note 2 "[Acquisitions](#)" to our unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q, partially offset by certain intangible assets becoming fully amortized during the period.

Amortization of intangible assets was \$182.8 million for the six month period ended June 30, 2024, an increase of \$0.7 million, compared to \$182.1 million in the same six month period in 2023. The increase was primarily due to businesses acquired in the second half of 2023 and first half of 2024 discussed in Note 2 "[Acquisitions](#)" to our unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q, partially offset by certain intangible assets becoming fully amortized during the period.

#### *Other Operating Expense, Net*

Other operating expense, net was \$88.2 million for the three month period ended June 30, 2024, an increase of \$68.4 million, compared to \$19.8 million in the same three month period in 2023. The increase in expense was primarily due to the loss on asbestos sale of \$58.8 million, higher acquisition and other transaction related expenses and non-cash charges of \$13.1 million and lower foreign currency transaction gains, net of \$1.1 million, partially offset by lower restructuring charges of \$1.3 million. See Note 18 "[Contingencies](#)" to our unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q for further discussion of the loss on asbestos sale.

Other operating expense, net was \$113.4 million for the six month period ended June 30, 2024, an increase of \$73.2 million, compared to \$40.2 million in the same six month period in 2023. The increase was primarily due to the loss on asbestos sale of \$58.8 million, higher acquisition and other transaction related expenses and non-cash charges of \$13.2 million and higher restructuring charges of \$5.5 million, partially offset by higher foreign currency transaction gains, net of \$0.6 million. See Note

18 “[Contingencies](#)” to our unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q for further discussion of the loss on asbestos sale.

#### *Interest Expense*

Interest expense was \$50.8 million for the three month period ended June 30, 2024, an increase of \$10.0 million, compared to \$40.8 million in the same three month period in 2023. The increase was primarily due to an increase in long term debt, partially offset by the interest rate derivative contracts discussed in Note 13 “[Hedging Activities and Derivative Instruments](#)” to our unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q. The weighted average interest rate, including the impact of the interest rate derivative contracts, was approximately 5.2% for the three month period ended June 30, 2024 and 5.4% in the same three month period in 2023.

Interest expense was \$87.6 million for the six month period ended June 30, 2024, an increase of \$7.9 million, compared to \$79.7 million in the same six month period in 2023. The increase was primarily due to an increase in long term debt, partially offset by the interest rate derivative contracts discussed in Note 13 “[Hedging Activities and Derivative Instruments](#)” to our unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q. The weighted average interest rate, including the impact of the interest rate derivative contracts, was approximately 5.2% for the six month period ended June 30, 2024 and 5.3% in the same period in 2023.

#### *Other Income, Net*

Other income, net was \$18.1 million and \$8.2 million in the three month periods ended June 30, 2024 and 2023, respectively. The increase was primarily due to an increase in interest income from holdings of cash and cash equivalents.

Other income, net was \$31.3 million and \$17.8 million in the six month periods ended June 30, 2024 and 2023, respectively. The increase was primarily due to an increase in interest income from holdings of cash and cash equivalents.

#### *Provision for Income Taxes*

The provision for income taxes was \$46.1 million, resulting in a 19.5% effective income tax provision rate for the three month period ended June 30, 2024, compared to a provision for income taxes of \$60.5 million, resulting in a 25.3% effective income tax provision rate in the same three month period in 2023. The decrease in the tax provision for the three month period ended June 30, 2024 is primarily due to a decrease in the pretax book income in jurisdictions with higher effective tax rates combined with an increase in earnings in jurisdictions with lower rates and a benefit from a windfall tax deduction.

The provision for income taxes was \$100.5 million, resulting in a 19.9% effective income tax provision rate for the six month period ended June 30, 2024, compared to a provision for income taxes of \$108.6 million, resulting in a 24.1% effective income tax provision rate in the same six month period in 2023. The decrease in the tax provision for the six month period ended June 30, 2024 is primarily due to a decrease in the pretax book income in jurisdictions with higher effective tax rates combined with an increase in earnings in jurisdictions with lower rates and a benefit from a windfall tax deduction.

#### *Net Income*

Net income was \$186.5 million for the three month period ended June 30, 2024 compared to net income of \$180.8 million in the same three month period in 2023. The increase in net income was primarily due to higher gross profit on increased revenues and lower provision for income taxes, partially offset by higher other operating expense, net, higher selling and administrative expenses, and higher loss on equity method investments.

Net income was \$391.0 million for the six month period ended June 30, 2024 compared to net income of \$344.0 million in the same six month period in 2023. The increase in net income was primarily due to higher gross profit on increased revenues and lower provision for income taxes, partially offset by higher other operating expense, net, higher selling and administrative expenses, and higher loss on equity method investments.

#### *Adjusted EBITDA*

Adjusted EBITDA increased \$69.9 million to \$494.6 million for the three month period ended June 30, 2024 compared to \$424.7 million in the same three month period in 2023. Adjusted EBITDA as a percentage of revenues increased 220 basis points to 27.4% for the three month period ended June 30, 2024 from 25.2% for the same three month period in 2023. The increase in Adjusted EBITDA was primarily due to higher pricing of \$42.3 million, acquisitions of \$28.4 million, and favorable cost productivity and product mix of \$22.3 million, partially offset by lower organic sales volume of \$11.2 million, higher selling and

administrative costs of \$8.4 million, and unfavorable impact of foreign currencies of \$3.8 million. The increase in Adjusted EBITDA as a percentage of revenues is primarily attributable to higher pricing, input cost productivity improvements, and product mix.

Adjusted EBITDA increased \$128.3 million to \$953.1 million for the six month period ended June 30, 2024 compared to \$824.8 million in the same six month period in 2023. Adjusted EBITDA as a percentage of revenues increased 250 basis points to 27.4% for the six month period ended June 30, 2024 from 24.9% for the same six month period in 2023. The increase in Adjusted EBITDA was primarily due to higher pricing of \$90.6 million, and favorable cost productivity and product mix of \$55.2 million, partially offset by lower organic sales volume of \$37.4 million, higher selling and administrative costs of \$18.0 million, and the unfavorable impact of foreign currencies of \$5.0 million. The increase in Adjusted EBITDA as a percentage of revenues is primarily attributable to higher pricing, input cost productivity improvements, and product mix.

#### *Adjusted Net Income*

Adjusted Net Income increased \$62.9 million to \$341.1 million for the three month period ended June 30, 2024 compared to \$278.2 million in the same three month period in 2023. The increase was primarily due to higher Adjusted EBITDA and higher interest income on cash and cash equivalents, partially offset by higher interest expense and higher income tax provision, as adjusted.

Adjusted Net Income increased \$115.8 million to \$661.0 million for the six month period ended June 30, 2024 compared to \$545.2 million in the same six month period in 2023. The increase was primarily due to increased Adjusted EBITDA and higher interest income on cash and cash equivalents, partially offset by a higher income tax provision, as adjusted, and higher interest expense.

## Non-GAAP Financial Measures

Set forth below are the reconciliations of Net Income to Adjusted EBITDA and Adjusted Net Income and Cash Flows from Operating Activities to Free Cash Flow.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2024	2023	2024	2023
<b>Net Income</b>	\$ 186.5	\$ 180.8	\$ 391.0	\$ 344.0
Plus:				
Interest expense	50.8	40.8	87.6	79.7
Provision for income taxes	46.1	60.5	100.5	108.6
Depreciation expense <sup>(a)</sup>	24.6	21.3	49.3	42.0
Amortization expense <sup>(b)</sup>	91.2	89.7	182.8	182.1
Restructuring and related business transformation costs <sup>(c)</sup>	3.9	5.9	14.6	10.2
Acquisition and other transaction related expenses and non-cash charges <sup>(d)</sup>	27.7	13.8	43.0	31.8
Stock-based compensation	14.5	11.9	28.6	24.0
Foreign currency transaction gains, net	—	(1.1)	(0.7)	(0.1)
Loss (income) on equity method investments	3.5	(2.4)	14.2	(2.7)
Loss on extinguishment of debt	3.0	0.9	3.0	0.9
Adjustments to LIFO inventories	0.4	6.5	7.2	14.3
Cybersecurity incident costs <sup>(e)</sup>	(0.1)	2.2	0.5	2.2
Loss on asbestos sale	58.8	—	58.8	—
Interest income on cash and cash equivalents	(16.3)	(6.1)	(27.7)	(10.8)
Other adjustments <sup>(f)</sup>	—	—	0.4	(1.4)
<b>Adjusted EBITDA</b>	\$ 494.6	\$ 424.7	\$ 953.1	\$ 824.8
Minus:				
Interest expense	\$ 50.8	\$ 40.8	\$ 87.6	\$ 79.7
Income tax provision, as adjusted <sup>(g)</sup>	92.3	87.9	178.7	163.5
Depreciation expense	24.6	21.3	49.3	42.0
Amortization of non-acquisition related intangible assets	2.1	2.6	4.2	5.2
Interest income on cash and cash equivalents	(16.3)	(6.1)	(27.7)	(10.8)
<b>Adjusted Net Income</b>	\$ 341.1	\$ 278.2	\$ 661.0	\$ 545.2
<b>Free Cash Flow</b>				
Cash flows from operating activities	\$ 304.9	\$ 228.4	\$ 466.5	\$ 398.7
Minus:				
Capital expenditures	21.8	24.8	84.1	47.2
<b>Free Cash Flow</b>	\$ 283.1	\$ 203.6	\$ 382.4	\$ 351.5

(a) Depreciation expense excludes \$1.1 million and \$0.8 million of depreciation of rental equipment for the three month periods ended June 30, 2024 and 2023, respectively, and excludes \$2.0 million and \$1.7 million for the six month periods ended June 30, 2024 and 2023, respectively.

(b) Represents \$89.1 million and \$87.1 million of amortization of intangible assets arising from acquisitions (customer relationships, technology, tradenames and backlog) and \$2.1 million and \$2.6 million of amortization of non-acquisition related intangible assets, in each case, for the three month periods ended June 30, 2024 and 2023, respectively.

Represents \$178.6 million and \$176.9 million of amortization of intangible assets arising from the acquisition of Ingersoll Rand Industrial and other acquisitions (customer relationships, technology, tradenames and backlog) and \$4.2 million and \$5.2 million of amortization of non-acquisition related intangible assets, in each case, for the six month periods ended June 30, 2024 and 2023, respectively.

(c) Restructuring and related business transformation costs consisted of the following.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2024	2023	2024	2023
Restructuring charges	\$ 3.9	\$ 5.2	\$ 13.6	\$ 8.1
Facility reorganization, relocation and other costs	—	0.7	1.0	2.1
Total restructuring and related business transformation costs	\$ 3.9	\$ 5.9	\$ 14.6	\$ 10.2

- (d) Represents costs associated with successful and/or abandoned acquisitions and divestitures, including third-party expenses, post-closure integration costs, and non-cash charges and credits arising from fair value purchase accounting adjustments.
- (e) Represents non-recoverable costs associated with a cybersecurity event.
- (f) Includes (i) pension and other postemployment plan costs other than service costs and (ii) other miscellaneous adjustments.
- (g) Represents our income tax provision adjusted for the tax effect of pre-tax items excluded from Adjusted Net Income and the removal of the applicable discrete tax items. The tax effect of pre-tax items excluded from Adjusted Income is computed using the statutory tax rate related to the jurisdiction that was impacted by the adjustment after taking into account the impact of permanent differences and valuation allowances. Discrete tax items include changes in tax laws or rates, changes in uncertain tax positions relating to prior years and changes in valuation allowances. The adjusted amounts are then used to calculate an adjusted provision for the quarter.

The income tax provision, as adjusted for each of the periods presented below consisted of the following.

	For the Three Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2024	2023	2024	2023
Provision for income taxes	\$ 46.1	\$ 60.5	\$ 100.5	\$ 108.6
Tax impact of pre-tax income adjustments	38.0	28.0	67.3	56.1
Discrete tax items	8.2	(0.6)	10.9	(1.2)
Income tax provision, as adjusted	\$ 92.3	\$ 87.9	\$ 178.7	\$ 163.5

## Segment Results

We classify our business into two segments: Industrial Technologies and Services and Precision and Science Technologies. Our Corporate operations are not discussed separately as any results that had a significant impact on operating results are included in the “Results of Operations” discussion above.

We evaluate the performance of our segments based on Segment Revenues and Segment Adjusted EBITDA. Segment Adjusted EBITDA is indicative of operational performance and ongoing profitability. Our management closely monitors Segment Adjusted EBITDA to evaluate past performance and identify actions required to improve profitability.

The segment measurements provided to and evaluated by the chief operating decision maker are described in Note 19 “[Segment Results](#)” to our unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q.

### Segment Results for the Three and Six Month Periods Ended June 30, 2024 and 2023

The following tables display Segment Orders, Segment Revenues, Segment Adjusted EBITDA and Segment Adjusted EBITDA Margin (Segment Adjusted EBITDA as a percentage of Segment Revenues) for each of our Segments.

#### Industrial Technologies and Services Segment Results

	For the Three Month Period Ended June 30,		Percent Change
	2024	2023	2024 vs. 2023
Segment Orders	\$ 1,465.4	\$ 1,444.3	1.5 %
Segment Revenues	\$ 1,466.5	\$ 1,378.4	6.4 %
Segment Adjusted EBITDA	\$ 436.2	\$ 377.5	15.5 %
Segment Margin	29.7 %	27.4 %	230 bps

Segment Orders for the three month period ended June 30, 2024 were \$1,465.4 million, an increase of \$21.1 million, or 1.5%, compared to \$1,444.3 million in the same three month period in 2023. The increase in Segment Orders was due to acquisitions of

\$73.2 million or 5.1%, partially offset by lower organic orders of \$38.1 million or 2.6% and the unfavorable impact of foreign currencies of \$14.0 million or 1.0%.

Segment Revenues for the three month period ended June 30, 2024 were \$1,466.5 million, an increase of \$88.1 million, or 6.4%, compared to \$1,378.4 million in the same three month period in 2023. The increase in Segment Revenues was due to acquisitions of \$81.1 million or 5.9% and higher pricing of \$35.3 million or 2.6%, partially offset by lower organic volumes of \$15.7 million or 1.1% and unfavorable impact of foreign currencies of \$12.6 million or 0.9%. The percentage of Segment Revenues derived from aftermarket parts and service was 38.8% in the three month period ended June 30, 2024 compared to 38.8% in the same three month period in 2023.

Segment Adjusted EBITDA for the three month period ended June 30, 2024 was \$436.2 million, an increase of \$58.7 million, or 15.5%, from \$377.5 million in the same three month period in 2023. Segment Adjusted EBITDA Margin increased 230 basis points to 29.7% from 27.4% in 2023. The increase in Segment Adjusted EBITDA was primarily due to higher pricing of \$35.3 million or 9.4%, favorable cost productivity and product mix of \$23.3 million or 6.2%, and acquisitions of \$18.7 million or 5.0%, partially offset by higher selling and administrative costs of \$9.1 million or 2.4%, lower organic sales volume of \$6.4 million or 1.7%, and unfavorable impact of foreign currencies of \$3.6 million or 1.0%.

	For the Six Month Period Ended June 30,		Percent Change
	2024	2023	2024 vs. 2023
Segment Orders	\$ 2,863.8	\$ 2,894.6	(1.1) %
Segment Revenues	\$ 2,839.9	\$ 2,695.6	5.4 %
Segment Adjusted EBITDA	\$ 847.3	\$ 723.1	17.2 %
Segment Margin	29.8 %	26.8 %	300 bps

Segment Orders for the six month period ended June 30, 2024 were \$2,863.8 million, a decrease of \$30.8 million, or 1.1%, compared to \$2,894.6 million in the same six month period in 2023. The decrease in Segment Orders was due to lower organic orders of \$143.0 million or 4.9% and the unfavorable impact of foreign currencies of \$16.6 million or 0.6%, partially offset by acquisitions of \$128.8 million or 4.4%.

Segment Revenues for the six month period ended June 30, 2024 were \$2,839.9 million, an increase of \$144.3 million, or 5.4%, compared to \$2,695.6 million in the same six month period in 2023. The increase in Segment Revenues was due to acquisitions of \$136.8 million or 5.1% and higher pricing of \$74.5 million or 2.8%, partially offset by lower organic volumes of \$52.0 million or 1.9% and unfavorable impact of foreign currencies of \$15.0 million or 0.6%. The percentage of Segment Revenues derived from aftermarket parts and service was 39.3% in the six month period ended June 30, 2024 compared to 39.4% in the same six month period in 2023.

Segment Adjusted EBITDA for the six month period ended June 30, 2024 was \$847.3 million, an increase of \$124.2 million, or 17.2%, from \$723.1 million in the same six month period in 2023. Segment Adjusted EBITDA Margin increased 300 basis points to 29.8% from 26.8% in 2023. The increase in Segment Adjusted EBITDA was primarily due to higher pricing of \$74.5 million or 10.3%, favorable cost productivity and product mix of \$59.6 million or 8.2%, and acquisitions of \$30.4 million or 4.2%, partially offset by lower organic sales volume of \$21.0 million or 2.9%, higher selling and administrative costs of \$15.8 million or 2.2%, and unfavorable impact of foreign currencies of \$4.4 million or 0.6%.

#### *Precision and Science Technologies Segment Results*

	For the Three Month Period Ended June 30,		Percent Change
	2024	2023	2024 vs. 2023
Segment Orders	\$ 334.0	\$ 293.1	14.0 %
Segment Revenues	\$ 338.8	\$ 308.1	10.0 %
Segment Adjusted EBITDA	\$ 102.5	\$ 90.0	13.9 %
Segment Margin	30.3 %	29.2 %	110 bps

Segment Orders for the three month period ended June 30, 2024 were \$334.0 million, an increase of \$40.9 million, or 14.0%, compared to \$293.1 million in the same three month period in 2023. The increase in Segment Orders was due to acquisitions of \$26.0 million or 8.9% and organic growth of \$17.0 million or 5.8%, partially offset by foreign currencies of \$2.1 million or 0.7%.

Segment Revenues for the three month period ended June 30, 2024 were \$338.8 million, an increase of \$30.7 million, or 10.0%, compared to \$308.1 million in the same three month period in 2023. The increase in Segment Revenues was primarily due to acquisitions of \$35.9 million or 11.7% and higher pricing of \$7.0 million or 2.3%, partially offset by lower organic volumes of \$10.4 million or 3.4% and unfavorable impact of foreign currencies of \$1.8 million or 0.6%. The percentage of Segment Revenues derived from aftermarket parts and service was 21.7% in the three month period ended June 30, 2024 compared to 20.6% in the same three month period in 2023.

Segment Adjusted EBITDA for the three month period ended June 30, 2024 was \$102.5 million, an increase of \$12.5 million, or 13.9%, from \$90.0 million in the same three month period in 2023. Segment Adjusted EBITDA Margin increased 110 basis points to 30.3% from 29.2% in 2023. The increase in Segment Adjusted EBITDA was primarily due to acquisitions of \$9.7 million or 10.8%, higher pricing of \$7.0 million or 7.8%, and lower selling and administrative costs of \$1.2 million or 1.3%, partially offset by lower organic sales volume of \$4.8 million or 5.3% and unfavorable impact of foreign currencies of \$0.5 million or 0.6%.

	For the Six Month Period Ended June 30,		Percent Change
	2024	2023	2024 vs. 2023
Segment Orders	\$ 643.0	\$ 619.6	3.8 %
Segment Revenues	\$ 635.5	\$ 620.2	2.5 %
Segment Adjusted EBITDA	\$ 193.9	\$ 184.5	5.1 %
Segment Margin	30.5 %	29.7 %	80 bps

Segment Orders for the six month period ended June 30, 2024 were \$643.0 million, an increase of \$23.4 million, or 3.8%, compared to \$619.6 million in the same six month period in 2023. The increase in Segment Orders was due to acquisitions of \$26.0 million or 4.2%, partially offset by the unfavorable impact of foreign currencies of \$2.0 million or 0.3% and lower organic orders of \$0.6 million or 0.1%.

Segment Revenues for the six month period ended June 30, 2024 were \$635.5 million, an increase of \$15.3 million, or 2.5%, compared to \$620.2 million in the same six month period in 2023. The increase in Segment Revenues was due to acquisitions of \$35.9 million or 5.8% and higher pricing of \$16.1 million or 2.6%, partially offset by lower organic volumes of \$35.0 million or 5.6% and unfavorable impact of foreign currencies of \$1.7 million or 0.3%. The percentage of Segment Revenues derived from aftermarket parts and service was 22.9% in the six month period ended June 30, 2024 compared to 21.0% in the same six month period in 2023.

Segment Adjusted EBITDA for the six month period ended June 30, 2024 was \$193.9 million, an increase of \$9.4 million, or 5.1%, from \$184.5 million in the same six month period in 2023. Segment Adjusted EBITDA Margin increased 80 basis points to 30.5% from 29.7% in 2023. The increase in Segment Adjusted EBITDA was primarily due to higher pricing of \$16.1 million or 8.7%, acquisitions of \$9.5 million or 5.1%, lower selling and administrative costs of \$0.8 million or 0.4%, and favorable cost productivity and product mix of \$0.2 million or 0.1%, partially offset by lower organic sales volume of \$16.4 million or 8.9% and unfavorable impact of foreign currencies of \$0.8 million or 0.4%.

## Liquidity and Capital Resources

Our investment resources include cash on hand, cash generated from operations and borrowings under our New Revolving Credit Facility. We also have the ability to seek additional secured and unsecured borrowings, subject to credit agreement restrictions.

See the description of these line-of-credit resources in Note 11 “Debt” to the consolidated financial statements in our 2023 Annual Report and Note 10 “[Debt](#)” to our unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q.

As of June 30, 2024, we had \$2,600.0 million of unused availability under the New Revolving Credit Facility.

As of June 30, 2024, we were in compliance with all of our debt covenants and no event of default had occurred or was ongoing.

## Liquidity

A substantial portion of our liquidity needs arise from debt service requirements, and from the ongoing cost of operations, working capital and capital expenditures.

	June 30, 2024	December 31, 2023
Cash and cash equivalents	\$ 1,062.5	\$ 1,595.5
Short-term borrowings and current maturities of long-term debt	\$ 4.5	\$ 30.6
Long-term debt	4,750.9	2,693.0
Total debt	\$ 4,755.4	\$ 2,723.6

We can increase the borrowing availability under the New Revolving Credit Facility by up to \$1,000.0 million in the form of additional commitments so long as we do not exceed a specified leverage ratio. Our liquidity requirements are significant primarily due to debt service requirements. See Note 11 “Debt” to the consolidated financial statements in our 2023 Annual Report and Note 10 “[Debt](#)” to our unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q for further details.

Our principal sources of liquidity have been existing cash and cash equivalents, cash generated from operations and borrowings under the Senior Notes and Former Senior Secured Credit Facilities. Our principal uses of cash will be to provide working capital, meet debt service requirements, fund capital expenditures, dividend payments, and finance strategic plans, including possible acquisitions. We may also seek to finance capital expenditures under capital leases or other debt arrangements that provide liquidity or favorable borrowing terms. We continue to consider acquisition opportunities, but the size and timing of any future acquisitions and the related potential capital requirements cannot be predicted. In the event that suitable businesses are available for acquisition upon acceptable terms, we may obtain all or a portion of the necessary financing through the incurrence of additional long-term borrowings. As market conditions warrant, we may from time to time, seek to repay loans that we have borrowed, including the borrowings under the Senior Notes. Based on our current level of operations and available cash, we believe our cash flow from operations, together with availability under the New Revolving Credit Facility, will provide sufficient liquidity to fund our current obligations, projected working capital requirements, debt service requirements and capital spending requirements for the foreseeable future. Our business may not generate sufficient cash flows from operations or future borrowings may not be available to us under our New Revolving Credit Facility in an amount sufficient to enable us to pay our indebtedness, or to fund our other liquidity needs. Our ability to do so depends on, among other factors, prevailing economic conditions, many of which are beyond our control. In addition, upon the occurrence of certain events, such as a change in control, we could be required to repay or refinance our indebtedness. We may not be able to refinance any of our indebtedness, including the Senior Notes, on commercially reasonable terms or at all. Any future acquisitions, joint ventures, or other similar transactions may require additional capital and there can be no assurance that any such capital will be available to us on acceptable terms or at all.

We may from time to time repurchase shares of our common stock in the open market at prevailing market prices (including through Rule 10b5-1 plans), in privately negotiated transactions, a combination thereof or through other transactions. The actual timing, number, manner and value of any shares repurchased will depend on several factors, including the market price of our stock, general market and economic conditions, our liquidity requirements, applicable legal requirement and other business considerations.

A substantial portion of our cash is in jurisdictions outside of the United States. We do not assert ASC 740-30 (formerly APB 23) indefinite reinvestment of our historical non-U.S. earnings or future non-U.S. earnings. The Company records a deferred foreign tax liability to cover all estimated withholding, state income tax and foreign income tax associated with repatriating all non-U.S. earnings back to the United States. Our deferred income tax liability as of June 30, 2024 was \$53.4 million which primarily consisted of withholding taxes.



### Working Capital

	June 30, 2024	December 31, 2023
<b>Net Working Capital:</b>		
Current assets	\$ 3,843.2	\$ 4,050.4
Less: Current liabilities	1,764.6	1,827.3
Net working capital	<u>\$ 2,078.6</u>	<u>\$ 2,223.1</u>
<b>Operating Working Capital:</b>		
Accounts receivable	\$ 1,301.4	\$ 1,234.2
Plus: Inventories (excluding LIFO reserve)	1,239.7	1,073.6
Plus: Contract assets	124.1	85.6
Less: Accounts payable	748.5	801.2
Less: Contract liabilities (current)	324.0	331.2
Operating working capital	<u>\$ 1,592.7</u>	<u>\$ 1,261.0</u>

Net working capital decreased \$144.5 million to \$2,078.6 million as of June 30, 2024 from \$2,223.1 million as of December 31, 2023. Operating working capital increased \$331.7 million to \$1,592.7 million as of June 30, 2024 from \$1,261.0 million as of December 31, 2023. The increase in operating working capital is due to higher inventories, higher accounts receivable, lower accounts payable, and higher contract assets and lower contract liabilities.

The increase in accounts receivable was primarily due to the timing of revenues in the quarter and seasonal changes in collection timing. The increase in inventories was primarily due to acquisitions. The increase in contract assets was primarily due to the timing of revenue recognition and billing on our overtime contracts. The decrease in accounts payable was primarily due to the timing of vendor cash disbursements. The decrease in contract liabilities was primarily due to the timing of customer milestone payments for in-process engineered to order contracts.

### Cash Flows

The following table reflects the major categories of cash flows for the six month periods ended June 30, 2024 and 2023, respectively.

	For the Six Month Period Ended June 30,	
	2024	2023
Cash flows provided by operating activities	\$ 466.5	\$ 398.7
Cash flows used in investing activities	(2,834.1)	(655.4)
Cash flows provided by (used in) financing activities	1,862.0	(165.7)
Free cash flow <sup>(1)</sup>	382.4	351.5

(1) See the “Non-GAAP Financial Measures” section included in this Quarterly Report for a reconciliation to the nearest GAAP measure.

### Operating Activities

Cash provided by operating activities increased \$67.8 million to \$466.5 million for the six month period ended June 30, 2024 from \$398.7 million in the same six month period in 2023. This increase is primarily attributable to higher net income, the timing of interest payments for our Senior Notes, and a smaller increase in operating working capital, partially offset by an increase in tax payments in 2024, compared to 2023.

### Investing Activities

Cash used in investing activities included capital expenditures of \$84.1 million and \$47.2 million for the six month periods ended June 30, 2024 and 2023, respectively. Net cash paid in acquisitions was \$2,744.0 million and \$615.8 million in the six month periods ended June 30, 2024 and 2023, respectively.

### *Financing Activities*

Cash provided by financing activities of \$1,862.0 million for the six month period ended June 30, 2024 primarily reflected proceeds from long-term debt of \$3,296.9 million and proceeds from stock option exercises of \$22.7 million, partially offset by repayments of long-term debt of \$1,240.7 million, purchases of treasury stock of \$135.5 million, payments of debt issuance costs of \$32.3 million, payments of \$19.9 million to settle certain cross-currency swaps, cash dividends on common stock of \$16.1 million, and payments of deferred and contingent acquisition consideration of \$12.0 million.

Cash used in financing activities of \$165.7 million for the six month period ended June 30, 2023 primarily reflected purchases of treasury stock of \$132.8 million, repayments of long-term debt of \$20.6 million and cash dividends on common stock of \$16.2 million, partially offset by proceeds from stock option exercises of \$15.6 million.

### *Free Cash Flow*

Free cash flow increased \$30.9 million to \$382.4 million in the six month period ended June 30, 2024 from \$351.5 million in the same six month period in 2023 due to higher cash provided by operating activities, partially offset by higher capital expenditures.

### **Critical Accounting Estimates**

Management has evaluated the accounting estimates used in the preparation of the Company's condensed consolidated financial statements and related notes and believe those estimates to be reasonable and appropriate. Certain of these accounting estimates require the application of significant judgment by management in selecting appropriate assumptions for calculating financial estimates. By their nature, these judgments are subject to an inherent degree of uncertainty. These judgments are based on historical experience, trends in the industry, information provided by customers and information available from other outside sources, as appropriate. The most significant areas involving management judgments and estimates may be found in the section "Critical Accounting Estimates" of "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and in Note 1 "Summary of Significant Accounting Policies" of "Item 8. Financial Statements and Supplementary Data" included in our 2023 Annual Report.

### **Environmental Matters**

Information with respect to the effect of compliance with environmental protection requirements and resolution of environmental claims on us and our manufacturing operations is contained in Note 18 "[Contingencies](#)" to the condensed consolidated financial statements included elsewhere in this Form 10-Q. We believe that as of June 30, 2024, there have been no material changes to the environmental matters disclosed in our 2023 Annual Report.

### **Recent Accounting Pronouncements**

The information set forth in Note 1 "[Basis of Presentation and Recent Accounting Pronouncements](#)" to our condensed consolidated financial statements under Part 1, Item 1 "Financial Statements" under the heading "Recently Issued Accounting Pronouncements" is incorporated herein by reference.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We manage our debt centrally, considering tax consequences and our overall financing strategies. Our exposure to interest rate risk results primarily from our fixed rate to floating rate swap contracts which are used to adjust the relative fixed rate versus floating rate proportions of our debt portfolio.

In addition, we are exposed to foreign currency risks that arise from our global business operations. Changes in foreign currency exchange rates affect the translation of local currency balances of foreign subsidiaries, transaction gains and losses associated with intercompany loans with foreign subsidiaries and transactions denominated in currencies other than a subsidiary's functional currency. While future changes in foreign currency exchange rates are difficult to predict, our revenues and earnings may be adversely affected if the U.S. dollar further strengthens.

We seek to minimize our exposure to foreign currency risks through a combination of normal operating activities, including by conducting our international business operations primarily in their functional currencies to match expenses with revenues, and the use of cross currency interest rate swap contracts and foreign currency forward exchange contracts. In addition, to mitigate the risk arising from entering into transactions in currencies other than our functional currencies, we typically settle intercompany trading balances at least quarterly.

As of June 30, 2024, there have been no material changes to our market risk assessment previously disclosed in the 2023 Annual Report.

### **ITEM 4. CONTROLS AND PROCEDURES**

#### **Disclosure Controls and Procedures**

The Company maintains a set of disclosure controls and procedures as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission ("SEC") 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 disclosures. The design of any disclosure controls and procedures is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives. In accordance with Rule 13a-15(b) of the Exchange Act, as of the end of the period covered by this Quarterly Report on Form 10-Q, an evaluation was carried out under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of its disclosure controls and procedures. Based on their evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures, as of the end of the period covered by this Quarterly Report on Form 10-Q, were effective to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

#### **Internal Control over Financial Reporting**

There have not been any changes in our internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

The information set forth in Note 18 “[Contingencies](#)” to our Condensed Consolidated Financial Statements under Part I, Item 1 “Financial Statements,” is incorporated herein by reference.

### ITEM 1A. RISK FACTORS

As of June 30, 2024, there have been no material changes to our risk factors included in our 2023 Annual Report.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table contains detail related to the repurchase of our common stock based on the date of trade during the three month period ended June 30, 2024.

	Total Number of Shares Purchased <sup>(1)</sup>	Average Price Paid Per Share <sup>(2)</sup>	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs <sup>(3)</sup>	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs <sup>(3)</sup>
<b>2024 Second Quarter Months</b>				
April 1, 2024 - April 30, 2024	348,109	\$ 92.11	347,489	\$ 1,148,534,060
May 1, 2024 - May 31, 2024	293,101	\$ 92.46	293,101	\$ 1,121,439,950
June 1, 2024 - June 30, 2024	37,724	\$ 90.33	37,724	\$ 1,118,033,028
Total	678,934		678,314	

- (1) Includes shares of common stock surrendered to us to satisfy tax withholding obligations in connection with the vesting of certain restricted stock units, comprised of 620 shares in the period from April 1, 2024 to April 30, 2024.
- (2) The average price paid per share includes brokerage commissions.
- (3) On August 24, 2021, our Board of Directors approved a share repurchase program, which authorized the repurchase of up to \$750.0 million of the Company’s outstanding common stock, and on April 25, 2024, the Company announced that our Board of Directors approved an incremental \$1.0 billion increase to the share repurchase authorization. These authorizations do not have any expiration date.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

### ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

### ITEM 5. OTHER INFORMATION

#### Rule 10b5-1 Trading Arrangements

During the quarter ended June 30, 2024, none of our director or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, terminated, or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K).

## ITEM 6. EXHIBITS

The following is a list of all exhibits filed or furnished as part of this report.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosures other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual statement of affairs as of the date they were made or at any other time.

Exhibit No.	Description
<a href="#">3.1</a>	Restated Certificate of Incorporation of Ingersoll Rand Inc. (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on June 21, 2021).
<a href="#">3.2</a>	Third Amended and Restated Bylaws of Ingersoll Rand Inc. (incorporated by reference to Exhibit 3.2 to the Registrant's Quarterly Report on Form 10-Q filed on November 3, 2023).
<a href="#">4.1</a>	Third Supplemental Indenture, dated as of May 10, 2024, among Ingersoll Rand Inc. and Deutsche Bank Trust Company Americas, as trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on May 10, 2024).
<a href="#">4.2</a>	Form of Global Note for 5.197% Senior Notes due 2027 (included in Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on May 10, 2024).
<a href="#">4.3</a>	Form of Global Note for 5.176% Senior Notes due 2029 (included in Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on May 10, 2024).
<a href="#">4.4</a>	Form of Global Note for 5.314% Senior Notes due 2031 (included in Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on May 10, 2024).
<a href="#">4.5</a>	Form of Global Note for 5.450% Senior Notes due 2034 (included in Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on May 10, 2024).
<a href="#">4.6</a>	Form of Global Note for 5.700% Senior Notes due 2054 (included in Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on May 10, 2024).
<a href="#">10.1</a>	Credit Agreement, dated as of May 10, 2024, by and among Ingersoll Rand Inc., the lenders party thereto and Citibank, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on May 10, 2024).
<a href="#">31.1</a>	Certification of Periodic Report by Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
<a href="#">31.2</a>	Certification of Periodic Report by Chief Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
<a href="#">32.1</a>	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
<a href="#">32.2</a>	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Scheme Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (Embedded within the Inline XBRL document and included in Exhibit 101).

**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.

Date: August 2, 2024

INGERSOLL RAND INC.

By: /s/ Michael J. Scheske

Name: Michael J. Scheske

Vice President and Chief Accounting Officer  
(Principal Accounting Officer)

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, Vicente Reynal, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarterly period ended June 30, 2024 of Ingersoll Rand Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2024

/s/ Vicente Reynal

\_\_\_\_\_  
Vicente Reynal

Chairman of the Board and Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, Vikram U. Kini, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarterly period ended June 30, 2024 of Ingersoll Rand Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2024

/s/ Vikram U. Kini

---

Vikram U. Kini

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



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

In connection with the Quarterly Report of Ingersoll Rand Inc. (the “Company”) on Form 10-Q for the quarterly period ended June 30, 2024 filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Vicente Reynal, Chief Executive Officer and Director of the Company, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: August 2, 2024

/s/ Vicente Reynal

---

Vicente Reynal

Chairman of the Board and Chief Executive Officer  
(Principal Executive Officer)

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

In connection with the Quarterly Report of Ingersoll Rand Inc. (the “Company”) on Form 10-Q for the quarterly period ended June 30, 2024 filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Vikram U. Kini, Vice President and Chief Financial Officer of the Company, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: August 2, 2024

/s/ Vikram U. Kini

---

Vikram U. Kini

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