

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

Mark One:



QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 2022

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: 1-1657

CRANE HOLDINGS, CO.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

88-0706021

(I.R.S. Employer
Identification No.)

100 First Stamford Place

(Address of principal executive offices)

Stamford

CT

06902

(Zip Code)

Registrant's telephone number, including area code: 203-363-7300

(Not Applicable)

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$1.00	CR	New York Stock Exchange

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or 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.

(check one):

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of the issuer's classes of common stock, as of July 31, 2022

Common stock, \$1.00 Par Value – 56,098,326 shares

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PART I: FINANCIAL INFORMATION

ITEM 1: FINANCIAL STATEMENTS

CRANE HOLDINGS, CO. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
(in millions, except per share data)	2022	2021	2022	2021
Net sales	\$ 864.3	\$ 855.5	\$ 1,735.7	\$ 1,688.9
Operating costs and expenses:				
Cost of sales	535.7	523.5	1,061.8	1,037.0
Selling, general and administrative	204.2	187.6	402.5	374.2
Restructuring (gains) charges, net	—	(0.2)	—	(13.3)
Operating profit	124.4	144.6	271.4	291.0
Other income (expense):				
Interest income	0.6	0.4	0.9	0.9
Interest expense	(11.4)	(11.4)	(22.5)	(25.0)
Gain on sale of business	228.7	—	228.7	—
Miscellaneous income, net	14.8	9.7	18.3	13.6
Total other income (expense)	232.7	(1.3)	225.4	(10.5)
Income before income taxes	357.1	143.3	496.8	280.5
Provision for income taxes	98.9	5.0	133.6	33.8
Net income attributable to common shareholders	\$ 258.2	\$ 138.3	\$ 363.2	\$ 246.7
Earnings per share:				
Basic	\$ 4.60	\$ 2.36	\$ 6.41	\$ 4.22
Diluted	\$ 4.54	\$ 2.33	\$ 6.32	\$ 4.17
Average shares outstanding:				
Basic	56.1	58.5	56.7	58.4
Diluted	56.9	59.3	57.5	59.1
Dividends per share	\$ 0.47	\$ 0.43	\$ 0.94	\$ 0.86

See Notes to Condensed Consolidated Financial Statements.

CRANE HOLDINGS, CO. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
(in millions)	2022	2021	2022	2021
Net income before allocation to noncontrolling interests	\$ 258.2	\$ 138.3	\$ 363.2	\$ 246.7
Components of other comprehensive income (loss), net of tax				
Currency translation adjustment	(75.9)	7.6	(97.5)	(27.3)
Changes in pension and postretirement plan assets and benefit obligation, net of tax	3.5	5.2	6.8	10.1
Other comprehensive (loss) income, net of tax	(72.4)	12.8	(90.7)	(17.2)
Comprehensive income before allocation to noncontrolling interests	185.8	151.1	272.5	229.5
Less: Noncontrolling interests in comprehensive income	(0.1)	(0.1)	—	0.7
Comprehensive income attributable to common shareholders	\$ 185.9	\$ 151.2	\$ 272.5	\$ 228.8

See Notes to Condensed Consolidated Financial Statements.

CRANE HOLDINGS, CO. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(in millions)	June 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 650.6	\$ 478.6
Accounts receivable, net of allowance for doubtful accounts of \$10.0 as of June 30, 2022 and \$10.4 as of December 31, 2021	490.4	483.0
Current insurance receivable - asbestos	13.7	13.7
Inventories, net:		
Finished goods	103.6	147.3
Finished parts and subassemblies	73.6	59.5
Work in process	37.4	37.0
Raw materials	228.3	205.3
Inventories, net	442.9	449.1
Other current assets	130.8	118.7
Total current assets	1,728.4	1,543.1
Property, plant and equipment:		
Cost	1,239.1	1,288.5
Less: accumulated depreciation	724.9	732.9
Property, plant and equipment, net	514.2	555.6
Long-term insurance receivable - asbestos	51.2	60.0
Long-term deferred tax assets	6.2	17.7
Other assets	239.6	259.3
Intangible assets, net	435.8	467.1
Goodwill	1,523.7	1,583.8
Total assets	\$ 4,499.1	\$ 4,486.6

See Notes to Condensed Consolidated Financial Statements.

CRANE HOLDINGS, CO. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(in millions, except per share and share data)	June 30, 2022	December 31, 2021
Liabilities and equity		
Current liabilities:		
Short-term borrowings	\$ 119.4	\$ —
Accounts payable	247.9	273.7
Current asbestos liability	62.3	62.3
Accrued liabilities	361.6	442.7
U.S. and foreign taxes on income	54.1	10.6
Total current liabilities	845.3	789.3
Long-term debt	842.9	842.4
Accrued pension and postretirement benefits	210.4	231.9
Long-term deferred tax liability	75.1	76.9
Long-term asbestos liability	517.5	549.8
Other liabilities	143.3	161.2
Total liabilities	2,634.5	2,651.5
Commitments and contingencies (Note 10)		
Equity:		
Preferred shares, par value \$0.01; 5,000,000 shares authorized	—	—
Common shares, par value \$1.00; 200,000,000 shares authorized, 72,426,139 shares issued	72.4	72.4
Capital surplus	369.3	363.9
Retained earnings	2,837.7	2,527.3
Accumulated other comprehensive loss	(530.9)	(440.2)
Treasury stock	(886.7)	(691.1)
Total shareholders' equity	1,861.8	1,832.3
Noncontrolling interests	2.8	2.8
Total equity	1,864.6	1,835.1
Total liabilities and equity	\$ 4,499.1	\$ 4,486.6
Share data:		
Common shares issued	72,426,139	72,426,139
Less: Common shares held in treasury	16,333,384	14,590,274
Common shares outstanding	56,092,755	57,835,865

See Notes to Condensed Consolidated Financial Statements.

CRANE HOLDINGS, CO. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Six Months Ended	
	June 30,	
(in millions)	2022	2021
Operating activities:		
Net income attributable to common shareholders	\$ 363.2	\$ 246.7
Gain on sale of business	(228.7)	—
Gain on sale of property	—	(18.5)
Depreciation and amortization	61.0	62.3
Stock-based compensation expense	11.9	12.4
Defined benefit plans and postretirement credit	(6.6)	(4.2)
Deferred income taxes	19.9	(21.4)
Cash used for operating working capital	(149.0)	(29.1)
Defined benefit plans and postretirement contributions	(8.6)	(17.2)
Environmental payments, net of reimbursements	(5.0)	(3.6)
Asbestos related payments, net of insurance recoveries	(23.4)	(20.2)
Other	14.3	(0.5)
Total provided by operating activities	49.0	206.7
Investing activities:		
Proceeds from disposition of capital assets	0.1	23.3
Capital expenditures	(25.2)	(14.6)
Proceeds from sale of business	314.3	—
Purchase of marketable securities	—	(10.0)
Proceeds from sale of marketable securities	—	40.0
Total provided by investing activities	289.2	38.7
Financing activities:		
Dividends paid	(53.1)	(50.2)
Reacquisition of shares on open market	(203.7)	—
Stock options exercised, net of shares reacquired	1.8	5.2
Repayments of commercial paper with maturities greater than 90 days	—	(27.1)
Net borrowings from issuance of commercial paper with maturities of 90 days or less	119.4	15.0
Repayment of term loan	—	(348.1)
Total used for financing activities	(135.6)	(405.2)
Effect of exchange rates on cash and cash equivalents	(30.6)	(4.5)
Increase (decrease) in cash and cash equivalents	172.0	(164.3)
Cash and cash equivalents at beginning of period	478.6	551.0
Cash and cash equivalents at end of period	\$ 650.6	\$ 386.7

CRANE HOLDINGS, CO. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Six Months Ended	
	June 30,	
(in millions)	2022	2021
Detail of cash used for operating working capital:		
Accounts receivable	\$ (65.1)	\$ (45.1)
Inventories	(57.3)	(29.8)
Other current assets	(14.1)	(22.3)
Accounts payable	13.5	49.7
Accrued liabilities	(64.4)	3.3
U.S. and foreign taxes on income	38.4	15.1
Total	\$ (149.0)	\$ (29.1)
Supplemental disclosure of cash flow information:		
Interest paid	\$ 21.0	\$ 23.8
Income taxes paid	\$ 75.3	\$ 37.0

See Notes to Condensed Consolidated Financial Statements.

Note 1 - Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial reporting and the instructions to Form 10-Q and, therefore, reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the results for the interim periods presented. All such adjustments are of a normal recurring nature. These interim condensed consolidated financial statements should be read in conjunction with the Consolidated Financial Statements and Notes to Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2021.

Due to rounding, numbers presented throughout this report may not add up precisely to totals we provide, and percentages may not precisely reflect the absolute figures. Certain amounts in the prior periods' condensed consolidated financial statements have been reclassified to conform to the current period presentation.

Holding Company Reorganization

On May 16, 2022, Crane Co., a Delaware corporation ("Crane Co."), completed its previously announced reorganization merger pursuant to the Agreement and Plan of Merger, dated as of February 28, 2022 (the "Reorganization Agreement"), by and among Crane Co., Crane Holdings, Co., a Delaware corporation ("Crane Holdings"), and Crane Transaction Company, LLC, a Delaware limited liability company and, as of immediately prior to the consummation of such merger, a wholly-owned subsidiary of Crane Holdings ("Merger Sub"). The Reorganization Agreement provided for the merger of Crane Co. and Merger Sub, with Crane Co. surviving the merger as a wholly-owned subsidiary of Crane Holdings (the "Reorganization Merger").

Following the Reorganization Merger, on May 16, 2022, Crane Co. (which, as a result of the Reorganization Merger, became a wholly-owned subsidiary of Crane Holdings) converted from a Delaware corporation into a Delaware limited liability company named "Crane LLC" (such conversion, together with the Reorganization Merger, the "Reorganization"). Following the Reorganization, substantially all of the assets of Crane LLC were distributed, assigned, transferred, conveyed and delivered to, and related liabilities of Crane LLC were assumed by, Crane Holdings. On May 17, 2022, Crane LLC converted from a Delaware limited liability company to a Delaware corporation named "Crane Co." Subsequently, on May 26, 2022, Crane Co. filed a Certificate of Amendment to its Certificate of Incorporation (the "Certificate of Amendment") with the Secretary of State of the State of Delaware, which became effective upon filing, pursuant to which the Company officially changed its name from "Crane Co." to "Redco Corporation". The "Crane Co." name has been reserved for future use by Crane Holdings.

Sale of business

On April 8, 2022, the Company entered into an agreement to sell Crane Supply for CAD380 million on a cash-free and debt-free basis. The sale closed on May 31, 2022.

Pending Separation

On March 30, 2022, Crane Co. announced that its Board of Directors unanimously approved a plan to pursue a separation into two independent, publicly-traded companies (the "Separation"). The Separation is expected to occur through a tax-free distribution and is expected to be completed within approximately 12 months, subject to the satisfaction of customary conditions and final approval by Crane Co.'s Board of Directors.

Discontinued Operations

On May 16, 2021, we entered into an agreement to sell the Engineered Materials segment to Grupo Verzatec S.A. de C.V. for \$360 million on a cash-free and debt-free basis. In the second quarter of 2021, the assets and liabilities of the segment were classified as held for sale, and the segment's results were presented as discontinued operations. This change was applied on a retrospective basis. On May 26, 2022, Verzatec terminated the sale agreement and paid \$7.5 million to the Company in termination fees. As such, the results of the Engineered Materials segment are presented as continuing operations as of June 30, 2022.

Recent Accounting Pronouncements - Adopted*Simplifying the Accounting for Income Taxes*

In December 2019, the Financial Accounting Standards Board ("FASB") issued amended guidance to simplify the accounting for income taxes. The guidance is effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. Certain amendments are to be applied prospectively, while other amendments are to be applied retrospectively to all periods presented. We have adopted this standard effective January 1, 2021. The adoption of this new standard did not impact our consolidated financial statements.

Note 2 - Segment Results

Our segments are reported on the same basis used internally for evaluating performance and for allocating resources. We have four reportable segments: Aerospace & Electronics, Process Flow Technologies, Payment & Merchandising Technologies and Engineered Materials. Assets of the reportable segments exclude general corporate assets, which principally consist of cash, deferred tax assets, insurance receivables, certain property, plant and equipment, and certain other assets. Corporate consists of corporate office expenses including compensation and benefits for corporate employees, occupancy, depreciation, and other administrative costs.

A brief description of each of our segments are as follows:

Aerospace & Electronics

The Aerospace & Electronics segment supplies critical components and systems, including original equipment and aftermarket parts, primarily for the commercial aerospace, and the military aerospace, defense and space markets. Products include a wide range of custom designed, highly engineered products used in landing systems, sensing and utility systems, fluid management, seat actuation, power and microelectronic applications, and microwave systems.

Process Flow Technologies

The Process Flow Technologies segment is a provider of highly engineered fluid handling equipment for mission critical applications that require high reliability. The segment is comprised of Process Valves and Related Products, Commercial Valves, and Pumps and Systems. Process Valves and Related Products manufactures on/off isolation valves, instrumentation and controls, and related products for critical and demanding applications primarily in the chemical and petrochemical, general industrial, energy-related and pharmaceutical end markets globally. Commercial Valves is engaged primarily in the manufacturing of valves and related products for the non-residential construction, general industrial, and municipal markets, and the distribution of pipe, valves and fittings (PVF) for the non-residential construction market. Pumps and Systems manufactures pumps and related products for water and wastewater applications in the industrial, municipal, commercial and military markets.

Payment & Merchandising Technologies

The Payment & Merchandising Technologies segment consists of Crane Payment Innovations ("CPI") and Crane Currency. CPI provides high technology payment acceptance and dispensing products to original equipment manufacturers, and for certain vertical markets, it also provides currency handling and processing systems, complete cash and cashless payment and merchandising solutions, equipment service solutions, and fully connected managed service solutions. Crane Currency is a supplier of banknotes and highly engineered banknote security features as well as a provider of security features for product authentication. A pioneer in advanced micro-optics technology, Crane Currency provides a wide range of engaging visual effects in features that increase the level of security and public trust in banknotes and for the product brand authentication market. Crane Currency offers uniquely designed banknotes, substrate (paper) and printing capabilities for over 50 central banks around the world.

Engineered Materials

The Engineered Materials segment manufactures fiberglass-reinforced plastic panels and coils, primarily for use in the manufacturing of recreational vehicles ("RVs"), and in commercial and industrial buildings applications, with some additional applications including trailers and other transportation-related products. Engineered Materials sells the majority of its products directly to RV, trailer, and truck manufacturers, and it uses distributors and retailers to serve the commercial and industrial construction markets.

Financial information by reportable segment is set forth below.

(in millions)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2022	2021	2022	2021
Net sales:				
Aerospace & Electronics	\$ 161.5	\$ 157.5	\$ 318.6	\$ 311.5
Process Flow Technologies	296.0	310.7	607.4	598.8
Payment & Merchandising Technologies	334.0	328.2	666.6	665.6
Engineered Materials	72.8	59.1	143.1	113.0
Total	\$ 864.3	\$ 855.5	\$ 1,735.7	\$ 1,688.9
Operating profit:				
Aerospace & Electronics	\$ 28.2	\$ 30.8	\$ 56.2	\$ 56.8
Process Flow Technologies	40.6	46.5	89.6	96.6
Payment & Merchandising Technologies	80.7	77.9	164.9	163.7
Engineered Materials	7.3	7.7	20.2	14.1
Corporate	(32.4)	(18.3)	(59.5)	(40.2)
Total	\$ 124.4	\$ 144.6	\$ 271.4	\$ 291.0
Interest income	0.6	0.4	0.9	0.9
Interest expense	(11.4)	(11.4)	(22.5)	(25.0)
Gain on sale of business	228.7	—	228.7	—
Miscellaneous income, net	14.8	9.7	18.3	13.6
Income before income taxes	\$ 357.1	\$ 143.3	\$ 496.8	\$ 280.5

(in millions)	June 30, 2022	December 31, 2021
Assets:		
Aerospace & Electronics	\$ 633.9	\$ 604.7
Process Flow Technologies	1,135.6	1,240.4
Payment & Merchandising Technologies	2,032.2	2,096.5
Engineered Materials	233.7	220.5
Corporate	463.7	324.5
Total	\$ 4,499.1	\$ 4,486.6

(in millions)	June 30, 2022	December 31, 2021
Goodwill:		
Aerospace & Electronics	\$ 202.3	\$ 202.5
Process Flow Technologies	315.1	349.4
Payment & Merchandising Technologies	835.0	860.6
Engineered Materials	171.3	171.3
Total	\$ 1,523.7	\$ 1,583.8

Note 3 - Revenue*Disaggregation of Revenues*

The following table presents net sales disaggregated by product line for each segment:

(in millions)	Three Months Ended			Six Months Ended		
	June 30,			June 30,		
	2022	2021		2022	2021	
Aerospace & Electronics						
Commercial Original Equipment	\$	60.6	\$	53.7	\$	119.2
Military and Other Original Equipment		57.1		62.8		114.4
Commercial Aftermarket Products		29.0		25.3		57.7
Military Aftermarket Products		14.8		15.7		27.3
Total Aerospace & Electronics	\$	161.5	\$	157.5	\$	318.6
Process Flow Technologies						
Process Valves and Related Products	\$	186.7	\$	184.3	\$	369.6
Commercial Valves		77.2		98.2		175.4
Pumps and Systems		32.1		28.2		62.4
Total Process Flow Technologies	\$	296.0	\$	310.7	\$	607.4
Payment & Merchandising Technologies						
Payment Acceptance and Dispensing Products	\$	211.4	\$	197.3	\$	422.4
Banknotes and Security Products		122.6		130.9		244.2
Total Payment & Merchandising Technologies	\$	334.0	\$	328.2	\$	666.6
Engineered Materials						
FRP - Recreational Vehicles	\$	32.2	\$	24.8	\$	67.9
FRP - Building Products		31.8		26.5		59.2
FRP - Transportation		8.8		7.8		16.0
Total Engineered Materials		72.8		59.1		143.1
Net sales	\$	864.3	\$	855.5	\$	1,735.7

Remaining Performance Obligations

The transaction price allocated to remaining performance obligations represents the transaction price of firm orders which have not yet been fulfilled, which we also refer to as total backlog. As of June 30, 2022, total backlog was \$1,387.0 million. We expect to recognize approximately 69% of our remaining performance obligations as revenue in 2022, an additional 29% in 2023 and the balance thereafter.

Contract Assets and Contract Liabilities

Contract assets represent unbilled amounts that typically arise from contracts for customized products or contracts for products sold directly to the U.S. government or indirectly to the U.S. government through subcontracts, where revenue recognized using the cost-to-cost method exceeds the amount billed to the customer. Contract assets are assessed for impairment and recorded at their net realizable value. Contract liabilities represent advance payments from customers. Revenue related to contract liabilities is recognized when control is transferred to the customer. We report contract assets, which are included within "Other current assets" in our Condensed Consolidated Balance Sheets, and contract liabilities, which are included within "Accrued liabilities" on our Condensed Consolidated Balance Sheets, on a contract-by-contract net basis at the end of each reporting period. Net contract assets and contract liabilities consisted of the following:

(in millions)	June 30, 2022		December 31, 2021	
Contract assets	\$	87.8	\$	73.0
Contract liabilities	\$	99.3	\$	101.1

We recognized revenue of \$30.3 million and \$62.4 million during the three-and six-month periods ended June 30, 2022, respectively, related to contract liabilities as of December 31, 2021.

Note 4 - Earnings Per Share

Our basic earnings per share calculations are based on the weighted average number of common shares outstanding during the period. Potentially dilutive securities include outstanding stock options, restricted share units, deferred stock units and performance-based restricted share units. The effect of potentially dilutive securities is reflected in diluted earnings per common share by application of the treasury method. Diluted earnings per share gives effect to all potentially dilutive common shares outstanding during the period.

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
(in millions, except per share data)	2022	2021	2022	2021
Net income attributable to common shareholders	\$ 258.2	\$ 138.3	\$ 363.2	\$ 246.7
Average basic shares outstanding	56.1	58.5	56.7	58.4
Effect of dilutive share-based awards	0.8	0.8	0.8	0.7
Average diluted shares outstanding	56.9	59.3	57.5	59.1
Earnings per basic share	\$ 4.60	\$ 2.36	\$ 6.41	\$ 4.22
Earnings per diluted share	\$ 4.54	\$ 2.33	\$ 6.32	\$ 4.17

The computation of diluted earnings per share excludes the effect of the potentially anti-dilutive securities which was 0.4 million and 1.3 million for the three months ended June 30, 2022, and 2021, respectively and 0.3 million and 1.5 million for the six months ending June 30, 2022 and 2021, respectively.

Note 5 - Changes in Equity and Accumulated Other Comprehensive Loss

A summary of changes in equity for the year-to-date interim periods ended June 30, 2022 and 2021 is provided below:

(in millions, except share data)	Common Shares Issued at Par Value	Capital Surplus	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Share- holders' Equity	Non- controlling Interest	Total Equity
BALANCE DECEMBER 31, 2021	72.4	\$ 363.9	\$ 2,527.3	\$ (440.2)	\$ (691.1)	\$ 1,832.3	\$ 2.8	\$ 1,835.1
Net income	—	—	105.0	—	—	105.0	—	105.0
Cash dividends (\$0.47 per share)	—	—	(26.4)	—	—	(26.4)	—	(26.4)
Reacquisition on open market of 1,699,949 shares	—	—	—	—	(175.8)	(175.8)	—	(175.8)
Exercise of stock options, net of shares reacquired of 79,214 shares	—	—	—	—	6.1	6.1	—	6.1
Impact from settlement of share-based awards, net of shares acquired	—	(5.1)	—	—	(0.3)	(5.4)	—	(5.4)
Stock-based compensation expense	—	5.9	—	—	—	5.9	—	5.9
Changes in pension and postretirement plan assets and benefit obligation, net of tax	—	—	—	3.3	—	3.3	—	3.3
Currency translation adjustment	—	—	—	(21.7)	—	(21.7)	0.1	(21.6)
BALANCE MARCH 31, 2022	72.4	\$ 364.7	\$ 2,605.9	\$ (458.6)	\$ (861.1)	\$ 1,723.3	\$ 2.9	\$ 1,726.2
Net income	—	—	258.2	—	—	258.2	—	258.2
Cash dividends (\$0.47 per share)	—	—	(26.4)	—	—	(26.4)	—	(26.4)
Reacquisition on open market of 1,959,069 shares	—	—	—	—	(27.9)	(27.9)	—	(27.9)
Exercise of stock options, net of shares reacquired of 94,774 shares	—	—	—	—	1.1	1.1	—	1.1
Impact from settlement of share-based awards, net of shares acquired	—	(1.3)	—	—	1.2	(0.1)	—	(0.1)
Stock-based compensation expense	—	5.9	—	—	—	5.9	—	5.9
Changes in pension and postretirement plan assets and benefit obligation, net of tax	—	—	—	3.5	—	3.5	—	3.5
Currency translation adjustment	—	—	—	(75.8)	—	(75.8)	(0.1)	(75.9)
BALANCE June 30, 2022	72.4	\$ 369.3	\$ 2,837.7	\$ (530.9)	\$ (886.7)	\$ 1,861.8	\$ 2.8	\$ 1,864.6

(in millions, except share data)	Common Shares Issued at Par Value	Capital Surplus	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Share- holders' Equity	Non- controlling Interest	Total Equity
BALANCE DECEMBER 31, 2020	72.4	\$ 330.7	\$ 2,192.8	\$ (466.4)	\$ (600.6)	\$ 1,528.9	\$ 2.2	\$ 1,531.1
Net income	—	—	108.4	—	—	108.4	—	108.4
Cash dividends (\$0.43 per share)	—	—	(25.0)	—	—	(25.0)	—	(25.0)
Impact from settlement of share-based awards, net of shares acquired	—	(2.3)	—	—	9.5	7.2	—	7.2
Stock-based compensation expense	—	6.3	—	—	—	6.3	—	6.3
Changes in pension and postretirement plan assets and benefit obligation, net of tax	—	—	—	4.9	—	4.9	—	4.9
Currency translation adjustment	—	—	—	(35.7)	—	(35.7)	0.8	(34.9)
BALANCE MARCH 31, 2021	72.4	\$ 334.7	\$ 2,276.2	\$ (497.2)	\$ (591.1)	\$ 1,595.0	\$ 3.0	\$ 1,598.0
Net income	—	—	138.3	—	—	138.3	—	138.3
Cash dividends (\$0.43 per share)	—	—	(25.2)	—	—	(25.2)	—	(25.2)
Impact from settlement of share-based awards, net of shares acquired	—	7.6	—	—	(9.5)	(1.9)	—	(1.9)
Stock-based compensation expense	—	6.1	—	—	—	6.1	—	6.1
Changes in pension and postretirement plan assets and benefit obligation, net of tax	—	—	—	5.2	—	5.2	—	5.2
Currency translation adjustment	—	—	—	7.7	—	7.7	(0.1)	7.6
BALANCE JUNE 30, 2021	72.4	\$ 348.4	\$ 2,389.3	\$ (484.3)	\$ (600.6)	\$ 1,725.2	\$ 2.9	\$ 1,728.1

The table below provides the accumulated balances for each classification of accumulated other comprehensive income (loss), as reflected on our Condensed Consolidated Balance Sheets.

(in millions)	Defined Benefit Pension and Postretirement Items	Currency Translation Adjustment	Total ^a
Balance as of December 31, 2021	\$ (301.9)	\$ (138.3)	\$ (440.2)
Other comprehensive income (loss) before reclassifications	—	(97.5)	(97.5)
Amounts reclassified from accumulated other comprehensive loss	6.8	—	6.8
Net period other comprehensive income (loss)	6.8	(97.5)	(90.7)
Balance as of June 30, 2022	\$ (295.1)	\$ (235.8)	\$ (530.9)

^a

Net of tax benefit of \$120.1 million and \$117.9 million as of June 30, 2022 and December 31, 2021, respectively.

The table below illustrates the amounts reclassified out of each component of accumulated other comprehensive loss for the three- and six-month periods ended June 30, 2022, and 2021. Amortization of pension and postretirement components has been recorded within “Miscellaneous income, net” on our Condensed Consolidated Statements of Operations.

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Amortization of pension items:				
Prior service costs	\$ —	\$ (0.1)	\$ —	\$ (0.1)
Net loss	4.8	6.5	9.5	13.1
Amortization of postretirement items:				
Prior service costs	(0.3)	(0.3)	(0.5)	(0.5)
Total before tax	\$ 4.5	\$ 6.1	\$ 9.0	\$ 12.5
Tax impact	1.0	1.1	2.2	2.4
Total reclassifications for the period	\$ 3.5	\$ 5.0	\$ 6.8	\$ 10.1

Note 6 - Defined Benefit and Postretirement Benefits

For all plans, the components of net periodic benefit for the three months ended June 30, 2022 and 2021 are as follows:

(in millions)	Pension		Postretirement	
	2022	2021	2022	2021
Service cost	\$ 1.3	\$ 1.7	\$ 0.1	\$ 0.1
Interest cost	5.2	5.2	0.2	0.2
Expected return on plan assets	(13.9)	(15.7)	—	—
Recognized curtailment gain	—	—	—	—
Amortization of prior service cost	—	(0.1)	(0.3)	(0.3)
Amortization of net loss	4.8	6.5	—	—
Net periodic benefit	\$ (2.6)	\$ (2.4)	\$ —	\$ —

For all plans, the components of net periodic benefit for the six months ended June 30, 2022, and 2021 are as follows:

(in millions)	Pension		Postretirement	
	2022	2021	2022	2021
Service cost	\$ 2.6	\$ 3.2	\$ 0.1	\$ 0.2
Interest cost	10.4	10.4	0.4	0.3
Expected return on plan assets	(27.9)	(29.8)	—	—
Recognized curtailment gain	—	(0.7)	—	—
Amortization of prior service cost	—	(0.1)	(0.5)	(0.5)
Amortization of net loss	9.5	13.1	—	—
Net periodic benefit	\$ (5.4)	\$ (3.9)	\$ —	\$ —

The components of net periodic benefit, other than the service cost component, are included in “Miscellaneous income, net” in our Condensed Consolidated Statements of Operations. Service cost is recorded within “Cost of sales” and “Selling, general and administrative” in our Condensed Consolidated Statements of Operations.

We expect to contribute the following to our pension and postretirement plans:

(in millions)	Pension	Postretirement
Expected contributions in 2022	\$ 20.1	\$ 2.6
Amounts contributed during the six months ended June 30, 2022	\$ 8.6	\$ —

Note 7 - Income Taxes*Effective Tax Rates*

Our quarterly provision for income taxes is measured using an annual effective tax rate, adjusted for discrete items within the period presented.

Our effective tax rates are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Effective Tax Rate	27.7%	3.5%	26.9%	12.0%

Our effective tax rates for the three and six months ended June 30, 2022, are higher than the prior year's comparable periods primarily due to the reversal of a deferred tax asset established in a prior period that relates to the sale of a subsidiary, partially offset by earnings in jurisdictions with statutory tax rates lower than the United States.

Our effective tax rate for the three and six months ended June 30, 2022 is higher than the statutory U.S. federal tax rate of 21% primarily due to earnings in jurisdictions with statutory tax rates higher than the United States., expenses that are statutorily non-deductible for income tax purposes and U.S. state taxes, partially offset by excess share-based compensation benefits, tax credit utilization, and the statutory U.S. deduction related to our non-U.S. subsidiaries' income.

Unrecognized Tax Benefits

During the three months ended June 30, 2022, our gross unrecognized tax benefits, excluding interest and penalties, decreased by \$0.3 million, primarily as a result of decreases due to expiration of statutes of limitations in the current year and tax positions taken in the current period, partially offset by increases in tax positions taken in the current year. During the six months ended June 30, 2022, our gross unrecognized tax benefits, excluding interest and penalties, increased by \$0.2 million primarily as a result of tax positions taken in the current year, partially offset by reductions from expirations of statutes of limitations and tax positions taken during the prior period. During the three and six months ended June 30, 2022, the total amount of unrecognized tax benefits that, if recognized, would affect our effective tax rate (decreased)/increased by \$(0.3) million and \$0.3 million respectively. The difference between these amounts relates to (1) offsetting tax effects from other tax jurisdictions, and (2) interest expense, net of deferred taxes.

During the three and six months ended June 30, 2022, we recognized \$(0.1) million and \$0.2 million, respectively, of interest and penalty (income) / expense related to unrecognized tax benefits in our Condensed Consolidated Statement of Operations. As of June 30, 2022, and December 31, 2021, the total amount of accrued interest and penalty expense related to unrecognized tax benefits recorded in our Condensed Consolidated Balance Sheets was \$5.1 million and \$4.9 million, respectively.

During the next twelve months, it is reasonably possible that our unrecognized tax benefits may decrease by \$6.1 million due to expiration of statutes of limitations and settlements with tax authorities. However, if the ultimate resolution of income tax examinations results in amounts that differ from this estimate, we will record additional income tax expense or benefit in the period in which such matters are effectively settled.

Note 8 - Goodwill and Intangible Assets

Our business acquisitions have typically resulted in the recognition of goodwill and other intangible assets. We follow the provisions under ASC Topic 350, "Intangibles – Goodwill and Other" as it relates to the accounting for goodwill in our condensed consolidated financial statements. These provisions require that we, on at least an annual basis, evaluate the fair value of the reporting units to which goodwill is assigned and attributed and compare that fair value to the carrying value of the reporting unit to determine if an impairment has occurred. We perform our annual impairment testing during the fourth quarter. Impairment testing takes place more often than annually if events or circumstances indicate a change in status that would indicate a potential impairment. We believe that there have been no events or circumstances which would more likely than not reduce the fair value for our reporting units below its carrying value. A reporting unit is an operating segment unless discrete financial information is prepared and reviewed by segment management for businesses one level below that operating segment (a "component"), in which case the component would be the reporting unit. As of June 30, 2022, we had seven reporting units.

Intangibles with indefinite useful lives, consisting of trade names, are tested annually for impairment, or when events or changes in circumstances indicate the potential for impairment. If the carrying amount of an indefinite lived intangible asset exceeds its fair value, the intangible asset is written down to its fair value. Fair value is calculated using relief from royalty method. We amortize the cost of definite-lived intangibles over their estimated useful lives. We also review all of our definite-lived intangible assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable.

Changes to goodwill are as follows:

(in millions)	Aerospace & Electronics	Process Flow Technologies	Payment & Merchandising Technologies	Engineered Materials	Total
Balance as of December 31, 2021	\$ 202.5	\$ 349.4	\$ 860.6	\$ 171.3	\$ 1,583.8
Currency translation	(0.2)	(12.0)	(25.6)	—	(37.8)
Disposal on sale of business	—	(22.3)	—	—	(22.3)
Balance at June 30, 2022	\$ 202.3	\$ 315.1	\$ 835.0	\$ 171.3	\$ 1,523.7

As of June 30, 2022, we had \$435.8 million of net intangible assets, of which \$69.5 million were intangibles with indefinite useful lives. As of December 31, 2021, we had \$467.1 million of net intangible assets, of which \$70.6 million were intangibles with indefinite useful lives.

Changes to intangible assets are as follows:

(in millions)	Six Months Ended June 30, 2022	Year Ended December 31, 2021
Balance at beginning of period, net of accumulated amortization	\$ 467.1	\$ 520.3
Amortization expense	(20.9)	(44.5)
Currency translation and other	(10.4)	(8.7)
Balance at end of period, net of accumulated amortization	\$ 435.8	\$ 467.1

A summary of intangible assets follows:

(in millions)	Weighted Average Amortization Period of Finite Lived Assets (in years)	June 30, 2022			December 31, 2021		
		Gross Asset	Accumulated Amortization	Net	Gross Asset	Accumulated Amortization	Net
Intellectual property rights	15.1	\$ 134.4	\$ 58.6	\$ 75.8	\$ 136.8	\$ 59.2	\$ 77.6
Customer relationships and backlog	18.1	633.1	313.6	319.5	651.7	308.8	342.9
Drawings	40	11.1	10.7	0.4	11.1	10.6	0.5
Other	11.8	138.7	98.6	40.1	142.1	96.0	46.1
Total	18.6	\$ 917.3	\$ 481.5	\$ 435.8	\$ 941.7	\$ 474.6	\$ 467.1

Future amortization expense associated with intangible assets is expected to be:

(in millions)	
Remainder of 2022	\$ 20.9
2023	41.4
2024	40.6
2025	35.3
2026 and after	228.1

Note 9 - Accrued Liabilities

Accrued liabilities consist of:

(in millions)	June 30, 2022	December 31, 2021
Employee related expenses	\$ 111.7	\$ 181.9
Warranty	8.5	8.6
Current lease liabilities	19.3	22.7
Contract liabilities	99.3	101.1
Other	122.8	128.4
Total	\$ 361.6	\$ 442.7

We accrue warranty liabilities when it is probable that an asset has been impaired, or a liability has been incurred and the amount of the loss can be reasonably estimated. Warranty provision is included within "Cost of sales" in our Condensed Consolidated Statements of Operations.

The following table summarizes warranty activity recorded during the three and six months ended June 30, 2022, and 2021.

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Balance at beginning of period	\$ 8.7	\$ 11.5	\$ 8.6	\$ 9.4
Expense	2.3	2.9	3.5	6.0
Payments / deductions	(2.3)	(2.4)	(3.4)	(3.4)
Currency translation	(0.2)	(0.2)	(0.2)	(0.2)
Balance at end of period	\$ 8.5	\$ 11.8	\$ 8.5	\$ 11.8

Note 10 - Commitments and Contingencies**Asbestos Liability*****Information Regarding Claims and Costs in the Tort System***

As of June 30, 2022, we were a defendant in cases filed in numerous state and federal courts alleging injury or death as a result of exposure to asbestos. Activity related to asbestos claims during the periods indicated was as follows:

	Three Months Ended		Six Months Ended		Year Ended
	June 30,		June 30,		December 31,
	2022	2021	2022	2021	2021
Beginning claims	30,312	29,407	29,958	29,138	29,138
New claims	646	772	1,303	1,505	2,975
Settlements	(347)	(176)	(548)	(336)	(980)
Dismissals	(512)	(215)	(614)	(519)	(1,175)
Ending claims	30,099	29,788	30,099	29,788	29,958

Of the 30,099 pending claims as of June 30, 2022, approximately 18,000 claims were pending in New York of which approximately 16,000 are non-malignancy claims that were filed over 15 years ago and have been inactive under New York court orders.

We have tried several cases resulting in defense verdicts by the jury or directed verdicts for the defense by the court. We further have pursued appeals of certain adverse jury verdicts that have resulted in reversals in favor of the defense. We have also tried several other cases resulting in plaintiff verdicts which we paid or settled after unsuccessful appeals.

The gross settlement and defense costs incurred (before insurance recoveries and tax effects) by us for the six months ended June 30, 2022 and 2021 totaled \$28.5 million and \$21.3 million, respectively. In contrast to the recognition of settlement and defense costs, which reflect the current level of activity in the tort system, cash payments and receipts generally lag the tort system activity by several months or more and may show some fluctuation from period to period. Cash payments of settlement amounts are not made until all releases and other required documentation are received by us, and reimbursements of both settlement amounts and defense costs by insurers may be uneven due to insurer payment practices, transitions from one insurance layer to the next excess layer and the payment terms of certain reimbursement agreements. Our total pre-tax payments for settlement and defense costs, net of funds received from insurers, for the six months ended June 30, 2022 and 2021 totaled \$23.5 million and \$20.2 million, respectively. Detailed below are the comparable amounts for the periods indicated.

(in millions)	Three Months Ended		Six Months Ended		Year Ended
	June 30,		June 30,		December 31,
	2022	2021	2022	2021	2021
Settlement / indemnity costs incurred ⁽¹⁾	\$ 12.6	\$ 8.4	\$ 23.1	\$ 13.9	\$ 40.6
Defense costs incurred ⁽¹⁾	2.8	3.8	5.4	7.4	14.6
Total costs incurred	\$ 15.4	\$ 12.2	\$ 28.5	\$ 21.3	\$ 55.2
Settlement / indemnity payments	\$ 17.6	\$ 9.4	\$ 27.3	\$ 19.5	\$ 42.6
Defense payments	2.9	4.2	5.0	7.4	15.4
Insurance receipts	(4.6)	(4.2)	(8.8)	(6.7)	(13.1)
Pre-tax cash payments, net	\$ 15.9	\$ 9.4	\$ 23.5	\$ 20.2	\$ 44.9

⁽¹⁾ Before insurance recoveries and tax effects.

The amounts shown for settlement and defense costs incurred, and cash payments, are not necessarily indicative of future period amounts, which may be higher or lower than those reported.

Cumulatively through June 30, 2022, we have resolved (by settlement or dismissal) approximately 145,000 claims. The related settlement cost incurred by us and our insurance carriers is approximately \$742 million, for an average settlement cost per resolved claim of approximately \$5,100. The average settlement cost per claim resolved during the years ended December 31, 2021, 2020 and 2019 was \$18,800, \$13,900, and \$15,800, respectively. Because claims are sometimes dismissed in large

groups, the average cost per resolved claim, as well as the number of open claims, can fluctuate significantly from period to period. In addition to large group dismissals, the nature of the disease and corresponding settlement amounts for each claim resolved will also drive changes from period to period in the average settlement cost per claim. Accordingly, the average cost per resolved claim is not considered in our periodic review of our estimated asbestos liability. For a discussion regarding the four most significant factors affecting the liability estimate, see “Effects on the Consolidated Financial Statements.”

Effects on the Consolidated Financial Statements

We have retained an independent actuarial firm to assist management in estimating our asbestos liability in the tort system. The actuarial consultants review information provided by us concerning claims filed, settled and dismissed, amounts paid in settlements and relevant claim information such as the nature of the asbestos-related disease asserted by the claimant, the jurisdiction where filed and the time lag from filing to disposition of the claim. The methodology used by the actuarial consultants to project future asbestos costs is based on our recent historical experience for claims filed, settled and dismissed during a base reference period. Our experience is then compared to estimates of the number of individuals likely to develop asbestos-related diseases determined based on widely used previously conducted epidemiological studies augmented with current data inputs. Those studies were undertaken in connection with national analyses of the population of workers believed to have been exposed to asbestos. Using that information, the actuarial consultants estimate the number of future claims that would be filed against us and estimates the aggregate settlement or indemnity costs that would be incurred to resolve both pending and future claims based upon the average settlement costs by disease during the reference period. This methodology has been accepted by numerous courts. After discussions with us, the actuarial consultants augment our liability estimate for the costs of defending asbestos claims in the tort system using a forecast from us which is based upon discussions with our defense counsel. Based on this information, the actuarial consultants compile an estimate of our asbestos liability for pending and future claims using a range of reference periods based on claim experience and claims expected to be filed through the indicated forecast period. The most significant factors affecting the liability estimate are (1) the number of new mesothelioma claims filed against us, (2) the average settlement costs for mesothelioma claims, (3) the percentage of mesothelioma claims dismissed against us and (4) the aggregate defense costs incurred by us. These factors are interdependent, and no one factor predominates in determining the liability estimate.

In our view, the forecast period used to provide the best estimate for asbestos claims and related liabilities and costs is a judgment based upon a number of trend factors, including the number and type of claims being filed each year; the jurisdictions where such claims are filed, and the effect of any legislation or judicial orders in such jurisdictions restricting the types of claims that can proceed to trial on the merits; and the likelihood of any comprehensive asbestos legislation at the federal level. In addition, the dynamics of asbestos litigation in the tort system have been significantly affected by the substantial number of companies that have filed for bankruptcy protection, thereby staying any asbestos claims against them until the conclusion of such proceedings, and the establishment of a number of post-bankruptcy trusts for asbestos claimants, which have been estimated to provide \$36 billion for payments to current and future claimants. These trend factors have both positive and negative effects on the dynamics of asbestos litigation in the tort system and the related best estimate of our asbestos liability, and these effects do not move in a linear fashion but rather change over multi-year periods. Accordingly, management continues to monitor these trend factors over time and periodically assesses whether an alternative forecast period is appropriate.

Each quarter, the actuarial consultants compile an update based upon our experience in claims filed, settled and dismissed as well as average settlement costs by disease category (mesothelioma, lung cancer, other cancer, and non-malignant conditions including asbestosis). In addition to this claims experience, we also consider additional quantitative and qualitative factors such as the nature of the aging of pending claims, significant appellate rulings and legislative developments, and their respective effects on expected future settlement values. As part of this process, we also consider trends in the tort system such as those enumerated above. Management considers all these factors in conjunction with the liability estimate of the actuarial consultants and determines whether a change in the estimate is warranted.

Liability Estimate. In June 2016, the New York State Court of Appeals issued its opinion in *Dummitt v. Crane Co.*, affirming a 2012 verdict for \$4.9 million against us. In that opinion, the court ruled that in certain circumstances we are legally responsible for asbestos-containing materials made and sold by third parties that others attached post-sale to our equipment. This decision provided clarity regarding the nature of claims that may proceed to trial in New York and greater predictability regarding future claim activity. We also reflected the impact of the *Dummitt* decision on our expected settlement values. Accordingly, on December 31, 2016, we updated and extended our asbestos liability estimate through 2059, the generally accepted end point.

Following our experience in the tort system post the *Dummitt* decision, we entered into several, increasingly similar, group settlements with various plaintiff firms and we expect this new trend of these types of group settlements to continue.

Accordingly, effective as of December 31, 2019, we updated our estimate of the asbestos liability, including revised costs of settlement or indemnity payments and defense costs relating to currently pending claims and future claims projected to be filed against us through the same expected end point of 2059. Our estimate of the asbestos liability for pending and future claims through 2059 is based on the projected future asbestos costs resulting from our experience using a range of reference periods for claims filed, settled and dismissed. Based on this estimate, we recorded an additional liability of \$255 million as of December 31, 2019.

An aggregate liability of \$712 million was recorded as of December 31, 2019 to cover the estimated cost of asbestos claims now pending or subsequently asserted through 2059, of which approximately 85% is attributable to settlement and defense costs for future claims projected to be filed through 2059. The liability is reduced when cash payments are made in respect of settled claims and defense costs. The liability was \$580 million and \$612 million as of June 30, 2022 and December 31, 2021, respectively. It is not possible to forecast when cash payments related to the asbestos liability will be fully expended; however, it is expected such cash payments will continue for a number of years past 2059, due to the significant proportion of future claims included in the estimated asbestos liability and the lag time between the date a claim is filed and when it is resolved. None of these estimated costs have been discounted to present value due to the inability to reliably forecast the timing of payments. The current portion of the total estimated liability at June 30, 2022 and December 31, 2021 is \$62.3 million and represents our best estimate of total asbestos costs expected to be paid during the twelve-month period. Such amount is based upon the actuarial model together with our prior year payment experience for both settlement and defense costs.

We have made our best estimate of the costs through 2059. Through June 30, 2022, our actual experience during the updated reference period for mesothelioma claims filed and dismissed generally approximated the assumptions in our liability estimate. In addition to this claims experience, we considered additional quantitative and qualitative factors such as the nature of the aging of pending claims, significant appellate rulings and legislative developments, and their respective effects on expected future settlement values. Based on this evaluation, we determined that no change in the estimate was warranted for the period ended June 30, 2022.

Insurance Coverage and Receivables. Prior to 2005, a significant portion of our settlement and defense costs were paid by our primary insurers. With the exhaustion of that primary coverage, we began negotiations with our excess insurers to reimburse us for a portion of our settlement and/or defense costs as incurred. To date, we have entered into agreements providing for such reimbursements, known as “coverage-in-place,” with eleven of our excess insurer groups. Under such coverage-in-place agreements, an insurer’s policies remain in force and the insurer undertakes to provide coverage for our present and future asbestos claims on specified terms and conditions that address, among other things, the share of asbestos claims costs to be paid by the insurer, payment terms, claims handling procedures and the expiration of the insurer’s obligations. Similarly, under a variant of coverage-in-place, we have entered into an agreement with a group of insurers confirming the aggregate amount of available coverage under the subject policies and setting forth a schedule for future reimbursement payments to us based on aggregate indemnity and defense payments made. In addition, with ten of our excess insurer groups, we entered into agreements settling all asbestos and other coverage obligations for an agreed sum and received a total of \$82.5 million in aggregate as a result of those settlements. Reimbursements from insurers for past and ongoing settlement and defense costs allocable to their policies have been made in accordance with these coverage-in-place and other agreements. All these agreements include provisions for mutual releases, indemnification of the insurer and, for coverage-in-place, claims handling procedures. With the agreements referenced above, we have concluded settlements with all but two of our solvent excess insurers with policies expected to respond to the aggregate costs included in the liability estimate. The first such insurer, which issued a single applicable policy, has been paying for many years the shares of defense and indemnity costs we have allocated to it, subject to a reservation of rights. The second insurer issued a single applicable policy in a layer of coverage that we do not anticipate reaching until many years from now, and, prior to the policy being reached, we anticipate opening a dialogue with that insurer about the execution of a suitable agreement. There are no pending legal proceedings between us and any insurer contesting our asbestos claims under our insurance policies.

In conjunction with developing the aggregate updated liability estimate referenced above, we also developed an updated estimate of probable insurance recoveries for our asbestos liabilities. In developing this estimate, we considered our coverage-in-place and other settlement agreements described above, as well as several additional factors. These additional factors include the financial viability of the insurance companies, the method by which losses will be allocated to the various insurance policies and the years covered by those policies, how settlement and defense costs will be covered by the insurance policies and interpretation of the effect on coverage of various policy terms and limits. In addition, the timing and amount of reimbursements will vary because our insurance coverage for asbestos claims involves multiple insurers, with different policy terms and certain gaps in coverage. In addition to consulting with legal counsel on these insurance matters, we retained insurance consultants to assist management in the estimation of probable insurance recoveries based upon the aggregate liability estimate described above and assuming the continued viability of all solvent insurance carriers. Based upon the analysis of policy terms and other factors noted above by our legal counsel, and incorporating risk mitigation judgments by us

where policy terms or other factors were not certain, our insurance consultants compiled a model indicating how our historical insurance policies would respond to varying levels of asbestos settlement and defense costs and the allocation of such costs between such insurers and us. Using the estimated liability as of December 31, 2019 (for claims filed or expected to be filed through 2059), the insurance consultant's model forecasted that approximately 14% of the liability would be reimbursed by our insurers. While there are overall limits on the aggregate amount of insurance available to us with respect to asbestos claims, certain limits were not reached by the total estimated liability currently recorded by us, and such overall limits did not influence our determination of the asset amount to record. We allocate to ourselves the amount of the asbestos liability (for claims filed or expected to be filed through 2059) that is in excess of available insurance coverage allocated to such years. An asset of \$98 million was recorded as of December 31, 2019 representing the probable insurance reimbursement for claims expected through 2059. The asset is reduced as reimbursements and other payments from insurers are received. The asset was \$65 million and \$74 million as of June 30, 2022 and December 31, 2021, respectively.

We review the estimated reimbursement rate with our insurance consultants on a periodic basis in order to confirm overall consistency with our established reserves. The reviews encompass consideration of the performance of the insurers under coverage-in-place agreements and the effect of any additional lump-sum payments under other insurer agreements. Actual insurance reimbursements vary from period to period, and will decline over time, for the reasons cited above.

Uncertainties. Estimation of our ultimate exposure for asbestos-related claims is subject to significant uncertainties, as there are multiple variables that can affect the timing, severity and quantity of claims and the manner of their resolution. We caution that our estimated liability is based on assumptions with respect to future claims, settlement and defense costs based on past experience that may not prove reliable as predictors; the assumptions are interdependent and no single factor predominates in determining the liability estimate. A significant upward or downward trend in the number of claims filed, depending on the nature of the alleged injury, the jurisdiction where filed and the quality of the product identification, or a significant upward or downward trend in the costs of defending claims, could change the estimated liability, as would substantial adverse verdicts at trial that withstand appeal. A legislative solution, structured settlement transaction, or significant change in relevant case law could also change the estimated liability.

The same factors that affect developing estimates of probable settlement and defense costs for asbestos-related liabilities also affect estimates of the probable insurance reimbursements, as do a number of additional factors. These additional factors include the financial viability of the insurance companies, the method by which losses will be allocated to the various insurance policies and the years covered by those policies, how settlement and defense costs will be covered by the insurance policies and interpretation of the effect on coverage of various policy terms and limits and their interrelationships. In addition, due to the uncertainties inherent in litigation matters, no assurances can be given regarding the outcome of any litigation, if necessary, to enforce our rights under our insurance policies or settlement agreements.

Many uncertainties exist surrounding asbestos litigation, and we will continue to evaluate our estimated asbestos-related liability and corresponding estimated insurance reimbursement as well as the underlying assumptions and process used to derive these amounts. These uncertainties may result in our incurring future charges or increases to income to adjust the carrying value of recorded liabilities and assets, particularly if the number of claims and settlement and defense costs change significantly, or if there are significant developments in the trend of case law or court procedures, or if legislation or another alternative solution is implemented. Although the resolution of these claims will likely take many years, the effect on the results of operations, financial position, and cash flow in any given period from a revision to these estimates could be material.

Other Contingencies

Environmental Matters

For environmental matters, we record a liability for estimated remediation costs when it is probable that we will be responsible for such costs and they can be reasonably estimated. Generally, third party specialists assist in the estimation of remediation costs. The environmental remediation liability as of June 30, 2022 is substantially related to the former manufacturing site in Goodyear, Arizona (the "Goodyear Site") discussed below. On June 21, 2021, we completed the sale of substantially all of the property associated with what we have historically called the Goodyear Site for \$8.7 million, retaining only a small parcel on which our remediation and treatment systems are located. We will continue to be responsible for all remediation costs associated with the Goodyear Site.

Goodyear Site

The Goodyear Site was operated by Unidynamics/Phoenix, Inc. ("UPI"), which became an indirect subsidiary in 1985 when we acquired UPI's parent company, UniDynamics Corporation. UPI manufactured explosive and pyrotechnic compounds, including components for critical military programs, for the U.S. government at the Goodyear Site from 1962 to 1993, under

contracts with the Department of Defense and other government agencies and certain of their prime contractors. In 1990, the U.S. Environmental Protection Agency (“EPA”) issued administrative orders requiring UPI to design and carry out certain remedial actions, which UPI has done. Groundwater extraction and treatment systems have been in operation at the Goodyear Site since 1994. On July 26, 2006, we entered a consent decree with the EPA with respect to the Goodyear Site providing for, among other things, a work plan for further investigation and remediation activities (inclusive of a supplemental remediation investigation and feasibility study). During the third quarter of 2014, the EPA issued a Record of Decision (“ROD”) amendment permitting, among other things, additional source area remediation resulting in us recording a charge of \$49.0 million, extending the accrued costs through 2022. Following the 2014 ROD amendment, we continued our remediation activities and explored an alternative strategy to accelerate remediation of the site. During the fourth quarter of 2019, we received conceptual agreement from the EPA on our alternative remediation strategy which is expected to further reduce the contaminant plume. Accordingly, in 2019, we recorded a pre-tax charge of \$18.9 million, net of reimbursements, to extend our forecast period through 2027 and reflect our revised workplan. The total estimated gross liability was \$27.1 million and \$32.3 million as of June 30, 2022 and December 31, 2021, respectively and as described below, a portion is reimbursable by the U.S. Government. The current portion of the total estimated liability was \$7.8 million and \$7.1 million as of June 30, 2022 and December 31, 2021, respectively, and represents our best estimate, in consultation with our technical advisors, of total remediation costs expected to be paid during the twelve-month period. It is not possible at this point to reasonably estimate the amount of any obligation in excess of our current accruals through the 2027 forecast period because of the aforementioned uncertainties, in particular, the continued significant changes in the Goodyear Site conditions and additional expectations of remediation activities experienced in recent years.

On July 31, 2006, we entered into a consent decree with the U.S. Department of Justice on behalf of the Department of Defense and the Department of Energy pursuant to which, among other things, the U.S. Government reimburses us for 21% of qualifying costs of investigation and remediation activities at the Goodyear Site. As of June 30, 2022 and December 31, 2021, we recorded a receivable of \$6.6 million and \$7.3 million, respectively, for the expected reimbursements from the U.S. Government in respect of the aggregate liability as at that date. The receivable is reduced as reimbursements and other payments from the U.S. Government are received.

Other Environmental Matters

Marion, IL Site

We have been identified as a potentially responsible party (“PRP”) with respect to environmental contamination at the Crab Orchard National Wildlife Refuge Superfund Site (the “Crab Orchard Site”). The Crab Orchard Site is located near Marion, Illinois, and consists of approximately 55,000 acres. Beginning in 1941, the United States used the Crab Orchard Site for the production of ordnance and other related products for use in World War II. In 1947, about half of the Crab Orchard Site was leased to a variety of industrial tenants whose activities (which continue to this day) included manufacturing ordnance and explosives. A predecessor of us formerly leased portions of the Crab Orchard Site and conducted manufacturing operations at the Crab Orchard Site from 1952 until 1964. General Dynamics Ordnance and Tactical Systems, Inc. (“GD-OTS”) is in the process of conducting a remedial investigation and feasibility study for a portion of the Crab Orchard Site (the “AUS-OU”), which includes an area where we maintained operations, pursuant to an Administrative Order on Consent. A remedial investigation report was approved in February 2015, and work on the feasibility study is underway. It is unclear when the final feasibility study will be completed, or when a final Record of Decision may be issued.

GD-OTS has asked us to participate in a voluntary, multi-party mediation exercise with respect to response costs it has incurred or will incur with respect to the AUS-OU. We and other PRPs executed a non-binding mediation agreement on March 16, 2015, and the U.S. government executed the mediation agreement on August 6, 2015. The first phase of the mediation, involving certain former munitions or ordnance storage areas, began in November 2017, but did not result in a multi-party settlement agreement. Subsequently, we entered discussions directly with GD-OTS and reached an agreement, as of July 13, 2021, to contribute toward GD-OTS’s past RI-FS costs associated with the first-phase areas for an immaterial amount. We have also agreed to pay a modest percentage of future RI-FS costs and the United States’ claimed past response costs relative to the first-phase areas, a sum that we expect in the aggregate to be immaterial. We understand that GD-OTS has also reached agreements-in-principle with the U.S. Government and the other participating PRPs related to the first-phase areas of concern. Negotiations between GD-OTS and the U.S. Government are underway with respect to resolution of the remaining areas of the site, including those portions of the Crab Orchard Site where our predecessor conducted manufacturing and research activities. We at present cannot predict whether these further negotiations will result in an agreement, or when any determination of the ultimate allocable shares of the various PRPs, including the U.S. Government, is likely to be completed. It is not possible at this time to reasonably estimate the total amount of any obligation for remediation of the Crab Orchard Site as a whole because the allocation among PRPs, selection of remediation alternatives, and concurrence of regulatory authorities have not yet advanced to the stage where a reasonable estimate can be made. We

notified our insurers of this potential liability and have obtained defense and indemnity coverage, subject to reservations of rights, under certain of our insurance policies.

Roseland, NJ Site

The Roseland Site was operated by Resistoflex Corporation (“Resistoflex”), which became an indirect subsidiary of ours in 1985 when we acquired Resistoflex’s parent company, UniDynamics Corporation. Resistoflex manufactured specialty lined pipe and fittings at the site from the 1950s until it was closed in the mid-1980s. We undertook an extensive soil remediation effort at the Roseland Site following our closure and had been monitoring the Site’s condition in the years that followed. In response to changes in remediation standards, in 2014 we began to conduct further site characterization and delineation studies at the Site. We are in the late stages of our remediation activities at the Site, which include a comprehensive delineation of contaminants of concern in soil, groundwater, surface water, sediment, and indoor air testing, all in accordance with the New Jersey Department of Environmental Protection guidelines and directives.

Other Proceedings

We regularly review the status of lawsuits, claims and proceedings that have been or may be asserted against us relating to the conduct of our business, including those pertaining to product liability, patent infringement, commercial, employment, employee benefits, environmental and stockholder matters. We record a provision for a liability for such matters when it is considered probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These provisions, if any, are reviewed quarterly and adjusted as additional information becomes available. If either or both of the criteria are not met, we assess whether there is at least a reasonable possibility that a loss, or additional losses, may have been incurred. If there is a reasonable possibility that a loss or additional loss may have been incurred for such matters, we disclose the estimate of the amount of loss or range of loss, disclose that the amount is immaterial, or disclose that an estimate of loss cannot be made, as applicable. We believe that as of June 30, 2022, there was no reasonable possibility that a material loss, or any additional material losses, may have been incurred for such matters, and that adequate provision has been made in our financial statements for the potential impact of all such matters.

Note 11 - Financing

Our debt consisted of the following:

(in millions)	June 30, 2022	December 31, 2021
Commercial paper	\$ 119.4	\$ —
Total short-term borrowings	\$ 119.4	\$ —
4.45% notes due December 2023	\$ 299.6	\$ 299.4
6.55% notes due November 2036	198.5	198.5
4.20% notes due March 2048	346.4	346.3
Other deferred financing costs associated with credit facilities	(1.6)	(1.8)
Total long-term debt	\$ 842.9	\$ 842.4

Debt discounts and debt issuance costs totaled \$5.5 million and \$5.7 million as of each of June 30, 2022 and December 31, 2021, respectively, and have been netted against the aggregate principal amounts of the related debt in the components of the debt table above.

Commercial paper program - On July 28, 2021, we increased the size of the commercial paper program (“CP Program”) to permit the issuance of short-term, unsecured commercial paper notes in an aggregate principal amount not to exceed \$650 million at any time outstanding. Prior to this increase, the CP Program permitted us to issue commercial paper notes in an aggregate principal amount not to exceed \$550 million at any time outstanding. The other terms and conditions of the CP program remain the same. Amounts available under the CP Program may be borrowed, repaid and re-borrowed from time to time. The notes will have maturities of up to 397 days from date of issue. The notes rank at least *pari passu* with all of our other unsecured and unsubordinated indebtedness. As of June 30, 2022 and December 31, 2021, there was \$119.4 million and \$0.0 million, respectively, of outstanding borrowings under the commercial paper program.

Note 12 - Fair Value Measurements

Accounting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are to be considered from the perspective of a market participant that holds the asset or owes the liability. The standards also establish a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standards describe three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices in active markets for identical or similar assets and liabilities.

Level 2: Quoted prices for identical or similar assets and liabilities in markets that are not active or observable inputs other than quoted prices in active markets for identical or similar assets and liabilities. Level 2 assets and liabilities include over-the-counter derivatives, principally forward foreign exchange contracts, whose value is determined using pricing models with inputs that are generally based on published foreign exchange rates and exchange traded prices, adjusted for other specific inputs that are primarily observable in the market or can be derived principally from or corroborated by observable market data.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Valuation Technique

The carrying value of our financial assets and liabilities, including cash and cash equivalents, accounts receivable and accounts payable approximate fair value, without being discounted, due to the short periods during which these amounts are outstanding.

We are exposed to certain risks related to our ongoing business operations, including market risks related to fluctuation in currency exchange. We use foreign exchange contracts to manage the risk of certain cross-currency business relationships to minimize the impact of currency exchange fluctuations on our earnings and cash flows. We do not hold or issue derivative financial instruments for trading or speculative purposes. Foreign exchange contracts not designated as hedging instruments had a notional value of \$87.5 million and \$3.0 million as of June 30, 2022 and December 31, 2021, respectively. Our derivative assets and liabilities include foreign exchange contract derivatives that are measured at fair value using internal models based on observable market inputs such as forward rates and interest rates. Based on these inputs, the derivatives are classified within Level 2 of the valuation hierarchy. Such derivative receivable amounts are recorded within "Other current assets" on our Condensed Consolidated Balance Sheets and were \$7.9 million and \$0.0 million as of June 30, 2022 and December 31, 2021, respectively. Such derivative liability amounts are recorded within "Accrued liabilities" on our Condensed Consolidated Balance Sheets and were \$0.0 million and less than \$0.1 million as of June 30, 2022 and December 31, 2021, respectively.

Available-for-sale securities consist of rabbi trust investments that hold marketable securities for the benefit of participants in our Supplemental Executive Retirement Plan. These investments are measured at fair value using quoted market prices in an active market and are therefore classified within Level 1 of the valuation hierarchy. The fair value of available-for-sale securities was \$0.5 million and \$1.6 million as of June 30, 2022 and December 31, 2021, respectively. These investments are included in "Other assets" on our Condensed Consolidated Balance Sheets.

Long-term debt rates currently available to us for debt with similar terms and remaining maturities are used to estimate the fair value for debt issues that are not quoted on an exchange. The estimated fair value of total debt, measured using Level 2 inputs, was \$825.5 million and \$984.9 million as of June 30, 2022 and December 31, 2021, respectively.

Note 13 - Restructuring**Overview**

2020 Repositioning - In the second quarter of 2020, we initiated actions in response to the adverse economic impact of COVID-19 and integration actions related to the Cummins-Allison acquisition. These actions include workforce reductions of approximately 1,200 employees, or about 11% of our global workforce, and the exiting of two leased office facilities and one leased warehouse facility. We have completed this program and do not expect to incur additional restructuring charges.

2019 Repositioning - In the fourth quarter of 2019, we initiated actions to consolidate two manufacturing operations in Europe within our Process Flow Technologies segment. In 2020, we recorded additional severance costs related to the final negotiation with the works council/union at both locations. These actions, taken together, included workforce reductions of approximately 180 employees, or less than 1% of our global workforce. We expect to complete the program in the fourth quarter of 2023. There were no charges recorded in the three month periods ended June 30, 2022 or 2021 related to these actions.

2017 Repositioning - In the fourth quarter of 2017, we initiated broad-based repositioning actions designed to improve profitability. These actions included headcount reductions of approximately 300 employees, or about 3% of our global workforce, and select facility consolidations in North America and Europe. In 2020, we adjusted the estimate downward to reflect the impact of employees that chose to voluntarily terminate prior to receiving severance at the conclusion of the actions in North America. In 2021, we recorded a gain on sale of real estate related to these actions. We expect to complete the program in the first quarter of 2023. We recorded \$0.0 and \$(0.2) in the three month periods ended June 30, 2022 and 2021 related to these actions.

Restructuring (gains) charges, net

We recorded restructuring (gains) charges, net which are reflected in the Condensed Consolidated Statements of Operations, as follows:

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Process Flow Technologies	\$ —	\$ —	—	(12.6)
Payment & Merchandising Technologies	—	(0.2)	—	(0.7)
Total restructuring (gains) charges, net	\$ —	\$ (0.2)	\$ —	\$ (13.3)

The following table summarizes our restructuring gains, net by program, cost type and segment for the six months ended June 30, 2022 and 2021:

(in millions)	Six Months Ended June 30, 2022			Six Months Ended June 30, 2021		
	Severance	Other	Total	Severance	Other	Total
Payment & Merchandising Technologies	\$ —	\$ —	\$ —	\$ (0.5)	\$ —	\$ (0.5)
2020 Repositioning	\$ —	\$ —	\$ —	\$ (0.5)	\$ —	\$ (0.5)
Process Flow Technologies	\$ —	\$ —	\$ —	\$ 0.1	\$ —	\$ 0.1
2019 Repositioning	\$ —	\$ —	\$ —	\$ 0.1	\$ —	\$ 0.1
Process Flow Technologies ¹	\$ —	\$ —	\$ —	\$ —	\$ (12.7)	\$ (12.7)
Payment & Merchandising Technologies	—	—	—	(0.2)	—	(0.2)
2017 Repositioning	\$ —	\$ —	\$ —	\$ (0.2)	\$ (12.7)	\$ (12.9)
Total	\$ —	\$ —	\$ —	\$ (0.6)	\$ (12.7)	\$ (13.3)

¹ Reflects a pre-tax gain related to the sale of real estate in 2021

The following table summarizes the cumulative restructuring costs, net incurred through June 30, 2022. We do not expect to incur additional facility consolidation costs to complete these actions as of June 30, 2022.

(in millions)	Cumulative Restructuring Costs, Net		
	Severance	Other	Total
Aerospace & Electronics	\$ 6.5	\$ —	\$ 6.5
Process Flow Technologies	3.7	—	3.7
Payment & Merchandising Technologies	15.8	1.8	17.6
2020 Repositioning	\$ 26.0	\$ 1.8	\$ 27.8
Process Flow Technologies	\$ 16.1	\$ —	\$ 16.1
2019 Repositioning	\$ 16.1	\$ —	\$ 16.1
Aerospace & Electronics	\$ 1.3	\$ (1.4)	\$ (0.1)
Process Flow Technologies	13.1	(12.7)	0.4
Payment & Merchandising Technologies	11.5	0.7	12.2
2017 Repositioning	\$ 25.9	\$ (13.4)	\$ 12.5

Restructuring Liability

The following table summarizes the accrual balances related to each restructuring program:

(in millions)	2019 Repositioning	2017 Repositioning	Total
<u>Severance:</u>			
Balance at December 31, 2021 ^(a)	\$ 11.5	\$ 0.7	\$ 12.2
Utilization	(6.1)	(0.6)	(6.7)
Balance at June 30, 2022 ^(a)	\$ 5.4	\$ 0.1	\$ 5.5

^(a) Included within Accrued Liabilities in the Condensed Consolidated Balance Sheets

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Quarterly Report on Form 10-Q contains information about Crane Holdings, Co., some of which includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements other than historical information or statements about our current condition. You can identify forward-looking statements by the use of terms such as "believes," "contemplates," "expects," "may," "could," "should," "would," or "anticipates," other similar phrases, or the negatives of these terms.

Reference herein to "Crane," "the Company," "we," "us" and "our" refer to Crane Holdings, Co. and its subsidiaries unless the context specifically states or implies otherwise. References to "core business" or "core sales" in this report include sales from acquired businesses starting from and after the first anniversary of the acquisition but exclude currency effects. Amounts in the following discussion are presented in millions, except employee, share and per share data, or unless otherwise stated.

We have based the forward-looking statements relating to our operations on our current expectations, estimates and projections about us and the markets we serve. We caution you that these statements are not guarantees of future performance and involve risks and uncertainties. In addition, we have based many of these forward-looking statements on assumptions about future events that may prove to be inaccurate. There are a number of other factors, including risks and uncertainties related to the ongoing COVID-19 pandemic, that could cause actual results or outcomes to differ materially from those expressed or implied in the forward-looking statements. Such factors also include, among others: changes in global economic conditions (including inflationary pressures) and geopolitical risks, including macroeconomic fluctuations that may harm our business, results of operation and stock price; the effects of the ongoing coronavirus pandemic on our business and the global and U.S. economies generally; information systems and technology networks failures and breaches in data security, personally identifiable and other information, non-compliance with our contractual or other legal obligations regarding such information; potential exposure from numerous lawsuits for asbestos-related personal injury; our ability to source components and raw materials from suppliers, including disruptions and delays in our supply chain; demand for our products, which is variable and subject to factors beyond our control; governmental regulations and failure to comply with those regulations; fluctuations in the prices of our components and raw materials; loss of personnel or being able to hire and retain additional personnel needed to sustain and grow our business as planned; risks from environmental liabilities, costs, litigation and violations that could adversely affect our financial condition, results of operations, cash flows and reputation; risks associated with conducting a substantial portion of our business outside the United States; being unable to successfully complete our pending separation as planned; being unable to identify or complete acquisitions, or to successfully integrate the businesses we acquire, or complete dispositions; adverse impacts from intangible asset impairment charges; potential product liability or warranty claims; being unable to successfully develop and introduce new products, which would limit our ability to grow and maintain our competitive position and adversely affect our financial condition, results of operations and cash flow; significant competition in our markets; additional tax expenses or exposures that could affect our financial condition, results of operations and cash flows; inadequate or ineffective internal controls; specific risks relating to our reportable segments, including Aerospace & Electronics, Process Flow Technologies, Payment & Merchandising Technologies and Engineered Materials; the ability and willingness of the parties to meet and/or perform their obligations under any contractual arrangements that are entered into among the parties in connection with our previously announced proposed business separation and any of their obligations to indemnify, defend and hold the other party harmless from and against various claims, litigation and liabilities; our ability to achieve some or all the benefits that we expect to achieve from our proposed business separation; and other risks noted in reports that we file with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, and subsequent reports and other documents filed by us or Crane Holdings, Co. with the Securities and Exchange Commission, including any registration statement relating to our proposed business separation. We do not undertake any obligation to update or revise any forward-looking statements to reflect any future events or circumstances.

Holding Company Reorganization

On May 16, 2022, Crane Co., a Delaware corporation ("Crane Co."), completed its previously announced reorganization merger pursuant to the Agreement and Plan of Merger, dated as of February 28, 2022 (the "Reorganization Agreement"), by and among Crane Co., Crane Holdings, Co., a Delaware corporation ("Crane Holdings"), and Crane Transaction Company, LLC, a Delaware limited liability company and, as of immediately prior to the consummation of such merger, a wholly-owned subsidiary of Crane Holdings ("Merger Sub"). The Reorganization Agreement provided for the merger of Crane Co. and Merger Sub, with Crane Co. surviving the merger as a wholly-owned subsidiary of Crane Holdings (the "Reorganization Merger").

Following the Reorganization Merger, on May 16, 2022, Crane Co. (which, as a result of the Reorganization Merger, became a wholly-owned subsidiary of Crane Holdings) converted from a Delaware corporation into a Delaware limited liability company named "Crane LLC" (such conversion, together with the Reorganization Merger, the "Reorganization"). Following the Reorganization, substantially all of the assets of Crane LLC were distributed, assigned, transferred, conveyed and delivered to, and related liabilities of Crane LLC were assumed by, Crane Holdings. On May 17, 2022, Crane LLC converted from a Delaware limited liability company to a Delaware corporation named "Crane Co." Subsequently, on May 26, 2022, Crane Co. filed a

Certificate of Amendment to its Certificate of Incorporation (the “Certificate of Amendment”) with the Secretary of State of the State of Delaware, which became effective upon filing, pursuant to which the Company officially changed its name from “Crane Co.” to “Redco Corporation.” The “Crane Co.” name has been reserved for future use by Crane Holdings.

Pending Separation

On March 30, 2022, the Company announced that its Board of Directors unanimously approved a plan to pursue a separation into two independent, publicly-traded companies (the “Separation”). The Separation is expected to occur through a tax-free distribution and is expected to be completed within approximately 12 months, subject to the satisfaction of customary conditions and final approval by the Company’s Board of Directors.

OUTLOOK

Overall

Our sales depend heavily on industries that are cyclical in nature or are subject to market conditions which may cause customer demand for our products to be volatile and unpredictable. Demand in these industries is affected by fluctuations in domestic and international economic conditions, as well as currency fluctuations, commodity costs, and a variety of other factors. As we exited 2021 and through the first half of 2022, we have experienced supply chain disruptions impacting timely access to certain components and raw materials, as well as significant inflationary pressure across most businesses; in response, we have initiated pricing actions throughout the first half to ensure we cover the higher costs and protect our margin profile.

For 2022, we expect a total year-over-year sales decline of approximately 1% to 2%, driven by a 4% unfavorable impact from the divestiture of Crane Supply and a 2.5% to 3% impact from unfavorable foreign exchange, partially offset by approximately 5% to 6% core growth. On a year-to-date basis through June 30 2022, stronger pricing has been the primary contributor to our core growth across most businesses. We continue to expect higher pricing on a full-year basis to approximately offset the impact of inflation. We expect a slight improvement in operating profit driven primarily by the impact of core growth, net of inflation, productivity benefits, both partially offset by higher transaction and repositioning related costs, the impact of the Crane Supply divestiture, and unfavorable mix.

Aerospace & Electronics

In 2022, we expect Aerospace & Electronics core sales to increase in the high-single digit range as compared to 2021, driven by both higher volumes and price. We expect a substantial improvement in our commercial OEM business driven by higher aircraft build rates, and we expect a substantial improvement in our commercial aftermarket business given continued recovery in airline flight hours following two years of depressed demand due to the impacts of COVID-19. We expect our defense business to decline given material availability challenges, and difficult comparisons to recent years where these markets exhibited very strong growth. We expect segment operating profit to increase in the low double-digit range as compared to 2021 driven primarily by the impact of operating leverage on higher volumes, price and strong productivity, partially offset by unfavorable mix.

Process Flow Technologies

In 2022, we expect Process Flow Technologies sales to decrease approximately 10% driven by an unfavorable 11.5% impact from the divestiture of Crane Supply and a low- to mid-single digit impact from unfavorable foreign exchange, partially offset by mid-single digit core growth. We expect stronger pricing to offset inflationary pressures.

We expect Process Valves and Related Products sales to be approximately flat compared to 2021, with mid-single digit core sales growth approximately offset by a mid-single digit impact from unfavorable foreign exchange. We expect Commercial Valves sales to decline substantially driven primarily by the impact of the Crane Supply divestiture, and to a lesser extent, the impact of unfavorable foreign exchange. We expect Pumps and Systems sales to increase in the high-single digit range as compared to 2021, driven by strong demand across municipal and non-residential U.S. end markets.

We expect a mid-single digit decline in the segment's operating profit as compared to 2021, driven primarily by the impact of the Crane Supply divestiture, as well as transaction and repositioning costs, largely offset by core growth, inclusive of higher pricing, as well as strong productivity.

Payment & Merchandising Technologies

In 2022, we expect Payment & Merchandising Technologies sales to increase in the low-single digit range as compared to 2021, driven by mid-single digit core sales growth, partially offset by a low- to mid-single digit impact from unfavorable foreign exchange. Higher pricing is expected to offset higher inflation and sustain margins.

At Crane Payment Innovations, we expect core sales growth in the mid-teens range, driven by broad-based strength across all vertical markets, together with higher pricing. At Crane Currency, we expect core sales to decline in the high-single digit to the low-double digit range as compared to 2021 due to lower expected sales to international customers, reflecting challenging comparisons to a record year of project activity and growth in 2021.

We expect the segment's operating profit to be modestly higher compared to 2021, with the impact of core growth inclusive of higher prices, together with strong productivity, to be approximately offset by inflationary pressures and unfavorable sales mix.

Engineered Materials

In 2022, we expect Engineered Materials sales to increase in the mid-single digit range as compared to 2021, driven by mid-single digit core growth which includes notable pricing gains to offset the impact of inflation. We expect the core growth to be driven primarily by higher sales to recreational vehicle and building product customers.

We expect the segment's operating profit to increase in the mid-teens range driven primarily by higher pricing.

Results from Operations – Three Month Periods Ended June 30,

The following information should be read in conjunction with our condensed consolidated financial statements and related notes. All comparisons below refer to the second quarter 2022 versus the second quarter 2021, unless otherwise specified.

(dollars in millions)	Second Quarter		Change	
	2022	2021	\$	%
Net sales	\$ 864.3	\$ 855.5	\$ 8.8	1.0 %
Cost of sales	535.7	523.5	12.2	2.3 %
<i>as a percentage of sales</i>	<i>62.0 %</i>	<i>61.2 %</i>		
Selling, general and administrative	204.2	187.4	16.8	9.0 %
<i>as a percentage of sales</i>	<i>23.6 %</i>	<i>21.9 %</i>		
Operating profit	124.4	144.6	(20.2)	(14.0)%
Operating margin	14.4 %	16.9 %		
Other income (expense):				
Interest income	0.6	0.4	0.2	50.0 %
Interest expense	(11.4)	(11.4)	—	— %
Gain on sale of business	228.7	—	228.7	NM
Miscellaneous income, net	14.8	9.7	5.1	52.6 %
Total other income (expense)	232.7	(1.3)	234.0	NM
Income before income taxes	357.1	143.3	213.8	149.2 %
Provision for income taxes	98.9	5.0	93.9	NM
Net income attributable to common shareholders	\$ 258.2	\$ 138.3	\$ 119.9	86.7 %

Sales increased by \$8.8 million, or 1.0%, to \$864.3 million in 2022. Net sales related to operations outside the United States were 33.3% and 36.6% of total net sales for the quarters ended June 30, 2022, and 2021, respectively. The year-over-year change in sales included:

- an increase in core sales of \$60.3 million, or 7.1%, which was primarily comprised of higher pricing;
- unfavorable foreign currency translation of \$29.7 million, or 3.5%; and
- a decrease in sales of \$21.8 million, or 2.5%, related to the sale of Crane Supply.

Cost of sales increased by \$12.2 million, or 2.3% to \$535.7 million in 2022. The increase is primarily related to an increase in material, labor and other manufacturing costs of \$57.3 million, or 10.9%, partially offset by favorable foreign currency translation of \$19.7 million, or 3.8%, productivity gains of \$13.8 million, or 2.6%, and lower volumes of \$12.4 million, or 2.4%.

Selling general and administrative expenses increased by \$16.8 million or 9.0%, to \$204.2 million in 2022. The increase was driven primarily by higher transaction related expenses of \$16.4 million, or 8.8%, and an increase in selling costs of \$4.2 million, or 2.3%, partially offset by favorable foreign currency translation of \$6.0 million, or 3.2%.

Operating profit decreased by \$20.2 million, or 14.0%, to \$124.4 million in 2022. The decrease in operating profit is related to higher transaction related expenses of \$19.6 million, or 13.6%, and unfavorable mix of \$16.1 million, or 11.1%, partially offset by productivity gains of \$16.0 million, or 11.1%.

Other income increased \$234.0 million to \$232.7 million, related to the gain on the sale of the Crane Supply business of \$228.7 million.

Our effective tax rate for the three months ended June 30, 2022, is higher than the prior year's comparable periods primarily due to the reversal of a deferred tax asset established in the prior period that relates to the sale of a subsidiary, partially offset by earnings in jurisdictions with statutory tax rates lower than the United States.

Our effective tax rate for the three months ended June 30, 2022, is higher than the statutory U.S. federal tax rate of 21% primarily due to earnings in jurisdictions with statutory tax rates higher than the United States, expenses that are statutorily

non-deductible for income tax purposes and U.S. state taxes, partially offset by excess share-based compensation benefits, tax credit utilization, and the statutory U.S. deduction related to our non-U.S. subsidiaries' income.

Comprehensive Income

	Three Months Ended	
	June 30,	
(in millions)	2022	2021
Net income before allocation to noncontrolling interests	\$ 258.2	\$ 138.3
Components of other comprehensive income, net of tax		
Currency translation adjustment	(75.9)	7.6
Changes in pension and postretirement plan assets and benefit obligation, net of tax	3.5	5.2
Other comprehensive income, net of tax	(72.4)	12.8
Comprehensive income before allocation to noncontrolling interests	185.8	151.1
Less: Noncontrolling interests in comprehensive income	(0.1)	(0.1)
Comprehensive income attributable to common shareholders	\$ 185.9	\$ 151.2

For the three months ended June 30, 2022, comprehensive income before allocations to noncontrolling interests was \$185.8 million compared to \$151.1 million in the same period of 2021. The \$34.7 million increase was driven by higher net income before allocation to noncontrolling interests of \$119.9 million, partially offset by an \$83.5 million year-over-year unfavorable impact of foreign currency translation adjustments, primarily related to the British pound and Canadian dollar.

Segment Results of Operations - Three Month Periods Ended June 30,**Aerospace & Electronics**

	Second Quarter		Change	
(dollars in millions)	2022	2021	\$	%
Net sales by product line:				
Commercial Original Equipment	\$ 60.6	\$ 53.7	\$ 6.9	12.8 %
Military Original Equipment	57.1	62.8	(5.7)	(9.1)%
Commercial Aftermarket Products	29.0	25.3	3.7	14.6 %
Military Aftermarket Products	14.8	15.7	(0.9)	(5.7)%
Total net sales	\$ 161.5	\$ 157.5	\$ 4.0	2.5 %
Cost of sales	\$ 101.2	\$ 96.6	\$ 4.6	4.8 %
<i>as a percentage of sales</i>	62.7 %	61.3 %		
Selling, general and administrative	\$ 32.1	\$ 30.1	\$ 2.0	6.6 %
<i>as a percentage of sales</i>	19.9 %	19.1 %		
Operating profit	\$ 28.2	\$ 30.8	\$ (2.6)	(8.4)%
Operating margin	17.5 %	19.6 %		
Supplemental Data:				
Backlog	\$ 534.4	\$ 472.9	\$ 61.5	13.0 %

Sales increased \$4.0 million, or 2.5%, to \$161.5 million in 2022.

- Sales of Commercial Original Equipment increased \$6.9 million, or 12.8%, to \$60.6 million in 2022, reflecting strong demand from aircraft manufacturers as the industry aircraft build rates continue to recover from the COVID-19 related slowdown.
- Sales of Military Original Equipment decreased \$5.7 million, or 9.1%, to \$57.1 million in 2022, primarily reflecting lower shipments due to order timing and material availability.
- Sales of Commercial Aftermarket Products increased \$3.7 million, or 14.6%, to \$29.0 million in 2022, reflecting continued strong demand from the airlines due to improving air traffic as the industry continues to recover from the COVID-19 related slowdown, together with higher pricing.
- Sales of Military Aftermarket Products decreased \$0.9 million, or 5.7%, to \$14.8 million in 2022, primarily reflecting timing of government orders for certain programs.

Cost of sales increased by \$4.6 million, or 4.8%, to \$101.2 million in 2022, primarily reflecting \$6.8 million, or 7.0%, of increased material, labor and other manufacturing costs, offset by \$3.1 million, or 3.2%, of productivity gains.

Selling, general and administrative expense increased by \$2.0 million, or 6.6%, to \$32.1 million in 2022, primarily reflecting an increase of \$1.5 million, or 5.0%, in engineering costs.

Operating profit decreased by \$2.6 million, or 8.4%, to \$28.2 million in 2022, primarily reflecting unfavorable mix of \$1.8 million, or 5.8%. Higher pricing offset higher material, labor, and other manufacturing costs.

Process Flow Technologies

(dollars in millions)	Second Quarter		Change	
	2022	2021	\$	%
Net sales by product line:				
Process Valves and Related Products	\$ 186.7	\$ 184.3	\$ 2.4	1.3 %
Commercial Valves	77.2	98.2	(21.0)	(21.4)%
Pumps and Systems	32.1	28.2	3.9	13.8 %
Total net sales	\$ 296.0	\$ 310.7	\$ (14.7)	(4.7)%
Cost of sales	\$ 191.2	\$ 205.3	\$ (14.1)	(6.9)%
as a percentage of sales	64.6 %	66.1 %		
Selling, general and administrative	\$ 64.2	\$ 58.9	\$ 5.3	9.0 %
as a percentage of sales	21.7 %	19.0 %		
Operating profit	\$ 40.6	\$ 46.5	\$ (5.9)	(12.7)%
Operating margin	13.7 %	15.0 %		
Supplemental Data:				
Backlog	\$ 348.6	\$ 344.1	\$ 4.5	1.3 %

Sales decreased by \$14.7 million, or 4.7%, to \$296.0 million in 2022, driven by a \$21.8 million, or 7.0%, impact from the sale of Crane Supply and \$12.4 million, or 4.0%, of unfavorable foreign currency translation, partially offset by core sales growth of \$19.4 million, or 6.2%.

- Sales of Process Valves and Related Products increased by \$2.4 million, or 1.3%, to \$186.7 million in 2022, reflecting an increase in core sales of \$9.8 million, or 5.3%, partially offset by unfavorable foreign currency translation of \$7.5 million, or 4.1%, primarily due to the euro weakening against the U.S. dollar. The higher core sales reflected continued solid demand across end markets together with higher pricing.
- Sales of Commercial Valves decreased by \$21.0 million, or 21.4%, to \$77.2 million in 2022, primarily driven by the impact of the divestiture of Crane Supply of \$21.8 million, or 22.2%, and unfavorable foreign currency translation of \$4.8 million, or 4.9%, as the British pound weakened against the U.S. dollar. These decreases were partially offset by higher core sales of \$5.6 million, or 5.7%, reflecting improvement in demand in Canadian non-residential construction markets and, to a lesser extent, the U.K. non-residential construction markets, and higher pricing.
- Sales of Pumps & Systems increased by \$3.9 million, or 13.8%, to \$32.1 million in 2022, reflecting higher demand from municipal and non-residential construction end markets and higher pricing.

Cost of sales decreased by \$14.1 million, or 6.9%, to \$191.2 million, primarily related to the impact of the sale of Crane Supply of \$16.2 million, or 8.0%, favorable foreign currency of \$7.9 million, or 3.9%, and productivity benefits of \$4.5 million, or 2.2%, partially offset by a \$15.8 million, or 7.7%, increase in material, labor and other manufacturing costs.

Selling, general and administrative expense increased by \$5.3 million, or 9.0%, to \$64.2 million primarily reflecting an increase of \$5.2 million, or 8.9%, in administrative costs consisting primarily of transaction related expenses, and \$2.0 million, or 3.4%, in engineering and selling costs, partially offset by favorable foreign currency translation of \$3.0 million, or 5.1%.

Operating profit decreased by \$5.9 million, or 12.7%, to \$40.6 million in 2022. The decrease primarily reflected a \$3.8 million, or 8.2%, impact from the sale of Crane Supply, and a \$3.1 million, or 6.7%, impact from unfavorable mix. Higher pricing offset the impact of higher material, labor, and other manufacturing costs.

Payment & Merchandising Technologies

(dollars in millions)	Second Quarter		Change	
	2022	2021	\$	%
Net sales by product line:				
Payment Acceptance and Dispensing Products	\$ 211.4	\$ 197.3	\$ 14.1	7.1 %
Banknotes and Security Products	122.6	130.9	(8.3)	(6.3)%
Total net sales	\$ 334.0	\$ 328.2	\$ 5.8	1.8 %
Cost of sales	\$ 182.8	\$ 174.9	\$ 7.9	4.5 %
as a percentage of sales	54.7 %	53.3 %		
Selling, general and administrative	\$ 70.5	\$ 75.4	\$ (4.9)	(6.5)%
as a percentage of sales	21.1 %	23.0 %		
Operating profit	\$ 80.7	\$ 77.9	\$ 2.8	3.6 %
Operating margin	24.2 %	23.7 %		
Supplemental Data:				
Backlog	\$ 482.0	\$ 374.7	\$ 107.3	28.6 %

Sales increased \$5.8 million, or 1.8%, to \$334.0 million in 2022, driven by higher core sales of \$22.8 million, or 6.9%, partially offset by unfavorable foreign currency translation of \$16.9 million, or 5.1%.

- Sales of Payment Acceptance and Dispensing Products increased \$14.1 million, or 7.1%, to \$211.4 million in 2022. The increase reflected higher core sales of \$22.5 million, or 11.4%, partially offset by unfavorable foreign currency translation of \$8.4 million, or 4.3%, primarily due to the British pound and Japanese yen weakening against the U.S. dollar. The core sales increase primarily reflected higher sales to gaming and vending customers together with higher pricing.
- Sales of Banknotes and Security Products decreased \$8.3 million, or 6.3%, to \$122.6 million in 2022. The decrease primarily related to unfavorable foreign currency translation of \$8.5 million, or 6.5%, as the euro weakened against the U.S. dollar.

Cost of sales increased by \$7.9 million, or 4.5%, to \$182.8 million primarily related to an increase in material, labor and other manufacturing costs of \$23.2 million, or 13.3%, unfavorable mix of \$10.8 million, or 6.2%, partially offset by favorable foreign currency translation of \$11.6 million, or 6.6%, lower costs of \$8.6 million, or 4.9 %, due to lower volumes, and higher productivity of \$5.7 million, or 3.3%.

Selling, general and administrative expense decreased by \$4.9 million, or 6.5%, to \$70.5 million primarily reflecting favorable foreign currency translation, and productivity, of \$3.8 million, or 5.0%.

Operating profit increased by \$2.8 million, or 3.6%, to \$80.7 million in 2022. The increase primarily reflected higher pricing net of inflation, and productivity gains, of \$21.6 million, or 27.7 %, partially offset by unfavorable mix of \$10.8 million, or 13.9%, and lower volumes of \$5.4 million, or 6.9%, and unfavorable foreign currency translation of \$2.4 million, or 3.0%.

Engineered Materials

	Second Quarter		Change	
(dollars in millions)	2022	2021	\$	%
Net sales by product line:				
FRP - Recreational Vehicles	\$ 32.2	\$ 24.8	\$ 7.4	29.8 %
FRP - Building Products	31.8	26.5	5.3	20.0 %
FRP - Transportation	8.8	7.8	1.0	12.8 %
Total net sales	\$ 72.8	\$ 59.1	\$ 13.7	23.2 %
Cost of sales	\$ 60.6	\$ 46.7	\$ 13.9	29.8 %
as a percentage of sales	83.2 %	79.0 %		
Selling, general and administrative	\$ 4.9	\$ 4.7	\$ 0.2	4.3 %
as a percentage of sales	6.7 %	8.0 %		
Operating profit	\$ 7.3	\$ 7.7	\$ (0.4)	(5.2)%
Operating margin	10.0 %	13.0 %		
Supplemental Data:				
Backlog	\$ 22.0	\$ 17.6	\$ 4.4	25.0 %

Sales increased \$13.7 million, or 23.2%, to \$72.8 million in 2022. The increase reflected higher sales to recreational vehicle manufacturers, building products customers and, to a lesser extent, transportation customers.

Cost of sales increased \$13.9 million, or 29.8%, to \$60.6 million in 2022, related primarily to higher raw material costs and, to a lesser extent, higher labor, and other manufacturing costs.

Operating profit decreased by \$0.4 million, or 5.2%, to \$7.3 million in 2022, primarily reflecting higher pricing net of inflation, and productivity gains, of \$1.1 million or 14.3%, partially offset by unfavorable mix of \$0.5 million, or 6.5%.

Results from Operations – Six Month Periods Ended June 30,

The following information should be read in conjunction with our condensed consolidated financial statements and related notes. All comparisons below refer to the first six months of 2022 versus the first six months of 2021, unless otherwise specified.

(dollars in millions)	Year-to-Date		Change	
	2022	2021	\$	%
Net sales	\$ 1,735.7	\$ 1,688.9	\$ 46.8	2.8 %
Cost of sales	1,061.8	1,037.0	24.8	2.4 %
<i>as a percentage of sales</i>	61.2 %	61.4 %		
Selling, general and administrative ¹	402.5	360.9	41.6	11.5 %
<i>as a percentage of sales</i>	23.2 %	21.4 %		
Operating profit	271.4	291.0	(19.6)	(6.7)%
Operating margin	15.6 %	17.2 %		
Other income (expense):				
Interest income	0.9	0.9	—	— %
Interest expense	(22.5)	(25.0)	2.5	10.0 %
Gain on sale of business	228.7	—	228.7	NM
Miscellaneous income, net	18.3	13.6	4.7	34.6 %
Total other income (expense)	225.4	(10.5)	235.9	NM
Income before income taxes	496.8	280.5	216.3	77.1 %
Provision for income taxes	133.6	33.8	99.8	295.3 %
Net income attributable to common shareholders	\$ 363.2	\$ 246.7	\$ 116.5	47.2 %

¹ 2021 includes restructuring gains of \$13.3 million

Sales increased by \$46.8 million, or 2.8%, to \$1,735.7 million in 2022. Net sales related to operations outside the United States were 34.8% and 37.2% of total net sales for the six months ended June 30, 2022 and 2021, respectively. The year-over-year change in sales included:

- an increase in core sales of \$112.2 million, or 6.6%;
- unfavorable foreign currency translation of \$43.6 million, or 2.6%; and
- a decrease in sales of \$21.8 million, or 1.3%, related to the sale of Crane Supply.

Cost of sales increased by \$24.8 million, or 2.4%, to \$1,061.8 million in 2022. The increase is primarily related to an increase in material, labor and other manufacturing costs of \$91.3 million, or 8.8%, and unfavorable mix of \$18.2 million, or 1.8%, partially offset by productivity gains of \$29.0 million, or 2.8%, and favorable foreign currency translation of \$28.5 million, or 2.7%, impact of the sale of Crane Supply of \$16.2 million, or 1.6%, and lower volumes of \$10.4 million, or 1.0%.

Selling general and administrative expenses increased by \$41.6 million, or 11.5%, to \$402.5 million in 2022. The increase was driven primarily by higher transaction related and other expenses of \$22.4 million, or 6.2%, increased engineering and selling costs of \$18.9 million, or 5.2%, and the absence of restructuring gains in 2021 of \$13.3 million which did not repeat in 2022, partially offset by favorable foreign currency translation of \$8.6 million, or 2.4%, and productivity gains of \$4.1 million, or 1.1%.

Operating profit decreased by \$19.6 million, or 6.7%, to \$271.4 million in 2022. The decrease in operating profit reflected higher transaction costs of \$25.6 million, or 8.9%, unfavorable mix of \$18.2 million, or 6.3%, and the absence of a restructuring gain from 2021 of \$13.3 million, or 4.6%, partially offset by productivity gains and restructuring savings of \$36.7 million, or 12.6%. Incremental pricing offset the impact of continued inflation.

Other income increased \$235.9 million to \$225.4 million reflecting the gain on the sale of the Crane Supply business of \$228.7 million.

Our effective tax rate is affected by a number of items, both recurring and discrete, including the amount of income we earn in different jurisdictions and their respective statutory tax rates, acquisitions and dispositions, changes in the valuation of our deferred tax assets and liabilities, changes in tax laws, regulations and accounting principles, the continued availability of statutory tax credits and deductions, the continued reinvestment of our overseas earnings, and examinations initiated by tax authorities around the world.

Our effective tax rates for the six months ended June 30, 2022, is higher than the prior year's comparable periods primarily due to the reversal of a deferred tax asset established in the prior period that relates to the sale of a subsidiary, partially offset by earnings in jurisdictions with statutory tax rates lower than the United States.

Our effective tax rate for the six months ended June 30, 2022, is higher than the statutory U.S. federal tax rate of 21% primarily due to earnings in jurisdictions with statutory tax rates higher than the United States, expenses that are statutorily non-deductible for income tax purposes and U.S. state taxes, partially offset by excess share-based compensation benefits, tax credit utilization, and the statutory U.S. deduction related to our non-U.S. subsidiaries' income.

Comprehensive Income

	Six Months Ended	
	June 30,	
(in millions)	2022	2021
Net income before allocation to noncontrolling interests	\$ 363.2	\$ 246.7
Components of other comprehensive income (loss), net of tax		
Currency translation adjustment	(97.5)	(27.3)
Changes in pension and postretirement plan assets and benefit obligation, net of tax	6.8	10.1
Other comprehensive loss, net of tax	(90.7)	(17.2)
Comprehensive income before allocation to noncontrolling interests	272.5	229.5
Less: Noncontrolling interests in comprehensive income	—	0.7
Comprehensive income attributable to common shareholders	\$ 272.5	\$ 228.8

For the six months ended June 30, 2022, comprehensive income before allocations to noncontrolling interests was \$272.5 million compared to \$229.5 million in the same period of 2021. The \$43.0 million increase was primarily driven by higher net income before allocation to noncontrolling interests of \$116.5 million, partially offset by a \$70.2 million year over year unfavorable impact of foreign currency translation adjustments primarily related to the British pound and Canadian dollar.

Segment Results of Operations - Six Month Periods Ended June 30,**Aerospace & Electronics**

	Year-to-Date		Change	
(dollars in millions)	2022	2021	\$	%
Net sales by product line:				
Commercial Original Equipment	\$ 119.2	\$ 108.3	\$ 10.9	10.1 %
Military Original Equipment	114.4	125.6	(11.2)	(8.9)%
Commercial Aftermarket Products	57.7	44.8	12.9	28.8 %
Military Aftermarket Products	27.3	32.8	(5.5)	(16.8)%
Total net sales	\$ 318.6	\$ 311.5	\$ 7.1	2.3 %
Cost of sales	\$ 198.6	\$ 195.9	\$ 2.7	1.4 %
as a percentage of sales	62.3 %	62.9 %		
Selling, general and administrative	\$ 63.8	\$ 58.8	\$ 5.0	8.5 %
as a percentage of sales	20.0 %	18.9 %		
Operating profit	\$ 56.2	\$ 56.8	\$ (0.6)	(1.1)%
Operating margin	17.6 %	18.2 %		

Sales increased \$7.1 million, or 2.3%, to \$318.6 million in 2022.

- Sales of Commercial Original Equipment increased \$10.9 million, or 10.1%, to \$119.2 million in 2022, reflecting strong demand from aircraft manufacturers as the industry aircraft build rates continue to recover from the COVID-19 related slowdown.
- Sales of Military Original Equipment decreased \$11.2 million, or 8.9%, to \$114.4 million in 2022, primarily reflecting lower shipments due to order timing and material availability.
- Sales of Commercial Aftermarket Products increased \$12.9 million, or 28.8%, to \$57.7 million in 2022, reflecting strong demand from the airlines due to improving air traffic as the industry continues to recover from the COVID-19 related slowdown together with higher pricing.
- Sales of Military Aftermarket Products decreased \$5.5 million, or 16.8%, to \$27.3 million in 2022, primarily reflecting timing of government orders for certain programs.

Cost of sales increased by \$2.7 million, or 1.4%, to \$198.6 million in 2022, primarily reflecting \$14.4 million, or 7.4%, of increased material, labor and other manufacturing costs, partially offset by \$6.6 million, or 3.4%, of productivity gains and favorable mix of \$3.4 million, or 1.7%.

Selling, general and administrative expense increased by \$5.0 million, or 8.5%, to \$63.8 million in 2022, primarily reflecting continued increases in engineering investments and higher selling costs.

Operating profit decreased by \$0.6 million, or 1.1%, to \$56.2 million in 2022, primarily reflecting higher costs partially offset by higher pricing and productivity.

Process Flow Technologies

(dollars in millions)	Year-to-Date		Change	
	2022	2021	\$	%
Net sales by product line:				
Process Valves and Related Products	\$ 369.6	\$ 358.6	\$ 11.0	3.1 %
Commercial Valves	175.4	187.7	(12.3)	(6.6)%
Pumps and Systems	62.4	52.5	9.9	18.9 %
Total net sales	\$ 607.4	\$ 598.8	\$ 8.6	1.4 %
Cost of sales	\$ 388.1	\$ 396.1	\$ (8.0)	(2.0)%
as a percentage of sales	63.9 %	66.1 %		
Selling, general and administrative ¹	\$ 129.7	\$ 106.1	\$ 23.6	22.2 %
as a percentage of sales	21.4 %	17.7 %		
Operating profit	\$ 89.6	\$ 96.6	\$ (7.0)	(7.2)%
Operating margin	14.8 %	16.1 %		

¹2021 includes net restructuring gains of \$12.6 million

Sales increased by \$8.6 million, or 1.4%, to \$607.4 million in 2022, driven by higher core sales of \$47.7 million, or 8.0%, partially offset by the impact of the sale of Crane Supply of \$21.8 million, or 3.6%, and unfavorable foreign currency translation of \$17.2 million, or 2.9%.

- Sales of Process Valves and Related Products increased by \$11.0 million, or 3.1%, to \$369.6 million in 2022. The increase reflected higher core sales of \$22.4 million, or 6.2%, offset by unfavorable foreign currency translation of \$11.4 million, or 3.2%, primarily due to the Euro weakening against the U.S. dollar. The higher core sales primarily reflected broad based demand across end markets that continue to recover from the impact of COVID-19 together with higher pricing.
- Sales of Commercial Valves decreased by \$12.3 million, or 6.6%, to \$175.4 million in 2022, primarily driven by the impact of the divestiture of Crane Supply of \$21.8 million, or 11.6%, and unfavorable foreign currency translation of \$5.7 million, or 3.0%, as the British pound and Canadian dollar weakened against the U.S. dollar, partially offset by an increase in core sales of \$15.2 million, or 8.1%. The higher core sales primarily reflected higher demand in Canadian and, to a lesser extent, U.K., non-residential construction markets and higher pricing.
- Sales of Pumps & Systems increased by \$9.9 million, or 18.9%, to \$62.4 million in 2022, primarily reflecting higher demand from municipal and non-residential construction end markets and higher pricing.

Cost of sales decreased by \$8.0 million, or 2.0%, to \$388.1 million, primarily related to the impact of the sale of Crane Supply of \$16.2 million, or 4.1%, and favorable foreign currency of \$10.8 million, or 2.7%, partially offset by a \$19.5 million, or 5.0%, increase in material, labor and other manufacturing costs.

Selling, general and administrative expense increased by \$23.6 million, or 22.2%, to \$129.7 million primarily reflecting the absence of a prior year net restructuring gain of \$12.6 million, or 11.9 %, higher engineering and selling costs of \$6.9 million, or 6.5%, and higher transaction costs of \$4.2 million, or 4.0%.

Operating profit decreased by \$7.0 million, or 7.2%, to \$89.6 million in 2022, primarily reflecting the impact of the divestiture of Crane Supply of \$3.8 million, or 3.9%, and unfavorable mix of \$4.9 million, or 5.1%. Strong productivity substantially offset the unfavorable comparison related to the prior year restructuring gain.

Payment & Merchandising Technologies

(dollars in millions)	Year-to-Date		Change	
	2022	2021	\$	%
Net sales by product line:				
Payment Acceptance and Dispensing Products	\$ 422.4	\$ 382.3	\$ 40.1	10.5 %
Banknotes and Security Products	244.2	283.3	(39.1)	(13.8)%
Total net sales	\$ 666.6	\$ 665.6	\$ 1.0	0.2 %
Cost of sales	\$ 361.9	\$ 355.2	\$ 6.7	1.9 %
as a percentage of sales	54.3 %	53.4 %		
Selling, general and administrative	\$ 139.8	\$ 146.7	\$ (6.9)	(4.7)%
as a percentage of sales	21.0 %	22.0 %		
Operating profit	\$ 164.9	\$ 163.7	\$ 1.2	0.7 %
Operating margin	24.7 %	24.6 %		

Sales increased \$1.0 million, or 0.2%, to \$666.6 million in 2022, driven by higher core sales of \$26.8 million, or 4.0%, offset by unfavorable foreign currency translation of \$25.7 million, or 3.9%.

- Sales of Payment Acceptance and Dispensing Products increased \$40.1 million, or 10.5%, to \$422.4 million in 2022. The increase reflected higher core sales of \$51.7 million, or 13.4%, offset by unfavorable foreign currency translation of \$11.6 million, or 3.0%, primarily reflecting the weakening of the British pound and Japanese Yen against the U.S. dollar. The core sales increase primarily reflected higher sales to gaming and vending customers, including higher pricing.
- Sales of Banknotes and Security Products decreased \$39.1 million, or 13.8%, to \$244.2 million in 2022. The decrease reflected lower core sales of \$25.0 million, or 8.8%, and unfavorable foreign currency translation of \$14.1 million, or 5.0%, as the euro weakened against the U.S. dollar. The core sales decrease reflected lower sales to both international customers and the U.S. Government.

Cost of sales increased by \$6.7 million, or 1.9%, to \$361.9 million primarily related to an increase in material, labor and other manufacturing costs of \$36.4 million, or 10.2%, unfavorable mix of \$14.9 million, or 4.2%, partially offset by favorable foreign currency translation of \$17.5 million, or 4.9%, lower costs of \$14.4 million, or 4.1 %, due to lower volumes, and productivity gains of \$12.8 million, or 3.6%.

Selling, general and administrative expense decreased by \$6.9 million, or 4.7%, to \$139.8 million primarily reflecting lower administrative costs.

Operating profit increased by \$1.2 million, or 0.7%, to \$164.9 million in 2022. The increase primarily reflected higher pricing net of inflation, and productivity, of \$37.4 million, or 22.8%, partially offset by lower volumes of \$16.6 million, or 10.1%, unfavorable mix of \$14.9 million, or 9.1%, and unfavorable foreign currency translation of \$4.2 million, or 2.6%.

Engineered Materials

(dollars in millions)	Year-to-Date		Change	
	2022	2021	\$	%
Net sales by product line:				
FRP - Recreational Vehicles	\$ 67.9	\$ 49.1	\$ 18.8	38.3 %
FRP - Building Products	59.2	48.3	10.9	22.6 %
FRP - Transportation	16.0	15.6	0.4	2.6 %
Total net sales	\$ 143.1	\$ 113.0	\$ 30.1	26.6 %
Cost of sales	\$ 113.3	\$ 89.7	\$ 23.6	26.3 %
as a percentage of sales	79.2 %	79.4 %		
Selling, general and administrative	\$ 9.6	\$ 9.2	\$ 0.4	4.3 %
as a percentage of sales	6.7 %	8.1 %		
Operating profit	\$ 20.2	\$ 14.1	\$ 6.1	43.3 %
Operating margin	14.1 %	12.5 %		

Sales increased by \$30.1 million, or 26.6%, to \$143.1 million in 2022. The increase reflected higher sales to recreational vehicle manufacturers and building products customers.

Cost of sales increased by \$23.6 million, or 26.3%, related primarily to higher raw material costs of \$24.0 million, or 26.7%, and unfavorable mix of \$1.8 million, or 2.0%, partially offset by productivity.

Operating profit increased by \$6.1 million, or 43.3%, to \$20.2 million in 2022, primarily reflecting higher pricing net of inflation, and productivity, of \$9.3 million, or 65.9%, offset by the impact of unfavorable mix of \$1.8 million, or 12.8%.

Liquidity and Capital Resources

(in millions)	Six Months Ended	
	June 30,	
	2022	2021
Net cash provided by (used for):		
Operating activities	\$ 49.0	\$ 206.7
Investing activities	289.2	38.7
Financing activities	(135.6)	(405.2)
Effect of exchange rates on cash and cash equivalents	(30.6)	(4.5)
Increase (decrease) in cash and cash equivalents	\$ 172.0	\$ (164.3)

Our operating philosophy is to deploy cash provided from operating activities, when appropriate, to provide value to shareholders by reinvesting in existing businesses, by making acquisitions that will strengthen and complement our portfolio, by divesting businesses that are no longer strategic or aligned with our portfolio and where such divestitures can generate capacity for strategic investments and initiatives that further optimize our portfolio, and by paying dividends and/or repurchasing shares. At any given time, and from time to time, we may be evaluating one or more of these opportunities, although we cannot assure you if or when we will consummate any such transactions.

Our current cash balance, together with cash we expect to generate from future operations along with our commercial paper program or borrowings available under our revolving credit facility is expected to be sufficient to finance our short- and long-term capital requirements, as well as to fund payments associated with our asbestos and environmental liabilities and expected pension contributions. In addition, we believe our investment grade credit ratings afford us adequate access to public and private debt markets.

In July 2021, we entered a \$650 million, 5-year Revolving Credit Agreement, which replaced the existing \$550 million revolving credit facility. We also increased the size of our Commercial Paper Program ("CP Program") to permit the issuance of short-term, unsecured commercial paper notes in an aggregate principal amount outstanding not to exceed \$650 million at any time (up from \$550 million, previously). Please see Note 11 for additional details.

In April 2020, to enhance financial flexibility and maintain maximum liquidity in response to the uncertainty in the global markets resulting from the COVID-19 pandemic, we entered a senior unsecured 364-day credit facility (the "364-Day Credit Agreement"). On April 15, 2021, we repaid the amount outstanding under the 364-Day Credit Agreement.

Operating Activities

Cash provided by operating activities was \$49.0 million in the first six months of 2022, as compared to \$206.7 million during the same period last year. The decrease in cash provided by operating activities was primarily driven by increased working capital investments supporting higher levels of demand across most businesses, together with higher tax payments in the first half of 2022. Net asbestos-related payments for the first six months of 2022 and 2021 were \$23.4 million and \$20.2 million, respectively. In 2022, we expect to make payments related to asbestos settlement and defense costs, net of related insurance recoveries, of approximately \$45 million.

Investing Activities

Cash flows relating to investing activities consist primarily of cash used for acquisitions and capital expenditures, and cash provided by divestitures of businesses or assets. Cash provided by investing activities was \$289.2 million in the first six months of 2022, as compared to \$38.7 million in the comparable period of 2021. The increase in cash provided from investing activities was primarily related to proceeds from the sale of Crane Supply of \$314.3 million. Capital expenditures are made primarily for increasing capacity, replacing equipment, supporting new product development, and improving information systems. We expect capital expenditures of approximately \$60 million in 2022.

Financing Activities

Financing cash flows consist primarily of dividend payments to shareholders, share repurchases and repayments of indebtedness, proceeds from the issuance of long-term debt and commercial paper and proceeds from the issuance of common stock. Cash used for financing activities was \$135.6 million during the first six months of 2022, compared to \$405.2 million in the comparable period of 2021. The decrease in cash used for financing activities was driven by the repayment of the term loan of \$348.1 million in 2021 which did not repeat in 2022. In 2022, we also had \$203.7 million of share repurchases, partially offset by a \$104.4 million increase in net borrowings from the issuance of commercial paper.

Recent Accounting Pronouncements

Information regarding new accounting pronouncements is included in Note 1 to our Condensed Consolidated Financial Statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in the information called for by this item since the disclosure in our Annual Report on Form 10-K for the year ended December 31, 2021.

Item 4. Controls and Procedures

Disclosure Controls and Procedures. The Company's Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as of the end of the period covered by this quarterly report. The Company's disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in the reports that are filed or submitted under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that the information is accumulated and communicated to the Company's Chief Executive Officer and Chief Financial Officer to allow timely decisions regarding required disclosure. Based on this evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that these controls are effective as of the end of the period covered by this quarterly report.

Changes in Internal Control over Financial Reporting. During the fiscal quarter ended June 30, 2022, there have been no changes in the Company's internal control over financial reporting, identified in connection with our evaluation thereof, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

Part II: Other Information

Item 1. Legal Proceedings

Discussion of legal matters is incorporated by reference from Part 1, Item 1, Note 10, "Commitments and Contingencies", of this Quarterly Report on Form 10-Q, and should be considered an integral part of Part II, Item 1, "Legal Proceedings."

Item 1A. Risk Factors

Information regarding risk factors appears in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) Not applicable

(b) Not applicable

(c) Share Repurchases

On October 25, 2021, the Company announced that its Board of Directors authorized the Company to purchase up to \$300 million of its common stock through a share repurchase program (the "Program") that calls for shares to be purchased in the open market from time-to-time at prevailing prices in accordance with federal securities laws. All remaining availability under the Program as of March 31, 2022 was repurchased in April 2022 prior to the Program expiring on April 22, 2022.

The following table only includes the open market repurchases of our common stock in each month during the three months ended June 30, 2022:

	Total number of shares purchased ^(a)	Average price paid per share ^(b)	Total number of shares purchased as part of publicly announced plans or programs	Maximum dollar value of shares that may yet be purchased under the plans or programs (in millions)
April 1-30	149,487	\$ 105.51	2,902,117	\$ —
May 1-31	—	—	—	\$ —
June 1-30	—	—	—	\$ —
Total April 1 — June 30, 2022	149,487	\$ 105.51		

^(a) Shares repurchased are based on the trade date

^(b) Excludes any fees, commissions or other expenses associated with share repurchases

We routinely receive shares of our common stock as payment for stock option exercises and the withholding taxes due on stock option exercises and the vesting of restricted share units from stock-based compensation program participants.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable

Item 5. Other Information

Not applicable

Item 6. Exhibits

Exhibit 2.1	<u>Agreement and Plan of Merger, dated February 28, 2022, by and among Crane Co., Crane Holdings, Co., and Crane Transaction Company, LLC (included as Appendix A to the proxy statement/prospectus included in Amendment No. 2 to Crane Holdings, Co.'s Registration Statement on Form S-4 (Registration No. 333-263119) filed on April 14, 2022) (incorporated by reference to Exhibit 2.1 to Crane Holdings, Co.'s Current Report on Form 8-K12G3 filed on May 16, 2022).</u>
Exhibit 3.1	<u>Amended and Restated Certificate of Incorporation of Crane Holdings, Co. (incorporated by reference to Exhibit 3.1 to Crane Holdings, Co.'s Current Report on Form 8-K12G3 filed on May 16, 2022).</u>
Exhibit 3.2	<u>Amended and Restated By-laws of Crane Holdings, Co. (incorporated by reference to Exhibit 3.2 to Crane Holdings, Co.'s Current Report on Form 8-K12G3 filed on May 16, 2022).</u>
Exhibit 4.1	<u>First Supplemental Indenture to the Indenture dated December 13, 2013, dated as of May 16, 2022, between Crane Holdings, Co. and U.S. Bank Trust Company, National Association (incorporated by reference to Exhibit 4.2 to Crane Holdings, Co.'s Current Report on Form 8-K12G3 filed on May 16, 2022).</u>
Exhibit 4.2	<u>First Supplemental Indenture to the Indenture dated April 1, 1991, dated as of May 16, 2022, between Crane Holdings, Co. and U.S. Bank Trust Company, National Association (incorporated by reference to Exhibit 4.5 to Crane Holdings, Co.'s Current Report on Form 8-K12G3 filed on May 16, 2022).</u>
Exhibit 4.3	<u>First Supplemental Indenture to the Indenture dated February 5, 2018, dated as of May 16, 2022, between Crane Holdings, Co. and U.S. Bank Trust Company, National Association (incorporated by reference to Exhibit 4.8 to Crane Holdings, Co.'s Current Report on Form 8-K12G3 filed on May 16, 2022).</u>
Exhibit 10.1	<u>Amendment No. 1, dated as of May 16, 2022, by and among Crane Holdings, Co., Crane Co., CR Holdings C.V., each Lender party thereto, and JPMorgan Chase Bank, N.A. (incorporated by reference to Exhibit 10.1 to Crane Holdings, Co.'s Current Report on Form 8-K filed on May 16, 2022).</u>
Exhibit 10.2	<u>Form of Commercial Paper Dealer Agreement by and between Crane Holdings, Co. and the respective commercial paper dealer party thereto (incorporated by reference to Exhibit 10.2 to Crane Holdings, Co.'s Current Report on Form 8-K12G3 filed on May 16, 2022).</u>
Exhibit 31.1*	<u>Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a).</u>
Exhibit 31.2*	<u>Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a).</u>
Exhibit 32.1**	<u>Certification of Chief Executive Officer pursuant to Rule 13a-14(b) or 15d-14(b).</u>
Exhibit 32.2**	<u>Certification of Chief Financial Officer pursuant to Rule 13a-14(b) or 15d-14(b).</u>
101.INS	XBRL Instance Document - the instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema (filed herewith)
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase (filed herewith)
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase (filed herewith)
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase (filed herewith)
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase (filed herewith)
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed with this report

** Furnished with this report

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CRANE HOLDINGS, CO.

REGISTRANT

Date

August 3, 2022

By

/s/ Max H. Mitchell

Max H. Mitchell

President and Chief Executive Officer

Date

August 3, 2022

By

/s/ Richard A. Maue

Richard A. Maue

Senior Vice President and Chief Financial Officer

CERTIFICATION

I, Max H. Mitchell, certify that:

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

By /s/ Max H. Mitchell

President and Chief Executive Officer

August 3, 2022

CERTIFICATION

I, Richard A. Maue, certify that:

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

By /s/ Richard A. Maue
Principal Financial Officer
August 3, 2022

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

In connection with the Quarterly Report of Crane Co. (the “Registrant”) on Form 10-Q for the quarter ended June 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Max H. Mitchell, President and Chief Executive Officer of the Registrant, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, hereby certify to the best of my knowledge that:

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

This Certification accompanies this Quarterly Report on Form 10-Q and shall not be treated as having been filed as part of this Quarterly Report on Form 10-Q.

By /s/ Max H. Mitchell

Max H. Mitchell
President and Chief Executive Officer
August 3, 2022

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

In connection with the Quarterly Report of Crane Co. (the “Registrant”) on Form 10-Q for the quarter ended June 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Richard A. Maue, Principal Financial Officer of the Registrant, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, hereby certify to the best of my knowledge that:

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

This Certification accompanies this Quarterly Report on Form 10-Q and shall not be treated as having been filed as part of this Quarterly Report on Form 10-Q.

By /s/Richard A. Maue

Richard A. Maue
Principal Financial Officer
August 3, 2022