



PENTAIR INVESTOR OVERVIEW

APRIL 23, 2024



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,” “could,” “positioned,” “strategy,” or “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 overall global economic and business conditions impacting our business, including the strength of housing and related markets and conditions relating to international hostilities; supply, demand, logistics, competition and pricing pressures related to and in the markets we serve; the ability to achieve the benefits of our restructuring plans, cost reduction initiatives and Transformation Program; the impact of raw material, logistics and labor costs and other inflation; volatility in currency exchange rates and interest rates; failure of markets to accept new product introductions and enhancements; the ability to successfully identify, finance, complete and integrate acquisitions; risks associated with operating foreign businesses; the impact of seasonality of sales and weather conditions; our ability to comply with laws and regulations; the impact of changes in laws, regulations and administrative policy, including those that limit U.S. tax benefits or impact trade agreements and tariffs; the outcome of litigation and governmental proceedings; and the ability to achieve our long-term strategic operating and environmental, social and governance (“ESG”) goals and targets.

Additional information concerning these and other factors is contained in our filings with the U.S. Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2023 and our Quarterly Reports on Form 10-Q. All forward-looking statements, including all financial forecasts, speak only as of the date of this presentation. Pentair assumes no obligation, and disclaims any obligation, to update the information contained in this presentation.

Key Definitions

Except as otherwise noted, our results represent continuing operations for the period indicated, presented on an adjusted basis.

2026T represents Pentair's targeted performance by 2026.

“Core sales” refers to GAAP net sales from continuing operations excluding: (1) the impact of currency translation and (2) the impact of net sales from acquired businesses recorded prior to the first anniversary of the acquisition, excluding the excess over prior year net sales of the acquired business less the amount of net 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 transformation and restructuring activities, impairments, and other unusual non-operating items.

Return on sales (“ROS”) equals segment income divided by net sales.

Due to rounding, in this presentation numbers may not add up precisely to the totals provided, percentages may not precisely reflect the absolute figures and percentage movements represented in basis points (bps) may not precisely reflect the absolute percentage figures.

See appendix for GAAP to non-GAAP reconciliations.


Strategic Framework

OUR PURPOSE: To create a **better** world for people and the planet through smart, sustainable water solutions.

OUR MISSION: We help the world sustainably **move**, **improve** and **enjoy** water, life's most **essential** resource.



Flow
We help the world sustainably **move** water, life's most essential resource.



Water Solutions
We help the world sustainably **improve** water, life's most essential resource.



Pool
We help the world sustainably **enjoy** water, life's most essential resource.

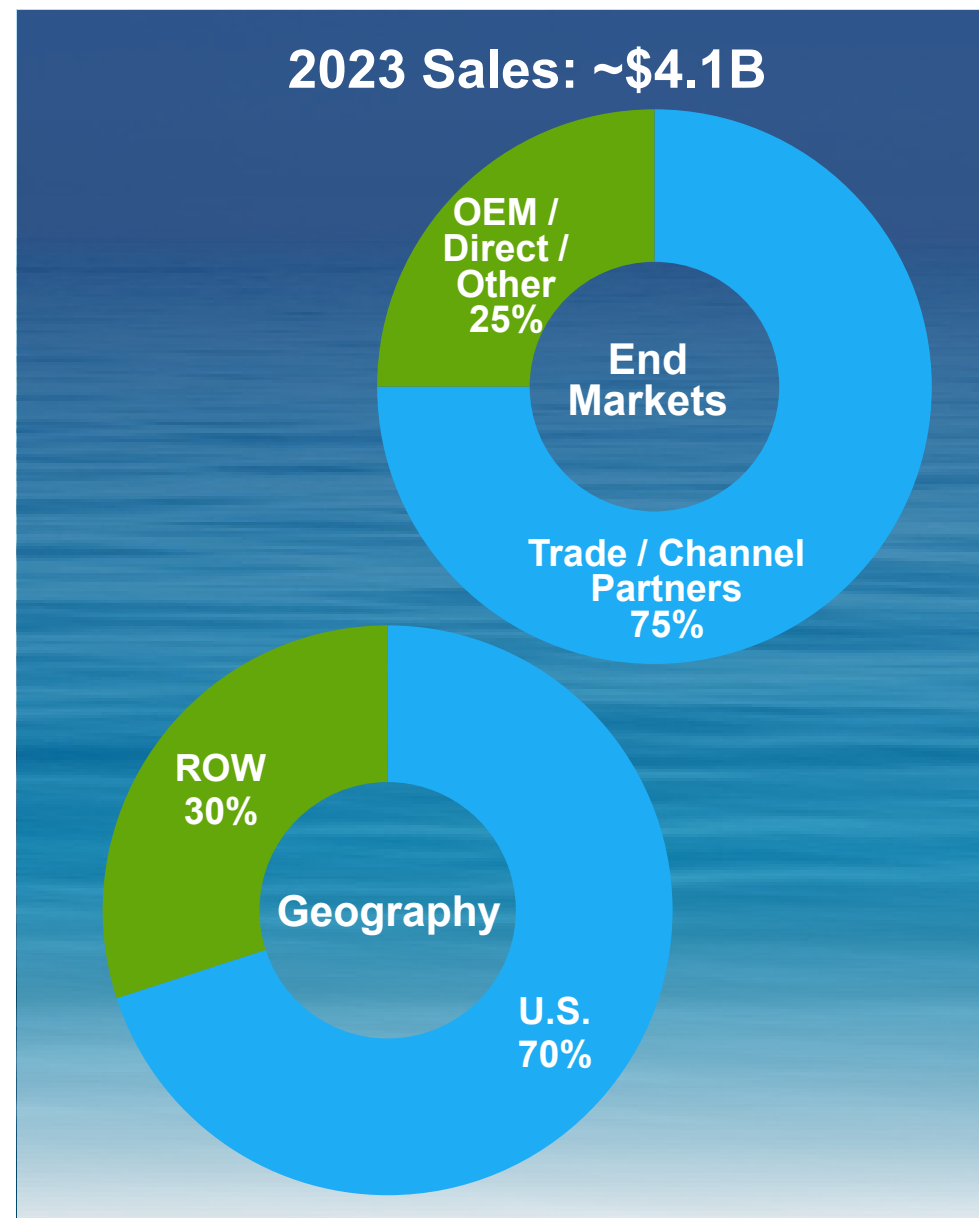
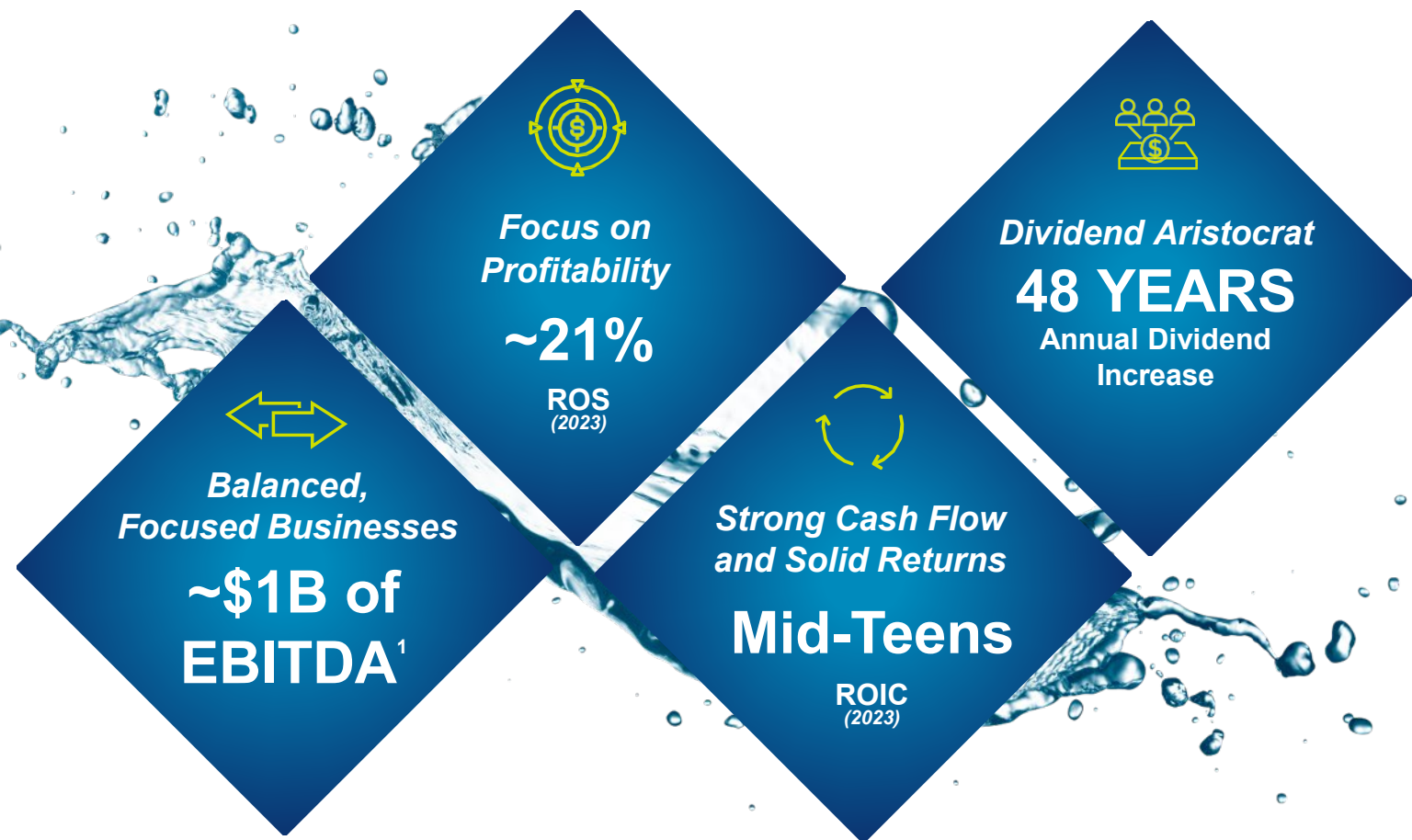
OUR VISION: To be the world's most valued **sustainable water solutions** company for our employees, customers and shareholders.

OUR IMPACT: **Making Better Essential** through our products and solutions, for people and our planet.

OUR WIN RIGHT VALUES: **Customer First | Accountability for Performance | Innovation & Adaptability**
Positive Energy | Respect & Teamwork | Absolute Integrity

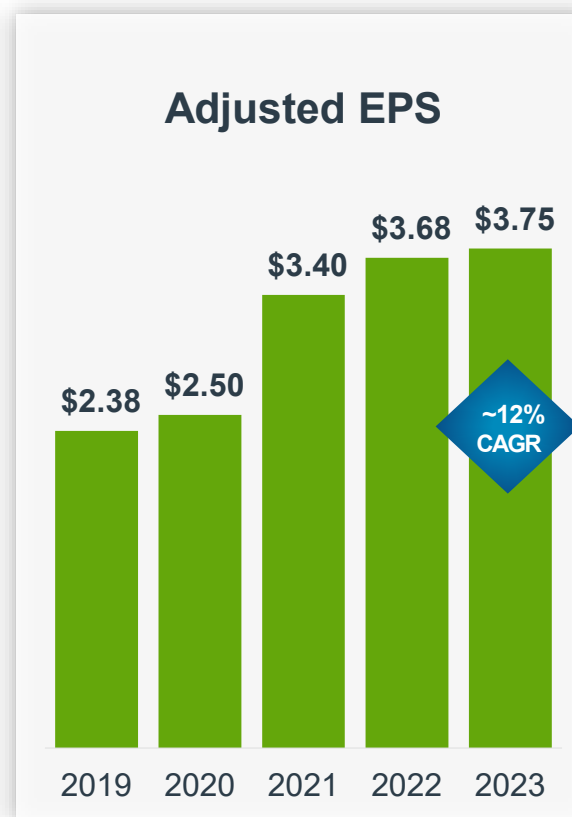
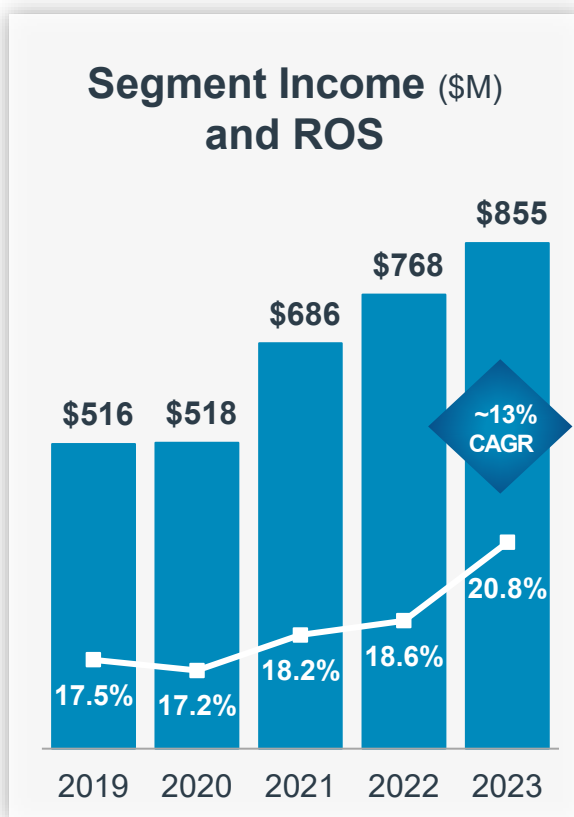
Pentair Snapshot (NYSE: PNR)

Helping the World Sustainably Move, Improve and Enjoy
Water – Life's Most Essential Resource



Continuing to Drive Strong Financial Performance

Double-Digit Segment Income and Adj EPS Growth



Financial Highlights

9% Sales CAGR

+330 bps ROS expansion

12% Adjusted EPS CAGR

\$2.2B FCF
2019-2023

Mid-Teens
2023 ROIC

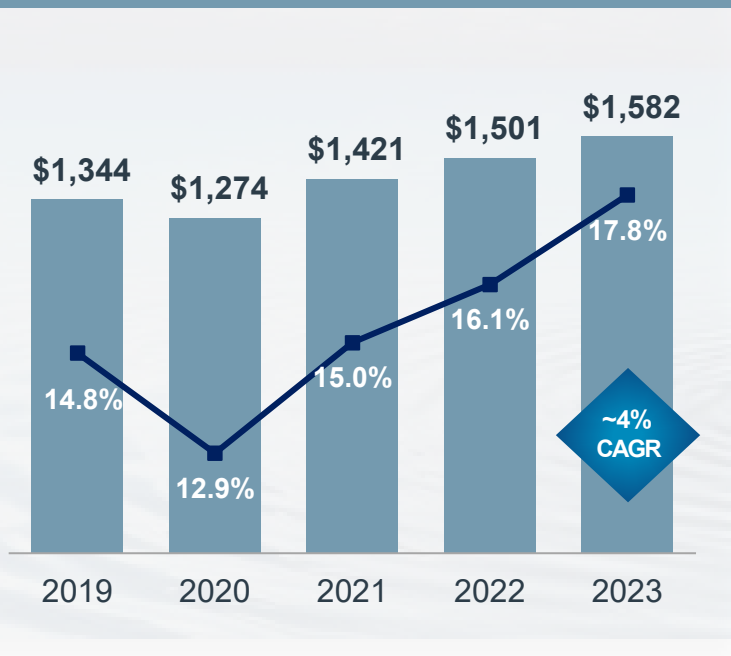
48 Years
Annual Dividend Increase –
Dividend Aristocrat

Established Track-Record of Delivering Strong Results

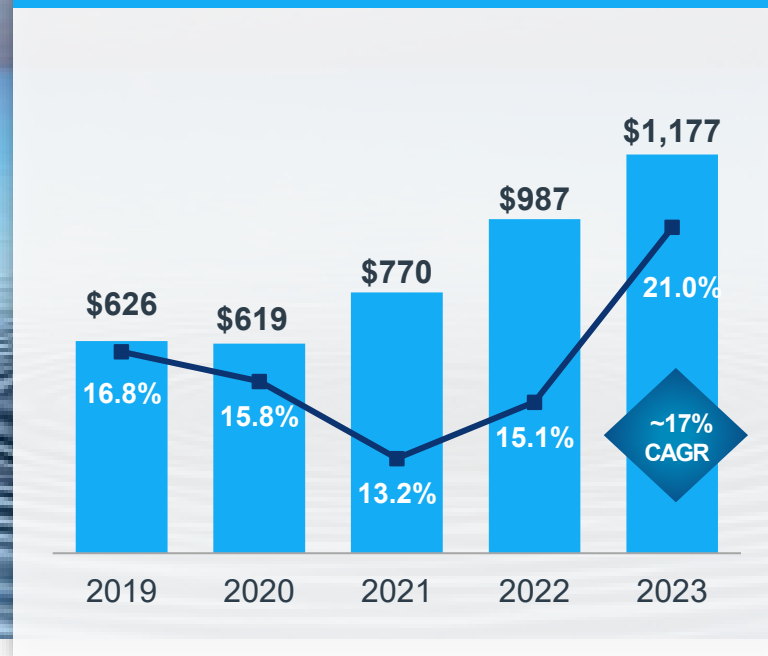
Pentair 2019-2023 Sales and ROS by Segment



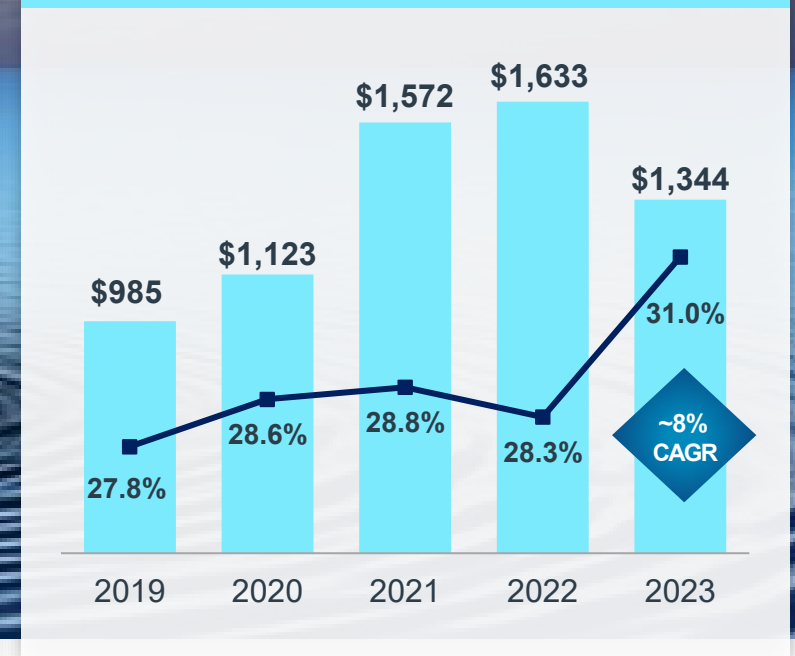
MOVE Water (\$M)



IMPROVE Water (\$M)



ENJOY Water (\$M)



Strong ROS Expansion Across All Three Segments

Our Focused Strategy is Working



Grow the core
to drive consistent
value creation



**Pursue a “few”
targeted initiatives**
to profitably
accelerate growth



**Execute transformation
playbooks** to unlock
value and fund growth



**Strengthen balance
sheet** to provide flexibility
and upside acceleration

Continuing to Drive Record Results

Pentair 2024 to 2026 Financial Targets



Revenue CAGR

MSD



2026 ROS

24%

+300 bps vs. 2023



Adj. EPS CAGR

Low Double-Digit



EBITDA CAGR

~10%



3-Year Free Cash Flow

~\$2B



2026 ROIC

~High-Teens

% of Total Revenue by Segment (FY'26T)



~35%



~30%



~35%

Balanced Water Portfolio and Transformation Driving Strong Growth and Profitability

Key Takeaways

1

Continuing our proven track record of **strong operational and financial execution**

2

Investing in growth with a focus on **transformation and margin expansion**

3

Generating **strong free cash flow** and further **strengthening our balance sheet**

4

Delivering on our **long-term financial targets**

5

Executing a **disciplined capital allocation strategy** to create shareholder value

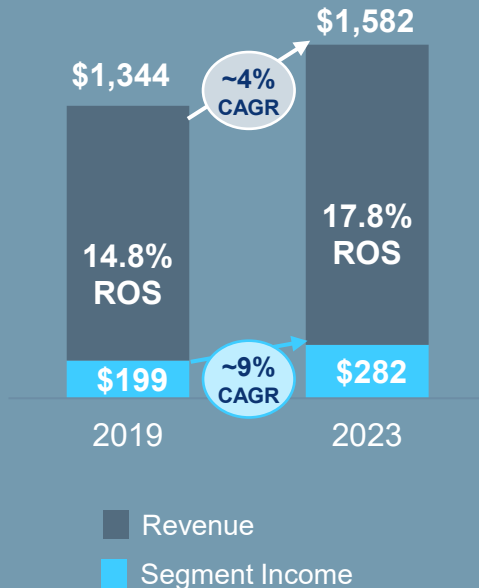


MOVE WATER: FLOW
LEADING GLOBAL PROVIDER
OF INNOVATIVE FLOW SOLUTIONS

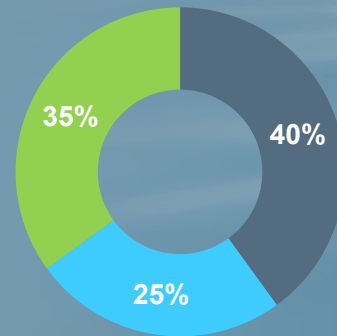
Pentair Flow Segment Overview

Top-Tier Performer

Historical Performance *Strong Track Record (\$M)*



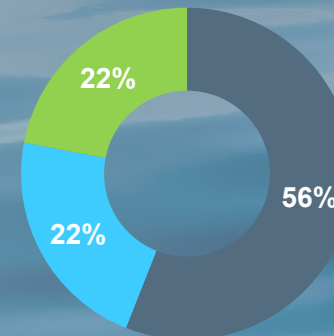
End Markets *Diverse Portfolio of Businesses*



- Residential and Irrigation Flow
- Commercial and Infrastructure Flow
- Industrial Solutions

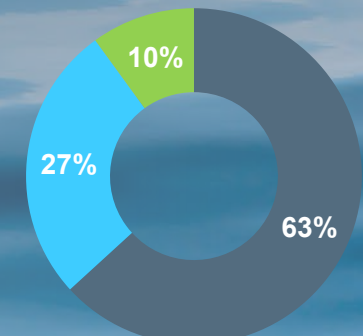
2023 Revenue Breakdown

Geography *A Global Business*



- North America
- Europe
- Rest of World

Sales by Solution *Full Suite of Products*



- Pumps
- Separation Tech
- Other

Helping the World Safely and Sustainably Move Water – Life's Most Essential Resource

Helping the World Sustainably Move Water



**Irrigating
agricultural
fields and
grow food**



**Equipping houses
for personal
consumption
of water**



**Protecting people
and property
in critical
applications**



**Shielding
homes and
cities from
flooding**



**Enabling Industries
to responsibly
use life's most
essential resource**

Ensuring the Flow of Water and Essential Resources in Customer-Critical Applications

Well-Positioned to Capture Opportunities from Favorable Secular Trends



Water Availability

Growing concern over access to clean, safe, and reliable water supplies



Aging Infrastructure

Aging commercial, public, and municipal infrastructure in need of significant upgrades and improvements



Sustainability Focus

Increasing emphasis by corporations on sustainably managing water usage and turning waste into value

Well-Positioned to Address
Wide breadth of high-quality products designed to deliver critical solutions
Deep customer relationships and broad suite of aftermarket products and services to upgrade or replace systems
Unique solutions that allow customers to move water more efficiently and operate more sustainably

Strong Demand Trends Driving Sustained Long-Term Growth

Pentair Flow Go-to-Market Approach

Portfolio Serving Strong End Markets

	End Markets	Solutions	Value Chain
Pumps	Agricultural, Residential, Commercial, and Municipal	Water Supply / Disposal, Solid Handling, Fluid Transfer	2-step distribution model – Primary Relationship: Licensed Dealers
Separation Technologies	Light Industrial	Advanced Membrane Filtration, Separation Systems, Membrane Bioreactors	Primary Relationship: Engineering Firms
Other	Light and Heavy Industrial	Valves, Sprays, Nozzles, Process Filtration Systems, Gas Recovery Solutions	Primary Relationship: Specialized Integrators

Enhancing Customers' Performance and Quality Across Multiple End Markets

Pentair Flow Legacy of Brands



Pumps

Moving water when needed and when not desired



Separation Technologies and Other

Wide range of membrane intellectual property, applications, and other mission critical components

Commercial and Municipal

Agricultural and Residential

Industrial

PENTAIR
FAIRBANKS NIJHUIS



1820

PENTAIR
JUNG PUMPEN

PENTAIR
AURORA



1920

PENTAIR
UNION ENGINEERING

PENTAIR
STA-RITE



1930

PENTAIR
SUDMO



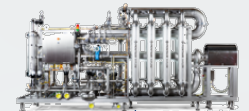
1950

PENTAIR
HYDROMATIC



1960

PENTAIR
X-FLOW



1980

More than 200 Years Supporting the Flow of Water and Essential Resources

Pentair Flow | 3-Year Vision (2024-2026T)



LSD+
Sales Growth

~600 bps
ROS Expansion

Continued Top-Tier Growth and Productivity Will Create Sustained Shareholder Value

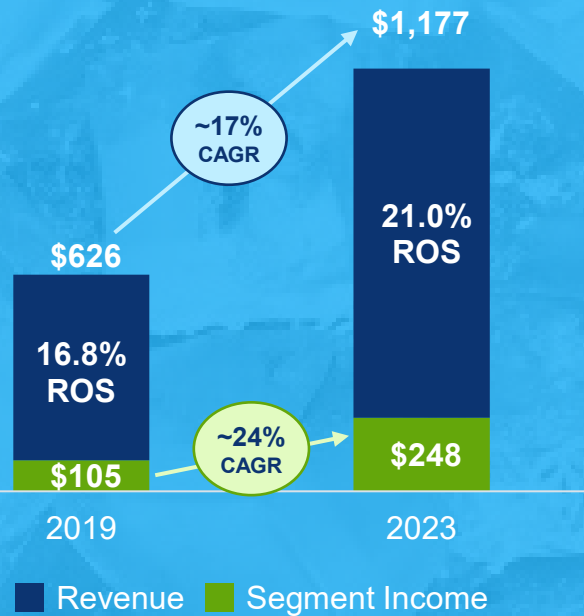


IMPROVE WATER: LEADING COMMERCIAL AND RESIDENTIAL WATER TREATMENT SOLUTIONS

Pentair Water Solutions Segment Overview

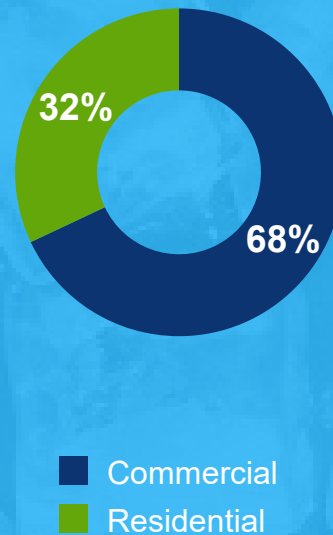
Top-Tier Performer

Historical Financial Performance (\$M)

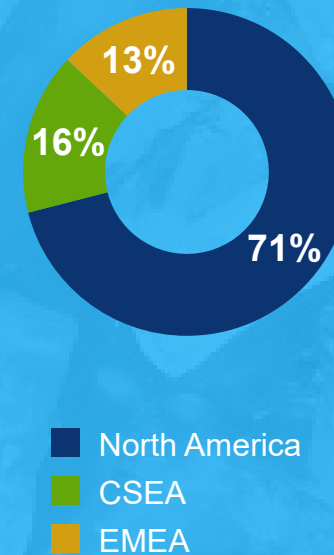


2023 Revenue Breakdown

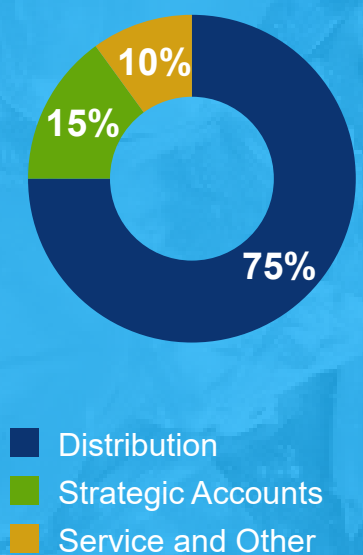
End Markets
Diverse Portfolio of Businesses



Geography
A Global Business



Channel
Multiple Routes to Market



Enhancing Our Customers' Performance and Quality Across Multiple Industries and Geographies

Helping the World Sustainably Improve Water

Water You Can Trust



Improve the taste and smell of water



Soften water to help prevent scale



Enhance the taste of food and beverages



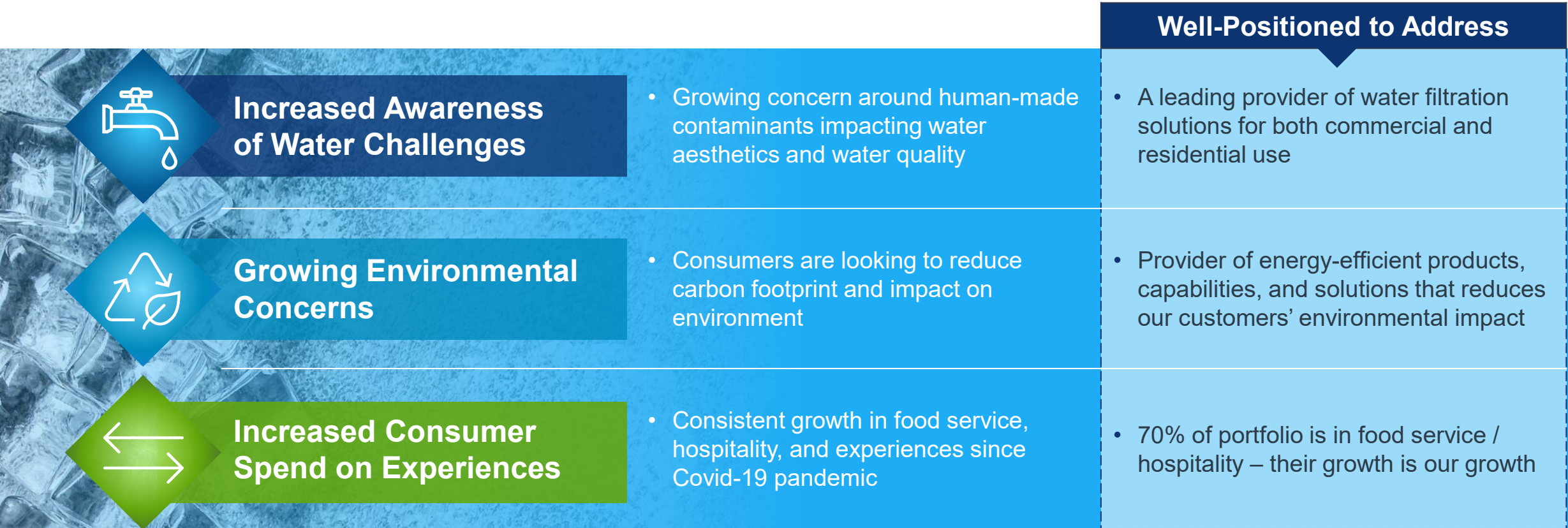
Chill and enhance water to enjoy



Extend the life of water-using equipment

We Help the World Sustainably Improve Water, Life's Most Essential Resource

Well-Positioned to Capture Opportunities from Favorable Secular Trends



Innovating New Solutions While Creating More Environmentally Sustainable Solutions

Robust Portfolio of Leading Solutions

Two Strong Business Units with Comprehensive Portfolios and Multi-Channel Distribution



Residential Water Treatment

Water treatment and filtration for better water



Commercial Water Solutions

Filtration, ice, and beverage services for food service, hospitality, and commercial operators

Components

To Systems

To Services



Fleck
Autotrol



Structural
Wellmate



Pentek



RainSoft



Pentair Fresh
Point



Everpure



Manitowoc
Ice



KBI
Services

- Established provider of valves and tanks for residential and commercial markets as pioneers of water softening and water treatment component technology

- Well known brands in residential water filtration, including premium-priced RainSoft brand distributed through a network of loyal dealers

- A leader in food service, convenience, and hospitality with industry leading brands (Everpure and Manitowoc) that have unique ability to provide end-to-end water capabilities

Helping to Solve a Wide Range of Water Challenges

Successful Integration of Manitowoc Ice

2023 Marks First Full Year with Manitowoc Ice¹

Record YOY Sales
Growth of 23% in 2023

Leadership team well
integrated into Pentair

Synergies accelerating
through cross-selling,
innovation, and culture



Key Initiatives for Growth

Unlock **Synergy Opportunities** in
Commercial Food Service, Hospitality,
and Adjacent Markets



Integration Performing Above Expectations with More Opportunities Ahead

Our Everpure Growth Story



Key Initiatives for Growth

- Everpure is a leading filtration brand in foodservice; consumers, operators, and sellers agree it's the premium water filtration brand
- Significant revenue synergies – many Manitowoc customers are not yet Everpure and vice versa
- Momentous opportunity to expand on model of improving water across applications – further driving strength, synergy, and Everpure technology



Iconic Commercial Filtration Brand Well-Positioned for Above Industry Growth

Water Solutions | 3-Year Vision (2024-2026T)



MSD
Sales Growth

~500 bps
ROS Expansion

Continued Top-Tier Growth and Productivity Will Create Sustained Shareholder Value

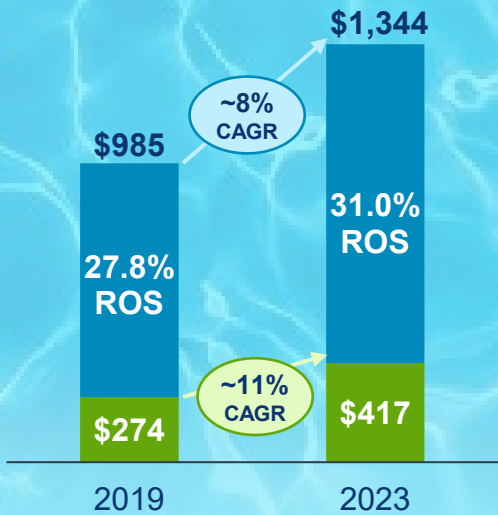


ENJOY WATER: POOL
INDUSTRY PIONEER IN CREATING
SUSTAINABLE POOL SOLUTIONS

Pentair Pool Segment Overview

Top-Tier Performer

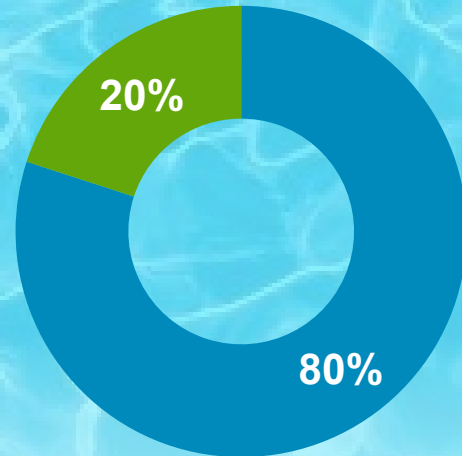
Historical Financial Performance (\$M)



■ Revenue
■ Segment Income

2023 Sales by End Market

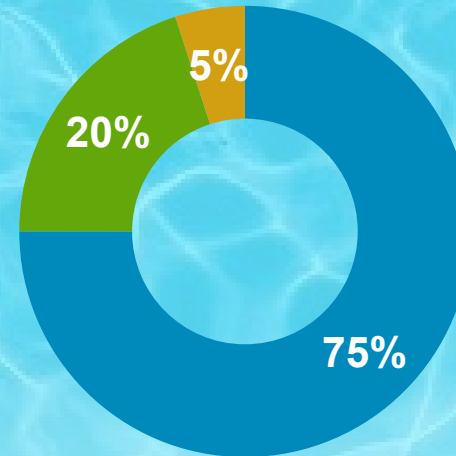
Two Core Markets



■ Existing
■ New

2023 Revenue by Geography

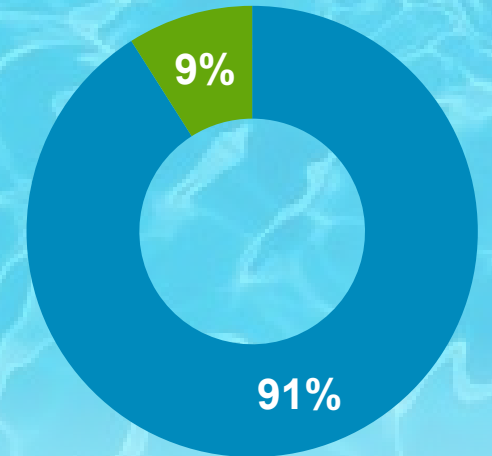
Significant Sunbelt Exposure



■ North America - Sunbelt
■ North America - Snowbelt
■ Rest of World

2023 Revenue by Channel

Primarily Distributor Customers



■ Distribution
■ Other

We Help the World Safely and Sustainably Enjoy Water, Life's Most Essential Resource

Well-Positioned to Capture Opportunities from Favorable Secular Trends



Lifestyle and Wellness

- Outdoor, healthy living trend; growing interest among families interested in exercising while having fun



Favorable Housing Migration

- Significant population growth in sunbelt states with trend expected to continue



Technology

- Preference for smart, sustainable products

Well-Positioned to Address

- An industry leader with size and scale to deliver innovative customer solutions
- ~75% of current revenue is in sunbelt states
- Strong portfolio of water and energy efficient products

Strong Demographics Driving Sustained Industry Growth

Favorable Pool Industry Characteristics

Industry Trend	Attractive Economics	Aging Pool Stock	Shifting Technology Preferences	Increasing Pool Pad Content
	Large, Growing Installed Base and Stable Recurring Revenue	Significant and Growing Demand for Pool Remodels	Increasing Adoption of Connected Pool Technology	Increasing Preference for Effortless Pools
	<ul style="list-style-type: none"> • 5.4M residential in-ground pools in the US, growing 1-2% annually • Non-discretionary existing pool maintenance spend is ~\$400¹ per pool 	<ul style="list-style-type: none"> • Average age of a residential, in-ground pool is 23 years and growing • Spend per remodel outpaced inflation in the last 10 years¹ 	<ul style="list-style-type: none"> • ~60% of new pools included automation in 2022 • Pools with automation are more likely to upgrade to premium equipment offerings 	<ul style="list-style-type: none"> • New and existing pools are adding more equipment to unlock a more enjoyable pool experience • Contemporary pool pad value is +\$6K² versus legacy pools

Pool is an Attractive Industry with Advantageous Tailwinds

¹ Source: U.S. Residential Swimming Pool Market Report, 2022, PK Data.

² Estimated manufacture sales. Retail value is higher reflecting channel partner markups. Source: U.S. Residential Swimming Pool Market Report, 2022, PK Data & internal analysis.

Our Sustainable Competitive Advantages



Industry Leading Size and Scale

Largest Installed Base in U.S.

80%

Existing Pool Focus

Majority of Revenue in Sunbelt States



Expansive Dealer Network

Largest Dealer Network in the Industry

15 Point

Greater Dealer Satisfaction than Closest Competitor¹



Cutting-edge Innovation

Industry's 1st Variable Speed Pump

Pioneer High Efficiency Heaters

Industry's 1st Pool Automation



Sustainability Leader

Recognized brand, with commercialized innovations in pumps, lighting, and heating, significantly **reducing energy consumption**

#1 in North America by Sales and Profitability²

Driving Growth through Leading Presence in Key Pool Geographies

~75%
of Revenue

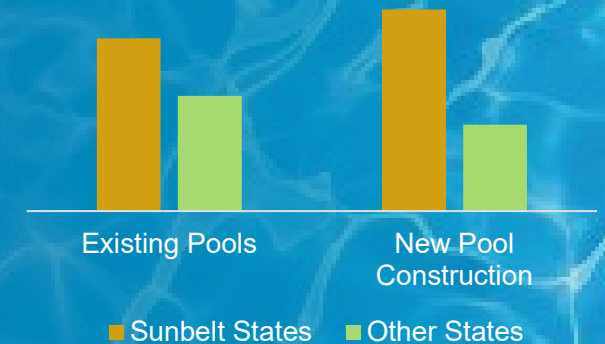


Positioned for Growth in Attractive Geographies

Sunbelt accounts for ...

- **75%** of Pentair pool revenue
- **60%** of all existing pools in the US
- **2/3** of all new pools being installed
- **Favorable** population migration

Percentage of US Inground Pools by Region 2022



Pentair is Well-Positioned in the Fastest Growing Pool Geographies

Pentair Pool Long-term Profitable Growth Strategy

EXISTING POOLS

Increase Existing Pool Penetration through Cutting-edge Innovation and Servicer Support



80% of Opportunity SAM

NEW POOLS

Win More New Pool Pads through Innovation and Builder Success



20% of Opportunity SAM

New Pool Opportunity

Traditional Pool

~\$3,000 Pool Pad Value
(~10% of Project Cost)



“Smart and Sustainable” Pool and Patio¹

~\$10,000+ Pool Pad Value (~15% of Project Cost)



Pool Owner Benefits

- ✓ Extended Usage
- ✓ Greater Sustainability
- ✓ Effortless Pool
- ✓ Simplified Maintenance
- ✓ Improved Wellbeing
- ✓ Enhanced Pool Aesthetics



Pump



Single Pool Light



Basic Filtration



Basic Cleaner



Pumps (multiple)



Advanced Filtration



Heating



Automation



Water Care Automation



Sanitizer



Water Features



Valves (multiple)



Robotic Cleaner / In-floor cleaning



Color Lights (multiple)



Landscape Lighting

Enhanced Pool Equipment for Smart and Sustainable Pools

Increase Existing Pool Penetration through Cutting-Edge Servicer Support



Field Sales Support

- Industry's largest
- Servicer dedicated



Tech Support

- Real-time access
- Expert service resources



Rewards Program

- Servicer focused
- Loyalty recognition
- Impactful incentives



Remote Monitoring

- Water balance
- Equipment operation



Training

- Equipment knowhow
- Repair and Upgrade focus



Referrals

- Qualified leads



Warranty

- Efficient claims processing



Best in Class Holistic Dealer Support to Win Sizable Servicer Opportunity

Pentair Pool | 3-Year Vision (2024-2026T)



MSD+
Sales Growth

~400 bps
ROS Expansion

Continued Top-Tier Growth and Productivity Will Create Sustained Shareholder Value



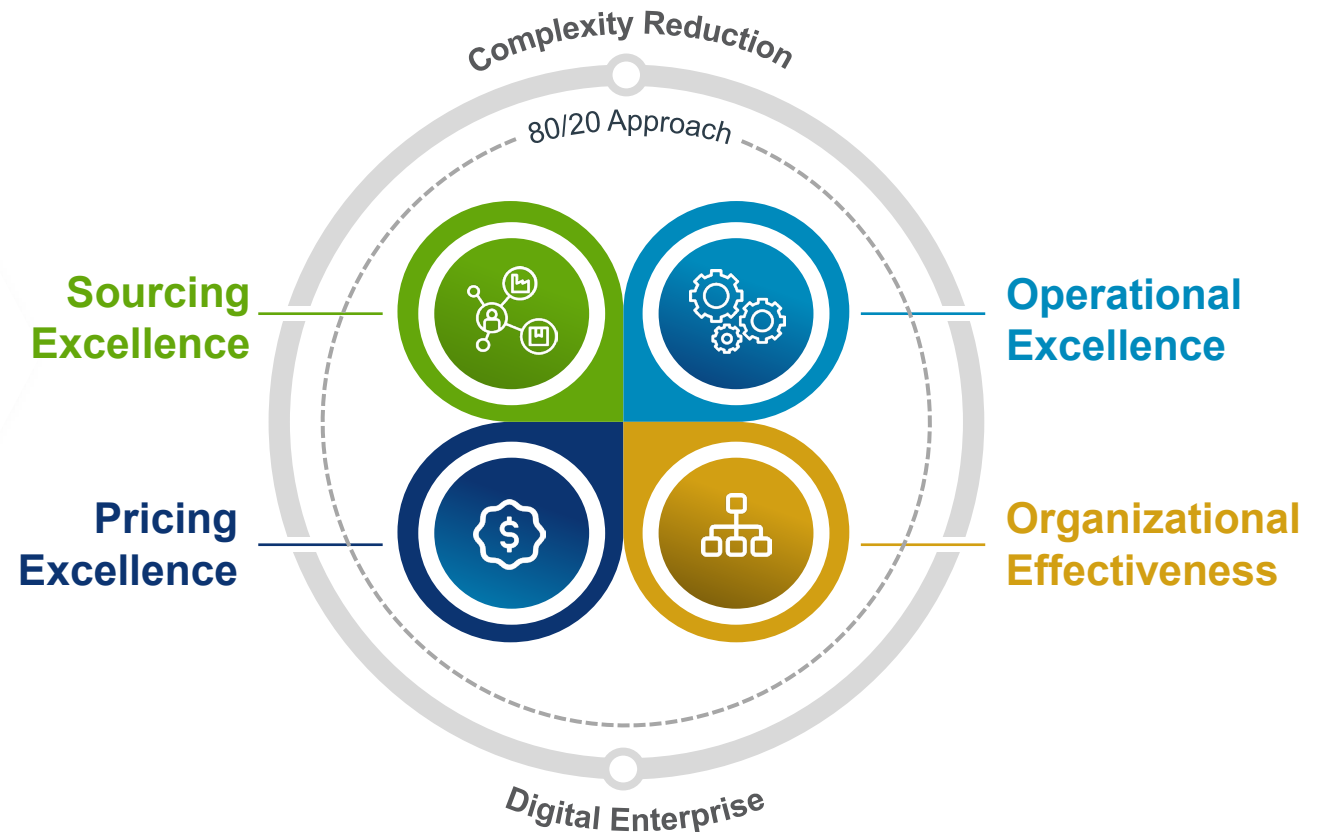
TRANSFORMATION TO FUND GROWTH

Executing a Clear Transformation Strategy and Evolving the Pentair Business System (PBS)

Expanding margins (ROS) from 18.6% (2022 Baseline) to 24% (2026 Target) through key initiatives

- Pricing Excellence
- Sourcing Excellence
- Operational Excellence
- Organizational Effectiveness

Pentair Business System (PBS)



Early Stages of Creating Significant Stakeholder Value through Our Transformation Strategy and PBS

Our Transformation Journey

Where We **WERE** (2018)

- Underdeveloped toolkit, primarily focused on **LEAN manufacturing** and **talent management processes**
- “Factory-focused” approach with limited applicability across the broader enterprise

Where We **ARE** (2023)

- Transitioning to **Pentair Business System**
- Holistic commitment to **sourcing, pricing, operational, and organizational excellence**
- Integrated, **enterprise-wide approach** spanning business units and corporate functions

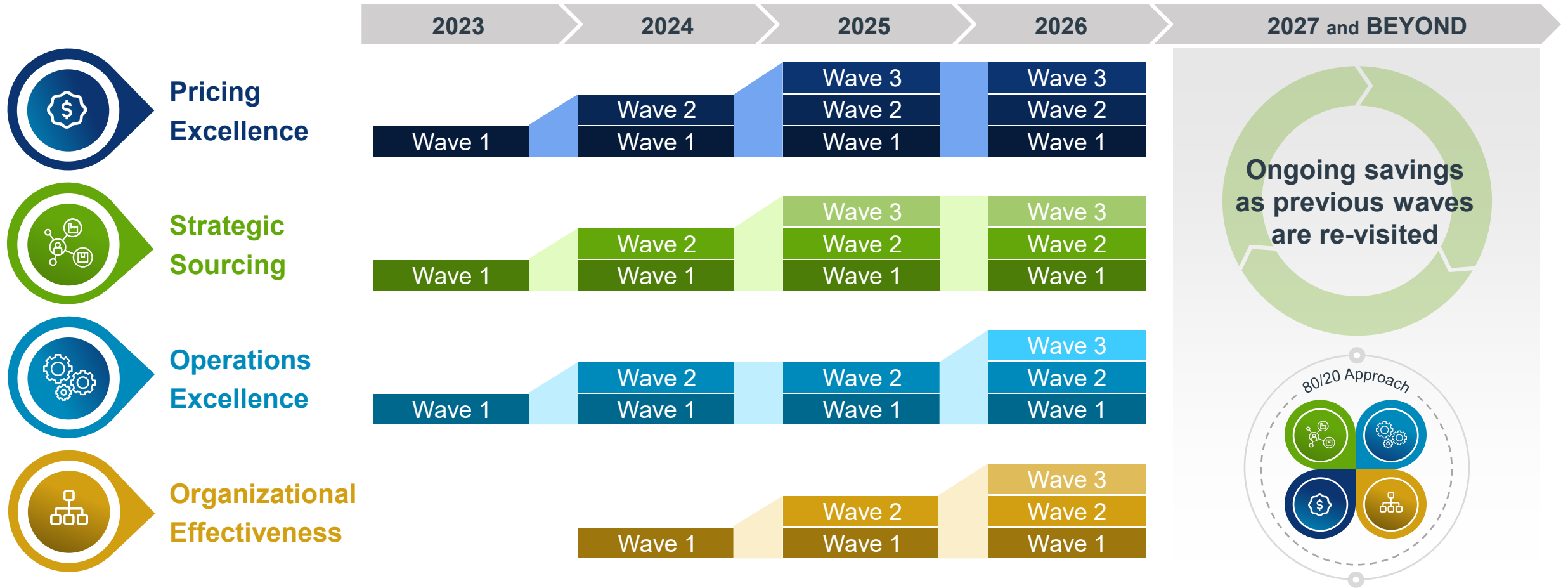
Where We're **GOING** (2024+)

- Full suite of **tools, processes, and systems** that can be deployed to drive transformational outcomes across the organization
- Flexible and adaptable approach, allowing business leaders to be more **nimble and agile** in effecting change
- Implementing **80/20 methodology** as an enabler and accelerator of our transformation efforts

Continuing to Reduce Complexity and Improve Margins

Transformation Runway

Driving Margin Expansion Around 4 Key Themes



Transformation Benefits Expected to Compound with Each Additional Wave and Repeat the Process Beyond 2026



WATER INNOVATION

SUSTAINABLY MOVE, IMPROVE AND
ENJOY WATER

Our Global Innovation Capabilities

Key Stats – 2023

800+
Total
Engineers

7
Key Innovation
Centers

R&D Expense (\$M)

Consistently ~2.5% of Total Sales



Key Centers of Expertise Aligned to Drive Product Innovations

Filtration and Separation

Innovating sustainable technologies to purify water and recover valuable resources

- Micro, Ultra, Nano Filtration, and RO
- Carbon, IEX
- Specialty Membranes

Heating and Cooling

Creating energy-efficient solutions to heat and cool water

- Refrigeration
- Combustion

Flow Technologies

Developing energy efficient solutions to move water to where it needs to be

- Hydraulic Design
- Design Simulation
- Motors and Controls

Electronics and IoT

Applying leading digital solutions to support the operating and servicing of product innovations

- Hardware and Firmware
- IoT Design to Managed Services

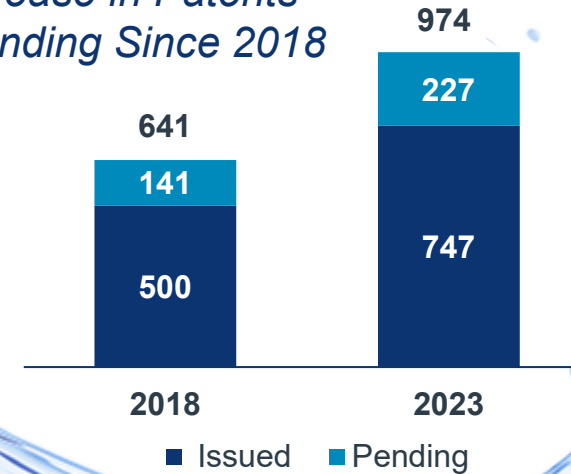
Capturing Significant Opportunity through Our Technology Platforms

Innovation Progress and Accomplishments

	2020-2023	2026T
New Product Introductions	+100 Launches	Rate on Trend
Change in Vitality Index	~5 pt Increase	+5 pt Increase Projected
Connected Devices	~500,000	>1 Million

Patent Trends

Significant Increase in Patents Issued and Pending Since 2018



Opportunities Are Significant and We're Just Getting Started!

Our IoT Journey – A Key Enabler to All of Our Innovations

Enabling Effortless Customer Experiences through Purposeful Connected Solutions

Leveraging the power of digitally-enabled performance monitoring



System Level Design

- Autonomous control
- Performance monitoring and predictive maintenance
- Data analytics to improve performance through Artificial Intelligence (AI) and Machine Learning (ML)



Digitally Enabled Service and Sales

- Augmented Reality (AR) tools for installers and service providers
- Remote monitoring and service by Pentair service providers
- Curated experience for customer service interactions

~500K

Connected Devices Today

1M+

by 2026
(target)



MAKING BETTER ESSENTIAL

OUR ESG JOURNEY

Making Better Essential

Making an Impact through Social Responsibility



People and the Planet Need Pentair Solutions

Accelerating Our Sustainability Journey

Pre-2020

- **Strong foundation of sustainable innovation**
- Launched **IntelliFlo®**, the first variable speed pump in the US with **30-70% energy savings**
- Received **Energy Star Partner of the Year** in 2013 and each successive year since

2020-2023

- Appointed **Chief Social Responsibility Officer**
- Conducted ESG **materiality assessments**
- Announced social responsibility **strategic targets**
- **Annual reporting** including on target progress
- Enhanced **product innovation process** through the creation of a **product sustainability scorecard**

2024 and **BEYOND**

- Continue **progress on our strategic targets**
- Continue regulatory preparedness and resilience planning
- Further advancing leadership in **addressing water challenges**
- Implementing **sustainable product design** with a focus on **meeting customer needs** while contributing to the **circular economy** which we believe is a **DIFFERENTIATOR**

Building on Our Successful Track Record with Additional Runway Ahead

Environmental Highlights

We Are Proud of Our Impact!

23+ billion

single-use plastic water bottles avoided

by customers using Pentair residential water filtration systems since 2021¹

49% Increase in number of EnergyStar certified pool pumps and ice machine models² compared to the previous year's EnergyStar certified models available

4,664 metric tons

CO₂ emission reduced

by customers using Manitowoc ice machines with R290 instead of R404a refrigerant in 2023³

Continuing to Expand Our Product Sustainability Focus and Impact

¹ Based on cumulative sales of Pentair's brands meeting this definition from 2021-2023.

² As of December 31, 2023.

³ Based on the total sales of Manitowoc ice machines with R290 refrigerant in 2023.

Sustainability Strategic Targets and 2023 Progress¹

					
TARGETS	<p>Carbon Footprint Reduction</p> <p>Reduce our Scope 1 and 2 greenhouse gas emissions by 50% from a 2019 baseline by 2030; aim to achieve carbon neutrality by 2050</p>	<p>Water Reduction</p> <p>30% reduction in overall water withdrawal from a 2019 baseline by 2030</p>	<p>Product Design for Sustainability</p> <p>Further assess, design, and commercialize our products for environmental sustainability to reduce our customers' impact on climate change</p>	<p>Responsible Supply Chain</p> <p>In partnership with our suppliers, we are expanding our social responsibility strategy beyond operations to build sustainable supply chain</p>	<p>Diversity and Inclusion</p> <p>Achieve an inclusive and diverse workforce with a focus on increasing women / persons of color in leadership globally</p>
PROGRESS	<p>30.9% Reduction in Scope 1 and 2 GHG emissions*</p>	<p>22.9% Water Withdrawal Decrease*</p>	<p>100% of New Products assessed using our new product sustainability scorecard</p>	<p>New Supplier ESG Assessment process and assessed the ESG maturity of ~73% of our top 80% of existing suppliers by spend</p>	<p>Continued progress since 2019 baseline including for the Representation of Women in our workforce and in leadership positions globally</p>

¹As of December 31, 2023. Assured data. *Compared to a 2019 baseline

Advancing Our Efforts to be a Leading Sustainability Company

We Believe Pentair Is a Compelling Investment Opportunity



An industry leader with a balanced, innovative water portfolio



Transformation initiatives to drive operational efficiencies and margin expansion



ESG focus on People, Planet and Governance to provide smart, sustainable water solutions



Favorable secular trends driving end market growth



Additional value creation from strong balance sheet and cash flow



Dividend aristocrat – 48 consecutive years of dividend increases





For more information about Pentair plc
please see our [2024 Investor Day](#) materials



Appendix

Reported To Adjusted 2019-2023 Reconciliations

Pentair plc and Subsidiaries
Reconciliation of GAAP to Non-GAAP Financial Measures for the Years Ended December 31, 2019, 2020, 2021, 2022 and 2023
Excluding the Effect of 2019, 2020, 2021, 2022 and 2023 Adjustments (Unaudited)

<i>In millions, except per-share data</i>	2019	2020	2021	2022	2023	CAGR 2019-2023
Net sales	\$ 2,957.2	\$ 3,017.8	\$ 3,764.8	\$ 4,121.8	\$ 4,104.5	9%
Operating income	432.5	461.4	636.9	595.3	739.2	14%
<i>Return on sales</i>	14.6%	15.3%	16.9%	14.4%	18.0%	
Adjustments:						
Restructuring and other	21.0	15.4	7.5	32.4	3.4	
Transformation costs	-	-	11.7	27.2	44.3	
Intangible amortization	31.7	28.4	26.3	52.5	55.3	
COVID-19 related costs and expenses	-	10.4	0.6	-	-	
Legal accrual adjustments and settlements	-	-	(7.6)	0.2	2.2	
Asset impairment	21.2	-	-	25.6	7.9	
Inventory step-up	2.2	-	2.3	5.8	-	
Deal-related costs and expenses	4.2	0.6	7.9	22.2	-	
Russia business exit impact	-	-	-	4.7	-	
Equity income of unconsolidated subsidiaries	3.5	1.4	0.3	1.8	2.8	
Segment income	516.3	517.6	685.9	767.7	855.1	13%
<i>Adjusted return on sales</i>	17.5%	17.2%	18.2%	18.6%	20.8%	
Net income from continuing operations—as reported	361.7	357.1	556.0	483.2	622.9	
(Gain) loss on sale of businesses	(2.2)	0.1	(1.4)	(0.2)	-	
Pension and other post-retirement mark-to-market (gain) loss	(3.4)	6.7	(2.4)	(17.5)	6.1	
Amortization of bridge financing fees	-	-	-	9.0	-	
Other income	-	(2.2)	(0.3)	-	(5.1)	
Adjustments to operating income	80.3	54.8	48.7	170.6	113.1	
Income tax adjustments ⁽¹⁾	(31.4)	2.7	(30.2)	(35.9)	(112.8)	
Net income from continuing operations—as adjusted	\$ 405.0	\$ 419.2	\$ 570.4	\$ 609.2	\$ 624.2	
Continuing earnings per ordinary share—diluted						
Diluted earnings per ordinary share—as reported	\$ 2.12	\$ 2.13	\$ 3.32	\$ 2.92	\$ 3.75	15%
Adjustments	0.26	0.37	0.08	0.76	-	
Diluted earnings per ordinary share—as adjusted	\$ 2.38	\$ 2.50	\$ 3.40	\$ 3.68	\$ 3.75	12%

⁽¹⁾ Income tax adjustments in 2023 include \$74.3 million resulting from favorable impacts of worthless stock deductions related to exiting certain businesses in our Water Solutions segment and favorable discrete items primarily related to the recognition of deferred tax assets.

ROIC Reconciliation

Pentair plc and Subsidiaries

	Fourth Quarter 2022	First Quarter 2023	Second Quarter 2023	Third Quarter 2023	Fourth Quarter 2023
<i>Dollars in millions</i>					
Return on Invested Capital (ROIC)					
Segment income	\$ 182.8	\$ 211.0	\$ 234.2	\$ 212.1	\$ 197.8
Reported effective tax rate	5.0 %	14.6 %	15.0 %	13.6 %	(55.3) %
Adjusted effective tax rate	12.7 %	15.0 %	15.0 %	15.0 %	14.4 %
NOPAT	\$ 159.6	\$ 179.4	\$ 199.1	\$ 180.3	\$ 169.3
Depreciation	14.2	14.7	14.7	14.9	15.2
Capital expenditures ("Cap Ex")	(22.0)	(16.6)	(18.8)	(19.4)	(21.2)
Total NOPAT, depreciation, and Cap Ex	\$ 151.8	\$ 177.5	\$ 195.0	\$ 175.8	\$ 163.3
Trailing four quarter NOPAT, depreciation, and Cap Ex	\$ 626.1	\$ 663.7	\$ 694.6	\$ 700.1	\$ 711.6
Ending invested capital	4,916.5	5,182.0	4,908.4	4,897.5	5,035.1
Trailing five quarter average invested capital	3,987.9	4,379.9	4,663.0	4,974.6	4,987.9
After-tax Return on Invested Capital	15.7 %	15.2 %	14.9 %	14.1 %	14.3 %

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]

Free Cash Flow Reconciliation

Pentair plc and Subsidiaries
Reconciliation of GAAP Operating Activities Cash Flow to the Non-GAAP Free Cash Flow (Unaudited)

<i>In millions</i>	2019	2020	2021	2022	2023	Cumulative Cash Flow 2019-2023
Net cash provided by operating activities of continuing operations	\$ 345.2	\$ 574.2	\$ 613.6	\$ 364.3	\$ 620.8	\$ 2,518.1
Capital expenditures	(58.5)	(62.2)	(60.2)	(85.2)	(76.0)	
Proceeds from sale of property and equipment	0.6	0.1	3.9	4.1	5.6	
Free cash flow from continuing operations	\$ 287.3	\$ 512.1	\$ 557.3	\$ 283.2	\$ 550.4	\$ 2,190.3
Net cash provided by (used for) discontinued operations	7.8	(0.6)	(0.4)	(1.0)	(1.6)	
Free cash flow	\$ 295.1	\$ 511.5	\$ 556.9	\$ 282.2	\$ 548.8	\$ 2,194.5

2024 EBITDA Reconciliation

Pentair plc and Subsidiaries
Reconciliation of Net Income from Continuing Operations to EBITDA
for the Year Ending December 31, 2024 (Unaudited)

<i>In millions</i>	Full Year at Midpoint of Outlook	
Net income from continuing operations	approx \$	635
Adjustments:		
Intangible amortization	approx	55
Asset impairment and write-offs	approx	1
Restructuring and other	approx	5
Transformation costs	approx	17
Net interest expense	approx	100
Provision for income taxes	approx	127
Segment income	approx \$	940
Adjustments:		
Depreciation	approx	60
EBITDA	approx \$	1,000