UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the quarterly period ended December 31, 2021

OR

☐ Transition Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number. 001-33794

HILLENBRAND, INC.

(Exact name of registrant as specified in its charter)

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

(812) 934-7500
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, without par value	HI	New York Stock Exchange

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

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

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

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

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

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

The registrant had 72,813,915 shares of common stock, no par value per share, outstanding as of January 27, 2022.

HILLENBRAND, INC.
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PART I — FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

Hillenbrand, Inc.
Consolidated Statements of Operations (Unaudited)
(*in millions, except per share data*)

	Three Months Ended December 31,	
	2021	2020
Net revenue	$ 728.4	$ 692.5
Cost of goods sold	491.1	448.3
Gross profit	237.3	244.2
Operating expenses	128.1	131.6
Amortization expense	13.7	13.6
Loss (gain) on divestitures	3.1	(31.6)
Interest expense	17.9	21.2
Other expense, net	1.1	0.4
Income before income taxes	73.4	109.0
Income tax expense	23.3	31.3
Consolidated net income	50.1	77.7
Less: Net income attributable to noncontrolling interests	1.1	1.3
Net income attributable to Hillenbrand	$ 49.0	$ 76.4
Net income attributable to Hillenbrand — per share of common stock:		
Basic earnings per share	$ 0.67	$ 1.01
Diluted earnings per share	$ 0.67	$ 1.01
Weighted average shares outstanding (basic)	72.7	75.3
Weighted average shares outstanding (diluted)	73.5	75.5

See Condensed Notes to Consolidated Financial Statements

Hillenbrand, Inc.
Consolidated Statements of Comprehensive Income (Unaudited)
(in millions)

	Three Months Ended December 31, 2021	Three Months Ended December 31, 2020
Consolidated net income	$ 50.1	$ 77.7
Changes in other comprehensive income, net of tax:		
Currency translation adjustment	2.4	59.3
Pension and postretirement (net of tax expense of $0.2 and $0.3)	0.7	1.2
Change in net unrealized gain on derivative instruments (net of tax expense of $0.0 and $0.3)	0.7	1.7
Total changes in other comprehensive income, net of tax	3.8	62.2
Consolidated comprehensive income	53.9	139.9
Less: Comprehensive income attributable to noncontrolling interests	1.0	1.4
Comprehensive income attributable to Hillenbrand	$ 52.9	$ 138.5

See Condensed Notes to Consolidated Financial Statements

Hillenbrand, Inc.
Consolidated Balance Sheets
(*in millions*)

	December 31, 2021 (unaudited)	September 30, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	$ 447.4	$ 446.1
Trade receivables, net	312.6	323.5
Receivables from long-term manufacturing contracts	133.8	121.9
Inventories, net	441.7	411.6
Prepaid expenses and other current assets	85.5	75.2
Current assets held for sale	—	56.2
Total current assets	1,421.0	1,434.5
Property, plant, and equipment, net	287.9	295.1
Operating lease right-of-use assets, net	128.1	138.1
Intangible assets, net	900.2	913.9
Goodwill	1,165.9	1,168.6
Other long-term assets	91.5	64.7
Total Assets	$ 3,994.6	$ 4,014.9
LIABILITIES		
Current Liabilities		
Trade accounts payable	$ 389.4	$ 361.3
Liabilities from long-term manufacturing contracts and advances	304.3	296.6
Accrued compensation	83.8	123.5
Current liabilities held for sale	—	18.9
Other current liabilities	251.9	234.8
Total current liabilities	1,029.4	1,035.1
Long-term debt	1,213.4	1,212.9
Accrued pension and postretirement healthcare	146.5	151.6
Operating lease liabilities	96.9	105.6
Deferred income taxes	190.4	206.7
Other long-term liabilities	63.4	70.8
Total Liabilities	2,740.0	2,782.7
Commitments and contingencies (Note 15)		
SHAREHOLDERS' EQUITY		
Common stock, no par value (75.8 and 75.8 shares issued, 72.6 and 72.7 shares outstanding)	—	—
Additional paid-in capital	714.8	725.4
Retained earnings	699.1	666.2
Treasury stock (3.2 and 3.1 shares, at cost)	(138.9)	(135.7)
Accumulated other comprehensive loss	(42.4)	(46.3)
Hillenbrand Shareholders' Equity	1,232.6	1,209.6
Noncontrolling interests	22.0	22.6
Total Shareholders' Equity	1,254.6	1,232.2
Total Liabilities and Shareholders' Equity	$ 3,994.6	$ 4,014.9

See Condensed Notes to Consolidated Financial Statements

Hillenbrand, Inc.
Consolidated Statements of Cash Flows (Unaudited)
(*in millions*)

	Three Months Ended December 31, 2021	Three Months Ended December 31, 2020
Operating Activities		
Consolidated net income	$ 50.1	$ 77.7
Adjustments to reconcile consolidated net income to cash provided by operating activities:		
Depreciation and amortization	27.9	29.3
Deferred income taxes	(12.3)	14.4
Amortization of deferred financing costs	0.9	1.7
Share-based compensation	5.9	4.2
Loss (gain) on divestitures	3.1	(31.6)
Trade accounts receivable, net and receivables from long-term manufacturing contracts	(4.1)	(32.8)
Inventories, net	(32.1)	(2.1)
Prepaid expenses and other current assets	(1.7)	(5.1)
Trade accounts payable	30.1	(5.5)
Liabilities from long-term manufacturing contracts and advances, accrued compensation, and other current liabilities	(28.3)	9.3
Income taxes payable	12.7	8.1
Defined benefit plan and postretirement funding	(2.3)	(2.3)
Defined benefit plan and postretirement expense	0.5	0.8
Other, net	(5.9)	0.1
Net cash provided by operating activities	44.5	66.2
Investing Activities		
Capital expenditures	(9.7)	(5.6)
Proceeds from divestitures, net of cash divested	(4.5)	59.4
Net cash (used in) provided by investing activities	(14.2)	53.8
Financing Activities		
Repayments on long-term debt	—	(220.0)
Proceeds from revolving credit facilities	—	226.0
Repayments on revolving credit facilities	—	(163.0)
Payments of dividends on common stock	(15.8)	(16.1)
Repurchases of common stock	(28.9)	—
Proceeds from stock option exercises	14.6	3.2
Payments for employee taxes on net settlement equity awards	(5.7)	(2.9)
Other, net	(1.6)	(1.3)
Net cash used in financing activities	(37.4)	(174.1)
Effect of exchange rates on cash and cash equivalents	4.4	9.7
Net cash flows	(2.7)	(44.4)
Cash, cash equivalents, and restricted cash:		
At beginning of period	450.9	311.8
At end of period	$ 448.2	$ 267.4

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

	December 31, 2021	December 31, 2020
Cash and cash equivalents	$ 447.4	$ 265.8
Short-term restricted cash included in other current assets	0.8	1.6
Total cash, cash equivalents, and restricted cash shown in the Consolidated Statements of Cash Flows	$ 448.2	$ 267.4

See Condensed Notes to Consolidated Financial Statements

Hillenbrand, Inc.
Consolidated Statements of Shareholders' Equity (Unaudited)
(in millions)

	Three Months Ended December 31, 2021							
	Shareholders of Hillenbrand, Inc.							
	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
	Shares			Shares	Amount			
Balance at September 30, 2021	**75.8**	**$ 725.4**	**$ 666.2**	**3.1**	**$ (135.7)**	**$ (46.3)**	**$ 22.6**	**$ 1,232.2**
Total other comprehensive income (loss), net of tax	—	—	—	—	—	3.9	(0.1)	3.8
Net income	—	—	49.0	—	—	—	1.1	50.1
Repurchases of common stock	—	—	—	0.6	(28.9)	—	—	(28.9)
Issuance/retirement of stock for stock awards/options	—	(16.8)	—	(0.5)	25.7	—	—	8.9
Share-based compensation	—	5.9	—	—	—	—	—	5.9
Dividends ($0.2175 per share)	—	0.3	(16.1)	—	—	—	(1.6)	(17.4)
Balance at December 31, 2021	**75.8**	**$ 714.8**	**$ 699.1**	**3.2**	**$ (138.9)**	**$ (42.4)**	**$ 22.0**	**$ 1,254.6**

	Three Months Ended December 31, 2020							
	Shareholders of Hillenbrand, Inc.							
	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
	Shares			Shares	Amount			
Balance at September 30, 2020	**75.8**	**$ 723.6**	**$ 481.4**	**1.0**	**$ (43.2)**	**$ (102.8)**	**$ 20.4**	**$ 1,079.4**
Total other comprehensive income (loss), net of tax	—	—	—	—	—	62.1	0.1	62.2
Net income	—	—	76.4	—	—	—	1.3	77.7
Issuance/retirement of stock for stock awards/options	—	(10.9)	—	(0.3)	11.2	—	—	0.3
Share-based compensation	—	4.2	—	—	—	—	—	4.2
Dividends ($0.2150 per share)	—	0.3	(16.4)	—	—	—	(1.4)	(17.5)
Balance at December 31, 2020	**75.8**	**$ 717.2**	**$ 541.4**	**0.7**	**$ (32.0)**	**$ (40.7)**	**$ 20.4**	**$ 1,206.3**

See Condensed Notes to Consolidated Financial Statements

Hillenbrand, Inc.
Condensed Notes to Consolidated Financial Statements (Unaudited)
(*in millions, except share and per share data*)

1. Background and Basis of Presentation

Hillenbrand, Inc. (the "Company" or "Hillenbrand") is a global diversified industrial company with multiple leading brands that serve a wide variety of industries around the world. The Company strives to provide superior return for our shareholders, exceptional value for our customers, and great professional opportunities for our employees, and to be responsible to our communities through deployment of the Hillenbrand Operating Model ("HOM"). The HOM is a consistent and repeatable framework designed to produce sustainable and predictable results. The HOM describes the Company's mission, vision, values, and mindset as leaders; applies our management practices in Strategy Management, Segmentation, Lean, Talent Development, and Acquisitions; and prescribes three steps (Understand, Focus, and Grow) designed to make the Company's businesses both bigger and better. The Company's goal is to continue developing Hillenbrand as a world-class global diversified industrial company through the deployment of the HOM.

Hillenbrand's portfolio is composed of three reportable operating segments. Advanced Process Solutions designs, develops, manufactures, and services highly engineered industrial equipment and systems around the world. Molding Technology Solutions is a global leader in highly engineered and customized equipment, systems, and service in plastic technology and processing. Batesville is a recognized leader in the death care industry in North America. "Hillenbrand," the "Company," "we," "us," "our," and similar words refer to Hillenbrand and its subsidiaries unless context otherwise requires.

The accompanying unaudited Consolidated Financial Statements include the accounts of Hillenbrand and its subsidiaries. They also include two subsidiaries where the Company's ownership percentage is less than 100%. The Company's fiscal year ends on September 30. Unless otherwise stated, references to years relate to fiscal years.

These unaudited Consolidated Financial Statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") for interim financial statements and therefore do not include all information required in accordance with United States generally accepted accounting principles ("GAAP"). The unaudited Consolidated Financial Statements have been prepared on the same basis as, and should be read in conjunction with, the audited Consolidated Financial Statements and notes thereto included in the Company's latest Annual Report on Form 10-K for the year ended September 30, 2021, as filed with the SEC on November 17, 2021. In the opinion of management, these Consolidated Financial Statements reflect all adjustments necessary to present a fair statement of the Company's consolidated financial position and the consolidated results of operations and cash flows as of the dates and for the periods presented and are normal and recurring in nature. The interim period results are subject to variation and are not necessarily indicative of the results of operations to be expected for the full fiscal year.

The preparation of the Consolidated Financial Statements in conformity with GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of net revenue and expenses during the period. Actual results could differ from those estimates. Examples of such estimates include, but are not limited to, revenue recognition under the over time method, and the establishment of reserves related to customer rebates, doubtful accounts, warranties, early-pay discounts, inventories, income taxes, litigation, self-insurance, and progress toward achievement of performance criteria under incentive compensation programs.

On March 11, 2020, the World Health Organization declared the outbreak of the novel strain of coronavirus ("COVID-19") a global pandemic and recommended containment and mitigation measures worldwide, and the effects of the COVID-19 pandemic and such associated measures on management's estimates and results of operations through December 31, 2021 are reflected in the Consolidated Financial Statements. Given the unprecedented nature of the ongoing COVID-19 pandemic, the Company cannot reasonably estimate the full extent of the impact that the COVID-19 pandemic will continue to have on its consolidated financial condition, and the consolidated results of operations, and cash flows in the foreseeable future. The ultimate impact of the COVID-19 pandemic on the Company is highly uncertain and will depend on future developments, and such impacts could exist for an extended period of time, even after the ongoing COVID-19 pandemic subsides or if variant strains of the virus further impact the global economy or the Company. Events and changes in circumstances arising after December 31, 2021, including those resulting from the ongoing impacts of the COVID-19 pandemic, will be reflected in management's estimates for future periods in subsequent periodic filings.

2. Summary of Significant Accounting Policies

The significant accounting policies used in preparing the Consolidated Financial Statements are consistent with the accounting policies described in the Company's Annual Report on Form 10-K as of and for the year ended September 30, 2021, except as described below.

Recently Adopted Accounting Standards

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

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

3. Revenue Recognition

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

Contract balances

The balance in receivables from long-term manufacturing contracts at December 31, 2021 and September 30, 2021 was $133.8 and $121.9, respectively. The change was driven by the impact of net revenue recognized prior to billings. The balance in the liabilities from long-term manufacturing contracts and advances at December 31, 2021 and September 30, 2021 was $304.3 and $296.6, respectively, and consists primarily of cash payments received or due in advance of satisfying performance obligations. The revenue recognized for the three months ended December 31, 2021 and 2020 related to liabilities from long-term manufacturing contracts and advances as of September 30, 2021 and 2020 was $98.7 and $80.1, respectively. During the three months ended December 31, 2021 and 2020, the adjustments related to performance obligations satisfied in previous periods were immaterial.

Transaction price allocated to the remaining performance obligations

As of December 31, 2021, the aggregate amount of transaction price of remaining performance obligations for the Company, which corresponds to backlog as defined in Part I, Item 2 of this Form 10-Q, was $1,724.8. Approximately 77% of these performance obligations are expected to be satisfied over the next twelve months, and the remaining performance obligations, primarily within one to three years.

Disaggregation of revenue

The following tables present net revenue by end market:

	Three Months Ended December 31, 2021				Three Months Ended December 31, 2020			
	Advanced Process Solutions	Molding Technology Solutions	Batesville	Total	Advanced Process Solutions	Molding Technology Solutions	Batesville	Total
End Market								
Plastics	$ 235.0	$ —	$ —	$ 235.0	$ 194.7	$ —	$ —	$ 194.7
Automotive	—	49.6	—	49.6	—	36.5	—	36.5
Chemicals	24.2	—	—	24.2	19.1	—	—	19.1
Consumer goods	—	39.7	—	39.7	—	39.0	—	39.0
Food and pharmaceuticals	21.8	—	—	21.8	22.8	—	—	22.8
Custom molders	—	38.3	—	38.3	—	38.9	—	38.9
Packaging	—	35.2	—	35.2	—	31.7	—	31.7
Construction	—	24.6	—	24.6	—	20.4	—	20.4
Minerals and mining	12.1	—	—	12.1	11.9	—	—	11.9
Electronics	—	14.3	—	14.3	—	18.4	—	18.4
Medical	—	20.0	—	20.0	—	21.2	—	21.2
Death care	—	—	162.5	162.5	—	—	164.8	164.8
Other industrial	24.0	27.1	—	51.1	42.3	30.8	—	73.1
Total	$ 317.1	$ 248.8	$ 162.5	$ 728.4	$ 290.8	$ 236.9	$ 164.8	$ 692.5

The following tables present net revenue by geography:

	Three Months Ended December 31, 2021				Three Months Ended December 31, 2020			
	Advanced Process Solutions	Molding Technology Solutions	Batesville	Total	Advanced Process Solutions	Molding Technology Solutions	Batesville	Total
Geography								
Americas	$ 63.6	$ 129.1	$ 162.5	$ 355.2	$ 82.1	$ 124.7	$ 164.8	$ 371.6
Asia	168.6	81.6	—	250.2	127.9	73.3	—	201.2
Europe, the Middle East, and Africa	84.9	38.1	—	123.0	80.8	38.9	—	119.7
Total	$ 317.1	$ 248.8	$ 162.5	$ 728.4	$ 290.8	$ 236.9	$ 164.8	$ 692.5

The following tables present net revenue by products and services:

	Three Months Ended December 31, 2021				Three Months Ended December 31, 2020			
	Advanced Process Solutions	Molding Technology Solutions	Batesville	Total	Advanced Process Solutions	Molding Technology Solutions	Batesville	Total
Products and Services								
Equipment	$ 231.5	$ 171.8	$ —	$ 403.3	$ 197.9	$ 155.1	$ —	$ 353.0
Parts and services	85.6	60.3	—	145.9	92.9	65.5	—	158.4
Death care	—	—	162.5	162.5	—	—	164.8	164.8
Other	—	16.7	—	16.7	—	16.3	—	16.3
Total	$ 317.1	$ 248.8	$ 162.5	$ 728.4	$ 290.8	$ 236.9	$ 164.8	$ 692.5

The following tables present net revenue by timing of transfer:

	Three Months Ended December 31, 2021				Three Months Ended December 31, 2020			
	Advanced Process Solutions	Molding Technology Solutions	Batesville	Total	Advanced Process Solutions	Molding Technology Solutions	Batesville	Total
Timing of Transfer								
Point in time	$ 135.0	$ 246.1	$ 162.5	$ 543.6	$ 146.2	$ 236.9	$ 164.8	$ 547.9
Over time	182.1	2.7	—	184.8	144.6	—	—	144.6
Total	$ 317.1	$ 248.8	$ 162.5	$ 728.4	$ 290.8	$ 236.9	$ 164.8	$ 692.5

4. Acquisitions and Divestitures

Assets and liabilities held for sale

During the fourth quarter of 2020, the Company announced that it had initiated a plan to divest the TerraSource Global ("TerraSource") and flow control businesses, which include the Red Valve business ("Red Valve") which operated within the Advanced Process Solutions reportable operating segment, as these businesses were no longer considered a strategic fit with the Company's long-term growth plan and operational objectives. As discussed below, the Company completed the sale of Red Valve on December 31, 2020 and TerraSource on October 22, 2021. The Company had determined that these businesses met the criteria to be classified as held for sale, and therefore reclassified the related assets and liabilities as held for sale on the Consolidated Balance Sheets.

The following is a summary of the major categories of assets and liabilities that have been classified as held for sale on the Consolidated Balance Sheet at September 30, 2021:

Cash and cash equivalents	$ 3.5
Trade receivables, net	7.8
Inventories	12.0
Property, plant and equipment, net	12.0
Operating lease right-of-use assets, net	1.9
Intangible assets, net	49.5
Goodwill	12.4
Other assets	4.2
Valuation allowance on disposal group [1]	(47.1)
Total assets held for sale	$ 56.2
Trade accounts payable	$ 5.2
Liabilities from long-term manufacturing contracts and advances	7.5
Operating lease liabilities	2.0
Deferred income taxes	1.9
Other liabilities	2.3
Total liabilities held for sale	$ 18.9

(1) The Company adjusted the carrying value to fair value less costs to sell for certain assets held for sale during the year ended September 30, 2021. Those assets were sold during the three months ended December 31, 2021.

The Company determined that the exit from these businesses did not represent a strategic shift that had a major effect on its Consolidated Results of Operations, and therefore these businesses were not classified as discontinued operations. The results of operations up to the respective dates of sale for these businesses are included within the Advanced Process Solutions reportable operating segment for all periods presented in this quarterly report.

Divestitures of Red Valve and TerraSource Global

On December 31, 2020, the Company completed the divestiture of Red Valve to DeZURIK, Inc. in a transaction valued at $63.0. The sale included cash proceeds received at closing of $59.4, including working capital adjustments, and a $5.0 note receivable, included within other long-term assets on the Consolidated Balance Sheet. The sale followed the Company's previously announced intent to exit certain non-strategic, sub-scale businesses, resulting in Red Valve being classified as held for sale at September 30, 2020.

As a result of the Red Valve divestiture, the Company recorded a pre-tax gain of $31.6 in the Consolidated Statement of Operations during the three months ended December 31, 2020. The related tax effect resulted in tax expense of $3.8 and was included within income tax expense in the Consolidated Statement of Operations during the three months ended December 31, 2020. The Company incurred $2.9 of transaction costs associated with the sale during the three months ended December 31, 2020, which were recorded within operating expenses in the Consolidated Statement of Operations.

On October 22, 2021, the Company completed the divestiture of TerraSource pursuant to a Contribution Agreement ("Agreement") between the Company and certain affiliated companies of industrial holding company Right Lane Industries ("RLI"). Under the terms of the Agreement, Hillenbrand contributed TerraSource and its subsidiaries to a newly formed entity, TerraSource Holdings, LLC ("Holdings"), with RLI obtaining majority ownership and full operational control of TerraSource. In exchange for contributing the TerraSource business, the Company received consideration in the form of a five-year note with initial principal amount of $25.6, subject to certain adjustments, and also retained a 49% equity interest in Holdings through one of the Company's indirect wholly-owned subsidiaries. The fair value of the total consideration received by the Company was $27.7 and is recorded within other long-term assets in the Consolidated Balance Sheet.
As a result of the divestiture, the Company recorded a pre-tax loss, subject to customary post-closing adjustments, of $3.1 in the Consolidated Statement of Operations during the three months ended December 31, 2021. The Company incurred $0.4 of transaction costs associated with the divestiture during the three months ended December 31, 2021, which were recorded within operating expenses in the Consolidated Statement of Operations. TerraSource's results of operations were included within the Advanced Process Solutions reportable operating segment until the completion of the divestiture on October 22, 2021. Subsequent to the divestiture, the Company's equity interest in Holdings is accounted for under the equity method of accounting as prescribed by GAAP.

5. Supplemental Consolidated Balance Sheet Information

	December 31, 2021	September 30, 2021
Allowance for doubtful accounts	$ 26.8	$ 26.0
Warranty reserves	$ 24.5	$ 24.2
Accumulated depreciation on property, plant, and equipment	$ 389.9	$ 381.6
Inventories, net:		
Raw materials and components	$ 168.8	$ 153.1
Work in process	99.0	104.0
Finished goods	173.9	154.5
Total inventories, net	$ 441.7	$ 411.6

6. Leases

The Company's lease portfolio is comprised of operating leases primarily for manufacturing facilities, offices, vehicles, and certain equipment. At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease based on whether the contract conveys the right to control the use of identified property, plant or equipment for a period of time in exchange for consideration. Leases are classified as operating or finance leases at the commencement date of the lease.

Operating leases are recorded within operating lease right-of-use assets, net, other current liabilities, and operating lease liabilities in the Consolidated Balance Sheets. The Company's finance leases were insignificant as of December 31, 2021 and September 30, 2021. Leases with an initial term of 12 months or less are not recorded on the Consolidated Balance Sheets. We have elected an accounting policy to combine lease and non-lease components for all leases.

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

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

For the three months ended December 31, 2021 and 2020, the Company recognized $8.4 and $8.9 of operating lease expense, respectively, including short-term lease expense and variable lease costs, which were immaterial in each period.

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

	December 31, 2021	September 30, 2021
Operating lease right-of-use assets, net	$ 128.1	$ 138.1
Other current liabilities	29.4	30.7
Operating lease liabilities	96.9	105.6
Total operating lease liabilities	$ 126.3	$ 136.3
Weighted-average remaining lease term (in years)	7.1	7.2
Weighted-average discount rate	2.2 %	2.1 %

As of December 31, 2021, the maturities of the Company's operating lease liabilities were as follows:

2022 (excluding the three months ended December 31, 2021)	$ 24.3
2023	27.4
2024	19.1
2025	12.5
2026	9.9
Thereafter	42.4
Total lease payments	135.6
Less: imputed interest	(9.3)
Total present value of lease payments	$ 126.3

Supplemental Consolidated Statements of Cash Flow information is as follows:

	Three Months Ended December 31, 2021	Three Months Ended December 31, 2020
Cash paid for amounts included in the measurement of operating lease liabilities	$ 9.1	$ 9.7
Operating lease right-of-use assets, net obtained in exchange for new operating lease liabilities	(0.3)	4.3

7. Intangible Assets and Goodwill

Intangible Assets

Intangible assets are stated at the lower of cost or fair value. Intangible assets are amortized on a straight-line basis over periods ranging from three to 21 years, representing the period over which the Company expects to receive future economic benefits from these assets. The Company assesses the carrying value of most trade names annually, or more often if events or changes in circumstances indicate there may be an impairment.

The following tables summarize the carrying amounts and related accumulated amortization for intangible assets as of:

	December 31, 2021		September 30, 2021	
	Cost	**Accumulated Amortization**	**Cost**	**Accumulated Amortization**
Finite-lived assets:				
Customer relationships	798.0	(205.3)	798.8	(195.4)
Technology, including patents	138.5	(64.6)	137.6	(62.7)
Software	68.6	(60.1)	68.3	(59.4)
	1,005.1	(330.0)	1,004.7	(317.5)
Indefinite-lived assets:				
Trade names	225.1	—	226.6	—
Total	$ 1,230.2	$ (330.0)	$ 1,231.3	$ (317.5)

The net change in intangible assets during the three months ended December 31, 2021 was driven primarily by amortization and foreign currency adjustments.

Goodwill

Goodwill is not amortized, but is subject to annual impairment tests. Goodwill has been assigned to reporting units within the reportable operating segments. The Company assesses the carrying value of goodwill annually, or more often if events or changes in circumstances indicate there may be impairment. Impairment testing is performed at a reporting unit level.

The following table summarizes the changes in the Company's goodwill, by reportable operating segment, for the three months ended December 31, 2021:

	Advanced Process Solutions	**Molding Technology Solutions**	**Batesville**	**Total**
Balance as of September 30, 2021	$ 484.9	$ 675.4	$ 8.3	$ 1,168.6
Foreign currency adjustments	(4.4)	1.7	—	(2.7)
Balance as of December 31, 2021	$ 480.5	$ 677.1	$ 8.3	$ 1,165.9

During the three months ended December 31, 2021, the Company did not observe any triggering events or substantive changes in circumstances requiring the need for an interim impairment assessment.

8. Financing Agreements

The following table summarizes Hillenbrand's current and long-term debt as of the dates reported in the Consolidated Balance Sheets:

	December 31, 2021	September 30, 2021
$400.0 senior unsecured notes [1]	$ 396.1	$ 395.8
$375.0 senior unsecured notes, net of discount [2]	371.6	371.5
$350.0 senior unsecured notes [3]	345.9	345.8
$100.0 Series A Notes [4]	99.8	99.8
$900.0 revolving credit facility (excluding outstanding letters of credit)	—	—
Total debt	1,213.4	1,212.9
Less: current portion	—	—
Total long-term debt	$ 1,213.4	$ 1,212.9

(1) Includes unamortized debt issuance costs of $3.9 and $4.2 at December 31, 2021 and September 30, 2021, respectively.
(2) Includes unamortized debt issuance costs of $3.0 and $3.1 at December 31, 2021 and September 30, 2021, respectively.
(3) Includes unamortized debt issuance costs of $4.1 and $4.2 at December 31, 2021 and September 30, 2021, respectively.
(4) Includes unamortized debt issuance costs of $0.2 and $0.2 at December 31, 2021 and September 30, 2021, respectively.

For the three months ended December 31, 2020, the weighted average interest rate was 2.75% for the $500.0 term loan. For the three months ended December 31, 2020, the weighted average interest rate was 2.63% for the $225.0 term loan.

With respect to the Revolver, there were no outstanding balances as of December 31, 2021 and September 30, 2021. As of December 31, 2021, the Company had $16.5 in outstanding letters of credit issued and $883.5 of borrowing capacity under the Revolver. $880.6 of this borrowing capacity was immediately available based on the Company's most restrictive covenant at December 31, 2021. There were no borrowings under the Revolver during the three months ended December 31, 2021. The weighted-average interest rate on borrowings under the Revolver was 2.52% for the three months ended December 31, 2020. The weighted average facility fee was 0.15% and 0.30% for the three months ended December 31, 2021 and 2020, respectively. The Revolver matures on August 28, 2024.

Other credit arrangements

In the normal course of business, operating companies within the Advanced Process Solutions reportable operating segment provide to certain customers bank guarantees and other credit arrangements in support of performance, warranty, advance payment, and other contractual obligations. This form of trade finance is customary in the industry and, as a result, the Company maintains adequate capacity to provide the guarantees. As of December 31, 2021 and September 30, 2021, the Company had credit arrangements totaling $403.2 and $411.5, respectively, under which $247.9 and $254.0, respectively, was used for guarantees. These arrangements include the Company's Syndicated €175.0 Letter of Guarantee Facility (as amended, the "L/G Facility Agreement") and other ancillary credit facilities. The L/G Facility Agreement matures in December 2022, but can be extended to March 2023 under certain conditions.

Covenants related to current financing agreements

The Company's Third Amended and Restated Credit Agreement dated August 28, 2019, as subsequently amended on October 8, 2019, January 10, 2020, May 29, 2020, February 2, 2021, and June 14, 2021 (as amended, the "Credit Agreement") and the Private Shelf Agreement dated as of December 16, 2012 (as amended, the "Shelf Agreement") contain the following financial covenants for the current quarter: a maximum leverage ratio (as defined in the agreements) of 3.50 to 1.00 and a minimum ratio of EBITDA (as defined in the agreements) to interest expense of 3.00 to 1.00. The L/G Facility Agreement contains a maximum leverage ratio of 3.75 to 1.00 for the current quarter and a minimum ratio of EBITDA to interest expense of 3.00 to 1.00 (both as defined in such agreement). Additionally, the Credit Agreement, the L/G Facility Agreement, and the Shelf Agreement provide the Company with the ability to sell assets and to incur debt at its international subsidiaries under certain conditions.

All obligations of the Company arising under the Credit Agreement, the $400.0 of senior unsecured notes due June 2025 (the "2020 Notes"), the $375.0 of senior unsecured notes due September 2026 (the "2019 Notes"), the $350.0 of senior unsecured notes due March 2031 (the "2021 Notes"), the $100.0 of 4.60% Series A unsecured notes ("Series A Notes"), and the L/G

Facility Agreement are fully and unconditionally, and jointly and severally, guaranteed by certain of the Company's domestic subsidiaries.

The Credit Agreement, the L/G Facility Agreement, and the Shelf Agreement each contain certain other customary covenants, representations and warranties and events of default. The indentures governing the 2019 Notes, 2020 Notes, and 2021 Notes do not limit the Company's ability to incur additional indebtedness. They do, however, contain certain covenants that restrict the Company's ability to incur secured debt and to engage in certain sale and leaseback transactions. The indentures also contain customary events of default. The indentures provide holders of the senior unsecured notes with remedies if the Company fails to perform specific obligations. As of December 31, 2021, Hillenbrand was in compliance with all covenants and there were no events of default.

9. Retirement Benefits

Defined Benefit Plans

Components of net periodic pension (benefit) cost included in the Consolidated Statements of Operations were as follows:

	U.S. Pension Benefits Three Months Ended December 31,		Non-U.S. Pension Benefits Three Months Ended December 31,	
	2021	2020	2021	2020
Service costs	$ 0.1	$ 0.2	$ 0.5	$ 0.5
Interest costs	1.5	1.5	0.2	0.2
Expected return on plan assets	(2.7)	(2.7)	(0.2)	(0.2)
Amortization of net loss	0.4	0.5	0.6	0.7
Net periodic pension (benefit) cost	$ (0.7)	$ (0.5)	$ 1.1	$ 1.2

Defined Contribution Plans

Expenses related to the Company's defined contribution plans were $4.7 and $3.7 for the three months ended December 31, 2021 and 2020, respectively.

10. Income Taxes

The effective tax rates for the three months ended December 31, 2021 and 2020 were 31.7% and 28.7%, respectively. The increase in the effective tax rate was primarily driven by an unfavorable geographic mix of pretax income and the divestiture of TerraSource, partially offset by the increased tax benefit on equity compensation.

11. Earnings per share

The dilutive effects of performance-based stock awards were included in the computation of diluted earnings per share at the level the related performance criteria were met through the respective Consolidated Balance Sheet date. Potential dilutive effects, representing approximately 400,000 shares at both December 31, 2021 and 2020, were excluded from the computation of diluted earnings per share as the related performance criteria were not yet met, although the Company expects to meet various levels of criteria in the future.

	Three Months Ended December 31,	
	2021	2020
Net income attributable to Hillenbrand	$ 49.0	$ 76.4
Weighted-average shares outstanding (basic - in millions)	72.7	75.3
Effect of dilutive stock options and other unvested equity awards (in millions)	0.8	0.2
Weighted-average shares outstanding (diluted - in millions)	73.5	75.5
Basic earnings per share	$ 0.67	$ 1.01
Diluted earnings per share	$ 0.67	$ 1.01
Shares with anti-dilutive effect excluded from the computation of diluted earnings per share (in millions)	—	1.4

12. Accumulated Other Comprehensive Loss

The following tables summarize the changes in the accumulated balances for each component of accumulated other comprehensive loss:

	Pension and Postretirement	Currency Translation	Net Unrealized Gain (Loss) on Derivative Instruments	Total Attributable to Hillenbrand, Inc.	Noncontrolling Interests	Total
Balance at September 30, 2021	$ (49.2)	$ 13.1	$ (10.2)	$ (46.3)		
Other comprehensive income before reclassifications:						
Before tax amount	—	2.5	0.4	2.9	$ (0.1)	$ 2.8
Tax expense	—	—	(0.1)	(0.1)	—	(0.1)
After tax amount	—	2.5	0.3	2.8	(0.1)	2.7
Amounts reclassified from accumulated other comprehensive loss [(1)]	0.7	—	0.4	1.1	—	1.1
Net current period other comprehensive income	0.7	2.5	0.7	3.9	$ (0.1)	$ 3.8
Balance at December 31, 2021	$ (48.5)	$ 15.6	$ (9.5)	$ (42.4)		

(1) Amounts are net of tax.

	Pension and Postretirement	Currency Translation	Net Unrealized Gain (Loss) on Derivative Instruments	Total Attributable to Hillenbrand, Inc.	Noncontrolling Interests	Total
Balance at September 30, 2020	$ (69.6)	$ (21.1)	$ (12.1)	$ (102.8)		
Other comprehensive loss before reclassifications:						
Before tax amount	—	59.2	1.7	60.9	$ 0.1	$ 61.0
Tax benefit	—	—	(0.4)	(0.4)	—	(0.4)
After tax amount	—	59.2	1.3	60.5	0.1	60.6
Amounts reclassified from accumulated other comprehensive loss [(1)]	1.2	—	0.4	1.6	—	1.6
Net current period other comprehensive income	1.2	59.2	1.7	62.1	$ 0.1	$ 62.2
Balance at December 31, 2020	$ (68.4)	$ 38.1	$ (10.4)	$ (40.7)		

(1) Amounts are net of tax.

Reclassifications out of accumulated other comprehensive loss include:

	Three Months Ended December 31, 2021			
	Amortization of Pension and Postretirement [(1)]		(Gain) Loss on	
	Net Loss Recognized	Prior Service Costs Recognized	Derivative Instruments	Total
Affected Line in the Consolidated Statement of Operations:				
Cost of goods sold	$ —	$ —	$ (0.2)	$ (0.2)
Other expense, net	0.9	—	0.6	1.5
Total before tax	$ 0.9	$ —	$ 0.4	$ 1.3
Tax expense				(0.2)
Total reclassifications for the period, net of tax				$ 1.1

	Three Months Ended December 31, 2020			
	Amortization of Pension and Postretirement [(1)]		Loss (Gain) on	
	Net Loss Recognized	Prior Service Costs Recognized	Derivative Instruments	Total
Affected Line in the Consolidated Statement of Operations:				
Other expense, net	1.3	—	0.5	1.8
Total before tax	$ 1.3	$ —	$ 0.5	$ 1.8
Tax expense				(0.2)
Total reclassifications for the period, net of tax				$ 1.6

(1) These accumulated other comprehensive loss components are included in the computation of net periodic pension cost (see Note 9).

13. Share-Based Compensation

The Company has share-based compensation plans under which 15,385,436 shares are registered. As of December 31, 2021, 3,520,727 shares were outstanding under these plans and 8,291,116 shares had been issued, leaving 3,573,593 shares under the Company's Amended and Restated Stock Incentive Plan available for future issuance.

	Three Months Ended December 31,	
	2021	2020
Share-based compensation costs	$ 5.9	$ 4.2
Less impact of income tax	1.4	1.0
Share-based compensation costs, net of tax	$ 4.5	$ 3.2

The Company has share-based compensation with long-term performance-based metrics that are contingent upon the Company's relative total shareholder return and the creation of shareholder value, as well as time-based awards. Relative total shareholder return is determined by comparing the Company's total shareholder return during a three-year period to the respective total shareholder returns of companies in a designated stock index. Creation of shareholder value is measured by the cumulative cash returns and final period net operating profit after tax compared to the established hurdle rate over a three-year period. For the performance-based awards contingent upon the creation of shareholder value, compensation expense is adjusted each quarter based upon actual results to date and any changes to forecasted information on each of the separate grants.

During the three months ended December 31, 2021, the Company made the following grants:

	Number of Units
Time-based stock awards	220,804
Performance-based stock awards (maximum that can be earned)	274,381

The Company's time-based stock awards and performance-based stock awards granted during the three months ended December 31, 2021, had weighted-average grant date fair values of $46.18 and $52.22, respectively. Included in the performance-based stock awards granted during the three months ended December 31, 2021 are163,861 units whose payout level is based upon the Company's relative total shareholder return over the three-year measurement period, as described above. These units will be expensed on a straight-line basis over the measurement period and are not subsequently adjusted after the grant date.

14. Other Expense, Net

	Three Months Ended December 31,	
	2021	2020
Interest income	$ (0.9)	$ (0.6)
Foreign currency exchange loss (gain), net	0.9	(0.4)
Other, net	1.1	1.4
Other expense, net	$ 1.1	$ 0.4

15. Commitments and Contingencies

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

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

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

16. Fair Value Measurements

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

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

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

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

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

	Carrying Value at December 31, 2021	Fair Value at December 31, 2021 Using Inputs Considered as:		
		Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	$ 447.4	$ 447.4	$ —	$ —
Restricted cash	0.8	0.8	—	—
Investments in rabbi trust	4.7	4.7	—	—
Derivative instruments	2.7	—	2.7	—
Liabilities:				
2021 Notes	350.0	351.6	—	—
2020 Notes	400.0	421.1	—	—
2019 Notes	374.6	419.7	—	—
Series A Notes	100.0	—	105.7	—
Derivative instruments	2.5	—	2.5	—

	Carrying Value at September 30, 2021	Fair Value at September 30, 2021 Using Inputs Considered as: Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	$ 446.1	$ 446.1	$ —	$ —
Restricted cash	1.3	1.3	—	—
Cash and cash equivalents held for sale	3.5	3.5	—	—
Investments in rabbi trust	4.2	4.2	—	—
Derivative instruments	1.9	—	1.9	—
Liabilities:				
2021 Notes	350.0	349.0	—	—
2020 Notes	400.0	422.8	—	—
2019 Notes	374.6	421.3	—	—
Series A Notes	100.0	—	107.6	—
Derivative instruments	2.5	—	2.5	—

Valuation Techniques

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

Derivative instruments

The Company has hedging programs in place to manage its currency exposures. The objectives of the Company's hedging programs are to mitigate exposures in gross margin and non-functional-currency-denominated assets and liabilities. Under these programs, the Company uses derivative financial instruments to manage the economic impact of fluctuations in currency exchange rates. These include foreign currency exchange forward contracts, which generally have terms up to 24 months. The aggregate notional value of derivatives was $203.1 and $186.4 at December 31, 2021 and September 30, 2021, respectively. The derivatives are recorded at fair value primarily in other current assets and other current liabilities in the Consolidated Balance Sheets.

17. Segment and Geographical Information

The Company currently conducts operations through three reportable operating segments: Advanced Process Solutions, Molding Technology Solutions, and Batesville. The Company's reportable operating segments maintain separate financial information for which results of operations are evaluated on a regular basis by the Company's chief operating decision maker in deciding how to allocate resources and in assessing performance.

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

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

	Three Months Ended December 31,	
	2021	2020
Net revenue		
Advanced Process Solutions	$ 317.1	$ 290.8
Molding Technology Solutions	248.8	236.9
Batesville	162.5	164.8
Total	$ 728.4	$ 692.5
Adjusted EBITDA (1)		
Advanced Process Solutions	$ 54.6	$ 48.5
Molding Technology Solutions	51.8	48.4
Batesville	40.5	52.3
Corporate	(17.2)	(11.2)
Net revenue (2)		
United States	$ 315.7	$ 328.7
China	148.7	111.9
Germany	34.2	34.3
India	50.9	41.5
All other countries	178.9	176.1
Total	$ 728.4	$ 692.5

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

(2) The Company attributes net revenue to a geography based upon the location of the end customer.

	December 31, 2021	September 30, 2021
Total assets		
Advanced Process Solutions	$ 1,571.4	$ 1,596.5
Molding Technology Solutions	2,103.1	2,103.0
Batesville	229.2	231.5
Corporate	90.9	83.9
Total	$ 3,994.6	$ 4,014.9
Tangible long-lived assets, net		
United States	$ 154.4	$ 161.1
Germany	107.0	113.8
China	52.2	53.0
All other countries	102.4	105.3
Total	$ 416.0	$ 433.2

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

	Three Months Ended December 31, 2021	Three Months Ended December 31, 2020
Adjusted EBITDA:		
Advanced Process Solutions	$ 54.6	$ 48.5
Molding Technology Solutions	51.8	48.4
Batesville	40.5	52.3
Corporate	(17.2)	(11.2)
Less:		
Interest income	(0.9)	(0.6)
Interest expense	17.9	21.2
Income tax expense	23.3	31.3
Depreciation and amortization	27.9	29.3
Business acquisition, disposition, and integration costs	7.6	9.1
Restructuring and restructuring-related charges	0.7	1.5
Loss (gain) on divestitures	3.1	(31.6)
Other	—	0.1
Consolidated net income	$ 50.1	$ 77.7

18. Restructuring

The following schedule details the restructuring charges by reportable operating segment and the classification of those charges in the Consolidated Statements of Operations.

	Three Months Ended December 31, 2021		
	Cost of goods sold	Operating expenses	Total
Advanced Process Solutions	$ 0.9	$ 0.2	$ 1.1
Molding Technology Solutions	0.1	—	0.1
Batesville	—	—	—
Corporate	—	—	—
Total	$ 1.0	$ 0.2	$ 1.2

	Three Months Ended December 31, 2020		
	Cost of goods sold	Operating expenses	Total
Advanced Process Solutions	$ 0.6	$ 0.9	$ 1.5
Molding Technology Solutions	0.1	0.3	0.4
Batesville	—	0.2	0.2
Corporate	—	0.2	0.2
Total	$ 0.7	$ 1.6	$ 2.3

The restructuring charges during the three months ended December 31, 2021 and 2020 related primarily to severance costs. The severance costs within the Molding Technology Solutions reportable operating segment and corporate were primarily related to the ongoing integration of Milacron. At December 31, 2021, $5.8 of restructuring costs were accrued and expected to be paid over the next twelve months.

During fiscal 2021, the Company's wholly-owned subsidiary Coperion GmbH entered into an agreement with its local works council setting forth a restructuring plan related to its manufacturing facilities in Stuttgart and Weingarten, Germany whereby certain operational functions will be shifted to the Company's operations in Switzerland or to a third party provider (the "Plan"). As a result, the Company expects to incur severance and other related costs of approximately $12.0 to $13.0 and restructuring-related costs of $4.0 to $5.0 related to the Plan. Substantially all of these costs will result in future cash expenditures that are expected to be substantially paid by the end of calendar year 2022. As the employees are required to render service in order to receive termination benefits, the associated liability related to the Plan will be recognized ratably over the future service period. During the three months ended December 31, 2021, the Company recognized $0.9 of expense, and these amounts were included within cost of goods sold and operating expenses in the Company's Consolidated Statements of Operations. The total liability related to the Plan was $4.2 as of December 31, 2021.

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

(financial amounts in millions, except share and per share data, throughout Management's Discussion and Analysis)

FORWARD-LOOKING STATEMENTS AND FACTORS THAT MAY AFFECT FUTURE RESULTS

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

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

"We expect that future revenue associated with the Advanced Process Solutions and Molding Technology Solutions reportable operating segments will be influenced by order backlog."

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

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

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

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

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

Any number of factors, many of which are beyond our control, could cause our performance to differ significantly from what is described in the forward-looking statements. This includes risks related to the ongoing COVID-19 pandemic and the escalation thereof due to variant strains of the virus and the societal, governmental, and individual responses thereto, including supply chain disruptions, loss of contracts and/or customers, erosion of some customers' credit quality, downgrades of the Company's credit quality, closure or temporary interruption of the Company's or suppliers' manufacturing facilities, travel, shipping and logistical disruptions, and domestic and international general economic conditions, such as inflation, exchange rates and interest rates, loss of human capital or personnel, and general economic calamities, in addition to increased costs, poor quality, or unavailability of raw materials or certain outsourced services and supply chain disruptions; competition for highly skilled and talented workers and labor shortages; the risk of business disruptions associated with information technology, cyber-attacks, or catastrophic losses affecting infrastructure; a variety of risks related to our integration of Milacron, including disruptions of current operations or difficulties in employee retention; and other risks that we disclose from time to time. Shareholders, potential investors, and other readers are urged to consider these risks and uncertainties in evaluating forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements. For a discussion of factors that could cause actual results to differ from those contained in forward-looking statements, see the discussions under the heading "Risk Factors" in Item 1A of Part I of the Company's Form 10-K filed with the SEC on November 17, 2021, and in Item 1A of Part II of this Form 10-Q, as well as other risks and uncertainties detailed in our other filings with the SEC from time to time. The forward-looking information in this Form 10-Q speaks only as of the date covered by this report, and we assume no obligation to update or revise any forward-looking statements.

EXECUTIVE OVERVIEW

Hillenbrand (www.Hillenbrand.com) is a global diversified industrial company with multiple leading brands that serve a wide variety of industries around the world. Hillenbrand's portfolio is composed of three reportable operating segments: Advanced Process Solutions, Molding Technology Solutions, and Batesville®. Advanced Process Solutions designs, develops, manufactures, and services highly engineered industrial equipment and systems around the world. Molding Technology Solutions is a global leader in highly engineered and customized equipment, systems, and service in plastic technology and processing. Batesville is a recognized leader in the death care industry in North America.

We strive to provide superior return for our shareholders, exceptional value for our customers, and great professional opportunities for our employees, and to be responsible to our communities through deployment of the HOM. The HOM is a consistent and repeatable framework designed to produce sustainable and predictable results. The HOM describes our mission, vision, values, and mindset as leaders; applies our management practices in Strategy Management, Segmentation, Lean, Talent Development, and Acquisitions; and prescribes three steps (Understand, Focus, and Grow) designed to make our businesses both bigger and better. Our goal is to continue developing Hillenbrand as a world-class global diversified industrial company through the deployment of the HOM.

Our strategy is to leverage our historically strong financial foundation and the implementation of the HOM to deliver sustainable profit growth, revenue expansion, and substantial free cash flow and then reinvest available cash in new growth initiatives that are focused on building platforms with leadership positions in our core markets and near adjacencies, both organically and inorganically, in order to create shareholder value.

During the three months ended December 31, 2021, the following operational decisions and economic developments had an impact on our current and future cash flows, results of operations, and consolidated financial position.

COVID-19 Impact

The COVID-19 pandemic has impacted and is continuing to impact Hillenbrand very differently by business, geography, and function. The scope and nature of these impacts continue to evolve, sometimes rapidly, including through the resurgence of COVID-19 due to variant strains of the virus and related government actions. It is difficult to quantify the complete impact the pandemic had for fiscal 2021 or will have for fiscal 2022, but the actions being undertaken to reduce the severity and spread of COVID-19 are currently creating disruptions, and are likely to continue to create significant disruptions, with respect to consumer demand, our ability to continue to manufacture products, and the reliability and sufficiency of our supply chain.

We cannot reasonably estimate the duration, spread, or severity of the ongoing COVID-19 pandemic and related variants; however, as a result of the current circumstances, we expect to continue to experience adverse impacts during 2022 within our Advanced Process Solutions and Molding Technology Solutions reportable operating segments. Should these conditions continue beyond the first quarter of 2022 for Advanced Process Solutions or Molding Technology Solutions reportable operating segments, or should the severity of COVID-19 increase, the Company would similarly expect adverse impacts on its net revenue, results of operations, and cash flows, depending upon the severity and length of time such conditions persist. The COVID-19 pandemic generally has had a favorable impact on the Batesville reportable operating segment’s net revenue, results of operations, and cash flows. However, given the ongoing and dynamic nature of COVID-19, we are currently not able to predict the extent and duration of the impact for 2022 or the potential negative impact that the estimated increase in deaths in North America due to the COVID-19 pandemic will have on future deaths when the pandemic has subsided. During the three months ended December 31, 2021, Batesville revenue decreased year over year due to lower burial casket sales resulting from an estimated decrease in deaths associated with the reduced severity of the COVID-19 pandemic. The timing and effectiveness of further vaccine development and rollout, in addition to consequences of variants of the virus, could also have a significant impact on the Company’s consolidated net revenue, results of operations, and cash flows during the remainder of fiscal 2022 and beyond.

We continue to take actions intended to help minimize the risk to our Company, employees, customers, and the communities in which we operate, as well as to lessen the financial impact on the business while protecting our ability to continue to generate profitable growth over the long-term. We continue to believe the Company has sufficient liquidity to operate in the current business environment as a result of these actions.

Employees

We have implemented a number of employee safety measures across our plants and other locations in an attempt to contain the spread of COVID-19, which we update as appropriate for the evolving COVID-19 situation depending on the geography and function.

In addition, we believe various factors have contributed to the current labor shortage, particularly in the United States. We have started to experience effects of this labor shortage at certain production facilities, and we are mitigating this impact through the use of overtime and third-party outsourcing as warranted. It is possible that a prolonged shortage of qualified, available workers could result in a further increase in labor costs and could negatively affect our ability to efficiently operate our production facilities and our results of operations.

Supply Chain and Inflation

While global supply chains have recently suffered from various headwinds, those supporting our products have generally remained intact, providing access to sufficient inventory of the key materials needed for manufacturing. However, we have experienced increasing delays of certain raw materials and components, but we have largely been able to mitigate the impact on our consolidated results of operations. We continue to identify and qualify alternative sources to mitigate risk associated to single or sole source supply continuity, and we may choose to purchase certain materials in safety stock where we have supply chain continuity concerns. It remains possible that we may experience some sort of interruption to our supply chains, and such an interruption could materially affect our ability to timely manufacture and distribute our products and could also have a significant impact on the Company’s consolidated net revenue, results of operations, and cash flows during 2022 and beyond.

We also experienced material and supply chain inflation, including but not limited to higher transportation costs, in the first quarter of fiscal 2022 as further discussed in our Operations Review. Pricing actions and supply chain productivity initiatives have and are expected to continue to mitigate some of these inflationary pressures, but we may not be successful in fully offsetting these incremental costs, which could have a significant impact on the Company’s results of operations, and cash flows during 2022 and beyond.

For additional information regarding labor, supply chain, and other risks, including those relating to the COVID-19 pandemic, see Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended September 30, 2021, filed with the SEC on November 17, 2021.

Divestiture of Flow Control Businesses and TerraSource Global

On December 31, 2020, the Company completed the divestiture of Red Valve to DeZURIK, Inc. in a transaction valued at $63.0. The sale included cash proceeds received at closing of $59.4, including working capital adjustments, and a $5.0 note receivable, included within other long-term assets on the Consolidated Balance Sheets. As a result of the Red Valve divestiture, the Company recorded a pre-tax gain of $31.6 in the Consolidated Statement of Operations during the three months ended December 31, 2020. The related tax effect resulted in tax expense of $3.8 and was included within income tax expense in the Consolidated Statement of Operations during the three months ended December 31, 2020. The Company incurred $2.9 of transaction costs associated with the sale during the three months ended December 31, 2020, which were recorded within operating expenses in the Consolidated Statement of Operations. Red Valve’s results of operations were included within the Advanced Process Solutions reportable operating segment until the completion of the sale on December 31, 2020.

On March 10, 2021, the Company completed the divestiture of ABEL to IDEX Corporation in a transaction valued at $103.5. The sale included cash proceeds received at closing of $106.3, including working capital adjustments. ABEL’s results of operations were included within the Advanced Process Solutions reportable operating segment until the completion of the sale on March 10, 2021.

On October 22, 2021, the Company completed the divestiture of TerraSource pursuant to a Contribution Agreement (“Agreement”) between the Company and certain affiliated companies of industrial holding company Right Lane Industries (“RLI”). Under the terms of the Agreement, Hillenbrand contributed TerraSource and its subsidiaries to a newly formed entity, TerraSource Holdings, LLC ("Holdings"), with RLI obtaining majority ownership and full operational control of TerraSource. In exchange for contributing the TerraSource business, the Company received consideration in the form of a five-year note with initial principal amount of $25.6, subject to certain adjustments, and also retained a 49% equity interest in Holdings through one of the Company’s indirect wholly-owned subsidiaries. The fair value of the total consideration received by the Company was $27.7.
As a result of the TerraSource divestiture, the Company recorded a pre-tax loss, subject to customary post-closing adjustments, of $3.1 in the Consolidated Statement of Operations during the three months ended December 31, 2021. The Company incurred $0.4 of transaction costs associated with the divestiture during the three months ended December 31, 2021, which were recorded within operating expenses in the Consolidated Statement of Operations. TerraSource’s results of operations were included within the Advanced Process Solutions reportable operating segment until the completion of the divestiture on October 22, 2021.

OPERATING PERFORMANCE MEASURES

The following discussion compares our results for the three months ended December 31, 2021, to the same periods in 2020. The Company’s fiscal year ends on September 30. Unless otherwise stated, references to years relate to fiscal years. We begin the discussion at a consolidated level and then provide separate detail about Advanced Process Solutions, Molding Technology Solutions, Batesville, and Corporate. These results of operations are prepared in accordance with GAAP.

We also provide certain non-GAAP operating performance measures. These non-GAAP measures are referred to as “adjusted” measures and primarily exclude expenses associated with business acquisitions, disposition, and integration costs, restructuring and restructuring-related charges, and gains and losses on divestitures. The related income tax impact for all of these items is also excluded. The measures also exclude certain tax items related to the divestitures of TerraSource and Red Valve, the revaluation of deferred tax balances in connection with enacted statutory tax rate reductions in certain foreign jurisdictions, the impact the Milacron loss carryforward attributes have on tax provisions related to the imposition of tax on Global Intangible Low-Taxed Income (GILTI) earned by certain foreign subsidiaries, the Foreign Derived Intangible Income Deduction (FDII), and the Base Erosion and Anti-Abuse Tax (BEAT).

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

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

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

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

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

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

See page 33 for a reconciliation of adjusted EBITDA to consolidated net income, the most directly comparable GAAP measure. We use other non-GAAP measures in certain other instances and include information reconciling such non-GAAP measures to the respective most directly comparable GAAP measures. Given that backlog is an operational measure and that the

Company's methodology for calculating backlog does not meet the definition of a non-GAAP measure, as that term is defined by the SEC, a quantitative reconciliation is not required or provided.

CRITICAL ACCOUNTING ESTIMATES

For the three months ended December 31, 2021, there were no significant changes to our critical accounting estimates as outlined in our Annual Report on Form 10-K for the year ended September 30, 2021, filed with the SEC on November 17, 2021.

OPERATIONS REVIEW — CONSOLIDATED

	Three Months Ended December 31,			
	2021		2020	
	Amount	% of Net Revenue	Amount	% of Net Revenue
Net revenue	$ 728.4	100.0	$ 692.5	100.0
Gross profit	237.3	32.6	244.2	35.3
Operating expenses	128.1	17.6	131.6	19.0
Amortization expense	13.7		13.6	
Loss (gain) on divestitures	3.1		(31.6)	
Interest expense	17.9		21.2	
Other expense, net	1.1		0.4	
Income tax expense	23.3		31.3	
Net income attributable to Hillenbrand	49.0		76.4	

Three Months Ended December 31, 2021 Compared to Three Months Ended December 31, 2020

Net revenue increased $35.9 (5%), which included unfavorable foreign currency impact (1%).

- Advanced Process Solutions net revenue increased $26.3 (9%), primarily due to an increase in large plastics systems sales and favorable pricing, partially offset by the divestitures of Red Valve on December 31, 2020, ABEL on March 10, 2021, and TerraSource on October 22, 2021. Foreign currency impact decreased net revenue by 3%.

- Molding Technology Solutions net revenue increased $11.9 (5%), primarily driven by an increase in demand for injection molding and hot runner equipment product lines, as well as favorable pricing, partially offset by a decrease in aftermarket parts and service sales. Foreign currency impact decreased net revenue by 1%.

- Batesville net revenue decreased $2.3 (1%), primarily due to a decrease in volume, partially offset by an increase in average selling price. Lower volume was driven by a decrease in burial casket sales primarily due to an estimated decrease in deaths associated with the reduced severity of the COVID-19 pandemic and an estimated increased rate at which families opted for cremation.

Gross profit decreased $6.9 (3%) and gross profit margin decreased 270 basis points to 32.6%. On an adjusted basis, which excluded restructuring and restructuring-related charges and business acquisition, disposition, and integration costs, adjusted gross profit decreased $7.7 (3%), and adjusted gross profit margin decreased 290 basis points to 32.7%.

- Advanced Process Solutions gross profit increased $1.7 (2%), primarily due to an increase in large plastics systems sales and favorable pricing, partially offset by the divestitures of Red Valve on December 31, 2020, ABEL on March 10, 2021, and TerraSource on October 22, 2021, cost inflation, and unfavorable mix. Foreign currency impact decreased gross profit by 2%. Gross profit margin decreased 230 basis points to 32.3% in 2022, primarily due to cost inflation and unfavorable mix, partially offset by favorable pricing and productivity improvements.

  Advanced Process Solutions gross profit included restructuring and restructuring-related charges ($0.7 in fiscal 2022 and $0.6 in fiscal 2021). Excluding these charges, adjusted gross profit increased $1.6 (2%) and adjusted gross profit margin decreased 240 basis points to 32.5%.

- Molding Technology Solutions gross profit increased $4.8 (6%) primarily due to an increase in demand for injection molding and hot runner equipment product lines, favorable pricing, and productivity improvements including synergies, partially offset by cost inflation. Gross profit margin improved 50 basis points to 32.0%, primarily due to pricing and productivity improvements, partially offset by cost inflation.

  Molding Technology Solutions gross profit included business acquisition, disposition and integration costs ($0.3 in fiscal 2022 and $0.7 in fiscal 2021) and restructuring and restructuring-related charges ($0.2 in fiscal 2022 and $0.2 in fiscal 2021). Excluding these charges, adjusted gross profit increased $4.3 (6%) and adjusted gross profit margin improved 20 basis points to 32.1%.

- Batesville gross profit decreased $13.4 (19%) and gross profit margin decreased 760 basis points to 34.2%. The decrease in gross profit and gross profit margin was primarily due to inflation in commodities, wages and benefits and lower volume, partially offset by an increase in average selling price.

Operating expenses decreased $3.5 (3%), primarily due to the divestitures of Red Valve on December 31, 2020, and ABEL on March 10, 2021, synergies, a decrease in business acquisition, disposition, and integration costs, and a decrease in restructuring and restructuring-related charges, partially offset by an increase in cost inflation. Foreign currency impact decreased operating expenses by 1%. Our operating expense-to-net-revenue ratio improved by 140 basis points to 17.6% in fiscal 2022. Operating expenses included the following items:

	Three Months Ended December 31,	
	2021	2020
Business acquisition, disposition, and integration costs	$ 7.2	$ 9.7
Restructuring and restructuring-related charges	0.3	1.5

On an adjusted basis, which excludes business acquisition, disposition, and integration costs and restructuring and restructuring-related charges, operating expenses decreased $1.7 (1%). Adjusted operating expenses as a percentage of net revenue improved 110 basis points in fiscal 2022 to 16.6%.

Loss (gain) on divestitures was a loss of $3.1 in the current year due to the loss realized on the divestiture of TerraSource on October 22, 2021 and a gain of $31.6 in the prior year due to the gain realized on the divestiture of Red Valve on December 31, 2020. See Note 4 included in Part 1, Item 1 of this Form 10-Q for more information.

Interest expense decreased $3.3 (16%), primarily due to a decrease in weighted average borrowings. See Note 8 of Part I, Item 1 of this Form 10-Q for a discussion of borrowing activity.

Other expense, net increased $0.7, primarily due to an increase in foreign currency exchange losses.

The effective tax rate was 31.7% in 2022 compared to 28.7% in 2021. The increase in the effective tax rate was primarily driven by an unfavorable geographic mix of pretax income and the divestiture of TerraSource, partially offset by the increased tax benefit on equity compensation.

The adjusted effective tax rate was 28.7% in 2022 compared to 28.5% in 2021. The adjusted effective income tax rate primarily excludes the tax effect of the following items:

- The impact of Milacron tax loss carryforwards on foreign inclusion and foreign tax credits ($0.1 expense in fiscal 2022 and $3.7 expense in fiscal 2021);
- The revaluation of deferred tax balances as a result of functional currency fluctuations ($0.2 expense in fiscal 2022 and $0.7 expense in fiscal 2021);
- The tax impact on the Red Valve divestiture ($3.9 expense in fiscal 2021);
- Adjustments previously discussed within this section ($4.8 benefit in fiscal 2022 and $5.7 benefit in fiscal 2021).

OPERATIONS REVIEW — Advanced Process Solutions

	Three Months Ended December 31,			
	2021		2020	
	Amount	% of Net Revenue	Amount	% of Net Revenue
Net revenue	$ 317.1	100.0	$ 290.8	100.0
Gross profit	102.3	32.3	100.6	34.6
Operating expenses	50.1	15.8	56.2	19.3
Amortization expense	4.5		4.8	

Three Months Ended December 31, 2021 Compared to Three Months Ended December 31, 2020

Net revenue increased $26.3 (9%) primarily due to an increase in large plastics systems sales and favorable pricing, partially offset by the divestitures of Red Valve on December 31, 2020, ABEL on March 10, 2021, and TerraSource on October 22, 2021. Foreign currency impact decreased net revenue by 3%.

Order backlog increased $247.8 (23%) from $1,070.6 on December 31, 2020, to $1,318.4 on December 31, 2021. The increase in order backlog was primarily driven by increased demand for large polyolefin systems and aftermarket parts and service. Foreign currency impact decreased order backlog by 8%. On a sequential basis, order backlog decreased $31.0 (2%) to $1,318.4 at December 31, 2021, down from $1,349.4 at September 30, 2021, primarily driven by the divestiture of TerraSource on October 22, 2021.

Gross profit increased $1.7 (2%) primarily due to an increase in large plastics systems sales and favorable pricing, partially offset by the divestitures of Red Valve on December 31, 2020, ABEL on March 10, 2021, and TerraSource on October 22, 2021, cost inflation, and unfavorable mix. Foreign currency impact decreased gross profit by 2%. Gross profit margin decreased 230 basis points to 32.3% in 2022, primarily due to cost inflation and unfavorable mix, partially offset by favorable pricing and productivity improvements.

Advanced Process Solutions gross profit included restructuring and restructuring-related charges ($0.7 in fiscal 2022 and $0.6 in fiscal 2021). Excluding these charges, adjusted gross profit increased $1.6 (2%) and adjusted gross profit margin decreased 240 basis points to 32.5%.

Operating expenses decreased $6.1 (11%) primarily due to the divestitures of Red Valve on December 31, 2020, ABEL on March 10, 2021, and TerraSource on October 22, 2021 and synergies and savings from restructuring actions, partially offset by an increase in strategic investments. Foreign currency impact decreased operating expenses by 2%. Operating expenses as a percentage of net revenue improved by 350 basis points to 15.8%.

Operating expenses included restructuring and restructuring-related charges ($0.1 in 2022 and $0.7 in 2021) and business acquisition, disposition, and integration costs ($0.2 in 2022 and $0.6 in 2021). Excluding these items, adjusted operating expenses decreased $5.2 (10%) and adjusted operating expenses as a percentage of net revenue improved 320 basis points to 15.7%.

Amortization expense decreased $0.3 (6%), primarily due to the divestitures of Red Valve on December 31, 2020, ABEL on March 10, 2021, and TerraSource on October 22, 2021.

OPERATIONS REVIEW — Molding Technology Solutions

	Three Months Ended December 31,			
	2021		2020	
	Amount	% of Net Revenue	Amount	% of Net Revenue
Net revenue	$ 248.8	100.0	$ 236.9	100.0
Gross profit	79.5	32.0	74.7	31.5
Operating expenses	36.9	14.8	36.0	15.2
Amortization expense	9.2		8.8	

Three Months Ended December 31, 2021 Compared to Three Months Ended December 31, 2020

Net revenue increased $11.9 (5%), primarily driven by an increase in demand for injection molding and hot runner equipment product lines, as well as favorable pricing, partially offset by a decrease in aftermarket parts and service sales. Foreign currency impact decreased net revenue by 1%.

Order backlog increased $114.4 (39%) from $292.0 on December 31, 2020, to $406.4 on December 31, 2021. The increase in order backlog was primarily driven by an increase in orders within the injection molding and extrusion equipment product lines. Foreign currency impact decreased order backlog by 1%. On a sequential basis, order backlog increased $40.8 (11%) to $406.4 at December 31, 2021, up from $365.6 at September 30, 2021. The increase in order backlog was primarily driven by orders within the injection molding and extrusion product lines.

Gross profit increased $4.8 (6%) primarily due to an increase in demand for injection molding and hot runner equipment product lines, favorable pricing, and productivity improvements including synergies, partially offset by cost inflation. Gross profit margin improved 50 basis points to 32.0%, primarily due to pricing and productivity improvements, partially offset by cost inflation.

Molding Technology Solutions gross profit included business acquisition, disposition and integration costs ($0.3 in fiscal 2022 and $0.7 in fiscal 2021) and restructuring and restructuring-related charges ($0.2 in fiscal 2022 and $0.2 in fiscal 2021). Excluding these charges, adjusted gross profit increased $4.3 (6%) and adjusted gross profit margin improved 20 basis points to 32.1%.

Operating expenses increased $0.9 (3%), primarily due to cost inflation, partially offset by synergies and savings from restructuring actions. Foreign currency impact decreased operating expenses by 1%. Operating expense as a percentage of net revenue improved 40 basis points to 14.8%.

Operating expenses included business acquisition, disposition, and integration costs (including severance costs related to the integration) ($0.1 in fiscal 2022 and $0.3 in fiscal 2021). Excluding these charges, adjusted operating expenses increased $0.9 (3%) and adjusted operating expenses as a percentage of net revenue improved 40 basis points to 14.7%.

OPERATIONS REVIEW — BATESVILLE

	Three Months Ended December 31,			
	2021		2020	
	Amount	% of Net Revenue	Amount	% of Net Revenue
Net revenue	$ 162.5	100.0	$ 164.8	100.0
Gross profit	55.5	34.2	68.9	41.8
Operating expenses	16.6	10.2	18.6	11.3

Three Months Ended December 31, 2021 Compared to Three Months Ended December 31, 2020

Net revenue decreased $2.3 (1%), primarily due to a decrease in volume, partially offset by an increase in average selling price. Lower volume was driven by a decrease in burial casket sales primarily due to an estimated decrease in deaths associated with the reduced severity of the COVID-19 pandemic and an estimated increased rate at which families opted for cremation.

Gross profit decreased $13.4 (19%) and gross profit margin decreased 760 basis points to 34.2%. The decrease in gross profit and gross profit margin was primarily due to inflation in commodities, wages and benefits and lower volume, partially offset by an increase in average selling price.

Operating expenses decreased $2.0 (11%) to $16.6 primarily due to a decrease in variable compensation and synergy savings, including savings from restructuring actions, partially offset by inflation. Operating expenses as a percentage of net revenue improved 110 basis points to 10.2%.

REVIEW OF CORPORATE EXPENSES

	Three Months Ended December 31,			
	2021		2020	
	Amount	% of Net Revenue	Amount	% of Net Revenue
Core operating expenses	$ 17.5	2.4	$ 13.3	1.9
Business acquisition, disposition, and integration costs	7.0	1.0	7.5	1.1
Operating expenses	$ 24.5	3.4	$ 20.8	3.0

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

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

Three Months Ended December 31, 2021 Compared to Three Months Ended December 31, 2020

Operating expenses increased $3.7 (18%), primarily due to strategic investments and cost inflation, partially offset by a decrease in business acquisition, disposition, and integration costs. These expenses as a percentage of net revenue were 3.4%, an increase of 40 basis points from the prior year.

Core operating expenses increased $4.2 (32%), primarily due to strategic investments and cost inflation. These expenses as a percentage of net revenue were 2.4%, an increase of 50 basis points from the prior year.

NON-GAAP OPERATING PERFORMANCE MEASURES

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

	Three Months Ended December 31,	
	2021	2020
Consolidated net income	$ 50.1	$ 77.7
Interest income	(0.9)	(0.6)
Interest expense	17.9	21.2
Income tax expense	23.3	31.3
Depreciation and amortization	27.9	29.3
EBITDA	118.3	158.9
Business acquisition, disposition, and integration costs (1)	7.6	9.1
Restructuring and restructuring-related charges (2)	0.7	1.5
Loss (gain) on divestitures (3)	3.1	(31.6)
Other	—	0.1
Adjusted EBITDA	$ 129.7	$ 138.0

(1) Business acquisition, disposition, and integration costs during the three months ended December 31, 2021 primarily included professional fees and employee-related costs attributable to the integration of Milacron and divestiture of TerraSource. Business acquisition, disposition, and integration costs during the three months ended December 31, 2020 primarily included professional fees and employee-related costs attributable to the integration of Milacron and divestiture of Red Valve.

(2) Restructuring and restructuring-related charges primarily included severance costs, unrelated to the acquisition and integration of Milacron, during the three months ended December 31, 2021 and 2020.

(3) The current year amounts represent the loss on divestiture of TerraSource during the three months ended December 31, 2021. The prior year amount represents the gain on the divestiture of Red Valve during the three months ended December 31, 2020. See Note 4 of Part I, Item 1 of this Form 10-Q for more information.

Three Months Ended December 31, 2021 Compared to Three Months Ended December 31, 2020

Consolidated net income decreased $27.6 (36%) for the three months ended December 31, 2021, compared to the same period in fiscal 2021. The decrease was primarily driven by the gain on divestiture of Red Valve in 2020, cost inflation, a decrease in volume at Batesville, unfavorable mix, and an increase in strategic investments. This decrease in consolidated net income was partially offset by an increase in demand for equipment at Advanced Process Solutions and pricing and productivity improvements. Foreign currency impact decreased consolidated net income by $0.4.

Consolidated adjusted EBITDA decreased $8.3 (6%) for the three months ended December 31, 2021, compared to the same period in fiscal 2021. The decrease was primarily driven by cost inflation, a decrease in volume at Batesville, unfavorable mix, and an increase in strategic investments. This decrease in consolidated adjusted EBITDA was partially offset by an increase in demand for equipment at Advanced Process Solutions and pricing and productivity improvements. Foreign currency impact decreased adjusted EBITDA by $1.3.

LIQUIDITY AND CAPITAL RESOURCES

In this section, we discuss our ability to access cash to meet business needs. We discuss how we see cash flow being affected for the next twelve months and how we intend to use it. We describe actual results in generating and using cash by comparing the first three months of 2022 to the same period last year. Finally, we identify other significant matters that could affect liquidity on an ongoing basis.

Ability to Access Cash

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

We have taken proactive measures to maintain financial flexibility within the landscape of the ongoing COVID-19 pandemic. We believe the Company ended the quarter with and continues to have sufficient liquidity to operate in the current business environment.

As of December 31, 2021, we had $883.5 of borrowing capacity under the Revolver, of which $880.6 was immediately available based on our most restrictive covenant. The available borrowing capacity reflects a reduction of $16.5 for outstanding letters of credit issued under the Revolver. The Company may request an increase of up to $450.0 in the total borrowing capacity under the Revolver, subject to approval of the lenders.

In the normal course of business, operating companies within the Advanced Process Solutions reportable operating segment provide to certain customers bank guarantees and other credit arrangements in support of performance, warranty, advance payment, and other contractual obligations. This form of trade finance is customary in the industry and, as a result, we maintain adequate capacity to provide the guarantees. As of December 31, 2021, we had guarantee arrangements totaling $403.2, under which $247.9 was used for guarantees. These arrangements include the L/G Facility Agreement under which unsecured letters of credit, bank guarantees, or other surety bonds may be issued. The Company may request an increase to the total capacity under the L/G Facility Agreement by an additional €45.0, subject to approval of the lenders.

We have significant operations outside the U.S. We continue to assert that the basis differences in the majority of our foreign subsidiaries continue to be permanently reinvested outside of the U.S. We have recorded tax liabilities associated with distribution taxes on expected distributions of available cash and current earnings. The Company has made, and intends to continue to make, substantial investments in our businesses in foreign jurisdictions to support the ongoing development and growth of our international operations. As of December 31, 2021, we had a transition tax liability of $16.9 pursuant to the Tax Act. The cash at our foreign subsidiaries, including U.S. subsidiaries participating in non-U.S. cash pooling arrangements, totaled $403.6 at December 31, 2021. We continue to actively evaluate our global capital deployment and cash needs.

12-month Outlook

COVID-19 impact

As discussed in the COVID-19 impact section above, the Company has taken actions aimed to safeguard its capital position in the ongoing COVID-19 environment. We believe the Company has sufficient liquidity to operate in the current business environment. The challenges posed by the ongoing COVID-19 pandemic on our businesses continue to evolve rapidly and are likely to evolve further as the COVID-19 pandemic continues and the vaccine rollout continues around the world. Consequently, we will continue to evaluate our financial position in light of future developments, particularly those relating to COVID-19 and any of the variant strains of the virus, and we plan to take necessary steps to manage through such developments.

Leverage update

The Company's net leverage (defined as debt, net of cash, to adjusted EBITDA) at December 31, 2021 was 1.5x. Given the strength of the Company's consolidated balance sheet and with leverage within our targeted range, the Company has resumed consideration of strategic acquisitions and opportunistic share repurchases in support of its capital structure objectives.

Other activities

The Tax Act requires the Company to pay a transition tax on unremitted earnings of its foreign subsidiaries, resulting in an estimated liability of $16.9 recorded as of December 31, 2021. The transition tax liability under the Tax Act is expected to be paid over the next four years.

On December 7, 2018, our Board of Directors authorized a share repurchase program of up to $200.0 in replacement of the authorized stock repurchase program then in place. The 2018 repurchase program had no expiration date but was terminated by the Board of Directors on December 2, 2021, when our Board approved a new share repurchase program of up to $300.0. The 2021 share repurchase program eliminated the balance of approximately $50.0 remaining under the 2018 authorization. As of its termination prior to December 31, 2021, we had repurchased approximately 3,416,000 shares under the 2018 share repurchase program for approximately $150.0 in the aggregate. Such shares were classified as treasury stock. At December 31, 2021, we had $300.0 remaining for share repurchases under the existing authorization by the Board of Directors.

Our anticipated contribution to our defined benefit pension plans in fiscal 2022 is $10.9, of which $2.3 was made during the three months ended December 31, 2021. We will continue to monitor plan funding levels, performance of the assets within the plans, and overall economic activity, and we may make additional discretionary funding decisions based on the net impact of the above factors.

We currently expect to pay quarterly cash dividends of approximately $15.8 based on our outstanding common stock at December 31, 2021. We increased our quarterly dividend in 2022 to $0.2175 per common share from $0.2150 per common share paid in 2021.

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

Cash Flows

	Three Months Ended December 31,	
	2021	**2020**
Cash flows provided by (used in):		
Operating activities	$ 44.5	$ 66.2
Investing activities	(14.2)	53.8
Financing activities	(37.4)	(174.1)
Effect of exchange rates on cash and cash equivalents	4.4	9.7
Net cash flows	$ (2.7)	$ (44.4)

Operating Activities

Operating activities provided $44.5 of cash during the three months ended December 31, 2021, and provided $66.2 of cash during the three months ended December 31, 2021, a $21.7 (33%) decrease. The decrease in operating cash flow was primarily due to an increase in cash paid for taxes.

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

Investing Activities

The $68.0 increase in cash used in investing activities in the three months ended December 31, 2021 was primarily due to proceeds received of $59.4 from the divestiture of Red Valve in fiscal 2021. See Note 4 included in Part 1, Item 1 of this Form 10-Q for further details on these acquisitions and divestitures.

Financing Activities

Cash used in financing activities was largely impacted by net borrowing activity. Our general practice is to use available cash to pay down debt unless it is needed for an acquisition. Cash used in financing activities during the three months ended December 31, 2021 was $37.4. Cash used in financing activities for the three months ended December 31, 2020 was $174.1, including $157.0 of debt repayments, net of proceeds. The change in cash used in financing activities was primarily due to the use of available cash to repay debt in the prior year that did not repeat in the current year.

The Company repurchased $28.9 of its common stock during the three months ended December 31, 2021. We returned $15.8 to shareholders during the three months ended December 31, 2021 in the form of quarterly dividends. We increased our quarterly dividend in fiscal 2022 to $0.2175 per common share from $0.2150 per common share paid during fiscal 2021.

Off-Balance Sheet Arrangements

As part of its normal course of business, Hillenbrand is party to various financial guarantees and other commitments. These arrangements involve elements of performance and credit risk that are not included in the Consolidated Balance Sheets. The possibility that Hillenbrand would have to make actual cash expenditures in connection with these obligations is largely dependent on the performance of the guaranteed party, or the occurrence of future events that Hillenbrand is unable to predict. We have no off-balance sheet financing agreements or guarantees at December 31, 2021, that we believe are reasonably likely to have a current or future effect on our financial condition, results of operations, or cash flows.

Summarized Financial Information for Guarantors and the Issuer of Guaranteed Securities

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

	December 31, 2021	September 30, 2021
Combined Balance Sheets Information:		
Current assets [1]	$ 1,554.0	$ 1,311.6
Non-current assets	4,847.7	5,692.1
Current liabilities	626.3	581.8
Non-current liabilities	1,297.1	1,303.9

	Three Months Ended December 31, 2021	Year Ended September 30, 2021
Combined Statements of Operations Information:		
Net revenue [2]	$ 253.0	$ 999.0
Gross profit	91.8	374.2
Net income attributable to Obligors	100.1	557.6

[1] Current assets include intercompany receivables from non-guarantors of $709.9 as of December 31, 2021 and $596.8 as of September 30, 2021.
[2] Net revenue includes intercompany sales with non-guarantors of $8.5 as of December 31, 2021 and $35.8 as of September 30, 2021.

Recently Adopted and Issued Accounting Standards

For a summary of recently issued and adopted accounting standards applicable to us, see Item 1, Note 2 of Part I of this Form 10-Q.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

A full discussion of quantitative and qualitative disclosures about market risk may be found in Item 7A of our 2021 Form 10-K filed with the SEC on November 17, 2021. There have been no material changes in this information since the filing of our 2021 Form 10-K.

Item 4. CONTROLS AND PROCEDURES

Our management, with the participation of our President and Chief Executive Officer and our Senior Vice President and Chief Financial Officer (the "Certifying Officers"), evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based upon that evaluation, the Certifying Officers concluded that our disclosure controls and procedures as of the end of the period covered by this report are effective.

In the ordinary course of business, we review our system of internal control over financial reporting and make changes to our systems and processes to improve such controls and increase efficiency, while ensuring that we maintain an effective internal control environment. Changes may include such activities as implementing new, more efficient systems, automating manual processes, and updating existing systems.

There were no changes in internal control over financial reporting identified in the evaluation for the quarter ended December 31, 2021, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act.

PART II — OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

Information pertaining to legal proceedings can be found in Note 15 to the Consolidated Financial Statements included in Part I, Item 1 of this Form 10-Q.

Item 1A. RISK FACTORS

For information regarding the risks we face, see the discussion under Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended September 30, 2021 filed on November 17, 2021.

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

The following table summarizes repurchases of common stock during the three months ended December 31, 2021.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan or Programs	Maximum Dollar Amount that May Yet be Purchased Under Program
October (October 1-31)	369,761	$44.84	369,761	$ 62.3
November (November 1-30)	254,556	$48.41	254,556	$ 50.0
December (December 1-31)	—	—	—	$ 300.0
Total	624,317	$46.30	624,317	$ 300.0

On December 7, 2018, our Board of Directors authorized a share repurchase program of up to $200.0 in replacement of the authorized stock repurchase program then in place. The 2018 repurchase program had no expiration date but was terminated by the Board of Directors on December 2, 2021, when our Board approved a new share repurchase program of up to $300.0. The 2021 share repurchase program eliminated the balance of approximately $50.0 remaining under the 2018 authorization. As of its termination prior to December 31, 2021, we had repurchased approximately 3,416,000 shares under the 2018 share repurchase program for approximately $150.0 in the aggregate. Such shares were classified as treasury stock. At December 31, 2021, we had $300.0 remaining for share repurchases under the existing authorization by the Board of Directors.

Item 6. EXHIBITS

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

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

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

Exhibit 3.1	Restated and Amended Articles of Incorporation of Hillenbrand, Inc., effective as of February 13, 2020 (Incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K filed February 14, 2020)
Exhibit 3.2	Amended and Restated Code of By-Laws of Hillenbrand, Inc., effective as of February 13, 2020 (Incorporated by reference to Exhibit 3.2 to Current Report on Form 8-K filed February 14, 2020)
Exhibit 10.1	Hillenbrand, Inc. Third Amended and Restated Short-Term Incentive Compensation Plan for Key Executives (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed December 7, 2021)
Exhibit 10.2*	Employment Agreement, dated December 30, 2021, by and between Hillenbrand, Inc. and Kimberly K. Ryan
Exhibit 10.3*	Change in Control Agreement, dated December 30, 2021, by and between Hillenbrand, Inc. and Kimberly K. Ryan
Exhibit 22	List of Guarantor Subsidiaries of Hillenbrand, Inc. (Incorporated by reference to Exhibit 22 to Annual Report on Form 10-K filed November 17, 2021)
Exhibit 31.1*	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 31.2*	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 32.1*	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
Exhibit 32.2*	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
Exhibit 101	The following financial statements from the Company’s Quarterly Report on Form 10-Q for the quarter ended December 31, 2021, formatted in Inline XBRL: (i) Consolidated Statements of Operations, (ii) Consolidated Statements of Comprehensive Income, (iii) Consolidated Balance Sheets, (iv) Consolidated Statements of Cash Flows, (v) Consolidated Statements of Shareholders’ Equity, and (vi) Notes to Consolidated Financial Statements, tagged as blocks of text and including detailed tags.
Exhibit 104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

SIGNATURES

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

HILLENBRAND, INC.

Date: February 2, 2022	BY:	/s/ Kristina A. Cerniglia Kristina A. Cerniglia Senior Vice President and Chief Financial Officer
Date: February 2, 2022		/s/ Andrew S. Kitzmiller Andrew S. Kitzmiller Vice President, Controller, and Chief Accounting Officer

EXHIBIT 10.2

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement") is made as of the 30th day of December, 2021 (the "Effective Date"), by and between Hillenbrand, Inc., an Indiana corporation (the "Company"), and Kimberly K. Ryan ("Executive"). Each of the Company and Executive is sometimes referred to below as a "Party" and together they are the "Parties." The Company's direct and remote parent and subsidiary companies, and those companies under common control with the Company, as constituted from time to time, are referred to below as its "Affiliated Companies."

RECITALS

The Parties have agreed that as of the Effective Date the Company will continue to employ Executive in an executive capacity in accordance with the terms of this Agreement. This Agreement is made to document certain of the terms and conditions of such employment relationship.

AGREEMENTS

NOW, THEREFORE, the Parties, intending to be legally bound, agree as follows:

1. Employment. The Company will continue to employ Executive on an at-will employment basis commencing on the Effective Date. Executive accepts employment by the Company on that basis.

2. Position and Duties. Executive's position and title will be the President and Chief Executive Officer of the Company. Executive agrees to perform all duties and accept all responsibilities incidental to that position (or any other position in which Executive may be employed) or as may be assigned to Executive. Executive's position and duties may include being employed by, serving as an officer or director of, and providing services to or for, one or more of the Company's Affiliated Companies, as directed by the Company. Executive is instructed by the Company, and agrees, not to perform any duties or engage in any activities that would conflict with any potential post-employment obligations to any prior employers.

3. Efforts and Loyalty. During the term of Executive's employment under this Agreement, Executive agrees to use Executive's reasonable best efforts in the conduct of the Company's business endeavors entrusted to Executive and agrees to devote substantially all of Executive's working time and efforts, attention and energy to the discharge of the duties and responsibilities of Executive to and for the Company. Executive agrees not to engage in any other activities that interfere with Executive's performance under this Agreement and agrees not to work in any capacity for any other business or enterprise without first obtaining the Company's written consent thereto.

4. Compensation. Commencing on the Effective Date, for all services rendered by Executive to or for the Company or its Affiliated Companies, Executive shall be paid as follows:

(a) A base salary at an initial annual rate of $825,000, less withholdings and deductions;

(b) Incentive compensation, payable solely at the discretion of the Company (and subject to repayment in full or in part in the event of a restatement of the Company's financial statements in accordance with any applicable policy, law or agreement); and

(c) Such additional compensation, benefits and perquisites as the Company may from time to time deem appropriate.

5. Changes to Compensation. Subject to Section 10 below, the Company reserves the right to, and Executive agrees that the Company may, make changes to Executive's compensation from time to time in the Company's sole discretion, including, but not limited to, modifying or eliminating a compensation component; provided, however, that Executive shall be and shall remain entitled to participate in all benefit plans and programs maintained by the Company in its sole discretion from time to time on the same basis as other executive officers.

6. Restrictions; Defense and Indemnification. Executive represents and warrants to the Company that Executive is not a party to or bound by any noncompetition or other agreement, with any former employer or otherwise, that limits or restricts in any manner Executive's right, as an employee or in any other capacity, to be employed by or provide advice or services to, any person or entity. Executive further represents and warrants that Executive does not have or possess any non-public, confidential information of or relating to any business or enterprise (other than the Company or its Affiliated Companies). Executive agrees to defend and indemnify the Company from and against any loss or expense suffered or incurred by the Company or any of its Affiliated Companies as a result of an inaccuracy or breach of any of Executive's representations, warranties or agreements made in this Section 6, or any breach by Executive of any post-employment obligations to any prior employer.

7. Termination Without Cause. The Company may terminate the employment relationship between Executive and the Company at any time, without Cause for doing so, upon written notice of termination given to Executive, effective as of a date specified by the Company that is on or after the date of such notice. In such event, Executive shall be entitled to all compensation, benefits, and perquisites paid or accrued as of the date of termination and shall also be entitled to receive severance compensation and benefits in accordance with the provisions of Section 12.

8. Termination With Cause. Executive's employment may be terminated by the Company at any time with "Cause" for doing so upon written notice of termination to Executive specifying the date of termination and the factual circumstances constituting "Cause" for such termination. For purposes of this Agreement, the Company will have "Cause" to terminate Executive's employment if Executive has:

(a) Acted with gross neglect or willful misconduct in the discharge of Executive's duties and responsibilities or refused to follow or comply with the lawful direction of the Company or the terms and conditions of this Agreement, provided such refusal is not based primarily on Executive's good faith compliance with applicable legal or ethical standards; or

(b) Acquiesced or participated in any conduct that is dishonest, fraudulent, illegal (at the felony level), unethical, involves moral turpitude or is otherwise illegal and involves conduct that has the potential, in the Company's reasonable opinion, to cause the Company, its officers or its directors embarrassment or ridicule; or

(c) Violated a material requirement of any Company policy or procedure, or policy or procedure of an affiliated company that applies to Executive; or

(d) Disclosed without proper authorization any trade secrets or other confidential information of the Company or any of its Affiliated Companies; or

(e) Engaged in any act that, in the reasonable opinion of the Company, is contrary to its best interests or would hold the Company, its officers or directors up to probable civil or criminal liability, provided that, if Executive acts in good faith in compliance with applicable legal or ethical standards, such actions shall not be grounds for termination for Cause.

Upon the termination of Executive's employment for Cause, Executive shall only be entitled to such compensation, benefits, and perquisites that have been paid or accrued as of the effective date of termination. To the extent any violation of this Section is capable of being promptly cured by Executive (or cured within a reasonable period to the Company's satisfaction), the Company agrees to provide Executive with a reasonable opportunity to so cure such defect. Absent written mutual agreement otherwise, the Parties agree in advance that it is not possible for Executive to cure any violations of sub-paragraph (b) or (d) and, therefore, no opportunity for cure need be provided in those circumstances.

9. Termination Without Good Reason. Executive may terminate the employment relationship between Executive and the Company at any time, without Good Reason for doing so, upon sixty (60) days' advance written notice of such termination given to the Company. In such event, Executive shall only be entitled to such compensation, benefits and perquisites that have been paid or accrued as of the effective date of termination.

10. Termination With Good Reason. Executive may terminate the employment relationship between Executive and the Company with "Good Reason" for doing so by following the process provided below in this Section. For such purpose, "Good Reason" means:

(a) A material reduction in Executive's then-current base annual salary, except to the extent that such reduction is accompanied by a corresponding increase in another form of compensation;

(b) Failure to re-elect Executive as President and Chief Executive Officer of the Company (unless such failure is related in any way to the Company's decision to terminate Executive for Cause);

(c) Failure to provide Executive the same benefits and perquisites that are provided to other executive officers;

(d) Relocation of Executive's principal location of work to any location that is in excess of 100 miles from the Company's then-existing corporate headquarters;

(e) A material diminution in Executive's authority, duties or responsibilities; or

(f) Any action or inaction that constitutes a material breach of this Agreement by the Company.

In order for Executive to initiate the process of terminating the employment relationship for Good Reason, Executive must first provide written notice to the Company of Executive's intent to terminate for Good Reason, and in such notice Executive must describe in reasonable detail the event or circumstance that Executive believes constitutes Good Reason for such termination of employment. That notice must be received by the Company within 90 days after the initial occurrence of such "Good Reason" event or circumstance described by Executive in the notice in order for the notice to be effective under this Section. The Company shall then have 30 days following the receipt of such notice in which to remedy or cure such event or circumstance so that Good Reason no longer exists for Executive to terminate the employment relationship. If the Company does not remedy or cure such event or circumstance within such 30-day cure period, Executive may then terminate the employment relationship by written notice of termination for Good Reason received by the Company within 60 days after the end of the above 30-day cure period, again describing in reasonable detail in such notice the event or circumstance relied on by Executive as constituting Good Reason for such termination. Notice of termination received by the Company after such 60-day period will not be effective under this Section. In the event Executive's employment is terminated by Executive for Good Reason in accordance with this Section, Executive shall be entitled to all compensation, benefits and perquisites paid or accrued as of the date of termination and shall also be entitled to receive severance compensation and benefits in accordance with the provisions of Section 12.

11. Termination Due to Death or Disability. In the event Executive dies or suffers a disability (as defined below) during the term of employment, this Agreement shall automatically be terminated on the date of such death or may be terminated on account of such disability by the Company by written notice to Executive specifying the date of termination. For purposes of this Agreement, Executive shall be considered to have suffered a "disability" upon a determination by the Company, or an admission by Executive, that Executive cannot perform the essential functions of Executive's position as a result of physical or mental incapacity and the occurrence of one or more of the following events:

(a) Executive becomes eligible for or receives any benefits pursuant to any disability insurance policy as a result of a determination under such policy that Executive is permanently disabled;

(b) Executive becomes eligible for or receives any disability benefits under the Social Security Act; or

(c) A good faith determination by the Company that Executive is and will likely remain unable to perform the essential functions of Executive's duties or responsibilities hereunder on a full-time basis, with or without reasonable accommodation, as a result of any mental or physical impairment.

In the event of the termination of Executive's employment on account of death or disability, Executive shall be entitled only to such compensation, benefits and perquisites as shall have been paid or accrued as of the date of such termination.

12. Severance Compensation and Benefits. In the event that (a) Executive's employment is either terminated by the Company without Cause under Section 7 or by Executive for Good Reason under Section 10, and (b) Executive is not entitled to any severance or similar compensation or benefits under a "Change in Control" or similar agreement in connection with the termination of Executive's employment relationship, and (c) Executive executes and delivers to the Company, within twenty-one (21) days (or such longer period required by law if applicable) after termination of Executive's employment relationship, and does not revoke, a written Release (as defined below), then, except as provided below in this Section 12 and subject to the terms of this Agreement and the aforementioned Release, Executive shall be entitled to receive the following:

(a) Severance compensation ("Severance Pay") equal to twenty-four (24) months of Executive's base salary (based upon Executive's base salary at the time of termination of employment and subject to required tax or other withholdings) payable to Executive in a lump sum within thirty (30) days after the date on which Executive's employment is terminated; provided, that notwithstanding the foregoing: (i) if the termination of Executive's employment occurs during November or December, the commencement of Severance Pay payable to Executive shall not occur prior to January 1 of the following year, and (ii) if Executive is a "specified employee" under Section 409A of the Internal Revenue Code of 1986, as amended, or any successor law (the "Code"), then any portion of the Severance Pay that is not exempt from Section 409A, and that would otherwise be payable to Executive during the first six (6) months following the termination of Executive's employment, shall not be paid to Executive until the ten (10) business day period immediately following the expiration of such six (6) month period.

(b) If Executive timely elects in the proper form, pursuant to the Consolidated Budget Reconciliation Act ("COBRA"), to continue health care coverage for Executive and/or Executive's dependents under the health plan in which Executive had coverage at the time of the termination of Executive's employment, and if Executive continues paying the premiums for such COBRA coverage (subject to any COBRA premium subsidy Executive is eligible for under the American Recovery and Reinvestment Act of 2009 or similar law), then the Company will reimburse to Executive monthly (as taxable income to Executive) an amount that is not less than the dollar amount of health care premiums that the Company and its Affiliated Companies were paying on behalf of Executive and/or Executive's dependents immediately prior to the termination of Executive's employment, such premium reimbursements to continue until the earlier of (i) the date that is twenty-four (24) months after Executive's employment is terminated, or (ii) the date as of which Executive ceases to carry COBRA continuation health care coverage following Executive's termination of employment.

(c) Limited out-placement counseling with a company of the Company's choice, provided that Executive commences participation in such counseling immediately following termination of employment, for a period of up to twenty-four (24) months following the termination of Executive's employment.

In order to receive the foregoing severance compensation and benefits, Executive must execute and not revoke a release, in a form acceptable to the Company, of any and all claims against the Company and its Affiliated Companies and all related parties with respect to all matters arising out of Executive's employment by the Company or any of its Affiliated Companies and the termination thereof (other than claims for any entitlements under the terms of this Agreement or under any plans or programs of the Company or any of its Affiliated Companies under which Executive has accrued and is due a benefit) (a "Release").

The Company and Executive mutually acknowledge and agree that payment of the foregoing severance compensation and benefits may be adjusted, from a timing standpoint or in the form or manner of payment, as necessary to comply with (avoid adverse tax consequences under) Section 409A or other applicable provisions of the Code.

13. Confidential Information; Company Property. Executive acknowledges that, by reason of Executive's employment by the Company and/or any of its Affiliated Companies, Executive has had and/or will have access to confidential information of the Company and its Affiliated Companies, including, without limitation, information and knowledge pertaining to business strategies, financial performance, products, inventions, discoveries, improvements, innovations, designs, ideas, trade secrets, proprietary information, manufacturing, packaging, advertising, distribution and sales methods, customer and client lists, and relationships among and between the Company and its Affiliated Companies and their respective dealers, distributors, sales representatives, wholesalers, customers, clients, suppliers and others who have business dealings with them ("Confidential Information"). Executive also acknowledges that such Confidential Information is a valuable and unique asset of the Company and its Affiliated Companies. Executive promises that, both during and at all times after the period during which Executive is employed by the Company or any of its Affiliated Companies, Executive will not disclose any such Confidential Information to any person or entity or use any such Confidential Information for the benefit of Executive or any other person or entity, except (a) as Executive's duties as an employee of the Company so require, (b) with the prior written authorization of the Company, or (c) as may be authorized by law. In this regard, and in order to comply with Executive's obligations regarding the non-use and non-disclosure of Confidential Information, Executive promises that Executive will not provide advice or services to any person or entity, in any capacity whatsoever, if the

Confidential Information possessed by Executive would be useful or of benefit to such person or entity in competing against the Company or any of its affiliated entities or otherwise. The provisions in this Section and this Agreement regarding "Confidential Information" are intended to be supplemental and in addition to, and are not intended to be in lieu or in any way a limitation of, the protections afforded by, and remedies for misuse or misappropriation available under, applicable law regarding the trade secrets of the Company and its Affiliated Companies.

Executive shall not remove any property or information of Company or its Affiliated Companies from the Company's premises, except in discharge of Executive's duties or when otherwise authorized by the Company. Executive shall return all of the Company's or its Affiliated Companies' property and information within seven (7) days following the cessation of Executive's employment for any reason. Upon request by the Company, Executive shall certify in writing that all copies of information subject to this Agreement located on Executive's computers or other electronic storage devices have been permanently deleted; provided, that Executive may retain copies of Executive's personnel file and documents relating to employee benefit programs or insurance plans applicable to Executive and income records to the extent necessary for Executive to prepare individual tax returns.

Nothing in this Agreement prohibits Executive from reporting possible violations of federal, state, or local laws or regulations to any governmental agency or entity, including, but not limited to, the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or from making other disclosures (including, but not limited to, providing documents or other information) that are protected under the whistleblower provisions of federal law or regulation. Executive does not need the prior authorization of Company to make any such reports or disclosures, and Executive is not required to notify Company that Executive has made such reports or disclosures. Executive also is not limited in Executive's right to receive an award for information provided to any government agency or entity.

As provided by federal law (18 U.S.C. § 1833), Executive understands that Executive will not be held criminally or civilly liable under any federal or state trade secret law for Executive's disclosure of a trade secret that is made by Executive: (a) in confidence to a federal, state, or local government official, either directly or indirectly, or to any attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (b) in a complaint or other document filed by Executive in a lawsuit or other proceeding, on the condition that such filing is made under seal.

14. Non-Competition. Executive promises that, during the period that Executive is employed by the Company or any of its Affiliated Companies and for twenty-four (24) months thereafter, Executive will not, unless acting as an employee of the Company or any of its Affiliated Companies or with the prior written consent of the Company, directly or indirectly, own, manage, operate, finance, join, control or participate in the ownership, management, operation, financing or control of, or be connected in a competitive capacity as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise with, or use or permit Executive's name to be used in connection with, any business or enterprise that (a) is engaged in the business of designing, engineering,

manufacturing, marketing, selling or distributing any products or services that compete with, or are a functional equivalent of or alternative for, any of the products or services designed, engineered, manufactured, marketed, sold or distributed by the Company or any of its Affiliated Companies within the year prior to the termination of Executive's employment or that the Company or any of its Affiliated Companies are about to so do at the time of such termination of employment (the "Competing Products"), and (b) is engaged in any such activities within any state of the United States or the District of Columbia or any other country in which the Company or any of its Affiliated Companies engages in or is about to engage in any of such activities.

15. No Solicitation. Executive promises that, during the period that Executive is employed by the Company or any of its Affiliated Companies and for twenty-four (24) months thereafter, Executive will not, unless acting as an employee of the Company or any of its Affiliated Companies or with the prior written consent of the Company, (i) call on or solicit, either directly or indirectly, for any purposes involving the designing, engineering, manufacturing, marketing, selling, purchasing or distributing of any Competing Products, any person, firm, corporation or other entity who or which is or had been, at the time of or within two years prior to the termination of Executive's employment by the Company, a customer of the Company or any of its Affiliated Companies, or (ii) knowingly solicit for employment, or otherwise for the providing of advice or services, any person who is an employee of the Company or any of its Affiliated Companies or who was such an employee within six (6) months prior to Executive's termination of employment.

16. Addition to Restricted Period. In the event Executive breaches any of Executive's obligations under Sections 14 or 15, then the period of time during which such provision is to remain in effect following the termination of Executive's employment shall be increased by the same amount of time that Executive was in breach thereof.

17. Survival of Restrictive Covenants. The obligations of Executive under Sections 13, 14 and 15 shall survive the termination of this Agreement and the termination of Executive's employment for any reason, including without limitation a termination of such employment by the Company without Cause or a termination by Executive for Good Reason. A breach by the Company of any contractual, statutory or other obligation to Executive shall not excuse compliance with or terminate Executive's obligations under those Sections or otherwise provide a defense to or preclude the Company from seeking injunctive or other relief in the event of a breach or threatened breach of those obligations by Executive.

18. Enforcement/Injunctive Relief. Executive and the Company stipulate and agree that it would be difficult to measure any damages to the Company or any of its Affiliated Companies resulting from a breach of any of the provisions of Sections 13, 14 or 15, but that the potential for damages in such event would be great, incalculable and irremediable, and that monetary damages alone would be an inadequate remedy. Accordingly, Executive agrees that the Company shall be entitled to immediate injunctive relief against such breach, or threatened breach, in any court having jurisdiction, and Executive waives the right in any proceeding to enforce this Agreement by the Company or any of its Affiliated Companies to assert as a matter of defense or otherwise that the Company or any of its Affiliated Companies has an adequate remedy at law or has not

been or will not be irreparably harmed by a breach or threatened breach by Executive of any of such provisions. The remedies described above shall not be the exclusive remedies, and the Company may seek any other remedy available to it either in law or in equity, including, by way of example only, statutory remedies for misappropriation of trade secrets, and including the recovery of compensatory or punitive damages. The prevailing Party, in addition to any other award in its favor, shall be entitled to recover its attorneys' fees and other costs of litigation from the non-prevailing Party in any action brought to enforce the provisions of Sections 13, 14 or 15.

19. Reasonableness and Judicial Modification of Restrictions. Executive acknowledges and agrees that the terms of the restrictions on Executive in Sections 13, 14 and 15 are fair and reasonable, are not unreasonably broad in scope, are reasonably necessary to protect the property and other interests of the Company and the Affiliated Companies, and will not prevent Executive from obtaining other suitable employment in the event Executive's employment with the Company terminates. Nevertheless, if the scope of any provision contained in Sections 13, 14 or 15 is deemed by any court having jurisdiction to be too broad to permit enforcement of such provision to its fullest extent, then such provision shall nevertheless be enforced to the maximum extent permitted by applicable law, and the Company and Executive each hereby request any such court to judicially modify any such provision accordingly, and each consent to such judicial modification, in any proceeding brought to enforce such provision.

20. Company Modification of Restrictions. The Company may at any time and from time to time during or after the term of Executive's employment by the Company, on its own initiative and without the necessity of obtaining any consent from or agreement of Executive with respect thereto, modify any of the provisions of Sections 13, 14 or 15 that restrict Executive's actions or rights in whatever manner the Company chooses if such modification makes the provision in question less restrictive or burdensome as to Executive's actions or rights than it was prior to modification. Any such modification will be effective immediately upon the Company's giving written notice to Executive thereof (including the precise wording changes made).

21. Publicly Traded Stock. The provisions of Section 14 shall not prohibit Executive from owning not more than one percent (1%) of the outstanding stock or other corporate security of a company that is traded or quoted on a national securities exchange or national market system.

22. Waiver of Jury Trials. Notwithstanding any right to a jury trial for any claims, Executive and the Company each waive any such right to a jury trial, and agree that any claim of any type in connection with Executive's employment by the Company or any of its Affiliated Companies (including but not limited to employment discrimination litigation, wage litigation, defamation, or any other claim) filed in any court will be tried, if at all, without a jury.

23. Choice of Forum; Consent to Jurisdiction. Any claim or action brought by Executive against the Company or any of its Affiliated Companies that arises under or relates to this Agreement or is in any way in connection with the employment of Executive by the Company or any of its Affiliated Companies, or the termination thereof, must be brought

and maintained only in a court sitting in either (a) Marion County, Indiana, or Ripley County, Indiana, or, if in a federal court, the United States District Court for the Southern District of Indiana, Indianapolis Division, or (b) the state in which the Company is incorporated or maintains its principal office at the time of the claim or action. Executive consents to the personal jurisdiction of any such court over Executive with respect to any claim or action brought against Executive by the Company or any of its Affiliated Companies arising under or relating to this Agreement or in any way in connection with Executive's employment by the Company or any of its Affiliated Companies, or the termination thereof.

24. Choice of Law. This Agreement shall be deemed to have been made in the State of Indiana, and shall be interpreted, construed and enforced in accordance with the laws of that State without regard to the choice of law provisions thereof.

25. Severability. The Parties agree that each and every paragraph, sentence, clause, term and provision of this Agreement is severable and that, in the event any portion of this Agreement is adjudged to be invalid or unenforceable, the remaining portions thereof shall remain in effect and be enforced to the fullest extent permitted by law.

26. Assignment. The rights and obligations of the Company under this Agreement shall inure to its benefit, as well as the benefit of its successor and Affiliated Companies, and shall be binding upon the successors and assigns of the Company. This Agreement, being personal to Executive, cannot be assigned by Executive, but Executive's personal representative shall be bound by all its terms and conditions.

27. Notices. Except as otherwise specifically provided or permitted elsewhere in this Agreement, any notice required or permitted to be given hereunder shall be sufficient and deemed to have been given if in writing and either hand delivered (in person or by a recognized courier or delivery service) or mailed by certified or registered U.S. Mail, return receipt requested, addressed to Executive at the last known residence address of Executive on the Company's records or to the Company at its principal office address with an additional copy mailed by regular mail to the Office of the General Counsel of Hillenbrand, Inc., One Batesville Boulevard, Batesville, Indiana 47006. This Section is not intended to modify any requirement elsewhere in this Agreement that a notice must be received by a Party ("giving" notice is not the equivalent of "receipt" of notice when receipt is expressly required or specified).

28. Amendments and Waivers. Except as specifically provided herein, any modification, amendment, extension or waiver of this Agreement or any provision hereof must be in writing and must be signed by both Parties or, in the case of a waiver, signed by the Party charged with making such waiver. The waiver by the Company or Executive of a breach of any provision of this Agreement shall not be construed as a waiver of any subsequent breach.

29. Employee Manuals, Policies, Etc. Notwithstanding anything in this Agreement to the contrary, the Company and its Affiliated Companies shall have the right from time to time to adopt, modify or amend and maintain in full force and effect any employee manuals, policies or procedures applicable to employees generally (including Executive)

and any such adoption, modification or amendment shall be in force and effect without it being considered an amendment or modification of this Agreement.

30. Enforcement by Affiliated Companies. The Affiliated Companies of the Company are intended to be third party beneficiaries with respect to the provisions of Sections 13-28, both inclusive, to the extent relevant to them, and such Sections shall extend to and may be enforced by any of such Affiliated Companies in their own names or by the Company on their behalf.

31. Integration. This Agreement supersedes and replaces any prior employment agreement or similar oral or written agreements or understandings between Executive and the Company or any of its Affiliated Companies in respect of the matters addressed hereby.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties have signed this Agreement as of the day and year first above written, to be effective as of the Effective Date.

HILLENBRAND, INC.

By: /s/ Nicholas R. Farrell

Name: Nicholas R. Farrell
Title: Senior Vice President, General Counsel,
Secretary & Chief Compliance Officer

EXECUTIVE

/s/ Kimberly K. Ryan

EXHIBIT 10.3

CHANGE IN CONTROL AGREEMENT

This Change in Control Agreement (the “Agreement”) is made as of the 30th day of December, 2021 (the “Effective Date”), by and between Hillenbrand, Inc., an Indiana corporation (the “Company”), and Kimberly K. Ryan (the “Executive”).

WHEREAS, the Company considers it essential to the best interests of its shareholders to foster continuous employment by the Company and its subsidiaries of their key management personnel;

WHEREAS, the Compensation and Management Development Committee (the “Committee”) of the Board of Directors (the “Board”) of the Company has recommended, and the Board has approved, that the Company enter into Change in Control Agreements with key executives of the Company and its subsidiaries who are from time to time designated by the management of the Company and approved by the Committee; and

WHEREAS, the Board believes it is in the best interests of the Company and its shareholders that in the event of any proposed Change in Control (as defined below) Executive be in a position to provide assessment and advice to the Board regarding any proposed Change in Control without concern that Executive might be unduly distracted by the personal uncertainties and risks created by any proposed Change in Control;

NOW, THEREFORE, the Company and Executive agree as follows:

1. **Effectiveness.** The terms and conditions of this Agreement shall become effective commencing on the Effective Date. The Company and Executive acknowledge and agree that, as of the Effective Date, any prior Change in Control Agreement between the Company and Executive is hereby terminated in its entirety and considered null and void.

2. **Termination following a Change in Control.** After the occurrence of a Change in Control, the Company will provide or cause to be provided to Executive the rights and benefits described in Section 3 hereof in the event that Executive’s employment with the Company and its subsidiaries is terminated:

(a) by the Company or its subsidiaries (or its or their successors) for any reason other than for death, permanent disability or Cause (as defined below) at any time prior to the second anniversary of a Change in Control; or

(b) by Executive for Good Reason (as defined below) at any time prior to the second anniversary of a Change in Control.

Anything in this Agreement to the contrary notwithstanding, if a Change in Control occurs and if the Executive’s employment with the Company is terminated by the Company other than for death, permanent disability or Cause, or by Executive for Good Reason, prior to the date on which the Change in Control occurs, and if it is reasonably demonstrated by Executive that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change in Control or (ii) otherwise arose in connection with or anticipation of a Change in Control which subsequently occurs within three months of such termination, then for purposes of this Agreement a Change in Control shall be deemed to have occurred on the day immediately prior to such termination of employment, and all references in Section 3 to payments within a specified period as allowed by law following "Termination" shall instead be references to the specified period following the Change in Control.

The rights and benefits described in Section 3 hereof shall be in lieu of any severance or similar payments otherwise payable to Executive under any employment agreement or severance plan or program of the Company or any of its subsidiaries but shall not otherwise affect Executive's rights to compensation or benefits under the Company's compensation and benefit programs except to the extent expressly provided herein.

3. **Rights and Benefits Upon Termination.**

In the event of the termination of Executive's employment under any of the circumstances set forth in Section 2 hereof ("Termination"), the Company shall provide or cause to be provided to Executive the following rights and benefits, provided that Executive executes and delivers to the Company within 45 days of the Termination a release ("Release") in a form reasonably acceptable to the Company:

(a) a lump sum payment in cash in the amount of three times the sum of (x) Executive's Annual Base Salary (as defined below), plus (y) the Executive's Target Short-Term Incentive, payable (i) on the date which is six months following Termination, if the Executive is a "specified employee" as defined in Code Section 409A(a)(2)(B)(i) of the Internal Revenue Code of 1986, as amended ("Code") (Section 409A of the Code is hereunder referred to as "Section 409A"), and the Treasury Regulations promulgated thereunder (to the extent required in order to comply with Section 409A); or (ii) on the next regularly scheduled payroll following the earlier to occur of fifteen (15) days from the Company's receipt of an executed Release or the expiration of sixty (60) days after Executive's Termination, if Executive is not such a "specified employee" (or such payment is exempt from Section 409A); provided, however, that if the before-stated sixty (60) day period ends in a calendar year following the calendar year in which the sixty (60) day period commenced, then any benefits not subject to clause (i) shall only begin on the next regularly scheduled payroll following the expiration of sixty (60) days after the Executive's Termination;

(b) for the 36 months following Termination, continued health and medical insurance coverage for Executive and Executive's dependents substantially comparable (with regard to both benefits and employee contributions) to the coverage provided by the Company immediately prior to the Change in Control for active employees of equivalent rank. From the end of such 36 month period until Executive attains Social Security Retirement Age, Executive shall have the right to purchase (at COBRA rates applicable to such coverage) continued coverage for Executive and Executive's dependents under one or more plans maintained by the Company for its active employees, to the extent Executive would have been eligible to purchase continued coverage under the plan in effect immediately prior to the Change in Control had Executive's employment terminated 36 months following Termination. The payment of any health or medical claims for the health and medical coverage provided in this subparagraph (b) shall be made to the Executive as soon as administratively practicable after the Executive has provided the appropriate claim documentation, but in no event shall the payment for any such health or medical claim be paid later than the last day of the calendar year following the calendar year in which the expense was incurred. Notwithstanding anything herein to the contrary, to the extent required by Section 409A: (i) the amount of medical claims eligible for reimbursement or to be provided as an in-kind benefit under this Agreement during a calendar year may not affect the medical claims eligible for reimbursement or to be provided as an in-kind benefit in any other calendar year, and (ii) the right to reimbursement or in-kind benefits under this Agreement shall not be subject to liquidation or exchange for another benefit;

(c) a lump sum payment in cash, payable within sixty (60) days after Termination, equal to all reimbursable business expenses and similar miscellaneous benefits as of the Termination; provided, however, that to the extent that any such miscellaneous benefits are subject to Section 409A, such benefits shall be paid in one lump sum (i) on the date which is six months following Termination, if the Executive is a “specified employee” as defined in Code Section 409A(a)(2)(b)(i), or (ii) on the next regularly scheduled payroll following the earlier to occur of fifteen (15) days from the Company’s receipt of an executed Release or the expiration of sixty (60) days after Executive’s Termination, if Executive is not such a “specified employee”; provided, however, that if the before-stated sixty (60) day period ends in a calendar year following the calendar year in which the sixty (60) day period commenced, then any benefits not subject to clause (i) shall only begin on the next regularly scheduled payroll following the expiration of sixty (60) days after the Executive’s Termination;

(d) a lump sum payment in cash equal to the amount of Short-Term Incentive Compensation payable to Executive for the fiscal year or other performance period that includes the date of the Termination, calculated based on the greater of (i) an assumed achievement of all relevant performance goals at their “target” level, or (ii) the actual level of achievement of all relevant performance goals against target measured through the date immediately prior to the date of Termination (or as close to such date as administratively practicable), and pro-rated based on the number of days in the applicable fiscal year or other performance period through (and including) the date of Termination.

(e) accelerated vesting in full of all outstanding awards held by Executive under the Company’s Stock Incentive Plan, with any such awards with respect to which the number of shares of common stock of the Company earned depends upon performance calculated as follows: (i) for awards granted prior to February 11, 2021, an assumed achievement of all relevant performance goals at their “target” level, and (ii) for awards granted on or after February 11, 2021, the greater of (A) an assumed achievement of all relevant performance goals at their “target” level, or (B) the actual level of achievement of all relevant performance goals against target measured through the date immediately prior to the Change in Control (or as close to such date as administratively practicable); provided, that if the Change in Control involves a merger, acquisition or other corporate restructuring in which the Company is not the surviving entity (or survives as a subsidiary of another entity) (an “Acquisition”), then, in lieu of any such shares of common stock of the Company as described above, Executive shall be entitled to receive consideration equal to that which Executive would have received had the Termination occurred (and, thus, the rights and benefits set forth above been realized) immediately prior to the Acquisition; and provided further, that the Company shall in any case have the right to substitute cash for shares of common stock of the Company or consideration in an amount equal to the fair market value of such shares or consideration as reasonably determined by the Company.

Any distribution to be made under Section 3(d) or (e) shall be made no later than two and one half months following Executive's Termination, except to the extent otherwise required in order to comply with Section 409A.

4. **Adjustments to Payments.**

(a) If any payment or benefit Executive would receive pursuant to this Agreement or otherwise, including accelerated vesting of any equity compensation (all such payments and/or benefits hereinafter, "Payment"), would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then such Payment shall be either (x) provided to the Executive in full, or (y) provided to the Executive to such lesser extent which would result in no portion of such Payment being subject to the excise tax, further reduced by $5,000 (including such further reduction, the "Cutback Amount"), whichever of the foregoing amounts, when taking into account applicable federal, state, local and foreign income and employment taxes, such excise tax and other applicable taxes, (all computed at the highest applicable marginal rates), results in the receipt by the Executive, on an after-tax basis, of the greatest amount of the Payment, notwithstanding that all or a portion of such Payment may be subject to the excise tax. If a reduction in payments or benefits constituting "parachute payments" is necessary so that the Payment equals the Cutback Amount, reduction shall occur in the following order: (A) cash payments shall be reduced first and in reverse chronological order such that the cash payment owed on the latest date following the occurrence of the event triggering such excise tax will be the first cash payment to be reduced; (B) accelerated vesting of performance-based equity awards shall be cancelled or reduced next and in the reverse order of the date of grant for such awards (i.e., the vesting of the most recently granted awards will be reduced first), with full-value awards reduced before any performance-based stock option or stock appreciation rights are reduced; (C) health and welfare benefits shall be reduced and in reverse chronological order such that the benefit owed on the latest date following the occurrence of the event triggering such excise tax will be the first benefit to be reduced; and (D) accelerated vesting of time-based equity awards shall be cancelled or reduced last and in the reverse order of the date of grant for such awards (i.e., the vesting of the most recently granted awards will be reduced first), with full-value awards reduced before any time-based stock option or stock appreciation rights are reduced.

(b) The Company shall appoint a nationally recognized accounting firm to make the determinations required hereunder and perform the foregoing calculations. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder. The accounting firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Company and Executive within fifteen (15) calendar days after the date on which right to a Payment is triggered (if requested at that time by the Company or Executive). Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and Executive.

5. **Section 409A Acknowledgement.**

Executive acknowledges that Executive has been advised of Section 409A, which has significantly changed the taxation of nonqualified deferred compensation plans and arrangements. Under proposed and final regulations as of the date of this Agreement, Executive has been advised that Executive's severance pay and other Termination benefits may be treated by the Internal Revenue Service as "nonqualified deferred compensation," subject to Section 409A. In that event, several provisions in Section 409A may affect Executive's receipt of severance compensation, including the timing thereof. These include, but are not limited to, a provision which requires that distributions to "specified employees" (as defined in Section 409A) on account of separation from service may not be made earlier than six months after the effective date of separation. If applicable, failure to comply with Section 409A can lead to immediate taxation of such deferrals, with interest calculated at a penalty rate and a 20% excise tax. As a result of the requirements imposed by the American Jobs Creation Act of 2004, Executive agrees that if Executive is a "specified employee" at the time of Executive's termination and if severance payments are covered as "nonqualified deferred compensation" or otherwise not exempt, such severance pay (and other benefits to the extent applicable) due Executive at time of termination shall not be paid until a date at least six months after Executive's effective termination date. Executive acknowledges that, notwithstanding anything contained herein to the contrary, both Executive and the Company shall each be independently responsible for accessing their own risks and liabilities under Section 409A that may be associated with any payment made under the terms of this Agreement which may be deemed to trigger Section 409A. To the extent applicable, Executive understands and agrees that Executive shall have the responsibility for, and Executive agrees to pay, any and all appropriate income tax or other tax obligations for which Executive is individually responsible and/or related to receipt of any benefits provided in this Agreement. Executive agrees to fully indemnify and hold the Company harmless for any taxes, penalties, interest, cost or attorneys' fee assessed against or incurred by the Company on account of such benefits having been provided to Executive or based on any alleged failure to withhold taxes or satisfy any claimed obligation. Executive understands and acknowledges that neither the Company, nor any of its employees, attorneys or other representatives, has provided or will provide Executive with any legal or financial advice concerning taxes or any other matter, and that Executive has not relied on any such advice in deciding whether to enter into this Agreement. Notwithstanding any provision of this Agreement to the contrary, to the extent that any payment under the terms of this Agreement would constitute an impermissible acceleration of payments under Section 409A or any regulations or Treasury guidance promulgated thereunder, such payments shall be made no earlier than at such times allowed under Section 409A. If any provision of this Agreement (or of any award of compensation) would cause Executive to incur any additional tax or interest under Section 409A or any regulations or Treasury guidance promulgated thereunder, the Company or its successor may reform such provision; provided that it will (i) maintain, to the maximum extent practicable, the original intent of the applicable provision without violating the provisions of Section 409A and (ii) notify and consult with Executive regarding such amendments or modifications prior to the effective date of any such change.

6. **Non-Competition; Non-Solicitation.** In the event that upon a Termination, Executive receives any of the rights and benefits described in Section 3 hereof, then during the period beginning on such Termination and ending three years thereafter:

(a) Executive will not, unless acting as an employee of the Company or any of its affiliated companies or with the prior written consent of the Company, directly or indirectly, own, manage, operate, finance, join, control or participate in the ownership, management, operation, financing or control of, or be connected in a competitive capacity as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise with, or use or permit Executive's name to be used in connection with, any business or enterprise that (i) is engaged in the business of designing, engineering, manufacturing, marketing, selling or distributing any products or services that compete with, or are a functional equivalent of or alternative for, any of the products or services designed, engineered, manufactured, marketed, sold or distributed by the Company or any of its affiliated companies within the year prior to the Termination or that the Company or any of its affiliated companies are about to so do at the time of such Termination (the "Competing Products"), and (ii) is engaged in any such activities within any state of the United States or the District of Columbia or any other country in which the Company or any of its affiliated companies engages in or is about to engage in any of such activities; and

(b) Executive will not, unless acting as an employee of the Company or any of its affiliated companies or with the prior written consent of the Company, (i) call on or solicit, either directly or indirectly, for any purposes involving the designing, engineering, manufacturing, marketing, selling, purchasing or distributing of any Competing Products, any person, firm, corporation or other entity who or which is or had been, at the time of or within two years prior to the Termination, a customer of the Company or any of its affiliated companies, or (ii) knowingly solicit for employment, or otherwise for the providing of advice or services, any person who is an employee of the Company or any of its affiliated companies or who was such an employee within six months prior to such Termination.

The provisions of Section 6(a) shall not prohibit Executive from owning not more than one percent (1%) of the outstanding stock or other corporate security of a company that is traded or quoted on a national securities exchange or national market system

7. **Definitions.** As used in this Agreement, the following terms shall have the following meanings:

(a) "Annual Base Salary" means the annualized amount of Executive's rate of base salary in effect immediately before the Change in Control or such higher rate as may be in effect at any time on or after the Change in Control.

(b) "Cause" shall have the same meaning set forth in any current employment agreement that the Executive has with the Company or any of its subsidiaries.

(c) A "Change in Control" shall be deemed to occur on:

(i) the date that any person, corporation, partnership, syndicate, trust, estate or other group acting with a view to the acquisition, holding or disposition of securities of the Company, becomes, directly or indirectly, the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934) of securities of the Company representing 35% or more of the voting power of all securities of the Company having the right under ordinary circumstances to vote at an election of the Board ("Voting Securities"), other than by reason of (x) the acquisition of securities of the Company by the Company or any of its

Subsidiaries or any employee benefit plan of the Company or any of its Subsidiaries, or (y) the acquisition of securities of the Company directly from the Company;

(ii) the consummation of a merger or consolidation of the Company with another corporation unless

(A) the shareholders of the Company, immediately prior to the merger or consolidation, beneficially own, immediately after the merger or consolidation, shares entitling such shareholders to 50% or more of the voting power of all securities of the corporation surviving the merger or consolidation having the right under ordinary circumstances to vote at an election of directors in substantially the same proportions as their ownership, immediately prior to such merger or consolidation, of Voting Securities of the Company;

(B) no person, corporation, partnership, syndicate, trust, estate or other group beneficially owns, directly or indirectly, 35% or more of the voting power of the outstanding voting securities of the corporation resulting from such merger or consolidation except to the extent that such ownership existed prior to such merger or consolidation; and

(C) the members of the Company's Board, immediately prior to the merger or consolidation, constitute, immediately after the merger or consolidation, a majority of the board of directors of the corporation issuing cash or securities in the merger;

(iii) the date on which individuals who at the beginning of the 24-month period ending on such date constituted the entire Board ("Current Directors") shall cease for any reason to constitute a majority of the Board, unless the nomination or election of each new director was approved by a majority vote of the Current Directors;

(iv) the consummation of a sale or other disposition of all or substantially all (*i.e.,* 50% or more) of the assets of the Company in one transaction or a series of transactions within any period of 12 consecutive months; or

(v) the date of approval by the shareholders of the Company of a plan of complete liquidation of the Company.

(f) "Good Reason" shall have the same meaning set forth in any current employment agreement that the Executive has with the Company or any of its subsidiaries.

(g) "Short-Term Incentive Compensation" means the Incentive Compensation payable under the Short-Term Incentive Compensation Program, or any successor or other short-term incentive plan or program.

(h) "Target Short-Term Incentive" means the higher of (i) the target Incentive Compensation opportunity under the Short-Term Incentive Compensation Program applicable to Executive as in effect immediately prior to the Change in Control, provided that if no target Incentive Compensation opportunity has been established for the year or other performance period in which the Change in Control occurs, as in effect for the year or other performance period immediately preceding the year in which the Change in Control occurs, or (ii) the target Incentive Compensation opportunity under the Short-Term Incentive Compensation Program applicable to Executive as in effect any time after the Change in Control.

8. **Notice.**

(a) Any discharge or termination of Executive's employment pursuant to Section 2 shall be communicated in a written notice to the other party hereto setting forth the effective date of such discharge or termination (which date shall not be more than 30 days after the date such notice is delivered) and, in the case of a discharge for Cause or a termination for Good Reason the basis for such discharge or termination.

(b) For purposes of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States certified or registered mail, return receipt requested, postage prepaid, addressed (i) in the case of Executive, to the last address the Company has on file; or (ii) in the case of the Company, to One Batesville Boulevard, Batesville, Indiana 47006, provided that all notices to the Company shall be directed to the attention of the Board with a copy to the General Counsel, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

9. **No Duty to Mitigate.** Executive is not required to seek other employment or otherwise mitigate the amount of any payments to be made by the Company pursuant to this Agreement.

10. **Assignment.**

(a) This Agreement is personal to Executive and shall not be assignable by Executive other than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors. The Company shall require any successor to all or substantially all of the business and/or assets of the Company, whether direct or indirect, by purchase, merger, consolidation, acquisition of stock, or otherwise, to expressly assume and agree to perform this Agreement in the same manner and to the same extent as the Company would be required to perform it if no such succession had taken place.

11. **Arbitration.** Any dispute or controversy arising under, related to or in connection with this Agreement shall be settled exclusively by arbitration before a single arbitrator in Indianapolis, Indiana, in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitrator's award shall be final and binding on all parties to this Agreement. Judgment may be entered on an arbitrator's award in any court having competent jurisdiction.

12. **Integration.** As of the Effective Date, this Agreement supersedes and replaces any oral or written agreements or understandings in respect of the matters addressed hereby. To the extent the terms or conditions of any equity award grant instrument conflict with the terms of this Agreement, the terms of this Agreement shall govern.

13. **Amendment.** This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

14. **Severability.** The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

15. **Withholding.** The Company may withhold from any amounts payable under this Agreement such federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

16. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana without reference to principles of conflict of laws.

17. **Attorney's Fees.** If any legal proceeding (whether in arbitration, at trial or on appeal) is brought under or in connection with this Agreement, each party shall pay its own expenses, including attorneys' fees.

18. **Term of Agreement.** The term of this Agreement shall be one year commencing on the date hereof; provided however, that this Agreement shall be automatically renewed for successive one-year terms commencing on each anniversary of the date of this Agreement unless the Company shall have given notice of non-renewal to Executive at least 30 days prior to the scheduled termination date; and further provided that notwithstanding the foregoing, (i) this Agreement shall not terminate within two years after a Change in Control, or during any period of time when a transaction which would result in a Change in Control is pending or under consideration by the Board, and (ii) Section 6 hereof shall survive termination. The termination of this Agreement shall not adversely affect any rights to which Executive has become entitled prior to such termination.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the day and year first above set forth.

HILLENBRAND, INC.

By: /s/ Nicholas R. Farrell

Name: Nicholas R. Farrell
Title: Senior Vice President, General Counsel,
Secretary & Chief Compliance Officer

EXECUTIVE

/s/ Kimberly K. Ryan

EXHIBIT 31.1

CERTIFICATIONS

Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Kimberly K. Ryan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Hillenbrand, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a.) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b.) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c.) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d.) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a.) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b.) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 2, 2022

/s/ Kimberly K. Ryan

Kimberly K. Ryan
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATIONS

Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Kristina A. Cerniglia, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Hillenbrand, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a.) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b.) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c.) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d.) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

a.) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b.) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: February 2, 2022

/s/ Kristina A. Cerniglia
Kristina A. Cerniglia
Senior Vice President and Chief Financial Officer

EXHIBIT 32.1

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

In connection with the Quarterly Report of Hillenbrand, Inc. (the "Company") on Form 10-Q for the period ended December 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kimberly K. Ryan, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Kimberly K. Ryan

Kimberly K. Ryan
President and Chief Executive Officer
February 2, 2022

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

EXHIBIT 32.2

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

In connection with the Quarterly Report of Hillenbrand, Inc. (the "Company") on Form 10-Q for the period ended December 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kristina A. Cerniglia, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Kristina A. Cerniglia

Kristina A. Cerniglia
Senior Vice President and Chief Financial Officer
February 2, 2022

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