Årsredovisning

för

Eden Springs Scandinavia AB

556623-2046

Räkenskapsåret

2024

Fastställelseintyg

Jag intygar att resultaträkningen och balansräkningen har fastställts på årsstämma 2025-06-30.
Årsstämman beslöt att godkänna styrelsens förslag till vinstdisposition.
Jag intygar att innehållet i dessa elektroniska handlingar överensstämmer med originalen och att originalen undertecknats av samtliga personer som enligt lag ska underteckna dessa.

Elektroniskt underskriven av:

Mattias Källemyr, Styrelseledamot
2025-07-16

Styrelsen för Eden Springs Scandinavia AB avger följande årsredovisning för räkenskapsåret 2024.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i hela kronor (kr). Uppgifter inom parentes avser föregående år.

Förvaltningsberättelse

Information om verksamheten

Den svenska Eden-koncernen är sedan slutet av 2023 en del av Culligan Sverige.

Företaget har sitt säte i Upplands-Väsby.

Väsentliga händelser under räkenskapsåret

Inga väsentliga händelser har inträffat under räkenskapsåret utöver den normala affärsverksamheten.

Ägarförhållanden

Eden Springs Scandinavia AB är ett helägt dotterbolag till Eden Springs Nederland B.V. med säte i Zoetermeer, Nederländerna.

Flerårsöversikt (Tkr)	**2024**	**2023**	**2022**	**2021**	**2020**
Nettoomsättning	3 729	4 575	7 210	14 554	17 023
Resultat efter finansiella poster	26 325	31 327	-2 905	-4 277	-33 810
Balansomslutning	172 536	189 800	165 423	167 057	178 727
Soliditet (%)	90,2	76,6	66,9	67,6	71,4
Avkastning på eget kap. (%)	16,9	21,6	neg	neg	neg
Avkastning på totalt kap. (%)	24,8	19,4	2,1	0,5	1,3
Antal anställda	5	6	6	13	15

För definitioner av nyckeltal, se Redovisnings- och värderingsprinciper.

Förändringar i eget kapital

	Aktie-kapital	**Reserv-fond**	**Balanserat resultat**	**Årets resultat**	**Totalt**
Belopp vid årets ingång	100 000	20 000	110 516 792	34 670 592	**145 307 384**
Disposition enligt beslut av årsstämman:					
Utdelning			-21 315 002		**-21 315 002**
Balanseras i ny räkning			34 670 592	-34 670 592	**0**
Årets resultat				31 632 218	**31 632 218**
Belopp vid årets utgång	**100 000**	**20 000**	**123 872 382**	**31 632 218**	**155 624 600**

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	123 872 381
årets vinst	31 632 218
	155 504 599
disponeras så att	
i ny räkning överföres	155 504 599
	155 504 599

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med noter.

Resultaträkning

	Not	2024-01-01 -2024-12-31	2023-01-01 -2023-12-31
Rörelsens intäkter			
Nettoomsättning		3 729 081	4 575 382
		3 729 081	**4 575 382**
Rörelsens kostnader			
Övriga externa kostnader		-681 722	-927 654
Personalkostnader	2	-3 100 567	-3 889 689
Avskrivningar och nedskrivningar av materiella och immateriella anläggningstillgångar		-9 136	-15 081
		-3 791 425	**-4 832 424**
Rörelseresultat		**-62 344**	**-257 042**
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	3	25 192 654	35 057 817
Övriga ränteintäkter och liknande resultatposter	4	16 927 634	1 963 876
Räntekostnader och liknande resultatposter	5	-15 733 227	-5 438 059
		26 387 061	**31 583 634**
Resultat efter finansiella poster		**26 324 717**	**31 326 592**
Erhållna koncernbidrag		5 620 429	3 344 000
Resultat före skatt		**31 945 146**	**34 670 592**
Skatt på årets resultat		-312 928	0
Årets resultat		**31 632 218**	**34 670 592**

Balansräkning

	Not	2024-12-31	2023-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Materiella anläggningstillgångar			
Inventarier, verktyg och installationer	6	44 203	30 163
		44 203	**30 163**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	7, 8	148 146 517	148 146 517
Fordringar hos koncernföretag	9	0	26 185 814
		148 146 517	**174 332 331**
Summa anläggningstillgångar		**148 190 720**	**174 362 494**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		22 031 640	13 906 275
Aktuella skattefordringar		0	200 277
Övriga fordringar		108 834	193 697
Förutbetalda kostnader och upplupna intäkter		143 477	29 889
		22 283 951	**14 330 138**
Kassa och bank		2 061 440	1 107 086
Summa omsättningstillgångar		**24 345 391**	**15 437 224**
SUMMA TILLGÅNGAR		**172 536 111**	**189 799 718**

Balansräkning

	Not	2024-12-31	2023-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		100 000	100 000
Reservfond		20 000	20 000
		120 000	**120 000**
Fritt eget kapital			
Balanserad vinst eller förlust		123 872 381	110 516 792
Årets resultat		31 632 218	34 670 592
		155 504 599	**145 187 384**
Summa eget kapital		**155 624 599**	**145 307 384**
Långfristiga skulder	10		
Skulder till koncernföretag		15 346 183	28 475 668
Summa långfristiga skulder		**15 346 183**	**28 475 668**
Kortfristiga skulder			
Leverantörsskulder		68 030	184 774
Skulder till koncernföretag		947 271	13 923 838
Aktuella skatteskulder		112 651	0
Övriga skulder		0	137 291
Upplupna kostnader och förutbetalda intäkter		437 377	1 770 763
Summa kortfristiga skulder		**1 565 329**	**16 016 666**
SUMMA EGET KAPITAL OCH SKULDER		**172 536 111**	**189 799 718**

Noter

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar
Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Monetära tillgångs- och skuldposter i utländsk valuta värderas till balansdagens kurs. Transaktioner i utländsk valuta omräknas enligt transaktionsdagens avistakurs.

Redovisningsprinciperna är oförändrade jämfört med föregående år.

Intäktsredovisning
Intäkter har tagits upp till verkligt värde av vad som erhållits eller kommer att erhållas och redovisas i den omfattning det är sannolikt att de ekonomiska fördelarna kommer att tillgodogöras bolaget och intäkterna kan beräknas på ett tillförlitligt sätt.

Pågående tjänsteuppdrag
Inkomster från uppdrag på löpande räkning redovisas som intäkt i takt med att arbetet utförs innebärande att vinsten från uppdragen avräknas successivt.

Om det inte är sannolikt att betalning kommer att erhållas för belopp som redan har redovisats som intäkt redovisas det belopp som sannolikt inte kommer att erhållas som en kostnad.

Inkomster från uppdrag till fast pris redovisas som intäkt enligt uppdragens respektive färdigställandegrad, så kallad successiv vinstavräkning. Färdigställandegraden fastställs huvudsakligen genom att jämföra nedlagda uppdragsutgifter med totala uppdragsutgifter.

När utfallet kan beräknas på ett tillförlitligt sätt redovisas uppdragsinkomsten och hänförliga uppdragsutgifter i resultaträkningen med utgångspunkt från färdigställandegraden av aktiviteterna på balansdagen.

Om det ekonomiska utfallet av ett uppdrag inte kan beräknas på ett tillförlitligt sätt redovisas en intäkt endast med ett belopp som motsvarar de uppkomna uppdragsutgifter som sannolikt kommer att ersättas av beställaren. Om det är sannolikt att de totala uppdragsutgifterna kommer att överstiga den totala uppdragsinkomsten från ett uppdrag redovisas den befarade förlusten som en kostnad omgående i resultaträkningen.

I balansräkningen jämförs redovisade intäkter med de belopp som fakturerats beställaren under samma period. Om de fakturerade beloppen överstiger den redovisade intäkten utgör mellanskillnaden en skuld, vilken redovisas som fakturerad men ej upparbetad intäkt. Om intäkten överstiger de fakturerade beloppen utgör mellanskillnaden en fordran vilken redovisas som upparbetad men ej fakturerad intäkt.

Anläggningstillgångar

Materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar enligt plan och eventuella nedskrivningar.

Avskrivning sker linjärt över den förväntade nyttjandeperioden med hänsyn till väsentligt restvärde. Följande avskrivningsprocent tillämpas:

Materiella anläggningstillgångar

Inventarier, verktyg och installationer	3-8 år

Finansiella instrument

Finansiella instrument värderas utifrån anskaffningsvärdet. Instrumentet redovisas i balansräkningen när bolaget blir part i instrumentets avtalsmässiga villkor. Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförts och bolaget har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten. Finansiella skulder tas bort från balansräkningen när förpliktelserna har reglerats eller på annat sätt upphört.

Andelar i dotterföretag

Andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott läggs till anskaffningsvärdet när de uppkommer.

Kundfordringar/kortfristiga fordringar

Kundfordringar och kortfristiga fordringar redovisas som omsättningstillgångar till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar.

Låneskulder och leverantörsskulder

Låneskulder och leverantörsskulder redovisas initialt till anskaffningsvärde efter avdrag för transaktionskostnader. Skiljer sig det redovisade beloppet från det belopp som ska återbetalas vid förfallotidpunkten periodiseras mellanskillnaden som räntekostnad över lånets löptid med hjälp av instrumentets effektivränta. Härigenom överensstämmer vid förfallotidpunkten det redovisade beloppet och det belopp som ska återbetalas.

Kvittning av finansiell fordran och finansiell skuld

En finansiell tillgång och en finansiell skuld kvittas och redovisas med ett nettobelopp i balansräkningen endast då legal kvittningsrätt föreligger samt då en reglering med ett nettobelopp avses ske eller då en samtida avyttring av tillgången och reglering av skulden avses ske.

Leasingavtal

Företaget redovisar samtliga leasingavtal, såväl finansiella som operationella, som operationella leasingavtal. Operationella leasingavtal redovisas som en kostnad linjärt över leasingperioden.

Inkomstskatter

Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekter redovisas i eget kapital.

Aktuell skatt

Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån den skattesats som gäller per balansdagen.

Uppskjuten skatt

Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna metod redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.

Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp. Uppskjuten skatt beräknas utifrån gällande skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadgats. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den omfattning det är sannolikt att avdragen kan avräknas mot framtida skattemässiga överskott.

På grund av sambandet mellan redovisning och beskattning särredovisas inte den uppskjutna skatteskulden som är hänförlig till obeskattade reserver.

Ersättningar till anställda

Ersättningar till anställda avser alla former av ersättningar som företaget lämnar till de anställda. Kortfristiga ersättningar utgörs av bland annat löner, betald semester, betald frånvaro, bonus och ersättning efter avslutad anställning (pension). Kortfristiga ersättningar redovisas som kostnad och en skuld då det finns en legal eller informell förpliktelse att betala ut en ersättning till följd av en tidigare händelse och en tillförlitlig uppskattning av beloppet kan göras.

Nyckeltalsdefinitioner

Nettoomsättning
Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Balansomslutning
Företagets samlade tillgångar.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Avkastning på eget kap. (%)
Resultat efter finansiella poster i procent av justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt).

Avkastning på totalt kap. (%)
Rörelseresultat plus finansiella intäkter i procent av balansomslutningen.

Antal anställda
Medelantal anställda under räkenskapsåret.

Not 2 Medelantalet anställda

	2024	2023
Medelantalet anställda	5	6

Not 3 Resultat från andelar i koncernföretag

	2024	2023
Erhållna utdelningar	25 192 654	38 322 762
Nedskrivningar		-5 652 560
Återföring av nedskrivningar		2 387 615
	25 192 654	**35 057 817**

Not 4 Övriga ränteintäkter och liknande resultatposter

	2024	2023
Ränteintäkter från koncernföretag	593 632	1 125 816
Övriga ränteintäkter	4 486	4 262
Kursdifferenser	16 329 516	833 798
	16 927 634	**1 963 876**

Not 5 Räntekostnader och liknande resultatposter

	2024	2023
Övriga räntekostnader	1 417 079	2 213 367
Kursdifferenser	14 316 148	3 224 691
	15 733 227	**5 438 058**

Av ovanstående avser 121 827 (4 611 691) kr koncernföretag.

Not 6 Inventarier, verktyg och installationer

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	1 596 947	1 596 947
Inköp	36 402	
Utgående ackumulerade anskaffningsvärden	**1 633 349**	**1 596 947**
Ingående avskrivningar	-1 566 784	-1 551 703
Omklassificeringar	-13 226	
Årets avskrivningar	-9 136	-15 081
Utgående ackumulerade avskrivningar	**-1 589 146**	**-1 566 784**
Utgående redovisat värde	**44 203**	**30 163**

Not 7 Andelar i koncernföretag

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	940 420 085	934 767 525
Inköp		5 652 560
Utgående ackumulerade anskaffningsvärden	**940 420 085**	**940 420 085**
Ingående nedskrivningar	-792 273 568	-789 008 623
Återförda nedskrivningar		2 387 615
Årets nedskrivningar		-5 652 560
Utgående ackumulerade nedskrivningar	**-792 273 568**	**-792 273 568**
Utgående redovisat värde	**148 146 517**	**148 146 517**

Not 8 Specifikation andelar i koncernföretag

Namn	Kapital-andel	Antal andelar	Bokfört värde
Eden Springs (Denmark) A/S	100%	1 000	0
Eden Springs UAB	100%	100	2 387 615
Eden Springs SIA	100%	16 860	0
Eden Springs OÜ	100%	1	
Eden Springs (Norway) AS	100%	270 000	69 607 000
Eden Springs OY Finland	100%	81 481	47 831 000
Eden Springs Deutschland GmbH	72%	1	0
Eden Springs (Sweden) AB	100%	11 000	28 220 902
Eden Springs i Porla Brunn AB	100%	1 000	100 000
			148 146 517

	Org.nr	Säte
Eden Springs (Denmark) A/S	DK81852928	Köpenhamn
Eden Springs UAB	1163823	Vilinius
Eden Springs SIA	338 780	Riga
Eden Springs OÜ	10190898	Tallin
Eden Springs (Norway) AS	981 390 032	Oslo
Eden Springs OY Finland	1657740-2	Helsingfors
Eden Springs Deutschland GmbH	16 297	Potsdam
Eden Springs (Sweden) AB	556420-9046	Upplands-Väsby
Eden Springs i Porla Brunn AB	556596-1371	Upplands-Väsby

Not 9 Fordringar hos koncernföretag

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	26 185 814	7 358 732
Tillkommande fordringar		18 827 082
Avgående fordringar	-26 185 814	
Utgående ackumulerade anskaffningsvärden	**0**	**26 185 814**
Utgående redovisat värde	**0**	**26 185 814**

Not 10 Långfristiga skulder

	2024-12-31	2023-12-31
Amortering efter 5 år	15 346 183	28 475 668
	15 346 183	**28 475 668**

Not 11 Koncernförhållanden

Eden Springs Scandinavia AB är ett helägt dotterbolag till Eden Springs Nederland B.V., org.nr. 27198876, säte Zoetermeer Nederländerna. Moderföretag i den största koncern där bolaget ingick per 2024-12-31 var Osmosis Holdings LP, org.nr. 112077, säte Grand Cayman, Cayman Islands. Koncernredovisningarna kan fås genom att vända sig till Culligan Sverige huvudkontor, Hammarbacken 12, 191 49 Sollentuna. Med stöd av ÅRL 7 kap. 2 § upprättar Eden Springs Scandinavia AB inte någon koncernredovisning.

Not 12 Väsentliga händelser efter räkenskapsårets slut

Bolaget har under våren 2025 sålt aktierna i Eden Springs OY Finland till Culligan Finland OY samt aktierna i Eden Springs (Denmark) A/S till Culligan Danmark ApS

Not 13 Ställda säkerheter

	2024-12-31	2023-12-31
Aktier i dotterföretag	97 828 000	97 828 000
	97 828 000	**97 828 000**

Upplands-Väsby 2025-06-25

Mattias Källemyr
Mattias Källemyr
Ordförande

Ghire Shivprasad
Ghire Shivprasad

Huw Jenkins
Huw Jenkins

Vår revisionsberättelse har lämnats 2025-06-30

Cederblads Revisionsbyrå AB

Magnus Haak
Magnus Haak
Auktoriserad revisor FAR

cederblad&co
REVISIONSBYRÅ
www.cederblads.se

REVISIONSBERÄTTELSE

Till bolagsstämman i Eden Springs Scandinavia AB, org.nr 556623-2046

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Eden Springs Scandinavia AB för år 2024.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Eden Springs Scandinavia ABs finansiella ställning per den 31 december 2024 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet "Revisorns ansvar". Vi är oberoende i förhållande till Eden Springs Scandinavia AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

• identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.

• skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.

• utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.

• drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.

• utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för Eden Springs Scandinavia AB för år 2024 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet "Revisorns ansvar". Vi är oberoende i förhållande till Eden Springs Scandinavia AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Malmö
2025-06-30
Cederblads Revisionsbyrå AB

Magnus Haak
Magnus Haak
Auktoriserad revisor FAR

Osmosis Holdings, LP

Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

OSMOSIS HOLDINGS, LP
YEARS ENDED DECEMBER 31, 2024 and 2023
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Report of Independent Registered Public Accounting Firm

To the Partners, Board of Directors, and Management
Osmosis Holdings, LP

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Osmosis Holdings, LP (the Company) as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive loss, partners' capital and cash flows for the years then ended and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which it relates.

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Business combination – Accounting for the acquisition of Primo Europe

Description of the Matter

As described in Note 3 to the consolidated financial statements, on December 29, 2023, the Company acquired Primo Europe for a purchase price of $551.9 million. As part of the accounting for the acquisition, the Company recorded acquired assets and assumed liabilities at fair value. During 2024, the Company finalized the purchase accounting for the acquisition.

Auditing the Company's accounting for the acquisition was complex due to the significant estimation uncertainty in the Company's determination of the fair value of identified intangible assets of $289.4 million, which principally consisted of customer relationships of $116.1 million and water permit rights of $138.0 million. The significant estimation uncertainty was primarily due to the sensitivity of the respective fair values to underlying assumptions about the future performance of the acquired business. The Company used a discounted cash flow model to measure the customer relationships using the multi-period excess earning method and the with-and-without method to measure the water permit rights. The significant assumptions used to estimate the value of the intangible assets included the discount rate and certain assumptions that form the basis of the forecasted results, including revenue growth rates and EBITDA margins These significant assumptions are forward looking and could be affected by future economic and market conditions.

How We Addressed the Matter in Our Audit

To test the estimated fair value of customer relationships and water permit rights, we performed audit procedures that included, among others, evaluating the Company's selection of the valuation methodology, evaluating the methods and significant assumptions used by the Company's valuation specialist, and evaluating the completeness and accuracy of the underlying data supporting the significant assumptions and estimates. This includes comparing the significant assumptions to current industry and market trends, to the assumptions used to value similar assets in other acquisitions, to the historical results of the acquired business and to other guidelines used by companies within the same industry. We also performed sensitivity analyses of significant assumptions to those used by the Company. We involved our valuation specialists to assist with our evaluation of the methodology used by the Company and significant assumptions included in the fair value estimates.

Ernst & Young LLP

We have served as the Company's auditor since 2014.

March 27, 2025

OSMOSIS HOLDINGS, LP
Consolidated Balance Sheets
Amounts in millions, except Unit and per Unit amounts

	December 31, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 103.7	$ 134.8
Restricted cash	9.4	9.4
Trade receivables, net	441.9	436.0
Inventories, net	343.9	358.2
Current taxes receivable	11.6	17.9
Prepaid expenses and other current assets	149.8	198.7
Total current assets	1,060.3	1,155.0
Property, plant, and equipment, net	973.1	906.9
Goodwill	4,946.8	5,050.8
Other intangible assets, net	3,707.2	4,125.3
Deferred income taxes	51.7	50.2
Operating lease right-of-use assets	136.8	130.2
Other noncurrent assets	198.8	157.8
TOTAL ASSETS	**$ 11,074.7**	**$ 11,576.2**
LIABILITIES, MEZZANINE CAPITAL AND PARTNERS' CAPITAL		
Current liabilities:		
Short-term borrowings and current installments of long-term debt	$ 113.5	$ 67.5
Trade payables	251.0	210.3
Accrued expenses and other current liabilities	528.9	505.2
Current taxes payable	21.1	47.3
Total current liabilities	914.5	830.3
Long-term debt	4,591.8	4,380.7
Deferred income taxes	539.6	682.1
Noncurrent operating lease liabilities	105.5	96.8
Other noncurrent liabilities	94.5	123.4
TOTAL LIABILITIES	**6,245.9**	**6,113.3**
MEZZANINE CAPITAL:		
Preferred units	1,047.9	983.0
Mezzanine common units	19.8	156.3
Redeemable non-controlling interests	36.0	32.5
TOTAL MEZZANINE CAPITAL	**1,103.7**	**1,171.8**
PARTNERS' CAPITAL		
Common units	5,163.8	5,093.3
Treasury units	(45.0)	(18.9)
Incentive units	16.3	10.9
Accumulated deficit	(1,336.6)	(944.2)
Accumulated other comprehensive (loss) income	(75.0)	147.4
Total Partners' capital before non-controlling interests	3,723.5	4,288.5
Non-controlling interests	1.6	2.6
TOTAL PARTNERS' CAPITAL	**3,725.1**	**4,291.1**
TOTAL LIABILITIES, MEZZANINE CAPITAL AND PARTNERS' CAPITAL	**$ 11,074.7**	**$ 11,576.2**

See Notes to Consolidated Financial Statements

OSMOSIS HOLDINGS, LP
Consolidated Statements of Operations
Amounts in millions, except Unit and per Unit amounts

	Years Ended December 31,	
	2024	**2023**
Net revenues	$ 3,224.4	$ 2,773.2
Cost of sales	1,561.7	1,425.6
Gross profit	1,662.7	1,347.6
Operating expenses:		
Selling, general and administrative	1,405.7	1,134.0
Amortization of intangible assets	380.8	366.9
(Gain) loss on sale of businesses	(62.7)	12.6
Total operating expenses	1,723.8	1,513.5
Operating loss	(61.1)	(165.9)
Other income (expense):		
Interest expense	(391.5)	(283.1)
Interest income	2.3	0.9
Loss on debt extinguishment	(5.7)	—
Other expense, net	(28.1)	(43.0)
Total other expense	(423.0)	(325.2)
Loss before income taxes	(484.1)	(491.1)
Income tax benefit	(85.9)	(96.9)
Loss from continuing operations	(398.2)	(394.2)
Loss from discontinued operations, net of tax	—	(60.0)
Net loss	(398.2)	(454.2)
Less: Net income (loss) attributable to non-controlling interests	0.7	(1.6)
Net loss attributable to Common Unit holders	**$ (398.9)**	**$ (452.6)**

See Notes to Consolidated Financial Statements

OSMOSIS HOLDINGS, LP
Consolidated Statements of Comprehensive Loss
Amounts in millions, except Unit and per Unit amounts

	Years Ended December 31,	
	2024	2023
Net loss	$ (398.2)	$ (454.2)
Other comprehensive (loss) income, net of tax:		
Foreign currency translation (loss) income	(217.2)	168.3
Foreign currency translation loss reclassified to earnings due to the sale of businesses	12.2	—
Unrealized loss on derivative instruments, net of tax benefit of $5.9 and $14.2 for the years ended December 31, 2024 and 2023, respectively.	(17.3)	(39.8)
Pension and postretirement benefit plan adjustments, net of tax benefit (expense) of $0.6 million and $(0.7) million for the years ended December 31, 2024 and 2023, respectively.	(0.1)	0.1
Other comprehensive (loss) income, net of tax	(222.4)	128.6
Comprehensive loss	(620.6)	(325.6)
Less: Comprehensive income (loss) attributable to non-controlling interests	0.7	(1.6)
Comprehensive loss attributable to Common Unit holders	**$ (621.3)**	**$ (324.0)**

See Notes to Consolidated Financial Statements

OSMOSIS HOLDINGS, LP
Consolidated Statements of Partners' Capital
Amounts in millions, except Unit and per Unit amounts

	Common Units		Treasury Units		Incentive Units		Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interests	Total
	Units	Amount	Units	Amount	Units	Amount				
Balance at January 1, 2023	**564,534,825**	**$ 5,149.6**	**65,200**	**$ (0.7)**	**—**	**$ 5.3**	**$ (497.4)**	**$ 18.8**	**$ 0.3**	**$ 4,675.9**
Adoption of ASU 2016-13	—	—	—	—	—	—	(5.6)	—	—	(5.6)
Net loss [1]	—	—	—	—	—	—	(441.2)	—	—	(441.2)
Capital contributions	1,552,374	17.2	—	—	—	—	—	—	2.4	19.6
Common unit and incentive unit repurchases	(1,684,635)	—	1,739,635	(18.2)	(55,000)	—	—	—	—	(18.2)
Vested incentive units	—	—	—	—	2,332,238	—	—	—	—	—
Contingently redeemable common unit reclassification	1,121,875	12.1	—	—	—	—	—	—	—	12.1
Incentive unit-based compensation	9,302	0.1	—	—	—	5.6	—	—	—	5.7
Preferred unit return	—	(56.5)	—	—	—	—	—	—	—	(56.5)
Preferred unit premium adjustment to current redemption value	—	(2.8)	—	—	—	—	—	—	—	(2.8)
Contingently redeemable common unit adjustment to current redemption value	—	(26.4)	—	—	—	—	—	—	—	(26.4)
Distributions to non-controlling interests	—	—	—	—	—	—	—	—	(0.1)	(0.1)
Other comprehensive income, net of tax	—	—	—	—	—	—	—	128.6	—	128.6
Balance at December 31, 2023	**565,533,741**	**$ 5,093.3**	**1,804,835**	**$ (18.9)**	**2,277,238**	**$ 10.9**	**$ (944.2)**	**$ 147.4**	**$ 2.6**	**$ 4,291.1**
Net loss [2]	—	—	—	—	—	—	(392.4)	—	(0.6)	(393.0)
Capital contributions	434,308	5.3	—	—	—	—	—	—	0.5	5.8
Vested incentive units	—	—	—	—	1,537,517	—	—	—	—	—
Common unit repurchases	(2,037,749)	—	2,037,749	(26.1)	—	—	—	—	—	(26.1)
Contingently Redeemable Common unit reclassification	10,894,857	148.2	—	—	—	—		—		148.2
Incentive units reclassified to liabilities for redemption	—	—	—	—	(66,118)	(0.2)	—	—	—	(0.2)
Incentive unit-based compensation	7,593	0.1	—	—	—	5.6	—	—	—	5.7
Preferred unit return	—	(60.6)	—	—	—	—	—	—	—	(60.6)
Preferred unit premium adjustment to current redemption value	—	(3.1)	—	—	—	—	—	—	—	(3.1)
Contingently redeemable common unit adjustment to current redemption value	—	(19.4)	—	—	—	—	—	—	—	(19.4)
Distributions to non-controlling interest	—	—	—	—	—	—	—	—	(0.1)	(0.1)
Foreign currency translation on non-controlling interest	—	—	—	—	—	—	—	—	(0.8)	(0.8)
Other comprehensive income, net of tax	—	—	—	—	—	—	—	(222.4)	—	(222.4)
Balance at December 31, 2024	**574,832,750**	**$ 5,163.8**	**3,842,584**	**$ (45.0)**	**3,748,637**	**$ 16.3**	**$ (1,336.6)**	**$ (75.0)**	**$ 1.6**	**$ 3,725.1**

[1] The net loss for the year ended December 31, 2023 included within Partners' Capital does not include the portion of the net loss attributable to the Mezzanine Common Units or Mezzanine Redeemable Non-Controlling Interests of $11.4 million and $1.6 million, respectively, for the year ended December 31, 2023. The net loss or income attributable to these items is reflected within Mezzanine Capital on the Company's Consolidated Balance Sheets. Refer to Note 16, "Mezzanine Common Units" and Note 17, "Mezzanine Redeemable Non-Controlling Interests" for additional details.

[2] The net loss for the year ended December 31, 2024 included within Partners' Capital does not include the portion of the net loss attributable to the Mezzanine Common Units of $6.5 million or the net income attributable to the Mezzanine Redeemable Non-Controlling Interests of $1.3 million. The net loss or income attributable to these items is reflected within Mezzanine Capital on the Company's Consolidated Balance Sheets. Refer to Note 16, "Mezzanine Common Units" and Note 17, "Mezzanine Redeemable Non-Controlling Interests" for additional details.

See Notes to Consolidated Financial Statement

OSMOSIS HOLDINGS, LP
Consolidated Statements of Cash Flows
Amounts in millions, except Unit and per Unit amounts

	Year Ended December 31,	
	2024	**2023**
Operating activities:		
Net loss	$ (398.2)	$ (454.2)
Less: loss from discontinued operations, net of tax	—	(60.0)
Loss from continuing operations	(398.2)	(394.2)
Adjustments to reconcile loss from continuing operations to cash provided by operating activities:		
Amortization of intangible assets	380.8	366.9
Depreciation of property, plant, and equipment	270.8	201.4
Amortization of deferred installation costs	23.6	15.8
Amortization of debt issuance costs and original issuance discounts	31.3	19.5
Amortization of fair value adjustments to inventory	10.8	16.5
Impairment of long-lived assets	0.5	6.4
Incentive unit-based compensation	7.9	7.0
Provision for expected credit losses, net of recoveries	31.6	17.1
Loss on sale of assets	22.9	9.9
(Gain) loss on sale of of businesses	(62.7)	12.6
Deferred income taxes	(138.3)	(130.5)
Foreign currency exchange loss	32.1	38.7
Realization of deferred interest rate swap gains	(16.0)	(11.8)
Loss on extinguishment of debt	5.7	—
Other non-cash expenses	10.0	2.3
Cash effect of changes in assets and liabilities (excluding effects of acquisitions, dispositions, and foreign exchange):		
Trade receivables	(81.9)	(40.9)
Inventories	(25.0)	(23.5)
Prepaid expenses and other assets	(32.5)	(11.7)
Trade payables	49.3	(12.8)
Accrued expenses and other liabilities	4.7	31.4
Cash provided by operating activities	**127.4**	**120.1**
Investing activities:		
Acquisition of Primo Europe, net of cash acquired	—	(515.8)
Acquisitions, net of cash acquired	(235.1)	(295.4)
Investment in affiliates	(1.3)	(5.0)
Purchases of property, plant, and equipment	(247.9)	(164.7)
Net proceeds from sale of businesses, net of cash disposed	8.5	2.6
Net proceeds from EMEA C&I divestiture, net of cash disposed	235.9	—
Proceeds from sale of property, plant, and equipment	7.1	1.3
Cash used in investing activities	**(232.8)**	**(977.0)**

See Notes to Consolidated Financial Statements

OSMOSIS HOLDINGS, LP
Consolidated Statements of Cash Flows
Amounts in millions, except Unit and per Unit amounts

	Years Ended December 31,	
	2024	**2023**
Financing activities:		
Payments of deferred purchase price obligations and working capital adjustments	(44.9)	(29.4)
Proceeds from borrowings of long-term debt, net of original issuance discounts	194.0	1,020.8
Repayment of long-term debt principal	(32.6)	(36.0)
Proceeds from borrowings under revolving credit facilities	606.7	424.0
Repayment of borrowings under revolving credit facilities	(576.7)	(434.5)
Debt issuance costs paid	(4.6)	(24.8)
Repayment of finance lease liabilities	(34.6)	(19.0)
Net repayment of borrowings on other debt facilities	(3.2)	(4.4)
Proceeds from capital contributions	7.8	22.6
Treasury unit and incentive unit repurchases	(27.2)	(18.2)
Distributions to non-controlling interests	(0.1)	(0.1)
Cash provided by financing activities	**84.6**	**901.0**
Effect of exchange rates on cash and equivalents (including restricted cash)	(10.3)	1.9
Net increase in cash and equivalents (including restricted cash)	**$ (31.1)**	**$ 46.0**
Cash and cash equivalents at beginning of period (including restricted cash)	144.2	98.2
Cash and cash equivalents at end of period (including restricted cash)	**$ 113.1**	**$ 144.2**
Reconciliation of cash equivalents and restricted cash		
Cash and cash equivalents	$ 103.7	$ 134.8
Restricted cash	9.4	9.4
Total cash and cash equivalents	**$ 113.1**	**$ 144.2**
Supplemental disclosures of cash flow information:		
Cash paid during the period for interest, net of interest rate swap settlements	$ 356.9	$ 263.3
Cash paid during the period for income taxes, net of refunds received	41.8	41.2
Preferred unit return and adjustment to redemption value	64.9	60.9
Contingently redeemable common unit adjustment to redemption value	19.4	26.4
Property, plant, and equipment obtained but not yet paid	35.0	21.5

See Notes to Consolidated Financial Statements

1. Description of the Business

Osmosis Holdings, LP and its subsidiaries (collectively "Osmosis," "the Company," "the Partnership," "Culligan," "we," "us," and "our") manufactures and distributes a comprehensive set of water treatment solutions and services for residential and commercial applications. Our customers depend on our products and services to sustainably treat, filter and dispense safe, clean and soft water. Our broad suite of products consists of point-of-entry water filtration and conditioning systems, under-sink water filtration units, countertop bottle free coolers, multi-function taps, bottle free and bottled water coolers, in-line filters and cartridges, water filter pitchers, and other water treatment accessories. We complement our products with a complete set of services to address the water treatment needs of our residential and commercial customers. We provide product installation services, bottled water and salt delivery, filtration and machine maintenance and other specialized water treatment services. In the United States ("U.S."), the Company also maintains a network of franchised dealers that provide Culligan exclusive products and solutions within their designated territories.

The Company categorizes its businesses into three reportable segments as follows:

- Americas, which consists of operations in North America and Latin America
- Europe, the Middle East, and Africa ("EMEA")
- Asia Pacific ("APAC")

In May 2021, Osmosis Holdings, LP was formed. Osmosis is a limited partnership between entities controlled by BDT & MSD Partners, Advent International Corporation, Castik Capital, and certain members of the Company's management (collectively "Limited Partners"). Osmosis Holdings, GP is the General Partner responsible for managing and conducting the business affairs of the Partnership. The General Partner does not own any interests in the Partnership and is not entitled to receive any distributions from the Partnership. Profits and losses are allocated to the Limited Partners to ensure that their capital account balance would be proportionally equal to the amount that the Limited Partners would receive as a distribution if the Partnership were dissolved.

On October 31, 2022, the Company acquired the outstanding shares of Firewall Holding S.a.r.l., the parent company of Waterlogic Group Holdings ("Waterlogic") for $2,979.6 million. Waterlogic is a vertically integrated business engaged in the design, manufacture, distribution, rental, servicing, and sale of point-of-use drinking water purification and cooling solutions. Waterlogic complements the Company's existing geographic and business profile and provides greater access to both existing and new markets.

On December 29, 2023, the Company acquired the outstanding shares of Carbon Luxembourg S.a.r.l., ("Primo Europe") for $551.9 million (the "Primo Europe Transaction"). Primo Europe has operations throughout Europe engaged in the manufacture, distribution, rental, servicing, and sale of point-of-use drinking water purification and cooling solutions. Primo Europe complements the Company's existing geographic and business profile and provides greater access to both existing and new markets. While the acquisition date was December 29, 2023, the Company determined that the impact of two days would be immaterial to the results of operations for the year ended December 31, 2023, and therefore utilized December 31, 2023 as the date of the acquisition for accounting purposes. The Primo Europe results from operations, cash flows and changes in financial position have been included in the consolidated financial statements from the acquisition date onward. Refer to Note 3, "Transformational Acquisition" for additional details regarding the Primo Europe Transaction.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts and results of the Company and its wholly-owned subsidiaries and companies controlled through majority ownership. All significant intercompany balances and transactions have been eliminated in consolidation. Outside unit holder interests in subsidiaries are shown on the consolidated financial statements as non-controlling interests or redeemable noncontrolling interests as appropriate.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make a number of estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying disclosures. Estimates are used for, but not limited to, expected credit losses, net realizable value of inventories, useful lives for depreciation and amortization of long-lived assets, future cash flows associated with impairment testing for goodwill, indefinite-lived intangible assets and other long-lived assets, recoverability of deferred tax assets, unrecognized tax benefits, incentive unit-based compensation, purchase accounting for acquired businesses and contingencies. Management believes that the estimates used in the preparation of the accompanying consolidated financial statements are reasonable, based upon information available to management at this time. Estimates are inherently uncertain and actual results could differ materially from the estimated amounts. Estimates and assumptions are periodically reviewed, and the effects of revisions are reflected in the consolidated financial statements in the period that they are determined.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and short-term investments. Short-term investments with original maturities of three months or less are classified as cash equivalents. Cash and cash equivalents at December 31, 2024 and December 31, 2023 are invested in overnight deposit accounts. The carrying value of cash and cash equivalents approximate fair value.

Restricted Cash

Certain cash balances are held in segregated bank accounts. Primarily, these funds are held by the Company as an agent for its North American franchisees and are to be used to provide payment for cooperative advertising reimbursements which is discussed in more detail in the Advertising accounting policy.

Trade Receivables and Allowance for Credit Losses

Trade accounts receivable are recorded at the invoiced amount, less an allowance for credit losses. The invoiced amounts do not bear interest. Amounts collected on trade accounts receivable are included in net cash provided by operating activities in the Company's Consolidated Statements of Cash Flows.

On January 1, 2023, the Company adopted Accounting Standards Codification ("ASC") Topic 326, *Financial Instruments - Credit Losses*. The Company used the modified retrospective approach to adopt this new standard, which allows entities to recognize a cumulative-effect adjustment to the opening balance of accumulated deficit in the period of adoption. As a result of adopting ASC Topic 326, the Company recognized an increase to the allowance for credit losses of $7.6 million as of January 1, 2023. The Company recorded an adjustment of $5.6 million, net of $2.0 million of tax benefit, to accumulated deficit to record the cumulative effect of adopting this new accounting standard.

The Company is exposed to credit losses in its trade accounts receivable portfolio. In establishing the required allowance, management considers historical losses, adjusted to take into account current market conditions, the financial condition of our customers, the amount of receivables in dispute, the current receivables aging, and current payment patterns. Account balances are charged against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

The following table provides a roll-forward of the allowance for credit losses that is deducted from the amortized cost basis of trade accounts receivable to present the net amount expected to be collected for trade receivables on the Consolidated Balance Sheets.

	For the Years Ended December 31,	
	2024	2023
Balance at January 1	**$ 36.8**	**$ 8.0**
Adoption of ASU 2016-13	—	7.6
Provision for expected credit losses, net of recoveries	31.6	17.1
Foreign currency translation and other adjustments	(2.8)	4.2
Amounts written off against the allowance	(8.1)	(0.1)
Balance at December 31	**$ 57.5**	**$ 36.8**

Inventories

Inventories are stated at the lower of cost or net realizable value, which is primarily determined using either a standard cost or weighted average cost method. Inventory is released through cost of goods sold on a first in, first out ("FIFO") basis.

Inventories are reviewed on a continuing basis for obsolete, excess and slow-moving items and valuation adjustments are recorded to eliminate non-recoverable costs from inventory. Valuation adjustments are recorded in an inventory reserve account and reduce the cost basis of the inventory in the period in which the reduced valuation is determined. Inventory reserves are established based on quantities on hand, usage and sales history, customer orders and projected demand. Specific analysis of individual items or groups of items is performed based on these same criteria, as well as on changes in market conditions or any other identified conditions.

Property, Plant, and Equipment

The Company records additions to property, plant, and equipment at cost. Depreciation on property, plant, and equipment is calculated on the straight-line method over the estimated useful lives of the assets. The estimated useful lives that the capitalized balance is depreciated over are as follows:

Buildings and site improvements	Up to 40 years
Leasehold improvements	Lesser of the estimated useful life of improvement or expected lease term
Furniture and fixtures	2 to 10 years
Information technology	2 to 5 years
Machinery and equipment	2 to 15 years
Vehicles	2 to 5 years
Customer rental equipment	2 to 10 years
Land	Indefinite lived

Maintenance and repair costs are charged to expense as incurred, while major renewals or replacements that substantially extend the useful life of an asset are capitalized and depreciated. Upon the sale or retirement of an asset, the related cost and accumulated depreciation is removed from the accounts. Gains and losses on disposal of property, plant, and equipment are recognized in selling, general and administrative expenses in the Company's Consolidated Statements of Operations.

Goodwill and Indefinite-Lived Intangible Assets

Goodwill represents the excess purchase price over the fair value of the net assets of acquired businesses. Goodwill and the Company's Culligan trademark have an indefinite useful life and are not amortized. These assets are tested for impairment at least annually on October 1, or more frequently if events or circumstances indicate that they may be impaired, when some portion but not all of a reporting unit is disposed of or classified as assets held for sale, or when a change in the composition of reporting units occurs for other reasons. The Culligan trademark is tested for impairment as a single asset group since it is unable to be separated to each reporting unit.

On January 1, 2023, the Company's France and China reporting units were absorbed into the EMEA and Zip reporting units, respectively. Upon combination, the Zip reporting unit was renamed to APAC to encompass the broader geographical region. The Company has the following five reporting units: North America, Quench, Latin America, EMEA, and APAC.

Goodwill and indefinite-lived intangible assets are tested for impairment by performing either a qualitative or quantitative assessment. If a qualitative assessment is performed, the Company evaluates economic, industry, and company-specific factors in assessing the fair value of the reporting unit or the indefinite-lived intangible asset. If it is more likely than not that the fair value of the reporting unit or indefinite-lived intangible asset is less than its carrying value, a quantitative test is then performed. Otherwise, no further testing is required.

If a quantitative assessment is performed, the Company compares the fair value of the reporting unit with its carrying value, including goodwill. The Company estimates its fair value using a combination of both income-based and market-based valuation methods. Under the income-based valuation method, fair value is determined based on the present value of the estimated future cash flows, discounted at an appropriate risk-adjusted rate for each reporting unit. The Company uses discount rates commensurate with the risks and uncertainties inherent to each reporting unit. The Company uses internal forecasts to estimate future cash flows, which includes estimates of long-term future growth, operating margin, capital expenditures, and working capital needs. These forecasts are based on historical performance and future expected results. Under the market-based valuation method, fair value is determined based on a multiple of earnings, using valuation multiples from the Company's peer group as the basis.

If the estimated fair value of the reporting unit is less than its carrying amount, impairment is indicated, requiring recognition of goodwill impairment (up to the carrying value of goodwill) for the differential. The Company

performed a qualitative assessment for purposes of its annual goodwill impairment analyses for the years ended December 31, 2024 and 2023 and concluded that it was more likely than not that the fair value of the reporting units were more than their carrying values. See Note 8, "Goodwill" for additional details.

The Culligan trademark is tested for impairment as a single asset group since it is unable to be separated to each reporting unit. The Company performed a qualitative assessment for purposes of its annual indefinite-lived intangible asset impairment analysis for the years ended December 31, 2024 and 2023 and concluded that it was more likely than not that the fair value of the asset exceeded the carrying value.

In a quantitative indefinite-lived intangible asset impairment assessment, the Company uses an income-based valuation method to test the Culligan trademark for impairment. The fair value of the intangible asset is compared to its carrying value. The Company relies upon internal revenue forecasts and market royalty rates. Any excess of carrying value over the estimated fair value is recognized as an impairment loss.

Intangible Assets Subject to Amortization

The Company's identifiable intangible assets subject to amortization primarily include customer relationships, trademarks, franchise relationships, distributor relationships, water permit rights and patents and technology. Finite-lived intangible assets are amortized over a period of time and pattern that approximates when the Company expects to gain the estimated economic benefits from those assets, as disclosed in Note 9, "Other Intangible Assets, net".

Long-Lived Assets

Long-lived assets, such as property, plant, and equipment, right of use assets and acquired intangible assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. These assets are reviewed for impairment in accordance with ASC Topic 360, *Property, Plant, and Equipment*. If circumstances require a long-lived asset or asset group be tested for impairment, the Company first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying value. If the carrying value of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment charge is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values, and third-party independent appraised values.

The Company recorded impairment of its long-lived assets of $0.5 million and $6.4 million for the years ended December 31, 2024 and 2023, respectively. See also Note 7, "Property, Plant, and Equipment, net" Note 9, "Other Intangible Assets, net" and Note 14 "Leases" for additional discussion of the long-lived assets.

Business Combinations

Business combinations are accounted for in accordance with ASC Topic 805, *Business Combinations*, which established principles and requirements for recognizing the total consideration transferred, and the assets acquired, liabilities assumed and any non-controlling interest in the acquired target in a business combination. The standard provides guidance for recognizing and measuring assets and liabilities, including goodwill acquired in a business combination and requires the acquirer to disclose information that users may need to evaluate and understand the financial impact of the business combination. Refer to Note 3, "Transformational Acquisition" and Note 4, "Acquisitions and Dispositions" for additional details.

Derivative Instruments

Interest Rate Swaps and Cross Currency

The Company uses derivative instruments to hedge its exposures to various risks, including interest rate and foreign currency exchange risk. Derivative financial instruments used for hedging purposes must be designated and effective as a hedge of the identified risk exposure at inception of the contract. The Company recognizes all derivatives as either assets or liabilities in the Company's Consolidated Balance Sheets and measures those instruments at fair value. For derivatives designated as hedges of the fair value of assets or liabilities, the changes in fair value of both the derivatives and of the hedged items are presented as part of other expense, net in the Company's Consolidated Statements of Operations. For derivatives designated as cash flow hedges, the effective portion of changes in the fair value of the derivatives are recognized as a component of accumulated other comprehensive income in the Company's Consolidated Balance Sheets and subsequently recognized in earnings when the hedged items impact earnings. For derivatives not designated as hedges, changes in the fair value of the derivatives are presented as part of other expense, net in the Company's Consolidated Statements of Operations.

Embedded Derivatives

The Company evaluates its contracts to determine if there are embedded features that qualify as derivatives to be separately accounted for in accordance with ASC Topic 480, *Distinguishing Liabilities from Equity* and ASC Topic 815, *Derivatives and Hedging*. The result of this accounting treatment is that the fair value of the embedded derivative, if required to be bifurcated, is measured at fair value as of each balance sheet date. The change in fair value is recorded in the Company's Consolidated Statements of Operations as a component of other income or expense. Upon conversion or exercise of a derivative instrument, the instrument is measured at fair value as of the conversion date and then that fair value is either reclassified to capital or recognized as cash, depending on the form of settlement.

In circumstances where the embedded conversion feature in a convertible instrument is required to be bifurcated and there are also other embedded derivative instruments in the convertible instrument that are required to be bifurcated, the bifurcated derivative instruments are accounted for as a single derivative instrument.

The classification of derivative instruments, including whether such instruments should be recorded as assets, liabilities or capital, is assessed as of each reporting period. Instruments that are initially classified as capital that become subject to reclassification are reclassified at fair value on the reclassification date. Derivative instrument assets and liabilities will be classified in the Company's Consolidated Balance Sheets as current or noncurrent based on whether settlement of the derivative instrument is expected within twelve months of the balance sheet date. Refer to Note 15, "Preferred Units", Note 16, "Mezzanine Common Units" and Note 17 "Mezzanine Redeemable Non-Controlling Interests" for additional details.

Foreign Currency

Assets and liabilities denominated in a functional currency other than U.S. dollars are translated into U.S. dollars using exchange rates as of the balance sheet date. Revenues, expenses, gains, and losses are translated at average monthly exchange rates. Translation adjustments are reported in other comprehensive (loss) income. Upon sale of an investment in a foreign subsidiary, the accumulated amount of the translation adjustments related to that entity are reclassified to earnings as part of the gain or loss on the investment.

Assets and liabilities of a subsidiary that are denominated in currencies other than an entity's functional currency are remeasured into the functional currency. Transaction gains and losses related to exchange rate fluctuations on transactions denominated in a currency other than the functional currency of an entity are recorded within the Company's Consolidated Statements of Operations as a component of other expense, net.

Revenue Recognition

See Note 5, "Revenue Recognition" for additional information on the Company's accounting policy related to revenue recognition.

Advertising

Advertising costs are expensed as incurred. The Company incurred $146.0 million and $115.5 million for the years ended December 31, 2024 and 2023, respectively. These expenses are presented as part of selling, general and administrative expenses in the accompanying Consolidated Statements of Operations.

The Company collects contributions from its franchisees and matches these amounts to fund brand advertising. Advertising spending is directed by a board composed of representatives from the network of dealers and the Company; however, the Company does not have the majority of voting power on this board. As the Company functions as the agent in these cooperative advertising arrangements, it records these contributions and the advertising expenditures on a net basis. Advertising costs in the Consolidated Statements of Operations, therefore, reflect the Company's portion of these shared costs.

Research and Development

Costs for research and development activities are expensed as incurred. Research and development costs incurred by the Company were $18.0 million and $17.4 million for the years ended December 31, 2024 and 2023, respectively. These expenses are presented as part of selling, general and administrative expenses in the accompanying Consolidated Statements of Operations.

Income Taxes

The Company is a limited partnership established in Cayman Islands, which does not impose corporate income taxes. However, the Company is liable for U.S. and Non-U.S. income taxes in multiple jurisdictions, which are shown in Note 13, "Income Taxes".

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which these temporary differences are expected to be recovered or realized. A valuation allowance is recorded when deferred tax assets are deemed not realizable for tax purposes. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in earnings in the period that includes the enactment date.

The valuation allowance is established for deferred tax assets for which it is more likely than not that some portion or all of the deferred tax benefit will not be realized. In assessing the need for a valuation allowance, all available evidence related to continuing operations are considered, including the future reversal of existing taxable temporary differences, taxable income in carryback periods, prudent and feasible tax planning strategies and estimated future taxable income. The valuation allowance can be affected by changes to tax regulations, interpretations and rulings, changes to enacted statutory tax rates and changes to future taxable income estimates.

Tax benefits are recognized from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position in consideration of applicable tax statutes and related interpretations and precedents. Tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized on ultimate settlement.

Changes in recognition or measurement of a valuation allowance and uncertain tax positions are reflected in the period in which the change in judgment occurs.

The Company releases the income tax effects related to accumulated other comprehensive (loss) income upon a recognition event or law change related to the component of other comprehensive (loss) income.

Fair Value Measurements

Fair value is determined based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. A three-tier hierarchy is used to determine fair value for fair value measurements and disclosures, as follows:

a. Level 1 – Observable inputs such as quoted prices for identical instruments in active markets.

b. Level 2 – Inputs from assets and liabilities that are not identical, but are observable either directly or indirectly. Examples include quoted prices that are observable for a similar asset or liability.

c. Level 3 – Unobservable inputs in which there is little, if any, market activity for the asset or liability.

Any transfers of assets or liabilities between Level 1, Level 2, and Level 3 of the fair value hierarchy will be recognized as of the end of the reporting period in which the transfer occurs. There were no transfers between fair value levels in any of the periods.

Financial instruments consist primarily of trade receivables, trade payables and accrued expenses and other current liabilities. The carrying values of these financial instruments are considered to be representative of their respective fair values due to the short-term nature of these instruments.

The Company's assets and liabilities measured at fair value on a recurring basis were as follows:

	As of December 31, 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Interest rate swaps (Note 12)	$ —	$ 72.1	$ —	$ 72.1
Cross currency swaps (Note 12)	—	41.4	—	41.4
Total	**$ —**	**$ 113.5**	**$ —**	**$ 113.5**
Liabilities and Mezzanine Capital:				
Cross currency swaps (Note 12)	$ —	$ 18.7	$ —	$ 18.7
Variable deferred purchase price obligations (Note 4)	—	—	25.9	25.9
Phantom incentive unit liability (Note 19)	—	—	3.4	3.4
Total	**$ —**	**$ 18.7**	**$ 29.3**	**$ 48.0**

	As of December 31, 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Interest rate swaps (Note 12)	$ —	$ 92.3	$ —	$ 92.3
Cross currency swaps (Note 12)	—	19.9	—	19.9
Total	**$ —**	**$ 112.2**	**$ —**	**$ 112.2**
Liabilities and Mezzanine Capital:				
Interest rate swaps (Note 12)	$ —	$ 12.6	$ —	$ 12.6
Cross currency swaps (Note 12)	—	41.1	—	41.1
Variable deferred purchase price (Note 4)	—	—	16.6	16.6
Phantom incentive unit liability (Note 19)	—	—	2.0	2.0
Contingently redeemable common units (Note 16)	—	133.7	—	133.7
Total	**$ —**	**$ 187.4**	**$ 18.6**	**$ 206.0**

The Preferred Unit, Pledged Common Unit, Contingently Redeemable Common Unit and Redeemable Non-Controlling Interests agreements have embedded features that are required to be bifurcated and reported at their fair value as of the balance sheet date. The Contingently Redeemable Common Unit embedded feature expired on October 31, 2024. These embedded derivatives fall within Level 3 of the fair value hierarchy since the fair value is determined with unobservable inputs. The fair value of these embedded features was less than $0.1 million as of both December 31, 2024 and 2023. Refer to Note 15, "Preferred Units" and Note 16, "Mezzanine Common Units" and Note 17, "Mezzanine Redeemable Non-Controlling Interests" for additional details.

Concentrations of Risk

The Company offers products and services to a diverse customer base, and as such, management believes there are no significant customer, supplier, product line, credit, geographic, or other concentrations that could expose the Company to adverse near-term severe financial impacts.

At December 31, 2024 and 2023, the Company had cash at U.S.-based financial institutions in excess of Federal Deposit Insurance Corporation limits. The Company believes its deposits are at institutions with strong credit ratings.

Recent Accounting Pronouncements

The Company did not adopt any recently issued accounting standards during the year ended December 31, 2024.

Recently Issued Accounting Standards

In December 2023, the Financial Accounting Standards Board ("FASB") issued ASU No. 2023-09 Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which expands the disclosures required in an entity's income tax rate reconciliation table and requires disclosure of income taxes paid both in U.S. and foreign jurisdictions. The amendments are effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating this ASU to determine its impact on the Company's disclosures.

In November 2024, the FASB issued ASU No. 2024-03 Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-04) Disaggregation of Income Statement Expenses, which requires disclosure of disaggregated information about certain income statement expense line items within the footnotes to the financial statements. This guidance is effective for fiscal years beginning after December 15, 2026. Early adoption is permitted. The Company is currently evaluating this ASU to determine the impact on the Company's consolidated financial statements.

3. Transformational Acquisition

Acquisition of Primo Europe

On December 29, 2023, the Company acquired Primo Europe for a total purchase price of $551.9 million. The Primo Europe Transaction was completed with cash payments, net of cash acquired, of $513.3 million, with $1.1 million of receivables owed to the Company from Primo Europe that were effectively settled in conjunction with the Primo Europe Transaction.

The fair value of the net assets acquired for Primo Europe was determined using Level 3 inputs, for which little or no market data exists, requiring the Company to develop its own assumptions regarding future cash flow projections. During the year ended December 31, 2024, there were provisional period purchase price allocation adjustments. The following table summarizes the fair value of the net assets acquired of Primo Europe and the purchase price allocation adjustments made during the year ended December 31, 2024.

	As of December 31, 2023	Measurement Period Adjustments	As of December 31, 2024
Total purchase price	$ 551.9	$ —	$ 551.9
Cash and restricted cash	37.5	—	37.5
Trade receivables	30.2	(1.6)	28.6
Inventories	28.7	(2.8)	25.9
Prepaid expenses and other current assets	6.6	3.2	9.8
Property, plant, and equipment	126.4	24.2	150.6
Other intangible assets	346.6	(57.2)	289.4
Operating lease right-of-use assets	14.5	6.4	20.9
Other noncurrent assets	1.6	(0.1)	1.5
Total assets acquired	592.1	(27.9)	564.2
Short-term borrowings and current installments of long-term debt	(3.5)	(0.8)	(4.3)
Trade payables	(12.6)	—	(12.6)
Accrued expenses and other current liabilities	(57.3)	(3.5)	(60.8)
Long-term debt	(21.0)	(0.4)	(21.4)
Noncurrent operating lease liabilities	(9.2)	(4.4)	(13.6)
Other noncurrent liabilities	(5.2)	(4.4)	(9.6)
Deferred income taxes	(58.4)	(3.3)	(61.7)
Total liabilities assumed	(167.2)	(16.8)	(184.0)
Fair value of net assets acquired	424.9	(44.7)	380.2
Excess of purchase price over net assets acquired (goodwill)	**$ 127.0**	**$ 44.7**	**$ 171.7**

During the year ended December 31, 2024, the Company recorded purchase price allocation adjustments, resulting in an increase of $44.7 million to the excess purchase price over net assets acquired (goodwill). The adjustments were the result of continued examination of assets acquired and liabilities assumed and certain valuation adjustments to acquired trade receivables, inventories, prepaid expenses and other current assets, property, plant and equipment, other intangible assets, right-of-use assets and liabilities from acquired leases, noncurrent assets, accrued expenses and other current liabilities, noncurrent liabilities and related deferred taxes associated with the revised valuation adjustments.

Cash and restricted cash, trade receivables, prepaid expenses and other current assets, other noncurrent assets, trade payables, accrued expenses and other current liabilities, and other noncurrent liabilities were stated at historical carrying values, which approximate fair value.

The fair market value of the acquired identifiable other intangible assets was $289.4 million as detailed in the table below, with their respective estimated useful lives.

	Fair Value	Useful Life up to
Customer relationships	$ 116.1	10 years
Trademarks	35.3	5 years
Water permit rights	138.0	16 years
Total other intangible assets	**$ 289.4**	

In addition to the values of the other intangible assets included in the table above, substantial purchase accounting adjustments were recorded during the years ended December 31, 2024 and 2023 to increase the fair value of the acquired inventories by $7.8 million to the estimated selling prices less costs to sell and property, plant and equipment by $53.0 million.

The goodwill resulting from this acquisition is primarily attributable to the assembled workforce, certain operational synergies and expected growth in the water industry. Total goodwill recognized of $171.7 million is not deductible for tax purposes.

In connection with the acquisition, the Company incurred transaction costs totaling $10.6 million during the year ended December 31, 2023. These transaction costs have been reflected in selling, general, and administrative expenses within the Company's Consolidated Statement of Operations.

4. Acquisitions and Dispositions

The Company completed 68 and 74 acquisitions during the year ended December 31, 2024 and 2023, respectively, excluding the Primo Europe Transaction discussed in Note 3, "Transformational Acquisitions". Upon consummation of these acquisitions, the businesses became either majority or wholly-owned. The Company's results from operations include the results of these businesses from their respective acquisition dates onward.

These acquisitions complement existing operations and expand into new products, customer channels, and geographic end markets. The goodwill identified for these acquisitions reflects the assembled workforce, certain operational synergies and expected growth in the water industry. The fair value of the net assets acquired for these businesses was determined using Level 3 inputs, for which little or no market data exists, requiring the Company to develop its own assumptions regarding future cash flow projections.

Through the purchase price negotiations for certain acquisitions, the Company agreed to terms for fixed or variable deferred purchase price payments. To determine the fair value of the variable deferred purchase price obligations, the Company used an income valuation approach to calculate the present value of probability-weighted future cash flows. Most variable deferred purchase price obligations are contingent on the acquired business achieving certain financial metrics following the acquisition date. The Company classified the estimated variable deferred purchase price obligations as Level 3 due to the lack of relevant observable market data over fair value inputs such as probability-weighting of payment outcomes.

Gains or losses are incurred on the revaluation of variable deferred purchase price obligations when new information requires revisions to previous estimates made as of the respective acquisition dates. The Company reported a loss of $1.4 million and gain of less than $0.1 million on the revaluation of variable deferred purchase price obligations for the years ended December 31, 2024 and 2023, respectively. The future payment of the variable deferred purchase price obligations may differ from the fair value as of December 31, 2024 if operating results from the acquired businesses are substantially different from the current forecast. The fixed and variable deferred purchase price obligations and their respective classification on the Consolidated Balance Sheets was as follows:

	December 31, 2024		December 31, 2023	
	Fixed	Variable	Fixed	Variable
Accrued expenses and other current liabilities	$ 33.8	$ 15.3	$ 23.3	$ 13.0
Other noncurrent liabilities	6.2	10.6	9.0	3.6
Total	**$ 40.0**	**$ 25.9**	**$ 32.3**	**$ 16.6**

Changes to the variable deferred purchase price obligation during the period were as follows:

	Years Ended December 31,	
	2024	2023
Balance at January 1	$ 16.6	$ 6.8
New obligations	25.1	16.7
Payment of existing obligations	(16.1)	(7.1)
Fair market value adjustments	1.4	(0.1)
Foreign currency translation	(1.1)	0.3
Balance at December 31	**$ 25.9**	**$ 16.6**

The Company incurred acquisition related expenses of $12.0 million and $18.9 million for the years ended December 31, 2024 and 2023, respectively. The acquisition related costs incurred by the Company are recognized in selling, general, and administrative expenses in the Consolidated Statements of Operations.

2024 Acquisitions

Below is a summary of the acquisitions completed during the year ended December 31, 2024. There was one significant acquisition during the year ended December 31, 2024, which is disclosed in greater detail below. Disclosures associated with other acquisitions are aggregated together within the tables below.

Reconciliation of the purchase price	**Ecohouse** [(1)]	**Other Acquisitions**	**Total Acquisitions**
Payments made at the acquisition date	$ 53.8	$ 185.9	$ 239.7
Net purchase price payments made subsequent to the acquisition date	—	0.3	0.3
Acquisition date fair value of variable deferred purchase price obligations	—	24.7	24.7
Fixed deferred purchase price obligations	2.1	30.7	32.8
Effective settlement of amounts owed to the Company	—	0.3	0.3
Equity level investment converted	—	0.3	0.3
Total purchase price	**$ 55.9**	**$ 242.2**	**$ 298.1**

The following table summarizes the preliminary estimated fair value of the net assets acquired as of the date of these acquisitions:

	Ecohouse [1]	Other Acquisitions	Total Acquisitions
Total purchase price	$ 55.9	$ 242.2	$ 298.1
Cash and restricted cash	0.6	4.6	5.2
Trade receivables	1.6	9.0	10.6
Inventories	—	8.8	8.8
Prepaid expenses and other current assets	3.8	1.7	5.5
Property, plant, and equipment	24.0	25.7	49.7
Other intangible assets	12.9	135.1	148.0
Other noncurrent assets	—	1.1	1.1
Total assets acquired	42.9	186.0	228.9
Short-term borrowings and current installments of long-term debt	—	(1.7)	(1.7)
Trade payables	(0.7)	(5.9)	(6.6)
Accrued expenses and other current liabilities	(1.4)	(5.6)	(7.0)
Long-term debt	—	(2.6)	(2.6)
Other noncurrent liabilities	(0.1)	(3.8)	(3.9)
Deferred income taxes	(7.7)	(13.9)	(21.6)
Total liabilities assumed	(9.9)	(33.5)	(43.4)
Fair value of net assets acquired	33.0	152.5	185.5
Excess of purchase price over net assets acquired (goodwill)	**$ 22.9**	**$ 89.7**	**$ 112.6**

The Company established preliminary purchase price allocation estimates for the recent acquisitions which have been reflected in the Company's Consolidated Balance Sheets as of December 31, 2024. These estimates reflect the nature of the acquired business and the Company's experience and may be refined throughout the provisional period as additional information is obtained. The preliminary fair values allocated between trade receivables, inventories, prepaid expenses and other current assets, property, plant and equipment, other intangible assets, other long term assets, goodwill, trade payables, accrued expenses and other current liabilities, long-term debt, other noncurrent liabilities and deferred income taxes may be subject to future revisions as additional information is obtained.

The Company has preliminarily estimated the fair market value of the acquired identifiable intangible assets to be $148.0 million as detailed in the table below, with their respective estimated useful lives. These figures may be revised through the completion of the purchase accounting.

	Fair Value	Useful Life up to
Customer relationships	$ 128.4	10 years
Franchise relationships	11.9	10 years
Trademarks	1.4	5 years
Patents and technology	4.6	5 years
Water permit rights	1.7	16 years
Total other intangible assets	**$ 148.0**	

These identifiable intangible assets are amortized over estimated useful lives based on the pattern of expected benefit.

Of the $112.6 million of goodwill acquired by the Company during the year ended December 31, 2024, $51.4 million of goodwill is deductible for tax purposes and $61.2 million is non-deductible for tax purposes.

Of the $112.6 million of goodwill obtained through acquisitions completed by the Company during the year ended December 31, 2024, $67.1 million, $45.4 million, and $0.1 million is included within the Americas, EMEA and APAC reportable segments, respectively.

(1) - In July 2024, the Company acquired one of Whirlpool S.A's subsidiaries ("Ecohouse"). The acquired business provides free standing and counter top water purification rental units to commercial and residential customers in the Brazil market. Activity from this acquisition is included within the Americas segment.

2024 Dispositions

Commercial and Industrial ("C&I") Disposition

In May 2024, Culligan Italiana S.P.A, AI Aqua France S.A.S and Culligan Shared Services (UK) Limited collectively the "Sellers", which are subsidiaries of the Company and are included within the Company's EMEA reportable segment, entered into a Share Sale and Purchase Agreement (the "C&I Agreement") pursuant to which the Sellers agreed to sell certain C&I businesses in Italy, France and the United Kingdom (the "Target Businesses"). These businesses were sold to an unaffiliated entity that the Company does not expect any ongoing relationship with.

The transaction was completed in September 2024 for a total selling price of $239.9 million, resulting in a $62.7 million gain on sale of the businesses, which is included within (gain) loss on sale of businesses in the Consolidated Statement of Operations. The gain on sale of businesses included $12.2 million of cumulative foreign currency translation losses that were released from accumulated other comprehensive (loss) income on the Consolidated Balance Sheets to (gain) loss on sale of businesses in the Consolidated Statements of Operations. At December 31, 2024, the Company has recorded an obligation of $6.0 million that is owed as final purchase price settlement based on the terms of the September 2024 Commercial and Industrial Disposition transaction, which is included in fixed deferred purchase price obligations within accrued expenses and other current liabilities on the Consolidated Balance Sheets.

The Company classified the C&I target businesses' assets and liabilities as held for sale upon entering into the C&I Agreement. In accordance with the accounting requirements for held for sale assets, the Company ceased recording depreciation and amortization on the fixed assets, right-of-use assets and finite-lived intangible assets of the Target Businesses in May 2024. The carrying value of the C&I businesses included an allocation of goodwill and customer relationships that was determined using Level 3 inputs, for which little or no market data exists, requiring the Company to develop its own assumptions regarding future cash flow projections. Below is a summary of the carrying values for the assets and liabilities sold.

Assets		
Cash and cash equivalents	$	10.0
Trade receivables, net		39.5
Inventories, net		18.5
Prepaid expenses and other current assets		5.6
Property, plant, and equipment, net		9.3
Goodwill		96.0
Other intangible assets, net		44.9
Deferred income taxes		0.1
Operating lease right-of-use assets		2.5
Other noncurrent assets		0.9
Total assets divested	$	227.3
Liabilities		
Short-term borrowings and current installments of long-term debt	$	(0.5)
Trade payables		(24.2)
Accrued expenses and other current liabilities		(9.9)
Long-term debt		(0.6)
Deferred income taxes		(12.6)
Noncurrent operating lease liabilities		(1.2)
Other noncurrent liabilities		(13.3)
Total liabilities divested	$	(62.3)
Net assets divested	$	165.0

2023 Acquisitions

Below is a summary of the acquisitions completed during the year ended December 31, 2023, excluding Primo Europe. Measurement period adjustments were made to the purchase price paid for certain 2023 acquisitions related to working capital settlements and tax make-whole settlements that were reached in accordance with the terms of the acquisitions agreements.

Reconciliation of the purchase price	**As of December 31, 2023**	**Measurement Period Adjustments**	**As of December 31, 2024**
Payments made at the acquisition date	$ 302.4	$ —	$ 302.4
Application of acquisition prepayments	3.9	—	3.9
Net purchase price payments made subsequent to the acquisition date	0.2	0.5	0.7
Redeemable non-controlling interests	30.4	—	30.4
Acquisition date fair value of variable deferred purchase price obligations	16.7	0.4	17.1
Fixed deferred purchase price obligations	24.6	(0.5)	24.1
Effective settlement of amounts owed to the Company	1.4	—	1.4
Total purchase price	**$ 379.6**	**$ 0.4**	**$ 380.0**

The following table summarizes the measurement period purchase price allocation adjustments to the 2023 acquisitions during the year ended December 31, 2024:

	As of December 31, 2023	Measurement Period Adjustments	As of December 31, 2024
Total purchase price	$ 379.6	$ 0.4	$ 380.0
Cash and restricted cash	8.1	—	8.1
Trade receivables	14.9	0.6	15.5
Inventories	21.2	(0.2)	21.0
Prepaid expenses and other current assets	5.0	0.2	5.2
Property, plant, and equipment	62.9	—	62.9
Other intangible assets	172.3	6.2	178.5
Other noncurrent assets	—	1.1	1.1
Total assets acquired	284.4	7.9	292.3
Trade payables	(8.0)	—	(8.0)
Accrued expenses and other current liabilities	(9.7)	(1.4)	(11.1)
Long-term debt	(3.6)	0.5	(3.1)
Other noncurrent liabilities	(1.5)	0.3	(1.2)
Deferred income taxes	(18.3)	—	(18.3)
Total liabilities assumed	(41.1)	(0.6)	(41.7)
Fair value of net assets acquired	243.3	7.3	250.6
Excess of purchase price over net assets acquired (goodwill)	**$ 136.3**	**$ (6.9)**	**$ 129.4**

During the year ended December 31, 2024, the Company recorded measurement period purchase price allocation adjustments, resulting in a $6.9 million reduction to the excess purchase price over net assets acquired (goodwill). The adjustments were primarily the result of completing valuation work for specific acquisitions, evaluation of the final opening balance sheet amounts and settlement of purchase price obligations, which impacted trade receivables, inventories, prepaid expense and other current assets, other intangible assets, goodwill, accrued expenses and other current liabilities, long-term debt, and other noncurrent liabilities. During the year ended December 31, 2024, the Company recorded additional expense of $0.1 million from the provisional period purchase price allocation adjustments that would have been recorded during the year ended December 31, 2023.

The fair market value of the acquired identifiable other intangible assets was $178.5 million as detailed in the table below, with their respective estimated useful lives.

	Fair Value	Useful Life up to
Customer relationships	$ 138.4	10 years
Franchise relationships	35.2	15 years
Trademarks	3.1	5 years
Other intangibles	1.8	2 years
Total other intangible assets	**$ 178.5**	

These identifiable intangible assets are amortized over estimated useful lives based on the pattern of expected benefit.

Of the $129.4 million of goodwill acquired by the Company during the year ended December 31, 2023, $59.6 million of goodwill is deductible for tax purposes and $69.8 million is non-deductible for tax purposes.

Of the $129.4 million of goodwill obtained through acquisitions completed by the Company during the year ended December 31, 2023, $95.7 million and $33.7 million is included within the Americas and EMEA reportable segments, respectively.

2023 Dispositions

The Company disposed of its operations in Poland in November 2023. 2023, and recognized a loss on disposition of $12.4 million that is included in (gain) loss on sale of businesses in the Company's Consolidated Statements of Operations for the year ended December 31, 2023. The carrying value of the disposed Poland operations included an allocation of goodwill from the EMEA reporting unit that was determined using an income valuation approach. As consideration for the sale, the Company received $1.3 million of net cash proceeds in November 2023 and a note receivable for $12.6 million. In May 2024, the Company received a principal payment of $8.4 million on the note receivable and agreed to extend the maturity of the note until May 2031, with interest on the outstanding balance accruing at an annual rate of 15%. The outstanding note receivable balance is recorded within other noncurrent assets on the Consolidated Balance Sheet as of December 31, 2024 and was included in prepaid expenses and other current assets in the Consolidated Balance Sheet as of December 31, 2023.

During the year ended December 31, 2023, the Company disposed of other small businesses and received $2.5 million of net cash proceeds. In February 2024, the Company received a final payment of $0.1 million on a note receivable that was recorded within prepaid expenses and other current assets on the Consolidated Balance Sheets as of December 31, 2023.

Upon completion of the Waterlogic Transaction in October 2022, certain Waterlogic businesses in Australia, New Zealand and United Kingdom were classified as held-for-sale. In November 2022, the Company completed the sale of these businesses. At the time of the divestiture, the valuation to determine the fair value of the acquired Waterlogic businesses that were held for sale was not finalized. The Company adjusted the preliminary Waterlogic purchase allocation of the net assets held for sale to approximate the proceeds received. Through the finalization of the Waterlogic valuation during the year ended December 31, 2023, the fair value of the divested businesses was determined to be $60.0 million higher, which was recorded as a loss from discontinued operations, net of tax within the Consolidated Statements of Operations for the year ended December 31, 2023.

5. Revenue Recognition

The Company recognizes revenue from the sale of goods and services in conformity with ASC Topic 606, *Revenue from Contracts with Customers*, and ASC Topic 842, *Leases*, which requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for such goods or services. Products and solutions are classified into three revenue streams for purposes of recognizing revenue.

- Product revenue consists of both standard and custom products. Standard products, such as water softeners, water filters, drinking water systems, and bottled water, are sold directly to an end consumer, a retailer or a franchisee. Revenue for standard products is recognized at a point in time, when control has passed to the customer. Custom products, such as deionization systems or purification systems, are designed and manufactured according to customer specifications. Revenue for custom products, for which there is no alternative use and the Company has an enforceable right to payment, is recognized over time on a cost-to-cost basis, concurrent with the transfer of control. Custom projects are usually started and completed within a twelve month period. Product revenue also includes sales-based royalties received from franchises licensed to operate Culligan dealerships. The royalty fee is recognized at the point in time when the franchisee sells the product to their customers. Most of the product revenue is considered recurring.

- Rental revenue reflects customer usage of equipment for a stated term and is recognized over the life of the rental contract, including those renewals reasonably probable of being exercised. Certain rental contracts may include standard maintenance and installation services, some of which are essential and others are not essential, to the functionality of the rental equipment and are not bifurcated as a separate performance obligation under ASC 606. Revenue related to bottled water deliveries and other consumables that may relate to the rental equipment is classified as product revenue. The related rental equipment is classified as a component of property, plant, and equipment, net on the Company's Consolidated Balance Sheets. Refer to Note 7, "Property, Plant, and Equipment, net" and Note 14, "Leases" for additional details.

- Maintenance revenue includes scheduled service visits to inspect equipment or perform routine upkeep to ensure that previously installed products are maintaining high water quality. Maintenance revenue is recognized over time, ratably over the life of the service contract or as one-time service calls are completed.

Some contracts with customers include variable consideration primarily related to volume rebates. The Company estimates variable consideration as the most likely amount to determine the total consideration that the Company expects to be entitled. Estimated amounts are included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

Sales taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and therefore are excluded from revenues in the Company's Consolidated Statements of Operations.

The Company provides shipping and handling services to customers. The Company has elected the practical expedient in ASC Topic 606 to not treat shipping and handling services as a separate performance obligation within the customer contract. Amounts billed to customers for shipping and handling are included in revenues in the Company's Consolidated Statements of Operations when control of the underlying product has transferred to the customer. Fulfillment costs are recorded in cost of sales within the Company's Consolidated Statements of Operations.

The Company's payment terms generally range between 30 to 90 days and vary by the nature of the underlying goods or services performed and the geographic location of the business. The sales arrangements do not contain significant financing components.

The Company holds assurance-type warranties that provide a guarantee that the product will perform as promised. These are not separate performance obligations. Provisions for warranty are primarily determined based on historical warranty experience as a percentage of historical product sales, adjusted for any known quality issues. Warranty estimates are based on historical experience and represent the projected cost associated with the product. A liability and related expense are recognized at the time products are sold. Estimates are adjusted when it is determined that actual costs may differ from initial or previous estimates. The Company's warranty liability is generally affected by failure rates, repair costs and the timing of failures. Future events and circumstances related to these factors could materially change the estimates and require adjustments to the warranty liability. Warranty liabilities are included within accrued expenses and other current liabilities and other noncurrent liabilities in the Company's Consolidated Balance Sheets.

Disaggregation of Revenue

The Company disaggregates revenue from its contracts with customers by revenue stream and the underlying geographical region to depict how the nature, amount, timing, and uncertainty of revenue and cash flows may be affected by economic factors. The following table presents net revenues disaggregated by the revenue stream.

	Years Ended December 31,	
	2024	**2023**
Product	$ 2,108.8	$ 1,895.9
Rental	855.0	689.1
Maintenance	260.6	188.2
Total net revenues	**$ 3,224.4**	**$ 2,773.2**

The following table presents net revenues disaggregated by geographic location based on where the specific business unit responsible for transacting the sale is domiciled.

	Years Ended December 31,	
	2024	**2023**
Americas	$ 1,454.7	$ 1,310.0
EMEA	1,556.7	1,256.9
APAC	213.0	206.3
Total net revenues	**$ 3,224.4**	**$ 2,773.2**

Contract Balances

The Company satisfies its obligations under a contract with a customer by transferring products and/or services in exchange for consideration from the customer. The Company receives payments from customers based on a billing schedule as established in its contracts.

Contract assets represent contract revenue recognized to date that has not yet been invoiced due to contract terms and are included within the Company's Consolidated Balance Sheets as a component of prepaid expenses and other current assets. The contract asset balance was $0.1 million and $4.3 million as of December 31, 2024 and 2023, respectively.

The Company also incurs incremental costs to obtain a contract, primarily for sales commissions, which are capitalized within the Company's Consolidated Balance Sheets as a component of other noncurrent assets and were $41.4 million and $29.6 million as of December 31, 2024 and 2023, respectively. The capitalized incremental contract costs are expensed over the expected period of benefit as a component of selling, general and administrative expenses within the Consolidated Statements of Operations and was $18.1 million and $11.0 million for the years ended December 31, 2024 and 2023, respectively.

Contract liabilities represent payments received in advance of performance under the contracts. Refundable customer deposits are not included within the contract liability balance as these do not relate to future performance obligations. The majority of the contract liability balance is expected to be recognized through revenue within the next 12 months as performance obligations are satisfied and are included within the Company's Consolidated Balance Sheets as follows:

	December 31, 2024	December 31, 2023
Accrued expenses and other current liabilities	$ 106.9	$ 88.1
Other noncurrent liabilities	2.4	2.0
Total	**$ 109.3**	**$ 90.1**

6. Inventories, net

Inventories, net consisted of the following:

	December 31, 2024	December 31, 2023
Raw materials	$ 84.3	$ 94.3
Work in process	3.4	7.0
Finished goods	285.6	283.0
Subtotal	373.3	384.3
Less reserves for excess and obsolete inventories	(29.4)	(26.1)
Total inventories, net	**$ 343.9**	**$ 358.2**

The inventory balances at December 31, 2024 do not contain any fair market value adjustments associated from recent acquisitions. The December 31, 2023 finished goods inventory balance included a preliminary fair market value adjustment of $10.6 million, which was expensed over the estimated pattern of use during the year ended December 31, 2024.

7. Property, Plant, and Equipment, net

The Company records additions to property, plant, and equipment at cost. Property, plant, and equipment, net consisted of the following:

	December 31, 2024	December 31, 2023
Customer rental equipment	$ 841.7	$ 679.8
Machinery and equipment	189.7	153.9
Buildings and improvements	93.6	94.7
Vehicles	65.2	59.0
Information technology	143.7	100.8
Land and improvements	38.1	33.3
Furniture and fixtures	32.9	30.5
Right-of-use assets under finance leases	147.7	94.0
Construction in progress	40.4	33.8
Subtotal	1,593.0	1,279.8
Less accumulated depreciation	(619.9)	(372.9)
Property, plant and equipment, net	**$ 973.1**	**$ 906.9**

Depreciation on property, plant, and equipment is calculated using the straight-line method over the estimated useful lives of the assets. Total depreciation expense was $270.8 million and $201.4 million for the year ended December 31, 2024 and 2023, respectively.

8. Goodwill

Changes to the carrying value of the Company's goodwill are as follows:

Balance at January 1, 2023	**$ 4,483.1**
Acquisitions	263.3
Provisional purchase price allocation adjustments	315.8
Dispositions	(80.2)
Foreign currency translation	68.8
Balance at January 1, 2024	**5,050.8**
Acquisitions	112.6
Provisional purchase price allocation adjustments	37.8
Dispositions	(96.0)
Foreign currency translation	(158.4)
Balance at December 31, 2024	**$ 4,946.8**

The increase in goodwill from January 1, 2023 through December 31, 2024 is due to the net addition of the preliminary estimate of goodwill from acquisitions during the period and provisional purchase accounting allocation adjustments for acquisitions completed during the periods as discussed in Note 3, "Transformational Acquisition" and Note 4, "Acquisitions and Dispositions". During the year ended December 31, 2024, goodwill was reduced by $96.0 million from the C&I Divestiture discussed in Note 4, "Acquisitions and Dispositions". The goodwill balance was further impacted by fluctuations in foreign exchange rates between the periods.

The Company performed its annual goodwill impairment test during the fourth quarter of 2024 and 2023 through a qualitative impairment assessment and concluded that it was more likely than not the goodwill from the reporting units was not impaired.

A goodwill impairment analysis requires significant judgments, estimates and assumptions, and the results of the impairment analysis described above are as of a specific point in time. Future events that could result in further assessments of goodwill and a potential further impairment include, but are not limited to, (a) significant underperformance relative to historical or projected future operating results and/or reductions in estimated future sales growth rates, (b) an increase in our reporting units' weighted average cost of capital, (c) significant changes in the manner of or use of the assets or the strategy for the Company's overall business, (d) other significant negative industry trends, (e) changes in federal, state or local laws, (f) a significant economic downturn, or (g) changes in other variables that can materially impact the Company's business.

9. Other Intangible Assets, net

The Company's other intangible assets subject to amortization primarily include customer relationships, trademarks, franchise relationships, distributor relationships, water permit rights, and patents and technology.

	December 31, 2024			December 31, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Subject to amortization:						
Customer relationships	$ 1,562.2	$ (515.4)	$ 1,046.8	$ 1,734.2	$ (352.2)	$ 1,382.0
Trademarks	700.6	(191.9)	508.7	793.7	(117.2)	676.5
Franchise relationships	589.9	(113.6)	476.3	542.3	(77.5)	464.8
Distributor relationships	169.7	(64.8)	104.9	179.6	(51.0)	128.6
Water permit rights	161.3	(20.3)	141.0	29.7	(2.5)	27.2
Patents and technology	145.0	(49.3)	95.7	145.9	(33.7)	112.2
Other	2.9	(1.6)	1.3	1.7	(0.2)	1.5
Total	**$ 3,331.6**	**$ (956.9)**	**$ 2,374.7**	**$ 3,427.1**	**$ (634.3)**	**$ 2,792.8**
Not subject to amortization:						
Culligan trademark			1,332.5			1,332.5
Total other intangible assets, net			**$ 3,707.2**			**$ 4,125.3**

The definite-lived intangible assets have the following initial estimated useful life and the weighted-average remaining useful lives as of December 31, 2024:

	Initial Estimated Useful Life up to	Weighted-Average Remaining Useful Lives
Customer relationships	12 years	7.9 years
Trademarks - definite lived	20 years	9.0 years
Franchise relationships	20 years	15.8 years
Distributor relationships	15 years	10.4 years
Water permit rights	16 years	14.1 years
Patents and technology	15 years	10.9 years
Other	5 years	1.5 years
Total		10.3 years

Finite-lived intangible assets are amortized over a period of time and pattern that approximates when the Company expects to gain the estimated economic benefits. Total amortization expense was $380.8 million and $366.9 million for the years ended December 31, 2024 and 2023, respectively.

Future estimated intangible asset amortization expense for the next five years, based on intangible asset balances as of December 31, 2024, is as follows:

2025	$ 339.7
2026	315.2
2027	289.6
2028	269.3
2029	254.4

10. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

	December 31, 2024	December 31, 2023
Compensation and benefits	$ 140.6	$ 145.5
Contract liabilities	106.9	88.1
Customer obligations	49.8	55.8
Deferred purchased price on acquisitions	49.1	36.3
Operating lease liabilities	35.5	37.0
Accrued interest	32.1	28.9
Other taxes payable	29.4	32.8
Professional fees and operating expenses	24.1	22.9
Restructuring reserve	19.9	3.7
Advertising	13.5	14.5
Cross currency swaps	0.4	0.4
Other (none of which are individually significant)	27.6	39.3
Total accrued expenses and other current liabilities	**$ 528.9**	**$ 505.2**

11. Debt

The Company's borrowings consisted of the following:

	December 31, 2024	December 31, 2023
Current portion of 2024 Refinancing Term Loan B	$ 46.8	$ —
Current portion of Term Loan B	—	36.1
Current portion of 2023 Incremental Term Loan B	—	7.1
Revolving Credit Facility	30.0	—
International lines of credit	3.0	2.8
Current portion of finance lease liabilities	31.2	19.9
Current portion of other long-term debt	2.5	1.6
Short-term borrowings and current installments of long-term debt	**$ 113.5**	**$ 67.5**
2024 Refinancing Term Loan B	$ 4,620.2	$ —
Term Loan B	—	3,513.5
2023 Incremental Term Loan B	—	942.9
Finance lease liabilities	72.1	48.4
Other long-term debt	4.1	5.1
Total long-term debt	4,696.4	4,509.9
Less unamortized debt issuance costs and original issuance discounts	(104.6)	(129.2)
Long-term debt	**$ 4,591.8**	**$ 4,380.7**

In January 2025, the Company entered into the 2025 Incremental Term Loan B Agreements that refinanced the 2024 Refinancing Term Loan B Agreements and amended the Revolving Credit Facility. See Note 23, "Subsequent Events" for additional details.

Credit Agreements

The 2024 Refinancing Term Loan B, 2023 Incremental Term Loan B, Term Loan B, and Revolving Credit facilities were entered into by subsidiaries of Osmosis Holdings, LP. The direct and indirect parent entities of the subsidiary borrowers are holding companies that are not parties to the credit agreement and do not have any material operations, cash flows, assets or liabilities other than the equity interests held in the subsidiaries that are parties to the credit agreement.

These loans are secured by the Company's mortgaged properties and all other property that is subject to any lien in favor of the secured parties and also contain various restrictions and nonfinancial covenants. The nonfinancial covenants include certain restrictions on dividends, liens, investments, dispositions, future borrowings and other specified payments, as well as additional reporting and disclosure requirements.

2024 Refinancing Term Loan B Agreements

In July 2024, the Company entered into the 2024 Refinancing Term Loan B Agreements to refinance the existing Term Loan B Agreements and the 2023 Incremental Term Loan B Agreements. The initial 2024 Refinancing Term Loan B Agreement had a principal balance of $4,678.7 million, excluding unamortized debt issuance costs and original issuance discounts, which was equal to the aggregate outstanding principal balance of the Term Loan B Agreements and 2023 Incremental Term Loan B Agreements as of the refinancing date. The refinancing transaction was lead by the Company's lead syndicate, resulting in no cash proceeds received or paid by the Company. The 2024 Refinancing Term Loan B facility was issued at par and will mature on July 30, 2028.

Under the provisions of 2024 Refinancing Term Loan B Agreement, the Company is required to make periodic interest payments. Interest is charged at an applicable margin of 2.50% above the Alternate Base Rate ("ABR") for ABR loans or 3.50% above the Term Secured Overnight Funding Rate ("SOFR") for SOFR loans. At December 31, 2024, the 1-Month Term SOFR was 4.55% resulting in a total interest rate of 8.05%.

Starting in December 2024, the Company is required to make principal payments at the end of each calendar quarter with a final principal payment due at the maturity date of the loan on July 30, 2028. The Company's quarterly 2024 Refinancing Term Loan B payment is $11.7 million, with a final principal payment of $4,503.2 million due at maturity. The Company may also be required to make mandatory prepayments of principal subsequent to each year end, to the extent excess cash flows exceed defined thresholds per the credit agreement. Borrowings under the 2024 Refinancing Term Loan B facility may also be voluntarily prepaid without penalty or premium.

Superseded Term Loan B Agreements and 2023 Incremental Term Loan B Agreements

Prior to the 2024 Refinancing Term Loan B Agreements, the Company had a Term Loan B facility and 2023 Incremental Term Loan B facility. In July 2024, all outstanding debt obligations under the Term Loan B facility and 2023 Incremental Term Loan B facility were repaid through the refinancing transaction and the balances were consolidated under the 2024 Refinancing Term Loan B facility.

Several of the Company's Term Loan B and 2023 Incremental Term Loan B syndicated lenders did not reinvest or reinvested a smaller amount in the 2024 Refinancing Term Loan B facility. The portion of loans that were not reinvested were accounted for as extinguished or partially extinguished debt which resulted in a loss on debt extinguishment of $5.7 million for the unamortized deferred financing fees and original issuance discounts from these extinguished debt balances.

At December 31, 2023, the superseded Term Loan B facility had an outstanding balance of $3,549.6 million, excluding unamortized debt issuance costs and original issuance discounts. Under the provisions of the Term Loan B Agreements, the Company was required to make periodic interest payments. Depending on the Company's net first lien leverage ratio, as defined in the credit agreement, interest was charged at an applicable margin of (i) 2.50% to 3.00% above the ABR rate for ABR loans or (ii) 3.50% to 4.00% above the SOFR rate for SOFR loans.

In conjunction with the Primo Europe Transaction, the Company entered into the 2023 Incremental Term Loan B facility pursuant to its existing credit agreement which provided the Company with an aggregate principal amount of $950.0 million in new 2023 Incremental Term B Loans and an opportunity to draw an additional principal amount of $200.0 million in 2023 Incremental Term B Loans through December 2024. The Company made two delayed draws totaling $200.0 million under this provision with an original issuance discount of $6.0 million. Proceeds from the 2023 Incremental Term Loan B delayed draws have the same terms and conditions as the 2023 Incremental Term Loan B initial commitment.

At December 31, 2023, the 2023 Incremental Term Loan B facility had an outstanding balance of $950.0 million, excluding unamortized debt issuance costs and original issuance discounts. Under the provisions of 2023 Incremental Term Loan B Agreements, the Company was required to make periodic interest payments. Depending on the Company's net first lien leverage ratio, as defined in the credit agreement, interest was charged at an applicable margin of 3.00% to 3.25% above the ABR rate for ABR loans or 4.00% to 4.25% above the Term SOFR rate for SOFR loans.

Revolving Credit Facility

At December 31, 2024 and 2023, the Company had $30.0 million and no outstanding borrowings under the Revolving Credit Facility, respectively.

In July 2021, the Company entered into a Revolving Credit Facility agreement, which was amended in June 2024 to increase the aggregate committed principal to $507.5 million and extended the maturity date to April 30, 2028. Additionally, if the 2024 Refinancing Term Loan B is extended or refinanced to a maturity date after September 8, 2029, the Revolving Credit Facility will be automatically extended to June 10, 2029.

Borrowings under the Revolving Credit Facility bear interest at 1-Month Term SOFR plus the applicable margin of 3.50%. At December 31, 2024, borrowings under the revolving credit facility were charged a total interest rate of 8.05%. The Company is charged a commitment fee rate of 0.375% or 0.50%, depending on the Company's leverage ratio, on the undrawn portion of the revolver. The commitment fee rate was 0.50% as of December 31, 2024.

Under the terms of the credit agreement, the Company is subject to one financial covenant that requires the Company to maintain a net first lien leverage ratio of 8.25 to 1.00 or less when the sum of outstanding revolving loans, swingline loans, and certain letters of credit exceed 35.0% of the aggregate revolving facility commitments. As of December 31, 2024, the Company was in compliance with all covenants.

Other Debt

The Company entered certain secured and unsecured operating lines of credit in its international locations. The aggregate amounts outstanding under these arrangements was $3.0 million and $2.8 million at December 31, 2024 and 2023, respectively.

The Company has additional secured and unsecured long-term financing agreements. The majority of the other long-term debt balance relates to debt agreements assumed through acquisitions. The aggregate amounts outstanding under these arrangements was $6.6 million and $6.7 million at December 31, 2024 and 2023, respectively.

The Company entered into finance leases through normal operations. The amounts owed under these finance leases were $103.3 million and $68.3 million as of December 31, 2024 and 2023, respectively. Refer to Note 14, "Leases" for additional details.

As of December 31, 2024, the future scheduled maturities of the outstanding debt, excluding finance lease obligations which are presented in Note 14, "Leases", were as follows:

2025	$	82.2
2026		48.2
2027		48.2
2028		4,528.0
Total	**$**	**4,706.6**

At December 31, 2024, the estimated fair value of the 2024 Refinancing Term Loan B was $4,667.0 million. At December 31, 2023, the estimated fair value of Term Loan B and 2023 Incremental Term Loan B borrowings were $3,540.7 million and $954.8 million, respectively. The estimated fair value of the Company's other credit facilities approximated the carrying value at both December 31, 2024 and 2023. The estimated fair value of long-term debt is determined using Level 2 inputs, based on quoted market prices for similar instruments.

Debt Issuance Costs and Original Issuance Discounts

The Company incurred debt issuance costs and original issuance discounts in conjunction with the initial execution and subsequent delayed draws from the Term Loan B Agreements, 2023 Incremental Term Loan B Agreements, 2024 Refinancing Term Loan B Agreements and the Revolving Credit Facility. The debt issuance costs and original issuance discounts associated with the Term Loans are amortized over the contractual term of the debt agreements to interest expense, utilizing the effective interest rate method and are included within long-term debt in the Consolidated Balance Sheets.

In January 2024, the Company paid $0.3 million of debt issuance costs from the 2023 Incremental Term Loan B Agreements that were included within accounts payable on the Consolidated Balance Sheets as of December 31, 2023.

The Revolving Credit Facility provides the Company with a right to access available line of credit capacity. The debt issuance costs incurred to obtain this right are amortized on a straight line basis over the contract term to interest expense and are included in other noncurrent assets in the Consolidated Balance Sheets.

During the year ended December 31, 2023, the Company incurred debt issuance costs to obtain the right to additional debt proceeds under the 2023 Incremental Term Loan B Delayed Draw provision. These debt issuance costs were included in other noncurrent assets in the Consolidated Balance Sheets as of December 31, 2023 and were reclassified to long-term debt in the Consolidated Balance Sheets when the delayed draws were made during the year ended December 31, 2024.

Changes to the unamortized debt issuance costs and original issuance discounts for funded Term Loans and Rights to Draw for the years ended December 31, 2024 and 2023 were as follows:

	December 31, 2024		December 31, 2023	
	Funded Term Loans	Rights to Draw	Funded Term Loans	Rights to Draw
Unamortized costs at January 1,	$ 129.2	$ 7.6	$ 96.3	$ 5.8
Amortization of debt issuance costs	(19.3)	(1.4)	(14.3)	(1.7)
Amortization of original issuance discounts	(10.6)	—	(3.5)	—
Original issuance discounts incurred	6.0	—	29.3	—
Debt issuance costs incurred	2.9	1.4	21.3	3.5
Debt issuance costs and original issuance discounts written off	(5.7)	—	—	—
Reclassification of Delayed Draw debt issuance costs	2.7	(2.7)	—	—
Foreign currency translation loss	(0.6)	—	0.1	—
Unamortized costs at December 31,	**$ 104.6**	**$ 4.9**	**$ 129.2**	**$ 7.6**

12. Hedges and Derivative Instruments

The Company uses derivative instruments to hedge its exposures to various risks, including interest rate and foreign currency exchange risk. Derivative instruments are entered into for periods consistent with the related underlying exposures and do not constitute positions independent of these exposures. The Company does not enter into contracts for speculative purposes. The contracts are executed with major financial institutions with no credit loss anticipated for failure of the counterparties to perform. These are subject to master netting arrangements for each counterparty as the balances mature. The fair value amounts from each contract are presented gross.

Interest Rate Swaps

The Company entered into a series of interest rate swaps as a means of fixing the floating interest rate component on its variable-rate debt. The interest rate swaps are designated as cash flow hedges. As a result of the application of hedge accounting treatment, all unrealized gains and losses related to the derivative instrument are recorded in accumulated other comprehensive (loss) income in the Consolidated Balance Sheets and are reclassified into earnings in the same period in which the hedged transaction affects earnings. The Company tests its hedge effectiveness on a quarterly basis.

At December 31, 2024 and 2023, the Company had outstanding interest rate swaps with notional amounts of $2,625.0 million and $2,475.0 million, respectively. Below is a summary of the outstanding interest rate swap agreements:

Maturity Date	Date Entered	Notional Amounts as of December 31, 2024	Notional Amounts as of December 31, 2023
August 2026	February and March 2022	$ 1,150.0	$ 1,150.0
December 2027	December 2023	325.0	325.0
March 2028	March 2023	350.0	350.0
April 2028	May 2023	200.0	200.0
May 2028	May 2023	450.0	450.0
June 2029	August 2024	150.0	—
		$ 2,625.0	**$ 2,475.0**

In May 2023, the Company settled interest rate swaps with aggregate notional amount of $650.0 million that would have matured on August 31, 2026. Upon settlement, the Company received cash proceeds of $53.6 million and the associated interest rate swap asset balance was relieved. The unrealized gains at the settlement date were included in accumulated other comprehensive (loss) income on the Consolidated Balance Sheets and are being realized through interest expense on a straight-line basis over the original term ending August 2026. At December 31, 2024 and 2023, the balance of unrealized gains included within accumulated other comprehensive (loss) income that will be realized through interest expense in future periods was $26.3 million and $41.8 million, respectively.

The gross fair value of the interest rate swaps and their respective classification on the Consolidated Balance Sheets was as follows:

Asset (liability):	December 31, 2024	December 31, 2023
Prepaid expenses and other current assets	$ 40.6	$ 53.8
Other noncurrent assets	31.5	38.5
Other noncurrent liabilities	—	(12.6)

The interest rate swap agreements require monthly settlement of gains or losses based on the current market interest rates in relation to the contractual rates from the interest rate swap agreements. The income (loss) recognized on the interest rate swaps were as follows:

	Years Ended December 31, 2024	Years Ended December 31, 2023
Income recognized in other comprehensive (loss) income	$ 61.2	$ 19.7
Adjustment for income reclassified to interest expense	(84.4)	(73.7)
Net pre-tax loss on interest rate swaps in other comprehensive (loss) income	(23.2)	(54.0)
Tax benefit recognized in other comprehensive (loss) income	5.9	14.2
Net loss in other comprehensive (loss) income	**$ (17.3)**	**$ (39.8)**

The amount of income recognized in the Consolidated Statements of Operations for the interest rate swap agreements was as follows:

	Years Ended December 31,	
	2024	**2023**
Interest expense prior to impact from cash flow hedges	$ 475.9	$ 356.8
Income from cash flow hedges reclassified to interest expense	(84.4)	(73.7)
Interest expense presented in the Consolidated Statements of Operations	**$ 391.5**	**$ 283.1**

No ineffectiveness was recorded on the interest rate swaps. The Company recognized an unrealized loss, net of tax, in other comprehensive (loss) income of $17.3 million and $39.8 million for the years ended December 31, 2024 and 2023, respectively.

The fair value of the interest rate swaps is derived from a discounted cash flow analysis based on the terms of the contract and the interest rate curve. The interest rate swaps are valued using Level 2 inputs and measured on a recurring basis in the Company's Consolidated Balance Sheets.

Cross-Currency Swaps

The Company enters foreign currency swap contracts to economically hedge foreign-currency-denominated assets and liabilities. The foreign currency swap contracts are not designated as accounting hedging instruments. Income and loss on these agreements are recognized in other expense, net within the Consolidated Statements of Operations and partially offset the income or loss resulting from the remeasurement and/or settlement of foreign currency denominated assets and liabilities.

The gross fair value of the cross-currency swap contracts and their respective classification on the Company's Consolidated Balance Sheets was as follows:

Asset (liability):	**December 31, 2024**	**December 31, 2023**
Prepaid expenses and other current assets	$ 8.7	$ 6.4
Other noncurrent assets	32.7	13.5
Accrued expenses and other current liabilities	(0.4)	(0.4)
Other noncurrent liabilities	(18.3)	(40.7)

The cross-currency swap contracts require monthly settlement of income or loss based on the current foreign currency exchange rates in relation to the contractual rates from the cross-currency swap contracts. The monthly settlements and fluctuations in the fair value of the cross-currency swap contracts are recognized through the current period operations. The net income (loss) recognized on the cross-currency swaps were as follows:

	Years Ended December 31,	
	2024	**2023**
Income (loss) recognized in other expense, net	$ 51.2	$ (25.4)

The fair value of the cross-currency swaps is derived from the contract terms and foreign currency rates. The cross-currency swaps are valued using Level 2 inputs and measured on a recurring basis in the Company's Consolidated Balance Sheets.

13. Income Taxes

Effective Tax Rate

The effective tax rate for the years ended December 31, 2024 and 2023 was 17.7% and 19.7%, respectively. The Company conducts business in many countries and local tax jurisdictions. The Company's effective tax rate is composed of a combination of statutory rates from the U.S. and non-U.S. jurisdictions.

The components of loss from operations before income taxes are as follows:

	Year Ended December 31,	
	2024	**2023**
U.S.	$ (225.4)	$ (223.1)
Non-U.S.	(258.7)	(268.0)
Loss from continuing operations, before income taxes	**$ (484.1)**	**$ (491.1)**

Current and deferred income tax expense (benefit) consists of the following:

	Years Ended December 31,	
	2024	**2023**
Current:		
US. federal	$ 2.4	$ —
State and local	6.4	4.8
Non-U.S.	43.6	30.0
Current income tax expense	**52.4**	**34.8**
Deferred:		
U.S. federal	(42.7)	(44.2)
State and local	(16.6)	(13.3)
Non-U.S.	(79.0)	(74.2)
Deferred income tax benefit	**(138.3)**	**(131.7)**
Total income tax benefit	**$ (85.9)**	**$ (96.9)**

Tax Rate Reconciliation

The reconciliation between the Company's effective tax rate on income from continuing operations and the U.S. statutory tax rate is as follows:

	Years Ended December 31,	
	2024	**2023**
U.S. statutory rate	21.0 %	21.0 %
State and local taxes (net)	1.3	1.0
Foreign rate differential	3.0	0.9
Change in valuation allowance	(6.4)	0.4
Disallowed interest	(1.0)	(0.4)
Non-deductible transaction costs	(0.3)	(2.8)
Tax credits	0.8	0.4
Deferred tax and return-to-provision adjustments	1.1	1.1
Sale of C&I Business	1.9	(0.4)
U.S. foreign income inclusion	(0.5)	(0.6)
Other and discrete adjustments [(1)]	(3.2)	(0.9)
Effective tax rate	**17.7 %**	**19.7 %**

(1) Other and discrete adjustments include withholding taxes, changes in unrecognized tax benefits, non-U.S. local tax expense, and other non-deductible items.

Uncertain Tax Benefits

The total amount of gross unrecognized tax benefits consisted of the following:

	Years Ended December 31,	
	2024	**2023**
Balance at January 1	$ 6.3	$ 7.6
Additions for tax positions of prior years	0.5	—
Gross decreases in prior period tax positions	—	(3.9)
Gross increases in current period tax positions	5.7	4.7
Settlements	(0.3)	(2.1)
Lapse of statue of limitations	(2.7)	—
Balance at December 31	**$ 9.5**	**$ 6.3**

Unrecognized tax benefits are reviewed each balance sheet date. Future changes in tax laws, changes in projected levels of taxable income and changes in tax planning strategies could impact the actual effective tax rate and tax balances recognized by the Company. The Company recognizes the impact of a tax position in its financial statements if that position is more likely than not of being sustained on audit, based on the technical merits of the position.

As of December 31, 2024, the Company had $9.5 million of unrecognized tax benefits, a net increase of $3.2 million from $6.3 million as of December 31, 2023. If the Company recognized these tax benefits, approximately $3.8 million would favorably impact the effective tax rate. It is reasonably possible that unrecognized tax benefits will decrease or be recognized by up to $3.0 million in the next twelve months due to lapses in statutes of limitation or settlement of tax positions in various jurisdictions.

Interest expense and penalties from unrecognized tax benefits is included as a component of income tax within the Consolidated Statements of Operations and was $0.4 million expense and $1.3 million benefit for the years ended December 31, 2024 and 2023, respectively.

Significant Components of Deferred Taxes

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that included the enactment date.

The temporary differences that give rise to future deferred tax assets and liabilities are as follows:

	December 31, 2024	December 31, 2023
Deferred income tax assets:		
Trade receivables, primarily allowance for credit losses	$ 9.6	$ 7.2
Inventories, primarily write-downs and additional costs inventoried for tax purposes	13.7	8.2
Accrued expenses and other liabilities	13.3	18.6
Lease liabilities	59.1	40.8
Foreign exchange losses	9.3	9.0
Net operating loss carryforwards	195.9	175.6
Capital loss limitation carryforwards	1.9	1.5
Tax credits	13.7	11.6
Deferred interest deductions	251.3	181.3
Total gross deferred income tax assets	567.8	453.8
Valuation allowances	(80.1)	(28.7)
Net deferred income tax assets	**$ 487.7**	**$ 425.1**
Deferred income tax liabilities:		
Property, plant, and equipment, principally due to differences in depreciation	$ 58.7	$ 62.8
Intangible assets	834.0	923.3
Other comprehensive income	24.4	30.5
Right-of-use assets	58.5	40.4
Total gross deferred tax liabilities	975.6	1,057.0
Net deferred income tax liabilities	**$ (487.9)**	**$ (631.9)**
As classified in the Consolidated Balance Sheets:		
Deferred income tax assets	$ 51.7	$ 50.2
Deferred income tax liabilities	(539.6)	(682.1)
Deferred income taxes, net	**$ (487.9)**	**$ (631.9)**

At December 31, 2024, the Company has U.S. Federal tax loss carryforwards of $485.4 million, of which $335.3 million can be carried forward indefinitely, domestic state and local tax loss carryforwards of $330.7 million with various expiration dates between 2024 and 2044 and non-U.S. tax loss carryforwards of approximately $291.8 million, of which $285.5 million can be carried forward indefinitely. In addition, the Company had interest expense carryforwards of $1,030.3 million worldwide composed of $711.6 million in the U.S, $240.1 million in the United Kingdom and $78.6 million in other non-U.S. jurisdictions.

The Company assesses whether it is more likely than not that it will generate sufficient taxable income to realize its deferred income tax assets and establishes valuation allowances if it is not likely it will realize its deferred income tax assets. In making this determination, the Company considers all available positive and negative evidence and makes certain assumptions. The Company considers, among other things, carryback potential of deferred tax assets, scheduled reversals of deferred tax liabilities, tax planning strategies, projected future taxable income, the overall business environment, and the Company's historical financial results. As of December 31, 2024, the Company had valuation allowances of $80.1 million, based on the Company's evaluation that it is more likely than not that the Company will not realize the benefit of all or a portion of the deferred tax assets in certain jurisdictions including the UK, U.S. and Netherlands.

The Company and its subsidiaries file income tax returns in the U.S. and non-U.S. jurisdictions. The Company is subject to income tax examinations in the U.S. for the tax years ended after December 31, 2020 and in non-U.S. jurisdictions for tax years ended between December 31, 2018 and 2023. There are ongoing income tax audits in Belgium, Canada, France, Italy, Spain, UK, and the U.S. In 2024, the Company concluded an audit in Ireland with no material findings.

The Company earns income outside the U.S. The Company continues to evaluate plans for reinvestment or repatriation of unremitted foreign earnings and has not changed its previous indefinite reinvestment determination. With the exception of operations in the United Arab Emirates, Kuwait, Qatar, and New Zealand, the Company intends to permanently reinvest all non-cash undistributed earnings and has, therefore, not established a deferred tax liability on the amount of non-cash foreign undistributed earnings. The United Arab Emirates, Kuwait and Qatar remit dividends each year to the U.S. equal to its respective current year earnings. New Zealand remits regular dividends to Australia. Neither country assesses withholding taxes, and the recipient countries would not be subject to additional income tax on dividends for the unremitted earnings. At December 31, 2024, undistributed earnings from the remaining foreign subsidiaries equaled $785.4 million. If these non-cash undistributed earnings were repatriated, the Company would be required to accrue and pay applicable income and withholding taxes to multiple jurisdictions. However, no accrual has been recorded as it is not practicable to estimate the amount of the deferred tax liability associated with these non-cash unremitted earnings due to the complexity of the hypothetical calculation.

The Organization for Economic Co-operation and Development ("OECD") has announced an Inclusive Framework on Base Erosion and Profit Shifting including Pillar Two Model Rules ("Pillar Two") for a new 15% global minimum tax applicable to large multinational corporations. Certain jurisdictions in which the group operates have enacted Pillar Two legislation that will be effective beginning in 2025. The OECD and its member countries continue to release new guidance and legislation on Pillar Two and we continue to evaluate the impact on our financial position of the global implementation of these rules. Based on enacted laws, Pillar Two is not expected to materially impact our effective tax rate or cash flows in the next fiscal year. New legislation or guidance could change our current assessment.

14. Leases

Lessee Accounting

The Company has entered into non-cancelable operating and finance leases primarily for real estate, vehicles and equipment. A determination of whether a lease exists is made at the inception of an arrangement. In assessing whether a contract is or contains a lease, the contract is analyzed to determine if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Leases with an initial term of 12 months or less are not recorded in the Consolidated Balance Sheets.

The Company elected the package of practical expedients permitted within the lease accounting standard. Variable lease payment amounts that cannot be determined at the commencement of the lease, such as increases in lease payments based on changes in index rates or usage, are not included in the right-of-use assets or lease liabilities. These variable components are expensed as incurred and recorded as variable lease expense. Vehicle lease agreements often contain lease and non-lease components that are aggregated together as a single payment amount for lease accounting.

Right-of-use assets are recognized at the lease commencement date and represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Right-of-use assets are assessed for impairment consistent with the Company's long-lived asset policy.

Operating right-of-use assets and lease liabilities are measured and recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The present value of the future minimum lease payments is determined using the rate implicit in the lease when available. When the rate implicit in the lease is not determinable, an estimated incremental borrowing rate is used to determine the present value of lease payments.

The Company's operating lease cost was as follows:

	Years Ended December 31,	
	2024	**2023**
Operating lease cost		
Fixed	$ 56.3	$ 48.7
Variable and short-term	24.0	14.0
Total operating lease cost	**$ 80.3**	**$ 62.7**

Operating lease cost was classified on the Consolidated Statements of Operations as follows:

	Years Ended December 31,	
	2024	**2023**
Cost of sales	$ 40.2	$ 29.6
Selling, general and administrative expenses	40.1	33.1
Total operating lease cost	**$ 80.3**	**$ 62.7**

The Company's finance lease cost for the periods was as follows:

	Years Ended December 31,	
	2024	**2023**
Finance lease cost:		
Amortization of finance lease assets	$ 35.7	$ 20.3
Interest on finance lease liabilities	7.1	2.6
Total finance lease cost	**$ 42.8**	**$ 22.9**

Amortization of finance lease assets is reflected within cost of sales and selling, general and administrative expenses within the Consolidated Statements of Operations. Interest on finance lease liabilities is reflected within interest expense within the Consolidated Statements of Operations.

Supplemental cash flow information related to leases was as follows:

	Years Ended December 31,	
	2024	**2023**
Cash paid for leases		
Operating cash flow payments for operating leases	$ 56.1	$ 48.1
Operating cash flow payments for finance leases	7.1	2.6
Financing cash flow payments for finance leases	34.6	19.0
Total	**$ 97.8**	**$ 69.7**

Right-of-use assets obtained in exchange for new or renewed lease obligations, excluding leases assumed through acquisitions:		
Operating leases	$ 75.5	$ 50.2
Finance leases	99.0	28.7
Total	**$ 174.5**	**$ 78.9**

The balance of the right-of-use assets and lease liabilities for operating leases and their respective location within the Company's Consolidated Balance Sheets is as follows:

	December 31, 2024	December 31, 2023
Operating leases:		
Right-of-use assets:		
Operating lease right-of-use assets	$ 136.8	$ 130.2
Total operating right-of-use assets	**$ 136.8**	**$ 130.2**
Lease liabilities:		
Accrued expenses and other current liabilities	$ 35.5	$ 37.0
Noncurrent operating lease liabilities	105.5	96.8
Total operating lease liabilities	**$ 141.0**	**$ 133.8**

The balance of the right-of-use assets and lease liabilities for finance leases and their respective location on the Company's Consolidated Balance Sheets is as follows:

	December 31, 2024	December 31, 2023
Finance leases:		
Right-of-use assets:		
Property, plant, and equipment, net [1]	$ 101.0	$ 66.8
Total finance right-of-use assets	**$ 101.0**	**$ 66.8**
Lease liabilities:		
Short-term borrowings and current installments of long-term debt	$ 31.2	$ 19.9
Long-term debt	72.1	48.4
Total financing lease liabilities	**$ 103.3**	**$ 68.3**

[1] The finance right-of-use asset balance is net of accumulated depreciation of $46.7 million and $27.2 million as of December 31, 2024 and 2023, respectively.

The aggregate future lease payments for operating and finance leases as of December 31, 2024 were as follows:

	Operating	Finance
2025	$ 43.4	$ 37.4
2026	33.7	31.6
2027	25.2	22.7
2028	19.5	10.4
2029	15.7	4.0
Thereafter	34.0	26.0
Total undiscounted lease payments	171.5	132.1
Present value adjustment	(30.5)	(28.8)
Total discounted lease liabilities	**$ 141.0**	**$ 103.3**

Average lease terms and discount rates were as follows:

	December 31, 2024	December 31, 2023
Weighted-average remaining lease term (years)		
Operating leases	5.7	5.7
Finance leases	6.3	3.0
Weighted-average discount rate		
Operating leases	6.6%	6.4%
Finance leases	6.6%	6.4%

Lessor Accounting

The Company leases bottle-free and bottled water coolers, drinking water systems, commercial water filtration systems, and other water treatment solutions to customers under operating leases. Initial lease terms range from one year to five years and most include renewal options. The Company generally does not pursue legal action if a customer unilaterally terminates a contract prior to its maturity date. Future annual rental revenues from committed contracts are expected to recur at similar levels with minor increases for permissible variable rent adjustments, typically for an inflation adjustment.

The related rental equipment is classified as a component of property, plant, and equipment, net on the Consolidated Balance Sheets. Depreciation expense for the rental equipment is recorded on a straight-line basis over the estimated useful life of the asset and is included within cost of sales in the Consolidated Statements of Operations. See Note 7, "Property, Plant, and Equipment, net" for additional details.

Costs incurred to install rental equipment at the customer location are capitalized and amortized over the expected life of the rental contract with the customer. Amortization of the capitalized installation costs is included in cost of sales within the Consolidated Statements of Operations and was $23.6 million and $15.8 million for the years ended December 31, 2024 and 2023, respectively. The carrying value of capitalized installation costs was $54.5 million and $37.4 million as of December 31, 2024 and 2023, respectively, and is reflected as a component of other noncurrent assets in the Consolidated Balance Sheets.

Rental revenue is recognized on a straight-line basis over the life of the lease. See Note 5, "Revenue Recognition".

15. Preferred Units

The Board of Directors authorized the Company to issue 802,024 Cumulative Redeemable Perpetual Preferred Units ("Preferred Units"), which were issued in 2021 and remain outstanding. The Preferred Units are classified within mezzanine capital because they contain redemption rights that are considered to be outside of the Company's control and subject to occurrence of future events. The Preferred Units were recorded at fair value on the date of issuance. Redemption of the Preferred Units is considered probable and the Preferred Units have been adjusted to the greater of their carrying amount or current redemption value as of the balance sheet date. Adjustments in the current redemption value are recorded as charges against retained earnings, or in the absence of retained earnings, as charges against the Common Unit capital.

Below is a summary of the Preferred Units activity from January 1, 2023 through December 31, 2024.

	Mezzanine Capital Preferred Units	
	Units	**Amount**
Balance at January 1, 2023	**802,024**	**$ 922.1**
Preferred unit return	—	58.0
Preferred unit premium adjustment to current redemption value	—	2.9
Balance at January 1, 2024	**802,024**	**$ 983.0**
Preferred unit return	—	61.8
Preferred unit premium adjustment to current redemption value	—	3.1
Balance at December 31, 2024	**802,024**	**$ 1,047.9**

The Preferred Units earn an annual preferred return equal to 6.5% of the $1,000 original preferred liquidation preference per unit, settled on a semi-annual basis as of June 30 and December 31. If the Preferred Units are redeemed between semi-annual preferred return dates, the unit holders will receive a prorated preferred return calculated based on the time from the last settlement date through the redemption date.

The Preferred Units are not mandatorily redeemable by the Partnership and have no maturity date. The Preferred Units have a liquidation preference that allows Preferred Unit holders to be paid out of assets available for distribution prior to Common Unit holders. The Company has the right, but not the obligation, to redeem the Preferred Units after July 2026. If redemption occurs, the amount payable to the Preferred Unit holders will be based on the preferred liquidation preference amount, which is defined as the original preferred liquidation preference of $1,000 per unit plus the cumulative earned preferred returns not previously distributed. In addition, the preferred liquidation preference amount increases by the preferred unit premium, which is 105.0% of the preferred liquidation preference for the first five years following execution of the Partnership Agreement, and thereafter increases by one percentage point per year, up to a maximum of 110.0%.

Certain redemption provisions embedded in the Preferred Units require bifurcation and measurement at fair value with any changes in fair value of the derivative liability reported through earnings. Since the exercisability of these features is contingent on the occurrence of certain events, an assessment was performed to determine the likelihood of these events occurring. The likelihood of those events occurring and the features being exercised was determined to be low which resulted in a nominal value associated with the embedded derivative and no change to the fair value of the derivative liability for the years ended December 31, 2024 and 2023. The fair value of the derivative liability was estimated using Level 3 inputs based on the fair value hierarchy.

At the option of the Preferred unit holder, the Preferred Units may be converted to shares of Common Stock in the event of a conversion to a Corporation in accordance with the Partnership Agreement. If elected, the quantity of shares in the new Corporate entity that the Preferred Unit holders would receive shares will be calculated by dividing the preferred liquidation preference amount by the fair value of the newly created shares of Common Stock.

16. Mezzanine Common Units

The Company issued 3,476,000 Common Units to members of Management (collectively, the "Borrowers") who financed the purchase of those Common Units through a third-party lender (the "Pledged Common Units"). The underlying Common Units are pledged as collateral to secure the loans and in the event of the Borrowers default under the terms of the loan, the third-party lender has the option to redeem the Pledged Common Units with the Company for cash settlement at fair value of the underlying Common Units. The Pledged Common Units are classified within mezzanine capital because they contain certain redemption rights that are considered to be outside of the Company's control and subject to occurrence of uncertain future events. These were recorded at fair value on the date of issuance. Redemption of the Pledged Common Units was assessed as of the balance sheet date and was not considered probable and have been reported at their carrying amount as of the balance sheet date.

In conjunction with the Waterlogic Transaction, the Company issued Contingently Redeemable Common Units to members of Waterlogic Management. These unit holders were provided with a right, but not a requirement, to redeem the Contingently Redeemable Common Units with the Company if their employment with the Company ceased without cause within two years from the Waterlogic Transaction date. Upon termination of employment, the unit holder has 90 days to execute their redemption right. Upon execution of the redemption right, the Company is required to repurchase the Common Units at greater of the current fair value or the $10.75 original issuance price of the underlying Common Units. The Contingently Redeemable Common Units are classified within mezzanine capital because they contain certain redemption rights that are considered to be outside of the Company's control and subject to occurrence of uncertain future events.

On October 31, 2024, the redemption right expired on all outstanding Contingently Redeemable Common Units. These units and the fair value associated with them, were reclassified to permanent capital and are included within Common Units on the Consolidated Balance Sheets.

Below is a summary of the activity for the Pledged Common Units and Contingently Redeemable Common Units from January 1, 2023 though December 31, 2024.

	Mezzanine Common Units			
	Pledged Common Units		Contingently Redeemable Common Units	
	Units	Amount	Units	Amount
Balance at January 1, 2023	**3,476,000**	**$ 25.8**	**12,016,732**	**$ 129.2**
Net Loss	—	(2.7)	—	(8.7)
Preferred Unit Return	—	(0.4)	—	(1.1)
Preferred Unit premium adjustment to current redemption value	—	(0.1)	—	—
Contingently Redeemable Common Unit adjustment to current redemption value	—	—	—	26.4
Reclassification to Common Units	—	—	(1,121,875)	(12.1)
Balance at January 1, 2024	**3,476,000**	**$ 22.6**	**10,894,857**	**$ 133.7**
Net loss	—	(2.4)	—	(4.1)
Preferred unit return	—	(0.4)	—	(0.8)
Contingently redeemable common unit adjustment to current redemption value	—	—	—	19.4
Reclassification to common units	—	—	(10,894,857)	(148.2)
Balance at December 31, 2024	**3,476,000**	**$ 19.8**	**—**	**$ —**

The Pledged Common Units and Contingently Redeemable Common Units include derivative put options. These derivatives were evaluated to be a single unit of account with their respective hybrid host instruments and are reported within mezzanine capital. The derivative put options require bifurcation and measurement at fair value with any changes in fair value of the derivative reported through earnings.

Since the exercisability of the Pledged Common Unit derivative feature is contingent on the occurrence of certain events, an assessment was performed to determine the likelihood of these events occurring. The likelihood of those events occurring and the put option features being exercised was determined to be low which resulted in a nominal value associated with the Pledged Common Unit embedded derivatives. The Contingently Redeemable Common Units were reported at the current redemption value, resulting in no additional value to the derivative put feature as of December 31, 2023 and as of the October 31, 2024 date when the redemption right expired. There were no changes to the fair value of the derivative put options embedded within Mezzanine Common Units for the years ended December 31, 2024 and 2023. The fair value of the derivative put options was estimated using Level 3 inputs based on the fair value hierarchy within ASC Topic 815, *Derivatives and Hedging*.

17. Mezzanine Redeemable Non-Controlling Interests

The Company entered into a joint venture agreement in January 2023 and acquired a controlling interest in Northend Pacific Corp., dba Mas Pura ("Mas Pura"). Under the Mas Pura joint venture agreement, the Company has the right, but not the obligation, to call all or a portion of the non-controlling interest holders' equity at a formulaic price after the third anniversary of the acquisition or upon the occurrence of certain events. Additionally, the non-controlling interest holders may also require the Company to repurchase their equity interests at a formulaic price after the fourth anniversary of the acquisition or upon occurrence of certain events. The redemption features require the non-controlling interests to be presented as redeemable non-controlling interests within mezzanine capital in the Consolidated Balance Sheets and adjusted to their current redemption value at each balance sheet date in accordance with ASC Topic 480, *Distinguishing Liabilities from Equity*.

Through the Mas Pura joint venture agreement, the Company and the non-controlling interest holders share in the profits and losses of Mas Pura on a pro rata basis. The non-controlling interest holders received an allocation of the net income of $1.3 million for the year ended December 31, 2024 and the net loss of $1.6 million for the year ended December 31, 2024.

Below is a summary of the redeemable non-controlling interests from January 1, 2023 though December 31, 2024.

Balance at January 1, 2023	**$**	**—**
Redeemable non-controlling interests in acquired businesses		30.4
Contributions		3.0
Net loss		(1.6)
Foreign currency translation adjustment		0.7
Balance at January 1, 2024		**32.5**
Contributions		2.0
Net income		1.3
Foreign currency translation adjustment		0.2
Balance at December 31, 2024	**$**	**36.0**

There were no changes to the fair value of the derivative put options embedded within Mezzanine Redeemable Non-Controlling Interests for the years ended December 31, 2024 and 2023. The fair value of the derivative put options was estimated using Level 3 inputs based on the fair value hierarchy within ASC Topic 815, *Derivatives and Hedging*.

18. Common Units and Treasury Units

Common Units

During the years ended December 31, 2024 and 2023, the Company issued 434,308 and 1,552,374 Common Units for total cash payments of $5.3 million and $16.8 million, respectively. During the years ended December 31, 2024 and 2023, the Company also issued 7,593 and 9,302 Common Units, with a value of $0.1 million in both periods, as compensation to a Board Member that is reflected within unit-based compensation expense. The Company received cash proceeds of $0.3 million during January 2023, related to the issuance of Common Units in December 2022.

During the years ended December 31, 2024 and 2023, certain unit holders terminated their employment and exercised their Contingently Redeemable Common Unit redemption right for 1,134,109 units with a value $15.0 million and 1,121,875 units with a value of $12.1 million, respectively. These units were simultaneously repurchased by the Company and are reflected as Treasury Units as a component of permanent capital. On October 31, 2024, the contractual redemption right expired and 9,760,748 Contingently Redeemable Common Units with a value of $133.2 million were reclassified from mezzanine capital to permanent capital.

Pursuant to the Company's Limited Partnership Agreement, the Company may initiate a one-time offer on or after August 1, 2024, to repurchase up to 25% of certain management rollover common units at fair value. The repurchase offer is subject to approval by the Company's Board of Directors, who may suspend or delay the repurchase offer in the event the Board of Directors determines that such payments could be materially detrimental to the Company's liquidity or financial standing. At December 31, 2024, the maximum number of management rollover units reported within Partners' Capital that could be repurchased pursuant to a one-time repurchase offer was 8,581,394 units. Refer to Note 23, "Subsequent Events" regarding the repurchase offer made after December 31, 2024.

As disclosed in Note 15, "Preferred Units" and Note 16, "Mezzanine Common Units," the carrying value of Common Units was reduced for the Preferred Unit Return, the Preferred Unit premium adjustment to current redemption value and the Contingently Redeemable Common Unit adjustment to current redemption value.

Treasury Units

During the year ended December 31, 2024, the Company repurchased 2,037,749 Common Units for total cash payments of $26.1 million. During the year ended December 31, 2023, the Company repurchased 1,684,635 Common Units for total cash payments of $18.1 million and 55,000 vested Incentive Units for total cash payments of $0.1 million. The repurchased Common Units may be reissued at a future date and have been recorded within Treasury Units in the Consolidated Balance Sheets.

19. Incentive Unit-Based Compensation

Incentive Unit-Based Compensation Plans

The Company's Board of Directors approved incentive unit-based compensation plans for domestic (United States) and international grants. As of December 31, 2024, the Board of Directors approved the Company to issue up to 45,242,021 awards under the domestic, international and phantom plans.

The Company issues Profits Interests M Units under the "Domestic Plan", Class A, B and C Profit Shares under the "International Plan" and Phantom Units under the "Phantom Plan". Awards issued under the International Plan and Phantom Plan were issued on separate terms and conditions outside the Domestic Plan and are not intended to constitute "profits interests" similar to the Domestic Plan. Generally, the Profit Shares are forfeitable non-voting redeemable ordinary shares with a par value per share of $0.01 and the Phantom Units are non-equity interest providing the right to receive one or more cash payments equal to the value that a holder of a corresponding Profits Interests M Unit would receive pursuant to the Limited Partnership Agreement of the Company.

All domestic, international and phantom grants are designated as 25% Time-Vesting Units and 75% Performance-Vesting Units. The Time-Vesting Units vest over a five-year term and the vesting of the Performance-Vesting Units is primarily subject to the achievement of certain Multiple of Money ("MoM") hurdles, with accelerated vesting for one third of the Performance-Vesting Units granted if certain organic EBITDA metrics are achieved through December 31, 2024. As of December 31, 2024, the EBITDA vesting condition was not met, causing those incentive units to be subject to the MoM vesting condition.

The compensation expense associated with the Time-Vesting Units is recognized using straight-line attribution over the five-year requisite service period. At the time of issuance and through the current balance sheet date, the Performance-Vesting Units were not considered probable to vest and therefore no compensation expense was recorded for the Performance-Vesting Units. Compensation expense for the Performance-Vesting Units will be recognized once the relevant MoM vesting condition becomes probable of vesting, subject to any continued employee service requirements. The Company accounts for any forfeitures as they occur.

In accordance with ASC Topic 718, *Compensation - Stock Compensation,* the Profits Interests M Units and Profit Shares are classified as capital and the Phantom Units are classified as a liability, given that they do not represent a substantive class of capital in the Company and with any vested units expected to be settled in cash. Any difference between the amount for which a liability award is settled and its fair value at the settlement date, as estimated in accordance with the provisions of ASC Topic 718, is an adjustment to compensation cost in the period of settlement.

The following table summarizes the capital-classified Profits Interests M Units and Profit Shares activity for the year ended December 31, 2024.

	Time-Vesting Units		Performance-Vesting Units	
	Number of Units	Weighted-Average Grant Date Fair Value per Unit	Number of Units	Weighted-Average Grant Date Fair Value per Unit
Unvested balance at January 1, 2024	5,763,358	$ 3.73	24,051,805	$ 2.15
Granted	842,329	4.54	2,526,878	2.76
Forfeitures	(627,860)	4.08	(2,094,184)	2.29
Vested	(1,537,517)	3.59	—	—
Unvested balance at December 31, 2024	**4,440,310**	**$ 3.88**	**24,484,499**	**$ 2.20**

Incentive unit-based compensation expense was recognized within selling, general and administrative expenses in the Company's Consolidated Statements of Operations during the years ended December 31, 2024 and 2023 of $6.4 million and $5.6 million, respectively. The unit-based compensation expense recognized during the year ended December 31, 2024 includes $0.8 million of incremental unit-based compensation for the difference between the repurchase of incentive units from terminated employees and the cumulative expense recognized on those employees' vested incentive units.

As of December 31, 2024, unrecognized compensation expense on the Performance-Vesting Units that contain a performance condition was $53.8 million, which the Company will begin to recognize when it becomes probable that the vesting condition will be met. As of December 31, 2024, unrecognized compensation expense relating to unvested Time-Vesting Units was $14.1 million and will be recognized over the weighted-average term of 2.7 years.

The quantity and fair value of Profits Interests M Units and Profit Shares that vested during the years ended December 31, 2024 and 2023 was 1,537,517 incentive units with a fair value of $21.0 million and 2,332,238 incentive units with a fair value of $25.9 million, respectively.

The following table summarizes the liability-classified Phantom Units activity for the year ended December 31, 2024.

	Time-Vesting Phantom Units	Performance-Vesting Phantom Units
Unvested balance at January 1, 2024	881,308	3,536,875
Granted	802,724	2,408,142
Forfeitures	(48,207)	(200,712)
Vested	(166,283)	—
Unvested balance at December 31, 2024	**1,469,542**	**5,744,305**

The fair value of the Phantom Units is remeasured each period until settlement, with corresponding adjustments to the Phantom Unit liability and incentive unit-based compensation expense. At December 31, 2024 the weighted-average grant date fair value per unit of the Time-Vesting Phantom Units and Performance-Vesting Phantom Units were $4.00 and $2.89, respectively, compared to $4.86 and $2.73, respectively at December 31, 2023.

As of December 31, 2024 and 2023, the Company recorded a Phantom Unit liability of $3.4 million and $2.0 million, respectively, within other noncurrent liabilities in the Company's Consolidated Balance Sheets. There was incentive unit-based compensation expense recognized within selling, general and administrative expenses in the Company's Consolidated Statements of Operations for the years ended December 31, 2024 and 2023, of $1.4 million and $1.2 million, respectively. Unrecognized compensation expense on the Performance-Vesting Phantom Units that contain a performance condition was $15.7 million, which the Company will begin to recognize when it becomes probable that the vesting condition will be met. Unrecognized compensation expense relating to unvested Time-Vesting Phantom Units as of December 31, 2024 was $4.3 million and will be recognized over the weighted-average term of 3.1 years.

The grant date fair value of the Time-Vesting Units and Performance-Vesting Units was estimated using a Monte Carlo simulation which requires assumptions for expected term, volatility, risk-free interest rate and dividend yield. The historical volatility of a peer group was used to derive the expected volatility of the units. The risk-free interest rate was based on the U.S. Treasury yield curve in effect at the time of the grant taking into consideration the expected term of the awards. There are no expected dividends. The Performance-Vesting Units contain market conditions, as described above. The effect of the market conditions is reflected in estimating the fair value of the Performance-Vesting Units.

The assumptions used to determine the fair value of the awards granted during the year ended December 31, 2024 were as follows:

	2024	2023
Weighted-average fair value of Time-Vesting Units	$ 4.00	$ 4.86
Weighted-average fair value of Performance-Vesting Units	$ 2.89	$ 2.73
Valuation assumptions		
Expected term	2.8 years	4.8 years
Expected volatility	43.0%	40.0%
Risk-free interest rate	3.5%	4.6%
Discounts for lack of marketability	16.0%	17.0%

20. Commitments and Contingencies

Letters of Credit

In the normal course of business, the Company provides letters of credit as financial security for the completion or performance of contractual obligations under certain commercial contracts. These instruments are not reflected in the Consolidated Balance Sheets as a liability because they will not result in a liability unless the Company fails to perform the contractual obligations, which are secured by the corresponding instrument. The Company had $2.8 million of letters of credit outstanding as of December 31, 2024 and 2023.

Litigation

From time to time, the Company and its subsidiaries are parties to legal proceedings incidental to their businesses related to, among other things, intellectual property, workers' compensation, general liability (including product liability), automobile claims, health care claims, income taxes, environmental matters, and lawsuits. Management and legal counsel review the probable outcome of such proceedings, the costs and expenses reasonably expected to be incurred and currently accrued, and consider the availability and extent of insurance coverage. The Company establishes reserves for legal matters when those matters present loss contingencies that are both probable and can be reasonably estimated. However, in light of the inherent uncertainty of legal proceedings, the Company may not be able to reasonably estimate its exposure in all cases and may incur substantially higher costs than the amounts reserved for. At both December 31, 2024 and 2023, the Company's reserves for probable and estimable loss contingencies were not significant.

The Company retains risk for general liability and automobile at levels that vary by type of coverage and policy year, and which are self-insured up to a specific dollar amount that varies by type of coverage. Coverage for individual claims in excess of the Company's self-insured limit is purchased from various insurance providers. The Company retains workers' compensation coverage at statutory limits that vary by state.

21. Other Comprehensive (Loss) Income

The components of accumulated other comprehensive (loss) income, net of tax were as follows:

	December 31, 2024	December 31, 2023
Foreign currency translation adjustments	$ (150.8)	$ 54.2
Unrealized gains on derivative instruments	74.4	91.7
Pension and postretirement benefit plan adjustments	1.4	1.5
Accumulated other comprehensive (loss) income	**$ (75.0)**	**$ 147.4**

Amounts recognized in other comprehensive (loss) income and reclassified from accumulated other comprehensive (loss) income into earnings were as follows:

	Years Ended December 31,	
	2024	2023
Foreign currency translation adjustments:		
Foreign currency translation (losses) gains	$ (217.2)	$ 168.3
Foreign currency translation losses reclassified to earnings due to the sale of businesses	12.2	—
Derivative instruments		
Unrealized income on derivative instruments, net of tax benefit of $5.9 million and $14.2 for the years ended December 31, 2024 and 2023, respectively.	67.1	33.9
Derivative instrument income reclassified to earnings	(84.4)	(73.7)
Pension and postretirement benefit plan adjustments		
Pension and postretirement benefit plan adjustments, net of tax benefit (expense) of $0.6 million and $(0.7) million for the years ended December 31, 2024 and 2023, respectively.	(0.1)	0.1
Other comprehensive (loss) income, net of tax	(222.4)	128.6
Less other comprehensive income attributed to non-controlling interests	—	—
Other comprehensive (loss) income, net of tax, attributed to Common Unit holders	**$ (222.4)**	**$ 128.6**

22. Related Parties

BDT & MSD Partners

As of December 31, 2024, BDT & MSD Partners and its affiliated entities ("BDT & MSD Related Parties") are a majority owner of the Company's outstanding Common Units and Preferred Units. In conjunction with the 2023 Incremental Term Loan B debt financing, the Company paid $4.0 million of debt arranger fees to BDT related parties during the year ended December 31, 2023. There were no other transactions with the BDT & MSD Related Parties during the years ended December 31, 2024 and 2023. There were no amounts owed to or from the BDT & MSD Related Parties as of December 31, 2024 and 2023.

Advent International Corporation

As of December 31, 2024, Advent International Corporation and its affiliated entities ("Advent Related Parties") are a minority owner of the Company's outstanding Common Units and Preferred Units. There were no transactions with the Advent Related Parties during the years ended December 31, 2024 and 2023. There were no amounts owed to or from the Advent Related Parties as of December 31, 2024 and 2023.

Castik Capital

Castik Capital and its affiliated entities ("Castik Related Parties"), through the Waterlogic acquisition, are a minority owner of the Company's outstanding Common Units. There were no transactions with the Castik Related Parties during the years ended December 31, 2024 and 2023. There were no amounts owed to and $0.1 million owed from the Castik Related Parties as of December 31, 2024. There were no amounts owed to or from the Castik Related Parties as of December 31, 2023.

Poland Disposition

As discussed in more detail within Note 4 "Acquisitions and Dispositions", the Company sold businesses in Poland to a member of management of those businesses. In conjunction with the disposition, the member of management ceased employment with the Company. The disposed businesses and former member of management do not have any ongoing relationships with the Company.

23. Subsequent Events

The Company has performed an evaluation of events that have occurred from December 31, 2024 through March 27, 2025, the date of issuance of these consolidated financial statements. There have been no subsequent events that occurred during such period that would require recognition in the consolidated financial statements as of or for the year ended December 31, 2024.

Acquisitions

Subsequent to December 31, 2024 through the financial statement issuance date, the Company has continued to execute on its acquisition growth strategy. The Company completed 12 acquisitions with a preliminary estimated purchase price of approximately $50.9 million.

In May 2024, the Company signed an agreement to acquire a water treatment dispenser in Latin America. The acquisition was completed in March 2025 for a purchase price of $144.8 million. The transaction was completed with cash payments of $91.5 million from cash on hand, the issuance of $16.8 million in Common Units through a cashless exchange of ownership, the issuance of a $20.0 million installment promissory note, and estimated deferred purchase price obligations of $16.5 million.

2025 Incremental Term Loan B Agreements

In January 2025, the Company entered into the 2025 Incremental Term Loan B Agreements to refinance the existing 2024 Refinancing Term Loan B Agreements with an outstanding principal of $4,667.0 million and receive $200.0 million of incremental principal for an initial outstanding principal balance of $4,867.0 million. The 2025 Incremental Term Loan B Agreement was issued at par, and will mature on July 30, 2028. The terms of the agreement stipulate that the incremental $200.0 million proceeds received must be used for general corporate and working capital purposes or to pay the fees and expenses in connection with the transactions contemplated.

Under the provisions of the 2025 Incremental Term Loan B Agreements, interest is charged at an applicable margin of 2.00% above the ABR for ABR loans or 3.00% above the SOFR for any Euro currency loan, Term SOFR loan or RFR loan. Furthermore, the applicable margin will be further decreased by 0.25% on and after the first date on which the Company obtains a public corporate credit rating of B2 with a stable outlook from Moody's credit rating agency.

The Company is required to make principal payments at the end of each calendar quarter of $12.2 million, with a final principal payment of $4,708.8 million due at the maturity date of the loan on July 30, 2028. The first quarterly payment will be in June 2025. The Company may also be required to make mandatory prepayments of principal subsequent to each year end, to the extent excess cash flows exceed defined thresholds per the credit agreement. Borrowings may also be voluntarily prepaid without penalty or premium.

2025 Revolving Credit Facility Amendment

In January 2025, the Revolving Credit Facility was amended to decrease in the interest rate charged on outstanding balances to be equal to the rate that will be charged on the 2025 Incremental Term Loan B outstanding principal.

Common Unit Repurchases

Pursuant to the Company's Limited Partnership Agreement, the Company initiated a one-time repurchase offer to members of Management in March 2025 and repurchased 5,468,783 Common Units for total cash payments of $81.4 million. Additionally, from December 31, 2024, through the date of issuance of these consolidated financial statements the Company repurchased an additional 1,744,227 Common Units for total cash payments of $26.0 million under separate repurchase agreements.