PENTAIR

Q3 2020 EARNINGS RELEASE

October 20, 2020

Forward-Looking Statements

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

THIS PRESENTATION CONTAINS STATEMENTS THAT WE BELIEVE TO BE "FORWARD-LOOKINGSTATEMENTS" WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORMACT 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 IMPACT OF THE COVID-19 PANDEMIC ON OUR BUSINESS; THE DURATION AND SEVERITY OF THE COVID-19 PANDEMIC; ACTIONS THAT MAY BE TAKEN BY US, OTHER BUSINESSES AND GOVERNMENTS TO ADDRESS OR OTHERWISE MITIGATE THE IMPACT OF THE COVID-19 PANDEMIC, INCLUDING THOSE THAT MAY IMPACT OUR ABILITY TO OPERATE OUR FACILITIES, MEET PRODUCTION DEMANDS, AND DELIVER PRODUCTS TO OUR CUSTOMERS; THE NEGATIVE IMPACTS OF THE COVID-19 PANDEMIC ON THE GLOBAL ECONOMY, OUR CUSTOMERS AND SUPPLIERS, AND CUSTOMER DEMAND; OVERALL GLOBAL ECONOMIC AND BUSINESS CONDITIONS IMPACTING OUR BUSINESS, INCLUDING THE STRENGTH OF THE HOUSING AND RELATED MARKETS; DEMAND, COMPETITION AND PRICING PRESSURES IN THE MARKETS WE SERVE; 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; THE ABILITY TO ACHIEVE THE BENEFITS OF OUR RESTRUCTURING PLANS AND COST REDUCTION INITIATIVES; RISKS ASSOCIATED WITH OPERATING FOREIGN BUSINESSES; THE IMPACT OF MATERIAL COST AND OTHER INFLATION; 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 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, 2019 AND OUR QUARTERLY REPORTS ON FORM 10-Q. 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 2020 and 2019 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

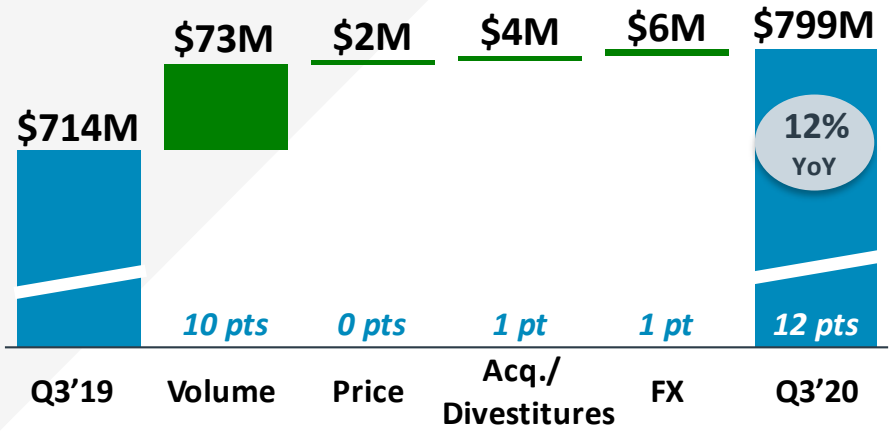
Executive Summary

- ✓ **Continue to be focused on the health and safety of our employees, our customers, our businesses, and our communities**
- ✓ **Especially grateful to our sales and manufacturing employees for their commitment to our customers and shareholders**
- ✓ **Delivered strong third quarter results**
  - *Sales up 12% YOY; Segment Income up 14% YOY; Adj. EPS up 21% YOY; and YTD Free Cash Flow of $457M*
- ✓ **Continued to invest in our top growth priorities and digital transformation**
- ✓ **Expect to finish 2020 strong … building momentum for 2021**
  - *Guidance – Sales of ~$2.95B; Adj. EPS of ~$2.35 to $2.40; and Free Cash Flow >100% of Net Income*

Strong Execution in a Continued Challenging Environment

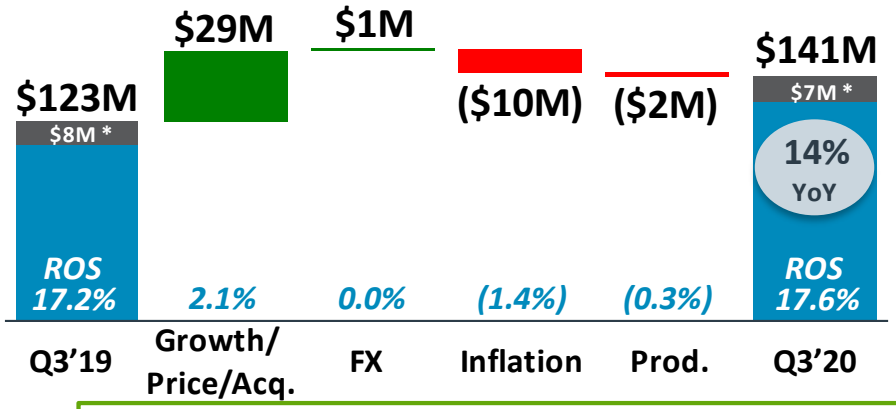
Q3'20 Pentair Performance

Sales



Segment Income

**Non-Cash Intangible Amortization*



Financial Highlights (YoY)

Core Sales up 10%

- Consumer Solutions up 23%
- Industrial & Flow Technologies down 4%

Segment Income up 14%

ROS 17.6% … up 40 bps

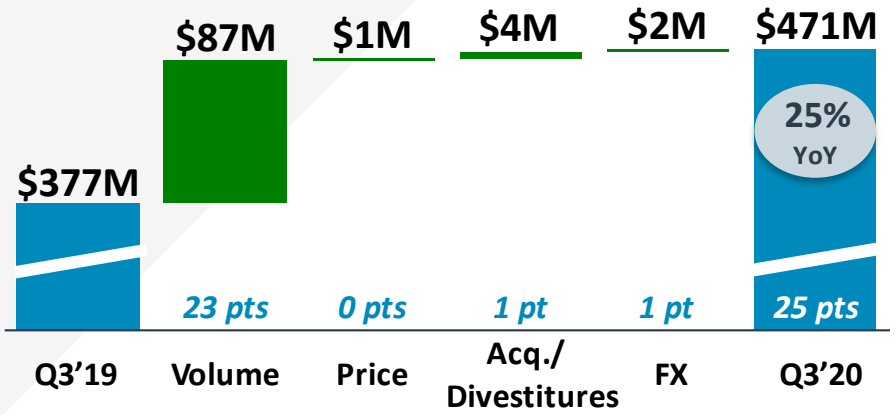
Adj. EPS $0.70 … up 21%

- Adjusted Tax Rate of 13%
- Net Interest/Other of $6.0M; Shares 167.1M

Strong Top Line and EPS Growth

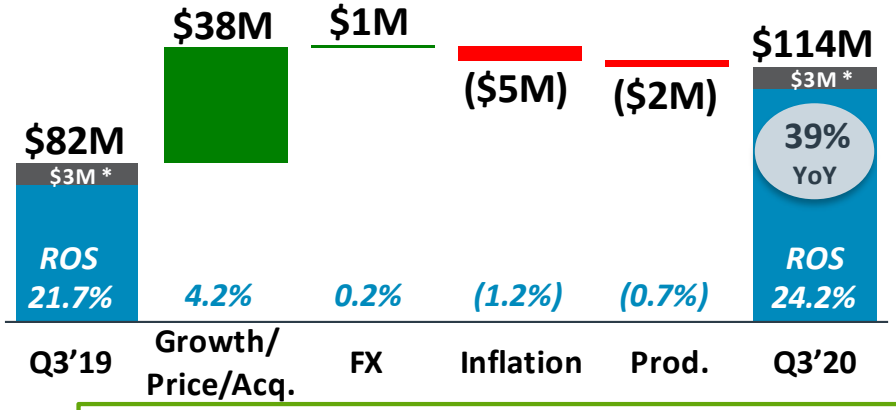
Q3'20 Consumer Solutions Performance

Sales



Segment Income

*Non-Cash Intangible Amortization



Financial Highlights (YoY)

Pool

- Sales up 46%
- Strong linearity throughout the quarter following delayed start to season
- Demand remained strong

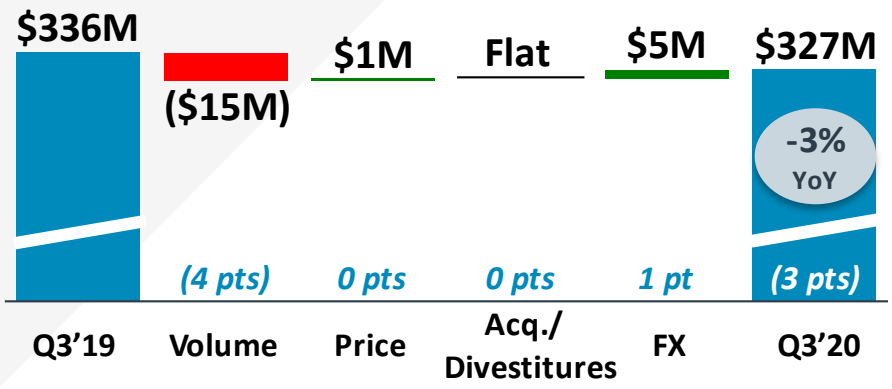
Water Treatment

- Sales up 2%
- Growth in Residential
- Commercial remained soft, but improved dramatically on a sequential basis

Robust Pool Growth and Improved Water Treatment Trends

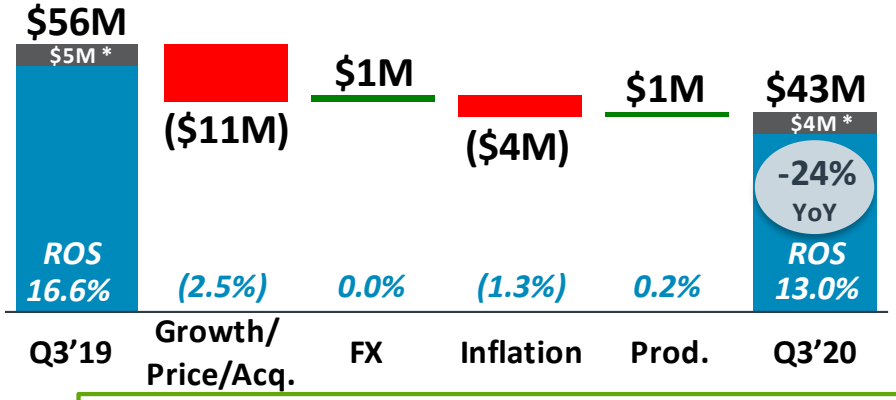
Q3'20 Industrial & Flow Technologies Performance

Sales



Segment Income

*Non-Cash Intangible Amortization



Financial Highlights (YoY)

Residential & Irrigation Flow

- Sales up 6%
- Solid demand in break & fix business

Commercial & Infrastructure Flow

- Sales down 3%
- Demand remained soft

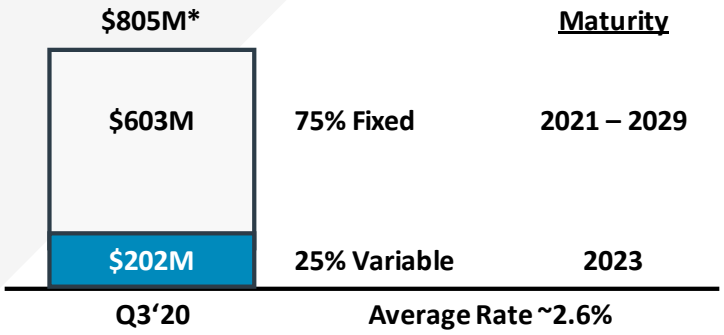
Industrial Filtration

- Sales down 13%
- Customers still were not spending

Top Line Stabilization While Income Headwinds Persisted

Balance Sheet and Cash Flow

Debt Summary



*Does Not Include $83M of Cash on Hand

Debt Roll-Forward

Use of Cash: ($M)	Q3 2020	YTD 2020
Beginning Debt	**$1,013**	**$1,029**
Used (Generated) Cash	(220)	(456)
Share Repurchase	-	115
Dividends	31	95
Acquisitions/Other	(19)	22
Ending Debt	**$805**	**$805**

Cash Flow ($M)

	Q3 2020	YTD 2020
Net Income - Continuing Ops	**$111**	**$257**
Amortization	7	22
Subtotal	**$118**	**$279**
Depreciation	12	34
Capital Expenditures	(14)	(44)
Working Capital	62	83
Other Accruals/Other	42	104
Free Cash Flow - Total	**$220**	**$456**
Free Cash Flow - Discontinued Ops	-	(1)
Free Cash Flow - Continuing Ops	**$220**	**$457**

- **Net Debt/Adjusted EBITDA at Quarter End 1.3x**
- **ROIC at Quarter End 14.7%**

A Strong Balance Sheet

Full Year 2020 Pentair Outlook

Sales	• Total Sales ~$2.95B
EPS	• Adjusted EPS ~$2.35 to $2.40
Other Items	• Corp. Expense ~$60M to $65M • Net Interest/Other ~$28M • Adjusted Tax Rate of ~15% • Shares ~167M
Balance Sheet & Cash Flow	• Expecting FCF Greater Than 100% of Net Income • Capital Expenditures ~$65M • D&A of ~$75M and ~$20M of Non-Cash Stock Compensation

Updating Full Year Guidance

Our Longer-Term Aspirations

Grow Revenue Organically	• Grow greater than GDP across the *ENTIRE portfolio* • Improve our commercialization process and velocity • Focus on *Acceleration of Top Growth Actions*
Add Tuck-in and Bolt-On Acquisitions	• Focus on highest growth areas • Build robust opportunity funnel • Deliver world-class execution and integration
Drive Productivity, Cash & ROIC	• Expand PIMS toolkit and deploy effectively • *Grow Income* and drive asset-lite business models • Optimize investments

Become a Top Quartile Company in Our Space

Living Our "Win Right" Values Through ESG

Environmental

- Greater than 60%* of solutions support water efficiency
- ~75%* of solutions support energy efficiency
- Supporting CO2 reductions and reuse

**Based on Pentair's top brands as a percentage of total revenue*

Social

- Commitment to safety and a healthy workplace
- Enhancing Inclusion & Diversity initiatives
- Philanthropy

Governance

- Diverse Board
- Anonymous employee helpline
- Responsible, sustainable business practices

Please visit our 2019 Corporate Responsibility Report

Smart, Sustainable Solutions. FOR LIFE.

A Strong Foundation to Build Upon

We have a strong purpose, mission, and vision

We believe we are in attractive spaces that are expanding

We have the right enterprise strategy, businesses, talent, and culture

We continue to prioritize providing superior customer experiences and delivering more predictable and consistent results

We are Well-Positioned to Achieve Our Long-Term Vision

PENTAIR

APPENDIX

GAAP TO NON-GAAP MEASUREMENTS & RECONCILIATIONS

Reported To Adjusted 2020 Reconciliation

Pentair plc and Subsidiaries
Reconciliation of the GAAP year ending December 31, 2020 to the non-GAAP
excluding the effect of 2020 adjustments (Unaudited)

	Actual			Forecast
In millions, except per-share data	**First Quarter**	**Second Quarter**	**Third Quarter**	**Full Year**
Net sales	$ 710.0	$ 713.3	$ 798.5	approx $ 2,950
Operating income	100.7	111.1	128.1	
% of net sales	*14.2 %*	*15.6 %*	*16.0 %*	
Adjustments:				
Restructuring and other	2.4	1.1	2.1	approx 6
Intangible amortization	7.6	7.0	6.9	approx 28
COVID-19 related costs and expenses	0.9	4.8	2.6	approx 8
Deal related costs and expenses	0.4	—	—	approx —
Equity (loss) income of unconsolidated subsidiaries	(0.5)	0.7	0.8	approx 2
Segment income	111.5	124.7	140.5	
Return on sales	*15.7 %*	*17.5 %*	*17.6 %*	
Net income from continuing operations—as reported	72.7	73.8	110.8	approx $342 - $351
Loss on sale of businesses	—	0.1	—	approx —
Other income	—	—	(2.2)	approx (2)
Adjustments to operating income	11.3	12.9	11.6	approx 42
Income tax adjustments	3.3	11.1	(3.6)	approx 10
Net income from continuing operations—as adjusted	$ 87.3	$ 97.9	$ 116.6	approx $392 - $401
Continuing earnings per ordinary share—diluted				
Diluted earnings per ordinary share—as reported	$ 0.43	$ 0.44	$ 0.66	approx $2.05 - $2.10
Adjustments	0.09	0.15	0.04	approx 0.30
Diluted earnings per ordinary share—as adjusted	$ 0.52	$ 0.59	$ 0.70	approx $2.35 - $2.40

Reported To Adjusted 2019 Reconciliation

Pentair plc and Subsidiaries
Reconciliation of the GAAP year ended December 31, 2019 to the non-GAAP excluding the effect of 2019 adjustments (Unaudited)

In millions, except per-share data	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Net sales	$ 688.9	$ 799.5	$ 713.6	$ 755.2	$ 2,957.2
Operating income	67.6	133.8	108.8	122.3	432.5
% of net sales	*9.8 %*	*16.7 %*	*15.2 %*	*16.2 %*	*14.6 %*
Adjustments:					
Restructuring and other	1.1	6.7	5.9	7.3	21.0
Intangible amortization	8.2	8.3	7.6	7.6	31.7
Asset impairment	15.3	2.9	—	3.0	21.2
Inventory step-up	1.7	0.5	—	—	2.2
Deal related costs and expenses	4.2	—	—	—	4.2
Equity income of unconsolidated subsidiaries	0.6	1.9	0.5	0.5	3.5
Segment income	98.7	154.1	122.8	140.7	516.3
Return on sales	*14.3 %*	*19.3 %*	*17.2 %*	*18.6 %*	*17.5 %*
Net income from continuing operations—as reported	52.4	115.1	91.3	102.9	361.7
(Gain) loss on sale of businesses	(3.5)	0.1	0.1	1.1	(2.2)
Pension and other post-retirement market-to-market (gain) loss	—	(12.2)	0.4	8.4	(3.4)
Adjustments to operating income	30.5	18.4	13.5	17.9	80.3
Income tax adjustments	(5.4)	(3.8)	(7.4)	(14.8)	(31.4)
Net income from continuing operations—as adjusted	$ 74.0	$ 117.6	$ 97.9	$ 115.5	$ 405.0
Continuing earnings per ordinary share—diluted					
Diluted earnings per ordinary share—as reported	$ 0.30	$ 0.68	$ 0.54	$ 0.61	$ 2.12
Adjustments	0.13	0.01	0.04	0.07	0.26
Diluted earnings per ordinary share—as adjusted	$ 0.43	$ 0.69	$ 0.58	$ 0.68	$ 2.38

Core Sales Growth Reconciliation

Pentair plc and Subsidiaries
Reconciliation of Net Sales Growth to Core Net Sales Growth by Segment
For the Quarter Ended September 30, 2020 (Unaudited)

	Q3 Net Sales Growth			
	Core	**Currency**	**Acq. / Div.**	**Total**
Total Pentair	**10.4 %**	**1.0 %**	**0.5 %**	**11.9 %**
Consumer Solutions	23.4 %	0.5 %	1.0 %	24.9 %
Industrial & Flow Technologies	(4.0) %	1.4 %	— %	(2.6) %

ROIC Reconciliation

In millions	Third Quarter 2019	Fourth Quarter 2019	First Quarter 2020	Second Quarter 2020	Third Quarter 2020
Return on Invested Capital (ROIC)					
Segment Income	$ 122.8	$ 140.7	$ 111.5	$ 124.7	$ 140.5
Reported Effective Tax Rate	9.8 %	2.8 %	21.5 %	28.8 %	11.5 %
Adjusted Effective Tax Rate	15.0 %	13.4 %	16.0 %	16.0 %	13.4 %
NOPAT	$ 104.4	$ 121.8	$ 93.7	$ 104.7	$ 121.7
Depreciation	12.0	11.9	11.6	11.2	11.6
Capital Expenditures ("Cap Ex")	(14.8)	(13.9)	(18.7)	(11.8)	(13.9)
Total NOPAT, Depreciation, and Cap Ex	$ 101.6	$ 119.8	$ 86.6	$ 104.1	$ 119.4
Trailing Four Quarter NOPAT, Depreciation, and Cap Ex	$ 411.7	$ 423.3	$ 433.8	$ 412.1	$ 429.9
Ending Invested Capital	2,873.6	2,900.4	3,173.7	2,872.1	2,772.5
Trailing Five Quarter Average Invested Capital	2,827.5	2,884.9	3,009.9	2,952.1	2,918.5
After Tax Return on Invested Capital	14.6 %	14.7 %	14.4 %	14.0 %	14.7 %

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 - 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)

In millions	Three months ended March 31, 2020	Three months ended June 30, 2020	Three months ended September 30, 2020	Nine months ended September 30, 2020
Net cash (used for) provided by operating activities of continuing operations	$ (162.4)	$ 428.9	$ 234.3	$ 500.8
Capital expenditures	(18.7)	(11.8)	(13.9)	(44.4)
Proceeds from sale of property and equipment	0.1	—	—	0.1
Free cash flow from continuing operations	$ (181.0)	$ 417.1	$ 220.4	$ 456.5
Net cash used for operating activities of discontinued operations	—	(0.5)	—	(0.5)
Free cash flow	$ (181.0)	$ 416.6	$ 220.4	$ 456.0

In millions	Three months ended March 31, 2019	Three months ended June 30, 2019	Three months ended September 30, 2019	Nine months ended September 30, 2019
Net cash (used for) provided by operating activities of continuing operations	$ (257.1)	$ 356.3	$ 166.9	$ 266.1
Capital expenditures	(16.8)	(13.0)	(14.8)	(44.6)
Proceeds from sale of property and equipment	0.3	0.1	—	0.4
Free cash flow from continuing operations	$ (273.6)	$ 343.4	$ 152.1	$ 221.9
Net cash provided by (used for) operating activities of discontinued operations	0.8	(3.3)	1.1	(1.4)
Free cash flow	$ (272.8)	$ 340.1	$ 153.2	$ 220.5

Last Twelve Months Adjusted EBITDA Reconciliation

Pentair plc and Subsidiaries
Reconciliation of Net income from continuing operations to Adjusted EBITDA (Unaudited)

In millions	Fourth Quarter 2019	First Quarter 2020	Second Quarter 2020	Third Quarter 2020	Last Twelve Months
Net income from continuing operations	$ 102.9	$ 72.7	$ 73.8	$ 110.8	$ 360.2
Adjustments:					
Deal-related costs and expenses	—	0.4	—	—	0.4
Restructuring and other	7.3	2.4	1.1	2.1	12.9
Intangible amortization	7.6	7.6	7.0	6.9	29.1
Pension and other post-retirement market-to-market loss	8.4	—	—	—	8.4
Asset impairment	3.0	—	—	—	3.0
Loss on sale of businesses	1.1	—	0.1	—	1.2
COVID-19 related costs and expenses	—	0.9	4.8	2.6	8.3
Net interest expense	6.5	6.9	7.7	5.4	26.5
Other expense (income)	0.9	0.7	0.4	(1.7)	0.3
Provision for income taxes	3.0	19.9	29.8	14.4	67.1
Segment income	$ 140.7	$ 111.5	$ 124.7	$ 140.5	$ 517.4
Adjustments:					
Depreciation	11.9	11.6	11.2	11.6	46.3
Adjusted EBITDA	$ 152.6	$ 123.1	$ 135.9	$ 152.1	$ 563.7