Undertecknad styrelseledamot I Autotank Holding AB intygar att resultaträkningen och balansrakningen i årsredovisningen har fasrställts på årsstämma den 28-06-2024. Årsstämman beslutade att godkänna styrelsens förslag till hur vinsten ska fördelas.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Stockholm, Sweden 28 Juni 2024

Ort och datum

Underskrift

STUART GRAHAM

Namnförtydligande

20240725025855

20240702579

Styrelsen och verkstallände direktören får härmed lämna redogörelse för bolagets utveckling för tiden

2023.01.01-2023.12.31

Undertecknad styrelsedamot i Autotank Holding AB intygar, dels att denna kopia av årsredovisningen överensstämmer med orginalet, dels att resultat- och balansräkningen fastställts på ordinarie bolagsstämma den 2024-06-28 Bolagsstämman beslöt även att godkänna styrelsens förslag till vinstdisposition Stockholm den/ 2024-06-28

.....

Stuart Graham

Innehållsförteckning

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Alla belopp redovsas, om inte annat anges, i tkr. Uppgifter inom parentes avser föregående år

20240725025800

årsredovisning för Autotank Holding AB
Org Nr. 556477-6366

Förvaltningsberättelse

Verksamheten
Autotank Holding AB är ett förvaltande moderbolag till Gilbarco Veeder Root AB. Fortive koncernen har omstrkurerats under räkenskapsåret 2020 varvid bolaget numera ingår i Vontierkoncernen.

Flerårsöversikt, tkr	**2023**	**2022**	**2021**	**2020**
Nettoomsättning	0	0	0	0
Resultat efter finansiella poster	5752	14800	16800	8000
Balansomslutning	80241	74489	59689	42889
Solidtet	99.5%	99,4%	99,3%	99,0%
Antal anställda	0	0	0	0

Väsentliga händelser under räkenskapsåret

Autotank Holding AB är ett förvaltande moderbolag till Gilbarco Veeder Root AB.
Det sker ingen verksamhet I bolaget

Förändringar I eget kapital

	Aktiekapital	Reservfond	Fritt eget kapital
Ingående balans 2023-01-01	100	20	73929
årets resultat			5752
Utgående balans 2023-12-31	**100**	**20**	**79681**

Förslag till vinstdisposition
Till årsstämmans förfogande står, kronor:

Balanserad vinst	73,929,000
årets vinst	5,752,000
Kronor	**79,681,000**

Styrelsen föreslår att vinstmdelen disponeras så

Till aktieägarna utdelas	
Att i ny räkning överföres kronor	79,681,000
Kronor	79,681,000

20240725025581

# Resultaträkning	Not	01.01.2023 31.12.2023	01.01.2022 31.12.2022
Rörelsens intäkter		0	0
Nettoomsättning		0	0
Summa			
Rörelsens kostnader			
Råvaror och förnödenheter		0	0
övriga externa kostnader		0	0
Personalkostnader		0	0
Avskrivningar av materiella anläggningstillgångar		0	0
Summa		0	0
Rörelseresultat		**0**	**0**
Resultat från finansiella investeringar			
Resultat från andelar i koncernföretag		0	0
Ränteintäkter och liknande resultatposter		0	0
Räntekostnader och liknande resultatposter		0	0
Summa		**0**	**0**
Resultat efter finansiella poster			
Bokslutsdispositioner		5752	14800
Resultat före skatt		5752	14800
Skatt på årets resultat		0	0
Årets resultat		**5752**	**14800**

20240725 02582

årsredovisning för Autotank Holding AB
Org Nr. 556477-6366

Balansräkning	**Not**	**31.12.2023**	**31.12.2022**
Tillgångar			
Anläggningstillgångar			
Immateriella anläggningstillgångar	1		
Balanserade utgifter för dataprogram		0	0
Summa materiella anläggningstillgångar			
Materiella anläggningstillgångar			
Inventarier, verktyg och installationer		0	0
Summa materiella anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar I koncernföretag	2	25745	25745
Summa materiella anläggningstillgångar			
Summa anläggningstillgångar		**25745**	**25745**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		54496	48744
Summa tillgångar		**80241**	**74489**

Eget Kapital Och Skulder	**31.12.2023**	**31.12.2022**
Eget Kapital		
Bundet eget kapital		
Aktiekapital	100	100
Reservfond	20	20
	120	**120**
Fritt eget kapital		
Balanserat resultat	73929	59129
årets resultat	5752	14800
	79681	**73929**
Summa eget kapital	**79801**	**74049**
Kortfristiga skulder		
Skulder till koncernföretag	440	440
Summa kortfristiga skulder	**440**	**440**
Summa Skulder	**440**	**440**
Summa Eget Kapital Och Skulder	**80241**	**74489**

20240722 302583

Allmänna upplysningar

Redovisningsprinciper

Årsredovisningen har upprättats i enlighet med Årsredovisningslagen (1995:1554) samt BFNAR 2012: 1 Årsredovisning och koncernredovisning (K3)

Koncernförhållanden

Med stöd av Årsredovisningslagens 7 kap 2§ har koncernredovisning ej upprättats då moderbolaget uppättar sådan
Koncernredovisning för hela koncernen kan erhållas från:
Vontier Corporation
5438 Wade Park Boulevard
Suite 600 Raleigh NC
27607 United States

	2023	2022
Andel av försäljningen som avser koncernföretag	0%	0%
Andel av inköpen avser koncerföretag	0%	0%

Andelar I koncernföretag
Som dotterföretag redovisas företag där moderbolaget direkt eller indirekt innehar mera än 50% av rösterna, eller på annat sätt har ett bestämmande inflytande. Andelar i dotterföretag redovisas till anskaffningsvärde med avdrag för eventuella nedskrivningar. Som utdelning från dotterföretag redovisas endast erhållen utdelning av vinstmedel som intjänats efter förvärvet

Materiella och immateriella anläggningstillgångar
Materiella och immateriella anläggningstillgångar redovisas till anskaffningsvärde minskat med avskrivningar. Avskrivningarna görs systematiskt över den bedömda nyttjandeperioden. När en materiella anläggningstillgångs avskrivningsbara belopp faställs, beaktas tillgångens restvärde
Följande avskrivningstider tillämpas:

	antal år
Immateriella anläggningstillgångar	5 år
Materiella anläggningstillgångar	5 år

Fordringar och skulder I utländsk valuta
Fordringar och skulder I utländsk valuta har väderats till balansdagens kurs.

Bedömningar eller uppskattningar
Det föreligger inga väsentliga bedömningar eller uppskattningar förutom värdering av aktier i dotterbolag som skulle ha betydande effekt på årsredovisningen

Nyckeletasdefinitioner
Nettoomsättning. Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar

Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader, men före extraordinära intäker och kostnader

Solidtet

20240725 02584

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

Upplysningar till enskilda poster

Not 1	**Balanserade utgifter för dataprogram**	**31.12.2023**	**31.12.2022**
	Ingående ackumtulerat anskaffningsvärde	1577	1577
	Utgående ackumtulerat anskaffningsvärde	1577	1577
	Ingående ackumtulerade avskrivningar	-1577	1577
	Utgående ackumtulerade avskrivningar	-1577	-1577
	Bokfört värde	**0**	**0**

Not 2	**Andelar I koncernföretag**	**31.12.2023**	**31.12.2022**
	Ingående ackumtulerat anskaffningsvärde	96853	96853
	Utgående ackumtulerat anskaffningsvärde	96853	96853
	Ingående ackumtulerade avskrivningar	-71108	-71108
	Utgående ackumtulerade avskrivningar	-71108	-71108
	Bokfört värde	**25745**	**25745**

Koncernföretag/säte	Org nr	Antal	Kapital	Bokfört värde, kr
Gilbarco Veeder Root AB	*556555-4325*	*1000*	*100%*	*25,744,994*

Säte: Stockholm

Stockholm den 28 Juni 2024

Stuart Graham
Verkställande direktör

Dennis Larsson
Direktör

0000820027 20240725025883

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

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission File Number 001-39483

VONTIER CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**84-2783455**
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification number)

5438 Wade Park Boulevard, Suite 600
Raleigh, NC 27607
(Address of principal executive offices, including zip code)
Registrant's telephone number, including area code: (984) 275-6000

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.0001 per share	VNT	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

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

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

As of February 12, 2024 there were 153.9 million shares of Registrant's common stock outstanding. The aggregate market value of common stock held by non-affiliates of the Registrant as of June 30, 2023 was $5.0 billion, based upon the closing price of the Registrant's common stock on the New York Stock Exchange.

DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates certain information by reference from the Registrant's proxy statement for its 2024 annual meeting of stockholders to be filed pursuant to Regulation 14A within 120 days after the end of the fiscal year to which this report relates.

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INFORMATION RELATING TO FORWARD-LOOKING STATEMENTS

Certain statements included in this Form 10-K are "forward-looking statements" within the meaning of the United States federal securities laws. All statements other than historical factual information are forward-looking statements, including without limitation statements regarding: future financial performance, tax rates, tax provisions, cash flows, pension and benefit obligations and funding requirements, our liquidity position or other financial measures; our management's plans and strategies for future operations, including statements relating to anticipated operating performance, cost reductions, restructuring activities, new product and service developments, competitive strengths or market position, acquisitions and the integration thereof, divestitures, spin-offs, split-offs or other distributions, strategic opportunities, securities offerings, stock repurchases, dividends and executive compensation; growth, declines and other trends in markets we sell into; new or modified laws, regulations and accounting pronouncements; future regulatory approvals and the timing thereof; outstanding claims, legal proceedings, tax audits and assessments and other contingent liabilities; future foreign currency exchange rates and fluctuations in those rates; general economic and capital markets conditions; the anticipated timing of any of the foregoing; assumptions underlying any of the foregoing; and any other statements that address events or developments that we intend or believe will or may occur in the future. Terminology such as "believe," "anticipate," "will," "should," "could," "intend," "plan," "expect," "estimate," "project," "target," "may," "possible," "potential," "forecast" and "positioned" and similar references to future periods are intended to identify forward-looking statements, although not all forward-looking statements are accompanied by such words. Forward-looking statements are based on assumptions and assessments made by our management in light of their experience and perceptions of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. Numerous factors could cause our actual results to differ materially from those expressed in our forward-looking statements, including but not limited to the risks and uncertainties set forth in Item 1A of this Form 10-K under the heading "Risk Factors."

Forward-looking statements are not guarantees of future performance and actual results may differ materially from the results, developments and business decisions contemplated by our forward-looking statements. Accordingly, you should not place undue reliance on any such forward-looking statements. Forward-looking statements speak only as of the date of the report, document, press release, webcast, call, materials or other communication in which they are made. Except to the extent required by applicable law, we do not assume any obligation to update or revise any forward-looking statement, whether as a result of new information, future events and developments or otherwise.

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PART I

ITEM 1. BUSINESS

General

Vontier Corporation ("Vontier," the "Company," "we," or "our") is a global industrial technology company uniting productivity, automation and multi-energy technologies to meet the needs of a rapidly evolving, more connected mobility ecosystem. Leveraging leading market positions, decades of domain expertise and unparalleled portfolio breadth, Vontier enables the way the world moves, delivering smart, safe and sustainable solutions to our customers and the planet.

Vontier Corporation is a Delaware corporation that was incorporated in 2019 in connection with the separation of Vontier from Fortive Corporation ("Fortive") on October 9, 2020, as an independent, publicly-traded company, listed on the New York Stock Exchange (the "Separation"). In this Annual Report on Form 10-K, the terms "Vontier" or the "Company" refer to either Vontier Corporation or to Vontier Corporation and its consolidated subsidiaries, as the context requires.

The Company serves a diverse set of end markets across the mobility ecosystem, supplying a wide range of solutions spanning advanced environmental sensing and monitoring equipment, fueling equipment, field payment hardware, point-of-sale, workflow and monitoring software, vehicle tracking and fleet management, software platform for EV charging, alternative fuel dispensing solutions and vehicle service technicians' equipment. Vontier markets its products and services to retail and commercial fueling operators, convenience store operators, car wash operators, commercial vehicle repair businesses, fleet owners/operators and electric vehicle charging network operators on a global basis.

Our research and development, manufacturing, sales, distribution, service and administration operations are located in approximately 25 countries primarily across North America, Asia Pacific, Europe and Latin America.

We are guided by our shared purpose to mobilize the future to create a better world and are united by a culture of continuous improvement and bias for actions that embody the Vontier Business System ("VBS"). Through rigorous application of our proprietary VBS set of growth, lean, and leadership tools and processes, we continuously improve business performance in the critical areas of innovation, product development and commercialization, global supply chain, sales and marketing and leadership development. Our commitment to VBS and goal of creating long-term shareholder value has enabled us to drive customer satisfaction and profitability, significant improvements in innovation, growth and disciplined acquisitions to execute our strategy and expand our portfolio into new and attractive markets. Through our VBS-led execution of our Connected Mobility strategy, we are accelerating the transformation to a connected, smart mobility ecosystem by creating enhanced and interconnected platforms throughout our segments.

Segments

In the first quarter of 2023, we realigned our internal organization to align with our strategy, resulting in changes to our operating segments. We now operate through three reportable segments comprised of three operating segments. Our three operating segments, and businesses within, are as follows:

- Mobility Technologies: Invenco by GVR, DRB, Teletrac Navman, ANGI and EVolve.
- Repair Solutions: Matco Tools.
- Environmental & Fueling Solutions: Gilbarco Veeder-Root.

The Company's Global Traffic Technologies and Coats (formerly part of Hennessy) businesses, which were divested during April 2023 and January 2024, respectively, are presented in Other for periods prior to the divestitures.

Mobility Technologies

Mobility Technologies provides digitally enabled equipment and operating software solutions to drive automation, productivity and compliance across the mobility ecosystem. Offerings include convenience retail operating platform, point-of-sale and payment solutions, remote diagnostics and site-management tools, IoT-based fleet telematics and workflow automation solutions, data analytics, operating software platform for electric vehicle charging networks and integrated solutions for alternative fuel dispensing. Mobility Technologies serves major markets with tailored solutions for customers based on their unique needs.

Invenco by GVR serves convenience retail stores and energy retailing providers globally. We provide a network of connected solutions including devices, software, APIs and services to improve productivity, automation, compliance and safety to help our customers deliver better consumer experiences, increase revenue yield and generate higher margins. Our end-to-end solutions ensure uninterrupted operations for our customers' site covering forecourts, stores and other on-site services including quick service restaurants, car washes and EV charging. We have a large installed customer base with point-of-sale and self-checkout technology, payment processing and workflow software, payment terminals, site automation services, media capabilities, loyalty, remote site management, and fuel logistics offerings. Our universally compatible, modular, composable cloud-connected solutions are designed to integrate seamlessly with one-another as well as third-party offerings, enabling our customers to extend and rapidly deploy new features across their network. We believe we are uniquely positioned to deliver end-to-end technology solutions at-scale to customers, enabling them to manage changing consumer preferences, labor shortages, increasing site complexity and technology investments, and the rising cost of compliance.

DRB provides integrated technology solutions to the car wash industry. We provide an end-to-end technology platform combining embedded point-of-sale, workflow and monitoring software, customer support, digital marketing and payment facilitation services. Our car wash solutions are marketed under a variety of brands, including Patheon, SiteWatch, Suds, TunnelWatch, NoPileups, FastPass, Washify, InvoMax, Auto Data and Sage Microsystems. We serve individual customer sites and have long-standing relationships with the majority of the top 20 car wash platforms in North America. We believe that DRB's market leading integrated technology, superior reliability, high customer retention and unique business model position us well to capitalize on numerous paths for accelerated growth, including customer consolidation, continued shift from full service to express car washes, increasing adoption of workflow technology-as-a-service, shorter upgrade cycles, labor challenges and water efficiency programs and usage restrictions.

Teletrac Navman offers telematics hardware and software solutions to commercial and government fleet operators. We provide vehicle tracking devices, telematics hardware and software solutions, and end-to-end sustainable fleet management solutions. Our global customer base leverages our suite of solutions for data-driven insights into fleet operations, vehicle and equipment maintenance and asset utilization to improve fleet safety and productivity, optimize business performance and deliver on sustainability or decarbonization commitments. We believe that our differentiated technology and software solutions are positioned to benefit from increasing regulations worldwide governing driver safety, hours of service, recording and monitoring requirements and the adoption of alternative fuels.

ANGI provides equipment, software and services to commercial and government fleet operators as well as retail gaseous full station developers and operators. Our full-site integrated solutions span compressed natural gas ("CNG"), renewable natural gas ("RNG"), hydrogen (H2) and biogas compression and dispensing. We offer scalable, modular systems, including dispensing, compression, storage, service, and automation solutions to support global fleet decarbonization. We believe our industry leading alternative energy fueling offerings strategically position us to capitalize on key market trends, including infrastructure buildout and decarbonization at scale.

EVolve, made up of our Driivz and Sparkion businesses, serves charge point operators and fleet operators, globally. Our interoperable electric vehicle charging and energy management platform solutions enable customers to facilitate EV charging economically at scale, secure energy resiliency and deliver on sustainability or decarbonization commitments. We believe our market leading technologies position us to capitalize on key market trends, including the investment in and adoption of electrified fleets, alternative fueling, and infrastructure buildout.

Customers in this segment choose suppliers based on several factors, including product features, performance and functionality, the supplier's geographic coverage and the other factors described under "Competition." Sales are generally made to independent distributors or through our direct sales personnel.

Repair Solutions

Repair Solutions comprises the Matco Tools business, a leading manufacturer and distributor of aftermarket vehicle repair tools, toolboxes, automotive diagnostic equipment and software through a robust network of mobile franchisees. Under the Matco Tools brand, we manufacture and distribute vehicle repair tools, toolboxes and automotive diagnostic equipment and software through our network of franchised mobile distributors, who purchase vehicle repair tools, equipment and services from us and resell primarily to professional mechanics directly.

To complement our offering of vehicle repair tools, we have developed a software as a service ("SaaS") suite of diagnostic tools and software to enhance repair shop workflow and strengthen relationships with our customers. We also generate sales from initial and recurring franchise fees as well as various financing programs that include installment sales to franchisees. We believe that Matco Tools' integrated workflow and diagnostic solutions are well positioned to capitalize on the increasing complexity of vehicles as advanced driver-assistance systems and other vehicle automation systems become prevalent.

Customers in this segment choose suppliers based on several factors, including relevant innovative features, convenience and the other factors described under "Competition."

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Environmental & Fueling Solutions

Environmental & Fueling Solutions is a leading manufacturer and provider of solutions to improve safety, environmental compliance and fueling efficiency globally. Through brands including Gilbarco, Veeder-Root, and Fafnir, we serve independent and company owned retail and commercial fueling operators with industry-leading environmental monitoring and leak detection systems, forecourt controllers, vapor recovery equipment and fuel dispenser systems for petroleum. Our large installed base of products provides a recurring revenue stream for aftermarket parts and service offerings. We believe our substantial scale and sophisticated technology offerings strategically position us to capitalize on key market trends, including fueling site consolidation and complexity, increasing regulatory requirements and global regulations, and aging infrastructure.

Customers in this segment choose suppliers based on several factors, including product features, performance and functionality, the supplier's geographic coverage and the other factors described under "Competition." Sales are generally made to independent distributors or through our direct sales personnel.

Research and Development

We conduct research and development activities for the purpose of developing new products, enhancing the functionality, effectiveness, ease of use and reliability of our existing products and expanding the applications for which uses of our products are appropriate. Research and development costs are expensed as incurred.

Materials

Our manufacturing operations employ a wide variety of raw materials, including electronic components, steel, plastics and other resins, cast iron, aluminum and copper. Prices of oil and gas affect our costs for freight and utilities. We purchase raw materials from a large number of independent sources around the world. No single supplier is material, although for some components that require particular specifications or qualifications, there may be a single supplier or a limited number of suppliers that can readily provide such components. We utilize a number of techniques to address potential disruption in and other risks relating to our supply chain, including in certain cases the use of safety stock, alternative materials and qualification of multiple supply sources.

During 2023, we experienced normalizing supply chain conditions, with the supply chain constraints that we experienced in 2022 for certain raw materials, including resins, semiconductors and electronic components, easing during the year. For a further discussion of risks related to the materials and components required for our operations, please refer to "Item 1A. Risk Factors."

Intellectual Property

We own numerous patents, trademarks, copyrights and trade secrets and licenses to intellectual property owned by others. Although in aggregate our intellectual property is important to our operations, we do not consider any single patent, trademark, copyright, trade secret or license to be of material importance to any operating segment or to the business as a whole. From time to time, we engage in litigation to protect our intellectual property rights. For a discussion of risks related to our intellectual property, please refer to "Item 1A. Risk Factors."

Competition

We believe that we are a leader in many of our served markets. Although our businesses generally operate in highly competitive markets, our competitive position cannot be determined accurately since none of our competitors offer all of the same product and service lines or serve all of the same markets as we do. Because of the range of the products and services we sell and the variety of markets we serve, we encounter a wide variety of competitors, including well-established regional competitors, competitors who are more specialized than we are in particular markets, as well as larger companies or divisions of larger companies with substantial sales, marketing, research, and financial capabilities. We face increased competition in a number of our served markets as a result of the entry of competitors based in low-cost manufacturing locations and increasing consolidation in particular markets. The number of competitors varies by product and service line. Our management believes that we have a market leadership position in most of the markets we serve. Key competitive factors vary among our products and service lines but include the specific factors noted above with respect to each particular product or solution, and typically also include price, quality, performance, delivery speed, applications expertise, distribution channel access, service and support, technology and innovation, breadth of product, service and software offerings and brand name recognition. For a discussion of risks related to competition, please refer to "Item 1A. Risk Factors."

Seasonal Nature of Business

General economic conditions impact our business and financial results, and certain of our businesses experience seasonal and other trends related to the industries and end markets that they serve. For example, capital equipment sales are often stronger in the fourth calendar quarter and sales to original equipment manufacturers ("OEMs") are often stronger immediately preceding and following the launch of new products. However, as a whole, we are not subject to material seasonality.

Working Capital

We maintain an adequate level of working capital to support our business needs. There are no unusual industry practices or requirements relating to working capital items. In addition, our sales and payment terms are generally similar to those of our competitors.

Backlog

Backlog includes unfilled orders that are expected to be fulfilled in the next 12 months and the annual contract value of long-term contracts, including our SaaS product offerings. Backlog as of December 31, 2023 and 2022 was $626.0 million and $677.3 million, respectively. We expect that a majority of the unfilled orders as of December 31, 2023 will be delivered to customers within the first half of 2024. Given the relatively short delivery periods that are characteristic of most of our products, we believe that our backlog is indicative of short-term sales performance but not necessarily a reliable indicator of medium or long-term sales performance.

Human Capital Resources

The Company's key human capital management objectives are to attract, motivate, retain and develop the highest quality talent, united by VBS and a common culture in pursuit of continuous improvement. To support these objectives, the Company's human resources programs are designed to develop talent to prepare them for critical roles and leadership positions for the future; reward and support employees through competitive pay, comprehensive benefit and perquisite programs; enhance the Company's culture through efforts aimed at making the workplace more engaging and inclusive; acquire talent and facilitate internal talent mobility to create a high-performing, diverse workforce and innovative culture; and invest in technology, tools, and resources to enable employees at work. We seek to continue to attract, develop and retain world-class leaders and employees globally and to drive their engagement with our customer-centric approach.

As of December 31, 2023, we employed approximately 8,000 persons, of whom approximately 3,900 were employed in the United States and approximately 4,100 were employed outside of the United States. Of our United States employees, approximately 850 were hourly-rated, unionized employees. Outside the United States, we have government-mandated collective bargaining arrangements and union contracts in certain countries, particularly in Europe where certain of our employees are represented by unions and/or works councils. The Company believes that its relationship with employees is good.

Some examples of key programs and initiatives that are focused to attract, motivate, develop and retain our diverse workforce include:

- **Inclusion, diversity and equity (ID&E)**. Our ID&E objectives are intended to build teams where employees feel empowered and able to be their authentic selves at work, while employing and supporting a diverse array of voices.
  - Champion diverse recruiting and promotions, specifically for underrepresented employees and candidates;
  - Sponsor eight employee-led Employee Resource Groups (ERGs), including Allies for Inclusion, Asian Pacific Islander Network Alliance, Black Network, La Vida!, myAbilities, Pride, Veterans and Women's Guild, that represent and support the diverse communities that make up our workforce. Our ERGs have three pillars of focus: Development, Community and Recruiting. Our ERGs' goals include the facilitation of networking and connections with peers, outreach, mentoring, leadership and skill development. In 2023, our ERGs continued to serve as a cornerstone for building allyship and fostering belonging by offering a range of multi-lingual learning opportunities including live events, micro-learning pathways, online self-paced modules, leader-led labs, and group coaching. Our 2023 ERG participation rate increased four times from 2022 participation rates; and
  - Our CEO took two pledges: the CEO Action for Diversity and Inclusion and The Valuable 500.
- **Health, wellness and family resources.** Our benefit offerings are designed to meet the varied and evolving needs of a diverse workforce across businesses and geographies. In 2023, we launched a new student loan repayment program in the U.S. that supports employee student debt relief. We also expanded our communications to employees by launching a new, interactive benefits website.
- **Talent Development.** We prioritize and invest in creating opportunities to help employees grow and build their careers, through a multitude of training and development programs. These include online, instructor-led and on-the-job learning formats as well as executive talent and succession planning paired with an individualized development approach. In 2023, we launched a skills-based digital badging program across the Company, which empowers employees to unlock their true potential and provide the Company with more capabilities to skills for now and the future.

- **Community & Social Impact.** We are committed to providing comfort to those in need and opportunity to those who want to improve their world. One primary way we do this is through our unique employee connection programs – Vontier Cares and Day of Caring. Throughout the year, employees make a positive impact in their local communities through volunteering and other support. In 2023, over 4,200 Vontier employees around the world participated in Day of Caring initiatives supporting disaster relief, education, and fighting hunger and homelessness.

- **Safety.** Our robust safety program prioritizes employee safety and wellbeing across all workplace environments. Established risk control best practices are used, in conjunction with employee input and engagement to create a "beyond compliance" mindset that is under constant review. Systematic management systems either meet or are working towards internationally recognized ISO:45001 management system accreditation, and performance indicators that are biased towards proactive actions are used to measure progress.

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Government Contracts

Although the substantial majority of our revenue in 2023 was from customers other than governmental entities, we have agreements relating to the sale of products to government entities. As a result, we are subject to various statutes and regulations that apply to companies doing business with governments and government-owned entities. For a discussion of risks related to government contracting requirements, please refer to "Item 1A. Risk Factors."

Regulatory Matters

We face extensive government regulation both within and outside the United States relating to the development, manufacture, marketing, sale and distribution of our products, software and services. The following sections describe certain significant regulations that we are subject to. These are not the only regulations that our businesses must comply with. For a description of the risks related to the regulations that our businesses are subject to, please refer to "Item 1A. Risk Factors."

Environmental Laws and Regulations

Our operations and properties are subject to laws and regulations relating to environmental protection, including those governing air emissions, water discharges and waste management, and workplace health and safety. For a discussion of the environmental laws and regulations that our operations, products and services are subject to and other environmental contingencies, please refer to Note 18. Litigation and Contingencies to the Consolidated Financial Statements included in this Annual Report. For a discussion of risks related to compliance with environmental and health and safety laws and risks related to past or future releases of, or exposures to, hazardous substances, please refer to "Item 1A. Risk Factors."

Export/Import Compliance

We are required to comply with various U.S. export/import control and economic sanctions laws, such as:

- the Export Administration Regulations administered by the U.S. Department of Commerce, Bureau of Industry and Security, which, among other things, impose licensing requirements on the export, in-country transfer and re-export of certain dual-use goods, technology and software (which are items that have both commercial and military or proliferation applications);
- the regulations administered by the U.S. Department of Treasury, Office of Foreign Assets Control, which implement economic sanctions imposed against designated countries, governments and persons based on United States foreign policy and national security considerations; and
- the import regulations administered by the U.S. Customs and Border Protection.

Other nations' governments have implemented similar export/import control and economic sanction regulations, which may affect our operations or transactions subject to their jurisdictions. For a discussion of risks related to export/import control and economic sanctions laws, please refer to "Item 1A. Risk Factors."

International Operations

Our products and services are available in markets worldwide, and our principal markets outside the United States are in Europe and Asia Pacific. This geographic diversity allows us to draw on the skills of a worldwide workforce, provides greater stability to our operations, allows us to drive economies of scale, provides revenue streams that may help offset economic trends that are specific to individual economies and offers us an opportunity to access new markets for products. In addition, we believe that our future growth depends in part on our ability to continue developing products and sales models that successfully target high-growth markets, which we define as developing markets of the world experiencing extended periods of accelerated growth in gross domestic product and infrastructure, which include Eastern Europe, the Middle East, Africa, Latin America and Asia Pacific (with the exception of Japan and Australia).

The manner in which our products and services are sold outside the United States differs by business and by region. Most of our sales in non-U.S. markets are made by our subsidiaries located outside the United States, though we also sell directly from the United States into non-U.S. markets through sales to various representatives and distributors and, in some cases, directly. In countries with low sales volumes, we generally sell to representatives and distributors.

Our business in Russia, Ukraine and Israel was not material to our results. We did not have any sales in Russia during the year ended December 31, 2023. Sales in Ukraine and Israel accounted for less than 60 basis points of our total sales for the year ended December 31, 2023.

Available Information

We maintain an internet website at www.vontier.com on which we make available free of charge our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K and amendments to those reports, filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after filing such material with, or furnishing such material to, the SEC. Our internet site and the information contained on or connected to that site are not incorporated by reference into this Form 10-K. The SEC also maintains a website at www.sec.gov that contains reports, proxy statements and other information regarding issuers that file electronically with the SEC, including Vontier.

ITEM 1A. RISK FACTORS

You should carefully consider the risks and uncertainties described below, together with the information included elsewhere in this Annual Report on Form 10-K and other documents we file with the SEC. The risks and uncertainties described below are those that we have identified as material, but are not the only risks and uncertainties facing us. Our business may also be affected by a number of additional risks and uncertainties not currently known to us or that we currently believe are immaterial, any of which could, directly or indirectly, impair our business, including our results of operations, liquidity and financial condition.

Risks Related to Our Business and Industry

If we cannot adjust our manufacturing capacity, supply chain management or the purchases required for our manufacturing activities to reflect changes in market conditions, customer demand and supply chain or transportation disruptions, our profitability may suffer. In addition, our reliance upon sole or limited sources of supply for certain materials, components and services could cause production interruptions, delays and inefficiencies.

We purchase materials, components and equipment from third parties for use in our manufacturing operations. Our income could be adversely impacted if we are unable to adjust our purchases and supply chain management to reflect any supply chain disruptions or changes in customer demand and market fluctuations, including those caused by a pandemic, increases in demand outpacing supply chain capabilities, labor shortages, seasonality or cyclicality. During a market upturn or general supply chain disruption, suppliers may extend lead times, limit supplies or increase prices. If we cannot purchase sufficient products at competitive prices and quality and on a timely enough basis to meet demand, we may not be able to satisfy market demand, product shipments may be delayed, our costs may increase or we may breach our contractual commitments and incur liabilities. Conversely, in order to secure supplies for the production of products, we sometimes enter into noncancelable purchase commitments with vendors, which could impact our ability to adjust our inventory to reflect declining market demands. If demand for our products is less than we expect, we may experience additional excess and obsolete inventories and be forced to incur additional charges and our profitability may suffer.

In addition, some of our businesses purchase certain requirements from sole or limited source suppliers for reasons of quality assurance, contractual commitment, cost effectiveness, availability or uniqueness of design. If these or other suppliers encounter financial, operating or other difficulties or if our relationship with them changes, we might not be able to quickly establish or qualify replacement sources of supply. The supply chains for our businesses could also be disrupted by supplier capacity constraints, cybersecurity issues, bankruptcy or exiting of the business for other reasons, decreased availability of key raw materials or commodities and external events such as natural disasters, pandemic health issues, war, terrorist actions, governmental actions and legislative or regulatory changes. Any of these factors could result in production interruptions, delays, extended lead times and inefficiencies.

Because we cannot always immediately adapt our production capacity and related cost structures to changing market conditions, our manufacturing capacity may at times exceed or fall short of our production requirements. Any or all of these problems could result in the loss of customers, provide an opportunity for competing products to gain market acceptance and otherwise adversely affect our profitability.

Our growth depends in part on the timely development and commercialization, and customer acceptance, of new and enhanced products and services based on technological innovation.

We generally sell our products and services in an industry that is characterized by rapid technological changes, frequent new product introductions and changing industry standards. If we do not develop innovative new and enhanced products and services on a timely basis, our offerings will become obsolete over time and our competitive position and financial statements will suffer. Our success will depend on several factors, including our ability to correctly identify customer needs and preferences, and predict future needs and preferences, including from new developments and innovation related to, among other things, electric vehicles and autonomous vehicles.

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In particular, the transportation industry has experienced an incremental increase in the development, adoption and use of alternative power systems, including compressed natural gas, hydrogen, fuel cells, plug-in hybrids, and electric cars. Although the current adoption rate of alternative power systems in the transportation industry is not anticipated to materially reduce the internal combustion based global car parc in the near future, continued increase in the adoption of alternative power systems over an extended number of years may alter the nature of the global car parc in such a manner as to reduce the demand for petroleum fuel and, correspondingly, demand for our retail and commercial petroleum products, including our fuel dispenser systems, petroleum monitoring systems, and electronic payment technologies for retail petroleum stations. In addition, technological advances in alternative power systems may reduce the frequency of required maintenance for vehicles, resulting in lower demand for our vehicle repair tools.

Furthermore, if we fail to accurately predict future customer needs and preferences or fail to produce viable technologies, we may invest heavily in research and development of products and services that do not lead to significant sales, which would adversely affect our profitability. Even if we successfully innovate and develop new and enhanced products and services, we may incur substantial costs in doing so, and our profitability may suffer.

Changes in our software and subscription businesses may adversely impact our business, financial condition and results of operations.

An increasing portion of our revenue is generated through software maintenance and subscription revenue, which includes SaaS and new subscription services for integrated solutions. Our customers have no obligation to renew their agreements for our software maintenance or subscription services after the expiration of their initial contract period, which typically ranges from three to five years.

Our customer acquisition and renewal rates may decline or fluctuate as a result of a number of factors, including overall economic conditions, the health of their businesses, competitive offerings, and customer dissatisfaction with our services. If customers do not renew their contracts for our products, our maintenance and subscription revenue will decline, and our financial results will suffer.

The indemnification provisions of acquisition agreements by which we have acquired companies may not fully protect us and as a result we may face unexpected liabilities.

Certain of the acquisition agreements by which we have acquired companies require the former owners to indemnify us against certain liabilities related to the operation of the acquired company before we acquired it. In most of these agreements, 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 statements.

Our restructuring actions could have long-term adverse effects on our business.

In recent years, we have implemented restructuring activities across our businesses to adjust our cost structure, and we may engage in similar restructuring activities in the future. These restructuring activities and our regular ongoing cost reduction activities (including in connection with the integration of acquired businesses) reduce our available talent, assets and other resources and could slow improvements in our products and services, adversely affect our ability to respond to customers and limit our ability to increase production quickly if demand for our products increases. In addition, delays in implementing planned restructuring activities or other productivity improvements, unexpected costs or failure to meet targeted improvements may diminish the operational or financial benefits we realize from such actions. Any of the circumstances described above could adversely impact our business and financial statements.

As of December 31, 2023, we have outstanding indebtedness of approximately $2.3 billion and the ability to incur an additional $750.0 million of indebtedness under the Revolving Credit Facility and in the future we may incur additional indebtedness. This indebtedness could adversely affect our businesses and our ability to meet our obligations and pay dividends.

As of December 31, 2023, we have outstanding indebtedness of approximately $2.3 billion, and have the ability to incur an additional $750.0 million of indebtedness under the Revolving Credit Facility. See the section entitled "Liquidity and Capital Resources." This debt could have important, adverse consequences to us and our investors, including:

- requiring a substantial portion of our cash flow from operations to make interest payments;
- making it more difficult to satisfy other obligations;
- increasing the risk of a future credit ratings downgrade of our debt, which could increase future debt costs and limit the future availability of debt financing;
- increasing our vulnerability to general adverse economic and industry conditions;
- reducing the cash flow available to fund capital expenditures and other corporate purposes and to grow our businesses;
- limiting our flexibility in planning for, or reacting to, changes in our businesses and industries; and
- limiting our ability to borrow additional funds as needed or take advantage of business opportunities as they arise, pay cash dividends or repurchase shares of our common stock.

The instruments governing the debt financing contain restrictive covenants that will limit our ability to engage in activities that may be in our long-term interest. If we breach any of these restrictions and cannot obtain a waiver from the lenders on favorable terms, subject to applicable cure periods, the outstanding indebtedness (and any other indebtedness with cross-default provisions) could be declared immediately due and payable, which would adversely affect our liquidity and financial statements. In addition, any failure to obtain and maintain credit ratings from independent rating agencies would adversely affect our cost of funds and could adversely affect our liquidity and access to the capital markets. If we add new debt, the risks described above could increase. For additional information regarding the debt financing, please refer to the section entitled "Liquidity and Capital Resources."

The risks described above will increase with the amount of indebtedness we incur, and in the future we may incur significant indebtedness in addition to the indebtedness described above. In addition, our actual cash requirements in the future may be greater than expected. Our cash flow from operations may not be sufficient to service our outstanding debt or to repay the outstanding debt as it becomes due, and we may not be able to borrow money, sell assets or otherwise raise funds on acceptable terms, or at all, to service or refinance our debt.

We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or refinance our debt obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal and interest on our indebtedness.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures, or to dispose of material assets or operations, alter our dividend policy, seek additional debt or equity capital or restructure or refinance our indebtedness. We may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow us to meet our scheduled debt service obligations. The instruments that will govern our indebtedness may restrict our ability to dispose of assets and may restrict the use of proceeds from those dispositions. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations when due.

In addition, we conduct our operations through our subsidiaries. Accordingly, repayment of our indebtedness will depend on the generation of cash flow by our subsidiaries, including certain international subsidiaries, and their ability to make such cash available to us, by dividend, debt repayment or otherwise. Our subsidiaries may not have any obligation to pay amounts due on our indebtedness or to make funds available for that purpose. Our subsidiaries may not be able to, or may not be permitted to, make adequate distributions to enable us to make payments in respect of our indebtedness. Each subsidiary is a distinct legal entity and, under certain circumstances, legal, tax and contractual restrictions may limit our ability to obtain cash from our subsidiaries. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness.

Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, may materially adversely affect our business, financial condition and results of operations and our ability to satisfy our obligations under our indebtedness or pay dividends on our common stock.

Any inability to consummate acquisitions at our historical rates and at appropriate prices, and to make appropriate investments that support our long-term strategy, could negatively impact our growth rate and stock price.

Our ability to grow sales, earnings and cash flow at or above our historical rates depends in part upon our ability to identify and successfully acquire and integrate businesses at appropriate prices and realize anticipated synergies, and to make appropriate investments that support our long-term strategy. We may not be able to consummate acquisitions at rates similar to the past, which could adversely impact our growth rate and our stock price. Promising acquisitions and investments are difficult to identify and complete for a number of reasons, including high valuations, competition among prospective buyers, the availability of affordable funding in the capital markets and the need to satisfy applicable closing conditions and obtain applicable antitrust and other regulatory approvals on acceptable terms. In addition, competition for acquisitions and investments may result in higher purchase prices. Changes in accounting or regulatory requirements or instability in the credit markets could also adversely impact our ability to consummate acquisitions and investments.

Our acquisition of businesses, investments, joint ventures and other strategic relationships could negatively impact our financial statements.

As part of our business strategy, we acquire businesses, make investments and enter into joint ventures and other strategic relationships in the ordinary course, some of which may be material. These acquisitions, investments, joint ventures and strategic relationships involve a number of financial, accounting, managerial, operational, legal, compliance and other risks and challenges, including the following, any of which could adversely affect our business and our financial statements:

- any business, technology, service or product that we acquire or invest in could under-perform relative to our expectations and the price that we paid for it, or not perform in accordance with our anticipated timetable, or we could fail to operate any such business profitably;
- we may incur or assume significant debt in connection with our acquisitions, investments, joint ventures or strategic relationships, which could also cause a deterioration of our credit ratings, result in increased borrowing costs and interest expense and diminish our future access to the capital markets;
- acquisitions, investments, joint ventures or strategic relationships could cause our financial results to differ from our own or the investment community's expectations in any given period, or over the long-term;
- pre-closing and post-closing earnings charges could adversely impact operating results in any given period, and the impact may be substantially different from period to period;
- acquisitions, investments, joint ventures or strategic relationships could create demands on our management, operational resources and financial and internal control systems that we are unable to effectively address;
- we may be unable to achieve cost savings or other synergies anticipated in connection with an acquisition, investment, joint venture or strategic relationship;
- we may assume unknown liabilities, known contingent liabilities that become realized, known liabilities that prove greater than anticipated, internal control deficiencies or exposure to regulatory sanctions resulting from the acquired company's or investee's activities. The realization of any of these liabilities or deficiencies may increase our expenses, adversely affect our financial position or cause us to fail to meet our public financial reporting obligations;
- in connection with acquisitions and joint ventures, we may enter into post-closing financial arrangements such as purchase price adjustments, earn-out obligations and indemnification obligations, which may have unpredictable financial results;
- in connection with acquisitions and investments, we have recorded significant goodwill and other intangible assets on our balance sheet. If we are not able to realize the value of these assets, we may be required to incur impairment charges; and
- we may have interests that diverge from those of our joint venture partners or other strategic partners and we may not be able to direct the management and operations of the joint venture or other strategic relationship in the manner we believe is most appropriate, exposing us to additional risk.

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Divestitures or other dispositions could negatively impact our business, and contingent liabilities from businesses that we or our predecessors have sold could adversely affect our financial statements.

We continually assess the strategic fit of our existing businesses and may divest, spin-off, split-off or otherwise dispose of businesses that are deemed not to fit with our strategic plan or are not achieving the desired return on investment. These transactions pose risks and challenges that could negatively impact our business and financial statements. For example, when we decide to sell or otherwise dispose of a business or assets, we may be unable to do so on satisfactory terms within our anticipated timeframe or at all, and even after reaching a definitive agreement to sell or dispose a business the sale is typically subject to satisfaction of pre-closing conditions which may not become satisfied. In addition, divestitures or other dispositions may dilute our earnings per share, have other adverse tax, financial and accounting impacts and distract management, and disputes may arise with buyers. In addition, we have retained responsibility for and/or have agreed to indemnify buyers against some known and unknown contingent liabilities related to certain businesses or assets we or our predecessors have sold or disposed. The resolution of these contingencies has not had a material effect on our financial statements, but we cannot be certain that this favorable pattern will continue.

Conditions in the global economy, the particular markets we serve and the financial markets may adversely affect our business and financial statements.

Our business is sensitive to general economic conditions. Slower global economic growth, actual or anticipated default on sovereign debt, changes in global trade policies, volatility in the currency and credit markets, high levels of unemployment or underemployment, inflation or deflation, supply interruptions, reduced levels of capital expenditures, changes in government fiscal and monetary policies, government deficit reduction and budget negotiation dynamics, sequestration, other austerity measures, political and social instability, natural disasters, terrorist attacks, and other challenges that affect the global economy adversely affect us and our distributors, customers and suppliers, including having the effect of:

- reducing demand for our products, software and services, limiting the financing available to our customers and suppliers, increasing order cancellations and resulting in longer sales cycles and slower adoption of new technologies;
- increasing the difficulty in collecting accounts receivable and the risk of excess and obsolete inventories;
- increasing price competition in our served markets;
- supply interruptions, which could disrupt our ability to produce our products;
- increasing the risk of impairment of goodwill and other long-lived assets, and the risk that we may not be able to fully recover the value of other assets such as real estate and tax assets;
- increasing the risk that counterparties to our contractual arrangements will become insolvent or otherwise unable to fulfill their contractual obligations which, in addition to increasing the risks identified above, could result in preference actions against us; and
- increasing the risk of credit defaults under the extensions of credit that we provide in our Repair Solutions segment.

In addition, adverse general economic conditions may lead to instability in U.S. and global capital and credit markets, including market disruptions, limited liquidity and interest rate volatility. If we are unable to access capital and credit markets on terms that are acceptable to us or our lenders are unable to provide financing in accordance with their contractual obligations, we may not be able to make certain investments or acquisitions or fully execute our business plans and strategies. Furthermore, our suppliers and customers are also dependent upon the capital and credit markets. Limitations on the ability of customers, suppliers or financial counterparties to access credit at interest rates and on terms that are acceptable to them could lead to insolvencies of key suppliers and customers, limit or prevent customers from obtaining credit to finance purchases of our products and services and cause delays in the delivery of key products from suppliers.

If growth in the global economy or in any of the markets we serve slows for a significant period, if there is significant deterioration in the global economy or such markets, if there is instability in global capital and credit markets, or if improvements in the global economy do not benefit the markets we serve, our business and financial statements could be adversely affected.

Adverse changes in our relationships with, or the financial condition, performance, purchasing patterns or inventory levels of, key distributors and other channel partners could adversely affect our financial statements.

Certain of our businesses sell a significant amount of their products to key distributors and other channel partners that have valuable relationships with customers and end-users. Some of these distributors and other partners also sell our competitors' products or compete with us directly, and if they favor competing products for any reason, they may fail to market our products effectively. Adverse changes in our relationships with these distributors and other partners, or adverse developments in their financial condition, performance or purchasing patterns, could adversely affect our financial statements. The levels of inventory maintained by our

distributors and other channel partners, and changes in those levels, can also significantly impact our results of operations in any given period. In addition, the consolidation of distributors and customers in certain of our served industries could adversely impact our profitability.

Our financial results are subject to fluctuations in the cost and availability of commodities that we use in our operations.

As further discussed in the section entitled "Business—Materials," our manufacturing and other operations employ a wide variety of components, raw materials and other commodities. Prices for and availability of these components, raw materials and other commodities have fluctuated significantly in the past. Any sustained interruption in the supply of these items could adversely affect our business. In addition, due to the highly competitive nature of the industries that we serve, the cost-containment efforts of our customers and the terms of certain contracts we are party to, if commodity prices rise, we may be unable to pass along cost increases through higher prices. If we are unable to fully recover higher commodity costs through price increases or offset these increases through cost reductions, or if there is a time delay between the increase in costs and our ability to recover or offset these costs, we could experience lower margins and profitability and our financial statements could be adversely affected.

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Defects, tampering, unanticipated use or inadequate disclosure with respect to our products or services (including software), or allegations thereof, could adversely affect our business, reputation and financial statements.

Manufacturing or design defects impacting safety, cybersecurity or quality issues (or the perception of such issues) for our products and services can lead to personal injury, death, property damage, data loss or other damages. These events could lead to recalls or safety or other public alerts, result in product or service downtime or the temporary or permanent removal of a product or service from the market and result in product liability or similar claims being brought against us. Recalls, downtime, removals and product liability and similar claims (regardless of their validity or ultimate outcome) can result in significant costs, as well as negative publicity and damage to our reputation that could reduce demand for our products and services.

Our growth could suffer if the markets into which we sell our products and services decline, do not grow as anticipated or experience cyclicality.

Many of our businesses operate in industries that are intensely competitive and have been subject to consolidation. Because of the range of the products and services we sell and the variety of markets we serve, we encounter a wide variety of competitors. See "Business—Competition." In order to compete effectively, we must retain longstanding relationships with major customers and continue to grow our business by establishing relationships with new customers, continually developing new or enhanced products and services to maintain and expand our brand recognition and leadership position in various product and service categories and penetrating new markets, including high-growth markets. Our failure to compete effectively and/or pricing pressures resulting from competition may adversely impact our financial statements, and our expansion into new markets may result in greater-than-expected risks, liabilities and expenses.

Our reputation, ability to do business and financial statements may be impaired by improper conduct by any of our employees, agents or business partners.

We cannot provide assurance that our internal controls and compliance systems will always protect us from acts committed by employees, agents or business partners of ours (or of businesses we acquire or partner with) that would violate U.S. and/or non-U.S. laws, including the laws governing payments to government officials, bribery, fraud, kickbacks and false claims, pricing, sales and marketing practices, conflicts of interest, competition, employment practices and workplace behavior, export and import compliance, economic and trade sanctions, money laundering and data privacy. In particular, the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and similar anti-bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business, and we operate in many parts of the world that have experienced governmental corruption to some degree. Any such improper actions or allegations of such acts could damage our reputation and subject us to civil or criminal investigations in the United States and in other jurisdictions and related stockholder lawsuits, could lead to substantial civil and criminal, monetary and non-monetary penalties and could cause us to incur significant legal and investigatory fees. In addition, the government may seek to hold us liable for violations committed by companies we invest in or acquire. We rely on our suppliers to adhere to our supplier standards of conduct. Material violations of such standards of conduct could occur that could have a material effect on our financial statements.

If we do not or cannot adequately protect our intellectual property, or if third parties infringe our intellectual property rights, we may suffer competitive injury or expend significant resources enforcing our rights.

We own numerous patents, trademarks, copyrights, trade secrets and other intellectual property and licenses to intellectual property owned by others, which in aggregate are important to our business. The intellectual property rights that we obtain, however, 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. In addition, the steps that we and our licensors have taken to maintain and protect our intellectual property may not prevent it from being challenged, invalidated, circumvented, designed-around or becoming

subject to compulsory licensing, particularly in countries where intellectual property rights are not highly developed or protected. In some circumstances, enforcement may not be available to us because an infringer has a dominant intellectual property position or for other business reasons, or countries may require compulsory licensing of our intellectual property. We also rely on nondisclosure and noncompetition agreements with employees, consultants and other parties to protect, in part, trade secrets and other proprietary rights. There can be no assurance that these agreements will adequately protect our trade secrets and other proprietary rights and will not be breached, that we will have adequate remedies for any breach, that others will not independently develop substantially equivalent proprietary information or that third parties will not otherwise gain access to our trade secrets or other proprietary rights. Our failure to obtain or maintain intellectual property rights that convey competitive advantage, adequately protect our intellectual property or detect or prevent circumvention or unauthorized use of such property and the cost of enforcing our intellectual property rights could adversely impact our business, including our competitive position, and financial statements.

Third parties may claim that we are infringing or misappropriating their intellectual property rights and we could suffer significant litigation expenses, losses or licensing expenses or be prevented from selling products or services.

From time to time, we receive notices from third parties alleging intellectual property infringement or misappropriation. Any dispute or litigation regarding intellectual property could be costly and time-consuming due to the complexity of many of our technologies and the uncertainty of intellectual property litigation. Our intellectual property portfolio may not be useful in asserting a counterclaim, or negotiating a license, in response to a claim of infringement or misappropriation. In addition, as a result of such claims of infringement or misappropriation, we could lose our rights to critical technology, be unable to license critical technology or sell critical products and services, be required to pay substantial damages or license fees with respect to the infringed rights, be required to license technology or other intellectual property rights from others, be required to cease marketing, manufacturing or using certain products or be required to redesign, re-engineer or re-brand our products at substantial cost, any of which could adversely impact our competitive position and financial statements. Third-party intellectual property rights may also make it more difficult or expensive for us to meet market demand for particular product or design innovations. If we are required to seek licenses under patents or other intellectual property rights of others, we may not be able to acquire these licenses on acceptable terms, if at all. Even if we successfully defend against claims of infringement or misappropriation, we may incur significant costs and diversion of management attention and resources, which could adversely affect our business and financial statements.

If we suffer a loss to our facilities, supply chains, distribution systems or information technology systems due to catastrophe or other events, our operations could be seriously harmed.

Our facilities, supply chains, distribution systems and information technology systems are subject to catastrophic loss due to fire, flood, earthquake, hurricane, public health crisis, war, terrorism or other natural or man-made disasters. If any of these facilities, supply chains or systems were to experience a catastrophic loss, it could disrupt our operations, delay production and shipments, result in defective products or services, damage customer relationships and our reputation and result in legal exposure and large repair or replacement expenses. For example, in August 2022, one of our key electronic suppliers for multiple boards that are part of every fuel dispenser shipped in the United States, suffered a cyberattack that brought down all of their manufacturing capabilities for approximately three weeks, which impacted our Greensboro factory while we mitigated the issue. The third-party insurance coverage that we maintain will vary from time to time in both type and amount depending on cost, availability and our decisions regarding risk retention, and may be unavailable or insufficient to protect us against such losses.

Our ability to attract, develop and retain talented executives and other key employees is critical to our success.

Our future performance is dependent upon our ability to attract, motivate and retain executives and other key employees. The loss of services of executives and other key employees or the failure to attract, motivate and develop talented new executives or other key employees could prevent us from successfully implementing and executing business strategies, and therefore adversely affect our financial statements. Our success also depends on our ability to attract, develop and retain a talented employee base.

Work stoppages, union and works council campaigns and other labor disputes could adversely impact our productivity and results of operations.

Certain of our U.S. and non-U.S. employees are subject to collective labor arrangements. We are subject to potential work stoppages, union and works council campaigns and other labor disputes, any of which could adversely impact our financial statements and business, including our productivity and reputation.

Risks Related to Our International Operations

International economic, political, legal, compliance, supply chain, epidemic, pandemic and business factors could negatively affect our financial statements.

In 2023, 30% of our sales were derived from customers outside the U.S. In addition, many of our manufacturing operations, suppliers and employees are located outside the U.S. Since our growth strategy depends in part on our ability to further penetrate markets

outside the U.S. and increase the localization of our products and services, we expect to continue to increase our sales and presence outside the U.S., particularly in high-growth markets. Our international business (and particularly our business in high-growth markets) is subject to risks that are customarily encountered in non-U.S. operations, including:

- interruption in the transportation of materials to us and finished goods to our customers;
- differences in terms of sale, including payment terms;
- local product preferences and product requirements;
- changes in a country's or region's political or economic conditions, including changes in relationship with the U.S.;
- trade protection measures, embargoes and import or export restrictions and requirements;
- unexpected changes in laws or regulatory requirements, including changes in tax laws;
- capital controls and limitations on ownership and on repatriation of earnings and cash;
- epidemics or pandemics, such as the COVID-19 pandemic, that adversely impact travel, production or demand;
- the potential for nationalization of enterprises;
- limitations on legal rights and our ability to enforce such rights;
- difficulty in staffing and managing widespread operations;
- differing labor regulations;
- difficulties in implementing restructuring actions on a timely or comprehensive basis;
- differing protection of intellectual property; and
- greater uncertainty, risk, expense and delay in commercializing products in certain foreign jurisdictions, including with respect to product and other regulatory approvals.

Any of these risks could negatively affect our financial statements, business, growth rate, competitive position, results of operations and financial condition.

Foreign currency exchange rates may adversely affect our financial statements.

Sales and purchases in currencies other than the U.S. dollar expose us to fluctuations in foreign currencies relative to the U.S. dollar and may adversely affect our financial statements. Increased strength of the U.S. dollar increases the effective price of our products sold in U.S. dollars into other countries, which may require us to lower our prices or adversely affect sales to the extent we do not increase local currency prices. Decreased strength of the U.S. dollar could adversely affect the cost of materials, products and services we purchase overseas. Sales and expenses of our non-U.S. businesses are also translated into U.S. dollars for reporting purposes and the strengthening or weakening of the U.S. dollar could result in unfavorable or favorable translation effects. In addition, certain of our businesses may invoice customers in a currency other than the business' functional currency, and movements in the invoiced currency relative to the functional currency could also result in unfavorable translation effects. We also face exchange rate risk from our investments in subsidiaries owned and operated in foreign countries.

Risks Related to Legal, Regulatory and Compliance Matters

Changes in, or status of implementation of, industry standards and governmental regulations, including interpretation or enforcement thereof, may reduce demand for our products or services, increase our expenses or otherwise adversely impact our business model.

We compete in markets in which we and our customers must comply with supranational, federal, state, local and other jurisdictional regulations, such as regulations governing health and safety, fuel economy standards, the environment and electronic communications, employment and franchising regulations and market standardizations, such as the Europay, MasterCard and Visa ("EMV") global standards. We develop, configure and market our products, services and business model to meet customer needs created by these regulations and standards. These regulations and standards are complex, change frequently, have tended to become more stringent over time and may be inconsistent across jurisdictions. Any significant change or delay in implementation in any of these regulations or standards (or in the interpretation, application or enforcement thereof) could reduce or delay demand for our products and services, increase our costs of producing or delay the introduction of new or modified products and services, or could restrict our existing activities, products and services, or could otherwise adversely impact our business model. Furthermore, as our customer base as a

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whole progresses or completes the implementation of such regulations or standards the incremental demand generated by the initial adoption thereof will abate and our revenue will decline incrementally as demand drops, which may have an adverse impact on our financial results. In addition, in certain of our markets our growth depends in part upon the introduction of new regulations or implementation of industry standards on the timeline we expect. In these markets, the delay or failure of governmental and other entities to adopt or enforce new regulations or industry standards, or the adoption of new regulations or industry standards which our products and services are not positioned to address, could adversely affect demand. In addition, regulatory deadlines or industry standard implementation timelines may result in substantially different levels of demand for our products and services from period to period. For example, new regulations addressing emissions of greenhouse gasses due to impacts of climate change could result in product standard requirements and could adversely impact the cost, production, sales and financial performance of our operations.

Our businesses are subject to extensive regulation; failure to comply with those regulations could adversely affect our financial statements and our business, including our reputation.

In addition to the environmental, health, safety, anticorruption, data privacy and other regulations noted elsewhere in this Form 10-K, our businesses are subject to extensive regulation by U.S. and non-U.S. governmental and self-regulatory entities at the supranational, federal, state, local and other jurisdictional levels, including the following:

- We are required to comply with various import laws and export control and economic sanctions laws, which may affect our transactions with certain customers, business partners and other persons, and dealings between our employees and between our subsidiaries. In certain circumstances, export control and economic sanctions regulations may prohibit the export of certain products, services and technologies. In other circumstances, we may be required to obtain an export license before exporting the controlled item. Compliance with the various import laws that apply to our businesses can restrict our access to, and increase the cost of obtaining, certain products and at times can interrupt our supply of imported inventory;

- We also have agreements to sell products and services to government entities and are subject to various statutes and regulations that apply to companies doing business with government entities. The laws governing government contracts differ from the laws governing private contracts. For example, many government contracts contain pricing and other terms and conditions that are not applicable to private contracts. Our agreements with government entities may be subject to termination, reduction or modification at the convenience of the government or in the event of changes in government requirements, reductions in federal spending and other factors, and we may underestimate our costs of performing under the contract. In certain cases, a governmental entity may require us to pay back amounts it has paid to us. Government contracts that have been awarded to us following a bid process could become the subject of a bid protest by a losing bidder, which could result in loss of the contract. We are also subject to investigation and audit for compliance with the requirements governing government contracts;

- We are also required to comply with increasingly complex and changing data privacy regulations in multiple jurisdictions that regulate the collection, use, protection and transfer of personal data, including the transfer of personal data between or among countries. Many of these foreign data privacy regulations (including the General Data Protection Regulation) are more stringent than those in the U.S. We may also face audits or investigations by one or more domestic or foreign government agencies relating to our compliance with these regulations. An adverse outcome under any such investigation or audit could subject us to fines or other penalties. That or other circumstances related to our collection, use and transfer of personal data could cause a loss of reputation in the market and/or adversely affect our business and financial position;

- We are also required to comply with complex and evolving state, U.S. and foreign laws regarding the distribution of our products and services, including franchise laws and regulations. These rules are subject to change due to new or amended legislation or regulations, administrative or judicial interpretation or government enforcement policies. Any such change could adversely impact our current distribution and franchising business models and result in a decrease in sales or expose us to other significant costs affecting our business and financial position; and

- We are also required to comply with ever changing labor and employment laws and regulations in multiple jurisdictions. For example, the California legislature's passage of Assembly Bill 5, which codifies a new test for determining employee or independent contractor status in California, may impact the treatment of franchisees in our Repair Solutions segment in California. In addition, it is possible that other jurisdictions may enact similar laws. As a result of the enactment of Assembly Bill 5, the lack of clear guidance from regulatory authorities and the courts on the application of Assembly Bill 5, and the possibility that other jurisdictions may enact similar laws, there is significant uncertainty regarding what the worker classification regulatory landscape will look like in future years. If regulatory authorities or courts determine that our franchisees are not independent contractors, we may be required to withhold and pay certain taxes in respect of such franchisees, may be liable for unpaid past taxes, unpaid wages and potential penalties, and may be subject to wage and hour laws and requirements (such as those pertaining to minimum wage and overtime), claims for employee benefits, social security contributions, and workers' compensation and unemployment insurance, which could have an adverse effect on our business and financial position.

These are not the only regulations that our businesses must comply with. The regulations we are subject to have tended to become more stringent over time and may be inconsistent across jurisdictions. We, our representatives and the industries in which we operate may at times be under review and/or investigation by regulatory authorities. Compliance with these and other regulations may also affect our returns on investment, require us to incur significant expenses or modify our business model or impair our flexibility in modifying product, marketing, pricing or other strategies for growing our business. Our products and operations are also often subject to the rules of industrial standards bodies such as the International Standards Organization, and failure to comply with these rules could result in withdrawal of certifications needed to sell our products and services and otherwise adversely impact our business and financial statements. Failure to comply (or any alleged or perceived failure to comply) with the regulations referenced above or any other regulations could result in civil and criminal, monetary and non-monetary penalties, and any such failure or alleged failure (or becoming subject to a regulatory enforcement investigation) could also damage our reputation, disrupt our business, limit our ability to manufacture, import, export and sell products and services, result in loss of customers and disbarment from selling to certain federal agencies and cause us to incur significant legal and investigatory fees. For additional information regarding these risks, please refer to the section entitled "Business—Regulatory Matters."

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We are party to asbestos-related product litigation that could adversely affect our financial condition, results of operations and cash flows.

Some of our existing or legacy businesses have in the past been, and in the future may be, the subject of suits brought by plaintiffs asserting that they have contracted or may contract either mesothelioma or another asbestos-related condition in connection with exposure to or use of products previously made or sold by such businesses. Many asbestos-related conditions, such as mesothelioma, have long latency periods in which the disease process develops, making it difficult to accurately predict the types and numbers of such claims in the future. While insurance coverage exists for many of these asbestos litigations, others may have no such coverage. If our insurance coverage is not applicable or is not adequate, we may be responsible for all defense expenditures, as well as any settlements or verdict payouts. Any future asbestos-related litigation, brought against us or our subsidiaries, whether with or without merit, could result in substantial liabilities and costs to us as well as divert the attention of our management, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

A significant disruption in, or breach in security of, our information technology systems or data or violation of data privacy laws could adversely affect our business, reputation and financial statements.

We rely on information technology systems, some of which are managed by third parties and some of which are managed on a decentralized, independent basis by our operating companies, to process, transmit and store electronic information (including sensitive data such as confidential business information and personally identifiable data relating to employees, customers and other business partners), and to manage or support a variety of critical business processes and activities (such as receiving and fulfilling orders, billing, collecting and making payments, shipping products, providing services and support to customers and fulfilling contractual obligations). These systems, products and services (including those we acquire through business acquisitions) may be damaged, disrupted or shut down due to attacks by computer hackers, nation states, cyber-criminals, computer viruses, employee error or malfeasance, power outages, hardware failures, telecommunication or utility failures, catastrophes or other unforeseen events, and in any such circumstances our system redundancy and other disaster recovery planning may be ineffective or inadequate. In addition, security breaches of our systems (or the systems of our customers, suppliers or other business partners) could result in the misappropriation, destruction or unauthorized disclosure of confidential information or personal data belonging to us or to our employees, partners, customers or suppliers. Like many multinational corporations, our information technology systems have been subject to computer viruses, malicious codes, unauthorized access and other cyber-attacks and we expect to be subject to similar incidents in the future as such attacks become more sophisticated and frequent. We have programs in place that are intended to detect, contain, and respond to data security incidents and that provide at least annual employee awareness training regarding phishing, malware, and other cyber risks. However, because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and may be difficult to detect, we may be unable to anticipate these techniques or implement adequate preventive measures. If our security measures are breached or fail, unauthorized persons may be able to obtain access to or acquire personal or other confidential data. Depending on the nature of the information compromised, we may also have obligations to notify consumers and/or employees about the incident, and we may need to provide some form of remedy, such as a subscription to a credit monitoring service, for the individuals affected by the incident. While to date none of these incidents have been material to our operations, any of the attacks, breaches or other disruptions or damage described above could interrupt our operations, delay production and shipments, result in theft of our and our customers' intellectual property and trade secrets, damage customer and business partner relationships and our reputation or result in defective products or services, legal claims and proceedings, liability and penalties under privacy laws and increased costs for security and remediation, each of which could adversely affect our business and financial statements.

If we are unable to maintain reliable information technology systems and appropriate controls with respect to global data privacy and security requirements and prevent data breaches, we may suffer adverse regulatory consequences, business consequences and litigation. As a global organization, we are subject to data privacy and security laws, regulations, and customer-imposed controls in numerous jurisdictions as a result of having access to and processing confidential, personal and/or sensitive data in the course of our

business. Failure to comply with the requirements of EU General Data Protection Regulation that became effective in May 2018 ("GDPR") and the applicable national data protection laws of the EU member states may result in fines of up to €20 million or up to 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher, and other administrative penalties. Several other countries such as China and Russia have passed, and other countries are considering passing, laws that require personal data relating to their citizens to be maintained on local servers and impose additional data transfer restrictions. The California Consumer Privacy Act, which came into effect in January 2020, has some of the same features as the GDPR, and has prompted several other states to follow with similar laws. Government enforcement actions can be costly and interrupt the regular operation of our business, and data breaches or violations of data privacy laws can result in fines, reputational damage and civil lawsuits, any of which may adversely affect our business, reputation and financial statements. In addition, compliance with the varying data privacy regulations across the United States and around the world has required significant expenditures and may require additional expenditures, and may require further changes in our products or business models that increase competition or reduce revenue.

Our operations, products and services expose us to the risk of environmental, health and safety liabilities, costs and violations that could adversely affect our business, reputation and financial statements.

Our operations, products and services are subject to environmental laws and regulations, which impose limitations on the discharge of pollutants into the environment and establish standards for the use, generation, treatment, storage and disposal of hazardous and non-hazardous wastes and impose end-of-life disposal and takeback programs. We must also comply with various health and safety regulations in the United States and abroad in connection with our operations. In addition, some of our operations require the controlled use of hazardous or energetic materials in the development, manufacturing or servicing of our products. We cannot assure you that our environmental, health and safety compliance program (or the compliance programs of businesses we acquire) has been or will at all times be effective. Failure to comply with any of these laws could result in civil and criminal, monetary and non-monetary penalties and damage to our reputation. In addition, we cannot provide assurance that our costs of complying with current or future environmental protection and health and safety laws will not exceed our estimates or adversely affect our financial statements. Moreover, any accident that results in significant personal injury or property damage, whether occurring during development, manufacturing, servicing, use, or storage of our products, may result in significant production interruption, delays or claims for substantial damages caused by personal injuries or property damage, harm to our reputation, and reduction in morale among our employees, any of which may adversely and materially affect our results of operations.

In addition, we may incur costs related to remedial efforts for alleged environmental damage associated with past or current waste disposal practices or other hazardous materials handling practices. We are also from time to time party to personal injury, property damage or other claims brought by private parties alleging injury or damage due to the presence of or exposure to hazardous substances. We may also become subject to additional remedial, compliance or personal injury costs due to future events such as changes in existing laws or regulations, changes in agency direction or enforcement policies, developments in remediation technologies, changes in the conduct of our operations and changes in accounting rules. We cannot assure you that our liabilities arising from past or future releases of, or exposures to, hazardous substances will not exceed our estimates or adversely affect our reputation and financial statements or that we will not be subject to additional claims for personal injury or remediation in the future based on our past, present or future business activities.

We are subject to a variety of litigation and other legal and regulatory proceedings in the course of our business that could adversely affect our business and financial statements.

We are subject to a variety of litigation and other legal and regulatory proceedings incidental to our business (or the business operations of previously owned entities), including claims or counterclaims for damages arising out of the use of products or services and claims relating to intellectual property matters, employment matters, franchising and product distribution, tax matters, commercial disputes, breach of contract claims, competition and sales and trading practices, environmental matters, personal injury, insurance coverage and acquisition or divestiture-related matters, as well as regulatory investigations or enforcement. We may also become subject to lawsuits as a result of past or future acquisitions or as a result of liabilities retained from, or representations, warranties or indemnities provided in connection with, businesses divested by us or our predecessors. The types of claims made in these lawsuits may include claims for compensatory damages, punitive and consequential damages and/or injunctive relief. The defense of these lawsuits may divert our management's attention, we may incur significant expenses in defending these lawsuits, and we may be required to pay damage awards or settlements or become subject to equitable remedies that could adversely affect our operations and financial statements. Moreover, any insurance or indemnification rights that we may have may be insufficient or unavailable to protect us against such losses. In addition, developments in proceedings in any given period may require us to adjust the loss contingency estimates that we have recorded in our financial statements, record estimates for liabilities or assets that we were previously unable to estimate or pay cash settlements or judgments. Any of these developments could adversely affect our financial statements in any particular period. We cannot assure you that our liabilities in connection with litigation and other legal and regulatory proceedings will not exceed our estimates or adversely affect our financial statements and business.

If we are unable to implement and maintain effective internal control over financial reporting in the future, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock may be negatively affected.

As a public company, we are required to maintain internal controls over financial reporting and to report any material weaknesses in such internal controls.

The process of designing, implementing, and testing the internal control over financial reporting required to comply with this obligation is time consuming, costly, and complicated. If we identify material weaknesses in our internal control over financial reporting, if we are unable to comply with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 in a timely manner or to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected, and we could become subject to investigations by the stock exchange on which our securities are listed, the SEC, or other regulatory authorities, which could require additional financial and management resources.

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Risks Related to Our Accounting and Tax Matters

We may be required to recognize impairment charges for our goodwill and other intangible assets.

As of December 31, 2023, the net carrying value of our goodwill and other intangible assets totaled approximately $2.3 billion. In accordance with generally accepted accounting principles, we periodically assess these assets to determine if they are impaired. Significant negative industry or economic trends, disruptions to our business, inability to effectively integrate acquired businesses, unexpected significant changes or planned changes in use of our assets, changes in the structure of our business, divestitures, market capitalization declines, or increases in associated discount rates may impair our goodwill and other intangible assets in the future. Any charges relating to such impairments would adversely affect our results of operations in the periods recognized.

Changes in our effective tax rates or exposure to additional income tax liabilities or assessments could affect our profitability. In addition, audits by tax authorities could result in additional payments for prior periods.

We are subject to income and transaction taxes in the U.S. and in numerous non-U.S. jurisdictions. Due to the potential for changes to tax laws and regulations or changes to the interpretation thereof, the ambiguity of tax laws and regulations, the subjectivity of factual interpretations, the complexity of our intercompany arrangements, uncertainties regarding the geographic mix of earnings in any particular period, and other factors, our estimates of our effective tax rate and income tax assets and liabilities may be incorrect and our financial statements could be adversely affected; please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" for a discussion of additional factors that may adversely affect our effective tax rate and decrease our profitability in any period.

In addition, the amount of income taxes we pay is and may be subject to ongoing audits by U.S. federal, state and local tax authorities and by non-U.S. tax authorities. If these audits result in payments or assessments different from our reserves, our future results may include unfavorable adjustments to our tax liabilities and our financial statements could be adversely affected. If we decide to repatriate earnings from foreign jurisdictions that have been considered permanently reinvested under foreign tax law standards, it could also increase our effective tax rate.

The Organization for Economic Cooperation and Development (OECD) is issuing guidelines that are different, in some respects, than long-standing international tax principles. As countries unilaterally amend their tax laws to adopt certain parts of the OECD guidelines, this may increase tax uncertainty and may adversely impact our effective tax rates.

Risks Related to Our Common Stock

Certain provisions in our amended and restated certificate of incorporation and bylaws, and of Delaware law, may prevent or delay an acquisition of us, which could decrease the trading price of our common stock.

Our amended and restated certificate of incorporation and amended and restated bylaws contain, and Delaware law contains, provisions that are intended to deter coercive takeover practices and inadequate takeover bids and to encourage prospective acquirers to negotiate with the Board rather than to attempt an unsolicited takeover not approved by the Board. These provisions include, among others:

- the inability of our stockholders to call a special meeting;
- the inability of our stockholders to act by written consent;
- rules regarding how stockholders may present proposals or nominate directors for election at stockholder meetings;

- the right of the Board to issue preferred stock without stockholder approval;
- until our 2025 Annual Meeting of Stockholders, the division of the Board into three classes of directors, with each class serving a staggered three-year term, and this classified board provision could have the effect of making the replacement of incumbent directors more time consuming and difficult;
- provision that stockholders may only remove directors with cause;
- the ability of our directors, and not stockholders, to fill vacancies (including those resulting from an enlargement of the Board) on the Board.

In addition, because we have not chosen to be exempt from Section 203 of the Delaware General Corporation Law (the "DGCL"), this provision could also delay or prevent a change of control that you may favor. Section 203 provides that, subject to limited exceptions, persons that acquire, or are affiliated with a person that acquires, more than 15% of the outstanding voting stock of a Delaware corporation (an "interested stockholder") shall not engage in any business combination with that corporation, including by merger, consolidation or acquisitions of additional shares, for a three-year period following the date on which the person became an interested stockholder, unless (i) prior to such time, the Board of Directors of such corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder; (ii) upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of such corporation at the time the transaction commenced (excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) the voting stock owned by directors who are also officers or held in employee benefit plans in which the employees do not have a confidential right to tender or vote stock held by the plan); or (iii) on or subsequent to such time the business combination is approved by the Board of Directors of such corporation and authorized at a meeting of stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock of such corporation not owned by the interested stockholder.

We believe these provisions will protect our stockholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with the Board and by providing the Board with more time to assess any acquisition proposal. These provisions are not intended to make us immune from takeovers. However, these provisions will apply even if the offer may be considered beneficial by some stockholders and could delay or prevent an acquisition that the Board determines is not in the best interests of us and our stockholders. These provisions may also prevent or discourage attempts to remove and replace incumbent directors.

Our amended and restated certificate of incorporation designates the state courts in the State of Delaware or, if no state court located within the State of Delaware has jurisdiction, the federal court for the District of Delaware, as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders. Our amended and restated certificate of incorporation further designates the federal district courts of the United States of America as the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. These forum selection provisions could discourage lawsuits against us and our directors, officers, employees and stockholders.

Our amended and restated certificate of incorporation provides that, unless we consent otherwise, the state courts in the State of Delaware or, if no state court located within the State of Delaware has jurisdiction, the federal court for the District of Delaware, will be the sole and exclusive forum for any derivative action or proceeding brought on behalf of us, any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or stockholders to us or our stockholders, any action asserting a claim arising pursuant to any provision of the DGCL or our amended and restated certificate of incorporation or bylaws, or any action asserting a claim governed by the internal affairs doctrine. This provision would not apply to claims brought to enforce a duty or liability created by the Securities Exchange Act of 1934, as amended, or any other claim for which the federal courts have exclusive jurisdiction. We recognize that this forum selection clause may impose additional litigation costs on stockholders in pursuing any such claims, particularly if the stockholders do not reside in or near the State of Delaware. Our amended and restated certificate of incorporation further provides that, unless we consent otherwise, the federal district courts of the United States of America shall, to the fullest extent permitted by law, be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. These forum selection provisions may limit the ability of our stockholders to bring a claim in a judicial forum that such stockholders find favorable for disputes with us or our directors or officers, which may discourage such lawsuits against us and our directors, officers, employees and stockholders.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

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ITEM 1C. CYBERSECURITY

We assess, identify and manage the material risks from cybersecurity threats relevant to our businesses through robust programs, including enterprise risk management ("ERM"), our risk assessment process ("RAP") and our cybersecurity program. To date, risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, have not materially affected or are reasonably likely to materially affect our business strategy, results of operations or financial condition.

There is strong engagement in risk management from company leadership, including the CEO, executives and senior leaders. This ERM program is driven by Vontier's Executive Risk Committee, which is led by the SVP, Chief Administrative Officer and comprised of business and functional leaders. Our Audit Committee oversees the ERM program and the Board of Directors have regular updates on topics that are identified through the RAP and overall risk management process.

Through the RAP, which is a tool in our ERM program, we identify and assess cybersecurity risks at a business unit level, evaluating the likelihood and potential impact of a risk universe encompassing finance, human capital, operations, information technology, legal and regulatory compliance, and strategy. Risks are individually analyzed from both inherent and residual perspectives, considering existing controls and mitigation processes in place. The businesses leverage the results from the assessment process to identify and implement efforts to further mitigate risks. Progress on mitigation projects is monitored and regularly reported to leadership as part of the RAP.

In addition to our ERM and RAP, we have a cybersecurity program led by our Chief Information Officer ("CIO"), who reports to our Chief Financial Officer. Our current CIO has over 20 years of experience with large global companies where he worked extensively in providing strategic IT leadership and management in the areas of digital transformation, cybersecurity, risk management and ERP implementation. Our CIO oversees our Information Security department, chairs the Vontier Information Security Executive Committee ("VISEC"), which includes cross-functional leaders from finance, internal audit, information security, information technology, and legal and corporate affairs, and works with the businesses to conduct enterprise product security assessments, perform penetration testing and advance our cybersecurity policies and procedures. We have developed information security policies and standards based on the NIST Cybersecurity Framework, an internationally recognized framework; and we engage with third parties on our incident response processes, cybersecurity maturity assessment, as well as on our cyber security awareness, data security governance and vendor cyber risk management. Additionally, we review our cybersecurity maturity assessment on an ongoing basis to measure the Company's ability to detect, protect, respond and recover from a cyber incident.

The VISEC addresses relevant cybersecurity issues and provides guidance and updates on information security programs and projects. Additionally, the VISEC oversees the coordination of information security mitigation efforts arising from internal assessment, including from the RAP, as applicable. The Board has delegated to the Audit Committee the responsibility of exercising oversight with respect to the Company's cybersecurity risk management and risk controls. Our CIO provides multiple updates each year to the Audit Committee regarding cyber risk management governance and the status of projects that strengthen cybersecurity effectiveness. The full Board regularly receives briefs from the Audit Committee and management regarding the Company's cybersecurity program, including the Company's monitoring, auditing, implementation and communication processes, controls, and procedures.

In the event of a cyber incident, our CIO leads the execution of our cyber response plan, which includes a cross-functional group and triggers for escalation. We also have established a business continuity program to assess the cyber risks associated with our critical facilities' ability to recover and resume operational functionality. We continue to engage and educate employees internally on relevant cybersecurity threats.

ITEM 2. PROPERTIES

Our corporate headquarters are located in Raleigh, North Carolina in a facility that we lease. As of December 31, 2023, our facilities included approximately 30 significant facilities, which are used for manufacturing, distribution, warehousing, research and development, general administrative and/or sales functions. Approximately 15 of these facilities are located in the United States and approximately 15 are located outside the United States. We own an approximately 0.7 million square foot mixed use facility in Greensboro, North Carolina that provides manufacturing and office space utilized by businesses within our Mobility Technologies and Environmental & Fueling Solutions segments.

We consider our facilities suitable and adequate for the purposes for which they are used and do not anticipate difficulty in renewing existing leases as they expire or in finding alternative facilities. We believe our properties and equipment have been well-maintained. Please refer to Note 10. Leases to the Consolidated Financial Statements for additional information with respect to our lease commitments.

ITEM 3. LEGAL PROCEEDINGS

We are, from time to time, subject to a variety of litigation and other legal and regulatory proceedings and claims incidental to our business. Based upon our experience, current information and applicable law, we do not believe that these proceedings and claims will have a material effect on our financial position, results of operations or cash flows. Please refer to Note 18. Litigation and Contingencies to the Consolidated Financial Statements for more information.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

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EXECUTIVE OFFICERS OF THE REGISTRANT

Set forth below are the names, ages, positions and experience of our executive officers as of February 15, 2024. All of our executive officers hold office at the pleasure of our Board.

Name	Age	Position	Officer Since
Mark D. Morelli	60	President and Chief Executive Officer	2020
Anshooman Aga	48	Senior Vice President, Chief Financial Officer	2022
Kathryn K. Rowen	45	Senior Vice President, Chief Administrative Officer	2020

Mark D. Morelli has served as our President and Chief Executive Officer since January 2020. Mr. Morelli previously served as President and Chief Executive Officer of Columbus McKinnon Corporation from February 2017 to January 2020 and prior to that served as President and Chief Operating Officer of Brooks Automation, Inc. from January 2012 to March 2016. Prior to serving at Brooks Automation, Inc., Mr. Morelli was the Chief Executive Officer of Energy Conversion Devices, an alternative energy company. Prior to that, Mr. Morelli served in various positions with United Technologies Corporation from June 1993 to September 2007, where he progressed through product management, marketing, strategy and increasing responsibilities of general management. Mr. Morelli began his career as a U.S. Army officer and helicopter pilot, serving as a company commander of a helicopter unit.

Anshooman Aga has served as our Senior Vice President, Chief Financial Officer since August 2022. Mr. Aga previously served as Senior Vice President and Chief Financial Officer of Harsco Corporation from August 2021 through August 2022. Prior to serving at Harsco Corporation, Mr. Aga was the Executive Vice President and Chief Financial Officer of Cubic Corporation. He joined Cubic Corporation in July 2017 as Executive Vice President and assumed the role of CFO in October 2017. Prior to joining Cubic Corporation, Mr. Aga served at AECOM, from June 2015 to July 2017, where he was Senior Vice President and Chief Financial Officer of their multi-billion-dollar Design and Consulting Services business in the Americas. He also held a series of financial leadership positions at Siemens, from July 2006 to May 2015, including Chief Financial Officer of the Energy Automation business based in Nuremburg, Germany, in addition to similar financial roles for Siemen's Rail Electrification and TurboCare business units.

Kathryn K. Rowen has served as our Senior Vice President, Chief Administrative Officer since January 2024. She served as our Senior Vice President, Chief Legal and Sustainability Officer from June 2023 through January 2024, as our Senior Vice President, Chief Legal and Administrative Officer from January 2022 through June 2023 and as our Senior Vice President and General Counsel from September 2020 through January 2022. Prior to that, Ms. Rowen served as Vice President, Corporate Social Responsibility, Employment and Litigation of Fortive Corporation from January 2020 to August 2020, as Vice President, Labor & Employment and Litigation from January 2018 to January 2020, and as Vice President, Labor and Employment from January 2017 to January 2018 of Fortive Corporation. Prior to joining Fortive Corporation, Ms. Rowen served at Raytheon Company in legal roles of increasing responsibility from October 2011 to January 2017.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock trades on the New York Stock Exchange under the symbol VNT. As of February 12, 2024, there were 840 holders of record of our common stock.

Issuer Purchases of Equity Securities

On May 24, 2022, the Company's Board of Directors approved a replenishment of the Company's previously approved share repurchase program announced in May 2021, bringing the total amount authorized for future share repurchases to $500.0 million. Under the share repurchase program, the Company may purchase shares of common stock from time to time in open market transactions, privately negotiated transactions, accelerated share repurchase programs, or by combinations of such methods, any of which may use pre-arranged trading plans that are designed to meet the requirements of Rule 10b5-1(c) of the Securities Exchange Act of 1934. The timing of any repurchases and the actual number of shares repurchased will depend on a variety of factors, including the Company's stock price, corporate and regulatory requirements, restrictions under the Company's debt obligations and other market and economic conditions. The share repurchase program may be suspended or discontinued at any time and has no expiration date.

The following table sets forth our share repurchase activity for the three months ended December 31, 2023:

Period	Total Number of Shares Purchased (in millions)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (in millions)	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs ($ in millions)
September 30, 2023 to October 27, 2023	0.2	$ 29.78	0.2	$ 362.3
October 28, 2023 to November 24, 2023	—	—	—	362.3
November 25, 2023 to December 31, 2023	0.2	34.71	0.2	354.3
Total	0.4		0.4	

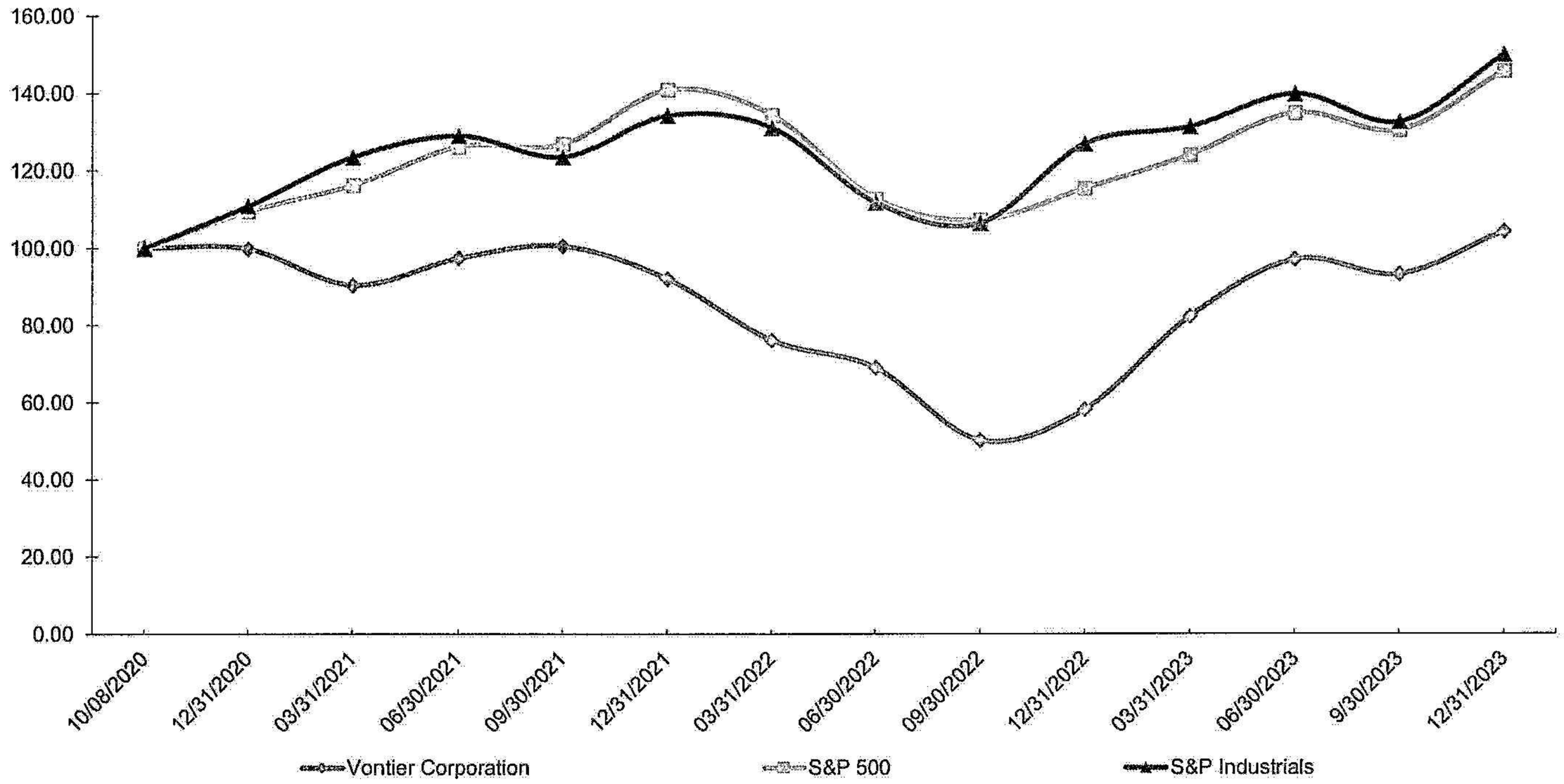
Recent Issuances of Unregistered Securities

None.

Company Stock Performance

The following graph shows a comparison from October 8, 2020 (the date trading commenced on our common stock on the New York Stock Exchange) through December 31, 2023 of the cumulative return of our common stock, the S&P 500 Index and the S&P Industrials Index. The graph tracks the performance of a $100 investment in our common stock and in each of the indices (with the reinvestment of dividends).

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ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is designed to provide a reader of our financial statements with a narrative from the perspective of management and is intended to help the reader understand the results and operations and financial condition of the Company. Our MD&A should be read in conjunction with our Consolidated Financial Statements and the accompanying Notes to the Consolidated Financial Statements included elsewhere in this Annual Report.

Discussion and analysis of our financial condition and results of operations as of and for the year ended December 31, 2022 compared to December 31, 2021 is included under the heading "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K filed for the fiscal year ended December 31, 2022 with the Securities and Exchange Commission on February 17, 2023, as supplemented by the discussion herein of our new segments' sales and segment operating profit.

OVERVIEW

General

Vontier is a global industrial technology company uniting productivity, automation and multi-energy technologies to meet the needs of a rapidly evolving, more connected mobility ecosystem. Leveraging leading market positions, decades of domain expertise and unparalleled portfolio breadth, Vontier enables the way the world moves, delivering smart, safe and sustainable solutions to our customers and the planet. Vontier has a culture of continuous improvement and innovation built upon the foundation of the Vontier Business System and embraced by colleagues worldwide. Refer to "Item 1. Business – General" included in this Annual Report for a discussion of our strategies for delivering long-term shareholder value.

Segments

In the first quarter of 2023, we realigned our internal organization to align with our strategy, resulting in changes to our operating segments. Historically, we operated through one reportable segment comprised of two operating segments: (i) Mobility Technologies and (ii) Diagnostics and Repair Technologies. Subsequent to the realignment, we now operate through three reportable segments which align to our three operating segments: (i) Mobility Technologies, which provides digitally enabled equipment and solutions to support efficient operations across the mobility ecosystem, including point-of-sale and payment systems, workflow automation solutions, telematics, data analytics, software platform for electric vehicle charging networks, and integrated solutions for alternative fuel dispensing; (ii) Repair Solutions, which manufactures and distributes aftermarket vehicle repair tools, toolboxes, automotive diagnostic equipment and software through a network of mobile franchisees; and (iii) Environmental & Fueling Solutions, which provides environmental and fueling hardware and software, and aftermarket solutions for global fueling infrastructure.

The Company's Global Traffic Technologies and Coats businesses, which were divested during April 2023 and January 2024, respectively, are presented in Other for periods prior to the divestitures. Refer to Note 21. Divestitures and Assets and Liabilities Held for Sale to the Consolidated Financial Statements for further discussion of the Company's Global Traffic Technologies and Coats businesses.

Prior period segment results have been presented in conformity with the Company's new reportable segments.

Outlook

We expect core sales to increase on a year-over-year basis in 2024 due to increasing demand across our portfolio. Our outlook is subject to various assumptions and risks, including but not limited to the resilience and durability of the economies of the United States and other critical regions, ongoing challenges with global logistics and supply chain including the availability of electronic components, the impact of international conflicts, including Russia-Ukraine and Israel-Hamas, market conditions in key end product segments, and the impact of energy disruption in Europe. Additional uncertainties are identified in "Information Relating to Forward-Looking Statements" in this Form 10-K.

We continue to monitor the macroeconomic and geopolitical conditions which may impact our business, including monetary and fiscal policies, changes in the banking system, international trade and relations between the U.S., China and other nations, and investment and taxation policy initiatives being considered in the United States and by the Organization for Economic Co-operation and Development (the "OECD"). We also continue to monitor the Russia-Ukraine and Israel-Hamas conflicts and the impact on our business and operations. As of the filing date of this report, we do not believe they are material.

RESULTS OF OPERATIONS

Comparison of Results of Operations

($ in millions)	Year Ended December 31, 2023	% of Sales	2022	% of Sales	2021	% of Sales
Sales	$ 3,095.2		$ 3,184.4		$ 2,990.7	
Operating costs and expenses:						
Cost of sales[a]	(1,664.0)	53.8 %	(1,756.1)	55.1 %	(1,657.6)	55.4 %
Selling, general and administrative expenses ("SG&A")	(643.1)	20.8 %	(627.8)	19.7 %	(579.2)	19.4 %
Research and development expenses ("R&D")	(163.5)	5.3 %	(144.6)	4.5 %	(129.3)	4.3 %
Amortization of acquisition-related intangible assets	(81.2)	2.6 %	(78.0)	2.4 %	(42.4)	1.4 %
Operating profit	$ 543.4	17.6 %	$ 577.9	18.1 %	$ 582.2	19.5 %

[a] Excluding amortization of acquisition-related intangible assets.

Sales

The components of our consolidated sales growth were as follows for the periods indicated:

	2023 vs 2022	2022 vs 2021
Total sales growth (GAAP)	**(2.8)%**	**6.5 %**
Core sales (Non-GAAP)	(2.1)%	2.6 %
Acquisitions & divestitures (Non-GAAP)	(0.1)%	6.5 %
Currency exchange rates (Non-GAAP)	(0.6)%	(2.6)%

Sales for each of our segments were as follows for the periods indicated:

($ in millions)	Year Ended December 31, 2023	2022	2021
Mobility Technologies	$ 1,003.8	$ 907.8	$ 739.3
Repair Solutions	651.5	611.5	594.4
Environmental & Fueling Solutions	1,323.7	1,493.6	1,481.7
Other	118.8	171.5	175.3
Intersegment eliminations	(2.6)	—	—
Total	$ 3,095.2	$ 3,184.4	$ 2,990.7

Mobility Technologies

The components of sales growth for our Mobility Technologies segment were as follows for the periods indicated:

	2023 vs 2022	2022 vs 2021
Total sales growth (GAAP)	**10.6 %**	**22.8 %**
Core sales (Non-GAAP)	6.1 %	0.7 %
Acquisitions (Non-GAAP)	5.6 %	26.1 %
Currency exchange rates (Non-GAAP)	(1.1)%	(4.0)%

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Total sales within our Mobility Technologies segment increased 10.6% during the year ended December 31, 2023, as compared to the prior year, driven by a 6.1% increase in core sales and a 5.6% increase from our recent acquisitions, partially offset by a 1.1% decrease due to the impact of currency translation. The increase in core sales was primarily due to solid demand in our car wash technologies and alternative energy solutions, which were partially offset by the lower rate of demand related to the end of the U.S. upgrade cycle for enhanced credit card security requirements for outdoor payment systems based on the EMV global standards.

Total sales within our Mobility Technologies segment increased 22.8% during the year ended December 31, 2022, as compared to the prior year, driven by a 0.7% increase in core sales and a 26.1% increase from our recent acquisitions, partially offset by a 4.0% decrease due to the impact of currency translation. The increase in core sales was primarily due to growth from price increases, as well as strong demand in the alternative energy business, which were partially offset by the lower rate of demand related to the end of the U.S. upgrade cycle for enhanced credit card security requirements for outdoor payment systems based on the EMV global standards as well as the end of the Mexico fiscal regulation upgrades.

Repair Solutions

The components of sales growth for our Repair Solutions segment were as follows for the periods indicated:

	2023 vs 2022	2022 vs 2021
Total sales growth (GAAP)	**6.5 %**	**2.9 %**
Core sales (Non-GAAP)	6.7 %	3.0 %
Acquisitions and divestitures (Non-GAAP)	— %	— %
Currency exchange rates (Non-GAAP)	(0.2)%	(0.1)%

Total sales and core sales within our Repair Solutions segment increased 6.5% and 6.7%, respectively, during the year ended December 31, 2023, as compared to the prior year, primarily due to strong demand in the tool storage, hardline and powered tools product categories.

Total sales and core sales within our Repair Solutions segment increased 2.9% and 3.0%, respectively, during the year ended December 31, 2022, as compared to the prior year, primarily due to growth from price increases and continued strong demand across most product categories, most notably hardline and powered tools.

Environmental & Fueling Solutions

The components of sales growth for our Environmental & Fueling Solutions segment were as follows for the periods indicated:

	2023 vs 2022	2022 vs 2021
Total sales growth (GAAP)	**(11.4)%**	**0.8 %**
Core sales (Non-GAAP)	(10.6)%	4.0 %
Acquisitions and divestitures (Non-GAAP)	(0.2)%	— %
Currency exchange rates (Non-GAAP)	(0.6)%	(3.2)%

Total sales within our Environmental & Fueling Solutions segment decreased 11.4% during the year ended December 31, 2023, as compared to the prior year, driven primarily by a 10.6% decrease in core sales and a 0.6% decrease due to the impact of currency translation. The decrease in core sales was primarily due to the end of the U.S. upgrade cycle for enhanced credit card security requirements for outdoor payments systems based on the EMV global standards, partially offset by strong demand for U.S. fuel dispenser systems and aftermarket parts.

Total sales within our Environmental & Fueling Solutions segment increased 0.8% during the year ended December 31, 2022, as compared to the prior year, driven primarily by a 4.0% increase in core sales and a 3.2% decrease due to the impact of currency translation. The increase in core sales was primarily due to growth from price increases, as well as strong demand across the environmental and aftermarket businesses, which were partially offset by the lower rate of demand related to the end of the U.S. upgrade cycle for enhanced credit card security requirements for outdoor payment systems based on the EMV global standards as well as the end of the Mexico fiscal regulation upgrades.

Cost of Sales

Cost of sales, excluding amortization of acquisition-related intangible assets, decreased $92.1 million, or 5.2%, during the year ended December 31, 2023, as compared to the prior year and as a percentage of sales, decreased 130 basis points during the same period, primarily due to the decrease in sales in our Environmental & Fueling Solutions segment, as discussed above, and cost optimization, partially offset by the impact of recent acquisitions as well as increased costs from inflationary pressures.

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Operating Costs and Other Expenses

SG&A expenses increased $15.3 million, or 2.4%, during the year ended December 31, 2023, as compared to the prior year and as a percentage of sales, increased 110 basis points during the same period, primarily due to an increase in costs associated with restructuring activities, variable and stock-based compensation expense and SG&A expenses from our recent acquisitions, and the impact of reserve-related adjustments to the Repair Solutions receivables portfolio, partially offset by a decrease in transaction and deal-related costs.

R&D expenses increased $18.9 million, or 13.1%, during the year ended December 31, 2023, as compared to the prior year and as a percentage of sales, increased 80 basis points during the same period, primarily due to the impact of our recent acquisitions and continued growth investments in our Mobility Technologies segment.

Amortization of acquisition-related intangible assets increased $3.2 million, or 4.1%, during the year ended December 31, 2023, as compared to the prior year and as a percentage of sales, increased 20 basis points during the same period, primarily due to the amortization of intangible assets acquired in our recent acquisitions.

Operating Profit

Operating profit decreased $34.5 million, or 6.0%, during the year ended December 31, 2023, as compared to the prior year, and operating profit margins decreased 50 basis points during the same period.

Operating profit decreased $4.3 million, or 0.7%, during the year ended December 31, 2022, as compared to the prior year, and operating profit margins decreased 140 basis points during the same period.

Segment operating profit is used as a performance metric by the chief operating decision maker ("CODM") in determining how to allocate resources and assess performance. Segment operating profit represents total segment sales less operating costs attributable to the segment, which does not include unallocated corporate costs and other operating costs not allocated to the reportable segments as part of the CODM's assessment of reportable segment operating performance, including stock-based compensation expense, amortization of acquisition-related intangible assets, restructuring costs, transaction- and deal-related costs, and other costs not indicative of the segment's core operating performance. As part of the CODM's assessment of the Repair Solutions segment, a capital charge based on the segment's financing receivables portfolio is assessed by Corporate. Refer to Note 16. Segment Information to the Consolidated Financial Statements for additional information.

Segment operating profit, operating profit and related margins were as follows for the periods indicated:

	Year Ended December 31,					
($ in millions)	2023	Margin	2022	Margin	2021	Margin
Mobility Technologies	$ 199.9	19.9 %	$ 187.5	20.7 %	$ 155.6	21.0 %
Repair Solutions	170.0	26.1	169.7	27.8	168.4	28.3
Environmental & Fueling Solutions	369.5	27.9	406.5	27.2	410.3	27.7
Other	11.3	9.5	19.2	11.2	23.3	13.3
Segment operating profit	750.7	24.3	782.9	24.6	757.6	25.3
Corporate & other unallocated costs[(a)]	(207.3)	(6.7)	(205.0)	(6.5)	(175.4)	(5.8)
Total operating profit	$ 543.4	17.6 %	$ 577.9	18.1 %	$ 582.2	19.5 %

[(a)] Margin for corporate & other unallocated costs is presented as a percentage of total sales. Corporate & other unallocated costs includes amortization of acquisition-related intangible assets.

Mobility Technologies

Segment operating profit for our Mobility Technologies segment increased $12.4 million, or 6.6%, during the year ended December 31, 2023, as compared to the prior year, and segment operating profit margin decreased 80 basis points during the same period. The decrease in segment operating profit margin was primarily due to a change in the mix of products sold, due to recent acquisitions, and continued growth investment.

Segment operating profit for our Mobility Technologies segment increased $31.9 million, or 20.5%, during the year ended December 31, 2022, as compared to the prior year, and segment operating profit margin decreased 30 basis points during the same period. The decrease in segment operating profit margin was primarily due to the net impact of changes in the mix of products sold, due to recent acquisitions, and continued growth investment.

Repair Solutions

Segment operating profit for our Repair Solutions segment increased $0.3 million, or 0.2%, during the year ended December 31, 2023, as compared to the prior year, and segment operating profit margin decreased 170 basis points during the same period. The decrease in segment operating profit margin was primarily due to the impact of reserve-related adjustments to the receivables portfolio.

Segment operating profit for our Repair Solutions segment increased $1.3 million, or 0.8%, during the year ended December 31, 2022, as compared to the prior year, and segment operating profit margin decreased 50 basis points during the same period. The decrease in segment operating profit margin was primarily due to increased costs due to inflationary pressures.

Environmental & Fueling Solutions

Segment operating profit for our Environmental & Fueling Solutions segment decreased $37.0 million, or 9.1%, during the year ended December 31, 2023, as compared to the prior year, and segment operating profit margin increased 70 basis points during the same period. The increase in segment operating profit margin was primarily due to cost savings from restructuring activities and continued price-cost benefits.

Segment operating profit for our Environmental & Fueling Solutions segment decreased $3.8 million, or 0.9%, during the year ended December 31, 2022, as compared to the prior year, and segment operating profit margin decreased 50 basis points during the same period. The decrease in segment operating profit margin was primarily due to a change in the mix of products sold due to the end of the U.S. upgrade cycle for enhanced credit card security requirements for outdoor payment systems based on the EMV global standards.

Corporate & Other Unallocated Costs

Corporate & other unallocated costs increased $2.3 million, or 1.1%, during the year ended December 31, 2023, as compared to the prior year, primarily due to an increase in costs associated with restructuring activities, intangible asset amortization and variable and stock-based compensation expense, partially offset by a decrease in transaction and deal-related costs. Corporate & other unallocated costs as a percentage of total sales increased 20 basis points during the year ended December 31, 2023, as compared to the prior year.

Corporate & other unallocated costs increased $29.6 million, or 16.9%, during the year ended December 31, 2022, as compared to the prior year, primarily due to an increase in intangible asset amortization from our recent acquisitions. Corporate & other unallocated costs as a percentage of total sales increased 70 basis points during the year ended December 31, 2022, as compared to the prior year.

NON-GAAP FINANCIAL MEASURES

Core Sales

We define core sales as total sales excluding (i) sales from acquired and certain divested businesses; (ii) the impact of currency translation; and (iii) certain other items.

- References to sales attributable to acquisitions or acquired businesses refer to GAAP sales from acquired businesses recorded prior to the first anniversary of the acquisition less the amount of sales attributable to certain divested or exited businesses or product lines not considered discontinued operations.
- The portion of sales attributable to the impact of currency translation is calculated as the difference between (a) the period-to-period change in sales (excluding sales from acquired businesses) and (b) the period-to-period change in sales, including foreign operations (excluding sales from acquired businesses), after applying the current period foreign exchange rates to the prior year period.
- The portion of sales attributable to other items is calculated as the impact of those items which are not directly correlated to core sales which do not have an impact on the current or comparable period.

Core sales should be considered in addition to, and not as a replacement for or superior to, total sales, and may not be comparable to similarly titled measures reported by other companies.

Management believes that reporting the non-GAAP financial measure of core sales provides useful information to investors by helping identify underlying growth trends in our business and facilitating easier comparisons of our sales performance with our performance in prior and future periods and to our peers. We exclude the effect of acquisitions and certain divestiture-related items because the nature, size and number of such transactions can vary dramatically from period to period and between us and our peers. We exclude the effect of currency translation and certain other items from core sales because these items are either not under management's control or relate to items not directly correlated to core sales. Management believes the exclusion of these items from core sales may facilitate assessment of underlying business trends and may assist in comparisons of long-term performance.

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INTEREST COSTS

Interest expense, net was $93.7 million during the year ended December 31, 2023 as compared to $69.6 million during the prior year, an increase of $24.1 million, driven primarily by the impact of increases in interest rates on our variable-rate debt obligations, partially offset by a decrease in our outstanding debt obligations between periods.

For a discussion of our outstanding indebtedness, refer to Note 11. Financing to the Consolidated Financial Statements.

INCOME TAXES

General

Income tax expense and deferred tax assets and liabilities reflect management's assessment of current and future taxes expected to be paid on items reflected in our financial statements. Our effective tax rate can be affected by, among other items, changes in the mix of earnings in countries with differing statutory tax rates (including as a result of business acquisitions and dispositions), changes in the valuation of deferred tax assets and liabilities, the implementation of tax planning strategies, tax rulings, court decisions, settlements with tax authorities and changes in tax laws.

We are routinely examined by various domestic and international taxing authorities. The amount of income taxes we pay is subject to audit by federal, state and foreign tax authorities, which may result in proposed assessments. The Company is subject to examination in the United States, various states and foreign jurisdictions. We review our global tax positions on a quarterly basis. Based on these reviews, the results of discussions and resolutions of matters with certain tax authorities, tax rulings and court decisions and the expiration of statutes of limitations reserves for contingent tax liabilities are accrued or adjusted as necessary. The IRS started an examination of the Company's initial U.S. federal income tax return for the post-Separation period in 2020. At this point, no material issues or adjustments have been identified. The Company remains subject to U.S. Federal income tax audit for 2021 and 2022. The Company is subject to tax audits for its state income tax returns for post-Separation 2020 as well as 2021 and 2022. The Company remains subject to tax audits for its separate company tax returns in various U.S. states for the tax years 2011 to 2022. Our operations in certain foreign jurisdictions remain subject to routine examinations for the tax years 2014 to 2022.

The OECD agreed among over 130 countries on the Pillar Two proposals which establish a global minimum effective tax rate of 15% for multinational groups with annual global revenue exceeding €750 million. Many countries continue to announce changes in their tax laws and regulations based on the Pillar Two proposals, including the European Union ("EU") Member States which unanimously adopted the EU Pillar Two Directive, providing for a minimum effective tax rate of 15%. EU Member States are required to enact the EU Pillar Two Directive into their national laws by December 31, 2023, with effective dates of January 1, 2024 and January 1, 2025, respectively, for different aspects of the EU Pillar Two Directive. We do not expect the EU Pillar Two Directive to have a significant impact on our financial statements.

On August 16, 2022, the Inflation Reduction Act (the "IRA") was signed into law, effective January 1, 2023. The IRA implements, among other provisions, a new 15% corporate alternative minimum tax on corporations with over $1 billion of financial statement income and a new 1% excise tax on the aggregate fair market value of stock repurchased by public corporations. We are not subject to the 15% corporate alternative minimum tax but are subject to the 1% excise tax on stock repurchases, however, it did not have a significant impact on our financial results for the year ended December 31, 2023.

For a description of our income tax accounting policies, refer to Note 2. Basis of Presentation and Summary of Significant Accounting Policies and Note 15. Income Taxes to the Consolidated Financial Statements.

Comparison of the Years Ended December 31, 2023 and 2022

Our effective tax rate for the years ended December 31, 2023 and 2022 was 22.0% and 23.9%, respectively. The decrease in our effective tax rate during the year ended December 31, 2023, as compared to the prior year, was primarily due to favorable impacts related to tax credits, non-taxable income, and business reorganizations and divestitures which were offset by an increase to uncertain tax positions.

Our effective tax rate for the year ended December 31, 2023 differs from the U.S. federal statutory rate of 21.0% primarily due to the effect of state taxes, foreign derived intangible income, and tax credits. Additionally, there were favorable impacts related to non-taxable income and business reorganizations and divestitures which were offset by an increase to uncertain tax positions.

Our effective tax rate for the year ended December 31, 2022 differs from the U.S. federal statutory rate of 21.0% primarily due to the effect of recurring items including state taxes, foreign derived intangible income and foreign taxable earnings at a rate different from the U.S. federal statutory rate. Additionally, there were favorable impacts related to non-taxable income.

COMPREHENSIVE INCOME

Comprehensive income increased by $50.0 million during the year ended December 31, 2023, as compared to the prior year. Comprehensive income for the year ended December 31, 2023 includes a gain on the sale of the Company's Global Traffic Technologies business of $34.4 million. Comprehensive income for the year ended December 31, 2022 includes a gain on previously held equity interests from combination of business of $32.7 million which relates to a gain recognized on our interest in Driivz prior to acquiring the remaining outstanding shares, unrealized and realized losses on equity securities measured at fair value of $8.7 million and $3.1 million, respectively, and unfavorable foreign currency translation adjustments of $77.1 million.

Refer to Note 3. Acquisitions to the Consolidated Financial Statements for additional information on our acquisition of Driivz, Note 8. Fair Value Measurements to the Consolidated Financial Statements for additional information on our investments and Note 21. Divestitures and Assets and Liabilities Held for Sale for additional information on the divestiture of our Global Traffic Technologies business.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

We are exposed to market risk from changes in interest rates, foreign currency exchange rates, credit risk and commodity prices, each of which could impact our financial statements. We generally address our exposure to these risks through our normal operating and financing activities. In addition, our broad-based business activities help to reduce the impact that volatility in any particular area or related areas may have on our operating profit as a whole.

Interest Rate Risk

We are exposed to interest rate risk through fluctuations in interest rates on our debt obligations. As of December 31, 2023, we had $700.0 million outstanding of debt that was subject to variable interest rates. As a result, increases in interest rates could increase the cost of servicing our debt and could materially reduce our profitability and cash flows. We seek to manage exposure to adverse interest rate changes through our normal operating and financing activities.

A hypothetical 100 basis points increase in market interest rates as of December 31, 2023 on our variable-rate debt obligations as of December 31, 2023 would increase our annual interest expense by approximately $7.0 million.

Foreign Currency Exchange Rate Risk

We face transactional exchange rate risk from transactions with customers in countries outside of the United States and from intercompany transactions between affiliates. Transactional exchange rate risk arises from the purchase and sale of goods and services in currencies other than our functional currency or the functional currency of an applicable subsidiary. We also face translational exchange rate risk related to the translation of financial statements of our foreign operations into U.S. dollars, our functional currency. Costs incurred and sales recorded by subsidiaries operating outside of the United States are translated into U.S. dollars using exchange rates effective during the respective period. As a result, we are exposed to movements in the exchange rates of various currencies against the U.S. dollar. The effect of a change in currency exchange rates on our net investment in international subsidiaries is reflected in the accumulated other comprehensive income component of equity. A 10% change in major currencies relative to the U.S. dollar as of December 31, 2023 would have resulted in an impact to equity of approximately $85 million.

Currency exchange rates negatively impacted reported sales for the year ended December 31, 2023 by 0.6% as compared to the prior year, as the U.S. dollar was, on average, stronger against most major currencies during the year ended December 31, 2023 as compared to exchange rate levels during the prior year. If the exchange rates in effect as of December 31, 2023 were to prevail throughout the year ended December 31, 2024, currency exchange rates would not have a material impact on our estimated sales for the year ended December 31, 2024 as compared to the year ended December 31, 2023.

In general, weakening of the U.S. dollar against other major currencies would positively impact our sales and results of operations on an overall basis and strengthening of the U.S. dollar against other major currencies would adversely impact our sales and results of operations.

We have generally accepted the exposure to exchange rate movements without using derivative financial instruments to manage this risk. Both positive and negative movements in currency exchange rates against the U.S. dollar will therefore continue to affect the reported amount of sales, profit, and assets and liabilities in our Consolidated Financial Statements.

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Credit Risk

We are exposed to potential credit losses in the event of nonperformance by counterparties to our financial instruments. Financial instruments that potentially subject us to credit risk consist of cash and highly-liquid investment grade cash equivalents, and receivables from customers and franchisees. We place cash and cash equivalents with various high-quality financial institutions throughout the world and exposure is limited at any one institution. Although we typically do not obtain collateral or other security to secure these obligations, we regularly monitor third party depository institutions that hold our cash and cash equivalents. We emphasize safety and liquidity of principal over yield on those funds. Concentrations of credit risk arising from receivables from customers are limited due to the diversity of our customers. We perform credit evaluations of our customers' financial conditions and also obtain collateral or other security as appropriate. Notwithstanding these efforts, distress in the global economy may increase the difficulty in collecting receivables.

The assumptions used in evaluating our exposure to credit losses associated with our financing receivables portfolio involve estimates and significant judgment. Holding other estimates constant, a hypothetical 100 basis points increase in the expected loss rate on the financing receivables portfolio would have resulted in an increase in the allowance for credit losses of approximately $6.0 million as of December 31, 2023.

No customer accounted for more than 10% of sales during all periods presented.

Commodity Price Risk

For a discussion of risks relating to commodity prices, refer to "Item 1A. Risk Factors."

LIQUIDITY AND CAPITAL RESOURCES

We assess our liquidity in terms of our ability to generate cash to fund our operating, investing and financing activities. We generate substantial cash from operating activities and believe that our operating cash flow and other sources of liquidity will be sufficient to allow us to continue to support working capital needs, capital expenditures, pay interest and service debt, pay taxes and any related interest or penalties, fund our restructuring activities and pension plans as required, invest in existing businesses, consummate strategic acquisitions, manage our capital structure on a short and long-term basis and support other business needs or objectives. Refer also to Note 11. Financing to the Consolidated Financial Statements for additional information.

Our long-term debt requires, among others, that we maintain certain financial covenants, and we were in compliance with all of these covenants as of December 31, 2023.

2023 Financing and Capital Transactions

During the year ended December 31, 2023, we completed the following financing and capital transactions:

- Voluntarily repaid $300.0 million of the Three-Year Term Loans Due 2024;
- Repurchased 2.8 million shares for $74.7 million in the open market.

Refer to Note 11. Financing to the Consolidated Financial Statements for more information related to our long-term indebtedness and Note 20. Capital Stock and Earnings per Share to the Consolidated Financial Statements for more information related to our share repurchases.

Overview of Cash Flows and Liquidity

Following is an overview of our cash flows and liquidity:

($ in millions)	Year Ended December 31, 2023	2022
Net cash provided by operating activities	$ 455.0	$ 321.2
Proceeds from sale of business, net of cash provided	$ 107.5	$ —
Cash paid for acquisitions, net of cash received	—	(277.5)
Payments for additions to property, plant and equipment	(60.1)	(60.0)
Proceeds from sale of property	4.5	0.4
Cash paid for equity investments	(3.0)	(11.8)
Proceeds from sale of equity securities	20.4	19.0
Net cash provided by (used in) investing activities	$ 69.3	$ (329.9)
Proceeds from issuance of long-term debt	$ —	$ 1,167.0
Repayment of long-term debt	(300.0)	(1,167.0)
Net proceeds from short-term borrowings	1.9	0.4
Payments for debt issuance costs	—	(0.8)
Payments of common stock cash dividend	(15.5)	(15.9)
Purchases of treasury stock	(74.7)	(328.0)
Proceeds from stock option exercises	10.4	2.5
Other financing activities	(9.9)	(6.1)
Net cash used in financing activities	$ (387.8)	$ (347.9)

Operating Activities

Cash flows from operating activities can fluctuate significantly from period to period as working capital needs and the timing of payments for income taxes, restructuring activities and other items impact reported cash flows.

Cash flows from operating activities were $455.0 million during the year ended December 31, 2023, an increase of $133.8 million as compared to the prior year. The year-over-year change in operating cash flows was primarily attributable to the following factors:

- The aggregate of accounts receivable and long-term financing receivables used $6.9 million of operating cash flows during the year ended December 31, 2023 as compared to using $76.9 million in the prior year. The amount of cash flow generated from or used by accounts receivable depends upon how effectively we manage the cash conversion cycle and can be significantly impacted by the timing of collections in a period. Additionally, when we originate certain financing receivables, we assume the financing receivable by decreasing the franchisee's trade accounts receivable. As a result, originations of certain financing receivables are non-cash transactions.

- The aggregate of other operating assets and liabilities generated $6.8 million of cash during the year ended December 31, 2023 compared to using $93.1 million in the prior year. This difference is due primarily to working capital needs and the timing of accruals and payments and tax-related amounts.

Investing Activities

Net cash provided by investing activities was $69.3 million during the year ended December 31, 2023, driven primarily by proceeds from the sale of our Global Traffic Technologies business and equity securities, partially offset by payments for additions to property, plant and equipment. Net cash used in investing activities was $329.9 million during the year ended December 31, 2022, driven primarily by the cash paid for the acquisitions that closed during the period and payments for additions to property, plant and equipment.

We made capital expenditures of $60.1 million and $60.0 million during the years ended December 31, 2023 and 2022, respectively.

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Financing Activities

Net cash used in financing activities was $387.8 million during the year ended December 31, 2023, driven primarily by the voluntary repayment of $300.0 million of the Three-Year Term Loans due 2024 and repurchases of the Company's common stock of $74.7 million. Net cash used in financing activities was $347.9 million during the year ended December 31, 2022, driven primarily by repurchases of the Company's common stock of $328.0 million. We also refinanced $600.0 million of our term loans and made borrowings and repayments under our revolving credit facility, which had net zero impact to financing activities during the year ended December 31, 2022.

Share Repurchase Program

Refer to Note 20. Capital Stock and Earnings per Share to the Consolidated Financial Statements for a description of the Company's share repurchase program.

Dividends

We paid regular quarterly cash dividends of $0.025 per share during the year ended December 31, 2023. The declaration of future cash dividends is at the discretion of our Board of Directors and will depend upon, among other things, our future earnings, cash flows, capital requirements, financial condition and general business conditions.

Supplemental Guarantor Financial Information

As of December 31, 2023, we had $1.6 billion in aggregate principal amount of registered notes and $700.0 million in aggregate principal amount outstanding of term loans. Our obligations to pay principal and interest on the registered notes and term loans are fully and unconditionally guaranteed on a joint and several basis on an unsecured, unsubordinated basis by Gilbarco Inc. and Matco Tools Corporation, two of Vontier's wholly-owned subsidiaries (the "Guarantor Subsidiaries"). Our other subsidiaries do not guarantee any such indebtedness (collectively, the "Non-Guarantor Subsidiaries"). Refer to Note 11. Financing to the Consolidated Financial Statements for additional information regarding the terms of our notes and the term loans.

The registered notes and the guarantees thereof are the Company's and the Guarantor Subsidiaries' senior unsecured obligations and:

- rank without preference or priority among themselves and equally in right of payment with our existing and any future unsecured and unsubordinated indebtedness, including, without limitation, indebtedness under our credit agreement;
- are senior in right of payment to any of our existing and future indebtedness that is subordinated to the notes;
- are effectively subordinated to any of our existing and future secured indebtedness to the extent of the assets securing such indebtedness; and
- are structurally subordinated to all existing and any future indebtedness and any other liabilities of our Non-Guarantor Subsidiaries.

The following tables present summarized financial information for Vontier Corporation and the Guarantor Subsidiaries on a combined basis and after the elimination of (a) intercompany transactions and balances between Vontier Corporation and the Guarantor Subsidiaries and (b) equity in earnings from and investments in the Non-Guarantor Subsidiaries.

Summarized Results of Operations Data ($ in millions)	Year Ended December 31, 2023	
Net sales [(a)]	$	1,499.9
Operating profit [(b)]		551.7
Net income [(c)]	$	379.4

[(a)] Includes intercompany sales of $31.1 million.

[(b)] Includes intercompany operating profit of $23.6 million.

[(c)] Includes intercompany pretax income of $20.5 million.

Summarized Balance Sheet Data ($ in millions)	December 31, 2023
Assets	
Current assets	$ 383.1
Intercompany receivables	1,722.0
Noncurrent assets	641.6
Total assets	$ 2,746.7
Liabilities	
Current liabilities	$ 437.4
Intercompany payables	279.9
Noncurrent liabilities	2,242.7
Total liabilities	$ 2,960.0

Cash and Cash Requirements

As of December 31, 2023, we held approximately $340.9 million of cash and cash equivalents that were held in either operating accounts or invested in highly liquid investment-grade instruments with a maturity of 90 days or less with an annual effective rate generally around 5.0% as of December 31, 2023. Approximately 50% of our cash was held outside of the United States.

We have made an assertion regarding the amount of earnings that we do not intend to repatriate due to local working capital needs, local law restrictions, high foreign remittance costs, previous investments in physical assets and acquisitions, or future growth needs. Such earnings are intended for indefinite foreign reinvestment and no provision for income taxes has been made. The amount of income taxes that may be applicable to such earnings is not readily determinable given the unknown duration of local law restrictions as applicable to such earnings, unknown changes in foreign tax law that may occur during the restriction periods, and the various alternatives we could employ if we repatriated these earnings. The cash that our foreign subsidiaries hold for indefinite reinvestment is generally used to finance foreign operations and investments, including acquisitions.

We have cash requirements to support working capital needs, capital expenditures, pay interest and service debt, pay taxes and any related interest or penalties, fund our restructuring activities and pension plans as required and support other business needs or objectives. Refer to Note 10. Leases and Note 11. Financing to the Consolidated Financial Statements for further details on our contractual obligations and the timing of expected future payments under our lease and debt agreements, respectively.

We also have purchase obligations which consist of agreements to purchase goods or services that are enforceable and legally binding on us and that specify all significant terms, including fixed or minimum quantities to be purchased, fixed, minimum or variable price provisions and the approximate timing of the transaction. As of December 31, 2023, we had purchase obligations of $205.9 million, with $198.6 million payable in the next 12 months.

With respect to our cash requirements, we generally intend to use available cash and internally generated funds to meet these cash requirements, but in the event that additional liquidity is required, particularly in connection with acquisitions, we may also borrow under our credit facilities, enter into new credit facilities and borrow directly thereunder and/or access the capital markets. As of December 31, 2023, we had $750.0 million of borrowing capacity under our revolving credit facility. We also may from time to time access the capital markets, including to take advantage of favorable interest rate environments or other market conditions.

As of December 31, 2023, we believe that we have sufficient liquidity to satisfy our cash needs.

Guarantees

As of December 31, 2023, the Company had guarantees consisting primarily of outstanding standby letters of credit, bank guarantees, and performance and bid bonds of $79.2 million. These guarantees have been provided in connection with certain arrangements with vendors, customers, financing counterparties, and governmental entities to secure the Company's obligations and/or performance requirements related to specific transactions.

LEGAL PROCEEDINGS

Refer to Note 18. Litigation and Contingencies to the Consolidated Financial Statements for information regarding legal proceedings, contingencies, and guarantees. For a discussion of risks related to legal proceedings and contingencies, refer to "Item 1A. Risk Factors."

CRITICAL ACCOUNTING ESTIMATES

Management's discussion and analysis of our financial condition and results of operations is based upon our Consolidated Financial Statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. We base these estimates and judgments on historical experience, the current economic environment and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ materially from these estimates and judgments.

We believe the following accounting estimates are most critical to an understanding of our financial statements. Estimates are considered to be critical if they meet both of the following criteria: (i) the estimate requires assumptions about material matters that are uncertain at the time the estimate is made, and (ii) material changes in the estimate are reasonably likely from period to period. For a detailed discussion on the application of these and other accounting estimates, refer to Note 2. Basis of Presentation and Summary of Significant Accounting Policies to the Consolidated Financial Statements.

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Accounts and Financing Receivables

We maintain allowances for credit losses to reflect expected credit losses inherent in our portfolio of receivables. Determination of the allowances requires us to exercise judgment about the timing, frequency and severity of credit losses that could materially affect the allowances and, therefore, net earnings. The allowances for credit losses represent management's best estimate of the credit losses expected from our trade accounts and financing receivables portfolios over the remaining contractual life. We pool assets with similar risk characteristics for this measurement based on attributes that may include asset type, duration, and/or credit risk rating. The future expected losses of each pool are estimated based on numerous quantitative and qualitative factors reflecting management's estimate of collectability over the remaining contractual life of the pooled assets, including:

- portfolio duration;
- historical, current, and forecasted future loss experience by asset type;
- historical, current, and forecasted delinquency and write-off trends;
- historical, current, and forecasted economic conditions; and
- historical, current, and forecasted credit risk.

We regularly perform detailed reviews of our accounts receivable and financing receivables portfolios to determine if changes in the aforementioned qualitative and quantitative factors have impacted the adequacy of the allowances.

Inventories

We record inventory at the lower of cost or net realizable value, which is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. We estimate the net realizable value of inventory based on assumptions of future demand and related pricing. Estimating the net realizable value of inventory is inherently uncertain because levels of demand, technological advances and pricing competition in many of our markets can fluctuate significantly from period to period due to circumstances beyond our control. If actual market conditions are less favorable than those projected, we could be required to reduce the value of our inventory, which would adversely impact our financial statements.

Goodwill and Other Intangible Assets

Goodwill arises from the purchase price for acquired businesses exceeding the fair value of tangible and intangible assets acquired less assumed liabilities. In accordance with accounting standards related to business combinations, neither goodwill nor indefinite-lived intangible assets are amortized; however, certain definite-lived identifiable intangible assets, primarily customer relationships, acquired technology and trade names, are amortized over their estimated useful lives.

Goodwill arises from the purchase price for acquired businesses exceeding the fair value of tangible and intangible assets acquired less assumed liabilities. We assess the goodwill of each of our reporting units for impairment at least annually as of the first day of the fourth quarter or more frequently if events and circumstances indicate that goodwill may not be recoverable.

When evaluating for impairment, we may first perform a qualitative assessment to determine whether it is more likely than not that a reporting unit or indefinite-lived intangible asset is impaired. If we do not perform a qualitative assessment, or if we determine that it is not more likely than not that the fair value of the reporting unit or indefinite-lived intangible asset exceeds its carrying amount, we will calculate the estimated fair value of the reporting unit or indefinite-lived intangible asset. Our decision to perform a qualitative impairment assessment for an individual reporting unit in a given year is influenced by a number of factors, inclusive of the size of the reporting unit's goodwill, the significance of the excess of the reporting unit's estimated fair value over carrying value at the last quantitative assessment date, the amount of time in between quantitative fair value assessments and the date of acquisition.

In the first quarter of 2023, we realigned our internal organization, as further discussed in Note 16. Segment Information, which resulted in a decrease in the number of reporting units for goodwill impairment testing from seven reporting units to five reporting units. For historical reporting units that were divided among our new reporting units after the realignment, we used the relative fair value method to reallocate goodwill to the new reporting units. We performed a qualitative goodwill impairment test immediately prior to and following the change in reporting units. Factors we considered in the qualitative assessment included general macroeconomic conditions, industry and market conditions, cost factors, overall financial performance of our reporting units, events or changes affecting the composition or carrying value of the net assets of our reporting units, information related to market multiples of peer companies and other relevant entity specific events. Based on our assessment, we determined on the basis of the qualitative and quantitative factors that the fair values of the reporting units were more likely than not greater than their respective carrying values both immediately prior to and following the change in reporting units, and therefore, a quantitative test was not required.

As part of our 2023 annual impairment analysis, we elected to apply the qualitative goodwill impairment assessment guidance in ASC 350-20, *Goodwill*, for all four of our reporting units as of the assessment date, or approximately $1.7 billion of goodwill as of the assessment date. Factors we considered in the qualitative assessment included general macroeconomic conditions, industry and market conditions, cost factors, overall financial performance of our reporting units, events or changes affecting the composition or carrying value of the net assets of our reporting units, information related to market multiples of peer companies and other relevant entity specific events. Based on our assessment we determined on the basis of the qualitative and quantitative factors, that the fair values of the reporting units were more likely than not greater than their respective carrying values, and therefore, a quantitative test was not required.

If we do not perform a qualitative assessment, goodwill impairment is determined by using a quantitative approach. We identify potential impairment by comparing the fair value of each reporting unit, determined using various valuation techniques, with the primary technique being a discounted cash flow analysis, to its carrying value. If the carrying amount of the reporting unit exceeds the fair value, an impairment loss is recognized.

We review identified intangible assets for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Determining whether an impairment loss occurred requires a comparison of the carrying amount to the sum of undiscounted cash flows expected to be generated by the asset. We also test intangible assets with indefinite lives at least annually for impairment. In these analyses management considers general macroeconomic conditions, industry and market conditions, cost factors, financial performance and other entity and asset specific events and may require management to make judgments and estimates about future revenues, expenses, market conditions and discount rates related to these assets.

If actual results are not consistent with management's estimates and assumptions, goodwill and other intangible assets may be overstated, and a charge would need to be taken against net earnings which would adversely affect our financial statements. No goodwill or other intangible assets impairment charges were recorded during the years ended December 31, 2023, 2022 and 2021.

Contingent Liabilities

We are, from time to time, subject to a variety of litigation and similar contingent liabilities incidental to our business or the business operations of previously owned entities. We recognize a liability for any contingency that is known or probable of occurrence and reasonably estimable. These assessments require judgments concerning matters such as litigation developments and outcomes, the anticipated outcome of negotiations, the number of future claims and the cost of both pending and future claims. In addition, outside risk insurance professionals may assist in the determination of reserves for incurred but not yet reported claims through evaluation of our specific loss history, actual claims reported, and industry trends among statistical and other factors. Reserve estimates are adjusted as additional information regarding a claim becomes known. If the reserves established with respect to these contingent liabilities are inadequate, we would be required to incur an expense equal to the amount of the loss incurred in excess of the reserves, which would adversely affect our financial statements.

Revenue Recognition

We derive revenues from the sale of products and services. For revenue related to a product or service to qualify for recognition, we must have an enforceable contract with a customer that defines the goods or services to be transferred and the payment terms related to those goods or services. Further, collection of substantially all consideration for the goods or services transferred must be probable based on the customer's intent and ability to pay the promised consideration. We apply judgment in determining the customer's ability and intention to pay, which is based on a combination of financial and qualitative factors, including the customers' financial condition, collateral, debt-servicing ability, past payment experience and credit bureau information.

Customer allowances and rebates, consisting primarily of volume discounts and other short-term incentive programs, are considered in determining the transaction price for the contract. Significant judgment is exercised in determining product returns, customer allowances and rebates, which are estimated based on historical experience and known trends.

Certain customer arrangements, including our SaaS product offerings, include multiple performance obligations, typically hardware, installation, training, consulting, services and/or post-contract customer support ("PCS"). The Company allocates the contract transaction price to each performance obligation using the observable price that the good or service sells for separately in similar circumstances and to similar customers, and/or a residual approach when the observable selling price of a good or service is not known and is either highly variable or uncertain. Allocating the transaction price to each performance obligation may require judgment.

If our judgments regarding revenue recognition prove incorrect, our reported revenues in particular periods may be adversely affected. Historically, our estimates of revenue have been materially correct.

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Income Taxes

In accordance with GAAP, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted rates expected to be in effect during the year in which the differences reverse. Deferred tax assets generally represent items that can be used as a tax deduction or credit in our tax return in future years for which the tax benefit has already been reflected in our Consolidated Statements of Earnings and Comprehensive Income. We establish valuation allowances for our deferred tax assets if it is more likely than not that some or all of the deferred tax asset will not be realized. This requires the Company to make judgments and estimates regarding the timing and amount of the reversal of taxable temporary differences, expected future taxable income and the impact of tax planning strategies.

We provide for unrecognized tax benefits when, based upon the technical merits, it is "more-likely-than-not" that an uncertain tax position will not be sustained upon examination. Judgment is required in evaluating tax positions and determining income tax provisions. We re-evaluate the technical merits of our tax positions and may recognize an uncertain tax benefit in certain circumstances, including when: (i) a tax audit is completed; (ii) applicable tax laws change, including a tax case ruling or legislative guidance; or (iii) the applicable statute of limitations expires. We recognize potential accrued interest and penalties associated with unrecognized tax positions in income tax expense.

Business Combinations

Accounting for business combinations requires management to make significant estimates and assumptions, especially at the acquisition date, for intangible assets. Although we believe the assumptions and estimates we have made have been reasonable and appropriate, they are based, in part, on historical experience and information obtained from management of the acquired companies and are inherently uncertain. Critical estimates in valuing certain of the intangible assets we have acquired include, but are not limited to, estimates about future results such as revenues, margin, net working capital and other valuation assumptions such as useful lives, royalty rates, attrition rates and discount rates. The discount rates used to discount expected future cash flows to present value are typically derived from a weighted-average cost of capital analysis and adjusted to reflect inherent risks. Unanticipated events and circumstances may occur that could affect either the accuracy or validity of such assumptions, estimates or actual results.

NEW ACCOUNTING STANDARDS

Refer to Note 2. Basis of Presentation and Summary of Significant Accounting Policies to the Consolidated Financial Statements for information regarding new accounting standards.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information required by this item is included under "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations."

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

VONTIER CORPORATION AND SUBSIDIARIES
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Report of Management on Vontier Corporation's Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Internal control over financial reporting is defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Securities Exchange Act of 1934.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2023. In making this assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in "Internal Control-Integrated Framework" (2013 framework). Based on this assessment, management concluded that, as of December 31, 2023, the Company's internal control over financial reporting is effective.

The Company's independent registered public accounting firm has issued an audit report on the effectiveness of the Company's internal control over financial reporting. This report dated February 15, 2024 appears on page 42 of this Form 10-K.

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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Vontier Corporation

Opinion on Internal Control Over Financial Reporting

We have audited Vontier Corporation and subsidiaries' internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), (the COSO criteria). In our opinion, Vontier Corporation and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2023 and 2022 and the related consolidated statements of earnings and comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and financial statement schedule listed in the index at Item 15(a) and our report dated February 15, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Report of Management on Vontier Corporation's Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Raleigh, North Carolina
February 15, 2024

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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Vontier Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Vontier Corporation and subsidiaries (the Company) as of December 31, 2023 and 2022, the related consolidated statements of earnings and comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and financial statement schedule listed in the index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 15, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

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

Allowance for credit losses of commercial purchase security agreements

Description of the Matter

The Company's financing receivables portfolio and the associated allowance for credit losses for commercial purchase security agreements, were $346.4 million and $41.5 million as of December 31, 2023, respectively. As described in Note 2 to the consolidated financial statements, *Financial Instruments-Credit Losses (Topic 326)*, requires a forward-looking approach, based on expected losses to estimate credit losses on certain types of financial instruments, including trade accounts and financing receivables.

Auditing the Company's allowance for credit losses was challenging in that it requires significant judgment about the severity of credit losses, including the risk profile of each underlying receivable and expectations regarding the impact of current and future economic conditions on the creditworthiness of its customers.

How we Addressed the Matter in our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of management's controls over the allowance for credit losses including controls over the completeness and accuracy of underlying data.

To test the allowance for credit losses, our audit procedures included, among others, evaluating the methods and assumptions used by management, including comparing actual losses incurred to management's historical estimates, evaluating external economic and industry trends and evaluating the overall composition of the financing receivables portfolio.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2019.

Raleigh, North Carolina
February 15, 2024

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VONTIER CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in millions, except per share amounts)

	December 31, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 340.9	$ 204.5
Accounts receivable, less allowance for credit losses of $35.7 million and $34.2 million as of December 31, 2023 and 2022, respectively	497.5	514.8
Inventories	296.6	346.0
Prepaid expenses and other current assets	141.4	152.8
Equity securities measured at fair value	—	21.3
Current assets held for sale	56.1	145.6
Total current assets	1,332.5	1,385.0
Property, plant and equipment, net	102.3	92.1
Operating lease right-of-use assets	47.0	44.5
Long-term financing receivables, less allowance for credit losses of $33.7 million and $37.7 million as of December 31, 2023 and 2022, respectively	276.2	249.8
Other intangible assets, net	568.3	649.7
Goodwill	1,742.4	1,738.7
Other assets	225.3	183.5
Total assets	$ 4,294.0	$ 4,343.3
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term borrowings and current portion of long-term debt	$ 106.6	$ 4.6
Trade accounts payable	366.8	430.9
Current operating lease liabilities	14.0	13.8
Accrued expenses and other current liabilities	435.8	437.6
Current liabilities held for sale	32.1	43.0
Total current liabilities	955.3	929.9
Long-term operating lease liabilities	37.1	34.0
Long-term debt	2,189.0	2,585.7
Other long-term liabilities	217.0	214.2
Total liabilities	3,398.4	3,763.8
Commitments and Contingencies (Note 18)		
Equity:		
Preferred stock, 15.0 million shares authorized; no par value; no shares issued and outstanding	—	—
Common stock, 2.0 billion shares authorized; $0.0001 par value; 170.8 million and 169.7 million shares issued, and 154.3 million and 156.0 million outstanding as of December 31, 2023 and 2022, respectively	—	—
Treasury stock, at cost, 16.5 million and 13.7 million shares as of December 31, 2023 and 2022, respectively	(403.4)	(328.0)
Additional paid-in capital	56.8	27.6
Retained earnings	1,132.1	770.8
Accumulated other comprehensive income	104.9	106.1
Total Vontier stockholders' equity	890.4	576.5
Noncontrolling interests	5.2	3.0
Total equity	895.6	579.5
Total liabilities and equity	$ 4,294.0	$ 4,343.3

See the accompanying Notes to the Consolidated Financial Statements.

VONTIER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS AND COMPREHENSIVE INCOME
(in millions, except per share amounts)

	Year Ended December 31,		
	2023	2022	2021
Sales of products	$ 2,778.1	$ 2,874.3	$ 2,712.7
Sales of services	317.1	310.1	278.0
Total sales	3,095.2	3,184.4	2,990.7
Operating costs and expenses:			
Cost of product sales, excluding amortization of acquisition-related intangible assets	(1,451.0)	(1,552.5)	(1,445.9)
Cost of service sales, excluding amortization of acquisition-related intangible assets	(213.0)	(203.6)	(211.7)
Selling, general and administrative expenses	(643.1)	(627.8)	(579.2)
Research and development expenses	(163.5)	(144.6)	(129.3)
Amortization of acquisition-related intangible assets	(81.2)	(78.0)	(42.4)
Operating profit	543.4	577.9	582.2
Non-operating income (expense), net:			
Interest expense, net	(93.7)	(69.6)	(47.8)
Gain on sale of business	34.4	—	—
Gain on previously held equity interests from combination of business	—	32.7	—
Unrealized loss on equity securities measured at fair value	—	(8.7)	—
Other non-operating expense, net	(0.6)	(4.9)	(0.4)
Earnings before income taxes	483.5	527.4	534.0
Provision for income taxes	(106.6)	(126.1)	(121.0)
Net earnings	$ 376.9	$ 401.3	$ 413.0
Net earnings per share:			
Basic	$ 2.43	$ 2.50	$ 2.44
Diluted	$ 2.42	$ 2.49	$ 2.43
Weighted average shares outstanding:			
Basic	155.1	160.5	169.0
Diluted	156.0	161.0	170.1
Net earnings	$ 376.9	$ 401.3	$ 413.0
Other comprehensive income (loss), net of income taxes:			
Foreign currency translation adjustments	(1.3)	(77.1)	(13.4)
Other adjustments	0.1	1.5	1.3
Total other comprehensive loss, net of income taxes	(1.2)	(75.6)	(12.1)
Comprehensive income	$ 375.7	$ 325.7	$ 400.9

See the accompanying Notes to the Consolidated Financial Statements.

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VONTIER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in millions, except per share amounts)

	Common Stock		Treasury Stock		Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income	Noncontrolling Interests	Total
	Shares	Amount	Shares	Amount					
Balance, December 31, 2020	168.5	$ —	—	$ —	$ 7.6	$ (13.6)	$ 193.8	$ 3.9	$ 191.7
Net earnings	—	—	—	—	—	413.0	—	—	413.0
Dividends on common stock ($0.025 per share)	—	—	—	—	—	(12.7)	—	—	(12.7)
Other comprehensive loss, net of income taxes	—	—	—	—	—	—	(12.1)	—	(12.1)
Stock-based compensation expense	—	—	—	—	25.5	—	—	—	25.5
Common stock-based award activity, net of shares for tax withholding	0.7	—	—	—	3.4	—	—	—	3.4
Acquisition of noncontrolling interest	—	—	—	—	(2.0)	—	—	0.1	(1.9)
Separation-related adjustments and other	—	—	—	—	(33.0)	—	—	—	(33.0)
Change in noncontrolling interests	—	—	—	—	—	—	—	(0.2)	(0.2)
Balance, December 31, 2021	169.2	—	—	—	1.5	386.7	181.7	3.8	573.7
Net earnings	—	—	—	—	—	401.3	—	—	401.3
Dividends on common stock ($0.025 per share)	—	—	—	—	—	(15.9)	—	—	(15.9)
Other comprehensive loss, net of income taxes	—	—	—	—	—	—	(75.6)	—	(75.6)
Stock-based compensation expense	—	—	—	—	23.9	—	—	0.4	24.3
Common stock-based award activity, net of shares for tax withholding	0.5	—	—	—	(1.6)	—	—	—	(1.6)
Purchase of treasury stock	—	—	13.7	(328.0)	—	—	—	—	(328.0)
Change in noncontrolling interests and other	—	—	—	—	3.8	(1.3)	—	(1.2)	1.3
Balance, December 31, 2022	169.7	—	13.7	(328.0)	27.6	770.8	106.1	3.0	579.5
Net earnings	—	—	—	—	—	376.9	—	—	376.9
Dividends on common stock ($0.025 per share)	—	—	—	—	—	(15.6)	—	—	(15.6)
Other comprehensive loss, net of income taxes	—	—	—	—	—	—	(1.2)	—	(1.2)
Stock-based compensation expense	—	—	—	—	27.4	—	—	4.1	31.5
Common stock-based award activity, net of shares for tax withholding	1.1	—	—	—	2.2	—	—	—	2.2
Purchase of treasury stock	—	—	2.8	(75.4)	—	—	—	—	(75.4)
Change in noncontrolling interests and other	—	—	—	—	(0.4)	—	—	(1.9)	(2.3)
Balance, December 31, 2023	170.8	$ —	16.5	$(403.4)	$ 56.8	$ 1,132.1	$ 104.9	$ 5.2	$ 895.6

See the accompanying Notes to the Consolidated Financial Statements.

VONTIER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Year Ended December 31,		
	2023	2022	2021
Cash flows from operating activities:			
Net earnings	$ 376.9	$ 401.3	$ 413.0
Non-cash items:			
Depreciation expense	43.8	40.9	45.9
Amortization of acquisition-related intangible assets	81.2	78.0	42.4
Stock-based compensation expense	31.5	24.3	25.5
Amortization of debt issuance costs	3.8	3.4	3.4
Amortization of acquisition-related inventory fair value step-up	1.3	1.1	6.8
Loss on equity investments	1.1	3.0	—
Gain on sale of business	(34.4)	—	—
(Gain) loss on sale of property	(2.8)	0.8	—
Gain on previously held equity interests from combination of business	—	(32.7)	—
Unrealized loss on equity securities measured at fair value	—	8.7	—
Impairment charges	—	3.6	—
Write-off of deferred financing costs	—	—	3.4
Gain on settlement of investment	—	—	(3.3)
Change in accounts receivable, net	(148.1)	(217.2)	(140.4)
Change in inventories	48.9	(74.3)	(34.6)
Change in prepaid expenses and other assets	37.8	(16.0)	(0.7)
Change in long-term financing receivables, net	141.2	140.3	136.2
Change in trade accounts payable	(66.8)	21.3	45.6
Change in accrued expenses and other liabilities	(13.1)	(24.1)	(16.9)
Change in deferred income taxes	(47.3)	(41.2)	(45.2)
Net cash provided by operating activities	455.0	321.2	481.1
Cash flows from investing activities:			
Proceeds from sale of business, net of cash provided	107.5	—	—
Cash paid for acquisitions, net of cash received	—	(277.5)	(955.8)
Payments for additions to property, plant and equipment	(60.1)	(60.0)	(47.8)
Proceeds from sale of property	4.5	0.4	—
Cash paid for equity investments	(3.0)	(11.8)	(11.3)
Proceeds from sale of equity securities	20.4	19.0	—
Cash received for settlement of investment	—	—	7.2
Net cash provided by (used in) investing activities	69.3	(329.9)	(1,007.7)
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	—	1,167.0	2,186.5
Repayment of long-term debt	(300.0)	(1,167.0)	(1,400.0)
Net proceeds from (repayments of) short-term borrowings	1.9	0.4	(7.0)
Payments for debt issuance costs	—	(0.8)	(5.1)
Payments of common stock cash dividend	(15.5)	(15.9)	(12.7)
Purchases of treasury stock	(74.7)	(328.0)	—
Proceeds from stock option exercises	10.4	2.5	7.5
Acquisition of noncontrolling interest	—	—	(1.9)
Net transfers to Former Parent	—	—	(35.6)
Other financing activities	(9.9)	(6.1)	(6.2)
Net cash (used in) provided by financing activities	(387.8)	(347.9)	725.5
Effect of exchange rate changes on cash and cash equivalents	(0.1)	(11.5)	(6.8)
Net change in cash and cash equivalents	136.4	(368.1)	192.1
Beginning balance of cash and cash equivalents	204.5	572.6	380.5
Ending balance of cash and cash equivalents	$ 340.9	$ 204.5	$ 572.6

See the accompanying Notes to the Consolidated Financial Statements.

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VONTIER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. BUSINESS OVERVIEW

Nature of Business

Vontier Corporation ("Vontier" or the "Company") is a global industrial technology company uniting productivity, automation and multi-energy technologies to meet the needs of a rapidly evolving, more connected mobility ecosystem. As of December 31, 2023, the Company operates through three reportable segments which align to the Company's three operating segments: (i) Mobility Technologies, which provides digitally enabled equipment and solutions to support efficient operations across the mobility ecosystem, including point-of-sale and payment systems, workflow automation solutions, telematics, data analytics, software platform for electric vehicle charging networks, and integrated solutions for alternative fuel dispensing; (ii) Repair Solutions, which manufactures and distributes aftermarket vehicle repair tools, toolboxes, automotive diagnostic equipment and software through a network of mobile franchisees; and (iii) Environmental & Fueling Solutions, which provides environmental and fueling hardware and software, and aftermarket solutions for global fueling infrastructure.

Vontier Corporation was incorporated in 2019 in connection with the separation of Vontier from Fortive Corporation ("Fortive" or "Former Parent") on October 9, 2020, as an independent company (the "Separation").

NOTE 2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying Consolidated Financial Statements present the Company's historical financial position, results of operations, changes in equity and cash flows in accordance with generally accepted accounting principles in the United States of America ("GAAP").

The Consolidated Financial Statements include all accounts of Vontier and its subsidiaries. All intercompany balances and transactions have been eliminated upon consolidation. The Consolidated Financial Statements also reflect the impact of noncontrolling interests. Noncontrolling interests do not have a significant impact on the Company's consolidated results of operations, therefore, net earnings and net earnings per share attributable to noncontrolling interests are not presented separately in the Company's Consolidated Statements of Earnings and Comprehensive Income. Net earnings attributable to noncontrolling interests have been reflected in selling, general and administrative expenses ("SG&A") and were insignificant in all periods presented.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. The Company bases these estimates on historical experience, the current economic environment and on various other assumptions that are believed to be reasonable under the circumstances. However, uncertainties associated with these estimates exist and actual results may differ from these estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the date of purchase to be cash equivalents. Cash equivalents are valued at cost, plus accrued interest, which approximates fair value due to the short-term maturity of these instruments.

Accounts and Financing Receivables and Allowances for Credit Losses

All trade accounts and financing receivables are reported in the accompanying Consolidated Balance Sheets net of allowances for credit losses. The allowances for credit losses represent management's best estimate of the credit losses expected from trade accounts and financing receivables portfolios. Determination of the allowances requires management to exercise judgment about the timing, frequency and severity of credit losses that could materially affect the provision for credit losses and, therefore, net earnings. The Company regularly performs detailed reviews of our portfolios to determine if an impairment has occurred and evaluate the collectability of receivables based on a combination of financial and qualitative factors that may affect customers' ability to pay, including customers' financial condition, collateral, debt-servicing ability, past payment experience and credit bureau information. In circumstances where the Company is aware of a specific customer's inability to meet its financial obligations, a specific reserve is recorded against amounts due to reduce the recognized receivable to the amount reasonably expected to be collected.

Additions to the allowances for credit losses are charged to current period earnings and amounts determined to be uncollectible are charged directly against the allowances. Any amounts recovered on accounts that were previously written-off reduces the amounts charged to current period earnings. If the financial condition of our customers were to deteriorate, resulting in an impairment of their ability to make payments, additional reserves would be required. The Company does not believe that accounts and financing receivables represent significant concentrations of credit risk because of the diversified portfolio of individual customers and geographical areas. Expense associated with credit losses was $42.5 million, $32.2 million and $36.8 million for the years ended December 31, 2023, 2022 and 2021, respectively.

Financing Receivables

The Company estimates its allowance to reflect expected credit losses over the remaining contractual life of the asset. Assets with similar risk characteristics are pooled for this measurement based on attributes which includes asset type, duration, and/or credit risk rating. The future expected losses of each pool are estimated based on numerous quantitative and qualitative factors reflecting management's estimate of collectability over the remaining contractual life of the pooled assets, including:

- portfolio duration;
- historical, current, and forecasted future loss experience by asset type;
- historical, current, and forecasted delinquency and write-off trends;
- historical, current, and forecasted economic conditions; and
- historical, current, and forecasted credit risk.

Inventories

Inventories include the costs of material, labor and overhead and are stated at the lower of cost or net realizable value primarily using the first-in, first-out ("FIFO") method. The net realizable value of inventory, which is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation, is estimated based on assumptions of future demand and related pricing.

Property, Plant and Equipment

Property, plant and equipment are carried at cost. Provisions for depreciation have been computed principally by the straight-line method based on the estimated useful lives of the depreciable assets which are generally as follows:

Category	Useful Life
Buildings	30 years
Leased assets and leasehold improvements	Amortized over the lesser of the economic life of the asset or the term of the lease
Machinery, equipment and other	3 – 10 years

Estimated useful lives are periodically reviewed and, when appropriate, changes to estimates are made prospectively.

Other Assets

Other assets principally include contract assets, deferred tax assets and other investments.

Fair Value of Financial Instruments

Financial instruments consist primarily of trade accounts receivable, financing receivables, equity securities, obligations under trade accounts payable and short and long-term debt. Due to their short-term nature, the carrying values for trade accounts receivable, trade accounts payable and short-term debt approximate fair value. Refer to Note 11. Financing for the fair value of the Company's long-term debt and Note 8. Fair Value Measurements for the fair values of the Company's other financial instruments.

Goodwill and Other Intangible Assets

Goodwill arises from the purchase price for acquired businesses exceeding the fair value of tangible and intangible assets acquired less assumed liabilities. In accordance with accounting standards related to business combinations, neither goodwill nor indefinite-lived intangible assets are amortized; however, certain definite-lived identifiable intangible assets, primarily customer relationships, acquired technology and trade names, are amortized over their estimated useful lives. Refer to Note 7. Goodwill and Other Intangible Assets for additional information regarding our goodwill and other intangible assets.

The goodwill of each of the Company's reporting units is assessed for impairment at least annually as of the first day of the fourth quarter or more frequently if events and circumstances indicate that goodwill may not be recoverable. When evaluating for impairment, the Company may first perform a qualitative assessment to determine whether it is more likely than not that a reporting unit or indefinite-lived intangible asset is impaired. The Company's decision to perform a qualitative impairment assessment for an individual reporting unit or indefinite-lived intangible assets in a given year is influenced by a number of factors, inclusive of the size of the reporting unit's goodwill, the significance of the excess of the reporting unit's estimated fair value over carrying value at the last quantitative assessment date, the amount of time in between quantitative fair value assessments and the date of acquisition.

In the first quarter of 2023, the Company realigned its internal organization, as further discussed in Note 16. Segment Information, which resulted in a decrease in the number of reporting units for goodwill impairment testing from seven reporting units to five reporting units. For historical reporting units that were divided among our new reporting units after the realignment, the Company used the relative fair value method to reallocate goodwill to the new reporting units. The Company performed a qualitative goodwill impairment test immediately prior to and following the change in reporting units. Factors considered in the qualitative assessment included general macroeconomic conditions, industry and market conditions, cost factors, overall financial performance of the reporting units, events or changes affecting the composition or carrying value of the net assets of the reporting units, information related to market multiples of peer companies and other relevant entity specific events. Based on the assessment, the Company determined on the basis of the qualitative and quantitative factors that the fair values of the reporting units were more likely than not greater than their respective carrying values both immediately prior to and following the change in reporting units, and therefore, a quantitative test was not required.

As part of the Company's 2023 annual impairment analysis, the Company elected to apply the qualitative goodwill impairment assessment guidance in ASC 350-20, *Goodwill*, for all four of the Company's reporting units as of the assessment date, or approximately $1.7 billion of goodwill as of the assessment date. Factors considered in the qualitative assessment include general macroeconomic conditions, industry and market conditions, cost factors, overall financial performance of the reporting units, events or changes affecting the composition or carrying value of the net assets of the reporting units, information related to market multiples of peer companies and other relevant entity specific events. Based on the assessment, the Company determined on the basis of the qualitative and quantitative factors that the fair values of the reporting units were more likely than not greater than their respective carrying values, and therefore, a quantitative test was not required.

If the Company does not perform a qualitative assessment, or if it determines that it is not more likely than not that the fair value of the reporting unit or indefinite-lived intangible asset exceeds its carrying amount, impairment is determined by using a quantitative approach. The Company identifies potential impairment by comparing the fair value of each reporting unit, determined using various valuation techniques, with the primary technique being a discounted cash flow analysis, to its carrying value. If the carrying amount of the reporting unit exceeds the fair value, an impairment loss is recognized.

Identified intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Determining whether an impairment loss occurred requires a comparison of the carrying amount to the sum of undiscounted cash flows expected to be generated by the asset. Intangible assets with indefinite lives are tested at least annually for impairment. In these analyses, management considers general macroeconomic conditions, industry and market conditions, cost factors, financial performance and other entity and asset specific events and may require management to make judgments and estimates about future revenues, expenses, market conditions and discount rates related to these assets.

No goodwill or other intangible assets impairment charges were recorded during the years ended December 31, 2023, 2022 and 2021.

Insurance Liabilities

The Company is self-insured for certain losses related to medical claims. The Company has stop-loss coverage to limit the exposure arising from medical claims. In addition, the Company has deductible-based insurance policies for certain losses related to general liability, workers' compensation and automobile.

Debt Issuance Costs

Debt issuance costs relating to the Company's term loan and senior note facilities are recorded as a direct reduction of the carrying amount of the related debt. These costs are deferred and amortized to interest expense using the effective interest method, over the respective terms of the related debt.

Debt issuance costs relating to the Company's revolving credit facilities are recorded in Other assets on the Consolidated Balance Sheets. These costs are deferred and amortized to interest expense using the straight-line method over the respective terms of the related debt.

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Revenue Recognition

Revenue is recognized when control of promised products or services is transferred to customers in an amount that reflects the consideration we expect to be entitled to in exchange for those products or services.

Product sales include revenues from the sale of products and equipment, which includes our software-as-a-service ("SaaS") product offerings, equipment rentals, and interest income related to our financing receivables.

Service sales includes revenues from extended warranties, post-contract customer support ("PCS"), maintenance contracts or services, and services related to previously sold products.

Revenues associated with the Company's interest income related to financing receivables are recognized to approximate a constant effective yield over the contract term.

For revenue related to a product or service to qualify for recognition, the Company must have an enforceable contract with a customer that defines the goods or services to be transferred and the payment terms related to those goods or services. Further, collection of substantially all consideration for the goods or services transferred must be probable based on the customer's intent and ability to pay the promised consideration. The Company applies judgment in determining the customer's ability and intention to pay, which is based on a combination of financial and qualitative factors, including the customers' financial condition, collateral, debt-servicing ability, past payment experience and credit bureau information.

Customer allowances and rebates, consisting primarily of volume discounts and other short-term incentive programs, are considered in determining the transaction price for the contract; these allowances and rebates are reflected as a reduction in the contract transaction price. Significant judgment is exercised in determining product returns, customer allowances and rebates, which are estimated based on historical experience and known trends.

Most of the Company's sales contracts contain standard terms and conditions. The Company evaluates contracts to identify distinct goods and services promised in the contract, the performance obligations. Sometimes this evaluation involves judgment to determine whether the goods or services are highly dependent on or highly interrelated with one another, or whether such goods or services significantly modify or customize one another. Certain customer arrangements, including our SaaS product offerings, include multiple performance obligations, typically hardware, installation, training, consulting, services and/or PCS. These elements are often delivered within the same reporting period, however, the Company's SaaS, PCS and other subscription-based and extended contracts may extend beyond one year. The Company allocates the contract transaction price to each performance obligation using the observable price that the good or service sells for separately in similar circumstances and to similar customers, and/or a residual approach when the observable selling price of a good or service is not known and is either highly variable or uncertain. Allocating the transaction price to each performance obligation may require judgment.

The Company's principal terms of sale are FOB Shipping Point, or equivalent, and, as such, the Company primarily records revenue upon shipment as the Company has transferred control to the customer at that point and our performance obligations are satisfied. The Company evaluates contracts with delivery terms other than FOB Shipping Point and recognizes revenue when the Company has transferred control and satisfied the performance obligations. If any significant obligation to the customer with respect to a sales transaction remains to be fulfilled following shipment (typically installation, other services noted above or acceptance by the customer), revenue recognition is deferred until such obligations have been fulfilled. Further, revenue related to separately priced extended warranty and product maintenance agreements is deferred when appropriate and recognized as revenue over the term of the agreement.

Shipping and Handling

Shipping and handling costs are included as a component of Cost of sales in the Consolidated Statements of Earnings and Comprehensive Income. Revenue derived from shipping and handling costs billed to customers is included in Sales in the Consolidated Statements of Earnings and Comprehensive Income.

Advertising

Advertising costs are expensed as incurred and are included as a component of Selling, general and administrative expenses in the Consolidated Statements of Earnings and Comprehensive Income.

Research and Development

The Company conducts research and development activities for the purpose of developing new products, enhancing the functionality, effectiveness, ease of use and reliability of existing products and expanding the applications for which uses of the Company's products are appropriate. Research and development costs are expensed as incurred.

Restructuring

The Company periodically initiates restructuring activities to appropriately position its cost base relative to prevailing economic conditions and associated customer demand as well as in connection with certain acquisitions. Costs associated with restructuring actions can include termination benefits and related charges in addition to facility closure, contract termination and other related activities, and are recorded when the associated liability is incurred. Refer to Note 17. Restructuring and Other Related Charges for additional information.

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Foreign Currency Translation and Transactions

Exchange rate adjustments resulting from foreign currency transactions are recognized in Net earnings, whereas effects resulting from the translation of financial statements are reflected as a component of Accumulated other comprehensive income within equity. Assets and liabilities of subsidiaries operating outside the United States with a functional currency other than U.S. dollars are translated into U.S. dollars using year-end exchange rates and income statement accounts are translated at weighted average exchange rates. Net foreign currency transaction gains or losses were not material in any of the periods presented.

Accounting for Stock-Based Compensation

The Company accounts for stock-based compensation by measuring the cost of employee services received in exchange for all equity awards granted, including stock options, restricted stock units ("RSUs") and performance stock units ("PSUs"), based on the fair value of the award as of the grant date.

The fair value of each stock option issued was estimated on the date of the grant using the Black-Scholes option pricing model which incorporates the following assumptions to value stock-based awards:

Risk-free interest rate: The risk-free rate of interest for periods within the contractual life of the option is based on a zero-coupon U.S. government instrument whose maturity period equals or approximates the option's expected term.

Volatility: Since the Company does not have sufficient history to estimate the expected volatility of its common share price, expected volatility is based on a blended approach that uses the volatility of the Company's common stock for periods in which the Company has information and the volatility for selected reasonably similar publicly traded companies for periods in which the historical information is not available.

Dividend yield: The expected dividend yield is calculated by dividing our annualized dividend, based on the Company's history of declared dividends, by the Company's stock price on the grant date.

Expected years until exercise: The expected term of stock options granted is based on an estimate of when options will be exercised in the future. As the Company does not have sufficient history to estimate its expected term, the Company applied the simplified method of estimating the expected term of the options, as described in the SEC's Staff Accounting Bulletins 107 and 110. The expected term, calculated under the simplified method, is applied to all stock options which have similar contractual terms. Using this method, the expected term is determined using the average of the vesting period and the contractual life of the stock options granted.

The fair value of RSUs and PSUs with performance-based vesting conditions is calculated using the closing price of the Company's common stock on the date of grant less a discount due to the lack of participation in the Company's dividend by RSU holders. The fair value of PSUs with market-based vesting conditions is calculated using a Monte Carlo pricing model.

Stock-based compensation expense is recognized net of an estimated forfeiture rate on a straight-line basis over the requisite service period of the award, with the expense for PSUs with performance-based vesting conditions adjusted based on the likelihood of future achievement of the performance metrics.

Income Taxes

In accordance with GAAP, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted rates expected to be in effect during the year in which the differences reverse. Deferred tax assets generally represent items that can be used as a tax deduction or credit in the Company's tax return in future years for which the tax benefit has already been reflected on the Consolidated Statements of Earnings and Comprehensive Income. Deferred tax liabilities generally represent items that have already been taken as a deduction on our tax return but have not yet been recognized as an expense in the Consolidated Statements of Earnings and Comprehensive Income. The effect on deferred tax assets and liabilities due to a change in tax rates is recognized in income tax expense in the period that includes the enactment date.

Deferred tax assets are reduced by a valuation allowance if, based on the weight of available evidence, it is more likely than not, a likelihood of more than 50 percent, that some portion or all of the deferred tax assets will not be realized. The Company evaluates the realizability of deferred tax assets for each of the jurisdictions in which it operates. If there is cumulative pretax income in a particular jurisdiction in the three-year period including the current and prior two years, the Company generally concludes that the deferred tax assets will more likely than not be realizable and no valuation allowance is recognized, unless known or planned operating developments would lead management to conclude otherwise. However, if there are cumulative pretax losses in a particular jurisdiction in the three-year period including the current and prior two years, the Company then considers a series of factors in the determination of whether the deferred tax assets can be realized. These factors include historical operating results, known or planned operating developments, the period of time over which certain temporary differences will reverse, consideration of the utilization of certain deferred tax liabilities, tax law carryback capability in the particular country, and prudent and feasible tax planning strategies. After evaluation of these factors, if the deferred tax assets are expected to be realized within the tax carryforward period allowed for by that specific country, the Company would conclude that no valuation allowance would be required. To the extent that the deferred tax assets exceed the amount that is expected to be realized within the tax carryforward period for a particular jurisdiction, a valuation allowance is established.

Tax benefits from uncertain tax positions are recognized only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the Consolidated Financial Statements from such positions are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Judgment is required in evaluating tax positions and determining income tax provisions. The Company reevaluates the technical merits of its tax positions and may recognize an uncertain tax benefit in certain circumstances, including when: (i) a tax audit is completed; (ii) applicable tax laws change, including a tax case ruling or legislative guidance; or (iii) the applicable statute of limitations expires. Potential accrued interest and penalties associated with unrecognized tax positions are recognized as a component of Provision for income taxes in the Consolidated Statements of Earnings and Comprehensive Income. Refer to Note 15. Income Taxes for additional information.

Pension and Other Postretirement Benefit Plans

Pension assets and obligations are measured to determine the funded status as of the end of the Company's fiscal year. An asset is recognized for an overfunded status or a liability is recognized for an underfunded status. Changes in the funded status of the pension plans are recognized in the year in which the changes occur and are reported in other comprehensive income. Refer to Note 12. Employee Benefit Plans for additional information.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Recently Adopted Accounting Standards

In March 2022, the Financial Accounting Standards Board ("FASB") issued ASU 2022-02, Financial Instruments – Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures ("ASU 2022-02"), which requires enhanced disclosure of certain loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty while eliminating certain current recognition and measurement accounting guidance. This ASU also requires the disclosure of current-period gross write-offs by year of origination for financing receivables and net investments in leases. ASU 2022-02 became effective for the Company's annual and interim periods beginning on January 1, 2023. The Company has disclosed current-period gross write-offs in Note 4. Financing and Trade Receivables, while the other provisions of ASU 2022-02 did not have a material impact on the Company's financial statements.

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting ("ASU 2020-04") and in January 2021 issued ASU 2021-01, Reference Rate Reform (Topic 848): Scope. In December 2022, the FASB issued ASU 2022-06, Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848, to defer the sunset date of ASU 2020-04 from December 31, 2022 to December 31, 2024. These ASUs provide temporary optional expedients and exceptions to existing guidance on contract modifications and hedge accounting to facilitate the market transition from existing reference rates, such as the London Inter-bank Offered Rate ("LIBOR") which is being phased out, to alternate reference rates, such as the Secured Overnight Financing Rate ("SOFR"). These standards were effective upon issuance and allowed application to contract changes as early as January 1, 2020. The Company has transitioned all debt that historically referenced LIBOR to alternate reference rates, utilizing certain practical expedients to account for the modifications prospectively.

Recently Issued Accounting Standards Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09"), which requires consistent categories and greater disaggregation of information in the rate reconciliation and disaggregation of income taxes paid by jurisdiction. ASU 2023-09 is effective for the Company's annual financial statements for the year ended December 31, 2025, with early adoption permitted. Prospective application is required, with retrospective application permitted. The Company is currently assessing the impact ASU 2023-09 will have on its consolidated financial statements.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures ("ASU 2023-07"), which enhances segment disclosures primarily by requiring disclosure of significant segment expenses. ASU 2023-07 is effective for the Company's annual financial statements for the year ended December 31, 2024, and for its interim financial statements beginning with the first fiscal quarter of the year ended December 31, 2025, with early adoption permitted. Retrospective application is required. The Company is currently assessing the impact ASU 2023-07 will have on its consolidated financial statements.

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NOTE 3. ACQUISITIONS

The Company has completed a number of acquisitions that have been accounted for as purchases and resulted in the recognition of goodwill in its financial statements. This goodwill arises because the purchase price for each acquired business reflects a number of factors including the complementary fit, the acceleration of its strategy, the synergies the business brings to existing operations, the future earnings and cash flow potential of the business, the potential to add other strategically complementary acquisitions to the acquired business, the scarce or unique nature of the business in its markets, the competition to acquire the business, the valuation of similar businesses in the marketplace (as reflected in a multiple of revenues, earnings or cash flows) and the avoidance of the time and costs which would be required (and the associated risks that would be encountered) to enhance the Company's existing offerings to key target markets and develop new and profitable businesses.

A preliminary purchase price allocation is made at the date of acquisition based on an initial understanding of the fair value of the acquired assets and assumed liabilities. As additional information about these assets and liabilities is obtained, the estimates of fair value are refined and the preliminary purchase price allocation is adjusted during the applicable measurement period for items identified as of the acquisition date.

To determine the fair value of the acquired intangible assets and certain previously held equity interests related to its acquisitions, management utilized significant unobservable inputs (Level 3 in the fair value hierarchy) and was required to make judgements and estimates about future results such as revenues, margin, net working capital and other valuation assumptions such as useful lives, royalty rates, technology obsolescence, attrition rates and discount rates. Intangible assets consisting of technology and trade names were valued using a relief from royalty method or using a multi-period excess earnings method while customer relationships were valued using a multi-period excess earnings method. These assumptions are forward-looking and could be affected by future economic and market conditions.

Acquisition-related costs are included in Selling, general and administrative expenses in the Consolidated Statements of Earnings and Comprehensive Income.

The Company did not make any acquisitions during the year ended December 31, 2023. The following describes the Company's acquisition activity during the years ended December 31, 2022 and 2021.

2022 Acquisitions

Driivz

On February 7, 2022, the Company acquired the remaining 81% of the outstanding shares of Driivz Ltd. ("Driivz") for $152.5 million, net of cash received. Driivz, which is based in Israel, is a cloud-based subscription software platform supporting electric vehicle charging infrastructure ("EVCI") providers with operations management, energy optimization, billing and roaming capabilities, as well as driver self-service apps. The acquisition of Driivz accelerates the Company's portfolio diversification and e-mobility strategies and positions the Company to capitalize on the global EVCI market opportunities.

The acquisition of Driivz was accounted for as a business combination and, accordingly, the assets acquired and the liabilities assumed have been recorded at their respective fair values as of the acquisition date. The goodwill is attributable to the workforce of the acquired business, future market opportunities and the expected synergies with the Company's existing operations. The majority of the goodwill derived from this acquisition is not deductible for tax purposes.

The Company's final purchase price allocation is as follows:

($ in millions)	Final Purchase Price Allocation	Weighted Average Amortization Period
Accounts receivable	$ 1.0	
Technology	56.3	8.0
Customer relationships	28.1	13.0
Trade names	9.2	16.0
Goodwill	125.7	
Other assets	2.9	
Accrued expenses and other current liabilities	(12.5)	
Other long-term liabilities	(15.2)	
Purchase price, net of cash received	$ 195.5	

The Company recorded certain adjustments to the preliminary purchase price allocation during the measurement period resulting in a net decrease of $5.2 million to goodwill.

The carrying value of the Company's approximately 19% interest in Driivz prior to the acquisition was $10.3 million, which historically was carried at cost. In connection with the acquisition, this investment was remeasured to a fair value of $43.0 million resulting in the recognition of an aggregate noncash gain of $32.7 million during the year ended December 31, 2022, which was included in Gain on previously held equity interests from combination of business in the Consolidated Statements of Earnings and Comprehensive Income.

The Company has not disclosed post-acquisition or pro forma revenue and earnings attributable to Driivz as it did not have a material effect on the Company's results. Driivz is presented in the Company's Mobility Technologies segment.

Invenco

On August 31, 2022, the Company acquired all of the outstanding equity interests of Invenco Group Ltd. ("Invenco") for $83.1 million, net of cash received. The purchase price includes contingent consideration measured at $6.1 million, which can reach up to $100.0 million based on achieving certain revenue targets. Invenco, which is based in New Zealand, is a global provider of self-service payment and microservice solutions with a range of products including outdoor payment terminals, electronic payment servers, payment switches and cloud services. The acquisition of Invenco further advances the Company's portfolio diversification and accelerates its digital strategy.

The acquisition of Invenco was accounted for as a business combination and, accordingly, the assets acquired and the liabilities assumed have been recorded at their respective fair values as of the acquisition date. The final purchase price allocation was as follows: (i) $35.7 million to definite-lived intangible assets consisting of developed technology, customer relationships and a trade name with a weighted average amortization period of approximately five years, (ii) $33.0 million to goodwill and (iii) $14.4 million to other net assets. The goodwill is attributable to the workforce of the acquired business, future market opportunities and the expected synergies with the Company's existing operations. The majority of the goodwill derived from this acquisition is not deductible for tax purposes. The Company recorded certain adjustments to the preliminary purchase price allocation during the measurement period resulting in a net increase of $5.7 million to goodwill.

The Company has not disclosed post-acquisition or pro forma revenue and earnings attributable to Invenco as it did not have a material effect on the Company's results. Invenco is presented in the Company's Mobility Technologies segment.

Other Acquisitions

In addition to the acquisitions noted above, during the year ended December 31, 2022, the Company acquired all of the outstanding equity interests in two other businesses for $43.4 million, net of cash received. The purchase price includes $5.5 million of contingent consideration, which is based on future revenues of the acquired business and is unlimited. Both of these acquisitions align with the Company's portfolio diversification strategy and enable opportunities in new end markets.

The Company has not disclosed post-acquisition or pro forma revenue and earnings attributable to these acquisitions as they did not have a material effect on the Company's results, individually or in aggregate. These acquisitions are presented in the Company's Mobility Technologies segment.

2021 Acquisitions

DRB Systems, LLC

On September 13, 2021, the Company acquired all of the outstanding equity interests of DRB Systems, LLC ("DRB"), a leading provider of point-of-sale, workflow software and control solutions to the car wash industry, for $955.8 million in cash. This acquisition aligns with the Company's portfolio diversification strategy and enables opportunities in new end markets. DRB is presented in the Company's Mobility Technologies segment.

The acquisition of DRB was accounted for as a business combination and, accordingly, the assets acquired and the liabilities assumed have been recorded at their respective fair values as of the acquisition date. The goodwill is attributable to the workforce of the acquired business, future market opportunities and the expected synergies with the Company's existing operations. The majority of goodwill derived from this acquisition is deductible for tax purposes.

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The final purchase price allocation is as follows:

($ in millions)	Final Purchase Price Allocation	Weighted Average Amortization Period
Accounts receivable	$ 14.0	
Inventories	20.9	
Prepaid expenses and other current assets	3.7	
Technology	142.6	9.0
Customer relationships	227.0	11.0
Trade names	36.0	14.0
Goodwill	571.8	
Other assets	15.0	
Trade accounts payable	(5.8)	
Accrued expenses and other current liabilities	(42.1)	
Other long-term liabilities	(27.3)	
Purchase price, net of cash acquired	$ 955.8	

NOTE 4. FINANCING AND TRADE RECEIVABLES

Financing receivables are comprised of commercial purchase security agreements originated between the Company's franchisees and technicians or independent shop owners that are assumed by the Company ("PSAs") and commercial loans to the Company's franchisees ("Franchisee Notes") in the Repair Solutions segment. Financing receivables are generally secured by the underlying tools and equipment financed.

PSAs are installment sales contracts originated between the franchisee and technicians or independent shop owners which enable these customers to purchase tools and equipment on an extended-term payment plan. PSA payment terms are generally up to five years. Upon origination, the Company assumes the PSA by crediting the franchisee's trade accounts receivable. As a result, originations of PSAs are non-cash transactions. The Company records PSAs at amortized cost.

Franchisee Notes have payment terms of up to 10 years and include financing to fund business startup costs including: (i) installment loans to franchisees used generally to finance inventory, equipment, and franchise fees; and (ii) lines of credit to finance working capital, including additional purchases of inventory.

Revenues associated with the Company's interest income related to financing receivables are recognized to approximate a constant effective yield over the contract term. Accrued interest is included in Accounts receivable, less allowance for credit losses on the Consolidated Balance Sheets and was insignificant as of December 31, 2023 and 2022.

Product sales to franchisees and the related financing income is included in Cash flows from operating activities in the accompanying Consolidated Statements of Cash Flows.

The components of financing receivables with payments due in less than twelve months that are presented in Accounts receivable, less allowance for credit losses on the Consolidated Balance Sheets were as follows:

($ in millions)	December 31, 2023	December 31, 2022
Gross current financing receivables:		
PSAs	$ 100.7	$ 96.6
Franchisee Notes	23.1	18.4
Current financing receivables, gross	$ 123.8	$ 115.0
Allowance for credit losses:		
PSAs	$ 12.8	$ 13.1
Franchisee Notes	7.3	6.5
Total allowance for credit losses	$ 20.1	$ 19.6
Net current financing receivables:		
PSAs, net	$ 87.9	$ 83.5
Franchisee Notes, net	15.8	11.9
Total current financing receivables, net	$ 103.7	$ 95.4

The components of Long-term financing receivables, less allowance for credit losses, which consists of financing receivables with payments due beyond one year, were as follows:

($ in millions)	December 31, 2023	December 31, 2022
Gross long-term financing receivables:		
PSAs	$ 245.7	$ 224.0
Franchisee Notes	64.2	63.5
Long-term financing receivables, gross	$ 309.9	$ 287.5
Allowance for credit losses:		
PSAs	$ 28.7	$ 32.4
Franchisee Notes	5.0	5.3
Total allowance for credit losses	$ 33.7	$ 37.7
Net long-term financing receivables:		
PSAs, net	$ 217.0	$ 191.6
Franchisee Notes, net	59.2	58.2
Total long-term financing receivables, net	$ 276.2	$ 249.8

Net deferred origination costs were insignificant as of December 31, 2023 and 2022. As of December 31, 2023 and 2022, the net unamortized discount on our financing receivables was $17.6 million and $16.8 million, respectively.

It is the Company's general practice to not engage in contract or loan modifications of existing arrangements for troubled debt restructurings. In limited instances, the Company may modify certain impaired receivables with customers in bankruptcy or other legal proceedings, or in the event of significant natural disasters. Restructured financing receivables as of December 31, 2023 and 2022 were insignificant.

Credit score and distributor tenure are the primary indicators of credit quality for the Company's financing receivables. Depending on the contract, payments for financing receivables are due on a monthly or weekly basis. Weekly payments are converted into a monthly equivalent for purposes of calculating delinquency. Delinquencies are assessed at the end of each month following the monthly equivalent due date and are considered delinquent once past due.

The amortized cost basis and current period gross write-offs of PSAs and Franchisee Notes by origination year as of and for the year ended December 31, 2023 is as follows:

($ in millions)	2023	2022	2021	2020	2019	Prior	Total
PSAs							
Credit Score:							
Less than 400	$ 15.8	$ 7.1	$ 3.7	$ 1.8	$ 0.8	$ —	$ 29.2
400-599	27.6	12.8	6.4	3.4	1.2	0.3	51.7
600-799	57.6	25.7	14.2	6.6	1.9	0.6	106.6
800+	92.7	38.2	17.6	8.0	2.0	0.4	158.9
Total PSAs	$ 193.7	$ 83.8	$ 41.9	$ 19.8	$ 5.9	$ 1.3	$ 346.4
Franchisee Notes							
Active distributors	$ 25.5	$ 19.7	$ 12.3	$ 5.9	$ 4.8	$ 4.4	$ 72.6
Separated distributors	0.6	1.6	3.4	2.2	2.2	4.7	14.7
Total Franchisee Notes	$ 26.1	$ 21.3	$ 15.7	$ 8.1	$ 7.0	$ 9.1	$ 87.3
Current Period Gross Write-offs							
PSAs	$ 2.8	$ 14.6	$ 10.1	$ 5.5	$ 2.4	$ 1.5	$ 36.9
Franchisee Notes	—	0.2	0.9	1.0	0.9	1.2	4.2
Total current period gross write-offs	$ 2.8	$ 14.8	$ 11.0	$ 6.5	$ 3.3	$ 2.7	$ 41.1

Past Due

PSAs are considered past due when a contractual payment has not been made. If a customer is making payments on its account, interest will continue to accrue. The table below sets forth the aging of the Company's PSA balances as of:

($ in millions)	30-59 days past due	60-90 days past due	Greater than 90 days past due	Total past due	Total not considered past due	Total	Greater than 90 days past due and accruing interest
December 31, 2023	$ 3.7	$ 1.9	$ 7.2	$ 12.8	$ 333.6	$ 346.4	$ 7.2
December 31, 2022	3.6	1.8	6.9	12.3	308.3	320.6	6.9

Franchisee Notes are considered past due when payments have not been made for 21 days after the due date. Past due Franchisee Notes (where the franchisee had not yet separated) were insignificant as of December 31, 2023 and 2022.

Uncollectable Status

PSAs are deemed uncollectable and written off when they are both contractually delinquent and no payment has been received for 180 days.

Franchisee Notes are deemed uncollectable and written off after a distributor separates and no payments have been received for one year.

The Company stops accruing interest and other fees associated with financing receivables when (i) a customer is placed in uncollectable status and repossession efforts have begun; (ii) upon receipt of notification of bankruptcy; (iii) upon notification of the death of a customer; or (iv) other instances in which management concludes collectability is not reasonably assured.

Allowance for Credit Losses Related to Financing Receivables

The Company calculates the allowance for credit losses considering several factors, including the aging of its financing receivables, historical credit loss and portfolio delinquency experience and current economic conditions. The Company also evaluates financing receivables with identified exposures, such as customer defaults, bankruptcy or other events that make it unlikely it will recover the amounts owed to it. In calculating such reserves, the Company evaluates expected cash flows, including estimated proceeds from disposition of collateral, and calculates an estimate of the potential loss and the probability of loss. When a loss is considered probable on an individual financing receivable, a specific reserve is recorded.

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The following is a rollforward of the PSAs and Franchisee Notes components of the Company's allowance for credit losses related to financing receivables as of December 31:

	2023			2022		
($ in millions)	PSAs	Franchisee Notes	Total	PSAs	Franchisee Notes	Total
Allowance for credit losses, beginning of year	$ 45.5	$ 11.8	$ 57.3	$ 54.1	$ 11.8	$ 65.9
Provision for credit losses	31.1	4.4	35.5	21.5	4.7	26.2
Write-offs	(36.9)	(4.2)	(41.1)	(32.2)	(4.9)	(37.1)
Recoveries of amounts previously charged off	1.8	0.3	2.1	2.1	0.2	2.3
Allowance for credit losses, end of year	$ 41.5	$ 12.3	$ 53.8	$ 45.5	$ 11.8	$ 57.3

Allowance for Credit Losses Related to Trade Accounts Receivables

The following is a rollforward of the allowance for credit losses related to the Company's trade accounts receivables, excluding financing receivables, and the Company's trade accounts receivable cost basis as of December 31:

($ in millions)	2023	2022
Cost basis of trade accounts receivable	$ 409.4	$ 434.0
Allowance for credit losses balance, beginning of year	14.6	15.5
Provision for credit losses	7.0	6.0
Write-offs	(6.0)	(5.7)
Reclassification to held for sale	—	(0.3)
Foreign currency and other	—	(0.9)
Allowance for credit losses balance, end of year	15.6	14.6
Net trade accounts receivable balance	$ 393.8	$ 419.4

NOTE 5. INVENTORIES

The classes of inventory as of December 31 are summarized as follows:

($ in millions)	2023	2022
Finished goods	$ 132.8	$ 136.6
Work in process	20.1	34.8
Raw materials	143.7	174.6
Total	$ 296.6	$ 346.0

NOTE 6. PROPERTY, PLANT AND EQUIPMENT

The classes of property, plant and equipment as of December 31 are summarized as follows:

($ in millions)	2023	2022
Land and improvements	$ 4.9	$ 4.9
Buildings and leasehold improvements	68.0	66.1
Machinery, equipment and other	282.9	253.6
Gross property, plant and equipment	355.8	324.6
Less: accumulated depreciation	(253.5)	(232.5)
Property, plant and equipment, net [(a)]	$ 102.3	$ 92.1

[(a)] Includes property, plant and equipment, net in the United States of $71.7 million and $62.7 million as of December 31, 2023 and 2022, respectively.

No interest was capitalized related to capitalized expenditures during the years ended December 31, 2023, 2022 and 2021.

Depreciation expense related to property, plant and equipment was $23.2 million, $23.7 million and $23.6 million for the years ended December 31, 2023, 2022 and 2021, respectively.

NOTE 7. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

The changes in the carrying amount of goodwill by reportable segment are as follows:

($ in millions)	One Reportable Segment	Mobility Technologies	Repair Solutions	Environmental & Fueling Solutions	Total
Balance, December 31, 2021	$ 1,667.2	$ —	$ —	$ —	$ 1,667.2
Measurement period adjustments for prior year acquisitions	(12.9)	—	—	—	(12.9)
Additions to goodwill for current year acquisitions	187.7	—	—	—	187.7
Reclassification to held for sale	(56.0)	—	—	—	(56.0)
Foreign currency translation and other	(47.3)	—	—	—	(47.3)
Balance, December 31, 2022	1,738.7	—	—	—	1,738.7
Reallocation to new segments[(a)]	(1,738.7)	1,201.5	15.2	522.0	—
Measurement period adjustments for prior year acquisitions	—	1.0	—	—	1.0
Foreign currency translation and other	—	1.5	—	1.2	2.7
Balance, December 31, 2023	$ —	$ 1,204.0	$ 15.2	$ 523.2	$ 1,742.4

[(a)] Refer to Note 16. Segment Information for further discussion of the changes in the Company's reportable segments during the year ended December 31, 2023.

Accumulated impairment charges, within the Mobility Technologies reportable segment, were $85.3 million as of December 31, 2023 and 2022.

Intangible Assets

Finite-lived intangible assets are generally amortized on a straight-line basis over the shorter of their legal or estimated useful lives. The following summarizes the gross carrying value and accumulated amortization for each major category of intangible asset as of December 31:

	2023			2022		
($ in millions)	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
Finite-lived intangibles:						
Customer relationships	$ 477.3	$ (217.5)	$ 259.8	$ 478.2	$ (178.7)	$ 299.5
Patents and technology	299.6	(123.7)	175.9	299.9	(86.8)	213.1
Trademarks and trade names	57.4	(15.6)	41.8	57.6	(10.9)	46.7
Total finite-lived intangibles	834.3	(356.8)	477.5	835.7	(276.4)	559.3
Indefinite-lived intangibles:						
Trademarks and trade names	90.8	—	90.8	90.4	—	90.4
Total intangibles	$ 925.1	$ (356.8)	$ 568.3	$ 926.1	$ (276.4)	$ 649.7

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Based on the intangible assets recorded as of December 31, 2023, amortization expense is estimated to be as follows for the next five years and thereafter:

($ in millions)	
2024	$ 80.4
2025	76.0
2026	66.5
2027	54.1
2028	44.5
Thereafter	156.0
Total	$ 477.5

NOTE 8. FAIR VALUE MEASUREMENTS

Accounting standards define fair value based on an exit price model, establish a framework for measuring fair value for assets and liabilities required to be carried at fair value and provide for certain disclosures related to the valuation methods used within the valuation hierarchy as established within the accounting standards. This hierarchy prioritizes the inputs into three broad levels as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, or other observable characteristics for the asset or liability, including interest rates, yield curves and credit risks, or inputs that are derived principally from, or corroborated by, observable market data through correlation.
- Level 3 inputs are unobservable inputs based on our assumptions.

A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Below is a summary of financial assets and liabilities that are measured at fair value on a recurring basis as of:

($ in millions)	Quoted Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
December 31, 2023				
Contingent consideration liabilities	$ —	$ —	$ 9.3	$ 9.3
Deferred compensation liabilities	4.2	—	—	4.2
December 31, 2022				
Equity securities measured at fair value	$ 21.3	$ —	$ —	$ 21.3
Contingent consideration liabilities	—	—	11.6	11.6
Deferred compensation liabilities	—	5.1	—	5.1

Equity Securities

The Company historically held a minority interest in Tritium Holdings Pty, Ltd ("Tritium"). On January 13, 2022, Tritium announced that it completed a business combination with Decarbonization Plus Acquisition Corporation II to make Tritium a publicly listed company on NASDAQ under the symbol "DCFC". Once Tritium became publicly traded, the Company recorded its investment at fair value in Equity securities measured at fair value on the Consolidated Balance Sheets with changes in the value recorded in Unrealized loss on equity securities measured at fair value on the Consolidated Statements of Earnings and Comprehensive Income and the Consolidated Statements of Cash Flows.

During the year ended December 31, 2022, the Company sold shares of Tritium stock and recognized a loss of $3.1 million. During the first quarter of 2023, the Company sold its remaining interest in Tritium and recognized a loss of $0.9 million. These losses are presented in Other non-operating expense, net on the Consolidated Statements of Earnings and Comprehensive Income and Loss on equity investments in the Consolidated Statements of Cash Flows.

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Contingent Consideration

The fair value of the contingent consideration liabilities relates to potential payments to previous owners of acquired companies contingent on the achievement of certain revenue targets. The Company records a liability for contingent consideration in the purchase price for acquisitions at fair value on the acquisition date, and remeasures the liability at each reporting date, based on the Company's estimate of the expected probability of achievement of the contingency targets. This estimate is based on significant unobservable inputs and represents a Level 3 measurement within the fair value hierarchy.

Deferred Compensation

Certain management employees participate in the Company's nonqualified deferred compensation programs that permit such employees to defer a portion of their compensation, on a pretax basis, until after their termination of employment. All amounts deferred under such plans are unfunded, unsecured obligations and are presented as a component of our compensation and benefits accrual included in Other long-term liabilities on the Consolidated Balance Sheets. Participants may choose among investment options for the amounts they defer, which are primarily based on investment options within our defined contribution plans for the benefit of U.S. employees ("401(k) Programs") (except that the earnings rates for amounts contributed unilaterally by the Company are entirely based on changes in the value of the Company's common stock). Changes in the deferred compensation liability under these programs are recognized based on changes in the fair value of the participants' accounts, which are based on the applicable earnings rates.

Non-recurring Fair Value Measurements

Certain assets and liabilities are carried on the accompanying Consolidated Balance Sheets at cost and are not remeasured to fair value on a recurring basis. These assets include finite-lived intangible assets, which are tested when a triggering event occurs, and goodwill and identifiable indefinite-lived intangible assets, which are tested for impairment at least annually as of the first day of the fourth quarter or more frequently if events and circumstances indicate that the asset may not be recoverable.

As of December 31, 2023, assets carried on the balance sheet and not remeasured to fair value on a recurring basis were $1.7 billion of goodwill and $568.3 million of identifiable intangible assets, net.

NOTE 9. ACCRUED EXPENSES AND OTHER LIABILITIES

Accrued expenses and other liabilities as of December 31 were as follows:

	2023		2022	
($ in millions)	Current	Long-term	Current	Long-term
Compensation, pension and post-retirement benefits	$ 109.5	$ 13.1	$ 95.1	$ 13.5
Claims, including self-insurance and litigation	24.5	80.1	33.6	82.0
Income and other taxes	35.4	32.9	28.9	24.8
Deferred revenue	132.4	53.6	135.2	48.7
Sales and product allowances	30.9	—	39.6	—
Warranty	30.5	12.5	29.7	13.3
Other	72.6	24.8	75.5	31.9
Total	$ 435.8	$ 217.0	$ 437.6	$ 214.2

Estimated warranty costs are generally accrued at the time of sale. In general, manufactured products are warrantied against defects in material and workmanship when properly used for their intended purpose, installed correctly and appropriately maintained. Warranty period terms depend on the nature of the product and range from 90 days up to the life of the product. The amount of the accrued warranty liability is determined based on historical information such as past experience, product failure rates or number of units repaired, estimated cost of material and labor, and in certain instances, estimated property damage. The accrued warranty liability is reviewed on a quarterly basis and may be adjusted as additional information regarding expected warranty costs becomes known.

The following is a rollforward of the accrued warranty liability:

($ in millions)	2023	2022
Accrual for warranties, beginning of year	$ 43.0	$ 49.4
Accruals for warranties issued during the year	33.8	26.1
Settlements made	(33.9)	(30.9)
Additions due to acquisition	—	0.4
Effect of foreign currency translation	0.1	(0.6)
Reclassification to held for sale	—	(1.4)
Accrual for warranties, end of year	$ 43.0	$ 43.0

NOTE 10. LEASES

The Company determines if an arrangement is or contains a lease at inception. The Company has operating leases for office space, warehouses, distribution centers, research and development facilities, manufacturing locations, and certain equipment, primarily automobiles. For lease agreements with both lease and non-lease components, the Company has elected the practical expedient for all underlying asset classes to account for the lease and related non-lease component(s) as a single lease component. Many leases include one option to renew, some of which include options to extend the lease for up to 15 years, and some of which include options to terminate the leases within one year. Options to renew are included in the measurement of right-of-use assets and lease liabilities if it is determined they are reasonably certain to be exercised. The Company primarily uses its incremental borrowing rate as the discount rate for its leases, as the Company is generally unable to determine the interest rate implicit in the lease. Finance leases were immaterial for the years ended December 31, 2023, 2022 and 2021, respectively.

The Consolidated Financial Statements include the following amounts related to operating leases for the years ended December 31:

($ in millions)	2023	2022	2021
Consolidated Statements of Earnings and Comprehensive Income			
Operating lease cost	$ 23.9	$ 22.6	$ 21.5
Consolidated Statements of Cash Flows			
Cash paid for amounts included in the measurement of operating lease liabilities	23.6	20.3	20.5
Right-of-use assets obtained in exchange for operating lease obligations	16.4	13.3	19.8

Short-term and variable lease cost and sublease income were immaterial for the years ended December 31, 2023, 2022 and 2021, respectively.

The weighted average remaining lease term and weighted average discount rate of our operating leases were as follows as of December 31:

	2023	2022
Weighted average remaining lease term	4.7 years	4.6 years
Weighted average discount rate	5.0%	4.0%

The following table presents the maturity of the Company's operating lease liabilities as of December 31, 2023:

($ in millions)	
2024	$ 15.4
2025	12.8
2026	10.1
2027	7.2
2028	4.9
Thereafter	6.6
Total lease payments	57.0
Less: imputed interest	(5.9)
Total lease liabilities	$ 51.1

As of December 31, 2023, the Company had no material leases that had not yet commenced.

NOTE 11. FINANCING

The Company had the following debt outstanding as of December 31:

($ in millions)	2023	2022
Short-term borrowings:		
Short-term borrowings and bank overdrafts	$ 6.6	$ 4.6
Long-term debt:		
Three-Year Term Loans due 2024	$ 100.0	$ 400.0
Three-Year Term Loans due 2025	600.0	600.0
1.800% senior unsecured notes due 2026	500.0	500.0
2.400% senior unsecured notes due 2028	500.0	500.0
2.950% senior unsecured notes due 2031	600.0	600.0
Revolving Credit Facility due 2026	—	—
Total long-term debt	2,300.0	2,600.0
Less: current portion of long-term debt	(100.0)	—
Less: discounts and debt issuance costs	(11.0)	(14.3)
Total long-term debt, net	$ 2,189.0	$ 2,585.7

Debt issuance costs that have been netted against the aggregate principal amounts of the components of debt in the short-term borrowings section above are immaterial. Given the nature of the short-term borrowings, the carrying value approximates fair value as of both December 31, 2023 and 2022.

We made interest payments of $94.7 million, $67.5 million and $37.1 million during the years ended December 31, 2023, 2022 and 2021, respectively, related to the Company's long-term debt.

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As of December 31, 2023, the contractual maturities of the Company's long-term debt were as follows:

($ in millions)	
2024	$ 100.0
2025	600.0
2026	500.0
2027	—
2028	500.0
Thereafter	600.0
Total principal payments	$ 2,300.0

Credit Facilities

A&R Credit Agreement

On April 28, 2021, the Company executed an amended and restated credit agreement (the "A&R Credit Agreement"), which consists of a $400.0 million three-year term loan (the "Three-Year Term Loans Due 2024") and a $750.0 million Revolving Credit Facility. Two of the Company's wholly-owned subsidiaries are Guarantors under the A&R Credit Agreement. The A&R Credit Agreement addresses the discontinuation of LIBOR and its impact on U.S. dollar and multicurrency loans.

The A&R Credit Agreement contains various affirmative and negative covenants, including financial reporting requirements and limitations on indebtedness, liens, mergers, consolidations, liquidations and dissolutions, sales of assets, dividends and other restricted payments, investments (including acquisitions) and transactions with affiliates. Certain affirmative covenants, including certain reporting requirements and requirements to establish cash dominion accounts with the administrative agent, are triggered by failing to maintain availability under the credit facility at or above specified thresholds or by the existence of an event of default under the facility.

The A&R Credit Agreement contains covenants which require a maximum consolidated leverage ratio of 3.75 to 1.0 and a minimum consolidated interest coverage ratio of 3.50 to 1.0.

The A&R Credit Agreement contains events of default customary for facilities of this nature, including, but not limited, to: (i) events of default resulting from the Borrowers' failure or the failure of any credit party to comply with covenants (including the above-referenced financial covenants during periods in which the financial covenants are tested); (ii) the occurrence of a change of control; (iii) the institution of insolvency or similar proceedings against the Borrowers or any credit party; and (iv) the occurrence of a default under any other material indebtedness the Borrowers or any guarantor may have. Upon the occurrence and during the continuation of an event of default, subject to the terms and conditions of the A&R Credit Agreement, the lenders will be able to declare any outstanding principal balance of our Credit Facility, together with accrued and unpaid interest, to be immediately due and payable and exercise other remedies, including remedies against the collateral, as more particularly specified in the A&R Credit Agreement. As of December 31, 2023, the Company was in compliance with its debt covenants under the A&R Credit Agreement.

Three-Year Term Loans Due 2024

The Three-Year Term Loans Due 2024, which mature on October 28, 2024, bear interest at a variable rate equal to SOFR plus an 11.4 basis points SOFR adjustment, plus a ratings-based margin which was 112.5 basis points as of December 31, 2023. The interest rate was 6.60% per annum as of December 31, 2023. The Company is not obligated to make repayments prior to the maturity date, but did voluntarily repay $300.0 million during the year ended December 31, 2023. The Company is not permitted to re-borrow once repayment is made. There was no material difference between the carrying value and the estimated fair value of the debt outstanding as of December 31, 2023.

Revolving Credit Facility

As of December 31, 2023, there were no borrowings outstanding and $750.0 million of borrowing capacity under the Revolving Credit Facility. The Revolving Credit Facility bears interest at a variable rate equal to SOFR plus an 11.4 basis points SOFR adjustment, plus a ratings-based margin which was 117.5 basis points as of December 31, 2023. The Revolving Credit Facility requires the Company to pay lenders a commitment fee for unused commitments of 0.125% to 0.325% based on the ratings grid.

Three-Year Term Loans Due 2025

On October 28, 2022 the Company entered into a three-year, $600.0 million senior unsecured delayed draw term loan (the "Three-Year Term Loans Due 2025") with a syndicate of lenders. The Company's two wholly-owned subsidiaries which are Guarantors under the A&R Credit Agreement are also Guarantors under the Three-Year Term Loans Due 2025. On December 30, 2022, the Company drew the entire $600.0 million and used the proceeds to pay off other debt obligations.

The Three-Year Term Loans Due 2025, which mature on December 30, 2025, bear interest at a variable rate equal to SOFR plus a 10.0 basis points credit spread adjustment plus a ratings-based margin which was 125.0 basis points as of December 31, 2023. The interest rate was 6.71% per annum as of December 31, 2023. The Company is not obligated to make repayments prior to the maturity date. The Company is not permitted to re-borrow once the Three-Year Term Loans Due 2025 are repaid and there is no further ability to draw on the facility.

As of December 31, 2023, there was no material difference between the carrying value and the estimated fair value of the debt outstanding.

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Senior Unsecured Notes

On March 10, 2021, the Company completed the private placement of each of the following series of senior unsecured notes (collectively, the "Notes") to qualified institutional buyers under Rule 144A of the Securities Act of 1933, as amended (the "Securities Act") and outside the United States to non-U.S. persons in compliance with Regulation S under the Securities Act:

- $500.0 million aggregate principal amount of senior notes due April 1, 2026 (the "2026 Notes") issued at 99.855% of their principal amount and bearing interest at the rate of 1.800% per year;
- $500.0 million aggregate principal amount of senior notes due April 1, 2028 (the "2028 Notes") issued at 99.703% of their principal amount and bearing interest at the rate of 2.400% per year; and
- $600.0 million aggregate principal amount of senior notes due April 1, 2031 the (the "2031 Notes") issued at 99.791% of their principal amount and bearing interest at the rate of 2.950% per year.

The Company received approximately $1.6 billion in net proceeds from the issuance of the Notes, which was partially offset by discounts of $3.5 million and debt issuance costs of $13.9 million. The Company used the net proceeds to repay $1.4 billion of debt with the remainder used for working capital and other general corporate purposes.

In connection with the issuance of the Notes, the Company entered into a registration rights agreement, pursuant to which the Company was obligated to use commercially reasonable efforts to file with the U.S. Securities and Exchange Commission, and cause to be declared effective within 365 days, a registration statement with respect to an offer to exchange (the "Registered Exchange Offer") each series of Notes for registered notes with terms that are substantially identical to the Notes of each series. The Registered Exchange Offer was completed on January 18, 2022. Substantially all of the Notes were tendered and exchanged for the corresponding Registered Notes in the Registered Exchange Offer.

The Registered Notes are fully and unconditionally guaranteed (the "Guarantees"), on a joint and several basis, by Gilbarco Inc. and Matco Tools Corporation, two of Vontier's wholly-owned subsidiaries (the "Guarantors"). Interest on the Registered Notes is payable semi-annually in arrears on April 1 and October 1 of each year, and commenced on October 1, 2021. The Registered Notes and the Guarantees are the Company's and the Guarantors' general senior unsecured obligations.

The Company may redeem some or all of each series of the Registered Notes at any time prior to the dates specified in the Registered Notes indenture (the "Call Dates") at a redemption price equal to the greater of (i) 100% of the principal amount of the Registered Notes of such series to be redeemed, and (ii) the sum of the present values of the remaining scheduled payments of principal and interest on such series of the Registered Notes to be redeemed discounted to the date of redemption on a semi-annual basis at the applicable Treasury Rate plus 20 basis points in the case of the 2026 Notes and 2028 Notes and plus 25 basis points in the case of the 2031 Notes, plus the accrued and unpaid interest. Call dates for the 2026 Notes, 2028 Notes and 2031 Notes are March 1, 2026, February 1, 2028 and January 1, 2031, respectively.

If a change of control triggering event occurs, the Company will, in certain circumstances, be required to make an offer to repurchase the Registered Notes at a purchase price equal to 101% of the aggregate principal amount plus accrued and unpaid interest. A change of control triggering event is defined as the occurrence of both a change of control and a rating event, each as defined in the Registered Notes indenture. Except in connection with a change of control triggering event, the Registered Notes do not have any credit rating downgrade triggers that would accelerate the maturity of the Registered Notes.

The Registered Notes contain customary covenants, including limits on the incurrence of certain secured debt and sale-leaseback transactions. None of these covenants are considered restrictive to the Company's operations and as of December 31, 2023, the Company was in compliance with all of the covenants under the Registered Notes.

The estimated fair value of the Registered Notes was $1.4 billion as of December 31, 2023. The fair value of the Registered Notes was determined based upon Level 2 inputs including indicative prices based upon observable market data. The difference between the fair value and the carrying amounts of the Registered Notes may be attributable to changes in market interest rates and/or the Company's credit ratings subsequent to the incurrence of the borrowing.

Short-term Borrowings

As of December 31, 2023, certain of the Company's businesses were in a cash overdraft position, and such overdrafts are included in Short-term borrowings and current portion of long-term debt on the Consolidated Balance Sheets. Additionally, the Company has other short-term borrowing arrangements with various banks to facilitate short-term cash flow requirements in certain countries also included in Short-term borrowings and current portion of long-term debt on the Consolidated Balance Sheets. Given the nature of the short-term borrowings, the carrying value approximates fair value as of December 31, 2023.

Interest payments associated with the above short-term borrowings were not significant for the years ended December 31, 2023, 2022 and 2021.

NOTE 12. EMPLOYEE BENEFIT PLANS

Defined Benefit Pension Plans

Certain employees participate in noncontributory defined benefit pension plans. In general, the Company's policy is to fund these plans based on considerations relating to legal requirements, underlying asset returns, the plan's funded status, the anticipated deductibility of the contribution, local practices, market conditions, interest rates and other factors.

The pension benefit obligations of the Company's plans were $14.9 million and $14.6 million as of December 31, 2023 and 2022, respectively. The fair value of the plan assets was $8.2 million and $7.6 million as of December 31, 2023 and 2022, respectively, and include the use of Level 1 and Level 2 inputs in determining the fair value. As of December 31, 2023 and 2022, the underfunded status of the plans was $6.7 million and $7.0 million, respectively, and was included in Accrued expenses and other current liabilities and Other long-term liabilities in the Consolidated Balance Sheets. The assumptions used in calculating the benefit obligations for the plans are dependent on the local economic conditions and were measured as of December 31, 2023 and 2022. The net periodic benefit costs were $0.7 million, $0.7 million and $0.6 million for the years ended December 31, 2023, 2022 and 2021, respectively.

Defined Contribution Plans

The Company administers and maintains 401(k) Programs. Contributions are determined based on a percentage of compensation. For the years ended December 31, 2023, 2022 and 2021, compensation expense for participating U.S. employees in the 401(k) Programs was $49.3 million, $41.0 million and $40.0 million, respectively.

NOTE 13. ACCUMULATED OTHER COMPREHENSIVE INCOME

Foreign currency translation adjustments are generally not adjusted for income taxes as they relate to indefinite investments in non-U.S. subsidiaries.

The changes in Accumulated other comprehensive income by component are summarized below:

($ in millions)	Foreign currency translation adjustments	Other adjustments [b]	Total
Balance, December 31, 2020	$ 198.3	$ (4.5)	$ 193.8
Other comprehensive loss before reclassifications, net of income taxes	(13.4)	—	(13.4)
Amounts reclassified from accumulated other comprehensive income:			
Increase	—	1.9 [a]	1.9
Income tax impact	—	(0.6)	(0.6)
Amounts reclassified from accumulated other comprehensive income, net of income taxes	—	1.3	1.3
Net current period other comprehensive (loss) income, net of income taxes	(13.4)	1.3	(12.1)
Balance, December 31, 2021	184.9	(3.2)	181.7
Other comprehensive loss before reclassifications, net of income taxes	(77.1)	—	(77.1)
Amounts reclassified from accumulated other comprehensive income:			
Increase	—	2.0 [a]	2.0
Income tax impact	—	(0.5)	(0.5)
Amounts reclassified from accumulated other comprehensive income, net of income taxes	—	1.5	1.5
Net current period other comprehensive (loss) income, net of income taxes	(77.1)	1.5	(75.6)
Balance, December 31, 2022	107.8	(1.7)	106.1
Other comprehensive loss before reclassifications, net of income taxes	(1.6)	—	(1.6)
Amounts reclassified from accumulated other comprehensive income:			
Sale of business	0.3 [c]	—	0.3
Increase	—	0.1 [a]	0.1
Amounts reclassified from accumulated other comprehensive income, net of income taxes	0.3	0.1	0.4
Net current period other comprehensive (loss) income, net of income taxes	(1.3)	0.1	(1.2)
Balance, December 31, 2023	$ 106.5	$ (1.6)	$ 104.9

[a] This accumulated other comprehensive income component is included in the computation of net periodic pension cost.

[b] Includes balances relating to defined benefit plans and supplemental executive retirement plans.

[c] Reclassified to Gain on sale of business in the Consolidated Statements of Earnings and Comprehensive Income.

NOTE 14. SALES

Refer to a discussion of the Company's significant accounting policies regarding sales in Note 2. Basis of Presentation and Summary of Significant Accounting Policies.

Contract Assets

In certain circumstances, contract assets are recorded which include unbilled amounts typically resulting from sales under contracts when revenue recognized exceeds the amount billed to the customer, and right to payment is subject to contractual performance obligations rather than subject only to the passage of time. Contract assets were $6.8 million and $12.3 million as of December 31, 2023 and 2022, respectively, and are included in Prepaid expenses and other current assets in the accompanying Consolidated Balance Sheets.

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Contract Costs

The Company incurs direct incremental costs to obtain certain contracts, typically costs associated with assets used by our customers in certain service arrangements and sales-related commissions. As of December 31, 2023 and 2022, the Company had $90.9 million and $88.6 million, respectively, in revenue-related capitalized contract costs primarily related to assets used by the Company's customers in certain software contracts, which are recorded in Prepaid expenses and other current assets, for the current portion, and Other assets, for the noncurrent portion, in the accompanying Consolidated Balance Sheets. These assets have estimated useful lives between 3 and 5 years and are amortized on a straight-line basis. Total expense related to net revenue-related capitalized contract costs was $41.0 million, $34.6 million and $39.2 million for the years ended December 31, 2023, 2022 and 2021, respectively.

Impairment losses recognized on our revenue-related capitalized contract costs were insignificant during the years ended December 31, 2023, 2022 and 2021.

Contract Liabilities

The Company's contract liabilities consist of deferred revenue generally related to customer deposits, post contract support ("PCS") and extended warranty sales. In these arrangements, the Company generally receives up-front payment and recognizes revenue over the support term of the contracts where applicable. Deferred revenue is classified as current or noncurrent based on the timing of when revenue is expected to be recognized and is included in Accrued expenses and other current liabilities and Other long-term liabilities, respectively, in the accompanying Consolidated Balance Sheets.

The Company's contract liabilities consisted of the following as of December 31:

($ in millions)	2023	2022
Deferred revenue, current	$ 132.4	$ 135.2
Deferred revenue, noncurrent	53.6	48.7
Total contract liabilities	$ 186.0	$ 183.9

During the year ended December 31, 2023, the Company recognized $101.8 million of revenue related to the Company's contract liabilities at December 31, 2022. The change in contract liabilities from December 31, 2022 to December 31, 2023 was primarily due to the timing of cash receipts and sales of PCS and extended warranty services.

Remaining Performance Obligations

Remaining performance obligations represent the transaction price allocated to performance obligations which are unsatisfied as of the end of the period. The Company has excluded performance obligations with an original expected duration of one year or less and amounts for variable consideration allocated to wholly-unsatisfied performance obligations. Remaining performance obligations as of December 31, 2023 were $536.1 million, the majority of which are related to software-as-a-service and extended warranty and service contracts. The Company expects approximately 70 percent of the remaining performance obligations will be fulfilled within the next two years, 85 percent within the next three years, and 90 percent within four years.

Disaggregation of Revenue

Revenue from contracts with customers is disaggregated by sales of products and services and geographic location for each of our reportable segments, as it best depicts how the nature, amount, timing and uncertainty of our revenue and cash flows are affected by economic factors.

Disaggregation of revenue was as follows for the year ended December 31, 2023:

($ in millions)	Mobility Technologies	Repair Solutions	Environmental & Fueling Solutions	Other	Eliminations	Total
Sales:						
Sales of products	$ 872.3	$ 649.1	$ 1,163.0	$ 93.7	$ —	$ 2,778.1
Sales of services	128.9	2.4	160.7	25.1	—	317.1
Intersegment sales	2.6	—	—	—	(2.6)	—
Total	$ 1,003.8	$ 651.5	$ 1,323.7	$ 118.8	$ (2.6)	$ 3,095.2
Geographic:						
North America [(a)]	$ 703.3	$ 651.5	$ 815.6	$ 117.2	$ —	$ 2,287.6
Western Europe	88.7	—	164.3	—	—	253.0
High growth markets	134.1	—	290.8	1.6	—	426.5
Rest of world	75.1	—	53.0	—	—	128.1
Intersegment sales	2.6	—	—	—	(2.6)	—
Total	$ 1,003.8	$ 651.5	$ 1,323.7	$ 118.8	$ (2.6)	$ 3,095.2

[(a)] Includes total sales in the United States of $2,161.0 million.

Disaggregation of revenue was as follows for the year ended December 31, 2022:

($ in millions)	Mobility Technologies	Repair Solutions	Environmental & Fueling Solutions	Other	Total
Sales:					
Sales of products	$ 801.0	$ 609.1	$ 1,320.6	$ 143.6	$ 2,874.3
Sales of services	106.8	2.4	173.0	27.9	310.1
Total	$ 907.8	$ 611.5	$ 1,493.6	$ 171.5	$ 3,184.4
Geographic:					
North America [(a)]	$ 648.3	$ 611.5	$ 954.7	$ 168.5	$ 2,383.0
Western Europe	75.6	—	167.0	—	242.6
High growth markets	102.8	—	313.5	2.8	419.1
Rest of world	81.1	—	58.4	0.2	139.7
Total	$ 907.8	$ 611.5	$ 1,493.6	$ 171.5	$ 3,184.4

[(a)] Includes total sales in the United States of $2,280.3 million.

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Disaggregation of revenue was as follows for the year ended December 31, 2021:

($ in millions)	Mobility Technologies	Repair Solutions	Environmental & Fueling Solutions	Other	Total
Sales:					
Sales of products	$ 661.6	$ 591.5	$ 1,310.0	$ 149.6	$ 2,712.7
Sales of services	77.7	2.9	171.7	25.7	278.0
Total	$ 739.3	$ 594.4	$ 1,481.7	$ 175.3	$ 2,990.7
Geographic:					
North America [(a)]	$ 476.4	$ 594.4	$ 890.0	$ 170.3	$ 2,131.1
Western Europe	81.6	—	184.5	—	266.1
High growth markets	107.4	—	342.2	4.5	454.1
Rest of world	73.9	—	65.0	0.5	139.4
Total	$ 739.3	$ 594.4	$ 1,481.7	$ 175.3	$ 2,990.7

[(a)] Includes total sales in the United States of $2,056.9 million.

NOTE 15. INCOME TAXES

Earnings and Income Taxes

Earnings (losses) before income taxes for the years ended December 31 were as follows:

($ in millions)	2023	2022	2021
United States	$ 482.8	$ 552.4	$ 506.8
Non-U.S.	0.7	(25.0)	27.2
Total	$ 483.5	$ 527.4	$ 534.0

The provision (benefit) for income taxes for the years ended December 31 were as follows:

($ in millions)	2023	2022	2021
Current:			
Federal U.S.	$ 109.3	$ 127.1	$ 122.2
Non-U.S.	15.1	14.4	15.5
State and local	21.9	28.1	29.0
Deferred:			
Federal U.S.	(25.3)	(26.3)	(32.8)
Non-U.S.	(13.9)	(15.5)	(10.2)
State and local	(0.5)	(1.7)	(2.7)
Income tax provision	$ 106.6	$ 126.1	$ 121.0

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Deferred Tax Assets and Liabilities

All deferred tax assets and liabilities have been classified as noncurrent and are included in Other assets and Other long-term liabilities in the accompanying Consolidated Balance Sheets, respectively. Deferred tax assets and liabilities as of December 31 were as follows:

($ in millions)	2023	2022
Deferred tax assets:		
Allowance for credit losses	$ 21.9	$ 23.7
Operating lease liabilities	10.0	11.7
Inventories	14.8	15.8
Pension benefits	1.4	1.7
Other accruals and prepayments	35.7	42.6
Deferred revenue	16.5	16.0
Warranty services	8.9	9.5
Stock-based compensation expense	7.7	6.8
Tax credit and loss carryforwards	63.0	50.8
Other	6.9	5.0
Valuation allowances	(27.2)	(26.8)
Total deferred tax assets	159.6	156.8
Deferred tax liabilities:		
Property, plant and equipment	(5.4)	(4.5)
Operating lease right-of-use assets	(9.5)	(10.4)
Insurance, including self-insurance	(2.5)	(6.5)
Goodwill and other intangibles	(59.8)	(105.4)
Other	(6.1)	(3.3)
Total deferred tax liabilities	(83.3)	(130.1)
Net deferred tax asset	$ 76.3	$ 26.7

Applying the valuation allowance methodology discussed in Note 2. Basis of Presentation and Summary of Significant Accounting Policies, valuation allowances have been established for certain deferred income tax assets to the extent they are not expected to be realized within the particular tax carryforward period. The Company's valuation allowance increased by $0.4 million during the current year.

As of December 31, 2023, the Company has federal, various state, and foreign net operating losses in the amounts of $9.9 million, $45.0 million, and $240.8 million, respectively. These net operating loss carryforwards have various expiration periods beginning in 2023, including some with no expiration.

Effective Tax Rate

The effective tax rate for the years ended December 31 varies from the U.S. statutory federal tax rate as follows:

	Percentage of Pretax Earnings		
	2023	2022	2021
Statutory federal income tax rate	21.0 %	21.0 %	21.0 %
Increase (decrease) in tax rate resulting from:			
State income taxes (net of federal income tax benefit)	3.6 %	4.0 %	3.9 %
Non-U.S. income taxed at different rate than U.S. statutory rate	(0.2)%	0.7 %	0.7 %
Foreign derived intangible income taxation	(0.9)%	(1.4)%	(1.5)%
Nontaxable income	(1.3)%	(0.9)%	(1.0)%
Uncertain tax positions	3.3 %	0.3 %	0.2 %
Tax credits	(2.2)%	(1.3)%	(1.0)%
Business reorganizations and divestitures	(1.5)%	— %	— %
Other	0.2 %	1.5 %	0.4 %
Effective income tax rate	22.0 %	23.9 %	22.7 %

Our effective tax rate for the years ended December 31, 2023, 2022 and 2021 differs from the U.S. federal statutory rate of 21.0% due primarily to the effect of state taxes, foreign derived intangible income, tax credits and non-taxable income. Additionally, for the year ended December 31, 2023, there was a favorable impact related to business reorganizations and divestitures which was offset by an increase to uncertain tax positions.

We made income tax payments of $126.0 million, $167.2 million and $218.3 million during the years ended December 31, 2023, 2022 and 2021, respectively.

Unrecognized Tax Benefits

Gross unrecognized tax benefits were $27.0 million ($31.3 million total, including $5.1 million associated with interest and penalties, and net of the impact of $0.8 million of indirect tax benefits) and $14.0 million ($15.7 million total, including $2.0 million associated with interest and penalties, and net of the impact of $0.3 million of indirect tax benefits) as of December 31, 2023 and 2022, respectively. The Company recognized $3.2 million, $1.1 million, and $0.3 million in potential interest and penalties associated with uncertain tax positions during the years ended December 31, 2023, 2022, and 2021, respectively. To the extent taxes are not assessed with respect to uncertain tax positions, substantially all amounts accrued (including interest and penalties and net of indirect offsets) will be reduced and reflected as a reduction of the overall income tax provision. Unrecognized tax benefits and associated accrued interest and penalties are included in the income tax provision.

A reconciliation of the beginning and ending amount of unrecognized tax benefits, excluding amounts accrued for potential interest and penalties, is as follows as of December 31:

($ in millions)	2023	2022	2021
Unrecognized tax benefits, beginning of year	$ 14.0	$ 14.1	$ 17.4
Additions based on tax positions related to the current year	11.8	1.0	2.7
Additions for tax positions of prior years	2.9	1.2	0.2
Reductions for tax positions of prior years	(0.5)	(1.1)	(2.9)
Lapse of statute of limitations	(0.4)	—	—
Settlements	(0.9)	(0.9)	(2.9)
Effect of foreign currency translation	0.1	(0.3)	(0.4)
Unrecognized tax benefits, end of year	$ 27.0	$ 14.0	$ 14.1

The Company is routinely examined by various domestic and international taxing authorities. The amount of income taxes paid is subject to audit by federal, state and foreign tax authorities, which may result in proposed assessments. The Company is subject to examination in the United States, various states and foreign jurisdictions. Prior to the Separation, the Company's operating results were included in Fortive's various consolidated U.S. federal and certain state income tax returns, as well as certain non-U.S. returns. In connection with the Separation, the Company entered into a Tax Matters Agreement with Fortive. In accordance with the Tax Matters Agreement with Fortive, the Company is liable for taxes arising from examinations of the following: (i) the Company's initial

U.S. federal taxable year which includes the post-separation period; (ii) separate company state tax returns for all periods; (iii) joint state tax returns for the post-separation period; (iv) international separate company returns for all periods; and (v) joint international tax returns that include only Vontier legal entities for all periods. Global tax positions are reviewed on a quarterly basis. Based on these reviews, the results of discussions and resolutions of matters with certain tax authorities, tax rulings and court decisions and the expiration of statutes of limitations reserves for contingent tax liabilities are accrued or adjusted as necessary. The Company does not believe that the total amount of unrecognized tax benefits will change by a material amount within the next 12 months due to the settlement of audits and expirations of statutes of limitations.

The IRS started an examination of the Company's initial U.S. federal income tax return for the post-separation period in 2020. At this point, no material issues or adjustments have been identified. The Company remains subject to U.S. Federal income tax audit for 2021 and 2022. The Company is subject to tax audits for its state income tax returns for post-Separation 2020 as well as 2021 and 2022. The Company remains subject to tax audits for its separate company tax returns in various U.S. states for the tax years 2011 to 2022. Our operations in certain foreign jurisdictions remain subject to routine examinations for the tax years 2014 to 2022.

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Repatriation and Unremitted Earnings

As of December 31, 2023, the Company's undistributed earnings of its foreign subsidiaries are intended to be permanently reinvested in non-U.S. operations. The operating plans, budgets and forecasts, and long-term and short-term financial requirements of the parent company and the subsidiaries indicate that there is no current or known future need to distribute cash from foreign subsidiaries for any purpose. Therefore, no deferred taxes have been recorded. A determination of the amount of the unrecognized deferred tax liability related to these undistributed earnings is not practicable due to the complexity and variety of assumptions necessary based on the manner in which the undistributed earnings would be repatriated.

NOTE 16. SEGMENT INFORMATION

In the first quarter of 2023, the Company realigned its internal organization to align with the Company's strategy, resulting in changes to the Company's operating segments. Historically, the Company operated through one reportable segment comprised of two operating segments: (i) Mobility Technologies and (ii) Diagnostics and Repair Technologies. Subsequent to the realignment, the Company now operates through three reportable segments which align to the Company's three operating segments: (i) Mobility Technologies, (ii) Repair Solutions and (iii) Environmental & Fueling Solutions.

The Company's Global Traffic Technologies and Coats businesses, which were divested during April 2023 and January 2024, respectively, are presented in Other for periods prior to the divestitures. Refer to Note 21. Divestitures and Assets and Liabilities Held for Sale for further discussion of the Company's Global Traffic Technologies and Coats businesses.

Segment operating profit is used as a performance metric by the chief operating decision maker ("CODM") in determining how to allocate resources and assess performance. Segment operating profit represents total segment sales less operating costs attributable to the segment, which does not include unallocated corporate costs and other operating costs not allocated to the reportable segments as part of the CODM's assessment of reportable segment operating performance, including stock-based compensation expense, amortization of acquisition-related intangible assets, restructuring costs, transaction- and deal-related costs, and other costs not indicative of the segment's core operating performance. As part of the CODM's assessment of the Repair Solutions segment, a capital charge based on the segment's financing receivables portfolio is assessed by Corporate (the "Repair Solutions Capital Charge"). The unallocated corporate and other operating costs are presented in Corporate & other unallocated costs in the reconciliation to earnings before income taxes below.

Intersegment sales primarily result from solutions developed by the Mobility Technologies segment that are integrated into products sold by the Environmental & Fueling Solutions segment. Intersegment sales are recorded at cost plus a margin which is intended to reflect the contribution made by the Mobility Technologies segment. Segment operating profit includes the operating profit from intersegment sales. Intersegment sales for the years ended December 31, 2022 and 2021 are not significant and have been eliminated in the segments' results.

The Company's CODM does not review any information regarding total assets on a segment basis.

Prior period segment results have been presented in conformity with the Company's new reportable segments. Segment results for the years ended December 31 were as follows:

($ in millions)

	2023	2022	2021
Sales:			
Mobility Technologies[a]	$ 1,003.8	$ 907.8	$ 739.3
Repair Solutions[b]	651.5	611.5	594.4
Environmental & Fueling Solutions	1,323.7	1,493.6	1,481.7
Other	118.8	171.5	175.3
Intersegment eliminations	(2.6)	—	—
Total	$ 3,095.2	$ 3,184.4	$ 2,990.7
Segment operating profit:			
Mobility Technologies	$ 199.9	$ 187.5	$ 155.6
Repair Solutions[c]	170.0	169.7	168.4
Environmental & Fueling Solutions	369.5	406.5	410.3
Other	11.3	19.2	23.3
Segment operating profit	750.7	782.9	757.6
Corporate & other unallocated costs[c][d]	(207.3)	(205.0)	(175.4)
Operating profit	543.4	577.9	582.2
Interest expense, net	(93.7)	(69.6)	(47.8)
Gain on sale of business	34.4	—	—
Gain on previously held equity interests from combination of business	—	32.7	—
Unrealized loss on equity securities measured at fair value	—	(8.7)	—
Other non-operating expense, net	(0.6)	(4.9)	(0.4)
Earnings before income taxes	$ 483.5	$ 527.4	$ 534.0
Depreciation expense:			
Mobility Technologies	$ 29.4	$ 23.4	$ 26.1
Repair Solutions	2.1	1.7	1.6
Environmental & Fueling Solutions	11.2	13.9	15.7
Other	—	0.9	1.6
Corporate	1.1	1.0	0.9
Total	$ 43.8	$ 40.9	$ 45.9

[a] Includes intersegment sales of $2.6 million for the year ended December 31, 2023.

[b] Includes interest income related to financing receivables of $78.8 million, $72.7 million and $74.6 million for the years ended December 31, 2023, 2022 and 2021, respectively.

[c] Includes the Repair Solutions Capital Charge of $41.7 million, $39.8 million and $39.5 million for the years ended December 31, 2023, 2022 and 2021, respectively.

[d] Includes amortization of acquisition-related intangible assets.

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NOTE 17. RESTRUCTURING AND OTHER RELATED CHARGES

Restructuring and other related charges for the years ended December 31 were as follows:

($ in millions)	2023	2022	2021
Employee severance related	$ 19.0	$ 10.6	$ 11.5
Facility exit and other related	6.2	0.9	1.6
Total restructuring and other related charges	$ 25.2	$ 11.5	$ 13.1

Substantially all restructuring activities initiated in 2023 were completed by December 31, 2023. We expect substantially all cash payments associated with remaining termination benefits recorded in 2023 will be paid during 2024. Substantially all planned restructuring activities related to the 2022 and 2021 plans have been completed.

The nature of restructuring and related activities initiated in the years ended December 31, 2023, 2022 and 2021 focused on improvements in operational efficiency through targeted workforce reductions and facility consolidations and closures. We incurred these costs to provide superior products and services to our customers in a cost efficient manner, and taking into consideration broad economic uncertainties.

The table below summarizes the accrual balance and utilization by type of restructuring cost associated with our restructuring actions:

($ in millions)	Balance as of December 31, 2021	Costs Incurred	Paid / Settled	Balance as of December 31, 2022	Costs Incurred	Paid / Settled	Balance as of December 31, 2023
Employee severance and related	$ 4.8	$ 10.6	$ (13.9)	$ 1.5	$ 19.0	$ (17.7)	$ 2.8
Facility exit and other related	1.1	0.9	(0.9)	1.1	6.2	(6.1)	1.2
Total	$ 5.9	$ 11.5	$ (14.8)	$ 2.6	$ 25.2	$ (23.8)	$ 4.0

The restructuring and other related charges incurred during the years ended December 31, 2023, 2022 and 2021 were primarily cash charges. These charges are reflected in the following captions in the accompanying Consolidated Statements of Earnings and Comprehensive Income for the years ended December 31:

($ in millions)	2023	2022	2021
Cost of sales	$ 10.2	$ 3.2	$ 2.5
Selling, general and administrative expenses	15.0	8.3	10.6
Total	$ 25.2	$ 11.5	$ 13.1

Restructuring and other related charges by reportable segment for the years ended December 31 were as follows:

($ in millions)	2023	2022	2021
Mobility Technologies	$ 3.7	$ 0.8	$ 1.9
Repair Solutions	0.5	—	—
Environmental & Fueling Solutions	19.9	6.9	9.8
Other	—	1.2	0.7
Corporate	1.1	2.6	0.7
Total	$ 25.2	$ 11.5	$ 13.1

NOTE 18. LITIGATION AND CONTINGENCIES

Litigation and Other Contingencies

The Company is, from time to time, subject to a variety of litigation and other proceedings incidental to its business, including lawsuits involving claims for damages arising out of the use of its products, software and services; claims relating to intellectual property matters, employment matters, commercial disputes, product liability (including asbestos exposure claims) and personal injury; as well as regulatory investigations or enforcement. The Company may also become subject to lawsuits as a result of past or future acquisitions, or as a result of liabilities retained from, or representations, warranties or indemnities provided in connection with divested businesses. Some of these lawsuits may include claims for punitive and consequential as well as compensatory damages. Based upon experience, current information and applicable law, the Company does not believe that these proceedings and claims will have a material adverse effect on its financial position, results of operations or cash flows.

In accordance with accounting guidance, the Company records a liability in the Consolidated Financial Statements for loss contingencies when a loss is known or considered probable and the amount can be reasonably estimated. If the reasonable estimate of a known or probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. If a loss does not meet the known or probable level but is reasonably possible and a loss or range of loss can be reasonably estimated, the estimated loss or range of loss is disclosed.

The Company's reserves consist of specific reserves for individual claims and additional amounts for anticipated developments of these claims as well as for incurred but not yet reported claims. The specific reserves for individual known claims are quantified with the assistance of legal counsel and outside risk insurance professionals where appropriate. In addition, outside risk insurance professionals may assist in the determination of reserves for incurred but not yet reported claims through evaluation of our specific loss history, actual claims reported, and industry trends among statistical and other factors. Reserve estimates are adjusted as additional information regarding a claim becomes known. While the Company actively pursues financial recoveries from insurance providers, the Company does not recognize any recoveries until realized or until such time as a sustained pattern of collections is established related to historical matters of a similar nature and magnitude. If the risk insurance reserves the Company has established are inadequate, the Company would be required to incur an expense equal to the amount of the loss incurred in excess of the reserves, which would adversely affect the Company's net earnings.

In connection with the recognition of liabilities for asbestos-related matters, the Company records insurance recoveries that are deemed probable and estimable. In assessing the probability of insurance recovery, the Company makes judgments concerning insurance coverage that it believes are reasonable and consistent with its historical dealings, knowledge of any pertinent solvency issues surrounding insurers, and litigation and court rulings potentially impacting coverage. While the substantial majority of the Company's insurance carriers are solvent, some of our individual carriers are insolvent, which has been considered in the analysis of probable recoveries. Projecting future events is subject to various uncertainties, including litigation and court rulings potentially impacting coverage, that could cause insurance recoveries on asbestos-related liabilities to be higher or lower than those projected and recorded. Given the inherent uncertainty in making future projections, the Company reevaluates projections concerning the Company's probable insurance recoveries considering any changes to the projected liabilities, the Company's recovery experience or other relevant factors that may impact future insurance recoveries.

Gross liabilities associated with known and future expected asbestos claims and projected insurance recoveries were as follows as of December 31:

($ in millions)	Classification	2023	2022
Gross liabilities			
Current	Accrued expenses and other current liabilities	$ 17.8	$ 27.1
Long-term	Other long-term liabilities	76.5	78.1
Total		94.3	105.2
Projected insurance recoveries			
Current	Prepaid expenses and other current assets	12.7	21.2
Long-term	Other assets	43.9	47.4
Total		$ 56.6	$ 68.6

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Guarantees

As of December 31, 2023 and 2022, the Company had guarantees consisting primarily of outstanding standby letters of credit, bank guarantees, and performance and bid bonds of $79.2 million and $84.0 million, respectively. These guarantees have been provided in connection with certain arrangements with vendors, customers, financing counterparties, and governmental entities to secure the Company's obligations and/or performance requirements related to specific transactions.

NOTE 19. STOCK-BASED COMPENSATION

In connection with the Separation and the related employee matters agreement, the Company adopted the 2020 Stock Incentive Plan (the "Stock Plan") that became effective upon the Separation. Outstanding equity awards of Fortive held by the Company's employees at the separation date were converted into or replaced with Vontier equity awards (the "Conversion Awards"). The Stock Plan provides for the grant of stock appreciation rights, RSUs, PSUs, performance based restricted stock awards and performance stock awards (collectively, "Stock Awards"), stock options or any other stock-based award. A total of 17.0 million shares of the Company's common stock have been authorized for issuance under the Stock Plan and as of December 31, 2023, approximately 9.3 million shares remain available for issuance under the Stock Plan.

Stock options under the Stock Plan generally vest pro rata over a five-year period and terminate 10 years from the grant date, though the specific terms of each grant are determined by the Compensation Committee of the Company's Board of Directors. The Company's executive officers, certain other employees and non-employee directors may be awarded stock options with different vesting criteria. Exercise prices for stock options granted under the Stock Plan were equal to the closing price of Vontier's common stock on the NYSE on the date of grant, while stock options issued as Conversion Awards were priced to maintain the economic value before and after the Separation.

RSUs granted to employees under the Stock Plan generally provide for time-based vesting over three years or five years, although certain employees may be awarded RSUs with different time-based vesting criteria. RSUs granted to non-employee directors under the Stock Plan vest on the earlier of the first anniversary of the grant date or the date of, and immediately prior to, the next annual meeting of stockholders following the grant date. Prior to vesting, RSUs granted under the Stock Plan do not have dividend equivalent rights, do not have voting rights and the shares underlying the RSUs are not considered issued or outstanding.

PSUs granted under the Stock Plan during the years ended December 31, 2023 and 2022 vest based on the Company's earnings per share, modified by the Company's total shareholder return relative to the S&P 500 Index, over a three-year performance period. PSUs granted under the Stock Plan during the year ended December 31, 2021 vest based on the Company's total shareholder return ranking relative to the S&P 500 Index and PSUs granted under the Stock Plan during the year ended December 31, 2020 vest based on the Company's total shareholder return ranking relative to a peer group, both over a three-year performance period.

Stock awards generally vest only if the employee is employed (or in the case of directors, the director continues to serve on the Board) on the vesting date. To cover the exercise of stock options and vesting of RSUs and PSUs, the Company generally issues shares authorized but previously unissued.

Stock-based Compensation Expense

Stock-based compensation has been recognized as a component of Selling, general and administrative expense in the accompanying Consolidated Statements of Earnings and Comprehensive Income. The amount of stock-based compensation expense recognized during a period is based on the portion of the awards that are ultimately expected to vest. Pre-vesting forfeitures are estimated at the time of grant by analyzing historical data and are revised in subsequent periods if actual forfeitures differ from those estimates.

Stock-based compensation expense related to stock options, restricted stock units and performance stock units granted under the Stock Plan and subsidiary stock plan further discussed below was $31.5 million, $24.3 million and $25.5 million during the years ended December 31, 2023, 2022 and 2021, respectively, which was reduced by the related tax benefit of $5.5 million, $3.7 million and $4.0 million, respectively.

The following summarizes the unrecognized compensation cost for the Stock Plan awards as of December 31, 2023. This compensation cost is expected to be recognized over a weighted average period of approximately 1.8 years, representing the remaining service period related to the awards. Future compensation amounts will be adjusted for any changes in estimated forfeitures:

($ in millions)		
Stock Awards	$	35.6
Stock options		0.8
Total unrecognized compensation cost	$	36.4

Stock Options

The following summarizes option activity under the Stock Plan for the years ended December 31, 2023, 2022 and 2021 (in millions, except price per share and numbers of years):

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Outstanding as of December 31, 2020	4.5	$ 27.17		
Granted	0.1	31.48		
Exercised	(0.4)	19.53		
Canceled/forfeited	(0.3)	30.34		
Outstanding as of December 31, 2021	3.9	27.77		
Granted	—	—		
Exercised	(0.1)	16.14		
Canceled/forfeited	(0.5)	29.88		
Outstanding as of December 31, 2022	3.3	27.97		
Granted	—	—		
Exercised	(0.5)	21.01		
Canceled/forfeited	(0.6)	31.34		
Outstanding as of December 31, 2023	2.2	28.87	4.7	$ 12.6
Vested and expected to vest as of December 31, 2023	2.2	28.82	4.7	12.5
Exercisable as of December 31, 2023	1.8	$ 28.38	4.5	$ 11.4

The fair value of each stock option granted was estimated on the date of grant using the Black-Scholes model for service condition awards with the following weighted average assumptions for the year ended December 31, 2021. There were no options granted during the years ended December 31, 2023 and 2022.

	2021
Risk-free interest rate	0.97 %
Volatility	28.8 %
Dividend yield	— %
Expected years until exercise	6.5
Weighted average fair value at date of grant	$ 9.75

The total fair value of options vested during the years ended December 31, 2023, 2022 and 2021 was $2.6 million, $2.2 million and $1.8 million, respectively.

Options outstanding as of December 31, 2023 are summarized below (in millions; except price per share and numbers of years):

	Outstanding			Exercisable	
Exercise Price	**Number of Options**	**Average Exercise Price**	**Average Remaining Life (in years)**	**Number of Options**	**Average Exercise Price**
$12.19 - $17.43	0.2	$ 17.16	1.8	0.2	$ 17.16
$17.44 - $23.46	0.3	22.13	3.1	0.3	22.10
$23.47 - $29.34	0.1	29.08	5.2	0.1	29.05
$29.35 - $31.46	1.2	31.35	5.4	0.9	31.34
$31.47 - $33.66	0.4	$ 33.44	5.4	0.3	$ 33.45
Total shares	2.2			1.8	

The following summarizes the aggregate intrinsic value of stock options exercised under the Stock Plan during the years ended December 31:

($ in millions)	2023	2022	2021
Aggregate intrinsic value of stock options exercised	$ 5.2	$ 1.0	$ 5.4

Stock Awards

The following summarizes information related to Stock Award activity under the Stock Plan for the years ended December 31, 2023, 2022 and 2021 (in millions; except price per share):

	Number of Stock Awards	Weighted Average Grant-Date Fair Value
Unvested as of December 31, 2020	1.4	
Granted	0.9	$ 33.43
Vested	(0.4)	29.82
Forfeited	(0.1)	31.64
Unvested as of December 31, 2021	1.8	32.44
Granted	1.4	23.60
Vested	(0.6)	31.29
Forfeited	(0.4)	29.15
Unvested as of December 31, 2022	2.2	27.39
Granted	1.4	26.39
Vested	(0.9)	27.56
Forfeited	(0.3)	26.56
Unvested as of December 31, 2023	2.4	$ 26.87

The weighted average grant date fair value of Stock Awards unvested as of December 31, 2020 is not included as activity during this period included the conversion of Stock Awards under the Fortive Plans into awards under the Stock Plan.

Subsidiary Stock Plan

The Company has a subsidiary stock-based compensation plan under which the Company grants equity awards to certain employees and non-employees for the common stock of a subsidiary that holds Driivz and certain other related entities. The Company recognized stock-based compensation expense related to the subsidiary stock plan of $4.1 million and $0.4 million for the years ended December 31, 2023 and 2022, respectively.

NOTE 20. CAPITAL STOCK AND EARNINGS PER SHARE

Capital Stock

The Company's authorized capital stock consists of 2.0 billion shares of common stock, par value $0.0001 per share, and 15.0 million shares of preferred stock with no par value, with all shares of preferred stock undesignated.

Each share of Vontier common stock entitles the holder to one vote on all matters to be voted upon by common stockholders. Vontier's Board of Directors (the "Board") is authorized to issue shares of preferred stock in one or more series and has discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock. The Board's authority to issue preferred stock with voting rights or conversion rights that, if exercised, could adversely affect the voting power of the holders of the common stock, could potentially discourage attempts by third parties to obtain control of Vontier through certain types of takeover practices.

Earnings Per Share

Basic earnings per share is calculated by dividing net earnings by the weighted average number of shares of common stock outstanding. Diluted earnings per share is calculated by adjusting weighted average common shares outstanding for the dilutive effect of the assumed issuance of shares under stock-based compensation plans, determined using the treasury-stock method, except where the inclusion of such shares would have an anti-dilutive impact.

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Information related to the calculation of net earnings per share of common stock is summarized as follows:

($ and shares in millions, except per share amounts)	Year Ended December 31 2023	2022	2021
Numerator:			
Net earnings	$ 376.9	$ 401.3	$ 413.0
Denominator:			
Basic weighted average common shares outstanding	155.1	160.5	169.0
Effect of dilutive stock options and RSUs	0.9	0.5	1.1
Diluted weighted average common shares outstanding	156.0	161.0	170.1
Earnings per share:			
Basic	$ 2.43	$ 2.50	$ 2.44
Diluted	$ 2.42	$ 2.49	$ 2.43
Anti-dilutive shares	1.8	3.3	2.5

Share Repurchase Program

In February 2022, the Company entered into an accelerated share repurchase agreement ("ASR") with a third-party financial institution whereupon the Company provided a prepayment of $250.0 million and received an initial delivery of 8.2 million shares of the Company's common stock. The Company received an additional 1.8 million shares of its common stock as the final settlement of the ASR during the second fiscal quarter of 2022. In total, the Company repurchased 10.0 million shares under the ASR at an average price of $25.11 per share.

On May 24, 2022, the Company's Board of Directors approved a replenishment of the Company's previously approved share repurchase program announced in May 2021, bringing the total amount authorized for future share repurchases to $500.0 million. Under the share repurchase program, the Company may purchase shares of common stock from time to time in open market transactions, privately negotiated transactions, accelerated share repurchase programs, or by combinations of such methods, any of which may use prearranged trading plans that are designed to meet the requirements of Rule 10b5-1(c) of the Securities Exchange Act of 1934. The timing of any repurchases and the actual number of shares repurchased will depend on a variety of factors, including the Company's stock price, corporate and regulatory requirements, restrictions under the Company's debt obligations and other market and economic conditions. The share repurchase program may be suspended or discontinued at any time and has no expiration date.

During the year ended December 31, 2022, the Company repurchased an additional 3.7 million of the Company's shares for $78.0 million through open market transactions at an average price per share of $20.85.

The Company repurchased 2.8 million of the Company's shares for $74.7 million through open market transactions at an average price per share of $26.96 during the year ended December 31, 2023. As of December 31, 2023, the Company had remaining authorization to repurchase $354.3 million of its common stock under the share repurchase program.

NOTE 21. DIVESTITURES AND ASSETS AND LIABILITIES HELD FOR SALE

Global Traffic Technologies

On April 14, 2023, the Company completed the sale of Global Traffic Technologies for $108.4 million. As a result of the transaction, the Company recognized a gain of $34.4 million during the year ended December 31, 2023, which is presented in Gain on sale of business in the Consolidated Statements of Earnings and Comprehensive Income. There is a transition services agreement ("TSA") in place between the Company and Global Traffic Technologies which sets forth the terms and conditions pursuant to which the Company will provide certain services to Global Traffic Technologies. Receipts related to the TSA were insignificant for the year ended December 31, 2023. The operations of Global Traffic Technologies did not meet the criteria to be presented as discontinued operations.

Coats

During the three months ended July 1, 2022, the Company reached the strategic decision to exit its Coats business. The Company determined that the associated assets and liabilities met the held for sale accounting criteria and Coats was classified as Current assets held for sale and Current liabilities held for sale in the Consolidated Balance Sheets as of December 31, 2023. The operations of Coats did not meet the criteria to be presented as discontinued operations.

The assets and liabilities were measured at the lower of fair value less costs to sell or the carrying value. The following table summarizes the carrying amounts of major classes of assets and liabilities of Coats as of December 31, 2023 (in millions):

ASSETS		
Accounts receivable, less allowance for credit losses	$	18.2
Inventories		12.7
Prepaid expenses and other current assets		0.5
Property, plant and equipment, net		4.5
Operating lease right-of-use assets		0.3
Goodwill		15.7
Other assets		4.2
Total assets held for sale	$	56.1
LIABILITIES		
Trade accounts payable	$	15.2
Current operating lease liabilities		0.3
Accrued expenses and other current liabilities		10.5
Other long-term liabilities		6.1
Total liabilities held for sale	$	32.1

NOTE 22. SUBSEQUENT EVENTS

On January 8, 2024, the Company completed the sale of Coats for $72.5 million, subject to customary closing adjustments. A portion of the proceeds from the sale were used to repay $35.0 million of the Three-Year Term Loans due 2024 and repurchase $18.7 million of the Company's shares during January 2024.

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

Our management, with the participation of the President and Chief Executive Officer, and Senior Vice President and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on such evaluation, the President and Chief Executive Officer, and Senior Vice President and Chief Financial Officer, have concluded that, as of the end of such period, these disclosure controls and procedures were effective.

Management's annual report on its internal control over financial reporting (as such term is defined in Rules 13a-15(f) under the Exchange Act) and the independent registered public accounting firm's audit report on the effectiveness of the Company's internal control over financial reporting are included in the Company's financial statements for the year ended December 31, 2023 included in Item 8 of this Annual Report on Form 10-K, under the headings "Report of Management on Vontier Corporation's Internal Control Over Financial Reporting" and "Report of Independent Registered Public Accounting Firm," respectively, and are incorporated herein by reference.

There have been no changes in our internal control over financial reporting that occurred during the most recent completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

During the three months ended December 31, 2023, none of the Company's directors or executive officers adopted, modified or terminated any contract, instruction or written plan for the purchase or sale of the Company's securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Other than the information below, the information required by this Item is incorporated by reference from the sections entitled ***Election of Directors of Vontier***, ***Corporate Governance*** in the Proxy Statement for our 2024 annual meeting and to the information under the caption "Executive Officers of the Registrant" in Part I hereof. No nominee for director was selected pursuant to any arrangement or understanding between the nominee and any person other than the Company pursuant to which such person is or was to be selected as a director or nominee.

Code of Ethics

We have adopted a code of business conduct and ethics for directors, officers (including Vontier's principal executive officer, principal financial officer and principal accounting officer) and employees, known as the Code of Conduct. The Code of Conduct is available in the "Investors - Governance" section of our website at www.vontier.com.

We intend to disclose any amendment to the Code of Conduct that relates to any element of the code of ethics definition enumerated in Item 406(b) of Regulation S-K, and any waiver from a provision of the Code of Conduct granted to any director, principal executive officer, principal financial officer, principal accounting officer, or any of our other executive officers, in the "Investors - Governance" section of our website, at www.vontier.com, within four business days following the date of such amendment or waiver.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated by reference from the sections entitled ***Compensation Discussion and Analysis, Compensation Committee Report, Executive Compensation, Tables, Pay Ratio*** and ***Director Compensation*** in the Proxy Statement for our 2024 annual meeting (other than the Compensation Committee Report, which shall not be deemed to be "filed").

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item is incorporated by reference from the sections entitled ***Beneficial Ownership of Vontier Common Stock by Directors, Officers and Principal Shareholders*** in the Proxy Statement for our 2024 annual meeting.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item is incorporated by reference from the sections entitled ***Corporate Governance*** and ***Certain Relationships and Related Transactions*** in the Proxy Statement for our 2024 annual meeting.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this Item is incorporated by reference from the section entitled ***Ratification of Independent Registered Public Accounting Firm*** in the Proxy Statement for our 2024 annual meeting.

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PART IV

ITEM 15. EXHIBIT AND FINANCIAL STATEMENT SCHEDULES

a) The following documents are filed as part of this report.

(1) Financial Statements. The financial statements are set forth under "Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.

(2) Schedules. An index of Exhibits and Schedules is on page 87 of this report. Schedules other than those listed below have been omitted from this Annual Report on Form 10-K because they are not required, are not applicable or the required information is included in the financial statements or the notes thereto.

(3) Exhibits. The exhibits listed in the accompanying Exhibit Index are filed or incorporated by reference as part of this Annual Report on Form 10-K.

ITEM 16. FORM 10-K SUMMARY

Not applicable.

INDEX TO FINANCIAL STATEMENTS, SUPPLEMENTARY DATA AND FINANCIAL STATEMENT SCHEDULE

	Page Number in Form 10-K
Financial Statement Schedule:	
Valuation and Qualifying Accounts	91

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Incorporated by Reference (Unless Otherwise Indicated)

Exhibit Number	Exhibit Index	Form	File No.	Exhibit	Filing Date
2.1	Separation and Distribution Agreement, dated as of October 8, 2020, by and between Vontier Corporation and Fortive Corporation	8-K	001-39483	2.1	October 13, 2020
3.1	Certificate of Amendment to the Certificate of Incorporation of Vontier Corporation	8-K	001-39483	3.1	September 30, 2020
3.2	Amended and Restated Certificate of Incorporation of Vontier Corporation	8-K	001-39483	3.1	October 13, 2020
3.3	Certificate of Amendment, dated May 25, 2022 to the Amended and Restated Certification of Incorporation of Vontier Corporation	8-K	001-39483	3.1	May 27, 2022
3.3	Amended and Restated Bylaws of Vontier Corporation, effective December 13, 2022	8-K	001-39483	3.1	December 16, 2022
4.1	Description of Common Stock	10-K	001-39483	4.1	February 25, 2021
4.2	Amended and Restated Indenture, dated as of November 19, 2021, among the Company, the guarantors party thereto and Wilmington Trust, National association, as Trustee	8-K	001-39483	4.1	November 19, 2021
10.1	Amended and Restated Credit Agreement, dated as of April 28, 2021, by and among Vontier Corporation, Bank of America, N.A. as Administrative Agent, L/C Issuer and Swing Line Lender, and other Lenders party thereto	8-K	001-39483	10.1	April 28, 2021
10.2	Transition Services Agreement, dated as of October 8, 2020, by and between Vontier Corporation and Fortive Corporation	8-K	001-39483	10.3	October 13, 2020
10.3	Vontier Corporation 2020 Stock Incentive Plan*	8-K	001-39483	10.7	October 13, 2020
10.4	Vontier Corporation Non-Employee Directors' Deferred Compensation Plan*	10-K	001-39483	10.9	February 24, 2022
10.5	Vontier Corporation Director Compensation Policy*	10-K	001-39483	10.10	February 17, 2023
10.6	Form of Restricted Stock Unit Agreement under the Vontier Corporation 2020 Stock Incentive Plan (incorporated by reference to Exhibit 10.8 to Vontier Corporation's Registration Statement on Form 10, filed on September 1, 2020)*	8-K	001-39483	10.9	October 13, 2020
10.7	Form of Restricted Stock Unit Agreement (Non-Employee Directors Deferred Compensation) under the Vontier Corporation 2020 Stock Incentive Plan (incorporated by reference to Exhibit 10.9 to Vontier Corporation's Registration Statement on Form 10, filed on September 1, 2020)*	8-K	001-39483	10.10	October 13, 2020
10.8	Form of Performance Stock Unit Agreement under the Vontier Corporation 2020 Stock Incentive Plan (incorporated by reference to Exhibit 10.10 to Vontier Corporation's Registration Statement on Form 10, filed on September 1, 2020)*	8-K	001-39483	10.11	October 13, 2020
10.9	Form of Stock Option Agreement under the Vontier Corporation 2020 Stock Incentive Plan (incorporated by reference to Exhibit 10.11 to Vontier Corporation's Registration Statement on Form 10, filed on September 1, 2020)*	8-K	001-39483	10.12	October 13, 2020
10.10	Form of Stock Option Agreement (Non-Employee Directors) under the Vontier Corporation 2020 Stock Incentive Plan (incorporated by reference to Exhibit 10.12 to Vontier Corporation's Registration Statement on Form 10, filed on September 1, 2020)*	8-K	001-39483	10.13	October 13, 2020
10.11	Vontier Corporation 2020 Executive Incentive Compensation Plan*	8-K	001-39483	10.14	October 13, 2020
10.12	Vontier Corporation Executive Incentive Compensation Plan*	8-K	001-39483	10.1	March 15, 2022
10.13	Vontier Corporation Severance and Change-in-Control Plan for Officers*	8-K	001-39483	10.15	October 13, 2020

10.14	Vontier Corporation Amended and Restated Executive Deferred Incentive Plan*	8-K	001-39483	10.1	June 13, 2023
10.15	Vontier Corporation Separation Pay Plan for Officers, Key and Senior Executives*	8-K	001-39483	10.2	June 13, 2023
10.16	Term Loan Agreement, dated as of August 5, 2021, by and among Vontier Corporation, Bank of America, N.A., as Administrative Agent, and the other Lenders party thereto	8-K	001-39483	10.1	August 5, 2021
10.17	Term Loan Agreement, dated as of October 28, 2022, by and among Vontier Corporation, Bank of America, N.A., as Administrative Agent and the other Lenders party thereto	8-K	001-39483	10.1	November 3, 2022
10.18	Letter Agreement between Anshooman Aga and Vontier Corporation dated August 9, 2022*	8-K	001-39483	10.1	August 12, 2022
10.19	Transition Agreement between David Naemura and Vontier Corporation dated August 11, 2022*	8-K	001-39483	10.2	August 12, 2022
10.20	Letter Agreement between Aaron Saak and Vontier Corporation dated May 23, 2022*	10-K	001-39483	10.24	February 17, 2023
19.1	Vontier Corporation Insider Trading Policy	10-Q	001-39483	19.1	August 3, 2023
21.1	Subsidiaries of the Registrant	—	—		Filed herewith
22.1	List of Guarantor Subsidiaries	—	—		Filed herewith
23.1	Consent of Independent Registered Public Accounting Firm	—	—		Filed herewith
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	—		Filed herewith
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	—		Filed herewith
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	—	—		Filed herewith
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	—	—		Filed herewith
97.1	Vontier Corporation Recoupment Policy	—	—		Filed herewith
101.INS	Inline XBRL Instance Document - the Instance Document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document	—	—		Filed herewith
101.SCH	Inline XBRL Taxonomy Schema Document	—	—		Filed herewith
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	—	—		Filed herewith
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	—	—		Filed herewith
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	—	—		Filed herewith
101.PRE	Inline Taxonomy Extension Presentation Linkbase Document	—	—		Filed herewith
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	—	—		Filed herewith

*Indicates management contract or compensatory plan, contract or arrangement

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

VONTIER CORPORATION

Date: February 15, 2024

By: /s/ MARK D. MORELLI
Mark D. Morelli
President and Chief Executive Officer

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Pursuant to the requirements of the Securities Exchange Act of 1934, this annual report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated:

Name, Title and Signature	Date
/s/ KAREN C. FRANCIS Karen C. Francis Chair, Director	February 15, 2024
/s/ ANSHOOMAN AGA Anshooman Aga Senior Vice President, Chief Financial Officer	February 15, 2024
/s/ GLORIA R. BOYLAND Gloria R. Boyland Director	February 15, 2024
/s/ ROBERT L. EATROFF Robert L. Eatroff Director	February 15, 2024
/s/ DAVID M. FOULKES David M. Foulkes Director	February 15, 2024
/s/ MARTIN GAFINOWITZ Martin Gafinowitz Director	February 15, 2024
/s/ CHRISTOPHER J. KLEIN Christopher J. Klein Director	February 15, 2024
/s/ ANDREW D. MILLER Andrew D. Miller Director	February 15, 2024
/s/ MARK D. MORELLI Mark D. Morelli President, Chief Executive Officer and Director	February 15, 2024
/s/ PAUL V. SHIMP Paul V. Shimp Chief Accounting Officer	February 15, 2024
/s/ MARYROSE SYLVESTER Maryrose Sylvester Director	February 15, 2024

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VONTIER CORPORATION AND SUBSIDIARIES
SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS
(in millions)

Classification	Balance at Beginning of Period[a]	Charged to Costs & Expenses	Impact of Currency	Charged to Other Accounts[b]	Write Offs, Write Downs & Deductions	Balance at End of Period[a]
Year Ended December 31, 2023						
Allowances deducted from asset accounts:						
Allowance for credit losses	$ 71.9	$ 42.5	$ —	$ —	$ (45.0)	$ 69.4
Valuation allowance for deferred income tax assets	$ 26.8	$ —	$ —	$ 0.4	$ —	$ 27.2
Year Ended December 31, 2022						
Allowances deducted from asset accounts:						
Allowance for credit losses	$ 81.4	$ 32.2	$ (0.9)	$ (0.3)	$ (40.5)	$ 71.9
Valuation allowance for deferred income tax assets	$ 23.0	$ —	$ —	$ 3.8	$ —	$ 26.8
Year Ended December 31, 2021						
Allowances deducted from asset accounts:						
Allowance for credit losses	$ 84.9	$ 36.8	$ (0.1)	$ —	$ (40.2)	$ 81.4
Valuation allowance for deferred income tax assets	$ 22.4	$ —	$ —	$ 0.6	$ —	$ 23.0

[a] Amounts include allowance for credit losses classified as current and noncurrent.

[b] Amounts are related to businesses acquired, the impact of new accounting standards and other adjustments.