INVENT
DESIGN
ENGINEER
SHAPE WHAT MATTERS FOR TOMORROW
SOURCE
ASSEMBLE
SERVICE

HILLENBRAND

2023 ANNUAL REPORT

SHAPE WHAT MATTERS FOR TOMORROW™

Our Purpose, **Shape What Matters for Tomorrow**, was carefully crafted to highlight three key areas of Hillenbrand's unique position as an industry leader:

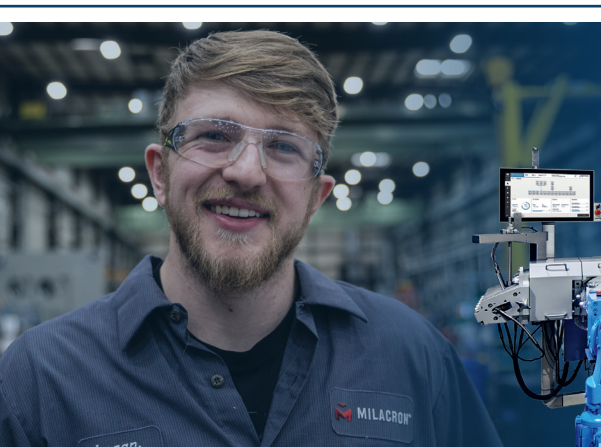
SHAPE—We are the engineers, designers, manufacturers, and molders, who take pride in their expertise and technical ability—and allow the company to put the right pieces together to bring forward new solutions for our customers.

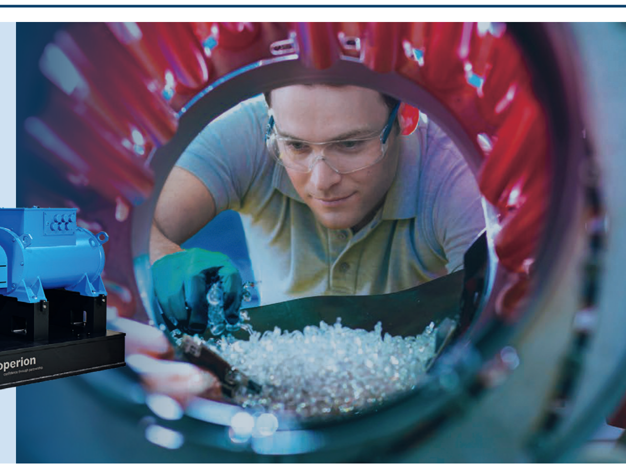
WHAT MATTERS—Our end products affect the world. They impact how people live, work, play, travel, eat, and heal.

FOR TOMORROW—We continue to look for what's next. As innovators in our respective industries, we work to shape a stronger future for our world.

ABOUT HILLENBRAND

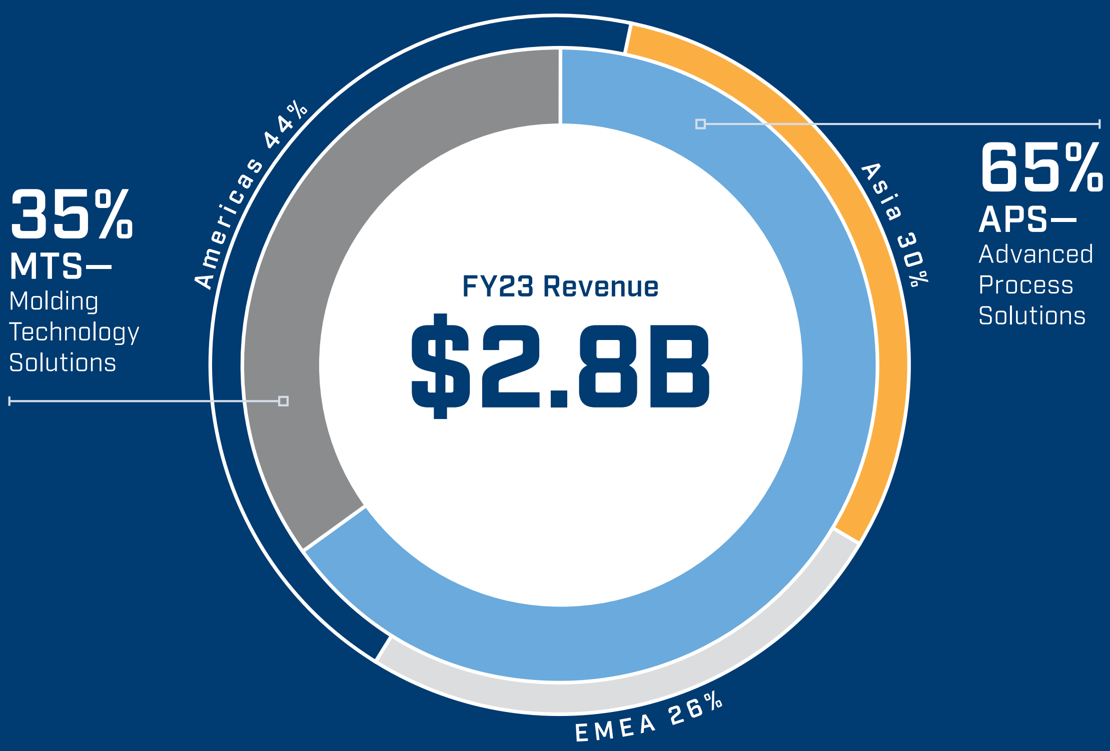
Hillenbrand (NYSE: HI) is a global industrial company that provides highly-engineered, mission-critical processing equipment and solutions to customers in over 100 countries around the world. Our portfolio is composed of leading industrial brands that serve large, attractive end markets, including durable plastics, food, and recycling. Guided by our Purpose—Shape What Matters For Tomorrow™—we pursue excellence, collaboration, and innovation to consistently shape solutions that best serve our associates, customers, communities, and other stakeholders. To learn more, visit: www.Hillenbrand.com.





Coperion
ZSK High Performance Twin Screw Extruder

FY23 Financial Overview



Backlog	Adjusted EPS	Adjusted EBITDA
$2.1B	**$3.52**	**$483M**

Linxis Group
Diosna Premium Wendelmixer

To My Fellow Shareholders, Associates, and Other Stakeholders:

This was a transformational year for Hillenbrand. We took significant actions in executing our strategy to become a pure-play industrial company by completing several key acquisitions and divesting our legacy death care segment. We delivered solid operational performance across the portfolio, despite some market headwinds, and achieved strong organic growth and growth from acquisitions in our Advanced Process Solutions segment. As a global leader of highly-engineered, mission-critical processing equipment and solutions, I'm confident Hillenbrand is well-positioned for long-term success.

As I enter my third year as CEO of Hillenbrand, I reflect on how much we've accomplished in transforming Hillenbrand from who we were to who we are today. Only one year ago, approximately 20% of our revenues were generated from the sale of burial caskets, which is an industry in secular decline. Batesville played a key role in supporting Hillenbrand's growth strategy for many years, but its divestiture was a necessary step in bringing clarity to our story and unlocking Hillenbrand's true potential.

An Industrial Growth Company

Since our first acquisition in 2010, we've been building a standalone industrial company that leverages our organizational capabilities. Through organic and inorganic growth, we have developed a portfolio of leading brands and technologies that enable the production of many of the products the world uses every single day. Prior to 2023, the vast majority of our industrial revenue was generated by equipment and systems used to produce durable plastic pellets and equipment that converts those plastic pellets into products. This continues to be an important and attractive part of our business, with long-term growth prospects driven by the growing global middle class and the critically important role durable plastics and polymers can play in the production of products that support sustainability. However, we also recognize the plastics industry can face higher levels of cyclicality, as we experienced during fiscal year 2023, particularly within our Molding Technology Solutions (MTS) segment.

When I came into the CEO position after seven years as the president of our largest operating company, Coperion, I knew there was more we could do to position Hillenbrand for long-term growth by accelerating our focus in the higher-growth areas of food and recycling. These end markets are attractive to us because they are historically less susceptible to economic cycles, they are supported by long-term secular growth trends, and the skills and capabilities required for success highly leverage the skills and infrastructure that fuel our existing portfolio.

The processes of ingredient feeding, conversion of ingredients into a product, and the handling of a product out of the processing system are very similar for a wide variety of materials—plastics, chemicals, baked goods, pet foods, pharmaceuticals, and many others. The highly-engineered processing technologies within our Advanced Process Solutions (APS) segment are well-suited to serve customer needs across all of these areas, and our world-class engineers can design, develop, install, service, and modernize complete solutions that maximize customer value over the long life of our equipment. While we've always served the food and recycling industries, the acquisitions we completed over the last two years have accelerated our progress by building scale and enhancing our capabilities. We've grown our position in these end markets from less than 5% of our revenue in fiscal year 2022 to nearly 30% on a pro forma basis heading into fiscal year 2024 following our most recent acquisition of the Schenck Process Food and Performance Materials (FPM) business in September. This provides significant balance to our portfolio, as we believe these end markets will have stronger and more stable growth characteristics over the long-term, while still leveraging our existing foundation of expertise in developing highly-engineered process technologies, systems, and solutions.

The integration of Linxis and FPM are going well, and there is more excitement than I could have imagined as the teams collaborate around opportunities to leverage the world-class breadth of our combined product portfolio and our strong global sales and service footprint to create significant value for our customers.

Financial Performance and Outlook

FY 2023 PERFORMANCE MILESTONES

Revenue	Adjusted EBITDA	Adjusted EPS
$2.83B	**$483M**	**$3.52**
22% YoY Growth (+4% Organic, +9% Organic APS)	20% YoY Growth (+4% Organic, +14% Organic APS)	31% YoY Growth

I'm pleased with our execution of both strategic and operational objectives in fiscal year 2023. We delivered strong organic revenue and adjusted EBITDA growth in our APS segment. Additionally, our recent acquisitions performed ahead of our expectations for the year. We're energized by the customer response to our newly combined scale and capabilities, which helped us win several multimillion-dollar food projects and a record recycling order of $30 million in the year that otherwise would not have been possible for Hillenbrand, or the acquisitions, on a standalone basis. We also continued to see a high level of customer quote activity and a backlog of customers using our test lab facilities, alongside record aftermarket performance from our strong installed base.

In our MTS segment, the teams did an excellent job delivering on customer commitments and executing projects from the record backlog we had entering fiscal year 2023. However, we faced persistent order softness across the segment throughout the year, particularly in North America and China, as the economic and geopolitical uncertainty around the world caused customers to postpone their investment decisions. This especially impacted our short-cycle, higher-margin hot runner product line in the year. Despite the challenging demand environment, I'm proud of how the teams managed discretionary costs and deployed the Hillenbrand Operating Model to drive operational improvements to help mitigate the volume and mix headwinds in the year.

Heading into fiscal 2024, we continue to see strong momentum in food, recycling, and aftermarket, where we expect to deliver strong growth again this year. While order timing remains lumpy for large plastics projects, the teams are focused on reducing lead times and executing our robust backlog. Given the ongoing uncertainty across the global economic and geopolitical environment, we are being grounded in our outlook for the MTS segment, and do not expect demand to fully recover in the year. However, we remain relentless in our pursuit of building our world-class team and constantly improving the way we operate. I'm excited by the recent addition of a leader for the MTS segment, as we work to drive continued productivity, product innovation, and collaboration across the segment to ensure we are well-positioned when demand rebounds.

Following the close of the FPM acquisition in September, our leverage at the end of fiscal 2023 was 3.2x, as we announced at the time of the transaction. Since this is above our targeted range of 1.7x to 2.7x, we'll be highly focused on deploying our cash toward deleveraging, with a goal of returning to our target range by the end of fiscal Q1 of 2025, as we have consistently communicated. In addition, we'll continue investing in organic initiatives for integration, innovation, and operational efficiency, as well as supporting our attractive dividend, which we've increased each year over the past fifteen years, since our inception in 2008.

Sustainability Update

Sustainability continues to be a way we live our Purpose, and we continue to embed it in our culture, strategy, and operations. Sustainability continues to be a growing focus area of our customers, suppliers, associates, and other stakeholders, many of whom participated in our double-materiality assessment, and we are grateful for your comments to help us further focus our sustainability efforts. In May, we published our fourth annual sustainability report and increased our transparency through new disclosures. We also continued to highlight how our product innovations support more sustainable solutions for our customers, and our ongoing commitment to diversity, equity, and inclusion through the signing of the UN Women's Empowerment Principles. I'm proud of our progress in this area, exemplified by our ESG rating upgrade to AA by MSCI, our recognition as a finalist in the Reuter's Responsible Business Awards for our Purpose launch, and the success of our Coperion team in being awarded first place in the 2023 Stuttgart Innovation Awards for their innovations in plastics recycling technologies.

Excitement for Our Future

I'm extremely proud of all we've accomplished over the last two years. We've significantly transformed the profile of Hillenbrand and achieved meaningful scale and leadership positions in end markets such as durable plastics, food, and recycling, all of which are supported by long-term, secular growth drivers. While we continue to operate in a dynamic macro environment, I'm confident in the ability of our talented and experienced leadership team and our 10,000 associates around the world to deliver on our priorities for fiscal year 2024. I'm honored to be leading the charge as we continue to Shape What Matters for Tomorrow.

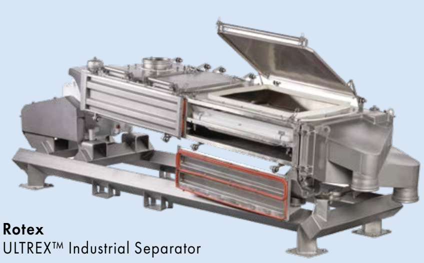
Kim Ryan

Kim Ryan
President and Chief Executive Officer

Coperion
ZSK Food Extruder

Herbold
Recycling Hot Wash System

Linxis Group
Unifiller Multistation Depositor



Rotex
ULTREX™ Industrial Separator

Schenck Process FPM
Baker Perkins TruClean™ Sheet Forming and Cutting System for pet food

OUR BUSINESS SEGMENTS

Advanced Process Solutions APS

Advanced Process Solutions is a leading global provider of highly-engineered process and material handling equipment, systems, and aftermarket parts and services for a variety of industries, including durable plastics, food, and recycling. Key technologies within the APS portfolio include compounding, extrusion, material handling, conveying, mixing, ingredient automation, portion process, and screening and separating equipment.

FY 2023 Financial Performance

Revenue	Adjusted EBITDA	Adjusted EBITDA Margin
$1,824M	**$356M**	**19.5%**

Key Brands

coperion
HERBOLD MECKESHEIM
LINXIS GROUP
ROTEX HIGH PERFORMANCE SCREENERS
schenck process Food and Performance Materials

Revenue Composition

- 57% Plastics & Recycling
- 26% Food & Pharmaceuticals
- 7% Chemicals
- 7% Other
- 3% Minerals

- 72% Capital
- 28% Aftermarket Parts and Services

Note: Above figures include only 1 month of Schenck FPM performance

Molding Technology Solutions MTS

Molding Technology Solutions is a global leader in highly-engineered equipment, systems, and aftermarket parts and service for the plastic technology processing industry. MTS has a comprehensive product portfolio that includes injection molding and extrusion equipment, hot runner systems, process control systems, mold bases and components, and maintenance, repair, and operating ("MRO") supplies.

FY 2023 Financial Performance

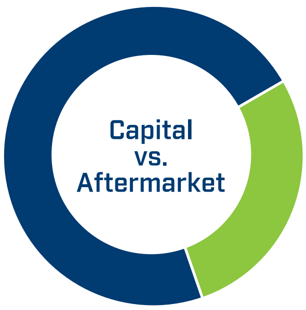
Revenue	Adjusted EBITDA	Adjusted EBITDA Margin
$1,003M	**$187M**	**18.7%**

Key Brands

DME · MILACRON · Mold Masters

Revenue Composition

- 21% Automotive
- 14% Other
- 13% Construction
- 13% Packaging
- 13% Construction
- 11% Custom Molders
- 8% Electronics
- 7% Medical

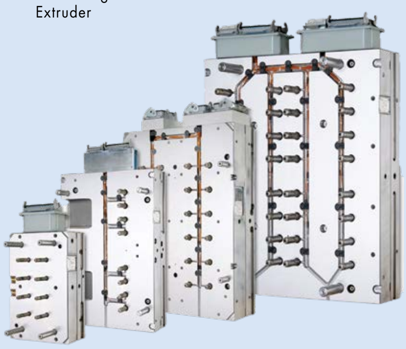


- 72% Capital
- 28% Aftermarket Parts and Services

DME
A-Series Mold Base

Milacron
C-Series 1900 Injection Molding Machine

Milacron
SG90 Single-screw Extruder



Mold Masters
Master-Series Hot Runner

Mold Masters
TempMaster M3 Controller

HILLENBRAND OPERATING MODEL

How We Operate

The Hillenbrand Operating Model is firmly embedded in our culture and a key enabler of our strategy. It is a consistent and repeatable framework that is designed to produce sustainable results and drive continuous improvement across our organization. The Hillenbrand Operating Model is also a key driver of success in integrating acquisitions and accelerating synergy realization. As we continue to leverage the Hillenbrand Operating Model throughout the enterprise, we expect to drive growth and margin improvement through innovation, commercial excellence, and operational improvements. Our vision for developing Hillenbrand as a world-class, global industrial company is driven by the deployment of the Hillenbrand Operating Model across our existing product platforms and future acquisitions.

SUSTAINABILITY HIGHLIGHTS

Sustainability is interwoven as part of our business strategy. United by our Purpose and Core Values, we lead our industries by delivering innovative products and solutions that help address today's challenges and tomorrow's needs. We published our fourth sustainability report in May 2023, including a number of exciting milestones:

- First-time disclosure of Scope 3 greenhouse gas (GHG) emissions
- First double-materiality assessment to generate greater insights into key sustainability topics
- First-time disclosure of water usage across the largest manufacturing sites
- Approach to sustainable practices within the durable plastics, food, and recycling end markets
- Approach to decarbonization designed to bring us into alignment with TCFD and SBTi
- Increased number of female directors; Board of Directors now 50% women
- Signed the CEO Statement of Support for the United Nations Women's Empowerment Principles (WEP)

Our Continued Journey and Commitment

In 2023, Hillenbrand received an upgraded rating of AA (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment. Since February 2022, Hillenbrand has maintained a "1" score in ISS's Governance QualityScore.

Hillenbrand was named a finalist for the 2023 Reuters Responsible Business Awards in the category of Purpose-Driven Consumer Communications for our work to integrate our Purpose to Shape What Matters For Tomorrow throughout our organization.

Our Impact

This year marks our first-time disclosing Scope 3 emissions, following a sustained effort to obtain a fuller picture of our impact. By tracking these emissions, we can better understand risks to our business and that result from our business, which allows us to continue to develop a more robust program based upon setting metrics and targets, managing climate change risk, and driving strategy throughout our operations and governance.

We have also defined our approach to decarbonization within our own operations, expanding our usage of renewable energy while conducting energy audits to identify key opportunities to reduce our emissions.

Our Stuttgart and Weingarten, Germany, locations are being powered by 100% renewable energy sourced from hydropower generated entirely by European plants, while our Mold-Masters facility in Kunshan City, China has established a rooftop solar project (pictured) that can produce 1.73 MW per year.

Hillenbrand supports a closed-loop system where plastics are made, recycled, and repurposed to keep them in our global economy and out of the environment. We partnered with Net Impact, a global non-profit focused on engaging students on critical social and environmental issues, to create the first-ever Circular Plastics Case Competition aimed at innovating and promoting sustainability within the plastics value chain.

In its first year, the competition drew 52 submissions from 10 different countries across 4 continents.

Congratulations to Coperion for winning the Stuttgart Innovation Award in the Sustainability and Social category for their ZS-B MEGAfeed side feeder for recycling applications.

FINANCIAL HIGHLIGHTS

Continuing Operations

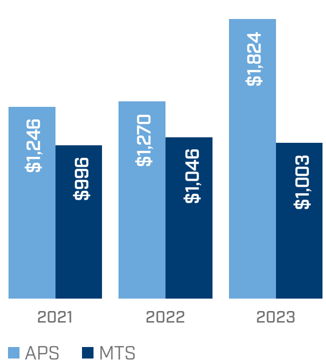
GAAP MEASURES

(in millions, except per share data)	2021	2022	2023
Revenue	$2,241.4	$ 2,315.3	$ 2,826.0
Gross Profit	732.3	763.8	948.2
Gross Profit Margin	32.7 %	33.0 %	33.6 %
Net Income	122.7	109.4	107.1
Diluted EPS	1.63	1.51	1.53
Operating Cash Flow	362.7	63.3	207.0
Capital Expenditures	28.2	38.3	69.3
Dividends Per Share	$ 0.86	$ 0.87	$ 0.88

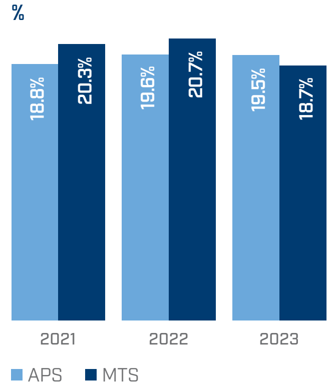
NON-GAAP & OTHER OPERATING MEASURES

(in millions, except per share data) (See supplemental page included for a reconciliation of non-GAAP measures to the most directly comparable GAAP measures)	2021	2022	2023
Organic Revenue	$ 2,173.3	$ 2,312.9	$ 2,408.5
Adjusted EBITDA	378.7	401.5	483.2
Organic Adjusted EBITDA	374.4	401.5	418.3
Adjusted Diluted EPS	2.10	2.69	3.52
Total Backlog	$ 1,715.0	$ 1,762.0	$ 2,099.6

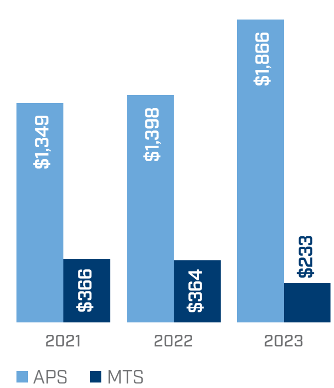
Revenue by Segment
$M



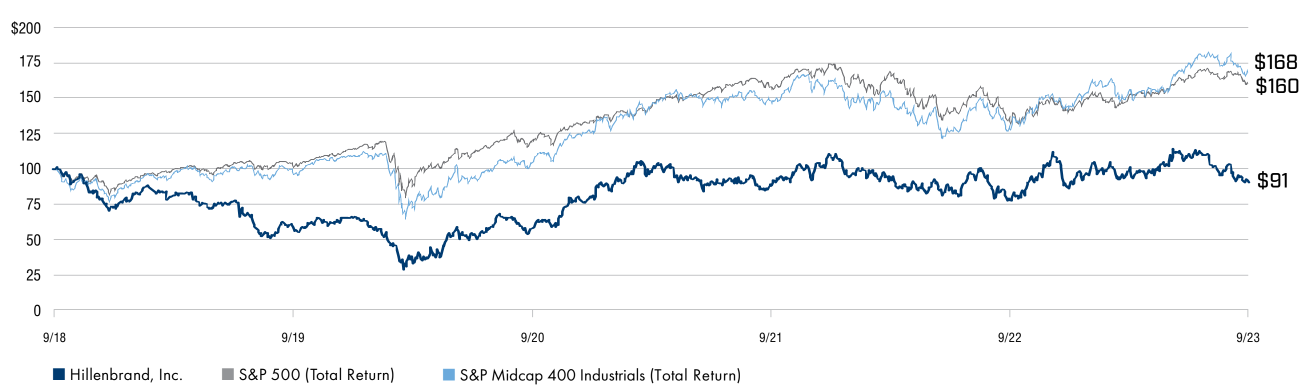
Adjusted EBITDA
Margins by Segment
%



Backlog by Segment
$M



Value of $100 Investment on September 30, 2018



DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

Throughout this report, we make a number of "forward-looking statements," including statements that are within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, and that are intended to be covered by the safe harbor provided under these sections. As the words imply, these are statements about future sales, earnings, cash flow, results of operations, uses of cash, financings, share repurchases, ability to meet deleveraging goals, and other measures of financial performance or potential future plans or events, strategies, objectives, beliefs, prospects, assumptions, expectations, and projected costs or savings or transactions of Hillenbrand (the "Company") that might or might not happen in the future, the anticipated costs and benefits of the Proposed Transaction, and the expected timing of completion of the Proposed Transaction, as contrasted with historical information. Forward-looking statements are based on assumptions that we believe are reasonable, but by their very nature are subject to a wide range of risks. If our assumptions prove inaccurate or unknown risks and uncertainties materialize, actual results could vary materially from Hillenbrand's expectations and projections.

Words that could indicate that we are making forward-looking statements include the following: ▪ intend ▪ believe ▪ plan ▪ expect ▪ may ▪ goal ▪ would ▪ project ▪ position ▪ become ▪ pursue ▪ estimate ▪ will ▪ forecast ▪ continue ▪ could ▪ anticipate ▪ remain ▪ target ▪ encourage ▪ promise ▪ improve ▪ progress ▪ potential ▪ should ▪ impact

This is not an exhaustive list but is intended to give you an idea of how we try to identify forward-looking statements. The absence of any of these words, however, does not mean that the statement is not forward-looking.

Here is the key point: Forward-looking statements are not guarantees of future performance or events, and actual results or events could differ materially from those set forth in any forward-looking statements. Any number of factors, many of which are beyond our control, could cause our performance to differ significantly from what is described in the forward-looking statements. These factors include, but are not limited to: global market and economic conditions, including those related to the financial markets; the risk of business disruptions associated with information technology, cyber-attacks, or catastrophic losses affecting infrastructure; the impact of disease outbreaks, such as the COVID-19 pandemic, or other health crises; increasing competition for highly skilled and talented workers, as well as labor shortages; uncertainty related to environmental regulation and industry standards, as well as physical risks of climate change; increased costs, poor quality, or unavailability of raw materials or certain outsourced services and supply chain disruptions; uncertainty in United States global trade policy; our level of international sales and operations; the impact of incurring significant amounts of indebtedness and any inability of the Company to respond to changes in its business or make future desirable acquisitions; the ability of the Company to comply with financial or other covenants in debt agreements; negative effects of acquisitions, including the Schenck Process Food and Performance Materials ("FPM") business and Linxis Group SAS ("Linxis") acquisitions, on the Company's business, financial condition, results of operations and financial performance (including the ability of the Company to maintain relationships with its customers, suppliers and others with whom it does business); the possibility that the anticipated benefits from acquisitions, including the FPM and Linxis acquisitions, cannot be realized by the Company in full or at all, or may take longer to realize than expected; risks that the integrations of FPM or Linxis or other acquired businesses disrupt current operations or pose potential difficulties in employee retention or otherwise affect financial or operating results; competition in the industries in which we operate, including on price; cyclical demand for industrial capital goods; the ability to recognize the benefits of any acquisition or divestiture, including potential synergies and cost savings or the failure of the Company or any acquired company to achieve its plans and objectives generally; impairment charges to goodwill and other identifiable intangible assets; impacts of decreases in demand or changes in technological advances, laws, or regulation on the net revenues that we derive from the plastics industry; changes in food consumption patterns due to dietary trends, or economic conditions, or other reasons; our reliance upon employees, agents, and business partners to comply with laws in many countries and jurisdictions; the impact to the Company's effective tax rate of changes in the mix of earnings or tax laws and certain other tax-related matters; exposure to tax uncertainties and audits; involvement in claims, lawsuits and governmental proceedings related to operations; uncertainty in the United States political and regulatory environment; adverse foreign currency fluctuations; labor disruptions; and the effect of certain provisions of the Company's governing documents and Indiana law that could decrease the trading price of the Company's common stock. Shareholders, potential investors, and other readers are urged to consider these risks and uncertainties in evaluating forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements. For a more in-depth discussion of these and other factors that could cause actual results to differ from those contained in forward-looking statements, see the discussion under the heading "Risk Factors" in Part I, Item 1A of Hillenbrand's Form 10-K for the year ended September 30, 2023, filed with the Securities and Exchange Commission ("SEC") on November 15, 2023. The forward-looking information in this report speaks only as of the date hereof, and we assume no obligation to update or revise any forward-looking information.

DISCLOSURE REGARDING NON-GAAP MEASURES AND OTHER OPERATING MEASURES

While we report financial results in accordance with United States generally accepted accounting principles (GAAP), we also provide certain non-GAAP operating performance measures. We believe this information provides a higher degree of transparency. These non-GAAP measures are referred to as "adjusted" measures and exclude the following items:

- business acquisition, divestiture, and integration costs;
- restructuring and restructuring related charges;
- intangible asset amortization;
- gains and losses on divestitures;
- other individually immaterial one-time costs;
- the related income tax impact for all of these items; and
- certain tax items related to acquisitions and divestitures, the revaluation of deferred tax balances resulting from fluctuations in currency exchange rates and non-routine changes in tax rates for certain foreign jurisdictions, and the impact that the Molding Technology Solutions reportable operating segment's loss carryforward attributes have on tax provisions related to the imposition of tax on Global Intangible Low-Taxed Income (GILTI) earned by certain foreign subsidiaries, the Foreign Derived Intangible Income Deduction (FDII), and the Base Erosion and Anti-Abuse Tax (BEAT).

One important non-GAAP measure Hillenbrand uses is adjusted earnings before interest, income tax, depreciation, and amortization ("adjusted EBITDA"). A part of our strategy is to pursue acquisitions that strengthen or establish leadership positions in key markets. Given that strategy, it is a natural consequence to incur related expenses, such as amortization from acquired intangible assets and additional interest expense from debt-funded acquisitions. Accordingly, we use adjusted EBITDA, among other measures, to monitor our business performance. We also use "adjusted net income" and "adjusted diluted earnings per share (EPS)," which are defined as net income and earnings per share, respectively, each excluding items described in connection with adjusted EBITDA. Adjusted EBITDA, adjusted net income, and adjusted diluted EPS are not recognized terms under GAAP and therefore do not purport to be alternatives to net income or to diluted EPS, as applicable. Further, Hillenbrand's measures of adjusted EBITDA, adjusted net income, or adjusted diluted EPS may not be comparable to similarly titled measures of other companies.

Organic revenue and organic adjusted EBITDA are defined respectively as net revenue and adjusted EBITDA excluding net revenue and adjusted EBITDA directly attributable to Red Valve, which was divested on December 31, 2020, Abel, which was divested on March 10, 2021, and TerraSource, which was divested on October 22, 2021, as well as recent acquisitions, including FPM, Linxis, Herbold Meckesheim, Peerless Food Equipment, and Gabler Engineering, and adjusting for the effects of foreign currency exchange. Hillenbrand uses organic measures to assess performance of its reportable operating segments and the Company in total without the impact of recent acquisitions and divestitures.

Hillenbrand calculates the foreign currency impact on net revenue in order to better measure the comparability of results between periods. We calculate the foreign currency impact by translating current year results at prior year foreign exchange rates. This information is provided because exchange rates can distort the underlying change in sales, either positively or negatively.

OTHER OPERATING MEASURES

Another important operational measure used is backlog. Backlog is not a term recognized under GAAP; however, it is a common measurement used in industries with extended lead times for order fulfillment (long-term contracts), like those in which our reportable operating segments compete. Backlog represents the amount of net revenue that we expect to realize on contracts awarded to our reportable operating segments. For purposes of calculating backlog, 100% of estimated net revenue attributable to consolidated subsidiaries is included. Backlog includes expected net revenue from large systems and equipment, as well as aftermarket parts, components, and service. The length of time that projects remain in backlog can span from days for aftermarket parts or service to approximately 18 to 24 months for larger system sales within the Advanced Process Solutions reportable operating segment. The majority of the backlog within the Molding Technology Solutions reportable operating segment is expected to be fulfilled within the next twelve months. Backlog includes expected revenue from the remaining portion of firm orders not yet completed, as well as net revenue from change orders to the extent that they are reasonably expected to be realized. Hillenbrand includes in backlog the full contract award, including awards subject to further customer approvals, which we expect to result in revenue in future periods. In accordance with industry practice, Hillenbrand's contracts may include provisions for cancellation, termination, or suspension at the discretion of the customer. Given that backlog is an operational measure and that the Company's methodology for calculating backlog does not meet the definition of a non-GAAP measure, as that term is defined by the SEC, a quantitative reconciliation is not required or provided.

RECONCILIATION OF NON-GAAP MEASURES AND OTHER OPERATING MEASURES

Reconciliation of Non-GAAP Measures

($ in millions) [Year Ended September 30]	2023	2022	2021
Income from continuing operations	$ 114.1	$ 115.7	$ 128.0
Less: Net income attributable to noncontrolling interests	7.0	6.3	5.3
Income from continuing operations attributable to Hillenbrand	107.1	109.4	122.7
Impairment charges	—	—	11.2
Business acquisition, divestiture, and integration costs	46.2	29.4	34.8
Restructuring and restructuring-related charges	5.1	3.1	13.6
Inventory step-up charges	11.7	—	—
Intangible asset amortization	79.6	54.0	55.7
Loss (gain) on divestiture	—	3.1	(67.1)
Debt financing activities	—	—	2.9
Other	—	3.3	1.5
Tax adjustments	30.9	11.7	6.9
Tax effect of adjustments	(34.1)	(19.8)	(23.8)
Adjusted net income from continuing operations attributable to Hillenbrand	$ 246.5	$ 194.2	$ 158.4
Diluted earnings per share from continuing operations attributable to Hillenbrand	$ 1.53	$ 1.51	$ 1.63
Impairment charges	—	—	0.15
Business acquisition, divestiture, and integration costs	0.66	0.41	0.46
Restructuring and restructuring-related charges	0.07	0.05	0.18
Inventory step-up charges	0.17	—	—
Intangible asset amortization	1.14	0.75	0.74
Loss (gain) on divestiture	—	0.04	(0.89)
Debt financing activities	—	—	0.04
Other	—	0.04	0.02
Tax adjustments	0.44	0.16	0.09
Tax effect of adjustments	(0.49)	(0.27)	(0.32)
Adjusted diluted earnings per share from continuing operations attributable to Hillenbrand	$ 3.52	$ 2.69	$ 2.10

Reconciliation of Segment Adjusted EBITDA to Consolidated Net Income

($ in millions, except per share data) [Year Ended September 30]	2023	2022	2021
Adjusted EBITDA:			
Advanced Process Solutions	$ 355.7	$ 249.1	$ 234.5
Molding Technology Solutions	187.1	216.2	201.8
Corporate	(59.6)	(63.8)	(57.6)
Add:			
Total income from discontinued operations (net of income tax expense)	462.6	99.5	127.2
Less:			
Interest expense, net	77.7	64.3	74.3
Income tax expense	102.8	84.0	78.6
Depreciation and amortization	125.6	98.6	104.7
Impairment charges	—	—	11.2
Business acquisition, divestiture, and integration costs	46.2	29.4	34.8
Restructuring and restructuring-related charges	5.1	3.1	13.6
Inventory step-up charges	11.7	—	—
Loss (gain) on divestiture	—	3.1	(67.1)
Other	—	3.3	0.6
Consolidated net income	$ 576.7	$ 215.2	$ 255.2

Note: Please see Form 10-K for further information on non-GAAP adjustments.

The following reconciliations include organic adjustments related to acquisitions and divestitures:

- FPM, which was included within the Advanced Process Solutions reportable operating segment, was acquired on September 1, 2023.
- Peerless Food Equipment, which was included within the Advanced Process Solutions reportable operating segment, was acquired on December 1, 2022.
- Linxis, which was included within the Advanced Process Solutions reportable operating segment, was acquired on October 6, 2022.
- Herbold-Meckesheim, which was included within the Advanced Process Solutions reportable operating segment, was acquired on August 31, 2022.
- Gabler, which was included within the Advanced Process Solutions reportable operating segment, was acquired on June 30, 2022.
- TerraSource, which was included within the Advanced Process Solutions reportable operating segment, was divested on October 22, 2021.
- ABEL, which was included within the Advanced Process Solutions reportable operating segment, was divested on March 10, 2021.
- Red Valve, which was included within the Advanced Process Solutions reportable operating segment, was divested on December 31, 2020.

Reconciliation of Net Revenue to Consolidated Organic Net Revenue

($ *in millions*) *[Year Ended September 30]*	2023	2022	2021
Advanced Process Solutions net revenue	$ 1,823.5	$ 1,269.8	$ 1,245.7
Acquisition adjusted net revenue	(456.8)	(2.4)	(68.1)
Foreign currency impact	18.7	—	—
Advanced Process Solutions organic net revenue	1,385.4	1,267.4	1,177.6
Molding Technology Solutions net revenue	1,002.5	1,045.5	995.7
Foreign currency impact	20.6	—	—
Molding Technology Solutions organic net revenue	1,023.1	1,045.5	995.7
Consolidated organic net revenue	$ 2,408.5	$ 2,312.9	$ 2,173.3

Reconciliation of Consolidated Net Income to Organic Adjusted EBITDA

($ *in millions*) *[Year Ended September 30]*	2023	2022	2021
Consolidated net income	$ 576.7	$ 215.2	$ 255.2
Interest expense, net	77.7	64.3	74.3
Income tax expense	102.8	84.0	78.6
Depreciation and amortization	125.6	98.6	104.7
EBITDA	882.8	462.1	512.8
Total income from discontinued operations (net of income tax expense)	(462.6)	(99.5)	(127.2)
Impairment charges	—	—	11.2
Business acquisition, divestiture, and integration costs	46.2	29.4	34.8
Restructuring and restructuring-related charges	5.1	3.1	13.6
Inventory step-up charges	11.7	—	—
Loss (gain) on divestitures	—	3.1	(67.1)
Other	—	3.3	0.6
Adjusted EBITDA	483.2	401.5	378.7
Less: Acquisitions and divestitures adjusted EBITDA	(74.4)	—	(4.3)
Foreign currency impact	9.5	—	—
Organic adjusted EBITDA	$ 418.3	$ 401.5	$ 374.4
Advanced Process Solutions adjusted EBITDA	$ 355.7	$ 249.1	$ 234.5
Less: Acquisitions and divestitures adjusted EBITDA	(74.4)	—	(4.3)
Foreign currency impact	3.4	—	—
Advanced Process Solutions organic adjusted EBITDA	$ 284.7	$ 249.1	$ 230.2
Molding Technology Solutions adjusted EBITDA	$ 187.1	$ 216.2	$ 201.8
Foreign currency impact	6.3	—	—
Molding Technology Solutions organic adjusted EBITDA	$ 193.4	$ 216.2	$ 201.8

INVENT
DESIGN
ENGINEER
SHAPE WHAT MATTERS FOR TOMORROW
SOURCE
ASSEMBLE
SERVICE

HILLENBRAND

2023 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 September 30, 2023

OR

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the transition period from ____ to _____

Commission File No. 001-33794

HILLENBRAND, INC.

(Exact name of registrant as specified in its charter)

IN	**26-1342272**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
One Batesville Boulevard **Batesville, IN**	**47006**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(812) 931-5000**

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, without par value	HI	NYSE

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 15(d) of the Securities Exchange Act of 1934. 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 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, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐	Emerging growth company ☐
Non-accelerated filer	☐	Smaller reporting company	☐	

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

Indicate by check mark whether the registrant 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(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

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 capital stock (consisting solely of shares of common stock) held by non-affiliates of the registrant as of March 31, 2023 was $3,252,045,631. As of November 10, 2023, 69,921,378 shares of common stock were outstanding.

Documents Incorporated by Reference

Portions of our definitive proxy statement for the 2024 Annual Meeting of Shareholders are incorporated by reference into Part III of this report. The proxy statement will be filed no later than January10, 2024.

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(monetary amounts in millions, except per share data)

PART I

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

Throughout this Form 10-K, we make a number of "forward-looking statements," including statements that are within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, and that are intended to be covered by the safe harbor provided under these sections. As the words imply, these are statements about future sales, earnings, cash flow, results of operations, uses of cash, financings, share repurchases, ability to meet deleveraging goals, and other measures of financial performance or potential future plans or events, strategies, objectives, beliefs, prospects, assumptions, expectations, and projected costs or savings or transactions of the Company that might or might not happen in the future, as contrasted with historical information. Forward-looking statements are based on assumptions that we believe are reasonable, but by their very nature are subject to a wide range of risks. If our assumptions prove inaccurate or unknown risks and uncertainties materialize, actual results could vary materially from Hillenbrand's expectations and projections.

Accordingly, in this Form 10-K, we may say something like,

"We expect that future net revenue will be influenced by order backlog."

That is a forward-looking statement, as indicated by the word "expect" and by the clear meaning of the sentence.

Other words that could indicate we are making forward-looking statements include the following:

intend	believe	plan	expect	may	goal	would	project	position
become	pursue	estimate	will	forecast	continue	could	anticipate	remain
target	encourage	promise	improve	progress	potential	should	impact	

This is not an exhaustive list, but is intended to give you an idea of how we try to identify forward-looking statements. The absence of any of these words, however, does not mean that the statement is not forward-looking.

Here is the key point: Forward-looking statements are not guarantees of future performance or events, and actual results or events could differ materially from those set forth in any forward-looking statements.

Any number of factors, many of which are beyond our control, could cause our performance to differ significantly from what is described in the forward-looking statements. These factors include, but are not limited to: global market and economic conditions, including those related to the financial markets; the risk of business disruptions associated with information technology, cyber-attacks, or catastrophic losses affecting infrastructure; the impact of disease outbreaks, such as the COVID-19 pandemic, or other health crises; increasing competition for highly skilled and talented workers, as well as labor shortages; uncertainty related to environmental regulation and industry standards, as well as physical risks of climate change; increased costs, poor quality, or unavailability of raw materials or certain outsourced services and supply chain disruptions; uncertainty in United States global trade policy; our level of international sales and operations; the impact of incurring significant amounts of indebtedness and any inability of the Company to respond to changes in its business or make future desirable acquisitions; the ability of the Company to comply with financial or other covenants in debt agreements; negative effects of acquisitions, including the Schenck Process Food and Performance Materials ("FPM") business and Linxis Group SAS ("Linxis") acquisitions, on the Company's business, financial condition, results of operations and financial performance (including the ability of the Company to maintain relationships with its customers, suppliers, and others with whom it does business); the possibility that the anticipated benefits from acquisitions including the FPM and Linxis acquisitions cannot be realized by the Company in full or at all, or may take longer to realize than expected; risks that the integrations of FPM or Linxis or other acquired businesses disrupt current operations or pose potential difficulties in employee retention or otherwise affect financial or operating results; competition in the industries in which we operate, including on price; cyclical demand for industrial capital goods; the ability to recognize the benefits of any acquisition or divestiture, including potential synergies and cost savings or the failure of the Company or any acquired company to achieve its plans and objectives generally; impairment charges to goodwill and other identifiable intangible assets; impacts of decreases in demand or changes in technological advances, laws, or regulation on the net revenues that we derive from the plastics industry; changes in food consumption patterns due to dietary trends, or economic conditions, or other reasons; our reliance upon employees, agents, and business partners to comply with laws in many countries and jurisdictions; the impact to the Company's effective tax rate of changes in the mix of earnings or in tax laws and certain other tax-related matters; exposure to tax uncertainties and audits; involvement in claims, lawsuits, and governmental proceedings related to operations; uncertainty in the U.S. political and regulatory environment; adverse foreign currency fluctuations; labor disruptions; and the effect of certain provisions of the Company's governing documents and Indiana law that could decrease the trading price of the Company's common stock.

Item 1. BUSINESS

In this section of the Form 10-K, we provide you a general overview of the Company, including a high-level review of our reportable segments and how we operate. We then present our reportable operating segments in greater detail, including the products we manufacture and sell, how those products are distributed and to whom, with whom we compete, the key inputs to production, and an explanation of our business strategies. We also provide you information on any key patents, trademarks, and regulatory matters important to our business. Finally, we provide you a brief background on our executive officers so that you can understand their experience and qualifications.

GENERAL

Hillenbrand (www.Hillenbrand.com) is a global industrial company that provides highly-engineered processing equipment and solutions to customers around the world. Our portfolio is composed of leading industrial brands that serve large, attractive end markets, including durable plastics, food, and recycling. Guided by our Purpose, Shape What Matters For Tomorrow™, we pursue excellence, collaboration, and innovation to shape solutions that best serve our people, our customers, and our communities. Customers choose Hillenbrand due to our reputation for designing, manufacturing, and servicing highly-engineered, mission-critical equipment and solutions that meet their unique and complex processing requirements.

Hillenbrand's portfolio is composed of two reportable operating segments: Advanced Process Solutions and Molding Technology Solutions. Advanced Process Solutions is a leading global provider of highly-engineered process and material handling equipment, systems, and aftermarket parts and services for a variety of industries, including durable plastics, food, and recycling. Key technologies within the Advanced Process Solutions portfolio include compounding, extrusion, material handling, conveying, mixing, ingredient automation, portion process, and screening and separating equipment. Molding Technology Solutions is a global leader in highly-engineered equipment, systems, and aftermarket parts and service for the plastic technology processing industry. Molding Technology Solutions has a comprehensive product portfolio that includes injection molding and extrusion equipment, hot runner systems, process control systems, mold bases and components, and maintenance, repair, and operating ("MRO") supplies. These reportable operating segments are characterized by well-known brands that are recognized for technological capabilities and process expertise that can be shared across the reportable operating segments to serve customers globally. These reportable operating segments address macro trends supported by a growing middle class driving demand for plastics in a variety of applications, such as construction, food safety, and recycling, and demand for more sustainable food sources such as plant-based proteins,

Hillenbrand was incorporated on November 1, 2007, in the state of Indiana and began trading on the New York Stock Exchange under the symbol "HI" on April 1, 2008. "Hillenbrand," "the Company," "we," "us," "our," and similar words refer to Hillenbrand, Inc. and its subsidiaries unless context otherwise requires. Although Hillenbrand has been a publicly traded company since 2008, the brands owned by Hillenbrand have been in operation for many decades.

Over the past several years, we have significantly transformed our business through not only the completion of several strategic acquisitions, but also the divestiture of our legacy death care reportable operating segment, Batesville, as well as the divestiture of certain other non-core brands. The acquisitions provided leading brands, complementary technologies, and enhanced scale in attractive end markets, including food and recycling. These end markets are attractive to Hillenbrand because they have strong, long-term growth characteristics, and allow us to leverage our existing expertise in process technology and systems engineering to provide comprehensive solutions to our customers.

Acquisitions

The following acquisitions were made during the years ended September 30, 2023 and 2022, and are all currently included within our Advanced Process Solutions reportable operating segment:

- On September 1, 2023, the Company completed the acquisition of Schenck Process Food and Performance Materials ("FPM") business;

- On December 1, 2022, the Company completed the acquisition of the Peerless Food Equipment division (“Peerless”) of Illinois Tool Works Inc.;
- On October 6, 2022, the Company completed the acquisition of LINXIS Group SAS (“Linxis”);
- On August 31, 2022, the Company completed the acquisition of Herbold Meckesheim GmbH (“Herbold”); and
- On June 30, 2022, the Company completed the acquisition of Gabler Engineering GmbH and affiliate (“Gabler”).

For further information, see Note 5 to our Consolidated Financial Statements included in Part II, Item 8, of this Form 10-K.

Divestitures

On December 31, 2020, the Company completed the divestiture of Red Valve Company, Inc. (“Red Valve”). The results of operations and cash flows of the Company include Red Valve through December 31, 2020.

On March 10, 2021, the Company completed the divestiture of ABEL GmbH (“ABEL”). The results of operations and cash flows of the Company include ABEL through March 10, 2021.

On October 22, 2021, the Company completed the divestiture of TerraSource Global (“TerraSource”). The results of operations and cash flows of the Company include TerraSource through October 22, 2021.

On February 1, 2023, the Company completed the divestiture of its historical Batesville reportable operating segment. This divestiture represented a strategic shift in Hillenbrand’s business and qualified as a discontinued operation. Accordingly, the operating results and cash flows related to the historical Batesville reportable operating segment have been reflected as discontinued operations in the Consolidated Statements of Operations and the Consolidated Statements of Cash Flows for all periods presented, while the assets and liabilities that were divested were classified within the Consolidated Balance Sheets as held for sale in the periods preceding the divestiture. Unless otherwise noted, discussion within this Form 10-K relates to continuing operations only and excludes the historical Batesville reportable operating segment.

For further information, see Note 4 to our Consolidated Financial Statements included in Part II, Item 8, of this Form 10-K.

Reportable Operating Segments

Advanced Process Solutions

Advanced Process Solutions is a leading global provider of highly-engineered process and material handling equipment, systems, and aftermarket parts and services for a variety of industries, including durable plastics, food, and recycling. Key technologies within the Advanced Process Solutions portfolio include compounding, extrusion, material handling, conveying, mixing, ingredient automation, portion process, and screening and separating equipment.

We believe Advanced Process Solutions has attractive fundamentals including:
- Strong product and technology positions with substantial brand value and recognition;
- Industry-leading applications and engineering expertise;
- Comprehensive solutions capabilities through a differentiated suite of complementary processing technologies;
- A large installed base that supports an aftermarket parts and service business with historically stable revenue and attractive margins;
- A customer base that is highly diversified, including a strong history of long-term relationships with blue-chip end user customers; and
- A strong global footprint for sales, manufacturing, engineering, and service, including established operations in high growth countries such as India and China.

Molding Technology Solutions

Molding Technology Solutions is a global leader in highly-engineered equipment, systems, and aftermarket parts and service for the plastic technology processing industry. Molding Technology Solutions has a comprehensive product portfolio that includes injection molding and extrusion equipment, hot runner systems, process control systems, mold bases and components, and maintenance, repair, and operating (“MRO”) supplies.

We believe Molding Technology Solutions has attractive fundamentals including:
- Strong product and technology positions with substantial brand value and recognition;
- Strong market positions and engineering expertise;

- A large installed base that supports an aftermarket parts and service business with historically stable revenue and attractive margins;
- A customer base that is highly diversified in end markets and applications, with a strong history of long-term customer relationships; and
- Geographic diversification, including established operations in high growth countries such as India and China.

How We Operate

Guided by our Purpose, Shape What Matters for Tomorrow, we strive to provide superior return for our shareholders, exceptional value for our customers, great professional opportunities for our employees, and to be responsible to our communities through the execution of our profitable growth strategy. We aim to deliver sustainable revenue expansion, profit growth, and substantial free cash flow through our world-class products, solutions, and service, drive continuous improvement through the deployment of the Hillenbrand Operating Model ("HOM"), and effectively deploy our cash flow to maximize shareholder value creation.

Driving Growth

Our growth is driven by several key factors, including:

- Our leading positions in large, attractive end markets that are supported by long-term macro demand trends, including the expanding global middle class, the desire for more sustainable products and solutions, and the evolution of the global supply chain;
- Our strong global footprint and large installed base, which supports profitable aftermarket expansion; and
- A disciplined mergers and acquisitions framework that accelerates our growth with a focus on leading brands that enhance our technological capabilities and build scale in key end markets and/or geographies.

The Hillenbrand Operating Model

Our continuous improvement culture is fueled by the HOM. The HOM is a consistent and repeatable framework designed to produce sustainable and predictable results. The HOM describes the Company's Purpose, mission, vision, values, and mindset as leaders; applies our management practices in Strategy, People, Operational Excellence, and Innovation & Technology; and prescribes four steps (Understand, Focus, Execute, and Grow) designed to make the Company's businesses deliver sustainable revenue expansion, profit growth, and substantial free cash flow. The Company's goal is to continue developing Hillenbrand as a world-class global industrial company through the deployment of the HOM to drive product innovation, best-in-class pricing and commercial practices, and margin enhancement through productivity and integration-related synergy realization.

Sustainability

Sustainability is a key component of the HOM. We believe sustainability to be a source of value creation that must be aligned with the core strategy of the Company. We expect to continue developing this part of our strategy as we grow in our sustainability practice. Among other things, we believe climate change will require meaningful action on a global scale, and we expect that further developing our understanding of our energy consumption and emissions will be an important part of examining the challenges posed by climate change. To date, our costs relating to addressing climate change have not been material.

Capital Allocation Framework

Our capital allocation framework is built around three core priorities in the following order:

- Safety and financial sustainability
    - Maintaining adequate liquidity to support and sustain our ongoing operations;
    - Honoring our current dividend policy, which provides an attractive cash return to our shareholders.
- Growing our business
    - Reinvesting in the business organically to drive innovation, growth, and operating efficiency;
    - Enhancing our growth with strategic acquisitions that expand our technological capabilities, accelerate scale in key end markets or geographies, and provide an appropriate return for our shareholders;
    - Maintaining an appropriate capital structure with a net debt to adjusted EBITDA target range of 1.7x to 2.7x.
- Return capital
    - Periodic opportunistic share repurchases to return capital to our shareholders.

Given the acquisitions completed in fiscal year 2023, we intend to continue to prioritize cash flow deployment to pay down debt, invest in organic initiatives for growth and operating efficiencies, as well as integration-related activities.

Human Capital Management

Purpose and Core Values

Purpose remains our clear foundation. It is the "why" behind everything we do. Purpose shapes the actions we take, the business decisions we make, and how we think about our business, including human capital management and sustainability more broadly. Our employees are at the center of everything we do because without them, we can't move the world forward. They are the designers, engineers, manufacturers, makers, and shapers that bring our products and brands to life and strengthen our communities.

Our Purpose is underpinned by four Core Values: Win As One, Partner With Possibility, Make It Matter, and Drive To Deliver. Purpose champions across the business remain focused on bringing our Purpose and Core Values to life locally through our daily practices. Purpose and Core Values are an important part of our onboarding as we welcome new employees and acquired companies. We connect the new capabilities and experiences of these companies to our shared Purpose. As we continue to grow as a company, living out our Purpose and Core Values empowers us to better serve one another, our communities, and our customers while we continue to pursue exceptional performance and long-term shareholder value.

People

People are a key pillar of the HOM, and our talent management philosophy is to develop and promote internal employees and supplement with external hires where we require new or different skills and capabilities. This approach has yielded a deep understanding among our employee base of our products and our customers, while encouraging new employees to bring innovative ideas in support of our continuous improvement mindset. We believe that our average employee tenure across the globe — 10.1 years as of the end of fiscal 2023 — reflects the high engagement and dedication of our employees. Our talent acquisition team uses internal and external resources to recruit highly skilled and talented employees, and we encourage employee referrals for open positions.

Once employees are hired, performance expectations are established and tracked annually. Additionally, development plans are created and monitored for critical roles to ensure progress is made along established timelines. Development plans also intersect with our mission, helping us increase our commitment to serve the needs of the local communities in which we operate, while simultaneously providing leadership development opportunities for our employees. Effectively managing employee performance and linking pay to performance management is a critical part of our approach.

Workplace Demographics

Hillenbrand is committed to the growth of our employees by developing talent and building a growth-minded culture. We believe our employees give us the strength and skills to compete, and we must in turn help our employees reach their potential.

As of September 30, 2023, we had approximately 10,400 employees worldwide. Approximately 3,200 employees were located within the United States ("U.S.") and 7,200 employees were located outside of the U.S., primarily throughout Europe and Asia. Approximately 62% of our workforce within the U.S. is composed of manufacturing direct labor, and the remaining population includes all other selling, general, and administrative professional employees.

As of September 30, 2023, approximately 3,300 employees globally work under collective bargaining agreements and works councils. Hillenbrand strives to maintain satisfactory relationships with all its employees, including the unions and works councils representing those employees. As a result, we have not experienced a significant work stoppage due to labor relations in more than 20 years.

Health and Safety

The health and safety of our employees is our highest priority. In fiscal 2023, with both our people and our Core Values in mind, we expanded our focus to driving standardization of health and safety measures across our operations. We restructured our sustainability working groups and created a Global Environment, Health & Safety (EHS) Council to help streamline reporting functions and improve data quality and transparency. This group, made up of EHS representatives from across the enterprise, leads our safety strategy and provides a forum for collaboration and data collection. The Council captures historic and ongoing safety data from our facilities, which is incorporated into our annual Sustainability Report.

Diversity, Equity and Inclusion

Diversity, Equity, and Inclusion ("DEI") at Hillenbrand is embedded in how we live and work and is part of our Core Values. By listening and acting with respect, embracing our individuality, and trusting in each other's strengths, we create an inclusive culture that brings our Purpose to life. We continue to focus on making meaningful progress in our DEI Roadmap established in 2021. In fiscal 2023, we continued to cascade DEI into our talent practices by focusing on qualified diverse slates of candidates for senior leadership positions and assessing the diversity of succession plans for pipeline development. Additionally, leaders at director level and above (excluding leaders from our recent acquisitions) committed to a leadership goal related to Environmental, Social and Governance ("ESG") progress as part of their annual performance goal setting.

We also engage the diverse perspectives of our employees through Business Resource Groups ("BRGs"). During the year, BRG leaders and members championed celebrations and observances, led personal and professional development sessions, and provided our employees with education and awareness about their communities. As we continue to embed our inclusive mindset across Hillenbrand, we launched a DEI foundation building learning program and a Women of Hillenbrand program in addition to our unconscious bias learning program for leaders.

We also hold ourselves accountable through measurement and transparency, including sharing our DEI progress regularly with our Board of Directors and publicly disclosing our global gender and U.S. ethnically diverse representation in our annual Sustainability Report, which can be found on the "Sustainability" section of our website at www.hillenbrand.com.

Total Rewards

Hillenbrand offers rewards programs focused on supporting employees and their families as they navigate work and life. Hillenbrand's programs are designed to ensure employees are effectively compensated in terms of base salary, incentive compensation, and other benefits that support the health and wellness of themselves and their families. While specific compensation and benefits vary worldwide and are based on regional practices, we offer market-competitive compensation and benefits to retain and attract top talent. Our compensation programs focus on pay for performance, and we strive to pay within pay ranges developed based on market data and internal pay equity. We focus many benefit programs on employee wellness and have implemented solutions including onsite wellness centers, mental health support, telemedicine, and healthy weight loss programs. We believe that these solutions have helped us successfully manage healthcare and prescription drug costs for our employee population.

Hillenbrand believes in supporting employee's mental health in addition to physical well-being. Mental health care is a covered service under all U.S. Company medical plans, including inpatient care facility services, inpatient professional services, office visits, and outpatient care.

Hillenbrand recognizes the importance of preparing for retirement. Employees are encouraged to participate in their own retirement savings where available. In the U.S., the majority of employees are eligible to participate in one of several 401(k) savings plans. Features of the plans vary but may include automatic Company contributions, Company matching contributions on employee contributions, and automatic enrollment. The plans provide a wide range of investment choices along with tax-deferred investment growth.

Outside of the U.S., Hillenbrand provides an array of benefits to support employees and their families. These include benefits such as paid leaves of absence, medical insurance, disability coverage and life insurance, among others.

Hillenbrand is committed to attracting, developing, engaging, and retaining the best people from around the world to make our businesses run and grow. In everything we do, we strive to provide great professional opportunities for our people and recognize the critical role our human capital plays in supporting our strategy.

As Hillenbrand acquires companies, it will take time to integrate them into our overall programs. Recently acquired companies are at varying stages of implementation as of September 30, 2023.

Cybersecurity

Our approach to cybersecurity begins with our responsibility for strong governance and controls. Security begins at the top of our organization, where Company leadership consistently communicates the requirements for vigilance and compliance throughout the organization, and then leads by example. The cybersecurity program is led by Hillenbrand's Chief Information Security Officer, who provides quarterly updates to the Audit Committee of our Board of Directors, annual updates to the Board of Directors, and regular reports to the Executive Management Team about the program, including information about cyber risk management governance and the status of ongoing efforts to strengthen cybersecurity effectiveness.

We also educate and share best practices globally with our employees to raise awareness of cybersecurity threats. As part of our onboarding process, we train all new employees on cybersecurity and maintain an annual retraining for all employees on cybersecurity standards, as well as how to recognize and properly respond to phishing and social engineering schemes. Hillenbrand has deployed a phishing detection system to report suspicious emails, which are flagged for further review, as well as an automated monthly process to retrain employees who do not maintain an acceptable pass rate on our phishing recognition training. To round out our robust awareness program, we have specific and regular training for our IT professionals.

REPORTABLE OPERATING SEGMENTS

Advanced Process Solutions

Advanced Process Solutions designs, engineers, manufactures, markets, and services differentiated process and material handling equipment and systems for a wide variety of industries, including plastics, food and pharmaceuticals, chemicals, fertilizers, minerals, energy, recycling, and other general industrials. Advanced Process Solutions uses its strong applications and process engineering expertise to solve problems for customers. Its highly engineered capital equipment and systems offerings require aftermarket service and/or parts replacement, providing an opportunity for ongoing revenue at attractive margins.

<u>Advanced Process Solutions: Products and Services</u>

Advanced Process Solutions' product portfolio has grown through a series of acquisitions and includes products and services for compounding, extrusion, material handling, conveying, mixing, ingredient automation, portion process, and screening and separating equipment. Advanced Process Solutions' product lines are supported by aftermarket parts and services, which represented approximately 28% of Advanced Process Solutions' total net revenue during fiscal 2023. Products are offered under brand names that are recognized as leaders in their respective categories.

- ***Compounding, extrusion, and material handling equipment and equipment system design***

    - Twin screw compounding and extrusion machines range from small laboratory compounding machines to high performance, high throughput extrusion systems. Small and mid-sized compounders are used by customers in engineered plastics, masterbatch, PVC, recycling, biodegradable products, and other applications for the plastics, chemical, food, and pharmaceutical industries. With the acquisition of FPM in 2023, the Company now offers broader application solutions to support these industries. Extrusion systems are sold to customers in multiple industries. These extrusion products are sold under the Coperion® brand.
    - Material handling equipment includes pneumatic and hydraulic conveying equipment for difficult-to-move materials; high-precision feeders that can operate at both very high and very low fill rates; blenders for pellets and powders; and rotary valves, diverter valves, and slide-gate valves used for feeding, dosing, discharge, and distribution during pneumatic conveying. The proprietary equipment is highly engineered and designed to solve the needs of customers for customized solutions. Material handling equipment is sold to a variety of industries, including plastics, food and pharmaceuticals, chemicals, and minerals. With the acquisition of FPM in 2023, the Company offers expanded material handling capabilities in each of these industries. These products are sold under the Coperion®, Coperion K-Tron®, and Herbold® brands.
    - Compounding, extrusion, and material handling equipment can be sold as a complete system, where strong application and process engineering expertise is used to design and create a broad system solution for customers. Systems can range from a single manufacturing line to large scale manufacturing lines and turnkey systems. Larger system sales are generally fulfilled over 18 to 24 months. A considerable portion of revenue for large system sales typically comes from third-party-sourced products that carry only a small up-charge. As a result, margin percentages tend to be lower on these large system sales when compared to the rest of the reportable operating segment. With the acquisition of Herbold in fiscal 2022, the Company now offers complete, innovative recycling solutions leveraging both Coperion and Herbold complementary

technologies. From mechanical processing — shredding, washing, separating, drying, and agglomerating of plastics — to bulk material handling, feeding and extrusion, as well as compounding and pelletizing, our product offering encompasses the complete process chain. With the acquisition of FPM in 2023, the Company offers end-to-end systems and full production line capabilities, as well as broader expertise in food and pet food applications. These products are sold under the Coperion and Herbold brands.

- ***Mixing technology, ingredient automation, and portion process***
    - Mixing machines for both solids and liquids range from small laboratory mixers to large industrial equipment. These products are primarily sold under the VMI, Shaffer, Peerless, and Diosna brands. Ingredient automation provides complete systems for bulk ingredient storage, micro automation, liquid handling, and process control. These products are primarily sold under the Shick Esteve brand. Portion process provides processing equipment, portioning, and equipment solutions. These products are primarily sold under Unifiller and BAKON brands. Primary industries served include food, pharmaceutical, and cosmetics.
- ***Screening and separating equipment***
    - Screening and separating equipment sorts dry, granular products based on the size of the particles being processed. These products are sold under the Rotex® and BM&M® brands to customers in a variety of industries including proppants, fertilizers, chemicals, agricultural goods, plastics, forest products, and food processing. A majority of the products use a unique technology based on a specific gyratory-reciprocating motion that provides an optimal material distribution on the screens, gentle handling of particles, and accurate separations.
- ***Aftermarket parts and service***
    - Aftermarket parts and service are a major component of most of Advanced Process Solutions' product lines. Service engineers and technicians are located around the globe to better respond to customers' machines and systems service needs. Advanced Process Solutions offers its customers services such as installation, consulting, training, maintenance and repairs, spare parts, and modernization solutions.

<u>Advanced Process Solutions: Sales, Distribution, and Operations</u>

Advanced Process Solutions sells equipment and systems throughout the world using a combination of direct sales and a global network of independent sales representatives and distributors. A part of Advanced Process Solutions' sales is made through independent sales representatives who are compensated by commission.

Equipment and systems orders are often for unique, engineered-to-order items. Products are either assembled and tested at an Advanced Process Solutions facility and then shipped to a customer or are assembled at the customer's desired location.

We expect that future net revenue associated with Advanced Process Solutions will be influenced by order backlog because of the lead time involved in fulfilling engineered-to-order equipment and solutions for customers. Backlog represents the amount of net revenue that we expect to realize on contracts awarded to Advanced Process Solutions. Though backlog can be an indicator of future net revenue, it does not include projects and aftermarket orders that are booked and shipped within the same quarter. The timing of order placement, size of order, extent of customization, and customer delivery dates can create fluctuations in backlog and net revenue. Net revenue attributable to backlog may also be affected by foreign exchange fluctuations for orders denominated in currencies other than U.S. dollars or by provisions for cancellation, termination, or suspension at the discretion of the customer.

<u>Advanced Process Solutions: Customers</u>

Advanced Process Solutions has customers in a wide range of industries, including plastics, food and pharmaceuticals, chemicals, fertilizers, minerals, and recycling. These customers range from large, Fortune 500 global companies to regional and local businesses. No one Advanced Process Solutions customer accounted for more than 10% of Hillenbrand's consolidated net revenue during the years ended September 30, 2023, 2022, or 2021. For large or customized orders, customers generally pay a deposit and make progress payments in accordance with the project progress. Often, long-term relationships are established with these customers.

Advanced Process Solutions' net revenue is diversified by end markets, and further penetration of these end markets is an important element of its strategy. Geographically, approximately 37% of Advanced Process Solutions' net revenue in fiscal 2023 came from the Americas, 32% from Asia, and 31% from EMEA (Europe, the Middle East, and Africa).

We believe that long-term growth for this segment is driven by megatrends such as a rapidly growing middle class in China and India and a growing global population, resulting in rising demand for products sold in many of the end markets that Advanced Process Solutions serves, including plastic goods, food, and recycling. These trends include increased use of lightweight plastics in the automotive industry to improve fuel efficiency; more effective packaging in emerging markets to improve food shelf life, freshness, and safety; increased consumption of processed foods in emerging markets; innovation in a variety of applications in the medical space designed to improve safety, drug and therapy delivery, and durability; increased use of engineered plastics in construction that are more durable, lightweight and require little maintenance; increased use of biopolymers to help preserve the environment; and more sustainable food sources such as plant-based proteins. Additionally, we expect Advanced Process Solutions to be able to leverage its technical know-how to win in emerging end markets such as recycling and biodegradable plastics. While overall demand for these products is expected to increase over the long run, we expect short-term periodic fluctuations in demand from time-to-time.

Advanced Process Solutions: Competition

Advanced Process Solutions holds leading positions in key industries and has strong brand name recognition because of its commitment to serving the broad needs of customers through the design and quality of products, extensive application and process engineering expertise, product support services, and its unique ability to provide compounding, extrusion and material handling equipment as a complete system that optimizes output, quality, and energy efficiency to achieve a lower overall cost of ownership for its customers.

Advanced Process Solutions brands face strong competition. Competitors range in size from small, privately-held companies serving narrow market segments or geographical areas to larger, well-known global companies serving national and international markets with multiple product lines. We believe Advanced Process Solutions' diversification into multiple industries and markets, its base of aftermarket business, and its strong worldwide network of suppliers and dealers will allow it to maintain leadership positions even during economic downturns.

Advanced Process Solutions: Raw and Component Materials

The manufacturing of Advanced Process Solutions' products involves the machining and welding of raw materials (primarily sheet metals and steel) and castings that are assembled with other component parts purchased from third-party suppliers that generally require particular specifications or qualifications. Although most of these raw materials and components are generally available from several sources, some of these items are currently purchased from single sources. Volatility in the prices Advanced Process Solutions pays for raw materials used in its products has a direct effect on profitability. Advanced Process Solutions regularly takes steps designed to mitigate the impact of volatility in raw and component material prices, including executing Lean initiatives through the application of HOM and various pricing and sourcing actions. In instances where third-party suppliers are depended upon for outsourced products or components, there is risk of customer dissatisfaction with the quality or performance of the products sold due to supplier failure. Difficulties experienced by third-party suppliers can interrupt Advanced Process Solutions' ability to obtain the outsourced product and ultimately to supply products to customers. While global supply chains have recently suffered from various headwinds, those supporting our products have generally remained intact, providing access to sufficient inventory of the key materials needed for manufacturing. However, Advanced Process Solutions has experienced significant delays of certain raw materials and components, but has largely been able to mitigate the impact on our consolidated results of operations. Advance Process Solutions continues to identify and qualify alternative sources to mitigate risk associated to single or sole source supply continuity, and has and may continue to purchase certain materials in safety stock where we have supply chain continuity concerns. See Part I, Item 1A of this Form 10-K for a more in-depth discussion of Risk Factors that could impact Advanced Process Solutions' ability to fulfill customer obligations.

Advanced Process Solutions: Strategy

Advanced Process Solutions seeks profitable growth through the following strategic initiatives:

- ***Strengthen leadership positions and build targeted platforms***

- ◦ Grow platforms to critical mass to achieve benefits of leadership and scale in attractive end markets organically and through acquisitions.
  - ◦ Capitalize on emerging trends in end markets such as food, recycling, and biopolymers.
  - ◦ Leverage global footprint to provide leading aftermarket support to customers.

- ***Drive innovation and new product development***

  - ◦ Provide innovative product and service solutions to solve customers' challenges.
  - ◦ Extend applications expertise to win in adjacent markets with high growth potential.
  - ◦ Develop new products driven by voice of customer input and changing needs.
  - ◦ Provide value-added end-to-end solutions from individual components to integrated systems.

- ***Leverage HOM to drive margin expansion and profitable growth***

  - ◦ Apply HOM principles and tools, including voice of customer and segmentation, for profitable growth.
  - ◦ Drive best-in-class lead times to grow share in aftermarket business.
  - ◦ Implement strategic supplier relationships to improve cost and quality.
  - ◦ Enhance productivity through process standardization.

Molding Technology Solutions

Molding Technology Solutions is a global leader in highly-engineered equipment, systems, and aftermarket parts and service for the plastic technology processing industry. Molding Technology Solutions has a comprehensive product portfolio that includes injection molding and extrusion equipment, hot runner systems, process control systems, mold bases and components, and maintenance, repair, and operating ("MRO") supplies. The product lines within Molding Technology Solutions have strong brand recognition and an established global footprint, and we believe are well-positioned to benefit from continued robust industry growth in both developed and emerging markets. Molding Technology Solutions' breadth of products, long history, and global reach have resulted in a large installed base of plastic processing equipment and hot runner systems.

Molding Technology Solutions: Products and Services

Molding Technology Solutions has a product portfolio that includes injection molding and extrusion equipment and hot runner systems and process controller technology. Molding Technology Solutions maintains leadership positions across these product lines, as well as leading positions in process control systems, mold bases and components, and MRO supplies. The Molding Technology Solutions product lines are supported by aftermarket parts and services, which represented approximately 28% of Molding Technology Solutions' total net revenue during fiscal 2023. Products are offered under brand names that are recognized as being among the leaders in their respective industries.

- ***Injection molding and extrusion equipment***

  - ◦ Molding Technology Solutions designs, manufactures and sells plastic processing equipment and systems, which include injection molding, extrusion and auxiliary systems. This equipment is sold under the Milacron® brand to a diverse set of customers, including companies in the automotive, consumer goods, electronics, construction, medical and packaging end markets.

- ***Hot runner and process control systems***

  - ◦ Molding Technology Solutions designs, manufactures and sells highly-engineered, technically advanced hot runner and process control systems. Hot runner and controller systems are sold under the Mold-Masters® brand and designed for each product a customer manufactures on an injection molding machine. Hot runner systems are end product-specific and replaced frequently due to design changes and innovation in customers' end products, with a typical aftermarket cycle of one to five years. Recurring sales are supported by a large installed base of hot runner systems worldwide.

- ***Mold components***

- Molding Technology Solutions designs, manufactures, and sells high-quality mold bases and plates available in various configurations to meet the needs of customers for a variety of applications under the DME® brand. Pre-engineered assemblies, plates and components provide the economic and technical benefits of interchangeability.

- ***Aftermarket parts and service***

  - Aftermarket parts and service are a major component of most of the Molding Technology Solutions product lines. Service engineers and technicians are located around the globe to better respond to customers' machines and systems service needs. Molding Technology Solutions offers its customers service, consulting, training, maintenance and repairs, spare parts, and retrofits and rebuilds.

Molding Technology Solutions: Sales, Distribution, and Operations

Molding Technology Solutions sells equipment and systems throughout the world using a combination of direct sales and a global network of independent sales representatives and distributors. A part of Molding Technology Solutions' sales is made through independent sales representatives who are compensated by commission.

Molding Technology Solutions does not typically have long-term supply agreements with customers, and terms are generally negotiated on an individual order basis. Pricing is set at the time of order, typically on a customized basis for each product. Raw materials and component purchases are managed based on order trends and mid-term contracts with strategic vendors, allowing Molding Technology Solutions to partially mitigate the risk of short-term changes in raw material and components pricing. The majority of hot runner and mold base equipment orders are fulfilled within three months. Injection molding and extrusion equipment orders are generally fulfilled within twelve months, but we expect some future net revenue associated with injection molding and extrusion equipment will be influenced by order backlog because of the lead time in fulfilling some engineered-to-order products. Backlog represents the amount of net revenue that we expect to realize on contracts awarded to Molding Technology Solutions. Though backlog can be an indicator of future net revenue, it does not include projects and aftermarket parts orders that are booked and shipped within the same quarter. The timing of order placement, size of order, extent of customization, and customer delivery dates can create fluctuations in backlog and net revenue. Net revenue attributable to backlog may also be affected by foreign exchange fluctuations for orders denominated in currencies other than U.S. dollars, or by provisions for cancellation, termination, or suspension at the discretion of the customer.

Molding Technology Solutions: Customers

Molding Technology Solutions has customers in a wide range of industries, including automotive, medical, consumer goods, packaging, construction and electronics. These customers range from large, Fortune 500 global companies to regional and local businesses, including original equipment manufacturers ("OEMs"), molders and mold-makers. Molding Technology Solutions has long-standing relationships with its largest customers, having served many of them for over 30 years. No one Molding Technology Solutions customer accounted for more than 10% of Hillenbrand's consolidated net revenue during the years ended September 30, 2023, 2022, or 2021. Customers purchasing injection molding or extrusion machines generally pay a deposit and make progress payments prior to shipment.

Molding Technology Solutions' net revenue is further diversified by end markets, and continued expansion into these end markets is an important element of its strategy. Geographically, approximately 58% of Molding Technology Solutions' net revenue in fiscal 2023 came from the Americas, 27% from Asia, and 15% from EMEA (Europe, the Middle East, and Africa).

Global population growth, coupled with continued urbanization, increased purchasing power and improved lifestyle in emerging markets and technical innovation has resulted in greater demand for a broad range of finished plastic products in many segments of the economy, including automotive, medical, construction and consumer products. We believe Molding Technology Solutions' strong global presence positions it well to benefit from this growth. Molding Technology Solutions has made significant investments in China and India in order to capitalize on the projected growth in plastics in these markets and expects to further expand in Mexico as well.

Molding Technology Solutions: Competition

Molding Technology Solutions holds leading positions in key industries because of design and quality of products, extensive application and process engineering expertise, product support services, brand name recognition, and commitment to serving the broad needs of customers.

Molding Technology Solutions brands face strong competition in the markets where they compete. Competitors range in size from small, privately-held companies serving niche industries or geographical areas to larger, well-known global companies serving national and international markets with multiple product lines. We believe Molding Technology Solutions' leading product quality and design inclusion in a number of flagship products, diversification into multiple industries and markets, its base of aftermarket parts business, and its strong worldwide network of suppliers and dealers will allow it to maintain leadership positions even during economic downturns.

Molding Technology Solutions: Raw and Component Materials

Steel, which Molding Technology Solutions sources both directly and indirectly through its component suppliers, is the primary material used in the manufacturing of its products. Molding Technology Solutions does not enter into derivative financial instruments to hedge its commodity price risk but it does have some long-term supply contracts with key suppliers. Molding Technology Solutions has developed a global network of reliable, low-cost suppliers in order to secure its supply needs. Difficulties experienced by third-party suppliers can interrupt Molding Technology Solutions' ability to obtain materials or components and ultimately to supply products to customers. While global supply chains have recently suffered from various headwinds, those supporting Molding Technology Solutions products have generally remained intact, providing access to sufficient inventory of the key materials needed for manufacturing. However, Molding Technology Solutions has experienced significant delays of certain raw materials and components, but has largely been able to mitigate the impact on our consolidated results of operations. Molding Technology Solutions continues to identify and qualify alternative sources to mitigate risk associated to single or sole source supply continuity, and has and may continue to purchase certain materials in safety stock where there are supply chain continuity concerns.

Volatility in the prices Molding Technology Solutions pays for raw materials used in its products, including sheet metals and steel, has a direct effect on profitability. Molding Technology Solutions regularly takes steps designed to mitigate the impact of volatility in raw and component material prices, including executing Lean initiatives and various pricing and sourcing actions. Where possible, Molding Technology Solutions seeks alternative sources and, in some situations, is able to reformulate product with alternative materials without impacting performance, environmental, and health and safety features. We believe that Molding Technology Solutions has taken reasonable steps to mitigate recent increases to these risks. See Part I, Item 1A of this Form 10-K for a more in-depth discussion of Risk Factors that could impact Molding Technology Solutions' ability to source the necessary materials to fulfill customer obligations.

Molding Technology Solutions: Strategy

Molding Technology Solutions seeks to execute its strategy through the following initiatives:

- ***Strengthen leadership positions in global markets***
  - Leverage core technologies and applications expertise to expand presence in current end markets.
  - Leverage Hillenbrand's strong positions across the plastics value chain to cross-sell product lines.
  - Expand product offering in key end markets, including emerging markets and new segments for sustainability such as recycling and biodegradable plastics.
- ***Drive innovation and new product development***
  - Provide innovative product and service solutions to solve customers' challenges, leveraging shared research and development and technology across the enterprise.
  - Develop new products that are focused on solidifying Molding Technology Solutions' current market positions and expanding the market through the introduction of technology that displaces other materials, primarily metal and glass.
  - Provide value-added end-to-end solutions from individual components to integrated systems.
  - Enable the customer to fulfill sustainability requirements (e.g., reduction of virgin resin).
- ***Leverage HOM to drive margin expansion and profitable growth***
  - Apply HOM principles and tools, including voice of customer and segmentation with a goal to drive profitable growth.
  - Leverage Hillenbrand's global footprint and enhance support to customers through the entire lifecycle of their equipment usage to expand sales of aftermarket parts and services.
  - Drive global supply strategy to achieve supply chain and operating efficiencies to improve cost and quality.

- Enhance productivity through process standardization.

HILLENBRAND INTELLECTUAL PROPERTY

We own a number of patents on our products and manufacturing processes and maintain trade secrets related to manufacturing processes. These are important patents and trade secrets, but we do not believe any single patent or trade secret, or related group of patents or trade secrets is of material significance to our business as a whole. We also own a number of trademarks and service marks relating to products and services which are of importance. We believe the marks Coperion, Coperion K-Tron, K-Tron, Rotex, BM&M, Herbold, VMI, Bakon, Shaffer, Peerless, Shick Esteve, Unifiller, and DIOSNA brands are material to our Advanced Process Solutions reportable operating segment. We believe the marks Milacron and Mold-Masters are material to our Molding Technology Solutions reportable operating segment. As our historical Batesville reportable operating segment was divested in early fiscal 2023, the Company no longer owns the trademark Batesville®, and as a result we do not believe it was material for the year ended September 30, 2023.

Coperion, Coperion K-Tron, K-tron, Rotex, BM&M, Herbold, VMI, Bakon, Shaffer, Peerless, Shick Esteve, Unifiller, DIOSNA, Milacron, and Mold-Masters, as well as other registered or common law trade names, trademarks or service marks appearing in this Annual Report on Form 10-K are the property of Hillenbrand or its subsidiaries. Except as set forth above and solely for convenience, the trademarks, trade names or service marks in this Annual Report on Form 10-K are generally referred to without the ™ and ® symbols, but such references should not be construed as any indicator that their respective owners will not assert their rights thereto.

Our ability to compete effectively depends, to an extent, on our ability to maintain the proprietary nature of our intellectual property. In the past, certain of our products have been copied and sold by others and could continue to be. Hillenbrand vigorously seeks to enforce its intellectual property rights. However, we may not be sufficiently protected by our various patents, trademarks, and service marks, and they may be challenged, invalidated, cancelled, narrowed, or circumvented. Beyond that, we may not receive the pending or contemplated patents, trademarks, or service marks for which we have applied or filed.

HILLENBRAND REGULATORY MATTERS

The Advanced Process Solutions and Molding Technology Solutions reportable operating segments are subject to a variety of federal, state, local, and foreign laws and regulations relating to environmental, health, and safety concerns, including relating to the handling, storage, discharge, and disposal of hazardous materials used in or derived from our manufacturing processes. We are committed to operating all our businesses in a manner that protects the environment and makes us good corporate citizens in the communities in which we operate. We have established various cross-functional sustainability working groups, which include top operational leaders and other key team members, to support our sustainability strategy and to facilitate and drive key priorities, including those related to the environment. In addition, we maintain standards for our global suppliers in support of critical environmental policies and other regulatory requirements, and Hillenbrand's Global Supply Management department engages with our suppliers to support compliance with applicable standards and legal requirements. While we believe that continued compliance with current federal, state, local and foreign laws relating to the protection of the environment and supply chain diligence will not have a material effect on our capital expenditures, earnings or competitive position, future events or changes in existing laws and regulations or their interpretation may require us to make additional expenditures in the future. The cost or need for any such additional expenditure is not known.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

Our Board of Directors is responsible for electing the Company's executive officers annually and from time to time as necessary. Executive officers serve in the ensuing year and until their respective successors are elected and qualified. There are no family relationships between any of our executive officers or between any of them and any members of the Board of Directors. The following is a list of our executive officers as of November 15, 2023.

Kimberly K. Ryan, 56, has served as a director and as President and Chief Executive Officer of the Company since December 2021. Prior to becoming Chief Executive Officer, Ms. Ryan was the Company's Executive Vice President, beginning in June 2021. Prior to that role, she served as President of the Company's Coperion business beginning in September 2015, also overseeing Hillenbrand's Rotex business during part of that period. She previously served as President of the Company's historical Batesville reportable operating segment (death care) beginning in April 2011, at which time she was also named a Senior Vice President of Hillenbrand. Ms. Ryan began her career with Batesville in 1989, holding positions of increasing responsibility within Batesville and the Company's former parent in finance, strategy, operations, logistics, and information technology.

From 2014 to 2023, Ms. Ryan served on the Board of Directors of Kimball International, Inc., a public manufacturing company ("Kimball"), including as a member of the Audit Committee. She also served as Kimball's Board Chair from November 2018 to October 2021, during which time she also served on the Compensation Committee and Governance Committee.

Robert M. VanHimbergen, 47, has been the Company's Senior Vice President and Chief Financial Officer since April 2022. Mr. VanHimbergen joined the Company as Executive Vice President, Finance for a transition period in March 2022 from Johnson Controls International plc ("Johnson Controls"), a manufacturer of HVAC systems, security solutions, fire protection, and smart building technologies, where he was most recently Vice President, Corporate Controller beginning December 2017. Prior to that he served in various roles of increasing responsibility over approximately 15 years at Johnson Controls, including as Chief Financial Officer of Yangfeng Automotive Interiors in Shanghai, China, where he lived for five years. Prior to Johnson Controls, Mr. VanHimbergen spent nearly a decade at Pricewaterhouse Coopers LLP working with large multinational manufacturing companies. Mr. VanHimbergen also serves as the Chair of Ascension SE Wisconsin Foundation (since October 2015).

Aneesha Arora, 45, has served as the Company's Senior Vice President and Chief Human Resources Officer since January 2022. She brings to this role more than two decades of diverse experience in human resources across multiple industries. Prior to joining Hillenbrand, Ms. Arora was Vice President of Global HR Services for Honeywell International Inc. ("Honeywell"), a diversified technology and manufacturing company, from October 2019 through December 2021. Prior to that, she served as Vice President, Global Human Resources and Communications, Safety and Productivity Solutions at Honeywell from November 2016 to October 2019. Since September 2020, Ms. Arora has also served on the Board of Advisors of the Michigan State University School of Human Resources and Labor Relations.

Ulrich Bartel, 63, was appointed President of the Company's Coperion business and Senior Vice President of Hillenbrand in June 2021. Since June 2022, he has also served as President of Advance Process Solutions, in which role he also oversees the Company's Rotex business. Prior to these roles, Mr. Bartel served as President of Coperion's Polymer Division from March 2020 to June 2021 and as Coperion's Vice President of Compounding Machines from October 2013 to February 2020. Mr. Bartel began his career at Coperion in 1990 as a process engineer, holding positions of increasing responsibility within Coperion in sales, service, process technology, engineering, manufacturing, and research.

Nicholas R. Farrell, 44, is the Company's Senior Vice President, General Counsel, and Secretary. He has served as General Counsel and Secretary since 2015 and also served as the Company's Chief Compliance Officer from 2016 until March 2023. Mr. Farrell began his career with the Company in 2011 as Corporate and Securities Counsel, and in 2014 was named Vice President, Associate General Counsel and Assistant Secretary. Prior to joining Hillenbrand, Mr. Farrell was in private practice for six years with global law firm Troutman Pepper. Mr. Farrell is also Chair of the Board of Trustees of Cure SMA, an international not-for-profit organization committed to developing a treatment and cure for spinal muscular atrophy, the number one genetic cause of death for infants.

Leo J. Kulmaczewski, Jr., 58, has served as the Company's Senior Vice President, Operations Center of Excellence and HOM since February 2021. Mr. Kulmaczewski brings more than 20 years of technical and manufacturing experience, serving most recently as Senior Vice President of Operations and Lean Enterprise of Belden Inc., a manufacturer of networking, connectivity, and cable products, from October 2018 through November 2020. Prior to that, he served as Vice President of Operations, Global Supply Chain, and Danaher Business Systems at Leica Biosystems, a research, instrument, and medical device company that is a division of Danaher Corporation, from September 2016 through September 2018. During the time at Leica Biosystems, Mr. Kulmaczewski also served as Senior Director and Vice President of Operations and Site Leader, from May 2014 through September 2016. Mr. Kulmaczewski's experience before Leica Biosystems included technical and manufacturing roles with generally increasing levels of responsibility at various other public and private manufacturing companies.

Tamara Morytko, 52, was appointed Senior Vice President of Hillenbrand and President, Molding Technology Solutions (MTS) in September 2023. Ms. Morytko has more than two decades of leadership in regional and global business operations. Prior to joining Hillenbrand, she served most recently as President of the Pumps Division at Flowserve Corporation, a manufacturer of pumps, valves, and seals, beginning in September 2020. Prior to that role, she served as Chief Operating Officer of Norsk Titanium, an aerospace-grade components manufacturer, beginning in February 2018, and previously held positions of increasing responsibility in finance, general management, and supply chain leadership, including at Baker Hughes (energy technology) and Pratt & Whitney (aircraft engines). She began her career as an auditor at accounting firm Arthur Andersen LLP. From May 2019 through December 2022, Ms. Morytko served on the board for The Crosby Group (rigging, lifting, and material handling applications), a KKR company. She currently serves on the Board of Directors of EnerSys (stored energy solutions for industrial applications), a position she has held since December 2022, including as a member of its Compensation and Audit Committees.

Carole A. Phillips, 51, became the Company's Senior Vice President, Chief Procurement Officer in January 2023. Ms. Phillips joined the Company as Vice President, Procurement for a transition period beginning September 2022, from Stanley Black & Decker ("Stanley"), a global provider of power and hand tools, mechanical access solutions, and electronic monitoring systems, where she was most recently Vice President, Global Supply Management – M&A, Integrations, and Divestitures (from July 2021). Prior to that role, Ms. Phillips served at Stanley as Vice President, Global Supply Management – Outdoor (from October 2019 to July 2021) and Vice President, Global Supply Management – Industrial Division (from January 2015 to October 2019), as part of more than 25 years of experience in global manufacturing environments, including 17 years with Stanley.

Bhavik N. Soni, 50, was elected Senior Vice President, Chief Information Officer effective January 2023, prior to which he served as Vice President, Chief Information Officer beginning May 2017. Mr. Soni joined the Company from Honda Aircraft Company, a jet airplane manufacturer, where he served as Chief Information Officer – IT & Engineering Systems Division from 2015 to 2017. Prior to that, he served as Chief Information Officer for Artificial Lift, GE Oil & Gas at General Electric Company ("GE"), an energy technology company, from 2013 to 2015, preceded by fifteen years in other information technology related roles of increasing responsibility at GE. Mr. Soni's experience prior to GE included software engineering roles at Rockwell Collins, Inc. (aerospace) and General Dynamics Corporation (aerospace and defense).

J. Michael Whitted, 51, was elected Senior Vice President, Strategy and Corporate Development effective June 2018. Prior to joining the Company, Mr. Whitted served as Vice President, Corporate Development for SPX Corporation and SPX Flow, Inc., diversified global suppliers of infrastructure equipment to various industries, from 2001 to 2015. Prior to that, he served as a Vice President for Bear Stearns (investment banking) from 1998 to 2001, where he led corporate finance and M&A advisory transactions. Mr. Whitted's experience prior to Bear Stearns included corporate finance and M&A advisory roles at CIBC World Markets, Bankers Trust, and First Chicago NBD (investment banks).

Megan A. Walke, 44, was elected Vice President, Chief Accounting Officer in May 2022, after serving in an interim capacity beginning February 2022. Prior to that time, she served as the Company's Director, Financial Reporting since August 2014 and prior to that in roles of increasing responsibility in the Company's finance organization. Ms. Walke began her career with nearly a decade in public accounting at the firm of Ernst and Young LLP. Since 2013, she has also served as a member of the Board of Trustees of Oldenburg Academy, a private high school in Indiana. Ms. Walke also serves on the board of the Ripley County Community Foundation since February 2023.

AVAILABILITY OF REPORTS AND OTHER INFORMATION

Our website is www.hillenbrand.com. We make available on this website, free of charge, access to press releases, conference calls, our annual and quarterly reports, and other documents filed with or furnished to the Securities and Exchange Commission ("SEC") as soon as reasonably practicable after these reports are filed or furnished. We also make available through the "Investors" section of this website information related to the corporate governance of the Company, including position specifications for the Chairperson and each of the members of the Board of Directors, as well as for committee chairpersons; the Corporate Governance Standards of our Board of Directors; the charters of each of the standing committees of the Board of Directors; our Code of Ethical Business Conduct; our Global Anti-Corruption Policy; and our Supply Chain Transparency Policy. All of these documents are also available to shareholders in print upon request.

All reports and documents filed with the SEC are also available via the SEC website, www.sec.gov.

Item 1A. RISK FACTORS

In this section of the Form 10-K, we describe the risks we believe are most important for you to think about when you consider investing in, selling, or owning our securities. This information should be assessed along with the other information we provide you in this Form 10-K and that we file from time to time with the SEC. Like most companies, our business involves risks. The risks described below are not the only risks we face, but these are the ones we currently think have the potential to significantly affect stakeholders in our Company if they were to develop adversely (due to size, volatility, or both). We exclude risks that we believe are inherent in all businesses broadly as a function of simply being "in business." Additional risks not currently known or considered immaterial by us at this time and thus not listed below could also result in adverse effects on our business.

1. Global market and economic conditions, including those related to the financial markets, could have a material adverse effect on our consolidated results of operations, financial condition, and liquidity.

Our business is sensitive to changes in general economic conditions, both inside and outside the U.S. Instability in the global economy and financial markets can adversely affect our business in several ways, including limiting our customers' ability to obtain sufficient credit or to pay for our products within the terms of sale. Competition could further intensify among the manufacturers and distributors with whom we compete for volume and market share, resulting in lower net revenue due to steeper discounts and product mix-down. In addition, if certain key or sole suppliers were to become capacity constrained or insolvent, it could result in a reduction or interruption in supplies or a significant increase in the price of supplies.

Substantial losses in the equity markets could have an adverse effect on the assets of the Company's pension plans. Volatility of interest rates and negative equity returns could require greater contributions to the defined benefit plans in the future.

2. The performance of the Company may suffer from business disruptions associated with information technology, cyber-attacks or unauthorized access, or catastrophic losses affecting infrastructure.

The Company relies heavily on computer systems to manage and operate its businesses and record and process transactions. Computer systems are important to production planning, customer service, and order management, as well as other critical processes.

Despite efforts to prevent such situations and the existence of established risk management practices that partially mitigate these risks, the Company's systems may be affected by damage or interruption from, among other causes, power outages, system failures, or computer viruses. Computer hardware and storage equipment that is integral to efficient operations, such as email, telephone and other functionality, is concentrated in certain physical locations in the various geographies in which the Company operates.

In addition, cybersecurity threats and sophisticated computer crime pose a potential risk to the security of the Company's information technology systems, operational technology systems, networks, and services, as well as the confidentiality and integrity of the Company's data. Cyber-attacks, security breaches, and other cyber incidents could include, among other things, computer viruses, malicious or destructive code, ransomware, social engineering attacks (including phishing and impersonation), hacking, denial-of-service attacks, and other attacks. These risks may be heightened given our employees' increased use of remote working environments. Sensitive information is also stored by our vendors and on the platforms and networks of third-party providers. Cyber-attacks on the Company, our vendors, or our third-party providers of service and software could result in inappropriate access to intellectual property, personally identifiable information of our global workforce, suppliers, or customers, or personal credit card or other payment information of our customers. Potential consequences of a successful cyber-attack or other cybersecurity incident include remediation costs, increased cybersecurity protection costs, lost revenue resulting from the unauthorized use of proprietary information or the failure to retain or attract customers following an attack, litigation and legal risks including governmental or regulatory enforcement actions, increased insurance premiums, reputational damage that adversely affects customer or investor confidence, and damage to the Company's competitiveness, stock price, and long-term shareholder value. The Company has been subject to cyber-attacks and unauthorized access in the past, which it deemed immaterial to its business and operations, and may be subject to cyber-attacks or unauthorized access of its systems in the future. There can be no assurance that any future cyber-attacks or unauthorized access to the Company's information systems will not be material to the Company's business, operations, or financial condition. While we believe that our insurance plan provides appropriate levels of coverage for cyber risks and have taken steps to address these risks by implementing enhanced security technologies, internal controls, and business continuity plans, these measures may not be adequate to cover or prevent all potential losses nor remedy related damage to our reputation.

Regulators globally are increasingly imposing greater fines and penalties for privacy and data protection violations. For example, the European Union and other jurisdictions, including China and some U.S. states, have enacted, and others may enact, new and expanded sets of compliance requirements on companies, like ours, that collect or process personal data. Failure to comply with these or other data protection regulations could expose us to potentially significant liabilities. If the Company suffers a loss or disclosure of protected information due to security breaches or other reasons, and if business continuity plans do not effectively address these issues on a timely basis, the Company may incur fines or penalties, or suffer interruption in its ability to manage operations, as well as reputational, competitive, or business harm, which could have a material adverse effect on our business, financial condition, and consolidated results of operations.

3. A disease outbreak, such as the COVID-19 pandemic, or other health crisis, could have a material adverse effect on our business and consolidated results of operations, the nature and extent of which are highly uncertain and unpredictable.

We have global operations, and the COVID-19 pandemic or other widespread pandemic, disease outbreak, or other health crisis, and the various government, industry and consumer actions related thereto, including mandated or voluntary shutdowns, could have negative impacts on our business and have created or could create or intensify adverse conditions described in our other risk factors. These impacts and conditions include, but may not be limited to, potential significant volatility or decreases in demand for our products, changes in customer behavior and preferences, disruptions in or closures of our manufacturing operations or those of our customers and suppliers, disruptions within our supply chain, limitations on our employees' ability to work and travel, potential increased vulnerability to cybersecurity incidents, including breaches of information systems security that could be due to widespread remote working arrangements or other conditions, potential financial difficulties of customers and suppliers, significant changes in economic or political conditions, including rapidly changing government orders and regulations and our efforts to comply with them, and related financial and commodity volatility, including volatility in raw material and other input costs (including but not limited to oil prices), any of which could last for extended periods. Disruption caused by a pandemic and the Company's response thereto could also increase the Company's exposure to claims from customers, suppliers, financial institutions, regulators, payment card associations, employees and others, and to other workforce related risks, any of which could have a material adverse effect on the Company's financial condition and results of operations.

Despite our efforts to manage through a widespread pandemic, disease outbreak, or other health crisis, the degree to which these events ultimately impact our business, financial position, results of operations, and cash flows may depend on certain factors beyond our control, including the duration, spread, and severity of the event, the actions taken to contain the event and mitigate its public health effects, the impact on the U.S. and global economies and demand for our products, and how quickly and to what extent normal economic and operating conditions resume or become impacted by long-lasting changes. The extent to which a disease outbreak, including COVID-19, or any other health crisis, could impact our business cannot be predicted with certainty.

4. Increasing competition for highly skilled and talented workers, as well as labor shortages, could adversely affect our business.

The successful implementation of our business strategy depends, in part, on our ability to attract and retain a skilled and talented workforce. Because of the complex nature of many of our products and services, we are generally dependent on a thoroughly trained and highly skilled workforce, including, for example, our engineers. In many of the geographies where we operate, we face a potential shortage of qualified employees.

A number of factors may adversely affect the labor force available to us or increase labor costs, including high employment levels, and government regulations. Although we have not experienced any material labor shortages to date, the labor market has become increasingly competitive. The increasing competition for highly skilled and talented employees could result in higher compensation costs, difficulties in maintaining a capable workforce, and leadership succession planning challenges. Although we believe we will be able to attract and retain talented personnel and replace key personnel should the need arise, if we are unable to hire and retain employees capable of performing at a high-level, or if mitigation measures we may take to respond to a decrease in labor availability, such as overtime and third-party outsourcing, have unintended negative effects, our business could be adversely affected. A sustained labor shortage, lack of skilled labor, or increased turnover or labor inflation could lead to increased costs, such as increased overtime to meet demand and increased wage rates to attract and retain employees, which could negatively affect our ability to efficiently operate our manufacturing and distribution facilities and overall business and have other material adverse effects on our business, financial condition, and consolidated results of operations.

5. Increasing environmental regulation and industry standards, as well as physical risks of climate change, could adversely impact the Company's consolidated results of operations, financial condition, and liquidity.

New environmental-related regulations could require the Company to change its manufacturing processes or obtain substitute materials that may cost more or be less available for its manufacturing operations. For example, various jurisdictions in which the Company does business have implemented, or in the future could implement or amend, a tax on carbon emissions or restrictions of greenhouse gases. Regulations on energy management and material management and other rules and regulations to address climate change and other environmental risks may increase the Company's expenses and adversely affect its consolidated results of operations. In addition, the physical risks of climate change are highly uncertain and may differ in the geographic regions in which the Company operates. These physical risks may impact the availability and cost of materials, sources and supply of energy, or product demand and manufacturing, and could increase insurance and other operating costs. Any future increased worldwide regulatory activity relating to climate change could expand the nature, scope, and complexity of matters that the Company is required to control, assess, and report. If environmental laws or regulations or industry standards are either changed or adopted and impose significant operational restrictions and compliance requirements upon the Company, its suppliers, its customers or its products, or if the Company's operations are disrupted due to physical impacts of climate change, its customers, or its suppliers, the Company's business, results of operations, and financial condition could be adversely impacted. Further, any failure to adequately address stakeholder expectations or to achieve announced initiatives or goals with respect to environmental, social and governance matters may adversely impact our reputation, business, consolidated results of operations, financial condition, and liquidity.

6. Increased prices for, poor quality of, or extended inability to source raw materials used in our products or associated services, or supply chain disruptions, could adversely affect profitability.

Our profitability is affected by the prices of the raw materials used in the manufacture of our products. These prices fluctuate based on a number of factors beyond our control, including changes in supply and demand, general economic conditions, labor costs, fuel-related delivery costs, competition, import duties, tariffs, currency exchange rates, and, in some cases, government regulation. Significant increases in the prices of raw materials, similar to the inflationary increases we have experienced recently, that cannot be recovered through increases in the price of our products and services could adversely affect our results of operations and cash flows.

We cannot guarantee that the prices we are paying for raw materials today will continue in the future or that the marketplace will continue to support current prices for our products or that such prices can be adjusted to fully or partially offset raw material price increases in the future. Any increases in prices of these or other commodities or services could adversely affect our profitability. We do not engage in hedging transactions for raw material purchases, but we do enter into some fixed-price supply contracts, in an attempt to delay or suppress the impacts of higher prices in the market.

Our dependency upon regular deliveries of supplies and the quality of those supplies upon delivery from particular suppliers means that interruptions, stoppages, or deterioration of quality in such deliveries could adversely affect our operations until arrangements with alternate suppliers could be made. Some of the raw materials used in the manufacture of our products currently are procured from a single source. In some cases, we also outsource certain services to suppliers, including but not limited to, engineering, assembly, shipping, and commissioning services. If a supplier were unable to deliver these materials or services, or unable to deliver quality materials or services, for an extended period of time as a result of financial difficulties, catastrophic events affecting their facilities, or other factors, including recent supply chain disruptions we have experienced, or if we were unable to negotiate acceptable terms for the supply of materials or services with these suppliers, our business could be adversely affected. We may not be able to find acceptable alternatives, and any such alternatives could result in increased costs. We believe that our supply management and production practices are based on an appropriate balancing of the foreseeable risks and the costs of alternative practices. Nonetheless, reduced availability or interruption in supplies, whether resulting from more stringent regulatory requirements, increases in duties or tariff costs, disruptions in transportation, severe weather, the occurrence or threat of wars or other conflicts, or any other reason, could have an adverse effect on our financial condition, consolidated results of operations, and cash flows. Extended inability to source a necessary raw material or service could cause us to cease manufacturing one or more products for a period of time, which could also lead to loss of customers, as well as reputational, competitive, or business harm, which could have a material adverse effect on our business, financial condition, and consolidated results of operations.

7. Uncertainty in United States global trade policy could negatively impact our business.

The U.S. government has at times indicated a willingness to significantly change, and has in some cases significantly changed, trade policies and/or agreements. Specific legislative and regulatory developments and proposals that could have a material impact on us involve matters including (but not limited to) changes to existing trade agreements or entry into new trade agreements, sanctions policies, import and export regulations, tariffs, taxes and customs duties, public company reporting requirements, environmental regulation, and antitrust enforcement. In addition, certain countries that are central to our businesses have imposed and/or been subject to imposition or have threatened imposition of retaliatory tariffs in response to tariffs imposed by the U.S. upon various raw materials and finished goods, including steel and others that are important to our businesses. This exposes us to risks of disruption and cost increases in our established patterns for sourcing our raw materials, and creates increased uncertainties in planning our sourcing strategies and forecasting our margins. Changes in U.S. tariffs, quotas, trade relationships or agreements, or tax law could reduce the supply of goods available to us or increase our cost of goods. Although such changes would in many cases have implications across the entire industry, we may fail to effectively adapt to and manage the adjustments in strategy that would be necessary in response to those changes. In addition to the general uncertainty and overall risk from potential changes in U.S. laws and policies, as we make business decisions in the face of uncertainty, we may incorrectly anticipate the outcomes, miss out on business opportunities or fail to effectively adapt our business strategies and manage the adjustments that are necessary in response to those changes. These risks could materially and adversely impact our business, results of operations and financial condition in the periods to come.

8. International economic, political, legal, and business factors could negatively affect our operating results, cash flows, financial condition, and growth.

We derived approximately 62%, 67%, and 68% of our net revenue from our operations outside the U.S. for the years ended September 30, 2023, 2022, and 2021, respectively. This net revenue was primarily generated in Europe, the Middle East, Asia, South America, and Canada. In addition, we have manufacturing operations, suppliers, and employees located outside the U.S. Since our growth strategy depends in part on our ability to further penetrate markets outside the U.S., we expect to continue to increase our revenue and presence outside the U.S., including in emerging markets.

Our international business is subject to risks that are often encountered in non-U.S. operations, including:

- interruption in the transportation of materials to us and finished goods to our customers, including conditions where recovery from natural disasters may be delayed due to country-specific infrastructure and resources;
- threat of wars or other conflicts;
- differences in terms of sale, including payment terms;
- local product preferences and product requirements;
- changes in a country's or region's political or economic condition, including with respect to safety and health issues;
- trade protection measures and import or export licensing requirements;
- unexpected changes in laws or regulatory requirements, including unfavorable changes with respect to tax, trade, sanctions compliance, or climate change related matters;
- limitations on ownership and on repatriation of earnings and cash;
- difficulty in staffing and managing widespread operations;
- differing labor regulations;
- difficulties in enforcing contract and property rights under local law;
- difficulties in implementing restructuring actions on a timely or comprehensive basis; and
- differing protection of intellectual property.

Such risks may be more likely or pronounced in emerging markets, where our operations may be subject to greater uncertainty due to increased volatility associated with the developing nature of their economic, legal, and governmental systems.

If we are unable to successfully manage the risks associated with expanding our global business or to adequately manage operational fluctuations, it could adversely affect our business, financial condition, or consolidated results of operations.

9. We have a significant amount of debt, which could adversely affect the Company and limit our ability to respond to changes in our business or make future desirable acquisitions.

As of September 30, 2023, our outstanding debt was $2,010.1, and this amount could increase if additional levels of liquidity are needed. This amount of debt (and additional debt we may incur) has important consequences to our businesses. For example:

- We may be more vulnerable to general adverse economic and industry conditions, because we have lower borrowing capacity.
- We may be required to dedicate a larger portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow for other purposes, including business development efforts and acquisitions, working capital requirements, and capital expenditures.
- We could be exposed to the risk of increased interest rates, because our capital structure target normally includes a component of variable rate debt in addition to fixed rate debt.
- We may be more limited in our flexibility in planning for, or reacting to, changes in our businesses and the industries in which they operate, thereby placing us at a competitive disadvantage compared to competitors that may have less indebtedness.

We may be vulnerable to credit rating downgrades, which could have an impact on our ability to secure future financing on terms commercially acceptable to us, to access the credit and capital markets, or to negotiate favorable covenants in any future amendments to our financial documents or new financings.

10. If we are unable to comply with the financial and other covenants in our debt agreements, our business, financial condition, and liquidity could be materially adversely affected.

Our Credit Agreement and the L/G Facility Agreement (each as defined below) contain financial and other restrictive covenants. These covenants could adversely affect us by limiting our financial and operating flexibility as well as our ability to plan for and react to market conditions, including as a result of global financial, socioeconomic, and political uncertainty and the effect on our business, and to meet our capital needs. Our failure to comply with these covenants could result in events of default which, if not cured or waived, could result in us being required to repay indebtedness before its due date, and we may not have the financial resources or be able to arrange alternative financing to do so. Any event that requires us to repay any of our debt before it is due could require us to borrow additional amounts at unfavorable borrowing terms, cause a significant reduction in our liquidity, and impair our ability to pay amounts due on our indebtedness. Moreover, if we are required to repay any of our debt before it becomes due, we may be unable to borrow or draw additional amounts under the Credit Agreement and L/G Facility Agreement or otherwise obtain the cash necessary to repay that additional debt when due, which could materially adversely affect our business, financial condition, and liquidity. Furthermore, interest rates we pay on our borrowings and our ability to borrow or draw under the Credit Agreement and L/G Facility Agreement or any other credit facility in the future, or pursuant to other available sources, could be adversely affected by matters including market volatility, economic downturns, or other instability or uncertainty. In addition, in light of the impacts to our ability to generate cash from operations during periods of global financial, socioeconomic, and political uncertainty, our results may be further negatively impacted by our payment obligations (including interest) with respect to our outstanding borrowings under the Facility and our other credit agreements (each as defined below).

11. We may be unable to successfully integrate with the businesses of FPM or Linxis, or other acquired companies, or to realize the anticipated benefits of such acquisitions.

The successes of these acquisitions will depend, in part, on the Company's ability to successfully combine and integrate these and other acquired businesses and realize the anticipated benefits, including synergies, cost savings, revenue and innovation opportunities, and operational efficiencies, in a manner that does not materially disrupt existing customer, supplier, and employee relations, or result in decreased revenue due to losses of, or decreases in orders by, customers. If the Company is unable to achieve these objectives within the anticipated time frame, or at all, the anticipated benefits may not be realized fully or at all, or may take longer to realize than expected, and the value of the Company's common stock may decline.

The integration of these companies may result in material challenges, including, without limitation:

- the diversion of management's attention from ongoing business concerns, and performance shortfalls as a result of the devotion of management's attention to the integration;
- managing a larger combined business;
- maintaining employee morale and retaining key management and other employees;
- retaining existing business and operational relationships, including customers, suppliers and other counterparties, and attracting new business and operational relationships;
- the possibility of faulty assumptions underlying expectations regarding the integration process;
- consolidating corporate and administrative infrastructures and eliminating duplicative operations;
- coordinating geographically separate organizations; and
- unanticipated issues in integrating information technology, communications and other systems.

As discussed elsewhere in our risk factors, some of these factors are outside of the Company's control, and any one of them could result in delays, increased costs, decreases in the amount of expected revenue or synergies, and diversion of management's time and energy, which could materially affect our financial position, consolidated results of operations, and cash flows.

We have incurred substantial expenses in connection with the completion of the acquisitions of FPM, Linxis, Herbold and Peerless, and we expect to incur further expenses in order to integrate a large number of processes, policies, procedures, operations, technologies, and systems in connection with these acquisitions.

12. We operate in highly competitive industries, many of which are currently subject to intense price competition, and if we are unable to compete successfully, it could have a material adverse effect on our business, financial condition, and consolidated results of operations.

Many of the industries in which we operate are highly competitive. Our products may not compete successfully with those of our competitors. The markets for plastic processing equipment and related products, material handling equipment, complete equipment systems, mold components, are highly competitive and include a number of North American, European, and Asian competitors. Principal competitive factors in the plastic processing industry, material handling equipment, and complete equipment systems include price, lead time, product features, technology, total cost of ownership, performance, reliability, quality, delivery, and customer service. Principal competitive factors in the mold components industry include technology, price, quality, performance, and delivery.

Our competitors may be positioned to offer more favorable pricing to customers, resulting in reduced volume and profitability. In certain cases, we have lost business to competitors who offered prices lower than ours. Competition may also limit our ability to pass on the effects of increases in our cost structure. In addition, some of our competitors may have greater financial resources and less debt than we do, which may place us at a competitive disadvantage in the future. These competitors may be better able to withstand and respond to changes in conditions within our industry.

Competition in any of these areas may reduce our sales and adversely affect our earnings or cash flow by resulting in decreased sales volumes, reduced prices, and increased costs of manufacturing, distributing and selling our products.

13. We operate in cyclical industries.

As an industrial capital goods supplier, we serve industries that are cyclical and sensitive to changes in general economic conditions, such as packaging, automotive, construction, consumer goods, electronics, chemicals, and plastics industries. The performance of many of our businesses is directly related to the production levels of our customers. In particular, prices for plastic resins used to make plastic products and parts tend to fluctuate to a greater degree than our customers can adjust for in the pricing of their products. When resin prices increase, certain of our customers' profit margins decrease, which may result in lower demand for our products. Therefore, our business is affected by fluctuations in the price of resin, which could have an adverse effect on our business and ability to generate operating cash flows.

During periods of economic expansion, when capital spending normally increases, our businesses generally benefit from greater demand for our products. During periods of economic contraction, when capital spending normally decreases, they generally are adversely affected by declining demand for new equipment orders, and may be subject to increases in uncollectible receivables from customers who become insolvent. There can be no assurance that economic expansion or increased demand will be sustainable, and our financial condition, consolidated results of operations, and cash flows could be materially adversely affected.

14. A key component of our growth strategy is making significant acquisitions, some of which may be outside the industries in which we currently operate. We may not be able to achieve some or all of the benefits that we expect to achieve from these acquisitions. If an acquisition were to perform unfavorably, it could have an adverse impact on our business and consolidated results of operations.

All acquisitions, including the FPM, Linxis, Herbold, and Peerless acquisitions, involve inherent uncertainties, which may include, among other things, our ability to:

- successfully identify the most suitable targets for acquisition;
- negotiate reasonable terms;
- properly perform due diligence and determine all the significant risks associated with a particular acquisition;
- successfully achieve the desired performance of the acquired company;
- avoid diversion of Company management's attention from other important business activities; and
- where applicable, implement restructuring activities without an adverse impact to business operations.

We may acquire businesses with unknown liabilities, contingent liabilities, internal control deficiencies, or other risks. We have plans and procedures to review potential acquisition candidates for a variety of due diligence matters, including compliance with applicable regulations and laws prior to acquisition. Despite these efforts, realization of any of these liabilities or deficiencies may increase our expenses, adversely affect our financial position, or cause us to fail to meet our public financial reporting obligations.

We generally seek indemnification from sellers covering these matters; however, the liability of the sellers is often limited, and certain former owners may be unable to meet their indemnification responsibilities. We cannot be assured that these indemnification provisions will fully protect us, and as a result we may face unexpected liabilities that adversely affect our profitability and financial position.

We may not achieve the intended benefits of our acquisitions. Under such circumstances, management could be required to spend significant amounts of time and resources in the transition of the acquired business, and we may not fully realize benefits anticipated from key initiatives, including the application of the HOM. We may also decide to sell previously acquired businesses, or portions thereof, that no longer meet our strategic objectives, potentially resulting in a loss, accounting charge, or other negative impact. As a result of these factors, our business, cash flows, and consolidated results of operations could be materially impacted.

If we acquire a company that operates in an industry that is different from the ones in which we currently operate, our lack of experience with that company's industry could have a material adverse impact on our ability to manage that business and realize the benefits of that acquisition.

15. We have completed several divestitures, including the recent divestiture of our historical Batesville reportable operating segment, and we continually assess the strategic fit of our existing businesses. We may divest or otherwise dispose of businesses that are deemed not to fit with our strategic plan or are not achieving the desired return on investment, and we cannot be certain that our business, consolidated results of operations, and financial condition will not be materially and adversely affected.

A successful divestiture depends on various factors, including reaching an agreement with potential buyers on terms we deem attractive, as well as our ability to effectively transfer liabilities, contracts, facilities, and employees to any purchaser, identify and separate the intellectual property to be divested from the intellectual property that we wish to retain, reduce fixed costs previously associated with the divested assets or business, and collect the proceeds from any divestitures. These efforts require varying levels of management resources, which may divert our attention from other business operations. If we do not realize the expected benefits of any divestiture transaction or experience unexpected costs or similar risks, our consolidated financial position, results of operations, and cash flows could be negatively impacted. In addition, divestitures of businesses involve a number of risks, including significant costs and expenses, the potential loss of or changes to customer, employee, or supplier relationships, potential adverse impacts to volume-based pricing under existing and future purchasing arrangements, and a decrease in net revenue and earnings associated with the divested business. Furthermore, any divestiture may result in a dilutive impact to our future earnings if we are unable to offset the dilutive impact from the associated loss of revenue, and may also result in significant write-offs, including those related to goodwill and other intangible assets, any of which could have a material adverse effect on our results of operations and financial condition.

In addition, divestitures, in particular the recent divestiture of our historical Batesville reportable operating segment, potentially involve significant post-closing separation and transition activities, which could involve the expenditure of material financial resources and significant employee resources. These activities may require diversion of significant capital and other resources that otherwise could have been used in our business operations. There can be no assurance that divestitures, including the historical Batesville reportable operating segment divestiture, will be ultimately beneficial to us or have a positive effect on shareholder value.

16. Goodwill and other identifiable indefinite-lived intangible assets, which are subject to periodic impairment evaluations, represent a significant portion of our total assets. An impairment charge on these assets could have a material adverse impact on our financial condition and consolidated results of operations.

We maintain intangible assets related to the acquisitions of Burnaby Machine and Mill Equipment Ltd. ("BM&M"), Coperion, FPM, Gabler, Herbold, K-Tron, Linxis, Milacron, Peerless, and Rotex, portions of which were identified as either goodwill or indefinite-lived assets. We periodically assess these assets to determine if they are impaired. Significant negative industry or economic trends, disruptions to our business, inability to effectively integrate acquired businesses, unexpected significant changes or planned changes in use of the assets, divestitures, and market capitalization declines may impair these assets, and any of these factors may be increasingly impactful during a period of ongoing global supply chain disruption or macroeconomic uncertainty.

As required by applicable accounting standards, we review goodwill and other identifiable intangible assets for impairment either annually or whenever changes in circumstances indicate that the carrying value may not be recoverable. The risk of impairment to goodwill and other indefinite-lived intangible assets is generally higher during the early years following an acquisition, because the fair values of these assets align very closely with what we paid to acquire them. As a result, and especially if the acquired business is a separate reporting unit, the difference between the carrying value of the reporting unit and its fair value (typically referred to as "headroom") is smaller at the time of acquisition. If the acquired business is included in an existing reporting unit, this impact often can be less significant. In any case, until this headroom grows over time, due to business growth or lower carrying value of the reporting unit, a small decline in reporting unit fair value may trigger impairment charges. When impairment charges are triggered, they tend to be material due to the size of the assets involved. Future acquisitions could present these same risks as with the acquisitions we have made to date.

Any charges relating to such impairments could adversely affect our results of operations in the periods recognized.

17. We derive significant revenue from the plastics industry. Decrease in demand for base resin or engineering plastics or equipment used in the production of these products, changes in technological advances, or changes in laws or

regulations could have a material adverse effect on our business, financial condition, and consolidated results of operations.

The majority of net revenue from our Molding Technology Solutions reportable operating segment is realized from the manufacture, distribution, and service of highly engineered and customized systems within the plastic technology and processing market. Advanced Process Solutions also sells equipment, including highly engineered extruders, feeders, and conveying systems, to the plastics industry for the production of base resins, durable engineering grade plastics, and other compounded plastics (including bioplastics and recycled plastic product). Sales volume is dependent upon the need for equipment used to produce these products, which may be significantly influenced by the demand for plastics, the capital investment needs of companies in the plastics industry, changes in technological advances, or changes in laws or regulations such as, but not limited to, those related to single-use plastics, expanded-polystyrene and polystryrene foams, extended producer responsibility, content requirements for products, recycled content requirements, and reduction mandates. Unfavorable developments in the plastics industry could impact our customers and, as a result, have a material adverse effect on our business, financial condition, and consolidated results of operations.

18. Changes in food consumption patterns due to dietary trends, economic conditions, or other reasons may adversely affect our business, financial condition, results of operations, and cash flows.

Dietary trends can positively or negatively impact demand for certain types of food, including, for example, proteins or carbohydrates, or for certain packaging or categories of food products, including, for example, easy to prepare, transportable meals or traditional canned food products. Because demand for different food types, packagings, or categories can quickly fluctuate as a function of dietary, health, convenience, sustainability, or other trends, food processors can be challenged in accurately forecasting their needed manufacturing capacity and the related investment in equipment and services. Rising food and other input costs, as well as recessionary fears, may negatively impact our customers' ability to forecast consumer demand for various food products, including pet food, and as a result negatively impact demand for our goods and services. A demand shift away from protein products or processed foods could have a material adverse effect on our business, financial condition, consolidated results of operations, and cash flows.

19. We rely upon our employees, agents, and business partners to comply with laws in many different countries and jurisdictions. We establish policies and provide training to assist them in understanding our policies and the regulations most applicable to our business; however, our reputation, ability to do business, and financial results may be impaired by improper conduct by these parties.

We cannot provide assurance that our internal controls and compliance systems will always protect us from acts committed by our employees, agents, or business partners that would violate U.S. and/or non-U.S. laws, including laws governing payments to government officials, bribery, fraud, anti-kickback, false claims, competition, export and import compliance, including the U.S. Commerce Department's Export Administration Regulations, trade sanctions promulgated by the Office of Foreign Asset Control ("OFAC"), anti-money laundering, and data privacy. In particular, the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, and similar anti-bribery laws in other jurisdictions generally prohibit companies and their intermediaries, including us, from making improper payments to government officials or other parties for the purpose of obtaining or retaining business, and we operate in many parts of the world that have experienced corruption to some degree. Consequently, we are subject to the jurisdiction of various governments and regulatory agencies outside of the U.S., which may bring our personnel into contact with foreign officials responsible for issuing or renewing permits, licenses or approvals or for enforcing other governmental regulations. In addition, some of the international locations in which we operate lack a developed legal system and have elevated levels of corruption. Our global operations expose us to the risk of violating, or being accused of violating, the foregoing or other anti-corruption laws. Any such improper actions could subject us to civil or criminal investigations in the U.S. and in other jurisdictions; could lead to substantial civil and criminal, monetary, and non-monetary penalties, and related shareholder lawsuits; could cause us to incur significant legal fees; and could damage our reputation.

20. The effective tax rate of the Company may be negatively impacted by changes in the mix of earnings as well as future changes to tax laws in global jurisdictions in which we operate.

We are subject to income taxes in the U.S. and various other global jurisdictions. Our effective tax rate could be adversely affected by changes in the mix of earnings by jurisdiction and the valuation of deferred tax assets and liabilities. There is a global effort among developed countries to enact international tax reform that would change the way multinational organizations are taxed. If the tax reform proposals are enacted, they could have a material impact on our tax provision and value of deferred tax assets and liabilities. We recognize deferred tax assets and liabilities based on the differences between the consolidated financial statement carrying amounts and the tax basis of assets and liabilities. Significant judgment is required in determining our provision for income taxes. We regularly review our deferred tax assets for recoverability and establish a valuation allowance if it is more likely than not that some portion or all of a deferred tax asset will not be realized. If we are unable to generate sufficient future taxable income, if there is a material change in the actual effective tax rates, or if there is a change to the time period within which the underlying temporary differences become taxable or deductible, we could be required to increase our valuation allowance against our deferred tax assets, which could result in a material increase in our effective tax rate.

Changes in tax laws or tax rulings could have a material impact on our effective tax rate. Many countries in the European Union, as well as several other countries and organizations such as the Organization for Economic Cooperation and Development, are actively considering changes to existing tax laws. Certain proposals could include recommendations that could increase our tax obligations in those countries where we do business. Any changes in the taxation of our activities in such jurisdictions may result in a material increase in our effective tax rate.

21. We are exposed to a number of different tax uncertainties, which could have a material adverse effect on our consolidated results of operations.

We are required to pay taxes in multiple jurisdictions. We determine the tax liability we are required to pay based on our interpretation of applicable tax laws and regulations in the jurisdictions in which we operate. We may be subject to unfavorable changes, including retroactive changes, in the tax laws and regulations to which we are subject.

We are subject to tax audits by governmental authorities in the U.S. and numerous non-U.S. jurisdictions, which are inherently uncertain. Negative or unexpected results from one or more such tax audits could adversely affect our results of operations. Tax controls and changes in tax laws or regulations or the interpretation given to them may expose us to negative tax consequences, including interest payments and potential penalties, which could have a material adverse effect on our results of operations.

22. We are involved from time to time in claims, lawsuits, and governmental proceedings relating to our operations, including environmental, antitrust, patent infringement, business practices, commercial transactions, and other matters. The ultimate outcome of these claims, lawsuits, and governmental proceedings cannot be predicted with certainty but could have a material adverse effect on our financial condition, consolidated results of operations, and cash flows.

We are also subject to other potential claims, including environmental, antitrust, patent infringement, business practices, commercial transactions, product and general liability, cybersecurity and privacy matters, workers' compensation, auto liability, employment-related, and other matters. While we maintain insurance for certain of these exposures, the policies in place are often high-deductible policies. It is difficult to measure the actual loss that might be incurred related to litigation or other potential claims, and the ultimate outcome of claims, lawsuits, and proceedings could have a material adverse effect on our financial condition, results of operations, and cash flows. For a more detailed discussion of claims, see Note 13 to our Consolidated Financial Statement included in Part II, Item 8, of this Form 10-K.

23. Uncertainty in the U.S. political and regulatory environment could negatively impact our business.

The political environment, especially in an election year in the U.S., may create uncertainty with respect to, and could result in additional changes in, or potential gridlock hindering legislation, regulation, international relations, and government policy, or could result in possible civil unrest or other disturbances in connection therewith. Additionally, the scope, clarity of guidance from regulators, and uncertain enforcement and implementation times allowed for new regulations in the U.S. and other jurisdictions may result in increased costs or temporarily impact business operations. While it is not possible to predict whether and when any such additional changes or disturbances could occur, any such events, whether at the local, state or federal level, or outside the U.S., could significantly impact our business and the industries in which we compete. To the extent such disturbances or changes in the political or regulatory environment have a negative impact on the Company or the markets in which we operate, it may materially and adversely impact our business, consolidated results of operations, and financial condition in the periods to come.

24. ***We are subject to risks arising from currency exchange rate fluctuations, which may adversely affect our consolidated results of operations and financial condition.***

We are subject to currency exchange rate risk to the extent that our costs are denominated in currencies other than those in which we earn revenue. In addition, since our Consolidated Financial Statements are denominated in U.S. dollars, changes in currency exchange rates between the U.S. dollar and other currencies have had, and will continue to have, an impact on our results of operations. The Company's predominant exposures are to the Euro, Canadian dollar, Swiss franc, Mexican peso, Chinese Renminbi, Japanese Yen, Indian Rupee, and British pound sterling (along with others to a lesser degree). In preparing financial statements for foreign operations with functional currencies other than the U.S. dollar, asset and liability accounts are translated at current exchange rates and income and expenses are translated using weighted-average exchange rates. With respect to the effects on translated earnings, if the U.S. dollar strengthens relative to local currencies, as happens from time to time, the Company's earnings could be negatively impacted. Although we address currency risk management through regular operating and financing activities and through the use of derivative financial instruments, those actions may not prove to be fully effective.

25. ***The Company could face labor disruptions that would interfere with operations.***

As of September 30, 2023 and 2022, approximately 31% and 30%, respectively, of Hillenbrand's employees work under collective bargaining agreements or works councils. Although we have not experienced any significant work stoppages in the past 20 years as a result of labor disagreements, we will need to negotiate new labor agreements in coming years and cannot ensure that such a stoppage will not occur in the future. Inability to negotiate satisfactory new agreements or a labor disturbance at one or more of our facilities could have a material adverse effect on our operations.

26. ***Provisions in our Articles of Incorporation and By-laws and facets of Indiana law may prevent or delay an acquisition of the Company, which could decrease the trading price of our common stock.***

Our Articles of Incorporation and By-laws, as well as Indiana law, contain provisions that could delay or prevent changes in control if our Board of Directors determines that such changes in control are not in the best interests of our shareholders. While these provisions have the effect of encouraging persons seeking to acquire control of our Company to negotiate with our Board of Directors, they could enable our Board of Directors to hinder or frustrate a transaction that the Board of Directors believes is not in the best interests of shareholders, but which some, or a majority, of our shareholders might believe to be in their best interests.

These provisions include, among others:

- the division of our Board of Directors into three classes with staggered terms;
- the inability of our shareholders to act by less than unanimous written consent;
- rules regarding how shareholders may present proposals or nominate directors for election at shareholder meetings;
- the right of our Board of Directors to issue preferred stock without shareholder approval; and
- limitations on the right of shareholders to remove directors.

Indiana law also imposes some restrictions on mergers and other business combinations between the Company and any holder of 10% or more of our outstanding common stock.

We believe these provisions are important for a public company and protect our shareholders from coercive or otherwise potentially unfair takeover tactics by encouraging potential acquirers to negotiate with our Board of Directors and by providing our Board of Directors with appropriate time to assess any acquisition proposal. These provisions are not intended to make our Company immune from takeovers; however, they may apply if the Board of Directors determines that a takeover offer is not in the best interests of our shareholders, even if some shareholders believe the offer to be beneficial.

Item 1B. UNRESOLVED STAFF COMMENTS

We have not received any comments from the staff of the SEC regarding our periodic or current reports that remain unresolved.

Item 2. PROPERTIES

Our corporate headquarters is located in Batesville, Indiana, in a facility that we lease. At September 30, 2023, Advanced Process Solutions operated 16 significant manufacturing facilities located in the U.S. (in Kansas, Missouri, Ohio, and Virginia), Germany, France, Switzerland, China, Canada, and the United Kingdom. Seven of these facilities are owned and nine are leased. Advanced Process Solutions also leases or owns a number of warehouse distribution centers, service centers, and sales offices located in the U.S., Europe, Asia, Canada, and South America.

At September 30, 2023, Molding Technology Solutions operated nine significant manufacturing facilities located in the U.S. (in Ohio and Kansas), Germany, China, India, Canada, and the Czech Republic. Five of these facilities are owned and four are leased. Molding Technology Solutions also leases or owns a number of warehouse distribution centers, service centers, and sales offices located in the U.S., Mexico, Canada, Europe, Asia, and South America.

Facilities often serve multiple purposes, such as administration, sales, manufacturing, testing, warehousing, and distribution. We believe our current facilities will provide adequate capacity to meet expected demand for the next several years.

Item 3. LEGAL PROCEEDINGS

Like most companies, we are involved from time to time in claims, lawsuits, and government proceedings relating to our operations, including environmental, antitrust, patent infringement, business practices, commercial transactions, product and general liability, cybersecurity and privacy matters, workers' compensation, auto liability, employment-related, and other matters. The ultimate outcome of any claims, lawsuits, and proceedings cannot be predicted with certainty. We carry various forms of commercial, property and casualty, cybersecurity, product liability, and other forms of insurance; however, such insurance may not be applicable or adequate to cover the costs associated with a judgment against us, and in most instances have deductibles and self-funded retentions up to $0.5 per occurrence or per claim, depending upon the type of coverage and policy period. It is difficult to measure the actual loss that might be incurred related to litigation, and the ultimate outcome of these claims, lawsuits, and proceedings could have a material adverse effect on our financial condition, results of operations, and cash flows.

For more information on various legal proceedings, see Note 13 to our Consolidated Financial Statements included in Part II, Item 8, of this Form 10-K. That information is incorporated into this Item 3 by reference.

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

Hillenbrand common stock is traded on the New York Stock Exchange under the ticker symbol "HI."

As of November 10, 2023, we had approximately 1,502 shareholders of record.

Share Repurchases

On December 2, 2021, our Board of Directors authorized a new share repurchase program of up to $300.0, which replaced the previous $200.0 share repurchase program authorized on December 7, 2018. The repurchase program has no expiration date but may be terminated by the Board of Directors at any time. No purchases of our common stock were made during the year ended September 30, 2023.

Dividend Policy

We returned $61.3 to shareholders in fiscal 2023 in the form of quarterly dividends. We increased our quarterly dividend in fiscal 2023 to $0.2200 per common share from $0.2175 per common share paid in fiscal 2022. We currently expect to pay approximately $15.6 each quarter in fiscal 2024 based on our outstanding common stock at September 30, 2023.

Item 6. Reserved

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

(dollars in millions throughout Management's Discussion and Analysis of Financial Condition and Results of Operations)

(unless otherwise stated, references to years relate to fiscal years)

The following discussion compares our results for the year ended September 30, 2023, to the year ended September 30, 2022. The discussion comparing our results for the year ended September 30, 2022, to the year ended September 30, 2021, is included within Management's Discussion and Analysis of Financial Condition and Results of Operation in our Annual Report on Form 10-K for the year ended September 30, 2022, filed with the SEC on November 16, 2022. We begin the discussion at a consolidated level and then provide separate detail about Advanced Process Solutions and Molding Technology Solutions reportable operating segments, as well as Corporate. These financial results are prepared in accordance with United States ("U.S.") generally accepted accounting principles ("GAAP").

We also provide certain non-GAAP operating performance measures. These non-GAAP measures are referred to as "adjusted" measures and primarily exclude the following items:

- business acquisitions, divestiture, and integration costs;
- restructuring and restructuring-related charges;
- impairment charges;
- inventory step-up costs related to acquisitions;
- gains and losses on divestitures;
- the related income tax impact for all of these items; and
- the revaluation of deferred tax balances resulting from fluctuations in currency exchange rates and non-routine changes in tax rates for certain foreign jurisdictions, and the impact that the Molding Technology Solutions reportable operating segment's loss carryforward attributes have on tax provisions related to the imposition of tax on Global Intangible Low-Taxed Income ("GILTI") earned by certain foreign subsidiaries, the Foreign Derived Intangible Income Deduction ("FDII"), and the Base Erosion and Anti-Abuse Tax ("BEAT").

Non-GAAP information is provided as a supplement to, not as a substitute for, or as superior to, measures of financial performance prepared in accordance with GAAP.

We use this non-GAAP information internally to make operating decisions and believe it is helpful to investors because it allows more meaningful period-to-period comparisons of our ongoing operating results. The information can also be used to perform trend analysis and to better identify operating trends that may otherwise be masked or distorted by items such as the above excluded items. We believe this information provides a higher degree of transparency.

An important non-GAAP measure that we use is adjusted earnings before interest, income tax, depreciation, and amortization ("adjusted EBITDA"). A part of Hillenbrand's strategy is to selectively acquire companies that we believe can benefit from the Hillenbrand Operating Model ("HOM") to spur faster and more profitable growth. Given that strategy, it is a natural consequence to incur related expenses, such as amortization from acquired intangible assets and additional interest expense from debt-funded acquisitions. Accordingly, we use adjusted EBITDA, among other measures, to monitor our business performance. Adjusted EBITDA is not a recognized term under GAAP and therefore does not purport to be an alternative to consolidated net income. Further, the Company's measure of adjusted EBITDA may not be comparable to similarly titled measures of other companies.

We expect that future net revenue associated with our reportable operating segments will be influenced by order backlog because of the lead time involved in fulfilling engineered-to-order equipment and solutions for customers. Although backlog can be an indicator of future net revenue, it does not include projects and aftermarket parts orders that are booked and shipped within the same quarter. The timing of order placement, size, extent of customization, and customer delivery dates can create fluctuations in backlog and net revenue. Net revenue attributable to backlog may also be affected by foreign exchange fluctuations for orders denominated in currencies other than U.S. dollars.

We calculate the foreign currency impact on net revenue, gross profit, operating expenses, consolidated net income and consolidated adjusted EBITDA, in order to better measure the comparability of results between periods. We calculate the foreign currency impact by translating current year results at prior year foreign exchange rates. This information is provided because exchange rates can distort the underlying change in these metrics, either positively or negatively. The cost structures for Corporate is generally not significantly impacted by the fluctuation in foreign exchange rates, and we do not disclose the foreign currency impact in the Operations Review below where the impact is not significant.

Another important operational measure used is backlog. Backlog is not a term recognized under GAAP; however, it is a common measurement used in industries with extended lead times for order fulfillment (long-term contracts), like those in which our reportable operating segments compete. Backlog represents the amount of net revenue that we expect to realize on contracts awarded to our reportable operating segments. For purposes of calculating backlog, 100% of estimated net revenue attributable to consolidated subsidiaries is included. Backlog includes expected net revenue from large systems and equipment, as well as aftermarket parts, components, and service. The length of time that projects remain in backlog can span from days for aftermarket parts or service to approximately 18 to 24 months for larger system sales within the Advanced Process Solutions reportable operating segment. The majority of the backlog within the Molding Technology Solutions reportable operating segment is expected to be fulfilled within the next twelve months. Backlog includes expected net revenue from the remaining portion of firm orders not yet completed, as well as net revenue from change orders to the extent that they are reasonably expected to be realized. We include in backlog the full contract award, including awards subject to further customer approvals, which we expect to result in net revenue in future periods. In accordance with industry practice, our contracts may include provisions for cancellation, termination, or suspension at the discretion of the customer.

See page 40 for reconciliation of adjusted EBITDA to consolidated net income, the most directly comparable GAAP measure. We use non-GAAP measures in certain other instances and include information reconciling such non-GAAP measures to the respective most directly comparable GAAP measures. Given that backlog is an operational measure and that the Company's methodology for calculating backlog does not meet the definition of a non-GAAP measure, as that term is defined by the SEC, a quantitative reconciliation is not required or provided.

CRITICAL ACCOUNTING ESTIMATES

Our financial results are affected by the selection and application of accounting policies and methods. Significant accounting policies which require management's judgment are discussed below. A detailed description of our accounting policies is included in the Notes to Consolidated Financial Statements included in Part II, Item 8, of this Form 10-K.

Revenue Recognition

Net revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring goods or providing services and is recognized when performance obligations are satisfied under the terms of contracts with customers.

A performance obligation is deemed to be satisfied by the Company when control of the product or service is transferred to the customer. The transaction price of a contract, or the amount the Company expects to receive upon satisfaction of the performance obligation, is determined by reference to the contract's terms and includes adjustments, if applicable, for any variable consideration, such as sales discounts and sales incentives, all of which require us to make estimates for the portion of these allowances that have yet to be credited or paid to our customers. We estimate these allowances using the expected value method, which is based upon historical rates and projections of customer purchases toward contractual rebate or incentive thresholds. If a contract contains more than one distinct performance obligation, the transaction price is allocated to each performance obligation based on the standalone selling price of each performance obligation; however, these situations do not occur frequently and are not material to the Consolidated Financial Statements, as our contracts generally include one performance obligation for the transfer of goods or services.

The timing of revenue recognition for the contract's performance obligation is either over time or at a point in time. We recognize revenue over time for contracts that have an enforceable right to collect payment for performance completed to date upon customer cancellation and provide one or more of the following: (i) service over a period of time, (ii) highly customized equipment, or (iii) parts which are highly engineered and have no alternative use. Net revenue generated from standard equipment and highly customized equipment or parts contracts without an enforceable right to payment for performance completed to date, as well as net revenue from non-specialized parts sales, is recognized at a point in time.

We use the input method of "cost-to-cost" to recognize net revenue over time. Accounting for these contracts involves management judgment in estimating total contract revenue and cost. Contract revenue is largely determined by negotiated contract prices and quantities, modified by our assumptions regarding contract options, change orders, and incentive and award provisions associated with technical performance clauses. Contract costs are incurred over longer periods of time and, accordingly, the estimation of these costs requires judgment. We measure progress based on costs incurred to date relative to total estimated cost at completion. Incurred cost represents work performed, which corresponds with, and we believe thereby best depicts, the transfer of control to the customer. Contract costs include labor, material, and certain overhead expenses. Cost estimates are based on various assumptions to project the outcome of future events, including labor productivity and availability, the complexity of the work to be performed, the cost of materials, and the performance of suppliers and subcontractors. Significant factors that influence these estimates include inflationary trends, technical and schedule risk, internal and subcontractor performance trends, business volume assumptions, asset utilization, and anticipated labor agreements. Net revenue and cost estimates are regularly monitored and revised based on changes in circumstances. Anticipated losses on long-term manufacturing contracts are recognized immediately when such losses become evident. We maintain financial controls over the customer qualification, contract pricing, and estimation processes designed to reduce the risk of contract losses.

Standalone service net revenue is recognized either over time proportionately over the period of the underlying contract or as invoiced, depending on the terms of the arrangement. Standalone service revenue is not material to the Company.

Retirement Benefit Plans

We sponsor retirement benefit plans covering some of our employees. Expense recognized for the plans is based upon actuarial valuations. Inherent in those valuations are key assumptions including discount rates, expected returns on assets, and projected future salary rates. The actuarial assumptions we use may differ significantly from actual results due to changing economic conditions, participant life span, and withdrawal rates. The discount rates used in the valuation of our retirement benefit plans are evaluated annually based on current market conditions. We use a full yield curve approach in the estimation of the service and interest cost components of our defined benefit retirement plans. Under this approach, we applied discounting using individual spot rates from a yield curve composed of the rates of return on several hundred high-quality, fixed income corporate bonds available at the measurement date. These spot rates align to each of the projected benefit obligations and service cost cash flows. The service cost component relates to the active participants in the plans, so the relevant cash flows on which to apply the yield curve are considerably longer in duration on average than the total projected benefit obligation cash flows, which also include benefit payments to retirees. Interest cost is computed by multiplying each spot rate by the corresponding discounted projected benefit obligation cash flows. The full yield curve approach reduces any actuarial gains and losses based upon interest rate expectations (e.g., built-in gains in interest cost in an upward sloping projected yield curve scenario), or gains and losses merely resulting from the timing and magnitude of cash outflows associated with our benefit obligations.

Our overall expected long-term rate of return on pension assets is based on historical and expected future returns, which are inflation-adjusted and weighted for the expected return for each component of the investment portfolio. Our rate of assumed compensation increase for pension benefits is also based on our specific historical trends of past wage adjustments in recent years and expectations for the future.

Changes in retirement benefit cost and the recognized obligations may occur in the future as a result of a number of factors, including changes to key assumptions such as the expected long-term rate of return on pension assets and the weighted-average discount rate. Our expected long-term rate of return on domestic and international pension plan assets was 4.8% and 4.7% at September 30, 2023 and 2022, respectively. The weighted-average discount rate was 4.9% and 4.6% for the domestic and international defined benefit pension plans at September 30, 2023 and 2022, respectively. A 50 basis-point change in the expected long-term rate of return on domestic and international pension plan assets would change annual net periodic pension cost by $1.5. A 50 basis-point change in the weighted-average discount rate would change the annual net periodic pension cost by $0.2. Impacts from assumption changes could be positive or negative depending on the direction of the change in rates.

See Note 8 to our Consolidated Financial Statements included in Part II, Item 8, of this Form 10-K, for key assumptions and other information regarding our retirement and postretirement benefit plans.

Asset Impairment Determinations

Impairment of goodwill and intangible assets

Goodwill and other intangible assets with indefinite lives, primarily tradenames, are tested for impairment at least annually and upon the occurrence of certain triggering events or substantive changes in circumstances that indicate that the fair value may be below carrying value.

Impairment of goodwill is tested at the reporting unit level. A reporting unit is an operating segment or one level below an operating segment if discrete financial information is prepared and regularly reviewed by operating segment management. For the purpose of the goodwill impairment test, the Company can elect to perform a quantitative or qualitative analysis. If the qualitative test is elected, qualitative factors are assessed to determine whether it is more likely than not that the fair values of its reporting units are less than the respective carrying values of those reporting units. Such factors we consider in a qualitative analysis include, but are not limited to, macroeconomic conditions, industry and market considerations, cost factors, Company-specific events, events affecting the reporting unit, and the overall financial performance of the reporting unit. If after performing the qualitative analysis, the Company determines that it is more likely than not that the fair value of a reporting unit is less than its carrying value, then the Company must perform the quantitative goodwill impairment test.

If we elect to perform or are required to perform a quantitative analysis, we compare the carrying amount of the reporting unit's net assets, including goodwill, to the fair value of the reporting unit. If the fair value exceeds the carrying value, no further evaluation is required, and no impairment loss is recognized. If the carrying value exceeds the fair value, an impairment charge is recognized for the difference between carrying amount and fair value, not to exceed the original amount of goodwill.

In determining the estimated fair value of the reporting units when performing a quantitative analysis, we consider both the market approach and the income approach. For purposes of the goodwill impairment test, weighting is equally attributed to both the market and income approaches in arriving at the fair value of the reporting units.

Under the market approach, we utilize the guideline company method, which involves calculating valuation multiples based on financial data from comparable publicly traded companies. Multiples derived from these companies provide an indication of how much a knowledgeable investor in the marketplace would be willing to pay for a company. These multiples are then applied to the financial data for our reporting units to arrive at an indication of value.

Under the income approach, the fair value of the reporting unit is based on the present value of estimated future cash flows utilizing a market-based weighted-average cost of capital determined separately for each reporting unit.

To determine the reasonableness of the calculated fair values of our reporting units, the Company reviews the assumptions described below to ensure that neither the market approach nor the income approach yields significantly different valuations. We selected these valuation approaches because we believe the combination of these approaches, along with our best judgment regarding underlying assumptions and estimates, provides us with the best estimate of fair value of our reporting units. We believe these valuation approaches are appropriate for the industry and widely accepted by investors.

Determining the fair value of a reporting unit requires us to make significant judgments, estimates, and assumptions. The Company believes these estimates and assumptions are reasonable. However, future changes in the judgments, assumptions and estimates that are used in the impairment testing for goodwill, including discount rates or future cash flow projections, could result in significantly different estimates of the fair values. As a result of these factors and the limited cushion (or headroom, as commonly referred) due to the acquisition of Milacron in fiscal 2020 and the impact of macroeconomic conditions, goodwill for the reporting units within the Molding Technology Solutions reportable operating segment generally are more susceptible to impairment risk.

The key assumptions for the market and income approaches we use to determine fair value of our reporting units are updated at least annually. Those assumptions and estimates include macroeconomic conditions, competitive activities, cost containment, achievement of synergy initiatives, market data and market multiples (6.5-11.0 times adjusted EBITDA), discount rates (12.5-16.0%), and terminal growth rates (2.0%), as well as future levels of revenue growth, adjusted EBITDA, and working capital requirements, which are based upon the Company's strategic plan. Hillenbrand's strategic plan is updated as part of its annual planning process and is reviewed and approved by management and the Board of Directors. The strategic plan may be revised as necessary during a fiscal year, based on changes in market conditions or other changes in the reporting units. The discount rate assumption is based on the overall after-tax rate of return required by a market participant whose weighted-average cost of capital includes both equity and debt, including a risk premium. The discount rates may be impacted by adverse changes in the macroeconomic environment, volatility in the equity and debt markets or other factors. While the Company can implement and has implemented certain strategies to address these events, changes in operating plans or adverse changes in the future could reduce the underlying cash flows used to estimate reporting unit fair values and could result in a further decline in fair value that would trigger a future material impairment charge of the reporting units' goodwill balance.

Although there are always changes in assumptions to reflect changing business and market conditions, our overall valuation methodology and the types of assumptions we use have remained consistent and conservative. While we use the best available information to prepare the cash flow and discount rate assumptions, actual future cash flows or market conditions could differ significantly resulting in future impairment charges related to recorded goodwill balances.

Similar to goodwill, the Company can elect to perform the annual impairment test for indefinite-lived intangibles other than goodwill (primarily trade names) using a qualitative analysis, considering similar factors as outlined in the goodwill discussion in order to determine if it is more likely than not that the fair values of the trade names are less than the respective carrying values. If we elect to perform or are required to perform a quantitative analysis, the test consists of a comparison of the fair value of the indefinite-lived intangible asset to the carrying value of the asset as of the impairment testing date. We estimate the fair value of indefinite-lived intangible assets using the relief-from-royalty method, which we believe is an appropriate and widely used valuation technique for such assets. The fair value derived from the relief-from-royalty method is measured as the discounted cash flow savings realized from owning such trade names and not being required to pay a royalty for their use. The royalty rates utilized by the Company range from 0.5% to 3.0%.

Annual impairment assessment

The Company performed its annual July 1 goodwill impairment assessment during the fourth quarter of fiscal 2023 for all reporting units. For all reporting units, the fair value of the reporting unit was determined to exceed the carrying value, resulting in no impairment to goodwill as part of this test. As a result of the Milacron acquisition in fiscal 2020 and the impact of macroeconomic headwinds, there is less cushion or headroom for the reporting units with the Molding Technology Solutions reportable operating segment. The estimated fair value, as calculated at July 1, 2023, for the three reporting units within the Molding Technology Solutions reportable operating segment ranged from approximately 10% to 28% greater than their carrying value (13% to 54% at the previous impairment assessment date).

Impairment of long-lived assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For assets (disposal group) held for sale, the disposal group as a whole is measured at the lower of its carrying amount or fair value less cost to sell after adjusting the individual assets of the disposal group, if necessary. If the carrying value of assets, after the consideration of other asset valuation guidance, exceeds fair value less cost to sell, the Company establishes a valuation allowance which would offset the original carrying value of disposal group. This valuation allowance would be adjusted based on subsequent changes in our estimate of fair value less cost to sell. If the fair value less cost to sell increases, the carrying amount of the long-lived assets would be adjusted upward; however, the increased carrying amount cannot exceed the carrying amount of the disposal group before the decision to dispose of the assets was made. Estimates are required to determine the fair value, the disposal costs and the time period to dispose of the assets. The estimate of fair value incorporates the transaction approach, which utilizes pricing indications derived from recent acquisition transactions involving comparable companies. Such estimates are critical in determining whether any impairment charge should be recorded and the amount of such charge if an impairment loss is deemed to be necessary.

During the fourth quarter of 2021, the Company recognized a non-cash valuation adjustment of $11.2 to recognize TerraSource at fair value less estimated cost to sell based on the definitive agreement the Company entered into to sell TerraSource. The non-cash charge of $11.2 for the year ended September 30, 2021, was recorded within the impairment charges caption on the Consolidated Statements of Operations. For further information, see Note 4 to our Consolidated Financial Statements included in Part II, Item 8, of this Form 10-K.

For assets held and used, impairment may occur if projected undiscounted cash flows do not exceed the carrying value of the assets. In such cases, additional analysis is conducted to determine the amount of loss to be recognized, and the impairment loss is determined as the amount the carrying value of the asset or asset group exceeds the estimated fair value, measured by future discounted cash flows. The analysis requires estimates of the amount and timing of projected cash flows and, where applicable, judgment associated with, among other factors, the appropriate discount rate. Such estimates are critical in determining whether any impairment charge should be recorded and the amount of such charge if an impairment loss is deemed to be necessary. Our judgment regarding the existence of circumstances that indicate the potential impairment of an asset's carrying value is based on several factors, including, but not limited to, changes in business environment, a decline in operating cash flows or a decision to close a manufacturing facility. The variability of these factors depends on a number of conditions, including uncertainty about future events and general economic conditions.

Business Combinations

Estimating fair value for acquired assets and liabilities as part of a business combination typically requires us to exercise judgment, particularly for those assets and liabilities that may be unique or not easily determined by reference to market data. Often estimates for these types of acquired assets and liabilities will be developed using valuation models that require both historical and forecasted inputs, as well as market participant expectations. Thus, the valuation is directly affected by the inputs we judge as best under the given circumstances. When material, we utilize the assistance of competent valuation professionals when the underlying valuation is more complex or unique. In most cases, if material, we will exercise significant judgment in estimating the fair value of identifiable intangible assets, contingent liabilities, and property, plant, and equipment. This list is not exhaustive, but is designed to give you a better understanding of where we think a larger degree of judgment will be required due to the nature of the item and the way it is typically valued.

The Company makes an initial allocation of the purchase price at the date of acquisition based upon its understanding of the fair value of the acquired assets, including identifiable intangible assets, and assumed liabilities. We obtain this information during due diligence and through other sources. In the months after closing, as we obtain additional information about these assets and liabilities, including through tangible asset appraisals, and learn more about the newly acquired business, we are able to refine the estimates of fair value and more accurately allocate the purchase price. The determination of identifiable intangible assets is subjective and generally requires complex valuation methodologies including the relief from royalty method and multi-period excess earnings method, for which we generally use a third-party valuation specialist. The identifiable intangible assets are impacted by a number of judgmental assumptions including future revenue growth rates and EBITDA margins on such revenue, customer attrition rates, and the discount rates.

See Note 5 to our Consolidated Financial Statements included in Part II, Item 8, of this Form 10-K, for further information on recent business combinations.

EXECUTIVE OVERVIEW

Hillenbrand (www.Hillenbrand.com) is a global industrial company that provides highly-engineered processing equipment and solutions to customers around the world. Our portfolio is composed of leading industrial brands that serve large, attractive end markets, including durable plastics, food, and recycling. Guided by our Purpose, Shape What Matters For Tomorrow™, we pursue excellence, collaboration, and innovation to shape solutions that best serve our people, our customers, and our communities. Customers choose Hillenbrand due to our reputation for designing, manufacturing, and servicing highly-engineered, mission-critical equipment and solutions that meet their unique and complex processing requirements.

Hillenbrand's portfolio is composed of two reportable operating segments: Advanced Process Solutions and Molding Technology Solutions. Advanced Process Solutions is a leading global provider of highly-engineered process and material handling equipment, systems, and aftermarket parts and services for a variety of industries, including durable plastics, food, and recycling. Key technologies within the Advanced Process Solutions portfolio include compounding, extrusion, material handling, conveying, mixing, ingredient automation, portion process, and screening and separating equipment. Molding Technology Solutions is a global leader in highly-engineered equipment, systems, and aftermarket parts and service for the plastic technology processing industry. Molding Technology Solutions has a comprehensive product portfolio that includes injection molding and extrusion equipment, hot runner systems, process control systems, mold bases and components, and maintenance, repair, and operating ("MRO") supplies. These reportable operating segments are characterized by well-known brands that are recognized for technological capabilities and process expertise that can be shared across the reportable operating segments to serve customers globally. These reportable operating segments address macro trends supported by a growing middle class driving demand for plastics in a variety of applications, such as construction, food safety, and recycling.

Guided by our Purpose, Shape What Matters for Tomorrow, we strive to provide superior return for our shareholders, exceptional value for our customers, great professional opportunities for our employees, and to be responsible to our communities through the execution of our profitable growth strategy. We aim to deliver sustainable revenue expansion, profit growth, and substantial free cash flow through our world-class products, solutions, and service, drive continuous improvement through the deployment of the Hillenbrand Operating Model ("HOM"), and effectively deploy our cash flow to maximize shareholder value creation.

During the year ended September 30, 2023, the following operational decisions and economic developments had an impact on our current and may impact our future cash flows, consolidated results of operations, and financial position.

Supply Chain and Inflation

While global supply chains have recently suffered from various headwinds, those supporting our products have generally remained intact, providing access to sufficient inventory of the key materials needed for manufacturing. We have experienced significant delays in certain raw materials and components, but we have largely been able to mitigate the impact of these delays on our consolidated results of operations. We continue to identify and qualify alternative sources to mitigate risk associated with single or sole sources of supply, and we may choose to purchase certain materials in safety stock where we have supply chain continuity concerns. We have experienced, and it remains possible that we may experience interruptions to our supply chains, and such an interruption could materially affect our ability to timely manufacture and distribute our products and could also have a significant impact on the Company's consolidated net revenue, results of operations, and cash flows during fiscal 2024 and beyond.

We also experienced material and supply chain inflation during fiscal 2023, as further discussed in our Operations Review. Pricing actions and supply chain productivity initiatives have mitigated and are expected to continue to mitigate some of these inflationary pressures, but we may not be successful in fully offsetting these incremental costs, which could have a significant impact on the Company's consolidated results of operations, and cash flows during fiscal 2024 and beyond.

For additional information regarding labor, supply chain, and other risks, see Item 1A of this Form 10-K.

Divestitures

Divestiture of Batesville

As previously described, on February 1, 2023, the Company completed the divestiture of its historical Batesville reportable operating segment to BL Memorial Partners, LLC, a Delaware limited liability company owned by funds affiliated with LongRange Capital, L.P., for $761.5, subject to closing adjustments, and including an $11.5 subordinated note. At closing, after the applicable adjustments, the Company received $698.0 in pre-tax cash proceeds, including an adjustment for cash on hand acquired from the Company, and the previously mentioned subordinated note. The Company recognized a $586.0 pre-tax gain on divestiture, recorded within gain on divestiture of discontinued operations (net of income tax expense) in the Consolidated Statement of Operations for the year ended September 30, 2023.

This divestiture represented a strategic shift in Hillenbrand's business and qualified as a discontinued operation. Unless otherwise noted, amounts presented in Management's Discussion and Analysis are for continuing operations only.

Subsequent to the completion of the divestiture, the Company began providing certain transition services to Batesville for applicable fees which are not material to the Company. The transition services are expected to vary in duration depending upon the type of service provided.

Divestiture of TerraSource

On October 22, 2021, the Company completed the divestiture of TerraSource pursuant to a Contribution Agreement ("Agreement") between the Company and certain affiliated companies of industrial holding company Right Lane Industries ("RLI"). Under the terms of the Agreement, Hillenbrand contributed TerraSource and its subsidiaries to a newly formed entity, TerraSource Holdings, LLC ("Holdings"), with RLI obtaining majority ownership and full operational control of TerraSource. In exchange for contributing the TerraSource business, the Company received consideration in the form of a five-year note with initial principal amount of $25.6, subject to certain adjustments, and an April 2028 maturity date, and also retained a 49% equity interest in Holdings through one of the Company's indirect wholly-owned subsidiaries, which became an approximately 46% interest in connection with the January 2023 amendment to the five-year note. The fair value of the total consideration received by the Company was $27.7.

As a result of the TerraSource divestiture, the Company recorded a pre-tax loss of $3.1, after post-closing adjustments, in the Consolidated Statement of Operations during the year ended September 30, 2022. The Company incurred $0.4 of transaction costs associated with the divestiture during the year ended September 30, 2022, which were recorded within operating expenses in the Consolidated Statement of Operations. TerraSource's results of operations were included within the Advanced Process Solutions reportable operating segment until the completion of the divestiture on October 22, 2021. Subsequent to the divestiture, the Company's equity interest in Holdings is accounted for under the equity method of accounting as prescribed by Generally Accepted Accounting Principles ("GAAP").

Acquisitions

Acquisition of Schenck Process Food and Performance Materials Business

On September 1, 2023, the Company completed the acquisition of the Schenck Process Food and Performance Materials ("FPM") business, a portfolio company of Blackstone, for total aggregate consideration of $748.7, net of certain customary post-closing adjustments, and including cash acquired, using available borrowings under its multi-currency revolving credit facility (the "Facility"). Headquartered in Kansas City, Missouri, FPM specializes in the design, manufacturing, and service of feeding, filtration, baking, and material handling technologies and systems that are highly complementary to the equipment and solutions offered in our Advanced Process Solutions reportable operating segment. The results of FPM since the date of acquisition are included in the Advanced Process Solutions reportable operating segment.

Acquisition of Peerless Food Equipment

On December 1, 2022, the Company completed the acquisition of the Peerless Food Equipment division ("Peerless") of Illinois Tool Works Inc. for a purchase price of $59.2, net of certain customary post-closing adjustments and including cash acquired, using available borrowings under the Facility. Headquartered in Sidney, Ohio, Peerless is a premier supplier of industrial food processing equipment. The equipment and solutions offered by Peerless are highly complementary to those offered by the Linxis brands. The results of Peerless since the date of acquisition are included in the Advanced Process Solutions reportable operating segment.

Acquisition of LINXIS Group SAS

On October 6, 2022, the Company completed the acquisition of LINXIS Group SAS ("Linxis") from IBERIS INTERNATIONAL S.À R.L, an affiliate of IK Partners, and additional sellers (collectively, the "Sellers"). As a result of the acquisition, the Company acquired from the Sellers all of the issued and outstanding securities of Linxis, and Linxis became a wholly owned subsidiary of the Company for total aggregate consideration of $590.8 (€596.2) in cash, reflecting an approximate enterprise value of $566.8 (€572.0) plus cash acquired at closing, subject to post-closing adjustments. The Company used available borrowings under the Facility to fund this acquisition.

Linxis has six market-leading brands – Bakon, Diosna, Shaffer, Shick Esteve, Unifiller, and VMI – that serve customers in over 100 countries. With a global manufacturing, sales, and service footprint, Linxis specializes in design, manufacturing, and service of dosing, kneading, mixing, granulating, drying, and coating technologies. The results of Linxis since the date of acquisition are included in the Advanced Process Solutions reportable operating segment.

Acquisition of Herbold Meckesheim GmbH

On August 31, 2022, the Company completed the acquisition of Herbold Meckesheim GmbH ("Herbold") for $77.7 (€77.5) in cash, pursuant to a definitive acquisition agreement dated June 30, 2022. Based in Meckesheim, Germany, Herbold is a leader in recycling systems, specializing in key process steps such as washing, separating, drying, shredding, and pulverizing. The results of Herbold since the date of acquisition are included in the Advanced Process Solutions reportable operating segment.

Acquisition of Gabler Engineering GmbH

On June 30, 2022, the Company completed the acquisition of Gabler Engineering GmbH ("Gabler") for $12.9 (€12.6) in cash, which was funded with cash on hand. Gabler, based in Malsch, Germany, specializes in the design, engineering, manufacturing, and implementation of plants and equipment for the confectionery and pharmaceutical industries. The results of Gabler since the date of acquisition are included in the Advanced Process Solutions reportable operating segment.

Change in Reportable Operating Segments

As a result of the divestiture of the historical Batesville reportable operating segment, Hillenbrand is now composed of two reportable operating segments: Advanced Process Solutions and Molding Technology Solutions. Advanced Process Solutions is a global leader in highly-engineered process and material handling equipment and systems for a wide variety of industries, including durable plastics, food, and recycling industries. Molding Technology Solutions is a global leader in highly-engineered processing equipment, systems, and aftermarket parts and service for the plastic technology processing industry.

OPERATIONS REVIEW — CONSOLIDATED

	Year Ended September 30,			
	2023		2022	
	Amount	% of Net Revenue	Amount	% of Net Revenue
Net revenue	$ 2,826.0	100.0	$ 2,315.3	100.0
Gross profit	948.2	33.6	763.8	33.0
Operating expenses	574.0	20.3	442.7	19.1
Amortization expense	79.6		54.0	
Loss on divestiture	—		3.1	
Interest expense	77.7		64.3	
Income tax expense	102.8		84.0	
Net income attributable to Hillenbrand	569.7		208.9	

Year Ended September 30, 2023 Compared to Year Ended September 30, 2022

Net revenue increased $510.7 (22%), which included unfavorable foreign currency impact (2%).

- Advanced Process Solutions' net revenue increased $553.7 (44%) primarily driven by the impact of acquisitions ($456.8), favorable pricing, and higher aftermarket parts and service net revenue. Foreign currency impact decreased net revenue by 1%.

- Molding Technology Solutions' net revenue decreased $43.0 (4%), primarily driven by a decrease in hot runner equipment sales, partially offset by favorable pricing and higher aftermarket parts and service net revenue. Foreign currency impact decreased net revenue by 2%.

Gross profit increased $184.4 (24%). Gross profit margin improved 60 basis points to 33.6%. On an adjusted basis, which excluded inventory step-up cost related to acquisitions ($11.7 in 2023), restructuring and restructuring-related charges ($2.3 in 2023 and $2.2 in 2022), business acquisition, divestiture, and integration costs ($1.2 in 2023 and $0.4 in 2022), and other one-time costs ($1.0 in 2022), gross profit increased $196.0 (26%), and adjusted gross profit margin improved 100 basis points to 34.1%.

- Advanced Process Solutions' gross profit increased $213.1 (49%), primarily due to the impact of acquisitions, favorable pricing, productivity improvements, and higher volume, partially offset by cost inflation and an increase in inventory step-up costs related to acquisitions. Foreign currency impact decreased gross profit by 1%. Gross profit margin improved 120 basis points to 35.7% in 2023, primarily due to the impact of acquisitions and favorable pricing, partially offset by cost inflation.

  Advanced Process Solutions' gross profit included inventory step-up costs related to acquisitions ($11.7 in 2023), business acquisition, divestiture, and integration costs ($0.5 in 2023 and $0.1 in 2022), restructuring and restructuring-related charges ($2.1 in 2022), and other one-time costs ($0.8 in 2022). Excluding these charges, adjusted gross profit increased $222.2 (50%) and adjusted gross profit margin improved 160 basis points to 36.4%.

- Molding Technology Solutions' gross profit decreased $28.7 (9%), primarily due to cost inflation, unfavorable product mix, and a decrease in volume, partially offset by favorable pricing and productivity improvements. Foreign currency impact decreased gross profit by 2%. Gross profit margin decreased 150 basis points to 29.6% in 2023, primarily driven by cost inflation and unfavorable product mix, partially offset by favorable pricing and productivity improvements.

  Molding Technology Solutions' gross profit included restructuring and restructuring-related charges ($2.3 in 2023 and $0.1 in 2022) and business acquisition, divestiture, and integration costs ($0.7 in 2023 and $0.3 in 2022). Excluding these charges, adjusted gross profit decreased $26.2 (8%) and adjusted gross profit margin decreased 130 basis points to 29.9%.

Operating expenses increased $131.3 (30%), primarily driven by acquisitions, an increase in strategic investments, cost inflation, and an increase in business acquisition, divestiture, and integration costs, partially offset by a decrease in variable compensation. Foreign currency impact decreased operating expenses by 3%. Our operating expense-to-revenue ratio increased 120 basis points to 20.3%. This increase is primarily due to the impact of acquisitions, an increase in strategic investments, and inflation, partially offset by a decrease in variable compensation. Operating expenses included the following items:

	Year Ended September 30,	
	2023	2022
Business acquisition, divestiture, and integration costs	$ 45.0	$ 29.0
Restructuring and restructuring-related charges	2.8	0.9
Other one-time costs	—	2.3

On an adjusted basis, which excludes business acquisition, divestiture, and integration costs, restructuring and restructuring-related charges, and other one-time costs including reserves against certain receivables, operating expenses increased $115.7

(28%), which included favorable foreign currency impact (3%). Adjusted operating expenses as a percentage of net revenue increased 90 basis points to 18.6%.

Amortization expense increased $25.6 (47%), primarily due to the impact of acquisitions.

Loss on divestitures of $3.1 in the prior year was due to the loss realized on the divestiture of TerraSource that did not repeat in 2023. For further information on divestitures, see Note 4 to our Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K.

Interest expense increased $13.4 (21%), primarily due to increased borrowing for acquisitions. For further information, see Note 7 to our Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K.

The effective tax rate was 47.4% in fiscal 2023 compared to 42.1% in fiscal 2022. The increase in the effective tax rate was primarily driven by an increase in tax expense associated with recent acquisitions and related legal entity reorganization, the recognition of valuation allowances on current year tax losses in certain jurisdictions, and the settlement of tax audits of prior tax years, partially offset by a year-over-year reduction of the provision for taxes on distributions from foreign subsidiaries as a result of lower foreign cash positions, and a reduction in the accrual of taxes for uncertain tax positions in the current year.

Our adjusted effective income tax rate was 29.5% in 2023 compared to 31.5% in 2022. The adjusted effective income tax rate primarily excludes the tax effect of the following items:

- The tax effect of the legal entity reorganization and transaction costs associated with recent acquisitions ($33.3 expense in 2023);
- The divestiture of TerraSource ($0.6 expense in 2022);
- The impact of tax loss carryforwards on net domestic taxes on foreign earnings ($12.7 expense in 2022);
- The revaluation of deferred and current tax balances as a result of tax rate changes ($2.7 benefit in 2023 and $0.5 expense in 2022);
- The revaluation of deferred tax balances as a result of foreign currency fluctuations ($0.3 expense in 2023 and $2.2 benefit in 2022); and
- Adjustments previously discussed within this section, including business acquisition, divestiture, and integration costs, intangible amortization, and restructuring and restructuring-related charges ($34.1 benefit in 2023 and $19.7 benefit in 2022).

Excluding these items, the increase in the current year adjusted effective tax rate was primarily due to an increase in tax expense associated with the recognition of valuation allowances on current year deferred tax items in certain jurisdictions and the settlement of tax audits of prior tax years, partially offset by a year-over-year reduction of the provision for taxes on distributions from foreign subsidiaries as a result of lower foreign cash positions, and reduction in the accrual of taxes for uncertain tax positions in the current year.

OPERATIONS REVIEW — ADVANCED PROCESS SOLUTIONS

	Year Ended September 30,			
	2023		2022	
	Amount	% of Net Revenue	Amount	% of Net Revenue
Net revenue	$ 1,823.5	100.0	$ 1,269.8	100.0
Gross profit	651.5	35.7	438.4	34.5
Operating expenses	337.6	18.5	210.0	16.5
Amortization expense	44.2		17.6	

Year Ended September 30, 2023 Compared to Year Ended September 30, 2022

Net revenue increased $553.7 (44%) primarily driven by the impact of acquisitions ($456.8), favorable pricing, and higher aftermarket parts and service net revenue. Foreign currency impact decreased net revenue by 1%.

We expect future net revenue for Advanced Process Solutions to continue to be influenced by order backlog because of the lead time involved in fulfilling engineered-to-order equipment and solutions for customers. Though backlog can be an indicator of future net revenue, it does not include projects and aftermarket parts orders that are booked and shipped within the same quarter. The timing of order placement, size of orders, extent of order customization, and customer delivery dates can create fluctuations in backlog and net revenue. Net revenue attributable to backlog is also affected by foreign exchange rate fluctuations for orders denominated in currencies other than U.S. dollars. Order backlog increased $468.5 (34%) from $1,397.9 at September 30, 2022, to $1,866.4 at September 30, 2023. The increase in order backlog was primarily driven by acquisitions and a favorable foreign currency impact (5%). On a sequential basis, order backlog increased $262.4 (16%) to $1,866.4 at September 30, 2023, up from $1,604.0 at June 30, 2023, primarily due to acquisitions, partially offset by unfavorable foreign currency impact (3%).

Gross profit increased $213.1 (49%), primarily due to the impact of acquisitions, favorable pricing, productivity improvements, and higher volume, partially offset by cost inflation and an increase in inventory step-up costs related to acquisitions. Foreign currency impact decreased gross profit by 1%. Gross profit margin improved 120 basis points to 35.7% in 2023, primarily due to the impact of acquisitions and favorable pricing, partially offset by cost inflation.

Advanced Process Solutions' gross profit included inventory step-up costs related to acquisitions ($11.7 in 2023), business acquisition, divestiture, and integration costs ($0.5 in 2023 and $0.1 in 2022), restructuring and restructuring-related charges ($2.1 in 2022), and other one-time costs ($0.8 in 2022). Excluding these charges, adjusted gross profit increased $222.2 (50%) and adjusted gross profit margin improved 160 basis points to 36.4%.

Operating expenses increased $127.6 (61%), primarily driven by the impact of acquisitions, an increase in strategic investments, cost inflation, and an increase in business acquisition, divestiture, and integration costs. Operating expenses as a percentage of net revenue increased 200 basis points to 18.5%, primarily due to the impact of acquisitions, an increase in strategic investments, and inflation.

Operating expenses included business acquisition, divestiture, and integration costs ($8.1 in 2023 and $1.5 in 2022), restructuring and restructuring-related charges ($1.5 in 2023 and $0.1 in 2022), and other one-time costs including reserves against certain receivables ($2.6 in 2022). Excluding these items, adjusted operating expenses increased $122.1 (59%). Adjusted operating expenses as a percentage of net revenue increased 180 basis points to 18.0%.

Amortization expense increased $26.6 (151%), primarily due to the impact of acquisitions.

OPERATIONS REVIEW — MOLDING TECHNOLOGY SOLUTIONS

	Year Ended September 30,			
	2023		2022	
	Amount	% of Net Revenue	Amount	% of Net Revenue
Net revenue	$ 1,002.5	100.0	$ 1,045.5	100.0
Gross profit	296.7	29.6	325.4	31.1
Operating expenses	140.0	14.0	139.7	13.4
Amortization expense	35.4		36.4	

Year Ended September 30, 2023 Compared to Year Ended September 30, 2022

Net revenue decreased $43.0 (4%), primarily driven by a decrease in hot runner equipment sales, partially offset by favorable pricing and higher aftermarket parts and service net revenue. Foreign currency impact decreased net revenue by 2%.

Order backlog decreased $130.9 (36%) from $364.1 at September 30, 2022, to $233.2 at September 30, 2023, primarily driven by the execution of existing backlog and a decrease in orders within our injection molding equipment product line. Foreign currency impact increased order backlog by 1%. On a sequential basis, order backlog decreased $33.2 (12%) to $233.2 at September 30, 2023, down from $266.4 at June 30, 2023. The decrease in order backlog was primarily driven by the execution of existing backlog.

Gross profit decreased $28.7 (9%) primarily due to cost inflation, unfavorable product mix, and a decrease in volume, partially offset by favorable pricing and productivity improvements. Foreign currency impact decreased gross profit by 2%. Gross profit margin decreased 150 basis points to 29.6% in 2023, primarily driven by cost inflation and unfavorable product mix, partially offset by favorable pricing and productivity improvements.

Molding Technology Solutions' gross profit included restructuring and restructuring-related charges ($2.3 in 2023 and $0.1 in 2022) and business acquisition, divestiture, and integration costs ($0.7 in 2023 and $0.3 in 2022). Excluding these charges, adjusted gross profit decreased $26.2 (8%) and adjusted gross profit margin decreased 130 basis points to 29.9%.

Operating expenses increased $0.3, primarily due to cost inflation, partially offset by lower variable compensation. Foreign currency impact decreased operating expense by 5%. Operating expenses as a percentage of net revenue increased 60 basis points to 14.0%.

Operating expenses included business acquisition, divestiture, and integration costs ($1.8 in 2023 and $1.3 in 2022) and restructuring and restructuring-related charges ($1.1 in 2023 and $0.5 in 2022). Excluding these charges, adjusted operating expenses as a percentage of net revenue increased 50 basis points to 13.7%.

REVIEW OF CORPORATE EXPENSES

	Year Ended September 30,			
	2023		2022	
	Amount	% of Net Revenue	Amount	% of Net Revenue
Core operating expenses	$ 61.1	2.2	$ 66.4	2.9
Business acquisition, divestiture, and integration costs	35.1	1.2	26.1	1.1
Restructuring and restructuring-related charges	0.2	—	0.8	—
Other	—	—	(0.3)	—
Operating expenses	$ 96.4	3.4	$ 93.0	4.0

Corporate operating expenses include the cost of providing management and administrative services to each reportable operating segment. These services include treasury management, human resources, legal, business development, information technology, tax compliance, procurement, sustainability, and other public company support functions such as internal audit, investor relations, and financial reporting. Corporate operating expenses also include costs related to business acquisition, divestiture, and integration, which we incur as a result of our strategy to grow through selective acquisitions. Core operating expenses primarily represent corporate operating expenses excluding costs related to business acquisition, divestiture, and integration costs.

Business acquisition, divestiture, and integration costs include legal, tax, accounting, and other advisory fees and due diligence costs associated with investigating opportunities (including acquisitions and divestitures) and integrating completed acquisitions.

As a result of classifying the historical Batesville reportable operating segment as a discontinued operation, certain indirect corporate costs included within operating expenses in the Consolidated Statements of Operations that were previously allocated to the historical Batesville reportable operating segment do not qualify for classification within discontinued operations and are now reported as operating expenses in continuing operations within corporate expenses for all periods presented preceding the sale. In addition, costs directly attributable to the historical Batesville reportable operating segment divestiture have been reflected in discontinued operations for the years ended September 30, 2023 and 2022.

Year Ended September 30, 2023 Compared to Year Ended September 30, 2022

Operating expenses increased $3.4 (4%) in 2023, primarily due to an increase in business acquisition, divestiture, and integration costs, an increase in strategic investments, and cost inflation, partially offset by a decrease in variable compensation and prior year one-time expenses associated with the realignment of the executive management team that did not repeat in 2023. Operating expenses as a percentage of net revenue were 3.4%, an improvement of 60 basis points from the prior year.

Core operating expenses decreased $5.3 (8%) in 2023, primarily due to a decrease in variable compensation and prior year one-time expenses associated with the realignment of the executive management team that did not repeat in 2023, partially offset by an increase in strategic investments and cost inflation. Operating expenses as a percentage of net revenue were 2.2%, an improvement of 70 basis points from the prior year.

NON-GAAP OPERATING PERFORMANCE MEASURES

The following is a reconciliation from consolidated net income, the most directly comparable GAAP operating performance measure, to our non-GAAP adjusted EBITDA.

	Year Ended September 30,	
	2023	2022
Consolidated net income	$ 576.7	$ 215.2
Interest expense, net	77.7	64.3
Income tax expense	102.8	84.0
Depreciation and amortization	125.6	98.6
Consolidated EBITDA	882.8	462.1
Income from discontinued operations (net of income tax expense)	(462.6)	(99.5)
Business acquisition, divestiture, and integration costs (1)	46.2	29.4
Restructuring and restructuring-related charges (2)	5.1	3.1
Inventory step-up costs related to acquisitions	11.7	—
Loss on divestiture (3)	—	3.1
Other	—	3.3
Adjusted EBITDA	$ 483.2	$ 401.5

(1) Business acquisition, divestiture, and integration costs during 2023 primarily included professional fees related to the Linxis, Peerless, and FPM acquisitions and professional fees and employee-related costs attributable to the integration of Milacron and Linxis. Business acquisition, divestiture, and integration costs during 2022 primarily included professional fees related to the Gabler, Herbold, and Linxis acquisitions and professional fees and employee-related costs attributable to the integration of Milacron and the divestiture of TerraSource.

(2) Restructuring and restructuring-related charges primarily included severance costs during 2023 and 2022.

(3) The amount during 2022 represents the loss on divestiture of TerraSource.

Consolidated net income for 2023 compared to 2022 increased $361.5 (168%). The increase was primarily driven by the increase in total income from discontinued operations, favorable pricing and productivity improvements, and an increase in demand for equipment within the Advanced Process Solutions reportable operating segment, partially offset by cost inflation, an increase in depreciation and amortization, an increase in strategic investments, an increase in business acquisition, divestiture, and integration costs, an increase in interest expense, and inventory step-up costs related to acquisitions. Foreign currency impact decreased consolidated net income $8.1.

Consolidated adjusted EBITDA for 2023 compared to 2022 increased $81.7 (20%). The increase was primarily driven by favorable pricing and productivity improvements and an increase in demand for equipment within the Advanced Process Solutions reportable operating segment, partially offset by cost inflation, and an increase in strategic investments. Foreign currency impact decreased consolidated adjusted EBITDA by $9.5.

LIQUIDITY AND CAPITAL RESOURCES

In this section, we discuss our ability to access cash to meet business needs. We discuss how we see cash flow being affected for the next twelve months. We describe actual results in generating and using cash by comparing 2023 to 2022. Finally, we identify other significant matters, such as contractual obligations and contingent liabilities and commitments that could affect liquidity on an ongoing basis.

Ability to Access Cash

Our debt financing has historically included revolving credit facilities, term loans, and long-term notes as part of our overall financing strategy. We regularly review and adjust the mix of fixed-rate and variable-rate debt within our capital structure in order to achieve a target range based on our financing strategy.

We have taken proactive measures to maintain financial flexibility. We believe the Company ended the fiscal year with and continues to have sufficient liquidity to operate in the current business environment.

With respect to the Facility, as of September 30, 2023, the Company had an outstanding balance of $505.1. As of September 30, 2023, the Company had $19.8 in outstanding letters of credit issued and $475.1 of available borrowing capacity under the Facility, all of which was immediately available based on our most restrictive covenant. The Company may request an increase of up to $600.0 in the total borrowing capacity under the Amended Credit Agreement, subject to approval of the lenders.

In the normal course of business, operating companies within our reportable operating segments provide to certain customers bank guarantees and other credit arrangements in support of performance, warranty, advance payment, and other contractual obligations. This form of trade finance is customary in the industry and, as a result, we maintain adequate capacity to provide the guarantees. As of September 30, 2023, we had guarantee arrangements totaling $587.9, under which $326.9 was utilized for this purpose. These arrangements include the Amended L/G Agreement (defined below) under which unsecured letters of credit, bank guarantees, or other surety bonds may be issued. The Company may request an increase to the total capacity under the Amended L/G Agreement by an additional €100, subject to approval of the lenders.

We have significant operations outside the U.S. We continue to assert that the basis differences in the majority of our foreign subsidiaries continue to be permanently reinvested outside of the U.S. We have recorded tax liabilities associated with distribution taxes on expected distributions of available cash and current earnings. The Company has made, and intends to continue to make, substantial investments in our businesses in foreign jurisdictions to support the ongoing development and growth of our international operations. As of September 30, 2023, we had a transition tax liability of $11.2 pursuant to the 2017 Tax Cuts and Jobs Act (the "Tax Act"). The cash at our international subsidiaries, including U.S. subsidiaries participating in non-U.S. cash pooling arrangements, totaled $193.2 at September 30, 2023. We continue to actively evaluate our global capital deployment and cash needs.

12-month Outlook

Leverage update

The Company's net leverage (defined as debt, net of cash, to pro forma adjusted EBITDA) at September 30, 2023 was 3.2x. The Company remains committed to de-leveraging and intends to prioritize paying down its debt over the next twelve months.

Other activities

The Company is required to pay a transition tax on unremitted earnings of its foreign subsidiaries, resulting in an estimated liability of $11.2 recorded as of September 30, 2023. The transition tax liability is expected to be paid over the next two years.

On December 2, 2021, the Board of Directors authorized a new share repurchase program of up to $300.0, which replaced the previous $200.0 share repurchase program. The repurchase program has no expiration date but may be terminated by the Board of Directors at any time. As of September 30, 2023, we repurchased 4,143,000 shares under the December 2, 2021 share repurchase program for approximately ### in the aggregate. At September 30, 2023, we had approximately $125.0 remaining for share repurchases under the existing authorization by the Board of Directors. No purchases of our common stock were made during the year ended September 30, 2023.

Our anticipated contribution to our defined benefit pension plans in 2024 is $10.9. We will continue to monitor plan funding levels, performance of the assets within the plans, and overall economic activity, and we may make additional discretionary funding decisions based on the net impact of the above factors.

We currently expect to pay approximately $15.6 in cash dividends each quarter in fiscal 2024 based on our outstanding common stock at September 30, 2023. We increased our quarterly dividend in 2023 to $0.2200 per common share from $0.2175 per common share paid in 2022.

We believe existing cash and cash equivalents, cash flows from operations, borrowings under existing arrangements, and the issuance of debt will be sufficient to fund our operating activities and cash commitments for investing and financing activities. Based on these factors, we believe our current liquidity position is sufficient and will continue to meet all of our financial commitments in the current business environment.

Key Liquidity Events

Amendments to current financing agreements

On June 21, 2023, the Company entered into Amendment No. 1 the Credit Agreement (as amended, the "Amended Credit Agreement"). The Amended Credit Agreement includes, among other changes, establishment of a euro-denominated, delayed-draw term loan facility available to the Company's wholly owned subsidiary, Hillenbrand Switzerland GmbH, in an initial aggregate principal amount of up to €185 (the "€185 Term Loan") and the inclusion of requirements that would be triggered by a Collateral Springing Event.

On June 22, 2023, the Company entered into an Amendment and Restatement Agreement (as amended, the "Amended L/G Agreement"), which amends and restates the L/G Facility Agreement. The Amended L/G Agreement includes, among other changes, an increase in the facility from €225 to €325 and the inclusion of requirements that would be triggered by a Collateral Springing Event. See Note 7 to our Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K for further details on these amendments.

Cash Flows

	Year Ended September 30,		
(in millions)	**2023**	**2022**	**2021**
Cash flows provided by (used in):			
Operating activities from continuing operations	$ 207.0	$ 63.3	$ 362.7
Investing activities from continuing operations	(722.3)	(131.7)	137.6
Financing activities from continuing operations	693.4	(244.2)	(523.3)
Net cash flows from discontinued operations	(144.4)	116.1	154.1
Effect of exchange rate changes on cash and cash equivalents	(21.1)	(16.8)	8.0
Net cash flows	$ 12.6	$ (213.3)	$ 139.1

Operating Activities

Operating activities provided $207.0 of cash during 2023, and provided $63.3 of cash during 2022, a $143.7 (227%) increase. The increase in operating cash flow was primarily due to favorable timing of working capital requirements related to large plastics projects and a decrease in inventory.

Working capital requirements for our reportable operating segments fluctuate and may continue to fluctuate in the future due primarily to the type of product and geography of customer projects in process at any point in time. Working capital needs are lower when advance payments from customers are more heavily weighted toward the beginning of the project. Conversely, working capital needs are higher when a larger portion of the cash is to be received in later stages of manufacturing.

Investing Activities

The $590.6 decrease in net cash flows from investing activities during 2023 was primarily due to the acquisitions of FPM, Linxis and Peerless, and an increase in capital expenditures, partially offset by the proceeds received on the divestiture of the historical Batesville reportable operating segment. See Notes 4 and 5 to our Consolidated Financial Statements included in Part II, Item 8, of this Form 10-K for further information on these acquisitions and divestitures.

Financing Activities

Cash provided by financing activities was largely impacted by net borrowing activity and share repurchases. Our general practice is to use available cash to pay down debt unless it is needed for an acquisition. Daily borrowing and repayment activity under the Amended Credit Agreement may fluctuate significantly between periods as we fulfill the capital needs of our business units. Cash provided by financing activities during 2023 was $693.4, an increase of $937.6 from 2022. The increase was primarily due to higher borrowing activity to fund acquisitions, partially offset by a decreases in repurchases of common stock.

We returned $61.3 to shareholders in 2023 in the form of quarterly dividends compared to $62.0 in 2022. We increased our quarterly dividend in 2023 to $0.2200 per common share from $0.2175 paid during 2022.

Off-Balance Sheet Arrangements

As part of its normal course of business, Hillenbrand is a party to various financial guarantees and other commitments. These arrangements involve elements of performance and credit risk that are not included in the Consolidated Balance Sheets. The possibility that Hillenbrand would have to make actual cash expenditures in connection with these obligations is largely dependent on the performance of the guaranteed party, or the occurrence of future events that Hillenbrand is unable to predict. We have no off-balance sheet financing agreements or guarantees as of September 30, 2023 that we believe are reasonably likely to have a current or future effect on our financial condition, results of operations, or cash flows.

Contractual Obligations and Contingent Liabilities and Commitments

The following table summarizes our future obligations not quantified and disclosed elsewhere in this Form 10-K as of September 30, 2023. This will help give you an understanding of the significance of cash outlays that are fixed beyond the normal accounts payable and other obligations we have already incurred, have recorded, and disclosed in the Consolidated Financial Statements included in Part II, Item 8, of this Form 10-K.

	Payment Due by Period				
(in millions)	**Total**	**Less Than 1 Year**	**1-3 Years**	**4-5 Years**	**After 5 Years**
Interest on financing agreements [1]	375.1	106.2	177.6	59.6	31.7
Purchase obligations [2]	383.7	364.0	18.7	0.9	0.1
Other obligations [3]	49.9	35.0	8.7	2.0	4.2
Total contractual obligations [4][5]	$ 808.7	$ 505.2	$ 205.0	$ 62.5	$ 36.0

(1) Cash obligations for interest requirements relate to our fixed-rate debt obligations at the contractual rates as of September 30, 2023.

(2) Agreements to purchase goods or services that are enforceable and legally binding and that specify all significant terms, including fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction.

(3) Primarily includes estimated payments for amounts payable to a financial institution in connection with a trade receivables financing arrangement, transition tax liability, the estimated liquidation of liabilities related to both our self-insurance reserves, and severance payments.

(4) We have excluded from the table our $38.9 liability related to uncertain tax positions as the current portion is not significant and we are not able to reasonably estimate the timing of the long-term portion.

(5) See Notes 6, 7, and 8 to our Consolidated Financial Statements included in Part II, Item 8, of this Form 10-K for lease, financing, and pension obligations, respectively.

Summarized Financial Information for Guarantors and the Issuer of Guaranteed Securities

Summarized financial information of Hillenbrand (the "Parent") and our subsidiaries that are guarantors of our senior unsecured notes (the "Guarantor Subsidiaries") is shown below on a combined basis as the "Obligor Group." The Company's senior unsecured notes are guaranteed by certain of our wholly-owned domestic subsidiaries and rank equally in right of payment with all of our existing and financial information of the Obligor Group. All intercompany balances and transactions between the Parent and Guarantor Subsidiaries have been eliminated and all information excludes subsidiaries that are not issuers or guarantors of our senior unsecured notes, including earnings from and investments in these entities.

Upon the divestiture of Batesville on February 1, 2023, each of the subsidiaries of Batesville that were Guarantor Subsidiaries ceased to be a guarantor of the senior unsecured notes.

	September 30, 2023	September 30, 2022
Combined Balance Sheets Information:		
Current assets [1]	$ 2,710.8	$ 2,590.3
Non-current assets	3,533.3	2,656.1
Current liabilities	985.1	623.2
Non-current liabilities	1,583.5	1,289.6

	Year Ended September 30, 2023	Year Ended September 30, 2022
Combined Statements of Operations Information:		
Net revenue [2]	$ 441.5	$ 1,042.0
Gross profit	93.0	353.5
Net income attributable to Obligors	223.2	396.7

(1) Current assets include intercompany receivables from non-guarantors of $2,070.6 and $1,868.7 as of September 30, 2023 and September 30, 2022, respectively.

(2) Net revenue includes intercompany sales with non-guarantors of $5.0 and $32.2 for the years ended September 30, 2023 and 2022, respectively.

Recently Issued and Adopted Accounting Standards

For a summary of recently issued and adopted accounting standards applicable to us, see Note 2 to our Consolidated Financial Statements included in Part II, Item 8, of this Form 10-K, none of which has or is expected to have a material impact on the Consolidated Financial Statements.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In this section, we tell you about market risks we think could have a significant impact on our bottom line or the financial strength of our Company. The term "market risk" generally means how results of operations and the value of assets and liabilities could be affected by market factors such as interest rates, currency exchange rates, the value of commodities, and debt and equity price risks. If those factors change significantly, it could help or hurt our bottom line, depending on how we react to them.

We are exposed to various market risks. We have established policies, procedures, and internal processes governing our management of market risks and the use of financial instruments to manage our exposure to such risks. Our primary exposures are typically to: fluctuations in market prices for purchases of certain commodities; volatility in interest rates associated with the Facility; volatility in the fair value of the assets held by our pension plans; and variability in exchange rates in foreign locations.

We are subject to market risk from fluctuating market prices of certain purchased commodity raw materials including steel. While these materials are typically available from multiple suppliers, commodity raw materials are subject to market price fluctuations. We generally buy these commodities based upon market prices that are established with the supplier as part of the purchasing process. We generally attempt to obtain firm pricing from our larger suppliers for volumes consistent with planned production. To the extent that commodity prices increase and we do not have firm pricing from our suppliers, or if our suppliers are not able to honor such prices, we may experience a decline in our gross margins to the extent we are not able to increase selling prices of our products or obtain supply chain efficiencies, including as a result of current global supply chain disruptions, to offset increases in commodity costs.

At September 30, 2023, our variable rate debt obligations were $892.6, which included borrowings on the Facility. We are subject to interest rate risk associated with such borrowings, which bear a variable rate of interest that is based upon, at the Company's option, (A) if denominated in US dollars, at the Term SOFR Rate or the Alternate Base Rate (each as defined in the Amended Credit Agreement), (B) if denominated in Japanese Yen, Canadian dollars or Euros, at rates based on the rates offered for deposits in the applicable interbank markets for such currencies and (C) if denominated in Pounds Sterling or Swiss Francs, at SONIA and SARON, respectively (each as defined in the Credit Agreement), plus, in each case, a margin based on the Company's leverage ratio. The interest we pay on such borrowings is dependent on interest rate conditions and the timing of our financing needs. If we assumed borrowings under our variable rate debt obligations remained unchanged for the next fiscal year, a one percentage point change in the related interest rates would decrease or increase our annual interest expense by approximately $8.9.

Our pension plans' assets are also subject to volatility that can be caused by fluctuations in general economic conditions. Plan assets are invested by the plans' fiduciaries, which direct investments according to specific policies. Those policies subject investments to the following restrictions in our domestic plan: short-term securities must be rated A1/P1, liability-hedging fixed income securities must have an average quality credit rating of investment grade, and investments in equities in any one company may not exceed 10% of the equity portfolio. Favorable or unfavorable investment performance over the long term will impact our pension expense if it deviates from our assumption related to future rate of return.

We are subject to variability in foreign currency exchange rates in our international operations. Exposure to this variability is periodically managed through the use of natural hedges and also by entering into currency exchange agreements. The aggregate notional amount of all derivative instruments was $164.6 and $156 at September 30, 2023 and 2022, respectively. The carrying value of all of the Company's derivative instruments at fair value resulted in assets of $1.5 and $2.6 (included in prepaid expenses and other current assets) and liabilities of $1.7 and $8.0 (included in other current liabilities and other long-term liabilities) at September 30, 2023 and 2022, respectively. The fair value of these financial instruments would hypothetically change by $1.2 and $7.6 as of September 30, 2023 and 2022, respectively, if there were a 10% movement in end-of-period market rates.

The translation of the financial statements of our non-U.S. operations from local currencies into U.S. dollars is also sensitive to changes in foreign exchange rates. These translation gains or losses are recorded as cumulative translation adjustments ("CTA") within accumulated other comprehensive loss on our Consolidated Balance Sheets. The hypothetical change in CTA is calculated by multiplying the net assets of our non-U.S. operations by a 10% change in the applicable foreign exchange rates. The result of the appreciation or depreciation of all applicable currencies against the U.S. dollar would be a change in shareholders' equity of $122.0 and $118.6 as of September 30, 2023 and 2022, respectively.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. In order to evaluate the effectiveness of internal control over financial reporting, management has conducted an assessment, including testing, using the criteria set forth by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission in *Internal Control — Integrated Framework (2013 Framework)*. The Company's internal control over financial reporting, as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended, is a process designed to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. 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.

Management has excluded Linxis, Peerless, and FPM from its assessment of internal controls over financial reporting as of September 30, 2023, because the Company acquired Linxis effective October 6, 2022, Peerless effective December 1, 2022, and FPM effective September 1, 2023. Linxis, Peerless, and FPM are included in the 2023 consolidated financial statements of Hillenbrand, Inc. and constituted approximately 35% of total consolidated assets as of September 30, 2023 and approximately 15% of total consolidated net revenue for the year then ended.

Based on our assessment under the criteria established in *Internal Control — Integrated Framework (2013 Framework),* issued by the COSO, management has concluded that the Company maintained effective internal control over financial reporting as of September 30, 2023.

The effectiveness of the Company's internal control over financial reporting as of September 30, 2023, has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report included herein.

By: /s/ Megan A. Walke
Megan A. Walke
Vice President and Chief Accounting Officer

By: /s/ Robert M. VanHimbergen
Robert M. VanHimbergen
Senior Vice President and Chief Financial Officer

By: /s/ Kimberly K. Ryan
Kimberly K. Ryan
President and Chief Executive Officer

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Hillenbrand, Inc.

Opinion on Internal Control over Financial Reporting

We have audited Hillenbrand, Inc.'s internal control over financial reporting as of September 30, 2023, 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, Hillenbrand, Inc. (the "Company") maintained, in all material respects, effective internal control over financial reporting as of September 30, 2023, 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 LINXIS Group SAS (Linxis), Peerless Food Equipment (Peerless), and Schenck Process Food and Performance Materials (FPM), which are included in the 2023 consolidated financial statements of Hillenbrand, Inc. and constituted approximately 35% of total consolidated assets as of September 30, 2023 and approximately 15% of total consolidated net revenue 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 Linxis, Peerless, and FPM.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of September 30, 2023 and 2022, the related consolidated statements of operations, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended September 30, 2023, and the related notes and consolidated financial statement schedule listed in the Index at Item 15(a)(2), and our report dated November 15, 2023, 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

Cincinnati, Ohio
November 15, 2023

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Hillenbrand, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Hillenbrand, Inc. (the "Company") as of September 30, 2023 and 2022, the related consolidated statements of operations, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended September 30, 2023, and the related notes and consolidated financial statement schedule listed in the Index at Item 15(a)(2) (collectively, "the consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at September 30, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended September 30, 2023, 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 September 30, 2023, 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 November 15, 2023, 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 Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters 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 matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Revenue Recognition - Over Time Revenue Recognition for Long-Term Manufacturing Contracts

Description of the Matter

As discussed in Note 3 to the consolidated financial statements, $939.8 million of the Company's total net revenue for the year ended September 30, 2023, relates to net revenue recognized over time from long-term manufacturing contracts and is based on the cost-to-cost input method. Under this method, the Company recognizes net revenue, cost of goods sold and gross margin over time based on costs incurred to date relative to total estimated cost at completion.

Auditing the Company's measurement of net revenue recognized over time on long-term manufacturing contracts is especially challenging because it involves subjective management assumptions regarding the estimated remaining costs of the long-term manufacturing contract that could span from several months to several years. These assumptions could be impacted by labor productivity and availability, the complexity of the work to be performed, the cost of materials, and the performance of suppliers and subcontractors and may 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 internal controls over the Company's process to recognize net revenue over time on long-term manufacturing contracts, including internal controls over management's review of the significant underlying assumptions described above.

Our audit procedures also included, among others, evaluating the significant assumptions and the accuracy and completeness of the underlying data used in management's calculations. This included, for example, inspection of the executed contract and testing management's cost estimates by comparing the inputs to the Company's historical data or experience for similar contracts, the performance of sensitivity analyses and the performance of retrospective review analysis of prior management cost estimates to actual costs incurred for completed contracts. Additionally, procedures were performed to evaluate the timely identification of circumstances which may warrant a modification to a previous cost estimate, including changes in the Company's internal and subcontractor performance trends.

Evaluation of Goodwill and Indefinite-Lived Intangible Assets Impairment for the Reporting Units within the Molding Technology Solutions reportable operating segment

Description of the Matter

At September 30, 2023, the Company has $633.2 million and $112.1 million of goodwill and indefinite-lived intangible assets, respectively, within the Molding Technology Solutions reportable operating segment. As discussed in Note 2 to the consolidated financial statements, goodwill and indefinite-lived intangible assets are tested for impairment annually on July 1st, or more frequently upon the occurrence of triggering events or substantive changes in circumstances that indicate that the fair value of the reporting unit or indefinite-lived intangible asset may have decreased below the carrying value. The Company's annual impairment test on July 1, 2023, did not result in an impairment of goodwill or indefinite-lived intangible assets for any of the Company's reporting units.

Auditing management's annual goodwill and indefinite-lived intangible assets impairment test on July 1, 2023, related to the reporting units and indefinite-lived intangible assets within the Molding Technology Solutions reportable operating segment was challenging due to the complexity of forecasting the long-term cash flows of these reporting units and related indefinite-lived intangible assets and the significant estimation uncertainty of certain assumptions included within such forecasts. The significant estimation uncertainty was primarily due to the sensitivity of the reporting units' and related indefinite-lived intangibles assets' fair value to changes in the significant assumptions used in the income approach and the related relief-from-royalty approach, as applicable, such as forecasted net revenue, earnings before income taxes, depreciation and amortization (EBITDA) margins, discount rates, and royalty rates. These significant assumptions require a high degree of estimation and judgment based on an evaluation of historical performance, current and forecasted industry trends, and macroeconomic conditions.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of internal controls over the Company's annual goodwill and indefinite-lived intangible assets impairment process, including internal controls over management's review of the significant assumptions described above as well as internal controls over management's review of its financial forecasts and carrying values of its reporting units and indefinite-lived intangible assets.

To test the estimated fair value of the reporting units and indefinite-lived intangible assets within the Molding Technology Solutions reportable operating segment, we performed audit procedures that included, among others, using an internal valuation specialist to assist in our evaluation of the methodologies and certain significant assumptions used by the Company, specifically the discount rates. We assessed the reasonableness of the Company's assumptions around forecasted net revenue, EBITDA margins, discount rates, and royalty rates by comparing those assumptions to recent historical performance, current and forecasted economic and industry trends, recent transactions and financial forecasts. We also assessed the reasonableness of estimates included in the Company's financial forecasts by evaluating how such assumptions compared to economic, industry, and peer expectations. We evaluated management's historical accuracy of forecasting net revenue and EBITDA margins by comparing past forecasts to subsequent actual activity. We performed various sensitivity analyses around these significant assumptions to understand the impact on the reporting units and indefinite-lived intangible assets fair value calculations.

Valuation of the Customer Relationships Intangible Assets Acquired in the LINXIS Group SAS (Linxis) and Schenck Food and Performance Materials (FPM) Business Combinations

Description of the Matter

As described in Note 5 of the consolidated financial statements, the Company completed its acquisitions of Linxis and FPM for a total purchase price of $590.8 million and $748.7 million, respectively. The acquisitions were accounted for as business combinations in accordance with Accounting Standards Codification Topic 805, Business Combinations. The consideration paid in the acquisitions must be allocated to the acquired assets and liabilities assumed generally based on their fair value with the excess of the purchase price over those fair values allocated to goodwill.

Auditing the Company's accounting for its acquisitions of Linxis and FPM was complex primarily due to the significant estimation uncertainty involved in estimating the fair value of the customer relationships intangible assets. The total fair value ascribed to the customer relationships intangible assets for the Linxis and FPM acquisitions was $211.1 million and $290.0 million, respectively. The Company used the multi-period excess earnings method to value the customer relationships intangible assets. The significant assumptions used to estimate the fair value of customer relationships included the forecasted net revenue growth, EBITDA margin, and discount rates. These significant assumptions are forward-looking and could be affected by future economic and market conditions.

How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design, and tested the operating effectiveness of internal controls over the Company’s accounting for the Linxis and FPM acquisitions, including internal controls over the recognition and measurement of the customer relationships intangible assets and management's judgements and evaluation over the underlying assumptions with regard to the valuation model applied. We also tested management’s internal controls to validate that the data used in the valuation models was complete and accurate. To test the estimated fair value of the acquired customer relationships intangible assets, our audit procedures included, among others, assessing the appropriateness of the valuation methodology used, evaluating the significant assumptions discussed above, and evaluating the completeness and accuracy of the underlying data supporting the significant assumptions and estimates. For the forecasted net revenue growth and EBITDA margins, we compared the financial projections to current industry and economic trends, the historic financial performance of the acquired businesses, the Company’s history with other acquisitions, and forecasted performance of guideline public companies. We also performed sensitivity analyses to evaluate the changes in the fair value of the customer relationship intangible assets that would result from changes in the significant assumptions. We involved our valuation specialists to assist in evaluating the methodologies used to estimate the fair value of the customer relationships intangible assets and to test certain significant assumptions, including the discount rate, which included comparison of the selected discount rates to the acquired business’ weighted average cost of capital, an evaluation of the relationships of the weighted average cost of capital, internal rate of return and weighted-average return on assets, and consideration of guideline public company benchmarking analyses reflecting the composition of purchase prices for similar transactions.

/s/ Ernst & Young LLP

We have served as the Company’s auditor since 2019.

Cincinnati, Ohio
November 15, 2023

HILLENBRAND, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share amounts)

	Year Ended September 30,		
	2023	2022	2021
Net revenue	$ 2,826.0	$ 2,315.3	$ 2,241.4
Cost of goods sold	1,877.8	1,551.5	1,509.1
Gross profit	948.2	763.8	732.3
Operating expenses	574.0	442.7	451.6
Amortization expense	79.6	54.0	55.7
Loss (gain) on divestitures	—	3.1	(67.1)
Impairment charges	—	—	11.2
Interest expense, net	77.7	64.3	74.3
Income before income taxes	216.9	199.7	206.6
Income tax expense	102.8	84.0	78.6
Income from continuing operations	114.1	115.7	128.0
Income from discontinued operations (net of income tax expense)	19.5	99.5	127.2
Gain on divestiture of discontinued operations (net of income tax expense)	443.1	—	—
Total income from discontinued operations	462.6	99.5	127.2
Consolidated net income	576.7	215.2	255.2
Less: Net income attributable to noncontrolling interests	7.0	6.3	5.3
Net income attributable to Hillenbrand	$ 569.7	$ 208.9	$ 249.9
Earnings per share			
Basic earnings per share			
Income from continuing operations attributable to Hillenbrand	$ 1.53	$ 1.52	$ 1.64
Income from discontinued operations	6.63	1.39	1.70
Net income attributable to Hillenbrand	$ 8.16	$ 2.91	$ 3.34
Diluted earnings per share			
Income from continuing operations attributable to Hillenbrand	$ 1.53	$ 1.51	$ 1.63
Income from discontinued operations	6.60	1.38	1.68
Net income attributable to Hillenbrand	$ 8.13	$ 2.89	$ 3.31
Weighted-average shares outstanding — basic	69.8	71.7	74.9
Weighted-average shares outstanding — diluted	70.1	72.2	75.4

See Notes to Consolidated Financial Statements

HILLENBRAND, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)

	Year Ended September 30,		
	2023	2022	2021
Consolidated net income	$ 576.7	$ 215.2	$ 255.2
Other comprehensive income (loss), net of tax			
Currency translation	6.5	(129.0)	34.1
Pension and postretirement	(1.7)	16.4	20.4
Change in net unrealized gain on derivative instruments	3.6	1.1	1.9
Total other comprehensive income (loss), net of tax	8.4	(111.5)	56.4
Consolidated comprehensive income	585.1	103.7	311.6
Less: Comprehensive income attributable to noncontrolling interests	6.9	4.1	5.2
Comprehensive income attributable to Hillenbrand	$ 578.2	$ 99.6	$ 306.4

See Notes to Consolidated Financial Statements

HILLENBRAND, INC.
CONSOLIDATED BALANCE SHEETS
(in millions)

	September 30,	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents	$ 242.9	$ 232.2
Trade receivables, net	398.7	252.9
Receivables from long-term manufacturing contracts	260.2	213.3
Inventories	592.6	485.6
Prepaid expenses and other current assets	113.2	102.8
Current assets held for sale	—	116.1
Total current assets	1,607.6	1,402.9
Property, plant, and equipment, net	320.7	231.9
Operating lease right-of-use assets	111.3	87.9
Intangible assets, net	1,377.1	808.0
Goodwill	2,028.1	1,151.1
Other long-term assets	102.9	80.4
Long-term assets held for sale	—	105.3
Total Assets	$ 5,547.7	$ 3,867.5
LIABILITIES		
Current Liabilities		
Trade accounts payable	$ 451.5	$ 371.0
Liabilities from long-term manufacturing contracts and advances	388.5	290.3
Current portion of long-term debt	19.7	—
Accrued compensation	99.6	97.0
Other current liabilities	331.7	205.7
Current liabilities held for sale	—	113.8
Total current liabilities	1,291.0	1,077.8
Long-term debt	1,990.4	1,222.1
Accrued pension and postretirement healthcare	101.4	101.3
Operating lease liabilities	88.1	70.5
Deferred income taxes	351.2	210.2
Other long-term liabilities	62.7	51.8
Long-term liabilities held for sale	—	25.8
Total Liabilities	3,884.8	2,759.5
Commitments and contingencies (Note 13)		
SHAREHOLDERS' EQUITY		
Common stock, no par value (75.8 and 75.8 shares issued, 69.9 and 68.9 shares outstanding)	—	—
Additional paid-in capital	709.5	723.8
Retained earnings	1,319.6	812.0
Treasury stock (5.9 and 6.9 shares), at cost	(251.7)	(297.3)
Accumulated other comprehensive loss	(147.1)	(155.6)
Hillenbrand Shareholders' Equity	1,630.3	1,082.9
Noncontrolling interests	32.6	25.1
Total Shareholders' Equity	1,662.9	1,108.0
Total Liabilities and Equity	$ 5,547.7	$ 3,867.5

See Notes to Consolidated Financial Statements

HILLENBRAND, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Year Ended September 30,		
	2023	2022	2021
Operating activities from continuing operations			
Consolidated net income	$ 576.7	$ 215.2	$ 255.2
Adjustments to reconcile consolidated net income to cash provided by operating activities from continuing operations:			
Total income from discontinued operations (net of income tax expense)	(462.6)	(99.5)	(127.2)
Depreciation and amortization	125.6	98.6	104.6
Impairment charges	—	—	11.2
Deferred income taxes	(5.6)	12.5	(7.9)
Amortization of deferred financing costs	3.8	3.6	7.2
Share-based compensation	18.8	19.0	17.4
Loss (gain) on divestitures	—	3.1	(67.1)
Trade receivables and receivables from long-term manufacturing contracts	(30.8)	(124.2)	(17.5)
Inventories	57.2	(115.7)	(30.2)
Prepaid expenses and other current assets	19.5	(24.0)	(1.3)
Trade accounts payable	(14.7)	95.0	80.8
Liabilities from long-term manufacturing contracts and advances, accrued compensation, and other current liabilities	(95.8)	(9.5)	141.9
Income taxes payable	29.4	6.7	(2.6)
Accrued pension and postretirement	(9.4)	(9.5)	(9.4)
Other, net	(5.1)	(8.0)	7.6
Net cash provided by operating activities	207.0	63.3	362.7
Investing activities from continuing operations			
Capital expenditures	(69.3)	(38.3)	(28.2)
Proceeds from sales of property, plant, and equipment	0.8	1.7	—
Acquisitions of businesses, net of cash acquired	(1,350.9)	(90.6)	—
Proceeds from divestitures, net of cash divested	696.7	(4.5)	165.8
Other, net	0.4	—	—
Net cash (used in) provided by investing activities	(722.3)	(131.7)	137.6
Financing activities from continuing operations			
Proceeds from issuance of long-term debt	401.4	—	350.0
Repayments of long-term debt	(107.5)	—	(688.8)
Proceeds from revolving credit facility	1,467.4	83.0	395.0
Repayments on revolving credit facility	(1,009.4)	(74.3)	(395.0)
Payment of deferred financing costs	(3.3)	(3.7)	(5.4)
Payment of dividends on common stock	(61.3)	(62.0)	(64.0)
Repurchases of common stock	—	(203.9)	(121.1)
Proceeds from stock option exercises and other	21.0	25.3	13.1
Payments for employee taxes on net settlement equity awards	(12.7)	(7.0)	(3.5)
Other, net	(2.2)	(1.6)	(3.6)
Net cash provided by (used in) financing activities	693.4	(244.2)	(523.3)
Cash provided by (used in) continuing operations	178.1	(312.6)	(23.0)
Cash (used in) provided by discontinued operations:			
Operating cash flows	(136.8)	127.8	165.7
Investing cash flows	(7.6)	(11.7)	(11.6)
Total cash (used in) provided by discontinued operations	(144.4)	116.1	154.1
Effect of exchange rates on cash and cash equivalents	(21.1)	(16.8)	8.0
Net cash flows	12.6	(213.3)	139.1
Cash, cash equivalents, restricted cash, and cash and cash equivalents held for sale:			
At beginning of period	237.6	450.9	311.8
At end of period	$ 250.2	$ 237.6	$ 450.9
Cash paid for interest	$ 80.6	$ 62.6	$ 63.2
Cash paid for income taxes	$ 238.6	$ 71.5	$ 93.2

See Notes to Consolidated Financial Statements

HILLENBRAND, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in millions)

	Shareholders of Hillenbrand, Inc.							
	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
	Shares			Shares	Amount			
Balance at September 30, 2020	**75.8**	**$ 723.6**	**$ 481.4**	**1.0**	**$ (43.2)**	**$ (102.8)**	**$ 20.4**	**$1,079.4**
Total other comprehensive income (loss), net of tax	—	—	—	—	—	56.5	(0.1)	56.4
Net income	—	—	249.9	—	—	—	5.3	255.2
Issuance/retirement of stock for stock awards/options	—	(19.0)	—	(0.7)	28.6	—	—	9.6
Share-based compensation	—	19.7	—	—	—	—	—	19.7
Purchases of common stock	—	—	—	2.8	(121.1)	—	—	(121.1)
Dividends ($0.8600 per share)	—	1.1	(65.1)	—	—	—	(3.0)	(67.0)
Balance at September 30, 2021	**75.8**	**725.4**	**666.2**	**3.1**	**(135.7)**	**(46.3)**	**22.6**	**1,232.2**
Total other comprehensive loss, net of tax	—	—	—	—	—	(109.3)	(2.2)	(111.5)
Net income	—	—	208.9	—	—	—	6.3	215.2
Issuance/retirement of stock for stock awards/options	—	(24.0)	—	(1.0)	42.3	—	—	18.3
Share-based compensation	—	21.3	—	—	—	—	—	21.3
Purchases of common stock	—	—	—	4.8	(203.9)	—	—	(203.9)
Dividends ($0.8700 per share)	—	1.1	(63.1)	—	—	—	(1.6)	(63.6)
Balance at September 30, 2022	**75.8**	**723.8**	**812.0**	**6.9**	**(297.3)**	**(155.6)**	**25.1**	**1,108.0**
Total other comprehensive income (loss), net of tax	—	—	—	—	—	8.5	(0.1)	8.4
Net income	—	—	569.7	—	—	—	7.0	576.7
Issuance/retirement of stock for stock awards/options	—	(37.3)	—	(1.0)	45.6	—	—	8.3
Share-based compensation	—	22.2	—	—	—	—	—	22.2
Dividends ($0.8800 per share)	—	0.8	(62.1)	—	—	—	(1.6)	(62.9)
Acquisition of noncontrolling interest	—	—	—	—	—	—	3.0	3.0
Purchase of noncontrolling interest	—	—	—	—	—	—	(0.8)	(0.8)
Balance at September 30, 2023	**75.8**	**$ 709.5**	**$1,319.6**	**5.9**	**$ (251.7)**	**$ (147.1)**	**$ 32.6**	**$1,662.9**

See Notes to Consolidated Financial Statements

1. Background

Hillenbrand, Inc. ("Hillenbrand" or the "Company") is a global industrial company that provides highly-engineered processing equipment and solutions to customers around the world. Our portfolio is composed of leading industrial brands that serve large, attractive end markets, including durable plastics, food, and recycling. Guided by our Purpose, Shape What Matters For Tomorrow™, we pursue excellence, collaboration, and innovation to shape solutions that best serve our people, our customers, and our communities. Customers choose Hillenbrand due to our reputation for designing, manufacturing, and servicing highly-engineered, mission-critical equipment and solutions that meet their unique and complex processing requirements.

On February 1, 2023, the Company completed the divestiture of its historical Batesville reportable operating segment ("Batesville") to BL Memorial Partners, LLC, a Delaware limited liability company owned by funds affiliated with LongRange Capital, L.P., for $761.5, subject to customary post-closing adjustments, and including an $11.5 subordinated note.

This divestiture represented a strategic shift in Hillenbrand's business and qualified as a discontinued operation. Accordingly, the operating results and cash flows related to Batesville have been reflected as discontinued operations in the Consolidated Statements of Operations and the Consolidated Statements of Cash Flows for all periods presented, while the assets and liabilities that were divested were classified within the Consolidated Balance Sheets as held for sale in the periods preceding the divestiture. Unless otherwise noted, discussion within the notes to the Consolidated Financial Statements relates to continuing operations only and excludes Batesville. See Note 4 for additional information on this divestiture.

The Company is providing, and will continue to provide, certain transition services to Batesville for applicable fees that are not material to the Company. The transition services vary in duration depending upon the type of service provided.

As a result of the divestiture of Batesville, Hillenbrand is now composed of two reportable operating segments: Advanced Process Solutions and Molding Technology Solutions. Advanced Process Solutions is a leading global provider of highly-engineered process and material handling equipment, systems, and aftermarket parts and services for a variety of industries, including durable plastics, food, and recycling. Key technologies within the Advanced Process Solutions portfolio include compounding, extrusion, material handling, conveying, mixing, ingredient automation, portion process, and screening and separating equipment. Molding Technology Solutions is a global leader in highly-engineered equipment, systems, and aftermarket parts and service for the plastic technology processing industry. Molding Technology Solutions has a comprehensive product portfolio that includes injection molding and extrusion equipment, hot runner systems, process control systems, mold bases and components, and maintenance, repair, and operating ("MRO") supplies.

2. Summary of Significant Accounting Policies

Basis of presentation — The accompanying Consolidated Financial Statements include the accounts of Hillenbrand and its subsidiaries, as well as four subsidiaries where the Company's ownership percentage is less than 100%. The portion of the businesses that are not owned by the Company is presented as noncontrolling interests within shareholders' equity in the Consolidated Balance Sheets. Income attributable to the noncontrolling interests is separately reported within the Consolidated Statements of Operations. All significant intercompany accounts and transactions have been eliminated. Certain prior period balances have been reclassified to conform to the current presentation.

Use of estimates — The Company prepared the Consolidated Financial Statements in conformity with United States ("U.S.") generally accepted accounting principles ("GAAP"). GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of net revenue and expenses during the reporting period. The Company's results are affected by economic, political, legislative, regulatory and legal actions. Economic conditions, such as recessionary trends, inflation, interest and monetary exchange rates, government fiscal policies, and changes in the prices of raw materials, can have a significant effect on operations. These factors and other events may cause actual results to differ from management's estimates.

Foreign currency translation — The financial statements of the Company's foreign subsidiaries are translated into U.S. dollars using period-end exchange rates for assets and liabilities and average exchange rates for operating results. Unrealized translation gains and losses are included in accumulated other comprehensive loss in shareholders' equity in the Consolidated Balance Sheets. When a transaction is denominated in a currency other than the subsidiary's functional currency, the Company recognizes a transaction gain or loss in operating expenses, net within the Consolidated Statements of Operations when the transaction is settled.

Cash and cash equivalents and restricted cash include short-term investments with original maturities of three months or less. The carrying amounts reported in the Consolidated Balance Sheets for cash and cash equivalents and restricted cash are valued at cost, which approximates their fair value.

The following table provides a reconciliation of cash and cash equivalents, restricted cash, cash and cash equivalents held for sale reported within the Consolidated Balance Sheets that sum to the total of the same amounts show in the Consolidated Statements of Cash Flows:

	September 30,	
	2023	2022
Cash and cash equivalents	$ 242.9	$ 232.2
Short-term restricted cash included in other current assets	7.3	3.5
Cash and cash equivalents held for sale	—	1.9
Total cash, cash equivalents, restricted cash and cash and cash equivalents held for sale shown in the Consolidated Statements of Cash Flows	$ 250.2	$ 237.6

Trade receivables are recorded at the invoiced amount and generally do not bear interest, unless they become past due. The allowance for credit losses is a best estimate of the amount of probable credit losses and collection risk in the existing trade receivables portfolio. Account balances are charged against the allowance when the Company believes it is probable the trade receivables will not be recovered. The Company generally holds trade receivables until they are collected. At September 30, 2023 and 2022, the Company had an allowance for credit losses against trade receivables of $10.1 and $6.4, respectively.

Inventories are generally valued at the lower of cost or net realizable value, unless the inventories are acquired in a business combination, at which time it is recorded at fair value. See Note 5 for additional information. Costs of inventories have been determined principally by the first-in, first-out (“FIFO”) and average cost methods. Inventories are comprised of the following amounts at:

	September 30,	
	2023	2022
Raw materials and components	$ 285.2	$ 210.1
Work in process	135.0	107.9
Finished goods	172.4	167.6
Total inventories	$ 592.6	$ 485.6

Property, plant, and equipment are carried at cost less accumulated depreciation, unless the property, plant and equipment is acquired in a business combination, at which time is recorded at fair value. See Note 5 for additional information on current year business combinations. Depreciation is computed using principally the straight-line method based on estimated useful lives of three to 50 years for buildings and improvements and three to 25 years for machinery and equipment. Major improvements that extend the useful lives of such assets are capitalized while expenditures for maintenance, repairs, and minor improvements are expensed as incurred. Upon disposal or retirement, the cost and accumulated depreciation of assets are eliminated. Any gain or loss is reflected within operating expenses, net on the Consolidated Statements of Operations. The Company reviews these assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss would be recognized when estimated future undiscounted cash flows relating to the asset (i.e. fair value) are less than its carrying amount. The impairment loss is measured as the amount by which the carrying amount of an asset exceeds its fair value. There was no impairment loss during the years ended September 30, 2023, 2022, or 2021. Total depreciation expense for the years ended September 30, 2023, 2022, and 2021 was $42.1, $41.7, and $46.2, respectively. Property, plant, and equipment are summarized as follows at:

	September 30, 2023		September 30, 2022	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land and land improvements	$ 31.1	$ (1.3)	$ 22.2	$ (1.4)
Buildings and building equipment	144.5	(46.1)	109.5	(38.5)
Machinery and equipment	371.8	(179.3)	297.8	(157.7)
Total	$ 547.4	$ (226.7)	$ 429.5	$ (197.6)

Goodwill is not amortized, but is tested for impairment at least annually, or on an interim basis upon the occurrence of triggering events or substantive changes in circumstances. Goodwill has been assigned to reporting units. The Company assesses the carrying value of goodwill annually, or more often if events or changes in circumstances indicate there may be impairment. Impairment testing is performed at a reporting unit level.

The following table summarizes the changes in the Company's goodwill, by reportable operating segment, for the years ended September 30, 2023 and 2022:

	Advanced Process Solutions	Molding Technology Solutions	Total
Balance September 30, 2021	$ 484.9	$ 675.4	$ 1,160.3
Acquisitions [(1)]	74.9	—	74.9
Foreign currency adjustments	(43.8)	(40.3)	(84.1)
Balance September 30, 2022	516.0	635.1	1,151.1
Acquisitions [(2)]	859.4	—	859.4
Acquisition measurement period adjustments	(38.9)	—	(38.9)
Foreign currency adjustments	58.4	(1.9)	56.5
Balance September 30, 2023	$ 1,394.9	$ 633.2	$ 2,028.1

(1) See Note 5 for further information on the acquisitions of Gabler Engineering GmbH and affiliate ("Gabler") and Herbold Meckesheim GmbH ("Herbold").

(2) See Note 5 for further information on the acquisitions of LINXIS Group SAS ("Linxis"), the Peerless Food Equipment business ("Peerless"), and the Schenck Process Food and Performance Materials ("FPM") business

Annual impairment assessment

Testing for impairment of goodwill and indefinite-lived intangible assets must be performed annually, or on an interim basis upon the occurrence of triggering events or substantive changes in circumstances that indicate that the fair value of the asset or reporting unit may have decreased below the carrying value.

The Company performed its annual July 1 goodwill and indefinite-lived intangible asset impairment assessments for all reporting units. For all reporting units, the fair value was determined to exceed the carrying value, resulting in no impairment to goodwill as part of this test for the years ended September 30, 2023 and 2022. As a result of the Milacron acquisition in fiscal 2020 and the impact of macroeconomic conditions, there is less cushion, or headroom, for the reporting units with the Molding Technology Solutions reportable operating segment. The estimated fair value, as calculated at July 1, 2023, for all three reporting units within the Molding Technology Solutions reportable operating segment ranged from approximately 10% to 28% greater than their carrying value (13% to 54% at the previous impairment assessment date).

Determining the fair value of a reporting unit requires the Company to make significant judgments, estimates, and assumptions. The Company believes these estimates and assumptions are reasonable. However, future changes in the judgments, assumptions and estimates that are used in the impairment testing for goodwill, including discount and tax rates and future cash flow projections, could result in significantly different estimates of the fair values.

The key assumptions for the market and income approaches we use to determine fair value of our reporting units are updated at least annually. Those assumptions and estimates include macroeconomic conditions, competitive activities, cost containment, achievement of synergy initiatives, market data and market multiples, discount rates, and terminal growth rates, as well as future levels of net revenue growth and operating margins, which are based upon the Company's strategic plan. The strategic plan is updated as part of its annual planning process and is reviewed and approved by management and the Board of Directors. The strategic plan may be revised as necessary during a fiscal year, based on changes in market conditions or other changes in the reporting units. The discount rate assumption is based on the overall after-tax rate of return required by a market participant whose weighted-average cost of capital includes both equity and debt, including a risk premium. The discount rates may be impacted by adverse changes in the macroeconomic environment, volatility in the equity and debt markets or other factors. While the Company can implement and has implemented certain strategies to address these events, changes in operating plans or adverse changes in the future could reduce the underlying cash flows used to estimate reporting unit fair values and could result in a decline in fair value that would trigger a future material impairment charge of the reporting units' goodwill balance.

Although there are always changes in assumptions to reflect changing business and market conditions, our overall valuation methodology and the types of assumptions we use have remained consistent. While we use the best available information to prepare the cash flow and discount rate assumptions, actual future cash flows or market conditions could differ significantly resulting in future impairment charges related to recorded goodwill balances.

The Company is required to provide additional disclosures about fair value measurements as part of the Consolidated Financial Statements for each major category of assets and liabilities measured at fair value on a nonrecurring basis (including impairment assessments). Goodwill and indefinite-lived intangible assets were valued using Level 3 inputs, which are unobservable by nature, and included internal estimates of future cash flows (income approach). Significant increases (decreases) in any of those unobservable inputs in isolation would result in a significantly higher (lower) fair value measurement.

Intangible assets are stated at the lower of cost or fair value. With the exception of certain trade names, intangible assets are amortized on a straight-line basis over periods ranging from three to 21 years, representing the period over which the Company expects to receive future economic benefits from these intangible assets. The Company assesses the carrying value of indefinite-lived trade names annually, or more often if events or changes in circumstances indicate there may be impairment. Estimated amortization expense related to intangible assets for the next five years is: $102.7 in 2024, $99.8 in 2025, $99.1 in 2026, $99.0 in 2027, and $99.0 in 2028. Intangible assets are summarized as follows at:

	September 30, 2023		September 30, 2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Finite-lived assets:				
Customer relationships	1,290.2	(291.4)	739.6	(221.1)
Technology, including patents	192.3	(83.1)	132.9	(68.4)
Software	41.7	(31.7)	34.4	(27.0)
Trade Names	41.9	(4.2)	—	—
	1,566.1	(410.4)	906.9	(316.5)
Indefinite-lived assets:				
Trade names	221.4	—	217.6	—
Total	$ 1,787.5	$ (410.4)	$ 1,124.5	$ (316.5)

Finite-lived intangible assets, net of $740.0 and $136.8 are included in the Advanced Process Solutions reportable operating segment at September 30, 2023 and 2022, respectively. Indefinite-lived intangible assets of $109.3 and $105.5 are included in the Advanced Process Solutions reportable operating segment at September 30, 2023 and 2022, respectively. The net change in intangible assets in the Advanced Process Solutions reportable operating segment during the years ended September 30, 2023 and 2022, was driven primarily by acquisitions, amortization, and foreign currency adjustments. Finite-lived intangible assets, net of $412.9 and $450.3 are included in the Molding Technology Solutions reportable operating segment at September 30, 2023 and 2022, respectively. Indefinite-lived intangible assets of $112.1 are included in the Molding Technology Solutions reportable operating segment at both September 30, 2023 and 2022. The net change in intangible assets in the Molding Technology Solutions reportable operating segment during the years ended September 30, 2023 and 2022, was driven primarily by amortization and foreign currency adjustments.

Annual impairment assessment

As a result of the required annual impairment assessment performed in the fourth quarter of 2023 and 2022, as discussed in the goodwill section above, the fair value of indefinite-lived trade names was determined to exceed the carrying value for all indefinite-lived trade names, resulting in no impairment to indefinite-lived trade names as a result of the annual impairment tests during the years ended September 30, 2023 and 2022. The key assumptions used to determine the fair value of the Company's indefinite-lived trade names are consistent with those described in the Goodwill section above, with the exception of the royalty rate utilized in the relief-from-royalty method, which ranged from 0.5% to 3.0%.

Environmental liabilities — Expenditures that relate to an existing condition caused by past operations which do not contribute to current or future net revenue generation are expensed. A reserve is established when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These reserves are determined without consideration of possible loss recoveries. Based on consultations with an environmental engineer, the range of liability is estimated based on current interpretations of environmental laws and regulations. A determination is made of the specific measures that are believed to be required to remediate the site, the estimated total cost to carry out the remediation plan, and the periods in which the Company will make payments toward the remediation plan. The Company does not make an estimate of inflation for environmental matters because the number of sites is relatively small, the Company believes the magnitude of costs to execute remediation plans is not significant, and the estimated time frames to remediate sites are not believed to be lengthy.

Specific costs included in environmental expense and reserves include site assessment, remediation plan development, clean-up costs, post-remediation expenditures, monitoring, fines, penalties, and legal fees. The amount reserved represents the expected undiscounted future cash outflows associated with such plans and actions and the Company believes is not significant to Hillenbrand.

Self-insurance — The Company is self-funded up to certain limits in the U.S. for product and general liability, workers compensation, and auto liability insurance programs, as well as certain employee health benefits including medical, drug, and dental. Claims covered by insurance have in most instances deductibles and self-funded retentions up to $0.5 per occurrence, depending upon the type of coverage and policy period. The Company's policy is to estimate reserves for product and general liability, workers compensation, and auto liability based upon a number of factors, including known claims, estimated incurred but not reported claims, and outside actuarial analysis. The outside actuarial analysis is based on historical information along with certain assumptions about future events. These reserves are classified as other current liabilities and other long-term liabilities within the Consolidated Balance Sheets.

Pension benefit plans — The Company sponsors retirement benefit plans covering some of our employees. The funded status of the Company's retirement benefit plans is recognized in the Consolidated Balance Sheets. The funded status is measured as the difference between the fair value of plan assets and the benefit obligation at September 30, the measurement date. For defined benefit retirement plans, the benefit obligation is the projected benefit obligation ("PBO"). The PBO represents the actuarial present value of benefits expected to be paid upon retirement based on estimated future compensation levels. These valuations reflect the terms of the plans and use participant-specific information such as compensation, age and years of service, as well as certain key assumptions that require significant judgment, including, but not limited to, estimates of discount rates, expected return on plan assets, rate of compensation increases, interest rates and mortality rates. The Company recognizes the change in the fair value of plan assets and net actuarial gains and losses annually in the fourth quarter of each fiscal year and whenever a plan is determined to qualify for a remeasurement. The remaining components of net pension (benefit) costs are recorded ratably on a quarterly basis.

Treasury stock consists of the Company's common shares that have been issued but subsequently reacquired. The Company accounts for treasury stock purchases under the cost method. When these shares are reissued, the Company uses an average-cost method to determine cost. Proceeds in excess of cost are credited to additional paid-in capital.

There were no shares repurchased during the year ended September 30, 2023. During the year ended September 30, 2022, the Company repurchased 4,767,000 shares for $203.9 in the aggregate. Such shares were classified as treasury stock. During the years ended September 30, 2023, 2022, and 2021, there were shares of approximately 1,000,000, 1,000,000, and 700,000, respectively, issued from treasury stock under stock compensation programs.

Preferred stock — The Company has authorized 1,000,000 shares of preferred stock (no par value), of which no shares were issued or outstanding at September 30, 2023 and 2022.

Accumulated other comprehensive loss — Includes all changes in Hillenbrand shareholders' equity during the period except those that resulted from investments by or distributions to shareholders. Accumulated other comprehensive loss was comprised of the following amounts as of:

	September 30,	
	2023	2022
Currency translation	$ (107.1)	$ (113.7)
Pension and postretirement (net of taxes of $11.5 and $11.9)	(34.5)	(32.8)
Unrealized loss on derivative instruments (net of taxes of $0.7 and $1.2)	(5.5)	(9.1)
Accumulated other comprehensive loss	$ (147.1)	$ (155.6)

Revenue recognition — Net revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring goods or providing services and is recognized when performance obligations are satisfied under the terms of contracts with customers.

A performance obligation is deemed to be satisfied by the Company when control of the product or service is transferred to the customer. The transaction price of a contract, or the amount the Company expects to receive upon satisfaction of the performance obligation, is determined by reference to the contract's terms and includes adjustments, if applicable, for any variable consideration, such as sales discounts and sales incentives, all of which require us to make estimates for the portion of these allowances that have yet to be credited or paid to our customers. We estimate these allowances using the expected value method, which is based upon historical rates and projections of customer purchases toward contractual rebate or incentive thresholds. If a contract contains more than one distinct performance obligation, the transaction price is allocated to each performance obligation based on the standalone selling price of each performance obligation; however, these situations do not occur frequently and are not material to the Consolidated Financial Statements, as our contracts generally include one performance obligation for the transfer of goods or services.

The timing of revenue recognition for the contract's performance obligation is either over time or at a point in time. We recognize revenue over time for contracts that have an enforceable right to collect payment for performance completed to date upon customer cancellation and provide one or more of the following: (i) service over a period of time, (ii) highly customized equipment, or (iii) parts which are highly engineered and have no alternative use. Net revenue generated from standard equipment and highly customized equipment or parts contracts without an enforceable right to payment for performance completed to date, as well as net revenue from non-specialized parts sales, is recognized at a point in time.

We use the input method of "cost-to-cost" to recognize net revenue over time. Accounting for these contracts involves management judgment in estimating total contract revenue and cost. Contract revenue is largely determined by negotiated contract prices and quantities, modified by our assumptions regarding contract options, change orders, and incentive and award provisions associated with technical performance clauses. Contract costs are incurred over longer periods of time and, accordingly, the estimation of these costs requires judgment. We measure progress based on costs incurred to date relative to total estimated cost at completion. Incurred cost represents work performed, which corresponds with, and we believe thereby best depicts, the transfer of control to the customer. Contract costs include labor, material, and certain overhead expenses. Cost estimates are based on various assumptions to project the outcome of future events, including labor productivity and availability, the complexity of the work to be performed, the cost of materials, and the performance of suppliers and subcontractors. Significant factors that influence these estimates include inflationary trends, technical and schedule risk, internal and subcontractor performance trends, business volume assumptions, asset utilization, and anticipated labor agreements. Net revenue and cost estimates are regularly monitored and revised based on changes in circumstances. Anticipated losses on long-term manufacturing contracts are recognized immediately when such losses become evident. We maintain financial controls over the customer qualification, contract pricing, and estimation processes designed to reduce the risk of contract losses.

Standalone service net revenue is recognized either over time proportionately over the period of the underlying contract or as invoiced, depending on the terms of the arrangement. Standalone service revenue is not material to the Company.

Contract balances

The Company often requires an advance deposit based on the terms and conditions of contracts with customers for many of its contracts. Payment terms generally require an upfront payment at the start of the contract, and the remaining payments during the contract or within a certain number of days of delivery. Typically, net revenue is recognized within one year of receiving an advance deposit. For certain contracts within the Advanced Process Solutions reportable operating segment where an advance payment is received greater than one year from expected net revenue recognition, or a portion of the payment due extends beyond one year, the Company has determined it does not constitute a significant financing component.

The timing of revenue recognition, billings, and cash collections can result in trade receivables, advance payments, and billings in excess of net revenue recognized. Customer receivables include amounts billed and currently due from customers and are included in trade receivables, net, as well as unbilled amounts (contract assets) which are included in receivables from long-term manufacturing contracts on the Consolidated Balance Sheets. Amounts are billed in accordance with contractual terms or as work progresses in accordance with contractual terms. Unbilled amounts arise when the timing of billing differs from the timing of net revenue recognized, such as when contract provisions require specific milestones to be met before a customer can be billed. Unbilled amounts primarily relate to performance obligations satisfied over time when the cost-to-cost method is used and the revenue recognized exceeds the amount billed to the customer as there is not yet a right to payment in accordance with contractual terms. Unbilled amounts are recorded as a contract asset when the net revenue associated with the contract is recognized prior to billing and derecognized when billed in accordance with the terms of the contract.

Advance payments and billings in excess of net revenue recognized are included in liabilities from long-term manufacturing contracts and advances on the Consolidated Balance Sheets. Advance payments and billings in excess of net revenue recognized represent contract liabilities and are recorded when customers remit contractual cash payments in advance of us satisfying performance obligations under contractual arrangements, including those with performance obligations satisfied over time. Billings in excess of net revenue recognized primarily relate to performance obligations satisfied over time when the cost-to-cost method is used and revenue cannot yet be recognized as the Company has not completed the corresponding performance obligation. Contract liabilities become unrecognized when net revenue is recognized and the performance obligation is satisfied.

The balance in receivables from long-term manufacturing contracts at September 30, 2023 and 2022 was $260.2 and $213.3, respectively. The change was driven by acquisitions and the impact of net revenue recognized prior to billings. The balance in the liabilities from long-term manufacturing contracts and advances at September 30, 2023 and 2022 was $388.5 and $290.3, respectively, and consists primarily of cash payments received or due in advance of satisfying performance obligations. The net revenue recognized for the years ended September 30, 2023 and 2022 related to liabilities from long-term manufacturing contracts and advances as of September 30, 2022 and 2021 was $218.5 and $203.8, respectively. During the years ended September 30, 2023, 2022, and 2021, the adjustments related to performance obligations satisfied in previous periods were immaterial.

Costs incurred to obtain a customer contract are not material to the Company. The Company elected to apply the practical expedient to not capitalize contract costs to obtain contracts with a duration of one year or less, which are expensed as incurred.

Cost of goods sold consists primarily of purchased material costs, fixed manufacturing expense, variable direct labor, and overhead costs. It also includes costs associated with the distribution and delivery of products.

Research and development costs are expensed as incurred as a component of operating expenses and were $25.4, $19.8, and $20.3 for the years ended September 30, 2023, 2022, and 2021, respectively.

Warranty costs — The Company records the estimated warranty cost of a product at the time net revenue is recognized. Warranty expense is accrued based upon historical information and may also include specific provisions for known conditions. Warranty obligations are affected by actual product performance and by material usage and service costs incurred in making product corrections. The Company's warranty provision takes into account the best estimate of amounts necessary to settle future and existing claims on products sold. The Company engages in extensive product quality programs and processes in an effort to minimize warranty obligations, including active monitoring and evaluation of the quality of component suppliers. Warranty reserves were $35.8 and $22.4 as of September 30, 2023 and 2022, respectively. Warranty costs are recorded as a component of cost of goods sold and were $15.2, $10.6, and $13.3 during the years ended September 30, 2023, 2022, and 2021, respectively.

Income taxes — The Company establishes deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the Consolidated Financial Statements. Deferred tax assets and liabilities are determined in part based on the differences between the accounting treatment of tax assets and liabilities under GAAP and the tax basis of assets and liabilities using statutory tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in statutory tax rates on deferred tax assets and liabilities is recognized in consolidated net income in the period that includes the enactment date. The Company continues to assert that most of the cash at its foreign subsidiaries represents earnings considered to be permanently reinvested for which deferred taxes have not been recorded in the Consolidated Financial

Statements, as the Company does not intend, nor does the Company foresee a need, to repatriate these funds. The Company continues to actively evaluate its global capital deployment and cash needs.

The Company has a variety of deferred income tax assets in numerous tax jurisdictions. The recoverability of these deferred income tax assets is assessed periodically, and valuation allowances are recognized if it is determined that it is more likely than not that the benefits will not be realized. When performing this assessment, the Company considers the ability to carryback losses to prior tax periods, future taxable income, the reversal of existing temporary differences, and tax planning strategies. The Company accounts for accrued interest and penalties related to unrecognized tax benefits in income tax expense.

Derivative financial instruments — The Company has hedging programs in place to manage its currency exposures. The objectives of the Company's hedging programs are to mitigate exposures in gross margin and non-functional-currency-denominated assets and liabilities. Under these programs, the Company uses derivative financial instruments to manage the economic impact of fluctuations in currency exchange rates. These include foreign currency exchange forward contracts, which generally have terms up to 24 months. Additionally, the Company periodically enters into interest rate swaps to manage or hedge the risks associated with indebtedness and interest payments. The Company's objectives in using these interest rate swaps are to add stability to interest expense and to manage exposure to interest rate movements.

The Company measures all derivative instruments at fair value and reports them on the Consolidated Balance Sheets as assets or liabilities. Changes in the fair value of derivatives are accounted for depending on the intended use of the derivative, designation of the hedging relationship, and whether or not the criteria to apply hedge accounting have been satisfied. If a derivative is designated as a fair value hedge, the gain or loss on the derivative and the offsetting loss or gain on the hedged asset or liability are recognized in earnings. For derivative instruments designated as a cash flow hedge, the effective portion of the gain or loss on the derivative instrument is reported as a component of accumulated other comprehensive loss and reclassified to earnings in the same period that the hedged transaction affects earnings. The portion of the gain or loss that does not qualify for hedge accounting is immediately recognized in earnings.

The aggregate notional amount of all derivative instruments was $164.6 and $156.0 at September 30, 2023 and 2022, respectively. The carrying value of all of the Company's derivative instruments at fair value resulted in assets of $1.5 and $2.6 (included in prepaid expenses and other current assets) and liabilities of $1.7 and $8.0 (included in other current liabilities and other long-term liabilities) at September 30, 2023 and 2022, respectively. See Note 14 for additional information on the fair value of the Company's derivative instruments.

Foreign currency derivatives

Contracts designated as cash flow hedges for customer orders or intercompany purchases have an offsetting tax-adjusted amount in accumulated other comprehensive loss. Foreign exchange contracts intended to manage foreign currency exposures within the Consolidated Balance Sheets have an offsetting amount recorded in other income, net. The cash flows from such hedges are presented in the same category in the Consolidated Statement of Cash Flows as the items being hedged.

Other financial instruments — The Company has a trade receivables financing arrangement (the "Arrangement") with a financial institution (the "Factor"). In accordance with Accounting Standards Codification ("ASC") 860, *Transfers and Servicing*, this Arrangement is not deemed a true sale, as the Company retains effective control over the transferred trade receivables. As such, the Company continues to report the transferred financial assets as trade receivables on the Consolidated Balance Sheet with no change in the assets' measurement, and recorded the amounts payable to the Factor as secured borrowings. As of September 30, 2023, the Company's secured borrowing (liability) under this arrangement was $20.9, which is included in other current liabilities in the Consolidated Balance Sheet. This Arrangement did not exist at September 30, 2022.

Business acquisitions and related business acquisition and integration costs — Assets and liabilities associated with business acquisitions are recorded at fair value, using the acquisition method of accounting. The Company allocates the purchase price of acquisitions based upon the fair value of each component, which may be derived from observable or unobservable inputs and assumptions. The Company generally utilizes third-party valuation specialists to assist us in this allocation. Initial purchase price allocations are preliminary and subject to revision within the measurement period, generally not to exceed one year from the date of acquisition.

Business acquisition and integration costs are expensed as incurred and are reported as a component of cost of goods sold and operating expenses depending on the nature of the cost. The Company defines these costs to include finder's fees, advisory, legal, accounting, valuation, and other professional or consulting fees, as well as travel associated with investigating opportunities (including acquisition and divestitures). Business acquisition and integration costs also include costs associated with acquisition tax planning, retention bonuses, and related integration costs. These costs exclude the ongoing expenses of the Company's business development department.

Businesses and assets held for sale — Businesses and assets held for sale represent components that meet accounting requirements to be classified as held for sale and are presented as single asset and liability amounts in the Consolidated Financial Statements with a valuation allowance, if necessary, to recognize the net carrying amount at the lower of cost or fair value, less cost to sell.

For assets (disposal group) held for sale, the disposal group as a whole is measured at the lower of its carrying amount or fair value less cost to sell after adjusting the individual assets of the disposal group, if necessary. If the carrying value of assets, after the consideration of other asset valuation guidance, exceeds fair value less cost to sell, the Company establishes a valuation adjustment which would offset the original carrying value of disposal group. This valuation adjustment would be adjusted based on subsequent changes in our estimate of fair value less cost to sell. If the fair value less cost to sell increases, the carrying amount of the long-lived assets would be adjusted upward; however, the increased carrying amount cannot exceed the carrying amount of the disposal group before the decision to dispose of the assets was made. Estimates are required to determine the fair value, the disposal costs and the time period to dispose of the assets. The estimate of fair value incorporates the transaction approach, which utilizes pricing indications derived from recent acquisition transactions involving comparable companies. Such estimates are critical in determining whether any impairment charge should be recorded and the amount of such charge if an impairment loss is deemed to be necessary. The Company reviews all businesses and assets held for sale each reporting period to determine whether the existing carrying amounts are fully recoverable in comparison to estimated fair values, less cost to sell. See Note 4 for further information.

Restructuring costs may occur when the Company takes action to exit or significantly curtail a part of the Company's operations or change the deployment of assets or personnel. A restructuring charge can consist of an impairment or accelerated depreciation of affected assets, severance costs associated with reductions to the workforce, costs to terminate an operating lease or contract, and charges for legal obligations for which no future benefit will be derived.

Recently adopted accounting standards — In December 2019, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*. ASU 2019-12 clarifies and simplifies accounting for income taxes by eliminating certain exceptions for intraperiod tax allocation principles, the methodology for calculating income tax rates in an interim period, and recognition of deferred taxes for outside basis differences in an investment, among other updates. ASU 2019-12 became effective for the Company's fiscal year beginning on October 1, 2021. The adoption of ASU 2019-12 did not have a material impact on the Consolidated Financial Statements.

In October 2021, the FASB issued ASU 2021-08, *Business Combinations (Topic 805) - Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*. ASU 2021-08 requires companies to apply Accounting Standards Codification 606, *Revenue from Contracts with Customers* ("ASC 606"), to recognize and measure contract assets and contract liabilities from contracts with customers acquired in a business combination. This generally will result in an acquirer recognizing contract assets and contract liabilities at amounts consistent with those recorded by the acquiree immediately before the acquisition as compared to the ASC 805, *Business Combinations* ("ASC 805") requirement that an acquirer recognize and measure the assets it acquires and liabilities it assumes at fair value on the acquisition date. ASU 2021-08 is effective for the Company's fiscal year beginning October 1, 2023, with early adoption permitted. The Company elected to early adopt ASU 2021-08, and applied it to all acquisitions executed in the current year, as applicable.

No other new accounting pronouncements recently adopted or issued had or are expected to have a material impact on the Consolidated Financial Statements.

3. Revenue Recognition

Net revenue includes gross revenue less sales discounts and sales incentives, all of which require the Company to make estimates for the portion of these allowances that have yet to be credited or paid to customers. The Company estimates these allowances using the expected value method, which is based upon historical rates and projections of customer purchases toward contractual rebate thresholds.

Transaction price allocated to the remaining performance obligations

As of September 30, 2023, the aggregate amount of transaction price of remaining performance obligations, which corresponds to backlog, as defined in Part II, Item 7 of this Form 10-K, for the Company was $2,099.7. Approximately 81% of these remaining performance obligations are expected to be satisfied over the next twelve months, and the remaining performance obligations, primarily within one to three years.

Disaggregation of net revenue

The following tables present net revenue by end market:

	Year Ended September 30, 2023			Year Ended September 30, 2022		
	Advanced Process Solutions	Molding Technology Solutions	Total	Advanced Process Solutions	Molding Technology Solutions	Total
End Market						
Plastics and recycling	$ 1,033.3	$ —	$ 1,033.3	$ 925.2	$ —	$ 925.2
Automotive	—	208.4	208.4	—	196.7	196.7
Chemicals	126.3	—	126.3	101.0	—	101.0
Consumer goods	—	134.4	134.4	—	159.4	159.4
Food and pharmaceuticals	470.5	—	470.5	91.1	—	91.1
Custom molders	—	110.1	110.1	—	143.9	143.9
Packaging	—	135.0	135.0	—	130.3	130.3
Construction	—	131.8	131.8	—	121.3	121.3
Minerals	62.6	—	62.6	49.3	—	49.3
Electronics	—	75.4	75.4	—	77.6	77.6
Medical	—	67.0	67.0	—	82.2	82.2
Other industrial	130.8	140.4	271.2	103.2	134.1	237.3
Total	$ 1,823.5	$ 1,002.5	$ 2,826.0	$ 1,269.8	$ 1,045.5	$ 2,315.3

The following tables present net revenue by geographical market:

	Year Ended September 30, 2023			Year Ended September 30, 2022		
	Advanced Process Solutions	Molding Technology Solutions	Total	Advanced Process Solutions	Molding Technology Solutions	Total
Geographical Markets						
Americas	$ 670.1	$ 579.3	$ 1,249.4	$ 308.4	$ 583.0	$ 891.4
Asia	586.2	270.9	857.1	646.5	308.1	954.6
Europe, the Middle East, and Africa	567.2	152.3	719.5	314.9	154.4	469.3
Total	$ 1,823.5	$ 1,002.5	$ 2,826.0	$ 1,269.8	$ 1,045.5	$ 2,315.3

The following tables present net revenue by products and services:

	Year Ended September 30, 2023			Year Ended September 30, 2022		
	Advanced Process Solutions	Molding Technology Solutions	Total	Advanced Process Solutions	Molding Technology Solutions	Total
Products and Services						
Equipment	$ 1,319.5	$ 658.1	$ 1,977.6	$ 892.8	$ 718.2	$ 1,611.0
Parts and services	504.0	281.4	785.4	377.0	261.9	638.9
Other	—	63.0	63.0	—	65.4	65.4
Total	$ 1,823.5	$ 1,002.5	$ 2,826.0	$ 1,269.8	$ 1,045.5	$ 2,315.3

The following tables present net revenue by timing of transfer:

	Year Ended September 30, 2023			Year Ended September 30, 2022		
	Advanced Process Solutions	Molding Technology Solutions	Total	Advanced Process Solutions	Molding Technology Solutions	Total
Timing of Transfer						
Point in time	$ 972.1	$ 914.1	$ 1,886.2	$ 573.4	$ 1,001.5	$ 1,574.9
Over time	851.4	88.4	939.8	696.4	44.0	740.4
Total	$ 1,823.5	$ 1,002.5	$ 2,826.0	$ 1,269.8	$ 1,045.5	$ 2,315.3

4. Divestitures

Batesville

As previously described, on February 1, 2023, the Company completed the divestiture of Batesville to BL Memorial Partners, LLC, a Delaware limited liability company owned by funds affiliated with LongRange Capital, L.P., for $761.5, subject to closing adjustments, and including an $11.5 subordinated note. At closing, after the applicable adjustments, the Company received $698.0 in pre-tax cash proceeds, including an adjustment for cash on hand acquired from the Company, and the previously mentioned subordinated note.

This divestiture represented a strategic shift in Hillenbrand's business and qualified as a discontinued operation. Accordingly, the operating results and cash flows related to Batesville have been reflected as discontinued operations in the Consolidated Statements of Operations and the Consolidated Statements of Cash Flows for all periods presented, while the assets and liabilities that were divested were classified within the Consolidated Balance Sheets as held for sale in the periods preceding the divestiture. The Company recognized a $586.0 pre-tax gain on divestiture, recorded within gain on divestiture of discontinued operations (net of income tax expense) in the Consolidated Statement of Operations for the year ended September 30, 2023.

Certain indirect corporate costs included within operating expenses in the Consolidated Statements of Operations that were previously allocated to Batesville do not qualify for classification within discontinued operations and are now reported as operating expenses in continuing operations within corporate expenses. In addition, costs directly attributable to Batesville have been reflected in discontinued operations. As a result, income before income taxes of Batesville decreased $16.0, $3.1 and $0.7 for the years ended September 30, 2023, 2022 and 2021, respectively.

Discontinued operations

Components of amounts reflected in the Consolidated Statements of Operations related to discontinued operations are presented in the table, as follows:

	Year Ended September 30,		
	2023	2022	2021
Net revenue	$ 213.7	$ 625.6	$ 623.4
Cost of goods sold	142.2	434.8	398.4
Gross profit	71.5	190.8	225.0
Operating expense	42.3	76.4	77.9
Income from discontinued operations before income taxes	29.2	114.4	147.1
Income tax expense	9.7	14.9	19.9
Income from discontinued operations (net of income tax expense)	19.5	99.5	127.2
Gain on divestiture of discontinued operations (net of income tax expense of $142.9)	443.1	—	—
Total income from discontinued operations	$ 462.6	$ 99.5	$ 127.2

Assets and liabilities held for sale

The assets and liabilities of Batesville had been reflected as assets and liabilities held for sale in the periods preceding the divestiture. The following is a summary of the major categories of assets and liabilities held for sale at September 30, 2022:

Cash and cash equivalents	$	1.9
Trade receivables, net		59.5
Inventories		48.2
Other assets		6.5
Current assets held for sale	$	116.1
Property, plant and equipment, net	$	49.1
Operating lease right-of-use assets, net		35.6
Intangible assets, net		2.7
Goodwill		8.3
Long-term assets		9.6
Long-term assets held for sale	$	105.3
Trade accounts payable	$	62.0
Accrued compensation		13.6
Operating lease liabilities		13.0
Other liabilities		25.2
Current liabilities held for sale	$	113.8
Operating lease liabilities	$	22.1
Other liabilities		3.7
Long-term liabilities held for sale	$	25.8

Divestiture of Flow Control Businesses

On December 31, 2020, the Company completed the divestiture of Red Valve to DeZURIK, Inc. in a transaction valued at $63.0. The divestiture included cash proceeds received at closing of $59.4, including working capital adjustments, and a $5.0 note receivable, included within other long-term assets on the Consolidated Balance Sheet at September 30, 2023 and 2022.

As a result of the Red Valve divestiture, the Company recorded a pre-tax gain of $31.6 in the Consolidated Statement of Operations during the year ended September 30, 2021. The related tax effect resulted in tax expense of $9.3 and was included within income tax expense in the Consolidated Statement of Operations during the year ended September 30, 2021. The Company incurred $2.9 of transaction costs associated with the divestiture during the year ended September 30, 2021, which were recorded within operating expenses in the Consolidated Statement of Operations. Red Valve's results of operations were included within the Advanced Process Solutions reportable operating segment until the completion of the sale on December 31, 2020.

On March 10, 2021, the Company completed the divestiture of ABEL to IDEX Corporation, in a transaction valued at $103.5. The divestiture included cash proceeds received at closing of $106.3, including working capital adjustments.

As a result of the ABEL divestiture, the Company recorded a pre-tax gain of $35.5, after post-closing adjustments, in the Consolidated Statement of Operations during the year ended September 30, 2021. The related tax effect resulted in tax expense of $3.8 and was included within income tax expense in the Consolidated Statement of Operations during the year ended September 30, 2021. The Company incurred $3.9 of transaction costs associated with the divestiture during the year ended September 30, 2021, which were recorded within operating expenses in the Consolidated Statement of Operations. ABEL's results of operations were included within the Advanced Process Solutions reportable operating segment until the completion of the sale on March 10, 2021.

Divestiture of TerraSource

During the fourth quarter of 2021, the Company signed a definitive agreement to sell TerraSource, and as a result, recognized a non-cash valuation adjustment of $11.2 to recognize TerraSource at fair value less estimated cost to sell. The non-cash charge of $11.2 for the year ended September 30, 2021, was recorded within impairment charges on the Consolidated Statements of Operations.

On October 22, 2021, the Company completed the divestiture of TerraSource pursuant to a Contribution Agreement ("Agreement") between the Company and certain affiliated companies of industrial holding company Right Lane Industries ("RLI"). Under the terms of the Agreement, Hillenbrand contributed TerraSource and its subsidiaries to a newly formed entity, TerraSource Holdings, LLC ("Holdings"), with RLI obtaining majority ownership and full operational control of TerraSource. In exchange for contributing the TerraSource business, the Company received consideration in the form of a five-year note with initial principal amount of $25.6, subject to certain adjustments, and also retained a 49% equity interest in Holdings through one of the Company's indirect wholly-owned subsidiaries. The fair value of the total consideration received by the Company was $27.7. Subsequent to the divestiture, the Company's equity interest in Holdings, which is not material to the Company, is accounted for under the equity method of accounting as prescribed by GAAP.

As a result of the TerraSource divestiture, the Company recorded a pre-tax loss of $3.1, after post-closing adjustments, in the Consolidated Statement of Operations during the year ended September 30, 2022. The Company incurred $0.4 of transaction costs associated with the divestiture during the year ended September 30, 2022, which were recorded within operating expenses in the Consolidated Statement of Operations. TerraSource's results of operations were included within the Advanced Process Solutions reportable operating segment until the completion of the divestiture on October 22, 2021.

5. Acquisitions

Acquisition of Schenck Process Food and Performance Materials Business

On September 1, 2023, the Company completed its acquisition of FPM for total aggregate consideration of approximately $748.7, net of certain customary post-closing adjustments, and including cash acquired. The Company used available borrowings under its multi-currency revolving credit facility (the "Facility") to fund this acquisition.

Headquartered in Kansas City, Missouri, FPM specializes in the design, manufacturing, and service of feeding, filtration, baking, and material handling technologies and systems that are highly complementary to the equipment and solutions offered in our Advanced Process Solutions reportable operating segment. The results of FPM since the date of the acquisition are included in the Advanced Process Solutions reportable operating segment.

Preliminary purchase price allocation and other items

The Company utilized the services of an independent valuation consultant, along with estimates and assumptions determined by management, to estimate the fair value of the assets acquired and liabilities assumed. Given the timing of the acquisition, the valuation of property, plant, and equipment and leases is still in process of being valued by an independent valuation consultant. The preliminary allocation of the purchase price was based on an evaluation of the appropriate fair values and represents management's best estimate based on available data. The purchase price allocation of the assets acquired and liabilities assumed is preliminary until the contractual post-closing adjustments are finalized, the final independent valuation consultant report is issued, and the measurement period allowed for under ASC 805 has closed. The final determination of the fair value of assets acquired and liabilities assumed will be completed within the one-year measurement period as allowed by ASC 805. Changes during the measurement period could be material. Based on the timing of this acquisition, there were no measurement period adjustments during the year ended September 30, 2023. Based on current fair value estimates, the preliminary purchase price for FPM has been allocated to individual assets acquired and liabilities assumed as of the acquisition date:

	September 1, 2023
Assets acquired:	
Cash and cash equivalents	$ 17.3
Trade receivables	65.2
Receivables from long-term manufacturing contracts	22.4
Inventories	64.8
Prepaid expenses and other current assets	10.3
Property, plant, and equipment	27.3
Operating lease right-of-use assets	11.0
Intangible assets	338.0
Goodwill	476.5
Other non-current assets	2.7
Total assets acquired	1,035.5
Liabilities assumed:	
Trade accounts payable	59.4
Liabilities from long-term manufacturing contracts	86.6
Accrued compensation	13.5
Other current liabilities	45.7
Operating lease liabilities	9.5
Deferred income taxes	69.0
Other non-current liabilities	3.1
Total liabilities assumed	286.8
Net assets acquired	$ 748.7

Intangible assets identified

The preliminary purchase price allocation included $338.0 of acquired identifiable intangible assets. Intangible assets consist of FPM's technology and customer relationships and will be amortized on a straight-line basis over the respective estimated periods for which the intangible assets will provide economic benefit to the Company. The determination of the useful lives is based upon various industry studies, historical acquisition experience, degree of stability in the current FPM customer base, economic factors, and expected future cash flows of the Company following the acquisition of FPM. The technology was valued using the relief-from-royalty method of the income approach. Customer relationships were valued using the multi-period excess earnings method of the income approach. Significant assumptions used in the valuations included FPM's future cash flow projections, which were based on estimates used to price the FPM acquisition, discount rates that were benchmarked with reference to the implied rate of return to the Company's pricing model, and the applicable weighted-average cost of capital (12%).

The preliminary amounts allocated to intangible assets are as follows:

	Gross Carrying Amount	Weighted-Average Useful Life
Customer relationships	$ 290.0	15 years
Technology	48.0	12 years
Total intangible assets	$ 338.0	

Goodwill was calculated as the excess of the consideration transferred over the net assets recognized and represents the estimated future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. The factors contributing to the recognition of goodwill were based on strategic benefits that are expected to be realized from the acquisition. None of the goodwill is expected to be deductible for income tax purposes.

The working capital assets and liabilities were valued using Level 2 inputs, which included data points that are observable, such as definitive sales agreements, appraisals or established market values of comparable assets (market approach). Goodwill and identifiable intangible assets were valued using Level 3 inputs, which are unobservable by nature, and included internal estimates of future cash flows (income approach). Significant increases (decreases) in any of those unobservable inputs in isolation would result in a significantly lower (higher) fair value measurement. Management used a third-party valuation firm to assist in the determination of the preliminary purchase accounting fair values, specifically those considered Level 3 measurements. Management ultimately oversees the third-party valuation firm to ensure that the transaction-specific assumptions are appropriate for the Company.

Impact on results of operations

The results of FPM's operations have been included in Hillenbrand's Consolidated Financial Statements since the September 1, 2023, acquisition date. The following table provides the results of operations for FPM included in Hillenbrand's Consolidated Statement of Operations:

	Year Ended September 30, 2023
Net revenue	$ 43.3
Income from continuing operations before income taxes	3.4

During the year ended September 30, 2023, the Company incurred $16.2 in acquisition expenses related to the FPM acquisition, which are included in operating expenses in the Consolidated Statement of Operations.

Acquisition of Peerless Food Equipment

On December 1, 2022, the Company completed the acquisition of Peerless for a purchase price of $59.2, net of certain customary post-closing adjustments and including cash acquired, using available borrowings under the Facility. Headquartered in Sidney, Ohio, Peerless is a premier supplier of industrial food processing equipment.

The acquisition of Peerless increased the Company's scale in the food end market, and combining Peerless' highly complementary equipment and solutions with other Advanced Process Solutions reportable operating segment technologies now allows the Company to deliver more comprehensive solutions to its customers. The results of Peerless since the date of acquisition are included in the Advanced Process Solutions reportable operating segment.

Preliminary purchase price allocation and other items

The Company utilized the services of an independent valuation consultant, along with estimates and assumptions determined by management, to estimate the fair value of the assets acquired and liabilities assumed. The preliminary allocation of the purchase price was based on an evaluation of the appropriate fair values and represents management's best estimate based on available data. The purchase price allocation of the assets acquired and liabilities assumed is preliminary until the contractual post-closing adjustments are finalized, the final independent valuation consultant report is issued, and the measurement period allowed for under ASC 805 has closed. The final determination of the fair value of assets acquired and liabilities assumed will be completed within the one-year measurement period as allowed by ASC 805. Changes during the measurement period could be material. Based on current fair value estimates, the preliminary purchase price for Peerless has been allocated to individual assets acquired and liabilities assumed as of the acquisition date:

	December 1, 2022 (as initially reported)	Measurement Period Adjustments	December 1, 2022 (as adjusted)
Assets acquired:			
Current assets	$ 16.2	$ 1.3	$ 17.5
Property, plant, and equipment	2.3	—	2.3
Intangible assets	—	25.3	25.3
Goodwill	50.9	(27.3)	23.6
Total assets acquired	69.4	(0.7)	68.7
Liabilities assumed:			
Current liabilities	9.5	—	9.5
Total liabilities assumed	9.5	—	9.5
Net assets acquired	$ 59.9	$ (0.7)	$ 59.2

Measurement period adjustments

The preliminary purchase price allocation was based upon a preliminary valuation, and the Company's estimates and assumptions are subject to change within the measurement period (defined as one year following the acquisition date). As a result of further refining its estimates and assumptions since the date of the acquisition, the Company recorded measurement period adjustments to the initial opening balance sheet as shown in the table above. Adjustments were primarily made to intangible assets and goodwill. There were no measurement period adjustments materially impacting earnings that would have been recorded in previous reporting periods if the adjustments had been recognized as of the acquisition date.

Intangible assets identified

The preliminary purchase price allocation included $25.3 of acquired identifiable intangible assets. Intangible assets consist of Peerless' trade name and customer relationships, and will be amortized on a straight-line basis over the respective estimated periods for which the intangible assets will provide economic benefit to the Company. The determination of the useful lives is based upon various industry studies, historical acquisition experience, stability in the current Peerless customer base, economic factors, and future expected cash flows of the Company following the acquisition of Peerless. The trade name was valued using the relief-from-royalty method of the income approach. Customer relationships were valued using the multi-period excess earnings method of the income approach. Significant assumptions used in the valuations included Peerless' future cash flow projections, which were based on estimates used to price the Peerless acquisition, discount rates that were benchmarked with reference to the implied rate of return to the Company's pricing model, and the applicable weighted-average cost of capital (13%).

The preliminary amounts allocated to intangible assets are as follows:

	Gross Carrying Amount	Weighted-Average Useful Life
Customer relationships	$ 22.0	13 years
Trade name	3.3	10 years
Total intangible assets	$ 25.3	

Goodwill was calculated as the excess of the consideration transferred over the net assets recognized and represents the estimated future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. The factors contributing to the recognition of goodwill were based on strategic benefits that are expected to be realized from the acquisition. Goodwill is expected to be deductible for tax purposes.

The working capital assets and liabilities, as well as the property, plant, and equipment acquired, were valued using Level 2 inputs, which included data points that are observable, such as definitive sales agreements, appraisals or established market values of comparable assets (market approach). Goodwill and identifiable intangible assets were valued using Level 3 inputs, which are unobservable by nature, and included internal estimates of future cash flows (income approach). Significant increases (decreases) in any of those unobservable inputs in isolation would result in a significantly lower (higher) fair value measurement. Management used a third-party valuation firm to assist in the determination of the preliminary purchase accounting fair values, specifically those considered Level 3 measurements. Management ultimately oversees the third-party valuation firm to ensure that the transaction-specific assumptions are appropriate for the Company.

Impact on results of operations

The results of Peerless' operations have been included in Hillenbrand's Consolidated Financial Statements since the December 1, 2022, acquisition date. The following table provides the results of operations for Peerless included in Hillenbrand's Consolidated Statement of Operations:

	Year Ended September 30, 2023
Net revenue	$ 32.1
Income from continuing operations before income taxes	2.6

During the year ended September 30, 2023, the Company incurred $0.5 in acquisition expenses related to the Peerless acquisition, which are included in operating expenses in the Consolidated Statement of Operations.

Acquisition of LINXIS Group SAS

On October 6, 2022, the Company completed the acquisition of Linxis from IBERIS INTERNATIONAL S.À R.L, an affiliate of IK Partners, and additional sellers (collectively, the "Sellers"). As a result of the acquisition, the Company acquired from the Sellers all of the issued and outstanding securities of Linxis, and Linxis became a wholly owned subsidiary of the Company for total aggregate consideration of $590.8 (€596.2) in cash, reflecting an approximate enterprise value of $566.8 (€572.0) plus cash acquired at closing, subject to certain customary post-closing adjustments. The Company used available borrowings under the Facility to fund this acquisition. With a global manufacturing, sales and service footprint, Linxis specializes in design, manufacturing, and service of dosing, kneading, mixing, granulating, drying, and coating technologies. The results of Linxis since the date of acquisition are included in the Advanced Process Solutions reportable operating segment.

Purchase price allocation and other items

The Company utilized the services of an independent valuation consultant, along with estimates and assumptions determined by management, to estimate the fair value of the assets acquired and liabilities assumed. The allocation of the purchase price was based on an evaluation of the appropriate fair values and represents management's best estimate based on available data.

The following table summarizes the final fair values of the assets acquired and liabilities assumed as of the acquisition date:

	October 6, 2022 (as initially reported)	Measurement Period Adjustments	October 6, 2022 (as adjusted)
Assets acquired:			
Cash and cash equivalents	$ 22.9	$ —	$ 22.9
Trade receivables	31.5	(1.1)	30.4
Receivables from long-term manufacturing contracts	12.1	1.0	13.1
Inventories	80.1	(5.3)	74.8
Prepaid expenses and other current assets	11.7	(0.4)	11.3
Property, plant, and equipment	36.7	1.1	37.8
Operating lease right-of-use assets	15.0	—	15.0
Intangible assets	243.8	—	243.8
Goodwill	332.0	(7.8)	324.2
Other non-current assets	1.0	2.0	3.0
Total assets acquired	786.8	(10.5)	776.3
Liabilities assumed:			
Trade accounts payable	18.9	—	18.9
Liabilities from long-term manufacturing contracts	52.0	—	52.0
Accrued compensation	10.3	—	10.3
Other current liabilities	19.6	1.1	20.7
Accrued pension and postretirement healthcare	3.9	—	3.9
Operating lease liabilities	9.4	—	9.4
Deferred income taxes	77.0	(10.0)	67.0
Other non-current liabilities	0.3	—	0.3
Total liabilities assumed	191.4	(8.9)	182.5
Net assets acquired	595.4	(1.6)	593.8
Less: Fair value of Linxis noncontrolling interest [1]	(4.6)	1.6	(3.0)
Purchase price consideration	$ 590.8	$ —	$ 590.8

[1] While the Company acquired all issued and outstanding securities of Linxis in the acquisition, there remain certain noncontrolling interests in two subsidiaries of Linxis that existed as of the acquisition date.

Measurement period adjustments

The preliminary purchase price allocation was based upon a preliminary valuation, and the Company's estimates and assumptions are subject to change within the measurement period (defined as one year following the acquisition date). As a result of further refining its estimates and assumptions since the date of the acquisition, the Company recorded measurement period adjustments to the initial opening balance sheet as shown in the table above. Adjustments were primarily made to inventories, other non-current assets, intangible assets and goodwill. There were no measurement period adjustments materially impacting earnings that would have been recorded in previous reporting periods if the adjustments had been recognized as of the acquisition date.

During the year ended September 30, 2023, the purchase price allocation for the acquisition was finalized.

Intangible assets identified

The purchase price allocation included $243.8 of acquired identifiable intangible assets. Intangible assets consist of Linxis's trade name portfolio and customer relationships and will be amortized on a straight-line basis over the respective estimated periods for which the intangible assets will provide economic benefit to the Company. The determination of the useful lives is based upon various industry studies, historical acquisition experience, degree of stability in the current Linxis customer base, economic factors, and expected future cash flows of the Company following the acquisition of Linxis. The trade name portfolio was valued using the relief-from-royalty method of the income approach. Customer relationships were valued using the multi-period excess earnings method of the income approach. Significant assumptions used in the valuations included Linxis' cash flow projections, which were based on estimates used to price the Linxis acquisition, discount rates that were benchmarked with reference to the implied rate of return to the Company's pricing model, and the applicable weighted-average cost of capital (12%).

The amounts allocated to intangible assets are as follows:

	Gross Carrying Amount	Weighted-Average Useful Life
Customer relationships	$ 211.1	13 years
Trade name	32.7	10 years
Total intangible assets	$ 243.8	

Goodwill was calculated as the excess of the consideration transferred over the net assets recognized and represents the estimated future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. The factors contributing to the recognition of goodwill were based on strategic benefits that are expected to be realized from the acquisition. None of the goodwill is expected to be deductible for income tax purposes.

The working capital assets and liabilities, as well as the property, plant and equipment acquired, were valued using Level 2 inputs, which included data points that are observable, such as definitive sales agreements, appraisals or established market values of comparable assets (market approach). Goodwill and identifiable intangible assets were valued using Level 3 inputs, which are unobservable by nature, and included internal estimates of future cash flows (income approach). Significant increases (decreases) in any of those unobservable inputs in isolation would result in a significantly lower (higher) fair value measurement. Management used a third-party valuation firm to assist in the determination of the preliminary purchase accounting fair values, specifically those considered Level 3 measurements. Management ultimately oversees the third-party valuation firm to ensure that the transaction-specific assumptions are appropriate for the Company.

Impact on results of operations

The results of Linxis' operations have been included in Hillenbrand's Consolidated Financial Statements since the October 6, 2022, acquisition date. The following table provides the results of operations for Linxis included in Hillenbrand's Consolidated Statement of Operations:

	Year Ended September 30, 2023
Net revenue	$ 324.4
Income from continuing operations before income taxes	14.2

During the years ended September 30, 2023 and 2022, the Company incurred $1.4 and $4.5, respectively, in acquisition expenses related to the Linxis acquisition, which are included in operating expenses in the Consolidated Statements of Operations.

Acquisition of Herbold Meckesheim GmbH

On August 31, 2022, the Company completed the acquisition of Herbold Meckesheim GmbH ("Herbold") for $77.7 (€77.5) in cash, pursuant to a definitive acquisition agreement dated June 30, 2022. Based in Meckesheim, Germany, Herbold is a leader in recycling systems, specializing in key process steps such as washing, separating, drying, shredding, and pulverizing.

The acquisition of Herbold advances the Company's long-term growth strategy in the key end market of recycling. Herbold offers highly complementary technologies to Hillenbrand's Coperion branded products and enhances the Company's offering of complete recycling solutions. The results of Herbold since the date of acquisition are included in the Advanced Process Solutions reportable operating segment.

Purchase price allocation and other items

The Company utilized the services of an independent valuation consultant, along with estimates and assumptions determined by management, to estimate the fair value of the assets acquired and liabilities assumed. The allocation of the purchase price was based on an evaluation of the appropriate fair values and represents management's best estimate based on available data.

The following table summarizes the final fair values of the assets acquired and liabilities assumed as of the acquisition date:

	August 31, 2022 (as initially reported)	Measurement Period Adjustments	August 31, 2022 (as adjusted)
Assets acquired:			
Current assets	$ 38.2	$ (0.5)	$ 37.7
Property, plant, and equipment	4.7	1.5	6.2
Intangible assets	—	22.6	22.6
Goodwill	69.3	(4.4)	64.9
Other assets	5.3	0.4	5.7
Total assets acquired	117.5	19.6	137.1
Liabilities assumed:			
Current liabilities	33.9	11.4	45.3
Other long-term liabilities	5.9	8.2	14.1
Total liabilities assumed	39.8	19.6	59.4
Net assets acquired	$ 77.7	$ —	$ 77.7

Measurement period adjustments

The preliminary purchase price allocation was based upon a preliminary valuation, and the Company's estimates and assumptions are subject to change within the measurement period (defined as one year following the acquisition date). As a result of further refining its estimates and assumptions since the date of the acquisition, the Company recorded measurement period adjustments to the initial opening balance sheet as shown in the table above. Adjustments were primarily made to intangible assets, goodwill, current liabilities, and other long-term liabilities. There were no measurement period adjustments materially impacting earnings that would have been recorded in previous reporting periods if the adjustments had been recognized as of the acquisition date.

During the year ended September 30, 2023, the purchase price allocation for the acquisition was finalized.

Intangible assets identified

The purchase price allocation included $22.6 of acquired identifiable intangible assets. Intangible assets consist of Herbold's trade name, technology, and customer relationships, and will be amortized on a straight-line basis over the respective estimated periods for which the intangible assets will provide economic benefit to the Company. The determination of the useful lives is based upon various industry studies, historical acquisition experience, stability in the current Herbold customer base, economic factors, and future expected cash flows of the Company following the acquisition of Herbold. The trade name and technology were valued using the relief-from-royalty method of the income approach. Customer relationships were valued using the multi-period excess earnings method of the income approach. Significant assumptions used in the valuations included Herbold's future cash flow projections, which were based on estimates used to price the Herbold acquisition, discount rates that were benchmarked with reference to the implied rate of return to the Company's pricing model, and the applicable weighted-average cost of capital (20%).

The amounts allocated to intangible assets are as follows:

	Gross Carrying Amount		Weighted-Average Useful Life
Customer relationships	$	10.2	15 years
Trade name		8.0	10 years
Technology		4.4	7 years
Total intangible assets	$	22.6	

Goodwill was calculated as the excess of the consideration transferred over the net assets recognized and represents the estimated future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. The factors contributing to the recognition of goodwill were based on strategic benefits that are expected to be realized from the acquisition. None of the goodwill is expected to be deductible for income tax purposes.

The working capital assets and liabilities, as well as the property, plant and equipment acquired, were valued using Level 2 inputs, which included data points that are observable, such as definitive sales agreements, appraisals or established market values of comparable assets (market approach). Goodwill and identifiable intangible assets were valued using Level 3 inputs, which are unobservable by nature, and included internal estimates of future cash flows (income approach). Significant increases (decreases) in any of those unobservable inputs in isolation would result in a significantly lower (higher) fair value measurement. Management used a third-party valuation firm to assist in the determination of the preliminary purchase accounting fair values, specifically those considered Level 3 measurements. Management ultimately oversees the third-party valuation firm to ensure that the transaction-specific assumptions are appropriate for the Company.

Impact on results of operations

The results of Herbold's operations have been included in Hillenbrand's Consolidated Financial Statements since the August 31, 2022, acquisition date. The following table provides the results of operations for Herbold included in Hillenbrand's Consolidated Statement of Operations:

	Year Ended September 30,			
	2023		2022	
Net revenue	$	69.9	$	1.9
Income (loss) from continuing operations before income taxes		1.3		(1.2)

During the years ended September 30, 2023 and 2022, the Company incurred $0.1 and $1.8, respectively, in acquisition expenses related to the Herbold acquisition, which are included in operating expenses in the Consolidated Statements of Operations.

Acquisition of Gabler Engineering GmbH

On June 30, 2022, the Company completed the acquisition of Gabler Engineering GmbH ("Gabler") for $12.9 (€12.6) in cash. Gabler, based in Malsch, Germany, specializes in the design, engineering, manufacturing, and implementation of plants and equipment for the confectionery and pharmaceutical industries. The final determination of the fair value of assets acquired and liabilities assumed was completed during the year ended September 30, 2023. The majority of the purchase price allocation was assigned to the fair value of the acquired property, plant and equipment, working capital assets and liabilities, and residual goodwill (which was $6.2). There were no material changes in the purchase price allocation during 2023 the year ended September 30, 2023. Goodwill is not deductible for tax purposes. The results of Gabler are included in the Advanced Process Solutions reportable operating segment and are not material to the Consolidated Financial Statements for the years ended September 30, 2023 or 2022.

Supplemental Pro Forma Information

The supplemental pro forma financial information presented below is for illustrative purposes only and is not necessarily indicative of the financial position or results of operations that would have been realized if the Gabler, Herbold, Linxis, Peerless, and FPM acquisitions had been completed on the date indicated, do not reflect synergies that might have been achieved, and are not indicative of future results of operations or financial position. The pro forma adjustments are based upon currently available information and certain assumptions that Hillenbrand believes are reasonable under the circumstances.

The supplemental pro forma financial information reflects pro forma adjustments to present the combined pro forma results of operations as if the acquisitions of Gabler, Herbold, Linxis, Peerless, and FPM had occurred on October 1, 2020, to give effect to certain events that Hillenbrand believes to be directly attributable to the acquisitions. These pro forma adjustments primarily include:

- an increase to depreciation and amortization expense that would have been recognized due to acquired tangible and intangible assets;
- an adjustment to interest expense to reflect the additional borrowings of Hillenbrand and the repayment of Linxis's historical debt in conjunction with the acquisition;
- an adjustment to remove business acquisition and integration costs and inventory step-up costs during the years ended September 30, 2023, 2022 and 2021, as these costs are non-recurring in nature and would not have a continuing effect on Hillenbrand's results of operations; and
- the related income tax effects of the adjustments noted above.

The supplemental pro forma financial information for the periods presented is as follows:

	Year Ended September 30,		
	2023	2022	2021
Net revenue	$ 3,331.3	$ 3,241.4	$ 3,070.0
Income from continuing operations attributable to Hillenbrand	137.7	111.3	125.6
Income from continuing operations attributable to Hillenbrand — per share of common stock:			
Basic earnings per share from continuing operations	$ 1.97	$ 1.55	$ 1.68
Diluted earnings per share from continuing operations	$ 1.96	$ 1.54	$ 1.67

6. Leases

The Company's lease portfolio is comprised of operating leases primarily for manufacturing facilities, offices, vehicles, and certain equipment. At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease based on whether the contract conveys the right to control the use of identified property, plant or equipment for a period of time in exchange for consideration. Leases are classified as operating or finance leases at the commencement date of the lease. Operating leases are recorded within operating lease right-of-use assets, other current liabilities, and operating lease liabilities in the Consolidated Balance Sheets. The Company's finance leases were insignificant as of September 30, 2023 and 2022. Leases with an initial term of 12 months or less are not recorded on the Consolidated Balance Sheets. The Company elected an accounting policy to combine lease and non-lease components for all leases.

Operating lease right-of-use assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As the implicit rate is generally not readily determinable for most leases, the Company uses an incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The incremental borrowing rate reflects the estimated rate of interest that the Company would pay to borrow on a collateralized basis over a similar term in a similar economic environment. Lease expense for operating leases is recognized on a straight-line basis over the lease term.

Leases may include renewal options, and the renewal option is included in the lease term if the Company concludes that it is reasonably certain that the option will be exercised. A certain number of the Company's leases contain rent escalation clauses, either fixed or adjusted periodically for inflation of market rates, that are factored into the calculation of lease payments to the extent they are fixed and determinable at lease inception. The Company also has variable lease payments that do not depend on a rate or index, primarily for items such as common area maintenance and real estate taxes, which are recorded as variable costs when incurred.

For the years ended September 30, 2023 and 2022, the Company recognized $28.9 and $25.4 of operating lease expense, including short-term lease expense and variable lease costs, which were immaterial, in both periods.

The following table presents supplemental Consolidated Balance Sheet information related to the Company's operating leases as of:

	September 30, 2023	September 30, 2022
Operating lease right-of-use assets, net	$ 111.3	$ 87.9
Other current liabilities	18.6	15.7
Operating lease liabilities	88.1	70.5
Total operating lease liabilities	$ 106.7	$ 86.2
Weighted-average remaining lease term (in years)	7.1	5.6
Weighted-average discount rate	3.8 %	2.9 %

As of September 30, 2023, the maturities of the Company's operating lease liabilities were as follows:

2024	$ 23.0
2025	19.7
2026	16.2
2027	13.4
2028	12.0
Thereafter	36.4
Total lease payments	120.7
Less: imputed interest	(14.0)
Total present value of lease payments	$ 106.7

Supplemental Consolidated Statement of Cash Flow information is as follows:

	Year Ended September 30, 2023	Year Ended September 30, 2022
Cash paid for amounts included in the measurement of operating lease liabilities	$ 24.3	$ 20.7
Operating lease right-of-use assets obtained in exchange for new operating lease liabilities	12.2	24.4
Operating leases acquired in business combinations	31.4	4.9

7. Financing Agreements

The following table summarizes Hillenbrand's current and long-term debt as of:

	September 30, 2023	September 30, 2022
$1,000 revolving credit facility (excluding outstanding letters of credit)	$ 505.1	$ 6.7
$200 term loan	192.5	—
€185 term loan	195.0	—
$400 senior unsecured notes [1]	398.0	397.1
$375 senior unsecured notes [2]	372.9	372.2
$350 senior unsecured notes [3]	346.6	346.2
$100 Series A Notes [4]	—	99.9
Total debt	2,010.1	1,222.1
Less: current portion	19.7	—
Total long-term debt	$ 1,990.4	$ 1,222.1

[1] Includes unamortized debt issuance costs of $2.0 and $2.9 at September 30, 2023 and 2022, respectively.
[2] Includes unamortized debt issuance costs of $1.8 and $2.5 at September 30, 2023 and 2022, respectively.
[3] Includes unamortized debt issuance costs of $3.4 and $3.8 at September 30, 2023 and 2022, respectively.

(4) Includes unamortized debt issuance costs of $0.1 at September 30, 2022.

The following table summarizes the scheduled maturities of long-term debt for 2024 through 2028:

	Amount
2024	$ 19.7
2025	419.7
2026	403.4
2027	824.8
2028	—

Primary Financing Facilities

$1,000 Revolving Credit Facility, $200 Term Loan, and €185 Term Loan

On June 8, 2022, the Company entered into a Fourth Amended and Restated Credit Agreement (the "Credit Agreement"), which governs the multi-currency revolving credit facility (the "Facility"), by and among Hillenbrand and certain of its affiliates, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent. The Credit Agreement increased the maximum principal amount available for borrowing under the Facility to $1,000. The aggregate principal amount available for borrowing under the Credit Agreement may be expanded, subject to the approval of the lenders, by an additional $600. The Credit Agreement extended the maturity date of the Facility to June 8, 2027. The Credit Agreement further provided for a delayed-draw term loan facility in an aggregate principal amount of up to $200. The term loan commitment was subject to ticking fees if not drawn within 60 days of closing.

The Credit Agreement fully transitioned interest rate benchmarks from LIBOR-based interest rates to SOFR-based interest rates for U.S. dollar borrowings. Borrowings under the Credit Agreement may bear interest (A) if denominated in US dollars, at the Term SOFR Rate or the Alternate Base Rate (each as defined in the Credit Agreement) at the Company's option, (B) if denominated in Japanese Yen, Canadian dollars or Euros, at rates based on the rates offered for deposits in the applicable interbank markets for such currencies and (C) if denominated in Pounds Sterling or Swiss Francs, at SONIA and SARON, respectively (each as defined in the Credit Agreement), plus, in each case, margin based on the Company's leverage ratio, ranging from 0% to 0.525% for borrowings bearing interest at the Alternate Base Rate and from 0.90% to 1.525% for all other borrowings. The $200 Term Loan accrues interest, at the Company's option, at the Term SOFR Rate or the Alternate Base Rate plus a margin based on the Company's leverage ratio, ranging from 1.00% to 1.75% for term loans bearing interest at the Term SOFR Rate and 0% to 0.75% for term loans bearing interest at the Alternate Base Rate.

In November 2022, the Company drew $200.0 on the $200 Term Loan. The $200 Term Loan is subject to quarterly amortization payments equal to $2.5 for the first full twelve calendar quarters following the funding date, and quarterly amortization payments equal to $3.8 thereafter until the maturity date. The $200 Term Loan will mature on June 8, 2027.

On June 21, 2023, the Company entered into Amendment No. 1 the Credit Agreement (as amended, the "Amended Credit Agreement"). The Amended Credit Agreement includes, among other changes, establishment of a euro-denominated, delayed-draw term loan facility available to the Company's wholly owned subsidiary, Hillenbrand Switzerland GmbH, in an initial aggregate principal amount of up to €185 (the "€185 Term Loan") and the inclusion of requirements that would be triggered by a Collateral Springing Event (described below).

In August 2023, the Company drew €185.0 on the €185 Term Loan. The €185 Term Loan is subject to quarterly amortization payments equal to €2.3 for the first full eight calendar quarters following the funding date, and €3.5 thereafter until the maturity date. The €185 Term Loan accrues interest at the Adjusted EURIBO Rate (as defined in the Amended Credit Agreement) plus a margin based on the Company's leverage ratio, ranging from 1.00% to 2.25%, and will mature on June 8, 2027.

The Amended Credit Agreement increases the maximum permitted leverage ratio to 4.50x for the twelve-month period ending June 30, 2024, stepping down to 4.00x for the three months ended September 30, 2024 and December 31, 2024, to 3.75x for the three months ended March 31, 2025, and to 3.50x for the three months ended June 30, 2025, and thereafter. The Amended Credit Agreement also requires mandatory prepayments of the €185 Term Loan with 100% of net proceeds from asset sales (subject to customary carve outs and reinvestment rights) and contains additional limitations on liens and restricted payments during the Adjustment Period (defined below). Except for the amendments applicable during the Adjustment Period (defined below), the Amended Credit Agreement contains substantially the same affirmative and negative covenants and events of default. New deferred financing costs related to the Amended Credit Agreement were $2.6, which along with existing costs of $3.4, are being amortized to interest expense over the remaining term of the Facility.

On July 14, 2023, the Company entered into Amendment No. 2 to the Fourth Amended and Restated Credit Agreement. Amendment No. 2 clarifies and further defines the requirements for inclusion as a Letter of Credit, as defined in the Amended Credit Agreement.

With respect to the Facility, as of September 30, 2023 and 2022, the Company had outstanding balances of $505.1 and $6.7, respectively. As of September 30, 2023, the Company had $19.8 in outstanding letters of credit issued and $475.1 of available borrowing capacity under the Facility, all of which was immediately available based on our most restrictive covenant. The weighted-average interest rate on borrowings under the Facility was 3.05% and 2.28% for the years ended September 30, 2023 and 2022, respectively. The weighted average facility fee was 0.17% and 0.15% for the years ended September 30, 2023 and 2022, respectively. The weighted-average interest rate on the $200 Term Loan was 6.30% for the year ended September 30, 2023. The weighted-average interest rate on the €185 Term Loan was 5.39% for the year ended September 30, 2023. The weighted average ticking fees for the $200 Term Loan was 0.15% for the period ended September 30, 2022.

On June 9, 2022, Hillenbrand and certain of its domestic subsidiaries entered into the eighth amendment to the Shelf Agreement, which amends the private shelf agreement dated December 6, 2012, (as amended, the "Shelf Agreement"), among Hillenbrand, the subsidiary guarantors, Prudential, and each Prudential Affiliate (as defined therein), pursuant to which the Company issued $100, 4.6% Series A unsecured notes maturing December 15, 2024. The amendment conforms certain terms of the Shelf Agreement with those contained in the Credit Agreement.

€325 L/G Facility Agreement

On June 21, 2022, Hillenbrand and certain of its subsidiaries entered into a Syndicated L/G Facility Agreement (the "L/G Facility Agreement") with Commerzbank Aktiengesellschaft, as coordinator, mandated lead arranger, and bookrunner, the other financial institutions party thereto as lenders and issuing banks, and Commerzbank Finance & Covered Bond S.A., as agent. The L/G Facility Agreement replaced the Company's Syndicated L/G Facility Agreement dated March 8, 2018, as amended, and permits Hillenbrand and certain of its subsidiaries (collectively, the "Participants") to request that one or more of the lenders issue, on the Participants' behalf, up to an aggregate of €225 in unsecured letters of credit, bank guarantees or other surety bonds (collectively, the "Guarantees").

The Guarantees carry an annual fee that varies based on the Company's leverage ratio. The L/G Facility Agreement also provides for a leverage-based commitment fee assessed on the undrawn portion of the facility.

On June 22, 2023, the Company entered into an Amendment and Restatement Agreement (as amended, the "Amended L/G Agreement") which amends and restates the L/G Facility Agreement. The Amended L/G Agreement includes, among other changes, an increase in the facility from €225 to €325 and the inclusion of requirements that would be triggered by a Collateral Springing Event (described below).

The Amended L/G Agreement increases the maximum permitted leverage ratio to 4.50x for the twelve-month period ended June 30, 2024, stepping down to 4.00x for the three months ended September 30, 2024 and December 31, 2024, to 3.75x for the three months ended March 31, 2025, and to 3.50x for the three months ended June 30, 2025, and thereafter. The Amended L/G Agreement contains additional limitations on liens and restricted payments during the Adjustment Period (defined below). Except for the amendments applicable during the Adjustment Period (defined below), the Amended L/G Agreement contains substantially the same affirmative and negative covenants and events of default. New deferred financing costs related to the Amended L/G Agreement were $0.7, which along with existing costs of $1.0, are being amortized to interest expense over the remaining term of the Amended L/G Agreement.

Guarantees may be issued in euros or certain other agreed-upon currencies. Specified sublimits apply, based on the specific lender and currency. The Amended L/G Agreement also provides for a leverage-based commitment fee assessed on the undrawn portion of the facility. The Amended L/G Agreement matures on June 22, 2027, but can be extended or terminated earlier under certain conditions. The Amended L/G Agreement contains representations, warranties and covenants that are customary for agreements of this type and contains specified customary events of default. The obligations under the Amended L/G Agreement are guaranteed by Hillenbrand and certain of its domestic subsidiaries named therein.

In the normal course of business, the Company provides, primarily to certain customers, bank guarantees and other credit arrangements in support of performance, warranty, advance payment, and other contractual obligations. This form of trade finance is customary in the industry and, as a result, the Company maintains adequate capacity to provide the guarantees. As of

September 30, 2023, the Company had credit arrangements totaling $587.9, under which $326.9 was utilized for this purpose. These arrangements included the facilities under the Amended L/G Agreement and other ancillary credit facilities.

Collateral Springing Event

The Amended Credit Agreement and the Amended L/G Agreement require the Company and certain domestic subsidiaries that are guarantors thereunder to take certain actions if a Collateral Springing Event (as defined in the agreements) occurs before the later of April 1, 2025 or the date that all principal, interest, and other amounts owing in respect of the €185 Term Loan have been paid in full (the "Adjustment Period"). After a Collateral Springing Event, the Company and the guarantors would be required to grant liens on substantially all of their assets (subject to customary exceptions for excluded assets, including an exception for Principal Property (as defined in the Company's indentures in respect of its senior notes) and for capital stock of entities that own any such Principal Property) in favor of the Administrative Agent and L/G Agent, as applicable, for the benefit of the secured parties.

Long Term Notes

$350 Senior Unsecured Notes

On March 3, 2021, the Company issued $350.0 of senior unsecured notes due March 2031 (the "2021 Notes"). The 2021 Notes were issued at par value and bear interest at a fixed rate of 3.75% per year, payable semi-annually in arrears beginning September 2021. Unamortized deferred financing costs associated with the 2021 Notes of $3.4 are being amortized to interest expense on a straight-line basis (which approximates the effective interest method) over the term of the 2021 Notes. The 2021 Notes are unsecured unsubordinated obligations of the Company and rank equally in right of payment with all other existing and future unsubordinated obligations.

Subject to certain limitations, in the event of a change of control repurchase event (as defined in the 2021 Notes), the Company will be required to make an offer to purchase the 2021 Notes at a price equal to 101% of the principal amount of the 2021 Notes, plus any accrued and unpaid interest to, but excluding, the date of repurchase. The Company may redeem the 2021 Notes at any time in whole, or from time to time in part, prior to March 1, 2026, at its option at the "make-whole" redemption price, as described in the Indenture. The Company may also redeem the 2021 Notes at any time in whole, or from time to time in part, on or after March 1 of the relevant year listed, as follows: 2026 at a redemption price of 101.875%; 2027 at a redemption price of 101.25%; 2028 at a redemption price of 100.625%; and 2029 and thereafter at a redemption price of 100%. At any time prior to March 1, 2024, the Company may redeem up to 40% of the aggregate principal amount of the 2021 Notes with the proceeds of one or more Equity Offerings (as defined in the Indenture) at a redemption price of 103.75% of the principal amount of the 2021 Notes being redeemed. In each of the above cases, the Company will also pay any accrued and unpaid interest to, but excluding, the applicable redemption date.

$400 Senior Unsecured Notes

On June 16, 2020, the Company issued $400.0 of senior unsecured notes due June 2025 (the "2020 Notes"). The 2020 Notes were issued at par value and bear interest at a fixed rate of 5.75% per year, payable semi-annually in arrears beginning December 2020. Unamortized deferred financing costs associated with the 2020 Notes of $2.0 are being amortized to interest expense on a straight-line basis (which approximates the effective interest method) over the remaining term of the 2020 Notes. The 2020 Notes are unsubordinated obligations of the Company and rank equally in right of payment with all other existing and future unsubordinated obligations.

Subject to certain limitations, in the event of a change of control repurchase event, the Company will be required to make an offer to purchase the 2020 Notes at a price equal to 101% of the principal amount of the 2020 Notes, plus any accrued and unpaid interest to, but excluding, the date of repurchase. In addition, the 2020 Notes are redeemable with prior notice at a price equal to par plus accrued interest and a make-whole amount, as described in the Indenture. The Company may also redeem the 2020 Notes at any time in whole, or from time to time in part, on or after June 15 of the relevant year listed, as follows: 2023 at a redemption price of 101.438%; and 2024 at a redemption price of 100%.

$375 Senior Unsecured Notes

On September 25, 2019, the Company issued $375.0 of senior unsecured notes due September 2026 (“2019 Notes”). The 2019 Notes initially had a fixed coupon rate of 4.5% per year, payable semi-annually in arrears beginning March 2020. The coupon rate on the 2019 Notes is impacted by public bond ratings from Moody’s and S&P Global, as downgrades from either rating agency increases the coupon rate by 0.25% per downgrade level below investment grade. During the third quarter of 2020, Moody’s and S&P Global each downgraded the Company’s senior unsecured credit rating by one level. As such, the original coupon rate of 4.5% on the 2019 Notes increased to 5%, effective September 15, 2020.

The 2019 Notes were issued at a discount of $0.6, resulting in an initial carrying value of $374.4. The Company is amortizing the discount to interest expense over the term of the 2019 Notes using the effective interest rate method, resulting in an annual interest rate of 4.53%. Unamortized deferred financing costs associated with the 2019 Notes of $1.8 are being amortized to interest expense on a straight-line basis (which approximates the effective interest method) over the remaining term of the 2019 Notes. The 2019 Notes are unsubordinated obligations of Hillenbrand and rank equally in right of payment with all of the Company’s other existing and future unsubordinated obligations.

Subject to certain limitations, in the event of a change of control, the Company will be required to make an offer to purchase the 2019 Notes at a price equal to 101% of the principal amount of the 2019 Notes, plus accrued and unpaid interest, if any, to but excluding the date of repurchase. In addition, the 2019 Notes are redeemable with prior notice at a price equal to par plus accrued interest and a make-whole amount.

$100.0 Series A Unsecured Notes

On December 15, 2014, the Company issued $100.0 in 4.6% Series A unsecured notes (“Series A Notes”) pursuant to the Private Shelf Agreement, dated as of December 6, 2012, among the Company, Prudential Investment Management, Inc. (“Prudential”) and each Prudential Affiliate (as defined therein) that became a purchaser thereunder. During the year ended September 30, 2023, the Company repaid in full the Series A Notes using a portion of the net proceeds from the Batesville divestiture and wrote off the remaining issuance costs ($0.1).

Covenants related to current Hillenbrand financing agreements

Except as described above, the Amended Credit Agreement and the Amended L/G Facility Agreement contain the following financial covenants: a maximum leverage ratio (as described above and defined in the agreements) of 3.50 to 1.00 and minimum ratio of EBITDA (as defined in the agreements) to interest expense of 3.00 to 1.00. The Company may elect to increase the maximum permitted leverage ratio to a ratio of 4.00 to 1.00 following certain acquisitions for four full fiscal quarters (plus the fiscal quarter in which the acquisition takes place). Additionally, the Amended Credit Agreement and the Amended L/G Facility Agreement provide the Company with the ability to sell assets and to incur debt at its international subsidiaries under certain conditions.

All obligations of the Company arising under the Amended Credit Agreement, the 2021 Notes, the 2020 Notes, the 2019 Notes, and the Amended L/G Facility Agreement are fully and unconditionally, and jointly and severally, guaranteed by certain of the Company’s domestic subsidiaries.

The Credit Agreement and the L/G Facility Agreement each contains certain other customary covenants, representations and warranties and events of default. The indentures governing the 2021 Notes, 2020 Notes and 2019 Notes do not limit our ability to incur additional indebtedness. They do, however, contain certain covenants that restrict our ability to incur secured debt and to engage in certain sale and leaseback transactions. The indentures also contain customary events of default. The indentures provide holders of the notes with remedies if the Company fails to perform specific obligations. As of September 30, 2023, the Company was in compliance with all covenants and there were no events of default.

8. Retirement Benefits

Defined Benefit Retirement Plans — Certain of the Company’s employees participate in one of ten defined benefit retirement programs, including defined benefit retirement plan in the U.S., the defined benefit retirement plans of certain of the Company’s foreign subsidiaries, and the supplemental executive defined benefit retirement plan. The Company funds the retirement plan trusts in compliance with the Employment Retirement Income Security Act (ERISA) or local funding requirements and as necessary to provide for current service and for any unfunded projected future benefit obligations over a reasonable period. The benefits for these plans are based primarily on years of service and the employee’s level of compensation during specific periods of employment. All defined benefit retirement plans have a September 30 measurement date.

Effect on the Consolidated Statements of Operations — The components of net pension (benefit) costs under defined benefit retirement plans were:

	U.S. Pension Benefits Year Ended September 30,			Non-U.S. Pension Benefits Year Ended September 30,		
	2023	2022	2021	2023	2022	2021
Service cost [1]	$ —	$ —	$ —	$ 1.5	$ 1.8	$ 2.0
Interest cost	11.1	6.2	5.8	4.2	0.8	0.7
Expected return on plan assets	(13.6)	(10.8)	(10.9)	(1.5)	(0.9)	(0.9)
Amortization of unrecognized prior service cost, net	—	—	—	0.1	0.1	0.1
Amortization of actuarial loss (gain)	0.3	1.5	2.2	(0.8)	1.8	2.9
Settlement (benefit) expense	—	—	—	(0.3)	0.1	0.3
Other one-time expense	—	—	—	—	0.3	—
Net pension (benefit) costs [2]	$ (2.2)	$ (3.1)	$ (2.9)	$ 3.2	$ 4.0	$ 5.1

(1) Service cost for U.S. Pension Benefits includes $0.1, $0.5 and $0.7 included within discontinued operations for the years ended September 30, 2023, 2022 and 2021, respectively.

(2) The components of net pension (benefit) costs are recorded within operating expenses on the Consolidated Statements of Operations.

The Company uses a full yield curve approach in the estimation of the service and interest cost components of our defined benefit retirement plans. Under this approach, the Company applies discounting using individual spot rates from a yield curve composed of the rates of return on several hundred high-quality, fixed income corporate bonds available at the measurement date. These spot rates align to each of the projected benefit obligations and service cost cash flows. The service cost component relates to the active participants in the plan, so the relevant cash flows on which to apply the yield curve are considerably longer in duration on average than the total projected benefit obligation cash flows, which also include benefit payments to retirees. Interest cost is computed by multiplying each spot rate by the corresponding discounted projected benefit obligation cash flows. The full yield curve approach reduces any actuarial gains and losses based upon interest rate expectations (e.g. built-in gains in interest cost in an upward sloping yield curve scenario), or gains and losses merely resulting from the timing and magnitude of cash outflows associated with the Company's benefit obligations. The Company uses the full yield curve approach to improve the correlation between projected benefit cash flows and the corresponding yield curve spot rates and to provide a more precise measurement of service and interest rate costs.

During 2019, the Company completed all negotiations to transition all employees at U.S. facilities from a defined benefit-based model to a defined contribution structure over three-year sunset periods, the latest of which ended January 1, 2023. These changes caused remeasurements for the U.S. defined benefit retirement plan for the affected populations as they were implemented. The remeasurements did not cause material changes, as the assumptions did not materially differ from the assumptions prior to the remeasurements.

Obligations and Funded Status — The change in benefit obligation and funded status of the Company's defined benefit retirement plans were:

	U.S. Pension Benefits September 30,		Non-U.S. Pension Benefits September 30,	
	2023	2022	2023	2022
Change in benefit obligation:				
Projected benefit obligation at beginning of year	$ 226.8	$ 302.3	$ 118.1	$ 171.7
Projected benefit obligation attributable to acquisitions	—	—	2.7	1.4
Service cost	—	—	1.5	1.8
Interest cost	11.1	6.2	4.2	0.8
Actuarial (gain) loss	(9.1)	(66.2)	1.5	(30.2)
Benefits paid	(15.3)	(16.0)	(3.5)	(5.1)
Settlements	—	—	(3.7)	(2.8)
Employee contributions	—	—	1.3	1.1
Other events	0.1	0.5	—	0.3
Effect of exchange rates on projected benefit obligation	—	—	9.4	(20.9)
Projected benefit obligation at end of year	213.6	226.8	131.5	118.1
Change in plan assets:				
Fair value of plan assets at beginning of year	225.4	303.2	41.5	47.6
Fair value of pension assets attributable to acquisitions	—	—	—	0.2
Actual return (loss) on plan assets	7.1	(63.9)	1.7	(4.1)
Employee and employer contributions	2.0	2.1	9.8	9.2
Benefits paid	(15.3)	(16.0)	(3.5)	(5.1)
Settlements	—	—	(3.7)	(2.8)
Effect of exchange rates on plan assets	—	—	3.2	(3.5)
Fair value of plan assets at end of year	219.2	225.4	49.0	41.5
Funded status:				
Plan assets less than benefit obligations	$ 5.6	$ (1.4)	$ (82.5)	$ (76.6)
Amounts recorded in the Consolidated Balance Sheets:				
Prepaid pension costs, non-current	$ 25.3	$ 19.6	$ 4.7	$ 5.4
Accrued pension costs, current portion	(1.9)	(2.0)	(6.7)	(5.7)
Accrued pension costs, long-term portion	(17.8)	(19.0)	(80.5)	(76.3)
Plan assets less than benefit obligations	$ 5.6	$ (1.4)	$ (82.5)	$ (76.6)

Net actuarial losses ($46.2) and prior service costs ($0.1), less an aggregate tax effect ($11.7), are included as components of accumulated other comprehensive loss at September 30, 2023. Net actuarial losses ($46.5) and prior service costs ($0.1), less an aggregate tax effect ($12.4), are included as components of accumulated other comprehensive loss at September 30, 2022. The amount that will be amortized from accumulated other comprehensive loss into net pension costs in 2024 is expected to be $(0.4).

Accumulated Benefit Obligation — The accumulated benefit obligation for all defined benefit retirement plans was $345.0 and $344.9 at September 30, 2023 and 2022, respectively. Selected information for plans with accumulated benefit obligations in excess of plan assets was:

	U.S. Pension Benefits September 30,		Non-U.S. Pension Benefits September 30,	
	2023	2022	2023	2022
Projected benefit obligation	$ 19.7	$ 20.9	$ 87.5	$ 82.3
Accumulated benefit obligation	19.7	20.9	87.5	82.3
Fair value of plan assets	—	—	0.3	0.3

The weighted-average assumptions used in accounting for defined benefit retirement plans were:

	U.S. Pension Benefits Year Ended September 30,			Non-U.S. Pension Benefits Year Ended September 30,		
	2023	2022	2021	2023	2022	2021
Discount rate for obligation, end of year	5.7 %	5.3 %	2.8 %	3.5 %	3.3 %	0.8 %
Discount rate for (benefit) costs, during the year	5.4 %	3.0 %	3.9 %	3.9 %	1.1 %	0.7 %
Expected rate of return on plan assets	5.2 %	5.2 %	4.0 %	3.1 %	1.9 %	2.0 %
Rate of compensation increase	N/A	3.0 %	2.4 %	2.0 %	2.0 %	2.0 %

The discount rates are evaluated annually based on current market conditions. In setting these rates, the Company utilizes long-term bond indices and yield curves as a preliminary indication of interest rate movements, then makes adjustments to the indices to reflect differences in the terms of the bonds covered under the indices in comparison to the projected outflow of pension obligations. The overall expected long-term rate of return is based on historical and expected future returns, which are inflation-adjusted and weighted for the expected return for each component of the investment portfolio. The rate of assumed compensation increase is also based on the Company's specific historical trends of past wage adjustments in recent years.

U.S. Pension Plan Assets — The Company terminated the U.S. Pension Plan on June 30, 2023, and is taking steps to wind down the plan and transfer the resulting liability to an insurance company in 2024. Accordingly, the Company currently employs a 100% liability-hedging portfolio of investments in order to reduce the volatility associated with equity investments. Pension plan assets are invested by the plans' fiduciaries, which direct investments according to specific policies. Those policies subject investments to the following restrictions in the Company's domestic plan: short-term securities must be rated A1/P1, liability-hedging fixed income securities must have an average quality credit rating of investment grade, and investments in equities in any one company may not exceed 10% of the equity portfolio.

Non-U.S. Pension Plan Assets — Long-term strategic investment objectives utilize a diversified mix of suitable assets of appropriate liquidity to generate income and capital growth that, together with contributions from participants, the Company believes will meet the cost of the current and future benefits that the plan provides. Long-term strategic investment objectives also seek to limit the risk of the assets failing to meet the liabilities over the long term.

None of Hillenbrand's common stock was directly owned by the defined benefit retirement plan trusts at September 30, 2023 or 2022.

The tables below provide the fair value of the Company's pension plan assets by asset category at September 30, 2023 and 2022. The accounting guidance on fair value measurements specifies a fair value hierarchy based upon the observability of inputs used in valuation techniques (Level 1, 2, and 3). See Note 15 for definitions.

Fair values are determined as follows:

- Cash equivalents are stated at the carrying amount, which approximates fair value, or at the fund's net asset value.
- Equity securities are stated at the last reported sales price on the day of valuation.
- Fixed income securities, include government and corporate bonds, are generally classified within Level 1 or Level 2 of the fair value hierarchy because they are valued using quoted market prices, broker or dealer quotations, or alternative pricing sources, primarily matrix pricing, with reasonable levels of price transparency. Matrix pricing, primarily used for corporate bonds, is based on quoted prices for securities with similar coupons, ratings, and maturities, rather than on specific bids and offers for the specific security.
- Government index funds are stated at the closing price reported in the active market in which the fund is traded.
- Corporate bond funds and equity mutual funds are stated at the closing price in the active markets in which the underlying securities of the funds are traded.
- Real estate is stated based on a discounted cash flow approach, which includes future rental receipts, expenses, and residual values as the highest and best use of the real estate from a market participant view as rental property.

U.S. Pension Plans

The pension plan assets of the Company's U.S. pension plans consist of cash equivalents as well as certain investments (common collective trusts) that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient. The underlying investments of the common collective trusts are generally composed of marketable debt and equity securities. The underlying investments are subject to various risks including interest rate, market and credit risks. Because the common collective trusts are not readily marketable, the estimated carrying values are subject to uncertainty and, therefore, may differ from the value that would have been used had a public market existed. There are no liquidity restrictions with respect to the common collective trusts after appropriate sale notification is provided. Accordingly, these assets are not required to be classified and reported under the fair value hierarchy. At September 30, 2023 and 2022, the fair values of these investments were $144.5 and $222.1, respectively. At September 30, 2023, and 2022, the fair value of cash equivalents, were $74.7 and $3.3, respectively, and are categorized in Level 1 in the fair value hierarchy.

Non-U.S. Pension Plans

	Fair Value at September 30, 2023 Using Inputs Considered as:			
	Total	Level 1	Level 2	Level 3
Non-U.S. Pension Plans				
Cash equivalents	$ 5.4	$ 5.4	$ —	$ —
Equity securities	9.8	9.8	—	—
Fixed income securities:				
Government bonds	7.3	7.3	—	—
Corporate bonds	18.6	—	18.6	—
Real estate and real estate funds	6.5	—	—	6.5
Other	1.4	—	1.4	—
Total Non-U.S. pension plan assets	$ 49.0	$ 22.5	$ 20.0	$ 6.5

	Fair Value at September 30, 2022 Using Inputs Considered as:			
	Total	Level 1	Level 2	Level 3
Non-U.S. Pension Plans				
Cash equivalents	$ 4.0	$ 4.0	$ —	$ —
Equity securities	10.9	10.9	—	—
Other types of investments:				
Government index funds	4.1	4.1	—	—
Corporate bond funds	16.7	—	16.7	—
Real estate and real estate funds	4.3	—	—	4.3
Other	1.5	—	1.5	—
Total Non-U.S. pension plan assets	$ 41.5	$ 19.0	$ 18.2	$ 4.3

Cash Flows — During 2023, 2022, and 2021 the Company contributed cash of $10.3, $10.0, and $11.0, respectively, to defined benefit retirement plans. The Company expects to make estimated contributions of $10.9 in 2024 to the defined benefit retirement plans.

Estimated Future Benefit Payments — The following represents estimated future benefit payments, including expected future service, which are expected to be paid from plan assets or Company contributions as necessary:

	U.S. Pension Plans Projected Pension Benefits Payout	Non-U.S. Pension Plans Projected Pension Benefits Payout
2024	$ 61.4	$ 8.9
2025	14.9	9.2
2026	14.7	9.4
2027	14.5	9.4
2028	14.3	9.0
2029-2032	66.5	43.2

Defined Contribution Plans — The Company sponsors a number of defined contribution plans. Depending on the plan, the Company may make contributions up to 4% of an employee's eligible compensation and matching contributions up to 6% of eligible compensation. Company contributions generally vest over a period of zero to three years. Expenses related to the Company's defined contribution plans were $10.4, $9.0, and $8.8 for the years ended September 30, 2023, 2022, and 2021, respectively. See comments above regarding the Company's retirement strategy to transition its U.S. employees to a defined contribution structure over three-year sunset periods, the latest of which ended January 1, 2023.

9. Income Taxes

The provision for taxes based on income consists of:

	Year Ended September 30,		
	2023	2022	2021
Domestic	$ 50.7	$ (63.6)	$ (80.3)
Foreign	166.2	263.3	286.9
Total earnings before income taxes	$ 216.9	$ 199.7	$ 206.6
Income tax expense:			
Current provision (benefit):			
Federal	$ 24.0	$ 5.6	$ 11.9
State	2.9	2.6	(0.3)
Foreign	81.5	63.3	74.9
Total current provision	108.4	71.5	86.5
Deferred provision (benefit):			
Federal	3.8	(0.9)	(6.0)
State	1.6	0.2	(0.7)
Foreign	(11.0)	13.2	(1.2)
Total deferred (benefit) provision	(5.6)	12.5	(7.9)
Income tax expense	$ 102.8	$ 84.0	$ 78.6

A reconciliation of the statutory federal income tax rate and the effective tax rate is as follows:

	Year Ended September 30,		
	2023	2022	2021
Federal statutory rate	21.0 %	21.0 %	21.0 %
Adjustments resulting from the tax effect of:			
State income taxes, net of federal benefit	1.4	1.2	(0.4)
Foreign income tax rate differential	6.4	2.7	3.2
Share-based compensation	1.3	1.6	0.8
Foreign distribution taxes	3.6	7.4	5.4
Valuation allowance	3.3	—	0.5
Impact of inclusion of foreign income [1]	3.9	7.9	8.2
Divestitures	—	0.3	(4.5)
Impact of foreign legislative rate changes	(2.9)	—	—
Transaction costs	7.2	—	—
Unrecognized tax benefits	(1.4)	0.1	2.9
Tax audit settlements	2.0	—	—
Other, net	1.6	(0.1)	0.9
Effective income tax rate	47.4 %	42.1 %	38.0 %

(1) Represents Subpart F income, GILTI (less Section 250 deduction), and FDII net of associated foreign tax credits

The tax effects of significant temporary differences that comprise tax balances were as follows:

	September 30,	
	2023	2022
Deferred tax assets:		
Employee benefit accruals	$ 19.6	$ 25.9
Loss and tax credit carryforwards	20.3	15.7
Interest limitation carryforward	38.3	19.3
Operating lease liabilities	28.8	30.4
Rebates and other discounts	0.5	4.2
Research and development costs	13.5	—
Self-insurance reserves	0.8	2.9
Inventory, net	14.1	8.5
Other, net	28.9	26.0
Total deferred tax assets before valuation allowance	164.8	132.9
Less valuation allowance	(34.1)	(11.8)
Total deferred tax assets, net	130.7	121.1
Deferred tax liabilities:		
Depreciation	(23.7)	(21.2)
Amortization	(325.5)	(185.2)
Operating right-of-use assets	(30.0)	(31.0)
Assets and liabilities from long-term manufacturing contracts and advances	(83.3)	(68.9)
Unremitted earnings of foreign operations	(8.6)	(14.7)
Other, net	(2.5)	(3.5)
Total deferred tax liabilities	(473.6)	(324.5)
Deferred tax liabilities, net	$ (342.9)	$ (203.4)
Amounts recorded in the Consolidated Balance Sheets:		
Deferred tax assets, non-current	8.3	6.8
Deferred tax liabilities, non-current	(351.2)	(210.2)
Total	$ (342.9)	$ (203.4)

At September 30, 2023 and 2022, respectively, the Company had $1.7 and $3.9 of deferred tax assets related to U.S. federal and state net operating losses and tax credit carryforwards, which will begin to expire in 2024, and $32.8 and $28.9 of deferred tax assets related to foreign net operating loss and interest carryforwards. The majority of the foreign net operating loss and interest carryforwards have unlimited carryforward periods. Portions of the net operating loss carryforwards with expiration periods will begin to expire in 2024. Deferred tax assets as of September 30, 2023 and 2022, were reduced by a valuation allowance of $34.1 and $11.8, respectively, relating to foreign net operating loss carryforwards and foreign tax credit carryforwards. At September 30, 2023 and 2022, the Company had $72.8 and $33.5, respectively, of current income tax payable included in other current liabilities on the Consolidated Balance Sheets. As of September 30, 2023 and 2022, the Company also had a transition tax liability of $11.2 and $14.9 included within other long-term liabilities on the Consolidated Balance Sheets.

The Company establishes a valuation allowance for deferred tax assets when it is determined that the amount of expected future taxable income is not likely to support the use of the deduction or credit.

As of September 30, 2023, and 2022, respectively, $8.6 and $14.7 of deferred tax liability on unremitted earnings of foreign subsidiaries was recognized, representing the assumed tax on the future distribution and tax withholdings on the distribution of such earnings among certain of the Company's foreign subsidiaries.

Deferred tax liabilities were not recorded for any additional basis differences inherent in the Company's foreign subsidiaries (i.e., basis differences in excess of those subject to the Transition Tax) as these amounts continue to be permanently reinvested outside of the U.S. If these amounts were not considered permanently reinvested, deferred tax liabilities would be recorded for any additional income taxes, distribution taxes, and withholding taxes payable in various countries. A determination of the unrecognized deferred tax liabilities on the permanently reinvested basis differences at September 30, 2023 is not practicable.

A reconciliation of the unrecognized tax benefits is as follows:

	September 30,		
	2023	2022	2021
Balance at beginning of year	$ 33.9	$ 40.5	$ 35.7
Additions for tax positions related to the current year	0.7	—	6.5
Additions for tax positions of prior years	0.6	1.0	1.6
Reductions for tax positions of prior years	(2.9)	(6.9)	(3.3)
Settlements	(1.7)	(0.7)	—
Balance attributable to acquisitions	8.3	—	—
Balance at end of year	$ 38.9	$ 33.9	$ 40.5

The gross unrecognized tax benefit included $38.9 and $33.9 at September 30, 2023 and 2022, respectively, which, if recognized, would impact the effective tax rate in future periods.

The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. During 2023 and 2022, the Company recognized $0.9 and $0.5, respectively, in additional interest and penalties. Excluded from the reconciliation were $4.9 and $3.8 of accrued interest and penalties at September 30, 2023 and 2022, respectively.

The Company operates in multiple income tax jurisdictions both inside and outside the U.S. and are currently under examination in various federal, state, and foreign jurisdictions. There are ongoing audits in India, Canada, Germany, and the Czech Republic specifically which could prove to be significant for the Company. In addition, there are other ongoing audits in various stages of completion in several state and foreign jurisdictions.

It is possible that the liability associated with the unrecognized tax benefits will increase or decrease within the next 12 months. These changes may be the result of ongoing audits or the expiration of statutes of limitations and could range up to $0.5 based on current estimates. Audit outcomes and the timing of audit settlements are subject to significant uncertainty. Although the Company believes that adequate provision has been made for such issues, it is possible that their ultimate resolution could affect earnings. Conversely, if these issues are resolved favorably in the future, the related provision would be reduced and yield a positive impact on earnings. The Company does not expect that the outcome of these audits will significantly impact the Consolidated Financial Statements.

10. Earnings per Share

The dilutive effects of performance-based stock awards described in Note 10 are included in the computation of diluted earnings per share at the level the related performance criteria are met through the respective Consolidated Balance Sheet date. At September 30, 2023, 2022, and 2021, potential dilutive effects representing 349,000, 373,000, and 450,000 shares, respectively, were excluded from the computation of diluted earnings per share as the related performance criteria were not yet met, although the Company expects to meet various levels of criteria in the future.

	Year Ended September 30,					
	2023		2022		2021	
Income from continuing operations	$	114.1	$	115.7	$	128.0
Less: Net income attributable to noncontrolling interests		7.0		6.3		5.3
Income from continuing operations attributable to Hillenbrand	$	107.1	$	109.4	$	122.7
Weighted average shares outstanding — basic (in millions)		69.8		71.7		74.9
Effect of dilutive stock options and unvested time-based restricted stock (in millions)		0.3		0.5		0.5
Weighted average shares outstanding — diluted (in millions)		70.1		72.2		75.4
Basic earnings per share from continuing operations attributable to Hillenbrand	$	1.53	$	1.52	$	1.64
Diluted earnings per share from continuing operations attributable to Hillenbrand	$	1.53	$	1.51	$	1.63
Shares with anti-dilutive effect excluded from the computation of diluted earnings per share (millions)		0.2		0.3		0.8

11. Share-Based Compensation

The Company has share-based compensation plans under which 15,385,436 shares are registered. As of September 30, 2023, 1,988,835 shares were outstanding under these plans and 10,197,059 shares had been issued, leaving 3,199,542 shares available for future issuance. Our primary plan, the Hillenbrand, Inc. Stock Incentive Plan, provides for long-term performance compensation for management and members of the Board of Directors. Under the Stock Incentive Plan, a variety of discretionary awards for employees and non-employee directors are authorized, including incentive or non-qualified stock options, stock appreciation rights, restricted stock, restricted stock units, and bonus stock. These programs are administered by the Board of Directors and its Compensation and Management Development Committee.

	Year Ended September 30,					
	2023		2022		2021	
Stock-based compensation cost	$	22.2	$	21.3	$	19.7
Less impact of income tax		5.1		4.9		4.5
Stock-based compensation cost, net of tax	$	17.1	$	16.4	$	15.2

The Company realized current tax benefits of $6.4, $5.8 and $3.9 from the exercise of stock options and the payment of stock awards during the years ended September 30, 2023, 2022 and 2021, respectively.

Stock Options — No stock options were issued during the years ended September 30, 2023, 2022 and 2021. For grants issued prior to 2021, fair values of were estimated on the date of grant using the Black-Scholes option-pricing model. The grants are contingent upon continued employment and generally vest over a three-year period. Expense is recognized on a straight-line basis over the applicable vesting periods. Option terms generally do not exceed 10 years. The weighted-average fair value of options granted was $6.63 per share for 2020. The following assumptions were used in the determination of fair value for the year ended September 30, 2020:

Risk-free interest rate	1.6 %
Weighted-average dividend yield	2.7 %
Weighted-average volatility factor	27.9 %
Expected life (years)	5.8

The risk-free interest rate is based upon observed interest rates appropriate for the term of the employee stock options. The remaining assumptions require significant judgment utilizing historical information, peer data, and future expectations. The dividend yield is based on the history of dividend payouts and the computation of expected volatility is based on historical stock volatility. The expected life of employee stock options represents the weighted-average period the stock options are expected to remain outstanding based on historical exercise activity.

A summary of outstanding stock option awards as of September 30, 2023 and changes during the year is presented below:

	Number of Shares		Weighted-Average Exercise Price
Outstanding at September 30, 2021	1,962,950	$	36.35
Granted	—		—
Exercised	(702,712)		36.13
Forfeited	(544)		44.22
Expired/cancelled	(7,972)		35.91
Outstanding at September 30, 2022	1,251,722		36.47
Granted	—		—
Exercised	(618,414)		34.39
Forfeited	—		—
Expired/cancelled	(5,699)		31.14
Outstanding at September 30, 2023	627,609	$	38.56
Exercisable at September 30, 2023	627,609	$	38.56

As of September 30, 2023, there was no unrecognized stock-based compensation associated with unvested stock options. As of September 30, 2023, the average remaining life of the outstanding and exercisable stock options was 4.0 years with an aggregate intrinsic value of $3.2. The total intrinsic value of options exercised by employees and directors during 2023, 2022, and 2021 was $9.2, $9.6, and $6.6, respectively. The grant-date fair value of options that vested during 2023, 2022, and 2021 was $2.2, $11.5, and $15.9, respectively.

Time-Based Stock Awards and Performance-Based Stock Awards — These awards are consistent with the Company's compensation program's guiding principles and are designed to (i) align management's interests with those of shareholders, (ii) motivate and provide incentive to achieve superior results, (iii) maintain a significant portion of at-risk incentive compensation, (iv) delineate clear accountabilities, and (v) ensure competitive compensation. The Company believes that the blend of compensation components provides the Company's management with the appropriate incentives to create long-term value for shareholders while taking thoughtful and prudent risks to grow the value of the Company. The Company's stock plan enables us to grant several types of restricted stock unit awards including time-based, performance-based contingent on the creation of shareholder value ("SV"), and performance-based based on a relative total shareholder return formula ("TSR").

The Company's time-based stock awards provide an unconditional delivery of shares after a specified period of service. The Company records expense associated with time-based awards on a straight-line basis over the vesting period, net of estimated forfeitures.

The vesting of the SV awards granted in fiscal 2023 is contingent upon the creation of shareholder value as measured by the cumulative cash returns and final period net operating profit after tax compared to the established hurdle rate over a three-year period and a corresponding service requirement. The hurdle rate is a reflection of the weighted-average cost of capital and targeted capital structure. The number of shares awarded is based upon the fair value of the Company's common stock at the date of grant adjusted for the attainment level at the end of the period. Based on the extent to which the performance criteria are achieved, it is possible for none of the awards to vest or for a range up to the maximum (200 percent) to vest. The Company records expense associated with the awards on a straight-line basis over the vesting period based upon an estimate of projected performance. The actual performance of the Company is evaluated quarterly, and the expense is adjusted according to the new projections. As a result, depending on the degree to which performance criteria are achieved or projections change, expenses related to the SV awards may become more volatile as the Company approaches the final performance measurement date at the end of the three-year period.

The vesting of TSR awards granted in fiscal 2023 will be determined by comparing the Company's total shareholder return during a three-year period to the respective total shareholder returns of members of the Standard & Poor's 400 Mid Cap Industrials index (the "Index Companies"). Based on the Company's relative ranking within the Index Companies, performance below the 25th percentile earns a zero payout, a 25 percent minimum payout for achievement at the 25th percentile, 100 percent payout at 50th percentile achievement, and 200 percent payout at 75th percentile achievement and above. Compensation expense for the TSR awards is recognized over the vesting period regardless of whether the market conditions are expected to be achieved.

The Company estimates the fair value of TSR awards using a Monte-Carlo simulation model which included the following key assumptions:

	Year Ended Year Ended September 30,		
	2023	2022	2021
Expected term (years)	2.83	2.83	2.83
Risk-free interest rate	3.96 %	0.86 %	0.20 %
Share price volatility	44.70 %	43.90 %	43.04 %
Expected dividend yield	— %	— %	— %
Actual dividend yield	1.97 %	1.91 %	2.24 %

A summary of the non-vested stock awards, including dividends, as of September 30, 2023 (representing the maximum number of shares that could be vested) and changes during the year is presented below:

Time-Based Stock Awards	**Number of Shares**	**Weighted-Average Grant Date Fair Value**
Non-vested time-based stock awards at September 30, 2021	617,135	$ 37.21
Granted	408,467	45.46
Vested	(252,346)	35.36
Forfeited	(112,796)	40.28
Non-vested time-based stock awards at September 30, 2022	660,460	42.50
Granted	268,503	50.54
Vested	(358,592)	41.36
Forfeited	(71,635)	47.62
Non-vested time-based stock awards at September 30, 2023	498,736	$ 46.91

Performance-Based Stock Awards	**Number of Shares**	**Weighted-Average Grant Date Fair Value**
Non-vested performance-based stock awards at September 30, 2020	733,649	$ 37.38
Granted	321,472	51.93
Vested	(242,117)	33.65
Forfeited	(274,652)	39.22
Non-vested performance-based stock awards at September 30, 2022	538,352	47.69
Granted	368,419	67.04
Vested	(187,894)	43.15
Forfeited	(136,401)	54.78
Non-vested performance-based stock awards at September 30, 2023	582,476	$ 59.90

The total vest date fair value of shares held by Hillenbrand employees and directors which vested during 2023, 2022, and 2021 was $28.0, $23.0, and $11.1 (including dividends), respectively.

As of September 30, 2023, $12.1 and $8.5 of unrecognized stock-based compensation was associated with the Company's unvested time-based and performance-based (including SV and TSR) stock awards, respectively. The unrecognized amount of compensation related to the SV awards is based upon projected performance to date. The unrecognized compensation cost of the time-based and performance-based awards is expected to be recognized over a weighted-average period of 1.7 and 1.7 years and includes a reduction for an estimate of potential forfeitures. As of September 30, 2023, the outstanding time-based stock awards and performance-based stock awards had an aggregate fair value of $21.1 and $18.5, respectively.

Dividends payable in stock accrue on both time-based and SV awards during the performance period and are subject to the same terms as the original grants. Dividends do not accrue on TSR awards during the performance period. As of September 30, 2023, a total of 32,308 shares had accumulated on unvested stock awards due to dividend reinvestments and were included in the tables above. The aggregate fair value of these shares at September 30, 2023 was $1.4.

Vested Deferred Stock — Certain stock-based compensation programs allow or require deferred delivery of shares after vesting. As of September 30, 2023, there were 280,015 fully vested deferred shares, which were excluded from the tables above. The aggregate fair value of these shares at September 30, 2023 was $11.8.

12. Other Comprehensive Income (Loss)

The following table summarize the changes in the accumulated balances for each component of accumulated other comprehensive loss during the year ended September 30, 2023:

	Pension and Postretirement	Currency Translation [1]	Net Unrealized Gain (Loss) on Derivative Instruments	Total Attributable to Hillenbrand, Inc.	Noncontrolling Interests	Total
Balance at September 30, 2022	$ (32.8)	$ (113.7)	$ (9.1)	$ (155.6)		
Other comprehensive income (loss) before reclassifications						
Before tax amount	0.2	6.6	3.5	10.3	$ (0.1)	$ 10.2
Tax benefit	(0.6)	—	(0.9)	(1.5)		(1.5)
After tax amount	(0.4)	6.6	2.6	8.8	(0.1)	8.7
Amounts reclassified from accumulated other comprehensive loss [2]	(1.3)	—	1.0	(0.3)	—	(0.3)
Net current period other comprehensive (loss) income	(1.7)	6.6	3.6	8.5	$ (0.1)	$ 8.4
Balance at September 30, 2023	$ (34.5)	$ (107.1)	$ (5.5)	$ (147.1)		

(1) Includes gains and losses on intra-entity foreign currency transactions that are of a long-term investment nature.
(2) Amounts are net of tax.

Reclassifications out of accumulated other comprehensive loss include:

	Year Ended September 30, 2023			
	Amortization of Pension and Postretirement [1]			
	Net Loss Recognized	Prior Service Costs Recognized	(Gain)Loss on Derivative Instruments	Total
Affected Line in the Consolidated Statement of Operations:				
Net revenue	$ —	$ —	$ (0.1)	$ (0.1)
Cost of goods sold	—	—	(1.3)	$ (1.3)
Operating expenses	0.1	—	2.0	$ 2.1
Gain on divestiture of discontinued operations (net of income tax expense)	(1.4)	(0.1)	—	$ (1.5)
Total before tax	$ (1.3)	$ (0.1)	$ 0.6	$ (0.8)
Tax benefit				0.5
Total reclassifications for the period, net of tax				$ (0.3)

(1) These accumulated other comprehensive loss components are included in the computation of net pension cost (see Note 8).

The following table summarize the changes in the accumulated balances for each component of accumulated other comprehensive loss during the year ended September 30, 2022:

	Pension and Postretirement	Currency Translation (1)	Net Unrealized Gain (Loss) on Derivative Instruments	Total Attributable to Hillenbrand, Inc.	Noncontrolling Interests	Total
Balance at September 30, 2021	$ (49.2)	$ 13.1	$ (10.2)	$ (46.3)		
Other comprehensive income (loss) before reclassifications						
Before tax amount	18.4	(126.8)	(0.6)	(109.0)	$ (2.2)	$ (111.2)
Tax benefit	(5.7)	—	0.3	(5.4)	—	(5.4)
After tax amount	12.7	(126.8)	(0.3)	(114.4)	(2.2)	(116.6)
Amounts reclassified from accumulated other comprehensive loss (2)	3.7	—	1.4	5.1	—	5.1
Net current period other comprehensive income (loss)	16.4	(126.8)	1.1	(109.3)	$ (2.2)	$ (111.5)
Balance at September 30, 2022	$ (32.8)	$ (113.7)	$ (9.1)	$ (155.6)		

(1) Includes gains and losses on intra-entity foreign currency transactions that are of a long-term investment nature.

(2) Amounts are net of tax.

Reclassifications out of accumulated other comprehensive loss include:

	Year Ended September 30, 2022				
	Amortization of Pension and Postretirement (1)				
	Net Loss Recognized	Prior Service Costs Recognized	(Gain) Loss on Derivative Instruments	(Gain) Loss on Divestiture	Total
Affected Line in the Consolidated Statement of Operations:					
Net revenue	$ —	$ —	$ (0.1)	$ —	$ (0.1)
Cost of goods sold	—	—	(0.7)	—	$ (0.7)
Operating expenses	4.0	—	1.9	—	$ 5.9
Total before tax	$ 4.0	$ —	$ 1.1	$ —	$ 5.1
Tax benefit					—
Total reclassifications for the period, net of tax					$ 5.1

(1) These accumulated other comprehensive loss components are included in the computation of net pension cost (see Note 8).

The following table summarize the changes in the accumulated balances for each component of accumulated other comprehensive loss during the year ended September 30, 2021:

	Pension and Postretirement	Currency Translation (1)	Net Unrealized Gain (Loss) on Derivative Instruments	Total Attributable to Hillenbrand, Inc.	Noncontrolling Interests	Total
Balance at September 30, 2020	$ (69.6)	$ (21.1)	$ (12.1)	$ (102.8)		
Other comprehensive (loss) income before reclassifications						
Before tax amount	22.5	42.2	0.9	65.6	$ (0.1)	$ 65.5
Tax expense	(5.6)	—	(0.2)	(5.8)	—	(5.8)
After tax amount	16.9	42.2	0.7	59.8	(0.1)	59.7
Amounts reclassified from accumulated other comprehensive loss (2)	3.5	(8.0)	1.2	(3.3)	—	(3.3)
Net current period other comprehensive (loss) income	20.4	34.2	1.9	56.5	$ (0.1)	$ 56.4
Balance at September 30, 2021	$ (49.2)	$ 13.1	$ (10.2)	$ (46.3)		

(1) Includes gains and losses on intra-entity foreign currency transactions that are of a long-term investment nature.
(2) Amounts are net of tax.

Reclassifications out of accumulated other comprehensive loss include:

	Year Ended September 30, 2021				
	Amortization of Pension and Postretirement (1)				
	Net Loss Recognized	Prior Service Costs Recognized	(Gain)/ Loss on Derivative Instruments	(Gain)/ Loss on Divestiture	Total
Affected Line in the Consolidated Statement of Operations:					
Net revenue	$ —	$ —	$ 0.1	$ —	$ 0.1
Cost of goods sold	—	—	(1.0)	—	$ (1.0)
Operating expenses	4.2	(0.1)	1.9	(8.0)	$ (2.0)
Total before tax	$ 4.2	$ (0.1)	$ 1.0	$ (8.0)	$ (2.9)
Tax benefit					(0.4)
Total reclassifications for the period, net of tax					$ (3.3)

(1) These accumulated other comprehensive loss components are included in the computation of net pension cost (see Note 8).

13. Commitments and Contingencies

Litigation

Like most companies, the Company is involved from time to time in claims, lawsuits, and government proceedings relating to its operations, including environmental, antitrust, patent infringement, business practices, commercial transactions, product and general liability, cybersecurity and privacy matters, workers' compensation, auto liability, employment-related, and other matters. The ultimate outcome of any claims, lawsuits, and proceedings cannot be predicted with certainty. An estimated loss from these contingencies is recognized when the Company believes it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated; however, it is difficult to measure the actual loss that might be incurred related to these matters. If a loss is not considered probable and/or cannot be reasonably estimated, the Company is required to make a disclosure if there is at least a reasonable possibility that a significant loss may have been incurred. Legal fees associated with claims and lawsuits are generally expensed as incurred.

Claims covered by insurance have in most instances deductibles and self-funded retentions up to $0.5 per occurrence or per claim, depending upon the type of coverage and policy period. For auto, workers compensation, and general liability claims in the U.S., outside insurance companies and third-party claims administrators generally assist in establishing individual claim reserves. An independent outside actuary often provides estimates of ultimate projected losses, including incurred but not reported claims, which are used to establish reserves for losses. For all other types of claims, reserves are established when payment is considered probable and are based upon advice from internal and external counsel and historical settlement information.

The recorded amounts represent the best estimate of the costs the Company will incur in relation to such exposures, but it is possible that actual costs will differ from those estimates.

14. Fair Value Measurements

Fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. The authoritative guidance establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are from sources independent of the Company. Unobservable inputs reflect the Company's assumptions about the factors market participants would use in valuing the asset or liability developed based upon the best information available in the circumstances. The categorization of financial assets and liabilities within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The hierarchy is broken down into three levels:

Level 1: Inputs are quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs (other than quoted prices) that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable for the asset or liability.

See the section below titled "Valuation Techniques" for further discussion of how Hillenbrand determines fair value for investments.

	Carrying Value at September 30, 2023	Fair Value at September 30, 2023 Using Inputs Considered as:		
		Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	$ 242.9	$ 242.9	$ —	$ —
Restricted cash	7.3	7.3	—	—
Investments in rabbi trust	3.3	3.3	—	—
Derivative instruments	1.5	—	1.5	—
Liabilities:				
Revolving Credit Facility	505.1	—	505.1	—
$200.0 term loan	192.5	—	192.5	—
€185 term loan	195.0	—	195.0	—
2021 Notes	350.0	281.6	—	—
2020 Notes	400.0	395.1	—	—
2019 Notes	374.7	355.0	—	—
Series A Notes	—	—	—	—
Derivative instruments	1.7	—	1.7	—

	Carrying Value at September 30, 2022	Fair Value at September 30, 2022 Using Inputs Considered as:		
		Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	$ 232.2	$ 232.2	$ —	$ —
Restricted cash	3.5	3.5	—	—
Cash and cash equivalents held for sale	1.9	1.9	—	—
Investments in rabbi trust	2.4	2.4	—	—
Derivative instruments	2.6	—	2.6	—
Liabilities:				
2021 Notes	350.0	268.7	—	—
2020 Notes	400.0	394.5	—	—
2019 Notes	374.7	349.6	—	—
Series A Notes	100.0	—	97.6	—
Derivative instruments	8.0	—	8.0	—

Valuation Techniques

- Cash and cash equivalents, restricted cash, cash and cash equivalents held for sale, and investments in rabbi trust are classified within Level 1 of the fair value hierarchy. Financial instruments classified as Level 1 are based on quoted market prices in active markets. The types of financial instruments the Company classifies within Level 1 include most bank deposits, money market securities, and publicly traded mutual funds. The Company does not adjust the quoted market price for such financial instruments.
- The Company estimates the fair value of foreign currency derivatives using industry accepted models. The significant Level 2 inputs used in the valuation of derivatives include spot rates, forward rates, and volatility. These inputs were obtained from pricing services, broker quotes, and other sources.
- The fair values of the 2021 Notes, 2020 Notes, and 2019 Notes were based on quoted prices in active markets.
- The fair values of the Revolving Credit Facility, $200.0 term loan, €185 term loan, and Series A Notes were estimated based on internally-developed models, using current market interest rate data for similar issues, as there is no active market for the Facility or Series A Notes.

15. Segment and Geographical Information

As previously described, on February 1, 2023, the Company completed the divestiture of Batesville. The operating results and cash flows for Batesville have been classified as discontinued operations within the Consolidated Financial Statements for all periods presented.

Hillenbrand is now composed of two reportable operating segments: Advanced Process Solutions and Molding Technology Solutions. The Company's reportable operating segments maintain separate financial information for which results of operations are evaluated on a regular basis by the Company's chief operating decision maker in deciding how to allocate resources and in assessing performance.

The Company records the direct costs of business operations to the reportable operating segments, including stock-based compensation, asset impairments, restructuring activities, and business acquisition costs. Corporate provides management and administrative services to each reportable operating segment. These services include treasury management, human resources, legal, business development, and other public company support functions such as internal audit, investor relations, financial reporting, and tax compliance. With limited exception for certain professional services and back-office and technology costs, the Company does not allocate these types of corporate expenses to the reportable operating segments.

The following tables present financial information for the Company's reportable operating segments and significant geographical locations:

	Year Ended September 30,		
	2023	2022	2021
Net revenue			
Advanced Process Solutions	$ 1,823.5	$ 1,269.8	$ 1,245.7
Molding Technology Solutions	1,002.5	1,045.5	995.7
Total net revenue	$ 2,826.0	$ 2,315.3	$ 2,241.4
Adjusted EBITDA [(1)]			
Advanced Process Solutions	$ 355.7	$ 249.1	$ 234.5
Molding Technology Solutions	187.1	216.2	201.8
Corporate	(59.6)	(63.8)	(57.6)
Net revenue			
United States	$ 1,061.6	$ 760.3	$ 724.3
China	451.1	573.1	503.6
India	229.5	196.3	178.9
Germany	210.2	140.9	139.0
All other countries	873.6	644.7	695.6
Total net revenue	$ 2,826.0	$ 2,315.3	$ 2,241.4

(1) Adjusted earnings before interest, income tax, depreciation, and amortization ("adjusted EBITDA") is a non-GAAP measure used by management to measure segment performance and make operating decisions.

	September 30,	
	2023	2022
Total assets assigned		
Advanced Process Solutions	$ 3,525.5	$ 1,494.2
Molding Technology Solutions	1,883.0	2,052.6
Corporate	139.2	99.3
Held for sale assets	—	221.4
Total assets assigned	$ 5,547.7	$ 3,867.5
Tangible long-lived assets, net		
United States	$ 134.1	$ 79.3
Germany	136.0	104.1
China	38.9	42.2
India	38.1	40.7
All other foreign business units	84.9	53.5
Tangible long-lived assets, net	$ 432.0	$ 319.8

The following schedule reconciles segment adjusted EBITDA to consolidated net income:

	Year Ended September 30, 2023	2022	2021
Adjusted EBITDA:			
Advanced Process Solutions	$ 355.7	$ 249.1	$ 234.5
Molding Technology Solutions	187.1	216.2	201.8
Corporate	(59.6)	(63.8)	(57.6)
Add:			
Income from discontinued operations (net of income tax expense)	462.6	99.5	127.2
Less:			
Interest expense, net	77.7	64.3	74.3
Income tax expense	102.8	84.0	78.6
Depreciation and amortization	125.6	98.6	104.7
Impairment charges	—	—	11.2
Business acquisition, divestiture, and integration costs	46.2	29.4	33.9
Restructuring and restructuring-related charges	5.1	3.1	13.6
Inventory step-up costs related to acquisitions	11.7	—	—
Loss (gain) on divestiture	—	3.1	(67.1)
Other	—	3.3	1.5
Consolidated net income	$ 576.7	$ 215.2	$ 255.2

16. Restructuring

Hillenbrand periodically undergoes restructuring activities in order to enhance profitability through streamlined operations and an improved overall cost structure. The following schedule details the restructuring charges by reportable operating segment and the classification of those charges on the Consolidated Statements of Operations.

	Year Ended September 30, 2023			2022			2021		
	Cost of goods sold	Operating expenses	Total	Cost of goods sold	Operating expenses	Total	Cost of goods sold	Operating expenses	Total
Advanced Process Solutions	$ (0.1)	$ 1.3	$ 1.2	$ 1.8	$ (0.2)	$ 1.6	$ 9.3	$ 5.9	$ 15.2
Molding Technology Solutions	2.1	0.9	3.0	—	0.2	0.2	4.1	1.0	5.1
Corporate	—	0.2	0.2	—	0.8	0.8	—	0.7	0.7
Total	$ 2.0	$ 2.4	$ 4.4	$ 1.8	$ 0.8	$ 2.6	$ 13.4	$ 7.6	$ 21.0

The restructuring charges within the Advanced Process Solutions reportable operating segment during the years ended September 30, 2023, 2022, and 2021 are related primarily to severance costs. The restructuring charges within the Molding Technology Solutions reportable operating segment and Corporate during the years ended September 30, 2023, 2022 and 2021 were primarily related to severance costs associated with the ongoing integration of Milacron, as well as productivity initiatives within the Molding Technology Solutions reportable operating segment. At September 30, 2023, $2.7 of restructuring costs were accrued and are expected to be paid over the next twelve months.

SCHEDULE II
HILLENBRAND, INC.
VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED SEPTEMBER 30, 2023, 2022, AND 2021

		Additions			
(in millions)	**Balance at Beginning of Period**	**Charged to Revenue, Costs, and Expense**	**Charged to Other Accounts**	**Deductions Net of Recoveries (a)**	**Balance at End of Period**
Allowance for doubtful accounts, early pay discounts, and sales returns:					
Year ended September 30, 2023	$ 6.4	$ 2.6	$ 1.7	$ (0.6)	$ 10.1
Year ended September 30, 2022	$ 5.7	$ 2.1	$ (0.8)	$ (0.6)	$ 6.4
Year ended September 30, 2021	$ 5.9	$ 0.8	$ 0.1	$ (1.1)	$ 5.7
Allowance for inventory valuation:					
Year ended September 30, 2023	$ 29.5	$ 8.9	$ 5.8	$ (2.5)	$ 41.7
Year ended September 30, 2022	$ 28.4	$ 8.5	$ (3.0)	$ (4.4)	$ 29.5
Year ended September 30, 2021	$ 24.1	$ 5.6	$ 3.0	$ (4.3)	$ 28.4

(a) Reflects the write-off of specific trade receivables against recorded reserves and other adjustments.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. In order to evaluate the effectiveness of internal control over financial reporting, management has conducted an assessment, including testing, using the criteria set forth by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission in *Internal Control — Integrated Framework (2013 Framework)*. The Company's internal control over financial reporting, as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is a process designed to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. 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.

Based on our assessment under the criteria established in *Internal Control — Integrated Framework (2013 Framework),* issued by the COSO, management has concluded that the Company maintained effective internal control over financial reporting as of September 30, 2023.

The effectiveness of the Company's internal control over financial reporting as of September 30, 2023, has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which appears in Part II, Item 8, of this Form 10-K.

On October 6, 2022, we completed the acquisition of Linxis, on December 1, 2022, we completed the acquisition of Peerless, and on September 1, 2023, we completed the acquisition of FPM, each of which includes their existing information systems and internal controls over financial reporting. In conducting our evaluation of the effectiveness of our internal control over financial reporting for our fiscal year ended September 30, 2023, we have excluded Linxis, Peerless and FPM from our evaluation as permitted under existing SEC Staff interpretive guidance for newly acquired businesses. We are currently in the process of evaluating and integrating Linxis, Peerless, and FPM's historical internal controls over financial reporting with ours. The integrations may lead to changes in future fiscal periods, but we do not expect these changes to materially affect our internal control over financial reporting. We expect to complete these internal controls integrations in fiscal 2024. For the year ended and as of September 30, 2023, Linxis, Peerless, and FPM accounted for approximately 15% of total consolidated net revenue and approximately 35% of total consolidated assets.

Other than as noted above, there have been no changes to our internal control over financial reporting, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Management's report on our internal control over financial reporting is included under Item 8.

We have established disclosure controls and procedures and internal control over financial reporting to provide reasonable assurance that material information relating to us, including our consolidated subsidiaries, is made known on a timely basis to management and the Board of Directors. No control system, no matter how well designed and operated, can provide absolute assurance that the objectives of the control system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

Our management, with the participation of our President and Chief Executive Officer and the Senior Vice President and Chief Financial Officer (the "Certifying Officers"), evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act. Based upon that evaluation, the Certifying Officers concluded that our disclosure controls and procedures as of the end of the period covered by this report are effective.

Item 9B. OTHER INFORMATION

(a) Effective November 14, 2023, our Board of Directors approved an amendment of the Company's Amended and Restated code of By-laws (the "By-law Amendment"). The By-law Amendment prohibits any indemnification or advancement of expenses to a Company director, officer, or employee that would be against public policy, in further support of the Company's revised Clawback Policy adopted in compliance with listing standards required by the new SEC Rule 10D-1.

The complete text of the Company's By-laws, as well as a marked copy of the By-laws illustrating the changes made by the By-law Amendment, are attached hereto as Exhibits 3.2 and 3.2(a). The foregoing descriptions are summaries only, do not purport to be complete, and are qualified in their entirety by reference to the complete text of the By-laws which is attached as Exhibit 3.2 and incorporated herein by reference.

(b) Rule 10b5-1 Trading Plans

During the fiscal quarter ended September 30, 2023, none of our directors or executive officers (as defined in Section 16 of the Securities Exchange Act of 1934, as amended), adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (each as defined in Item 408(a) and (c) of Regulation S-K).

Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

Information related to executive officers is included in this report under Part I, Item 1 within the caption "Information about our Executive Officers." Information relating to the directors will appear in the section entitled "Election of Directors" in our Proxy Statement to be filed with the Securities and Exchange Commission relating to our 2024 Annual Meeting of Shareholders (the "2024 Proxy Statement"), which section is incorporated herein by reference. Information regarding our Code of Ethical Business Conduct, compliance with Section 16(a) of the Exchange Act, and the corporate governance matters covered by this Item is incorporated by reference to the 2024 Proxy Statement, where such information will be included under the headings "The Board of Directors and Committees" and "Delinquent Section 16(a) Reports." Information related to corporate governance of the Company, including its Code of Ethics and Business Conduct, information concerning executive officers, directors and Board committees, and transactions in our securities by directors and executive officers, is also available free of charge on or through the "Investors" section of our website at www.hillenbrand.com.

Item 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated herein by reference to the 2024 Proxy Statement, where such information will be included under the headings "The Board of Directors and Committees," "Executive Compensation," "Security Ownership of Beneficial Owners of More than 5% of the Company's Common Stock," and "Compensation of Directors."

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT, AND RELATED SHAREHOLDER MATTERS

The information required by this Item is incorporated herein by reference to the 2024 Proxy Statement, where such information will be included under the headings "Election of Directors," "Security Ownership of Directors and Management," and "Equity Compensation Plan Information."

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item is incorporated herein by reference to the 2024 Proxy Statement, where such information will be included under the heading "The Board of Directors and Committees."

Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this Item is incorporated herein by reference to the 2024 Proxy Statement, where such information will be included under the heading "Ratification of Appointment of the Independent Registered Public Accounting Firm."

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULE

(a) The following documents have been filed as a part of this report or, where noted, incorporated by reference:

(1) Consolidated Financial Statements

The financial statements of the Company and its consolidated subsidiaries listed on the Index to Consolidated Financial Statements on page 46.

(2) Consolidated Financial Statement Schedule

The financial statement schedule on page 104 is filed in response to Item 8 and Item 15(d) of Form 10-K and is listed on the Index to Consolidated Financial Statements.

(3) Exhibits

The Exhibit Index sets forth a list of those exhibits filed herewith, and includes and identifies management contracts or compensatory plans or arrangements required to be filed as exhibits to this Form 10-K by Item 601(b)(10)(iii) of Regulation S-K.

In reviewing any agreements included as exhibits to this report, please remember that they are included to provide you with information regarding their terms and are not intended to provide any other factual or disclosure information about us or the other parties to the agreements. The agreements may contain representations and warranties by the parties to the agreements, including us. These representations and warranties have been made solely for the benefit of the other parties to the applicable agreement and:

- should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;
- may have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;
- may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors; and
- were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time.

Exhibit Index

Exhibit 2.1	***	Securities Purchase Agreement, dated as of September 15, 2022, among Hillenbrand France Acquisition Holdings SAS and the Sellers identified therein with respect to Linxis Group (Incorporated by reference to Exhibit 2.1 to Current Report on Form 8-K filed September 15, 2022)
Exhibit 2.2	***	Share Purchase Agreement, dated as of May 23, 2023, between Milacron LLC and Schenck Process Holdings GmbH (Incorporated by reference to Exhibit 2.1 to Current Report on Form 8-K filed September 1, 2023)
Exhibit 2.3		Securities Purchase Agreement, dated as of December 15, 2022, between BL Memorial Partners, LLC and Hillenbrand, Inc. (Incorporated by reference to Exhibit 2.1 to Current Report on Form 8-K filed December 21, 2022)
Exhibit 3.1		Restated and Amended Articles of Incorporation of Hillenbrand, Inc., effective as of February 13, 2020 (Incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K filed February 14, 2020)
Exhibit 3.2	*	Amended and Restated Code of By-Laws of Hillenbrand, Inc., effective as of November 14, 2023
Exhibit 3.2(a)	*	Amended and Restated Code of By-Laws of Hillenbrand, Inc., effective as of November 14, 2023 (redline version of amended sections)
Exhibit 4.1		Form of Indenture between Hillenbrand, Inc. and U.S. Bank National Association as trustee, dated July 09, 2010 (Incorporated by reference to Exhibit 4.11 to Form S-3 filed July 6, 2010)

Exhibit 4.2		Supplemental Indenture dated as of January 10, 2013, by and among Hillenbrand, Inc., Batesville Casket Company, Inc., Batesville Manufacturing, Inc., Batesville Services, Inc., Coperion Corporation, K-Tron Investment Co., TerraSource Global Corporation, Process Equipment Group, Inc., Rotex Global, LLC, and U.S. Bank National Association, as trustee (the "Trustee") (Incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K filed on January 11, 2013)
Exhibit 4.3		Supplemental Indenture No.3, dated as of September 25, 2019, by and among the Company, the subsidiary guarantors party thereto and the Trustee (Incorporated by reference to Exhibit 4.2 to Current Report on Form 8-K filed September 25, 2019)
Exhibit 4.4		Form of the Company's 4.500% Senior Notes due 2026 (Incorporated by reference to Exhibit 4.2 to Current Report on Form 8-K filed September 25, 2019)
Exhibit 4.5	*	Description of the Company's Securities Registered Pursuant to Section 12 of the Exchange Act
Exhibit 4.6		Supplemental Indenture No. 4, dated as of June 16, 2020, by and among the Company, the subsidiary guarantors party thereto and the Trustee (Incorporated by reference to Exhibit 4.2 to Current Report on Form 8-K filed June 16, 2020)
Exhibit 4.7		Form of the Company's 5.7500% Senior Notes due 2025 (Incorporated by reference to Exhibit 4.2 to Current Report on Form 8-K filed June 16, 2020)
Exhibit 4.8		Supplemental Indenture No. 5, dated as of December 15, 2020, by and among the Company, the subsidiary guarantors party thereto and the Trustee (Incorporated by reference to Exhibit 4.1 to Quarterly Report on Form 10-Q filed May 4, 2021)
Exhibit 4.9		Supplemental Indenture No. 6, dated as of December 15, 2020, by and among the Company, the subsidiary guarantors party thereto and the Trustee (Incorporated by reference to Exhibit 4.2 to Quarterly Report on Form 10-Q filed May 4, 2021)
Exhibit 4.10		Supplemental Indenture No. 7, dated as of March 3, 2021, by and among the Company, the subsidiary guarantors party thereto and the Trustee (Incorporated by reference to Exhibit 4.2 to Current Report on Form 8-K filed March 3, 2021)
Exhibit 4.11		Form of the Company's 3.7500% Senior Notes due 2031 (Incorporated by reference to Exhibit 4.2 to Current Report on Form 8-K filed March 3, 2021)
Exhibit 10.1	**	Form of Indemnity Agreement between Hillenbrand, Inc. and its non-employee directors (Incorporated by reference to Exhibit 10.11 to Registration Statement on Form 10)
Exhibit 10.2	**	Hillenbrand, Inc. Board of Directors' Deferred Compensation Plan (Incorporated by reference to Exhibit 10.13 to Quarterly Report on Form 10-Q filed May 14, 2008)
Exhibit 10.3	**	Hillenbrand, Inc. Executive Deferred Compensation Program (Incorporated by reference to Exhibit 10.16 to Registration Statement on Form 10)
Exhibit 10.4	**	Hillenbrand, Inc. Supplemental Executive Retirement Plan (As Amended and Restated July 1, 2010) (Incorporated by reference as Exhibit 10.31 to Annual Report on Form 10-K filed November 23, 2010)
Exhibit 10.5	**	Hillenbrand, Inc. Supplemental Retirement Plan effective as of July 1, 2010 (Incorporated by reference to Exhibit 10.32 to Annual Report on Form 10-K filed November 23, 2010)
Exhibit 10.6	**	Employment Agreement dated as of December 30, 2021, between Hillenbrand, Inc. and Kimberly K. Ryan (Incorporated by reference to Exhibit 10.2 to Quarterly Report on Form 10-Q filed February 2, 2022)
Exhibit 10.7	**	Change in Control Agreement dated as of December 30, 2021, between Hillenbrand, Inc. and Kimberly K. Ryan (Incorporated by reference to Exhibit 10.3 to Quarterly Report on Form 10-Q filed February 2, 2022)
Exhibit 10.8	**	Employment Agreement dated as of March 14, 2022, by and between Hillenbrand, Inc. and Robert M. VanHimbergen (Incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q filed May 9, 2022)
Exhibit 10.9		Private Shelf Agreement dated as of December 6, 2012, by and between Hillenbrand, Inc. and Prudential Investment Management, Inc. (Incorporated by reference to Exhibit 10.6 to Quarterly Report on Form 10-Q filed February 4, 2013)
Exhibit 10.10	**	Amended and Restated Hillenbrand, Inc. Stock Incentive Plan (Amended and Restated as of December 3, 2020 (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed February 11, 2021)
Exhibit 10.11	**	Hillenbrand, Inc. Stock Incentive Plan (Incorporated by reference to Exhibit 10.3 to Current Report on Form 8-K filed February 27, 2014)
Exhibit 10.12	**	Hillenbrand, Inc. Third Amended and Restated Short-Term Incentive Compensation Plan for Key Executives (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed December 7, 2021)

Exhibit 10.13	**	Employment Agreement, dated January 3, 2022, between Hillenbrand, Inc. and Aneesha Arora (Incorporated by reference to Exhibit 10.13 to Annual Report on Form 10-K filed November 16, 2022)
Exhibit 10.14	**	Restricted Stock Unit Award Agreement, dated as of January 3, 2022, between Hillenbrand, Inc. and Aneesha Arora (Incorporated by reference to Exhibit 10.14 to Annual Report on Form 10-K filed November 16, 2022)
Exhibit 10.15	**	Sign-on and Retention Agreement, dated as of November 17, 2021, between Hillenbrand, Inc. and Aneesha Arora (Incorporated by reference to Exhibit 10.15 to Annual Report on Form 10-K filed November 16, 2022)
Exhibit 10.16	**	Cash Award Agreement, dated as of January 3, 2022, between Hillenbrand, Inc. and Aneesha Arora (Incorporated by reference to Exhibit 10.16 to Annual Report on Form 10-K filed November 16, 2022)
Exhibit 10.17	**	Employment Agreement, dated as of October 1, 2015, between Hillenbrand, Inc. and Nicholas Farrell (Incorporated by reference to Exhibit 10.17 to Annual Report on Form 10-K filed November 16, 2022)
Exhibit 10.18	**	Form of Change in Control Agreement (2021 revision) (Incorporated by reference to Exhibit 10.18 to Annual Report on Form 10-K filed November 16, 2022)
Exhibit 10.19		Amendment No. 1 to Private Shelf Agreement, dated December 15, 2014, by and among Hillenbrand, Inc., Prudential Investment Management, Inc. and each Prudential Affiliate (as therein defined) that has become or becomes bound thereby (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K, filed December 19, 2014)
Exhibit 10.20		Amendment No. 2 to Private Shelf Agreement, dated December 19, 2014, by and among Hillenbrand, Inc., Prudential Investment Management, Inc. and each Prudential Affiliate (as therein defined) that has become or becomes bound thereby (Incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K filed December 19, 2014)
Exhibit 10.21		Amendment No. 3 to Private Shelf Agreement, dated March 24, 2016, by and among Hillenbrand, Inc., PGIM, Inc. (f/k/a Prudential Investment Management, Inc.), and each Prudential Affiliate (as therein defined) that has become or becomes bound thereby (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed March 30, 2016)
Exhibit 10.22		Amendment No. 4 to the Private Shelf Agreement, dated as of December 8, 2017, by and among Hillenbrand, Inc., PGIM, Inc. (f/k/a Prudential Investment Management, Inc.), the subsidiary guarantors named therein, and the additional parties thereto (Incorporated by reference as Exhibit 10.2 to Current Report on Form 8-K filed December 12, 2017)
Exhibit 10.23	**	Employment Agreement dated as of June 18, 2018, by and between Hillenbrand, Inc. and J. Michael Whitted (Incorporated by reference as Exhibit 10.33 to Annual Report on Form 10-K filed November 13, 2018)
Exhibit 10.24	*,**	Employment Agreement, dated January 21, 2014, by and between Hillenbrand Germany Holding GmbH and Ulrich Bartel
Exhibit 10.25	**	Employment Agreement, dated March 30, 2020, by and between Mold-Masters (2007) Limited and Ling An-Heid (Incorporated by reference as Exhibit 10.1 to Quarterly Report on Form 10-Q filed February 3, 2021)
Exhibit 10.26		Fourth Amended and Restated Credit Agreement, dated as of June 8, 2022, among Hillenbrand, Inc., the subsidiary borrowers named therein, the lenders named therein, JPMorgan Chase Bank, N.A., as administrative agent for the lenders, and the co-syndication agents and co-documentation agents named therein (Incorporated by reference as Exhibit 10.1 to Current Report on Form 8-K filed June 13, 2022)
Exhibit 10.27		Amendment No. 5 to Private Shelf Agreement, dated as of September 4, 2019, by and among Hillenbrand, Inc., PGIM, Inc. (f/k/a Prudential Investment Management, Inc.), the subsidiary guarantors named therein, and the additional parties thereto (Incorporated by reference as Exhibit 10.2 to Current Report on Form 8-K filed September 4, 2019)
Exhibit 10.28		Amendment No. 6 to Private Shelf Agreement, dated as of January 10, 2020, among Hillenbrand, Inc., PGIM, Inc. (f/k/a Prudential Investment Management, Inc.), the subsidiary guarantors party thereto, and the additional parties thereto (Incorporated by reference as Exhibit 10.2 to Current Report on Form 8-K filed January 10, 2020)
Exhibit 10.29	***	Warranty Agreement, dated as of September 15, 2022, by and between Hillenbrand France Acquisition Holding SAS and the Sellers identified therein with respect to Linxis Group (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed September 15, 2022)

Exhibit 10.30		Amendment No. 7 to Private Shelf Agreement, dated as of May 19, 2020, among Hillenbrand, Inc., PGIM, Inc. (f/k/a Prudential Investment Management, Inc.), the subsidiary guarantors party thereto, and the additional parties thereto (Incorporated by reference as Exhibit 10.2 to Current Report on Form 8-K filed May 20, 2020)
Exhibit 10.31	***	Syndicated L/G Facility Agreement, dated June 21, 2022, among Hillenbrand, Inc., certain of its subsidiaries party thereto, Commerzbank Aktiengesellschaft and other lenders party thereto, and Commerzbank Finance & Covered Bond S.A., acting as agent (Incorporated by reference as Exhibit 10.1 to Current Report on Form 8-K filed June 23, 2022)
Exhibit 10.32	**	Form of Performance-Based Unit Award Agreement (Shareholder Value Delivered) (2021 revision) (Incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K filed February 11, 2021)
Exhibit 10.33	**	Form of Performance Based Unit Award Agreement (Relative Total Shareholder Return) (2021 revision) (Incorporated by reference to Exhibit 10.3 to Current Report on Form 8-K filed February 11, 2021)
Exhibit 10.34	**	Form of Restricted Stock Unit Award Agreement (2021 revision) (Incorporated by reference to Exhibit 10.4 to Current Report on Form 8-K filed February 11, 2021)
Exhibit 10.35	**	Form of Restricted Stock Unit Award Agreement (Non-Employee Director) (2021 revision) (Incorporated by reference to Exhibit 10.5 to Current Report on Form 8-K filed February 11, 2021)
Exhibit 10.36		Amendment No. 8 to Private Shelf Agreement, dated as of June 9, 2022, among Hillenbrand, Inc., PGIM, Inc. (f/k/a Prudential Investment Management, Inc.), the subsidiary guarantors party thereto, and the additional parties thereto (Incorporated by reference as Exhibit 10.2 to Current Report on Form 8-K filed June 13, 2022)
Exhibit 10.37	**	Amendment No. 1 to Fourth Amended and Restated Credit Agreement, dated as of June 21, 2023, among Hillenbrand, Inc., the subsidiary borrowers thereto, the lenders party thereto and JPMorgan Chase Bank, N.A. (Incorporated by reference as Exhibit 10.1 to Current Report on Form 8-K filed June 23, 2023)
Exhibit 10.38	**	Amendment No. 2 to Fourth Amended and Restated Credit Agreement, dated as of July 14, 2023, among Hillenbrand, Inc., the subsidiary borrowers thereto, the lenders party thereto and JPMorgan Chase Bank, N.A. (Incorporated by reference as Exhibit 10.3 to Quarterly Report on Form 10-Q filed August 2, 2023)
Exhibit 10.39		Amendment and Restatement Agreement, dated June 22, 2023, between Hillenbrand, Inc., the subsidiary borrowers party thereto, the subsidiary guarantors party thereto, Commerzbank Aktiengesellschaft and the other financial institutions party thereto (Incorporated by reference as Exhibit 10.2 to Current Report on Form 8-K filed June 23, 2023)
Exhibit 21.1	*	Subsidiaries of Hillenbrand, Inc.
Exhibit 22	*	List of Guarantor Subsidiaries of Hillenbrand, Inc.
Exhibit 23.1	*	Consent of Ernst & Young LLP
Exhibit 31.1	*	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 31.2	*	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 32.1	*	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
Exhibit 32.2	*	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
Exhibit 97.1	*	Hillenbrand, Inc. Clawback Policy

The following documents are being filed pursuant to Inline XBRL:

Exhibit 101	The following financial statements from the Company’s Annual Report on Form 10-K for the year ended September 30, 2023, formatted in Inline XBRL: (i) Consolidated Statements of Operations, (ii) Consolidated Statements of Comprehensive Income, (iii) Consolidated Balance Sheets, (iv) Consolidated Statements of Cash Flows, (v) Consolidated Statements of Shareholders’ Equity, and (vi) Notes to Consolidated Financial Statements, tagged as blocks of text and including detailed tags.
Exhibit 104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Management contracts or compensatory plans or arrangements required to be filed as exhibits to this form pursuant to Item 15(a)(3) of this Form 10-K.

*** Schedules and certain exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. Hillenbrand hereby undertakes to furnish supplemental copies of any of the omitted schedules and exhibits upon request by the U.S. Securities and Exchange Commission.

Item 16. Form 10-K Summary

Not applicable.

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.

HILLENBRAND, INC.

By: /s/ Kimberly K. Ryan

Kimberly K. Ryan

President and Chief Executive Officer

November 15, 2023

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.

Signatures	Title	Date
/s/ Helen W. Cornell Helen W. Cornell	Chairperson of the Board	November 15, 2023
/s/ Kimberly K. Ryan Kimberly K. Ryan	President, Chief Executive Officer, and Director (Principal Executive Officer)	November 15, 2023
/s/ Robert M. VanHimbergen Robert M. VanHimbergen	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	November 15, 2023
/s/ Megan A. Walke Megan A. Walke	Vice President and Chief Accounting Officer (Principal Accounting Officer)	November 15, 2023
/s/ Gary L. Collar Gary L. Collar	Director	November 15, 2023
/s/ Joy M. Greenway Joy M. Greenway	Director	November 15, 2023
/s/ Daniel C. Hillenbrand Daniel C. Hillenbrand	Director	November 15, 2023
/s/ Neil S. Novich Neil S. Novich	Director	November 15, 2023
/s/ Dennis W. Pullin Dennis W. Pullin	Director	November 15, 2023
/s/ Jennifer W. Rumsey Jennifer W. Rumsey	Director	November 15, 2023
/s/ Inderpreet Sawhney Inderpreet Sawhney	Director	November 15, 2023
/s/ Stuart A. Taylor II Stuart A. Taylor II	Director	November 15, 2023

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BOARD OF DIRECTORS

Helen W. Cornell (2, 3)
Chairperson and Chairperson of the Nominating/Corporate Governance Committee
Former Chairperson, President and Chief Executive Officer, Owensboro Grain Company

Gary L. Collar (2, 3)
Chairperson of Compensation and Management Development Committee
Retired Senior Vice President and General Manager, Asia Pacific and Africa Region, AGCO Corporation

Joy M. Greenway (1, 3)
Retired Executive Director of Global Business Solutions, General Motors

Daniel C. Hillenbrand (1, 3)
Founder and Managing Partner, Clear Water Capital Partners, LLC

Neil S. Novich (1, 3, 4)
Chairperson of Audit Committee
Former Chairman, President and Chief Executive Officer, Ryerson, Inc.

Dennis W. Pullin (2, 3)
President and Chief Executive Officer, Virtua Health

Jennifer W. Rumsey (2, 3)
Chairperson, President and Chief Executive Officer, Cummins, Inc.

Kimberly K. Ryan
President and Chief Executive Officer, Hillenbrand, Inc.

Inderpreet Sawhney (1, 3, 4)
Group General Counsel and Chief Compliance Officer, Infosys Ltd.

Stuart A. Taylor, II (2, 3, 4)
Chairperson of Mergers & Acquisitions Committee
Chief Executive Officer, The Taylor Group LLC

(1) Audit Committee
(2) Compensation and Management Development Committee
(3) Nominating/Corporate Governance Committee
(4) Mergers & Acquisitions Committee

HILLENBRAND OFFICERS

Kimberly K. Ryan
President and Chief Executive Officer

Robert M. VanHimbergen
Senior Vice President, Chief Financial Officer

Aneesha Arora
Senior Vice President, Chief Human Resources Officer

Ulrich Bartel
Senior Vice President and President, Advanced Process Solutions

Nicholas R. Farrell
Senior Vice President, General Counsel and Secretary

Leo J. Kulmaczewski, Jr.
Senior Vice President, Operations Center of Excellence and HOM

Tamara Morytko
Senior Vice President and President, Molding Technology Solutions

Carole A. Phillips
Senior Vice President, Chief Procurement Officer

Bhavik N. Soni
Senior Vice President, Chief Information Officer

J. Michael Whitted
Senior Vice President, Strategy and Corporate Development

Megan A. Walke
Vice President, Chief Accounting Officer

HILLENBRAND

Hillenbrand

CORPORATE INFORMATION

HEADQUARTERS

One Batesville Boulevard
Batesville, Indiana 47006
Phone: (812) 931-5000
Website: www.hillenbrand.com

INVESTOR RELATIONS

Requests for the Hillenbrand Annual Report, Form 10-K or other information about the company should be directed in writing to:

Sam Mynsberge
Vice President, Investor Relations
Phone: (812) 931-5036
Website: ir.hillenbrand.com
E-mail: Investors@hillenbrand.com

ANNUAL MEETING

The annual meeting of shareholders of Hillenbrand, Inc. will be held at 10:00 a.m. Eastern Standard Time on Tuesday, February 20, 2024, at Hillenbrand's headquarters at One Batesville Boulevard, Batesville, Indiana.

INDEPENDENT AUDITORS

Ernst & Young LLP
211 E. Fourth St., Suite 2900
Cincinnati, Ohio 45202
Phone: (513) 612-1400

TRANSFER AGENT

Our transfer agent, Computershare, can help you with a variety of shareholder related services, including change of address, transfer of stock to another person, lost stock certificates and additional administrative services. Please include your name, address, and telephone number with all correspondence, and specify the most convenient time to contact you.

Computershare
P.O. Box 43006
Providence, RI 02940-3006

By Overnight Delivery:
Computershare
150 Royall Street, Suite 101
Canton MA 02021
Toll-free (877) 745-9349