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Strömsholmen Aktiebolag
Org nr 556463-3930

Årsredovisning för räkenskapsåret 2024

Styrelsen avger följande årsredovisning.

Innehåll Sida

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Om inte annat särskilt anges, redovisas alla belopp i svenska tusental kronor. Uppgifter inom parentes avser föregående år.

Undertecknad styrelseledamot i Strömsholmen Aktiebolag intygar, dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultaträkningen och balansräkningen fastställts på årsstämma den 2025-06-30.

Årsstämman beslöt att godkänna styrelsens förslag till vinstdisposition.

Tranås den 2025-06-30

Håkan Andersson

Håkan Andersson

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Förvaltningsberättelse

Information om verksamheten

Bolagets huvudsakliga verksamhet består av tillverkning och försäljning av gasfjädrar och liknande produkter främst till bilindustrin.

Ägarförhållanden

Strömsholmen Aktiebolag är ett helägt dotterbolag till Barnes Group Canada Corp. (Kanada). Strömsholmens yttersta ägare är Barnes Group Inc. (USA) vars aktier fram till 27 januari 2025 var noterade på New York Stock Exchange ("B"). Barnes Group Inc. förvärvades efter årsskiftet av Apollo Funds (USA), noterade på New York Stock Exchange ("APO"). I och med att Apollo Funds slutförde transaktionen den 27 januari 2025 blev Barnes Group Inc avregistrerade från börsen. Ägarstrukturen vari Strömsholmen ingår har inte ändrats i och med försäljningen. Strömsholmen Aktiebolag upprättar ingen koncernredovisning i enlighet med ÅRL 7:2.

Försäljning

Bolagets omsättning uppgick till 645 639 kSEK (709 776 kSEK) Omsättningsminskningen mot ifjol är i största utsträckning relaterad till en allmän nedgång av fordonsmarknaden som följs av global osäkerhet och skiftande dynamik i marknaden.

Investeringar

Bolagets investeringar i maskiner och inventarier inkl. pågående nyanläggningar och förskott avseende materiella och immateriella anläggningstillgångar har uppgått till 47 779 kSEK (43 433 kSEK).

Forskning och utveckling

Bolagets forsknings- och utvecklingsverksamhet är inriktad på nyutveckling och förbättring av produkter inom gasfjäderteknologi och uppgick under räkenskapsåret till ca 3,9% (4,1%) av de totala rörelsekostnaderna.

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Viktiga förhållanden och väsentliga händelser

Bolaget påverkas likt övriga världen av den ökade osäkerheten, inflationseffekter, ökade handelshinder i samband med Amerikanska tullar och ökade svängningar i valutakurserna. Däremot ger den nuvarande säkerhetspolitiska situationen och Sveriges medlemsskap i Nato ytterligare möjligheter för delar av våra affärsområden.

Miljöpåverkan

Bolaget bedriver anmälningspliktig verksamhet utan tidsbegränsning enligt Miljöbalken kod 34.80 och 28.70 i förordning (SFS 1998:899) om miljöfarlig verksamhet och hälsoskydd.
Anmälningsplikten omfattar bolagets produktion med avseende på förbrukning av skärvätskor och processoljor samt våttrumling och användning av vattenbaserad avfettning, vilka påverkar den yttre miljön genom avfall och avloppsvatten. Den anmälningspliktiga verksamheten motsvarar 100% av bolagets nettoomsättning.

Valutaexponering

Bolagets omsättning sker till stor utsträckning i utländsk valuta. Bolaget terminssäkrar löpande all nettoexponering som finns i balansräkningen i form av banktillgodohavanden, kundfordringar samt leverantörsskulder i utländsk valuta. Bolaget har tidigare terminssäkrat en del av förväntad framtida försäljning i euro. Detta upphörde i slutet av 2024 i samband med ändringar i förhållandet till en stor kund där försäljning sker till euro.

Förväntad framtida utveckling och väsentliga riskfaktorer

I samband med att Apollo Funds har förvärvat Barnes Group Inc. kommer vi att se ett ökat fokus på lönsamhet och företagsvärdet som ska drivas av en så kallad "Value Creation Plan" med dedikerade resureser och en klar strategi. De riskfaktorer som har störst betydelse för bolaget är konjunkturläget i kombination med strukturförändringar, konkurrenssituationen, valutakursutvecklingen samt det säkerhetspolitiska läget i Europa. Bolaget har en finansiell ställning som kan stå emot en betydande nedgång i affärsaktivitet, men givet den osäkra situationen är det i nuläget inte möjligt att uppskatta hela den potentiella påverkan och alla bedömningar är behäftade med mycket stor osäkerhet.

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Flerårsjämförelse

Ekonomisk utveckling i sammandrag.

		2024	2023	2023	2022	2020
Nettoomsättning	tkr	645 638	709 776	786 299	732 982	640 002
Resultat efter finansiella poster	tkr	342 521	113 759	132 141	138 584	101 710
Balansomslutning	tkr	2 673 099	2 370 231	2 323 694	2 220 211	2 074 545
Antal anställda	st	324	323	337	325	365
Soliditet	%	41,7	65,3	62,9	61,4	60,5
Avkastning på totalt kapital	%	13,5	5,6	6,5	7,1	5,8
Avkastning på eget kapital	%	30,6	7,3	9,0	10,2	8,1

Nyckeltalsdefinitioner framgår av not 1

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HÅLLBARHET HOS STRÖMSHOLMEN

Grunden för hållbar utveckling över tid är engagerade medarbetare som agerar ansvarsfullt, samt hållbart företagande. Detta genom att minimera den negativa påverkan på den omgivande miljön och ekonomisk resursoptimering i hela vår värdekedja. Det är av stor vikt att vi levererar produkter med ett högt kundvärde. Då hälsa och säkerhet är vårt högst prioriterade område, så jobbar vi utifrån prioriteringsordningen SQDC (safety, quality, delivery, cost).

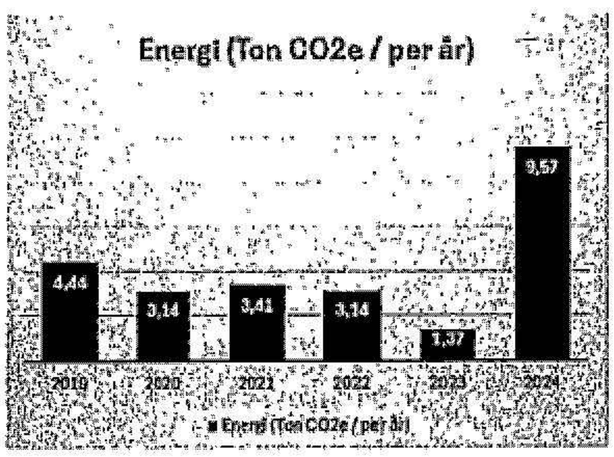
Vi strävar även efter att uppnå våra ägares uppsatta mål med en reduktion inom energi och vattenanvändning samt minskad mängd avfall till 2025.

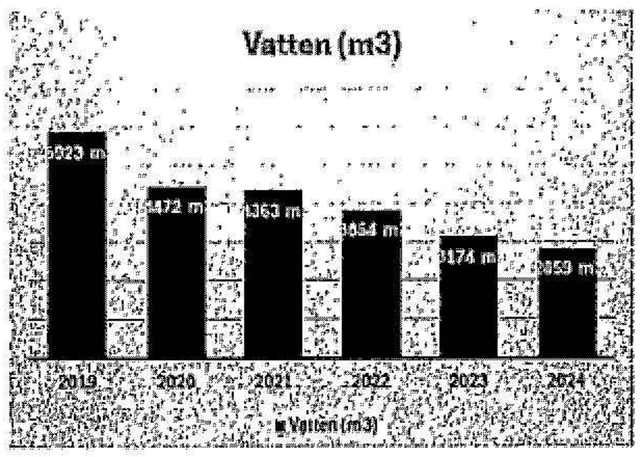
Mål:

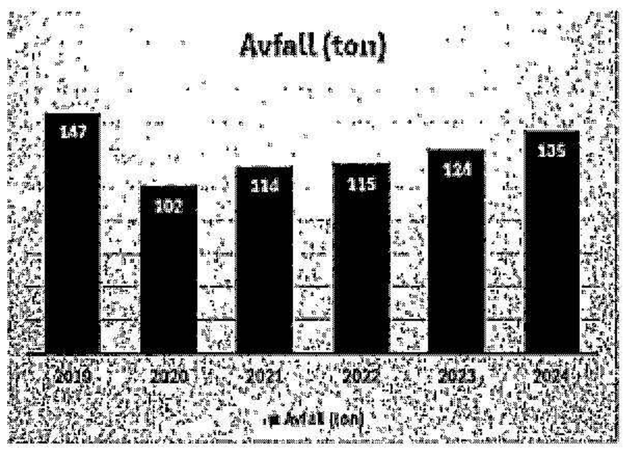
Energi: 15% reduktion av CO2E (Som vi använder i fabriken) och förnyelsebar energi till 2030

Vatten: 20% reduktion av vatten (som vi använder i produktionsprocessen) Eliminera "single use" till 2030.

Avfall: 15% reduktion av avfall (Processavfall i produktionen) Eliminera deponi till 2030.







Kommentar Energi: Under 2024 startade vi upp en ny ytbehandlingsanläggning, där propan står för den ökade CO2 belastningen inom Energiområdet.

Kommentar Vatten: Här har vårt arbete med återanvändning av vårt processvatten inneburit en minskad vattenförbrukning. Här har vi uppnått uppsatta mål.

Kommentar Avfall: Under 2023 och 2024 har flera faktorer påverkat avfallsmängden negativt. Detta har bla varit byggmaterial efter en utbyggnation, utskrotning av IVR artiklar och material, tömning av processvattentank samt vattentank till tvättmaskiner vid underhåll.

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INTRESSENTER OCH VÄSENTLIGHET FÖR EN HÅLLBAR UTVECKLING

Intressenter är grupper av individer eller organisationer i bolagets närhet som direkt eller indirekt påverkar eller påverkas av verksamheten. Intressentgrupper ställer krav och har förväntningar på oss, men genererar samtidigt ett värde för bolaget. Det kan vara myndigheten som ställer krav utifrån ett miljötillstånd, kommunen som har förhoppningar om att vi ger kommuninvånare en trygg arbetsplats och elever bereds praktikplatser, eller bolagets ägare som förväntar sig att verksamheten genererar en ekonomisk vinst.

Väsentlighet

I vår väsentlighetsanalys kan vi utläsa vilka förväntningar och krav som finns på oss som företag att driva vårt hållbarhetsarbete i rätt riktning.

De väsentlighetsfaktorer inom hållbarhet som vi identifierat skapar de största möjligheterna, men också potentiellt de största riskerna för oss och vår verksamhet är:

- Våra kunder och hur vi säkerställer en god resursanvändning och återanvändning av resurser (cirkulär ekonomi) samt hur vi jobbar med minskade utsläpp
- Våra kunder och hur vi jobbar med ansvarfulla affärer och affärsetik
- Våra kunder och hur vi möter de förväntningar som finns på kvalitet såväl som på leveranser.
- Våra medarbetare och hur vi säkerställer personella resurser och kompetens, såväl som medarbetarnas engagemang och välmående.
- Våra underleverantörer och hur vi säkerställer tillgång till komponenter och tjänster till rätt kvalitet och i rätt tid.
- Våra medarbetares arbetsvillkor i värdekedjan
- Samhället och vår roll i utvecklingen av en hållbar samhälls-struktur och motverkan mot korruption genom samverkan med bland annat myndigheter, kommun och andra företag.
- Miljöpåverkan och hur Strömsholmen kan minska både den direkta påverkan på miljön, såväl som synliggöra och hantera risker genom val av material, process, transporter etc.
- Ekonomisk stabilitet och lönsam tillväxt, genom ett affärsetiskt kundfokus.
- Våra ägares krav på en minskad miljöbelastning, genom ett reduktionsprogram som sträcker sig från 2019-2025

Strömsholmens bidrag till en hållbar utveckling "som tillfredsställer dagens behov utan att äventyra kommande generationers möjligheter att tillfredsställa sina behov" kan summeras i en målsättning om att vara en attraktiv och hälsosam arbetsplats som ständigt tar sikte på att minska negativ miljöpåverkan, skapa en ekonomisk stabilitet med en lönsam tillväxt, samt att hålla en hög affärsetik.

* Angivna trender avser 2019 års resultat i förhållande till 2018 års resultat.

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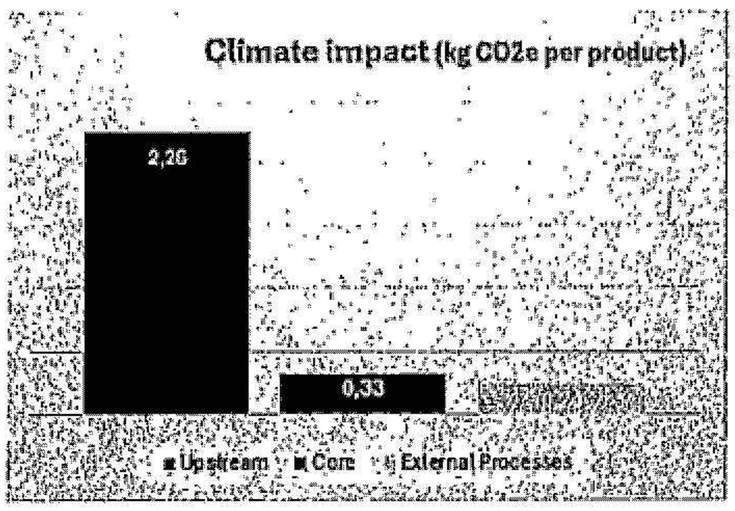
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EKOLOGISK HÅLLBARHET

För att säkerställa var i värdekedjan vi har den största klimatpåverkan, så har studenter ifrån Linköpings universitet genomfört en LCA (livscykelanalys) på vår mesta omsatta produkt. Parallellt med detta arbete så har vi under 2023-2024 deltagit i ett projekt, där målet har varit att kunna klimatdeklarera våra produkter, genom att se var i värdekedjan vi har vår största klimatpåverkan.

Här har vi väldigt tydligt kunnat se att den största klimatpåverkan står framställning av stål och transporter för, (uppströms) ca 70 % medan vår verksamhet i fabriken står för mindre ca 9%.

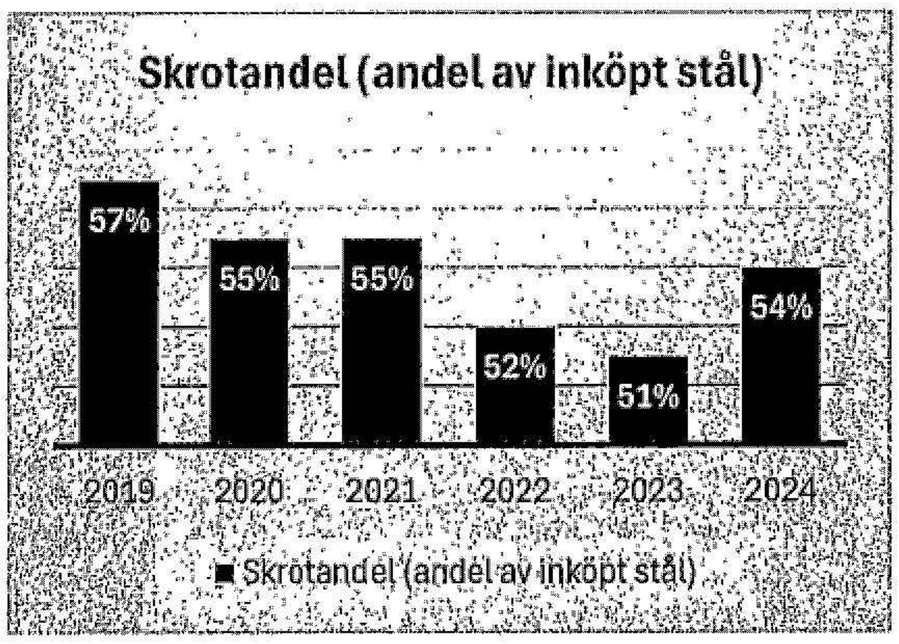
Den totala CO2 belastningen för en standardgasfjäder 3,30 (kgCO2 eq)



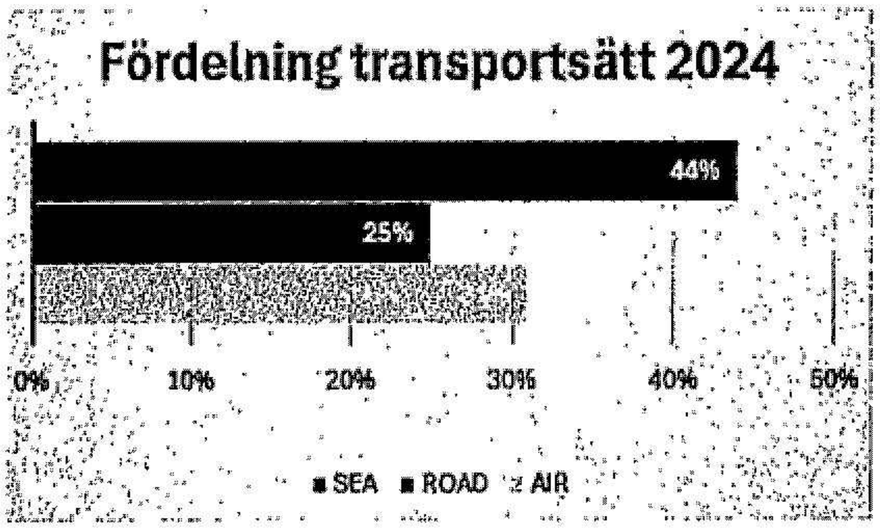
Då ståltillverkningen är en betydande del av vår totala klimatpåverkan, så har en aktivitet varit att jobba med dimensionsoptimering. Här har vi identifierat 3 dimensioner, som vi har minskat diametern på, vilket inneburit att vi minskat mängden inköpt stål med ca 60ton och en minskad klimatpåverkan med ca 150 ton CO2e*

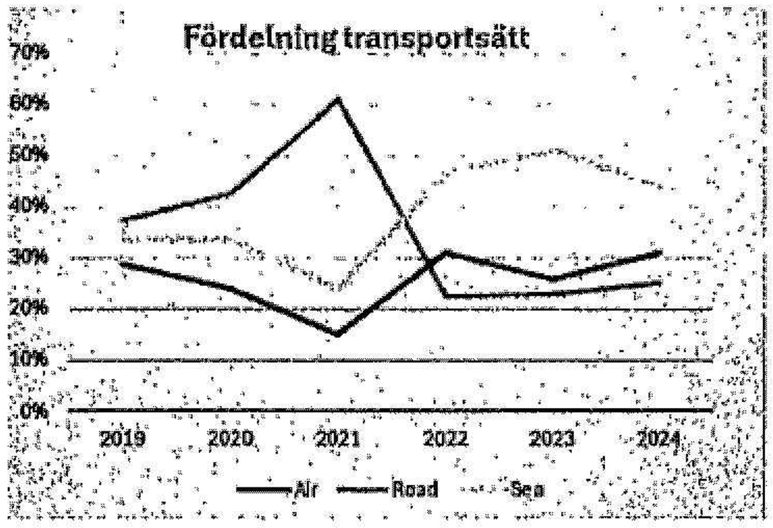
Det får även den positiva effekten av färre transporter, effektivare bearbetningstid samt mindre avfall.

(*enligt världsgenomsnittet: 1 ton stål genererar 2,5 CO2e)



Strömsholmen exporterar en stor andel (Ca 95%) av sina produkter, så transporter är en bytande miljöaspekt. Under 2024 har företaget jobbat med att styra sin transporter ut till distributionslager från flyg till båt, där vi idag ligger på en andel båttransporter på 44%.





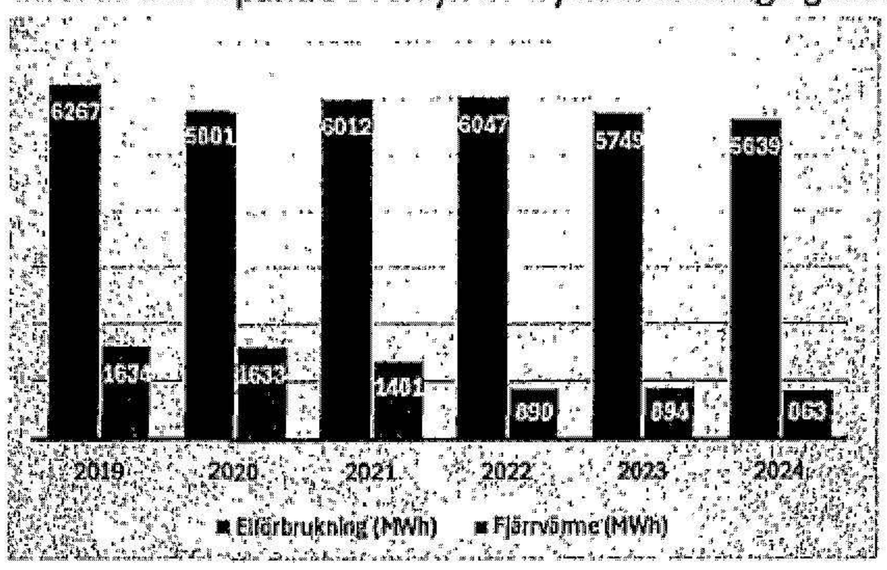
* Angivna trender avser 2019 års resultat i förhållande till 2018 års resultat.

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Hållbar energi

Vid fabriken i Tranås används ca 5700 MWh el och ca 880 MWh fjärrvärme. Därför är det av största vikt att vår leverantör levererar helt förnyelsebar el och fjärrvärme.
Men för att minska förbrukningen av el, så har hela fabriken idag LED belysning, ventilationsoptimeringar är utförda och löpande översyn av tryckluftsläckage genomförs.



Föroreningar

För att säkerställa att föroreningar från Strömsholmen blir minimal, så här både investeringar gjorts och årliga mätningar av stoft till lufts utförts.
Då tidigare mätningar av stoftutsläpp till luft visade på för höga halter av svetsstoft, så gjordes en investering i en filteranläggning 2020, vilket resulterade i att vi uppnådde ett resultat under gränsvärdena på 5mg/m3ntg.

För att eliminera risken för utsläpp till vatten, så finns inga golvbrunnar i anläggningen och en indunstar-anläggning installerade 2017 för allt tvättvatten. Detta är en reningsanläggning, där allt renat vatten återförs till produktionen (en sluten krets).
Inga utsläpp till mark sker idag, men en av våra största risken skulle kunna bli om släckvatten från en brand rinner ut till mark och vattendrag. Denna risk är upptagen och åtgärder finns med i en framtida handlingsplan.

Kemikaliehantering

Ett kontinuerligt arbete pågår med att riskbedöma våra kemikalier samt substitution av kemikalier som finns på restriktions eller förbudslistor eller som vi vill byta ut av annan anledning. I vårt kemikaliesystem kan vi snabbt se och få fram svar på kunders förfrågan om en ingående kemikalier i våra produkter finns på någon av restriktions eller förbudslistorna, ex. PFAS, REACH mm.
Under 2024 har vi riskbedömt 169 kemikalier vilka har genomgått en substitutionsgranskning.

Råvaror (ståltillverkning)

En av våra största klimatpåverkansfaktorer är framställning av stål. Globala siffor för ståltillverkning säger att 1 ton stål ger 2,5 ton CO2-utsläpp. Därför jobbar Strömsholmen med stålverk som producerar stål från järnskrot, vilket innebär att CO2 utsläppen reduceras till 0,5 CO2 / Ton stål. Strömsholmens andel av inköpt stål från skrotbaserat stål uppgår 2024 till 75%.

Transporter (uppströms/nedströms)

SAB jobbar för att minska andelen flygfrakt, vilket idag ligger på 31%. Det innebär att andelen båtfrakter kommer att öka vilket kan bidra till ökad risk för spridning av invasiva arter.

Därför måste alla pallar&kragar som skickas utanför EU vara behandlad enligt PL-32418.

Tjänsteresor

SAB gör noggranna övervägande om behov tjänsteresor eller ifall möten kan ske på andra sätt. Men from 2024 så har mätning påbörjats av genomförda resor, vilket redovisas i både km och KgCO2eq.

* Angivna trender avser 2019 års resultat i förhållande till 2018 års resultat.

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Cirkulär produktion

En betydande miljöaspekt är stålförbrukning och avfall (Spånor och restbitar) Alla spånor och restbitar hämtas upp för återanvändning, för framtagning av nytt stål.

Sedan 2017 har vi kopplat upp större delen av maskinparken mot en central skärvätskeanläggning, där skärvätskan renas och går i retur ut till maskinerna (sluten krets) Detta har inneburit att vi har kunnat minska mängden avfall av skärvätska från 70.000l ner till dryga 1000l/år.

Sedan 2017 går vattnet från industritvättarna i produktionen till en indunstaranläggning. Där sker en rening av vattnet, som sedan återförs till produktionen (en sluten krets).

Under 2024 började vi med att slipa om våra hårdmetallsverktyg istället för att köpa nya. Detta innebar ett minskat koldioxid utsläpp med 1809 kg CO2eq jämfört med om vi skulle köpt nya hårdmetallsverktyg.

Plaståtervinning

Under 2022 påbörjades arbetet med att minska ner användandet av plast. Då togs plastmuggarna bort i våra kaffeautomater och sortering av hård och mjukplast startades upp. Sedan 2023 sker källsortering även på kontoret (mat, plast och övrigt)

Inköp sker till största delen inom EU:

Runt 80 % av vårt inköp av råmaterial och komponenter sker idag inom EU och för det material som vi för in från tredje land sker idag en CBAM rapportering.

Hantering konfliktmineraler:

En årlig översyn görs av konfliktmineraler och rapporteras till Barnes. Detta genomförs för att säkerställa att inga konfliktmineraler finns I det material eller komponenter vi köper eller om det skulle finnas, så skall dom inte komma ifrån berörda regioner enligt Dodd- Frank Act samt enligt EU:s regleringar.

SOCIAL HÅLLBARHET

Allmänt

Strömsholmen har ett väl fungerande arbete kring sociala förhållanden och medarbetare.
Kollektivavtal finns tecknade med fyra fackförbund – IF Metall, Unionen, Ledarna och Sveriges Ingenjörer.
Samverkan med de fackliga parterna kännetecknas av förtroende, öppenhet och med fokus på medarbetarnas och företagets bästa. Det finns en mötesstruktur på plats avseende samverkan där frekventa avstämningar genomförs och MBL-information delges.

Arbetsmiljö

Strömsholmen strävar efter att vara en trygg och säker arbetsplats där medarbetare trivs och utvecklas.
Företaget eftersträvar en arbetsmiljö där medarbetare behandlas lika och har likvärdiga villkor avseende kompensation och utvecklingsmöjligheter. Arbetet med likabehandlingsplanen är aktivt och baseras på likabehandlingspolicy. Årliga lönekartläggningar genomförs i enlighet med Diskrimineringslagens krav och Strömsholmen har nolltolerans när det gäller våld, trakasserier och kränkande särbehandling.

Strömsholmen bedriver ett aktivt säkerhetsarbete och medarbetarna deltar kontinuerligt i olika typer av säkerhetsinformationer och utbildningar. Lagstadgade utbildningar och hälsokontroller genomförs utifrån de AFS:ar som omfattar verksamheten.

Vid förändringsarbeten (organisatoriska och/eller arbetsmiljö/miljö) genomförs riskbedömningar i syfte att identifiera och förebygga problem.

* Angivna trender avser 2019 års resultat i förhållande till 2018 års resultat.

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Barnes Strömsholmens hållbarhetsrapport 2024

Företaget bedriver ett aktivt OSA-arbete med uttalade OSA-mål (organisatorisk och social arbetsmiljö) och årligen genomförs en enkät för att undersöka hur medarbetare upplever miljön. Det finns utsedda OSA-ambassadörer inom alla avdelningar som har till uppgift att planera och genomföra trivselaktiviteter i syfte att främja och säkerställa en god och trevlig arbetsmiljö i de olika medarbetargrupperna.

Strömsholmen genomför också en månatlig medarbetarundersökning i syfte att följa upp medarbetarengagemanget.

Förmåner och socialt engagemang

Strömsholmen erbjuder olika typer av förmåner som tex. flexibel arbetsplats (möjlighet att arbeta på distans), flextid, löneväxling till pension, fritidsstudiebidrag, hälsokontroller (utöver lagstiftade), influensavaccin, friskvårdsbidrag m.m. Dessutom genomförs olika typer av trivselaktiviteter under året som motionskampanjer, luciafika, kanelbullens dag, semlor på fettisdagen, regnbågsvecka m.m.

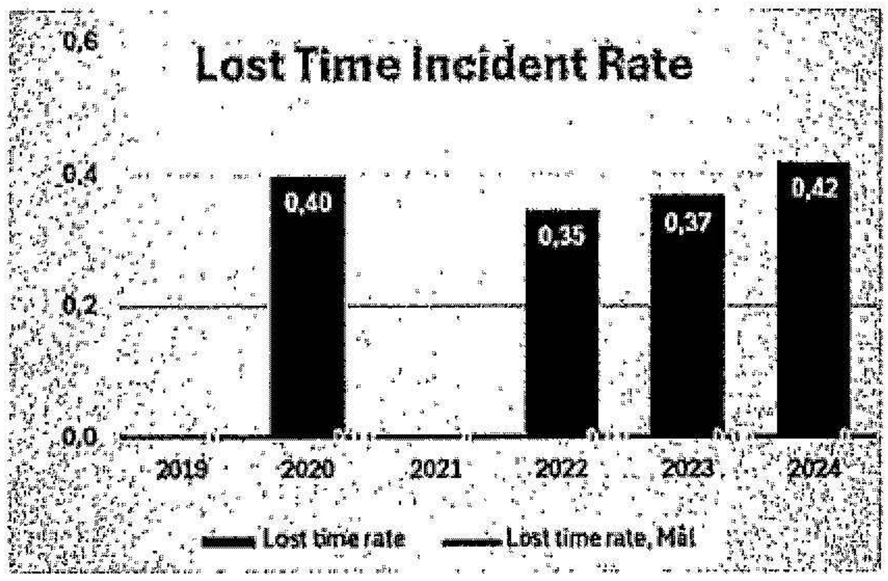
Strömsholmen har ett nära samarbete med lokala skolor och idrottsföreningar bl.a. genom att erbjuda LIA-platser, delta i programråd för utbildningar, stöd, sponsring, stipendier etc. Företaget skickar också bidrag till olika hjälporganisationer som tex. Röda Korset, Rädda Barnen, Unicef och olika Cancerfonder. Val av hjälporganisation att stötta avgörs av medarbetarna genom röstning/lottning

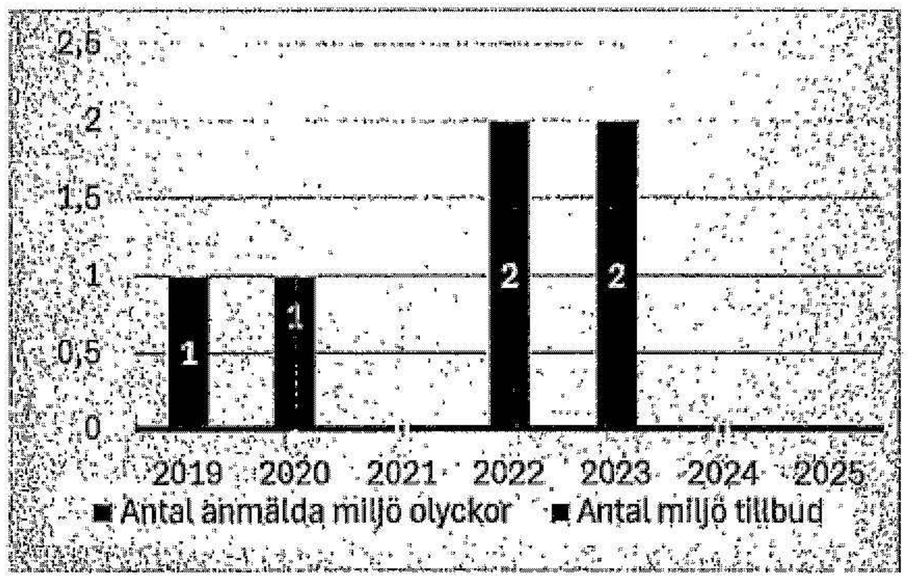
KPI:er inom social hållbarhet

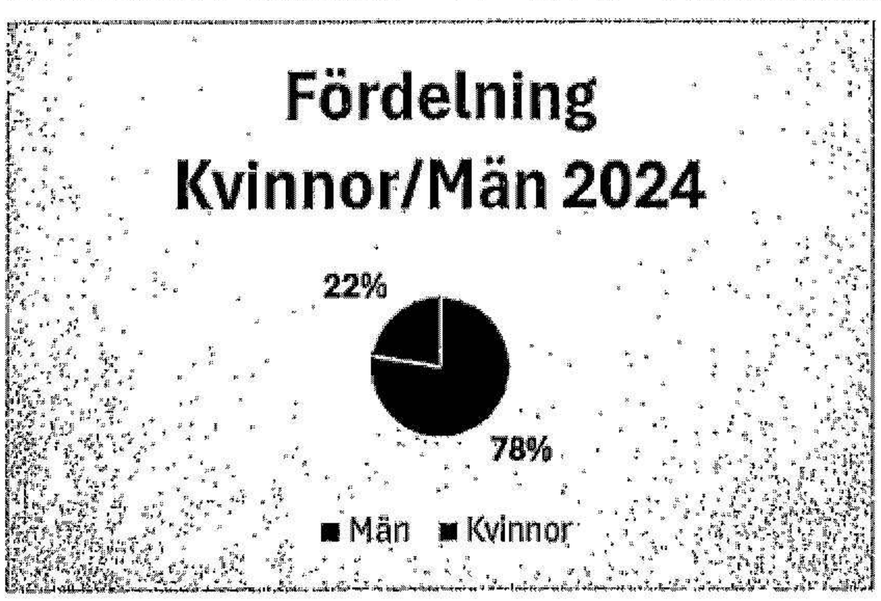
LTIR, lost time incident rate, visar antalet olyckor med frånvarodagar, i förhållande till arbetad tid under ett kalenderår. Målsättningen för 2023 var en LTIR på 0 och vi ser en ökning jämfört med 2022. Så här fortsätter vi med vårt systematiska arbetsmiljöarbete för att minska risken för att olyckor ska inträffa.

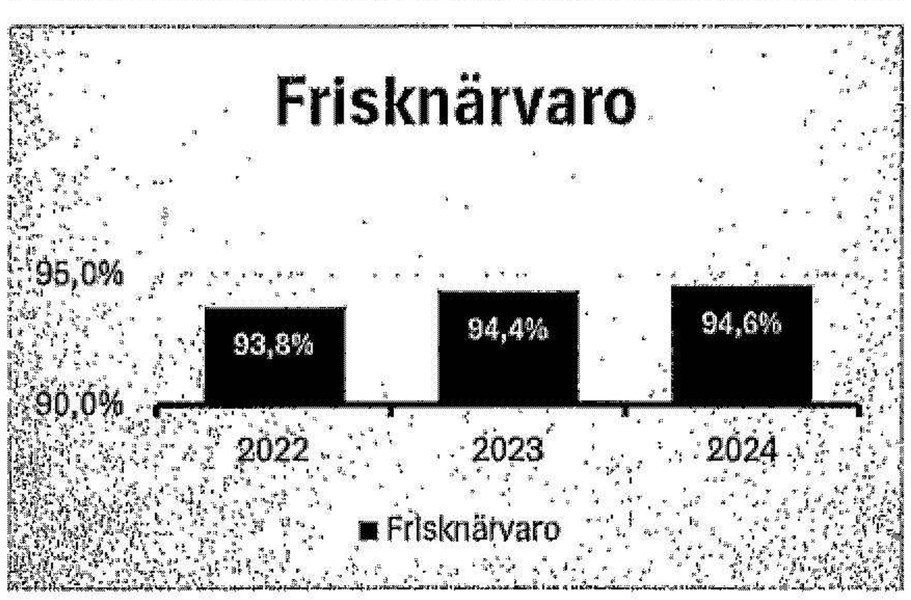
Vi har under 2024 inte haft någon miljöolycka.

Strömsholmen har sedan ett par år tillbaka fokuserat på att öka frisknärvaron i företaget, utbildat chefer, samt att ständigt arbeta med processen och ge cheferna det stöd de behöver.









* Angivna trender avser 2019 års resultat i förhållande till 2018 års resultat.

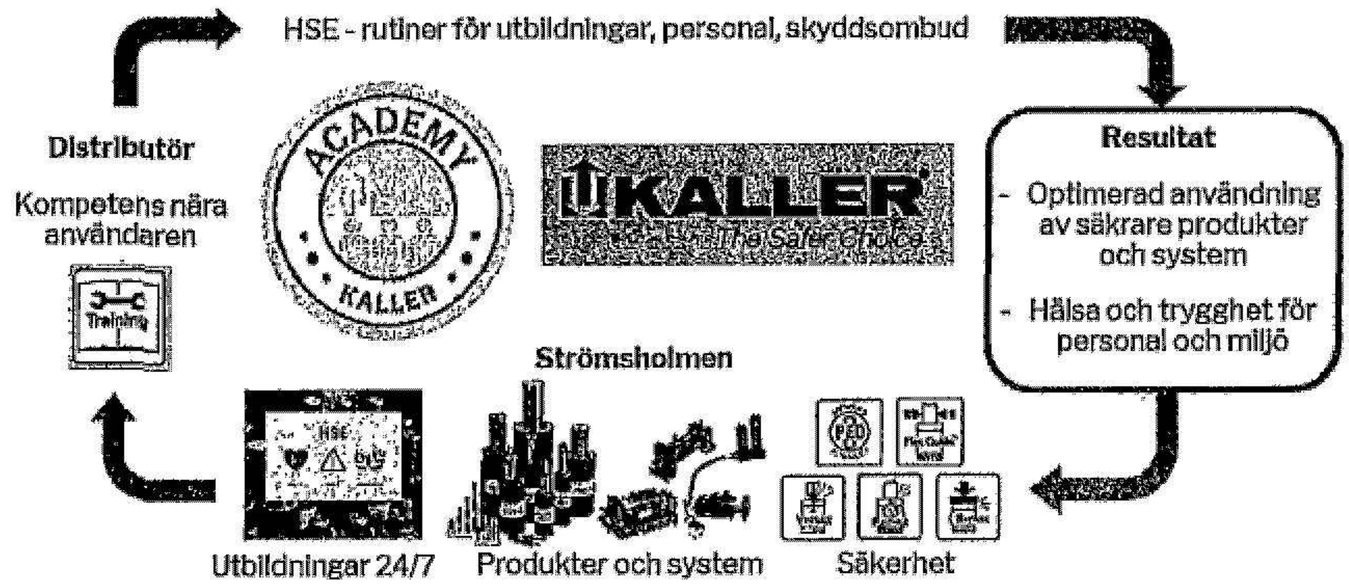
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Barnes Strömsholmens hållbarhetsrapport 2024

Produktsäkerhet

För Strömsholmen kommer säkerheten i första hand vid användning av våra produkter. För att säkerställa detta i alla led driver vi bla Kaller Academy, där vi genomför digital utbildning samt praktiska övningar.

KALLER Academy – i samverkan med kunden



Ansvarsfullt företagande

Värderingar

Våra värderingar, utgör grunden för vår affärskultur och fungerar som en färdplan för att navigera på de komplexa och dynamiska marknadsplatser där vi gör affärer. Vår uppförandekod förstärker dessa värderingar och principer och fastställer de beteenden som förväntas av alla våra anställda och chefer för att upprätthålla högsta nivå av integritet i allt vi gör.

Socialt ansvar

Inom vår koncern är vi övertygade om att en god företagare har sin utgångspunkt i att vara en god ledare för samhällsgemenskapen. En stiftelse, kallad "The Barnes Group Foundation", upprättades därför redan 1945 och engagerar sig i och stödjer utbildningsinsatser, kulturfrågor, samhällsaktiviteter och hälsorelaterad välgörenhet. Det har som exempel resulterat i stöd till ett otal skolor, föreningar, sjukhus och vårdinrättningar, såväl som stipendier till medarbetares barn. Stöd i olika former uppmuntras av koncernen och ges på ett globalt plan, men även lokalt i Strömsholmens närliggande regioner.

Antikorruption

Som del av koncernen Barnes Group Inc. följer Strömsholmen den övergripande uppförandekod (Code of conduct) som gäller i koncernens alla bolag. Uppförandekoden omfattar bland annat sociala förhållanden, diskriminering, respekt för mänskliga rättigheter och motverkande av korruption och bygger på tron om hög integritet, och hur vi behandlar våra anställda, aktieägare, kunder, leverantörer, konkurrenter och samhälle är viktiga för koncernens livskraft och framgång. Alla medarbetare genomgår årligen en obligatorisk utbildning i Code of Conduct och utbildningen är även en del av introduktionen för nyanställda.

Visselblåsarfunktioner

I uppförandekoden framgår det tydligt vad visselblåsarfunktionen är, hur man når den och hur den ska användas. Syftet med visselblåsarfunktionen är att anställda anonymt skall kunna anmäla eventuella oegentligheter som upplevs förekomma inom verksamheten. Ärenden kan gälla personal och ledarfrågor, sociala förhållanden, mänskliga rättigheter, affärsetik och antikorruption. Anmälan kan göras via vårt verksamhetssystem, där man kommer vidare till externt fristående bolag, som hanterar alla anmälningar anonymt.

* Angivna trender avser 2019 års resultat i förhållande till 2018 års resultat.

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Förändring av eget kapital

	Aktie-kapital	Reserv-fond	Fond för utvecklingsutgifter	Övrigt fritt eget kapital	Summa eget kapital
Ingående balans 2023-01-01	100	20	-	1 182 831	1 182 951
Aktivering av utvecklingsutgifter			-	-	-
Utdelning vid ordinarie bolagsstämma				-	-
Upplösning till följd av årets avskrivningar av utvecklingsutgifter			-	-	-
Årets resultat	-	-	-	99 950	99 950
Utgående balans 2023-12-31	100	20	0	1 282 781	1 282 901
Utdelning vid ordinarie bolagsstämma			-	-750 000	-750 000
Årets resultat				322 726	322 726
Utgående balans 2024-12-31	**100**	**20**	**0**	**855 507**	**855 627**

Förslag till vinstdisposition

Till bolagsstämmans förfogande står följande vinstmedel:

Balanserade vinstmedel	532 781
Årets vinst	322 726
Utdelning beslutad på extra stämma i april 2025	-349 668
	505 839

Styrelsen föreslår att vinstmedlen disponeras så

att till aktieägarna utdelas	325 000
att i ny räkning överförs	180 839
	505 839

Styrelsens yttrande över vinstutdelning

Styrelsen finner att den föreslagna utdelningen till aktieägarna är försvarlig med hänsyn till de parametrar som anges i 17 kap 3§ andra och tredje styckena i aktiebolagslagen (verksamhetens art, omfattning och risker samt konsolideringsbehov, likviditet och ställning i övrigt).
Den föreslagna vinstutdelningen kommer inte att påverka bolagets förmåga att i rätt tid infria sina betalningsförpliktelser.

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Resultaträkning	**Not**	**2024**	**2023**
Nettoomsättning	3	645 638	709 776
Förändring av lager av produkter i arbete, färdiga varor och påbörjade arbete för annans räkning		-25 680	7 314
Övriga rörelseintäkter	4	8 822	241
		628 780	717 331
Rörelsens kostnader			
Råvaror och förnödenheter		-174 535	-212 788
Övriga externa kostnader	5, 6	-134 227	-139 969
Personalkostnader	7	-243 338	-251 470
Avskrivningar av materiella och immateriella anläggningstillgångar		-19 766	-18 917
Övriga rörelsekostnader		-3	-3 856
Summa rörelsens kostnader		-571 869	-627 000
Rörelseresultat		56 911	90 331
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	8	262 935	7 010
Övriga ränteintäkter och liknande resultatposter	9	41 479	35 228
Räntekostnader och liknande resultatposter	10	-18 804	-18 810
Summa resultat från finansiella poster		285 610	23 428
Resultat efter finansiella poster		342 521	113 759
Bokslutsdispositioner	11	5 000	18 000
Skatt på årets resultat	12	-24 795	-31 809
Årets vinst		322 726	99 950

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Balansräkning	**Not**	**2024-12-31**	**2023-12-31**
Tillgångar			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Balanserade utgifter för utvecklingsarbeten och liknande arbeten	13	161	595
Materiella anläggningstillgångar			
Byggnader och mark	14	61 865	58 005
Maskiner och andra tekniska anläggningar	15	119 853	67 518
Inventarier, verktyg och installationer	16	8 224	11 001
Pågående nyanläggningar och förskott avseende materiella och immateriella anläggningstillgångar	17	10 876	35 559
		200 818	172 083
Finansiella anläggningstillgångar			
Andelar i intresseföretag och gemensamt styrda företag	18	12 191	12 191
Andelar i koncernföretag	19	121 843	782 299
		134 034	794 490
Summa anläggningstillgångar		335 013	967 168
Omsättningstillgångar			
Varulager			
Råvaror och förnödenheter		14 886	21 253
Varor under tillverkning		65 437	91 064
Färdiga varor och handelsvaror		2 742	2 795
		83 065	115 112

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Balansräkning	**Not**	**2024-12-31**	**2023-12-31**
Kortfristiga fordringar			
Fordringar hos koncernföretag		2 115 182	1 165 975
Kundfordringar		75 088	94 308
Uppskjutna skattefordringar	20	1 387	1 384
Aktuella skattefordringar		9 626	5 756
Övriga kortfristiga fordringar		6 864	6 752
Förutbetalda kostnader och upplupna intäkter	21	12 635	5 354
		2 220 782	1 279 529
Kassa och bank	22	34 239	8 422
Summa omsättningstillgångar		2 338 086	1 403 063
Summa tillgångar		2 673 099	2 370 231

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Balansräkning	**Not**	**2024-12-31**	**2023-12-31**
Eget kapital och skulder			
Eget kapital	23, 24		
Bundet eget kapital			
Aktiekapital		100	100
Reservfond		20	20
		120	120
Fritt eget kapital			
Balanserad vinst		532 781	1 182 831
Årets vinst		322 726	99 950
		855 507	1 282 781
Summa eget kapital		855 627	1 282 901
Obeskattade reserver	25	331 000	336 000
Avsättningar			
Uppskjuten skatteskuld	20	220	220
Övriga avsättningar	26	555	423
Summa avsättningar		775	643
Långfristiga skulder			
Skulder till koncernföretag	27	-	589 015
Summa långfristiga skulder		0	589 015
Kortfristiga skulder			
Förskott från kunder		84	-
Leverantörsskulder		44 176	49 046
Skulder till koncernföretag	27	1 348 625	6 869
Aktuella skatteskulder		-	-
Övriga kortfristiga skulder		4 266	3 768
Upplupna kostnader och förutbetalda intäkter	28	88 546	101 989
Summa kortfristiga skulder		1 485 697	161 672
Summa eget kapital och skulder		2 673 099	2 370 231

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Kassaflödesanalys	**2024**	**2023**
Den löpande verksamheten		
Rörelseresultat före finansiella poster	56 911	90 331
Justering för poster som inte ingår i kassaflödet:		
Avskrivningar	19 766	18 917
Avsättningar / reserveringar	-132	-261
Realisationsförlust / -vinst	-636	-134
Erhållen ränta	41 479	35 228
Erhållna utdelningar	-	7 010
Erlagd ränta	-18 804	-18 810
Betald inkomstskatt	-28 860	-36 332
Kassaflöde från den löpande verksamheten före förändring av rörelsekapital	69 724	95 949
Ökning/minskning varulager	32 047	-10 549
Ökning/minskning kundfordringar	19 220	-7 344
Ökning/minskning kortfristiga fordringar	-47 437	-981
Ökning/minskning leverantörsskulder	-4 870	-13 451
Ökning/minskning kortfristiga rörelseskulder	739 740	-21 069
Kassaflöde från den löpande verksamheten	808 424	42 555
Investeringsverksamheten		
Investeringar i materiella anläggningstillgångar	-47 476	-43 717
Sålda materiella anläggningstillgångar	641	5 349
Sålda andelar i dotterföretag	14 228	-
Kassaflöde från investeringsverksamheten	-32 607	-38 368
Finansieringsverksamheten		
Lämnad utdelning	-750 000	-
Kassaflöde från finansieringsverksamheten	-750 000	0
Årets kassaflöde	25 817	4 187
Likvida medel vid årets början	8 422	4 235
Likvida medel vid årets slut	34 239	8 422

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Noter

Not 1 Redovisnings- och värderingsprinciper

Moderföretagets redovisnings- och värderingsprinciper

Årsredovisningen är upprättad med tillämpning av årsredovisningslagen och Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).
Redovisningsprinciperna är oförändrade jämfört med föregående år.

Koncerntillhörighet

Närmast överordnade moderföretag som upprättar koncernredovisning i vilken företaget ingår är Barnes Group Inc. vilket även är moderföretag för hela koncernen. Årsredovisningen för Barnes Group Inc. går att finna på https://ir.onebarnes.com/home/default.aspx.

Koncernredovisning

Företaget är ett moderföretag men upprättar ingen koncernredovisning med hänvisning till undantagsregeln i årsredovisningslagen 7 kap. 2 §.

Intresseföretag

Aktieinnehav i intresseföretag avser innehav i vilka bolaget har lägst 20% och högst 50% av rösterna eller på annat sätt har betydande inflytande över den driftsmässiga och finansiella styrningen.

Utländska valutor

Monetära tillgångs- och skuldposter i utländsk valuta värderas till balansdagens kurs. Transaktioner i utländsk valuta omräknas till respektive månads genomsnittskurs.

Strömsholmen AB valutasäkrar löpande nettot av kundfordringar, leverantörsskulder samt banktillgodohavanden i utländsk valuta. Del av kommande 24 månaders prognostiserade försäljning till europeiska marknaden valutasäkras via användandet av terminer. Fordringar och skulder som ingår i valutasäkringen redovisas till terminskurs endast i de fall terminskursen är mindre fördelaktig än balansdagens kurs. Detta innebär att orealiserade valutakursförluster redovisas som en skuld i balansräkningen medan orealiserade valutakursvinster ej beaktas i redovisningen.

Intäkter

Försäljning av varor redovisas när väsentliga risker och fördelar övergår från säljare till köpare i enlighet med försäljningsvillkoren. Försäljningen redovisas efter avdrag för moms och rabatter. En större del av bolagets försäljning sker till utomstående distributörer. Det förekommer att priset till utomstående distributörer ej fastställs förrän distributörerna sålt varan vidare till tredje part. I balansräkningen finns under upplupna kostnader en reserv som avser beräknade framtida rabatter till utomstående distributörer avseende varor som sålts från Strömsholmen till den utomstående

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distributören men där den utomstående distributören ej ännu sålt varan till tredje part.

Ränteintäkter redovisas i enlighet med effektivräntemetoden. Utdelning redovisas när rätten att erhålla utdelningen är säkerställd.

Övriga rörelseintäkter
Som övriga rörelseintäkter har redovisats intäkter för aktiviteter utanför ordinarie verksamhet. Statliga bidrag har redovisats som övriga rörelseintäkter.

Inkomstskatter
Aktuella skatter värderas utifrån de skattesatser och skatteregler som gäller på balansdagen. Uppskjutna skatter värderas utifrån de skattesatser och skatteregler som är beslutade före balansdagen. Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den utsträckning det är sannolikt att avdraget kan avräknas mot överskott vid framtida beskattning. Fordringar och skulder nettoredovisas endast när det finns en legal rätt till kvittning.
Aktuell skatt, liksom förändring i uppskjuten skatt, redovisas i resultaträkningen om inte skatten är hänförlig till en händelse eller transaktion som redovisas direkt i eget kapital. Skatteeffekter av poster som redovisas direkt mot eget kapital, redovisas mot eget kapital.

Immateriella tillgångar

Immateriella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar och nedskrivningar. Avskrivningstiden för internt upparbetade immateriella anläggningstillgångar och programvaror uppgår till 3-5 år. Bolaget tillämpar kostnadsföringsmodellen avseende internt upparbetade immateriella tillgångar. Utgifterna för detta redovisas som kostnad när de uppkommer. Inga låneutgifter aktiveras från och med 2019.

Materiella anläggningstillgångar

Materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med avskrivningar. I anskaffningsvärdet ingår utgifter som direkt kan hänföras till förvärvet av tillgången. Inga låneutgifter aktiveras från och med 2019. När en komponent i en anläggningstillgång byts ut, utrangeras eventuell kvarvarande del av den gamla komponenten och den nya komponentens anskaffningsvärde aktiveras. Tillkommande utgifter som avser tillgångar som inte delas upp i komponenter läggs till anskaffningsvärdet om de beräknas ge företaget framtida ekonomiska fördelar, till den del tillgångens prestanda ökar i förhållande till tillgångens värde vid anskaffningstidpunkten.

Utgifter för löpande reparation och underhåll redovisas som kostnader.

Realisationsvinst respektive realisationsförlust vid avyttring av en anläggningstillgång redovisas som Övrig rörelseintäkt respektive Övrig rörelsekostnad.

Materiella anläggningstillgångar skrivs av systematiskt över tillgångens bedömda nyttjandeperiod. Bolagets mark har obegränsad nyttjandeperiod och skrivs inte av. Linjär avskrivningsmetod används för övriga typer av materiella tillgångar.

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Följande avskrivningstider tillämpas:

Industribyggnader	
Stommar, fasader, yttertak	25-50 år
Hissar och lyftanordningar	20-50 år
Övrigt	17-50 år
Markanläggningar	20 år
Maskiner och andra tekniska anläggningar	7-12 år
Inventarier, verktyg och installationer	3-12 år

Leasingavtal

Samtliga leasingavtal där bolaget är leasetagare redovisas som operationell leasing (hyresavtal), oavsett om avtalen är finansiella eller operationella. Leasingavgiften redovisas som en kostnad linjärt över leasingperioden. Anledningen till att redovisa samtliga leasingavtal som operationella leasingavtal är att värdet av bolagets finansiella leasingavtal uppgår till obetydligt belopp.

Finansiella instrument

Finansiella instrument redovisas i enlighet med reglerna i K3 kapitel 11, vilket innebär att värdering sker utifrån anskaffningsvärde.
Finansiella instrument som redovisas i balansräkningen inkluderar värdepapper, kundfordringar och övriga fordringar, kortfristiga placeringar, leverantörsskulder, och låneskulder.

Instrumenten redovisas i balansräkningen när Strömsholmen AB 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.

Kundfordringar och övriga fordringar
Fordringar redovisas som omsättningstillgångar med undantag för poster med förfallodag mer än 12 månader efter balansdagen, vilka klassificeras som anläggningstillgångar. Fordringar tas upp till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar. Fordringar som är räntefria eller som löper med ränta som avviker från marknadsräntan och har en löptid överstigande 12 månader redovisas till ett diskonterat nuvärde och tidsvärdeförändringen redovisas som ränteintäkt i resultaträkningen.

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.

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Derivatinstrument
Strömsholmen AB utnyttjar derivatinstrument för att hantera valutarisken som uppstår vid försäljning av gasfjädrar samt inköp av stål för tillverkning av gasfjädrar. Bolaget valutasäkrar via korta terminer 100% av all valutaexponering i balansräkningen relaterat till kundfordringar, leverantörsskulder samt banktillgodohavanden. Bolaget valutasäkrar via längre terminer även del av framtida försäljningsprognos till den europeiska marknaden. För samtliga dessa transaktioner tillämpas ej säkringsredovisning utan terminerna värderas löpande i enlighet med lägsta värdets princip, varvid de värdeförändringar som uppkommer inom ramen för lägsta värdets princip omedelbart redovisas i resultaträkningen. Värdeförändringar på derivatinstrument redovisas bland övriga rörelsekostnader i resultaträkningen. Orealiserade valutakursförluster på derivatinstrument redovisas bland upplupna kostnader i balansräkningen.

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.

Nedskrivningsprövning av finansiella anläggningstillgångar
Vid varje balansdag bedömer Strömsholmen AB om det finns någon indikation på nedskrivningsbehov i någon utav de finansiella anläggningstillgångarna. Nedskrivning sker om värdenedgången bedöms vara bestående. Nedskrivning redovisas i resultaträkningsposten Resultat andelar i koncernföretag. Nedskrivningsbehovet prövas individuellt för aktier och andelar och övriga enskilda finansiella anläggningstillgångar som är väsentliga. Exempel på indikationer på nedskrivningsbehov är negativa ekonomiska omständigheter eller ogynnsamma förändringar av branschvillkor i företag vars aktier Strömsholmen AB investerat i. Nedskrivning för tillgångar värderade till upplupet anskaffningsvärde beräknas som skillnaden mellan tillgångens redovisade värde och nuvärdet av företagsledningens bästa uppskattning av de framtida kassaflödena diskonterade med tillgångens ursprungliga effektivränta. Om nedskrivning av aktier sker fastställs nedskrivningsbeloppet som skillnaden mellan det redovisade värdet och det högsta av verkligt värde med avdrag för försäljningskostnader och nuvärdet av framtida kassaflöden (som baseras på företagsledningens bästa uppskattning).

Varulager

Varulagret värderas till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet. Anskaffningsvärdet fastställs med användning av först in, först ut-metoden (FIFU). För råvaror ingår alla utgifter som är direkt hänförliga till anskaffningen av varorna i anskaffningsvärdet. För varor under tillverkning och färdiga varor inkluderar anskaffningsvärdet för råmaterial, direkt lön, andra direkta kostnader samt hänförbara indirekta tillverkningskostnader. Nedskrivning av lagervärdet sker för inkurans baserat på historiskt utfall av försäljning av olika typer av produkter.

ank=20250707;20250709094421

Avsättningar

Företaget gör en avsättning när det finns en legal eller informell förpliktelse och en tillförlitlig uppskattning av beloppet kan göras. Vid försäljning ger företaget kunderna viss rätt att returnera produkter ifall produkterna visar upp defekter relaterat till design eller produktion av produkterna. Avsättningar för sådana returer baseras på historisk information om returer samt aktuella trender som kan tyda på att framtida returer kan komma att avvika från de historiska. Utöver detta sker avsättning för kända garantiåtaganden.

Ersättningar till anställda

Kortfristiga ersättningar: Kortfristiga ersättningar i koncernen utgörs av lön, sociala avgifter, betald semester, betald sjukfrånvaro, sjukvård och bonus. Kortfristiga ersättningar redovisas som en kostnad och en skuld då det finns en legal eller informell förpliktelse att betala ut en ersättning.

Ersättningar efter avslutad anställning: I bolaget förekommer såväl avgiftsbestämda som förmånsbestämda pensionsplaner. I avgiftsbestämda planer betalar företaget fastställda avgifter till ett annat företag och har inte någon legal eller informell förpliktelse att betala något ytterligare även om det andra företaget inte kan uppfylla sitt åtagande. Bolagets resultat belastas för kostnader i takt med att de anställdas tjänster utförts. Bolaget redovisar förmånsbestämda pensionsplaner i enlighet med K3s förenklingsregler som innebär att pensionspremier betalas och dessa planer redovisas som avgiftsbestämda planer.

Rapportering för verksamhetsgrenar och geografiska marknader

Bolagets verksamhetsgrenar utgörs av produktion och försäljning av gasfjädrar och liknande produkter främst till bilindustrin. Bolagets omsättning sker över hela världen där 32% (32%) av försäljningen sker till Europa, 11% (11 %) till Nordamerika och 54% (52%) av försäljningen sker till Asien med fokus på Kina, Japan och Sydkorea. Resterande 3% (5%) avser övriga världsdelar.

Kassaflödesanalys

Kassaflödesanalysen upprättas enligt indirekt metod. Det redovisade kassaflödet omfattar endast transaktioner som medfört in- eller utbetalningar.
Som likvida medel klassificerar företaget, förutom kassamedel, disponibla tillgodohavanden hos banker och andra kreditinstitut.

Eget kapital
Eget kapital delas in i bundet och fritt kapital, i enlighet med ÅRLs indelning.

Obeskattade reserver
Obeskattade reserver redovisas med bruttobelopp i balansräkningen, inklusive den uppskjutna skatteskuld som är hänförlig till reserverna.

Bokslutsdispositioner
Förändringar av obeskattade reserver redovisas som bokslutsdispositioner i resultaträkningen.

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Aktier och andelar i dotterföretag
Aktier och andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott och koncernbidrag läggs till anskaffningsvärdet när de uppkommer. Utdelning från dotterföretag redovisas som intäkt.

Nyckeltalsdefinitioner

Soliditet
Eget kapital och obeskattade reserver (med avdrag för uppskjuten skatt) i förhållande till balansomslutningen.

Avkastning på totalt kapital
Resultat efter finansiella poster före avdrag för räntekostnader i förhållande till balansomslutningen.

Avkastning på eget kapital
Resultat efter finansiella poster i förhållande till eget kapital och obeskattade reserver (med avdrag för uppskjuten skatt).

Not 2 Uppskattningar och bedömningar

Strömsholmen AB gör uppskattningar och bedömningar om framtiden. De uppskattningar för redovisningsändamål som blir följden av dessa kommer, definitionsmässigt, sällan att motsvara det verkliga resultatet. De uppskattningar och antaganden som innebär en betydande risk för väsentliga justeringar i redovisade värden för tillgångar och skulder under nästkommande år behandlas i huvuddrag nedan.

Rabatter till utomstående distributörer
En större del av moderbolagets försäljning sker till utomstående distributörer. Det förekommer att priset till utomstående distributörer ej fastställs förrän distributörerna sålt varan vidare till tredje part. I balansräkningen finns under upplupna kostnader en reserv som avser beräknade framtida rabatter till utomstående distributörer avseende varor som sålts från Strömsholmen till den utomstående distributören men där den utomstående distributören ej ännu sålt varan till tredje part.

Inkurans i varulager
I bokslutet görs nedskrivning för inkurans baserat på aktuellt antal artiklar i lager jämfört med historisk försäljning av varje artikel under de senaste 12 - 48 månaderna

Garantireservationer
Vid försäljning ger företaget kunderna viss rätt att returnera produkter ifall produkterna visar upp defekter relaterat till design eller produktion av produkterna. Avsättningar för sådana returer baseras på historisk information om returer samt aktuella trender som kan tyda på att framtida returer kan komma att avvika från de historiska. Utöver detta sker avsättning för kända garantiåtaganden.

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Bedömd nyttjandeperiod för materiella anläggningstillgångar
De antaganden som gjort avseende ekonomisk livslängd per anläggningstyp framgår av not 1 under rubriken "Materiella anläggningstillgångar". Bedömningen sker med utgångspunkt från den erfarenhet företagsledningen har av liknande tillgångar och den tänkta användningen i verksamheten.

Andelar i dotterföretag
Vid varje balansdag bedömer Strömsholmen AB om det finns någon indikation på nedskrivningsbehov i någon utav de finansiella anläggningstillgångarna. Nedskrivning sker om värdenedgången bedöms vara bestående. Nedskrivning redovisas i resultaträkningsposten Resultat från andelar i koncernföretag.
Nedskrivningsbehovet prövas individuellt för aktier och andelar och övriga enskilda finansiella anläggningstillgångar som är väsentliga. Exempel på indikationer på nedskrivningsbehov är negativa ekonomiska omständigheter eller ogynnsamma förändringar av branschvillkor i företag vars aktier Strömsholmen AB investerat i. Nedskrivning för tillgångar värderade till upplupet anskaffningsvärde beräknas som skillnaden mellan tillgångens redovisade värde och nuvärdet av företagsledningens bästa uppskattning av de framtida kassaflödena diskonterade med tillgångens ursprungliga effektivränta. Om nedskrivning av aktier sker fastställs nedskrivningsbeloppet som skillnaden mellan det redovisade värdet och det högsta av verkligt värde med avdrag för försäljningskostnader och nuvärdet av framtida kassaflöden (som baseras på företagsledningens bästa uppskattning).

Not 3 Nettoomsättningens fördelning på verksamhetsgrenar och geografiska marknader

	2024	2023
Nettoomsättningen fördelar sig på verksamhetsgrenar enligt följande:		
Försäljning av gasfjädrar m.m.	568 167	598 500
Robotfjädrar och specialcylindrar samt tung fordonsfjädring	77 471	111 276
Summa	645 638	709 776
Nettoomsättningen fördelar sig på geografiska marknader enligt följande:		
Norden	19 374	15 403
Europa exkl Norden	189 654	208 634
Nordamerika	70 447	81 052
Asien	346 287	371 023
Övriga marknader	19 876	33 664
Summa	645 638	709 776

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Not 4 Övriga rörelseintäkter

	2024	2023
Avyttring anläggningstillgångar	636	135
Försäkringsersättning	315	-
Ersättning kostnader Brexit	-	106
Summa	951	241

Not 5 Ersättning till revisorerna

	2024	2023
PwC		
Revisionsuppdraget	906	1 596
Summa	906	1 596

Not 6 *Finansiella leasingavtal*

Samtliga leasingavtal där bolaget är leasetagare redovisas som operationell leasing (hyresavtal), oavsett om avtalen är finansiella eller operationella. Leasingavgiften redovisas som en kostnad linjärt över leasingperioden. Anledningen till att redovisa samtliga leasingavtal som operationella leasingavtal är att värdet av bolagets finansiella leasingavtal uppgår till obetydligt belopp. I bolagets resultat ingår kostnader för leasingavgifter med 1 400 kSEK (1 563 kSEK).

Not 7 Löner, andra ersättningar och sociala kostnader

	2024	2023
Medelantalet anställda		
Kvinnor	69	69
Män	255	254
Totalt	324	323

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	2024	2023
Löner, ersättningar, sociala avgifter och pensionskostnader		
Löner och ersättningar till styrelsen och verkställande direktören	-	951
Löner och ersättningar till övriga anställda	171 637	176 033
	171 637	176 984
Sociala avgifter enligt lag och avtal	54 542	56 812
Pensionskostnader för styrelsen och verkställande direktören	-	356
Pensionskostnader för övriga anställda	17 159	17 318
Totalt	243 338	251 470

Inget avtal finns om avgångsvederlag för VD eller andra ledande befattningshavare.

Styrelseledamöter och ledande befattningshavare		
Antal styrelseledamöter på balansdagen		
Kvinnor	1	1
Män	3	3
Totalt	4	4
Antal verkställande direktörer och andra ledande befattningshavare		
Kvinnor	1	1
Män	6	6
Totalt	7	7

ank=20250707-20250709426

Not 8 Resultat från andelar i koncernföretag

	2024	2023
Anticipierad utdelningar	909 163	-
Utdelning	-	7 010
Avyttring dotterbolag	6 344	-
Nedskrivningar av dotterbolag	-652 572	-
Summa	262 935	7 010

Not 9 Övriga ränteintäkter och liknande resultatposter

	2024	2023
Ränteintäkter	41 479	35 228
Summa	41 479	35 228
Varav avseende koncernföretag	38 964	34 483

Not 10 Räntekostnader och liknande resultatposter

	2024	2023
Räntekostnader till koncernföretag	-18 541	-18 558
Övriga räntekostnader och liknande resultatposter	-263	-252
Summa	-18 804	-18 810

Not 11 Bokslutsdispositioner

	2024	2023
Skillnad mellan bokförda avskrivningar och avskrivningar enligt plan	-12 000	-2 000
Förändring av periodiseringsfond	17 000	20 000
Summa	5 000	18 000

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Not 12 Skatt på årets resultat

	2024	2023
Aktuell skatt	-24 856	-28 893
Innehållen källskatt på utdelning från utland	-	-1 052
Uppskjuten skatt	61	-1 864
Skatt på årets resultat	-24 795	-31 809
Redovisat resultat före skatt	347 521	131 759
Skatt beräknad enligt gällande skattesats	-71 589	-27 142
Skatteeffekt av ej avdragsgilla kostnader	-3 999	-2 284
Skatteeffekt av ej skattepliktig utdelning	188 594	1 444
Skatteeffekt av ej avdragsgill nedskrivning dotterbolag	-134 430	-
Skatteeffekt av schablonränta på periodiseringsfond	-643	-742
Innehållen källskatt på utdelning från utland	-	-1 052
Skatteeffekt på temporära skillnader	-2 728	-2 033
Redovisad skattekostnad	-24 795	-31 809

Not 13 Balanserade utgifter för utvecklingsarbeten

	2024	2023
Ingående anskaffningsvärden	24 188	29 262
Årets aktiverade utgifter	-	268
Försäljningar och utrangeringar	-	-5 342
Utgående ackumulerade anskaffningsvärden	24 188	24 188
Ingående avskrivningar	-23 593	-23 232
Försäljningar och utrangeringar	-	127
Årets avskrivningar	-434	-488
Utgående ackumulerade avskrivningar	-24 027	-23 593
Utgående restvärde enligt plan	161	595

ank=20250707;20250707090428

Not 14 Byggnader och mark

	2024	2023
Ingående anskaffningsvärden	101 385	101 385
Omklassificeringar	6 225	-
Utgående ackumulerade anskaffningsvärden	107 610	101 385
Ingående avskrivningar	-43 380	-40 996
Årets avskrivningar	-2 365	-2 384
Utgående ackumulerade avskrivningar	-45 745	-43 380
Utgående restvärde enligt plan	61 865	58 005

Not 15 Maskiner och andra tekniska anläggningar

	2024	2023
Ingående anskaffningsvärden	324 077	306 630
Försäljningar och utrangeringar	-	-3 186
Omklassificeringar	65 653	20 633
Utgående ackumulerade anskaffningsvärden	389 730	324 077
Ingående avskrivningar	-256 559	-247 283
Försäljningar och utrangeringar	-	3 186
Årets avskrivningar	-13 318	-12 462
Utgående ackumulerade avskrivningar	-269 877	-256 559
Utgående restvärde enligt plan	119 853	67 518

ank=20250707;20250709429

Not 16 Inventarier, verktyg och installationer

	2024	2023
Ingående anskaffningsvärden	44 467	41 485
Försäljningar och utrangeringar	-17	-59
Omklassificeringar	281	3 041
Utgående ackumulerade anskaffningsvärden	44 731	44 467
Ingående avskrivningar	-33 466	-29 943
Försäljningar och utrangeringar	12	59
Årets avskrivningar	-3 053	-3 582
Utgående ackumulerade avskrivningar	-36 507	-33 466
Utgående restvärde enligt plan	8 224	11 001

Not 17 Pågående nyanläggningar och förskott avseende materiella och immateriella anläggningstillgångar

	2024	2023
Ingående nedlagda kostnader	35 559	15 786
Under året nedlagda kostnader	48 504	43 447
Under året genomförda omfördelningar	-73 187	-23 674
Utgående nedlagda kostnader	10 876	35 559

Av utgående nedlagda kostnader utgör 0 kSEK (0) immateriella anläggningstillgångar.

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Not 18 Andelar i intresseföretag och gemensamt styrda företag

	Org nr	Säte
Ressorts spec SAS	R.C.S. Versailles B 393006887 (1993 B 02765)	Frankrike

	Kapital-andel %	Rösträtts-andel %	Bokfört värde 2024-12-31	Bokfört värde 2023-12-31
Direkt ägda				
Ressorts spec SAS	23	23	12 191	12 191
Summa			12 191	12 191

Not 19 Andelar i koncernföretag

	Org nr	Säte
Barnes Group (UK) Ltd	2399147	Corsham, Wiltshire, England
Barnes Group Spain S L	01332956	Vitoria, Gasteiz, Spanien
Heinz Hänggi Stanztechnik Gmbh	CH-254.3.000.409-4	Betlach, Schweiz

	Kapital-andel %	Rösträtts-andel %	Bokfört värde 24-12-31	Bokfört värde 23-12-31
Barnes Group (UK) Ltd	62,2	62,2	112 707	112 707
Barnes Group Spain S L	100,0	100,0	9 135	9 135
Barnes Group Thailand Ltd				7 885
Heinz Hänggi Stanztechnik, GmbH	65,0	65,0		652 572
Summa			121 842	782 299

	2024	2023
Ingående anskaffningsvärden	863 726	863 726
-Avyttringar	-7 884	-
Utgående ackumulerat anskaffningsvärde	855 842	863 726
Ingående nedskrivningar	-81 427	-81 427

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	2024	2023
-Nedskrivningar	-652 573	-
Utgående ackumulerade nedskrivningar	-734 000	-81 427
Utgående redovisat värde	121 842	782 299

Not 20 Uppskjuten skatt

	2024	2023
Skillnaden mellan å ena sidan den inkomstskatt som har redovisats i resultaträkningen samt å andra sidan den inkomstskatt som belöper sig på verksamheten utgörs av		
Uppskjutna skatteskulder		
uppskjuten skatteskuld hänförlig till bokförda övervärden avseende materiella anläggningstillgångar	220	220
Totalt uppskjutna skatteskulder	220	220
Uppskjutna skattefordringar		
Uppskjuten skattefordran avseende inkurans i varulager	1 073	995
Uppskjuten skattefordran avseende garantireserv	114	86
Uppskjuten skattefordran avseende finansiella instrument	194	303
Uppskjuten skattefordran avseende osäkra fodringar	6	-
Totalt uppskjutna skattefordringar	1 387	1 384
Uppskjutna skattefordringar, netto	1 167	1 165

Not 21 Förutbetalda kostnader och upplupna intäkter

	2024-12-31	2023-12-31
Upplupna ränteintäkter	1 191	-
Upplupna intäkter	460	757
Förutbetald försäkring	302	312
Förutbetald licensavgift	8 257	2 153
Övriga poster	2 425	2 132
Summa	12 635	5 354

ank=20250707;20250709432

Not 22 Checkräkningskredit

	2024-12-31	2023-12-31
Beviljat belopp på checkräkningskredit uppgår till	19 041	18 524

Not 23 Aktiekapital

Aktiekapitalet består av 1 000 st aktier med kvotvärde 100 kr. Aktieägarna har lämnat aktieägartillskott som uppgår till totalt 317 070 tkr (317 070 tkr).

Not 24 Förslag till vinstdisposition

Till bolagsstämmans förfogande står följande vinstmedel:

Balanserade vinstmedel	532 781
Årets vinst	322 726
Utdelning enligt extra stämma i april 2025	-349 668
	505 839

Styrelsen föreslår att vinstmedlen disponeras så

att till aktieägarna utdelas	325 000
att i ny räkning överförs	180 839
	505 839

Not 25 Obeskattade reserver

	2024-12-31	2023-12-31
Ackumulerad skillnad mellan bokförda avskrivningar och avskrivningar enligt plan	73 000	61 000
Periodiseringsfond	258 000	275 000
Summa	331 000	336 000

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Not 26 Övriga avsättningar

Garantiåtaganden
Vid försäljning ger koncernen kunderna viss rätt att returnera produkter ifall produkterna visar upp defektet relaterat till design eller produktion av produkterna. Avsättningar för sådana returer baseras på historisk information om returer samt aktuella trender som kan tyda på att framtida returer kan komma att avvika från de historiska. En avsättning på 555 kSEK (423 kSEK) har redovisats på balansdagen för förväntade garantianspråk, och ersättningsdelar.

Not 27 Transaktioner med närstående

		2024	2023
Uppgifter om moderföretaget			
Strömsholmen AB är dotterföretag till Barnes Group Inc. och koncernredovisning upprättas av Barnes Group Inc. Barnes Group Inc. förvärvades efter årsskiftet av Apollo Funds (USA), noterade på New York Stock Exchange ("APO"). I och med att Apollo Funds slutförde transaktionen den 27 januari 2025 blev Barnes Group Inc avregistrerade från börsen.			
Inköp och försäljning mellan koncernföretag			
Nedan anges andelen av årets inköp och försäljning avseende koncernföretag.			
Inköp	(%)	2	2
Försäljning	(%)	50	48
Lån från närstående			
Lån från koncernbolag:			
Ingående balans		589 015	589 015
Utgående balans		589 015	589 015
Lånet från koncernbolag kommer att betalas tillbaka inom 1 år.			
Övrigt			
I separata noter finns upplysningar om löner m.m. till styrelse och VD.			

Not 28 Upplupna kostnader och förutbetalda intäkter

	2024-12-31	2023-12-31
Upplupna löner och semesterlöner	31 515	30 634
Upplupna sociala avgifter	14 779	13 725
Upplupna rabatter till kunder	31 771	46 425
Orealiserad förlust finansiella instrument	942	1 469
Övriga poster	9 539	9 736
Summa	88 546	101 989

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Not 29 Ställda säkerheter

	2024-12-31	2023-12-31
För egna avsättningar och skulder		
Avseende Skulder till kreditinstitut		
Fastighetsinteckningar	10 000	10 000
Summa ställda säkerheter	10 000	10 000

Not 30 Eventualförpliktelser

Det finns inga eventualförpliktelser i bolaget.

Not 31 Händelser efter balansdagen

Efter bokslutsdagen har moderbolaget för koncernen köpts upp av Apollo Funds som kommer att påverka koncernstrukturern framöver och vissa interna rapporteringskrav eftersom Strömsholmen numera är ett privatägt bolag.

I samband med Apollo Funds köp har vi bekräftat och omformulerat våra strategiska mål som kommer att ge oss en tydlig väg framåt med specifika initiativ på både intäkt såväl som kostnadssidan.

I och med den fortsatta osäkerheten kring det världspolitiska läget upplever vi ett fortsatt högt inflationstryck som påverkar priser för råvaror, frakter och inköpt material. Bolaget har god erfarenhet av att hantera denna typ av utmaningar och påverkan bedöms vara hanterbar.

Vi ser dessutom en fortsatt ökad osäkerhet på de marknader där vi är verksamma. Efterfrågan kan komma att fortsätta vara mer volatil än vi är vana vid till. Den allmänna ekonomiska utvecklingen i världen har också blivit mer osäker.

Inga övriga väsentliga händelser har inträffat efter räkenskapsårets utgång.

Tranås 2025 -06-30

Michael Kennedy
Ordförande

Heather Poutouves

Thomas Posch

Håkan Andersson

Vår revisionsberättelse har lämnats _____-___-___.

PricewaterhouseCoopers AB

Eric Valfridsson
Auktoriserad revisor

ank=20250707-20250709:0435

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Tranås 2025-06-30

Michael Kennedy
Ordförande

Heather Poutouves

Thomas Posch

Håkan Andersson

Vår revisionsberättelse har lämnats 2025-06-30.

PricewaterhouseCoopers AB

Eric Valfridsson
Auktoriserad revisor

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Revisionsberättelse

Till bolagsstämman i Strömsholmen Aktiebolag, org.nr 556463-3930

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Strömsholmen Aktiebolag för år 2024 med undantag för den lagstadgade hållbarhetsrapporten på sidorna 5-11.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Strömsholmen Aktiebolags finansiella ställning per den 31 december 2024 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Våra uttalanden omfattar inte den lagstadgade hållbarhetsrapporten på sidorna 5-11. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för Strömsholmen Aktiebolag.

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 Strömsholmen Aktiebolag 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.

Annan information än årsredovisningen

Detta dokument innehåller även annan information än årsredovisningen och återfinns på sidorna 5-11. Det är styrelsen som har ansvaret för denna andra information.

Vårt uttalande avseende årsredovisningen omfattar inte denna information och vi gör inget uttalande med bestyrkande avseende denna andra information.

I samband med vår revision av årsredovisningen är det vårt ansvar att läsa den information som identifieras ovan och överväga om informationen i väsentlig utsträckning är oförenlig med årsredovisningen. Vid denna genomgång beaktar vi även den kunskap vi i övrigt inhämtat under revisionen samt bedömer om informationen i övrigt verkar innehålla väsentliga felaktigheter.

Om vi, baserat på det arbete som har utförts avseende denna information, drar slutsatsen att den andra informationen innehåller en väsentlig felaktighet, är vi skyldiga att rapportera detta. Vi har inget att rapportera i det avseendet.

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 de 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. De 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.

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En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

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 Strömsholmen Aktiebolag 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 Strömsholmen Aktiebolag 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.

En ytterligare beskrivning av vårt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Revisorns yttrande avseende den lagstadgade hållbarhetsrapporten

Det är styrelsen som har ansvaret för den lagstadgade hållbarhetsrapporten för år 2024 på sidorna 5-11 och för att den är upprättad i enlighet med årsredovisningslagen i enlighet med den äldre lydelsen som gällde före den 1 juli 2024.

Vår granskning har skett enligt FAR:s uttalande RevR 12 Revisorns yttrande om den lagstadgade hållbarhetsrapporten. Detta innebär att vår granskning av den lagstadgade hållbarhetsrapporten har en annan inriktning och en väsentligt mindre omfattning jämfört med den inriktning och omfattning som en revision enligt International Standards on Auditing och god revisionssed i Sverige har. Vi anser att denna granskning ger oss tillräcklig grund för vårt uttalande.

En lagstadgad hållbarhetsrapport har upprättats.

Jönköping den 30 juni 2025

PricewaterhouseCoopers AB

Eric Valfridsson
Auktoriserad revisor

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ANNUAL REPORT

For the fiscal year ended December 31, 2024

Pursuant to Section 4.02(a) of the Indenture governing
the 6.75% Senior Secured Notes due 2032 of Goat Holdco, LLC

Pursuant to Section 5.04 of the First Lien Credit Agreement dated January 27, 2025

BARNES GROUP INC

123 Main Street
Bristol, Connecticut 06010
(860) 583-7070

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FORWARD-LOOKING STATEMENTS

This Annual Report for the year ended December 31, 2024 (this "Annual Report") may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements often address our expected future operating and financial performance and financial condition, and often contain words such as "anticipate," "believe," "expect," "plan," "estimate," "project," "continue," "will," "should," "may," and similar terms. These forward-looking statements do not constitute guarantees of future performance and are subject to a variety of risks and uncertainties that may cause actual results to differ materially from those expressed in the forward-looking statements. These risks and uncertainties include, among others: the Company's ability to manage economic, business and geopolitical conditions, including rising interest rates, global price inflation and shortages impacting the availability of materials; the duration and severity of unforeseen events such as an epidemic or a pandemic, including their impacts across our business on demand, supply chains, operations and liquidity; failure to successfully negotiate collective bargaining agreements or potential strikes, work stoppages or other similar events; changes in market demand for our products and services; rapid technological and market change; the ability to protect and avoid infringing upon intellectual property rights; challenges associated with the introduction or development of new products or transfer of work; higher risks in global operations and markets; the impact of intense competition; the physical and operational risks from natural disasters, severe weather events, and climate change which may limit accessibility to sufficient water resources, outbreaks of contagious diseases and other adverse public health developments; acts of war, terrorism and other international conflicts; the failure to achieve anticipated cost savings and benefits associated with workforce reductions and restructuring actions; currency fluctuations and foreign currency exposure; impacts from goodwill impairment and related charges; our dependence upon revenues and earnings from a small number of significant customers; a major loss of customers; inability to realize expected sales or profits from existing backlog due to a range of factors, including changes in customer sourcing decisions, material changes, production schedules and volumes of specific programs; the impact of government budget and funding decisions; our ability to successfully integrate and achieve

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anticipated synergies associated with recently announced and future acquisitions; government-imposed sanctions, tariffs, trade agreements and trade policies; changes or uncertainties in laws, regulations, rates, policies or interpretations that impact the Company's business operations or tax status, including those that address climate change, environmental, health and safety matters, and the materials processed by our products or their end markets; fluctuations in the pricing or availability of raw materials, freight, transportation, energy, utilities and other items required by our operations; labor shortages or other business interruptions at transportation centers, shipping ports, our suppliers' facilities or our facilities; disruptions in information technology systems, including as a result of cybersecurity attacks or data security breaches; the ability to hire and retain senior management and qualified personnel; the continuing impact of prior acquisitions and divestitures, and any ongoing and future strategic actions, and our ability to achieve the financial and operational targets set in connection with any such actions; the ability to achieve social and environmental performance goals; the outcome of pending and future litigation and governmental proceedings; the impact of actual, potential or alleged defects or failures of our products or third-party products within which our products are integrated, including product liabilities, product recall costs and uninsured claims; future repurchases of common stock; future levels of indebtedness; and other risks and uncertainties described in the Management's Discussion and Analysis of Financial Condition and Results of Operations and Risk Factors sections of this report. The Company assumes no obligation to update its forward-looking statements.

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PART I

Item 1. Business

BARNES GROUP INC. [1]

Barnes Group Inc. (the "Company" or "Barnes") leverages world-class manufacturing capabilities and market-leading engineering to develop advanced processes, automation solutions, and applied technologies for industries ranging from aerospace and medical & personal care to mobility and packaging. The Company's skilled and dedicated employees around the globe are committed to the highest performance standards and achieving consistent, sustainable profitable growth.

On January 27, 2025, Goat Holdco, LLC ("Parent" or the "Issuer"), a Delaware limited liability company, completed the acquisition of the Company, pursuant to the terms of the Agreement and Plan of Merger, dated as of October 6, 2024 (the "Merger Agreement"), by and among the Company, Parent, and Goat Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Parent ("Merger Sub"). Pursuant to the Merger Agreement, Merger Sub merged with and into the Company (the "Merger"), with the Company surviving the Merger as a wholly owned subsidiary of Parent. Parent and Merger Sub are affiliates of funds managed by affiliates of Apollo Global Management, Inc. Following the completion of the Merger, the Company's common stock ceased trading and the Company was delisted from the New York Stock Exchange.

Our Strategy

The Company's strategy has evolved to focus on three critical priorities to unlock the full potential of Barnes' enterprise value:

Drive Core Business Execution through "Top Line, Bottom Line & Pipeline Growth." We drive Top Line growth by identifying business activities that strengthen our direct connection with customers to increase bookings and effectively convert these into revenue. We drive Bottom Line growth by leveraging each Top Line growth opportunity using commercial excellence combined with operational productivity to generate improved profitability. This improved profitability funds future pipeline investments. We drive Pipeline growth by re-investing into product line innovation and intimate customer engagement to increase the vibrancy and attractiveness of Barnes to existing and future customers.

Scale our Aerospace Business. In 2023, we completed the acquisition of MB Aerospace Holdings Inc., a Delaware corporation ("MB Aerospace"). On a combined basis, Barnes Aerospace is now a truly global aerospace business with an expanded geographic reach, diverse capabilities, and offerings to serve markets and customers across the world. Our team has been working to integrate the organizations to drive profitable growth, maximize value, and scale the business. Additionally, Aerospace is making steady progress to increase capacity and capabilities to secure our ability to grow across our aerospace end markets with all customers.

Integrate, Consolidate & Rationalize our Industrial Business. We integrate our businesses, product lines, go-to-market strategies and processes to deliver improved effectiveness by leveraging the broad capabilities of the Company with each customer globally. We consolidate, including through the multi-phase facility consolidation projects already underway at Barnes, to improve facility utilization, better leverage manufacturing operations, and improve efficiency across the organization. We rationalize by carefully & comprehensively evaluating all operational costs and investments to focus expenditures on driving Return on Invested Capital in the most impactful manner. In April 2024, we sold our Associated Spring and Hänggi businesses.

These three strategic priorities will collectively work to drive transformational value creation within Barnes.

Structure

The Company operates under two global business segments: Aerospace and Industrial. The Aerospace segment includes the Original Equipment Manufacturing ("OEM") business and the Aftermarket business, which includes maintenance repair and overhaul ("MRO") services and the manufacture and delivery of aerospace aftermarket spare parts. The Industrial segment includes the Molding Solutions, Automation and Motion Control Solutions ("MCS") business units. In January 2024, the Company announced that it entered into a Share Purchase and Asset Agreement ("SPA") to sell its Associated Spring and Hänggi businesses (the "Businesses"). The Businesses operated within the Company's Force & Motion Control (formerly Motion Control Solutions) business. The Company completed the Sale of the Businesses to OEP on April 4, 2024. The completion of the Sale with our strategy to rationalize our Industrial business through portfolio simplification. See Item 7 and Note 3 of the Consolidated Financial Statements for additional disclosure related to this divestiture.

[1] As used in this Annual Report, "Company,", "Barnes", "Barnes Group," "we" and "our" refers to Barnes Group, Inc. and its consolidated subsidiaries except where the context requires otherwise, and "Aerospace" and "Industrial" refer to the Company's segments, not to separate corporate entities.

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REPORTABLE SEGMENTS

Aerospace

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

Aerospace's OEM business offers a comprehensive range of in-house manufacturing solutions and capabilities, including components and assemblies. The applications for these components primarily include engines, airframes and nacelles. Aerospace OEM competes with a large number of fabrication and machining companies. Our competitive advantage is based mainly on value derived from quality, concurrent engineering and technical capability, product breadth, solutions-providing new product introduction, timeliness, service and price. Aerospace's fabrication and machining operations, with facilities in Connecticut, Malaysia, Michigan, Ohio, Utah, Poland, the United Kingdom and Singapore, produce critical engine, nacelle and airframe components through technologically advanced manufacturing processes.

The Aerospace Aftermarket business supplements jet engine OEMs' maintenance, repair and overhaul capabilities, and competes with the service centers of major commercial airlines and other independent service companies for the repair and overhaul of turbine engine components. The manufacture and supply of aerospace aftermarket spare parts, including those related to the RSPs, are dependent upon the reliable and timely delivery of high-quality components. Aerospace's Aftermarket facilities, located in Connecticut, Ohio, Singapore and Taiwan, specialize in the repair and refurbishment of highly engineered components and assemblies such as cases, rotating life limited parts, rotating air seals, turbine shrouds, vanes and honeycomb air seals. Aerospace Aftermarket's facility in Malaysia is focused on the supply of spare parts. For additional information regarding net sales by geographic area, refer to Note 4 of the Consolidated Financial Statements. Sales by Aerospace to its largest customer, General Electric ("GE"), accounted for approximately 25% of its total sales in 2024. Sales to its next five largest customers in 2024 collectively accounted for approximately 15% of its total sales.

Industrial

The Industrial segment is a global provider of highly-engineered, high-quality precision components, products and systems for critical applications serving a diverse customer base in end-markets such as industrial equipment, automation, personal care, packaging, electronics, mobility and medical devices. Focused on innovative custom solutions, Industrial participates in the design phase of components and assemblies whereby customers receive the benefits of application and systems engineering, new product development, testing and evaluation, and the manufacturing of final products. Products are sold primarily through its direct sales force and global distribution channels. Industrial's Molding Solutions business designs and manufactures customized hot runner systems, advanced mold cavity sensors and process control systems, and precision high cavitation mold assemblies - collectively, the enabling technologies for many complex injection molding applications. The Automation business designs and develops robotic grippers, advanced end-of-arm tooling systems, sensors and other automation components for intelligent robotic handling solutions and industrial automation applications. The Force & Motion Control business (formerly the Motion Control Solutions business) provides innovative cost-effective force and motion control solutions for a wide range of metal forming and other industrial markets.

Industrial competes with a broad base of large and small companies engaged in the manufacture and sale of engineered products, precision molds, hot runner systems, robotic handling solutions and precision components. Industrial competes on the basis of quality, service, reliability of supply, engineering and technical capability, geographic reach, product breadth, innovation, design, timeliness and price. Industrial has a global presence, with manufacturing, distribution and assembly operations in the United States, China, Germany, Italy, and Sweden, among others. Industrial also has sales and service operations in the United States, China/Hong Kong, Germany, and Italy, among others. Sales by Industrial to its five largest customers accounted for approximately 10% of its sales in 2024.

Intellectual Property

Patents and other proprietary rights, including trade secrets, unpatented know-how such as know-how related to manufacturing processes, and continuing technological innovations, are important to our business. We own a large portfolio of patents, trademarks and trade names and are a party to certain intellectual property licenses that enhance our competitive position. While we consider them to be valuable assets, we do not believe that any of these patents, trademarks, licenses or

other intellectual property rights is individually significant to the Company or either of our segments. We maintain procedures to protect our intellectual property. For a discussion of certain risks related to the Company's intellectual property, see "Part I, Item 1A. Risk Factors - Risks Related to Intellectual Property."

Regulatory Capital Expenditures

The Company's efforts to comply with numerous federal, state and local laws and regulations applicable to its business and products often result in capital expenditures. The Company makes capital expenditures to design and upgrade its aerospace and industrial products to comply with or exceed standards applicable to the industries we serve. The Company's ongoing HSE compliance program also results in capital expenditures. Regulatory and HSE considerations are a part of significant capital expenditure decisions; however, expenditures during 2024 related solely to regulatory compliance were not material.

Raw Materials

The principal raw materials used to manufacture our products are various grades and forms of steel, from rolled steel bars, plates and sheets, to high-grade valve steel wires and sheets, various grades and forms (bars, sheets, forgings, castings and powders) of stainless steels, aluminum alloys, titanium alloys, copper alloys, graphite, and iron-based, nickel-based (Inconels) and cobalt-based (Hastelloys) superalloys for complex aerospace applications. Prices for steel, titanium, Inconel, Hastelloys, as well as other specialty materials, have periodically increased due to higher demand and, in some cases, reduction of the availability of materials. During portions of 2024 and 2023, for example, the Company experienced increased commodity and component prices and, in some instances, shortages due to supply chain disruptions, labor shortages, increased demand and other factors. The Company expects continued volatility in the availability and prices for commodities and raw materials that we use in our products and in our supply chain in fiscal year 2025.

SEASONALITY

No material portion of our business is considered to be seasonal.

GOVERNMENTAL REGULATIONS AND ENVIRONMENTAL MATTERS

We are subject to numerous environmental, legal, and regulatory requirements related to our products and global operations. For a discussion of the risks associated with these requirements, see "Part I - Item 1A - Risk Factors."

We are subject to laws and regulations related to anti-corruption such as the U.S. Foreign Corrupt Practices Act, data privacy and security laws, such as the European Union's General Data Protection Regulation, and regulations relating to import-export control. A portion of our products, including defense-related products, may require governmental licenses. Additionally, our U.S. government contracts are generally subject to Federal Acquisition Regulations ("FAR"), agency-specific regulations that implement or supplement FAR, and other applicable laws and regulations which impose a broad range of requirements, many of which are unique to government contracting. These include various procurement, import and export, security, disclosure of cost and pricing data, contract termination and adjustment, and audit requirements.

Our products and operations, including past and present business operations and, past and present ownership and operations of real property, are subject to a variety of extensive and changing U.S. federal, state, local, and non-U.S. environmental, health and safety laws and regulations concerning, among other things, the health and safety of our employees; product safety, packaging and labeling; the generation, storage, use, transportation and disposal of certain materials (including chemicals and hazardous materials) used in or derived from our manufacturing processes; emission or discharge of substances into the environment; and investigation and remediation of hazardous substances or materials at various sites. We use and generate hazardous substances and wastes in our operations. In addition, many of our current and former properties are or have been used for industrial purposes. Accordingly, we monitor hazardous waste management and applicable environmental permitting and reporting for compliance with applicable laws at our locations in the ordinary course of our business.

Moreover, climate change and other Environmental Safety and Governance-related ("ESG") laws, regulations, treaties, and similar initiatives and programs are being adopted and implemented throughout the world, many with which we will be required to comply. We are committed to maintaining compliance with ESG-related laws applicable to our operations and products. We endeavor to meet this commitment through our global HSE program described above, and an approach to ethical standards and strong governance that are foundational to our business.

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Item 1A. Risk Factors

Our business, financial condition, results of operations and/or cash flows could be materially and adversely affected by any of the following risks. Our business could also be affected by additional risks that are not presently known to us or that we currently consider to be immaterial. The below risks should be read in conjunction with Part II - Item 7 - "Management's Discussion and Analysis of Financial Condition and Results of Operations."

RISKS RELATED TO OUR BUSINESSES AND THE INDUSTRIES WITHIN WHICH WE OPERATE

We depend on revenues and earnings from a small number of significant customers. Any bankruptcy of or loss of or cancellation, reduction or delay in purchases by these customers could harm our business. Net sales to GE and its subsidiaries in 2024 accounted for 15% of our total sales and approximately 25% of Aerospace's net sales. Approximately 15% of Aerospace's net sales in 2024 were to its next five largest customers. Approximately 10% of Industrial's sales in 2024 were to its five largest customers. Some of our success will depend on the business strength and viability of those customers. We cannot assure you that we will be able to retain our largest customers. Some of our customers may in the future reduce their purchases due to economic conditions or shift their purchases from us to our competitors, in-house or to other sources. Some of our long-term sales agreements provide that the customer may unilaterally reduce or discontinue its projected purchases without penalty or terminate for convenience. The loss of one or more of our largest customers, any reduction, cancellation or delay in sales to these customers (including a reduction in aftermarket volume in our Aerospace Aftermarket business' Revenue Sharing Programs), our inability to successfully develop relationships with new customers, or future price concessions we make to retain customers could significantly reduce our sales and profitability.

We may not recover all of our up-front costs related to new or existing programs. New programs may require significant up-front investments for capital equipment, engineering, inventory, design and tooling. As OEMs in the transportation and aerospace industries have looked to suppliers to bear increasing responsibility for the design, engineering and manufacture of systems and components, they have increasingly shifted the financial risk associated with those responsibilities to the suppliers as well. This trend may continue and is most evident in the area of engineering cost reimbursement. We cannot assure you that we will have adequate funds to make such up-front investments or to recover such costs from our customers as part of our product pricing or through sales volume. In such event, our profitability, liquidity and cash flows may be adversely affected. In addition, we incur costs and make capital expenditures for new program awards based upon certain estimates of production volumes and production complexity. While we attempt to recover such costs and capital expenditures by appropriately pricing our products, the prices of our products are based in part upon planned production volumes. If the actual production is significantly less than planned or significantly more complex than anticipated, we may be unable to recover such costs. In addition, because a significant portion of our overall costs is fixed, declines in our customers' production levels can adversely affect the level of our reported profits even if our up-front investments are recovered.

We may not realize all of the sales expected from our existing backlog or anticipated orders. At December 31, 2024, we had $1,932.6 million of order backlog, the majority of which related to Aerospace OEM customers, as compared with $1,530.2 million at the end of 2023. Of the 2024 year-end backlog, $1,741.5 million was attributable to Aerospace and $191.1 million was attributable to Industrial. Approximately 45% of the Company's consolidated year-end backlog is expected to be recognized during 2025, with the remainder scheduled to be recognized after 2025. There can be no assurances that the revenues projected in our backlog will be realized or, if realized, will result in profits. We consider backlog to be firm customer orders for future delivery. OEM customers may provide projections of components and assemblies that they anticipate purchasing in the future under existing programs. These projections may represent orders that are beyond lead time and are included in backlog when supported by a long term agreement. Our customers may have the right under certain circumstances or with certain penalties or consequences to terminate, reduce or defer firm orders that we have in backlog. If this occurs, we may be protected from certain costs and losses, but our sales will nevertheless be adversely affected. Although we strive to maintain strong relationships with our customers, there is an ongoing risk that orders may be canceled or rescheduled due to fluctuations in our customers' business requirements.

Also, our realization of sales from new and existing programs is inherently subject to a number of important risks and uncertainties, including whether our customers execute the launch of programs on time, or at all, the number of units that our customers actually produce, the timing of production and manufacturing insourcing decisions made by our customers. In addition, until firm orders are placed, our customers may have the right to discontinue a program or replace us with another supplier at any time without penalty. Our failure to realize sales from new and existing programs could have a material adverse effect on our net sales, results of operations and cash flows.

We face risks of cost overruns and losses on fixed-price contracts and orders in backlog. We sell certain of our products under firm, fixed-price contracts providing for a fixed price for the products regardless of the production or purchase

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costs incurred by us, which includes certain orders in backlog, some of which have long lead times. The cost of producing and delivering products may be adversely affected by increases in the cost of labor, materials, fuel, outside processing, freight, shipping, overhead and other factors, including manufacturing inefficiencies. Such increased costs may result in cost overruns and losses on contracts.

Original equipment manufacturers in the aerospace and transportation industries have significant pricing leverage over suppliers and may be able to achieve price reductions over time. Additionally, we may not be successful in our efforts to raise prices on our customers. While many of our customers permit periodic adjustments to pricing based on changes in component prices and other factors, we may bear the risk of price increases that occur between any such repricing or, if such repricing is not permitted, during the balance of the term of the particular customer contract. There is substantial and continuing pressure from OEMs in the aerospace and transportation industries, including automotive, to reduce the prices they pay to suppliers. We attempt to manage such downward pricing pressure, while trying to preserve our business relationships with our customers, by seeking to reduce our production costs through various measures, including purchasing raw materials and components at lower prices and implementing cost-effective process improvements. Our suppliers have periodically resisted, and in the future may resist, pressure to lower their prices and may seek to impose price increases. If we are unable to offset OEM price reductions, our profitability and cash flows could be adversely affected. In addition, OEMs have substantial leverage in setting purchasing and payment terms, including the terms of accelerated payment programs under which payments are made prior to the account due date in return for an early payment discount. OEMs can unexpectedly change their purchasing policies and/or payment practices, which could have a negative impact on our short-term working capital.

We operate in highly competitive markets. Our future growth is dependent upon our ability to bring to market competitive, and increasingly complex, new products and services that achieve market acceptance with acceptable margins. Our two global business segments compete with a number of larger and smaller companies in the markets we serve. Some of our competitors have greater financial, production, research and development, or other resources than we do. Within Aerospace, certain of our OEM customers compete with our repair and overhaul business, and some compete with us where they have the ability to manufacture the components and assemblies that we supply to them but have chosen, for capacity limitations, cost considerations or other reasons, to outsource the manufacturing to us. Our customers award business based on, among other things, price, quality, reliability of supply, service, technology and design. Our competitors' efforts to grow market share could exert downward pressure on our product pricing and margins. Our competitors may also develop products or services, or methods of delivering those products or services, that are superior to ours. In addition, our competitors may adapt more quickly than us to new technologies or evolving customer requirements. We cannot assure you that we will be able to compete successfully with our existing or future competitors.

The industries in which we operate have been experiencing consolidation, both in our suppliers and the customers we serve. Supplier consolidation is in part attributable to OEMs more frequently awarding long-term sole source or preferred supplier contracts to the most capable suppliers in an effort to reduce the total number of suppliers. If consolidation of our existing competitors or customers occurs, we would expect the competitive pressures we face to increase, and we cannot assure you that our business, financial condition, results of operations or cash flows will not be adversely impacted as a result.

Our operations focus on highly engineered components which require extensive engineering and research and development time. Moreover, our ability to develop new products and services and to compete successfully will depend, in part, on our ability to continue to make investments of significant resources. These efforts divert resources from other potential investments in our businesses, may not lead to the development of new products or services on a timely basis, and may require us to reduce costs by such means as reducing excess capacity, improving productivity, eliminating redundancies and increasing production in low-cost countries. We have invested, and expect to continue to invest, in optimizing our manufacturing footprint in low-cost countries. We cannot assure you that we will have sufficient resources to continue to make such investments or that we will be successful in maintaining our competitive position. If we are unable to differentiate our products and services or maintain a low-cost footprint, we may lose market share or be forced to reduce prices, thereby lowering our margins.

Our competitive advantage may be adversely impacted if we cannot continue to introduce new products ahead of our competition, or if our products are rendered obsolete by other products or by new, different technologies and processes. The success of our new products will depend on a number of factors, including innovation, customer acceptance, the efficiency of our suppliers in providing materials and component parts, and the performance and quality of our products relative to those of our competitors. Additionally, we may face increased or unexpected costs associated with new product introduction, including the use of additional resources such as personnel and capital. We cannot provide assurance that we will not experience new product introduction delays in the future. As we introduce new products, we may be unable to detect and correct defects in product design. Even after introduction, new or enhanced products may not satisfy customer preferences and product failures may cause customers to reject our products. As a result, these products may not achieve market acceptance and our brand image

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could suffer. Any such occurrences could significantly reduce our revenues, increase our operating costs, or otherwise materially and adversely affect our business, financial condition, results of operations and cash flows.

The development of new products and services presents security risks. An increasing number of our products and services are delivered with digital capabilities and the accompanying interconnected device networks, some of which include sensors, data, and advanced computing capabilities. If we are unable to manage the lifecycle cybersecurity risk in development, deployment and operation of our digital platforms and services, the possible consequences include financial loss, reputational damage, exposure to legal claims or enforcement actions, theft of intellectual property, the diminution in the value of our investment in research, development and engineering, and increased cybersecurity protection and remediation costs, which in turn could adversely affect our business, financial condition, results of operations and cash flows.

A significant portion of the sales of certain businesses within our Industrial segment are realized from the design, manufacture, distribution and service of highly-engineered and customized products and systems for plastic injection molding and plastics processing across a broad spectrum of applications. Sales volume is dependent upon the need for equipment used to produce plastic products, which may be significantly influenced by the demand for plastic products, the capital investment needs of companies in the plastic injection molding and plastics processing industries, changes in technological advances, and changes in laws or regulations such as those related to single-use plastics, product and packaging composition, and recycling. Decrease in demand for plastic products or equipment used in the production of plastic products or unfavorable developments in these industries generally could have a material adverse effect on our business, financial condition, and results of operations.

Demand for our defense-related products depends on government spending. A portion of Aerospace's sales is derived from defense markets, including single-sourced and dual-sourced sales. The defense market is largely dependent upon government budgets and is subject to governmental appropriations. Although multi-year contracts may be authorized in connection with major procurements, funds are generally appropriated on a fiscal year basis even though a program may be expected to continue for several years. Consequently, programs are often only partially funded and additional funds are committed only as further appropriations are made. We cannot assure you that maintenance of or increases in defense spending will be allocated to programs that would benefit our business. Moreover, we cannot assure you that new defense-related aircraft programs in which we participate will enter full-scale production as expected. A decrease in levels of defense spending or the government's termination of, or failure to fully fund, one or more of the contracts for the programs in which we participate, including due to a government shutdown, could have a material adverse effect on our financial position and results of operations.

The aerospace industry is highly regulated. Complications related to aerospace regulations may adversely affect the Company. A substantial portion of our income is derived from our aerospace businesses. The aerospace industry is highly regulated in the U.S. by the Federal Aviation Administration and in other countries by similar regulatory agencies. We must be certified by these agencies and, in some cases, by individual OEMs in order to engineer, produce and service systems and components used in specific aircraft models. If material authorizations or approvals are delayed, suspended or revoked, our business could be adversely affected. In the future, new or more stringent governmental regulations may be adopted or industry oversight heightened, and we may incur significant expenses to comply with any such new regulations or heightened industry oversight.

Fluctuations in the price of jet fuel, resins, energy and other raw materials and their availability may impact our operating results. Fuel costs constitute a significant portion of operating expenses for companies in the aerospace industry. Fluctuations in fuel costs could impact levels and frequency of aircraft maintenance and overhaul activities, and airlines' decisions on maintaining, deferring or canceling new aircraft purchases, in part based on the value associated with new fuel efficient technologies. Increases in fuel prices can also increase our packaging and transportation costs. Both we and our customers purchase supplies of resins, which are oil-based components used in the manufacture of certain products, and any significant increases in resin costs could adversely impact future operating results, including as a result of customers' decisions on maintaining, deferring or canceling new programs. Weather-related events, natural disasters, political disruptions or wars involving oil-producing countries, changes in governmental policy concerning aircraft fuel production, changes in refining capacity, and other unpredictable events may result in future fuel supply shortages and fuel price increases. For example, widespread disruption to oil production, refinery operations and pipeline capacity in certain areas of the U.S. can impact the price of jet fuel significantly. Geopolitical conflicts, such as conflicts in the Middle East, an important source of oil for the U.S. and other countries where we do business, and the Russia-Ukraine war, cause prices for fuel and energy to be volatile and availability to be impacted. In addition, new laws or regulations adopted in response to climate change could increase energy and transportation costs, as well as the costs of certain raw materials and components. In recent years, the costs of certain raw materials, transportation and energy necessary for our operations and the production and distribution of our products have increased significantly. While we have implemented cost containment measures and selective price increases, as well as taken

other actions to offset these inflationary pressures in our supply chain, we may not be able to completely offset all the increases in our operational costs, and there could be a material adverse effect on our financial condition or results of operations.

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RISKS ASSOCIATED WITH OPERATING A GLOBAL BUSINESS AND REGULATORY RISKS

Our operations depend on our global manufacturing, sales and service facilities and information systems which are subject to physical, environmental, operational and other risks that could disrupt our operations. We have a significant number of manufacturing facilities, technical service centers, and sales and distribution centers both within and outside the U.S. The global scope of our business subjects us to increased risks and uncertainties such as threats of war, terrorism and instability of governments, and economic, regulatory and legal systems in countries in which we or our customers conduct business. In addition, our customers' and suppliers' facilities, as well as our own facilities, are located in areas that may be affected by natural disasters, including earthquakes, windstorms, droughts and floods, or by limited accessibility to sufficient water resources, which could cause significant physical damage and disruption to our equipment and facilities, as well as the infrastructure of our customers and suppliers, and, in turn, could have a material adverse effect on our business, financial condition, results of operations and cash flows. Additionally, some of our manufacturing equipment and tooling is custom-made and is not readily replaceable. Loss of such equipment or tooling could have a negative impact on our manufacturing capabilities and, as a result, our financial condition, results of operations and cash flows.

A major catastrophe such as an earthquake, windstorm, drought, flood or other natural disaster, infectious disease outbreak, significant labor strikes, work stoppages, or political unrest, in any of the areas where we or our customers or key suppliers conduct operations could result in a prolonged interruption of our business. Any disruption resulting from these events could cause significant delays in the manufacture or shipment of products or the provision of repair and other services that may result in our loss of sales and customers. Although we have obtained property damage and business interruption insurance, our insurance will not cover all potential risks, and we cannot assure you that we will have adequate insurance to compensate us for all losses that result from any insured risks. Any material loss not covered by insurance could have a material adverse effect on our financial condition, results of operations and cash flows. We cannot assure you that insurance will be available in the future at a cost acceptable to us or at a cost that will not have a material adverse effect on our profitability, net income and cash flows.

The global nature of our operations subjects us to financial and regulatory risks in the countries in which we and our customers, suppliers and other business partners operate. In addition, we sell and may in the future sell our products and services to the U.S. and foreign governments and in foreign countries. As a global business, we are subject to complex laws, regulations and other conditions in the U.S. and other countries in which we operate, and associated risks, including: U.S.-imposed embargoes of sales to specific countries; foreign import controls; import regulations and duties; export regulations (which require us to comply with stringent licensing regimes); reporting requirements regarding the use of "conflict" minerals mined from certain countries; anti-dumping regulations; unclaimed property laws; price and currency controls; dividend remittance restrictions; expropriation of assets; war, civil uprisings and riots; government instability; government-imposed economic uncertainties, such as a prolonged U.S. federal government shutdown; government contracting requirements including cost accounting standards and various procurement, security and audit requirements, as well as requirements to certify to the government compliance with these requirements; the necessity of obtaining governmental approval for new and continuing products and operations; and legal systems or decrees, laws, taxes, regulations, interpretations and court decisions that are not always fully developed and that may be retroactively or arbitrarily applied. In the past, we have inadvertently violated some of these regulations, including export regulations and regulations prohibiting sales of certain products, none of which has had or, we believe, will have a material adverse effect on our business. Any significant violations of these or other regulations in the future could result in civil or criminal sanctions, suspension of production, loss of export or other licenses, other restrictions on our operations or damage to our reputation. We may also be subject to unanticipated income taxes, excise and custom duties, import taxes, export taxes, value added taxes, or other governmental assessments, and taxes may be impacted by changes in legislation in the tax jurisdictions in which we operate. In addition, our organizational and capital structure may limit our ability to transfer funds between countries without incurring adverse tax consequences. Any of these events could result in a loss of business or other unexpected costs that could reduce sales or profits and have a material adverse effect on our financial condition, results of operations and cash flows.

We are subject to environmental laws and regulations and the risk of environmental liabilities, violations and litigation. We are subject to a variety of U.S. federal, state, local and non-U.S. environmental, health and safety laws and regulations concerning, among other things, the health and safety of our employees, the generation, storage, use, transportation and disposal of certain materials including hazardous materials, emissions or discharges of substances into the environment, and investigation and remediation of hazardous substances or materials at various sites. Our operations involve the use, primarily in our manufacturing processes, of substances subject to these laws and regulations. Our failure to comply with these laws or regulations could result in regulatory penalties, fines, and legal liabilities; suspension of production; alteration of our

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manufacturing; damage to our reputation; and restrictions on our operations or sales. Furthermore, environmental laws outside of the U.S. are becoming more stringent, resulting in increased costs and compliance burdens.

In addition, certain environmental laws assess liability on current or previous owners or operators of real property for the costs of investigation, removal or remediation of hazardous substances or materials at their properties or at properties from or upon which they have disposed of hazardous substances. In addition to cleanup actions brought by governmental authorities, private parties could bring personal injury or other claims based on alleged presence of, or exposure to, hazardous substances. The ultimate cost of site cleanup and timing of future cash outflows is difficult to predict, given the uncertainties regarding the extent of the required cleanup, the interpretation of applicable laws and regulations, and alternative cleanup methods.

The costs of complying with current or future environmental protection and health and safety laws and regulations, or liabilities arising from past or future releases of, or exposures to, hazardous substances, may exceed our estimates, or have a material adverse effect on our business, results of operations, financial condition, and cash flows.

Climate change, or legal, regulatory or market measures to address climate change, may materially adversely affect our financial condition and business operations. Climate change resulting from increased concentrations of greenhouse gases in the atmosphere could present risks to our future operations from natural disasters and extreme weather conditions, such as hurricanes, tornadoes, earthquakes, wildfires, droughts or flooding. Such extreme weather conditions could pose physical risks to our facilities and disrupt operation of our supply chain and may impact operational costs. The impacts of climate change on global water resources may result in water scarcity, which could in the future impact our ability to access sufficient quantities of water in certain locations and result in increased costs.

Concern over climate change will likely result in new legal or regulatory requirements designed to reduce greenhouse gas emissions and mitigate the effects of climate change. Further, our customers and the markets we serve may impose emissions reduction or other environmental standards and requirements, including plastic injection molding and plastics processing and conventional fuel-based automotive markets. As a result, we may experience increased compliance burdens and operational costs and raw material sourcing, manufacturing operations and the distribution of our products may be adversely affected. Moreover, we may not be able to timely meet these requirements due to the required level of capital investment or technological advancement. While we have been committed to continuous improvements to meet anticipated regulations and preferences, there can be no assurance that our commitments will be successful, that our products will be accepted by the market, that proposed regulations will not have a negative competitive impact or that economic returns will reflect our investments in new product development. There also continues to be a lack of consistent climate legislation, which creates economic and regulatory uncertainty. These factors may impact the demand for, or obsolescence of, certain of our products, and adversely affect our business, results of operations and financial condition.

We are committed to reducing our carbon emissions, water consumption and waste generation, which may require us to expend significant resources that could increase our operational costs. Further, there can be no assurance of the extent to which any of our commitments will be achieved, or that any future investments we make in furtherance of achieving such targets and goals will meet investor expectations or any binding or non-binding legal standards regarding sustainability performance. Moreover, we may determine that it is in the best interest of our Company and our stockholders to prioritize other business, social, governance or sustainability investments over the achievement of our current commitments based on economic, regulatory and social factors, business strategy or pressure from investors, activist groups or other stakeholders. If we are unable to meet these commitments, then we could incur adverse publicity and reaction from investors, activist groups or other stakeholders, which could adversely impact the perception of us and our products and services by current and potential customers, as well as investors, which could in turn adversely impact our business, results of operations and financial condition.

We could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act ("FCPA") and similar worldwide anti-corruption laws and data privacy and security laws. The FCPA and similar anti-corruption laws generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business or obtaining an unfair advantage. Recent years have seen a substantial increase in the global enforcement of anti-corruption laws. Our operations outside the United States, including in developing countries, expose us to the risk of such violations. Our policies mandate compliance with these anti-corruption laws. Despite our training and compliance program, we cannot provide assurance that our internal control policies and procedures will always protect us from reckless or criminal acts committed by our employees or agents. Violations, or allegations, could damage our reputation, as well as result in substantial fines, sanctions, civil and/or criminal penalties, termination of relationships with business partners and curtailment of operations in certain jurisdictions, and as a result might materially and adversely affect our business, results of operations or financial condition.

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Additionally, to conduct our operations, we regularly move data across borders, and consequently we are subject to a variety of increasingly complex and changing laws and regulations regarding privacy, data protection and data security, including those related to the collection, storage, use, transmission and protection of personal information and other customer, vendor or employee data. The interpretation and enforcement of such laws and regulations, such as the European Union's General Data Protection Regulation, continue to develop and there is significant uncertainty with respect to how compliance with these laws and regulations may evolve and the costs and complexity of future compliance. Violations could result in substantial fines, sanctions or civil penalties, and damage to our reputation and might materially and adversely affect our business, results of operations or financial condition.

International trade policies may impact demand for our products and our competitive position. Our results could be impacted by changes in tariffs, trade agreements, sanctions or other trade restrictions imposed or agreed to by the U.S. or foreign governments. For example, a government's adoption of "buy national" policies or imposition of trade regulations in response to war or other global crises could have a negative impact on our results of operations due to their impact on commodity pricing and supply chains. Trade restrictions, including withdrawal from or modification of existing trade agreements, negotiation of new trade agreements, and imposition of new (and retaliatory) tariffs against certain countries or covering certain products has the potential to adversely impact demand for our products, our costs, customers, suppliers and/or the U.S. or foreign economies or certain sectors thereof in which we compete, and impair our ability to expand our business by offering new technologies, products and services. It remains unclear what the U.S. federal government or foreign governments will or will not do in the future with respect to tariffs or other international trade agreements and policies. Trade restrictions, and changes in or uncertainty surrounding global trade policies, may adversely impact our competitive position, businesses, financial condition, results of operations and cash flows.

The global nature of our business exposes us to foreign currency fluctuations that have affected and may continue to affect our future revenues, debt levels and profitability. As noted above, we have manufacturing facilities and technical service centers, and sales and distribution centers around the world, and the majority of our foreign operations use the local currency as their functional currency. These include, among others, the British pound sterling, Canadian dollar, Chinese renminbi, Czech koruna, Euro, Malaysian ringgit, Mexican peso, New Taiwan dollar, Polish zloty, Singaporean dollar, Swedish krona, and the Swiss franc. Since our financial statements are denominated in U.S. dollars, changes in currency exchange rates between the U.S. dollar and other currencies expose us to translation risk when the local currency financial statements are translated to U.S. dollars. Changes in currency exchange rates may also expose us to transaction risk. We may buy hedges in certain currencies to reduce or offset our exposure to currency exchange rate fluctuations; however, these transactions may not be adequate or effective to protect us against unfavorable exchange rate fluctuations. We have not engaged in any speculative hedging activities. Currency fluctuations have adversely impacted and may continue to adversely impact our revenues and profitability in the future.

RISKS RELATED TO SUPPLY AND MANUFACTURING

The ability of suppliers to deliver raw materials, parts and components and energy resources, and our ability to manufacture without disruption, could affect our results of operations. We use a wide range of materials (including steel, stainless steel, titanium, aluminum, Inconel, Hastelloys and other specialty materials) and components (including semiconductors and other electronic components) in the global production of our products, which come from numerous suppliers around the world. Our operations and those of our suppliers are subject to disruption for a variety of reasons, including transportation delays, work stoppages, labor shortages, price inflation, financial issues such as supplier bankruptcy, information technology failures, and hazards such as fire, earthquakes, flooding, droughts or other natural disasters, new laws or regulations, global economic or political events including terrorist attacks and war, and suppliers' allocations to other purchasers. Because not all of our business arrangements provide for guaranteed supply, and some key raw materials, parts and components and energy resources may be available only from a single supplier or a limited group of suppliers, we are subject to supply and pricing risk. For example, we expect to continue to be impacted by supply chain issues due to economic, political, geopolitical and other factors largely beyond our control, increased material costs and component shortages, supply chain disruptions and delays, and cost inflation, all of which could continue or escalate in the future. The effects of climate change, including extreme weather events, long-term changes in temperature levels, water availability, supply costs impacted by increasing energy costs, or energy costs impacted by carbon prices or offsets may exacerbate these risks. Such disruptions could interrupt our ability to manufacture certain products and result in increased pricing, and could materially and adversely affect our business, financial condition, results of operations and cash flows.

Any product liability, warranty, contractual or other claims may harm our business or otherwise adversely affect our financial condition. We are exposed to potential product liability risks that are inherent in the design, manufacture and sale of our products and the products we buy from third parties and sell to our customers, and to potential warranty, contractual or other claims. Our products are complex and may contain defects, errors, or experience failures or unsatisfactory performance,

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due to any number of issues, including issues in materials, design, fabrication, packaging and/or use within a system or item of equipment. Further, because of the complexity of our products, defects or errors might only be detected when the products are in use. Development of new products increases complexity and adds risk to manufacturing reliability, and increases the likelihood of product defects or errors. Risks associated with product defects are exacerbated by the fact that our customers typically integrate our products into other equipment and systems. Our products may be responsible for critical functions in our customers' products. Failure of our products to perform to specifications, or other product defects, could lead to substantial damage to the products we sell to our customers, the equipment and/or systems into which our products are integrated and to the end users of such equipment/and or systems. Such defects could give rise to warranty claims or claims under indemnification clauses in our agreements, which may range from individual customer claims to full recalls of all products in the field, and result in significant costs, including costs related to developing solutions, recalling products, inspecting, repairing or replacing defective products, writing down defective inventory, or attorney's fees and could result in the loss of sales and divert the attention of our engineering personnel from our product development efforts. In addition, defects in our products could result in failure to achieve market acceptance, a loss of participation in customer programs, a shifting of business to our competitors, and litigation or regulatory action against us, and could harm our reputation, our relationships with customers and our ability to attract new customers, as well as the perceptions of our brands. Other potential adverse impacts of product defects include shipment delays, write-offs of property, plant and equipment and intangible assets, and losses on unfavorable purchase commitments.

Moreover, the occurrence of defects may give rise to product liability claims, particularly if defects in our products or the products into which they are integrated result in personal injury or death, and could result in significant costs, expenses and losses. For example, we may be exposed to potential liability for personal injury, property damage or death as a result of the failure of an aircraft or automotive component designed, manufactured or sold by us, or the failure of an aircraft or automotive component that has been serviced by us or of the components themselves. If a product liability claim is brought against us, the cost of defending the claim could be significant, and could divert the efforts of our technical and management personnel and harm our business, even if we are successful. We may be named in product liability claims even if there is no evidence that our products caused the damage in question, and even though we may have indemnity from our customers, and such claims could result in significant costs and expenses.

We vigorously defend ourselves in connection with these matters. We cannot, however, assure you that the costs, charges and liabilities associated with these matters will not be material, or that those costs, charges and liabilities will not exceed any amounts reserved for them in our Consolidated Financial Statements. Further, while we have liability insurance for certain risks, our insurance may not cover all liabilities, including potential reputational impacts. Additionally, insurance coverage may not be available in the future on acceptable terms or at a cost acceptable to us. The above is exacerbated by the fact that our products may be used, and perform critical functions, in various high-risk applications such as aerospace, automobiles, and robotics, among others. Accordingly, defects in our products could have an adverse impact on us, on our customers and the end users of our customers' products. If any of these risks materialize, there could be a material adverse effect on our business, results of operations and financial condition.

RISKS RELATED TO HUMAN CAPITAL

Our future success depends, in part, on our ability to continue to attract, develop, engage and retain qualified employees. Our executive officers and key management personnel are critical to driving business performance and successfully executing the Company's growth strategy. Because of the complex nature of many of our products and services, and our focus on technological and product innovations, we are generally dependent on an educated and highly skilled workforce, including our engineering talent and our sales professionals. We manage human capital through our Talent Management System, which is aimed at enhancing our ability to attract and hire talented employees, as well as supporting their growth, development and engagement; however, we cannot guarantee the system's effectiveness. Failure to attract, develop, engage and retain qualified employees, whether as a result of an insufficient number of qualified applicants, difficulty in recruiting new employees, or inadequate resources to train, integrate and retain qualified employees, could impair our ability to execute our business strategy, and could adversely affect our business, financial condition, results of operations or cash flows. In addition, while we aim to reduce the impact of the departure of employees, our operations or ability to execute our business strategy have been impacted and may continue to be impacted by the loss of employees, particularly when departures involve groups of employees, such as restructuring and workforce reduction actions. Such losses may adversely affect the Company through decreased employee morale, the loss of knowledge of departing employees, and the devotion of resources to reorganizing and reassigning job roles and responsibilities, and could increase the risk of claims or litigation from former employees.

Our business, financial condition, results of operations and cash flows could be adversely impacted by strikes or work stoppages. We employ approximately 5,600 people worldwide. Approximately 20% of these employees are covered by collective bargaining agreements, trade union agreements and/or national industry agreements. Although we believe that our

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relations with our employees and labor unions that represent our employees are good, and we have experienced no material strikes or work stoppages recently, we cannot assure you that we will not experience in the future these and other types of conflicts with labor unions, works councils, other groups representing employees or our employees generally, nor that any future negotiations with our labor unions will not result in significant increases in the cost of labor, including healthcare, pensions or other benefits. Any potential strikes or work stoppages, and the resulting adverse impact on our relationships with customers, could have a material adverse effect on our business, financial condition, results of operations or cash flows. Similarly, a protracted strike or work stoppage at any of our major customers, suppliers or other vendors could materially adversely affect our business.

RISKS RELATED TO INFORMATION TECHNOLOGY, CYBERSECURITY AND DATA PRIVACY

Any disruption or failure in the operation of our information systems, including from conversions or integrations of information technology ("IT") or reporting systems, could have a material adverse effect on our business, financial condition, results of operations and cash flows. Our IT systems are an integral part of our business. We depend on our IT systems to help communicate internally and externally, and to manage and support a variety of business processes and activities, such as processing orders, managing inventory, making payments, collecting accounts receivable, and storing information. In addition, our IT systems allow us to purchase, sell and ship products timely and efficiently, to maintain cost-effective operations, and to provide superior service to our customers. Moreover, we use IT systems to record, process and summarize financial information and results of operations for internal reporting purposes and to comply with regulatory financial reporting, legal and tax requirements. We periodically implement, upgrade and integrate IT systems, such as our enterprise resource planning ("ERP") and customer relationship management ("CRM") platforms across our businesses. If we experience a problem with the functioning of an important IT system as a result of the increased burden placed on our IT infrastructure or a security breach or a service issue experienced by an external third party vendor that stores or processes our data, including during system upgrades and/or new system implementations, the resulting disruptions could have an adverse effect on our business or operating results.

Increased cybersecurity requirements, vulnerabilities, threats and more sophisticated and targeted IT-related crime could pose a risk to our systems, networks, products, data and services and have a material adverse effect on our business, financial condition, results of operations and cash flows. In the ordinary course of our business, we store sensitive data, including intellectual property, our proprietary business information and that of our customers, suppliers and business partners, and personally identifiable information in our data centers and on our networks. In addition to utilizing non-cloud environments, we also leverage cloud-based systems, where data is stored and exchanged with external third party vendors. The secure maintenance and transmission of this information is critical to our business operations. Despite our security measures, our IT systems and infrastructure, including vendor-hosted systems, may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. These cybersecurity threats and incidents can range from uncoordinated individual attempts to gain unauthorized access to IT systems to sophisticated and targeted measures known as advanced persistent threats, directed at the Company, its products, its customers and/or its third-party service providers, including cloud providers. These threats and incidents originate from many sources globally and include malwares that take the form of computer viruses, ransomware, worms, Trojan horses, spyware, adware, scareware, rogue software, and other programs that act against the computer user. Our customers are increasingly requiring cybersecurity protections, and we have incurred and may continue to incur additional costs to comply with such demands. While we deploy measures to deter, prevent, detect, respond to and mitigate these threats, including identity and access controls and vulnerability assessments, despite these efforts, cybersecurity incidents, depending on their nature and scope, could compromise our networks and the information stored there, including critical data and confidential or proprietary information (our own or that of third parties), could be accessed, altered, publicly disclosed, lost or stolen. Such incidents could remain undetected for an extended period of time, and the losses arising from such incidents could exceed our available insurance coverage for such matters. Such incidents could also disrupt our operations, impacting manufacturing production and transactional processing, and result in increased cybersecurity protection and remediation costs, legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, theft of intellectual property, and damage our reputation, which could adversely affect our business, revenues and competitive position. Further, cybersecurity and data protection laws and regulations continue to evolve in the U.S. and worldwide. This adds compliance complexity and may increase our costs of compliance and expose us to litigation, monetary damages, regulatory enforcement actions or fines in one or more jurisdictions. In addition, as security threats continue to evolve and increase in frequency and sophistication, we will likely be required to invest in additional resources to protect the security of our IT systems.

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RISKS RELATED TO INTELLECTUAL PROPERTY

We may be unable to adequately protect or enforce our intellectual property rights. Our intellectual property rights may not be sufficiently broad or otherwise may not provide us a significant competitive advantage, and patents may not be issued for pending or future patent applications owned by or licensed to us. As patents expire, we could face increased competition, which could negatively impact our business, results of operations and financial condition. Infringement of our intellectual property and other proprietary rights by a third party, or copying of our technology in countries where we do not hold patents, could result in uncompensated lost market and revenue opportunities. We cannot be certain that the measures we have implemented will prevent our intellectual property from being improperly disclosed, challenged, invalidated, or circumvented, particularly in countries where intellectual property rights are not highly developed or protected. For example, competitors may avoid infringement liability by developing non-infringing competing technologies or by effectively concealing infringement. We have spent and expect to continue to spend significant resources monitoring and enforcing our intellectual property rights and we may not be aware of or able to detect or prove infringement by third parties. Our ability to enforce our intellectual property rights is subject to litigation risks, as well as uncertainty as to the protection and enforceability of those rights in some countries. If we seek to enforce our intellectual property rights, we may be subject to claims that those rights are invalid or unenforceable, and others may seek counterclaims against us, which could have a negative impact on our business. In addition, changes in intellectual property laws or their interpretation may impact our ability to protect and assert our intellectual property rights, increase costs and uncertainties in the prosecution of patent applications and enforcement or defense of issued patents, and diminish the value of our intellectual property. If we do not protect and enforce our intellectual property rights successfully, or if they are circumvented, invalidated, or rendered obsolete by the rapid pace of technological change, it could have an adverse impact on our competitive position and our business, results of operations and financial condition.

Our employees, consultants and other parties are subject to confidentiality obligations, but this protection may be inadequate to deter or prevent misappropriation, theft, misuse, disclosure, loss or destruction of our proprietary information and/or infringement of our intellectual property. For example, employees and former employees, in particular former employees who become employees of our competitors, may misappropriate, use, publish or provide to our competitors, customers or other third parties our intellectual property, advantageous know-how or other proprietary information. Similarly, we provide access to certain of our intellectual property and other proprietary information to our direct and indirect customers and certain of our consultants who may wrongfully use or disclose such intellectual property or information. Any of these events could harm our competitive position, reduce the value of our investment in research and development and other strategic initiatives, cause us to lose business, damage our reputation, subject us to legal or regulatory proceedings, cause us to incur other loss or liability and otherwise adversely affect our business, results of operations and financial condition.

Third parties may claim that one or more of our products or services infringe their intellectual property rights. Regardless of the merit of such claims, any dispute or litigation regarding patents or other intellectual property could be costly and time-consuming to defend and resolve due to the complexity of our technology and the uncertainty of intellectual property litigation, and could divert our management and key personnel from our business operations. A claim of intellectual property infringement could force us to enter into a costly or restrictive license agreement, which might not be available under acceptable terms or at all, require us to redesign our products, which would be costly and time-consuming, or subject us to significant damages or to an injunction against the development and sale of certain of our products or services. Our intellectual property portfolio may not be useful in asserting a counterclaim, or negotiating a license, in response to a claim of intellectual property infringement. In addition, we may face claims based on the theft or unauthorized use or disclosure of third-party trade secrets and other confidential business information. Any such incidents and claims could severely harm our business and reputation, result in significant expenses, harm our competitive position, and prevent us from selling certain products and services, all of which could have a significant adverse impact on our business, results of operations and financial condition.

RISKS RELATED TO LIQUIDITY AND OTHER RISKS

We have significant indebtedness that could affect our operations and financial condition, and our failure to meet certain financial covenants required by our debt agreements may materially and adversely affect our assets, financial position and cash flows. At December 31, 2024, we had consolidated debt obligations of $1,106.4 million, representing approximately 47% of our total capital (indebtedness plus stockholders' equity) as of that date. Our level of indebtedness, proportion of variable rate debt obligations and the significant debt servicing costs associated with that indebtedness may adversely affect our operations and financial condition. For example, our indebtedness could require us to dedicate a substantial portion of our cash flows from operations to payments on our debt, thereby reducing the amount of our cash flows available for working capital, capital expenditures, investments in technology and research and development, acquisitions, and other general corporate purposes; limit our flexibility in planning for, or reacting to, changes in the industries in which we compete; place us at a competitive disadvantage compared to our competitors, some of whom have lower debt service obligations and greater financial resources than we do; limit our ability to borrow additional funds; or increase our vulnerability to general adverse

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economic and industry conditions. In addition, a majority of our debt arrangements require us to maintain certain debt and interest coverage ratios and limit our ability to incur debt, make investments or undertake certain other business activities. These requirements could limit our ability to obtain future financing and may prevent us from taking advantage of attractive business opportunities. Our ability to meet the financial covenants or requirements in our debt arrangements may be affected by events beyond our control, and we cannot assure you that we will satisfy such covenants and requirements. A breach of these covenants or our inability to comply with the restrictions could result in an event of default under our debt arrangements which, in turn, could result in an event of default under the terms of our other indebtedness. Upon the occurrence of an event of default under our debt arrangements, after the expiration of any grace periods, our lenders could elect to declare all amounts outstanding under our debt arrangements, together with accrued interest, to be immediately due and payable. If this were to happen, we cannot assure you that our assets would be sufficient to repay in full the payments due under those arrangements or our other indebtedness or that we could find alternative financing to replace that indebtedness.

Conditions in the worldwide credit markets may limit our ability to expand our credit lines beyond current bank commitments. In addition, our profitability has been and may continue to be adversely affected as a result of increases in interest rates. At December 31, 2024, we and our subsidiaries had $1,106.4 million aggregate principal amount of consolidated debt obligations outstanding, of which approximately 24% had interest rates that float with the market (not hedged against interest rate fluctuations). A 100 basis point increase in the interest rate on the floating rate debt in effect at December 31, 2024 would result in an approximate $2.5 million annualized increase in interest expense.

A downgrade in our credit ratings could increase our cost of funding and/or adversely affect our access to funding. Our credit ratings are important to our cost and availability of capital. The major rating agencies evaluate our credit profile and assign credit ratings to us. This evaluation is based on a number of factors, which include financial strength, business and financial risk, transparency with rating agencies, and timeliness of financial reporting. Further leveraging our capital structure could result in a downgrade to our credit ratings. A downgrade to our credit rating could expose us to less favorable interest rates, harm our reputation, and make our debt less attractive to lenders. As such, failure to maintain our credit ratings could adversely affect our cost of funding and our liquidity by limiting the access to capital markets or the availability of funding from a variety of lenders.

We have significant goodwill and an impairment of our goodwill could cause a decline in our net worth. Our total assets include substantial goodwill. At December 31, 2024, our goodwill totaled $1,036.7 million. The goodwill results from our prior acquisitions, representing the excess of the purchase price we paid over the net assets of the companies acquired. We assess whether there has been an impairment in the value of our goodwill during each calendar year or more frequently if an event or change in circumstances indicates that the fair value of a reporting unit has been reduced below its carrying value. If future operating performance at one or more of our reporting units does not meet expectations or fair values fall due to significant stock market declines, we may be required to reflect an incremental non-cash charge to operating results for goodwill impairment. During the year ended December 31, 2024, management recorded a non-cash goodwill impairment charge of $53.7 million related to the Automation reporting unit as the estimated fair value of the reporting unit declined below its carrying value. See Note 7 of the Consolidated Financial Statements. In the event there are future adverse changes in our estimated future cash flows and/or changes in key assumptions, including but not limited to discount rates, revenue growth or margins, and/or terminal growth rates, we may be required to record additional non-cash impairment charges to Automation goodwill. The recognition of an additional impairment of a significant portion of goodwill would negatively affect our results of operations and total capitalization, the effect of which could be material. See "Part II - Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Estimates."

We may not realize all of the intangible assets related to the Aerospace Aftermarket businesses. We participate in aftermarket RSPs under which we receive an exclusive right to supply designated aftermarket parts over the life of the related aircraft engine program to our customer, GE. As consideration, we pay participation fees, which are recorded as intangible assets and are recognized as a reduction of sales over the estimated life of the related engine programs. Our total investments in participation fees under our RSPs as of December 31, 2024 equaled $296.7 million, all of which have been paid. At December 31, 2024, the remaining unamortized balance of these participation fees was $107.5 million.

We entered into CRPs, also with GE, which provide for, among other items, the right to sell certain aftermarket component repair services for CFM56, CF6, CF34 and LM engines directly to other customers over the life of the engine program as one of a few GE licensed suppliers. In addition, the CRPs extended certain contracts under which the Company currently provides these services directly to GE. Our total investments in CRPs as of December 31, 2024 equaled $111.8 million, all of which have been paid. At December 31, 2024, the remaining unamortized balance of the CRPs was $54.9 million. We recorded the CRP payments as intangible assets which are recognized as a reduction of sales over the remaining useful life of these engine programs.

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The realizability of each asset is dependent upon future revenues related to the programs' aftermarket parts and services and is subject to impairment testing if circumstances indicate that its carrying amount may not be recoverable. The potential exists that actual revenues will not meet expectations due to a change in market conditions, including, for example, the replacement of older engines with new, more fuel-efficient engines or our ability to maintain market share within the aftermarket business. A shortfall in future revenues may result in the failure to realize the net amount of the investments, which could adversely affect our financial condition and results of operations. In addition, profitability could be impacted by the amortization of the participation fees and licenses, and the expiration of the international tax incentives on these programs. See "Part II - Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Estimates."

We carry significant inventories and a loss in net realizable value could cause a decline in our net worth. At December 31, 2024, our inventories totaled $310.5 million. Inventories are valued at the lower of cost or net realizable value based on management's judgments and estimates concerning future sales levels, quantities and prices at which such inventories will be sold in the normal course of business. Accelerating the disposal process or changes in estimates of future sales potential may necessitate future reduction to inventory values. See "Part II - Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Estimates."

We maintain pension and other postretirement benefit plans in the U.S. and certain international locations. Our costs of providing defined benefit plans are dependent upon a number of factors, such as the rates of return on the plans' assets, interest rates, exchange rate fluctuations, future governmental regulation, global fixed income and equity prices, and our required and/or voluntary contributions to the plans. Declines in the stock market, prevailing interest rates, declines in discount rates, improvements in mortality rates and rising medical costs may cause an increase in our pension and other postretirement benefit expenses in the future and result in reductions in our pension fund asset values and increases in our pension and other postretirement benefit obligations. These changes have caused and may continue to cause a significant reduction in our net worth and without sustained growth in the pension investments over time to increase the value of the plans' assets, and depending upon the other factors listed above, we could be required to increase funding for some or all of these pension and postretirement plans.

Changes in taxation requirements could affect our financial results. Our products are subject to import and excise duties and/or sales or value-added taxes in many jurisdictions in which we operate. Increases in indirect taxes could affect our products' affordability and therefore reduce our sales. We are also subject to income tax in numerous jurisdictions in which we generate revenues. Changes in tax laws, tax rates or tax rulings may have a significant adverse impact on our effective tax rate. Among other things, our tax liabilities are affected by the mix of pretax income or loss among the tax jurisdictions in which we operate and the potential repatriation of foreign earnings to the U.S. Further, during the ordinary course of business, we are subject to examination by the various tax authorities of the jurisdictions in which we operate which could result in an unanticipated increase in taxes. Any potential changes or interpretive guidance may impact current and deferred income tax expense and deferred tax balances for U.S operations as well as the potential future repatriation of foreign income. The impact of any proposed changes in tax regulations may adversely affect our financial condition, results of operations and cash flow.

Changes in accounting guidance could affect our financial results. New accounting guidance that may become applicable to us from time to time, or changes in the interpretations of existing guidance, could have a significant effect on our reported results for the affected periods. Adoption of new accounting guidance could have a material impact on our financial statements and may retroactively affect the accounting treatment of transactions completed before adoption. See Note 1 of the Consolidated Financial Statements.

RISKS RELATED TO PORTFOLIO OPTIMIZATION AND STRATEGIC INITIATIVES

Risks associated with our portfolio optimization efforts, including as a result of restructuring, acquisitions and divestitures, may adversely affect us. As described elsewhere in this Annual Report, we have been executing a comprehensive business transformation strategy to rationalize our portfolio and generate improved growth, profitability, and cash flow. These portfolio optimization efforts may expose us to unknown risks, liabilities and fluctuations in quarterly results. In addition, implementation of our portfolio optimization efforts may divert management's attention from day-to-day business operations and other business concerns or otherwise disrupt our business. Any of these risks may adversely affect our financial condition, results of operations and cash flows.

Our restructuring and integration actions could have long-term adverse effects on our business. As we implement restructuring activities across our businesses to adjust our cost structure, we may not achieve expected cost savings from workforce reductions or restructuring activities and actual charges, costs and adjustments due to these actions may vary materially from our estimates. In addition, our consolidation and integration activities may not provide the expected benefits.

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Our ability to realize anticipated cost savings, synergies and revenue enhancements may be affected by a number of factors, including the following: our ability to effectively eliminate duplicative back office overhead and overlapping personnel, rationalize manufacturing capacity, synchronize IT systems, consolidate warehousing and other facilities and shift production to more economical facilities; significant cash and non-cash integration and implementation costs or charges in order to achieve those cost savings, which could offset any such savings; and our ability to avoid labor disruption in connection with these activities. In addition, delays in implementing planned restructuring, consolidation or integration activities or other productivity improvements may diminish the expected operational or financial benefits.

Our acquisition and other strategic initiatives, some of which may be outside the industries in which we currently operate, may not be successful. We have made a number of acquisitions in the past, and we anticipate that we may, from time to time, acquire additional businesses, assets or securities of companies, and enter into joint ventures and other strategic relationships that we believe would provide a strategic fit with our businesses. These activities expose the Company to a number of risks and uncertainties, the occurrence of any of which could materially adversely affect our business, cash flows, financial condition and results of operations. A portion of the industries that we serve are mature industries. As a result, our future growth may depend in part on the successful acquisition and integration of acquired businesses into our existing operations. On the other hand, if we acquire a company that operates in an industry that is different from the ones in which we currently operate, our lack of experience with that company's industry could have a material adverse impact on our ability to manage that business and realize the benefits of that acquisition. We may not be able to identify and successfully negotiate suitable acquisitions, obtain financing on satisfactory terms, negotiate reasonable terms, properly perform due diligence and determine all the significant risks associated with a particular acquisition, avoid diversion of our management's attention from other important business activities, or obtain regulatory approvals or otherwise complete acquisitions in the future.

We could have difficulties integrating acquired businesses with our existing operations, including coordinating and consolidating separate systems, retaining market acceptance of acquired products and services, maintaining employee morale and retaining key employees, and implementing our enterprise resource planning systems and operational procedures and disciplines. Any such difficulties may make it more difficult to maintain relationships with employees, customers, business partners and suppliers. In addition, even if integration is successful, the financial performance of acquired businesses may not be as expected and there can be no assurance that we will realize anticipated benefits from our acquisitions. We cannot assure you that we will effectively assimilate the business or product offerings of acquired companies into our business or product offerings or realize anticipated operational synergies. These activities may result in difficulties, significant expense and accounting charges, disrupt our business or divert management's time and attention.

Acquisitions involve numerous other risks, including potential exposure to unknown liabilities of acquired companies and the possible loss of key employees and customers of the acquired business. Certain of the acquisition agreements by which we have acquired businesses require the former owners to indemnify us against certain liabilities related to the business operations before we acquired it. However, the liability of the former owners is limited and certain former owners may be unable to meet their indemnification responsibilities. We cannot assure you that these indemnification provisions will protect us fully or at all, and as a result we may face unexpected liabilities that adversely affect our financial condition. In connection with acquisitions or joint venture investments outside the U.S., we may enter into derivative contracts to purchase foreign currency in order to hedge against the risk of foreign currency fluctuations in connection with such acquisitions or joint venture investments, which subjects us to the risk of foreign currency fluctuations associated with such derivative contracts. Additionally, our final determinations and appraisals of the fair value of assets acquired and liabilities assumed in our acquisitions may vary materially from earlier estimates.

We continually assess the strategic fit of our existing businesses and may divest or otherwise dispose of businesses that are deemed not to fit with our strategic plan or are not achieving the desired return on investment, and we cannot be certain that our business, operating results and financial condition will not be materially and adversely affected. A successful divestiture depends on various factors, including our ability to effectively transfer liabilities, contracts, facilities and employees to any purchaser, identify and separate the intellectual property to be divested from the intellectual property that we wish to retain, reduce fixed costs previously associated with the divested assets or business, and collect the proceeds from any divestitures. In addition, if customers of the divested business do not receive the same level of service from the new owners, this may adversely affect our other businesses to the extent that these customers also purchase other products offered by us. All of these efforts require varying levels of management resources, which may divert our attention from other business operations. If we do not realize the expected benefits, our consolidated financial position, results of operations and cash flows could be negatively impacted. In addition, divestitures of businesses involve a number of risks, including significant costs and expenses, the loss of customer relationships, and a decrease in revenues and earnings associated with the divested business. Furthermore, divestitures potentially involve significant post-closing separation activities, which could involve the expenditure of material financial resources and significant employee resources. Any divestiture may result in a dilutive impact to our future earnings if we are unable to offset the dilutive impact from the loss of revenue associated with the divestiture, as well as significant write-

offs, including those related to goodwill and other intangible assets, which could have a material adverse effect on our results of operations and financial condition. In April 2024, the Company completed the sale of its Associated Spring and Heinz Hänggi businesses. See Item 7 and Note 3 of the Consolidated Financial Statements for additional disclosure related to this divestiture.

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RISKS RELATED TO OUR INDEBTEDNESS AND THE NOTES

Our substantial indebtedness could materially and adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry and prevent us from making debt service payments on the Notes. We are a highly leveraged company. As of December 31, 2024, after giving pro forma effect to the Merger, we had $2,100.0 million face value of outstanding indebtedness (excluding capital leases and finance lease obligations), and approximately $300.0 million available for borrowing under the Revolving Credit Facility, and for the year ended December 31, 2024, we had total debt service payment obligations (including principal amortization payments but excluding payments relating to capital leases and finance lease obligations) of approximately $166.6 million.

Our substantial indebtedness could have important consequences for you as a holder of the 6.75% Senior Secured Notes due 2032 (the "Notes"). For example, it could:

- limit our ability to borrow money for our working capital, capital expenditures, debt service requirements, strategic initiatives or other purposes;
- make it more difficult for us to satisfy our obligations with respect to our indebtedness, including the Notes, and any failure to comply with the obligations of any of our debt instruments, including restrictive covenants and borrowing conditions, could result in an event of default under the indenture governing the Notes and the agreements governing other indebtedness;
- require us to dedicate a substantial portion of our cash flow from operations to the payment of interest and the repayment of our indebtedness, thereby reducing funds available to us for other purposes;
- limit our flexibility in planning for, or reacting to, changes in our operations or business;
- make us more highly leveraged than some of our competitors, which may place us at a competitive disadvantage;

In addition, the credit agreement governing the Credit Facilities and the indenture governing the Notes contain restrictive covenants that will limit our ability to engage in activities that may be in our long-term best interest. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of substantially all of our indebtedness.

Despite our substantial indebtedness, we may still be able to incur significantly more debt, including secured debt, which could intensify the risks associated with our indebtedness. We and our subsidiaries may be able to incur substantial indebtedness in the future. Although the terms of the indenture governing the Notes and the credit agreement governing the Credit Facilities contain restrictions on our and our subsidiaries' ability to incur additional indebtedness, these restrictions are subject to a number of important qualifications and exceptions, and the indebtedness incurred in compliance with these restrictions could be substantial. These restrictions also will not prevent us from incurring obligations that do not constitute indebtedness. As of December 31, 2024, after giving pro forma effect to the Merger, we had approximately $300.0 million available for borrowing under the Revolving Credit Facility portion of our Credit Facilities, all of which would be secured. The covenants under the indenture governing the Notes and the credit agreement governing the Credit Facilities, and the covenants under any other of our existing or future debt instruments could, allow us to incur a significant amount of additional indebtedness and, subject to certain limitations, such additional indebtedness could be secured. The more leveraged we become, the more we, and in turn our security holders, will be exposed to certain risks described above under "—Our substantial indebtedness could materially and adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry and prevent us from making debt service payments on the Notes."

We may not be able to generate sufficient cash to service all of our indebtedness, including the Notes, and to fund our working capital and capital expenditures, and may be forced to take other actions to satisfy our obligations under our indebtedness that may not be successful. Our ability to pay principal and interest on the Notes and to satisfy our other debt obligations will depend upon, among other things:

- our future financial and operating performance, which will be affected by prevailing economic, industry and competitive conditions and financial, business, legislative, regulatory and other factors, many of which are beyond our control;
- our future ability to refinance or restructure our debt obligations, which depends on, among other things, the condition of the capital markets, our financial condition and the terms of existing or future debt agreements; and

- our future ability to borrow under the Revolving Credit Facility, the availability of which depends on, among other things, our compliance with the covenants in the credit agreement governing such facility.

We cannot assure you that our business will generate cash flow from operations, or that we will be able to draw under the Revolving Credit Facility or otherwise, in an amount sufficient to fund our liquidity needs, including the payment of principal and interest on the Notes or our other indebtedness. If our cash flows and capital resources are insufficient to service our indebtedness, we may be forced to reduce or delay capital expenditures, sell assets, seek additional capital or restructure or refinance our indebtedness, including the Notes. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time, and there can be no guarantee that we will be able to access the capital markets on terms that are attractive or at all. These risks have been heightened as a result of the current macroeconomic and geopolitical environment, including elevated inflation and the ongoing conflict between Russia and Ukraine and in the Middle East, among other things. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. We cannot assure you that we will be able to restructure or refinance any of our debt on commercially reasonable terms or at all. In addition, the terms of existing or future debt agreements, including the Credit Facilities and the indenture governing the Notes, may restrict us from adopting some of these alternatives. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. We may not be able to consummate those dispositions for fair market value or at all. Furthermore, any proceeds that we could realize from any such dispositions may not be adequate to meet our debt service obligations then due. Apollo and its affiliates and our other equityholders have no continuing obligation to provide us with debt or equity financing. Our inability to generate sufficient cash flow to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, could result in a material adverse effect on our business, results of operations and financial condition and could negatively impact our ability to satisfy our obligations under the Notes.

If we cannot make scheduled payments on our indebtedness, we will be in default and holders of the Notes could declare all outstanding principal and interest to be due and payable, the lenders under the Credit Facilities could declare all outstanding principal and interest to be due and payable and terminate their commitments to loan money, our secured lenders (including the lenders under the Credit Facilities and the holders of the Notes) could foreclose against the assets securing their loans and the Notes and we could be forced into bankruptcy or liquidation. All of these events could cause you to lose all or part of your investment in the Notes.

If our indebtedness is accelerated, we may need to repay or refinance all or a portion of our indebtedness, including the Notes, before maturity. There can be no assurance that we will be able to obtain sufficient funds to enable us to repay or refinance our debt obligations on commercially reasonable terms, or at all.

Repayment of the Issuer's debt, including the Notes, is dependent on cash flow generated by its subsidiaries. The Issuer is a holding company and has no direct operations other than holding the equity interests in its subsidiaries, including Barnes following the Merger Closing Date, and activities directly related thereto.

Accordingly, repayment of the Issuer's indebtedness, including the Notes, is dependent on the generation of cash flow by the Issuer's subsidiaries and, if they are not guarantors of the Notes, their ability to make such cash available to the Issuer, by dividend, debt repayment or otherwise. Unless they are guarantors of the Notes, the Issuer's subsidiaries will not have any obligation to pay amounts due on the Notes or to make funds available for that purpose. The Issuer's subsidiaries may not be able to, or may not be permitted to, make distributions to enable the Issuer to make payments in respect of its indebtedness, including the Notes. Each of the Issuer's subsidiaries is a distinct legal entity, and under certain circumstances legal and contractual restrictions may limit the Issuer's ability to obtain cash from them, and the Issuer may be limited in its ability to cause any future joint ventures to distribute their earnings to the Issuer. While the indenture governing the Notes and the credit agreement governing the Credit Facilities will limit the ability of the Issuer's subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to the Issuer, these limitations are subject to certain qualifications and exceptions. In the event that the Issuer does not receive distributions from its subsidiaries, the Issuer may be unable to make required principal and interest payments on our indebtedness, including the Notes.

The Notes will be structurally subordinated to all liabilities of our non-guarantor subsidiaries. The Notes will be structurally subordinated to indebtedness and other liabilities of our subsidiaries that are not guaranteeing the Notes, and the claims of creditors of these subsidiaries, including trade creditors, will have priority as to the assets of these subsidiaries. In the event of a bankruptcy, liquidation or reorganization of any of our non-guarantor subsidiaries, these non-guarantor subsidiaries will pay the holders of their debts, holders of preferred equity interests and their trade and other creditors before they will be

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able to distribute any of their assets to us. We may create, acquire or designate additional entities that are non-guarantors in the future.

In addition, the indenture governing the Notes will, subject to some limitations, permit these non-guarantor subsidiaries to incur additional indebtedness and will not contain any limitation on the amount of other liabilities, such as trade payables, that may be incurred by these subsidiaries. Moreover, the indenture will not restrict the amount of indebtedness or other liabilities that can be incurred by our unrestricted subsidiaries.

The Notes will not be guaranteed by any of our non-U.S. subsidiaries or any other subsidiaries that are not material or wholly-owned. These non-guarantor subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due pursuant to the Notes, or to make any funds available therefore, whether by dividends, loans, distributions or other payments. Any right that we or the guarantors have to receive any assets of any of the non-guarantor subsidiaries upon the liquidation or reorganization of those subsidiaries, and the consequent rights of holders of Notes to realize proceeds from the sale of any of those subsidiaries' assets, will be effectively subordinated to the claims of those subsidiaries' creditors, including trade creditors and holders of preferred equity interests of those subsidiaries.

If we default on our obligations to pay our other indebtedness, we may not be able to make payments on the Notes. Any default under the agreements governing our indebtedness, including defaults under the Credit Facilities that are not waived by the required lenders, and the remedies sought by the holders of such indebtedness could leave us unable to pay principal, premium, if any, or interest on the Notes and could substantially decrease the market value of the Notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, or interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, in the instruments governing our indebtedness (including the Credit Facilities), we could be in default under the terms of the agreements governing such indebtedness. In the event of such default, the holders of such indebtedness could elect to (i) declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, (ii) terminate their commitments and cease making further loans and (iii) if secured, institute foreclosure proceedings against our assets, and we could be forced into bankruptcy or liquidation.

If our operating performance declines, we may in the future need to seek waivers from the required lenders under the Credit Facilities to avoid being in default. If we breach our covenants and seek a waiver, we may not be able to obtain a waiver from the required lenders or noteholders. In such a case, we would be in default under these facilities, the lenders and noteholders could exercise their rights as described above, and we could be forced into bankruptcy or liquidation.

Upon any such bankruptcy filing, we would be stayed from making any ongoing payments on the Notes (and any guarantor that had also filed for bankruptcy would also be stayed from making any ongoing payments on the applicable guarantee), and the holders of the Notes may not be legally entitled to receive post-petition interest or applicable fees, costs or charges, or any "adequate protection" under Title 11 of the United States Code, as amended.

The lenders under the Credit Facilities will have the discretion to release any subsidiary guarantors under the Credit Facilities or liens securing the Credit Facilities in a variety of circumstances, which will cause those subsidiary guarantors to be released from their guarantees of the Notes or such liens to be released from the security interests securing the Notes. While any obligations under the Credit Facilities remain outstanding, any subsidiary guarantee of the Notes may be released without action by, or consent of, any holder of the Notes or the trustee under the indenture that governs the Notes, if the related subsidiary guarantor is no longer a guarantor of obligations under the Credit Facilities or any other indebtedness which resulted in the obligation to guarantee the Notes. The lenders under the Credit Facilities will have the discretion to release the guarantees under the Credit Facilities in a variety of circumstances. You will not have a claim as a creditor against any entity that is no longer a guarantor of the Notes, and the indebtedness and other liabilities, including trade payables, whether secured or unsecured, of those subsidiaries will effectively be senior to claims of noteholders.

In addition, liens on the collateral securing the Notes will generally be released if the lenders under the Credit Facilities release their lien on such collateral, other than in connection with a termination of the Credit Facilities and payment in full of loans thereunder. Holders of the Notes would therefore no longer have a secured claim on such collateral and would only share ratably with all unsecured creditors in the value of such assets.

Our debt agreements contain restrictions that will limit our flexibility in operating our business. The credit agreement governing the Credit Facilities and the indenture governing the Notes will contain, and any other existing or future indebtedness of ours would likely contain, a number of covenants that will impose significant operating and financial restrictions on us, including restrictions on our and our subsidiaries' ability to, among other things:

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- incur additional debt, guarantee indebtedness or issue certain preferred shares;
- pay dividends on or make distributions in respect of, or repurchase or redeem, our capital stock or make other restricted payments;
- prepay, redeem or repurchase certain debt;
- make loans or certain investments;
- sell certain assets;
- create liens on certain assets;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets;
- enter into certain transactions with our affiliates;
- substantially alter the businesses we conduct;
- enter into agreements restricting our subsidiaries' ability to pay dividends; and
- designate our subsidiaries as unrestricted subsidiaries.

In addition, the Revolving Credit Facility requires us to comply with a net first lien leverage ratio under certain circumstances.

As a result of these covenants, we will be limited in the manner in which we conduct our business, and we may be unable to engage in favorable business activities or finance future operations or capital needs.

A failure to comply with the covenants under the credit agreement governing the Credit Facilities, the indenture governing the Notes or any of our other existing or future indebtedness could result in an event of default, which, if not cured or waived, could have a material adverse effect on our business, financial condition and results of operations. In the event of any such event of default, the lenders under the Credit Facilities:

- will not be required to lend any additional amounts to us, if applicable;
- could elect to declare all borrowings outstanding, together with accrued and unpaid interest and fees, to be due and payable and terminate all commitments to extend further credit;
- could require us to apply all of our available cash to repay these borrowings; or
- could effectively prevent us from making debt service payments on the Notes; any of which could result in an event of default under the Notes.

Such actions by the lenders could cause cross defaults under our other indebtedness. If we were unable to repay those amounts, the lenders under the Credit Facilities and any of our other existing or future secured indebtedness could proceed against the collateral granted to them to secure the Credit Facilities or such other indebtedness (including the Notes). We will pledge a significant portion of our assets as collateral under the Credit Facilities and the Notes.

If any of our outstanding indebtedness under the Credit Facilities or our other indebtedness, including the Notes, were to be accelerated, there can be no assurance that our assets would be sufficient to repay such indebtedness in full.

The Apollo Global Management, Inc. (the "Apollo Funds")' interests may conflict with or differ from our interests or interests of holders of the Notes. The Apollo Funds control our ultimate parent company, which indirectly owns 100% of the Issuer's equity. In addition, representatives or designees of the Apollo Funds initially comprise four of five members on the board of directors of Goat Parent GP, LLC, the general partner of Goat Parent, L.P. As a result, the Apollo Funds can control our ability to enter into significant corporate transactions such as mergers, tender offers and the sale of all or substantially all of our assets. The interests of the Apollo Funds and their affiliates could conflict with or differ from our interests. For example, the concentration of ownership held by the Apollo Funds could delay, defer or prevent a change of control of our company or impede a merger, takeover or other business combination which may otherwise be favorable for us. If we encounter financial difficulties or are unable to pay our debts as they mature, the interests of the Apollo Funds and certain of their affiliates as equity holders might conflict with your interests as a holder of the Notes. The Apollo Funds may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, even though such transactions might involve risks to you as a holder of the Notes.

Additionally, the Apollo Funds are in the business of making investments in companies and may, from time to time, acquire and hold interests in businesses that compete, directly or indirectly with us. The Apollo Funds may also pursue acquisition opportunities that may be complementary to our business, and as a result, those acquisition opportunities may not be available to us. Any such investment may increase the potential for the conflicts of interest discussed in this risk factor. So long as the Apollo Funds continue to indirectly control a significant amount of our equity, even if such amount is less than 50%, they will continue to be able to substantially influence or effectively control our ability to enter into any corporate transactions. We

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are not subject to the corporate governance requirements of U.S. securities authorities or to any corporate governance requirements of any U.S. securities exchange.

There are circumstances other than repayment or discharge of the Notes under which the guarantees will be released automatically, without your consent or the consent of the trustee of the Notes. Under various circumstances, the guarantees of the Notes will be automatically released. The guarantee of a subsidiary guarantor will be automatically released to the extent it is released in connection with a sale or other disposition of equity interests of such subsidiary guarantor in a transaction not prohibited by the indenture. The indenture governing the Notes also permits us to designate one or more of our restricted subsidiaries that is a guarantor of the Notes as an unrestricted subsidiary, which will result in the subsidiary guarantee of such guarantor being automatically released. If we designate a subsidiary guarantor as an unrestricted subsidiary for purposes of the indenture governing the Notes, all of the liens on any collateral owned by such subsidiary or any of its subsidiaries will be released, which will reduce the aggregate value of the collateral securing the Notes. If the guarantee by a subsidiary guarantor of the Credit Facilities is released or discharged, other than in connection with a termination of the Credit Facilities and payment in full of loans thereunder, or a subsidiary guarantor ceases to be a subsidiary as a result of any foreclosure of any pledge or security interest securing certain secured indebtedness, such subsidiary's guarantee of the Notes will be automatically released as well. If the guarantee of any subsidiary guarantor is released, no holder of the Notes will have a claim as a creditor against that subsidiary, and the indebtedness and other liabilities, including trade payables and preferred stock, if any, whether secured or unsecured, of that subsidiary will be structurally senior to the claim of any holders of the Notes.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly. Borrowings under the Credit Facilities are at variable rates of interest and expose us to interest rate risk. Assuming the Revolving Credit Facility is fully drawn, each 0.125% change in assumed blended interest rates would result in an approximately $2.1 million change in annual interest expense on indebtedness under the Credit Facilities. In the future, we may enter into interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility. However, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk, may prove disadvantageous or may create additional risks.

In June 2017, the Alternative Reference Rates Committee (the "ARRC") convened by the Federal Reserve Board and the Federal Reserve Bank of New York identified the Secured Overnight Financing Rate ("SOFR"), a new index calculated by reference to short-term repurchase agreements for U.S. Treasury securities, as the rate that, in the consensus view of the ARRC, represented best practice for use in certain new U.S. dollar derivatives and other financial contracts. The Credit Facilities carry floating interest rates that are tied to SOFR.

Publication of SOFR began in April 2018 and it therefore has a limited history. The future performance of SOFR cannot be predicted based on the limited historical performance. Prior observed patterns, if any, in the behavior of market variables may change in the future. While some pre-publication historical data have been released by the Federal Reserve Bank of New York, such analysis inherently involves assumptions, estimates and approximations. The future performance of SOFR is impossible to predict, and therefore no future performance of SOFR may be inferred from any of the historical simulations or historical performance. Hypothetical or historical performance data are not indicative of, and have no bearing on, the potential performance of SOFR.

The Federal Reserve Bank of New York, as administrator of SOFR, may make methodological or other changes that could change the value of SOFR, including changes related to the method by which SOFR is calculated, eligibility criteria applicable to the transactions used to calculate SOFR or timing related to the publication of SOFR. If the manner in which SOFR is calculated is changed, that change may result in a change in the amount of our annual interest expense on our indebtedness under the Credit Facilities.

The Notes and related guarantees are secured on a ratable basis with the collateral securing the Credit Facilities, except that the Notes are not guaranteed by Goat Midco, LLC ("Holdings") which guarantees the Credit Facilities on a limited recourse basis and the Notes and related guarantees are not secured by a pledge of the equity interests Holdings directly holds of the Issuer which secures the Credit Facilities. In addition, we can incur additional debt that would also be ratably secured. The Notes and related guarantees are secured by liens on the collateral, which also secures, on a ratable basis, obligations under the Credit Facilities and certain related hedging, cash management and bank product obligations, in each case, subject to certain permitted liens, exceptions and encumbrances described in the indenture governing the Notes and the security documents relating to the Notes, such exceptions including that (1) Holdings guarantees the Credit Facilities on a limited recourse basis but does not guarantee the Notes and (2) Holdings pledges all of the equity interests it directly holds of the Issuer to secure the Credit Facilities but does not pledge such equity interests to secure the Notes. As such, there may not be sufficient collateral to pay all of the Notes. Lenders under the Credit Facilities and certain of

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our hedging, cash management and bank product obligations are also entitled to receive proceeds from the realization of the collateral along with holders of the Notes upon foreclosure on collateral or in the event of our or any subsidiary guarantor's bankruptcy, insolvency, liquidation, dissolution, reorganization or similar proceeding. In the event of our or any subsidiary guarantor's bankruptcy, insolvency, liquidation, dissolution, reorganization or similar proceeding, the collateral must be used to pay the obligations under the Credit Facilities and holders of certain of our hedging, cash management and bank product obligations and the Notes ratably, pursuant to the First Lien Intercreditor Agreement entered into for the benefit of the holders of the Notes and the lenders under our Credit Facilities. In addition, the indenture governing the Notes permits us and the guarantors to create additional liens under specified circumstances, including liens pari passu to the liens on the collateral securing the Notes. Any obligations secured by such liens may further limit the recovery from the realization of the collateral available to satisfy holders of the Notes.

Even though the holders of the Notes will benefit from a lien on the collateral that secures the Credit Facilities, the representative of the lenders under the Credit Facilities initially controls actions with respect to the collateral. The rights of the holders of the Notes with respect to the collateral that will secure the Notes and the Credit Facilities on a ratable basis is subject to the First Lien Intercreditor Agreement. Under the First Lien Intercreditor Agreement, any actions that may be taken with respect to such collateral, including the ability to cause the commencement of enforcement proceedings against such collateral and to control such proceedings will be at the direction of the authorized representative of the lenders under the Credit Facilities until (1) our obligations under the Credit Facilities are discharged (which discharge does not include certain refinancings of the Credit Facilities) or (2) 180 days after the occurrence of an event of default under the indenture governing the Notes, if the authorized representative of the holders of the Notes represents the largest outstanding principal amount of indebtedness secured by a first-priority lien on the collateral (other than the Credit Facilities) and has complied with the applicable notice provisions and if the Notes are at the time due and payable in full. As of the effective time of the Merger, Wilmington Trust, National Association, the trustee of the Notes, is the authorized representative for the noteholders under the First Lien Intercreditor Agreement. Royal Bank of Canada, the administrative agent under the Credit Facilities, is the authorized representative for the Credit Facilities under the First Lien Intercreditor Agreement. Wilmington Trust, National Association is the collateral agent for the Notes and the Credit Facilities.

However, even if the authorized representative of the Notes gains the right to direct the collateral agent in the circumstances described in clause (2) above, the authorized representative must stop doing so (and those powers with respect to the collateral would revert to the authorized representative of the lenders under the Credit Facilities) if the authorized representative of the lenders under the Credit Facilities has commenced and is diligently pursuing enforcement action with respect to the collateral or the grantor of the security interest in that collateral (whether the Issuer or the applicable subsidiary guarantor) is then a debtor under or with respect to (or otherwise subject to) an insolvency or liquidation proceeding.

In addition, the documents governing our indebtedness permit us, subject to certain limits, to issue additional series of Notes or other debt that also have a first-priority lien on the collateral. At any time that the representative of the lenders under our Credit Facilities does not have the right to take actions with respect to the collateral pursuant to the First Lien Intercreditor Agreement, that right passes to the authorized representative of the holders of the next largest outstanding principal amount of indebtedness secured by a first-priority lien on the collateral. If we issue additional Notes or other debt that is equal in priority to the liens securing the Notes in the future in a greater principal amount than the Notes, then the authorized representative for those additional Notes or other debt would be next in line to exercise rights under the First Lien Intercreditor Agreement, rather than the authorized representative for the Notes.

Under the First Lien Intercreditor Agreement, the authorized representative of the holders of the Notes may not object following the filing of a bankruptcy petition to any debtor-in-possession financing or to the use of the shared collateral to secure that financing, or to the use of cash collateral unless and until the authorized representative of the lenders under the Credit Facilities object thereto, subject to certain conditions and limited exceptions. After such a filing, the value of this collateral could materially deteriorate, and the holders of the Notes would be unable to raise an objection.

There are circumstances other than repayment or discharge of the Notes under which the collateral securing the Notes will be released automatically, without your consent or the consent of the trustee of the Notes. Under various circumstances, collateral securing the Notes will be released automatically, including:

- a sale, transfer or other disposition of such collateral (other than to the Issuer or a subsidiary guarantor) in a transaction not prohibited under the indenture;
- in respect of the property and assets of a restricted subsidiary that is a subsidiary guarantor, upon the designation of such subsidiary guarantor as an unrestricted subsidiary in accordance with the indenture;
- with respect to collateral held by a subsidiary guarantor, upon the release of such subsidiary guarantor from its guarantee, including the release of such subsidiary guarantor from its guarantee at any time the Notes are rated

investment grade by both of Moody's and S&P (provided that no default or event of default has occurred and is continuing at such time); and

- pursuant to the First Lien Intercreditor Agreement.

Item 2. Properties

Number of Facilities - Owned

Location	Aerospace	Industrial	Other	Total
Manufacturing:				
North America	5	2	—	7
Europe	3	7	—	10
Asia	2	0	—	2
Central and Latin America	—	—	—	0
	10	9	—	19
Non-Manufacturing:				
North America	—	1	1*	2
	—	1	1	2

* The Company's Corporate office.

Number of Facilities - Leased

Location	Aerospace	Industrial	Other	Total
Manufacturing:				
North America	4	2	—	6
Europe	2	4	—	6
Asia	8	4	—	12
	14	10	—	24
Non-Manufacturing:				
North America	2	6	—	8
Europe	2	27	—	29
Asia	—	22	—	22
Central and Latin America	—	2	—	2
	4	57	—	61

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Item 3. Legal Proceedings

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

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

The Company is a wholly owned indirect subsidiary of Issuer. Issuer and the Company are affiliates of funds managed by affiliates of Apollo Funds. Apollo Funds beneficially own all of the outstanding equity interests of Issuer, and there is no public market for our equity.

Item 6. Reserved

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our consolidated financial statements and related notes in this Annual Report. In addition to historical information, this discussion contains forward-looking statements that involve risks, uncertainties, and assumptions that could cause actual results to differ materially from our expectations. Factors that could cause such differences include those described in the section titled "Risk Factors" and elsewhere in this report. We undertake no obligation to update any of the forward-looking statements.

Management's Discussion and Analysis of Financial Condition and Results of Operations for 2022 is included in Item 7 of the Company's Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission and is incorporated by reference, and should be referred to for information regarding this period.

OVERVIEW

The Company continued its strategy to evaluate its business portfolio, optimize its product offerings and transform its business during 2024. In January 2024, the Company announced that it has entered into a definitive agreement to sell its Associated Spring and Hänggi businesses to One Equity Partners. The Company completed the sale of the Businesses to OEP on April 4, 2024. See Note 3 of the Consolidated Financial Statements for additional disclosure related to the divestiture of these businesses.

On January 27, 2025, Goat Holdco, LLC ("Parent"), a Delaware limited liability company, completed the acquisition of the Company, pursuant to the terms of the Agreement and Plan of Merger, dated as of October 6, 2024 (the "Merger Agreement"), by and among the Company, Parent, and Goat Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Parent ("Merger Sub"). Pursuant to the Merger Agreement, Merger Sub merged with and into the Company (the "Merger"), with the Company surviving the Merger as a wholly owned subsidiary of Parent. Parent and Merger Sub are affiliates of funds managed by affiliates of Apollo Global Management, Inc. Following the completion of the Merger, the Company's common stock ceased trading and the Company was delisted from the New York Stock Exchange.

The Company reported net sales of $1,609.2 million in 2024, an increase of $158.3 million, or 10.9%, from 2023. Organic sales increased by $85.0 million, driven by an increase of $81.0 million at Aerospace and an increase of $4.0 million at Industrial. The year-over-year increase at Aerospace was driven by volume increases within both the Aerospace OEM and the Aerospace Aftermarket businesses, reflecting continued strength in aerospace end markets. The acquisition of MB Aerospace on August 31, 2023 provided incremental sales of $229.4 million within the Aerospace segment during year ended December 31, 2024. Foreign currencies increased net sales within the Aerospace segment by approximately $0.9 million as the U.S. dollar weakened against certain foreign currencies. From an Industrial standpoint, year-over-year organic sales was driven by higher volumes within the Molding Solutions business and favorable pricing initiatives. The sale of the Businesses reduced sales by $153.9 million during 2024. Operating income increased 24.5% from $89.0 million in 2023 to $110.8 million in 2024 and operating margin increased from 6.1% in 2023 to 6.9% in 2024, largely a result of the profit contribution of higher volumes within the Aerospace businesses and favorable pricing initiatives, a reduction of pre-tax restructuring and transformation related charges and a reduction in short-term purchase accounting adjustments, partially offset by a $53.7 million goodwill impairment charge recorded in Industrial related to the Automation business and $11.6 million of merger related costs. Pre-tax charges charges related to restructuring activities were $28.3 million in the 2024 period as compared to $45.8 million in the 2023 period and short-term purchase accounting adjustments were $4.1 million in the 2024 period as compared to $19.2 million in the 2023 period. A $5.2 million pre-tax gain related to the sale of the Business recorded in 2024 and the absence of $12.2 million of acquisition transaction costs that were recorded in the 2023 period also benefited the 2024 period. Foreign currencies decreased net sales within the Industrial segment by approximately $3.2 million as the U.S. dollar strengthened against certain foreign currencies.

Impact of Macroeconomic Trends and Management Actions

Certain of the macroeconomic trends that presented challenges across our businesses in 2023 continued through 2024. Interest rates, inflationary pressures and labor constraints continued to stabilize during recent periods, whereas supply chain constraints continue to linger, therefore continuing to impact the performance of the businesses. Management continues to take actions to mitigate the lingering impacts of these events and circumstances and remains proactive in working to address any potential future impacts.

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Management has continued to implement pricing actions and drive productivity initiatives with the goal of mitigating these macroeconomic pressures. Management also continues to focus on driving core business execution through revenue growth, margin expansion, and new business development. Management's attention also remains directed towards integrating our existing businesses, consolidating operations and facilities where appropriate, and rationalizing operational costs and investments; all with the goal of improving profitability and return on invested capital. Management is leading a systematic multi-phased initiative to significantly reduce costs and integrate the Company's operations, decreasing complexity and focusing on improved performance across Industrial. More specifically, the Company has announced restructuring programs (see Note 10 of the Condensed Consolidated Financial Statements) to further reduce costs within both segments, in response to changes in macroeconomic factors. Management also continues to evaluate ongoing geopolitical risks for any potential for impacts on the Company's Consolidated Financial Statements.

Historically at Barnes, acquisitions and strategic relationships with our customers have been a key growth driver for the Company and we continue to seek alliances which foster long-term business relationships. Past acquisitions have allowed us to extend into new or adjacent markets, expand our geographic reach, and commercialize new products, processes and services. The Company continually evaluates its business portfolio to optimize product offerings and maximize value based on growing our "Top Line". We have significantly transformed our business with our entrance into new markets. The Company has paused Industrial acquisitions and it is focused on driving core business execution and integrating, consolidating and rationalizing its portfolio. Consistent with our strategic objective to scale Aerospace, the Company closed on the largest acquisition in its history with the purchase of MB Aerospace in 2023. Management in this segment is focused on the full integration of the combined businesses and leveraging the combined entity to drive growth.

The combined benefits from these initiatives collectively work to drive transformational value creation for all Barnes stakeholders.

Our Business

The Company consists of two operating segments: Aerospace and Industrial.

Key Performance Indicators

Management evaluates the performance of its reportable segments based on the sales, operating profit, operating margins, earnings before income tax, depreciation and interest expense ("EBITDA") and cash generation of the respective businesses. Each segment has standard key performance indicators ("KPIs"), a number of which are focused on employee safety-related metrics (total recordable incident rate and lost time incident rate), customer metrics (on-time-delivery and quality), internal effectiveness and productivity/efficiency metrics (sales effectiveness, global sourcing, operational excellence, functional excellence, cost of quality, days working capital and return on invested capital) and specific KPIs on profitable growth.

Key Industry Data

In both segments, management tracks a variety of economic and industry data as indicators of the health and outlook of a particular sector.

At Aerospace, management of the Aftermarket business monitors the number of aircraft in the active fleet, the number of aircraft temporarily or permanently taken out of service, aircraft utilization rates for the major airlines, engine shop visits, airline profitability, aircraft fuel costs and passenger traffic. The Aerospace OEM business regularly tracks orders, backlog and deliveries for each of the major aircraft manufacturers, as well as engine purchases made for new aircraft. Management also monitors annual appropriations for the U.S. defense market related to purchases of new or used aircraft and engine components.

At Industrial, key data for the manufacturing operations include the Institute for Supply Management's manufacturing PMI Composite Index (and similar indices for European and Asian-based businesses); the Bureau of Economics Industrial Production Index (the IPI); worldwide forecasts for light vehicle production, as well as new model introductions and existing model refreshes; North American heavy duty vehicle production; interconnection consulting hot runner systems worldwide report for auto, medical, personal care and packaging industries; and global GDP growth forecasts.

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RESULTS OF OPERATIONS

Sales

($ in millions)	2024	2023	$ Change	% Change	2022
Industrial	**$ 689.8**	$ 842.8	$ (153.1)	(18.2)%	$ 832.7
Aerospace	**919.4**	608.1	311.4	51.2 %	429.2
Total	**$ 1,609.2**	$ 1,450.9	$ 158.3	10.9 %	$ 1,261.9

The Company reported net sales of $1,609.2 million in 2024, an increase of $158.3 million, or 10.9%, from 2023. Organic sales increased by $85.0 million, driven by an increase of $81.0 million at Aerospace and an increase of $4.0 million at Industrial. The year-over-year increase at Aerospace was driven by volume increases within both the Aerospace OEM and the Aerospace Aftermarket businesses, reflecting continued strength in aerospace end markets. The acquisition of MB Aerospace on August 31, 2023 provided incremental sales of $229.4 million within the Aerospace segment during year ended December 31, 2024. Foreign currencies increased net sales within the Aerospace segment by approximately $0.9 million as the U.S. dollar weakened against certain foreign currencies. From an Industrial standpoint, the year-over-year organic sales increase was driven by higher volumes within the Molding Solutions business and favorable pricing initiatives. The sale of the Businesses reduced sales by $153.9 million during 2024. Foreign currencies decreased net sales within the Industrial segment by approximately $3.2 million as the U.S. dollar strengthened against certain foreign currencies.

Expenses and Operating Income

($ in millions)	2024	2023	$ Change	% Change	2022
Cost of sales	**$ 1,095.6**	$ 1,008.8	$ 86.8	8.6 %	$ 840.0
% sales	**68.1 %**	69.5 %			66.6 %
Gross profit [1]	**$ 513.6**	$ 442.1	$ 71.5	16.2 %	$ 421.9
% sales	**31.9 %**	30.5 %			33.4 %
Selling and administrative expenses	**$ 354.3**	$ 353.1	$ 1.2	0.3 %	$ 296.6
% sales	**22.0 %**	24.3 %			23.5 %
Gain related to the sale of businesses	**$ (5.2)**	$ —	$ (5.2)	(100.0)%	$ —
% sales	**(0.3)%**	— %			— %
Goodwill impairment charge	**$ 53.7**	$ —	$ 53.7	100.0 %	$ 68.2
% sales	**3.3 %**	— %			— %
Operating income	**$ 110.8**	$ 89.0	$ 21.8	24.5 %	$ 57.1
% sales	**6.9 %**	6.1 %			4.5 %

NM - Not meaningful

(1) Sales less cost of sales

Cost of sales in 2024 increased 8.6% from 2023 and gross profit margin increased from 30.5% in the 2023 period to 31.9% in the 2024 period. Gross profit increased and gross profit margins increased at Aerospace while gross profit decreased and gross profit margins increased at Industrial. Within Aerospace, higher volumes within both the OEM and Aftermarket business, driven by the acquisition of MB Aerospace, positively impacted gross profit. The 2024 period includes $4.1 million of short-term purchase accounting adjustments compared to $8.3 million of short-term purchase accounting adjustments in the prior year period. Within Industrial, gross profit decreased primarily as a result of lower volumes, primarily driven by the sale of the Businesses, and lower organic sales volumes within the Force & Motion Control and Automation businesses. Gross profit margin improved primarily as a result of pricing actions taken by the businesses and Barnes Transformation Office costs savings initiatives, partially offset by unfavorable productivity. As well, $6.7 million of pre-tax charges related to restructuring and transformation related actions (aggregate of $28.3 million, including selling and administrative costs) impacted gross profit across the segments. Pre-tax charges impacting gross profit related to restructuring and workforce reduction actions during the comparable 2023 period were $13.4 million (aggregate of $45.8 million). Selling and administrative expenses in 2024 increased 0.3% from the 2023 period. Sales, however, also increased by 10.9% between the 2024 and 2023 periods. As a percentage of sales, selling and administrative costs decreased from 24.3% in 2023 to 22.0% in the 2024 period. The increase in selling and administrative costs as a percentage of sales was primarily driven by $11.6 million of merger costs, offset by an increase in sales, the absence of $12.2 million of acquisition transaction costs and lower pre-tax charges related to restructuring and

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workforce reduction actions. Pre-tax charges impacting selling and administrative expenses related to restructuring and workforce reduction actions were $21.6 million (aggregate of $28.3 million) during 2024 period and $32.4 million (aggregate of $45.8 million) during the 2023 period. The absence of $10.9 million of short-term purchase accounting adjustments related to the acquisition of MB Aerospace also benefited the period. A goodwill impairment charge of $53.7 million within the Automation reporting unit and a $5.2 million pre-tax gain related to the sale of the Businesses were recorded during the 2024 period. Operating income in the 2024 period was $110.8 million, compared with operating income of $89.0 million in 2023, and operating income margin increased from 6.1% in the 2023 period to 6.9% in the 2024 period, primarily driven by the items noted above.

Interest expense

Interest expense in 2024 increased $25.1 million to $83.3 million from 2023, primarily due to higher average borrowings, largely related to the acquisition of MB Aerospace and a higher average interest rate given the recapitalization of the Company's debt structure, partially offset by the absence of $9.5 million of bridge financing fees related to the acquisition of MB Aerospace that were incurred during the prior year period.

Other expense (income), net

Other expense (income), net in 2024 was $(0.5) million compared to $(2.4) million in 2023. The increase in expense was primarily driven by a reduction in income from the other components of net periodic benefit costs related to pension and other postretirement benefits. Other expense (income), net also includes foreign currency losses of $6.4 million and $5.3 million in the 2024 and 2023 periods, respectively.

Income Taxes

The Company's effective tax rate was 264.8% in 2024, compared with 52.0% in 2023. The increase is primarily due to a goodwill impairment charge that is not deductible for tax, tax charges related to the sale of a business, new taxes under the Pillar II regime and negative tax impacts of certain deductions related to officers compensation. The Company incurred a goodwill impairment charge of $53.7 million recorded in the second quarter of 2024 which was not tax deductible for book purposes. Additionally, the Company recorded $23.7 million of tax expense relating to the sale of the Businesses. The Company also had an increase in non-tax deductible officer compensation as a result of the Merger and $6.3 million of tax expense related to the Income Inclusion Rule under Pillar Two, defined and discussed below, which significantly reduces the benefit from the tax holidays granted in Malaysia. The increase is partially offset by a tax benefit of $1.9 million related to exercised stock options as a result of the Merger.

In October 2021, the Organization for Economic Co-operation and Development ("OECD") introduced an inclusive framework to address tax challenges arising from the digitalization of the economy through a two-pillar solution. One of the components of the solution is the implementation of a global minimum corporate tax rate of 15% for large multinational corporations ("Pillar Two"). The OECD continues to release additional guidance on the two-pillar solution with implementation having begun, although the corresponding taxes are not currently payable until 2026. Under Pillar Two, the Income Inclusion Rule allows a country to look within its chain of ownership to entities not meeting the minimum tax rate requirement and include those results within the tax filings of the parent entity. Luxembourg enacted the Income Inclusion Rule under Pillar Two, thereby allowing them to impose a 15% tax on the earnings of the Company's Malaysian Subsidiary, which was earlier granted a tax holiday.

See Note 15 of the Consolidated Financial Statements for a reconciliation of the U.S. federal statutory income tax rate to the consolidated effective income tax rate.

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Financial Performance by Business Segment

Aerospace

($ in millions)	2024	2023	$ Change	% Change	2022
Sales	**$ 919.4**	$ 608.1	$ 311.4	51.2 %	$ 429.2
Operating profit	**131.8**	53.0	78.9	148.9 %	76.2
Operating margin	**14.3 %**	8.7 %			17.7 %

Aerospace recorded sales of $919.4 million in 2024, a 51.2% increase from 2023. The year-over-year increase at Aerospace was driven by volume increases within both the Aerospace OEM and the Aerospace Aftermarket businesses, reflecting continued strength in aerospace end markets. The acquisition of MB Aerospace on August 31, 2023 provided incremental sales of $229.4 million during the 2024 period. Organic Aerospace sales increased 7.2% and 23.7% within the OEM and Aftermarket businesses, respectively, relative to the 2023 period. Foreign currencies increased net sales within the Aerospace segment by approximately $0.9 million as the U.S. dollar weakened against certain foreign currencies.

Operating profit at Aerospace increased 148.9% from 2023 to $131.8 million, largely a result of the contribution of higher organic sales volumes, inclusive of pricing, and the contribution of MB Aerospace sales. Lower short-term purchase accounting adjustments and the absence of $12.2 million in acquisition transaction costs incurred in the prior year period also benefited operating profit. Short-term purchase accounting adjustments (amortization of customer backlog and inventory step-up) approximated $4.1 million within the current period, compared with $19.2 million in the prior year period. Merger related costs of $6.0 million also impacted the 2024 period. Pre-tax charges related to restructuring and transformation remained flat with $7.4 million of costs within the 2024 period, as compared with $7.6 million of costs in the prior year period. Operating margin increased from 8.7% in the 2023 period to 14.3% in the 2024 period, primarily a result of the impacts of the items discussed above.

Outlook:

Sales in the Aerospace OEM business are based on the general state of the aerospace market driven by the global economy and are supported by its order backlog through participation in certain strategic commercial and defense-related engine and airframe programs. As noted earlier, the Company completed its acquisition of MB Aerospace during 2023. MB Aerospace represents a strategic fit for Barnes Aerospace, with highly complementary programs, global operations, technical capabilities, and product and service offerings. OEM sales have grown year-to-date in 2024 relative to the comparable 2023 period, as aircraft engine production volumes increased. The Company expects that the OEM business will see continued strength in demand for its manufactured components for both narrow body and wide body engines in the long-term. In the near term, the aerospace OEM component manufacturing industry may be pressured by lowered aircraft production rates at Boeing and Airbus, the delayed ramp of aircraft production, and impacts resulting from the Boeing strike. Supply chain challenges and lower labor productivity will have an impact on the timing of the production recovery. Aerospace management continues to work with customers to evaluate engine and airframe build schedules, giving management the ability to react timely to such changes. Management is working closely with suppliers to align raw material schedules with production requirements.

Management also remains focused on labor and supply chain constraints that continue to impact the business, executing long-term agreements, and expanding our share of production on key programs. Backlog at OEM was $1,721.1 million at December 31, 2024, an increase of 39.5% since December 31, 2023, at which time backlog was $1,233.6 million. Approximately 45% of OEM backlog is expected to be recognized over the next 12 months. The Aerospace OEM business may also be impacted by changes in the content levels on certain platforms, changes in customer sourcing decisions, adjustments to customer inventory levels, labor and commodity availability (including the availability of commodities such as titanium sourced in Russia) and pricing, vendor sourcing capacity and the use of alternate materials. Additional impacts may include the redesign of parts, quantity of parts per engine, cost schedules agreed to under contract with the engine and airframe manufacturers, as well as the pursuit and duration of new programs. Fluctuations in fuel costs, interest rates, and potential changes in regulatory requirements could impact airlines' decisions on maintaining, deferring or canceling new aircraft purchases, in part based on the value associated with new fuel-efficient technologies and targets established by airlines to reduce greenhouse gas emissions.

The Aerospace Aftermarket business continues to demonstrate strong performance as airline traffic and aircraft utilization trends remain healthy. Domestic and international passenger traffic have improved with growth forecasted throughout 2025.

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

The Company remains focused on proactive cost management and improved productivity to mitigate continued pressure on operating profit. The segment continued to take restructuring actions during 2024. Aerospace will continue to explore additional productivity opportunities, including working closely with vendors and customers as it relates to the timing of deliveries and pricing initiatives. Also, management seeks additional opportunities to leverage cost and facility synergies from the integration of our legacy Aerospace business with MB Aerospace. In October 2024, the Company authorized restructuring actions related to manufacturing footprint optimization, including the consolidation of a manufacturing site and optimization of production (see Note 10). Management also remains focused on growth through strategic investments, acquisitions and new product and process introductions. Driving productivity continues as a key initiative. Operating profit may be impacted by changes in sales volume, mix and pricing, particularly as they relate to the higher profit Aftermarket RSP spare parts business, and investments made in each of its businesses. Operating profits may also be impacted by potential changes in tariffs, trade agreements and trade policies that may affect the cost and/or availability of goods and labor constraints. Costs associated with new product and process introductions, the physical transfer of work to other global regions, additional productivity initiatives and restructuring activities are expected to drive improved operating profit in the longer term, while potentially negatively impacting operating profit in the short-term.

Industrial

($ in millions)	2024	2023	$ Change	% Change	2022
Sales	**$ 689.8**	$ 842.8	$ (153.1)	(18.2)%	$ 832.7
Operating (loss) profit	**(21.0)**	36.0	(57.1)	(158.3)%	(19.1)
Operating margin	**(3.0)%**	4.3 %			(2.3)%

Sales at Industrial were $689.8 million in 2024, a decrease of $153.1 million, or 18.2%, from 2023. Organic sales increased by $4.0 million as compared with the prior year period, primarily a result of higher volumes within the Molding Solutions business and favorable pricing initiatives. Higher volumes were driven by favorability within the personal care and medical end markets within the Molding Solutions business, partially offset by softness within the tool and die end market within the Force & Motion Control business. Softness within Europe and North America end markets also impacted volumes during the 2024 period. The impact of foreign currency translation decreased sales by approximately $3.2 million as the U.S. dollar strengthened against foreign currencies.

An operating loss in 2024 at Industrial of $21.0 million, as compared with an operating income of $36.0 million in 2023, was driven by a $53.7 million goodwill impairment charge recorded by the segment, partially offset by a $5.2 million pre-tax gain related to the sale of the Businesses. Lower pre-tax restructuring and transformation related charges also impacted the operating loss during the 2024 period. Pre-tax restructuring and transformation related charges during 2024 were $20.9 million as compared to $38.3 million incurred during the 2023 period. These benefits were partially offset by $1.0 million of shareholder advisory costs that were allocated to the segment during the 2024 period, $5.6 million of merger related costs and unfavorable productivity. Operating margin decreased from 4.3% in the 2023 period to (3.0)% in the 2024 period, primarily a result of the items described above.

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Outlook:

At Industrial, management remains focused on generating organic sales growth through additional sales and marketing resources and expanded go-to-market strategies to leverage the Company's full product portfolio across customers and global industrial end-markets. Our business remains impacted by continuing headwinds including inflation, geo-politics and China dynamics. In the fourth quarter, orders in China improved year-over-year as commercial actions taken in that market begin to gather momentum. From a macro environment standpoint, the manufacturing Purchasing Managers' Index ("PMI") ended the year below 50 in the United States and Europe indicating contraction, while China ended the year slightly above 50. Management closely monitors the impact of pricing changes and lead times on raw materials and freight, given the continued ongoing pressure of supply chain constraints. Following the April 2024 sale of the Businesses that serve the automotive component manufacturing end market, the outlook for global automotive production will not be as meaningful a metric moving forward. Orders within the tool & die market were favorable year-over-year within the remaining Force & Motion Control business. At our Molding Solutions business, orders for our multi-cavity molds improved year-over-year primarily on strength in the medical end market. Orders for our automotive hot runners improved driven by our commercial actions in China. Sales volumes at certain of our businesses is dependent upon the need for equipment used in plastic injection molding markets, which may be significantly influenced by the demand for plastic products, the capital investment needs of companies in the plastic injection molding and plastics processing industries, changes in technological advances and changes in laws or regulations such as those related to single-use plastics, product and packaging composition and recycling. Automation orders declined modestly on a year over-year basis, as we continue to see soft industry fundamentals globally. To the extent that the U.S. dollar fluctuates relative to other foreign currencies, our sales may be impacted relative to the prior year periods. The relative impact on operating profit is not expected to be as significant as the impact on sales as most of our businesses have expenses primarily denominated in local currencies, where these revenues reside, however operating margins may be impacted. Management is focused on sales growth through customer engagement, full product line selling, innovation and expanding geographic reach. Strategic investments in new technologies, manufacturing capabilities and capacity processes and product development are expected to provide benefits over the long term. Management continues to evaluate such opportunities.

The Company is focused on the proactive management of costs to increase competitiveness and productivity, and to mitigate the ongoing impacts of the current macroeconomic environments, including the continuing risks of supply chain constraints, tariffs and broad-based inflation on operating profit. The Company continues to manage its cost structure to align with the intake of orders and sales given uncertainty within specific end-markets. In 2022, management commenced a systematic multi-phased restructuring initiative (the "Actions") to significantly reduce costs and integrate the Company's operations, decreasing complexity and focusing on improved performance across Industrial. More specifically, the Company has announced restructuring programs (see Note 10 of the Consolidated Financial Statements) to further reduce costs primarily within the Industrial segment, in response to the macroeconomic disruptions. These actions include organizational realignment including elimination of certain roles across several locations.

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

LIQUIDITY AND CAPITAL RESOURCES

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

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The Company believes that its ability to generate cash from operations in excess of its internal operating needs is one of its financial strengths. Management continues to focus on cash flow and working capital management, and anticipates that operating activities in 2025 will generate sufficient cash to fund operations. See additional discussion regarding currently available debt facilities below. The Company continues to invest within its businesses, with its estimate of 2025 capital spending to approximate $80 million.

In addition, from time to time, depending upon market, pricing and other conditions, as well as on our cash balances and liquidity, the Company, its subsidiaries or its affiliates may refinance or take steps to reduce debt or interest costs, including by acquiring the Notes or other indebtedness through open market purchases, privately negotiated transactions, tender offers, redemption or otherwise, upon such terms and at such prices as the Company or its affiliates may determine (or as may be provided for in the indenture governing the Notes, or the definitive documentation governing any such other indebtedness), for cash or other consideration. Any refinancing, acquisition or repayment of the Company's debt will depend upon numerous factors such as market conditions, the Company's financial performance and the limitations applicable to such transactions under the Company's financing documents.

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

On March 19, 2024, the Company entered into a Refinancing Amendment ("Amendment No. 2") to the Credit Agreement which replaced the outstanding principal amount of term loans under the Term Loan Facility (the "Existing Term Loans") with an equal amount of new term loans (the "New Term Loans") having substantially similar terms as the Existing Term Loans, except with respect the interest rate applicable to the New Term Loans and certain other provisions. The interest rate margin applicable to the New Term Loans was reduced to 1.50%, in the case of ABR loans, and 2.50%, in the case of Term SOFR loans (with the Term SOFR floor remaining at 0.0%). The interest rate margin applicable to the Existing Term Loans was

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2.00%, in the case of ABR loans, and 3.00%, in the case of Term SOFR loans. In addition, the Term SOFR adjustment applicable to the New Term Loans was reduced to 0.00%. The Term SOFR adjustment applicable to the Existing Term Loans was 0.10%. The Company recorded fees of $1.6 million in conjunction with Amendment No. 2 within interest expense on the Consolidated Statements of Income during the 2024 period.

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

Borrowings under the Senior Facilities bear interest at a rate per annum equal to, at the Company's option, either Term SOFR (subject to a 0.00% floor) or an alternate base rate ("ABR"), in each case plus an applicable margin of (i) in the case of borrowings under the Term Loan Facility, 3.00% for Term SOFR loans and 2.00% for ABR loans and (ii) in the case of borrowings under the Revolving Credit Facility, initially, 2.375% for Term SOFR loans and 1.375% for ABR loans. The applicable margin for borrowings under the Revolving Credit Facility varies depending on the Company's total net leverage ratio. At December 31, 2024, the applicable margin for borrowings under the Revolving Credit Facility was 2.0%. The Company is also required to pay a commitment fee initially equal to 0.35% per annum to the lenders under the Revolving Credit Facility in respect of the unutilized commitments thereunder. The commitment fee under the Revolving Credit Facility varies depending on the Company's total net leverage ratio. At December 31, 2024, the commitment fee under the Revolving Credit Facility was 0.275%.

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

The Company may generally prepay outstanding loans under the Senior Facilities at any time, without prepayment premium or penalty, subject to customary "breakage" costs with respect to Secured Overnight Financing Rate ("SOFR") loans. Prepayments of the Term Loan Facility in connection with certain "repricing events" resulting in a lower yield occurring at any time during the first six months after the Acquisition Date must be accompanied by a 1.00% prepayment premium.

The Revolving Credit Facility requires that the Company maintain a maximum Total Net Leverage Ratio, as defined in the Credit Agreement, initially of 5.50 to 1.00 as of the last day of each fiscal quarter for which financials have been (or were required to be) delivered, commencing with the first full fiscal quarter after the Acquisition Date, stepping down to 4.00 to 1.00 over time. The actual ratio, as defined, was 3.02 as of December 31, 2024. For material acquisitions in certain circumstances, such ratio may be increased by up to 0.50 to 1.00. The Revolving Credit Facility also requires that the Company not permit the Interest Coverage Ratio as of the last day of any test period to be less than 3.00 to 1.00. The actual ratio, as defined, was 4.56 as of December 31, 2024. At December 31, 2024, the Company was in compliance with all applicable covenants.

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

On January 9, 2024, the Company entered into a Share Purchase and Asset Agreement ("SPA") with One Equity Partners ("OEP") to sell its Associated Spring™ and Hänggi™ businesses (the "Businesses") for $175.0 million, subject to certain adjustments. These businesses operate within Force & Motion Control business (formerly the Motion Control Solutions business). See Note 3 of the Condensed Consolidated Financial Statements for additional disclosure related to the sale of the Businesses that closed in April 2024, with the proceeds being used to repay debt.

The Company did not repurchase any shares of the Company's common stock during 2024, 2023 or 2022.

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In connection with the Merger, the Company fully repaid all outstanding principal balances under its Senior Facilities. Concurrently, the Company and Parent executed the Supplemental Indenture No. 1, dated as of January 27, 2025, supplementing the Indenture, dated as of December 27, 2024 (the "2032 Notes Indenture"), by and among Parent, as issuer, the Company, as guarantor, and other subsidiary guarantors party thereto from time to time and Wilmington Trust, National Association (the "Trustee"). Pursuant to the 2032 Notes Indenture, Parent issued $750.0 million in aggregate principal amount of 6.75% Senior Secured Notes due 2032 (the "Notes"), with the Company and other subsidiary guarantors guaranteeing Parent's obligations under the 2032 Notes Indenture and the Notes.

The Notes mature on February 1, 2032 and bear interest at a rate of 6.750% per annum, payable semiannually to registered holders at the close of business on January 15 or July 15 immediately preceding the interest payment date on February 1 and August 1 of each year, commencing August 1, 2025.

All obligations under the Notes are unconditionally guaranteed by the Issuer and each of the Issuer's existing and future direct and indirect, wholly owned material domestic subsidiaries that guarantees the Credit Facilities. The obligations under the Notes and the related guarantees are secured by a first-priority lien on substantially all assets of the Issuer, the other subsidiaries of the Issuer that are guarantors, subject to customary exceptions.

On or after February 1, 2028, the Issuer may redeem the Notes at its option, in whole at any time or in part from time to time, at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest, if any, to, but excluding the redemption date, if redeemed during the 12-month period commencing on February 1 of the years set forth below:

Period	Redemption Price
2028	103.375%
2029	101.688%
2030 and thereafter	100.000%

In addition, prior to February 1, 2028, the Issuer may redeem the Notes at its option, in whole at any time or in part from time to time, at a redemption price equal to 100% of the principal amount of the notes redeemed plus the applicable "make-whole" premium set forth in the indenture governing the Notes, plus accrued and unpaid interest, if any, to, but excluding, the applicable redemption date. Prior to February 1, 2028, the Issuer may redeem in aggregate up to 40% of the original principal amount of the Notes in an amount not to exceed the amount of net cash proceeds of certain equity offerings, at a redemption price of 106.75%, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. The Issuer may also redeem during each twelve-month period up to 10% of the aggregate principal amount of the Notes at a price equal to 103.00% of the principal amount thereof, plus accrued and unpaid interest.

Additionally, Parent entered into the First Lien Credit Agreement, dated as of January 27, 2025, by and among Parent, Goat Midco, LLC, the financial institutions named therein, the other parties thereto and Royal Bank of Canada as administrative agent(the "New Credit Agreement"), which comprised of a $1,350.0 million term loan facility with a maturity of seven years and a $300.0 million revolving loan facility with a maturity of five years. Management remains focused on driving core business execution and financial performance via the planned integration and consolidation actions described above. The Company believes that its credit facilities and access to capital markets, coupled with cash generated from operations, are adequate for its anticipated future requirements. The Company maintains communication with its bank syndicate as it continues to monitor its cash requirements.

The Company had no borrowings under short-term bank credit lines at December 31, 2024.

The Company entered into an interest rate swap agreement (the "2017 Swap") with one bank, which converted the interest on $100.0 million of the Company's one-month LIBOR-based borrowings from a variable rate plus the borrowing spread to a fixed rate of 1.92% plus the borrowing spread. The 2017 Swap expired on January 31, 2022. On March 24, 2021, the Company entered into a new interest rate swap agreement (the "2021 Swap") with this same bank that commenced on January 31, 2022 and that converted the interest on $100.0 million of the Company's one-month LIBOR-based borrowings from a variable rate plus the borrowing spread to a fixed rate of 1.17% plus the borrowing spread. Effective April 30, 2022, the Company amended the 2021 Swap (the "Amended 2021 Swap") such that the one-month SOFR-based borrowing rate replaced the one-month LIBOR-based borrowing rate. The Amended 2021 Swap, which will expire on January 30, 2026, converts the interest on

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$100.0 million of the Company's one-month SOFR-based borrowings from a variable rate plus the borrowing spread to a fixed rate of 1.075% plus the borrowing spread. The execution of the Amended 2021 Swap did not have a material impact on our business, financial condition, results of operations or cash flow. The Company terminated the Amended 2021 Swap on January 15, 2025. As a result of the termination, the Company received a cash settlement of $3.2 million and recognized a corresponding gain within Interest Expense.

On July 19, 2023, the Company entered into an interest rate swap agreement (the "Euribor Swap") with one bank that commenced on July 31, 2023, which converts the interest on €150.0 million of the Company's Euribor-based borrowings from a variable rate plus the borrowing spread to a fixed rate of 3.257% plus the borrowing spread. Under the Euribor Swap, €50.0 million will expire on July 31, 2026, with the remaining balance of €100.0 million expiring July 31, 2028. On September 12, 2023, the Company entered into six additional interest rate swap agreements (the "2023 Swaps") with six different banks that commenced on September 29, 2023, which convert the interest on $600.0 million of the Company's one-month SOFR-based borrowings from a variable rate plus the borrowing spread to a blended fixed rate of 4.321% plus the borrowing spread. Under the 2023 Swaps, $50.0 million will expire on August 31, 2026, $100.0 million will expire on August 31, 2027, $200.0 million will expire on August 31, 2028, $50.0 million will expire on August 31, 2029 and the remaining balance of $200.0 million will expire on August 31, 2030. The execution of the interest rate swap agreements in 2023 did not have a material impact on our business, financial condition, results of operations or cash flow. These interest rate swap agreements (the "Swaps") are accounted for as cash flow hedges. The Company terminated three of the six 2023 Swaps on January 14, 2025 and January 15, 2025. As a result of the termination, the Company paid a cash settlement of $0.6 million and recognized a corresponding loss within Interest Expense during January 2025. See Note 22. At December 31, 2024, the Company's total borrowings were comprised of 76% fixed rate debt and 24% variable rate debt. At December 31, 2023, the Company's total borrowings were comprised of 67% fixed rate debt and 33% variable rate debt.

The Company novated two of the six 2023 Swaps to JPMorgan Chase Bank, N.A. ("JPMorgan") on January 16, 2025, one of which converts the interest on $100.0 million of the Company's one-month SOFR-based borrowings from a variable rate plus the borrowing spread to a fixed rate of 4.3685% plus the borrowing spread and one of which converts the interest on $200,000 of the Company's one-month SOFR-based borrowings from a variable rate plus the borrowing spread to a fixed rate of 4.341% plus the borrowing spread (the "$200.0 million 2023 Swap"). Additionally, on the same day, the Company entered into an additional interest rate swap agreement (the "2025 Swap") with JPMorgan to offset the $200.0 million 2023 Swap. The 2025 Swap converts the interest on $200.0 million of the Company's one-month SOFR-based borrowings from a fixed rate of 4.038% plus the borrowing spread to a variable rate plus the borrowing spread. The 2025 Swap expires on August 31, 2030. The execution of the 2025 Swap did not have a material impact on our business, financial condition, results of operations or cash flow.

The funded status of the Company's pension plans is dependent upon many factors, including actual rates of return that impact the fair value of pension assets and changes in discount rates that impact projected benefit obligations. The pension plans funding status improved from a funded status of $0.7 million at December 31, 2023 to $10.0 million at December 31, 2024. The improvement was driven by a $15.7 million actual return on pension plan assets, coupled with a decrease in the projected benefit obligation ("PBO"), following an update to certain actuarial assumptions. The Company recorded $2.9 million of non-cash after-tax decreases in stockholders equity (through other non-owner changes to equity) when recording the current year adjustments for changes in the funded status of its pension and postretirement benefit plans as required under accounting for defined benefit and other postretirement plans. This decrease in stockholders equity resulted primarily from unfavorable variances between expected and actual returns on pension plan assets, partially offset by changes in actuarial assumptions, primarily an increase in the discount rate, and the amortization of actuarial losses recorded earlier.

In 2024, the Company made $0.3 million in discretionary contributions to its U.S Qualified pension plans. The Company expects to contribute approximately $6.1 million to its various defined benefit pension plans in 2025. No discretionary contributions to the U.S. Qualified pension plans are currently planned in 2025. See Note 13 of the Consolidated Financial Statements.

As noted above, the U.S. government enacted the Act on December 22, 2017. The Company completed its computation of the Transition Tax as required pursuant to SAB 118 in 2018, resulting in a final net Transition Tax expense of $86.7 million. The Company elected to pay the Transition Tax over the allowed eight-year period. The installment payments for the Transition Tax are not expected to have a material impact on the liquidity or capital resources of the Company. The final installment payment of $21.8 million is due in April 2025. The Company expects to make the payments through the use of available cash from operations.

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At December 31, 2024, the Company held $98.6 million in cash and cash equivalents, the majority of which was held by foreign subsidiaries. These amounts have no material regulatory or contractual restrictions and, on a long-term basis, are expected to primarily fund international investments. The Act changed the impact of U.S taxation on foreign distributions. The Company is continuously evaluating its position regarding the potential repatriation of overseas cash. The evaluation of potential repatriation is dependent upon several variables, including foreign taxation of dividends and the impact of withholding tax. The Company did not repatriate any overseas cash to the U.S. during 2024.

The Company's efforts to comply with numerous federal, state and local laws and regulations applicable to its business and products often results in capital expenditures. The Company makes capital expenditures to design and upgrade its aerospace and industrial products to comply with or exceed standards applicable to the industries we serve. The Company's ongoing HSE compliance program also results in capital expenditures. Regulatory and HSE considerations are a part of significant capital expenditure decisions; however, expenditures during 2024, related solely to regulatory compliance were not material.

Cash Flow

($ in millions)	2024	2023	$ Change	2022
Operating activities	$ **132.7**	$ 112.4	$ 20.2	$ 75.6
Investing activities	**104.2**	(767.5)	871.8	(36.0)
Financing activities	**(226.3)**	666.6	(892.9)	(64.8)
Exchange rate effect	**(4.0)**	(0.5)	(3.4)	(5.5)
Increase (decrease) in cash, cash equivalents and restricted cash	$ **6.6**	$ 10.9	$ (4.3)	$ (30.8)

Operating activities provided $132.7 million in 2024 compared to $112.4 million in 2023. Operating cash flow during the 2024 period was positively impacted by improved operating results, excluding the impact of non-cash charges. Working capital did not meaningfully impact the 2024 period as compared to a $10.9 million use of cash for working capital during 2023 period.

Investing activities provided $104.2 million in 2024 and used $767.5 million in 2023. Investing inflows during the 2024 period were primarily driven by $159.6 million of proceeds related to the sale of the Businesses. Investing outflows during the 2024 period included capital expenditures of $56.2 million compared to $55.7 million in the 2023 period. Investing activities in the 2024 period also included inflows of $0.2 million related to the MB Aerospace Acquisition (post-closing adjustments). Investing activities in the 2023 period included outflows of $718.8 million used to fund the MB Aerospace Acquisition. The Company expects capital spending in 2025 to approximate $80 million. Capital expenditures relate to both maintenance and support of growth initiatives, which include the purchase of equipment to support new products and services, and are expected to be funded primarily through cash flows from operations.

Cash used by financing activities in 2024 included a net decrease in borrowings of $169.1 million compared to a net increase of $705.3 million in 2023. In the 2023 period, net borrowings were primarily used to fund the MB Aerospace acquisition. Proceeds from the issuance of common stock were $4.6 million and $0.4 million in 2024 and 2023, respectively. Total cash used to pay dividends was $24.4 million in 2024 period and $32.4 million in the 2023 period as dividends were not issued in the fourth quarter of 2024, following the announcement of the Merger. Other financing cash flows during 2024 included $19.2 million of net cash payments compared to $8.3 million of net cash proceeds during 2023, resulting from the settlement of foreign currency hedges related to intercompany financing. Other financing cash flows in 2023 also included $2.4 million of payments that related to the residual interest in a subsidiary.

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Contractual Obligations and Commitments

At December 31, 2024, the Company had the following contractual obligations and commitments:

($ in millions)	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Long-term debt obligations [1]	$ 1,117.0	$ 9.3	$ 16.8	$ 544.8	$ 546.1
Estimated interest payments under long-term obligations [2]	327.6	69.6	137.4	95.7	24.9
Operating lease obligations [3]	70.4	11.8	17.6	12.5	28.4
Purchase obligations [4]	669.9	332.9	222.3	114.7	—
Expected pension contributions [5]	6.1	6.1	—	—	—
Expected benefit payments – other postretirement benefit plans [6]	15.9	2.2	3.8	3.3	6.6
Long-term U.S. Tax Reform obligations [7]	21.7	21.7	—	—	—
Long-term Pillar II obligations [8]	6.3	—	6.3	—	—
Total	$ 2,234.8	$ 453.5	$ 397.9	$ 771.1	$ 606.0

(1) Long-term debt obligations represent the required principal payments under such agreements.
(2) Interest payments under long-term debt obligations have been estimated based on the borrowings outstanding and market interest rates as of December 31, 2024.
(3) The Company's operating lease payments included herein reflect the future minimum undiscounted fixed lease payments, which represent the basis for calculating the Company's operating lease liabilities as of December 31, 2024. Refer to Note 19 of the Consolidated Financial Statements.
(4) The amounts do not include purchase obligations reflected as current liabilities on the Consolidated Balance Sheets. The purchase obligation amount includes all outstanding purchase orders as of the balance sheet date as well as the minimum contractual obligation or termination penalty under other contracts.
(5) The amount included in "Less Than 1 Year" reflects anticipated contributions to the Company's various pension plans. Anticipated contributions beyond one year are not determinable.
(6) Amounts reflect anticipated benefit payments under the Company's other postretirement benefit plans based on current actuarial assumptions. Expected benefit payments, as presented above, do not extend beyond 2033. See Note 13 of the Consolidated Financial Statements.
(7) Amounts reflect anticipated long-term payments related to the Tax Cuts and Jobs Act that was enacted on December 22, 2017. Payments are allowed over an eight-year period. See Note 15 of the Consolidated Financial Statements. The amount payable in 2024 is included within accrued liabilities on the Consolidated Balance Sheets.
(8) Amounts reflect anticipated long-term payments related to Pillar II. See Note 15 of the Consolidated Financial Statements.

The above table does not reflect unrecognized tax benefits as the timing of the potential payments of these amounts cannot be determined. See Note 15 of the Consolidated Financial Statements.

OTHER MATTERS

Inflation

Inflation generally affects the Company through its costs of labor, equipment, raw materials, freight and utilities. The Company strives to offset these items by price increases, commodity price escalator provisions, operating improvements, and other cost-saving initiatives. In certain end markets, implementing price increases may be difficult and there is no assurance that the Company will be successful. From time to time, the Company may encounter difficulties in obtaining certain raw materials or components necessary for production due to supply chain constraints and logistical challenges, which may also negatively impact the pricing of materials and components sourced or used by the Company. See "Part I, Item 1A. Risk Factors.

Critical Accounting Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant accounting policies are disclosed in Note 1 of the Consolidated Financial Statements. The most significant areas involving management judgments and estimates are described below. Actual results could differ from such estimates.

Inventory Valuation: Inventories are valued at the lower of cost, determined on a first-in, first-out basis, or net realizable value. The primary components of cost included in inventories are raw material, labor and overhead. Provisions are made to

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reduce excess or obsolete inventories to their estimated net realizable value. The process for evaluating the value of excess and obsolete inventory often requires the Company to make subjective judgments and estimates concerning future sales levels, quantities and prices at which such inventory will be sold in the normal course of business and estimated costs. Estimates of excess and obsolete inventory may differ from actual results due to changes in market value, channels of distribution, customer preferences and overall economic and market conditions. Accelerating the disposal process or changes in estimates based on future sales potential or estimated costs may necessitate future adjustments to these provisions.

Revenue recognition: Revenue is recognized by the Company when control of the product or solution is transferred to the customer. Control is generally transferred when products are shipped or delivered to customers, title is transferred, the significant risks and rewards of ownership have transferred, the Company has rights to payment and rewards of ownership pass to the customer. Customer acceptance may also be a factor in determining whether control of the product has transferred. Although revenue is generally transferred at a point in time, a certain portion of businesses with customized products or contracts in which the Company performs work on customer-owned assets requires the use of an over time recognition model as certain contracts meet one or more of the established criteria pursuant to the accounting standards governing revenue recognition. Also, service revenue is recognized as control transfers, which is concurrent with the services being performed. The estimation of both total revenue and cost at completion includes a number of variables and requires significant judgement. A portion of our Aerospace OEM business as well as a portion of our Molding Solutions business has an estimate at completion process in which management reviews the progress and execution of our performance obligations for significant contracts with revenue recognized under an over time model. Factors considered in these estimates include, but are not limited to, performance under the contract, progress towards completion, identified risks and opportunities, sourcing determinations and related changes in estimates of costs to be incurred. The potential exists that there will be a material change in estimates or assumptions used to calculate revenue recognized under an over time model and as a result changes to these estimates could have a material adverse effect on our results of operations. Adjustments to net sales, cost of sales and the related impact to operating income are recognized as necessary. Revenue recognized from performance obligations satisfied in previous periods was not material in 2024, 2023 and 2022. See Note 4 of the Consolidated Financial Statements.

Business Acquisitions, Intangible Assets and Goodwill: Assets and liabilities acquired in a business combination are recorded under the acquisition method of accounting at their estimated fair values at the dates of acquisition. At December 31, 2024, the Company had $1,036.7 million and $454.6 million of goodwill and identifiable intangible assets related to acquisitions, respectively. Goodwill represents the cost of acquisitions in excess of fair values assigned to the underlying identifiable net assets of acquired businesses. The assignment of fair market value requires significant judgments regarding the estimates and assumptions used to value the acquired assets and liabilities assumed. In determining the fair values of the assets acquired and liabilities assumed in conjunction with the acquisition of MB Aerospace, the Company utilized the cost, income and market approaches from the perspective of a market participant. Identifiable intangible assets acquired with Aerospace MB include customer relationships and developed technology. The fair value of the customer relationship intangible asset was determined as of the acquisition date utilizing the multi-period excess earnings method. This method is based on estimates and judgments relating to expectations for the future after-tax cash flows arising from customer relationships that existed on the acquisition date over their estimated lives, including those related to forecasted revenue growth rates, gross margins and customer attrition rates, all of which are discounted to present value using appropriate discount rates. The fair value of the developed technology intangible asset was determined utilizing the relief from royalty method which is a form of the income approach. Under this method, an after-tax royalty rate based on market royalty rates is applied to forecasted revenue growth rates associated with the developed technology and discounted to present value using appropriate discount rates. See Note 2 and Note 7 of the Consolidated Financial Statements.

Goodwill and indefinite-lived intangible assets are subject to impairment testing annually or earlier if an event or change in circumstances indicates that the fair value of a reporting unit has been reduced below its carrying value. Management completes their annual impairment assessments during the second quarter of each year as of April 1. The Company utilizes the option to first assess qualitative factors to determine whether it is necessary to perform the Step 1 quantitative goodwill impairment test in accordance with the applicable accounting standards. Under the qualitative assessment, management considers relevant events and circumstances including but not limited to macroeconomic conditions, industry and market considerations, overall reporting unit performance and events directly affecting a reporting unit. If the Company determines that the Step 1 quantitative impairment test is required, management estimates the fair value of the reporting unit using a discounted cash flow model (a form of the income approach), a market approach, or both. Inherent in management's development of cash flow projections are assumptions and estimates, including those related to forecasted revenue growth rates, forecasted operating margins and the weighted average cost of capital. The Company compares the fair value of the reporting unit with the carrying value of the reporting unit. If the fair values were to fall below the carrying values, the Company would recognize a non-cash

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impairment charge to income from operations for the amount by which the carrying amount of any reporting unit exceeds the reporting unit's fair value, assuming the loss recognized does not exceed the total amount of goodwill for the reporting unit.

Based on our qualitative assessment in the second quarter of 2024, management concluded that it was not more likely than not that the fair value of each of the Company's reporting units was below its respective carrying value, except for the Automation reporting unit. Therefore, management performed a Step 1 quantitative assessment for the Automation reporting unit. In estimating the fair value of the Automation reporting unit, management evaluated readily available end market information, including earnings multiples, from comparable public companies that also operate within the automation sector. Management's assessment resulted in a non-cash goodwill impairment charge of $53.7 million related to the Automation reporting unit as the estimated fair value of the reporting unit declined below its carrying value. The reduction of fair value was primarily the result of lower projections for the reporting unit, consistent with a reduction of forecasted growth trends within the broader automation market. A decline in projections was largely due to uncertainty in the broader industrial manufacturing markets, partially restricting the significant capital expenditures required for such investments in automation. A significant level of reliance on the automotive sector and corresponding delays in model change releases, more specifically, also negatively impacted the fair value of the Automation reporting unit. The goodwill impairment charge was recorded during the three-month period ended June 30, 2024. The Company also completed its annual impairment testing of its indefinite-lived intangible assets, in the second quarter of 2024 and determined that there were no impairments. Many of the factors used in estimating fair value are outside the control of management, and these assumptions and estimates can change in future periods as a result of both Company-specific and overall economic conditions, including the impacts of inflationary pressures, increased interest rates and global supply chain constraints, amongst others. Estimating the fair value of individual reporting units also requires that management make continued assumptions and estimates regarding future plans and strategies, in addition to the consideration of economic, geopolitical and regulatory conditions. Management's quantitative assessment included a detailed review of comparable peer group data of companies that operate within similar end markets of our respective reporting units. Management is also focused on the potential impacts of current and projected market conditions from a market participant's perspective on reporting units' projected cash flows, growth rates and cost of capital. In the event there are future adverse changes in market/sector trends, comparable public company earnings multiples, estimated future cash flows and/or changes in key assumptions, including but not limited to discount rates, revenue growth or margins, and/or terminal growth rates, we may be required to record additional non-cash impairment charges to Automation goodwill. As noted, the Company used readily available market information in estimating the fair value of the reporting unit, including, but not limited to, the use of earnings multiples. The goodwill related to the Automation reporting unit as of December 31, 2024 was $136.4 million. A one-time (1x) reduction in the assumed earnings multiple that was used within the fair value assessment would result in an incremental impairment of approximately 15% of the goodwill related to the Automation reporting unit. Following the goodwill impairment in June 2024, there is no excess of reporting unit fair value over the carrying amount, as the carrying value was reduced to fair value.

Aerospace Aftermarket Programs: The Company participates in aftermarket RSPs under which the Company receives an exclusive right to manufacture and supply designated aftermarket parts over the life of the related aircraft engine program to our customer, GE. As consideration, the Company has paid participation fees, which are recorded as intangible assets. The carrying value of these intangible assets was $107.5 million at December 31, 2024. The Company records amortization of the related asset as sales dollars are being earned based on a proportional sales dollar method. Specifically, this method amortizes each asset as a reduction to revenue based on the proportion of sales under a program in a given period to the estimated aggregate sales dollars over the life of that program which reflects the pattern in which economic benefits are realized.

The Company also participates in CRPs with GE which provide for, among other items, the right to sell certain aftermarket component repair services for CFM56, CF6, CF34 and LM engines directly to other customers over the life of the engine program as one of a few GE licensed suppliers. In addition, the CRPs extended certain existing contracts under which the Company provides these services directly to GE. Our total investments in CRPs as of December 31, 2024 equaled $111.8 million, all of which have been paid. At December 31, 2024, the carrying value of the CRPs was $54.9 million. The Company recorded the CRP payments as an intangible asset which is recognized as a reduction of sales over the remaining life of these engine programs based on the estimated sales over the life of such programs. This method reflects the pattern in which the economic benefits of the CRPs are realized.

The recoverability of each asset is subject to significant estimates about future revenues related to the programs' aftermarket parts and services. The Company evaluates these intangible assets for recoverability and updates amortization rates on an agreement by agreement basis for the RSPs and on an individual asset basis for the CRPs. The assets are reviewed for recoverability periodically including whenever events or changes in circumstances indicate that their carrying amount may not

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be recoverable. Annually, the Company evaluates the remaining life of these assets to determine whether events and circumstances warrant a revision to the remaining periods of amortization. Management updates revenue projections, which include a comparison of actual experience against projected revenue and industry projections. The potential exists that actual revenues will not meet expectations due to a change in market conditions, including, for example, the replacement of older engines with new, more fuel-efficient engines or the Company's ability to capture additional production share within the aftermarket business. A shortfall in future revenues may indicate a triggering event requiring a write down or further evaluation of the recoverability of the assets or require the Company to accelerate amortization expense prospectively dependent on the level of the shortfall. The Company has not identified any impairment of these assets, although changes in projected RSP and CRP revenue has impacted amortization rates that will be applied prospectively. See Note 7 of the Consolidated Financial Statements.

Pension and Other Postretirement Benefits: Accounting policies and significant assumptions related to pension and other postretirement benefits are disclosed in Note 13 of the Consolidated Financial Statements. As discussed further below, the significant assumptions that impact pension and other postretirement benefits include discount rates, mortality rates and expected long-term rates of return on invested pension assets.

The Company selected the expected long-term rate of return of its U.S. defined benefit plans based on consideration of historical and projected rates of return on the weighted target asset mix of our pension investments. The target mix reflects a 65% equity investment target and a 35% target for fixed income and cash investments (in aggregate). The equity investment of 65% is more heavily weighted on global equity investment targets, rather than U.S. targets. The historical rates of return for the Company's defined benefit plans were calculated based upon compounded average rates of return of published indices. Management selected a long-term expected rate of return on its U.S. pension assets of 7.75%. The long-term rates of return for non-U.S. plans were selected based on actual historical rates of return of published indices that reflect the plans' target asset allocations.

The discount rate used for the Company's U.S. pension plans reflects the rate at which the pension benefits could be effectively settled. At December 31, 2024, the Company selected a discount rate of 5.65% based on a bond matching model for its U.S. pension plans. Market interest rates have slightly increased in 2024 as compared with 2023 and, as a result, the discount rate used to measure pension liabilities increased from 5.45% at December 31, 2023. The discount rates for non-U.S. plans were selected based on highly rated long-term bond indices and yield curves that match the duration of the plan's benefit obligations.

A one-quarter percentage point decrease in the assumed long-term rate of return on the Company's U.S. pension plans as of December 31, 2024 would decrease the Company's 2025 pre-tax income by approximately $0.9 million. A one-quarter percentage point decrease in the discount rate on the Company's U.S. pension plans as of December 31, 2024 would also decrease the Company's 2025 pre-tax income by approximately $0.1 million. The Company reviews these and other assumptions at least annually.

The Company recorded $2.9 million of non-cash after-tax decreases in stockholders equity (through other non-owner changes to equity) when recording the current year adjustments for changes in the funded status of its pension and postretirement benefit plans as required under accounting for defined benefit and other postretirement plans. This decrease in stockholders equity resulted primarily from variances between expected and actual returns on pension plan assets partially offset by changes in actuarial assumptions, primarily the discount rate, and the amortization of actuarial losses. During 2024, the fair value of the Company's pension plan assets decreased by $43.4 million and the projected benefit obligation decreased by $52.8 million. The decrease in the projected benefit obligation included payments of benefits to plan participants of $31.1 million, a $4.6 million (pre-tax) increase due to actuarial losses resulting primarily from a change in the discount rates used to measure pension liabilities, and $32.9 million of plan curtailment and settlement effects primarily related to the sale of the Businesses. Annual service and interest costs of $0.4 million and $18.1 million, respectively partially offset the decrease in the projected benefit obligation. Changes to other actuarial assumptions in 2024 did not have a material impact on our stockholders equity or projected benefit obligation. Actual pre-tax gains on total pension plan assets were $15.7 million compared with an expected pre-tax return on pension assets of $28.7 million. Pension income for 2025 is expected to decrease from $7.9 million in 2023, excluding curtailment gains of $1.3 million and settlement gains of $3.0 million, to pension income of $7.2 million, also excluding the impacts of any potential curtailments or settlements.

Income Taxes: As of December 31, 2024, the Company had recognized $10.7 million of deferred tax assets, net of valuation reserves. The realization of these benefits is dependent, in part, on the amount and timing of future taxable income in jurisdictions where the deferred tax assets reside. For those jurisdictions where the expiration dates of tax loss carryforwards or the proposed operating results indicate that realization is unlikely, a valuation allowance is provided. Management currently

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believes that sufficient taxable income should be earned in the future to realize the deferred tax assets, net of valuation allowances recorded.

The valuation of deferred tax assets requires significant judgment. Management's assessment that the deferred tax assets will be realized represents its estimate of future results; however, there can be no assurance that such expectations will be met. Changes in management's assessment of achieving sufficient future taxable income could materially increase the Company's tax expense and could have a material adverse impact on the Company's financial condition and the results of operations.

Additionally, the Company is exposed to certain tax contingencies in the ordinary course of business and records those tax liabilities in accordance with the guidance for accounting for uncertain tax positions. For tax positions where the Company believes it is more likely than not that a tax benefit will be sustained, the Company has recorded the largest amount of tax benefit with a greater than 50% likelihood of being realized. For those income tax positions where it is more likely than not that a tax benefit will not be sustained, no tax benefit is recognized in the financial statements. A change in judgement that results in subsequent recognition, derecognition or change in measurement of a tax position taken in a earlier period will be recognized in the period that the change occurred. We do not anticipate a significant change in our unrecognized tax benefits within the next twelve months. The Company or its subsidiaries file income tax returns in the U.S. federal jurisdiction, and various state and foreign jurisdictions. With a few exceptions, tax years remaining open to examination in significant foreign jurisdictions include tax years 2018 and forward and for the U.S. include tax years 2016 and forward. See Note 15 of the Consolidated Financial Statements. A one percentage point increase/decrease in our tax rate would have affected our 2024 earnings by $0.3 million. Changes in judgement related to tax positions taken in previous periods was not material in 2024, 2023 and 2022.

As noted above, a significant portion of revenue is generated by foreign locations. Current guidance requires the recognition of a tax liability under the assumption that foreign earnings will be repatriated in the future, unless the Company can assert that the earnings are indefinitely reinvested. Management's annual assessment in determining whether the earnings are indefinitely reinvested is based on an analysis of U.S. cash requirements and working capital requirements of the foreign operations, including capital expenditures, combined with any limitations, such as dividend restrictions or local law limits, which would limit possible repatriation. All remaining earnings are considered indefinitely reinvested as defined per the indefinite reversal criterion within the accounting guidance for income taxes.

In October 2021, the Organization for Economic Co-operation and Development ("OECD") introduced an inclusive framework to address tax challenges arising from the digitalization of the economy through a two-pillar solution. One of the components of the solution is the implementation of a global minimum corporate tax rate of 15% for large multinational corporations ("Pillar Two"). The OECD continues to release additional guidance on the two-pillar solution with implementation having begun, although the corresponding taxes are not currently payable until 2026. Under Pillar Two, the Income Inclusion Rule allows a country to look within its chain of ownership to entities not meeting the minimum tax rate requirement and include those results within the tax filings of the parent entity. Luxembourg enacted the Income Inclusion Rule under Pillar Two, thereby allowing them to impose a 15% tax on the earnings of the Company's Malaysian Subsidiary, which was earlier granted a tax holiday. The Income Inclusion Rule also enabled Luxembourg to impose a top up tax on its Singapore and China subsidiaries whose effective tax rate was under 15%.

Stock-Based Compensation: The Company accounts for its stock-based employee compensation plans at fair value on the grant date and recognizes the related cost in its consolidated statement of income in accordance with accounting standards related to share-based payments. The fair values of stock options granted under the 2023 Barnes Group Stock and Incentive Award Plan ("2023 Plan") is estimated using the Black-Scholes option-pricing model based on certain assumptions. Compensation expense may be adjusted in future periods based on the achievement of the requisite service condition. The fair values of service and performance-based share awards granted under the 2023 Plan are determined based on the fair market value of the Company's stock price on the grant date. Compensation expense is based on fair value and is recorded each period based up on a probability assessment of achieving performance goals. The fair value of market-based performance share awards under the 2023 Plan is estimated on the grant date using the Monte Carlo valuation method. The fair value of the performance-vested stock options granted in July 2022 under the CEO's Stock Option Award was also estimated using the Monte Carlo valuation method on the grant date. Compensation expense for awards valued using the Monte Carlo valuation method is fixed at the date of grant and will not be adjusted in future periods. See Note 14 of the Consolidated Financial Statements.

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Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Market risk is the potential economic loss that may result from adverse changes in the fair value of financial instruments. The Company's financial results could be impacted by changes in interest rates and foreign currency exchange rates, and commodity price changes. The Company uses financial instruments to hedge its exposure to fluctuations in interest rates and foreign currency exchange rates. The Company does not use derivatives for speculative or trading purposes.

The Company's long-term debt portfolio consists of fixed-rate and variable-rate instruments and is managed to reduce the overall cost of borrowing while also minimizing the effect of changes in interest rates on near-term earnings. The Company's primary interest rate risk is derived from its outstanding variable-rate debt obligations. Financial instruments have been used by the Company to hedge its exposures to fluctuations in interest rates.

On March 24, 2021, the Company entered into a new interest rate swap agreement (the "2021 Swap") with this same bank that commenced on January 31, 2022 and that converted the interest on the first $100.0 million of the Company's one-month LIBOR-based borrowings from a variable rate plus the borrowing spread to a fixed rate of 1.17% plus the borrowing spread. Effective, April 30, 2022, the Company amended the 2021 Swap (the "Amended 2021 Swap"), such that the one-month SOFR-based borrowing rate replaced the one-month LIBOR-based borrowing rate. The Amended 2021 Swap, which will expire on January 30, 2026, converts the interest on $100.0 million of the Company's one-month SOFR-based borrowings from a variable rate plus the borrowing spread to a fixed rate of 1.075% plus the borrowing spread. The execution of the Amended 2021 Swap did not have a material impact on our business, financial condition, results of operations or cash flow. On July 19, 2023, the Company entered into an interest rate swap agreement (the "Euribor Swap") with one bank that commenced on July 31, 2023, which converts the interest on €150.0 million of the Company's Euribor-based borrowings from a variable rate plus the borrowing spread to a fixed rate of 3.257% plus the borrowing spread. Under the Euribor Swap, €50.0 million will expire on July 31, 2026, with the remaining balance of €100.0 million expiring on July 31, 2028. On September 12, 2023, the Company entered into six additional interest rate swap agreements (the "2023 Swaps") with six different banks that commenced on September 29, 2023, which convert the interest on $600.0 million of the Company's one-month SOFR-based borrowings from a variable rate plus the borrowing spread to a blended fixed rate of 4.321% plus the borrowing spread. Under the 2023 Swaps, $50.0 million will expire on August 31, 2026, $100.0 million will expire on August 31, 2027, $200.0 million will expire on August 31, 2028, $50.0 million will expire on August 31, 2029 and the remaining balance of $200.0 million will expire on August 31, 2030. The execution of the Euribor Swap and the 2023 Swaps did not have a material impact on our business, financial condition, results of operations or cash flow. The result of a hypothetical 100 basis point increase in the interest rate on the average bank borrowings of the Company's variable-rate debt during 2024 would have reduced annual pretax profit by $2.6 million. The Company terminated the Amended 2021 Swap on January 15, 2025 and three of the six 2023 Swaps on January 14, 2025 and January 15, 2025. See Note 22.

At December 31, 2024, the fair value of the Company's fixed-rate debt was $10.0 million, compared with its carrying amount of $9.6 million. The Company estimates that a 100 basis point decrease in market interest rates at December 31, 2024 would not have a material impact on the fair value of the Company's fixed rate debt.

The Company has manufacturing, sales and distribution facilities around the world and thus makes investments and conducts business transactions denominated in various currencies. The Company is exposed primarily to financial instruments denominated in currencies other than the functional currency at its international locations. A 10% adverse change in foreign currencies relative to the U.S dollar at December 31, 2024 would have resulted in a $3.6 million loss in the fair value of those financial instruments. At December 31, 2024, the Company held $98.6 million of cash and cash equivalents, the majority of which is held by foreign subsidiaries.

Foreign currency commitments and transaction exposures are managed at the operating units as an integral part of their businesses in accordance with a corporate policy that addresses acceptable levels of foreign currency exposures.

Additionally, to reduce foreign currency exposure, management generally maintains the majority of foreign cash and short-term investments in functional currency and uses forward currency contracts for non-functional currency denominated monetary assets and liabilities and anticipated transactions in an effort to reduce the effect of the volatility of changes in foreign exchange rates on the income statement. Management assesses the strength of currencies in certain countries such as Brazil and Mexico, relative to the U.S. dollar, and may elect during periods of local currency weakness to invest excess cash in U.S. dollar-denominated instruments.

The Company's exposure to commodity price changes relates to certain manufacturing operations that utilize high-grade steel spring wire, stainless steel, titanium, Inconel, Hastelloys and other specialty metals. The Company attempts to manage its exposure to price increases through its procurement and sales practices. See "Part I - Item 1A - Risk Factors" for additional disclosure related to this market risk.

The results of the Company could be impacted by changes in tariffs, trade agreements or other trade restrictions imposed or agreed to by the U.S. or foreign governments.

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Item 8. Financial Statements and Supplementary Data

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

	Years Ended December 31,		
	2024	**2023**	**2022**
Net sales	**$ 1,609,210**	$ 1,450,871	$ 1,261,868
Cost of sales	**1,095,604**	1,008,786	839,996
Selling and administrative expenses	**354,327**	353,093	296,559
Gain related to the sale of businesses	**(5,217)**	—	—
Goodwill impairment charge	**53,694**	—	68,194
	1,498,408	1,361,879	1,204,749
Operating income	**110,802**	88,992	57,119
Interest expense	**83,300**	58,171	14,624
Other expense (income), net	**(506)**	(2,443)	4,310
Income before income taxes	**28,008**	33,264	38,185
Income taxes	**74,170**	17,268	24,706
Net (loss) income	**$ (46,162)**	$ 15,996	$ 13,479

See accompanying notes.

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

	Years Ended December 31,		
	2024	2023	2022
Net (loss) income	$ (46,162)	$ 15,996	$ 13,479
Other comprehensive income (loss), net of tax			
Unrealized gain (loss) on hedging activities, net of tax [1]	7,884	(20,445)	5,781
Foreign currency translation adjustments, net of tax [2]	(67,675)	37,952	(78,110)
Defined benefit pension and other postretirement benefits, net of tax [3]	(2,855)	7,864	3,667
Total other comprehensive (loss) gain, net of tax	(62,646)	25,371	(68,662)
Total comprehensive (loss) income	$ (108,808)	$ 41,367	$ (55,183)

(1) Net of tax of $2,407, $(6,700) and $1,825 for the years ended December 31, 2024, 2023 and 2022, respectively.

(2) Net of tax of $0, $0, and $0 for the years ended December 31, 2024, 2023 and 2022, respectively.

(3) Net of tax of $(65), $3,221 and $(489) for the years ended December 31, 2024, 2023 and 2022, respectively.

See accompanying notes.

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

	December 31, 2024	2023
Assets		
Current assets		
Cash and cash equivalents	$ 98,639	$ 89,827
Accounts receivable, less allowances (2024 – $5,333; 2023 – $7,258)	327,179	353,923
Inventories	310,510	365,221
Prepaid expenses and other current assets	101,903	97,749
Total current assets	838,231	906,720
Deferred income taxes	10,725	10,295
Property, plant and equipment, net	343,368	402,697
Goodwill	1,036,747	1,183,624
Other intangible assets, net	624,934	706,471
Other assets	100,849	98,207
Total assets	$ 2,954,854	$ 3,308,014
Liabilities and Stockholders' Equity		
Current liabilities		
Notes and overdrafts payable	$ 21	$ 16
Accounts payable	143,267	164,264
Accrued liabilities	232,096	221,462
Long-term debt – current	9,298	10,868
Total current liabilities	384,682	396,610
Long-term debt	1,097,039	1,279,962
Accrued retirement benefits	36,379	45,992
Deferred income taxes	126,499	120,608
Long-term tax liability	7,400	21,714
Other liabilities	72,620	80,865
Commitments and contingencies (Note 21)		
Stockholders' equity		
Common stock – par value $0.01 per share		
Authorized: 150,000,000 shares		
Issued: at par value (2024 – 66,796,307 shares; 2023 – 64,600,635 shares)	668	646
Additional paid-in capital	605,046	537,948
Treasury stock, at cost (2024 – 15,307,939 shares; 2023 – 13,914,076 shares)	(597,840)	(532,415)
Retained earnings	1,480,136	1,551,213
Accumulated other non-owner changes to equity	(257,775)	(195,129)
Total stockholders' equity	1,230,235	1,362,263
Total liabilities and stockholders' equity	$ 2,954,854	$ 3,308,014

See accompanying notes.

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

	Years Ended December 31,		
	2024	2023	2022
Operating activities:			
Net (loss) income	$ (46,162)	$ 15,996	$ 13,479
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Depreciation and amortization	119,665	115,818	92,150
Gain on disposition of property, plant and equipment	(44)	(1,197)	(821)
Stock compensation expense	15,034	10,201	12,804
Gain on sale of businesses	(3,692)	—	—
Non-cash goodwill impairment charge	53,694	—	68,194
Changes in assets and liabilities, net of the effects of acquisitions and divestitures:			
Accounts receivable	(12,153)	(6,073)	(39,484)
Inventories	14,843	622	(48,591)
Prepaid expenses and other current assets	(12,299)	1,321	(9,257)
Accounts payable	(2,721)	(5,493)	15,998
Accrued liabilities	16,073	22,673	(25,659)
Deferred income taxes	6,600	(16,058)	2,645
Long-term retirement benefits	(14,812)	(17,256)	(1,474)
Long-term tax liability	(9,972)	(13,029)	(6,948)
Other	8,601	4,890	2,523
Net cash provided by operating activities	132,655	112,415	75,559
Investing activities:			
Proceeds from disposition of property, plant and equipment	617	7,921	1,825
Proceeds from the sale of businesses, net of cash sold	159,625	—	—
Capital expenditures	(56,161)	(55,739)	(35,082)
Business acquisitions, net of cash acquired	159	(718,782)	—
Other	—	(921)	(2,729)
Net cash provided (used) in investing activities	104,240	(767,521)	(35,986)
Financing activities:			
Net change in other borrowings	127	(257)	(1,333)
Payments on long-term debt	(369,183)	(314,167)	(108,415)
Proceeds from the issuance of long-term debt	200,000	1,019,708	98,285
Payments of debt issuance costs	—	(11,341)	—
Proceeds from the issuance of common stock	4,593	353	513
Common stock repurchases	—	—	(6,721)
Dividends paid	(24,361)	(32,412)	(32,376)
Withholding taxes paid on stock issuances	(17,709)	(908)	(1,144)
Cash settlement of foreign currency hedges related to intercompany financing	(19,247)	8,319	(12,324)
Other	(537)	(2,733)	(1,314)
Net cash (used) provided by financing activities	(226,317)	666,562	(64,829)
Effect of exchange rate changes on cash flows	(3,978)	(545)	(5,525)
Increase (decrease) in cash, cash equivalents and restricted cash	6,600	10,911	(30,781)
Cash, cash equivalents and restricted cash at beginning of year	92,039	81,128	111,909
Cash, cash equivalents and restricted cash at end of year	98,639	92,039	81,128
Less: Restricted cash, included in Prepaid expenses and other current assets	—	(2,212)	(2,135)
Less: Restricted cash, included in Other assets	—	—	(2,135)
Cash and cash equivalents at end of year	$ 98,639	$ 89,827	$ 76,858

See accompanying notes.

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BARNES GROUP INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Dollars and shares in thousands)

	Common Stock (Number of Shares)	Common Stock (Amount)	Additional Paid-In Capital	Treasury Stock (Number of Shares)	Treasury Stock	Retained Earnings	Accumulated Other Non-Owner Changes to Equity	Total Stockholders' Equity
January 1, 2022	64,344	$ 643	$ 516,562	13,658	$ (523,642)	$ 1,587,041	$ (151,838)	$ 1,428,766
Comprehensive income (loss)	—	—	—	—	—	13,479	(68,662)	(55,183)
Dividends declared ($0.64 per share)	—	—	—	—	—	(32,376)	—	(32,376)
Common stock repurchases	—	—	—	200	(6,721)	—	—	(6,721)
Employee stock plans	137	2	13,229	33	(1,144)	(246)	—	11,841
December 31, 2022	64,481	645	529,791	13,891	(531,507)	1,567,898	(220,500)	1,346,327
Comprehensive income (loss)	—	—	—	—	—	15,996	25,371	41,367
Dividends declared ($0.64 per share)	—	—	—	—	—	(32,412)	—	(32,412)
Residual interest in subsidiary	—	—	(2,381)	—	—	—	—	(2,381)
Employee stock plans	119	1	10,538	23	(908)	(269)	—	9,362
December 31, 2023	64,600	646	537,948	13,914	(532,415)	1,551,213	(195,129)	1,362,263
Comprehensive income	—	—	—	—	—	**(46,162)**	**(62,646)**	**(108,808)**
Dividends declared ($0.64 per share)	—	—	—	—	—	**(24,361)**	—	**(24,361)**
Employee stock plans	**2,196**	**22**	**67,098**	**1,394**	**(65,425)**	**(554)**	—	**1,141**
December 31, 2024	**66,796**	**$ 668**	**$ 605,046**	**15,308**	**$ (597,840)**	**$ 1,480,136**	**$ (257,775)**	**$ 1,230,235**

See accompanying notes.

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

1. Summary of Significant Accounting Policies

General: The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Consolidation: The accompanying consolidated financial statements include the accounts of the Company and all of its subsidiaries. Intercompany transactions and account balances have been eliminated.

Revenue recognition: The Company accounts for revenue in accordance with Accounting Standard Codification 606, Revenue from Contracts with Customers. Revenue is recognized by the Company when control of the product or solution is transferred to the customer. Control is generally transferred when products are shipped or delivered to customers, title is transferred, the significant risks and rewards of ownership have transferred, the Company has rights to payment and rewards of ownership pass to the customer. Customer acceptance may also be a factor in determining whether control of the product or solution has transferred. Although revenue is generally transferred at a point in time, a certain portion of businesses with customized products or contracts in which the Company performs work on customer-owned assets requires the use of an over time recognition model as certain contracts meet one or more of the established criteria pursuant to the accounting standards governing revenue recognition. Also, service revenue is recognized as control transfers, which is concurrent with the services being performed. See Note 4. Management fees related to the Aerospace Aftermarket Revenue Sharing Programs ("RSPs") are satisfied through an agreed upon reduction from the sales price of each of the related spare parts. These fees recognize our customer's necessary performance of engine program support activities, such as spare parts administration, warehousing and inventory management, and customer support, and are not separable from our sale of products, and accordingly, they are reflected as a reduction to sales, rather than as costs incurred, when revenues are recognized.

Cash and cash equivalents: Cash in excess of operating requirements is generally invested in short-term, highly liquid, income-producing investments. All highly liquid investments purchased with an original maturity of three months or less are considered cash equivalents. Cash equivalents are carried at cost which approximates fair value.

Accounts receivable: The Company records accounts receivable based on the net amount expected to be collected. Balances are reviewed regularly and reserves are adjusted when events or circumstances indicate carrying values may not be collectable.

Inventories: Inventories are valued at the lower of cost, determined on a first-in, first-out basis, or net realizable value. The primary components of cost included in inventories are raw material, labor and overhead. Provisions are made to reduce excess or obsolete inventories to their estimated net realizable value. The process for evaluating the value of excess and obsolete inventory often requires the Company to make judgments and estimates concerning future sales levels, quantities and prices at which such inventory will be sold in the normal course of business and estimated costs. Accelerating the disposal process or changes in estimates based on future sales potential or estimated costs may necessitate future adjustments to these provisions.

Property, plant and equipment: Property, plant and equipment is recorded at cost. Depreciation is recorded using a straight-line method of depreciation over estimated useful lives, generally ranging from 20 to 50 years for buildings and four to 12 years for machinery and equipment. The Company assesses the impairment of property, plant and equipment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

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

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may be up to one year from the acquisition date, the Company may record adjustments to assets acquired and liabilities assumed with the corresponding offset to goodwill. See Note 2.

Goodwill: Goodwill represents the excess purchase price over the fair value of net assets of companies acquired in business combinations. Goodwill is considered an indefinite-lived asset. Goodwill is subject to impairment testing in accordance with accounting standards governing such on an annual basis, in the second quarter, or more frequently if an event or change in circumstances indicates that the fair value of a reporting unit has been reduced below its carrying value. The Company utilizes the option to first assess qualitative factors to determine whether it is necessary to perform the Step 1 quantitative goodwill impairment test in accordance with the applicable accounting standards. Under the qualitative assessment, management considers relevant events and circumstances including but not limited to macroeconomic conditions, industry and market considerations, overall reporting unit performance and events directly affecting a reporting unit. If the Company determines that the Step 1 quantitative impairment test is required, management estimates the fair value of the reporting unit using a discounted cash flow model (a form of the income approach), a market approach, or both. Inherent in management's development of cash flow projections are assumptions and estimates, including those related to forecasted revenue growth rates, forecasted operating margins, and the weighted average cost of capital. The Company compares the fair value of the reporting unit with the carrying value of the reporting unit. If the fair values were to fall below the carrying values, the Company would recognize a non-cash impairment charge to income from operations for the amount by which the carrying amount of any reporting unit exceeds the reporting unit's fair value, assuming the loss recognized does not exceed the total amount of goodwill for the reporting unit. Based on qualitative assessments as of April 1, 2024, management concluded that it was not more likely than not that the fair value of each of the Company's reporting units was below its respective carrying value, except for the Automation reporting unit. Therefore, management performed a Step 1 quantitative assessment for the Automation reporting unit. In estimating the fair value of the Automation reporting unit, management evaluated readily available end market information, including earnings multiples, from comparable public companies that also operate within the automation sector. Management's assessment resulted in a non-cash goodwill impairment charge of $53,694 related to the Automation reporting unit as the estimated fair value of the reporting unit declined below its carrying value. The reduction of fair value was primarily the result of lower projections for the reporting unit, consistent with a reduction of forecasted growth trends within the broader automation market. A decline in projections was largely due to uncertainty in the broader industrial manufacturing markets, partially restricting the significant capital expenditures required for such investments in automation. A significant level of reliance on the automotive sector and corresponding delays in model change releases, more specifically, also negatively impacted the fair value of the Automation reporting unit. The goodwill impairment charge was recorded during the three-month period ended June 30, 2024. The Company also completed its annual impairment testing of its indefinite-lived intangible assets, in the second quarter of 2024 and determined that there were no impairments. See disclosure related to Other Intangible Assets below and within Note 7. Based on our assessment as of April 1, 2023, the estimated fair value of the Automation reporting unit, which represents the 2018 acquisition of Gimatic, exceeded its carrying value, while the estimated fair value of each of the remaining reporting units significantly exceeded their carrying values. The Company also performed an annual assessment as of April 1, 2022, during the prior year period. The Company evaluated deteriorating macro-economic conditions subsequent to the date of the assessment, including inflationary pressures, rising interest rates, worsening global supply chain constraints and demand outlook, which materialized during the second quarter of 2022, impacting performance and outlook at Automation and resulted in a triggering event. Management revised its cash flow projections and weighted average cost of capital, resulting in a non-cash goodwill impairment charge of $68,194 related to the Automation reporting unit as the estimated fair value of the reporting unit declined below its carrying value. Management evaluated the significant increase in interest rates and further deteriorating macro-economic conditions that materialized during the fourth quarter of 2022, again resulting in a triggering event at Automation. Management performed a Step 1 quantitative assessment as of December 31, 2022 and concluded that there was no additional goodwill impairment at the business. The goodwill impairment charge was recorded in the three month period ended June 30, 2022.

Leases: Contracts are evaluated at inception to determine whether they contain a lease. Operating lease right-of use assets and liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the lease commencement date for operating leases with an initial term greater than 12 months. The Company recognizes lease expense for minimum lease payments on a straight line basis over the term of the lease. Certain leases provide the option to purchase the leased property and are therefore evaluated for finance lease consideration. The depreciable life of leased assets are limited by the expected term of the lease, unless there is a transfer of title or purchase option and the Company believes it is reasonably certain of exercise. The Company utilizes its incremental borrowing rate by lease term to calculate the present value of our future lease payments if an implicit rate is not specified. See Note 19.

Aerospace Aftermarket Programs: The Company participates in aftermarket RSPs under which the Company receives an exclusive right to manufacture and supply designated aftermarket parts over the life of the related aircraft engine program.

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As consideration, the Company has paid participation fees, which are recorded as long-lived intangible assets. The Company records amortization of the related intangible asset as sales dollars are being earned based on a proportional sales dollar method. Specifically, this method amortizes each asset as a reduction to revenue based on the proportion of sales under a program in a given period to the estimated aggregate sales dollars over the life of that program. This method reflects the pattern in which the economic benefits of the RSPs are realized.

The Company also entered into Component Repair Programs ("CRPs") that provide for, among other items, the right to sell certain aftermarket component repair services for CFM56, CF6, CF34 and LM engines directly to other customers as one of a few General Electric ("GE") licensed suppliers. In addition, the CRPs extended certain existing contracts under which the Company currently provides these services directly to GE. The Company recorded the consideration paid for these rights as an intangible asset that is amortized as a reduction to sales over the remaining life of these engine programs based on the estimated sales over the life of such programs. This method reflects the pattern in which the economic benefits of the CRPs are realized.

The recoverability of each asset is subject to significant estimates about future revenues related to the program's aftermarket parts and services. The Company evaluates these intangible assets for recoverability and updates amortization rates on an agreement by agreement basis for the RSPs and on an individual asset program basis for the CRPs. The assets are reviewed for recoverability periodically including whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. At least annually, the Company evaluates the remaining useful life of these assets to determine whether events and circumstances warrant a revision to the remaining periods of amortization. Management updates revenue projections, which includes comparing actual experience against projected revenue and industry projections. The potential exists that actual revenues will not meet expectations due to a change in market conditions including, for example, the replacement of older engines with new, more fuel-efficient engines or the Company's ability to maintain market share within the Aerospace Aftermarket Products and Services ("Aftermarket") business, which includes maintenance repair and overhaul ("MRO") services and the manufacture and delivery of aerospace aftermarket spare parts. A shortfall in future revenues may indicate a triggering event requiring a write down or further evaluation of the recoverability of the assets or require the Company to accelerate amortization expense prospectively dependent on the level of the shortfall. The Company has not identified any impairment of these assets, although changes in projected RSP and CRP revenue has impacted amortization rates that will be applied in remaining periods.

Other Intangible Assets: Other intangible assets consist primarily of the Aerospace Aftermarket programs, as discussed above, customer relationships, tradenames, patents and proprietary technology. These intangible assets, with the exception of certain tradenames, have finite lives and are amortized over the periods in which they provide benefit. The Company assesses the impairment of long-lived assets, including identifiable intangible assets subject to amortization, whenever significant events or significant changes in circumstances indicate the carrying value may not be recoverable. Tradenames with indefinite lives are subject to impairment testing in accordance with accounting standards governing such on an annual basis, in the second quarter, or more frequently if an event or change in circumstances indicates that the fair value of the asset has been reduced below its carrying value. Based on the assessments performed during 2024, there were no impairments of other intangible assets. See Note 7.

Derivatives: Accounting standards related to the accounting for derivative instruments and hedging activities require that all derivative instruments be recorded on the balance sheet at fair value. Foreign currency contracts may qualify as fair value hedges of unrecognized firm commitments, cash flow hedges of recognized assets and liabilities or anticipated transactions, or a hedge of a net investment. Changes in the fair market value of derivatives that qualify as fair value hedges or cash flow hedges are recorded directly to earnings or accumulated other non-owner changes to equity, depending on the designation. Amounts recorded to accumulated other non-owner changes to equity are reclassified to earnings in a manner that matches the earnings impact of the hedged transaction. Any ineffective portion, or amounts related to contracts that are not designated as hedges, are recorded directly to earnings. The Company's policy for classifying cash flows from derivatives is to report the cash flows consistent with the underlying hedged item. See Note 11.

Foreign currency: Assets and liabilities are translated at year-end rates of exchange; revenues and expenses are translated at average rates of exchange. The resulting translation gains or losses are reflected in accumulated other non-owner changes to equity within stockholders' equity. Net foreign currency transaction losses of $6,385, $5,321 and $540 in 2024, 2023 and 2022, respectively, were recorded within other expense (income), net in the Consolidated Statements of Income.

Research and Development: Costs are incurred in connection with efforts aimed at discovering and implementing new knowledge that is critical to developing new products, processes or services, significantly improving existing products or services, and developing new applications for existing products and services. Research and development expenses for the

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creation of new and improved products, processes and services were $11,489, $13,920 and $15,774, for the years 2024, 2023 and 2022, respectively, and are included in selling and administrative expense.

Pension and Other Postretirement Benefits: The Company accounts for its defined benefit pension plans and other postretirement plans by recognizing the overfunded or underfunded status of the plans, calculated as the difference between plan assets and the projected benefit obligation related to each plan, as an asset or liability on the Consolidated Balance Sheets. Benefit costs associated with the plans primarily include current service costs, interest costs and the amortization of actuarial losses, partially offset by expected returns on plan assets, which are determined based upon actuarial valuations. Settlement and curtailment losses (gains) may also impact benefit costs. The Company regularly reviews actuarial assumptions, including discount rates and the expected return on plan assets, which are updated at the measurement date, December 31st. The impact of differences between actual results and the assumptions are generally accumulated within Other Comprehensive Income and amortized over future periods, which will affect benefit costs recognized in such periods. The Company bifurcates the components of net periodic benefit cost for pension and other postretirement plans. The service cost component of expense requires presentation within other employee compensation costs in operating income, whereas the other components of expense are reported separately outside of operating income. See Note 13.

Stock-Based Compensation: Stock-based employee compensation awards are accounted for based on their fair value on the grant date and the related cost is recognized in the Consolidated Statements of Income in accordance with accounting standards related to share-based payments. The fair values of stock options are estimated using the Black-Scholes option-pricing model based on certain assumptions. The fair values of service and performance based share awards are estimated based on the fair market value of the Company's stock price on the grant date. The fair values of market based performance share awards and performance-vested stock options are estimated using the Monte Carlo valuation method. See Note 14.

Income Taxes: Deferred tax assets and liabilities are recognized for future tax effects attributable to temporary differences, operating loss carryforwards and tax credits. The measurement of deferred tax assets and liabilities is determined using tax rates from enacted tax law of the period in which the temporary differences, operating loss carryforwards and tax credits are expected to be realized. The effect of a change in income tax rates is recognized in the period of the enactment date. The guidance related to accounting for income taxes requires that deferred tax assets be reduced by a valuation allowance if, based on all available evidence, it is more likely than not that the deferred tax asset will not be realized. The Company is exposed to certain tax contingencies in the ordinary course of business and records those tax liabilities in accordance with the guidance for accounting for uncertain tax positions. The Company has elected to account for tax on Global Intangible Low-Taxed Income ("GILTI") as a period cost, when incurred. See Note 15.

Recent Accounting Standards

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

Recently Adopted Accounting Standards

In October 2021, the FASB amended its guidance related to business combinations. The amended guidance requires entities to recognize and measure contract assets and contract liabilities acquired in business combinations on the acquisition date in accordance with Accounting Standards Codification 606, *Revenue from Contracts with Customers*. The new guidance was effective on a prospective basis for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022, with early adoption permitted. The Company adopted this guidance, on a prospective basis, on January 1, 2023 and applied the guidance as it relates to the acquisition of MB Aerospace Holdings, Inc. See Note 2.

In September 2022, the FASB amended its guidance related to supplier finance programs. The amended guidance requires additional disclosures surrounding the use of supplier finance programs to purchase goods or services including disclosing the key terms of the programs, the amount of obligations outstanding at the end of the reporting period, and a roll-forward of those obligations. The new guidance, except the amendment on roll-forward information, was effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The amendment on roll-forward information is effective for fiscal years beginning after December 15, 2023. The Company adopted this guidance within the Consolidated Financial Statements filed as of March 31, 2023 and it did not have a material impact on the Company's Consolidated Financial Statements, however it did result in additional disclosures pursuant to the new guidance. See Note 21.

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The United Kingdom's Financial Conduct Authority, which regulates the London Interbank Offered Rate ("LIBOR"), announced its intent to phase out the use of LIBOR by December 31, 2021. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, identified the Secured Overnight Financing Rate ("SOFR") as its preferred benchmark alternative to U.S. dollar LIBOR. Published by the Federal Reserve Bank of New York, SOFR represents a measure of the cost of borrowing cash overnight, collateralized by U.S. Treasury securities, and is calculated based on directly observable U.S. Treasury-backed repurchase transactions. In March 2020, in response to this transition, the FASB issued guidance related to this rate reform, which provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships and other transactions that reference LIBOR or another reference rate expected to be discontinued by reference rate reform, and addresses operational issues likely to arise in modifying contracts to replace discontinued reference rates with new rates. In January 2021, the FASB issued further clarifying guidance regarding derivatives, as it relates to this transition. In December 2022, the FASB extended the expiration of the guidance through December 31, 2024. The Company's Unsecured Credit Agreement (see Note 9) and corresponding USD interest rate Swaps (see Note 11) each mature in February 2026. In March 2021, the Intercontinental Exchange Benchmark Association announced that it will extend the publication of overnight, 1, 3, 6 and 12 month LIBOR rates until June 30, 2023, while ceasing publication of all other LIBOR rates including 1 week and 2 month rates. The Company's Unsecured Credit Agreement was further amended in October 2021 and in April 2022 to address the replacement of LIBOR via the LIBOR Transition Agreement and Amendment No. 1, respectively (see Note 9), with SOFR. The Company's corresponding interest rate Swaps were amended in May 2022 to address the replacement of LIBOR. In June 2023, the Company entered into Amendment No. 2 ("Amendment No. 2") to the Unsecured Credit Agreement, which also addressed the option for the Company to borrow under the terms of SOFR (see Note 9). As a result of the Company's contract amendments as discussed above, did not have a material impact on our business, financial condition, results of operations or cash flow.

Recently Issued Accounting Standards

In December 2023, the FASB amended its guidance related to income tax disclosure requirements. The amended guidance requires new income tax disclosure requirements including providing greater disaggregation in the rate reconciliation and information on taxes paid. The amended guidance is effective for annual periods beginning after December 15, 2025. Early adoption is permitted. The Company is currently evaluating the impact that the guidance may have on the disclosures within its Consolidated Financial Statements.

2. Acquisition

On August 31, 2023 ("Acquisition Date"), the Company completed its acquisition of MB Aerospace Holdings Inc., a Delaware corporation ("MB Aerospace"), along with such entity's subsidiaries (the "Transaction") by acquiring all of the issued and outstanding shares of capital stock of MB Aerospace. MB Aerospace is a leading provider of precision aero-engine component manufacture and repair services serving major aerospace and defense engine original equipment manufacturers ("OEMs"), tier 1 suppliers and maintenance, repair and overhaul ("MRO") providers. This business, provides significant growth opportunities and enhances the Company's ability to deliver value-add solutions across the aero-engine value chain. Further, the acquisition of MB Aerospace increases customer diversification within both commercial aerospace and defense platforms and provides the Company with a well-balanced portfolio across aerospace and industrial end markets.

The Company acquired MB Aerospace for an aggregate purchase price of $728,448, which includes post-closing adjustments under the terms of the Stock Purchase Agreement ("the Agreement"). The Company paid $718,623, net of $9,825 of cash acquired, in cash, using cash on hand and borrowings under the Company's $1,000,000 Revolving Credit Facility and its $650,000 Term Loan Facility (see Note 9).

During the twelve months ended December 31, 2023, the Company incurred $23,829 of acquisition-related costs related to the acquisition of MB Aerospace. These costs include $2,071 of due diligence costs and $21,758 of transaction costs to complete the acquisition. These acquisition related costs have been recognized in the Company's Consolidated Statements of (Loss) Income, of which $14,223 was recognized as selling and administrative expenses and of which $9,606 primarily relating to the bridge loan facility financing was recognized as Interest expense (see Note 9).

The operating results of MB Aerospace have been included in the Consolidated Statements of Income since the Acquisition Date. The Company reported $114,469 in net sales and an operating loss of $13,884 from MB Aerospace, inclusive of $19,192 of short-term purchase accounting adjustments related to inventory step-up and backlog intangible amortization and

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$8,182 of amortization of other intangible assets acquired, for the period from the Acquisition Date through December 31, 2023.

Estimated Fair Value of Assets Acquired and Liabilities Assumed

The Company accounted for the MB Aerospace acquisition as a business combination. The identifiable assets acquired and liabilities assumed are recorded at their preliminary fair values as of the Acquisition Date, inclusive of subsequent purchase price adjustments, and are consolidated into the Company's consolidated financial statements. The assignment of fair market value requires significant judgments regarding the estimates and assumptions used to value the acquired assets and liabilities assumed. In determining the fair values of the assets acquired and liabilities assumed, the Company utilized the cost, income and market approaches from the perspective of a market participant. The fair value of the customer relationship intangible asset was determined as of the acquisition date utilizing the multi-period excess earnings method. This method is based on estimates and judgments relating to expectations for the future after-tax cash flows arising from customer relationships that existed on the acquisition date over their estimated lives, including those related to forecasted revenue growth rates, gross margins and customer attrition rates, all of which are discounted to present value using appropriate discount rates. The fair value of the developed technology intangible asset was determined utilizing the relief from royalty method which is a form of the income approach. Under this method, an after-tax royalty rate based on market royalty rates is applied to forecasted revenue growth rates associated with the developed technology and discounted to present value using appropriate discount rates. The Company used third party valuation professionals to aid in the determination of the estimated fair value of certain assets acquired and liabilities assumed.

The following table summarizes the fair values for each major class of assets acquired, net of cash acquired, and liabilities assumed at the Acquisition Date, inclusive of subsequent purchase price and measurement period adjustments :

Accounts receivable	$ 48,863
Inventories	77,914
Prepaid expenses and other current assets	18,093
Property, plant and equipment	76,363
Goodwill	328,361
Other intangible assets	320,000
Other Assets	10,627
Total Assets Acquired	880,221
Accounts payable	(21,826)
Accrued liabilities	(37,260)
Deferred income taxes	(83,480)
Other liabilities	(9,609)
Debt assumed	(9,423)
Total Liabilities Assumed	(161,598)
Net Assets Acquired	$ 718,623

The Company recorded the fair values of the assets acquired and liabilities assumed of MB Aerospace as of August 31, 2023. Fair values are inclusive of purchase price and measurement period adjustments that were made subsequent to the acquisition date.

Goodwill represents the excess of the purchase consideration over the fair value of the underlying acquired net tangible and intangible assets. None of the recognized goodwill from the acquisition of MB Aerospace is expected to be deductible for income tax purposes. In connection with the acquisition, the Company recorded $328,361 of goodwill and $320,000 of intangible assets. None of the recognized goodwill from the acquisition of MB Aerospace is expected to be deductible for income tax purposes (see Note 7).

The Other intangible assets in the table above consist of backlog, developed technology, and customer relationships, which are amortized over their respective estimated useful lives (see Note 7).

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3. Divestiture

On January 9, 2024, the Company entered into a Share and Asset Purchase Agreement (as amended, the "SPA") with One Equity Partners ("OEP") to sell its Associated Spring™ and Hänggi™ businesses (the "Businesses") for $175,000, subject to certain adjustments (the "Sale"). The Businesses operated within the Company's Force & Motion Control (formerly Motion Control Solutions) business. Pursuant to the required accounting guidance, as of March 31, 2024, the Company allocated $58,900 of goodwill from the Force & Motion Control reporting unit to the Businesses based on the estimated relative fair values of the Businesses to be disposed of and the portion of the reporting unit that will be retained.

The Company completed the Sale of the Businesses to OEP on April 4, 2024. Gross proceeds received were $173,735. The Company yielded net cash proceeds of $159,625 after consideration of cash sold and transaction costs. The Company recorded a gain on the sale of the Businesses of $3,692 ($5,217 through operating profit) during the twelve month period ended December 31, 2024. Resulting tax charges of $23,688, were recognized during the twelve month period ended December 31, 2024. The Company utilized the proceeds from the Sale to reduce outstanding debt.

4. Revenue

The Company is a global provider of highly engineered products, differentiated industrial technologies, and innovative solutions, serving a wide range of end markets and customers. Its specialized products and services are used in far-reaching applications in aerospace, healthcare, automation, packaging, mobility, and manufacturing. Economic factors, including end markets and geographical locations, influence the nature, amount, timing, and uncertainty of revenue and cash flows. The Company recognizes product and service revenue from Aerospace OEM, Aerospace Aftermarket, Molding Solutions, Motion Control Solutions and Automation. Demand fluctuations in end markets such as Aerospace OEM, Aerospace Aftermarket, Medical, Personal Care & Packaging, Tool & Die, General Industrial, Automotive Molding Solutions, Automotive Production, and Automation can affect order volumes and production schedules, which in turn impacts the timing of revenue recognition. The Company's sales in regions such as the Americas, Europe, and Asia expose it to varying economic conditions that can affect the timing of revenue and cash flows.

Revenue from products and services transferred to customers at a point in time accounted for approximately 70 percent of revenue for the year ended December 31, 2024, and approximately 80 percent of revenue for the years ended December 31, 2023, and 2022. A majority of revenue within the Industrial segment and Aerospace OEM business, along with a portion of revenue within the Aerospace Products and Services business ("Aftermarket") business, is recognized at a point in time, primarily when the product or solution is shipped to the customer.

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

Performance Obligations. A performance obligation represents a promise within a contract to provide a distinct good or service to the customer. The Company accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. Transaction price reflects the amount of consideration to which the Company expects to be entitled in exchange for transferred goods or services. A contract's transaction price is allocated to each distinct performance obligation and revenue is recognized as the performance obligation is satisfied.

The majority of our revenues is from contracts that are less than one year, however certain Aerospace OEM and Molding Solutions business contracts extend beyond one year. In the Industrial segment, customers are typically OEMs or suppliers to

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OEMs and, in some businesses, distributors. In the Aerospace segment, customers include commercial airlines, OEMs and other aircraft and defense-related parts and service providers.

To determine the proper revenue recognition method for contracts, the Company uses judgment to evaluate whether two or more contracts should be combined and accounted for as one single contract and whether the combined or single contract should be accounted for as more than one performance obligation. Contracts within the Aerospace OEM and Industrial Motion Control businesses typically have contracts that are combined as the customer may issue multiple purchase orders at or near the same point in time under the terms of a long term agreement.

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

Contract Estimates. Due to the nature of the work performed in completing certain performance obligations, the estimation of both total revenue and cost at completion includes a number of variables and requires significant judgment, as described further below.

Estimating total contract revenue requires judgment as certain contracts contain pricing discount structures, rebates, early payment discounts, or other provisions that can impact transaction price. The Company generally estimates variable consideration utilizing the expected value methodology as multiple inputs are considered and weighed, such as customer history, customer forecast communications, economic outlooks, and industry data. In certain circumstances where a particular outcome is probable, we utilize the most likely amount to which we expect to be entitled. The Company includes estimated amounts 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.

Estimating the total expected costs related to contracts also requires significant judgment. A portion of our Aerospace OEM business as well as a portion of our Molding Solutions Products business has an Estimate at Completion process in which management reviews the progress and execution of our performance obligations for significant contracts with revenue recognized under an over-time model. As part of this process, management reviews information including, but not limited to, performance under the contract, progress towards completion, identified risks and opportunities, sourcing determinations and related changes in estimates of costs to be incurred. These considerations include management's judgment about the ability and cost to achieve technical requirements and other contract requirements. Management makes assumptions and estimates regarding labor efficiency, the complexity of the work to be performed, the availability of materials, the length of time to complete the performance obligation (e.g., to estimate increases in wages and prices for materials and related support cost allocations), execution by our subcontractors and overhead cost rates, among other variables.

The Company generally utilizes the portfolio approach to estimate the amount of revenue to recognize for certain other contracts which require over-time revenue recognition. Such contracts are grouped together either by revenue stream, customer or product. Each portfolio of contracts is grouped together based on having similar characteristics. The portfolio approach is utilized only when the result of the accounting is not expected to be materially different than if applied to individual contracts.

Adjustments to net sales, cost of sales and the related impact to operating income are recognized as necessary in the period they become known.

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

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

Customer Advances and Deposits (Contract Liabilities) - The Company may receive a customer advance or deposit, or have an unconditional right to receive a customer advance, prior to revenue being recognized. Certain contracts within the

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

Net contract assets (liabilities) consisted of the following:

	December 31, 2024	December 31, 2023	$ Change	% Change
Unbilled receivables (contract assets)	$ 61,146	$ 59,652	$ 1,494	3 %
Contract liabilities	(43,191)	(42,428)	(763)	2 %
Net contract assets	$ 17,955	$ 17,224	$ 731	4 %

Contract liabilities balances at December 31, 2024 and December 31, 2023 include $15,973 and $10,032, respectively, of customer advances for which the Company has not yet collected payment, but an unconditional right to collect payment. Accounts receivable, as presented on the Consolidated Balance Sheet, includes corresponding balances at December 31, 2024 and December 31, 2023, respectively.

5. Inventories

Inventories at December 31 consisted of:

	2024	2023
Finished goods	$ 86,775	$ 104,801
Work-in-process	104,750	105,737
Raw materials and supplies	118,985	154,683
	$ 310,510	$ 365,221

6. Property, Plant and Equipment

Property, plant and equipment, net, at December 31 consisted of:

	2024	2023
Land	$ 11,424	$ 16,594
Buildings	151,243	198,207
Machinery and equipment	660,554	816,694
	823,221	1,031,495
Less accumulated depreciation	(479,853)	(628,798)
	$ 343,368	$ 402,697

Depreciation expense was $51,945, $52,086 and $47,163 during 2024, 2023 and 2022, respectively.

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BARNES GROUP INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

7. Goodwill and Other Intangible Assets

Goodwill: The following table sets forth the change in the carrying amount of goodwill:

January 1, 2023 [(A)]	$ 835,472
Acquisition-related	320,883
Foreign currency translation	27,269
December 31, 2023	1,183,624
Acquisition-related	7,478
Divestiture related (see Note 3)	(58,900)
Impairment charge (see below)	(53,694)
Foreign currency translation	(41,761)
December 31, 2024	$ 1,036,747

[(A)] "Amount" is net of accumulated goodwill impairment losses of $68,194.

The changes recorded include $320,883 of goodwill in 2023 resulting from the acquisition of MB Aerospace in August 2023. See Note 2. The amounts allocated to goodwill reflect the benefits that the Company expects to realize from an increase in global market access and MB Aerospace's assembled workforce. None of the recognized goodwill from the acquisition of MB Aerospace is expected to be deductible for income tax purposes. The acquisition-related changes recorded during 2024 include purchase accounting adjustments of $7,478 of goodwill resulting from the acquisition of MB Aerospace.

The Company completed the sale of the Businesses in April 2024. See Note 3. Pursuant to the required accounting guidance, the Company allocated $58,900 of goodwill to the divested Businesses based on the estimated relative fair values of the Businesses.

During the second quarter, management completed the Company's annual impairment assessment of goodwill as of April 1, 2024. The Company utilizes the option to first assess qualitative factors to determine whether it is necessary to perform the Step 1 quantitative goodwill impairment test in accordance with the applicable accounting standards. Under the qualitative assessment, management considers relevant events and circumstances including but not limited to macroeconomic conditions, industry and market considerations, overall reporting unit performance and events directly affecting a reporting unit. If the Company determines that the Step 1 quantitative impairment test is required, management estimates the fair value of the reporting unit using a discounted cash flow model (a form of the income approach), a market approach, or both. Inherent in management's development of cash flow projections under the income approach are assumptions and estimates, including those related to future earnings and growth rates and the weighted average cost of capital. Pursuant to the market approach, management considers readily available market information, including comparable public company earnings multiples relative to the performance of the Company's businesses. The Company compares the fair value of the reporting unit with the carrying value of the reporting unit. If the fair values were to fall below the carrying values, the Company would recognize a non-cash impairment charge to income from operations for the amount by which the carrying amount of any reporting unit exceeds the reporting unit's fair value, assuming the loss recognized does not exceed the total amount of goodwill for the reporting unit.

Based on qualitative assessments as of April 1, 2024, management concluded that it was not more likely than not that the fair value of each of the Company's reporting units was below its respective carrying value, except for the Automation reporting unit. Therefore, management performed a Step 1 quantitative assessment for the Automation reporting unit. In estimating the fair value of the Automation reporting unit, management evaluated readily available end market information, including earnings multiples, from comparable public companies that also operate within the automation sector. Management's assessment resulted in a non-cash goodwill impairment charge of $53,694 related to the Automation reporting unit as the estimated fair value of the reporting unit declined below its carrying value. The reduction of fair value was primarily the result of lower projections for the reporting unit, consistent with a reduction of forecasted growth trends within the broader automation market. A decline in projections was largely due to uncertainty in the broader industrial manufacturing markets, partially restricting the significant capital expenditures required for such investments in automation. A significant level of reliance on the automotive sector and corresponding delays in model change releases, more specifically, also negatively impacted the fair value of the Automation reporting unit. The non-cash goodwill impairment charge was recorded during the three-month period ended June 30, 2024.

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Other Intangible Assets: Other intangible assets at December 31 consisted of:

	Range of Life-Years	2024 Gross Amount	2024 Accumulated Amortization	2023 Gross Amount	2023 Accumulated Amortization
Amortized intangible assets:					
Revenue Sharing Programs	Up to 30	$ 296,700	$ (189,225)	$ 299,500	$ (176,143)
Component Repair Programs	Up to 30	111,839	(56,893)	111,839	(49,577)
Customer relationships	10-16	579,050	(207,736)	586,189	(180,679)
Patents and technology	4-18	174,280	(103,713)	178,433	(100,662)
Trademarks/trade names	10-30	7,153	(6,504)	10,949	(10,910)
Other	Up to 10	26,334	(18,379)	26,334	(14,857)
		1,195,356	(582,450)	1,213,244	(532,828)
Unamortized intangible assets:					
Trade names		55,670	—	55,670	—
Foreign currency translation		(43,642)	—	(29,615)	—
Other intangible assets		$ 1,207,384	$ (582,450)	$ 1,239,299	$ (532,828)

In connection with the acquisition of MB Aerospace in August 2023, the Company recorded intangible assets of $320,000 which includes $249,000 of customer relationships, $55,000 of developed technology, and $16,000 of customer backlog included within Other above. The estimated weighted-average useful lives of the acquired assets were 15 years, 18 years and 1 year, respectively.

The Company has entered into a number of Aftermarket RSP and CRP agreements each of which is with our customer, GE. See Note 1 for a further discussion of these programs. As of December 31, 2024, the Company has made all required payments under the RSP and CRP agreements.

Amortization of intangible assets for the years ended December 31, 2024, 2023 and 2022 was $67,720, $63,732 and $44,987, respectively. Estimated amortization of intangible assets for future periods is as follows: 2025 - $72,000; 2026 - $70,000; 2027 - $68,000; 2028 - $66,000 and 2029 - $65,000.

8. Accrued Liabilities

Accrued liabilities at December 31 consisted of:

	2024	2023
Payroll and other compensation	$ 43,514	$ 45,764
Contract liabilities (Note 4)	43,191	42,428
Pension and other postretirement benefits (Note 13)	8,216	8,124
Accrued income taxes	64,403	49,138
Lease liability (Note 19)	9,058	10,894
Business reorganizations (Note 10)	13,785	10,276
Other	49,929	54,838
	$ 232,096	$ 221,462

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BARNES GROUP INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

9. Debt and Commitments

Long-term debt and notes and overdrafts payable at December 31 consisted of:

	2024		2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Revolving Credit Facility	$ 529,984	$ 543,279	$ 642,988	$ 646,843
Term Loan Facility	577,453	578,539	648,375	651,215
Unamortized deferred financing costs and original issue discount - Term Loan Facility	(10,652)	—	(12,532)	—
Borrowings under lines of credit and overdrafts	21	21	16	16
Finance leases	9,552	9,960	11,999	11,732
	1,106,358	1,131,799	1,290,846	1,309,806
Less current maturities	(9,319)		(10,884)	
Long-term debt	$ 1,097,039		$ 1,279,962	

The Company's long-term debt portfolio consists of fixed-rate and variable-rate instruments and is managed to reduce the overall cost of borrowing and to mitigate fluctuations in interest rates. Among other things, interest rate fluctuations impact the market value of the Company's fixed-rate debt.

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

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

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amortized into interest expense on the Consolidated Statements of Income through its maturity. Cash used to pay these fees was recorded through other financing activities on the Consolidated Statements of Cash Flows.

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

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

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

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

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Company is also required to pay a commitment fee initially equal to 0.35% per annum to the lenders under the Revolving Credit Facility in respect of the unutilized commitments thereunder. The commitment fee under the Revolving Credit Facility varies depending on the Company's total net leverage ratio. At December 31, 2024, the commitment fee under the Revolving Credit Facility was 0.275%.

The Term Loan Facility matures on the seven-year anniversary of the Acquisition Date (August 31, 2030) and amortizes in equal quarterly installments ($6,500 annually), starting with the first full fiscal quarter after the Acquisition Date, of 0.25% of the initial principal amount. The Revolving Credit Facility matures on the five-year anniversary of the Acquisition Date (August 31, 2028). In addition, the Company is required to prepay outstanding loans under the Term Loan Facility, subject to certain exceptions, with up to 50% of the Company's annual excess cash flow (as defined under the Credit Agreement) in excess of the greater of $50,000 and 15.0% of Last Twelve Months ("LTM") Adjusted Consolidated EBITDA (as defined in the Credit Agreement) as of the applicable time, and with up to 100% of the net cash proceeds of certain recovery events and non-ordinary course asset sales (which percentages vary depending on the Company's first lien secured net leverage ratio).

The Company may generally prepay outstanding loans under the Senior Facilities at any time, without prepayment premium or penalty, subject to customary "breakage" costs with respect to Term SOFR loans. Prepayments of the Term Loan Facility in connection with certain "repricing events" resulting in a lower yield occurring at any time during the first six months after the Acquisition Date must be accompanied by a 1.00% prepayment premium.

The Revolving Credit Facility requires that the Company maintain a maximum Total Net Leverage Ratio, as defined in the Credit Agreement, initially of 5.50 to 1.00 as of the last day of each fiscal quarter for which financials have been (or were required to be) delivered, commencing with the first full fiscal quarter after the Acquisition Date, stepping down to 4.00 to 1.00 over time. The maximum Total Net Leverage Ratio is 4.50 to 1.00 for the year ended December 31, 2024 thus limiting the available credit to $434,100. For material acquisitions in certain circumstances, such ratio may be increased by up to 0.50 to 1.00. The actual ratio, as defined, was 3.02 at December 31, 2024. The Revolving Credit Facility also requires that the Company not permit the Interest Coverage Ratio as of the last day of any test period to be less than 3.00 to 1.00. The actual ratio, as defined, was 4.56 as of December 31, 2024. At December 31, 2024, the Company was in compliance with all applicable covenants.

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

Borrowings and availability under the Revolving Credit Facility were $529,984 and $470,016, respectively, at December 31, 2024. Borrowings and availability under the Revolving Credit Facility were $642,988 and $357,012, respectively, at December 31, 2023, subject to covenants discussed above. The average interest rate on these borrowings was 5.60% and 6.76% on December 31, 2024 and 2023, respectively. The average interest rate excludes the impact of the Company's interest swap agreements. See Note 11. Borrowings included Euro-denominated borrowings of 269,500 Euros ($279,984) at December 31, 2024 and 296,500 Euros ($327,988) at December 31, 2023. The fair value of the borrowings is based on observable Level 2 inputs. The borrowings were valued using discounted cash flows based upon the Company's estimated interest costs for similar types of borrowings.

Borrowings under the Term Loan Facility were $577,453 at December 31, 2024. The average interest rate on these borrowings was 6.86% on December 31, 2024. The average interest rate excludes the impact of the Company's interest swap agreements. See Note 11. The fair value of the borrowings is based on the quoted market price of the borrowings on December 31, 2024, which represents Level 1 observable inputs.

In addition, the Company has approximately $77,000 in uncommitted short-term bank credit lines ("Credit Lines") and overdraft facilities. The Credit Lines are accessed locally and are available primarily within the U.S., Europe and Asia. The Credit Lines are subject to the applicable borrowing rates within each respective country and vary between jurisdictions (e.g. LIBOR, Euribor, etc.). The Company had no borrowings under the credit lines at December 31, 2024 and 2023. The Company had borrowed $21 and $16 under the overdraft facilities at December 31, 2024 and 2023, respectively. Repayments under the Credit Lines are due within one month after being borrowed. Repayments of the overdrafts are generally due within two days

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after being borrowed. The carrying amounts of the Credit Lines and overdrafts approximate fair value due to the short maturities of these financial instruments.

The Company also has finance leases under which $9,552 and $11,999 was outstanding at December 31, 2024 and December 31, 2023, respectively. The fair value of the finance leases is based on observable Level 2 inputs. These instruments were valued using discounted cash flows based upon the Company's estimated interest costs for similar types of borrowings.

Long-term debt and notes payable, excluding the unamortized deferred financing costs and original issue discount related to the Term Loan Facility, as of December 31, 2024 are payable as follows: $9,348 in 2025, $8,709 in 2026, $8,045 in 2027, $537,467 in 2028, $7,352 in 2029 and $546,090 thereafter.

In addition, the Company had undrawn letters of credit totaling $1,857 at December 31, 2024.

Interest paid was $82,832, $59,238 and $13,535 in 2024, 2023 and 2022, respectively. Interest capitalized was $2,106, $1,510 and $391 in 2024, 2023 and 2022, respectively, and is being depreciated over the lives of the related fixed assets.

10. Business Reorganizations

In July 2022, Company management commenced a systematic multi-phased initiative to significantly reduce costs and integrate the Company's operations, decreasing complexity and focusing on improved performance across Industrial. More specifically, at this time, the Company announced a restructuring program to further reduce costs within the Industrial segment and, more broadly, transform our businesses in response to macroeconomic disruptions. Additional actions were subsequently announced in October 2022, April 2023 (including Aerospace), September 2023 (including Aerospace) and multiple periods of 2024 (including Aerospace). Management continues to adjust its cost structures to align with market conditions.

2022 Actions

The Company authorized restructuring actions ("2022 Actions") focused on the consolidation of two manufacturing sites and a number of branch offices and changes in infrastructure to eliminate certain roles across a number of locations in the Industrial segment businesses in July and October 2022. The 2022 Actions resulted in pre-tax charges of $17,986 recorded in the second half of 2022. Of the aggregate pre-tax charges, $11,880 related to employee termination costs, primarily employee severance and other termination benefits, which were substantially paid in cash by the end of 2023 and which are recorded within Selling and Administrative Expenses in the accompanying Consolidated Statements of Income. The remaining $6,106 primarily included $3,186 of accelerated depreciation of assets and $1,417 of pension curtailment losses and special termination benefits which are recorded in Cost of sales and Other expense (income), net, respectively, in the accompanying Consolidated Statements of Income.

During 2023, additional pre-tax charges of $10,328 related to the 2022 Actions. This balance included $3,802 of accelerated depreciation of assets and $7,291 primarily related to site consolidation and transfer of work charges, both recorded within Cost of Sales. Additionally, pre-tax charges of $1,229 related primarily to employee and other termination benefits and an $850 gain on sale of property, plant and equipment were both recorded within Selling and administrative expenses. Lastly, $1,144 of pension curtailment and settlement gains were included within Other income (expense), net, in the accompanying Consolidated Statements of Income.

During 2024, additional pre-tax charges of $3,256 related to the 2022 Actions, including $2,287 related to site consolidation and transfer of work charges, and $795 of accelerated depreciation of assets, were recorded within Cost of sales, and $174 primarily related to employee and other termination benefits, were recorded within Selling and administrative expenses, net, in the accompanying Consolidated Statements of Income.

A corresponding liability of $141, per below, related to the employee termination costs remained and was included within accrued liabilities as of December 31, 2024. The Company does not expect any additional costs related to the 2022 actions to be significant.

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BARNES GROUP INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

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

January 1, 2022	$ —
Employee severance and other termination benefits	11,880
Payments	(980)
December 31, 2022	$ 10,900
Employee severance and other termination benefits	(357)
Payments	(10,005)
December 31, 2023	$ 538
Employee severance and other termination benefits	(16)
Payments	(381)
December 31, 2024	$ 141

2023 Actions

In April 2023, the Company authorized restructuring actions ("April 2023 Actions") focused on manufacturing footprint optimization, including the consolidation of manufacturing sites and optimization of production. These actions include the geographic transfer of certain programs within both the Industrial and Aerospace segments and changes in infrastructure to drive improvements and efficiencies in business processes, including the elimination of certain roles across several locations. The April 2023 Actions resulted in pre-tax charges of $13,783 recorded in 2023 (primarily in the second and third quarters of 2023). Of the aggregate, $10,791 related to employee termination costs, primarily employee severance and other termination benefits, which are expected to be paid in cash by the end of 2025, and $657 primarily related to accelerated rent expenses and consulting fees, which were recorded within Selling and administrative Expenses, in the accompanying Consolidated Statements of Income. The remaining $2,336 primarily related to site consolidation and transfer of work charges, were recorded within Cost of sales, in the accompanying Consolidated Statements of Income. Of the aggregate charges recorded, $13,088 was reflected within the results of the Industrial segment and $695 was reflected within the results of the Aerospace segment.

During 2024, additional pre-tax charges of $4,956 related to the April 2023 Actions, primarily related to transfer of work charges, with $3,398 being recorded within Cost of Sales and $1,558 being recorded within Selling and administrative expenses. Of the aggregate charges recorded, $2,140 was reflected within the results of the Industrial segment and $2,816 was reflected within the results of the Aerospace segment.

A corresponding liability of $29, per below, related to the employee termination costs remained and was included within accrued liabilities as of December 31, 2024. The Company expects to incur additional costs beyond 2024 of approximately $5,000 within the Aerospace segment related to the April 2023 Actions, which are primarily related to transfer of work charges. The April 2023 Actions are expected to be completed throughout multiple periods, with completion in 2025.

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

January 1, 2023	$ —
Employee severance and other termination benefits	10,492
Payments	(4,245)
December 31, 2023	$ 6,247
Employee severance and other termination benefits	$ (237)
Payments	(5,981)
December 31, 2024	$ 29

In September 2023, the Company authorized restructuring actions ("September 2023 Actions") including organizational realignment within a Barnes Industrial business and within Barnes Aerospace following the MB Aerospace acquisition. The September 2023 Actions resulted in pre-tax charges of $7,878 recorded in 2023 related to employee termination costs, primarily

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employee severance and other termination benefits, which are expected to be paid in cash by the end of 2025 and which were recorded within Selling and administrative expenses in the accompanying Consolidated Statements of Income. Of the aggregate charges recorded, $5,056 was reflected within the results of the Industrial segment and $2,821 was reflected within the results of the Aerospace segment.

A corresponding liability of $17, per below, related to the employee termination costs remained and was included within accrued liabilities as of December 31, 2024. The Company does not expect any additional costs related to the September 2023 Actions to be significant.

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

January 1, 2023	$ —
Employee severance and other termination benefits	7,878
Payments	(5,142)
December 31, 2023	$ 2,736
Employee severance and other termination benefits	$ (26)
Payments	$ (2,693)
December 31, 2024	$ 17

2024 Actions

In the second quarter of 2024, the Company authorized restructuring actions ("Second Quarter 2024 Actions") including organizational changes within the Barnes Aerospace and Industrial segment businesses. Resulting pre-tax charges of $3,379 were recorded in 2024 mainly related to employee termination costs, primarily employee severance and other termination benefits, which are expected to be paid in cash by the end of 2025 and which were recorded within Selling and administrative expenses in the accompanying Consolidated Statements of (Loss) Income. Of the aggregate charges recorded, $1,750 was included within the results of the Aerospace segment and $1,629 was included within the results of the Industrial segment. The Company does not expect any additional costs related to the Second Quarter 2024 Actions to be significant.

A corresponding liability of $540, per below, related to the employee termination costs remained and was included within accrued liabilities as of December 31, 2024.

The following table sets forth the change in the liability for the employee termination benefits related to the Second Quarter 2024 Actions:

January 1, 2024	$ —
Employee severance and other termination benefits	3,106
Payments	(2,566)
December 31, 2024	$ 540

In the third quarter of 2024, the Company authorized restructuring actions ("Third Quarter 2024 Actions") including organizational changes within the Barnes Industrial segment businesses. Resulting pre-tax charges of $2,388 were recorded in 2024 related to employee termination costs, primarily employee severance and other termination benefits, which are expected to be paid in cash by the end of 2025 and which were recorded within Selling and administrative expenses in the accompanying Consolidated Statements of (Loss) Income. The Company does not expect any additional costs related to the Third Quarter 2024 Actions to be significant.

A corresponding liability of 1,373, per below, related to the employee termination costs remained and was included within accrued liabilities as of December 31, 2024.

The following table sets forth the change in the liability for the employee termination benefits related to the Third Quarter 2024 Actions:

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January 1, 2024	$ —
Employee severance and other termination benefits	2,388
Payments	(1,015)
December 31, 2024	$ 1,373

In October 2024, the Company authorized restructuring actions ("Aerospace Fourth Quarter 2024 Actions") focused on manufacturing footprint optimization, following the acquisition of MB Aerospace. The Aerospace Fourth Quarter 2024 Actions included the geographic transfer of certain programs within the segment, which included the elimination of certain roles. Resulting pre-tax charges of $2,879 were recorded in 2024. Of the aggregate, $2,686 related to employee termination costs, primarily employee severance costs and other termination benefits of $1,951 (expected to be paid in cash by the end of 2025) and other special termination costs of $735, both of which were recorded within Selling and administrative expenses. Of the aggregate, a residual $193 related to transfer of work charges, which were recorded within Cost of sales. The Company expects to incur additional costs beyond 2024 of approximately $3,500 related to the Aerospace Fourth Quarter 2024 Actions, primarily related to transfer of work charges, and are expected to be completed in 2025.

A corresponding liability of $1,951, per below, related to the employee termination costs remained and was included within accrued liabilities as of December 31, 2024.

The following table sets forth the change in the liability for the employee termination benefits related to the Aerospace Fourth Quarter 2024 Actions:

January 1, 2024	$ —
Employee severance and other termination benefits	1,951
Payments	—
December 31, 2024	$ 1,951

In October 2024, the Company authorized restructuring actions ("Industrial Fourth Quarter 2024 Actions") focused on manufacturing footprint optimization, relating to the consolidation of a manufacturing site, and included the elimination of certain roles. Resulting pre-tax charges of $8,848 were recorded in 2024 and related to employee termination costs, primarily employee severance and other termination benefits. These charges are expected to be paid in cash by the end of 2025 and were recorded within Selling and administrative expenses in the accompanying Consolidated Statements of (Loss) Income. The Company expects to incur additional costs beyond 2024 of approximately $2,000 related to the Industrial Fourth Quarter 2024 Actions, primarily related to site consolidation and transfer of work charges. The Industrial Fourth Quarter 2024 Actions are expected to be completed in 2025.

A corresponding liability of $8,848, per below, related to the employee termination costs remained and was included within accrued liabilities as of December 31, 2024.

The following table sets forth the change in the liability for the employee termination benefits related to the Industrial Fourth Quarter 2024 Actions:

January 1, 2024	$ —
Employee severance and other termination benefits	8,848
Payments	—
December 31, 2024	$ 8,848

11. Derivatives

The Company has manufacturing, service and sales facilities around the world and thus makes investments and conducts business transactions denominated in various currencies. The Company is also exposed to fluctuations in interest rates and

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commodity price changes. These financial exposures are monitored and managed by the Company as an integral part of its risk management program.

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

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

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

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

The fair values of the Amended 2021 Swap were $3,248 and $5,976 as of December 31, 2024 and December 31, 2023, respectively, and were recorded in Other Assets in the Consolidated Balance Sheets for the periods. The fair values of the Euribor Swap were $(5,265) and $(5,485) as of December 31, 2024 and December 31, 2023, respectively, and were recorded in Other Liabilities in the Consolidated Balance Sheets for the periods. The fair values of the 2023 Swaps were $(6,947) and $(19,984) as of December 31, 2024 and December 31, 2023, respectively, and were recorded in Other Liabilities in the Consolidated Balance Sheets for the periods. The fair values of the Company's other derivatives were not material to the Company's Consolidated Balance Sheets as of December 31, 2024 or December 31, 2023. See Note 12. Other than the activity related to the Amended 2021 Swap, the Euribor Swap and the 2023 Swaps, the activity related to derivatives that have been designated hedging instruments was not material to the Company's Consolidated Financial Statements for the periods ended December 31, 2024, 2023 or 2022. The Company recognized gains (losses) of $(19,898), $8,733 and $(12,937) related to the foreign exchange contracts that are not accounted for as hedging instruments within other expense (income), net, in the Consolidated Statements of Income for the periods ended December 31, 2024, 2023 and 2022, respectively. Such gains (losses) were substantially offset by net gains or losses recorded on the underlying hedged asset or liability (the "underlying"). Offsetting net gains or losses on the underlying are also recorded within Other expense (income), net.

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The Company's policy for classifying cash flows from derivatives is to report the cash flows consistent with the underlying hedged item. Other financing cash flows during the years ended December 31, 2024, 2023 and 2022, as presented on the Consolidated Statements of Cash Flows, include $19,247, $(8,319) and $12,324, respectively, of net cash (proceeds) payments related to the settlement of foreign currency hedges related to intercompany financing.

12. Fair Value Measurements

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

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2	Unadjusted quoted prices in active markets for similar assets or liabilities, or unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.
Level 3	Unobservable inputs for the asset or liability.

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

		Fair Value Measurements Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2024				
Asset derivatives	$ 3,347	$ —	$ 3,347	$ —
Liability derivatives	(12,710)	—	(12,710)	—
Bank acceptances	15,521	—	15,521	—
Rabbi trust assets	1,715	1,715	—	—
	$ 7,873	$ 1,715	$ 6,158	$ —
December 31, 2023				
Asset derivatives	$ 6,420	$ —	$ 6,420	$ —
Liability derivatives	(25,885)	—	(25,885)	—
Bank acceptances	12,161	—	12,161	—
Rabbi trust assets	1,923	1,923	—	—
	$ (5,381)	$ 1,923	$ (7,304)	$ —

The derivative contracts are valued using observable current market information as of the reporting date such as the prevailing SOFR-based interest rates and foreign currency spot and forward rates. Bank acceptances represent financial instruments accepted from certain China-based customers in lieu of cash paid on receivables, have maturities of one year or less and are guaranteed by banks. The carrying amounts of the bank acceptances, which are included within prepaid expenses and other current assets, approximate fair value due to their short maturities. The fair values of rabbi trust assets are based on quoted market prices from various financial exchanges. For disclosures of the fair values of the Company's pension plan assets, see Note 13.

13. Pension and Other Postretirement Benefits

The accounting standards related to employers' accounting for defined benefit pension and other postretirement plans requires the Company to recognize the funded status of its defined benefit postretirement plans as assets or liabilities in the accompanying consolidated balance sheets and to recognize changes in the funded status of the plans in comprehensive income.

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BARNES GROUP INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The Company has various defined contribution plans, the largest of which is its Retirement Savings Plan. Most U.S. salaried and non-union hourly employees are eligible to participate in this plan. See Note 18 for further discussion of the Retirement Savings Plan. The Company also maintains various other defined contribution plans which cover certain other employees. Company contributions under certain of these plans are based on the performance of the business units and employee compensation. Contribution expense under these other defined contribution plans was $1,770, $3,030 and $4,870 in 2024, 2023 and 2022, respectively.

Defined benefit pension plans in the U.S. cover certain former U.S. employees, including retirees, and a portion of employees at the Company's Corporate Office. Employees at certain international businesses within Industrial are also covered by defined benefit pension plans. Plan benefits for salaried and non-union hourly employees are based on years of service and average salary. Plans covering union hourly employees provide benefits based on years of service. The Company funds U.S. pension costs in accordance with the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Non-U.S. defined benefit pension plans cover certain employees of certain international locations in Europe and Canada.

The Company provides other medical, dental and life insurance postretirement benefits for certain of its retired employees in the U.S. and Canada. It is the Company's practice to fund these benefits as incurred.

The accompanying balance sheets reflect the funded status of the Company's defined benefit pension plans at December 31, 2024 and 2023. Reconciliations of the obligations and funded status of the plans follow:

	2024			2023		
	U.S.	Non-U.S.	Total	U.S.	Non-U.S.	Total
Benefit obligation, January 1	$ 325,500	$ 57,376	$ 382,876	$ 341,595	$ 60,711	$ 402,306
Service cost	90	301	391	1,646	943	2,589
Interest cost	16,740	1,370	18,110	17,343	2,072	19,415
Amendments	—	—	—	—	(2,553)	(2,553)
Actuarial (gain) loss	(3,589)	(1,010)	(4,599)	3,615	4,985	8,600
Benefits paid	(28,883)	(2,232)	(31,115)	(31,097)	(2,542)	(33,639)
Transfers in	—	—	—	—	1,989	1,989
Plan curtailments	—	(1,161)	(1,161)	(7,602)	(437)	(8,039)
Plan settlements	(7,646)	(24,100)	(31,746)	—	(12,799)	(12,799)
Participant contributions	—	247	247	—	906	906
Foreign exchange rate changes	—	(2,887)	(2,887)	—	4,101	4,101
Benefit obligation, December 31	302,212	27,904	330,116	325,500	57,376	382,876
Fair value of plan assets, January 1	316,435	67,131	383,566	304,881	70,039	374,920
Actual return on plan assets	14,561	1,177	15,738	34,046	4,207	38,253
Company contributions	6,172	286	6,458	8,605	1,119	9,724
Participant contributions	—	247	247	—	906	906
Benefits paid	(28,883)	(2,232)	(31,115)	(31,097)	(2,542)	(33,639)
Plan settlements	(7,646)	(24,100)	(31,746)	—	(12,799)	(12,799)
Transfers in	—	—	—	—	1,989	1,989
Foreign exchange rate changes	—	(3,008)	(3,008)	—	4,212	4,212
Fair value of plan assets, December 31	300,639	39,501	340,140	316,435	67,131	383,566
(Underfunded) Overfunded status, December 31	$ (1,573)	$ 11,597	$ 10,024	$ (9,065)	$ 9,755	$ 690

Benefit obligations decreased in 2024 primarily due to plan settlements resulting from the sale of the Businesses (Note 3) in April 2024 and the payment of benefits to plan participants, partially offset by interest costs incurred throughout 2024.

Benefit obligations decreased in 2023 primarily due to a plan curtailment resulting from the Company electing to freeze the benefits associated with one of its U.S-based defined benefit pension plans in February 2023 and an increase in the payment of benefits to plan participants, partially offset by higher interest costs throughout 2023 and actuarial losses as compared with actuarial gains in the comparable 2022 period, resulting primarily from decreases in the discount rate as of December 31, 2023.

Projected benefit obligations related to pension plans with benefit obligations in excess of plan assets follow:

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	2024			2023		
	U.S.	Non-U.S.	Total	U.S.	Non-U.S.	Total
Projected benefit obligation	$ 30,923	$ 4,945	$ 35,868	$ 34,578	$ 31,514	$ 66,092
Fair value of plan assets	5,189	4,197	9,386	4,301	28,701	33,002

Information related to pension plans with accumulated benefit obligations in excess of plan assets follows:

	2024			2023		
	U.S.	Non-U.S.	Total	U.S.	Non-U.S.	Total
Accumulated benefit obligation	$ 30,923	$ 4,945	$ 35,868	$ 34,744	$ 31,241	$ 65,985
Fair value of plan assets	5,189	4,197	9,386	4,301	28,701	33,002

The accumulated benefit obligation for all defined benefit pension plans was $330,679 and $382,769 at December 31, 2024 and 2023, respectively.

Amounts related to pensions recognized in the accompanying balance sheets consist of:

	2024			2023		
	U.S.	Non-U.S.	Total	U.S.	Non-U.S.	Total
Other assets	$ 24,161	$ 12,345	$ 36,506	$ 21,212	$ 12,568	$ 33,780
Accrued liabilities	6,018	—	6,018	5,809	—	5,809
Accrued retirement benefits	19,716	748	20,464	24,468	2,813	27,281
Accumulated other non-owner changes to equity, net	(100,049)	(6,220)	(106,269)	(98,436)	(4,811)	(103,247)

Amounts related to pensions recognized in accumulated other non-owner changes to equity, net of tax, at December 31, 2024 and 2023, respectively, consist of:

	2024			2023		
	U.S.	Non-U.S.	Total	U.S.	Non-U.S.	Total
Net actuarial loss	$ (100,049)	$ (5,627)	$ (105,676)	$ (97,325)	$ (6,596)	$ (103,921)
Prior service costs	—	(593)	(593)	(1,111)	1,785	674
	$ (100,049)	$ (6,220)	$ (106,269)	$ (98,436)	$ (4,811)	$ (103,247)

The accompanying balance sheets reflect the underfunded status of the Company's other postretirement benefit plans at December 31, 2024 and 2023. Reconciliations of the obligations and underfunded status of the plans follow:

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	2024	2023
Benefit obligation, January 1	$ 20,441	$ 21,964
Service cost	7	39
Interest cost	980	1,122
Actuarial gain	(720)	(411)
Benefits paid	(2,318)	(2,390)
Participant contributions	218	98
Plan settlements	(1,408)	—
Foreign exchange rate changes	45	19
Benefit obligation, December 31	17,245	20,441
Fair value of plan assets, January 1	—	—
Company contributions	3,508	2,292
Participant contributions	218	98
Plan settlements	(1,408)	—
Benefits paid	(2,318)	(2,390)
Fair value of plan assets, December 31	—	—
Underfunded status, December 31	$ 17,245	$ 20,441

Benefit obligations decreased in 2024 primarily due to a plan settlement resulting from the sale of the Businesses in April 2024 (Note 3) and the payment of benefits to plan participants, partially offset by interest costs. Benefit obligations decreased in 2023 primarily due to the payment of benefits to plan participants, partially offset by interest costs.

Amounts related to other postretirement benefits recognized in the accompanying balance sheets consist of:

	2024	2023
Accrued liabilities	$ 2,198	$ 2,315
Accrued retirement benefits	15,047	18,126
Accumulated other non-owner changes to equity, net	2,638	2,471

Amounts related to other postretirement benefits recognized in accumulated other non-owner changes to equity, net of tax, at December 31, 2024 and 2023 consist of:

	2024	2023
Net actuarial gain	$ 2,638	$ 2,471
Prior service loss	—	—
	$ 2,638	$ 2,471

The sources of changes in accumulated other non-owner changes to equity, net, during 2024 were:

	Pension	Other Postretirement Benefits
Prior service cost	$ —	$ —
Net (loss) gain	(5,437)	544
Amortization of prior service costs	(1,156)	—
Amortization of actuarial loss (gain)	3,277	(370)
Foreign exchange rate changes	294	(7)
	$ (3,022)	$ 167

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Weighted-average assumptions used to determine benefit obligations as of December 31, are:

	2024	2023
U.S. plans:		
Discount rate	5.65 %	5.45 %
Increase in compensation	— %	— %
Non-U.S. plans:		
Discount rate	4.64 %	3.00 %
Increase in compensation	2.73 %	2.56 %
Interest crediting rate	2.50 %	2.27 %

The investment strategy of the plans is to generate a consistent total investment return sufficient to pay present and future plan benefits to retirees, while minimizing the long-term cost to the Company. Target allocations for asset categories are used to earn a reasonable rate of return, provide required liquidity and minimize the risk of large losses. Targets may be adjusted, as necessary, to reflect trends and developments within the overall investment environment. The weighted-average target investment allocations by asset category were as follows during 2024: 65% in equity securities and 35% in fixed income securities, including cash.

The fair values of the Company's pension plan assets at December 31, 2024 and 2023 by asset category are as follows:

		Fair Value Measurements Using		
Asset Category	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2024				
Cash and short-term investments	$ 4,189	$ 4,189	$ —	$ —
Equity securities:				
U.S. large-cap	35,802	—	35,802	—
U.S. mid-cap	13,718	13,718	—	—
U.S. small-cap	13,694	13,694	—	—
International equities	104,048	—	104,048	—
Global equity	41,068	41,068	—	—
Fixed income securities:				
U.S. bond funds	95,126	—	95,126	—
International bonds	30,415	—	30,415	—
Other	2,080	—	—	2,080
	$ 340,140	$ 72,669	$ 265,391	$ 2,080
December 31, 2023				
Cash and short-term investments	4,472	4,472	—	—
Equity securities:				
U.S. large-cap	36,614	—	36,614	—
U.S. mid-cap	14,344	14,344	—	—
U.S. small-cap	14,661	14,661	—	—
International equities	107,176	—	107,176	—
Global equity	41,810	41,810	—	—
Fixed income securities:				
U.S. bond funds	104,791	—	104,791	—
International bonds	57,569	—	57,569	—
Other	2,129	—	—	2,129
	$ 383,566	$ 75,287	$ 306,150	$ 2,129

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The fair values of the Level 1 assets are based on quoted market prices from various financial exchanges. The fair values of the Level 2 assets are based primarily on quoted prices in active markets for similar assets or liabilities. The Level 2 assets are comprised primarily of commingled equity funds and fixed income securities. Commingled equity funds are valued at their net asset values based on quoted market prices of the underlying assets. Fixed income securities are valued using a market approach which considers observable market data for the underlying asset or securities. The Level 3 assets relate to a defined benefit plan within the Molding Solutions business. These pension assets are fully insured and have been estimated based on accrued pension rights and actuarial rates. These pension assets are limited to fulfilling the Company's pension obligations.

The Company expects to contribute approximately $6,098 to the pension plans in 2025. No contributions to the U.S. Qualified pension plans, specifically, are required, and the Company does not currently plan to make any discretionary contributions to such plans in 2025.

The following are the estimated future net benefit payments, which include future service, over the next 10 years:

	Pensions	Other Postretirement Benefits
2025	**$ 31,536**	**$ 2,172**
2026	**31,525**	**1,981**
2027	**27,425**	**1,839**
2028	**27,088**	**1,721**
2029	**26,628**	**1,608**
Years 2030-2034	**123,889**	**6,560**
Total	**$ 268,091**	**$ 15,881**

Pension and other postretirement benefit costs consist of the following:

	Pensions			Other Postretirement Benefits		
	2024	2023	2022	2024	2023	2022
Service cost	**$ 391**	$ 2,589	$ 5,689	**$ 7**	$ 39	$ 77
Interest cost	**18,110**	19,415	14,108	**980**	1,122	808
Expected return on plan assets	**(28,740)**	(30,056)	(28,944)	**—**	—	—
Amortization of prior service cost	**51**	354	387	**—**	10	36
Recognized losses/(gains)	**2,293**	1,643	12,710	**(216)**	(146)	(2)
Curtailment (gain)/loss	**(1,308)**	(668)	1,158	**(267)**	—	—
Settlement (gain)/loss	**3,000**	(656)	(605)	**—**	—	—
Special termination benefits	**—**	—	395	**—**	—	—
Net periodic benefit cost	**$ (6,203)**	$ (7,379)	**$ 4,898**	**$ 504**	$ 1,025	$ 919

The majority of the curtailment gain of $1,308 and the settlement loss of $3,000 in 2024 primarily relate to the sale of the Businesses (Note 3). The curtailment gain of $668 and a majority of the settlement gain of $656 in 2023 as well as the curtailment loss of $1,158 and a portion of the special termination benefits of $395 in 2022 relate to restructuring and workforce reduction actions that were taken during the periods. See Note 10.

The components of net periodic benefit cost other than service cost are included in Other Expense (Income) on the Consolidated Statements of Income.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Weighted-average assumptions used to determine net periodic benefit cost for years ended December 31 are:

	2024	2023	2022
U.S. plans:			
Discount rate	**5.45 %**	5.50 %	2.95 %
Long-term rate of return	**7.75 %**	7.75 %	7.25 %
Increase in compensation	**— %**	3.05 %	3.03 %
Non-U.S. plans:			
Discount rate	**3.00 %**	3.60 %	1.17 %
Long-term rate of return	**4.33 %**	3.99 %	2.33 %
Increase in compensation	**2.56 %**	2.76 %	2.77 %
Interest crediting rate	**2.27 %**	2.01 %	1.34 %

The expected long-term rate of return is based on consideration of projected rates of return and the historical rates of return of published indices that reflect the plans' target asset allocation.

The Company's accumulated postretirement benefit obligations, exclusive of pensions, take into account certain cost-sharing provisions. The annual rate of increase in the cost of covered benefits (i.e., health care cost trend rate) is assumed to be 8.78% and 6.98% at December 31, 2024 and 2023, respectively, decreasing gradually to a rate of 4.00% by December 31, 2049.

The Company actively contributes to a Swedish pension plan that supplements the Swedish social insurance system. The pension plan guarantees employees a pension based on a percentage of their salary and represents a multi-employer pension plan, however the pension plan was not significant in any year presented. This pension plan is not underfunded.

14. Stock-Based Compensation

The Company measures the cost of all share-based payments, including stock options, at fair value on the grant date and recognizes this cost in the results of operations, net of expected forfeitures. With the exception of the performance-vested stock options granted in July 2022 under the CEO's Stock Option Award ("Performance-Vested Stock Options"), the fair value of stock options is estimated on the grant date using the Black-Scholes option-pricing model based on certain assumptions. The fair value of the Performance-Vested Stock Options is estimated on the grant date using the Monte Carlo valuation method. The fair values of service- and performance-based stock awards are estimated based on the fair market value of the Company's stock price on the grant date. The fair value of market-based performance share awards is estimated on the grant date using the Monte Carlo valuation method.

Refer to Note 18 for a description of the Company's stock-based compensation plans and their general terms. As of December 31, 2024, incentives have been awarded in the form of performance share awards and restricted stock unit awards (collectively, "Rights") and stock options. The Company has elected to use the straight-line method to recognize compensation costs. Stock options and awards typically vest over a period ranging from six months to five years. Performance-Vested Stock Options cliff-vest in five years, subject to continued service and the achievement of compound annual growth rates ("CAGRs") in the price of the Company's common shares above the option exercise price as of the fifth anniversary of the grant date, with 0% vesting at a CAGR of less than 5%, 33.3% vesting at a CAGR of 5%, 66.6% vesting at a CAGR of 7% and 100% vesting at a CAGR of 9% or greater. The maximum term of stock option awards is 10 years. Upon exercise of a stock option or upon vesting of Rights, shares may be issued from treasury shares held by the Company or from authorized shares.

On October 6, 2024, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Goat Holdco, LLC, a Delaware limited liability company ("Parent"), and Goat Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Parent ("Merger Sub"). The Merger Agreement provides that, among other things, and on the terms and subject to the conditions of the Merger Agreement, (a) Merger Sub will merge with and into the Company (the "Merger"), with the Company surviving the Merger as a wholly owned subsidiary of Parent, and (b) at the effective time of the Merger (the "Effective Time"), each issued and outstanding share of common stock of the Company, par value $0.01 per share (each such share, a "Common Share" and, collectively, the "Common Shares") (other than (i) Common Shares issued and outstanding immediately prior to the Effective Time that are owned or held in treasury by the Company and Common Shares issued and outstanding immediately prior to the Effective Time that are owned or held by (A) any wholly owned subsidiary of

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the Company or (B) Parent or any of its wholly owned subsidiaries (including Merger Sub) and (ii) Common Shares issued and outstanding immediately prior to the Effective Time that are held by stockholders of the Company who have not voted in favor of the adoption of the Merger Agreement or consented thereto in writing and who have properly exercised appraisal rights with respect to such Common Shares in accordance with, and who have complied with, Section 262 of the General Corporation Law of the State of Delaware and have not failed to perfect, effectively withdrawn or lost their right to appraisal and payment under Delaware law with respect to such Common Shares), will be automatically converted into the right to receive $47.50 in cash (the "Merger Consideration"), without interest.

The Merger agreement provides for the treatment of company equity awards. At the Effective Time, on the terms and subject to the conditions of the Merger Agreement, each then-outstanding stock option award, restricted stock unit award (other than Restricted Stock Unit Awards granted after the date of the Merger Agreement) and performance share award, will be cancelled in exchange for the Merger Consideration (less the applicable exercise price in the case of stock options) in respect of the number of Common Shares subject to such award (with any stock option with an exercise price per share equal to or greater than the Merger Consideration cancelled without any payment being made in respect thereof). The number of Common Shares subject to each performance share award shall be determined by deeming the applicable performance goals to be achieved at the greater of the target level of performance and the actual level of performance as of the Effective Time. Restricted stock unit awards granted on or after the date of the Merger Agreement (other than any such awards granted to non-employee members of the Board or employee awards approved prior to the date of the Merger Agreement) will vest on a pro-rata basis upon the Effective Time (with any unvested portion forfeited) and be cancelled in exchange for the Merger Consideration for each underlying Common Share.

In advance of the merger consummation in December 2024, certain stock options and performance share awards were vested and/or released subject to forfeiture based on service conditions or the consummation of the merger. See below.

During 2024, 2023 and 2022, the Company recognized $15,034, $10,201, and $12,804, respectively, of stock-based compensation cost and $3,007, $1,770, and $2,444, respectively, of related tax benefits in the accompanying consolidated statements of income. Additionally, the Company recognized excess tax expense in the tax provision of $1,923, $(941) and $(1,257) in 2024, 2023 and 2022, respectively. The Company has realized all available tax benefits related to deductions from excess stock awards exercised or Rights vested. At December 31, 2024, the Company had $23,714 of unrecognized compensation costs related to unvested awards which are expected to be recognized over a weighted average period of 2.09 years.

The following table summarizes information about the Company's stock option awards during 2024:

	Number of Shares	Weighted-Average Exercise Price
Outstanding, January 1, 2024	1,905,193	$ 37.66
Granted	144,100	34.67
Exercised	(1,607,547)	32.40
Forfeited	(13,700)	37.13
Outstanding, December 31, 2024 [A]	428,046	56.41

[A] All stock options outstanding were exercisable at December 31, 2024.

The following table summarizes information about stock options outstanding at December 31, 2024:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number of Shares	Average Remaining Life (Years)	Average Exercise Price	Number of Shares	Average Exercise Price
$30.71 to $30.71	7,800	1.11	30.71	7,800	30.71
$47.04 to $47.04	82,800	1.91	47.04	82,800	47.07
$51.55 to $59.28	178,663	3.42	55.87	178,663	55.87
$60.72 to $66.10	158,783	2.92	63.17	158,783	63.17

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The Company received cash proceeds from the exercise of stock options of $4,368, $0 and $150 in 2024, 2023 and 2022, respectively. The total intrinsic value (the amount by which the stock price exceeded the exercise price of the option on the date of exercise) of the stock options exercised during 2024, 2023 and 2022 was $23,669, $0 and $55, respectively.

In December 2024, 1,481,862 options were exercised with shares issued subject to forfeiture based on service conditions or the consummation of the merger. These options were settled on a net basis (no cash outlay). The Company withheld 1,197,937 shares to cover both the option exercise price and the applicable payroll withholding taxes. Of those, 1,011,559 shares were retired and used to cover the strike price with a total non-cash transaction value of $47,716, and 186,378 shares were re-purchased and used to cover the applicable withholding taxes equaling total cash paid of $8,791.

For the year ended December 31, 2024, total cash paid for withholding taxes on stock issuances, including the $8,791 paid related to the December 2024 option exercises, was $17,709 and is disclosed in net cash used in financing activities on the Consolidated Statement of Cash Flows.

The weighted-average grant date fair value of stock options (excluding performance-vested stock options) granted in 2024, 2023 and 2022 was $14.50, $17.64, and $15.63, respectively. The fair value of each stock option grant on the date of grant was estimated using the Black-Scholes option-pricing model based on the following weighted average assumptions:

	2024	2023	2022
Risk-free interest rate	**4.13 %**	3.85 %	1.98 %
Expected life (years)	**5.5**	5.5	5.5
Expected volatility	**45.1 %**	41.6 %	40.1 %
Expected dividend yield	**1.29 %**	1.20 %	1.22 %

The risk-free interest rate is based on the term structure of interest rates at the time of the option grant. The expected life represents an estimate of the period of time that options are expected to remain outstanding. Assumptions of expected volatility of the Company's common stock and expected dividend yield are estimates of future volatility and dividend yields based on historical trends.

The grant date fair value of the performance-vested stock options granted in 2022 was $8.45 and was estimated using the Monte Carlo valuation method since it includes a market condition. The assumptions used to determine the fair value of the 2022 award include a 3.46% risk-free interest rate and a 34.5% expected volatility rate. Compensation expense for the performance-vested stock options is fixed at the date of grant and will not be adjusted in future periods based upon the achievement of the stock price CAGR performance goal.

The following table summarizes information about the Company's Rights during 2024:

	Service Based Rights		Service and Performance Based Rights		Service and Market Based Rights	
	Number of Units	Weighted-Average Grant Date Fair Value	Number of Units	Weighted-Average Grant Date Fair Value	Number of Units	Weighted-Average Grant Date Fair Value
Outstanding, January 1, 2023	**421,981**	**$ 38.33**	**160,995**	**$ 46.71**	**80,507**	**$ 80.82**
Granted	**271,619**	**35.37**	**72,550**	**34.67**	**72,550**	**54.72**
Forfeited	**(90,370)**	**38.54**	**(39,579)**	**46.73**	**(22,864)**	**87.11**
Additional Earned	**—**	**—**	**36,275**	**34.67**	**72,550**	**54.72**
Issued	**(184,858)**	**36.42**	**(206,590)**	**40.70**	**(190,903)**	**60.32**
Outstanding, December 31, 2024	**418,372**		**23,651**		**11,840**	

In July 2024, 65,393 units of outstanding performance and market-based rights relating to the 2021 grant were released subject to forfeiture based on service and performance conditions. Of the 65,393 units outstanding, 45,799 were canceled (below target) and 0 additional earned (above target) resulting in 19,594 shares issued.

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In December 2024, 282,497 units of outstanding performance and market-based rights were released subject to forfeiture based on service conditions or the consummation of the merger. Of the 282,497 units outstanding, 13,423 were canceled (ROIC below target) and 108,825 additional earned (TSR and EBITDA above target) resulting in 377,899 shares issued.

The Company granted 271,619 restricted stock unit awards and 145,100 performance share awards in 2024. All of the restricted stock unit awards vest upon meeting certain service conditions. "Additional Earned" reflects performance share awards earned above or failed to earn (below) target that have been issued. The performance share awards are part of the long-term Performance Share Award Program (the "Awards Program"), which is designed to assess the long-term Company performance relative to the performance of companies included in the Russell 2000 Index or to pre-established goals. The performance goals are independent of each other and based on equally weighted metrics. For awards granted in 2024, 2023 and 2022, the metrics included the Company's total shareholder return ("TSR"), operating income before depreciation and amortization growth ("EBITDA growth") and return on invested capital ("ROIC"). The TSR and EBITDA growth metrics are designed to assess the long-term Company performance relative to the performance of companies included in the Russell 2000 Index over a three-year period. ROIC is designed to assess the Company's performance compared to pre-established goals over a three-year performance period. The participants can earn from zero to 200% of the target award and the award includes a forfeitable right to dividend equivalents, which are not included in the aggregate target award numbers. Compensation expense for the awards is recognized over the three-year service period based upon the value determined under the intrinsic value method for EBITDA growth and ROIC portions of the award and the Monte Carlo simulation valuation model for the TSR portion of the award since it contains a market condition. The assumptions used to determine the weighted-average fair values of the market based portion of the 2024 awards include a 4.18% risk-free interest rate and a 37.90% expected volatility rate.

Compensation expense for the TSR portion of the awards is fixed at the date of grant and will not be adjusted in future periods based upon the achievement of the TSR performance goal. Compensation expense for the EBITDA growth and the ROIC portions of the awards is recorded each period based upon a probability assessment of achieving the goals with a final adjustment at the end of the service period based upon the actual achievement of those performance goals.

15. Income Taxes

The components of Income from continuing operations before income taxes and Income taxes follow:

	2024	2023	2022
Income from continuing operations before income taxes:			
U.S.	$ (111,103)	$ (61,688)	$ (53,088)
International	139,111	94,952	91,273
Income from continuing operations before income taxes	$ 28,008	$ 33,264	$ 38,185
Income tax provision:			
Current:			
U.S. – federal	$ 5,525	$ 535	$ 276
U.S. – state	860	972	778
International	63,367	21,875	29,374
	69,752	23,382	30,428
Deferred:			
U.S. – federal	$ 7,691	$ (407)	$ (790)
U.S. – state	1,328	(58)	(579)
International	(4,601)	(5,649)	(4,353)
	4,418	(6,114)	(5,722)
Income taxes	$ 74,170	$ 17,268	$ 24,706

In 2021, the Company had a deferred tax liability for foreign withholding taxes of $185 on $3,501 of undistributed earnings on its international subsidiaries earned before 2017. In 2022, the Company removed the deferred tax liability as any related foreign withholding tax has been paid and all other undistributed earnings have been considered indefinitely reinvested. All remaining earnings are considered indefinitely reinvested as defined per the indefinite reversal criterion within the accounting guidance for income taxes. If the earnings were distributed in the form of dividends, the Company would not be

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subject to U.S. Tax but could be subject to foreign income and withholding taxes. Determination of the amount of this unrecognized deferred income tax liability is not practicable. The Company did not repatriate any dividends to the U.S. from accumulated foreign earnings in 2024. On December 31, 2024, the Company's unremitted foreign earnings were approximately $1,716,000.

As of December 31, 2024 the Company's deferred tax assets and liabilities recorded on the balance sheet primarily relate to depreciation and amortization, valuation allowances and tax loss carryforwards. Amounts related to deferred taxes in the balance sheets as of December 31, 2024 and 2023 are presented as follows:

	2024	2023
Non-current deferred tax assets	$ 10,725	$ 10,295
Non-current deferred tax liabilities	(126,499)	(120,608)
Net deferred tax liabilities	$ (115,774)	$ (110,313)

The standards related to accounting for income taxes require that deferred tax assets be reduced by a valuation allowance if, based on all available evidence, it is more likely than not that the deferred tax asset will not be realized. Available evidence includes the reversal of existing taxable temporary differences, future taxable income exclusive of temporary differences, taxable income in carryback years and tax planning strategies. For the year ended December 31, 2024, the Company recorded an increase to the valuation allowance of $11,500 primarily due to disallowed interest expense for which the Company does not expect to realize a tax benefit.

The realization of these assets is dependent in part on the amount and timing of future taxable income in the jurisdictions where deferred tax assets reside. As of December 31, 2024, the Company has gross tax loss carryforwards of $86,141; $37,953 which relates to U.S tax loss carryforwards which have carryforward periods up to an indefinite duration for federal purposes and ranging from one to 20 years for state purposes; $2,186 of which relates to international tax loss carryforwards with carryforward periods ranging from one to 20 years; and $46,002 of which relates to international tax loss carryforwards with unlimited carryforward periods. In addition, the Company has tax credit carryforwards of $366 with remaining carryforward periods ranging from one to five years. Currently the Company has a valuation allowance of $11,127 and $366 related to loss carryforwards and credit carryforwards, respectively, as it believes it is more likely than not that future income will not be earned to timely utilize certain net operating losses or credit carryforwards which have expiration dates. As the ultimate realization of the remaining net deferred tax assets is dependent upon future taxable income, if such future taxable income is not earned and it becomes necessary to recognize a valuation allowance, it could result in a material increase in the Company's tax expense which could have a material adverse effect on the Company's financial condition and results of operations.

In October 2021, the Organization for Economic Co-operation and Development ("OECD") introduced an inclusive framework to address tax challenges arising from the digitalization of the economy through a two-pillar solution. One of the components of the solution is the implementation of a global minimum corporate tax rate of 15% for large multinational corporations ("Pillar Two"). The OECD continues to release additional guidance on the two-pillar solution with implementation having begun, although the corresponding taxes are not currently payable until 2026. Under Pillar Two, the Income Inclusion Rule allows a country to look within its chain of ownership to entities not meeting the minimum tax rate requirement and include those results within the tax filings of the parent entity. Luxembourg enacted the Income Inclusion Rule under Pillar Two, thereby allowing them to impose a 15% tax on the earnings of the Company's Malaysian Subsidiary, which was earlier granted a tax holiday. The Income Inclusion Rule also enabled Luxembourg to impose a top up tax on its Singapore and China subsidiaries whose effective tax rate was under 15%.

Management is required to assess whether its valuation allowance analysis is affected by various components of tax law including future GILTI inclusions, changes to the deductibility of executive compensation and interest expense and changes to the NOL and FTC rules. The total valuation allowance as of December 31, 2024 was $53,118. Of this balance, $26,420 was recorded for carryforward items from the MB transaction which primarily relate to disallowed interest and operating losses from this business with the remaining balance primarily consisting of $15,955 for allowance's related to U.S. interest expense that is disallowed under Section 163(j) and $3,915 for net operating losses.

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A reconciliation of the U.S. federal statutory income tax rate to the consolidated effective income tax rate from continuing operations follows:

	2024	2023	2022
U.S. federal statutory income tax rate	**21.0 %**	21.0 %	21.0 %
Foreign operations taxed at different rates	**49.9**	13.9	0.6
Foreign losses without tax benefit	**37.8**	20.7	7.5
Italian goodwill & intangible realignment	**—**	—	—
Goodwill impairment	**40.3**	—	37.5
GILTI	**17.7**	9.8	12.0
Capitalized Transaction Costs	**8.0**	8.2	—
Tax holidays	**(72.4)**	(45.8)	(30.2)
Stock awards excess tax expense	**(6.9)**	2.8	3.3
Sale of businesses	**84.6**	—	—
Charge for change in valuation allowances	**32.9**	20.4	—
Tax Reserves and audits including MAP Approval	**(10.8)**	2.3	2.8
Adjustment to prior year's tax return	**(0.9)**	(3.8)	(2.2)
Pillar Two	**22.4**	—	—
Officer compensation limitation	**30.6**	0.1	9.3
Base Erosion and Anti-Abuse Tax	**9.2**	—	—
Foreign tax rate change	**(1.1)**	(0.1)	—
Other	**2.5**	2.5	3.1
Consolidated effective income tax rate	**264.8 %**	52.0 %	64.7 %

Payment of the Transition Tax assessed is required over an eight-year period. The short-term portion of the Transition Tax payable, 21,714, has been included within Accrued Liabilities on the Consolidated Balance Sheet as of December 31, 2024. The 21,714 will be the last installment of the Transition Tax. However, the Company has recorded a liability of $6,300 relating to Pillar II tax which will not be payable until 2026 and has been recorded as a long-term tax liability on the Consolidated Balance Sheet.

Income taxes paid globally, net of refunds, were $52,517, $39,916 and $49,639 in 2024, 2023 and 2022, respectively.

The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The Company recognized interest and penalties as a component of income taxes of $(168), $(388), and ($264) in the years 2024, 2023 and 2022 respectively. The liability for unrecognized tax benefits includes gross accrued interest and penalties of $2,762, $2,930, and $3,318 at December 31, 2024, 2023 and 2022, respectively.

The Company or its subsidiaries file income tax returns in the U.S. federal jurisdiction, and various state and foreign jurisdictions. In the normal course of business, the Company is subject to examination by various taxing authorities, including the IRS in the U.S. and the taxing authorities in other major jurisdictions including China, Germany, Singapore, Sweden and Switzerland. With a few exceptions, tax years remaining open to examination in significant foreign jurisdictions include tax years 2018 and forward and for the U.S. include tax years 2016 and forward. The Company is undergoing a tax audit by the IRS for the 2016, 2017 and 2018 tax year. The Company is under a German tax audit for the Seeger business group for the years 2018 through 2019 and the first month of 2020. Pursuant to the sale and purchase agreement, the Company agreed to certain indemnifications for taxes assessed for audit periods related to the Seeger business. The Company is also under German tax audits for the Synventive business group for years 2018 through 2021.

16. Common Stock

There were no shares of common stock issued from treasury in 2024, 2023 or 2022.

In 2024, 2023 and 2022, the Company acquired 0 shares, 0 shares and 200,000 shares, respectively, of the Company's common stock at a cost of $0, $0 and $6,721, respectively. These amounts exclude shares reacquired to pay for the related

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income tax upon issuance of shares in accordance with the terms of the Company's stockholder-approved equity compensation plans and the equity rights granted under those plans ("Reacquired Shares"). These Reacquired Shares were placed in treasury.

In 2024, 2023 and 2022, 2,195,672 shares, 119,142 shares and 137,911 shares of common stock, respectively, were issued from authorized shares for the exercise of stock options, various other incentive awards and purchases by the Company's Employee Stock Purchase Plan.

17. Preferred Stock

At December 31, 2024 and 2023, the Company had 3,000,000 shares of preferred stock authorized, none of which were outstanding.

18. Stock Plans

Most U.S. salaried and non-union hourly employees are eligible to participate in the Company's 401(k) plan (the "Retirement Savings Plan"). The Retirement Savings Plan provides for the investment of employer and employee contributions in various investment alternatives including the Company's common stock, at the employee's direction. The Company contributes an amount equal to 50% of employee contributions up to 6% of eligible compensation. The Company expenses all contributions made to the Retirement Savings Plan. Effective January 1, 2013, the Retirement Savings Plan was amended to provide certain salaried employees hired on or after January 1, 2013 with an additional annual retirement contribution of 4% of eligible earnings. The Company recognized expense of $6,079, $6,768 and $4,164 in 2024, 2023 and 2022, respectively. As of December 31, 2024, the Retirement Savings Plan held 538,409 shares of the Company's common stock.

The Company has an Employee Stock Purchase Plan ("ESPP") under which eligible employees may elect to have up to the lesser of $25 or 10% of base compensation deducted from their payroll checks for the purchase of the Company's common stock at 95% of the average market value on the date of purchase. The maximum number of shares which may be purchased under the ESPP is 4,550,000. The number of shares purchased under the ESPP was 5,774, 9,979 and 11,101 in 2024, 2023 and 2022, respectively. The Company received cash proceeds from the purchase of these shares of $225, $353 and $363 in 2024, 2023 and 2022, respectively. As of December 31, 2024, 216,267 additional shares may be purchased.

The 2014 Barnes Group Stock and Incentive Award Plan (the "2014 Plan") was approved on May 9, 2014 by the Company's stockholders. The 2014 Plan permits the issuance of incentive awards, stock option grants and stock appreciation rights to eligible participants to purchase up to 6,913,978 shares of common stock. Of this amount as of December 31, 2023, there were 3,717,399 shares available for future grants under the 2014 Plan. On May 5, 2023, the 2014 Plan was merged with and into the 2023 Plan.

The 2023 Barnes Group Stock and Incentive Award Plan (the "2023 Plan") was approved on May 5, 2023 by the Company's stockholders. The 2023 Plan permits the issuance of incentive awards, stock option grants and stock appreciation rights to eligible participants to purchase up to 4,223,889 shares of common stock. The amount includes shares available for purchase under the 2014 Plan which was merged into the 2023 Plan. The 2023 Plan allows for stock options and stock appreciation rights to be issued at a ratio of 1:1 and other types of incentive awards at a ratio of 1.9:1 from the shares available for future grants. As of December 31, 2024, there were 2,944,996 shares available for future grants under the 2023 Plan, inclusive of Shares Reacquired and shares made available through 2024 forfeitures. As of December 31, 2024, there were 881,948 shares of common stock outstanding to be issued upon the exercise of stock options and the vesting of Rights.

Rights under the 2023 Plan entitle the holder to receive, without payment, one share of the Company's common stock after the expiration of the vesting period. Certain of these Rights are also subject to the satisfaction of established performance goals. Additionally, holders of certain Rights are credited with dividend equivalents, and holders of certain restricted stock units are paid dividend equivalents in cash when dividends are paid to other stockholders. All Rights have a vesting period of up to five years.

During the year ended December 31, 2023, the Company granted a one-time Performance-Vested Stock Option award. Although the Performance-Vested Stock Options were not granted under the 2014 Plan, they will be administered in accordance with the terms and conditions of the 2014 Plan (other than Section 4 thereof). This stock option award was approved on July 14, 2022 by the Compensation and Management Development Committee of the Board of Directors of Barnes without shareholder approval pursuant to New York Stock Exchange Rule 303A.08.

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Under the Non-Employee Director Deferred Stock Plan, as amended, each non-employee director who joined the Board of Directors prior to December 15, 2005 was granted the right to receive 12,000 shares of the Company's common stock upon retirement. In 2024, 2023 and 2022, $4, $16 and $18, respectively, of dividend equivalents were paid in cash related to these shares. There was no compensation cost related to this plan in 2024, 2023 or 2022. There are no shares remaining for issuance under this plan, as all available shares were issued in June 2024 upon the retirement of each non-employee director.

Total maximum shares reserved for issuance under all stock plans aggregated 4,043,211 at December 31, 2024.

19. Leases

The Company maintains leases of certain manufacturing, distribution and assembly facilities, office space, land, machinery and equipment. Leases generally have remaining terms of one year to five years. Leases with an initial term of twelve months or less are not recorded on the Consolidated Balance Sheets. The Company recognizes lease expense for minimum lease payments on a straight line basis over the term of the lease. Certain leases include options to renew or terminate. Renewal options are exercisable per the discretion of the Company and vary based on the nature of each lease, with renewal periods generally ranging from one year to five years. The term of the lease includes renewal periods only if the Company is reasonably certain that it will exercise the renewal option. When determining if a renewal option is reasonably certain of being exercised, the Company considers several factors, including but not limited to, the cost of moving to another location, the cost of disruption to operations, whether the purpose or location of the leased asset is unique and the contractual terms associated with extending the lease.

Certain leases provide the option to purchase the leased property and are therefore evaluated for finance lease consideration. Right-of-use ("ROU") assets and lease liabilities related to finance leases were not material as of December 31, 2024 and 2023. ROU assets arising from finance leases are included in property, plant and equipment, net, and the corresponding liabilities are included in Long Term Debt - Current and Long-Term Debt on the Consolidated Balance Sheet. The depreciable life of leased assets are limited by the expected term of the lease, unless there is a transfer of title or purchase option and the Company believes it is reasonably certain of exercise.

Lease agreements generally do not contain any material residual value guarantees or materially restrictive covenants and the Company does not sublease to any third parties. The Company does not have any material leases that have been signed but not commenced.

Contracts are evaluated at inception to determine whether they contain a lease, where the Company obtains the right to control an identified asset. The following table sets forth the classification of ROU assets and lease liabilities on the Consolidated Balance Sheets:

Operating Leases	Classification	December 31, 2024	December 31, 2023
Leased Assets			
ROU assets	Other assets	$ 51,907	$ 46,780
Lease Liabilities			
Current lease liability	Accrued liabilities	9,058	10,894
Long-term lease liability	Other liabilities	43,557	36,197
		$ 52,615	$ 47,091

Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. New operating lease ROU assets represent the lease liability, plus any lease payments made at or before the commencement date, less any lease incentives received. The Company's real estate leases, which are comprised primarily of manufacturing, distribution and assembly facilities, represent a majority of the lease liability. A significant portion of lease payments are fixed, although an immaterial portion of payments are variable in nature. Variable lease payments vary based on changes in facts and circumstances related to the use of the ROU and are recorded as incurred. The Company utilizes its incremental borrowing rate by lease term to calculate the present value of our

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future lease payments if an implicit rate is not specified. The discount rate is risk-adjusted on a secured basis and is the rate at which the Company would be charged to borrow the amount equal to the lease payments over a similar term.

The Company has lease agreements with lease and non-lease components, which are accounted for as a single lease component. The Company applies a portfolio approach to effectively account for the operating lease ROU assets and liabilities.

Operating lease costs for the twelve months ended December 31, 2024, 2023 and 2022 were $19,488, $19,276 and $17,099, respectively, and were included within Cost of Sales and Selling and Administrative expenses. Operating lease costs include short-term and variable leases costs, which were not material during the period.

Future minimum lease payments under non-cancellable leases as of December 31, 2024 were as follows:

	Operating Leases
2025	$ 11,751
2026	9,895
2027	7,722
2028	6,777
2029	5,769
After 2029	28,449
Total lease payments	$ 70,363
Less: Interest	17,748
Present value of lease payments	$ 52,615

	December 31,		
Lease Term and Discount Rate	**2024**	**2023**	**2022**
Weighted-average remaining lease term (years)			
Operating leases	8.4	7.8	5.8
Weighted-average discount rates			
Operating leases	6.24 %	5.67 %	3.38 %

	Year Ended December 31,		
Other Information	**2024**	**2023**	**2022**
Cash paid for amounts included in the measurement of lease liabilities			
Operating cash flows from operating leases	$ 14,465	$ 14,440	$ 13,596
Leased assets obtained in exchange for new operating lease liabilities	$ 17,571	$ 32,353	$ 11,498

20. Changes in Accumulated Other Comprehensive Income by Component

The following tables set forth the changes in accumulated other comprehensive income by component for the years ended December 31, 2024 and December 31, 2023:

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BARNES GROUP INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

	Gains and Losses on Cash Flow Hedges	Pension and Other Postretirement Benefit Items	Foreign Currency Items	Total
January 1, 2024	$ (14,504)	$ (100,776)	$ (79,849)	$ (195,129)
Other comprehensive (loss) income before reclassifications to consolidated statements of income	15,408	(6,380)	(67,675)	(58,647)
Amounts reclassified from accumulated other comprehensive income to the consolidated statements of income	(7,524)	3,525	—	(3,999)
Net current-period other comprehensive (loss) income	7,884	(2,855)	(67,675)	(62,646)
December 31, 2024	$ (6,620)	$ (103,631)	$ (147,524)	$ (257,775)

	Gains and Losses on Cash Flow Hedges	Pension and Other Postretirement Benefit Items	Foreign Currency Items	Total
January 1, 2023	$ 5,941	$ (108,640)	$ (117,801)	$ (220,500)
Other comprehensive income (loss) before reclassifications to consolidated statements of income	(16,637)	7,230	37,952	28,545
Amounts reclassified from accumulated other comprehensive income to the consolidated statements of income	(3,808)	634	—	(3,174)
Net current-period other comprehensive income (loss)	(20,445)	7,864	37,952	25,371
December 31, 2023	$ (14,504)	$ (100,776)	$ (79,849)	$ (195,129)

The following table sets forth the reclassifications out of accumulated other comprehensive income by component for the years ended December 31, 2024 and December 31, 2023:

Details about Accumulated Other Comprehensive Income Components	Amount Reclassified from Accumulated Other Comprehensive Income		Affected Line Item in the Consolidated Statements of Income
	2024	2023	
Gains and losses on cash flow hedges			
Interest rate contracts	$ 9,925	$ 5,825	Interest expense
Foreign exchange contracts	(290)	(788)	Net sales
	9,635	5,037	Total before tax
	(2,111)	(1,229)	Tax expense
	7,524	3,808	Net of tax
Pension and other postretirement benefit items			
Amortization of prior-service costs	$ (51)	$ (364)	(A)
Amortization of actuarial losses	(2,077)	(1,497)	(A)
Curtailment gain/(loss)	(68)	241	(A)
Settlement (loss)/gain	(2,730)	656	(A)
	(4,926)	(964)	Total before tax
	1,401	330	Tax benefit
	(3,525)	(634)	Net of tax
Total reclassifications in the period	$ 3,999	$ 3,174	

(A) These accumulated other comprehensive income components are included within the computation of net periodic Pension and Other Postretirement Benefits cost. See Note 13.

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21. Commitments and Contingencies

Product Warranties

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

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

Litigation

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

Supplier Finance Programs

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

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22. Subsequent Events

The Company has evaluated events occurring between December 31, 2024 and April 2, 2025, the date the financial statements were available to be issued.

Merger

On January 27, 2025, Parent completed the acquisition of Barnes as previously announced on October 6, 2024. Pursuant to the terms of the Merger Agreement, Merger Sub merged with and into Barnes, with Barnes surviving the Merger as a wholly owned subsidiary of Parent. Parent and Merger Sub are affiliates of funds managed by affiliates of Apollo Global Management, Inc. ("Apollo Funds").

At the effective time of the Merger (the "Effective Time"), subject to the terms and conditions of the Merger Agreement, each share of common stock, par value $0.01 per share, of Barnes (each such share, a "Common Share" and, collectively, the "Barnes Common Stock") that was issued and outstanding immediately prior to the Effective Time (other than (a) Common Shares issued and outstanding immediately prior to the Effective Time that were owned or held in treasury by Barnes, or otherwise owned or held by any wholly owned subsidiary of Barnes or by Parent or any of its wholly owned subsidiaries (including Merger Sub) and (b) Common Shares that were issued and outstanding immediately prior to the Effective Time and were held by holders who did not vote in favor of the adoption of the Merger Agreement or consent thereto in writing and who properly exercised appraisal rights with respect to such Common Shares in accordance with, and who have complied with, Section 262 of the General Corporation Law of the State of Delaware and did not fail to perfect, effectively withdraw or lose their right to appraisal and payment under Delaware law with respect to such Common Shares), were automatically converted into the right to receive $47.50 per share in cash, without interest (the "Merger Consideration").

At the Effective Time, on the terms and subject to the conditions of the Merger Agreement, each then-outstanding Barnes stock option award (a "Barnes Option"), time-based restricted stock unit award (a "Barnes RSU Award") (other than Barnes RSU Awards granted after the date of the Merger Agreement), deferred stock unit award and performance-based restricted stock unit award (a "Barnes PSU Award") was cancelled in exchange for the Merger Consideration (less the applicable exercise price in the case of Barnes Options) in respect of the number of Common Shares subject to such award (with any Barnes Option with an exercise price per share equal to or greater than the Merger Consideration cancelled without any payment being made in respect thereof). The number of Common Shares subject to each Barnes PSU Award was determined by deeming the applicable performance goals to be achieved at the greater of the target level of performance and the actual level of performance as of the Effective Time. Barnes RSU Awards granted on or after the date of the Merger Agreement vested on a pro rata basis at the Effective Time (with any unvested portion forfeited) and were cancelled in exchange for the Merger Consideration for each underlying Common Share.

Concurrently with the Effective Time, Parent, Trustee, Barnes, and certain of Barnes' subsidiaries (together with Barnes, the "Subsidiary Guarantors") entered into the Supplemental Indenture No. 1, dated January 27, 2025, which supplements the Indenture dated December 27, 2024, governing Parent's issuance of 6.75% Senior Secured Notes due 2032 with an initial aggregate principal amount of $750,000, pursuant to which Barnes and the other Subsidiary Guarantors agreed to guarantee Parent's obligations under the 2032 Notes Indenture and the Notes. The Notes and the related guarantees are secured on a first-priority basis by substantially all assets of Parent and the Subsidiary Guarantors, subject to certain exclusions and exceptions. The 2032 Notes Indenture and the Notes include restrictive covenants, events of default and other provisions that are customary for obligations of this type.

In addition, concurrently with the Effective Time, Parent entered into the First Lien Credit Agreement, dated January 27, 2025, among Goat Midco, LLC ("Holdings"), Parent, as borrower, the financial institutions named therein, the other parties thereto and Royal Bank of Canada, as administrative agent (the "New Credit Agreement"), governing (i) a term loan facility in an aggregate principal amount of $1,350,000 with a maturity of seven years and (ii) a revolving credit facility in an aggregate committed principal amount of $300,000 (which will be resized to the lesser of (i) $300,000 and (ii) the greater of (x) $250,000 and (y) 1.00 times Pro Forma Adjusted EBITDA upon a Specified Disposition (as defined in the New Credit Agreement)) with a maturity of five years, including both a letter of credit sub-facility and a swingline loan sub-facility. All obligations under the New Credit Agreement are (i) unconditionally guaranteed by Holdings on a limited recourse basis and by each of Parent's existing and future direct and indirect, wholly-owned material domestic subsidiaries, subject to certain exceptions and (ii) secured by a pledge of Parent's capital stock directly held by Holdings and by the same priority liens on the assets of Parent's and the Subsidiary Guarantors that secure the notes. The New Credit Agreement includes representations and warranties, covenants, events of default and other provisions that are customary for facilities of this type.

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Concurrently with the Effective Time, the Company repaid all loans and terminated all credit commitments outstanding under that certain Credit Agreement, dated as of August 31, 2023 (as amended by Amendment No. 1, dated as of February 6, 2024, and Amendment No. 2, dated as of March 19, 2024), among Barnes, Barnes Group Switzerland GmbH, Barnes Group Acquisition GmbH, the lenders and issuing banks from time to time party thereto and Bank of America, N.A., as administrative agent, as collateral agent and as swingline lender.

Interest Rate Swaps

The Company terminated the Amended 2021 Swap on January 15, 2025. As a result of the termination, the Company received a cash settlement of $3,290 and recognized a corresponding gain within Interest Expense in January 2025.

The Company terminated three of the six 2023 Swaps on January 14, 2025 and January 15, 2025. As a result of the termination, the Company paid a cash settlement of $639 and recognized a corresponding loss within Interest Expense in January 2025.

The Company novated two of the six 2023 Swaps to JPMorgan Chase Bank, N.A. ("JPMorgan") on January 16, 2025, one of which converts the interest on $100,000 of the Company's one-month SOFR-based borrowings from a variable rate plus the borrowing spread to a fixed rate of 4.3685% plus the borrowing spread and one of which converts the interest on $200,000 of the Company's one-month SOFR-based borrowings from a variable rate plus the borrowing spread to a fixed rate of 4.341% plus the borrowing spread (the "$200,000 2023 Swap"). Additionally, on the same day, the Company entered into an additional interest rate swap agreement (the "2025 Swap") with JPMorgan to offset the $200,000 2023 Swap. The 2025 Swap converts the interest on $200,000 of the Company's one-month SOFR-based borrowings from a fixed rate of 4.038% plus the borrowing spread to a variable rate plus the borrowing spread. The 2025 Swap expires on August 31, 2030. The execution of the 2025 Swap did not have a material impact on our business, financial condition, results of operations or cash flow.

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Report of Independent Auditors

To the Board of Directors and Management of Barnes Group Inc.

Opinion

We have audited the accompanying consolidated financial statements of Barnes Group Inc. and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of (loss) income, of comprehensive (loss) income, of changes in stockholders' equity and of cash flows for each of the three years in the period ended December 31, 2024, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

/s/ PricewaterhouseCoopers LLP
Hartford, Connecticut
April 2, 2025

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Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9B. Other Information

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

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not Applicable.

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responsibility at BAE Systems from 2004 to 2016 including Vice President, F-35 Customer Engagement and U.S. General Manager; and Vice President, Business Development & Strategy.

Ms. Streich has served as Barnes's Senior Vice President, Finance and Chief Financial Officer since May 2021. Prior to joining Barnes, Ms. Streich served in various roles at Centrica PLC from 2012 through 2020. Ms. Streich served as Centrica PLC's Senior Vice President, Head of Finance Operations from 2019 to 2020, as Vice President, Group Head of Global Planning and Analytics from 2017 to 2019, and as Chief Financial Officer of its Direct Energy Home business from 2016 to 2017. Prior to joining Centrica in 2012, Ms. Streich held finance positions of increasing responsibility with Pentair Process Technologies, Irwin Financial Corporation, Eagle Materials, MeadWestvaco, and Menasha Corporation.

Mr. Karidi is a Generalist Operating Partner in Apollo Portfolio Performance Solutions (APPS) and specializes in driving investment outcomes across value creation initiatives, collaboratively with investment teams. Before joining Apollo in 2024, Mr. Karidi was a Managing Director at Oaktree Capital Management where he oversaw diligence, complex turnarounds and growth initiatives across three funds, and served on the board of directors of various portfolio companies. Prior thereto, he was General Manager at United States Steel, leading the $2B construction business, President and CEO of Alasko Foods and Senior Director of pricing and operational strategy at U.S. Foods. Before that, he was an Engagement Manager for McKinsey & Company where he served companies in the industrial, agricultural, chemical, technology and logistics sectors. Earlier in his career, Mr. Karidi worked as an attorney focused on corporate, labor and real estate law. Additionally, Mr. Karidi is a veteran of Israel Defense Forces, Intelligence Corps. Mr. Karidi received an M.B.A. from the University of Chicago's Booth School of Business and an LL.B. and a B.A from Tel-Aviv University.

Mr. Munfakh is a Partner at Apollo specializing in aviation, industrials, transportation and logistics investments, a position he has held since 2008. Mr. Munfakh has served on the board of directors of Project Edge Topco Limited (parent of EVRi) since 2024, Atlas Air Worldwide Holdings, Inc. since 2023, Grupo Aeroméxico, S.A.B. de C.V. since 2022, Volotea Airlines since 2018, Apollo Education Group since 2017 and Maxim Crane Works since 2016. Mr. Munfakh is a former member of the board of directors of Blume Global Inc. (from 2019 to 2023), Sun Country Airlines (NASDAQ: SNCY; from 2018 to 2022), Direct ChassisLink Inc. (from 2019 to 2022), Swissport (from 2020 to 2021), CH2M Hill (from 2015 to 2017), and McGraw-Hill Education (from 2013 to 2020). Prior to that, he was an associate at Court Square Capital Partners between 2006 and 2008 and an analyst at JPMorgan Chase and Co. (NYSE: JPM). Mr. Munfakh holds a degree in economics from Duke University. Mr. Munfakh was listed by M&A Advisor magazine in its ninth annual Emerging Leaders Award in 2018 and by Private Equity International in its Future 40 list of leaders in 2021.

Mr. Williams is a Principal at Apollo, a position he has held since 2019. Mr. Williams is responsible for identifying and executing new investment opportunities, as well as monitoring existing portfolio companies, across industrials and business services sectors. He has served on the board of directors of ABC Technologies since 2021. Prior to joining Apollo, Mr. Williams was a Vice President in the Private Equity group at Vestar Capital Partners, which he joined in 2014, and an Analyst in the Investment Banking group at Moelis & Company (NYSE: MC) previously. Mr. Williams graduated magna cum laude from the University of Pennsylvania with a BA degree in History.

Mr. Zimmerman is a Principal at Apollo, a position he has held since 2021. Mr. Zimmerman is responsible for identifying and executing new investment opportunities, as well as monitoring existing portfolio companies, across aerospace, defense & government services, upstream food & agriculture and professional services sectors. Mr. Zimmerman currently serves on the board of directors of Apollo Education Group and ecoATM, and previously served on the board of Qdoba Mexican Eats. Prior to joining Apollo, Mr. Zimmerman served as a Vice President at One Rock Capital Partners, which he joined in 2014. Previously, Mr. Zimmerman was an Analyst in the Healthcare Investment Banking group at Barclays from 2012 to 2014. Mr. Zimmerman graduated from Boston College with a B.A. in Economics and with minors in Math and Chemistry.

Board Structure

Following the consummation of the Merger, the Board will initially consist of five members, including four Apollo designees, which initial designees will be Dror Karidi, Antoine Munfakh, Jonathan Williams and Max Zimmerman. The size of the Board may be increased in the future to add additional Apollo designees and/or independent directors, which may occur on or after the Merger Closing Date. The Board may create an executive committee, an audit committee and a compensation committee following the consummation of the Merger. The Board may also have additional committees, as determined from time to time. Actions of the Board require a majority vote of the Board. Upon the consummation of the Merger, the Apollo

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PART III

Item 10. Directors, Executive Officers and Corporate Governance

The following table provides information regarding the executive officers of Barnes and the members of the board of directors (the "Board") of Goat Parent GP, LLC, the general partner of Goat Parent, L.P. ("Goat Parent"), upon the consummation of the Merger.

Name	Position	Age as of December 31, 2024
Thomas J. Hook	President and Chief Executive Officer	62
Dawn N. Edwards	Senior Vice President, Human Resources	56
Lukas Hovorka	Senior Vice President, Corporate Development	52
Jay B. Knoll	Senior Vice President, General Counsel and Secretary	61
Ian M. Reason	Senior Vice President, Barnes, and President, Barnes Aerospace	60
Julie K. Streich	Senior Vice President, Finance and Chief Financial Officer	54
Dror Karidi	Director	50
Antoine Munfakh	Director	50
Jonathan Williams	Director	35
Max Zimmerman	Director	34

Mr. Hook has served as Barnes's President and CEO since July 2022. From February 2021 to July 2022, Mr. Hook served as Chief Executive Officer of SaniSure, Inc. and as a director of SaniSure, Inc. from December 2019 to July 2022. Prior to that, he was the Chief Executive Officer of Q Holding Company from September 2017 to January 2021. Prior to that, he was the Chief Executive Officer of Integer (formerly, Greatbatch) from August 2006 to May 2017, after having served as its Chief Operating Officer from September 2004 to August 2006. Earlier in his career, Mr. Hook held various positions of increasing responsibility with CTI Molecular Imaging, General Electric Medical Systems, Van Owen Group Acquisition Company, and Duracell, Inc. Mr. Hook is currently a director of NeuroNexus Inc.

Ms. Edwards has served as Barnes's Senior Vice President, Human Resources since August 2009. From December 2008 until August 2009, she served as Vice President of Human Resources - Global Operations. From September 1998 until December 2008, Ms. Edwards served as Group Director, Human Resources for Barnes Aerospace, Associated Spring and Barnes Industrial. Ms. Edwards joined Barnes in September 1998.

Mr. Hovorka has served as Barnes's Senior Vice President, Corporate Development since March 2021. He joined Barnes in 2008 as Director, Corporate Development, and served as Barnes's Vice President, Corporate Development prior to his current appointment. Prior to joining Barnes, Mr. Hovorka held the position of Director/Vice President, Corporate Development with ITOCHU International Inc. and, before that, held roles with both Robertson Stephens and Goldman Sachs.

Mr. Knoll has served as Barnes's Senior Vice President, General Counsel and Secretary since January 2023. Mr. Knoll came to Barnes with over 15 years of General Counsel experience with global, diversified industrial and technology companies. Prior to joining Barnes, Mr. Knoll served in roles of increasing responsibility for Rogers Corporation since 2014, most recently as Senior Vice President, Corporate Development, General Counsel and Chief Sustainability Officer.

Mr. Reason has served Barnes's Senior Vice President, Barnes and President, Barnes Aerospace since May 2022. Prior to joining Barnes, Mr. Reason served as President, Mechanical Solutions, Interiors & Structures with the Triumph Group, a $1.8B aviation and industrial company. Prior to joining the Triumph Group in 2016, Mr. Reason held positions of increasing

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Funds will have the power to control us and our affairs and policies, including the designation of a majority of the members of the Board, the size of the Board and the appointment of management.

Equity Compensation Awards

We issue equity compensation awards to certain of our employees in the form of membership interests or profits interests in Goat Parent, L.P. We currently anticipate that a portion of the awards will become vested based on service and a portion of the awards will become vested based on the achievement of certain predetermined performance measures.

Item 12. Security Ownership of Certain Beneficial Owners and Management

All of the Issuer's issued and outstanding equity interests are directly owned by Holdings, which are directly or indirectly owned by Goat Parent, L.P. Certain funds affiliated with Apollo Global Management, Inc. (our "Sponsor") and certain co-investors collectively beneficially own substantially all of the outstanding equity interests of Goat Parent, L.P. All of our directors that are affiliated with our Sponsor are deemed to beneficially own equity interests beneficially owned by our Sponsor. Each such individual disclaims beneficial ownership of any such equity interests in which such individual does not have a pecuniary interest. In addition, it is currently contemplated that certain employees will receive membership interests or profits interests in Goat Parent, L.P. as further described under "Directors, Executive Officers and Corporate Governance—Equity Compensation Awards."