



Q1 2021 EARNINGS RELEASE
April 22, 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, THE IMPACT OF VIRUS VARIANTS AND THE RATE OF VACCINATIONS; 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, 2020. 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 and 2020 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

- ✓ **Started the year with continued momentum in Residential businesses; Commercial and Industrial showing signs of recovery**
 - *Sales up 22% to \$866M; Adj. EPS up 56% to \$0.81; and Significant YOY improvement in Free Cash Flow*
- ✓ **Stayed focused on the health and safety of our employees, customers, businesses, and communities**
- ✓ **Balance sheet remains strong**
- ✓ **Introducing Q2 guidance and raising full year expectations**

A Strong Start to 2021

2021 Execution Expectations

“Deliver the Core”

Consistently
Make Our
Commitments

- Deliver Revenue Growth
- Deliver Income & Cash
- Disciplined Capital Allocation

“Build Our Future”

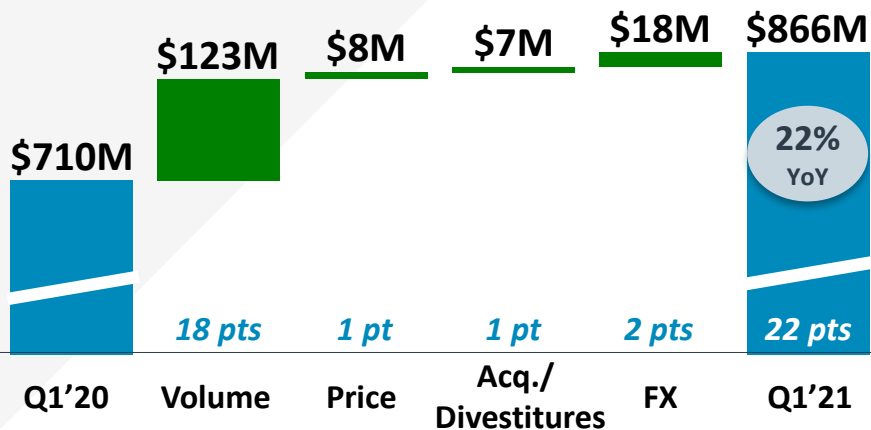
Drive
Significant ROS
Expansion

- Focused Growth Initiatives
- Transformation Office Established
- Accelerate Digital, Innovation, Technology, and ESG Investments

Deliver for Customers, Employees, Shareholders & Environment

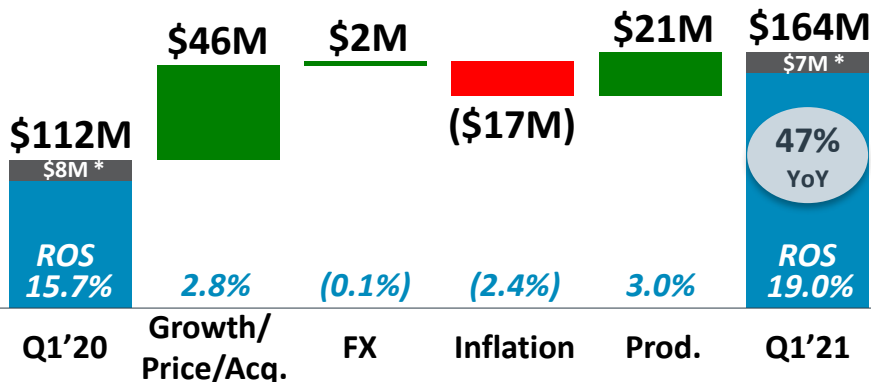
Q1'21 Pentair Performance

Sales



Segment Income

*Non-Cash Intangible Amortization



Financial Highlights (YoY)

Core Sales up 19%

- Consumer Solutions up 31%
- Industrial & Flow Technologies up 3%

Segment Income up 47%

ROS 19.0% ... up 330 bps

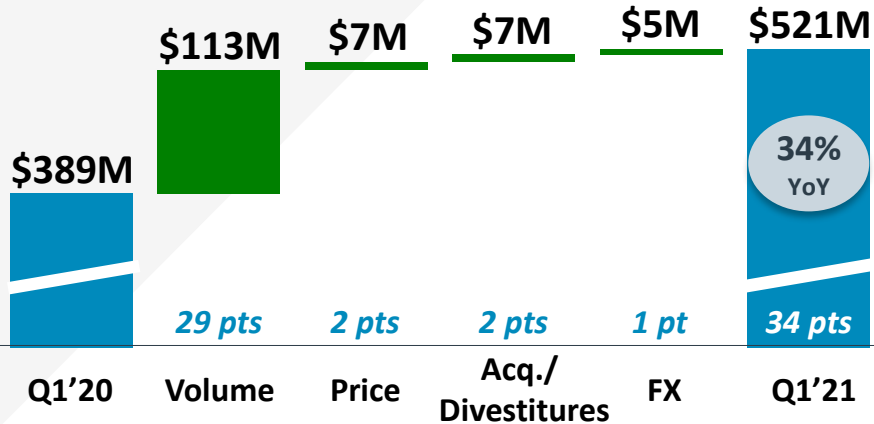
Adj. EPS \$0.81 ... up 56%

- Adjusted Tax Rate of 14.5%
- Net Interest/Other of \$5.6M; Shares 167.7M

Continued Residential Strength

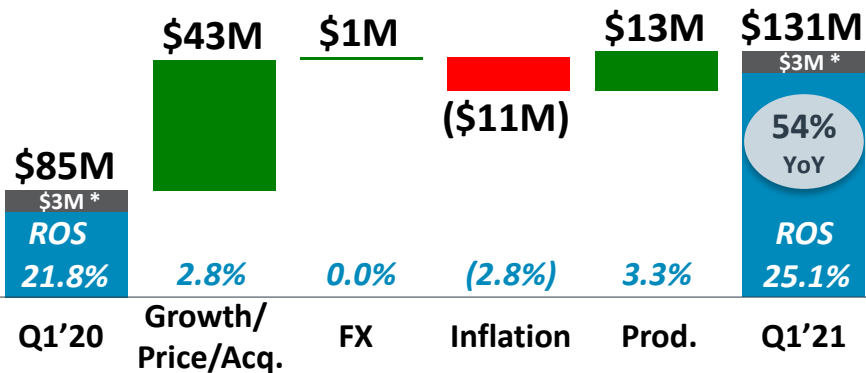
Q1'21 Consumer Solutions Performance

Sales



Segment Income

*Non-Cash Intangible Amortization



Financial Highlights (YoY)

Pool

- Sales up 49%
- Demand remained exceptionally strong
- Season off to great start

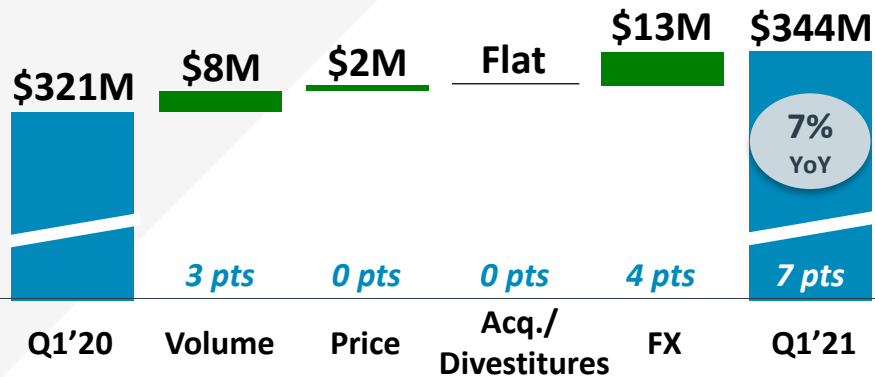
Water Treatment

- Sales up 12%
- Residential strength continued
- Commercial stabilizing

Another Strong Quarter Led by Residential Demand

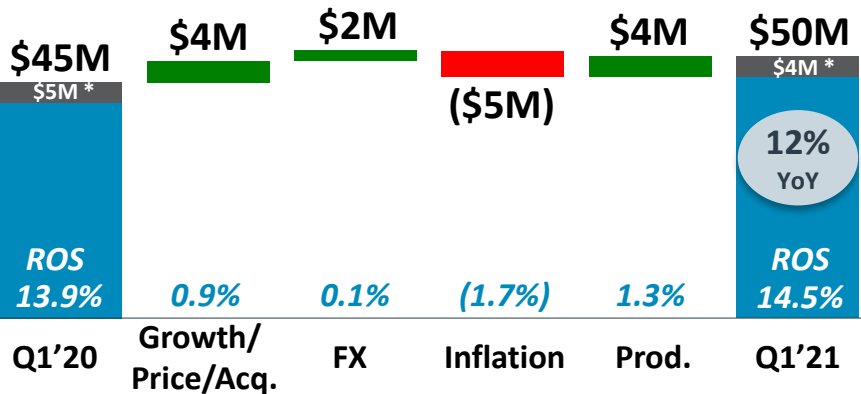
Q1'21 Industrial & Flow Technologies Performance

Sales



Segment Income

*Non-Cash Intangible Amortization



Financial Highlights (YoY)

Residential Flow

- Sales up 13%
- Demand strong across all product lines

Commercial Flow

- Sales up 4%
- Orders improved

Industrial Filtration

- Sales up 2%
- Backlog building

A Return to Growth

Balance Sheet and Cash Flow

Debt Summary

\$932M*		Maturity	
\$604M	65% Fixed	2021 – 2029	
\$328M	35% Variable	2023	
3/31/2021		Average Rate ~2.3%	

*Does Not Include \$95M of Cash on Hand

Debt Roll-Forward

Use of Cash: (\$M)	3/31/2020	3/31/2021
Beginning Debt	\$1,029	\$840
Used (Generated) Cash	181	29
Share Repurchase	115	10
Dividends	32	33
Acquisitions/Other	94	20
Ending Debt	\$1,451	\$932

Cash Flow (\$M)

	Q1 2020	Q1 2021
Net Income - Continuing Ops	\$73	\$131
Amortization	8	7
Subtotal	\$81	\$138
Depreciation	12	13
Capital Expenditures	(19)	(13)
Asset Sales	-	3
Working Capital	(237)	(160)
Other Accruals/Other	(18)	(10)
Free Cash Flow - Total	(\$181)	(\$29)
Free Cash Flow - Discontinued Ops	-	-
Free Cash Flow - Continuing Ops	(\$181)	(\$29)

- **Net Debt/Adjusted EBITDA at Quarter End 1.3x**
- **ROIC at Quarter End 16.3%**

Continued Balance Sheet Strength

Q2'21 and Full Year 2021 Pentair Outlook

Q2'21

FY'21

<p>Sales and Income</p>	<ul style="list-style-type: none"> • Total Sales up ~13% to 16% • Segment Income up ~12% to 20% 	<ul style="list-style-type: none"> • Total Sales up ~6% to 11% • Segment Income up ~10% to 16%
<p>EPS</p>	<ul style="list-style-type: none"> • Adjusted EPS ~\$0.69 to \$0.74 (Up ~17% to 25%) 	<ul style="list-style-type: none"> • Adjusted EPS ~\$2.80 to \$2.95 (Up ~12% to 18%)
<p>Other Items</p>	<ul style="list-style-type: none"> • Corp. Expense ~\$16M • Net Interest/Other ~\$6M to \$7M • Adjusted Tax Rate of ~15% • Shares ~167M to 168M 	<ul style="list-style-type: none"> • Corp. Expense ~\$65M • Net Interest/Other ~\$16M to \$18M • Adjusted Tax Rate of ~15% • Shares ~167M to 168M
<p>Balance Sheet & Cash Flow</p>	<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 Second Quarter and Updating Full Year Guidance

We are in the Right Space for the Future

We believe that we have well-positioned businesses

We are accelerating investments in focused, higher growth, strategic priorities

Transformation should drive higher levels of accountability and performance

Our strong balance sheet should provide an additional lever of value creation

Building a Leading, Sustainable Company



PENTAIR

Investor Day

June 10, 2021

APPENDIX

GAAP TO NON-GAAP MEASUREMENTS & RECONCILIATIONS

Reported To Adjusted 2021 Reconciliation

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

<i>In millions, except per-share data</i>	Actual	Forecast			
	First Quarter	Second Quarter		Full Year	
Net sales	\$ 865.9	approx	Up 13% - 16%	approx	Up 6% - 11%
Operating income	157.1				
<i>% of net sales</i>	18.1 %				
Adjustments:					
Restructuring and other	1.5	approx	\$ —	approx	\$ 2
Intangible amortization	7.1	approx	6	approx	24
COVID-19 related costs expenses	0.2	approx	—	approx	—
Legal accrual adjustments	(2.4)	approx	—	approx	(2)
Deal-related costs and expenses	0.7	approx	—	approx	1
Equity income of unconsolidated subsidiaries	0.2	approx	1	approx	3
Segment income	164.4	approx	Up 12% - 20%	approx	Up 10% - 16%
<i>Return on sales</i>	19.0 %				
Net income from continuing operations—as reported	131.1	approx	\$109 - \$117	approx	\$443 - \$468
Adjustments to operating income	7.1	approx	6	approx	25
Income tax adjustments	(2.4)	approx	1	approx	1
Net income from continuing operations—as adjusted	\$ 135.8	approx	\$116 - \$124	approx	\$469 - \$494
Continuing earnings per ordinary share—diluted					
Diluted earnings per ordinary share—as reported	\$ 0.78	approx	\$0.65 - \$0.70	approx	\$2.65 - \$2.80
Adjustments	0.03	approx	0.04	approx	0.15
Diluted earnings per ordinary share—as adjusted	\$ 0.81	approx	\$0.69 - \$0.74	approx	\$2.80 - \$2.95

Reported To Adjusted 2020 Reconciliation

Pentair plc and Subsidiaries
Reconciliation of GAAP to non-GAAP financial measures for the year ended December 31, 2020
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

Core Sales Growth Reconciliation

Pentair plc and Subsidiaries
Reconciliation of Net Sales Growth to Core Net Sales Growth by Segment
For the Quarter Ended March 31, 2021 (Unaudited)

	Q1 Net Sales Growth			
	Core	Currency	Acq. / Div.	Total
Total Pentair	18.5 %	2.6 %	0.9 %	22.0 %
Consumer Solutions	31.1 %	1.3 %	1.7 %	34.1 %
Industrial & Flow Technologies	3.3 %	3.9 %	— %	7.2 %

ROIC Reconciliation

	First Quarter 2020	Second Quarter 2020	Third Quarter 2020	Fourth Quarter 2020	First Quarter 2021
<i>Dollars in millions</i>					
Return on Invested Capital (ROIC)					
Segment income	\$ 111.5	\$ 124.7	\$ 140.5	\$ 140.9	\$ 164.4
Reported effective tax rate	21.5 %	28.8 %	11.5 %	9.8 %	13.5 %
Adjusted effective tax rate	16.0 %	16.0 %	13.4 %	13.9 %	14.5 %
NOPAT	\$ 93.7	\$ 104.7	\$ 121.7	\$ 121.3	\$ 140.6
Depreciation	11.6	11.2	11.6	12.3	12.7
Capital expenditures ("Cap Ex")	(18.7)	(11.8)	(13.9)	(17.8)	(13.2)
Total NOPAT, Depreciation, and Cap Ex	\$ 86.6	\$ 104.1	\$ 119.4	\$ 115.8	\$ 140.1
Trailing fourth quarter NOPAT, Depreciation, and Cap Ex	\$ 433.8	\$ 412.1	\$ 429.9	\$ 425.9	\$ 479.4
Ending Invested Capital	3,173.7	2,872.1	2,772.5	2,863.8	3,031.2
Trailing five quarter average invested capital	3,009.9	2,952.1	2,918.5	2,916.5	2,942.7
After-tax Return on Invested Capital	14.4 %	14.0 %	14.7 %	14.6 %	16.3 %

NOPAT (Net Operating Profit After Tax) is Defined as [(Segment Income) X (1 - Adjusted Effective Tax Rate)]

Ending Invested Capital is Defined as [Total Shareholders' Equity + Long-term Debt + Current Maturities of Long-term Debt and Short-term Borrowings - Cash and Cash Equivalents]

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>	Three months ended	
	March 31, 2021	March 31, 2020
Net cash used for operating activities of continuing operations	\$ (18.8)	\$ (162.4)
Capital expenditures	(13.2)	(18.7)
Proceeds from sale of property and equipment	3.4	0.1
Free cash flow from continuing operations	\$ (28.6)	\$ (181.0)
Net cash used for discontinued operations	(0.2)	—
Free cash flow	\$ (28.8)	\$ (181.0)

Last Twelve Months Adjusted EBITDA Reconciliation

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

<i>In millions</i>	Second Quarter 2020	Third Quarter 2020	Fourth Quarter 2020	First Quarter 2021	Last Twelve Months
Net income from continuing operations	\$ 73.8	\$ 110.8	\$ 99.8	\$ 131.1	\$ 415.5
Adjustments:					
Deal-related costs and expenses	—	—	0.2	0.7	0.9
Restructuring and other	1.1	2.1	9.8	1.5	14.5
Intangible amortization	7.0	6.9	6.9	7.1	27.9
COVID-19 related costs and expenses	4.8	2.6	2.1	0.2	9.7
Legal accrual adjustments	—	—	—	(2.4)	(2.4)
Pension and other post-retirement mark-to-market loss	—	—	6.7	—	6.7
Loss on sale of businesses	0.1	—	—	—	0.1
Net interest expense	7.7	5.4	3.9	5.1	22.1
Other expense (income)	0.4	(1.7)	0.6	0.6	(0.1)
Provision for income taxes	29.8	14.4	10.9	20.5	75.6
Segment income	\$ 124.7	\$ 140.5	\$ 140.9	\$ 164.4	\$ 570.5
Adjustments:					
Depreciation	11.2	11.6	12.3	12.7	47.8
Adjusted EBITDA	\$ 135.9	\$ 152.1	\$ 153.2	\$ 177.1	\$ 618.3