



Q2 2018 EARNINGS RELEASE

JULY 25, 2018

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," "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 ABILITY TO REALIZE THE ANTICIPATED BENEFITS FROM THE SEPARATION OF nVENT ELECTRIC PLC FROM PENTAIR (THE "SEPARATION"); ADVERSE EFFECTS ON OUR BUSINESS OPERATIONS OR FINANCIAL RESULTS AND THE MARKET PRICE OF OUR SHARES AS A RESULT OF THE CONSUMMATION OF THE SEPARATION; THE ABILITY OF OUR BUSINESS TO OPERATE INDEPENDENTLY FOLLOWING THE SEPARATION; OVERALL GLOBAL ECONOMIC AND BUSINESS CONDITIONS IMPACTING OUR BUSINESS; THE ABILITY TO ACHIEVE THE BENEFITS OF OUR RESTRUCTURING PLANS; THE ABILITY TO SUCCESSFULLY IDENTIFY, FINANCE, COMPLETE AND INTEGRATE ACQUISITIONS; COMPETITION AND PRICING PRESSURES IN THE MARKETS WE SERVE; THE STRENGTH OF HOUSING AND RELATED MARKETS; VOLATILITY IN CURRENCY EXCHANGE RATES AND COMMODITY PRICES, INCLUDING THE IMPACT OF TARIFFS; INABILITY TO GENERATE SAVINGS FROM EXCELLENCE IN OPERATIONS INITIATIVES CONSISTING OF LEAN ENTERPRISE, SUPPLY MANAGEMENT AND CASH FLOW PRACTICES; INCREASED RISKS ASSOCIATED WITH OPERATING FOREIGN BUSINESSES; FAILURE OF MARKETS TO ACCEPT NEW PRODUCT INTRODUCTIONS AND ENHANCEMENTS; THE IMPACT OF CHANGES IN LAWS AND REGULATIONS, INCLUDING THOSE THAT LIMIT U.S. TAX BENEFITS; 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, 2017. 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 2018 and 2017 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

Q2'18

- Core Sales Grew 3%
- ROS Expanded 90 bps to 21.0%
- Adjusted EPS Grew 18% to \$0.71; Free Cash Flow of \$364M
- Bought Back \$150M of Stock in the Quarter

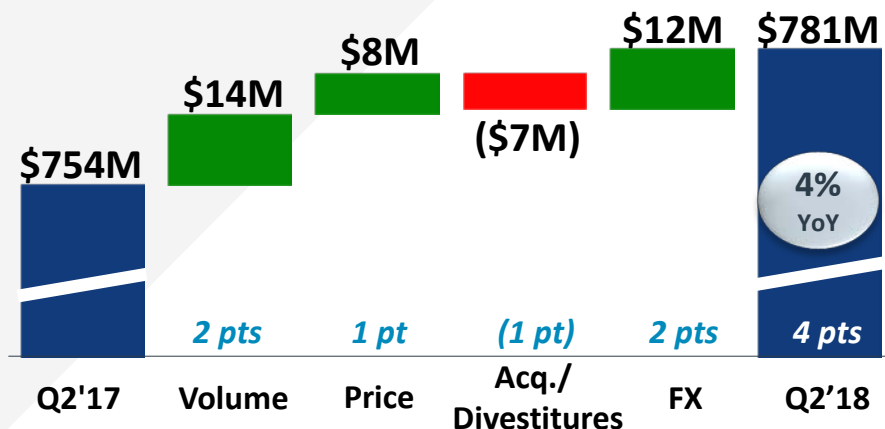
Outlook 2018

- Expect Core Sales to Grow 3-4%
- Expect ROS to Expand ~50 bps to ~18%
- Price Increases Announced to Help Mitigate Higher than Anticipated Inflation ... Expect to Benefit Q4 More than Q3
- Adjusted EPS Expected to be ~\$2.31 ... Anticipate Another Strong Free Cash Flow Year

Raising FY Adjusted EPS Guidance to ~\$2.31; Up 19%

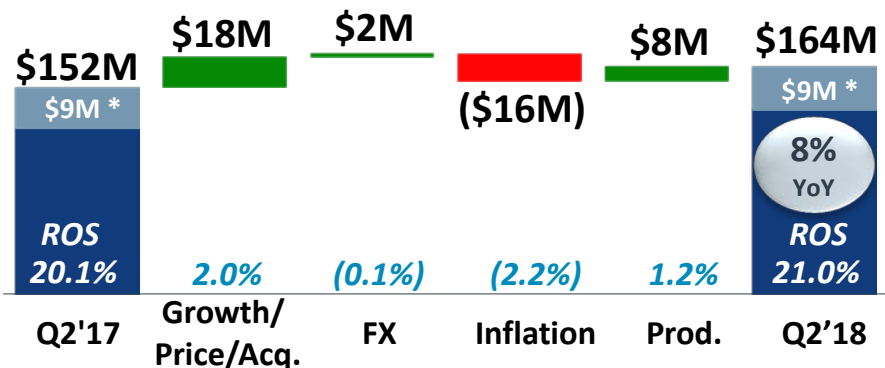
Q2'18 Pentair Performance

Sales



Segment Income

*Non-Cash Intangible Amortization



Financial Highlights (YoY)

Core Sales Up 3%

- Aquatic Systems Up 10%
- Filtration Solutions Down 2%
- Flow Technologies Up 2%

Segment Income Up 8%

ROS 21.0% ... Up 90 bps

Adj. EPS \$0.71 ... Up 18%

- Adjusted Tax Rate of 18.0%
- Adjusted Net Interest/Other of \$8.6M; Shares 178.6M

Free Cash Flow of \$364M ... In Line with Normal Seasonal Patterns

Solid Execution and Strong ROS Expansion

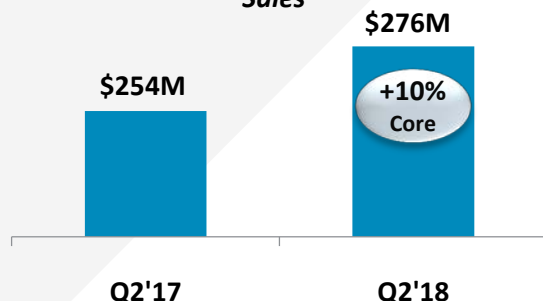
Q2'18 Pentair Segment Performance

Aquatic Systems

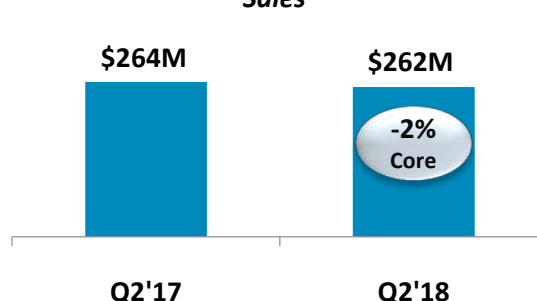
Filtration Solutions

Flow Technologies

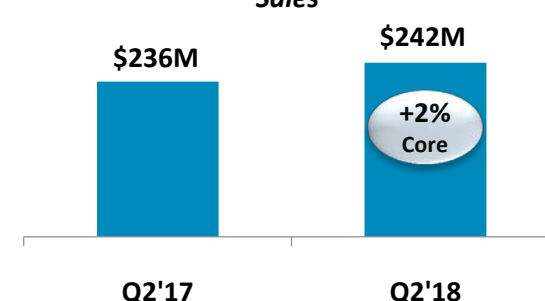
Sales



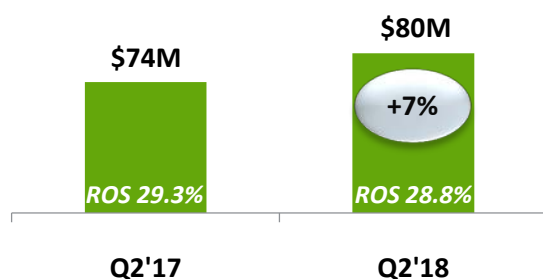
Sales



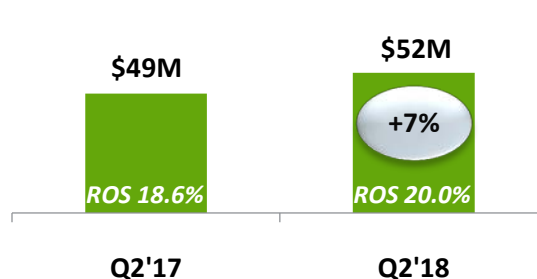
Sales



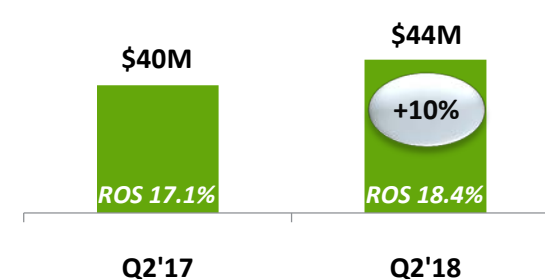
Segment Income



Segment Income



Segment Income



- Demand Remained Healthy
- Continued Dealer Gains
- Growth Investments and Mix

- Strong North America
- Commercial Strength
- Industrial Project Weakness

- Strong Specialty Sales
- North America Growth
- Large Pump Improvement

Focus on Driving Business Performance

Balance Sheet and Cash Flow

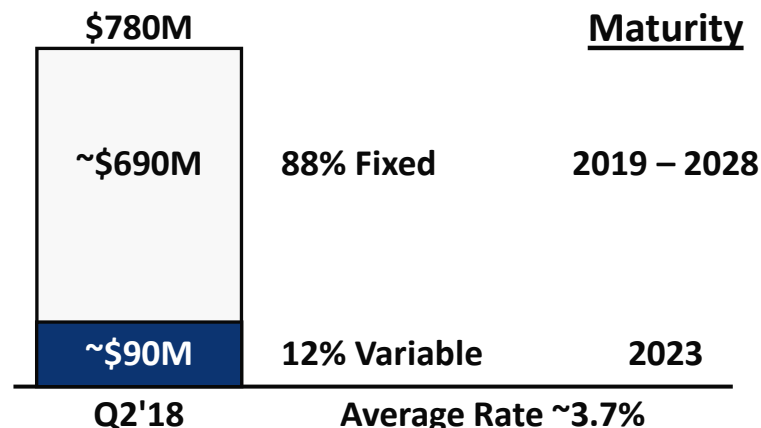
CASH FLOW (\$M)

	Q2 2018	YTD 2018
Net Income - Continuing Ops	\$ 78	\$ 136
Amortization	9	18
Subtotal	\$ 87	\$ 154
Depreciation	12	25
Capital Expenditures	(9)	(20)
Asset Sales	(1)	(1)
Working Capital	207	(8)
Other Accruals/Other	32	(4)
Free Cash Flow – Total	\$ 328	\$ 146
Free Cash Flow – Discontinued Ops	(36)	(11)
Free Cash Flow – Continuing Ops	\$ 364	\$ 157

- 2018F Capital Expenditures ~\$50M
- 2018F* D&A of ~\$87M + ~\$17M of Non-Cash Stock Compensation (Continuing Ops)
- ROIC at Quarter End 16.4%

*Corrected D&A and Stock Comp numbers as of 11:00am CT on 7/25/18

DEBT SUMMARY



*Does Not Include \$79M of Cash on Hand

DEBT ROLL-FORWARD (\$M)

	Q2 2018	YTD 2018
Use of Cash:		
Beginning Debt	\$ 1,880	\$ 1,441
Used (Generated) Cash	(328)	(146)
Share Repurchase	150	300
Dividends	63	126
Cash from nVent	(919)	(919)
Other	(66)	(22)
Ending Debt	\$ 780	\$ 780

Seasonally Strong Cash Flow and Further Debt Reduction

Q3'18 Pentair Outlook

	<u>Q3'18</u>	<u>Q3'17</u>
Sales	~\$700M	\$688M
Op. Income	~\$110M	\$102M
Seg. Income	~\$120M	\$120M
ROS	~17%	17.5%
EPS <i>(Rpt.)</i>	~\$0.48	\$0.27
EPS <i>(Adj.)</i>	~\$0.52	\$0.49

Summary

- Sales Growth Expected in All Three Segments Led by Aquatics
- Segment Income Expected to be Approximately Flat Stemming from Higher than Expected Inflation and Timing of Price Increases
- Free Cash Flow Expected to Further Improve

Q3'18 Financial Outlook (YoY)

Core Sales Up ~4-5%

- Aquatic Systems Up ~8-9%
- Filtration Solutions Up ~1-3%
- Flow Technologies Up ~2-3%

Segment Income ~Flat

ROS ~17% ... Down ~50 bps

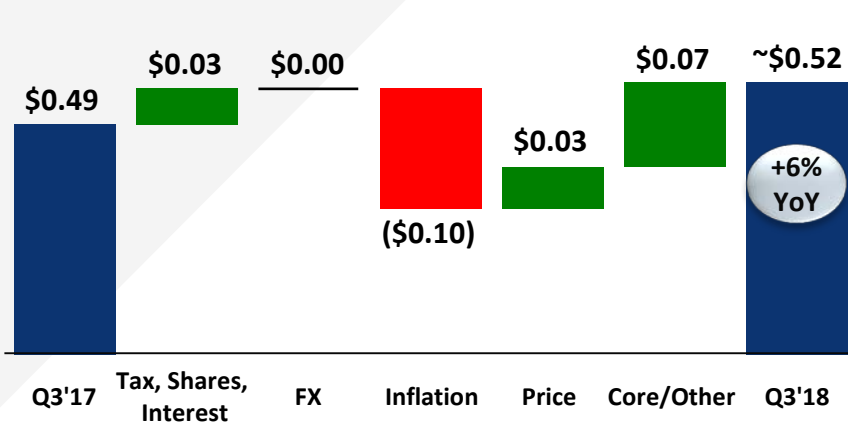
Other Items

- Tax Rate of ~18%
- Net Interest/Other ~\$8.5M
- Shares ~177M

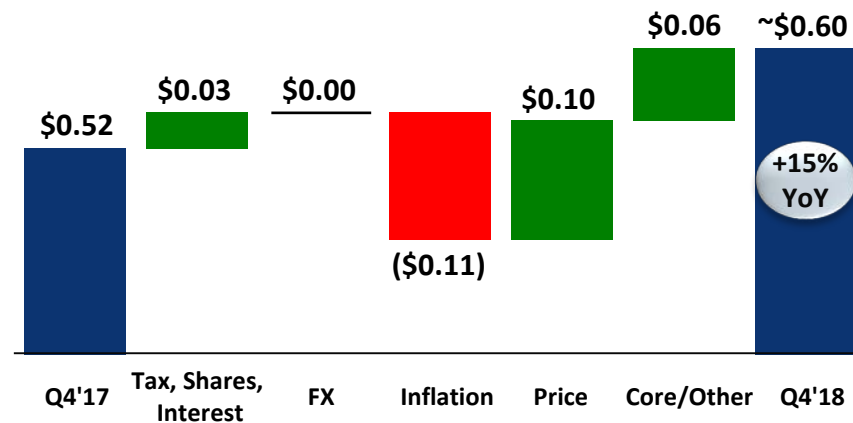
Core Sales Growth Expected in All Segments

Second Half 2018 Adjusted EPS Outlook

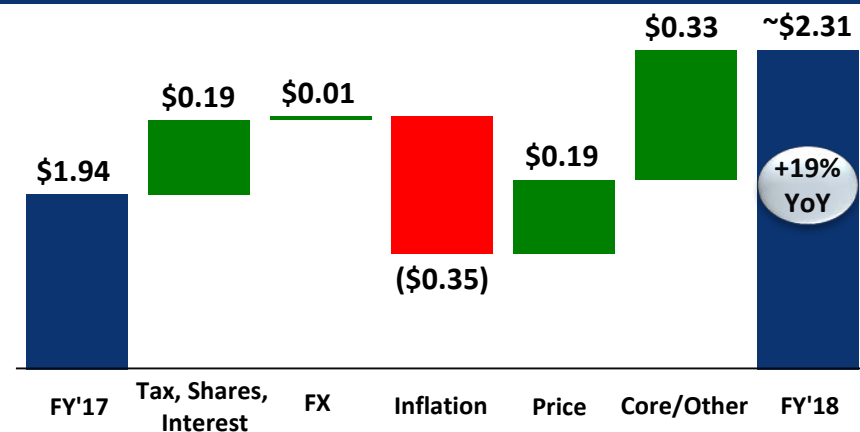
Q3



Q4



Full Year



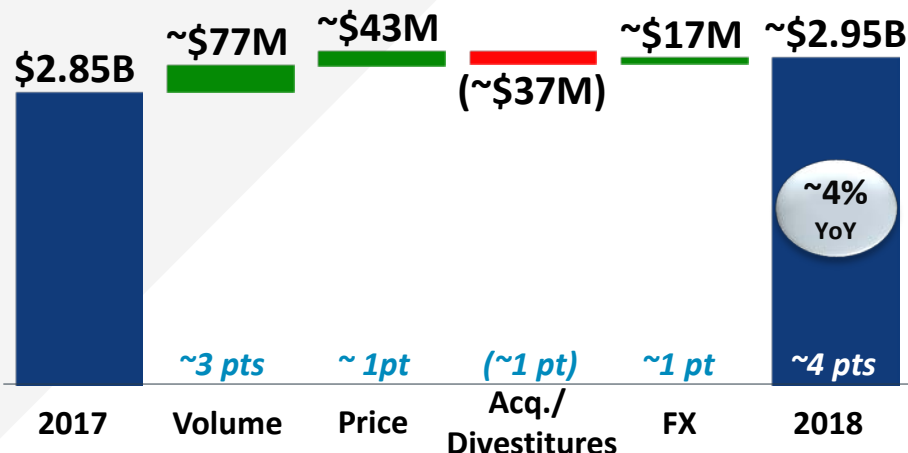
Comments

- Net Price / Inflation Impact Expected to be Worse in Q3 Offset by Deferred Growth Investment and Other Productivity
- Q3 Price Increase Expected to Read Out in Q4
- Anticipated Higher Full Year Inflation Expected to be More than Offset by Price, Other Recovery Actions
- 2H'18 Benefit from 1H'18 Shares Repurchased

Full Year Guidance Raised Despite Inflation Pressure

2018 Pentair Outlook

2018 Sales Outlook



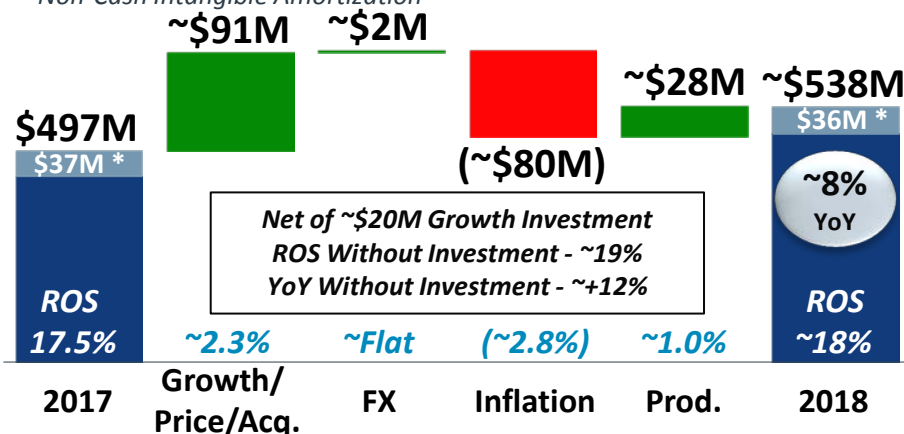
Summary

Core Sales Up 3-4%

- Aquatic Systems Up 8-9%
- Filtration Solutions Up 0-1%
- Flow Technologies Up 2-3%

2018 Segment Income Outlook

*Non-Cash Intangible Amortization



Summary

Segment Income Up ~8%, ROS Up ~50 bps

- ~\$20M in Incremental Growth Investments
- ~3% of Net Inflation
- ~1% of Net Productivity ... Inclusive of Growth Investments

Positioned to Deliver Core Sales Growth and ROS Expansion

Full Year 2018 Pentair Outlook

	<u>FY'18</u>	<u>FY'17</u>
Sales	~\$2.95B	\$2.85B
Op. Income	~\$452M	\$378M
Seg. Income	~\$538M	\$497M
ROS	~18%	17.5%
EPS <i>(Rpt.)</i>	~\$1.81	\$0.62
EPS <i>(Adj.)</i>	~\$2.31	\$1.94

Summary

- Expect Solid Core Sales Growth
- Margins Expected to Improve; Expect Higher Inflation and Accelerated Growth Investments
- Balance Sheet Significantly Improved and Cash Flow Strength Expected

FY'18 Financial Outlook (YoY)

Core Sales Up 3-4%

- Aquatic Systems Up 8-9%
- Filtration Solutions Up 0-1%
- Flow Technologies Up 2-3%

Segment Income Up ~8%

ROS ~18% ... Up ~50 bps

- Aquatic Systems ROS ~27%
- Filtration Solutions ROS ~16%
- Flow Technologies ROS ~16%

Other Items

- Tax Rate of ~18%
- Adjusted Net Interest/Other ~\$33M;
- Shares ~178.5M

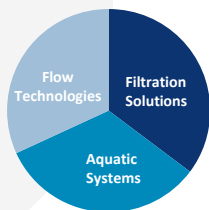
Targeting Free Cash Flow ~100% of Adjusted Net Income

Expecting Solid Performance Across the Board in 2018

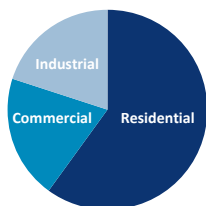
Pentair Strategy Summary

Our Vision: To be the Leading Residential & Commercial Water Treatment Company

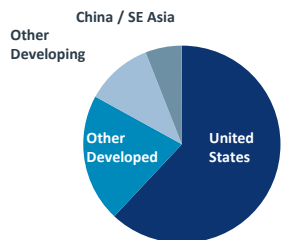
Sales by Segment



Sales by Vertical



Sales by Geography



A Pure Play Water Company

- ✓ ~\$3B of Revenue*
- ✓ ~18% ROS*
- ✓ Targeting Free Cash Flow = Adjusted Net Income

*Represents current 2018 outlook

Focused Strategies

- Advance Pool Growth
- Accelerate Residential & Commercial Treatment
- Expand in China & Southeast Asia

Accelerated by:

- Innovation
- Digital Transformation

Grounded in:

Win Right Values and Utilizing PIMS for Sustained & Consistent Performance

Value Creation Through:



Revenue Growth

- Base Core Growth
- Differentiated Growth
- Tuck-in and Bolt-on M&A



Sustained Performance

- Sustained Operating Margin Expansion
- Free Cash Flow = Adjusted Net Income
- ROIC Acceleration



Smart Capital Allocation

- Remain Investment Grade
- Fuel Core Growth Investments
- Competitive Dividend Yield
- M&A / Intelligent Buy Backs

Focused Residential & Commercial Water Treatment Company

Focused Strategies

Advance Pool Growth

- Expanding Aftermarket Products
- Ample Opportunities in the Fast Growing Automation Segment

Accelerate Residential & Commercial Treatment

- Developing Innovative Products
- Engaging Consumer with Digital Connections
- Building Brand Strength
- Driving Demand Through Loyal Dealer Network

Prioritization of Growth Opportunities

Pentair Summary



Delivered Solid Q2 Results



Announced Price Increases to Help Mitigate Higher than Anticipated Inflation; Expect Price Increases to be Fully Realized by End of Q4



We have a Large and Installed Base to Serve



We have a Strong Capital Structure, Robust FCF Generation, and Plan to be Disciplined with Our Capital

Strong Fundamentals and Attractive Opportunities Ahead

A high-speed photograph of water splashing, creating numerous bubbles and ripples. The image is split diagonally from the top right corner. The upper right portion shows the bright, white, and highly reflective surface of the water splash against a white background. The lower left portion is a solid, deep blue color, which serves as the background for the text.

APPENDIX

GAAP TO NON-GAAP MEASUREMENTS & RECONCILIATIONS

Reported To Adjusted 2018 Reconciliation

Pentair plc and Subsidiaries
Reconciliation of the GAAP year ended December 31, 2018 to the non-GAAP
excluding the effect of 2018 adjustments (Unaudited)

	Actual		Forecast	
	First Quarter	Second Quarter	Third Quarter	Full Year
<i>In millions, except per-share data</i>				
Net sales	\$ 732.6	\$ 780.6	approx \$ 700	approx \$ 2,945
Operating income	92.7	122.6	approx 110	approx 452
% of net sales	12.7%	15.7%	approx 16%	approx 15%
Adjustments:				
Restructuring and other	5.6	25.0	approx —	approx 31
Intangible amortization	9.3	9.1	approx 9	approx 36
Corporate allocations	8.8	2.2	approx —	approx 11
Equity income of unconsolidated subsidiaries	0.6	5.2	approx 1	approx 8
Segment income	117.0	164.1	approx 120	approx 538
Return on sales	16.0%	21.0%	approx 17%	approx 18%
Net income from continuing operations—as reported	58.4	77.9	approx 84	approx 324
Loss on sale of business	5.3	0.9	approx —	approx 6
Loss on early extinguishment of debt	—	17.1	approx —	approx 17
Interest expense adjustment	6.0	2.4	approx —	approx 8
Adjustments to operating income	23.7	36.3	approx 9	approx 78
Income tax adjustments	(4.5)	(7.1)	approx (2)	approx (20)
Net income from continuing operations—as adjusted	\$ 88.9	\$ 127.5	approx \$ 91	approx \$ 413
Continuing earnings per ordinary share—diluted				
Diluted earnings per ordinary share—as reported	\$ 0.32	\$ 0.44	approx \$ 0.48	approx \$ 1.81
Adjustments	0.17	0.27	approx 0.04	approx 0.50
Diluted earnings per ordinary share—as adjusted	\$ 0.49	\$ 0.71	approx \$ 0.52	approx \$ 2.31

Reported To Adjusted 2017 Reconciliation

Pentair plc and Subsidiaries
Reconciliation of the GAAP year ended December 31, 2017 to the non-GAAP
excluding the effect of 2017 adjustments (Unaudited)

<i>In millions, except per-share data</i>	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Net sales	\$ 683.3	\$ 754.0	\$ 687.6	\$ 720.8	\$ 2,845.7
Operating income—as reported	61.9	129.2	101.8	85.4	378.3
<i>% of net sales</i>	9.1%	17.1%	14.8%	11.8%	13.3%
Adjustments:					
Restructuring and other	11.6	5.9	1.4	9.3	28.2
Intangible amortization	8.7	9.3	9.2	9.2	36.4
Trade name and other impairment	—	—	—	15.6	15.6
Corporate allocations	14.6	6.8	7.5	7.8	36.7
Equity income of unconsolidated subsidiaries	0.2	0.4	0.3	0.4	1.3
Segment income	97.0	151.6	120.2	127.7	496.5
<i>Return on sales</i>	14.2%	20.1%	17.5%	17.7%	17.5%
Net income (loss) from continuing operations	12.7	(3.4)	49.0	55.8	114.1
Loss on sale of business	—	—	3.8	0.4	4.2
Pension and other post-retirement mark-to-market loss	—	—	—	8.5	8.5
Loss on early extinguishment of debt	—	101.4	—	—	101.4
Interest expense adjustment	16.5	11.9	6.8	6.5	41.7
Adjustments to operating income	34.9	22.0	18.1	41.9	116.9
Income tax adjustments	(2.5)	(22.5)	11.7	(17.2)	(30.5)
Net income from continuing operations—as adjusted	\$ 61.6	\$ 109.4	\$ 89.4	\$ 95.9	\$ 356.3
Continuing earnings per ordinary share—diluted					
Diluted earnings (loss) per ordinary share—as reported	\$ 0.07	\$ (0.02)	\$ 0.27	\$ 0.30	\$ 0.62
Adjustments	\$ 0.26	\$ 0.62	\$ 0.22	\$ 0.22	\$ 1.32
Diluted earnings per ordinary share—as adjusted	\$ 0.33	\$ 0.60	\$ 0.49	\$ 0.52	\$ 1.94

Core Sales Growth Reconciliation

Pentair plc and Subsidiaries
Reconciliation of Net Sales Growth to Core Net Sales Growth by Segment
For the Quarter Ending June 30, 2018

	Actual			
	Q2 Net Sales Growth			
	Core	Currency	Acq. / Div.	Total
Total Pentair	2.9%	1.5%	(0.9)%	3.5%
Aquatic Systems	9.5%	0.3%	(0.9)%	8.9%
Filtration Solutions	(2.4)%	2.8%	(1.0)%	(0.6)%
Flow Technologies	1.7%	1.6%	(0.9)%	2.4%

Pentair plc and Subsidiaries
Reconciliation of Net Sales Growth to Core Net Sales Growth by Segment
For the Quarter Ending September 30, 2018 and the Year Ending December 31, 2018

		Forecast							
		Q3 Net Sales Growth				Full Year Net Sales Growth			
		Core	Currency	Acq. / Div.	Total	Core	Currency	Acq. / Div.	Total
Total Pentair	approx	4 - 5 %	(1) %	(2) %	1 - 2 %	3 - 4 %	1 %	(1) %	3 - 4 %
Aquatic Systems	approx	8 - 9 %	(1) %	(2) %	5 - 6 %	8 - 9 %	0 %	(1) %	7 - 8 %
Filtration Solutions	approx	1 - 3 %	(1) %	(2) %	(2) - 0 %	0 - 1 %	1 %	(1) %	0 - 1 %
Flow Technologies	approx	2 - 3 %	(1) %	(3) %	(2) - (1) %	2 - 3 %	1 %	(2) %	1 - 2 %

ROIC Reconciliation

	Second Quarter 2017	Third Quarter 2017	Fourth Quarter 2017	First Quarter 2018	Second Quarter 2018
<i>Dollars in millions</i>					
Return on Invested Capital (ROIC)					
Segment Income	\$ 151.6	\$ 120.2	\$ 127.7	\$ 117.0	\$ 164.1
Adjusted Effective Tax rate	20.0%	20.0%	20.0%	18.0%	18.0%
NOPAT	\$ 121.3	\$ 96.2	\$ 102.2	\$ 96.0	\$ 134.5
Depreciation	12.1	13.0	12.5	12.6	12.3
Capital expenditures ("Cap Ex")	(6.4)	(6.7)	(13.8)	(11.5)	(8.8)
Total NOPAT, Depreciation, and Cap Ex	\$ 127.0	\$ 102.5	\$ 100.9	\$ 97.1	\$ 138.0
Trailing fourth quarter NOPAT, Depreciation, and Cap Ex	\$ 386.6	\$ 403.3	\$ 409.0	\$ 427.5	\$ 438.5
Ending Invested Capital	\$ 2,632.0	\$ 2,661.3	\$ 2,594.2	\$ 2,862.6	\$ 2,590.3
Trailing five quarter average invested capital	\$ 2,624.9	\$ 2,649.0	\$ 2,637.6	\$ 2,710.7	\$ 2,668.1
After Tax Return on Invested Capital	14.7%	15.2%	15.5%	15.8%	16.4%

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)

<i>In millions</i>	Six months ended	
	June 30, 2018	June 30, 2017
Net cash provided by (used for) operating activities of continuing operations	\$ 177.8	\$ 84.9
Capital expenditures	(20.3)	(18.7)
Proceeds from sale of property and equipment	(0.5)	—
Free cash flow from continuing operations	\$ 157.0	\$ 66.2
Net cash provided by (used for) operating activities of discontinued operations	(5.9)	70.4
Capital expenditures of discontinued operations	(7.4)	(25.7)
Proceeds from sale of property and equipment of discontinued operations	2.3	4.1
Free cash flow	\$ 146.0	\$ 115.0