

BARNES REPORTS SECOND QUARTER 2024 FINANCIAL RESULTS

Significant Progress Made on Transforming to an Aerospace Focused Company

Comparisons are year-over-year unless noted otherwise

Second Quarter 2024:

- Sales of \$382 million, up 13%; Organic Sales up 5%
- Operating Margin of -0.6%; Adjusted Operating Margin of 12.4%, down 40 bps
- Adjusted EBITDA Margin of 20.0%, up 20 bps
- GAAP EPS of -\$0.91; Adjusted EPS of \$0.37, down 36%
- Records Automation goodwill impairment

2024 Outlook:

- Sales Growth of 10% to 12%; Organic Sales Growth of 4% to 6%
- Adjusted EBITDA Margin of 20% to 22%
- GAAP EPS of -\$0.36 to -\$0.16; Adjusted EPS of \$1.55 to \$1.75

July 26, 2024

BRISTOL, Conn., — Barnes Group Inc. (NYSE: B), a global provider of highly engineered products, differentiated industrial technologies, and innovative solutions, today reported financial results for the second quarter 2024.

"For the second quarter, strong Aerospace aftermarket and Molding Solutions revenue growth partially offset lower than expected Aerospace OEM sales, as industry supply chain and productivity constraints continue to temper our Aerospace OEM results," said Thomas J. Hook, President and Chief Executive Officer of Barnes. "These industry factors will impact our overall near-term Aerospace outlook, even as our aftermarket continues to benefit from growing fleet opportunities and synergies from our acquisition of MB Aerospace remain on track. Despite these headwinds, we are making significant progress across the company in transforming Barnes into a higher growth, higher value company, led by a strong Aerospace business and a streamlined Industrial business."

Second Quarter 2024 Highlights

Sales of \$382 million were up 13% versus the same quarter a year ago, with organic growth⁽¹⁾ of 5%. The net beneficial impact of acquisition and divestiture related sales was approximately 8%. Foreign exchange did not have a meaningful impact on sales.



In the quarter, the sales and cash flow expectations for the Automation business unit within the Industrial segment were reduced, which among other factors, resulted in a non-cash impairment charge of \$53.7 million contributing to an operating loss of \$2.1 million, and operating margin of -0.6%.

Adjusted operating income of \$47.6 million was up 9% and adjusted operating margin of 12.4% was down 40 bps. Adjusted operating income excludes the goodwill impairment charge, a \$10.2 million pre-tax gain on the sale of the Associated Spring and Hänggi businesses, restructuring and transformation related charges of \$5.4 million, MB Aerospace short-term purchase accounting adjustments of \$0.7 million, and shareholder advisory costs of \$0.1 million. Adjusted EBITDA⁽²⁾ was \$76.5 million, up 14% from a year ago and adjusted EBITDA margin was 20.0%, up 20 bps.

In early April, Barnes closed the divestiture of the Associated Spring and Hanggi businesses, materially reducing its exposure to automotive component manufacturing. The headline price of the transaction was \$175 million, and net cash proceeds of approximately \$150 million were used to reduce debt.

Interest expense was \$20.8 million, up from \$6.5 million a year ago, due to higher average borrowings from the purchase of MB Aerospace and a higher average interest rate given the recapitalization of the Company's debt structure.

The effective tax rate for the quarter was -112% compared with 23% last year primarily driven by the non-deductible goodwill impairment charge and taxes tied to the sale of Associated Spring and Hanggi. On an adjusted basis, the second quarter's effective tax rate was 31%.

Net loss was \$46.8 million, or -\$0.91 per share, compared to net income of \$17.4 million, or \$0.34 per share in the prior year. On an adjusted basis, net income per share of \$0.37 was down 36% from \$0.58. Adjusted net income per share excludes a \$1.05 non-cash goodwill impairment charge, \$0.14 of charges inclusive of tax related to the Associated Spring and Hänggi divestiture, \$0.08 of restructuring and transformation related charges, and \$0.01 of MB Aerospace short-term purchase accounting adjustments.

Year-to-date cash provided by operating activities was \$3.1 million versus \$42.5 million in the first half of 2023. The decrease from the prior year was primarily due to an increase in working capital and divestiture related income tax payments. Capital expenditures of \$29.9 million year-to-date increased \$8.2 million over the prior year, driven by investments related to the Company's restructuring program and investments for growth. Year-to-date free cash flow, adjusted for the tax payments related to the divestiture, was negative \$14.5 million.

Segment Performance

Aerospace

Second quarter sales in the Aerospace segment were \$218 million, up 79%. Organic sales increased 8%, and sales related to the acquisition of MB Aerospace added 71%. Aerospace original equipment



manufacturing ("OEM") sales increased 75%, while aftermarket sales increased 84%. On an organic basis, OEM sales increased 1%, and aftermarket sales increased 19%. Segment operating profit was \$29.3 million, up 77%. Adjusted operating profit of \$32.3 million was up 56%, while adjusted operating margin declined 220 bps to 14.8%. Adjusted operating profit excludes restructuring and transformation-related charges of \$2.2 million, and MB Aerospace short-term purchase accounting adjustments of \$0.7 million. Adjusted operating profit benefited from the contribution of higher organic sales volumes, inclusive of pricing, and the contribution of MB Aerospace sales, partially offset by the amortization of long term acquired intangibles for the MB Aerospace acquisition and lower productivity. Aerospace adjusted EBITDA was \$50.4 million, up 64%, and adjusted EBITDA margin was 23.1% versus 25.2% a year ago.

Aerospace OEM backlog ended the second quarter at \$1.51 billion, up 3% sequentially from March 2024. The Company expects to convert approximately 40% of this backlog to revenue over the next 12 months.

Industrial

Second quarter sales in the Industrial segment were \$164 million, down 24% due to the sale of the Associated Spring and Hänggi businesses. On an organic basis, sales were up 3% from a year ago. Operating loss was \$31.5 million versus operating income of \$9.4 million in the prior year. Adjusted operating profit was \$15.3 million, down 33%, and adjusted operating margin was 9.3%, down 120 bps. Adjusted operating profit reflects the impact of the divested businesses partially offset by positive pricing and Barnes Transformation Office (BTO) cost initiatives. Adjusted operating profit excludes a \$53.7 million non-cash goodwill impairment charge, a \$10.2 million pre-tax gain on the sale of the divested businesses and restructuring and transformation related charges of \$3.2 million. Adjusted EBITDA was \$25.1 million, down 28% from a year ago, and adjusted EBITDA margin was 15.3%, down 70 bps.

Balance Sheet and Liquidity

As of June 30, 2024, the Company had \$66 million in cash and \$419 million available borrowing capacity under its revolving credit facility. The "Net Debt to EBITDA" ratio, as defined in our credit agreements, was 3.48 times, down from 3.62 times at March 31, 2024. Barnes remains focused on achieving a leverage ratio of 3.0x or lower by the end of 2024 and reaffirms its long-term leverage goal of 2.5x by 2025.



Updated 2024 Full Year Outlook

The Company is updating its full year 2024 guidance to the following:

Organic sales growth
Adjusted operating margin
Adjusted EBITDA margin
Adjusted earnings per share
Capital expenditures
Free cash flow
Adjusted effective tax rate

| | <u>2024 (</u> | Gui | idand | <u>ce</u> |
|------|----------------------|-----|-------|-----------|
| | 4% | to | 6% | |
| | 12% | to | 14% | |
| | 20% | to | 22% | |
| | \$1.55 | to | \$1.7 | 5 |
| \$55 | million ¹ | to | \$65 | million |
| \$45 | million ¹ | to | \$55 | million |
| | 33% | to | 34% | |

The Company's 2024 Adjusted EPS guidance excludes a \$1.05 non-cash goodwill impairment charge, \$0.40 related to restructuring and transformation activities, \$0.35 of divestiture impacts related to the sale of the Associated Spring and Hänggi businesses, \$0.06 of MB Aerospace short-term purchase accounting adjustments, \$0.02 of acquisition-related impacts, and \$0.03 of shareholder advisory costs.

Conference Call Information

Barnes will conduct a conference call with investors to discuss the second quarter 2024 results at 8:30 a.m. ET today, July 26, 2024. The public may access the conference through a live audio webcast available on the Investor Relations section of Barnes' website at www.onebarnes.com.

The conference is also available by direct dial at (888) 510-2379 in the U.S. or (646) 960-0691 outside of the U.S.; Conference ID 1137078. Supplemental materials will be posted to the Investor Relations section of the Company's website prior to the conference call.

In addition, the call will be recorded and available for playback from 12:00 p.m. (ET) on Friday, July 26, 2024, until 11:59 p.m. (ET) on Friday, August 2, 2024, by dialing (609) 800-9909; Conference ID 1137078.

Notes:

- ⁽¹⁾ Organic sales growth represents the total reported sales increase within the Company's ongoing business less the impact of foreign currency translation and acquisitions and divestitures completed in the preceding twelve months.
- (2) While Barnes reports financial results in accordance with U.S. generally accepted accounting principles (GAAP), the Company provides additional information with respect to a non-GAAP measure, "Adjusted Earnings Before Interest, Income Tax, Depreciation and Amortization" (Adjusted EBITDA). With the acquisition of MB Aerospace, the largest transaction in Barnes' history, the Company incurred related



expenses, including acquired intangible assets and additional interest expense from the debt-funded acquisition. Accordingly, the Company uses Adjusted EBITDA, among other measures, to monitor our business performance. While EBITDA is not a U.S. GAAP measure, nor is it a substitute for a U.S. GAAP measure, we believe it provides helpful information to investors in understanding the ongoing operating performance of the Company. Investors should consider non-GAAP measures in addition to, not as a substitute for, or as superior to, measures of financial performance prepared in accordance with U.S. GAAP. Tables reconciling non-GAAP to GAAP financial measures, including forward looking outlook information, are presented at the end of this press release.

About Barnes

Barnes Group Inc. (NYSE: B) leverages world-class manufacturing capabilities and market-leading engineering to develop advanced processes, automation solutions, and applied technologies for industries ranging from aerospace and medical & personal care to mobility and packaging. With a celebrated legacy of pioneering excellence, Barnes delivers exceptional value to customers through advanced manufacturing capabilities and cutting-edge industrial technologies. Barnes Aerospace specializes in the production and servicing of intricate fabricated and precision-machined components for both commercial and military turbine engines, nacelles, and airframes. Barnes Industrial excels in advancing the processing, control, and sustainability of engineered plastics and delivering innovative, custom-tailored solutions for industrial automation and metal forming applications. Established in 1857 and headquartered in Bristol, Connecticut, USA, the Company has manufacturing and support operations around the globe. For more information, visit please visit www.onebarnes.com.

Forward-Looking Statements

This press release contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements often address our expected future operating and financial performance and financial condition, and often contain words such as "anticipate," "believe," "expect," "plan," "estimate," "project," "continue," "will," "should," "may," and similar terms. These forwardlooking statements do not constitute guarantees of future performance and are subject to a variety of risks and uncertainties that may cause actual results to differ materially from those expressed in the forward-looking statements. These risks and uncertainties include, among others: the Company's ability to manage economic, business and geopolitical conditions, including rising interest rates, global price inflation and shortages impacting the availability of materials; the duration and severity of unforeseen events such as an epidemic or a pandemic, including their impacts across our business on demand, supply chains, operations and liquidity; failure to successfully negotiate collective bargaining agreements or potential strikes, work stoppages or other similar events; changes in market demand for our products and services; rapid technological and market change; the ability to protect and avoid infringing upon intellectual property rights; challenges associated with the introduction or development of new products or transfer of work; higher risks in global operations and markets; the impact of intense competition; the physical and operational risks from natural disasters, severe weather events, and climate change which may limit accessibility to sufficient water resources, outbreaks of contagious diseases and other adverse public health developments; acts of war, terrorism and other international conflicts; the failure to achieve



anticipated cost savings and benefits associated with workforce reductions and restructuring actions; currency fluctuations and foreign currency exposure; impacts from goodwill impairment and related charges; our dependence upon revenues and earnings from a small number of significant customers; a major loss of customers; inability to realize expected sales or profits from existing backlog due to a range of factors, including changes in customer sourcing decisions, material changes, production schedules and volumes of specific programs; the impact of government budget and funding decisions; our ability to successfully integrate and achieve anticipated synergies associated with recently announced and future acquisitions, including the acquisition of MB Aerospace; government-imposed sanctions, tariffs, trade agreements and trade policies; changes or uncertainties in laws, regulations, rates, policies or interpretations that impact the Company's business operations or tax status, including those that address climate change, environmental, health and safety matters, and the materials processed by our products or their end markets; fluctuations in the pricing or availability of raw materials, freight, transportation, energy, utilities and other items required by our operations; labor shortages or other business interruptions at transportation centers, shipping ports, our suppliers' facilities or our facilities; disruptions in information technology systems, including as a result of cybersecurity attacks or data security breaches; the ability to hire and retain senior management and qualified personnel; the continuing impact of prior acquisitions and divestitures, and any ongoing and future strategic actions, and our ability to achieve the financial and operational targets set in connection with any such actions; the ability to achieve social and environmental performance goals; the outcome of pending and future litigation and governmental proceedings; the impact of actual, potential or alleged defects or failures of our products or third-party products within which our products are integrated, including product liabilities, product recall costs and uninsured claims; future repurchases of common stock; future levels of indebtedness; the impact of shareholder activism; and other risks and uncertainties described in documents filed with or furnished to the Securities and Exchange Commission ("SEC") by the Company, including, among others, those in the Management's Discussion and Analysis of Financial Condition and Results of Operations and Risk Factors sections of the Company's filings. The Company assumes no obligation to update its forward-looking statements.

Category: Earnings

Investors:

Barnes Group Inc.
William Pitts
Vice President, Investor Relations
ir@onebarnes.com
860.583.7070

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

| | | Three month | s ended June 30, | | | | | Six mo | onths ended June 3 | 0, |
|---|----------------|-------------|------------------|---|---------|----|-----------|--------|--------------------|-------------|
| | 2024 | | 2023 | % | Change | | 2024 | | 2023 | % Change |
| Net sales | \$ 382,232 | \$ | 338,984 | | 12.8 | \$ | 812,870 | \$ | 674,341 | 20.5 |
| Cost of sales | 258,188 | | 224,625 | | 14.9 | | 558,284 | | 450,868 | 23.8 |
| Selling and administrative expenses | 82,667 | | 88,350 | | (6.4) | | 170,394 | | 174,180 | (2.2) |
| Goodwill impairment charge | 53,694 | | - | | 100.0 | | 53,694 | | - | 100.0 |
| Gain on the sale of businesses | (10,204) | | - | | NM | | (7,071) | | - | NM |
| | 384,345 | | 312,975 | | 22.8 | | 775,301 | | 625,048 | 24.0 |
| Operating (loss) income | (2,113) | | 26,009 | | (108.1) | | 37,569 | | 49,293 | (23.8) |
| Operating margin | -0.6% | | 7.7% | | | | 4.6% | | 7.3% | |
| Interest expense | 20,812 | | 6,512 | | 219.6 | | 45,643 | | 11,819 | 286.2 |
| Other expense (income), net | (845) | | (2,894) | | (70.8) | | 850 | | (1,553) | NM |
| (Loss) income before income taxes | (22,080) | | 22,391 | | (198.6) | | (8,924) | | 39,027 | (122.9) |
| Income taxes | 24,741 | | 5,039 | | 391.0 | | 35,949 | | 8,516 | 322.1 |
| Net (loss) income | \$ (46,821) | \$ | 17,352 | | (369.8) | \$ | (44,873) | \$ | 30,511 | (247.1) |
| Common dividends | \$ 8,118 | \$ | 8,099 | | 0.2 | \$ | 16,229 | \$ | 16,195 | 0.2 |
| Per common share: | | | | | | | | | | |
| Net (loss) income: | | | | | | | | | | |
| Basic | \$ (0.91) | \$ | 0.34 | | (367.6) | \$ | (88.0) | \$ | 0.60 | (246.7) |
| Diluted | (0.91) | | 0.34 | | (367.6) | | (88.0) | | 0.60 | (246.7) |
| Dividends | 0.16 | | 0.16 | | - | | 0.32 | | 0.32 | - |
| Weighted average common shares outstanding: | | | | | | | | | | |
| Basic | 51,302,547 | | 51,051,780 | | 0.5 | | 1,263,503 | | 51,020,648 | 0.5 |
| Diluted | 51,302,547 | | 51,225,545 | | 0.2 | 5 | 1,263,503 | | 51,245,163 | 0.0 |
| | | | | | | | | | | |

BARNES GROUP INC. OPERATIONS BY REPORTABLE BUSINESS SEGMENT (Dollars in thousands) (Unaudited)

| | | Three month | s ended June 30, | | | | Six m | onths ended June 3 | |
|-------------------------------|---------------|-------------|------------------|---|--------------|---------------|-------|--------------------|-------------|
| | 2024 | | 2023 | % | Change | 2024 | | 2023 | % Change |
| Net sales | | | | | | | | | |
| Aerospace | \$ 217,958 | \$ | 122,015 | | 78.6 | \$ 439,328 | \$ | 239,272 | 83.6 |
| Industrial | 164,274 | | 216,971 | | (24.3) | 373,542 | | 435,079 | (14.1) |
| Intersegment sales | <u>-</u> | | (2) | | | - | _ | (10) | |
| Total net sales | \$ 382,232 | \$ | 338,984 | | 12.8 | \$ 812,870 | \$ | 674,341 | 20.5 |
| Operating (loss) profit | | | | | | | | | |
| Aerospace | \$ 29,344 | \$ | 16,580 | | 77.0 | \$ 60,430 | \$ | 35,331 | 71.0 |
| Industrial | (31,457) | | 9,429 | | (433.6) | (22,861) | | 13,962 | (263.7) |
| Total operating (loss) profit | \$ (2,113) | \$ | 26,009 | | (108.1) | \$ 37,569 | \$ | 49,293 | (23.8) |
| Operating margin | | | | | Change | | | | Change |
| Aerospace | 13.5% | | 13.6% | | (10) bps. | 13.8% | | 14.8% | (100) bps. |
| Industrial | -19.1% | | 4.3% | | (2,340) bps. | -6.1% | | 3.2% | (930) bps. |
| Total operating margin | -0.6% | | 7.7% | | (830) bps. | 4.6% | | 7.3% | (270) bps. |

BARNES GROUP INC. CONSOLIDATED BALANCE SHEETS (Dollars in thousands) (Unaudited)

| | June 30, | |
|--|--------------|-------------------|
| | 2024 | December 31, 2023 |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 65,909 | \$ 89,827 |
| Accounts receivable | 345,482 | 353,923 |
| Inventories | 350,292 | 365,221 |
| Prepaid expenses and other current assets | 104,689 | 97,749 |
| Total current assets | 866,372 | 906,720 |
| Deferred income taxes | - | 10,295 |
| Property, plant and equipment, net | 351,879 | 402,697 |
| Goodwill | 1,046,822 | 1,183,624 |
| Other intangible assets, net | 662,666 | 706,471 |
| Other assets | 109,348 | 98,207 |
| Total assets | \$ 3,037,087 | \$ 3,308,014 |
| Liabilities and Stockholders' Equity | | |
| Current liabilities | | |
| Notes and overdrafts payable | \$ 6,547 | \$ 16 |
| Accounts payable | 152,271 | 164,264 |
| Accrued liabilities | 217,793 | 221,462 |
| Long-term debt - current | 10,518 | 10,868 |
| Total current liabilities | 387,129 | 396,610 |
| Long-term debt | 1,149,386 | 1,279,962 |
| Accrued retirement benefits | 36,825 | 45,992 |
| Deferred income taxes | 115,950 | 120,608 |
| Long-term tax liability | - | 21,714 |
| Other liabilities | 71,299 | 80,865 |
| Total stockholders' equity | 1,276,498 | 1,362,263 |
| Total liabilities and stockholders' equity | \$ 3,037,087 | \$ 3,308,014 |

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

| | Six month | s ended June 30, |
|--|-------------|------------------|
| | 2024 | 2023 |
| Operating activities: | | |
| Net (loss) income | \$ (44,873) | \$ 30,511 |
| Adjustments to reconcile net (loss) income to net cash provided by operating activities: | | |
| Depreciation and amortization | 59,563 | 46,913 |
| Gain on disposition of property, plant and equipment | (50) | (180) |
| Stock compensation expense | 6,464 | 4,832 |
| Non-cash goodwill impairment charge | 53,694 | - |
| Gain on sale of businesses | (5,545) | - |
| Changes in assets and liabilities, net of the effects of divestiture: | | |
| Accounts receivable | (12,173) | (18,102) |
| Inventories | (23,011) | (9,743) |
| Prepaid expenses and other current assets | (12,532) | (5,183) |
| Accounts payable | 2,862 | (2,300) |
| Accrued liabilities | (645) | 16,745 |
| Deferred income taxes | 3,454 | 779 |
| Long-term retirement benefits | (10,336) | (10,636) |
| Long-term tax liability | (17,372) | (13,029) |
| Other | 3,550 | 1,860 |
| Net cash provided by operating activities | 3,050 | 42,467 |
| Investing activities: | | |
| Proceeds from disposition of property, plant and equipment | 344 | 149 |
| Proceeds from the sale of businesses | 146,041 | = |
| Capital expenditures | (29,854) | (21,617) |
| Business acquisitions, net of cash acquired | 159 | - |
| Other | - | (722) |
| Net cash provided (used) by investing activities | 116,690 | (22,190) |
| Financing activities: | | |
| Net change in other borrowings | 6,568 | 7,775 |
| Payments on long-term debt | (233,207) | (112,927) |
| Proceeds from the issuance of long-term debt | 110,000 | 101,208 |
| Proceeds from the issuance of common stock | 122 | 189 |
| Dividends paid | (16,229) | (16,195) |
| Withholding taxes paid on stock issuances | (141) | (376) |
| Cash settlement of foreign currency hedges related to intercompany financing | (9,967) | (1,176) |
| Other | (232) | (2,588) |
| Net cash used by financing activities | (143,086) | (24,090) |
| Effect of exchange rate changes on cash flows | (2,784) | (466) |
| Decrease in cash, cash equivalents and restricted cash | (26,130) | (4,279) |
| Cash, cash equivalents and restricted cash at beginning of the period | 92,039 | 81,128 |
| Cash, cash equivalents and restricted cash at end of period | 65,909 | 76,849 |
| Less: Restricted cash, included in Prepaid expenses and other current assets | | (2,176) |
| Cash and cash equivalents at end of period | \$ 65,909 | \$ /4,6/3 |

BARNES GROUP INC. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOW (Dollars in thousands) (Unaudited)

| | Six months en | ded June 30, | |
|---|----------------|--------------|----------|
| | 2024 | | 2023 |
| Free cash flow: | <u> </u> | · | |
| Net cash provided by operating activities | \$ 3,050 | \$ | 42,467 |
| Capital expenditures | (29,854) | | (21,617) |
| Free cash flow ⁽¹⁾ | \$ (26,804) | \$ | 20,850 |
| Free cash flow (as adjusted): | | | |
| Free cash flow (from above) | \$ (26,804) | \$ | 20,850 |
| Income tax payments related to the sale of the businesses | 12,280 | | - |
| Free cash flow (as adjusted) (1) | \$ (14,524) | \$ | 20,850 |

Notes:

Notes:

(1) The Company defines free cash flow as net cash provided by operating activities less capital expenditures. In 2024, net cash provided by operating activities was negatively impacted by \$12.3 million of estimated income tax payments related to the pre-tax gain related to the sale of the Associated Spring™ and Hänggi™ businesses (the "Businesses"). The proceeds from the sale are reflected in investing activities. The Company believes that the free cash flow metric is useful to investors and management as a measure of cash generated by business operations that can be used to invest in future growth, pay dividends, repurchase stock and reduce debt. This metric can also be used to evaluate the Company's ability to generate cash flow from business operations and the impact that this cash flow has on the Company's liquidity.

BARNES GROUP INC. NON-GAAP FINANCIAL MEASURE RECONCILIATION ADJUSTED OPERATING PROFIT AND ADJUSTED DILUTED EARNINGS PER SHARE (Dollars in thousands, except per share data) (Unaudited)

| | | | Three month | s ended June 30, | | | | Six months ended June 3 | 80, |
|---|----|----------|-------------|------------------|----------|------|----------|-------------------------|----------|
| | | 2024 | | 2023 | % Change | _ | 2024 | 2023 | % Change |
| SEGMENT RESULTS | · | | | | | _ | | | |
| Operating Profit - Aerospace Segment (GAAP) | \$ | 29,344 | \$ | 16,580 | 77.0 | \$ | 60,430 | \$ 35,331 | 71.0 |
| Restructuring/reduction in force and transformation related charges | | 2,247 | | 545 | | | 2,638 | 2,314 | |
| Shareholder advisory costs | | 50 | | | | | 1,078 | -, | |
| Acquisition related costs | | - | | 3,559 | | | - | 3,559 | |
| MB Short-term purchase accounting adjustments | | 685 | | - | | | 2,826 | - | |
| Operating Profit - Aerospace Segment as adjusted (Non-GAAP) (1) | \$ | 32,326 | \$ | 20,684 | 56.3 | \$ | 66,972 | \$ 41,204 | 62.5 |
| | | 40.50/ | | 40.44 | 40) | . – | 40.004 | 4400 | (400) |
| Operating Margin - Aerospace Segment (GAAP) | | 13.5% | | 13.6% | (10) | | 13.8% | 14.8% | (100) bp |
| Operating Margin - Aerospace Segment as adjusted (Non-GAAP) (1) | | 14.8% | | 17.0% | (220) | bps. | 15.2% | 17.2% | (200) bp |
| Operating (Loss) Profit - Industrial Segment (GAAP) | \$ | (31,457) | \$ | 9,429 | (433.6) | \$ | (22,861) | \$ 13,962 | (263.7) |
| Restructuring/reduction in force and transformation related charges | | 3,167 | | 13,351 | | | 6,888 | 25,461 | |
| Shareholder advisory costs | | 50 | | - | | | 1,022 | - | |
| Gain on the sale of businesses | | (10,204) | | - | | | (7,071) | - | |
| Goodwill impairment charge | | 53,694 | | - | | _ | 53,694 | | |
| Operating Profit - Industrial Segment as adjusted (Non-GAAP) (1) | \$ | 15,250 | \$ | 22,780 | (33.1) | \$ | 31,672 | \$ 39,423 | (19.7) |
| Operating Margin - Industrial Segment (GAAP) | | -19.1% | | 4.3% | (2,340) | bps. | -6.1% | 3.2% | (930) bp |
| Operating Margin - Industrial Segment as adjusted (Non-GAAP) (1) | | 9.3% | | 10.5% | (120) | bps. | 8.5% | 9.1% | (60) bp |
| | | | | | | | | | |
| CONSOLIDATED RESULTS | | | | | | | | | |
| Operating (Loss) Income (GAAP) | \$ | (2,113) | \$ | 26,009 | (108.1) | \$ | 37,569 | \$ 49,293 | (23.8) |
| Restructuring/reduction in force and transformation related charges | | 5,414 | | 13,896 | | | 9,526 | 27,775 | |
| Shareholder advisory costs | | 100 | | - | | | 2,100 | - | |
| Gain on the sale of businesses | | (10,204) | | - | | | (7,071) | - | |
| Acquisition related costs | | - | | 3,559 | | | - | 3,559 | |
| MB Short-term purchase accounting adjustments | | 685 | | - | | | 2,826 | - | |
| Goodwill impairment charge | | 53,694 | | - | | _ | 53,694 | | |
| Operating Income as adjusted (Non-GAAP) [12] | \$ | 47,576 | \$ | 43,464 | 9.5 | \$ | 98,644 | \$ 80,627 | 22.3 |
| Operating Margin (GAAP) | | -0.6% | | 7.7% | (830) | bps. | 4.6% | 7.3% | (270) bp |
| Operating Margin as adjusted (Non-GAAP) (12) | | 12.4% | | 12.8% | (40) | bps. | 12.1% | 12.0% | 10 bp |
| Diluted Net (Loss) Income per Share (GAAP) | \$ | (0.91) | \$ | 0.34 | (367.6) | 9 | (0.88) | \$ 0.60 | (246.7) |
| Restructuring/reduction in force and transformation related charges | | 0.08 | | 0.19 | | | 0.14 | 0.39 | |
| Shareholder advisory costs | | - | | - | | | 0.14 | 0.37 | |
| Loss related to sale of businesses, net of tax | | 0.14 | | - | | | 0.35 | - | |
| MB Short-term purchase accounting adjustments | | 0.01 | | _ | | | 0.04 | - | |
| Acquisition related costs | | - | | 0.05 | | | 0.02 | 0.05 | |
| Goodwill impairment charge | | 1.05 | | - | | | 1.05 | - | |
| Diluted Net Income per Share as adjusted (Non-GAAP) (13) | | | | 0.50 | (0.4.0) | _ | | f 104 | (07.0) |
| Diluted Net income per share as adjusted (NOTEGNAP) | \$ | 0.37 | \$ | 0.58 | (36.2) | 9 | 0.75 | \$ 1.04 | (27.9) |

| | Full-Y | ear 2023 | | Full-Yea | r 2024 O | utlook | |
|--|--------|----------|----|----------|----------|--------|--------|
| Operating Margin (GAAP) | | 6.1% | - | 7.1% | to | | 9.1% |
| Restructuring/reduction in force and transformation related charges | | 3.2% | | | 1.6% | | |
| Divestiture transaction costs/loss related to sale of businesses, net of tax | | 0.1% | | | -0.4% | | |
| MB Short-term purchase accounting adjustments | | 1.3% | | | 0.3% | | |
| Shareholder advisory costs | | - | | | 0.1% | | |
| Acquisition related costs | | 0.8% | | | - | | |
| Goodwill impairment charge | | - | | | 3.3% | | |
| Operating Margin as adjusted (Non-GAAP) (12) | | 11.5% | | 12.0% | to | | 14.0% |
| Diluted Net Income (Loss) per Share (GAAP) | \$ | 0.31 | \$ | (0.36) | to | \$ | (0.16) |
| Restructuring/reduction in force and transformation related charges | | 0.66 | | | 0.40 |) | |
| Divestiture transaction costs/loss related to sale of businesses, net of tax | | 0.02 | | | 0.35 | i | |
| MB Short-term purchase accounting adjustments | | 0.29 | | | 0.06 | , | |
| Shareholder advisory costs | | - | | | 0.03 | 3 | |
| Acquisition related costs | | 0.37 | | | 0.02 | 2 | |
| Goodwill impairment charge | | - | | | 1.05 | ; | |
| Diluted Net Income per Share as adjusted (Non-GAAP) (13) | \$ | 1.65 | \$ | 1.55 | to | \$ | 1.75 |

Notes

(1) The Company has excluded the following from its "as adjusted" financial measurements for 2024: 1) charges related to restructuring/reduction in force actions at certain businesses and transformation costs (consulting/professional fees related to business and portfolio transformation initiatives), 2) a pre-tax gain related to the divestiture of the Businesses, including \$7.1M reflected within inperating profit (\$10.2 million in the second quarter), \$1.5M reflected within income taxes (\$16.9 million in the second quarter), a) shareholder advisory costs, 4) short-term purchase accounting adjustments related to its MB Aerospace acquisition, 5) acquisition costs related to the acquisition of MB Aerospace, including \$1.5M reflected within interest expense (\$0.0 million in the second quarter), and 6) goodwill impairment charge recorded in the second quarter of 2024 related to the Automation reporting unit. The Company has excluded the following from its "as adjusted" financial measurements for 2023: 1) charges related to restructuring/reduction in force actions at certain businesses and business transformation costs (consulting fees related to transformation initiatives), including \$27.8M reflected within operating profit (\$13.9M in the second quarter) and (\$1.1M) reflected within other expense (income), net, for both the year-to-date and quarter-to-date periods and 2) acquisition transaction costs related to the planned acquisition of MB Aerospace. The tax effects of the restructuring related actions, advisition and shareholder advisory costs were calculated based on the respective tax jurisdictions and ranged from approximately 15% to approximately 30%. The goodwill impairment charge did not have a tax effect as it is not deductible for book purposes.

Management believes that these adjustments provide the Company and its investors with an indication of our baseline performance excluding items that are not considered to be reflective of our ongoing results. Management does not intend results excluding the adjust

BARNES GROUP INL. NON-GAAP FINANCIAL MEASURE RECONCILIATION EBITDA, EBITDA MARGIN, ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN (Dollars in thousands)

(Unaudited)

| | | | | | | Thre | ee months | ended June 3 | 30, | | | | | | | |
|--|------------------------|--|----------|---|---------|--|-----------|---|---------------|---|----------|--|----|--|----|---|
| | | | | 2024 | | (4) | | | | | | 20 | | (4) | | |
| Net Sales | Aerospace \$ 21 | 7,958 | lı | ndustrial 164,274 | C | Other (1) | | Total 382,232 | Aeros \$: | pace 22,015 | Ir | ndustrial 216,971 | ' | Other ⁽¹⁾ (2) | \$ | Total 338,984 |
| Net (Loss) Income | | | | | | | \$ | (46,821) | | | | | | | \$ | 17,352 |
| Interest expense | | | | | | | | 20,812 | | | | | | | | 6,512 |
| Other expense (income), net | | | | | | | | (845) | | | | | | | | (2,894) |
| Income taxes | | | | | | | | 24,741 | | | | | | | | 5,039 |
| Operating Profit (Loss) (GAAP) | \$ 2 | 9,344 | \$ | (31,457) | \$ | - | \$ | (2,113) | \$ | 16,580 | \$ | 9,429 | \$ | | \$ | 26,009 |
| Operating Margin (GAAP) | | 13.5% | | -19.1% | - | | | -0.6% | | 13.6% | | 4.3% | | | | 7.7% |
| Other expense (income), net | | - | | - | | 845 | | 845 | | - | | - | | 2,894 | | 2,894 |
| Depreciation (2) | | 7,463 | | 3,990 | | - | | 11,453 | | 4,867 | | 6,393 | | - | | 11,260 |
| Amortization (3) | 1 | 1,214 | | 5,887 | | - | | 17,101 | | 5,191 | | 6,413 | | - | | 11,604 |
| EBITDA (Non-GAAP) ^(q) | \$ 4 | 8,021 | \$ | (21,580) | \$ | 845 | \$ | 27,286 | \$ | 26,638 | \$ | 22,235 | \$ | 2,894 | \$ | 51,767 |
| EBITDA Margin (Non-GAAP) ⁽⁴⁾ | | 22.0% | | -13.1% | | | | 7.1% | | 21.8% | | 10.2% | | | | 15.3% |
| Restructuring/reduction in force and transformation related charges | | 2,247 | | 3,167 | | - | | 5,414 | | 545 | | 12,555 | | - | | 13,100 |
| Shareholder advisory costs | | 50 | | 50 | | - | | 100 | | - | | - | | - | | - |
| Acquisition transaction costs MB Short-term purchase accounting adjustments | | 42 | | - | | | | 42 | | 3,559 | | - | | | | 3,559 |
| Pension related loss | | - | | - | | 156 | | 156 | | - | | _ | | (1,144) | | (1,144) |
| Gain on the sale of businesses | | - | | (10,204) | | - | | (10,204) | | - | | - | | - | | - |
| Goodwill impairment charge | | - | | 53,694 | | - | | 53,694 | | - | | - | | - | | - |
| Adjusted EBITDA (Non-GAAP) (4) | \$ 5 | 0,360 | \$ | 25,127 | \$ | 1,001 | \$ | 76,488 | \$ | 30,742 | \$ | 34,790 | \$ | 1,750 | \$ | 67,282 |
| Adjusted EBITDA Margin (Non-GAAP) (4) | | 23.1% | | 15.3% | | | | 20.0% | | 25.2% | | 16.0% | | | | 19.8% |
| | | | | | | | | | | | | | | | | |
| | | | | | | Six | months er | nded June 30 | ο, | | | | | | | |
| | | | | 2024 | | | | | | | | 20 | | 40 | | |
| | Aerospace | | lı | ndustrial | C | Six Other ⁽¹⁾ | | Total | Aeros | | Ir | ndustrial | | Other (1) | _ | Total |
| Net Sales | | 9,328 | lı | | C | | | | Aeros | pace 39,272 | lr | | | Other ⁽¹⁾ (10) | \$ | Total 674,341 |
| Net Sales Net (Loss) Income | | 9,328 | lı | ndustrial | C | | | Total | Aeros | | lr | ndustrial | | | \$ | |
| Net (Loss) Income Interest expense | | 9,328 | II | ndustrial | C | | \$ | Total 812,870 (44,873) 45,643 | Aeros | | Ir | ndustrial | | | | 674,341 30,511 11,819 |
| Net (Loss) Income Interest expense Other expense (income), net | | 9,328 | lı | ndustrial | C | | \$ | Total 812,870 (44,873) 45,643 850 | Aeros | | Ir | ndustrial | | | | 674,341 30,511 11,819 (1,553) |
| Net (Loss) Income Interest expense | | 9,328 | lı | ndustrial | C | | \$ | Total 812,870 (44,873) 45,643 | Aeros | | Ir | ndustrial | | | | 674,341 30,511 11,819 |
| Net (Loss) Income Interest expense Other expense (income), net | \$ 43 | 9,328 | ļ! \$ | ndustrial | , \$ | | \$ | Total 812,870 (44,873) 45,643 850 | Aeros | | lr \$ | ndustrial | | | | 674,341 30,511 11,819 (1,553) |
| Net (Loss) Income Interest expense Other expense (income), net Income taxes | \$ 43 | | | ndustrial 373,542 | | Other ⁽¹⁾ - | \$ | Total 812,870 (44,873) 45,643 850 35,949 | Aeros \$ 2 | 39,272 | | ndustrial 435,079 | | (10) | \$ | 674,341 30,511 11,819 (1,553) 8,516 |
| Net (Loss) Income Interest expense Other expense (income), net Income taxes Operating Profit (Loss) (GAAP) Operating Margin (GAAP) | \$ 43 | 0,430 | | (22,861) | | other ⁽¹⁾ | \$ | Total 812,870 (44,873) 45,643 850 35,949 37,569 | Aeros \$ 2 | 35,331 | | 13,962 | | (10) | \$ | 674,341 30,511 11,819 (1,553) 8,516 |
| Net (Loss) Income Interest expense Other expense (income), net Income taxes Operating Profit (Loss) (GAAP) | \$ 43 | 0,430 | | (22,861) | | Other ⁽¹⁾ - | \$ | Total 812,870 (44,873) 45,643 850 35,949 37,569 4.6% | Aeros \$ 2 | 35,331 14.8% | | 13,962 3.2% | | (10) | \$ | 674,341 30,511 11,819 (1,553) 8,516 49,293 7.3% |
| Net (Loss) Income Interest expense Other expense (income), net Income taxes Operating Profit (Loss) (GAAP) Operating Margin (GAAP) Other expense (income), net | \$ 43 | 0,430 | | (22,861) -6.1% | | other ⁽¹⁾ | \$ | Total 812,870 (44,873) 45,643 850 35,949 37,569 4.6% (850) | Aeros \$ 2 | 35,331 14.8% | | 13,962 3.2% | | (10) | \$ | 674,341 30,511 11,819 (1,553) 8,516 49,293 7.3% |
| Net (Loss) Income Interest expense Other expense (income), net Income taxes Operating Profit (Loss) (GAAP) Operating Margin (GAAP) Other expense (income), net Depreciation (F) | \$ 43 | 0,430 13.8% - 5,319 | | (22,861) -6.1% - 9,581 | | other ⁽¹⁾ | \$ | Total 812,870 (44,873) 45,643 850 35,949 37,569 4.6% (850) 24,900 | Aeros \$ 2 | 35,331 14.8% - 9,820 | | 13,962 3.2% | | (10) | \$ | 674,341 30,511 11,819 (1,553) 8,516 49,293 7.3% 1,553 23,689 |
| Net (Loss) Income Interest expense Other expense (Income), net Income taxes Operating Profit (Loss) (GAAP) Operating Margin (GAAP) Other expense (Income), net Depreciation (2) Amortization (3) | \$ 43 \$ 6 | 0,430 13.8% - 5,319 2,850 | \$ | (22,861) -6.1% - 9,581 11,813 | \$ | ether (1) | \$ | Total 812,870 (44,873) 45,643 850 35,949 37,569 4.6% (850) 24,900 34,663 | Aeros \$ 2 | 35,331 14.8% - 9,820 10,297 | \$ | 13,962 3.2% - 13,869 12,927 | \$ | 1,553 | \$ | 674,341 30,511 11,819 (1,553) 8,516 49,293 7.3% 1,553 23,689 23,224 |
| Net (Loss) Income Interest expense Other expense (income), net Income taxes Operating Profit (Loss) (GAAP) Operating Margin (GAAP) Other expense (income), net Depreciation [2] Amortization [3] EBITDA (Non-GAAP) [4] | \$ 43 \$ 6 | 0,430 13.8% - 5,319 2,850 8,599 22.4% | \$ | (22,861) -6.1% - 9,581 11,813 (1,467) -0.4% 6,164 | \$ | ether (1) | \$ | Total 812,870 (44,873) 45,643 850 35,949 37,569 4.6% (850) 24,900 34,663 96,282 11.8% 8,802 | Aeros \$ 2 | 35,331 14.8% - 9,820 10,297 | \$ | 13,962 3.2% - 13,869 12,927 40,758 | \$ | 1,553 | \$ | 674,341 30,511 11,819 (1,553) 8,516 49,293 7.3% 1,553 23,689 23,224 97,759 |
| Net (Loss) Income Interest expense (Income), net Income taxes Operating Profit (Loss) (GAAP) Operating Margin (GAAP) Other expense (Income), net Depreciation (2) Amortization (3) EBITDA (Non-GAAP) (4) EBITDA Margin (Non-GAAP) (4) Restructuring/reduction in force and transformation related charges Shareholder advisory costs | \$ 43 \$ 6 | 0.430 13.8% - 5,319 2,850 8,599 | \$ | (22,861) -6.1% - 9,581 11,813 (1.467) -0.4% | \$ | ether (1) | \$ | Total 812,870 (44,873) 45,643 850 35,949 37,569 4.6% (850) 24,900 34,663 96,282 | Aeros \$ 2 | 35,331 14.8% - 9.820 10,297 55,448 23.2% 2,314 | \$ | 13,962 3.2% - 13,869 12,927 40,758 9.4% | \$ | 1,553 | \$ | 674,341 30,511 11,819 (1,553) 8,516 49,293 7,3% 1,553 23,689 23,224 97,759 14,5% 25,386 |
| Net (Loss) Income Interest expense Other expense (income), net Income taxes Operating Profit (Loss) (GAAP) Operating Margin (GAAP) Other expense (income), net Depreciation (2) Amortization (2) EBITDA (Non-GAAP) (4) EBITDA Margin (Non-GAAP) (4) Restructuring/reduction in force and transformation related charges Shareholder advisory costs Acquisition transaction costs | \$ 6 | 0,430 13.8% 5,319 2,850 8,599 22.4% 2,638 1,078 | \$ | (22,861) -6.1% - 9,581 11,813 (1,467) -0.4% 6,164 | \$ | ether (1) | \$ | Total 812,870 (44,873) 45,643 850 35,949 37,569 4.6% (850) 24,900 34,663 96,282 11.8% 8.802 2,100 | Aeros \$ 2 | 35,331 14.8% - 9,820 10,297 55,448 23.2% 2,314 - 3,559 | \$ | 13,962 3.2% - 13,869 12,927 40,758 9.4% | \$ | 1,553 - 1,553 - 1,553 | \$ | 674,341 30,511 11,819 (1,553) 8,516 49,293 7,3% 1,553 23,689 23,224 97,759 14,5% 25,386 -3,559 |
| Net (Loss) Income Interest expense Other expense (income), net Income taxes Operating Profit (Loss) (GAAP) Operating Margin (GAAP) Other expense (income), net Depreciation (2) Amortization (3) EBITDA (Non-GAAP) (4) EBITDA Margin (Non-GAAP) (4) Restructuring/reduction in force and transformation related charges Shareholder advisory costs Acquisition transaction costs MB Short-term purchase accounting adjustments | \$ 6 | 0,430 13.8% - 5,319 2,850 8,599 22.4% | \$ | (22.861) -6.1% - 9,581 11,813 (1,467) -0.4% 6,164 1,022 | \$ | ether (1) | \$ | Total 812,870 (44,873) 45,643 850 35,949 37,569 4.6% (850) 24,900 34,663 96,282 11.8% 8,802 2,100 | Aeros \$ 2 | 35,331 14.8% - 9,820 10,297 55,448 23.2% 2,314 | \$ | 13,962 3.2% - 13,869 12,927 40,758 9.4% | \$ | 1,553 | \$ | 674,341 30,511 11,819 (1,553) 8,516 49,293 7,3% 1,553 23,689 23,224 97,759 14,5% 25,386 |
| Net (Loss) Income Interest expense Other expense (income), net Income taxes Operating Profit (Loss) (GAAP) Operating Margin (GAAP) Other expense (income), net Depreciation (I) EBITDA (Non-GAAP) (II) EBITDA Margin (Non-GAAP) (III) Restructuring/reduction in force and transformation related charges Shareholder advisory costs Acquisition transaction costs MB Short-term purchase accounting adjustments Gain on the sale of businesses | \$ 6 | 0,430 13.8% 5,319 2,850 8,599 22.4% 2,638 1,078 | \$ | (22,861) -6.1% - 9,581 11,813 (1,467) -0.4% 6,164 | \$ | (850) - (850) (850) | \$ | Total 812,870 (44,873) 45,643 850 35,949 37,569 4.6% (850) 24,900 34,663 96,282 11.8% 8,802 2,100 - 1,540 (7,071) | Aeros \$ 2 | 35,331 14.8% - 9,820 10,297 55,448 23.2% 2,314 - 3,559 | \$ | 13,962 3.2% - 13,869 12,927 40,758 9.4% | \$ | 1,553 - - 1,553 - - - - - - | \$ | 674,341 30,511 11,819 (1,553) 8,516 49,293 7,3% 1,553 23,689 23,224 97,759 14,5% 25,386 |
| Net (Loss) Income Interest expense Other expense (income), net Income taxes Operating Profit (Loss) (GAAP) Operating Margin (GAAP) Other expense (income), net Depreciation (2) Amortization (2) EBITDA (Non-GAAP) (4) EBITDA Margin (Non-GAAP) (4) Restructuring/reduction in force and transformation related charges Shareholder advisory costs Acquisition transaction costs MB Short-term purchase accounting adjustments Gain on the sale of businesses Pension related loss (gain) | \$ 6 | 0,430 13.8% 5,319 2,850 8,599 22.4% 2,638 1,078 | \$ | (22,861) -6.1% - 9,581 11,813 (1,467) -0.4% 6,164 1,022 - 7,(7,071) | \$ | ether (1) | \$ | Total 812,870 (44,873) 45,643 850 35,949 37,569 4.6% (850) 24,900 34,663 96,282 11.8% 8,802 2,100 - 1,540 (7,071) 1,526 | Aeros \$ 2 | 35,331 14.8% - 9,820 10,297 55,448 23.2% 2,314 | \$ | 13,962 3.2% - 13,869 12,927 40,758 9.4% | \$ | 1,553 - 1,553 - 1,553 | \$ | 674,341 30,511 11,819 (1,553) 8,516 49,293 7,3% 1,553 23,689 23,224 97,759 14,5% 25,386 -3,559 |
| Net (Loss) Income Interest expense Other expense (income), net Income taxes Operating Profit (Loss) (GAAP) Operating Margin (GAAP) Other expense (income), net Depreciation (2) Amortization (2) EBITDA (Non-GAAP) (4) EBITDA Margin (Non-GAAP) (4) Restructuring/reduction in force and transformation related charges Shareholder advisory costs Acquisition transaction costs MB Short-term purchase accounting adjustments Gain on the sale of businesses Pension related loss (gain) Goodwill impairment charge | \$ 6 1 2 \$ 9 | 0,430 13.8% 5.319 2,850 8,599 22,4% 2,638 1,078 | \$ | (22,861) -6.1%9,581 11,813 (1,467) -0.4% 6.164 1,022 (7,071) - 53,694 | \$ | (850) - (850) - (850) - 1,526 | \$ \$ | Total 812,870 (44,873) 45,643 850 35,949 37,569 4.6% (850) 24,900 34,663 11.8% 8.802 2,100 - 1,540 (7,071) 1,526 53,694 | \$ \$ | 35,331 14.8% - ,820 10,297 55,448 23.2% 2,314 - 3,559 | \$ | 13,962 3.2% 13,869 12,927 40,758 9.4% 23,072 | \$ | 1,553 - - 1,553 - - - - - - - - - - | \$ | 674,341 30,511 11,819 (1,553) 8,516 49,293 7,3% 1,553 23,689 23,224 97,759 14,5% 25,386 - 3,559 - (1,144) |
| Net (Loss) Income Interest expense Other expense (income), net Income taxes Operating Profit (Loss) (GAAP) Operating Margin (GAAP) Other expense (income), net Depreciation (2) Amortization (2) EBITDA (Non-GAAP) (4) EBITDA Margin (Non-GAAP) (4) Restructuring/reduction in force and transformation related charges Shareholder advisory costs Acquisition transaction costs MB Short-term purchase accounting adjustments Gain on the sale of businesses Pension related loss (gain) | \$ 43 \$ 6 \$ 9 | 0,430 13.8% 5,319 2,850 8,599 22.4% 2,638 1,078 | \$ | (22,861) -6.1% - 9,581 11,813 (1,467) -0.4% 6,164 1,022 - 7,(7,071) | \$ | (850) - (850) (850) | \$ \$ | Total 812,870 (44,873) 45,643 850 35,949 37,569 4.6% (850) 24,900 34,663 96,282 11.8% 8,802 2,100 - 1,540 (7,071) 1,526 | Aeros \$ 2 | 35,331 14.8% - 9,820 10,297 55,448 23.2% 2,314 | \$ | 13,962 3.2% - 13,869 12,927 40,758 9.4% | \$ | 1,553 - - 1,553 - - - - - - | \$ | 674,341 30,511 11,819 (1,553) 8,516 49,293 7,3% 1,553 23,689 23,224 97,759 14,5% 25,386 - 3,559 |

Notes:

- (1) "Other" includes intersegment sales and items that are included within Other expense (income), net that are not allocated to the Company's reportable business segments.

(1) Other includes intersegment sales and nems that are included within Other expenses (crowden) are treat are not allocated to the company's reportation expenses in 2024 includes \$2.4 million (\$0.8 million related to the second quarter) of similar accelerated depreciation charges related to restructuring actions (\$0.0 million related to the second quarter) of similar accelerated depreciation charges.

(3) Annotization expense in 2024 includes \$1.3 million (\$0.6 million related to the second quarter) of similar accelerated depreciation charges.

(4) The Company defines EBITDA is net income plus interest expense, income taxes, and depreciation and amortization which the Company incurs in the normal course of business; in addition to these adjustments, the Company also excludes the impact of its "as adjusted items" above ("Adjusted EBITDA"). The Company does not intend EBITDA for represent cash flows from operations as defined by GAAP, and the reader should not consider it as an alternative to net income, net cash provided by operating activities or any other items calculated in accordance with GAAP, or as an indicator of the Company's operating performance. Accordingly, the measurements have limitations depending on their use.