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 March 31, 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: 001-38095

Ingersoll Rand Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**46-2393770**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

525 Harbour Place Drive, Suite 600
Davidson, North Carolina 28036
(Address of Principal Executive Offices) (Zip Code)

(704) 655-4000
(Registrant's Telephone Number, Including Area Code)

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, $0.01 Par Value per share	IR	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	☐	Emerging growth Company	☐
Non-accelerated filer	☐	Smaller reporting company	☐		

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

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

The registrant had outstanding 403,462,733 shares of Common Stock, par value $0.01 per share, as of April 25, 2025.

INGERSOLL RAND INC. AND SUBSIDIARIES

FORM 10-Q

INDEX

	Page No.
PART I. FINANCIAL INFORMATION	
Item 1. Financial Statements	5
Condensed Consolidated Statements of Operations (Unaudited)	5
Condensed Consolidated Statements of Comprehensive Income (Loss) (Unaudited)	6
Condensed Consolidated Balance Sheets (Unaudited)	7
Condensed Consolidated Statements of Stockholders' Equity (Unaudited)	8
Condensed Consolidated Statements of Cash Flows (Unaudited)	9
Notes to Condensed Consolidated Financial Statements	10
Note 1. Basis of Presentation and Recent Accounting Pronouncements	10
Note 2. Acquisitions	10
Note 3. Restructuring	13
Note 4. Allowance for Credit Losses	14
Note 5. Inventories	14
Note 6. Goodwill and Other Intangible Assets	14
Note 7. Supply Chain Finance Program	15
Note 8. Accrued Liabilities	16
Note 9. Benefit Plans	16
Note 10. Debt	17
Note 11. Stock-Based Compensation Plans	19
Note 12. Accumulated Other Comprehensive Loss	21
Note 13. Hedging Activities and Derivative Instruments	22
Note 14. Fair Value Measurements	26
Note 15. Revenue from Contracts with Customers	28
Note 16. Income Taxes	30
Note 17. Other Operating Expense, Net	30
Note 18. Contingencies	30
Note 19. Segment Reporting	31
Note 20. Earnings Per Share	33
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	34
Item 3. Quantitative and Qualitative Disclosures About Market Risk	44
Item 4. Controls and Procedures	44
PART II. OTHER INFORMATION	
Item 1. Legal Proceedings	45
Item 1A. Risk Factors	45
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	45
Item 3. Defaults Upon Senior Securities	45
Item 4. Mine Safety Disclosures	45
Item 5. Other Information	45
Item 6. Exhibits	46
SIGNATURES	47

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

In addition to historical information, this Form 10-Q may contain “forward-looking statements” within the meaning of the “safe harbor provisions” of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts included in this Form 10-Q, including statements concerning our plans, objectives, goals, beliefs, business strategies, future events, business conditions, results of operations, financial position, business outlook, business trends and other information, may be forward-looking statements. Words such as “estimates,” “expects,” “contemplates,” “will,” “anticipates,” “projects,” “plans,” “intends,” “believes,” “forecasts,” “may,” “should” and variations of such words or similar expressions are intended to identify forward-looking statements. The forward-looking statements are not historical facts, and are based upon our current expectations, beliefs, estimates and projections, and various assumptions, many of which, by their nature, are inherently uncertain and beyond our control. Our expectations, beliefs, estimates and projections are expressed in good faith and we believe there is a reasonable basis for them. However, there can be no assurance that management’s expectations, beliefs, estimates and projections will result or be achieved and actual results may vary materially from what is expressed in or indicated by the forward-looking statements.

There are a number of risks, uncertainties and other important factors, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking statements contained in this Form 10-Q. Such risks, uncertainties and other important factors that could cause actual results to differ include, among others, the risks, uncertainties and factors set forth under “Part I, Item 1A. Risk Factors” and “Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (the “2024 Annual Report”) and under “Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this Form 10-Q, as such risk factors may be updated from time to time in our periodic filings with the SEC, and are accessible on the SEC’s website at www.sec.gov, and also include the following:

- We have exposure to the risks associated with instability in the global economy and financial markets, which may negatively impact our revenues, liquidity, suppliers and customers.
- More than half of our sales and operations are in non-U.S. jurisdictions and we are subject to the economic, political, regulatory and other risks of international operations.
- Information systems failure or disruption, due to cyber terrorism or other actions, may adversely impact our business and result in financial loss to the Company or liability to our customers.
- Acquisitions, including integrating such acquisitions, and dispositions create certain risks and may affect our operating results.
- The nature of our products creates the possibility of significant product liability, warranty claims, and product recalls, which could harm our business.
- A natural disaster, catastrophe, pandemic, or other event could adversely affect our operations.
- Large or rapid increases in the cost of raw materials and component parts, substantial decreases in their availability or our dependence on particular suppliers of raw materials and component parts could materially and adversely affect our operating results.
- We face competition in the markets we serve, which could materially and adversely affect our operating results.
- Our results of operations are subject to exchange rate and other currency risks. A significant movement in exchange rates could adversely impact our results of operations and cash flows.
- If we are unable to develop new products and technologies, our competitive position may be impaired, which could materially and adversely affect our sales and market share.
- Shareholder, customer and regulatory agency emphasis on environmental, social, and governance responsibility may impose additional costs on us or expose us to new risks.
- Uncertainties with respect to the development, and use of artificial intelligence in our business and products may result in harm to our business and reputation.
- Our business could suffer if we experience employee work stoppages, union and work council campaigns or other labor difficulties.
- Changes in tax laws and regulations, or adverse determinations by taxing or other governmental authorities could increase our effective tax rate and cash taxes paid or otherwise affect our financial condition or operating results.
- Our success depends on our ability to attract, retain and develop key personnel and other talent throughout the Company.
- The risk of non-compliance with U.S. and foreign laws and regulations applicable to our international operations could have a significant impact on our results of operations, financial condition or strategic objectives.
- Third parties may infringe upon our intellectual property or may claim we have infringed their intellectual property, and we may expend significant resources enforcing or defending our rights or suffer competitive injury.

- The loss of, or disruption in, our distribution network could have a negative impact on our abilities to ship products, meet customer demand and otherwise operate our business.
- Our ongoing and expected restructuring plans and other cost savings initiatives may not be as effective as we anticipate, and we may fail to realize the cost savings and increased efficiencies that we expect to result from these actions. Our operating results could be negatively affected by our inability to effectively implement such restructuring plans and other cost savings initiatives.
- Cost overruns, delays, penalties or liquidated damages could negatively impact our results, particularly with respect to fixed-price contracts for custom engineered products.
- Our operating results could be adversely affected by a loss or reduction of business with key customers or consolidation or the vertical integration of our customer base.
- Credit and counterparty risks could harm our business.
- A significant portion of our assets consists of goodwill and other intangible assets, the value of which may be reduced if we determine that those assets are impaired.
- Environmental compliance costs and liabilities could adversely affect our financial condition.
- We face risks associated with our pension and other postretirement benefit obligations.
- Our indebtedness could have important adverse consequences and adversely affect our financial condition.
- We may not be able to generate sufficient cash to service all of our indebtedness, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.
- Despite our level of indebtedness, we and our subsidiaries may still be able to incur substantially more debt, including off-balance sheet financing, contractual obligations and general and commercial liabilities. This could further exacerbate the risks to our financial condition.
- Our fixed rate to floating rate swap contracts subject us to risks related to interest rate risk, counterparty credit worthiness and non-performance on these instruments.
- If the syndicate of financial institutions which are parties to our Revolving Credit Facility (as defined herein) fail to extend credit under our Revolving Credit Facility, our liquidity and results of operations may be adversely affected.

We caution you that the risks, uncertainties and other factors referenced above may not contain all of the risks, uncertainties and other factors that are important to you. In addition, we cannot assure you that we will realize the results, benefits or developments that we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our business in the way expected. There can be no assurance that (i) we have correctly measured or identified all of the factors affecting our business or the extent of these factors' likely impact, (ii) the available information with respect to these factors on which such analysis is based is complete or accurate, (iii) such analysis is correct or (iv) our strategy, which is based in part on this analysis, will be successful. All forward-looking statements in this report apply only as of the date of this report or as of the date they were made and, except as required by applicable law, we undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise.

All references to "we," "us," "our," the "Company" or "Ingersoll Rand" in this Quarterly Report on Form 10-Q mean Ingersoll Rand Inc. and its subsidiaries, unless the context otherwise requires.

Website Disclosure

We use our website *www.irco.com* as a channel of distribution of Company information. Financial and other important information regarding us is routinely accessible through and posted on our website. Accordingly, investors should monitor our website, in addition to following our press releases, SEC filings and public conference calls and webcasts. In addition, you may automatically receive e-mail alerts and other information about Ingersoll Rand Inc. when you enroll your email address by visiting the "Investor Alerts" section of our website at *investors.irco.com*. The contents of our website are not, however, a part of this Quarterly Report on Form 10-Q.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

INGERSOLL RAND INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited; in millions, except per share amounts)

	For the Three Month Period Ended March 31,	
	2025	**2024**
Revenues	$ 1,716.8	$ 1,670.1
Cost of sales	951.3	923.8
Gross Profit	765.5	746.3
Selling and administrative expenses	350.0	336.3
Amortization of intangible assets	91.3	91.6
Other operating expense, net	21.7	25.2
Operating Income	302.5	293.2
Interest expense	61.2	36.8
Other income, net	(11.8)	(13.2)
Income Before Income Taxes	253.1	269.6
Provision for income taxes	58.5	54.4
Loss on equity method investments	(6.2)	(10.7)
Net Income	188.4	204.5
Less: Net income attributable to noncontrolling interests	1.9	2.3
Net Income Attributable to Ingersoll Rand Inc.	$ 186.5	$ 202.2
Basic earnings per share	0.46	0.50
Diluted earnings per share	0.46	0.50

The accompanying notes are an integral part of these condensed consolidated financial statements.

INGERSOLL RAND INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited; in millions)

	For the Three Month Period Ended March 31,	
	2025	**2024**
Comprehensive Income Attributable to Ingersoll Rand Inc.		
Net income attributable to Ingersoll Rand Inc.	$ 186.5	$ 202.2
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments, net	123.7	(73.5)
Unrecognized loss on cash flow hedges	(3.1)	(0.1)
Pension and other postretirement prior service cost and gain (loss), net	(2.6)	(1.4)
Total other comprehensive income (loss), net of tax	118.0	(75.0)
Comprehensive income attributable to Ingersoll Rand Inc.	$ 304.5	$ 127.2
Comprehensive Income Attributable to Noncontrolling Interests		
Net income attributable to noncontrolling interests	$ 1.9	$ 2.3
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments, net	0.7	(0.8)
Total other comprehensive income (loss), net of tax	0.7	(0.8)
Comprehensive income attributable to noncontrolling interests	2.6	1.5
Total Comprehensive Income	$ 307.1	$ 128.7

The accompanying notes are an integral part of these condensed consolidated financial statements.

INGERSOLL RAND INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited; in millions, except share amounts)

	March 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 1,612.8	$ 1,541.2
Accounts receivable, net of allowance for credit losses of $63.0 and $57.3, respectively	1,348.3	1,335.4
Inventories	1,133.0	1,055.0
Other current assets	257.6	231.9
Total current assets	4,351.7	4,163.5
Property, plant and equipment, net of accumulated depreciation of $606.2 and $567.5, respectively	852.9	842.1
Goodwill	8,339.1	8,148.1
Other intangible assets, net	4,360.5	4,372.8
Deferred tax assets	26.3	26.1
Other assets	448.9	457.2
Total assets	$ 18,379.4	$ 18,009.8
Liabilities and Stockholders' Equity		
Current liabilities:		
Short-term borrowings and current maturities of long-term debt	$ 1.7	$ 3.1
Accounts payable	780.4	843.6
Accrued liabilities	1,044.7	972.2
Total current liabilities	1,826.8	1,818.9
Long-term debt, less current maturities	4,770.4	4,754.4
Pensions and other postretirement benefits	142.5	139.3
Deferred income tax liabilities	756.6	757.6
Other liabilities	329.4	294.3
Total liabilities	$ 7,825.7	$ 7,764.5
Commitments and contingencies (Note 18)	—	—
Stockholders' equity		
Common stock, $0.01 par value; 1,000,000,000 shares authorized; 431,384,081 and 430,745,964 shares issued as of March 31, 2025 and December 31, 2024, respectively	4.3	4.3
Capital in excess of par value	9,651.7	9,633.6
Retained earnings	2,681.9	2,503.5
Accumulated other comprehensive loss	(350.5)	(468.5)
Treasury stock at cost; 27,951,713 and 27,865,885 shares as of March 31, 2025 and December 31, 2024, respectively	(1,502.6)	(1,493.9)
Total Ingersoll Rand Inc. stockholders' equity	$ 10,484.8	$ 10,179.0
Noncontrolling interests	68.9	66.3
Total stockholders' equity	$ 10,553.7	$ 10,245.3
Total liabilities and stockholders' equity	$ 18,379.4	$ 18,009.8

The accompanying notes are an integral part of these condensed consolidated financial statements.

INGERSOLL RAND INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited; in millions)

	Three Month Period Ended March 31, 2025								
	Common Stock								
	Shares Issued	Par	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Ingersoll Rand Inc. Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at beginning of period	430.7	$ 4.3	$ 9,633.6	$ 2,503.5	$ (468.5)	$ (1,493.9)	$ 10,179.0	$ 66.3	$ 10,245.3
Net income	—	—	—	186.5	—	—	186.5	1.9	188.4
Dividends declared	—	—	—	(8.1)	—	—	(8.1)	—	(8.1)
Issuance of common stock for stock-based compensation plans	0.7	—	5.1	—	—	—	5.1	—	5.1
Purchases of treasury stock	—	—	—	—	—	(10.0)	(10.0)	—	(10.0)
Issuance of treasury stock for stock-based compensation plans	—	—	(1.2)	—	—	1.3	0.1	—	0.1
Stock-based compensation	—	—	14.2	—	—	—	14.2	—	14.2
Other comprehensive income, net of tax	—	—	—	—	118.0	—	118.0	0.7	118.7
Balance at end of period	431.4	$ 4.3	$ 9,651.7	$ 2,681.9	$ (350.5)	$ (1,502.6)	$ 10,484.8	$ 68.9	$ 10,553.7

	Three Month Period Ended March 31, 2024								
	Common Stock								
	Shares Issued	Par	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Ingersoll Rand Inc. Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at beginning of period	428.6	$ 4.3	$ 9,550.8	$ 1,697.2	$ (227.6)	$ (1,240.9)	$ 9,783.8	$ 62.9	$ 9,846.7
Net income	—	—	—	202.2	—	—	202.2	2.3	204.5
Dividends declared	—	—	—	(8.1)	—	—	(8.1)	—	(8.1)
Issuance of common stock for stock-based compensation plans	1.1	—	10.1	—	—	—	10.1	—	10.1
Purchases of treasury stock	—	—	—	—	—	(72.9)	(72.9)	—	(72.9)
Issuance of treasury stock for stock-based compensation plans	—	—	(5.2)	—	—	6.3	1.1	—	1.1
Stock-based compensation	—	—	14.1	—	—	—	14.1	—	14.1
Other comprehensive loss, net of tax	—	—	—	—	(75.0)	—	(75.0)	(0.8)	(75.8)
Balance at end of period	429.7	$ 4.3	$ 9,569.8	$ 1,891.3	$ (302.6)	$ (1,307.5)	$ 9,855.3	$ 64.4	$ 9,919.7

The accompanying notes are an integral part of these condensed consolidated financial statements.

INGERSOLL RAND INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited; in millions)

	For the Three Month Period Ended March 31,	
	2025	**2024**
Cash Flows From Operating Activities:		
Net income	$ 188.4	$ 204.5
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of intangible assets	91.3	91.6
Depreciation	28.7	25.6
Stock-based compensation expense	14.2	14.1
Loss on equity method investments	6.2	10.7
Foreign currency transaction losses (gains), net	6.8	(0.7)
Non-cash adjustments to carrying value of LIFO inventories	3.0	6.7
Other non-cash adjustments	2.4	1.4
Changes in assets and liabilities:		
Receivables	25.3	(11.5)
Inventories	(54.1)	(58.2)
Accounts payable	(70.4)	(101.5)
Accrued liabilities	39.7	(1.8)
Other assets and liabilities, net	(25.1)	(19.3)
Net cash provided by operating activities	256.4	161.6
Cash Flows Used In Investing Activities:		
Capital expenditures	(33.7)	(62.3)
Net cash paid in acquisitions	(163.4)	(143.3)
Net cash used in investing activities	(197.1)	(205.6)
Cash Flows Used In Financing Activities:		
Principal payments on long-term debt	—	(7.1)
Purchases of treasury stock	(10.0)	(72.9)
Cash dividends on common shares	(8.1)	(8.1)
Proceeds from stock option exercises	5.2	11.2
Payments of deferred and contingent acquisition consideration	(1.4)	(2.2)
Other financing	4.3	(0.5)
Net cash used in financing activities	(10.0)	(79.6)
Effect of exchange rate changes on cash and cash equivalents	22.3	(19.6)
Net increase (decrease) in cash and cash equivalents	71.6	(143.2)
Cash and cash equivalents, beginning of period	1,541.2	1,595.5
Cash and cash equivalents, end of period	$ 1,612.8	$ 1,452.3
Supplemental Cash Flow Information		
Cash paid for income taxes, net of refunds	$ 40.5	$ 43.5
Cash paid for interest, net of interest rate derivative settlements	33.3	58.2

The accompanying notes are an integral part of these condensed consolidated financial statements.

INGERSOLL RAND INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited; in millions, except per share amounts)

Note 1. Basis of Presentation and Recent Accounting Pronouncements

Basis of Presentation

Ingersoll Rand Inc. is a diversified, global provider of mission-critical flow creation products, and industrial and life science solutions. The accompanying condensed consolidated financial statements include the accounts of Ingersoll Rand Inc. and its majority-owned subsidiaries (collectively referred to herein as "Ingersoll Rand," "Company," "we," "us," "our," or "ourselves").

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial reporting, the instructions for Form 10-Q and Article 10 of the U.S. Securities and Exchange Commission ("SEC") Regulation S-X. In the Company's opinion, the condensed consolidated financial statements reflect all adjustments of a normal recurring nature necessary for a fair statement of the results for the interim periods presented. The condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2024 ("2024 Annual Report").

The results of operations for the three month period ended March 31, 2025 are not necessarily indicative of future results.

Recently Adopted Accounting Standard Updates ("ASU")

In November 2023, the Financial Accounting Standards Board (the "FASB") issued Accounting Standard Update ("ASU") 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The amendments in this update are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The amendments in this update were applied retrospectively to all prior periods presented in the financial statements. The segment expense categories and amounts disclosed in the prior periods were based on the significant segment expense categories identified and disclosed in Note 19 "Segment Reporting." The adoption has modified our disclosures but has not had a material effect on our consolidated financial statements.

Recently Issued Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which addresses investor requests for more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The amendments in this update are effective for annual periods beginning after December 15, 2024. Early adoption is permitted for annual statements that have not yet been issued or made available for issuance. The amendments in this update should be applied on a prospective basis. Retrospective application is permitted. The adoption will modify our disclosures but is not expected to have a material effect on our consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which requires disclosure of additional disaggregated information about significant expenses within relevant income statement captions, such as purchases of inventory, employee compensation, depreciation, amortization, and depletion. The amendment is effective for fiscal years beginning after December 15, 2026. Early adoption is permitted. The amendment should be applied prospectively; however, retrospective application is permitted. Management is currently evaluating this ASU to determine its impact on the Company's disclosures.

Note 2. Acquisitions

Acquisitions in 2025

On February 3, 2025, the Company completed the acquisition of SSI Aeration, Inc. ("SSI") for cash consideration of $96.3 million. The business is a manufacturer of wastewater treatment plant equipment. The acquisition will enable Ingersoll Rand to combine several technologies like low pressure compressors with SSI's aeration offerings to provide a comprehensive, end-to-end solution. SSI has been reported within the Industrial Technologies and Services segment.

On February 3, 2025, the Company completed the acquisition of Excelsior Blower Systems, Inc. (“Excelsior”) for cash consideration of $17.4 million. The business is a manufacturer of blower packages. Excelsior has been reported within the Industrial Technologies and Services segment.

On February 3, 2025, the Company completed the acquisition of Cullum & Brown of Kansas City, Inc. (“Cullum & Brown”) for initial cash consideration of $49.8 million and contingent consideration of up to $10.0 million. The business is a provider of compressors, blowers, pumps and associated parts and services. Cullum & Brown has been reported within the Industrial Technologies and Services segment.

Other acquisitions completed during the three months ended March 31, 2025 include a sales and service business, which has been reported within the Industrial Technologies and Services segment. The aggregate consideration for this acquisition was $3.2 million.

The following table summarizes the allocation of consideration for all businesses acquired in 2025 to the fair values of identifiable assets acquired and liabilities assumed at the acquisition dates. Initial accounting for these acquisitions is preliminary, and amounts assigned to acquired assets and liabilities assumed are subject to change as information necessary to complete the analysis is obtained.

Accounts receivable	$ 14.6
Inventories	11.4
Other current assets	0.3
Property, plant and equipment	4.1
Goodwill	113.3
Other intangible assets	42.0
Other assets	0.4
Total current liabilities	(9.1)
Deferred tax liabilities	(0.4)
Other noncurrent liabilities	(0.2)
Total consideration	$ 176.4

The aggregate revenue and operating income (loss) included in the condensed consolidated financial statements for these acquisitions subsequent to the dates of acquisition was $9.5 million and $(0.7) million for the three month period ended March 31, 2025, respectively. The operating loss of these acquired businesses include the effects of acquisition-related accounting adjustments such as amortization of intangible assets and fair value adjustments to acquired inventory.

Acquisitions in 2024

On February 1, 2024, the Company completed the acquisition of Friulair S.r.l. (“Friulair”) for initial cash consideration of $143.3 million and contingent consideration of up to approximately $11.0 million. The business is a manufacturer of dryers, filters, aftercoolers, and accessories for the treatment of compressed air and its chiller product line. The acquisition is intended to increase the scale of the Company’s air dryer business and will add new chiller production capabilities. Friulair has been reported within the Industrial Technologies and Services segment. The goodwill arising from the acquisition is primarily attributable to revenue and cost synergies, anticipated growth of new and existing customers, and the assembled workforce. Substantially all of this goodwill is not expected to be deductible for tax purposes.

On April 1, 2024, the Company completed the acquisition of Controlled Fluidics, LLC (“Controlled Fluidics”) for initial cash consideration of $49.9 million and contingent consideration of up to $2.0 million. The business specializes in thermoplastic, high-performance plastic bonding and custom plastic assembly products for life science, medical, aerospace, and industrial applications. The acquisition will complement Ingersoll Rand’s current life science offerings and increase the Company’s market share in high-growth, sustainable end markets. Controlled Fluidics has been reported within the Precision and Science Technologies segment.

On April 2, 2024, the Company completed the acquisition of Ethafilter s.r.l. (“Ethafilter”) for cash consideration of $15.5 million. The business primarily produces filters and filter elements that can be used with all major brands in the compressed air sector. The acquisition will expand Ingersoll Rand’s product portfolio, extend its reach in highly attractive end markets with the addition of sterile filter technology, and drive ongoing growth from aftermarket services and offerings. Ethafilter has been reported within the Industrial Technologies and Services segment.

On May 1, 2024, the Company completed the acquisition of Air Systems, LLC (“Air Systems”) for cash consideration of $34.9 million. The business is a provider of compressed air services. Air Systems has been reported within the Industrial Technologies and Services segment.

On May 31, 2024, the Company completed the acquisition of Complete Air and Power Solutions (“CAPS”) for cash consideration of $99.3 million. The business is a provider of compressed air and power generation services. The acquisition is expected to expand the Company’s channel within Australia. CAPS has been reported within the Industrial Technologies and Services segment.

On May 31, 2024, the Company completed the acquisition of Fruvac Ltd. (“Fruitland Manufacturing”) for cash consideration of $28.0 million. The business is a manufacturer of mobile and truck mounted vacuum pumps, systems, and peripheral parts. The acquisition is expected to expand the Company’s capabilities to include low flow applications in the mobile vacuum market. Fruitland Manufacturing has been reported within the Industrial Technologies and Services segment.

On June 1, 2024, the Company completed the acquisition of Del PD Pumps & Gear Pvt Ltd. (“Del Pumps”) for cash consideration of $25.2 million. The business is a manufacturer of rotary, twin, and triple gear pumps for the loading, unloading, transfer, and pressurization of liquids. The acquisition will complement the Company’s portfolio of mission critical, high margin pumping solutions across life science, food and beverage, medical, natural gas, and wastewater treatment industries. Del Pumps has been reported within the Precision and Science Technologies segment.

On June 3, 2024, the Company completed the acquisition of Astronaut Topco, LP and Astronaut Topco GP, LLC (collectively “ILC Dover”) for initial cash consideration of $2,349.7 million and contingent consideration of up to $75.0 million. ILC Dover’s offerings include solutions for biopharmaceutical, pharmaceutical, and medical device markets as well as products for the space industry and has been reported in the Precision and Science Technologies segment. The amount allocated to definite-lived intangible assets represents the estimated fair values of customer relationships of $620.5 million and technology of $142.0 million and will be amortized over the estimated remaining useful lives of 14 years and 8 years, respectively. The amount allocated to indefinite-lived intangible assets represents the estimated fair values of tradenames of $207.5 million and goodwill of $1,316.6 million. The goodwill arising from the acquisition is primarily attributable to revenue and cost synergies, anticipated growth of new and existing customers, and the assembled workforce. The majority of this goodwill is not expected to be deductible for tax purposes.

On October 1, 2024, the Company completed the acquisition of Air Power Systems Co LLC (“APSCO”) for cash consideration of $113.2 million. The business is a provider of hydraulic and pneumatic products and engineered solutions serving diverse specialty work truck vehicles. APSCO’s offerings include hydraulic coolers, systems, and components in addition to pneumatic consoles, cylinders, valves, and switches. The acquisition will expand Ingersoll Rand’s position in the dry and liquid bulk markets with energy efficient, innovative solutions. APSCO has been reported within the Industrial Technologies and Services segment. The majority of this goodwill is expected to be deductible for tax purposes.

On October 1, 2024, the Company completed the acquisition of Blutek S.r.l. (“Blutek”) for cash consideration of $9.6 million. The business specializes in the design and production of highly engineered solutions for compressed air and nitrogen generation in mission-critical environments. The acquisition will increase Ingersoll Rand’s ability to compete in high specification projects, adding technology capabilities, expertise, and aftermarket potential in high-growth end markets including biogas and carbon capture. Blutek has been reported within the Industrial Technologies and Services segment.

On October 1, 2024, the Company completed the acquisition of UT Pumps & Systems Private Ltd. (“UT Pumps”) for cash consideration of $11.7 million. The business is a manufacturer of screw pumps and triplex plunger pumps. The acquisition adds new pump technology to Ingersoll Rand’s portfolio. Its high-pressure pumps are mainly focused on attractive end markets including water, wastewater, food and beverage, pharmaceuticals, general industrial, and chemicals. UT Pumps has been reported within the Precision and Science Technologies segment.

On October 31, 2024, the Company completed the acquisition of Penn Valley Pump Co., LLC (“Penn Valley Pumps”) for cash consideration of $33.2 million. The business is a manufacturer of positive displacement pumps with its Double Disc Pump technology for use in the municipal, industrial, chemical, and food industries. Penn Valley Pumps has been reported within the Precision and Science Technologies segment.

Other acquisitions completed during the year ended December 31, 2024 include several sales and service businesses and a manufacturer of vacuum pumps and accessories, substantially all of which have been reported within the Industrial Technologies and Services segment. The aggregate consideration for these acquisitions was $55.4 million.

The following table summarizes the allocation of consideration for all businesses acquired in 2024 to the fair values of identifiable assets acquired and liabilities assumed at the acquisition dates. Initial accounting for Friulair, Controlled Fluidics, Ethafilter, and Air Systems is complete. Initial accounting for other acquisitions completed in 2024 is preliminary and amounts assigned to acquired assets and liabilities assumed are subject to change as information necessary to complete the analysis is obtained.

	ILC Dover	Friulair	APSCO	All Others	Total
Accounts receivable	$ 41.2	$ 14.2	$ 6.4	$ 37.5	$ 99.3
Inventories	78.7	13.2	7.5	45.6	145.0
Other current assets	35.1	0.5	0.5	4.6	40.7
Property, plant and equipment	90.8	7.2	2.3	18.4	118.7
Goodwill	1,316.6	69.2	51.6	239.7	1,677.1
Other intangible assets	972.6	84.5	48.1	80.5	1,185.7
Other assets	15.8	—	3.5	6.0	25.3
Total current liabilities	(31.4)	(11.6)	(3.7)	(54.8)	(101.5)
Deferred tax liabilities	(152.2)	(24.6)	—	(8.7)	(185.5)
Other noncurrent liabilities	(17.5)	(2.8)	(3.0)	(5.8)	(29.1)
Total consideration	$ 2,349.7	$ 149.8	$ 113.2	$ 363.0	$ 2,975.7

The revenues included in the condensed consolidated financial statements for these acquisitions subsequent to their date of acquisition was $139.5 million and $11.3 million for the three month periods ended March 31, 2025 and 2024, respectively. The operating income included in the condensed consolidated financial statements for these acquisitions subsequent to their date of acquisition was $7.9 million and $0.5 million for the three month periods ended March 31, 2025 and 2024, respectively. The operating income of these acquired businesses include the effects of acquisition-related accounting adjustments such as amortization of intangible assets and fair value adjustments to acquired inventory.

Note 3. Restructuring

2025 and 2024 Actions

The Company continues to undertake restructuring actions to optimize our cost structure. Charges incurred from actions taken in 2025 and 2024 include workforce restructuring, facility consolidation and other exit and disposal costs.

For the three month periods ended March 31, 2025 and 2024, “Restructuring charges, net” were recognized within “Other operating expense, net” in the Condensed Consolidated Statements of Operations and consisted of the following.

	For the Three Month Period Ended March 31,	
	2025	2024
Industrial Technologies and Services	$ 4.0	$ 5.1
Precision and Science Technologies	1.4	4.4
Corporate	(0.1)	0.2
Restructuring charges, net	$ 5.3	$ 9.7

The following table summarizes the activity associated with the Company’s restructuring programs for the three month periods ended March 31, 2025 and 2024.

	For the Three Month Period Ended March 31,	
	2025	2024
Balance at beginning of period	$ 22.3	$ 15.5
Charged to expense - termination benefits	4.7	9.3
Charged to expense - other	0.6	0.4
Payments	(11.1)	(4.3)
Currency translation adjustment and other	0.5	(0.3)
Balance at end of period	$ 17.0	$ 20.6

Note 4. Allowance for Credit Losses

The allowance for credit losses for the three month periods ended March 31, 2025 and 2024 consisted of the following.

	For the Three Month Period Ended March 31,	
	2025	2024
Balance at beginning of the period	$ 57.3	$ 53.8
Provision charged to expense	4.8	2.5
Write-offs, net of recoveries	(0.6)	(0.3)
Foreign currency translation and other	1.5	(0.7)
Balance at end of the period	$ 63.0	$ 55.3

Note 5. Inventories

Inventories as of March 31, 2025 and December 31, 2024 consisted of the following.

	March 31, 2025	December 31, 2024
Raw materials, including parts and subassemblies	$ 702.0	$ 675.1
Work-in-process	109.8	116.3
Finished goods	403.4	342.8
	1,215.2	1,134.2
LIFO reserve	(82.2)	(79.2)
Inventories	$ 1,133.0	$ 1,055.0

Note 6. Goodwill and Other Intangible Assets

Goodwill

The changes in the carrying amount of goodwill attributable to each reportable segment for the three month period ended March 31, 2025 is presented in the table below.

	Industrial Technologies and Services	Precision and Science Technologies	Total
Balance at beginning of period	$ 4,930.7	$ 3,217.4	$ 8,148.1
Acquisitions	113.3	—	113.3
Foreign currency translation and other[1]	46.1	31.6	77.7
Balance at end of period	$ 5,090.1	$ 3,249.0	$ 8,339.1

(1) Includes measurement period adjustments

As of both March 31, 2025 and December 31, 2024, goodwill included accumulated impairment losses of $220.6 million within the Industrial Technologies and Services segment.

Other Intangible Assets, Net

Other intangible assets as of March 31, 2025 and December 31, 2024 consisted of the following.

	March 31, 2025			December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized intangible assets						
Customer lists and relationships	$ 4,083.4	$ (1,923.2)	$ 2,160.2	$ 4,010.1	$ (1,830.1)	$ 2,180.0
Technology	545.6	(260.9)	284.7	549.1	(243.3)	305.8
Tradenames	68.9	(34.4)	34.5	63.6	(32.4)	31.2
Backlog	1.4	(1.4)	—	4.3	(4.2)	0.1
Other	147.3	(115.0)	32.3	128.5	(112.1)	16.4
Unamortized intangible assets						
Tradenames	1,848.8	—	1,848.8	1,839.3	—	1,839.3
Total other intangible assets	$ 6,695.4	$ (2,334.9)	$ 4,360.5	$ 6,594.9	$ (2,222.1)	$ 4,372.8

Intangible Asset Impairment Considerations

As of March 31, 2025 and December 31, 2024, there were no indications that the carrying value of goodwill and other intangible assets may not be recoverable. The current macro-economic uncertainty increases the risk of negative changes in forecast estimates, or the need to apply alternative assumptions in future periods. Two reporting units in our Precision and Science Technologies segment have limited cushions due to the fair values assigned from the recent ILC Dover acquisition. This results in elevated impairment risk for the goodwill of these reporting units and their associated other intangible assets.

Note 7. Supply Chain Finance Program

The Company has agreements with financial institutions to facilitate a supply chain finance program (the “SCF Program”). Under the SCF Program, qualifying suppliers may elect to sell their receivables from the Company to the financial institution. Participating suppliers negotiate arrangements for sale of their receivables directly with the financial institution, and the terms of the Company’s payment obligations are not impacted by a supplier’s participation in the SCF Program. Once a qualifying supplier elects to participate in the SCF Program and reaches an agreement with the financial institution, the supplier elects which individual Company invoices they sell to the financial institution. However, all of the Company’s payments to participating suppliers are paid to the financial institution on the invoice due date, regardless of whether the individual invoice is sold by the supplier to the financial institution. The Company has not pledged any assets as security or provided other forms of guarantees. All outstanding amounts related to suppliers participating in the SCF Program are recorded within “Accounts payable” in our Condensed Consolidated Balance Sheets, and the associated payments are included in “Net cash provided by operating activities” within our Condensed Consolidated Statements of Cash Flows. Included in “Accounts payable” in the Condensed Consolidated Balance Sheets as of March 31, 2025 and December 31, 2024 were $27.0 million and $24.5 million of outstanding payment obligations, respectively, that were sold to the financial institution by participating suppliers.

Note 8. Accrued Liabilities

Accrued liabilities as of March 31, 2025 and December 31, 2024 consisted of the following.

	March 31, 2025	December 31, 2024
Salaries, wages and related fringe benefits	$ 252.8	$ 229.5
Contract liabilities	328.9	318.6
Product warranty	62.7	67.9
Operating lease liabilities	62.3	56.3
Restructuring	17.0	22.3
Taxes	91.9	72.5
Accrued interest	60.8	33.2
Other	168.3	171.9
Total accrued liabilities	$ 1,044.7	$ 972.2

A reconciliation of the changes in the accrued product warranty liability for the three month periods ended March 31, 2025 and 2024 are as follows.

	For the Three Month Period Ended March 31,	
	2025	2024
Balance at beginning of period	$ 67.9	$ 61.9
Product warranty accruals	1.3	13.6
Settlements	(7.3)	(9.3)
Foreign currency translation and other	0.8	(0.6)
Balance at end of period	$ 62.7	$ 65.6

Note 9. Benefit Plans

Net Periodic Benefit Cost

The following table summarizes the components of net periodic benefit cost for the Company’s defined benefit pension plans and other postretirement benefit plans recognized for the three month periods ended March 31, 2025 and 2024.

	Pension Benefits					
	U.S. Plans		Non-U.S. Plans		Other Postretirement Benefits	
	For the Three Month Period Ended March 31,					
	2025	2024	2025	2024	2025	2024
Service cost	$ —	$ —	$ 0.7	$ 0.7	$ —	$ —
Interest cost	3.5	3.5	2.8	2.7	0.1	0.2
Expected return on plan assets	(2.8)	(3.3)	(2.3)	(2.8)	—	—
Recognition of:						
Unrecognized prior service cost	—	—	—	—	(2.7)	—
Unrecognized net actuarial loss	—	—	(0.2)	(0.3)	(0.2)	(0.2)
	$ 0.7	$ 0.2	$ 1.0	$ 0.3	$ (2.8)	$ —

The components of net periodic benefit cost other than the service cost component are included in “Other income, net” in the Condensed Consolidated Statements of Operations.

Note 10. Debt

Debt as of March 31, 2025 and December 31, 2024 is summarized as follows.

	March 31, 2025	December 31, 2024
Short-term borrowings	$ 0.3	$ 1.7
Long-term debt:		
5.197% Senior Notes, due June 2027(1)	699.9	699.9
5.400% Senior Notes, due August 2028(1)	498.7	498.6
5.176% Senior Notes, due June 2029(1)	750.0	750.0
5.314% Senior Notes, due June 2031(1)	500.0	500.0
5.700% Senior Notes, due August 2033(1)	993.6	993.4
5.450% Senior Notes, due June 2034(1)	749.6	749.5
5.700% Senior Notes, due June 2054(1)	597.6	597.6
Finance leases and other long-term debt	13.8	14.1
Swap valuation adjustments	13.5	(0.3)
Unamortized debt issuance costs	(44.9)	(47.0)
Total long-term debt, net, including current maturities	4,771.8	4,755.8
Current maturities of long-term debt	1.4	1.4
Total long-term debt, net	$ 4,770.4	$ 4,754.4

(1) This amount is net of unamortized discounts. Total unamortized discounts aggregated to $10.6 million and $11.0 million as of March 31, 2025 and December 31, 2024, respectively.

Senior Notes

On May 10, 2024, the Company issued $3,300.0 million in aggregate principal amount of senior unsecured notes comprised of $700.0 million aggregate principal amount of 5.197% Senior Notes due 2027 (the “2027 Notes”), $750.0 million aggregate principal amount of 5.176% Senior Notes due 2029 (the “2029 Notes”), $500.0 million aggregate principal amount of 5.314% Senior Notes due 2031 (the “2031 Notes”), $750.0 million aggregate principal amount of 5.450% Senior Notes due 2034 (the “2034 Notes”) and $600.0 million aggregate principal amount of 5.700% Senior Notes due 2054 (the “2054 Notes” and, together with the 2027 Notes, 2029 Notes, 2031 Notes and 2034 Notes, the “New Notes,” and collectively with the existing senior unsecured notes, the “Senior Notes”). The Company used the net proceeds of the 2034 Notes and the 2054 Notes to repay in full all indebtedness under, and terminate all commitments and discharge and release all guarantees in respect of, the Company’s former senior secured credit facilities and used the remaining net proceeds of such New Notes for general corporate purposes. The Company used the net proceeds of the 2027 Notes, the 2029 Notes and the 2031 Notes to partially fund the cash consideration of the acquisition of ILC Dover, with any remaining cash consideration funded with cash on hand. The New Notes were issued pursuant to a base indenture, dated as of August 14, 2023 (the “Base Indenture”), between the Company and Deutsche Bank Trust Company Americas, as trustee (the “Trustee”), as supplemented by the third supplemental indenture (the “Supplemental Indenture” and, together with the Base Indenture, the “New Indenture”) dated as of May 10, 2024, between the Company and the Trustee. The interest payment dates for the New Notes are June 15 and December 15 of each year, with interest payable in arrears.

On August 14, 2023, the Company completed its issuance of $1,500.0 million in aggregate principal amount of senior unsecured notes comprised of $500.0 million aggregate principal amount of 5.400% Senior Notes due August 2028 (the “2028 Senior Notes”) and $1,000.0 million aggregate principal amount of 5.700% Senior Notes due August 2033 (the “2033 Senior Notes” and, together with the 2028 Senior Notes, the “Existing Notes”). The Company used the proceeds of the offering of the Existing Notes to repay a portion of the amounts outstanding under its former senior secured credit facilities. The Existing Notes were issued pursuant to the Base Indenture, as supplemented by a 2028 Supplemental Indenture No. 1 with respect to the 2028 Senior Notes and a 2033 Senior Notes Supplemental Indenture No. 1 with respect to the 2033 Senior Notes, each dated as of August 14, 2023, between the Company and the Trustee (collectively, the “Existing Indenture”). The interest payment dates for the Senior Notes are February 14 and August 14 of each year, with interest payable in arrears.

Prior to (i) May 15, 2027, in the case of the 2027 Notes, (ii) July 14, 2028, in the case of the 2028 Senior Notes, (iii) May 15, 2029, in the case of the 2029 Notes, (iv) April 15, 2031, in the case of the 2031 Notes, (v) May 14, 2033, in the case of the 2033 Senior Notes, (vi) March 15, 2034, in the case of the 2034 Notes, and (vii) December 15, 2053, in the case of the 2054 Notes, the Company may redeem the Senior Notes of a series at its option, in whole or in part, at any time from time to time, at a “make-whole" premium, plus accrued and unpaid interest thereon to, but not including, the redemption date. On or after (i) May 15, 2027, in the case of the 2027 Notes, (ii) July 14, 2028, in the case of the 2028 Senior Notes, (iii) May 15, 2029, in the case of the 2029 Notes, (iv) April 15, 2031, in the case of the 2031 Notes, (v) May 14, 2033, in the case of the 2033 Senior Notes, (vi) March 15, 2034, in the case of the 2034 Notes, and (vii) December 15, 2053, in the case of the 2054 Notes, the Company may redeem the Senior Notes of a series at its option, in whole or in part, at any time from time to time, at a price equal to 100% of the principal amount of the Senior Notes of such series to be redeemed, plus accrued and unpaid interest thereon to, but not including, the redemption date. Additionally, if the Company experiences certain types of change of control transactions, the Company must offer to repurchase the Senior Notes at 101% of the aggregate principal amount of the Senior Notes repurchased (or such higher amount as the Company may determine) plus accrued and unpaid interest thereon to, but not including, the date of repurchase.

The Senior Notes are senior unsecured obligations of the Company and rank equally in right of payment with all of the Company's other senior unsecured indebtedness from time to time outstanding, senior in right of payment to all of the Company's subordinated indebtedness from time to time outstanding, and effectively junior to all of the indebtedness and other liabilities of the Company's subsidiaries from time to time outstanding and to all of the Company's secured indebtedness from time to time outstanding to the extent of the value of the assets securing such secured indebtedness.

The Existing Indenture and New Indenture contain covenants that limit the Company's (and its subsidiaries') ability to, among other things: (i) create liens on certain assets; (ii) consolidate, merge, sell or otherwise dispose of all or substantially all of its consolidated assets; and (iii) enter into sale and leaseback transactions with respect to certain assets, as well as customary events of default and covenants for an issuer of investment grade debt securities.

Revolving Credit Facility

On May 10, 2024, the Company entered into a credit agreement (the "Revolving Credit Facility"), with the lenders party thereto and Citibank, N.A., as administrative agent. The Revolving Credit Facility provides for a senior unsecured revolving facility in an aggregate committed amount of $2,600 million, a portion of which is available for the issuance of letters of credit in U.S. dollars, EUR or GBP. The Revolving Credit Facility will mature on May 10, 2029, subject to up to two additional one-year extensions pursuant to the terms of the Revolving Credit Facility.

Borrowings under the Revolving Credit Facility (other than borrowings in EUR or GBP) bear interest at a rate determined, at the Company's option, based on either (i) an alternate base rate or (ii) a Term SOFR rate with a 0.10% per annum Term SOFR adjustment, plus, in each case, an applicable margin that varies depending on the credit rating of the Company. Borrowings under the Revolving Credit Facility in EUR (if any) bear interest at a EURIBOR rate, plus, in each case, an applicable margin that varies depending on the credit rating of the Company. Borrowings under the Revolving Credit Facility in GBP (if any) bear interest at a daily simple SONIA rate plus, in each case, an applicable margin that varies depending on the credit rating of the Company.

The financial covenant in the Revolving Credit Facility requires the Company to maintain, as of the last day of each fiscal quarter, a ratio of adjusted consolidated total net debt to consolidated adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA") of not more than 3.50 to 1.00, provided that the Company may elect to increase such ratio to 4.00 to 1.00 following a qualified acquisition up to two times, each for a period of four fiscal quarters beginning with the quarter during which such qualified acquisition is consummated (and if the second election occurs during the first increase period, such increase will be effective for a total of eight consecutive fiscal quarters).

As of March 31, 2025, the aggregate amount of commitments under the Revolving Credit Facility was $2,600.0 million and the capacity under the Revolving Credit Facility to issue letters of credit was $200.0 million. As of March 31, 2025, the Company had no outstanding borrowings under the Revolving Credit Facility, no outstanding letters of credit under the Revolving Credit Facility and unused availability under the Revolving Credit Facility of $2,600.0 million.

As of March 31, 2025, we were in compliance with all covenants under our Senior Notes and Revolving Credit Facility.

Commercial Paper Program

On August 13, 2024, the Company established a commercial paper program (the "Commercial Paper Program"), pursuant to which it may issue short-term, unsecured commercial paper notes in a maximum aggregate principal amount of $2,600 million, with maturities of up to 397 days from the date of issuance. The proceeds of the notes issued under the Commercial Paper Program may be used for various purposes including acquisitions. The Company had no outstanding borrowings under the Commercial Paper Program as of March 31, 2025.

Fair Value of Debt

The fair value of the Company's debt instruments was $4.9 billion at March 31, 2025 and December 31, 2024. The Company measures the fair value of its debt instruments for disclosure purposes based upon observable market prices quoted on public exchanges for similar assets. These fair value inputs are considered Level 2 within the fair value hierarchy. See Note 14, "Fair Value Measurements" for information on the fair value hierarchy.

Note 11. Stock-Based Compensation Plans

The Company has outstanding stock-based compensation awards granted under the 2013 Stock Incentive Plan ("2013 Plan") and the 2017 Omnibus Incentive Plan (as amended by the First Amendment, dated April 27, 2021, "2017 Plan") as described in Note 18, "Stock-Based Compensation Plans" to the consolidated financial statements in its 2024 Annual Report.

The Company's stock-based compensation awards are generally granted in the first quarter of the year and consist of stock options, restricted stock units and performance stock units. In some instances, such as death, awards may vest concurrently with or following an employee's termination.

Stock-Based Compensation

For the three month periods ended March 31, 2025 and 2024, the Company recognized stock-based compensation expense of $14.2 million and $14.1 million, respectively. These costs are included in "Cost of sales" and "Selling and administrative expenses" in the Condensed Consolidated Statements of Operations.

As of March 31, 2025, there was $146.1 million of total unrecognized compensation expense related to outstanding stock options, restricted stock unit awards and performance stock unit awards granted to employees and non-employee directors, as well as 200,000 conditional stock options awarded during the third quarter of 2022 to our Chairman and CEO in which the service date precedes the grant date, and will be granted upon achievement of certain performance targets. These 200,000 stock options have not been included in the Stock Option Awards section below since the grant date has not occurred.

Stock Option Awards

Stock options are granted to employees with an exercise price equal to the fair value of the Company's per share common stock on the date of grant. Stock option awards typically vest over four years or five years and expire ten years from the date of grant.

A summary of the Company's stock option activity for the three month period ended March 31, 2025 is presented in the following table (underlying shares in thousands).

	Shares	Weighted-Average Exercise Price (per share)
Stock options outstanding as of December 31, 2024	4,185	$ 43.33
Granted	665	83.36
Exercised or settled	(141)	37.00
Forfeited	(22)	70.52
Expired	(2)	84.26
Stock options outstanding as of March 31, 2025	4,685	49.06
Vested as of March 31, 2025	3,034	33.74

The following assumptions were used to estimate the fair value of options granted during the three month periods ended March 31, 2025 and 2024 using the Black-Scholes option-pricing model.

	For the Three Month Period Ended March 31,	
Assumptions	2025	2024
Expected life of options (in years)	6.3 - 7.5	6.3 - 7.5
Risk-free interest rate	4.1% - 4.2%	4.3%
Assumed volatility	34.2% - 34.3%	35.1% - 35.2%
Expected dividend rate	0.1 %	0.1 %

Restricted Stock Unit Awards

Restricted stock units are granted to employees and non-employee directors based on the market price of the Company's common stock on the grant date and recognized in compensation expense over the vesting period. A summary of the Company's restricted stock unit activity for the three month period ended March 31, 2025 is presented in the following table (underlying shares in thousands).

	Shares	Weighted-Average Grant-Date Fair Value
Non-vested as of December 31, 2024	834	$ 73.00
Granted	284	83.36
Vested	(267)	62.45
Forfeited	(21)	79.69
Non-vested as of March 31, 2025	830	79.77

Performance Stock Unit ("PSUs") Awards

Annually, during the first quarter, the Company grants TSR PSUs to certain officers in which the number of shares issued at the end of the performance period is determined by the Company's total shareholder return percentile rank versus the S&P 500 index for the three year performance period. The grant date fair value of these awards is determined using a Monte Carlo simulation pricing model and compensation cost is recognized straight-line over a three year period.

During the third quarter of 2022, the Company granted Special TSR PSUs to its Chairman and CEO that will become earned (but not vested) on the first date during the five year performance period on which the sum of (i) the 60-day volume-weighted average closing price of the Company's common stock, plus (ii) the cumulative value of any dividends paid during the five year performance period equals or exceeds $81.85. The grant date fair value of these awards is determined using a Monte Carlo simulation pricing model and compensation cost is recognized straight-line over a five year period. The share price performance goal was achieved on March 6, 2024, but the PSUs will not vest until September 1, 2027, generally subject to Mr. Reynal's continued employment through such date. The Company also granted its Chairman and CEO Special EPS PSUs that are eligible to vest based on the level of compounded annual growth rate of the Company's Adjusted EPS during the five year performance period. The grant date fair value of these awards is based on the market price of the Company's common stock on the grant date and recognized as a compensation expense over a 4.3 year period.

A summary of the Company's performance stock unit activity for the three month period ended March 31, 2025 is presented in the following table (underlying shares in thousands).

	Shares	Weighted-Average Grant-Date Fair Value
Non-vested as of December 31, 2024	1,339	$ 54.28
Granted	147	70.71
Change in units based on performance	127	63.39
Vested	(255)	63.39
Non-vested as of March 31, 2025	1,358	55.20

The following assumptions were used to estimate the fair value of performance stock units granted during the three month periods ended March 31, 2025 and 2024 using the Monte Carlo simulation pricing model.

Assumptions	For the Three Month Period Ended March 31, 2025	2024
Expected term (in years)	2.8	2.8
Risk-free interest rate	4.0%	4.5 %
Assumed volatility	28.6%	28.9 %
Expected dividend rate	0.1 %	0.1 %

Note 12. Accumulated Other Comprehensive Loss

The Company's other comprehensive income (loss) consists of (i) unrealized foreign currency net gains and losses on the translation of the assets and liabilities of its foreign operations; (ii) realized and unrealized foreign currency gains and losses on certain hedges of net investments in foreign operations, net of income taxes; (iii) unrealized gains and losses on cash flow hedges (consisting of interest rate swap and cap contracts), net of income taxes; and (iv) pension and other postretirement prior service cost and actuarial gains or losses, net of income taxes. See Note 9 "Benefit Plans" and Note 13 "Hedging Activities and Derivative Instruments."

The before tax income (loss) and related income tax effect are as follows.

	For the Three Month Period Ended March 31, 2025			2024		
	Before-Tax Amount	Tax Benefit (Expense)	Net of Tax Amount	Before-Tax Amount	Tax Benefit (Expense)	Net of Tax Amount
Foreign currency translation adjustments, net	$ 114.5	$ 9.2	$ 123.7	$ (67.4)	$ (6.1)	$ (73.5)
Unrecognized losses on cash flow hedges	(3.0)	(0.1)	(3.1)	(0.1)	—	(0.1)
Pension and other postretirement benefit prior service cost and gain or loss, net	(3.5)	0.9	(2.6)	(1.9)	0.5	(1.4)
Other comprehensive income (loss)	$ 108.0	$ 10.0	$ 118.0	$ (69.4)	$ (5.6)	$ (75.0)

The tables above include only the other comprehensive income (loss), net of tax, attributable to Ingersoll Rand Inc. Other comprehensive income (loss), net, attributable to noncontrolling interest holders was $0.7 million and $(0.8) million for the three month periods ended March 31, 2025 and 2024, respectively, and related entirely to foreign currency translation adjustments.

Changes in accumulated other comprehensive loss by component for the three month periods ended March 31, 2025 and 2024 are presented in the following table, net of tax.

	Foreign Currency Translation Adjustments, Net	Cash Flow Hedges	Pension and Other Postretirement Benefit Plans	Total
Balance as of December 31, 2024	$ (479.6)	$ 3.1	$ 8.0	$ (468.5)
Other comprehensive income (loss) before reclassifications	127.4	(0.9)	(0.3)	126.2
Amounts reclassified from accumulated other comprehensive loss	(3.7)	(2.2)	(2.3)	(8.2)
Other comprehensive income (loss)	123.7	(3.1)	(2.6)	118.0
Balance as of March 31, 2025	$ (355.9)	$ —	$ 5.4	$ (350.5)

	Foreign Currency Translation Adjustments, Net	Cash Flow Hedges	Pension and Other Postretirement Benefit Plans	Total
Balance as of December 31, 2023	$ (248.0)	$ 12.2	$ 8.2	$ (227.6)
Other comprehensive income (loss) before reclassifications	(70.4)	3.4	(1.0)	(68.0)
Amounts reclassified from accumulated other comprehensive loss	(3.1)	(3.5)	(0.4)	(7.0)
Other comprehensive loss	(73.5)	(0.1)	(1.4)	(75.0)
Balance as of March 31, 2024	$ (321.5)	$ 12.1	$ 6.8	$ (302.6)

Reclassifications out of accumulated other comprehensive loss for the three month periods ended March 31, 2025 and 2024 are presented in the following table.

Amount Reclassified from Accumulated Other Comprehensive Loss

Details about Accumulated Other Comprehensive Loss Components	For the Three Month Period Ended March 31, 2025	For the Three Month Period Ended March 31, 2024	Affected Line(s) in the Statement Where Net Income is Presented
Cash flow hedges (interest rate swaps and caps)	$ (3.0)	$ (4.7)	Interest expense
Provision for income taxes	0.8	1.2	Provision for income taxes
Cash flow hedges (interest rate swaps and caps), net of tax	$ (2.2)	$ (3.5)	
Net investment hedges	$ (5.0)	$ (4.2)	Interest expense
Provision for income taxes	1.3	1.1	Provision for income taxes
Net investment hedges, net of tax	$ (3.7)	$ (3.1)	
Amortization of defined benefit pension and other postretirement benefit items[(1)]	$ (3.1)	$ (0.5)	Cost of sales and Selling and administrative expenses
Provision for income taxes	0.8	0.1	Provision for income taxes
Amortization of defined benefit pension and other postretirement benefit items, net of tax	$ (2.3)	$ (0.4)	
Total reclassifications for the period, net of tax	$ (8.2)	$ (7.0)	

(1) These components are included in the computation of net periodic benefit cost. See Note 9 "Benefit Plans" for additional details.

Note 13. Hedging Activities and Derivative Instruments

Hedging Activities

The Company is exposed to certain market risks during the normal course of its business arising from adverse changes in interest rates and foreign currency exchange rates. The Company selectively uses derivative financial instruments ("derivatives"), including cross-currency interest rate swap and foreign currency forward contracts and interest rate swap and cap contracts, to manage the risks from fluctuations in foreign currency exchange rates and interest rates, respectively. The Company does not purchase or hold derivatives for trading or speculative purposes.

The Company manages its debt centrally, considering tax consequences and its overall financing strategies. The Company manages its exposure to interest rate risk by using interest rate derivatives as cash flow hedges of variable rate debt or fair value hedges of fixed rate debt in order to adjust the relative fixed and variable proportions. The Company's exposure to interest rate risk results primarily from its fixed rate to floating rate interest rate swap contracts.

A substantial portion of the Company's operations is conducted by its subsidiaries outside of the United States in currencies other than the USD. Almost all of the Company's non-U.S. subsidiaries conduct their business primarily in their local currencies, which are also their functional currencies. The USD, the EUR, GBP, Chinese Renminbi and Indian rupee are the principal currencies in which the Company and its subsidiaries enter into transactions. The Company is exposed to the impacts of changes in foreign currency exchange rates on the translation of its non-U.S. subsidiaries' assets, liabilities and earnings into USD. The Company manages this exposure by having certain U.S. subsidiaries borrow in currencies other than the USD or utilizing cross-currency interest rate swaps as net investment hedges.

The Company and its subsidiaries are also subject to the risk that arises when they, from time to time, enter into transactions in currencies other than their functional currency. To mitigate this risk, the Company and its subsidiaries typically settle intercompany trading balances at least quarterly. The Company also selectively uses forward currency contracts to manage this risk. These contracts for the sale or purchase of European and other currencies generally mature within one year.

Derivative Instruments

The following table summarizes the notional amounts, fair values and classification of the Company's outstanding derivatives by risk category and instrument type within the Condensed Consolidated Balance Sheets as of March 31, 2025 and December 31, 2024.

March 31, 2025

Derivative Classification		Notional Amount[(1)]	Fair Value[(1)] Other Current Assets	Fair Value[(1)] Other Assets	Fair Value[(1)] Accrued Liabilities	Fair Value[(1)] Other Liabilities
Derivatives Designated as Hedging Instruments						
Interest rate swap contracts	Fair Value	$ 1,000.0	$ —	$ 14.6	$ 1.1	$ —
Cross-currency interest rate swap contracts	Net investment	1,332.7	18.3	—	—	31.6
Derivatives Not Designated as Hedging Instruments						
Foreign currency forwards	Fair value	$ 143.2	$ 1.8	$ —	$ —	$ —
Foreign currency forwards	Fair value	54.5	—	—	0.5	—

December 31, 2024

Derivative Classification		Notional Amount[(1)]	Fair Value[(1)] Other Current Assets	Fair Value[(1)] Other Assets	Fair Value[(1)] Accrued Liabilities	Fair Value[(1)] Other Liabilities
Derivatives Designated as Hedging Instruments						
Interest rate swap contracts	Fair Value	$ 750.0	$ —	$ 1.4	$ 0.9	$ 0.9
Cross-currency interest rate swap contracts	Net investment	1,074.3	11.5	15.8	—	—
Derivatives Not Designated as Hedging Instruments						
Foreign currency forwards	Fair Value	$ 124.3	$ 1.8	$ —	$ —	$ —
Foreign currency forwards	Fair Value	69.0	—	—	1.2	—

(1) Notional amounts represent the gross contract amounts of the outstanding derivatives excluding the total notional amount of positions that have been effectively closed through offsetting positions. The net gains and net losses associated with positions that have been effectively closed through offsetting positions but not yet settled are included in the asset and liability derivatives fair value columns, respectively.

Payments to settle cross-currency swaps are classified as financing cash flows in the Condensed Consolidated Statements of Cash Flows. All other cash flows related to derivatives are classified as operating cash flows in the Condensed Consolidated Statements of Cash Flows.

There were no off-balance sheet derivative instruments as of March 31, 2025 or December 31, 2024.

Interest Rate Swap Contracts Designated as Fair Value Hedges

As of March 31, 2025, the Company was the variable rate payor on four interest rate swap contracts that effectively convert a total of $400.0 million of the Company's fixed rate borrowings to variable rate borrowings. These contracts expire in May 2029. These swap agreements qualify as hedging instruments and have been designated as fair value hedges of $400.0 million of the 2029 Notes, and were considered to be perfectly effective under the shortcut method.

As of March 31, 2025, the Company was the variable rate payor on two interest rate swap contracts that effectively convert a total of $250.0 million of the Company's fixed rate borrowings to variable rate borrowings. These contracts expire in April 2031.

These swap agreements qualify as hedging instruments and have been designated as fair value hedges of $250.0 million of the 2031 Notes, and were considered to be perfectly effective under the shortcut method.

As of March 31, 2025, the Company was the variable rate payor on two interest rate swap contracts that effectively convert a total of $250.0 million of the Company's fixed rate borrowings to variable rate borrowings. These contracts expire in May 2033. These swap agreements qualify as hedging instruments and have been designated as fair value hedges of $250.0 million of the 2033 Notes, and were considered to be perfectly effective under the shortcut method.

As of March 31, 2025, the Company was the variable rate payor on one interest rate swap contract that effectively convert a total of $100.0 million of the Company's fixed rate borrowings to variable rate borrowings. This contract expires in March 2034. This swap agreement qualifies as a hedging instrument and has been designated as a fair value hedge of $100.0 million of the 2034 Notes, and were considered to be perfectly effective under the shortcut method.

	March 31, 2025	December 31, 2024
Long-term debt:		
Carrying amount of hedged debt	$ 1,013.5	$ 749.7
Cumulative hedging adjustments, included in carrying amount	13.5	(0.3)

Interest Rate Swap and Cap Contracts Designated as Cash Flow Hedges

In April 2024, the Company entered into forward-starting interest rate swap agreements to hedge against changes in future cash flows resulting from changes in interest rates from the trade date through the forecasted issuance date of debt. During the second quarter of 2024, the Company entered into and terminated cash flow hedges with notional value of $750.0 million in connection with the 2034 Notes and $500.0 million in connection with the 2054 Notes, both of which were issued on May 10, 2024. The Company and its counterparties terminated these contracts in May 2024. Prior to their termination, these swap agreements qualified as hedging instruments and were designated as cash flow hedges of forecasted interest payments. These forecasted interest payments are still expected to occur as specified in the Company's hedge designations; therefore, the unrecognized loss at the time of termination will be reclassified into earnings over the term of the respective notes. The unrecognized loss in AOCI as of March 31, 2025 was $4.1 million, of which $0.3 million is expected to be reclassified into earnings as an increase to interest expense during the next 12 months.

The Company was previously the fixed rate payor on two interest rate swap contracts that effectively fixed the SOFR-based index used to determine the interest rates charged on a total of $528.5 million of the Company's SOFR-based variable rate borrowings. These contracts carried a fixed rate of 3.2%. The Company and its counterparties terminated these contracts in May 2024. Prior to their termination, these swap agreements qualified as hedging instruments and were designated as cash flow hedges of forecasted interest payments. These forecasted interest payments are still expected to occur as specified in the Company's hedge designations; therefore, the unrecognized gain at the time of termination will be reclassified into earnings over the remaining period of original term of the contracts, ending in June 2025. The unrecognized gain remaining in AOCI as of March 31, 2025 was $2.4 million, all of which is expected to be reclassified into earnings as a reduction to interest expense during the next 12 months.

The Company was previously a party to interest rate cap contracts that effectively limited the SOFR-based interest rates charged on a portion of the Company's variable rate borrowings to 4.0%. The Company and its counterparties terminated these contracts in August 2023. Prior to their termination, these cap contracts qualified as hedging instruments and were designated as cash flow hedges of forecasted interest payments. These forecasted interest payments are still expected to occur as specified in the Company's hedge designations; therefore, the unrecognized gain at the time of termination will be reclassified into earnings over the remaining period of the original term of the contracts, ending in June 2025. The unrecognized gain remaining in AOCI as of March 31, 2025 was $0.6 million, all of which is expected to be reclassified into earnings as a reduction to interest expense during the next 12 months.

Gains on derivatives designated as cash flow hedges included in the Condensed Consolidated Statements of Comprehensive Income (Loss) for the three month periods ended March 31, 2025 and 2024 are as presented in the table below.

	For the Three Month Period Ended March 31,	
	2025	2024
Gain recognized in OCI on derivatives	$ —	$ 4.6
Gain reclassified from AOCI into income (effective portion)(1)	3.0	4.7

(1) Gains on derivatives reclassified from AOCI into income were included within "Interest expense" in the Condensed Consolidated Statements of Operations.

Cross-Currency Interest Rate Swap Contracts Designated as Net Investment Hedges

In February 2025, the Company entered into a cross-currency interest rate swap contract that replace a fixed rate of 5.2% on a total of $129.2 million with a fixed rate of 3.1% on a total of €125.0 million. These contracts expire in February 2028 and have been designated as net investment hedges of our Euro denominated subsidiaries and require an exchange of the notional amounts at maturity.

In February 2025, the Company entered into a cross-currency interest rate swap contract that replace a fixed rate of 5.3% on a total of $129.2 million with a fixed rate of 3.4% on a total of €125.0 million. These contracts expire in February 2030 and have been designated as net investment hedges of our Euro denominated subsidiaries and require an exchange of the notional amounts at maturity.

As of March 31, 2025, the Company was the fixed rate payor on three cross-currency interest rate swap contracts that replace a fixed rate of 5.4% on a total of $428.9 million with a fixed rate of 3.7% on a total of €400.0 million. These contracts expire in May 2027 and have been designated as net investment hedges of our Euro denominated subsidiaries and require an exchange of the notional amounts at maturity.

As of March 31, 2025, the Company was the fixed rate payor on three cross-currency interest rate swap contracts that replace a fixed rate of 5.7% on a total of $322.7 million with a fixed rate of 4.1% on a total of €300.0 million. These contracts expire in May 2029 and have been designated as net investment hedges of our Euro denominated subsidiaries and require an exchange of the notional amounts at maturity.

As of March 31, 2025, the Company was the fixed rate payor on three cross-currency interest rate swap contracts that replace a fixed rate of 5.7% on a total of $322.7 million with a fixed rate of 4.1% on a total of €300.0 million. These contracts expire in May 2031 and have been designated as net investment hedges of our Euro denominated subsidiaries and require an exchange of the notional amounts at maturity.

The Company was previously the fixed rate payor on two cross-currency interest rate swap contracts that replaced a fixed rate of 3.2% on a total of $528.5 million with a fixed rate of 1.6% on a total of €500.0 million. These contracts were designated as net investment hedges of our Euro denominated subsidiaries until May 10, 2024 when they were terminated for $10.0 million. The recorded AOCI at the termination of the cross-currency interest rate swaps will remain in AOCI until there is a substantial liquidation of the Company's net investment in subsidiaries with EUR functional currencies.

The Company was previously a party to three cross-currency interest rate swap contracts where we received SOFR on a total of $525.7 million and paid EURIBOR on a total of €500.0 million. These contracts were designated as net investment hedges of our Euro denominated subsidiaries until May 10, 2024 when they were terminated for $9.9 million. The recorded AOCI at the termination of the cross-currency interest rate swaps will remain in AOCI until there is a substantial liquidation of the Company's net investment in subsidiaries with EUR functional currencies.

Gains (losses) on derivatives designated as net investment hedges included in the Condensed Consolidated Statements of Comprehensive Income (Loss) for the three month periods ended March 31, 2025 and 2024 are as presented in the table below.

	For the Three Month Period Ended March 31,	
	2025	2024
Gain (loss) recognized in OCI on derivatives	$ (35.6)	$ 28.6
Gain reclassified from AOCI into income (effective portion)[1]	5.0	4.2

(1) Gains on derivatives reclassified from AOCI into income were included within "Interest expense" in the Condensed Consolidated Statements of Operations.

Foreign Currency Forwards Not Designated as Hedging Instruments

The Company had eight foreign currency forward contracts outstanding as of March 31, 2025 with notional amounts ranging from $8.5 million to $68.9 million. These contracts are used to hedge the change in fair value of recognized foreign currency denominated assets or liabilities caused by changes in currency exchange rates. The changes in the fair value of these contracts generally offset the changes in the fair value of a corresponding amount of the hedged items, both of which are included within "Other operating expense, net" in the Condensed Consolidated Statements of Operations. The Company's foreign currency forward contracts are subject to master netting arrangements or agreements between the Company and each counterparty for the net settlement of all contracts through a single payment in a single currency in the event of default on or termination of any one contract with that certain counterparty. It is the Company's practice to recognize the gross amounts in the Condensed Consolidated Balance Sheets. The amount available to be netted is not material.

The Company's gains on derivative instruments not designated as accounting hedges and total net foreign currency gains (losses) for the three month periods ended March 31, 2025 and 2024 were as follows.

	For the Three Month Period Ended March 31,	
	2025	2024
Foreign currency forward contracts gains	$ 3.2	$ —
Total foreign currency transaction gains (losses), net	(6.8)	0.7

Note 14. Fair Value Measurements

A financial instrument is defined as cash or cash equivalents, evidence of an ownership interest in an entity, or a contract that creates a contractual obligation or right to deliver or receive cash or another financial instrument from another party. The Company's financial instruments consist primarily of cash and cash equivalents, trade accounts receivables, trade accounts payables, deferred compensation assets and obligations, acquisition related contingent consideration obligations, derivatives and debt instruments. The carrying values of cash and cash equivalents, trade accounts receivables, trade accounts payables, and variable rate debt instruments are a reasonable estimate of their respective fair values.

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 more advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy is based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value as follows.

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities as of the reporting date.

Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities as of the reporting date.

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

The following tables summarize the Company's financial assets and liabilities measured at fair value on a recurring basis as of March 31, 2025 and December 31, 2024.

	March 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Trading securities held in deferred compensation plan(1)	$ 18.9	$ —	$ —	$ 18.9
Interest rate swaps(2)	—	14.6	—	14.6
Cross-currency interest rate swaps(3)	—	18.3	—	18.3
Foreign currency forwards(4)	—	1.8	—	1.8
Total	$ 18.9	$ 34.7	$ —	$ 53.6
Financial Liabilities				
Deferred compensation plans(1)	$ 24.5	$ —	$ —	$ 24.5
Interest rate swaps(2)	—	1.1	—	1.1
Cross-currency interest rate swaps(3)	—	31.6	—	31.6
Foreign currency forwards(4)	—	0.5	—	0.5
Contingent consideration(5)	—	—	32.8	32.8
Total	$ 24.5	$ 33.2	$ 32.8	$ 90.5

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Trading securities held in deferred compensation plan(1)	$ 21.0	$ —	$ —	$ 21.0
Interest rate swaps(2)	—	1.4	—	1.4
Cross-currency interest rate swaps(3)	—	27.3	—	27.3
Foreign currency forwards(4)	—	1.8	—	1.8
Total	$ 21.0	$ 30.5	$ —	$ 51.5
Financial Liabilities				
Deferred compensation plan(1)	$ 28.7	$ —	$ —	$ 28.7
Interest rate swaps(2)	—	1.8	—	1.8
Foreign currency forwards(4)	—	1.2	—	1.2
Contingent consideration(5)	—	—	22.2	22.2
Total	$ 28.7	$ 3.0	$ 22.2	$ 53.9

(1) Based on the quoted price of publicly traded mutual funds and other equity securities which are classified as trading securities and accounted for using the mark-to-market method.

(2) Measured as the present value of all expected future cash flows based on the SOFR-based swap yield curves as of the end of the period. The present value calculation uses discount rates that have been adjusted to reflect the credit quality of the Company and its counterparties.

(3) Measured as the present value of all expected future cash flows on each leg of the contracts. The model utilizes inputs of observable market data including interest yield curves and foreign currency exchange rates. The present value calculation uses cross-currency basis-adjusted discount factors that have been adjusted to reflect the credit quality of the Company and its counterparties.

(4) Based on calculations that use readily observable market parameters as their basis, such as spot and forward rates.

(5) Measured as the present value of expected consideration payable for completed acquisitions, generally derived using probability-weighted analysis of achieving projected revenue or EBITDA targets.

Contingent Consideration

Certain of the Company's acquisitions may result in payments of consideration in future periods that are contingent upon the achievement of certain targets, generally measures of revenue and EBITDA. As part of the initial accounting for the acquisition, a liability is recorded for the estimated fair value of the contingent consideration on the acquisition date. The fair value of the contingent consideration is re-measured at each reporting period, and the change in fair value is recognized within "Other operating expense, net" in the Condensed Consolidated Statements of Operations. This fair value measurement of contingent consideration is categorized within Level 3 of the fair value hierarchy, as the measurement amount is based primarily on significant inputs that are not observable in the market.

The following table provides a reconciliation of the activity for contingent consideration for the three month periods ended March 31, 2025 and 2024.

	For the Three Month Period Ended March 31,	
	2025	2024
Balance at beginning of the period	$ 22.2	$ 42.2
Acquisitions	9.7	6.5
Changes in fair value	—	0.2
Foreign currency translation	0.9	(0.5)
Balance at end of the period	$ 32.8	$ 48.4

As of March 31, 2025, all contingent consideration is included in "Other liabilities" on the Condensed Consolidated Balance Sheet.

Note 15. Revenue from Contracts with Customers

Overview

The Company recognizes revenue when the Company has satisfied its obligation and control is transferred to the customer. The amount of revenue recognized includes adjustments for any variable consideration, such as rebates, sales discounts, liquidated damages, etc., which are included in the transaction price, and allocated to each performance obligation. The variable consideration is estimated throughout the course of the contract using the Company's best estimates.

The majority of the Company's revenues are derived from short duration contracts and revenue is recognized at a single point in time when control is transferred to the customer, generally at shipment or when delivery has occurred or services have been rendered.

The Company has certain long duration engineered to order ("ETO") contracts that require highly engineered solutions designed to customer specific applications. For contracts where the contractual deliverables have no alternative use and the contract termination clauses provide for the recovery of cost plus a reasonable margin, revenue is recognized over time based on the Company's progress in satisfying the contractual performance obligations, generally measured as the ratio of actual costs incurred to date to the estimated total costs to complete the contract. For contracts with termination provisions that do not provide for recovery of cost and a reasonable margin, revenue is recognized at a point in time, generally at shipment or delivery to the customer. Identification of performance obligations, determination of alternative use, assessment of contractual language regarding termination provisions, and estimation of total project costs are all significant judgments required in the application of ASC 606.

Contractual specifications and requirements may be modified. The Company considers contract modifications to exist when the modification either creates new or changes the existing enforceable rights and obligations. In the event a contract modification is for goods or services that are not distinct in the contract, and therefore, form part of a single performance obligation that is partially satisfied as of the modification date, the effect of the contract modification on the transaction price and the Company's measure of progress for the performance obligation to which it relates, is recognized on a cumulative catch-up basis.

Taxes assessed by a government authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a customer, are excluded from revenue. Sales commissions are generally due at either collection of payment from customers or recognition of revenue. Applying the practical expedient from ASC 340-40-25-4, the Company recognizes the incremental costs of obtaining contracts as an expense when incurred if the amortization period of the assets that the Company otherwise would have recognized is one year or less. These costs are included in "Selling and administrative expenses" in the Condensed Consolidated Statements of Operations.

Disaggregation of Revenue

The following tables provide disaggregated revenue by reportable segment for the three month periods ended March 31, 2025 and 2024.

	Industrial Technologies and Services		Precision and Science Technologies		Total	
	Three Month Period Ended March 31,					
	2025	2024	2025	2024	2025	2024
Primary Geographic Markets						
United States	$ 585.1	$ 597.1	$ 168.9	$ 137.1	$ 754.0	$ 734.2
Other Americas	119.1	112.7	22.7	8.1	141.8	120.8
Total Americas	704.2	709.8	191.6	145.2	895.8	855.0
EMEIA	431.0	445.4	136.4	113.7	567.4	559.1
China	139.4	154.6	27.5	28.2	166.9	182.8
Other Asia Pacific	77.5	63.6	9.2	9.6	86.7	73.2
Total Asia Pacific	216.9	218.2	36.7	37.8	253.6	256.0
Total	$ 1,352.1	$ 1,373.4	$ 364.7	$ 296.7	$ 1,716.8	$ 1,670.1
Product Categories						
Original equipment(1)	$ 777.1	$ 827.1	$ 286.4	$ 225.0	$ 1,063.5	$ 1,052.1
Aftermarket(2)	575.0	546.3	78.3	71.7	653.3	618.0
Total	$ 1,352.1	$ 1,373.4	$ 364.7	$ 296.7	$ 1,716.8	$ 1,670.1
Pattern of Revenue Recognition						
Revenue recognized at point in time(3)	$ 1,227.9	$ 1,244.4	$ 345.7	$ 295.5	$ 1,573.6	$ 1,539.9
Revenue recognized over time(4)	124.2	129.0	19.0	1.2	143.2	130.2
Total	$ 1,352.1	$ 1,373.4	$ 364.7	$ 296.7	$ 1,716.8	$ 1,670.1

(1) Revenues from sales of capital equipment within the Industrial Technologies and Services segment and sales of components to original equipment manufacturers in the Precision and Science Technologies segment.

(2) Revenues from sales of spare parts, accessories, other components and services in support of maintaining customer owned, installed base of the Company's original equipment. Service revenue represents less than 10% of consolidated revenue.

(3) Revenues from short and long duration product and service contracts recognized at a point in time when control is transferred to the customer generally when product delivery has occurred and services have been rendered.

(4) Revenues primarily from long duration ETO product contracts, certain multi-year service contracts, and certain contracts for the delivery of a significant volume of substantially similar products recognized over time as contractual performance obligations are completed.

Performance Obligations

As of March 31, 2025, for contracts with an original duration greater than one year, the Company expects to recognize revenue in the future related to unsatisfied (or partially satisfied) performance obligations of $766.2 million in the next twelve months and $794.9 million in periods thereafter. The performance obligations that are unsatisfied (or partially satisfied) are primarily related to orders for goods or services that were placed prior to the end of the reporting period and have not been delivered to the customer, on-going work on ETO contracts where revenue is recognized over time and service contracts with an original duration greater than one year.

Contract Balances

The following table provides the contract balances as of March 31, 2025 and December 31, 2024 presented in the Condensed Consolidated Balance Sheets.

	March 31, 2025	December 31, 2024
Accounts receivable, net	$ 1,348.3	$ 1,335.4
Contract assets	116.3	111.2
Contract liabilities - current	328.9	318.6
Contract liabilities - noncurrent	1.0	0.9

Note 16. Income Taxes

The following table summarizes the Company's provision for income taxes and effective income tax provision rate for the three month periods ended March 31, 2025 and 2024.

	For the Three Month Period Ended March 31,	
	2025	2024
Income before income taxes	$ 253.1	$ 269.6
Provision for income taxes	$ 58.5	$ 54.4
Effective income tax provision rate	23.1 %	20.2 %

The increase in the provision for income taxes and increase in the effective income tax provision rate for the three month period ended March 31, 2025 when compared to the same three month period of 2024 is primarily due to a lower benefit from a windfall tax deduction in the 2025 period compared to the 2024 period.

Note 17. Other Operating Expense, Net

The components of "Other operating expense, net" for the three month periods ended March 31, 2025 and 2024 were as follows.

	For the Three Month Period Ended March 31,	
	2025	2024
Foreign currency transaction losses (gains), net	$ 6.8	$ (0.7)
Restructuring charges, net(1)	5.3	9.7
Acquisition and other transaction related expenses(2)	9.8	15.3
Other, net	(0.2)	0.9
Total other operating expense, net	$ 21.7	$ 25.2

(1) See Note 3 "Restructuring."

(2) Represents costs associated with successful and abandoned acquisitions, including third-party expenses and post-closure integration costs.

Note 18. Contingencies

The Company is a party to various legal proceedings, lawsuits and administrative actions, which are of an ordinary or routine nature for a company of its size and sector. The Company believes that such proceedings, lawsuits and administrative actions will not materially adversely affect its operations, financial condition, liquidity or competitive position. For further description of the Company's contingencies, reference is made to Note 21, "Contingencies" in the notes to consolidated financial statements in the Company's 2024 Annual Report.

Environmental Matters

The Company has been identified as a potentially responsible party ("PRP") with respect to several sites designated for cleanup under U.S. federal "Superfund" or similar state laws that impose liability for cleanup of certain waste sites and for related natural resource damages. The Company has undiscounted accrued liabilities of $12.6 million and $13.6 million as of March 31, 2025 and December 31, 2024, respectively, on its Condensed Consolidated Balance Sheets to the extent costs are known or can be reasonably estimated for its remaining financial obligations in relation to environmental matters and does not anticipate that any of these matters will result in material additional costs beyond amounts accrued. Based upon consideration of currently available information, the Company does not anticipate any material adverse effect on its results of operations, financial condition, liquidity or competitive position as a result of compliance with federal, state, local or foreign environmental laws or regulations, or cleanup costs relating to these matters.

Note 19. Segment Reporting

A description of the Company's two reportable segments, including the specific products manufactured and sold follows below.

In the Industrial Technologies and Services segment, the Company designs, manufactures, markets and services a broad range of compression and vacuum equipment as well as fluid transfer equipment, and loading systems. The Company's compression and vacuum products are used worldwide in industrial manufacturing, transportation, chemical processing, food and beverage production, clean energy, environmental and other applications. In addition to equipment sales, the Company offers a broad portfolio of service options tailored to customer needs and complete range of aftermarket parts, air treatment equipment, controls and other accessories. The Company's engineered loading systems and fluid transfer equipment ensure the safe handling and transfer of crude oil, liquefied natural gas, compressed natural gas, chemicals, and bulk materials.

In the Precision and Science Technologies segment, the Company designs, manufactures and markets a broad range of specialized positive displacement pumps, fluid management equipment, single-use powder handling systems, and contract design and production services for silicone, thermoplastic, and specialty components and assemblies for medical devices. These products are used in medical, laboratory, industrial manufacturing, water and wastewater, chemical processing, clean energy, food and beverage, agriculture and other markets. The Company's products are used for a diverse set of applications including precision dosing, liquid and solid transfer, dispensing, gas compression, gas sampling, pressure management, flow control, and powder handling, amongst other applications. The Company sells primarily through a broad global network of specialized and national distributors and original equipment manufacturers who integrate the Company's products into their devices and systems.

Ingersoll Rand's Chief Operating Decision Maker ("CODM") is our Chief Executive Officer. The CODM evaluates the performance of the Company's segments based on Segment Adjusted EBITDA. The CODM closely monitors the Segment Adjusted EBITDA of each segment to evaluate past performance and actions required to improve profitability. Inter-segment sales and transfers are not significant. Certain administrative expenses related to the Company's corporate offices and shared service centers in the United States and Europe, which includes transaction processing, accounting and other business support functions, are allocated to the segments and are included in Segment selling and administrative expenses. Certain other administrative expenses, including senior management compensation, treasury, internal audit, tax compliance, certain information technology, and other corporate functions, are not allocated to the segments to determine Segment Adjusted EBITDA.

The following table provides summarized information about the Company's operations by reportable segment and reconciles Segment Adjusted EBITDA to Income Before Income Taxes for the three month periods ended March 31, 2025 and 2024.

	Industrial Technologies and Services		Precision and Science Technologies		Total	
	Three Month Period Ended March 31,					
	2025	2024	2025	2024	2025	2024
Revenue	$ 1,352.1	$ 1,373.4	$ 364.7	$ 296.7	$ 1,716.8	$ 1,670.1
Segment cost of sales(1)	729.9	742.8	188.6	148.0	918.5	890.8
Segment selling and administrative expenses(2)	231.7	219.6	69.9	57.4	301.6	277.0
Other segment items(3)	1.4	(0.1)	—	(0.1)	1.4	(0.2)
Segment Adjusted EBITDA	$ 389.1	$ 411.1	$ 106.2	$ 91.4	$ 495.3	$ 502.5

(1) Segment cost of sales excludes adjustments to LIFO inventories, depreciation and amortization expense, restructuring and related business transformation costs, acquisition and other transaction related expenses and non-cash charges.

(2) Segment selling and administrative expenses excludes depreciation and amortization expense, restructuring and related business transformation costs, acquisition and other transaction related expenses and non-cash charges.

(3) Other miscellaneous segment expenses.

	For the Three Month Period Ended March 31,	
	2025	2024
Total Segment Adjusted EBITDA	$ 495.3	$ 502.5
Less items to reconcile Segment Adjusted EBITDA to Income Before Income Taxes:		
Corporate expenses not allocated to segments	35.6	44.0
Interest expense	61.2	36.8
Depreciation and amortization expense [(a)]	118.9	116.3
Restructuring and related business transformation costs [(b)]	5.4	10.7
Acquisition and other transaction related expenses and non-cash charges [(c)]	9.8	15.3
Stock-based compensation	14.2	14.1
Foreign currency transaction losses (gains), net	6.8	(0.7)
Adjustments to LIFO inventories	3.0	6.8
Cybersecurity incident costs [(d)]	(0.2)	0.6
Interest income on cash and cash equivalents	(10.3)	(11.4)
Other adjustments [(e)]	(2.2)	0.4
Income Before Income Taxes	253.1	269.6
Provision for income taxes	58.5	54.4
Loss on equity method investments	(6.2)	(10.7)
Net Income	$ 188.4	$ 204.5

a) Depreciation and amortization expense excludes $1.1 million and $0.9 million of depreciation of rental equipment for the three month periods ended March 31, 2025 and 2024, respectively.

b) Restructuring and related business transformation costs consist of the following.

	For the Three Month Period Ended March 31,	
	2025	2024
Restructuring charges	$ 5.3	$ 9.7
Facility reorganization, relocation and other costs	0.1	1.0
Total restructuring and related business transformation costs	$ 5.4	$ 10.7

c) Represents costs associated with successful and abandoned acquisitions, including third-party expenses, post-closure integration costs and non-cash charges and credits arising from fair value purchase accounting adjustments.

d) Represents non-recoverable costs associated with a cybersecurity event.

e) Includes (i) pension and other postemployment plan costs other than service cost and (ii) other miscellaneous adjustments.

The following tables provide summarized information about the Company’s reportable segments.

Depreciation and Amortization Expense

	For the Three Month Period Ended March 31,	
	2025	2024
Industrial Technologies and Services	$ 67.6	$ 80.9
Precision and Science Technologies	51.2	33.4
Corporate and other	1.2	2.9
Total depreciation and amortization expense	$ 120.0	$ 117.2

Capital Expenditures

	For the Three Month Period Ended March 31,	
	2025	2024
Industrial Technologies and Services	$ 26.4	$ 20.2
Precision and Science Technologies	6.9	5.3
Corporate and other	0.4	36.8
Total capital expenditures	$ 33.7	$ 62.3

Identifiable Assets

	March 31, 2025	December 31, 2024
Industrial Technologies and Services	$ 10,637.1	$ 10,369.6
Precision and Science Technologies	5,905.1	5,884.1
Corporate and other	1,837.2	1,756.1
Total identifiable assets	$ 18,379.4	$ 18,009.8

Note 20. Earnings Per Share

The calculation of earnings per share is based on the weighted-average number of the Company's shares outstanding for the applicable period. The calculation of diluted earnings per share reflects the effect of all potentially dilutive shares that were outstanding during the respective periods, unless the effect of doing so is antidilutive. The Company uses the treasury stock method to calculate the dilutive effect of outstanding share-based compensation awards. The number of weighted-average shares outstanding used in the computations of basic and diluted earnings per share are as follows.

	For the Three Month Period Ended March 31,	
	2025	2024
Weighted-average shares outstanding - Basic	403.1	403.5
Dilutive effect of outstanding share-based compensation awards	3.3	4.4
Weighted-average shares outstanding - Diluted	406.4	407.9

For the three month periods ended March 31, 2025 and 2024, 1.1 million and 0.4 million, respectively, of anti-dilutive shares were not included in the computation of diluted earnings per share.

Note 21. Subsequent Event

On May 1, 2025, the Company announced that its Board of Directors authorized a $1.0 billion increase to the Company's share repurchase program. This increase is incremental to the $993.0 million remaining under the existing authorization. These authorizations do not have any expiration date. Under the repurchase program, Ingersoll Rand may from time to time repurchase shares of the Company's common stock in the open market at prevailing market prices (including through Rule 10b5-1 plans), in privately negotiated transactions, a combination thereof, or through other transactions. The actual timing, number, manner, and value of any shares repurchased will depend on several factors, including the market price of the Company's stock, general market and economic conditions, the Company's liquidity requirements, applicable legal requirements, and other business considerations.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion contains management's discussion and analysis of our financial condition and results of operations and should be read together with the unaudited condensed consolidated financial statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q. This discussion contains forward-looking statements that reflect our plans, estimates and beliefs and involve numerous risks and uncertainties, including, but not limited to, those described in the "Risk Factors" section of our 2024 Annual Report. Actual results may differ materially from those contained in any forward-looking statements. You should carefully read "Special Note Regarding Forward-Looking Statements" in this Quarterly Report on Form 10-Q.

Overview

Our Company

Ingersoll Rand is a global market leader with a broad flow creation and industrial product portfolio across air, gas, powder, and liquid handling applications, providing services and solutions to increase industrial and life science productivity, efficiency, and sustainability. We manufacture one of the broadest and most complete ranges of compressor, pump, vacuum and blower products in our markets, which, when combined with our global geographic footprint and application expertise, allows us to provide differentiated product and service offerings to our customers. Our products are sold under a collection of premier, market-leading brands, including Ingersoll Rand, Gardner Denver, Nash, CompAir, ILC Dover, Thomas, Milton Roy, Seepex, Elmo Rietschle, ARO, Robuschi, Emco Wheaton and Runtech Systems, which we believe are globally recognized in their respective end-markets and known for product quality, reliability, efficiency and superior customer service.

We operate with two reportable segments: Industrial Technologies and Services and Precision and Science Technologies. See Note 19 "Segment Reporting" to our unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q for a description of our reportable segments.

Items Affecting our Business, Industry and End Markets

General Economic Conditions

Our financial results closely follow changes in the industries and end-markets we serve. Demand for most of our products depends on the level of new capital investment and planned and unplanned maintenance expenditures by our customers. The level of capital expenditures depends, in turn, on the general economic conditions as well as access to capital at reasonable cost, which can vary significantly based on geography and customer segmentation.

To date, 2025 has been marked by continued uncertainty in global markets, driven by investor concerns over inflation, elevated interest rates, ongoing political and regulatory uncertainty, including potential shifts in U.S. trade policy and the imposition of new tariffs, as well as geopolitical instability stemming from the conflicts in Ukraine and the Middle East.

Further contributing to economic uncertainty, the current U.S. presidential administration has signaled its intention to implement significant changes to U.S. trade policy, the size of the federal government and the enforcement of various regulations. These policy shifts could introduce additional market instability and reduce investor confidence. For example, the U.S. government recently announced tariffs on goods imported from various countries to the United States. Countries subject to such tariffs have imposed, or may in the future, impose reciprocal or retaliatory tariffs and other trade measures. We are actively monitoring the tariff developments and analyzing the potential impacts on our business, cost structure, supply chain and broader economic environment. We are identifying actions necessary to maintain competitiveness while we adapt to these new economic challenges. While these developments have not had a material impact on our financial condition or results of operations to date, due to their evolving nature, and the expected persistence of macroeconomic conditions and volatility in the near term, we cannot predict with certainty the ultimate impacts they may have on our business and results in the future, but those impacts could be material.

Foreign Currency Fluctuations

A significant portion of our revenues, approximately 53% for the three month period ended March 31, 2025, was denominated in currencies other than the U.S. dollar. Because much of our manufacturing facilities and labor force costs are outside of the United States, a significant portion of our costs are also denominated in currencies other than the U.S. dollar. Changes in foreign exchange rates can therefore impact our results of operations and are quantified when significant to our discussion.

Factors Affecting the Comparability of our Results of Operations

Key factors affecting the comparability of our results of operations are summarized below.

Acquisitions

Part of our strategy for growth is to acquire complementary businesses that provide access to new technologies or geographies or expand our offerings. While acquisitions, as discussed further in Note 2, are not individually significant or significant in the aggregate, they may be relevant when comparing our results from period to period.

See Note 2 "Acquisitions" to our unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q for further discussion of these acquisitions.

Restructuring and Other Business Transformation Initiatives

We continue to execute business transformation initiatives. A key element of those initiatives are restructuring programs within our Industrial Technologies and Services and Precision and Science Technologies segments, as well as at the Corporate level. Restructuring charges, program related facility reorganization, relocation and other costs, and related capital expenditures were impacted most significantly.

How We Assess the Performance of Our Business

We manage operations through the two business segments described above. In addition to our consolidated GAAP financial measures, we review various non-GAAP financial measures, including Adjusted EBITDA, Adjusted Net Income and Free Cash Flow.

We believe Adjusted EBITDA and Adjusted Net Income are helpful supplemental measures to assist us and investors in evaluating our operating results as they exclude certain items whose fluctuation from period to period do not necessarily correspond to changes in the operations of our business. Adjusted EBITDA represents net income (loss) before interest, taxes, depreciation, amortization and certain non-cash, non-recurring and other adjustment items. We believe that the adjustments applied in presenting Adjusted EBITDA are appropriate to provide additional information to investors about certain material non-cash items and about non-recurring items that we do not expect to continue at the same level in the future. Adjusted Net Income is defined as net income (loss) including interest, depreciation and amortization of non-acquisition related intangible assets and excluding other items used to calculate Adjusted EBITDA and further adjusted for the tax effect of these exclusions.

We use Free Cash Flow to review the liquidity of our operations. We measure Free Cash Flow as cash flows from operating activities less capital expenditures. We believe Free Cash Flow is a useful supplemental financial measure for us and investors in assessing our ability to pursue business opportunities and investments and to service our debt. Free Cash Flow is not a measure of our liquidity under GAAP and should not be considered as an alternative to cash flows from operating activities.

Management and our board of directors regularly use these measures as tools in evaluating our operating and financial performance and in establishing discretionary annual compensation. Such measures are provided in addition to, and should not be considered to be a substitute for, or superior to, the comparable measures under GAAP. In addition, we believe that Adjusted EBITDA, Adjusted Net Income and Free Cash Flow are frequently used by investors and other interested parties in the evaluation of issuers, many of which also present Adjusted EBITDA, Adjusted Net Income and Free Cash Flow when reporting their results in an effort to facilitate an understanding of their operating and financial results and liquidity.

Adjusted EBITDA, Adjusted Net Income and Free Cash Flow should not be considered as alternatives to net income (loss) or any other performance measure derived in accordance with GAAP, or as alternatives to cash flow from operating activities as a measure of our liquidity. Adjusted EBITDA, Adjusted Net Income and Free Cash Flow have limitations as analytical tools, and you should not consider such measures either in isolation or as substitutes for analyzing our results as reported under GAAP.

See "Non-GAAP Financial Measures" below for reconciliation information.

Results of Operations

Consolidated results should be read in conjunction with the segment results section herein and Note 19 "Segment Reporting" to our unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q, which provides more detailed discussions concerning certain components of our Condensed Consolidated Statements of Operations. All intercompany accounts and transactions have been eliminated within the consolidated results. The following table presents selected Condensed Consolidated Results of Operations of our business for the three month periods ended March 31, 2025 and 2024.

	For the Three Month Period Ended March 31,	
	2025	2024
Condensed Consolidated Statement of Operations:		
Revenues	$ 1,716.8	$ 1,670.1
Cost of sales	951.3	923.8
Gross profit	765.5	746.3
Selling and administrative expenses	350.0	336.3
Amortization of intangible assets	91.3	91.6
Other operating expense, net	21.7	25.2
Operating income	302.5	293.2
Interest expense	61.2	36.8
Other income, net	(11.8)	(13.2)
Income before income taxes	253.1	269.6
Provision for income taxes	58.5	54.4
Loss on equity method investments	(6.2)	(10.7)
Net income	188.4	204.5
Less: Net income attributable to noncontrolling interests	1.9	2.3
Net income attributable to Ingersoll Rand Inc.	$ 186.5	$ 202.2
Percentage of Revenues:		
Gross profit	44.6 %	44.7 %
Selling and administrative expenses	20.4 %	20.1 %
Operating income	17.6 %	17.6 %
Net income	11.0 %	12.2 %
Adjusted EBITDA	26.8 %	27.5 %
Other Financial Data:		
Adjusted EBITDA (1)	$ 459.7	$ 458.5
Adjusted Net Income (1)	293.2	319.9
Cash flows - operating activities	256.4	161.6
Cash flows - investing activities	(197.1)	(205.6)
Cash flows - financing activities	(10.0)	(79.6)
Free Cash Flow (1)	222.7	99.3

(1) See the "Non-GAAP Financial Measures" section for a reconciliation to comparable GAAP measure.

Revenues

Revenues for the three month period ended March 31, 2025 were $1,716.8 million, an increase of $46.7 million, or 2.8%, compared to $1,670.1 million for the same three month period in 2024. The increase in revenues was primarily due to acquisitions of $139.5 million and higher pricing of $23.8 million, partially offset by unfavorable impact of foreign currencies of $27.7 million and lower organic volumes of $88.9 million. The percentage of consolidated revenues derived from aftermarket parts and services was 38.1% in the three month period ended March 31, 2025 compared to 37.0% in the same three month period in 2024.

Gross Profit

Gross profit for the three month period ended March 31, 2025 was $765.5 million, an increase of $19.2 million, or 2.6%, compared to $746.3 million for the same three month period in 2024, and as a percentage of revenues was 44.6% for the three month period ended March 31, 2025 and 44.7% for the same three month period in 2024. The increase in gross profit is primarily due to acquisitions discussed above.

Selling and Administrative Expenses

Selling and administrative expenses were $350.0 million for the three month period ended March 31, 2025, an increase of $13.7 million, or 4.1%, compared to $336.3 million for the same three month period in 2024. The increase in selling and administrative expenses was primarily attributable to businesses acquired in 2024 and first three months of 2025, partially offset by a decrease in incentive compensation. Selling and administrative expenses as a percentage of revenues increased to 20.4% for the three month period ended March 31, 2025 from 20.1% in the same three month period in 2024.

Amortization of Intangible Assets

Amortization of intangible assets was $91.3 million for the three month period ended March 31, 2025, a decrease of $0.3 million, compared to $91.6 million in the same three month period in 2024. The decrease was primarily due to certain intangible assets becoming fully amortized, partially offset by businesses acquired in 2024 and first three months of 2025 discussed in Note 2 "Acquisitions" to our unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q.

Other Operating Expense, Net

Other operating expense, net was $21.7 million for the three month period ended March 31, 2025, a decrease of $3.5 million, compared to $25.2 million in the same three month period in 2024. The decrease in expense was primarily due to lower acquisition and other transaction related expenses of $5.5 million and lower restructuring charges of $4.4 million, partially offset by higher foreign currency transaction losses, net of $7.5 million.

Interest Expense

Interest expense was $61.2 million for the three month period ended March 31, 2025, an increase of $24.4 million, compared to $36.8 million in the same three month period in 2024. The increase was primarily due to an increase in long term debt primarily used to fund the ILC Dover acquisition, partially offset by the interest rate derivative contracts discussed in Note 13 "Hedging Activities and Derivative Instruments" to our unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q. The weighted average interest rate, including the impact of the interest rate derivative contracts, was approximately 5.0% for the three month period ended March 31, 2025 and 5.3% in the same three month period in 2024.

Other Income, Net

Other income, net was $11.8 million and $13.2 million in the three month periods ended March 31, 2025 and 2024, respectively. The decrease was primarily due to a decrease in interest income from holdings of cash and cash equivalents.

Provision for Income Taxes

The provision for income taxes was $58.5 million, resulting in a 23.1% effective income tax provision rate for the three month period ended March 31, 2025, compared to a provision for income taxes of $54.4 million, resulting in a 20.2% effective income tax provision rate in the same three month period in 2024. The increase in the tax provision and the effective tax provision rate for the three month period ended March 31, 2025 when compared to the same three month period of 2024 is primarily due to a lower benefit from a windfall tax deduction in the 2025 period compared to the 2024 period.

Net Income

Net income was $188.4 million for the three month period ended March 31, 2025 compared to net income of $204.5 million in the same three month period in 2024. The decrease in net income was primarily due to higher interest expense, higher selling and administrative expenses, and higher provision for income taxes, partially offset by higher gross profit on increased revenues.

Adjusted EBITDA

Adjusted EBITDA increased $1.2 million to $459.7 million for the three month period ended March 31, 2025 compared to $458.5 million in the same three month period in 2024. Adjusted EBITDA as a percentage of revenues decreased 70 basis points to 26.8% for the three month period ended March 31, 2025 from 27.5% for the same three month period in 2024. The increase in Adjusted EBITDA was primarily due to acquisitions of $30.3 million, higher pricing of $23.8 million, lower selling and administrative costs of $5.3 million, partially offset by lower organic sales volume of $40.1 million, unfavorable cost productivity and product mix of $11.4 million, and unfavorable impact of foreign currencies of $6.5 million. The decrease in Adjusted EBITDA as a percentage of revenues is primarily attributable to lower organic volumes and the decretive impact of acquisitions.

Adjusted Net Income

Adjusted Net Income decreased $26.7 million to $293.2 million for the three month period ended March 31, 2025 compared to $319.9 million in the same three month period in 2024. The decrease was primarily due to higher interest expense.

Non-GAAP Financial Measures

Set forth below are the reconciliations of Net Income to Adjusted EBITDA and Adjusted Net Income and Cash Flows from Operating Activities to Free Cash Flow.

	For the Three Month Period Ended March 31,	
	2025	**2024**
Net Income	$ 188.4	$ 204.5
Plus:		
Interest expense	61.2	36.8
Provision for income taxes	58.5	54.4
Depreciation expense [(a)]	27.6	24.7
Amortization expense [(b)]	91.3	91.6
Restructuring and related business transformation costs [(c)]	5.4	10.7
Acquisition and other transaction related expenses and non-cash charges [(d)]	9.8	15.3
Stock-based compensation	14.2	14.1
Foreign currency transaction losses (gains), net	6.8	(0.7)
Loss on equity method investments	6.2	10.7
Adjustments to LIFO inventories	3.0	6.8
Cybersecurity incident costs [(e)]	(0.2)	0.6
Interest income on cash and cash equivalents	(10.3)	(11.4)
Other adjustments [(f)]	(2.2)	0.4
Adjusted EBITDA	$ 459.7	$ 458.5
Minus:		
Interest expense	$ 61.2	$ 36.8
Income tax provision, as adjusted [(g)]	85.7	86.4
Depreciation expense	27.6	24.7
Amortization of non-acquisition related intangible assets	2.3	2.1
Interest income on cash and cash equivalents	(10.3)	(11.4)
Adjusted Net Income	$ 293.2	$ 319.9
Free Cash Flow		
Cash flows from operating activities	$ 256.4	$ 161.6
Minus:		
Capital expenditures	33.7	62.3
Free Cash Flow	$ 222.7	$ 99.3

(a) Depreciation expense excludes $1.1 million and $0.9 million of depreciation of rental equipment for the three month periods ended March 31, 2025 and 2024, respectively.

(b) Represents $89.0 million and $89.5 million of amortization of intangible assets arising from acquisitions (customer relationships, technology, tradenames and backlog) and $2.3 million and $2.1 million of amortization of non-acquisition related intangible assets, in each case, for the three month periods ended March 31, 2025 and 2024, respectively.

(c) Restructuring and related business transformation costs consisted of the following.

	For the Three Month Period Ended March 31,	
	2025	2024
Restructuring charges	$ 5.3	$ 9.7
Facility reorganization, relocation and other costs	0.1	1.0
Total restructuring and related business transformation costs	$ 5.4	$ 10.7

(d) Represents costs associated with successful and/or abandoned acquisitions and divestitures, including third-party expenses, post-closure integration costs, and non-cash charges and credits arising from fair value purchase accounting adjustments.

(e) Represents non-recoverable costs associated with a cybersecurity event.

(f) Includes (i) pension and other postemployment plan costs other than service costs and (ii) other miscellaneous adjustments.

(g) Represents our income tax provision adjusted for the tax effect of pre-tax items excluded from Adjusted Net Income and the removal of the applicable discrete tax items. The tax effect of pre-tax items excluded from Adjusted Income is computed using the statutory tax rate related to the jurisdiction that was impacted by the adjustment after taking into account the impact of permanent differences and valuation allowances. Discrete tax items include changes in tax laws or rates, changes in uncertain tax positions relating to prior years and changes in valuation allowances. The adjusted amounts are then used to calculate an adjusted provision for the quarter.

The income tax provision, as adjusted for each of the periods presented below consisted of the following.

	For the Three Month Period Ended March 31,	
	2025	2024
Provision for income taxes	$ 58.5	$ 54.4
Tax impact of pre-tax income adjustments	26.7	29.3
Discrete tax items	0.5	2.7
Income tax provision, as adjusted	$ 85.7	$ 86.4

Segment Results

We classify our business into two segments: Industrial Technologies and Services and Precision and Science Technologies. Our Corporate operations are not discussed separately as any results that had a significant impact on operating results are included in the "Results of Operations" discussion above.

We evaluate the performance of our segments based on Segment Revenues and Segment Adjusted EBITDA. Segment Adjusted EBITDA is indicative of operational performance and ongoing profitability. Our management closely monitors Segment Adjusted EBITDA to evaluate past performance and identify actions required to improve profitability.

The segment measurements provided to and evaluated by the chief operating decision maker are described in Note 19 "Segment Reporting" to our unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q.

Segment Results for the Three Month Periods Ended March 31, 2025 and 2024

The following tables display Segment Orders, Segment Revenues, Segment Adjusted EBITDA and Segment Adjusted EBITDA Margin (Segment Adjusted EBITDA as a percentage of Segment Revenues) for each of our Segments.

Industrial Technologies and Services Segment Results

	For the Three Month Period Ended March 31,		Percent Change
	2025	2024	2025 vs. 2024
Segment Orders	$ 1,487.0	$ 1,398.4	6.3 %
Segment Revenues	$ 1,352.1	$ 1,373.4	(1.6) %
Segment Adjusted EBITDA	$ 389.1	$ 411.1	(5.4) %
Segment Margin	28.8 %	29.9 %	(110) bps

Segment Orders for the three month period ended March 31, 2025 were $1,487.0 million, an increase of $88.6 million, or 6.3%, compared to $1,398.4 million in the same three month period in 2024. The increase in Segment Orders was due to acquisitions of

$66.4 million or 4.7%, and organic growth of $48.3 million or 3.5%, partially offset by the unfavorable impact of foreign currencies of $26.1 million or 1.9%.

Segment Revenues for the three month period ended March 31, 2025 were $1,352.1 million, a decrease of $21.3 million, or 1.6%, compared to $1,373.4 million in the same three month period in 2024. The decrease in Segment Revenues was due to lower organic volumes of $74.9 million or 5.5% and unfavorable impact of foreign currencies of $23.6 million or 1.7%, partially offset by acquisitions of $59.5 million or 4.3% and higher pricing of $17.7 million or 1.3%. The percentage of Segment Revenues derived from aftermarket parts and service was 42.5% in the three month period ended March 31, 2025 compared to 39.8% in the same three month period in 2024.

Segment Adjusted EBITDA for the three month period ended March 31, 2025 was $389.1 million, a decrease of $22.0 million, or 5.4%, from $411.1 million in the same three month period in 2024. Segment Adjusted EBITDA Margin decreased 110 basis points to 28.8% from 29.9% in 2024. The decrease in Segment Adjusted EBITDA was primarily due to lower organic sales volume of $33.3 million or 8.1%, unfavorable cost productivity and product mix of $7.1 million or 1.7%, unfavorable impact of foreign currencies of $5.6 million or 1.4%, and higher selling and administrative costs of $5.0 million or 1.2%, partially offset by higher pricing of $17.7 million or 4.3% and acquisitions of $11.4 million or 2.8%.

Precision and Science Technologies Segment Results

	For the Three Month Period Ended March 31,		Percent Change
	2025	2024	2025 vs. 2024
Segment Orders	$ 395.3	$ 309.0	27.9 %
Segment Revenues	$ 364.7	$ 296.7	22.9 %
Segment Adjusted EBITDA	$ 106.2	$ 91.4	16.2 %
Segment Margin	29.1 %	30.8 %	(170) bps

Segment Orders for the three month period ended March 31, 2025 were $395.3 million, an increase of $86.3 million, or 27.9%, compared to $309.0 million in the same three month period in 2024. The increase in Segment Orders was due to acquisitions of $81.6 million or 26.4% and organic growth of $8.9 million or 2.9%, partially offset by the unfavorable impact of foreign currencies of $4.2 million or 1.4%.

Segment Revenues for the three month period ended March 31, 2025 were $364.7 million, an increase of $68.0 million, or 22.9%, compared to $296.7 million in the same three month period in 2024. The increase in Segment Revenues was primarily due to acquisitions of $80.0 million or 27.0% and higher pricing of $6.1 million or 2.1%, partially offset by lower organic volumes of $14.0 million or 4.7% and unfavorable impact of foreign currencies of $4.1 million or 1.4%. The percentage of Segment Revenues derived from aftermarket parts and service was 21.5% in the three month period ended March 31, 2025 compared to 24.2% in the same three month period in 2024.

Segment Adjusted EBITDA for the three month period ended March 31, 2025 was $106.2 million, an increase of $14.8 million, or 16.2%, from $91.4 million in the same three month period in 2024. Segment Adjusted EBITDA Margin decreased 170 basis points to 29.1% from 30.8% in 2024. The increase in Segment Adjusted EBITDA was primarily due to acquisitions of $18.9 million or 20.7%, higher pricing of $6.1 million or 6.7%, and lower selling and administrative costs of $1.4 million or 1.5%, partially offset by lower organic sales volume of $6.8 million or 7.4% and unfavorable impact of foreign currencies of $1.3 million or 1.4%.

Liquidity and Capital Resources

Our investment resources include cash on hand, cash generated from operations and borrowings under our Revolving Credit Facility and Commercial Paper Program. We also have the ability to seek additional secured and unsecured borrowings, subject to credit agreement restrictions.

See the description of these line-of-credit resources in Note 11 "Debt" to the consolidated financial statements in our 2024 Annual Report and Note 10 "Debt" to our unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q.

As of March 31, 2025, we had $2,600.0 million of unused availability under both the Revolving Credit Facility and Commercial Paper Program.

As of March 31, 2025, we were in compliance with all of our debt covenants and no event of default had occurred or was ongoing.

Liquidity

A substantial portion of our liquidity needs arise from debt service requirements, and from the ongoing cost of operations, working capital and capital expenditures.

	March 31, 2025	December 31, 2024
Cash and cash equivalents	$ 1,612.8	$ 1,541.2
Short-term borrowings and current maturities of long-term debt	$ 1.7	$ 3.1
Long-term debt	4,770.4	4,754.4
Total debt	$ 4,772.1	$ 4,757.5

We can increase the borrowing availability under the Revolving Credit Facility by up to $1,000.0 million in the form of additional commitments so long as we do not exceed a specified leverage ratio. Our liquidity requirements are significant primarily due to debt service requirements. See Note 11 "Debt" to the consolidated financial statements in our 2024 Annual Report and Note 10 "Debt" to our unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q for further details.

Our principal sources of liquidity have been existing cash and cash equivalents, cash generated from operations and borrowings under the Senior Notes. Our principal uses of cash will be to provide working capital, meet debt service requirements, fund capital expenditures, dividend payments, and finance strategic plans, including possible acquisitions. We may also seek to finance capital expenditures under capital leases or other debt arrangements that provide liquidity or favorable borrowing terms. We continue to consider acquisition opportunities, but the size and timing of any future acquisitions and the related potential capital requirements cannot be predicted. In the event that suitable businesses are available for acquisition upon acceptable terms, we may obtain all or a portion of the necessary financing through the incurrence of additional long-term borrowings. As market conditions warrant, we may from time to time, seek to repay loans that we have borrowed, including the borrowings under the Senior Notes. Based on our current level of operations and available cash, we believe our cash flow from operations, together with availability under the Revolving Credit Facility and Commercial Paper Program, will provide sufficient liquidity to fund our current obligations, projected working capital requirements, debt service requirements and capital spending requirements for the foreseeable future. Our business may not generate sufficient cash flows from operations or future borrowings may not be available to us under our Revolving Credit Facility or Commercial Paper Program in an amount sufficient to enable us to pay our indebtedness, or to fund our other liquidity needs. Our ability to do so depends on, among other factors, prevailing economic conditions, many of which are beyond our control. In addition, upon the occurrence of certain events, such as a change in control, we could be required to repay or refinance our indebtedness. We may not be able to refinance any of our indebtedness, including the Senior Notes, on commercially reasonable terms or at all. Any future acquisitions, joint ventures, or other similar transactions may require additional capital and there can be no assurance that any such capital will be available to us on acceptable terms or at all.

We may from time to time repurchase shares of our common stock in the open market at prevailing market prices (including through Rule 10b5-1 plans), in privately negotiated transactions, a combination thereof or through other transactions. The actual timing, number, manner and value of any shares repurchased will depend on several factors, including the market price of our stock, general market and economic conditions, our liquidity requirements, applicable legal requirement and other business considerations.

A substantial portion of our cash is in jurisdictions outside of the United States. We do not assert ASC 740-30 (formerly APB 23) indefinite reinvestment of our historical non-U.S. earnings or future non-U.S. earnings. The Company records a deferred foreign tax liability to cover all estimated withholding, state income tax and foreign income tax associated with repatriating all non-U.S. earnings back to the United States. Our deferred income tax liability as of March 31, 2025 was $62.9 million which primarily consisted of withholding taxes.

Working Capital

	March 31, 2025	December 31, 2024
Net Working Capital:		
Current assets	$ 4,351.7	$ 4,163.5
Less: Current liabilities	1,826.8	1,818.9
Net working capital	$ 2,524.9	$ 2,344.6
Operating Working Capital:		
Accounts receivable	$ 1,348.3	$ 1,335.4
Plus: Inventories (excluding LIFO reserve)	1,215.2	1,134.2
Plus: Contract assets	116.3	111.2
Less: Accounts payable	780.4	843.6
Less: Contract liabilities (current)	328.9	318.6
Operating working capital	$ 1,570.5	$ 1,418.6

Net working capital increased $180.3 million to $2,524.9 million as of March 31, 2025 from $2,344.6 million as of December 31, 2024. Operating working capital increased $151.9 million to $1,570.5 million as of March 31, 2025 from $1,418.6 million as of December 31, 2024. The increase in operating working capital is due to higher inventories, higher accounts receivable, higher contract assets and lower accounts payable, partially offset by higher contract liabilities.

The increase in accounts receivable was primarily due to the timing of revenues in the quarter and seasonal changes in collection timing. The increase in inventories was primarily due to additions to inventory due to increased demand for certain products. The increase in contract assets was primarily due to the timing of revenue recognition and billing on our overtime contracts. The decrease in accounts payable was primarily due to the timing of vendor cash disbursements. The increase in contract liabilities was primarily due to the timing of customer milestone payments for in-process engineered to order contracts.

Cash Flows

The following table reflects the major categories of cash flows for the three month periods ended March 31, 2025 and 2024, respectively.

	For the Three Month Period Ended March 31,	
	2025	2024
Cash flows provided by operating activities	$ 256.4	$ 161.6
Cash flows used in investing activities	(197.1)	(205.6)
Cash flows used in financing activities	(10.0)	(79.6)
Free cash flow[1]	222.7	99.3

(1) See the “Non-GAAP Financial Measures” section included in this Quarterly Report for a reconciliation to the nearest GAAP measure.

Operating Activities

Cash provided by operating activities increased $94.8 million to $256.4 million for the three month period ended March 31, 2025 from $161.6 million in the same three month period in 2024. This increase is primarily attributable to a decrease in cash used in operating working capital in 2025, compared to 2024, the timing of the incentive compensation and interest payments for our Senior Notes, and a decrease in tax payments in 2025, compared to 2024. Partially offsetting these favorable impacts was an increase in cash used for other working capital items and lower net income in 2025, as compared to 2024.

Investing Activities

Cash used in investing activities included capital expenditures of $33.7 million and $62.3 million for the three month periods ended March 31, 2025 and 2024, respectively. Net cash paid in acquisitions was $163.4 million and $143.3 million in the three month periods ended March 31, 2025 and 2024, respectively.

Financing Activities

Cash used in financing activities of $10.0 million for the three month period ended March 31, 2025 primarily reflected purchases of treasury stock of $10.0 million, cash dividends on common stock of $8.1 million, and payments of deferred and contingent acquisition consideration of $1.4 million, partially offset by proceeds from stock option exercises of $5.2 million and other financing inflows of $4.3 million.

Cash used in financing activities of $79.6 million for the three month period ended March 31, 2024 primarily reflected purchases of treasury stock of $72.9 million, cash dividends on common stock of $8.1 million, repayments of long-term debt of $7.1 million, and payments of deferred and contingent acquisition consideration of $2.2 million, partially offset by proceeds from stock option exercises of $11.2 million.

Free Cash Flow

Free cash flow increased $123.4 million to $222.7 million in the three month period ended March 31, 2025 from $99.3 million in the same three month period in 2024 due to higher cash provided by operating activities and lower capital expenditures.

Critical Accounting Estimates

Management has evaluated the accounting estimates used in the preparation of the Company's condensed consolidated financial statements and related notes and believe those estimates to be reasonable and appropriate. Certain of these accounting estimates require the application of significant judgment by management in selecting appropriate assumptions for calculating financial estimates. By their nature, these judgments are subject to an inherent degree of uncertainty. These judgments are based on historical experience, trends in the industry, information provided by customers and information available from other outside sources, as appropriate. The most significant areas involving management judgments and estimates may be found in the section "Critical Accounting Estimates" of "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and in Note 1 "Summary of Significant Accounting Policies" of "Item 8. Financial Statements and Supplementary Data" included in our 2024 Annual Report.

Environmental Matters

Information with respect to the effect of compliance with environmental protection requirements and resolution of environmental claims on us and our manufacturing operations is contained in Note 18 "Contingencies" to the condensed consolidated financial statements included elsewhere in this Form 10-Q. We believe that as of March 31, 2025, there have been no material changes to the environmental matters disclosed in our 2024 Annual Report.

Recent Accounting Pronouncements

The information set forth in Note 1 "Basis of Presentation and Recent Accounting Pronouncements" to our condensed consolidated financial statements under Part 1, Item 1 "Financial Statements" under the heading "Recently Issued Accounting Pronouncements" is incorporated herein by reference.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We manage our debt centrally, considering tax consequences and our overall financing strategies. Our exposure to interest rate risk results primarily from our fixed rate to floating rate swap contracts which are used to adjust the relative fixed rate versus floating rate proportions of our debt portfolio.

In addition, we are exposed to foreign currency risks that arise from our global business operations. Changes in foreign currency exchange rates affect the translation of local currency balances of foreign subsidiaries, transaction gains and losses associated with intercompany loans with foreign subsidiaries and transactions denominated in currencies other than a subsidiary's functional currency. While future changes in foreign currency exchange rates are difficult to predict, our revenues and earnings may be adversely affected if the U.S. dollar further strengthens.

We seek to minimize our exposure to foreign currency risks through a combination of normal operating activities, including by conducting our international business operations primarily in their functional currencies to match expenses with revenues, and the use of cross currency interest rate swap contracts and foreign currency forward exchange contracts. In addition, to mitigate the risk arising from entering into transactions in currencies other than our functional currencies, we typically settle intercompany trading balances at least quarterly.

As of March 31, 2025, there have been no material changes to our market risk assessment previously disclosed in the 2024 Annual Report.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company maintains a set of disclosure controls and procedures as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission ("SEC") rules and forms, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. The design of any disclosure controls and procedures is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives. In accordance with Rule 13a-15(b) of the Exchange Act, as of the end of the period covered by this Quarterly Report on Form 10-Q, an evaluation was carried out under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of its disclosure controls and procedures. Based on their evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures, as of the end of the period covered by this Quarterly Report on Form 10-Q, were effective to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Internal Control over Financial Reporting

There have not been any changes in our internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The information set forth in Note 18 "Contingencies" to our Condensed Consolidated Financial Statements under Part I, Item 1 "Financial Statements," is incorporated herein by reference.

ITEM 1A. RISK FACTORS

As of March 31, 2025, there have been no material changes to our risk factors included in our 2024 Annual Report.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table contains detail related to the repurchase of our common stock based on the date of trade during the three month period ended March 31, 2025.

2025 First Quarter Months	Total Number of Shares Purchased(1)	Average Price Paid Per Share(2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(3)	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs(3)
January 1, 2025 - January 31, 2025	—	$ —	—	$ 993,033,246
February 1, 2025 - February 28, 2025	111,139	$ 90.40	—	$ 993,033,246
March 1, 2025 - March 31, 2025	—	$ —	—	$ 993,033,246
Total	111,139		—	

(1) Includes shares of common stock surrendered to us to satisfy tax withholding obligations in connection with the vesting of certain restricted stock units, comprised of 111,139 shares in the period from February 1, 2025 to February 28, 2025.

(2) The average price paid per share includes brokerage commissions.

(3) On August 24, 2021, our Board of Directors approved a share repurchase program, which authorized the repurchase of up to $750.0 million of the Company's outstanding common stock, and on April 25, 2024, the Company announced that our Board of Directors approved an incremental $1.0 billion increase to the share repurchase authorization. These authorizations do not have any expiration date.

On May 1, 2025, the Company announced that its Board of Directors authorized a $1.0 billion increase to the Company's share repurchase program. This increase is incremental to the $993.0 million remaining under the existing authorization. These authorizations do not have any expiration date. Under the repurchase program, Ingersoll Rand may from time to time repurchase shares of the Company's common stock in the open market at prevailing market prices (including through Rule 10b5-1 plans), in privately negotiated transactions, a combination thereof, or through other transactions. The actual timing, number, manner, and value of any shares repurchased will depend on several factors, including the market price of the Company's stock, general market and economic conditions, the Company's liquidity requirements, applicable legal requirements, and other business considerations.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Rule 10b5-1 Trading Arrangements

During the quarter ended March 31, 2025, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, terminated, or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K).

ITEM 6. EXHIBITS

The following is a list of all exhibits filed or furnished as part of this report.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosures other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual statement of affairs as of the date they were made or at any other time.

Exhibit No.	Description
3.1	Restated Certificate of Incorporation of Ingersoll Rand Inc. (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on June 21, 2021).
3.2	Third Amended and Restated Bylaws of Ingersoll Rand Inc. (incorporated by reference to Exhibit 3.2 to the Registrant's Quarterly Report on Form 10-Q filed on November 3, 2023).
31.1	Certification of Periodic Report by Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Periodic Report by Chief Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Scheme 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 (Embedded within the Inline XBRL document and included in Exhibit 101).

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.

Date: May 2, 2025	INGERSOLL RAND INC.
	By: /s/ Michael J. Scheske
	Name: Michael J. Scheske Vice President and Chief Accounting Officer (Principal Accounting Officer)

Exhibit 31.1

CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Vicente Reynal, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarterly period ended March 31, 2025 of Ingersoll Rand 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 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 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: May 2, 2025

/s/ Vicente Reynal

Vicente Reynal
Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Vikram U. Kini, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarterly period ended March 31, 2025 of Ingersoll Rand 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 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 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: May 2, 2025

/s/ Vikram U. Kini

Vikram U. Kini
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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 Ingersoll Rand Inc. (the “Company”) on Form 10-Q for the quarterly period ended March 31, 2025 filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Vicente Reynal, Chief Executive Officer and Director of the Company, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: May 2, 2025

/s/ Vicente Reynal

Vicente Reynal
Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

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 Ingersoll Rand Inc. (the “Company”) on Form 10-Q for the quarterly period ended March 31, 2025 filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Vikram U. Kini, Vice President and Chief Financial Officer of the Company, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: May 2, 2025

/s/ Vikram U. Kini

Vikram U. Kini
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)