
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2023

OR

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

For the transition period from _____ to _____

Commission File Number 1-12981

AMETEK, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

1100 Cassatt Road

Berwyn, Pennsylvania

(Address of principal executive offices)

14-1682544

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

19312-1177

(Zip Code)

Registrant's telephone number, including area code: (610) 647-2121

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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 (Do not check if a smaller reporting company) 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

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

Title of each class

**Trading
Symbol(s)**

**Name of each exchange
on which registered**

Common Stock

AME

New York Stock Exchange

The number of shares of the registrant's common stock outstanding as of the latest practicable date was: Common Stock, \$0.01 Par Value, outstanding at April 28, 2023 was 230,475,184 shares.

AMETEK, Inc.
Form 10-Q
Table of Contents

	<u>Page</u>
<u>PART I. FINANCIAL INFORMATION</u>	
<u>Item 1. Financial Statements</u>	
<u>Consolidated Statement of Income for the three months ended March 31, 2023 and 2022</u>	3
<u>Condensed Consolidated Statement of Comprehensive Income for the three months ended March 31, 2023 and 2022</u>	4
<u>Consolidated Balance Sheet at March 31, 2023 and December 31, 2022</u>	5
<u>Consolidated Statement of Stockholders' Equity for the three months ended March 31, 2023 and 2022</u>	6
<u>Condensed Consolidated Statement of Cash Flows for the three months ended March 31, 2023 and 2022</u>	7
<u>Notes to Consolidated Financial Statements</u>	8
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	20
<u>Item 4. Controls and Procedures</u>	23
<u>PART II. OTHER INFORMATION</u>	
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	24
<u>Item 6. Exhibits</u>	25
<u>SIGNATURES</u>	26

PART I. FINANCIAL INFORMATION**Item 1. Financial Statements**

AMETEK, Inc.
Consolidated Statement of Income
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended March 31,	
	2023	2022
Net sales	\$ 1,597,117	\$ 1,458,525
Cost of sales	1,022,525	948,833
Selling, general and administrative	169,051	156,452
Total operating expenses	1,191,576	1,105,285
Operating income	405,541	353,240
Interest expense	(20,569)	(19,570)
Other (expense) income, net	(5,373)	2,552
Income before income taxes	379,599	336,222
Provision for income taxes	73,887	63,775
Net income	\$ 305,712	\$ 272,447
Basic earnings per share	\$ 1.33	\$ 1.18
Diluted earnings per share	\$ 1.32	\$ 1.17
Weighted average common shares outstanding:		
Basic shares	230,126	231,481
Diluted shares	231,229	233,065
Dividends declared and paid per share	\$ 0.25	\$ 0.22

See accompanying notes.

AMETEK, Inc.
Condensed Consolidated Statement of Comprehensive Income
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2023	2022
Total comprehensive income	\$ 332,211	\$ 257,301

See accompanying notes.

AMETEK, Inc.
Consolidated Balance Sheet
(In thousands)

	March 31, 2023 (Unaudited)	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 399,873	\$ 345,386
Receivables, net	901,506	919,335
Inventories, net	1,117,051	1,044,284
Other current assets	247,512	219,053
Total current assets	2,665,942	2,528,058
Property, plant and equipment, net	637,672	635,641
Right of use assets, net	166,985	170,295
Goodwill	5,430,493	5,372,562
Other intangibles, net	3,321,124	3,342,085
Investments and other assets	393,806	382,479
Total assets	<u>\$ 12,616,022</u>	<u>\$ 12,431,120</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings and current portion of long-term debt, net	\$ 70,017	\$ 226,079
Accounts payable	526,063	497,134
Customer advanced payments	377,856	357,674
Income taxes payable	107,134	48,171
Accrued liabilities and other	371,597	435,144
Total current liabilities	1,452,667	1,564,202
Long-term debt, net	2,175,880	2,158,928
Deferred income taxes	670,256	694,267
Other long-term liabilities	560,094	537,211
Total liabilities	4,858,897	4,954,608
Stockholders' equity:		
Common stock	2,704	2,700
Capital in excess of par value	1,092,362	1,094,236
Retained earnings	9,105,705	8,857,485
Accumulated other comprehensive loss	(548,446)	(574,945)
Treasury stock	(1,895,200)	(1,902,964)
Total stockholders' equity	7,757,125	7,476,512
Total liabilities and stockholders' equity	<u>\$ 12,616,022</u>	<u>\$ 12,431,120</u>

See accompanying notes.

AMETEK, Inc.
Consolidated Statement of Stockholders' Equity
(In thousands)
(Unaudited)

	Three months ended March 31,	
	2023	2022
Capital stock		
Common stock, \$0.01 par value		
Balance at the beginning of the period	\$ 2,700	\$ 2,689
Shares issued	4	4
Balance at the end of the period	<u>2,704</u>	<u>2,693</u>
Capital in excess of par value		
Balance at the beginning of the period	1,094,236	1,012,526
Issuance of common stock under employee stock plans	(12,153)	(3,664)
Share-based compensation expense	10,279	9,571
Balance at the end of the period	<u>1,092,362</u>	<u>1,018,433</u>
Retained earnings		
Balance at the beginning of the period	8,857,485	7,900,113
Net income	305,712	272,447
Cash dividends paid	(57,492)	(50,778)
Other	—	(1)
Balance at the end of the period	<u>9,105,705</u>	<u>8,121,781</u>
Accumulated other comprehensive (loss) income		
Foreign currency translation:		
Balance at the beginning of the period	(368,124)	(275,365)
Translation adjustments	32,820	(27,185)
Change in long-term intercompany notes	3,771	(6,867)
Net investment hedge instruments gain (loss), net of tax of \$3,805 and \$(5,831) for the quarter ended March 31, 2023 and 2022, respectively	(11,684)	17,906
Balance at the end of the period	<u>(343,217)</u>	<u>(291,511)</u>
Defined benefit pension plans:		
Balance at the beginning of the period	(206,821)	(195,079)
Amortization of net actuarial loss and other, net of tax of \$(518) and \$(326) for the quarter ended March 31, 2023 and 2022, respectively	1,592	1,000
Balance at the end of the period	<u>(205,229)</u>	<u>(194,079)</u>
Accumulated other comprehensive loss at the end of the period	<u>(548,446)</u>	<u>(485,590)</u>
Treasury stock		
Balance at the beginning of the period	(1,902,964)	(1,573,000)
Issuance of common stock under employee stock plans	14,266	4,095
Purchase of treasury stock	(6,502)	(156,724)
Balance at the end of the period	<u>(1,895,200)</u>	<u>(1,725,629)</u>
Total stockholders' equity	<u>\$ 7,757,125</u>	<u>\$ 6,931,688</u>

See accompanying notes.

AMETEK, Inc.
Condensed Consolidated Statement of Cash Flows
(In thousands)
(Unaudited)

	Three months ended March 31,	
	2023	2022
Cash provided by (used for):		
Operating activities:		
Net income	\$ 305,712	\$ 272,447
Adjustments to reconcile net income to total operating activities:		
Depreciation and amortization	82,379	78,121
Deferred income taxes	(17,587)	(497)
Share-based compensation expense	10,279	9,571
Gain on sale of facilities	—	(7,054)
Net change in assets and liabilities, net of acquisitions	4,883	(138,897)
Pension contributions	(1,415)	(2,137)
Other, net	2,285	(10,213)
Total operating activities	<u>386,536</u>	<u>201,341</u>
Investing activities:		
Additions to property, plant and equipment	(20,006)	(26,389)
Purchases of businesses, net of cash acquired	(99,266)	—
Proceeds from sale of facilities	—	11,754
Other, net	(2,888)	(246)
Total investing activities	<u>(122,160)</u>	<u>(14,881)</u>
Financing activities:		
Net change in short-term borrowings	(155,505)	19,977
Repurchases of common stock	(6,502)	(156,724)
Cash dividends paid	(57,492)	(50,778)
Proceeds from stock option exercises	10,419	8,262
Other, net	(5,886)	(8,180)
Total financing activities	<u>(214,966)</u>	<u>(187,443)</u>
Effect of exchange rate changes on cash and cash equivalents	5,077	(5,485)
Decrease in cash and cash equivalents	<u>54,487</u>	<u>(6,468)</u>
Cash and cash equivalents:		
Beginning of period	345,386	346,772
End of period	<u>\$ 399,873</u>	<u>\$ 340,304</u>

See accompanying notes.

AMETEK, Inc.
Notes to Consolidated Financial Statements
March 31, 2023
(Unaudited)

1. Basis of Presentation

The accompanying consolidated financial statements are unaudited. AMETEK, Inc. (the “Company”) believes that all adjustments (which primarily consist of normal recurring accruals) necessary for a fair presentation of the consolidated financial position of the Company at March 31, 2023, the consolidated results of its operations for the three months ended March 31, 2023 and 2022 and its cash flows for the three months ended March 31, 2023 and 2022 have been included. Quarterly results of operations are not necessarily indicative of results for the full year. The accompanying consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes presented in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022 as filed with the U.S. Securities and Exchange Commission.

2. Revenues

The outstanding contract asset and liability accounts were as follows:

	2023	2022
	(In thousands)	
Contract assets—January 1	\$ 119,741	\$ 95,274
Contract assets – March 31	127,412	102,703
Change in contract assets – increase (decrease)	7,671	7,429
Contract liabilities – January 1	398,692	328,816
Contract liabilities – March 31	432,695	351,053
Change in contract liabilities – (increase) decrease	(34,003)	(22,237)
Net change	\$ (26,332)	\$ (14,808)

The net change for the three months ended March 31, 2023 was primarily driven by contract liabilities, specifically growth in advance payments from customers. For the three months ended March 31, 2023 and 2022, the Company recognized revenue of \$199.3 million and \$181.6 million, respectively, that was previously included in the beginning balance of contract liabilities.

Contract assets are reported as a component of Other current assets in the consolidated balance sheet. At March 31, 2023 and December 31, 2022, \$54.8 million and \$41.0 million of Customer advanced payments (contract liabilities), respectively, were recorded in Other long-term liabilities in the consolidated balance sheets.

The remaining performance obligations not expected to be completed within one year as of March 31, 2023 and December 31, 2022 were \$570.4 million and \$526.0 million, respectively. Remaining performance obligations represent the transaction price of firm, non-cancelable orders, with expected delivery dates to customers greater than one year from the balance sheet date, for which the performance obligation is unsatisfied or partially unsatisfied. These performance obligations will be substantially satisfied within two to three years.

AMETEK, Inc.
Notes to Consolidated Financial Statements
March 31, 2023
(Unaudited)

Geographic Areas

Net sales were attributed to geographic areas based on the location of the customer. Information about the Company's operations in different geographic areas was as follows for the three months ended March 31:

	Three months ended March 31, 2023		
	EIG	EMG	Total
	(In thousands)		
United States	\$ 561,896	\$ 247,119	\$ 809,015
International ⁽¹⁾ :			
United Kingdom	28,038	31,062	59,100
European Union countries	135,658	116,807	252,465
Asia	283,892	50,905	334,797
Other foreign countries	107,763	33,977	141,740
Total international	555,351	232,751	788,102
Consolidated net sales	<u>\$ 1,117,247</u>	<u>\$ 479,870</u>	<u>\$ 1,597,117</u>

(1) Includes U.S. export sales of \$434.2 million for the three months ended March 31, 2023.

	Three months ended March 31, 2022		
	EIG	EMG	Total
	(In thousands)		
United States	\$ 483,626	\$ 230,641	\$ 714,267
International ⁽¹⁾ :			
United Kingdom	27,955	28,757	56,712
European Union countries	120,714	114,149	234,863
Asia	256,420	63,406	319,826
Other foreign countries	99,044	33,813	132,857
Total international	504,133	240,125	744,258
Consolidated net sales	<u>\$ 987,759</u>	<u>\$ 470,766</u>	<u>\$ 1,458,525</u>

(1) Includes U.S. export sales of \$409.2 million for the three months ended March 31, 2022.

Major Products and Services

The Company's major products and services in the reportable segments were as follows:

	Three months ended March 31, 2023		
	EIG	EMG	Total
	(In thousands)		
Process and analytical instrumentation	\$ 794,433	\$ —	\$ 794,433
Aerospace and power	322,814	143,050	465,864
Automation and engineered solutions	—	336,820	336,820
Consolidated net sales	<u>\$ 1,117,247</u>	<u>\$ 479,870</u>	<u>\$ 1,597,117</u>

AMETEK, Inc.
Notes to Consolidated Financial Statements
March 31, 2023
(Unaudited)

	Three months ended March 31, 2022		
	EIG	EMG	Total
	(In thousands)		
Process and analytical instrumentation	\$ 692,692	\$ —	\$ 692,692
Aerospace and power	295,067	126,742	421,809
Automation and engineered solutions	—	344,024	344,024
Consolidated net sales	<u>\$ 987,759</u>	<u>\$ 470,766</u>	<u>\$ 1,458,525</u>

Timing of Revenue Recognition

	Three months ended March 31, 2023		
	EIG	EMG	Total
	(In thousands)		
Products transferred at a point in time	\$ 935,308	\$ 413,601	\$ 1,348,909
Products and services transferred over time	181,939	66,269	248,208
Consolidated net sales	<u>\$ 1,117,247</u>	<u>\$ 479,870</u>	<u>\$ 1,597,117</u>

	Three months ended March 31, 2022		
	EIG	EMG	Total
	(In thousands)		
Products transferred at a point in time	\$ 812,948	\$ 412,654	\$ 1,225,602
Products and services transferred over time	174,811	58,112	232,923
Consolidated net sales	<u>\$ 987,759</u>	<u>\$ 470,766</u>	<u>\$ 1,458,525</u>

Product Warranties

The Company provides limited warranties in connection with the sale of its products. The warranty periods for products sold vary among the Company's operations, but the majority do not exceed one year. The Company calculates its warranty expense provision based on its historical warranty experience and adjustments are made periodically to reflect actual warranty expenses. Product warranty obligations are reported as a component of Accrued liabilities and other in the consolidated balance sheet.

Changes in the accrued product warranty obligation were as follows:

	Three Months Ended March 31,	
	2023	2022
	(In thousands)	
Balance at the beginning of the period	\$ 26,487	\$ 27,478
Accruals for warranties issued during the period	3,411	2,753
Settlements made during the period	(3,224)	(3,023)
Warranty accruals related to acquired businesses and other during the period	133	(166)
Balance at the end of the period	<u>\$ 26,807</u>	<u>\$ 27,042</u>

Accounts Receivable

The Company maintains allowances for estimated losses resulting from the inability of customers to meet their financial obligations to the Company. The Company recognizes an allowance for credit losses, on all accounts receivable and contract assets, which considers risk of future credit losses based on factors such as historical experience, contract terms, as well as general and market business conditions, country, and political risk. Balances are written off when determined to be uncollectible.

AMETEK, Inc.
Notes to Consolidated Financial Statements
March 31, 2023
(Unaudited)

At March 31, 2023, the Company had \$901.5 million of accounts receivable, net of allowances of \$13.3 million. Changes in the allowance were not material for the three months ended March 31, 2023.

3. Earnings Per Share

The calculation of basic earnings per share is based on the weighted average number of common shares considered outstanding during the periods. The calculation of diluted earnings per share reflects the effect of all potentially dilutive securities (principally outstanding stock options and restricted stock grants). The number of weighted average shares used in the calculation of basic earnings per share and diluted earnings per share was as follows:

	Three Months Ended March 31,	
	2023	2022
	(In thousands)	
Weighted average shares:		
Basic shares	230,126	231,481
Equity-based compensation plans	1,103	1,584
Diluted shares	231,229	233,065

4. Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The Company utilizes a valuation hierarchy for disclosure of the inputs to the valuations used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. Level 3 inputs are unobservable inputs based on the Company's own assumptions used to measure assets and liabilities at fair value. A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The following table provides the Company's assets that are measured at fair value on a recurring basis, consistent with the fair value hierarchy, at March 31, 2023 and December 31, 2022:

	March 31, 2023			
	Total	Level 1	Level 2	Level 3
	(In thousands)			
Mutual fund investments	\$ 10,374	\$ 10,374	\$ —	\$ —
Foreign currency forward contracts	16	—	16	—
	December 31, 2022			
	Total	Level 1	Level 2	Level 3
	(In thousands)			
Mutual fund investments	\$ 9,856	\$ 9,856	\$ —	\$ —
Foreign currency forward contracts	3,032	—	3,032	—

The fair value of mutual fund investments is based on quoted market prices. The mutual fund investments are shown as a component of investments and other assets on the consolidated balance sheet.

For the three months ended March 31, 2023 and 2022, gains and losses on the investments noted above were not significant. No transfers between level 1 and level 2 investments occurred during the three months ended March 31, 2023 and 2022.

AMETEK, Inc.
Notes to Consolidated Financial Statements
March 31, 2023
(Unaudited)

Foreign Currency

At March 31, 2023, the Company had a Euro forward contract for a total notional value of 40.0 million Euros and a Canadian dollar forward contract for a notional value of 46.2 million Canadian dollars. Foreign currency forward contracts are valued as level 2 assets as they are corroborated by foreign currency exchange rates and shown as a component of other current assets on the consolidated balance sheet. For the three months ended March 31, 2023, realized and unrealized gains and losses on the foreign currency forward contracts were not significant.

Financial Instruments

Cash, cash equivalents and mutual fund investments are recorded at fair value at March 31, 2023 and December 31, 2022 in the accompanying consolidated balance sheet.

The following table provides the estimated fair values of the Company's financial instrument liabilities, for which fair value is measured for disclosure purposes only, compared to the recorded amounts at March 31, 2023 and December 31, 2022:

	March 31, 2023		December 31, 2022	
	Recorded Amount	Fair Value	Recorded Amount	Fair Value
	(In thousands)			
Long-term debt (including current portion)	\$ (2,178,443)	\$ (2,049,278)	\$ (2,161,643)	\$ (2,010,867)

The fair value of net short-term borrowings approximates the carrying value. The Company's net long-term debt is all privately held with no public market for this debt, therefore, the fair value of net long-term debt was computed based on comparable current market data for similar debt instruments and is considered a level 3 liability.

5. Hedging Activities

The Company has designated certain foreign-currency-denominated long-term borrowings as hedges of the net investment in certain foreign operations. As of March 31, 2023, these net investment hedges included British-pound-and Euro-denominated long-term debt. These borrowings were designed to create net investment hedges in certain designated foreign subsidiaries. The Company designated the British-pound- and Euro-denominated loans as hedging instruments to offset translation gains or losses on the net investment due to changes in the British pound and Euro exchange rates. These net investment hedges are evidenced by management's contemporaneous documentation supporting the hedge designation. Any gain or loss on the hedging instruments (the debt) following hedge designation is reported in accumulated other comprehensive income in the same manner as the translation adjustment on the hedged investment based on changes in the spot rate, which is used to measure hedge effectiveness.

At March 31, 2023, the Company had \$253.5 million of British-pound-denominated loans, which were designated as a hedge against the net investment in British pound functional currency foreign subsidiaries. At March 31, 2023, the Company had \$581.7 million in Euro-denominated loans, which were designated as a hedge against the net investment in Euro functional currency foreign subsidiaries. As a result of the British-pound- and Euro-denominated loans designated and 100% effective as net investment hedges, \$15.5 million of pre-tax currency remeasurement losses have been included in the foreign currency translation component of other comprehensive income for the three months ended March 31, 2023.

AMETEK, Inc.
Notes to Consolidated Financial Statements
March 31, 2023
(Unaudited)

6. Inventories, net

	March 31, 2023	December 31, 2022
(In thousands)		
Finished goods and parts	\$ 139,371	\$ 130,989
Work in process	154,540	138,043
Raw materials and purchased parts	823,140	775,252
Total inventories, net	<u>\$ 1,117,051</u>	<u>\$ 1,044,284</u>

7. Leases

The Company has commitments under operating leases for certain facilities, vehicles and equipment used in its operations. Cash used in operations for operating leases was not materially different from operating lease expense for the three months ended March 31, 2023 and 2022. The Company's leases have a weighted average remaining lease term of approximately 5 years. Certain lease agreements contain provisions for future rent increases.

The components of lease expense were as follows:

	Three Months Ended March 31,	
	2023	2022
(In thousands)		
Operating lease cost	\$ 14,677	\$ 15,378
Variable lease cost	3,230	2,253
Total lease cost	<u>\$ 17,907</u>	<u>\$ 17,631</u>

Supplemental balance sheet information related to leases was as follows:

	March 31, 2023	December 31, 2022
(In thousands)		
Right of use assets, net	\$ 166,985	\$ 170,295
Lease liabilities included in Accrued Liabilities and other	46,462	46,366
Lease liabilities included in Other long-term liabilities	124,975	129,227
Total lease liabilities	<u>\$ 171,437</u>	<u>\$ 175,933</u>

Maturities of lease liabilities as of March 31, 2023 were as follows:

Lease Liability Maturity Analysis	Operating Leases (In thousands)
Remaining 2023	\$ 39,476
2024	42,905
2025	33,100
2026	24,968
2027	16,434
Thereafter	29,942
Total lease payments	186,825
Less: imputed interest	15,388
	<u>\$ 171,437</u>

The Company does not have any significant leases that have not yet commenced.

AMETEK, Inc.
Notes to Consolidated Financial Statements
March 31, 2023
(Unaudited)

8. Acquisitions

Acquisitions

The Company spent \$99.3 million in cash, net of cash acquired, to acquire Bison Gear & Engineering Corp. ("Bison") in March 2023. Bison is a leading manufacturer of highly engineered motion control solutions serving diverse markets and applications. Bison is part of EMG.

The following table represents the allocation of the purchase price for the net assets of the Bison acquisition based on the estimated fair values at acquisition (in millions):

Property, plant and equipment	\$	11.2
Goodwill		22.4
Other intangible assets		52.8
Net working capital and other ⁽¹⁾		12.9
Total cash paid	\$	<u>99.3</u>

(1) Includes \$9.8 million in accounts receivable, whose fair value, contractual cash flows and expected cash flows are approximately equal.

The amount allocated to goodwill is reflective of the benefits the Company expects to realize from the Bison acquisition. Bison's engineering expertise and broad product portfolio complement the Company's existing motion control and automation solutions business. The Company expects approximately \$22.4 million of the goodwill relating to the Bison acquisition will be tax deductible in future years.

At March 31, 2023, the purchase price allocated to other intangible assets of \$52.8 million consists of \$8.8 million of indefinite-lived intangible trade names, which are not subject to amortization. The remaining \$44.0 million of other intangible assets consists of \$33.0 million of customer relationships, which are being amortized over a period of 17 years, and \$11.0 million of purchased technology, which is being amortized over a period of 17 years. Amortization expense for each of the next five years for the 2023 acquisition is expected to approximate \$3 million per year.

The Company finalized its measurements of certain tangible and intangible assets and liabilities for its September 2022 acquisition of Navitar, Inc., which had no material impact to the consolidated statement of income and balance sheet. The Company has substantially completed its purchase accounting, however it is in the process of finalizing the measurement of certain intangible and tangible assets and liabilities, as well as accounting for income taxes, for its October 2022 acquisition of RTDS Technologies.

The Bison acquisition had an immaterial impact on reported net sales, net income, and diluted earnings per share for the three months ended March 31, 2023. Had the acquisition been made at the beginning of 2023 or 2022, pro forma net sales, net income, and diluted earnings per share for the three months ended March 31, 2023 and 2022, would not have been materially different than the amounts reported.

9. Goodwill

The changes in the carrying amounts of goodwill by segment were as follows:

	EIG	EMG	Total
	(In millions)		
Balance at December 31, 2022	\$ 4,236.1	\$ 1,136.5	\$ 5,372.6
Goodwill acquired from 2023 acquisitions	—	22.4	22.4
Purchase price allocation adjustments and other	22.9	—	22.9
Foreign currency translation adjustments	6.3	6.3	12.6
Balance at March 31, 2023	<u>\$ 4,265.3</u>	<u>\$ 1,165.2</u>	<u>\$ 5,430.5</u>

AMETEK, Inc.
Notes to Consolidated Financial Statements
March 31, 2023
(Unaudited)

10. Income Taxes

At March 31, 2023, the Company had gross uncertain tax benefits of \$183.1 million, of which \$134.7 million, if recognized, would impact the effective tax rate.

The following is a reconciliation of the liability for uncertain tax positions (in millions):

Balance at December 31, 2022	\$	174.7
Additions for tax positions		8.4
Reductions for tax positions		—
Balance at March 31, 2023	<u>\$</u>	<u>183.1</u>

The additions above primarily reflect the tax positions for foreign tax planning initiatives. The Company recognizes interest and penalties accrued related to uncertain tax positions in income tax expense. The amounts recognized in income tax expense for interest and penalties during the three months ended March 31, 2023 and 2022 were not significant.

The effective tax rate for the three months ended March 31, 2023 was 19.5%, compared with 19.0% for the three months ended March 31, 2022. The higher effective tax rate in 2023 is primarily due to an increase in the foreign rate differential which reflects a greater proportion of earnings in higher tax jurisdictions.

11. Share-Based Compensation

The Company's share-based compensation plans are described in Note 11, Share-Based Compensation, to the consolidated financial statements in Part II, Item 8, filed on the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

Share Based Compensation Expense

Total share-based compensation expense was as follows:

	Three Months Ended March 31,	
	2023	2022
	(In thousands)	
Stock option expense	\$ 3,584	\$ 3,440
Restricted stock expense	5,040	4,778
Performance restricted stock unit expense	1,655	1,353
Total pre-tax expense	<u>\$ 10,279</u>	<u>\$ 9,571</u>

Pre-tax share-based compensation expense is included in the consolidated statement of income in either Cost of sales or Selling, general and administrative expenses, depending on where the recipient's cash compensation is reported.

AMETEK, Inc.
Notes to Consolidated Financial Statements
March 31, 2023
(Unaudited)

Stock Options

The fair value of each stock option grant is estimated on the grant date using a Black-Scholes-Merton option pricing model. The following weighted average assumptions were used in the Black-Scholes-Merton model to estimate the fair values of stock options granted during the periods indicated:

	Three Months Ended March 31, 2023	Year Ended December 31, 2022
Expected volatility	26.0 %	24.5 %
Expected term (years)	5.0	5.0
Risk-free interest rate	3.54 %	2.33 %
Expected dividend yield	0.72 %	0.65 %
Black-Scholes-Merton fair value per stock option granted	\$ 38.11	\$ 32.54

The following is a summary of the Company's stock option activity and related information:

	Shares (In thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value (In millions)
Outstanding at December 31, 2022	3,060	\$ 79.46		
Granted	453	138.46		
Exercised	(188)	63.07		
Forfeited	(25)	117.84		
Outstanding at March 31, 2023	<u>3,300</u>	<u>\$ 97.70</u>	<u>7.0</u>	<u>\$ 157.2</u>
Exercisable at March 31, 2023	<u>2,336</u>	<u>\$ 82.51</u>	<u>6.0</u>	<u>\$ 146.7</u>

The aggregate intrinsic value of stock options exercised during the three months ended March 31, 2023 was \$15.1 million. The total fair value of stock options vested during the three months ended March 31, 2023 was \$12.6 million. As of March 31, 2023, there was approximately \$29.5 million of expected future pre-tax compensation expense related to the 1.0 million non-vested stock options outstanding, which is expected to be recognized over a weighted average period of approximately two years.

Restricted Stock

The following is a summary of the Company's non-vested restricted stock activity and related information:

	Shares (In thousands)	Weighted Average Grant Date Fair Value
Non-vested restricted stock outstanding at December 31, 2022	356	\$ 117.18
Granted	152	138.48
Vested	(154)	103.97
Forfeited	(10)	120.35
Non-vested restricted stock outstanding at March 31, 2023	<u>344</u>	<u>\$ 132.42</u>

The total fair value of restricted stock vested during the three months ended March 31, 2023 was \$16.0 million. As of March 31, 2023, there was approximately \$40.6 million of expected future pre-tax compensation expense related to the 0.3

AMETEK, Inc.
Notes to Consolidated Financial Statements
March 31, 2023
(Unaudited)

million non-vested restricted shares outstanding, which is expected to be recognized over a weighted average period of approximately two years.

Performance Restricted Stock Units

In March 2023, the Company granted performance restricted stock units ("PRSU") to officers and certain key management-level employees. The PRSUs vest over a period up to three years from the grant date based on continuous service, with the number of shares earned (0% to 200% of the target award) depending upon the extent to which the Company achieves certain financial and market performance targets measured over the period from January 1 of the year of grant to December 31 of the third year. Half of the PRSUs were valued in a manner similar to restricted stock as the financial targets are based on the Company's operating results, which represents a performance condition. The grant date fair value of these PRSUs are recognized as compensation expense over the vesting period based on the probable number of awards to vest at each reporting date.

The other half of the PRSUs were valued using a Monte Carlo model as the performance target is related to the Company's total shareholder return compared to a group of peer companies, which represents a market condition. The Company recognizes the grant date fair value of these awards as compensation expense ratably over the vesting period.

The following is a summary of the Company's non-vested performance restricted stock activity and related information:

	Shares	Weighted Average Grant Date Fair Value
	(In thousands)	
Non-vested performance restricted stock outstanding at December 31, 2022	275	\$ 101.98
Granted	79	138.46
Performance assumption change ¹	48	63.37
Vested	(161)	63.37
Forfeited	—	—
Non-vested performance restricted stock outstanding at March 31, 2023	<u>241</u>	<u>\$ 131.90</u>

¹ Reflects the number of PRSUs above target levels based on performance metrics.

As of March 31, 2023, there was approximately \$15.2 million of expected future pre-tax compensation expense related to the 0.2 million non-vested restricted shares outstanding, which is expected to be recognized over a weighted average period of less than one year.

AMETEK, Inc.
Notes to Consolidated Financial Statements
March 31, 2023
(Unaudited)

12. Retirement and Pension Plans

The components of net periodic pension benefit expense (income) were as follows:

	Three Months Ended March 31,	
	2023	2022
(In thousands)		
Defined benefit plans:		
Service cost	\$ 740	\$ 1,374
Interest cost	7,501	5,120
Expected return on plan assets	(12,996)	(15,268)
Amortization of net actuarial loss and other	2,821	2,174
Pension income	(1,934)	(6,600)
Other plans:		
Defined contribution plans	13,516	13,261
Foreign plans and other	2,571	2,318
Total other plans	16,087	15,579
Total net pension expense	\$ 14,153	\$ 8,979

For defined benefit plans, the net periodic benefit income, other than the service cost component, is included in “Other (expense) income, net” in the consolidated statement of income.

For the three months ended March 31, 2023 and 2022, contributions to the Company’s defined benefit pension plans were \$1.4 million and \$2.1 million, respectively. The Company’s current estimate of 2023 contributions to its worldwide defined benefit pension plans is in line with the range disclosed in Note 12 of the Company’s Annual Report on Form 10-K for the year ended December 31, 2022.

13. Contingencies*Asbestos Litigation*

The Company (including its subsidiaries) has been named as a defendant in a number of asbestos-related lawsuits. Certain of these lawsuits relate to a business which was acquired by the Company and do not involve products which were manufactured or sold by the Company. In connection with these lawsuits, the seller of such business has agreed to indemnify the Company against these claims (the “Indemnified Claims”). The Indemnified Claims have been tendered to, and are being defended by, such seller. The seller has met its obligations, in all respects, and the Company does not have any reason to believe such party would fail to fulfill its obligations in the future. To date, no judgments have been rendered against the Company as a result of any asbestos-related lawsuit. The Company believes that it has good and valid defenses to each of these claims and intends to defend them vigorously.

AMETEK, Inc.
Notes to Consolidated Financial Statements
March 31, 2023
(Unaudited)

Environmental Matters

Certain historic processes in the manufacture of products have resulted in environmentally hazardous waste by-products as defined by federal and state laws and regulations. At March 31, 2023, the Company is named a Potentially Responsible Party (“PRP”) at 13 non-AMETEK-owned former waste disposal or treatment sites (the “non-owned” sites). The Company is identified as a “de minimis” party in 12 of these sites based on the low volume of waste attributed to the Company relative to the amounts attributed to other named PRPs. In eight of these sites, the Company has reached a tentative agreement on the cost of the de minimis settlement to satisfy its obligation and is awaiting executed agreements. The tentatively agreed-to settlement amounts are fully reserved. In the other four sites, the Company is continuing to investigate the accuracy of the alleged volume attributed to the Company as estimated by the parties primarily responsible for remedial activity at the sites to establish an appropriate settlement amount. At the remaining site where the Company is a non-de minimis PRP, the Company is participating in the investigation and/or related required remediation as part of a PRP Group and reserves have been established to satisfy the Company’s expected obligations. The Company historically has resolved these issues within established reserve levels and reasonably expects this result will continue. In addition to these non-owned sites, the Company has an ongoing practice of providing reserves for probable remediation activities at certain of its current or previously owned manufacturing locations (the “owned” sites). For claims and proceedings against the Company with respect to other environmental matters, reserves are established once the Company has determined that a loss is probable and estimable. This estimate is refined as the Company moves through the various stages of investigation, risk assessment, feasibility study and corrective action processes. In certain instances, the Company has developed a range of estimates for such costs and has recorded a liability based on the best estimate. It is reasonably possible that the actual cost of remediation of the individual sites could vary from the current estimates and the amounts accrued in the consolidated financial statements; however, the amounts of such variances are not expected to result in a material change to the consolidated financial statements. In estimating the Company’s liability for remediation, the Company also considers the likely proportionate share of the anticipated remediation expense and the ability of the other PRPs to fulfill their obligations.

Total environmental reserves at March 31, 2023 and December 31, 2022 were \$41.1 million, for both non-owned and owned sites. For the three months ended March 31, 2023, the Company recorded \$2.2 million in reserves. Additionally, the Company spent \$2.2 million on environmental matters for the three months ended March 31, 2023.

The Company has agreements with other former owners of certain of its acquired businesses, as well as new owners of previously owned businesses. Under certain of the agreements, the former or new owners retained, or assumed and agreed to indemnify the Company against, certain environmental and other liabilities under certain circumstances. The Company and some of these other parties also carry insurance coverage for some environmental matters.

The Company believes it has established reserves for the environmental matters described above, which are sufficient to perform all known responsibilities under existing claims and consent orders. In the opinion of management, based on presently available information and the Company’s historical experience related to such matters, an adequate provision for probable costs has been made and the ultimate cost resulting from these actions is not expected to materially affect the consolidated results of operations, financial position or cash flows of the Company.

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

Results of Operations

The following table sets forth net sales and income by reportable segment and on a consolidated basis:

	Three Months Ended March 31,	
	2023	2022
(In thousands)		
Net sales:		
Electronic Instruments	\$ 1,117,247	\$ 987,759
Electromechanical	479,870	470,766
Consolidated net sales	<u>\$ 1,597,117</u>	<u>\$ 1,458,525</u>
Operating income and income before income taxes:		
Segment operating income:		
Electronic Instruments	\$ 309,747	\$ 244,774
Electromechanical	120,504	128,209
Total segment operating income	430,251	372,983
Corporate administrative expenses	(24,710)	(19,743)
Consolidated operating income	405,541	353,240
Interest expense	(20,569)	(19,570)
Other (expense) income, net	(5,373)	2,552
Consolidated income before income taxes	<u>\$ 379,599</u>	<u>\$ 336,222</u>

For the quarter ended March 31, 2023, the Company posted record backlog, operating income, operating margins, and operating cash flow, as well as strong orders, sales, net income, and diluted earnings per share. We achieved these results from organic sales growth in both EIG and EMG, contributions from the acquisitions of Navitar in September 2022 and RTDS in October 2022, as well as our Operational Excellence initiatives. During 2022 and into 2023, we continue to experience heightened levels of inflation in material costs, supply chain constraints, as well as continued uncertainty in the global economy. We expect material cost inflation to remain elevated throughout 2023, but anticipate pricing actions to mitigate this inflationary pressure. In response to supply chain pressures, we have taken actions to build inventory and seek alternative sources of supply to support sales and backlog growth. We continue to evaluate the extent to which these factors will impact our business, financial condition, and results of operations and will take additional actions as necessary throughout 2023 to mitigate this inflationary pressure. For 2023, our record backlog, the full year impact of the 2022 acquisitions, the 2023 acquisition of Bison Gear & Engineering Corp., and continued focus on and implementation of our Operational Excellence initiatives are expected to have a positive impact on the remainder of our 2023 results.

Results of operations for the first quarter of 2023 compared with the first quarter of 2022

Net sales for the first quarter of 2023 were \$1,597.1 million, an increase of \$138.6 million or 9.5%, compared with net sales of \$1,458.5 million for the first quarter of 2022. The increase in net sales for the first quarter of 2023 was due to a 9% increase in organic sales and a 2% increase from acquisitions, partially offset by an unfavorable 2% effect of foreign currency translation.

Total international sales for the first quarter of 2023 were \$788.1 million or 49.3% of net sales, an increase of \$43.7 million or 5.9%, compared with international sales of \$744.4 million or 51.0% of net sales for the first quarter of 2022. The increase in international sales was primarily driven by strong demand in Europe and Asia during the quarter as well as contributions from the 2022 acquisitions.

Orders for the first quarter of 2023 were \$1,812.1 million, an increase of \$109.3 million or 6.4%, compared with \$1,702.8 million for the first quarter of 2022. The increase in orders for the first quarter of 2023 was due to a 1% increase in organic orders and a 5% increase from acquisitions. As a result, the Company's backlog of unfilled orders at March 31, 2023 was a record \$3,433.6 million, an increase of \$215.0 million or 6.7% compared with \$3,218.6 million at December 31, 2022.

Segment operating income for the first quarter of 2023 was \$430.3 million, an increase of \$57.3 million or 15.4%, compared with segment operating income of \$373.0 million for the first quarter of 2022. Segment operating margins, as a percentage of net sales, increased to 26.9% for the first quarter of 2023, compared with 25.6% for the first quarter of 2022.

Segment operating income and operating margins were positively impacted in 2023 by the increase in sales discussed above. In the first quarter of 2022, segment operating income included a \$7.1 million gain on the sale of a facility which increased operating margins 50 basis points.

Cost of sales for the first quarter of 2023 was \$1,022.5 million or 64.0% of net sales, an increase of \$73.7 million or 7.8%, compared with \$948.8 million or 65.1% of net sales for the first quarter of 2022. The cost of sales increase was primarily due to the net sales increase discussed above.

Selling, general and administrative expenses for the first quarter of 2023 were \$169.1 million or 10.6% of net sales, an increase of \$12.6 million or 8.1%, compared with \$156.5 million or 10.7% of net sales for the first quarter of 2022. The selling expenses increase is primarily due to the net sales increase discussed above. General and administrative expenses for the first quarter of 2023 were \$24.7 million, compared with \$19.7 million for the first quarter of 2022. The general and administrative expenses in the first quarter of 2023 include higher employee compensation expense compared to the first quarter of 2022.

Consolidated operating income was a record \$405.5 million or a record 25.4% of net sales for the first quarter of 2023, an increase of \$52.3 million or 14.8%, compared with \$353.2 million or 24.2% of net sales for the first quarter of 2022.

Other expense, net was \$5.4 million for the first quarter of 2023, compared with \$2.6 million of other income, net for the first quarter of 2022, an increase of \$7.9 million. The first quarter of 2023 includes lower pension income compared to the first quarter of 2022.

The effective tax rate for the first quarter of 2023 was 19.5%, compared with 19.0% for the first quarter of 2022. The higher effective tax rate in 2023 is primarily due to an increase in the foreign rate differential which reflects a greater proportion of earnings in higher tax jurisdictions.

Net income for the first quarter of 2023 was \$305.7 million, an increase of \$33.3 million or 12.2%, compared with \$272.4 million for the first quarter of 2022.

Diluted earnings per share for the first quarter of 2023 were \$1.32, an increase of \$0.15 or 12.8%, compared with \$1.17 per diluted share for the first quarter of 2022.

Segment Results

EIG's net sales totaled \$1,117.2 million for the first quarter of 2023, an increase of \$129.4 million or 13.1%, compared with \$987.8 million for the first quarter of 2022. The net sales increase was due to an 11% increase in organic sales and a 3% increase from acquisitions, partially offset by an unfavorable 1% effect of foreign currency translation.

EIG's operating income was a record \$309.7 million for the first quarter of 2023, an increase of \$64.9 million or 26.5%, compared with \$244.8 million for the first quarter of 2022. EIG's operating margins were 27.7% of net sales for the first quarter of 2023, compared with 24.8% for the first quarter of 2022, due to continued benefits from the Company's Operational Excellence initiatives.

EMG's net sales totaled \$479.9 million for the first quarter of 2023, an increase of \$9.1 million or 1.9%, compared with \$470.8 million for the first quarter of 2022. The net sales increase was due to a 4% organic sales increase, partially offset by an unfavorable 2% effect of foreign currency translation.

EMG's operating income was \$120.5 million for the first quarter of 2023, a decrease of \$7.7 million or 6.0%, compared with \$128.2 million for the first quarter of 2022. EMG's operating margins were 25.1% of net sales for the first quarter of 2023, compared with 27.2% for the first quarter of 2022. EMG's operating margins in the first quarter of 2023 were negatively impacted by the dilutive impact of the 2023 acquisition. In the first quarter of 2022, EMG operating income and margins included a \$7.1 million gain on the sale of a facility, which increased EMG operating margins by 150 basis points. Excluding the dilutive impact of the 2023 acquisition and the gain on the sale of a facility, EMG margins increased 60 basis points compared with the first quarter of 2022.

Financial Condition

Liquidity and Capital Resources

Cash provided by operating activities totaled a record \$386.5 million for the first three months of 2023, an increase of \$185.2 million or 92.0%, compared with \$201.3 million for the first three months of 2022. The increase in cash provided by operating activities for the first three months of 2023 was primarily due to improved working capital management and higher net income.

Free cash flow (cash flow provided by operating activities less capital expenditures) was a record \$366.5 million for the first three months of 2023, compared with \$175.0 million for the first three months of 2022. EBITDA (earnings before interest, income taxes, depreciation and amortization) was \$481.7 million for the first three months of 2023, compared with \$433.6 million for the first three months of 2022. Free cash flow and EBITDA are presented because the Company is aware that they are measures used by third parties in evaluating the Company.

Cash used by investing activities totaled \$122.2 million for the first three months of 2023, compared with cash used by investing activities of \$14.9 million for the first three months of 2022. For the first three months of 2023, the Company paid \$99.3 million, net of cash acquired, to purchase Bison Gear & Engineering Corp. For the first three months of 2022, the Company received \$11.8 million from the sale of a facility. Additions to property, plant and equipment totaled \$20.0 million for the first three months of 2023, compared with \$26.4 million for the first three months of 2022.

Cash used by financing activities totaled \$215.0 million for the first three months of 2023, compared with cash used by financing activities of \$187.4 million for the first three months of 2022. At March 31, 2023, total debt, net was \$2,245.9 million, compared with \$2,385.0 million at December 31, 2022. For the first three months of 2023, total borrowings decreased by \$155.5 million compared with a \$20.0 million increase for the first three months of 2022. At March 31, 2023, the Company had available borrowing capacity of \$2,901.0 million under its revolving credit facility, including the \$700 million accordion feature.

The debt-to-capital ratio was 22.5% at March 31, 2023, compared with 24.2% at December 31, 2022. The net debt-to-capital ratio (total debt, net less cash and cash equivalents divided by the sum of net debt and stockholders' equity) was 19.2% at March 31, 2023, compared with 21.4% at December 31, 2022. The net debt-to-capital ratio is presented because the Company is aware that this measure is used by third parties in evaluating the Company.

Additional financing activities for the first three months of 2023 included cash dividends paid of \$57.5 million, compared with \$50.8 million for the first three months of 2022. Effective February 9, 2023, the Company's Board of Directors approved a 14% increase in the quarterly cash dividend on the Company's common stock to \$0.25 per common share from \$0.22 per common share. The Company repurchased \$6.5 million of its common stock for the first three months of 2023, compared with \$156.7 million for the first three months of 2022. Proceeds from stock option exercises were \$10.4 million for the first three months of 2023, compared with \$8.3 million for the first three months of 2022.

As a result of all of the Company's cash flow activities for the first three months of 2023, cash and cash equivalents at March 31, 2023 totaled \$399.9 million, compared with \$345.4 million at December 31, 2022. At March 31, 2023, the Company had \$377.1 million in cash outside the United States, compared with \$334.1 million at December 31, 2022. The Company utilizes this cash to fund its international operations, as well as to acquire international businesses. The Company is in compliance with all covenants, including financial covenants, for all of its debt agreements. The Company believes it has sufficient cash-generating capabilities from domestic and unrestricted foreign sources, available credit facilities and access to long-term capital funds to enable it to meet its operating needs and contractual obligations in the foreseeable future.

Critical Accounting Policies

The Company's critical accounting policies are detailed in Part II, Item 7, Management's Discussion and Analysis of Financial Condition of its Annual Report on Form 10-K for the year ended December 31, 2022. Primary disclosure of the Company's significant accounting policies is also included in Note 1 to the Consolidated Financial Statements included in Part II, Item 8 of its Annual Report on Form 10-K.

Forward-Looking Information

Information contained in this discussion, other than historical information, is considered “forward-looking statements” and is subject to various factors and uncertainties that may cause actual results to differ significantly from expectations. These factors and uncertainties include risks related to the COVID-19 pandemic and its potential impact on AMETEK’s operations, supply chain, and demand across key end markets; general economic conditions affecting the industries the Company serves; changes in the competitive environment or the effects of competition in the Company’s markets; risks associated with international sales and operations; the Company’s ability to consummate and successfully integrate future acquisitions; the Company’s ability to successfully develop new products, open new facilities or transfer product lines; the price and availability of raw materials; compliance with government regulations, including environmental regulations; and the ability to maintain adequate liquidity and financing sources. A detailed discussion of these and other factors that may affect the Company’s future results is contained in AMETEK’s filings with the U.S. Securities and Exchange Commission, including its most recent reports on Form 10-K, 10-Q, and 8-K. AMETEK disclaims any intention or obligation to update or revise any forward-looking statements, unless required by the securities laws to do so.

Item 4. Controls and Procedures

The Company maintains a system of disclosure controls and procedures that is designed to provide reasonable assurance that information, which is required to be disclosed, is accumulated and communicated to management in a timely manner. Under the supervision and with the participation of our management, including the Company’s principal executive officer and principal financial officer, we have evaluated the effectiveness of our system of disclosure controls and procedures as required by Exchange Act Rule 13a-15(b) as of March 31, 2023. Based on that evaluation, the Company’s principal executive officer and principal financial officer concluded that the Company’s disclosure controls and procedures are effective at the reasonable assurance level.

Such evaluation did not identify any change in the Company’s internal control over financial reporting during the quarter ended March 31, 2023 that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II. OTHER INFORMATION**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

(c) Purchase of equity securities by the issuer and affiliated purchasers.

The following table reflects purchases of AMETEK, Inc. common stock by the Company during the three months ended March 31, 2023:

Period	Total Number of Shares Purchased (1)(2)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan (2)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan
January 1, 2023 to January 31, 2023	60	\$ 144.63	60	\$ 823,894,358
February 1, 2023 to February 28, 2023	382	145.26	382	823,838,869
March 1, 2023 to March 31, 2023	46,573	138.23	46,573	817,400,913
Total	47,015	\$ 138.30	47,015	

(1) Represents shares surrendered to the Company to satisfy tax withholding obligations in connection with employees' share-based compensation awards.

(2) Consists of the number of shares purchased pursuant to the Company's Board of Directors \$1 billion authorization for the repurchase of its common stock announced in May 2022. Such purchases may be effected from time to time in the open market or in private transactions, subject to market conditions and at management's discretion.

Item 6. Exhibits

Exhibit Number	Description
31.1*	Certification of Chief Executive Officer, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Chief Executive Officer, Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Chief Financial Officer, Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101).

* Filed electronically herewith.

SIGNATURES

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

AMETEK, Inc.

By: /s/ THOMAS M. MONTGOMERY

Thomas M. Montgomery
Senior Vice President – Comptroller
(Principal Accounting Officer)

May 2, 2023

CERTIFICATIONS

I, David A. Zapico, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of AMETEK, Inc. (the “registrant”);
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 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 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 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: May 2, 2023

/s/ DAVID A. ZAPICO

David A. Zapico

Chairman of the Board and Chief Executive Officer

CERTIFICATIONS

I, William J. Burke, certify that:

1. 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;
2. 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;
3. 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;
4. The registrant's other certifying officer 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 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;
 - b) 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
 - 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
5. The registrant's other certifying officer 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 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: May 2, 2023

/s/ WILLIAM J. BURKE

William J. Burke

Executive Vice President – Chief Financial Officer

AMETEK, Inc.

**Certification Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of AMETEK, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David A. Zapico, Chairman of the Board and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

/s/ DAVID A. ZAPICO

David A. Zapico

Chairman of the Board and Chief Executive Officer

Date: May 2, 2023

A signed original of this written statement required by Section 906 has been provided to AMETEK, Inc. and will be retained by AMETEK, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

AMETEK, Inc.

**Certification Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of AMETEK, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William J. Burke, Executive Vice President – Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

/s/ WILLIAM J. BURKE

William J. Burke

Executive Vice President – Chief Financial Officer

Date: May 2, 2023

A signed original of this written statement required by Section 906 has been provided to AMETEK, Inc. and will be retained by AMETEK, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.