



# Q4 2022 Earnings Release

January 31, 2023



# 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,” “could,” “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 overall global economic and business conditions impacting our business, including the strength of housing and related markets and conditions relating to the conflict between Russia and Ukraine related sanctions; 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; 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 ESG goals. Additional information concerning these and other factors is contained in our filings with the U.S. Securities and Exchange Commission (the “SEC”), including our Annual Report on Form 10-K for the year ended December 31, 2021 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
- "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 transformation and 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

## ✓ Strong financial results for FY'22

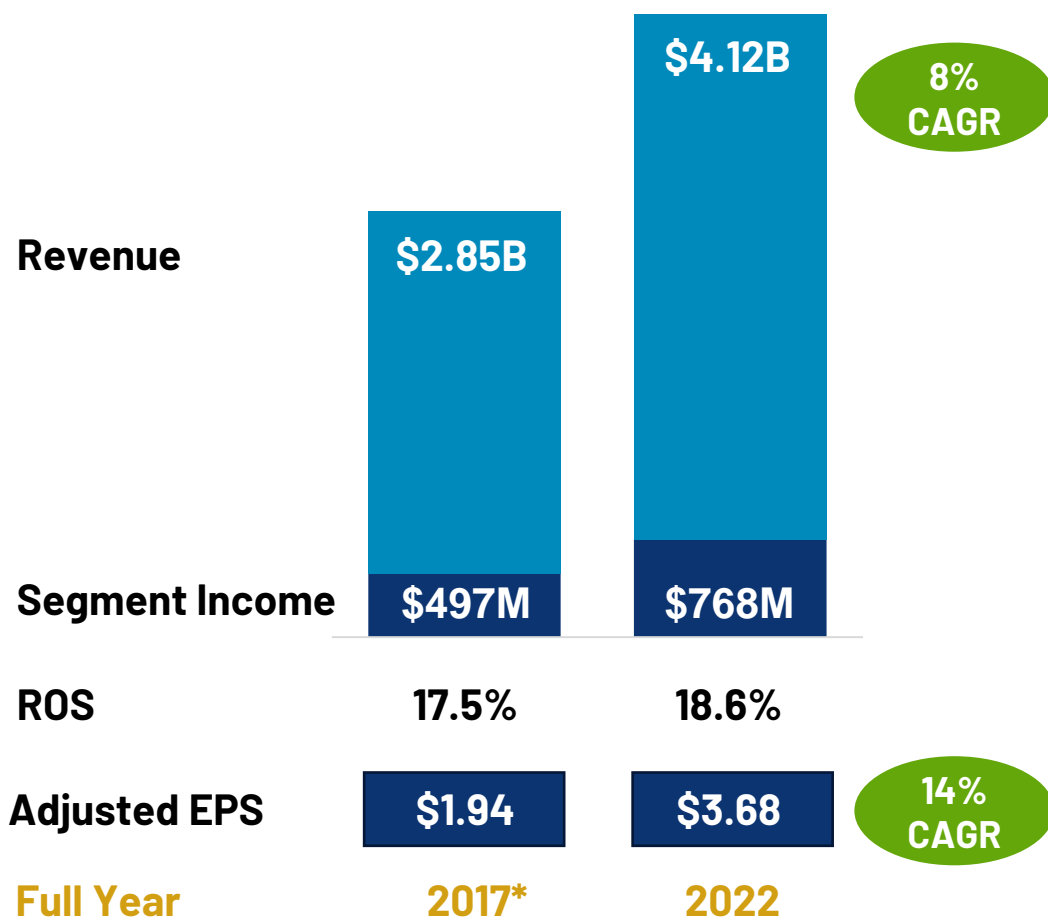
- Sales growth of **9%**
- Segment income **up 12%**
- ROS expanded 40 basis points
- Adjusted EPS **increased 8%**



	FY'21 Results	FY'22 Results
Sales	\$3.76B	\$4.12B
Segment Income	\$686M	\$768M
Adjusted EPS	\$3.40	\$3.68

- ✓ Delivered impressive sales, segment income, and adjusted EPS in 2022
- ✓ Continued progress on our transformation and ESG journeys
- ✓ Further enhanced and diversified our portfolio with the acquisition of Manitowoc Ice and the launch of new innovation
- ✓ Introducing Q1 and full year 2023 guidance

# 5 Year Pentair Performance



## Driving Strong Performance

- Revenue Growth CAGR of 8%
- Adjusted EPS CAGR of 14%
- Cumulative Free Cash Flow of >\$2B
- ROIC at 12/31/2022 of ~16%

\*As initially reported on July 25, 2018

# Pentair at a Glance

We Help the World Sustainably **Move, Improve, and Enjoy Water,**  
Life's Most Essential Resource



Employees

**~11K**



Sales (2022)

**\$4.1B**



Focus on Profitability (2022)

**18.6%** ROS



Strong Cash Flow  
and Solid Returns

**High Teens**  
ROIC



Large Installed Base

~75%+ Replacement

~75K+ Trade Partners



Dividend Aristocrat

**47 YEARS**

Annual Dividend Increase

**DIVERSE**  
**PORTFOLIO:**

**~50% Residential and ~50% Commercial,**  
**Industrial & Infrastructure**



# Our Impact: Making Better Essential for People and the Planet

Continued momentum in making a positive impact for people on the planet

Recognized for leadership on sustainability and impact:



## 2022 Highlights:



71% of Pentair solutions support water efficiency, helping to reduce, reuse, or recover water, directly or indirectly



15.9 million tons of CO<sub>2</sub> emissions avoided by U.S. consumers using Pentair's energy efficient pool pumps since 2005



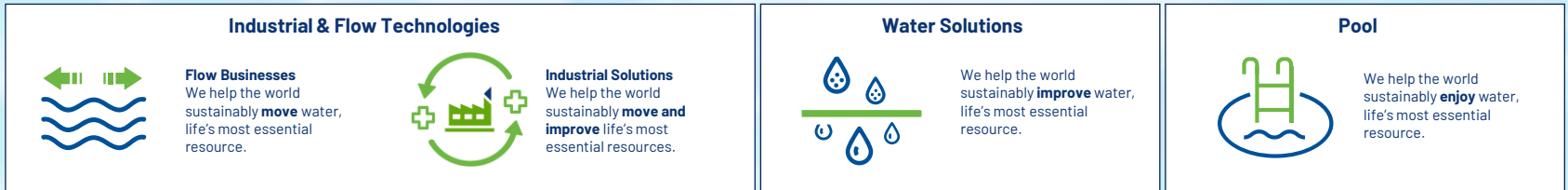
Pentair water filtration helped our customers avoid nearly 8 billion single-use plastic water bottles in 2022

Expect to publish our 2022 CR report in Spring 2023 with more specific information including progress on our strategic targets

# 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.



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

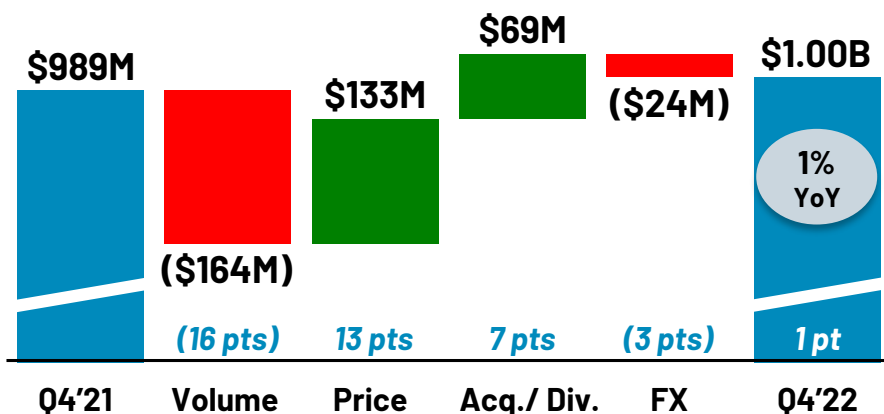
**OUR VISION:** To be the world's most valued **sustainable water solutions** company for our employees, customers and shareholders.

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

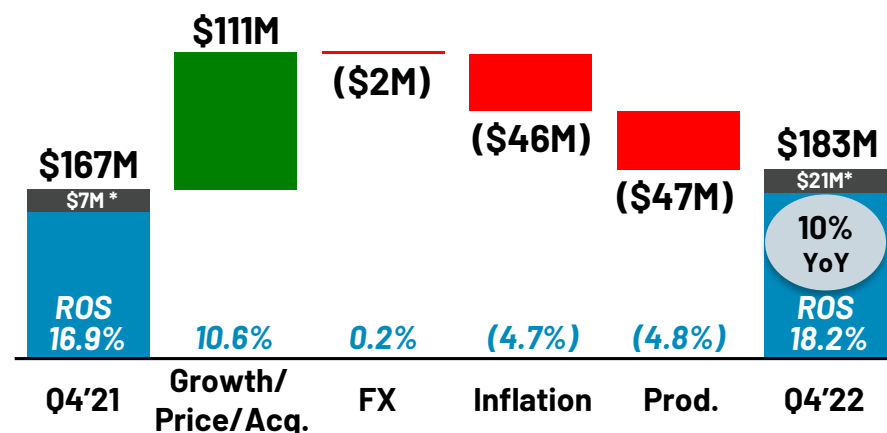


# Q4'22 Pentair Performance

## Sales



## Segment Income



\*Non-Cash Intangible Amortization

## Core Sales down 3%

- Consumer Solutions down 11%
- Industrial & Flow Technologies up 11%

## Segment Income up 10%

ROS 18.2% ... up 130 bps

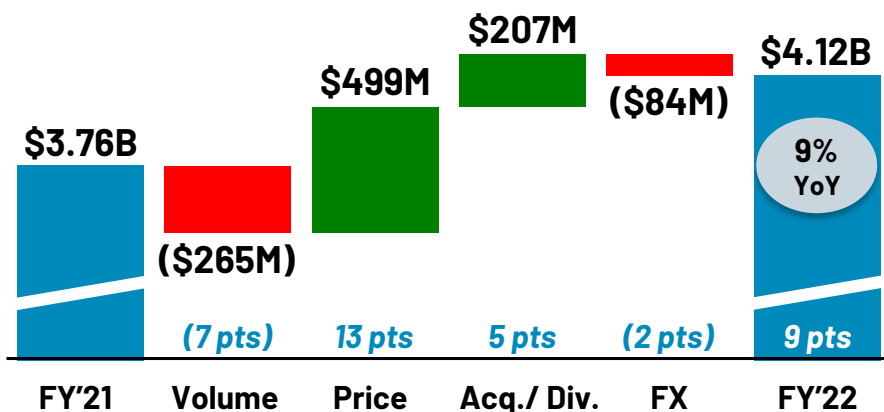
Adjusted EPS \$0.82 ... down 6%

- Adjusted Tax Rate of 12.7%
- Net Interest/Other of \$28.2M;  
Shares 165.2M

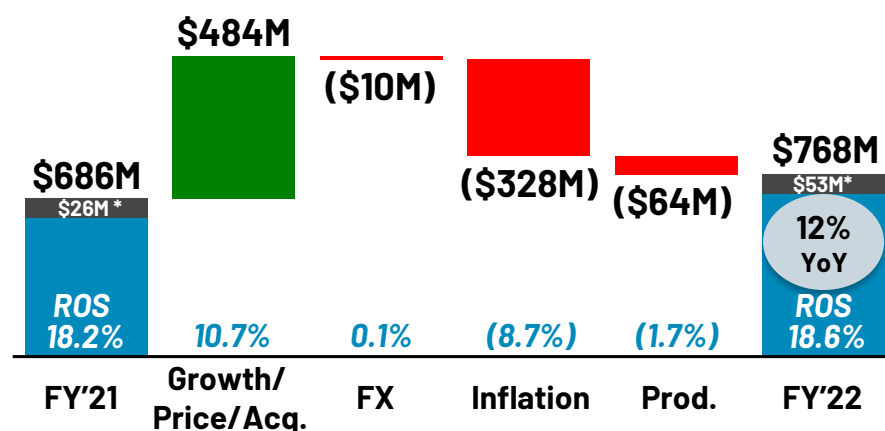


# FY'22 Pentair Performance

## Sales



## Segment Income



\*Non-Cash Intangible Amortization

## Core Sales up 6%

- Consumer Solutions up 4%
- Industrial & Flow Technologies up 10%

## Segment Income up 12%

ROS 18.6% ... up 40 bps

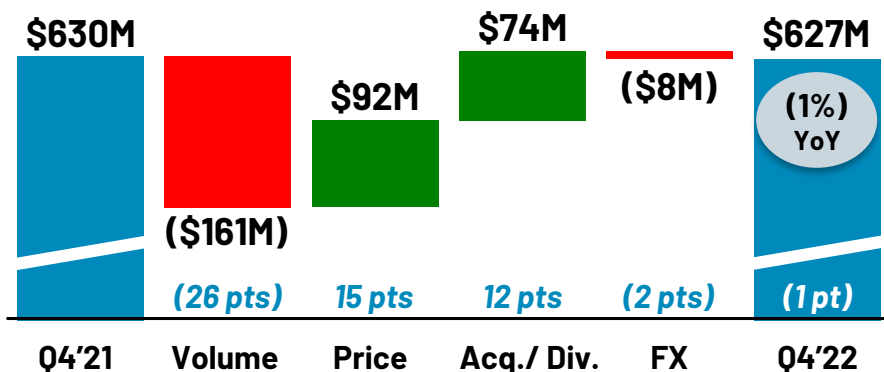
Adjusted EPS \$3.68 ... up 8%

- Adjusted Tax Rate of 14.5%
- Net Interest/Other of \$55.2M;  
Shares 165.6M

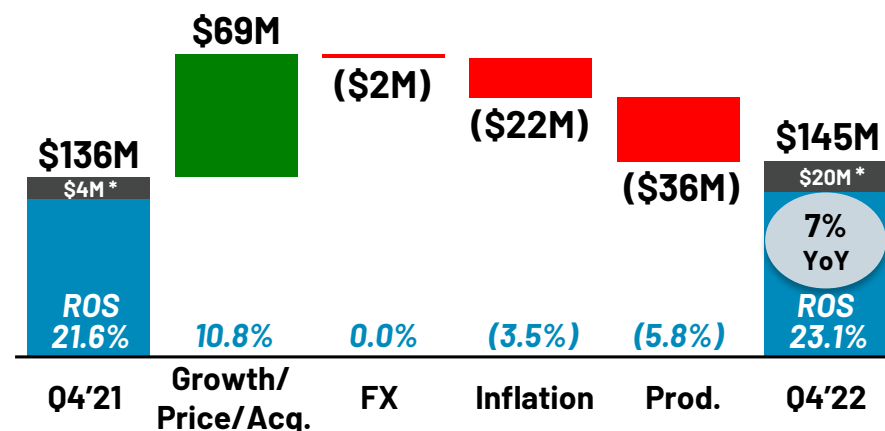


# Q4'22 Consumer Solutions Performance

## Sales



## Segment Income



\*Non-Cash Intangible Amortization

## Pool

- Sales down 18%

## Water Treatment

- Sales up 35%

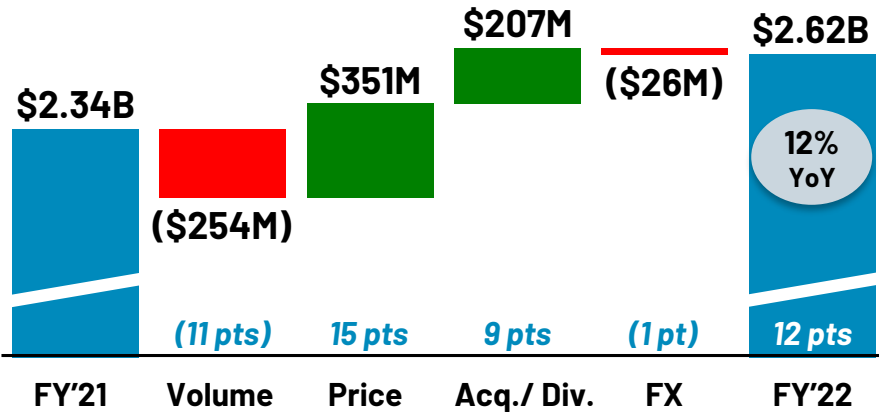
## Segment Income up 7% ROS 23.1% ... up 150 bps

- Strong price and acquisition contribution
- Supply chain inefficiencies moderated
- Inflation lessened

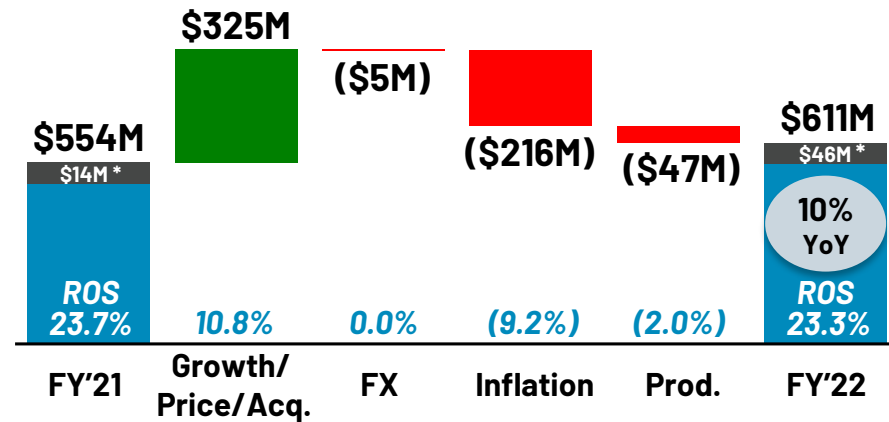


# FY'22 Consumer Solutions Performance

## Sales



## Segment Income



\*Non-Cash Intangible Amortization

## Pool

- Sales up 4%

## Water Treatment

- Sales up 28%

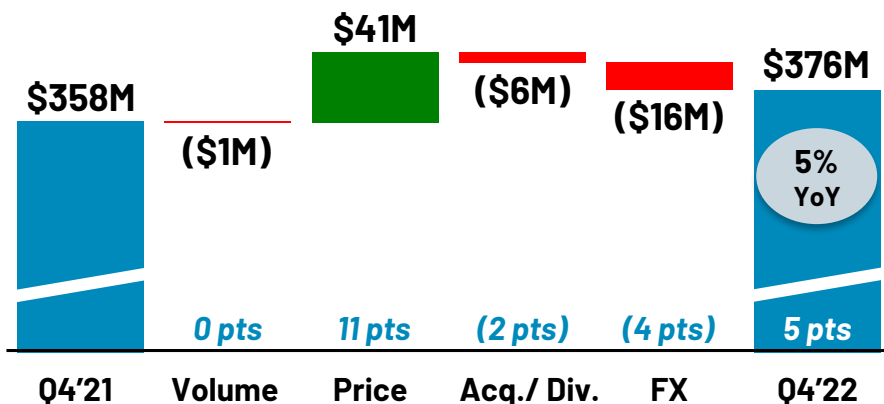
## Segment Income up 10% ROS 23.3% ... down 40 bps

- Strong price and acquisition contribution partially offset lower volume and higher inflation

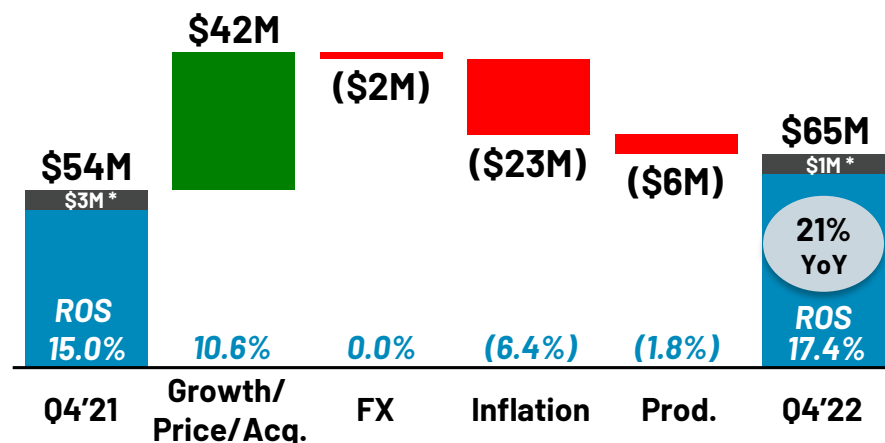


# Q4'22 Industrial & Flow Technologies Performance

## Sales



## Segment Income



\*Non-Cash Intangible Amortization

## Flow

- Residential sales down 2%
- Commercial sales up 15%

## Industrial Solutions

- Sales up 6%

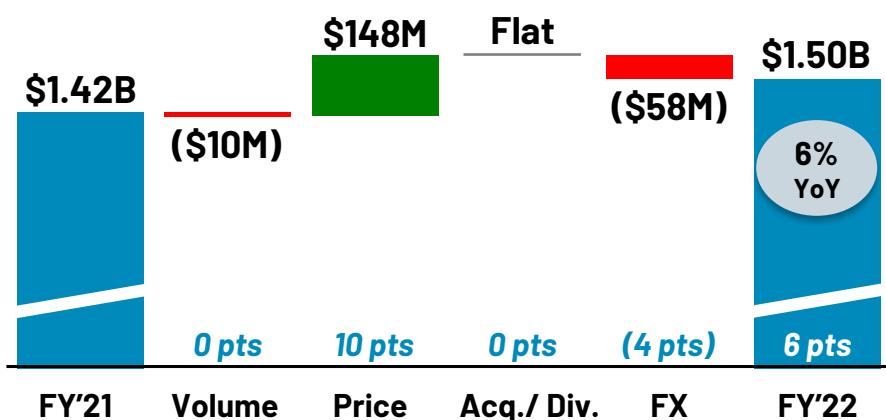
## Segment Income up 21% ROS 17.4% ... up 240 bps

- Strong price more than offset higher inflation

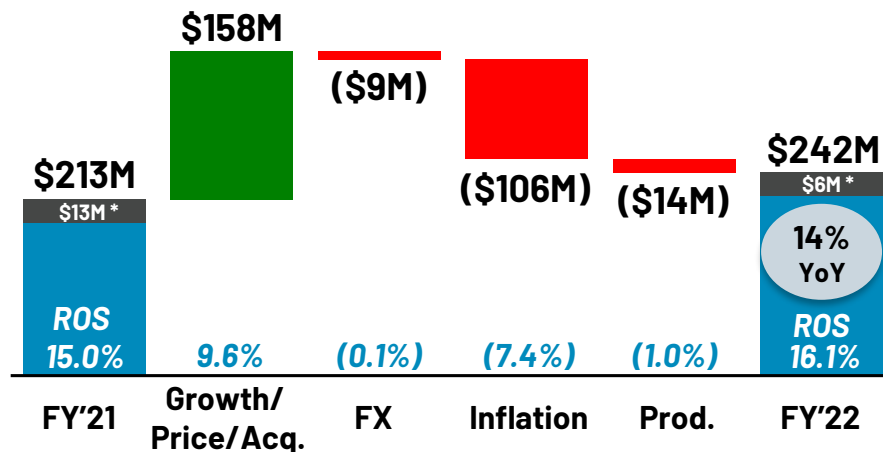


# FY'22 Industrial & Flow Technologies Performance

## Sales



## Segment Income



\*Non-Cash Intangible Amortization

## Flow

- Residential sales up 3%
- Commercial sales up 6%

## Industrial Solutions

- Sales up 10%

## Segment Income up 14% ROS 16.1% ... up 110 bps

- Strong price more than offset higher inflation and FX headwinds



# Balance Sheet and Cash Flow

## Debt Summary

<b>\$2,317M*</b>		<b>Maturity</b>
<b>\$797M</b>	<b>34% Fixed</b>	<b>2025 - 2032</b>
<b>\$1,520M</b>	<b>66% Variable</b>	<b>2023 - 2027</b>
<b>12/31/2022</b>		<b>Average Rate ~5.6%</b>

\*Does Not Include \$109M of Cash on Hand

## Debt Roll-Forward (\$M)

	12/31/2021	12/31/2022
<b>Beginning Debt</b>	<b>\$840</b>	<b>\$894</b>
Used (Generated) Cash	(557)	(282)
Share Repurchase	150	50
Dividends	133	139
Acquisitions/Other	328	1,516
<b>Ending Debt</b>	<b>\$894</b>	<b>\$2,317</b>

\*Includes Manitowoc Ice LTM Pro Forma EBITDA

## Cash Flow (\$M)

	FY 2021	FY 2022
<b>Net Income - Continuing Ops</b>	<b>\$556</b>	<b>\$483</b>
Amortization	26	53
<b>Subtotal</b>	<b>\$582</b>	<b>\$536</b>
Depreciation	51	54
Capital Expenditures	(60)	(85)
Asset Sales	4	4
Working Capital	(149)	(214)
Other Accruals/Other	129	(13)
<b>Free Cash Flow - Total</b>	<b>\$557</b>	<b>\$282</b>
Free Cash Flow - Discontinued Ops	-	(1)
<b>Free Cash Flow - Continuing Ops</b>	<b>\$557</b>	<b>\$283</b>

## Other Items

- **Net Debt/Adjusted Pro Forma EBITDA\* at Quarter End 2.5x**
- **ROIC at Year End 15.7%**



# Segment Structure Beginning 2023

Realigned segment financials presented in the Supplemental Data section of this presentation

**Move  
Water**

**Improve  
Water**

**Enjoy  
Water**

**Industrial & Flow  
Technologies**

**Water Solutions**

**Pool**

Sales  
**\$1.5B\***

ROS  
**16.1%\***

Long-Term  
Growth Rate

**LSD**

Industry  
Opportunity

**~\$20B**

Sales  
**\$1.2B\*^**

ROS  
**16.9%\*^**

Long-Term  
Growth Rate

**MSD**

Industry  
Opportunity

**~\$40B**

Sales  
**\$1.6B\***

ROS  
**28.3%\***

Long-Term  
Growth Rate

**MSD+**

Industry  
Opportunity

**~\$10B**

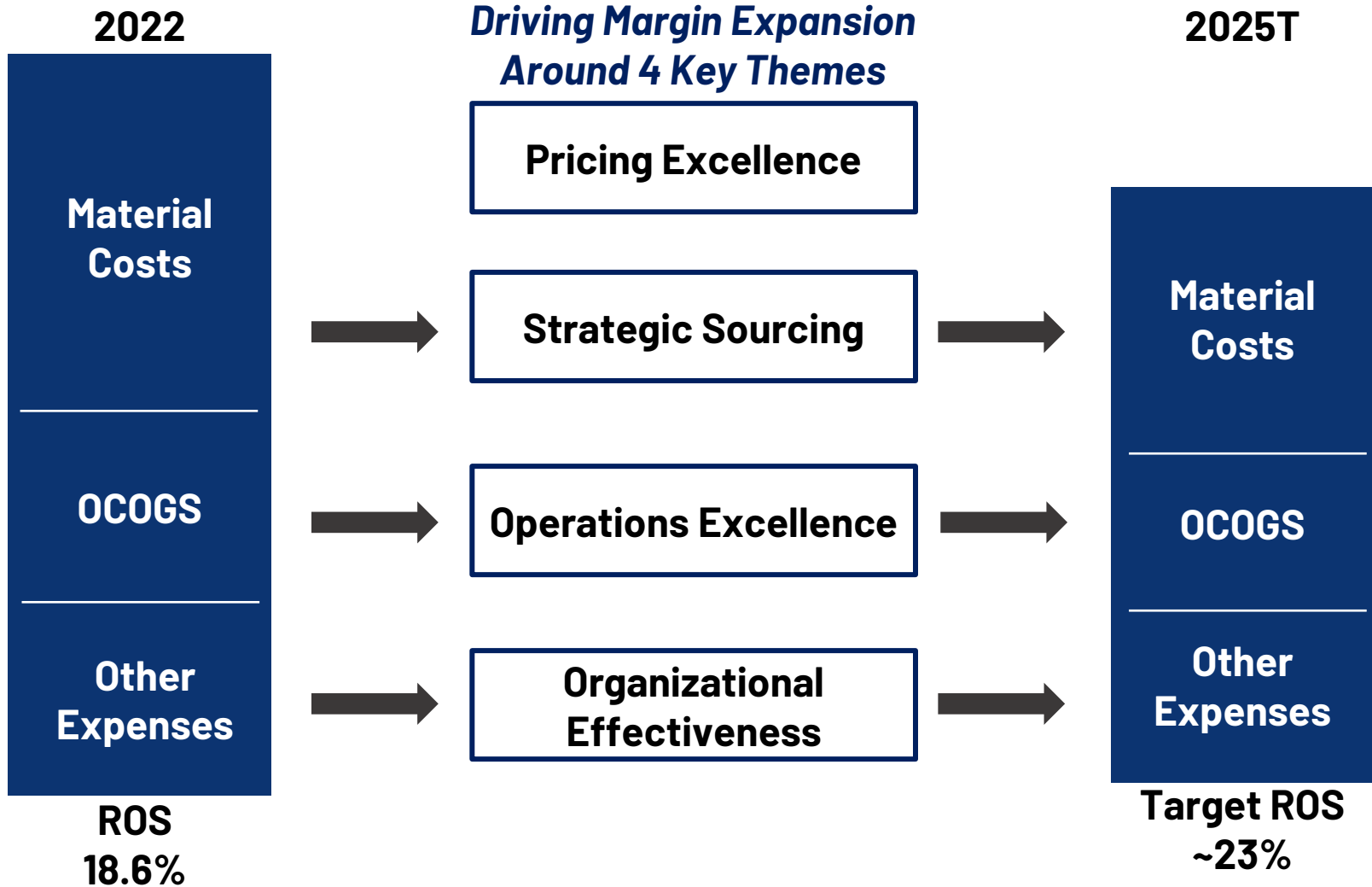
\*2022 full year results

^Water Solutions includes pro forma full year contribution of Manitowoc Ice

Note: New segment structure effective January 1, 2023. Realigned segment financials presented in the Supplemental Data section of this presentation.



# Transformation Expectations



# Q1 and Full Year 2023 Pentair Outlook

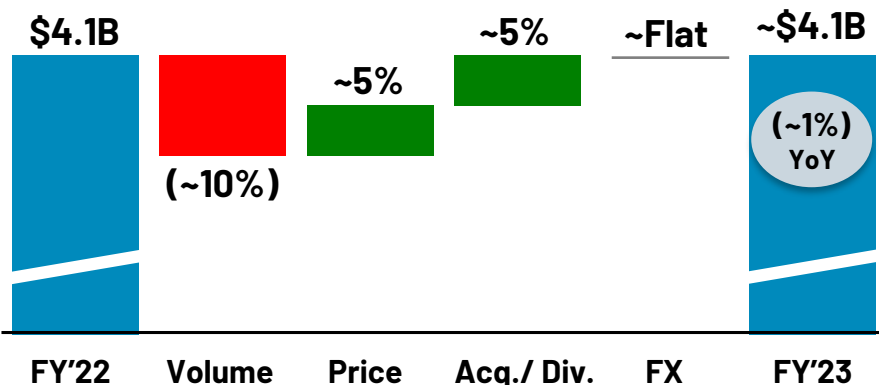
- Confident in our long-term value creation
- Continued execution and implementation of our multi-year Transformation initiatives
- Progress made on channel inventory in Pool, expect normalized levels by end of Q2/Q3
- Capital allocation remains focused on debt reduction
- Full year outlook incorporates continued residential volume headwinds

	Q1'23	FY'23
Sales	• Total Sales ~flat to up 1%	• Total Sales down ~3% to up 1%
Income	• Segment Income up ~5% to 8%	• Segment Income up ~5% to 10%
Adj. EPS	• Adjusted EPS of ~\$0.76 to \$0.78	• Adjusted EPS of ~\$3.50 to \$3.70
Other Items	<ul style="list-style-type: none"> <li>• Corp. Expense ~\$21M</li> <li>• Net Interest/Other ~\$33M</li> <li>• Adjusted Tax Rate of ~15%</li> <li>• Shares ~165M to 166M</li> </ul>	<ul style="list-style-type: none"> <li>• Corp. Expense ~\$80M</li> <li>• Net Interest/Other ~\$125M</li> <li>• Adjusted Tax Rate of ~15%</li> <li>• Shares ~165M to 166M</li> </ul>
Cash Flow		<ul style="list-style-type: none"> <li>• Targeting FCF = 100% of Net Income</li> <li>• Capital Expenditures ~\$85M</li> <li>• D&amp;A of ~\$110M and ~\$30M of Non-Cash Stock Comp</li> </ul>



# FY'23 Guidance at Midpoint\*

## Sales

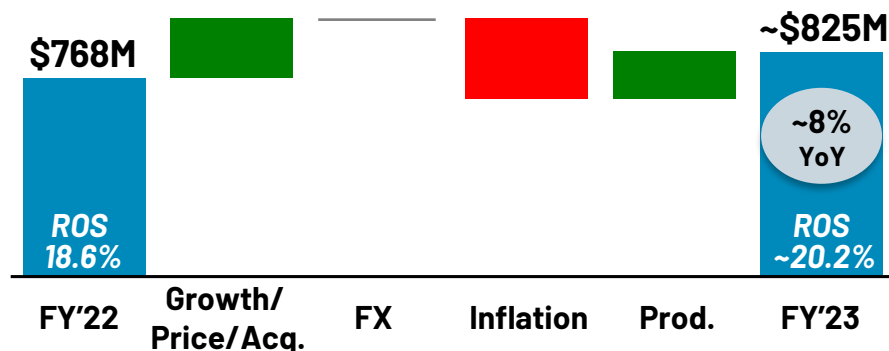


## Total Pentair down ~1%

- **Pool: Down ~Low Double-digits**  
New/Remodeled down ~20%; Aftermarket/ Inventory down ~15%; Price up ~mid-single digits
- **Water Solutions: Up ~Mid-teens**  
Commercial up ~40%, Residential down ~10%
- **IFT: Up ~Slightly**  
Residential down ~double-digits, Commercial/ Industrial/Infrastructure up ~mid-single digits

\*Guidance ties to the midpoint of our \$3.50 to \$3.70 full year 2023 Adjusted EPS guide range

## Segment Income



## Segment Income up ~8%; ROS ~20.2%

- Price to slightly exceed inflation
- Manitowoc Ice acquisition/divestitures partially offset volume decline
- Productivity and Transformation contribute significantly







# Appendix

GAAP TO NON-GAAP MEASUREMENTS &  
RECONCILIATIONS

# Reported To Adjusted 2022 Reconciliation

**Pentair plc and Subsidiaries**  
**Reconciliation of the GAAP Year Ended December 31, 2022 to the Non-GAAP**  
**Excluding the Effect of 2022 Adjustments (Unaudited)**

<i>In millions, except per-share data</i>	<b>First Quarter</b>	<b>Second Quarter</b>	<b>Third Quarter</b>	<b>Fourth Quarter</b>	<b>Full Year</b>
Net sales	\$ 999.6	\$ 1,064.2	\$ 1,055.1	\$ 1,002.9	\$ 4,121.8
Operating income	145.8	190.8	147.1	111.6	595.3
<i>% of net sales</i>	<i>14.6 %</i>	<i>17.9 %</i>	<i>13.9 %</i>	<i>11.1 %</i>	<i>14.4 %</i>
<b>Adjustments:</b>					
Restructuring and other	2.1	1.1	12.5	16.7	32.4
Transformation costs	5.5	5.2	10.1	6.4	27.2
Intangible amortization	6.6	6.3	18.5	21.1	52.5
Legal accrual adjustments and settlements	(0.7)	0.5	—	0.4	0.2
Asset impairment and write-offs	—	—	—	25.6	25.6
Inventory step-up	—	—	5.8	—	5.8
Deal-related costs and expenses	6.4	1.6	13.4	0.8	22.2
Russia business exit impact	5.9	—	(0.8)	(0.4)	4.7
Equity income of unconsolidated subsidiaries	0.5	0.4	0.3	0.6	1.8
Segment income	172.1	205.9	206.9	182.8	767.7
<i>Return on sales</i>	<i>17.2 %</i>	<i>19.3 %</i>	<i>19.6 %</i>	<i>18.2 %</i>	<i>18.6 %</i>
Net income from continuing operations—as reported	118.5	153.0	115.4	96.3	483.2
Gain on sale of businesses	—	—	(0.2)	—	(0.2)
Pension and other post-retirement mark-to-market gain	—	—	—	(17.5)	(17.5)
Amortization of bridge financing fees	2.6	5.1	1.3	—	9.0
Adjustments to operating income	25.8	14.7	59.5	70.6	170.6
Income tax adjustments	(5.4)	(3.8)	(12.3)	(14.4)	(35.9)
Net income from continuing operations—as adjusted	\$ 141.5	\$ 169.0	\$ 163.7	\$ 135.0	\$ 609.2
<b>Continuing earnings per ordinary share—diluted</b>					
Diluted earnings per ordinary share—as reported	\$ 0.71	\$ 0.92	\$ 0.70	\$ 0.58	\$ 2.92
Adjustments	0.14	0.10	0.29	0.24	0.76
Diluted earnings per ordinary share—as adjusted	\$ 0.85	\$ 1.02	\$ 0.99	\$ 0.82	\$ 3.68



# Reported To Adjusted 2021 Reconciliation

**Pentair plc and Subsidiaries**  
**Reconciliation of the GAAP Year Ended December 31, 2021 to the Non-GAAP**  
**Excluding the Effect of 2021 Adjustments (Unaudited)**

<i>In millions, except per-share data</i>	<b>First Quarter</b>	<b>Second Quarter</b>	<b>Third Quarter</b>	<b>Fourth Quarter</b>	<b>Full Year</b>
Net sales	\$ 865.9	\$ 941.1	\$ 969.2	\$ 988.6	\$ 3,764.8
Operating income	157.1	161.8	167.3	150.7	636.9
<i>% of net sales</i>	18.1 %	17.2 %	17.3 %	15.2 %	16.9 %
<b>Adjustments:</b>					
Restructuring and other	1.5	3.9	0.1	2.0	7.5
Transformation costs	—	1.9	4.0	5.8	11.7
Intangible amortization	7.1	6.3	6.0	6.9	26.3
Inventory step-up	—	—	—	2.3	2.3
COVID-19 related costs and expenses	0.2	0.1	0.1	0.2	0.6
Legal accrual adjustments and settlements	(2.4)	—	—	(5.2)	(7.6)
Deal related costs and expenses	0.7	1.0	2.1	4.1	7.9
Equity (loss) income of unconsolidated subsidiaries	0.2	(0.1)	0.1	0.1	0.3
Segment income	164.4	174.9	179.7	166.9	685.9
<i>Return on sales</i>	19.0 %	18.6 %	18.5 %	16.9 %	18.2 %
Net income from continuing operations—as reported	131.1	132.6	143.7	148.6	556.0
Gain on sale of businesses	—	—	(1.4)	—	(1.4)
Pension and other post-retirement mark-to-market gain	—	—	—	(2.4)	(2.4)
Other income	—	(0.3)	—	—	(0.3)
Adjustments to operating income	7.1	13.2	12.3	16.1	48.7
Income tax adjustments	(2.4)	(4.6)	(6.2)	(17.0)	(30.2)
Net income from continuing operations—as adjusted	\$ 135.8	\$ 140.9	\$ 148.4	\$ 145.3	\$ 570.4
<b>Continuing earnings per ordinary share—diluted</b>					
Diluted earnings per ordinary share—as reported	\$ 0.78	\$ 0.79	\$ 0.86	\$ 0.89	\$ 3.32
Adjustments	0.03	0.05	0.03	(0.02)	0.08
Diluted earnings per ordinary share—as adjusted	\$ 0.81	\$ 0.84	\$ 0.89	\$ 0.87	\$ 3.40



# 5 Year CAGR Reconciliation

**Pentair plc and Subsidiaries**  
**Reconciliation of the GAAP Year Ended December 31, 2022 and December 31, 2017 to the Non-GAAP**  
**Excluding the Effect of 2022 and 2017 Adjustments (Unaudited)**

<i>In millions, except per-share data</i>	<b>FY 2022</b>	<b>FY 2017</b>	<b>5 Year CAGR</b>
Net sales	\$ 4,121.8	\$ 2,845.7	8 %
Operating income	595.3	378.3	
<i>% of net sales</i>	<i>14.4 %</i>	<i>13.3 %</i>	
Adjustments:			
Restructuring and other	32.4	28.2	
Transformation costs	27.2	—	
Intangible amortization	52.5	36.4	
Legal accrual adjustments and settlements	0.2	—	
Asset impairment and write-offs	25.6	15.6	
Inventory step-up	5.8	—	
Deal-related costs and expenses	22.2	—	
Russia business exit impact	4.7	—	
Corporate allocations	—	36.7	
Equity income of unconsolidated subsidiaries	1.8	1.3	
Segment income	767.7	496.5	
<i>Return on sales</i>	<i>18.6 %</i>	<i>17.5 %</i>	
Net income from continuing operations—as reported	483.2	114.1	
(Gain) loss on sale of businesses	(0.2)	4.2	
Pension and other post-retirement mark-to-market (gain) loss	(17.5)	8.5	
Amortization of bridge financing fees	9.0	—	
Loss on early extinguishment of debt	—	101.4	
Interest expense adjustment	—	41.7	
Adjustments to operating income	170.6	116.9	
Income tax adjustments	(35.9)	(30.5)	
Net income from continuing operations—as adjusted	\$ 609.2	\$ 356.3	
<b>Continuing earnings per ordinary share—diluted</b>			
Diluted earnings per ordinary share—as reported	\$ 2.92	\$ 0.62	36 %
Adjustments	0.76	1.32	
Diluted earnings per ordinary share—as adjusted	\$ 3.68	\$ 1.94	14 %



# Core Sales Growth Reconciliation

**Pentair plc and Subsidiaries**  
**Reconciliation of Net Sales Growth to Core Net Sales Growth by Segment**  
**For the Quarter and Year Ended December 31, 2022 (Unaudited)**

	Q4 Net Sales Growth				Full Year Net Sales Growth			
	Core	Currency	Acq. / Div.	Total	Core	Currency	Acq. / Div.	Total
<b>Total Pentair</b>	<b>(3.0) %</b>	<b>(2.4) %</b>	<b>6.9 %</b>	<b>1.5 %</b>	<b>6.2 %</b>	<b>(2.2)%</b>	<b>5.5 %</b>	<b>9.5 %</b>
Consumer Solutions	(11.0) %	(1.3) %	11.8 %	(0.5) %	4.1 %	(1.0) %	8.8 %	11.9 %
Industrial & Flow Technologies	11.1 %	(4.6) %	(1.6) %	4.9 %	9.7 %	(4.1) %	— %	5.6 %



# ROIC Reconciliation

	Fourth Quarter 2021	First Quarter 2022	Second Quarter 2022	Third Quarter 2022	Fourth Quarter 2022
<i>Dollars in millions</i>					
<b>Return on invested capital (ROIC)</b>					
Segment income	\$ 166.9	\$ 172.1	\$ 205.9	\$ 206.9	\$ 182.8
Reported effective tax rate	2.0 %	15.4 %	15.7 %	9.6 %	5.0 %
Adjusted effective tax rate	12.1 %	16.0 %	16.0 %	13.0 %	12.7 %
NOPAT	\$ 146.7	\$ 144.6	\$ 173.0	\$ 180.0	\$ 159.6
Depreciation	12.9	13.0	13.5	13.4	14.2
Capital expenditures ("Cap Ex")	(21.6)	(17.7)	(22.4)	(23.1)	(22.0)
Total NOPAT, depreciation, and Cap Ex	\$ 138.0	\$ 139.9	\$ 164.1	\$ 170.3	\$ 151.8
Trailing four quarter NOPAT, depreciation, and Cap Ex	\$ 573.7	\$ 573.5	\$ 591.4	\$ 612.3	\$ 626.1
Ending invested capital	3,222.0	3,492.9	3,339.7	4,968.5	4,916.5
Trailing five quarter average invested capital	2,975.0	3,100.8	3,162.5	3,577.8	3,987.9
After-tax return on invested capital	19.3 %	18.5 %	18.7 %	17.1 %	15.7 %

*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 the GAAP Operating Activities Cash Flow to the Non-GAAP Free Cash Flow (Unaudited)**

<i>In millions</i>	Years ended December 31					
	2022	2021	2020	2019	2018	5 Year Cumulative
Net cash provided by operating activities of continuing operations	\$ 364.3	\$ 613.6	\$ 574.2	\$ 345.2	\$ 458.1	\$ 2,355.4
Capital expenditures	(85.2)	(60.2)	(62.2)	(58.5)	(48.2)	(314.3)
Proceeds from sale of property and equipment	4.1	3.9	0.1	0.6	0.2	8.9
<b>Free cash flow from continuing operations</b>	<b>\$ 283.2</b>	<b>\$ 557.3</b>	<b>\$ 512.1</b>	<b>\$ 287.3</b>	<b>\$ 410.1</b>	<b>\$ 2,050.0</b>
Net cash (used for) provided by operating activities of discontinued operations	(1.0)	(0.4)	(0.6)	7.8	(19.0)	(13.2)
Capital expenditures of discontinued operations	—	—	—	—	(7.4)	(7.4)
Proceeds from sale of property and equipment of discontinued operations	—	—	—	—	2.3	2.3
<b>Free cash flow</b>	<b>\$ 282.2</b>	<b>\$ 556.9</b>	<b>\$ 511.5</b>	<b>\$ 295.1</b>	<b>\$ 386.0</b>	<b>\$ 2,031.7</b>



# Last Twelve Months Adjusted EBITDA Reconciliation

**Pentair plc and Subsidiaries**  
**Reconciliation of Net Income from Continuing Operations to Adjusted EBITDA**  
**for the Year Ended December 31, 2022 (Unaudited)**

<i>In millions</i>	<b>FY 2022</b>
Net income from continuing operations	\$ 483.2
Adjustments:	
Restructuring and other	32.4
Transformation costs	27.2
Intangible amortization	52.5
Legal accrual adjustments and settlements	0.2
Asset impairment and write-offs	25.6
Inventory step-up	5.8
Deal-related costs and expenses	22.2
Russia business exit impact	4.7
Gain on sale of businesses	(0.2)
Pension and other post-retirement mark-to-market gain	(17.5)
Net interest expense	61.8
Other expense	2.4
Provision for income taxes	67.4
Segment income	\$ 767.7
Adjustments:	
Depreciation	54.1
Adjusted EBITDA	\$ 821.8
Manitowoc Ice Pro Forma EBITDA **	57.0 *
Adjusted Pro Forma EBITDA	\$ 878.8

\* The full year pro forma EBITDA adjustment only includes seven months of activity as the acquisition was completed on July 28, 2022.

\*\* Includes certain management adjustments to remove corporate allocations.



# Reported To Adjusted 2023 Reconciliation

**Pentair plc and Subsidiaries**  
**Reconciliation of the GAAP Year Ending December 31, 2023 to the Non-GAAP**  
**Excluding the Effect of 2023 Adjustments (Unaudited)**

<i>In millions, except per-share data</i>	Forecast		
	First Quarter		Full Year
Net sales	approx	Flat - Up 1%	approx Down 3% - Up 1%
Operating income	approx	Up 14% - 17%	approx Up 26% - 33%
Adjustments:			
Intangible amortization	approx \$	14	approx \$ 55
Equity income of unconsolidated subsidiaries	approx	1	approx 4
Segment income	approx	Up 5% - 8%	approx Up 5% - 10%
Net income from continuing operations—as reported	approx	\$114 - \$117	approx \$533 - \$566
Adjustments to operating income	approx	14	approx 55
Income tax adjustments	approx	(2)	approx (8)
<b>Net income from continuing operations—as adjusted</b>	<b>approx</b>	<b>\$126 - \$129</b>	<b>approx \$580 - \$613</b>
<b>Continuing earnings per ordinary share—diluted</b>			
Diluted earnings per ordinary share—as reported	approx	\$0.69 - \$0.71	approx \$3.22 - \$3.42
Adjustments	approx	0.07	approx 0.28
<b>Diluted earnings per ordinary share—as adjusted</b>	<b>approx</b>	<b>\$0.76 - \$0.78</b>	<b>approx \$3.50 - \$3.70</b>

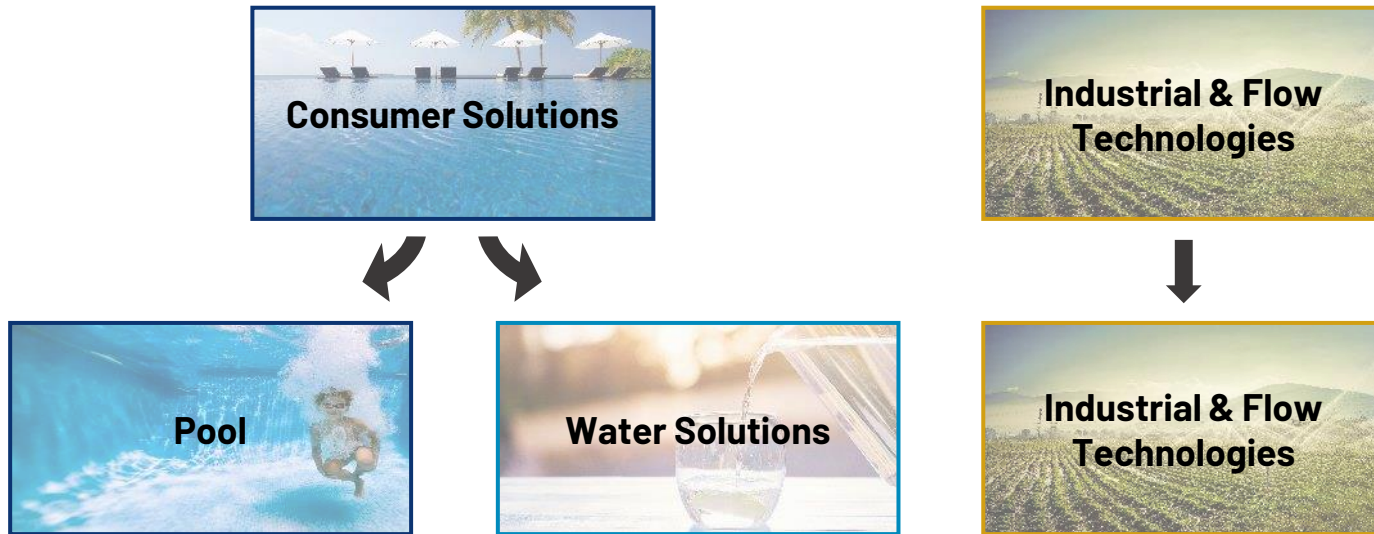




# Supplemental Data

# Aligning Organization for Accelerated Success

Committed to driving value for all of our stakeholders



**Aligning our Reporting Segments to Serve our Customers and Drive Superior Value to Shareholders**

# Supplemental Financial Data – New Segmentation

**Pentair plc and Subsidiaries**  
**Supplemental Financial Information by Reportable Segment - New Segmentation (Unaudited)**

<i>In millions</i>	<b>2022</b>				
	<b>First Quarter</b>	<b>Second Quarter</b>	<b>Third Quarter</b>	<b>Fourth Quarter</b>	<b>Full Year</b>
<b>Net sales</b>					
Pool	\$ 435.4	\$ 464.0	\$ 390.0	\$ 343.3	\$ 1,632.7
Water Solutions	205.8	222.2	275.3	283.5	986.8
Industrial & Flow Technologies	358.1	377.4	389.5	375.8	1,500.8
Other	0.3	0.6	0.3	0.3	1.5
Consolidated	\$ 999.6	\$ 1,064.2	\$ 1,055.1	\$ 1,002.9	\$ 4,121.8
<b>Segment income (loss)</b>					
Pool	\$ 116.3	\$ 136.7	\$ 109.3	\$ 99.8	\$ 462.1
Water Solutions	22.2	32.5	49.3	45.0	149.0
Industrial & Flow Technologies	52.2	59.1	65.7	65.3	242.3
Other	(18.6)	(22.4)	(17.4)	(27.3)	(85.7)
Consolidated	\$ 172.1	\$ 205.9	\$ 206.9	\$ 182.8	\$ 767.7
<b>Return on sales</b>					
Pool	26.7 %	29.5 %	28.0 %	29.1 %	28.3 %
Water Solutions	10.8 %	14.6 %	17.9 %	15.9 %	15.1 %
Industrial & Flow Technologies	14.6 %	15.7 %	16.9 %	17.4 %	16.1 %
Consolidated	17.2 %	19.3 %	19.6 %	18.2 %	18.6 %



# Supplemental Financial Data – New Segmentation

**Pentair plc and Subsidiaries**  
**Supplemental Financial Information by Reportable Segment - New Segmentation (Unaudited)**

<i>In millions</i>	<b>2021</b>				
	<b>First Quarter</b>	<b>Second Quarter</b>	<b>Third Quarter</b>	<b>Fourth Quarter</b>	<b>Full Year</b>
<b>Net sales</b>					
Pool	\$ 354.8	\$ 389.6	\$ 407.8	\$ 419.8	\$ 1,572.0
Water Solutions	166.6	187.3	205.8	210.2	769.9
Industrial & Flow Technologies	344.1	363.9	355.1	358.3	1,421.4
Other	0.4	0.3	0.5	0.3	1.5
Consolidated	\$ 865.9	\$ 941.1	\$ 969.2	\$ 988.6	\$ 3,764.8
<b>Segment income (loss)</b>					
Pool	\$ 107.0	\$ 118.1	\$ 115.3	\$ 112.3	\$ 452.7
Water Solutions	24.0	25.3	28.9	23.5	101.7
Industrial & Flow Technologies	50.0	57.1	52.4	53.8	213.3
Other	(16.6)	(25.6)	(16.9)	(22.7)	(81.8)
Consolidated	\$ 164.4	\$ 174.9	\$ 179.7	\$ 166.9	\$ 685.9
<b>Return on sales</b>					
Pool	30.2 %	30.3 %	28.3 %	26.8 %	28.8 %
Water Solutions	14.4 %	13.5 %	14.0 %	11.2 %	13.2 %
Industrial & Flow Technologies	14.5 %	15.7 %	14.8 %	15.0 %	15.0 %
Consolidated	19.0 %	18.6 %	18.5 %	16.9 %	18.2 %



# Supplemental Financial Data – New Segmentation

**Pentair plc and Subsidiaries**  
**Supplemental Financial Information by Reportable Segment - New Segmentation (Unaudited)**

<i>In millions</i>	<b>2020</b>				
	<b>First Quarter</b>	<b>Second Quarter</b>	<b>Third Quarter</b>	<b>Fourth Quarter</b>	<b>Full Year</b>
<b>Net sales</b>					
Pool	\$ 240.2	\$ 262.0	\$ 309.5	\$ 311.8	\$ 1,123.5
Water Solutions	148.6	139.2	161.3	170.3	619.4
Industrial & Flow Technologies	320.9	311.8	327.4	313.5	1,273.6
Other	0.3	0.3	0.3	0.4	1.3
Consolidated	\$ 710.0	\$ 713.3	\$ 798.5	\$ 796.0	\$ 3,017.8
<b>Segment income (loss)</b>					
Pool	\$ 64.6	\$ 77.4	\$ 87.2	\$ 92.2	\$ 321.4
Water Solutions	20.2	19.3	26.6	31.6	97.7
Industrial & Flow Technologies	44.7	44.1	42.7	33.1	164.6
Other	(18.0)	(16.1)	(16.0)	(16.0)	(66.1)
Consolidated	\$ 111.5	\$ 124.7	\$ 140.5	\$ 140.9	\$ 517.6
<b>Return on sales</b>					
Pool	26.9 %	29.5 %	28.2 %	29.6 %	28.6 %
Water Solutions	13.6 %	13.9 %	16.5 %	18.6 %	15.8 %
Industrial & Flow Technologies	13.9 %	14.1 %	13.0 %	10.6 %	12.9 %
Consolidated	15.7 %	17.5 %	17.6 %	17.7 %	17.2 %



# Supplemental Financial Data – New Segmentation

**Pentair plc and Subsidiaries**  
**Supplemental Financial Information by Reportable Segment - New Segmentation (Unaudited)**

<i>In millions</i>	<b>2019</b>				
	<b>First Quarter</b>	<b>Second Quarter</b>	<b>Third Quarter</b>	<b>Fourth Quarter</b>	<b>Full Year</b>
<b>Net sales</b>					
Pool	\$ 220.4	\$ 270.6	\$ 218.7	\$ 275.6	\$ 985.3
Water Solutions	137.8	166.5	158.3	163.8	626.4
Industrial & Flow Technologies	330.3	362.1	336.2	315.5	1,344.1
Other	0.4	0.3	0.4	0.3	1.4
Consolidated	\$ 688.9	\$ 799.5	\$ 713.6	\$ 755.2	\$ 2,957.2
<b>Segment income (loss)</b>					
Pool	\$ 54.7	\$ 78.1	\$ 55.9	\$ 85.4	\$ 274.1
Water Solutions	20.5	30.9	26.0	28.1	105.5
Industrial & Flow Technologies	41.0	59.7	55.9	42.4	199.0
Other	(17.5)	(14.6)	(15.0)	(15.2)	(62.3)
Consolidated	\$ 98.7	\$ 154.1	\$ 122.8	\$ 140.7	\$ 516.3
<b>Return on sales</b>					
Pool	24.8 %	28.9 %	25.6 %	31.0 %	27.8 %
Water Solutions	14.9 %	18.6 %	16.4 %	17.2 %	16.8 %
Industrial & Flow Technologies	12.4 %	16.5 %	16.6 %	13.4 %	14.8 %
Consolidated	14.3 %	19.3 %	17.2 %	18.6 %	17.5 %

