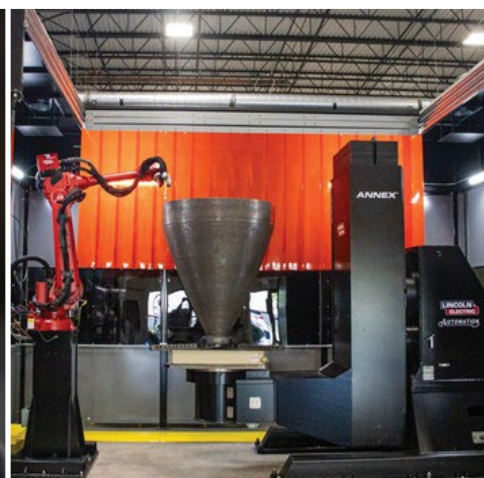




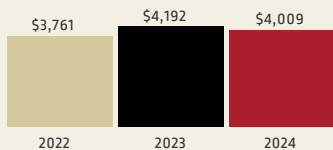
# Building a Better World

2024 ANNUAL REPORT & 2025 PROXY STATEMENT



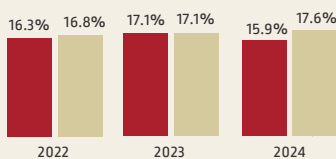
## Financial Highlights Years ended December 31 (dollars in millions, except per share)

### NET SALES



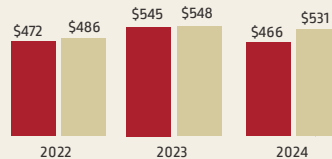
### OPERATING INCOME MARGIN\*

Reported Adjusted



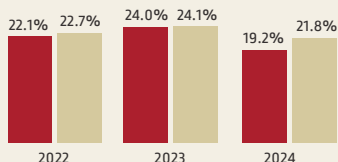
### NET INCOME\*

Reported Adjusted



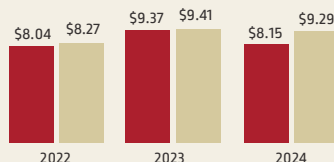
### RETURN ON INVESTED CAPITAL\*

Reported Adjusted

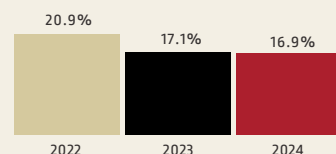


### EARNINGS PER COMMON SHARE\*

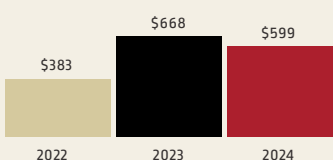
Reported Adjusted



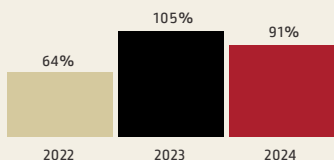
### AVERAGE OPERATING WORKING CAPITAL RATIO\*



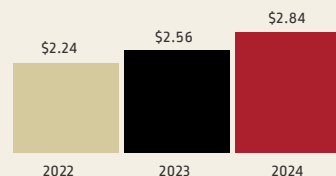
### CASH FLOW FROM OPERATIONS



### CASH CONVERSION RATIO\*



### ANNUAL CASH DIVIDEND PER COMMON SHARE



\* Please see Appendix A for definitions and reconciliation of adjusted results to the most comparable reported results.

## Sustainability Highlights



### Safety

2025 GOAL: 52% Reduction

**38% TRCR REDUCTION**  
(2024 vs 2018)



### GHG Emissions

2025 Goal: 10% Reduction

**18% REDUCTION**  
(2024 vs 2018)



### Energy Intensity

2025 Goal: 16% Reduction

**10% REDUCTION**  
(2024 vs 2018)



### Recycling

2025 GOAL: 80% rate

**78.4% in 2024**



### Landfill Avoidance

2025 Goal: 97% rate

**95.6% in 2024**



### Water Use

2025 Goal: 14% Reduction

**29% REDUCTION**  
(2024 vs 2018)



Please visit: <https://sustainability.lincolnelectric.com> for more details



# Operating to a Higher Standard to Build a Better World

—Steven B. Hedlund Chair, President and Chief Executive Officer

## DEAR LINCOLN ELECTRIC SHAREHOLDERS,

I am pleased to report another year of strong financial and operational performance while navigating a challenging demand environment. By maintaining operational agility, diligently managing costs, launching savings actions, and investing in long-term growth, we delivered record profit margins, strong earnings, cash flow generation, and top quartile returns. As we mark our 130th anniversary, we are better positioned to win than ever before.

### FINANCIAL PERFORMANCE HIGHLIGHTS

We achieved \$4 billion in net sales in 2024 from acquisitions and price actions, which were offset by broad volume compression as our larger industrial customers lowered production levels and deferred capital spending. Despite persistent industrial sector headwinds, we successfully offset the unfavorable volume impact with strong execution of our strategic commercial and operational initiatives and launched

new savings actions which will deliver over \$60 million in annualized savings starting in 2024 and in 2025. These actions resulted in a record adjusted operating income margin of 17.6%, our second highest adjusted earnings per share performance at \$9.29 and cash flow generation of \$599 million, and maintained top quartile return on invested capital of 21.8%.

We invested \$369 million in growth, from higher internal capital investments to fund growth and productivity, as well as \$253 million to acquire three bolt-on acquisitions. These investments will support expanded growth across automation, new industrial channels, and new AI-based digital solutions. We returned \$426 million to shareholders reflecting our 11% increase in the dividend payout rate and \$264 million in share repurchases, or a 1.8% decline in our fully diluted share count.

These achievements underscore our commitment to deliver sustainable value to our shareholders and compound earnings through the cycle.

## 2024 Financial Highlights

Net Sales:

\$4.0 billion

Adjusted earnings per share:

\$9.29

Top quartile Adjusted ROIC:

21.8%

Record Adjusted operating margin:

+50bps to 17.6%

Cash flow generation:

\$599 million

Returned to shareholders:

\$426 million

(dividends & share repurchases)

FINANCIAL METRIC	2020-2025 STRATEGY TARGET	2020-2024 ACHIEVEMENT
Sales CAGR (ex-FX)	High single-digit to low double-digit %	8% <sup>1</sup>
Average Adjusted Operating Income Margin	16.0% (+/- 150bps)	15.7% average
Americas Welding EBIT margin	17% to 19%	18.0% average
International Welding EBIT margin	12% to 14%	10.5% average
Harris Products Group EBIT margin	13% to 15%	14.7% average
Adjusted EPS CAGR	High-teens % Low-20%	22%
Average ROIC	18% to 20% (top quartile)	22.1% average
Average Operating Working Capital Ratio	15% at 12/31/2025 (top decile)	16.9%

<sup>1</sup> A maximum of 2% price contribution is used in measuring 2020-2024 sales growth performance. Net Sales as reported increased 11% CAGR 2020-2024.

### ACHIEVING OUR HIGHER STANDARD 2025 STRATEGY

We are on track to achieve our Higher Standard 2025 strategy targets later this year. We are delivering accelerated sales growth within target range and I am confident we will attain our goal of increasing our average adjusted operating income margin by 200 basis points to an average 16% versus the 13.7% average in the prior cycle. Our earnings per share growth rate has compounded at the top end of our target range, and we have maintained top quartile ROIC and working capital performance.

Innovation continues to differentiate our brand worldwide. We remain at the forefront of industry transformation with our automation portfolio, which achieved \$911 million in net sales in 2024 and we have continued to expand its offering and technology capabilities. In addition, our product development teams accelerated new product launches in 2024 with over 80 new launches. These innovations will support our new product vitality index, which is a measure of return on investment in R&D. In 2024, we achieved a strong 50% vitality index in our equipment sales – demonstrating that our innovations continue to deliver a compelling value proposition to customers.

Operationally, our Higher Standard 2025 enterprise initiatives focused on streamlining core business processes, driving standardized operational best practices, maturing shared services, and improving safety and environmental performance. These efforts continue to reshape the business to outperform in the next growth cycle.

### THE YEAR AHEAD

As we celebrate our 130th anniversary in 2025, we reflect upon the enduring legacy, resilience and ability to adapt and thrive for over a century. Our longevity is a testament to our commitment to excellence, innovation and delivering value to our shareholders.

This year, we will maintain strong momentum in the organization. Profitable growth remains our top priority, and we will continue to position the Company to excel through the cycle with the most innovative portfolio and strong execution of our strategic operational and commercial initiatives. We will maintain a balanced capital allocation strategy and are focused on delivering enhanced profit margin and earnings performance in the year ahead.

On behalf of the entire organization and our Board of Directors, thank you for your support and helping us achieve our purpose to Build a Better World.



**Steven B. Hedlund**

Chair, President and Chief Executive Officer





# 2025 Proxy Statement





LINCOLN ELECTRIC

# Notice of Annual Meeting of Shareholders

## Proposals to be Voted on

- 1** To elect 11 Director Nominees named in this Proxy Statement to our Board of Directors to serve until the 2026 Annual Meeting or until their successors are duly elected and qualified
- 2** To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2025
- 3** To approve, on an advisory basis, the compensation of our named executive officers (NEOs)

By Order of the Board of Directors,

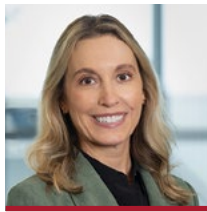
Shareholders of record at the close of business on February 28, 2025, the record date, are entitled to vote at the Annual Meeting.

**Your vote is very important!** Please vote your shares promptly. We appreciate your continued confidence in Lincoln Electric!



**Steven B. Hedlund**

Chair, President and  
Chief Executive Officer



**Jennifer I. Ansberry**

Executive Vice President,  
General Counsel and Secretary

## Annual Meeting Details



### DATE & TIME

Thursday, April 24, 2025  
11:00 AM ET



### PLACE

Online at [www.virtualshareholdermeeting.com/LECO2025](http://www.virtualshareholdermeeting.com/LECO2025)



### ACCESS & PARTICIPATION

Online at [www.virtualshareholdermeeting.com/LECO2025](http://www.virtualshareholdermeeting.com/LECO2025). You must have your 16-digit control number which is printed on your proxy card.

Submit pre-meeting questions online by visiting [www.proxyvote.com](http://www.proxyvote.com) before Friday, April 18, 2025 at 5:00 pm ET.

## Important

We will begin mailing this proxy statement on or about March 20, 2025.

### Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to Be Held on April 24, 2025:

This Proxy Statement and the related form of proxy, along with our 2024 Annual Report on Form 10-K, are available free of charge at [www.lincolnelectric.com/proxymaterials](http://www.lincolnelectric.com/proxymaterials).

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# Proxy Summary



This section provides an overview of important information related to this Proxy Statement and the 2025 Annual Meeting. We encourage you to read the entire Proxy Statement for more information before voting.

## Annual Meeting Details



### DATE

Thursday, April 24, 2025



### TIME

11:00 AM ET



### PLACE

Online at [www.virtualshareholdermeeting.com/LECO2025](http://www.virtualshareholdermeeting.com/LECO2025)



### RECORD DATE

Shareholders of record at the close of business on February 28, 2025 are entitled to vote at the 2025 Annual Meeting.

## How to Cast Your Vote



### BY PHONE

Call 1-800-690-6903 by April 23, 2025



### BY TABLET OR SMARTPHONE

Scan the QR code on your proxy card or voting instruction form to vote with your mobile device by April 23, 2025



### BY MAIL

Sign, date and return your proxy card or voting instruction form by April 23, 2025



### BY INTERNET

Visit [www.proxyvote.com](http://www.proxyvote.com) until April 23, 2025 or vote online on April 24, 2025 during the Annual Meeting at: [www.virtualshareholdermeeting.com/LECO2025](http://www.virtualshareholdermeeting.com/LECO2025)

## Voting Recommendation

Proposals		Board Recommendation	Page
<b>1</b>	To elect 11 Director Nominees named in this Proxy Statement to our Board of Directors to serve until the 2026 Annual Meeting or until their successors are duly elected and qualified	<b>FOR</b> each Director Nominee	19
<b>2</b>	To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2025	<b>FOR</b>	101
<b>3</b>	To approve, on an advisory basis, the compensation of our named executive officers (NEOs)	<b>FOR</b>	103

## Business Overview

### Our Purpose:

#### OPERATING BY A HIGHER STANDARD TO BUILD A BETTER WORLD

Lincoln Electric is the world leader in the design, development and manufacture of arc welding solutions, automated joining, assembly and cutting systems, plasma and oxyfuel cutting equipment, and has a leading global position in brazing and soldering alloys.

We are recognized as The Welding Experts® for our leading materials science, software development, automation engineering, and application expertise, which advance customers' fabrication capabilities to help them build a better world. We leverage these strengths, our global presence and a broad distribution network to serve an array of customers across various end markets including general metal fabrication, energy, structural steel construction and infrastructure (commercial buildings and bridges), heavy industries (agricultural, mining, construction, rail equipment, and shipbuilding), as well as automotive/transportation.

Headquartered in Cleveland, Ohio, U.S.A., we operate 71 manufacturing and automation system integration facilities, as well as operations and joint ventures across 20 countries. Our solutions are distributed to customers in over 160 countries. In 2024, we generated \$4.0 billion in sales.

### FAST FACTS

Founded  
**1895**

Employees  
Worldwide  
**12,000**

**LECO**  
NASDAQ  
LISTED

Country  
Footprint/  
Distribution  
**20/160+**

Manufacturing &  
Automation System  
Integration  
Facilities  
**71**

Corporate  
Headquarters  
**CLEVELAND, OH**

Broadest  
**SOLUTIONS  
PORTFOLIO  
GLOBALLY**

2024  
Revenue  
**\$4.0B**

**ARC**  
APPLICATION RESOURCE CENTER  
**40**  
**Worldwide**

New Equipment<sup>1</sup>  
Vitality Index  
**50%**

Largest  
**COMMERCIAL &  
TECHNICAL TEAM**

<sup>1</sup> Vitality index represents the percentage of 2024 equipment sales from new products launched in the last five years. Excludes customized automation sales.

### Our Global Footprint



## Business Overview (Continued)

**Our Guiding Principle: The Golden Rule****TREAT OTHERS AS YOU WOULD LIKE TO BE TREATED**

For 130 years, we have achieved success through innovation and business practices that seek to align and generate superior value for all our stakeholders. Our long-term strategic initiatives and investments drive alignment by providing:

- Customers with market-leading solutions that are manufactured responsibly, operate safely and efficiently, and are supported by our superior technical application capabilities;
- Suppliers with a shared commitment to responsible operations that are safe, compliant and efficient;
- Employees with an incentive and results-driven culture where engagement and professional growth and development is a priority;
- Communities with a responsible and engaged partner who is focused on helping neighbors thrive; and
- Shareholders with above-market returns.

**Our Higher Standard 2025 Strategy**

We are executing on our long-term strategy, the “Higher Standard 2025 Strategy” (“2025 Strategy”), which focuses on accelerating sales growth, profitability and earnings performance from 2020 to 2025 by putting customers’ needs first, enhancing employee development and engagement, further differentiating ourselves with innovative solutions, and advancing operational excellence. Our 2025 Strategy is integrated into each of these four key strategic areas of the business, which are highlighted below:

**CUSTOMER FOCUSED:**

Enhance our value proposition and the ease of doing business with us by leveraging our CRM system and investments in industry-segment market-facing teams, product portfolios and application resource centers.

**EMPLOYEE DEVELOPMENT:**

Improve opportunities for our employees to learn and grow through new development programs, resource groups, engagement initiatives, and enhanced HR systems and tools.

**SOLUTIONS & VALUE:**

Develop solutions that improve customers’ ability to make their products better, safer and easier. Key initiatives include accelerating growth in automated solutions and additive services, enhanced software (IoT and AI), and designing greater efficiency and sustainability into new products.

**OPERATIONAL EXCELLENCE:**

Improve our quality, costs and processes by maximizing continuous improvement through our Lincoln Business System, further digitization of our operations and processes, and achievement of our sustainability goals.

## Business Overview (Continued)

All of the 2025 Strategy's key financial targets are integrated into the Company's key short-term and long-term compensation metrics and are incorporated into the Chief Executive Officer (CEO) and executive leadership's individual annual compensation goals and further cascaded through the organization.

Key Financial Metrics	2025 Goal (2020 Baseline)	Short-Term Compensation Metrics	Long-Term Compensation Metrics
Sales Compound Annual Growth Rate (CAGR) (Volume, 2% price & acquisitions)	High single-digit to Low double-digit percent	√ <sup>1</sup>	
Average Adjusted Operating Income Margin	16% (+/- 150 bps)	√ <sup>1</sup> (Representative of Earnings before interest, taxes and bonus (EBITB))	
Adjusted Earnings per share CAGR	High-teens to Low 20%		√ <sup>1</sup> (Three-Year Cumulative Growth of Adjusted Net Income for Compensation Purposes)
Average Operating Working Capital Ratio	15% in 2025	√ <sup>1</sup>	
Average Adjusted Return on Invested Capital	18% to 20% (Top quartile performance vs. proxy peers)		√ <sup>1</sup>







<sup>1</sup> Performance measures used in the design of the executive compensation program are defined in Appendix A.

Our 2025 sustainability goals and initiatives are aligned across each peak of our 2025 Strategy and are incorporated in annual individual performance goals. Our sustainability initiatives focus on reducing the impact of our operational footprint through reduced emissions, lower energy intensity, greater conservation of natural resources, strong corporate governance, enhanced employee development and engagement, and maintaining strong community partnerships.

Additionally, we are focused on advancing sustainability in our customers' operations across the end markets we serve. Our product stewardship initiatives focus on improving the design, manufacture, packaging, and transportation of our products to improve customer safety, increase recyclability, and reduce our products' overall environmental impact. Our application expertise and proprietary solutions are also at the forefront of supporting the expansion of clean technology by enabling the fabrication of renewable energy infrastructure and power generation, as well as the electrification of the transportation sector.

## 2025 Strategy Sustainability Goals

Goals reflect targeted 2025 performance versus our 2018 baseline:

SAFETY	GREENHOUSE GAS (GHG) EMISSIONS	ENERGY INTENSITY	RECYCLING	LANDFILL AVOIDANCE	WATER USE
					
<b>52%</b>	<b>10%</b>	<b>16%</b>	<b>80%</b>	<b>97%</b>	<b>14%</b>
REDUCTION (-10% YoY) Total Recordable Case Rates	REDUCTION (-1.5% YoY) Scope 1 and 2 GHG Emissions	REDUCTION (-2.5% YoY)	RATE (All Waste)	RATE	REDUCTION (-2.1% YoY)



## 2024 Performance Highlights

In 2024, we achieved record profitability, our second highest earnings per share performance, and maintained top quartile adjusted return on invested capital (“ROIC”) despite challenging end market demand trends. Our focus on cost management, diligent execution of our strategy, and benefits from our operational initiatives successfully mitigated the impact of lower sales. During this portion of the cycle, we continued to focus on employee safety and training, led with our “customer-first” approach, and continued to focus on long-term growth investments. This included record capital spending and R&D investments to accelerate innovation. This resulted in our largest launch of new products in the last five years. We believe these initiatives are advancing us towards achieving our 2025 Strategy goals and delivering superior long-term shareholder value.

A key element of our growth strategy is acquisitions, and in 2024 we acquired three businesses that complement our core welding businesses, as well as our automation portfolio. These are long-term investments that we believe will further differentiate our portfolio, expand access to key markets, and extend our technical capabilities in the years ahead. These acquisitions bolstered our automation sales in 2024, which compressed slightly to \$911 million, but we remain on track to achieve our 2025 \$1 billion revenue target at the Company’s average profit margin.

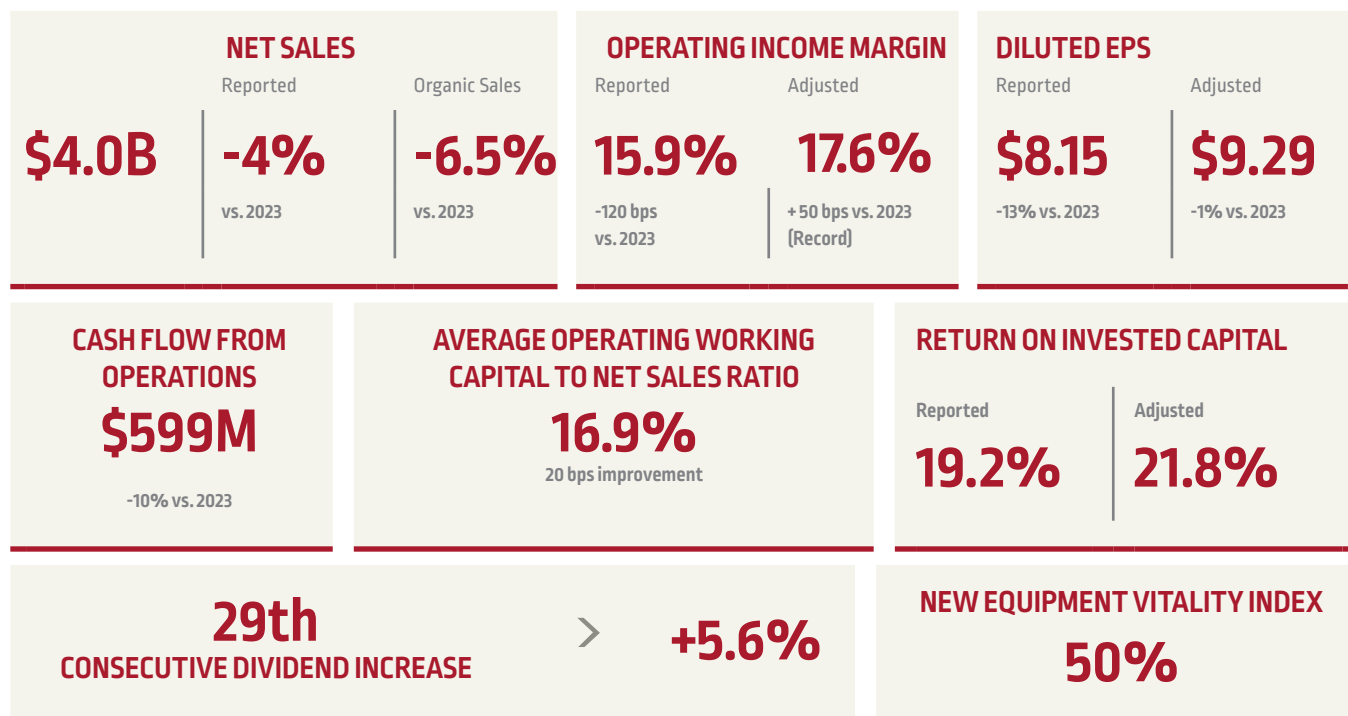
Our internal growth initiatives yielded the launch of over 80 new product families in 2024, which was a recent record. We also achieved a 50% vitality index among our standard equipment products, which reflects the momentum of our new product pipeline and the return on our R&D investments. Our customer-first approach and collaborative development approach supports the design of new technology and solutions that aim to deliver improved productivity, safety, quality and sustainable features sought by customers. Examples of new products launched in 2024 include our new Flex Lase® Handheld Laser Welder, which marks our first handheld laser solution, as well as the launch of our portable Elevate™ SLi Battery-Powered Stick Welder which offers a ‘grab and go’ and ‘charge anywhere’ versatility needed for remote welding jobs. In addition, we celebrated our 1,000<sup>th</sup> Cobot sale in 2024, which positions Lincoln Electric as the global leader in this space and reinforces the value proposition of our proprietary Cooper™ Cobot automation solution. We also continued to nurture our early-stage growth initiatives: large scale metal 3D printing and our Velion™ DC fast charger portfolio, which continue to yield positive feedback from customers and industry.

In our own operations, we successfully advanced towards our 2025 Strategy sustainability targets. We achieved record safety, recycling, and water conservation performance in 2024, and continued to outperform our 2025 GHG emission reduction target, while lowering the energy intensity of our operations. Our progress reflects our commitment to operational excellence across our global manufacturing and automation assembly facilities, as well as the health and wellness of employees and our communities.

Our success demonstrates the effectiveness of our 2025 Strategy and a strong and aligned culture, which has resulted in an improved long-term competitive position and superior shareholder returns through the cycle.

## 2024 Financial Highlights

We achieved record profit performance, as well as solid earnings per share, cash flow generation, and adjusted return on invested capital (ROIC) in 2024 while navigating a challenging portion of the cycle. Slower industrial activity and capital spending across most of our end markets resulted in a 4% decline in sales to \$4.0 billion. Diligent cost management, and the benefits of our ongoing operational initiatives mitigated the impact of lower demand trends, resulting in a record 17.6% adjusted operating income margin (15.9% reported operating income margin). Cash flows from operations remained strong at \$599 million on improved margin and working capital performance, which resulted in a 91% cash conversion ratio. Solid ROIC of 21.8% remains top-quartile versus proxy peers demonstrates the effectiveness of our 2025 Strategy and our disciplined capital allocation approach.



See Appendix A for definitions and/or reconciliation of these metrics to results reported in accordance with GAAP. Performance measures used in the design of the executive compensation program are presented within the Compensation Discussion and Analysis section.

Our 2024 performance advances our progress towards our 2025 Strategy financial targets, with several metrics pacing at or above their 2025 target:

Key Financial Metrics	2025 Goal (vs. 2020 Baseline)	2020 to 2024 Progress
Sales CAGR (Volume, 2% price & acquisitions)	High single-digit to Low double-digit percent	8% <sup>1</sup>
Average Adjusted Operating Income Margin	16% (+/- 150 bps)	15.7%
Adjusted Earnings per share CAGR	High teens to Low 20%	22%
Average Operating Working Capital Ratio	15% in 2025	16.9% at 12/31/2024
Average Adjusted Return on Invested Capital	18% to 20% (Top quartile performance vs. proxy peers)	22.1%

<sup>1</sup> A maximum of 2% price contribution is used in measuring 2020-2024 sales growth performance. Net Sales as reported increased 11% CAGR 2020-2024.

## 2024 Shareholder Returns

We generated strong cash flows in 2024 and returned \$426 million to shareholders through our dividend program and share repurchases, while continuing to invest in internal growth initiatives and acquisitions. In addition, the Board approved the Company's 29th consecutive dividend increase, raising the dividend rate by 5.6% to \$3.00 per share per year. Despite achieving a record share price of \$261.13 in the first quarter of 2024, our total shareholder return (TSR) for the year was -13% reflecting weakening industrial conditions for the balance of the year.

**\$426M**

Returned to  
Shareholders  
in 2024



**\$162M**

In Dividends



**\$264M**

In Share  
Repurchases

TOTAL SHAREHOLDER  
RETURN

**-13%**

1-Year

**+41%**

3-Year

**+111%**

5-Year

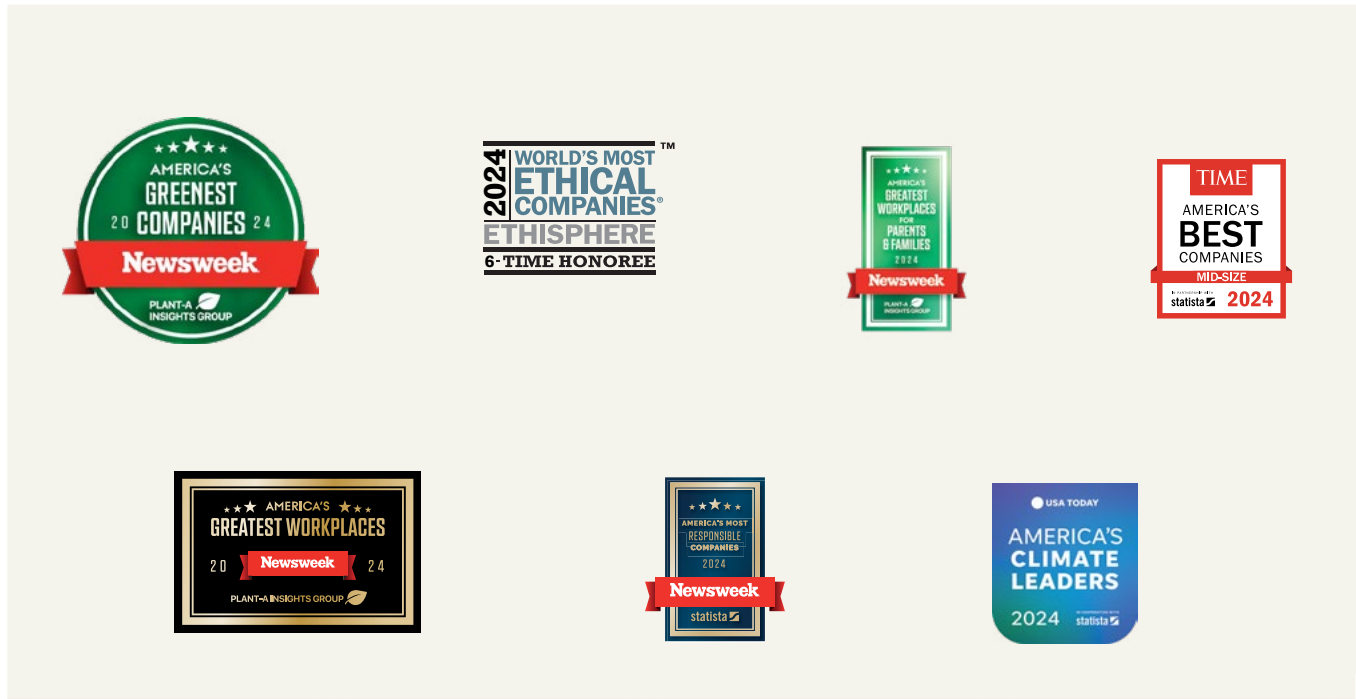
## Sustainability Highlights

### 2024 Safety and Environmental Highlights

Safety, operational excellence and sustainability are a priority at Lincoln Electric and we strive to improve our performance annually to achieve our 2025 goals across these key safety and environmental metrics: our total recordable case rate (TRCR) safety metric, carbon emissions, energy intensity, recycling, and water use. Our performance to goal demonstrates continued structural improvements achieved in the business through our 2025 Strategy and our commitment to best-in-class performance.

	2025 Goal (vs. 2018 Baseline)	2024 Performance (vs. 2018 Baseline)
Safety (TRCR)	52% Reduction	38% Reduction
Greenhouse Gas Emissions (Absolute)	10% Reduction	18% Reduction
Energy Intensity (Gigajoules used/Hours worked)	16% Reduction	10% Reduction
Recycling (All Waste)	80% Rate	6.8% Increase to 78.4% Rate
Water Use (Absolute)	14% Reduction	29% Reduction

In 2024, Lincoln Electric was named among The Wall Street Journal's Top 250 Best Managed Companies and was also recognized by other awards for our leading ethical, environmental, social and governance practices, which align with our 2025 Strategy.



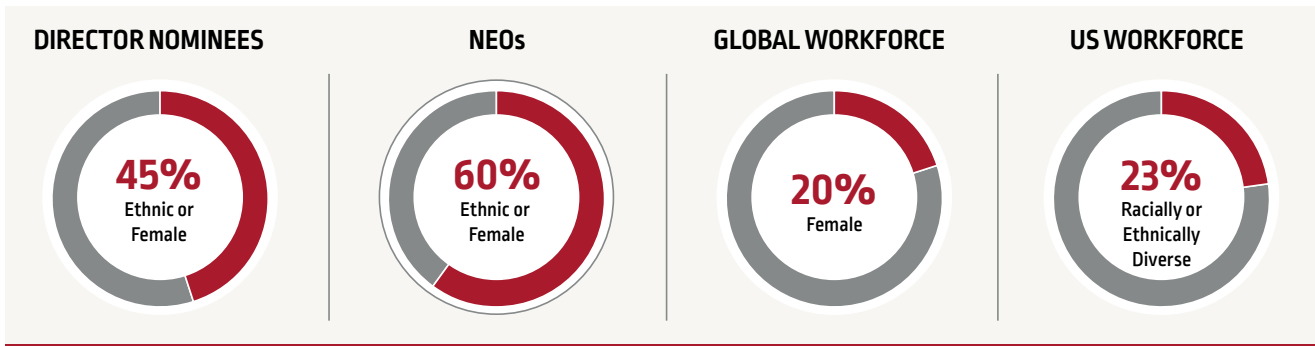


## 2024 Global Workforce Highlights

In executing our 2025 Strategy, we place a priority on social matters through:

- Global Workforce and culture and engagement initiatives
- Employee Development & Training
- Community Engagement

## Board & Workforce Composition Highlights



## Employee Development & Training

One of the four peaks of our 2025 Strategy is focused directly on our employees' engagement and professional development because a highly engaged workforce drives innovation, productivity and improved bottom-line results. One key area of engagement is our investment in training and development programs to ensure a strong succession pipeline and ample development opportunities to advance skills, knowledge and expertise to prepare our employees for future career opportunities.

## Community Engagement

In 2024, we maintained our employee assistance program, supported our internal employee resource group initiatives and community engagement through our Lincoln Electric Foundation grants, our U.S. employee matching program for donations and volunteerism, in-kind gifts, sponsorship of key events, and the hosting of community and academic events at our facilities.

## Corporate Governance Highlights

Lincoln Electric has a solid track record of integrity and corporate governance practices that promote thoughtful management by its officers and Board of Directors, which we believe facilitates profitable growth while strategically balancing risk to maximize shareholder value. The tables below summarize select Board and corporate governance information and highlight certain information about the 11 Director Nominees that shareholders are being asked to elect to our Board at the 2025 Annual Meeting.

BOARD COMPOSITION AND PRACTICES			
Number of Director Nominees	11	Independent Directors meet without management	✓
Number of independent Directors	10	Director attendance at Board and committee meetings	>75%
Average age of Director Nominees	61	Mandatory retirement age (75)	✓
Ethnic Director Nominees	2	Stock ownership guidelines for Directors	✓
Number of Female Director Nominees	3*	Annual Board and committee self-assessments	✓
Board meetings held in 2024	5	Code of Conduct for Directors, officers & employees	✓
New Directors in the last 5 years	6	Succession planning and implementation process	✓
Average tenure (years) of Director Nominees	8	Strategy, sustainability and risk management oversight	✓
Annual election of Directors	✓	Culture & engagement oversight	✓
Majority voting policy for Directors	✓		
Lead Independent Director	✓		
Number of fully independent Board committees	4		

\* The percentage of female Directors has been over 30% in recent years but has dipped slightly below due to a director retirement and the current size of the Board.

SHAREHOLDER PROTECTIONS		COMPENSATION PRACTICES	
One share, One vote standard	✓	Pay for Performance	✓
Dual-class common stock or Poison pill	✗	Annual Say-on-Pay Advisory Vote	✓
Cumulative voting	✗	Compensation aligned with strategic goals and individual performance	✓
Vote standard for Code of Regulations amendment	67%	Incentive plans do not encourage excessive risk taking	✓
Shareholder right to call a special meeting	✓**	No excessive perquisites	✓
Annual election of Directors	✓	Robust stock ownership guidelines for NEOs	✓
Majority voting policy for Directors	✓	Clawback policy	✓
Lead Independent Director	✓	Double-trigger change-in-control policy	✓
Executive sessions without management present	✓	Anti-hedging/pledging policy	✓
		CEO Pay Ratio	150:1

\*\* Special meetings can be called by shareholders holding at least 25% of all the shares outstanding and entitled to vote at the meeting.

## Corporate Governance Highlights (Continued)

SUSTAINABILITY POLICIES AND ENVIRONMENTAL GOALS	
Board oversight of sustainability matters	✓
Compensation and Executive Development Committee oversight of human capital policies and practices, including culture and engagement	✓
Audit Committee oversight of environmental, health & safety matters	✓
Audit Committee oversight of information security and cybersecurity matters	✓
Sustainability performance incorporated into CEO's annual performance goals and compensation metrics (and other executives)	✓
Global Code of Conduct	✓
Human Rights Policy	✓
No-Harassment Policy	✓
Anti-Corruption Policy	✓
Supplier and Channel Partner Codes of Conduct	✓
Environmental, Health, Safety & Quality Policy	✓
Environment management system	✓
Long-term safety and environmental goals	✓
Aligned with select UN Sustainable Development Goals (SDGs)	✓
Sustainability Accounting Standards Board (SASB) Index	✓
Task Force on Climate-related Financial Disclosures (TCFD) Index	✓
Carbon Disclosure Project (CDP) Submission	✓
Sustainability Report	✓

## Director Nominees and Board Summary

**PROPOSAL 1 | ELECTION OF 11 DIRECTOR NOMINEES TO OUR BOARD OF DIRECTORS TO SERVE UNTIL THE 2026 ANNUAL MEETING OR UNTIL THEIR SUCCESSORS ARE DULY ELECTED AND QUALIFIED**



THE BOARD RECOMMENDS A VOTE **“FOR”** ALL DIRECTOR NOMINEES. OUR NOMINATING AND CORPORATE GOVERNANCE COMMITTEE AND OUR BOARD OF DIRECTORS HAVE DETERMINED THAT EACH OF THE DIRECTOR NOMINEES POSSESSES THE RIGHT SKILLS, QUALIFICATIONS AND EXPERIENCE TO EFFECTIVELY OVERSEE LINCOLN ELECTRIC’S LONG-TERM BUSINESS STRATEGY

See “Proposal 1—Election of Director Nominees” beginning on page 19 of this Proxy Statement.

You are being asked to vote on the election of eleven Director Nominees to our Board of Directors. Selected biographical information of each Director Nominee, as well as committee membership and committee chair information is listed below. Additional information about each of our Director Nominees can be found in the Director biographies under Proposal 1.

### DIRECTOR NOMINEES

Name	Age	Director Since	Independent	Audit	Compensation & Executive Development	Nominating & Corporate Governance	Finance	Other Public Company Boards
<b>Brian D. Chambers</b> Chair, President and CEO, Owens Corning	58	2022	✓	●			●	1
<b>Curtis E. Espeland</b> <b>(Lead Independent Director)</b> Retired Executive Vice President and CFO, Eastman Chemical Company	60	2012	✓	●			●	1
<b>N. Joy Falotico</b> Former President, The Lincoln Motor Company	57	2025	✓	●		●		2
<b>Bonnie J. Fetch</b> Executive Vice President, President—Operations, Cummins Inc.	54	2023	✓	●			●	—
<b>Patrick P. Goris</b> Senior Vice President and CFO, Carrier Global Corporation	53	2018	✓	●		●		—
<b>Steven B. Hedlund</b> <b>(Chair)</b> Chair, President and CEO, Lincoln Electric Holdings, Inc.	58	2024						—
<b>Michael F. Hilton</b> Retired President and CEO, Nordson Corporation	70	2015	✓		●	●		3
<b>Marc A. Howze</b> Former Senior Advisor, Office of the Chairman, Deere & Company	61	2023	✓		●		●	1
<b>Kathryn Jo Lincoln</b> Chair and Former CIO, Lincoln Institute of Land Policy	70	1995	✓		●	●		—
<b>Phillip J. Mason</b> Retired President, EMEA Sector of Ecolab, Inc.	74	2013	✓		●		●	—
<b>Ben P. Patel</b> Former Chief Innovation and Science Officer, Smurfit Westrock	57	2018	✓	●		●	●	—

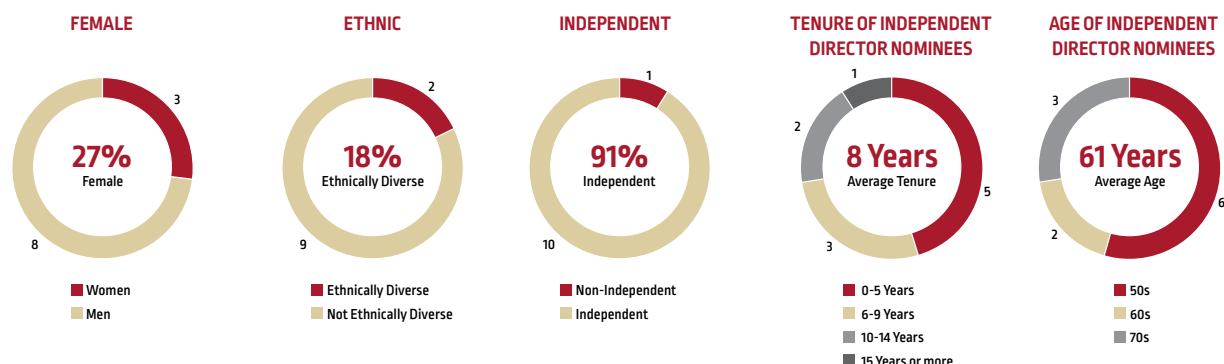
● Committee Member    ● Committee Chair

## RETIRING DIRECTOR

Name	Age	Director Since	Independent	Audit	Compensation & Executive Development	Nominating & Corporate Governance	Finance	Other Public Company Boards
Kellye L. Walker Senior Vice President and Chief Legal Counsel, Deere & Company	58	2020	✓		●	●		—

● Committee Member    ● Committee Chair

## Composition of Director Nominees



## Ratification of the Appointment of the Independent Registered Public Accounting Firm Summary

## PROPOSAL 2 | RATIFICATION OF THE APPOINTMENT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM



THE BOARD RECOMMENDS A VOTE **FOR** THIS PROPOSAL. OUR BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE **"FOR"** THE RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE YEAR ENDING DECEMBER 31, 2025.

See "Proposal 2—Ratification of the Appointment of the Independent Registered Public Accounting Firm" beginning on page 101 of this Proxy Statement.

## Executive Compensation Program Highlights

### PROPOSAL 3 | APPROVAL, ON AN ADVISORY BASIS, OF NEO COMPENSATION



THE BOARD RECOMMENDS A VOTE **FOR** THIS PROPOSAL. OUR BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE “**FOR**” THE APPROVAL, ON AN ADVISORY BASIS, OF THE COMPENSATION OF OUR NEOs.

See “Proposal 3—Approval, on an advisory basis, of NEO compensation” beginning on page 103 of this Proxy Statement and “Compensation Discussion and Analysis” beginning on page 48 of this Proxy Statement.

We have a long history of driving an incentive management culture, emphasizing pay for performance to align compensation with the achievement of enterprise, segment and individual goals.

We believe our compensation program and practices provide an appropriate balance between profitability, cash flow and returns, on the one hand, and suitable levels of risk-taking, on the other. This balance, in turn, aligns compensation strategies with shareholder interests, as reflected by the consistently high level of shareholders voting for the compensation of our NEOs.

During 2024, the Company announced the planned retirement of Christopher L. Mapes as the Company’s Executive Chair, effective December 31, 2024, and the election of Steven B. Hedlund as Chair effective January 1, 2025.

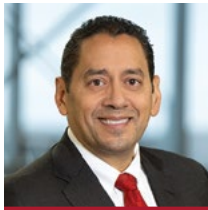
### 2024 NAMED EXECUTIVE OFFICERS

The Compensation Discussion and Analysis (CD&A) provides information regarding our executive compensation program for the following NEOs in 2024:



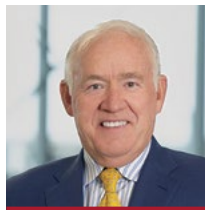
**Steven B. Hedlund**

Chair [since January 1, 2025]  
President and  
Chief Executive Officer  
[since January 1, 2024]



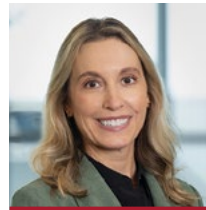
**Gabriel Bruno**

Executive Vice President,  
Chief Financial Officer  
and Treasurer



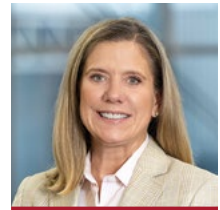
**Christopher L. Mapes**

Executive Chair  
[retired December 31, 2024]



**Jennifer I. Ansberry**

Executive Vice President,  
General Counsel and Secretary



**Michele R. Kuhrt**

Executive Vice President,  
Chief Transformation  
Officer



## 2024 EXECUTIVE COMPENSATION PRACTICES

What We Do		What We Don't Do	
We have long-term compensation programs focused on profitability, net income growth, ROIC and total shareholder returns	✓	We do not allow hedging or pledging of our shares	✗
We use targeted performance metrics to align pay with performance	✓	We do not reprice stock options and do not issue discounted stock options without shareholder approval	✗
We maintain stock ownership guidelines (5x base salary for CEO; 3x base salary for other NEOs)	✓	We do not provide excessive perquisites	✗
We have a shareholder-approved equity incentive plan	✓		
We have a compliant clawback policy	✓	We do not have multi-year guarantees for compensation increases	✗
We have a double-trigger change in control policy	✓		

## 2024 ELEMENTS OF EXECUTIVE COMPENSATION

Type	Component	Overview
Fixed Compensation	Base Pay	<ul style="list-style-type: none"> <li>Reflects the scope of our NEO's responsibilities, experience and performance.</li> </ul>
Incentive-Based Compensation	Target Total Cash Compensation with Annual Bonus (EMIP)	<ul style="list-style-type: none"> <li>Short-term annual cash incentive with payouts ranging from 0% to 200% based on the achievement of financial goals of the Company and individual performance goals tied into the Company strategy.</li> </ul>
	Long-Term Incentive Compensation	<ul style="list-style-type: none"> <li>Consists of three components, (1) stock options, (2) RSUs and (3) Performance Shares, with the value of each weighted equally.</li> </ul>

We use the following key performance measures in our short-term and long-term compensation programs.

Key Performance Metrics Tied to Executive Compensation		
Metric	Short-Term Compensation (Annual Bonus)	Long-Term Incentive Compensation Program (3-yr Performance Cycle)
Adjusted Revenue <sup>1</sup>	✓	
EBITB <sup>1,2</sup> (Adjusted earnings before interest, taxes and bonus)	✓	
Average Operating Working Capital to Sales <sup>1</sup> ratio	✓	
Individual performance (includes ESG-related metrics) <sup>3</sup>	✓	
Adjusted Net Income <sup>1</sup> growth		✓
Return on Invested Capital (ROIC) <sup>1</sup>		✓

- Both consolidated and segment financial performance measures are used in the design of the executive compensation program and are defined in Appendix A. Adjusted Revenue for Compensation Purposes, EBITB, Average Operating Working Capital to Sales for Compensation Purposes, Adjusted Net Income for Compensation Purposes, and Return on Investment Capital for Compensation Purposes have discrete definitions relative to our executive compensation program.
- EBITB is an internal measure that tracks our adjusted operating income.
- Individual performance goals are set annually and a significant portion of our executive officers' individual performance goals are tied to one or more aspects of our 2025 Strategy including human capital and other sustainability related matters.

#### CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS:

This Proxy Statement contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended, including statements regarding Lincoln Electric's strategy and current expectations as well as sustainability and related strategies, commitments, targets and goals, within the meaning of applicable federal securities laws and regulations. These forward-looking statements reflect management's current expectations and involve a number of risks, uncertainties and other factors, and actual results may differ materially from any results projected in these statements. Forward-looking statements generally can be identified by the use of words such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe," "forecast," "guidance," "goal," "target" or words of similar meaning. Actual results (including the Company's performance with respect to any sustainability or other related targets and goals) may differ materially from such statements due to a variety of factors that could adversely affect the Company's operating results and ability to achieve its targets and goals. The factors include, but are not limited to: general economic, financial and market conditions; the effectiveness of commercial and operating initiatives; the effectiveness of information systems and cybersecurity programs; presence of artificial intelligence technologies; completion of planned divestitures; interest rates; disruptions, uncertainty or volatility in the credit markets that may limit our access to capital; currency exchange rates and devaluations; adverse outcome of pending or potential litigation; actual costs of the Company's rationalization plans; our ability to complete acquisitions, including the Company's ability to successfully integrate acquisitions; market risks and price fluctuations related to the purchase of commodities and energy; global regulatory complexity; the effects of changes in tax law; tariff rates in the countries where the Company conducts business; the Company's ability to achieve its sustainability-related targets and goals for a variety of reasons, including, among others, (i) technical and operating factors, (ii) assumptions not being realized, (iii) the outcome of current and future scientific research efforts and technological developments, and (iv) evolving sustainability strategies and best practices, and the possible effects of events beyond our control, including but not limited to, the ongoing conflicts between Russia and Ukraine and in the Middle East, political unrest, acts of terror, natural disasters and pandemics, on the Company or its customers, suppliers and the economy in general. For additional discussion, see "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024. These forward-looking statements speak only as of the date on which such statements were made, and we undertake no obligation to update these statements except as required by federal securities law. Forward-looking and other statements in this Proxy Statement regarding our sustainability and other sustainability-related strategies, commitments, targets and goals are not an indication that these statements are necessarily material to investors or required to be disclosed in our filings with the Securities and Exchange Commission (SEC).

**PROPOSAL  
01**

# Election of Director Nominees


**DIRECTOR NOMINEES**

Brian D. Chambers  
 Curtis E. Espeland  
 N. Joy Falotico  
 Bonnie J. Fetch  
 Patrick P. Goris  
 Steven B. Hedlund  
 Michael F. Hilton  
 Marc A. Howze  
 Kathryn Jo Lincoln  
 Phillip J. Mason  
 Ben P. Patel



**YOUR BOARD RECOMMENDS A VOTE “FOR” EACH DIRECTOR NOMINEE.**

Our shareholders are being asked to **ELECT 11 DIRECTOR NOMINEES** to serve until the 2026 Annual Meeting or until their successors are duly elected and qualified. Ms. Walker is not standing for re-election at the Annual Meeting and is retiring as a Director effective as of the expiration of her term at the time of this year’s Annual Meeting. Upon her retirement, the authorized number of Directors will be reduced from its current size of twelve and fixed at eleven Directors. All of the Director Nominees, other than Ms. Falotico, who was elected to the Board on February 19, 2025, have been previously elected by our shareholders. Each of the Director Nominees has agreed to stand for re-election at the 2025 Annual Meeting.

If any Director Nominee is unable to stand for election, the Board may provide for a lesser number of nominees or designate a substitute. In the latter event, shares represented by proxies solicited by the Directors may be voted for the substitute. We have no reason to believe that any of the nominees will be unable to stand for election.

**HOW WE SELECT DIRECTOR NOMINEES**

In evaluating Director candidates, including persons nominated by shareholders, the Nominating and Corporate Governance Committee expects that any candidate must have these minimum qualifications:

- Demonstrates character, integrity and judgment
- High-level managerial experience or experience dealing with complex business matters
- Ability to work effectively with others
- Sufficient time to devote to the affairs of Lincoln Electric
- Specialized experience and background that will add to the depth and breadth of the Board
- Independence as defined by the Nasdaq listing standards (for non-employee Directors)
- Financial literacy

We are also committed to having Director candidates that can provide perspective on the industry challenges that we face and our long-term commitment to a pay for performance culture. The Nominating and Corporate Governance Committee's process for identifying and evaluating nominees for Director includes annually discussing prospective Director specifications, which serve as the baseline to evaluate candidates. When recruiting new Director candidates, we may involve a recognized search firm, and the CEO and/or a member of the Nominating and Corporate Governance Committee (usually, the Chair) will contact the prospective director to gauge his or her interest and availability. The candidate will then meet with several members of the Board, including our Lead Independent Director. At the same time, references for the candidate will be contacted. A background check is generally completed before a final recommendation is made to the Board to elect a candidate to the Board.

During 2024, the Nominating and Corporate Governance Committee commenced a search for a new director candidate in light of Hellene Runtagh's retirement from the Board last April. The Nominating and Corporate Governance Committee retained the search firm of Heidrick & Struggles to help identify director prospects, perform candidate outreach, assist in reference and background checks and provide other related services. During the search process, the Board targeted candidates who were current or former senior executives of public companies with diverse leadership experience in managing global businesses, with strong profit and loss and corporate governance experience. These skills would be beneficial and complementary to the Board, particularly in the current development of the next long-term strategy for the Company. Heidrick & Struggles identified Ms. Falotico as a potential director candidate and, based on the review and recommendation of the Nominating and Corporate Governance Committee, the Board determined that Ms. Falotico possessed the desired capabilities and management experience and was elected to the Board on February 19, 2025.

Shareholders may nominate one or more persons for election as Director of Lincoln Electric. The process for nominating Director candidates is set forth in the FAQs section of this Proxy Statement. Director candidates recommended by our shareholders will be considered by the Nominating and Corporate Governance Committee in the same manner as other director candidates and in accordance with the criteria outlined above.

## Board Composition

The Nominating and Corporate Governance Committee believes that having an inclusive Board enhances overall corporate governance. The Nominating and Corporate Governance Committee considers a variety of characteristics, as well as professional background and capabilities, knowledge of specific industries, and geographic experience. To complement the Board's current composition, the Nominating and Corporate Governance Committee instructs any search firm engaged for each director candidate search to include individuals that represent a variety of characteristics, such as professional background and capabilities, knowledge of specific industries and geographic experiences.

## Director Nominees' Skills, Experience and Background

Throughout 2024, the Nominating and Corporate Governance Committee reviewed the skills, qualifications and experience of each Director Nominee to ensure that each Director Nominee can effectively oversee our long-term business strategy. The Nominating and Corporate Governance Committee has identified the skills, experience and background desired of our Director Nominees. The below skills are listed in order of priority, and have been thoughtfully defined in a manner that results in identifying Directors with more significant experience to help our stakeholders understand where the deeper experience lies. As shown below, our Director Nominees have a mix of skills and experience that we believe are relevant to the Company's long-term strategy and success.



11

### Senior Leadership

This is a foundational expectation of all directors. Includes all directors who are current or former officers of public companies and larger private companies who were top management of the organization. Included directors should have comparable management responsibilities and experience.



10

### Manufacturing and Industry

Includes all directors who have experience or expertise in manufacturing or dealing with the Company's end markets.



11

### Strategy and M&A

Includes all directors who have experience in strategic planning or M&A.



7

### Financial and Accounting

Includes all directors who would qualify as financial experts for purposes of service on the Audit Committee, whether through education and experience as a CFO, CAO, controller, public accountant or auditor or similar functions, or experience actively supervising such persons.



9

### Risk Oversight and Management

Includes directors who are current or former CEOs, senior leadership or top management, with oversight of enterprise risk management (ERM) in such roles. Also includes directors who are current or former public company board members with delegated responsibilities over risk oversight (e.g., service on audit or risk committees, or service as a board chair or lead director).



7

### Global Operations and Supply Chain

Includes directors with operational experience across different jurisdictions or operational experience with global supply chains.



9

### Organizational Development and Culture

Includes directors who are current or former senior leaders whose role had a particular focus on organizational development and culture. Also includes current or former leaders with oversight responsibility for human resource matters. Also includes directors who are current or former public company board members with delegated responsibilities over human capital policies and practices.



6

### Technology and Innovation

Includes directors who have leadership experience (current or within the past 5 years) at companies where technological innovation is a key component of the business strategy and where such director directly participated in or oversaw R&D strategies, as well as directors with specific technical expertise.



8

### Public Company and Corporate Governance

Includes directors who have experience as public company directors, are current or former general counsels or who have served as external governance advisors to boards and management, including as a chair of a board, institution or committee of a public company board.



9

### Sustainability

Includes directors with experience overseeing sustainability matters on a company board or who have experience overseeing sustainability matters at companies where such matters are integrated into the business strategy.



**YOUR BOARD RECOMMENDS A VOTE "FOR" EACH DIRECTOR NOMINEE**

## Director Nominees



### Brian D. Chambers

Director since 2022

**COMMITTEES:**

Audit  
Finance

AGE: 58

**OTHER PUBLIC COMPANY  
DIRECTORSHIPS:**

Owens Corning (NYSE: OC)  
since 2019

#### CAREER HIGHLIGHTS

Mr. Chambers has served as the Chair, President and Chief Executive Officer of Owens Corning, a global building and construction materials company, since 2020, and as President and Chief Executive Officer since 2019. During his over twenty-year tenure with Owens Corning, Mr. Chambers has served in various leadership positions including Chief Operating Officer from 2018 to 2019, and President of the Roofing Division from 2014 to 2018. Mr. Chambers has also held several commercial and operational roles at Saint-Gobain, Honeywell, and BOC Gases.

#### KEY QUALIFICATIONS, EXPERIENCE AND SKILLS

- As a current CEO and Chair of a global, publicly traded company engaged in manufacturing operations, Mr. Chambers provides valuable insights across a range of matters, including risk oversight and management, business strategy development, and brings a global perspective, strategic and innovative mindset, and a focus on sustainability matters.
- The Board has determined that Mr. Chambers' extensive accounting and financial experience qualifies him as an "audit committee financial expert."
- Valuable knowledge of key governance matters, including sustainability matters, gained through executive leadership of various publicly traded companies and as a director of Owens Corning and Lincoln Electric.



### Curtis E. Espeland

Director since 2012

Lead Independent Director  
since 2018

**COMMITTEES:**

Audit  
Finance

AGE: 60

**OTHER PUBLIC COMPANY  
DIRECTORSHIPS:**

Huntsman Corporation  
(NYSE: HUN) since 2022

#### CAREER HIGHLIGHTS

Mr. Espeland is the former Executive Vice President and Chief Financial Officer of Eastman Chemical Company, an advanced materials and specialty additives manufacturer, a position he held from 2014 until his retirement in 2020. Mr. Espeland joined Eastman Chemical Company in 1996 and, during his tenure, he also served as Vice President, Finance and Chief Accounting Officer from 2005 to 2008, and Senior Vice President and Chief Financial Officer from 2008 to 2014.

#### KEY QUALIFICATIONS, EXPERIENCE AND SKILLS

- With broad-based finance, accounting, and executive level experience, ultimately as the Chief Financial Officer of a large publicly traded company, Mr. Espeland brings robust experience related to enterprise risk management, including information technology and cybersecurity, capital allocation, internal controls and financial reporting, and corporate strategy and M&A.
- The Board has determined that Mr. Espeland's extensive accounting and financial experience qualifies him as an "audit committee financial expert."
- Valuable knowledge of key governance matters gained through his various directorships, including as a director of Lincoln Electric.





## N. Joy Falotico

Director since 2025

### COMMITTEES:

Audit  
Nominating and Corporate Governance

AGE: 57

### OTHER PUBLIC COMPANY

#### DIRECTORSHIPS:

Alliant Energy (NASDAQ: LNT)  
since 2021  
Lineage Holdings (NASDAQ: LINE)  
since 2022

### CAREER HIGHLIGHTS

Ms. Falotico is the former President of The Lincoln Motor Company, an automobile manufacturer, a position she held from March 2018 to November 2022, and she led the brand's global operations, including product development, marketing, sales, and service. Previously, Ms. Falotico served as Ford Motor Company's Chief Marketing Officer from March 2018 until January 2021. Prior to that, Ms. Falotico served as Chief Executive Officer of Ford Motor Credit Company, the financial services arm of Ford Motor Company, from October 2016 to February 2018 and Chief Operating Officer prior to that period.

### KEY QUALIFICATIONS, EXPERIENCE AND SKILLS

- As a former President of The Lincoln Motor Company, Ms. Falotico has a wealth of experience in leading global operations and brand evolution. Overseeing both domestic and global business units, Ms. Falotico has wide-ranging experience in product development, marketing, sales and service.
- The Board has determined that Ms. Falotico's extensive accounting and financial experience qualifies her as an "audit committee financial expert."
- Valuable knowledge of key governance matters, including sustainability and strategic initiatives gained through executive leadership.



## Bonnie J. Fetch

Director since 2023

### COMMITTEES:

Audit  
Finance

AGE: 54

### OTHER PUBLIC COMPANY

#### DIRECTORSHIPS:

None

### CAREER HIGHLIGHTS

Ms. Fetch serves as Executive Vice President and President—Operations for Cummins Inc., a global power technology solution leader, effective March 2025. Prior to this, she served as Vice President and President—Distribution Business, a position she has held from January 2024 to March 2025. Ms. Fetch joined Cummins Inc. in 2018 and during her tenure she has served as Vice President, Global Supply Chain and Manufacturing from January 2022 to December 2023, Vice President—Global Distribution SC Services from January 2020 to January 2022, and Executive Director, Global Distribution Business Supply Chain from July 2018 to January 2020. Prior to joining Cummins Inc., Ms. Fetch held numerous leadership roles during her 20 years at Caterpillar, Inc., including Human Resources Director and Chief Learning Officer and several General Manager roles.

### KEY QUALIFICATIONS, EXPERIENCE AND SKILLS

- As a current senior executive for a publicly traded company engaged in manufacturing operations, Ms. Fetch provides valuable insights relating to advancing operational excellence in global supply chain and operational initiatives in the industrials machinery sectors.
- Running multibillion-dollar businesses has provided Ms. Fetch with a depth of experience related to strategic planning, logistics and manufacturing operations, business development, engineering, human resources, and advanced technology like artificial intelligence and machine learning to advance supply chain strategies.
- Valuable knowledge of key governance matters, including sustainability matters, gained through executive leadership of various publicly traded companies.



## Patrick P. Goris

Director since 2018

**COMMITTEES:**

Audit (Chair)  
Nominating and Corporate Governance

AGE: 53

**OTHER PUBLIC COMPANY**

**DIRECTORSHIPS:**

None

### CAREER HIGHLIGHTS

Mr. Goris has served as the Senior Vice President and Chief Financial Officer of Carrier Global Corporation, the global leader in intelligent climate and energy solutions since November 2020. Prior to joining Carrier, he served as Senior Vice President and Chief Financial Officer of Rockwell Automation, a global industrial automation and information solutions provider, from February 2017 to November 2020.

### KEY QUALIFICATIONS, EXPERIENCE AND SKILLS

- As a current Chief Financial Officer of a publicly traded multinational organization, Mr. Goris has extensive experience in accounting, financial planning and analysis, investor relations, M&A and strategic planning, and his experience with a global industrial automation and information solutions company provides him with broad exposure to digital operations and “smart” manufacturing solutions using data and analytics, which enhances operational intelligence, productivity and risk management in manufacturing processes.
- The Board has determined that Mr. Goris’ extensive accounting and financial experience qualifies him as an “audit committee financial expert.”
- Valuable knowledge of key governance matters gained as a director of Lincoln Electric.



## Steven B. Hedlund

Director since 2024

Chair since 2025

**COMMITTEES:** None

AGE: 58

**OTHER PUBLIC COMPANY**

**DIRECTORSHIPS:**

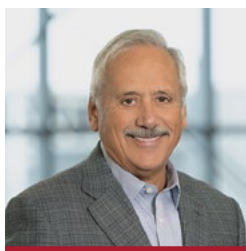
None

### CAREER HIGHLIGHTS

Mr. Hedlund is the Chair, President and Chief Executive Officer of Lincoln Electric. Mr. Hedlund has served as President and Chief Executive Officer since January 2024 and was appointed as Chair of the Board effective January 1, 2025. In his over 15-year career with Lincoln Electric, Mr. Hedlund has served in a variety of operational leadership roles, including the Chief Operating Officer from May 2022 to December 2023, the President, Americas and International Welding from October 2020 to May 2022, the President, International Welding from June 2017 to October 2020, the President, Global Automation and Vice President, Strategy and Business Development. Prior to Lincoln Electric, Mr. Hedlund held various executive leadership roles at Fortune Brands, Inc. and served as principal with the management consulting firm Booz Allen & Hamilton.

### KEY QUALIFICATIONS, EXPERIENCE AND SKILLS

- Mr. Hedlund’s extensive experience as an executive-level leader of Lincoln Electric brings to the Board knowledge and valuable insight as to our company’s global operations and a thorough understanding of our people, products, markets, and strategic direction.
- With his diverse experience within our organization, Mr. Hedlund has an extensive understanding of our strategic, operational, and organizational initiatives to accelerate growth, improve margins and enhance returns on investment.
- Valuable knowledge of key governance matters gained through executive leadership at Lincoln Electric.



## Michael F. Hilton

Director since 2015

### COMMITTEES:

Compensation and Executive Development (Chair)  
Nominating and Corporate Governance

AGE: 70

### OTHER PUBLIC COMPANY

#### DIRECTORSHIPS:

Ryder Systems, Inc.  
(NYSE: R) since 2012  
Regal Rexnord Corporation  
(NYSE: RBC) since 2019  
Jeld-Wen (NYSE: JELD) since August 2023  
Nordson Corporation  
(NASDAQ: NDSN) from 2010 through 2019

### CAREER HIGHLIGHTS

Mr. Hilton is the former President and Chief Executive Officer of Nordson Corporation, a company that engineers, manufactures and markets differentiated products and systems used for precision dispensing of adhesives, coatings, sealants, biomaterials, polymers, plastics and other materials, fluid management, test inspection, UV curing and plasma surface treatment, a position he held from 2010 until his retirement in 2019. During his tenure at Nordson Corporation, Mr. Hilton also served as a director.

### KEY QUALIFICATIONS, EXPERIENCE AND SKILLS

- With over 30 years of global manufacturing experience, Mr. Hilton brings to the Board an intimate understanding of management leadership, and provides valuable insights relative to strategy development, product line management, new product technology, talent development, distribution and other sales channels, business processes and global markets expertise.
- The Board has determined that Mr. Hilton's extensive accounting and financial experience qualifies him as an "audit committee financial expert."
- Valuable knowledge of key governance matters gained through his various directorships, including as a director of Lincoln Electric.



## Marc A. Howze

Director since 2023

**COMMITTEES:** Compensation and Executive Development  
Finance

AGE: 61

### OTHER PUBLIC COMPANY

#### DIRECTORSHIPS:

Dover Corporation (NYSE: DOV) since November 2023

### CAREER HIGHLIGHTS

Mr. Howze is the former Senior Advisor, Office of the Chairman, at Deere & Company, a global leader in the delivery of agricultural, turf, construction, and forestry equipment, a position he held from 2022 until his retirement in 2024. During his more than two-decade tenure at Deere & Company, Mr. Howze held numerous leadership roles, including Group President, Lifecycle Solutions and Chief Administrative Officer from 2020 to 2022 and Senior Vice President and Chief Administrative Officer from 2016 to 2020. Mr. Howze also served as Vice President of Global Human Resources and Employee Communication, as well as Associate General Counsel and Corporate Secretary at Deere & Company. Prior to joining Deere & Company, Mr. Howze served as an officer in the U.S. Army, attaining the rank of major. Mr. Howze has been a member of the board of directors of Nationwide Mutual Insurance Company since 2018.

### KEY QUALIFICATIONS, EXPERIENCE AND SKILLS

- As an accomplished, versatile, and highly collaborative senior executive of a global, publicly traded company engaged in manufacturing operations, Mr. Howze provides valuable insights across a range of matters, including corporate governance, strategic planning, and risk management.
- Through leading a variety of globally diverse businesses and cross-functional teams, Mr. Howze provides valuable insights on manufacturing, supply management and logistics, and human resources.
- Valuable knowledge of key governance matters, gained through executive leadership at Deere & Company and through various directorships.



## Kathryn Jo Lincoln

Director since 1995

**COMMITTEES:**

Compensation and  
Executive Development  
Nominating and  
Corporate Governance

AGE: 70

**OTHER PUBLIC COMPANY**

**DIRECTORSHIPS:**

None

### CAREER HIGHLIGHTS

Ms. Lincoln served as the Chief Investment Officer of the Lincoln Institute of Land Policy, an independent, global foundation focused on addressing significant policy issues through innovative land use and taxation methods, since 1996, stepping down from that role in 2024. She continues to serve as the Chair of the board of directors of the Lincoln Institute of Land Policy. As Chief Investment Officer, Ms. Lincoln managed and directed all aspects of the Institute's endowment, including strategic asset allocation and policy development, which have contributed to its current \$800 million asset base. In her role as Chair, she plays a crucial role in strategic direction and planning, with ongoing involvement in the development of education programs, demonstration projects and impact measurement. Ms. Lincoln is a member of the board of directors of HonorHealth Network and Claremont Lincoln University, and she is also the Co-Chair of the International Center for Land Policy Studies and Training in Taiwan and was appointed as a director for The Hope Effect, a non-profit entity.

### KEY QUALIFICATIONS, EXPERIENCE AND SKILLS

- With extensive leadership experience and a global mindset, Ms. Lincoln brings robust experience related to strategic planning, asset allocation matters and corporate governance, and as a Lincoln family member and long-standing director of the company, Ms. Lincoln has a keen sense of knowledge about Lincoln Electric, its culture, and its founding principles.
- As the world focuses increasingly on sustainability and environmental issues, Ms. Lincoln's knowledge and experience in these areas bring valuable insights to the Board, and she demonstrates a lasting commitment to board and corporate governance excellence, being named as a Board Leadership Fellow of the National Association of Corporate Director, and as one of 2019's most influential corporate directors by WomenInc.
- Valuable knowledge of key governance matters gained through her various directorships, including as a director of Lincoln Electric.



## Phillip J. Mason

Director since 2013

### COMMITTEES:

Compensation and Executive Development  
Finance (Chair)

AGE: 74

### OTHER PUBLIC COMPANY

#### DIRECTORSHIPS:

GCP Applied Technologies  
(NYSE: GCP) from 2016 through  
May 2020

### CAREER HIGHLIGHTS

Mr. Mason is the former President of the Europe, Middle East & Africa Sector (EMEA Sector) of Ecolab, Inc., a leading provider of food safety, public health and infection prevention products and services, a position he held from 2010 until his retirement in 2012. Prior to leading Ecolab, Inc.'s EMEA Sector, Mr. Mason had responsibility for Ecolab, Inc.'s Asia Pacific and Latin America businesses as President of Ecolab's International Sector from 2005 to 2010 and as Senior Vice President, Strategic Planning in 2004.

### KEY QUALIFICATIONS, EXPERIENCE AND SKILLS

- With broad executive leadership experience in an international business unit for a large publicly traded company, Mr. Mason brings to the board extensive insight on international business operations, business-to-business and industrial sector matters, strategic planning, and M&A and integration matters.
- Leading international business units has provided Mr. Mason with a depth of experience starting, developing, and growing businesses abroad, in both mature and emerging markets.
- Valuable knowledge of key governance matters gained through various directorships, including as a director of Lincoln Electric.



## Ben P. Patel

Director since 2018

### COMMITTEES:

Audit  
Finance  
Nominating and  
Corporate Governance

AGE: 57

### OTHER PUBLIC COMPANY

DIRECTORSHIPS:  
None

### CAREER HIGHLIGHTS

Dr. Patel served as the Chief Innovation and Science Officer at Smurfit Westrock, a global leader in sustainable paper and packaging, from April 2023 until December 2024. In this role, Dr. Patel led Smurfit Westrock's research and development efforts, and helped to drive innovation to enhance current products and develop new sustainable packaging solutions. Prior to joining Smurfit Westrock, he served as Senior Vice President, Chief Technology Officer of Cooper Tire & Rubber Company, a global manufacturer of specialized passenger car, light truck, medium truck, motorcycle, and racing tires from November 2019 until July 2021, and as Senior Vice President and Chief Technology Officer of Tenneco, Inc., a manufacturer of automotive emission control and ride control products and systems from 2011 until 2019. During his tenure at Tenneco, he held roles leading regional advanced technology development and establishing a global research and development organization. Prior to joining Tenneco, Inc., Dr. Patel held numerous positions with increasing responsibility, including senior scientist, at the General Electric Company during his thirteen-year tenure with the organization.

### KEY QUALIFICATIONS, EXPERIENCE AND SKILLS

- With over 20 years of experience serving with publicly traded, global products and technology companies, Dr. Patel brings to the board broad expertise in material science, automation and “smart” systems, as well as extensive research and development experience and insights on sustainability matters.
- Dr. Patel has been a leader in global innovation and research initiatives, which lends tremendous support to our focus on being an innovation leader in our industry and our advanced manufacturing growth strategy, which helps customers identify value and efficiencies in their welding and cutting operations.
- Valuable knowledge of key governance matters gained as a director of Lincoln Electric.



## Retiring Director



### Kellye L. Walker

Director since 2020

**COMMITTEES:**

Compensation and Executive Development

Nominating and Corporate Governance (Chair)

**AGE: 58**

**OTHER PUBLIC COMPANY**

**DIRECTORSHIPS:**

None

#### CAREER HIGHLIGHTS

Ms. Walker has served as the Senior Vice President and Chief Legal Officer, Global Law Services and Regulatory Affairs at Deere & Company, a global leader in the delivery of agricultural, turf, construction, and forestry equipment since April 2024. She also served as the Executive Vice President and Chief Legal Officer of Eastman Chemical Company, an advanced materials and specialty additives manufacturer from April 2020 to April 2024. In this role, Ms. Walker had overall leadership and responsibility for Eastman Chemical Company's legal organization. She also served as Executive Vice President and Chief Legal Officer of Huntington Ingalls Industries, Inc., America's largest military shipbuilder, from 2015 to 2020. Prior to joining Huntington Ingalls, Ms. Walker served as Senior Vice President, General Counsel and Secretary at American Water Works Company, Inc. Ms. Walker is a member of the board of directors of T. Rowe Price Funds, a position she has held since October 2021.

#### KEY QUALIFICATIONS, EXPERIENCE AND SKILLS

- As a seasoned senior executive with over 25 years of experience with publicly traded companies, Ms. Walker provides valuable insights on increasing organizational value through forward thinking and strategic discipline, focusing on continuous improvement, and has extensive experience in corporate governance, compliance, litigation management, government affairs, strategy development, product stewardship, regulatory affairs, and health, safety, environment, and security matters.
- In her executive leadership, Ms. Walker has also served as Chief Administrative Officer, leading human resources, information technology, government affairs and corporate communications functions.
- Valuable knowledge of key governance matters gained through executive experience and as a director of Lincoln Electric.

# Corporate Governance

## Governance Framework

We are committed to effective corporate governance and high ethical standards. We adhere to our ethical commitments in every aspect of our business, including our commitments to each other, in the marketplace and in the global, governmental and political arenas. These commitments are spelled out in our Code of Conduct, which applies to all of our employees (including our CEO and our other NEOs) and Directors.

We encourage you to visit our website at [www.lincolnelectric.com](http://www.lincolnelectric.com) for detailed information about our corporate governance programs/policies including:

- Code of Conduct
- Governance Guidelines
- Charters for our Board Committees
- Director Independence Standards

## Corporate Governance Highlights

### BOARD OF DIRECTORS

- Our Board held five meetings in 2024
- During 2024, each of our Directors attended at least 75% of the total full Board meetings and meetings of committees on which he or she served during the time he or she served as a Director
- Size of Board: 12 members in 2024
- Plurality vote with director resignation policy for failure to receive a majority vote in uncontested director elections
- Lead Independent Director
- All Directors are expected to attend the Annual Meeting

### BOARD COMPOSITION

- Number of independent Directors: 11
- Board includes a complementary mix of backgrounds, experiences and expertise, as well as balanced mix of ages, tenure of service and gender
- Several current and former CEOs
- Global experience
- Audit Committee has multiple financial experts

### BOARD PROCESSES

- Independent Directors meet without management present, with Lead Independent Director presiding over such meetings
- Annual Board and Committee self-evaluations
- Board orientation program

- Governance Guidelines approved by Board
- Board has an active role in risk oversight
- Full Board review of succession planning annually
- Full Board oversight of sustainability matters

### BOARD ALIGNMENT WITH SHAREHOLDERS

- Annual equity grants align interests of Directors and officers with shareholders
- Annual advisory approval of NEO compensation
- No poison pill
- Stock ownership guidelines for Directors and officers

### COMPENSATION

- No employment agreements
- Executive compensation is tied to performance: 86% of CEO target pay and 73% of all of our other NEO target pay is performance-based (at risk)
- Anti-hedging and anti-pledging policies for Directors and officers
- Clawback policy

### INTEGRITY AND COMPLIANCE

- Code of Conduct for employees, officers and Directors
- Environmental, health and safety guidelines and goals, including long-term sustainability goals
- Annual compliance training relative to ethical behavior
- Enterprise risk management program with Board oversight

## OUR BOARD OF DIRECTORS

Our Board oversees management of the long-term interest of Lincoln Electric and our stakeholders. The Board's primary responsibilities include:

- Overseeing the conduct of our business
- Reviewing and approving key financial objectives, strategic and operating plans and other significant actions
- Evaluating CEO and senior management performance and determining executive compensation
- Planning for CEO succession and monitoring management's succession planning for other key executives
- Establishing an appropriate governance structure, including appropriate Board composition and succession planning
- Overseeing enterprise risk management and cybersecurity
- Overseeing the ethics and compliance program
- Overseeing sustainability and culture matters

## DIRECTOR INDEPENDENCE

Each of our non-employee Directors meets the independence standards set forth in the Nasdaq listing standards, which are reflected in our Director Independence Standards. To be considered independent, the Nominating and Corporate Governance Committee must affirmatively determine that the Director has no material relationship with Lincoln Electric. In addition to outlining the independence standards set forth in the Nasdaq listing standards, the Director Independence Standards outline specific relationships that are deemed to be categorically immaterial for purposes of director independence. The Director Independence Standards are available on our website at [www.lincolnelectric.com](http://www.lincolnelectric.com).

During 2024, the independent Directors met in regularly scheduled Executive Sessions in conjunction with each of the regular Board meetings. The Lead Independent Director presided over these sessions.

## BOARD LEADERSHIP STRUCTURE

- **Chair of the Board: Steven B. Hedlund, appointed January 1, 2025 (prior to Mr. Hedlund's appointment, Christopher L. Mapes served as Executive Chair of the Board)**
- **Lead Independent Director: Curtis E. Espeland**
- **All four Board committees are composed of independent Directors**
- **Independent Directors met in Executive Session at each of the regular 2024 Board meetings**

## CHAIR OF THE BOARD

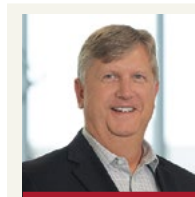
The Board periodically evaluates its leadership structure to ensure independent and effective oversight of management and our business. Effective January 1, 2025, Mr. Hedlund, our President and CEO, was appointed Chair of the Board. During 2024, Mr. Mapes served as Executive Chair to assist with the transition of Mr. Hedlund into the CEO role. The Board believes having one individual serve as Chair and CEO is beneficial because the dual role enhances Mr. Hedlund's ability to provide direction and insight on strategic initiatives impacting us and our shareholders. The Board also believes the dual role is consistent with good corporate governance practices because it is complemented by a Lead Independent Director. As Chair, Mr. Hedlund is responsible for planning, formulating and coordinating the development and execution of our corporate strategy, policies, goals and objectives. He is accountable for Lincoln Electric's performance and:

- Works closely with our senior management to develop our strategic plan;
- Works with our management on transactional matters by networking with strategic relationships;
- Promotes and monitors the Board's fulfillment of its oversight and governance responsibilities;
- Encourages the Board to set and implement our goals and strategies;
- Establishes procedures to govern our Board's work;
- Oversees the execution of the financial and other decisions of our Board;

- Makes available to all members of our Board opportunities to acquire sufficient knowledge and understanding of our business to enable them to make informed judgments;
- Provides input on the design of the Board, including Board and committee composition, size, membership, leadership, structure and oversight responsibilities, as part of the Board's and the Nominating and Corporate Governance Committee's periodic review of such matters;
- Presides over meetings of our shareholders;
- Represents the Board as appropriate in communications with shareholders and other stakeholders; and
- Sets the agenda (in conjunction with the Lead Independent Director) and presides over Board meetings.

### LEAD INDEPENDENT DIRECTOR

To complement our Chair, the Board has a strong Lead Independent Director, which we believe appropriately addresses the need for independent leadership and an organizational structure for our independent Directors. Our Lead Independent Director focuses on overseeing the Board's processes and prioritizing the right areas of focus. Our Lead Independent Director is appointed each year by the independent Directors and serves as a liaison between the Chair of the Board and the independent Directors.



Mr. Curtis Espeland currently serves as our Lead Independent Director, a position he has held since 2018. Mr. Espeland was elected to our Board in February 2012. During his tenure on our Board, he has developed strong working relationships with his fellow Directors and assists with the onboarding of newly elected Directors.

In addition to the duties of all Directors, the Lead Independent Director has the following duties, responsibilities, and expectations:

- Collaborates with the Chair and CEO, the Secretary and senior management on the format and adequacy of the information that Directors receive and on the effectiveness of the Board meeting process;
- Acts independently of the Chair to review and approve Board meeting agendas and schedules, including to assure there is sufficient time for discussion of all agenda items;
- Acts as a sounding board to the Chair on key aspects of the business and assists in promoting sound corporate governance practices;
- Calls meetings of the independent Directors as he sees fit, presiding over such meetings;
- Coordinates, sets agendas and presides over executive sessions of the independent Directors;
- Actively participates in the CEO evaluation process and in interviewing candidates for the Board;
- Actively participates in the Board and committee evaluation process;
- Speaks on behalf of Lincoln Electric, as the Board determines necessary;
- Serves as a liaison between the Chair and independent directors when the Chair is not present; and
- Ensures availability for consultation and direct communication with major shareholders, if requested.

The Board will continue to periodically review the Board leadership structure, taking into consideration evolving market practices, feedback from shareholders and the corporate governance community and, most importantly, what the Board believes is in the best interests of our Company and its shareholders.

## Our Board Committees

We have separately designated standing Audit, Compensation and Executive Development, and Nominating and Corporate Governance Committees established in accordance with applicable provisions of the Securities Exchange Act of 1934 (the “Exchange Act”) and SEC and Nasdaq rules. The Board also has designated a standing Finance Committee.

Each Committee has a charter, which details all of the Committee’s roles and responsibilities. The following summaries set forth the principal responsibilities of each of our Committees, as well as other information regarding their makeup and operations. A copy of each Committee’s charter may be found on our website at [www.lincolnelectric.com](http://www.lincolnelectric.com).

### Audit Committee



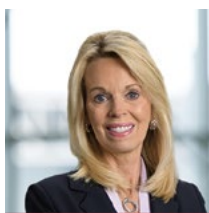
Patrick P. Goris  
CHAIR



Brian D. Chambers



Curtis E. Espeland



N. Joy Falotico\*



Bonnie J. Fetch



Ben P. Patel

**6** meetings held in 2024

#### KEY RESPONSIBILITIES

- Engages with independent auditor
- Reviews financial statements and disclosures, interim financial reports and earnings press releases
- Reviews significant litigation and legal matters
- Reviews critical audit matters with independent auditor
- Reviews enterprise risk management policies and process
- Oversees ethics and compliance programs and risk assessment and mitigation processes for environmental, health and safety matters
- Reviews effectiveness of information technology security environment and oversees risk assessment and mitigation process for cybersecurity
- Reviews and evaluates the scope and performance of the internal audit function
- Reviews internal control over financial reporting

Each member of our Audit Committee meets the independence standards set forth in the Nasdaq listing standards and has likewise been determined by the Board to have the financial competency required by the Nasdaq listing standards. In addition, because of the professional training and employment experience of Messrs. Chambers, Espeland and Goris and Ms. Falotico, the Board has determined that they are financially sophisticated Audit Committee members under the Nasdaq listing standards and qualify as “audit committee financial experts” in accordance with SEC rules. Shareholders should understand that the designation of Messrs. Chambers, Espeland and Goris and Ms. Falotico as “audit committee financial experts” is a disclosure requirement and that it does not impose upon them any duties, obligations or liabilities that are greater than those generally imposed on them as members of the Audit Committee and the Board.

\*Appointed February 19, 2025

## Compensation and Executive Development Committee



Michael F. Hilton  
CHAIR



Marc A. Howze



Kathryn Jo Lincoln



Phillip J. Mason



Kellye L. Walker

**6** meetings held in 2024

### KEY RESPONSIBILITIES

- Reviews and recommends to the Board total compensation of our CEO, and reviews and establishes total compensation of our other executive officers
- Evaluates performance (along with the full Board) of our CEO and other executive officers
- Monitors development, selection process and succession planning of key management
- Oversees executive compensation policies, practices and programs, as further described in the CD&A
- Reviews and recommends to the Board new or amended executive compensation plans for our executive officers
- Oversees the implementation and effectiveness of the Company's human capital management matters
- Reviews initiatives and strategies related to employee recruitment, promotion, retention and attrition, talent development and progression, workplace culture, and employee engagement

Each member of our Compensation and Executive Development Committee meets the independence standards set forth in the Nasdaq listing standards and each is deemed to be a "non-employee director" within the meaning of Rule 16b-3 of the Exchange Act. The Compensation and Executive Development Committee may, in its discretion, delegate specific duties, responsibilities and authority to a subcommittee, one or more Committee members or one or more executive officers, to the extent permitted by applicable law, equity plan provisions and stock exchange rules and regulations.

Ms. Walker will retire as a Director at the end of her current term at the Annual Meeting.



## Nominating and Corporate Governance Committee



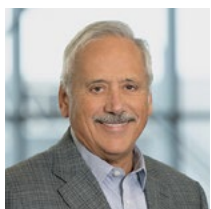
Kellye L. Walker  
CHAIR



N. Joy Falotico\*



Patrick P. Goris



Michael F. Hilton



Kathryn Jo Lincoln



Ben P. Patel

**5** meetings held in 2024

### KEY RESPONSIBILITIES

- Reviews our corporate governance framework, including compliance with stock exchange listing rules, other applicable legal or regulatory requirements and practices and external developments related to corporate governance matters
- Reviews and recommends guidelines with respect to size, composition and practices of the Board, identifies Board candidates and recommends Director nominees
- Reviews shareholder proposals and related shareholder engagement activities
- Reviews non-employee Director compensation program in light of best practices and makes recommendations to the Board
- Reviews and determines Director independence
- Oversees the self-evaluation process of the Board and its Committees

Each member of our Nominating and Corporate Governance Committee meets the independence standards set forth in the Nasdaq listing standards.

Ms. Walker, the current Chair of the Nominating and Corporate Governance Committee, will retire as a Director at the end of her current term at the Annual Meeting. In connection with Ms. Walker's retirement, the Board will appoint a new Chair of the Nominating and Corporate Governance Committee at its April 2025 meeting.

\*Appointed February 19, 2025

## Finance Committee



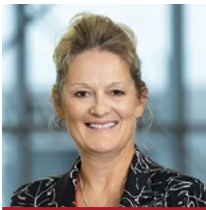
Phillip J. Mason  
CHAIR



Brian D. Chambers



Curtis E. Espeland



Bonnie J. Fetch



Marc A. Howze



Ben P. Patel

**5** meetings held in 2024

### KEY RESPONSIBILITIES

- Reviews financial performance, including comparing financial performance to budgets and goals
- Reviews capital allocation, dividend and share repurchasing strategies
- Reviews operating budgets
- Reviews capital expenditures
- Reviews M&A activity and integration performance
- Oversees strategic planning and financial policy matters

Each member of our Finance Committee meets the independence standards set forth in the Nasdaq listing standards. All of our Board members typically attend the Finance Committee meetings, a practice that has been in place for the past several years.

## SHAREHOLDER ENGAGEMENT

We seek constructive discussions with shareholders and maintain an active investor relations program to nurture long-term relationships with the investment community. During 2024, we met with 180 investment firms which included shareholders representing over 61% of our outstanding common shares and over 105 prospective firms. As part of our investor outreach, we also proactively engaged in a perception study to gauge awareness and alignment with our Higher Standard 2025 Strategy and invited stewardship teams from shareholders representing over 50% of outstanding common shares to discuss sustainability matters.

In 2024, our investor program was recognized in the *Institutional Investor* “All-America Executive Team” rankings. Lincoln Electric ranked third in the Large Cap Machinery Sector across three categories: best Board, Investor Relations Program, and Investor Relations Professional—reinforcing strong alignment with the investment community.

Our Investor Relations program also includes:

- Participation at investor conferences
- 1:1 and group meetings and tours hosted at our facilities
- An accessible, “open door” IR program throughout the year
- Nondeal roadshows (equity and stewardship teams)
- Tradeshow tours
- Perception studies

61%

In 2024, we engaged with shareholders representing over 61% of LECO's outstanding shares.

As part of our shareholder engagement, we provide broad access to company representatives beyond our Chair and CEO, CFO, and IRO, including our Lead Independent Director, General Counsel and Secretary, members of our executive leadership team, our Vice President of Environmental, Health, Safety & Sustainability, as well as product development and application experts from various departments.

We discuss a variety of topics including business performance, strategic initiatives, innovation, corporate governance practices, corporate sustainability initiatives, executive compensation, and other matters of shareholder interest. Specific topics discussed in 2024 included:

Governance Topics	Environmental & Social Topics	Clean Tech
<ul style="list-style-type: none"> <li>- Board composition</li> <li>- Board risk oversight</li> <li>- Expanded sustainability governance</li> </ul>	<ul style="list-style-type: none"> <li>- Human capital topics including safety performance, staffing levels, and engagement</li> <li>- Reporting frameworks</li> </ul>	<ul style="list-style-type: none"> <li>- Automation strategy</li> <li>- Development of a DC fast charger for electric vehicles</li> </ul>

The discussions yielded supportive feedback on the design and execution of our 2025 Strategy, our Board composition and practices, as well as advancements made in our sustainability disclosures and performance against goals. We also received positive feedback on these sustainability matters:

- the alignment of our strategic plan with our sustainability goals, compensation and risk management program
- expanded Board oversight and governance structure to advance sustainability initiatives and regulatory disclosures
- the expansion of our reporting frameworks, which now include SASB and TCFD indices, a materiality assessment, and enhanced CDP submissions.

The Board values an active investor relations program as it believes that shareholder input strengthens its role as an informed and engaged fiduciary. Investment community feedback is shared regularly with the full Board of Directors and Lincoln Electric's leadership team and is considered as we progress our disclosures and strategic initiatives.

## ANNUAL BOARD AND COMMITTEE EVALUATION PROCESS

The Board recognizes that a robust and constructive performance evaluation process is an essential component of Board effectiveness. Our Governance Guidelines require annual evaluation of the performance of the Board. The Nominating and Corporate Governance Committee, with the assistance of the Lead Independent Director, oversees the annual evaluation process. As part of this process, each Board member completes an evaluation relative to Committee and Board matters. The Lead Independent Director often holds one-on-one calls with each Board member as well. A summary of the results of this process is presented to the Nominating and Corporate Governance Committee. The results are then reported to the full Board by the Lead Independent Director, which considers the results and ways in which Board processes and effectiveness may be enhanced.

## Majority Voting Policy

The Director Nominees receiving the greatest number of votes will be elected (plurality standard). However, our majority voting policy states that any Director who fails to receive a majority of the votes cast in an uncontested director election in his/her favor is required to submit his/her resignation to the Board. The Nominating and Corporate Governance Committee would then consider each resignation and determine whether to accept or reject it, with full Board approval of such decision. Abstentions and broker non-votes will have no effect on the election of a Director and are not counted under our majority voting policy. Holders of common stock do not have cumulative voting rights with respect to the election of a Director.

## Annual Meeting Attendance; No Special Arrangements

Directors are expected to attend each annual meeting. The Director Nominees plan to attend this year's virtual Annual Meeting. All of our then-current Director Nominees attended our 2024 Annual Meeting.

None of the Director Nominees has any special arrangement or understanding with any other person pursuant to which the Director Nominee was or is to be selected as a Director or Director Nominee. There are no family relationships, as defined by SEC rules, among any of our Directors or executive officers. SEC rules define the term "family relationship" to mean any relationship by blood, marriage or adoption, not more remote than first cousin.

## Oversight of Our Company

### BOARD OVERSIGHT OF STRATEGY

One of the Board's key responsibilities is overseeing the Company's strategic planning process, including reviewing the steps taken to develop strategic plans and approving the final plans. In 2024, this included receiving periodic updates regarding the Company's execution and performance against our 2025 Strategy, as well as the development of our next (2030) long-term strategy. Our Board regularly discusses the key priorities of our Company, taking into consideration global economic, consumer and other significant trends. The Company's long-term strategic plan is reviewed regularly with the Board, along with its annual operating plan, capital structure and sustainability performance.

### BOARD OVERSIGHT OF ENTERPRISE RISK MANAGEMENT

In the ordinary course of business, we face various strategic, operating, compliance and financial risks. Our enterprise risk management process seeks to identify and address material risks to the organization, and the Board provides oversight as to how management is addressing these risks. The Company maintains an enterprise risk management review process where risk is assessed throughout our entire organization, and is reported to our internal corporate enterprise risk committee, comprised of members of our business units and various functional leaders (e.g., IT, Finance, Legal), led by our Chief Financial Officer, working with our Director of Internal Audit. Critical risks facing the organization are identified each year and are assigned to either the full Board or various Board Committees for further review, analysis and development of appropriate plans for management and mitigation.

Our Board oversees the management of these risks on an enterprise-wide basis, and the Lead Independent Director promotes our Board's engagement in this process. A fundamental part of the process is to understand the Company's risks, and to provide oversight as to how management is addressing these risks. The Board, or Board designated committee, reviews with management its process for enterprise risk management and actively engages with management to understand and oversee our most critical risks. The Audit Committee oversees the Company's risk assessment and management process each year, including ensuring that management has instituted processes to identify critical risks and has developed plans to manage such risks.

#### BOARD OVERSIGHT OF INFORMATION SECURITY AND CYBERSECURITY

Cybersecurity has been identified as a critical risk and the Audit Committee receives updates at each regularly scheduled meeting on both cybersecurity and information security matters. The Company maintains insurance coverage with respect to cybersecurity and has undergone several simulation, preparedness and response exercises. The Company has not experienced a reportable information security breach within the last three years and is tested externally on its information security environment at least annually. In addition, the Company has a Chief Digital Information Officer, and an information security training program, which calls for training of all computer-based employees through various employee training modules relative to information security matters and phishing simulation events with employees to raise cybersecurity awareness.

#### BOARD OVERSIGHT OF SUSTAINABILITY MATTERS

Our sustainability programs include a range of initiatives around corporate responsibility, safety and environmental performance, and human capital topics, which reflects our Board's recognition of the importance of achieving our goals responsibly and aligning with our key stakeholders to drive long-term value creation. Issues that we focus on include workplace health and safety, reduction of the impact of our operational footprint through reduced emissions, lower energy intensity, and conservation of natural resources, human capital management, workplace culture, employee development and engagement, corporate governance, business ethics and compliance, cybersecurity, and strong community partnerships.

#### THE BOARD HAS BROAD OVERSIGHT RESPONSIBILITY FOR SUSTAINABILITY MATTERS

The Board receives a formal annual update on corporate governance matters, including sustainability developments and pending considerations.

The Board reviews sustainability initiatives and progress made towards our long-term safety and sustainability metrics.

#### THE BOARD'S VARIOUS COMMITTEES ASSIST WITH THE OVERSIGHT ON THESE IMPORTANT ISSUES:

##### NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

Oversees corporate governance matters, monitoring new issues, regulatory changes and trends in corporate governance, environmental and social responsibility matters.

##### AUDIT COMMITTEE

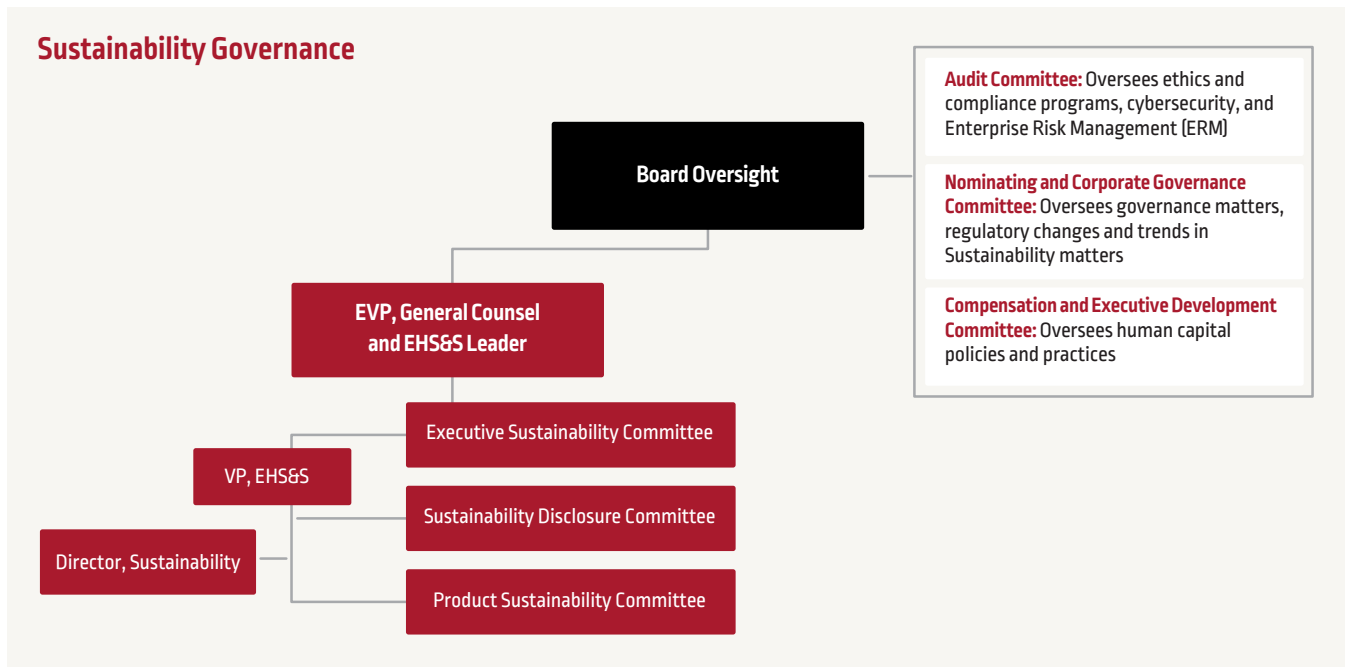
Oversees our ethics and compliance programs and cybersecurity, and reviews our Enterprise Risk Management policies and processes.

##### COMPENSATION AND EXECUTIVE DEVELOPMENT COMMITTEE

Oversees the implementation and effectiveness of the Company's human capital policies and practices, and reviews initiatives and strategies related to employee recruitment, promotion, retention and attrition, employee engagement and workplace culture.

Our Company has clear responsibilities and a robust governance structure related to sustainability matters. The Board's oversight responsibility for sustainability is reflected in our Governance Guidelines. Additionally, sustainability metrics are incorporated into the annual individual goals of our CEO and other executives. Our Executive Vice President, General Counsel (GC), oversees corporate environmental, health, safety & sustainability (EHS&S) initiatives and global reporting, as well as an Executive Sustainability Committee. The GC also works closely

with our Vice President of EHS&S, business unit leadership and local facilities to implement, monitor and measure our EHS&S results. EHS&S also oversees an internal Product Sustainability Committee that was established in 2020 with a primary focus on enhancing product stewardship with sustainable solutions and now oversees a multi-disciplinary Sustainability Disclosure Committee, which was established in 2022.



The following policies and business practices exemplify our commitment to sustainability matters:

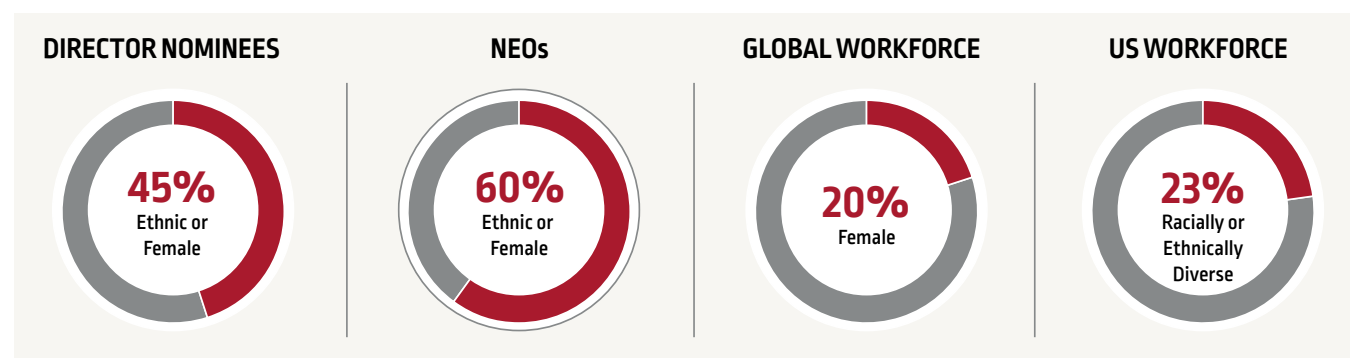
- Our Code of Conduct;
- Our Human Rights Policy;
- Our Supplier Code of Conduct;
- Our Channel Partner Code of Conduct;
- Health, safety and wellness initiatives for our employees, customers and communities;
- Equal employment opportunities, along with our pledge to treat employees fairly, with dignity, and without discrimination in any form;
- Focus on improving safety and environmental performance, including long-term sustainability goals and performance reporting;
- Incorporating product stewardship and innovations to advance clean tech at Lincoln Electric and in the industries we serve;
- Training and development programs to attract and retain high performing employees to help them reach their full potential;
- Community engagement through employee-led fundraisers, grants provided by The Lincoln Electric Foundation, scholarships, in-kind gifts, and an employee matching and “Dollars for Doers” program to support volunteerism;
- Positively impacting manufacturing and industry by promoting the art and science of welding among students and young professionals through our business initiatives, partnerships with schools and associations, and programming at the J.F. Lincoln Foundation; and
- Enhancing connectedness and our workplace culture through employee resource groups including our Diversity Councils, Veterans, Women in Lincoln Leadership, and our Young Professionals organizations.

## Global Workforce and Employee Engagement

In executing our 2025 Strategy, we continue to focus on the importance of employee development, engagement and building a culture to develop and foster the vast talents of our employees. Our CEO and Chief Human Resources Officer lead our employee engagement initiatives, and report on the Company's programs focused on talent attraction and retention, and succession planning to the Board twice annually and our Compensation and Executive Development Committee is briefed on employee matters throughout the year. Our engagement programs focus on:

- Experiential development, education and skills training platforms
- Employee development programs to cultivate, grow and promote talent from within
- Best practice recruiting model to elevate our ability to attract and hire the best talent around the world
- Talent processes to identify and facilitate the development and career mobility of critical talent
- Maintaining Advisory Boards where department representatives meet regularly with management to raise key topics
- Partnering with an array of customers, suppliers and community organizations
- A biennial global employee engagement survey
- Pulse surveys, listening sessions, and local town hall meetings
- Global intranet and mobile app

## Board & Workforce Composition Highlights





## Employee Development & Training

One of the four peaks of our 2025 Strategy is focused directly on our employees' engagement and professional development because a highly engaged workforce drives innovation, productivity and improved bottom-line results. One key area of engagement is our investment in training and development to prepare our workforce for the future needs of the company and to support our growth strategy. This also contributes to preparing our employees for future career opportunities and ensuring a strong succession pipeline.

In addition to formal leadership, management and professional development programs, we provide a bold initiative to repay up to \$125,000 towards each of our U.S. employees' student loan debt obligations. This program has been enthusiastically welcomed by both our existing talent and at recruiting events on university campuses across the country. Tuition reimbursement programs also are in place for external accredited programs and we provide mentoring, self-guided online courses, instructor-led programs, and special project and rotational assignments that can lead to extensive global exposure and talent development.

In addition to our career development programs, our annual talent and succession planning process reviews 100% of our global professional staff. This ensures all high potential employees have an active individual development plan to guide their career aspirations. This process also helps to ensure we have an appropriate talent pipeline for critical roles in general management, engineering and operations. These talent reviews include our CEO and all segment and functional leaders who use this process to identify and support high potential talent in succession planning for the next generation of Lincoln Electric's leaders.

## Community Engagement

In 2024, we maintained our employee assistance program, supported our internal employee resource group initiatives and community engagement through our Lincoln Electric Foundation grants, our U.S. employee matching program for donations and volunteerism, in-kind gifts, sponsorship of key events, and the hosting of community and academic events at our facilities. In addition, we maintained our community educational/career programming among secondary and high school students to address the skills gap in industry and expand awareness of attractive career pathways in manufacturing. This programming, along with our continued support of regional youth programs, welding competitions and serving as the global welding sponsor of WorldSkills® are foundational to our efforts to promote the trades and the science of welding.

## Compensation-Related Risk

We regularly assess risks related to our compensation and benefit programs, including our executive compensation program, and our Compensation and Executive Development Committee is actively involved in those assessments. In addition, our independent executive compensation consultants completed a risk assessment of our executive compensation program in 2024. Although we have a long history of pay for performance and incentive-based compensation, we believe our compensation programs contain many mitigating factors to ensure that our employees are not encouraged to take unnecessary risks.

As a result of all these efforts, we do not believe the risks arising from our executive compensation policies and practices are reasonably likely to have a material adverse effect on Lincoln Electric.

## Related-Party Transactions

The Board has adopted a policy regarding the review and approval of transactions between the Company and its subsidiaries and certain related parties that are required to be disclosed in proxy statements, which are referred to as “related-party transactions.” Related parties include our Directors, Director Nominees, executive officers, persons controlling 5% or more of our common shares, and the immediate family members of these individuals. Pursuant to the policy, the Audit Committee is responsible for reviewing and approving related-party transactions and will consider information it deems appropriate, including, but not limited to, whether the terms of the transaction are no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances, the approximate dollar value of the transaction, and the nature and extent of the related party’s interest in the transaction. No Director will participate in any discussion or approval of a related-party transaction for which he or she is a related party, other than to provide material information concerning the transaction.

We define “related-party transactions” generally as transactions collectively over \$120,000 in any calendar year, in which any related party had, has or will have a direct or indirect material interest. We have a monitoring and reporting program, which includes requirements to report all actual or potential related-party transactions during the year and information regarding all relationships with entities involving a related party.

The Company did not have any related-party transactions that required Audit Committee approval in 2024.

## Director Compensation

### OUR BOARD COMPENSATION PROGRAM

Based upon the recommendations of the Nominating and Corporate Governance Committee, the Board determines our non-employee Director compensation. The Nominating and Corporate Governance Committee periodically reviews all elements of Board compensation in relation to our proxy peer group (as identified in the CD&A), trends in Board compensation and other factors it deems appropriate. In October 2024, the Nominating and Corporate Governance Committee reviewed the non-employee Director compensation program, with Meridian Compensation Partners as independent advisor, and determined the cash and equity retainers were aligned with our proxy peer group. The objectives of our non-employee Director compensation program are to help attract highly qualified individuals to serve on our Board and to align their interests with those of our shareholders. As a result, the Nominating and Corporate Governance Committee recommended no changes to the non-employee Director compensation program to the Board. An employee of Lincoln Electric who also serves as a Director does not receive any additional compensation for serving as a Director.

All non-employee Directors receive cash retainers and an annual stock-based award for serving on our Board. Stock-based compensation is provided under our 2023 Stock Plan for Non-Employee Directors.

## GOOD GOVERNANCE PRACTICES

Lincoln Electric seeks to attract and retain highly qualified individuals to serve on the Board. To that end, Lincoln Electric maintains the philosophy of paying non-employee Directors fairly and reasonably, considering external market factors, consistent with good governance practices. With respect to our non-employee Director compensation program, our corporate governance practices include:

What We Do		What We Don't Do	
Reasonable limits on non-employee Directors' annual equity awards included in 2023 Stock Plan for Non-Employee Directors	✓	No Hedging or Pledging of Lincoln Electric Common Shares	✗
Total compensation is generally positioned at the peer median	✓	No Perquisites	✗
Non-employee Director compensation approved by full Board	✓		
Full-value equity award granted at a fixed-value	✓	No Excise Tax Gross-Ups or Tax Reimbursements	✗
Double Trigger Provisions for Change in Control	✓		
Stock Ownership Guidelines	✓		
Independent Advisor	✓		

The following is a summary of our current non-Employee Director compensation program:

		Board Level	Lead Independent Director	Committee Chairs
Cash	Annual Retainer <sup>1</sup>	\$95,000	Additional \$35,000	Additional \$30,000 for Audit, and \$20,000 for Compensation and Executive Development, Finance and Nominating and Corporate Governance
	Meeting Fees <sup>2</sup>	—	—	—
Equity	Annual Restricted Stock Unit (RSU) Award <sup>3</sup>	Approx. \$155,000	—	—
	Initial RSU Award <sup>3,4</sup>	Approx. \$155,000	—	—

- Directors have the ability to defer annual cash compensation under the Non-Employee Directors' Deferred Compensation Plan.
- We do not have separate meeting fees, except if there are more than eight full Board or Committee meetings in any given year, Directors will receive \$1,500 for each full Board meeting in excess of eight meetings and Committee members will receive \$1,000 for each Committee meeting in excess of eight meetings in total.
- Directors have the ability to defer RSUs under the Non-Employee Directors' Deferred Compensation Plan.
- The initial award will be pro-rated based on the Director's length of service during the twelve-month period preceding the next regularly scheduled annual equity grant, which normally occurs in the fourth quarter of each year.

## 2024 Director Compensation Table

Name	Fees Earned or Paid in Cash (\$)	Stock Awards <sup>1</sup> (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	Total (\$)
Brian D. Chambers	95,000 <sup>3</sup>	154,928	11 <sup>4</sup>	249,939
Curtis E. Espeland	130,000	154,928	0	284,928
Bonnie J. Fetch	95,000	154,928	2 <sup>4</sup>	249,930
Patrick P. Goris	125,000 <sup>3</sup>	154,928	1,819 <sup>4</sup>	281,747
Michael F. Hilton	115,000	154,928	93 <sup>4</sup>	270,021
Marc A. Howze	95,000	154,928	0	249,928
Kathryn Jo Lincoln	95,000 <sup>3</sup>	154,928	87 <sup>4</sup>	250,015
Phillip J. Mason	115,000	154,928	0	269,928
Ben P. Patel	95,000	154,928	87 <sup>4</sup>	250,015
Hellene S. Runtagh (retired) <sup>2</sup>	28,709	0	0	28,709
Kellye L. Walker <sup>5</sup>	115,000	154,928	5 <sup>4</sup>	269,933

1 On December 11, 2024, 741 RSUs were granted to each then-serving non-employee Director under our 2023 Stock Plan for Non-Employee Directors. The Stock Awards column represents the grant date fair value under FASB Accounting Standards Codification (ASC) Topic No. 718 based on a closing price of \$209.08 per share on December 11, 2024. Assumptions used in the calculation of these amounts are included in footnote 10 to our audited financial statements for the fiscal year ended December 31, 2024 included in our Annual Report on Form 10-K filed with the SEC on February 26, 2025.

As of December 31, 2024, the number of RSUs held by each non-employee Director was 741. Each of Messrs. Goris, Hilton, and Patel and Ms. Lincoln and Walker elected to defer receipt of the RSUs that were granted in 2024 under our Non-Employee Directors' Deferred Compensation Plan.

2 Ms. Runtagh retired from the Board on April 19, 2024, the date of our 2024 Annual Meeting.

3 All of Messrs. Chambers' and Goris', and Ms. Lincoln's Board fees were deferred under our Non-Employee Directors' Deferred Compensation Plan.

4 The amount shown for 2024 represents above-market non-qualified deferred compensation earnings calculated as the difference in earnings under the Moody's Corporate Bond Index fund in our Non-Employee Directors' Deferred Compensation Plan and a hypothetical rate.

5 Ms. Walker will no longer be a member of the Board as of April 24, 2025, the date of our 2025 Annual Meeting.

## OTHER ARRANGEMENTS

We reimburse Directors for reasonable out-of-pocket expenses incurred in connection with attendance at Board meetings, or when traveling in connection with the performance of their services for Lincoln Electric.

## CONTINUING EDUCATION

Directors are generally reimbursed up to \$5,000 for continuing education expenses (inclusive of travel expenses) for programs each Director may elect to attend. We also incorporate continuing education topics for Directors into our Board meetings throughout the year. Artificial intelligence (AI) was one such topic during 2024.

## STOCK OWNERSHIP GUIDELINES

In keeping with the philosophy that Directors' interests should be aligned with the shareholders' interest and as part of the Board's continued focus on corporate governance, all of our non-employee Directors must adhere to our stock ownership guidelines. RSUs, including any RSUs that have been deferred under the Non-Employee Directors' Deferred Compensation Plan, count toward the stock ownership amount; shares held in another person's name (including a relative) do not.

The stock ownership guidelines can be met by satisfying one of the two thresholds noted in the chart below. Directors have five years from the date of election to the Board to satisfy the stock ownership guidelines. As of December 31, 2024, all of our non-employee Directors had satisfied the stock ownership guidelines, except for Ms. Fetch and Mr. Howze who were appointed to the Board in 2023, and Ms. Falotico who was appointed to the Board in February 2025.

Retainer Multiple		Number of Shares
Shares valued at 5x annual Board retainer (total of \$475,000)	OR	2,185*

\* Represents shares equal to \$475,000 based on the closing price of Lincoln Electric stock as of December 29, 2023 (the last trading day of that calendar year) of \$217.46.

The Nominating and Corporate Governance Committee reviews the guidelines at least every two-and-a-half years to ensure that the components and values are appropriate. A review was conducted during 2024, with the assistance of Meridian Capital Partners, and it was determined that no changes to the guidelines were necessary, as the five times annual retainer guideline is consistent with the peer group median. The next review is anticipated to occur in 2025.

## EQUITY AWARDS

The non-employee Directors' RSUs awards are granted under the 2023 Stock Plan for Non-Employee Directors. Under the terms of the awards, RSUs generally vest in full one year after the date of grant. In addition, the awards vest in full in the event of a change in control of Lincoln Electric if the Director's service is terminated or if the award is not assumed upon the change in control. The awards also vest in full upon the death or disability of the Director, or vest pro rata, based on length of service from the date of grant, upon the retirement of the Director. Dividend equivalents are sequestered until the shares underlying the RSUs are distributed, at which time the dividend equivalents are paid in cash.

## DEFERRED COMPENSATION PLAN

The Non-Employee Directors' Deferred Compensation Plan allows the non-employee Directors to defer payment of all or a portion of their annual cash compensation and RSUs granted to them. This plan allows each participating non-employee Director to elect to begin payment of the deferred amounts as of the earlier of termination of service as a Director, death or a date not less than one full calendar year after the year the fees are initially deferred.

The investment elections available under the plan for cash compensation deferred are the same as those available to executives under our Top Hat Plan, which is discussed in the executive compensation narrative under 2024 Deferred Compensation Benefits. RSU deferrals are deemed invested solely in a Lincoln Electric Stock fund, and no other plan deferrals are eligible for investment into that fund.

# Executive Compensation

Our long-term strategy is focused on key actions and initiatives that generate long-term profitable growth within our targeted markets through value-added solutions and operational excellence. We believe this approach engages our business team to create a long-term value proposition for shareholders that generates above-market returns through an economic cycle while maintaining a short-term focus on improving profitability and driving operating excellence. More information on our business and strategy can be found in the “Business Overview” section at the beginning of this Proxy Statement.

The Compensation Discussion and Analysis (CD&A) describes our executive compensation programs and how they apply to our NEOs. The CD&A contains statements regarding future performance targets and goals. These targets and goals are disclosed in the context of our compensation programs and should not be understood to be statements of management’s expectations or estimates of results or other guidance. We caution investors not to apply these statements in other contexts.

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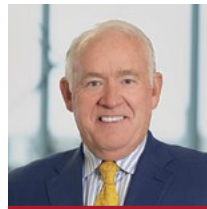
**Steven B.  
Hedlund**

Chair (since January 1, 2025)  
President and Chief  
Executive Officer (since  
January 1, 2024)



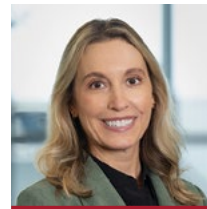
**Gabriel  
Bruno**

Executive Vice President,  
Chief Financial Officer  
and Treasurer



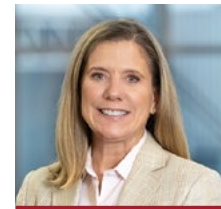
**Christopher L.  
Mapes**

Executive Chair (through  
December 31, 2024)



**Jennifer I.  
Ansberry**

Executive Vice President,  
General Counsel and  
Secretary



**Michele R.  
Kuhrt**

Executive Vice President,  
Chief Transformation  
Officer



# Compensation Discussion and Analysis

## EXECUTIVE SUMMARY

Our approach to executive compensation is generally the same as our approach to employee-wide compensation, with a strong belief in pay for performance and a long-standing commitment to incentive-based compensation.

While maintaining our performance-driven culture, our executive compensation program is designed to achieve the following objectives:

<b>Align Interests</b> Align the interests of management (and employees) with long-term interests of our shareholders and other stakeholders	<b>Incentivize Management</b> Design compensation elements to incentivize management to deliver above-market financial results	<b>Support Long-Term Strategy</b> Define performance drivers which support key financial and strategic business objectives
<b>Good Governance Practices</b> Help ensure we are following good governance practices in the design and operation of our executive compensation program, including consideration of the risks associated with those practices	<b>Retention &amp; Succession Planning</b> Reinforce executive retention to enable achievement of annual and long-term business goals through a stable management team	<b>Pay for Performance</b> Link incentive-based compensation to the company's short-term and long-term financial and operational performance



## KEY FINANCIAL PERFORMANCE

We have a strong track record of delivering increased value to our shareholders and we have typically delivered above-market performance across various financial metrics over many economic cycles. Our long-term strategy seeks to achieve profitable sales growth both organically and through acquisitions by emphasizing value-added solutions and differentiated technologies. We anticipate this strategy will yield improved profit margins and returns and will generate best-in-class financial performance measured against our peer group.

In 2024, we achieved record profitability, as well as solid earnings per share performance, cash flow generation, and adjusted return on invested capital (ROIC) while navigating a challenging portion of the cycle. Slower industrial activity and reduced capital spending across most of our end markets resulted in a 4% decline in net sales to \$4.0 billion.

Diligent cost management, the rapid deployment of temporary and permanent cost actions, as well as the benefits of our ongoing operational initiatives mitigated the impact of lower demand and generated a record 17.6% adjusted operating income margin.

Cash flows from operations remained strong at \$599 million on improved margin performance and improved working capital performance, which resulted in a 91% cash conversion ratio. Solid Adjusted ROIC of 21.8% remains top-quartile versus proxy peers and demonstrates the effectiveness of our 2025 Strategy and our disciplined capital allocation approach.



See Appendix A for definitions and/or reconciliation of these metrics to results reported in accordance with GAAP. Performance measures used in the design of the executive compensation program are presented within the Compensation Discussion and Analysis section.

We are committed to generating long-term value for our shareholders through a disciplined and balanced capital allocation strategy through the cycle. In 2024, we deployed a record \$117 million towards capital projects focused primarily on growth and operational efficiency and invested \$253 million across three acquisitions that complement our core welding and automation portfolios. In the last five years, we have invested approximately \$1.3 billion for growth.

We returned approximately \$426 million of cash to shareholders through our dividend program and \$264 million of share repurchases in 2024. In the last five years, we returned approximately \$1.6 billion to shareholders through an aggregate amount of \$922 million in share repurchases and an 11% compounded average growth rate in our dividend payout rate, which includes the 2024 increase of 5.6%, marking 29 years of consecutive dividend increases.



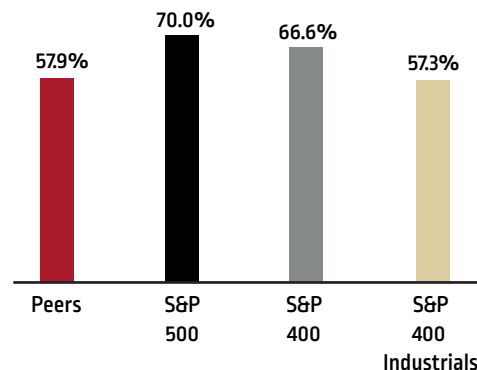
**TOTAL SHAREHOLDER RETURN (TSR)**

In 2024, total shareholder return (TSR) was challenged by a decline in our stock price starting in the second quarter due to weakening end market trends following a record \$261.13 share price achieved in the first quarter. Our TSR rate on a 3 and 5-year basis remained competitive but were unfavorably impacted by our 2024 share price performance. We believe that TSR is an important measure to demonstrate the Company's value creation for shareholders and our executives over the long-term. For 2024, approximately 66% of our CEO's and 48% of our other NEOs' compensation (excluding our Executive Chair) was tied to equity-based compensation, which can be favorably impacted when the TSR rate increases. In this case, the value of the compensation paid to our NEOs increases in line with the appreciation received by our shareholders.

**TOTAL SHAREHOLDER  
RETURN****-13%**  
1-Year**+41%**  
3-Year**+111%**  
5-Year

The following 3-Year (2022–2024) TSR Performance Percentile Rank chart illustrates our TSR performance compared to our peer group, the S&P Composite 500 Stock Index (S&P 500), the S&P 400 Index, and the S&P 400 Industrials Index. We believe this is helpful to see in relation to our long-term incentive plan and the 3-year performance period of our Performance Shares. The TSR percentile rankings show the position of our TSR performance compared to the particular group, with a 50th percentile ranking indicating median (or market) performance. Percentiles below 50 indicate below-market performance, while percentiles above 50 indicate above-market performance.

**Total Shareholder Returns (TSR)<sup>1</sup>**  
**3-Year (2022-2024) TSR Performance**  
**Percentile Rank to Peers and Select Indices**



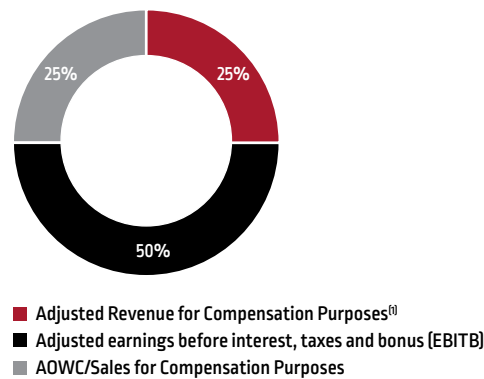
<sup>1</sup> See Appendix A for definition for TSR

FINANCIAL MEASURES USED FOR COMPENSATION PURPOSES

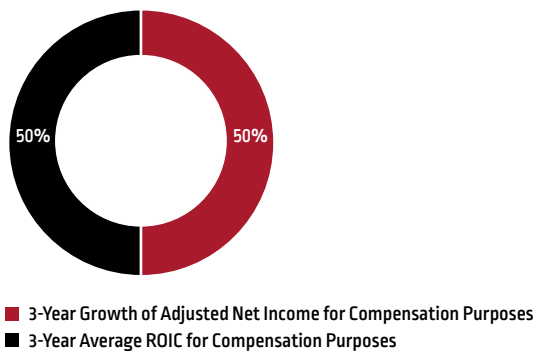
We consider various types of widely reported financial metrics to apply to our executive compensation program. Some of these financial metrics directly impact our executive compensation program, while in some cases we use the closest approximations for the metrics that we use in our compensation programs. We believe that all of these financial metrics are critical to the short-term and long-term growth and performance of our organization.

Financial metrics used to evaluate operational performance and used in our short-term annual bonus (EMIP) and our long-term incentive plan designs are:

FINANCIAL MEASURES:  
SHORT-TERM METRICS AND WEIGHTING



FINANCIAL MEASURES:  
LONG-TERM METRICS AND WEIGHTING

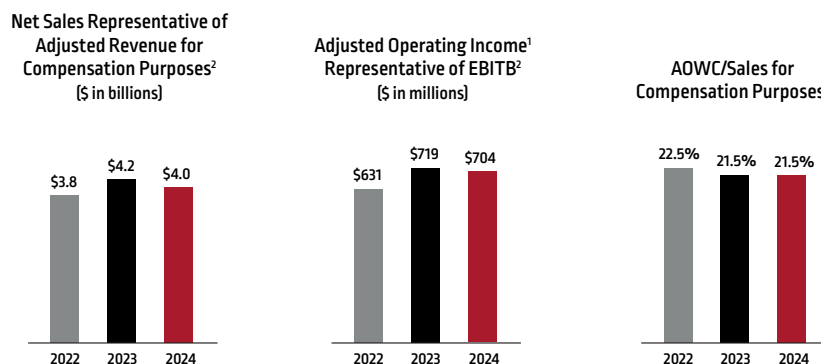


1 Adjusted Revenue for compensation purposes focuses on organic sales growth by emphasizing volume growth and placing a collar on price contributions to revenue.

## PERFORMANCE OF FINANCIAL MEASURES USED FOR COMPENSATION PURPOSES

### Short-Term Compensation Program Financial Metric Performance

The following charts demonstrate our performance over the last three years in financial metrics incorporated in our short-term compensation program.



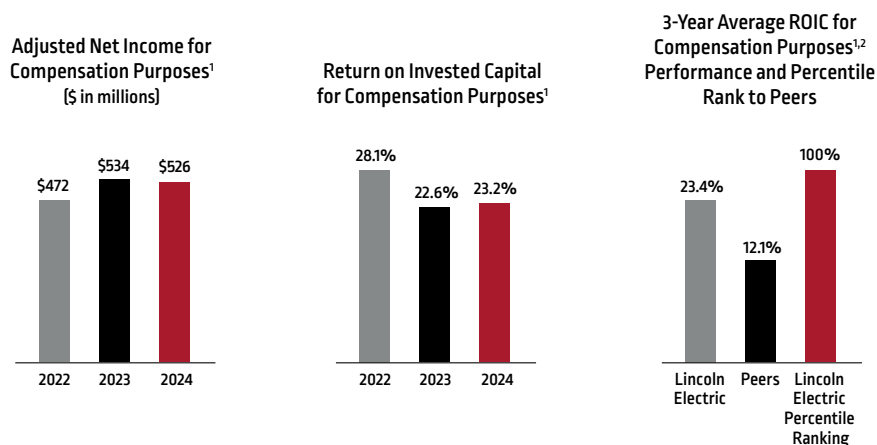
1 Excluding special items where applicable. Definitions and reconciliation of non-GAAP results to our most closely comparable GAAP results are included in Appendix A.

2 See Appendix A for definitions.

### Long-Term Compensation Program Financial Metric Performance

The following charts demonstrate our performance over the last three years relative to the financial metrics incorporated into our long-term compensation program: Adjusted Net Income for Compensation Purposes and ROIC for Compensation Purposes.

In our long-term incentive plan design, ROIC for Compensation Purposes is a relative measure and payout is determined based on our average performance over 3-years as compared to our peers. The ROIC for Compensation Purposes percentile ranking shows the position of our financial results compared to peers, with a 50th percentile ranking indicating median (or market) performance. Percentiles below the 50th indicate below-market performance, while percentiles above the 50th indicate above-market performance. Information is based on the most recently available public information (as accumulated by an independent third party), as of January 2025 when the analysis was performed.



1 Excluding certain items as approved by the Compensation and Executive Development Committee where applicable. See discussion and definitions on page A-1 in the Performance Shares Financial Metrics section and in Appendix A.

2 As of September 30, 2024.



## PAY FOR PERFORMANCE, OBJECTIVES AND PROCESS

In designing our executive compensation program, a core philosophy is that our executives should be rewarded when they deliver financial results that provide value to our shareholders. Therefore, we have established a program that ties executive compensation to superior financial performance. To assess pay for performance, we evaluate the relationship between CEO and NEO realizable pay and key financial metrics including TSR. This allows us to understand the relative degree of alignment between the pay delivered and the performance achieved for shareholders. In 2024, this analysis was performed by our external advisors and reviewed with the Compensation and Executive Development Committee (the “Committee”).

## 2024 EXECUTIVE COMPENSATION ACTIONS

The Committee annually considers the overall design of our executive compensation program, ensuring alignment with shareholder interests and our pay for performance philosophy, while considering prevailing best practices across our industry and the broader market. Significant consideration is also given to shareholder feedback, including the say-on-pay vote. At our 2024 Annual Meeting, we received 97% approval, based on the total votes cast, for our annual advisory say-on-pay vote to approve the compensation of our NEOs. The Committee believes the voting results demonstrate significant support for our executive compensation program. Based on this outcome, the current long-term strategy in place, and a review of peer and broader market practices, the Committee chose not to make any substantial changes to the existing program previously approved for 2023. With the transition of independent compensation consultants in 2024, the Committee completed a holistic review of our executive compensation program to ensure it meets the objectives noted above.

## GOOD GOVERNANCE PRACTICES

In addition to our emphasis on above-market financial performance and pay for performance, we design our executive compensation program to be current with best practices and good corporate governance. We also consider the risks associated with any particular program, design or compensation decision. We believe these assessments result in sustained, long-term shareholder value. Some of those governance practices are described in the Compensation-Related Risk section in this Proxy Statement.

The following table highlights certain of our good governance practices relative to our executive compensation program:

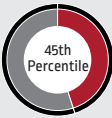
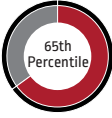
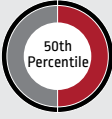
What We Do		What We Don't Do	
Pay for Performance Focus (Compensation programs weighted heavily toward variable, “at risk,” compensation; perform annual reviews of market competitiveness and the relationship of compensation to financial performance)	✓	No Guaranteed Pay Increases (No multi-year guarantees for compensation increases, including base pay, and no guaranteed bonuses)	✗
Balanced Compensation (Compensation opportunities linked to both short-term and long-term periods of time, while aligning compensation with several financial performance metrics that are critical to achievement of sustained growth and shareholder value creation)	✓	No Repricing or Replacement of Underwater Stock Options without Prior Shareholder Approval	✗
Double-Trigger Provisions for Change in Control	✓	No Payment of Dividends on Unvested Equity	✗
Stock Ownership Guidelines for all Executive Officers	✓	No Excessive Perquisites	✗
Clawback Policy	✓	No Excise Tax Gross-Ups or Tax Reimbursements	✗
Independent Compensation Committee and Consultant	✓	No Hedging or Pledging of Lincoln Electric Stock	✗

## OUR COMPENSATION PHILOSOPHY

### Core Principles

Our compensation program is designed to attract and retain exceptional employees, while maintaining our strong pay for performance culture. We design our compensation system to reflect current best practices and our performance-driven culture, including setting base pay below the competitive market for each position, targeting incentive-based cash compensation above the competitive market and targeting long-term incentive compensation at the market median. We believe these practices result in sustained, long-term shareholder value and promote quality corporate governance in compensation decisions.

The primary components of our executive compensation program, summarized below, help ensure that we maintain our performance-driven culture:

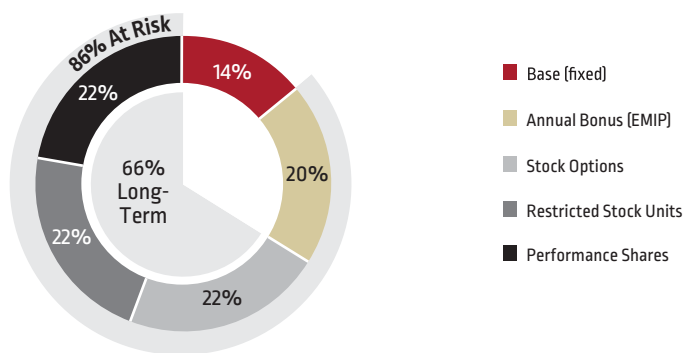
Type	Component and Competitive Target		Philosophy and Objective
Fixed Compensation	Base Pay		<ul style="list-style-type: none"> <li>Generally targeted at the 45th percentile of market (below market) to place stronger emphasis on incentive compensation</li> <li>Provide market-competitive fixed pay reflective of an executive officer's role, responsibilities and individual performance in order to attract and retain top talent</li> </ul>
	Target Total Cash Compensation with Annual Bonus (EMIP)		<ul style="list-style-type: none"> <li>Generally targeted above the competitive market, so that target total cash compensation (base pay and annual bonus which incorporates financial targets and individual performance goals) is set at 65th percentile of market</li> <li>Drive financial performance, including revenue, adjusted EBITB and average operating working capital to net sales ratio</li> <li>Deliver individual performance against specific business objectives, including executing on our 2025 Strategy, increasing our customer satisfaction, developing and engaging a talented workforce, driving sustainable innovation and improving operating efficiencies</li> </ul>
Incentive-Based Compensation	Long-Term Incentive Compensation		<ul style="list-style-type: none"> <li>Generally targeted at the 50th percentile of market (at market)</li> <li>Divided equally among 3 programs: (1) stock options; (2) RSUs; and (3) Performance Shares, to drive long-term financial performance, with metrics related to Adjusted Net Income for Compensation Purposes and Return on Invested Capital for Compensation Purposes</li> <li>Incentivize achievement of long-term value creation through financial performance objectives weighted more heavily toward rewards for share price appreciation and long-term profitability</li> </ul>

In addition to the primary components of our executive compensation program, we provide benefits and perquisites that we believe, taken as a whole, are at the market median.

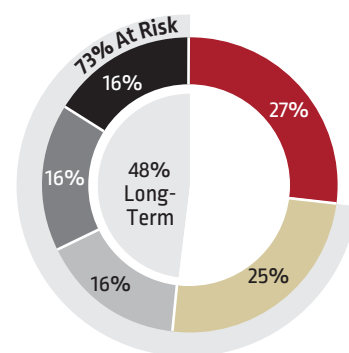
### Average Mix of Key Compensation Components

Individual performance also plays a key role in determining the amount of compensation delivered to an individual, with our philosophy being that the best performers should receive the greatest rewards. The following charts present the mix of 2024 target direct compensation for our CEO and all of our other NEOs, excluding the Executive Chair (on an average basis), as established in the beginning of 2024. As shown below, 86% of the CEO's compensation mix was "at risk" and 73% of such other NEOs' compensation mix, on average, was "at risk," with the actual amounts realized based on annual and long-term performance as well as our stock price.

**CEO TARGET COMPENSATION MIX**



**ALL OTHER NEOs TARGET COMPENSATION MIX**



### THE ROLES OF THE COMMITTEE, EXTERNAL ADVISORS AND MANAGEMENT

The Committee, which consists solely of non-employee Directors, has primary responsibility for reviewing, establishing and monitoring all elements of our executive compensation program. The Committee is advised by its independent executive compensation consultant, Meridian Compensation Partners, and independent legal counsel as it deems appropriate. Management provides recommendations and analysis to the Committee.

#### ROLE OF THE COMMITTEE

Compensation-Related Tasks	Organizational Tasks
Reviews, approves and administers all of our executive compensation plans, including our equity plans	Evaluates the performance of the CEO, including consideration of tone and embodiment of core values, with input from all non-employee Directors
Establishes performance objectives under our short-term and long-term incentive compensation programs <sup>1</sup>	Reviews the performance capabilities of the other executive officers, including consideration of tone and embodiment of core values, based on input from the CEO
Determines the attainment of performance objectives and the awards to be made to our executive officers under our short-term and long-term incentive compensation programs <sup>1</sup>	Reviews succession planning for officer positions, including the position of the CEO
Determines the compensation for our executive officers, including base pay and short-term and long-term incentive compensation opportunities <sup>1</sup>	Reviews proposed organization or responsibility changes at the officer level
Reviews compensation practices relating to key employees to confirm that these practices remain equitable and competitive	Reviews our practices for the recruitment and development of a broad talent pool
Reviews employee benefit plans that relate to executive officers and/or key employees	Retains the services of independent legal counsel from time to time to provide input on various matters

<sup>1</sup> The independent members of the Board take such action with respect to the CEO.

## ROLE OF EXTERNAL ADVISORS

### MERIDIAN COMPENSATION PARTNERS

- Independent executive compensation consultant for the Committee
- Advises on matters including competitive compensation analysis, executive compensation trends and plan design, peer group company configuration, competitive financial performance and financial target setting
- Performs data analysis on competitive compensation, competitive financial performance and financial target setting
- Reviews analysis and data collected by management (particularly the CEO, the CFO and the Chief Human Resources Officer)
- Reports directly to the Chairperson of the Committee
- Meets with the Committee in executive session without the participation of management
- Discusses the CEO's recommendations with the Committee to help ensure the compensation recommendations are in line with stated compensation philosophies and are reasonable when compared to the competitive market
- The Committee is not bound by Meridian's recommendations
- Considering all relevant factors (as required by compensation consultant independence standards set forth in applicable SEC rules and Nasdaq listing standards), we have assessed Meridian's independence, and are not aware of any conflict of interest that has been raised by the work performed by Meridian

### ROLE OF CEO AND MANAGEMENT

- Provide compensation-related recommendations to the Committee
- The CEO recommends the compensation for other executive management positions and provides the Committee with assessments of their individual performance (both of which are subject to Committee review)
- Perform individual performance assessments based on achievement of various financial and leadership objectives set by the CEO
- Receive suggestions from the Committee for modifications to financial and leadership objectives where warranted

## Our Methodologies

### SELECTION OF COMPENSATION ELEMENTS

As part of its annual review, the Committee evaluates whether changes in the philosophy or structure are warranted in light of emerging trends, business needs and/or financial performance. The Committee then uses competitive market data, performance assessments, and independent executive compensation consultants and management recommendations to set the pay components along the targets described above (for example, 45th percentile for base pay). Actual pay for executive management will generally fall within a range of these targets (plus or minus 20%). Absent significant increases due to promotion, increases for break-through individual performance or significant changes in the competitive market data, pay increases are considered generally in line with national trends.

### MARKET COMPARISON DATA

We collect competitive market compensation data from multiple nationally published surveys and from proxy data for a peer group of companies. Nationally published survey market compensation data is statistically determined (through regression analysis) to approximate our revenue size and aged to approximate more current data. The Company did not select the companies that comprise any of these survey groups. The Company generally blends 50% survey and 50% peer data for benchmarking executive compensation for our NEOs.

### PEER GROUP

We use a peer group of publicly traded industrial companies that are headquartered in the U.S. that serve a number of different market segments and that have significant foreign operations. These are companies with which Lincoln Electric competes for talent and shareholder investment. In addition, we only select companies with solid historical financial results (removing companies from the peer group when their financial performance has consistently fallen below a reasonable level). The Committee conducted an annual review of our peer group, with the assistance of our independent advisor.

In July 2023, Willis Towers Watson, the Committee's prior independent advisor, recommended that no changes were needed for the 2024 compensation planning cycle, but noted that following the split of Crane Company into Crane NXT and Crane Co., the inclusion of Crane Co. as the Company's peer was appropriate, as the business was aligned and the revenue projection was within the peer group range.

For 2024, our peer group consisted of the following 18 publicly traded industrial corporations:

Ametek Inc.	Flowserve Corporation	Nordson Corporation	The Toro Company
Carlisle Companies Inc.	Graco Inc.	Regal Rexnord Corporation	Woodward Inc.
ESAB Corporation	IDEX Corporation	Snap-On, Inc.	Xylem Corporation
Crane Co.	ITT Inc.	Terex Corporation	
Donaldson Company, Inc.	Kennametal Inc	The Timken Company	

In July 2024, the Committee, with the assistance of Meridian as an independent advisor, reviewed its peer group and determined to remove Terex Corporation and The Toro Company, which were considered less comparable to the Company, and to add Dover Corporation, Fortive Corporation and Ingersol Rand Inc. for the 2025 compensation planning cycle. The three additional peers are in adjacent markets with a focus on automation and industrial technology.

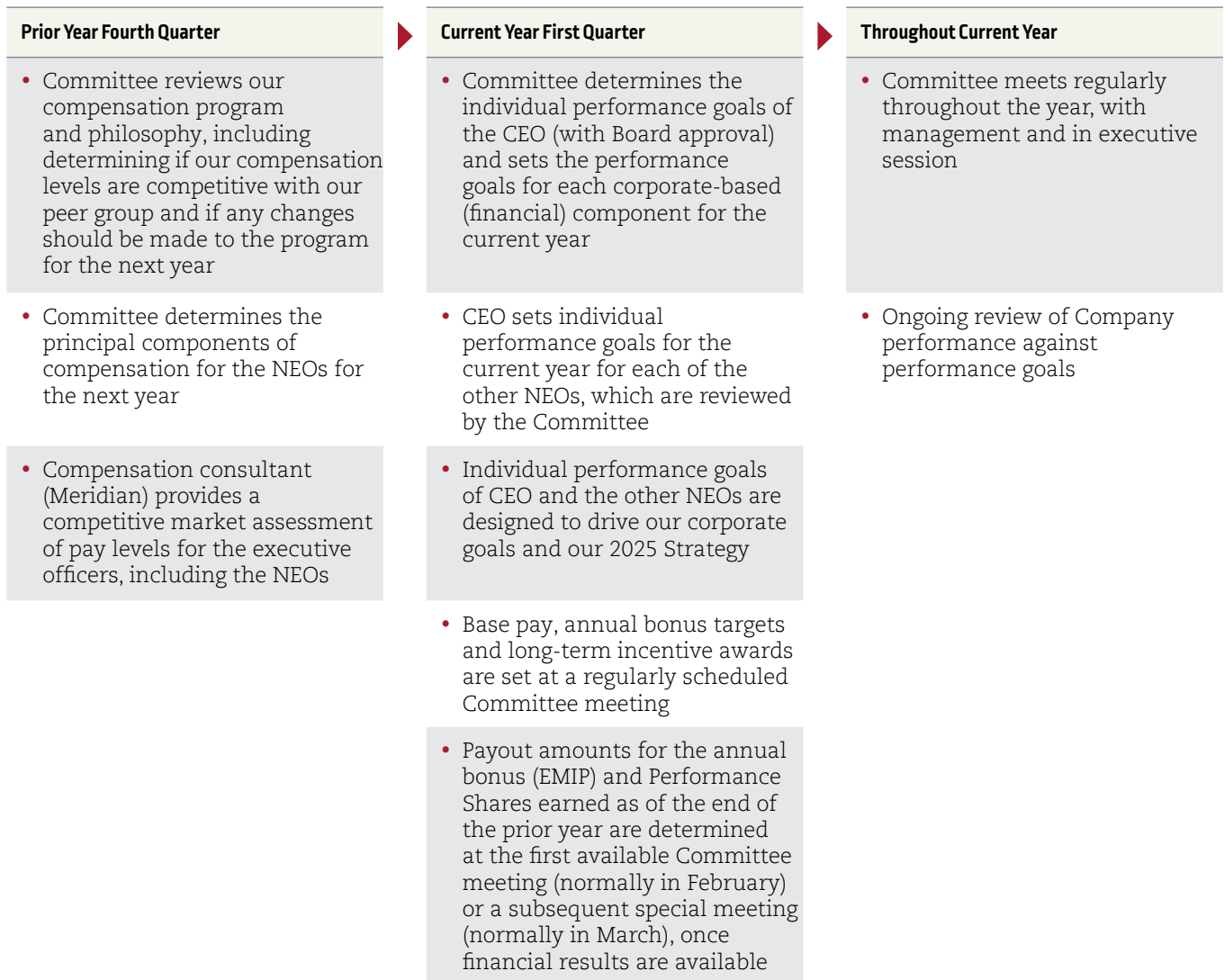
**EXECUTIVE COMPENSATION STRUCTURE**

In evaluating our executive compensation structure, the Committee considers three primary elements: (1) business needs (2) individual performance and (3) pay for performance review.

Business Needs	Individual Performance	Pay for Performance Review
<ul style="list-style-type: none"> <li>Independent compensation consultant (Meridian) provides information about emerging trends in executive compensation, along with Committee members' own reading and study</li> </ul>	<ul style="list-style-type: none"> <li>Individual performance is a significant factor in determining annual changes (up or down) to pay components</li> </ul>	<ul style="list-style-type: none"> <li>The Committee conducts an annual assessment of our financial performance and pay for performance, in determining whether changes will be made to the existing philosophy or structure and before setting compensation levels for the upcoming year</li> </ul>
<ul style="list-style-type: none"> <li>Trends considered in light of our compensation philosophies and various business needs</li> </ul>	<ul style="list-style-type: none"> <li>Annual bonus (the Executive Management Incentive Plan, or EMIP) includes an individual performance component in determining the percentage of target bonus to be paid (described below)</li> </ul>	<ul style="list-style-type: none"> <li>The annual assessments are used to evaluate whether executive compensation is properly aligned with our financial performance</li> </ul>
<ul style="list-style-type: none"> <li>Business needs that are evaluated can include: talent attraction or retention strategies, growth expectations, strategic programs, cost-containment initiatives, management development needs and our company culture</li> </ul>	<ul style="list-style-type: none"> <li>Individual performance is generally measured against how well an executive demonstrates proficiency in key leadership competencies, as well as the executive's achievement against objectives established for him or her at the beginning of the year</li> </ul>	
<ul style="list-style-type: none"> <li>No single factor guides whether changes will be made, as the Committee uses a holistic approach, considering a variety of factors</li> </ul>	<ul style="list-style-type: none"> <li>The Committee reviews the overall performance of each NEO during the year and assigns Individual Performance Factors</li> </ul>	



The following chart highlights the process and timing of compensation determinations and payouts:



## Key Elements of Executive Compensation

Each compensation component for our NEOs is described below, with specific actions that were taken during 2024 noted. For 2024 compensation amounts, please refer to the Summary Compensation Table and other accompanying tables.

### BASE PAY

Base salary is provided to our executives to compensate them for their time and proficiency in their positions, as well as the value of their job relative to other positions at Lincoln Electric. Base salaries are set based on a subjective evaluation of the executive's experience, expertise, level of responsibility, leadership qualities, individual accomplishments and other factors.

- ❶ Level of responsibility and experience
- ❷ Individual performance and leadership qualities
- ❸ Internal equity
- ❹ Peer Data

We aim to set base salaries at approximately the 45th percentile of the market (slightly below market) in keeping with our philosophy that greater emphasis should be placed on variable compensation.

### 2024 BASE PAY

Ahead of 2024, the Committee reviewed officer pay, including all NEOs, as compared to the market. The Committee approved certain increases (and one decrease) in NEO base salaries as detailed below, bringing the base pay within the competitive benchmark, while the base pay of the NEOs remains, on average, slightly below the 45th percentile.

NEO	Increase / (Decrease) %	2024 Base Salary <sup>1</sup>
Steven B. Hedlund	26.4%	\$ 1,010,000
Gabriel Bruno	7.4%	\$ 580,000
Christopher L. Mapes	(50.0%)	\$ 553,800
Jennifer I. Ansberry	7.9%	\$ 505,000
Michele R. Kuhrt	3.8%	\$ 468,000

<sup>1</sup> Base salaries effective as of January 1, 2024 for all NEOs excluding Mr. Hedlund. For Mr. Hedlund, increase effective August 1, 2023.

In August 2023, in connection with the CEO transition plan, the Committee approved an increase in Mr. Hedlund's base salary, establishing his new base salary at \$1,010,000 effective August 1, 2023, which remained his base salary for 2024. Mr. Mapes' 2024 base salary was reduced in connection with his transition to Executive Chair. Mr. Bruno and Ms. Ansberry received 7.4% and 7.9% base pay increase, respectively, which was to progress compensation and remain competitive within the benchmarks for their roles. Ms. Kuhrt's base compensation increased 3.8% from her 2023 compensation. The base pay for the NEOs falls within the competitive benchmark and the NEOs remain within the competitive benchmark.

## ANNUAL BONUS (EMIP) AND TOTAL CASH COMPENSATION

The EMIP provides executive officers, including the NEOs, with an opportunity to receive an annual cash bonus. We believe that, given base pay is below market, annual cash bonus opportunities should be above average to balance some of the risk associated with greater variable compensation. However, we also believe that above-market pay should be linked to financial and individual performance. Therefore, we target total cash compensation (base pay and target annual bonus) at the 65th percentile of the market, but use a structure that provides payments of above-average bonuses only where the performance of the consolidated company and the performance of an NEO's particular segment or business unit, warrant it. We also consider the impact of an officer's individual performance during the year.

## ANNUAL BONUS (EMIP) FORMULA

With respect to 2024, the formula to determine each NEOs annual bonus (EMIP Bonus Payout) includes a Financial Performance Factor and an Individual Performance Factor. The Financial Performance Factor considers the financial performance of specific financial metrics of the consolidated Company and for operations roles, the segment or business units they support. If the financial performance target is not met on any specific financial metric, the EMIP Bonus Payout will be reduced, with the potential that no bonus will be paid if performance across all metrics is below threshold. If financial performance exceeds expectations on any of the specific financial metrics, the percentage of annual bonus paid can be above the Target Bonus Amount. Once financial performance is calculated, an Individual Performance Factor is considered to determine the final EMIP Bonus Payout. The maximum EMIP Bonus Payout, considering financial and individual performance, will not exceed 200% of an individual's annual Target Bonus Amount.

## 2024 EMIP BONUS CALCULATION



The Committee has discretion to approve EMIP payments outside of the strict application of this calculation, although no discretion was used for calculation of the 2024 annual bonuses. EMIP payout determinations for the 2024 performance period were made in the first quarter of 2025.

## ANNUAL BONUS (EMIP) FINANCIAL METRICS

A portion of the EMIP Financial Performance Factor is based upon achievement of company consolidated financial performance against budget and another portion may be attributable to segment financial performance against budget, depending upon the individual's scope of responsibility. By varying the financial metrics used based upon areas of responsibility, it is possible that certain participants will receive a higher percentage of target bonus while others will receive a lower percentage of target bonus where the segment performance for one participant is better than the segment performance for the other. This is a key component of our pay for performance and incentive-based philosophies. In 2024 each of our NEOs' Financial Performance Factor was based on the Company's Consolidated results.

The Financial Performance factor calculation utilizes the achievement results of three metrics weighted as follows:

- 25% Adjusted Revenue for Compensation Purposes (Adjusted Revenue);
- 50% Adjusted EBITB; and
- 25% AOWC/Sales for Compensation Purposes.

Actual results are measured against budget at budgeted exchange rates and adjusted for the results of businesses acquired during the year. Budgets are set aggressively (based on the local and global economic climate), at the beginning of the year, are reviewed by the Finance Committee and are approved by the full Board. For 2024 a price collar was

embedded in the budgeted goals that restricts the impact of pricing on Adjusted Revenue results. For 2024, Management was responsible for +/-2% on pricing that impacted actual revenue results as compared to pricing in the budget. Each financial metric is calculated and interpolated on a financial payout curve to determine the Financial Performance Factor. The financial payout curves, considering threshold and maximum opportunities, are set at the beginning of the year and are approved by the Committee.

The following table illustrates the opportunity for achievement of the Financial Performance Factor based on actual performance against target across each financial metric and the 2024 target amounts set during the budget process.

		Achievement of Actual Results vs. Budget			2024 Target (Budget)
Financial Metric	Weightings	Threshold	Target (Budget)	Maximum	Lincoln Electric Holdings
Adjusted Revenue	25%	93%	100%	105%	\$4.342 billion
Adjusted EBITB	50%	85%	100%	115%	\$963 million
AOWC/Sales	25%	90%	100%	110%	20.6%
<b>Financial Payout Curves</b>		<b>50%</b>	<b>100%</b>	<b>200%</b>	

#### ANNUAL BONUS (EMIP) INDIVIDUAL PERFORMANCE GOALS

Individual performance goals are set annually. A significant portion of our executive officers' individual performance goals is tied to one or more aspects of our 2025 Strategy.

The following table highlights the material 2024 individual performance goals for our CEO. The Committee chair, supported by the Lead Independent Director, leads the review and evaluation process to establish the CEO's performance goals for each year, which were approved by the Board at the beginning of 2024. The CEO's 2024 performance goals were cascaded throughout the organization and many were also in the individual performance goals for our other NEOs.

Individual Performance Goals	CEO
Execution of the 2025 Strategy	✓
Human capital management, including employee engagement and development initiatives	✓
Sustainability, including environmental, health and safety metrics	✓
Financial and operating targets	✓
Operational optimization and expansion, and M&A integration	✓
Development of new long-term strategy	✓

In defining the individual performance goals, the Committee considered the goals to be strategically important to the Company and its 2025 Strategy. The goals for 2024 were particularly aimed at operational optimization and M&A integration, employee engagement, a connected culture, cybersecurity and achieving our EHS and Sustainability metrics. The CEO's individual performance rating is determined based on an evaluation of performance against the underlying goals with the final rating being approved by the independent Directors of the Board. In assessing the individual performance of our NEOs, the Committee reviews the performance rating recommended by the CEO with respect to each of the other NEOs and recommends revisions, as needed, prior to the Committee approval of such rating.

**2024 ANNUAL BONUS (EMIP) AND TOTAL CASH COMPENSATION**

The 2024 EMIP annual bonus targets for the NEOs were established and approved by the Committee in February 2024 according to the principles discussed above. In August 2023, in connection with the announced CEO transition plan, the Committee approved an increase in Mr. Hedlund's annual bonus target, establishing his new target bonus at \$1,464,500 effective August 1, 2023, which remained his target bonus for 2024. Mr. Mapes' 2024 target bonus decreased 50% while the remaining NEOs' 2024 target bonus increased on average 3.2%. The bonus targets fall within the competitive benchmark and the NEOs remain within the competitive benchmark.

In February 2025, in approving the 2024 EMIP payouts, the Committee assessed our financial performance against budget with respect to consolidated and applicable segment performance, as applicable. On average, 2024 EMIP payments for the NEOs were 36% below their 2024 target amounts, driven primarily by falling short of threshold on Adjusted Revenue resulting in a 0% payout on the Adjusted Revenue component.

The following table illustrates actual results versus budget and the interpolated Financial Performance Factor for each financial metric to arrive at the Weighted Financial Payout Factor that drives actual bonus payouts.

	Lincoln Electric Holdings			
	Actual vs. Budget	Interpolated Financial Performance Factor	Weighting	Weighted Financial Payout factor
Adjusted Revenue	91.8%	0%	25%	55.5%
Adjusted EBITB	91.6%	72.0%	50%	
AOWC/Sales	95.6%	78.0%	25%	

*Note: The Adjusted EBITB performance results were adjusted for the same types of special items that impact Adjusted Operating Income and Adjusted Net Income as disclosed in Appendix A.*

The actual bonus payout to the NEOs considers the impact of individual performance. The Committee assessed the performance of each NEO against their Individual Performance Goals and assigned a rating that impacts the annual bonus calculation as illustrated above. For the current year, individual performance ratings for the annual bonus for officers ranged from 100 to 130.

The following chart illustrates the actual calculated bonus considering both the financial and individual performance. 2024 EMIP payments for the NEOs, were on average 62% lower than the 2023 EMIP payments, driven by relatively flat year-over-year revenue results.

NEO	Target Award Opportunity	Target Award Opportunity as a % of 2024 Base Salary	Maximum Award Opportunity Based on Matrix	Actual Award	Actual Award as a % of Target
Steven B. Hedlund	\$ 1,464,500	145%	\$ 2,929,000	\$ 975,357	67%
Gabriel Bruno	\$ 580,000	100%	\$ 1,160,000	\$ 386,280	67%
Christopher L. Mapes	\$ 803,000	145%	\$ 1,606,000	\$ 490,232	61%
Jennifer I. Ansberry	\$ 454,500	90%	\$ 909,000	\$ 302,697	67%
Michele R. Kuhrt	\$ 430,560	92%	\$ 861,120	\$ 262,857	61%

### LONG-TERM INCENTIVE COMPENSATION

We believe that long-term incentive compensation should be provided to focus rewards on factors that deliver long-term sustainability and should be established at the median (or 50th percentile) of the market. We have targeted the median of the market, in keeping with our pay for performance philosophy, because we believe that superior long-term financial growth itself should be the main driver of above-market long-term incentive compensation.


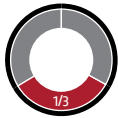

For 2024, our long-term incentive compensation program consists of three components: (1) stock options, (2) RSUs and (3) Performance Shares. The value of each is weighted equally. This provides an even balance with respect to the different attributes and timing associated with each type of award. Annual awards of all three components are made to EMIP participants, including the NEOs.

*Valuation of Equity Awards.* We use standard valuation methods to convert long-term incentive compensation values to shares upon the grant date. These methods consider a 7-day historical average of our stock price, up to and including the grant date, for RSUs and Performance Shares and the grant date Black-Scholes valuation for stock options.

*Normal Cycle and Out-of-Cycle Equity Awards.* The Committee has discretion in awarding grants to EMIP participants and does not delegate its authority to management, nor does management select or influence the award dates. Occasionally, the Committee may approve limited, out-of-cycle special awards for specific business purposes or in connection with executive promotions or the hiring of new executive employees. However, the date used for normal cycle awards to all EMIP participants, including the NEOs, is the date of a regularly scheduled Committee meeting, which is fixed well in advance and generally occurs at the same time each year.

The Committee has approved delegated authority to the CEO to designate awards through 2025 to certain employees under our equity plan, subject to specific limits established. The CEO can only grant RSU awards and cannot grant awards to any executive officers, Section 16 officers or greater-than-10% beneficial owners of the Company, and such awards must be granted pursuant to the agreements and vesting terms already approved by the Committee.

The following is a summary of the three components of our long-term incentive compensation program, in which all our NEOs participate, as in effect for 2024:

	Standard Vesting Provision	Accelerated Vesting Provisions
<b>Stock Options</b> 	<ul style="list-style-type: none"> <li>Vest ratably over 3 years</li> </ul>	<ul style="list-style-type: none"> <li>Full vesting upon death or disability.</li> <li>Full vesting upon retirement.</li> <li>Full vesting in the event of a change in control, if               <ul style="list-style-type: none"> <li>(i) replacement awards are not provided or</li> <li>(ii) replacement awards are provided and there is a subsequent qualifying termination.</li> </ul> </li> </ul>
<b>Restricted Stock Units (RSUs)</b> 	<ul style="list-style-type: none"> <li>Vest in full after 3 years</li> </ul>	<ul style="list-style-type: none"> <li>Full vesting upon death or disability.</li> <li>Full vesting upon retirement.</li> <li>Full vesting in the event of a change in control, if               <ul style="list-style-type: none"> <li>(i) replacement awards are not provided or</li> <li>(ii) replacement awards are provided and there is a subsequent qualifying termination.</li> </ul> </li> </ul>
<b>Performance Shares</b> 	<ul style="list-style-type: none"> <li>Vest based on performance during the applicable 3-year performance period</li> </ul>	<ul style="list-style-type: none"> <li>Vest at target upon death or disability.</li> <li>Full vesting upon retirement, based on actual performance for the applicable 3-year performance period.</li> <li>Vest at target in the event of a change in control (or the greater of target or actual for awards granted since 2024), if               <ul style="list-style-type: none"> <li>(i) replacement awards are not provided or</li> <li>(ii) replacement awards are provided and there is a subsequent qualifying termination.</li> </ul> </li> </ul>

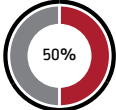

## PERFORMANCE SHARES

Our long-term incentive compensation program includes grants of Performance Shares, which are designed to offer award opportunities aligned with the long-term performance of Lincoln Electric. Target share amounts are set each year at the beginning of a three-year performance cycle based on a 7-day historical average of the stock price, up to and including the grant date. Because awards are made each year and because each award relates to a three-year performance cycle, three different cycles will be running at any point in time. The percentage of the target shares actually paid at the end of the applicable three-year cycle will be based upon achievement of three-year company performance as interpolated against pre-established performance thresholds. Each plan has performance thresholds with percentage payouts attributable to those thresholds ranging from 0% to 200% of target. The Committee retains discretion to modify payments to any participant, to modify targets and/or to modify the performance thresholds (up or down).



### PERFORMANCE SHARES FINANCIAL METRICS

The Committee annually reviews and approves the performance metrics that are tied to the Performance Shares. For the open performance cycles, the Performance Shares' two financial metrics are as follows:

Weighting	Performance Metric	Measurement
	Adjusted Net Income	<ul style="list-style-type: none"> <li>Absolute metric based on the growth in Adjusted Net Income for Compensation Purposes over the 3-year performance period versus goals set at the beginning of the performance cycle.</li> <li>For the 2022 to 2024 performance cycle the target is based on growth above \$356,445,000 (which was the Adjusted Net Income for Compensation Purposes for 2021, when the 2022 to 2024 performance cycle was set).</li> <li>For the 2022 to 2024 performance cycle, to pay 100% of target, Adjusted Net Income for Compensation Purposes over the 3-year cycle must be at or above 140% of \$356,445,000 (or \$499,023,200).</li> </ul>
	Return on Invested Capital	<ul style="list-style-type: none"> <li>Relative metric that is derived based on our 3-year average ROIC for Compensation Purposes relative to our proxy peer group.</li> <li>For the 2022 to 2024 performance cycle the target is based on achieving the 65<sup>th</sup> percentile in 3-Year Average ROIC for Compensation Purposes relative to our peers.</li> </ul>

From time to time, the Committee has considered and approved certain limited adjustments to reported net income (both positive and negative) in determining achievement of performance against the thresholds. Each adjustment is reviewed in detail before it is made. The types of adjustments the Committee has considered include: rationalization charges, certain asset impairment charges, the gains and losses on certain transactions including the disposal of certain assets and other special items, which generally align with the special items disclosed in the Adjusted Net Income table in Appendix A. To the extent an adjustment relates to restructuring or rationalization charges that are intended to improve organizational efficiency, a corresponding charge (equal to the adjustment) is amortized against future years' adjusted net income until that adjustment is fully offset against the intended savings (generally this amortization occurs over a three-year period).

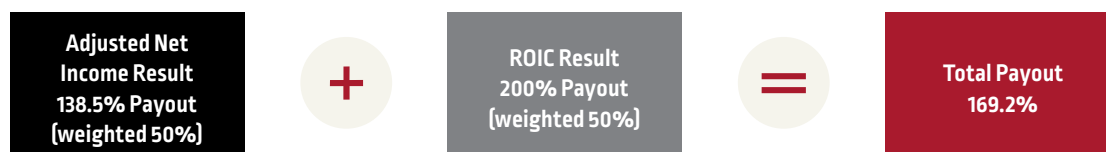
### PERFORMANCE THRESHOLDS

In setting the performance ranges for a new three-year period (including the 2024 to 2026 performance cycle), the Committee considers various factors, including historical performance against established ranges, to try to achieve a 50% probability of attaining the target for any cycle. For the 2022 to 2024 Plan, the Committee did not make any modifications to the three-year adjusted net income growth performance ranges or the three-year average ROIC relative to peer ranges.

### TIMING FOR SETTING PERFORMANCE METRIC GOALS

Performance targets are set at the beginning of the first fiscal year in the cycle. This timing allows the Committee to see our final financial results for the prior year and allows for more current macro-economic projections to be used.

**2022 to 2024 Performance Shares.** For the 2022 to 2024 Performance Shares cycle, the target performance level for Adjusted Net Income for Compensation Purposes was exceeded with a 138.5% payout calculation and the maximum level for ROIC for Compensation Purposes was exceeded resulting in a 200% payout calculation. As noted above, the 2022 to 2024 Performance Shares cycle has a 50% weighting on each financial metric, which resulted in a combined payout of 169.2% of the target award opportunity.



The following is a summary of each of the performance metric goals and results for the most recently completed Performance Shares cycle (2022 to 2024):

#### 3-Year Growth in Adjusted Net Income for Compensation Purposes

The potential payout levels as a percentage of target based on actual performance are summarized below (results are interpolated between individual levels):

(\$ in thousands) Performance Level	3-Year Growth in Adjusted Net Income for Compensation Purposes		Payout as a % of Target
Threshold	10%		25%
	25%		50%
<b>Target</b>	<b>40%</b>		<b>100%</b>
	50%		150%
Maximum	60%		200%
2024 Actual	47.7%	\$526,440	138.5%

Lincoln Electric's Adjusted Net Income for Compensation Purposes over the three-year period increased 47.7% to \$526 million, which generated a 138.5% of target payout for this metric after accounting for the weighting of the financial metric.

### 3-Year Average ROIC for Compensation Purposes Relative to LECO Peer Group

The potential payout levels as a percentage of target based on actual performance are summarized below (results are interpolated between individual levels):

	3-Year Average ROIC for Compensation Purposes Relative to LECO Peer Group		
Performance Level	%ile Rank in Peer Group	ROIC Result	Payout as a % of Target
Threshold	40 <sup>th</sup> %ile	11.6%	25%
	50 <sup>th</sup> %ile	12.3%	50%
<b>Target</b>	<b>65<sup>th</sup> %ile</b>	<b>15.5%</b>	<b>100%</b>
	70 <sup>th</sup> %ile	16.1%	150%
Maximum	80 <sup>th</sup> %ile	16.6%	200%
2024 Actual	100 <sup>th</sup> %ile	23.2%	200%

Lincoln Electric's three-year average ROIC for Compensation Purposes, as compared to its peer group, was at the 100<sup>th</sup> percentile, which generated a 100% of target payout for this metric after accounting for the weighting of the financial metric.

The following chart shows the target and maximum number of shares of common stock that may be issued for the 2022 to 2024 Performance Shares based on actual performance. Combining the payouts for both metrics, the resulting final payout for the 2022 to 2024 Performance Shares was 169.2% of the target award opportunity.

NEO	Target Award Opportunity (# of shares)	Maximum Award Opportunity Based on Thresholds (# of shares)	Actual Performance Share Payout %	Actual Award (# of shares)
Steven B. Hedlund	2,660	5,320	169.2%	4,500
Gabriel Bruno	2,966	5,932	169.2%	5,018
Christopher L. Mapes	14,341	28,682	169.2%	24,264
Jennifer I. Ansberry	1,809	3,618	169.2%	3,060
Michele R. Kuhrt	1,304	2,608	169.2%	2,206

## 2024-2026 PERFORMANCE SHARES

In August 2023, in conjunction with the announced CEO transition plan, the LTI targets for Mr. Mapes was reduced to \$5,643,200 for his role as Executive Chair and the LTI targets for Mr. Hedlund was increased to \$4,787,100 for his role as CEO, effective January 1, 2024. In evaluating 2024 long-term incentive compensation (at the beginning of 2024), the Committee reviewed 2023 compensation versus the competitive benchmarks. The Committee concluded that overall the long-term incentive compensation program for the NEOs remained within the competitive benchmark. Excluding Mr. Mapes and Mr. Hedlund, the Committee adjusted 2024 long-term incentive compensation opportunities for the NEOs on average 4.2%, placing their LTI targets above the 50<sup>th</sup> percentile, however still within the competitive framework. All of these awards are subject to our Recovery of Funds Policy, which is discussed below.

The Performance Shares financial metrics for the 2024 to 2026 performance cycle remained consistent with prior years: 50% is based on the growth in Adjusted Net Income for Compensation Purposes over the 3-year performance period and 50% is based on our 3-year average ROIC for Compensation Purposes relative to our proxy peer group. Additionally, the performance ranges for the 2024 to 2026 performance cycle align with the ranges outlined above in analysis of the actual Performance Share payout for the 2022 to 2024 Performance Share cycle. For more information about the quantities of the 2024 stock option, RSU and Performance Share awards actually granted to the NEOs, see the 2024 Grants of Plan-Based Awards table and the Outstanding Equity Awards at 2024 Fiscal Year-End table (and their related narrative disclosure) below.

## 2025 EXECUTIVE COMPENSATION ACTIONS

The Committee annually considers the overall design of our executive compensation program, aiming to achieve alignment with shareholder interests and our pay for performance philosophy. The Committee also reviews prevailing best practices across our industry and the broader market. Significant consideration is also given to shareholder feedback, including the say-on-pay vote. With the recent CEO transition and the transition to a new independent compensation consultant in 2024, the Committee undertook a holistic review of our executive compensation program to help ensure it meets the objectives noted above. Based on this review, the following program design changes were made for 2025:

Compensation Element	2024 Design		2025 Design		Rationale for Change
Short-Term Incentive Plan					
Financial Metrics	100% Overall Weighting	- 50% Adjusted EBITB - 25% AOWC/ Sales - 25% Revenue	80% Overall Weighting	- 60% Adjusted EBITB - 20% AOWC/ Sales	<ul style="list-style-type: none"><li>Continued focus on profitability and working capital efficiency to maximize cash flow generation remain priorities</li><li>Revenue, as a primary incentive plan metric, was moved to Long-term Incentive Plan. Short-term revenue goals remain which impact EBITB</li></ul>
Non-Financial Metrics	Individual Performance Modifier		20% Strategic Goals Weighting		<ul style="list-style-type: none"><li>The implementation of team-oriented strategic objectives will encourage heightened focus on achieving the near-term building blocks of our long-term strategic priorities. For 2025, these will include objectives tied to Safety, Growth, Productivity, Teamwork and Talent strategic initiatives</li></ul>
			Individual Performance Modifier		<ul style="list-style-type: none"><li>Continued use of an individual performance modifier will allow for payout differentiation, when warranted</li></ul>

**Long-Term Incentive Plan**

Equity Vehicles	<ul style="list-style-type: none"> <li>- 33.3% Performance Shares</li> <li>- 33.3% Stock Options</li> <li>- 33.3% RSUs</li> </ul>	<ul style="list-style-type: none"> <li>- 50% Performance Shares</li> <li>- 25% Stock Options</li> <li>- 25% RSUs</li> </ul>	<ul style="list-style-type: none"> <li>• Additional emphasis on Performance Shares more closely aligns with predominant market practice and enhances line-of-sight and accountability on our leadership team to achieve our stated financial objectives</li> <li>• Continued use of stock options will help align our executives with shareholder interests (i.e., stock price appreciation)</li> <li>• Continued use of RSUs will aid in retention</li> </ul>
Vesting Provisions	<ul style="list-style-type: none"> <li>- 3-year ratable (annual) vesting for Stock Options</li> <li>- 3-year cliff vesting for RSUs</li> <li>- 3-year cliff vesting for Performance Shares</li> </ul>	<ul style="list-style-type: none"> <li>- 3-year ratable (annual) vesting for both Stock Options and RSUs</li> <li>- 3-year cliff vesting for performance shares</li> </ul>	<ul style="list-style-type: none"> <li>• With the change in RSU vesting to 3-year ratable (annual) vesting, our vesting provisions will more closely align with peer and broader market practices, increasing our ability to attract and retain top talent</li> </ul>
Performance Share Metrics	<ul style="list-style-type: none"> <li>- 50% Adjusted Net Income Growth</li> <li>- 50% Relative ROIC</li> </ul>	<ul style="list-style-type: none"> <li>- 50% Net Sales Growth</li> <li>- 50% Adjusted Operating Income Margin Expansion</li> <li>- Total Payout Subject to an Absolute ROIC “governor”</li> </ul>	<ul style="list-style-type: none"> <li>• We believe revenue (“Net sales”) growth is a key driver to long-term growth and better to measure over a longer-term (i.e., 3-year)</li> <li>• The use of margin expansion aligns with our stated long-term strategy to enhance profitability through operational excellence and a focus on higher margin business</li> <li>• To complement growth and profit margin expansion targets, the executive team is expected to maintain top quartile ROIC performance otherwise payout under the plan will be capped; which is designed to drive long-term shareholder value</li> </ul>

In evaluating 2025 compensation (at the beginning of 2025), the committee reviewed 2024 compensation versus the competitive benchmarks in consultation with Meridian. For 2025, base salary for our continuing NEOs increased on average 3.1%. The 2025 EMIP annual bonus targets for our continuing NEOs were unchanged. Long-term annual incentive targets for the continuing NEOs increased on average 9.6%. Collectively, total direct compensation for our NEOs falls within the competitive range of the benchmark.

## Other Arrangements, Policies and Practices

### OVERVIEW OF BENEFITS

We intend to provide a competitive group of benefits for all of our employees targeted at the 50th percentile of the market. Some aspects of our benefit programs are considered non-traditional due to their relationship with our pay for performance and incentive-based philosophies. For example, the premiums for Lincoln Electric-provided medical coverage are primarily paid by employees, including the NEOs, on a pre-tax basis. Premiums for dental coverage, which is a voluntary benefit, are 100% paid by employees. Life insurance coverage paid fully by Lincoln Electric is set at \$50,000 per employee, including the NEOs, although employees may purchase additional insurance at their own cost. The NEOs participate in this same cost-sharing approach. We attempt to balance our various non-traditional programs (such as those with a significant portion of the cost borne by the employee) with more traditional programs.

We also provide accidental death and dismemberment benefits to officers, due to the significant amount of travel required in their jobs. Under this program, the premiums of which are paid by the Company, a participant's beneficiary would receive a payment of five times annual total cash compensation up to a maximum of \$3,000,000 for executive officers and \$2,000,000 for other officers upon an officer's accidental death. The policy also provides dismemberment benefits of up to 100% of the death benefit in the event an officer is permanently and totally disabled as a result of an accident, and it provides for medical evacuation coverage in the event of an accident.

### PERQUISITES

Consistent with our pay for performance philosophy, we offer limited perquisites. We pay for an annual physical for officers and other senior management to preserve our investment in them by encouraging them to maintain healthy lifestyles and be proactive in preventative care. We also make available financial planning services to certain officers, enabling them to concentrate on business matters rather than on personal financial planning. However, the cost of these financial planning services is included in the income of the participants. We also pay the cost of certain club dues for some officers to encourage social interaction with peers from other companies, local leadership in the community and to provide the ability to hold business meetings at a convenient offsite location. All personal expenses are borne entirely by the executive and the club dues are included in the income of the participants. Different perquisites are provided from time to time to non-U.S. based executives; however, they are customary and reasonable in nature and amount relative to local market practices (for example, a car lease). Company-paid travel expenses are primarily for business purposes, but occasionally spouses or other guests may accompany our executive officers on business trips. The aggregate incremental cost of such personal travel is attributed to the applicable NEO.

### RETIREMENT PROGRAMS

Retirement benefits are provided to our NEOs through the following programs:

#### The Lincoln Electric Company Employee Savings Plan (401(k) Plan)

- Each eligible employee of The Lincoln Electric Company and certain affiliate companies is eligible to receive up to 6% of annual compensation in Company contributions through:
  - matching employer contributions equal to 100% of contributions made to the 401(k) Plan, but not in excess of 3% of annual compensation; and
  - automatic employer contributions equal to 3% of annual compensation;
- Matching and automatic contributions are 100% vested when made;
- Certain employees affected by the cessation of accruals under the defined benefit pension plan that we previously maintained are also eligible to receive employer contributions equal to 6% of annual compensation for a minimum period of five years, up to the end of the year in which they complete 30 years of service; and
- All of the NEOs deferred amounts under the 401(k) Plan in 2024.

**Restoration Plan**

- Created effective January 1, 2017, this unfunded plan is maintained primarily for the purpose of providing deferred compensation for eligible employees whose annual compensation is expected to be in excess of the Internal Revenue Code limit on compensation (Code Limit) applicable to the 401(k) Plan;
- Each participant's account is credited each year with deferred amounts generally as follows:
  - matching employer contributions equal to 3% of annual compensation in excess of the Code Limit; and
  - non-elective employer contributions equal to 3% of annual compensation in excess of the Code Limit;
- All amounts deferred are fully vested at all times;
- Certain employees affected by the cessation of accruals under the defined benefit pension plan that we previously maintained are also eligible to receive employer contributions equal to 6% of annual compensation in excess of the Code Limit for a minimum period of five years, up to the end of the year in which they complete 30 years of service;
- Upon a separation from service prior to age 55, distribution of the account will be made in a single lump sum on the first business day of the seventh month immediately following the separation from service;
- Upon a separation from service on or after age 55, distribution of the account will be made or commence on the first business day of the seventh month immediately following the separation from service in the form of (1) a single lump sum payment; or (2) substantially equal annual installments over a period of at least two but not more than 15 years, as elected; and
- All NEOs participated in the Restoration Plan in 2024.

**Amended and Restated 2005 Deferred Compensation Plan for Executives (Top Hat Plan)**

- Participants can defer current income on a pre-tax basis, receiving tax-deferred returns on those deferrals
  - Up to 80% of base salary and/or annual bonus can be deferred; and
  - Up to 100% of RSUs or Performance Shares can be deferred;
- For cash deferrals, 30 total investment options available, 29 of which mirror the funds available under the 401(k) Plan, plus the Moody's Corporate Bond Average Index (which provides "above market" earnings as reported in the Summary Compensation Table);
- RSUs and Performance Shares that are deferred are deemed invested in a Lincoln Electric Stock fund; these deferrals can be reallocated to other investment options on the later of 6 months after the date on which the amounts are allocated to the participant's account or the date the participant has satisfied his or her stock ownership guidelines;
- Plan includes a recovery of funds provision consistent with the requirements of Dodd-Frank;
- Distributions are permitted in the event of a separation from service, disability, death, change in control or unforeseeable emergency;
- Distributions can also be made at a specified time or under a fixed schedule;
- Distributions may be made in a lump-sum, or by payment in five, ten or fifteen annual installments; and
- As of December 31, 2024, there were 18 active employees eligible to participate in the Top Hat Plan.

More information on these programs can be found in the 2024 Deferred Compensation Benefits section.

**CHANGE IN CONTROL ARRANGEMENTS**

We have entered into change in control agreements with all of our continuing NEOs. The agreements are designed generally to help assure continued management in the event of a change in control of Lincoln Electric.

The change in control agreements are operative only if a change in control occurs and payments are made if the officer's employment is terminated under certain circumstances (or if the officer terminates employment due to certain adverse employment changes). The agreements provide our NEOs with the potential for continued



employment following a change in control, which helps to retain these executives and provide for management continuity in the event of an actual or threatened change in control of Lincoln Electric. They also help ensure that our executives' interests remain aligned with shareholders' interests during a time when their continued employment may be in jeopardy. For a more detailed discussion of our change in control agreements, see Termination and Change in Control Arrangements below. Outside of these change in control agreements, we do not maintain written employment or other severance agreements for U.S.-based employees.

### RECOVERY OF FUNDS POLICIES

We maintained a Clawback Policy during 2024 to comply with the requirements of new SEC regulations and Nasdaq listing standards. We also maintained a Supplemental Recovery of Funds Policy during 2024 that works in tandem with and as a supplement to the Clawback Policy. Our Clawback Policy and the Supplemental Recovery of Funds Policy are applicable to all of our executive officers, including our NEOs.

The Clawback Policy provides for the reasonably prompt recovery (or clawback) of certain excess incentive-based compensation received during an applicable three-year recovery period by current or former executive officers in the event we are required to prepare an accounting restatement due to our material noncompliance with any financial reporting requirement under the securities laws. Triggering events include accounting restatements to correct an error in previously issued financial statements that is material to such previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period. Excess incentive-based compensation for these purposes generally means the amount of incentive-based compensation received (on or after October 2, 2023) by such executive officer that exceeds the amount of incentive-based compensation that would have been received by such executive officer had it been determined based on the restated amounts, without regard to any taxes paid. Incentive-based compensation potentially subject to recovery under the mandatory accounting restatement provisions of the Clawback Policy is generally limited to any compensation granted, earned or vested based wholly or in part on the attainment of one or more financial reporting measures.

In general, we may utilize a broad range of recoupment methods under the Clawback Policy for mandatory accounting restatement clawbacks. The Clawback Policy does not condition such clawback on the fault of the executive officer, but we are not required to clawback amounts in limited circumstances where the Compensation and Executive Development Committee has made a determination that recovery would be impracticable and (1) we have already attempted to recover such amounts but the direct expense paid to a third party in an effort to enforce the Clawback Policy would exceed the amount to be recovered, (2) the recovery of amounts would violate applicable home country law, or (3) the recovery would likely cause the non-compliance of a tax-qualified retirement plan under the Internal Revenue Code of 1986, as amended, and applicable regulations. Operation of the mandatory accounting restatement provisions of the Clawback Policy is subject to a brief phase-in process during the first few years after its effectiveness. We may not indemnify any such executive officer against the loss of such recovered compensation in the event of a mandatory accounting restatement.

The Supplemental Recovery of Funds Policy in general provides for compensation recovery on terms substantially similar to the Clawback Policy, but specifically for compensation that is not covered by or subject to the Clawback Policy (for example, that pre-dates the scope or effectiveness of the Clawback Policy). The Supplemental Recovery of Funds Policy is also triggered if we are required to prepare an accounting restatement due to our material noncompliance with any financial reporting requirement under the securities laws, and applies to our current or former executive officers and their incentive-based compensation (as described above) received during an applicable three-year recovery period.

### INSIDER TRADING POLICY AND ANTI-HEDGING/PLEDGING POLICY

We maintain an insider trading policy applicable to our Directors, executive officers and other employees, and have implemented processes for the Company, that we believe are reasonably designed to promote compliance with insider trading laws, rules and regulations, including Nasdaq rules, in connection with the purchase, sale, and or other dispositions of Company securities or the securities of other companies with which we do business.

Consistent with our philosophy to encourage long-term investment in our common stock, our Directors, executive officers and certain other employees are prohibited from engaging in any speculative transactions involving our securities, including buying or selling puts or calls, or engaging in any derivative or hedging transaction that has the effect of limiting or hedging economic exposure with respect to such person's position in our securities, short sales and margin purchases. In addition, our insider trading policy prohibits future pledging of Lincoln Electric securities by our Directors, executive officers and certain other employees. There are no pledges of our common stock in place for any of our Directors or executive officers.

### STOCK OWNERSHIP GUIDELINES

In keeping with our philosophy that officers should maintain an equity interest in Lincoln Electric, we have stock ownership guidelines for officers. The guidelines were reviewed in 2021 and no changes were recommended based on a review of our peer group. Under the current guidelines, our officers are required to own and hold a certain number of our common shares, currently at the levels set forth in the table below:

Executive Group	Ownership Guideline
Chief Executive Officer <sup>1</sup>	5 times base salary
Executive Vice Presidents <sup>2</sup>	3 times base salary
Senior Vice Presidents and all other Executive Officers <sup>3</sup>	2 times base salary

1 Mr. Hedlund.

2 Includes Mr. Bruno, Ms. Ansberry, Ms. Kuhrt and one other EMIP participant.

3 Includes Mr. Mapes and other EMIP participants.

Each officer has five years to satisfy his or her applicable stock ownership guideline. An officer must satisfy the applicable stock ownership guideline before he or she is permitted to sell shares, including shares issued as a result of RSUs vesting or Performance Shares vesting (other than shares withheld to cover taxes) and shares obtained from the exercise of stock options (other than shares withheld to cover exercise cost and taxes). Unless an officer is promoted into a higher guideline level, the stock ownership guideline will reset every 5 years utilizing updated base pay and stock price information. RSU awards count towards an officer's stock ownership amount, however common shares underlying stock options, Performance Shares and shares held in another person's name (including a relative) do not. As of December 31, 2024, all of our NEOs met the applicable stock ownership guidelines.

### POLICIES AND PRACTICES REGARDING THE GRANT OF STOCK OPTIONS

Under the Company's policies and practices, while the Committee does not have predetermined fixed dates upon which grants must be made, stock options (including those granted to our NEOs) are generally granted as part of annual award opportunities at a regularly scheduled Committee meeting or via a unanimous written consent executed by the Committee during January or February of each year. Such Committee meetings are generally scheduled at least one year in advance. Grants for any new hire or promoted employee who would otherwise receive a relevant grant of stock options after such February grant date in any year are generally made on an ad hoc basis, from time to time as determined by the Committee, as needed under the particular circumstances of such new hire or promotion, and at a special Committee meeting or via unanimous written consent of the Committee. All such stock options are generally granted under a shareholder-approved plan and with an exercise price equal to the closing market price of the Company's common shares on the date of grant.

As a general matter, the Committee does not take material nonpublic information into account when determining the timing and terms of such stock option awards. Due to the grant timing described above, grants may be made both during or outside of open trading windows. This grant timing is used to provide for a routine and regular grant practice regarding all employees' stock options, and in order to make sure that the existence (or lack thereof) of material nonpublic information is not a factor in decisions about the timing or size of stock option grants. In this sense, the Committee acts in a neutral manner with respect to the existence (or lack thereof) of material nonpublic information when making stock option grants. In 2024, stock option grants were made at times that did not trigger proxy statement disclosure of such grants under certain new disclosure requirements in Regulation S-K Item 401(x)(1), and the Company has not timed the disclosure of material nonpublic information for the purpose of affecting the value of executive compensation. During 2024, the Company did not grant stock options to any NEO during any period beginning four business days before and ending one business day after the filing of any Company periodic report on Form 10-Q or Form 10-K, or the filing or furnishing of any Company Form 8-K that disclosed any material nonpublic information.

### DEDUCTIBILITY OF COMPENSATION

Our general philosophy has historically been to qualify future compensation for tax deductibility wherever applicable and appropriate. Although a portion of the amount we recorded as compensation to our NEOs in 2024 was non-deductible, this did not have a significant impact to our income tax position.

As part of the 2017 Tax Cuts and Jobs Act (the "Tax Reform Act"), the ability to rely on the performance-based compensation exception under Section 162(m) of the U.S. Internal Revenue Code ("Section 162(m)") was generally eliminated, and the limitation on deductibility generally was expanded to include all NEOs (as well as certain former officers). As a result of the Tax Reform Act, after 2017 and subject to certain grandfathered provisions, we are no longer able to deduct any compensation paid to our NEOs in excess of \$1 million.

## COMPENSATION COMMITTEE REPORT

The Compensation and Executive Development Committee has reviewed and discussed the Compensation Discussion and Analysis contained in this Proxy Statement with our management and, based on this review and discussion, recommended to the Board of Directors that it be included in our Annual Report on Form 10-K for the year ended December 31, 2024 and this Proxy Statement.

By the Compensation and Executive Development Committee:



Michael F. Hilton  
CHAIR



Marc A. Howze



Kathryn Jo Lincoln



Phillip J. Mason



Kellye L. Walker

## Executive Compensation Tables

### SUMMARY OF 2024 COMPENSATION ELEMENTS

		Purpose	Financial Metrics Used	When the 2024 Amount Was Set	The Period to Which the Amount Relates	Where Reported in the SCT <sup>1</sup>
Short-Term	Base Pay	Rewards responsibility, experience and individual performance	—	Beginning of 2024	2024	Salary column
	Annual Bonus (EMIP)	Rewards strong annual financial results and individual performance	Adjusted Revenue <sup>2</sup> , EBITB <sup>2</sup> and AOWC/Sales <sup>2</sup>	Beginning of 2024	2024 Performance	Non-Equity Incentive Plan Compensation column
Long-Term	Stock Options	Rewards the creation of shareholder value	—	Beginning of 2024	2024 Based Award	Option Awards column
	RSUs	Rewards the creation of shareholder value and strong long-term financial results	—	Beginning of 2024	2024 Based Award	Stock Awards column
	Performance Shares	Rewards the creation of long-term growth and the efficient use of capital	Adjusted Net Income <sup>2</sup> Growth and ROIC <sup>2</sup>	Beginning of 2024	2024 through 2026 Performance	Stock Awards column
Both	Benefits other than Pension	Includes 401(k) contributions, Restoration Plan contributions, insurance and standard expatriate benefits	—	Various	2024	All Other Compensation column
	Pension Benefits	Includes above-market earnings in the Top Hat Plan	—	Various	For above-market earnings, shows 2024 amounts	Change in Pension Value and Nonqualified Deferred Compensation Earnings column
	Perquisites	Meets specific business needs—includes financial planning, annual physical and certain club dues	—	Various	2024	All Other Compensation column

<sup>1</sup> Summary Compensation Table.

<sup>2</sup> Financial metrics used for compensation purposes are defined in Appendix A.

## 2024 SUMMARY COMPENSATION TABLE

This table details total compensation for our NEOs for 2024, 2023 and 2022.

Name and Principal Position	Year	Salary (\$)	Stock Awards (\$) <sup>1</sup>	Option Awards (\$) <sup>1</sup>	Non-Equity Incentive Plan Compensation (\$) <sup>2</sup>	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) <sup>3</sup>	All Other Compensation (\$) <sup>4</sup>	Total (\$)
<b>Steven B. Hedlund</b> Chair, President and Chief Executive Officer	2024	1,010,000	3,306,208	1,595,709	975,357	—	469,383	7,356,657
	2023	798,833	1,469,165	980,006	1,890,704	—	194,930	5,333,638
	2022	564,584	962,817	340,000	1,317,851	—	186,452	3,371,704
<b>Gabriel Bruno</b> Executive Vice President, Chief Financial Officer and Treasurer	2024	580,000	932,634	450,026	386,280	591	203,515	2,553,046
	2023	540,000	852,046	420,001	979,026	678	197,964	2,989,715
	2022	500,000	759,474	379,178	975,000	643	159,464	2,773,759
<b>Christopher L. Mapes</b> Executive Chair (Retired)	2024	553,800	3,897,502	1,881,054	490,232	76,829	226,609	7,126,026
	2023	1,107,600	4,196,532	2,068,853	2,777,943	138,395	320,347	10,609,670
	2022	1,065,000	3,672,156	1,833,338	3,088,500	185,377	252,107	10,096,478
<b>Jennifer I. Ansberry</b> Executive Vice President, General Counsel and Secretary	2024	505,000	552,764	266,680	302,697	—	167,920	1,795,061
	2023	468,000	524,038	258,324	731,351	—	158,939	2,140,652
	2022	432,500	463,212	231,242	684,000	—	130,901	1,941,855
<b>Michele R. Kuhrt</b> Executive Vice President, Chief Transformation Officer	2024	468,000	397,160	191,686	262,857	—	153,230	1,472,933
	2023	451,000	380,096	187,330	689,797	—	170,874	1,879,097
	2022	438,000	333,902	166,665	830,000	—	131,282	1,899,849

- 1 The amounts reported for 2024 reflect the grant date fair value under FASB ASC Topic 718 for the RSU, Performance Share and stock option awards in 2024. The grant date fair value disclosed for Performance Share awards is based on target performance. Assumptions used in the calculation of these amounts are included in footnote 10 to our audited financial statements for the fiscal year ended December 31, 2024 included in our Annual Report on Form 10-K filed with the SEC on February 26, 2025.

The amounts shown for stock awards for 2024 represent RSU awards as follows: Mr. Hedlund \$1,653,104, Mr. Bruno \$466,317, Mr. Mapes \$1,948,751, Ms. Ansberry \$276,382, and Ms. Kuhrt \$198,580. The amounts shown also include Performance Shares at target as follows: Mr. Hedlund \$1,653,104, Mr. Bruno \$466,317, Mr. Mapes \$1,948,751, Ms. Ansberry \$276,382, and Ms. Kuhrt \$198,580.

The maximum Performance Share award amount with respect to each of the NEOs for 2024 is shown in the table below. The amounts reported reflect the grant date fair value under FASB ASC Topic 718 for the Performance Share awards based on maximum performance.

Name	Year	Maximum Payout (# of Performance Shares)	Maximum Grant Date Fair Value Payout
<b>Steven B. Hedlund</b>	2024	13,386	3,306,208
<b>Gabriel Bruno</b>	2024	3,776	932,634
<b>Christopher L. Mapes</b>	2024	15,780	3,897,502
<b>Jennifer I. Ansberry</b>	2024	2,238	552,764
<b>Michele R. Kuhrt</b>	2024	1,608	397,160

- 2 The amounts shown for 2024 represent payments under our annual bonus [EMIP].

- 3 The amounts shown for 2024 represent the difference in earnings under the Moody's Corporate Bond Index fund in our Top Hat Plan and a hypothetical rate.

**2024 INCREASE IN PENSION VALUE & PREFERENTIAL EARNINGS (TOP HAT PLAN)**

Name	Difference in 2024 Earnings Credited in the Top Hat Plan (\$)	Moody's Corporate Bond Index Earnings (\$)	Hypothetical Market Rate (\$)*
Steven B. Hedlund	—	—	—
Gabriel Bruno	591	9,922	9,331
Christopher L. Mapes	76,829	1,939,941	1,863,112
Jennifer I. Ansberry	—	—	—
Michele R. Kuhrt	—	—	—

\* This rate is specified by the SEC rules for proxy disclosure purposes and is based on 120% of the applicable federal long-term rate, compounded monthly for 2024.

- 4 The amounts shown for 2024 are comprised of the following:

**2024 ALL OTHER COMPENSATION**

Name	Other Benefits and Perquisites*							
	Company Retirement Contributions (\$) <sup>a</sup>	Travel Insurance Premiums (\$)	Financial Planning (\$)	Physical Examination (\$)	Club Dues (\$)	Travel and Other Personal Benefits (\$) <sup>b</sup>	Standard Expatriate Benefits (\$) <sup>c</sup>	Total All Other Compensation (\$)
Steven B. Hedlund	174,042	454	13,415	3,844	18,602	7,122	251,904	469,383
Gabriel Bruno	187,083	454	13,428	2,550	—	—	—	203,515
Christopher L. Mapes	199,905	454	14,935	169	11,146	—	—	226,609
Jennifer I. Ansberry	148,362	454	16,545	2,559	—	—	—	167,920
Michele R. Kuhrt	138,936	454	13,671	169	—	—	—	153,230

\* The methodology for computing the aggregate incremental cost for the amounts is below:

- a Includes amounts contributed to both the 401(k) Plan and the Restoration Plan
- b Includes the aggregate incremental cost of personal travel expenses attributable to the NEOs.
- c The expatriate benefits shown relate to tax equalization benefits on trailing equity income associated with Mr. Hedlund's previous international assignment. The amount paid in Pound Sterling was converted to U.S. dollars using the spot rate of £1.28 to \$1.00 at the time the payment was made.

**2024 GRANTS OF PLAN-BASED AWARDS**

The following table provides information relating to plan-based awards granted in 2024 to our NEOs.

Name	Grant Type	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards <sup>1</sup>			Estimated Future Payouts Under Equity Incentive Plan Awards <sup>2</sup>			All Other Stock Awards: Number of Shares of Stock or Units (#) <sup>3</sup>	All Other Option Awards: Number of Securities Underlying Options (#) <sup>4</sup>	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$) <sup>5</sup>
			Threshold [\$]	Target [\$]	Maximum [\$]	Threshold [#]	Target [#]	Maximum [#]				
Steven B. Hedlund	EMIP	2/20/2024	0	1,464,500	2,929,000							
	Options	2/20/2024								24,108	246.99	1,595,709
	RSUs	2/20/2024							6,693			1,653,104
	PSUs	2/20/2024				0	6,693	13,386				1,653,104
Gabriel Bruno	EMIP	2/20/2024	0	580,000	1,160,000							
	Options	2/20/2024								6,799	246.99	450,026
	RSUs	2/20/2024							1,888			466,317
	PSUs	2/20/2024				0	1,888	3,776				466,317
Christopher L. Mapes	EMIP	2/20/2024	0	803,000	1,606,000							
	Options	2/20/2024								28,419	246.99	1,881,054
	RSUs	2/20/2024							7,890			1,948,751
	PSUs	2/20/2024				0	7,890	15,780				1,948,751
Jennifer I. Ansberry	EMIP	2/20/2024	0	454,500	909,000							
	Options	2/20/2024								4,029	246.99	266,680
	RSUs	2/20/2024							1,119			276,382
	PSUs	2/20/2024				0	1,119	2,238				276,382
Michele R. Kuhrt	EMIP	2/20/2024	0	430,560	861,120							
	Options	2/20/2024								2,896	246.99	191,686
	RSUs	2/20/2024							804			198,580
	PSUs	2/20/2024				0	804	1,608				198,580

- The performance-based amounts shown represent the range of cash payouts (from zero to the maximum amount listed) for 2024 under the EMIP. Payments are based on the achievement of company financial performance and the NEO's individual performance. Target awards are set by the Committee in the first quarter each year. Actual payment amounts are determined by the Committee in the first quarter of the following year. The targets shown above are pursuant to the Annual Bonus (EMIP) Formula described in the CD&A (which allows for potential payouts of up to 200% of target).
- These columns show the potential number of shares of our common stock to be paid out to our NEOs under our Performance Shares (PSUs) at threshold, target and maximum performance. The measures and potential payouts are described in more detail in the CD&A. The grant date fair value, based on target performance for PSUs, is included in the "Stock Awards" column of the Summary Compensation Table. The PSUs generally vest based on performance during the applicable performance period. Dividend equivalents are sequestered by us until the shares underlying the PSUs are distributed, at which time the dividend equivalents are paid in cash. The dividend rate for dividend equivalents paid on the PSUs to the NEOs is the same as for all other shareholders (in other words, it is not preferential). Recipients of PSUs who participate in our EMIP bonus program (which includes all of the NEOs) are eligible to elect to defer all or a portion of their PSUs under our Top Hat Plan—see the 2024 Nonqualified Deferred Compensation section for a description of this plan.
- The RSUs generally vest upon the recipient remaining in continuous employment for three years from the date of grant and are paid out in our common stock. Dividend equivalents are sequestered by us until the shares underlying the RSUs are distributed, at which time the dividend equivalents are paid in cash. The dividend rate for dividend equivalents paid on the RSUs to the NEOs is the same as for all other shareholders (in other words, it is not preferential). Recipients of RSUs who participate in our EMIP bonus program (which includes all of the NEOs) are eligible to elect to defer all or a portion of their RSUs under our Top Hat Plan—see the 2024 Nonqualified Deferred Compensation section for a description of this plan.



- 4 The stock options were granted at the closing price of our common shares on the date of the grant. All stock options are non-qualified for tax purposes. We value stock options using the Black-Scholes valuation method. The stock options generally vest over a three-year period (in equal annual increments). All stock options have 10-year terms.
- 5 The amounts shown represent the fair value of the RSU awards, the stock option grants and the PSU awards (at target) calculated in accordance with FASB ASC Topic 718 as of the date of the grant. The actual amount, if any, realized upon the exercise of stock options will depend upon the market price of our common shares relative to the exercise price per share of the stock option at the time of exercise. The actual amount realized upon vesting of RSUs will depend upon the market price of our common shares at the time of vesting. The actual number and value of PSUs earned will be based upon our actual performance during the three-year long-term incentive plan cycle and the market price at time of vesting. There is no assurance that the hypothetical full values of the awards reflected in this table will actually be realized.

#### NARRATIVE DISCLOSURE REGARDING 2024 SUMMARY COMPENSATION TABLE AND 2024 GRANTS OF PLAN-BASED AWARD TABLE

The following highlights the salary and annual bonus percentages of total compensation reported in the 2024 Summary Compensation Table, based on the value of 2024 base salary and 2024 actual annual bonus (EMIP) for each of our NEOs:

Name	% of Base Salary and Annual Bonus To Total Compensation
Steven B. Hedlund	27.0%
Gabriel Bruno	37.8%
Christopher L. Mapes	14.7%
Jennifer I. Ansberry	45.0%
Michele R. Kuhrt	49.6%

The above percentages were based, in each case, on the value of the executive's 2024 base salary and 2024 actual EMIP (or annual bonus). For information regarding the amount of salary and annual bonus compensation in proportion to total compensation, see the "Our Compensation Philosophy" section of the CD&A. Further, the grants made in 2024 to the NEOs are described more fully in the CD&A, and information about the change in control severance agreements and the amounts payable to the NEOs pursuant to those arrangements is provided under the section titled "Termination and Change in Control Arrangements" in this Proxy Statement.

## Holdings of Equity-Related Interests

The following provides information relating to exercisable and unexercisable stock options, RSUs and Performance Shares at December 31, 2024.

### OUTSTANDING EQUITY AWARDS AT 2024 FISCAL YEAR-END

Name	Grant Date	Option Awards				Stock Awards			
		Number of Securities Underlying Unexercised Options (#) Exercisable <sup>1</sup>	Number of Securities Underlying Unexercised Options (#) Unexercisable <sup>1</sup>	Option Exercise Price (\$/sh)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#) <sup>2</sup>	Market Value of Shares or Units of Stock That Have Not Vested (\$) <sup>3</sup>	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) <sup>4</sup>	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units, or Other Rights That Have Not Vested (\$) <sup>3</sup>
Steven B. Hedlund	4/24/2013	—	—	—	—	2,748	515,168	—	—
	2/21/2018	9,313	—	90.70	2/21/2028	—	—	—	—
	2/18/2019	11,741	—	88.44	2/18/2029	—	—	—	—
	2/19/2020	12,837	—	89.63	2/19/2030	—	—	—	—
	2/17/2021	13,921	—	114.27	2/17/2031	—	—	—	—
	2/16/2022	8,290	4,146	128.03	2/16/2032	2,660	498,670	—	—
	5/9/2022	—	—	—	—	2,061	386,376	—	—
	2/15/2023	3,461	6,924	175.97	2/15/2033	2,767	518,729	5,534	1,037,459
	8/1/2023	3,075	6,152	200.14	8/1/2033	2,475	463,988	—	—
	2/20/2024	—	24,108	246.99	2/20/2034	6,693	1,254,737	13,386	2,509,473
Gabriel Bruno	4/24/2013	—	—	—	—	2,303	431,743	—	—
	2/18/2019	6,682	—	88.44	2/18/2029	—	—	—	—
	2/19/2020	7,305	—	89.63	2/19/2030	—	—	—	—
	2/17/2021	17,473	—	114.27	2/17/2031	—	—	—	—
	2/16/2022	9,246	4,623	128.03	2/16/2032	2,966	556,036	—	—
	2/15/2023	3,029	6,058	175.97	2/15/2033	2,421	453,865	4,842	907,730
	2/20/2024	—	6,799	246.99	2/20/2034	1,888	353,943	3,776	707,887
Christopher L. Mapes	2/17/2021	81,413	—	114.27	2/17/2031	—	—	—	—
	2/16/2022	67,057	—	128.03	2/16/2032	—	—	—	—
	2/15/2023	44,761	—	175.97	2/15/2033	—	—	23,848	4,470,785
	2/20/2024	28,419	—	246.99	2/20/2034	—	—	15,780	2,958,277
Jennifer I. Ansberry	2/19/2020	11,124	—	89.63	2/19/2030	—	—	—	—
	2/17/2021	7,104	3,553	114.27	2/17/2031	—	—	—	—
	2/16/2022	5,638	2,820	128.03	2/16/2032	1,809	339,133	—	—
	2/15/2023	1,863	3,726	175.97	2/15/2033	1,489	279,143	2,978	558,286
	2/20/2024	—	4,029	246.99	2/20/2034	1,119	209,779	2,238	419,558
Michele R. Kuhrt	2/18/2019	5,514	—	88.44	2/18/2029	—	—	—	—
	2/19/2020	7,118	—	89.63	2/19/2030	—	—	—	—
	2/17/2021	7,358	—	114.27	2/17/2031	—	—	—	—
	2/16/2022	4,064	2,032	128.03	2/16/2032	1,304	244,461	—	—
	2/15/2023	1,351	2,702	175.97	2/15/2033	1,080	202,468	2,160	404,935
	2/20/2024	—	2,896	246.99	2/20/2034	804	150,726	1,608	301,452

- 1 Stock options generally vest in three equal annual installments, commencing on the first anniversary of the date of the grant.
- 2 Amounts shown in this column represent RSU awards. The RSU awards generally vest in full three years from the date of grant. The RSU awards granted to Mr. Bruno and Mr. Hedlund in 2013 vests over seven years following each of their attainment of age 55.
- 3 The amounts shown in these columns represent the value of RSU and Performance Share awards granted pursuant to our 2006 Equity and Performance Incentive Plan, and our 2015 and 2023 Equity and Incentive Compensation Plans. Value is calculated using the close price of our common stock as of December 31, 2024 (the last trading day of 2024) of \$187.47.

- 4 The 2023 and 2024 Performance Shares are shown at maximum payout (200% of the target award) because the target performance level would be exceeded based on performance through December 31, 2024. The payout can range from 0 to 200% of the target and is based upon performance during the three-year cycle ending on December 31 of the second year following the year in which the Performance Shares were granted, as determined by the Committee. Earned Performance Shares are generally settled in shares in the early part of the following year. See the CD&A on how Performance Share payouts are determined.

## 2024 OPTION EXERCISES AND STOCK VESTED TABLE

The following table provides information on stock options exercised, as well as RSUs and Performance Shares that vested during 2024.

Name	Option Awards <sup>1</sup>		Stock Awards <sup>2</sup>	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Steven B. Hedlund	—	—	6,181	1,805,237
Gabriel Bruno	12,820	2,052,026	8,865	2,010,730
Christopher L. Mapes	225,749	35,841,150	73,662	15,544,981
Jennifer I. Ansberry	—	—	3,804	1,149,504
Michele R. Kuhrt	3,954	645,255	2,902	813,220

- 1 The number of shares acquired on exercise reflects the gross number of shares acquired, without considering any shares that were withheld to pay the option exercise price and/or to satisfy tax withholding requirements. The value realized on exercise represents the gross number of shares acquired on exercise multiplied by the market price of our common stock on the exercise date, less the per share exercise price.
- 2 The number of shares acquired on vesting reflects the gross number of shares acquired, without considering any shares that were withheld to satisfy tax withholding requirements. The value realized on vesting for RSUs represents the gross number of shares acquired, multiplied by the closing price of our common stock on each applicable vesting date, plus the value of dividend equivalents. The value realized on vesting for Performance Shares represents the gross number of shares acquired, relative to the 2022-2024 performance cycle that was considered earned as of December 31, 2024 but paid out in March 2025, multiplied by the closing price of our common stock on such date, plus the value of dividend equivalents. Amounts are not reduced to reflect any elections by our NEOs to defer receipt of Performance Shares award payouts into our Top Hat Plan: Mr. Bruno, 5,018 Performance Shares and \$39,291 in dividend equivalents deferred. For more information about this deferral program, see the CD&A in the "Overview of Benefits" section.

## 2024 DEFERRED COMPENSATION BENEFITS

We maintain two nonqualified deferred compensation plans in which our NEOs are eligible to participate.

### Deferred Compensation Plan (Top Hat Plan)

Our Amended and Restated 2005 Deferred Compensation Plan for Executives (Top Hat Plan) is designed to be a "top-hat" plan that complies with Section 409A of the Internal Revenue Code. Participation is limited to management and highly compensated employees as approved by the Committee. A summary of the Top Hat Plan is provided in the CD&A in the "Other Arrangements, Policies and Practices" section.

### Restoration Plan

Our Restoration Plan is designed to provide deferred compensation for eligible employees whose annual compensation is expected to be in excess of the Internal Revenue Code limit on compensation (Code Limit) applicable to the 401(k) Plan. A summary of the Restoration Plan is provided in the CD&A in the "Other Arrangements, Policies and Practices" section.

**2024 NONQUALIFIED DEFERRED COMPENSATION TABLE**

The following table reflects any NEO contributions and Company contributions for 2024 to our nonqualified deferred compensation plans.

Name	Plan Name	Executive Contributions in Last Fiscal Year (\$)	Registrant Contributions in Last Fiscal Year (\$) <sup>1</sup>	Aggregate Earnings in Last Fiscal Year (\$)	Aggregate Withdrawals/Distributions (\$)	Aggregate Balance at Last Fiscal Year-End (\$) <sup>2</sup>
Steven B. Hedlund	Top Hat Plan	—	—	7,196	—	68,882
	Restoration Plan	—	153,342	91,095	—	666,024
Gabriel Bruno	Top Hat Plan	—	1,708,967 <sup>3</sup>	(662,949) <sup>4</sup>	—	3,169,945 <sup>5</sup>
	Restoration Plan	—	145,683	86,308	—	859,055
Christopher L. Mapes	Top Hat Plan	—	—	1,181,831 <sup>6</sup>	—	42,126,216
	Restoration Plan	—	179,205	274,607	—	2,065,147
Jennifer I. Ansberry	Top Hat Plan	—	—	—	—	—
	Restoration Plan	—	106,962	117,862	—	820,613
Michele R. Kuhrt	Top Hat Plan	—	—	—	—	—
	Restoration Plan	—	97,536	37,646	—	650,002

- 1 Amounts reported with respect to the Restoration Plan are included in compensation for 2024 in the "All Other Compensation" column of the Summary Compensation Table above and are described in its footnotes.
- 2 The portions of the amount reported that relate to deferral contributions in prior years have all been reported in the Summary Compensation Table in those years to the extent the individual was a NEO for those years.
- 3 Represents 6,542 Performance Shares and \$46,056 in cash attributable to dividend equivalents that vested during 2024 and were deferred into the Top Hat Plan.
- 4 Of the amount reported, \$591 is included as compensation for 2024 in the "Change in Pension Value and Nonqualified Deferred Compensation Earnings" column of the Summary Compensation Table and is described in its footnotes.
- 5 Includes 15,762 Performance Shares that vested historically and were deferred into the Top Hat Plan.
- 6 Of the amount reported, \$76,829 is included as compensation for 2024 in the "Change in Pension Value and Nonqualified Deferred Compensation Earnings" column of the Summary Compensation Table and is described in its footnotes.

## Termination and Change in Control Arrangements

The Key Compensation Programs table below highlights the standard benefits and payments available to NEOs in the event of a termination of employment and/or a change in control. The Termination and Change in Control Table below reflects the estimated additional amounts of compensation each NEO would receive in the event of a termination of employment and/or a change in control. Termination events include: a voluntary termination by the executive; normal retirement of the executive; an involuntary, not-for-cause termination by Lincoln Electric; a for-cause termination by Lincoln Electric; a termination upon a change in control; and a termination due to death or disability. In addition, estimated additional compensation amounts are shown in the event of a change in control without termination of employment. The amounts shown assume that each event occurred on December 31, 2024, the last business day of the calendar year.

### TERMINATION OF EMPLOYMENT

No written agreements exist that provide additional payments to a NEO in the event of a voluntary termination of employment with Lincoln Electric or a termination of employment initiated by Lincoln Electric (whether for cause or not). We do not have employment agreements or severance agreements, except for our change in control severance agreements described below.

Pursuant to our standard employment policies, upon termination of employment, a NEO would be entitled to receive the same benefits and payments that are generally available to salaried employees:

- Earned but unpaid base pay, up to the date of termination;
- Earned and unused paid time off, up to the date of termination;
- Vested amounts held in the executive's account under our 401(k) Plan;
- Amounts held in the executive's account under our Top Hat Plan (based on the executive's election); and
- Amounts held in the executive's account under our Restoration Plan.

### CHANGE IN CONTROL

We have entered into change in control severance agreements with our NEOs. Pursuant to our change in control severance agreements, in the event of a "change in control," if the NEO's employment is terminated without "cause" (as defined in the change in control severance agreement) or the NEO terminates employment for "good reason" (as defined in the change in control severance agreement) during the severance period (as described below) (or for certain other employment terminations prior to and related to the change in control, as described in the change in control severance agreement), we will make severance payments and provide certain benefits as indicated in the Key Compensation Programs table below.

The severance period commences on the date of the first occurrence of a change in control and ends on the earlier of (a) the second anniversary of the change in control, or (b) the executive's death. Our NEOs are required to abide by certain restrictive covenants and execute a release of claims in order to receive certain severance payments and benefits under the change in control severance agreements.

The following events in general would constitute a change in control:

- Any individual, entity or group is or becomes the beneficial owner of 30% or more of the combined voting power of the then-outstanding voting stock of Lincoln Electric;
- A majority of the Board ceases to be comprised of incumbent Directors;
- Certain reorganizations, mergers or consolidations, or the sale or other disposition of all or substantially all of the assets of Lincoln Electric, or certain other corporate transactions are consummated; or
- Approval by the shareholders of a complete liquidation or dissolution of Lincoln Electric.

## KEY COMPENSATION PROGRAMS

	Voluntary Termination/ Termination with Cause	Involuntary Termination/ Termination without Cause	Normal Retirement <sup>1</sup>	Change in Control (with Termination) <sup>2</sup>	Change in Control (No Termination)	Death or Disability
<b>Severance</b>	None	Company has discretion	None	Lump-sum payment equal to the sum of base pay and bonus as described in the severance agreement times three for the CEO and times two for other NEOs	None	None
<b>Annual Bonus (EMIP)</b>	Forfeited	Forfeited	Pro-rata portion of EMIP <sup>3</sup>	Pro-rata portion of EMIP payment equal to the greater of the actual or target amount	Pro-rata portion of EMIP payment equal to the greater of the actual or target amount	Pro-rata portion of EMIP <sup>3</sup>
<b>Long-Term Incentive Plan (Performance Shares)</b>	Forfeited	Forfeited	Full vesting of Performance Shares, based on actual performance	Accelerated vesting of Performance Shares at target (or the greater of target or actual for awards granted since 2024), if replacement award provided and subsequent qualifying termination	No accelerated vesting if replacement award provided and continued employment  Accelerated vesting of Performance Shares granted prior to the change in control at target (or the greater of target or actual for awards granted since 2024), if no replacement award provided	Accelerated vesting of Performance Shares at target
<b>Stock Options</b>	Unvested stock options forfeited  Entitled to exercise vested stock options for a period of three months after termination <sup>4,5</sup>	Unvested stock options forfeited  Entitled to exercise vested stock options for a period of three months after termination <sup>4,5</sup>	Accelerated vesting of any unvested stock options with right to exercise such vested options for the remaining period of the original 10-year term <sup>5</sup>	Accelerated vesting of unvested stock options, if replacement award provided and subsequent qualifying termination  Entitled to exercise vested stock options for the remaining period of the original 10-year term <sup>5</sup>	No accelerated vesting if replacement award provided and continued employment  Accelerated vesting of unvested stock options granted prior to change in control, if no replacement award provided	Accelerated vesting of unvested stock options  Entitled to exercise stock options for a period of three years after death or disability <sup>4,5</sup>

	<b>Voluntary Termination/ Termination with Cause</b>	<b>Involuntary Termination/ Termination without Cause</b>	<b>Normal Retirement<sup>1</sup></b>	<b>Change in Control (with Termination)<sup>2</sup></b>	<b>Change in Control (No Termination)</b>	<b>Death or Disability</b>
<b>RSUs</b>	Forfeited	Forfeited	Accelerated vesting of RSU awards	Accelerated vesting of RSU awards, if replacement award provided and subsequent qualifying termination	No accelerated vesting if replacement award provided and continued employment  Accelerated vesting of RSU awards granted prior to change in control, if no replacement award provided	Accelerated vesting of RSU awards
<b>Outplacement</b>	None	None	None	Maximum of \$100,000 for CEO and \$50,000 for the other NEOs	None	None
<b>280G Treatment</b>	N/A	N/A	N/A	<sup>6</sup>	N/A	N/A
<b>Other</b>	Continuing medical and/or dental coverage under COBRA, for which the executive would pay 102% of the applicable premium	Continuing medical and/or dental coverage under COBRA, for which the executive would pay 102% of the applicable premium	Continuing medical and/or dental coverage under COBRA, for which the executive would pay 102% of the applicable premium	Continuing medical insurance (102% of the premium paid by the executive) and life insurance for a period of three years following the NEO's termination date <sup>7</sup>	<sup>7</sup>	Continuing medical and/or dental coverage with 102% of the premium paid by the executive (or his or her surviving dependents)

- <sup>1</sup> Subject to any 409A deferred payment requirements. For purposes of the Annual Bonus (EMIP), Normal Retirement is defined as termination at or after age 60 and 5 years of service or at or after age 55 and 25 years of service. For purposes of Performance Shares, stock options and RSUs, commencing with awards granted in 2021, Normal Retirement is defined as termination at or after age 60 and 5 years of service or at or after age 55 and 15 years of service.
- <sup>2</sup> Provision applicable in the event of a termination without Cause or termination for Good Reason in connection with a Change in Control. With respect to Performance Shares, stock options and RSUs, such termination without Cause or termination for Good Reason must occur within a period of two years after the Change in Control (or in certain employment terminations prior to and related to the change in control) to receive the accelerated vesting treatment.
- <sup>3</sup> Based on the executive's period of employment during the calendar year, subject to achievement of the applicable personal and financial goals.
- <sup>4</sup> After which time the vested stock options would expire.
- <sup>5</sup> Vested stock options canceled if the executive is terminated for cause or the executive engaged in competitive conduct within six months of termination.
- <sup>6</sup> Severance payments reduced to the 280G (excess parachute payment) safe harbor limit, unless the executive would achieve a better after-tax result paying the excise tax imposed on excess parachute payments. No payment, net of taxes, to compensate for any excise tax imposed.
- <sup>7</sup> Amounts and/or shares (from vested RSUs or Performance Shares) held in executives' accounts under the Top Hat Plan automatically paid out.



**TERMINATION AND CHANGE IN CONTROL TABLE**

The following table sets forth estimates of the potential incremental payments to each of our NEOs upon the specified termination events and upon a change in control, both with and without a qualified termination, assuming that each such event took place on the last business day of 2024.

The table does not quantify benefits under plans that are generally available to salaried employees that do not discriminate in favor of NEOs, including the 401(k) Plan, the health care plan and the life insurance plan.

The LTIP (Performance Shares) amounts include amounts for the 2023-2025 and 2024-2026 cycles, represented by the target amounts for the two cycles that were open as of the last business day of 2024. There is no amount included for either the 2024 Annual Bonus (EMIP) or the 2022-2024 cycle because both such awards were deemed to have been earned as of the last business day of the year.

The following table assumes, in the event of a change in control, replacement awards are provided pursuant to the 2015 and 2023 Equity and Incentive Compensation Plan's respective Stock Option Agreement, Restricted Stock Unit Agreement, and Performance Share Agreement ("Agreements"). Pursuant to the Agreements, if the respective equity awards are not replaced, all outstanding equity awards will accelerate as of the closing date of the change in control. In the event of a change in control where no replacement awards are provided, the accelerated equity values are consistent with the accelerated equity values under Change in Control (Replacement Awards; Qualified Termination).

In addition, the table includes all equity that is accelerated as a result of termination but does not include the value of outstanding equity awards that have previously vested, such as stock options, which awards are set forth above in the Outstanding Equity Awards at December 31, 2024 table. For descriptions of the compensation plans and agreements that provide for the payments set forth in the following table, including our change in control agreements, see the "Elements of Executive Compensation" discussion contained in the CD&A.

Under the normal retirement scenario, the retirement definition is either at or after age 60 and 5 years of service or at or after age 55 and 15 years of service, and, as of December 31, 2024, three NEOs were eligible for normal retirement under the equity awards. The Annual Bonus (EMIP) has a retirement definition of either at or after age 55 and 25 years of service or at or after age 60 and 5 years of service, under which two NEOs were eligible for normal retirement as of December 31, 2024. Additionally, our Executive Chair was also retirement eligible under both the equity awards and Annual Bonus (EMIP) when he retired on December 31, 2024, as described below. There are no amounts included in the retirement scenario below for the EMIP bonus as (due to calculation on the last business day of the year) it was deemed and assumed to have been fully earned. The amounts shown for the Performance Shares assumes performance at target, although actual payout upon retirement would be based on actual performance determined in the normal course.

	Steven B. Hedlund	Gabriel Bruno	Jennifer I. Ansberry	Michele R. Kuhrt
<b>Involuntary Termination/Termination without Cause before Normal Retirement:</b>	N/A	N/A	N/A	N/A
<b>Normal Retirement:</b>	<b>\$5,736,990</b>	<b>\$2,947,827</b>	<b>Not Eligible</b>	<b>\$1,102,704</b>
Performance Shares—Accelerated Vesting	\$ 1,773,466	\$ 807,808	N/A	\$ 353,193
Stock Options—Accelerated Vesting	\$ 326,017	\$ 344,459	N/A	\$ 151,856
RSUs—Accelerated Vesting	\$ 3,637,507	\$ 1,795,560	N/A	\$ 597,655

	Steven B. Hedlund	Gabriel Bruno	Jennifer I. Ansberry	Michele R. Kuhrt
<b>Change in Control (Replacement Awards; Qualified Termination):</b>	<b>\$ 11,989,379</b>	<b>\$ 6,111,853</b>	<b>\$ 4,002,759</b>	<b>\$ 3,608,501</b>
Severance	\$ 7,842,831	\$ 3,114,026	\$ 2,425,351	\$ 2,455,797
Annual Bonus (EMIP)	\$ 0	\$ 0	\$ 0	\$ 0
Performance Shares—Accelerated Vesting	\$ 1,773,466	\$ 807,808	\$ 488,922	\$ 353,193
Stock Options—Accelerated Vesting	\$ 326,017	\$ 344,459	\$ 210,431	\$ 151,856
RSUs—Accelerated Vesting	\$ 3,637,507	\$ 1,795,560	\$ 828,055	\$ 597,655
Outplacement Estimate	\$ 100,000	\$ 50,000	\$ 50,000	\$ 50,000
280G Cutback	\$ (1,690,442)	\$ 0	\$ 0	\$ 0
<b>Change in Control (Replacement Awards; No Termination):</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
Annual Bonus (EMIP)	\$ 0	\$ 0	\$ 0	\$ 0
Performance Shares—Accelerated Vesting	\$ 0	\$ 0	\$ 0	\$ 0
Stock Options—Accelerated Vesting	\$ 0	\$ 0	\$ 0	\$ 0
RSUs—Accelerated Vesting	\$ 0	\$ 0	\$ 0	\$ 0
<b>Death or Disability:</b>	<b>\$ 5,736,990</b>	<b>\$ 2,947,827</b>	<b>\$ 1,527,408</b>	<b>\$ 1,102,704</b>
Performance Shares—Accelerated Vesting	\$ 1,773,466	\$ 807,808	\$ 488,922	\$ 353,193
Stock Options—Accelerated Vesting	\$ 326,017	\$ 344,459	\$ 210,431	\$ 151,856
RSUs—Accelerated Vesting	\$ 3,637,507	\$ 1,795,560	\$ 828,055	\$ 597,655

Mr. Mapes retired as Executive Chair from the Company on December 31, 2024. In connection with his retirement, Mr. Mapes received (or will receive) his already-earned and vested benefits that we were contractually required to pay to him as of such date. These benefits include payout of his actual 2024 EMIP payment, full vesting of his outstanding RSUs and stock options (and continued exercisability of such stock options for their full original term), continued vesting based on actual performance for his 2023 and 2024 Performance Shares grants, payment for his 2022 Performance Shares based on actual results, and continued COBRA medical and/or dental coverage, as described above.

Upon his retirement, Mr. Mapes received retirement benefits totaling an estimated \$12,082,788, in accordance with the terms of the underlying compensation programs, as described in the “Key Compensation Programs” chart. This total includes the accelerated vesting of 80,613 stock options (intrinsic value of \$1,676,081, based on the difference of the closing price of our stock on December 31, 2024, the date of retirement, and the stock option strike price), the accelerated vesting of 34,155 RSUs (intrinsic value of \$6,603,752, representing the closing price of our stock on December 31, 2024, the date of retirement and accrued dividend equivalents) and the accelerated vesting of 19,814 Performance Shares (intrinsic value of \$3,802,955, representing the closing price of our stock on December 31, 2024, the date of retirement, at target, and accrued dividend equivalents) under our standard vesting policies upon retirement.

## CEO Pay Ratio

For 2024, we estimate that the ratio of the annual total compensation of our CEO \$7,356,657 which is the same amount reported for Mr. Hedlund in the 2024 Summary Compensation Table) to the annual total compensation of our median employee \$49,013 is 150:1. We note that, due to our permitted use of reasonable estimates and assumptions in preparing this pay ratio disclosure, the disclosure may involve a degree of imprecision, and thus this ratio disclosure is a reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K using the data and assumptions described below.

In accordance with Item 402(u) of Regulation S-K, in calculating our CEO pay ratio for 2024, we believe there has been no change in our employee population or employee compensation arrangements that would result in a significant change to our pay ratio disclosure. As a result, we have used the same median employee for determining the 2024 CEO pay ratio as we used to calculate the CEO pay ratio for 2023.

In 2023, we determined our median employee based on total cash and equity compensation paid to our active employees as of October 1, 2023 for the period beginning on January 1, 2023. We included all full time, part time, seasonal and temporary employees, whether employed domestically or overseas and whether employed directly or by a consolidated subsidiary. Compensation for employees hired during 2023 was annualized for all employees other than temporary or seasonal employees (and full-time equivalencies were not created).

Annual total compensation for the median employee for 2024 was calculated using the same methodology used for our NEOs as set forth in the 2024 Summary Compensation Table. Of the employees that were identified as potential median employees, we selected an employee based in the U.S. that was representative of the largest portion of our workforce. Given the different methodologies that various public companies will use to determine an estimate of their pay ratio, the estimated ratio reported above should not be used as a basis for comparison between companies.

## Pay Versus Performance

In accordance with Securities and Exchange Commission rules, we provide the following disclosure regarding executive compensation for our principal executive officer (“PEO”) and non-PEO named executive officers (“non-PEO NEOs”) and certain measures of Company performance for the fiscal years listed below. The Committee did not consider the pay versus performance disclosure below in making its pay decisions for any of the years shown.

### PAY VERSUS PERFORMANCE DISCLOSURE TABLE

Year	Summary Compensation Table (SCT) Total for PEO 1 <sup>1</sup> (\$)	SCT Total for PEO 2 <sup>1</sup> (\$)	Compensation Actually Paid to PEO 1 <sup>1,2,3</sup> (\$)	Compensation Actually Paid to PEO 2 <sup>1,2,3</sup> (\$)	Average SCT Total for Non-PEO NEOs <sup>1</sup> (\$)	Average Compensation Actually Paid to Non-PEO NEOs <sup>1,2,3</sup> (\$)	Value of Initial Fixed \$100 Investment Based on: <sup>4</sup>		Net Income (\$ Millions)	ROIC for Compensation Purposes <sup>5</sup>
							Company TSR (\$)	Peer Group TSR (\$)		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
2024	—	7,356,657	—	4,980,729	3,236,767	1,923,445	210.73	163.54	466	18.8%
2023	10,609,670	—	27,971,976	—	3,085,776	5,933,007	241.00	143.54	545	22.6%
2022	10,096,478	—	14,415,143	—	2,496,792	3,176,483	157.95	123.28	472	28.1%
2021	9,213,820	—	17,818,888	—	1,978,086	3,241,658	149.83	141.80	276	21.5%
2020	7,077,536	—	11,078,312	—	1,936,038	1,600,715	122.93	113.66	206	13.7%

- 1 Steven Hedlund was our PEO for 2024 (“PEO 2”). Christopher Mapes was our PEO for 2020 through 2023 (“PEO 1”). The individuals comprising the non-PEO NEOs for each year presented are listed below.

2024	2023	2022	2021	2020
Gabriel Bruno	Gabriel Bruno	Gabriel Bruno	Gabriel Bruno	Gabriel Bruno
Christopher L. Mapes	Steven Hedlund	Steven Hedlund	Steven Hedlund	Steven Hedlund
Jennifer Ansberry	Jennifer Ansberry	Jennifer Ansberry	Jennifer Ansberry	Jennifer Ansberry
Michele Kuhrt	Michele Kuhrt	Michele Kuhrt	Michele Kuhrt	Michele Kuhrt
				George Blankenship
				Vincent Petrella

- 2 The amounts shown for Compensation Actually Paid have been calculated in accordance with Item 402(v) of Regulation S-K and may not necessarily reflect compensation actually earned, realized, or received by the Company’s PEOs and non-PEO NEOs. These amounts reflect the Summary Compensation Table Total column with certain adjustments. For 2024, these adjustments are as described in footnote 3 below. Please note that, while similar adjustment information was provided in our 2024 proxy statement for year 2023 and in our 2023 proxy statement for years 2020, 2021, 2022, under applicable SEC guidance, repeating such adjustment information is not required in this Proxy Statement because in our view it is not material to our shareholders’ understanding of the information reported in the table above for 2024 or the related disclosures provided below.
- 3 Compensation Actually Paid for 2024 (the most recent year included in the table above) reflects the exclusions and inclusions of certain amounts for the PEO and the non-PEO NEOs as set forth below. Equity values are calculated in accordance with FASB ASC Topic 718. Amounts in the Exclusion of Stock Awards and Option Awards column are the totals from the Stock Awards and Option Awards columns set forth in the Summary Compensation Table. Amounts in the Exclusion of Change in Pension Value column reflect the amounts attributable to the Change in Pension Value reported in the Summary Compensation Table.

Year	Summary Compensation Table Total for PEO 2 (\$)	Exclusion of Change in Pension Value (\$)	Exclusion of Stock Awards and Option Awards (\$)	Inclusion of Pension Service Cost (\$)	Inclusion of Equity Values (\$)	Compensation Actually Paid to PEO 2 (\$)
2024	7,356,657	—	(4,901,917)	—	2,525,989	4,980,729

Year	Average Summary Compensation Table Total for Non-PEO NEOs (\$)	Exclusion of Change in Pension Value (\$)	Exclusion of Stock Awards and Option Awards (\$)	Inclusion of Pension Service Cost (\$)	Inclusion of Equity Values (\$)	Average Compensation Actually Paid to Non-PEO NEOs (\$)
2024	3,236,767	—	(2,142,377)	—	829,055	1,923,445

The amounts in the Inclusion of Equity Values in the tables above are derived from the amounts set forth in the following tables:

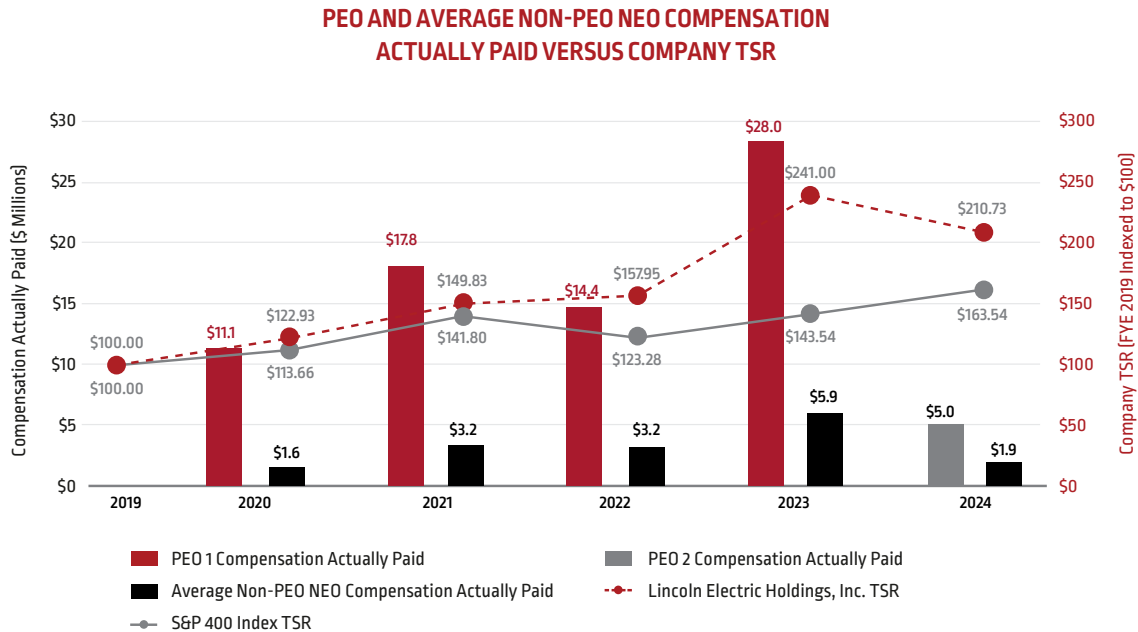
Year	Year-End Fair Value of Equity Awards Granted During Year That Remained Unvested as of Last Day of Year for PEO 2 (\$)	Change in Fair Value from Last Day of Prior Year to Last Day of Year of Unvested Equity Awards Granted in Prior Years for PEO 2 (\$)	Vesting Date Fair Value of Equity Awards Granted During Year that Vested During Year for PEO 2 (\$)	Change in Fair Value from Last Day of Prior Year to Vesting Date of Unvested Equity Awards Granted in Prior Years that Vested During Year for PEO 2 (\$)	Fair Value at Last Day of Prior Year of Equity Awards Forfeited During Year for PEO 2 (\$)	Total—Inclusion of Equity Values for PEO 2 (\$)
2024	3,395,295	(1,378,351)	—	509,045	—	2,525,989

Year	Average Year-End Fair Value of Equity Awards Granted During Year That Remained Unvested as of Last Day of Year for Non-PEO NEOs (\$)	Average Change in Fair Value from Last Day of Prior Year to Last Day of Year of Unvested Equity Awards Granted in Prior Years for Non-PEO NEOs (\$)	Average Vesting Date Fair Value of Equity Awards Granted During Year that Vested During Year for Non-PEO NEOs (\$)	Average Change in Fair Value from Last Day of Prior Year to Vesting Date of Unvested Equity Awards Granted in Prior Years that Vested During Year for Non-PEO NEOs (\$)	Average Fair Value at Last Day of Prior Year of Equity Awards Forfeited During Year for Non-PEO NEOs (\$)	Total—Average Inclusion of Equity Values for Non-PEO NEOs (\$)
2024	858,759	(857,923)	598,869	229,350	—	829,055

- 4 The Peer Group Total Shareholder Return ("TSR") set forth in this table utilizes the S&P 400 Index, which we also utilize in the stock performance graph required by Item 201(e) of Regulation S-K included in our Annual Report for the year ended December 31, 2024. The comparison assumes \$100 was invested for the period starting December 31, 2019, through the end of the listed year in the Company and in the S&P 400 Index, respectively. Historical stock performance is not necessarily indicative of future stock performance.
- 5 We determined Return on Invested Capital ("ROIC") for Compensation Purposes to be the most important financial performance measure used to link Company performance to Compensation Actually Paid to our PEO and non-PEO NEOs in 2024. More information on ROIC for Compensation Purposes can be found in Appendix A.

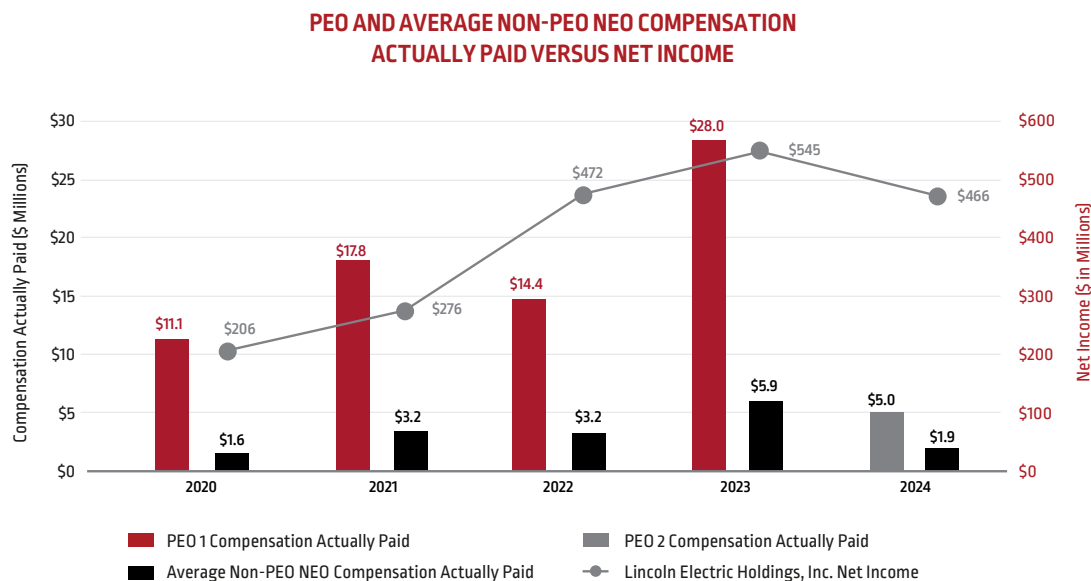
### RELATIONSHIP BETWEEN PEO AND NON-PEO NEO COMPENSATION ACTUALLY PAID AND COMPANY AND PEER GROUP TOTAL SHAREHOLDER RETURN ("TSR")

The following chart sets forth the relationship between Compensation Actually Paid to our PEOs, the average of Compensation Actually Paid to our non-PEO NEOs, the Company's cumulative TSR over the five most recently completed fiscal years, and the cumulative TSR of the S&P 400 Index over the same period assuming initial investment of \$100 on December 31, 2019.



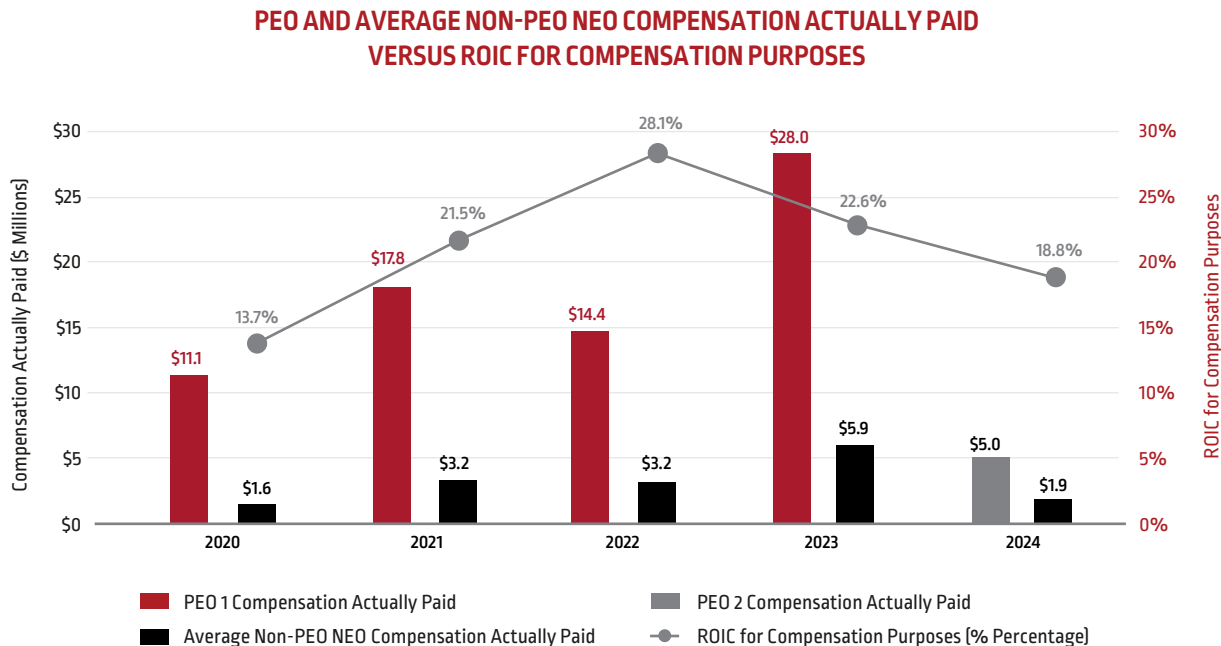
### RELATIONSHIP BETWEEN PEO AND NON-PEO NEO COMPENSATION ACTUALLY PAID AND COMPANY NET INCOME

The following chart sets forth the relationship between Compensation Actually Paid to our PEOs, the average of Compensation Actually Paid to our non-PEO NEOs, and our GAAP Net income during the five most recently completed fiscal years.



RELATIONSHIP BETWEEN PEO AND NON-PEO NEO COMPENSATION ACTUALLY PAID AND COMPANY ROIC FOR COMPENSATION PURPOSES

The following chart sets forth the relationship between Compensation Actually Paid to our PEOs, the average of Compensation Actually Paid to our non-PEO NEOs, and Company ROIC for Compensation Purposes (annual results) during the five most recently completed fiscal years.



TABULAR LIST OF MOST IMPORTANT FINANCIAL PERFORMANCE MEASURES

The following table presents the financial performance measures that the Company considers to have been the most important in linking Compensation Actually Paid to our PEO and our Non-PEO NEOs for 2024 to Company performance. The measures in this table are not ranked.

Return on Invested Capital (ROIC) for Compensation Purposes
Adjusted earnings before interest, taxes and bonus (EBITB)
Adjusted Revenue for Compensation Purposes (Adjusted Revenue)
Average operating working capital to net sales ratio (AOWC/Sales) for Compensation Purposes
Adjusted Net Income for Compensation Purposes



# Security Ownership of Management

The following table sets forth certain information regarding ownership of shares of common stock of Lincoln Electric as of December 31, 2024 (except as otherwise indicated) by each of our Directors and NEOs, as well as our Directors and executive officers as a group. Except as otherwise indicated, voting and investment power with respect to shares reported in this table are not shared with others.

RSUs and Performance Shares are generally not reflected in the table as there is no ability to acquire the shares attributable to them within 60 days of December 31, 2024. In addition, any vested RSUs and Performance Shares that are deferred into the Top Hat Plan or the Non-Employee Directors' Deferred Compensation Plan are generally not reflected in the table as there is no ability to acquire the shares attributable to them within 60 days of December 31, 2024. The table includes shares that would be received upon the vesting of RSUs within 60 days of December 31, 2024.

## BENEFICIAL OWNERSHIP TABLE

	Number of Shares of Lincoln Electric Common Stock Beneficially Owned <sup>1</sup>	Percent of Class
<b>Directors</b>		
Brian D. Chambers	757 <sup>2</sup>	*
Curtis E. Espeland	17,424	*
N. Joy Falotico	— <sup>3</sup>	*
Bonnie J. Fetch	— <sup>2</sup>	*
Patrick P. Goris	600 <sup>2</sup>	*
Michael F. Hilton	6,294 <sup>2</sup>	*
Marc A. Howze	— <sup>2</sup>	*
Kathryn Jo Lincoln	726,955 <sup>2,4</sup>	1.29%
Phillip J. Mason	7,804 <sup>5</sup>	*
Ben P. Patel	1,113 <sup>2</sup>	*
Kellye L. Walker	2,379 <sup>2</sup>	*
<b>NEOs</b>		
Steven B. Hedlund	112,609 <sup>6</sup>	*
Gabriel Bruno	54,497 <sup>7</sup>	*
Christopher L. Mapes	266,839 <sup>8</sup>	*
Jennifer I. Ansberry	52,775 <sup>9</sup>	*
Michele R. Kuhrt	46,876 <sup>10</sup>	*
All Directors and Executive Officers as a group 21 persons	1,363,947 <sup>11</sup>	2.41%

\* Indicates less than 1%

- 1 Reported in compliance with the beneficial ownership rules of the SEC, under which a person is deemed to be the beneficial owner of a security, for these purposes, if he or she has, or shares, voting power or investment power over the security or has the right to acquire the security within 60 days of December 31, 2024. With respect to the NEOs and executive officers, the amounts reported do not include any Performance Shares that vested and paid out in March 2025, as the number of Performance Shares to be received by each executive officer was unknown within 60 days of December 31, 2024.
- 2 The following Directors had amounts deferred under the Non-Employee Directors' Deferred Compensation Plan which is not reflected in the table above: Mr. Chambers 1,908 shares; Ms. Fetch 1,021 shares; Mr. Goris 6,881 shares; Mr. Hilton 5,900 shares; Mr. Howze 864 shares; Ms. Lincoln 6,881 shares; Dr. Patel 6,881 shares; Ms. Walker 1,738 shares.
- 3 Ms. Falotico was elected to the Board on February 19, 2025. In connection with Ms. Falotico's election, she received an initial grant of 578 RSUs that will vest on the first anniversary of the date of grant.
- 4 Of the shares reported, 26,678 shares were held of record by a trust established by Ms. Lincoln, under which she has sole investment and voting power. The remaining 700,277 shares were held of record by The Lincoln Institute of Land Policy, of which Ms. Lincoln is the Chair, as to which shares Ms. Lincoln disclaims beneficial ownership. Ms. Lincoln has shared voting and shared investment power on these 700,277 shares.
- 5 The amount reported does not include 12,005 shares which were held of record by Mr. Mason's spouse in the Paula J. Mason Trust, as to which shares Mr. Mason does not have beneficial ownership.
- 6 Of the shares reported, Mr. Hedlund held 31,667 shares of record, 748 shares of which are held in the Stock Purchase Plan, and 2,430 shares of which are held in the 401(k) Plan. Mr. Hedlund has or had the right to acquire 2,660 shares upon the vesting of RSUs within 60 days of December 31, 2024. Mr. Hedlund has or had the right to acquire 78,282 shares upon the exercise of stock options within 60 days of December 31, 2024.
- 7 Of the shares reported, Mr. Bruno held of record 907 shares, of which 277 shares are held jointly with spouse. Mr. Bruno has or had the right to acquire 2,966 shares upon the vesting of RSUs within 60 days of December 31, 2024. Mr. Bruno has or had the right to acquire 50,624 shares upon the exercise of stock options within 60 days of December 31, 2024. Mr. Bruno had 15,762 Performance Shares deferred under the Top Hat Plan which are not reflected in the above table.
- 8 Of the shares reported, Mr. Mapes held of record 45,189 shares. Mr. Mapes has or had the right to acquire 221,650 shares upon the exercise of stock options within 60 days of December 31, 2024. Mr. Mapes had 27,923 RSUs deferred under the Top Hat Plan which are not reflected in the above table.
- 9 Of the shares reported, Ms. Ansberry held of record 15,658 shares, 20 shares of which are held jointly with her spouse. Ms. Ansberry has the right to acquire 1,809 shares upon the vesting of RSUs within 60 days of December 31, 2024. Ms. Ansberry has or had the right to acquire 35,308 shares upon the exercise of stock options within 60 days of December 31, 2024.
- 10 Of the shares reported, Ms. Kuhrt held 15,819 shares of record, 368 shares of which are held in the 401(k) Plan. Ms. Kuhrt has the right to acquire 1,304 shares upon the vesting of RSUs within 60 days of December 31, 2024. Ms. Kuhrt has or had the right to acquire 29,753 shares upon the exercise of stock options within 60 days of December 31, 2024.
- 11 Includes 10,446 shares that are RSUs held by all executive officers, as a group, that vest within 60 days of December 31, 2024 and 462,274 shares which all executive officers, as a group, have or had the right to acquire upon the exercise of stock options within 60 days of December 31, 2024.

In addition to the above management holdings, as of December 31, 2024, the 401(k) Plan held 792,127 shares of our common stock, or approximately 1.41% of the shares of our common stock outstanding.

**EQUITY COMPENSATION PLAN INFORMATION**

The following table provides information regarding outstanding Stock Options, RSUs and Performance Shares and shares reserved for issuance under our equity compensation plans as of December 31, 2024:

Plan category	Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a) <sup>1</sup>	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b) <sup>2</sup>	Number of Securities Remaining Available For Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected In Column (a)) (c) <sup>3</sup>
Equity compensation plans approved by security holders	1,157,686	\$135.17	1,997,299
Equity compensation plans not approved by security holders <sup>4</sup>	—	—	—
<b>Total</b>	<b>1,157,686</b>	<b>—</b>	<b>1,997,299</b>

- 1 The amount shown in column (a) includes the following: 696,546 Nonqualified Stock Options; 93,273 deferred RSUs and deferred Performance Shares; 148,898 Performance Shares (assuming payout levels at maximum-as a result, this aggregate reported number may overstate actual dilution); and 218,969 RSUs.
- 2 The weighted average exercise price in column (b) includes nonqualified stock options only.
- 3 The amount shown in column (c) represents common shares remaining available under the 2023 Equity and Incentive Compensation Plan ("Employee Plan") and the 2023 Stock Plan for Non-Employee Directors ("Director Plan"). The Employee Plan provides for the granting of options, appreciation rights, restricted shares, RSUs and performance-based awards. The Director Plan provides for the granting of options, restricted shares and RSUs. Under the Employee Plan, one common share is subtracted from the maximum number of common shares available under the Employee Plan for every common share granted. The amount in the table assumes payout levels at maximum for Performance Shares. Under the Director Plan only one common share is subtracted from the maximum number of common shares available for every common share granted.
- 4 The Company does not maintain equity compensation plans that have not been approved by its shareholders.

# Security Ownership of Certain Beneficial Owners

Set forth below is information about the number of shares held by any person (including any “group” as that term is used in Section 13(d)(3) of the Exchange Act) known to us to be an owner of more than 5% of the shares of our common stock as of December 31, 2024.

Name and Address of Beneficial Owner	Number of Shares and Nature of Beneficial Ownership	Percent of Class
<b>The Vanguard Group</b> 100 Vanguard Boulevard Malvern, Pennsylvania 19355	5,723,843 <sup>1</sup>	10.18%
<b>BlackRock, Inc.</b> 50 Hudson Yards New York, New York 10001	5,334,191 <sup>2</sup>	9.49%

- 1 According to its Schedule 13G/A filed on March 11, 2024, The Vanguard Group has sole voting power over 0 shares, shared voting power over 24,319 shares, sole dispositive power over 5,645,484 shares and shared dispositive power over 78,359 shares. In its Schedule 13G/A filing, The Vanguard Group states that the shares of our common stock reported in the filing were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired in connection with or as a participant in any transaction having that purpose or effect, other than activities solely in connection with a nomination under §240.14a-11.
- 2 According to its Schedule 13G/A filed on January 24, 2024, BlackRock, Inc. has sole voting power over 5,223,316 shares and sole dispositive power over 5,334,191 shares. In its Schedule 13G/A filing, BlackRock states that the securities referred to in the filing were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

# Compensation Committee Interlocks and Insider Participation

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During 2024, each of Messrs. Hilton, Howze and Mason and Ms. Lincoln, Ms. Runtagh (prior to her retirement) and Ms. Walker served on the Compensation and Executive Development Committee. No Compensation and Executive Development Committee member was an employee of Lincoln Electric or any of its subsidiaries, and there were no reportable business relationships between Lincoln Electric and the Compensation and Executive Development Committee members. None of our executive officers serves as a member of the board of directors or compensation committee of any entity that has one or more of its executive officers serving as a member of our Compensation and Executive Development Committee. In addition, none of our executive officers serves as a member of the compensation committee of any entity that has one or more of its executive officers serving as a member of our Board.

# Annual Meeting Proposals

## PROPOSAL 01

## Election of Director Nominees



THE BOARD RECOMMENDS A VOTE **FOR** ALL DIRECTOR NOMINEES.

### ELECTION OF 11 DIRECTOR NOMINEES TO OUR BOARD OF DIRECTORS TO SERVE UNTIL THE 2026 ANNUAL MEETING OR UNTIL THEIR SUCCESSORS ARE DULY ELECTED AND QUALIFIED

Our Nominating and Corporate Governance Committee and our Board of Directors have determined that each of the Director Nominees possesses the right skills, qualifications and experience to effectively oversee Lincoln Electric's long-term business strategy.

See "Proposal 1—Election of Director Nominees" beginning on page 19 of this Proxy Statement for additional information.

# PROPOSAL 02

# Ratification of the Appointment of the Independent Registered Public Accounting Firm



Our Board of Directors recommends that shareholders vote “FOR” the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2025.

✓ THE BOARD RECOMMENDS A VOTE **FOR** THIS PROPOSAL.

Fees for professional services provided by Ernst & Young LLP as our independent auditors in each of the last two fiscal years, in each of the following categories are:

	2024	2023
Audit Fees	\$2,872,000	\$2,780,000
Audit-Related Fees	—	—
Tax Fees	7,000	43,000
All Other Fees	—	—
Total Fees	\$2,879,000	\$2,823,000

Audit Fees include fees associated with the annual integrated audit of the financial statements and internal control over financial reporting in 2024 and 2023, the reviews of our quarterly reports on Form 10-Q, certain statutory audits required for our international subsidiaries and services provided in connection with regulatory filings with the SEC. Tax Fees for 2024 and 2023 include tax compliance, transfer pricing and tax advisory services.



**AUDIT COMMITTEE PRE-APPROVAL POLICIES AND PROCEDURES**

The Audit Committee has established a policy regarding pre-approval of all audit and non-audit services performed by our independent auditors, including the scope of and fees for such services. Generally, requests for audit, audit-related and tax services, each as defined in the policy, must be presented for approval prior to the performance of such services, to the extent known at that time. For 2024, the Audit Committee has resolved that four specific categories of services, namely audit services, audit-related services, tax advisory services, and tax compliance services, are permissible without itemized pre-approval in an amount not to exceed for each service:

Pre-Approval Amount	Services
\$3,105,000	Audit, and Audit-Related services for acquisitions, new accounting pronouncements and other international statutory requirements
\$800,000	Tax Advisory and Tax Compliance services

Itemized detail of all such services performed is subsequently provided to the Audit Committee. In addition, our independent auditors are prohibited from providing certain services described in the policy as prohibited services. All of the fees included in Audit Fees, Audit-Related Fees and Tax Fees shown above were pre-approved by the Audit Committee (or included in the pre-approved fee limits, as applicable, for certain services as detailed above).

Generally, requests for independent auditor services are submitted to the Audit Committee by our Executive Vice President, CFO and Treasurer (or other member of our senior financial management) and our independent auditors for consideration at the Audit Committee's regularly scheduled meetings. Requests for additional services in the categories mentioned above may be approved at subsequent Audit Committee meetings to the extent that none of such services is performed prior to its approval (unless such services are included in the categories of services that fall within the dollar limits detailed above). The Chair of the Audit Committee is also delegated the authority to approve independent auditor services requests under certain dollar thresholds provided that the pre-approval is reported at the next meeting of the Audit Committee. All requests for independent auditor services must include a description of the services to be provided and the fees for such services.

Representatives of Ernst & Young LLP are expected to be present at the Annual Meeting, will have an opportunity to make a statement if they so desire and are expected to be available to respond to appropriate shareholder questions. Although ratification of the appointment of the independent auditors is not required by law, the Audit Committee and the Board believe that shareholders should be given the opportunity to express their views on the subject. While not binding on the Audit Committee or the Board, the failure of the shareholders to ratify the appointment of Ernst & Young LLP as our independent auditors would be considered by the Board in determining whether or not to continue the engagement of Ernst & Young LLP. Ultimately, the Audit Committee retains full discretion and will make all determinations with respect to the appointment of independent auditors, whether or not our shareholders ratify the appointment.

**MAJORITY VOTE NEEDED**

Ratification requires the affirmative vote of the majority of the shares of our common stock present or represented and entitled to vote on the matter at the Annual Meeting. Unless otherwise directed, shares represented by proxy will be voted FOR ratification of the appointment of Ernst & Young LLP. Abstentions will have the same effect as a vote "against" the proposal.

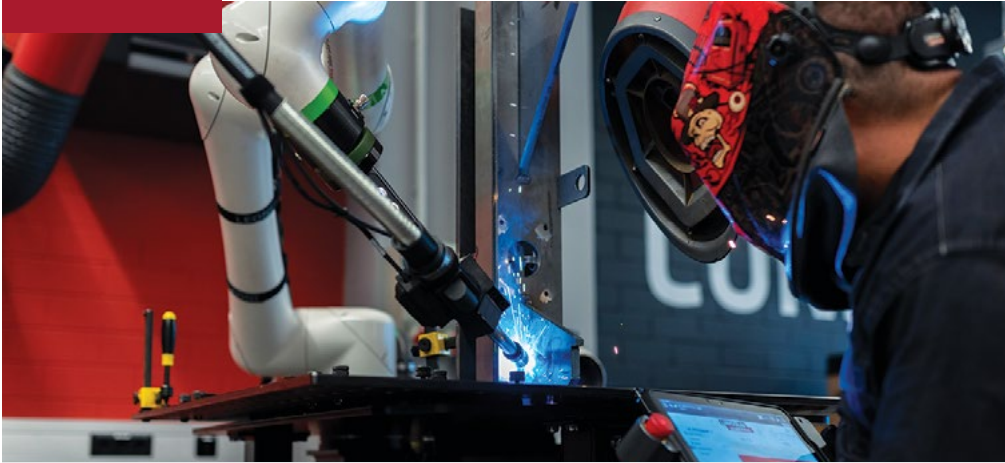


**YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

## PROPOSAL 03

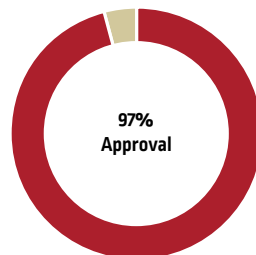
# Approval, on an Advisory Basis, of NEO Compensation

Our Board recommends that shareholders vote “FOR” the approval, on an advisory basis, of the compensation of our NEOs.



THE BOARD RECOMMENDS A VOTE **FOR** THIS PROPOSAL.

### Say-on-Pay Vote at 2024 Annual Meeting



**97%**

of shareholders who voted on the “say-on-pay” proposal voted **FOR** the approval of the compensation of our NEOs.

The Compensation and Executive Development Committee believes that the historically positive say-on-pay shareholder votes reinforce the philosophy and objectives of our executive compensation program. We conduct annual say-on-pay votes. Our next say-on-pay vote will be held at the 2026 Annual Meeting.

Our compensation philosophy is to pay for performance, a philosophy that has been rooted in our history and tradition for 130 years. Our compensation program consists of elements designed to complement one another and focus on both short-term and long-term performance. The Compensation and Executive Development Committee regularly reviews peer group data and best practices and trends related to executive compensation to help ensure that our programs are properly aligned with our business strategy and philosophy, as well as promote shareholder value. The Committee receives advice from independent consultants. In addition to the information provided earlier in the CD&A section, we believe shareholders should consider the following in determining whether to approve this proposal:

#### OUR CULTURE AND PERFORMANCE

To maintain a performance-driven culture, we:

- Expect our executives to deliver above-market financial results;
- Provide systems that tie executive compensation to superior financial performance;
- Take action when needed to address specific business challenges; and
- Maintain good governance practices in the design and operation of our executive compensation programs.

We have a long track record of delivering increased value to our shareholders.

#### PAY FOR PERFORMANCE

In designing our executive compensation programs, a core philosophy is that our executives should be rewarded when they deliver financial results that provide value to our shareholders. Therefore, we have established a program that ties executive compensation to superior financial performance.

We have a balanced pay mix between short-term and long-term incentives:

- **Base Salaries.** Base salaries for our NEOs are generally targeted at the 45th percentile of benchmark data (below market median). For 2024, the average base salary increase for the NEOs, excluding Mr. Hedlund and Mr. Mapes in light of the CEO transition, was 6.4%, which included the progression of pay within the competitive benchmark for recently promoted executives.
- **Annual Bonus Awards Are Aligned with Our Performance and Contain a Balanced Mix of Metrics.** The total cash compensation for our NEOs, which includes base pay and the annual bonus (EMIP), is targeted at the 65th percentile of benchmark data (above market median). The EMIP is based on a balance of metrics—both financial and personal—with the financial components based on Adjusted Revenue for Compensation Purposes, EBITB and AOWC/ Sales for Compensation Purposes and with a mix of consolidated and, if applicable, segment performance. For 2024, annual bonus payments for the NEOs, decreased 62%.
- **Performance Share Payouts Were Above Target.** For the 2022-2024 performance cycle, the Performance Shares paid out above target, as a result of the maximum performance level for ROIC for Compensation Purposes and the above target performance level for Adjusted Net Income for Compensation Purposes.
- **Long-Term Incentives Are Aligned with the Interests of Our Shareholders.** We believe that incentives should be based on factors that deliver long-term sustainability for Lincoln Electric. Therefore, the NEOs receive three types of long-term incentives. The three components are: (1) stock options, (2) RSUs and (3) Performance Shares. Total awards are targeted at the 50th percentile of benchmark data (at market median).

## GOOD GOVERNANCE PRACTICES

In addition to our emphasis on pay for performance, we design our programs to be current with best practices and good corporate governance. We also consider the risks associated with any particular program, design or compensation decision. We believe these assessments result in sustained, long-term shareholder value. Some of the governance practices include:

- Officers Are Subject to Stock Ownership Guidelines
- Compensation and Executive Development Committee Receives Regular Updates
- Compensation and Executive Development Committee Retains Independent Advisors
- No Compensation Consultant Conflicts of Interest
- No Multi-Year Guarantees on Compensation
- No Dividends on Unvested RSUs or Performance Shares
- Compliant Clawback Policy
- Change in Control Agreements Require a Double-Trigger
- No Tax Gross-Ups
- No Hedging or Pledging of Lincoln Electric Stock by Officers
- Limited Perquisites

As illustrated above, the Compensation and Executive Development Committee has and will continue to take action to structure our executive compensation program in a manner that is performance-based, current with best practices and good corporate governance and aimed at sustaining long-term shareholder value. The Board believes that the executive compensation disclosed in the CD&A section, tabular disclosures (including the 2024 Summary Compensation Table) and other narrative disclosures in this Proxy Statement aligns with our peer group pay practices and compensation philosophy.

As required under the Dodd-Frank Wall Street Reform and Consumer Protection Act and Section 14A of the Exchange Act, we are asking you to cast an advisory (non-binding) vote to approve the following resolution at the Annual Meeting:

**RESOLVED**, that the compensation awarded to our NEOs, as disclosed pursuant to Item 402 of Regulation S-K in the Compensation Discussion and Analysis and the tabular disclosure (together with the accompanying narrative disclosure) in this Proxy Statement, as required by the rules of the Securities and Exchange Commission, is hereby approved on an advisory basis.

#### **YOUR VOTE MATTERS TO US**

As an advisory vote, this proposal is not binding on us. However, the Compensation and Executive Development Committee, which is responsible for designing and administering our executive compensation programs, values the opinions expressed by shareholders in their vote on this proposal and expects to consider the outcome of the vote when making future compensation decisions for NEOs.

#### **MAJORITY VOTE NEEDED**

A favorable vote of a majority of the shares of our common stock present or represented by proxy and entitled to vote on the matter is necessary for approval of the proposal. Abstentions will have the same effect as a vote “against” the proposal and broker non-votes will not be counted for determining whether the proposal is approved.



**YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE, **FOR** APPROVAL, ON AN ADVISORY BASIS, OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS**

# Audit Committee Report

The Audit Committee consists solely of independent Directors within the meaning of the Nasdaq listing standards. The Audit Committee oversees our financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the financial statements and the reporting process, including the systems of internal control over financial reporting. In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed with management the audited financial statements in the Annual Report, including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements.

The Audit Committee discussed with the independent auditors, who are responsible for expressing an opinion on the conformity of those audited financial statements with U.S. generally accepted accounting principles, their judgments as to the quality, not just the acceptability, of our accounting principles and such other matters as are required to be discussed with the Audit Committee by the applicable requirements of the Public Company Accounting Oversight Board (the “PCAOB”) and the SEC. In addition, the Audit Committee has received the written disclosures and letter from the independent auditors required by the PCAOB regarding the independent auditors’ communications with the Audit Committee concerning independence and has discussed with the independent auditors their independence as required by PCAOB Ethics and Independence Rule 3526, *Communication with Audit Committees Concerning Independence*.

The Audit Committee discussed with our internal and independent auditors the overall scope and plan for their respective audits. The Audit Committee met with the internal and independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of our internal controls, and the overall quality of our financial reporting.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors (and the Board approved) that the audited financial statements be included in the Annual Report on Form 10-K for the year ended December 31, 2024 for filing with the SEC. The Audit Committee and the Board have also recommended the selection of Ernst & Young LLP as our independent auditors for the year ending December 31, 2025 and the ratification thereof by the shareholders.

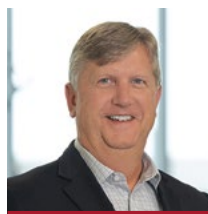
By the Audit Committee:



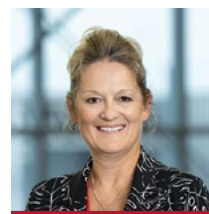
Patrick P. Goris  
CHAIR



Brian D. Chambers



Curtis E. Espeland



Bonnie J. Fetch



Ben P. Patel

# FAQS

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## **WHO IS SOLICITING PROXIES AND WHY? WHO IS PAYING FOR THE COST OF THIS PROXY SOLICITATION?**

The Board solicits the proxy and the Company pays the solicitation cost. Certain officers and employees may also solicit proxies, but do not receive compensation for these activities. We also reimburse custodians, nominees and fiduciaries for reasonable expenses incurred to forward and obtain proxy materials from beneficial holders.

## **HOW DO WE DISTRIBUTE PROXY MATERIALS TO SHAREHOLDERS SHARING THE SAME ADDRESS?**

We use “householding” rules to deliver only one set of voting materials (Annual Report and Proxy Statement) to shareholders who share the same address, unless we receive contrary instructions from one or more shareholders at that address. Each shareholder receives a separate proxy card. We will promptly deliver a separate set of proxy materials upon request.

## **HOW DO I REVOKE MY CONSENT TO THE HOUSEHOLDING PROGRAM?**

To revoke your consent to householding, please contact Broadridge Investor Communications Solutions, Inc. either by calling (866) 540-7095 or by writing to Broadridge, Householding Department, 51 Mercedes Way, Edgewood, New York 11717.

## **HOW DO I OBTAIN A SEPARATE OR SINGLE SET OF PROXY MATERIALS AT NO COST?**

Send a written notice to the Corporate Secretary at Lincoln Electric Holdings, Inc., 22801 St. Clair Avenue, Cleveland, Ohio 44117-1199, or call +1 (216) 481-8100.

## **WHO MAY VOTE AT THE ANNUAL MEETING?**

Record holders as of the close of business on February 28, 2025 (the record date) are entitled to vote at the Annual Meeting. As of the record date, 56,029,920 shares of our common stock were outstanding and each share is entitled to one vote per proposal brought before the Annual Meeting.

## **WHAT IS REQUIRED FOR THERE TO BE A QUORUM AT THE ANNUAL MEETING?**

Holders of at least a majority of the shares of our common stock issued and outstanding on the record date (February 28, 2025) must be present, in person or by proxy, to constitute a quorum.

## **HOW DO I ATTEND AND PARTICIPATE IN THE ANNUAL MEETING?**

Any shareholder of record as of the record date (February 28, 2025) can attend the Annual Meeting online at [www.virtualshareholdermeeting.com/LECO2025](http://www.virtualshareholdermeeting.com/LECO2025). The webcast will start at 11:00 a.m. ET on April 24, 2025. Shareholders may submit pre-meeting questions online by visiting [www.proxyvote.com](http://www.proxyvote.com). Questions must be submitted by Friday, April 18, 2025 at 5:00 p.m. ET. You will need your 16-digit control number that is printed on your proxy card or on the instructions that accompanied your proxy materials to access the meeting. Instructions on how to attend the Annual Meeting are posted at [www.virtualshareholdermeeting.com/LECO2025](http://www.virtualshareholdermeeting.com/LECO2025). We encourage you to access the meeting prior to the start time to allow ample time to complete the online check-in process.

If you encounter any technical difficulties accessing the virtual meeting during check-in or meeting time, please call the technical support number that will be posted on the Virtual Shareholder Meeting log in page.



### WHY IS THE ANNUAL MEETING A VIRTUAL, ONLINE MEETING?

We believe that hosting a virtual meeting will facilitate shareholder attendance and participation by enabling shareholders to participate from any location around the world and improves our ability to communicate more effectively with our shareholders. We have designed the virtual meeting to provide substantially the same opportunities to participate as you would have at an in-person meeting. We are providing opportunities for shareholders to submit questions prior to the meeting to enable us to address appropriate questions at the Annual Meeting.

### WHAT IS THE DIFFERENCE BETWEEN HOLDING SHARES AS A REGISTERED SHAREHOLDER OR AS A BENEFICIAL HOLDER?

- **Registered Shareholders:** If your shares are directly registered in your name with our transfer agent/registrar, you are considered the registered shareholder, or shareholder of record. Proxy materials will be sent directly to you and you may vote during the Annual Meeting at [www.virtualshareholdermeeting.com/LECO2025](http://www.virtualshareholdermeeting.com/LECO2025), or by telephone, by internet or by mail in the envelope provided.
- **Beneficial Holders:** You are a beneficial holder if your shares are held indirectly in a brokerage account, by a trustee, or by another nominee. These entities are considered the shareholder of record and the shares are considered held in “street name.” Proxy materials are sent to the entity and they forward a voting instruction card to you, the beneficial holder. As a beneficial holder, you have the right to direct the entity on how to vote your shares and you may also attend the Annual Meeting. Since you are not the shareholder of record, you may not vote during the Annual Meeting unless you obtain a legal proxy from the entity that holds your shares. Please refer to the information your broker, trustee or nominee provided to see what voting options are available to you. If you have not heard from your broker, trustee or nominee, please contact them.

### WHAT SHARES ARE INCLUDED ON THE PROXY CARD?

Shareholder type:	Registered Shareholder & participant in The Lincoln Electric Company Employee Savings Plan (401(k) Plan)	Beneficial Holder with shares held by a broker, trustee or nominee	Both a Registered Shareholder and a Beneficial Holder of shares
Shares included on the proxy card:	All shares registered in your name will be represented (including 401(k) plan shares)  Note: If you do not have identical names on your accounts, we cannot consolidate your share information.	You will receive a voting instruction card from your broker, trustee or nominee instructing you on how to cast your vote.	You will receive a proxy card from us and a voting instruction card from your broker, trustee or nominee instructing you on how to cast your vote.

### WHAT IS A BROKER NON-VOTE AND WHAT EFFECT DOES IT HAVE?

A broker non-vote occurs when a broker or other nominee does not receive voting instructions from the beneficial holder and is then unable to vote the shares. **If you hold your shares beneficially through a broker, trustee or nominee, you must communicate your voting instructions to them to have your shares voted.** Please note that your nominee cannot vote on your behalf on the election of Directors (Proposal 1), or the approval, on an advisory basis, of NEO compensation (Proposal 3), unless you provide specific voting instructions to them by following the instructions provided to you. Certain brokers may require your voting instructions for all proposals, including Proposal 2, and will not vote on your behalf unless you provide specific voting instructions.

Broker non-votes, as well as abstentions, will be counted to determine whether a quorum is present at the Annual Meeting. Broker non-votes will not be counted when determining votes for a particular proposal (i.e., it will not be considered a vote “cast”).

## HOW DO I VOTE AT THE ANNUAL MEETING?

### REGISTERED SHAREHOLDERS

Vote during the Annual Meeting at [www.virtualshareholdermeeting.com/LECO2025](http://www.virtualshareholdermeeting.com/LECO2025) or by proxy in any one of four ways outlined in the Proxy Summary section of this Proxy Statement.

### PARTICIPANTS IN THE 401(K) PLAN

The 401(k) Plan's independent Trustee, Fidelity Management Trust Company, will vote your 401(k) Plan shares according to your voting directions, which you can provide by internet, telephone or mail. As 401(k) Plan shares are held in a qualified plan, you are not able to vote 401(k) Plan shares during the Annual Meeting. If you do not vote, the Trustee will not vote your plan shares.

### BENEFICIAL HOLDERS

If your shares are held by a bank, broker, trustee or some other nominee (in street name), that entity will give you separate voting instructions.

## WHAT HAPPENS IF I SIGN, DATE AND RETURN MY PROXY BUT DO NOT SPECIFY HOW I WANT MY SHARES VOTED ON THE PROPOSALS?

**Registered Shareholders:** Your shares will be voted **FOR** the election of all of the Director nominees, **FOR** the ratification of the appointment of our independent registered public accounting firm, and **FOR** the approval, on an advisory basis, of the compensation of our NEOs.

**Beneficial Holders:** Your nominee cannot vote your uninstructed shares on non-routine matters such as Proposal 1 (election of Directors), or Proposal 3 (approval, on an advisory basis, of NEO compensation). Your nominee can vote your uninstructed shares on routine matters such as Proposal 2 (ratification of the appointment of our independent registered public accounting firm). Notwithstanding the foregoing, certain brokers may require your voting instructions for all proposals, including Proposal 2, and will not vote on your behalf unless you provide specific voting instructions.

## MAY I REVOKE MY PROXY OR CHANGE MY VOTE?

**Registered Shareholders:** Yes, you may change or revoke your proxy prior to the closing of the polls in any one of the following FOUR ways:

1. Send a written notice to our Corporate Secretary stating that you want to revoke your proxy prior to the voting cut-off dates;
2. Mail a completed and signed proxy card with a later date, but prior to the cut-off dates prior to the Annual Meeting (which will automatically revoke the earlier proxy);
3. Vote by telephone or internet at a later date, but prior to the cut-off dates prior to the Annual Meeting (which will automatically revoke the earlier proxy); or
4. Vote during the Annual Meeting at [www.virtualshareholdermeeting.com/LECO2025](http://www.virtualshareholdermeeting.com/LECO2025). Because 401(k) plan shares are held in a qualified plan, you are not able to revoke or change your vote on 401(k) plan shares at the Annual Meeting.

**Beneficial Holders:** Check with your broker, trustee or nominee to determine how to change your vote.

## WHO COUNTS THE VOTES?

Broadridge Financial Solutions, Inc. is the independent agent who receives and tabulates the votes. They are also our inspector of elections at the Annual Meeting.

### MAY I RECEIVE FUTURE SHAREHOLDER COMMUNICATIONS OVER THE INTERNET?

**Registered Shareholders:** Yes. Please mark the appropriate box on your proxy card, or follow the prompts if voting by telephone or internet.

**Beneficial Holders:** Refer to the information provided by your broker, trustee or nominee on how to select future shareholder communications by internet.

### WHEN ARE SHAREHOLDER PROPOSALS DUE TO BE CONSIDERED FOR INCLUSION IN NEXT YEAR'S ANNUAL MEETING IN 2026?

In order to have a shareholder proposal included in our proxy materials for the 2026 Annual Meeting, a shareholder proposal must be received in writing by the Corporate Secretary at Lincoln Electric Holdings, Inc., 22801 St. Clair Avenue, Cleveland, Ohio 44117-1199 on or before November 20, 2025.

If shareholders want to present proposals at our 2026 Annual Meeting that are not included in Lincoln Electric's proxy materials, they must comply with the requirements in our Amended and Restated Code of Regulations. These include providing a written notice containing certain information, and such notice must be received no earlier than

December 25, 2025 and no later than January 24, 2026. If the Board of Directors chooses to present any information submitted after the applicable deadlines at the 2026 Annual Meeting, then the persons named in proxies solicited by the Board for the 2026 Annual Meeting may exercise discretionary voting power with respect to such information.

### MAY I SUBMIT A NOMINATION FOR DIRECTOR?

Yes. To submit a Director nomination, a shareholder must send a written notice to the Corporate Secretary at Lincoln Electric Holdings, Inc., 22801 St. Clair Avenue, Cleveland, Ohio 44117-1199. The notice must include information required by our Amended and Restated Code of Regulations, including, among other things, information about the shareholder and the person he or she intends to nominate, as well as a representation that the shareholder intends to solicit proxies in support of nominees other than the nominees of the Board. For the 2026 Annual Meeting, nominations must be received in the Corporate Secretary's Office no earlier than December 25, 2025 and no later than January 24, 2026.

For the 2025 Annual Meeting, Director nominations must have been received by the Corporate Secretary's Office no earlier than December 20, 2024 and no later than the close of business on January 19, 2025.

### HOW DO I CONTACT LINCOLN ELECTRIC?

#### FOR GENERAL INFORMATION:

Lincoln Electric Holdings, Inc.  
22801 St. Clair Avenue  
Cleveland, Ohio 44117-1199  
Attention: Amanda Butler,  
Vice President, Investor  
Relations & Communications

#### TO CONTACT THE DIRECTORS:

Lincoln Electric Holdings, Inc.  
22801 St. Clair Avenue  
Cleveland, Ohio 44117-1199  
Attention: Corporate Secretary

Please name any specific intended Board recipient(s) in the communication. Prior to forwarding any correspondence, the Corporate Secretary will review the correspondence and, at his or her discretion, may not forward certain items if they are deemed of a frivolous nature or otherwise inappropriate for the Board's consideration. In such cases, some of that correspondence may be forwarded elsewhere within Lincoln Electric for review and possible response.



PLEASE VISIT OUR WEBSITE AT [WWW.LINCOLNELECTRIC.COM](http://WWW.LINCOLNELECTRIC.COM) FOR CURRENT DEVELOPMENTS AT LINCOLN ELECTRIC. THE INFORMATION ON OUR WEBSITE IS NOT INCORPORATED BY REFERENCE INTO THIS PROXY STATEMENT OR ANY OF OUR PERIODIC REPORTS.

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# Appendix A—Definitions and Non-GAAP Financial Measures

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The discussion of our results in the CD&A and other sections of this Proxy Statement includes reference to our EBIT, EBITB, Adjusted net income, Adjusted diluted earnings per share, Adjusted EBIT, Adjusted operating income, Adjusted operating income margin, Adjusted effective tax rate, Adjusted Return on Invested Capital (Adjusted ROIC), Average Operating Working Capital to Sales (AOWC/Sales), Total Shareholder Return (TSR), Organic Sales, Cash Conversion and Free Cash Flow (FCF) performance. Some of these metrics are considered Non-GAAP financial measures, as management uses various GAAP and non-GAAP financial measures in assessing and evaluating our underlying operating performance. Non-GAAP financial measures exclude the impact of special items on our reported financial results. Non-GAAP financial measures should be read in conjunction with the generally accepted accounting principles in the United States (“GAAP”), as non-GAAP measures are a supplement to, and not a replacement for, GAAP financial measures. The following defines the financial and non-GAAP financial measures discussed in the CD&A and other sections of this Proxy Statement. Certain reclassifications have been made to prior year financial statements and financial measures to conform to current year classifications.

## **ADJUSTED DILUTED EARNINGS PER SHARE**

Adjusted Diluted Earnings Per Share is defined as reported Diluted Earnings Per Share excluding certain disclosed special items.

## **ADJUSTED EBIT**

Adjusted EBIT is defined as reported EBIT excluding certain disclosed special items.

## **ADJUSTED EFFECTIVE TAX RATE**

Adjusted Effective Tax Rate is defined as reported Effective Tax Rate excluding the tax effect of certain disclosed special items.

## **ADJUSTED NET INCOME**

Adjusted Net Income is defined as reported Net Income excluding certain disclosed special items.

## **ADJUSTED NET INCOME FOR COMPENSATION PURPOSES**

Adjusted Net Income for Compensation Purposes is defined as reported Net Income excluding certain disclosed special items and other adjustments as approved by the Compensation and Executive Development Committee.

## **ADJUSTED OPERATING INCOME**

Adjusted Operating Income is defined as reported Operating Income excluding certain disclosed special items.

## **ADJUSTED OPERATING INCOME INCREMENTAL MARGIN**

Adjusted Operating Income Incremental Margin is defined as the change in Adjusted Operating Income between two periods divided by the change in Net sales between the same two periods.

## **ADJUSTED OPERATING INCOME MARGIN**

Adjusted Operating Income Margin is defined as Adjusted Operating Income divided by Net sales.

**ADJUSTED RETURN ON INVESTED CAPITAL (ADJUSTED ROIC)**

Adjusted ROIC is defined as rolling 12 months of Adjusted net income excluding tax-effected interest income and expense divided by invested capital.

**ADJUSTED REVENUE FOR COMPENSATION PURPOSES (ADJUSTED REVENUE)**

Adjusted Revenue for Compensation Purposes is defined as Net sales calculated at budgeted exchange rates and adjusted for the results of businesses acquired during the year. Additionally, a price collar may be approved by the Committee to limit the impact of pricing on the metric, resulting in growth of the metric focusing primarily on organic sales volumes. For 2023 and 2024, a +/- 2% price collar was approved by the Compensation and Executive Development Committee for use when calculating this metric. The price collar limits the impact of either price increases or decreases to 2%. Net sales is a representative measure of Adjusted Revenue for Compensation Purposes.

**AVERAGE OPERATING WORKING CAPITAL TO SALES (AOWC/SALES)**

Average operating working capital to Net Sales (AOWC/Sales) is defined as the sum of Accounts receivable, Inventories and contract assets less Trade accounts payable and contract liabilities as of a period end divided by annualized rolling three months of Net sales.

**AVERAGE OPERATING WORKING CAPITAL TO SALES FOR COMPENSATION PURPOSES (AOWC/SALES FOR COMPENSATION PURPOSES)**

Average operating working capital to Net Sales for Compensation Purposes (AOWC/Sales for Compensation Purposes) is defined as the sum of Accounts receivable, Inventories (excluding LIFO inventory reserves) and contract assets less Trade accounts payable and contract liabilities as of a period end divided by annualized rolling three months of Net sales.

**CASH CONVERSION**

Cash Conversion is defined as Free Cash Flow divided by Adjusted Net Income.

**EBIT**

EBIT is an amount equal to earnings before interest and tax defined as operating income plus Other income (expense).

**EBITB**

EBITB is an amount equal to earnings before interest, tax and bonus, calculated at budgeted exchange rates and adjusted for special items as determined by management. The adjustments for special items include such items as rationalization charges, certain asset impairment charges, the gains and losses on certain transactions including the disposal of assets and the results of businesses acquired during the year. Adjusted Operating Income is a representative measure of EBITB.

**FREE CASH FLOW (FCF)**

Free Cash Flow is defined as Net cash provided by operating activities less Capital expenditures.

**ORGANIC SALES**

Organic Sales is defined as sales excluding the effects of foreign currency and acquisitions.

**RETURN ON INVESTED CAPITAL (ROIC)**

Return on invested capital (ROIC) is defined as rolling 12 months of Net income excluding tax-effected interest income and expense divided by invested capital.

**RETURN ON INVESTED CAPITAL (ROIC) FOR COMPENSATION PURPOSES**

ROIC for Compensation Purposes is calculated by an independent third-party and is adjusted for certain transactions as approved by the Compensation and Executive Development Committee.

**TOTAL SHAREHOLDER RETURN (TSR)**

TSR is an amount equal to the net stock price change for our common stock plus the reinvestment of dividends paid over the prescribed period of time.

**ADJUSTED OPERATING INCOME**

The following table presents a reconciliation of Operating income as reported to Adjusted operating income for the years ended December 31, 2022 to 2024:

(\$ in thousands)	Year Ended December 31,		
	2024	2023	2022
<b>Operating income (as reported)</b>	\$636,462	\$717,849	\$612,336
<b>Special items (pre-tax):</b>			
Rationalization and asset impairment net charges	55,860	(11,314)	11,788
Acquisition transaction costs	7,042	0	6,003
Amortization of step up in value of acquired inventories	5,026	12,252	1,106
<b>Adjusted operating income</b>	\$704,390	\$718,787	\$631,233
<b>Adjusted operating income margin</b>	17.6%	17.1%	16.8%

**ADJUSTED NET INCOME AND ADJUSTED DILUTED EARNINGS PER SHARE**

The following table presents reconciliations of Net income and Diluted earnings per share as reported to Adjusted net income and Adjusted diluted earnings per share for the years ended December 31, 2022 to 2024:

(\$ in thousands except per share amounts)	Year Ended December 31,		
	2024	2023	2022
<b>Net income (as reported)</b>	\$466,108	\$545,248	\$472,224
<b>Special items:</b>			
Rationalization and asset impairment net charges	55,860	(11,314)	11,788
Pension settlement net charges	3,792	845	(4,273)
Acquisition transaction costs	7,042	0	6,003
Amortization of step up in value of acquired inventories	5,026	12,252	1,106
Loss (gain) on asset disposal	4,950	(1,646)	0
Tax effect of Special items	(11,513)	2,537	(1,192)
<b>Adjusted net income</b>	\$531,265	\$547,922	\$485,656
<b>Diluted earnings per share (as reported)</b>	\$ 8.15	\$ 9.37	\$ 8.04
Special items per share	1.14	0.04	0.23
<b>Adjusted diluted earnings per share</b>	\$ 9.29	\$ 9.41	\$ 8.27



**RETURN ON INVESTED CAPITAL (ROIC)**

The following table presents calculations of Reported and Adjusted ROIC for the years ended December 31, 2022 to 2024:

(\$ in thousands)	Year Ended December 31,		
	2024	2023	2022
<b>Net income [as reported]</b>	\$ 466,108	\$ 545,248	\$ 472,224
Plus: Interest expense (after-tax)	39,665	38,050	23,276
Less: Interest income (after-tax)	7,593	5,033	1,202
<b>Net operating profit after taxes</b>	\$ 498,180	\$ 578,265	\$ 494,298
<b>Special Items:</b>			
Rationalization and asset impairment net charges	55,860	(11,314)	11,788
Acquisition transaction costs	7,042	0	6,003
Pension settlement net charges	3,792	845	(4,273)
Amortization of step up in value of acquired inventories	5,026	12,252	1,106
Loss (gain) on asset disposal	4,950	(1,646)	0
Tax effect of Special Items	(11,513)	2,537	(1,192)
<b>Adjusted net operating profit after taxes</b>	\$ 563,337	\$ 580,939	\$ 507,730

	December 31, 2024	December 31, 2023	December 31, 2022
<b>Invested Capital</b>			
Short-term debt	\$ 110,524	\$ 2,439	\$ 93,483
Long-term debt, less current portion	1,150,551	1,102,771	1,110,396
<b>Total debt</b>	1,261,075	1,105,210	1,203,879
<b>Total equity</b>	1,327,433	1,308,852	1,034,041
<b>Invested capital</b>	\$2,588,508	\$2,414,062	\$2,237,920
<b>ROIC as reported</b>	19.2%	24.0%	22.1%
<b>Adjusted ROIC</b>	21.8%	24.1%	22.7%

**CASH CONVERSION**

The following table presents calculations of Cash Conversion for the years ended December 31, 2022 to 2024:

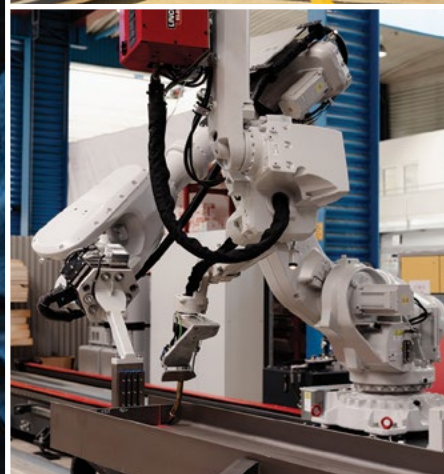
(\$ in thousands)	Year Ended December 31,		
	2024	2023	2022
<b>Net cash provided by operating activities</b>	\$ 598,977	\$ 667,542	\$ 383,386
Less: Capital expenditures	116,603	90,987	71,883
<b>Free Cash Flow</b>	\$ 482,374	\$ 576,555	\$ 311,503
Adjusted net income	\$ 531,265	\$ 547,922	\$ 485,656
<b>Cash Conversion</b>	91%	105%	64%

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# 2024 Form 10-K





**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM 10-K**

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

For the fiscal year ended December 31, 2024

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 0-1402

**LINCOLN ELECTRIC HOLDINGS, INC.**

(Exact name of registrant as specified in its charter)

Ohio

(State or other jurisdiction of  
incorporation or organization)

34-1860551

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

22801 St. Clair Avenue, Cleveland, Ohio

(Address of principal executive offices)

44117

(Zip Code)

(216) 481-8100

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Shares, without par value	LECO	The NASDAQ Stock Market LLC

**Securities registered pursuant to Section 12(g) of the Act:** None

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

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

Yes ☒ No ☐

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

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

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

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

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

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

The aggregate market value of the common shares held by non-affiliates as of June 30, 2024 was \$10,520,915,345 (affiliates, for this purpose, have been deemed to be Directors and Executive Officers of the Company and certain significant shareholders).

The number of shares outstanding of the registrant's common shares as of January 31, 2025 was 56,095,332.

**DOCUMENTS INCORPORATED BY REFERENCE**

Part III of this Annual Report on Form 10-K incorporates by reference certain information from the registrant's definitive proxy statement with respect to the registrant's 2025 Annual Meeting of Shareholders.

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## **PART I**

### ***ITEM 1. BUSINESS***

#### **General**

As used in this Annual Report on Form 10-K, the term "Company," except as otherwise indicated by the context, means Lincoln Electric Holdings, Inc. and its wholly-owned and majority-owned subsidiaries for which it has a controlling interest. The Lincoln Electric Company began operations in 1895 and was incorporated under the laws of the State of Ohio in 1906. During 1998, The Lincoln Electric Company reorganized into a holding company structure, and Lincoln Electric Holdings, Inc. became the publicly-held parent of Lincoln Electric subsidiaries worldwide, including The Lincoln Electric Company.

The Company is the world leader in the design, development and manufacture of arc welding solutions, automated joining, assembly and cutting systems, plasma and oxyfuel cutting equipment, and has a leading global position in brazing and soldering alloys.

The Company's products include arc welding, brazing and soldering filler metals (consumables), arc welding equipment, plasma and oxyfuel cutting systems, wire feeding systems, fume control equipment, welding accessories, specialty gas regulators, and education solutions; as well as a comprehensive portfolio of automated solutions for joining, cutting, material handling, module assembly, and end of line testing.

The arc welding power sources and wire feeding systems manufactured by the Company range in technology from basic units used for light manufacturing and maintenance to highly sophisticated robotic applications for high volume production welding and fabrication. Three primary types of arc welding consumables are produced: (1) coated manual or stick electrodes; (2) solid wire produced in coil, reel or drum forms for continuous feeding in mechanized welding; and (3) cored wire produced in coil form for continuous feeding in mechanized welding.

The Company has, through wholly-owned subsidiaries, manufacturing facilities located in the United States, Australia, Austria, Brazil, Canada, China, Colombia, Denmark, France, Germany, India, Italy, Mexico, Poland, Portugal, Romania, South Korea, Spain, Turkey and the United Kingdom.

The Company's business units are aligned into three operating segments. The operating segments consist of Americas Welding, International Welding and The Harris Products Group. The Americas Welding segment includes welding operations in North and South America. The International Welding segment includes welding operations in Europe, Africa, Asia and Australia. The Harris Products Group includes the Company's global cutting, soldering and brazing businesses, specialty gas equipment, as well as the retail business in the United States.

#### **Customers**

The Company's products are sold in both domestic and international markets. In the Americas, products are sold principally through industrial distributors, retailers and also directly to users of welding products (OEMs, manufacturers and integrators). Outside of the Americas, the Company has an international sales organization comprised of Company employees and agents who sell products from the Company's various manufacturing sites to distributors and product users.



The Company's major end-user markets include:

- general fabrication,
- energy (oil and gas, power generation and process industries),
- heavy industries (heavy fabrication, ship building and maintenance and repair),
- automotive and transportation, and
- construction and infrastructure.

The Company is not dependent on a single customer or a few customers and no individual customer currently accounts for more than ten percent of total Net sales. However, the loss of a large customer could have an adverse effect on the Company's business. The Company's operating results are sensitive to changes in general economic conditions, including an increase in interest rates, inflationary pressures and fluctuations in foreign currency rates. The arc welding and cutting industry is generally a mature industry in developed markets such as North America and Western Europe and is cyclical in nature. Overall demand for arc welding and cutting products is largely determined by economic cycles and the level of capital spending in manufacturing and other industrial sectors. See "Item 1A. Risk Factors" for further discussion regarding risks associated with customers, general economic conditions and demand.

### **Competition**

Conditions in the arc welding and cutting industry are highly competitive. The Company believes it is the world's largest manufacturer of consumables and equipment with relatively few major broad-line competitors worldwide, but numerous smaller competitors in specific geographic markets. The Company continues to pursue strategies to heighten its competitiveness in domestic and international markets, which includes positioning low cost manufacturing facilities in most geographical markets. Competition in the arc welding and cutting industry is based on brand preference, product quality, price, performance, warranty, delivery, service and technical support. The Company believes its performance against these factors has contributed to the Company's position as the leader in the industry.

Most of the Company's products may be classified as standard commercial articles and are manufactured for stock. The Company believes it has a competitive advantage in the marketplace because of its highly trained technical sales force and the support of its welding research and development staff to assist customers in optimizing their welding applications. This allows the Company to introduce its products to new users and to establish and maintain close relationships with its customers. This close relationship between the technical sales force and the direct customers, together with its supportive relationship with its distributors, who are particularly interested in handling the broad range of the Company's products, is an important element of the Company's market success and a valuable asset of the Company.

### **Raw Materials**

The principal raw materials essential to the Company's business are steel, electronic components, engines, brass, copper, silver, aluminum alloys, robotic components and various chemicals, all of which are normally available for purchase in the open market.

### **Patents and Trademarks**

The Company holds many valuable patents, primarily in arc welding, and actively protects its innovations as research and development has progressed in both the United States and major international jurisdictions. The Company believes its trademarks are an important asset and aggressively pursues brand management.

### **Environmental Regulations**

The Company's facilities are subject to environmental regulations. To date, compliance with these environmental regulations has not had a material adverse effect on the Company's earnings. The Company is ISO 14001 certified at

most significant manufacturing facilities in North America and Europe and is progressing towards certification at its remaining facilities worldwide. In addition, the Company is ISO 9001 certified at 47 facilities worldwide.

The Company ensures compliance as well as the continuous improvement of the environmental performance of its products and operations through its global Environmental, Health, Safety and Quality (“EHS&Q”) systems. The Company’s systems are guided by Corporate EHS&Q Policy, global directives and corporate standards that establish consistent guidelines for the management, measurement and reporting of environmental, health and safety activities, as well as quality across the Company’s global platform. The Company’s products support our customers' sustainability initiatives through enhanced worker safety, reduced emissions, improved energy efficiency, reduced waste and regulatory compliance.

## **International Operations**

The Company conducts a significant amount of its business and has a number of operating facilities in countries outside the United States. As a result, the Company is subject to business risks inherent to non-U.S. activities, including political uncertainty, import and export limitations, environmental regulation, exchange controls and currency fluctuations.

## **Human Capital Management**

### *Employee Profile*

The Company’s employees are its most valuable asset as they represent the foundation of the Company and its future success. The number of persons employed by the Company worldwide at December 31, 2024 was approximately 12,000.

### *Employee Engagement*

The Company strongly believes that employee engagement drives better business results and that a highly engaged workforce can increase innovation, productivity and bottom-line performance while reducing costs. The Company engages employees through individual, small group and town hall meetings, global intranet, employee surveys, resource groups, health and safety communications and initiatives, training and development, employee wellness programs, and an ethics hotline, among other vehicles.

### *Talent Management and Development*

In order to ensure the competitiveness of our workforce as well as a strong succession pipeline, the Company provides development opportunities to advance skills, knowledge and expertise. The Company’s programs include formal leadership, management and professional development programs, tuition reimbursement for external accredited programs, comprehensive employee safety and compliance training, early career and internship programs, mentoring, self-guided online courses, instructor-led programs and special project and rotational assignments that can lead to extensive global exposure.

### *Global Diversity and Culture*

The Company has a globally diverse workforce with many cultures, subcultures, religions, lifestyles, and languages. The Company has a longstanding commitment to equal opportunity in all aspects of employment—including employee compensation, job placement and promotion regardless of gender, race or other personal characteristics. The Company’s culture is underpinned by its core values, including the guiding principle championed by James F. and John C. Lincoln when they founded Lincoln Electric 130 years ago – The Golden Rule: Treat Others How You Would Like to Be Treated. The Company focuses on recruiting and developing diverse talent and reviews and updates its human resources processes and benchmarks roles and compensation externally on a regular basis to help prevent bias and promote an engaged, industry-leading workplace.

### *Compensation*

The Company's compensation program is designed to attract and retain exceptional employees and to maintain a strong pay for performance culture. The Company has designed its compensation system to reflect current best practices, including setting base pay below the competitive market for each position, targeting incentive-based cash compensation above the competitive market and promoting quality corporate governance in compensation decisions.

The Company's annual talent and succession planning process reviews 100% of its global professional staff worldwide to support the development of a talent pipeline for critical roles in general management, engineering and operations. This evaluation is utilized by the Company's CEO, as well as segment business and functional executives, to identify high potential and diverse talent for further development to establish strong succession plans for the Company's most critical roles.

The Company believes that the practices outlined above result in sustained increases in shareholder value and reflect its compensation philosophy of aligning long-term pay and performance.

### *Health and Safety*

Health and safety is a priority for the Company, and its vision is an accident-free workplace with zero safety incidents. The Company follows a rigorous health and safety program that adheres to stringent safety standards and best practices to ensure its manufacturing operations, related processes and products do not negatively impact the health and welfare of its employees, customers and neighbors.

In addition to Company-led programs and employee engagement in behavior-based safety and wellness committees, the Company actively engages in health and safety standard development committees at key industry organizations such as the American Welding Society, the International Institute of Welding and across various International Standards Organization committees to ensure best practices for its employees and end users.

The Company's standard health and safety programs adhere to stringent safety standards and best practices to ensure that its operations, related processes and products do not negatively impact the health and welfare of its employees, customers or community.

### *Community Engagement*

The Company is an active member in the communities in which it operates and where its employees live. The Company participates in community meetings, local business associations, offers plant visits, provides grants to nonprofit organizations and donates resources and time through in-kind gifts, employee volunteerism and non-profit board service. The Company's partnership with academia includes executive-led lectures and donations of equipment and engineering expertise to support lab and research initiatives. In addition, the Company supports community educational / career programming among secondary and high school students in order to address skills gaps in the industry and maintain awareness of attractive career pathways in manufacturing.

See "Part I, Item 1D" for information regarding the Company's executive officers, which is incorporated herein by reference.

## **Website Access**

The Company's website, [www.lincolnelectric.com](http://www.lincolnelectric.com), is used as a channel for routine dissemination of important information, including news releases and financial information. The Company posts its filings as soon as reasonably practicable after they are electronically filed with, or furnished to, the Securities and Exchange Commission ("SEC"), including annual, quarterly and current reports on Forms 10-K, 10-Q and 8-K, respectively; proxy statements; and any amendments to those reports or statements. The Company also posts its Code of Corporate Conduct and Ethics on its website. All such postings and filings are available on the Company's website free of charge. In addition, this website allows investors and other interested persons to sign up to automatically receive e-mail alerts when news releases and financial information is posted on the website. The SEC also maintains a website, [www.sec.gov](http://www.sec.gov), that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. The content on any website referred to in this Annual Report on Form 10-K is not incorporated by reference into this Annual Report unless expressly noted.

## ***ITEM 1A. RISK FACTORS***

From time to time, information we provide, statements by our employees or information included in our filings with the SEC may contain forward-looking statements that are not historical facts. Those statements are "forward-looking" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally can be identified by the use of words such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe," "forecast," "guidance" or words of similar meaning. Actual results may differ materially from such statements due to a variety of factors that could adversely affect the Company's operating results. Forward-looking statements, and our future performance, operating results, financial position and liquidity, are subject to a variety of factors that could materially affect results, including those risks described below. Forward-looking statements made in this report speak only as of the date of the statement, and, except as required by law, we undertake no obligation to update those statements. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

In the ordinary course of our business, we face various strategic, operating, compliance and financial risks. These risks could have a material impact on our business, financial condition, operating results and cash flows. Our Enterprise Risk Management ("ERM") process seeks to identify and address significant risks. Our ERM process is a company-wide initiative that is designed with the intent of prioritizing risks and allocating appropriate resources to address such risks. We use the integrated risk framework of the Committee of Sponsoring Organizations to assess, manage and monitor risks.

Management has identified and prioritized critical risks based on the severity and likelihood of each risk and assigned an executive to address each major identified risk area and lead action plans to monitor and mitigate risks, where possible. Our Board of Directors ("Board") provides oversight of the ERM process and systematically reviews identified critical risks. The Audit Committee also reviews major financial risk exposures and the steps management has taken to monitor and control them.

Our goal is to proactively manage risks in a structured approach and in conjunction with the strategic planning process, with the intent to preserve and enhance shareholder value. However, these and other risks and uncertainties could cause our results to vary materially from recent results or from our anticipated future results. The risk factors and uncertainties described below, together with information incorporated by reference or otherwise included elsewhere in this report, should be carefully considered. Although the risks are organized by headings, and each risk is discussed separately, many are interrelated. Additional risks and uncertainties of which we are currently unaware or that we currently believe to be immaterial may also adversely affect our business.

## **Risks Related to Economic Conditions**

***General economic, financial and market conditions may adversely affect our financial condition, results of operations and access to capital markets.***

Our operating results are sensitive to changes in general economic conditions. Recessionary economic cycles, global supply chain disruptions, higher logistics costs, higher interest rates, inflation, higher raw materials costs, higher labor costs, trade barriers in the world markets, financial turmoil related to sovereign debt and changes in tax laws or trade laws or other economic factors and other challenges affecting the countries and industries in which we do business, including, but not limited to, the ongoing conflicts between Russia and Ukraine and in the Middle East, could adversely affect demand for our products. An adverse change in demand could impact our results of operations, collection of accounts receivable and our expected cash flow generation from current and acquired businesses, which may adversely affect our financial condition, results of operations and access to capital markets.

We cannot predict what further action may be taken with respect to tariffs or trade relations between the United States and other governments. Any further changes in the United States or international trade policy could have an adverse impact on our business.

***We conduct our sales and distribution operations on a worldwide basis and maintain manufacturing facilities in a number of foreign countries, which subjects us to risks associated with doing business outside the United States.***

As a growing global enterprise, the share of sales and profits we derive from our international operations and exports from the United States is significant. This trend increases our exposure to the performance of many developing economies in addition to the developed economies outside of the United States. If international economies were to experience significant slowdowns, it could adversely affect our financial condition, results of operations and cash flows. There are a number of risks in doing business internationally, which may impede our ability to achieve our strategic objectives relating to our foreign operations, including:

- Political and economic uncertainty and social turmoil;
- Corporate governance and management challenges in consideration of the numerous U.S. and foreign laws and regulations, including regulations relating to import-export control, technology transfer restrictions, repatriation of earnings and funds, exchange controls, labor regulations, nationalization, tariffs, data protection and privacy requirements, anti-boycott provisions and anti-bribery laws (such as the Foreign Corrupt Practices Act and the Organization for Economic Co-operation and Development Convention);
- International terrorism and hostilities;
- Changes in the global regulatory environment, including revised or newly created laws, regulations or standards relating to the Company, our products or the markets in which we operate; and
- Significant fluctuations in relative currency values; in particular, an increase in the value of the U.S. dollar against foreign currencies could have an adverse effect on our profitability and financial condition, as well as the imposition of exchange controls, currency devaluations and hyperinflation.

***The cyclical nature and maturity of the arc welding and cutting industry in developed markets may adversely affect our performance.***

The arc welding and cutting industry is generally a mature industry in developed markets such as North America and Western Europe and is cyclical in nature. Overall demand for arc welding and cutting products is largely determined by the level of capital spending in manufacturing and other industrial sectors, and the welding industry has historically experienced contraction during periods of slowing industrial activity. If economic, business and industry conditions

deteriorate, capital spending in those sectors may be substantially decreased, which could reduce demand for our products and have an adverse effect on our revenues and results of operations.

### **Risks Related to Manufacturing and Operations**

***Economic and supply disruptions associated with events beyond our control, such as war, acts of terror, political unrest, pandemics, labor disputes and natural disasters could adversely affect our supply chain and distribution channels or result in loss of sales and customers.***

Our facilities and operations, and the facilities and operations of our suppliers and customers, could be disrupted by events beyond our control, such as war, acts of terror, political unrest, pandemics, labor disputes and natural disasters, including events caused by climate change. Any such disruption could cause delays in the production and distribution of our products and the loss of sales and customers. Insurance proceeds may not adequately compensate the Company for the losses.

***Availability of and volatility in energy costs or raw material prices may adversely affect our business.***

In the normal course of business, we are exposed to market risks related to the availability of and price fluctuations in the purchase of energy and commodities used in the manufacturing of our products (primarily steel, brass, copper, silver, aluminum alloys, electronic components, electricity and natural gas). The availability and prices for energy costs and raw materials, including steel, nonferrous metals and chemicals, are subject to volatility and are influenced by worldwide economic conditions. They are also influenced by import duties and tariffs speculative action, world supply and demand balances, inventory levels, availability of substitute materials, currency exchange rates, anticipated or perceived shortages, government trade practices and regulations and other factors.

Increases in the cost of raw materials and components may adversely affect our profitability if we are unable to pass these cost increases along to our customers or reduce our cost of goods sold. Although most of the raw materials and components used in our products are commercially available from a number of sources and in adequate supply, any disruption in the availability of such raw materials and components, our inability to timely or otherwise obtain substitutes for such items, or any deterioration in our relationships with or the financial viability of our suppliers could adversely affect our business.

***We are subject to risks relating to our information systems and data.***

The conduct and management of our business relies extensively on information systems, which contain confidential information related to our customers, suppliers and employees and other proprietary business information. We maintain some of these systems and are also dependent on a number of critical information technology and other infrastructure services provided by third parties relating to, among other things, human resources, electronic communication services and finance functions. Like many companies, our information systems and those of third parties who provide products or services to us may be subject to cybersecurity threats and cybersecurity incidents. Cybersecurity incidents and similar attacks vary in their form and can include the deployment of harmful malware or ransomware, denial-of-service attacks, and other attacks, which may affect business continuity and threaten the availability, confidentiality and integrity of our systems and information. Cybersecurity incidents can also include employee or personnel failures, fraud, phishing or other social engineering attempts or other methods to cause confidential information, payments, account access or access credentials, or other data to be transmitted to an unintended recipient. Cybersecurity threat actors also may attempt to exploit vulnerabilities in software that is commonly used by companies in cloud-based services and bundled software. To date, no such cybersecurity incidents have had a material impact on our business or operations. However, cybersecurity threats, cybersecurity incidents or disruptions involving our systems or those of our third-party business partners, or any failure by us or our third-party business partners to effectively address, enforce or maintain our information systems could interrupt our ability to manage and operate the business, impact data, and adversely affect our business strategy, results of operations and financial condition, including major disruptions to business operations, loss of intellectual property, release of confidential information, alteration or corruption of data or systems, costs related to remediation and recovery, and litigation including individual claims or consumer class actions, commercial litigation,

administrative, and civil or criminal investigations or actions, regulatory intervention and sanctions or fines, investigation and remediation costs and possible prolonged negative publicity. The Company continues to invest in cybersecurity, including measures intended to maintain and enhance cybersecurity resilience, and the Company's cybersecurity risks are regularly monitored by the Audit Committee of our Board. Nevertheless, due to the nature of cybersecurity threats, there can be no assurance that our preventive efforts can fully mitigate the risks of all cybersecurity threats and cybersecurity incidents. Any of these events could have an adverse effect on our business strategy, results of operations and financial condition.

***We may be incorporating artificial intelligence technologies into our products, services and processes. These technologies may present business, compliance and reputational risks.***

The introduction of artificial intelligence ("AI") and machine-learning technologies, particularly generative AI, into internal processes, third-party services and/or new and existing offerings may result in new or expanded risks and liabilities, including due to enhanced governmental or regulatory scrutiny, litigation, compliance issues, ethical concerns, confidentiality or security risks, as well as other factors that could adversely affect our business, reputation and financial results. In addition, our personnel could, unbeknownst to us, improperly utilize AI and machine learning-technology while carrying out their responsibilities. The use of AI in third-party services and the development of our products and services could also cause loss of intellectual property, as well as subject us to risks related to intellectual property infringement or misappropriation, data privacy and cybersecurity. The use of artificial intelligence can lead to unintended consequences, including generating content that appears correct but is factually inaccurate, misleading or otherwise flawed, or that results in unintended biases and discriminatory outcomes, which could harm our reputation and business and expose us to risks related to inaccuracies or errors in the output of such technologies.

### **Risks Related to Human Capital**

***Our operations depend on maintaining a skilled workforce, and any interruption in our workforce could negatively impact our results of operations and financial condition.***

Our success depends in part on the efforts and abilities of our management team and key employees. Their skills, experience and industry knowledge significantly benefit our operations and performance. Our future success will also depend on our ability to identify, attract and retain highly qualified managerial and technical (including research and development) personnel. Competition for these individuals is intense and compensation rates are increasing due to lower labor availability. Under these conditions, we may not succeed in identifying, attracting or retaining qualified personnel. With our strategy to expand internationally into developing markets, we may incur additional risks as some developing economies lack a sufficiently trained labor pool.

Any interruption of our workforce, including rationalization efforts related to the integration of acquired businesses, interruptions due to unionization efforts, changes in labor relations or shortages of appropriately skilled individuals could impact our results of operations and financial condition.

### **Risks Related to Business Strategy**

***We may not be able to complete our acquisition or divestiture strategies, successfully integrate acquired businesses and, in certain cases, we may be required to retain liabilities for certain matters.***

Part of our business strategy is to pursue targeted business acquisition opportunities, including foreign investment opportunities. We cannot be certain that we will be successful in pursuing potential acquisition candidates or that the consequences of any acquisition would be beneficial to us. Future acquisitions may expose us to unexpected liabilities and involve the expenditure of significant funds and management time. Further, we may not be able to successfully integrate an acquired business with our existing businesses or recognize the expected benefits from any completed acquisition. Integration efforts may include significant rationalization activities that could be disruptive to the business. Our current operational cash flow is sufficient to fund our acquisition plans, but a significant acquisition could require access to the capital markets.

Additionally, from time to time, we may identify assets for strategic divestitures that would increase capital resources available for other activities and create organizational and operational efficiencies. Various factors could materially affect our ability to dispose of such assets or complete announced divestitures, including the receipt of approvals of governmental agencies or third parties and the availability of purchasers willing to acquire the interests or purchase the assets on terms and at prices acceptable to us.

Sellers typically retain certain liabilities or indemnify buyers for certain matters. The magnitude of any such retained liability or indemnification obligation may be difficult to quantify at the time of the transaction and ultimately may be material. Also, as is typical in divestitures, third parties may be unwilling to release us from guarantees or other credit support provided prior to the sale of the divested assets. As a result, after a divestiture, we may remain secondarily liable for the obligations guaranteed or supported to the extent that the buyer of the assets fails to perform these obligations.

***If we cannot continue to develop, manufacture and market products that meet customer demands, continue to enforce the intellectual property rights on which our business depends or if third parties assert that we violate their intellectual property rights, our revenues, gross margins and results of operations may suffer.***

Our continued success depends, in part, on our ability to continue to meet our customers' needs for welding and cutting products through the introduction of innovative new products and the enhancement of existing product design and performance characteristics. We must remain committed to product research and development and customer service in order to remain competitive. We cannot be assured that new products or product improvements, once developed, will be met with customer acceptance and contribute positively to our operating results, or that we will be able to continue our product development efforts at a pace to sustain future growth. Further, we may lose customers to our competitors if they demonstrate product design, development or manufacturing capabilities superior to ours.

We rely upon patent, trademark, copyright and trade secret laws in the United States and similar laws in foreign countries, as well as agreements with our employees, customers, suppliers and other third parties, to establish and maintain our intellectual property rights. However, any of our intellectual property rights could be challenged, invalidated or circumvented, or our intellectual property rights may not be sufficient to provide a competitive advantage. Further, the laws and their application in certain foreign countries do not protect our proprietary rights to the same extent as U.S. laws. Accordingly, in certain countries, we may be unable to protect our proprietary rights against unauthorized third-party copying or use, which could impact our competitive position.

Further, third parties may claim that we or our customers are infringing upon their intellectual property rights. Even if we believe that those claims are without merit, defending those claims and contesting the validity of patents can be time consuming and costly. Claims of intellectual property infringement might also require us to redesign affected products, enter into costly settlements or license agreements, pay costly damage awards or face a temporary or permanent injunction prohibiting us from manufacturing, marketing or selling certain of our products.

***The competitive pressures we face could harm our revenue, results of operations and prospects.***

We operate in a highly competitive global environment and compete in each of our businesses with other broad-line manufacturers and numerous smaller competitors specializing in particular products. We compete primarily on the basis of brand, product quality, price, performance, warranty, delivery, service and technical support. We have previously initiated, and may initiate in the future, significant rationalization activities to align our business with market conditions and improve our overall competitiveness, including with respect to the integration of acquired businesses. Such rationalization activities could fail to deliver the desired competitive cost structure and could result in disruptions in customer service. If our products, services, support and cost structure do not enable us to compete successfully based on any of the criteria listed above, our revenue, results of operations and prospects could suffer.

Further, in the past decade, the arc welding industry in the United States and other developed countries has been subject to increased levels of foreign competition as low cost imports have become more readily available. Our competitive position could be harmed if new or emerging competitors become more active in the arc welding business. For example, while steel manufacturers traditionally have not been significant competitors in the domestic arc welding industry, some



foreign integrated steel producers manufacture selected consumable arc welding products and robotic arm manufacturers compete in the automated welding and cutting space. In addition, in certain markets of the world, distributors manufacture and sell arc welding products. Our sales and results of operations, as well as our plans to expand in some foreign countries, could be adversely affected by this increased competition.

***We may incur additional restructuring charges as we continue to contemplate rationalization actions in an effort to optimize our cost structure, and, as a result, we may not achieve the anticipated savings and benefits of these actions.***

We may take additional actions in the future to further optimize our cost structure and improve the efficiency of our operations, which will reduce our profitability in the periods incurred. As a result of these actions, we will likely continue to incur charges, which may include but are not limited to asset impairments, employee severance costs, charges for pension and other postretirement contractual benefits and pension settlements, any of which could be significant, and could adversely affect our financial condition and results of operations. In addition, we may not realize anticipated savings or benefits from past or future rationalization plans in full or in part or within the time periods we expect. Failure to realize anticipated savings or benefits from our cost reduction actions could have a material adverse effect on our business, financial condition, liquidity, results of operations and cash flows. For more information regarding rationalization plans, refer to the rationalization and asset impairment related disclosure under Note 7 to the Company's consolidated financial statements.

### **Risks Related to Legal, Compliance and Regulatory Matters**

***We are a co-defendant in litigation alleging asbestos induced illness. Liabilities relating to such litigation could reduce our profitability and impair our financial condition.***

As of December 31, 2024, we were a co-defendant in cases alleging asbestos induced illness involving claims by approximately 1,300 plaintiffs. In each instance, we are one of a large number of defendants. The asbestos claimants allege that exposure to asbestos contained in welding consumables caused the plaintiffs to develop adverse pulmonary diseases, including mesothelioma and other lung cancers. Asbestos use in welding consumables in the United States ceased in 1981.

Since January 1, 1995, we have been a co-defendant in asbestos cases that have been resolved as follows: 57,080 of those claims were dismissed, 23 were tried to defense verdicts, 7 were tried to plaintiff verdicts (which were reversed or resolved after appeal), 1 was resolved by agreement for an immaterial amount and 1,018 were decided in favor of the Company following summary judgment motions.

The long-term impact of the asbestos loss contingency, in the aggregate, on operating results, operating cash flows and access to capital markets is difficult to assess, particularly since claims are in many different stages of development and we benefit significantly from cost-sharing with co-defendants and insurance carriers. While we intend to contest these lawsuits vigorously, and believe we have applicable insurance relating to these claims, there are several risks and uncertainties that may affect our liability for personal injury claims relating to exposure to asbestos, including the future impact of changing cost sharing arrangements or a change in our overall trial experience.

***We may incur material losses and costs as a result of product liability claims that may be brought against us or failure to meet contractual performance commitments.***

Our business exposes us to potential product liability risks that are inherent in the design, manufacture, sale and application of our products and the products of third-party suppliers that we utilize or resell. Our products are used in a variety of applications, including infrastructure projects such as oil and gas pipelines and platforms, buildings, bridges and power generation facilities, the manufacture of transportation and heavy equipment and machinery and various other construction projects. We face risk of exposure to product liability claims in the event that accidents or failures on these projects result, or are alleged to result, in bodily injury or property damage. Further, our products are designed for use in specific applications, and if a product is used inappropriately, personal injury or property damage may result. In certain

cases, we design automated welding systems for use in a customer's production facilities (including automotive production facilities), which could expose us to financial losses or professional liability.

The occurrence of defects in or failures of our products, or the misuse of our products in specific applications, could cause termination of customer contracts, increased costs and losses to us, our customers and other end users. We cannot be assured that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend those claims. Further, we cannot be assured that our product liability insurance coverage will be adequate for any liabilities that we may ultimately incur or that product liability insurance will continue to be available on terms acceptable to us. Even if we are successful defending such claims or product liability coverage is adequate, claims of this nature could cause customers to lose confidence in our products and our Company. Warranty claims are not generally covered by insurance, and we may incur significant warranty costs in the future for which we would not be reimbursed.

We may incur losses if we do not achieve contractual commitments, including project performance requirements or project schedules. Project performance can be affected by a number of factors, including but not limited to, availability of materials, changes in the project scope of services, environmental conditions or labor disruptions. In addition, our backlog consists of the expected revenue from projects for which we have an executed contract or commitment with a customer. Project cancellations, scope adjustments, deferrals or changes in cost estimates may reduce the dollar amount of revenue and profits that we actually earn.

***Changes in tax rates or exposure to additional income tax liabilities could have a material adverse effect on our results of operations.***

Our business is subject to income taxes in the United States and various foreign jurisdictions. Domestic and international tax liabilities are subject to the allocation of income among various tax jurisdictions. Our effective tax rate could be adversely affected by changes in the mix among earnings in countries with differing statutory tax rates, changes in the valuation allowances of deferred tax assets or changes in tax laws. In addition, there is uncertainty in changes to the U.S. tax rate due to the new U.S. presidential administration. There can be no assurance that changes in tax laws or regulations, both within the United States and the various foreign jurisdictions in which we operate, such as the 15% global minimum tax under The Organization for Economic Co-operation and Development (the "OECD") Pillar Two, Global Anti-Base Erosion Rules (the "Pillar Two Rules"), will not materially and adversely affect our effective tax rate, tax payments, financial condition and results of operations.

The amount of income taxes paid is subject to ongoing audits by the U.S. federal, state and local tax authorities and by foreign tax authorities. If these audits result in assessments different from amounts reserved, future financial results may include unfavorable adjustments which could have a material adverse effect on our results of operations.

***Evolving international laws and enforcement relating to data privacy could adversely affect our operations.***

Our business is also subject to increasingly complex and changing laws and regulations enacted to protect business and personal information in the United States and other jurisdictions regarding privacy, data protection and data security, including those related to the collection, storage, use, transmission and protection of personal information and other customer, vendor or employee data. Laws and regulations addressing personal information, including with respect to the European Union's General Data Protection Regulation ("GDPR"), U.S. state privacy laws such as the California Consumer Privacy Act, and the interpretation and enforcement of these and similar laws and regulations, are continuously evolving and there is significant uncertainty with respect to how compliance with these laws and regulations may develop and the costs and complexity of future compliance. In addition, as a result of existing or new data protection requirements, we incur and expect to continue to incur ongoing costs as part of our efforts to comply with applicable law. Any failure, or perceived failure, to comply with data protection or privacy-related legal obligations may result in governmental enforcement actions, regulatory intervention and sanctions or fines, investigating costs, consumer

class actions or commercial litigation, or negative publicity, and could have an adverse effect on our operations and financial condition.

***Our global operations are subject to increasingly complex environmental regulatory requirements.***

We are subject to increasingly complex environmental regulations affecting international manufacturers, including those related to air and water emissions, waste management and climate change. Some environmental laws impose strict, retroactive and joint and several liability for the remediation of the release of hazardous substances, even for conduct that was lawful at the time it occurred, or for the conduct of or conditions caused by prior operators, predecessors or third parties. Failure to comply with environmental laws could expose us to penalties or clean-up costs, civil or criminal liability and sanctions on certain of our activities, as well as damage to property or natural resources. These liabilities, sanctions, damages and remediation efforts related to any non-compliance with such laws and regulations could negatively impact our ability to conduct our operations and our financial condition and results of operations. In addition, there can be no assurances that we will not be adversely affected by costs, liabilities or claims with respect to existing or subsequently acquired operations or under present laws and regulations or those that may be adopted or imposed in the future.

Changes in environmental laws or regulations could result in higher expenses and payments, and uncertainty relating to environmental laws or regulations may also affect how we conduct our operations and structure our investments and could limit our ability to enforce our rights. Changes in environmental and climate change laws or regulations, including laws relating to greenhouse gas emissions, could subject us to additional costs and restrictions, including increased energy and raw material costs. If environmental laws or regulations are either changed or adopted and impose significant operational restrictions and compliance requirements upon us or our products, it could negatively impact our business, capital expenditures, results of operations, financial condition and competitive position.

It is our policy to apply strict standards for environmental protection to all of our operations inside and outside of the United States, even when we are not subject to local government regulations. We may incur substantial costs, including cleanup costs, fines and civil or criminal sanctions, liabilities resulting from third-party property damage or personal injury claims, or our products could be prohibited from entering certain jurisdictions, if we were to violate or become liable under environmental laws, if our products become non-compliant with environmental laws or if we were to undertake environmental protection actions voluntarily.

We also face increasing complexity in our products design and procurement operations as we adjust to new and future requirements relating to the design, production and labeling of our products that are sold worldwide in multiple jurisdictions. The ultimate costs under environmental laws and the timing of these costs are difficult to predict.

***We may be exposed to certain regulatory and financial risks related to climate change.***

A number of governments and agencies in the United States and in foreign jurisdictions have proposed and may continue to introduce regulatory changes to address climate change, including regulations related to greenhouse gas emissions. We may be subject to additional regulations or restrictions in jurisdictions where we operate, including charges to fund additional energy-efficient activities, assessments or fees, and operational restrictions such as reduced emission allowances. Compliance with climate change regulations and restrictions may result in additional costs, including increased production costs and taxes, which could adversely impact our financial position. In addition, climate change regulations and related operating restrictions may unfavorably affect our competitive position with companies who may not be subject to equivalent requirements in their jurisdictions. In addition, negative publicity or public perception of climate change issues associated with us or our industry may cause reputational damage and financial harm to the Company.

***ITEM 1B. UNRESOLVED STAFF COMMENTS***

None.

## ***ITEM 1C. CYBERSECURITY***

### **Risk Management and Strategy**

Our cybersecurity risk management process is integrated into our ERM process as described in Item 1A. Risk Factors. Cybersecurity has been identified as a critical risk.

To identify, assess, and manage material cybersecurity risks, we regularly evaluate and take steps to enhance our cybersecurity protocols to protect against or mitigate cyber threats. We conduct third-party and internal assessments of our environments, including system penetration testing, test our recovery and response processes, and we consider industry standards when developing our information security program. The Company has an information security training program, which calls for training all computer-based employees through various employee training modules relative to information security matters and phishing simulation events with employees to raise cybersecurity awareness.

From time to time, we engage third-party assessors, consultants, auditors and others to assist us with evaluating, enhancing, implementing and monitoring our cybersecurity risk-management programs. We maintain processes to oversee and identify cybersecurity risks associated with our use of third-party service providers such as contract and vendor due diligence review, as well as annual review of the service providers' independent audit report where applicable.

Like many companies, our systems and those of our third party providers who provide us with services and products may be subject to cybersecurity threats and cybersecurity incidents. To date, no such cybersecurity incidents have had or are reasonably likely to have a material impact on our Company, including its business strategy, results of operations or financial condition. However, if as a result of any future incidents our systems are significantly damaged, cease to function properly or are subject to a significant cybersecurity incident, we may suffer an interruption in our ability to manage and operate the business, and our results of operations and financial condition could be adversely affected. The Company maintains an insurance policy with respect to cybersecurity and has undergone several simulation, preparedness and response exercises. See "Risks Related to Manufacturing and Operations" in Item 1A. Risk Factors.

### **Governance**

Our Board oversees the management of our risks, including risks from cybersecurity threats, on an enterprise-wide basis, and the Lead Independent Director promotes our Board's engagement in this process. Our Board has delegated oversight of the risk assessment and mitigation process with respect to cybersecurity to the Audit Committee of our Board. The Audit Committee regularly monitors the Company's cybersecurity risks and receives updates from the Chief Information Officer ("CIO") at each meeting. In addition, the Audit Committee regularly reviews the overall effectiveness of the information technology security environment as part of quarterly updates provided by the CIO. The CIO reports to the full Board about cybersecurity on an annual basis.

Our CIO has over 25 years of experience in the Information Technology ("IT") and cybersecurity industry. The CIO is responsible for assessing and managing material risks from cybersecurity threats, including monitoring the prevention, detection, mitigation and remediation of cybersecurity incidents. On at least a quarterly basis, the CIO chairs the IT Governance Committee, which includes the executive management team. The purpose of this committee is to inform and make strategic decisions on IT-related matters, including the prevention, detection, mitigation and remediation of cybersecurity incidents. In addition, the CIO regularly reviews key cybersecurity risk metrics and reporting designed to measure the effectiveness of related processes and procedures as part of quarterly updates to the Audit Committee. The CIO utilizes this information in her reporting to the Board and Audit Committee of the Board.

## **ITEM 1D. INFORMATION ABOUT OUR EXECUTIVE OFFICERS**

### **EXECUTIVE OFFICERS OF THE REGISTRANT**

<b>Name</b>	<b>Age</b>	<b>Position</b>
Steven B. Hedlund	58	Chair of the Board since January 1, 2025; President and Chief Executive Officer since January 1, 2024; Executive Vice President, Chief Operating Officer from May 9, 2022 to December 31, 2023; Executive Vice President and President, Americas and International Welding from October 21, 2020 to May 9, 2022; Executive Vice President and President, International Welding from June 1, 2017 to October 21, 2020; Senior Vice President and President, Global Automation from January 22, 2015 to June 1, 2017; Senior Vice President, Strategy & Business Development from February 19, 2014 to January 22, 2015; Vice President, Strategy and Business Development from September 15, 2008 to February 19, 2014.
Gabriel Bruno	57	Executive Vice President, Chief Financial Officer and Treasurer since April 22, 2020; Executive Vice President, Finance from January 1, 2019 to April 22, 2020; Executive Vice President, Chief Human Resources Officer from July 1, 2016 to January 1, 2019; Executive Vice President, Chief Human Resources Officer and Chief Information Officer from February 18, 2016 to July 1, 2016; Executive Vice President, Chief Information Officer and Interim Chief Human Resources Officer from March 7, 2015 to February 18, 2016; Executive Vice President, Chief Information Officer from February 19, 2014 to March 7, 2015; Vice President, Chief Information Officer from May 1, 2012 to February 19, 2014; Vice President, Corporate Controller from 2005 to May 1, 2012.
Jennifer I. Ansberry	51	Executive Vice President, General Counsel and Secretary since April 20, 2017; Vice President, Deputy General Counsel from August 1, 2014 to April 20, 2017; Deputy General Counsel from 2004 to August 1, 2014.
Lisa A. Dietrich	52	Executive Vice President, Chief Digital Information Officer since February 19, 2025; Executive Vice President, Chief Information Officer from May 9, 2022 to February 19, 2025. Senior Vice President and Chief Information Officer, American Greetings Corporation (a global leader in the large and enduring Celebrations marketplace) from March 2018 until April 2022; Vice President of Business Transformation and Executive Director, American Greetings Corporation from January 2011 to March 2018.
Susan C. Edwards	62	Executive Vice President, Chief Human Resources Officer, since February 19, 2025; Senior Vice President, Chief Human Resources Officer, from April 8, 2024 to February 19, 2025. Global Vice President and Chief Human Resources Officer, Sealed Air Corporation (a global manufacturer of packaging solutions) from 2017 until 2022.
Gregory Doria	48	Senior Vice President, President, Harris Products Group and Asia Pacific Welding since January 1, 2024; Senior Vice President, President, Harris Products Group from October 1, 2021 to December 31, 2023; Senior Vice President, Chief Operating Officer, Harris Products Group from April 21, 2021 to September 30, 2021; Vice President, Marketing from July 1, 2019 to April 20, 2021; Director, Global Industry Segments from March 1, 2017 to June 30, 2019; Regional Sales Manager, West Region from October 6, 2014 to February 28, 2017.
Michael J. Whitehead	51	Senior Vice President, President, Americas Welding, since February 5, 2025; Senior Vice President, President, Global Automation, Cutting and Additive Businesses from January 1, 2019 to February 5, 2025; Senior Vice President, Strategy and Business Development from August 1, 2016 to January 1, 2019; President, Lincoln Canada from January 1, 2015 to August 1, 2016; Director, New Product Development, Consumables R&D from January 1, 2012 to January 1, 2015.

The Company has been advised that there is no arrangement or understanding among any one of the officers listed and any other persons pursuant to which he or she was elected as an officer. The executive officers are elected by the Board normally for a term of one year and/or until the election of their successors.

## **ITEM 2. PROPERTIES**

The Company's corporate headquarters and principal United States manufacturing facilities are located in the Cleveland, Ohio area. Total Cleveland area property consists of 244 acres, of which present manufacturing facilities comprise an area of approximately 3,017,090 square feet.

The Company has 71 manufacturing and automation system integration facilities, including operations and joint ventures across 20 countries, the significant locations (grouped by operating segment) of which are as follows:

**Americas Welding:**

United States	Cleveland, Columbus, Coldwater, Fort Loramie, and Orrville, Ohio; Reno, Nevada; Ladson, South Carolina; Chattanooga, Tennessee; Detroit, and Plymouth, Michigan; Fort Collins, Colorado; Bettendorf, Iowa; Michigan City, Indiana.
Brazil	Atibaia; Guarulhos; Caxias do Sul.
Canada	Toronto; Mississauga; Hamilton; Montreal.
Colombia	Bogota.
Mexico	Mexico City; Torreon; Saltillo.

**International Welding:**

Australia	Newcastle; Gladstone.
Austria	Scheiffling.
China	Tangshan; Shanghai; Beijing.
Denmark	Odense.
France	Partheny.
Germany	Essen; Eisenberg; Frankfurt; Saarbrücken.
India	Chennai; Pune.
Italy	Corsalone.
Poland	Bielawa; Dzierzoniow.
Romania	Buzau.
South Korea	Siheung-si.
Spain	Valencia; Zaragoza.
Turkey	Istanbul.
United Kingdom	Sheffield, England; Port Talbot, Wales.

**The Harris Products Group:**

United States	Mason, Ohio; Gainesville, Georgia; Winston Salem, North Carolina; Gordonsville, and Carthage, Tennessee.
Brazil	Maua.
Italy	Verona.
Mexico	Guadalupe.
Poland	Dzierzoniow.
Portugal	Albergaria-a-Velha.

All properties relating to the Company's Cleveland, Ohio headquarters and manufacturing facilities are owned by the Company. Most of the Company's foreign subsidiaries own manufacturing facilities in the country where they are located. The Company believes that its existing properties are in good condition and are suitable for the conduct of its business. In May 2024, the Company disposed of its Russian entity and completed its exit from the Russian market.

In addition, the Company maintains operating leases for some manufacturing facilities, distribution centers and sales offices throughout the world. Refer to Note 17 to the consolidated financial statements for information regarding the Company's lease commitments.

### **ITEM 3. LEGAL PROCEEDINGS**

The Company is subject, from time to time, to a variety of civil and administrative proceedings arising out of its normal operations, including, without limitation, product liability claims, regulatory claims and health, safety and environmental claims. Among such proceedings are the cases described below.

As of December 31, 2024, the Company was a co-defendant in cases alleging asbestos induced illness involving claims by approximately 1,300 plaintiffs, which is a net decrease of 41 claims from those previously reported. In each instance, the Company is one of a large number of defendants. The asbestos claimants seek compensatory and punitive damages, in most cases for unspecified sums. Since January 1, 1995, the Company has been a co-defendant in asbestos cases that have been resolved as follows: 57,080 of those claims were dismissed, 23 were tried to defense verdicts, 7 were tried to plaintiff verdicts (which were reversed or resolved after appeal), 1 was resolved by agreement for an immaterial amount and 1,018 were decided in favor of the Company following summary judgment motions.

### **ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

## **PART II**

### **ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

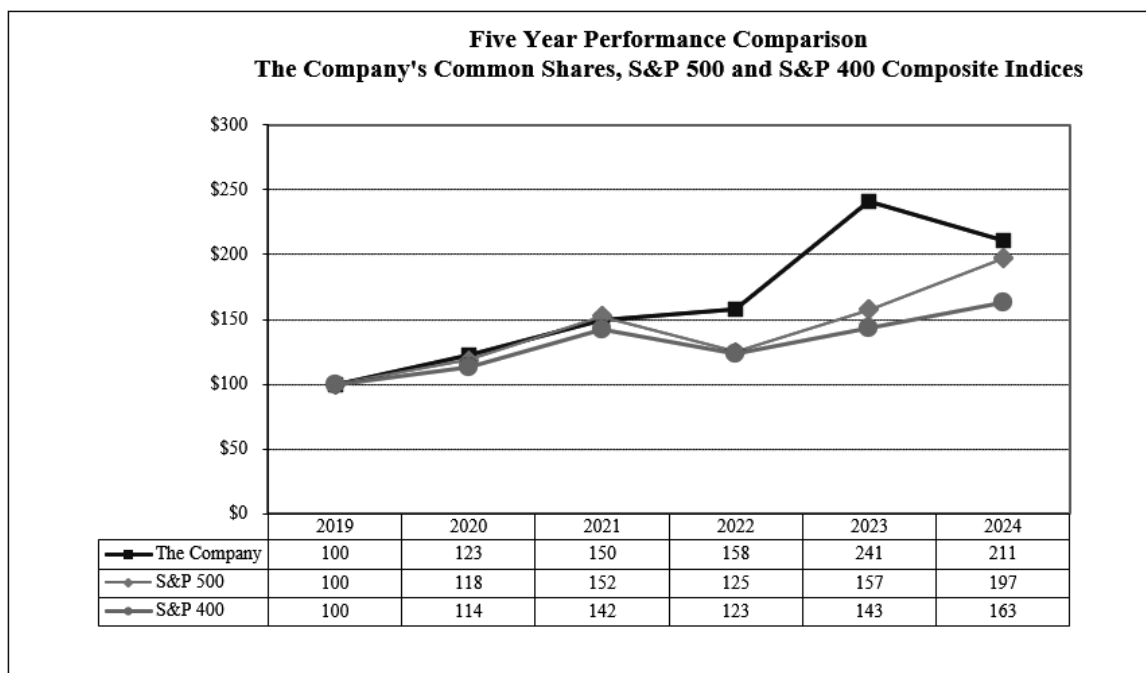
The Company's common shares are traded on The NASDAQ Global Select Market under the symbol "LECO." The number of record holders of common shares at January 31, 2025 was 2,189.

Issuer purchases of equity securities for the fourth quarter 2024 were:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs <sup>(2)</sup>
October 1 - 31, 2024	96,952 <sup>(1)</sup>	\$ 193.69	94,974	6,835,014
November 1 - 30, 2024	77,126 <sup>(1)</sup>	209.68	76,266	6,758,748
December 1 - 31, 2024	79,534 <sup>(1)</sup>	203.63	76,639	6,682,109
Total	<u>253,612</u>	192.84	<u>247,879</u>	

- (1) The above share repurchases include the surrender of the Company's common shares in connection with the vesting of restricted awards.
- (2) On February 12, 2020, the Company's Board authorized a share repurchase program for up to 10 million shares of the Company's common stock. Total shares purchased through the share repurchase program were 3.3 million shares at a total cost of \$584.5 million for a weighted average cost of \$176.18 per share through December 31, 2024.

The following line graph compares the yearly percentage change in the cumulative total shareholder return on the Company's common stock against the cumulative total return of the S&P Composite 500 Stock Index ("S&P 500") and the S&P 400 MidCap Index ("S&P 400") for the five-year calendar period commencing January 1, 2020 and ending December 31, 2024. This graph assumes that \$100 was invested on December 31, 2019 in each of the Company's common shares, the S&P 500 and the S&P 400. A peer-group index for the welding industry, in general, is not readily available because the industry is comprised of a large number of privately held competitors and competitors that are smaller parts of large publicly traded companies.



**ITEM 6. [RESERVED]**

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

*(Dollars in thousands, except per share amounts)*

This Management's Discussion and Analysis of Financial Condition and Results of Operations should be read together with the Company's consolidated financial statements and other financial information included elsewhere in this Annual Report on Form 10-K. This Annual Report on Form 10-K contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those indicated in the forward-looking statements. See "Item 1A. Risk Factors" for more information regarding forward-looking statements.

**General**

The Company is the world's largest designer and manufacturer of arc welding and cutting products, manufacturing a broad line of arc welding equipment, consumable welding products and other welding and cutting products.

The Company is one of only a few worldwide broad-line manufacturers of welding, cutting and brazing products. The Company is the world leader in the design, development and manufacture of arc welding products, automated joining,



assembly and cutting systems, plasma and oxy-fuel cutting equipment. The Company also has a leading global position in brazing and soldering alloys.

The Company's products include arc welding, brazing and soldering filler metals (consumables), arc welding equipment, plasma and oxyfuel cutting systems, wire feeding systems, fume control equipment, welding accessories, specialty gas regulators, and education solutions; as well as a comprehensive portfolio of automated solutions for joining, cutting, material handling, module assembly, and end of line testing.

The Company invests in the research and development of arc welding products in order to continue its market leading product offering and improve the quality and productivity of welding applications. In addition, the Company actively protects its innovations with patents and trade secrets globally. The Company believes its significant investment in research and development, its highly trained technical sales force and its extensive distributor network provide a competitive advantage in the marketplace.

The Company's products are sold globally. In the Americas, products are sold principally through industrial distributors, retailers and also directly to users of welding products. Outside of the Americas, the Company has an international sales organization comprised of Company employees and agents who sell products from the Company's various manufacturing sites to distributors and product users.

The Company's major end-user markets include:

- general fabrication,
- energy (oil and gas, power generation and process industries),
- heavy industries (heavy fabrication, ship building and maintenance and repair),
- automotive and transportation, and
- construction and infrastructure.

The Company has, through wholly-owned subsidiaries, manufacturing facilities located in the United States, Australia, Austria, Brazil, Canada, China, Colombia, Denmark, France, Germany, India, Italy, Mexico, Poland, Portugal, Romania, South Korea, Spain, Turkey and the United Kingdom.

The principal raw materials essential to the Company's business are steel, electronic components, engines, brass, copper, silver, aluminum alloys, robotic components and various chemicals, all of which are normally available for purchase in the open market.

The Company's facilities are subject to environmental regulations. To date, compliance with these environmental regulations has not had a material adverse effect on the Company's earnings. The Company is ISO 14001 certified at most significant manufacturing facilities in North America and Europe and is progressing towards certification at its remaining facilities worldwide. In addition, the Company is ISO 9001 certified at 47 facilities worldwide.

The Company ensures compliance and the continuous improvement of the environmental performance of its products and operations through its global Environmental, Health, Safety and Quality ("EHS&Q") systems. The Company's systems are guided by Corporate EHS&Q Policy, global directives and corporate standards that establish consistent guidelines for the management, measurement and reporting of environmental, health and safety activities, as well as quality across the Company's global platform. The Company's products support our customers' sustainable operations through enhanced worker safety, reduced emissions, improved energy efficiency, reduced waste and regulatory compliance.

## **Key Indicators**

Key economic measures relevant to the Company include industrial production trends, steel consumption, purchasing manager indices, capacity utilization within durable goods manufacturers and consumer confidence indicators. Key

industries which provide a relative indication of demand drivers to the Company include steel, farm machinery and equipment, construction and transportation, fabricated metals, electrical equipment, ship and boat building, defense, truck manufacturing, energy and railroad equipment. Although these measures provide key information on trends relevant to the Company, the Company does not have available a more direct correlation of leading indicators which can provide a forward-looking view of demand levels in the markets which ultimately use the Company's welding products.

Key operating measures utilized by the operating units to manage the Company include orders, backlog, sales, inventory and fill-rates, all of which provide key indicators of business trends. These measures are reported on various cycles including daily, weekly and monthly depending on the needs established by operating management.

Key financial measures utilized by the Company's executive management and operating units in order to evaluate the results of its business and in understanding key variables impacting the current and future results of the Company include: sales; gross profit; selling, general and administrative expenses; operating income; earnings before interest and taxes; earnings before interest, taxes and bonus; net income; adjusted operating income; adjusted earnings before interest and income taxes; adjusted earnings before interest, taxes and bonus; adjusted net income; adjusted diluted earnings per share; operating cash flows; and capital expenditures, as well as applicable ratios such as return on invested capital, adjusted return on invested capital and average operating working capital to sales. These measures are reviewed at monthly, quarterly and annual intervals and are compared with historical periods, as well as objectives established by the Board of the Company.

The discussion that follows includes a comparison of our results of operations, liquidity and capital resources for fiscal years ended December 31, 2024 and 2023. For a comparison of the Company's results of operations, liquidity and capital resources for the fiscal years ended December 31, 2023 and 2022, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, which was filed with the SEC on February 27, 2024.

## Results of Operations

The following table shows the Company's results of operations:

	Year Ended December 31,					
	2024		2023		Favorable (Unfavorable) 2024 vs. 2023	
	Amount	% of Sales	Amount	% of Sales	\$	%
Net sales	\$ 4,008,670		\$ 4,191,636		\$ (182,966)	(4.4)%
Cost of goods sold	2,535,758		2,726,191		190,433	7.0 %
Gross profit	1,472,912	36.7 %	1,465,445	35.0 %	7,467	0.5 %
Selling, general & administrative expenses	780,590	19.5 %	758,910	18.1 %	(21,680)	(2.9)%
Rationalization and asset impairment net charges	55,860	1.4 %	(11,314)	(0.3)%	(67,174)	(593.7)%
Operating income	636,462	15.9 %	717,849	17.1 %	(81,387)	(11.3)%
Interest expense, net	42,786		44,371		1,585	3.6 %
Other income	473		13,388		(12,915)	(96.5)%
Income before income taxes	594,149	14.8 %	686,866	16.4 %	(92,717)	(13.5)%
Income taxes	128,041		141,618		13,577	9.6 %
Effective tax rate	21.6 %		20.6 %		(1.0)%	
Net income	\$ 466,108	11.6 %	\$ 545,248	13.0 %	\$ (79,140)	(14.5)%
Diluted earnings per share	\$ 8.15		\$ 9.37		\$ (1.22)	(13.0)%

**Net Sales:**

The following table summarizes the impacts of volume, acquisitions, price and foreign currency exchange rates on Net sales for the twelve months ended December 31, 2024 on a consolidated basis:

	Net Sales 2023	Change in Net Sales due to:				Net Sales 2024
		Volume	Acquisitions	Price	Foreign Exchange	
Lincoln Electric Holdings, Inc.	\$ 4,191,636	\$ (301,161)	\$ 102,757	\$ 30,398	\$ (14,960)	\$ 4,008,670
<b>% Change</b>						
Lincoln Electric Holdings, Inc.		(7.2)%	2.5 %	0.7 %	(0.4)%	(4.4)%

Net sales decreased primarily due to softer demand across all segments.

**Gross Profit:**

Gross profit as a percentage of sales increased 1.7% as compared to 2023 driven by the benefit of effective cost management, cost reduction actions and operational efficiencies.

**Selling, General & Administrative ("SG&A") Expenses:**

SG&A expenses increased in 2024 as compared to 2023 primarily due to SG&A associated with acquisitions, partially offset by lower employee-related costs.

**Rationalization and Asset Impairment Net Charges:**

Net charges in 2024 of \$55,860 primarily relate to rationalization plans initiated in the third quarter of 2024 in all three segments, as well as previously initiated plans and the disposition of the Company's Russian entity in International Welding. Net gains in 2023 primarily reflect a gain on the sale of a property of \$36,187, partially offset by Rationalization and asset impairment charges of \$24,873 primarily within International Welding. Refer to Note 7 to the consolidated financial statements for further information on the Company's rationalization plans.

**Operating Income:**

Operating income as a percentage of sales was 15.9% in 2024 as compared to 17.1% in 2023. Excluding special items, Operating income as a percentage of sales was 17.6% in 2024 as compared to 17.1% in the prior year. Refer to explanations above for additional details. Also refer to Non-GAAP Financial Measures for a reconciliation of Adjusted operating income.

**Other Income:**

Other income for 2024 primarily relates to the gain on termination of interest rate swaps and other miscellaneous income, partially offset by pension settlement charges and a loss on asset disposal.

**Income taxes:**

The effective tax rate was higher in 2024 as compared to 2023 primarily due to the mix of earnings and discrete tax items.

## Segment Results

### Net Sales:

The table below summarizes the impacts of volume, acquisitions, price and foreign currency exchange rates on Net sales for the twelve months ended December 31, 2024:

	Net Sales 2023	Change in Net Sales due to:				Net Sales 2024
		Volume <sup>(1)</sup>	Acquisitions <sup>(2)</sup>	Price <sup>(3)</sup>	Foreign Exchange	
Operating Segments						
Americas Welding	\$ 2,655,546	\$ (192,454)	\$ 101,097	\$ 10,770	\$ (10,112)	\$ 2,564,847
International Welding	1,040,006	(96,658)	1,660	(8,413)	(2,873)	933,722
The Harris Products Group	496,084	(12,049)	—	28,041	(1,975)	510,101
% Change						
Americas Welding		(7.2)%	3.8 %	0.4 %	(0.4)%	(3.4)%
International Welding		(9.3)%	0.2 %	(0.8)%	(0.3)%	(10.2)%
The Harris Products Group		(2.4)%	—	5.7 %	(0.4)%	2.8 %

(1) Decrease in all segments due to softer demand across broad industrial markets.

(2) Increase for Americas Welding and International Welding due to the acquisitions discussed in Note 4 to the consolidated financial statements.

(3) Increase for The Harris Products Group due to price actions taken in response to higher commodity costs.

*Adjusted Earnings Before Interest and Income Taxes (“Adjusted EBIT”):*

Segment performance is measured and resources are allocated based on a number of factors, the primary measure being the Adjusted EBIT profit measure. EBIT is defined as Operating income plus Other income. EBIT is adjusted for special items as determined by management such as the impact of rationalization activities, certain asset impairment charges and gains or losses on disposals of assets.

The following table presents Adjusted EBIT by segment:

	December 31,		Favorable (Unfavorable) 2024 vs. 2023	
	2024	2023	\$	%
<i>Americas Welding:</i>				
Net sales	\$ 2,564,847	\$ 2,655,546	\$ (90,699)	(3.4)%
Inter-segment sales	135,758	127,536	8,222	6.4 %
Total Sales	\$ 2,700,605	\$ 2,783,082	\$ (82,477)	(3.0)%
Adjusted EBIT <sup>(4)</sup>	\$ 530,188	\$ 538,269	\$ (8,081)	(1.5)%
As a percent of total sales <sup>(1)</sup>	19.6 %	19.3 %		0.3 %
<i>International Welding:</i>				
Net sales	\$ 933,722	\$ 1,040,006	\$ (106,284)	(10.2)%
Inter-segment sales	35,861	31,498	4,363	13.9 %
Total Sales	\$ 969,583	\$ 1,071,504	\$ (101,921)	(9.5)%
Adjusted EBIT <sup>(5)</sup>	\$ 106,117	\$ 136,497	\$ (30,380)	(22.3)%
As a percent of total sales <sup>(2)</sup>	10.9 %	12.7 %		(1.8)%
<i>The Harris Products Group:</i>				
Net sales	\$ 510,101	\$ 496,084	\$ 14,017	2.8 %
Inter-segment sales	12,321	10,641	1,680	15.8 %
Total Sales	\$ 522,422	\$ 506,725	\$ 15,697	3.1 %
Adjusted EBIT <sup>(6)</sup>	\$ 88,328	\$ 74,144	\$ 14,184	19.1 %
As a percent of total sales <sup>(3)</sup>	16.9 %	14.6 %		2.3 %
<i>Corporate / Eliminations:</i>				
Inter-segment sales	\$ (183,940)	\$ (169,675)	\$ (14,265)	8.4 %
Adjusted EBIT <sup>(7)</sup>	(11,028)	(17,536)	6,508	(37.1)%
<i>Consolidated:</i>				
Net sales	\$ 4,008,670	\$ 4,191,636	\$ (182,966)	(4.4)%
Net income	\$ 466,108	\$ 545,248	\$ (79,140)	(14.5)%
As a percent of total sales	11.6 %	13.0 %		(1.4)%
Adjusted EBIT <sup>(8)</sup>	\$ 713,605	\$ 731,374	\$ (17,769)	(2.4)%
As a percent of sales	17.8 %	17.4 %		0.4 %

- (1) Increase for 2024 as compared to 2023 primarily driven by effective cost management, cost reduction actions, partially offset by the unfavorable impact of lower volumes.
- (2) Decrease for 2024 as compared to 2023 primarily driven by unfavorable impact of lower volumes, partially offset by cost reduction actions.
- (3) Increase for 2024 compared to 2023 primarily reflects effective cost management and operational improvements.
- (4) 2024 excludes Rationalization and asset impairment net charges of \$18,840, the amortization of step up in value of acquired inventories of \$4,776 and pension settlement charges of \$4,205. 2023 excludes Rationalization and asset impairment net charges of \$468 and the amortization of step up in value of acquired inventories of \$9,390.

- (5) 2024 excludes Rationalization and asset impairment net charges of \$32,960 primarily due to restructuring activities, including the impact of the Company's disposition of its Russian entity as discussed in Note 7, a loss on asset disposal of \$4,950, the amortization of the step up in value of acquired inventories of \$250 and pension settlement gain of \$413. 2023 excludes pension settlement charges of \$845, a gain on asset disposal of \$1,646, the amortization of step up in value of acquired inventories of \$2,862 and Rationalization and asset impairment net gains of \$11,782.
- (6) 2024 excludes Rationalization and asset impairment net charges of \$3,955 as discussed in Note 7.
- (7) 2024 excludes acquisition transaction costs of \$7,042 as discussed in Note 4.
- (8) See non-GAAP Financial Measures for a reconciliation of Net income as reported and Adjusted EBIT.

### Non-GAAP Financial Measures

The Company reviews Adjusted operating income, Adjusted EBIT, Adjusted net income, adjusted effective tax rate, Adjusted diluted earnings per share, Adjusted return on invested capital, and Adjusted net operating profit after taxes, all non-GAAP financial measures, in assessing and evaluating the Company's underlying operating performance. These non-GAAP financial measures exclude the impact of special items on the Company's reported financial results. Non-GAAP financial measures should be read in conjunction with the generally accepted accounting principles in the United States ("GAAP") financial measures, as non-GAAP measures are a supplement to, and not a replacement for, GAAP financial measures. From time to time, management evaluates and discloses to investors the following non-GAAP measures: Free cash flow ("FCF"), defined as Net cash provided by operating activities less Capital expenditures (the Company considers FCF to be a liquidity measure that provides useful information to management and investors about how the amount of cash generated by our business, after the purchase of property and equipment, can be used for debt service, acquisitions, paying dividends and repurchasing our common shares); Cash conversion, defined as FCF divided by Adjusted net income; Organic sales, reflects changes in volumes and prices, and excludes the effects of foreign currency and acquisitions.

The following table presents a reconciliation of Operating income as reported to Adjusted operating income:

	Year Ended December 31,	
	2024	2023
Operating income as reported	\$ 636,462	\$ 717,849
Special items (pre-tax):		
Rationalization and asset impairment net charges <sup>(1)</sup>	55,860	(11,314)
Acquisition transaction costs <sup>(2)</sup>	7,042	—
Amortization of step up in value of acquired inventories <sup>(3)</sup>	5,026	12,252
Adjusted operating income	\$ 704,390	\$ 718,787
As a percent of total sales	17.6%	17.1%

- (1) 2024 charges primarily relate to rationalization plans initiated in the third quarter of 2024 in all three segments, as well as previously initiated plans and the disposition of the Company's Russian entity in International Welding. 2023 net gains primarily relates to the gain on sale of a property, partially offset by charges within International Welding.
- (2) Transaction costs related to acquisitions which are included in Selling, general & administrative expenses.
- (3) Costs related to acquisitions which are included in Cost of goods sold.

The following table presents the reconciliations of Net income as reported to Adjusted net income and Adjusted EBIT, Effective tax rate as reported to Adjusted effective tax rate and Diluted earnings per share as reported to Adjusted diluted earnings per share:

	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Net income as reported	\$ 466,108	\$ 545,248
Special items:		
Rationalization and asset impairment net charges <sup>(1)</sup>	55,860	(11,314)
Acquisition transaction costs <sup>(2)</sup>	7,042	—
Pension settlement net charges <sup>(3)</sup>	3,792	845
Amortization of step up in value of acquired inventories <sup>(4)</sup>	5,026	12,252
Loss (gain) on asset disposal <sup>(5)</sup>	4,950	(1,646)
Tax effect of Special items <sup>(6)</sup>	(11,513)	2,537
Adjusted net income	\$ 531,265	\$ 547,922
Interest expense, net	42,786	44,371
Income taxes as reported	128,041	141,618
Tax effect of Special items <sup>(6)</sup>	11,513	(2,537)
Adjusted EBIT	\$ 713,605	\$ 731,374
Effective tax rate as reported	21.6 %	20.6 %
Net special item tax impact	(0.8)%	(0.4)%
Adjusted effective tax rate	20.8 %	20.2 %
Diluted earnings per share as reported	\$ 8.15	\$ 9.37
Special items per share	1.14	0.04
Adjusted diluted earnings per share	\$ 9.29	\$ 9.41

- (1) Items in 2024 primarily relate to rationalization plans initiated in the third quarter of 2024 in all three segments, as well as previously initiated plans and the disposition of the Company's Russian entity in International Welding. Items in 2023 reflects a gain on the sale of a property, partially offset by Rationalization and asset impairment charges within International Welding.
- (2) Transaction costs related to acquisitions which are included in Selling, general and administrative expenses. Refer to Note 4 for further discussion.
- (3) Pension settlement net charges are primarily due to the final settlement associated with the termination of pension plans and are included in Other income. Refer to Note 11 for further discussion.
- (4) Costs related to acquisitions which are included in Cost of goods sold.
- (5) Loss (gain) on asset disposal included in Other income.
- (6) Includes the net tax impact of Special items recorded during the respective periods. The tax effect of Special items impacting pre-tax income was calculated as the pre-tax amount multiplied by the applicable tax rate. The applicable tax rates reflect the taxable jurisdiction and nature of each Special item.

## Liquidity and Capital Resources

### Overview

The Company's primary sources of liquidity are operating cash flows and revolving credit facilities. As of December 31, 2024, the Company had \$377,262 of cash and cash equivalents on hand and \$10,520 of outstanding borrowings under its \$1,045,608 revolving credit facilities.

The Company's capital allocation priorities include internal investment to support existing operations and organic growth, investment in acquisitions to grow the business and then returning capital to shareholders through dividends and share repurchases.

The Company's cash flow from operations can be cyclical. In assessing liquidity, the Company reviews working capital measurements to define areas for improvement. Management anticipates we will be able to satisfy cash requirements for its ongoing businesses for the foreseeable future primarily with cash generated by operations, existing cash balances, borrowings under its existing credit facilities and raising debt in capital markets.

The Company continues to expand globally and periodically consider acquisitions that would involve significant investments. The Company can fund its global expansion plans with operational cash flow, but a significant acquisition may require access to capital markets, in particular, the long-term debt market, as well as the syndicated bank loan market. The Company's financing strategy is to fund itself at the lowest after-tax cost of funding. Where possible, the Company utilizes operational cash flows and raises capital in the most efficient market, usually the United States, and then lends funds to the specific subsidiary needing or requiring funding. If additional acquisitions providing appropriate financial benefits become available, additional expenditures may be made.

### **Cash Flow**

The following table reflects changes in key cash flow measures:

	<b>Year Ended December 31,</b>		<b>\$ Change</b>
	<b>2024</b>	<b>2023</b>	<b>2024 vs. 2023</b>
Cash provided by operating activities <sup>(1)</sup>	\$ 598,977	\$ 667,542	\$ (68,565)
Cash used by investing activities <sup>(2)</sup>	(361,231)	(74,729)	(286,502)
Capital expenditures	(116,603)	(90,987)	(25,616)
Acquisition of businesses, net of cash acquired	(252,746)	(32,685)	(220,061)
Proceeds from sale of property, plant and equipment	7,798	49,494	(41,696)
Cash used by financing activities <sup>(3)</sup>	(244,640)	(412,392)	167,752
Proceeds from (payments on) short-term borrowings	8,449	(79,873)	88,322
Proceeds from long-term borrowings	550,000	—	550,000
Payments on long-term borrowings	(400,677)	(8,109)	(392,568)
Purchase of shares for treasury	(263,751)	(198,765)	(64,986)
Cash dividends paid to shareholders	(162,143)	(148,010)	(14,133)
(Decrease) increase in Cash and cash equivalents	(16,525)	196,637	(213,162)

- (1) Cash provided by operating activities decreased in 2024 as compared to 2023 primarily due to decreased earnings and working capital.
- (2) Cash used by investing activities increased in 2024 as compared to 2023 primarily for capital expenditures and the acquisition of businesses in 2024.
- (3) Cash used by financing activities decreased in 2024 as compared to 2023 primarily due to the proceeds from the 2024 Notes issuances, partially offset by the repayment of the Term Loan as described in Note 9.

As of December 31, 2024, the Company had cash of \$249,895 held by international subsidiaries.

The Company paid \$162,143 and \$148,010 in cash dividends to its shareholders during 2024 and 2023, respectively. In January 2025, the Company paid a cash dividend of \$0.75 per share, or \$42,158, to shareholders of record on December 31, 2024, which reflects a 5.6% increase in the Company's dividend payout rate.



The Company currently anticipates capital expenditures of \$100,000 to \$120,000 in 2025. Anticipated capital expenditures include investments to increase capacity, improve operational effectiveness and for general maintenance. Management critically evaluates all proposed capital expenditures and expects each project to increase efficiency, reduce costs, support sales growth or improve the overall safety and environmental conditions of the Company's facilities.

### ***Revolving Credit Agreements and Other Lines of Credit***

On June 20, 2024, the Company terminated its existing \$500,000 revolving credit facility and entered into a \$1 billion revolving credit facility. The revolving credit facility matures on June 20, 2029. As of December 31, 2024, the Company had \$1 billion of availability under the revolving credit facility. Additionally, the Company has other lines of credit with total availability of \$35,088 as of December 31, 2024. Refer to Note 9 for further information on our revolving credit agreements and other lines of credit.

### ***Working Capital Ratios***

	2024	2023
Average operating working capital to Net sales <sup>(1)</sup>	16.9 %	17.1 %
Days sales in Inventories	106.0	104.6
Days sales in Accounts receivable	46.9	50.0
Average days in Trade accounts payable	45.8	47.6

- (1) Average operating working capital to Net sales is defined as the sum of Accounts receivable, Inventories and contract assets less Trade accounts payable and contract liabilities as of period end divided by annualized rolling three months of Net sales.

### ***Stock Repurchase Program***

On February 12, 2020, the Company's Board authorized a share repurchase program for up to 10 million shares of the Company's common stock. As of December 31, 2024, there were 6.7 million shares available under the authorization. The Company is not obligated to make any repurchases.

### ***Contractual Obligations***

#### ***Debt***

As of December 31, 2024, the total amount of debt outstanding was \$1,261,075, which includes \$110,524 in short-term debt. Refer to Note 9 for further information on our debt and interest.

#### ***Lease Obligations***

As of December 31, 2024, the Company's total future minimum lease payments were \$61,942, which includes \$14,896 in short-term lease obligations. Refer to Note 17 for further information on our lease obligations.

#### ***Purchase Commitments***

Purchase commitments include contractual obligations for raw materials and services. As of December 31, 2024, the Company had total purchase commitments of \$91,028, which includes \$89,792 in current liabilities.

#### ***Other Material Obligations***

As of December 31, 2024, there was a total liability of \$55,425 for deferred compensation, which includes \$30,901 in Other current liabilities.

### ***Off-Balance Sheet Arrangements***

The Company utilizes letters of credit to back certain payment and performance obligations. Letters of credit are subject to limits based on amounts outstanding under the Company's revolving credit facility.

### **Rationalization and Asset Impairments**

Refer to Note 7 to the consolidated financial statements for a discussion of the Company's rationalization plans. The Company believes the rationalization actions will positively impact future results of operations and will not have a material effect on liquidity and sources and uses of capital.

### **Acquisitions**

Refer to Note 4 to the consolidated financial statements for a discussion of the Company's recent acquisitions.

### **Return on Invested Capital**

The Company reviews return on invested capital ("ROIC") in assessing and evaluating the Company's underlying operating performance. Adjusted ROIC is a non-GAAP financial measure that the Company believes is a meaningful metric to investors in evaluating the Company's financial performance and may be different than the method used by other companies to calculate ROIC. Adjusted ROIC is defined as rolling 12 months of Adjusted net income excluding tax-effected interest income and expense divided by invested capital. Invested capital is defined as total debt, which includes Amounts due banks, Current portion of long-term debt and Long-term debt, less current portions, plus Total equity.

The following table presents the reconciliation of ROIC and Adjusted ROIC to net income:

<b>Return on Invested Capital</b>	<b>2024</b>	<b>2023</b>
Net income as reported	\$ 466,108	\$ 545,248
Plus: Interest expense (after-tax)	39,665	38,050
Less: Interest income (after-tax)	7,593	5,033
Net operating profit after taxes	\$ 498,180	\$ 578,265
<b>Special items:</b>		
Rationalization and asset impairment net charges	55,860	(11,314)
Acquisition transaction costs	7,042	—
Pension settlement net charges	3,792	845
Amortization of step up in value of acquired inventories	5,026	12,252
Loss (gain) on asset disposal	4,950	(1,646)
Tax effect of Special items <sup>(1)</sup>	(11,513)	2,537
Adjusted net operating profit after taxes	\$ 563,337	\$ 580,939
<b>Invested Capital</b>		
Short-term debt	\$ 110,524	\$ 2,439
Long-term debt, less current portion	1,150,551	1,102,771
Total debt	1,261,075	1,105,210
Total equity	1,327,433	1,308,852
Invested capital	\$ 2,588,508	\$ 2,414,062
Return on invested capital as reported	19.2 %	24.0 %
Adjusted return on invested capital	21.8 %	24.1 %

- (1) Includes the net tax impact of Special items recorded during the respective periods. The tax effect of Special items impacting pre-tax income was calculated as the pre-tax amount multiplied by the applicable tax rate. The applicable tax rate reflects the taxable jurisdiction and nature of each Special item.

### **Product Liability Costs**

Product liability costs incurred can be volatile and are largely related to trial activity. The costs associated with these claims are predominantly defense costs which are recognized in the periods incurred.

The long-term impact of product liability contingencies, in the aggregate, on operating results, operating cash flows and access to capital markets is difficult to assess, particularly since claims are in many different stages of development and the Company benefits significantly from cost sharing with co-defendants and insurance carriers. Moreover, the Company has been largely successful to date in its defense of these claims.

### **New Accounting Pronouncements**

Refer to Note 1 to the consolidated financial statements for a discussion of new accounting pronouncements.

### **Critical Accounting Policies and Estimates**

The Company's consolidated financial statements are based on the selection and application of significant accounting policies, which require management to make estimates and assumptions. These estimates and assumptions are reviewed periodically by management and compared to historical trends to determine the accuracy of estimates and assumptions used. If warranted, these estimates and assumptions may be changed as current trends are assessed and updated. Historically, the Company's estimates have been determined to be reasonable. No material changes to the Company's

accounting policies were made during 2024. The Company believes the following accounting policies are some of the more critical judgment areas affecting its financial condition and results of operations.

#### *Legal and Tax Contingencies*

The Company, like other manufacturers, is subject from time to time to a variety of civil and administrative proceedings arising in the ordinary course of business. Such claims and litigation include, without limitation, product liability claims, administrative claims, regulatory claims and health, safety and environmental claims, some of which relate to cases alleging asbestos induced illnesses. The costs associated with these claims are predominantly defense costs, which are recognized in the periods incurred. Insurance reimbursements mitigate these costs and, where reimbursements are probable, they are recognized in the applicable period. With respect to costs other than defense costs (i.e., for liability and/or settlement or other resolution), reserves are recorded when it is probable that the contingencies will have an unfavorable outcome. The Company accrues its best estimate of the probable costs after a review of the facts with management and counsel and taking into account past experience. If an unfavorable outcome is determined to be reasonably possible but not probable, or if the amount of loss cannot be reasonably estimated, disclosure would be provided for material claims or litigation. Many of the current cases are in differing procedural stages and information on the circumstances of each claimant, which forms the basis for judgments as to the validity or ultimate disposition of such actions, varies greatly. Therefore, in many situations a range of possible losses cannot be made. Reserves are adjusted as facts and circumstances change and related management assessments of the underlying merits and the likelihood of outcomes change. Moreover, reserves only cover identified and/or asserted claims. Future claims could, therefore, give rise to increases to such reserves.

The Company is subject to taxation from U.S. federal, state, municipal and international jurisdictions. The calculation of current income tax expense is based on the best information available and involves significant management judgment. The actual income tax liability for each jurisdiction in any year can in some instances be ultimately determined several years after the financial statements are published.

The Company maintains liabilities for unrecognized tax benefits related to uncertain income tax positions in various jurisdictions. The Company uses judgment in determining whether the technical merits of tax positions are more-likely-than-not to be sustained. Judgment is also used in measuring the related amount of tax benefit that qualifies for recognition, including the interpretation of applicable tax law, regulation and tax ruling.

Liabilities are settled primarily through the completion of audits within each individual tax jurisdiction or the closing of the statute of limitations. Liabilities can be affected by changes in applicable tax law, regulations, tax rulings or such other factors, which may cause management to believe a revision of past estimates is appropriate. Management believes that an appropriate liability has been established for uncertain income tax positions; however, actual results may materially differ from these estimates. Refer to Note 13 to the consolidated financial statements for further discussion of uncertain income tax positions.

#### *Deferred Income Taxes*

Deferred income taxes are recognized at currently enacted tax rates for temporary differences between the GAAP and income tax basis of assets and liabilities and operating loss and tax credit carry-forwards. The Company will repatriate earnings for certain non-U.S. subsidiaries, which are subject to foreign withholding taxes. The Company considers any remaining earnings and outside basis in all other non-U.S. subsidiaries to be indefinitely reinvested and has not recorded any deferred taxes as such estimate is not practicable.

At December 31, 2024, the Company had approximately \$207,739 of gross deferred tax assets related to deductible temporary differences and tax loss and credit carry-forwards, which may reduce taxable income in future years. In assessing the realizability of deferred tax assets, the Company assesses whether it is more-likely-than-not that a portion or all of the deferred tax assets will not be realized. The Company considers the scheduled reversal of deferred tax liabilities, tax planning strategies and projected future taxable income in making this assessment. At December 31, 2024, a valuation allowance of \$35,284 was recorded against certain deferred tax assets based on this assessment. The

Company believes it is more-likely-than-not that the tax benefit of the remaining net deferred tax assets will be realized. The amount of net deferred tax assets considered realizable could be increased or reduced in the future if the Company's assessment of future taxable income or tax planning strategies changes.

### *Inventories*

Inventories are valued at the lower of cost or net realizable value. Fixed manufacturing overhead costs are allocated to inventory based on normal production capacity and abnormal manufacturing costs are recognized as period costs. Cost for a substantial portion of U.S. inventories is determined on a LIFO basis. LIFO was used for 35% and 37% of total inventories at December 31, 2024 and 2023, respectively. Cost of other inventories is determined by costing methods that approximate a FIFO basis. The valuation of LIFO inventories is made at the end of each year based on inventory levels and costs at that time. Accordingly, interim LIFO calculations are based on management's estimates of expected year-end inventory levels and costs. Actual year-end inventory levels and costs may differ from interim LIFO inventory valuations. The excess of current cost over LIFO cost was \$120,633 and \$129,946 at December 31, 2024 and 2023, respectively.

The Company reviews the net realizable value of inventory on an on-going basis with consideration given to deterioration, obsolescence and other factors. If actual market conditions differ from those projected by management, and the Company's estimates prove to be inaccurate, write-downs of inventory values and adjustments to Cost of goods sold may be required. Historically, the Company's reserves have approximated actual experience.

### *Long-Lived Assets*

The Company periodically evaluates whether current facts or circumstances indicate that the carrying value of its depreciable long-lived assets, including leases and intangible assets that do not have indefinite lives, to be held and used may not be recoverable. If such circumstances are determined to exist, an estimate of undiscounted future cash flows produced by the long-lived asset, or the appropriate grouping of assets, is compared to the carrying value to determine whether impairment exists. If an asset is determined to be impaired, a loss is recognized to the extent that carrying value exceeds fair value. Fair value is measured based on quoted market prices in active markets, if available. If quoted market prices are not available, the estimate of fair value is based on various valuation techniques, including the discounted value of estimated future cash flows.

### *Goodwill and Intangibles*

The Company performs an annual impairment test of goodwill and indefinite-lived intangible assets in the fourth quarter using the same date each year or more frequently if changes in circumstances or the occurrence of events indicate potential impairment.

The fair value of each indefinite-lived intangible asset is compared to its carrying value and an impairment charge is recorded if the carrying value exceeds the fair value. For goodwill, the Company first assesses qualitative factors to determine whether it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, and whether it is necessary to perform the quantitative goodwill impairment test. The quantitative test is only required if the Company concludes that it is more-likely-than-not that a reporting unit's fair value is less than its carrying amount. The Company may also perform a quantitative test in instances where the more-likely-than-not threshold has not been met, including when general macroeconomic conditions or changes to the reporting unit warrant a refresh of the baseline used in a qualitative test. For quantitative testing, the Company compares the fair value of each reporting unit with its carrying amount. If the carrying amount exceeds the fair value, an impairment charge is recognized for the amount by which the carrying amount exceeds the reporting unit's fair value, not to exceed the total amount of goodwill allocated to that reporting unit.

Fair values are determined using established business valuation techniques and models developed by the Company, estimates of market participant assumptions of future cash flows, future growth rates and discount rates to value

estimated cash flows. Changes in economic and operating conditions, actual growth below the assumed market participant assumptions or an increase in the discount rate could result in an impairment charge in a future period.

#### *Acquisitions*

Upon acquisition of a business, the Company uses the income, market or cost approach (or a combination thereof) for the valuation as appropriate. The valuation inputs in these models and analyses are based on market participant assumptions. Market participants are considered to be buyers and sellers unrelated to the Company in the principal or most advantageous market for the asset or liability.

Fair value estimates are based on a series of judgments about future events and uncertainties and rely on estimates and assumptions. Management values property, plant and equipment using the cost approach supported where available by observable market data, which includes consideration of obsolescence. Management values acquired intangible assets using the relief from royalty method or excess earnings method, forms of the income approach supported by observable market data for peer companies. The significant assumptions used to estimate the value of the acquired intangible assets include discount rates and certain assumptions that form the basis of future cash flows (such as revenue growth rates, customer attrition rates and royalty rates). Acquired inventories are marked to fair value. For certain items, the pre-acquisition carrying value is determined to be a reasonable approximation of fair value based on information available to the Company. Refer to Note 4 to the consolidated financial statements for additional details.

#### *Revenue Recognition*

Revenue is recognized when obligations under the terms of a contract are satisfied and control is transferred to the customer. Revenue is measured as the amount of consideration the Company expects to be entitled to in exchange for goods or services. Substantially all of the Company's sales arrangements are short-term in nature involving a single performance obligation. The Company recognizes revenue when the performance obligation is satisfied and control of the product is transferred to the customer based upon shipping terms. In addition, certain customized automation performance obligations are accounted for over time. Under this method, revenue recognition is primarily based upon the ratio of costs incurred to date compared with estimated total costs to complete. The cumulative impact of revisions to total estimated costs is reflected in the period of the change, including anticipated losses. Approximately 10% of the Company's Net sales are recognized over time.

The Company recognizes any discounts, credits, returns, rebates and incentive programs based on reasonable estimates as a reduction of sales to arrive at Net sales at the same time the related revenue is recorded. Taxes collected by the Company, including sales tax and value added tax, are excluded from Net sales. The Company recognizes freight billed as a component of Net sales and shipping costs as a component of Cost of goods sold when control transfers to the customer. Sales commissions are expensed when incurred because the amortization period is generally one year or less. These costs are recorded within Selling, general and administrative expenses in the Company's Consolidated Statements of Income.

Refer to Note 2 to the consolidated financial statements for additional details.

#### ***ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK***

The Company's primary financial market risks include fluctuations in currency exchange rates, commodity prices and interest rates. The Company manages these risks by using derivative financial instruments in accordance with established policies and procedures. The Company does not enter into derivatives or other financial instruments for trading or speculative purposes.

Included below is a sensitivity analysis based upon a hypothetical 10% weakening or strengthening in the U.S. dollar compared to foreign currency exchange rates at December 31, 2024. The derivative, borrowing and investment arrangements in effect at December 31, 2024 were compared to the hypothetical foreign exchange rates in the sensitivity analysis to determine the effect on the Company's current period consolidated financial statements.

### *Foreign Currency Exchange Risk*

The Company enters into forward foreign exchange contracts principally to hedge the currency fluctuations in transactions denominated in foreign currencies, thereby limiting the Company's risk that would otherwise result from changes in exchange rates.

At December 31, 2024, the Company hedged certain third-party and intercompany purchases and sales. The gross notional dollar amount of these foreign exchange contracts at December 31, 2024 was \$96,444. At December 31, 2024, a hypothetical 10% strengthening or weakening in the U.S. dollar would have changed Accumulated other comprehensive income (loss) by \$785.

The Company enters into forward foreign exchange contracts to hedge transaction exposures or significant cross-border intercompany loans by either purchasing or selling specified amounts of foreign currency at a specified date. The gross notional dollar amount of these foreign exchange contracts at December 31, 2024 was \$421,754. A hypothetical 10% change in the year-end exchange rates would have resulted in an increase or decrease to Income before income taxes of \$17,271 related to these positions. However, any loss (or gain) resulting from a hypothetical 10% change would be offset by the associated gain (or loss) on the underlying balance sheet exposure and would ultimately not materially affect the Company's financial statements. The Company also has a foreign currency forward contract hedge designated as a net investment hedge with a notional dollar amount of \$319,450 at December 31, 2024. At December 31, 2024, any loss (or gain) resulting from the hypothetical 10% strengthening or weakening in the U.S. dollar would have changed Accumulated other comprehensive income (loss) by \$32,617.

The fair value of the Company's cash and cash equivalents at December 31, 2024 approximated cost due to the short-term duration. These financial instruments are subject to concentrations of credit risk. The Company has minimized this risk by entering into investments with a number of major banks and financial institutions and investing in high-quality instruments. The Company does not expect any counter-parties to fail to meet their obligations.

### ***ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA***

The response to this item is submitted in a separate section of this Annual Report on Form 10-K following the signature page.

### ***ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES***

None.

### ***ITEM 9A. CONTROLS AND PROCEDURES***

#### **Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures**

Under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, the Company conducted an evaluation of disclosure controls and procedures, as such term is defined in Rule 13a-15(e) of the Exchange Act. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this Annual Report on Form 10-K.

#### **Management's Report on Internal Control Over Financial Reporting**

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, the Company conducted an evaluation of the effectiveness of internal control over financial reporting as of December 31, 2024 based

on the 2013 framework in "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the Company's evaluation under such framework, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2024.

During 2024, the Company completed the acquisitions of RedViking, Inrotech and Vanair ("Acquisitions"). The Company is currently integrating the Acquisitions into its operations, compliance programs and internal control processes. As permitted by guidance issued by the Securities and Exchanges Commission, the Company has excluded these acquisitions from management's evaluation of internal controls over financial reporting as of December 31, 2024. These acquisitions constituted approximately 8% of the Company's total assets (inclusive of acquired intangible assets and goodwill) as of December 31, 2024 and 2.5% of the Company's net sales for the fiscal year ended December 31, 2024.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2024 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report, which is included elsewhere in this Annual Report on Form 10-K.

### **Changes in Internal Control Over Financial Reporting**

There have been no changes in the Company's internal control over financial reporting that occurred during the fourth quarter of 2024 that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

### ***ITEM 9B. OTHER INFORMATION***

During the quarter ended December 31, 2024, none of the Company's directors or officers adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as those terms are defined in Item 408(a) of Regulation S-K.

### ***ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS***

None.

## **PART III**

### ***ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE***

The Company is expected to file its 2025 proxy statement pursuant to Regulation 14A of the Exchange Act within 120 days after December 31, 2024.

Except for the information set forth within Part I, Item 1D section of this Annual Report on Form 10-K concerning our Executive Officers, the information required by this item is incorporated by reference from the 2025 Proxy Statement.

### ***ITEM 11. EXECUTIVE COMPENSATION***

The information required by this item is incorporated by reference from the 2025 Proxy Statement.

### ***ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS***

The information required by this item is incorporated by reference from the 2025 Proxy Statement.



For further information on the Company's equity compensation plans, see Note 1 and Note 10 to the Company's consolidated financial statements.

***ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE***

The information required by this item is incorporated by reference from the 2025 Proxy Statement.

***ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES***

The information required by this item is incorporated by reference from the 2025 Proxy Statement.

**PART IV**

***ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES***

**(a)(1) Financial Statements**

The following reports and consolidated financial statements of the Company are included in a separate section of this report following the signature page and certifications:

Report of Independent Registered Public Accounting Firm (PCAOB ID 42)

Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting

Consolidated Statements of Income – Years ended December 31, 2024, 2023 and 2022

Consolidated Statements of Comprehensive Income – Years ended December 31, 2024, 2023 and 2022

Consolidated Balance Sheets – December 31, 2024 and 2023

Consolidated Statements of Equity – Years ended December 31, 2024, 2023 and 2022

Consolidated Statements of Cash Flows – Years ended December 31, 2024, 2023 and 2022

Notes to Consolidated Financial Statements

**(a)(2) Financial Statement Schedules**

The following consolidated financial statement schedule of the Company is included in a separate section of this report following the signature page:

Schedule II – Valuation and Qualifying Accounts

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange.

Commission are not required under the related instructions or are inapplicable, and therefore, have been omitted.

**(a)(3) Exhibits**

Exhibit No.	Description
3.1	Amended and Restated Articles of Incorporation of Lincoln Electric Holdings, Inc. (filed as Exhibit 3.1 to Form 8-K of Lincoln Electric Holdings, Inc. filed on September 27, 2011, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
3.2	Amended and Restated Code of Regulations of Lincoln Electric Holdings, Inc., as amended on February 15, 2023 (filed as Exhibit 3.1 to Form 8-K of Lincoln Electric Holdings, Inc. filed on February 17, 2023, SEC File No.0-1402, and incorporated herein by reference and made a part hereof).
4.1	Description of Securities Registered Under Section 12 of the Securities Exchange Act of 1934 (filed as Exhibit 4.1 to Form 10-K of Lincoln Electric Holdings, Inc. for the year ended December 31, 2019, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.1	Credit Agreement, dated as of June 20, 2024, by and among Lincoln Electric Holdings, Inc., The Lincoln Electric Company, Lincoln Electric International Holding Company, J.W. Harris Co., Inc., Lincoln Global, Inc., Lincoln Electric Automation, Inc., the financial institutions from time to time party thereto, as lenders, PNC Bank, National Association, as lead administrative agent, and KeyBank National Association, as co-administrative agent (filed as Exhibit 10.2 to Form 8-K of Lincoln Electric Holdings, Inc., filed on June 24, 2024, SEC File No. 0-1402, and incorporated herein by reference and made part hereof).
10.2	Note Purchase Agreement, dated as of April 1, 2015, by and among Lincoln Electric Holdings, Inc., The Lincoln Electric Company, Lincoln Electric International Holding Company, J.W. Harris Co., Inc., Lincoln Global, Inc., Techalloy, Inc., Wayne Trail Technologies, Inc. and the purchasers party thereto (filed as Exhibit 10.1 to Form 8-K of Lincoln Electric Holdings, Inc. filed on April 2, 2015, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.3	Amendment No. 1 to Note Purchase Agreement, dated as of April 1, 2015, by and among Lincoln Electric Holdings, Inc., The Lincoln Electric Company, Lincoln Electric International Holding Company, J.W. Harris Co., Inc., Lincoln Global, Inc., Techalloy, Inc., Wayne Trail Technologies, Inc. and the purchasers party thereto, dated July 30, 2019 (filed as Exhibit 10.1 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended September 30, 2019, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.4	Amendment No. 2 to Note Purchase Agreement, dated as of April 1, 2015, by and among Lincoln Electric Holdings, Inc., The Lincoln Electric Company, Lincoln Electric International Holding Company, J.W. Harris Co., Inc., Lincoln Global, Inc., Lincoln Electric Automation, Inc. and the purchasers party thereto, dated June 20, 2024 (filed as Exhibit 10.3 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended June 30, 2024, SEC File No. 0-1402, and incorporated herein by reference and made part hereof).
10.5	Note Purchase Agreement, dated as of October 20, 2016, by and among Lincoln Electric Holdings, Inc., The Lincoln Electric Company, Lincoln Electric International Holding Company, J.W. Harris Co., Inc., Techalloy, Inc. and Wayne Trail Technologies, Inc. and the purchasers party thereto (filed as Exhibit 10.4 to Form 10-K of Lincoln Electric Holdings, Inc. for the year ended December 31, 2016, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.6	Amendment No. 1 to Note Purchase Agreement, dated as of October 20, 2016, by an among Lincoln Electric Holdings, Inc., The Lincoln Electric Company, Lincoln Electric International Holding Company, J.W. Harris Co., Inc., Lincoln Global, Inc., Lincoln Electric Automation, Inc. and the purchasers party thereto, dated June 20, 2024 (filed as Exhibit 10.4 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended June 30, 2024, SEC File No. 0-1402, and incorporated herein by reference and made part hereof).
10.7	Note Purchase Agreement, dated as of June 20, 2024, by and among Lincoln Electric Holdings, Inc., The Lincoln Electric Company, Lincoln Electric International Holding Company, J.W. Harris Co., Inc., Lincoln Global, Inc, Lincoln Electric Automation, Inc. and the purchasers party thereto (filed as Exhibit 10.1 to Form 8-K of Lincoln Electric Holdings, Inc., filed on June 24, 2024, SEC File No. 0-1402, and incorporated herein by reference and made part hereof).

10.8*	Non-Employee Directors' Deferred Compensation Plan (Amended and Restated as of January 1, 2021) (filed as Exhibit 10.18 to Form 10-K of Lincoln Electric Holdings, Inc. for the year ended December 31, 2020, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.9*	2005 Deferred Compensation Plan for Executives (Amended and Restated as of January 1, 2021) (filed as Exhibit 10.21 to Form 10-K of Lincoln Electric Holdings, Inc. for the year ended December 31, 2020, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.10*	The Lincoln Electric Company Restoration Plan (filed as Exhibit 4.3 to Form S-8 of Lincoln Electric Holdings, Inc. filed on December 19, 2016, SEC File No. 333-215168, and incorporated herein by reference and made a part hereof).
10.11*	Amendment No. 1 to The Lincoln Electric Company Restoration Plan (filed as Exhibit 10.3 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended September 30, 2020, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.12*	The Lincoln Electric Company Employee Savings Plan As Amended and Restated Effective January 1, 2025 (filed herewith).
10.13*	Form of Change in Control Severance Agreement (as entered into by the Company and its executive officers) (filed as Exhibit 10.1 to Form 8-K of Lincoln Electric Holdings, Inc. filed on November 21, 2017, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.14*	Amendment No. 1 to Form of Change in Control Severance Agreement (as entered into by the Company and its executive officers) (filed as Exhibit 10.5 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended September 30, 2020, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.15*	2006 Equity and Performance Incentive Plan (Restated as of March 3, 2011) (filed as Annex A to Lincoln Electric Holdings, Inc. proxy statement filed on March 18, 2011, SEC File No. 0-1402 and incorporated herein by reference and made a part hereof).
10.16*	2015 Equity and Incentive Compensation Plan (filed as Appendix B to Lincoln Electric Holdings, Inc. definitive proxy statement filed on March 18, 2015, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.17*	2015 Stock Plan for Non-Employee Directors (filed as Appendix C to Lincoln Electric Holdings, Inc. definitive proxy statement filed on March 18, 2015, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.18*	Amendment No. 1 to the 2015 Stock Plan for Non-Employee Directors (filed as Appendix C to Lincoln Electric Holdings, Inc. proxy statement dated March 20, 2017, SEC File No. 0-1402, and incorporated by reference and made a part hereof).
10.19*	2023 Equity and Incentive Compensation Plan (filed as Exhibit 10.1 to Form 8-K of Lincoln Electric Holdings, Inc. filed on April 21, 2023, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.20*	2023 Stock Plan for Non-Employee Directors (filed as Exhibit 10.2 to Form 8-K of Lincoln Electric Holdings, Inc. filed on April 21, 2023, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.21*	Form of Restricted Stock Unit Agreement for Non-Employee Directors under 2023 Stock Plan for Non-Employee Directors (filed as Exhibit 10.1 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended June 30, 2023, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.22*	Form of Restricted Stock Unit Agreement for Non-Employee Directors under 2023 Stock Plan for Non-Employee Directors (filed as Exhibit 10.24 to Form 10-K of Lincoln Electric Holdings, Inc. for the year ended December 31, 2023, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.23*	Form of Stock Option Agreement for Executive Officers (filed as Exhibit 10.27 to Form 10-K of Lincoln Electric Holdings, Inc. for the year ended December 31, 2017, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).

10.24*	Form of Stock Option Agreement for Executive Officers (filed as Exhibit 10.28 to Form 10-K of Lincoln Electric Holdings, Inc. for the year ended December 31, 2017, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.25*	Form of Stock Option Agreement for Executive Officers (filed as Exhibit 10.37 to Form 10-K of Lincoln Electric Holdings, Inc. for the year ended December 31, 2018, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.26*	Form of Stock Option Agreement for Executive Officers (filed as Exhibit 10.38 to Form 10-K of Lincoln Electric Holdings, Inc. for the year ended December 31, 2019, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.27*	Form of Stock Option Agreement for Executive Officers (filed as Exhibit 10.1 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended March 31, 2021, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.28*	Form of Stock Option Agreement for Executive Officers (filed as Exhibit 10.1 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended March 31, 2022, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.29*	Form of Stock Option Agreement for Executive Officers (filed as Exhibit 10.2 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended March 31, 2023, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.30*	Form of Stock Option Agreement for Executive Officers under 2023 Equity and Incentive Compensation Plan (filed as Exhibit 10.2 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended June 30, 2023, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.31*	Form of Stock Option Agreement for Executive Officers (filed as Exhibit 10.1 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended March 31, 2024, SEC File No. 0-1402, and incorporated herein by reference and made part hereof).
10.32*	Form of Restricted Stock Unit Agreement for Executive Officers (filed as Exhibit 10.33 to Form 10-K of Lincoln Electric Holdings, Inc. for the year ended December 31, 2013, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.33*	Form of Restricted Stock Unit Agreement for Executive Officers (filed as Exhibit 10.2 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended March 31, 2021, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.34*	Form of Restricted Stock Unit Agreement for Executive Officers (filed as Exhibit 10.2 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended March 31, 2022, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.35*	Form of Restricted Stock Unit Agreement for Executive Officers (filed as Exhibit 10.3 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended March 31, 2023, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.36*	Form of Restricted Stock Unit Agreement for Executive Officers under 2023 Equity and Incentive Compensation Plan (filed as Exhibit 10.3 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended June 30, 2023, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.37*	Form of Restricted Stock Unit Agreement for Executive Officers under 2023 Equity and Incentive Compensation Plan (filed as Exhibit 10.2 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended March 31, 2024, SEC File No. 0-1402, and incorporated herein by reference and made part hereof).
10.38*	Form of Performance Share Award Agreement for Executive Officers (filed as Exhibit 10.3 to Form 10-Q of Lincoln Electric Holdings, Inc., for the quarter ended March 31, 2021, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).

10.39*	Form of Performance Share Award Agreement for Executive Officers (filed as Exhibit 10.3 to Form 10-Q of Lincoln Electric Holdings, Inc., for the quarter ended March 31, 2022, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.40*	Form of Performance Share Award Agreement for Executive Officers (filed as Exhibit 10.4 to Form 10-Q of Lincoln Electric Holdings, Inc., for the quarter ended March 31, 2023, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.41*	Form of Performance Share Award Agreement for Executive Officers under 2023 Equity and Incentive Compensation Plan (filed as Exhibit 10.4 to Form 10-Q of Lincoln Electric Holdings, Inc., for the quarter ended June 30, 2023, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.42*	Form of Performance Share Award Agreement for Executive Officers (filed as Exhibit 10.3 to Form 10-Q of Lincoln Electric Holdings, Inc. for the quarter ended March 31, 2024, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.43*	Form of Officer Indemnification Agreement (effective February 23, 2012) (filed as Exhibit 10.1 to Form 8-K of Lincoln Electric Holdings, Inc. filed on February 29, 2012, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
10.44*	Form of Director Indemnification Agreement (effective February 23, 2012) (filed as Exhibit 10.2 to Form 8-K of Lincoln Electric Holdings, Inc. filed on February 29, 2012, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
19	Lincoln Electric Holdings, Inc. Securities Trading Policy for Covered Persons (Effective July 17, 2024) (filed herewith).
21	Subsidiaries of the Registrant (filed herewith).
23	Consent of Independent Registered Public Accounting Firm (filed herewith).
24	Powers of Attorney (filed herewith).
31.1	Certification by the Chairman, President and Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934 (filed herewith).
31.2	Certification by the Executive Vice President, Chief Financial Officer and Treasurer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934 (filed herewith).
32.1	Certifications pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).
97	Lincoln Electric Holdings, Inc. Clawback Policy (Effective October 2, 2023) (filed as Exhibit 97 to Form 10-K of Lincoln Electric Holdings, Inc. for the year ended December 31, 2023, SEC File No. 0-1402, and incorporated herein by reference and made a part hereof).
101.IN	Inline XBRL Instance Document
101.SC	Inline XBRL Taxonomy Extension Schema Document
101.CA	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LA	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PR	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DE	Inline XBRL Taxonomy Extension Definition Linkbase Document
104	Cover page Interactive Data File (embedded within the Inline XBRL document)

\* Reflects management contract or other compensatory arrangement required to be filed as an exhibit pursuant to Item 15(b) of this report.

#### **ITEM 16. FORM 10-K SUMMARY**

None.

## SIGNATURES

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

LINCOLN ELECTRIC HOLDINGS, INC.

By: /s/ Gabriel Bruno

Gabriel Bruno  
Executive Vice President, Chief Financial Officer and  
Treasurer  
(principal financial and accounting officer)  
February 26, 2025

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

/s/ Steven B. Hedlund

Steven B. Hedlund,  
Chair, President and Chief Executive Officer  
(principal executive officer)  
February 26, 2025

/s/ Gabriel Bruno

Gabriel Bruno,  
Executive Vice President, Chief Financial Officer and  
Treasurer  
(principal financial and accounting officer)  
February 26, 2025

/s/ Gabriel Bruno

Gabriel Bruno as  
Attorney-in-Fact for  
Brian D. Chambers, Director  
February 26, 2025

/s/ Gabriel Bruno

Gabriel Bruno as  
Attorney-in-Fact for  
Curtis E. Espeland, Director  
February 26, 2025

/s/ Gabriel Bruno

Gabriel Bruno as  
Attorney-in-Fact for  
Bonnie J. Fetch, Director  
February 26, 2025

/s/ Gabriel Bruno

Gabriel Bruno as  
Attorney-in-Fact for  
Patrick P. Goris, Director  
February 26, 2025

/s/ Gabriel Bruno

Gabriel Bruno as  
Attorney-in-Fact for  
Michael F. Hilton, Director  
February 26, 2025

/s/ Gabriel Bruno

Gabriel Bruno as  
Attorney-in-Fact for  
Marc A. Howze, Director  
February 26, 2025

/s/ Gabriel Bruno

Gabriel Bruno as  
Attorney-in-Fact for  
Kathryn Jo Lincoln, Director  
February 26, 2025

/s/ Gabriel Bruno

Gabriel Bruno as  
Attorney-in-Fact for  
Kellye L. Walker, Director  
February 26, 2025

/s/ Gabriel Bruno

Gabriel Bruno as  
Attorney-in-Fact for  
Phillip J. Mason, Director  
February 26, 2025

/s/ Gabriel Bruno

Gabriel Bruno as  
Attorney-in-Fact for  
Ben P. Patel, Director  
February 26, 2025

Gabriel Bruno as  
Attorney-in-Fact for  
N. Joy Falotico, Director  
February 26, 2025

## **Report of Independent Registered Public Accounting Firm**

To the Shareholders and the Board of Directors of Lincoln Electric Holdings, Inc.

### **Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Lincoln Electric Holdings, Inc. (the Company) as of December 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, equity and cash flows for each of the three years in the period ended December 31, 2024, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2) (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 26, 2025 expressed an unqualified opinion thereon.

### **Basis for Opinion**

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

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

### **Critical Audit Matter**

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

***Purchase price allocation related to the acquisition of Superior Controls, LLC (“RedViking”)***

***Description of the Matter***

As disclosed in Note 4 to the consolidated financial statements, on April 1, 2024, the Company acquired 100% ownership of RedViking. The purchase price, net of cash acquired, in connection with the acquisition was \$108,844, of which a portion was allocated to goodwill. The Company accounted for the acquisition as a business combination.

Auditing the Company’s purchase price allocation was complex due to the significant estimation required to determine the fair value of three of the identifiable intangible assets, which were a significant input in determining the amount of the total purchase price allocated to goodwill. These fair value estimates were sensitive to certain significant assumptions, specifically the revenue growth rates and discount rates. Elements of these significant assumptions are forward-looking and could be affected by future market or economic conditions.

***How We Addressed the Matter in Our Audit***

We obtained an understanding, evaluated the design and tested the operating effectiveness of management’s controls over the Company’s purchase price allocation process. For example, we tested controls over management’s review of the significant assumptions described above along with the completeness and accuracy of the data used in these fair value estimates.

To test the estimated fair value of the relevant identifiable intangible assets, we performed audit procedures that included, among others, assessing the fair value methodologies, testing the significant assumptions described above, and testing the completeness and accuracy of the underlying data used by the Company in its analysis. As it pertains to the revenue growth rates, we compared the significant assumptions used by management to historical results of the acquired business, third party industry data and economic trends. We involved valuation specialists to assist with our evaluation of the methodology applied and the reasonableness of certain assumptions selected by management, including, the discount rates used to value the relevant identifiable intangible assets. Specifically, we evaluated the components of the discount rate assumptions used by performing an independent corroborative analysis with involvement of valuation specialists. We performed sensitivity analyses of significant assumptions to evaluate any hypothetical changes in the fair values of the relevant identifiable intangible assets that would result from changes in the significant assumptions.

/s/ Ernst & Young LLP

We have served as the Company’s auditor since at least 1923, but we are unable to determine the specific year.

Cleveland, OH  
February 26, 2025



## **Report of Independent Registered Public Accounting Firm**

To the Shareholders and the Board of Directors of Lincoln Electric Holdings, Inc.

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

We have audited Lincoln Electric Holdings, Inc.'s internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Lincoln Electric Holdings, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on the COSO criteria.

As indicated in the accompanying Management's Report on Internal Control Over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Superior Controls, LLC ("RedViking"), Inrotech A/S ("Inrotech") and Vanair Manufacturing, LLC ("Vanair"), which are included in the 2024 consolidated financial statements of the Company and constituted approximately 8% of total assets as of December 31, 2024 and 2.5% of net sales for the year then ended. Our audit of internal control over financial reporting of the Company also did not include an evaluation of the internal control over financial reporting of RedViking, Inrotech or Vanair.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the 2024 consolidated financial statements of the Company and our report dated February 26, 2025 expressed an unqualified opinion thereon.

### **Basis for Opinion**

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

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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

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

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

/s/ Ernst & Young LLP

Cleveland, Ohio  
February 26, 2025

**LINCOLN ELECTRIC HOLDINGS, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
*(In thousands, except per share amounts)*

	Year Ended December 31,		
	2024	2023	2022
Net sales (Note 2)	\$ 4,008,670	\$ 4,191,636	\$ 3,761,211
Cost of goods sold	2,535,758	2,726,191	2,480,451
Gross profit	1,472,912	1,465,445	1,280,760
Selling, general & administrative expenses	780,590	758,910	656,636
Rationalization and asset impairment net charges (Note 7)	55,860	(11,314)	11,788
Operating income	636,462	717,849	612,336
Interest expense, net	42,786	44,371	29,500
Other income (Note 12)	473	13,388	9,991
Income before income taxes	594,149	686,866	592,827
Income taxes (Note 13)	128,041	141,618	120,603
Net income	\$ 466,108	\$ 545,248	\$ 472,224
Basic earnings per share (Note 3)	\$ 8.23	\$ 9.50	\$ 8.14
Diluted earnings per share (Note 3)	\$ 8.15	\$ 9.37	\$ 8.04
Cash dividends declared per share	\$ 2.88	\$ 2.63	\$ 2.32

See notes to these consolidated financial statements.

**LINCOLN ELECTRIC HOLDINGS, INC.**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
*(In thousands)*

	<b>Year Ended December 31,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
Net income	\$ 466,108	\$ 545,248	\$ 472,224
Other comprehensive (loss) income, net of tax:			
Unrealized gain on derivatives designated and qualifying as cash flow hedges	719	2,627	5,815
Defined benefit pension plan activity	948	(215)	11,450
Currency translation adjustment	(71,955)	43,139	(35,084)
Other comprehensive (loss) income:	(70,288)	45,551	(17,819)
Comprehensive income	<u>\$ 395,820</u>	<u>\$ 590,799</u>	<u>\$ 454,405</u>

See notes to these consolidated financial statements.

**LINCOLN ELECTRIC HOLDINGS, INC.**

**CONSOLIDATED BALANCE SHEETS**  
(Dollars in thousands)

	December 31,	
	2024	2023
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 377,262	\$ 393,787
Accounts receivable (less allowance for doubtful accounts of \$12,674 in 2024; \$11,464 in 2023)	481,979	538,830
Inventories (Note 16)	544,037	562,864
Other current assets	242,003	197,630
<b>Total Current Assets</b>	<u>1,645,281</u>	<u>1,693,111</u>
Property, plant and equipment (Note 1)	619,181	575,316
Intangibles, net (Note 5)	221,005	186,667
Goodwill (Note 5)	804,927	694,452
Deferred income taxes (Note 13)	77,611	45,176
Other assets	152,137	182,575
<b>TOTAL ASSETS</b>	<u><b>\$ 3,520,142</b></u>	<u><b>\$ 3,377,297</b></u>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Amounts due banks (Note 9)	\$ 10,520	\$ 2,435
Trade accounts payable	296,590	325,435
Accrued employee compensation and benefits	104,374	112,373
Dividends payable	42,158	40,453
Other current liabilities	325,156	273,910
Current portion of long-term debt (Note 9)	100,004	4
<b>Total Current Liabilities</b>	<u>878,802</u>	<u>754,610</u>
Long-term debt, less current portion (Note 9)	1,150,551	1,102,771
Deferred income taxes (Note 13)	10,464	13,146
Other liabilities	152,892	197,918
<b>Total Liabilities</b>	<u>2,192,709</u>	<u>2,068,445</u>
<b>Shareholders' Equity</b>		
Preferred shares, without par value - at stated capital amount; authorized - 5,000,000 shares; issued and outstanding - none	—	—
Common shares, without par value - at stated capital amount; authorized - 240,000,000 shares; issued - 98,581,434 shares in 2024 and 2023; outstanding - 56,211,219 shares in 2024 and 56,975,815 shares in 2023	9,858	9,858
Additional paid-in capital	566,740	523,357
Retained earnings	3,993,016	3,688,038
Accumulated other comprehensive loss (Note 8)	(300,135)	(229,847)
Treasury shares, at cost - 42,370,215 shares in 2024 and 41,605,619 shares in 2023	(2,942,046)	(2,682,554)
<b>Total Equity</b>	<u>1,327,433</u>	<u>1,308,852</u>
<b>TOTAL LIABILITIES AND TOTAL EQUITY</b>	<u><b>\$ 3,520,142</b></u>	<u><b>\$ 3,377,297</b></u>

See notes to these consolidated financial statements.

**LINCOLN ELECTRIC HOLDINGS, INC.**

**CONSOLIDATED STATEMENTS OF EQUITY**  
*(In thousands, except per share amounts)*

	<b>Common Shares Outstanding</b>	<b>Common Shares</b>	<b>Additional Paid-In Capital</b>	<b>Retained Earnings</b>	<b>Accumulated Other Comprehensive Income (Loss)</b>	<b>Treasury Shares</b>	<b>Total</b>
Balance at December 31, 2021	58,787	\$ 9,858	\$ 451,268	\$ 2,970,303	\$ (257,579)	\$ (2,309,941)	\$ 863,909
Net income				472,224			472,224
Defined benefit pension plan activity, net of tax					11,450		11,450
Unrealized gain on derivatives designated and qualifying as cash flow hedges, net of tax					5,815		5,815
Currency translation adjustment					(35,084)		(35,084)
Cash dividends declared – \$2.32 per share				(134,931)			(134,931)
Stock-based compensation activity	211		29,194			2,458	31,652
Purchase of shares for treasury	(1,374)					(181,293)	(181,293)
Other			1,395	(1,096)			299
Balance at December 31, 2022	57,624	9,858	481,857	3,306,500	(275,398)	(2,488,776)	1,034,041
Net income				545,248			545,248
Defined benefit pension plan activity, net of tax					(215)		(215)
Unrealized gain on derivatives designated and qualifying as cash flow hedges, net of tax					2,627		2,627
Currency translation adjustment					43,139		43,139
Cash dividends declared – \$2.63 per share				(151,513)			(151,513)
Stock-based compensation activity	451		43,609			4,987	48,596
Purchase of shares for treasury	(1,098)					(198,765)	(198,765)
Other			(2,109)	(12,197)			(14,306)
Balance at December 31, 2023	56,977	9,858	523,357	3,688,038	(229,847)	(2,682,554)	1,308,852
Net income				466,108			466,108
Defined benefit pension plan activity, net of tax					948		948
Unrealized gain on derivatives designated and qualifying as cash flow hedges, net of tax					719		719
Currency translation adjustment					(71,955)		(71,955)
Cash dividends declared – \$2.88 per share				(163,875)			(163,875)
Stock-based compensation activity	463		47,197			4,259	51,456
Purchase of shares for treasury	(1,229)					(263,751)	(263,751)
Other			(3,814)	2,745			(1,069)
Balance at December 31, 2024	56,211	\$ 9,858	\$ 566,740	\$ 3,993,016	\$ (300,135)	\$ (2,942,046)	\$ 1,327,433

See notes to these consolidated financial statements.

**LINCOLN ELECTRIC HOLDINGS, INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
*(In thousands)*

	<b>Year Ended December 31,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income	\$ 466,108	\$ 545,248	\$ 472,224
Adjustments to reconcile Net income to Net cash provided by operating activities:			
Rationalization and asset impairment net charges (Note 7)	20,887	4,779	8,100
Depreciation and amortization	88,238	86,670	78,059
Gain on sale of property	—	(36,187)	—
Deferred income taxes (Note 13)	(40,328)	(20,926)	(48,207)
Stock-based compensation	24,052	26,231	25,267
Pension settlement net charges	3,792	—	—
Other, net	(6,780)	(17,464)	11,982
Changes in operating assets and liabilities, net of effects from acquisitions:			
Decrease (increase) in accounts receivable	52,829	14,980	(65,010)
Decrease (increase) in inventories	25,355	122,094	(81,188)
(Increase) in other current assets	(41,558)	(35,608)	(18,297)
(Decrease) increase in trade accounts payable	(27,189)	(32,028)	16,852
Increase (decrease) in other current liabilities	32,703	10,056	(8,199)
Net change in other assets and liabilities	868	(303)	(8,197)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>598,977</b>	<b>667,542</b>	<b>383,386</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditures	(116,603)	(90,987)	(71,883)
Acquisition of businesses, net of cash acquired (Note 4)	(252,746)	(32,685)	(436,298)
Proceeds from sale of property, plant and equipment	7,798	49,494	3,331
Other investing activities	320	(551)	159
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(361,231)</b>	<b>(74,729)</b>	<b>(504,691)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from (payments on) on short-term borrowings	8,449	(79,873)	34,351
Proceeds from long-term borrowings	550,000	—	405,444
Payments on long-term borrowings	(400,677)	(8,109)	—
Proceeds from exercise of stock options	27,404	22,365	6,385
Purchase of shares for treasury	(263,751)	(198,765)	(181,293)
Cash dividends paid to shareholders	(162,143)	(148,010)	(130,724)
Other financing activities	(3,922)	—	(438)
<b>NET CASH (USED BY) PROVIDED BY FINANCING ACTIVITIES</b>	<b>(244,640)</b>	<b>(412,392)</b>	<b>133,725</b>
Effect of exchange rate changes on Cash and cash equivalents	(9,631)	16,216	(8,228)
<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(16,525)</b>	<b>196,637</b>	<b>4,192</b>
Cash and cash equivalents at beginning of period	393,787	197,150	192,958
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>\$ 377,262</b>	<b>\$ 393,787</b>	<b>\$ 197,150</b>

See notes to these consolidated financial statements.

## **LINCOLN ELECTRIC HOLDINGS, INC.**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS** *(Dollars in thousands, except share and per share amounts)*

#### **NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES**

##### **Principles of Consolidation**

The consolidated financial statements include the accounts of Lincoln Electric Holdings, Inc. and its wholly-owned and majority-owned subsidiaries for which it has a controlling interest (the "Company") after elimination of all inter-company accounts, transactions and profits.

Certain reclassifications have been made to the prior period amounts to conform to the current period presentation, none of which are material.

##### **General Information**

The Company is the world leader in the design, development and manufacture of arc welding products, automated joining, assembly and cutting systems, plasma and oxy-fuel cutting equipment. The Company also has a leading global position in brazing and soldering alloys.

The Company's products include arc welding, brazing and soldering filler metals (consumables), arc welding equipment, plasma and oxyfuel cutting systems, wire feeding systems, fume control equipment, welding accessories, specialty gas regulators, and education solutions; as well as a comprehensive portfolio of automated solutions for joining, cutting, material handling, module assembly, and end of line testing.

In March 2022, in response to Russia's invasion of Ukraine, the Company announced it was ceasing operations in Russia and implementing plans to support its Russian employees. In May 2024, the Company disposed of its Russian entity and completed its exit from the Russian market. As a result, \$22,566 of cumulative translation adjustment previously recognized within Other comprehensive income (loss) was recorded to Rationalization and asset impairment charges on the Consolidated Statements of Income in the year ended December 31, 2024.

##### **Translation of Foreign Currencies**

Asset and liability accounts are translated into U.S. dollars using exchange rates in effect at the dates of the Consolidated Balance Sheets; revenue and expense accounts are translated at average monthly exchange rates. Translation adjustments are reflected as a component of Total equity. For subsidiaries operating in highly inflationary economies, both historical and current exchange rates are used in translating balance sheet accounts and translation adjustments are included in Net income. An economy is considered highly inflationary under generally accepted accounting principles in the United States ("GAAP") if the cumulative inflation rate for a three-year period meets or exceeds 100 percent. The Turkish economy exceeded the three-year cumulative inflation rate of 100 percent during the second quarter of 2022. As a result, the financial statements of the Company's Turkish operation are reported under highly inflationary accounting rules as of April 1, 2022. Under highly inflationary accounting, the financial statements of the Company's Turkish operation have been remeasured into the Company's reporting currency (U.S. dollar). Beginning April 1, 2022, the exchange gains and losses from the remeasurement of monetary assets and liabilities are reflected in current earnings, rather than "Accumulated other comprehensive loss" on the Consolidated Balance Sheet. For the years ended December 31, 2024, 2023 and 2022, this impact was not significant to the Company's results.



The translation of assets and liabilities originally denominated in foreign currencies into U.S. dollars is for consolidation purposes, and does not necessarily indicate that the Company could realize or settle the reported value of those assets and liabilities in U.S. dollars. Additionally, such a translation does not necessarily indicate that the Company could return or distribute the reported U.S. dollar value of the net equity of its foreign operations to shareholders.

Foreign currency transaction net (gains) losses are included in Selling, general & administrative expenses and were (\$1,406), \$1,744 and (\$3,633) in 2024, 2023 and 2022, respectively.

### **Cash Equivalents**

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

### **Inventories**

Inventories are valued at the lower of cost or net realizable value. Fixed manufacturing overhead costs are allocated to inventory based on normal production capacity and abnormal manufacturing costs are recognized as period costs. Cost for a substantial portion of U.S. inventories is determined on a last-in, first-out (“LIFO”) basis. At December 31, 2024 and 2023, approximately 35% and 37% of total inventories, respectively, were valued using the LIFO method. Cost of other inventories is determined by costing methods that approximate a first-in, first-out (“FIFO”) basis. Refer to Note 16 for additional details.

Reserves are maintained for estimated obsolescence or excess inventory equal to the difference between the cost of inventory and the estimated net realizable value based upon historical usage, future demand and market conditions. The reserve for excess and obsolete inventory was \$31,072 and \$31,881 at December 31, 2024 and 2023, respectively.

### **Long-lived Assets**

#### *Property, Plant and Equipment*

Property, plant and equipment are stated at cost and include improvements which significantly increase capacities or extend the useful lives of existing plant and equipment. Depreciation and amortization are computed using a straight-line method over useful lives ranging from 3 years to 20 years for machinery, tools and equipment, and up to 40 years for buildings. Net gains or losses related to asset dispositions are recognized in earnings in the period in which dispositions occur.

Routine maintenance, repairs and replacements are expensed as incurred. The Company capitalizes interest costs associated with long-term construction in progress.

Property, plant and equipment, net in the Consolidated Balance Sheet is comprised of the following components:

	December 31,	
	2024	2023
Land	\$ 64,016	\$ 67,949
Buildings	445,319	445,041
Machinery and equipment	975,480	939,316
	1,484,815	1,452,306
Less accumulated depreciation	865,634	876,990
Total	<u>\$ 619,181</u>	<u>\$ 575,316</u>

## *Leases*

The Company determines if an agreement is a lease at inception. The Company records a right-of-use asset on its Consolidated Balance Sheets to represent its right to use an underlying asset for the lease term. The Company records a lease liability on its Consolidated Balance Sheets to represent its obligation to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of the Company's operating leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on information available at commencement date to present value the lease payments.

The Company has operating leases for sales offices, manufacturing facilities, warehouses and distribution centers, transportation equipment, office equipment and information technology equipment. Some of these leases are noncancelable. Variable or short-term lease costs contained within the Company's operating leases are not material. Most leases include one or more options to renew, which can extend the lease term from 1 to 11 years or more. The exercise of lease renewal options is at the Company's sole discretion. Certain leases also include options to purchase the leased property. Leases with an initial term of 12 months or less are not recorded on the Company's Consolidated Balance Sheets. The Company recognizes lease expense for these leases on a straight-line basis over the lease term.

The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

## *Impairments*

The Company periodically evaluates whether current facts or circumstances indicate that the carrying value of its depreciable long-lived assets, including right-of-use assets and finite-lived intangible assets, to be held and used may not be recoverable. If such circumstances are determined to exist, an estimate of undiscounted future cash flows produced by the long-lived asset, or the appropriate grouping of assets, is compared to the carrying value to determine whether impairment exists. If an asset is determined to be impaired, a loss is recognized to the extent that carrying value exceeds fair value. Fair value is measured based on quoted market prices in active markets, if available. If quoted market prices are not available, the estimate of fair value is based on various valuation techniques, including the discounted value of estimated future cash flows. Refer to Notes 5, 7 and 17 for additional details.

## **Goodwill and Intangibles**

Goodwill is recorded when the cost of acquired businesses exceeds the fair value of the identifiable net assets acquired. Intangible assets other than goodwill are recorded at fair value at the time acquired or at cost, if applicable. Intangible assets that do not have indefinite lives are amortized in line with the pattern in which the economic benefits of the intangible asset are consumed. If the pattern of economic benefit cannot be reliably determined, the intangible assets are amortized on a straight-line basis over the shorter of the legal or estimated life. These types of assets are assessed for impairment in a manner consistent with long-lived assets described above. Goodwill and indefinite-lived intangible assets are not amortized, but are tested for impairment in the fourth quarter using the same date each year or more frequently if changes in circumstances or the occurrence of events indicate potential impairment.

In performing the annual impairment test, the fair value of each indefinite-lived intangible asset is compared to its carrying value and an impairment charge is recorded if the carrying value exceeds the fair value. For goodwill, the Company first assesses qualitative factors to determine whether it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, and whether it is necessary to perform the quantitative goodwill impairment test. The quantitative test is only required if the Company concludes that it is more-likely-than-not that a reporting unit's fair value is less than its carrying amount. The Company may also perform a quantitative test in instances where the more-likely-than-not threshold has not been met, including when general macroeconomic conditions or changes to the reporting unit warrant a refresh of the baseline used in a qualitative test. For quantitative testing, the Company compares the fair value of each reporting unit with its carrying amount. If the carrying amount exceeds the fair

value, an impairment charge is recognized for the amount by which the carrying amount exceeds the reporting unit's fair value, not to exceed the total amount of goodwill allocated to that reporting unit.

Fair values are determined using established business valuation techniques and models developed by the Company, estimates of market participant assumptions of future cash flows, future growth rates and discount rates to value estimated cash flows. Changes in economic and operating conditions, actual growth below the assumed market participant assumptions or an increase in the discount rate could result in an impairment charge in a future period. Refer to Note 5 for additional details.

### **Fair Value Measurements**

Financial assets and liabilities, such as the Company's defined benefit pension plan assets and derivative contracts, are valued at fair value using the market and income valuation approaches. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The following hierarchy is used to classify the inputs that measure fair value:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2 Inputs to the valuation methodology include:
  - Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the asset or liability; and
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.If the asset or liability has a specific (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Refer to Notes 11 and 15 for additional details.

### **Revenue Recognition**

Revenue is recognized when obligations under the terms of a contract are satisfied and control is transferred to the customer. Revenue is measured as the amount of consideration the Company expects to be entitled to in exchange for goods or services. Substantially all of the Company's sales arrangements are short-term in nature involving a single performance obligation. The Company recognizes revenue when the performance obligation is satisfied and control of the product is transferred to the customer generally based upon shipping terms. In addition, certain customized automation performance obligations are accounted for over time. Under this method, revenue recognition is primarily based upon the ratio of costs incurred to date compared with estimated total costs to complete. The cumulative impact of revisions to total estimated costs is reflected in the period of the change, including anticipated losses. Approximately 10% of the Company's Net sales are recognized over time.

The Company recognizes any discounts, credits, returns, rebates and incentive programs based on reasonable estimates as a reduction of sales to arrive at Net sales at the same time the related revenue is recorded. Taxes collected by the Company, including sales tax and value added tax, are excluded from Net sales. The Company recognizes freight billed as a component of Net sales and shipping costs as a component of Cost of goods sold when control transfers to the customer. Sales commissions are expensed when incurred because the amortization period is generally one year or less. These costs are recorded within Selling, general and administrative expenses in the Company's Consolidated Statements of Income.

The Company's payment terms vary by the type and location of the customer and the products or services offered. The Company does not offer any payment terms that would meet the requirements for consideration as a financing component under Accounting Standards Codification Topic 606.

Refer to Note 2 for additional details.

### **Distribution Costs**

Distribution costs, including warehousing and freight related to product shipments, are included in Cost of goods sold.

### **Stock-Based Compensation**

Expense is recognized for all awards of stock-based compensation by allocating the aggregate grant date fair value over the vesting period. No expense is recognized for any stock options, restricted or deferred shares or restricted stock units ultimately forfeited because the recipients fail to meet vesting requirements.

Common stock issuable upon the exercise of employee stock options is excluded from the calculation of diluted earnings per share when the calculation of option equivalent shares is anti-dilutive. Refer to Note 10 to the consolidated financial statements for additional details.

### **Financial Instruments**

The Company uses derivative instruments to manage exposures to interest rates, commodity prices and currency exchange rate fluctuations on certain purchase and sales transactions, balance sheet and net investment exposures. Derivative contracts to hedge currency and commodity exposures are generally written on a short-term basis, but may cover exposures for up to 3 years while interest rate contracts may cover longer periods consistent with the terms of the underlying debt. The Company does not enter into derivatives for trading or speculative purposes.

All derivatives are recognized at fair value on the Company's Consolidated Balance Sheets. The accounting for gains and losses resulting from changes in fair value depends on the use of the derivative and whether it is designated and qualifies for hedge accounting. The Company formally documents the relationship of the hedge with the hedged item as well as the risk-management strategy for all designated hedges. Both at inception and on an ongoing basis, the hedging instrument is assessed as to its effectiveness, when applicable. If and when a derivative is determined not to be highly effective as a hedge, the underlying hedged transaction is no longer likely to occur, or the derivative is terminated, hedge accounting is discontinued. The cash flows from settled derivative contracts are recognized in Net cash provided by operating activities in the Company's Consolidated Statements of Cash Flows.

The Company is subject to the credit risk of the counterparties to derivative instruments. Counterparties include a number of major banks and financial institutions. The Company manages individual counterparty exposure by monitoring the credit rating of the counterparty and the size of financial commitments and exposures between the Company and the counterparty.

#### *Cash flow hedges*

Certain foreign currency forward contracts and commodity contracts are qualified and designated as cash flow hedges. The effective portion of the fair value unrealized gain or loss on cash flow hedges are reported as a component of Accumulated other comprehensive income ("AOCI") with offsetting amounts recorded as Other current assets, Other assets, Other current liabilities or Other liabilities depending on the position and the duration of the contract. At settlement, the realized gain or loss is recorded in Cost of goods sold or Net sales for hedges of purchases and sales, respectively, in the same period or periods during which the hedged transaction affects earnings. The ineffective portion on cash flow hedges is recognized in current earnings.

### *Net investment hedges*

For derivative instruments that qualify as a net investment hedge, the effective portion of the fair value gains or losses are recognized in AOCI with offsetting amounts recorded as Other current assets, Other assets, Other current liabilities or Other liabilities depending on the position and the duration of the contract. The gains or losses are subsequently reclassified to Selling, general and administrative expenses, as the underlying hedged investment is liquidated.

### *Derivatives not designated as hedging instruments*

The Company has certain foreign exchange forward contracts which are not designated as hedges. These derivatives are held as hedges of certain balance sheet exposures. The gains or losses on these contracts are recognized in Selling, general and administrative expenses, offsetting the losses or gains on the exposures being hedged.

Refer to Note 14 to the consolidated financial statements for additional details.

## **Research and Development**

Research and development costs are charged to Selling, general and administrative expenses as incurred and totaled \$81,821, \$71,235 and \$63,207 in 2024, 2023 and 2022, respectively.

## **Bonus**

The Company's discretionary employee bonus programs, which for certain U.S.-based employees are net of medical costs, are included in Selling, general and administrative expenses. Bonus costs were \$166,554, \$192,498 and \$159,281 in 2024, 2023 and 2022, respectively.

## **Income Taxes**

Deferred income taxes are recognized at currently enacted tax rates for temporary differences between the GAAP and income tax basis of assets and liabilities and operating loss and tax credit carry-forwards. In assessing the realizability of deferred tax assets, the Company assesses whether it is more-likely-than-not that a portion or all of the deferred tax assets will not be realized.

The Company maintains liabilities for unrecognized tax benefits related to uncertain income tax positions in various jurisdictions. The Company uses judgment in determining whether the technical merits of tax positions are more-likely-than-not to be sustained. Judgment is also used in measuring the related amount of tax benefit that qualifies for recognition, including the interpretation of applicable tax law, regulations and tax rulings.

The Company elects to treat any Global Intangible Low Taxed Income inclusion as a period expense in the year incurred.

Refer to Note 13 for additional details.

## **Acquisitions**

The acquisition of a business is accounted for as a business combination, which requires the assets acquired and liabilities assumed be recognized at their respective fair values as of the acquisition date. The process of estimating the fair values of certain tangible assets, identifiable intangible assets and assumed liabilities requires the use of judgment in determining the appropriate assumptions and estimates. The Company uses the income, market or cost approach (or a combination thereof) for the valuation as appropriate. The valuation inputs in these models and analyses are based on market participant assumptions. Market participants are considered to be buyers and sellers unrelated to the Company in the principal or most advantageous market for the asset or liability.

Fair value estimates are based on a series of judgments about future events and uncertainties and rely on estimates and assumptions. Management values property, plant and equipment using the cost approach supported where available by observable market data, which includes consideration of obsolescence. Management values acquired intangible assets using the relief from royalty method or excess earnings method, forms of the income approach supported by observable market data for peer companies. The significant assumptions used to estimate the value of the acquired intangible assets include discount rates and certain assumptions that form the basis of future cash flows (such as revenue growth rates, customer attrition rates, and royalty rates). Acquired inventories are marked to fair value. For certain items, the pre-acquisition carrying value is determined to be a reasonable approximation of fair value based on information available to the Company. Refer to Note 4 for additional details.

## Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions in certain circumstances that affect the amounts reported in the accompanying consolidated financial statements and notes. Actual results could differ from these estimates.

## New Accounting Pronouncements

The following section provides a description of new Accounting Standards Updates (“ASU”) issued by the Financial Accounting Standards Board (“FASB”) that are applicable to the Company.

The following ASUs were adopted as of January 1, 2024 and did not have a significant financial impact on the Company’s consolidated financial statements unless otherwise described within the table below:

Standard	Description
ASU No. 2023-07, <i>Segment Reporting (Topic 280)</i> , issued November 2023.	Requires enhanced disclosures about significant segment expenses, including significant segment expenses that are regularly provided to the chief operating decision maker (“CODM”), the title and position of the CODM, an amount for other segment items by reportable segment, and disclosures about segment profit or loss and assets on an annual and interim basis. The amendments are effective for annual periods beginning January 1, 2024, and interim periods beginning January 1, 2025. Refer to Note 6 for the impacts on the Company’s consolidated financial statements.
ASU No. 2023-01, <i>Leases-Common Control Arrangements (Topic 842)</i> , issued March 2023	Requires a lessee in a common-control arrangement to amortize leasehold improvements that it owns over the improvements’ useful life, regardless of the lease term. The requirements of the ASU are effective January 1, 2024.
ASU No. 2022-04, <i>Liabilities-Supplier Finance Programs (Subtopic 405-50)</i> , issued September 2022.	Requires disclosure about a company’s supplier finance programs, including a period-over-period balance roll forward. This requirement of the ASU is effective January 1, 2024 and should be applied prospectively. Refer to Note 19.

The Company is currently evaluating the impact on its financial statements of the following ASUs:

Standard	Description
ASU No. 2024-03, <i>Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures</i> , issued November 2024	Requires enhanced disclosures of specified information about certain costs and expenses. The amendments are effective for annual periods beginning January 1, 2027, and interim periods beginning January 1, 2028. Early adoption is prohibited.
ASU No. 2023-06, <i>Disclosure Improvements</i> , issued October 2023	Requires amending certain disclosure and presentation requirements for a variety of topics within the ASC. The effective date for each amended topic in the ASC is either the date on which the SEC's removal of the related disclosure requirement from Regulation S-X or S-K becomes effective, or June 30, 2027, if the SEC has not removed the requirements by that date. Early adoption is prohibited.
ASU No. 2023-09, <i>Income Taxes (Topic 740)</i> , issued December 2023.	Requires disclosure of specific categories in rate reconciliation and additional information for reconciling items that meet a quantitative threshold, additional information about income taxes paid, and disclosure of disaggregated income tax information. The amendments are effective January 1, 2025 and early adoption is permitted.

## NOTE 2 — REVENUE RECOGNITION

The following table presents the Company's Net sales disaggregated by product line:

	Year Ended December 31,		
	2024	2023	2022
Consumables	\$ 2,088,721	\$ 2,212,314	\$ 2,183,019
Equipment	1,919,949	1,979,322	1,578,192
Net sales	\$ 4,008,670	\$ 4,191,636	\$ 3,761,211

Consumable sales consist of welding, brazing and soldering filler metals. Equipment sales consist of arc welding equipment, welding accessories, wire feeding systems, fume control equipment, plasma and oxy-fuel cutting systems, specialty gas regulators, and education solutions; as well as a comprehensive portfolio of automated solutions for joining, cutting, material handling, module assembly, and end of line testing. Consumable and Equipment products are sold within each of the Company's operating segments.

Within the Equipment product line, there are certain customer contracts related to automation products that may include multiple performance obligations. For such arrangements, the Company allocates revenue to each performance obligation based on its relative standalone selling price. The Company generally determines the standalone selling price based on the prices charged to customers or using expected cost plus margin. Approximately 10% of the Company's Net sales are recognized over time.

At December 31, 2024, the Company recorded \$63,473 related to advance customer payments and \$57,960 related to billings in excess of revenue recognized. These contract liabilities are included in Other current liabilities in the Consolidated Balance Sheets. At December 31, 2023, the balances related to advance customer payments and billings in excess of revenue recognized were \$40,063 and \$52,422, respectively. Substantially all of the Company's contract liabilities are recognized within twelve months based on contract duration. The Company records an asset for contracts where it has recognized revenue, but has not yet invoiced the customer for goods or services. At December 31, 2024 and 2023, \$81,781 and \$41,816, respectively, related to these contract assets which are included in Other current assets in the Consolidated Balance Sheets. Contract asset amounts are expected to be billed within the next twelve months.

### NOTE 3 - EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share:

	Year Ended December 31,		
	2024	2023	2022
Numerator:			
Net income	\$ 466,108	\$ 545,248	\$ 472,224
Denominator (shares in 000's):			
Basic weighted average shares outstanding	56,639	57,364	58,030
Effect of dilutive securities - Stock options and awards	555	857	719
Diluted weighted average shares outstanding	57,194	58,221	58,749
Basic earnings per share	\$ 8.23	\$ 9.50	\$ 8.14
Diluted earnings per share	\$ 8.15	\$ 9.37	\$ 8.04

For the years ended December 31, 2024, 2023 and 2022, common shares subject to equity-based awards of 20,495, 69,901 and 127,358, respectively, were excluded from the computation of diluted earnings per share because the effect of their exercise would be anti-dilutive.

### NOTE 4 – ACQUISITIONS

The acquired companies are accounted for as business combinations and are included in the consolidated financial statements as of the date of acquisition. The acquired companies discussed below are not material individually, or in the aggregate, to the actual or pro forma Consolidated Statements of Income or Consolidated Statements of Cash Flows; as such, pro forma information related to these acquisitions has not been presented.

On July 30, 2024, the Company acquired 100% ownership of Vanair Manufacturing, LLC (“Vanair”), a privately held, Michigan City, Indiana-based, manufacturer for a total purchase price of \$109,993, net of cash acquired and certain debt-like items. In 2023, Vanair generated sales of approximately \$100,000 (unaudited). Vanair offers a comprehensive portfolio of mobile power solutions, including vehicle-mounted compressors, generators, welders, hydraulics, chargers/boosters, and electrified power equipment.

On June 3, 2024, the Company acquired 100% ownership of Inrotech A/S (“Inrotech”), a privately held automation system integration and technology firm headquartered in Odense, Denmark. The purchase price was \$42,352, net of cash acquired. Inrotech specializes in automated welding systems that are differentiated by proprietary adaptive intelligence software and computer vision which guides and optimizes the welding process without the need for programming or the use of computer aided design files. The state-of-the-art vision-based technology is used in the shipbuilding, energy, and heavy industry sectors, where welding accessibility can be challenging for traditional automated systems, but precision and quality are mission critical.

On April 1, 2024, the Company acquired 100% ownership of Superior Controls, LLC (“RedViking”), a privately held automation system integrator based in Plymouth, Michigan. The purchase price was \$108,844, net of cash acquired. In 2023, RedViking generated sales of approximately \$70,000 (unaudited). RedViking specializes in the development and integration of state-of-the-art autonomous guided vehicles and mobile robots, custom assembly and dynamic test systems, and proprietary manufacturing execution system software. The acquisition broadened the Company’s portfolio of automation solutions and extends the Company’s ability to serve customers in the growing aerospace and defense industries.

On May 3, 2023, the Company acquired 100% ownership of Powermig Automação e Soldagem Ltda. (“Powermig”), a privately held automation engineering firm headquartered in Caxias do Sul, Rio Grande do Sul, in Brazil. The purchase price was \$29,572, net of cash acquired. Powermig specializes in designing and engineering industrial welding automation solutions for the heavy industry and transportation sectors. The acquisition broadened the Company’s automation portfolio and capabilities.



On December 1, 2022, the Company acquired 100% ownership of Fori Automation, LLC (“Fori”) for an agreed upon purchase price of \$427,000, which was adjusted for certain debt like obligations, for total purchase price consideration of \$468,683 or \$416,353, net of cash acquired. Fori is a leading designer and manufacturer of complex, multi-armed automated welding systems, with an extensive range of automated assembly systems, automated material handling solutions, automated large-scale, industrial guidance vehicles, and end of line testing systems. The acquisition of Fori extended the Company’s market presence within the automotive sector as well as its automation footprint in the International Welding segment.

The acquisition of Fori was accounted for as a business combination, which required the assets acquired and liabilities assumed be recognized at their respective fair values as of the acquisition date. The process of estimating the fair values of certain tangible assets, identifiable intangible assets and assumed liabilities required the use of judgment in determining the appropriate assumptions and estimates. The table below summarizes the final fair values of the assets acquired and liabilities assumed on the acquisition date.

<b>Assets Acquired and Liabilities Assumed</b>	<b>Purchase Price Allocation</b>
Cash and cash equivalents	\$ 52,330
Accounts receivable	64,439
Inventory	67,763
Property, plant and equipment <sup>(1)</sup>	36,863
Intangible assets <sup>(2)</sup>	69,350
Accounts payable	17,996
Net other assets and liabilities <sup>(3)</sup>	195,934
Total purchase price consideration	<u>\$ 468,683</u>

(1) Property, plant and equipment acquired includes a number of manufacturing and distribution sites, including the related facilities, land and leased sites, and machinery and equipment for use in manufacturing operations.

(2) Intangible asset balances of \$22,000 and \$18,200, respectively, were assigned to trade names and customer relationships (15 year weighted average useful life). Of the remaining amount, \$24,900 was assigned to technology know-how (10 year weighted average useful life) and \$4,250 was assigned to restrictive covenants (4 year weighted average life).

(3) Consists primarily of goodwill of \$244,325.

Goodwill is calculated as the excess of the consideration transferred over the net assets recognized and represents the anticipated synergies of acquiring Fori. A portion of the goodwill is deductible for tax purposes.

On March 1, 2022, the Company acquired 100% ownership of Kestra Universal Soldas, Industria e Comercio, Importacao e Exportacao Ltda. (“Kestra”), a privately held manufacturer headquartered in Atibaia, Sao Paulo State, Brazil. The purchase price was \$22,294, net of cash acquired. Kestra manufactures and provides specialty welding consumables, wear plates and maintenance and repair services for alloy and wear-resistant products commonly used in mining, steel, agricultural and industrial mill applications. The acquisition broadened the Company’s specialty alloys portfolio and services.

During the years ended December 31, 2024, 2023 and 2022, the Company recognized acquisition costs of \$7,042, \$0 and \$6,003, respectively, which are included in Selling, general and administrative expenses on the Consolidated Statements of Income and are expensed as incurred.

## NOTE 5 – GOODWILL AND INTANGIBLES

The changes in the carrying amount of goodwill by reportable segments for the years ended December 31, 2024 and 2023 were as follows:

	Americas Welding	International Welding	The Harris Products Group	Consolidated
Balance as of December 31, 2022	\$ 492,187	\$ 129,919	\$ 43,151	\$ 665,257
Additions and adjustments <sup>(1)</sup>	(2,899)	23,111	—	20,212
Foreign currency translation	8,312	449	222	8,983
Balance as of December 31, 2023	497,600	153,479	43,373	694,452
Additions and adjustments <sup>(2)</sup>	101,657	33,427	—	135,084
Foreign currency translation	(13,443)	(10,644)	(522)	(24,609)
Balance as of December 31, 2024	\$ 585,814	\$ 176,262	\$ 42,851	\$ 804,927

- (1) Adjustments to Americas Welding reflect goodwill recognized in the acquisition of Powermig offset by Fori purchase accounting adjustments in 2023. Additions to International Welding reflect Fori purchase accounting adjustments in 2023.
- (2) Additions to Americas Welding reflect goodwill recognized in the acquisitions of Vanair and RedViking. Additions to International Welding reflect goodwill recognized in the acquisition of Inrotech.

Gross carrying values and accumulated amortization of intangible assets other than goodwill by asset class were as follows:

	December 31, 2024		December 31, 2023	
	Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization
Intangible assets not subject to amortization				
Trademarks and trade names	\$ 16,208		\$ 16,038	
Intangible assets subject to amortization				
Trademarks and trade names	\$ 106,512	\$ 55,078	\$ 93,065	\$ 52,510
Customer relationships	192,196	106,719	171,338	102,643
Technology and know-how	82,019	29,478	68,365	24,602
Patents	23,901	16,008	25,150	15,879
Other	42,315	34,863	43,451	35,106
Total intangible assets subject to amortization	\$ 446,943	\$ 242,146	\$ 401,369	\$ 230,740

During 2024, the Company acquired intangible assets either individually or as part of a group of assets, with an initial purchase price allocation and weighted-average useful-life as follows:

	Year Ended December 31, 2024	
	Purchase Price Allocation	Weighted Average Life
Acquired intangible assets subject to amortization		
Trademarks and trade names	\$ 17,977	15
Customer relationships	32,203	14
Technology and know-how	17,222	10
Other	2,075	5
Total acquired intangible assets subject to amortization	\$ 69,477	

Aggregate amortization expense was \$27,075, \$25,983 and \$21,908 for 2024, 2023 and 2022, respectively. During 2023, the Company determined that for certain intangible assets, the carrying value of the assets exceeded the fair value

resulting in an impairment. The Company recognized non-cash impairment charges of \$1,564 in 2023 which is recorded in Rationalization and asset impairment charges in the Company's Consolidated Statements of Income. At December 31, 2024, the Company's estimated annual amortization expense for intangible assets for each of the next five years is \$27,172 in 2025, \$25,821 in 2026, \$24,936 in 2027, \$24,142 in 2028 and \$20,570 in 2029.

## **NOTE 6 – SEGMENT INFORMATION**

The Company's primary business is the design, development and manufacture of arc welding products, automated joining, assembly and cutting systems, plasma and oxy-fuel cutting equipment. The Company also has a leading global position in brazing and soldering alloys.

The Company's products include arc welding, brazing and soldering filler metals (consumables), arc welding equipment, plasma and oxyfuel cutting systems, wire feeding systems, fume control equipment, welding accessories, specialty gas regulators, and education solutions; as well as a comprehensive portfolio of automated solutions for joining, cutting, material handling, module assembly, and end of line testing.

The Company has aligned its organizational and leadership structure into three operating segments to support growth strategies and enhance the utilization of the Company's worldwide resources and global sourcing initiatives. The operating segments consist of Americas Welding, International Welding and The Harris Products Group. The Americas Welding segment includes welding operations in North and South America. The International Welding segment includes welding operations in Europe, Africa, Asia and Australia. The Harris Products Group includes the Company's global cutting, soldering and brazing businesses, specialty gas equipment, as well as its retail business in the United States.

Segment performance is measured and resources are allocated based on a number of factors, the primary measure being the adjusted earnings before interest and income taxes ("Adjusted EBIT") profit measure. EBIT is defined as Operating income plus Other income. Segment EBIT is adjusted for special items as determined by management such as the impact of rationalization activities, certain asset impairment charges and gains or losses on disposals of assets.

The Company's chief operating decision maker ("CODM") is the Chief Executive Officer. The CODM uses segment Adjusted EBIT to allocate resources for each segment predominantly in establishing the Company's long-term strategy and in developing the annual budget. The CODM considers actual performance using Adjusted EBIT when making decisions about allocating capital and resources to the segments.

The accounting principles applied at the operating segment level are generally the same as those applied at the consolidated financial statement level with the exception of LIFO. Segment assets include inventories measured on a FIFO basis while consolidated inventories include inventories reported on a LIFO basis. Segment and consolidated income before interest and income taxes include the effect of inventories reported on a LIFO basis. At December 31, 2024, 2023 and 2022 approximately 35%, 37% and 38%, respectively, of total inventories were valued using the LIFO method. LIFO is used for a substantial portion of U.S. inventories included in Americas Welding. Inter-segment sales are recorded at agreed upon prices that approximate arm's length prices and are eliminated in consolidation. Corporate-level expenses are allocated to the operating segments.

Financial information for the reportable segments follows:

	Americas Welding <sup>(1)</sup>	International Welding <sup>(2)</sup>	The Harris Products Group <sup>(3)</sup>	Corporate / Eliminations <sup>(4)</sup>	Consolidated
<b>For the Year Ended December 31, 2024</b>					
Net sales	\$ 2,564,847	\$ 933,722	\$ 510,101	\$ —	\$ 4,008,670
Inter-segment sales	135,758	35,861	12,321	(183,940)	—
Total sales	2,700,605	969,583	522,422	(183,940)	4,008,670
Cost of goods sold	1,638,568	700,428	378,292	(181,530)	2,535,758
Gross profit	1,062,037	269,155	144,130	(2,410)	1,472,912
Other segment expenses <sup>(5)</sup>	559,670	200,785	59,757	15,765	835,977
EBIT	502,367	68,370	84,373	(18,175)	636,935
Special items charge	27,821	37,747	3,955	7,147	76,670
Adjusted EBIT	\$ 530,188	\$ 106,117	\$ 88,328	\$ (11,028)	\$ 713,605
Special items charge					(76,670)
Interest income					10,130
Interest expense					(52,916)
Income before income taxes					\$ 594,149
Total assets	\$ 2,416,411	\$ 1,050,327	\$ 346,645	\$ (293,241)	\$ 3,520,142
Capital expenditures	94,528	17,814	4,144	117	116,603
Depreciation and amortization	57,016	21,735	10,091	(604)	88,238
<b>For the Year Ended December 31, 2023</b>					
Net sales	\$ 2,655,546	\$ 1,040,006	\$ 496,084	\$ —	\$ 4,191,636
Inter-segment sales	127,536	31,498	10,641	(169,675)	—
Total	2,783,082	1,071,504	506,725	(169,675)	4,191,636
Cost of goods sold	1,739,850	776,982	377,748	(168,389)	2,726,191
Gross profit	1,043,232	294,522	128,977	(1,286)	1,465,445
Other segment expenses <sup>(5)</sup>	514,821	148,304	54,833	16,250	734,208
EBIT	528,411	146,218	74,144	(17,536)	731,237
Special items charge (gain)	9,858	(9,721)	—	—	137
Adjusted EBIT	\$ 538,269	\$ 136,497	\$ 74,144	\$ (17,536)	\$ 731,374
Special items charge					(137)
Interest income					6,762
Interest expense					(51,133)
Income before income taxes					\$ 686,866
Total assets	\$ 2,365,737	\$ 1,046,369	\$ 340,463	\$ (375,272)	\$ 3,377,297
Capital expenditures	61,752	20,568	8,550	117	90,987
Depreciation and amortization	55,821	22,023	9,611	(785)	86,670
<b>For the Year Ended December 31, 2022</b>					
Net sales	\$ 2,288,934	\$ 954,281	\$ 517,996	\$ —	\$ 3,761,211
Inter-segment sales	122,019	31,503	11,040	(164,562)	—
Total	2,410,953	985,784	529,036	(164,562)	3,761,211
Cost of goods sold	1,514,203	719,051	410,861	(163,664)	2,480,451
Gross profit	896,750	266,733	118,175	(898)	1,280,760
Other segment expenses <sup>(5)</sup>	430,871	158,257	54,167	15,138	658,433
EBIT	465,879	108,476	64,008	(16,036)	622,327
Special items (gain) charge	(3,060)	11,681	—	6,003	14,624
Adjusted EBIT	\$ 462,819	\$ 120,157	\$ 64,008	\$ (10,033)	\$ 636,951
Special items charge					(14,624)
Interest income					1,607
Interest expense					(31,107)
Income before income taxes					\$ 592,827
Total assets	\$ 2,122,729	\$ 994,905	\$ 361,989	\$ (299,077)	\$ 3,180,546
Capital expenditures	43,003	17,955	10,925	—	71,883
Depreciation and amortization	47,291	20,949	9,819	—	78,059

- (1) 2024 special items reflect Rationalization and asset impairment net charges of \$18,840, an amortization of step up in value of acquired inventories of \$4,776 and a pension settlement net charge of \$4,205.

2023 special items reflect Rationalization and asset impairment net charges of \$468 and amortization of step up in value of acquired inventories of \$9,390.

2022 special items reflect Rationalization and asset impairment net gains of \$431, final settlement gains related to the termination of a pension plan of \$3,735 and amortization of step up in value of acquired inventories of \$1,106.

- (2) 2024 special items reflect Rationalization and asset impairment net charges of \$32,960 including the impact of the Company's disposition of its Russian entity, a loss on asset disposal of \$4,950, an amortization of step up in value of acquired inventories of \$250 and a pension settlement gain of \$413.

2023 special items reflect Rationalization and asset impairment net gains of \$11,782, amortization of step up in value of acquired inventories of \$2,862, gain on asset disposal of \$1,646, and pension settlement charges of \$845.

2022 special items reflect Rationalization and asset impairment charges of \$11,681.

- (3) 2024 special items reflect Rationalization and asset impairment net charges of \$3,955.

- (4) 2024 special items reflect transaction costs of \$7,042 related to acquisitions as discussed in Note 4 to the consolidated financial statements.

2022 special items reflect transaction costs of \$6,003 related acquisitions as discussed in Note 4 to the consolidated financial statements.

- (5) Other segment expenses primarily include:

- a. Selling, general and administrative expenses – including bonus and research and development expenses.
- b. Rationalization and asset impairment net charges – refer to Note 7 for further discussion.

Export sales (excluding inter-company sales) from the United States were \$244,334 in 2024, \$238,704 in 2023 and \$173,033 in 2022. No individual customer comprised more than 10% of the Company's total revenues in 2024, 2023 and 2022.

The geographic split of the Company's Net sales, based on the location of the customer, and property, plant and equipment were as follows:

	Year Ended December 31,		
	2024	2023	2022
Net sales:			
United States	\$ 2,355,262	\$ 2,398,560	\$ 2,128,457
Foreign countries	1,653,408	1,793,076	1,632,754
Total	<u>\$ 4,008,670</u>	<u>\$ 4,191,636</u>	<u>\$ 3,761,211</u>
	December 31,		
	2024	2023	2022
Property, plant and equipment, net:			
United States	\$ 344,533	\$ 293,172	\$ 267,654
Foreign countries	274,648	282,144	277,217
Total	<u>\$ 619,181</u>	<u>\$ 575,316</u>	<u>\$ 544,871</u>

## NOTE 7 – RATIONALIZATION AND ASSET IMPAIRMENTS

During 2024, the Company initiated rationalization plans within International Welding, Americas Welding and The Harris Products Group. During 2023, the Company also initiated rationalization plans within International Welding. The plans in both years impacted headcount and included the consolidation of manufacturing facilities to better align with the cost structure, economic conditions and operating needs. As a result of these plans, in 2024 the Company recorded Rationalization and asset impairment net charges of \$32,960 in International Welding, of which \$22,566 is associated with the disposal of the Company's Russian entity. The Company also incurred Rationalization and asset impairment net charges of \$18,840 and \$3,955 in Americas Welding and The Harris Products Group, respectively, in 2024. In 2023, the Company recorded a Rationalization and asset impairment net gain of \$11,782 in International Welding and a net charge \$468 in Americas Welding. In 2022, the Company recorded Rationalization and asset impairment net charge of \$11,788 primarily related to International Welding.

At December 31, 2024 and 2023, liabilities of \$14,146 and \$15,086, respectively, were recognized in Other current liabilities in the Company's Consolidated Balance Sheet. The Company does not anticipate significant additional charges related to the completion of these plans.

The Company believes the rationalization actions will positively impact future results of operations and will not have a material effect on liquidity and sources and uses of capital. The Company continues to evaluate its cost structure and additional rationalization actions may result in charges in future periods.

The following table summarizes the activity related to the rationalization liabilities:

	<u>Americas Welding</u>	<u>International Welding</u>	<u>The Harris Products Group</u>	<u>Consolidated</u>
Balance at December 31, 2022	\$ —	\$ 2,207	\$ —	\$ 2,207
Payments and other adjustments	(468)	(6,747)	—	(7,215)
Charged to expense	468	19,626	—	20,094
Balance at December 31, 2023	\$ —	\$ 15,086	\$ —	\$ 15,086
Payments and other adjustments	(11,957)	(21,893)	(2,063)	(35,913)
Charged to expense	17,585	14,369	3,019	34,973
Balance at December 31, 2024	<u>\$ 5,628</u>	<u>\$ 7,562</u>	<u>\$ 956</u>	<u>\$ 14,146</u>

## NOTE 8 – ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) ("AOCI")

The following tables set forth the total changes in AOCI by component, net of taxes:

	Unrealized gain (loss) on derivatives designated and qualifying as cash flow hedges	Defined benefit pension plan activity	Currency translation adjustment	Total
Balance at December 31, 2022	\$ 13,909	\$ (1,781)	\$ (287,526)	\$ (275,398)
Other comprehensive income (loss) before reclassification	7,049	(5,135)	43,139	45,053
Amounts reclassified from AOCI	(4,422)	4,920	—	498
Net current-period other comprehensive income (loss)	2,627	(215)	43,139	45,551
Balance at December 31, 2023	\$ 16,536	\$ (1,996)	\$ (244,387)	\$ (229,847)
Other comprehensive income (loss) before reclassification	1,831	(1,591)	(71,955)	(71,715)
Amounts reclassified from AOCI	(1,112)	2,539	—	1,427
Net current-period other comprehensive income (loss)	719	948	(71,955)	(70,288)
Balance at December 31, 2024	\$ 17,255	\$ (1,048)	\$ (316,342)	\$ (300,135)

## NOTE 9 – DEBT

At December 31, 2024 and 2023, debt consisted of the following:

				December 31,	
				2024	2023
Long-term debt			Interest Rate		
Senior Unsecured Notes					
2015 Notes - Series A due August 20, 2025	3.15	%	\$	100,000	\$ 100,000
2015 Notes - Series B due August 20, 2030	3.35	%		100,000	100,000
2015 Notes - Series C due April 1, 2035	3.61	%		50,000	50,000
2015 Notes - Series D due April 1, 2045	4.02	%		100,000	100,000
2016 Notes - Series A due October 20, 2028	2.75	%		100,000	100,000
2016 Notes - Series B due October 20, 2033	3.03	%		100,000	100,000
2016 Notes - Series C due October 20, 2037	3.27	%		100,000	100,000
2016 Notes - Series D due October 20, 2041	3.52	%		50,000	50,000
2024 Notes - Series A due August 22, 2029	5.55	%		75,000	—
2024 Notes - Series B due August 22, 2031	5.62	%		75,000	—
2024 Notes - Series C due June 20, 2034	5.74	%		400,000	—
Term Loan due through 2025	Variable <sup>(1)</sup>			—	400,000
Other borrowings due through 2030	Variable <sup>(2)</sup>			10	9
				1,250,010	1,100,009
Plus interest rate swap adjustment				3,355	4,036
Less current portion				100,004	4
Less debt issuance costs				2,810	1,270
Long-term debt, less current portion				1,150,551	1,102,771
Short-term debt					
Amounts due banks	Variable <sup>(3)</sup>			10,520	2,435
Current portion long-term debt				100,004	4
Total short-term debt				110,524	2,439
Total debt			\$	1,261,075	\$ 1,105,210

(1) Interest is calculated at the secured overnight finance rate ("SOFR") plus a 0.85% margin.

(2) Interest rate was 7.97% for both years ended December 31, 2024 and 2023.

- (3) Weighted average interest of Other borrowings related to liquidity needs in a hyperinflationary country was 47.8% in 2024 and 47.7% in 2023.

At December 31, 2024 and 2023, the fair value of long-term debt, including the current portion, was approximately \$1,184,313 and \$1,013,795, respectively. The approximate fair value of the Company's long-term debt, including current maturities, was based on a valuation model using Level 2 observable inputs using available market information and methodologies requiring judgment. The carrying value of this debt at such dates was \$1,250,555 and \$1,102,771, respectively. Since judgment is required in interpreting market information, the fair value of the debt is not necessarily the amount which could be realized in a current market exchange.

#### *Senior Unsecured Notes*

On June 20, 2024, the Company entered into a Note Purchase Agreement (the "NPA") pursuant to which it agreed to issue new senior unsecured notes ("2024 Notes") in an aggregate principal amount of \$550,000, at par. Pursuant to the NPA, the Company issued one series of the 2024 Notes in the aggregate principal amount of \$400,000 on June 20, 2024, and two series of the 2024 Notes each in the aggregate principal amount of \$75,000 on August 22, 2024.

On April 1, 2015 and October 20, 2016, the Company entered into separate Note Purchase Agreements pursuant to which it issued senior unsecured notes (the "Notes") through a private placement. The 2015 and 2016 Notes each have an aggregate principal amount of \$350,000.

The Company's total weighted average effective interest rate and remaining weighted average tenure of the senior unsecured notes is 4.1%, including the impact from terminated swap agreements as discussed in Note 14, and 8.9 years, respectively. Interest on the senior unsecured notes is paid semi-annually. The senior unsecured notes contain certain affirmative and negative covenants. As of December 31, 2024, the Company was in compliance with all of its debt covenants relating to the senior unsecured notes.

#### *Term Loan*

On November 29, 2022, the Company entered into a term loan in the aggregate principal amount of \$400,000 (the "Term Loan"), which was borrowed in full. On June 20, 2024, the Company used the net proceeds from the issuance of the initial series of 2024 Notes to repay the Term Loan in full.

In June 2024, the Company terminated the interest rate swaps that were associated with the Term Loan and realized a gain of \$2,428, which is recorded in Other income.

#### *Revolving Credit Agreements*

On June 20, 2024, the Company terminated its existing \$500,000 revolving credit facility and entered into a \$1 billion revolving credit facility, which may be increased, subject to certain conditions including the consent of its lenders, by an additional amount up to \$300,000. The revolving credit facility matures on June 20, 2029. The revolving credit facility will initially bear interest on outstanding borrowings at a per annum rate equal to SOFR plus 1.10% and could fluctuate based on the Company's total net leverage ratio at a spread ranging from SOFR plus 1.10% to SOFR plus 1.60%. The financial covenants consist of a maximum net leverage ratio of 3.5x EBITDA and a minimum interest coverage ratio of 2.5x EBITDA. The revolving credit facility contains customary representations and warranties, as well as customary affirmative, negative and financial covenants for credit facilities of this type (subject to negotiated baskets and exceptions), including limitations on the Company and its subsidiaries with respect to liens, investments, distributions, mergers and acquisitions, dispositions of assets and transactions with affiliates. As of December 31, 2024, the Company was in compliance with all of its covenants and had no outstanding borrowings under the revolving credit facility.

The Company has other lines of credit and debt agreements totaling \$45,608. As of December 31, 2024 the Company was in compliance with all of its covenants and had outstanding debt under short-term lines of credit of \$10,520.



## Other

Maturities of long-term debt, including payments for amounts due banks, for the five years succeeding December 31, 2024 are \$110,524 in 2025, \$5 in 2026, \$0 in 2027, \$100,000 in 2028, \$75,000 in 2029 and \$975,000 thereafter. Total interest paid was \$51,264 in 2024, \$49,366 in 2023 and \$30,873 in 2022. The difference between interest paid and interest expense is due to the accrual of interest associated with the Senior Unsecured Notes and interest rate derivative contracts discussed in Note 14.

## NOTE 10 – STOCK PLANS

On April 19, 2023, the shareholders of the Company approved the 2023 Equity and Incentive Compensation Plan ("2023 Employee Plan"), which replaced the 2015 Equity and Incentive Compensation Plan ("2015 Employee Plan"). The 2023 Employee Plan provides for the granting of options, appreciation rights, restricted shares, restricted stock units and performance-based awards up to an additional 2,025,000 of the Company's common shares. In addition, on April 19, 2023, the shareholders of the Company approved the 2023 Stock Plan for Non-Employee Directors ("2023 Director Plan"), which replaced the 2015 Stock Plan for Non-Employee Directors ("2015 Director Plan"). The 2023 Director Plan provides for the granting of options, restricted shares and restricted stock units up to an additional 200,000 of the Company's common shares. At December 31, 2024, there were 1,997,299 common shares available for future grant under all plans.

### Stock Options

The following table summarizes stock option activity for the year ended December 31, 2024 under all Plans:

	Number of Options	Weighted Average Exercise Price
Balance at beginning of year	919,619	\$ 108.85
Options granted	86,874	246.98
Options exercised	(309,947)	88.41
Balance at end of year	696,546	135.17
Exercisable at end of year	585,979	122.17

Options granted under the 2023 Employee Plan and its predecessor plans may be outstanding for a maximum of 10 years from the date of grant. The majority of options granted vest ratably over a period of 3 years from the grant date. The exercise prices of all options were equal to the quoted market price of the Company's common shares at the date of grant. The Company issued shares of common stock from treasury upon all exercises of stock options in 2024. In 2024, all options issued were under the 2023 Employee Plan.

The Company uses the Black-Scholes option pricing model for estimating fair values of options. In estimating the fair value of options granted, the expected option life is based on the Company's historical experience. The expected volatility is based on historical volatility. The weighted average assumptions for each of the three years ended December 31 were as follows:

	2024	2023	2022
Expected volatility	26.90 %	27.63 %	27.14 %
Dividend yield	1.40 %	1.59 %	1.84 %
Risk-free interest rate	4.26 %	4.04 %	1.94 %
Expected option life (years)	4.8	4.8	4.7
Weighted average fair value per option granted during the year	\$ 66.20	\$ 46.94	\$ 27.42

The following table summarizes non-vested stock options for the year ended December 31, 2024:

	Number of Options	Weighted Average Fair Value at Grant Date
Balance at beginning of year	248,455	\$ 28.36
Granted	86,874	66.20
Vested	(224,762)	37.28
Balance at end of year	110,567	53.42

The aggregate intrinsic value of options outstanding and exercisable which would have been received by the optionees had all awards been exercised at December 31, 2024 was \$41,719 and \$40,181, respectively. The total intrinsic value of awards exercised during 2024, 2023 and 2022 was \$47,929, \$35,414 and \$7,082, respectively. The total fair value of options that vested during 2024, 2023 and 2022 was \$8,367, \$3,684 and \$3,086, respectively.

The following table summarizes information about awards outstanding as of December 31, 2024:

Exercise Price Range	Outstanding			Exercisable		
	Number of Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Life (years)	Number of Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Life (years)
Under \$49.99	—	\$ —	—	—	\$ —	—
\$50.00 - \$59.99	14,665	58.17	1.10	14,665	58.17	1.10
Over \$60.00	681,881	136.82	6.49	571,314	123.81	6.11
	<u>696,546</u>		6.38	<u>585,979</u>		5.98

*Restricted Stock Units ("RSUs") and Performance Share Units ("PSUs")*

The following table summarizes RSU and PSU activity for the year ended December 31, 2024 under all Plans:

	Number of Units	Weighted Average Grant Date Fair Value
Balance at beginning of year	339,441	\$ 140.50
Units granted	127,810	205.67
Units vested	(164,062)	124.70
Units forfeited	(9,771)	171.97
Balance at end of year	<u>293,418</u>	176.70

RSUs are valued at the quoted market price on the grant date. The majority of RSUs vest over a period of 3 years. The Company issues shares of common stock from treasury upon the vesting of RSUs and any earned dividend equivalents. Conversion of 15,253 RSUs and PSUs to common shares in 2024 were deferred as part of the 2005 Deferred Compensation Plan for Executives (the "2005 Plan"). As of December 31, 2024, 93,273 RSUs and PSUs, including related dividend equivalents, have been deferred under the 2005 Plan. These units are reflected within dilutive shares in the calculation of earnings per share. In 2024, 74,124 RSUs were issued under the 2023 Employee Plan and the 2023 Director Plan. The remaining weighted average vesting period of all non-vested RSUs is 1.9 years as of December 31, 2024.

PSUs are valued at the quoted market price on the grant date. PSUs vest over a period of 3 years and are based on the Company's performance relative to pre-established performance goals. The Company issues common stock from treasury upon the vesting of PSUs and any earned dividend equivalents. In 2024, the Company issued 53,686 PSUs and has 74,449 PSUs outstanding as of December 31, 2024 under the 2015 and 2023 Employee Plans at a weighted average

fair value of \$179.73 per share. The remaining weighted average vesting period of all non-vested PSUs is 1.7 years as of December 31, 2024.

#### *Stock-Based Compensation Expense*

Expense is recognized for all awards of stock-based compensation by allocating the aggregate grant date fair value over the vesting period. No expense is recognized for any stock options, restricted or deferred shares, RSUs or PSUs ultimately forfeited because recipients fail to meet vesting requirements. Total stock-based compensation expense recognized in the Consolidated Statements of Income for 2024, 2023 and 2022 was \$24,000, \$26,223 and \$25,276, respectively. The related tax benefit for 2024, 2023 and 2022 was \$6,009, \$6,711 and \$6,363, respectively. As of December 31, 2024, total unrecognized stock-based compensation expense related to non-vested stock options, RSUs and PSUs was \$18,839, which is expected to be recognized over a weighted average period of approximately 1.8 years.

#### *Lincoln Stock Purchase Plan*

The 1995 Lincoln Stock Purchase Plan provides employees the ability to purchase open market shares on a commission-free basis up to a limit of ten thousand dollars annually. Under this plan, 800,000 shares have been authorized to be purchased. There were no shares purchased in 2024, 2023 or 2022.

#### **NOTE 11 – RETIREMENT ANNUITY AND GUARANTEED CONTINUOUS EMPLOYMENT PLANS**

The Company maintains a number of defined benefit and defined contribution plans to provide retirement benefits for employees. These plans are maintained and contributions are made in accordance with the Employee Retirement Income Security Act of 1974 ("ERISA"), local statutory law or as determined by the Board. The plans generally provide benefits based upon years of service and compensation. Pension plans are funded except for a domestic non-qualified pension plan for certain key employees and certain foreign plans. The Company uses a December 31 measurement date for its plans.

The Company does not have, and does not provide for, any postretirement or postemployment benefits other than pensions and certain non-U.S. statutory termination benefits.

## Defined Benefit Plans

Contributions are made in amounts sufficient to fund current service costs on a current basis and to fund past service costs, if any, over various amortization periods.

### Obligations and Funded Status

	December 31,			
	2024		2023	
	U.S. pension plans	Non-U.S. pension plans	U.S. pension plans	Non-U.S. pension plans
<i>Change in benefit obligations</i>				
Benefit obligations at beginning of year	\$ 8,370	\$ 126,030	\$ 9,374	\$ 118,489
Service cost	156	1,014	166	955
Interest cost	477	3,785	466	4,867
Plan participants' contributions	—	42	—	48
Acquisitions & other adjustments	(897)	(792)	(821)	84
Actuarial (gain) loss	(244)	283	990	5,633
Benefits paid	—	(6,634)	—	(7,265)
Settlements/curtailments <sup>(1)</sup>	—	(32,564)	(1,805)	(1,700)
Currency translation	—	(5,792)	—	4,919
Benefit obligations at end of year	7,862	85,372	8,370	126,030
<i>Change in plan assets</i>				
Fair value of plan assets at beginning of year	—	91,222	—	86,543
Actual return on plan assets	—	(1,019)	—	4,087
Employer contributions	—	2,545	—	2,080
Plan participants' contributions	—	42	—	48
Benefits paid	—	(4,212)	—	(5,120)
Settlements <sup>(1)</sup>	—	(30,741)	—	(599)
Currency translation	—	(3,295)	—	4,183
Fair value of plan assets at end of year	—	54,542	—	91,222
Funded status at end of year	(7,862)	(30,830)	(8,370)	(34,808)
Unrecognized actuarial net loss	1,988	2,370	2,387	3,070
Unrecognized prior service cost	—	(36)	—	(56)
Unrecognized transition assets, net	—	24	—	24
Net amount recognized	<u>\$ (5,874)</u>	<u>\$ (28,472)</u>	<u>\$ (5,983)</u>	<u>\$ (31,770)</u>

(1) Settlements in 2024 resulting from lump sum pension payments and the purchase of a group annuity contract related to the termination of a pension plan.

The after-tax amounts of unrecognized actuarial net loss, prior service costs and transition assets included in Accumulated other comprehensive loss at December 31, 2024 were \$1,037, \$(28) and \$17, respectively. The actuarial loss represents changes in the estimated obligation not yet recognized in the Consolidated Income Statement.

The Company terminated the Lincoln Electric Company Retirement Annuity Program ("RAP") plan effective as of December 31, 2020. The surplus assets were transferred to a suspense account in January 2022 and are being used to fund employer matching contributions in the Company's Savings Plan. The surplus assets as of December 31, 2024 and 2023 were \$27,059 and \$41,849, respectively, and are recorded in Other current assets and Other assets in the Company's Consolidated Balance Sheets.

Amounts Recognized in Consolidated Balance Sheets

	December 31,			
	2024		2023	
	U.S. pension plans	Non-U.S. Pension plans	U.S. pension plans	Non-U.S. pension plans
Prepaid pensions <sup>(1)</sup>	\$ —	\$ 845	\$ —	\$ 2,891
Accrued pension liability, current <sup>(2)</sup>	(1,003)	(2,556)	(732)	(95)
Accrued pension liability, long-term <sup>(3)</sup>	(6,859)	(29,119)	(7,638)	(37,605)
Accumulated other comprehensive loss, excluding tax effects	1,988	2,358	2,387	3,039
Net amount recognized in the balance sheets	<u>\$ (5,874)</u>	<u>\$ (28,472)</u>	<u>\$ (5,983)</u>	<u>\$ (31,770)</u>

(1) Included in Other assets.

(2) Included in Other current liabilities.

(3) Included in Other liabilities.

Components of Pension Cost for Defined Benefit Plans

	Year Ended December 31,					
	2024		2023		2022	
	U.S. pension plans	Non-U.S. pension plans	U.S. pension plans	Non-U.S. pension plans	U.S. pension plans	Non-U.S. pension plans
Service cost	\$ 156	\$ 1,014	\$ 166	\$ 955	\$ 199	\$ 1,077
Interest cost	477	3,785	466	4,867	262	2,644
Expected return on plan assets	—	(2,574)	—	(3,839)	—	(3,525)
Other adjustments	—	—	—	117	—	—
Amortization of prior service cost	—	(7)	—	(8)	—	—
Amortization of net loss (gain)	155	(62)	80	(374)	132	299
Settlement and curtailment charges (gains) <sup>(1)</sup>	—	3,818	256	949	(3,735)	367
Defined benefit plans	<u>\$ 788</u>	<u>\$ 5,974</u>	<u>\$ 968</u>	<u>\$ 2,667</u>	<u>\$ (3,142)</u>	<u>\$ 862</u>

(1) Settlements in 2024 resulting from lump sum pension payments and the purchase of a group annuity contract related to the termination of a pension plan.

The components of Pension cost for defined benefit plans, other than service cost, are included in Other income in the Company's Consolidated Statements of Income.

Pension Plans with Accumulated Benefit Obligations in Excess of Plan Assets

	December 31,			
	2024		2023	
	U.S. pension plans	Non-U.S. pension plans	U.S. pension plans	Non-U.S. pension plans
Projected benefit obligation	\$ 7,819	\$ 50,363	\$ 8,326	\$ 88,290
Accumulated benefit obligation	7,424	47,867	8,002	86,317
Fair value of plan assets	—	18,980	—	50,758

The total accumulated benefit obligation for all plans was \$89,759 as of December 31, 2024 and \$131,550 as of December 31, 2023.

### Benefit Payments for Plans

Benefits expected to be paid for the plans are as follows:

	U.S. pension Plans	Non-U.S. pension plans
<b>Estimated Payments</b>		
2025	\$ 1,027	\$ 7,277
2026	1,015	6,263
2027	998	5,305
2028	906	5,923
2029	887	5,161
2030 through 2034	4,174	30,196

### Assumptions

Weighted average assumptions used to measure the benefit obligation for the Company's significant defined benefit plans as of December 31, 2024 and 2023 were as follows:

	December 31,			
	2024		2023	
	U.S. pension plans	Non-U.S. pension plans	U.S. pension plans	Non-U.S. pension plans
Discount Rate	4.8 %	4.0 %	6.0 %	3.9 %
Rate of increase in compensation	3.0 %	5.6 %	3.0 %	4.8 %

Weighted average assumptions used to measure the net periodic benefit cost for the Company's significant defined benefit plans for each of the three years ended December 31 were as follows:

	December 31,					
	2024		2023		2022	
	U.S. pension plans	Non-U.S. pension plans	U.S. pension plans	Non-U.S. pension plans	U.S. pension plans	Non-U.S. pension plans
Discount rate	6.0 %	3.9 %	5.8 %	4.2 %	2.5 %	1.8 %
Rate of increase in compensation	3.0 %	4.8 %	3.0 %	3.7 %	3.0 %	3.1 %
Expected return on plan assets	—	3.8 %	—	4.4 %	— %	3.4 %

To develop the discount rate assumptions, the Company refers to the yield derived from matching projected pension payments with maturities of bonds rated AA or an equivalent quality. The expected long-term rate of return assumption is based on the weighted average expected return of the various asset classes in the plans' portfolio and the targeted allocation of plan assets. The asset class return is developed using historical asset return performance as well as current market conditions such as inflation, interest rates and equity market performance. The rate of compensation increase is determined by the Company based upon annual reviews.

### Pension Plans' Assets

The primary objective of the pension plans' investment policy is to ensure sufficient assets are available to provide benefit obligations when such obligations mature. Investment management practices must comply with ERISA or any other applicable regulations and rulings. The overall investment strategy for the defined benefit pension plans' assets is to achieve a rate of return over a normal business cycle relative to an acceptable level of risk that is consistent with the long-term objectives of the portfolio. Excluding the RAP plan assets, the target allocation for plan assets is 10% to 15% equity securities and 85% to 90% debt and other securities.

The following table sets forth, by level within the fair value hierarchy, the pension plans' assets as of December 31, 2024:

Pension Plans' Assets at Fair Value as of December 31, 2024				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash and cash equivalents	\$ 1,974	\$ —	\$ —	\$ 1,974
Fixed income securities <sup>(1)</sup>				
Corporate debt and other obligations	—	6,063	—	6,063
Investments measured at NAV <sup>(2)</sup>				
Common trusts and 103-12 investments <sup>(3)</sup>	—	—	—	46,505
Total investments at fair value	<u>\$ 1,974</u>	<u>\$ 6,063</u>	<u>\$ —</u>	<u>\$ 54,542</u>

The following table sets forth, by level within the fair value hierarchy, the pension plans' assets as of December 31, 2023:

Pension Plans' Assets at Fair Value as of December 31, 2023				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash and cash equivalents	\$ 22,347	\$ —	\$ —	\$ 22,347
Fixed income securities <sup>(1)</sup>				
Corporate debt and other obligations	—	5,894	—	5,894
Investments measured at NAV <sup>(2)</sup>				
Common trusts and 103-12 investments <sup>(3)</sup>	—	—	—	62,981
Total investments at fair value	<u>\$ 22,347</u>	<u>\$ 5,894</u>	<u>\$ —</u>	<u>\$ 91,222</u>

- (1) Fixed income securities are primarily comprised of governmental and corporate bonds directly held by the plans. Governmental and corporate bonds are valued using both market observable inputs for similar assets that are traded on an active market and the closing price on the active market on which the individual securities are traded.
- (2) Certain assets that are measured at fair value using the net asset value ("NAV") practical expedient have not been classified in the fair value hierarchy.
- (3) Common trusts and 103-12 investments (collectively "Trusts") are comprised of a number of investment funds that invest in a diverse portfolio of assets including equity securities, corporate and governmental bonds, equity and credit indexes and money markets. Trusts are valued at the NAV as determined by their custodian. NAV represents the accumulation of the unadjusted quoted close prices on the reporting date for the underlying investments divided by the total shares outstanding at the reporting dates.

### Supplemental Executive Retirement Plan

The Company maintained a domestic unfunded Supplemental Executive Retirement Plan ("SERP") under which non-qualified supplemental pension benefits are paid to certain employees in addition to amounts received under the Company's terminated qualified retirement plan which was subject to IRS limitations on covered compensation. The annual cost of this program has been included in the determination of total net pension costs shown above and was \$340, \$650 and \$253 in 2024, 2023 and 2022, respectively. The projected benefit obligation associated with this plan is also included in the pension disclosure shown above and was \$5,034, \$5,461 and \$7,339 at December 31, 2024, 2023 and 2022, respectively.

## Defined Contribution Plans

Substantially all U.S. employees are covered under defined contribution plans. In October 2016, the Company announced a plan redesign of The Lincoln Electric Company Employee Savings Plan (“Savings Plan”) that was effective January 1, 2017. The Savings Plan provides that eligible employees receive up to 6% of employees’ annual compensation through Company matching contributions of 100% of the first 3% of employee compensation contributed to the plan, and automatic Company contributions equal to 3% of annual compensation. In addition, certain employees affected by the RAP freeze in 2016 are also eligible to receive employer contributions equal to 6% of annual compensation for a minimum period of five years or to the end of the year in which they complete thirty years of service.

Effective January 1, 2017, the Company created The Lincoln Electric Company Restoration Plan (“Restoration Plan”). The Restoration Plan is a domestic unfunded plan maintained for the purpose of providing certain employees the ability to fully participate in standard employee retirement offerings, which are limited by IRS regulations on covered compensation.

The annual costs recognized for defined contribution plans were \$29,029, \$29,443 and \$29,569 in 2024, 2023 and 2022, respectively.

## Other Benefits

The Cleveland, Ohio, area operations have a Guaranteed Continuous Employment Plan covering substantially all local employees which, in general, provides that the Company will provide work for at least 75% of every standard work week (presently 40 hours). This plan does not guarantee employment when the Company’s ability to continue normal operations is seriously restricted by events beyond the control of the Company. The Company has reserved the right to terminate this plan effective at the end of a calendar year by giving notice of such termination not less than six months prior to the end of such year.

## NOTE 12 — OTHER INCOME

The components of Other income were as follows:

	Year Ended December 31,		
	2024	2023	2022
Equity earnings in affiliates	\$ 235	\$ 556	\$ (153)
Other components of net periodic pension (cost) income <sup>(1)</sup>	(5,692)	(2,573)	3,556
Other income <sup>(2)</sup>	5,930	15,405	6,588
Total Other income	<u>\$ 473</u>	<u>\$ 13,388</u>	<u>\$ 9,991</u>

- (1) Other components of net periodic pension (cost) income includes pension settlements and curtailments as discussed in Note 11.
- (2) In 2024, Other income primarily relates to non-recurring items such as the gain on termination of interest rate swaps, other non-operating gains and a loss on asset disposal. In 2023, Other income primarily related to non-recurring items such as royalty and other non-operating gains.



## NOTE 13 – INCOME TAXES

The components of income before income taxes were as follows:

	Year Ended December 31,		
	2024	2023	2022
U.S.	\$ 496,339	\$ 508,316	\$ 359,760
Non-U.S.	97,810	178,550	233,067
Total	<u>\$ 594,149</u>	<u>\$ 686,866</u>	<u>\$ 592,827</u>

The components of income tax expense (benefit) were as follows:

	Year Ended December 31,		
	2024	2023	2022
Current:			
Federal	\$ 109,943	\$ 95,514	\$ 88,974
Non-U.S.	37,997	45,830	55,664
State and local	21,217	24,132	24,423
	<u>169,157</u>	<u>165,476</u>	<u>169,061</u>
Deferred:			
Federal	(31,178)	(13,068)	(38,462)
Non-U.S.	(5,269)	(7,515)	(3,281)
State and local	(4,669)	(3,275)	(6,715)
	<u>(41,116)</u>	<u>(23,858)</u>	<u>(48,458)</u>
Total	<u>\$ 128,041</u>	<u>\$ 141,618</u>	<u>\$ 120,603</u>

The differences between total income tax expense and the amount computed by applying the statutory federal income tax rate to income before income taxes for the three years ended December 31, 2024 were as follows:

	Year Ended December 31,		
	2024	2023	2022
Statutory rate applied to pre-tax income	\$ 124,771	\$ 144,242	\$ 124,492
State and local income taxes, net of federal tax benefit	14,172	17,979	12,904
Excess tax benefits resulting from exercises of stock-based compensation	(4,364)	(10,742)	(2,500)
Foreign derived intangible income deduction	(13,766)	(10,411)	(13,356)
Foreign rate variance	9,312	6,854	5,020
Research and development credit	(10,010)	(9,600)	(6,800)
Other	7,926	3,296	843
Total	<u>\$ 128,041</u>	<u>\$ 141,618</u>	<u>\$ 120,603</u>
Effective tax rate	<u>21.6 %</u>	<u>20.6 %</u>	<u>20.3 %</u>

The effective tax rate is higher in 2024 as compared to 2023 primarily due to the mix of earnings and discrete items.

Total income tax payments, net of refunds, were \$157,542 in 2024, \$180,512 in 2023 and \$151,818 in 2022.

### *Deferred Taxes*

Significant components of deferred tax assets and liabilities at December 31, 2024 and 2023, were as follows:

	December 31,	
	2024	2023
Deferred tax assets:		
Tax loss and credit carry-forwards	\$ 43,417	\$ 45,319
Inventory	1,555	2,941
Other accruals	31,671	17,984
Research and development capitalization	86,697	64,836
Employee benefits	27,866	28,639
Pension obligations	7,025	7,375
Other	9,508	5,640
Deferred tax assets, gross	207,739	172,734
Valuation allowance	(35,284)	(36,876)
Deferred tax assets, net	172,455	135,858
Deferred tax liabilities:		
Property, plant and equipment	43,048	43,339
Intangible assets	31,214	26,624
Inventory	6,785	4,918
Pension and other benefit liabilities	5,890	10,545
Other	18,371	18,402
Deferred tax liabilities	105,308	103,828
Total deferred taxes	\$ 67,147	\$ 32,030

At December 31, 2024, certain subsidiaries had net operating loss carry-forwards of approximately \$35,769 that expire in various years from 2032 through 2040, plus \$128,123 for which there is no expiration date.

In assessing the realizability of deferred tax assets, the Company assesses whether it is more-likely-than-not that a portion or all of the deferred tax assets will not be realized. The Company considers the scheduled reversal of deferred tax liabilities, tax planning strategies and projected future taxable income in making this assessment. At December 31, 2024, a valuation allowance of \$35,284 was recorded against certain deferred tax assets based on this assessment. The Company believes it is more-likely-than-not that the tax benefit of the remaining net deferred tax assets will be realized. The amount of net deferred tax assets considered realizable could be increased or reduced in the future if the Company's assessment of future taxable income or tax planning strategies changes.

The Company determined it will repatriate earnings for certain non-U.S. subsidiaries, which are subject to foreign withholding taxes. The Company has estimated the associated tax to be \$76. The Company considers remaining earnings and outside basis in all other non-U.S. subsidiaries to be indefinitely reinvested and has not recorded any deferred taxes as such estimate is not practicable.

### *Unrecognized Tax Benefits*

Liabilities for unrecognized tax benefits related to uncertain tax positions are classified as Other liabilities unless expected to be paid in one year. Additionally, to the extent a position would not result in a cash tax liability, those amounts are generally recorded to Deferred income taxes to offset tax attributes. The Company recognizes interest and penalties related to unrecognized tax benefits in Income taxes. Current income tax expense included expense of \$145 and \$101 for the years ended December 31, 2024 and 2023, respectively, for interest and penalties. For those same years,

the Company's accrual for interest and penalties related to unrecognized tax benefits totaled \$2,495 and \$2,364, respectively.

The following table summarizes the activity related to unrecognized tax benefits:

	2024	2023
Balance at beginning of year	\$ 12,592	\$ 17,423
Increase related to current year tax provisions	1,701	1,983
Decrease related to prior years' tax positions	(870)	(1,642)
Decrease related to settlements with taxing authorities	—	(4,036)
Resolution of and other decreases in prior years' tax liabilities	(1,982)	(1,380)
Other	(554)	244
Balance at end of year	<u>\$ 10,887</u>	<u>\$ 12,592</u>

The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate was \$9,343 at December 31, 2024 and \$10,036 at December 31, 2023.

The Company files income tax returns in the U.S. and various state, local and foreign jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, state and local or non-U.S. income tax examinations by tax authorities for years before 2019. The Company is currently subject to various state audits and non-U.S. income tax audits. The Company is generally not able to precisely estimate the ultimate settlement amounts or timing until after the close of an audit. The Company evaluates its tax positions and establishes liabilities for unrecognized tax benefits related to uncertain tax positions that may be challenged by local authorities and may not be fully sustained.

Unrecognized tax benefits are reviewed on an ongoing basis and are adjusted for changing facts and circumstances, including management's judgment in the interpretation of applicable tax law, regulation or tax ruling, the progress of tax audits and closing of statutes of limitations. Based on information currently available, management believes that additional audit activity could be completed and/or statutes of limitations may close relating to existing unrecognized tax benefits. It is reasonably possible there could be a further reduction of \$2,023 in prior years' unrecognized tax benefits in 2025.

#### NOTE 14 – DERIVATIVES

The Company uses derivative instruments to manage exposures to currency exchange rates, interest rates and commodity prices arising in the normal course of business. Both at inception and on an ongoing basis, the derivative instruments that qualify for hedge accounting are assessed as to their effectiveness, when applicable. Hedge ineffectiveness was immaterial for each of the three years in the period ended December 31, 2024.

The Company is subject to the credit risk of the counterparties to derivative instruments. Counterparties include a number of major banks and financial institutions. None of the concentrations of risk with any individual counterparty was considered significant at December 31, 2024. The Company does not expect any counterparties to fail to meet their obligations.

##### *Cash flow hedges*

Certain foreign currency forward contracts are qualified and designated as cash flow hedges. The dollar equivalent gross notional amount of these short-term contracts was \$96,444 and \$84,148 at December 31, 2024 and 2023, respectively.

The Company had interest rate forward starting swap agreements that were qualified and designated as cash flow hedges that were terminated during 2024. At December 31, 2023, the dollar equivalent gross notional amount of the contracts was \$100,000. Upon termination of the contracts in the second quarter of 2024, the company had a gain of \$25,852 recorded in AOCI that will be amortized to Interest expense, net over the life of the associated debt.

The Company had commodity contracts that were qualified and designated as cash flow hedges that matured in 2024. The notional amount of these contracts was 200,000 pounds at December 31, 2023.

The Company had interest rate swap agreements, which were qualified and designated as cash flow hedges. At December 31, 2023, the aggregate notional amount of the contracts was \$150,000. During 2024, the Company terminated the interest rate swaps that were associated with the Term Loan and realized a gain of \$2,428, which is recorded in Other income.

#### *Net investment hedges*

The Company has foreign currency forward contracts that qualify and are designated as net investment hedges. The dollar equivalent gross notional amount of these contracts were \$319,450 and \$119,607 at December 31, 2024 and 2023, respectively.

#### *Derivatives not designated as hedging instruments*

The Company has certain foreign exchange forward contracts which are not designated as hedges. These derivatives are held as hedges of certain balance sheet exposures. The dollar equivalent gross notional amount of these contracts were \$421,754 and \$492,600 at December 31, 2024 and 2023, respectively.

Fair values of derivative instruments in the Company's Consolidated Balance Sheets follow:

	December 31, 2024				December 31, 2023			
	Other Current Assets	Other Current Liabilities	Other Assets	Other Liabilities	Other Current Assets	Other Current Liabilities	Other Assets	Other Liabilities
<b>Derivatives by hedge designation</b>								
Designated as hedging instruments:								
Foreign exchange contracts	\$ 1,663	\$ 2,972	\$ —	\$ —	\$ 1,548	\$ 687	\$ —	\$ —
Interest rate swap agreements	—	—	—	—	—	—	1,460	—
Forward starting swap agreements	—	—	—	—	—	—	20,377	—
Net investment contracts	10,276	—	—	—	—	3,351	—	—
Commodity contracts	—	—	—	—	45	—	—	—
Not designated as hedging instruments:								
Foreign exchange contracts	1,560	4,251	—	—	4,063	623	—	—
<b>Total derivatives</b>	<b>\$ 13,499</b>	<b>\$ 7,223</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 5,656</b>	<b>\$ 4,661</b>	<b>\$ 21,837</b>	<b>\$ —</b>

The effects of undesignated derivative instruments on the Company's Consolidated Statements of Income consisted of the following:

Derivatives by hedge designation	Classification of (loss) gain	Year Ended December 31,	
		2024	2023
Not designated as hedges:			
Foreign exchange contracts	Selling, general & administrative expenses	\$ (11,198)	\$ 15,990

The effects of designated cash flow hedges on AOCI and the Company's Consolidated Statements of Income consisted of the following:

Total (loss) gain recognized in AOCI, net of tax	December 31,	
	2024	2023
Foreign exchange contracts	\$ (812)	\$ 721
Interest rate swap agreements	—	1,085
Forward starting swap agreements	18,067	14,696
Net investment contracts	20,403	7,136
Commodity contracts	—	34

The Company expects a loss of \$812 related to existing contracts to be reclassified from AOCI, net of tax, to earnings over the next 12 months as the hedged transactions are realized.

Derivative type	Gain (loss) recognized in the Consolidated Statements of Income:	Year Ended December 31,	
		2024	2023
Foreign exchange contracts	Net Sales	\$ (625)	\$ 5,210
	Cost of goods sold	494	590
Commodity contracts	Cost of goods sold	110	193
Forward starting swap agreements	Interest expense, net	1,394	—

#### NOTE 15 – FAIR VALUE

The following table provides a summary of fair value assets and liabilities as of December 31, 2024 measured at fair value on a recurring basis:

Description	Balance as of December 31, 2024	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Assets:</b>				
Foreign exchange contracts	\$ 3,223	\$ —	\$ 3,223	\$ —
Net investment contracts	10,276	—	10,276	—
Pension surplus	27,059	27,059	—	—
Total assets	\$ 40,558	\$ 27,059	\$ 13,499	\$ —
<b>Liabilities:</b>				
Foreign exchange contracts	\$ 7,223	\$ —	\$ 7,223	\$ —
Deferred compensation	55,425	—	55,425	—
Total liabilities	\$ 62,648	\$ —	\$ 62,648	\$ —

The following table provides a summary of fair value assets and liabilities as of December 31, 2023 measured at fair value on a recurring basis:

Description	Balance as of December 31, 2023	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Assets:</b>				
Foreign exchange contracts	\$ 5,611	\$ —	\$ 5,611	\$ —
Interest rate swap agreements	1,460	—	1,460	—
Commodity contracts	45	—	45	—
Forward starting swap agreements	20,377	—	20,377	—
Pension surplus	41,849	41,849	—	—
<b>Total assets</b>	<b>\$ 69,342</b>	<b>\$ 41,849</b>	<b>\$ 27,493</b>	<b>\$ —</b>
<b>Liabilities:</b>				
Foreign exchange contracts	\$ 1,310	\$ —	\$ 1,310	\$ —
Net investment contracts	3,351	—	3,351	—
Deferred compensation	53,628	—	53,628	—
<b>Total liabilities</b>	<b>\$ 58,289</b>	<b>\$ —</b>	<b>\$ 58,289</b>	<b>\$ —</b>

The fair value of the Company's pension surplus assets are based on quoted market prices in active markets and are included in the Level 1 fair value hierarchy. The pension surplus assets are invested in money market and short-term duration bond funds at December 31, 2024.

The Company's derivative contracts are valued at fair value using the market approach. The Company measures the fair value of foreign exchange contracts, interest rate swap agreements, forward starting swap agreements using Level 2 inputs based on observable spot and forward rates in active markets. During the year ended December 31, 2024 there were no transfers between Levels 1, 2 or 3.

The deferred compensation liability is the Company's obligation under its executive deferred compensation plan. The Company measures the fair value of the liability using the market values of the participants' underlying investment fund elections.

The fair value of Cash and cash equivalents, Marketable securities, Accounts receivable, Short-term debt excluding the current portion of long-term debt and Trade accounts payable approximated book value due to the short-term nature of these instruments at both December 31, 2024 and December 31, 2023. Refer to Note 9 to the consolidated financial statements for the fair value estimate of debt.

The Company has various financial instruments, including cash and cash equivalents, short and long-term debt and forward contracts. While these financial instruments are subject to concentrations of credit risk, the Company has minimized this risk by entering into arrangements with a number of major banks and financial institutions and investing in several high-quality instruments. The Company does not expect any counterparties to fail to meet their obligations.

## NOTE 16 – INVENTORY

Inventories in the Consolidated Balance Sheet is comprised of the following components:

	December 31,	
	2024	2023
Raw materials	\$ 153,596	\$ 160,809
Work-in-process	123,406	125,756
Finished goods	267,035	276,299
<b>Total</b>	<b>\$ 544,037</b>	<b>\$ 562,864</b>

The valuation of LIFO inventories is made at the end of each year based on inventory levels and costs at that time. Accordingly, interim LIFO calculations are based on management's estimates of expected year-end inventory levels and costs. Actual year-end inventory levels and costs may differ from interim LIFO inventory valuations. At December 31, 2024 and 2023, approximately 35% and 37% of total inventories, respectively, were valued using the LIFO method. The excess of current cost over LIFO cost was \$120,633 at December 31, 2024 and \$129,946 at December 31, 2023, or a benefit of \$9,313 in 2024 and \$3,963 in 2023.

#### NOTE 17 – LEASES

The table below summarizes the right-of-use assets and lease liabilities in the Company's Consolidated Balance sheets:

<b>Operating Leases</b>	<b>Balance Sheet Classification</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Right-of-use assets	Other assets	\$ 54,276	\$ 53,284
Current liabilities	Other current liabilities	\$ 13,110	\$ 13,104
Noncurrent liabilities	Other liabilities	42,124	41,576
Total lease liabilities		\$ 55,234	\$ 54,680

Total lease expense, which is included in Cost of goods sold and Selling, general and administrative expenses in the Company's Consolidated Statements of Income, was \$24,778, \$24,408 and \$20,548 in the years ended December 31, 2024, 2023 and 2022, respectively. Cash paid for amounts included in the measurement of lease liabilities for the years ended December 31, 2024 and 2023 was \$15,874 and \$13,450, respectively, are included in Net cash provided by operating activities in the Company's Consolidated Statements of Cash Flows. Right-of-use assets obtained in exchange for operating lease liabilities during the years ended December 31, 2024 and 2023 were \$17,591 and \$9,249, respectively.

The total future minimum lease payments for noncancelable operating leases were as follows:

	<b>December 31, 2024</b>
2025	\$ 14,896
2026	12,336
2027	9,814
2028	8,069
2029	5,385
After 2029	11,442
Total lease payments	\$ 61,942
Less: Imputed interest	6,708
Operating lease liabilities	\$ 55,234

As of December 31, 2024 and 2023, the weighted average remaining lease term was 6.4 years and 7.0 years, respectively. As of December 31, 2024 and 2023, the weighted average discount rate used to determine the operating lease liability was 3.70% and 3.50%, respectively.

#### NOTE 18 – CONTINGENCIES

The Company, like other manufacturers, is subject from time to time to a variety of civil and administrative proceedings arising in the ordinary course of business. Such claims and litigation include, without limitation, product liability claims, regulatory claims, employment-related claims and health, safety and environmental claims, some of which relate to cases alleging asbestos induced illnesses. The claimants in the asbestos cases seek compensatory and punitive damages, in most cases for unspecified amounts. The Company believes it has meritorious defenses to these claims and intends to contest such suits vigorously.

The Company accrues its best estimate of the probable costs, after a review of the facts with management and counsel and taking into account past experience. For claims or litigation that are material, if an unfavorable outcome is determined to be reasonably possible and the amount of loss can be reasonably estimated, or if an unfavorable outcome is determined to be probable and the amount of loss cannot be reasonably estimated, disclosure would be provided. Many of the current cases are in differing procedural stages and information on the circumstances of each claimant, which forms the basis for judgments as to the validity or ultimate disposition of such actions, varies greatly. Therefore, in many situations a range of possible losses cannot be made. Reserves are adjusted as facts and circumstances change and related management assessments of the underlying merits and the likelihood of outcomes change. Moreover, reserves only cover identified and/or asserted claims. Future claims could, therefore, give rise to increases to such reserves.

Based on the Company's historical experience in litigating product liability claims, including a significant number of dismissals, summary judgments and defense verdicts in many cases and immaterial settlement amounts, as well as the Company's current assessment of the underlying merits of the claims and applicable insurance, the Company believes resolution of these claims and proceedings, individually or in the aggregate, will not have a material effect on the Company's consolidated financial statements.

#### **NOTE 19 – SUPPLIER FINANCING PROGRAM**

The Company's suppliers, at the supplier's sole discretion, are able to factor receivables due from the Company to a financial institution on terms directly negotiated with the financial institution without affecting the Company's balance sheet classification of the corresponding payable. The Company pays the financial institution the stated amount of the confirmed invoices from its designated suppliers on the original maturity dates of the invoices. Invoices with suppliers have terms between 120 and 180 days. The Company does not provide secured legal assets or other forms of guarantees under the arrangement and has no involvement in establishing the terms or conditions of the arrangement between its suppliers and the financial institution. The amounts due to the financial institution for suppliers that participate in the supplier financing program are included in Trade accounts payable on the Company's Consolidated Balance Sheets, and the associated payments are included in operating activities in the Consolidated Statements of Cash Flows. At December 31, 2024 and 2023, Trade accounts payable included \$29,164 and \$29,111, respectively, payable to suppliers that have elected to participate in the supplier financing program.

	<b>Twelve Months Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Confirmed obligations at beginning of the period	\$ 29,111	\$ 33,475
Invoices confirmed during the period	103,908	97,820
Confirmed invoices paid during the period	(103,855)	(102,184)
Confirmed obligations outstanding at the end of the period	<u>\$ 29,164</u>	<u>\$ 29,111</u>



**SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS**  
**LINCOLN ELECTRIC HOLDINGS, INC.**  
*(In thousands)*

Description	Balance at Beginning Of period	Additions		Deductions <sup>(2)</sup>	Balance at End of Period
		Charged to Costs and Expenses	(Credited) Charged to Other Accounts <sup>(1)</sup>		
Allowance for doubtful accounts:					
Year Ended December 31, 2024	\$ 11,464	\$ 4,371	\$ (2,057)	\$ 1,104	\$ 12,674
Year Ended December 31, 2023	12,556	1,195	(94)	2,193	11,464
Year Ended December 31, 2022	11,105	1,778	598	925	12,556
Deferred tax asset valuation allowance:					
Year Ended December 31, 2024	\$ 36,876	\$ 3,010	\$ (3,532)	\$ 1,070	\$ 35,284
Year Ended December 31, 2023	44,627	4,570	(606)	11,715	36,876
Year Ended December 31, 2022	55,619	2,262	(5,197)	8,057	44,627

(1) Currency translation adjustment, reductions from restructuring and other adjustments.

(2) For the Allowance for doubtful accounts, deductions relate to uncollectible accounts written-off, net of recoveries.  
For the Deferred tax asset valuation allowance, deductions relate to the reversal of valuation allowances due to the realization of net operating loss carryforwards.

# Corporate Information

## BOARD OF DIRECTORS

### Brian D. Chambers

Chair, President and Chief Executive Officer  
Owens Corning

### Curtis E. Espeland

Retired Executive Vice President  
and Chief Financial Officer  
Eastman Chemical Company

### N. Joy Falotico

Former President  
The Lincoln Motor Company

### Bonnie J. Fetch

Executive Vice President,  
President—Operations  
Cummins Inc.

### Patrick P. Goris

Senior Vice President and  
Chief Financial Officer  
Carrier Global Corporation

### Steven B. Hedlund

Chair, President and Chief Executive Officer  
Lincoln Electric Holdings, Inc.

### Michael F. Hilton

Retired President and Chief Executive Officer  
Nordson Corporation

### Marc A. Howze

Former Senior Advisor  
Office of the Chairman  
Deere & Company

### Kathryn Jo Lincoln

Chair and Former Chief Investment Officer  
Lincoln Institute of Land Policy

### Phillip J. Mason

Retired President  
Ecolab EMEA sector of  
Ecolab, Inc.

### Ben P. Patel

Former Chief Innovation and Science Officer  
Smurfit Westrock

### Kellye L. Walker

Senior Vice President and Chief Legal Officer  
Deere & Company

## COMPANY OFFICERS

### Jennifer I. Ansberry

Executive Vice President  
General Counsel and Secretary

### Gabriel Bruno

Executive Vice President  
Chief Financial Officer and Treasurer

### Lisa A. Dietrich

Executive Vice President  
Chief Digital Information Officer

### Susan C. Edwards

Executive Vice President  
Chief Human Resources Officer

### Steven B. Hedlund

Chair, President and  
Chief Executive Officer

## CORPORATE INFORMATION

For additional corporate information and copies of Lincoln Electric's 2024 Annual Report and Form 10-K, and 2025 Proxy Statement, please contact Amanda Butler in Investor Relations at (216) 383-2534, email: [Amanda\\_Butler@lincolnelectric.com](mailto:Amanda_Butler@lincolnelectric.com), 22801 St. Clair Avenue, Cleveland, Ohio 44117-1199 USA, or visit [www.lincolnelectric.com](http://www.lincolnelectric.com).

## TRANSFER AGENT AND REGISTRAR

Inquiries about dividends, shareholder records, share transfers, changes in ownership and address changes should be directed to Computershare Inc.:

### Mail

Computershare  
Attn: Shareholder Services  
P.O. Box 43006  
Providence, RI 02940-3006

### Courier

Computershare  
Attn: Shareholder Services  
150 Royall Street, Ste. 101  
Canton, MA 02021

### Direct

(800) 736-3001 or (781) 575-3100  
Email: [webqueries@computershare.com](mailto:webqueries@computershare.com)  
Online: [www.computershare.com](http://www.computershare.com)

## SUSTAINABILITY

Visit <https://sustainability.lincolnelectric.com> to learn about our policies and programs.

## INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP

## ANNUAL MEETING

Thursday, April 24, 2025  
11:00 a.m. Eastern Time  
Online at:  
[www.virtualshareholdermeeting.com/LECO2025](http://www.virtualshareholdermeeting.com/LECO2025)

## STOCK INFORMATION

The Company's stock is traded on the NASDAQ Stock Market ("NASDAQ") under the symbol LECO.

Number of record holders of common shares at December 31, 2024: 2,191



Lincoln Electric Holdings, Inc.  
 22801 St. Clair Avenue  
 Cleveland, Ohio 44117-1199 U.S.A.  
[www.lincolnelectric.com](http://www.lincolnelectric.com)

