

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

FORM 10-Q

☒ **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended June 29, 2025

or

☐ **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from to

Commission file number: 001-11499

WATTS WATER TECHNOLOGIES, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation or
Organization)

04-2916536
(I.R.S. Employer Identification No.)

815 Chestnut Street, North Andover, MA
(Address of Principal Executive Offices)

01845
(Zip Code)

(978) 688-1811

(Registrant's Telephone Number, Including Area Code)

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value \$0.10 per share	WTS	New York Stock Exchange

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

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

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

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at July 27, 2025
Class A Common Stock, \$0.10 par value	27,415,415
Class B Common Stock, \$0.10 par value	5,946,290

WATTS WATER TECHNOLOGIES, INC. AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements
WATTS WATER TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in millions, except share information)
(Unaudited)

	June 29, 2025	December 31, 2024
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 369.3	\$ 386.9
Trade accounts receivable, less reserve allowances of \$13.5 million at June 29, 2025 and \$11.9 million at December 31, 2024	337.5	253.2
Inventories, net:		
Raw materials	157.4	141.9
Work in process	21.0	16.9
Finished goods	270.1	233.3
Total Inventories	448.5	392.1
Prepaid expenses and other current assets	58.7	51.3
Total Current Assets	1,214.0	1,083.5
PROPERTY, PLANT AND EQUIPMENT		
Property, plant and equipment, at cost	739.6	691.6
Accumulated depreciation	(474.3)	(436.8)
Property, plant and equipment, net	265.3	254.8
OTHER ASSETS:		
Goodwill	781.9	715.0
Intangible assets, net	252.0	235.0
Deferred income taxes	42.9	36.4
Other, net	88.8	72.3
TOTAL ASSETS	\$ 2,644.9	\$ 2,397.0
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 176.9	\$ 148.0
Accrued expenses and other liabilities	220.0	190.8
Accrued compensation and benefits	71.5	79.1
Total Current Liabilities	468.4	417.9
LONG-TERM DEBT	197.3	197.0
DEFERRED INCOME TAXES	11.5	10.9
OTHER NONCURRENT LIABILITIES	75.3	63.3
STOCKHOLDERS' EQUITY:		
Preferred Stock, \$0.10 par value; 5,000,000 shares authorized; no shares issued or outstanding	—	—
Class A common stock, \$0.10 par value; 120,000,000 shares authorized; 1 vote per share; issued and outstanding, 27,418,992 shares at June 29, 2025 and 27,366,685 shares at December 31, 2024	2.7	2.7
Class B common stock, \$0.10 par value; 25,000,000 shares authorized; 10 votes per share; issued and outstanding, 5,946,290 shares at June 29, 2025 and 5,953,290 shares at December 31, 2024	0.6	0.6
Additional paid-in capital	708.6	696.2
Retained earnings	1,308.7	1,184.8
Accumulated other comprehensive loss	(128.2)	(176.4)
Total Stockholders' Equity	1,892.4	1,707.9
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 2,644.9	\$ 2,397.0

See accompanying notes to consolidated financial statements.

WATTS WATER TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in millions, except per share information)
(Unaudited)

	Second Quarter Ended		Six Months Ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Net sales	\$ 643.7	\$ 597.3	\$ 1,201.7	\$ 1,168.2
Cost of goods sold	317.8	312.5	603.3	615.9
GROSS PROFIT	325.9	284.8	598.4	552.3
Selling, general and administrative expenses	187.2	173.1	354.7	342.6
Restructuring	3.4	0.2	20.7	1.5
OPERATING INCOME	135.3	111.5	223.0	208.2
Other (income) expense:				
Interest income	(2.3)	(1.9)	(4.6)	(4.0)
Interest expense	2.7	4.1	5.4	8.3
Other expense (income), net	0.2	(0.2)	0.6	(0.8)
Total other expense	0.6	2.0	1.4	3.5
INCOME BEFORE INCOME TAXES	134.7	109.5	221.6	204.7
Provision for income taxes	33.8	27.5	46.7	50.2
NET INCOME	\$ 100.9	\$ 82.0	\$ 174.9	\$ 154.5
Basic EPS				
NET INCOME PER SHARE	\$ 3.01	\$ 2.44	\$ 5.22	\$ 4.61
Weighted average number of shares	33.5	33.5	33.5	33.5
Diluted EPS				
NET INCOME PER SHARE	\$ 3.01	\$ 2.44	\$ 5.22	\$ 4.61
Weighted average number of shares	33.5	33.5	33.5	33.5
Dividends declared per share	\$ 0.52	\$ 0.43	\$ 0.95	\$ 0.79

See accompanying notes to consolidated financial statements.

WATTS WATER TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in millions)
(Unaudited)

	Second Quarter Ended		Six Months Ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Net income	\$ 100.9	\$ 82.0	\$ 174.9	\$ 154.5
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	35.2	(2.6)	49.6	(15.5)
Cash flow hedges	(0.7)	(0.2)	(1.4)	1.2
Other comprehensive income (loss)	34.5	(2.8)	48.2	(14.3)
Comprehensive income	<u>\$ 135.4</u>	<u>\$ 79.2</u>	<u>\$ 223.1</u>	<u>\$ 140.2</u>

See accompanying notes to consolidated financial statements.

WATTS WATER TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Dollars in millions)
(Unaudited)

	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
<i>(For the six months ended June 29, 2025)</i>	Shares	Amount	Shares	Amount				
Balance at December 31, 2024	27,366,685	\$ 2.7	5,953,290	\$ 0.6	\$ 696.2	\$ 1,184.8	\$ (176.4)	\$ 1,707.9
Net income	—	—	—	—	—	174.9	—	174.9
Other comprehensive income	—	—	—	—	—	—	48.2	48.2
Comprehensive income	—	—	—	—	—	—	—	223.1
Shares of Class B common stock converted to Class A common stock	7,000	—	(7,000)	—	—	—	—	—
Stock-based compensation	—	—	—	—	9.5	—	—	9.5
Stock repurchase	(36,770)	—	—	—	—	(7.9)	—	(7.9)
Net change in restricted and performance stock units	82,077	—	—	—	2.9	(11.1)	—	(8.2)
Common stock dividends	—	—	—	—	—	(32.0)	—	(32.0)
Balance at June 29, 2025	<u>27,418,992</u>	<u>\$ 2.7</u>	<u>5,946,290</u>	<u>\$ 0.6</u>	<u>\$ 708.6</u>	<u>\$ 1,308.7</u>	<u>\$ (128.2)</u>	<u>\$ 1,892.4</u>
	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
<i>(For the second quarter ended June 29, 2025)</i>	Shares	Amount	Shares	Amount				
Balance at March 30, 2025	27,428,385	\$ 2.7	5,953,290	\$ 0.6	\$ 702.0	\$ 1,229.6	\$ (162.7)	\$ 1,772.2
Net income	—	—	—	—	—	100.9	—	100.9
Other comprehensive income	—	—	—	—	—	—	34.5	34.5
Comprehensive income	—	—	—	—	—	—	—	135.4
Shares of Class B common stock converted to Class A common stock	7,000	—	(7,000)	—	—	—	—	—
Stock-based compensation	—	—	—	—	6.7	—	—	6.7
Stock repurchase	(18,019)	—	—	—	—	(4.0)	—	(4.0)
Net change in restricted and performance stock units	1,626	—	—	—	(0.1)	(0.3)	—	(0.4)
Common stock dividends	—	—	—	—	—	(17.5)	—	(17.5)
Balance at June 29, 2025	<u>27,418,992</u>	<u>\$ 2.7</u>	<u>5,946,290</u>	<u>\$ 0.6</u>	<u>\$ 708.6</u>	<u>\$ 1,308.7</u>	<u>\$ (128.2)</u>	<u>\$ 1,892.4</u>

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<i>(For the six months ended June 30, 2024)</i>	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2023	27,352,701	\$ 2.7	5,958,290	\$ 0.6	\$ 674.3	\$ 979.1	\$ (143.4)	\$ 1,513.3
Net income	—	—	—	—	—	154.5	—	154.5
Other comprehensive loss	—	—	—	—	—	—	(14.3)	(14.3)
Comprehensive income	—	—	—	—	—	—	—	140.2
Shares of Class B common stock converted to Class A common stock	5,000	—	(5,000)	—	—	—	—	—
Shares of Class A common stock issued upon the exercise of stock options	364	—	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	10.0	—	—	10.0
Stock repurchase	(40,012)	—	—	—	—	(8.1)	—	(8.1)
Net change in restricted and performance stock units	86,037	—	—	—	2.3	(12.8)	—	(10.5)
Common stock dividends	—	—	—	—	—	(26.7)	—	(26.7)
Balance at June 30, 2024	<u>27,404,090</u>	<u>\$ 2.7</u>	<u>5,953,290</u>	<u>\$ 0.6</u>	<u>\$ 686.6</u>	<u>\$ 1,086.0</u>	<u>\$ (157.7)</u>	<u>\$ 1,618.2</u>

<i>(For the second quarter ended June 30, 2024)</i>	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at March 31, 2024	27,418,449	\$ 2.7	5,958,290	\$ 0.6	\$ 680.6	\$ 1,022.8	\$ (154.9)	\$ 1,551.8
Net income	—	—	—	—	—	82.0	—	82.0
Other comprehensive loss	—	—	—	—	—	—	(2.8)	(2.8)
Comprehensive income	—	—	—	—	—	—	—	79.2
Shares of Class B common stock converted to Class A common stock	5,000	—	(5,000)	—	—	—	—	—
Shares of Class A common stock issued upon the exercise of stock options	364	—	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	6.0	—	—	6.0
Stock repurchase	(20,262)	—	—	—	—	(4.1)	—	(4.1)
Net change in restricted and performance stock units	539	—	—	—	—	(0.1)	—	(0.1)
Common stock dividends	—	—	—	—	—	(14.6)	—	(14.6)
Balance at June 30, 2024	<u>27,404,090</u>	<u>\$ 2.7</u>	<u>5,953,290</u>	<u>\$ 0.6</u>	<u>\$ 686.6</u>	<u>\$ 1,086.0</u>	<u>\$ (157.7)</u>	<u>\$ 1,618.2</u>

See accompanying notes to consolidated financial statements.

WATTS WATER TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in millions)
(Unaudited)

	Six Months Ended	
	June 29, 2025	June 30, 2024
OPERATING ACTIVITIES		
Net income	\$ 174.9	\$ 154.5
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	17.9	16.9
Amortization of intangibles and other	10.3	9.8
Loss on disposal of long-lived assets and (gain) on sale of assets	0.2	(4.1)
Stock-based compensation	9.5	10.0
Deferred income tax	(6.2)	(5.2)
Changes in operating assets and liabilities, net of effects from business acquisitions:		
Accounts receivable	(69.3)	(50.0)
Inventories	(37.0)	(16.8)
Prepaid expenses and other assets	(16.3)	(0.8)
Accounts payable, accrued expenses and other liabilities	40.9	16.6
Net cash provided by operating activities	124.9	130.9
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(19.8)	(16.9)
Proceeds from the sale of property, plant and equipment	—	5.7
Business acquisitions, net of cash acquired	(85.7)	(96.3)
Net cash used in investing activities	(105.5)	(107.5)
FINANCING ACTIVITIES		
Payments of long-term debt	—	(40.0)
Payments for withholding taxes on vested awards	(11.1)	(12.8)
Payments for finance leases and other	(1.3)	(1.3)
Payments to repurchase common stock	(7.9)	(8.1)
Dividends	(32.0)	(26.7)
Net cash used in financing activities	(52.3)	(88.9)
Effect of exchange rate changes on cash and cash equivalents	15.3	(5.2)
DECREASE IN CASH AND CASH EQUIVALENTS	(17.6)	(70.7)
Cash and cash equivalents at beginning of year	386.9	350.1
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 369.3	\$ 279.4
SUPPLEMENTAL CASH FLOW DISCLOSURE:		
Acquisition of businesses:		
Fair value of assets acquired	\$ 90.2	\$ 98.0
Cash paid, net of cash acquired	85.7	96.3
Liabilities assumed	\$ 4.5	\$ 1.7
Issuance of stock under management stock purchase plan	\$ 0.7	\$ 0.3
CASH PAID FOR:		
Interest	\$ 4.9	\$ 7.0
Income taxes	\$ 52.6	\$ 60.6

See accompanying notes to consolidated financial statements.

WATTS WATER TECHNOLOGIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete consolidated financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included in the Watts Water Technologies, Inc. (the “Company”) Consolidated Balance Sheet as of June 29, 2025, the Consolidated Statements of Operations for the Second Quarters and Six Months Ended June 29, 2025 and June 30, 2024, the Consolidated Statements of Comprehensive Income for the Second Quarters and Six Months Ended June 29, 2025 and June 30, 2024, the Consolidated Statements of Stockholders’ Equity for the Second Quarters and Six Months Ended June 29, 2025 and June 30, 2024, and the Consolidated Statements of Cash Flows for the Six Months Ended June 29, 2025 and June 30, 2024.

The consolidated balance sheet at December 31, 2024 has been derived from the audited consolidated financial statements at that date. The accounting policies followed by the Company are described in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024. The consolidated financial statements included in this report should be read in conjunction with the consolidated financial statements and notes included in the Annual Report on Form 10-K for the year ended December 31, 2024. Operating results for the interim periods presented are not necessarily indicative of the results to be expected for the year ending December 31, 2025.

The Company operates on a 52-week fiscal year ending on December 31, with each quarter, except the fourth quarter, ending on a Sunday. Any quarterly data contained in this Quarterly Report on Form 10-Q generally reflect the results of operations for a 13-week period.

Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. We are not aware of any specific event or circumstance that would require updates to the Company’s estimates or judgments, or require the Company to revise the carrying value of the Company’s assets or liabilities, as of the date of issuance of this Quarterly Report on Form 10-Q. These estimates may change as new events occur and additional information is obtained. Actual results could differ from those estimates.

2. Accounting Policies

The significant accounting policies used in preparation of these consolidated financial statements for the six months ended June 29, 2025, are consistent with those discussed in Note 2 of the Notes to Consolidated Financial Statements in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024.

Shipping and Handling

Shipping and handling costs included in selling, general and administrative expenses amounted to \$23.5 million and \$22.0 million for the second quarters of 2025 and 2024, respectively, and were \$45.0 million and \$43.8 million for the first six months of 2025 and 2024, respectively.

Research and Development

Research and development costs included in selling, general and administrative expenses amounted to \$17.4 million and \$17.9 million for the second quarters of 2025 and 2024, respectively, and were \$34.1 million and \$36.4 million for the first six months of 2025 and 2024, respectively.

Accounting Standard Updates

In December 2023, the FASB issued ASU 2023-09 "Income Taxes (Topics 740): Improvements to Income Tax Disclosures" to expand the disclosure requirements for income taxes, specifically related to the rate reconciliation and income taxes paid. ASU 2023-09 is effective for our annual periods beginning January 1, 2025, with early adoption permitted. The Company is currently evaluating the potential effect that the updated standard will have on the Company's financial statement disclosures.

In November 2024, the FASB issued ASU 2024-03 "Income Statement - Reporting Comprehensive Income (Subtopic 220-40): Expense Disaggregation Disclosures" to expand the disclosure requirements of certain expense categories included in the income statement. ASU 2024-03 is effective for our annual periods beginning January 1, 2027, with early adoption permitted. The Company is currently evaluating the potential effect that the updated standard will have on the Company's consolidated financial statement disclosures.

3. Revenue Recognition

The Company is a leading supplier of products and solutions that manage and conserve the flow of fluids and energy into, through and out of buildings in the commercial, industrial and residential markets. For over 150 years, the Company has designed and produced valve systems that safeguard and regulate water systems, energy efficient heating and hydronic systems, drainage systems and water filtration technology that help purify and conserve water.

The Company distributes products through four primary distribution channels: wholesale, original equipment manufacturers ("OEMs"), specialty, and do-it-yourself ("DIY"). The Company operates in three geographic segments: Americas, Europe, and Asia-Pacific, Middle East and Africa ("APMEA"). Each of these segments sells similar products, which consist of the following principal product categories:

- Residential & commercial flow control and protection—includes products and solutions typically sold into plumbing and hot water applications such as backflow preventers, water pressure regulators, temperature and pressure relief valves, thermostatic mixing valves, leak detection and protection products, commercial washroom solutions and emergency safety products and equipment. Many of our flow control and protection products are now smart and connected enabled, warning of leaks, floods, freezing temperatures and other hazards with alerts to Building Management Systems ("BMS") and/or personal devices giving our customers greater insight into their water management and the ability to shut off the water supply to avoid waste and mitigate damage.
- Heating, ventilation and air conditioning ("HVAC") & gas—includes commercial high efficiency boilers, water heaters and heating solutions, hydronic and electric heating systems for under floor radiant applications, custom heat and hot water solutions, hydronic pump groups for boiler manufacturers and alternative energy control packages, and flexible stainless steel connectors for natural and liquid propane gas in commercial food service and residential applications. Most of our HVAC products and solutions feature advanced controls enabling customers to easily connect to the BMS for better monitoring, control and operation.
- Drainage & water re-use—includes drainage products and engineered rainwater harvesting solutions for commercial, industrial, marine and residential applications, including connected roof drain systems.
- Water quality—includes point-of-use, point-of-entry, closed loop, cooling tower, and other water applications used for water filtration, monitoring, conditioning and scale prevention systems for commercial, marine, light industrial and residential applications.

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The following table disaggregates revenue, which is presented as net sales in the consolidated financial statements, for each reportable segment, by distribution channel and principal product category:

Distribution Channel	For the Second Quarter Ended June 29, 2025				For the Six Months Ended June 29, 2025			
	(in millions)				(in millions)			
	Americas	Europe	APMEA	Consolidated	Americas	Europe	APMEA	Consolidated
Wholesale	\$ 330.0	\$ 76.7	\$ 23.8	\$ 430.5	\$ 596.4	\$ 152.4	\$ 46.8	\$ 795.6
OEM	29.2	33.7	2.5	65.4	53.9	65.9	3.9	123.7
Specialty	117.2	—	7.9	125.1	222.9	—	15.0	237.9
DIY	22.1	0.6	—	22.7	43.4	1.1	—	44.5
Total	\$ 498.5	\$ 111.0	\$ 34.2	\$ 643.7	\$ 916.6	\$ 219.4	\$ 65.7	\$ 1,201.7

Principal Product Category	For the Second Quarter Ended June 29, 2025				For the Six Months Ended June 29, 2025			
	(in millions)				(in millions)			
	Americas	Europe	APMEA	Consolidated	Americas	Europe	APMEA	Consolidated
Residential & Commercial								
Flow Control	\$ 322.5	\$ 42.6	\$ 29.7	\$ 394.8	\$ 593.2	\$ 84.0	\$ 58.3	\$ 735.5
HVAC and Gas Products	95.7	44.0	3.2	142.9	182.0	87.5	5.6	275.1
Drainage and Water Re-use Products	51.4	23.5	1.0	75.9	85.0	45.8	1.4	132.2
Water Quality Products	28.9	0.9	0.3	30.1	56.4	2.1	0.4	58.9
Total	\$ 498.5	\$ 111.0	\$ 34.2	\$ 643.7	\$ 916.6	\$ 219.4	\$ 65.7	\$ 1,201.7

Distribution Channel	For the Second Quarter Ended June 30, 2024				For the Six Months Ended June 30, 2024			
	(in millions)				(in millions)			
	Americas	Europe	APMEA	Consolidated	Americas	Europe	APMEA	Consolidated
Wholesale	\$ 294.2	\$ 77.7	\$ 25.1	\$ 397.0	\$ 566.4	\$ 161.7	\$ 44.1	\$ 772.2
OEM	27.0	35.8	1.7	64.5	53.0	74.5	3.4	130.9
Specialty	107.0	—	8.3	115.3	204.5	—	16.4	220.9
DIY	19.9	0.6	—	20.5	43.0	1.2	—	44.2
Total	\$ 448.1	\$ 114.1	\$ 35.1	\$ 597.3	\$ 866.9	\$ 237.4	\$ 63.9	\$ 1,168.2

Principal Product Category	For the Second Quarter Ended June 30, 2024				For the Six Months Ended June 30, 2024			
	(in millions)				(in millions)			
	Americas	Europe	APMEA	Consolidated	Americas	Europe	APMEA	Consolidated
Residential & Commercial								
Flow Control	\$ 288.1	\$ 42.2	\$ 30.4	\$ 360.7	\$ 561.7	\$ 89.3	\$ 55.5	\$ 706.5
HVAC and Gas Products	93.7	45.7	3.8	143.2	178.8	97.9	6.5	283.2
Drainage and Water Re-use Products	40.0	25.1	0.5	65.6	73.0	48.0	1.2	122.2
Water Quality Products	26.3	1.1	0.4	27.8	53.4	2.2	0.7	56.3
Total	\$ 448.1	\$ 114.1	\$ 35.1	\$ 597.3	\$ 866.9	\$ 237.4	\$ 63.9	\$ 1,168.2

The Company generally considers customer purchase orders, which in some cases are governed by master sales agreements, to represent the contract with a customer. The Company's contracts with customers are generally for products only and typically do not include other performance obligations such as professional services, extended warranties, or other material rights. In situations where sales are to a distributor, the Company has concluded that its contracts are with the distributor as the Company holds a contract bearing enforceable rights and obligations only with the distributor. As part of its consideration of the contract, the Company evaluates certain factors, including the customer's ability to pay (or credit risk). For each contract, the Company considers the promise to transfer products, each of which is distinct, to be the identified performance obligation. In determining the transaction price, the Company evaluates whether the price is subject to refund or adjustment to determine the net consideration to which the Company expects to be entitled. As the Company's standard payment terms are less than one year, the Company has elected not to assess whether a contract has a significant financing component. The Company allocates the transaction price to each distinct product based on its relative standalone selling price. The product price as specified on the purchase order is

considered the standalone selling price as it is an observable input which depicts the price as if sold to a similar customer in similar circumstances. Revenue is recognized when control of the product is transferred to the customer (i.e., when the Company's performance obligation is satisfied), which typically occurs at shipment from the Company's manufacturing site or distribution center, or delivery to the customer's named location. In determining whether control has transferred, the Company considers if there is a present right to payment, physical possession and legal title, along with risks and rewards of ownership having transferred to the customer. In certain circumstances, the Company manufactures customized products without alternative use for its customers. For the arrangements that entitle the Company to a right to payment of cost plus a profit for work completed, the Company concluded that control transfers over time. However, for the arrangements that do not provide such payment rights, the Company has concluded that control transfers at the point in time and not over time.

At times, the Company receives orders for products to be delivered over multiple dates that may extend across reporting periods. The Company invoices for each delivery upon shipment and recognizes revenues for each distinct product delivered, assuming transfer of control has occurred. As scheduled delivery dates are within one year, under the optional exemption as provided for under ASC 606 (*Revenue from Contracts with Customers*), revenues allocated to future shipments of partially completed contracts are not disclosed.

The Company generally provides an assurance warranty that its products will substantially conform to their published specifications. The Company's liability is limited to either a credit equal to the purchase price or replacement of the defective part. Returns under warranty have historically been immaterial. The Company does not consider activities related to such warranty, if any, to be a separate performance obligation. For certain of its products, the Company will separately sell extended warranty and service policies to its customers. The Company considers the sale of these policies as separate performance obligations. These policies typically are for periods ranging from one to three years. Payments received are deferred and recognized over the policy period. For all periods presented, the revenue recognized and the revenue deferred under these policies are not material to the consolidated financial statements.

The timing of revenue recognition, billings and cash collections from the Company's contracts with customers can vary based on the payment terms and conditions in the customer contracts. In limited cases, customers will partially prepay for their goods. In addition, there are constraints which cause variability in the ultimate consideration to be recognized. These constraints typically include early payment discounts, volume rebates, rights of return, cooperative advertising, and market development funds. The Company includes these constraints in the estimated transaction price when there is a basis to reasonably estimate the amount of variable consideration. These estimates are based on historical experience, anticipated future performance and the Company's best judgment at the time. The Company did not recognize any material revenue from obligations satisfied in prior periods. When the timing of the Company's recognition of revenue is different from the timing of payments made by the customer, the Company recognizes a contract liability (customer payment precedes performance). For all periods presented, the recognized contract liabilities and the associated revenue deferred are not material to the consolidated financial statements.

The Company incurs costs to obtain and fulfill a contract; however, the Company has elected to recognize all incremental costs to obtain a contract as an expense when incurred if the amortization period is one year or less. The Company has elected to treat shipping and handling activities performed after the customer has obtained control of the related goods as a fulfillment cost, and the related cost is accrued for in conjunction with the recording of revenue for the goods.

4. Acquisitions

EasyWater

On June 13, 2025, the Company completed the acquisition of substantially all of the assets of Freije Treatment Systems, Inc. ("EasyWater") in an all-cash transaction. EasyWater, a leading provider of water quality solutions, is based in Fishers, Indiana, and has designed and manufactured innovative, chemical-free technologies for treating water in residential and commercial applications. The acquisition of EasyWater aligns with the Company's continued focus on growth, innovation and expanding the Company's portfolio of high-value water quality solutions. The Company accounted for the transaction as a business combination and it was deemed not to be material to the Company's consolidated financial statements.

I-CON

On January 2, 2025, the Company completed the acquisition of I-CON Systems Holdings, LLC (“I-CON”) in a membership unit purchase transaction funded with cash on hand. The final net purchase price was \$70.7 million, net of cash acquired of \$2.8 million. The final post-closing working capital adjustment was immaterial and adjusted in the second quarter of 2025.

I-CON is headquartered in Oviedo, Florida, and is a designer and manufacturer of intelligent plumbing controls, addressing the unique challenges of water management in correctional facilities. I-CON’s operating results since the date of acquisition are included in the Americas segment. The Company has determined that both the pro-forma and actual results, including I-CON’s net sales, net income, and earnings per share, are not material to the Company’s financial results, and therefore has not included these disclosures.

The Company accounted for the transaction as a purchased business combination. During the first quarter of 2025, the Company performed the preliminary purchase price allocation for the I-CON purchase, with immaterial adjustments in the second quarter of 2025 related to the final working capital and valuation adjustments. The purchase price allocation was completed in the second quarter of 2025. The acquisition resulted in the recognition of \$41.6 million in goodwill and \$20.9 million in intangible assets. The intangible assets acquired consist of customer relationships valued at \$18.2 million with estimated lives of 12 years and the trade name valued at \$2.7 million with an indefinite life. The goodwill is attributable to the workforce of I-CON and the portfolio which will allow the Company to extend its product offerings as a result of the acquisition. For tax purposes, the Company accounted for the transaction as an asset acquisition and therefore the intangibles and goodwill are deductible for tax purposes resulting in future tax benefits.

The following table summarizes the fair value of the assets and liabilities acquired (in millions):

Cash	\$	2.8
Trade accounts receivable		3.3
Inventories, net		4.4
Prepaid expenses and other assets		2.8
Property, plant and equipment		1.2
Intangible assets		20.9
Goodwill		41.6
Accounts payable, accrued expenses and other liabilities		(3.5)
Purchase price	\$	<u>73.5</u>

Josam

Effective January 1, 2024, the Company completed the acquisition of Josam Company following its conversion into Josam Industries, LLC (“Josam”) in a share purchase transaction funded with cash on hand. The final net purchase price was \$99.0 million, net of cash acquired of \$4.6 million. Josam is based in Michigan City, Indiana, and is a leading provider and manufacturer of drainage and plumbing products, serving commercial, industrial, and multi-family end markets for over 100 years. Josam’s operating results since the date of acquisition are included in the Americas segment. The Company has determined that both the pro-forma and actual results, including Josam’s net sales, net income, and earnings per share, are not material to the Company’s financial results, and therefore has not included these disclosures.

The Company accounted for the transaction as a purchased business combination. During the first quarter of 2024, the Company performed the preliminary purchase price allocation for the Josam purchase, with immaterial adjustments during the remainder of fiscal year 2024 related to the final working capital and valuation adjustments. The purchase price allocation was completed in the fourth quarter of 2024. The acquisition resulted in the recognition of \$35.1 million in goodwill and \$39.4 million in intangible assets. The intangible assets acquired consist of customer relationships valued at \$33.5 million with estimated lives of 15 years and the trade name valued at \$5.9 million with an indefinite life. The goodwill is attributable to the workforce of Josam and the portfolio which will allow the Company to extend its product offerings as a result of the acquisition. For tax purposes, the Company accounted for the transaction as an asset acquisition and therefore the intangibles and goodwill are deductible for tax purposes resulting in future tax benefits.

The following table summarizes the fair value of the assets and liabilities acquired (in millions):

Cash	\$ 4.6
Trade accounts receivable	4.3
Inventories, net	15.0
Prepaid expenses and other current assets	0.9
Property, plant and equipment	7.6
Intangible assets	39.4
Goodwill	35.1
Accounts payable	(1.5)
Accrued expenses and other current liabilities	(1.8)
Purchase price	<u>\$ 103.6</u>

5. Goodwill & Intangibles

The Company operates in three geographic segments: Americas, Europe, and APMEA. The changes in the carrying amounts of goodwill by geographic segment are as follows:

	Gross Balance			Accumulated Impairment Losses			Foreign Currency Translation	Net Goodwill
	Balance January 1, 2025	Acquired During the Period	Balance June 29, 2025	Balance January 1, 2025	Impairment Loss During the Period	Balance June 29, 2025	January 1, 2025 - June 29, 2025	June 29, 2025
	(in millions)							
Americas	\$ 617.5	\$ 52.2	\$ 669.7	\$ (24.5)	\$ —	\$ (24.5)	\$ 0.4	\$ 645.6
Europe	233.3	—	233.3	(129.7)	—	(129.7)	13.1	116.7
APMEA	31.3	—	31.3	(12.9)	—	(12.9)	1.2	19.6
Total	<u>\$ 882.1</u>	<u>\$ 52.2</u>	<u>\$ 934.3</u>	<u>\$ (167.1)</u>	<u>\$ —</u>	<u>\$ (167.1)</u>	<u>\$ 14.7</u>	<u>\$ 781.9</u>

During the first six months of 2025, the Company completed the acquisitions of EasyWater and I-CON, resulting in an increase in goodwill of \$52.2 million within the Americas segment.

Goodwill and indefinite-lived intangible assets are tested for impairment at least annually or more frequently if events or circumstances indicate that it is “more likely than not” that they might be impaired, such as from a change in business conditions. The Company performs its annual goodwill and indefinite-lived intangible assets impairment assessment in the fourth quarter of each year. At the most recent annual impairment test, which occurred during the fourth quarter of 2024, the Company performed qualitative fair value assessments, including an evaluation of certain key assumptions for all of its reporting units with goodwill at the impairment test date. The Company concluded that the fair value of all reporting units tested exceeded their carrying values at that time.

Intangible assets include the following:

	June 29, 2025			December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(in millions)					
Patents	\$ 5.0	\$ (5.0)	\$ —	\$ 5.0	\$ (5.0)	\$ —
Customer relationships	271.7	(109.0)	162.7	251.9	(100.6)	151.3
Technology	55.5	(48.9)	6.6	53.2	(47.8)	5.4
Trade names	20.8	(13.4)	7.4	20.6	(13.0)	7.6
Other	1.1	(0.8)	0.3	1.1	(0.8)	0.3
Total amortizable intangibles	<u>354.1</u>	<u>(177.1)</u>	<u>177.0</u>	<u>331.8</u>	<u>(167.2)</u>	<u>164.6</u>
Indefinite-lived intangible assets	<u>75.0</u>	<u>—</u>	<u>75.0</u>	<u>70.4</u>	<u>—</u>	<u>70.4</u>
	<u>\$ 429.1</u>	<u>\$ (177.1)</u>	<u>\$ 252.0</u>	<u>\$ 402.2</u>	<u>\$ (167.2)</u>	<u>\$ 235.0</u>

With the completion of the acquisitions of EasyWater and I-CON in the first six months of 2025, the Company acquired intangible assets of \$24.7 million, consisting of amortizable technology assets valued at \$2.3 million with an estimated useful life of 5 years, customer relationships valued at \$19.7 million with an estimated useful life of 10 to 12 years, and an indefinite-lived trade name valued at \$2.7 million. During the year ended December 31, 2024, the Company acquired \$39.4 million in intangible assets as part of the Josam acquisition, consisting of customer relationships valued at \$33.5 million, with an estimated useful life of 15 years, and an indefinite-lived trade name of \$5.9 million.

Aggregate amortization expense for amortized intangible assets for the second quarters ended June 29, 2025 and June 30, 2024 was \$5.0 million and \$5.1 million, respectively, and for the first six months of 2025 and 2024 was \$9.9 million and \$9.8 million, respectively.

6. Restructuring and Other Charges, Net

The Company's Board of Directors approves all major restructuring programs that may involve the discontinuance of significant product lines or the shutdown of significant facilities. From time to time, the Company takes additional restructuring actions, including involuntary terminations that are not part of a major program. The Company accounts for these costs in the period in which the liability is incurred. These costs are included in restructuring charges in the Company's consolidated statements of operations.

A summary of the pre-tax cost by restructuring program is as follows:

	<u>Second Quarter Ended</u>		<u>Six Months Ended</u>	
	<u>June 29,</u>	<u>June 30,</u>	<u>June 29,</u>	<u>June 30,</u>
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(in millions)			
Restructuring costs:				
2025 France Actions	\$ 1.7	\$ —	\$ 19.1	\$ —
Other Actions	1.7	0.2	1.6	1.5
Total restructuring charges	<u>\$ 3.4</u>	<u>\$ 0.2</u>	<u>\$ 20.7</u>	<u>\$ 1.5</u>

The Company recorded pre-tax restructuring costs in its business segments as follows:

	<u>Second Quarter Ended</u>		<u>Six Months Ended</u>	
	<u>June 29,</u>	<u>June 30,</u>	<u>June 29,</u>	<u>June 30,</u>
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(in millions)			
Americas	\$ —	\$ —	\$ —	\$ 1.0
Europe	3.4	0.1	20.6	0.1
APMEA	—	0.1	0.1	0.4
Total	<u>\$ 3.4</u>	<u>\$ 0.2</u>	<u>\$ 20.7</u>	<u>\$ 1.5</u>

2025 France Actions

On February 3, 2025, the Board of Directors approved a restructuring program with respect to the Company's operating facilities in Hautvillers, France, within its Europe operating segment. The restructuring program includes the shutdown of the Company's manufacturing facility in Hautvillers, France and relocation of the facility's production activities primarily to the Company's other facilities in France and other locations in Europe. The program was initially expected to include pre-tax charges totaling approximately \$22.0 million, including costs for severance, relocation, clean-up and certain asset write-downs, and result in the elimination of approximately 96 positions at the Hautvillers, France facility. As a result of the facility consolidations, the net headcount reduction in France is expected to be approximately 68 positions. As of June 29, 2025, the Company increased its total expected pre-tax charges for the program to approximately \$23.2 million, primarily related to higher legal and severance costs than were initially estimated. Total net after-tax charges for this restructuring program are expected to be approximately \$17.1 million, of which non-cash charges are immaterial, with costs being incurred through the end of 2026, at which time the restructuring program is expected to be completed. The Company expects to spend approximately \$1 million in capital expenditures to consolidate operations. Annual pre-tax savings are estimated to be approximately \$3.0 million, which the Company expects to fully realize by the end of 2026.

The following table summarizes by type, the total expected, incurred and remaining pre-tax restructuring costs for the Company's restructuring program related to the 2025 France Actions:

	Severance	Legal and consultancy	Asset write-downs (in millions)	Facility exit and other	Total
Costs incurred — first quarter 2025	\$ 16.1	\$ 1.1	\$ 0.2	\$ —	\$ 17.4
Costs incurred — second quarter 2025	0.8	0.1	0.4	0.4	1.7
Remaining costs to be incurred	1.3	0.5	0.3	2.0	4.1
Total expected restructuring costs	<u>\$ 18.2</u>	<u>\$ 1.7</u>	<u>\$ 0.9</u>	<u>\$ 2.4</u>	<u>\$ 23.2</u>

Details of the restructuring reserve activity for the Company's 2025 France Actions for the six months ended June 29, 2025 are as follows:

	Severance	Legal and consultancy	Asset write-downs (in millions)	Facility exit and other	Total
Balance at December 31, 2024	\$ —	\$ —	\$ —	\$ —	\$ —
Net pre-tax restructuring charges	16.1	1.1	0.2	—	17.4
Utilization and foreign currency impact	1.4	(0.3)	(0.2)	—	0.9
Balance at March 30, 2025	\$ 17.5	\$ 0.8	\$ —	\$ —	\$ 18.3
Net pre-tax restructuring charges	0.8	0.1	0.4	0.4	1.7
Utilization and foreign currency impact	(4.7)	(0.1)	(0.4)	(0.1)	(5.3)
Balance at June 29, 2025	<u>\$ 13.6</u>	<u>\$ 0.8</u>	<u>\$ —</u>	<u>\$ 0.3</u>	<u>\$ 14.7</u>

Other Actions

The Company periodically initiates other actions which are not part of a major program. Included in "Other Actions" for the second quarter and six months ended June 29, 2025, were immaterial cost saving actions, primarily severance costs, in the Europe and APMEA segments.

Included in "Other Actions" for the second quarter and six months ended June 30, 2024, were immaterial actions primarily taken in the Americas segment related to the approved closure of two facilities and consolidation of the related productions into existing facilities, as well as immaterial cost saving actions in the Europe and APMEA segment. The facility exits were substantially completed in the fourth quarter of 2023, with one facility exit completed in the first half of 2024.

7. Earnings per Share and Stock Repurchase Program

The following table sets forth the reconciliation of the calculation of earnings per share:

	For the Second Quarter Ended June 29, 2025			For the Second Quarter Ended June 30, 2024		
	Income (Numerator)	Shares (Denominator)	Per Share Amount	Income (Numerator)	Shares (Denominator)	Per Share Amount
	(Amounts in millions, except per share information)					
Basic EPS:						
Net income	\$ 100.9	33.5	\$ 3.01	\$ 82.0	33.5	\$ 2.44
Effect of dilutive securities:						
Common stock equivalents	—	—	—	—	—	—
Diluted EPS:						
Net income	\$ 100.9	33.5	\$ 3.01	\$ 82.0	33.5	\$ 2.44

	For the Six Months Ended June 29, 2025			For the Six Months Ended June 30, 2024		
	Income (Numerator)	Shares (Denominator)	Per Share Amount	Income (Numerator)	Shares (Denominator)	Per Share Amount
	(Amounts in millions, except per share information)					
Basic EPS:						
Net income	\$ 174.9	33.5	\$ 5.22	\$ 154.5	33.5	\$ 4.61
Effect of dilutive securities:						
Common stock equivalents	—	—	—	—	—	—
Diluted EPS:						
Net income	\$ 174.9	33.5	\$ 5.22	\$ 154.5	33.5	\$ 4.61

On July 31, 2023, the Company's Board of Directors authorized the repurchase of up to \$150 million of the Company's Class A common stock, to be purchased from time to time on the open market or in privately negotiated transactions. The Company has entered into a Rule 10b5-1 plan, which permits shares to be repurchased under the Company's stock repurchase program when the Company might otherwise be precluded from doing so under insider trading laws. The repurchase program may be suspended or discontinued at any time, subject to the terms of the Rule 10b5-1 plan the Company entered into with respect to the repurchase program. As of June 29, 2025, there was approximately \$137.0 million remaining authorized for share repurchases under the repurchase program.

For the second quarters ended June 29, 2025 and June 30, 2024, the Company repurchased 18,019 shares for \$4.0 million and 20,262 shares for \$4.1 million, respectively. For the six months ended June 29, 2025 and June 30, 2024, the Company repurchased 36,770 shares for \$7.9 million and 40,012 shares for \$8.1 million, respectively.

8. Stock-Based Compensation

The Company granted 46,361 and 44,459 units of deferred stock awards during the first six months of 2025 and 2024, respectively. The Company grants deferred stock awards to key employees and stock awards to non-employee members of the Company's Board of Directors under the Third Amended and Restated 2004 Stock Incentive Plan ("2004 Stock Incentive Plan"). Deferred stock awards to employees typically vest annually over a three-year period, and stock awards to non-employee members of the Company's Board of Directors vest immediately.

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The Company also grants performance stock units to key employees under the 2004 Stock Incentive Plan. Performance stock units cliff vest at the end of a performance period set by the Compensation Committee of the Board of Directors at the time of grant, which is currently three years. Upon vesting, the number of shares of the Company's Class A common stock awarded to each performance stock unit recipient will be determined based on the Company's performance relative to certain performance goals set at the time the performance stock units were granted. The recipient of a performance stock unit award may earn from zero shares to twice the number of target shares awarded to such recipient. The performance stock units are amortized to expense over the vesting period and, based on the Company's performance relative to the performance goals, may be adjusted. Changes to the estimated shares expected to vest will result in adjustments to the related share-based compensation expense that will be recorded in the period of change. If the performance goals are not met, no awards are earned and previously recognized compensation expense is reversed. The Company granted 34,932 and 39,085 performance stock units during the first six months of 2025 and 2024, respectively. The performance goals for the performance stock units are based on the compound annual growth rate of the Company's revenue over the three-year performance period and the Company's return on invested capital for the third year of the performance period.

The Company also has a Management Stock Purchase Plan ("MSPP") that allows for the granting of restricted stock units ("RSUs") to key employees. Under the MSPP, the Company granted 18,071 and 20,076 RSUs during the first six months of 2025 and 2024, respectively. On an annual basis, key employees may elect to receive a portion of their annual incentive compensation in RSUs instead of cash. Participating key employees may use up to 50% of their annual incentive bonus to purchase RSUs for a purchase price equal to 80% of the fair market value of the Company's Class A common stock as of the date of grant. RSUs vest either annually over a three-year period from the grant date or upon the third anniversary of the grant date. Receipt of the shares underlying RSUs is deferred for a minimum of three years, or such greater number of years from the date of the grant as is chosen by the key employee.

The fair value of the discount of each purchased RSU is estimated on the date of grant, using the Black-Scholes-Merton Model, based on the following weighted average assumptions:

	2025	2024
Expected life (years)	3.0	3.0
Expected stock price volatility	27.3 %	28.9 %
Expected dividend yield	0.90 %	0.80 %
Risk-free interest rate	4.0 %	4.5 %

The risk-free interest rate is based upon the U.S. Treasury yield curve at the time of grant for the expected life of the RSUs. The expected life (estimated period of time outstanding) of RSUs and volatility were calculated using historical data. The expected dividend yield of stock is the Company's best estimate of the expected future dividend yield.

The above assumptions were used to determine the weighted average grant-date fair value of the discount on RSUs granted in 2025 and 2024 of \$67.63 and \$68.94, respectively.

A more detailed description of each of these plans can be found in Note 14 of the Notes to Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

9. Segment Information

The Company adopted ASU 2023-07 "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures" for its annual reporting beginning January 1, 2024. The Company discloses segment information on the same basis that the Chief Executive Officer, the Company's chief operating decision-maker ("CODM"), manages the segments, evaluates financial results and makes key operating decisions to allocate investments and resources. The Company operates in three geographic and reportable segments: Americas, Europe, and APMEA. Each of these segments sells similar products and solutions and has separate financial results that are reviewed by the CODM. Each segment earns revenue and income almost exclusively from the sale of the Company's products. The Company sells its products into various end markets around the world with sales by region based upon location of the entity recording the sale. See Note 3 for further detail on sales by region of the product categories. The accounting policies for each segment are the same as those described in Note 2 of the Notes to Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

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In the fourth quarter of 2024, the Company's segment performance measure was changed to segment earnings as this is the performance measure used by the CODM in assessing segment performance and deciding how to allocate resources. Prior to the fourth quarter of 2024, the Company's segment performance measure was operating income (loss). Segment earnings excludes the impact of special items defined as non-recurring and unusual items such as restructuring costs, acquisition-related costs, and gain on sale of assets. The CODM uses segment earnings for insight into underlying trends comparing past financial performance with current performance by reporting segment on a consistent basis.

The following is a summary of the Company's significant accounts and balances by segment, reconciled to its consolidated financial statements:

	For the Second Quarter Ended June 29, 2025			
	Americas	Europe (in millions)	APMEA	Total
Net sales				
Net sales from external customers	\$ 498.5	\$ 111.0	\$ 34.2	\$ 643.7
Intersegment sales	2.0	10.6	31.3	43.9
Total segment net sales	\$ 500.5	\$ 121.6	\$ 65.5	\$ 687.6
Reconciliation of net sales				
Elimination of intersegment sales				(43.9)
Total consolidated net sales				\$ 643.7
Less (a)				
Segment cost of goods sold	234.7	79.0	48.1	
Segment selling, general and administrative	116.1	26.9	10.2	
Segment research and development	13.9	2.7	0.7	
Segment earnings	135.8	13.0	6.5	155.3
Reconciliation of segment earnings to income before income taxes				
Segment special items (b)				(3.8)
Corporate operating loss (c)				(16.2)
Consolidated operating income				135.3
Interest income				(2.3)
Interest expense				2.7
Other expense, net				0.2
Income before income taxes				\$ 134.7

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	For the Second Quarter Ended June 30, 2024			
	Americas	Europe	APMEA	Total
	(in millions)			
Net sales				
Net sales from external customers	\$ 448.1	\$ 114.1	\$ 35.1	\$ 597.3
Intersegment sales	2.2	6.4	25.1	33.7
Total segment net sales	\$ 450.3	\$ 120.5	\$ 60.2	\$ 631.0
Reconciliation of net sales				
Elimination of intersegment sales				(33.7)
Total consolidated net sales				\$ 597.3
Less (a)				
Segment cost of goods sold	221.0	80.0	42.7	
Segment selling, general and administrative	106.2	26.1	10.2	
Segment research and development	14.3	3.0	0.7	
Segment earnings	108.8	11.4	6.6	126.8
Reconciliation of segment earnings to income before income taxes				
Segment special items (b)				(0.6)
Corporate operating loss (c)				(14.7)
Consolidated operating income				111.5
Interest income				(1.9)
Interest expense				4.1
Other income, net				(0.2)
Income before income taxes				\$ 109.5

	For the Six Months Ended June 29, 2025			
	Americas	Europe	APMEA	Total
	(in millions)			
Net sales				
Net sales from external customers	\$ 916.6	\$ 219.4	\$ 65.7	\$ 1,201.7
Intersegment sales	4.2	18.7	56.2	79.1
Total segment net sales	\$ 920.8	\$ 238.1	\$ 121.9	\$ 1,280.8
Reconciliation of net sales				
Elimination of intersegment sales				(79.1)
Total consolidated net sales				\$ 1,201.7
Less (a)				
Segment cost of goods sold	438.7	153.5	89.4	
Segment selling, general and administrative	220.9	51.5	19.1	
Segment research and development	27.6	5.0	1.4	
Segment earnings	233.6	28.1	12.0	273.7
Reconciliation of segment earnings to income before income taxes				
Segment special items (b)				(22.2)
Corporate operating loss (c)				(28.5)
Consolidated operating income				223.0
Interest income				(4.6)
Interest expense				5.4
Other expense, net				0.6
Income before income taxes				\$ 221.6

	For the Six Months Ended June 30, 2024			
	Americas	Europe	APMEA	Total
	(in millions)			
Net sales				
Net sales from external customers	\$ 866.9	\$ 237.4	\$ 63.9	\$ 1,168.2
Intersegment sales	4.8	12.1	46.4	63.3
Total segment net sales	\$ 871.7	\$ 249.5	\$ 110.3	\$ 1,231.5
Reconciliation of net sales				
Elimination of intersegment sales				(63.3)
Total consolidated net sales				<u>\$ 1,168.2</u>
Less (a)				
Segment cost of goods sold	432.0	161.5	78.8	
Segment selling, general and administrative	208.8	51.4	18.4	
Segment research and development	29.4	5.8	1.2	
Segment earnings	201.5	30.8	11.9	244.2
Reconciliation of segment earnings to income before income taxes				
Segment special items (b)				(7.1)
Corporate operating loss (c)				(28.9)
Consolidated operating income				208.2
Interest income				(4.0)
Interest expense				8.3
Other income, net				(0.8)
Income before income taxes				<u>\$ 204.7</u>

- (a) The significant expense categories and amounts align with segment-level information that is regularly provided to the CODM. Significant segment expenses exclude certain expenses incurred and benefits recognized, see footnote (b) below. Intersegment expenses are included within the amounts shown.
- (b) Segment special items are excluded from segment earnings and defined as non-recurring and unusual expenses incurred or benefits recognized such as restructuring costs, acquisition-related costs, and gain on sale of assets.
- (c) Corporate expenses are primarily for administrative compensation expense, compliance costs, professional fees, including corporate-related legal and audit expenses, shareholder services and benefit administration costs. Corporate special items are included within the amounts shown and consist of acquisition-related costs.

	Second Quarter Ended		Six Months Ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
	(in millions)			
Capital expenditures				
Americas	\$ 5.8	\$ 3.7	\$ 12.3	\$ 11.0
Europe	3.0	2.6	5.8	5.0
APMEA	1.4	0.5	1.7	0.9
Consolidated capital expenditures	<u>\$ 10.2</u>	<u>\$ 6.8</u>	<u>\$ 19.8</u>	<u>\$ 16.9</u>
Depreciation and amortization				
Americas	\$ 11.1	\$ 10.7	\$ 21.9	\$ 21.1
Europe	2.8	2.3	5.2	4.5
APMEA	0.6	0.5	1.1	1.1
Consolidated depreciation and amortization	<u>\$ 14.5</u>	<u>\$ 13.5</u>	<u>\$ 28.2</u>	<u>\$ 26.7</u>

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	June 29, 2025	December 31, 2024
	(in millions)	
Identifiable assets (at end of period)		
Americas	\$ 1,845.8	\$ 1,728.0
Europe	624.9	534.1
APMEA	174.2	134.9
Consolidated identifiable assets	<u>\$ 2,644.9</u>	<u>\$ 2,397.0</u>
Property, plant and equipment, net (at end of period)		
Americas	\$ 182.7	\$ 182.9
Europe	76.4	67.0
APMEA	6.2	4.9
Consolidated property, plant and equipment, net	<u>\$ 265.3</u>	<u>\$ 254.8</u>

The above summary of the Company's significant accounts and balances by segment are presented on a basis consistent with the presentation included in Note 18 of the Notes to Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

The property, plant and equipment, net, in the U.S. of the Company's Americas segment was \$170.3 million and \$170.9 million as of June 29, 2025 and December 31, 2024, respectively.

The following includes U.S. net sales of the Company's Americas segment:

	Second Quarter Ended		Six Months Ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
	(in millions)			
U.S. net sales	\$ 471.0	\$ 420.6	\$ 865.0	\$ 813.1

10. Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss consists of the following:

	Foreign Currency Translation	Pension Adjustment (1)	Cash Flow Hedges (2)	Accumulated Other Comprehensive Loss
	(in millions)			
Balance December 31, 2024	\$ (178.9)	\$ —	\$ 2.5	\$ (176.4)
Change in period	14.4	—	(0.7)	13.7
Balance March 30, 2025	\$ (164.5)	\$ —	\$ 1.8	\$ (162.7)
Change in period	35.2	—	(0.7)	34.5
Balance June 29, 2025	<u>\$ (129.3)</u>	<u>\$ —</u>	<u>\$ 1.1</u>	<u>\$ (128.2)</u>
Balance December 31, 2023	\$ (147.3)	\$ 0.7	\$ 3.2	\$ (143.4)
Change in period	(12.9)	—	1.4	(11.5)
Balance March 31, 2024	\$ (160.2)	\$ 0.7	\$ 4.6	\$ (154.9)
Change in period	(2.6)	—	(0.2)	(2.8)
Balance June 30, 2024	<u>\$ (162.8)</u>	<u>\$ 0.7</u>	<u>\$ 4.4</u>	<u>\$ (157.7)</u>

- (1) Pension adjustment relates to the acquired Bradley defined benefit retirement plan which was terminated effective December 31, 2023 and subsequently settled in September 2024.
- (2) Cash flow hedges include interest rate swaps and designated foreign currency hedges. See Note 12 for further details.

11. Debt

On July 12, 2024, the Company and certain of its subsidiaries entered into the Third Amended and Restated Credit Agreement by and among the Company, certain subsidiaries of the Company, the lenders and other parties from time to time parties thereto and JPMorgan Chase Bank, N.A., as administrative agent (the “Credit Agreement”). The Credit Agreement establishes a senior unsecured revolving credit facility of \$800 million (the “Revolving Credit Facility”). The maturity date of the Revolving Credit Facility is July 12, 2029, subject to extension under certain circumstances and subject to the terms of the Credit Agreement. The Credit Agreement provides for a maximum consolidated leverage ratio of 3.50 to 1.00 (or 4.00 to 1.00 during temporary step-ups following certain acquisitions) and a minimum consolidated interest ratio of 3.50 to 1.00.

The Revolving Credit Facility also includes sub-limits of \$100 million for letters of credit and \$15 million for swing line loans. As of June 29, 2025, the Company had drawn down \$200.0 million on this line of credit and had \$12.2 million in letters of credit outstanding, which resulted in \$587.8 million of unused and available credit under the Revolving Credit Facility as of such date. Borrowings outstanding bear interest at a fluctuating rate per annum equal to an applicable percentage defined as (i) in the case of Term Benchmark loans, the Term Benchmark rate plus an applicable percentage, ranging from 1.075% to 1.325%, or (ii) in the case of alternate base rate loans and swing line loans, interest (which at all times will not be less than 1.00%) at the greatest of (a) the Prime Rate in effect on such day, (b) the FRBNY Rate in effect on such day plus 0.50% and (c) the Term Benchmark rate plus 1.00% for a one-month interest period, in each case, determined by reference to the Company’s consolidated leverage ratio. For the borrowings denominated in dollars, there is a fixed 10 basis point adjustment if the reference rate is Term SOFR. The weighted average interest rate on debt outstanding under the Revolving Credit Facility as of June 29, 2025 was 5.50%. The weighted average interest rate on debt outstanding inclusive of the interest rate swaps discussed in Note 12 of the Notes to Consolidated Financial Statements and interest rates under the Revolving Credit Facility as of June 29, 2025 was 4.07%. In addition to paying interest under the Credit Agreement, the Company is also required to pay certain fees in connection with the Revolving Credit Facility, including, but not limited to, an unused facility fee and letter of credit fees. The Company may repay loans outstanding under the Credit Agreement from time to time without premium or penalty, other than customary breakage costs, if any, and subject to the terms of the Credit Agreement. The Credit Agreement contains an expansion option of \$400.0 million.

The Credit Agreement imposes various restrictions on the Company and its subsidiaries, including restrictions pertaining to: (i) the incurrence of additional indebtedness, (ii) limitations on liens, (iii) making distributions, dividends and other payments, (iv) mergers, consolidations and acquisitions, (v) dispositions of assets, (vi) certain consolidated leverage ratios and consolidated interest coverage ratios, (vii) transactions with affiliates, (viii) changes to governing documents, and (ix) changes in control. As of June 29, 2025, the Company was in compliance with these financial covenants.

The Company maintains letters of credit that guarantee its performance or payment to third parties in accordance with specified terms and conditions. The Company’s letters of credit are primarily associated with insurance coverage. The Company’s letters of credit generally expire within one year of issuance. These instruments may exist or expire without being drawn down. Therefore, they do not necessarily represent future cash flow obligations.

12. Financial Instruments and Derivative Instruments

Fair Value

The carrying amounts of cash and cash equivalents, trade receivables and trade payables approximate fair value because of the short maturity of these financial instruments. The fair value of the Company’s variable rate debt under the Revolving Credit Facility approximates its carrying value.

Financial Instruments

The Company measures certain financial assets and liabilities at fair value on a recurring basis, including deferred compensation plan assets and related liabilities and derivatives. The fair values of these financial assets and liabilities were determined using the following inputs as of June 29, 2025 and December 31, 2024:

	Fair Value Measurements at June 29, 2025 Using:			
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
	Total	(Level 1)	(Level 2)	(Level 3)
	(in millions)			
Assets				
Plan asset for deferred compensation(1)	\$ 2.7	\$ 2.7	\$ —	\$ —
Interest rate swap(2)	\$ 2.2	\$ —	\$ 2.2	\$ —
Total assets	\$ 4.9	\$ 2.7	\$ 2.2	\$ —
Liabilities				
Plan liability for deferred compensation(3)	\$ 2.7	\$ 2.7	\$ —	\$ —
Interest rate swap(4)	\$ 0.7	\$ —	\$ 0.7	\$ —
Designated foreign currency hedges(5)	\$ 0.2	\$ —	\$ 0.2	\$ —
Total liabilities	\$ 3.6	\$ 2.7	\$ 0.9	\$ —

	Fair Value Measurements at December 31, 2024 Using:			
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
	Total	(Level 1)	(Level 2)	(Level 3)
	(in millions)			
Assets				
Plan asset for deferred compensation(1)	\$ 2.5	\$ 2.5	\$ —	\$ —
Interest rate swap(2)	\$ 3.8	\$ —	\$ 3.8	\$ —
Designated foreign currency hedges(6)	\$ 0.5	\$ —	\$ 0.5	\$ —
Total assets	\$ 6.8	\$ 2.5	\$ 4.3	\$ —
Liabilities				
Plan liability for deferred compensation(3)	\$ 2.5	\$ 2.5	\$ —	\$ —
Interest rate swap(4)	\$ 1.0	\$ —	\$ 1.0	\$ —
Total liabilities	\$ 3.5	\$ 2.5	\$ 1.0	\$ —

(1) Included on the Company's consolidated balance sheet in other assets (other, net).

(2) As of June 29, 2025, \$2.2 million classified in prepaid expenses and other current assets on the Company's consolidated balance sheet. As of December 31, 2024, \$2.9 million classified in prepaid expenses and other current assets and \$0.9 million classified in other assets (other, net) on the Company's consolidated balance sheet.

(3) Included on the Company's consolidated balance sheet in accrued compensation and benefits.

(4) As of June 29, 2025, \$0.7 million classified in accrued expenses and other liabilities on the Company's consolidated balance sheet. As of December 31, 2024, \$0.7 million classified in accrued expenses and other liabilities and \$0.3 million classified in other noncurrent liabilities on the Company's consolidated balance sheet.

(5) Included on the Company's consolidated balance sheet in accrued expenses and other liabilities.

(6) Included on the Company's consolidated balance sheet in prepaid expenses and other current assets.

Cash equivalents consist of instruments with remaining maturities of three months or less at the date of purchase and consist primarily of money market funds, for which the carrying amount is a reasonable estimate of fair value.

The Company uses financial instruments from time to time to enhance its ability to manage risk, including foreign currency and commodity pricing exposures, which exist as part of its ongoing business operations. The use of derivatives exposes the Company to counterparty credit risk for nonperformance and to market risk related to changes in currency exchange rates and commodity prices. The Company manages its exposure to counterparty credit risk through diversification of counterparties. The Company's counterparties in derivative transactions are substantial commercial banks with significant experience using such derivative instruments. The impact of market risk on the fair value and cash flows of the Company's derivative instruments is monitored and the Company restricts the use of derivative financial instruments to hedging activities. The Company does not enter into contracts for trading purposes, nor does the Company enter into any contracts for speculative purposes. The use of derivative instruments is approved by senior management under written guidelines.

Interest Rate Swaps

On July 12, 2024, the Company entered into the Credit Agreement, extending the maturity date of the Revolving Credit Facility from March 30, 2026 to July 12, 2029, and amending the expansion option to \$400 million. Borrowings outstanding under the Revolving Credit Facility bear interest at a fluctuating rate per annum as further detailed in Note 11.

In order to manage the Company's exposure to changes in cash flows attributable to fluctuations in interest payments related to the Company's floating rate debt, the Company entered into an interest rate swap on March 30, 2021. Under the interest rate swap agreement, the Company received the one-month USD-LIBOR subject to a 0.00% floor and paid a fixed rate of 1.02975% on a notional amount of \$100.0 million. On August 2, 2022, the Company amended the interest rate swap to replace LIBOR as a reference rate for borrowings with Term SOFR. Under the amended interest rate swap agreement, the Company receives the one-month Term SOFR subject to a -0.1% floor and pays a fixed rate of 0.942% on a notional amount of \$100.0 million. The Company elected the optional expedient in connection with amending its interest rate swap to replace the reference rate from LIBOR to Term SOFR to consider the amendment as a continuation of the existing contract without having to perform an assessment that would otherwise be required under U.S. GAAP. The Company entered into an additional interest rate swap on October 23, 2023, as part of the acquisition of Bradley. Under the interest rate swap agreement, the Company receives the one-month Term SOFR subject to a -0.1% floor and pays a fixed rate of 4.844% on a notional amount of \$100.0 million. Both swaps mature on March 30, 2026. The Company formally documents the hedge relationships at hedge inception to ensure that its interest rate swaps qualify for hedge accounting. On a quarterly basis, the Company assesses whether the interest rate swap is highly effective in offsetting changes in the cash flow of the hedged item. The Company does not hold or issue interest rate swaps for trading purposes. The swaps are designated as cash flow hedges. For the second quarter and six months ended June 29, 2025, net losses of \$0.3 million and \$0.9 million, respectively, were recorded in Accumulated Other Comprehensive Loss to recognize the effective portion of the fair value of the interest rate swap that qualifies as a cash flow hedge.

Designated Foreign Currency Hedges

The Company's foreign subsidiaries transact most business, including certain intercompany transactions, in foreign currencies. Such transactions are principally purchases or sales of materials. The Company has exposure to a number of foreign currencies, including the Canadian dollar, the euro, the Chinese yuan and the Australian dollar. The Company uses a layering methodology, whereby at the end of each quarter, the Company enters into forward exchange contracts hedging the Canadian dollar to the U.S. dollar, which hedge up to 85% of the forecasted intercompany purchase transactions between one of the Company's Canadian subsidiaries and the Company's U.S. operating subsidiaries for the next twelve months. As of June 29, 2025, all designated foreign exchange hedge contracts were cash flow hedges under ASC 815, *Derivatives and Hedging*. The Company records the effective portion of the designated foreign currency hedge contracts in other comprehensive income (loss) until inventory turns and is sold to a third-party. Once the third-party transaction associated with the hedged forecasted transaction occurs, the effective portion of any related gain or loss on the designated foreign currency hedge is reclassified into earnings within cost of goods sold. In the event the notional amount of the derivatives exceeds the forecasted intercompany purchases for a given month, the excess hedge position will be attributed to the following month's forecasted purchases. However, if the following month's forecasted purchases cannot absorb the excess hedge position from the current month, the effective portion of the hedge recorded in other comprehensive income (loss) will be reclassified to earnings.

The notional amounts outstanding as of June 29, 2025 for the Canadian dollar to U.S. dollar contracts was \$15.9 million. The fair value of the Company's designated foreign hedge contracts outstanding as of June 29, 2025 was a liability of \$0.2 million. As of June 29, 2025, the amount expected to be reclassified into cost of goods sold from other comprehensive income (loss) in the next twelve months is a gain of \$0.1 million.

13. Contingencies and Environmental Remediation

In the ordinary course of business, the Company is involved in disputes, litigation, and governmental or regulatory inquiries and investigations, both pending and threatened, including those involving product liability, environmental matters, and commercial disputes.

Other than the items described below, significant commitments and contingencies at June 29, 2025 are consistent with those discussed in Note 16 of the Notes to Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

As of June 29, 2025, the Company estimates that the aggregate amount of reasonably possible loss in excess of the amount accrued for its contingencies is approximately \$3.3 million. With respect to the estimate of reasonably possible loss, management has estimated the upper end of the range of reasonably possible loss based on (i) the amount of money damages claimed, where applicable, (ii) the allegations and factual development to date, (iii) available defenses based on the allegations, and/or (iv) other potentially liable parties. This estimate is based upon currently available information and is subject to significant judgment and a variety of assumptions and known and unknown uncertainties. The matters underlying the estimate will change from time to time, and actual results may vary significantly from the current estimate. In the event of an unfavorable outcome in one or more of the matters, the ultimate liability may be in excess of amounts currently accrued, if any, and may be material to the Company's operating results or cash flows for a particular quarterly or annual period. However, based on information currently known to it, management believes that the ultimate outcome of all matters, as they are resolved over time, is not likely to have a material adverse effect on the financial condition of the Company.

Chemetco, Inc. Superfund Site, Hartford, Illinois

In August 2017, Watts Regulator Co. (a wholly-owned subsidiary of the Company) received a “Notice of Environmental Liability” from the Chemetco Site Group (“Group”) alleging that it is a potentially responsible party (“PRP”) for the Chemetco, Inc. Superfund Site in Hartford, Illinois (the “Site”) because it arranged for the disposal or treatment of hazardous substances that were contained in materials sent to the Site and that resulted in the release or threat of release of hazardous substances at the Site. The letter offered Watts Regulator Co. the opportunity to join the Group and participate in the Remedial Investigation and Feasibility Study (“RI/FS”) for a portion of the Site. Watts Regulator Co. joined the Group in September 2017 and was added in March 2018 as a signatory to the Administrative Settlement Agreement and Order on Consent with the United States Environmental Protection Agency (“USEPA”) and the Illinois Environmental Protection Agency (“IEPA”) governing completion of the RI/FS. The Remedial Investigation report has been completed for the first portion of the site. For that same portion of the site, the draft Feasibility Study (“FS”) report was submitted to USEPA and IEPA for review and comment in September 2021. USEPA and IEPA both issued comments on the draft FS. The Group provided responses to the Agency comments on December 1, 2023. The deadline for submission of the revised FS report has been deferred with USEPA’s consent until all Agency comments are resolved. Comments and final approval from the USEPA are required to complete the FS process. USEPA has identified the fourth quarter of 2026 as its targeted milestone for completion of the FS and for the Agency’s selection of a remedy.

Based on information currently known to it, management believes that Watts Regulator Co.’s share of the costs of the RI/FS is not likely to have a material adverse effect on the financial condition of the Company, or have a material adverse effect on the Company’s operating results for any particular period. The Company is unable to estimate a range of reasonably possible loss for the above matter in which damages have not been specified because: (i) the FS process for the first portion of the Site has not been completed, and the RI/FS process for the remainder of the Site has not yet been initiated, to determine what remediation plans will be implemented and the costs of such plans; (ii) the total amount of material sent to the Site, and the total number of PRPs who may or may not agree to fund or perform any remediation, have not been determined; (iii) the share contribution for PRPs to any remediation has not been determined; and (iv) the number of years required to implement a remediation plan acceptable to USEPA and IEPA is uncertain.

14. Subsequent Events

On August 4, 2025, the Company declared a quarterly dividend of fifty-two cents (\$0.52) per share on each outstanding share of Class A common stock and Class B common stock payable on September 15, 2025 to stockholders of record on August 29, 2025.

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

This Quarterly Report on Form 10-Q contains statements that are not historical facts and are considered forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements contain projections of our future results of operations or our financial position or state other forward-looking information. The forward-looking statements included in this Quarterly Report on Form 10-Q, including without limitation statements regarding our business performance and strategy, including, without limitation, expected financial results, benefits from recent acquisitions, expected investments in capital expenditures, improvements in operating and free cash flow, expected impacts from legislation and our ability to manage challenging macro-economic and softer market conditions, including impacts from tariffs, are only predictions and involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. In some cases, you can identify these forward-looking statements by words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “should,” and “would” or similar words. You should not rely on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, some of which are beyond our control. These risks, uncertainties and other factors may cause our actual results, performance or achievements to differ materially from the anticipated future results, performance or achievements expressed or implied by the forward-looking statements. Some of the factors that might cause these differences are described under Item 1A. “Risk Factors” of our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed with the Securities and Exchange Commission. You should carefully review all of these factors, and you should be aware that there may be other factors that could cause these differences. These forward-looking statements were based on information, plans and estimates at the date of this report, and, except as required by law, we undertake no obligation to update any forward-looking statements to reflect changes in underlying assumptions or factors, new information, future events or other changes.

Overview

The following discussion and analysis is provided to increase the understanding of, and should be read in conjunction with, the accompanying unaudited consolidated financial statements and related notes. In this Quarterly Report on Form 10-Q, references to “the Company,” “Watts,” “we,” “us” or “our” refer to Watts Water Technologies, Inc. and its consolidated subsidiaries.

We are a leading supplier of solutions, systems and products that manage and conserve the flow of fluids and energy into, through and out of buildings in the commercial, industrial and residential markets in the Americas, Europe and Asia-Pacific, Middle East and Africa (“APMEA”). For over 150 years, we have designed and produced valve systems that safeguard and regulate water systems, energy efficient heating and hydronic systems, drainage systems and water filtration technology that helps purify and conserve water. We earn revenue and income almost exclusively from the sale of our products. Our principal product and solution categories include:

- Residential & commercial flow control and protection—includes products and solutions typically sold into plumbing and hot water applications such as backflow preventers, water pressure regulators, temperature and pressure relief valves, thermostatic mixing valves, leak detection and protection products, commercial washroom solutions and emergency safety products and equipment. Many of our flow control and protection products are now smart and connected enabled, warning of leaks, floods, freezing temperatures and other hazards with alerts to Building Management Systems (“BMS”) and/or personal devices giving our customers greater insight into their water management and the ability to shut off the water supply to avoid waste and mitigate damage.
- Heating, ventilation and air conditioning (“HVAC”) & gas—includes commercial high-efficiency boilers, water heaters and heating solutions, hydronic and electric heating systems for under-floor radiant applications, custom heat and hot water solutions, hydronic pump groups for boiler manufacturers and alternative energy control packages, and flexible stainless steel connectors for natural and liquid propane gas in commercial food service and residential applications. Most of our HVAC products and solutions feature advanced controls enabling customers to easily connect to the BMS for better monitoring, control and operation.
- Drainage & water re-use—includes drainage products and engineered rainwater harvesting solutions for commercial, industrial, marine and residential applications, including connected roof drain systems.

- Water quality—including point-of-use, point-of-entry, closed loop, cooling tower, and other water applications used for water filtration, monitoring, conditioning and scale prevention systems for commercial, marine, light industrial and residential applications.

Our business is reported in three geographic segments: Americas, Europe, and APMEA. We distribute our products through four primary distribution channels: wholesale, original equipment manufacturers (“OEMs”), specialty, and do-it-yourself (“DIY”).

We believe the factors relating to our future growth include continued product innovation that meets the needs of our customers and our end markets; our ability to continue to make selective acquisitions, both in our core markets as well as in complementary markets; regulatory requirements relating to the quality and conservation of water and the safe use of water; increased demand for clean water; and continued enforcement of plumbing and building codes. Our acquisition strategy focuses on businesses that promote our key macro themes around safety and regulation, energy efficiency and water conservation. We target businesses that we believe will provide us with one or more of the following: an entry into new markets and/or new geographies, improved channel access, unique and/or proprietary technologies, including smart and connected technologies, advanced production capabilities or complementary solution offerings. We have completed 15 acquisitions since 2015, and in the last two years, we have completed four strategic and complementary acquisitions that expanded our addressable market and that we believe will enable value creation through greater scale and growth opportunities.

Our innovation strategy is focused on differentiated products and solutions that will provide greater opportunity to distinguish ourselves in the marketplace, while at the same time creating innovative products and smart solutions to protect, control, and conserve critical resources, and help our customers with their sustainability efforts through the use of our products. We continually look for strategic opportunities to invest in new products and markets or divest existing product lines where necessary in order to meet those objectives.

Over the past several years we have been building our smart and connected products foundation by expanding our internal capabilities and making strategic acquisitions. Our strategy is to deliver superior customer value through smart and connected products and intelligent water solutions. This strategy focuses on three dimensions: Connect, Control and Conserve. We are focused on introducing products that connect our customers with smart systems, manage systems for optimal performance, and conserve critical resources by increasing operability, efficiency and safety.

Products representing a majority of our sales are subject to regulatory standards and code enforcement, which typically require that these products meet stringent performance criteria. We have consistently advocated for the development and enforcement of such plumbing codes. We are focused on maintaining stringent quality control and testing procedures at each of our manufacturing facilities in order to manufacture products in compliance with code requirements and take advantage of the resulting demand for compliant products. We believe that product development, product testing capability and investment in plant and equipment needed to manufacture products in compliance with code requirements, represent a competitive advantage for us.

Enacted tariffs on foreign imports into the United States, particularly from Canada, China and Mexico, have increased the cost of our products and could adversely impact the gross margin we earn on our products. We are proactively responding to the dynamic trade environment by leveraging our global sourcing strategy, driving incremental productivity within our operations and implementing pricing actions as appropriate. We expect that our significant degree of vertical integration, with manufacturing close to our customers, will be an advantage for us in the current environment. We have a proven track record of successfully navigating through periods of disruption and are committed to continuing our strong execution. However, there can be no assurance that we will be able to fully mitigate the impact of new or increased tariffs and actions taken by the United States or other countries to impose or increase tariffs which could have a material adverse effect on our business, financial condition or results of operations. We also continue to experience inflation across our labor and overhead costs. Despite these challenges and uncertainties, we continue to invest in our business, including new products, our smart and connected solutions and our growth and productivity initiatives. We remain focused on our customers’ needs and executing on our long-term strategy.

The trade policy environment has created uncertainty which has resulted in lowered economic forecasts, including a reduction in global gross domestic product (“GDP”) expectations. While GDP is expected to be lower than the prior year, it is expected to remain positive and is generally a leading indicator for our repair and replacement business. New construction indicators are mixed. Multi-family housing, office, retail and recreation verticals are expected to be down, but light industrial, including data centers, is growing and institutional verticals remain steady. The impact of the enacted tariffs on interest rate levels and new construction remains uncertain. The European economy remains weak and geo-political uncertainties continue, all of which may adversely affect our future financial results.

Financial Overview

Second quarter 2025 sales increased 7.8%, or \$46.4 million, on a reported basis, and 5.8%, or \$34.6 million, on an organic basis, compared to the second quarter of 2024. The reported sales increase compared to the second quarter of 2024 was positively impacted by acquired sales of 1.2%, or \$7.0 million, all reported within the Americas segment, as well as net favorable impact of foreign exchange of 0.8%, or \$4.8 million, primarily due to strengthening of the euro against the U.S. dollar. The 5.8% organic growth was driven by organic growth in the Americas of 9.8%, offset by organic declines in Europe of 7.6% and in APMEA of 1.1%. The organic growth was primarily driven by favorable price realization in all regions and increased volume in the Americas, including pull-forward demand resulting from tariff-related price increases. Growth in the Americas was partially offset by lower volumes in Europe and APMEA. Operating income of \$135.3 million increased by \$23.8 million, or 21.3%, in the second quarter of 2025 as compared to the second quarter of 2024. This increase was primarily driven by favorable price realization, volume growth and productivity, partially offset by inflation and restructuring charges.

In discussing our results of operations, segment earnings is the GAAP performance measure used by our chief operating decision-maker (“CODM”) to assess and evaluate segment results. Segment earnings exclude the impacts of special items which are defined as non-recurring, and unusual expenses or benefits such as restructuring costs, acquisition-related costs, and gain on sale of assets. The CODM uses segment earnings for insight into underlying trends comparing past financial performance with current performance by reporting segment on a consistent basis.

In addition, we refer to non-GAAP organic changes in financial measures, including organic net sales, organic net sales growth, organic selling, general and administrative expenses, and organic segment earnings, that exclude the impacts of acquisitions, divestitures and foreign exchange. Management believes reporting these non-GAAP financial measures provides useful information to investors, potential investors and others, because it allows for additional insight into underlying trends by providing growth on a consistent basis. We reconcile the change in these non-GAAP financial measures to our reported results below.

Acquisitions

On June 13, 2025, we completed the acquisition of substantially all of the assets of Freije Treatment Systems, Inc. (“EasyWater”) in an all-cash transaction. EasyWater, a leading provider of water quality solutions, is based in Fishers, Indiana, and has designed and manufactured innovative, chemical-free technologies for treating water in residential and commercial applications. The acquisition of EasyWater aligns with our continued focus on growth, innovation and expanding our portfolio of high-value water quality solutions.

On January 2, 2025, we completed the acquisition of I-CON Systems Holdings LLC (“I-CON”) in a membership unit purchase transaction funded with cash on hand. The final net purchase price was approximately \$70.7 million, net of cash acquired. I-CON is headquartered in Oviedo, Florida, and is a leading designer and manufacturer of intelligent plumbing controls, addressing the unique challenges of water management in correctional facilities.

Recent Developments

On August 4, 2025, we declared a quarterly dividend of fifty-two cents (\$0.52) per share on each outstanding share of Class A common stock and Class B common stock payable on September 15, 2025 to stockholders of record on August 29, 2025.

Results of Operations

Second Quarter Ended June 29, 2025 Compared to Second Quarter Ended June 30, 2024

Net Sales. Our business is reported in three geographic segments: Americas, Europe and APMEA. Our net sales in each of these segments for each of the second quarters of 2025 and 2024 were as follows:

	Second Quarter Ended June 29, 2025		Second Quarter Ended June 30, 2024		Change	% Change to Consolidated Net Sales
	Net Sales	% Sales	Net Sales	% Sales		
	(dollars in millions)					
Americas	\$ 498.5	77.4 %	\$ 448.1	75.0 %	\$ 50.4	8.4 %
Europe	111.0	17.3	114.1	19.1	(3.1)	(0.5)
APMEA	34.2	5.3	35.1	5.9	(0.9)	(0.1)
Total	\$ 643.7	100.0 %	\$ 597.3	100.0 %	\$ 46.4	7.8 %

The change in net sales was attributable to the following:

	Change As a % of Consolidated Net Sales				Change As a % of Segment Net Sales		
	Americas	Europe	APMEA	Total	Americas	Europe	APMEA
	(dollars in millions)						
Organic	\$ 43.7	\$ (8.7)	\$ (0.4)	\$ 34.6	7.3 %	(1.4)%	(0.1)%
Foreign exchange	(0.3)	5.6	(0.5)	4.8	(0.1)	0.9	—
Acquired	7.0	—	—	7.0	1.2	—	1.2
Total	\$ 50.4	\$ (3.1)	\$ (0.9)	\$ 46.4	8.4 %	(0.5)%	(0.1)%

Our products are sold primarily to wholesalers, OEMs, DIY chains, and through various specialty channels. The change in organic net sales by channel was attributable to the following:

						Change As a % of Prior Year Sales (*)			
	Wholesale	OEMs	DIY	Specialty	Total	Wholesale	OEMs	DIY	Specialty
	(dollars in millions)								
Americas	\$ 36.1	\$ 2.2	\$ 2.2	\$ 3.2	\$ 43.7	12.3 %	8.1 %	11.1 %	3.0 %
Europe	(4.8)	(3.9)	—	—	(8.7)	(6.2)	(10.9)	—	—
APMEA	(1.1)	0.8	—	(0.1)	(0.4)	(4.4)	47.1	—	(1.2)
Total	\$ 30.2	\$ (0.9)	\$ 2.2	\$ 3.1	\$ 34.6	7.6 %	(1.4)%	10.7 %	2.7 %

* Segment change as a % of segment net sales by channel and Total change as a % of consolidated net sales by channel.

Americas net sales increased \$50.4 million, or 11.2%, for the second quarter of 2025 compared to the second quarter of 2024. The change in net sales was positively impacted by \$7.0 million, or 1.5%, of acquired sales related to acquisitions completed in the first and second quarters of 2025. The change in net sales was negatively impacted by \$0.3 million, or 0.1%, of foreign currency translation. Organic net sales increased \$43.7 million, or 9.8%, primarily due to higher volumes, including pull-forward demand into the second quarter of 2025, and favorable price realization.

Europe net sales decreased \$3.1 million, or 2.7%, for the second quarter of 2025 compared to the second quarter of 2024. The decrease in net sales was partially offset by favorable foreign currency translation of \$5.6 million, or 4.9%. Organic net sales decreased \$8.7 million, or 7.6%, primarily due to reduced volumes impacted by market weakness in the wholesale and OEM channels, partially offset by favorable price realization.

APMEA net sales decreased \$0.9 million, or 2.6%, for the second quarter of 2025 compared to the second quarter of 2024. The change in net sales was negatively impacted by \$0.5 million, or 1.5%, of foreign currency translation. Organic net sales decreased \$0.4 million, or 1.1%, primarily due to a decline in China, partially offset by growth in Australia, New Zealand and the Middle East. China's net sales decline was primarily due to data center project timing.

The net increase in net sales due to foreign exchange was mostly due to the favorable impact of the depreciation of the U.S. dollar against the euro partially offset by the appreciation of the U.S. dollar against the Australian dollar and Canadian dollar in the second quarter of 2025. We cannot predict whether foreign currencies will appreciate or depreciate against the U.S. dollar in future periods or whether future foreign exchange rate fluctuations will have a positive or negative impact on our net sales.

Gross Profit. Gross profit and gross profit as a percent of net sales (gross margin) for the second quarters of 2025 and 2024 were as follows:

	Second Quarter Ended	
	June 29, 2025	June 30, 2024
	(dollars in millions)	
Gross profit	\$ 325.9	\$ 284.8
Gross margin	50.6 %	47.7 %

Gross profit and gross margin increased primarily from higher price realization, higher volume and productivity, partially offset by inflation.

Selling, General and Administrative Expenses. Selling, general and administrative (“SG&A”) expenses increased \$14.1 million, or 8.1%, in the second quarter of 2025 compared to the second quarter of 2024. The increase in SG&A expenses was attributable to the following:

	(in millions)	% Change
Organic	\$ 7.4	4.3 %
Foreign exchange	1.2	0.7
Acquired	3.0	1.7
Special items	2.5	1.4
Total	\$ 14.1	8.1 %

The increase in organic SG&A expenses was primarily due to increased variable costs of \$5.2 million due to higher net sales, an increase in investments of \$4.5 million, including in our smart and connected initiatives and other strategic initiatives and general inflation of \$3.9 million, partially offset by \$2.8 million from productivity initiatives, lower professional fees of \$2.5 million and \$1.6 million of restructuring savings compared to the second quarter of 2024. The increase in foreign exchange was mainly due to the depreciation of the U.S. dollar against the euro. The acquired SG&A costs related to two acquisitions in the Americas segment completed in the first and second quarters of 2025. The increase in special items SG&A expenses was primarily due to a \$3.3 million gain on sale of building in the second quarter of 2024, partially offset by decreased acquisition-related costs of \$0.8 million compared to the second quarter of 2024. Total SG&A expenses, as a percentage of net sales, were 29.1% in the second quarter of 2025 compared to 29.0% in the second quarter of 2024.

Restructuring. In the second quarter of 2025, we recorded a net restructuring charge of \$3.4 million, which related to the 2025 French restructuring program that was approved in the first quarter of 2025 and immaterial severance costs related to other cost actions in the Europe segment. In the second quarter of 2024, we recorded a net restructuring charge of \$0.2 million, which primarily related to immaterial severance and other exit costs in the Europe and APMEA segments. For a more detailed description of our restructuring plans, see Note 6 of the Notes to the Consolidated Financial Statements.

Operating Income. Operating income, which is made up of segment earnings, Corporate operating loss and special items, for the second quarters of 2025 and 2024 was as follows:

	<u>Second Quarter Ended</u>		<u>Change</u>	<u>% Change to Consolidated Operating Income</u>
	<u>June 29, 2025</u>	<u>June 30, 2024</u>		
	(dollars in millions)			
Americas	\$135.8	\$108.8	\$27.0	24.2 %
Europe	13.0	11.4	1.6	1.4
APMEA	6.5	6.6	(0.1)	(0.1)
Total segment earnings	\$155.3	\$126.8	\$28.5	25.6 %
Corporate operating loss - excluding special items	\$(16.2)	\$(14.7)	\$(1.5)	(1.3)%
Corporate special items	—	—	—	—
Corporate operating loss - as reported	\$(16.2)	\$(14.7)	\$(1.5)	(1.3)%
Segment special items	(3.8)	(0.6)	(3.2)	(2.9)
Total operating income	\$135.3	\$111.5	\$23.8	21.3 %

The increase (decrease) in total segment earnings was attributable to the following:

	<u>Change As a % of Total Segment Earnings</u>				<u>Change As a % of Segment Earnings</u>		
	<u>Americas</u>	<u>Europe</u>	<u>APMEA</u>	<u>Total</u>	<u>Americas</u>	<u>Europe</u>	<u>APMEA</u>
	(dollars in millions)						
Organic	\$ 25.4	\$ 0.9	\$ (0.1)	\$ 26.2	20.0 %	0.7 %	(0.1)%
Foreign exchange	—	0.7	—	0.7	—	0.6	—
Acquired	1.6	—	—	1.6	1.3	—	—
Total	\$ 27.0	\$ 1.6	\$ (0.1)	\$ 28.5	21.3 %	1.3 %	(0.1)%

Operating income increased \$23.8 million, or 21.3%, for the second quarter of 2025 compared to the second quarter of 2024. Operating income was unfavorably impacted by \$3.4 million of restructuring charges primarily related to the 2025 French restructuring program and a \$3.3 million gain on sale of building in the second quarter of 2024 that did not repeat in 2025, partially offset by lower acquisition-related costs. The increase in organic operating income of \$26.2 million, or 20.6%, was primarily due to higher price realization, higher volume in the Americas, including pull-forward demand into the second quarter of 2025, productivity and savings from prior restructuring actions, partially offset by inflation and investments.

Interest Income. Interest income in the second quarter of 2025 increased \$0.4 million compared to the second quarter of 2024, primarily due to higher cash and cash equivalents balances.

Interest Expense. Interest expense in the second quarter of 2025 decreased \$1.4 million compared to the second quarter of 2024, primarily due to a lower principal balance of debt outstanding. Refer to Note 11 of the Notes to Consolidated Financial Statements for further details.

Other Expense (Income), Net. Other expense (income), net, was an expense balance of \$0.2 million in the second quarter of 2025, primarily due to unfavorable foreign currency translation, compared to an income balance of \$0.2 million in the second quarter of 2024, primarily due to favorable foreign currency translation.

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Income Taxes. Our effective income tax rate increased slightly to 25.2% in the second quarter of 2025, from 25.1% in the second quarter of 2024.

Net Income. Net income was \$100.9 million, or \$3.01 per share of common stock on a diluted basis, for the second quarter of 2025, compared to \$82.0 million, or \$2.44 per share of common stock on a diluted basis, for the second quarter of 2024. Results for the second quarter of 2025 included after-tax charges of \$2.5 million, or \$0.08 per share of common stock, for restructuring and \$0.3 million, or \$0.01 per share of common stock, for acquisition-related costs. Results for the second quarter of 2024 included after-tax charges of \$2.8 million, or \$0.08 per share of common stock, for acquisition-related costs, partially offset by an after-tax benefit of \$2.5 million, or \$0.06 per share of common stock, for the gain on sale of a building.

Six Months Ended June 29, 2025 Compared to Six Months Ended June 30, 2024

Net Sales. Our net sales in each of the three geographic segments for the first six months of 2025 and 2024 were as follows:

	Six Months Ended					% Change to Consolidated Net Sales
	June 29, 2025		June 30, 2024		Change	
	Net Sales	% Sales	Net Sales	% Sales		
	(dollars in millions)					
Americas	\$ 916.6	76.3 %	\$ 866.9	74.2 %	\$ 49.7	4.3 %
Europe	219.4	18.3	237.4	20.3	(18.0)	(1.5)
APMEA	65.7	5.5	63.9	5.5	1.8	0.1
Total	\$ 1,201.7	100.0 %	\$ 1,168.2	100.0 %	\$ 33.5	2.9 %

The change in net sales was attributable to the following:

					Change as a % of Consolidated Net Sales				Change as a % of Segment Net Sales		
	Americas	Europe	APMEA	Total	Americas	Europe	APMEA	Total	Americas	Europe	APMEA
					(dollars in millions)						
Organic	\$ 39.3	\$ (20.0)	\$ 3.4	\$ 22.7	3.4 %	(1.7)%	0.3 %	2.0 %	4.5 %	(8.4)%	5.3 %
Foreign exchange	(1.6)	2.0	(1.6)	(1.2)	(0.1)	0.2	(0.2)	(0.1)	(0.2)	0.8	(2.5)
Acquired	12.0	—	—	12.0	1.0	—	—	1.0	1.4	—	—
Total	<u>\$ 49.7</u>	<u>\$ (18.0)</u>	<u>\$ 1.8</u>	<u>\$ 33.5</u>	<u>4.3 %</u>	<u>(1.5)%</u>	<u>0.1 %</u>	<u>2.9 %</u>	<u>5.7 %</u>	<u>(7.6)%</u>	<u>2.8 %</u>

The change in organic net sales by channel was attributable to the following:

					Change As a % of Prior Year Sales (*)			
	Wholesale	OEMs	DIY	Specialty	Wholesale	OEMs	DIY	Specialty
					(dollars in millions)			
Americas	\$ 31.4	\$ 0.9	\$ 0.5	\$ 6.5	\$ 39.3	5.5 %	1.7 %	3.2 %
Europe	(10.7)	(9.2)	(0.1)	—	(20.0)	(6.6)	(12.3)	(8.3)
APMEA	3.6	0.6	—	(0.8)	3.4	8.2	17.6	(4.9)
Total	<u>\$ 24.3</u>	<u>\$ (7.7)</u>	<u>\$ 0.4</u>	<u>\$ 5.7</u>	<u>\$ 22.7</u>	<u>3.1 %</u>	<u>(5.9)%</u>	<u>0.9 %</u>

* Segment change as a % of segment net sales by channel and Total change as a % of consolidated net sales by channel.

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Americas net sales increased \$49.7 million, or 5.7%, for the first six months of 2025 compared to the first six months of 2024. The change in net sales was positively impacted by \$12.0 million, or 1.4%, of acquired sales related to two acquisitions completed in the first and second quarters of 2025. The change in net sales was negatively impacted by \$1.6 million, or 0.2%, of foreign currency translation. Organic net sales increased \$39.3 million, or 4.5%, primarily due to favorable price realization, and higher volume, including pull-forward demand into the second quarter of 2025, partially offset by fewer shipping days in the first six months of 2025. The organic net sales growth was primarily in the wholesale channel from increased sales across our core valve products and in the specialty channel from increased sales of our heating and hot water products.

Europe net sales decreased \$18.0 million, or 7.6%, for the first six months of 2025 compared to the first six months of 2024. The change in net sales was positively impacted by \$2.0 million, or 0.8%, of favorable foreign currency translation. Organic net sales decreased \$20.0 million, or 8.4%, primarily due to volume declines from market weakness in the OEM and wholesale channels and fewer shipping days in the first six months of 2025, partially offset by favorable price realization. The OEM channel was impacted by reduced government energy incentives and the related heat pump destocking while the wholesale channel was primarily impacted by reduced volume of plumbing product sales into France and Benelux.

APMEA net sales increased \$1.8 million, or 2.8%, for the first six months of 2025 compared to the first six months of 2024. The change in net sales was negatively impacted by \$1.6 million, or 2.5%, of unfavorable foreign currency translation. Organic net sales increased \$3.4 million, or 5.3%, primarily due to volume growth in all major countries in the segment, partially offset by fewer shipping days in the first six months of 2025.

The net decrease in net sales due to foreign exchange was mostly due to the unfavorable impact of the appreciation of the U.S. dollar against the Australian dollar and Canadian dollar, partially offset by the favorable impact of the depreciation of the U.S. dollar against the euro in the first six months of 2025.

Gross Profit. Gross profit and gross profit as a percent of net sales (gross margin) for the first six months of 2025 and 2024 were as follows:

	Six Months Ended	
	June 29, 2025	June 30, 2024
	(dollars in millions)	
Gross profit	\$ 598.4	\$ 552.3
Gross margin	49.8 %	47.3 %

Gross profit and gross margin increased primarily from higher price realization, productivity and lower amortization of fair value inventory adjustments from acquisitions, partially offset by inflation and lower volume.

Selling, General and Administrative Expenses. SG&A expenses increased \$12.1 million, or 3.5%, in the first six months of 2025 compared to the first six months of 2024. The increase in SG&A expenses was attributable to the following:

	(in millions)	% Change
Organic	\$ 6.0	1.8 %
Foreign exchange	(0.6)	(0.2)
Acquired	5.8	1.6
Special items	0.9	0.3
Total	\$ 12.1	3.5 %

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The increase in organic SG&A expenses was primarily due to an increase in investments of \$7.6 million, including in our smart and connected initiatives and other strategic initiatives, general inflation of \$7.5 million and increased variable costs of \$5.3 million due to higher net sales, partially offset by \$5.5 million from productivity initiatives, \$3.2 million of restructuring savings, lower professional fees of \$2.9 million and a \$1.0 million reduction in travel and marketing spend compared to the first six months of 2024. The decrease in foreign exchange was mainly due to the appreciation of the U.S. dollar against the Australian dollar and Canadian dollar, partially offset by the depreciation of the U.S. dollar against the euro. The acquired SG&A costs related to two acquisitions in the Americas segment completed in the first and second quarters of 2025. The increase in special items SG&A expenses was primarily due to a \$4.4 million gain on sale of buildings in the second quarter of 2024, partially offset by decreased acquisition-related costs of \$3.5 million compared to the first six months of 2024. Total SG&A expenses, as a percentage of sales, were 29.5% in the first six months of 2025 compared to 29.3% in the first six months of 2024.

Restructuring. In the first six months of 2025, we recorded a net restructuring charge of \$20.7 million, which included a \$19.1 million charge related to the 2025 French restructuring program that was approved in the first quarter of 2025. In the first six months of 2024, we recorded a net restructuring charge of \$1.5 million, which primarily related to immaterial severance and other exit costs in all three segments. For a more detailed description of our restructuring plans, see Note 6 of the Notes to the Consolidated Financial Statements.

Operating Income. Operating income, which is made up of segment earnings, Corporate operating loss and special items, for the first six months of 2025 and 2024 was as follows:

	<u>Six Months Ended</u>			<u>% Change to Consolidated Operating Income</u>
	<u>June 29, 2025</u>	<u>June 30, 2024</u>	<u>Change</u>	
	(dollars in millions)			
Americas	\$233.6	\$201.5	\$ 32.1	15.4 %
Europe	28.1	30.8	(2.7)	(1.3)
APMEA	12.0	11.9	0.1	—
Total segment earnings	\$273.7	\$244.2	\$ 29.5	14.2 %
Corporate operating loss - excluding special items	\$ (28.5)	\$(28.3)	\$ (0.2)	(0.1)%
Corporate special items	—	(0.6)	0.6	0.3
Corporate operating loss - as reported	\$ (28.5)	\$(28.9)	\$ 0.4	0.2 %
Segment special items	(22.2)	(7.1)	(15.1)	(7.3)
Total operating income	\$223.0	\$208.2	\$ 14.8	7.1 %

The increase (decrease) in total segment earnings was attributable to the following:

					Change As a % of Total Segment Earnings				Change As a % of Segment Earnings			
	Americas	Europe	APMEA	Total	Americas	Europe	APMEA	Total	Americas	Europe	APMEA	Total
Organic	\$ 30.6	\$ (2.9)	\$ —	\$ 27.7	12.5 %	(1.2)%	— %	11.3 %	15.2 %	(9.4)%	— %	11.3 %
Foreign exchange	(0.3)	0.2	0.1	0.0	(0.1)	0.1	—	—	(0.1)	0.6	0.8	1.3
Acquired	1.8	—	—	1.8	0.7	—	—	0.7	0.9	—	—	0.9
Total	\$ 32.1	\$ (2.7)	\$ 0.1	\$ 29.5	13.1 %	(1.1)%	— %	12.0 %	16.0 %	(8.8)%	0.8 %	13.4 %

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Operating income increased \$14.8 million, or 7.1%, for the first six months of 2025 compared to the first six months of 2024. Operating income was unfavorably impacted by \$19.1 million of restructuring charges related to the 2025 French restructuring program and a \$4.4 million gain on sale of buildings in the first six months of 2024 that did not repeat in 2025, partially offset by lower acquisition-related costs. The increase in organic operating income of \$27.7 million, or 11.3%, was primarily due to higher price realization, productivity and savings from prior restructuring actions, partially offset by inflation and lower volume.

Interest Income. Interest income in the first six months of 2025 increased \$0.6 million compared to the first six months of 2024, primarily due to higher cash and cash equivalents balances.

Interest Expense. Interest expense in the first six months of 2025 decreased \$2.9 million compared to the first six months of 2024, primarily due to a lower principal balance of debt outstanding. Refer to Note 11 of the Notes to Consolidated Financial Statements for further details.

Other Expense (Income), Net. Other expense (income), net, was an expense balance of \$0.6 million in the first six months of 2025, primarily due to unfavorable foreign currency translation, compared to an income balance of \$0.8 million in the second quarter of 2024, primarily due to favorable foreign currency translation.

Income Taxes. Our effective income tax rate decreased to 21.1% in the first six months of 2025, from 24.5% in the first six months of 2024. The decrease is due to a reversal of a tax liability during the first quarter of 2025 relating to a prior tax year for which we determined the statute of limitations had lapsed. The tax liability reversal resulted in a decrease in our foreign tax credit carryforwards and the release of an associated valuation allowance.

Net Income. Net income was \$174.9 million, or \$5.22 per share of common stock on a diluted basis, for the first six months of 2025, compared to \$154.5 million, or \$4.61 per share of common stock on a diluted basis, for the first six months of 2024. Results for the first six months of 2025 included after-tax charges of \$15.5 million, or \$0.46 per share of common stock, for restructuring and \$1.0 million, or \$0.03 per share of common stock, for acquisition-related costs, partially offset by an after-tax benefit of \$8.3 million, or \$0.25 per share of common stock, for an income tax adjustment related to a lapsed statute tax year liability, as noted above in 'Income Taxes'. Results for the first six months of 2024 included after-tax charges of \$8.0 million, or \$0.24 per share of common stock, for acquisition-related costs, \$1.1 million, or \$0.03 per share of common stock, for restructuring; partially offset by an after-tax benefit of \$3.3 million, or \$0.10 per share of common stock, for gain on sale of assets.

Liquidity and Capital Resources

We generated \$124.9 million of net cash provided by operating activities in the first six months of 2025 compared to \$130.9 million of net cash provided by operating activities in the first six months of 2024. The decrease in net cash provided by operating activities was primarily related to higher working capital investment related to timing of accounts receivable collections and higher inventory primarily related to increased tariff costs, partially offset by higher net income.

We used \$105.5 million of net cash for investing activities in the first six months of 2025 compared to \$107.5 million used in the first six months of 2024. We used \$85.7 million in cash for business acquisitions in our Americas segment in the first six months of 2025 compared to \$96.3 million in cash for business acquisitions in our Americas segment in the first six months of 2024, which was partially offset by an increase of \$8.6 million cash used for net capital expenditures in the first six months of 2025 compared to the first six months of 2024. For the remainder of 2025, we expect to invest approximately \$25 million to \$30 million in capital expenditures as part of our ongoing commitment to improve our operating capabilities.

We used \$52.3 million of net cash for financing activities during the first six months of 2025 primarily due to dividend payments of \$32.0 million, tax withholding payments on vested stock awards of \$11.1 million and payments of \$7.9 million to repurchase approximately 37,000 shares of Class A common stock. In the first six months of 2024, we used \$88.9 million of net cash for financing activities during the first six months of 2024 primarily due to long-term debt repayments of \$40.0 million, dividend payments of \$26.7 million, tax withholding payments on vested stock awards of \$12.8 million and payments of \$8.1 million to repurchase approximately 40,000 shares of Class A common stock.

On July 12, 2024, we entered into the Third Amended and Restated Credit Agreement by and among the Company, certain subsidiaries of the Company, the lenders and other parties from time to time parties thereto and JPMorgan Chase Bank, N.A., as administrative agent (the “Credit Agreement”). The Credit Agreement amends and restates the prior Second Amended and Restated Credit Agreement, dated as of March 30, 2021 (as amended by that certain Amendment No. 1 date August 2, 2022 and Amendment No. 2 dated December 12, 2023), that establishes our senior unsecured revolving credit facility of \$800 million (the “Revolving Credit Facility”). The Credit Agreement also contains an expansion option of \$400.0 million. Pursuant to the Credit Agreement, the maturity date of the Revolving Credit Facility is July 12, 2029, subject to extension under certain circumstances and subject to the terms of the Credit Agreement. The Credit Agreement provides for a maximum consolidated leverage ratio of 3.50 to 1.00 (or 4.00 to 1.00 during temporary step-ups following certain permitted acquisitions) and the minimum consolidated interest ratio of 3.50 to 1.00.

The Revolving Credit Facility also includes sub-limits of \$100 million for letters of credit and \$15 million for swing line loans. As of June 29, 2025, we had drawn down \$200.0 million on this line of credit and had \$12.2 million in letters of credit outstanding, which resulted in \$587.8 million of unused and available credit under the Revolving Credit Facility as of such date. Borrowings outstanding bear interest at a fluctuating rate per annum equal to an applicable percentage defined as (i) in the case of Term Benchmark loans, the Term Benchmark rate plus an applicable percentage, ranging from 1.075% to 1.325%, or (ii) in the case of alternate base rate loans and swing line loans, interest (which at all times will not be less than 1.00%) at the greatest of (a) the Prime Rate in effect on such day, (b) the FRBNY Rate in effect on such day plus 0.50% and (c) the Term Benchmark rate plus 1.00% for a one-month interest period, in each case, determined by reference to our consolidated leverage ratio. For the borrowings denominated in dollars, there is a fixed 10 basis point adjustment if the reference rate is Term SOFR. The weighted average interest rate on debt outstanding under the Revolving Credit Facility as of June 29, 2025 was 5.50%. The weighted average interest rate on debt outstanding inclusive of the interest rate swaps discussed in Note 12 of the Notes to Consolidated Financial Statements and interest rates under the Revolving Credit Facility as of June 29, 2025 was 4.07%. In addition to paying interest under the Credit Agreement, we are also required to pay certain fees in connection with the Revolving Credit Facility, including, but not limited to, an unused facility fee and letter of credit fees. We may repay loans outstanding under the Credit Agreement from time to time without premium or penalty, other than customary breakage costs, if any, and subject to the terms of the Credit Agreement.

As of June 29, 2025, we held \$369.3 million in cash and cash equivalents. Of this amount, \$202.8 million of cash and cash equivalents were held by foreign subsidiaries. Our U.S. operations typically generate sufficient cash flows to meet our domestic obligations. We expect existing cash and cash equivalents and cash flows from operations and financing activities to be sufficient to meet our cash needs for at least the next 12 months and thereafter for the foreseeable future. However, if we did have to borrow to fund some or all of our expected cash outlays, we can do so at reasonable interest rates by utilizing the undrawn borrowings under our Revolving Credit Facility. Subsequent to recording the Toll Tax as part of the Tax Cuts and Jobs Act of 2017, our intent, other than with respect to the one-time repatriation of foreign earnings in 2023, has been to permanently reinvest undistributed earnings of foreign subsidiaries, and we do not have any current plans to repatriate additional post-Toll Tax foreign earnings to fund operations in the United States. However, if amounts held by foreign subsidiaries were needed to fund operations in the United States, we could be required to accrue and pay taxes to repatriate these funds. Such charges may include potential state income taxes and other tax charges.

On July 4, 2025, the One Big Beautiful Bill (“OBBB”) Act was enacted into law in the United States and includes a broad range of tax reform provisions. We are in the process of assessing the impacts of the legislation. We currently do not expect the OBBB Act to have a material impact on our estimated effective income tax rate in 2025, however given the complexity of tax laws, related regulations and developing guidance, our estimates may require revisions as additional information becomes available.

We have no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Non-GAAP Financial Measures

In accordance with the SEC’s Regulation G and Item 10(c) of Regulation S-K, the following provides definitions of the non-GAAP financial measures used by management. We believe that these measures enhance the overall understanding of underlying business results and trends. These non-GAAP measures are not intended to be considered by the user in place of the related GAAP financial measure, but rather as supplemental information to more fully understand our business results. These non-GAAP financial measures may not be the same as similar measures used by other companies due to possible differences in method and in the items or events being adjusted.

We refer to non-GAAP organic changes in financial measures, including organic net sales, organic net sales growth, organic SG&A expenses and organic segment earnings which are non-GAAP measures that exclude the impacts of acquisitions, divestitures and foreign exchange from year-over-year comparisons. A reconciliation to the most closely related U.S. GAAP measure, net sales, net sales growth, SG&A and segment earnings, have been included in our discussion within “Results of Operations” above. Non-GAAP measures should be considered in addition to, and not as a replacement for or as a superior measure to U.S. GAAP measures. Management believes reporting these non-GAAP measures provide useful information to investors, potential investors and others, by facilitating easier comparisons of our performance with prior and future periods.

Free cash flow is a non-GAAP measure that does not represent cash provided by operating activities in accordance with U.S. GAAP. Therefore, it should not be considered an alternative to net cash provided by or used in operating activities as an indication of our performance. The cash conversion rate of free cash flow to net income is also a measure of our performance in cash flow generation. We believe free cash flow and cash flow conversion rate to be an appropriate supplemental measure of our operating performance because it provides investors with a measure of our ability to generate cash, repay debt, pay dividends, repurchase stock and fund acquisitions.

A reconciliation of net cash provided by operating activities to free cash flow and a calculation of our cash conversion rate is provided below:

	Six Months Ended	
	June 29, 2025	June 30, 2024
	(in millions)	
Net cash provided by operating activities	\$ 124.9	\$ 130.9
Less: additions to property, plant, and equipment	(19.8)	(16.9)
Plus: proceeds from the sale of property, plant, and equipment	—	5.7
Free cash flow	\$ 105.1	\$ 119.7
Net income	\$ 174.9	\$ 154.5
Cash conversion rate of free cash flow to net income	60.1 %	77.5 %

Free cash flow decreased in the first six months of 2025 when compared to the first six months of 2024, primarily driven by higher working capital investment related to timing of accounts receivable collections and higher inventory primarily related to increased tariff costs, partially offset by higher net income.

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Our net debt to capitalization ratio, a non-GAAP financial measure used by management, at June 29, 2025 was (10.0%) compared to (12.5%) at December 31, 2024. The increase was driven by a change in net debt balance, primarily due to decreased cash and cash equivalents, and an increase in stockholders' equity at June 29, 2025 compared to December 31, 2024 due to higher net income. Management believes the net debt to capitalization ratio is an appropriate supplemental measure because it helps investors understand our ability to meet our financing needs and serves as a basis to evaluate our financial structure. Our computation may not be comparable to other companies that may define their net debt to capitalization ratios differently.

A reconciliation of long-term debt (including current portion) to net debt and our net debt to capitalization ratio is provided below:

	June 29, 2025	December 31, 2024
	(in millions)	
Current portion of long-term debt	\$ —	\$ —
Plus: long-term debt, net of current portion	197.3	197.0
Less: cash and cash equivalents	(369.3)	(386.9)
Net debt	<u>\$ (172.0)</u>	<u>\$ (189.9)</u>

A reconciliation of capitalization is provided below:

	June 29, 2025	December 31, 2024
	(in millions)	
Net debt	\$ (172.0)	\$ (189.9)
Total stockholders' equity	1,892.4	1,707.9
Capitalization	<u>\$ 1,720.4</u>	<u>\$ 1,518.0</u>
Net debt to capitalization ratio	<u>(10.0)%</u>	<u>(12.5)%</u>

Application of Critical Accounting Policies and Key Estimates

We believe that our critical accounting policies are those related to revenue recognition, inventory valuation, goodwill and other intangibles, product liability costs, legal contingencies and income taxes. We believe these accounting policies are particularly important to an understanding of our financial position and results of operations and require application of significant judgment by our management. In applying these policies, management uses its judgment in making certain assumptions and estimates. Our accounting policies are more fully described under the heading "Accounting Policies" in Note 2 of the Notes to Consolidated Financial Statements in our Annual Report on Form 10-K as filed with the SEC on February 18, 2025.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We use derivative financial instruments primarily to reduce exposure to adverse fluctuations in foreign exchange rates, interest rates and costs of certain raw materials used in the manufacturing process. We do not enter into derivative financial instruments for trading purposes. As a matter of policy, all derivative positions are used to reduce risk by hedging underlying economic exposure. The derivatives we use are instruments with liquid markets. See Note 12 of Notes to the Consolidated Financial Statements for further details.

Our consolidated earnings, which are reported in United States dollars, are subject to translation risks due to changes in foreign currency exchange rates. This risk is concentrated in the exchange rate between the U.S. dollar and the euro; the U.S. dollar and the Canadian dollar; and the U.S. dollar and the Chinese yuan.

Our non-U.S. subsidiaries transact most business, including certain intercompany transactions, in foreign currencies. Such transactions are principally purchases or sales of materials and are denominated in European currencies, the Chinese yuan or the U.S., Canadian or Australian dollar. We use foreign currency forward exchange contracts from time to time to manage the risks related to intercompany loans, intercompany purchases and intercompany sales that occur during the course of a year, and certain open foreign currency denominated commitments to sell products to third parties. We have entered into forward exchange contracts which hedge approximately 80% to 85% of the forecasted

intercompany purchases between one of our Canadian subsidiaries and our U.S. operating subsidiaries for the next twelve months. We record the effective portion of the designated foreign currency hedge contracts in other comprehensive income (loss) until inventory turns and is sold to a third-party. Once the third-party transaction associated with the hedged forecasted transaction occurs, the effective portion of any related gain or loss on the designated foreign currency hedge is reclassified into cost of goods sold within earnings. The fair value of the Company's designated foreign hedge contracts outstanding as of June 29, 2025 was a liability of \$0.2 million.

Under the Credit Agreement, our earnings and cash flows are exposed to fluctuations in interest payments related to our floating rate debt. In order to manage our exposure, we entered into an interest rate swap on March 30, 2021. Under the interest rate swap agreement, we received the one-month USD-LIBOR subject to a 0.00% floor and paid a fixed rate of 1.02975% on a notional amount of \$100.0 million. On August 2, 2022, we amended the interest rate swap to replace LIBOR as a reference rate for borrowings with Term SOFR. Under the amended interest rate swap agreement, we receive the one-month Term SOFR subject to a -0.1% floor and pay a fixed rate of 0.942% on a notional amount of \$100.0 million. We entered into an additional interest rate swap on October 23, 2023, as part of the acquisition of Bradley. Under the interest rate swap agreement, we receive the one-month Term SOFR subject to a -0.1% floor and pay a fixed rate of 4.844% on a notional amount of \$100.0 million. Both swaps mature on March 30, 2026. Information about our long-term debt facility and related interest rates appears in Note 11 of the Consolidated Financial Statements.

We purchase significant amounts of bronze ingot, brass rod, cast iron, stainless steel and plastic, which are utilized in manufacturing our many product lines. Our operating results can be adversely affected by changes in commodity prices, including tariffs, if we are unable to pass on related price increases to our customers. We manage this risk by monitoring related market prices, working with our suppliers to achieve the maximum level of stability in their costs and related pricing, seeking alternative supply sources when necessary and passing increases in commodity costs to our customers, to the maximum extent possible, when they occur.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended, or Exchange Act, as of the end of the period covered by this report, we carried out an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures. In designing and evaluating our disclosure controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily applies its judgment in evaluating and implementing possible controls and procedures. The effectiveness of our disclosure controls and procedures is also necessarily limited by the staff and other resources available to us and the geographic diversity of our operations. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective, in that they provided reasonable assurance that information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

In the second quarter of 2025, we began the implementation of a new global enterprise resource planning (“ERP”) system. The implementation is expected to occur in phases over the next several years and will replace many of our legacy ERP systems. The ERP system is designed to, among other things, streamline and enhance the Company’s operational, financial and accounting processes through a comprehensive, integrated solution. During the second quarter of 2025, we made changes to our internal control over financial reporting to address processes impacted by the ERP system implementation.

As the phased implementation of the new ERP system continues, we will have additional changes to our processes and procedures which, in turn, will result in additional changes to our internal control over financial reporting. As such changes occur, we will evaluate quarterly whether such changes materially affect our internal control over financial reporting.

Other than the above-noted changes, there was no change in our internal control over financial reporting that occurred during the second quarter ended June 29, 2025, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. We will continue to review and document our disclosure controls and procedures, including our internal control over financial reporting, and may from time to time make changes aimed at enhancing their effectiveness and to ensure that our systems evolve with our business.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings

As disclosed in Part I, Item 1, “Product Liability, Environmental and Other Litigation Matters” and Item 3, “Legal Proceedings” of our Annual Report on [Form 10-K](#) for the year ended December 31, 2024, we are party to certain litigation. There have been no material developments with respect to such legal proceedings during the quarter ended June 29, 2025, other than as described in Note 13 of the Notes to Consolidated Financial Statements, which is incorporated herein by reference.

Item 1A. Risk Factors

There have been no material changes to the risk factors included in our Annual Report on [Form 10-K](#) for the year ended December 31, 2024.

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

We satisfy the minimum withholding tax obligation due upon the vesting of shares of restricted stock by repurchasing a number of shares with an aggregate fair market value on the date of such vesting that would satisfy the withholding amount due. We did not have any such repurchases in the second quarter ended June 29, 2025.

The following table includes information with respect to repurchases of our Class A common stock during the second quarter ended June 29, 2025 under our stock repurchase program.

Period	Issuer Purchases of Equity Securities (1)			
	(a) Total Number of Shares (or Units) Purchased(1)	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
March 31, 2025 – April 27, 2025	6,186	\$ 196.50	6,186	\$ 139,775,398
April 28, 2025 – May 25, 2025	5,709	\$ 225.76	5,709	\$ 138,486,533
May 26, 2025 – June 29, 2025	6,124	\$ 242.41	6,124	\$ 137,002,030
Total	18,019	\$ 221.37	18,019	

- (1) On July 31, 2023, we announced that our Board of Directors had authorized a repurchase program of up to \$150 million of our Class A common stock, to be purchased from time to time on the open market or in privately negotiated transactions, which has no expiration date. The timing and number of shares repurchased will be determined by the Company's management based on its evaluation of market conditions and other factors.

Item 5. Other Information

(a) Disclosure in lieu of reporting on a Current Report on Form 8-K.

None.

(b) Material changes to the procedures by which security holders may recommend nominees to the board of directors.

None.

(c) Insider trading arrangements and policies.

During the second quarter ended June 29, 2025, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

<u>Exhibit No.</u>	<u>Description</u>
3.1	Restated Certificate of Incorporation, as amended. Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 25, 2023 (File No. 001-11499).
3.2	Amended and Restated By-Laws. Incorporated by reference to the Registrant's Current Report on Form 8-K dated July 31, 2023 (File No. 001- 11499).
10.1†	Form of Indemnification Agreement between the Registrant and certain directors and officers of the Registrant.
31.1†	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended
31.2†	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended
32.1††	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350
32.2††	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350
101.INS**	Inline XBRL Instance Document
101.SCH**	Inline XBRL Taxonomy Extension Schema Document
101.CAL**	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF**	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB**	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE**	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

† Filed herewith.

†† Furnished herewith.

** Attached as Exhibit 101 to this report are the following formatted in Inline XBRL (Extensible Business Reporting Language): (i) Consolidated Balance Sheets at June 29, 2025 and December 31, 2024, (ii) Consolidated Statements of Operations for the Second Quarters and Six Months ended June 29, 2025 and June 30, 2024, (iii) Consolidated Statements of Comprehensive Income for the Second Quarters and Six Months ended June 29, 2025 and June 30, 2024, (iv) Consolidated Statements of Stockholders' Equity for the Second Quarters and Six Months ended June 29, 2025 and June 30, 2024, (v) Consolidated Statements of Cash Flows for the Six Months ended June 29, 2025 and June 30, 2024, and (vi) Notes to Consolidated Financial Statements.

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.

WATTS WATER TECHNOLOGIES, INC.

Date: August 7, 2025

By: /s/ Robert J. Pagano, Jr.
Robert J. Pagano, Jr.
Chief Executive Officer, President and Chairperson of
the Board (principal executive officer)

Date: August 7, 2025

By: /s/ Ryan Lada
Ryan Lada
Chief Financial Officer (principal financial officer)

Date: August 7, 2025

By: /s/ Virginia A. Halloran
Virginia A. Halloran
Chief Accounting Officer (principal accounting officer)

INDEMNIFICATION AGREEMENT

This Agreement made and entered into this ____ day of _____, (the “Agreement”), by and between Watts Water Technologies, Inc., a Delaware corporation (the “Company,” which term shall include, where appropriate, any Entity (as hereinafter defined) controlled directly or indirectly by the Company) and _____ (the “Indemnitee”):

WHEREAS, it is essential to the Company that it be able to retain and attract as directors and officers the most capable persons available;

WHEREAS, increased corporate litigation has subjected directors and officers to litigation risks and expenses, and the limitations on the availability of directors and officers liability insurance have made it increasingly difficult for the Company to attract and retain such persons;

WHEREAS, the Company’s Certificate of Incorporation and By-laws (the “Certificate of Incorporation” and “By-laws,” respectively) require it to indemnify its directors and officers to the fullest extent permitted by law and permit it to make other indemnification arrangements and agreements;

WHEREAS, the Company desires to provide Indemnitee with specific contractual assurance of Indemnitee’s rights to full indemnification against litigation risks and expenses (regardless, among other things, of any amendment to or revocation of the Certificate of Incorporation or By-laws or any change in the ownership of the Company or the composition of its Board of Directors);

WHEREAS, the Company intends that this Agreement provide Indemnitee with greater protection than that which is provided by the Company’s Certificate of Incorporation and By-laws; and

WHEREAS, Indemnitee is relying upon the rights afforded under this Agreement in continuing as a director or officer of the Company.

NOW, THEREFORE, in consideration of the promises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Definitions.

- a) “Corporate Status” describes the status of a person who is serving or has served (i) as a director or officer of the Company, (ii) in any capacity with respect to any employee benefit plan of the Company, or (iii) as a director, partner, trustee, officer, employee, or agent of any other Entity at the request of the Company. For purposes of subsection (iii) of this Section 1(a), if Indemnitee is serving or has served as a director, partner, trustee, officer,

employee or agent of a Subsidiary, Indemnatee shall be deemed to be serving at the request of the Company.

- b) "Entity" shall mean any corporation, partnership, limited liability company, joint venture, trust, foundation, association, organization or other legal entity.
- c) "Expenses" shall mean all fees, costs and expenses incurred by Indemnatee in connection with any Proceeding (as defined below), including, without limitation, attorneys' fees, disbursements and retainers (including, without limitation, any such fees, disbursements and retainers incurred by Indemnatee pursuant to Sections 10 and 11(c) of this Agreement), fees and disbursements of expert witnesses, private investigators and professional advisors (including, without limitation, accountants and investment bankers), court costs, transcript costs, fees of experts, travel expenses, duplicating, printing and binding costs, telephone and fax transmission charges, postage, delivery services, secretarial services, and other disbursements and expenses.
- d) "Indemnifiable Expenses," "Indemnifiable Liabilities" and "Indemnifiable Amounts" shall have the meanings ascribed to those terms in Section 3(a) below.
- e) "Liabilities" shall mean judgments, damages, liabilities, losses, penalties, excise taxes, fines and amounts paid in settlement.
- f) "Proceeding" shall mean any threatened, pending or completed claim, action, suit, arbitration, alternate dispute resolution process, investigation, administrative hearing, appeal, or any other proceeding, whether civil, criminal, administrative, arbitral or investigative, whether formal or informal, including a proceeding initiated by Indemnatee pursuant to Section 10 of this Agreement to enforce Indemnatee's rights hereunder.
- (g) "Subsidiary" shall mean any corporation, partnership, limited liability company, joint venture, trust or other Entity of which the Company owns (either directly or through or together with another Subsidiary of the Company) either (i) a general partner, managing member or other similar interest or (ii) (A) 50% or more of the voting power of the voting capital equity interests of such corporation, partnership, limited liability company, joint venture or other Entity, or (B) 50% or more of the outstanding voting capital stock or other voting equity interests of such corporation, partnership, limited liability company, joint venture or other Entity.

2. Services of Indemnatee. In consideration of the Company's covenants and commitments hereunder, Indemnatee agrees to serve or continue to serve as a director and/or officer of the Company. However, this Agreement shall not impose any obligation on Indemnatee or the Company to continue Indemnatee's service to the Company beyond any period otherwise required by law or by other agreements or commitments of the parties, if any.
 3. Agreement to Indemnify. The Company agrees to indemnify Indemnatee as follows:
 - a) Proceedings Other Than By or In the Right of the Company. Subject to the exceptions contained in Section 4(a) below, if Indemnatee was or is a party or is threatened to be made a party to any Proceeding (other than an action by or in the right of the Company) by reason of Indemnatee's Corporate Status, Indemnatee shall be indemnified by the Company against all Expenses and Liabilities incurred or paid by Indemnatee in connection with such Proceeding (referred to herein as "Indemnifiable Expenses" and "Indemnifiable Liabilities," respectively, and collectively as "Indemnifiable Amounts").
 - b) Proceedings By or In the Right of the Company. Subject to the exceptions contained in Section 4(b) below, if Indemnatee was or is a party or is threatened to be made a party to any Proceeding by or in the right of the Company by reason of Indemnatee's Corporate Status, Indemnatee shall be indemnified by the Company against all Indemnifiable Expenses.
 - (c) Conclusive Presumption Regarding Standard of Care. In making any determination required to be made under Delaware law with respect to entitlement to indemnification hereunder, the person, persons or entity making such determination shall presume that Indemnatee is entitled to indemnification under this Agreement if Indemnatee submitted a request therefor in accordance with Section 5 of this Agreement, and the Company shall have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption.
 4. Exceptions to Indemnification. Indemnatee shall be entitled to indemnification under Sections 3(a) and 3(b) above in all circumstances other than with respect to any specific claim, issue or matter involved in the Proceeding out of which Indemnatee's claim for indemnification has arisen, as follows:
-

- a) Proceedings Other Than By or In the Right of the Company. If indemnification is requested under Section 3(a) and it has been finally adjudicated by a court of competent jurisdiction that, in connection with such specific claim, issue or matter, Indemnatee failed to act (i) in good faith and (ii) in a manner Indemnatee reasonably believed to be in or not opposed to the best interests of the Company, or, with respect to any criminal Proceeding, Indemnatee had reasonable cause to believe that Indemnatee's conduct was unlawful, Indemnatee shall not be entitled to payment of Indemnifiable Amounts hereunder.
- b) Proceedings By or In the Right of the Company. If indemnification is requested under Section 3(b) and
- (i) it has been finally adjudicated by a court of competent jurisdiction that, in connection with such specific claim, issue or matter, Indemnatee failed to act (A) in good faith and (B) in a manner Indemnatee reasonably believed to be in or not opposed to the best interests of the Company, Indemnatee shall not be entitled to payment of Indemnifiable Expenses hereunder; or
 - (ii) it has been finally adjudicated by a court of competent jurisdiction that Indemnatee is liable to the Company with respect to such specific claim, Indemnatee shall not be entitled to payment of Indemnifiable Expenses hereunder with respect to such claim, issue or matter unless the Court of Chancery or another court in which such Proceeding was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, Indemnatee is fairly and reasonably entitled to indemnification for such Indemnifiable Expenses which such court shall deem proper; or
 - (iii) it has been finally adjudicated by a court of competent jurisdiction that Indemnatee is liable to the Company for an accounting of profits made from the purchase or sale by the Indemnatee of securities of the Company pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934, the rules and regulations promulgated thereunder and amendments thereto or similar provisions of any federal, state or local statutory law, Indemnatee shall not be entitled to payment of Indemnifiable Expenses hereunder.
- c) Insurance Proceeds. To the extent payment is actually made to the Indemnatee under a valid and collectible insurance policy in respect of Indemnifiable

Amounts in connection with such specific claim, issue or matter, Indemnatee shall not be entitled to payment of Indemnifiable Amounts hereunder except in respect of any excess beyond the amount of payment under such insurance.

5. Procedure for Payment of Indemnifiable Amounts. Indemnatee shall submit to the Company a written request specifying the Indemnifiable Amounts for which Indemnatee seeks payment under Section 3 of this Agreement and the basis for the claim. The Company shall pay such Indemnifiable Amounts to Indemnatee within sixty (60) calendar days of receipt of the request. At the request of the Company, Indemnatee shall furnish such documentation and information as are reasonably available to Indemnatee and necessary to establish that Indemnatee is entitled to indemnification hereunder.

6. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provision of this Agreement, and without limiting any such provision, to the extent that Indemnatee is, by reason of Indemnatee's Corporate Status, a party to and is successful, on the merits or otherwise, in any Proceeding, Indemnatee shall be indemnified against all Expenses reasonably incurred by Indemnatee or on Indemnatee's behalf in connection therewith. If Indemnatee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnatee against all Expenses reasonably incurred by Indemnatee or on Indemnatee's behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Agreement, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, by reason of settlement, judgment, order or otherwise, shall be deemed to be a successful result as to such claim, issue or matter.

7. Effect of Certain Resolutions. Neither the settlement or termination of any Proceeding nor the failure of the Company to award indemnification or to determine that indemnification is payable shall create a presumption that Indemnatee is not entitled to indemnification hereunder. In addition, the termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not create a presumption that Indemnatee did not act in good faith and in a manner which Indemnatee reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, had reasonable cause to believe that Indemnatee's action was unlawful.

8. Agreement to Advance Expenses; Undertaking. The Company shall advance all Expenses incurred by or on behalf of Indemnatee in connection with any Proceeding, including a Proceeding by or in the right of the Company, in which Indemnatee is involved by reason of such Indemnatee's Corporate Status within ten (10) calendar days after the receipt by the Company of a written statement from Indemnatee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. To the extent required by Delaware law, Indemnatee hereby undertakes to repay any and all of the amount of Indemnifiable

Expenses paid to Indemnitee if it is finally determined by a court of competent jurisdiction that Indemnitee is not entitled under this Agreement to indemnification with respect to such Expenses. This undertaking is an unlimited general obligation of Indemnitee.

9. Procedure for Advance Payment of Expenses. Indemnitee shall submit to the Company a written request specifying the Indemnifiable Expenses for which Indemnitee seeks an advancement under Section 8 of this Agreement, together with documentation evidencing that Indemnitee has incurred such Indemnifiable Expenses. Payment of Indemnifiable Expenses under Section 8 shall be made no later than ten (10) calendar days after the Company's receipt of such request.

10. Remedies of Indemnitee.

- a) Right to Petition Court. In the event that Indemnitee makes a request for payment of Indemnifiable Amounts under Sections 3 and 5 above or a request for an advancement of Indemnifiable Expenses under Sections 8 and 9 above and the Company fails to make such payment or advancement in a timely manner pursuant to the terms of this Agreement, Indemnitee may petition the Court of Chancery to enforce the Company's obligations under this Agreement.
- b) Burden of Proof. In any judicial proceeding brought under Section 10(a) above, the Company shall have the burden of proving that Indemnitee is not entitled to payment of Indemnifiable Amounts hereunder.
- c) Expenses. The Company agrees to reimburse Indemnitee in full for any Expenses incurred by Indemnitee in connection with investigating, preparing for, litigating, defending or settling any action brought by Indemnitee under Section 10(a) above, or in connection with any claim or counterclaim brought by the Company in connection therewith, whether or not Indemnitee is successful in whole or in part in connection with any such action.
- d) Failure to Act Not a Defense. The failure of the Company (including its Board of Directors or any committee thereof, independent legal counsel, or stockholders) to make a determination concerning the permissibility of the payment of Indemnifiable Amounts or the advancement of Indemnifiable Expenses under this Agreement shall not be a defense in any action brought under Section 10(a) above, and shall not create a presumption that such payment or advancement is not permissible.

11. Defense of the Underlying Proceeding.

(a) Notice by Indemnatee. Indemnatee agrees to notify the Company promptly upon being served with any summons, citation, subpoena, complaint, indictment, information, or other document relating to any Proceeding which may result in the payment of Indemnifiable Amounts or the advancement of Indemnifiable Expenses hereunder; provided, however, that the failure to give any such notice shall not disqualify Indemnatee from the right, or otherwise affect in any manner any right of Indemnatee, to receive payments of Indemnifiable Amounts or advancements of Indemnifiable Expenses unless the Company's ability to defend in such Proceeding is materially and adversely prejudiced thereby.

(b) Defense by Company. Subject to the provisions of the last sentence of this Section 11(b) and of Section 11(c) below, the Company shall have the right to defend Indemnatee in any Proceeding which may give rise to the payment of Indemnifiable Amounts hereunder; provided, however that the Company shall notify Indemnatee of any such decision to defend within ten (10) calendar days of receipt of notice of any such Proceeding under Section 11(a) above. The Company shall not, without the prior written consent of Indemnatee, consent to the entry of any judgment against Indemnatee or enter into any settlement or compromise which (i) includes an admission of fault of Indemnatee or (ii) does not include, as an unconditional term thereof, the full release of Indemnatee from all liability in respect of such Proceeding, which release shall be in form and substance reasonably satisfactory to Indemnatee. This Section 11(b) shall not apply to a Proceeding brought by Indemnatee under Section 10(a) above or pursuant to Section 19 below.

(c) Indemnatee's Right to Counsel. Notwithstanding the provisions of Section 11(b) above, if in a Proceeding to which Indemnatee is a party by reason of Indemnatee's Corporate Status, (i) Indemnatee reasonably concludes that he or she may have separate defenses or counterclaims to assert with respect to any issue which may not be consistent with the position of other defendants in such Proceeding, (ii) a conflict of interest or potential conflict of interest exists between Indemnatee and the Company, or (iii) if the Company fails to assume the defense of such proceeding in a timely manner, Indemnatee shall be entitled to be represented by separate legal counsel of Indemnatee's choice at the expense of the Company. In addition, if the Company fails to comply with any of its obligations under this Agreement or in the event that the Company or any other person takes any action to declare this Agreement void or unenforceable, or institutes any action, suit or proceeding to deny or to recover from Indemnatee the benefits intended to be provided to Indemnatee hereunder, Indemnatee shall have the right to retain counsel of Indemnatee's choice, at the expense of the Company, to represent Indemnatee in connection with any such matter.

12. Representations and Warranties of the Company. The Company hereby represents and warrants to Indemnatee as follows:

(a) Authority. The Company has all necessary power and authority to enter into, and be bound by the terms of, this Agreement, and the execution, delivery and performance of the undertakings contemplated by this Agreement have been duly authorized by the Company.

(b) Enforceability. This Agreement, when executed and delivered by the Company in accordance with the provisions hereof, shall be a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar laws affecting the enforcement of creditors' rights generally.

13. Insurance. For a period of six (6) years following the date on which Indemnitee no longer serves as a director, officer or employee of the Company or any Subsidiary, and for such longer period, if any, for which Indemnitee may be subject to a Proceeding by reason of Indemnitee's Corporate Status, the Company (i) shall maintain a policy or policies of insurance with one or more reputable insurance companies providing the Indemnitee with coverage in an amount not less than, and of a type and scope not materially less favorable to Indemnitee than, the directors' and officers' liability insurance coverage presently maintained by the Company, (ii) shall pay on a timely basis all premiums on such insurance and (iii) shall provide such notices and renewals in a complete and timely manner and take such other actions as may be required in order to keep such insurance in full force and effect. In all policies of director and officer liability insurance, Indemnitee shall be named as an insured in such a manner as to provide Indemnitee the same rights and benefits as are accorded to the most favorably insured of the Company's officers and directors.

14. Contract Rights Not Exclusive. The rights to payment of Indemnifiable Amounts and advancement of Indemnifiable Expenses provided by this Agreement shall be in addition to, but not exclusive of, any other rights which Indemnitee may have at any time under applicable law, the Company's Certificate of Incorporation or By-laws, or any other agreement, vote of stockholders or directors (or a committee of directors), or otherwise, both as to action in Indemnitee's official capacity and as to action in any other capacity as a result of Indemnitee's serving as a director or officer of the Company.

15. Successors. This Agreement shall be (a) binding upon all successors and assigns of the Company (including any transferee of all or a substantial portion of the business, stock and/or assets of the Company and any direct or indirect successor by merger or consolidation or otherwise by operation of law) and (b) binding on and shall inure to the benefit of the heirs, personal representatives, executors and administrators of Indemnitee. In the event that the Company or any of its successors or assigns (i) consolidates with or merges into any other person or entity and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers or conveys all or substantially all of its properties and assets to any person or entity, then, and in each such case, proper provision shall be made so that the successors and assigns of the Company assume the obligations of the Company under this

Agreement. This Agreement shall continue for the benefit of Indemnatee and such heirs, personal representatives, executors and administrators after Indemnatee has ceased to have Corporate Status.

16. Subrogation. In the event of any payment of Indemnifiable Amounts under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of contribution or recovery of Indemnatee against other persons, and Indemnatee shall take, at the request of the Company, all reasonable action necessary to secure such rights, including the execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

17. Change in Law. To the extent that a change in Delaware law (whether by statute or judicial decision) shall permit broader indemnification or advancement of expenses than is provided under the terms of the By-laws and this Agreement, Indemnatee shall be entitled to such broader indemnification and advancements, and this Agreement shall be deemed to be amended to such extent.

18. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement, or any clause thereof, shall be determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, in whole or in part, such provision or clause shall be limited or modified in its application to the minimum extent necessary to make such provision or clause valid, legal and enforceable, and the remaining provisions and clauses of this Agreement shall remain fully enforceable and binding on the parties.

19. Indemnatee as Plaintiff. Except as provided in Section 10(c) of this Agreement and in the next sentence, Indemnatee shall not be entitled to payment of Indemnifiable Amounts or advancement of Indemnifiable Expenses with respect to any Proceeding brought by Indemnatee against the Company, any Entity which it controls, any director or officer thereof, or any third party, unless the Board of Directors of the Company has consented to the initiation of such Proceeding. This Section shall not apply to counterclaims or affirmative defenses asserted by Indemnatee in an action brought against Indemnatee.

20. Modifications and Waiver. Except as provided in Section 17 above with respect to changes in Delaware law which broaden the right of Indemnatee to be indemnified by the Company, no supplement, modification or amendment of this Agreement shall be binding unless executed in writing by each of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement (whether or not similar), nor shall such waiver constitute a continuing waiver.

21. General Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given (a) when delivered by hand, (b) when transmitted by facsimile and receipt is acknowledged, or (c) if mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

(i) If to Indemnatee, to:

(ii) If to the Company, to:

Watts Water Technologies, Inc.
815 Chestnut Street
North Andover, MA 01845
Facsimile: (978) 688-2976
Attention:

or to such other address as may have been furnished in the same manner by any party to the others.

22. Governing Law; Consent to Jurisdiction; Service of Process. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to its rules of conflict of laws. Each of the Company and the Indemnatee hereby irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the Court of Chancery of the State of Delaware and the courts of the United States of America located in the State of Delaware (the "Delaware Courts") for any litigation arising out of or relating to this Agreement and the transactions contemplated hereby (and agrees not to commence any litigation relating thereto except in such courts), waives any objection to the laying of venue of any such litigation in the Delaware Courts and agrees not to plead or claim in any Delaware Court that such litigation brought therein has been brought in an inconvenient forum. Each of the parties hereto agrees, (a) to the extent such party is not otherwise subject to service of process in the State of Delaware, to appoint and maintain an agent in the State of Delaware as such party's agent for acceptance of legal process, and (b) that service of process may also be made on such party by prepaid certified mail with a proof of mailing receipt validated by the United States Postal Service constituting evidence of valid service. Service made pursuant to (a) or (b) above shall have the same legal force and effect as if served upon such party personally within the State of Delaware. For purposes of implementing the parties' agreement to appoint and maintain an agent for service of process in the State of Delaware, each such party does hereby appoint The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801, as such agent and each such party hereby agrees to complete all actions necessary for such appointment.

23. [Prior Agreement]. This Agreement supersedes and replaces in its entirety the Indemnification Agreement between the Indemnatee and the Company dated as of _____, ____.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

WATTS WATER TECHNOLOGIES, INC.

By: _____
Name:
Title:

INDEMNITEE

Name:

Schedule of Omitted Information

<u>Name of Indemnatee</u>	<u>Date of Agreement</u>	<u>Date of Prior Agreement (Section 23)</u>	<u>Person Signing on behalf of the Company</u>
Timothy P. Horne	February 10, 2004	August 7, 2002	Patrick S. O’Keefe Chief Executive Officer
Kenneth R. Lepage	February 10, 2004	November 5, 2003	Patrick S. O’Keefe Chief Executive Officer
Merilee Raines	February 7, 2011	Not Applicable	David J. Coghlan Chief Executive Officer
Joseph T. Noonan	May 15, 2013	Not Applicable	David J. Coghlan Chief Executive Officer
Robert J. Pagano, Jr.	May 27, 2014	Not Applicable	Kenneth R. Lepage General Counsel
Joseph W. Reitmeier	February 10, 2016	Not Applicable	Robert J. Pagano, Jr. Chief Executive Officer
David A. Dunbar	February 8, 2017	Not Applicable	Robert J. Pagano, Jr. Chief Executive Officer
Louise K. Goeser	March 12, 2018	Not Applicable	Robert J. Pagano, Jr. Chief Executive Officer
Shashank Patel	July 2, 2018	Not Applicable	Robert J. Pagano, Jr. Chief Executive Officer
Michael J. Dubose	December 8, 2020	Not Applicable	Robert J. Pagano, Jr. Chief Executive Officer
Monica Barry	October 4, 2021	Not Applicable	Robert J. Pagano, Jr. Chief Executive Officer
Andre Dhawan	August 15, 2022	Not Applicable	Kenneth R. Lepage General Counsel, Chief Sustainability Officer & Secretary
Rebecca Boll	February 7, 2024	Not Applicable	Robert J. Pagano, Jr. Chief Executive Officer
Kenneth Napolitano	March 12, 2024	Not Applicable	Robert J. Pagano, Jr. Chief Executive Officer
Ryan Lada	July 28, 2025	Not Applicable	Kenneth R. Lepage General Counsel, Chief Compliance Officer, Chief Sustainability Officer & Secretary

**WATTS WATER TECHNOLOGIES, INC.
CERTIFICATION PURSUANT TO**

SECTION 302 OF

THE SARBANES-OXLEY ACT OF 2002

I, Robert J. Pagano, Jr., certify that:

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

Date: August 7, 2025

/s/ Robert J. Pagano, Jr.
Robert J. Pagano, Jr.
Chief Executive Officer

**WATTS WATER TECHNOLOGIES, INC.
CERTIFICATION PURSUANT TO**

SECTION 302 OF

THE SARBANES-OXLEY ACT OF 2002

I, Ryan Lada, certify that:

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

Date: August 7, 2025

/s/ Ryan Lada
Ryan Lada
Chief Financial Officer

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

The undersigned officer of Watts Water Technologies, Inc. (the “Company”) hereby certifies that, to his knowledge, the Company’s quarterly report on Form 10-Q to which this certification is attached (the “Report”), as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. This certification is provided solely pursuant to 18 U.S.C. Section 1350 and Item 601(b)(32) of Regulation S-K (“Item 601(b)(32)”) promulgated under the Securities Act of 1933, as amended (the “Securities Act”), and the Exchange Act. In accordance with clause (ii) of Item 601(b)(32), this certification (A) shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and (B) shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

Date: August 7, 2025

/s/ Robert J. Pagano, Jr.

Robert J. Pagano, Jr.

Chief Executive Officer

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

The undersigned officer of Watts Water Technologies, Inc. (the “Company”) hereby certifies that, to his knowledge, the Company’s quarterly report on Form 10-Q to which this certification is attached (the “Report”), as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. This certification is provided solely pursuant to 18 U.S.C. Section 1350 and Item 601(b)(32) of Regulation S-K (“Item 601(b)(32)”) promulgated under the Securities Act of 1933, as amended (the “Securities Act”), and the Exchange Act. In accordance with clause (ii) of Item 601(b)(32), this certification (A) shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and (B) shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

Date: August 7, 2025

/s/ Ryan Lada

Ryan Lada

Chief Financial Officer
