

Reconciliation of EPS to Adjusted EPS

	2023	2024	2025
Earnings per share of common stock from continuing operations- diluted⁽¹⁾	7.36	7.58	6.94
Pension mark-to-market expense ⁽²⁾	0.19	0.14	0.19
Amortization of acquisition-related intangibles ⁽³⁾	0.34	0.49	0.67
Acquisition-related costs ⁽⁴⁾	0.01	0.10	0.05
Divestiture-related costs ⁽⁵⁾	-	-	0.72
Russian-related charges ⁽⁶⁾	-	0.03	-
Indefinite-lived intangible asset impairment ⁽⁷⁾	-	0.06	0.07
Impairment of goodwill ⁽⁸⁾	-	-	1.13
Impairment of assets held for sale ⁽⁹⁾	-	0.33	0.32
Loss on sale of business ⁽¹⁰⁾	-	-	0.04
Gain related to Resideo indemnification and reimbursement agreement termination ⁽¹¹⁾	-	-	(1.25)
Adjustment to estimated future environmental liabilities ⁽¹²⁾	-	-	0.25
Loss on settlement of divestiture of asbestos liabilities ⁽¹³⁾	-	-	0.17
Flexjet-related litigation matters ⁽¹⁴⁾	-	-	0.48
Net expense related to the NARCO Buyout and HWI Sale ⁽¹⁵⁾	0.01	-	-
Bendix liability adjustment ⁽¹⁶⁾	0.49	-	-
Adjusted earnings per share of common stock from continuing operations - diluted	\$8.40	\$8.73	\$9.78

(1) 2025 adjusted earnings per share utilizes weighted average shares 642.8 million.
2024 adjusted earnings per share utilizes weighted average shares 655.3 million.
2023 adjusted earnings per share utilizes weighted average shares 668.2 million.

(2) For the twelve months ended December 31, 2025, 2024, and 2023, pension mark-to-market expense was \$123 million, \$95 million, and \$126 million, net of tax benefit of \$40 million, \$31 million, and \$27 million, respectively.

(3) For the twelve months ended December 31, 2025, 2024, and 2023, acquisition-related intangibles amortization includes \$432 million, \$321 million, and \$230 million, net of tax benefit of \$138 million, \$90 million, and \$60 million, respectively.

(4) For the twelve months ended December 31, 2025, 2024, and 2023, the adjustment for acquisition-related costs, which is principally comprised of third-party transaction and integration costs and acquisition-related fair value adjustments to inventory, is \$35 million, \$66 million, and \$7 million, net of tax benefit of \$10 million, \$17 million, and \$2 million respectively.

(5) For the twelve months ended December 31, 2025, the adjustment for divestiture-related costs, which is principally comprised of third-party transaction costs, is \$460 million, net of tax benefit \$61 million.

(6) For the twelve months ended December 31, 2024, the adjustment is a \$17 million expense, without tax benefit, due to the settlement of a contractual dispute with a Russian entity associated with the Company's suspension and wind down activities in Russia.

(7) For the twelve months ended December 31, 2025, the impairment charge of indefinite-lived intangible assets associated with the Industrial Automation reportable segment was \$44 million, without tax benefit. For the twelve months ended December 31, 2024, the impairment charge of indefinite-lived intangible assets associated with the personal protective equipment business was \$37 million, net of tax benefit of \$11 million.

(8) For the twelve months ended December 31, 2025, the impairment charge of goodwill associated with the Industrial Automation reportable segment was \$724 million, without tax benefit.

(9) For the twelve months ended December 31, 2025 and 2024, the impairment charge of assets held for sale was \$209 million, net of tax benefit of \$61 million, and \$219 million, without tax benefit.

(10) For the twelve months ended December 31, 2025, the loss on sale of the personal protective equipment business is \$28 million, net of tax benefit of \$2 million.

(11) For the twelve months ended December 31, 2025, the adjustment for the gain related to the Resideo indemnification and reimbursement agreement termination was \$802 million, without tax expense.

(12) In the twelve months ended December 31, 2025, the Company enhanced its process for estimating environmental liabilities at sites undergoing active remediation, which led to earlier recognition of the estimated probable liabilities and an increase to estimated environmental liabilities. For the twelve months ended December 31, 2025, the adjustment to increase environmental liabilities was \$161 million, net of tax benefit of \$50 million.

(13) For the twelve months ended December 31, 2025, the adjustment for loss on settlement of divestiture of asbestos liabilities was \$112 million, net of tax benefit of \$36 million.

(14) For the twelve months ended December 31, 2025, the adjustment for the Flexjet-related litigation matters was \$302 million, net of tax benefit of \$71 million. Management considers the nature and significance of these litigation matters to be unusual and not indicative of the Company's ongoing performance.

(15) For the twelve months ended December 31, 2023, the adjustments were \$8 million, net of tax benefit of \$3 million, due to the net expense related to the NARCO Buyout and HWI Sale.

(16) Bendix Friction Materials ("Bendix") is a business no longer owned by the Company. In 2023, the Company changed its valuation methodology for calculating legacy Bendix liabilities. For the twelve months ended December 31, 2023, the adjustment was \$330 million, net of tax benefit of \$104 million (or \$434 million pre-tax) due to a change in the estimated liability for resolution of asserted (claims filed as of the financial statement date) and unasserted Bendix-related asbestos claims. The Company experienced fluctuations in average resolution values year-over-year in each of the past five years with no well-established trends in either direction. In 2023, the Company observed two consecutive years of increasing average resolution values (2023 and 2022), with more volatility in the earlier years of the five-year period (2019 through 2021). Based on these observations, the Company, during its annual review in the fourth quarter of 2023, reevaluated its valuation methodology and elected to give more weight to the two most recent years by shortening the look-back period from five years to two years (2023 and 2022). The Company believes that the average resolution values in the last two consecutive years are likely more representative of expected resolution values in future periods. The \$434 million pre-tax amount was attributable primarily to shortening the look-back period to the two most recent years, and to a lesser extent to increasing expected resolution values for a subset of asserted claims to adjust for higher claim values in that subset than in the modelled two-year data set.

We define adjusted earnings per share as diluted earnings per share from continuing operations adjusted to exclude various charges as listed above. We believe adjusted earnings per share is a measure that is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

Acquisition amortization and acquisition- and divestiture-related costs are significantly impacted by the timing, size, and number of acquisitions or divestitures we complete and is not on a predictable cycle and we make no comment as to when or whether any future acquisitions or divestitures may occur. We believe excluding these costs provides investors with a more meaningful comparison of operating performance over time and with both acquisitive and other peer companies.