

# CRANE

*DRIVING  
BREAKTHROUGH  
PERFORMANCE*

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2023 ANNUAL REPORT

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# DEAR SHAREHOLDERS,



Our April 2023 separation transaction represents yet another major achievement and milestone in Crane's long and storied history, and it marks the start of a new and exciting era. For decades, we have delivered consistent and differentiated execution, strengthening our business through continued investments in technology development and value-creating acquisitions. The separation was the logical next step in our multi-decade journey from a holding company to an integrated operating company, and now into two separate, strong and focused independent technology leaders. Today, each is well positioned to outperform in its respective markets, and each is equipped with strong management teams to drive continued success. I am incredibly proud of how the corporate organization executed on the separation: on-schedule and according to plan.

Now that the separation is complete, Crane Company ("Crane") is a streamlined and more focused business, better positioned to tailor investment and capital allocation strategies to our two strategic growth platforms and to attract an investor base fully aligned with our strong growth and

exceptional financial profile. We are off to a fantastic start with very strong 2023 financial results, and shareholder reception has been very positive.

Today, we are focused on driving future results, but it's also important to recognize that management and the Board took substantial actions over the last few years to strategically position Crane for the separation and continued stockholder value creation. These strategic decisions were enabled by years of profitable growth that gave us the scale and financial strength to take bold steps to transform the structure and growth profile of the Company.

## **SPECIFIC STRATEGIC ACTIONS INCLUDED:**

- ▶ On May 24, 2021, Crane announced the divestiture of its Engineered Materials segment. Although the divestiture process was subsequently terminated following objections from the Department of Justice, the announcement reflected management's and the Board's commitment to portfolio simplification and enhancement, with a focus on the strategic Aerospace & Electronics and Process Flow Technologies segments.

- ▶ During the last quarter of 2021 and the first two quarters of 2022, Crane completed a \$300 million share repurchase program, reflecting confidence in our medium- and long-term outlook, paired with the stock's then-discount to trading peers.
- ▶ In March 2022, we announced our significant decision to separate into two independent public companies. We believed that this transaction would unlock substantial value for our shareholders, with each company better able to attract an investor base tailored to its respective financial and growth profile. The separation was completed on April 3, 2023.
- ▶ In May 2022, we divested Crane Supply. This transaction further demonstrated our ongoing commitment to reshaping and restructuring our portfolio to accelerate growth, and it streamlined our Process Flow Technologies business with a greater focus on manufacturing highly engineered products for core, higher growth target markets including chemical, pharmaceutical, water and wastewater, and general industrial.
- ▶ In August 2022, we announced the sale of a subsidiary holding all asbestos liabilities, related insurance assets, and approximately \$550 million of cash in a transaction that permanently removed all asbestos-related liabilities and obligations from our balance sheet. This transaction provides finality and certainty to investors regarding asbestos obligations, removes the distraction of asbestos-related risks, and eliminates ongoing payments for asbestos-related defense and indemnity costs which will increase free cash flow available to invest in our business, both organically and through acquisitions.

Individually, each of these were significant achievements, and aligned with our decades-long track record of consistent and differentiated execution with a singular focus on shareholder value creation. Taken together, these actions are transformational, freeing us of historical legacy liabilities, and positioning Crane as a streamlined business solely focused on its two global strategic growth platforms.

Following those transformational actions, Crane delivered impressive results in its first year as a newly independent public company.

#### **A FEW HIGHLIGHTS FROM OUR FULL-YEAR PERFORMANCE:**

- ▶ Strong 7% core sales growth drove a 28% increase in adjusted operating profit from continuing operations, reflecting very strong operating leverage and disciplined pricing.
- ▶ At Aerospace & Electronics, we delivered 18% core sales growth, and even after that increase in sales, we closed the year with an all-time record backlog reflecting how well positioned we are to drive continued growth through the rest of this decade and beyond.
- ▶ At Process Flow Technologies, adjusted segment margins reached a record 19.9%, more than 350 basis points better than our prior record year, and a great new base for further margin growth as the business continues to structurally shift to higher growth and higher margin end markets and products.
- ▶ And we have made significant progress with capital deployment, demonstrating we can complete high-return and attractive acquisitions—in both Aerospace & Electronics as well as Process Flow Technologies—to strengthen our businesses and further accelerate growth.

\*Please see non-GAAP Financial Measures tables for details. Metrics presented on a continuing operations basis.

- On October 23, 2023, Crane announced the acquisition of Baum lined piping GmbH for approximately \$91 million as a strategic bolt-on for the Company's Chemical business within the Process Flow Technologies segment. This acquisition significantly expanded the geographic and product breadth of the Company's specialized lined pipe business that serves severe service applications in highly corrosive environments.
- On December 14, 2023, Crane signed a definitive agreement to acquire Vian Enterprises, Inc. for approximately \$103 million as a strategic bolt-on for the Company's Fluid Management solution within the Aerospace & Electronics segment. This acquisition will significantly expand the product breadth of the Company's multi-stage lubrication pump technology capabilities, as well as providing new and sophisticated machining capabilities. The transaction closed on January 1, 2024.
- Throughout 2023, we also made progress pursuing a number of other strategic acquisitions, one or more of which may be completed in the future.

Overall, 2023 was a great year, and we remain confident in our ability to execute on the strategy and vision we laid out at our March 2023 investor day event. We expect a 4% to 6% long-term core sales growth rate from resilient and durable businesses, with continued margin expansion driven by operating leverage on higher volume, that together should lead to double-digit average annual core operating profit growth. In addition to that core growth story, we believe there is substantial upside

from capital deployment, and with 2023 ending in a net cash position, we have substantial balance sheet capacity.

Longer-term, we have a five-year vision to double the Company's revenue, and to get to approximately \$2 billion in sales at each of Aerospace & Electronics and Process Flow Technologies, giving us optionality for potential future strategic portfolio decisions. While achieving those five-year targets is dependent on macroeconomic conditions and acquisition actionability, among other factors, it's the vision guiding how we are managing the business today, with an intense focus on growth and innovation.

### **"BEING CRANE"**

While the separation marks the next step in Crane's journey, there are certain things we continue to embrace without change, starting with our strong culture and management approach that provides a strong foundation, including our distinctive high-performance culture, our commitment to philanthropy, sustainability, and equality, and the cadence and discipline of the Crane Business System.

### **That culture starts with the R.T. Crane resolution:**

*"I am resolved to conduct my business in the strictest honesty and fairness; to avoid all deception and trickery; to deal fairly with both customers and competitors; to be liberal and just toward employees; and to put my whole mind upon the business."*

Our founder, R.T. Crane, penned this resolution in 1855, and these words continue to guide us today. Embracing Ethics, Integrity, Honesty, Fairness for all stakeholders, while having a passion for our businesses. This has been, and remains, at the heart of our leadership principles and behavior at Crane, and we strive to live up to these ideals every day. While there are many facets to “Being Crane,” I am particularly proud of our efforts related to philanthropy, sustainability, and equality (PSE):

► **PHILANTHROPY:** Crane’s history of philanthropy started with our founder more than a century ago, and our teams globally are engaged and excited by our efforts in this area. Today, these efforts have a substantial impact through charitable donations, support, and volunteerism in our communities across Crane and around the world.

► **SUSTAINABILITY:** We have a rigorous process to track, and targets to reduce, our greenhouse gas emissions, water and electricity usage, and waste generation. This focus is at the heart of our Crane Business System (CBS), whose core principle is the identification of waste, variation and overburden on our associates and implementation of processes with the goal of reducing waste and consumption and driving improvement and efficiency. At Crane, this CBS philosophy drives appreciation and respect for our natural environment, a recognition that resources are limited, and our obligation to responsibly manage our environmental impact as part of the global community.

► **EQUALITY:** Crane remains firmly committed to our fundamental belief in the equality of all people. We will continue to drive outstanding progress at addressing barriers and behaviors that are counter to “Being Crane,” while continuing to improve the diversity of our global workforce. We strongly believe that diversity in all its forms, and the inclusiveness of all associates, will continue to help Crane drive our customer focus and growth for generations to come.

I would like to give my personal thanks to our customers whose trust we continue to earn every day and never take for granted their decision to allow us to serve them, to our associates for the passion and excellence brought to the workplace every day, to our suppliers who have been through unprecedented times of uncertainty and disruption in supporting our partnership, and to our shareholders for their confidence in us and their support. I am also thankful to our outstanding Board of Directors for their continued support, guidance, and wisdom, and I am honored that they have entrusted me with the role and responsibilities of Chairman of the Board effective as of our April annual meeting.

Sincerely,



**MAX H. MITCHELL**

*Incoming Chairman of the Board of Directors,  
President and Chief Executive Officer*

# AEROSPACE & ELECTRONICS

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**Crane's Aerospace & Electronics (A&E) segment delivers proven, reliable systems and components primarily for the commercial aerospace, military aerospace, defense, and space markets. The business provides mission critical systems that require high reliability and accuracy such as pressure sensors for aircraft engine control, aircraft anti-skid braking systems for commercial and military jets, power conversion solutions for spacecraft and lubrication systems for the harshest and most hazardous environmental conditions. Crane Company has invented many of the fundamental technologies that are now the industry standard in the areas where we compete, with a track record for performance, reliability, and innovation.**

Over the past decade, this segment participated in an unprecedented period of engineering development for new, single aisle aircraft, such as the Boeing 737MAX, Airbus A320neo, Embraer E2, and COMAC C919. With those development programs now complete and in production, Crane Aerospace & Electronics is now building on its strong technology capabilities and focusing its engineering efforts on the emerging technologies that we expect will be necessary to support the next generation of solutions for commercial and military aircraft, radar, space applications, and ground-based military vehicles. Broadly, we believe all of these applications will require much higher levels of electrification, along with increasingly sophisticated enabling technologies.

Our engineering efforts are focused on areas closely aligned with electrification, including high-power bi-directional power conversion, liquid cooling and other forms of thermal management, wireless sensing, advanced pumps

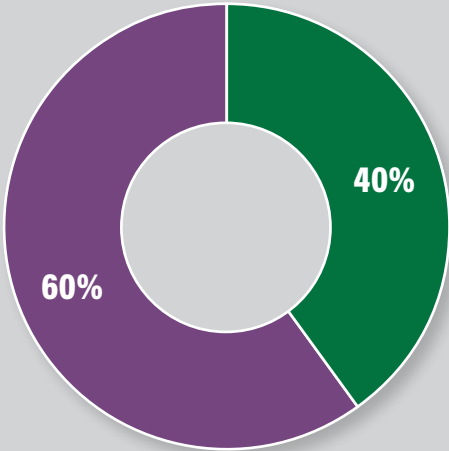
and gauging, aircraft brake control, and advanced microwave systems. Crane's investment in this business has been unwavering, with consistent investment levels even through 2020 and 2021 demand challenges related to the COVID-19 pandemic.

There are numerous examples demonstrating the success of our technology and commercial strategy in this business. For example, in 2023, we received an award for the largest Modernization & Upgrade program in the Company's history to provide an anti-skid brake control system upgrade for the U.S. Air Force's fleet of F-16 aircraft, with additional opportunities from foreign military sales. In our Defense Power business, we are entering the initial production phase for new high-power conversion products used on four major ground-based active electronically scanned array (AESA) radar systems, with our technology now considered the standard in the industry for these programs. We have also secured

positions on multiple demonstrator programs for the U.S. Army's next-generation hybrid-electric vehicles with our bi-directional DC-DC power conversion capabilities. In addition, we have been selected for numerous demonstrator programs given our advanced capabilities across several technologies including wireless sensing to reduce aircraft weight, advanced fuel flow monitoring and pressure sensing in harsh environments with extraordinary precision, engine lubrication pumps and systems that can operate at even more extreme pressures and temperatures, and liquid cooling systems for pure-electric and hybrid-electric propulsion, as well as fuel cells.

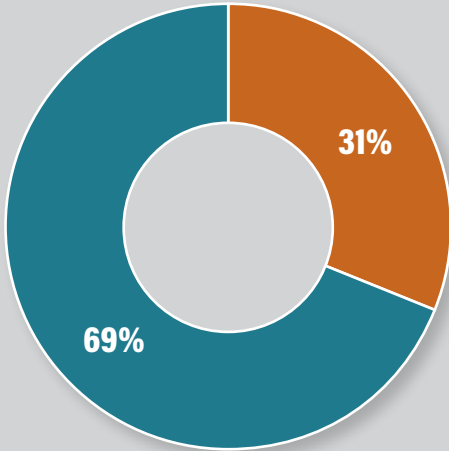
Based on our capabilities today, along with our targeted technology advancements, we believe that this business can deliver an above-market 7% to 9% compound annual sales growth rate (CAGR) through at least the end of this decade, with a path for operating margins to expand to the mid-20s range. Aerospace & Electronics delivered results consistent with that goal in 2023, with sales growth of 18%, and adjusted segment margins of 20.1%, increasing 180 basis points from the prior year. The year-end all-time record backlog of \$701 million further increases our confidence in achieving our long-term goals.

**2023 SALES BY MARKET**



Commercial Military

**2023 SALES BY APPLICATION**



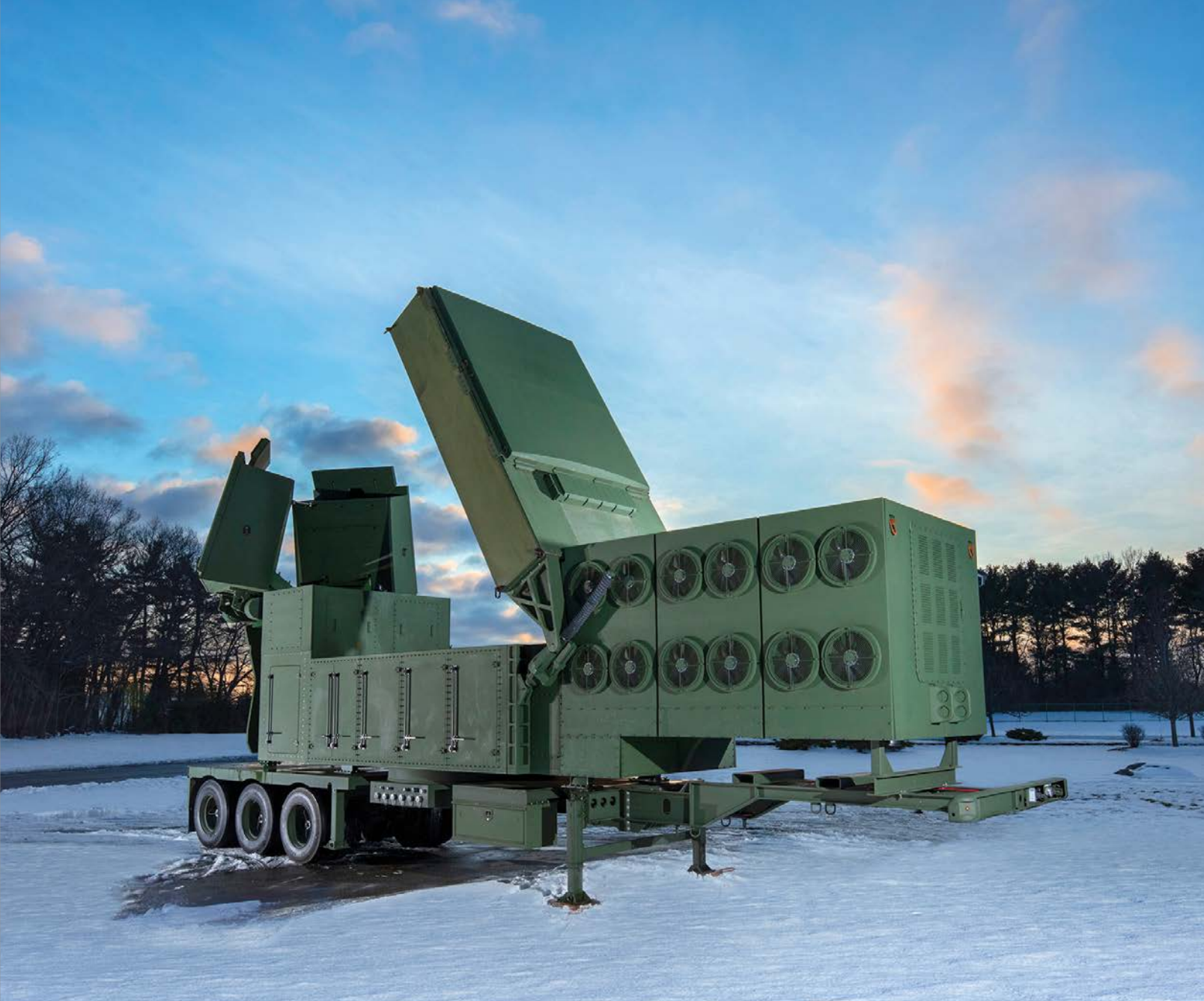
OEM Aftermarket

Crane A&E received the largest Modernization & Upgrade program in the Company's history to provide a modern, state-of-the-art antiskid brake control system for the U.S. Air Force's fleet of F-16 aircraft, with additional opportunities from foreign military sales. As the global leader with 75 years of experience providing safe, reliable, and highly efficient antiskid brake control systems, Crane A&E has more than 30,000 systems in operation today on a wide range of military and commercial aircraft.



*The appearance of U.S. Department of Defense (DoD) visual information does not imply or constitute DoD endorsement.*





*Photo courtesy of Raytheon.*

Crane A&E has developed extensive capabilities with high-power and bi-directional power conversion. The business has been awarded nearly every new ground-based radar system developed over the last five years with the power conversion technology that is now considered the standard in the industry for these applications. Crane's power conversion technology is also being rapidly adopted for use in demonstrators and prototypes for the next generation of hybrid-electric combat vehicles.

Crane A&E's extensive fluid and thermal management system capabilities include proprietary Vane pump technology that is the optimal solution for today's high bypass, geared turbofan engine designs, with size and weight advantages, and pressure and temperature capability that is unmatched by other technologies. In addition to a large current installed base, the business is also positioned for next-generation applications such as sixth-generation fighter fuel, coolant and lubrication systems, as well as hybrid- and pure-electric propulsion applications.





Crane A&E has a strong content position on virtually every major aircraft platform, including the highest-volume single-aisle aircraft such as the Boeing 737MAX, Airbus A320neo, Embraer E2, and COMAC C919. Our position ensures that our commercial business will benefit as aircraft production continues to rebound, with new planes generating revenue today, and growing our installed base for a long tail of aftermarket activity over decades.

# PROCESS FLOW TECHNOLOGIES

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**Crane Process Flow Technologies is a global leader in providing industrial fluid control products, including valves, pumps, lined pipe, and instrumentation. The business excels in critical performance and severe service applications that require the highest reliability, with a strong and lengthy track record of innovation in all areas related to the flow of fluids. This business primarily serves the chemical, water and wastewater, pharmaceutical, and general industrial end markets.**

Over the last decade, the Process Flow Technologies (PFT) segment has systematically shifted the core of its business to focus on higher growth, less cyclical, and higher margin end markets and product sets, with a focus on Chemical, Water & Wastewater, Pharmaceutical, and Industrial Automation end markets. We expect these industries to be outsized growth segments of the market, driven by investment in sustainability and clean energy, deteriorating infrastructure, tightening wastewater regulations, and an aging population with a growing demand for healthcare. Today, approximately 60% of sales are derived from these end markets, up significantly over the last several years, and driven by continued product and commercial investments in these target markets, higher underlying market growth rates for these market segments, and the divestiture of the Crane Supply business in 2022. The 2023 acquisition of Baum lined piping GmbH also contributed to this portfolio shift by expanding our global presence in abrasion and corrosion resistant lined pipe solutions for Chemical and Pharmaceutical customers.

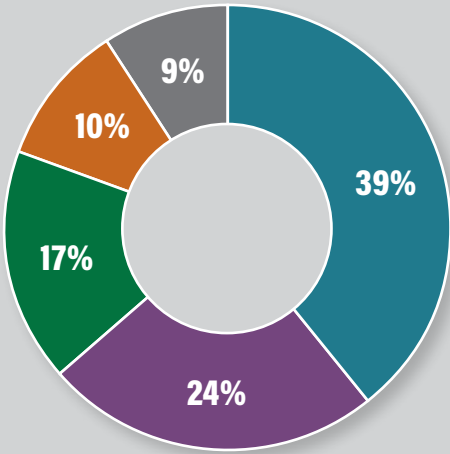
Crane has a strong track record of innovation and being a pioneer in the industry, “writing the book” on the flow of fluids with Technical Paper 410, which is still used as the definitive authority on the topic for engineers, professionals and other practitioners. By focusing on accelerating the rate of innovation through R&D investment, we have driven incremental market capture and supported new product sales vitality at our Process Solutions business, more than doubling the percentage of sales derived from recent product introductions from 2018 to 2021.

For example, during 2023, we made solid progress building our new CRYOFLO hydrogen business, introducing a new range of pipes, valves, and fittings for the production, transportation, transfer, and storage of hydrogen. Today, this portfolio already includes flexible and rigid vacuum jacketed piping, vacuum jacketed storage tank fill manifolds, bellows seal globe valves, and T-globe lift check valves, and we continue to expand the targeted breadth of our portfolio for this market. We also continue

to gain traction commercializing our recently launched L-TORQ next generation sleeved plug valve for specialty chemical applications with abrasive and corrosive media, our polypropylene-lined large diameter pipe product line, a growing range of metal seated ball valves, and the FK-TrieX™ valve for severe service applications. Outside of the process business, our Crane Pumps & Systems business continues to gain traction with its new high-efficiency motors and non-clog pump performance, both of which drive significant energy and maintenance savings for municipal customers.

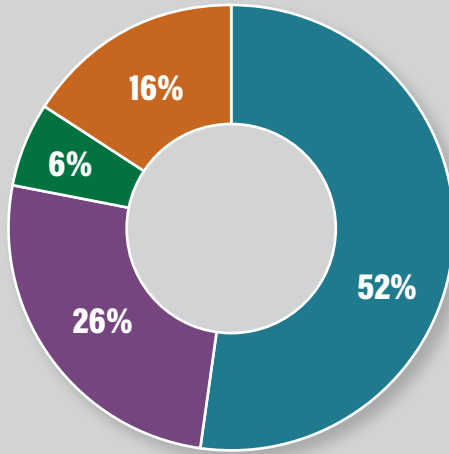
Based on our current market exposure and product portfolio, we expect this business to deliver a long-term sales growth rate of approximately 3% to 5%, with margin expansion driven by operating leverage of approximately 35% on incremental core sales growth. Results in 2023 reinforce our confidence in those targets, with 5% core sales growth driving a 19% increase in adjusted operating profit, with record adjusted operating margins of 19.9% up 370 basis points from 2022.

**2023 SALES BY MARKET**



- Chemical and Pharma
- General Industrial
- Non-Residential & Services
- Water & Wastewater
- Energy

**2023 SALES BY REGION**



- North America
- Europe
- Developed Asia
- Emerging and Other

*Totals may not sum due to rounding.*



**PFT's aseptic and hygienic valve business provides mission-critical solutions for pharmaceutical manufacturing, a high-growth field driven by an aging population, new processes for biologics, and the expansion of personalized medicine. PFT's product advantages include support for a wider temperature range and with longer product life than competing solutions.**



**PFT's Chemical business provides solutions to address aggressive media challenges, with product advantages including superior leak-free sealing, lower torque, and extreme abrasion and corrosion resistance. This business provides products for a diverse and high-growth market, with applications from basic and specialty chemical production to fuel cell membranes and circular plastics.**



In 2023, PFT launched its new CRYOFLO Hydrogen business with a dedicated facility and engineering team. CRYOFLO's products are designed to operate at extremely low temperatures while minimizing heat transfer for end applications including transportation, heating, industrial processes, and power generation.



PFT's wastewater business addresses the toughest problems in the waste stream with products and solutions designed for superior solids handling, the elimination of clogging, and improved energy efficiency. We expect wastewater investment to remain elevated due to an aging infrastructure, and increasingly strict regulations for wastewater contaminants.

# NON-GAAP FINANCIAL DATA

## FORWARD-LOOKING STATEMENTS—DISCLAIMER

This annual report contains forward-looking statements within the meaning of the federal securities laws. Forward-looking statements include all statements that are not historical statements of fact and those regarding our intent, belief, or expectations, including, but not limited to: statements regarding Crane's portfolio composition following the business separation; benefits and synergies of the separation transaction; strategic and competitive advantages of Crane; future financing plans and opportunities; and business strategies, prospects and projected operating and financial results. We caution investors not to place undue reliance on any such forward-looking statements.

These statements are based on management's current expectations and beliefs, reflect management's judgment as of the date of this report, and are subject to a number of risks and uncertainties that could lead to actual results differing materially from those projected, forecasted, or expected. Although we believe that the assumptions underlying the forward-looking statements are reasonable, we can give no assurance that our expectations will be attained. Crane Company assumes no (and disclaims any) obligation to revise or update these forward-looking statements to reflect future events or circumstances.

Risks and uncertainties that could cause actual results to differ materially from our expectations include, but are not limited to, the risks described in Item 1A, "Risk Factors," of the Company's Annual Report on Form 10-K for the year ended December 31, 2023. Readers should carefully review these risk factors, Crane's financial statements and the notes thereto, and any other documents Crane Company and its subsidiaries file from time to time with the Securities and Exchange Commission. Readers should also carefully review the "Risk Factors" section of the information statement filed as an exhibit to the Company's registration statement on Form 10. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements.

## NON-GAAP FINANCIAL MEASURES

Crane Company reports its financial results in accordance with U.S. generally accepted accounting principles ("GAAP"). This annual report includes certain non-GAAP financial measures, including adjusted operating profit and adjusted operating margin, that are not prepared in accordance with GAAP. These non-GAAP measures are an addition, and not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP and should not be considered as an alternative to operating income, net income, or any other performance measures derived in accordance with GAAP. We believe that these non-GAAP measures of financial results (including on a forward-looking or projected basis) provide useful supplemental information to investors about Crane Company. Our management uses certain forward-looking non-GAAP measures to evaluate projected financial and operating results. However, there are a number of limitations related to the use of these non-GAAP measures and their nearest GAAP equivalents. For example, other companies may calculate non-GAAP measures differently or may use other measures to calculate their financial performance, and therefore our non-GAAP measures may not be directly comparable to similarly titled measures of other companies.

We believe that each of the following non-GAAP measures provides useful information to investors regarding the Company's financial conditions and operations:

"Adjusted Operating Profit" and "Adjusted Operating Profit Margin" add back to Operating Profit and Operating Profit Margin items which are outside of our core performance, some of which may or may not be non-recurring, and which we believe may complicate the interpretation of the Company's underlying earnings and operational performance. These items include income and expense such as: the loss on divestiture of asbestos-related assets and liabilities, transaction related expenses, and repositioning related charges. These items are not incurred in all periods, the size of these items is difficult to predict, and none of these items are indicative of the operations of the underlying businesses. We believe that non-GAAP financial measures that exclude these items provide investors with an alternative metric that can assist in predicting future earnings and profitability that are complementary to GAAP metrics.



For the year ended December 31 (\$ in millions, except per share data)

## CRANE COMPANY

Income Items	2023	2022	Change
Net sales	\$2,086	\$2,035	3%
Operating profit (GAAP)	\$284	\$38	
<i>Core sales</i>			7%
<i>Acquisitions and divestitures, net</i>			(4%)
Operating profit margin (GAAP)	13.6%	1.9%	
<b>Special items impacting operating profit</b>			
Loss on divestiture of asbestos-related assets and liabilities	—	162	
Transaction related expenses	43	48	
Repositioning related charges, net	3	9	
Adjusted operating profit (Non-GAAP)	\$330	\$257	28%
Adjusted operating profit margin (Non-GAAP)	15.8%	12.6%	320 bps

## AEROSPACE & ELECTRONICS

Income Items	2023	2022	Change
Net sales	\$789	\$667	18%
Operating profit (GAAP)	\$159	\$120	
Operating profit margin (GAAP)	20.1%	18.0%	
<b>Special items impacting operating profit</b>			
Repositioning related charges, net	—	2	
Adjusted operating profit (Non-GAAP)	\$159	\$122	31%
Adjusted operating profit margin (Non-GAAP)	20.1%	18.3%	180 bps

## PROCESS FLOW TECHNOLOGIES

Income Items	2023	2022	Change
Net sales	\$1,073	\$1,109	(3%)
<i>Core sales</i>			5%
<i>Acquisitions and divestitures, net</i>			(8%)
Operating profit (GAAP)	\$209	\$168	
Operating profit margin (GAAP)	19.4%	15.2%	
<b>Special items impacting operating profit</b>			
Transaction related expenses	1	4	
Repositioning related charges, net	4	7	
Adjusted operating profit (Non-GAAP)	\$214	\$179	19%
Adjusted operating profit margin (Non-GAAP)	19.9%	16.2%	370 bps

# COMMITTEES

As of December 31, 2023, the Board of Directors of Crane Company had four standing committees, namely the Executive Committee, Audit Committee, Management Organization and Compensation Committee, and Nominating and Governance Committee.

Other than the Executive Committee, each committee is composed entirely of independent directors as defined by independence standards of the NYSE.

## EXECUTIVE COMMITTEE

This committee, which meets when a quorum of the full Board of Directors cannot be readily obtained, may exercise any of the powers of the Board of Directors, except for: (i) approving an amendment of the Company's Certificate of Incorporation or By-Laws; (ii) adopting an agreement of merger or sale of substantially all of the Company's assets or dissolution of the Company; (iii) filling vacancies on the Board or any committee thereof; or (iv) electing or removing officers of the Company.

## AUDIT COMMITTEE

This committee is the Board's principal agent in fulfilling legal and fiduciary obligations with respect to matters involving the Company's accounting, auditing, financial reporting, internal control, legal compliance functions, risk management, and conflicts of interest. This includes oversight of the integrity of financial statements, authority for retention and compensation of the Company's independent auditors, evaluation of qualifications, independence, and performance of the Company's independent auditors, review of staffing and performance of the internal audit function, and oversight of the Company's compliance with legal and regulatory requirements.

## MANAGEMENT ORGANIZATION AND COMPENSATION COMMITTEE

This committee's responsibilities include recommending to the Board of Directors all actions regarding compensation of the Chief Executive Officer, approving the compensation of all other executive officers, reviewing the compensation of other officers and business unit presidents, reviewing director compensation, administering the annual incentive compensation plans and stock incentive plan, and reviewing and approving any significant changes or additions to the compensation policies and practices of the Company. This committee will provide the Chief Executive Officer with an annual performance review. It is also responsible for determining that a satisfactory system is in effect for development and orderly succession of senior managers throughout the Company.

## NOMINATING AND GOVERNANCE COMMITTEE

This committee is responsible for developing criteria for the selection of, and identifying, screening, and recommending to the Board candidates for service as directors. It is responsible for sponsoring an annual self-assessment of the Board's performance, as well as the performance of each committee of the Board. It is also responsible for and oversees corporate governance matters, including determining the independence of the Company's Board members, and their fitness for service on the Board's various committees, and includes recommending the assignment of Board members to committees and appointment of committee chairs.

## CRANE COMPANY DIRECTORS AND COMMITTEE ASSIGNMENTS AS OF DECEMBER 31, 2023

**Martin R. Benante** (2, 4)  
Retired Chairman and Chief Executive Officer  
Curtiss-Wright Corporation  
*Supplier of highly engineered products and services to commercial, industrial, defense, and energy markets*

**Sanjay Kapoor** (2)  
Retired Chief Financial Officer  
Spirit AeroSystems, Inc.  
*Manufacturer of aerostructures for commercial airplanes, defense platforms, and business/regional jets*

**Ronald C. Lindsay** (2, 4)  
Retired Chief Operating Officer  
Eastman Chemical Company  
*Manufacturer of specialty chemicals, plastics, and fibers*

**Ellen McClain** (2, 3)  
Chief Executive Officer and President  
Year Up  
*Not-for-profit provider of job training services*

**Charles G. McClure, Jr.** (3, 4)  
Managing Partner  
Michigan Capital Advisors  
*Private equity firm investing in global automotive and transportation suppliers*

**Max H. Mitchell** (1)  
Incoming Chairman of the Board, and President and Chief Executive Officer  
Crane Company

**Jennifer M. Pollino** (1, 3, 4)  
Retired Executive Vice President  
Goodrich Corporation  
*Aerospace products manufacturer*

**John S. Stroup** (2, 3)  
Operating Advisor  
Clayton, Dubilier & Rice  
*Global private equity manager that invests in and builds businesses*

**James L. L. Tullis** (1, 3)  
Chairman of the Board of Crane Company  
Chairman  
Tullis Health Investors  
*Venture capital investments in the health care industry*

## EXECUTIVE OFFICERS OF CRANE COMPANY AS OF DECEMBER 31, 2023

**Max H. Mitchell**  
Incoming Chairman of the Board, and President and Chief Executive Officer

**Richard A. Maue**  
Executive Vice President and Chief Financial Officer

**Alejandro Alcalá**  
Executive Vice President

**Anthony M. D'Iorio**  
Executive Vice President, General Counsel and Secretary

**Marijane Papanikolaou**  
Vice President, Controller and Chief Accounting Officer

**Tamara S. Polmanteer**  
Executive Vice President, Chief Human Resources Officer

(1) Member of the Executive Committee

(2) Member of the Audit Committee

(3) Member of the Management Organization and Compensation Committee

(4) Member of the Nominating and Governance Committee

# CRANE

*DRIVING  
BREAKTHROUGH  
PERFORMANCE*

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2023 FORM 10-K

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

**FORM 10-K**

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

For the fiscal year ended: December 31, 2023

**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 1-41570

**CRANE COMPANY**

(Exact name of Registrant as specified in its charter)

**Delaware**

**88-2846451**

State of or other jurisdiction of incorporation or organization:

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

**100 First Stamford Place**

**Stamford**

**CT**

**06902**

(Address of principal executive offices)

(Zip Code)

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

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**

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

**None**

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

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15 (d) of the Act

Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (\$232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "non-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.

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

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

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

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

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

Based on the closing stock price of \$89.12 on June 30, 2023, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the voting common equity held by nonaffiliates of the registrant was \$4,287,494,667.

The number of shares outstanding of the registrant's common stock, par value \$1.00, was 57,032,401 at January 31, 2024.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's Proxy Statement for the 2023 Annual Meeting of Stockholders are incorporated herein by reference in Part III of this Annual Report on Form 10-K to the extent stated herein. Such proxy statement will be filed with the Securities and Exchange Commission within 120 days of the registrant's fiscal year ended December 31, 2023.

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## FORWARD-LOOKING INFORMATION

This Annual Report on Form 10-K contains information about Crane Company, 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,” “will,” “could,” “should,” “would,” or “anticipates,” other similar phrases, or the negatives of these terms.

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. These statements should be considered in conjunction with the discussion in Part I, the information set forth under Item 1A, “Risk Factors” and with the discussion of the business included in Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” We have based many of these forward-looking statements on assumptions about future events that may prove to be inaccurate. Accordingly, our actual outcomes and results may differ materially from what we have expressed or forecast in the forward-looking statements. Any differences could result from a variety of factors, including the following:

- The effect of changes in economic conditions in the markets in which we operate, including financial market conditions, end markets for our products, fluctuations in raw material prices, inflationary pressures, supply chain disruptions and access to key raw materials, higher interest rates and the financial condition of our customers and suppliers;
- Economic, social and political instability, currency fluctuation and other risks of doing business outside of the United States;
- The impact of commercial air traffic levels which are affected by a different array of factors including pandemic health concerns, general economic conditions and global corporate travel spending, or terrorism;
- Competitive pressures, including the need for technology improvement, successful new product development and introduction and any inability to pass increased costs of raw materials to customers;
- Our ongoing need to attract and retain highly qualified personnel and key management;
- Our ability to successfully identify, value and integrate acquisitions and to realize synergies and opportunities for growth and innovation;
- 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;
- Our ability to achieve some or all the benefits that we expect to achieve from our business separation;
- The ability of the U.S. government to terminate our government contracts;
- The impact of governmental regulations and failure to comply with those regulations;
- A reduction in congressional appropriations that affect defense spending;
- The outcomes of legal proceedings, claims and contract disputes;
- Adverse effects as a result of further increases in environmental remediation activities, costs and related claims;
- Investment performance of our pension plan assets and fluctuations in interest rates, which may affect the amount and timing of future pension plan contributions; and
- Adverse effects of changes in tax, environmental and other laws and regulations in the United States and other countries in which we operate.

**Part I**

Reference herein to “Crane,” “we,” “us” and “our” refer to Crane Company and our subsidiaries unless the context specifically states or implies otherwise. Amounts in the following discussion are presented in millions, except employee, square feet, number of properties, share and per share data, or unless otherwise stated.

## Executive Officers of the Registrant

Name	Position	Business Experience	Age	Crane Executive Officer Since
Max H. Mitchell	President and Chief Executive Officer	President, Chief Executive Officer and Director since April 2023. President, Chief Executive Officer and Director of Crane Holdings, Co. from 2014 until April 3, 2023. President and Chief Operating Officer from 2013 through 2014. Executive Vice President and Chief Operating Officer from 2011 to 2013.	60	2004
Alejandro A. Alcala	Executive Vice President	Executive Vice President, Aerospace and Electronics, Engineered Materials, Process Flow Technologies and Regional Presidents since April 2023. Executive Vice President, Aerospace and Electronics, Engineered Materials, Process Flow Technologies and Regional Presidents of Crane Holdings, Co. from February 2023 until April 3, 2023. Senior Vice President, Process Flow Technologies and operations in China, India and the Middle East & Africa from March 2020 to January 2023. President, Crane ChemPharma & Energy from 2014 to March 2020. President, Crane Pumps & Systems from 2013 to 2014.	49	2020
Anthony M. D'Iorio	Executive Vice President, General Counsel and Secretary	Executive Vice President, General Counsel and Secretary since April 2023. Executive Vice President, General Counsel and Secretary of Crane Holdings, Co. from February 2023 until April 3, 2023. Senior Vice President from February 2021 through January 2023. Vice President, General Counsel and Secretary from February 2018 to 2023. Deputy General Counsel from 2013 through February 2018. Assistant General Counsel from 2005 through 2013.	60	2018
Richard A. Maue	Executive Vice President and Chief Financial Officer	Executive Vice President and Chief Financial Officer since February 2023. Executive Vice President and Chief Financial Officer of Crane Holdings, Co. from February 2023 until April 3, 2023. Senior Vice President from January 2019 through January 2023. Chief Financial Officer since 2013. Principal Accounting Officer from 2007 through May 2019. Vice President - Finance from 2013 through January 2019.	53	2007
Marijane Papanikolaou	Vice President, Controller and Principal Accounting Officer	Vice President, Controller and Principal Accounting Officer since April 2023. Vice President, Corporate Controller of Pitney Bowes from 2018 to April 2023.	53	2023
Tamara S. Polmanteer	Executive Vice President, Chief Human Resources Officer	Executive Vice President and Chief Human Resources Officer since February 2023. Executive Vice President and Chief Human Resources Officer of Crane Holdings, Co. from February 2023 until April 3, 2023. Senior Vice President, from 2021 through January 2023. Chief Human Resources Officer since March 2021. Chief Human Resources Officer of Aleris from 2016 through 2020. Senior Vice President, Chief Human Resource Officer of Daymon Worldwide from 2011 through 2016.	58	2021



## **Item 1. Business**

### **General**

We are a diversified manufacturer of highly engineered industrial products. Our operations are comprised of three segments: Aerospace & Electronics (“A&E”), Process Flow Technologies (“PFT”), and Engineered Materials (“EM”). Our primary end markets include aerospace, defense and space, process industries, non-residential and municipal construction, along with a wide range of general industrial and certain consumer related end markets.

We have been committed to the highest standards of business conduct since inception in 1855 when our founder, R.T. Crane, resolved “to conduct my business in the strictest honesty and fairness; to avoid all deception and trickery; to deal fairly with both customers and competitors; to be liberal and just toward employees; and to put my whole mind upon the business.” Our strategy is to grow earnings and cash flow by focusing on the manufacturing of highly engineered industrial products for specific markets where our scale is a relative advantage, and where we can compete based on our proprietary and differentiated technology, our deep vertical expertise, and our responsiveness to unique and diverse customer needs. We continuously evaluate our portfolio, pursue acquisitions that complement our existing businesses and selectively divest businesses where appropriate. We strive to foster a performance-based culture focused on productivity and continuous improvement, to attract and retain a committed management team whose interests are directly aligned with those of our shareholders, and to maintain a focused, efficient corporate structure.

We operate a comprehensive set of business processes, philosophies and operational excellence tools to drive continuous improvement throughout our businesses (collectively, the Crane Business System). Beginning with a core value of integrity, we incorporate “Voice of the Customer” teachings (specific processes designed to capture our customers’ requirements) and a broad range of tools into a disciplined strategy deployment process to continuously improve safety, quality, delivery, cost and growth. An embedded intellectual capital development process helps ensure that we attract, develop, promote and retain talent to drive continuity and repeatable results.

### **Recent Transactions**

#### *Separation*

On April 3, 2023, Crane Holdings, Co. completed the Separation into two independent, publicly-traded companies, Crane NXT, Co. and Crane Company, through a pro-rata distribution (the “Distribution”) of all of the outstanding common stock of Crane Company to the stockholders of Crane Holdings, Co., which on April 3, 2023 was renamed “Crane NXT, Co.” The Distribution was effective at 5:00 p.m., Eastern Time, on April 3, 2023. As a result of the Distribution, Crane Company became an independent public company. Our common stock is listed under the symbol “CR” on the New York Stock Exchange. Due to Crane Company’s larger operations, greater tangible assets, greater fair value and greater net sales, in each case, relative to Crane NXT, Co., among other factors, Crane Company was treated as the “accounting spinnor” and therefore was the “accounting successor” to Crane Holdings, Co. for accounting purposes, notwithstanding the legal form of the Separation. Therefore, following the Separation, the historical consolidated financial statements of Crane Company reflect the historical consolidated financial statements of Crane Holdings, Co. with the Payment & Merchandising Technologies segment and other distributed assets and liabilities classified as discontinued operations.

#### *Acquisitions*

On October 4, 2023, the Company completed the acquisition of Baum lined piping GmbH (“BAUM”). BAUM is a German based company that designs, manufactures, and distributes lined piping products primarily focused on chemical and industrial end markets. BAUM is included in our Process Flow Technologies segment.

On January 2, 2024, the Company completed the acquisition of Vian Enterprises, Inc. (“Vian”). Vian is a global designer and manufacturer of multi-stage lubrication pumps and lubrication system components technology for critical aerospace and defense applications with sole-sourced and proprietary content on the highest volume commercial and military aircraft platforms. Vian will be included in the Aerospace & Electronics (“A&E”) segment.

### **Reportable Segments**

For additional information on recent business developments and other information about us and our business, please refer to the information set forth under the captions, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” in Part II, Item 7 of this report, as well as in Part II, Item 8 under Note 4, “Segment Information,” in the Notes to Consolidated Financial Statements for sales, operating profit and assets employed by each segment.

## ***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. The commercial market and military market accounted for 60% and 40%, respectively, of total segment sales in 2023. Sales to original equipment manufacturers ("OEMs") and aftermarket customers were 69% and 31%, respectively, in 2023.

We provide mission critical systems that require high reliability and high accuracy, such as pressure sensors for aircraft engine control, aircraft braking systems for commercial aircraft and fighter jets, power conversion solutions for spacecraft and lubrication systems for the harshest and most hazardous environmental conditions. Crane Company has invented many of the fundamental technologies that are now the industry standard in the areas where we compete, with a track record for performance, reliability and innovation. A&E's integrated capabilities include the following:

- **Power Solutions:** Provides enabling technology to accelerate electrification of air, land, space and sea vehicles and systems.
- **Sensing Systems:** Provides components and systems for condition and position sensing, and pressure and flow measurement, with high-accuracy, reliability and engineering to excel in rugged aerospace environments.
- **Fluid & Thermal Management:** Designs and manufactures positive displacement pumps, centrifugal pumps and true mass flowmeters for aerospace and defense applications.
- **Landing Systems:** Provides hydraulic and electric brake control systems with antiskid and autobrake functionality, as well as electronic and hydraulic subsystems for landing gear control.
- **Microwave Solutions:** Designs and manufactures high-performance RF and IF components and millimeter-wave systems and subsystems for defense, space and commercial end-use customers.

A&E has a long-term growth profile driven by positions on market leading platforms, recent new program wins and continued investment in technology readiness. The segment is also positioned to benefit from underlying market growth driven by increasing new commercial aircraft deliveries, air passenger travel growth, defense investment, ongoing maintenance, repair and overhaul organizations ("MRO") requirements and emerging applications in the space market, as well as a strong trend driving greater electrification for aerospace and defense applications. Our unique position to drive sustained growth is driven by differentiated technology investment focused on high-growth market segments, including next-generation aircraft engines, advanced ground and sea-based radar systems, Low Earth Orbit satellite constellations, as well as high-power and bi-directional power conversion for numerous emerging commercial and military applications, including more-electric and hybrid-electric ground vehicles and hybrid-electric and pure electric-propulsion aircraft.

Facilities are located in the United States, Taiwan, and France.

## ***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, Pumps and Systems and Commercial Valves.

- **Process Valves and Related Products:** Manufactures a wide range of on/off isolation valves, including check valves, sleeved plug valves, lined valves, process ball valves, high performance butterfly valves, bellows sealed globe valves, aseptic and industrial diaphragm valves and multi / quarter-turn valve actuation. Other related products include lined pipe, fittings and hoses, air operated diaphragm and peristaltic pumps, instrumentation and sampling systems, valve positioning and control systems, and valve diagnostic and calibration systems. Across the portfolio, the primary focus is on chemical, pharmaceutical and general industrial end markets. Manufacturing facilities, along with sales and service centers, are located across North America, Europe, the Middle East, Asia and Australia.
- **Pumps and Systems:** Manufactures pumps products for water and wastewater applications, primarily in the United States municipal and industrial markets.
- **Commercial Valves:** Manufactures valves and related products for the non-residential construction, gas utility and municipal markets. The primary geographies served by the manufacturing operations are the United Kingdom, the Middle East and continental Europe.

Our portfolio strategically targets the higher growth and less cyclical chemical, general industrial, water and wastewater and pharmaceutical industries. We expect these industries to be outsized growth segments, driven by investment in sustainability and clean energy, aging infrastructure, tightening wastewater regulations and an aging population with a growing demand for healthcare.

Crane has a track record of innovation and being a pioneer in the industry, “writing the book” on the flow of fluids with Technical Paper 410, which is still used as a definitive authority on the topic for engineers, professionals and other practitioners. By focusing on accelerating the rate of innovation through R&D investment, we have driven incremental market capture and improved new product sales vitality to support long term profitable growth.

### **Engineered Materials**

The Engineered Materials segment manufactures fiberglass-reinforced plastic ("FRP") 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. Manufacturing facilities are located in the United States.

### **Other Matters Relating to Our Business as a Whole**

#### **Competitive Conditions**

Our businesses participate in markets that are highly competitive. Because of the diversity of products manufactured and sold, our businesses typically have a different set of competitors in each geographic area and end market in which they participate. Accordingly, it is not possible to estimate the number of competitors, or precise market share; however, we believe that we are a principal competitor in most of our markets. Our primary basis of competition is providing high quality products, with technological differentiation, at competitive prices, with superior customer service and timely delivery.

Our products are sold into primary end markets which include aerospace, defense and space, process industries, non-residential and municipal construction, along with a wide range of general industrial and certain consumer related end markets. As such, our revenues depend on numerous unpredictable factors, including changes in market demand, general economic conditions, customer capital spending, timing and amount of contract awards and credit availability. Since our products are sold in such a wide variety of markets, we do not believe that we can reliably quantify or predict the potential effects of changes in any of the aforementioned factors. Our engineering and product development activities are focused on improving existing products, customizing existing products for particular customer requirements, as well as the development of new products. We own numerous patents, trademarks, copyrights, trade secrets and licenses to intellectual property, no one of which is of such importance that termination would materially affect our business. From time to time, however, we do engage in litigation to protect our intellectual property.

#### **Raw Materials**

Our manufacturing operations employ a wide variety of raw materials, including steel, copper, cast iron, electronic components, aluminum, plastics and various petroleum-based products. We purchase raw materials from a large number of independent sources around the world. Although market forces have at times, including in 2023, caused increases in the costs of key raw materials, there have been no raw materials shortages that have had a material adverse impact on our business. We believe that we will generally be able to obtain adequate supplies of major raw material requirements or reasonable substitutes at acceptable costs. For a further discussion of risks related to raw materials, please refer to Item 1A. “Risk Factors.”

#### **Government Contracts**

We have agreements relating to the sale of products to government entities, primarily involving products in our Aerospace & Electronics segment and, to a lesser extent, our Process Flow Technologies segment. As a result, we are subject to various statutes and regulations that apply to companies doing business with the government. The laws and regulations governing government contracts differ from those governing private contracts. For example, some government contracts require disclosure of cost and pricing data and impose certain sourcing conditions that are not applicable to private contracts. Our failure to comply with these laws could result in suspension of these contracts, criminal or civil sanctions, administrative penalties and fines or suspension or debarment from government contracting or subcontracting for a period of time. For a further discussion of risks related to compliance with government contracting requirements, please refer to Item 1A. “Risk Factors.”

## **Environmental Compliance and Climate Change**

We are regulated by federal, state and international environmental laws governing our use, transport and disposal of substances and control of emissions. Our manufacturing facilities generally do not produce significant volumes or quantities of byproducts that would be considered hazardous waste or otherwise harmful to the environment if not properly handled or maintained. Accordingly, continued compliance with these existing laws has not had a material impact on our capital expenditures or earnings.

However, we occasionally engage in environmental remediation activities as required by federal and state laws. In addition, we may be exposed to other environmental costs including participation in the characterization and remediation of federal Superfund sites, or analogous state sites. When it is reasonably probable we will pay remediation costs at a site, and those costs can be reasonably estimated, we accrue a liability for such future costs with a related charge against our earnings. For further discussion of environmental related risks, please refer to Item 1A. "Risk Factors." For further discussion of our environmental matters, please refer to Part II, Item 8 under Note 13, "Commitments and Contingencies," in the Notes to Consolidated Financial Statements.

## **Human Capital Resources**

To remain a leading manufacturer of highly engineered industrial products, it is important that we continue to attract, develop, and retain exceptional talent across our global enterprise.

The Company has a diverse global workforce located in 21 countries, spanning five continents. At December 31, 2023, we employed approximately 7,300 persons worldwide, of which substantially all were full time employees. In the United States, we employed approximately 4,000 people across 35 locations. At December 31, 2023, approximately 5% of our U.S. employees were represented by a union under a collective bargaining agreement. Employees based in some foreign countries may, from time to time, be represented by works councils or unions or subject to collective bargaining agreements. We consider our relations with our employees to be good.

To be an employer of choice and maintain the strength of our workforce, we consistently assess the current business environment and labor market to refine our compensation and benefits programs and other resources available to our associates. We are committed to developing our associates personally and professionally by leveraging a structured and disciplined Intellectual Capital ("IC") process. Our regular IC cadence includes constructive reviews and various talent and leadership development initiatives conducted by the executive management team and provided throughout an associate's career. We are also committed to an inclusive and high-performance culture at all levels of the organization, based on trust and respect.

The manufacture and production of our products requires the use of a variety of tools, equipment, materials, and supplies. At Crane, we are strongly committed to the health and safety of our associates and strive to continuously adhere to global regulatory safety requirements and to reduce the incidence and severity of job-related injuries. We utilize strict compliance protocols, training programs, effective risk management practices, and sound science in our operations to minimize risk to our associates.

For a discussion of risks related to employee relations, please refer to Item 1A. "Risk Factors."

## **Available Information**

We file annual, quarterly and current reports and amendments to these reports, proxy statements and other information with the U.S. Securities and Exchange Commission ("SEC"). The SEC maintains an Internet site that contains reports, proxy and information statements and other information regarding issuers, like us, that file electronically with the SEC. The address of the SEC's website is [www.sec.gov](http://www.sec.gov).

We also make our filings available free of charge through our Internet website, as soon as reasonably practicable after filing such material electronically with, or furnishing such material, to the SEC. Also posted on our website are our Corporate Governance Guidelines, Standards for Director Independence, Crane Company. Code of Ethics and the charters and a brief description of each of the Audit Committee, the Management Organization and Compensation Committee and the Nominating and Governance Committee. These items are available in the "Investors – Corporate Governance" section of our website at [www.craneco.com](http://www.craneco.com). The content of our website is not part of this report.

## Item 1A. Risk Factors

Our business, financial condition, results of operations and cash flows may be affected by a number of factors including, but not limited to those set forth below. This discussion should be considered in conjunction with the discussion under the caption “Forward-Looking Information” preceding Part I, the information set forth under Item 1, “Business” and with the discussion of the business included in Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” These risks comprise the material risks of which we are aware. If any of the events or developments described below or elsewhere in this Annual Report on Form 10-K, or in any documents that we subsequently file publicly were to occur, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

### Risks Relating to Our Business

#### ***Macroeconomic fluctuations may harm our business, results of operations and stock price.***

Our business, financial condition, operating results and cash flows may be adversely affected by changes in global economic conditions and geopolitical risks, including credit market conditions, trade policies, levels of consumer and business confidence, commodity prices and availability, inflationary pressures, exchange rates, levels of government spending and deficits, political conditions, and other challenges that could affect the global economy, including the ongoing conflict in the Middle East as well as impacts associated with any economic sanctions imposed against Russia, in response to their invasion of the Ukraine. These economic and geopolitical conditions could affect businesses such as ours in a number of ways. Such conditions could have an adverse impact on our flexibility to react to changing economic and business conditions and on our ability to fund our operations, grow through operations or refinance maturing debt balances at economically favorable interest rates. In addition, restrictions on credit availability could adversely affect the ability of our customers to obtain financing for significant purchases and could result in decreases in or cancellation of orders for our products and services as well as impact the ability of our customers to make payments. Similarly, credit restrictions may adversely affect our supplier base and increase the potential for one or more of our suppliers to experience financial distress or bankruptcy. See “Specific Risks Related to Our Business Segments.”

#### ***The prices of our components and raw materials could fluctuate dramatically, which may adversely affect our profitability.***

The costs of certain components and raw materials that are critical to our profitability can be volatile, which can have a significant impact on our profitability. The costs in our business segments are affected by fluctuations in the price of metals such as steel and copper as well as other raw materials such as resin and electronic components. We have seen a period of sustained price increases for components and raw materials that may continue into the future as demand increases and supply may remain constrained, notably in our A&E segment, which has resulted in, and may continue to result in, increased costs for us. While we have taken actions aimed at securing an adequate supply of raw materials at prices which are favorable to us, if the prices of critical components and raw materials increase or we are unable to pass increased costs of components and raw materials to customers, our operating profit could be adversely affected.

The COVID-19 pandemic had and may continue to have an adverse impact on our operations and financial performance, as well as on the operations and financial performance of many of the customers and suppliers in industries that we serve. Our operations have generally stabilized since the peak of the COVID-19 pandemic and in May 2023, the World Health Organization declared an end to COVID-19 as a public health emergency. However, a resurgence of COVID-19, or other public health emergencies, could result in unpredictable responses by health authorities around the world which could negatively impact our global operations, customers and suppliers. Any future pandemics or public health emergencies could result in disruptions to global supply chains, delays in supplier deliveries, higher raw material prices, delays in deliveries to customers, travel restrictions, site access and quarantine restrictions, and employee absences. The extent to which public health emergencies could impact our operations and financial performance is highly uncertain and would depend on future developments, including the duration of any such public health emergency, potential actions taken by governmental authorities, and how quickly economic conditions stabilize.

#### ***Our ability to source components and raw materials from our suppliers could be disrupted or delayed in our supply chain, which could adversely affect our results of operations.***

Our operations require significant amounts of necessary components and raw materials. We deploy a continuous, company-wide process to source our components and raw materials from fewer suppliers, and to obtain parts from suppliers in low-cost countries where possible. Due to a variety of factors, our A&E business has been experiencing, and may continue to experience, supply chain disruptions from an insufficient availability of certain components and raw materials. If we are unable to timely source these components or raw materials, our operations may be disrupted, or we could experience a delay or temporary stoppage in certain of our manufacturing operations. We believe that our supply management and production practices are based on an appropriate balancing of the foreseeable risks and the costs of alternative practices. Nonetheless,

reduced availability or interruption in supplies, whether resulting from significant changes in demand; more stringent regulatory requirements; supplier financial condition; increases in duties and tariff costs; disruptions in transportation; an outbreak of a severe public health pandemic, such as the COVID-19 pandemic; severe weather; and the occurrence or threat of wars, could have an adverse effect on our financial condition, results of operations and cash flows.

***Demand for our products is variable and subject to factors beyond our control, which could result in unanticipated events significantly impacting our results of operations.***

A substantial portion of our sales is concentrated in industries that are cyclical in nature or subject to market conditions which may cause customer demand for our products to be volatile. Reductions in demand by these industries would reduce the sales and profitability of the affected business segments.

- In our Aerospace & Electronics segment, a significant decline in demand for air travel, or a decline in airline profitability generally, could result in reduced orders for aircraft and could also cause airlines to reduce their purchases of repair parts from our businesses. In addition, our Aerospace & Electronics segment could be impacted to the extent that our major aircraft manufacturing customers encounter problems which impact their production rates and, correspondingly, reduce purchases of our products, or if pricing pressure from aircraft customers caused the manufacturers to press their suppliers to lower prices and/or extend payment terms; in addition, demand for military and defense products is dependent upon government spending in certain areas which can vary year to year.
- Our Process Flow Technologies segment is dependent on global economic conditions, customer capital spending and commodity prices. Deterioration in any of these economic factors could result in sales and profits falling below our current outlook.
- In our Engineered Materials segment, sales and profits could be affected by declines in demand for RVs, building materials or truck trailers; results could also be impacted by unforeseen changes in capacity or price increases related to certain raw materials, in particular, resin.

***We compete with other manufacturing businesses for highly qualified employees in the countries in which we operate, and we may not be able to retain our personnel or hire and retain additional personnel needed for us to sustain and grow our business as planned.***

Our business segments and corporate offices are dependent upon highly qualified personnel, and we generally are dependent upon the continued efforts of key management employees. A number of factors may adversely affect the labor force available to us or increase labor costs, including high employment levels, federal unemployment subsidies and other government regulations. We have recently observed an increasingly competitive labor market which has and could continue to result in higher compensation costs. While we believe we have a robust intellectual capital process, we may have difficulty retaining key personnel or locating and hiring additional qualified personnel. The loss of the services of any of such personnel or our failure to attract and retain other qualified and experienced personnel on acceptable terms could impair our ability to successfully sustain and grow our business, which could have an adverse effect on our results of operations and financial condition.

***Our businesses are subject to extensive governmental regulation; failure to comply with those regulations could adversely affect our financial condition, results of operations, cash flows and reputation.***

We are required to comply with various import and export control laws, which may affect transactions with certain customers, particularly in our Aerospace & Electronics and Process Flow Technologies segments, as discussed more fully under "Specific Risks Relating to Our Business Segments." In certain circumstances, export control and economic sanctions, and other trade-related regulations may prohibit the export of certain products, services and technologies, and in other circumstances we may be required to obtain an export license before exporting the controlled item. A failure to comply with these requirements might result in suspension of associated contracts and suspension or debarment from government contracting or subcontracting. For example, compliance with regulations related to the sourcing of conflict-free minerals mined from the democratic Republic of Congo and adjoining countries could limit the pool of suppliers who can provide conflict-free minerals to us, and as a result, may cause us to incur additional expenses and may create challenges for us to obtain conflict-free minerals at competitive prices. In addition, we are subject to the Foreign Corrupt Practices Act, which prohibits U.S. companies and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or retaining business or securing any improper advantage. We are also subject to the anti-bribery laws of other jurisdictions. Failure to comply with any of these and similar regulations could result in civil and criminal liability, monetary and non-monetary penalties, fines, disruptions to our business, limitations on our ability to export products and services, and damage to our reputation.

***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, or a violation of our privacy and security policies with respect to such information, could adversely affect us.***

We are dependent on information technology networks and systems, including the Internet, to process, transmit and store electronic information, and, in the normal course of our business, we collect and retain certain types of personally identifiable and other information pertaining to our customers, stockholders and employees. The legal, regulatory and contractual environment surrounding information security and privacy is constantly evolving and companies that collect and retain such information are under increasing attack by cyber-criminals around the world. A theft, loss, fraudulent use or misuse of customer, vendor, employee or our proprietary data by cybercrime or otherwise, non-compliance with our contractual or other legal obligations regarding such data or a violation of our privacy and security policies with respect to such data could adversely impact our reputation and could result in costs, fines, litigation or regulatory action against us. Security breaches can create system disruptions and shutdowns that could result in disruptions to our operations. We cannot be certain that advances in criminal capabilities, new vulnerabilities or other developments will not compromise or breach the security solutions protecting our information technology, networks and systems. A cyber-attack on our information systems technology or those of our partners, vendors, suppliers could adversely affect our ability to process orders, maintain proper levels of inventory, collect accounts receivable and pay expenses; all of which could have an adverse effect on our results of operations, financial condition and cash flows. Failure to effectively prevent, detect and recover from security breaches, including attacks on information technology and infrastructure by hackers; viruses; breaches due to employee error or actions; or other disruptions could seriously harm our operations as well as the operations of our customers and suppliers. Such serious harm can involve, among other things, misuse of our assets, business disruptions, loss of data, unauthorized access to trade secrets and confidential business information, unauthorized access to personal information, legal claims or proceedings, reporting errors, processing inefficiencies, negative media attention, reputational harm, loss of sales, remediation and increased insurance costs, and interference with regulatory compliance. We have experienced and expect to continue to experience some of these types of cybersecurity threats and incidents, which could be material in the future.

***We conduct a substantial portion of our business outside the U.S. and face risks inherent in non-domestic operations.***

Net sales by destination outside the U.S. were 39.6% of our consolidated amounts in 2023. We expect that non-U.S. sales will continue to account for a significant portion of our revenues for the foreseeable future. In addition, our operations outside the U.S. are subject to the risks associated with conducting business internationally, including, but not limited to:

- economic and political instability, including the risk of geopolitical conflict or territorial incursions, in the countries and regions in which we operate;
- the risks of fluctuations in foreign currency exchange rates, primarily the euro and the British pound, could adversely affect our reported results, primarily in our Process Flow Technologies segment, as amounts earned in other countries are translated into U.S. dollars for reporting purposes; and
- changes in the U.S. government's approach to trade policy, including in some cases renegotiating and terminating certain existing bilateral or multi-lateral trade agreements. The adoption and expansion of trade restrictions, the occurrence of a trade war, or other governmental action related to tariffs or trade agreements or policies has the potential to adversely impact demand for our products, our costs, our customers, our suppliers, and the U.S. economy, which in turn could have a material adverse effect on our business, financial condition, results of operations and cash flows.
- The COVID-19 pandemic had an adverse impact on our operations and financial performance, as well as on the operations and financial performance of many of the customers and suppliers in industries that we serve. Our operations have substantially recovered since the peak of the COVID-19 pandemic and in May 2023, the World Health Organization declared an end to COVID-19 as a public health emergency. However, a resurgence of COVID-19, or other public health emergencies, could result in unpredictable responses by health authorities around the world which could negatively impact our global operations, customers and suppliers. Any future pandemics or public health emergencies could result in disruptions to global supply chains, delays in supplier deliveries, higher raw material prices, delays in deliveries to customers, travel restrictions, site access and quarantine restrictions, and employee absences.

***Our business could be harmed if we are unable to protect our intellectual property.***

We rely on a combination of trade secrets, patents, trademarks, copyrights and confidentiality procedures to protect our products and technology. Existing trade secret, patent, trademark and copyright laws offer only limited protection. Our patents could be invalidated or circumvented. In addition, others may develop substantially equivalent, or superseding

proprietary technology, or competitors may offer equivalent non-infringing products in competition with our products, thereby substantially reducing the value of our proprietary rights. The laws of some foreign countries in which our products are or may be manufactured or sold may not protect our products or intellectual property rights to the same extent as do the laws of the U.S. We cannot assure that the steps we take to protect our intellectual property will be adequate to prevent misappropriation of our technology. We could incur significant and/or unexpected costs in our efforts to successfully avoid, manage, defend and litigate intellectual property matters. Our inability to protect our intellectual property could have an adverse effect on our financial condition, results of operations and cash flows.

***We may be unable to identify or to complete acquisitions, or to successfully integrate the businesses we acquire.***

We have evaluated, and expect to continue to evaluate, a wide array of potential acquisition transactions. Our acquisition program attempts to address the potential risks inherent in assessing the value, strengths, weaknesses, contingent or other liabilities, systems of internal control and profitability of acquisition candidates, as well as other challenges such as retaining the employees and integrating the operations of the businesses we acquire. Integrating acquired operations involves significant risks and uncertainties, including:

- Maintenance of uniform standards, controls, policies and procedures;
- Unplanned expenses associated with the integration efforts;
- Inability to achieve planned facility repositioning savings or related efficiencies from recent and ongoing investments; and
- Unidentified issues not discovered in the due diligence process, including legal contingencies.

There can be no assurance that suitable acquisition opportunities will be available in the future, that we will continue to acquire businesses or that any business acquired will be integrated successfully or prove profitable, which could adversely impact our growth rate. Our ability to achieve our growth goals depends in part upon our ability to identify and successfully acquire, finance and integrate companies and businesses at appropriate prices and realize anticipated cost savings.

***Net periodic pension cost and pension contributions associated with our retirement benefit plans may fluctuate significantly depending upon changes in actuarial assumptions and future market performance of plan assets.***

Total net periodic pension benefit and pension contributions were \$11.2 million and \$18.1 million, respectively in 2023. The costs of our defined benefit pension plans are dependent upon various factors, including rates of return on investment assets, discount rates for future payment obligations, and expected mortality, among other things. In addition, funding requirements for benefit obligations of our pension plans are subject to legislative and other government regulatory actions. Variances in related estimates could have an adverse effect on our financial condition, results of operations and cash flows.

***Our future results of operations and financial condition could be adversely impacted by intangible asset impairment charges.***

As of December 31, 2023, we had goodwill and other intangible assets, net of accumulated amortization, of \$835.6 million, which represented approximately 36% of our total assets. Our goodwill is subject to an impairment test on an annual basis and is also tested whenever events and circumstances indicate that goodwill may be impaired. Any excess goodwill resulting from the impairment test must be written off in the period of determination. Intangible assets (other than goodwill) are generally amortized over the useful life of such assets. In addition, from time to time, we may acquire or make an investment in a business that will require us to record goodwill based on the purchase price and the value of the acquired assets. We may subsequently experience unforeseen issues with such business that adversely affect the anticipated returns of the business or value of the intangible assets and trigger an evaluation of the recoverability of the recorded goodwill and intangible assets for such business. Future determinations of significant write-offs of goodwill or intangible assets as a result of an impairment test or any accelerated amortization of other intangible assets could have an adverse effect on our financial condition and results of operations.

***Our operations expose us to the risk of environmental liabilities, costs, litigation and violations that could adversely affect our financial condition, results of operations, cash flows and reputation.***

Our operations are subject to extensive environmental and health and safety laws and regulations in the jurisdictions in which they operate, which impose limitations on the discharge of pollutants into the ground, air and water and establish standards for the generation, treatment, use, storage and disposal of solid and hazardous wastes. We must also comply with various health and safety regulations in the U.S. and abroad in connection with our operations. The costs of compliance with these regulations results in ongoing costs that may increase over time. Failure to comply with any of these laws could result in civil and criminal liability, substantial monetary and non-monetary penalties and damage to our reputation. In addition, we cannot provide assurance that our costs related to remedial efforts or alleged environmental damage associated with past or current



waste disposal practices or other hazardous materials handling practices will not exceed our estimates or adversely affect our financial condition, results of operations and cash flows.

***We may be unable to improve productivity, reduce costs and align manufacturing capacity with customer demand.***

We are committed to continuous productivity improvement, and we continue to evaluate opportunities to reduce costs, simplify or improve global processes, and increase the reliability of order fulfillment and satisfaction of customer needs. In order to operate more efficiently and control costs, from time to time we execute restructuring activities, which include workforce reductions and facility consolidations.

***We could face potential product liability or warranty claims, we may not accurately estimate costs related to such claims, and we may not have sufficient insurance coverage available to cover such claims.***

Our products are used in a wide variety of commercial applications and certain residential applications, including, in many cases, in severe service or mission critical applications. We face an inherent business risk of exposure to product liability or other claims in the event our products are alleged to be defective or that the use of our products is alleged to have resulted in harm to others or to property. We may in the future incur liability if product liability lawsuits against us are successful. Moreover, any such lawsuits, whether or not successful, could result in adverse publicity to us, which could cause our sales to decline.

In addition, consistent with industry practice, we provide warranties on many of our products, and we may experience costs of warranty or breach of contract claims if our products have defects in manufacture or design or they do not meet contractual specifications. We estimate our future warranty costs based on historical trends and product sales, but we may fail to accurately estimate those costs and thereby fail to establish adequate warranty reserves for them.

While we maintain insurance coverage with respect to certain liability claims, that insurance coverage may not be adequate to cover all claims that may arise, or we may not be able to maintain adequate insurance coverage in the future at an acceptable cost. Any liabilities not covered by insurance or that exceed our established reserves could have an adverse effect on our financial condition, results of operations and cash flows.

***We may be 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.***

Our growth depends, in part, on continued sales of existing products, as well as the successful development and introduction of new products or technologies, which face the uncertainty of customer acceptance and reaction from competitors. Any delay in the development or launch of a new product could result in our not being the first to market, which could compromise our competitive position. Further, the development and introduction of new products may require us to make investments in specialized personnel and capital equipment, increase marketing efforts and reallocate resources away from other uses. We also may need to modify our systems and strategy in light of new products that we develop. If we are unable to develop and introduce new products in a cost-effective manner or otherwise manage effectively the operations related to new products, our financial condition, results of operations and cash flows could be adversely impacted.

***We face significant competition which may adversely impact our financial condition, results of operations, and cash flows in the future.***

While we are a principal competitor in most of our markets, all of our markets are highly competitive. The competitors in many of our business segments can be expected in the future to improve technologies, reduce costs and develop and introduce new products. The ability of our business segments to achieve similar advances will be important to our competitive positions. Competitive pressures, including those discussed above, could cause one or more of our business segments to lose market share or could result in significant price erosion, either of which could have an adverse effect on our financial condition, results of operations and cash flows.

***Fluctuations in interest rates could affect our financial results.***

Our indebtedness bears interest at variable rates that are linked to changing market interest rates. As a result, an increase in market interest rates would increase our interest expense and our debt service obligations. As of December 31, 2023, we had approximately \$249.3 million of indebtedness that bears interest at variable rates. As of December 31, 2023, a hypothetical 1% increase in prevailing interest rates would increase our 2023 interest expense by approximately \$2.5 million.

***Additional tax expense or exposures could affect our financial condition, results of operations and cash flows.***

We are subject to income taxes in the U.S. and various international jurisdictions. Our financial condition, results of operations and cash flow could be affected by changes to tax laws, regulations, accounting principles and judicial rulings, the geographic mix of our earnings, the valuation of our deferred tax assets and liabilities, and the results of audits and examinations of previously filed tax returns. By way of example, the Organization for Economic Co-operation and Development (“OECD”) has been coordinating negotiations among more than 140 countries with the goal of achieving consensus around substantial changes to international tax policies, including the implementation of a minimum global effective tax rate of 15%. While various countries have implemented legislation as of January 1, 2024, and we currently do not expect a resulting material change to our tax liabilities in the near term as additional jurisdictions enact such legislation, we do not expect our effective tax rate and cash tax payments to significantly increase in future years.

***If our internal controls are found to be ineffective, our financial results or our stock price may be adversely affected.***

We believe that we currently have adequate internal control procedures in place for future periods, including processes related to newly acquired businesses; however, increased risk of internal control breakdowns generally exists in any business environment that is decentralized such as ours. In addition, if our internal control over financial reporting is found to be ineffective, investors may lose confidence in the reliability of our financial statements, which may adversely affect our stock price.

**Specific Risks Relating to Our Reportable Segments**

***Aerospace & Electronics***

Our Aerospace & Electronics segment sales are primarily affected by conditions in the commercial aerospace industry, which is cyclical in nature, and by changes in defense spending by the U.S. government.

Commercial aircraft are procured primarily by airlines, and airline capital spending can be affected by a number of factors including credit availability and related cost, current and expected fuel prices, and current and forecast air traffic demand levels. Air traffic levels are affected by a different array of factors including general economic conditions and global corporate travel spending, although other non-economic events can also adversely impact airline traffic, including terrorism or pandemic health concerns, such as the COVID-19 pandemic. Our commercial business is also affected by the market for business jets where demand is typically tied to corporate profitability levels, and the freight markets which are most heavily influenced by general economic conditions. Demand for our commercial aftermarket business is closely tied to total aircraft flight hours. Any decrease in demand for new aircraft or equipment, or use of existing aircraft and equipment, would result in decreased sales of our products and services. In addition, our commercial business could also be impacted to the extent that our major aircraft manufacturing customers encounter problems which impact their production rates and, correspondingly, reduce purchases of our products, or if pricing pressure from aircraft customers caused the manufacturers to press their suppliers to lower prices and/or extend payment terms.

The defense portion of the segment’s business is dependent primarily on U.S. government spending, and to a lesser extent, foreign government spending, on the specific military platforms and programs where our business participates. Any reduction in appropriations for these platforms or programs could impact the performance of our business. Our sales to defense customers are also affected by the level of activity in military flight operations.

We rely on certain subcontractors and suppliers to provide and produce raw materials, integrated components and sub-assemblies. The Aerospace and Defense industry is experiencing continued disruptions due to the lingering impacts of COVID-19 and related global supply chain constraints and labor instability. If one or more of our suppliers or subcontractors continue to experience delivery delays or other performance problems, we may be unable to meet commitments to our customers and our financial position, results of operations and cash flows may continue to be adversely impacted. In some instances, we depend upon a single source of supply. Any service disruption from one of these suppliers, either due to circumstances beyond the supplier’s control, such as geopolitical developments, could have a material adverse effect on our ability to meet commitments to our customers or increase our operating costs.

We are required to comply with various export control laws, which may affect our transactions with certain customers. In certain circumstances, export control and economic sanctions regulations may prohibit the export of certain products, services and technologies, and in other circumstances we may be required to obtain an export license before exporting the controlled item. We are also subject to investigation and audit for compliance with the requirements governing government contracts, including requirements related to procurement integrity, manufacturing practices and quality procedures, export control, employment practices, the accuracy of records and the recording of costs and information security requirements. A failure to comply with these requirements could result in suspension of these contracts, and suspension or debarment from government contracting or subcontracting. Failure to comply with any of these regulations could result in civil and criminal liability, monetary and non-monetary penalties, fines, disruptions to our business, limitations on our ability to export products and services, and damage to our reputation.

Due to the lengthy research and development cycle involved in bringing commercial and military products to market, we cannot accurately predict the demand levels that will exist once a given new product is ready for market. In addition, if we are unable to develop and introduce new products in a cost-effective manner or otherwise effectively manage the introduction of new products and/or programs, our results of operations and financial condition could be adversely impacted. Demand for our products could also be adversely impacted by industry consolidation that could result in greater acceptance of competitors' products.

### ***Process Flow Technologies***

Our Process Flow Technologies segment competes in markets that are fragmented and highly competitive. The business competes against large, well-established global companies, as well as smaller regional and local companies. We compete based on our products' quality, reliability and safety, our brand reputation, value-added technical expertise and customer support and consistent on-time delivery.

Demand for our Process Flow Technologies products is heavily dependent on our customers' level of new capital investment and planned maintenance expenditures. Customer spending typically depends on general economic conditions, availability of credit, and expectations of future demand. Slowing global economic growth and volatility in commodity prices could both contribute to lower levels of customer spending, and project delays or cancellations.

A portion of this segment's business is subject to government contracting rules and regulations. Failure to comply with these requirements could result in suspension or debarment from government contracting or subcontracting, civil and criminal liability, monetary and non-monetary penalties, disruptions to our business, limitations on our ability to export products and services, or damage to our reputation. At our foreign operations, results could also be adversely impacted by a weakening of local currencies against the U.S. dollar. Our Process Flow Technologies business has the greatest exposure to the euro, British pound and Canadian dollar, and lesser exposure to several other currencies.

### ***Engineered Materials***

Our Engineered Materials segment manufactures and sells fiberglass reinforced plastic ("FRP") panels and coils, primarily for use in the manufacturing of RVs, trucks, and trailers, with additional applications in commercial and industrial building construction. Demand in these end markets is dependent on general economic conditions, credit availability, and consumer and corporate spending levels. A decline in demand in any of these end markets, including a significant change in RV industry capacity; a loss of market share to alternative materials such as, for example, non-reinforced plastic, PVC, tile, stainless steel, epoxy paint, wood, and aluminum; or customer pricing pressure would result in lower sales and profits for this business. Profitability could also be adversely affected by an increase in the price of resin or fiberglass if we are unable to pass the incremental costs on to our customers. Additional risks include the loss of a principal supplier.

### **Item 1B. Unresolved Staff Comments**

None

### **Item 1C. Cybersecurity**

#### ***Cybersecurity Risk Management and Strategy***

Our cybersecurity program is staffed by a team of highly skilled cybersecurity professionals, including over 24 dedicated internal cybersecurity resources. Four members of the security team currently have Certified Information Systems Security Professional (CISSP) credentials, many hold one or more Global Information Assurance Certification (GIAC)/The Sans Institute (SANS) cybersecurity certificates, and in total the team has over 70 security and network certifications. Our response team members are in various global locations to ensure 24/7 monitoring and response capabilities and are backed by a 24/7 Managed Security Services Provider (MSSP) who monitors cybersecurity alerts. The program incorporates industry standard frameworks, policies and practices designed to protect the privacy and security of our sensitive information, backed by a suite of best-in-class security technologies and tools to implement and automate security protections for our networks, employees, and customers.

We utilize a risk-based, multi-layered information security approach following the National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF) and the Center for Internet Security (CIS) critical security controls. We have adopted and implemented an approach to identify and mitigate information security risks that we believe is commercially reasonable for manufacturing companies of our size and scope and commensurate with the risks we face. From the completion of the Company's separation from Crane Holdings on April 3, 2023. Since the separation and during the past five years (as Crane Holdings), no attempted cyber-attack or other attempted intrusion on our information technology networks has resulted in a material adverse impact on our operations or financial results, in any penalties or settlements, or in the loss

or exfiltration of Company data. In the event an attack or other intrusion were to be successful, we have a response team of internal and external resources engaged and prepared to respond.

Crane has not experienced a material third-party security breach, but recognizes the inherent cyber risks associated with relying on third-party vendors such as cloud service providers, software vendors, data processors, and IT service providers with access to company information, systems, or processes. Crane is committed to managing these risks responsibly and transparently and has an active process in place to assess and reduce that risk, including performing due diligence on third-party vendors before onboarding and evaluating and assessing their cybersecurity policies, procedures, incident response plans, and relevant certifications (e.g., SOC 2, ISO 27001, etc.). We continuously monitor publicly available information about our third-party vendors for reports of security incidents and fully investigate any reports for impact to Crane systems or information and take appropriate measures to limit the impact to Crane in the event of a third-party security incident.

We educate and share best practices globally with our employees to raise awareness of cybersecurity threats. As part of our program, we maintain annual training for all employees on cybersecurity standards and provide monthly training on how to recognize and properly respond to phishing, social engineering schemes and other cyber threats. We use advanced systems to block and analyze all email for threats, as well as equip our employees with an intuitive mechanism to easily report suspicious emails which are analyzed by our security systems and dedicated incident response team. Monthly “test” phishing emails are sent to our associates. Any failures trigger a retraining exercise if not properly reported and a monthly training vignette on cybersecurity awareness. To round out our robust awareness program, we have specific and regular training for our IT professionals, and we periodically engage independent third parties to test our information security processes and systems as part of our overall enterprise risk management program.

### ***Cybersecurity Governance***

Our approach to cybersecurity begins with our desire to maintain strong governance and controls to effectively manage and reduce security risks. Security begins with our “tone at the top”, where Company leadership consistently communicates the requirements for vigilance and compliance throughout the organization, and then leads by example. The cybersecurity program is led by Crane’s Chief Information Security Officer, who provides periodic updates to the Audit Committee of our Board of Directors, annual updates to the full Board of Directors, and regular reports to the executive management team about the program, including information about cyber risk management governance and the status of ongoing efforts to strengthen cybersecurity effectiveness. The entire Board of Directors ultimately is responsible for overseeing management’s risk assessment and risk management processes designed to monitor and mitigate information security risks, including cyber risks. The Company maintains cyber risk and related insurance policies as a measure of added protection.

## Item 2. Properties

The following is a summary of our principal facilities as of December 31, 2023:

Facilities - Owned										
Location	Aerospace & Electronics		Process Flow Technologies		Engineered Materials		Corporate		Total	
	Number	Area (sq. ft.)	Number	Area (sq. ft.)	Number	Area (sq. ft.)	Number	Area (sq. ft.)	Number	Area (sq. ft.)
<b>Manufacturing</b>										
United States	6	724,240	7	758,573	4	644,333	—	—	17	2,127,146
Europe	—	—	6	753,616	—	—	—	—	6	753,616
Other international	—	—	4	509,925	—	—	—	—	4	509,925
	6	724,240	17	2,022,114	4	644,333	—	—	27	3,390,687
<b>Non-Manufacturing</b>										
United States	—	—	2	98,510	—	—	—	—	2	98,510
Europe	—	—	2	73,780	—	—	—	—	2	73,780
Other international	—	—	—	—	—	—	—	—	—	—
	—	—	4	172,290	—	—	—	—	4	172,290

Facilities - Leased										
Location	Aerospace & Electronics		Process Flow Technologies		Engineered Materials		Corporate		Total	
	Number	Area (sq. ft.)	Number	Area (sq. ft.)	Number	Area (sq. ft.)	Number	Area (sq. ft.)	Number	Area (sq. ft.)
<b>Manufacturing</b>										
United States	—	—	2	97,220	—	—	—	—	2	97,220
Canada	—	—	1	20,572	—	—	—	—	1	20,572
Europe	1	19,418	5	716,757	—	—	—	—	6	736,175
Other international	1	63,653	3	130,485	—	—	—	—	4	194,138
	2	83,071	11	965,034	—	—	—	—	13	1,048,105
<b>Non-Manufacturing</b>										
United States	2	8,348	6	186,765	3	78,950	3	29,228	14	303,291
Canada	—	—	1	11,198	—	—	—	—	1	11,198
Europe	2	1,596	6	49,002	—	—	—	—	8	50,598
Other international	—	—	18	163,146	—	—	—	—	18	163,146
	4	9,944	31	410,111	3	78,950	3	29,228	41	528,233

In our opinion, these properties have been well maintained, are in good operating condition and contain all necessary equipment and facilities for their intended purposes.

**Item 3. Legal Proceedings.**

Discussion of legal matters is incorporated by reference to Part II, Item 8 under Note 13, "Commitments and Contingencies," in the Notes to Consolidated Financial Statements.

**Item 4. Mine Safety Disclosures.**

Not applicable.

## Part II

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

#### Market Information

Crane Company, common stock is traded on the New York Stock Exchange ("NYSE") under the symbol "CR". As of December 31, 2023, there were 1,524 holders of record of Crane Company common stock.

#### Stock Performance Graph

The following graph sets forth the cumulative total stockholder return to Crane Company's stockholders for the period beginning April 3, 2023, the date of the Separation, through December 31, 2023, as well as the corresponding returns on the S&P 500 Index and the S&P 400 MidCap Capital Goods Index.

The graph assumes that the value of the investment in the common stock and each index was \$100 on April 3, 2023, and that all dividends were reinvested.



	4/3/2023	6/30/2023	9/30/2023	12/31/2023
Crane Company	\$ 100.00	\$ 119.62	\$ 119.48	\$ 159.16
S&P 500	100.00	108.34	104.79	117.03
S&P 400 Midcap Capital Goods Index	100.00	114.40	110.02	126.09

#### Purchases of Equity Securities

Neither the Company nor any "affiliated purchaser" repurchased any shares of Company common stock during the year ended December 31, 2023.

#### Equity Compensation Plans

For information regarding equity compensation plans, see Item 12 of this annual report on Form 10-K.

## Item 6. Supplementary Financial Information

(in millions, except per share data) For year ended December 31,	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
<u>2023</u>					
Net sales	\$ 513.8	\$ 509.6	\$ 530.1	\$ 532.9	\$ 2,086.4
Cost of sales	306.9	308.5	326.9	339.1	1,281.4
Gross profit	206.9	201.1	203.2	193.8	805.0
Operating profit	77.5	63.1	76.3	66.9	283.8
Net income from continuing operations attributable to common shareholders	55.9	43.3	55.2	49.4	203.8
Income from discontinued operations, net of tax	49.8	2.3	—	—	52.1
Net income attributable to common shareholders	\$ 105.7	\$ 45.6	\$ 55.2	\$ 49.4	\$ 255.9
Earnings per basic share:					
Earnings per basic share from continuing operations	\$ 0.99	\$ 0.76	\$ 0.97	\$ 0.87	\$ 3.59
Earnings per basic share from discontinuing operations	0.88	0.04	—	—	0.92
Earnings per basic share	\$ 1.87	\$ 0.80	\$ 0.97	\$ 0.87	\$ 4.51
Diluted earnings per share:					
Earnings per diluted share from continuing operations	\$ 0.97	\$ 0.75	\$ 0.96	\$ 0.86	\$ 3.54
Earnings per diluted share from discontinuing operations	0.87	0.04	—	—	0.91
Earnings per diluted share	\$ 1.84	\$ 0.79	\$ 0.96	\$ 0.86	\$ 4.45
<u>2022</u>					
Net sales	\$ 538.8	\$ 530.3	\$ 480.0	\$ 485.9	\$ 2,035.0
Cost of sales	347.1	352.8	310.7	310.8	1,321.4
Gross profit	191.7	177.5	169.3	175.1	713.6
Operating profit (loss)	62.8	43.7	(117.2)	48.6	37.9
Net income (loss) from continuing operations attributable to common shareholders	46.1	206.6	(120.9)	39.8	171.6
Income from discontinued operations, net of tax	58.9	51.6	61.6	57.4	229.5
Net income (loss) attributable to common shareholders	\$ 105.0	\$ 258.2	\$ (59.3)	\$ 97.2	\$ 401.1
Earnings per basic share:					
Earnings (loss) per basic share from continuing operations	\$ 0.81	\$ 3.68	\$ (2.16)	\$ 0.71	\$ 3.04
Earnings per basic share from discontinuing operations	1.03	0.92	1.10	1.02	4.07
Earnings (loss) per basic share	\$ 1.84	\$ 4.60	\$ (1.06)	\$ 1.73	\$ 7.11
Diluted earnings per share:					
Earnings (loss) per diluted share from continuing operations	\$ 0.80	\$ 3.63	\$ (2.16)	\$ 0.70	\$ 3.00
Earnings per diluted share from discontinuing operations	1.01	0.91	1.10	1.01	4.01
Earnings (loss) per diluted share	\$ 1.81	\$ 4.54	\$ (1.06)	\$ 1.71	\$ 7.01



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

The following discussion and analysis of our financial condition and results of operations should be read together with our Consolidated financial statements and related notes included under Item 8 of this Annual Report on Form 10-K.

We are a diversified manufacturer of highly engineered industrial products. Our operations are currently comprised of three segments: Aerospace & Electronics, Process Flow Technologies, and Engineered Materials. Our primary end markets include commercial and military aerospace, defense and space, chemical production, pharmaceutical production, water and wastewater, non-residential and municipal construction, energy, along with a wide range of general industrial and certain consumer related end markets.

Our strategy is to grow earnings and cash flow by focusing on the manufacturing of highly engineered industrial products for specific markets where our scale is a relative advantage, and where we can compete based on our proprietary and differentiated technology, our deep vertical expertise, and our responsiveness to unique and diverse customer needs. We continuously evaluate our portfolio, pursue acquisitions that complement our existing businesses and are accretive to our growth profile, selectively divest businesses where appropriate, and pursue internal mergers to improve efficiency. We strive to foster a performance-based culture focused on productivity and continuous improvement, to attract and retain a committed management team whose interests are directly aligned with those of our shareholders, and to maintain a focused, efficient corporate structure.

We will continue to execute this strategy while remaining committed to the values of our founder, R.T. Crane, who resolved to conduct business "in the strictest honesty and fairness; to avoid all deception and trickery; to deal fairly with both customers and competitors; to be liberal and just toward employees; and to put my whole mind upon the business."

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.

**Recent Transactions***Separation*

On April 3, 2023, Crane Holdings, Co. was separated into two independent, publicly-traded companies in a transaction in which Crane Holdings, Co. retained its Payment & Merchandising Technologies segment (Crane NXT) and spun-off its Aerospace & Electronics, Process Flow Technologies and Engineered Materials segments to Crane Holdings, Co. stockholders (Crane Company). Upon consummation of the Separation, each of its stockholders received one share of Crane Company common stock for every one share of its common stock held on March 23, 2023, the record date for the distribution.

*Acquisitions*

On October 4, 2023, the Company completed the acquisition of Baum lined piping GmbH ("BAUM") for approximately \$93.5 million on a cash-free and debt-free basis, with \$90.5 million paid in 2023 and \$3 million to be paid in 2024, related to the final working capital adjustment. BAUM is a German based company that designs, manufactures, and distributes lined piping products primarily focused on chemical and industrial end markets. BAUM has been integrated into our Process Flow Technologies segment.

On January 2, 2024, the Company completed the acquisition of Vian Enterprises, Inc. ("Vian") for \$103 million on a cash-free and debt-free basis, subject to a net working capital adjustment and potential additional payments of up to \$7.5 million depending on the resolution of outstanding contingencies. Vian is a global designer and manufacturer of multi-stage lubrication pumps and lubrication system components technology for critical aerospace and defense applications with sole-sourced and proprietary content on the highest volume commercial and military aircraft platforms. Vian will be included in the Aerospace & Electronics segment.

**Results from Operations - For the Years ended December 31, 2023, 2022 and 2021**

(in millions, except %)	For the year ended December 31,			2023 vs 2022 Favorable / (Unfavorable) Change		2022 vs 2021 Favorable / (Unfavorable) Change	
	2023	2022	2021	\$	%	\$	%
<b>Net sales:</b>							
Aerospace & Electronics	\$ 789.3	\$ 667.3	\$ 638.3	\$ 122.0	18.3 %	\$ 29.0	4.5 %
Process Flow Technologies	1,072.8	1,109.4	1,196.6	(36.6)	(3.3)%	(87.2)	(7.3)%
Engineered Materials	224.3	258.3	228.0	(34.0)	(13.2)%	30.3	13.3 %
<b>Total net sales</b>	<b>\$2,086.4</b>	<b>\$ 2,035.0</b>	<b>\$ 2,062.9</b>	<b>\$ 51.4</b>	<b>2.5 %</b>	<b>\$ (27.9)</b>	<b>(1.4)%</b>
<b>Sales growth:</b>							
Core business				\$ 141.3	6.9 %	\$ 159.5	7.7 %
Foreign exchange				0.5	— %	(48.3)	(2.3)%
Acquisitions/dispositions				(90.4)	(4.4)%	(139.1)	(6.7)%
<b>Total sales growth</b>				<b>\$ 51.4</b>	<b>2.5 %</b>	<b>\$ (27.9)</b>	<b>(1.4)%</b>
<b>Cost of sales</b>	<b>\$1,281.4</b>	<b>\$ 1,321.4</b>	<b>\$ 1,374.1</b>	<b>\$ 40.0</b>	<b>3.0 %</b>	<b>\$ 52.7</b>	<b>3.8 %</b>
Selling, general and administrative	\$ 521.2	\$ 513.3	\$ 467.1	\$ (7.9)	(1.5)%	\$ (46.2)	(9.9)%
Loss on divestiture of asbestos-related assets and liabilities	\$ —	162.4	—	\$ 162.4	NM	(162.4)	NM
<b>Operating profit:</b>							
Aerospace & Electronics	\$ 159.0	\$ 120.3	\$ 110.0	\$ 38.7	32.2 %	\$ 10.3	9.4 %
Process Flow Technologies	208.5	168.2	182.5	40.3	24.0 %	(14.3)	(7.8)%
Engineered Materials	33.4	32.6	26.9	0.8	2.5 %	5.7	21.2 %
Corporate expense <sup>(a) (b)</sup>	(117.1)	(283.2)	(97.7)	166.1	58.7 %	(185.5)	(189.9)%
<b>Total operating profit</b>	<b>\$ 283.8</b>	<b>\$ 37.9</b>	<b>\$ 221.7</b>	<b>\$ 245.9</b>	<b>648.8 %</b>	<b>\$ (183.8)</b>	<b>(82.9)%</b>
<b>Operating margin:</b>							
Aerospace & Electronics	20.1 %	18.0 %	17.2 %				
Process Flow Technologies	19.4 %	15.2 %	15.2 %				
Engineered Materials	14.9 %	12.6 %	11.8 %				
<b>Total operating margin</b>	<b>13.6 %</b>	<b>1.9 %</b>	<b>10.7 %</b>				

<sup>(a)</sup> For the years ended December 31, 2023, 2022 and 2021, Corporate expense included transaction related expenses of \$41.5 million, \$40.5 million and \$8.2 million, respectively.

<sup>(b)</sup> For the year ended December 31, 2022, Corporate expense included a \$162.4 million loss on the divestiture of asbestos-related assets and liabilities.

**Items Affecting Comparability of Reported Results**

The comparability of our results for the years ended December 31, 2023, 2022 and 2021 is affected by the following significant items:

*Divestiture of asbestos-related assets and liabilities*

In 2022, we recognized a loss on the divestiture of asbestos-related assets and liabilities of \$162.4 million. Please refer to item 8 under Note 13, "Commitments and Contingencies" in the Notes to Consolidated Financial Statements for further discussion.

*Sale of Crane Supply*

On May 31, 2022, the Company divested its Crane Supply business. In connection with the divestiture, the Company recognized a total gain on sale of \$232.5 million which is presented within Gain on sale of business on the Consolidated Statement of Operations.

*Termination of Agreement to Sell Engineered Materials*

In 2021, we entered into an agreement to sell the Engineered Materials segment to Grupo Verzatec S.A. de C.V. ("Verzatec"). In 2022, Verzatec terminated the sale agreement and paid \$7.5 million to the Company in termination fees, which is presented within Miscellaneous income, net on the Consolidated Statements of Operations.

*Restructuring and Related (Gains) Charges, net*

In 2022, we recorded net pre-tax restructuring and related charges of \$8.7 million primarily related to modest cost reduction efforts across our businesses in response to continued macroeconomic uncertainty. In 2021, we recorded total pre-tax restructuring and related gains of \$5.9 million primarily related to a gain on the sale of real estate. There were no new restructuring programs in 2023.

*Transaction Related Expenses*

In 2023, we recorded pre-tax transaction related expenses of \$39.6 million primarily related to the separation.

In 2022, we recorded pre-tax transaction related expenses of \$48.3 million most of which related to the planned separation, coupled with expenses associated with defending the asbestos liability and to a lesser extent, divestiture costs related to the intended sale of Engineered Materials and the completed sale of Crane Supply.

During 2021, we recorded pre-tax transaction related expenses of \$8.2 million related to the previously proposed divestiture of Engineered Materials and other professional fees.

**OVERALL****2023 compared with 2022**

Sales increased by \$51.4 million, or 2.5%, to \$2,086.4 million in 2023. The year-over-year higher sales included:

- an increase in core sales of \$141.3 million, or 6.9%, which was driven primarily by higher pricing;
- an increase in sales related to the October 2023 acquisition of BAUM of \$15.4 million, or 0.8%;
- favorable foreign currency translation of \$0.5 million, and
- a decrease in sales related to the May 2022 divestiture Crane Supply of \$105.8, or 5.2%.

Cost of sales decreased by \$40.0 million, or 3.0%, to \$1,281.4 million in 2023. The decrease is primarily related to the sale of Crane Supply of \$66.1 million, or 5.0%, strong productivity gains of \$37.6 million, or 2.8%, lower volumes of \$9.9 million, or 0.7%, partially offset by an increase in material, labor and other manufacturing costs of \$52.7 million, or 4.0%, and unfavorable mix of \$24.0 million, or 1.8%.

Selling, general and administrative expenses increased by \$7.9 million, or 1.5%, to \$521.2 million in 2023, reflecting an \$18.6 million, or 3.6%, increase in administrative expenses primarily related to the Separation, partially offset by the net impact of the sale of Crane Supply \$11.2 million, or 2.2%.

Operating profit increased by \$245.9 million, or 648.8%, to \$283.8 million in 2023. The increase is primarily related to the absence of loss on divestiture of asbestos-related assets and liabilities of \$162.4 million, an increase in core sales primarily

driven by higher pricing net of inflation of \$63.3 million, strong productivity of \$41.8 million, partially offset by unfavorable mix of \$24.0 million.

### **2022 compared with 2021**

Sales decreased by \$27.9 million, or 1.4%, to \$2,035.0 million in 2022. The year-over-year lower sales included:

- an increase in core sales of \$159.5 million, or 7.7%;
- unfavorable foreign currency translation of \$48.3 million, or 2.3%, and
- a decrease in sales related to the sale of Crane Supply of \$139.1 million, or 6.7%.

Cost of sales decreased by \$52.7 million, or 3.8%, to \$1,321.4 million in 2022. The decrease is primarily related to the impact of the sale of Crane Supply of \$102.4 million, or 7.5%, favorable foreign currency translation of \$30.5 million, or 2.2%, lower volumes of \$9.1 million, or 0.7%, and strong productivity of \$33.1 million, or 2.4%, partially offset by an increase in material, labor and other manufacturing costs of \$109.6 million, or 8.0%, and unfavorable mix of \$20.2 million, or 1.5%.

Selling general and administrative expenses increased by \$46.2 million, or 9.9%, to \$513.3 million in 2022. The increase was driven primarily by increased costs of \$65.3 million, or 14.0%, including transaction related expenses of \$40.1 million, or 8.6%, primarily related to sale of Crane Supply, asbestos divestiture and the planned Separation, increased net restructuring costs of \$12.7 million, or 2.7%, partially offset by favorable foreign currency translation of \$10.5 million, or 2.2%, the impact of the sale of Crane Supply of \$16.5 million, or 3.5%, and strong productivity of \$4.7 million, or 1%.

Operating profit decreased by \$183.8 million, or 82.9%, to \$37.9 million in 2022. The decrease in operating profit is primarily related to the loss on divestiture of asbestos-related assets and liabilities of \$162.4 million, coupled with the divested operating profit of \$20.2 million related to the sale of Crane Supply. Operating segment performance was strong across the Company, with pricing actions and strong productivity more than offsetting higher material, labor and other manufacturing costs. Operating profit in 2022 included net restructuring and related charges of \$8.7 million and transaction related expenses of \$48.3 million. Operating profit in 2021 included net restructuring and related gains of \$5.9 million and transaction related expenses of \$8.2 million.

### **Comprehensive income**

(in millions) For the year ended December 31,	2023	2022	2021
Net income before allocation to noncontrolling interests	\$ 255.9	\$ 401.1	\$ 435.4
Other comprehensive income (loss), net of tax			
Currency translation adjustment	20.7	(93.3)	(69.2)
Changes in pension and postretirement plan assets and benefit obligation, net of tax	10.0	30.0	96.0
Other comprehensive income (loss), net of tax	30.7	(63.3)	26.8
Comprehensive income before allocation to noncontrolling interests	286.6	337.8	462.2
Less: Noncontrolling interests in comprehensive income (loss)	(0.1)	(0.2)	0.6
Comprehensive income attributable to common shareholders	\$ 286.7	\$ 338.0	\$ 461.6

For the year ended December 31, 2023, comprehensive income before allocation to noncontrolling interests was \$286.6 million compared to \$337.8 million in 2022. The \$51.2 million decrease was primarily driven by \$145.2 million of lower net income before allocation to noncontrolling interests which reflects the 2022 gain on sale of Crane Supply of \$232.5 million, a \$20.0 million decrease primarily related to changes in pension discount rates and a \$114.0 million favorable impact of foreign currency translation adjustments, primarily related to the British pound and euro.

For the year ended December 31, 2022, comprehensive income before allocation to noncontrolling interests was \$337.8 million compared to \$462.2 million in 2021. The \$124.4 million decrease was primarily driven by \$34.3 million of lower net income before allocation to noncontrolling interests, a \$66.0 million decrease primarily related to changes in pension discount rates and a \$24.1 million unfavorable impact of foreign currency translation adjustments, primarily related to the British pound and euro.

**AEROSPACE & ELECTRONICS**

(in millions, except %) For the year ended December 31,	2023	2022	2021
Net sales by product line:			
Commercial Original Equipment	\$ 291.4	\$ 250.5	\$ 229.4
Military Original Equipment	252.4	231.2	239.7
Commercial Aftermarket Products	180.2	129.3	104.5
Military Aftermarket Products	65.3	56.3	64.7
Total net sales	\$ 789.3	\$ 667.3	\$ 638.3
Cost of sales	\$ 495.2	\$ 417.7	\$ 399.6
Selling, general and administrative	\$ 135.1	\$ 129.3	\$ 128.7
Operating profit	\$ 159.0	\$ 120.3	\$ 110.0
Assets	\$ 744.6	\$ 663.3	\$ 604.7
Backlog	\$ 700.9	\$ 613.1	\$ 459.8
Operating margin	20.1 %	18.0 %	17.2 %

**2023 compared to 2022**

Aerospace & Electronics sales increased \$122.0 million, or 18.3%, to \$789.3 million in 2023 primarily due to higher volumes and strong pricing. The commercial market and military market accounted for 60% and 40%, respectively, of total segment sales in 2023. Sales to OEM and aftermarket customers in 2023 were 69% and 31% of total segment sales, respectively.

- Sales of Commercial Original Equipment increased by \$40.9 million, or 16.3%, to \$291.4 million in 2023, reflecting strong demand from aircraft manufacturers as the industry aircraft build rates continue to recover from the COVID-19 related slowdown, partially offset by component availability constraints.
- Sales of Military Original Equipment increased by \$21.2 million, or 9.2%, to \$252.4 million in 2023, primarily reflecting strong demand from defense customers.
- Sales of Commercial Aftermarket Products increased by \$50.9 million, or 39.4%, to \$180.2 million in 2023, reflecting continued strong demand from the airlines due to improving air traffic and inventory restocking.
- Sales of Military Aftermarket Products increased by \$9.0 million, or 16.0%, to \$65.3 million in 2023, reflecting stronger demand from military customers.

Cost of sales increased \$77.5 million, or 18.6%, to \$495.2 million in 2023 compared to 2022, primarily reflecting \$48.7 million, or 11.7%, of increased material, labor and other manufacturing costs, increased volumes of \$29.3 million, or 7.0%, unfavorable mix of \$10.1 million, or 2.4%, partially offset by \$ 11.1 million, or 2.7% of productivity gains.

Selling, general and administrative expense increased by \$5.8 million, or 4.5%, to \$135.1 million in 2023, primarily reflecting higher engineering, administrative and selling costs of \$12.9 million, or 10.0%, partially offset by restructuring savings of \$5.1 million, or 4.0%, and productivity gains of \$1.9 million, or 1.5%.

Operating profit increased \$38.7 million, or 32.2%, to \$159.0 million in 2023 compared to 2022, primarily reflecting the impact from higher volumes of \$25.4 million, or 21.1%, coupled with higher pricing net of inflation, productivity gains and restructuring savings of \$23.2 million, or 19.3%, partially offset by unfavorable mix of \$10.1 million, or 8.4%.

**2022 compared to 2021**

Aerospace & Electronics sales increased \$29.0 million, or 4.5%, to \$667.3 million in 2022. Price was the primary contribution to the growth for the year. The commercial market and military market accounted for 57% and 43%, respectively, of total segment sales in 2022. Sales to OEM and aftermarket customers in 2022 were 72% and 28% of total segment sales, respectively.

- Sales of Commercial Original Equipment increased by \$21.1 million, or 9.2%, to \$250.5 million in 2022, reflecting strong demand from aircraft manufacturers as the industry aircraft build rates continue to recover from the COVID-19 related slowdown, partially offset by material availability constraints.
- Sales of Military Original Equipment decreased by \$8.5 million, or 3.5%, to \$231.2 million in 2022, primarily reflecting lower shipments due to order timing and material availability constraints.

- Sales of Commercial Aftermarket increased by \$24.8 million, or 23.7%, to \$129.3 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, along with higher pricing.
- Sales of Military Aftermarket decreased by \$8.4 million, or 13.0%, to \$56.3 million in 2022, primarily reflecting timing of government orders for certain programs and material availability constraints.

Cost of sales increased \$18.1 million, or 4.5%, to \$417.7 million in 2022 compared to 2021, primarily reflecting \$29.5 million, or 7.4%, of increased material, labor and other manufacturing costs supporting the higher sales, partially offset by \$14.3 million, or 3.6%, of productivity gains.

Selling, general and administrative expense increased by \$0.6 million, or 0.5%, to \$129.3 million in 2022, as higher selling and engineering costs were offset by lower administrative costs.

Operating profit increased \$10.3 million, or 9.4%, to \$120.3 million in 2022 compared to 2021, primarily due to productivity gains of \$16.0 million, or 14.5%, partially offset by increased material, labor and other costs of \$2.4 million, or 2.2%, and unfavorable mix of \$2.1 million, or 1.9%.

**Process Flow Technologies**

(in millions, except %) For the year ended December 31,	2023	2022	2021
Net sales by product line:			
Process Valves and Related Products	\$ 811.3	\$ 749.8	\$ 717.1
Commercial Valves	116.4	232.2	374.2
Pumps and Systems	145.1	127.4	105.3
Total net sales	\$ 1,072.8	\$ 1,109.4	\$ 1,196.6
Cost of sales	\$ 615.9	\$ 697.8	\$ 791.5
Selling, general and administrative <sup>(a)</sup>	\$ 248.4	\$ 243.4	\$ 222.6
Operating profit	\$ 208.5	\$ 168.2	\$ 182.5
Assets	\$ 1,164.5	\$ 1,064.7	\$ 1,240.4
Backlog	\$ 379.0	\$ 368.8	\$ 357.9
Operating margin	19.4 %	15.2 %	15.2 %

(a) Selling, general and administrative expense includes net restructuring charges of \$0.9 million, \$2.3 million and net restructuring gain of \$13.2 million in 2023, 2022 and 2021, respectively.

**2023 compared to 2022**

Sales decreased by \$36.6 million, or 3.3%, to \$1,072.8 million in 2023, driven by the impact of the sale of Crane Supply of \$105.8 million, or 9.5%, partially offset by the impact of the BAUM acquisition of \$15.4 million or 1.4%, and higher core sales of \$54.1 million, or 4.9%. Core sales growth was driven by higher pricing.

- Sales of Process Valves and Related Products increased by \$61.5 million, or 8.2%, to \$811.3 million in 2023. The increase reflected higher core sales of \$46.0 million, or 6.1%, driven by higher pricing and the impact of the BAUM acquisition of \$15.4 million, or 2.1%.
- Sales of Commercial Valves decreased by \$115.8 million, or 49.9%, to \$116.4 million in 2023, primarily driven by the impact of the divestiture of Crane Supply of \$105.8 million, or 45.6%, and lower core sales of \$10.1 million, or 4.3%, primarily as a result of lower sales in the Middle East.
- Sales of Pumps and Systems increased by \$17.7 million, or 13.9%, to \$145.1 million in 2023, reflecting an increase in core sales primarily driven by higher pricing and higher volumes across all key end markets.

Cost of sales decreased by \$81.9 million, or 11.7%, to \$615.9 million, primarily related to the net impacts of the sale of Crane Supply and the BAUM acquisition of \$66.1 million or 9.5%, productivity gains of \$23.6 million, or 3.4%, lower volumes of \$13.3 million, or 1.9%, offset by unfavorable mix of 17.3 million, or 2.5%, and modestly higher material, labor and other manufacturing costs of \$7.3 million, or 1.0%.

Selling, general and administrative expense increased by \$5.0 million, or 2.0%, to \$248.4 million primarily related to higher administrative costs net of productivity savings, offset by the sale of Crane Supply.

Operating profit increased by \$40.3 million, or 24.0%, to \$208.5 million in 2023. The increase was primarily due to higher pricing net of inflation and productivity of \$74.0 million, or 44.0%, partially offset by unfavorable mix of \$17.3 million, or 10.3%, and the net impact from the sale of Crane Supply of \$13.8 million, or 8.2%.

**2022 compared to 2021**

Sales decreased by \$87.2 million, or 7.3%, to \$1,109.4 million in 2022, driven by lost sales associated with the divestiture of Crane Supply of \$139.1 million, or 11.6%, and unfavorable foreign currency translation of \$46.6 million, or 3.9%, partially offset by higher core sales of \$98.3 million, or 8.2%. Core sales growth was driven primarily by higher pricing, with modestly higher volumes.

- Sales of Process Valves and Related Products increased by \$32.7 million, or 4.6%, to \$749.8 million in 2022. The increase reflected higher core sales of \$63.6 million, or 8.9%, driven by higher pricing, offset by unfavorable foreign currency translation of \$31.1 million, or 4.3%, as the euro weakened against the U.S. dollar. Demand remained strong across Chemical, Pharmaceutical and General Industrial end markets.
- Sales of Commercial Valves decreased by \$142.0 million, or 37.9%, to \$232.2 million in 2022, primarily driven by lost sales associated with the divestiture of Crane Supply of \$139.1 million, or 37.2%, and unfavorable foreign currency translation of \$15.1 million, or 4.0%, as the British pound weakened against the U.S. dollar, partially offset by an

increase in core sales of \$12.2 million, or 3.3%. The higher core sales reflected higher demand in Canadian non-residential construction markets.

- Sales of Pumps and Systems increased by \$22.1 million, or 21.0%, to \$127.4 million in 2022, primarily driven by higher sales to municipal customers and non-residential construction end markets.

Cost of sales decreased by \$93.7 million, or 11.8%, to \$697.8 million, primarily related to \$102.4 million of divested cost related to the sale of Crane Supply, or 12.9%, favorable foreign currency of \$30.0 million, or 3.8%, and productivity gains of \$17.1 million, or 2.2%, partially offset by a \$45.3 million, or 5.7%, increase in material, labor and other manufacturing costs and unfavorable mix of \$16.1 million, or 2.0%.

Selling, general and administrative expense increased by \$20.8 million, or 9.3%, to \$243.4 million primarily reflecting higher administrative and selling costs of \$36.1 million, or 16.2%, and lower net restructuring gains of \$15.5 million, or 7.0%, partially offset by favorable currency translation of \$10.6 million, or 4.8%, and the divested cost related to the sale of Crane Supply of \$16.5 million, or 7.4%.

Operating profit decreased by \$14.3 million, or 7.8%, to \$168.2 million in 2022. The decrease was primarily due to divested operating profit of \$20.2 million related to the sale of Crane Supply, or 11.1%, and lower net restructuring gains of \$15.5 million, or 8.5%, partially offset by productivity gains of \$20.1 million, or 11.0%.



**Engineered Materials**

(in millions, except %) For the year ended December 31,	2023	2022	2021
Net sales by product line:			
FRP - Recreational Vehicles	\$ 73.0	\$ 111.9	\$ 102.5
FRP - Building Products	117.0	112.5	94.9
FRP - Transportation	34.3	33.9	30.6
Total net sales	\$ 224.3	\$ 258.3	\$ 228.0
Cost of sales	\$ 170.5	\$ 206.2	\$ 181.3
Selling, general and administrative <sup>(a)</sup>	\$ 20.4	\$ 19.5	\$ 19.8
Operating profit	\$ 33.4	\$ 32.6	\$ 26.9
Assets	\$ 191.8	\$ 218.6	\$ 220.5
Backlog	\$ 11.3	\$ 16.2	\$ 20.1
Operating margin	14.9 %	12.6 %	11.8 %

(a) Selling, general and administrative expense includes net restructuring gain of \$0.3 million, restructuring charges of \$0.4 million and \$0.0 million in 2023, 2022 and 2021, respectively.

**2023 compared to 2022**

Sales decreased by \$34.0 million, or 13.2%, to \$224.3 million in 2023 reflecting lower core sales of \$34.0 million, or 13.2%, primarily due to lower volumes, partially offset by higher pricing. The decrease was primarily driven by lower sales to recreational vehicle manufacturers.

Cost of sales decreased by \$35.7 million, or 17.3%, to \$170.5 million, primarily related to lower volumes of \$25.8 million, or 12.5%, and cost savings, favorable mix and productivity gains of \$9.8 million, or 4.7%.

Operating profit increased by \$0.8 million, or 2.5%, to \$33.4 million in 2023, primarily reflecting higher pricing net of inflation, productivity gains and favorable mix, offset by lower volumes.

**2022 compared to 2021**

Sales increased by \$30.3 million, or 13.3%, to \$258.3 million in 2022 with higher pricing more than offsetting a decline in volume, primarily related to softening end market demand in the RV industry. The increase reflected higher sales to building products customers and recreational vehicle manufacturers.

Cost of sales increased by \$24.9 million, or 13.7%, to \$206.2 million, primarily related to an increase in material, labor and other manufacturing costs of \$36.7 million, or 20.2%, offset by the impact of the lower volumes of \$12.2 million, or 6.7%.

Selling, general and administrative expense decreased by \$0.3 million, or 1.5%, to \$19.5 million primarily reflecting lower selling costs.

Operating profit increased by \$5.7 million, or 21.2%, to \$32.6 million in 2022, primarily reflecting higher pricing net of inflation, and productivity gains, of \$16.8 million, or 62.5%, partially offset by the impact of the lower volumes of \$11.1 million, or 41.3%.

**CORPORATE**

(in millions) For the year ended December 31,	2023	2022	2021
Corporate expense	\$ (117.1)	\$ (120.8)	\$ (97.7)
Loss on divestiture of asbestos-related assets and liabilities	—	(162.4)	—
Total Corporate expense	\$ (117.1)	\$ (283.2)	\$ (97.7)

Total Corporate expense decreased by \$166.1 million, or 58.7%, in 2023, primarily related to the absence of the loss on divestiture of asbestos related assets and liabilities of \$162.4 million, or 57.3%.

Total Corporate expense increased by \$185.5 million, or 189.9%, in 2022, primarily related to the loss on divestiture of asbestos related assets and liabilities of \$162.4 million, or 166.2%, and higher transaction related expenses of \$32.5 million, or 33.3%, partially offset by slightly lower compensation and benefit costs.

### INTEREST AND MISCELLANEOUS INCOME, NET

(in millions) For the year ended December 31,	2023	2022	2021
Interest income	\$ 5.1	\$ 3.2	\$ 1.3
Interest expense	\$ (22.7)	\$ (10.1)	\$ (4.9)
Gain on sale of business	\$ —	\$ 232.5	\$ —
Miscellaneous income, net	\$ 0.8	\$ 7.9	\$ 15.6

#### 2023 compared to 2022

Interest expense increased by \$12.6 million, or 124.7%, primarily due to interest on the \$300 million, 3-year term loan facility. Miscellaneous income, net, decreased \$7.1 million, or 89.9%, primarily reflecting the absence of the 2022 \$7.5 million termination fee paid to the Company related to the termination of agreement to sell the Engineered Materials segment.

#### 2022 compared to 2021

Interest expense increased \$5.2 million, or 106.1%, primarily due to interest on the 364-day credit facility that was entered into on August 11, 2022. The \$232.5 million gain on sale of business relates to the divestiture of Crane Supply. Miscellaneous income, net, decreased \$7.7 million, or 49.4%, primarily reflecting the absence of the 2021 \$18.5 million gain on sale of property, offset by the \$7.5 million termination fee paid to the Company in 2022 related to the termination of agreement to sell the Engineered Materials segment.

### INCOME TAX

(in millions, except %) For the year ended December 31,	2023	2022	2021
Income before tax — U.S.	\$ 155.4	\$ (82.2)	\$ 201.1
Income before tax — non-U.S.	111.6	353.6	32.6
Income before tax — worldwide	\$ 267.0	\$ 271.4	\$ 233.7
Provision for income taxes	\$ 63.2	\$ 99.8	\$ 36.3
Effective tax rate	23.7 %	36.7 %	15.6 %

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, and examinations initiated by tax authorities around the world. See "Application of Critical Accounting Policies" included later in this Item 7 for additional information about our provision for income taxes. A reconciliation of the statutory U.S. federal tax rate to our effective tax rate is set forth under Note 10, "Income Taxes" in the Notes to Consolidated Financial Statements.

**LIQUIDITY AND CAPITAL RESOURCES**

(in millions) For the year ended December 31,	2023	2022	2021
Net cash provided by (used for):			
Operating activities from continuing operations	\$ 193.6	\$ (472.2)	\$ 185.1
Investing activities from continuing operations	(132.5)	285.3	18.2
Financing activities	(423.2)	106.0	(557.9)
Discontinued operations	30.5	299.3	294.9
Effect of exchange rates on cash and cash equivalents	3.6	(39.4)	(12.7)
(Decrease) increase in cash and cash equivalents	\$ (328.0)	\$ 179.0	\$ (72.4)

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 and borrowing capacity 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 expected pension contributions.

In March 2023, we entered into a senior secured credit agreement which provides for a \$500 million, 5-year revolving credit facility through March 2028 and a \$300 million, 3-year term loan facility through March 2026. In October 2023, we exercised a portion of the accordion feature under the revolving credit facility to increase the available borrowing capacity from \$500 million to \$800 million. In October 2023, we borrowed \$100 million under the revolving credit facility and used approximately \$91 million of the proceeds to acquire Baum lined piping GmbH. In November 2023, we repaid the \$100 million of the outstanding borrowings under the revolving credit facility. At December 31, 2023, there was \$249 million outstanding under the term loan facility.

On January 2, 2024, we borrowed \$100 million under the revolving credit facility to fund the Vian acquisition.

***Operating Activities***

Cash provided by operating activities from continuing operations, a key source of our liquidity, was \$193.6 million in 2023, compared to cash used for operating activities from continuing operations of \$472.2 million in 2022. The increase in cash provided by operating activities from continuing operations was primarily driven by the absence of a \$550.0 million payment made in 2022 in connection with the divestiture of all asbestos-related assets and liabilities and, to a lesser extent, the \$111.2 million increase in net income, adjusted for the exclusion of non-cash items.

Cash used for operating activities from continuing operations was \$472.2 million in 2022, compared to cash provided by operating activities from continuing operations of \$185.1 million in 2021. The increase in cash used for operating activities from continuing operations was primarily driven by the \$550.0 million payment in 2022 related to the divestiture of the asbestos-related assets and liabilities, together with increased working capital investments supporting higher levels of demand across most businesses.

***Investing Activities***

Cash flows relating to investing activities from continuing operations consist primarily of cash used for capital expenditures, acquisitions of businesses and cash provided by divestitures of businesses or assets. Cash used for investing activities from continuing operations was \$132.5 million in 2023, compared to cash provided by investing activities from continuing operations of \$285.3 million in 2022. The increase in cash used for investing activities is primarily related to the absence of \$318.1 million in proceeds from the sale of Crane Supply in 2022, the acquisition of BAUM for \$90.5 million and higher capital expenditures of \$5.6 million. Capital expenditures are made primarily for increasing capacity, replacing equipment, supporting new product development, and improving information systems.

Cash provided by investing activities from continuing operations was \$285.3 million in 2022, compared to \$18.2 million in 2021. The increase in cash provided by investing activities from continuing operations was primarily related to \$318.1 million of proceeds related to the divestiture of Crane Supply.

**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 proceeds from the issuance of common stock. During the year 2023, financing cash flows also includes activities associated with the distribution of Crane NXT, Co. in support of the Separation. Cash used by financing activities was \$423.2 million in 2023, compared to cash provided by financing activities of \$106.0 million in 2022. Cash used for financing activities in 2023 was driven by:

- \$578.1 million of distribution cash outflows, which was comprised of the \$275 million dividend to Crane NXT, Co. and \$303.1 million in cash balances at the Crane NXT businesses at time of Separation;
- \$400.0 million repayment of the 364-Day Credit Agreement; and
- \$50.6 million in prepayments on the 3-year term loan facility.

The above uses were primarily funded by \$650 million in proceeds from the term loan facilities, comprised of a \$350 million term loan issued to Crane NXT, Co. (discontinued operations) and the \$300 million term loan issued to Crane Company.

Cash provided by financing activities was \$106.0 million in 2022, compared to cash used for financing activities of \$557.9 million in 2021. The increase in cash provided by financing activities was primarily driven by \$399.4 million in net borrowings from the 2022 364-Day Credit Agreement, compared to a \$348.1 million repayment of the outstanding amount under the 364-Day Credit Agreement in 2021. This was partially offset by an \$107.4 million increase in share repurchases.

**Financing Arrangements**

Total net debt was \$248.5 million and \$399.6 million as of December 31, 2023 and 2022, respectively.

As of December 31, 2023, our total debt to total capitalization ratio was 15.4%, computed as follows:

(in millions)	
Short-term borrowings	\$ —
Long-term debt	\$ 248.5
Total debt	\$ 248.5
Equity	1,360.3
Capitalization	\$ 1,608.8
Total indebtedness to capitalization	15.4 %

See Item 8 under Note 14, "Financing," in the Notes to Consolidated Financial Statements for details regarding our financing arrangements.

**Credit Ratings**

As of December 31, 2023, we have not sought a rating from the credit agencies, and we have no immediate plans to do so. Although the Company is currently unrated, we believe that we have adequate access to capital through the bank market and our current Revolving Credit Facility.

**Contractual Obligations**

Under various agreements, we are obligated to make future cash payments in fixed amounts. These include payments under our short-term and long-term debt agreements and rent payments required under operating lease agreements. The following table summarizes our fixed cash obligations as of December 31, 2023:

(in millions)	Payment due by Period				
	Total	2024	2025 -2026	2027 -2028	2029 and after
Debt <sup>(a)</sup>	\$ 249.4	\$ —	\$ 249.4	\$ —	\$ —
Operating lease payments	81.2	14.9	24.6	17.7	24.0
Purchase obligations	272.1	252.0	19.7	0.2	0.2
Pension and postretirement benefits <sup>(b)</sup>	515.1	50.3	103.2	106.9	254.7
Other long-term liabilities reflected on Consolidated Balance Sheets <sup>(c)</sup>	—	—	—	—	—
<b>Total</b>	<b>\$ 1,117.8</b>	<b>\$ 317.2</b>	<b>\$ 396.9</b>	<b>\$ 124.8</b>	<b>\$ 278.9</b>

(a) Debt includes scheduled principal payments.

(b) Pension benefits are primarily funded by the respective pension trusts. Pension benefits are included through 2033.

(c) As the timing of future cash outflows is uncertain, the following long-term liabilities (and related balances) are excluded from the above table: long-term environmental liability of \$12.9 million, gross unrecognized tax benefits of \$7.9 million and related gross interest and penalties of \$2.2 million.

## 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.

For 2024, we expect a total year-over-year sales increase of approximately 7% to 9%, driven by approximately 3% to 5% core growth, and approximately 4% sales contribution from the Baum lined piping GmbH and the Vian Enterprises, Inc. acquisitions. We expect an improvement in operating profit driven primarily by lower transaction related expenses, productivity benefits, higher pricing net of inflation, operating leverages on higher volumes and contributions from the BAUM and Vian acquisitions, partially offset by unfavorable mix.

### ***Aerospace & Electronics***

In 2024, we expect Aerospace & Electronics core sales to increase in the mid-teens range compared to 2023, driven by approximately 10% core sales and a 4% to 5% contribution from the Vian Enterprises, Inc. acquisition. 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. We expect our defense OEM sales to be approximately flat, but the defense aftermarket businesses are expected to grow significantly given continued global geopolitical uncertainty which is driving increased demand to replace legacy product sales. We expect segment operating profit and operating margin to increase compared to 2023 driven primarily by the impact of operating leverage on higher volumes and productivity benefits.

### ***Process Flow Technologies***

In 2024, we expect Process Flow Technologies sales to increase approximately 4% to 5% driven by contribution from the Baum lined piping GmbH acquisition, with core sales approximately flat.

We expect Process Valves and Related Products sales to increase in the low- to mid-single digit range compared to 2023, driven by mid-single digit contribution from the Baum lined piping GmbH acquisition, partially offset by a slight decline in core sales. We expect Commercial Valves sales to increase in the low- to mid-single digit range, and we expect Pumps and Systems sales to increase in the high-single digit range compared to 2023, driven by strong demand across municipal and non-residential U.S. end markets. We expect an improvement in segment operating profit and operating margin compared to 2023, driven primarily by higher pricing net of inflation, strong productivity and contribution from the Baum lined piping GmbH acquisition, partially offset by lower volumes and unfavorable mix.

### ***Engineered Materials***

In 2024, we expect Engineered materials sales to be flat compared to 2023, with a modest increase in sales to the Recreational Vehicle market, offset by a decline in sales to the Transportation market.

We expect operating profit and operating margin to be approximately flat compared to 2023.

## APPLICATION OF CRITICAL ACCOUNTING ESTIMATES

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. Certain accounting policies require us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. On an ongoing basis, we evaluate our estimates and assumptions, and the effects of revisions are reflected in the financial statements in the period in which they are determined to be necessary. The accounting estimates described below are those that most frequently require us to make estimates and judgments and, therefore, are critical to understanding our results of operations. We have discussed the development and selection of these accounting estimates and the related disclosures with the Audit Committee of our Board of Directors. Our significant accounting policies are more fully described in Item 8 under Note 1, "Nature of Operations and Significant Accounting Policies" in the Notes to Consolidated Financial Statements.

**Revenue Recognition.** We primarily generate revenue through the manufacture and sale of engineered industrial products. Each product within a contract generally represents a separate performance obligation, as we do not provide a significant service of integrating or installing the products, the products do not customize each other, and the products can function independently of each other. Control of products generally transfers to the customer at a point in time, as the customer does not control the products as they are manufactured. We exercise judgment and consider the timing of right to payment, transfer of risk and rewards, transfer of title, transfer of physical possession, and customer acceptance when determining when control transfers to the customer. As a result, revenue from the sale of products is generally recognized at a point in time - either upon shipment or delivery - based on the specific shipping terms in the contract.

When products are customized or products are sold directly to the U.S. government or indirectly to the U.S. government through subcontracts, revenue is recognized over time because control is transferred continuously to customers, as the contract progresses. We exercise judgment to determine whether the products have an alternative use to us. When an alternative use does not exist for these products and we are entitled to payment for performance completed to date which includes a reasonable profit margin, revenue is recognized over time. When a contract with the U.S. government or subcontract for the U.S. government contains clauses indicating that the U.S. government owns any work-in-progress as the contracted product is being built, revenue is recognized over time. The measure of progress applied by us is the cost-to-cost method as this provides the most faithful depiction of the pattern of transfer of control. Under this method, we measure progress by comparing costs incurred to date to the total estimated costs to provide the performance obligation. This method effectively reflects our progress toward completion, as this methodology includes any work-in-process amounts as part of the measure of progress. Costs incurred represent work performed, which corresponds with, and thereby depicts, the transfer of control to the customer. Total revenue recognized and cost estimates are updated monthly. In 2023, the Company recognized approximately \$100.0 million in revenue over time related to contracts in progress as of December 31, 2023.

These estimates are subject to uncertainties and require judgment. Estimates of contract costs include labor hours and rates, and material costs. These estimates consider historical performance, the complexity of the work to be performed, the estimated time to complete the project, and other economic factors such as inflation and market rates. We update our estimates on a periodic basis and any revisions to such estimates are recorded in earnings in the period in which they are determined. Provisions for estimated losses, if any, on uncompleted long-term contracts, are made in the period in which such losses are determined. We do not believe that any discrete event or adjustment to an individual contract within the aggregate changes in contract estimates for 2023, 2022 or 2021 was material to the Consolidated Statement of Operations for such annual periods.

**Income Taxes.** We account for income taxes in accordance with ASC Topic 740 "Income Taxes" ("ASC 740"), which requires an asset and liability approach for the financial accounting and reporting of income taxes. Under this method, deferred income taxes are recognized for the expected future tax consequences of differences between the tax bases of assets and liabilities and their reported amounts in the financial statements. These balances are measured using the enacted tax rates expected to apply in the year(s) in which these temporary differences are expected to reverse. The effect of a change in tax rates on deferred income taxes is recognized in income in the period when the change is enacted.

Based on consideration of all available evidence regarding their utilization, we record net deferred tax assets to the extent that it is more likely than not that they will be realized. Where, based on the weight of all available evidence, it is more likely than not that some amount of a deferred tax asset will not be realized, we establish a valuation allowance for the amount that, in our judgment, is sufficient to reduce the deferred tax asset to an amount that is more likely than not to be realized. The evidence we consider in reaching such conclusions includes, but is not limited to; (1) future reversals of existing taxable temporary differences, (2) future taxable income exclusive of reversing taxable temporary differences, (3) taxable income in prior carryback year(s) if carryback is permitted under the tax law, (4) cumulative losses in recent years, (5) a history of tax losses or credit carryforwards expiring unused, (6) a carryback or carryforward period that is so brief it limits realization of tax

benefits, and (7) a strong earnings history exclusive of the loss that created the carryforward and support showing that the loss is an aberration rather than a continuing condition.

We account for unrecognized tax benefits in accordance with ASC 740, which prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation, based solely on the technical merits of the position. The tax benefit recognized is the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement.

We recognize interest and penalties related to unrecognized tax benefits within the income tax expense line of the Consolidated Statement of Operations, while accrued interest and penalties are included within the related tax liability line of the Consolidated Balance Sheets.

**Goodwill and Other Intangible Assets.** As of December 31, 2023, we had \$747.7 million of goodwill and \$87.9 million of net intangible assets, of which \$22.1 million were intangibles with indefinite useful lives, consisting of trade names. As of December 31, 2022, we had \$690.9 million of goodwill and \$71.7 million of net intangible assets, of which \$21.8 million were intangibles with indefinite useful lives, consisting of trade names.

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" ("ASC 350") as it relates to the accounting for goodwill in the 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 of 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 December 31, 2023, we had four reporting units.

When performing our annual impairment assessment, we compare the fair value of each of our reporting units to our respective carrying value. Goodwill is potentially impaired when the net book value of the reporting unit exceeds its estimated fair value. Fair values are established primarily by discounting estimated future cash flows at an estimated cost of capital which varies for each reporting unit and which, as of our most recent annual impairment assessment, ranged between 9.5% and 10.0% (a weighted average of 9.9%), reflecting the respective inherent business risk of each of the reporting units tested. This methodology for valuing our reporting units (commonly referred to as the Income Method) has not changed since the adoption of the provisions under ASC 350. The determination of discounted cash flows is based on the businesses' strategic plans and long-range planning forecasts, which change from year to year. The revenue growth rates included in the forecasts represent best estimates based on current and forecasted market conditions. Profit margin assumptions are projected by each reporting unit based on the current cost structure and anticipated net cost increases/reductions.

There are inherent uncertainties related to these assumptions, including changes in market conditions, and management judgment is necessary in applying them to the analysis of goodwill impairment. In addition to the foregoing, for each reporting unit, market multiples are used to corroborate discounted cash flow results where fair value is estimated based on earnings multiples determined by available public information of comparable businesses. While we believe we have made reasonable estimates and assumptions to calculate the fair value of our reporting units, it is possible a material change could occur. If actual results are not consistent with management's estimates and assumptions, goodwill and other intangible assets may then be determined to be overstated and a charge would need to be taken against net earnings. Furthermore, to evaluate the sensitivity of the fair value calculations on the goodwill impairment test, we applied a hypothetical, reasonably possible 10% decrease to the fair values of each reporting unit. The effects of this hypothetical 10% decrease would still result in a fair value calculation exceeding our carrying value for each of our reporting units. No impairment charges have been required during 2023, 2022 or 2021.

Intangibles with indefinite useful lives 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 review all our definite-lived intangible assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Examples of events or changes in circumstances could include, but are not limited to, a prolonged economic downturn, current period operating or cash flow losses combined with a history of



losses or a forecast of continuing losses associated with the use of an asset or asset group, or a current expectation that an asset or asset group will be sold or disposed of before the end of its previously estimated useful life. Recoverability is based upon projections of anticipated future undiscounted cash flows associated with the use and eventual disposal of the definite-lived intangible asset (or asset group), as well as specific appraisal in certain instances. Reviews occur at the lowest level for which identifiable cash flows are largely independent of cash flows associated with other long-lived assets or asset groups and include estimated future revenues, gross profit margins, operating profit margins and capital expenditures which are based on the businesses' strategic plans and long-range planning forecasts, which change from year to year. The revenue growth rates included in the forecasts represent our best estimates based on current and forecasted market conditions, and the profit margin assumptions are based on the current cost structure and anticipated net cost increases or reductions. There are inherent uncertainties related to these assumptions, including changes in market conditions, and management's judgment in applying them to the analysis. If the future undiscounted cash flows are less than the carrying value, then the definite-lived intangible asset is considered impaired and a charge would be taken against net earnings based on the amount by which the carrying amount exceeds the estimated fair value. Judgments that we make which impact these assessments relate to the expected useful lives of definite lived assets and its ability to realize any undiscounted cash flows in excess of the carrying amounts of such assets and are affected primarily by changes in the expected use of the assets, changes in technology or development of alternative assets, changes in economic conditions, changes in operating performance and changes in expected future cash flows. Since judgment is involved in determining the recoverable amount of definite-lived intangible assets, there is risk that the carrying value of our definite-lived intangible assets may require adjustment in future periods. Historical results to date have generally approximated expected cash flows for the identifiable cash flow generating level. We believe there have been no events or circumstances which would more likely than not reduce the fair value of our indefinite-lived or definite-lived intangible assets below their carrying value. As of the last annual assessment, fair values have been substantially in excess of carrying values.

**Environmental.** 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 December 31, 2023 is substantially all for the former manufacturing site in Goodyear, Arizona (the "Goodyear Site"). Estimates of our environmental liabilities at the Goodyear Site are based on currently available facts, present laws and regulations and current technology available for remediation, and are recorded on an undiscounted basis. These estimates consider our prior experience in the Goodyear Site investigation and remediation, as well as available data from, and in consultation with, our environmental specialists. Estimates at the Goodyear Site are subject to significant uncertainties caused primarily by the dynamic nature of the Goodyear Site conditions, the range of remediation alternatives available, together with the corresponding estimates of cleanup methodology and costs, as well as ongoing, required regulatory approvals, primarily from the EPA. During the fourth quarter of 2019, we received conceptual agreement from the EPA on an alternative remediation strategy which is expected to further reduce the contaminant plume. Accordingly, 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 \$20.7 million and \$24.8 million as of December 31, 2023 and 2022, respectively.

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. We have recorded a receivable of \$3.8 million and \$4.8 million for the expected reimbursements from the U.S. Government in respect of the aggregate liability as of December 31, 2023 and 2022, respectively.

**Pension Plans.** In the United States, we sponsor a defined benefit pension plan that covers approximately 18% of all U.S. employees. Effective January 1, 2013, pension eligible non-union employees no longer earn future benefits in the domestic defined benefit pension plan. The benefits are based on years of service and compensation on a final average pay basis, except for certain hourly employees where benefits are fixed per year of service. Charges to expense are based upon costs computed by an independent actuary. Contributions are intended to provide for future benefits earned to date. Additionally, a number of our non-U.S. subsidiaries sponsor defined benefit pension plans cover approximately 10% of all non-U.S. employees. The benefits are typically based upon years of service and compensation. Most of these plans are funded by company contributions to pension funds, which are held for the sole benefit of plan participants and beneficiaries.

The expected return on plan assets component of net periodic benefit cost is determined by applying the assumed expected return on plan assets to the fair value of plan assets. For one of the U.K. pension plans, a market-related value of assets is used in lieu of the fair value of plan assets for this purpose. The net actuarial loss (gain) is amortized to the extent that it exceeds 10% of the greater of the fair value of plan assets and the projected benefit obligation. The amortization period is the average life expectancy of plan participants for most plans. The amortization period for plans with a significant number of active participants accruing benefits is the average future working lifetime of plan participants. The prior service cost (credit) is amortized over the average future working lifetime of plan participants whose prior service benefits were changed.

The net periodic pension cost was \$11.2 million in 2023 and net periodic pension benefit was, \$2.3 million and \$5.9 million in 2022 and 2021, respectively. The net periodic pension cost increased in 2023 compared to 2022, primarily driven by higher interest costs for both U.S. and non-U.S. plans and lower expected return on assets. Employer cash contributions were \$18.1 million, \$17.8 million and \$25.4 million in 2023, 2022 and 2021, respectively.

Holding all other factors constant, a decrease in the expected long-term rate of return on plan assets by 0.25 percentage points would have increased 2023 pension expense by \$1.0 million for U.S. pension plans and \$0.6 million for non-U.S. pension plans. Also, holding all other factors constant, a decrease in the discount rate used to determine net periodic pension cost by 0.25 percentage points would have increased 2023 pension expense by \$0.1 million for U.S. pension plans and \$0.1 million for non-U.S. pension plans.

#### **Recent Accounting Pronouncements**

Information regarding new accounting pronouncements is included in Item 8 under Note 1 to the Consolidated Financial Statements.

#### **Item 7A. Quantitative and Qualitative Disclosures About Market Risk.**

Our cash flows and earnings are subject to fluctuations from changes in interest rates and foreign currency exchange rates. We manage our exposures to these market risks through internally established policies and procedures and, when deemed appropriate, through the use of interest-rate swap agreements and forward exchange contracts. We do not enter into derivatives or other financial instruments for trading or speculative purposes.

Total net debt outstanding was \$248.5 million as of December 31, 2023. Interest on loans advanced under the Credit Agreement accrues, at our option, at a rate per annum equal to;

(a) adjusted term SOFR plus a credit spread adjustment of 0.10% for the applicable interest period plus a margin ranging from 1.50% to 2.25% or

(b) a base rate plus a margin ranging from 0.50% to 1.25%, in each case, with such margin determined based on the lower of the ratings of our senior, unsecured long-term debt and our total net leverage ratio.

The following is an analysis of the potential changes in interest rates and currency exchange rates based upon sensitivity analysis that models effects of shifts in rates. These are not forecasts.

- As of December 31, 2023, a hypothetical 1% increase in prevailing interest rates would increase our variable rate interest expense by approximately \$2.5 million.
- Based on a sensitivity analysis as of December 31, 2023, a 10% change in the foreign currency exchange rates for the year ended December 31, 2023 would have impacted our net earnings by approximately \$11.2 million, due primarily to the British pound and Canadian dollar. This calculation assumes that all currencies change in the same direction and proportion relative to the U.S. dollar and there are no indirect effects, such as changes in non-U.S. dollar sales volumes or prices.

## Item 8. Financial Statements and Supplementary Data

### MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying Consolidated Financial Statements of Crane Company have been prepared by management in conformity with accounting principles generally accepted in the United States of America and, in the judgment of management, present fairly and consistently the Company's financial position and results of operations and cash flows. These statements by necessity include amounts that are based on management's best estimates and judgments and give due consideration to materiality.

Management is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control system was designed to provide reasonable assurance to the Company's management and board of directors regarding the preparation and fair presentation of published financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2023. In making its assessment, management has utilized the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in its Internal Control—Integrated Framework, released in 2013. Based on our assessment we believe that, as of December 31, 2023, the Company's internal control over financial reporting is effective based on those criteria.

Deloitte & Touche LLP, the independent registered public accounting firm that also audited the Company's Consolidated Financial Statements included in this Annual Report on Form 10-K, audited the internal control over financial reporting as of December 31, 2023, and issued their related attestation report which is included herein.

/s/ Max H. Mitchell

Max H. Mitchell  
*President and Chief Executive Officer*  
*(Principal Executive Officer)*

/s/ Richard A. Maue

Richard A. Maue  
*Executive Vice President and Chief Financial Officer*  
*(Principal Financial Officer)*

The Section 302 certifications of the Company's Chief Executive Officer and its Principal Financial Officer have been filed as Exhibit 31 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Crane Company

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Crane Company and subsidiaries (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive income, cash flows, and changes in equity, for each of the three years in the period ended December 31, 2023 and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 26, 2024, expressed an unqualified opinion on the Company's internal control over financial reporting.

### Basis for Opinion

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

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

### Critical Audit Matter

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

### Revenue – Over-Time Basis — Refer to Note 1 to the financial statements

#### Audit Matter Description

The Company recognizes revenue as they fulfill their performance obligations and transfer control of products to their customers. The Company has certain revenue contracts with the U.S. government or indirectly to the U.S. government through subcontracts. The clauses of those contracts stipulate that any amounts included in work-in-progress are the property of the U.S. government as they own any work-in progress as the contracted product is being built. The Company uses the cost-to-cost method of determining their progress, measuring progress by comparing costs incurred to date to the total estimated costs to provide the performance obligation. In 2023, the Company recognized approximately \$100 million in revenue over time related to contracts in progress as of December 31, 2023.

We identified revenue recognized over time as a critical audit matter because of the judgments necessary for management to determine the margin to be used to estimate revenue for the overtime revenue. This required a high degree of auditor judgment when performing audit procedures to audit management's estimates of margin at completion used to recognize revenue over time and evaluating the results of those procedures.

### How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures performed related to the recognition of revenue recognized over-time included the following, among others:

- We tested the effectiveness of controls related to the revenue recognized over-time, including management's controls over costs incurred to date and estimates of margin at completion, as well as the accurate classification of contracts in the system during the order entry process.
- We selected a sample of contracts with customers that were recognized over time, and we performed the following:
  - Evaluated whether the contracts were properly included in management's calculation of long-term contract revenue based on the terms and conditions of each contract, including whether continuous transfer of control to the customer occurred as progress was made toward fulfilling the performance obligation.
  - Evaluated the appropriateness and consistency of the methods of calculation and assumptions used by management to develop the margin at completion applied to determine the revenue recognized.
- We tested the mathematical accuracy of management's calculation of revenue recognized.
- We evaluated management's ability to estimate future costs and margins at completion accurately by comparing actual costs and margins at completion for similar contracts that were previously completed to management's historical estimates for such contracts.

/s/ Deloitte & Touche LLP  
Stamford, Connecticut  
February 26, 2024

We have served as the Company's auditor since 1979.

## CONSOLIDATED STATEMENT OF OPERATIONS

(in millions, except per share data)	For the year ended December 31,		
	2023	2022	2021
Net sales	\$ 2,086.4	\$ 2,035.0	\$ 2,062.9
Operating costs and expenses:			
Cost of sales	1,281.4	1,321.4	1,374.1
Selling, general and administrative	521.2	513.3	467.1
Loss on divestiture of asbestos-related assets and liabilities	—	162.4	—
Operating profit	283.8	37.9	221.7
Other income (expense):			
Interest income	5.1	3.2	1.3
Interest expense	(22.7)	(10.1)	(4.9)
Gain on sale of business	—	232.5	—
Miscellaneous income, net	0.8	7.9	15.6
Total other (expense) income, net	(16.8)	233.5	12.0
Income from continuing operations before income taxes	267.0	271.4	233.7
Provision for income taxes	63.2	99.8	36.3
Net income from continuing operations attributable to common shareholders	203.8	171.6	197.4
Income from discontinued operations, net of tax (Note 3)	52.1	229.5	238.0
Net income attributable to common shareholders	\$ 255.9	\$ 401.1	\$ 435.4
Earnings per basic share:			
Earnings per basic share from continuing operations	\$ 3.59	\$ 3.04	\$ 3.38
Earnings per basic share from discontinued operations	0.92	4.07	4.08
Earnings per basic share	\$ 4.51	\$ 7.11	\$ 7.46
Earnings per diluted share:			
Earnings per diluted share from continuing operations	\$ 3.54	\$ 3.00	\$ 3.34
Earnings per diluted share from discontinued operations	0.91	4.01	4.02
Earnings per diluted share	\$ 4.45	\$ 7.01	\$ 7.36
Average shares outstanding:			
Basic	56.7	56.4	58.4
Diluted	57.5	57.2	59.2

See Notes to Consolidated Financial Statements

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions)	For the year ended December 31,		
	2023	2022	2021
Net income before allocation to noncontrolling interests	\$ 255.9	\$ 401.1	\$ 435.4
Components of other comprehensive income (loss), net of tax			
Currency translation adjustment	20.7	(93.3)	(69.2)
Changes in pension and postretirement plan assets and benefit obligation, net of tax	10.0	30.0	96.0
Other comprehensive income (loss), net of tax	30.7	(63.3)	26.8
Comprehensive income before allocation to noncontrolling interests	286.6	337.8	462.2
Less: Noncontrolling interests in comprehensive income	(0.1)	(0.2)	0.6
Comprehensive income attributable to common shareholders	\$ 286.7	\$ 338.0	\$ 461.6

*See Notes to Consolidated Financial Statements*

## CONSOLIDATED BALANCE SHEETS

(in millions, except shares and per share data)	Balance as of December 31,	
	2023	2022
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 329.6	\$ 427.0
Accounts receivable, net	306.4	269.7
Inventories, net	353.1	294.2
Other current assets	101.7	135.1
Current assets of discontinued operations	—	625.9
Total current assets	1,090.8	1,751.9
Property, plant and equipment, net	270.5	248.3
Long-term deferred tax assets	2.7	3.1
Intangible assets, net	87.9	71.7
Goodwill	747.7	690.9
Other assets	134.0	120.8
Long-term assets of discontinued operations	—	1,504.9
<b>Total assets</b>	<b>\$ 2,333.6</b>	<b>\$ 4,391.6</b>
<b>Liabilities and equity</b>		
Current liabilities:		
Short-term borrowings	\$ —	\$ 399.6
Accounts payable	179.1	179.2
Accrued liabilities	273.7	260.5
U.S. and foreign taxes on income	14.3	34.2
Current liabilities of discontinued operations	—	614.7
Total current liabilities	467.1	1,488.2
Long-term debt	248.5	—
Accrued pension and postretirement benefits	115.0	132.0
Long-term deferred tax liability	37.1	55.3
Other liabilities	105.6	85.2
Long-term liabilities of discontinued operations	—	726.9
Commitments and contingencies (Note 13)		
Equity:		
Common shares, par value \$1.00; 66,475,307 and 200,000,000 shares authorized; 56,919,443 and 72,426,389 shares issued; 56,919,443 and 56,325,382 shares outstanding in 2023 and 2022, respectively	56.9	72.4
Capital surplus	398.2	373.8
Retained earnings	960.7	2,822.8
Accumulated other comprehensive loss	(58.0)	(503.3)
Treasury stock: 16,101,007 treasury shares in 2022.	—	(864.3)
Total shareholders' equity	1,357.8	1,901.4
Noncontrolling interest	2.5	2.6
<b>Total equity</b>	<b>1,360.3</b>	<b>1,904.0</b>
<b>Total liabilities and equity</b>	<b>\$ 2,333.6</b>	<b>\$ 4,391.6</b>

See Notes to Consolidated Financial Statements



# CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)	For the year ended December 31,		
	2023	2022	2021
<b>Operating activities:</b>			
Net income from continuing operations attributable to common shareholders	\$ 203.8	\$ 171.6	\$ 197.4
Non-cash loss on divestiture of asbestos-related assets and liabilities	—	148.9	—
Gain on sale of business	—	(232.5)	—
Gain on sale of property	—	(2.8)	(18.5)
Depreciation and amortization	39.3	39.5	38.4
Stock-based compensation expense	26.1	21.3	21.7
Defined benefit plans and postretirement cost (credit)	9.3	(1.0)	(6.7)
Deferred income taxes	(21.5)	0.8	(4.9)
Cash used for operating working capital	(49.5)	(30.3)	30.1
Defined benefit plans and postretirement contributions	(18.3)	(19.0)	(26.9)
Environmental payments, net of reimbursements	(3.9)	(5.8)	(5.8)
Asbestos related payments, net of insurance recoveries	—	(29.3)	(44.9)
Divestiture of asbestos-related assets and liabilities	—	(550.0)	—
Other	8.3	16.4	5.2
<b>Total provided by (used for) operating activities from continuing operations</b>	<b>\$ 193.6</b>	<b>\$ (472.2)</b>	<b>\$ 185.1</b>
<b>Investing activities:</b>			
Payments for acquisition - net of cash acquired	\$ (90.5)	\$ —	\$ —
Capital expenditures	(42.7)	(37.1)	(35.3)
Proceeds from sale of business	—	318.1	—
Purchase of marketable securities	—	—	(10.0)
Proceeds from sale of marketable securities	—	—	40.0
Other investing activities	0.7	4.3	23.5
<b>Total (used for) provided by investing activities from continuing operations</b>	<b>\$ (132.5)</b>	<b>\$ 285.3</b>	<b>\$ 18.2</b>
<b>Financing activities:</b>			
Dividends paid	\$ (57.3)	\$ (105.9)	\$ (100.6)
Reacquisition of shares on open market	—	(203.7)	(96.3)
Stock options exercised, net of shares reacquired	21.8	16.2	14.2
Debt issuance costs	(9.0)	—	—
Repayments of commercial paper with maturities greater than 90 days	—	—	(27.1)
Proceeds from term loan	300.0	—	—
Proceeds from term facility of discontinued operations	350.0	399.4	—
Repayment of term loan	(450.6)	—	(348.1)
Distribution of Crane NXT, Co.	(578.1)	—	—
<b>Total (used for) provided by financing activities from continuing and discontinued</b>	<b>\$ (423.2)</b>	<b>\$ 106.0</b>	<b>\$ (557.9)</b>
<b>Discontinued Operations:</b>			
Total provided by operating activities	34.6	320.6	313.4
Total used for investing activities	(4.1)	(21.3)	(18.5)
<b>Increase in cash and cash equivalents from discontinued operations</b>	<b>\$ 30.5</b>	<b>\$ 299.3</b>	<b>\$ 294.9</b>

(in millions)	For the year ended December 31,		
	2023	2022	2021
Effect of exchange rates on cash and cash equivalents	\$ 3.6	\$ (39.4)	\$ (12.7)
(Decrease) increase in cash and cash equivalents	(328.0)	179.0	(72.4)
Cash and cash equivalents at beginning of period <sup>(a)</sup>	657.6	478.6	551.0
Cash and cash equivalents at end of period	\$ 329.6	\$ 657.6	\$ 478.6
Less: Cash and cash equivalents of discontinued operations	—	230.6	100.7
Cash and cash equivalents of continuing operations at end of period	\$ 329.6	\$ 427.0	\$ 377.9

<sup>(a)</sup> Includes cash and cash equivalents of discontinued operations.

Detail of cash used for operating working capital from continuing operations:

Accounts receivable	\$ (23.4)	\$ (46.6)	\$ (36.5)
Inventories	(42.0)	(42.1)	(27.4)
Other current assets	38.1	(8.7)	(7.8)
Accounts payable	(3.3)	43.1	32.3
Accrued liabilities	7.9	(6.8)	57.8
U.S. and foreign taxes on income	(26.8)	30.8	11.7
Total	\$ (49.5)	\$ (30.3)	\$ 30.1

Supplemental disclosure of cash flow information:

Interest paid	\$ 20.3	\$ 6.5	\$ 2.9
Income taxes paid	\$ 110.5	\$ 61.0	\$ 33.9

See Notes to Consolidated Financial Statements

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in millions, except share data)	Common Shares Issued at Par Value	Capital Surplus	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Shareholders' Equity	Noncontrolling Interest	Total Equity
<b>BALANCE DECEMBER 31, 2020</b>	72.4	\$ 330.7	\$ 2,192.8	\$ (466.4)	\$ (600.6)	1,528.9	\$ 2.2	\$ 1,531.1
Net income	—	—	435.4	—	—	435.4	—	435.4
Cash dividends (\$1.72 per share)	—	—	(100.9)	—	—	(100.9)	—	(100.9)
Reacquisition on open market of 943,048 shares	—	—	—	—	(96.3)	(96.3)	—	(96.3)
Exercise of stock options, net of shares reacquired of 553,655	—	—	—	—	16.5	16.5	—	16.5
Stock-based compensation	—	24.9	—	—	—	24.9	—	24.9
Impact from settlement of share-based awards, net of shares acquired	—	8.3	—	—	(10.7)	(2.4)	—	(2.4)
Changes in pension and postretirement plan assets and benefit obligation, net of tax	—	—	—	96.0	—	96.0	—	96.0
Currency translation adjustment	—	—	—	(69.8)	—	(69.8)	0.6	(69.2)
<b>BALANCE DECEMBER 31, 2021</b>	72.4	\$ 363.9	\$ 2,527.3	\$ (440.2)	\$ (691.1)	\$ 1,832.3	\$ 2.8	\$ 1,835.1
Net income	—	—	401.1	—	—	401.1	—	401.1
Cash dividends (\$1.88 per share)	—	—	(105.6)	—	—	(105.6)	—	(105.6)
Reacquisition on open market of 1,959,069 shares	—	—	—	—	(203.7)	(203.7)	—	(203.7)
Exercise of stock options, net of shares reacquired of 324,465	—	—	—	—	21.9	21.9	—	21.9
Stock-based compensation	—	24.2	—	—	—	24.2	—	24.2
Impact from settlement of share-based awards, net of shares acquired	—	(14.3)	—	—	8.6	(5.7)	—	(5.7)
Changes in pension and postretirement plan assets and benefit obligation, net of tax	—	—	—	30.0	—	30.0	—	30.0
Currency translation adjustment	—	—	—	(93.1)	—	(93.1)	(0.2)	(93.3)
<b>BALANCE DECEMBER 31, 2022</b>	72.4	\$ 373.8	\$ 2,822.8	\$ (503.3)	\$ (864.3)	\$ 1,901.4	\$ 2.6	\$ 1,904.0
Net income	—	—	255.9	—	—	255.9	—	255.9
Cash dividends (\$1.01 per share)	—	—	(57.3)	—	—	(57.3)	—	(57.3)
Exercise of stock options	0.2	8.8	—	—	19.8	28.8	—	28.8
Stock-based compensation	—	19.0	—	—	—	19.0	—	19.0
Impact from settlement of share-based awards, net of shares acquired	—	(3.4)	—	—	(3.6)	(7.0)	—	(7.0)
Changes in pension and postretirement plan assets and benefit obligation, net of tax	—	—	—	10.0	—	10.0	—	10.0
Currency translation adjustment	—	—	—	20.8	—	20.8	(0.1)	20.7
Capital effect of spin-off	(15.7)	—	(832.4)	—	848.1	—	—	—
Distribution of Crane NXT, Co. (Note 1)	—	—	(1,228.3)	414.5	—	(813.8)	—	(813.8)
<b>BALANCE DECEMBER 31, 2023</b>	56.9	\$ 398.2	\$ 960.7	\$ (58.0)	\$ —	\$ 1,357.8	\$ 2.5	\$ 1,360.3

See Notes to Consolidated Financial Statements

**Note 1 – Nature of Operations and Significant Accounting Policies***Nature of Operations*

We are a diversified manufacturer of highly engineered industrial products currently comprised of three reporting segments: Aerospace & Electronics, Process Flow Technologies, and Engineered Materials. Our primary end markets include commercial and military aerospace, defense and space, chemical production, pharmaceutical production, water and wastewater, non-residential and municipal construction, energy, along with a wide range of general industrial and certain consumer related end markets. See Note 4, “Segment Information” for the relative size of these segments in relation to the total company (both net sales and total assets).

*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. 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 certain non-asbestos 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 Crane Co. officially changed its name from “Crane Co.” to “Redco Corporation”. The “Crane Co.” name has been reserved for future use by Crane Holdings.

*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 in April 2023, subject to the satisfaction of customary conditions and final approval by Crane Holdings, Co.’s Board of Directors.

On April 3, 2023, Crane Holdings, Co. completed the Separation into two independent, publicly-traded companies, Crane NXT, Co. and Crane Company, through a pro-rata distribution (the “Distribution”) of all of the outstanding common stock of Crane Company to the stockholders of Crane Holdings, Co., which on April 3, 2023 was renamed “Crane NXT, Co.” The Distribution was effective at 5:00 p.m., Eastern Time, on April 3, 2023. As a result of the Distribution, Crane Company became an independent public company. Our common stock is listed under the symbol “CR” on the New York Stock Exchange. Due to Crane Company’s larger operations, greater tangible assets, greater fair value and greater net sales, in each case, relative to Crane NXT, Co., among other factors, Crane Company was treated as the “accounting spinnor” and therefore was the “accounting successor” to Crane Holdings, Co. for accounting purposes, notwithstanding the legal form of the Separation. Therefore, following the Separation, the historical Consolidated Financial Statements of Crane Company reflect the historical Consolidated Financial Statements of Crane Holdings, Co. with the Payment & Merchandising Technologies segment and other distributed assets and liabilities classified as discontinued operations.

In connection with the Separation on April 3, 2023, Crane Holdings, Co., which was renamed “Crane NXT, Co.,” and Crane Company entered into various agreements to effect the Separation and provide a framework for their relationship after the Separation, including a separation and distribution agreement, a transition services agreement, an employee matters agreement, a tax matters agreement and an intellectual property matters agreement. These agreements provide for the allocation between Crane NXT, Co. and Crane Company of assets, employees, liabilities and obligations (including property and employee benefits and tax-related assets and liabilities) attributable to periods prior to, at, and after the consummation of the Separation and govern certain relationships between Crane NXT, Co. and Crane Company after the Separation.

The Company recorded \$3.4 million of income within Miscellaneous income, net related to transactions under the transition services and tax matters agreements with Crane NXT, Co. As of December 31, 2023, the Company had a receivable of \$2.2 million related to the transition services agreement and tax matters agreement. Additionally, as part of the Separation, to a limited extent, the Company has agreed to indemnify Crane NXT, Co. for uncertain tax benefits, which are attributable to the Company’s

business. As of December 31, 2023, the total liability was \$7.0 million and was included in other liabilities on our Consolidated Balance Sheets.

On April 3, 2023, prior to the consummation of the Separation, the Board of Directors of Crane Company declared and paid a one-time cash dividend in the amount of \$275 million to Crane Holdings, Co., its sole stockholder at that time, as part of establishing the capital structure at Crane NXT, Co.

In connection with the Separation, we distributed net assets of \$813.8 million through equity, including the cash dividend of \$275 million and \$303 million in cash balances.

As a result of the Separation, the Payment & Merchandising segment qualified as a discontinued operation and accordingly, the assets, liabilities and results of operations of this segment are reported as discontinued operations. See Note 3 for additional information.

#### *Divestiture of asbestos-related assets and liabilities*

On August 12, 2022, Crane Holdings, Co., Crane Company, a wholly-owned subsidiary of Crane Holdings, Co., and Redco Corporation ("Redco"), then a wholly-owned subsidiary of Crane Company that held liabilities including asbestos liabilities and related insurance assets, entered into a Stock Purchase Agreement (the "Redco Purchase Agreement") with Spruce Lake Liability Management Holdco LLC ("Redco Buyer"), an unrelated third party and long-term liability management company specializing in the acquisition and management of legacy corporate liabilities whereby Crane Company transferred to Redco Buyer all of the issued and outstanding shares of Redco (the "Redco Sale"). In connection with the Redco Sale, Crane Holdings, Co., on behalf of Crane Company, contributed approximately \$550 million in cash to Redco, which was funded by a combination of short-term borrowings and cash on hand. As a result of the Redco Sale, all asbestos obligations and liabilities, related insurance assets and associated deferred tax assets have been removed from Crane Holdings, Co.'s consolidated balance sheets effective August 12, 2022. A loss on the divestiture of asbestos-related assets and liabilities of \$162.4 million was recognized in the Consolidated Statements of Operations for the year ended December 31, 2022.

#### *Sale of Crane Supply*

On April 8, 2022, the Company entered into an agreement to sell the Crane Supply business for CAD 380 million on a cash-free and debt-free basis. Subsequent to net working capital and other closing adjustments, the sale closed on May 31, 2022 for CAD 402 million. In August 2022, the Company received CAD 5 million related to a final working capital adjustment. The Company recognized a total gain on sale of \$232.5 million.

#### *Termination of Agreement to Sell Engineered Materials*

On May 16, 2021, we entered into an agreement to sell the Engineered Materials segment to Grupo Verzatec S.A. de C.V. ("Verzatec") 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. On May 26, 2022, Verzatec terminated the sale agreement and paid \$7.5 million to the Company in termination fees, which is presented within Miscellaneous income, net on the Consolidated Statements of Operations.

#### *Significant Accounting Policies*

**Accounting Principles.** Our Consolidated Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Consolidated Financial Statements include the accounts of Crane Company and our subsidiaries. All intercompany balances and transactions have been eliminated upon consolidation. As used in these notes, the terms "we," "us," "our," "Crane" and the "Company" mean Crane Company and our subsidiaries unless the context specifically states or implies otherwise.

**Basis of presentation.** Certain amounts in the prior years' Consolidated Financial Statements have been reclassified to conform to the current year presentation.

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.

**Use of Estimates.** Our accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results may differ from those estimated. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period in which they are determined to be necessary. Estimates are used when accounting for such items as asset valuations, allowance for doubtful accounts, depreciation and amortization, impairment assessments, reserve for excess and obsolete inventory, reserve for warranty provision, restructuring provisions, employee benefits, taxes, environmental liability and contingencies.

*Currency Translation.* Assets and liabilities of subsidiaries that prepare financial statements in currencies other than the U.S. dollar are translated at the rate of exchange in effect on the balance sheet date; results of operations are translated at the monthly average rates of exchange prevailing during the year. The related translation adjustments are included in accumulated other comprehensive income (loss) in a separate component of equity.

*Revenue Recognition.* In accordance with Accounting Standards Codification (“ASC”) Topic 606 “Revenue from Contracts with Customers,” we recognize revenue when control of the promised goods or services in a contract transfers to the customer, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. We account for a contract when both parties have approved and committed to the terms, each party’s rights and payment obligations under the contract are identifiable, the contract has commercial substance, and it is probable that we will collect substantially all of the consideration. When shipping and handling activities are performed after the customer obtains control of product, we elect to account for shipping and handling as activities to fulfill the promise to transfer the product. In determining the transaction price of a contract, we exercise judgment to determine the total transaction price when it includes estimates of variable consideration, such as rebates and milestone payments. We generally estimate variable consideration using the expected value method and consider all available information (historical, current, and forecasted) in estimating these amounts. Variable consideration is only included in the transaction price to the extent that it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. We elect to exclude from the transaction price all taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction and collected by us from a customer.

We primarily generate revenue through the manufacture and sale of engineered industrial products. Each product within a contract generally represents a separate performance obligation, as we do not provide a significant service of integrating or installing the products, the products do not customize each other, and the products can function independently of each other. Control of products generally transfers to the customer at a point in time, as the customer does not control the products as they are manufactured. We exercise judgment and consider the timing of right to payment, transfer of risk and rewards, transfer of title, transfer of physical possession, and customer acceptance when determining when control transfers to the customer. As a result, revenue from the sale of products is generally recognized at a point in time - either upon shipment or delivery - based on the specific shipping terms in the contract. When products are customized or products are sold directly to the U.S. government or indirectly to the U.S. government through subcontracts, revenue is recognized over time because control is transferred continuously to customers, as the contract progresses. We exercise judgment to determine whether the products have an alternative use to us. When an alternative use does not exist for these products and we are entitled to payment for performance completed to date which includes a reasonable profit margin, revenue is recognized over time. When a contract with the U.S. government or subcontract for the U.S. government contains clauses indicating that the U.S. government owns any work-in-progress as the contracted product is being built, revenue is recognized over time. The measure of progress applied by us is the cost-to-cost method as this provides the most faithful depiction of the pattern of transfer of control. Under this method, we measure progress by comparing costs incurred to date to the total estimated costs to provide the performance obligation. This method effectively reflects our progress toward completion, as this methodology includes any work-in-process amounts as part of the measure of progress. Costs incurred represent work performed, which corresponds with, and thereby depicts, the transfer of control to the customer. Total revenue recognized and cost estimates are updated on a monthly basis. In 2023, the Company recognized approximately \$100.0 million in revenue over time related to contracts in progress as of December 31, 2023.

When there are multiple performance obligations in a single contract, the total transaction price is allocated to each performance obligation based on their relative standalone selling prices. We maximize the use of observable data inputs and consider all information (including market conditions, segment-specific factors, and information about the customer or class of customer) that is reasonably available. The standalone selling price for our products and services is generally determined using an observable list price, which differs by class of customer.

Revenue recognized from performance obligations satisfied in previous periods (for example, due to changes in the transaction price or estimates), was not material in any period.

Payment for products is due within a limited time period after shipment or delivery, and we generally do not offer extended payment terms. Payment is typically due within 30-90 calendar days of the respective invoice dates. Customers generally do not make large upfront payments. Any advanced payments received do not provide us with a significant benefit of financing, as the payments are meant to secure materials used to fulfill the contract, as opposed to providing us with a significant financing benefit.

When an unconditional right to consideration exists, we record these amounts as receivables. When amounts are dependent on factors other than the passage of time in order for payment from a customer to become due, we record a contract asset. 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 pay sales commissions related to certain contracts, which qualify as incremental costs of obtaining a contract. However, the sales commissions generally relate to contracts for products or services satisfied at a point in time or over a period of time less than one year. As a result, we apply the practical expedient that allows an entity to recognize incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that would have been recognized is one year or less.

See Note 5, "Revenue" for further details.

*Cost of Goods Sold.* Cost of goods sold includes the costs of inventory sold and the related purchase and distribution costs. In addition to material, labor and direct overhead and inventoried cost, cost of goods sold include allocations of other expenses that are part of the production process, such as inbound freight charges, purchasing and receiving costs, inspection costs, warehousing costs, amortization of production related intangible assets and depreciation expense. We also include costs directly associated with products sold, such as warranty provisions.

*Selling, General and Administrative Expenses.* Selling, general and administrative expenses are recognized as incurred. Such expenses include the costs of promoting and selling products and include such items as compensation, advertising, sales commissions and travel. Also included are costs related to compensation for other operating activities such as executive office administrative and engineering functions, as well as general operating expenses such as office supplies, non-income taxes, insurance and office equipment rentals.

*Income Taxes.* We account for income taxes in accordance with ASC Topic 740 "Income Taxes" ("ASC 740") which requires an asset and liability approach for the financial accounting and reporting of income taxes. Under this method, deferred income taxes are recognized for the expected future tax consequences of differences between the tax bases of assets and liabilities and their reported amounts in the financial statements. These balances are measured using the enacted tax rates expected to apply in the year(s) in which these temporary differences are expected to reverse. The effect of a change in tax rates on deferred income taxes is recognized in income in the period when the change is enacted.

Based on consideration of all available evidence regarding their utilization, we record net deferred tax assets to the extent that it is more likely than not that they will be realized. Where, based on the weight of all available evidence, it is more likely than not that some amount of a deferred tax asset will not be realized, we establish a valuation allowance for the amount that, in management's judgment, is sufficient to reduce the deferred tax asset to an amount that is more likely than not to be realized. The evidence we consider in reaching such conclusions includes, but is not limited to, (1) future reversals of existing taxable temporary differences, (2) future taxable income exclusive of reversing taxable temporary differences, (3) taxable income in prior carryback year(s) if carryback is permitted under the tax law, (4) cumulative losses in recent years, (5) a history of tax losses or credit carryforwards expiring unused, (6) a carryback or carryforward period that is so brief it limits realization of tax benefits, and (7) a strong earnings history exclusive of the loss that created the carryforward and support showing that the loss is an aberration rather than a continuing condition.

We account for unrecognized tax benefits in accordance with ASC 740, which prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation, based solely on the technical merits of the position. The tax benefit recognized is the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement.

We recognize interest and penalties related to unrecognized tax benefits within the income tax expense line of our Consolidated Statement of Operations, while accrued interest and penalties are included within the related tax liability line of our Consolidated Balance Sheets.

**Earnings Per Share.** Our basic earnings per share calculations are based on the weighted average number of common shares outstanding during the year. Potentially dilutive securities include outstanding stock options, restricted share units, deferred stock units and performance-based restricted share units. The dilutive 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 potential dilutive common shares outstanding during the year.

(in millions, except per share data) For the year ended December 31,	2023	2022	2021
Net income from continuing operations attributable to common shareholders	\$ 203.8	\$ 171.6	\$ 197.4
Income from discontinued operations, net of tax (Note 3)	52.1	229.5	238.0
Net income attributable to common shareholders	\$ 255.9	\$ 401.1	\$ 435.4
Average basic shares outstanding	56.7	56.4	58.4
Effect of dilutive share-based awards	0.8	0.8	0.8
Average diluted shares outstanding	57.5	57.2	59.2
Earnings per basic share:			
Earnings per basic share from continuing operations	\$ 3.59	\$ 3.04	\$ 3.38
Earnings per basic share from discontinued operations	0.92	4.07	4.08
Earnings per basic share	\$ 4.51	\$ 7.11	\$ 7.46
Earnings per diluted share:			
Earnings per diluted share from continuing operations	\$ 3.54	\$ 3.00	\$ 3.34
Earnings per diluted share from discontinued operations	0.91	4.01	4.02
Earnings per diluted share	\$ 4.45	\$ 7.01	\$ 7.36

The computation of diluted earnings per share excludes the effect of the potential exercise of stock options when the average market price of the common stock is lower than the exercise price of the related stock options. During 2023, 2022 and 2021, the number of stock options excluded from the computation was 0.4 million, 0.4 million and 1.2 million, respectively.

**Cash and Cash Equivalents.** Cash and cash equivalents include highly liquid investments with original maturities of three months or less that are readily convertible to cash and are not subject to significant risk from fluctuations in interest rates. As a result, the carrying amount of cash and cash equivalents approximates fair value.

**Accounts Receivable, Net.** Accounts receivable are carried at net realizable value. The allowance for doubtful accounts was \$8.4 million and \$8.0 million as of December 31, 2023 and 2022, respectively. The allowance for doubtful accounts activity was not material to our financial results for the years ended December 31, 2023 and 2022. Concentrations of credit risk with respect to accounts receivable are limited due to the large number of customers and relatively small account balances within the majority of our customer base and their dispersion across different businesses. We periodically evaluate the financial strength of our customers and believe that our credit risk exposure is limited.

**Inventories, net.** Inventories consist of the following:

(in millions) December 31,	2023	2022
Finished goods	\$ 67.0	\$ 57.2
Finished parts and subassemblies	49.9	47.7
Work in process	40.6	27.2
Raw materials	195.6	162.1
Total inventories, net	\$ 353.1	\$ 294.2

Inventories, net include the costs of material, labor and overhead and are stated at the lower of cost or net realizable value. Domestic inventories are stated at either the lower of cost or net realizable value using the last-in, first-out (“LIFO”) method or the lower of cost or net realizable value using the first-in, first-out (“FIFO”) method. Inventories held in foreign locations are primarily stated at the lower of cost or market using the FIFO method. The LIFO method is not being used at our foreign locations as such a method is not allowable for tax purposes. Changes in the levels of LIFO inventories have increased cost of sales by \$4.4 million, \$6.0 million and \$2.6 million for the years ended December 31, 2023, 2022 and 2021, respectively. The portion of inventories costed using the LIFO method was 50.9% and 49.8% of consolidated inventories as of December 31, 2023, and 2022,



respectively. If inventories that were valued using the LIFO method had been valued under the FIFO method, they would have been higher by \$28.4 million and \$24.0 million as of December 31, 2023 and 2022, respectively. The reserve for excess and obsolete inventory was \$76.6 million and \$70.3 million as of December 31, 2023, and 2022, respectively.

*Valuation of Long-Lived Assets.* We review our long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Examples of events or changes in circumstances could include, but are not limited to, a prolonged economic downturn, current period operating or cash flow losses combined with a history of losses or a forecast of continuing losses associated with the use of an asset or asset group, or a current expectation that an asset or asset group will be sold or disposed of before the end of its previously estimated useful life. Recoverability is based upon projections of anticipated future undiscounted cash flows associated with the use and eventual disposal of the long-lived asset (or asset group), as well as specific appraisal in certain instances. Reviews occur at the lowest level for which identifiable cash flows are largely independent of cash flows associated with other long-lived assets or asset groups. If the future undiscounted cash flows are less than the carrying value, then the long-lived asset is considered impaired and a loss is recognized based on the amount by which the carrying amount exceeds the estimated fair value. Judgments which impact these assessments relate to the expected useful lives of long-lived assets and our ability to realize any undiscounted cash flows in excess of the carrying amounts of such assets, and are affected primarily by changes in the expected use of the assets, changes in technology or development of alternative assets, changes in economic conditions, changes in operating performance and changes in expected future cash flows. Since judgment is involved in determining the recoverable amount of long-lived assets, there is risk that the carrying value of our long-lived assets may require adjustment in future periods.

*Property, Plant and Equipment, net.* Property, plant and equipment, net consists of the following:

(in millions) December 31,	2023	2022
Land	\$ 47.1	\$ 45.4
Buildings and improvements	175.3	167.2
Machinery and equipment	553.9	516.6
Gross property, plant and equipment	776.3	729.2
Less: accumulated depreciation	505.8	480.9
Property, plant and equipment, net	\$ 270.5	\$ 248.3

Property, plant and equipment is stated at cost and depreciation is calculated by the straight-line method over the estimated useful lives of the respective assets, which range from 10 to 25 years for buildings and improvements and three to 10 years for machinery and equipment. Depreciation expense was \$33.0 million, \$33.9 million and \$31.0 million for the years ended December 31, 2023, 2022 and 2021, respectively.

*Goodwill and Other 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" ("ASC 350") as it relates to the accounting for goodwill in the 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 other events or circumstances which would more likely than not reduce the fair value of 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 December 31, 2023, we had four reporting units.

When performing our annual impairment assessment, we compare the fair value of each of our reporting units to our respective carrying value. Goodwill is considered to be potentially impaired when the net book value of the reporting unit exceeds its estimated fair value. Fair values are established primarily by discounting estimated future cash flows at an estimated cost of capital which varies for each reporting unit and which, as of our most recent annual impairment assessment, ranged between 9.5% and 10.0% (a weighted average of 9.9%), reflecting the respective inherent business risk of each of the reporting units tested. This methodology for valuing our reporting units (commonly referred to as the Income Method) has not changed since the adoption of the provisions under ASC 350. The determination of discounted cash flows is based on the businesses' strategic plans and long-range planning forecasts, which change from year to year. The revenue growth rates included in the forecasts represent best estimates based on current and forecasted market conditions. Profit margin assumptions are projected by each reporting unit based on the current cost structure and anticipated net cost increases/reductions. There are inherent uncertainties related to these assumptions, including changes in market conditions, and management judgment is necessary in applying them to the analysis of goodwill impairment. In addition to the foregoing, for each reporting unit, market multiples are used to

corroborate discounted cash flow results where fair value is estimated based on earnings multiples determined by available public information of comparable businesses. While we believe we have made reasonable estimates and assumptions to calculate the fair value of our reporting units, it is possible a material change could occur. If actual results are not consistent with management's estimates and assumptions, goodwill and other intangible assets may then be determined to be overstated and a charge would need to be taken against net earnings. No impairment charges have been required during the years ended December 31, 2023, 2022 or 2021.

Changes to goodwill are as follows:

(in millions)	Aerospace & Electronics	Process Flow Technologies <sup>(a) (b)</sup>	Engineered Materials	Total
Balance as of December 31, 2021	\$ 202.5	\$ 349.4	\$ 171.3	\$ 723.2
Disposal on sale of business	—	(22.3)	—	(22.3)
Currency translation	(0.2)	(9.8)	—	(10.0)
Balance as of December 31, 2022	\$ 202.3	\$ 317.3	\$ 171.3	\$ 690.9
Acquisition	—	49.9	—	49.9
Currency translation	0.1	6.8	—	6.9
Balance as of December 31, 2023	\$ 202.4	\$ 374.0	\$ 171.3	\$ 747.7

<sup>(a)</sup> For the year ended December 31, 2023, adjustments within the Process Flow Technologies segment of \$49.9 million relate to the acquisition of BAUM, see Note 2 for further information.

<sup>(b)</sup> For the year ended December 31, 2022, adjustments within the Process Flow Technologies segment of \$22.3 million relate to the disposition of the Crane Supply business, see Note 1 for further information.

Intangibles with indefinite useful lives 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.

In addition to annual testing for impairment of indefinite-lived intangible assets, we 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. Examples of events or changes in circumstances could include, but are not limited to, a prolonged economic downturn, current period operating or cash flow losses combined with a history of losses or a forecast of continuing losses associated with the use of an asset or asset group, or a current expectation that an asset or asset group will be sold or disposed of before the end of its previously estimated useful life. Recoverability is based upon projections of anticipated future undiscounted cash flows associated with the use and eventual disposal of the definite-lived intangible asset (or asset group), as well as specific appraisal in certain instances. Reviews occur at the lowest level for which identifiable cash flows are largely independent of cash flows associated with other long-lived assets or asset groups and include estimated future revenues, gross profit margins, operating profit margins and capital expenditures which are based on the businesses' strategic plans and long-range planning forecasts, which change from year to year. The revenue growth rates included in the forecasts represent our best estimates based on current and forecasted market conditions, and the profit margin assumptions are based on the current cost structure and anticipated net cost increases or reductions. There are inherent uncertainties related to these assumptions, including changes in market conditions, and management's judgment in applying them to the analysis. If the future undiscounted cash flows are less than the carrying value, then the definite-lived intangible asset is considered impaired and a charge would be taken against net earnings based on the amount by which the carrying amount exceeds the estimated fair value. Judgments that we make which impact these assessments relate to the expected useful lives of definite-lived assets and its ability to realize any undiscounted cash flows in excess of the carrying amounts of such assets, and are affected primarily by changes in the expected use of the assets, changes in technology or development of alternative assets, changes in economic conditions, changes in operating performance and changes in expected future cash flows. Since judgment is involved in determining the recoverable amount of definite-lived intangible assets, there is risk that the carrying value of our definite-lived intangible assets may require adjustment in future periods. Historical results to date have generally approximated expected cash flows for the identifiable cash flow generating level.

As of December 31, 2023, we had \$87.9 million of net intangible assets, of which \$22.1 million were intangibles with indefinite useful lives, consisting of trade names. As of December 31, 2022, we had \$71.7 million of net intangible assets, of which \$21.8 million were intangibles with indefinite useful lives, consisting of trade names.

Changes to intangible assets are as follows:

(in millions) December 31,	2023	2022	2021
Balance at beginning of period, net of accumulated amortization	\$ 71.7	\$ 78.5	\$ 86.9
Additions <sup>(a)</sup>	21.1	—	—
Amortization expense	(6.3)	(5.7)	(7.4)
Currency translation and other	1.4	(1.1)	(1.0)
Balance at end of period, net of accumulated amortization	\$ 87.9	\$ 71.7	\$ 78.5

<sup>(a)</sup> For the year ended December 31, 2023, additions of \$21.1 million relate to the acquisition of BAUM, see Note 2 for further information.

A summary of intangible assets follows:

(in millions)	Weighted Average Amortization Period of Finite Lived Assets (in years)	December 31, 2023			December 31, 2022		
		Gross Asset	Accumulated Amortization	Net	Gross Asset	Accumulated Amortization	Net
Intellectual property rights	18.4	\$ 72.6	\$ 45.4	\$ 27.2	\$ 70.0	\$ 45.1	\$ 24.9
Customer relationships and backlog	13.7	152.9	93.9	59.0	132.6	87.8	44.8
Drawings	40.0	11.1	10.8	0.3	11.1	10.7	0.4
Other	21.1	42.7	41.3	1.4	42.4	40.8	1.6
Total	16.6	\$ 279.3	\$ 191.4	\$ 87.9	\$ 256.1	\$ 184.4	\$ 71.7

Future amortization expense associated with intangibles is expected to be:

Year	(in millions)
2024	\$ 7.7
2025	\$ 6.9
2026	\$ 6.9
2027	\$ 6.1
2028	\$ 5.7
2029 and after	\$ 32.5

*Accumulated Other Comprehensive (Loss) Income*

The tables below provide the accumulated balances for each classification of accumulated other comprehensive loss, as reflected on the Consolidated Balance Sheets.

(in millions)	Defined Benefit Pension and Other Postretirement Items	Currency Translation Adjustment	Total <sup>(a)</sup>
Balance as of December 31, 2020	\$ (397.9)	\$ (68.5)	\$ (466.4)
Other comprehensive income (loss) before reclassifications	78.0	(69.8)	8.2
Amounts reclassified from accumulated other comprehensive loss	18.0	—	18.0
Net period other comprehensive income (loss)	96.0	(69.8)	26.2
Balance as of December 31, 2021	(301.9)	(138.3)	(440.2)
Other comprehensive income (loss) before reclassifications	19.5	(93.1)	(73.6)
Amounts reclassified from accumulated other comprehensive loss	10.5	—	10.5
Net period other comprehensive income (loss)	30.0	(93.1)	(63.1)
Balance as of December 31, 2022	(271.9)	(231.4)	(503.3)
Other comprehensive (loss) income before reclassifications	(1.6)	20.8	19.2
Amounts reclassified from accumulated other comprehensive loss	11.6	—	11.6
Net period other comprehensive income	10.0	20.8	30.8
Distribution of Crane NXT, Co.	(8.9)	423.4	414.5
Balance as of December 31, 2023	\$ (270.8)	\$ 212.8	\$ (58.0)

<sup>(a)</sup> Net of tax benefit of \$103.0 million, \$106.6 million and \$117.9 million for 2023, 2022, and 2021, respectively.

The table below illustrates the amounts reclassified out of each component of accumulated other comprehensive loss for the years ended December 31, 2023, 2022 and 2021. Amortization of pension and postretirement components have been recorded within “Miscellaneous income, net” on the Consolidated Statements of Operations.

(in millions)	Amount Reclassified from Accumulated Other Comprehensive Loss		
December 31,	2023	2022	2021
Amortization of pension items:			
Prior service costs <sup>(a)</sup>	\$ 0.7	\$ (0.1)	\$ (0.1)
Net loss <sup>(b)</sup>	15.5	15.2	23.4
Amortization of postretirement items:			
Prior service costs <sup>(c)</sup>	(0.3)	(1.1)	(1.1)
Net gain <sup>(d)</sup>	(0.3)	—	—
Total before tax	\$ 15.6	\$ 14.0	\$ 22.2
Tax impact	4.0	3.5	4.2
Total reclassifications for the period	\$ 11.6	\$ 10.5	\$ 18.0

<sup>(a)</sup> Includes (charges) credits from discontinued operations of \$0.0 million, \$0.7 million and \$0.7 million in 2023, 2022 and 2021, respectively.

<sup>(b)</sup> Includes net activity from discontinued operations of \$0.0 million, \$0.6 million and \$1.5 million in 2023, 2022 and 2021, respectively.

<sup>(c)</sup> Includes charges from discontinued operations of \$0.3 million, \$1.1 million and \$1.1 million in 2023, 2022 and 2021, respectively.

<sup>(d)</sup> Includes net activity from discontinued operations of \$0.1 million in 2023.

Recent Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* (“ASU 2023-07”). The amendments improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. In addition, the amendments enhance interim disclosure requirements, clarify circumstances in which an entity can disclose multiple segment measures of profit or loss, provide new segment disclosure requirements for entities with a single reportable segment, and contain other disclosure requirements. The amendments in this Update are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The amended guidance is required to be applied on a retrospective basis to all periods presented. We are currently evaluating this guidance to determine the impact on our disclosures.

In December 2023, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* (“ASU 2023-09”). The amendments in this Update require that public business entities disclose specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold (if the effect of those reconciling items is equal to or greater than 5 percent of the amount computed by multiplying pretax income by the applicable statutory income tax rate). The amendments in this Update are effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The amendments in this Update should be applied on a prospective basis. We are currently evaluating this guidance to determine the impact on our disclosures.

The Company considered the applicability and impact of all other Accounting Standards Updates issued by the Financial Accounting Standards Board (FASB) and determined them to be either not applicable or are not expected to have a material impact on the Company's Consolidated Statement of Operations, Balance Sheets and Cash Flows.

**Note 2 – Acquisitions**

On October 4, 2023, the Company completed the acquisition of Baum lined piping GmbH (“BAUM”) for \$93.5 million on a cash-free and debt-free basis, with \$90.5 million paid in 2023 and \$3.0 million to be paid in 2024, related to the final working capital adjustment.

BAUM, is a German-based company that designs, manufactures, and distributes lined piping products primarily focused on chemical and industrial end markets. BAUM has been integrated into the Process Flow Technologies segment. The amount allocated to goodwill reflects the expected cost synergies. Goodwill from this acquisition is not deductible for tax purposes.

The allocation of consideration transferred to net assets acquired is as follows:

<b>Net assets acquired (in millions)</b>	
Total current assets	\$ 24.7
Property, plant and equipment	18.0
Other assets	9.5
Intangible assets	21.1
Goodwill	49.9
<b>Total assets acquired</b>	<b>\$ 123.2</b>
Total current liabilities	\$ 13.2
Other liabilities	16.5
<b>Total assumed liabilities</b>	<b>\$ 29.7</b>
<b>Net assets acquired</b>	<b>\$ 93.5</b>

The amounts allocated to acquired intangible assets, and their associated weighted-average useful lives which were determined based on the period in which the assets are expected to contribute directly or indirectly to our future cash flows, consist of the following:

Intangible Assets <i>(dollars in millions)</i>	Intangible Fair Value	Weighted Average Life
Trade names	\$ 2.1	16.0
Customer relationships	17.9	12.0
Backlog	1.1	1.0
<b>Total acquired intangible assets</b>	<b>\$ 21.1</b>	

The fair values of the trade name intangible assets were determined by using an income approach, specifically the relief-from-royalty approach, which is a commonly accepted valuation approach. This approach is based on the assumption that in lieu of ownership, a firm would be willing to pay a royalty in order to exploit the related benefits of this asset. Therefore, a portion of BAUM's earnings, equal to the after-tax royalty that would have been paid for the use of the asset, can be attributed to our ownership. The trade names are being amortized on a straight-line basis (which approximates the economic pattern of benefits) over the estimated economic life of 16 years.

The fair values of the customer relationships and backlog intangible assets were determined by using an income approach which is a commonly accepted valuation approach. Under this approach, the net earnings attributable to the asset or liability being measured are isolated using the discounted projected net cash flows. These projected cash flows are isolated from the projected cash flows of the combined asset group over the remaining economic life of the intangible asset or liability being measured. Both the amount and the duration of the cash flows are considered from a market participant perspective. Our estimates of market participant net cash flows considered historical and projected pricing, operational performance including market participant synergies, aftermarket retention, product life cycles, material and labor pricing, and other relevant customer, contractual and market factors. Where appropriate, the net cash flows were adjusted to reflect the potential attrition of existing customers in the future, as existing customers are expected to decline over time. The attrition-adjusted future cash flows are then discounted to present value using an appropriate discount rate. The customer relationship asset is being amortized on a straight-line basis (which approximates the economic pattern of benefits) over the estimated economic life of 12 years.

Supplemental Pro Forma Data

BAUM's results of operations have been included in our financial statements for the period subsequent to the completion of the acquisition on October 4, 2023. Consolidated pro forma revenue and net income attributable to common shareholders have not been presented since the impact is not material to our financial results for the period.

**Note 3 - Discontinued Operations**

As discussed in Note 1, Crane Company has reflected the historical consolidated financial statements of Crane Holdings, Co. with the Payment & Merchandising Technologies segment and other distributed assets and liabilities classified as discontinued operations.

Financial results from discontinued operations:

(in millions)	For the year ended December 31,		
	2023	2022	2021
Net sales	\$ 329.1	\$ 1,339.9	\$ 1,345.1
Cost of sales	174.4	713.7	746.2
Selling, general and administrative	80.0	294.6	291.4
Operating profit	74.7	331.6	307.5
Other expense, net	(11.2)	(40.0)	(38.4)
Income from discontinued operations	63.5	291.6	269.1
Income tax provision	11.4	62.1	31.1
Income from discontinued operations, net of tax	\$ 52.1	\$ 229.5	\$ 238.0

The major categories of assets and liabilities included in assets of discontinued operations and liabilities of discontinued operations are as follows:

(in millions)	December 31, 2022
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 230.6
Accounts receivable, net	205.0
Inventories, net	145.6
Other current assets	44.7
<b>Current assets of discontinued operations</b>	<b>625.9</b>
Property, plant and equipment, net	261.6
Long-term deferred tax asset	5.1
Other assets	56.7
Intangible assets, net	344.9
Goodwill	836.6
<b>Long-term assets of discontinued operations</b>	<b>1,504.9</b>
<b>Assets of discontinued operations</b>	<b>\$ 2,130.8</b>
<b>Liabilities:</b>	
Short term borrowings	\$ 299.7
Accounts payable	107.4
Accrued liabilities	203.7
U.S. and foreign taxes on income	3.9
<b>Current liabilities of discontinued operations</b>	<b>614.7</b>
Long-term debt	545.1
Accrued pension and postretirement benefits	21.1
Long-term deferred tax liability	107.1
Other liabilities	53.6
<b>Long-term liabilities of discontinued operations</b>	<b>726.9</b>
<b>Liabilities of discontinued operations</b>	<b>\$ 1,341.6</b>

#### Note 4 – Segment Information

In accordance with ASC Topic 280, "Segment Reporting," for purposes of segment performance measurement, we do not allocate to the business segments items that are of a non-operating nature, including charges which occur from time to time related to our legacy environmental liabilities, as such liabilities are not related to current business activities; or corporate organizational and functional expenses of a governance nature. "Corporate expenses-before environmental charges" consist of corporate office expenses including compensation, benefits, occupancy, depreciation, and other administrative costs. Assets of the business segments exclude general corporate assets, which principally consist of cash and cash equivalents, deferred tax assets, certain property, plant and equipment, and certain other assets.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. We account for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

Our segments are reported on the same basis used internally for evaluating performance and for allocating resources. We currently have three reporting segments: Aerospace & Electronics, Process Flow Technologies, and Engineered Materials.



A brief description of each of our current segments is 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. Its brands have decades of proven experience, and in many cases invented the critical technologies in their respective markets. The business designs and delivers proven systems, reliable components, and flexible power solutions that excel in tough and mission-critical environments. Products and services are organized into six integrated solutions: Sensing Components & Systems, Electrical Power Solutions, Fluid Management Solutions, Landing & Control Systems, and Microwave Solutions.

**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 include on/off valves and related products for critical and demanding applications in the chemical, oil & gas, power, and general industrial end markets globally. Commercial Valves includes the manufacturing and distribution of valves and related products for the non-residential construction, general industrial, and to a lesser extent, municipal markets. Pumps and Systems include pumps and related products primarily for water and wastewater applications in the industrial, municipal, commercial and military markets.

**Engineered Materials**

The Engineered Materials segment manufactures fiberglass-reinforced plastic ("FRP") panels and coils, primarily for use in the manufacturing of recreational vehicles ("RVs"), truck bodies and trailers (Transportation), with additional applications in commercial and industrial buildings (Building Products).

Financial information by reportable segment is set forth below:

(in millions) December 31,	2023	2022	2021
<b>Net Sales:</b>			
Aerospace & Electronics	\$ 789.3	\$ 667.3	\$ 638.3
Process Flow Technologies	1,072.8	1,109.4	1,196.6
Engineered Materials	224.3	258.3	228.0
<b>TOTAL NET SALES</b>	<b>\$ 2,086.4</b>	<b>\$ 2,035.0</b>	<b>\$ 2,062.9</b>
<b>Operating profit:</b>			
Aerospace & Electronics	\$ 159.0	\$ 120.3	\$ 110.0
Process Flow Technologies	208.5	168.2	182.5
Engineered Materials	33.4	32.6	26.9
Corporate	(117.1)	(283.2)	(97.7)
<b>TOTAL OPERATING PROFIT<sup>(a)</sup></b>	<b>\$ 283.8</b>	<b>\$ 37.9</b>	<b>\$ 221.7</b>
<b>Capital expenditures:</b>			
Aerospace & Electronics	\$ 9.7	\$ 9.3	\$ 14.1
Process Flow Technologies	29.1	23.9	18.8
Engineered Materials	3.7	3.8	2.2
Corporate	0.2	0.1	0.2
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 42.7</b>	<b>\$ 37.1</b>	<b>\$ 35.3</b>
<b>Depreciation and amortization:</b>			
Aerospace & Electronics	\$ 13.9	\$ 14.1	\$ 14.7
Process Flow Technologies	21.4	19.5	22.0
Engineered Materials	3.9	5.8	1.6
Corporate	0.1	0.1	0.1
<b>TOTAL DEPRECIATION AND AMORTIZATION</b>	<b>\$ 39.3</b>	<b>\$ 39.5</b>	<b>\$ 38.4</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

<sup>(a)</sup> For the year ended December 31, 2023, operating profit includes \$0.6 million restructuring charges. For the year ended December 31, 2022, operating profit includes a loss on divestiture of asbestos-related assets and liabilities of \$162.4 million and net restructuring charges of \$4.2 million. For the year ended December 31, 2021, operating profit included a restructuring gain of \$13.2 million. See Note 16, "Restructuring Charges" for additional details.

Net sales by geographic region:

(in millions) December 31,	2023	2022	2021
Net sales <sup>(a)</sup>			
United States	\$ 1,260.7	\$ 1,175.5	\$ 1,074.4
Canada	74.3	171.4	286.0
United Kingdom	120.3	105.4	110.0
Continental Europe	329.7	279.7	267.8
Other international	301.4	303.0	324.7
<b>TOTAL NET SALES</b>	<b>\$ 2,086.4</b>	<b>\$ 2,035.0</b>	<b>\$ 2,062.9</b>

<sup>(a)</sup> Net sales by geographic region are based on the destination of the sale.

Balance sheet items by reportable segment is set forth below:

(in millions) December 31,	2023	2022
Goodwill:		
Aerospace & Electronics	\$ 202.4	\$ 202.3
Process Flow Technologies	374.0	317.3
Engineered Materials	171.3	171.3
<b>TOTAL GOODWILL</b>	<b>\$ 747.7</b>	<b>\$ 690.9</b>
Assets:		
Aerospace & Electronics	\$ 744.6	\$ 663.3
Process Flow Technologies	1,164.5	1,064.7
Engineered Materials	191.8	218.6
Corporate	232.7	314.2
Assets Discontinued Operations	—	2,130.8
<b>TOTAL ASSETS</b>	<b>\$ 2,333.6</b>	<b>\$ 4,391.6</b>

Long-lived assets by geographic region:

(in millions) December 31,	2023	2022
Long-lived assets <sup>(a)</sup>		
United States	\$ 174.7	\$ 171.6
Europe	98.1	70.5
Other international	49.6	53.0
Corporate	12.1	11.6
<b>TOTAL LONG-LIVED ASSETS</b>	<b>\$ 334.5</b>	<b>\$ 306.7</b>

<sup>(a)</sup> Long-lived assets, net by geographic region are based on the location of the business unit.

**Note 5 - Revenue***Disaggregation of Revenues*

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

(in millions) December 31,	2023	2022	2021
<b>Aerospace &amp; Electronics</b>			
Commercial Original Equipment	\$ 291.4	\$ 250.5	\$ 229.4
Military Original Equipment	252.4	231.2	239.7
Commercial Aftermarket Products	180.2	129.3	104.5
Military Aftermarket Products	65.3	56.3	64.7
<b>Total Aerospace &amp; Electronics</b>	<b>\$ 789.3</b>	<b>\$ 667.3</b>	<b>\$ 638.3</b>
<b>Process Flow Technologies</b>			
Process Valves and Related Products	\$ 811.3	\$ 749.8	\$ 717.1
Commercial Valves	116.4	232.2	374.2
Pumps and Systems	145.1	127.4	105.3
<b>Total Process Flow Technologies</b>	<b>\$ 1,072.8</b>	<b>\$ 1,109.4</b>	<b>\$ 1,196.6</b>
<b>Engineered Materials</b>			
FRP- Recreational Vehicles	\$ 73.0	\$ 111.9	\$ 102.5
FRP- Building Products	117.0	112.5	94.9
FRP- Transportation	34.3	33.9	30.6
<b>Total Engineered Materials</b>	<b>\$ 224.3</b>	<b>\$ 258.3</b>	<b>\$ 228.0</b>
<b>Total Net Sales</b>	<b>\$ 2,086.4</b>	<b>\$ 2,035.0</b>	<b>\$ 2,062.9</b>

*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 December 31, 2023, backlog was \$1,091.2 million. We expect to recognize approximately 85% of our remaining performance obligations as revenue in 2024, an additional 12% by 2025 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 Consolidated Balance Sheets, and contract liabilities, which are included within "Accrued liabilities" on our 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) December 31,	2023	2022
Contract assets	\$ 63.5	\$ 56.8
Contract liabilities	\$ 56.2	\$ 49.4

During 2023 we recognized revenue of \$33.4 million related to contract liabilities as of December 31, 2022.

**Note 6 – Research and Development**

Research and development costs are expensed when incurred and are included in “Selling, general and administrative” in our Consolidated Statements of Operations.

(in millions) December 31,	2023	2022	2021
Research and Development Costs	\$ 55.9	\$ 49.2	\$ 49.5

**Note 7 – Pension and Postretirement Benefits***Pension Plan*

In the United States, we sponsor a defined benefit pension plan that covers approximately 18% of all U.S. employees. Effective January 1, 2013, pension eligible non-union employees no longer earn future benefits in the domestic defined benefit pension plan. The benefits are based on years of service and compensation on a final average pay basis, except for certain hourly employees where benefits are fixed per year of service. Charges to expense are based upon costs computed by an independent actuary. Contributions are intended to provide for future benefits earned to date. Additionally, a number of our non-U.S. subsidiaries sponsor defined benefit pension plans cover approximately 10% of all non-U.S. employees. The benefits are typically based upon years of service and compensation. Most of these plans are funded by company contributions to pension funds, which are held for the sole benefit of plan participants and beneficiaries.

In December 2022, we settled the pension plan for the salaried non-bargaining employees of Crane Canada Co. and recognized a loss of \$7.0 million, net of tax. In August 2023, the Company received a distribution of \$45.3 million after distributions to plan participants.

*Postretirement Plans*

Postretirement health care and life insurance benefits are provided for certain employees hired before January 1, 1990, who meet minimum age and service requirements.

A summary of the projected benefit obligations, fair value of plan assets and funded status is as follows:

(in millions) December 31,	Pension Benefits		Postretirement Benefits	
	2023	2022	2023	2022
<b>Change in benefit obligation:</b>				
Benefit obligation at beginning of year	\$ 722.1	\$ 1,052.8	\$ 3.2	\$ 4.7
Service cost	3.3	3.4	—	—
Interest cost	35.9	21.5	0.2	0.1
Amendments	1.9	0.7	—	—
Actuarial (gain) loss	28.8	(267.0)	—	(0.9)
Settlements	(0.1)	(7.7)	—	—
Curtailments	—	(1.0)	—	—
Benefits paid	(45.2)	(45.8)	(0.5)	(0.7)
Foreign currency exchange and other	11.6	(34.2)	—	—
Curtailment and settlement loss from discontinued operations	1.9	—	—	—
Administrative expenses paid and other	(0.9)	(0.6)	0.1	—
<b>Benefit obligation at end of year</b>	<b>\$ 759.3</b>	<b>\$ 722.1</b>	<b>\$ 3.0</b>	<b>\$ 3.2</b>
<b>Change in plan assets:</b>				
Fair value of plan assets at beginning of year	\$ 634.5	\$ 976.1	\$ —	\$ —
Actual return on plan assets	72.8	(211.3)	—	—
Employer contributions	18.1	17.8	0.5	0.7
Settlements	(0.1)	(63.2)	—	—
Benefits paid	(45.2)	(45.8)	(0.5)	(0.7)
Foreign currency exchange and other	12.8	(38.4)	—	—
Administrative expenses paid	(0.5)	(0.7)	—	—
<b>Fair value of plan assets at end of year</b>	<b>\$ 692.4</b>	<b>\$ 634.5</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Funded status</b>	<b>\$ (66.9)</b>	<b>\$ (87.6)</b>	<b>\$ (3.0)</b>	<b>\$ (3.2)</b>

In the U.S., 2023 actuarial losses in the projected benefit obligation were primarily the result of a decrease in the discount rate. Other sources of gains or losses such as plan experience, updated census data and minor adjustments to actuarial assumptions generated combined losses of less than 1% of expected year end obligations. In the Non-U.S. countries, 2023 actuarial losses in the projected benefit obligation were primarily the result of decrease in discount rates. Other sources of gains or losses such as plan experience, updated census data, changes to forecast inflation, mortality table updates and minor adjustments to other actuarial assumptions generated combined losses of approximately 1% of expected year end obligations.

In the U.S., 2022 actuarial gains in the projected benefit obligation were primarily the result of an increase in the discount rate. Other sources of gains or losses such as plan experience, updated census data and minor adjustments to actuarial assumptions generated combined losses of less than 1% of expected year end obligations. In the Non-U.S. countries, 2022 actuarial gains in the projected benefit obligation were primarily the result of increases in discount rates. Other sources of gains or losses such as plan experience, updated census data, changes to forecast inflation, mortality table updates and minor adjustments to other actuarial assumptions generated combined losses of approximately 3% of expected year end obligations.

Amounts recognized on our Consolidated Balance Sheets consist of:

(in millions) December 31,	Pension Benefits		Postretirement Benefits	
	2023	2022	2023	2022
Other assets	\$ 45.5	\$ 41.8	\$ —	\$ —
Current liabilities	(1.4)	(1.5)	(0.4)	(0.5)
Accrued pension and postretirement benefits	(111.0)	(127.9)	(2.6)	(2.7)
<b>Funded status</b>	<b>\$ (66.9)</b>	<b>\$ (87.6)</b>	<b>\$ (3.0)</b>	<b>\$ (3.2)</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Amounts recognized in accumulated other comprehensive loss consist of:

(in millions) December 31,	Pension Benefits		Postretirement Benefits	
	2023	2022	2023	2022
Net actuarial loss (gain)	\$ 352.2	\$ 367.0	\$ (2.6)	\$ (8.4)
Prior service cost (credit)	6.9	(1.3)	—	(2.0)
Total recognized in accumulated other comprehensive loss	\$ 359.1	\$ 365.7	\$ (2.6)	\$ (10.4)

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the U.S. and Non-U.S. plans, are as follows:

(in millions) December 31,	Pension Obligations/Assets					
	U.S.		Non-U.S.		Total	
	2023	2022	2023	2022	2023	2022
Projected benefit obligation	\$ 512.9	\$ 499.6	\$ 246.4	\$ 222.5	\$ 759.3	\$ 722.1
Accumulated benefit obligation	512.9	499.6	242.6	218.7	755.5	718.3
Fair value of plan assets	437.6	401.6	254.8	232.9	692.4	634.5

Information for pension plans with an accumulated benefit obligation in excess of plan assets is as follows:

(in millions) December 31,	2023	2022
Projected benefit obligation	\$ 552.7	\$ 533.8
Accumulated benefit obligation	\$ 549.3	\$ 530.3
Fair value of plan assets	\$ 440.3	\$ 404.5

Components of net periodic cost (benefit) are as follows:

(in millions) For the year ended December 31,	Pension Benefits			Postretirement Benefits		
	2023	2022	2021	2023	2022	2021
<b>Net Periodic (Benefit) Cost:</b>						
Service cost	\$ 3.3	\$ 3.4	\$ 3.4	\$ —	\$ —	\$ —
Interest cost	35.9	21.5	17.7	0.2	0.1	0.1
Expected return on plan assets	(46.1)	(53.5)	(51.8)	—	—	—
Amortization of prior service cost	0.7	0.6	0.6	—	—	—
Amortization of net loss (gain)	15.5	14.6	21.9	(0.2)	—	—
Recognized curtailment (gain) loss	—	(1.0)	1.0	—	—	—
Settlement loss	—	12.1	1.3	—	—	—
Curtailment and settlement loss from discontinued operations	1.9	—	—	—	—	—
Net periodic cost (benefit)	\$ 11.2	\$ (2.3)	\$ (5.9)	\$ —	\$ 0.1	\$ 0.1

The weighted average assumptions used to determine benefit obligations are as follows:

For the year ended December 31,	Pension Benefits			Postretirement Benefits		
	2023	2022	2021	2023	2022	2021
<b>U.S. Plans:</b>						
Discount rate	5.07 %	5.43 %	2.89 %	5.00 %	5.40 %	2.70 %
Rate of compensation increase	N/A	N/A	N/A	N/A	N/A	N/A
Interest credit rate	4.02 %	3.62 %	1.47 %	N/A	N/A	N/A
<b>Non-U.S. Plans:</b>						
Discount rate	4.29 %	4.61 %	1.73 %	N/A	N/A	N/A
Rate of compensation increase	3.69 %	3.72 %	3.30 %	N/A	N/A	N/A
Interest credit rate	N/A	N/A	N/A	N/A	N/A	N/A

The weighted-average assumptions used to determine net periodic benefit cost are as follows:

For the year ended December 31,	Pension Benefits			Postretirement Benefits		
	2023	2022	2021	2023	2022	2021
<b>U.S. Plans:</b>						
Discount rate	5.43 %	2.89 %	2.62 %	5.40 %	2.70 %	2.30 %
Expected rate of return on plan assets	8.25 %	6.50 %	6.50 %	N/A	N/A	N/A
Rate of compensation increase	N/A	N/A	N/A	N/A	N/A	N/A
Interest credit rate	3.62 %	1.47 %	0.93 %	N/A	N/A	N/A
<b>Non-U.S. Plans:</b>						
Discount rate	4.61 %	1.73 %	1.17 %	N/A	N/A	N/A
Expected rate of return on plan assets	5.91 %	4.85 %	4.85 %	N/A	N/A	N/A
Rate of compensation increase	3.72 %	3.30 %	3.32 %	N/A	N/A	N/A
Interest credit rate	N/A	N/A	N/A	N/A	N/A	N/A

The long-term expected rate of return on plan assets assumptions were determined with input from independent investment consultants and plan actuaries, utilizing asset pricing models and considering historical returns. The discount rates used by us for valuing pension liabilities are based on a review of high-quality corporate bond yields with maturities approximating the remaining life of the projected benefit obligations.

In the U.S. plan, the 8.25% expected rate of return on assets assumption for 2023 reflected a long-term target comprised of an asset allocation range of 25%-75% equity securities, 15%-35% fixed income securities, 10%-35% alternative assets and 0%-10% cash and cash equivalents. As of December 31, 2023, the actual asset allocation for the U.S. plan was 50.0% equity securities, 37.8% fixed income securities, 10.8% alternative assets and 1.4% cash and cash equivalents. During 2023, the pension committee voted to reduce the funded status risk by increasing the allocation to liability matching fixed income investments.

For the non-U.S. plans, the 5.91% expected rate of return on assets assumption for 2023 reflected a weighted average of the long-term asset allocation targets for our various non-U.S. plans. As of December 31, 2023, the actual weighted average asset allocation for the non-U.S. plans was 18.5% equity securities, 44.2% fixed income securities, 34.0% alternative assets/other and 3.4% cash and cash equivalents.

The assumed health care cost trend rates are as follows:

December 31,	2023	2022
Health care cost trend rate assumed for next year	7.25 %	7.00 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.50 %	4.50 %
Year that the rate reaches the ultimate trend rate	2035	2033

Assumed health care cost trend rates have a significant effect on the amounts reported for our health care plans.

### Plan Assets

Our pension plan target allocations and weighted-average asset allocations by asset category are as follows:

Asset Category December 31,	Target Allocation	Actual Allocation	
		2023	2022
Equity securities	15%-75%	38 %	47 %
Fixed income securities	15%-75%	40 %	27 %
Alternative assets/Other	0%-45%	20 %	22 %
Cash and money market	0%-10%	2 %	4 %

Independent investment consultants are retained to assist in executing the plans' investment strategies. A number of factors are evaluated in determining if an investment strategy will be implemented in our pension trusts. These factors include, but are not limited to, investment style, investment risk, investment manager performance and costs. We periodically review investment managers and their performance in relation to our plans' investment objectives.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The primary investment objective of our various pension trusts is to maximize the value of plan assets, focusing on capital preservation, current income and long-term growth of capital and income. The plans' assets are typically invested in a broad range of equity securities, fixed income securities, alternative assets and cash instruments.

Equity securities include investments in large, mid, and small-capitalization companies located in both developed countries and emerging markets around the world. Fixed income securities include government bonds of various countries, corporate bonds that are primarily investment-grade, and mortgage-backed securities. Alternative assets include investments in real estate and hedge funds employing a wide variety of strategies.

The fair value of our pension plan assets as of December 31, 2023, by asset category, are as follows:

(in millions)	Active Markets for Identical Assets Level 1	Other Observable Inputs Level 2	Unobservable Inputs Level 3	Net Asset Value ("NAV") Practical Expedient <sup>(a)</sup>	Total Fair Value
Cash Equivalents and Money Markets	\$ 14.6	\$ —	\$ —	\$ —	\$ 14.6
<b>Common Stocks</b>					
Actively Managed U.S. Equities	35.0	—	—	—	35.0
<b>Commingled and Mutual Funds</b>					
U.S. Equity Funds	115.1	—	—	—	115.1
Non-U.S. Equity Funds	68.8	—	—	47.1	115.9
U.S. Fixed Income, Government and Corporate	165.2	—	—	—	165.2
Registered Investment Company	22.8	—	—	—	22.8
Non-U.S. Fixed Income, Government and Corporate	—	—	—	112.7	112.7
Property Funds	24.6	—	—	—	24.6
<b>Alternative Investments</b>					
Insurance / Annuity Contract(s)	—	2.0	—	—	2.0
Hedge Funds and LDI	—	—	—	59.2	59.2
International Property Funds	—	—	—	25.3	25.3
<b>Total Fair Value</b>	<b>\$ 446.1</b>	<b>\$ 2.0</b>	<b>\$ —</b>	<b>\$ 244.3</b>	<b>\$ 692.4</b>

(a) Investments are measured at fair value using the net asset value per share practical expedient, and therefore, are not classified in the fair value hierarchy.



The fair value of our pension plan assets as of December 31, 2022, by asset category, are as follows:

(in millions)	Active Markets for Identical Assets Level 1	Other Observable Inputs Level 2	Unobservable Inputs Level 3	Net Asset Value ("NAV") Practical Expedient <sup>(a)</sup>	Total Fair Value
Cash Equivalents and Money Markets	\$ 26.8	\$ —	\$ —	\$ —	\$ 26.8
<b>Common Stocks</b>					
Actively Managed U.S. Equities	31.8	—	—	—	31.8
<b>Commingled and Mutual Funds</b>					
U.S. Equity Funds	152.3	—	—	—	152.3
Non-U.S. Equity Funds	74.3	—	—	37.8	112.1
U.S. Fixed Income, Government and Corporate	88.9	—	—	—	88.9
Registered Investment Company	23.3	—	—	—	23.3
Non-U.S. Fixed Income, Government and Corporate	—	—	—	82.3	82.3
International Balanced Funds	—	—	—	1.8	1.8
Property Funds	21.7	—	—	—	21.7
<b>Alternative Investments</b>					
Insurance / Annuity Contract(s)	—	2.6	—	—	2.6
Hedge Funds and LDI	—	—	—	60.1	60.1
International Property Funds	—	—	—	30.8	30.8
<b>Total Fair Value</b>	<b>\$ 419.1</b>	<b>\$ 2.6</b>	<b>\$ —</b>	<b>\$ 212.8</b>	<b>\$ 634.5</b>

(a) Investments are measured at fair value using the net asset value per share practical expedient, and therefore, are not classified in the fair value hierarchy.

### Cash Flows

We expect, based on current actuarial calculations, to contribute cash of approximately \$17.9 million to our defined benefit pension plans during 2024. Cash contributions in subsequent years will depend on a number of factors including the investment performance of plan assets.

### Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

Estimated future payments (in millions)	Pension Benefits	Postretirement Benefits
2024	\$ 49.9	\$ 0.4
2025	51.1	0.4
2026	51.3	0.4
2027	52.6	0.4
2028	53.6	0.3
2029 to 2033	253.6	1.1
<b>Total payments</b>	<b>\$ 512.1</b>	<b>\$ 3.0</b>

### Defined Contribution Plans

We sponsor savings and investment plans that are available to our eligible employees including employees of our subsidiaries. We made contributions to the plans of \$9.2 million, \$9.0 million and \$8.0 million in 2023, 2022 and 2021, respectively.

In addition to participant deferral contributions and company matching contributions on those deferrals, we provide a 3% non-matching contribution to eligible participants. We made non-matching contributions to these plans of \$10.8 million, \$10.4 million and \$9.7 million in 2023, 2022 and 2021, respectively.

**Note 8 – Stock-Based Compensation Plans**

At December 31, 2023, we had stock-based compensation awards outstanding under the Crane Company 2023 Stock Incentive Plan (the “2023 Plan”). The 2023 Plan was approved by the Board of Directors of the Company (the “Board”) on February 27, 2023, and by Crane Holdings, Co. as the sole shareholder of the Company on February 27, 2023. The 2023 Plan authorized the issuance of up to 9,750,000 shares of stock pursuant to awards under the plan.

In accordance with the Employee Matters Agreement entered into between Crane Holdings, Co. and Crane Company, as further described in Note 1, “Basis of Presentation,” previously outstanding equity compensation awards granted under the historical Crane Holdings, Co. 2018 Amended and Restated Stock Incentive Plans prior to the Separation and held by certain executives and employees of Crane Holdings, Co. were adjusted to reflect the impact of the Separation on these awards.

To preserve the aggregate intrinsic value of these equity compensation awards, as measured immediately before and immediately after the Separation, each Crane Holdings, Co. equity-based compensation award was adjusted using either the shareholder method or the replacement method.

Any stock-based compensation award held by an Executive Officer or Non-Employee Director was adjusted using the shareholder method, in which each Crane Holdings, Co. equity compensation award outstanding prior to the Separation was adjusted into a Crane NXT, Co. Equity Compensation Award under one of the continuing Crane Holdings, Co. Stock Incentive Plans and a Crane Company equity compensation award under the Crane Company 2023 Stock Incentive Plan. All other stock based compensation awards were adjusted using the replacement method in which each Crane Holdings, Co. equity compensation award outstanding prior to the Separation was adjusted into either a Crane NXT, Co. equity compensation award under one of the continuing Crane Holdings, Co. Stock Incentive Plans or a Crane Company Equity Compensation Award under the Crane Company 2023 Stock Incentive Plan, based on whether the award holder is employed by Crane NXT, Co. or Crane Company immediately after the Separation.

The stock incentive plans are used to provide long-term incentive compensation through stock options, restricted share units, performance-based restricted share units and deferred stock units.

*Stock Options*

Options are granted under the Stock Incentive Plan to officers and other key employees and directors at an exercise price equal to the closing price on the date of grant. Unless otherwise determined by the Compensation Committee which administers the plan, options become exercisable at a rate of 25% after the first year, 50% after the second year, 75% after the third year and 100% after the fourth year from the date of grant. All options granted to directors and options granted to officers and employees after 2014 expire 10 years after the date of grant.

We determine the fair value of each grant using the Black-Scholes option pricing model. The weighted-average assumptions for grants made during the years ended December 31, 2023, 2022 and 2021 are as follows:

	2023	2022	2021
Dividend yield	1.57 %	2.05 %	3.06 %
Volatility	32.33 %	33.96 %	36.28 %
Risk-free interest rate	3.67 %	1.92 %	0.50 %
Expected lives in years	7.7	7.2	5.2

Expected dividend yield is based on our dividend rate. Expected stock volatility was determined based upon the historical volatility for the four-year period preceding the date of grant. The risk-free interest rate was based on the yield curve in effect at the time the options were granted, using U.S. constant maturities over the expected life of the option. The expected lives of the awards represent the period of time that options granted are expected to be outstanding.

Activity in our stock option plans for the year ended December 31, 2023, were as follows:

Option Activity	Number of Shares (in 000's)	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)
Options outstanding as of January 1, 2023	1,692	\$ 77.19	
Granted	158	119.71	
Exercised	(337)	72.69	
Canceled	(22)	69.02	
Outstanding on Distribution Date before Equitable Adjustment	1,491	\$ 82.84	
Outstanding on Distribution Date after Equitable Adjustment	1,580	\$ 59.90	
Exercised	(201)	53.93	
Canceled	(4)	41.32	
Options outstanding as of December 31, 2023	1,375	\$ 55.97	5.5
Options exercisable as of December 31, 2023	1,026	\$ 52.21	4.7

Included in our share-based compensation was expense recognized for our stock option awards of \$4.5 million, \$5.1 million and \$6.2 million in 2023, 2022 and 2021, respectively. These amounts include expense related to discontinued operations of \$0.2 million, \$0.5 million and \$0.5 million in 2023, 2022 and 2021, respectively.

The weighted-average fair value of options granted during 2023, 2022 and 2021 was \$42.47, \$32.51 and \$20.82, respectively. The total fair value of shares vested during 2023, 2022 and 2021 was \$5.7 million, \$5.6 million and \$6.3 million, respectively. The total intrinsic value of options exercised during 2023, 2022 and 2021 was \$24.3 million, \$11.8 million and \$36.4 million, respectively. The aggregate intrinsic value of exercisable options was \$67.7 million, \$26.5 million and \$33.9 million as of December 31, 2023, 2022 and 2021, respectively.

The total proceeds received from these option exercises during 2023, 2022 and 2021 were \$30.3 million, \$22.8 million and \$26.4 million, respectively. The tax benefit realized for the tax deductions from these option exercises was \$5.0 million, \$1.8 million and \$5.5 million as of December 31, 2023, 2022 and 2021, respectively.

As of December 31, 2023, there was \$3.2 million of total future compensation cost related to unvested share-based awards to be recognized over a weighted-average period of 1.28 years.

#### *Restricted Share Units and Performance-Based Restricted Share Units*

Restricted share units vest at a rate of 25% after the first year, 50% after the second year, 75% after the third year and 100% after the fourth year from the date of grant and are subject to forfeiture restrictions which lapse over time. The vesting of performance-based restricted share units is determined in three years based on relative total shareholder return for Crane Company compared to the S&P Midcap 400 Capital Goods Group, with payout potential ranging from 0% to 200% but capped at 100% if our three-year total shareholder return is negative.

Included in our share-based compensation was expense recognized for our restricted share unit and performance-based restricted share unit awards of \$14.5 million, \$19.1 million and \$18.7 million in 2023, 2022 and 2021, respectively. These amounts include expense related to discontinued operations of \$0.6 million, \$2.4 million and \$2.7 million in 2023, 2022 and 2021, respectively.

The tax benefit (detriment) for the vesting of the restricted share units was \$2.0 million, \$1.2 million and \$(0.1) million as of December 31, 2023, 2022 and 2021, respectively.

As of December 31, 2023, there was \$18.3 million of total future compensation cost related to restricted share unit and performance-based restricted share unit awards, to be recognized over a weighted-average period of 1.66 years.

Changes in our restricted share units for the year ended December 31, 2023, were as follows:

Restricted Share Unit Activity	Restricted Share Units (in 000's)	Weighted Average Grant-Date Fair Value
Restricted share units as of January 1, 2023	529	\$ 92.96
Restricted share units granted	145	119.32
Restricted share units vested	(129)	86.21
Restricted share units forfeited	(7)	93.14
Performance-based restricted share units granted	54	141.55
Performance-based restricted share units forfeited	(2)	97.31
Outstanding on Distribution Date before Equitable Adjustment	590	\$ 104.77
Outstanding on Distribution Date after Equitable Adjustment	572	\$ 66.79
Restricted share units granted	21	74.66
Restricted share units vested	(22)	73.96
Restricted share units forfeited	(8)	71.29
Performance-based restricted share units granted	4	57.13
Performance-based restricted share units vested	(111)	48.38
Restricted share units as of December 31, 2023	456	\$ 71.14

#### *Liability Performance-Based Restricted Share Units*

As a result of Separation, certain executives hold performance-based restricted share units ("PRsUs") that have undergone an equity-to-liability modification and are denominated in Crane NXT, Co. stock. As the PRsUs vest based on the performance of Crane NXT, Co.'s stock, the PRsUs are classified as a liability. The fair value of the PRsU liability was estimated based on a Monte Carlo simulation, which models multiple stock price paths of Crane NXT, Co.'s stock and that of its peer group to evaluate and determine its ultimate expected relative TSR. The awards are fair valued throughout the vesting period via the Monte Carlo simulation.

During the year ended December 31, 2023, the Company recognized \$7.9 million in share-based compensation expense related to the liability PRsUs. As of December 31, 2023, the total liability related to these awards was \$10.0 million and was included in other liabilities on our Consolidated Balance Sheets.

#### **Note 9 - Leases**

Arrangements that explicitly or implicitly relate to property, plant and equipment are assessed at inception to determine if the arrangement is or contains a lease. Generally, we enter into operating leases as the lessee and recognize right-of-use assets and lease liabilities based on the present value of future lease payments over the lease term.

We lease certain vehicles, equipment, manufacturing facilities, and non-manufacturing facilities. We have leases with both lease components and non-lease components, such as common area maintenance, utilities, or other repairs and maintenance. For all asset classes, we applied the practical expedient to account for each separate lease component and its associated non-lease component(s) as a single lease component.

We identify variable lease payments, such as maintenance payments based on actual activities performed or costs incurred, at lease commencement by assessing the nature of the payment provisions, including whether the payments are subject to a minimum.

Certain leases include options to renew for an additional term or company-controlled options to terminate. We generally determine it is not reasonably certain to assume the exercise of renewal options because there is no economic incentive to renew. As termination options often include penalties, we generally determine it is reasonably certain that termination options will not be exercised because there is an economic incentive not to terminate. Therefore, these options generally do not impact the lease term or the determination or classification of the right-of-use asset and lease liability.

In the first quarter of 2023, we entered a five-year lease for a used airplane which includes a maximum residual value guarantee of \$5.1 million in the event the aircraft is sold for less than the purchase price option of \$10.6 million. We do not believe it is probable that any amount will be owed under this guarantee. Therefore, no amount related to the residual value

guarantee is included in the lease payments used to measure the right-of-use asset and lease liability. We have not entered any other leases where a residual value guarantee is provided to the lessor.

We do not enter arrangements where restrictions or covenants are imposed by the lessor that, for example, relate to incurring additional financial obligations. Furthermore, we also have not entered into any significant sublease arrangements.

We use our collateralized incremental borrowing rate based on the information available at commencement date to determine the present value of future payments and the appropriate lease classification. The rate implicit in the lease is generally unknown, as we generally operate in the capacity of the lessee.

Our Consolidated Balance Sheet includes the following related to leases:

(in millions) December 31,	Classification	2023	2022
<b>Assets</b>			
Operating right-of-use assets	Other assets	\$ 64.0	\$ 58.4
<b>Liabilities</b>			
Current lease liabilities	Accrued liabilities	\$ 10.8	\$ 11.6
Long-term lease liabilities	Other liabilities	56.3	49.7
<b>Total lease liabilities</b>		<b>\$ 67.1</b>	<b>\$ 61.3</b>

The components of lease cost were as follows:

(in millions) December 31,	2023	2022	2021
Operating lease cost	\$ 16.9	\$ 18.1	\$ 19.7
Variable lease cost	5.2	4.6	4.6
<b>Total lease cost</b>	<b>\$ 22.1</b>	<b>\$ 22.7</b>	<b>\$ 24.3</b>

The weighted average remaining lease terms and discount rates for our operating leases were as follows:

December 31,	2023	2022
Weighted-average remaining lease term - operating leases	7.6	7.7
Weighted-average discount rate - operating leases	4.2 %	3.4 %

Supplemental cash flow information related to our operating leases were as follows:

(in millions) December 31,	2023	2022	2021
Cash paid for amounts included in measurement of operating lease liabilities - operating cash flows	\$ 14.5	\$ 14.2	\$ 17.0
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 16.7	\$ 16.2	\$ 15.6

Future minimum operating lease payments are as follows:

(in millions)	December 31, 2023
2024	\$ 14.9
2025	13.3
2026	11.3
2027	10.3
2028	7.4
Thereafter	24.0
<b>Total future minimum operating lease payments</b>	<b>\$ 81.2</b>
<b>Imputed interest</b>	<b>14.1</b>
<b>Present value of lease liabilities reported</b>	<b>\$ 67.1</b>

**Note 10 – Income Taxes***Provision for Income Taxes*

Our income before taxes is as follows:

(in millions) For year ended December 31,	2023	2022	2021
U.S. operations	\$ 155.4	\$ (82.2)	\$ 201.1
Non-U.S. operations	111.6	353.6	32.6
Total	\$ 267.0	\$ 271.4	\$ 233.7

Our provision (benefit) for income taxes consists of:

(in millions) For the year ended December 31,	2023	2022	2021
Current:			
U.S. federal tax	\$ 43.0	\$ 23.0	\$ 20.1
U.S. state and local tax	5.6	1.1	(0.3)
Non-U.S. tax	36.1	74.9	21.5
Total current	84.7	99.0	41.2
Deferred:			
U.S. federal tax	(15.2)	22.7	(4.9)
U.S. state and local tax	(2.1)	(10.3)	(2.1)
Non-U.S. tax	(4.2)	(11.6)	2.1
Total deferred	(21.5)	0.8	(4.9)
Total provision for income taxes *	\$ 63.2	\$ 99.8	\$ 36.3

\* Included in the above amounts are excess tax benefits from share-based compensation of \$6.0 million, \$1.5 million and \$3.7 million in 2023, 2022 and 2021, respectively, which were reflected as reductions in our provision for income taxes in 2023, 2022 and 2021.

A reconciliation of the statutory U.S. federal tax rate to our effective tax rate is as follows:

For the year ended December 31,	2023	2022	2021
Statutory U.S. federal tax rate	21.0 %	21.0 %	21.0 %
Increase (reduction) from:			
Income taxed at non-U.S. rates	3.1 %	(3.6)%	6.1 %
Non-U.S. income inclusion, net of tax credits	(1.4)%	0.1 %	0.6 %
State and local taxes, net of federal benefit	1.1 %	(2.5)%	(1.2)%
U.S. research and development tax credit	(0.7)%	(0.7)%	(0.7)%
U.S. deduction for foreign - derived intangible income	(1.6)%	(0.8)%	(1.1)%
Deferred tax asset related to the sale of a subsidiary	— %	7.6 %	(8.8)%
Nondeductible loss due to Asbestos Divestiture	— %	14.3 %	— %
Other	2.2 %	1.3 %	(0.3)%
Effective tax rate	23.7 %	36.7 %	15.6 %

As of December 31, 2023, we have made the following determinations with regard to our non-U.S. earnings:

(in millions)	Permanently reinvested	Not permanently reinvested
Amount of earnings	\$ 202.1	\$ 847.4
Associated tax	NA *	\$ 11.1

\* Determination of U.S. income taxes and non-U.S. withholding taxes due upon repatriation of this \$202.1 million of earnings is not practicable because the amount of such taxes depends upon circumstances existing in numerous taxing jurisdictions at the time the remittance occurs.

#### *Tax Related to Comprehensive Income*

During 2023, 2022 and 2021, tax provision of \$3.2 million, \$9.1 million and \$26.7 million, respectively, related to changes in pension and post-retirement plan assets and benefit obligations, were recorded to accumulated other comprehensive loss.

*Deferred Taxes and Valuation Allowances*

The components of deferred tax assets and liabilities included in our Consolidated Balance Sheets are as follows:

(in millions) December 31,	2023	2022
<b>Deferred tax assets:</b>		
Tax loss and credit carryforwards	\$ 50.9	\$ 51.0
Inventories	23.4	21.6
Capitalized Research and Development	22.8	10.2
Pension and Post Retirement Benefits	11.2	6.1
Accrued Bonuses and Stock Based Compensation	6.6	8.3
Other	13.7	13.5
<b>Total</b>	<b>\$ 128.6</b>	<b>\$ 110.7</b>
Less: valuation allowance	51.8	52.7
<b>Total deferred tax assets, net of valuation allowance</b>	<b>\$ 76.8</b>	<b>\$ 58.0</b>
<b>Deferred tax liabilities:</b>		
Basis difference in fixed assets	\$ (23.8)	\$ (18.6)
Basis difference in intangible assets	(76.3)	(76.5)
Deferred Tax on Non-U.S. unremitted Earnings	(11.1)	(15.1)
<b>Total deferred tax liabilities</b>	<b>\$ (111.2)</b>	<b>\$ (110.2)</b>
<b>Net deferred tax asset (liability)</b>	<b>\$ (34.4)</b>	<b>\$ (52.2)</b>
<b>Balance sheet classification:</b>		
Long-term deferred tax assets	2.7	3.1
Long-term deferred tax liability	(37.1)	(55.3)
<b>Net deferred tax asset (liability)</b>	<b>\$ (34.4)</b>	<b>\$ (52.2)</b>

As of December 31, 2023, we had U.S. federal, U.S. state and non-U.S. tax loss and credit carryforwards that will expire, if unused, as follows:

(in millions) Year of expiration	U.S. Federal Tax Credits	U.S. Federal Tax Losses	U.S. State Tax Credits	U.S. State Tax Losses	Non- U.S. Tax Losses	Total
2024-2028	\$ —	\$ —	\$ 1.2	\$ 56.8	\$ 0.3	
After 2028	1.0	—	0.6	155.8	0.7	
Indefinite	—	—	21.3	58.3	79.0	
<b>Total tax carryforwards</b>	<b>\$ 1.0</b>	<b>\$ —</b>	<b>\$ 23.1</b>	<b>\$ 270.9</b>	<b>\$ 80.0</b>	
Deferred tax asset on tax carryforwards	\$ 1.0	\$ —	\$ 18.3	\$ 10.5	\$ 21.1	\$ 50.9
Valuation allowance on tax carryforwards	(1.0)	—	(18.1)	(10.5)	(21.1)	(50.7)
<b>Net deferred tax asset on tax carryforwards</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 0.2</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 0.2</b>

As of December 31, 2023, and 2022, we determined that it was more likely than not that \$50.7 million and \$50.6 million, respectively, of our deferred tax assets related to tax loss and credit carryforwards will not be realized. As a result, we recorded a valuation allowance against these deferred tax assets. We also determined that it is more likely than not that a portion of the benefit related to U.S. state and non-U.S. deferred tax assets other than tax loss and credit carryforwards will not be realized. Accordingly, as of December 31, 2023, and 2022, a valuation allowance of \$1.1 million and \$2.1 million, respectively, was established against these U.S. state and non-U.S. deferred tax assets. Our total valuation allowance as of December 31, 2023, and 2022 was \$51.8 million and \$52.7 million, respectively.



*Unrecognized Tax Benefits*

A reconciliation of the beginning and ending amount of our gross unrecognized tax benefits, excluding interest and penalties, is as follows:

(in millions)	2023	2022	2021
Balance of liability as of January 1,	\$ 6.9	\$ 7.0	\$ 7.9
Increase as a result of tax positions taken during a prior year	0.2	—	0.1
Decrease as a result of tax positions taken during a prior year	(0.1)	(0.4)	(0.1)
Increase as a result of tax positions taken during the current year	1.7	0.9	—
Decrease as a result of settlements with taxing authorities	—	—	—
Reduction as a result of a lapse of the statute of limitations	(0.8)	(0.6)	(0.9)
Balance of liability as of December 31,	\$ 7.9	\$ 6.9	\$ 7.0

As of December 31, 2023, 2022 and 2021, the amount of our unrecognized tax benefits that, if recognized, would affect our effective tax rate was \$9.3 million, \$8.2 million and \$8.3 million, respectively. The difference between these amounts and those reflected in the table above relates to (1) offsetting tax effects from other tax jurisdictions, and (2) interest expense, net of deferred taxes and (3) unrecognized tax benefits whose reversals would be recorded to goodwill.

We recognize interest and penalties related to unrecognized tax benefits as a component of our income tax expense. During the years ended December 31, 2023, 2022 and 2021, we recognized interest and penalty (income)/ expense of \$0.3 million, \$(0.1) million and \$(2.6) million, respectively, in our Consolidated Statements of Operations. As of December 31, 2023 and 2022, we had accrued \$2.2 million and \$1.9 million, respectively, of interest and penalties related to unrecognized tax benefits on our Consolidated Balance Sheets.

During the next twelve months, it is reasonably possible that our unrecognized tax benefits could change by \$0.3 million due to settlements of income tax examinations, the expiration of statutes of limitations or other resolution of uncertainties. 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.

*Income Tax Examinations*

Our income tax returns are generally subject to examination by the U.S. federal, U.S. state and local, and non-U.S. tax authorities. Prior to the separation, Crane Company was included in Crane NXT Co.'s consolidated federal income tax group and consolidated tax return. However, as a result of the separation, as described above in Note 1, Crane Company became an independent public company required to file its own corporate income tax returns. Subject to certain limitations and conditions, we have agreed to indemnify Crane NXT Co., for certain pre-separation tax liabilities. For these reasons, and with few exceptions, the years for which we filed returns that are open to examination are as follows:

Jurisdiction	Year
U.S. state and local	2017 - 2022
Non-U.S.	2017 - 2022

Currently, we and our subsidiaries are under examination in various jurisdictions, including Germany (2016 through 2019), Canada (2013 through 2018) and Luxembourg (2017 through 2018).

**Note 11 – Accrued Liabilities**

Accrued liabilities consist of:

(in millions) December 31,	2023	2022
Employee related expenses	\$ 115.3	\$ 100.8
Warranty	4.1	3.0
Current lease liabilities	10.8	11.6
Contract liabilities	56.2	49.4
Other	87.3	95.7
<b>Total</b>	<b>\$ 273.7</b>	<b>\$ 260.5</b>

**Note 12 – Other Liabilities**

A summary of the other liabilities is as follows:

(in millions) December 31,	2023	2022
Environmental	\$ 12.9	\$ 17.6
Long-term lease liabilities	56.3	49.7
Other	36.4	17.9
<b>Total</b>	<b>\$ 105.6</b>	<b>\$ 85.2</b>

**Note 13 - Commitments and 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 December 31, 2023 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.

On August 12, 2022, Crane Holdings, Co., Crane Company, a then wholly-owned subsidiary of Crane Holdings, Co., and Redco Corporation (f/k/a Crane Co., (“Redco”) a then wholly-owned subsidiary of Crane Company that held liabilities including asbestos liabilities and related insurance assets, entered into a Stock Purchase Agreement (the “Redco Purchase Agreement”) with Spruce Lake Liability Management Holdco LLC (“Redco Buyer”), an unrelated third party long-term liability management company specializing in the acquisition and management of legacy corporate liabilities, whereby Crane Company transferred to Redco Buyer all of the issued and outstanding shares of Redco (the “Redco Sale”). Pursuant to the terms of the Redco Purchase Agreement, Crane Company and Redco Buyer will each indemnify the other for breaches of representations and warranties, breaches of covenants and obligations and certain liabilities, subject to the terms of the Redco Purchase Agreement. Such covenants and obligations include obligations of Crane Company to indemnify Redco and its affiliates for all other historical liabilities of Redco, which include certain potential environmental liabilities. Crane Holdings, Co. guaranteed the full payment and performance of Crane Company’s indemnification obligations under the Redco Purchase Agreement. On April 3, 2023, Crane Holdings, Co. completed the Separation, pursuant to which, among other things, all outstanding shares of Crane Company were distributed to Crane Holdings, Co.’s stockholders. Upon completion of the Separation, pursuant to the terms of the Redco Purchase Agreement, Crane Holdings, Co. was released from its guarantee of Crane Company’s indemnification obligations under the Redco Purchase Agreement. Prior to the effective date of the Redco Sale, the U.S. Department of Justice agreed that Crane Holdings, Co. and, following completion of the Separation, Crane Company will be primarily liable for the Goodyear Site. The New Jersey Department of Environmental Protection agreed to transfer the liability of the Roseland Site to Crane Holdings, Co., and to further transfer this environmental liability to Crane Company upon effectiveness of the Separation. The potential liability for the Crab Orchard Site referenced below remains a direct obligation of Redco. As noted above, however, Crane Company has agreed to indemnify Redco and Redco Buyer against the Goodyear, Roseland, and Crab Orchard environmental liabilities. Thus, references below in this Note 13 to “we”, and “us” refer to Crane Company in its capacity as the primarily responsible party for the Goodyear and Roseland Sites, and as indemnitor to the Redco Buyer on the Crab Orchard Site.

*Goodyear Site*

The Goodyear Site was operated by Unidynamics/Phoenix, Inc. (“UPI”), which became an indirect subsidiary in 1985 when Crane Co. (n/k/a Redco) acquired UPI’s parent company, UniDynamics Corporation. UPI was an indirect subsidiary of Crane Holdings, Co. pre-Separation and became an indirect subsidiary of Crane Company following completion of the Separation. 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 U.S. 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 conduct 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 \$20.7 million and \$24.8 million as of December 31, 2023 and 2022, 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 \$7.7 million as of December 31, 2023 and 2022, respectively, and represents our best estimate, in consultation with our technical advisors, of total remediation costs expected to be paid during the next 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 December 31, 2023 and 2022, we recorded a receivable of \$3.8 million and \$4.8 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**Roseland, NJ Site*

The Roseland Site was operated by Resistoflex Corporation (“Resistoflex”), which became an indirect subsidiary in 1985 when Crane Co. (n/k/a Redco) 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 in certain buildings, all in accordance with the New Jersey Department of Environmental Protection guidelines and directives.

Marion, IL Site

Crane Co. (n/k/a Redco) has 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. Unidynamics Corporation 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 (“RI-FS”) for portions of the Crab Orchard Site (the “AUS-OU”), which include areas where we maintained operations, pursuant to an Administrative Order on Consent (the “AOC”). 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 (“ROD”) may be issued. As noted above, we have agreed to indemnify Redco against the Crab Orchard environmental liabilities, and accordingly we act as Redco’s agent with respect to such liabilities.

GD-OTS asked Crane Co. (n/k/a Redco) to participate in a voluntary, multi-party mediation exercise with respect to response costs that GD-OTS has incurred or will incur in performing its obligations under the AOC, and Crane Co. (n/k/a Redco), the U.S. Government, and other PRPs entered into a non-binding mediation agreement in 2015 (we have since stepped into Redco’s position as a participant in the mediation). 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, Redco 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, as indemnitor, 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 has proven to be and we expect to continue to be, in the aggregate, an immaterial amount. We understand that GD-OTS has also reached agreements with the U.S. Government and other participating PRPs related to the first-phase areas of concern.

Negotiations between GD-OTS, the U.S. Government and remaining participants are underway with respect to resolution of the U.S. Government’s liability for, and contribution claims with respect to, RI-FS costs associated with the remaining areas of the site, including those portions of the Crab Orchard Site where Redco’s predecessor conducted manufacturing and research activities. The participants have reached agreement in principle on a framework for resolving the U.S. Government’s share of RI-FS costs, subject to consummation of a mutually-agreeable consent decree. Further, we have reached a preliminary agreement in principle with GD-OTS on our contribution to the United States’ claimed past response costs, for an immaterial amount, also conditioned on consummation of the consent decree, and further conditioned on a separate agreement to memorialize the parties’ agreement with respect to the United States’ response costs. At present, we cannot predict whether or when these negotiations will result in definitive agreements. Negotiations remain ongoing between us and GD-OTS regarding a potential resolution of GD-OTS’ claim for costs that it has incurred in performing its obligations under the AOC. We at present cannot predict when any determination of the ultimate allocable share of GD-OTS response costs for which we may be liable is likely to be completed. None of these discussions address responsibility for the performance of, or payment of costs incurred in connection with, any remedial design or remedial action that may be required pursuant to the ROD (when it is ultimately issued). 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. Insurers with contractual coverage obligations for this site have been notified of this potential liability and have been providing coverage, subject to reservations of rights.

Asbestos Liability

As a result of the Redco Sale, the Company contributed approximately \$550 million in cash, and all asbestos obligations and liabilities, related insurance assets and associated deferred tax assets of Redco were removed from the Company's Consolidated Balance Sheets effective August 12, 2022, and the Company no longer has any obligation with respect to pending and future asbestos claims.

The gross settlement and defense costs incurred for the periods presented was as follows:

(in millions)				
For the year ended December 31,	2022		2021	
Settlement / indemnity costs incurred	\$	29.4	\$	40.6
Defense costs incurred		6.4		14.6
Total costs incurred	\$	35.8	\$	55.2

The total pre-tax payments for settlement and defense costs, net of funds received from insurers, for the periods presented was as follows:

(in millions)				
For the year ended December 31,	2022		2021	
Settlement / indemnity payments	\$	33.8	\$	42.6
Defense payments		6.1		15.4
Insurance receipts		(10.6)		(13.1)
Pre-tax cash payments, net	\$	29.3	\$	44.9

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, including government contracting violations, 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 December 31, 2023, 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 14 – Financing**

Our debt as of December 31, 2023 and 2022 consisted of the following:

(in millions) December 31,	2023		2022	
364-Day Credit Agreement	\$	—	\$	399.6
Total short-term borrowings	\$	—	\$	399.6
Term Facility <sup>a</sup>	\$	248.5	\$	—
Total long-term debt	\$	248.5	\$	—

(a) Debt issuance costs totaled \$0.8 million and \$0.4 million as of December 31, 2023 and 2022, respectively, and have been netted against the aggregate principal amounts of the related debt in the components of the debt table above.

Credit Facilities – On March 17, 2023, the Company entered into a senior secured credit agreement (the “Credit Agreement”), which provided for (i) a \$500 million, 5-year revolving credit facility (the “Revolving Facility”) and (ii) a \$300 million, 3-year term loan facility (the “Term Facility”), funding under each of which became available in connection with the Separation. On April 3, 2023, the Company borrowed the full amount of the Term Facility. The Company made principal prepayments of \$50.6 million on the Term Facility during the year ended December 31, 2023.

On October 3, 2023, the Company exercised a portion of the accordion feature under its existing revolving credit facility to increase the available borrowing capacity from \$500 million, to \$800 million. The corresponding amendment established incremental revolving commitments in an aggregate amount of \$300 million and refreshed the incremental capacity under the Company’s existing credit agreement.

The Revolving Facility allows us to borrow, repay and re-borrow funds from time to time prior to the maturity of the Revolving Facility without any penalty or premium, subject to customary borrowing conditions for facilities of this type and the reimbursement of breakage costs. Borrowings under the Term Facility are prepayable without premium or penalty, subject to customary reimbursement of breakage costs. Interest on loans advanced under the Credit Agreement accrues, at our option, at a rate per annum equal to (1) adjusted term SOFR plus a credit spread adjustment of 0.10% for the applicable interest period plus a margin ranging from 1.50% to 2.25% or (2) a base rate plus a margin ranging from 0.50% to 1.25%, in each case, with such margin determined based on the lower of the ratings of our senior, unsecured long-term debt (the “Ratings”) and our total net leverage ratio. We are required to pay a fee on undrawn commitments under the Revolving Facility at a rate per annum that ranges from 0.20% to 0.35%, based on the lower of the Ratings and our total net leverage ratio. The Credit Agreement contains customary affirmative and negative covenants for credit facilities of this type, including limitations on our and our subsidiaries with respect to indebtedness, liens, mergers, consolidations, liquidations and dissolutions, sales of all or substantially all assets, transactions with affiliates, hedging arrangements and amendments to our organizational documents or to certain subordinated debt agreements. As of the last day of each fiscal quarter, our total net leverage ratio cannot exceed 3.50 to 1.00 (provided that, at our election, such maximum ratio may be increased to 4.00 to 1.00 for specified periods following our consummation of certain material acquisitions) and our minimum interest coverage ratio must be at least 3.00 to 1.00. The Credit Agreement also includes customary events of default, including failure to pay principal, interest or fees when due, failure to comply with covenants, any representation or warranty made by us or any of our material subsidiaries being false in any material respect, default under certain other material indebtedness, certain insolvency or receivership events affecting us and our material subsidiaries, certain ERISA events, material judgments and a change in control, in each case, subject to cure periods and thresholds where customary. The Company was in compliance with all such covenants as of December 31, 2023.

364-Day Credit Agreement - On August 11, 2022, the Company entered a new senior unsecured 364-day credit facility (the “364-Day Credit Agreement”) under which it borrowed term loans denominated in U.S. dollars (the “Term Loans”) in an aggregate principal amount of \$400 million. Interest on the Term Loans accrues at a rate per annum equal to, at the Company’s option, (a) a base rate (determined in a customary manner), plus a margin of 0.25% or 0.50% that is determined based upon the ratings by S&P and Moody’s of the Company’s senior unsecured long-term debt (the “Index Debt Rating”) or (b) an adjusted Term SOFR (determined in a customary manner) for an interest period to be selected by the Company, plus a margin of 1.25% or 1.50% that is determined based upon the Index Debt Rating. During the first quarter of 2023, the Company repaid the remaining principal of \$400 million under the 364-Day Credit Agreement.

Other - As of December 31, 2023 and 2022, the Company had open standby letters of credit of \$24.4 million and \$9.9 million, respectively. The standby letters of credit were issued pursuant to Letter of Credit Reimbursement Agreements.

As of December 31, 2023, our total debt to total capitalization ratio was 15.4%, computed as follows:

(in millions)	
Total debt	\$ 248.5
Equity	1,360.3
Capitalization	\$ 1,608.8
Total indebtedness to capitalization	15.4 %

**Note 15 - 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, commercial paper 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 \$11.3 million and \$4.1 million as of December 31, 2023 and 2022, 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 Consolidated Balance Sheets and were \$0.1 million and \$0.1 million as of December 31, 2023 and 2022, respectively. Such derivative liability amounts are recorded within "Accrued liabilities" on our Consolidated Balance Sheets and was \$0.1 million as of December 31, 2023. The Company had no such derivative liability as of December 31, 2022.

**Note 16 – Restructuring**

**Overview**

**2022 Repositioning** - In the fourth quarter of 2022, in response to economic uncertainty, we initiated modest workforce reductions of approximately 160 employees, or about 2% of our global workforce. We expect to complete the program in the first quarter of 2024. We recorded a charge of \$8.2 million for the year ended December 31, 2022.

**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 about 2% of our global workforce. We expect to complete the program in the first quarter of 2024. We recorded a restructuring gain of \$4.0 million for the year ended December 31, 2022 and a charge of \$0.1 million for the year ended December 31, 2021.

**Restructuring Charges (Gains), Net**

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

<i>(in millions)</i> For the year ended December 31,	2023	2022	2021
Aerospace & Electronics	\$ —	\$ 1.5	\$ —
Process Flow Technologies	0.9	2.3	(13.2)
Engineering Materials	(0.3)	0.4	—
<b>Total restructuring charges (gains), net</b>	<b>\$ 0.6</b>	<b>\$ 4.2</b>	<b>\$ (13.2)</b>

The following table summarizes our restructuring charges (gains) by program, cost type and segment for the years ended December 31, 2023, 2022 and 2021:

<i>(in millions)</i>	December 31, 2023			December 31, 2022			December 31, 2021		
	Severance	Other	Total	Severance	Other	Total	Severance	Other	Total
Aerospace & Electronics	\$ —	\$ —	\$ —	\$ 1.5	\$ —	\$ 1.5	\$ —	\$ —	\$ —
Process Flow Technologies	(0.1)	1.0	0.9	6.3	—	6.3	—	—	—
Engineered Materials	(0.3)	—	(0.3)	0.4	—	0.4	—	—	—
2022 Repositioning	(0.4)	1.0	0.6	8.2	—	8.2	—	—	—
Process Flow Technologies	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (0.1) <sup>(a)</sup>	\$ —	\$ (0.1)
2020 Repositioning <sup>(c)</sup>	—	—	—	—	—	—	(0.1)	—	(0.1)
Process Flow Technologies	\$ —	\$ —	\$ —	\$ (1.2) <sup>(a)</sup>	\$ (2.8) <sup>(b)</sup>	\$ (4.0)	\$ 0.1	\$ —	\$ 0.1
2019 Repositioning	—	—	—	(1.2)	(2.8)	(4.0)	0.1	—	0.1
Process Flow Technologies	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (0.4) <sup>(a)</sup>	\$ (12.8) <sup>(b)</sup>	\$ (13.2)
2017 Repositioning <sup>(c)</sup>	—	—	—	—	—	—	(0.4)	(12.8)	(13.2)
<b>Total</b>	<b>\$ (0.4)</b>	<b>\$ 1.0</b>	<b>\$ 0.6</b>	<b>\$ 7.0</b>	<b>\$ (2.8)</b>	<b>\$ 4.2</b>	<b>\$ (0.4)</b>	<b>\$ (12.8)</b>	<b>\$ (13.2)</b>

<sup>(a)</sup> Reflects changes in estimates for increases and decreases in costs related to our restructuring programs.

<sup>(b)</sup> Reflects a pre-tax gain related to the sale of real estate.

<sup>(c)</sup> 2020 and 2017 programs are completed and we do not expect to incur additional restructuring charges.



The following table summarizes the cumulative restructuring costs, net incurred through December 31, 2023. We do not expect to incur additional facility consolidation costs to complete these actions as of December 31, 2023.

<i>(in millions)</i>	Cumulative Restructuring Costs		
	Severance	Other	Total
Aerospace & Electronics	\$ 1.5	\$ —	\$ 1.5
Process Flow Technologies	6.2	1.0	7.2
Engineered Materials	0.1	—	0.1
2022 Repositioning	\$ 7.8	\$ 1.0	\$ 8.8
Process Flow Technologies	\$ 14.9	\$ (2.8)	\$ 12.1
2019 Repositioning	\$ 14.9	\$ (2.8)	\$ 12.1

### **Restructuring Liability**

The following table summarizes the accrual balances related to these restructuring charges by program:

<i>(in millions)</i>	2022 Repositioning	2019 Repositioning	Total
<b>Severance:</b>			
Balance as of December 31, 2022 <sup>(b)</sup>	\$ 8.2	\$ 2.4	\$ 10.6
Charges (Gain) <sup>(a)</sup>	0.6	—	0.6
Utilization	(4.3)	(2.2)	(6.5)
Balance as of December 31, 2023 <sup>(b)</sup>	\$ 4.5	\$ 0.2	\$ 4.7

<sup>(a)</sup> Included within "Restructuring charges (gains), net" in the Consolidated Statements of Operations.

<sup>(b)</sup> Included within Accrued Liabilities in the Consolidated Balance Sheets.

**Note 17 – Subsequent Events**

On January 2, 2024, the Company completed the acquisition of Vian Enterprises, Inc. (“Vian”) for \$103 million on a cash-free and debt-free basis, subject to a net working capital adjustment and potential additional payments of up to \$7.5 million depending on the resolution of outstanding contingencies. The company borrowed \$100 million under its existing revolving credit facility to fund the acquisition. Vian is a global designer and manufacturer of multi-stage lubrication pumps and lubrication system components technology for critical aerospace and defense applications with sole-sourced and proprietary content on the highest volume commercial and military aircraft platforms. Vian will be included in the Aerospace & Electronics segment.

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

None

**Item 9A. Controls and Procedures**

*Evaluation of Disclosure Controls and Procedures.* The Company’s Chief Executive Officer and Chief Financial Officer evaluated the effectiveness of the design and operation of the Company’s disclosure controls and procedures as of the end of the year covered by this annual 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 SEC rules and forms and the information is accumulated and communicated to the Company’s Chief Executive Officer and Principal Financial Officer to allow timely decisions regarding required disclosure. Based on this evaluation, the Company’s Chief Executive Officer and Principal Financial Officer have concluded that these controls are effective as of the end of the year covered by this annual report.

*Change in Internal Controls over Financial Reporting.* During the fourth quarter ended December 31, 2023, 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.

*Design and Evaluation of Internal Control over Financial Reporting.* Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, we included a report of our management’s assessment of the design and effectiveness of our internal controls as part of this Annual Report on Form 10-K for the year ended December 31, 2023. Our independent registered public accounting firm also attested to, and reported on, our management’s assessment of the effectiveness of internal control over financial reporting. Our management’s report and our independent registered public accounting firm’s attestation report are set forth in Item 8 of this Annual Report on Form 10-K under the captions entitled “Management’s Responsibility for Financial Reporting” and “Report of Independent Registered Public Accounting Firm.”

## **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Shareholders and the Board of Directors of Crane Company

### **Opinion on Internal Control over Financial Reporting**

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

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2023, of the Company and our report dated February 26, 2024, expressed an unqualified opinion on those consolidated financial statements.

### **Basis for Opinion**

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying “Management’s Responsibility for Financial Reporting” appearing in Item 8. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### **Definition and Limitations of Internal Control over Financial Reporting**

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

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

/s/ Deloitte & Touche LLP

Stamford, Connecticut

February 26, 2024

## Item 9B. Other Information

None

## Item 9C. Disclosure Regarding Foreign Jurisdictions That Prevent Inspections

Not Applicable.

## Part III

### Item 10. Directors, Executive Officers and Corporate Governance

The information required by Item 10 is incorporated by reference to the definitive proxy statement with respect to the 2024 Annual Meeting of Shareholders which the Company expects to file with the Commission pursuant to Regulation 14A on or about March 7, 2024 except that such information with respect to Executive Officers of the Registrant is included, pursuant to Instruction 3, paragraph (b) of Item 401 of Regulation S-K, under Part I. The Company's Corporate Governance Guidelines, the charters of its Management Organization and Compensation Committee, its Nominating and Governance Committee and its Audit Committee and its Code of Ethics are available at [www.craneco.com/governance](http://www.craneco.com/governance). The information on our website is not part of this report.

### Item 11. Executive Compensation

The information required by Item 11 is incorporated by reference to the definitive proxy statement with respect to the 2024 Annual Meeting of Shareholders which the Company expects to file with the Commission pursuant to Regulation 14A on or about March 7, 2024.

### Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Except the information required by Section 201(d) of Regulation S-K which is set forth below, the information required by Item 12 is incorporated by reference to the definitive proxy statement with respect to the 2024 Annual Meeting of Shareholders which the Company expects to file with the Commission pursuant to Regulation 14A on or about March 7, 2024.

As of December 31, 2023:	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans
	(a)	(b)	(c)
Equity compensation plans approved by security holders:			
Crane Company 2023 Stock Plan	2,188,718 <sup>a</sup>	\$ 55.97	7,336,181
Equity compensation plans not approved by security holders	—	\$ —	—
Total	2,188,718	\$ 55.97	7,336,181

<sup>a</sup> Includes 325,702 restricted share units ("RSUs"), 135,886 deferred stock units ("DSUs") and 352,068 performance-based restricted share units ("PRSUs"), assuming the maximum potential payout percentage. Actual numbers of shares may vary, depending on actual performance. If the PRSUs included in this total vest at the target performance level as opposed to the maximum level, the aggregate awards outstanding would be 2,012,684. Column (b) does not take RSUs, PRSUs or DSUs into account because they do not have an exercise price.

### Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by Item 13 is incorporated by reference to the definitive proxy statement with respect to the 2024 Annual Meeting of Shareholders which the Company expects to file with the Commission pursuant to Regulation 14A on or about March 7, 2024.

### Item 14. Principal Accountant Fees and Services

The information required by Item 14 is incorporated by reference to the definitive proxy statement with respect to the 2024 Annual Meeting of Shareholders which the Company expects to file with the Commission pursuant to Regulation 14A on or about March 7, 2024.

## Item 15. Exhibits and Financial Statement Schedules

### (a) Consolidated Financial Statements:

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Report of Independent Registered Public Accounting Firm (PCAOB ID No. 34)	<u>Page 41</u>
Consolidated Statements of Operations	<u>Page 43</u>
Consolidated Statements of Comprehensive Income	<u>Page 44</u>
Consolidated Balance Sheets	<u>Page 45</u>
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### (b) Exhibits

Exhibit No.	Description
Exhibit 21	<a href="#">Subsidiaries of the Registrant.</a>
Exhibit 23.1	<a href="#">Consent of Independent Registered Public Accounting Firm.</a>
Exhibit 31.1	<a href="#">Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a).</a>
Exhibit 31.2	<a href="#">Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a).</a>
Exhibit 32.1	<a href="#">Certification of Chief Executive Officer pursuant to Rule 13a-14(b) or 15d-14(b).</a>
Exhibit 32.2	<a href="#">Certification of Chief Financial Officer pursuant to Rule 13a-14(b) or 15d-14(b).</a>
Exhibit 97	<a href="#">Crane Company Incentive Compensation Clawback Policy (as adopted July 24, 2023).</a>
Exhibit 101.INS	Inline XBRL Instance Document
Exhibit 101.SCH	Inline XBRL Taxonomy Extension Schema Document
Exhibit 101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document
Exhibit 101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
Exhibit 101.LAB	Inline XBRL Taxonomy Label Linkbase Document
Exhibit 101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document
Exhibit 104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

Exhibits to Form 10-K — Documents incorporated by reference:

- (2) Plan of Acquisition, Reorganization, Liquidation, or Succession
- [2.1 Separation and Distribution Agreement, dated as of April 3, 2023, by and between Crane Holdings, Co. and Crane Company \(incorporated by reference to Exhibit 2.1 to Crane Company's Current Report on Form 8-K filed on April 3, 2023\).](#)
- [2.2 Stock Purchase Agreement, dated as of August 12, 2022, by and among Crane Holdings, Co., Crane Company, Redco Corporation and Spruce Lake Liability Management Holdco LLC \(incorporated by reference to Exhibit 2.1 to Crane Holdings, Co.'s Current Report on Form 8-K filed on August 15, 2022\).](#)
- (3) Certificate of Incorporation and Bylaws:
- [3.1 Amended and Restated Certificate of Incorporation of Crane Company, dated as of March 28, 2023 \(incorporated by reference to Exhibit 3.1 to Crane Company's Current Report on Form 8-K filed on April 3, 2023\).](#)
- [3.2 Amended and Restated By-laws of Crane Company, dated as of March 28, 2023 \(incorporated by reference to Exhibit 3.2 to Crane Company's Current Report on Form 8-K filed on April 3, 2023\).](#)
- (4) Instruments Defining the Rights of Security Holders:
- [4.1 Description of Crane Company's capital stock registered under Section 12 of the Securities Exchange Act of 1934 \(incorporated by reference to Exhibit 4.1 to Crane Company's Annual Report on Form 10-K for its fiscal year ended December 31, 2022\).](#)
- (10) Material Contracts
- [10.1 Credit Agreement, dated as of March 17, 2023, by and among Crane Company, as borrower, CR Holdings, C.V., as a subsidiary borrower, the lenders and issuing banks party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and the other agents and arrangers party thereto \(incorporated by reference to Exhibit 10.1 to Crane Company's Current Report on Form 8-K filed on March 20, 2023\).](#)
- [10.2 Incremental Facility and Amendment Agreement, dated as of October 3, 2023, among Crane Company, as borrower, the lenders and issuing banks party thereto, JPMorgan Chase Bank, N.A., as administrative agent and collateral agent, and the other agents and arrangers party thereto \(incorporated by reference to Exhibit 10.1 to Crane Company's Current Report on Form 8-K filed on October 10, 2023\).](#)
- [10.3 Transition Services Agreement, dated as of April 3, 2023, by and between Crane Holdings, Co. and Crane Company \(incorporated by reference to Exhibit 10.1 to Crane Company's Current Report on Form 8-K filed on April 3, 2023\).](#)
- [10.4 Tax Matters Agreement, dated as of April 3, 2023, by and between Crane Holdings, Co. and Crane Company \(incorporated by reference to Exhibit 10.2 to Crane Company's Current Report on Form 8-K filed on April 3, 2023\).](#)
- [10.5 Employee Matters Agreement, dated as of April 3, 2023, by and between Crane Holdings, Co. and Crane Company \(incorporated by reference to Exhibit 10.3 to Crane Company's Current Report on Form 8-K filed on April 3, 2023\).](#)
- [10.6 Intellectual Property Matters Agreement, dated as of April 3, 2023, by and between Crane Holdings, Co. and Crane Company \(incorporated by reference to Exhibit 10.4 to Crane Company's Current Report on Form 8-K filed on April 3, 2023\).](#)
- [10.7 Form of Employment/Severance Agreement between Crane Company and its executive officers, which provides for the continuation of certain employee benefits upon a change in control \(incorporated by reference to Exhibit 10.5 to Crane Company's Registration Statement on Form 10 filed on December 15, 2022\).](#)
- [10.8 Form of Indemnification Agreement between Crane Company and each of its director and executive officers \(incorporated by reference to Exhibit 10.6 to Crane Company's Registration Statement on Form 10 filed on December 15, 2022\).](#)
- [10.9 Time-sharing Agreement dated January 31, 2014 between Crane Company and Max H. Mitchell \(incorporated by reference to Exhibit 10.10 to Crane Company's Registration Statement on Form 10 filed on December 15, 2022\).](#)
- [10.10 Amendment, dated August 31, 2017, to Time Sharing Agreement with M. Mitchell \(incorporated by reference to Exhibit 10.11 to Crane Company's Registration Statement on Form 10 filed on December 15, 2022\).](#)
- [10.11 Time-sharing Agreement, dated April 27, 2020 between Crane Company and James L.L. Tullis \(incorporated by reference to Exhibit 10.12 to Amendment No. 1 to Crane Company's Registration Statement on Form 10 filed on January 24, 2023\).](#)
- [10.12 Offer Letter between Crane Company and Marijane Papanikolaou \(incorporated by reference to Exhibit 10.3 to Crane Company's Quarterly Report on Form 10-Q for its fiscal quarter ended March 31, 2023\).](#)
- (iii) Management Contracts or Compensatory Plans, Contracts or Arrangements
- [\(a\) Crane Company Annual Incentive Plan \(incorporated by reference to Exhibit 10.1 to Crane Company's Quarterly Report on Form 10-Q for its fiscal quarter ended March 31, 2023\).](#)
- [\(b\) Crane Company 2023 Stock Incentive Plan \(incorporated by reference to Exhibit 99.1 to Crane Company's Current Report on Form 8-K filed on February 27, 2023\).](#)
- [\(c\) Crane Company 2023 Stock Incentive Plan \(incorporated by reference to Exhibit 4.3 to Crane Company's Registration Statement on Form S-8, filed on April 3, 2023\).](#)
- [\(d\) The Crane Co. Benefit Equalization Plan, effective February 25, 2008 \(incorporated by reference to Exhibit 10.8 to Crane Company's Registration Statement on Form 10 filed on December 15, 2022\).](#)
- [\(e\) The Crane Co. Benefit Equalization Plan as amended effective January 1, 2013 \(incorporated by reference to Exhibit 10.9 to Crane Company's Registration Statement on Form 10 filed on December 15, 2022\).](#)

**Item 16. Form 10-K Summary**

Not applicable.



**Part IV**

**Signatures**

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

CRANE COMPANY  
(Registrant)

By /s/ MAX H. MITCHELL  
Max H. Mitchell  
President and Chief Executive Officer  
Date 2/26/2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

**Officers**

/s/ MAX H. MITCHELL  
Max H. Mitchell  
President, Chief  
Executive Officer and  
Director  
Date 2/26/2024

/s/ RICHARD A. MAUE  
Richard A. Maue  
Executive Vice  
President  
Chief Financial Officer  
(Principal Financial Officer)  
Date 2/26/2024

/s/ MARIJANE PAPANIKOLAOU  
Marijane Papanikolaou  
Vice President, Controller  
Chief Accounting Officer  
(Principal Accounting Officer)  
Date 2/26/2024

**Directors**

/s/ JAMES L.L. TULLIS  
James L.L. Tullis  
Date 2/26/2024

/s/ MARTIN R. BENANTE  
Martin R. Benante  
Date 2/26/2024

/s/ SANJAY KAPOOR  
Sanjay Kapoor  
Date 2/26/2024

/s/ RONALD C. LINDSAY  
Ronald C. Lindsay  
Date 2/26/2024

/s/ ELLEN MCCLAIN  
Ellen McClain  
Date 2/26/2024

/s/ CHARLES G. MCCLURE, JR.  
Charles G. McClure, Jr.  
Date 2/26/2024

/s/ JENNIFER M. POLLINO  
Jennifer M. Pollino  
Date 2/26/2024

/s/ JOHN S. STROUP  
John S. Stroup  
Date 2/26/2024

# SHAREHOLDER INFORMATION

## AS OF DECEMBER 31, 2023

### CRANE COMPANY INTERNET SITE

Copies of Crane Company's report on Form 10-K for 2023 as filed with the Securities and Exchange Commission, as well as other financial reports and news may be read and downloaded at [www.craneco.com](http://www.craneco.com).

### ANNUAL MEETING

The Crane Company annual meeting of shareholders will be held virtually online via live webcast at 10:00 a.m. Eastern Daylight Time, on Monday, April 22, 2024 at [www.meetnow.global/MK7ZLCR](http://www.meetnow.global/MK7ZLCR).

### STOCK LISTING

As of December 31, 2023, Crane Company common stock is traded on the New York Stock Exchange under the symbol CR.

### AUDITORS

Deloitte & Touche LLP  
695 East Main Street  
Stamford, CT 06901

### EQUAL EMPLOYMENT OPPORTUNITY POLICY

Crane Company is an equal opportunity employer. It is the policy of the Company to recruit, hire, promote, and transfer to all job classifications without regard to race, color, creed, religion, national origin or ancestry, citizenship or immigration status, age, sex, pregnancy, marital status, sexual orientation or gender identity, physical or mental disability, genetic information, uniform service member status, veteran status, or any other characteristics protected by law in all aspects of the employment process and relationship.

### ENVIRONMENT POLICY

Crane Company is committed to protecting the environment by taking responsibility to prevent serious or irreversible environmental degradation through efficient operations and activities. The Company recognizes environmental management among its highest priorities, and has established policies and programs that are integral and essential elements of the business plan of each of the business units.

### HEALTH AND SAFETY POLICY

Crane Company is committed to providing a safe and healthy workplace for all employees. Occupational health and safety is an integral part of all business operations and a fundamental component of the Company's long-term business strategy. Our concern with the health and safety of our employees, customers, independent contractors, and vendors is a fundamental responsibility of the Company.

### STOCK TRANSFER AGENT AND REGISTRAR

For customer service, changes of address, transfer of stock certificates, and general correspondence:

#### Computershare Trust Company, N.A.

PO Box 43006  
Providence, RI 02940-3006  
Toll free: +1 (877) 373-6374  
International: +1 (781) 575-3100  
[www.computershare.com/investor](http://www.computershare.com/investor)

*Private Couriers/Registered Mail:*

#### Computershare Trust Company, N.A.

150 Royall Street  
Suite 101  
Canton, MA 02021

### DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

Crane Company has authorized Computershare Trust Company, N.A. to offer the Computershare Investment Plan, a dividend reinvestment and stock purchase plan for Crane Company shareholders. Investors can manage their reinvestment plan elections by logging into their account at [www.computershare.com/investor](http://www.computershare.com/investor). The terms of the dividend reinvestment plan can be accessed online at [www.computershare.com/investor](http://www.computershare.com/investor) by selecting "Invest Now" and searching for Crane Company, or plan materials can be requested by phone at +1 (781) 575-2725 or +1 (877) 373-6374 (toll free).

# CRANE

— | **CRANE COMPANY** | —

**EXECUTIVE OFFICES**  
100 FIRST STAMFORD PLACE  
STAMFORD, CT 06902  
203.363.7300

**CRANECO.COM**