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

Form 10-K

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

For the fiscal year ended December 31, 2023

or

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

Commission File Number: 01-14010

Waters Corporation

(Exact name of registrant as specified in its charter)

Delaware	**13-3668640**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

34 Maple Street
Milford, Massachusetts 01757
(Address, including zip code, of principal executive offices)

(508) 478-2000
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on
Common Stock, par value $0.01 per share	**WAT**	**New York Stock Exc**

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 Securitie
No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) c
☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(
Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was
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 require
submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for
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-accelerate
reporting company, or emerging growth company. See the definitions of "large accelerated filer", "accelerated filer",
reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☑	Accelerated filer ☐	Non-accelerated filer ☐	Smaller repo Emerging gr

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

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

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial s
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 analy
based compensation received by any of the registrant's executive officers during the relevant recovery period pursu
§240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).   Yes ☐

State the aggregate market value of the registrant's common stock held by non-affiliates of the registrant as of
$15,633,596,711.

Indicate the number of shares outstanding of the registrant's common stock as of February 23, 2024: 59,202,6

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WATERS CORPORATION AND SUBSIDIARIES
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PART I

Item 1: Business

General

Waters Corporation (the "Company," "Waters," "we," "our," or "us"), a global leader in analytical instrum
software, has pioneered innovations in chromatography, mass spectrometry and thermal analysis servin
and food sciences for more than 65 years. With approximately 7,900 employees worldwide, Waters opera
over 35 countries and has products available in more than 100 countries. The Company primarily design
manufactures, sells and services high-performance liquid chromatography ("HPLC"), ultra-performance l
chromatography ("UPLC" and together with HPLC, referred to as "LC") and mass spectrometry ("MS") te
systems and support products, including chromatography columns, other consumable products and com
post-warranty service plans. These systems are complementary products that are frequently employed to
("LC-MS") and sold as integrated instrument systems using common software platforms. In addition, the
designs, manufactures, sells and services thermal analysis, rheometry and calorimetry instruments throu
Instruments™ ("TA") product line. The Company is also a developer and supplier of advanced software-b
that interface with the Company's instruments, as well as other manufacturers' instruments.

The Company's products are used by pharmaceutical, clinical, biochemical, industrial, nutritional sa
environmental, academic and governmental customers working in research and development, quality ass
other laboratory applications. LC is a standard technique and is utilized in a broad range of industries to
identify, monitor and measure the chemical, physical and biological composition of materials, and to puri
of compounds. MS technology, principally in conjunction with chromatography, is employed in drug disco
development, including clinical trial testing, the analysis of proteins in disease processes (known as "pro
nutritional safety analysis and environmental testing. LC-MS instruments combine a liquid phase sample
and separation system with mass spectrometric compound identification and quantification. The Compan
analysis, rheometry and calorimetry instruments are used in predicting the suitability and stability of fin
pharmaceuticals, water, polymers, metals and viscous liquids for various industrial, consumer goods and
products, as well as for life science research.

Waters Corporation, organized as a Delaware corporation in 1991, is a holding company that owns a
outstanding common stock of Waters Technologies Corporation, its operating subsidiary. Waters Corpora
publicly traded company with its initial public offering ("IPO") in November 1995. Since the IPO, the Com
added three significant and complementary technologies to its range of products with the acquisitions of
Instruments in May 1996, Micromass Limited in September 1997 and Wyatt Technology in May 2023. On
the Company completed the acquisition of Wyatt Technology, LLC and its three operating subsidiaries, W
Technology Europe GmbH, Wyatt Technology France and Wyatt Technology UK Ltd. (collectively, "Wyatt"
purchase price of $1.3 billion in cash. Wyatt is a pioneer in innovative light scattering and field-flow fract
instruments, software, accessories and services. The acquisition will expand Waters™ portfolio and incre
to large molecule applications.

Business Segments

The Company's business activities, for which discrete financial information is available, are regularly rev
evaluated by the chief operating decision maker. As a result of this evaluation, the Company determined
operating segments: Waters and TA. The Waters operating segment is primarily in the business of design
manufacturing, selling and servicing LC and MS instrument systems, columns and other precision chemi
consumables that can be integrated and used along with other analytical instruments. The TA operating
primarily in the business of designing, manufacturing, selling and servicing thermal analysis, rheometry
calorimetry instruments. The Company's two operating segments have similar economic characteristics;
processes; products and services; types and classes of customers; methods of distribution;

and regulatory environments. Because of these similarities, the two segments have been aggregated into
segment for financial statement purposes. Operations of the recently acquired Wyatt business are part o
operating segment.

Information concerning revenues and long-lived assets attributable to each of the Company's produ
and geographic areas is set forth in Note 18 in the Notes to the Consolidated Financial Statements, whic
incorporated herein by reference.

Waters Products and Markets

High-Performance and Ultra-Performance Liquid Chromatography

HPLC is a standard technique used to identify and analyze the constituent components of a variety of che
other materials. The Company believes that HPLC's performance capabilities enable it to separate, ident
quantify a high proportion of all known chemicals. As a result, HPLC is used to analyze substances in a w
industries for research and development purposes, quality control and process engineering applications.

The most significant end-use markets for HPLC are those served by the pharmaceutical and life scie
In these markets, HPLC is used extensively to understand diseases, identify new drugs, develop manufac
methods and assure the potency and purity of new pharmaceuticals. HPLC is also used in a variety of oth
applications, such as analyses of foods and beverages for nutritional labeling and compliance with safety
and the testing of water and air purity within the environmental testing industry, as well as applications i
industries, such as chemical and consumer products. Waters also has in vitro diagnostic labelled product
as general-purpose instruments for clinical diagnostic applications, such as newborn screening and thera
management, in countries where these products are registered. HPLC is also used by universities, resear
and governmental agencies, such as the United States Food and Drug Administration ("FDA") and the Un
Environmental Protection Agency ("EPA") and their foreign counterparts that mandate safety and efficacy

In 2004, Waters introduced a novel technology that the Company describes as ultra-performance liq
chromatography that utilizes a packing material with small, uniform diameter particles and a specialized
the ACQUITY™ UPLC™ System, to accommodate the increased pressure and narrower chromatographi
are generated by these small and tightly packed particles. By using the ACQUITY UPLC System, research
analysts are able to achieve more comprehensive chemical separations and faster analysis times in comp
many analyses previously performed by HPLC. In addition, in using the ACQUITY UPLC System, research
potential to extend the range of applications beyond that of HPLC, enabling them to uncover more levels
information. While offering significant performance advantages, the ACQUITY UPLC System is also comp
Company's software products and the general operating protocols of HPLC. For these reasons, the Comp
customers and field sales and support organizations are well positioned to utilize this innovative technolo
instrument. In 2018, the Company introduced the ACQUITY Arc™ Bio System, a versatile,
iron-free, bio-inert, quaternary liquid chromatograph specifically engineered to improve bioseparation ar
methods. The Company also introduced the ACQUITY UPLC PLUS System series in 2018, consisting of th
UPLC H-Class PLUS System, ACQUITY UPLC H-Class PLUS Bio System and ACQUITY UPLC I-Class PLU
which incorporate foundational enhancements into the legacy systems.

Waters manufactures LC instruments that are offered in configurations that allow for varying degree
automation, from component configured systems for academic teaching and research applications to full
systems for regulated and high sample throughput testing, and that have a variety of detection technolog
optical-based ultra-violet absorbance, refractive index and fluorescence detectors to a suite of MS-based
optimized for certain analyses.

In 2019, the Company introduced the ACQUITY Advanced Polymer Chromatography™ System, whic fully solvent-compatible UPLC System to perform size exclusion, gradient polymer elution and solvent co reversed-phase liquid chromatographic separations on a single platform. The all-in-one system gives rese greater analytical versatility and speed when conducting research on next-generation polymers. In 2020, introduced the Waters Arc HPLC System, a new HPLC system for routine testing in the pharmaceutical, and materials markets. A key target application is quality control in laboratories performing batch releas small molecule pharmaceuticals. In 2021, the Company introduced the new ACQUITY Premier LC solutio Premier System both featuring Waters MaxPeak™ High Performance Surface ("HPS") Technology. MaxP Technology, which was first introduced with the Company's introduction of ACQUITY Premier Columns in surface technology that forms a barrier between the sample and the metal surfaces of both the system an eliminating the need for system passivation, mitigating the loss of metal-sensitive analytes and yielding h data in less time and effort.

During the second half of 2023, Waters introduced the DynaPro™ ZetaStar™ instrument through it Technology™ portfolio for nanoparticle analysis. The new instrument simultaneously enables dynamic an scattering and dynamic and electrophoretic light scattering measurements, all in one device. By combini light scattering techniques and automatically assessing data quality and performing adaptive data captur ZetaStar instrument delivers both increased sensitivity and faster measurements to aid the precise devel complex biologics, using extremely low sample volumes.

The primary consumable products for LC instruments are chromatography columns. These columns with separation media used in the LC testing process and are typically replaced at regular intervals. The chromatography column contains one of several types of packing material, typically stationary phase par from silica or polymeric resins. As a pressurized sample is introduced to the column inlet and permeates packed column, it is separated into its constituent components.

Waters HPLC columns can be used on Waters-branded and competitors' LC systems. The Company is one of a few suppliers in the world that manufactures silica and polymeric resins, packs columns and own products. In doing so, the Company believes it can better ensure product consistency, a key attribut customers in quality control laboratories and can react quickly to new customer requirements. The Comp that its ACQUITY UPLC Columns are used primarily on its ACQUITY UPLC Systems and, furthermore, th UPLC Systems primarily use ACQUITY UPLC Columns. In 2019, the Company introduced the BioResolve Columns and VanGuard™ FIT Cartridge technologies. These new cation exchange column lines with spe consumables are designed to simplify and improve the characterization and monitoring of monoclonal an therapeutics, as well as enable mAb charge-variant analyses as required by the World Health Organizatio and the International Conference on Harmonization for confirming the efficacy and safety of biologics an with discovery, development and manufacturing applications. In 2020, Waters introduced ACQUITY Prem at the time a new family of premium sub-2-micron columns featuring MaxPeak HPS Technology. The colu use with any brand of UPLC System and can measurably improve data quality by mitigating the loss of sa due to analyte-to-surface interactions.

The Company's precision chemistry consumable products also include environmental and nutritiona products, including Certified Reference Materials and Proficiency Testing products. Laboratories around across multiple industries use these products for quality control and proficiency testing and also purchas support services required to help with their federal and state mandated accreditation requirements or w control over critical pharmaceutical analysis.

In 2023, the Company introduced the first in a new line of size exclusion chromatography columns a improving analysis while lowering the cost of gene therapies, specifically adeno-associated viral ("AAV") new Waters XBridge™ Premier GTx BEH™ size exclusion chromatography columns double the

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speed of measuring the potency and safety of AAVs. Combining the columns with light scattering technol
Wyatt Technology portfolio deepens the level of information acquired from a single experiment and optin
manufacturing of these novel gene delivery vehicles.

In 2020, the Company acquired all of the outstanding stock of Andrew Alliance, S.A. (“Andrew Allian
Alliance offers lab workflow automation solutions with the combination of its software platform and smar
laboratory equipment and accessories. The addition of Andrew Alliance to our portfolio has allowed us to
impact our customers’ workflows by improving the repeatability, performance and speed of laboratory op
chemistry workflows.

In 2023, the Company introduced the Alliance™ iS HPLC System, the next-generation intelligent HI
designed to reduce compliance risk by adding new levels of proactive error detection, troubleshooting ar
When combined with Waters compliance-ready Empower™ Chromatography Software and eConnect™ I
the Alliance iS HPLC System streamlines the task of making accurate and precise measurements by dete
eliminating common errors. In doing so, the Alliance iS HPLC System helps quality control laboratories t
meet quality, safety, compliance and on-time product delivery goals. This system also integrates with the
waters_connect™ System Monitoring Software enabling real-time monitoring of the Alliance iS HPLC Sy
other chromatography instruments controlled by Empower Software. Laboratory managers can view the
their HPLC instrument fleet from anywhere and at any time to further improve equipment utilization and
productivity.

Also in 2023, the Company introduced the new bioprocess walk-up solutions designed to further sim
sample preparation and analysis. This solution eliminated the need to send bioreactor samples to a centr
for analysis making it even easier to accelerate upstream bioprocess development by up to six weeks ove
methods.

Mass Spectrometry and Liquid Chromatography-Mass Spectrometry

MS is a powerful analytical technology that is used to identify unknown compounds, to quantify known m
elucidate the structural and chemical properties of molecules by measuring the masses of molecules that
converted into ions.

The Company is a technology and market leader in the development, manufacture, sale and service
instruments and components. These instruments are typically integrated and used along with other comp
analytical instruments and systems, such as LC, chemical electrophoresis and gas chromatography. A wid
instrumental designs fall within the overall category of MS instrumentation, including devices that incor
quadrupole, ion trap, time-of-flight (“Tof”), magnetic sector and ion mobility technologies. Furthermore,
technologies are often used in tandem to maximize the speed and/or efficacy of certain experiments.

Currently, the Company offers a wide range of MS instrument systems utilizing various combination
quadrupole, Tof and ion mobility designs. These instrument systems are used in drug discovery and deve
well as for environmental, clinical and nutritional safety testing. The overwhelming majority of mass spec
by the Company are designed to utilize an LC system and a liquid compatible interface (such as an electr
ionization source) as the sample introduction device. These products supply a diverse market with a stro
the pharmaceutical, biomedical, clinical, food and beverage and environmental market segments worldw

MS is an increasingly important detection technology for LC. The Company’s smaller-sized mass spe
such as the single quadrupole detector and the tandem quadrupole detector (“TQD”), are often referred
“detectors” and are typically sold as part of an LC system or as an LC system upgrade. Larger quadrupol
such as the Xevo™ TQ MS System and Xevo TQ-S MS System, are used primarily for experiments perfor
stage drug development, including clinical trial testing. Quadrupole time-of-flight

("Q-Tof") instruments, such as the Company's SYNAPT™ G2-S HDMS System, are often used to analyze
proteins in disease processes, an application sometimes referred to as "proteomics."

LC and MS are typically embodied within an analytical system tailored for either a dedicated class c
as a general-purpose analytical device. An increasing percentage of the Company's customers are purcha
MS components simultaneously and it has become common for LC and MS instrumentation to be used w
laboratory and operated by the same user. The descriptions of LC and MS above reflect the historical seg
these analytical technologies and the historical categorization of their respective practitioners. Increasin
instrument market, this segmentation and categorization is becoming obsolete as a high percentage of in
used in the laboratory embody both LC and MS technologies as part of a single device. In response to thi
and to further promote the high utilization of these hybrid instruments, the Company has organized its W
operating segment to develop, manufacture, sell and service integrated LC-MS systems.

In 2019, the Company introduced the BioAccord™ System, a liquid chromatography-mass spectrom
that expands access to high-resolution time-of-flight mass spectrometry capabilities. The system provides
user experience with automated setup and self-diagnosis delivered through an intuitive user interface. Al
Company introduced the SELECT SERIES™ Cyclic™ IMS System, which seamlessly integrates cyclic ion
technology into a high-performance research-grade time-of-flight mass spectrometer. In addition, the Con
introduced the SYNAPT XS System, a new highly flexible, high-resolution mass spectrometer for research
development labs focused on discovery applications. The Company also reinforced its tandem quadrupole
spectrometry portfolio during the current year with upgrades to the Xevo TQ-S micro MS System and the
of the new Xevo TQ-S cronos MS System. The Xevo TQ-S micro System features new performance enhan
bring the quantitation of highly polar, ionic compounds in food to a higher level. The Xevo TQ-S cronos S
tandem quadrupole mass spectrometer purposely built for routine quantitation of large numbers of small
organic compounds over a wide concentration range. The Xevo TQ-S micro System and the Xevo TQ-S cr
are also well suited to meet regulatory requirements for pesticide residue analysis, the monitoring for co
processed foods, identifying drugs of abuse, and performing impurity profiling of pharmaceuticals. In 20
Company introduced the RADIAN™ ASAP™ System, a novel direct mass detector engineered for non-ma
spectrometry experts to conduct fast and accurate analyses of solids and liquids with minimal sample pre
2020, the Company introduced enhancements for the Waters Xevo G2-XS QTof System, SYNAPT XS Syste
SELECT SERIES Cyclic IMS System, including a new fragmentation technique and imaging option.

In 2021, the Company introduced the SELECT SERIES MRT MS System, a high-resolution mass spe
combines Multi-Reflecting Time-of-Flight ("MRT") technology with enhanced desorption electrospray ion
new matrix-assisted laser desorption ionization imaging sources. The platform will serve as the basis for
generation Tof instruments with applications in pharmaceutical, biomedical, natural products, and mater
Also in 2021, the Company released the ACQUITY RDa™ Detector featuring SmartMS™ Technology, the
newest Tof MS designed to improve the ease and reliability of small molecule analysis for pharmaceutica
food, and forensic applications. The Company also introduced a new peptide multi-attribute method work
BioAccord LC-MS System in 2021, which is an end-to-end workflow for analyzing monoclonal antibodies
protein and peptide-based drugs.

In 2022, the Company introduced the Xevo TQ Absolute System, the most sensitive and compact ben
mass spec in its class. The Company introduced the new Xevo G3 Q-Tof Mass Spectrometer with CONFIR
new oligonucleotide sequencing confirmation app for the waters_connect Software platform and an elect
ionization source for the high-resolution SELECT SERIES MRT Mass Spectrometer.

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Based upon 2023 reports from independent marketing research firms and publicly disclosed sales fi
competitors, the Company believes that it is one of the world's largest manufacturers and distributors of
instrument systems, chromatography columns and other consumables and related services.

The Company has been a developer and supplier of software-based products that interface with both
Company's and other suppliers' instruments. The Company's newest software technology for mass spect
waters_connect Software platform. In 2019, the Company introduced the first of a series of applications o
platform supporting the BioAccord System and the Xevo G2 XS Mass Spectrometer. These applications s
biopharmaceutical workflows, simplifying the collection of often complex LCMS data for use in biopharm
development and into QC where it is used to assure the quality of existing medicines and new drug formu
platform design of waters_connect Software has enabled rapid delivery of several major updates includin
biopharma application workflows designed in close collaboration with biopharmaceutical innovators to s
challenges they face with existing solutions. The platform also provides the foundation for the connected
future where data is no longer siloed but can be securely shared among a community of connected scien
waters_connect Software joins the existing suite of informatics products: Empower Chromatography Dat
MassLynx™ Mass Spectrometry Software and NuGenesis™ Scientific Data Management System, each o
to support innovations within world-leading institutions. In 2020, Waters announced the availability of Em
LAC/E™ Solution with SecureSync, an enhanced solution to preserve the ability for laboratories to work
organizations with distributed laboratory environments experience an enterprise interruption.

On December 15, 2020, the Company acquired all of the outstanding stock of Integrated Software S
Limited and its two operating subsidiaries Integrated Software Solutions Limited and Integrated Softwar
USA, LLC (collectively, "ISS"). ISS offers clinical laboratory software systems that support and further ex
offerings within our clinical business. The net assets acquired primarily relate to ISS' laboratory informa
OMNI-Lab.

In 2022, the Company introduced a new Per-and Polyfluoroalkyl Substances ("PFAS") quantitation w
enabled by enhancements to its waters_connect Software for quantitation software and the Company int
Extraction+™ Connected Device, a new software-controlled product for the Waters Andrew+™ Pipettin
automates the preparation of biological, food, forensics and environmental samples by solid phase extrac

In 2023, the Company introduced the next generation Xevo TQ Absolute IVD Mass Spectrometer, ex
family of MassTrak™ IVD LC-MS/MS Systems for clinical diagnostic applications. The powerful analytica
of the Xevo TQ Absolute IVD Mass Spectrometer is up to five times more sensitive for quantifying clinica
sensitivity enables clinical laboratories to detect and measure trace level analytes within a sample at low
levels than previously possible. It can also extend the testing capabilities of the clinical laboratory to incl
volume samples obtained in less-invasive assays such as saliva, breath, dried blood spots and multiplex p
large molecules. The new MassTrak LC-MS/MS IVD System includes the ACQUITY UPLC I-Class PLUS S
Xevo TQ Absolute IVD Mass Spectrometer. The ACQUITY UPLC I-Class PLUS System is designed to deliv
accurate sample analysis to enhance the sensitivity of any mass spectrometer and simplify the character
most complex sample. The Xevo TQ Absolute IVD System provides more consistent instrument-to-instrum
performance, with a user-friendly design that maximizes service uptime. Its innovative design is also 45%
uses 50% less nitrogen gas and electricity than comparable tandem quadrupole-mass spectrometry syste
ideal for hospital labs and independent commercial labs with both sustainability and business growth go

In addition, in 2023, the Company introduced the industry's first targeted imaging mass spectromet
Xevo TQ Absolute Tandem Quadrupole Mass Spectrometer which is the most sensitive and compact mass
in its class. The new instrument combines the Waters DESI XS source with the Xevo TQ Absolute

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System and is five times more sensitive and five times faster than discovery-based imaging systems at pr
determining whether a particular small molecule drug product, and how much of it, reaches its intended
a brain, liver or lung, in a test subject.

Also in 2023, the Company announced new updates to its SELECT SERIES MRT System that increa specificity and utility for UPLC-MS/MS metabolomics and drug discovery applications and for mass spec imaging experiments. The MRT System now offers 50% higher resolution, making it capable of 300,000 resolution, a 3X faster scan rate and parts-per-billion mass accuracy. These MRT System enhancements help research scientists unambiguously identify analytes of interest in samples of blood, urine and tissue to a greater understanding of molecules and their mechanisms of action in numerous scientific fields. It with numerous MS imaging sources including DESI and MALDI, and generates crystal-clear, high-resolu without compromising mass spectral resolution or accuracy.

In addition, in 2023, the Company combined its BioAccord LC-MS System and the Waters Andrew+ Robot, connecting via new protocols in OneLab™ Software to create fully integrated and easy-to-use bio walk-up solutions. It is designed to enable less experienced LC-MS users to acquire critical quality attrib analysis of drug product and cell culture media. Capturing data directly at the bioproduction laboratory bioprocess engineers improve process understanding, leading to more robust manufacturing processes development timelines.

Waters Service

Services provided by Waters enable customers to maximize technology productivity, support customer co activities and provide transparency into enterprise resource management efficiencies. The customer ben improved budget control, data-driven technology adoption and accelerated workflow at a site or on a glo perspective. The Company considers its service offerings to be highly differentiated from its competition by a consistent increase in annual service revenues. The Company's principal competitors in the service Revvity, Inc., Agilent Technologies, Inc. and Thermo Fisher Scientific Inc. These competitors can provide services on Waters instruments to varying degrees and always present competitive risk.

The servicing and support of instruments, software and accessories is an important source of reven represented over 35% of sales for Waters in 2023. These revenues are derived primarily through the sal plans, demand services, spare parts, customer performance validation services and customer training. S typically involve scheduled instrument maintenance and an agreement to promptly repair a non-functio in return for a fee described in a contract that is priced according to the configuration of the instrument.

The waters_connect System Monitoring is a new Software-as-a-Service application that enables labo managers and analysts to monitor the real-time status of any chromatography instruments, regardless o manufacturer, running on Waters Empower Software. The waters_connect System Monitoring applicatio developed especially for high-volume quality assurance/quality control laboratories. It can reduce the tu of product release samples and facilitate the planning and progress of critical analyses via live, at-a-glan views of the operational status of chromatography instruments. The cloud-native application also helps l utilize capital resources better by providing an understanding of instrument history and usage levels an productivity of their teams.

TA Products and Markets

Thermal Analysis, Rheometry and Calorimetry

Thermal analysis measures the physical or thermodynamic characteristics of materials as a function of te Changes in temperature affect several characteristics of materials, such as their heat flow

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characteristics, physical state, weight, dimension and mechanical and electrical properties, which may b
one or more thermal analysis techniques, including calorimetry. Consequently, thermal analysis techniqu
used in the development, production and characterization of materials in various industries, such as plas
automobiles, pharmaceuticals and electronics.

Rheometry instruments often complement thermal analyzers in characterizing materials. Rheometry
the flow properties of materials and measures their viscosity, elasticity and deformation under different t
“loading” or other conditions. The information obtained under such conditions provides insight into a ma
behavior during processing, packaging, transport, usage and storage.

Thermal analysis, rheometry and calorimetry instruments are heavily used in material testing labora
many cases, provide information useful in predicting the suitability and stability of industrial polymers, f
pharmaceuticals, water, metals and viscous liquids in various industrial, consumer goods and healthcare
well as for life science research. As with systems offered by Waters, a range of instrument configurations
with increasing levels of sample handling and information processing automation. In addition, systems a
accompanying software packages can be tailored for specific applications.

In 2020, TA introduced the new Discovery™ X3™ Differential Scanning Calorimeter (“X3 DSC”), Di
Rheometers and TAM IV Micro XL isothermal microcalorimeter. The X3 DSC accelerates productivity in
laboratories by enabling three samples to be measured in a single experiment, compared to the single-sa
operation of the other available DSC offerings in the market. This particularly addresses a need in high-t
laboratories in industries such as composites, electronics and polymer manufacturing. The new line of Di
Rheometers provides increased sensitivity and versatility of rheometry measurements, supporting the de
next-generation, high-performance materials by improving the productivity and efficiency of materials sc
The TAM IV Micro XL isothermal calorimeter supports the development of new battery chemistries by m
discharge and unwanted reactions that reduce battery life and efficiency.

In 2021, TA introduced the TMA 450 RH Instrument and the Discovery SA Instrument. The TMA 45
Instrument provides measurements of dimensional compatibility of materials under controlled temperatu
humidity that are important for the development of new electronic devices. The Discovery SA Instrument
pharmaceutical development to assess the impact of moisture in drug product processing and storage on
structure, which is related to drug product efficacy.

In 2021, TA introduced the TRIOS™ AutoPilot Software for its thermal analyzer product line. This s
laboratory staff using TA’s thermal analyzers create routine and streamlined standard operating procedu
the speed and productivity of thermal analysis measurements.

In 2022, TA introduced the Powder Rheology Accessory, which enables our Discovery Hybrid Rheom
characterize the behavior of powders during storage, dispensing, processing and end-use. The Powder R
Accessory provides relevant property and processing measurements for battery electrode coatings to pre
that cause cell failure and pharmaceutical tablets to prevent instabilities of API blends.

In 2022, TA introduced Polymer Workflow Guided Methods, which provides walk up and use functio
codifying polymer workflows. Guided Methods leverages the power of TRIOS AutoPilot Software and ena
users to quickly learn and use the instrument to set up test methods, run tests, and execute analyses acr
Thermal Analysis and Rheology product lines.

In 2023, TA introduced a new Battery Cycler Microcalorimeter Solution for high-resolution characte
battery cells. The instrument and software combination enables non-destructive testing under real-world
conditions and significantly reduces experiment time from months to weeks, while providing decisive ins
greater battery efficiency, safety and stability.

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TA Service

Similar to Waters, the servicing and support of TA's instruments is an important source of revenue and re
more than 25% of sales for TA in 2023. TA operates independently from the Waters operating segment, th
its overseas offices are jointly occupied with Waters to achieve operational efficiencies. TA has dedicated
service operations. Service sales are primarily derived from the sale of support plans, replacement parts
labor fees associated with the repair, maintenance and upgrade of installed systems.

Global Customers

The Company typically has a broad and diversified customer base that includes pharmaceutical accounts
industrial accounts, universities and governmental agencies. Purchase of the Company's instrument syst
dependent on its customers' capital spending, or funding as in the cases of academic, governmental and
institutions, which often fluctuate from year to year. The pharmaceutical segment represents the Compa
sector and includes multinational pharmaceutical companies, generic drug manufacturers, contract rese
organizations ("CROs") and biotechnology companies. The Company's other industrial customers include
manufacturers, polymer manufacturers, food and beverage companies and environmental testing laborat
Company also sells to universities and governmental agencies worldwide. The Company's technical sales
staff members work closely with its customers in developing and implementing applications that meet th
of analytical requirements. During 2023, 57% of the Company's net sales were to pharmaceutical accou
other industrial accounts and 12% to academic institutions and governmental agencies. Although the Co
transacts business with various government agencies, no government contract is of such magnitude that
renegotiation of profits or termination of the contract at the election of the government agency would ha
adverse effect on the Company's financial results.

The Company typically experiences seasonality in its orders that is reflected as an increase in sales
quarter, as a result of purchasing habits for capital goods of many customers who tend to exhaust their s
budgets by calendar year-end. The Company does not rely on any single customer for a material portion
During fiscal years 2023, 2022 and 2021, no single customer accounted for more than 2% of the Compa

Sales and Service

The Company has one of the largest direct sales and service organizations focused exclusively on the ana
workflows offered by the Company. Across these product technologies, using respective specialized sales
workforces, the Company serves its customer base with 85 sales offices throughout the world as of Dece
and approximately 4,300, 4,500 and 4,300 field representatives in 2023, 2022 and 2021, respectively. Th
in sales and service personnel serves to maintain and expand the Company's installed base of instrumen
Company's sales representatives have direct responsibility for account relationships, while service repre
work in the field to install instruments, train customers and minimize instrument downtime. In-house and
technical support representatives work directly with customers, providing them assistance with applicati
procedures on Company products. The Company provides customers with comprehensive information thr
corporate and geographic-specific internet websites and product literature, and also makes consumable
available through electronic ordering facilities and a dedicated catalog.

Manufacturing and Distribution

The Company provides high product quality by overseeing each stage of the production of its instrument
chemical reagents.

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The Company currently assembles a portion of its LC instruments at its facility in Milford, Massachu performs machining, assembly and testing. The Milford facility maintains quality management and enviro management systems in accordance with the requirements of ISO 9001:2015, ISO 13485:2016, ISO 4500 ISO 14001:2015, and adheres to applicable regulatory requirements (including the FDA Quality System I the European In-Vitro Diagnostic Directive). The Company outsources manufacturing of certain electroni such as computers, monitors and circuit boards, to outside vendors that meet the Company's quality requ addition, the Company outsources the manufacturing of certain LC instrument systems and components established contract manufacturing firms in Singapore. The Company's Singapore entity is ISO 9001:201 manages all Asian outsourced manufacturing as well as the distribution of all products from Asia. The Co pursue outsourcing opportunities as they arise but believes it maintains adequate supply chain and manu capabilities in the event of disruption or natural disasters.

The Company primarily manufactures and distributes its LC columns at its facilities in Taunton, Mas Wexford, Ireland. In February 2018, the Company's Board of Directors approved expanding its Taunton l Company has incurred costs of approximately $248 million on a new state-of-the-art facility, which is sub complete as of December 31, 2023. The Taunton facility processes, sizes and treats silica and polymeric r packed into columns, solid phase extraction cartridges and bulk shipping containers in both Taunton and Wexford facility also manufactures and distributes certain data, instruments and software components fo Company's LC, MS and TA product lines. The Company's Taunton facility is certified to ISO 9001:2015 an 14001:2015. The Wexford facility is certified to ISO 9001:2015, ISO 13485:2016/EN ISO 13485:2016 and 14001:2015. VICAM manufactures antibody-linked resins and magnetic beads that are packed into colum Milford, Massachusetts and Nixa, Missouri. The Company manufactures and distributes its Analytical Sta Reagents and Environmental Resource Associates ("ERA") product lines at its facility in Golden, Colorado certified to ISO 9001:2015 and accredited to ISO/IEC 17025:2017, ISO/IEC 17034:16, ISO/IEC 17043:20 Standard Vol. 3:2016. Some ERA products are also manufactured in the Wexford, Ireland facility, which i accredited to ISO/IEC 17025:2017 and ISO/IEC 17034:2016.

The Company manufactures and distributes its MS products at its facilities in Wilmslow, England an Ireland. Certain components or modules of the Company's MS instruments are manufactured at its facili England and by long-standing outside contractors. Each stage of this supply chain is closely monitored b to maintain high quality and performance standards. The instruments, components or modules are then r Company's facilities, where its engineers perform final assembly, calibrations to customer specifications control procedures. The Company's MS facilities are certified to ISO 9001:2015, ISO 13485:2016/EN ISO and ISO 14001:2015 (Wexford only) and adhere to applicable regulatory requirements (including the FDA System Regulation and the European In-Vitro Diagnostic Directive).

TA's thermal analysis, rheometry and calorimetry products are manufactured and distributed at the New Castle, Delaware, Eden Prairie, Minnesota, Lindon, Utah and Hüllhorst, Germany facilities. Similar elements of TA's products are manufactured by outside contractors and are then returned to the Compan for final assembly, calibration and quality control. The Company's New Castle facility is certified to the IS standard and the Eden Prairie facility is certified to both ISO 9001:2015 and ISO/IEC 17025:2017 standa Lindon facility is certified to ISO 9001:2015.

All instrument manufacturing for Wyatt products takes place at its facilities in Santa Barbara, Califo Company's Wyatt facility in Santa Barbara, California is certified to ISO 9001:2015

Raw Materials

The Company purchases a variety of raw materials, primarily consisting of high temperature alloy sheet castings, forgings, pre-plated metals and electrical components from various vendors. The materials use the Company's operations are generally available from a number of sources and in sufficient quantities t requirements subject to normal lead times.

The Company is subject to rules of the Securities and Exchange Commission ("SEC") under the Dod Street Reform and Consumer Protection Act, which require disclosure as to whether certain materials (t gold and tungsten), known as conflict minerals, which may be contained in the Company's products, are Democratic Republic of the Congo and adjoining countries. In 2022, the Company was not able to deter certainty the country of origin of some of the conflict minerals in its manufactured products. However, th does not have knowledge that any of its conflict minerals originated from the Democratic Republic of the adjoining countries. The Company is in the process of evaluating its 2023 supply chain, and the Compan its 2023 Form SD with the SEC in May 2024. The results of this and future evaluations may impose addit may introduce new risks related to the Company's ability to verify the origin of any conflict minerals con products.

In addition, the Company continues to monitor environmental, health and safety regulations in coun it operates throughout the world, in particular, European Union and China Restrictions on the use of cert Substances in electrical and electronic equipment and European Union Waste Electrical and Electronic E directives. Further information regarding these regulations is available on the Company's website, www. under the caption "About Waters / Corporate Governance".

Research and Development

The Company maintains an active research and development program focused on the development and commercialization of products that extend, complement and update its existing product offering. The Co research and development expenditures for 2023, 2022 and 2021 were $175 million, $176 million and $1 respectively.

Nearly all of the Company's LC products have been developed at the Company's main research and center located in Milford, Massachusetts, with input and feedback from the Company's extensive field o and customers. The majority of the Company's MS products are developed at facilities in England and m Company's current materials characterization products are developed at the Company's research and de center in New Castle, Delaware. At December 31, 2023, 2022 and 2021, there were approximately 1,200 involved in the Company's research and development efforts. The Company has increased research and expenses from its continued commitment to invest significantly in new product development and existin enhancements, and as a result of acquisitions. Despite the Company's active research and development there can be no assurance that the Company's product development and commercialization efforts will b that the products developed by the Company will be accepted by the marketplace.

In 2020, the Company opened a new research laboratory in Cambridge, MA, which serves as a strat collaborative space in the community, where Waters can partner with academia, research and industry t next generation of scientific advancements.

Human Capital

We believe that our people differentiate our business and are vital to our continued success. As a result, important investments in our workforce through initiatives and programs that support talent developme and enhance our Total Rewards programs.

Employees

The Company employed approximately 7,900, 8,200 and 7,800 employees at December 31, 2023, 2022 a respectively, with approximately 38% of the Company's employees located in the United States. The

Company believes its employee relations are generally good. The Company's employees are not unionize
with any internal or external labor organizations.

In July 2023, the Company made organizational changes to better align its resources with its growth
innovation strategies, resulting in a worldwide workforce reduction that impacted approximately 5% of t
employees.

Talent Development

We believe that our future success depends in a significant part on our continued ability to attract and re
skilled employees and then contribute to the growth and development of these employees.

We further the growth and development of our employees by investing in various programs, digital p
workshops that build professional and technical skills. In addition, management periodically assesses suc
planning for certain key positions and reviews our workforce to identify high potential employees for futu
development.

Inclusion & Diversity

We believe inclusion is a core tenet of organizational success and that fostering a sense of inclusivity allo
employees to maximize their performance contribution to our business. In 2021, we hired our first Direct
Equity and Inclusion to help strategize and focus our inclusivity efforts. As part of our company-led initia
an inclusive workplace, we have created Employee Circles and Employee Hubs, which are voluntary, emp
employee resource groups worldwide to foster a diverse and inclusive culture through awareness, educa
employee connections. Our five Employee Circles are people of color, LGBTQ+ pride, veterans, women a
Our global Employee Circles provide opportunities for Waters employees to connect with teammates thro
world, while Employee Hubs encourage engagement at the local level. Our Employee Circles and Hubs le
initiatives in 2023 to build a strong culture of inclusion and awareness. We have also rolled out training t
employees to support an inclusive culture that values diverse perspectives.

We believe that part of fostering a diverse, inclusive and equitable organization and workforce mean
understanding the makeup of our current employees. As of December 31, 2023, our workforce identifies

- 32% female, with women occupying 34% of company leadership roles (defined as Senior Direct
compared with 22% in 2017, an increase of 12 percentage points; and

- 23% racially and/or ethnically diverse, with 11% of our workforce identifying as Asian, 3.5% as
Black or African American, 7% identifying as Hispanic/Latinx and 1% identifying as two or mor

Recruitment

Waters has focused on expanding diversity in our recruitment processes, including developing partnersh
organizations that support diversity in hiring and employee engagement. Current partnerships include: t
Organization of Black Chemists and Chemical Engineers, Out in Tech, Vercida, Home Base and Fairygodb
the pipeline of strong candidates.

Health and Safety

The health and safety of our employees is our highest priority. Through online and in-person training pro
believe that we foster a safe workplace and ensure that all employees are empowered to prevent acciden

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We manufacture products deemed essential to critical infrastructure, including health and safety, fo agriculture, and energy, and as a result, the majority of our production sites continued operating during pandemic.

Competition

The analytical instrument systems, supplies and services market is highly competitive. The Company enc competition from several worldwide suppliers and other companies in both domestic and foreign markets three primary technologies. The Company competes in its markets primarily on the basis of product perf reliability, service and, to a lesser extent, price. Competitors continuously introduce new products and ha businesses that are generally more diversified than the Company's business. Some competitors have gre resources and broader distribution than the Company's.

In the markets served by Waters, the Company's principal competitors include: Agilent Technologies Shimadzu Corporation, Bruker Corporation, Danaher Corporation and Thermo Fisher Scientific Inc. In th served by TA, the Company's principal competitors include: Perkin Elmer, Inc., NETZSCH-Geraetebau Gr Fisher Scientific Inc., Malvern PANalytical Ltd., a subsidiary of Spectris plc, Anton-Paar GmbH and other here.

The market for consumable LC products, including separation columns, is highly competitive and ge fragmented than the analytical instruments market. The Company encounters competition in the consum market from chemical companies that produce column sorbents and small specialized companies that pr purchased sorbents into columns and subsequently package and distribute columns. The Company believ one of the few suppliers that processes silica and polymeric resins, packs columns and distributes its own Company competes in this market on the basis of performance, reproducibility, reputation and, to a lesse In recent years, the Company's principal competitors for consumable products have included: Danaher C Merck KGaA; Agilent Technologies, Inc.; General Electric Company and Thermo Fisher Scientific Inc. The UPLC Instrument is designed to offer a predictable level of performance when used with ACQUITY UPLC the Company believes that the expansion of the ACQUITY UPLC Instrument base will enhance its chroma column business because of the high level of synergy between ACQUITY UPLC Columns and the ACQUIT Instruments.

Patents, Trademarks and Licenses

The Company owns a number of United States and foreign patents and has patent applications pending i United States and abroad. Certain technology and software has been acquired or is licensed from third p Company also owns a number of trademarks. The Company's patents, trademarks and licenses are viewe assets to its operations. However, the Company believes that no one patent or group of patents, tradema in and of itself, essential to the Company such that its loss would materially affect the Company's busines

Environmental Matters and Climate Change

The Company is subject to foreign and U.S. federal, state and local laws, regulations and ordinances that activities or operations that may have adverse environmental effects, such as discharges to air and water handling and disposal practices for solid and hazardous wastes, and (ii) impose liability for the costs of c certain damages resulting from sites of past spills, disposals or other releases of hazardous substances. T believes that it currently conducts its operations and has operated its business in the past in substantial with applicable environmental laws. From time to time, Company operations have resulted or may result noncompliance with environmental laws or liability for cleanup pursuant to environmental laws. The Con currently anticipate any material adverse effect on its operations, financial condition or competitive position as a result of its efforts to comply with environmen

The Company is sensitive to the growing global debate with respect to climate change. An internal s working group develops increasingly robust data with respect to the Company's utilization of carbon pro substances in an effort to continuously reduce the Company's carbon footprint. In 2019, the Company pu sustainability report identifying the various actions and behaviors the Company adopted in 2018 concern commitment to both the environment and the broader topic of social responsibility. The Company has co publish a sustainability report (which was renamed the ESG Report in 2022) on an annual basis. In Nove Company published its 2023 ESG Report, detailing the Company's efforts to address its environmental in uphold its social responsibilities in 2023. See Item 1A, Risk Factors – The effects of climate change could Company's business, for more information on the potential significance of climate change legislation. Se in the Notes to the Consolidated Financial Statements for financial information about geographic areas.

Available Information

The Company files or furnishes all required reports with the SEC. The Company is an electronic filer and maintains a website that contains reports, proxy and information statements and other information rega that file electronically with the SEC. The address of the SEC electronic filing website is http://www.sec.g Company also makes available, free of charge on its website, its annual report on Form 10-K, quarterly r Form 10-Q, current reports on Form 8-K and any amendments to those reports as soon as reasonably pra such material is electronically filed with or furnished to the SEC. The website address for Waters Corpor www.waters.com and SEC filings can be found under the caption "Investors". The Company is providing address solely for the information of investors. The Company does not intend the address to be an active otherwise incorporate the contents of the website, including any reports that are noted in this annual re 10-K (this "Annual Report") as being posted on the website, into this Annual Report. Investors and others that we may announce material information to our investors using our investor relations website (ir.wate filings, press releases, public conference calls and webcasts. We use these channels, as well as social me communicate with our investors and the public about our Company, our business and other issues. It is p information that we post on these channels could be deemed to be material information. We therefore en investors to visit these websites from time to time.

Forward-Looking Statements

This Annual Report, including the information incorporated by reference herein, contains forward-lookin within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Statements that are not stateme historical fact may be deemed forward-looking statements. You can identify these forward-looking statem use of the words "feels", "believes", "anticipates", "plans", "expects", "may", "will", "would", "intends", " "appears", "estimates", "projects", "should" and similar expressions, whether in the negative or affirmat forward-looking statements are subject to various risks and uncertainties, many of which are outside the Company, including, and without limitation:

- foreign currency exchange rate fluctuations potentially affecting translation of the Company's f operating results, particularly when a foreign currency weakens against the U.S. dollar;
- current global economic, sovereign and political conditions and uncertainties, including the eff proposed tariff or trade regulations, changes in inflation and interest rates, the impacts and co particular as a result of the ongoing conflicts between Russia and Ukraine and in the Middle Ea possibility of further escalation resulting in new geopolitical and regulatory instability and the government's ongoing tightening of restrictions on procurement by government-funded custom

- the Company’s ability to access capital, maintain liquidity and service the Company’s debt in vo conditions;
- risks related to the effects of any pandemic on our business, financial condition, results of oper prospects;
- changes in timing and demand for the Company’s products among the Company’s customers ar market sectors, particularly as a result of fluctuations in their expenditures or ability to obtain
- the ability to realize the expected benefits related to the Company’s various cost-saving initiati workforce reductions and organizational restructurings;
- the introduction of competing products by other companies and loss of market share, as well as prices from competitors and/or customers;
- changes in the competitive landscape as a result of changes in ownership, mergers and continu consolidation among the Company’s competitors;
- regulatory, economic and competitive obstacles to new product introductions, lack of acceptanc products and inability to grow organically through innovation;
- rapidly changing technology and product obsolescence;
- risks associated with previous or future acquisitions, strategic investments, joint ventures and including risks associated with achieving the anticipated financial results and operational syne contingent purchase price payments; and expansion of our business into new or developing ma
- risks associated with unexpected disruptions in operations;
- failure to adequately protect the Company’s intellectual property, infringement of intellectual p of third parties and inability to obtain licenses on commercially reasonable terms;
- the Company’s ability to acquire adequate sources of supply and its reliance on outside contrac certain components and modules, as well as disruptions to its supply chain;
- risks associated with third-party sales intermediaries and resellers;
- the impact and costs of changes in statutory or contractual tax rates in jurisdictions in which th operates as well as shifts in taxable income among jurisdictions with different effective tax rate of ongoing and future tax examinations and changes in legislation affecting the Company’s effe
- the Company’s ability to attract and retain qualified employees and management personnel;
- risks associated with cybersecurity and technology, including attempts by third parties to defea measures of the Company and its third-party partners;
- increased regulatory burdens as the Company’s business evolves, especially with respect to the Drug Administration and U.S. Environmental Protection Agency, among others, and in connecti government contracts;
- regulatory, environmental and logistical obstacles affecting the distribution of the Company’s p completion of purchase order documentation and the ability of customers to obtain letters of cr financing alternatives;
- risks associated with litigation and other legal and regulatory proceedings; and
- the impact and costs incurred from changes in accounting principles and practices.

Certain of these and other factors are further described below in Item 1A, Risk Factors, of this Annu Actual results or events could differ materially from the plans, intentions and expectations disclosed in

the forward-looking statements, whether because of these factors or for other reasons. All forward-lookin
speak only as of the date of this Annual Report, and forward-looking statements in documents that are in
reference hereto speak only as of the date of those documents. Such forward-looking statements are exp
in their entirety by the cautionary statements included in this report. Except as required by law, the Com
assume any obligation to update any forward-looking statements.

Item 1A: Risk Factors

The Company is subject to risks and uncertainties, including, but not limited to, the following:

RISKS RELATED TO MACROECONOMIC CONDITIONS

The Company's international operations may be negatively affected by political events, wars or terrorism
conditions and regulatory changes, related to either a specific country or a larger region. These potentia
currency and economic disruptions, as well as foreign currency exchange rate fluctuations, could have a
adverse effect on the Company's results of operations or financial condition.
Approximately 69% and 70% of the Company's net sales in 2023 and 2022, respectively, were outside of
States and were primarily denominated in foreign currencies. In addition, the Company has considerable
manufacturing operations in Ireland and the U.K., as well as significant subcontractors located in Singap
result, a significant portion of the Company's sales and operations are subject to certain risks, including
developments in the political, regulatory and economic environment, in particular, uncertainty regarding
changes to foreign and domestic trade policy; the effect of the U.K.'s exit from the European Union as we
financial difficulties and debt burden experienced by a number of European countries; impact and costs o
war, in particular as a result of the ongoing conflict between Russia and Ukraine and in the Middle East,
possibility of further escalation resulting in new geopolitical and regulatory instability; the instability and
dissolution of the euro as a single currency; sudden movements in a country's foreign exchange rates du
in a country's sovereign risk profile or foreign exchange regulatory practices; trade protection measures
embargoes, sanctions and tariffs; differing tax laws and changes in those laws; restrictions on investmen
limitations regarding foreign ownership; nationalization of private enterprises which may result in the co
assets; credit risk and uncertainties regarding the collectability of accounts receivable; the impact of glo
pandemics and epidemics, such as COVID-19; changes in inflation and interest rates; instability in the glo
industry; rising energy prices and potential energy shortages; difficulties in protecting intellectual prope
in staffing and managing foreign operations; and associated adverse operational, contractual and tax con

In 2023, the Company generated $441 million of total net sales from China, down from $565 million
significant 22% reduction in sales from China resulted from lower customer demand for our products acr
customer classes, driven by various factors. Such factors include a decline in the economic conditions in
tensions and tariffs between the U.S. and China and their impact on our customers' purchasing decisions
competition from local and international competitors in China, the Chinese government's ongoing tighte
restrictions on procurement by government-funded customers and other regulatory and compliance chal
uncertainties in the Chinese market, all of which had, and may continue to have, an adverse effect on ou
operations in China.

In particular, China's government continues to play a significant role in regulating industry develop
imposing sector-specific policies, and it maintains control over China's economic growth through setting
policy and determining treatment of particular industries or companies. The U.S. government has called
changes to foreign trade policy with China and has recently raised, and has proposed to further raise in t
tariffs on several Chinese goods. China has retaliated with increased tariffs on U.S. goods, which may inc
of doing business in China. Any further changes in U.S. trade policy could trigger retaliatory actions by a
countries, including China, resulting in trade wars and increased costs for

goods imported into the U.S. and impacting our ability to sell our products in China and other affected co
Accordingly, our financial position or results of operations can be adversely influenced by political, econo
compliance, social and business conditions in China generally.

Additionally, the U.S. dollar value of the Company's net sales, cost of sales, operating expenses, inte
net income varies with foreign currency exchange rate fluctuations. Significant increases or decreases in
the U.S. dollar relative to certain foreign currencies, particularly the euro, Japanese yen, British pound a
renminbi, could have a material adverse effect or benefit on the Company's results of operations or finan

From time to time, the Company enters into certain foreign currency exchange contracts that are in
offset some of the market risk associated with sales denominated in foreign currencies. We cannot predic
effectiveness of these transactions or their impact upon our future operating results, and from time to tin
negatively affect our quarterly earnings.

Global economic conditions may have an adverse effect on the demand for, and supply of, the Company's
harm the Company's financial results.
The Company is a global business that may be adversely affected by changes in global economic conditio
changes in the rate of inflation (including the cost of raw materials, commodities and supplies) and intere
our domestic and international markets experience varying degrees of inflationary and interest rate pres
changes in global economic conditions may affect the demand for, and supply of, the Company's products
This may result in a decline in sales in the future, increased rate of order cancellations or delays, increas
excess or obsolete inventories, longer sales cycles and potential difficulty in collecting sales proceeds. Th
assurance regarding demand for the Company's products and services in the future.

Disruption in worldwide financial markets could adversely impact the Company's access to capital and fi
condition.
Financial markets in the U.S., Europe and Asia have experienced times of extreme disruption, including,
things, sharp increases in the cost of new capital, credit rating downgrades and bailouts, severely dimini
availability and severely reduced liquidity in money markets. Financial and banking institutions have also
disruptions, resulting in large asset write-downs, higher costs of capital, rating downgrades and reduced
money. There can be no assurance that there will not be future deterioration or prolonged disruption in f
markets or financial institutions. Any future deterioration or prolonged disruption in financial markets or
institutions in which the Company participates may impair the Company's ability to access its existing ca
existing syndicated bank credit facility funded by such financial institutions or access sources of new cap
may need to meet its capital needs. The cost to the Company of any new capital raised and interest exper
increase if this were to occur.

Public health crises, epidemics or pandemics, such as the COVID-19 pandemic have had, and could in the
negative impact on the Company's business and operations.
Public health crises, epidemics or pandemics have had, and could in the future have, a negative impact o
and operations, including Company sales and cash flow. Such public health crises, epidemics and panden
potential to create significant volatility, uncertainty and worldwide economic disruption, resulting in an e
slowdown of potentially extended duration, as seen with the COVID-19 pandemic from 2020 to 2022. The
global operations expose it to risks associated with such public health crises, epidemics and pandemics,
have an adverse effect on its business, results of operations and financial condition. The degree to which
health crisis, epidemics or pandemics ultimately affects the Company's business, results of operations an
condition is highly uncertain and cannot be predicted.

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RISKS RELATED TO OUR BUSINESS

The Company’s financial results are subject to changes in customer demand, which may decrease for a n
reasons, many beyond the Company’s control.
The demand for the Company’s products is dependent upon the size of the markets for its LC, LC-MS, lig
thermal analysis, rheometry and calorimetry products; the timing and level of capital spending and expe
Company’s customers; changes in governmental regulations, particularly those affecting drug, food and
testing; funding available to academic, governmental and research institutions; general economic condit
rate of economic growth in the Company’s major markets; and competitive considerations. The Company
experiences seasonality in its orders that is reflected as an increase in sales in its fourth quarter as a res
purchasing habits for capital goods by customers that tend to exhaust their spending budgets by calenda
However, there can be no assurance that the Company will effectively forecast customer demand and ap
allocate research and development expenditures to products with high growth and high margin prospect
there can be no assurance that the Company’s results of operations or financial condition will not be adv
impacted by a change in any of the factors listed above or the continuation of uncertain global economic

The analytical instrument market may also, from time to time, experience low sales growth. Approxi
and 59% of the Company’s net sales in 2023 and 2022, respectively, were to worldwide pharmaceutical a
are periodically subject to unfavorable market conditions and consolidations. Unfavorable industry condi
have a material adverse effect on the Company’s results of operations or financial condition.

Competitors may introduce more effective or less expensive products than the Company’s, which could r
decreased sales. The competitive landscape may transform as a result of potential changes in ownership,
continued consolidations among the Company’s competitors, which could harm the Company’s business.
The analytical instrument market, and, in particular, the portion related to the Company’s HPLC, UPLC,
scattering, thermal analysis, rheometry and calorimetry product lines, is highly competitive. The Compar
competition from several international instrument suppliers and other companies in both domestic and f
Some competitors have instrument businesses that are generally more diversified than the Company’s bu
typically less focused on the Company’s chosen markets. Over the years, some competitors have merged
competitors for various reasons, including increasing product line offerings, improving market share and
costs. There can be no assurance that the Company’s competitors will not introduce new, disruptive tech
displace the Company’s existing technologies or more effective and less costly products than those of the
that the Company will be able to increase its sales and profitability from new product introductions. The
assurance that the Company’s sales and marketing forces will compete successfully against the Company
in the future.

Strategies for organic growth require developing new technologies and bringing these new technologies
which could negatively impact the Company’s financial results.
The Company’s corporate strategy is fundamentally based on winning through organic innovation and de
expertise. The Company is in the process of developing new products with recently acquired technologie
development of these new products will require a significant amount of spending over the next few years
significant, robust sales will be realized. Furthermore, these new products will be sold into both the non-
clinical markets, and any new products requiring FDA clearance may take longer to bring to market. The
assurance given as to the timing of these new product launches and the ultimate realization of sales and
the future.

In addition, the Company’s products are subject to rapid changes in technology. Rapidly changing te
could make some or all of our product lines obsolete unless the Company is able to continually improve c
products and develop new products. If the Company fails to develop and introduce products

in a timely manner in response to changing technology, market demands or the requirements of our cust
Company's product sales may decline, and we could experience an adverse effect on our results of opera
financial condition.

The Company may face risks associated with previous or future acquisitions, strategic investments, joint
divestitures.
In the normal course of business, the Company may engage in discussions with third parties relating to p
acquisitions, strategic investments, joint ventures and divestitures. The Company may pursue transactio
complement or augment its existing products and services, such as the Wyatt acquisition that was compl
2023. Such transactions involve numerous risks, including difficulties in integrating the acquired operati
technologies and products; diversion of management's attention from other business concerns; inability
financial results; potential departures of key employees of the acquired company; and difficulties in effec
transferring divested businesses and liabilities. If the Company successfully identifies acquisitions in the
completing such acquisitions may result in new issuances of the Company's stock that may be dilutive to
owners; increases in the Company's debt and contingent liabilities; and additional amortization expense
intangible assets. For example, the Company financed the Wyatt acquisition, in part, through borrowings
revolving credit facility, resulting in a significant increase in the Company's outstanding debt. Acquired b
also expose the Company to new risks and new markets, and the Company may have difficulty addressing
a cost-effective and timely manner. Any of these transaction-related risks could have a material adverse e
Company's profitability. In addition, the Company may not be able to identify, successfully complete, or i
potential acquisitions in the future. Even if the Company can do so, it cannot be sure that these acquisiti
positive impact on the Company's business or operating results.

The Company's software or hardware may contain coding or manufacturing errors that could impact the
performance and security, and result in other negative consequences.
Despite testing prior to the release and throughout the lifecycle of a product or service, the detection an
any errors in released software or hardware can be time consuming and costly. This could delay the deve
release of new products or services, or new versions of products or services, create security vulnerabiliti
Company's products or services, and adversely affect market acceptance of products or services. If the C
experiences errors or delays in releasing its software or hardware, or new versions thereof, its sales coul
and revenues could decline. Errors in software or hardware could expose the Company to product liabili
and warranty claims as well as harm to brand and reputation, which could impact future sales.

A successful product liability claim brought against the Company in excess of, or outside the covera
Company's insurance coverage could have a material adverse effect on our business, financial condition
operations. The Company may not be able to maintain product liability insurance on acceptable terms, if
insurance may not provide adequate coverage against potential liabilities.

Disruption of operations at the Company's manufacturing facilities could harm the Company's financial c
The Company manufactures LC instruments at facilities in Milford, Massachusetts and through a subcon
Singapore; precision chemistry separation columns at its facilities in Taunton, Massachusetts and Wexfo
products at its facilities in Wilmslow, England, Solihull, England and Wexford, Ireland; thermal analysis a
products at its facilities in New Castle, Delaware; and other instruments and consumables at various oth
a result of the Company's acquisitions. Any prolonged disruption to the operations at any of these faciliti
due to labor difficulties, destruction of or damage to any facility, power interruptions, cybersecurity incid
events or natural disasters (including the potential impacts of climate change) or other reasons, could ha
customer relationships, impede our ability to generate sales and have a material adverse effect on the Co
results of operations or financial condition.

Failure to adequately protect intellectual property could have materially adverse effects on the Company operations or financial condition.

Our success depends on our ability to obtain, maintain, and enforce patents on our technology, maintain trademarks, and protect our trade secrets. There can be no assurance that any patents held by the Comp challenged, invalidated or circumvented or that the rights granted thereunder will provide competitive a the Company. Additionally, there could be successful claims against the Company by third-party patent h respect to certain Company products that may infringe the intellectual property rights of such third part event that a claim relating to intellectual property is asserted against the Company, or third parties hold issued patents that relate to the Company's products or technology, the Company may seek licenses to su property or challenge those patents. However, the Company may be unable to obtain these licenses on co reasonable terms, if at all, and the challenge of the patents may be unsuccessful. The Company's failure necessary licenses or other rights could impact the sale, manufacture, or distribution of its products and could have a material adverse effect on its results of operations and financial condition. The Company's p including those licensed from others, expire on various dates.

The Company also depends in part on its trademarks and the strength of its proprietary brands, whi Company considers important to its business. The Company's inability to protect or preserve the value of property rights for any reason, including the Company's inability to successfully defend against counterf grey-market, infringing or otherwise unauthorized products, could damage the Company's brand and rep harm its business.

The Company also relies on trade secrets and proprietary know-how with which it seeks to protect i part, by confidentiality agreements with its collaborators, employees and consultants. These agreements adequately protect the Company's trade secrets and other proprietary rights. These agreements may be the Company may not have adequate remedies for any breach. In addition, the Company's trade secrets become known or be independently developed by its competitors. If the Company is unable to protect its property rights, it could have an adverse and material effect on the Company's results of operations or fi condition.

The Company's business would suffer if the Company were unable to acquire adequate sources of supply

Most of the raw materials, components and supplies purchased by the Company are available from a nu different suppliers; however, a number of items are purchased from limited or single sources of supply. C among such suppliers could also result in other limited or sole-source suppliers for the Company in the fu Disruption of these sources could have, at a minimum, a temporary adverse effect on shipments and the results of the Company. In addition, price increases from these suppliers could have an adverse effect on margins. A prolonged inability to obtain certain materials or components could have an adverse effect on Company's financial condition or results of operations and could result in damage to its relationships wit and, accordingly, adversely affect the Company's business.

The Company's sales would deteriorate if the Company's outside contractors fail to provide necessary co modules.

Certain components or modules of the Company's LC and MS instruments are manufactured by outside c including the manufacturing of LC instrument systems and related components by contract manufacturi Singapore. The ability of these contractors to perform their obligations is largely outside of the Company Failure by these outside contractors to perform their obligations in a timely manner or at satisfactory qu could have an adverse effect on the supply chain and the financial results of the Company. In addition, if such contractors experience significant disruption in services or institute a significant price increase, the have to seek alternative providers, its costs could increase and the delivery of its products could be prev delayed. A prolonged inability to obtain these components or modules could have an adverse effect on th financial condition or results of operations.

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The Company’s business could be harmed by actions of third-party sales intermediaries and other third p
our products.
The Company sells some products through third parties, including third-party sales intermediaries and v
resellers. This exposes us to various risks, including competitive pressure, concentration of sales volume
and compliance risks. We may rely on one or a few key third-party sales intermediaries for a product or m
loss of these third-party sales intermediaries could reduce our revenue or net earnings. Third-party sales
may also face financial difficulties, including bankruptcy, which could harm our collection of accounts rec
Moreover, violations of the U.S. Foreign Corrupt Practices Act (“FCPA”), the U.K. Bribery Act or similar a
laws by distributors or other third-party intermediaries could materially and adversely impact our busine
and results of operations. Risks related to our use of third-party sales intermediaries and other third part
reduce sales, increase expenses and weaken our competitive position.

The Company is subject to laws and regulations governing government contracts, and failure to address
regulations or comply with government contracts could harm its business by leading to a reduction in rev
associated with these customers.
The Company derives a portion of its revenue from direct and indirect sales to U.S. federal, state and loc
foreign governments and their respective agencies, and, as a result, it is subject to various statutes and r
apply to companies doing business with the government. The laws governing government contracts diffe
governing private contracts and government contracts may contain pricing terms and conditions that are
to private contracts. The Company is also subject to investigation for compliance with the regulations go
government contracts. A failure to comply with these regulations could result in suspension of these cont
criminal, civil and administrative penalties or debarment, which could negatively impact the Company’s b
operations. If the Company’s government contracts are terminated, if it is suspended from government w
ability to compete for new contracts is adversely affected, the Company’s business could be negatively im

The Company’s financial results are subject to unexpected shifts in pre-tax income between tax jurisdicti
application of tax law and tax audit examinations.
The Company is subject to rates of income tax that range from 0% up to 34% in various jurisdictions in w
conducts business. In addition, the Company typically generates a substantial portion of its income in the
quarter of each fiscal year. Geographical shifts in income from previous quarters’ projections caused by f
including, but not limited to, changes in volume and product mix and fluctuations in foreign currency tra
could therefore have potentially significant favorable or unfavorable effects on the Company’s income tax
effective tax rate and results of operations.

Governments in the jurisdictions in which the Company operates implement changes to tax laws and
from time to time. From 2024, various foreign jurisdictions are beginning to implement aspects of the gu
by the Organization for Economic Co-operation and Development related to the new Pillar Two system of
minimum tax rules. These new tax laws and regulations, and any changes in corporate income tax rates o
regarding transfer pricing or repatriation of dividends or capital, as well as changes in the interpretation
laws and regulations, could adversely affect the Company’s cash flow and lead to increases in its overall
which would negatively affect the Company’s profitability. The Company continues to monitor the adoptio
Two rules in additional jurisdictions.

The Company entered into a new Development and Expansion Incentive in Singapore that provides
concessionary income tax rate of 5% on certain types of income for the period April 1, 2021 through Mar
Prior to April 1, 2021, the Company had a tax exemption in Singapore on certain types of income, based
achievement and continued satisfaction of certain operational and financial milestones, which the Compa
December 31, 2020 and maintained through March 2021. The Company had determined that it was more
not to realize the tax exemption in Singapore and, accordingly, did not recognize any reserves for unreco
benefits on its balance sheet related to this tax exemption. If any of the milestone targets were not met, t
would not have been entitled to the tax exemption on income earned in Singapore dating back to the star
agreement (April 1, 2016), and all the tax benefits previously

recognized would be reversed, resulting in the recognition of income tax expense equal to the statutory t
income earned during that period.

As a global business, the Company is subject to tax audit examinations in various jurisdictions throu
world. The Company must manage the cost and disruption of responding to governmental audits, investi
proceedings. In addition, the impact of the settlement of pending or future tax audit examination could h
unfavorable effect on the Company's income tax expense, effective tax rate and results of operations.

The Company may be required to recognize impairment charges for our goodwill and other intangible as
As of December 31, 2023, the net carrying value of the Company's goodwill and other intangible assets t
approximately $1.9 billion. The Wyatt acquisition significantly increased the carrying value of the Compa
and other intangible assets, which could lead to potential impairments if Wyatt's financial results are sig
than anticipated in the future. In accordance with generally accepted accounting principles, the Compan
assesses these assets to determine if they are impaired. Significant negative industry or economic trends
the Company's business, inability to effectively integrate acquired businesses, unexpected significant cha
planned changes in use of our assets, changes in the structure of our business, divestitures, market capit
declines or increases in associated discount rates can impair the Company's goodwill and other intangib
charges relating to such impairments adversely affect the Company's financial statements in the periods

RISKS RELATED TO HUMAN CAPITAL MANAGEMENT

We may not be able to attract and retain qualified employees.
Our future success depends upon the continued service of our executive officers and other key managem
technical personnel, and on our ability to continue to identify, attract, retain and motivate them. Impleme
business strategy requires specialized engineering and other talent, as our revenues are highly depende
technological and product innovations. The market for employees in our industry is extremely competiti
competitors for talent, particularly engineering talent, increasingly attempt to hire, and to varying degre
successful in hiring, our employees. A number of such competitors for talent are significantly larger than
able to offer compensation in excess of what we are able to offer. Additionally, macroeconomic conditions
wage inflation, could have a material impact on our ability to attract and retain talent, our turnover rate
operating our business. In July 2023, the Company made organizational changes to better align its resou
growth and innovation strategies, resulting in a worldwide workforce reduction that impacted approxima
Company's employees. These workforce reductions may not have the desired impact on our cost-saving i
they could adversely affect our productivity, morale, customer relationships, product quality, innovation
ability to execute our strategic plans. Moreover, these workforce reductions could expose us to potential
severance costs, reputational damage and loss of key personnel. If we are unable to manage the effects o
workforce reductions or achieve the expected benefits from them, our business, financial condition and r
operations could be materially and adversely affected. Further, existing immigration laws make it more d
to recruit and retain highly skilled foreign national graduates of universities in the United States, makin
available talent even smaller. If we are unable to attract and retain qualified employees, our business ma

The loss of key members of management and the risks inherent in succession planning could adversely a
Company's results of operations or financial condition.
The operation of the Company requires managerial and operational expertise. None of the Company's ke
employees, with the exception of the Chief Executive Officer and Chief Financial Officer, have an employ
with the Company and there can be no assurance that such individuals will remain with the Company. If,
other key personnel do not continue to be active in management, the Company's results of operations or
condition could be adversely affected. The Company's success also depends on its ability to execute lead
succession plans. The inability to successfully transition key management roles could have a material ad
the Company's operating results.

RISKS RELATED TO CYBERSECURITY

Disruption, cyber-attack or unforeseen problems with the security, maintenance or upgrade of the Compa
information and web-based systems could have an adverse effect on the Company's business strategy, re
operations and financial condition.
The Company relies on its technology infrastructure and that of its third-party partners, including its soft
banking partners, among other functions, to interact with suppliers, sell products and services, fulfill con
obligations, ship products, collect and make electronic wire and check based payments and otherwise co
business. The Company's technology infrastructure and that of its third-party partners has been, and ma
be, vulnerable to damage or interruption from, but not limited to, natural disasters, power loss, telecomm
failures, terrorist attacks, computer viruses, ransomware, unauthorized access to customer or employee
unauthorized access to and funds transfers from Company bank accounts and other attempts to harm the
systems. In the event of such an incident, the Company has in the past, and may in the future, suffer inte
service, loss of assets or data or reduced functionality. The Company attempts to mitigate cybersecurity r
employing a number of proactive measures, including mandatory ongoing employee training and awaren
security controls, enhanced data protection and maintenance of backup and protective systems. Despite
mitigation measures, the Company's systems and those of its partners remain potentially vulnerable to cy
threats, any of which could have a material adverse effect on the Company's business. To date, cybersecu
have not resulted in a material adverse impact to the Company's business strategy, results of operations,
condition, but future incidents could have such an impact. Additionally, the Company must maintain and
upgrade its information and web-based systems, which has caused and will in the future cause temporary
to its technology infrastructure. Any prolonged disruption to the Company's technology infrastructure, at
facilities, could have a material adverse effect on the Company's business strategy, results of operations
condition. While the Company maintains cyber insurance, this insurance may not, however, be sufficient
financial, legal, business or reputational losses that may result from an interruption or breach of its syste

If the Company's security measures are compromised or fail to adequately protect its technology infrastr
research and development efforts or manufacturing operations, the Company's products and services ma
as vulnerable or unreliable, the information protected by the Company's controls and processes may be s
unauthorized access, acquisition or modification, the Company's brand and reputation could be damaged
that the Company provides to its customers could be disrupted, and customers may stop using the Comp
and services, all of which could reduce the Company's revenue and earnings, increase its expenses and e
legal claims and regulatory actions.
The Company is in the business of designing, manufacturing, selling and servicing analytical instruments
pharmaceutical, biochemical, industrial, nutritional safety and environmental, academic and government
working in research and development, quality assurance and other laboratory applications, and the Comp
developer and supplier of software and software-based products that support instrument systems. Many
Company's customers are in highly regulated industries. While the Company has invested time and resou
implementing measures designed to protect the integrity and security of its technology infrastructure, re
development processes, manufacturing operations, products and services, and the internal and external
by the Company, there is a risk these measures will be defeated or compromised or that they are otherwi
to protect against existing or emerging threats. The Company also has acquired companies, products, se
technologies over time and may face inherent risk when integrating these acquisitions into the Company
times, the Company faces attempts by third parties to defeat its security measures or exploit vulnerabilit
systems. These risks will increase as the Company continues to grow and expand geographically, and its
products and services become increasingly digital and sensor-and web-based.

The Company could suffer significant damage to its brand and reputation if a security incident resul
unauthorized access to, acquisition of, or modification to the Company's technology infrastructure, resea
development processes, manufacturing operations, its products and services as well as the internal and e

data managed by the Company. Such an incident could disrupt the Company's operations and customers confidence in the Company's ability to deliver quality and reliable products or services. This could negati sales and could increase costs related to fixing and addressing these incidents and any vulnerabilities ex as well as to lawsuits, regulatory investigations, claims or legal liability including contractual liability, co expenses owed to customers and business partners.

RISKS RELATED TO COMPLIANCE, REGULATORY OR LEGAL MATTERS

Changes in governmental regulations and compliance failures could harm the Company's business.
The Company is subject to regulation by various federal, state and foreign governments and agencies in including, among others, health and safety, import/export, privacy and data protection, FCPA and enviro and regulations. A portion of the Company's operations are subject to regulation by the FDA and similar regulatory agencies. These regulations are complex, can change frequently and govern an array of produ including design, development, labeling, manufacturing, promotion, sales and distribution. Any failure by to comply with applicable governmental regulations could result in product recalls, the imposition of fine on the Company's ability to conduct or expand its operations or the cessation of all or a portion of its ope Additionally, the Company develops, configures and markets its products and services to meet customer by these regulations, and any significant change in regulations could reduce demand for its products, inc expenses or otherwise materially impact its financial position and results of operations.

Regulators globally are increasingly imposing greater fines and penalties for privacy and data prote violations, and the European Union, as an example, has enacted a broad data protection regulation with a percentage of global revenues. Changes in laws or regulations associated with enhanced protection of sensitive types of personal information, such as information related to health, could greatly increase the compliance and the cost of providing the Company's products or services. Any failure, or perceived failu Company to comply with laws and regulations on privacy, data security or consumer protection, or other perception, standards, self-regulatory requirements or legal obligations, could result in lost or restricted proceedings, actions or fines brought against the Company or levied by governmental entities or others, otherwise adversely affect the business and harm the Company's reputation.

Some of the Company's operations are subject to domestic and international laws and regulations w the manufacturing, handling, use or sale of toxic or hazardous substances. This requires the Company to substantial resources to maintain compliance with those applicable laws and regulations. If the Company comply with such requirements in the manufacturing or distribution of its products, it could face civil and penalties and potentially be prohibited from distributing or selling such products until they are complian

Some of the Company's products are also subject to the rules of certain industrial standards bodies, International Standards Organization. The Company must comply with these rules, as well as those of ot such as the United States Occupational Safety and Health Administration. Failure to comply with such ru result in the loss of certification and/or the imposition of fines and penalties, which could have a materia on the Company's operations.

As a publicly-traded company, the Company is subject to the rules of the SEC and the New York Sto In addition, the Company must comply with the Sarbanes-Oxley regulations, which require the Company and maintain adequate internal control over financial reporting. The Company's efforts to comply with su regulations are time consuming and costly. While we continue to enhance our controls, we cannot be cer will be able to prevent future significant deficiencies or material weaknesses. Failure to comply with such or having inadequate internal controls could have a material adverse effect on the Company's financial c operations, which could cause investors to lose confidence in our reported financial information and coul negative effect on the trading price of our stock and our access to capital.

The Company is subject to the rules of the SEC under the Dodd-Frank Wall Street Reform and Consu
Protection Act, which require disclosure as to whether certain materials (tantalum, tin, gold and tungste
conflict minerals, which may be contained in the Company's products, are mined from the Democratic Re
Congo and adjoining countries. In 2022, the Company was not able to determine with certainty the coun
some of the conflict minerals in its manufactured products. However, the Company does not have knowle
its conflict minerals originated from the Democratic Republic of the Congo or adjoining countries. The Co
the process of evaluating its 2023 supply chain, and the Company plans to file its 2023 Form SD with the
May 2024. The results of this and future evaluations may impose additional costs and may introduce new
to the Company's ability to verify the origin of any conflict minerals contained in its products.

The Company may be harmed by improper conduct of any of our employees, agents or business partners
We cannot provide assurance that our internal controls and compliance systems will always protect the C
acts committed by employees, agents or business partners that would violate domestic and international
laws governing payments to government officials, bribery, fraud, kickbacks and false claims, pricing, sale
marketing practices, conflicts of interest, competition, export and import compliance, money laundering
privacy. In particular, the FCPA, the U.K. Bribery Act and similar anti-bribery laws generally prohibit com
their intermediaries from making improper payments to government officials for the purpose of obtainin
business, and we operate in many parts of the world that have experienced governmental corruption to s
Any such improper actions or allegations of such acts could damage our reputation and subject us to civi
investigations in the U.S. and in other jurisdictions and related shareholder lawsuits, could lead to substa
criminal, monetary and non-monetary penalties and could cause us to incur significant legal and investig
addition, the government may seek to hold us liable as a successor for violations committed by companie
invest or that we acquire. We also rely on our suppliers to adhere to our supplier standards of conduct an
violations of such standards of conduct could occur that could have a material effect on our business, rep
financial statements. In addition, any allegations of issues resulting from the misuse of our products coul
untrue, adversely affect our reputation and our customers' willingness to purchase products from us. Any
allegations could cause us to lose customers and divert our resources from other tasks, which could mate
adversely affect our business and operating results.

Environmental, social and corporate governance ("ESG") issues, including those related to climate chang
sustainability, may have an adverse effect on our business, financial condition and results of operations a
reputation.
There is an increasing focus from certain investors, customers, consumers, employees and other stakeho
concerning ESG matters. Additionally, public interest and legislative pressure related to public companie
practices continue to grow. If our ESG practices fail to meet regulatory requirements or investor, custom
employee or other stakeholders' evolving expectations and standards for responsible corporate citizensh
including environmental stewardship and sustainability, support for local communities, director and emp
human capital management, employee health and safety practices, product quality, supply chain manage
corporate governance and transparency, our reputation, brand and employee retention may be negatively
and our customers and suppliers may be unwilling to continue to conduct business with us.

Customers, consumers, investors and other stakeholders are increasingly focusing on environmenta
including climate change, energy and water use, plastic waste and other sustainability concerns. Concer
change or plastics and packaging materials, in particular, may result in new or increased legal and regul
requirements to reduce or mitigate impacts to the environment. Changing customer and consumer prefe
increased regulatory requirements may result in increased demands or requirements regarding plastics
materials, including single-use and non-recyclable plastic products and packaging, other components of
and their environmental impact on sustainability, or increased customer and

consumer concerns or perceptions (whether accurate or inaccurate) regarding the effects of substances
certain of our products. Complying with these demands or requirements could cause us and companies i
chain to incur additional manufacturing, operating or product development costs.

If we do not adapt to or comply with new regulations, or fail to meet evolving investor, industry or st
expectations and concerns regarding ESG issues, investors may reconsider their capital investment in ou
and customers and consumers may choose to stop purchasing our products, which could have a material
on our reputation, business or financial condition.

The Company is subject to or otherwise responsible for a variety of litigation and other legal and regulat
proceedings in the ordinary course of business that can adversely affect our business, results of operatio
financial condition.

From time to time, the Company and its subsidiaries are subject to or otherwise responsible for a variety
and other legal and regulatory proceedings in the ordinary course of business, as well as regulatory subp
requests for information, investigations and enforcement. Defending or otherwise responding to these m
divert the Company's management's attention and may cause it to incur significant expenses. The Compa
has meritorious arguments in its current litigation matters and believes any outcome, either individually
aggregate, will not be material to the Company's financial position or results of operations. However, eac
matters is subject to uncertainties, and it is possible that some of these matters may be resolved unfavor
Company.

GENERAL RISK FACTORS

The effects of climate change could harm the Company's business.

The Company's manufacturing processes for certain of its products involve the use of chemicals and othe
that are regulated under various international, federal, state and local laws governing the environment. I
that any future climate change legislation would require that stricter standards be imposed by domestic
international environmental regulatory authorities with respect to the use and/or levels of possible emiss
chemicals and/or other substances, the Company may be required to make certain changes and adaptati
manufacturing processes. Any such changes could have a material adverse effect on the financial statem
Company.

Another potential effect of climate change is an increase in the severity of global weather conditions
Company's manufacturing facilities are located in the U.S., U.K., Ireland and Germany. In addition, the C
manufactures a growing percentage of its HPLC, UPLC and MS products in both Singapore and Ireland.
weather and geological conditions or events, including earthquakes, hurricanes and/or tsunamis, could p
cause significant damage to the Company's manufacturing facilities in each of these countries. The effec
damage and the resulting disruption of manufacturing operations and the impact of lost sales could have
adverse impact on the financial results of the Company.

Estimates and assumptions made in accounting for the Company's results from operations are dependen
results, which involve significant judgments and may be imprecise and may differ materially from actual

The preparation of consolidated financial statements in conformity with generally accepted accounting p
requires the Company to make estimates and judgments that affect the reported amounts of assets, liabi
and expenses, and related disclosure of contingent liabilities at the dates of the financial statements. The
and assumptions must be made due to certain information used in preparation of our financial statement
dependent on future events, cannot be calculated with a high degree of precision from data available or
of being readily calculated based on generally accepted methodologies. The Company believes that the a
related to revenue recognition, goodwill and intangible assets, income taxes, uncertain tax positions, litig
business combinations and asset acquisitions and inventory valuation involves

significant judgments and estimates. Actual results for all estimates could differ materially from the estir assumptions used, which could have a material adverse effect on our financial condition and results of op

The Company's financial condition and results of operations could be adversely affected by changes to th retirement plans or retirement plan assets.
The Company sponsors various retirement plans, both inside and outside the United States. Any changes made by governments in countries in which the Company sponsors retirement plans could adversely imp Company's cash flows or results of operations. In connection with these retirement plans, the Company i market risks associated with changes in the various capital markets. For example, changes in long-term i affect the discount rate that is used to measure the Company's retirement plan obligations and related ex addition, changes in the market value of investments held by the retirement plans could materially impac status of the retirement plans, and affect the related pension expense and level and timing of contributio under applicable laws.

The Company's financial condition and results of operations could be adversely affected if the Company i maintain a sufficient level of cash flow.
The Company had $2.4 billion in debt and $396 million in cash, cash equivalents and investments as of D 2023. As of December 31, 2023, the Company also had the ability to borrow an additional $0.9 billion fro committed credit facility. All but a small portion of the Company's debt was in the U.S. There is a substar requirement in the United States to fund operations and capital expenditures, service debt interest oblig potential United States acquisitions and continue authorized stock repurchase programs. As such, the Co financial condition and results of operations could be adversely impacted if the Company is unable to ger maintain a sufficient level of cash flow to address these requirements through (1) cash from operations, (Company's ability to access its existing cash and revolving credit facility, (3) the ability to expand the Co borrowing capacity and (4) other sources of capital obtained at an acceptable cost.

Debt covenants, and the Company's failure to comply with them, could negatively impact the Company's financial results.
The Company's existing debt is, and future debt may be, subject to restrictive debt covenants that limit t ability to engage in certain activities that could otherwise benefit the Company. These debt covenants inc restrictions on the Company's ability to enter into certain contracts or agreements, which may limit the C ability to make dividend or other payments, secure other indebtedness, enter into transactions with affili consolidate, merge or transfer all or substantially all of the Company's assets. The Company is also requi specified financial ratios under the terms of the Company's debt agreements. The Company's ability to co these financial restrictions and all other covenants is dependent on the Company's future performance, w to, but not limited to, prevailing economic conditions and other factors, including factors that are beyond Company's control, such as foreign exchange rates, interest rates, changes in technology and changes in competition. Failure to comply with restrictive debt covenants that are not waived or cured could result i default under the applicable debt instrument, which could permit acceleration of the applicable debt and Company to prepay the debt before its scheduled due date.

Item 1B: Unresolved Staff Comments

None.

Item 1C: Cybersecurity

We maintain a robust system of data protection and cybersecurity resources, technology and processes. V evaluate new and emerging risks and ever-changing legal and compliance requirements. We make

strategic investments to address these risks and legal and compliance requirements to keep Company, cu
employee data secure. We monitor risks of sensitive information compromise at our business partners wh
and reevaluate these risks on a periodic basis. We also perform annual and ongoing cybersecurity trainin
awareness for our employees.

We have a longstanding information security risk management framework structured according to t
Institute of Standards and Technology Cybersecurity Framework, industry best practices, privacy legisla
global and local standards and regulations. This risk management framework is under the specific oversi
Company's Vice President and Chief Information Officer (the "CIO") and includes a defense-in-depth app
multiple layers of security controls, including network segmentation, security monitoring, endpoint prote
identity and access management, as well as data protection best practices and data loss prevention contr
and Finance Committee is updated on the overall performance of our information security risk managem
on an annual basis by the CIO.

Our cybersecurity awareness program includes regular phishing simulations, annual general cybers
awareness, and data protection modules, as well as more contextual and personalized modules for target
roles. We also perform simulations and drills at both a technical and leadership level at least annually. W
external expertise and guidance in all aspects of our cybersecurity program. We complete annual interna
audits and vulnerability assessments of the Company's information systems and related controls, includin
affecting personal data. In addition, we leverage cybersecurity specialists to complete annual external au
objective assessments of our cybersecurity program and practices, including our data protection practice
conduct targeted attack simulations. We continually enhance our information security capabilities in orde
against emerging threats, while also increasing our ability to detect and respond to cyber incidents and r
resilience to recover from potential cyber-attacks. We have a robust incident response plan in place that
documented playbook for responding to cybersecurity incidents and facilitates coordination across multi
Company. Additionally, we have purchased network security and cyber liability insurance in order to prov
financial protection, should a data breach occur.

Despite the existence of mitigation measures, the Company's systems and those of its partners rema
vulnerable to cybersecurity threats, any of which could have a material adverse effect on the Company's
date, cybersecurity incidents have not resulted in a material adverse impact to the Company's business s
of operations and financial condition, but future incidents could have such an impact. See Item 1A, Risk F
Related to Cybersecurity.

The Board of Directors oversees the Company's information security risk management framework th
identify new risks, develop and implement risk mitigation plans, and monitor the results affecting the Co
business and operations on an ongoing basis. The CIO manages this framework, in collaboration with the
businesses and functions. The CIO presents updates to the Audit and Finance Committee at least annuall
necessary, to the full Board of Directors. These reports include detailed updates on the Company's perfor
preparing for, preventing, detecting, responding to and recovering from cyber incidents. The CIO also pr
and updates the Board of Directors about any information security incidents that may pose significant ris
Company. The Company's program is periodically evaluated by external experts, and the results of those
reported to the Audit and Finance Committee and the Board of Directors. Together with management, th
Finance Committee reviews the Company's risk assessment and risk management practices and discusse
cybersecurity risk exposures as well as steps taken by management to monitor and control such exposur

The Company's Vice President and Chief Information Officer has over 24 years of business experien
risks from cybersecurity threats/developing and implementing cybersecurity policies and procedures, as
relevant certifications.

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Item 2: Properties

Waters Corporation operates 21 United States facilities and 71 international facilities, including field offi
Company believes its facilities are suitable and adequate for its current production level and for reasonal
over the next several years. The Company's primary facilities are summarized in the table below.

Primary Facility Locations (1)

Location	Function (2)
Golden, CO	M, R, S, D,
New Castle, DE	M, R, S, D,
Franklin, MA	D
Milford, MA	M, R, S, A
Taunton, MA	M, R
Cambridge, MA	R, S
Eden Prairie, MN	M, R, S, D,
Nixa, MO	M, S, D, A
Lindon, UT	M, R, S, D,
Santa Barbara, CA	M, R, S, D,
Beijing, China	S, A
Shanghai, China	R, S, A
Solihull, England	M, A
Wilmslow, England	M, R, S, D,
St. Quentin, France	S, A
Hüllhorst, Germany	M, R, S, D,
Wexford, Ireland	M, R, D, A
Bangalore, India	M, R, S, D,
Etten-Leur, Netherlands	S, D, A
Brasov, Romania	R, A
Singapore	R, S, D, A

(1) The Company operates more than one primary facility within certain states and foreign countries.
(2) M = Manufacturing; R = Research; S = Sales and Service; D = Distribution; A = Administration

The Company operates and maintains 10 field offices in the United States and 58 field offices abroa
sales offices in the primary facilities listed above. The Company's field office locations are listed below.

Field Office Locations (3)

United States	International		
Costa Mesa, CA	Australia	Hong Kong	People's Rep
Pleasanton, CA	Austria	India	Portugal
Wood Dale, IL	Belgium	Ireland	Poland
Carmel, IN	Brazil	Israel	Puerto Rico
Woburn, MA	Canada	Italy	Spain
Columbia, MD	Czech Republic	Japan	Sweden
Morrisville, NC	Denmark	Korea	Switzerland
Parsippany, NJ	Finland	Malaysia	Taiwan
Plymouth Meeting, PA	France	Mexico	United Arab
Bellaire, TX	Germany	Netherlands	United King

Hungary	Norway

(3) The Company operates more than one field office within certain states and foreign countries.

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Item 3: Legal Proceedings

From time to time, the Company and its subsidiaries are involved in various lawsuits, claims, investigatio proceedings covering a wide range of matters that arise in the ordinary course of business. The Company has meritorious arguments in its current litigation matters and believes any outcome, either individually aggregate, will not be material to the Company’s financial position or results of operations. However, eac matters is subject to uncertainties, and it is possible that some of these matters may be resolved unfavor Company.

Item 4: Mine Safety Disclosures

Not applicable.

PART II

Item 5: Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Pur Equity Securities

The Company's common stock is registered under the Exchange Act and is listed on the New York Stock under the symbol "WAT". As of February 23, 2024, the Company had 69 common stockholders of record. has not declared or paid any dividends on its common stock in its past three fiscal years and does not int cash dividends in the foreseeable future. Any future determination to pay cash dividends will be made at of the Board of Directors and will depend on restrictions and other factors the Board of Directors may de The Company has not made any sales of unregistered equity securities in the years ended December 31, and 2021.

Securities Authorized for Issuance under Equity Compensation Plans

Equity compensation plan information is incorporated by reference from Part III, Item 12, Security Owne Certain Beneficial Owners and Management and Related Stockholder Matters, of this document and shou considered an integral part of this Item 5.

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Stock Price Performance Graph

The following performance graph and related information shall not be deemed to be “soliciting material” “filed” with the SEC, nor shall such information be incorporated by reference into any future filing under Act or the Exchange Act, except to the extent that the Company specifically incorporates it by reference

The following graph compares the cumulative total return on $100 invested as of December 31, 2018 (th public trading of the Company’s common stock in fiscal year 2018) through December 31, 2023 (the last trading of the common stock in fiscal year 2023) in the Company’s common stock, the NYSE Market Inde Code 3826 Index and the S&P 500 Index. The return of the indices is calculated assuming reinvestment o during the period presented. The Company has not paid any dividends since its IPO. The stock price perf shown on the graph below is not necessarily indicative of future price performance.

COMPARISON OF CUMULATIVE TOTAL RETURN SINCE DECEMBER 31, 2018
AMONG WATERS CORPORATION, NYSE MARKET INDEX, SIC CODE 3826 INDEX – LABO
ANALYTICAL INSTRUMENTS AND S&P 500 INDEX

LOGO

	2018	2019	2020	2021	2022
WATERS CORPORATION	100.00	123.85	131.15	197.51	181
NYSE MARKET INDEX	100.00	125.51	134.28	162.04	146
SIC CODE INDEX	100.00	124.58	165.82	209.38	140
S&P 500 INDEX	100.00	131.49	155.68	200.37	164

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Purchases of Equity Securities by the Issuer

The following table provides information about purchases by the Company during the three months ende December 31, 2023 of equity securities registered by the Company under the Exchange Act (in thousand share data):

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs
October 1, 2023 to October 28, 2023	—	$ —	—
October 29, 2023 to November 25, 2023	—	$ —	—
November 26, 2023 to December 31, 2023	2	$ 317.00	—
Total	2	$ 317.00	—

(1) The Company repurchased approximately one thousand shares of common stock at a cost of less tha related to the vesting of restricted stock during the three months ended December 31, 2023.

(2) In January 2019, the Company's Board of Directors authorized the Company to repurchase up to $4 outstanding common stock in open market or private transactions over a two-year period. This prog the remaining amounts available under the pre-existing authorization. In December 2020, the Comp Directors authorized the extension of the share repurchase program through January 21, 2023. In D the Company's Board of Directors amended and extended this repurchase program's term by one ye shall now expire on January 21, 2024 and increased the total authorization to $4.8 billion, an increa $750 million. In December 2023, the Company's Board of Directors authorized the extension of the repurchase program through January 21, 2025. The Company's remaining authorization is $1.0 billi and timing of these purchases, if any, will depend on our stock price and market and business condi as other factors.

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Item 6: Reserved

Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operation

Business Overview

The Company has two operating segments: Waters and TA. Waters products and services primarily consis performance liquid chromatography ("HPLC"), ultra-performance liquid chromatography ("UPLC" and, t HPLC, referred to as "LC"), mass spectrometry ("MS") and precision chemistry consumable products and services. TA products and services primarily consist of thermal analysis, rheometry and calorimetry instr and service sales. The Company's products are used by pharmaceutical, biochemical, industrial, nutritior environmental, academic and government customers. These customers use the Company's products to de monitor and measure the chemical, physical and biological composition of materials and to predict the su stability of fine chemicals, pharmaceuticals, water, polymers, metals and viscous liquids in various indust goods and healthcare products. Operations of the recently acquired Wyatt business are part of the Water segment.

Wyatt Acquisition

On May 16, 2023, the Company completed the acquisition of Wyatt Technology, LLC and its three operati subsidiaries, Wyatt Technology Europe GmbH, Wyatt Technology France and Wyatt Technology UK Ltd. ("Wyatt"), for a total purchase price of $1.3 billion in cash. Wyatt is a pioneer in innovative light scatterin fractionation instruments, software, accessories, and services. The acquisition will expand Waters portfo increase exposure to large molecule applications. The Company financed this transaction with a combina its balance sheet and borrowings under its revolving credit facility. The Company's financial results for th December 31, 2023 include the financial results of the Wyatt acquisition from the acquisition date.

Financial Overview

The Company's operating results are as follows for the years ended December 31, 2023, 2022 and 2021 (thousands, except per share data):

	Year Ended December 31,			% change
	2023	2022	2021	2023 vs 2022
Revenues:				
Product sales	$ 1,903,050	$ 1,988,169	$ 1,822,070	(4 %
Service sales	1,053,366	983,787	963,804	7 %
Total net sales	2,956,416	2,971,956	2,785,874	(1 %
Costs and operating expenses:				
Cost of sales	1,195,223	1,248,182	1,156,533	(4 %
Selling and administrative expenses	736,014	658,026	626,968	12 %
Research and development expenses	174,945	176,190	168,358	(1 %
Purchased intangibles amortization	32,558	6,366	7,143	411 %
Acquired in-process research and development	—	9,797	—	* *
Litigation provision	—	—	5,165	—
Operating income	817,676	873,395	821,707	(6 %
Operating income as a % of sales	27.7 %	29.4 %	29.5 %	
Other income, net	807	2,228	17,203	(64 %
Interest expense, net	(82,240)	(37,777)	(32,717)	118 %
Income before income taxes	736,243	837,846	806,193	(12 %
Provision for income taxes	94,009	130,091	113,350	(28 %
Net income	$ 642,234	$ 707,755	$ 692,843	(9 %

Net income per diluted common share	$ 10.84	$ 11.73	$ 11.17	(8 %

** Percentage not meaningful

The Company’s net sales decreased 1% in 2023 as compared to 2022 and increased 7% in 2022 as c
2021. The Company’s sales in 2023 were negatively impacted by a 22% reduction of sales in China due t
customer demand for our products. The sales growth in 2022 was driven by strong customer demand acr
major geographies, end markets and product categories. Excluding China, the Company’s sales growth i
and 6% in 2023 and 2022, respectively. Foreign currency translation decreased sales growth by 1% and 5
2022, respectively. The Wyatt acquisition increased sales growth by 3% in 2023.

Instrument system sales decreased 7% in 2023 as compared to 2022 and increased 11% in 2022 as
2021. In 2023, the decrease in instrument system sales resulted from weaker customer demand in China
partially offset by sales growth in the U.S. and Europe. Excluding China, the Company’s instrument syste
1%. In addition, Wyatt’s instrument system sales added 4% to the Company’s instrument system sales gr
the increase was driven by the broad-based increase in customer demand across all existing and newly i
LC-MS, and Thermal Analysis instrument system sales. Foreign currency translation decreased instrume
growth by 1% and 5% in 2023 and 2022, respectively.

Recurring revenues (combined sales of precision chemistry consumables and services) increased 6%
2023 and 2022, respectively. Recurring revenues were negatively impacted by foreign currency translati
2022, which decreased sales by 1% and 6%, respectively.

Operating income was $818 million in 2023, a decrease of 6% as compared to 2022. This decrease i
income was primarily due to higher salary expenses related to merit compensation, $26 million in severa
costs associated with a workforce reduction and costs related to the Wyatt acquisition, including $13 mil
diligence costs, $27 million of intangible asset amortization and $19 million of costs associated with rete
agreements. The negative effect of foreign currency translation lowered operating income by approxima
during 2023.

In July 2023, the Company made organizational changes to better align its resources with its growth
innovation strategies, resulting in a worldwide workforce reduction that impacted approximately 5% of t
employees. The Company incurred approximately $26 million of severance-related costs and paid approx
$19 million of severance-related costs in 2023, with the remaining costs to be paid in the first half of 202
Company estimates that the savings from this reduction in workforce will be approximately $48 million o
basis.

Operating income was $873 million in 2022, an increase of 6% as compared to 2021. This increase v
result of the increase in sales volume and pricing increases, partially offset by higher electronic compone
inflationary costs and the negative effect of foreign currency translation. The effect of foreign currency t
lowered operating income by approximately $71 million during 2022.

Operating income as a percentage of sales was 27.7%, 29.4% and 29.5% in 2023, 2022 and 2021, re

The Company’s effective tax rates were 12.8%, 15.5% and 14.1% for 2023, 2022 and 2021, respecti
income per diluted share was $10.84, $11.73 and $11.17 in 2023, 2022 and 2021, respectively.

The Company generated $603 million, $612 million and $747 million of net cash flows provided by o
activities in 2023, 2022 and 2021, respectively. The decrease in 2023 operating cash flow was primarily a
lower sales volumes, higher income tax payments and higher incentive compensation payments in 2023 a
2022.

Net cash used in investing activities included $1.3 billion for the Wyatt acquisition in 2023 and capit
expenditures related to property, plant, equipment and software capitalization of $161 million, $176 mill

$161 million in 2023, 2022 and 2021, respectively. The cash flows used in investing activities in 2023, 20
included $16 million, $32 million, and $49 million, respectively, of capital expenditures related to the ma
of the Company's precision chemistry consumable operations in the United States.

During 2023, the Company funded the Wyatt acquisition with a combination of cash on hand and bo
its revolving credit facility. The Company's outstanding debt on December 31, 2023 was $2.4 billion, a ch
$0.8 billion from December 31, 2022, which resulted in the Company's interest expense in 2023 increasi
$50 million to $99 million.

On March 3, 2023, the Company entered into an agreement to amend the credit agreement governi
credit facility (the "2023 Amendment"). The 2023 Amendment increases the borrowing capacity by $200
aggregate total borrowing capacity of $2.0 billion.

In December 2023, the Company's Board of Directors authorized the extension of the existing share
program through January 21, 2025. The Company's remaining authorization is $1.0 billion. During the ye
December 31, 2023, 2022 and 2021, the Company repurchased $58 million, $616 million and $640 millio
Company's outstanding common stock, respectively, under the share repurchase programs. While the Co
believes that it has the financial flexibility to fund these share repurchases, as well as to invest in researc
and business acquisitions, given current cash levels and debt borrowing capacity, it has temporarily susp
share repurchases due to its acquisition of Wyatt in the second quarter of 2023.

Results of Operations

Sales by Geography

Geographic sales information is presented below for the years ended December 31, 2023, 2022 and 2021
thousands):

	Year Ended December 31,			% change
	2023	**2022**	**2021**	**2023 vs. 2022**
Net Sales:				
Asia:				
China	$ 440,707	$ 565,143	$ 521,128	(22 %
Japan	167,202	167,220	182,597	—
Asia Other	399,916	399,380	372,040	—
Total Asia	1,007,825	1,131,743	1,075,765	(11 %
Americas:				
United States	927,982	886,140	774,014	5 %
Americas Other	180,591	169,495	151,206	7 %
Total Americas	1,108,573	1,055,635	925,220	5 %
Europe	840,018	784,578	784,889	7 %
Total net sales	$ 2,956,416	$ 2,971,956	$ 2,785,874	(1 %

In 2023, sales decreased 1% as compared to 2022, primarily as a result of a 22% decrease in China
2023, which was partially offset by broad-based sales growth across most other major regions. The decli
sales was primarily driven by lower demand for our instrument systems and chemistry products resultin
increased government regulations and lower spending by our customers due to weak economic conditio
Excluding China, the Company's sales increased 5% and 6% in 2023 and 2022, respectively. Foreign curr
translation decreased sales growth by 1% and 5% in 2023 and 2022, respectively.

In 2023, sales increased 5% in the U.S. and 7% in Europe, while decreasing 11% in Asia, with the ef
currency translation increasing sales growth in Europe by 2% and decreasing sales growth in Asia by 4%

which includes a 9% decrease in sales in Japan resulting from foreign currency translation. Wyatt's sales
5% and 3% of sales growth to the U.S. and Europe in 2023, respectively.

The sales growth in 2022 was broad-based across most major regions. Foreign currency translation
total sales growth by 5% in 2022 as the U.S. dollar strengthened significantly against all other major cur
geographies that were the most negatively impacted by the strengthening of the U.S. dollar in 2022 were
Japan, as the weakening of the euro and Japanese yen lowered sales growth in Europe and Japan by 10%
respectively. China sales increased 8% in 2022, with foreign currency translation decreasing China sales
in 2022. This increase in China sales was driven by strong customer demand for our products and servic
negative impact that the COVID-19 pandemic had on our business in China in 2022.

Sales by Trade Class

Net sales by customer class are presented below for the years ended December 31, 2023, 2022 and 2021
thousands):

	Year Ended December 31,			% change
	2023	2022	2021	2023 vs. 2022
Pharmaceutical	$ 1,696,875	$ 1,751,665	$ 1,667,061	(3 %
Industrial	909,003	909,805	829,204	—
Academic and government	350,538	310,486	289,609	13 %
Total net sales	$ 2,956,416	$ 2,971,956	$ 2,785,874	(1 %

In 2023, sales to pharmaceutical customers decreased 3%, primarily driven by weakness in custome
China, with foreign currency translation decreasing pharmaceutical sales growth by 1% and Wyatt contr
the Company's pharmaceutical sales growth. Combined sales to industrial customers, which include mat
characterization, food, environmental and fine chemical markets, were flat in 2023, with foreign currenc
decreasing industrial sales growth by 1% and Wyatt contributing 1% to industrial sales growth. Combine
academic and government customers increased 13% in 2023, with foreign currency translation decreasi
and government sales growth by 1% and Wyatt contributing 4% to academic and government sales grow
academic and government customers are highly dependent on when institutions receive funding to purch
instrument systems and, as such, sales can vary significantly from period to period.

In 2022, sales to pharmaceutical customers increased 5%, driven by strong growth in most major re
offset by the negative impact from foreign currency translation which decreased pharmaceutical sales by
Combined sales to industrial customers increased 10%, with foreign currency translation decreasing sale
5%. Combined sales to academic and government customers increased 7%, with foreign currency transla
decreasing academic and government sales growth by 6%.

Waters Products and Services Net Sales
Net sales for Waters products and services were as follows for the years ended December 31, 2023, 2022
(dollars in thousands):

	Year Ended December 31,						% chang
	2023	% of Total	2022	% of Total	2021	% of Total	2023 vs. 2022
Waters instrument systems	$ 1,108,702	43 %	$ 1,210,456	46 %	$ 1,089,248	44 %	(8
Chemistry consumables	541,469	20 %	525,399	20 %	507,209	21 %	3
Total Waters product sales	1,650,171	63 %	1,735,855	66 %	1,596,457	65 %	(5
Waters service	951,419	37 %	890,607	34 %	876,626	35 %	7
Total Waters net sales	$ 2,601,590	100 %	$ 2,626,462	100 %	$ 2,473,083	100 %	(1

Waters products and service sales decreased 1% and 6% in 2023 and 2022, respectively, with the ef currency translation decreasing Waters sales growth by 1% and 6% in 2023 and 2022, respectively. The W acquisition increased Waters products and service sales by approximately 3% in 2023. Waters instrumen (LC and MS technology-based) decreased 8% in 2023, primarily driven by weaker customer demand in C Excluding China, the Company’s instrument system sales were flat as compared to 2022. In addition, Wy instrument system sales contributed 5% to Waters instrument system sales growth in 2023. Waters chem consumables sales were significantly impacted by the lower customer demand in China for our products. China, the Company’s chemistry sales grew 7% in 2023. This sales growth was primarily due to the conti demand in most major geographies, driven by the uptake in columns and application-specific testing kits pharmaceutical customers, partially offset by the negative impact from foreign currency translation, whi chemistry sales growth by 1% in 2023. Waters service sales increased 7% in 2023 due to higher service partially offset by the negative impact from foreign currency translation, which decreased service sales g in 2023. Wyatt service revenues added 2% to Waters service revenue growth in 2023.

In 2022, Waters products and service sales increased 6%, with foreign currency translation decreas sales growth by 6%. Waters instrument system sales grew 11%, with foreign currency translation lowerin by 5%. The increase in the Waters instrument system sales can be attributed to strong customer demand existing products as well as growing contributions made by recent product introductions. The increase ir chemistry consumables sales was primarily due to the strong demand in most major geographies, partial negative impact from foreign currency translation which decreased sales by 5%. Waters service sales inc higher service demand billing, particularly in China and the United States, partially offset by the negativ foreign currency translation which decreased by 6%.

TA Product and Services Net Sales
Net sales for TA products and services were as follows for the years ended December 31, 2023, 2022 and
in thousands):

	Year Ended December 31,						% chang
	2023	% of Total	2022	% of Total	2021	% of Total	2023 vs 2022
TA instrument systems	$ 252,879	71 %	$ 252,314	73 %	$ 225,613	72 %	—
TA service	101,947	29 %	93,180	27 %	87,178	28 %	9
Total TA net sales	354,826	100 %	345,494	100 %	312,791	100 %	3

TA instrument system and service sales increased 3% and 10% in 2023 and 2022, respectively. Fore translation had minimal impact on sales growth in 2023 and decreased sales growth by 6% in 2022. In

2023, sales growth was broad-based across most major geographies, partially offset by weakness in Chin
of Asia. These increases were primarily driven by strong customer demand for our thermal analysis instr
services.

Cost of Sales

Cost of sales decreased 4% in 2023 as compared to 2022, primarily due to the change in sales mix and th
material and freight costs. In 2022, cost of sales increased 8% as compared to 2021, primarily due to the
sales volumes during the year as well as an increase in electronic component and freight inflationary cos

Cost of sales is affected by many factors, including, but not limited to, foreign currency translation,
product costs of instrument systems and amortization of software platforms. At current foreign currency
rates, the Company expects foreign currency translation to be neutral to gross profit during 2024.

Selling and Administrative Expenses

Selling and administrative expenses increased 12% and 5% in 2023 and 2022, respectively. The increase
primarily driven by severance-related costs in connection with a reduction in workforce, which increased
4%; the Wyatt acquisition due diligence and integration costs, which increased expenses by 2%; and the
acquisition-related retention expense, which increased expenses by 3%. These increases were partially o
incentive compensation costs. The increase in selling and administrative expenses in 2022 as compared t
attributed to higher salary merit and variable incentive compensation costs due to an increase in the nur
employees. The effect of foreign currency translation had minimal impact on selling and administrative e
2023 and decreased expenses by 4% in 2022.

As a percentage of net sales, selling and administrative expenses were 24.9%, 22.1% and 22.5% for
and 2021, respectively.

Research and Development Expenses

Research and development expenses decreased 1% and increased 5% in 2023 and 2022, respectively. Th
research and development expenses in 2023 can be attributed to increases from merit compensation and
associated with new products and the development of new technology initiatives, being offset by lower in
compensation costs. The impact of foreign currency exchange decreased expenses by 1% and 3% in 2023
respectively.

Purchased Intangibles Amortization

The increase in purchased intangible amortization of $26 million in 2023 can be attributed to the Wyatt a
intangible assets.

Acquired In-Process Research & Development

In 2022, the Company completed an asset acquisition in which the CDMS technology assets of Megadalt
acquired for approximately $10 million in total purchase price, of which $5 million was paid at closing ar
remaining $4 million will be paid in the future at various dates through 2029.

Other (Expense) Income, net

In 2022, the Company sold equity an equity investment for $10 million in cash and recorded a gain on th
approximately $7 million in other income, net on the statement of operations. The Company also incurre
losses on an equity investment within other income, net on the statement of operations.

In 2021, the Company executed a settlement agreement to resolve patent infringement litigation wi
Corporation and Bruker Daltronik GmbH regarding their timsTOF product line. In connection with the

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settlement, the Company is entitled to receive $10 million in guaranteed payments, including minimum r
payments. In 2021, the Company recorded an unrealized gain of $10 million due to an observable change
value of an existing investment that the Company does not have the ability to exercise significant influen

Interest Expense, net
Net interest expense in 2023 increased $44 million as compared to 2022 due to the additional borrowing
Company to fund the Wyatt acquisition in 2023. Net interest expense in 2022 increased $5 million as com
due to the lower interest income benefit from the lower notional amount of interest rate cross currency s
agreements.

Provision for Income Taxes
The four principal jurisdictions in which the Company manufactures are the U.S., Ireland, the U.K. and Si
where the statutory tax rates were 21%, 12.5%, 25% and 17%, respectively, as of December 31, 2023. Th
has a new Development and Expansion Incentive in Singapore that provides a concessionary income tax
certain types of income for the period April 1, 2021 through March 31, 2026. Prior to April 1, 2021, the C
tax exemption on income arising from qualifying activities in Singapore based upon the achievement of c
contractual milestones, which the Company met as of December 31, 2020 and maintained through March
effect of applying the concessionary income tax rates rather than the statutory tax rate to income arising
qualifying activities in Singapore increased the Company's net income by $16 million, $20 million and $2
increased the Company's net income per diluted share by $0.27, $0.33 and $0.32 for the years ended De
2023, 2022 and 2021, respectively.

The Company's effective tax rate for the years ended December 31, 2023, 2022 and 2021 was 12.8%
14.1%, respectively.

The 2023 effective tax rate differed from the 21% U.S. statutory tax rate primarily due to the jurisdic
earnings, an $18 million recognition of a previously unrecognized tax benefit as a result of the completio
examination, a $15 million provision related to the Global Intangible Low-Taxed Income ("GILTI") tax and
of $3 million on stock-based compensation.

The 2022 effective tax rate differed from the 21% U.S. statutory tax rate primarily due to the jurisdic
earnings, an $18 million provision related to the GILTI tax and a tax benefit of $7 million on stock-based

The 2021 effective tax rate differed from the U.S. federal statutory tax rate primarily due to the juris
of earnings, a $10 million provision related to the GILTI tax and a tax benefit of $7 million on stock-based
compensation.

Effective starting in 2024, various foreign jurisdictions are beginning to implement aspects of the gu
by the Organization for Economic Co-operation and Development related to the new Pillar Two system of
minimum tax rules. The Company does not believe these changes in tax law will have a material impact o
Company's financial position, results of operations and cash flows in 2024. The Company continues to mo
adoption of the Pillar Two rules in additional jurisdictions.

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Liquidity and Capital Resources

Condensed Consolidated Statements of Cash Flows (in thousands):

	Year Ended December 31, 2023	2022
Net income	$ 642,234	$ 707,755
Depreciation and amortization	165,905	130,423
Stock-based compensation	36,868	42,564
Deferred income taxes	(1,197)	(31,988)
Observable unrealized gain on investment	—	—
Acquired in-process research and development and other non-cash items	—	10,003
Change in accounts receivable	49,179	(137,874)
Change in inventories	(45,443)	(101,902)
Change in accounts payable and other current liabilities	(79,524)	60,984
Change in deferred revenue and customer advances	10,433	12,862
Other changes	(175,646)	(81,166)
Net cash provided by operating activities	602,809	611,661
Net cash used in investing activities	(1,442,265)	(107,967)
Net cash used in financing activities	754,951	(509,633)
Effect of exchange rate changes on cash and cash equivalents	(948)	(14,766)
(Decrease) increase in cash and cash equivalents	$ (85,453)	$ (20,705)

Cash Flow from Operating Activities

Net cash provided by operating activities was $603 million, $612 million and $747 million in 2023, 2022
respectively. The decrease in 2023 operating cash flow was primarily a result of lower net income, highe
levels, higher income tax payments and higher incentive compensation payments in 2023 as compared to
changes within net cash provided by operating activities include the following significant changes in the
uses of net cash provided by operating activities, in addition to the changes in net income:

- The changes in accounts receivable were primarily attributable to timing of payments made b and timing of sales. Days sales outstanding was 78 days at December 31, 2023, 77 days at De 2022 and 66 days at December 31, 2021.
- The increase in inventory can primarily be attributed to higher material costs as well as an inc stock levels to help mitigate any future supply chain issues.
- The changes in accounts payable and other current liabilities were a result of the timing of pa vendors, as well as the annual payment of management incentive compensation.
- An increase in income tax payments of $83 million as compared to the prior year and the payn $26 million in Wyatt acquired liabilities.
- Net cash provided from deferred revenue and customer advances results from annual increas service contracts as a higher installed base of customers renew annual service contracts.
- Other changes were attributable to variation in the timing of various provisions, expenditures income taxes and accruals in other current assets, other assets and other liabilities.

Cash Flow from Investing Activities

Net cash used in investing activities totaled $1.4 billion, $108 million and $232 million in 2023, 2022 and
respectively. Additions to fixed assets and capitalized software were $161 million, $176 million and $161

in 2023, 2022 and 2021, respectively. The cash flows from investing activities in 2023, 2022 and 2021 inc
$16 million, $32 million and $49 million, respectively, of capital expenditures related to the major expans
Company's precision chemistry consumable operations in the United States. The Company has incurred
$248 million on this new state-of-the-art facility, which is substantially complete as of December 31, 2023

During 2023, 2022 and 2021, the Company purchased $2 million, $11 million and $280 million of inv
respectively, while $2 million, $78 million and $218 million of investments matured, respectively, and we
financing activities described below.

In 2023, the Company completed the acquisition of Wyatt for a total purchase price of $1.3 billion in
a pioneer in innovative light scattering and field-flow fractionation instruments, software, accessories, an
The acquisition will expand Waters' portfolio and increase exposure to large molecule applications.

In 2022, the Company paid $5 million for the CDMS technology and intellectual property right asset
Megadalton, and the Company is required to make an additional $4 million of guaranteed payments at va
the future through 2029. The total purchase price of approximately $10 million was accounted for as Acq
In-Process Research and Development and expensed as part of costs and operating expenses in the state
operations in 2023.

There were no business acquisitions in 2022 and 2021.

In 2022, the Company received $10 million in proceeds and made $1 million of investments in certa
investments. In 2021, the Company made $2 million of investments in certain equity investments.

Cash Flow from Financing Activities

The Company entered into a credit agreement in September 2021 governing the Company's five-year, $1
revolving facility that matures in September 2026. On March 3, 2023, in anticipation of closing of the Wy
the Company entered into an agreement to amend the credit agreement governing its revolving credit fa
"2023 Amendment"). The 2023 Amendment increases the borrowing capacity by $200 million to an aggre
borrowing capacity of $2.0 billion. As of December 31, 2023, the Company had a total of $2.4 billion in o
debt, which consisted of $1.3 billion in outstanding senior unsecured notes and $1.1 billion in borrowing
credit agreement. The Company's net debt borrowings as of December 31, 2023, 2022 and 2021 were $7
$60 million and $160 million higher than as of December 31, 2022, 2021 and 2020, respectively.

As of December 31, 2023, the Company has entered into three-year interest rate cross-currency swa
agreements with a notional value $625 million to hedge the variability in the movement of foreign curren
rates on a portion of its euro-denominated and yen-denominated net asset investments. As a result of ent
these agreements, the Company lowered net interest expense by approximately $11 million, $9 million a
in 2023, 2022 and 2021, respectively. The Company anticipates that these swap agreements will lower n
expense by approximately $7 million in 2024.

In December 2023, the Company's Board of Directors authorized the extension of the existing share
program through January 21, 2025. The Company's remaining authorization is $1.0 billion. During 2023,
2021, the Company repurchased $58 million, $616 million and $640 million, respectively, of the Company
common stock under authorized share repurchase programs. In addition, the Company repurchased $12
$11 million and $9 million of common stock related to the vesting of restricted stock units during 2023, 2
respectively.

The Company received $30 million, $43 million and $56 million of proceeds from the exercise of sto
the purchase of shares pursuant to the Company's employee stock purchase plan during 2023, 2022 and
respectively.

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The Company had cash, cash equivalents and investments of $396 million as of December 31, 2023.
of the Company’s cash and cash equivalents are generated from foreign operations, with $321 million he
subsidiaries at December 31, 2023, of which $233 million was held in currencies other than U.S. dollars.

As of December 31, 2023, the Company’s material cash requirements include the following contract
obligations:

Long-term debt. As of December 31, 2023, the Company had $2.4 billion of cash requirements for the pri
term debt that will mature and be paid as follows: $50 million in 2024; $1.5 billion in 2026; $50 million i
$300 million in 2029; $50 million in 2030 and $400 million in 2031.

Interest on Senior Unsecured Notes. As of December 31, 2023, the Company had $189 million of cash re
the interest on senior unsecured notes that is to be paid as follows: $39 million in 2024; $38 million in 20
in 2026; $25 million in 2027; $23 million in 2028; $20 million in 2029; $10 million in 2030; and $2 millio
also Note 9 in the Notes to the Consolidated Financial Statements for financial information about interes

2017 Tax Act liabilities. As a result of the 2017 Tax Act, the Company incurred a Transition Toll Tax, that
over an eight-year period, starting in 2018, and will not accrue interest. As of December 31, 2023, the Co
remaining cash requirement of $216 million of which $96 million and $120 million will be paid in 2024 a
respectively. See also Note 10 in the Notes to the Consolidated Financial Statements for financial inform
liabilities.

Operating Leases. The Company’s cash requirements for future lease payments were approximately $93
December 31, 2023. See also Note 12 in the Notes to the Consolidated Financial Statements for financia
about lease liabilities.

Long-term Software Contract Commitments. For contracts the Company is committed to that are not can
without penalties. The Company’s contractual obligation with these vendors was approximately $22 milli
December 31, 2023.

Wyatt Retention Agreements. In conjunction with the Wyatt acquisition, the Company entered into reten
agreements with certain employees, in which the Company agreed to pay a total of $40 million by the en
anniversary of the acquisition date provided the employees remain employed over that period of time.

Management believes, as of the date of this report, that the Company’s financial position, along with exp
cash flows from earnings based on historical trends and the ability to raise funds from external sources a
borrowing capacity from existing, committed credit facilities, will be sufficient to service debt and fund v
and capital spending requirements, authorized share repurchase amounts and potential acquisitions for a
next twelve months.

Critical Accounting Policies and Estimates

Summary
The preparation of consolidated financial statements requires the Company to make estimates and judgn
affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contin
Critical accounting policies are those that are central to the presentation of the Company’s financial con
results of operations that require management to make estimates about matters that are highly uncertai
would have a material impact on the Company’s results of operations given changes in the estimate that
likely to occur from period to period or use of different estimates that reasonably could have been used i
period. On an ongoing basis, the Company evaluates its policies and

estimates. The Company bases its estimates on historical experience and on various other assumptions t
believed to be reasonable under the circumstances, the results of which form the basis for making judgm
carrying values of assets and liabilities that are not readily apparent from other sources. Actual amounts
from these estimates under different assumptions or conditions. There are other items within the Compa
consolidated financial statements that require estimation, but are not deemed critical as defined above. C
estimates used in these and other items could potentially have a material impact on the Company's cons
financial statements.

Revenue Recognition

The Company recognizes revenue upon transfer of control of promised products and services to custome
amount that reflects the consideration the Company expects to receive in exchange for those products or
Company generally enters into contracts that include a combination of products and services. Revenue is
distinct performance obligations and is recognized net of allowances for returns and discounts.

The Company recognizes revenue on product sales at the time control of the product transfers to th
substantially all of the Company's arrangements, title of the product transfers at shipping point and, as a
Company determined control transfers at the point of shipment. In more limited cases, there are destinat
shipping terms and, thus, control is deemed to transfer when the products arrive at the customer site.

Generally, the Company's contracts for products include a performance obligation related to installa
Company has determined that the installation represents a distinct performance obligation and revenue
separately upon the completion of installation. The Company determines the amount of the transaction p
to the installation service based on the standalone selling price of the product and the service, which req
judgment. The Company determines the relative standalone selling price of installation based upon a nu
including hourly service billing rates and estimated installation hours. In developing these estimates, the
considers past history, competition, billing rates of current services and other factors.

The Company has sales from standalone software, which are included in product revenue. These ar
typically include software licenses and maintenance contracts, both of which the Company has determin
performance obligations. The Company determines the amount of the transaction price to allocate to the
maintenance contract based on the relative standalone selling price of each performance obligation. Soft
revenue is recognized at the point in time when control has been transferred to the customer. The reven
the software maintenance contract is recognized on a straight-line basis over the maintenance period, w
contractual term of the contract, as a time-based measure of progress best reflects the Company's perfor
satisfying this obligation. Unspecified rights to software upgrades are typically sold as part of the mainte
on a when-and-if-available basis.

Service revenue includes (i) service and software maintenance contracts and (ii) service calls (time
Instrument service contracts and software maintenance contracts are typically annual contracts, which a
beginning of the contract or maintenance period. The amount of the service and software maintenance c
recognized on a straight-line basis to revenue over the maintenance service period, which is the contract
contract, as a time-based measure of progress best reflects the Company's performance in satisfying this
There are no deferred costs associated with the service contract, as the cost of the service is recorded w
is performed. Service calls are recognized to revenue at the time a service is performed.

The Company's deferred revenue liabilities at December 31, 2023 of $324 million on the consolidate
sheets consist of instrument service contract obligations and customer payments received in advance, pr
of control of the instrument. The Company records deferred revenue primarily related to its service cont
consideration is billable at the beginning of the service period.

Loss Provision on Inventory
The Company values all of its inventories at the lower of cost or net realizable value on a first-in, first-out (“FIFO”). The Company estimates revisions to its inventory valuations based on technical obsolescence, l demand, projections of future demand, including in the Company’s current backlog of orders, and indust conditions. If actual future demand or market conditions are less favorable than those projected by mana additional write-downs may be required. The Company’s inventory balance at December 31, 2023 was re net realizable value of $516 million, which is net of write-downs of $41 million.

Long-Lived Assets, Intangible Assets and Goodwill
Goodwill and indefinite-lived intangible assets are not amortized, but are evaluated for impairment on an or on an interim basis when events or changes in circumstances indicate that the carrying value may not recoverable. In assessing the recoverability of goodwill and indefinite-lived intangible assets, we must ma assumptions regarding the estimated future cash flows, including forecasted revenue growth and the dis determine the fair value of these assets. If these estimates or their related assumptions change in the fut be required to record impairment charges against these assets in the reporting period in which the impa determined.

We test goodwill for impairment at the reporting unit level, which is the operating segment or one le operating segment. We have the option of performing a qualitative assessment to determine whether fur impairment testing is necessary before performing the quantitative assessment. If as a result of the quali assessment, it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amou quantitative impairment test will be required. Otherwise, no further testing will be required. If a quantita impairment test is performed, we compare the fair values of the applicable reporting units with their agg carrying values, including goodwill. Estimating the fair value of the reporting units requires significant ju management. If the carrying amount of a reporting unit exceeds the fair value of the reporting unit, an im charge is recognized for the amount by which the carrying value amount exceeds the reporting unit’s fai the total amount of goodwill allocated to the reporting unit. The Company performs an annual goodwill im assessment for its reporting units as of December 31 each year. The Company has two reporting units: W Goodwill is allocated to the reporting units at the time of acquisition.

The Company’s intangible assets include purchased technology; capitalized software; costs associat acquiring Company patents, trademarks and intellectual properties, such as licenses; and acquired IPR& intangibles are recorded at their fair market values as of the acquisition date and amortized over their es lives, ranging from one to fifteen years. Other intangibles are amortized over a period ranging from one t Acquired IPR&D is amortized from the date of completion of the acquired program over its estimated use

Goodwill totaled $1.3 billion and $430 million as of December 31, 2023 and 2022, respectively. Net i assets and long-lived assets amounted to $629 million and $639 million, as of December 31, 2023, respec $227 million and $582 million as of December 31, 2022, respectively.

Income Taxes
As part of the process of preparing the consolidated financial statements, the Company is required to est income taxes in each of the jurisdictions in which it operates. This process involves the Company estimat taxes, taking into account the amount, timing and character of taxable income, tax deductions and credit assessing changes in tax laws, regulations, agreements and treaties. Differing treatment of items for tax accounting purposes, such as depreciation, amortization and inventory reserves, result in deferred tax as liabilities, which are included within the consolidated balance sheets. In the event that actual results diff estimates, or the Company adjusts these estimates in future periods, such changes could materially impa Company’s financial position and results of operations.

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The Company continually evaluates the necessity of establishing or changing a valuation allowance tax assets depending on whether it is more likely than not that the actual benefit of those assets will be r future periods.

Uncertain Tax Positions

The Company accounts for its uncertain tax return positions in accordance with the accounting standard taxes, which require financial statement reporting of the expected future tax consequences of uncertain on the presumption that all concerned tax authorities possess full knowledge of those tax positions, as we pertinent facts and circumstances, but prohibit any discounting of unrecognized tax benefits associated v positions for the time value of money. The Company classified interest and penalties related to unrecogni benefits as a component of the provision for income taxes. At December 31, 2023, the Company had unre benefits, excluding interest and penalties, of $14 million, which represents a decrease of $15 million resu primarily, from the completion of a tax examination in 2023. This decrease reduced the income tax exper statement of operations and did not impact cash flows.

The Company has a new Development and Expansion Incentive in Singapore that provides a conces tax rate of 5% on certain types of income for the period April 1, 2021 through March 31, 2026. This new similar requirements for business spending targets, attaining and sustaining employment targets and pe certain research and manufacturing activities as previous agreements. Prior to April 1, 2021, the Compa exemption on income arising from qualifying activities in Singapore, based upon the achievement of cert milestones, which the Company met as of December 31, 2020 and maintained through March 2021. Thes include the following types of objectives: reaching and maintaining annual revenue and business spendin meeting capital expenditures targets; attaining and sustaining employment targets; and establishing a lo and development and service center. The Company determined that it was more likely than not to realize exemption in Singapore and, accordingly, did not recognize any reserves for unrecognized tax benefits o sheet related to this exemption. In the event that any of the milestone targets were not met, the Compan entitled to the tax exemption on income earned in Singapore and all the tax benefits previously recogniz reversed, resulting in the recognition of income tax expense equal to the statutory tax of 17% on income that period.

The effect of applying these concessionary income tax rates rather than the statutory tax rate to inc from qualifying activities in Singapore increased the Company’s net income by $16 million, $20 million a and increased the Company’s net income per diluted share by $0.27, $0.33 and $0.32 for the years ende 2023, 2022 and 2021, respectively.

Business Combinations and Asset Acquisitions

We use assumptions and estimates in determining the fair value of assets acquired and liabilities assume combination. The determination of the fair value of intangible assets, which represents a significant port purchase price in our recent acquisition of Wyatt, requires the use of significant judgment with regard to value; and (ii) whether such intangibles are amortizable or non-amortizable and, if the former, the period method by which the intangible asset will be amortized. We utilize commonly accepted valuation techniq the income, cost and market approaches, as appropriate, in establishing the fair value of intangible asset key assumptions include projections of cash flows that arise from identifiable intangible assets of acquire as well as discount rates based on an analysis of the weighted average cost of capital, adjusted for specif associated with the assets.

In our recent acquisition of Wyatt, customer relationship intangible assets have been the most signi identifiable assets acquired. The customer relationships were valued using the multi-period excess earni under the income approach. Our cash flow projections for the customer relationships acquired included s judgments and assumptions related to customer attrition rate, discount rate, and forecasted revenues. Th client relationships acquired was $331 million in fiscal year 2023, the majority of which relates to US cus relationships.

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Recent Accounting Standard Changes and Developments

Information regarding recent accounting standard changes and developments is incorporated by referen Item 8, Financial Statements and Supplementary Data, of this document and should be considered an int this Item 7. See Note 2 in the Notes to the Consolidated Financial Statements for recently adopted and is accounting standards.

Item 7A: Quantitative and Qualitative Disclosures About Market Risk

Derivative Transactions

The Company is a global company that operates in over 35 countries and, as a result, the Company's net sales, operating expenses and balance sheet amounts are significantly impacted by fluctuations in foreig exchange rates. The Company is exposed to currency price risk on foreign currency exchange rate fluctu translates its non-U.S. dollar foreign subsidiaries' financial statements into U.S. dollars, and when any of subsidiaries purchase or sell products or services in a currency other than its own currency.

The Company's principal strategies in managing exposures to changes in foreign currency exchange (1) naturally hedge the foreign-currency-denominated liabilities on the Company's balance sheet against assets of the same currency, such that any changes in liabilities due to fluctuations in foreign currency ex are typically offset by corresponding changes in assets and (2) mitigate foreign exchange risk exposure o operations by hedging the variability in the movement of foreign currency exchange rates on a portion of denominated and yen-denominated net asset investments. The Company presents the derivative transact financing activities in the statement of cash flows.

Foreign Currency Exchange Contracts

The Company does not specifically enter into any derivatives that hedge foreign-currency-denominated o assets, liabilities or commitments on its balance sheet, other than a portion of certain third-party accoun and accounts payable, and the Company's net worldwide intercompany receivables and payables, which in consolidation. The Company periodically aggregates these net worldwide balances by currency and th foreign currency exchange contracts that mature within 90 days to hedge a portion of the remaining bala minimize some of the Company's currency price risk exposure. The foreign currency exchange contracts designated for hedge accounting treatment. Principal hedged currencies include the euro, Japanese yen, Mexican peso and Brazilian real.

Cash Flow Hedges

The Company's Credit Facility is a variable borrowing and has interest payments based on a contractuall interest rate index. The contractually specified index on the Credit Facility is the 3-month Term SOFR. Th interest payments create interest risk for the Company as interest payments will fluctuate based on chan contractually specified interest rate index over the life of the Credit Facility. In order to reduce interest r Company enters into interest rate swaps that will effectively lock-in the forecasted interest payments on rate borrowing over its term. The interest rate swaps represent cash flow hedges and are assessed for he effectiveness each reporting period. When the hedge relationship is highly effective at achieving offsettin cash flows, the Company will record the entire change in fair value of the interest rate swaps in accumul comprehensive loss. The amount in accumulated other comprehensive loss is reclassified to earnings in t the underlying transaction impacts consolidated earnings. If it becomes probable that the forecasted tran not occur, the hedge relationship will be de-designated and amounts accumulated in other comprehensiv reclassified to earnings in the current period. Interest settlements due to benchmark interest rate chang recorded in interest income or interest expense. For the year ended December 31, 2023, the Company di cash flow hedges that were deemed ineffective.

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Interest Rate Cross-Currency Swap Agreements
As of December 31, 2023, the Company had three-year interest rate cross-currency swap derivative agre notional value of $625 million to hedge the variability in the movement of foreign currency exchange rat of its euro-denominated and yen-denominated net asset investments. Under hedge accounting, the chang of the derivative that relates to changes in the foreign currency spot rate are recorded in the currency tr adjustment in other comprehensive income and remain in accumulated other comprehensive income in s equity until the sale or substantial liquidation of the foreign operation. The difference between the intere received and paid under the interest rate cross-currency swap derivative agreement is recorded in intere the statement of operations.

The Company’s foreign currency exchange contracts, interest rate cross-currency swap agreements rate swap agreements designated as cash flow hedges are included in the consolidated balance sheets a follows (in thousands):

	December 31, 2023		Decemb
	Notional Value	Fair Value	Notiona Value
Foreign currency exchange contracts:			
Other current assets	$ 24,155	$ 183	$ 42,04
Other current liabilities	$ 16,000	$ 207	$ 13,45
Interest rate cross-currency swap agreements:			
Other assets	$ 220,000	$ 4,835	$ 400,0
Other liabilities	$ 405,000	$ 13,384	$ 185,0
Accumulated other comprehensive (loss) income		$ (7,975)	
Interest rate swap cash flow hedges:			
Other liabilities	$ 100,000	$ 2,974	$ —
Accumulated other comprehensive (loss) income		$ (2,974)	

The following is a summary of the activity included in the consolidated statements of operations and comprehensive income related to the foreign currency exchange contracts, and interest rate cross-curre agreements and interest rate swap agreements designated as cash flow hedges (in thousands):

	Financial Statement Classification	Year Ended December 31,	
		2023	2022
Foreign currency exchange contracts:			
Realized gains (losses) on closed contracts	Cost of sales	$ 224	$ (3,855
Unrealized losses on open contracts	Cost of sales	(156)	(176
Cumulative net pre-tax gains (losses)	Cost of sales	$ 68	$ (4,031
Interest rate cross-currency swap agreements:			
Interest earned	Interest income	$ 10,974	$ 8,872
Unrealized (losses) gains on open contracts	Accumulated other comprehensive loss	$ (18,001)	$ 25,969
Interest rate swap cash flow hedges:			
Interest earned	Interest income	$ 326	$ —
Unrealized losses on open contracts	Accumulated other comprehensive loss	$ (2,974)	$ —

Assuming a hypothetical adverse change of 10% in year-end exchange rates (a strengthening of the the fair market value of the foreign currency exchange contracts outstanding as of December 31, 2023 w pre-tax earnings by approximately $5 million. Assuming a hypothetical adverse change of 10% in year-en rates (a strengthening of the U.S. dollar), the fair market value of the interest rate cross-currency swap agreements outstanding as of December 31, 2023 would increase by approximately would be recorded to foreign currency translation in other comprehensive income within stockholders' e related impact on interest income would not have a material effect on pre-tax earnings.

The Company's cash and cash equivalents are not subject to significant interest rate risk due to the maturities of these instruments. The Company's cash equivalents represent highly liquid investments, wi maturities of 90 days or less, primarily in bank deposits, U.S. treasury bill money market funds and comm As of December 31, 2023, the carrying value of the Company's cash and cash equivalents approximated f

The Company is exposed to the risk of interest rate fluctuations from the investments of cash genera operations. Investments with maturities greater than 90 days are classified as investments, and are held U.S. dollar-denominated treasury bills and commercial paper, bank deposits and corporate debt securitie December 31, 2023, the Company estimates that a hypothetical adverse change of 100 basis points acros maturities would not have a material effect on the fair market value of its portfolio.

The Company is also exposed to the risk of exchange rate fluctuations. The Company maintains cash various operating accounts in excess of federally insured limits, and in foreign subsidiary accounts in cur than the U.S. dollar. As of December 31, 2023 and 2022, $321 million out of $396 million and $472 millio $481 million, respectively, of the Company's total cash, cash equivalents and investments were held by fo subsidiaries. In addition, $233 million out of $396 million and $336 million out of $481 million of cash, ca and investments were held in currencies other than the U.S. dollar at December 31, 2023 and 2022, resp December 31, 2023, the Company had no holdings in auction rate securities or commercial paper issued investment vehicles.

Assuming a hypothetical adverse change of 10% in year-end exchange rates (a strengthening of the the fair market value of the Company's cash, cash equivalents and investments held in currencies other t dollar as of December 31, 2023 would decrease by approximately $23 million, of which the majority woul to foreign currency translation in other comprehensive income within stockholders' equity.

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DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement that will be filed for the 2024 Annual Meeting of Stockho
incorporated by reference in Part III.

Item 8: Financial Statements and Supplementary Data

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over fina
reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Because of it
limitations, internal control over financial reporting may not prevent or detect misstatements. Also, proje
evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate
changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of our management, including our chief executive
chief financial officer, we conducted an evaluation of the effectiveness of our internal control over financi
based on the framework in Internal Control — Integrated Framework (2013) issued by the Committee of
Organizations of the Treadway Commission (COSO). Based on our evaluation under the framework in Int
Control — Integrated Framework (2013), our management, including our chief executive officer and chie
officer, concluded that our internal control over financial reporting was effective as of December 31, 202

We excluded Wyatt Technology, LLC, and its three operating subsidiaries, (Wyatt Technology Europe
Technology France and Wyatt Technology UK Ltd) (collectively "Wyatt") from our assessment of internal
financial reporting as of December 31, 2023, because Wyatt was acquired by the Company in a purchase
combination during 2023. The total assets and total revenues of Wyatt represent 2% and 2%, respectivel
consolidated financial statement amounts as of and for the year ended December 31, 2023.

The effectiveness of our internal control over financial reporting as of December 31, 2023 has been
PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report
included herein.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Waters Corporation

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Waters Corporation and its subsidiari "Company") as of December 31, 2023 and 2022, and the related consolidated statements of operations, c comprehensive income, of stockholders' equity and of cash flows for each of the three years in the perioc December 31, 2023, including the related notes (collectively referred to as the "consolidated financial st also have audited the Company's internal control over financial reporting as of December 31, 2023, base established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring O the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material resp financial position of the Company as of December 31, 2023 and 2022, and the results of its operations an flows for each of the three years in the period ended December 31, 2023 in conformity with accounting p generally accepted in the United States of America. Also in our opinion, the Company maintained, in all r respects, effective internal control over financial reporting as of December 31, 2023, based on criteria es Internal Control—Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining e internal control over financial reporting, and for its assessment of the effectiveness of internal control ov reporting, included in the accompanying Management's Report on Internal Control over Financial Repor responsibility is to express opinions on the Company's consolidated financial statements and on the Com control over financial reporting based on our audits. We are a public accounting firm registered with the Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that w perform the audits to obtain reasonable assurance about whether the consolidated financial statements a material misstatement, whether due to error or fraud, and whether effective internal control over financi was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks o misstatement of the consolidated financial statements, whether due to error or fraud, and performing pr respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amo disclosures in the consolidated financial statements. Our audits also included evaluating the accounting p and significant estimates made by management, as well as evaluating the overall presentation of the con financial statements. Our audit of internal control over financial reporting included obtaining an underst internal control over financial reporting, assessing the risk that a material weakness exists, and testing a the design and operating effectiveness of internal control based on the assessed risk. Our audits also incl performing such other procedures as we considered necessary in the circumstances. We believe that our a reasonable basis for our opinions.

As described in Management's Report on Internal Control over Financial Reporting, management has ex Technology, LLC, and its three operating subsidiaries, Wyatt Technology Europe GmbH, Wyatt Technolog Wyatt Technology UK Ltd (collectively Wyatt) from its assessment of internal control over financial repor December 31, 2023, because it was acquired by the Company in a purchase business combination during 2023. We have also excluded Wyatt from our audit of internal control over f reporting. Wyatt is a wholly-owned subsidiary whose total assets and total revenues excluded from mana assessment and our audit of internal control over financial reporting represent 2% and 2%, respectively, consolidated financial statement amounts as of and for the year ended December 31, 2023.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assura the reliability of financial reporting and the preparation of financial statements for external purposes in a with generally accepted accounting principles. A company's internal control over financial reporting incl policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurate reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance t transactions are recorded as necessary to permit preparation of financial statements in accordance with accepted accounting principles, and that receipts and expenditures of the company are being made only with authorizations of management and directors of the company; and (iii) provide reasonable assurance prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets th material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect mi Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls r inadequate because of changes in conditions, or that the degree of compliance with the policies or proce deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the c financial statements that were communicated or required to be communicated to the audit committee an to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our challenging, subjective, or complex judgments. The communication of critical audit matters does not alte our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicatin audit matters below, providing separate opinions on the critical audit matters or on the accounts or discl which they relate.

Product Revenue Recognition

As described in Note 2 to the consolidated financial statements, the Company recognizes revenue upon t control of promised products to customers in an amount that reflects the consideration the Company exp in exchange for those products. The Company recognizes revenue on product sales at the time control of transfers to the customer. Certain of the Company's customers have terms where control of the product t customer on shipment, while others have terms where control transfers to the customer on delivery. Proc totaled $1.9 billion for the year ended December 31, 2023.

The principal consideration for our determination that performing procedures relating to product revenu is a critical audit matter is a high degree of auditor effort in performing procedures related to the Compa revenue recognition.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with overall opinion on the consolidated financial statements. These procedures included testing the effective controls relating to product revenue recognition. These procedures also included, among others, (i) evalu recognition of revenue for a sample of transactions by obtaining and inspecting source documents, such customer purchase orders, and shipping documents, and (ii) obtaining and inspecting evidence of remitta payment from customers, as applicable, related to product revenue.

Acquisition of Wyatt Technology, LLC—Valuation of U.S. Customer Relationships

As described in Notes 1, 2 and 7 to the consolidated financial statements, on May 16, 2023, the Company
Wyatt acquisition for a total purchase price of $1.3 billion. Management allocated the purchase price of t
to identifiable assets acquired and liabilities assumed based on their estimated fair values as of the acqu
disclosed by management, of the $330.6 million of customer relationships recorded in connection with th
a majority relates to U.S. customer relationships. The customer relationships were valued using the mult
earnings method under the income approach. Management's cash flow projections for the customer relat
acquired included significant judgments and assumptions related to customer attrition rate, discount rat
forecasted revenues.

The principal considerations for our determination that performing procedures relating to the valuation
customer relationships acquired in the acquisition of Wyatt Technology, LLC is a critical audit matter are
significant judgment by management when determining the fair value estimate of the U.S. customer rela
acquired; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and ev
management's significant assumptions related to the customer attrition rate, discount rate, and forecast
and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with
overall opinion on the consolidated financial statements. These procedures included testing the effective
controls relating to the acquisition accounting, including controls over management's valuation of the U.
relationships acquired. These procedures also included, among others, (i) reading the purchase agreeme
management's process for developing the fair value estimate of the U.S. customer relationships acquired
(iii) evaluating the appropriateness of the multi-period excess earnings method used by management; (iv
completeness and accuracy of the underlying data used in the multi-period excess earnings method; and
the reasonableness of the significant assumptions used by management related to the customer attrition
rate, and forecasted revenues. Evaluating the reasonableness of the significant assumptions used by mar
related to the customer attrition rate, discount rate and forecasted revenues involved considering (i) the
past performance of the Wyatt business; (ii) the consistency with external market and industry data; and
the assumptions were consistent with evidence obtained in other areas of the audit. Professionals with sp
and knowledge were used to assist in evaluating (i) the appropriateness of the multi-period excess earnin
under the income approach and (ii) the reasonableness of the customer attrition, discount rate, and fore
assumptions.

/s/ PricewaterhouseCoopers LLP
Boston, Massachusetts
February 27, 2024

We have served as the Company's auditor since 1994.

WATERS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31,
	2023
	(In thousands, except per s
ASSETS	
Current assets:	
Cash and cash equivalents	$ 395,076
Investments	898
Accounts receivable, net	702,168
Inventories	516,236
Other current assets	138,489
Total current assets	1,752,867
Property, plant and equipment, net	639,073
Intangible assets, net	629,187
Goodwill	1,305,446
Operating lease assets	84,591
Other assets	215,690
Total assets	$ 4,626,854
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities:	
Notes payable and debt	$ 50,000
Accounts payable	84,705
Accrued employee compensation	69,391
Deferred revenue and customer advances	256,675
Current operating lease liabilities	27,825
Accrued income taxes	120,257
Accrued warranty	12,050
Other current liabilities	168,677
Total current liabilities	789,580
Long-term liabilities:	
Long-term debt	2,305,513
Long-term portion of retirement benefits	47,559
Long-term income tax liabilities	137,123
Long-term operating lease liabilities	58,926
Other long-term liabilities	137,812
Total long-term liabilities	2,686,933
Total liabilities	3,476,513
Commitments and contingencies (Notes 9, 10, 11, 12, 13 and 17)	
Stockholders' equity:	
Preferred stock, par value $0.01 per share, 5,000 shares authorized, none issued at December 31, 2023 and December 31, 2022	—
Common stock, par value $0.01 per share, 400,000 shares authorized, 162,709 and 162,425 shares issued, 59,176 and 59,104 shares outstanding at December 31, 2023 and December 31, 2022, respectively	1,627
Additional paid-in capital	2,266,265
Retained earnings	9,150,821
Treasury stock, at cost, 103,533 and 103,321 shares at December 31, 2023 and December 31, 2022, respectively	(10,134,252)
Accumulated other comprehensive loss	(134,120)
Total stockholders' equity	1,150,341

Total liabilities and stockholders’ equity	$ 4,626,854	$

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

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WATERS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December	
	2023	2022
	(In thousands, except per sh	
Revenues:		
Product sales	$ 1,903,050	$ 1,988,169
Service sales	1,053,366	983,787
Total net sales	2,956,416	2,971,956
Costs and operating expenses:		
Cost of product sales	766,374	836,209
Cost of service sales	428,849	411,973
Selling and administrative expenses	736,014	658,026
Research and development expenses	174,945	176,190
Purchased intangibles amortization	32,558	6,366
Litigation provision	—	—
Acquired in-process research and development	—	9,797
Total costs and operating expenses	2,138,740	2,098,561
Operating income	817,676	873,395
Other income, net	807	2,228
Interest expense	(98,861)	(48,797)
Interest income	16,621	11,020
Income before income taxes	736,243	837,846
Provision for income taxes	94,009	130,091
Net income	$ 642,234	$ 707,755
Net income per basic common share	$ 10.87	$ 11.80
Weighted-average number of basic common shares	59,076	59,985
Net income per diluted common share	$ 10.84	$ 11.73
Weighted-average number of diluted common shares and equivalents	59,270	60,331

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

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WATERS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended Decem	
	2023	2022
		(In thousand
Net income	$ 642,234	$ 707,755
Other comprehensive income (loss):		
Foreign currency translation	17,761	(46,135
Unrealized losses on derivative instruments before reclassifications	(2,648)	—
Amounts reclassified to interest income	(326)	—
Unrealized losses on derivative instruments before income taxes	(2,974)	—
Income tax benefit	714	—
Unrealized losses on derivative instruments, net of tax	(2,260)	—
Unrealized gains (losses) on investments before income taxes	—	26
Income tax (expense) benefit	—	(6
Unrealized gains (losses) on investments, net of tax	—	20
Retirement liability adjustment before reclassifications	(10,153)	20,953
Amounts reclassified to other income, net	(98)	574
Retirement liability adjustment before income taxes	(10,251)	21,527
Income tax benefit (expense)	2,202	(5,119
Retirement liability adjustment, net of tax	(8,049)	16,408
Other comprehensive income (loss)	7,452	(29,707
Comprehensive income	$ 649,686	$ 678,048

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

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WATERS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December	
	2023	2022
		(In thousands)
Cash flows from operating activities:		
Net income	$ 642,234	$ 707,755
Adjustments to reconcile net income to net cash provided by operating activities:		
Stock-based compensation	36,868	42,564
Deferred income taxes	(1,197)	(31,988)
Depreciation	84,625	71,998
Amortization of intangibles	81,280	58,425
Observable unrealized gain on investment	—	—
Realized gain on sale of investment	(742)	—
In-process research and development and other non-cash charges	—	10,003
Change in operating assets and liabilities, net of acquisitions:		
Decrease (increase) in accounts receivable	49,179	(137,874)
Increase in inventories	(45,443)	(101,902)
Increase in other current assets	(43,164)	(23,074)
(Increase) decrease in other assets	(26,264)	(5,514)
(Decrease) increase in accounts payable and other current liabilities	(79,524)	60,984
Increase in deferred revenue and customer advances	10,433	12,862
Decrease in other liabilities	(105,476)	(52,578)
Net cash provided by operating activities	602,809	611,661
Cash flows from investing activities:		
Additions to property, plant, equipment and software capitalization	(160,632)	(175,921)
Asset and business acquisitions, net of cash acquired	(1,282,354)	—
Proceeds from (investments in) equity investments, net	742	8,903
Payments for intellectual property licenses	—	(7,535)
Purchases of investments	(1,791)	(11,407)
Maturities and sales of investments	1,770	77,993
Net cash used in investing activities	(1,442,265)	(107,967)
Cash flows from financing activities:		
Proceeds from debt issuances	1,450,040	205,000
Payments on debt	(670,040)	(145,000)
Payments of debt issuance costs	(400)	—
Proceeds from stock plans	29,792	42,801
Purchases of treasury shares	(70,277)	(626,061)
Proceeds from derivative contracts	15,836	13,627
Net cash provided by (used in) financing activities	754,951	(509,633)
Effect of exchange rate changes on cash and cash equivalents	(948)	(14,766)
(Decrease) increase in cash and cash equivalents	(85,453)	(20,705)
Cash and cash equivalents at beginning of period	480,529	501,234
Cash and cash equivalents at end of period	$ 395,076	$ 480,529
Supplemental cash flow information:		
Income taxes paid	$ 243,316	$ 160,082

Interest paid	$	94,099	$	48,083

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

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WATERS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Number of Common Shares	Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss
				(In thousands)		
Balance December 31, 2020	161,666	$ 1,617	$ 2,029,465	$ 7,107,989	$ (8,788,984)	$ (117,943)
Net income	—	—	—	692,843	—	—
Other comprehensive income	—	—	—	—	—	6,078
Issuance of common stock for employees:						
Employee Stock Purchase Plan	40	—	9,578	—	—	—
Stock options exercised	282	3	46,062	—	—	—
Treasury stock	—	—	—	—	(648,930)	—
Stock-based compensation	96	1	29,775	—	—	—
Balance December 31, 2021	162,084	$ 1,621	$ 2,114,880	$ 7,800,832	$ (9,437,914)	$ (111,865)
Net income	—	—	—	707,755	—	—
Other comprehensive loss	—	—	—	—	—	(29,707)
Issuance of common stock for employees:						
Employee Stock Purchase Plan	37	—	10,952	—	—	—
Stock options exercised	192	2	31,676	—	—	—
Treasury stock	—	—	—	—	(626,061)	—
Stock-based compensation	112	1	42,316	—	—	—
Balance December 31, 2022	162,425	$ 1,624	$ 2,199,824	$ 8,508,587	$ (10,063,975)	$ (141,572)
Net income	—	—	—	642,234	—	—
Other comprehensive income	—	—	—	—	—	7,452
Issuance of common stock for employees:						
Employee Stock Purchase Plan	41	—	11,124	—	—	—
Stock options exercised	100	1	17,635	—	—	—
Treasury stock	—	—	—	—	(70,277)	—
Stock-based compensation	143	2	37,682	—	—	—
Balance December 31, 2023	162,709	$ 1,627	$ 2,266,265	$ 9,150,821	$ (10,134,252)	$ (134,120)

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 Description of Business and Organization

Waters Corporation (the "Company," "we," "our," or "us"), a global leader in analytical instruments and s
pioneered innovations in chromatography, mass spectrometry and thermal analysis serving life, materials
sciences for more than 65 years. The Company primarily designs, manufactures, sells and services high-p
liquid chromatography ("HPLC"), ultra-performance liquid chromatography ("UPLC" and together with H
to as "LC") and mass spectrometry ("MS") technology systems and support products, including chromato
columns, other consumable products and comprehensive post-warranty service plans. These systems are
complementary products that are frequently employed together ("LC-MS") and sold as integrated instru
using common software platforms. LC is a standard technique and is utilized in a broad range of industri
identify, monitor and measure the chemical, physical and biological composition of materials, and to puri
of compounds. MS technology, principally in conjunction with chromatography, is employed in drug disco
development, including clinical trial testing, the analysis of proteins in disease processes (known as "pro
nutritional safety analysis and environmental testing. LC-MS instruments combine a liquid phase sample
and separation system with mass spectrometric compound identification and quantification. In addition,
designs, manufactures, sells and services thermal analysis, rheometry and calorimetry instruments throu
Instruments product line. These instruments are used in predicting the suitability and stability of fine ch
pharmaceuticals, water, polymers, metals and viscous liquids for various industrial, consumer goods and
products, as well as for life science research. The Company is also a developer and supplier of advanced
products that interface with the Company's instruments, as well as other manufacturers' instruments.

On May 16, 2023, the Company completed the acquisition of Wyatt Technology, LLC and its three op
subsidiaries, Wyatt Technology Europe GmbH, Wyatt Technology France and Wyatt Technology UK Ltd. (
"Wyatt"), for a total purchase price of $1.3 billion in cash. Wyatt is a pioneer in innovative light scatterin
fractionation instruments, software, accessories and services. The acquisition will expand Waters' portfo
increase exposure to large molecule applications. The Company financed this transaction with a combina
its balance sheet and borrowings under its revolving credit facility.

2 Basis of Presentation and Summary of Significant Accounting Policies

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting p
("GAAP") requires the Company to make estimates and judgments that affect the reported amounts of as
revenues and expenses, and related disclosure of contingent liabilities at the dates of the financial staten
ongoing basis, the Company evaluates its estimates, including those related to revenue recognition, good
intangible assets, income taxes, litigation and inventory valuation. The Company bases its estimates on h
experience and on various other assumptions that are believed to be reasonable under the circumstances
which form the basis for making judgments about the carrying values of assets and liabilities that are no
apparent from other sources. Actual amounts may differ from these estimates under different assumptio
conditions.

Risks and Uncertainties

The Company is subject to risks common to companies in the analytical instrument industry, including, b
to, global economic and financial market conditions, fluctuations in foreign currency exchange rates, fluc
customer demand, development by its competitors of new technological innovations, costs of developing
technologies, levels of debt and debt service requirements, risk of disruption, dependence on key person
and litigation of proprietary technology, shifts in taxable income between tax jurisdictions and complianc
regulations of the U.S. Food and Drug Administration and similar foreign regulatory authorities and ager

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Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries, which ar
owned. The Company consolidates entities in which it owns or controls 50% or more of the voting shares
company balances and transactions have been eliminated.

Translation of Foreign Currencies

The functional currency of each of the Company’s foreign operating subsidiaries is the local currency of i
domicile, except for the Company’s subsidiaries in Hong Kong, Singapore and the Cayman Islands, where
underlying transactional cash flows are denominated in currencies other than the respective local curren
The functional currency of the Hong Kong, Singapore and Cayman Islands subsidiaries is the U.S. dollar,
respective entity’s cash flows.

For the Company’s foreign operations, assets and liabilities are translated into U.S. dollars at exchan
prevailing on the balance sheet date, while revenues and expenses are translated at average exchange ra
during the respective period. Any resulting translation gains or losses are included in accumulated other
comprehensive loss in the consolidated balance sheets.

The Company’s net sales derived from operations outside the United States were 69%, 70% and 72%
and 2021, respectively. Gains and losses from foreign currency transactions are included primarily in cos
the consolidated statements of operations. In 2023, 2022 and 2021, foreign currency transactions resulte
of $16 million, $31 million and $5 million, respectively.

Seasonality of Business

The Company typically experiences seasonality in its orders that is reflected as an increase in sales in the
quarter, as a result of purchasing habits for capital goods of customers that tend to exhaust their spendin
calendar year-end.

Cash, Cash Equivalents and Investments

Cash equivalents represent highly liquid investments, with original maturities of 90 days or less, primaril
deposits, U.S. treasury bill money market funds and commercial paper. Investments with longer maturitie
classified as investments, and are held primarily in U.S. treasury bills, U.S. dollar-denominated treasury b
commercial paper, bank deposits and corporate debt securities.

Investments are classified as available-for-sale (“AFS”) debt securities. If the AFS debt security’s fai
the security’s amortized cost the unrealized gain is recognized in accumulated other comprehensive loss
stockholders’ equity (deficit), net of the related tax effects. If the AFS debt security’s fair value declines b
amortized cost the Company considers all available evidence to evaluate the extent to which the decline
credit-related factors or noncredit-related factors. If the decline is due to noncredit-related factors then n
recorded and the unrealized loss is recognized in accumulated other comprehensive income in stockhold
of the related tax effects. If the decline is considered to be a credit-related impairment, it is recognized a
on the consolidated balance sheet with a corresponding charge to the statement of operations. The credi
limited to the difference between the fair value and the amortized cost basis. No credit-related allowance
impairments have been recognized on the Company’s investments in available-for-sale debt securities. Th
classifies its investments exclusive of those categorized as cash equivalents.

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The Company maintains cash balances in various operating accounts in excess of federally insured l
foreign subsidiary accounts in currencies other than the U.S. dollar. As of December 31, 2023 and 2022,
out of $396 million and $472 million out of $481 million, respectively, of the Company's total cash, cash e
investments were held by foreign subsidiaries. In addition, $233 million out of $396 million and $336 mil
$481 million of cash, cash equivalents and investments were held in currencies other than the U.S. dollar
December 31, 2023 and 2022, respectively.

Accounts Receivable and Allowance for Credit Losses

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The Company h
use of rebates and other cash considerations payable to customers and, as a result, the transaction price
does not have any material variable consideration. The Company does not consider there to be significan
concentrations of credit risk with respect to trade receivables due to the short-term nature of the balanc
Company having a large and diverse customer base, and the Company having a strong historical experie
collecting receivables with minimal defaults. As a result, credit risk is considered low across territories a
receivables are considered to be a single class of financial asset. The allowance for credit losses is based
of factors and is calculated by applying a historical loss rate to trade receivable aging balances to estima
reserve balance along with an additional adjustment for any specific receivables with known or anticipat
affecting the likelihood of recovery. Past due balances with a probability of default based on historical da
relevant available forward-looking information are included in the specific adjustment. The historical los
reviewed on at least an annual basis and the allowance for credit losses is reviewed quarterly for any req
adjustments. The Company does not have any off-balance sheet credit exposure related to its customers.

Trade receivables related to instrument sales are collateralized by the instrument that is sold. If the
default related to a receivable that is collateralized, then the fair value of the collateral is calculated and
the cost to re-possess, refurbish and re-sell the instrument. This adjusted fair value is compared to the re
balance and the difference would be recorded as the expected credit loss.

The following is a summary of the activity of the Company's allowance for credit losses for the twelv
ended December 31, 2023, 2022 and 2021 (in thousands):

	Balance at Beginning of Period	Additions	Deductions
Allowance for Credit Losses			
December 31, 2023	$ 14,311	$ 8,120	$ (3,096
December 31, 2022	$ 13,228	$ 6,509	$ (5,426
December 31, 2021	$ 14,381	$ 5,380	$ (6,533

Concentration of Credit Risk

The Company sells its products and services to a significant number of large and small customers throug
with net sales to the pharmaceutical industry of approximately 57%, 59% and 60% in 2023, 2022 and 20
respectively. None of the Company's individual customers accounted for more than 2% of annual Compa
2023, 2022 or 2021. The Company performs continuing credit evaluations of its customers and generally
require collateral, but in certain circumstances may require letters of credit or deposits. Historically, the
not experienced significant credit losses.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Inventory

The Company values all of its inventories at the lower of cost or net realizable value on a first-in, first-out
("FIFO").

Income Taxes

As part of the process of preparing the consolidated financial statements, the Company is required to est income taxes in each of the jurisdictions in which it operates. This process involves the Company estimat taxes, taking into account the amount, timing and character of taxable income, tax deductions and credit assessing changes in tax laws, regulations, agreements and treaties. Differing treatment of items for tax accounting purposes, such as depreciation, amortization and inventory reserves, result in deferred tax as liabilities, which are included within the consolidated balance sheets. In the event that actual results diff estimates, or the Company adjusts these estimates in future periods, such changes could materially impa Company's financial position and results of operations.

The accounting standards for income taxes require that a company continually evaluate the necessit establishing or changing a valuation allowance for deferred tax assets depending on whether it is more li that the actual benefit of those assets will be realized in future periods.

The Company accounts for its uncertain tax return positions in accordance with the accounting stan income taxes, which require financial statement reporting of the expected future tax consequences of un positions on the presumption that all concerned tax authorities possess full knowledge of those tax positi all of the pertinent facts and circumstances, but prohibit any discounting of unrecognized tax benefits as those positions for the time value of money. The Company classified interest and penalties related to unr benefits as a component of the provision for income taxes.

Leases

The Company's lease portfolio consists primarily of operating leases. The Company's operating leases co property leases for sales, demonstration, laboratory, warehouse and office spaces, automotive leases for service personnel and equipment leases, primarily used in our manufacturing and distribution operations Company categorizes leases as either operating or finance leases at the commencement date of the lease does not have any material financing leases.

The Company makes variable lease payments that do not depend on a rate or index, primarily for ite real estate taxes and other expenses. These expenses are recorded as variable costs in the period incurr years ended December 31, 2023, 2022 and 2021, variable costs incurred were not material.

The Company's lease agreements may include tenant improvement allowances, rent holidays, and/o rent provisions as well as a certain number of these leases contain rental escalation clauses that are eith adjusted periodically for inflation of market rates which are factored into our determination of lease pay inception. The Company's leases also sometimes include renewal options and/or termination options whi in the determination of the lease term when they are reasonably certain to be exercised.

The Company has lease agreements which contain lease and non-lease components, which are acco single lease component for all underlying classes of assets.

For leases with terms greater than 12 months, the Company records a right-of-use asset and lease li present value of lease payments over the term of the leases and records rent expense on a straight-line b lease term. The Company has elected not to apply the recognition requirements to short-term leases wit than 12 months. For short-term leases, the Company recognizes lease payments in net income on a

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straight-line basis over the term of the lease. For the years ended December 31, 2023, 2022 and 2021, co related to short-term leases were not material.

When available, the Company uses the rate implicit in the lease to discount lease payments to deter present value of the lease liabilities; however, most of the leases do not provide a readily determinable in and, as required by the accounting guidance, the Company estimates its incremental secured borrowing discount the lease payments based on information available at lease commencement (or, for the leases in the adoption date, the January 1, 2019 information). The Company's incremental borrowing rate reflects rate of interest that the Company would pay to borrow on a collateralized basis over a similar term to the payments in a similar economic environment.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Expenditures for maintenance and repairs are charg while the costs of significant improvements are capitalized. Depreciation is provided using the straight-li over the following estimated useful lives: buildings — fifteen to thirty-nine years; building improvements years; leasehold improvements — the shorter of the economic useful life or life of lease; and production a equipment — three to ten years. Upon retirement or sale, the cost of the assets disposed of and the relat accumulated depreciation are eliminated from the consolidated balance sheets and related gains or losse in the consolidated statements of operations.

Asset Impairments

The Company reviews its long-lived assets for impairment in accordance with the accounting standards f plant and equipment. Whenever events or circumstances indicate that the carrying amount of an asset m recoverable, the Company evaluates the recoverability of the carrying value of the asset based on the exp cash flows, relying on a number of factors, including, but not limited to, operating results, business plans projections and anticipated future cash flows. If the asset is deemed not recoverable, it is written down t the impairment is recorded in the consolidated statements of operations.

During 2022, the Company recorded a total non-cash charge of $6 million in other income (expense) consolidated statement of operations for the impairment of various equity investments without readily de values accounted for under the measurement alternative or the equity method of accounting. The impair from the substantial doubt of the investees ability to continue as a going concern.

Business Combinations and Asset Acquisitions

The Company accounts for business acquisitions under the accounting standards for business combinatio of each acquisition are included in the Company's consolidated results as of the acquisition date and the of an acquisition is allocated to tangible and intangible assets and assumed liabilities based on their esti values. Any excess of the fair value consideration transferred over the estimated fair values of the net as recognized as goodwill. We use assumptions and estimates in determining the fair value of assets acquire liabilities assumed. The determination of the fair value of intangible assets, which represents a significan the purchase price in our recent acquisition of Wyatt, requires the use of significant judgment with regar value; and (ii) whether such intangibles are amortizable or non-amortizable and, if the former, the period method by which the intangible asset will be amortized. We utilize commonly accepted valuation techniq the income, cost and market approaches, as appropriate, in establishing the fair value of intangible asset key assumptions include projections of cash flows that arise from identifiable intangible assets of acquire as well as discount rates based on an analysis of the weighted average cost of capital, adjusted for specif associated with the assets.

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In our recent acquisition of Wyatt, customer relationship intangible assets have been the most signi identifiable assets acquired. The customer relationships were valued using the multi-period excess earni under the income approach. Our cash flow projections for the customer relationships acquired included s judgments and assumptions related to customer attrition rate, discount rate, and forecasted revenues.

Goodwill and Other Intangible Assets

Goodwill and indefinite-lived intangible assets are not amortized, but are evaluated for impairment on an or on an interim basis when events or changes in circumstances indicate that the carrying value may not recoverable. In assessing the recoverability of goodwill and indefinite-lived intangible assets, we must m assumptions regarding the estimated future cash flows, including forecasted revenue growth and the dis determine the fair value of these assets. If these estimates or their related assumptions change in the fut be required to record impairment charges against these assets in the reporting period in which the impa determined.

We test goodwill for impairment at the reporting unit level, which is the operating segment or one le operating segment. We have the option of performing a qualitative assessment to determine whether fur impairment testing is necessary before performing the quantitative assessment. If as a result of the quali assessment, it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amou quantitative impairment test will be required. Otherwise, no further testing will be required. If a quantita impairment test is performed, we compare the fair values of the applicable reporting units with their agg carrying values, including goodwill. Estimating the fair value of the reporting units requires significant ju management. If the carrying amount of a reporting unit exceeds the fair value of the reporting unit, an in charge is recognized for the amount by which the carrying value amount exceeds the reporting unit's fai the total amount of goodwill allocated to the reporting unit. The Company performs an annual goodwill i assessment for its reporting units as of December 31 each year. The Company has two reporting units: W Goodwill is allocated to the reporting units at the time of acquisition.

The Company's intangible assets include purchased technology; capitalized software; costs associat acquiring Company patents, trademarks and intellectual properties, such as licenses; and acquired IPR& intangibles are recorded at their fair market values as of the acquisition date and amortized over their es lives, ranging from one to fifteen years. Other intangibles are amortized over a period ranging from one Acquired IPR&D is amortized from the date of completion of the acquired program over its estimated use

Goodwill totaled $1.3 billion and $430 million as of December 31, 2023 and 2022, respectively. Net i assets and long-lived assets amounted to $629 million and $639 million, as of December 31, 2023, respec $227 million and $582 million as of December 31, 2022, respectively.

Software Development Costs

The Company capitalizes internal and external software development costs for products offered for sale i with the accounting standards for the costs of software to be sold, leased, or otherwise marketed. Capita amortized to cost of sales over the period of economic benefit, which approximates a straight-line basis o estimated useful lives of the related software products, generally three to ten years. The Company capita $44 million, $46 million and $36 million of direct expenses that were related to the development of softw 2022 and 2021, respectively. Net capitalized software included in intangible assets totaled $165 million a $148 million at December 31, 2023 and 2022, respectively. See Note 8, Goodwill and Other Intangibles.

The Company capitalizes software development costs for internal use. Capitalized internal software costs are amortized over the period of economic benefit, which approximates a straight-line basis

over ten years. Net capitalized internal software included in property, plant and equipment totaled $14 m
$15 million at December 31, 2023 and 2022, respectively.

Other Investments

The Company accounts for its investments that represent less than twenty percent ownership, and for wh
Company does not have the ability to exercise significant influence, using the accounting standards for in
equity securities. Investments for which the Company does not have the ability to exercise significant inf
which there is not a readily determinable market value, are accounted for at cost, adjusted for subsequen
price changes as applicable. The Company periodically evaluates the carrying value of its investments fo
Company does not have the ability to exercise significant influence, and for which there is not a readily d
fair value and carries them at cost, less impairment, adjusted for subsequent observable price changes. I
investments in which the Company has the ability to exercise significant influence over operating and fin
of the investee, the equity method of accounting is used. The Company's share of net income or losses of
investments is included in the consolidated statements of operations and was not material in any period p

During the year ended 2023, the Company received $1 million in proceeds from, and made no invest
unaffiliated companies. During the year ended December 31, 2022 the Company received $10 million in p
unaffiliated companies. During the years ended December 31, 2022 and 2021, the Company made invest
$1 million and $2 million in unaffiliated companies, respectively.

In 2022, the Company recorded a realized gain of $7 million in other income (expense), net in the co
statement of operations due to the sales of various equity investments as well as incurring $6 million in i
losses. The Company also recognized an additional $2 million non-cash gain on the cashless exercise of a

In 2021, the Company recorded an unrealized gain of $10 million due to an observable change in the
an existing investment the Company does not have the ability to exercise significant influence over.

Fair Value Measurements

In accordance with the accounting standards for fair value measurements and disclosures, certain of the
assets and liabilities are measured at fair value on a recurring basis as of December 31, 2023 and 2022.
determined by Level 1 inputs utilize observable data, such as quoted prices in active markets. Fair values
by Level 2 inputs utilize data points other than quoted prices in active markets that are observable either
indirectly. Fair values determined by Level 3 inputs utilize unobservable data points for which there is lit
market data, which require the reporting entity to develop its own assumptions.

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The following table represents the Company’s assets and liabilities measured at fair value on a recu
December 31, 2023 (in thousands):

	Total at December 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Assets:			
Time deposits	$ 898	$ —	$ 898
Waters 401(k) Restoration Plan assets	28,995	28,995	—
Foreign currency exchange contracts	183	—	183
Interest rate cross-currency swap agreements	4,835	—	4,835
Total	$ 34,911	$ 28,995	$ 5,916
Liabilities:			
Foreign currency exchange contracts	$ 207	$ —	$ 207
Interest rate cross-currency swap agreements	13,384	—	13,384
Interest rate swap cash flow hedge	2,974	—	2,974
Total	$ 16,565	$ —	$ 16,565

The following table represents the Company’s assets and liabilities measured at fair value on a recu
December 31, 2022 (in thousands):

	Total at December 31, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Assets:			
Time deposits	$ 862	$ —	$ 862
Waters 401(k) Restoration Plan assets	25,532	25,532	—
Foreign currency exchange contracts	231	—	231
Interest rate cross-currency swap agreements	19,163	—	19,163
Total	$ 45,788	$ 25,532	$ 20,256
Liabilities:			
Contingent consideration	$ 1,509	$ —	$ —
Foreign currency exchange contracts	98	—	98
Interest rate cross-currency swap agreements	4,783	—	4,783
Total	$ 6,390	$ —	$ 4,881

Fair Value of 401(k) Restoration Plan Assets

The 401(k) Restoration Plan is a nonqualified defined contribution plan and the assets were held in regis
funds and have been classified as Level 1. The fair values of the assets in the plan are determined throug
observable sources from daily quoted prices on nationally recognized securities exchanges.

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Fair Value of Cash Equivalents, Investments, Foreign Currency Exchange Contracts, Interest Rate Cross-
Swaps Agreements and Interest Rate Swap Cash Flow Hedges

The fair values of the Company’s cash equivalents, investments, foreign currency exchange contracts, in
cross-currency swap agreements and interest rate swap cash flow hedges are determined through mark
observable sources and have been classified as Level 2. These assets and liabilities have been initially va
transaction price and subsequently valued, typically utilizing third-party pricing services. The pricing se
inputs to determine value, including reportable trades, benchmark yields, credit spreads, broker/dealer
spot rates and other industry and economic events. The Company validates the prices provided by third-
services by reviewing their pricing methods and obtaining market values from other pricing sources.

Fair Value of Contingent Consideration

The fair value of the Company’s liability for contingent consideration is determined using a probability-w
discounted cash flow model, which uses significant unobservable inputs, and has been classified as Leve
changes in the fair value of the contingent consideration liability are recorded in the results of operatio

Fair Value of Other Financial Instruments

The Company’s accounts receivable and accounts payable are recorded at cost, which approximates fair
their short-term nature. The carrying value of the Company’s variable interest rate debt approximates fa
the variable nature of the interest rate. The carrying value of the Company’s fixed interest rate debt was
both December 31, 2023 and 2022. The fair value of the Company’s fixed interest rate debt was estimat
discounted cash flow models, based on estimated current rates offered for similar debt under current m
for the Company. The fair value of the Company’s fixed interest rate debt was estimated to be $1.2 billio
$1.1 billion at December 31, 2023 and 2022, respectively, using Level 2 inputs.

Derivative Transactions

The Company is a global company that operates in over 35 countries and, as a result, the Company’s net
sales, operating expenses and balance sheet amounts are significantly impacted by fluctuations in foreig
exchange rates. The Company is exposed to currency price risk on foreign currency exchange rate fluct
translates its non-U.S. dollar foreign subsidiaries’ financial statements into U.S. dollars and when any of
subsidiaries purchase or sell products or services in a currency other than its own currency.

The Company’s principal strategies in managing exposures to changes in foreign currency exchang
(1) naturally hedge the foreign-currency-denominated liabilities on the Company’s balance sheet against
assets of the same currency, such that any changes in liabilities due to fluctuations in foreign currency e
are typically offset by corresponding changes in assets and (2) mitigate foreign exchange risk exposure
operations by hedging the variability in the movement of foreign currency exchange rates on a portion o
denominated and yen-denominated net asset investments. The Company presents the derivative transac
financing activities in the statement of cash flows.

Foreign Currency Exchange Contracts

The Company does not specifically enter into any derivatives that hedge foreign-currency-denominated
assets, liabilities or commitments on its balance sheet, other than a portion of certain third-party accou

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receivable and accounts payable, and the Company’s net worldwide intercompany receivables and payab eliminated in consolidation. The Company periodically aggregates its net worldwide balances by currenc enters into foreign currency exchange contracts that mature within 90 days to hedge a portion of the rem balance to minimize some of the Company’s currency price risk exposure. The foreign currency exchange not designated for hedge accounting treatment. Principal hedged currencies include the euro, Japanese y pound, Mexican peso and Brazilian real.

Cash Flow Hedges

The Company’s Credit Facility is a variable borrowing and has interest payments based on a contractuall interest rate index. The contractually specified index on the Credit Facility is the 3-month Term SOFR. Th interest payments create interest risk for the Company as interest payments will fluctuate based on chan contractually specified interest rate index over the life of the Credit Facility. In order to reduce interest r Company enters into interest rate swaps that will effectively lock-in the forecasted interest payments on rate borrowing over its term. The interest rate swaps represent cash flow hedges and are assessed for he effectiveness each reporting period. When the hedge relationship is highly effective at achieving offsettin cash flows, the Company will record the entire change in fair value of the interest rate swaps in accumul comprehensive loss. The amount in accumulated other comprehensive loss is reclassified to earnings in t the underlying transaction impacts consolidated earnings. If it becomes probable that the forecasted tran not occur, the hedge relationship will be de-designated and amounts accumulated in other comprehensiv reclassified to earnings in the current period. Interest settlements due to benchmark interest rate chang recorded in interest income or interest expense. For the year ended December 31, 2023, the Company di cash flow hedges that were deemed ineffective.

Interest Rate Cross-Currency Swap Agreements

As of December 31, 2023, the Company had entered into interest rate cross-currency swap derivative ag durations up to three years with an aggregate notional value of $625 million to hedge the variability in th foreign currency exchange rates on a portion of its euro-denominated and yen-denominated net asset inv Under hedge accounting, the change in fair value of the derivative that relates to changes in the foreign rate are recorded in the currency translation adjustment in other comprehensive income and remain in a other comprehensive loss in stockholders’ equity until the sale or substantial liquidation of the foreign op difference between the interest rate received and paid under the interest rate cross-currency swap deriv agreement is recorded in interest income in the statement of operations.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The Company’s foreign currency exchange contracts, interest rate cross-currency swap agreements rate swap agreements designated as cash flow hedges are included in the consolidated balance sheets ar follows (in thousands):

	December 31, 2023		Decembe
	Notional Value	Fair Value	Notional Value
Foreign currency exchange contracts:			
Other current assets	$ 24,155	$ 183	$ 42,047
Other current liabilities	$ 16,000	$ 207	$ 13,450
Interest rate cross-currency swap agreements:			
Other assets	$ 220,000	$ 4,835	$ 400,000
Other liabilities	$ 405,000	$ 13,384	$ 185,000
Accumulated other comprehensive (loss) income		$ (7,975)	
Interest rate swap cash flow hedges:			
Other liabilities	$ 100,000	$ 2,974	$ —
Accumulated other comprehensive (loss) income		$ (2,974)	

The following is a summary of the activity included in the consolidated statements of operations and stat comprehensive income related to the foreign currency exchange contracts, interest rate cross-currency s agreements and interest rate swap agreements designated as cash flow hedges (in thousands):

	Financial Statement Classification	Year Ended Dece	
		2023	2022
Foreign currency exchange contracts:			
Realized gains (losses) on closed contracts	Cost of sales	$ 224	$ (3,85
Unrealized losses on open contracts	Cost of sales	(156)	(17
Cumulative net pre-tax gains (losses)	Cost of sales	$ 68	$ (4,03
Interest rate cross-currency swap agreements:			
Interest earned	Interest income	$ 10,974	$ 8,87
Unrealized (losses) gains on open contracts	Accumulated other comprehensive loss	$ (18,001)	$ 25,96
Interest rate swap cash flow hedges:			
Interest earned	Interest income	$ 326	$ —
Unrealized losses on open contracts	Accumulated other comprehensive loss	$ (2,974)	$ —

Stockholders’ Equity

In December 2023, the Company’s Board of Directors authorized the extension of the existing share repu program through January 21, 2025. The Company’s remaining authorization is $1.0 billion. During 2023, 2021, the Company repurchased 0.2 million, 2.0 million and 2.0 million shares of the Company’s outstanc stock at a cost of $58 million, $616 million and $640 million, respectively, under the January 2019 author other previously announced programs. In addition, the Company repurchased $12 million, $11 million ar common stock related to the vesting of restricted stock units during the years ended December 31, 2023 2021, respectively. As of December 31, 2023, the Company has a total of $1.0 billion authorized for futur

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Revenue Recognition

The Company recognizes revenue upon transfer of control of promised products and services to custome amount that reflects the consideration the Company expects to receive in exchange for those products o Company generally enters into contracts that include a combination of products and services. Revenue is distinct performance obligations and is recognized net of allowances for returns and discounts.

The Company recognizes revenue on product sales at the time control of the product transfers to th Certain of the Company’s customers have terms where control of the product transfers to the customer o while others have terms where control transfers to the customer on delivery. All incremental costs of obt contract are expensed as and when incurred if the expected amortization period of the asset that would b recognized is one year or less. Shipping and handling costs are included as a component of cost of sales. where the control of the goods transfers prior to the completion of the Company’s obligation to ship the p customers, the Company has elected the practical expedient to account for the shipping services as a ful Accordingly, such costs are recognized when control of the related goods is transferred to the customer. situations, the Company has revenue associated with products that contain specific customer acceptance the related revenue is not recognized before the customer acceptance criteria are satisfied. The Compan exclude from the measurement of the transaction price all taxes assessed by a governmental authority th imposed on and concurrent with specific revenue-producing transactions and collected by the Company f customer.

Generally, the Company’s contracts for products include a performance obligation related to installa Company has determined that the installation represents a distinct performance obligation and revenue separately upon the completion of installation. The Company determines the amount of the transaction p to the installation service based on the standalone selling price of the product and the service, which req judgment. The Company determines the relative standalone selling price of installation based upon a nu including hourly service billing rates and estimated installation hours. In developing these estimates, the considers past history, competition, billing rates of current services and other factors.

The Company has sales from standalone software, which are included in product revenue. These arr typically include software licenses and maintenance contracts, both of which the Company has determine performance obligations. The Company determines the amount of the transaction price to allocate to the maintenance contract based on the relative standalone selling price of each performance obligation. Soft revenue is recognized at the point in time when control has been transferred to the customer. The revenu the software maintenance contract is recognized on a straight-line basis over the maintenance period, w contractual term of the contract, as a time-based measure of progress best reflects the Company’s perfor satisfying this obligation. Unspecified rights to software upgrades are typically sold as part of the mainte on a when-and-if-available basis.

Payment terms and conditions vary among the Company’s revenue streams, although terms general requirement of payment within 30 to 60 days of product shipment. Prior to providing payment terms to c evaluation of their credit risk is performed. Returns and customer credits are infrequent and insignifican recorded as a reduction to sales. Rights of return are not included in sales arrangements and, therefore, minimal variable consideration included in the transaction price of our products.

Service revenue includes (1) service and software maintenance contracts and (2) service calls (time Instrument service contracts and software maintenance contracts are typically annual contracts, which a beginning of the contract or maintenance period. The amount of the service and software maintenance c recognized on a straight-line basis to revenue over the maintenance service period, which

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is the contractual term of the contract, as a time-based measure of progress best reflects the Company's in satisfying this obligation. There are no deferred costs associated with the service contract, as the cost is recorded when the service is performed. Service calls are recognized to revenue at the time a service

Product Warranty Costs

The Company accrues estimated product warranty costs at the time of sale, which are included in cost of consolidated statements of operations. While the Company engages in extensive product quality program processes, including actively monitoring and evaluating the quality of its component suppliers, the Comp obligation is affected by product failure rates, material usage and service delivery costs incurred in corre product failure. The amount of the accrued warranty liability is based on historical information, such as p experience, product failure rates, number of units repaired and estimated costs of material and labor. Th reviewed for reasonableness at least quarterly.

The following is a summary of the activity of the Company's accrued warranty liability for the twelve December 31, 2023, 2022 and 2021 (in thousands):

	Balance at Beginning of Period	Accruals for Warranties	Settlements Made
Accrued warranty liability:			
December 31, 2023	$ 11,949	$ 7,727	$ (7,626)
December 31, 2022	$ 10,718	$ 10,067	$ (8,836)
December 31, 2021	$ 10,950	$ 8,799	$ (9,031)

Advertising Costs

All advertising costs are expensed as incurred and are included in selling and administrative expenses in consolidated statements of operations. Advertising expenses were $7 million for the years ended Decemb 2022 and 2021.

Research and Development Expenses

Research and development expenses are comprised of costs incurred in performing research and develop activities, including salaries and benefits, facilities costs, overhead costs, contract services and other out Research and development expenses are expensed as incurred.

Stock-Based Compensation

The Company has two stock-based compensation plans, which are described in Note 14, "Stock-Based Co

Earnings Per Share

In accordance with the earnings per share accounting standards, the Company presents two earnings pe ("EPS") amounts. Income per basic common share is based on income available to common shareholders weighted-average number of common shares outstanding during the periods presented. Income per dilut share includes additional dilution from potential common stock, such as stock issuable pursuant to the ex options outstanding.

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Retirement Plans

The Company sponsors various retirement plans, which are described in Note 17, "Retirement Plans".

Comprehensive Income

The Company accounts for comprehensive income in accordance with the accounting standards for comp income, which establish the accounting rules for reporting and displaying comprehensive income. These require that all components of comprehensive income be reported in a financial statement that is display same prominence as other financial statements.

Restructuring

In July 2023, the Company made organizational changes to better align its resources with its growth and strategies, resulting in a worldwide workforce reduction, that has impacted approximately 5% of the Com employees. During 2023, the Company incurred $26 million of severance-related costs in connection with reduction, which was recorded in selling and administrative expenses in the consolidated statement of op During 2023, the Company paid $19 million of these costs with the majority of the remaining costs to be first half of 2024.

Recently Adopted Accounting Standards

In October 2021, accounting guidance was issued that requires acquirers in a business combination to re measure contract assets and contract liabilities acquired in a business combination in accordance with T new guidance requires that at the acquisition date, the acquirer should account for the related revenue c accordance with 606 as if it had originated the contracts. This guidance differs from current GAAP which acquirer to recognize assets acquired and liabilities assumed in a business combination, including contra contract liabilities arising from revenue contracts with customers and other similar contracts that are ac accordance with 606, at fair value on the acquisition date. This guidance is effective for public business e fiscal years beginning after December 15, 2022, including interim periods within those years. The Compa this standard on January 1, 2023. The adoption of this standard did not have a material impact on the Co financial position, results of operations and cash flows.

Recently Issued Accounting Standards

In March 2020, accounting guidance was issued that facilitates the effects of reference rate reform on fin reporting. The amendments in the update provide optional guidance for a limited period of time to ease t burden in accounting for or recognizing the effects of reference rate reform on financial reporting and ap entities, subject to meeting certain criteria, that have contracts, hedging relationships, and other transac reference LIBOR or another reference rate expected to be discontinued because of reference rate reform 2021, an update was issued to clarify that certain optional expedients and exceptions under the referenc guidance for contract modifications and hedge accounting apply to derivatives that are affected by the di transition. Specifically, certain provisions in the reference rate reform guidance, if elected by an entity, a derivative instruments that use an interest rate for margining, discounting, or contract price alignment t as a result of reference rate reform. This temporary guidance is effective for all entities as of March 12, 2 December 31, 2022. In December 2022, an update was issued because the cessation date for overnight L being published was extended to June 30, 2023, which was beyond the current expiration date of this gui update extended the sunset date to December 31, 2024. The Company may elect to apply this guidance f modifications or eligible hedging relationships during that time period subject to certain criteria. The Co not believe that it has material reference

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rate exposure which would require utilizing the guidance under this accounting pronouncement and if ac
believe that this standard would have a material impact on the Company's financial position, results of op
cash flows.

In November 2023, accounting guidance was issued that requires additional disclosures of reportab
information. The guidance requires that public entities disclose, on an annual and interim basis (1) signif
expenses that are regularly provided to the chief operating decision maker ("CODM") and included withi
reported measure of segment profit or loss, (2) an amount for other segment items by reportable segmen
description of its composition (the other segment items category is the difference between segment reve
segment expenses disclosed under the significant expense principle and each reported measure of segme
loss), (3) provide all annual disclosures about a reportable segment's profit or loss and assets currently r
Topic 280 in interim periods, (4) clarify that if the CODM uses more than one measure of a segment's pro
assessing segment performance and deciding how to allocate resources, a public entity may report one o
those additional measures of segment profit. However, at least one of the reported segment profit or loss
the single reported measure, if only one is disclosed) should be the measure that is most consistent with
measurement principles used in measuring the corresponding amounts in the public entity's consolidated
statements, (5) the title and position of the CODM and an explanation of how the CODM uses the reporte
of segment profit or loss in assessing segment performance and deciding how to allocate resources, and
entity has a single reportable segment to provide all the disclosures required by the amendments in this
existing segment disclosures in Topic 280. The amendments in this update do not change how operating
identified or aggregated nor how the quantitative thresholds are applied to determine its reportable segm
amendments in this update are effective for fiscal years beginning after December 15, 2023, and interim
fiscal years beginning after December 15, 2024. Early adoption is permitted. The amendments in this upd
applied retrospectively to all prior periods presented in the financial statements. Upon transition, the seg
categories and amounts disclosed in the prior periods should be based on the significant segment expens
identified and disclosed in the period of adoption. The Company does not believe this accounting standar
have material impact on the Company's financial position, results of operations and cash flows. The Com
currently evaluating the impact the adoption of this accounting standard update will have on our footnot

In December 2023, accounting guidance was issued to enhance the transparency and decision usefu
income tax disclosures. The amendments in this update change disclosure requirements related to the ra
reconciliation, income taxes paid and other disclosures. For the rate reconciliation the amendments requ
business entities on an annual basis (1) disclose specific categories in the rate reconciliation and (2) prov
information for reconciling items that meet a quantitative threshold. For income taxes paid the amendme
that all entities disclose on an annual basis the following information; (1) the amount of income taxes pai
refunds received) disaggregated by federal (national), state, and foreign taxes, (2) the amount of income
of refunds received) disaggregated by individual jurisdictions in which income taxes paid (net of refunds
equal to or greater than 5 percent of total income taxes paid (net of refunds received). Finally, for other d
amendments require that all entities disclose the following information: (1) income (or loss) from continu
before income tax expense (or benefit) disaggregated between domestic and foreign, and (2) income tax
benefit) from continuing operations disaggregated by federal (national), state, and foreign. This update a
the requirement for all entities to (1) disclose the nature and estimate of the range of the reasonably pos
the unrecognized tax benefits balance in the next 12 months or (2) make a statement that an estimate of
cannot be made. As well as removing the requirement to disclose the cumulative amount of each type of
difference when a deferred tax liability is not recognized because of the exceptions to comprehensive rec
deferred taxes related to subsidiaries and corporate joint ventures. The amendments in this update are e
annual periods beginning after December 15, 2024. Early adoption is permitted for annual financial state
have

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not yet been issued or made available for issuance. The amendments in this update should be applied on
basis and retrospective application is permitted. The Company does not believe this accounting standard
have material impact on the Company's financial position, results of operations and cash flows. The Com
currently evaluating the impact the adoption of this accounting standard update will have on our footnot

3 Revenue Recognition

The Company's deferred revenue liabilities in the consolidated balance sheets consist of the obligation o
service contracts and customer payments received in advance, prior to transfer of control of the instrum
Company records deferred revenue primarily related to its service contracts, where consideration is bill
beginning of the service period.

The following is a summary of the activity of the Company's deferred revenue and customer advanc
twelve months ended December 31, 2023, 2022 and 2021 (in thousands):

	December 31,	
	2023	2022
Balance at the beginning of the period	$ 285,175	$ 273,598
Recognition of revenue included in balance at beginning of the period	(240,808)	(230,615)
Revenue deferred during the period, net of revenue recognized	279,149	242,192
Balance at the end of the period	$ 323,516	$ 285,175

The Company classified $67 million and $57 million of deferred revenue and customer advances in other
liabilities at December 31, 2023 and 2022, respectively.

The amount of deferred revenue and customer advances equals the transaction price allocated to unfulfi
performance obligations for the period presented. Such amounts are expected to be recognized in the fu
(in thousands):

	Dec
Deferred revenue and customer advances expected to be recognized in:	
One year or less	$
13-24 months	
25 months and beyond	
Total	$

4 Marketable Securities

The Company's marketable securities within cash equivalents and investments included in the consolida
sheets consist of time deposits that mature in one year or less with an amortized cost and a fair value of
both December 31, 2023 and 2022.

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5 Inventories

Inventories are classified as follows (in thousands):

	December 31, 2023
Raw materials	$ 233,952
Work in progress	20,198
Finished goods	262,086
Total inventories	$ 516,236

During 2023, 2022 and 2021, the Company recorded inventory-related excess and obsolescence pro
$11 million, $14 million and $9 million, respectively.

6 Property, Plant and Equipment

Property, plant and equipment consist of the following (in thousands):

	Decemb
	2023
Land and land improvements	$ 35,635
Buildings and leasehold improvements	488,667
Production and other equipment	748,411
Construction in progress	118,492
Total property, plant and equipment	1,391,205
Less: accumulated depreciation and amortization	(752,132)
Property, plant and equipment, net	$ 639,073

During 2023, 2022 and 2021, the Company retired and disposed of approximately $48 million, $24 r
$23 million of property, plant and equipment, respectively, most of which was fully depreciated and no lo
Gains or losses on disposals were immaterial for the years ended December 31, 2023, 2022 and 2021.

7 Acquisitions

On May 16, 2023, the Company acquired all of the issued and outstanding equity interests of Wyatt for $
of cash acquired. Wyatt is a pioneer in innovative light scattering and field-flow fractionation instrument
accessories and services. The acquisition will expand Waters portfolio and increase exposure to large mo
applications. As a result of the acquisition, the results of Wyatt are included in the Company’s consolidat
statements from the acquisition date.

The Company allocated the purchase price of the acquisition to identifiable assets acquired and liab
based on their estimated fair values as of the acquisition date. The purchase price allocation was based u
preliminary information and is subject to change if additional information about the facts and circumstan
existed at the acquisition date becomes available. The Company is in the ongoing process of conducting a
the assets acquired and liabilities assumed related to the acquisition. The final fair value of the net asset
result in adjustments to these assets and liabilities, including goodwill.

The intangible assets were valued with input from valuation specialists. The Company used variation
income approach, which uses Level 3 inputs, in determining the fair value of intangible assets acquired i

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Wyatt acquisition. Specifically, the customer relationships were valued using the multi-period excess earn
under the income approach. The Company utilized the relief from royalty method to determine the fair va
tradename and the developed technology. The following table presents the preliminary allocation of the p
to the estimated fair values of the assets acquired and liabilities assumed on the closing date of May 16,
thousands):

Purchase Price	
Cash paid	
Less: cash acquired	
Net cash consideration	
Identifiable Net Assets (Liabilities) Acquired	
Accounts receivable	
Inventory	
Deferred tax assets	
Prepaid and other assets	
Property, plant and equipment	
Operating lease assets	
Intangible assets	
Accounts payable and accrued expenses	
Operating lease liabilities	
Tax liabilities	
Deferred revenue	
Other liabilities	
Total identifiable net assets acquired	
Goodwill	
Cash consideration paid	

The details of the purchase price allocated to the intangible assets acquired and the estimated usefu
follows (dollars in thousands):

	Amount	W
Developed technology	$ 80,000	
Customer relationships	330,600	
Trade name	7,500	
Total	$418,100	

The Company allocated $864 million of the purchase price to goodwill which is primarily deductible
purposes and has been allocated to the Waters Division operating segment. The goodwill arising from the
consists largely of the value of intangible assets that do not qualify for separate recognition such as work
and cash flows from the integration of acquired technology, distribution channels and products with the C
products, which are higher than if the acquired companies' technology, customer access or products wer
stand-alone basis.

During the twelve months ended December 31, 2023, the Company's consolidated results included r
$73 million, and a net operating loss of $18 million since the acquisition closed on May 16, 2023. The Co

incurred transaction related costs of $13 million during the twelve months ended December 31, 2023, wl
recorded in selling and administrative expenses in the consolidated statement of operations.

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Unaudited Pro Forma Financial Information

The following unaudited pro forma information is presented for illustrative purposes only. It is not necess of the actual results of operations that actually would have been realized had the entities been a single c January 1, 2022 or the future operating results of the combined entity. The unaudited pro forma informat give effect to the potential impact of current financial conditions, regulatory matters or any anticipated s may be associated with the acquisition. The unaudited pro forma information also does not include any in costs that the Company may incur related to the acquisition as part of combining the operations of the co

The following unaudited pro forma information shows the results of the Company's operations for th months ended December 31, 2023 and 2022, as if the acquisition had occurred on January 1, 2022 (in the

	December 31, 2023	Dec
Revenue	$ 2,995,001	$
Net income	658,431	

To reflect the acquisition of Wyatt as if it had occurred on January 1, 2022, the unaudited pro forma includes adjustments to reflect, among other things, the incremental intangible asset amortization to be on the preliminary values of each identifiable intangible asset of Wyatt and the interest expense from del obtained to partially fund the cash consideration transferred. Pro forma adjustments were tax effected at Company's historical statutory rates in effect for the respective periods.

Pro forma net income for the twelve months ended December 31, 2023, was adjusted to exclude cer non-recurring expenses related to transaction costs incurred and the fair value adjustment of inventory. T non-recurring expenses were reclassified to the prior period and included in the pro forma net income fo months ended December 31, 2022.

In conjunction with the Wyatt acquisition, the Company entered into retention agreements with cert in which the Company agreed to pay a total of $40 million, in two equal installments upon the first and se anniversary of the acquisition date. As these employees are earning their individual cash award by provi over the two-year period that benefit the Company, the $40 million will be recognized within total costs a expenses in the consolidated statements of operations over the two-year service period. The Company ha $19 million of expense in the consolidated statement of operations for the year ended December 31, 202

On January 31, 2022, the Company completed an asset acquisition in which the charge detection ma spectrometry technology ("CDMS technology") assets of Megadalton Solutions, Inc. ("Megadalton") were approximately $10 million in total purchase price, of which $5 million was paid at closing and the remain will be paid in the future at various dates through 2029. This CDMS technology makes it possible to anal large proteins and protein complexes used in cell and gene therapies that would otherwise be difficult to conventional mass spectrometry. Once this technology is further developed, it will extend the capabilities spectrometry portfolio for a broader set of applications, and as such, the cost of this technology asset has accounted for as Acquired In-Process Research and Development and expensed in costs and operating ex statement of operations.

8 Goodwill and Other Intangibles

The carrying amount of goodwill was $1.3 billion and $430 million at December 31, 2023 and 2022, resp acquisition of Wyatt increased goodwill by $864 million, while the effect of foreign currency translation i goodwill by $10 million.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The Company's intangible assets included in the consolidated balance sheets are detailed as follows
thousands):

	December 31, 2023			December 31, 2	
	Gross Carrying Amount	Accumulated Amortization	Weighted-Average Amortization Period	Gross Carrying Amount	Accumulated Amortization
Capitalized software	$ 660,273	$ 495,317	5 years	$ 589,604	$ 441,414
Purchased intangibles	614,357	197,154	10 years	197,805	166,735
Trademarks	9,680	—	—	9,680	—
Licenses	14,798	8,429	7 years	14,070	6,729
Patents and other intangibles	111,962	80,983	8 years	104,139	73,021
Total	$ 1,411,070	$ 781,883	7 years	$ 915,298	$ 687,899

The Company capitalized $468 million, $54 million and $55 million of intangible assets for the years
December 31, 2023, 2022 and 2021, respectively. The gross carrying value of intangible assets and accu
amortization for intangible assets increased by $32 million and $18 million, respectively, in the year ende
December 31, 2023 due to the effects of foreign currency translation. Amortization expense for intangibl
$81 million, $58 million and $60 million for the years ended December 31, 2023, 2022 and 2021, respect
addition, in the year ended December 31, 2023, the company wrote off a $4 million intangible asset that
amortized. Amortization expense for intangible assets is estimated to be $98 million per year for each of
years.

9 Debt

On May 16, 2023, the Company financed the Wyatt acquisition with a combination of cash on its balance
borrowings under its revolving credit facility. As a result of the Wyatt transaction, the Company's outsta
December 31, 2023 was $2.4 billion.

On May 11, 2023, the Company issued the following senior unsecured notes:

Senior Unsecured Notes	Term	Interest Rate	Face Value (in millions)	Ma
Series P	5 years	4.91%	$50	M
Series Q	7 years	4.91%	$50	M

The Company used the proceeds from the issuance of these senior unsecured notes to repay other o
debt and for general corporate purposes. Interest on the Series P and Q Senior Notes is payable semi-an
arrears. The Company may prepay some or all of the Senior Notes, at any time and from time to time, in
less than 10% of the aggregate principal amount of the Senior Notes then outstanding, plus the applicab
amount for Series P and Q Senior Notes, in each case, upon no more than 60 nor less than 20 days' writt
the holders of the Senior Notes. In the event of a change in control (as defined in the note purchase agre
Company, the Company may be required to prepay the Senior Notes at a price equal to 100% of the princ
thereof, plus accrued and unpaid interest. Other provisions for these senior unsecured notes are similar
senior unsecured notes, as described below.

The Company has a five-year, $1.8 billion revolving facility (the "Credit Facility") that expires in Sep
On March 3, 2023, the Company amended the Credit Facility to increase the borrowing capacity by $200

aggregate total borrowing capacity of $2.0 billion, which did not affect the maturity date of September 1
amendment also replaced all references in the Credit Facility to LIBOR with Term SOFR as the benchma
December 31, 2023 and December 31, 2022, the Credit Facility had a total of $1.1 billion and $270 millio
respectively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The interest rates applicable under the Credit Facility are, at the Company’s option, equal to either base rate (which is a rate per annum equal to the greatest of (1) the prime rate in effect on such day, (2) Reserve Bank of New York Rate on such day plus 1/2 of 1% per annum and (3) the adjusted Term SOFR r one-month interest period as published two U.S. Government Securities Business Days prior to such day is not a U.S. Government Securities Business Day, the immediately preceding U.S. Government Securities Day), plus 1% annum) or the applicable 1, 3 or 6 month adjusted Term SOFR or EURIBO rate for euro-de loans, in each case, plus an interest rate margin based upon the Company’s leverage ratio, which can ran and 12.5 basis points for alternate base rate loans and between 80 and 112.5 basis points for Term SOFF rate loans. The facility fee on the Credit Facility ranges between 7.5 and 25 basis points per annum, base leverage ratio, of the amount of the revolving facility commitments and the outstanding term loan. The C requires that the Company comply with an interest coverage ratio test of not less than 3.50:1 as of the en quarter for any period of four consecutive fiscal quarters and a leverage ratio test of not more than 3.50: of any fiscal quarter. In addition, the Credit Facility includes negative covenants, affirmative covenants, r and warranties and events of default that are customary for investment grade credit facilities.

As of both December 31, 2023 and 2022, the Company had a total of $1.3 billion of outstanding seni notes. Interest on the fixed rate senior unsecured notes is payable semi-annually each year. Interest on th senior unsecured notes is payable quarterly. The Company may prepay all or some of the senior unsecure time in an amount not less than 10% of the aggregate principal amount outstanding. In the event of a cha of the Company (as defined in the note purchase agreement), the Company may be required to prepay th unsecured notes at a price equal to 100% of the principal amount thereof, plus accrued and unpaid intere senior unsecured notes require that the Company comply with an interest coverage ratio test of not less any period of four consecutive fiscal quarters and a leverage ratio test of not more than 3.50:1 as of the e fiscal quarter. In addition, these senior unsecured notes include customary negative covenants, affirmati representations and warranties and events of default.

The Company had the following outstanding debt at December 31, 2023 and 2022 (in thousands):

	December 31, 2023	Dec
Senior unsecured notes - Series I - 3.13%, due May 2023	$ —	$
Senior unsecured notes - Series G - 3.92%, due June 2024	50,000	
Total notes payable and debt, current	50,000	
Senior unsecured notes - Series G - 3.92%, due June 2024	—	
Senior unsecured notes - Series H - floating rate*, due June 2024	—	
Senior unsecured notes - Series K - 3.44%, due May 2026	160,000	
Senior unsecured notes - Series L - 3.31%, due September 2026	200,000	
Senior unsecured notes - Series M - 3.53%, due September 2029	300,000	
Senior unsecured notes - Series N - 1.68%, due March 2026	100,000	
Senior unsecured notes - Series O - 2.25%, due March 2031	400,000	
Senior unsecured notes - Series P - 4.91%, due May 2028	50,000	
Senior unsecured notes - Series Q - 4.91%, due May 2030	50,000	
Credit agreement	1,050,000	
Unamortized debt issuance costs	(4,487)	
Total long-term debt	2,305,513	
Total debt	$ 2,355,513	$

* Series H senior unsecured notes bear interest at a 3-month LIBOR for that floating rate interest per 1.25%.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

As of December 31, 2023 and 2022, the Company had a total amount available to borrow under the of $0.9 billion and $1.5 billion, respectively, after outstanding letters of credit. The weighted-average int applicable to the senior unsecured notes and credit agreement borrowings collectively were 4.69% and 3 December 31, 2023 and 2022, respectively. As of December 31, 2023, the Company was in compliance w covenants.

The Company and its foreign subsidiaries also had available short-term lines of credit totaling $114 $113 million at December 31, 2023 and December 31, 2022, respectively, for the purpose of short-term b issuance of commercial guarantees. None of the Company’s foreign subsidiaries had outstanding short-te as of December 31, 2023 or December 31, 2022.

Annual maturities of debt outstanding at December 31, 2023 are as follows (in thousands):

2024	
2025	
2026	
2027	
2028	
Thereafter	
Total	

10 Income Taxes

Income tax data for the years ended December 31, 2023, 2022 and 2021 is as follows (in thousands):

	Year Ended Dece	
	2023	2022
The components of income before income taxes are as follows:		
Domestic	$ 74,119	$ 133,81
Foreign	662,124	704,03
Total	$ 736,243	$ 837,84

	Year Ended Dece	
	2023	2022
The components of the income tax provision were as follows:		
Federal	$ 178	$ 62,153
State	6,427	8,025
Foreign	88,601	91,901
Total current tax provision	$ 95,206	$ 162,079
Federal	$ (2,457)	$ (26,551
State	(3,029)	(4,420
Foreign	4,289	(1,017

Total deferred tax provision	(1,197)	(31,988
Total provision	$ 94,009	$ 130,091

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The differences between income taxes computed at the United States statutory rate and the provisio taxes are summarized as follows for the years ended December 31, 2023, 2022 and 2021 (in thousands):

	Year Ended Decem	
	2023	2022
Federal tax computed at U.S. statutory income tax rate	$ 154,611	$ 175,948
GILTI, net of foreign tax credits	15,103	17,812
Uncertain tax positions	(16,211)	1,051
State income tax, net of federal income tax benefit	2,880	3,605
Net effect of foreign operations	(48,587)	(55,273
Effect of stock-based compensation	(2,262)	(7,341
Other, net	(11,525)	(5,711
Provision for income taxes	$ 94,009	$ 130,091

The Company’s effective tax rate was 12.8%, 15.5% and 14.1% for the years ended December 31, 20 2021, respectively. The decrease in the Company’s effective tax rate in 2023 can primarily be attributed t recognition of a previously unrecognized tax benefit of $18 million as a result of the completion of a tax e decreasing the Company’s 2023 effective tax rate by approximately 2.5%.

The Company’s effective income tax rate differs from the U.S. federal statutory rate each year due to the proportionate amounts of pre-tax income recognized in jurisdictions with different effective tax rates discussed below.

The four principal jurisdictions in which the Company manufactures are the U.S., Ireland, the U.K. a where the statutory tax rates were 21%, 12.5%, 25% and 17%, respectively, as of December 31, 2023. Th has a new Development and Expansion Incentive in Singapore that provides a concessionary income tax certain types of income for the period April 1, 2021 through March 31, 2026. Prior to April 1, 2021, the C tax exemption on income arising from qualifying activities in Singapore based upon the achievement of c contractual milestones, which the Company met as of December 31, 2020 and maintained through March effect of applying these concessionary income tax rates rather than the statutory tax rate to income arisi qualifying activities in Singapore increased the Company’s net income by $16 million, $20 million and $2 increased the Company’s net income per diluted share by $0.27, $0.33 and $0.32 for the years ended De 2023, 2022 and 2021, respectively.

During 2023, the Company’s effective tax rate differed from the 21% U.S. statutory tax rate primaril jurisdictional mix of earnings, an $18 million recognition of a previously unrecognized tax benefit as a re completion of a tax examination, a $15 million provision related to the GILTI tax, including the impact of research and development expenditures pursuant to IRC Section 174, and a tax benefit of $3 million on s compensation.

The 2022 effective tax rate differed from the 21% U.S. statutory tax rate primarily due to the jurisdic earnings, a $18 million provision related to the GILTI tax and a tax benefit of $7 million on stock-based co

The 2021 effective tax rate differed from the 21% U.S. statutory tax rate primarily due to the jurisdic earnings, an $10 million provision related to the GILTI tax and a tax benefit of $7 million on stock-based

The Company recorded a tax provision of $4 million, $4 million and $3 million for 2023, 2022 and 20 respectively, for future withholding taxes and U.S. state taxes on the repatriation of 2023, 2022 and 2021 earnings.

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The tax effects of temporary differences and carryforwards which give rise to deferred tax assets an liabilities are summarized as follows (in thousands):

	Decer
	2023
Deferred tax assets:	
Net operating losses and credits	$ 54,901
Depreciation	1,517
Operating leases	20,307
Amortization	5,905
Stock-based compensation	7,754
Deferred compensation	14,886
Deferred revenue	17,127
Revaluation of equity investments and licenses	1,884
Inventory	7,534
Accrued liabilities and reserves	5,720
Capitalized interest	12,586
Unrealized foreign currency gain/loss	700
Capitalized Section 174 Expenditures	34,487
Other	5,086
Total deferred tax assets	190,394
Valuation allowance	(57,873)
Deferred tax assets, net of valuation allowance	132,521
Deferred tax liabilities:	
Capitalized software	(29,281)
Operating leases	(20,117)
Indefinite-lived intangibles	(14,824)
Deferred tax liability on foreign earnings	(20,374)
Total deferred tax liabilities	(84,596)
Net deferred tax assets	$ 47,925

The Company has gross foreign net operating losses of $231 million, of which $192 million do not ex current laws and $39 million start expiring in 2024. As of December 31, 2023, the Company has providec valuation allowance of $58 million, of which $52 million relates to certain foreign net operating losses. T net deferred tax assets associated with net operating losses and tax credit carryforwards are approximat as of December 31, 2023, which represent the future tax benefit of foreign net operating loss carryforwa expire under current law.

The Company accounts for its uncertain tax return positions in accordance with the accounting stan income taxes, which require financial statement reporting of the expected future tax consequences of un reporting positions on the presumption that all concerned tax authorities possess full knowledge of those positions, as well as all of the pertinent facts and circumstances, but prohibit any discounting of unrecog benefits associated with those reporting positions for the time value of money. The Company continues to interest and penalties related to unrecognized tax benefits as a component of the provision for income ta

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	2023	2022
Balance at the beginning of the period	$ 29,019	$ 28,69
Net reductions for settlement of tax audits	(17,651)	—
Net reductions for lapse of statutes taken during the period	(512)	(81
Net additions for tax positions taken during the prior period	2,473	—
Net additions for tax positions taken during the current period	994	1,14
Balance at the end of the period	$ 14,323	$ 29,01

As of 2023, the total amount of gross unrecognized tax benefits was $14 million, all of which, if reco impact the Company's effective tax rate. This represents a decrease of $18 million resulting from the con tax audit in 2023. This decrease reduced the income tax expense in the statement of operations and did r cash flows. The Company is subject to various foreign audits and inquiries, and we currently do not expe adjustments.

With limited exceptions, the Company is no longer subject to tax audit examinations in significant ju the years ended on or before December 31, 2018. The Company continuously monitors the lapsing of sta limitations on potential tax assessments for related changes in the measurement of unrecognized tax ben net interest and penalties and deferred tax assets and liabilities.

As of December 31, 2023, the Company expects to record additional reductions in the measurement unrecognized tax benefits and related net interest and penalties of approximately $2 million within the n months due to potential tax audit settlements and the lapsing of statutes of limitations on potential tax as The Company does not expect to record any other material reductions in the measurement of its unrecog benefits within the next twelve months.

The following is a summary of the activity of the Company's valuation allowance for the years ended 2023, 2022 and 2021 (in thousands):

	Balance at Beginning of Period	Charged to Provision for Income Taxes*	Other**
Valuation allowance for deferred tax assets:			
2023	$ 54,300	$ 1,467	$ 2,106
2022	$ 58,834	$ (1,647)	$ (2,887
2021	$ 60,101	$ 2,919	$ (4,186

* These amounts have been recorded as part of the income statement provision for income taxes. The statement effects of these amounts have largely been offset by amounts related to changes in other balance sheet accounts.

** The changes in the valuation allowance during the years ended December 31, 2023, 2022 and 2021 due to the effect of foreign currency translation on a valuation allowance related to a net operating carryforward.

11 Litigation

From time to time, the Company and its subsidiaries are involved in various litigation matters arising in t course of business. The Company believes it has meritorious arguments in its current litigation matters a

any outcome, either individually or in the aggregate, will not be material to the Company’s financial posi
operations or cash flows. During the year ended December 31, 2021, the Company executed a settlemen
resolve patent infringement litigation with Bruker Corporation and Bruker Daltronik

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GmbH regarding their timsTOF product line. In connection with the settlement, the Company is entitled
$10 million in guaranteed payments, including minimum royalty payments, which was recognized within
(expense), net in the consolidated statement of operations for the year ended December 31, 2021. During
ended December 31, 2023, 2022 and 2021, the Company received $2 million, $1 million and $3 million, r
guaranteed payments, net of applicable withholding taxes. The Company also recorded a litigation provis
$5 million during the year ended December 31, 2021, related to a legal settlement.

12 Leases

As of December 31, 2023 and 2022, the Company had lease agreements that expire at various dates thro
weighted-average remaining lease terms of 4.5 years and 4.4 years, respectively. Rental expense was $38
$36 million and $34 million for the years ended December 31, 2023, 2022 and 2021, respectively. As of D
2023 and 2022, the weighted-average discount rates used to determine the present value of lease liabilit
and 3.24%, respectively. During the years ended December 31, 2023, 2022 and 2021, cash paid for amou
the measurement of lease liabilities in operating activities in the statement of cash flows was $38 million
and $34 million, respectively. The Company recorded $2 million, $12 million and $3 million of right-of-use
exchange for new operating lease liabilities during the years ended December 31, 2023, 2022 and 2021,

The Company's right-of-use lease assets and lease liabilities included in the consolidated balance sh
classified as follows (in thousands):

	Financial Statement Classification	De 2023
Assets:		
Property operating lease assets	Operating lease assets	$ 55,0
Automobile operating lease assets	Operating lease assets	28,6
Equipment operating lease assets	Operating lease assets	9
Total lease assets		$ 84,5
Liabilities:		
Current operating lease liabilities	Current operating lease liabilities	$ 27,8
Long-term operating lease liabilities	Long-term operating lease liabilities	58,9
Total lease liabilities		$ 86,7

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Undiscounted future minimum rents payable as of December 31, 2023 under non-cancelable leases
terms exceeding one year reconcile to lease liabilities included in the consolidated balance sheet as follo
thousands):

2024
2025
2026
2027
2028
2029 and thereafter
Total future minimum lease payments
Less: amount of lease payments representing interest
Present value of future minimum lease payments
Less: current operating lease liabilities
Long-term operating lease liabilities

13 Other Commitments and Contingencies

The Company licenses certain technology and software from third parties in the course of ordinary busin
minimum license fees payable under existing license agreements as of December 31, 2023 are immateria
ended December 31, 2023 and thereafter.

The Company enters into standard indemnification agreements in its ordinary course of business. Pu
these agreements, the Company indemnifies, holds harmless and agrees to reimburse the indemnified pa
suffered or incurred by the indemnified party, generally the Company's business partners or customers, i
with patent, copyright or other intellectual property infringement claims by any third party with respect
products, as well as claims relating to property damage or personal injury resulting from the performanc
by the Company or its subcontractors. The maximum potential amount of future payments the Company
required to make under these indemnification agreements is unlimited. Historically, the Company's costs
lawsuits or settle claims relating to such indemnity agreements have been minimal and management acc
believes the estimated fair value of these agreements is immaterial.

14 Stock-Based Compensation

In May 2020, the Company's shareholders approved the Company's 2020 Equity Incentive Plan ("2020 P
December 31, 2023, the 2020 Plan has 6.3 million shares available for grant in the form of incentive or n
stock options, stock appreciation rights ("SARs"), restricted stock or other types of awards (e.g. restricte
and performance stock units). The Company issues new shares of common stock upon exercise of stock o
restricted stock unit conversion or performance stock unit conversion. Under the 2020 Plan, the exercise
options may not be less than the fair market value of the underlying stock at the date of grant. The 2020
scheduled to terminate on May 13, 2030. Options generally will expire no later than ten years after the d
they are granted and will become exercisable as directed by the Compensation Committee of the Board o
and generally vest in equal annual installments over a five-year period. A SAR may be granted alone or in
with an option or other award. Shares of restricted stock, restricted stock units and performance stock u
issued under the 2020 Plan for such consideration as is determined by the Compensation Committee of t
Directors. As of December 31, 2023, the Company had stock options, restricted stock and restricted and
stock unit awards outstanding.

In May 2009, the Company’s shareholders approved the 2009 Employee Stock Purchase Plan, under
employees may contribute up to 15% of their earnings toward the quarterly purchase of the Company’s

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

common stock. The plan makes available 0.8 million shares of the Company's common stock, which inclu
remaining shares available under the 1996 Employee Stock Purchase Plan. As of December 31, 2023, 1.7
have been issued under both the 2009 and 1996 Employee Stock Purchase Plans. Each plan period lasts
beginning on January 1, April 1, July 1 and October 1 of each year. The purchase price for each share of s
lesser of 90% of the market price on the first day of the plan period or 100% of the market price on the la
plan period. Stock-based compensation expense related to this plan was $1 million for each of the years e
December 31, 2023, 2022 and 2021.

The Company accounts for stock-based compensation costs in accordance with the accounting stand
based compensation, which require that all share-based payments to employees be recognized in the stat
operations, based on their grant date fair values. The Company recognizes the expense using the straigh
attribution method. The stock-based compensation expense recognized in the consolidated statements of
based on awards that ultimately are expected to vest; therefore, the amount of expense has been reduced
forfeitures. Forfeitures are estimated based on historical experience. If actual results differ significantly
estimates, stock-based compensation expense and the Company's results of operations could be material
addition, if the Company employs different assumptions in the application of these standards, the compen
expense that the Company records in the future periods may differ significantly from what the Company
in the current period.

The consolidated statements of operations for the years ended December 31, 2023, 2022 and 2021 i
following stock-based compensation expense related to stock option awards, restricted stock awards, res
unit awards, performance stock unit awards and the employee stock purchase plan (in thousands):

	2023	2022
Cost of sales	$ 2,014	$ 3,4
Selling and administrative expenses	31,012	32,1
Research and development expenses	3,842	6,8
Total stock-based compensation	$ 36,868	$ 42,5

Stock Options

In determining the fair value of the stock options, the Company makes a variety of assumptions and estim
including volatility measures, expected yields and expected stock option lives. The fair value of each opti
estimated on the date of grant using the Black-Scholes option pricing model. The Company uses implied
publicly-traded options as the basis for its estimate of expected volatility. The Company believes that imp
is the most appropriate indicator of expected volatility because it is generally reflective of historical vola
expectations of how future volatility will differ from historical volatility. The expected life assumption for
on historical experience for the population of non-qualified stock option exercises. The risk-free interest r
currently available on U.S. Treasury zero-coupon issues with a remaining term approximating the expect
as the input to the Black-Scholes model. The relevant data used to determine the value of the stock optio
during the twelve months ended December 31, 2023, 2022 and 2021 are as follows:

Options Issued and Significant Weighted-Average Assumptions Used to Estimate Option Fair Values	2023	20
Options issued in thousands	132	1
Risk-free interest rate	3.9 %	
Expected life in years	6	
Expected volatility	31.1 %	3
Expected dividends	—	

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Weighted-Average Exercise Price and Fair Value of Options on the Date of Grant	2023	202
Exercise price	$ 331.76	$ 321.
Fair value	$ 126.73	$ 107.

The following table summarizes stock option activity for the plans for the twelve months ended Dece
(in thousands, except per share data):

	Number of Shares	Exercise Price per Share		
Outstanding at December 31, 2022	597	$ 99.22	to	$ 371.64
Granted	132	$ 253.64	to	$ 345.59
Exercised	(99)	$ 99.22	to	$ 314.98
Canceled	(43)	$ 195.75	to	$ 345.59
Outstanding at December 31, 2023	587	$ 113.88	to	$ 371.64

The following table details the options outstanding at December 31, 2023 by range of exercise price
thousands, except per share data):

Exercise Price Range	Number of Shares Outstanding	Weighted-Average Exercise Price	Remaining Contractual Life of Options Outstanding	Number of Shares Exercisable
$113.88 to $235.06	192	$ 187.37	4.7	150
$235.07 to $303.64	166	$ 267.95	6.8	80
$303.65 to $371.64	229	$ 328.38	8.6	29
Total	587	$ 265.17	6.8	259

During 2023, 2022 and 2021, the total intrinsic value of the stock options exercised (i.e., the differe
the market price at exercise and the price paid by the employee to exercise the options) was $11 million,
and $43 million, respectively. The total cash received from the exercise of these stock options was $18 m
$32 million and $46 million for the years ended December 31, 2023, 2022 and 2021, respectively.

The aggregate intrinsic value of the outstanding stock options at December 31, 2023 was $39 millio
0.3 million options exercisable at December 31, 2023, 2022 and 2021. The weighted-average exercise pr
exercisable at December 31, 2023, 2022 and 2021 were $223.37, $188.21 and $162.09, respectively. The
average remaining contractual life of the exercisable outstanding stock options at December 31, 2023 wa
The aggregate intrinsic value of stock options exercisable as of December 31, 2023 was $28 million.

At December 31, 2023, the Company had 0.6 million stock options that are vested and expected to v
intrinsic value, weighted-average exercise price and remaining contractual life of the vested and expecte
options were $39 million, $264.78 and 6.7 years, respectively, at December 31, 2023.

The amount of compensation costs recognized for the years ended December 31, 2023, 2022 and 20
stock options expected to vest were $10 million, $8 million and $7 million, respectively. As of December 3

were $25 million of total unrecognized compensation costs related to unvested stock option awards that
to vest. These costs are expected to be recognized over a weighted-average period of 3.4 years.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Restricted Stock

During the years ended December 31, 2023, 2022 and 2021, the Company granted three thousand, three four thousand shares of restricted stock, respectively. The weighted-average fair value per share on the g the restricted stock granted in 2023, 2022 and 2021 was $341.04, $363.44 and $256.28, respectively. Th recorded $1 million of compensation expense in each of the years ended December 31, 2023, 2022 and 2 the restricted stock grants. As of December 31, 2023, the Company had three thousand unvested shares stock outstanding, which have been fully expensed.

Restricted Stock Units

The following table summarizes the unvested restricted stock unit award activity for the twelve months e December 31, 2023 (in thousands, except per share data):

	Shares	W G V
Unvested at December 31, 2022	238	$
Granted	100	$
Vested	(74)	$
Forfeited	(29)	$
Unvested at December 31, 2023	235	$

Restricted stock units are generally granted annually in February and vest in equal annual installme year period. The amount of compensation costs recognized for the years ended December 31, 2023, 2022 the restricted stock units expected to vest were $19 million, $19 million and $17 million, respectively. As December 31, 2023, there were $50 million of total unrecognized compensation costs related to the restr unit awards that are expected to vest. These costs are expected to be recognized over a weighted-averag 3.3 years.

Performance Stock Units

The Company's performance stock units are equity compensation awards with a market vesting conditio Company's Total Shareholder Return ("TSR") relative to the TSR of the components of the S&P Health C is the change in value of a stock price over time, including the reinvestment of dividends. The vesting sc from 0% to 200% of the target shares awarded. Beginning with the grants made in 2020, the vesting co performance stock units now include a performance condition based on future sales growth.

In determining the fair value of the performance stock units, the Company makes a variety of assum estimates, including volatility measures, expected yields and expected terms. The fair value of each perf unit grant was estimated on the date of grant using the Monte Carlo simulation model. The Company use volatility on its publicly traded options as the basis for its estimate of expected volatility. The Company b implied volatility is the most appropriate indicator of expected volatility because it is generally reflective volatility and expectations of how future volatility will differ from historical volatility. The expected life a grants is based on the performance period of the underlying performance stock units. The risk-free inter yield currently available on U.S. Treasury zero-coupon issues with a remaining term approximating the e used as the input to the Monte Carlo simulation model. The correlation coefficient is used to model the w each company in the S&P Health Care Index tends to move in relation to each other during the perform The relevant data used to determine

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the value of the performance stock units granted during the years ended December 31, 2023, 2022 and 2
follows:

Performance Stock Units Issued and Significant Assumptions Used to Estimate Fair Values	2023	20
Performance stock units issued in thousands	45	
Risk-free interest rate	4.8 %	1
Expected life in years	2.9	2
Expected volatility	33.3 %	25
Average volatility of peer companies	32.8 %	34
Correlation Coefficient	38.2 %	43
Expected dividends	—	-

The following table summarizes the unvested performance stock unit award activity for the twelve m
December 31, 2023 (in thousands, except per share data):

	Shares	W
Unvested at December 31, 2022	111	$
Granted	45	$
Vested	(46)	$
Forfeited	(17)	$
Change in performance shares in the year due to exceeding performance targets	15	$
Unvested at December 31, 2023	108	$

The amount of compensation costs recognized for the years ended December 31, 2023, 2022 and 20
performance stock units expected to vest were $5 million, $13 million and $3 million, respectively. As of D
2023, there were $15 million of total unrecognized compensation costs related to the performance stock
that are expected to vest. These costs are expected to be recognized over a weighted-average period of 1

15 Earnings Per Share

Basic and diluted EPS calculations are detailed as follows (in thousands, except per share data):

	Year Ended December 31, 2	
	Net Income (Numerator)	Weighted-Average Shares (Denominator)
Net income per basic common share	$ 642,234	59,076
Effect of dilutive stock option, restricted stock, performance stock unit and restricted stock unit securities	—	194
Net income per diluted common share	$ 642,234	59,270

	Year Ended December 31, 2

	Net Income (Numerator)	Weighted-Average Shares (Denominator)
Net income per basic common share	$ 707,755	59,985
Effect of dilutive stock option, restricted stock, performance stock unit and restricted stock unit securities	—	346
Net income per diluted common share	$ 707,755	60,331

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	Year Ended December 31, 2	
	Net Income (Numerator)	Weighted-Average Shares (Denominator)
Net income per basic common share	$ 692,843	61,575
Effect of dilutive stock option, restricted stock, performance stock unit and restricted stock unit securities	—	453
Net income per diluted common share	$ 692,843	62,028

For the years ended December 31, 2023, 2022 and 2021, the Company had 245 thousand, 66 thousa
3 thousand stock options that were antidilutive, respectively, due to having higher exercise prices than th
average stock price during the period. These securities were not included in the computation of diluted E
of dilutive securities was calculated using the treasury stock method.

16 Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive loss are detailed as follows (in thousands):

	Currency Translation	Unrealized Gain (Loss) on Retirement Plans	Unrealized Gain (Loss) on Investments	Unrealized Loss on Derivative Instruments
Balance at December 31, 2021	$ (99,985)	$ (11,860)	$ (20)	$ —
Other comprehensive (loss) income, net of tax	(46,135)	16,408	20	—
Balance at December 31, 2022	$ (146,120)	$ 4,548	$ —	$ —
Other comprehensive (loss) income, net of tax	17,761	(8,049)	—	(2,260)
Balance at December 31, 2023	$ (128,359)	$ (3,501)	$ —	$ (2,260)

17 Retirement Plans

U.S. employees are eligible to participate in the Waters Employee Investment Plan, a 401(k) defined cont
immediately upon hire. Employees may contribute up to 60% of eligible pay on a pre-tax or post-tax basis
Company makes matching contributions of 100% for contributions up to 6% of eligible pay. The Company
a 401(k) Restoration Plan, which is a nonqualified defined contribution plan. Employees are 100% vested
and Company matching contributions for both plans. For the years ended December 31, 2023, 2022 and
Company's matching contributions amounted to $22 million, $21 million and $19 million, respectively.

The Company also sponsors other employee benefit plans in the U.S., including a retiree healthcare
provides reimbursement for medical expenses and is contributory. There are various employee benefit pl
United States (both defined benefit and defined contribution plans). Certain non-U.S. defined benefit plan
Pension Plans") are included in the disclosures below, which are required under the accounting standard
retirement benefits.

The Company contributed $18 million, $16 million and $17 million in the years ended December 31,
and 2021, respectively, to the non-U.S. plans (primarily defined contribution plans) which are currently o
scope of the required disclosures. The eligibility and vesting of non-U.S. plans are consistent with local la
regulations.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The net periodic pension cost is made up of several components that reflect different aspects of the financial arrangements as well as the cost of benefits earned by employees. These components are deter the projected unit credit actuarial cost method and are based on certain actuarial assumptions. The Com accounting policy is to reflect in the projected benefit obligation all benefit changes to which the Compa as of the current valuation date; use a market-related value of assets to determine pension expense; amo in prior service costs on a straight-line basis over the expected future service of active participants as of costs are first recognized; and amortize cumulative actuarial gains and losses in excess of 10% of the lar market-related value of plan assets and the projected benefit obligation over the expected future service participants.

Summary data for the U.S. Retiree Healthcare Plan and Non-U.S. Pension Plans are presented in the tables, using the measurement dates of December 31, 2023 and 2022, respectively.

The reconciliation of the projected benefit obligations for the plans at December 31, 2023 and 2022 (in thousands):

	2023		2
	U.S. Retiree Healthcare Plan	**Non-U.S. Pension Plans**	**U.S. Retiree Healthcare Plan**
Projected benefit obligation, January 1	$ 22,583	$ 74,025	$ 25,958
Service cost	275	3,073	775
Employee contributions	1,105	601	1,139
Interest cost	1,262	2,797	706
Actuarial losses (gains)	2,166	11,387	(4,657)
Benefits paid	(1,649)	(2,051)	(1,338)
Plan amendments	—	(500)	—
Plan settlements	—	(488)	—
Currency impact	—	3,547	—
Projected benefit obligation, December 31	$ 25,742	$ 92,391	$ 22,583

The reconciliation of the fair value of the plan assets at December 31, 2023 and 2022 is as follows (i

	2023		
	U.S. Retiree Healthcare Plan	**Non-U.S. Pension Plans**	**U.S. Retiree Healthcare Plan**
Fair value of plan assets, January 1	$ 15,724	$ 77,697	$ 18,314
Actual return on plan assets	2,444	4,144	(2,895
Company contributions	529	3,224	504
Employee contributions	1,105	601	1,139
Plan settlements	—	(488)	—
Benefits paid	(1,649)	(2,051)	(1,338
Currency impact	—	3,460	—
Fair value of plan assets, December 31	$ 18,153	$ 86,587	$ 15,724

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The summary of the funded status for the plans at December 31, 2023 and 2022 is as follows (in tho

	2023		
	U.S. Retiree Healthcare Plan	Non-U.S. Pension Plans	U.S. Retiree Healthcare Plan
Projected benefit obligation	$ (25,742)	$ (92,391)	$ (22,583
Fair value of plan assets	18,153	86,587	15,724
Funded status	$ (7,589)	$ (5,804)	$ (6,859

The change in the Company’s projected benefit obligation for the year ended December 31, 2023 wa due to net actuarial losses that arose during the year driven by a decrease in discount rates, differences expected and actual return on plan assets, and fluctuations in foreign currency exchange rates during th change in the Company’s projected benefit obligation for the year ended December 31, 2022 was primar actuarial gains that arose during the year driven by an increase in discount rates, differences between ex actual return on plan assets, and fluctuations in foreign currency exchange rates during the year.

The summary of the amounts recognized in the consolidated balance sheets for the plans at Decemb and 2022 is as follows (in thousands):

	2023		
	U.S. Retiree Healthcare Plan	Non-U.S. Pension Plans	U.S. Retiree Healthcare Plan
Long-term assets	$ —	$ 5,220	$ —
Long-term liabilities	(7,589)	(11,024)	(6,859
Net amount recognized at December 31	$ (7,589)	$ (5,804)	$ (6,859

The accumulated benefit obligation for all defined benefit pension plans was $81 million and $64 mi December 31, 2023 and 2022, respectively.

The summary of the Non-U.S. Pension Plans that have accumulated benefit obligations in excess of p December 31, 2023 and 2022 is as follows (in thousands):

	2023
Accumulated benefit obligations	$ 60,8
Fair value of plan assets	$ 52,8

The summary of the Non-U.S. Pension Plans that have projected benefit obligations in excess of plan December 31, 2023 and 2022 is as follows (in thousands):

	2023
Projected benefit obligations	$ 63,9
Fair value of plan assets	$ 52,8

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The summary of the components of net periodic pension costs for the plans for the years ended Dec
2023, 2022 and 2021 is as follows (in thousands):

	2023		2022		
	U.S. Retiree Healthcare Plan	Non-U.S. Pension Plans	U.S. Retiree Healthcare Plan	Non-U.S. Pension Plans	U.S. Retiree Healthcar Plan
Service cost	$ 275	$ 3,073	$ 775	$ 4,018	$ 88
Interest cost	1,262	2,797	706	1,360	55
Expected return on plan assets	(978)	(2,653)	(1,138)	(1,972)	(1,01
Settlement loss	—	221	—	73	—
Net amortization:					
Prior service credit	(19)	(105)	(19)	(129)	(1
Net actuarial (gain) loss	—	(195)	—	649	1
Net periodic pension cost	$ 540	$ 3,138	$ 324	$ 3,999	$ 42

The summary of the changes in amounts recognized in other comprehensive income (loss) for the pl
years ended December 31, 2023, 2022 and 2021 is as follows (in thousands):

	2023		2022		
	U.S. Retiree Healthcare Plan	Non-U.S. Pension Plans	U.S. Retiree Healthcare Plan	Non-U.S. Pension Plans	U.S. Retiree Healthcar Plan
Prior service credit	$ —	$ —	$ —	$ —	$ —
Net (loss) gain arising during the year	(699)	(9,396)	623	19,025	1,52
Amortization:					
Prior service credit	(19)	(105)	(19)	(129)	(1
Net loss	—	26	—	722	1
Currency impact	—	(58)	—	1,305	—
Total recognized in other comprehensive (loss) income	$ (718)	$ (9,533)	$ 604	$ 20,923	$ 1,51

The components of net periodic benefit cost other than the service cost component are included in c
net in the consolidated statements of operations.

The summary of the amounts included in accumulated other comprehensive loss in stockholders' eq
plans at December 31, 2023 and 2022 is as follows (in thousands):

	2023		
	U.S. Retiree Healthcare Plan	Non-U.S. Pension Plans	U.S. Retiree Healthcare Plan

Net actuarial (loss) gain	$ (964)	$ (3,241)	$ (266
Prior service credit (cost)	17	(156)	36
Total	$ (947)	$ (3,397)	$ (230

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The plans’ investment asset mix is as follows at December 31, 2023 and 2022:

	2023		20
	U.S. Retiree Healthcare Plan	Non-U.S. Pension Plans	U.S. Retiree Healthcare Plan
Equity securities	70 %	4 %	77 %
Debt securities	30 %	18 %	23 %
Cash and cash equivalents	0 %	2 %	0 %
Insurance contracts and other	0 %	76 %	0 %
Total	100 %	100 %	100 %

The plans’ investment policies include the following asset allocation guidelines:

	U.S. Retiree Healthcare Plan	
	Policy Target	Range
Equity securities	60 %	30% - 90%
Debt securities	35 %	20% - 50%
Cash and cash equivalents	0 %	0% - 10%
Insurance contracts and other	5 %	0% - 10%

The asset allocation policy for the U.S. Retiree Healthcare Plan was developed in consideration of th long-term investment objectives: achieving a return on assets consistent with the investment policy, achi returns which compare favorably with those of other similar plans, professionally managed portfolios and appropriate market indexes and maintaining sufficient liquidity to meet the obligations of the plan. Withi portfolio of the U.S. Retiree Healthcare Plan, investments are diversified among market capitalization an strategy, and targets a 45% allocation of the equity portfolio to be invested in financial markets outside o States. The Company does not invest in its own stock within the U.S. Retiree Healthcare Plan’s assets.

Plan assets are measured at fair value using the following valuation techniques and inputs:

Level 1: The fair value of these types of investments is based on market and observable sources fr quoted prices on nationally recognized securities exchanges.

Level 2: The fair value of these types of investments utilizes data points other than quoted prices markets that are observable either directly or indirectly.

Level 3: These bank and insurance investment contracts are issued by well-known, highly-rated c fair value disclosed represents the present value of future cash flows under the terms of t contracts. Significant assumptions used to determine the fair value of these contracts inc amount and timing of future cash flows and counterparty credit risk.

There have been no changes in the above valuation techniques associated with determining the valu assets during the years ended December 31, 2023 and 2022.

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The fair value of the Company’s retirement plan assets are as follows at December 31, 2023 (in thou

	Total at December 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
U.S. Retiree Healthcare Plan:			
Mutual funds[(a)]	18,153	18,153	—
Total U.S. Retiree Healthcare Plan	18,153	18,153	—
Non-U.S. Pension Plans:			
Cash equivalents[(b)]	1,611	1,611	—
Mutual funds[(c)]	18,785	18,785	—
Bank and insurance investment contracts[(d)]	66,191	—	—
Total Non-U.S. Pension Plans	86,587	20,396	—
Total fair value of retirement plan assets	$ 104,740	$ 38,549	$ —

The fair value of the Company’s retirement plan assets are as follows at December 31, 2022 (in thou

	Total at December 31, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
U.S. Retiree Healthcare Plan:			
Mutual funds[(e)]	15,724	15,724	—
Total U.S. Retiree Healthcare Plan	15,724	15,724	—
Non-U.S. Pension Plans:			
Cash equivalents[(b)]	1,527	1,527	—
Mutual funds[(f)]	18,176	18,176	—
Bank and insurance investment contracts[(d)]	57,994	—	—
Total Non-U.S. Pension Plans	77,697	19,703	—
Total fair value of retirement plan assets	$ 93,421	$ 35,427	$ —

a) The mutual fund balance in the U.S. Retiree Healthcare Plan is invested in the following categories: common stock of large-cap U.S. companies, 29% in the common stock of international growth compa in fixed income bonds of U.S. companies and the U.S. government.

b) Primarily represents deposit account funds held with various financial institutions.

c) The mutual fund balance in the Non-U.S. Pension Plans is primarily invested in the following catego international bonds, 18% in the common stock of international companies and 7% in various other g investments.

d) Amount represents bank and insurance guaranteed investment contracts.

e) The mutual fund balance in the U.S. Retiree Healthcare Plan is invested in the following categories: common stock of large-cap U.S. companies, 28% in the common stock of international growth compa in fixed income bonds of U.S. companies and the U.S. government.

f) The mutual fund balance in the Non-U.S. Pension Plans is invested in the following categories: 59% international bonds, 22% in the common stock of international companies and 19% in various other investments.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table summarizes the changes in fair value of the Level 3 retirement plan assets for th
December 31, 2023 and 2022 (in thousands):

Fair value of assets, December 31, 2021	
Net purchases (sales) and appreciation (depreciation)	
Fair value of assets, December 31, 2022	
Net purchases (sales) and appreciation (depreciation)	
Fair value of assets, December 31, 2023	

The weighted-average assumptions used to determine the benefit obligation in the consolidated bala
December 31, 2023, 2022 and 2021 are as follows:

	2023		2022		
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.
Discount rate	5.18 %	2.97 %	5.42 %	3.82 %	2.70
Increases in compensation levels	**	2.90 %	**	3.14 %	*
Interest crediting rate	5.25 %	2.05 %	5.25 %	1.57 %	5.25

** Not applicable

The weighted-average assumptions used to determine the net periodic pension cost for the years en
December 31, 2023, 2022 and 2021 are as follows:

	2023		2022		
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.
Discount rate	5.42 %	4.70 %	2.70 %	2.09 %	2.25
Return on plan assets	6.25 %	3.95 %	6.25 %	3.07 %	6.25
Increases in compensation levels	**	4.32 %	**	3.58 %	*
Interest crediting rate	5.25 %	1.47 %	5.25 %	1.55 %	5.25

** Not applicable

To develop the expected long-term rate of return on assets assumption, the Company considered his
and future expectations for returns for each asset class, as well as the target asset allocation of the pens
and historical expenses paid by the plan. A one-quarter percentage point increase in the assumed long-te
return on assets would decrease the Company’s net periodic benefit cost by less than $1 million. A one-q
percentage point increase in the discount rate would decrease the Company’s net periodic benefit cost b
$1 million.

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During fiscal year 2024, the Company expects to contribute a total of approximately $3 million to $6
Company's defined benefit plans. Estimated future benefit payments from the plans as of December 31, 2
follows (in thousands):

	U.S. Retiree Healthcare Plans	Non-U.S. Pension Plans
2024	$ 1,959	$ 4,018
2025	2,068	4,062
2026	2,153	3,376
2027	2,251	4,192
2028	2,444	5,420
2029 - 2033	13,807	26,732

18 Business Segment Information

The accounting standards for segment reporting establish standards for reporting information about ope
segments in annual financial statements and require selected information for those segments to be prese
financial reports of public business enterprises. They also establish standards for related disclosures abo
and services, geographic areas and major customers. The Company's business activities, for which discre
information is available, are regularly reviewed and evaluated by the chief operating decision maker. As
evaluation, the Company determined that it has two operating segments: Waters and TA.

The Waters operating segment is primarily in the business of designing, manufacturing, selling and
and MS instruments, columns and other precision chemistry consumables that can be integrated and use
other analytical instruments. The TA operating segment is primarily in the business of designing, manufa
and servicing thermal analysis, rheometry and calorimetry instruments. The Company's two operating se
similar economic characteristics; product processes; products and services; types and classes of custome
distribution; and regulatory environments. Because of these similarities, the two segments have been ag
one reporting segment for financial statement purposes. Please refer to the consolidated financial statem
financial information regarding the one reportable segment of the Company.

Net sales for the Company's products and services are as follows for the years ended December 31,
and 2021 (in thousands):

	2023	2022
Product net sales:		
Waters instrument systems	$ 1,108,702	$ 1,210,456
Chemistry consumables	541,469	525,399
TA instrument systems	252,879	252,314
Total product sales	1,903,050	1,988,169
Service net sales:		
Waters service	951,419	890,607
TA service	101,947	93,180
Total service sales	1,053,366	983,787
Total net sales	$ 2,956,416	$ 2,971,956

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Net sales are attributable to geographic areas based on the region of destination. Geographic sales presented below for the years ended December 31, 2023, 2022 and 2021 (in thousands):

	2023	2022
Net Sales:		
Asia:		
China	$ 440,707	$ 565,143
Japan	167,202	167,220
Asia Other	399,916	399,380
Total Asia	1,007,825	1,131,743
Americas:		
United States	927,982	886,140
Americas Other	180,591	169,495
Total Americas	1,108,573	1,055,635
Europe	840,018	784,578
Total net sales	$ 2,956,416	$ 2,971,956

None of the Company's individual customers accounts for more than 2% of annual Company sales. N customer class are as follows for the years ended December 31, 2023, 2022 and 2021 (in thousands):

	2023	2022
Pharmaceutical	$ 1,696,875	$ 1,751,665
Industrial	909,003	909,805
Academic and government	350,538	310,486
Total net sales	$ 2,956,416	$ 2,971,956

Net sales for the Company recognized at a point in time versus over time are as follows for the year December 31, 2023, 2022 and 2021 (in thousands):

	2023	2022
Net sales recognized at a point in time:		
Instrument systems	$ 1,361,581	$ 1,462,770
Chemistry consumables	541,469	525,399
Service sales recognized at a point in time (time & materials)	372,530	367,501
Total net sales recognized at a point in time	2,275,580	2,355,670
Net sales recognized over time:		
Service and software maintenance sales recognized over time (contracts)	680,836	616,286
Total net sales	$ 2,956,416	$ 2,971,956

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Long-lived assets information at December 31, 2023, 2022 and 2021 is presented below (in thousan

	December :	
	2023	2022
Long-lived assets:		
United States	$ 440,993	$ 429,46
Americas Other	2,632	1,66
Total Americas	443,625	431,13
Europe	167,948	133,46
Asia	27,500	17,62
Total long-lived assets	$ 639,073	$ 582,21

The Americas Other category includes Canada, Latin America and Puerto Rico. Long-lived assets ex other intangible assets and other assets.

19 Unaudited Quarterly Results

The Company's unaudited quarterly results are summarized below (in thousands, except per share data)

2023	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net sales	$ 684,674	$ 740,576	$ 711,692	$ 819,474
Costs and operating expenses:				
Cost of sales	284,380	301,076	291,407	318,360
Selling and administrative expenses	181,956	186,953	186,748	180,357
Research and development expenses	42,691	45,873	41,995	44,386
Purchased intangibles amortization	1,479	6,815	12,116	12,148
Total costs and operating expenses	510,506	540,717	532,266	555,251
Operating income	174,168	199,859	179,426	264,223
Other income (expense), net	1,388	(352)	328	(557)
Interest expense	(14,444)	(23,272)	(30,442)	(30,703)
Interest income	4,061	4,040	3,883	4,637
Income before income taxes	165,173	180,275	153,195	237,600
Provision for income taxes	24,250	29,721	18,643	21,395
Net income	$ 140,923	$ 150,554	$ 134,552	$ 216,205
Net income per basic common share	2.39	2.56	2.28	3.66
Weighted-average number of basic common shares	59,023	58,857	59,093	59,142
Net income per diluted common share	2.38	2.55	2.27	3.65
Weighted-average number of diluted common shares and equivalents	59,317	59,010	59,225	59,311

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

2022	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net sales	$ 690,572	$ 714,319	$ 708,555	$ 858,510
Costs and operating expenses:				
Cost of sales	285,685	307,206	307,101	348,190
Selling and administrative expenses	157,475	161,877	164,417	174,257
Research and development expenses	40,472	44,006	43,435	48,277
Purchased intangibles amortization	1,673	1,598	1,592	1,503
Acquired in-process research and development	9,797	—	—	—
Total costs and operating expenses	495,102	514,687	516,545	572,227
Operating income	195,470	199,632	192,010	286,283
Other income (expense), net	170	1,535	895	(372)
Interest expense	(11,059)	(11,419)	(12,420)	(13,899)
Interest income	2,114	2,526	2,896	3,484
Income before income taxes	186,695	192,274	183,381	275,496
Provision for income taxes	26,864	27,410	27,383	48,434
Net income	$ 159,831	$ 164,864	$ 155,998	$ 227,062
Net income per basic common share	2.64	2.74	2.61	3.83
Weighted-average number of basic common shares	60,580	60,206	59,801	59,329
Net income per diluted common share	2.62	2.72	2.60	3.81
Weighted-average number of diluted common shares and equivalents	60,952	60,510	60,081	59,644

The Company typically experiences an increase in sales in the fourth quarter, as a result of purchasi capital goods of customers that tend to exhaust their spending budgets by calendar year-end. Selling anc administrative expenses are typically higher after the first quarter in each year as the Company’s annual increases take effect.

The Company experienced significant increases in purchased intangibles amortization and interest e beginning in Q2 of 2023 as a result of the Wyatt acquisition.

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Item 9: Changes in and Disagreements with Accountants on Accounting and Financial Disclos

None.

Item 9A: Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company’s chief executive officer and chief financial officer (principal executive officer and principa officer), with the participation of management, evaluated the effectiveness of the Company’s disclosure c procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the pe this annual report on Form 10-K. Based on this evaluation, the Company’s chief executive officer and chi officer concluded that the Company’s disclosure controls and procedures were effective as of December ensure that information required to be disclosed by the Company, including its consolidated subsidiaries, that it files or submits under the Exchange Act is accumulated and communicated to the Company’s man including its chief executive officer and chief financial officer, to allow timely decisions regarding the req disclosure and (2) to provide reasonable assurance that information required to be disclosed by the Com reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported time periods specified in the SEC’s rules and forms.

Management’s Annual Report on Internal Control Over Financial Reporting

See Management’s Report on Internal Control Over Financial Reporting in Item 8 on page 50 of this Ann

Report of the Independent Registered Public Accounting Firm

See the report of PricewaterhouseCoopers LLP in Item 8 beginning on page 51 of this Annual Report.

Changes in Internal Control Over Financial Reporting

No change was identified in the Company’s internal control over financial reporting (as defined in Rules 15d-15(f) under the Exchange Act) during the quarter ended December 31, 2023 that has materially affe reasonably likely to materially affect, the Company’s internal control over financial reporting.

Item 9B: Other Information

Insider Trading Arrangements and Related Disclosures

None.

Amendment and Restatement of Bylaws

On February 23, 2024, the Board of Directors of the Company approved an amendment and restatement of the Company (the “Amended Bylaws”), effective as of such date.

Among other matters, the Amended Bylaws:

(1) revise procedures and disclosure requirements for the nomination of directors and the submission o consideration at meetings of the stockholders of the Company, including, among other things, limiti persons to whom such disclosure requirements apply and adding a requirement that a stockholder s nominate director(s) at an annual meeting deliver to the Company reasonable evidence that it has c the requirements of Rule 14a-19 of the Exchange Act, no less than seven business days prior to the

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(2) clarify the applicability of the majority voting standard for contested elections of directors;

(3) clarify the position, duties and powers of the Chairman and Vice Chairman within the Company stru

(4) make certain administrative, modernizing, clarifying and conforming changes, including making up recent amendments to the General Corporation Law of the State of Delaware; and

(5) adopt gender-neutral terms when referring to particular positions, offices or title holders, including of the title Chair in place of Chairman.

The foregoing description of the Amended Bylaws does not purport to be complete and is qualified in its reference to the full text of the Amended Bylaws, a copy of which is attached hereto as Exhibit 3.5 and in herein by reference.

Item 9C: Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

None.

PART III

Item 10: Directors, Executive Officers and Corporate Governance

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

Officers of the Company are elected annually by the Board of Directors and hold office at the discretion o Directors. The following persons serve as executive officers of the Company:

Dr. Udit Batra, 53, was appointed a Director of the Company as well as President and CEO on Septe He most recently served as Chief Executive Officer of the Life Science business of Merck KGaA, Darmsta which operates as MilliporeSigma in the United States and Canada, and as a member of its Executive Bo held from 2014 and 2016, respectively, through July 2020. Prior to that, Dr. Batra served as President an Executive Officer of Merck KGaA, Darmstadt, Germany's Consumer Health business. Dr. Batra oversaw t Bioethics Advisory Panel and had Board responsibility for the global Information Technology function. Be Merck KGaA, Darmstadt, Germany, Dr. Batra held several positions of increasing responsibility at Novart Global Head of Corporate Strategy in Switzerland, Country President for the Pharma Business of Novarti and New Zealand and the Global Head of Public Health and Market Access in Cambridge, Massachusetts served at the global consultancy McKinsey & Company across the healthcare, consumer and non-profit s Dr. Batra started his career at Merck Research Labs in West Point, Pennsylvania as a research engineer.

Jianqing Bennett, 54, was appointed Senior Vice President of TA Instruments Division on May 1, 202 Ms. Bennett served as Senior Vice President, High Growth Markets at Beckman Coulter Diagnostics from 2017 to March 2021. Prior to that, from 2007-2017, she held various senior management positions at Ca Health Inc, including serving as President, Medical Digital Solutions from August 2015 to November 201

Amol Chaubal, 48, was appointed Chief Financial Officer of Waters Corporation on May 12, 2021. Pr Mr. Chaubal was Chief Financial Officer of Quanterix Corporation, a life sciences company, where he ser Financial Officer since April 2019. Before Quanterix, Mr. Chaubal served as Chief Financial Officer, Globa at Smith & Nephew, a global medical devices company, from October 2017 to April 2019. Prior to his tim Nephew, he served as Corporate Vice President and Head of Finance for the Clinical Research Services a business at Parexel from July 2015 to October 2017.

Information regarding the Company’s directors, any material changes to the process by which secur may recommend nominees to the Board of Directors and the information required by the Item will be co definitive proxy statement for the 2024 Annual Meeting of Stockholders, to be filed with the SEC not late days after the close of business of the fiscal year and is incorporated in this report by reference (the “20 Statement”), under the headings “Election of Directors”, “Directors Meetings and Board Committees”, “ Governance”, “Report of the Audit and Finance Committee of the Board of Directors” and “Compensatio and Executive Officers”. Information regarding compliance with Section 16(a) of the Exchange Act will b the 2024 Proxy Statement, under the heading “Delinquent Section 16(a) Reports”. Information regardin Company’s Audit and Finance Committee and Audit and Finance Committee Financial Expert will be con 2024 Proxy Statement, under the headings “Report of the Audit and Finance Committee of the Board of “Directors Meetings and Board Committees”. Such information is incorporated herein by reference.

The Company has adopted a Global Code of Business Conduct & Ethics (the “Code”) that applies to Company’s employees (including its executive officers) and directors and that is in compliance with Item Regulation S-K. The Code has been distributed to all employees of the Company. In addition, the Code is the Company’s website, https://www.waters.com, under the caption “Corporate Governance”. The Compa satisfy the disclosure requirement regarding any amendment to, or waiver of a provision of, the Code ap executive officer or director by posting such information on its website. The Company shall also provide without charge, upon request, a copy of the Code. Any such request must be made in writing to the Secr Company, c/o Waters Corporation, 34 Maple Street, Milford, MA 01757.

The Company’s corporate governance guidelines and the charters of the audit committee, compensa committee and nominating and corporate governance committee of the Board of Directors are available Company’s website, https://www.waters.com, under the caption “Corporate Governance”. The Company any person without charge, upon request, a copy of any of the foregoing materials. Any such request mu writing to the Secretary of the Company, c/o Waters Corporation, 34 Maple Street, Milford, MA 01757.

Item 11: Executive Compensation

This information will be contained in the 2024 Proxy Statement, under the headings “Compensation of D Executive Officers”, “Compensation Committee Interlocks and Insider Participation” and “Compensation Report”. Such information is incorporated herein by reference.

Item 12: Security Ownership of Certain Beneficial Owners and Management and Related Stoc Matters

Except for the Equity Compensation Plan information set forth below, this information will be contained Proxy Statement, under the heading “Security Ownership of Certain Beneficial Owners and Managemen information is incorporated herein by reference.

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Equity Compensation Plan Information

The following table provides information as of December 31, 2023 about the Company's common stock tl
issued upon the exercise of options, warrants and rights under its existing equity compensation plans (in

	A Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (1)	B Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (1)	C Number of Remaining Future Issu Equity Com (excluding reflected in
Equity compensation plans approved by security holders	939	$ 265.17	6,680
Equity compensation plans not approved by security holders	—	—	—
Total	939	$ 265.17	6,680

(1) Column (a) includes an aggregate of 352 shares of common stock to be issued upon settlement of re restricted stock units and performance stock units. The weighted-average share price in column (b) into account restricted stock, restricted stock units or performance stock units, which do not have a price.

See Note 14, Stock-Based Compensation, in the Notes to Consolidated Financial Statements for a de the material features of the Company's equity compensation plans.

Item 13: Certain Relationships and Related Transactions and Director Independence

This information is contained in the 2024 Proxy Statement, under the headings "Directors Meetings and Committees", "Corporate Governance" and "Compensation of Directors and Executive Officers". Such in incorporated herein by reference.

Item 14: Principal Accountant Fees and Services

This information is contained in the 2024 Proxy Statement, under the headings "Ratification of Selection Independent Registered Public Accounting Firm" and "Report of the Audit and Finance Committee of the Directors". Such information is incorporated herein by reference.

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PART IV

Item 15: Exhibits, Financial Statement Schedules

(a) Documents filed as part of this report:

(1) Financial Statements:

The consolidated financial statements of the Company and its subsidiaries are filed as pa
Annual Report and are set forth on pages 54 to 100. The report of PricewaterhouseCoope
(PCAOB ID: 238), an independent registered public accounting firm, dated February 27, 2
forth beginning on page 51 of this Annual Report.

(2) Exhibits:

Exhibit Number	Description of Document
2.1	Share Purchase Agreement, dated as of February 14, 2023, by and among Wyatt Technolo Corporation, Waters Technologies Corporation, the shareholders named therein and Geofr capacity as representative of the shareholders (Incorporated by reference to the Registran Form 8-K dated February 15, 2023 (File No. 001-14010)).
3.1	Second Amended and Restated Certificate of Incorporation of Waters Corporation (Incorp reference to the Registrant's Report on Form 10-K dated March 29, 1996 (File No. 001-14
3.2	Certificate of Amendment of Second Amended and Restated Certificate of Incorporation o Corporation, dated as of May 12, 1999 (Incorporated by reference to the Registrant's Rep 10-Q dated August 11, 1999 (File No. 001-14010)).
3.3	Certificate of Amendment of Second Amended and Restated Certificate of Incorporation o Corporation, dated as of July 27, 2000 (Incorporated by reference to the Registrant's Repo 10-Q dated August 8, 2000 (File No. 001-14010)).
3.4	Certificate of Amendment of Second Amended and Restated Certificate of Incorporation o Corporation, dated as of May 25, 2001 (Incorporated by reference to the Registrant's Rep 10-K dated March 28, 2002 (File No. 001-14010)).
3.5	Amended and Restated Bylaws of Waters Corporation, dated as of February 23, 2024.
4.1	Description of Registrant's Securities. (Incorporated by reference to Exhibit 4.1 of the Reg Report on Form 10-K dated February 24, 2021 (File No. 001-14010)).
10.1	Waters Corporation Retirement Plan. (Incorporated by reference to the Registrant's Regis Statement on Form S-1 dated October 24, 1996 (File No. 333-96934)).*+
10.2	Amended and Restated Waters 401(k) Restoration Plan, effective January 1, 2008. (Incorp reference to the Registrant's Report on Form 10-Q dated November 2, 2007 (File No. 001-
10.3	Amended and Restated Waters Retirement Restoration Plan, effective January 1, 2008 (Inc reference to the Registrant's Report on Form 10-Q dated February 27, 2009 (File No. 001-
10.4	Amended and Restated Waters Corporation 1996 Non-Employee Director Deferred Compe Effective January 1, 2008. (Incorporated by reference to the Registrant's Report on Form February 27, 2009 (File No. 001-14010)).*
10.5	2014 Waters Corporation Management Incentive Plan. (Incorporated by reference to the R Report on Form 10-Q dated February 27, 2015 (File No. 001-14010)).*
10.6	Waters Corporation 2009 Employee Stock Purchase Plan (Incorporated by reference to the Report on Form S-8 dated July 10, 2009 (File No. 333-160507)).*

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Exhibit Number	Description of Document
10.7	Waters Corporation 2012 Equity Incentive Plan. (Incorporated by reference to the Registra Form S-8 dated September 5, 2012 (File No. 333-183721)).*
10.8	Form of Waters 2012 Stock Option Agreement - Executive Officers (Incorporated by referer Registrant's Report on Form 8-K dated December 11, 2012 (File No. 001-14010)).*
10.9	Form of Waters 2012 Stock Option Agreement - Directors (Incorporated by reference to the Report on Form 8-K dated December 11, 2012 (File No. 001-14010)).*
10.10	Form of Waters 2012 Restricted Stock Agreement - Directors (Incorporated by reference to Registrant's Report on Form 8-K dated December 11, 2012 (File No. 001-14010)).*
10.11	Form of Waters 2012 Restricted Stock Unit Agreement for Executive Officers - Five Year Ve (Incorporated by reference to the Registrant's Report on Form 8-K dated December 11, 201 No. 001-14010)).*
10.12	Form of Waters 2012 Restricted Stock Unit Agreement for Executive Officers - One Year Ve (Incorporated by reference to the Registrant's Report on Form 8-K dated December 11, 201 No. 001-14010)).*
10.13	Note Purchase Agreement, dated June 30, 2014, between Waters Corporation and the purc therein (Incorporated by reference to the Registrant's Report on Form 10-Q dated August 1 No. 001-14010)).
10.14	First Amendment to the Note Purchase Agreement, dated as of June 30, 2014 (Incorporated to the Registrant's Report on Form 10-K/A dated March 1, 2019 (File No. 001-14010)).
10.15	Note Purchase Agreement, dated as of May 12, 2016, between Waters Corporation and the named therein (Incorporated by reference to the Registrant's Report on Form 10-Q dated A (File No. 001-14010)).
10.16	First Amendment to the Note Purchase Agreement, dated as of May 12, 2016 (Incorporated to the Registrant's Report on Form 10-K/A dated March 1, 2019 (File No. 001-14010)).
10.17	Form of Waters 2012 Performance Stock Unit Award Agreement (Incorporated by reference Registrant's Report on Form 8-K dated December 15, 2016 (File No. 001-14010)).*
10.18	Form of Change of Control/Severance Agreement (Incorporated by reference to the Registr on Form 8-K dated March 27, 2017 (File No. 001-14010)).*
10.19	Credit Agreement, dated as of November 30, 2017, among Waters Corporation, JPMorgan C N.A., JP Morgan Europe Limited and other Lenders party thereto (Incorporated by referenc Registrant's Report on Form 10-K dated February 27, 2018 (File No. 001-14010)).
10.20	First Amendment to the Credit Agreement, dated as of November 30, 2017, among Waters JPMorgan Chase Bank, N.A., JP Morgan Europe Limited and other Lenders party thereto (In reference to the Registrant's Report on Form 10-K/A dated March 1, 2019 (File No. 001-140
10.21	Amendment and Restatement Agreement to the Credit Agreement, dated as of September 1 and among the lenders and issuing banks party thereto and JPMorgan Chase Bank, N.A., as administrative agent (Incorporated by reference to the Registrant's Report on Form 8-K da September 20, 2021 (File No. 001-14010)).
10.22	Amendment and Incremental Commitment Agreement, dated as of March 3, 2023, by and a Company, Waters Technologies Corporation, TA Instruments - Waters L.L.C., Waters Asia Li Environmental Resource Associates, Inc., the lenders party thereto, the issuing banks party JPMorgan Chase Bank, N.A., as administrative agent (Incorporated by reference to the Reg Report on Form 8-K dated March 7, 2023 (File No. 001-14010)).

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Exhibit Number	Description of Document
10.23	Note Purchase Agreement, dated as of September 12, 2019, between Waters Corporation a purchasers named therein (Incorporated by reference to the Registrant's Report on Form 8 September 16, 2019 (File No. 001-14010)).
10.24	Form of Performance Stock Unit Award Agreement under the Waters Corporation 2012 Equ Plan. (Incorporated by reference to the Registrant's Report on Form 10-K dated February 2 No. 001-14010)).*
10.25	President and Chief Executive Employment Agreement, dated July 14, 2020, between Wate and Udit Batra (Incorporated by reference to the Registrant's Report on Form 10-Q dated J (File No. 001-14010)).*
10.26	Change of Control/Severance Agreement, dated as of July 14, 2020, between Waters Corpo Batra (Incorporated by reference to the Registrant's Report on Form 10-Q dated July 29, 20 No. 001-14010)).*
10.27	Waters Corporation 2020 Equity Incentive Plan (Incorporated by reference to Exhibit 4.2 of Registration Statement filed on Form S-8 dated June 8, 2020 (File No. 333-239020)).*
10.28	Employee Form of Stock Option Award Agreement under the Waters Corporation 2020 Equ Plan (Incorporated by reference to the Registrant's Report on Form 10-Q dated July 29, 202 No. 001-14010)).*
10.29	Director Form of Stock Option Award Agreement under the Waters Corporation 2020 Equit Plan. (Incorporated by reference to the Registrant's Report on Form 10-Q dated July 29, 20 No. 001-14010)).*
10.30	Form of RSU Agreement under the Waters Corporation 2020 Equity Incentive Plan. (Incorp reference to the Registrant's Report on Form 10-Q dated July 29, 2020 (File No. 001-14010
10.31	CEO Form of PSU Agreement under the Waters Corporation 2020 Equity Incentive Plan (In reference to the Registrant's Report on Form 10-Q dated July 29, 2020 (File No. 001-14010
10.32	Employee (Non-CEO) PSU Agreement under the Waters Corporation 2020 Equity Incentive (Incorporated by reference to the Registrant's Report on Form 10-Q dated July 29, 2020 (Fi No. 001-14010)).*
10.33	Director Form of RSA Agreement under the Waters Corporation 2020 Equity Incentive Plan by reference to the Registrant's Report on Form 10-Q dated July 29, 2020 (File No. 001-140
10.34	Note Purchase Agreement, dated as of March 2, 2021, by and among the Company and the signatory thereto, including the forms of notes (Incorporated by reference to the Registran Form 8-K dated March 4, 2021 (File No. 001-14010)).
10.35	Employment Offer Letter, dated April 16, 2021, between Waters Corporation and Amol Cha (Incorporated by reference to the Registrant's Report on Form 10-Q dated May 6, 2021 (Fil No. 001-14010)).*
10.36	Change of Control and Severance Agreement, dated April 16, 2021, between Waters Corpo Amol Chaubal (Incorporated by reference to the Registrant's Report on Form 10-Q dated M (File No. 001-14010)).*
10.37	Multi-Currency Note Purchase and Private Shelf Agreement, dated as of May 11, 2023, bet Corporation, PGIM, Inc. and each of the purchasers listed on Schedules A-1 and A-2 attach (Incorporated by reference to the Registrant's Report on Form 8-K dated May 11, 2023 (Fil No. 001-14010)).

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Exhibit Number	Description of Document
21.1	Subsidiaries of Waters Corporation.
23.1	Consent of PricewaterhouseCoopers LLP, an independent registered public accounting fir
31.1	Chief Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of
31.2	Chief Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of
32.1	Chief Executive Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursu Section 906 of the Sarbanes-Oxley Act of 2002.**
32.2	Chief Financial Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursu Section 906 of the Sarbanes-Oxley Act of 2002.**
97	Waters Mandatory Clawback Policy
101	The following materials from Waters Corporation's Annual Report on Form 10-K for the ye December 31, 2023, formatted in iXBRL (Inline eXtensible Business Reporting Language): Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Cons Statements of Comprehensive Income, (iv) the Consolidated Statements of Cash Flows, (v) Consolidated Statements of Stockholders' Equity (Deficit) and (vi) Notes to Consolidated F Statements.
104	Cover Page Interactive Date File (formatted in iXBRL and contained in Exhibit 101).

\+ Paper Filing

* Management contract or compensatory plan required to be filed as an Exhibit to this Annual Report

** This exhibit shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwis liability of that section, nor shall it be deemed incorporated by reference into any filing under the Se or the Exchange Act, whether made before or after the date hereof and irrespective of any general i language in any filing, except to the extent the Company specifically incorporates it by reference.

(b) See Item 15 (a) (2) above.

Item 16: Form 10-K Summary

The optional summary in Item 16 has not been included in this Annual Report.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the reg duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WATERS CORPORATION

/s/ Amol Chaubal
Amol Chaubal
Senior Vice President and Chief
Officer
(Principal Financial Officer)
(Principal Accounting Officer)

Date: February 27, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by persons on behalf of the registrant and in the capacities indicated on February 27, 2024.

/s/ Dr. Flemming Ornskov, M.D., M.P.H. Dr. Flemming Ornskov, M.D., M.P.H.	Chairman of the Board of Directors
/s/ Udit Batra, Ph.D. Udit Batra, Ph.D.	President and Chief Executive Officer Director (Principal Executive Officer)
/s/ Amol Chaubal Amol Chaubal	Senior Vice President and Chief Financia (Principal Financial Officer) (Principal Accounting Officer)
/s/ Linda Baddour Linda Baddour	Director
/s/ Dan Brennan Dan Brennan	Director
/s/ Richard Fearon Richard Fearon	Director
/s/ Pearl S. Huang, Ph.D. Pearl S. Huang, Ph.D.	Director
/s/ Wei Jiang Wei Jiang	Director
/s/ Christopher A. Kuebler Christopher A. Kuebler	Director
/s/ Mark Vergnano Mark Vergnano	Director