PENTAIR

Q3 2018 EARNINGS RELEASE

OCTOBER 23, 2018

Forward-Looking Statements

Caution Concerning Forward-Looking Statements

This presentation contains statements that we believe to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact are forward-looking statements. Without limitation, any statements preceded or followed by or that include the words "targets," "plans," "believes," "expects," "intends," "will," "likely," "may," "anticipates," "estimates," "projects," "should," "would," "positioned," "strategy," "future" or words, phrases or terms of similar substance or the negative thereof, are forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, assumptions and other factors, some of which are beyond our control, which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. These factors include the ability to realize the anticipated benefits from the separation of nVent Electric plc from Pentair (the "Separation"); adverse effects on our business operations or financial results and the market price of our shares as a result of the consummation of the Separation; the ability of our business to operate independently following the Separation; overall global economic and business conditions impacting our business; the ability to achieve the benefits of our restructuring plans; the ability to successfully identify, finance, complete and integrate acquisitions; competition and pricing pressures in the markets we serve; the strength of housing and related markets; volatility in currency exchange rates and commodity prices, including the impact of tariffs; inability to generate savings from excellence in operations initiatives consisting of lean enterprise, supply management and cash flow practices; increased risks associated with operating foreign businesses; failure of markets to accept new product introductions and enhancements; the impact of changes in laws and regulations, including those that limit U.S. tax benefits; the outcome of litigation and governmental proceedings; and the ability to achieve our long-term strategic operating goals. Additional information concerning these and other factors is contained in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2017. All forward-looking statements speak only as of the date of this presentation. Pentair plc assumes no obligation, and disclaims any obligation, to update the information contained in this presentation.

Key Definitions

- Except as Otherwise Noted All References to 2018 and 2017 Represent Our Results from Continuing Operations for the Period Indicated, Presented on an Adjusted Basis
- "Core Sales" Refers to GAAP Revenue from Continuing Operations Excluding (1) the Impact of Currency Translation and (2) the Impact of Revenue from Acquired Businesses Recorded Prior to the First Anniversary of the Acquisition Less the Amount of Sales Attributable to Divested Product Lines Not Considered Discontinued Operations
- Segment Income Represents Equity Income of Unconsolidated Subsidiaries and Operating Income from Continuing Operations Exclusive of Non-Cash Intangible Amortization, Certain Acquisition Related Expenses, Costs of Restructuring Activities, Impairments, and Other Unusual Non-Operating Items
- Return on Sales ("ROS") Equals Segment Income Divided by Sales
- See Appendix for GAAP to Non-GAAP Reconciliations

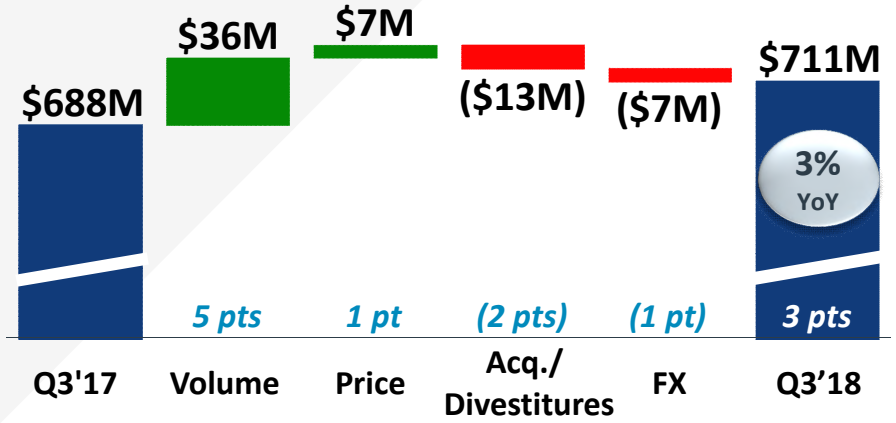
Executive Summary

Q3'18	• Core Sales Grew 6%; ROS of 17.1% • Adjusted EPS Grew 10% to $0.54; Free Cash Flow of $108M • Purchased $100M of Shares in the Quarter; $400M YTD
Outlook 2018	• Expect Core Sales to Grow 4-5% • Expect ROS to Expand ~50 bps to ~18% • Adjusted EPS Expected to be ~$2.33 … Targeting Free Cash Flow to Approximate Adjusted Net Income

Raising FY Adjusted EPS Guidance to ~$2.33; Up 20% YoY

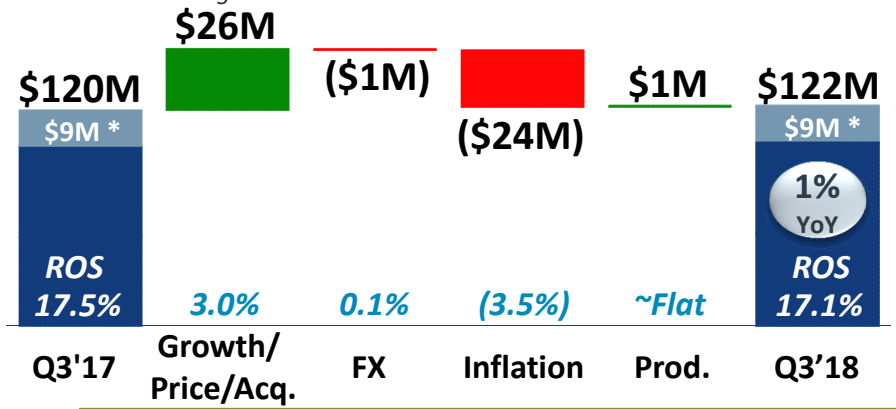
Q3'18 Pentair Performance

Sales



Segment Income

**Non-Cash Intangible Amortization*



Financial Highlights (YoY)

Core Sales Up 6%

- Aquatic Systems Up 12%
- Filtration Solutions Up 2%
- Flow Technologies Up 5%

Segment Income Up 1%

ROS 17.1% … Down 40 bps

Adj. EPS $0.54 … Up 10%

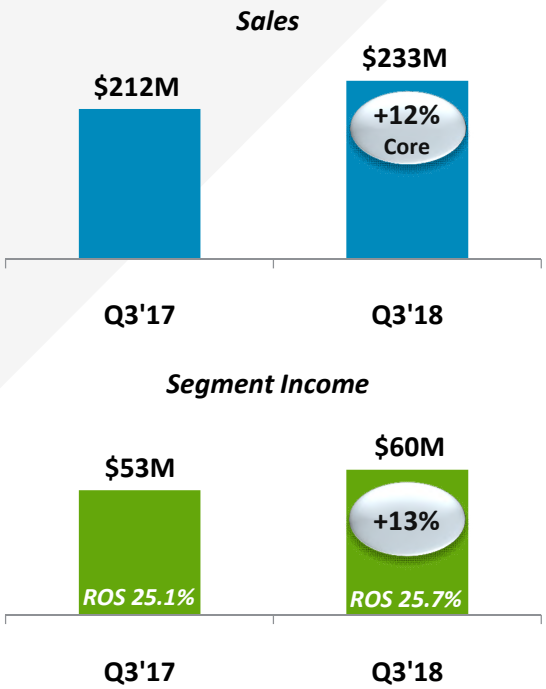
- Adjusted Tax Rate of 18.0%
- Net Interest/Other of $5.6M; Shares 175.7M

Free Cash Flow of $108M; YTD FCF of $265M

Strongest Core Growth of the Year

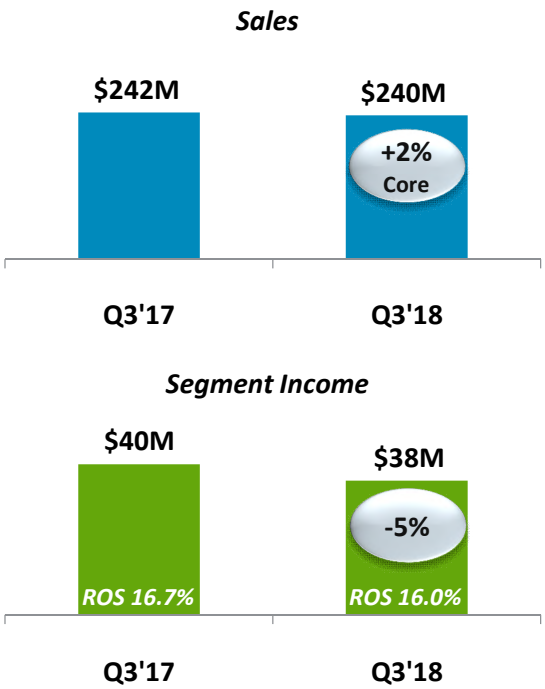
Q3'18 Pentair Segment Performance

Aquatic Systems



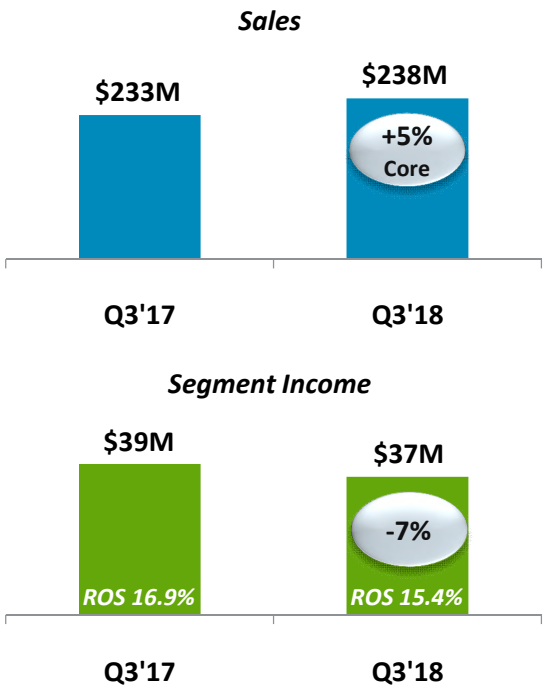
- Demand Remained Healthy and Continued Dealer Gains
- Growth Investments Continue and Positive Mix

Filtration Solutions



- North American and Industrial Strength; F&B Stabilization
- Significant Inflation not yet Offset by mid-Sept Pricing

Flow Technologies



- North American Growth and Large Pump Stabilization
- Significant Inflation not yet Offset by mid-Sept Pricing

Strong Growth and Price Increases Implemented

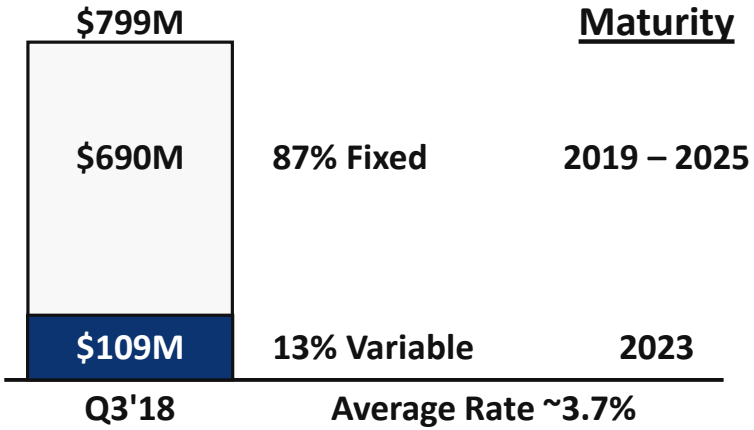
Balance Sheet and Cash Flow

CASH FLOW ($M)

	Q3 2018	YTD 2018
Net Income - Continuing Ops	**$ 91**	**$ 228**
Amortization	9	27
Subtotal	**$ 100**	**$ 255**
Depreciation	12	37
Capital Expenditures	(13)	(34)
Working Capital	(14)	(23)
Other Accruals/Other	14	10
Free Cash Flow – Total	**$ 99**	**$ 245**
Free Cash Flow – Discontinued Ops	(9)	(20)
Free Cash Flow – Continuing Ops	**$ 108**	**$ 265**

- **2018F Capital Expenditures ~$50M**
- **2018F D&A of ~$85M + ~$17M of Non-Cash Stock Compensation**
- **ROIC at Quarter End 16.3%**

DEBT SUMMARY



**Does Not Include $65M of Cash on Hand*

DEBT ROLL-FORWARD ($M)

Use of Cash:	Q3 2018	YTD 2018
Beginning Debt	**$ 780**	**$ 1,441**
Used (Generated) Cash	(99)	(245)
Share Repurchase	100	400
Dividends	31	157
Cash from nVent	-	(919)
Other	(13)	(35)
Ending Debt	**$ 799**	**$ 799**

Balance Sheet Remains Strong

Q4'18 Pentair Outlook

	Q4'18	Q4'17
Sales	~$736M	$721M
Op. Income	~$125M	$85M
Seg. Income	~$135M	$128M
ROS	~18%	17.7%
EPS *(Rpt.)*	~$0.55	$0.30
EPS *(Adj.)*	~$0.59	$0.52

Summary

- Sales Growth Expected in All Three Segments Led by Aquatics
- Expect Price Increases to be Fully Implemented
- Anticipate Free Cash Flow in Line with Seasonal Trends

Q4'18 Financial Outlook (YoY)

Core Sales Up ~4-5%

- Aquatic Systems Up ~10-12%
- Filtration Solutions Up ~1-2%
- Flow Technologies Up ~2-3%

Segment Income Up ~6%

ROS ~18% … Up ~30 bps

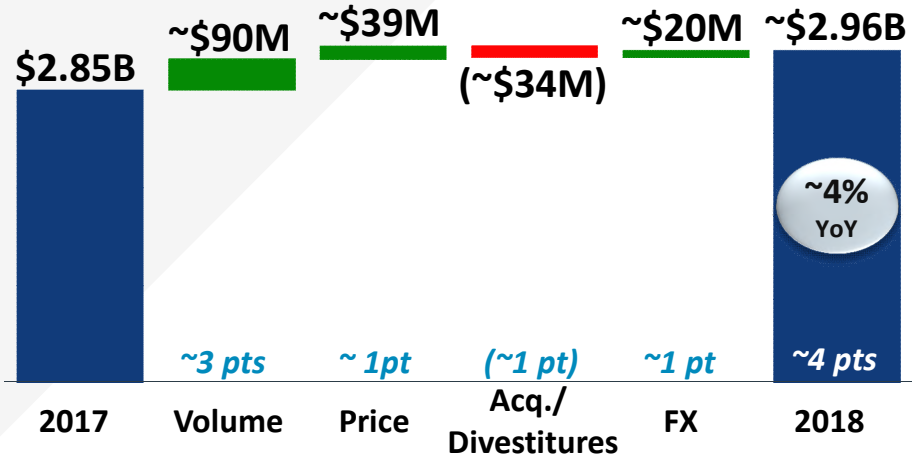
Other Items

- Tax Rate of ~18%
- Net Interest/Other ~$7M
- Shares ~176M

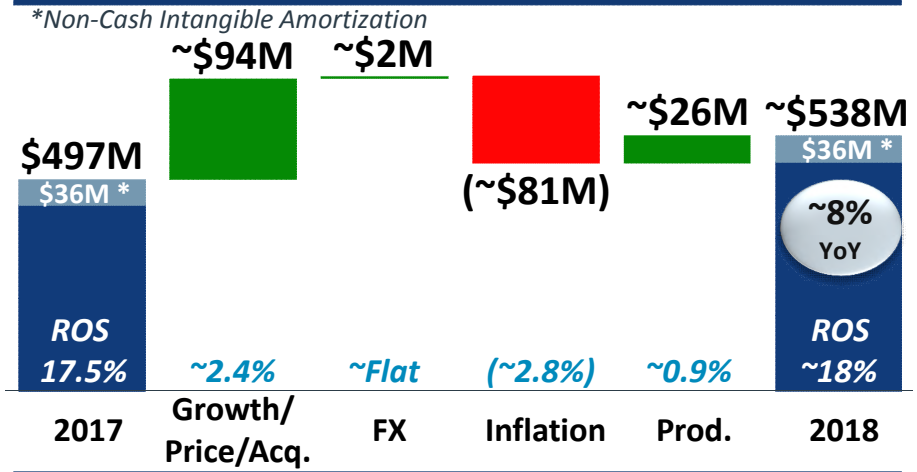
Anticipate Continued Momentum Exiting 2018

2018 Pentair Outlook

2018 Sales Outlook



2018 Segment Income Outlook



Summary

Core Sales Up 4-5%

- Aquatic Systems Up ~10%
- Filtration Solutions Up ~1-2%
- Flow Technologies Up ~2-3%

Summary

Segment Income Up ~8%, ROS Up ~50 bps

- ~3% of Net Inflation
- ~1% of Net Productivity … Inclusive of Growth Investments

Positioned to Deliver Core Sales Growth and ROS Expansion

Full Year 2018 Pentair Outlook

	FY'18	FY'17
Sales	~$2.96B	$2.85B
Op. Income	~$449M	$378M
Seg. Income	~$538M	$497M
ROS	~18%	17.5%
EPS *(Rpt.)*	~$1.83	$0.62
EPS *(Adj.)*	~$2.33	$1.94

Summary

- Expect Strong Core Sales Growth
- Anticipate Segment Income Growth and ROS Expansion as Growth Investments Continue
- Balance Sheet Significantly Improved and Cash Flow Strength Expected

FY'18 Financial Outlook (YoY)

Core Sales Up 4-5%

- Aquatic Systems Up ~10%
- Filtration Solutions Up ~1-2%
- Flow Technologies Up ~2-3%

Segment Income Up ~8%

ROS ~18% … Up ~50 bps

- Aquatic Systems ROS ~27%
- Filtration Solutions ROS ~16%
- Flow Technologies ROS ~16%

Other Items

- Tax Rate of ~18%
- Adjusted Net Interest/Other ~$30M;
- Shares ~178M

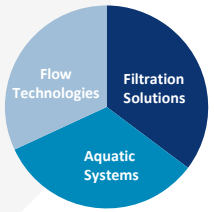
Targeting Free Cash Flow ~100% of Adjusted Net Income

Expect to Exit 2018 with Improved Portfolio and Fundamentals

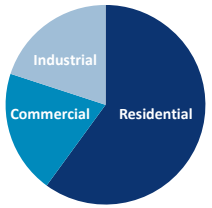
Pentair Strategy Summary

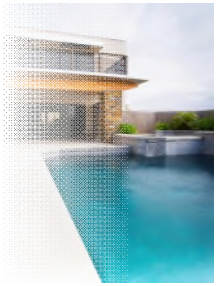
Our Vision: To be the Leading Residential & Commercial Water Treatment Company

Sales by Segment

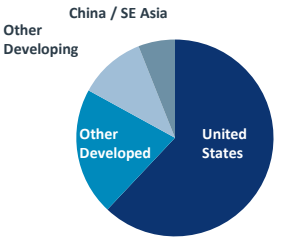


Sales by Vertical





Sales by Geography



A Pure Play Water Company

- ✓ ~$3B of Revenue*
- ✓ ~18% ROS*
- ✓ Targeting Free Cash Flow = Adjusted Net Income

*Represents current 2018 outlook

Focused Strategies

- Advance Pool Growth
- Accelerate Residential & Commercial Treatment

Accelerated by:

- Innovation
- Digital Transformation

Grounded in:

Win Right Values and Utilizing **PIMS** for Sustained & Consistent Performance

Value Creation Through:

Revenue Growth

- Base Core Growth
- Differentiated Growth
- Tuck-in and Bolt-on M&A

Sustained Performance

- Sustained Operating Margin Expansion
- Free Cash Flow = Adjusted Net Income
- ROIC Acceleration

Smart Capital Allocation

- Remain Investment Grade
- Fuel Core Growth Investments
- Competitive Dividend Yield
- M&A / Intelligent Buy Backs

Focused Residential & Commercial Water Treatment Company

Focused Strategies

Advance Pool Growth	• Penetration of Connected Pools/Products • New Product Introductions Inclusive of "Smart" Technologies • Seeking Bolt-On & Tuck-In Acquisitions
Accelerate Residential & Commercial Treatment	• Engaging Consumers Through Digital Marketing that Builds Brand Strength and Drives Demand Through Our Dealer Network • Launching Smart, Connected Products and Solutions • China & Southeast Asia • Alternative Channels & Innovative Business Models • Seeking Bolt-On & Tuck-In Acquisitions

Prioritization and Progress within Growth Opportunities

Long-Term Value Creation Goals

(As introduced at the Electrical Products Group Conference on May 21, 2018)

+2-4% Core Sales Growth ⟷ **Revenue**

+6-8% ⟷ **Segment Income**

+8-10%* ⟷ **Adj. EPS**

+ Operating Leverage / PIMS =

~$150M Annual Share Buyback =

+ Incremental Capital Allocation = Value Creation Opportunity

** Includes $150M annual share buyback*

Focus on Execution to Drive Long Term Value

Pentair Summary

Delivered Solid Q3 Results … Core Growth Accelerated

We Have a Large and Installed Base to Serve

We Continue to Invest in Our Prioritized Growth Initiatives

We Have a Strong Capital Structure, Robust FCF Generation, and Plan to be Disciplined with Our Capital

Plan to Provide 2019 Guidance on Q4'18 Earnings Call

APPENDIX

GAAP TO NON-GAAP MEASUREMENTS & RECONCILIATIONS

Reported To Adjusted 2018 Reconciliation

Pentair plc and Subsidiaries
Reconciliation of the GAAP year ended December 31, 2018 to the non-GAAP excluding the effect of 2018 adjustments (Unaudited)

	Actual			Forecast	
In millions, except per-share data	**First Quarter**	**Second Quarter**	**Third Quarter**	**Fourth Quarter**	**Full Year**
Net sales	$ 732.6	$ 780.6	$ 711.4	approx $ 736	approx $ 2,961
Operating income	92.7	122.6	108.4	approx 125	approx 449
% of net sales	*12.7%*	*15.7%*	*15.2%*	*approx 17%*	*approx 15%*
Adjustments:					
Restructuring and other	5.6	25.0	3.5	approx —	approx 34
Intangible amortization	9.3	9.1	8.6	approx 9	approx 36
Corporate allocations	8.8	2.2	—	approx —	approx 11
Equity income of unconsolidated subsidiaries	0.6	5.2	1.3	approx 1	approx 8
Segment income	117.0	164.1	121.8	approx 135	approx 538
Return on sales	*16.0%*	*21.0%*	*17.1%*	*approx 18%*	*approx 18%*
Net income from continuing operations—as reported	58.4	77.9	91.2	approx 98	approx 326
Loss on sale of business	5.3	0.9	0.2	approx —	approx 6
Loss on early extinguishment of debt	—	17.1	—	approx —	approx 17
Interest expense adjustment	6.0	2.4	—	approx —	approx 8
Pension market to market loss	—	—	2.2	approx —	approx 2
Adjustments to operating income	23.7	36.3	12.1	approx 9	approx 81
Income tax adjustments	(4.5)	(7.1)	(10.3)	approx (2)	approx (24)
Net income from continuing operations—as adjusted	$ 88.9	$ 127.5	$ 95.4	approx $ 105	approx $ 416
Continuing earnings per ordinary share—diluted					
Diluted earnings per ordinary share—as reported	$ 0.32	$ 0.44	$ 0.52	approx $ 0.55	approx $ 1.83
Adjustments	0.17	0.27	0.02	approx 0.04	approx 0.50
Diluted earnings per ordinary share—as adjusted	$ 0.49	$ 0.71	$ 0.54	approx $ 0.59	approx $ 2.33

Reported To Adjusted 2017 Reconciliation

Pentair plc and Subsidiaries
Reconciliation of the GAAP year ended December 31, 2017 to the non-GAAP excluding the effect of 2017 adjustments (Unaudited)

In millions, except per-share data	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Net sales	$ 683.3	$ 754.0	$ 687.6	$ 720.8	$ 2,845.7
Operating income—as reported	61.9	129.2	101.8	85.4	378.3
% of net sales	*9.1%*	*17.1%*	*14.8%*	*11.8%*	*13.3%*
Adjustments:					
Restructuring and other	11.6	5.9	1.4	9.3	28.2
Intangible amortization	8.7	9.3	9.2	9.2	36.4
Trade name and other impairment	—	—	—	15.6	15.6
Corporate allocations	14.6	6.8	7.5	7.8	36.7
Equity income of unconsolidated subsidiaries	0.2	0.4	0.3	0.4	1.3
Segment income	97.0	151.6	120.2	127.7	496.5
Return on sales	*14.2%*	*20.1%*	*17.5%*	*17.7%*	*17.5%*
Net income (loss) from continuing operations	12.7	(3.4)	49.0	55.8	114.1
Loss on sale of business	—	—	3.8	0.4	4.2
Pension and other post-retirement mark-to-market loss	—	—	—	8.5	8.5
Loss on early extinguishment of debt	—	101.4	—	—	101.4
Interest expense adjustment	16.5	11.9	6.8	6.5	41.7
Adjustments to operating income	34.9	22.0	18.1	41.9	116.9
Income tax adjustments	(2.5)	(22.5)	11.7	(17.2)	(30.5)
Net income from continuing operations—as adjusted	$ 61.6	$ 109.4	$ 89.4	$ 95.9	$ 356.3
Continuing earnings per ordinary share—diluted					
Diluted earnings (loss) per ordinary share—as reported	$ 0.07	$ (0.02)	$ 0.27	$ 0.30	$ 0.62
Adjustments	$ 0.26	$ 0.62	$ 0.22	$ 0.22	$ 1.32
Diluted earnings per ordinary share—as adjusted	$ 0.33	$ 0.60	$ 0.49	$ 0.52	$ 1.94

Core Sales Growth Reconciliation

Pentair plc and Subsidiaries
Reconciliation of Net Sales Growth to Core Net Sales Growth by Segment
For the Quarter Ending September 30, 2018 (Unaudited)

	Actual			
	Q3 Net Sales Growth			
	Core	Currency	Acq. / Div.	Total
Total Pentair	**6.4%**	**(1.0)%**	**(1.9)%**	**3.5%**
Aquatic Systems	12.3%	(0.5)%	(1.9)%	9.9%
Filtration Solutions	2.3%	(1.4)%	(1.7)%	(0.8)%
Flow Technologies	5.3%	(1.0)%	(2.2)%	2.1%

Pentair plc and Subsidiaries
Reconciliation of Net Sales Growth to Core Net Sales Growth by Segment
For the Quarter and Year Ending December 31, 2018 (Unaudited)

		Forecast							
		Q4 Net Sales Growth				Full Year Net Sales Growth			
		Core	Currency	Acq. / Div.	Total	Core	Currency	Acq. / Div.	Total
Total Pentair	**approx**	**4 - 5 %**	**(1) %**	**(2) %**	**1 - 2 %**	**4 - 5 %**	**1 %**	**(1) %**	**4 - 5 %**
Aquatic Systems	approx	10 - 12 %	(1) %	(2) %	7 - 9 %	10 %	—	(1) %	9 %
Filtration Solutions	approx	1 - 2 %	(1) %	(1) %	(1) - 0 %	1 - 2 %	1 %	(1) %	1 - 2 %
Flow Technologies	approx	2 - 3 %	(1) %	(3) %	(2) - (1) %	2 - 3 %	1 %	(1) %	2 - 3 %

ROIC Reconciliation

Dollars in millions	Third Quarter 2017	Fourth Quarter 2017	First Quarter 2018	Second Quarter 2018	Third Quarter 2018
Return on Invested Capital (ROIC)					
Segment Income	$ 120.2	$ 127.7	$ 117.0	$ 164.1	$ 121.8
Adjusted Effective Tax rate	20.0%	20.0%	18.0%	18.0%	18.0%
NOPAT	$ 96.2	$ 102.2	$ 96.0	$ 134.5	$ 99.9
Depreciation	13.0	12.5	12.6	12.3	12.0
Capital expenditures ("Cap Ex")	(6.7)	(13.8)	(11.5)	(8.8)	(13.5)
Total NOPAT, Depreciation, and Cap Ex	$ 102.5	$ 100.9	$ 97.1	$ 138.0	$ 98.4
Trailing fourth quarter NOPAT, Depreciation, and Cap Ex	$ 403.3	$ 409.0	$ 427.5	$ 438.5	$ 434.4
Ending Invested Capital	$ 2,661.3	$ 2,594.2	$ 2,862.6	$ 2,590.3	$ 2,613.2
Trailing five quarter average invested capital	$ 2,649.0	$ 2,637.6	$ 2,710.7	$ 2,668.1	$ 2,664.3
After Tax Return on Invested Capital	15.2%	15.5%	15.8%	16.4%	16.3%

NOPAT (Net Operating Profit After Tax) is Defined as [(Segment Income) X (1 - Adjusted Effective Tax Rate)]
Ending Invested Capital is Defined as [Total Shareholders' Equity + Long-term Debt + Current Maturities of Long-term Debt and Short-term Borrowings - Cash and Cash Equivalents - Net Assets Held for Sale]

Free Cash Flow Reconciliation

Pentair plc and Subsidiaries
Reconciliation of the GAAP operating activities cash flow to the non-GAAP free cash flow (Unaudited)

	Nine months ended	
In millions	**September 30, 2018**	**September 30, 2017**
Net cash provided by (used for) operating activities of continuing operations	$ 299.2	$ 147.6
Capital expenditures	(33.8)	(25.4)
Proceeds from sale of property and equipment	(0.4)	3.2
Free cash flow from continuing operations	$ 265.0	$ 125.4
Net cash provided by (used for) operating activities of discontinued operations	(14.6)	214.2
Capital expenditures of discontinued operations	(7.4)	(31.9)
Proceeds from sale of property and equipment of discontinued operations	2.3	4.2
Free cash flow	$ 245.3	$ 311.9