



Q4 2020 EARNINGS RELEASE
January 28, 2021



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," "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 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 TO 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 2021, 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

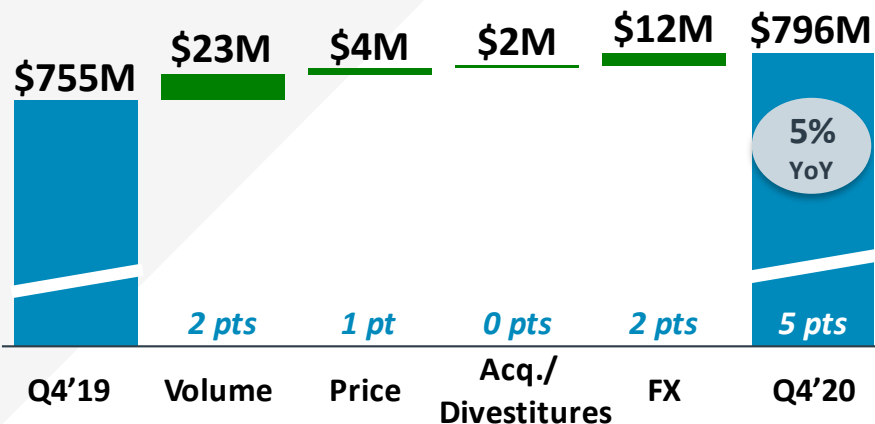
Executive Summary

- ✓ **Delivered strong full year results while facing unprecedented challenges**
 - *Sales up 2% to \$3.02B; Adj. EPS up 5% to \$2.50; and Free Cash Flow of \$512M*
- ✓ **Stayed focused on the health and safety of our employees, customers, businesses, and communities**
- ✓ **Continued to invest in our top growth priorities and digital transformation**
- ✓ **Advanced our commitment to further ESG Stewardship**
- ✓ **Benefited from strong Residential portfolio ... momentum carrying into 2021**

Delivered Solid 2020 Results and Remain Well Positioned for the Future

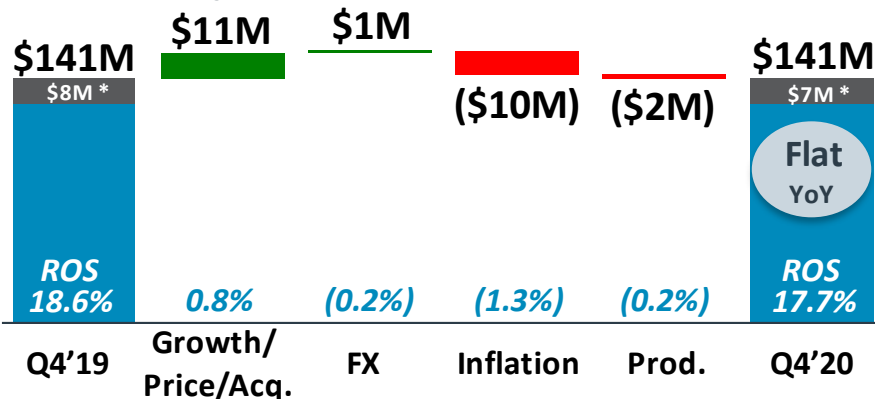
Q4'20 Pentair Performance

Sales



Segment Income

*Non-Cash Intangible Amortization



Financial Highlights (YoY)

Core Sales up 3%

- Consumer Solutions up 8%
- Industrial & Flow Technologies down 3%

Segment Income Flat

ROS 17.7% ... down 90 bps

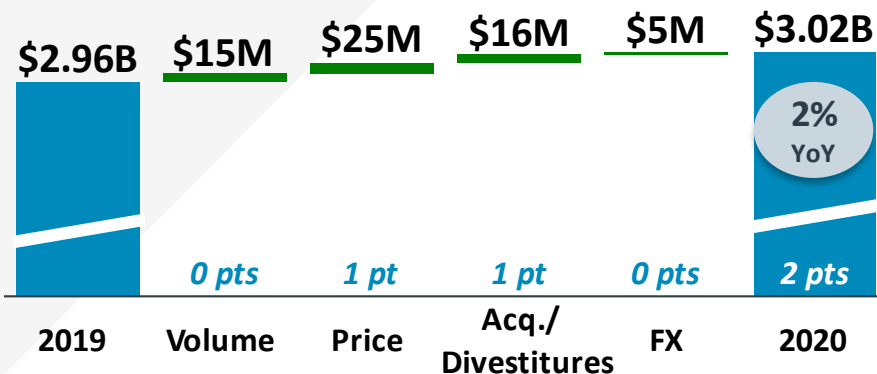
Adj. EPS \$0.70 ... up 3%

- Adjusted Tax Rate of 14%
- Net Interest/Other of \$5M; Shares 167.5M

Continued Residential Strength

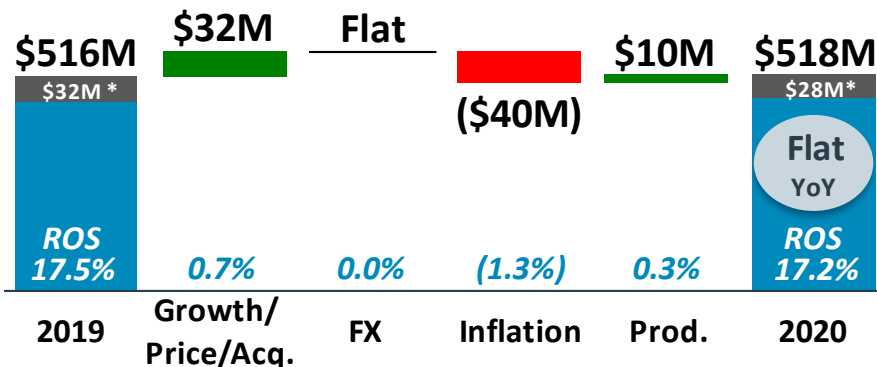
FY'20 Pentair Performance

Sales



Segment Income

*Non-Cash Intangible Amortization



Financial Highlights (YoY)

Core Sales up 1%

- Consumer Solutions up 7%
- Industrial & Flow Technologies down 6%

Segment Income Flat

ROS 17.2% ... down 30 bps

Adj. EPS \$2.50 ... up 5%

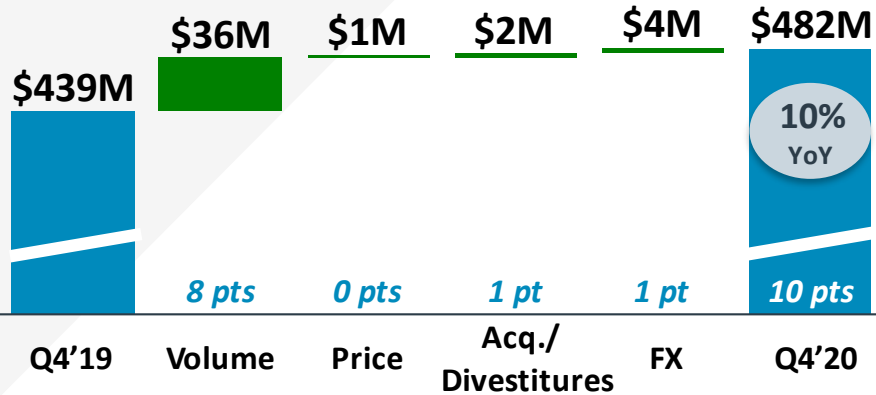
- Adjusted Tax Rate of 15%
- Net Interest/Other of \$26M; Shares 167.4M

Free Cash Flow of \$512M ... 143% of Net Income

Delivered Growth in a Uniquely Challenged Environment

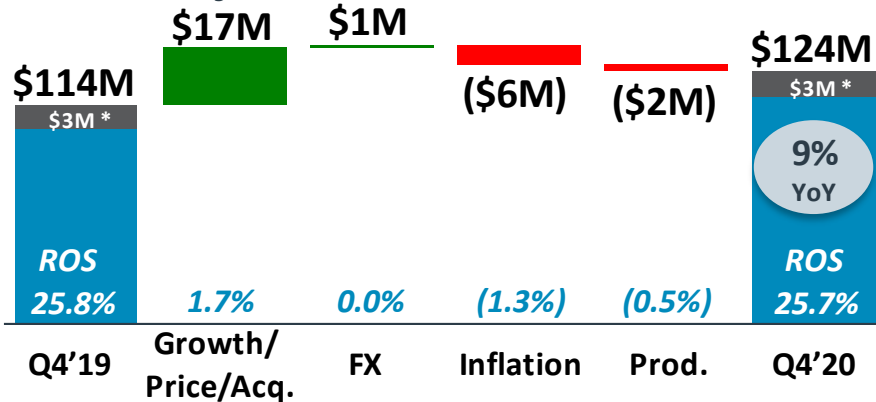
Q4'20 Consumer Solutions Performance

Sales



Segment Income

*Non-Cash Intangible Amortization



Financial Highlights (YoY)

Pool

- Sales up 15%
- Strong demand
- Growth across all product lines

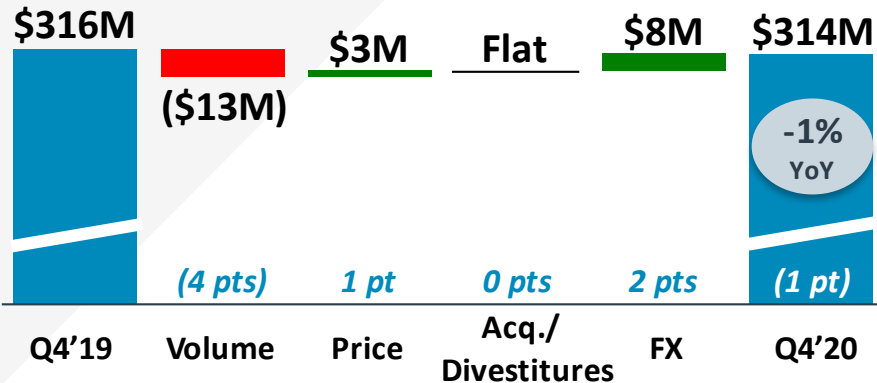
Water Treatment

- Sales up 4%
- Strength in Residential components and systems
- Commercial still soft, but stabilized

Broad Based Strength from Both Businesses

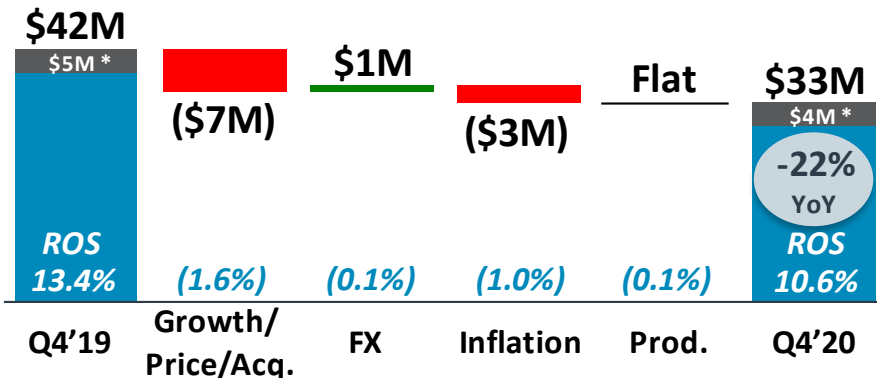
Q4'20 Industrial & Flow Technologies Performance

Sales



Segment Income

*Non-Cash Intangible Amortization



Financial Highlights (YoY)

Residential & Irrigation Flow

- Sales up 12%
- Growth across all product lines

Commercial & Infrastructure Flow

- Sales down 9%
- Demand remained soft

Industrial Filtration

- Sales down 8%
- Capital spending remains challenged

Residential Strength Not Enough to Offset Industrial Weakness

Balance Sheet and Cash Flow

Debt Summary

\$840M*		<u>Maturity</u>
\$604M	72% Fixed	2021 – 2029
\$236M	28% Variable	2023
12/31/2020	Average Rate ~2.6%	

*Does Not Include \$82M of Cash on Hand

Debt Roll-Forward

Use of Cash: (\$M)	12/31/2019	12/31/2020
Beginning Debt	\$788	\$1,029
Used (Generated) Cash	(295)	(512)
Share Repurchase	150	150
Dividends	123	127
Acquisitions/Other	263	46
Ending Debt	\$1,029	\$840

Cash Flow (\$M)

	FY 2019	FY 2020
Net Income - Continuing Ops	\$362	\$357
Amortization	32	28
Subtotal	\$394	\$385
Depreciation	48	47
Capital Expenditures	(59)	(62)
Working Capital	(68)	37
Other Accruals/Other	(20)	105
Free Cash Flow - Total	\$295	\$512
Free Cash Flow - Discontinued Ops	8	-
Free Cash Flow - Continuing Ops	\$287	\$512

- Net Debt/Adjusted EBITDA at Quarter End 1.3x
- ROIC at Quarter End 14.6%

A Stronger Balance Sheet

Q1'21 and Full Year 2021 Pentair Outlook

Q1'21

FY'21

Sales	<ul style="list-style-type: none"> Total Sales up ~7% to 12% 	<ul style="list-style-type: none"> Total Sales up ~3% to 5%
EPS	<ul style="list-style-type: none"> Adjusted EPS ~\$0.55 to \$0.63 (Up ~6% to 21%) 	<ul style="list-style-type: none"> Adjusted EPS ~\$2.60 to \$2.75 (Up ~5% to 10%)
Other Items	<ul style="list-style-type: none"> Corp. Expense ~\$16M Net Interest/Other ~\$6M to \$7M Adjusted Tax Rate of ~15% Shares ~168M 	<ul style="list-style-type: none"> Corp. Expense ~\$65M Net Interest/Other ~\$20M to \$23M Adjusted Tax Rate of ~15% Shares ~166M
Balance Sheet & Cash Flow		<ul style="list-style-type: none"> Expecting FCF \geq 100% of Net Income Capital Expenditures ~\$65M D&A of ~\$80M and ~\$25M of Non-Cash Stock Compensation

Initiating First Quarter and Full Year Guidance

2021 Execution Expectations

“Deliver the Core”

Deliver Revenue Growth

- Residential businesses still strong
- Commercial stabilized, but acceleration is hindered
- Capital intensive Industrial businesses slower to recover

Deliver Income & Cash

- Manage price / cost inflation
- Prioritization / pacing of growth investments
- Address cost structures as necessary

Capital Allocation

- Maintain investment grade rating
- Fund growth organically
- Bolt-on and Tuck-in M&A
- Return cash to shareholders through dividends & buybacks

Deliver transformation plans that we expect to drive significant ROS expansion by 2024 to fund our future

“Build Our Future”

Focused PNR Growth Initiatives

1. Consumer-Driven Pool Products & Services Growth
2. Innovative & Connected Water Treatment Products & Services
3. Sustainable Gas Solutions

Accelerate investments in Digital, Technology, and Services expansion in focused growth initiatives

Deliver for Customers, the Environment, Employees & Shareholders

We are in the Right Space for the Future

Global Water Awareness Increasing

Sustainability is Environmental Concern

We Serve Large and Stable End Markets

With Numerous Growth Lever Opportunities



Building a Leading, Sustainable Water Treatment Company



APPENDIX

GAAP TO NON-GAAP MEASUREMENTS &
RECONCILIATIONS

Reported To Adjusted 2020 Reconciliation

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

<i>In millions, except per-share data</i>	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Net sales	\$ 710.0	\$ 713.3	\$ 798.5	\$ 796.0	\$ 3,017.8
Operating income	100.7	111.1	128.1	121.5	461.4
<i>% of net sales</i>	14.2%	15.6%	16.0%	15.3%	15.3%
Adjustments:					
Restructuring and other	2.4	1.1	2.1	9.8	15.4
Intangible amortization	7.6	7.0	6.9	6.9	28.4
COVID-19 related costs and expenses	0.9	4.8	2.6	2.1	10.4
Deal related costs and expenses	0.4	—	—	0.2	0.6
Equity (loss) income of unconsolidated subsidiaries	(0.5)	0.7	0.8	0.4	1.4
Segment income	111.5	124.7	140.5	140.9	517.6
<i>Return on sales</i>	15.7%	17.5%	17.6%	17.7%	17.2%
Net income from continuing operations—as reported	72.7	73.8	110.8	99.8	357.1
Loss on sale of businesses	—	0.1	—	—	0.1
Pension and other post-retirement mark-to-market loss	—	—	—	6.7	6.7
Other income	—	—	(2.2)	—	(2.2)
Adjustments to operating income	11.3	12.9	11.6	19.0	54.8
Income tax adjustments	3.3	11.1	(3.6)	(8.1)	2.7
Net income from continuing operations—as adjusted	\$ 87.3	\$ 97.9	\$ 116.6	\$ 117.4	\$ 419.2
Continuing earnings per ordinary share—diluted					
Diluted earnings per ordinary share—as reported	\$ 0.43	\$ 0.44	\$ 0.66	\$ 0.60	\$ 2.13
Adjustments	0.09	0.15	0.04	0.10	0.37
Diluted earnings per ordinary share—as adjusted	\$ 0.52	\$ 0.59	\$ 0.70	\$ 0.70	\$ 2.50

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)

<i>In millions, except per-share data</i>	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
<i>% of net sales</i>	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
<i>Return on sales</i>	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 mark-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 and Year Ended December 31, 2020 (Unaudited)

	Q4 Net Sales Growth				Full Year Net Sales Growth			
	Core	Currency	Acq. / Div.	Total	Core	Currency	Acq. / Div.	Total
Total Pentair	3.4%	1.7%	0.3%	5.4%	1.3%	0.2%	0.5%	2.0%
Consumer Solutions	8.4 %	0.8 %	0.6 %	9.8 %	7.1 %	— %	1.0 %	8.1 %
Industrial & Flow Technologies	(3.4)%	2.7 %	— %	(0.7)%	(5.6)%	0.4 %	— %	(5.2)%

ROIC Reconciliation

	Fourth Quarter 2019	First Quarter 2020	Second Quarter 2020	Third Quarter 2020	Fourth Quarter 2020
<i>Dollars in millions</i>					
Return on Invested Capital (ROIC)					
Segment income	\$ 140.7	\$ 111.5	\$ 124.7	\$ 140.5	\$ 140.9
Reported effective taxrate	2.8%	21.5%	28.8%	11.5%	9.8%
Adjusted effective taxrate	13.4%	16.0%	16.0%	13.4%	13.9%
NOPAT	\$ 121.8	\$ 93.7	\$ 104.7	\$ 121.7	\$ 121.3
Depreciation	11.9	11.6	11.2	11.6	12.3
Capital expenditures ("Cap Ex")	(13.9)	(18.7)	(11.8)	(13.9)	(17.8)
Total NOPAT, Depreciation, and Cap Ex	\$ 119.8	\$ 86.6	\$ 104.1	\$ 119.4	\$ 115.8
Trailing fourth quarter NOPAT, Depreciation, and Cap Ex	\$ 423.3	\$ 433.8	\$ 412.1	\$ 429.9	\$ 425.9
Ending Invested Capital	2,900.4	3,173.7	2,872.1	2,772.5	2,863.8
Trailing five quarter average invested capital	2,884.9	3,009.9	2,952.1	2,918.5	2,916.5
After-tax Return on Invested Capital	14.7%	14.4%	14.0%	14.7%	14.6%

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	
	2020	2019
Net cash provided by operating activities of continuing operations	\$ 574.2	\$ 345.2
Capital expenditures	(62.2)	(58.5)
Proceeds from sale of property and equipment	0.1	0.6
Free cash flow from continuing operations	\$ 512.1	\$ 287.3
Net cash (used for) provided by operating activities of discontinued operations	(0.6)	7.8
Free cash flow	\$ 511.5	\$ 295.1

2020 Adjusted EBITDA Reconciliation

Pentair plc and Subsidiaries
Reconciliation of Net income from continuing operations to Adjusted EBITDA
for the year ended December 31, 2020 (Unaudited)

<i>In millions</i>	2020
Net income from continuing operations	\$ 357.1
Adjustments:	
Deal-related costs and expenses	0.6
Restructuring and other	15.4
Intangible amortization	28.4
COVID-19 related costs and expenses	10.4
Pension and other post-retirement mark-to-market loss	6.7
Loss on sale of businesses	0.1
Net interest expense	23.9
Provision for income taxes	75.0
Segment income	\$ 517.6
Adjustments:	
Depreciation	46.7
Adjusted EBITDA	\$ 564.3

Reported To Adjusted 2021 Reconciliation

Pentair plc and Subsidiaries
Reconciliation of the GAAP year ending December 31, 2021 to the non-GAAP
excluding the effect of 2021 adjustments (Unaudited)

<i>In millions, except per-share data</i>	Forecast			
	First Quarter		Full Year	
Net sales	approx	Up 7 - 12 %	approx	Up 3 - 5 %
Operating income				
Adjustments:				
Intangible amortization	approx \$	6	approx \$	24
Equity income of unconsolidated subsidiaries	approx \$	1	approx \$	4
Segment income				
Net income from continuing operations—as reported	approx	\$85 - \$99	approx	\$404 - \$429
Adjustments to operating income	approx	6	approx	24
Income tax adjustments	approx	1	approx	4
Net income from continuing operations—as adjusted	approx	\$92 - \$106	approx	\$432 - \$457
Continuing earnings per ordinary share—diluted				
Diluted earnings per ordinary share—as reported	approx	\$0.51 - \$0.59	approx	\$2.43 - \$2.58
Adjustments	approx	0.04	approx	0.17
Diluted earnings per ordinary share—as adjusted	approx	\$0.55 - \$0.63	approx	\$2.60 - \$2.75