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nVent Electric Plc (NVT)

Investor Day

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MANAGEMENT DISCUSSION SECTION

Tony Riter

Vice President-Investor Relations, nVent Electric Plc

All right. Good morning. Welcome to nVent's 2026 Investor Day. I'm Tony Riter, Vice President of Investor Relations. And we're pleased to be with you here in New York to share more about nVent, about how nVent is inventing the electrified future.

As you can see, we have a full agenda today. We will kick off the meeting with a video, and then you'll hear from the team, followed by a Q&A session with live questions in the room. As a reminder, any statements made about the company's anticipated financial results are forward-looking statements subject to future risks and uncertainties such as the risks outlined in today's presentation and nVent's filing with the Securities and Exchange Commission. Forward-looking statements are made as of today, and the company undertakes no obligation to update publicly such statements to reflect subsequent events or circumstances. Actual results could differ from anticipated results.

With that, just a few notes before we get started. This is a hybrid meeting, so we are in person in the room, but we also have people watching live on webcast. The press release issued this morning, along with the slides, have been posted to our Investor Relations website.

So let's get start with the video, and then I'll turn it over to Beth.

[Video Presentation] (00:01:27-00:03:47)

Beth A. Wozniak

Chair & Chief Executive Officer, nVent Electric Plc

Good morning, everyone. I'm – good morning, thank you. I'm excited to share with you our nVent story and how we are inventing the electrified future. At nVent, we connect and protect critical electrical systems, making us an essential player in the electrical industry. As the world electrifies and the technology shift to AI accelerates, we are well-positioned to invent new solutions to meet the needs of the electric future.

Over the last two years, we have transformed our portfolio and became a more focused, higher growth electrical company. This has been driving our success and demonstrated in our strong performance and value creation. Our transformation has resulted in infrastructure becoming our largest vertical. And this is where growth is accelerating, particularly in data centers and power utilities. We are confident in our strategy, which has remained consistent and our ability to execute. We have many growth opportunities and multiple levers to expand our margins. We've significantly raised our mid-term targets since our last Investor Day to reflect our opportunity.

All of the team have been leading transformation and driving initiatives to improve performance. You can see here our leadership team and you will hear today from Aravind, Sara, Brian, and Gary. Our newest officer, Mellinda Devese, joined us this week, and she is going to help us accelerate operational excellence, so we can grow, scale, and drive operational efficiencies.

For those of you who don't know nVent, we are a leading electrical connection and protection company. And last year was a transformational year for us. We divested our thermal management business and integrated two new

acquisitions, creating a new platform of engineered building solutions. We renamed our segments to systems protection and electrical connections to reflect the changes to our portfolio. As a result of our actions, our sales accelerated throughout the year and we ended at nearly $4 billion in revenue, which represented growth of 30% or 13% organically.

Adjusted EPS grew even faster at 35%. We have attractive margins, and one of our hallmarks is that we generate strong free cash flow. We expect to continue to drive strong performance as we are aligned to the macro trends of electrification, digitalization and sustainability. We have several key value propositions that matter to our customers.

When you look at the nVent portfolio, our products and solutions are mission-critical. For example, our liquid cooling portfolio is critical for AI data centers to ensure optimal performance with rising chip power and heat densities. Our liquid cooling solutions can provide up to 45% improvement in power usage, efficiency, maximizing performance and driving energy efficiency.

Similarly with our power connections platform, be it surge protection, lightning protection or grounding and bonding, these are all mission-critical components in electrical system. Our ability to meet global standards and provide the best connection solution with our broad portfolio and application expertise uniquely positions us.

Our second value proposition is resiliency and safety. As you think about the uptime that is required for the electrical grid or even a factory automation system, it is essential to have reliable performance. We protect against the high cost of failure. For example, everything electronic or electrical needs to have an enclosure to protect it from the environment and for safety and security reasons. We can meet stringent standards and certifications to provide virtually any type of enclosure anywhere in the world.

If you think about automation systems running millions of dollars of output in a factory, we're protecting that system with our enclosures, preventing downtime that can cost up to $1 million an hour. We're a small part of the building material, but we provide outsized value when it comes to protection.

And third, a critical value proposition is customer productivity. Our products are designed to reduce the labor cost of installation, improve utilization and reduce the total cost of ownership. For example, our cable management solutions can cut the installation time by up to 50% and reduce the total cost by up to 20%. We do this by spending time in the field, observing how contractors do their work. We innovate solutions to make it easier. We're moving steps and in some case, the need for tools resulting in saving time on the job site. Our solutions create value for our customers that they can rely on.

I like to tell our story since we became a public company on May 1, 2018. We are coming up on our eighth year anniversary and we've grown significantly. Our market cap has grown from $4 billion to $18 billion. We accomplished this by transforming our portfolio and executing on our strategy. We have focused on the high-growth infrastructure vertical, both organically and inorganically, which now represents 45% of our sales.

We have grown with new products and innovation. Our new product vitality, which is the percentage of revenue from new products launched in the last five years, was 27%, up 7 percentage points since our last Investor Day. We've scaled our business processes as One nVent and strengthened our commercial capabilities, and we've established a strong acquisition track record, completing over eight deals that have added $1.5 billion in sales. It's been quite a journey and there's more to come.

Here you can see the actions we have taken in our portfolio transformation. The divestiture of the thermal management business and the two most recent acquisitions of Trachte and Electrical Products Group have reshaped our portfolio and increased our presence in infrastructure. The infrastructure vertical, which was the smallest at spin, is now the largest.

Data centers now represent over $1 billion of sales. We also have significantly increased our long cycle exposure with a backlog of $2.3 billion, 3 times what it was before, a year – and that's like a year ago. This has created more balance in our portfolio. And as a result of these moves, our addressable opportunity has significantly increased from $60 billion to $130 billion.

On this chart, you can see our stock performance since then. What really stands out is how our transformation has accelerated our performance and created shareholder value. Our share appreciation has outperformed each of the benchmark metrics and even the S&P 500, and we expect to continue to create value for shareholders.

I always like to come back to our strategy because it has been very consistent driving growth and performance. We have executed well on the strategy, and we keep working on various components to drive performance and increase our capabilities from scaling, as what we do as One nVent, to focusing on growth in high-growth verticals, new products and innovation, global expansion, and acquisitions to transforming our employee, customer, and supplier experiences all through improved business processes enabled by digital, data, and AI, and finally, accelerating operational excellence.

I will touch on a few of these elements as well as the rest of the team on how this drives growth and performance for nVent. I'd like to share how we are positioning nVent to capitalize on key macro trends. We are in the midst of a significant technology shift with AI. It's expected that there will be trillions of dollars spent on data center infrastructure over the next several years. As part of this, liquid cooling, which is critical for the performance of the AI chips, is expected to grow more than 35%.

We are investing in a suite of new products like CDUs that are high performance, modular, and scalable. We also are expanding manufacturing capacity and commercial capabilities globally to meet the growing demand.

When it comes to electrification, the demand for power and the need for upgrading aging infrastructure is driving significant investments in power utilities. We established a leading engineered building solutions platform, increasing our capabilities from relay control panels, customized switchgear, to integrated enclosures.

With respect to industrialization, we continue to see investments being made in manufacturing construction, digitalization, and automation. We are well positioned in the industrial vertical with our existing portfolio.

Sustainability is a global trend that is going to continue, given the need for expanded power sources, whether it be renewable energy or battery energy storage. We have numerous solutions that are part of our core portfolio, ready to serve these applications. We are better positioned today with our portfolio transformation to benefit from these macro trends.

Here you can see nVent's total opportunity across the verticals where we play and how we align to these macro trends. At spin, we viewed our total opportunity to be $60 billion and it has significantly expanded. And today we view our total opportunity to be $130 billion and growing high-single-digits. With our portfolio moves, the high growth infrastructure vertical opportunity has increased five-fold, with data centers growing double-digits and power utilities growing mid-single-digits. We have prioritized our investments here and it is resulting in us becoming a higher growth company.

When it comes to infrastructure, our greatest exposure and growth opportunity is data centers. When we spun this vertical represented less than $100 million of our sales. Today, it's $1 billion and the fastest growing part of our portfolio and we're well-positioned to win. We play in both the gray and white space of the data center. We offer solutions from liquid cooling, smart power, cable management, power connections to engineered building solutions.

Most of our revenue is in the white space, roughly 75% of sales, and the gray space makes up 25%. We estimate the total opportunity for our portfolio is approximately $1 million per megawatt. In the white space, we're a leader in liquid cooling with over a decade of experience and have a proven ability to manufacture at scale. We work closely with hyperscalers and with chip manufacturers on new innovation to meet the higher demands for power and cooling.

In addition, we spent the last year investing in a new modular portfolio and building a service capability to support customers as the need for liquid cooling solutions expands to multi-tenant and enterprise data centers. In the gray space, we have expanded our engineered building solutions offerings from enclosures, to integrated solutions and are seeing increasing opportunities to provide more of our nVent portfolio.

To keep up with the tremendous growth, we're increasing our manufacturing capacity, expanding several engineered building solutions sites. We recently opened a new site in Blaine, Minnesota to approximately double our liquid cooling capacity by year end. We expect data center growth to be strong for years to come and believe we are well-positioned to win.

Now onto power utilities, which also has strong secular tailwinds. As the demand for the electrical grid and capacity is increasing, with electrification and the need for power for AI data centers, it has taken the last 100 years to build the grid we have today and studies have shown we need to double that capacity in the next 25 years. We also need to upgrade an aging infrastructure with reliable, electrical solutions and innovation.

Our exposure to the power utility space is primarily in transmission and distribution, especially in substations. We're expanding our solutions by innovating new products, broadening our new engineered buildings – solutions platform, including greater integration capabilities and investing in additional capacity and operational excellence for growth.

We also are focused on even closer partnerships with power utility customers and contractors, increasing the opportunity to provide more of our nVent portfolio. It's an exciting time for the electrical industry and nVent is well-positioned to be a part of this energy transition.

Turning to our other verticals. Industrial has always been an area where our portfolio has been strong with our core portfolio of enclosures and electrical connections. As industrial automation increases and factories become more digital, this creates more need for our products and solutions. For example, as new semiconductor plants or pharmaceutical plants or manufacturing plants are built, our products play a key role in industrial construction and automation.

With our enclosure solutions, we're launching a new cooling portfolio to help ensure the electronics inside operate optimally as power densities and heat increase. Similar to what we see in data centers, the need for cooling is increasing. We provide more resilient and energy efficient solutions.

In commercial, electrification is driving more of our content for smart buildings. Whether it's new construction or retrofits of existing buildings. We have many solutions to address the increased need for power and data in buildings. It requires more of our cable management, more power connections, from surge to lightning to seismic protection, for example.

We will continue to lead with innovation, defining new solutions that address labor shortages and save time on the job site. I want to switch from verticals to talk about a couple of other elements of our strategy, including global expansion. We've continued to grow nicely in EMEA and APAC. We are focused on building our commercial teams, products and manufacturing to support global growth.

Last year, we named Robert van der Kolk to a newly created role as President of EMEA and Asia-Pacific to oversee a new regional organization to focus on customers and drive further growth. We prioritize data centers and power utilities within the high growth infrastructure vertical. We are taking our highly successful One nVent commercial approach in North America and replicating it globally, to focus on customers and distribution partners to win and drive further penetration in these geographies.

In addition, we are further building out our global capabilities. In India, we've established an engineering center of excellence, where we are increasing our controls, modeling and simulation, capabilities for liquid cooling and power, for example. We also have invested in expanding our digital and AI capabilities in India. Finally, to support this strategy, we are investing in our global manufacturing and supply chain capabilities to support our customers in region.

Acquisitions have always been a key part of our growth strategy. We have a well-established acquisition framework or flywheel. In the connection and protection space, we're almost a $4 billion company playing in what is a $130 billion space. The electrical industry is highly fragmented and that presents an opportunity. When we think about acquisitions, it starts with finding great products that are positioned in high growth verticals that align with our focus on connection and protection.

Next, we determine how can we scale and grow? We think of scaling through our sales and distribution channels, through investments to globalize the portfolio or through investing in digital or manufacturing capability. If you look at the eight acquisitions that we've done since spin on the right, they have all provided us with great product portfolios. We've scaled these businesses and they have accelerated our sales growth. In several cases, we have grown these portfolio sales by three or four-fold what they were, when we bought them. Looking ahead, our pipeline is healthy. We've built a great integration capability that can deliver value and we expect to continue to accelerate our growth through acquisitions.

One key element of our strategy is to accelerate operational excellence, it's critical to allow us to scale fast and grow. It's also important as we acquire and integrate new businesses, it first starts with safety. The safety and well-being of our employees is a top priority. We have a very good safety performance at nVent and we strive to improve our safety record every year.

Next it is about lean enterprise, which is important in driving a continuous improvement mindset. We focus on end-to-end business processes and supply chain improvements to help us grow and increase our throughput. We always want to lean out our processes before we drive digital and automation, both critical elements to drive velocity and productivity.

Next, driving an improved supplier experience is critical to having partners that can grow and scale with us as well as drive efficiencies. We've worked a lot on supply chain resiliency, which is very important. We aim to have strong regional supply chains to serve our customers globally.

Finally, we have a lot of focus on capacity expansion, whether it's for some of our power connection product lines, expanding our plants for Engineered Buildings solutions or liquid cooling capacity for data centers. The addition of a new supply chain officer is expected to elevate our focus and execution on these areas to drive us to world-class performance.

Another area for us is our Spark Management System. People, growth, lean, digital and velocity, these are core to the processes and capabilities we're building across nVent. We want to have the very best people at nVent and we want them to grow their careers with us as we grow. We focus a lot on improving the employee experience and we've seen an 8-point increase in our engagement score since we started. On growth, we have built world-class industrial marketing and sales capabilities as One nVent. We grew 14% with our key distribution partners last year. A focus for us is to enhance our partnerships, for example, driving, integrated marketing and activation plans.

Our sales team are aligned to selling the full nVent portfolio and our commercial teams are focused on providing a best-in-class customer experience. I already spoke to how lean is driving growth and productivity, it's helped us increase the throughput of our liquid cooling lines.

On digital, we're driving a platform approach to scale what we do across nVent and use data and AI, which Aravind will speak to. And finally, we are driving velocity in everything we do, be it lead times, response times to customer requests or reducing our new product introduction cycle time. The average time to launch a new product is now less than a year, it used to be more than two years at spin. Our Spark Management System helps us drive performance and build a long-term competitive advantage.

Sustainability. We've made tremendous progress in our efforts over the last few years. We focus on three pillars: people, products and planet. In our people pillar, we're focusing on safety and employee engagement. These are important aspects of our employee experience and we are committed to fostering a culture where all our people can thrive. In the products pillar, we're focusing on providing life cycle assessments and quantifying the environmental impacts of our products. This is something our global customers are asking for. We are also continuing our work using more environmentally friendly packaging.

And lastly, in our planet pillar, we're continuing to work to reduce greenhouse gas emissions and have added a more focused water goal to reduce water use in high risk areas. By focusing on these initiatives, we can positively impact the communities where we operate. We've received numerous recognitions for our progress and we continue to focus on our sustainability initiatives as a key part of our strategy.

So in summary. Our portfolio transformation to become a more focused, higher growth electrical company is driving our success. We are well-positioned for growth with the trends of electrification, digitalization and sustainability. Growing in infrastructure is a top priority, particularly in data centers and power utilities. Accelerating operational excellence allows us to scale, grow and improve margins. Our future is bright.

And with that, I will turn it over to Aravind.

Aravind Padmanabhan

Executive Vice President & Chief Technology Officer, nVent Electric Plc

Thank you, Beth. Good morning, everyone. I'm Aravind Padmanabhan, nVent's, Chief Technology Officer. I have a very unique role at nVent where I oversee both our technology end-to-end from new product innovation to our broader digital transformation, including data and AI. I always say that AI is good for nVent from the outside and in. Our new products are helping build the AI infrastructure globally and we are using the AI models and software running in these data centers to transform all parts of our business. My presentation today covers this along with an overview of our differentiated technology platforms and the work we are doing in our business process transformation initiative enabled by digital and data.

I'll start with new product innovation. We have a demonstrated track record over the past several years of new product innovation driving nVent's organic growth. When we spun as a company, sales generated from new products launched in the previous five years what we call new product vitality was in the low-teens, three years ago, our new product vitality was 22% and we set a long-term target of 25%. We exceeded that target last year achieving 27%. Our innovation engine is fueled by deep understanding of our customers' challenges.

For example, our engineers spent significant time with contractors at job sites observing how they work and the installation process. This helps them develop product designs that significantly reduce installation time. Another example is where we have engineers work directly with chip manufacturers and hyperscalers to understand their roadmaps and needs for liquid cooling. We are [ph] one-off (00:33:09) very few companies who are part of NVIDIA's partner network. This partnership enables us to embed nVent's liquid cooling technology directly into NVIDIA's reference architectures, making us a preferred plug-and-play design choice for liquid cooling for customers who are building AI data centers.

And lastly, our deep engineering level partnerships with global OEMs and power utility customers help us develop solutions that meet their specific needs whether it's stringent environmental specifications or helping them achieve their resiliency requirements, 80% of our revenue last year came from new products developed for the infrastructure vertical, including data centers and power utilities.

A key accomplishment when it comes to innovation velocity is that we've got product – new product launch cycle time by 50% since spin as Beth mentioned. This cycle time reduction was enabled by embedding agile methodologies in our new product introduction process by using modelling and simulation, leveraging AI and software development and scaling our India technology center.

One of our key strategic capabilities is our network of global test labs that help accelerate the rapid certification of our solutions across multiple global standards reducing time to market. Over the long-term, we now expect new products to deliver 30% vitality and drive more than 3 points of sales growth annually and be accretive to nVent's margins.

Moving to our platforms. We have six core technology platforms where we prioritize innovation and new product launches. Platforms give us scale and velocity. At its core, each platform is a set of modular and configurable building blocks that share a common architecture and have common interface designs. The platforms enabled the launch of hundreds of differentiated products. Each platform can be used across multiple verticals. For example, products from our Power Connections platform enables solutions for data centers, renewable energy and industrial automation.

Products from the various different platforms can also be integrated together to create larger solutions for verticals like data centers and power utilities. For example, the FleXbus product from our Power Connections platform can be integrated with an enclosure for equipment protection [ph] or an e-house (00:36:05) from our Engineered Buildings platform to create system level solutions for our customers.

We have expanded our India technology center as a core pillar of our globally integrated engineering network operating around the clock. The teams in India support our technology platforms. They specialize in advanced modeling, digital twin development, AI-enabled simulation, enabling us to evaluate complex system performance virtually before physical build. This simulation-first capability reduces prototyping cycles, improves first-pass design quality and helps us reduce our overall innovation cycle time.

Innovation within our technology platforms continues to be a significant portion of our organic growth. Last year, new product innovation contributed to 10 points of our sales growth. I'll now explain in more detail how our technology platforms are differentiated. In cable management, we have over 70 years of experience developing time-saving reliable and safe solutions for contractors. Our proprietary rapid prototyping process enables us to develop new designs from requirements rapidly. Our designs can enable tool-free installation, reduce time spent on [ph] ladders (00:37:40) enabling both a faster and a safer installation.

Our Equipment Protection platform has one of the broadest ranges of enclosure products that can meet all specifications and global standards. For examples, our products can meet UL, NEMA and IEC standards. These products are designed for mission-critical environments like high heat, corrosive atmosphere and electrically demanding applications. The breadth of our designs allows us to serve multiple verticals.

In Power Connections, we offer a comprehensive portfolio of products spanning flexible power connectors, mechanical, compression and exothermic connections and protection solutions like surge, grounding systems and lightning protection systems. These products can install faster, adapt to tight spaces, they have fewer terminations leading to higher reliability. Our solutions operate seamlessly above and below ground, indoors and outdoors, forming a complete cloud-to-ground protection system for our customers.

Our new Engineered Buildings platform can meet multiple stringent structural, environmental and safety requirements. These requirements include seismic, ballistic and electromagnetic pulse protection. We have a broad range of e-house designs from welded walls to interlocking panels and beam-based designs. The breadth of our designs, along with our integration capabilities, helps us develop solutions for a wide range of applications.

In liquid cooling, we have well over 10 years of experience, a broad portfolio of products across the cooling continuum and deep end-to-end expertise. I'll talk in more depth about our differentiation in liquid cooling on the next slide.

And lastly on power management, our power distribution products are designed for AI scale power densities that demand increasingly higher currents. The network management controllers within these products are hot swappable, enabling maximum availability in a data center. We also have the highest outlet density in the industry maximizing usable rack space in a data center.

Now let's look at what makes the underlying capabilities in our liquid cooling platform truly differentiated. We have one of the broadest offerings across the entire cooling continuum. These includes server racks with fans or air conditioners for air cooled data centers. Liquid to air or air to liquid heat exchangers and heat rejection units for hybrid air plus liquid cooled data centers and all the way to the most complex liquid to liquid cooling distribution units for the highest power density AI data centers.

From a form factor perspective, these products can be designed for in-rack or in-row configuration, depending on the customer's needs. Our CDU architecture is extendable to future higher power density AI chips and for AC and DC power topologies. Our CDU designs are built on a fundamental understanding of heat transfer,

thermodynamics, fluid flow enabling us to engineer products that deliver industry-leading performance and long-term reliability. We use advanced digital twin modeling to simulate the cooling loop before production. We optimize critical subsystems by evaluating hundreds of design variables rapidly. This allows us to refine efficiency, stability and reliability very early in the development cycle.

We also simulate across a broad range of operating conditions, including variable loads and off design scenarios, ensuring our products are engineered for the most complex deployments rather than just a single ideal design point.

Our deep technical expertise across the cooling architecture allows us to meet the most demanding pressure, flow, and temperature specifications of various customers.

Our newest CDU showcased at Supercompute (sic) [Supercomputing] (00:42:32) 2025 and launching this year delivers enough cooling to support multiple racks in an AI data center, whereas competitors need multiple CDUs to achieve the same output. Our test labs, which meet both [indiscernible] (00:42:49) testing requirements, provide both full system and component level performance and reliability testing across mechanical, electrical, thermal and environmental functions. We perform long-term life and reliability testing on complete systems and critical components to ensure our designs meet the high availability requirements in a data center. We are only one of a few companies that have such testing capability.

In summary, I want to say that our decade plus of real-world performance data drawn from thousands of installations across diverse operating conditions, helped continuously enhance our designs and give us insights that only long-term field experience can provide. This makes us unique in this industry.

As I mentioned at the beginning, AI is good for nVent outside and in. I want to now tell you a bit about how digital, data and AI are transforming our internal business operations. As part of our ongoing business process transformation initiative, we are standardizing key business processes across all major functions. We are also moving to standard cloud-based digital platforms. Over the past few years, we have put significant focus on improving data quality across the company. This a key foundational element to create business insights and for scaling AI.

In addition, we have centralized and unified the data from the various systems in our enterprise data platform [ph] Ntelligence that's Ntelligence (00:44:39) without an I. The analytics from the data provides real-time insights into our daily business operations.

Having all our major digital platforms in the cloud has also helped us with integrating the acquisitions rapidly. We have a goal to onboard the acquired companies into our standard platforms in the first year and integrate their data, this has helped drive synergies. Let me now share a few examples of where the transformation is already creating value for us. Our customer care teams have reduced query resolution times by 50% by automating key steps in the workflow and having end-to-end visibility of a customer.

In addition, we are developing an AI agent that can collect data from internal systems and automatically create responses for the most common customer questions. This will create efficiencies and improve customer experience. Another example is in the pricing team in one of our businesses, they're using automation to achieve 40% improvement in pricing response time by eliminating manual processes. They are also deploying an AI-enabled analytics for price optimization and [ph] margin leak (00:45:55) detection. The value from data and AI will scale as we expand and launch new capabilities across all our digital platforms and functions.

I'd like to wrap-up with three key messages. First, new products in high growth verticals continue to be a significant contributor to our organic growth. Second, our deep application expertise and technology leadership enables us to solve the most complex customer problems. Digital and data transformation continue to create business value and are laying a solid foundation for scaling AI.

Thank you. And with that, I'll turn it over to Sara.

Sara E. Zawoyski

President-Systems Protection, nVent Electric Plc

Thank you, Aravind, and good morning, everyone. I am excited to be here with all of you today to walk you through our growth outlook and the key drivers behind it. So let's jump right in. When we last held Investor Day in 2023, our segment was known as Enclosures. Since then, we've evolved far beyond Enclosures and transformed into a systems-level solutions leader. And today, we are systems protection. Our record-year results demonstrate not only the scale of that transformation, but also the significant runway ahead. In 2025, we delivered $2.6 billion of sales with 17% organic growth. Return on sales was over 20% and we expect another great year in 2026.

Our business mix has meaningfully shifted to higher growth verticals. Infrastructure, primarily data centers and power utilities, now accounts for over 50% of our revenue. Systems protection is a more resilient, higher growth business with more integrated solutions. We have strong leadership positions, superior technical expertise and global scale. We are a trusted, innovative partner, helping to protect, cool and power some of the world's most mission critical infrastructure.

In Systems Protection, we deliver high-performance protection built on a strong legacy of reliability, innovation and resilience. First, we provide safe, reliable solutions for maximum uptime and lower total cost of ownership. From explosion-proof to fire-resistant to temperature control, our solutions are engineered for the most demanding environments where reliability is paramount. Our deep application expertise enables us to design the right protection for our customers to deliver predictable, uninterrupted performance for mission-critical infrastructure.

We are technology leaders. We develop leading protection, cooling and power technologies to solve customers' toughest problems. Our integrated solutions span from end-to-end liquid cooling systems in the data center to control buildings in a substation to integrated cooling and enclosure systems in industrial facilities. Our solutions can scale globally with velocity. We specialize in modular, scalable systems designed for manufacturability, rapid deployment and serviceability. By pairing these trusted solutions with exceptional customer service and a global supply chain, we help our customers scale their operations faster.

Now, let's turn to our largest growth accelerator: data centers. Our data center sales stand at over $800 million and have grown roughly 40% over the last three years, nearly two times the industry growth rate. This outperformance reflects our leading positions in some of the fastest growing areas with over 80% of systems protection sales in the white space. And as Beth mentioned, the white space in the data center houses the compute infrastructure, including racks, cooling and power. We believe the white space will continue to grow faster than the grey space. It is the highest value revenue-producing portion of the data center. And we expect a strong upgrade and replacement cycle as the technology continues to shift.

And the demand for our products and solutions is tremendous. Liquid cooling is essential to address the unprecedented increase in chip power and heat density with AI. We solve our customers' toughest challenges with our continuum of liquid cooling solutions, our technical expertise and new products that are future-ready for that next generation of chips. This is our fastest growing opportunity and I'll expand on it shortly.

Our power distribution units are also growing at a faster pace than the industry as we expand our customer base and drive innovation. Our intelligent control platform and integrated power and cooling solutions are designed to enhance reliability, monitoring and operational efficiencies at the rack level. And we have expanded our systems protection portfolio with engineered buildings. These are highly customized, modular structures designed for fast, easy installation.

In the grey space our E-houses, protect backup power systems and critical switchgear, freeing up more data room square footage for computing. We're also seeing a growing demand in the white space with IT pods in modular data centers.

Now, to meet this overall demand in data centers, we are rapidly scaling capacity, services and global presence. Over the last year, we have added more than 400,000 square feet of capacity across seven different sites. We are growing services in cooling from installation to preventative maintenance, aligned with our new products and the accelerating adoption in multi-tenant data centers and enterprise customers. And we are meaningfully investing in global sales and manufacturing capacity, driven by increased AI readiness and sustainability requirements.

We see years of strong data center growth ahead, extending beyond hyperscalers to multi-tenant, neo clouds and enterprise; growing services and new offerings with engineered buildings, expanding globally in Europe and APAC, and leading technology and solutions with one of the best technical teams.

Now, let's dive a little deeper into liquid cooling, one of the most significant growth drivers in our portfolio. nVent has held a clear leadership position here for more than a decade. Today, we are one of the few global players that provide complete liquid cooling architecture design from coolant distribution units to racks to manifolds. And the opportunity ahead of us is significant. We are in the early innings of the cooling technology shift in data centers driven by AI and high-compute workloads. And just to put this into perspective, we estimate that only about 10% to 15% of data centers today utilize liquid cooling, which we expect to be over 30% by 2028. We see demand for liquid cooling growing three times faster than traditional air. Our established leadership and proven ability to scale make nVent uniquely positioned to capitalize on this technology shift.

We have thousands of liquid to liquid coolant distribution units and over 2 gigawatts deployed with demonstrated performance and exceptional reliability. We are a liquid cooling expert and a trusted partner. Our team has over 300 years of liquid cooling expertise combined. Our scale and technical depth have made us a trusted partner to the world's leading data center operators and chip manufacturers, like Nvidia.

What this does is it gives us early insight into future chip roadmaps, allowing us to design for that next generation of high density compute. We deliver system level modular liquid cooling solutions that enable customers to scale while optimizing efficiency across the end-to-end cooling ecosystem, with our cutting-edge lab.

Our solutions are designed for easy serviceability and lower total cost of ownership for data center operators and to support the [indiscernible] (00:56:40) explosive demand, we are scaling our supply chain and capacity with velocity. From announcement to production, our new Blaine, Minnesota facility was operational in a little over 100 working days.

We have increased our liquid cooling production capacity more than eight-fold since mid-2023 and we plan to continue to expand capacity to meet growing demand. Our global manufacturing footprint and strong supply chain

relationships are key differentiators for us. So with technology leadership, system level solutions and proven performance, nVent is well positioned to lead the AI-driven shift to liquid cooling at a global scale.

So, now, let's shift gears and talk about another key part of our infrastructure vertical, power utilities. The strategic acquisitions of Trachte and EPG provide an exciting new platform for us in power utilities. We have moved from providing products and components to becoming a leading provider of integrated modular solutions, serving nearly all of the top 50 US power utilities. Today, we not only protect but also control and distribute power across the grid and at a system level with our relay control buildings and customized switchgear. Importantly, we can sell more of our nVent offerings both in and outside of these integrated solutions, including more enclosures, more power connections, and more cable management.

We are well positioned with the megatrends, accelerating growth in power utilities, with the explosive load growth driven by AI data centers and electrification. And meanwhile, the aging grid is in critical need of upgrades to keep up with this demand. Our established relationships with major utilities have positioned us as a trusted partner to address these needs.

Our customers are facing a shortage of skilled labor and a mandate to add load capacity and modernize at record speed, driving demand for our engineered building solutions. These modular factory integrated buildings arrive on site, ready for fast connection, effectively moving complex engineering and construction work into our controlled manufacturing environment. This is the speed to power advantage that makes nVent a key partner.

We provide a breadth of offering within our engineered buildings platform, including standalone buildings, integrated buildings, relay control panels and customized switchgear. We provide ultimate flexibility and customization based on what our customers' needs are. We will accelerate growth with innovative design platforms, operational excellence and continued capacity expansion. And we are excited about our new growth platform in power utilities. As the transition to a more electrified and resilient grid accelerates, we believe we are well positioned to drive growth and expand margins.

So while we have spent much of our day today discussing our opportunity in the infrastructure vertical, industrial remains a core focus. We have a strong leadership position built on a longstanding legacy of quality and resiliency. Industrial represents approximately 40% of Systems Protection's revenue, with growth driven by digitalization, automation and electrification trends. Anything that is electric or electronic needs to be protected with an enclosure. And we have a strong breadth of industrial solutions. We can meet virtually any specification and we have a global presence. This enables us to meet our customers' needs.

Today, we are one of the few providers capable of delivering one of the broadest portfolios that meet both NEMA standards in North America and IEC standards globally. Our IEC enclosures have grown more than three times since our Eldon acquisition in 2019, and we continue to see significant runway. We have global product platforms that scale across many verticals with local manufacturing in all key geographies.

We are accelerating innovation in cooling solutions. Those same cooling trends in data centers apply to industrials, higher electrical content, such as variable frequency drives combined with rising power densities generate more heat requiring more advanced liquid cooling. This is driving more demand for our cooling solutions and a higher attachment rate with enclosures. Our integrated industrial enclosures plus cooling solutions help keep systems safe and resilient. We expect our new global cooling platform to launch later this year to help customers solve for increased heat loads, lower energy consumption and reduce CO2 emissions by over 50%. And similar to IEC, we believe our new global cooling platform will have years of runway of growth and margin expansion.

Finally, best-in-class customer experience is key to winning an industrial. Fast, reliable lead times are essential to customers' project timelines and we believe, a key differentiator for us. We are making systems resilient with our breadth of offering integrated solutions and deep application expertise.

So to wrap things up, I'd like to leave you with three key messages for Systems Protection. First, we protect some of the world's most mission critical infrastructure and serve some of the fastest growing verticals, most notably data centers and power utilities. Second, we are winning. We are winning with our integrated systems and solutions, bringing together enclosures, cooling, and power that scale across verticals. And third, we are solving customers' complex challenges with innovation and deep technical expertise. From equipment protection to liquid cooling to engineered building solutions, we are technology leaders and trusted experts. Systems Protection is a more resilient, higher growth business with integrated systems and solutions that are critical for electrification and digitalization. We are inventing the electrified future and have an exciting future ahead.

Thank you and I will turn it over to Brian.

Brian Coleman

President-Electrical Connections, nVent Electric Plc

Thank you, Sara. Good morning, everyone.

Unverified Participant

Good morning.

Brian Coleman

President-Electrical Connections, nVent Electric Plc

I'm Brian Coleman, President of Electrical Connections. I'm excited to meet you all and take you through a business that is benefiting from the same powerful trends that Beth mentioned. In Electrical Connections, our solutions are focused on providing and protecting power when reliability matters most and as electrification continues to grow, reliability matters today more than ever. Our business is grounded in trusted brands and has a long legacy of innovation. We win with differentiation, deep application expertise and longstanding customer relationships.

In 2025, Electrical Connections had record sales of $1.3 billion and strong margins over 28%. And this success has been driven by our leadership position in cable management, where in the US, we believe we are the number one provider. Our broad power connections platform, which has expanded through innovation and our acquisition of ECM Industries and our deep application expertise with a global network of experts in the field working directly with our customers every day.

We hold a strong leadership position in commercial. And our growth has been fueled by our increased penetration in industrial and expanded efforts in infrastructure. We are extending the expertise that we've built in commercial to other verticals. Industrial and infrastructure applications need many of the same core products we provide at scale in commercial. And by applying a focused vertical go-to-market approach, infrastructure has grown to over one-third of our business and continues to accelerate.

Electrical Connections is positioned to capture significant opportunity as electrification increases. We have application expertise that cuts across verticals, strong margins and a portfolio engineered for the reliability that mission-critical applications demand.

Our value proposition has always been built around the combination of productivity, resiliency and application expertise, and that has not changed and continues to drive our business forward. Labor productivity is a need from our customers across all verticals. Our products help reduce installation time and address skilled labor shortages through easy to install solutions that drive faster project completion at lower costs. We see this within our cable management platform, for example, where we have – we can help customers save up to 50% in installation time and reduce their total install costs.

Resiliency is equally important. Customers cannot afford downtime in critical electrical systems, so they need trusted solutions they can rely on. And our products can reduce and improve terminations, eliminating failure points in critical power and electrical systems, whether it's in power connections, grounding and surge protection or cable management, we have decades of experience providing solutions that contractors trust in the most demanding environments.

Our longstanding application expertise is a key differentiator for us as well. As projects grow on complexity due to increased electrification, customers need partners, not just products. And we are known in the industry for our engagement with our customers. Our engineers around the world, visiting job sites, talking directly to contractors, observing the installation process and using those insights to innovate and deliver products that enable faster, safer and efficient operations. It's our understanding of our customers and how they do their work, combined with our decades of experience developing differentiated products that allows us to truly out-innovate our competition.

As we look ahead, infrastructure is expected to become a greater portion of our business, driven by accelerated demand in data centers and power utilities. And over the last three years, we've outperformed the industry growth rate. And we expect that trajectory to continue because we have differentiated solutions and are intentionally prioritizing R&D and commercialization investments towards infrastructure to scale quickly.

What gives us further confidence in our growth trajectory is our ability to take the expertise we developed in commercial and apply it to infrastructure, whether it's a commercial building or a data center, the needs for time saving and resilient solutions are similar. I'll share one example. Our history in commercial [ph] has helped (01:09:48) us built a deep understanding of cable management and we are applying that expertise to data centers. The value of our innovative wire basket trade, WBT system for data centers mirrors our successful commercial applications. It reduces cable stress to protect data integrity with our patented [ph] Shape Wire (01:10:06) technology, eliminate sharp edges to improve jobsite safety, and can be quickly installed because of our differentiated tool-free splice solution. This ability to translate commercial expertise to infrastructure is driving significant growth. Our WBT product line is growing at rates comparable to liquid cooling, and we are expanding capacity, making the investments to capture these growth opportunities.

Lastly, we are focused on driving sales synergies between electrical connections and systems protection, particularly in our engineered building solutions. This gives us a great opportunity to offer complementary nVent solutions more broadly and accelerate our penetration specifically in power utilities.

We are well positioned for growth now and in the future as the industry expands. And alongside this evolution, we're focused on investing in scalable key growth platforms, one of which I'll highlight in more detail, the flexible power connections.

One of the most important shifts that's happening in infrastructure is the scale of power required by next generation data centers. Driven by AI hyperscalers are moving from facilities that consume tens or hundreds of megawatts to campuses that require a 1 gigawatt of power or more. That's roughly the electricity demand of a small city. And supporting that scale requires more onsite energy, storage and backup. And to reduce grid strain and increase reliability, large campuses are deploying onsite generation, long duration batteries, micro-grids and advanced backup systems, all of which increase complexity and put pressure on site footprints.

At the same time, distributed power sources and stored energy increases reliability requirements for electrical design, protection and control at these heightened power levels. This all creates opportunities for Electrical Connections, as customers will need reliable, higher current and higher voltage interconnects and compact high density power delivery systems that can meet this increasing requirements.

Our power connections platforms offers key products to help meet these increasing demands. We have built over time a best-in-class solution set for nearly every type of power connection our customers may need, providing secure and dependable power both between and within electrical equipment. Whether it's space savings interconnects between major power equipment or reliable connectors for cabling infrastructure, we offer unique, patented designs that help make more reliable connections in less time.

Our power connections platform is engineered for demanding use cases and solutions in this platform are already rated for 800-volt DC and above and are ready to support the evolving power infrastructure. A key product line within our power connections platform is our flexible connection solutions. These differentiated and easy-to-install products have already proven to be a growth engine and are expected to continue as we invest in innovation. Flexible power connections can drive greater than 50% labor savings.

And in addition to the ease of use, customers value them for their ability to be used in tight spaces, enabling customization and optimized footprints. One of our data center customers shared that switching to our products helped them save four days of installation time. And with the scale of data center projects, that is significant.

We see a $2 billion addressable opportunity for flexible connections and we are increasing our capacity globally. In 2025, we expanded within North America and we are currently scaling our high-speed line in Europe to facilitate significant growth. As infrastructure demands accelerate, growth will come from those who can deliver unique solutions that meet the needs of our customers. And I'm excited about our power connections platform as it is well aligned with the accelerating buildout of large-scale power infrastructure.

Now, let's turn to Commercial. As I said, we hold a leadership position in Commercial. With labor saving solutions across a wide range of project types, for decades, we have been developing products that eliminate the use of tools. We've been providing complete electrical solutions for easy installation at jobsites and reducing the time workers spend conducting slow, difficult and potentially unsafe overhead work.

We have unique patented hangars, fasteners and clips for workers to quickly and safely assemble complex systems that are proven to reduce installation costs up to 20%. We see further growth opportunities as smart buildings require more of our products. Customers are working with more data, more integrated systems and more distributed power than ever before. And we see this in both new construction and in retrofits as contractors take on projects to bring older buildings up to modern power and data standards.

A modern hospital, for example, carries significantly higher data and power requirements now than even a few years ago, and this all creates opportunities for us as a leader in cable management. We see structured cabling growing two times faster than the overall industry, which requires more of our products. And in addition, with the

shortage of skilled labor, we have an opportunity to innovate alongside our customers, as we always have, creating labor savings and putting more of our solutions into an increasingly electrified commercial landscape.

So, in closing, Electrical Connections is executing a focused strategy, designed to deliver both growth and margin expansion, supported by electrification trends and are focused on infrastructure. We are prioritizing high-growth verticals where differentiated solutions matter and create the most value. And our growth is being driven by our ability to enable productivity and resiliency in mission-critical infrastructure and our application expertise allows us to accelerate innovation across verticals and help customers solve their most complex challenges.

So, thank you. And now, I'll hand it off to Gary to talk about an updated financials.

Gary Louis Corona

Chief Financial Officer & Executive Vice President, nVent Electric Plc

Thank you, Brian, and thank you, everyone, that's here in New York and thanks to those of you tuning in by webcast for joining us today. I'm Gary Corona, CFO of nVent and I am really excited to speak to you about our strong financial performance and our plans for continued growth and value creation.

As you've heard from the team today, nVent is well-positioned for the secular trends of electrification, digitalization and sustainability. Through disciplined portfolio transformation and strong execution, our growth profile has meaningfully accelerated. Since our last Investor Day in March of 2023, we have stepped up our growth trajectory and have met or exceeded every midterm target we set. That consistent over-delivery underscores the strength of our strategy and execution.

We have also expanded margins over the last few years and remain confident in our ability to continue to do so by balancing disciplined pricing and productivity across the organization. Our strong balance sheet and robust cash flow gives us the flexibility to invest in high-return organic opportunities, execute disciplined M&A and return capital to our shareholders, while we manage our leverage prudently. As a result of this momentum and increased conviction in our outlook, we are significantly raising our mid-term financial targets today and are confident in the growth and value creation opportunities ahead.

Over the past three years, we've grown sales from $2.3 billion to nearly $4 billion, representing a 19% CAGR. This step up reflects sustained organic investment and disciplined portfolio transformation that has increased our exposure to the high-growth infrastructure vertical, now representing approximately 45% of our sales mix. Over the same period, our adjusted EPS CAGR was 27%, materially outpacing our revenue growth. This reflects our strong operating leverage, disciplined execution and M&A that has been meaningfully accretive to earnings.

Importantly, we fully replaced the earnings impact of the Thermal Management divestiture in less than 12 months. Free cash flow CAGR was 34%, with 99% conversion, driven by strong earnings growth and working capital improvements. This strong cash generation has enabled us to fund growth investments, while paying down debt, preserving balance sheet flexibility to support future capital deployment and value creation.

I want to briefly revisit our performance versus the mid-term targets that we set at our 2023 Investor Day. At that time, we outlined a financial framework calling for mid-single digit organic growth, a 1 point plus of revenue contribution for M&A, with margin expansion to 20%, resulting in 8% to 10% EPS growth and strong cash conversion.

Since then, we have significantly outperformed across nearly every dimension. Organic sales growth of 8% exceeded our targets. Acquisitions contributed 4 points net of the Thermal Management divestiture. Acquisitions

alone contributed 11 points to sales growth. Our adjusted EPS CAGR was 27%, well ahead of revenue growth. And margin expanded to approximately 20%, even as we invested for growth. Absolute cash flow dollars significantly exceeded our expectations, and conversion was essentially in line with target.

Through our disciplined portfolio transformation and organic growth acceleration, we have structurally reset nVent's financial algorithm and raised the baseline for future growth and returns. We are building on our momentum by investing for growth in areas where we have the highest conviction. And most importantly, those investments are delivering strong returns.

R&D investment has increased meaningfully and is translating to the innovation engine that Aravind discussed earlier. In 2025 alone, new products contributed approximately 10% to our sales growth, and we also expect it to be a meaningful driver of our growth going forward. By focusing on differentiated innovation, we are launching new products that are margin accretive. We have increased CapEx investments over the past three years to approximately 2.5% of sales to scale manufacturing capacity and support our growth.

Looking ahead to 2026, we plan to invest approximately $130 million in CapEx, primarily directed towards capacity expansion and new products in our high growth verticals, particularly data centers and power utilities. In parallel, we continue to invest in our digital infrastructure and support growth and increase our productivity. We expanded margins over the last three years to approximately 20%, despite meaningful headwinds, including inflation and tariffs, growth investments and short-term margin dilution from recent M&A.

Looking ahead, while some of these headwinds will persist, our focus remains to further expand margins without compromising investments needed to support our growth. We expect margins to improve by roughly 2 percentage points over the next three years, reaching 22%. This is expected to be driven by disciplined pricing, margin accretive new products and volume leverage from growth in our attractive end markets.

In addition, we see clear opportunities to expand margins in our recent acquisitions through cost synergies and operational improvements. Trachte and EPG are good examples where we're applying our integration playbook and we expect their margins to improve towards segment averages.

In parallel, we are driving operational excellence to deliver productivity by applying lean principles, automation and simplification across our manufacturing and logistics network, improving efficiency throughput and scalability as we grow. Our margin structure is very healthy and we're confident in our ability to continue to expand our margins.

Moving to working capital and free cash flow. 2025 was a record year for cash generation. We delivered $561 million of free cash flow, up 31% year-over-year and more than 130% since 2022. This acceleration is a direct result of our sustained focus on working capital efficiency. We have improved working capital performance, even as the business has significantly accelerated.

Importantly, these efficiencies are translating into free cash flow margin expansion. Since 2022, free cash flow margins have increased by more than 400 basis points, reflecting margin expansion and disciplined working capital management.

Our asset-light model is central to this cash flow profile. Even with the targeted capacity expansions, including our new Blaine, Minnesota liquid cooling facility and investment for our recent acquisitions, CapEx remains approximately 2.5% of sales. This higher level of cash flow has enabled us to both reinvest in the business and

return capital to shareholders, supporting dividend growth, share repurchases and a reduction in our net debt-to-EBITDA to 1.6 times.

Let me turn to capital allocation and how we deploy capital to drive growth and sustain our financial outperformance. Our framework has been consistent for several years and is centered on disciplined growth investment, rigorous execution of our M&A strategy, while maintaining the balance sheet flexibility to consistently return capital to shareholders.

From 2023 to 2025, we deployed $5.3 billion of capital. About 60% was invested to accelerate our growth through CapEx and strategic acquisitions, the balance was returned to shareholders through dividends and share repurchases and paid down debt to strengthen our balance sheet. This disciplined approach to capital deployment has delivered attractive returns, as Beth showed you earlier, and we expect to continue to allocate capital in a similar manner going forward.

Our capital allocation priority is growth, and that starts with reinvesting in the business by funding capacity expansion, innovation and the capabilities required to win in high growth verticals. M&A remains a top priority. As Beth noted, we apply a rigorous, strategic and financial lens to every transaction with a clear requirement that acquisitions align with our strategy and deliver returns above our cost of capital within three years.

We're committed to a competitive dividend, which has increased by approximately 20% since our March 2023 Investor Day, alongside share repurchases to offset dilution. Finally, we remain disciplined in managing leverage and maintaining a strong balance sheet. As I mentioned, we ended 2025 with net leverage of 1.6 times, well below our targeted range of 2 to 2.5 times, providing ample flexibility to invest in growth and acquisitions. Overall, our disciplined capital allocation approach positions us to prioritize growth and create long-term shareholder value.

Our track record of disciplined capital deployment is well-established. By focusing on the high growth infrastructure vertical, we've improved our return on invested capital profile. In 2025, nVent delivered ROIC of approximately 13%, up from 2022, even after completing four acquisitions during that period that totaled nearly $3 billion. Excluding goodwill, ROIC is approximately 28%, highlighting the strength of our underlying margins and capital efficiency.

Our ROIC reflects high-margin growth, disciplined pricing and productivity that more than offset inflation in a rigorous approach to deploying capital into high-return investments. Looking ahead, we expect continued strong returns on our growth investments, with ROIC exceeding 15%, an additional 2-point improvement by 2028.

We are confident in the ability to continue to accelerate growth and returns. And today, we're pleased to share updated three-year targets that represent a meaningful step-up from our 2023 framework. We now expect organic sales growth of 10% to 13%, an increase of more than 6% versus our prior target at the midpoint, essentially more than doubling our expected growth.

In addition, we expect the impact of acquisitions to be more than 3 points of sales annually, up from approximately 1 point previously as we pursue larger bolt-on acquisitions. From a margin perspective, we're targeting approximately 2 points of expansion to around 22%, driven by continued sales growth, high-return organic investment, and disciplined pricing and productivity across the organization. This operating performance translates into a significant step-up in earnings power.

We now expect adjusted EPS growth of 17% to 20%, over 9 points higher than our previous target, more than doubling our EPS growth expectations. Finally, on cash generation, we expect to convert approximately 95% of our earnings into free cash flow. This reflects increased capital investment to support our higher growth outlook, while maintaining a disciplined working capital management. Taken together, we are confident in our ability to deliver these updated financial targets and capture the substantial value creation opportunities ahead.

To wrap up, the nVent growth story is defined by a clear track record of transformational and financial delivery, well ahead of the commitments we made in 2023. Our portfolio is tightly aligned with the powerful secular tailwinds of electrification, digitalization and sustainability, positioning us to capitalize on these significant multi-year growth opportunities.

At the same time, our disciplined capital allocation and strong cash generation gives us the ability to invest for growth, while consistently delivering attractive returns to shareholders. We have a winning strategy, strong execution and a great team. That gives us the confidence to raise our financial targets and to create value as we help nVent the electrified future.

With that, thank you for your time, and I'll turn it over to Tony for Q&A.

Tony Riter
Vice President-Investor Relations, nVent Electric Plc

Okay. Great. We'll just take a few minutes to transition the room, get all the speakers up and then we'll jump right into Q&A.

QUESTION AND ANSWER SECTION

Tony Riter
Vice President-Investor Relations, nVent Electric Plc

A

We'll jump right in. Certainly we've got those that have raised their hands [indiscernible] (01:34:37).

Julian Mitchell
Analyst, Barclays Capital, Inc.

Q

[indiscernible] (01:34:43). Maybe a first question around the operating margins. I don't know if those sort of trending as you thought. You had the commentary in the press release about first quarter running well. So, flesh that out if you could. And on the margins, trying to understand how you're thinking about margins by segment for the medium term. You have the 22% goal. Do you see both segments expanding margins at a similar rate?

Beth A. Wozniak
Chair & Chief Executive Officer, nVent Electric Plc

A

Gary?

Gary Louis Corona
Chief Financial Officer & Executive Vice President, nVent Electric Plc

A

Yeah, happy to take that. And as you mentioned, Julian, we are expecting to expand margin over the period of time for our intermediate targets around 2 points. That's approximately mid-20s from an incrementals perspective

and very much aligned with the growth trajectory of the business, the investment we expect to make and the mix of business that we are planning to see in the next three years.

Both segments have nice margin improvement plans and we expect to expand margin in both segments. The core of that is really driven by our productivity. That's driven by operational excellence. As Beth talked about in her remarks, our focus on lean and in automation, pricing. We have a nice pricing capability that Aravind actually talked about in his comments and the leverage that will see with this elevated growth across the business.

Julian Mitchell
Analyst, Barclays Capital, Inc.

Q

Great. And then, just secondly, the data center exposure, you have a $1 billion of revenue. Any sense of the split of that of power management versus cooling management and kind of any thoughts around 800-volt, what does that mean for nVent's opportunity?

Beth A. Wozniak
Chair & Chief Executive Officer, nVent Electric Plc

A

When you look at our portfolio, certainly liquid cooling would be the most significant in our revenue and we haven't really broken out that split or updated. But across our entire portfolio, there is – we'd give the fact that it's $1 million per megawatt and we looked at that and it's led by liquid cooling, but other areas from power to cable management, to racks and servers are equally important there. And, sorry, Julian, what was the second part of your question?

Julian Mitchell
Analyst, Barclays Capital, Inc.

Q

Just around sort of 800 volts.

Beth A. Wozniak
Chair & Chief Executive Officer, nVent Electric Plc

A

Oh, 800 volts. Yeah. When you think about our portfolio, the first thing that 800 volts is going to do it's going to require more cooling. So, we think we're really well-positioned because of our liquid cooling portfolio that is extendable in terms of whether it's rack or row and all the additional thermal management capabilities that we know our controls and system understanding is able to support. So, we believe liquid cooling, we've got great capability there.

You heard us talk about Brian's Power Connections that are already rated to 800-volt DC. And so while we're not architecting the complete power solution there, a lot of our components are part of those system solutions. And so we believe that we're also well-positioned there. And I guess the other thing about 800-volt DC, there's still going to be a need for AC systems and it's going to be a while, and I think you're going to see some of our solutions will evolve over time as those architectures come into play.

Nigel Coe
Analyst, Wolfe Research LLC

Q

Thanks. The 10% to 13% organic growth is pretty impressive. I'm just wondering if you could maybe break it out between some of the major growth drivers, perhaps data center, utility, what's underpinning that 10% to 13%? And then maybe on the 2 gigawatts of liquid cooling shipments, I'm guessing about half of that occurred last year. Just wondering if you could maybe [indiscernible] (01:38:36).

Beth A. Wozniak
Chair & Chief Executive Officer, nVent Electric Plc

A

So, there's a chart that we had in our presentation that showed how we thought about the overall industry growth and, of course, we want to outperform that. So, when you look there, you'll see that data centers has the highest growth, followed by some of the areas like power utilities. And then we said that we expect more moderate growth when it comes to, say, industrial and commercial. So, really, the way we think about our portfolio, we've repositioned it almost 50% now into infrastructure at those higher growth rates. So, that's one. And Sara, maybe you want to talk about the 2 megawatt deployed.

Sara E. Zawoyski
President-Systems Protection, nVent Electric Plc

A

Yeah. I mean, I think the math is generally right. I think it was roughly two super-computings ago when we were talking about greater than 1 gigawatt, right? And now it's over 2 gigawatts. So, it's something that we're really excited about in terms of the – I think it speaks to the technical expertise that we have, that proven reliability and quality, and really excited about the future of liquid cooling as well, because again, as we said, we estimate roughly 10% to 15% of today's data centers are liquid-cooled. Even if you fast forward that to 2028, still roughly 30%-plus. So, a long runway of growth there for us.

Nigel Coe
Analyst, Wolfe Research LLC

Q

Thank you. And then on the M&A, obviously, M&A is going to be a very important part of the equation going forward. I think you said 3 to 4 times scaling up of some of the revenues of the acquisitions you mentioned. Maybe just could you maybe talk about what kind of post-acquisition synergized EBITDA margin or whatever – however you want to talk about it, what kind of ROI have you earned on that capital deployment for the last three, four years?

Gary Louis Corona
Chief Financial Officer & Executive Vice President, nVent Electric Plc

A

Yeah. So, we have a very disciplined approach to how we evaluate each and every deal. We review them at 3, 6, 12 months versus our strategic priorities, but more importantly, our financial priorities as well. As you mentioned, all of them more recently have exceeded our expectations, especially on the top line, but also on the bottom line. Some of these businesses came in to nVent with margins below our expectations and are well on the path to get back to segment expectations. So, the returns as we've talked about are we target between two and three years exceeding cost of capital and in all of the recent deals have met those expectations.

Joe Ritchie
Analyst, Goldman Sachs & Co. LLC

Q

Hey. Good morning, everybody. Thanks for all the details. So, can we talk a little bit about your modular offering? There's been a few companies recently that have booked some pretty big orders as it relates to e-houses or e-pods, depending on what you want to call it. Talk to us a little bit about how your offering potentially compares to theirs and what your opportunity is?

Beth A. Wozniak
Chair & Chief Executive Officer, nVent Electric Plc

A

Okay. I'll start and then there Sara or Aravind jump in. So, recall, we built this platform by putting two acquisitions together, which gave us a breadth of capability. And when you look at these modular houses, whether it's utilities

or whether it's for data centers, they all have different requirements. And we have capability to meet different construction types depending on what their preference is.

One of the things that we've done as we've acquired these acquisitions is we've applied our lean mentality or lean enterprise flow so that we can get more volume in sort of a – as you think about a line and how it flows from end to end. And so that's increased our throughput. And as we acquired these two businesses, we really wanted to strengthen our position in power utilities. And what we saw was this significant opportunity for gray and white space. And so we're working on modular data centers. We're working on the gray space capability and various different types of solutions. And so that is growing significantly for us. And I'll let you guys comment further.

Sara E. Zawoyski
President-Systems Protection, nVent Electric Plc
A

Yeah. I mean, maybe just to add to it, I had a little bit of this in my prepared remarks, but the growth we're seeing in the data center space for e-houses, engineered buildings, these modular solutions is significant. And again, we're seeing it both in the white space and in the gray space. In the gray space, I mean, some of these data centers are so large that they have their own substation, right? And so, thus you have the relay control panel, the customized switchgear systems, if you will, or they're just trying to free up the data, compute square footage. And so anything that they can push out and put into a standalone building, we're doing some of the integration capabilities in the building itself for that.

And then within the white space, I mean, it's all about speed to deployment. And so these IT pods, right, that can make it really easy in terms of dropping in kind of the aisle, if you will, or a modular data center that is going to be dropped in with the cooling and the IT equipment inside. And so I think there's multiple facets for growth here well beyond what is already a very important part of the business and that is our power utilities engineered building solutions business as well.

Joe Ritchie
Analyst, Goldman Sachs & Co. LLC
Q

Super helpful. And then maybe going back to one of Julian's questions I think you guys glossed over, back in the press release, you did say that the Q1 was trending ahead of expectations. What did you mean by that? And if there's any update you can give on order trends that would be helpful.

Beth A. Wozniak
Chair & Chief Executive Officer, nVent Electric Plc
A

Well, we didn't really want to comment on the quarter. So, we just wanted to indicate that the quarter was progressing well and it is another point to show confidence in our conviction to the numbers that we presented today.

Tony Riter
Vice President-Investor Relations, nVent Electric Plc
A

Dean?

Deane Dray
Analyst, RBC Capital Markets LLC
Q

Thank you. Good morning, everyone. It's Deane Dray with RBC. And first, I just want to congratulate you on being able to host this Analyst Day. I know Mother Nature did its best to block you multiple times in multiple ways on travel, so congrats on getting to the finish line. I wanted to ask about services. It just seems like there's an

opportunity for you there and just where and how might that present itself? And then, related to this and Beth knows I've asked this before, but a really important part of the value-add that nVent has is design engineering. It's not quite services, but it's such an important part of your product offering and maybe, it's a two-parter, for Gary, where services fit; and for Beth, [ph] where are we now (01:45:22)? Can you just size for us this design engineering part that's so important to nVent?

Beth A. Wozniak
Chair & Chief Executive Officer, nVent Electric Plc
A

Well, Deane, I'm actually going to have Sara talk about services and I'll let Aravind to talk about design engineering.

Deane Dray
Analyst, RBC Capital Markets LLC
Q

Right.

Sara E. Zawoyski
President-Systems Protection, nVent Electric Plc
A

Okay. So from a services perspective, actually, on the industrial cooling side, we've had services for a very long time. As it relates to liquid cooling, we sort of officially launched our services program last year and that really lines up nicely with our new products innovation as well as the growth that we're seeing in that multi-tenant enterprise space, which typically lines up very nicely with those service needs. We're seeing some very positive early feedback from our customers. When we think about services, that's not just the installation, but it's also the preventative maintenance. We would expect that service revenue to kind of build over time and for that to be margin accretive. So we continue to invest in those field application engineers, as well as work with partners to be able to do that both in North America as well as globally.

Aravind Padmanabhan
Executive Vice President & Chief Technology Officer, nVent Electric Plc
A

Maybe one quick comment, we design – we don't just think of our services after the product is launched, we design for services. So, when we say modular platform architectures, these are qualified components, subcomponents, systems that are reused across all our platforms. So that makes service procedures pretty standard for service technicians in the field, so that every time they see an equipment of nVent, it looks familiar to them in terms of how to service. So, when we say, the platforms are modular, we design for service, we design for reliability, and we design for maintenance in the field. So, the engineering end of it captures service right from the design, I would say, yeah.

Deane Dray
Analyst, RBC Capital Markets LLC
Q

Great. And just a quick follow-up. And Sara had this in her slide, but the move towards global standards in liquid cooling, I mean, this has been a long time coming.

Aravind Padmanabhan
Executive Vice President & Chief Technology Officer, nVent Electric Plc
A

Yeah.

Deane Dray
Analyst, RBC Capital Markets LLC

Q

So a little bit of the wild, wild, wild west in terms of spec sheets, but just what's the path? I think, nVent is having a role in some of the design of these standards, but what are the implications and the time line? Thank you.

Sara E. Zawoyski
President-Systems Protection, nVent Electric Plc

A

I think, on those standards, and we have people who sit on those standards boards and with [ph] Azure (01:47:44), etcetera. And there's liquid cooling standards to come out. We think that's a good thing, because today everyone can claim that they have a CDU, but you may not know for what specification. And so because we have always fully provided a spec that we have testing behind, we think having standards out there is going to be very important for the industry. Just like we see in every other electrical component, there are standards. And even though you meet a standard, which has a certain level of performance, there's still a lot of knowledge and capability into how that architecture or system works. So standards are good and they're important for the industry, but we still believe that our capabilities and technical expertise allows us to provide differentiated performance beyond the standards.

Tony Riter
Vice President-Investor Relations, nVent Electric Plc

A

Nicole?

Nicole DeBlase
Analyst, Deutsche Bank Securities, Inc.

Q

Yeah. Thanks. Good morning. Just a follow-up on the financial framework with respect to M&A. Just to clarify, does the 22% margin target include M&A? I would assume that maybe you would have embedded some dilution, maybe not. I know that the EPS growth target doesn't. And then could you talk a little bit about the M&A priorities, like where you guys see the most opportunity?

Beth A. Wozniak
Chair & Chief Executive Officer, nVent Electric Plc

A

Start, Gary, and I'll finish.

Gary Louis Corona
Chief Financial Officer & Executive Vice President, nVent Electric Plc

A

Yeah. I'll say that the margin forecast does not include M&A nor did the EPS, as you mentioned.

Beth A. Wozniak
Chair & Chief Executive Officer, nVent Electric Plc

A

So we have this acquisition framework and it's worked very well for us and we say it's a great – we want to find a great new product capability, something where we can see that we can really differentiate there because we say no to a lot of things and we've prioritized infrastructure. So we – if you've seen the last couple of deals that we've done in the utility space and we think as much as we can find great products that add to what we do around protection and connection, that it becomes a really good fit for us. And then, key is our ability to be able to scale it, invest, scale and differentiate.

Nicole DeBlase
Analyst, Deutsche Bank Securities, Inc.

Q

Okay. Got it. And then one thing was interesting to me in Sara's commentary. Sara, you talked about how you see a faster replacement cycle in the white space versus the gray, which makes a ton of sense, all the innovation that's happening in the white space. Is it possible at this point to get a sense of what that replacement cycle looks like in terms of years, or is it too early? Thank you.

Sara E. Zawoyski
President-Systems Protection, nVent Electric Plc

A

I think it's too early just in terms of where we're at in that liquid cooling cycle. But when you think about the pace of the chip technology and how that's working, I do think that's going to be a positive trajectory for liquid cooling in terms of keeping up with that chip design. So, I think you've got a couple different vectors there that are driving the growth. You got the AI infrastructure build-out. You've got the chip technology that's requiring more and more liquid cooling. And then, you've got the global growth aspect as well. So, I think that replacement cycle is yet to be sort of I think define exactly what that is. But we believe that that upgrade and replacement cycle is going to be positive along with services, which is again ahead of us from an nVent perspective, both from a top-line as well as from a margin perspective.

Tony Riter
Vice President-Investor Relations, nVent Electric Plc

A

Jeff?

Jeffrey D. Hammond
Analyst, KeyBanc Capital Markets, Inc.

Q

Hey, good morning. Jeff Hammond, KeyBanc Capital Markets. Want to come back to engineered building solutions. One, maybe talk about where you've seen the most success pulling through equipment to-date and where you see the most opportunity going forward, where it's less mature. And then, you keep mentioning like significant growth, but maybe, what's the industry growth rate you see for that engineered building materials space? And then, the last one just split between data center and utility today for that business. Thanks.

Beth A. Wozniak
Chair & Chief Executive Officer, nVent Electric Plc

A

I'll start. Sara, you can add on, if you like.

Sara E. Zawoyski
President-Systems Protection, nVent Electric Plc

A

Yeah.

Beth A. Wozniak
Chair & Chief Executive Officer, nVent Electric Plc

A

So, one of the things when you look inside some of those engineered buildings and again, some of them have been specified or driven by utilities, but we look and see that there are products in there that are very much things that we do; enclosures, power connections, wire basket tray. And so, this all content as we look at future Engineered Buildings and new specifications, how we're able to pull in and provide more of what we do in our core portfolio. I think the other thing, I would say is, with our customer set that we had in data centers, we've been

able to then say we now have Engineered Buildings that can – we can provide to support the growth of the white space. And so that's also been very synergistic. So there's just a lot of opportunities here.

And I think, we've always said that the Engineered Buildings side has a similar growth rates to utilities, but now as you think about the data center side, we're just seeing that accelerate like we're seeing the whole AI buildout.

Sara E. Zawoyski
President-Systems Protection, nVent Electric Plc
A

Yeah. And maybe the only thing I would add, I think, Jeff, on your question, you asked in terms of just mix, I mean, I would say today the majority of that Engineered Buildings solutions is power utilities, but the data center piece of that is rapidly growing. So again, two great growth vectors there, those power utility space customers and the penetration opportunities we have across the nVent portfolio. I visited a power utility customer last year and there was a Trachte control building, an EPG switchgear house, a HOFFMAN control panel and then you can begin to ask around what other opportunities do we have to be able to service that power utility customer? So it's both on the power utility side and on the data center side.

Neal Burk
Analyst, UBS Securities LLC
Q

Hey, Neal Burk, UBS. Regarding the $25 billion opportunity in the data center market. I mean, this industry is evolving and growing extremely fast. Like, how do you gain comfort around that $25 billion target? Is that kind of a top down number based on like the amount of capacity being added or is it sort of a bottom up, based on what you see in the pipeline today?

Beth A. Wozniak
Chair & Chief Executive Officer, nVent Electric Plc
A

When we look at the sizing of those industries. We look at all opportunities for the types of products and solutions that we offer. So they tend to be very big numbers. And then we look at, so is it a large space? Do we have the ability to win? And what are our – what is our growth potential? And clearly that pie keeps getting bigger and our growth rate keeps – there's significant opportunity there.

So as we presented that we – to be able to service that, we're investing in capacity. And a lot of times we're getting good visibility because we're working with hyperscalers. We're launching new products. We've got a good pipeline of opportunity and that gives us the confidence in when we're expanding capacity, because usually the question we get is, how soon can you ramp up or provide us these products?

Tony Riter
Vice President-Investor Relations, nVent Electric Plc
A

Vlad?

Vladimir Bystricky
Analyst, Citigroup Global Markets, Inc.
A

Hi, good morning, Vlad Bystricky from Citigroup. Thanks for having us today. You mentioned briefly your global growth and expansion focus. Can you talk a little bit about – as we think about this three-year outlook, should we think about growth opportunities internationally as being more organically focused or whether that could be an area for M&A as well?

Beth A. Wozniak
Chair & Chief Executive Officer, nVent Electric Plc

A

I think it's both. And a lot of the acquisitions that we've done lately have been more North American based. And so, that's why I made the point to say we've still grown very nicely outside of North America, certainly as we see the growth in data centers that is expanding around the world, we see that as a huge opportunity for us. So we wanted to have a team just focused on regional growth, applying some of the same playbooks [ph] that we were (01:55:52) successful in North America. So that's the new regional structure that we have. So a big focus on organic, but there are opportunities for us inorganically. So it has to fit within our framework. And we look to see again what makes good sense for us. So, there is opportunity both to grow organically, inorganically.

Gary Louis Corona
Chief Financial Officer & Executive Vice President, nVent Electric Plc

A

And Vlad one point I may add is, as Beth mentioned in our prepared remarks, Robert, leading that region is bringing the One nVent approach to that market. And we see opportunity to expand margins in that market as well, as we drive scale and as we leverage our scale in the market.

Vladimir Bystricky
Analyst, Citigroup Global Markets, Inc.

A

Great. Thanks. And then, just maybe this one is for Gary. In sort of a more volatile inflation environment and tariff environment. And as you've added more backlog-driven revenue to the business. Can you just talk about how you're thinking about price cost dynamics in the outlook and how you're sort of protecting yourselves in this volatile environment?

Gary Louis Corona
Chief Financial Officer & Executive Vice President, nVent Electric Plc

A

Yeah, a few moving pieces for sure. On the tariff side, as you mentioned, with the [indiscernible] (01:57:02) it's worth mentioning, 232 metals are the primary tariff impact for us. And there hasn't been a change there. And obviously, there are some other moving pieces. We'll be together in about six weeks and we'll lay out more clarity for you on what we're seeing from an inflation perspective. Coming into the year, we estimated about mid-single digits, all in, including tariffs.

From a price cost perspective, as we've mentioned before, a big chunk of our business is with our distributor partners that as long as we give them a good timing that we've had success and this team has had success over time delivering the price increases that we need to cover inflation. And then, we work with our direct partners very closely to manage that.

Tony Riter
Vice President-Investor Relations, nVent Electric Plc

A

Okay. Scott.

Scott Graham
Analyst, Seaport Research Partners

Q

Good afternoon – good morning, still. I'm sorry. Well done. I do have a couple of questions. One, a bit of a drill down further on M&A. So, if we look at the target, which is now one point higher than it was on a much larger sales base, with a focus on the infrastructure side, it suggests a pretty good line of sight on that 3%. Could you kind of unbundle that for us a little bit? Tell us, you guys don't put out numbers without doing your homework, so

what does that entail? What are the areas you're potentially looking – particularly now with asset prices on the data solutions side, a little bit higher than they used to be? So maybe you can comment on that. And then I have a short follow-up.

Beth A. Wozniak
Chair & Chief Executive Officer, nVent Electric Plc
A

Yeah, I think, the first point I would make is when were a – when we started early in our journey, we had prioritized doing smaller deals, because we wanted to ensure that we were good at integration and execution. And then as you've seen, our last several deals have been larger. So in some cases, I think it's signaling the confidence that we have in doing larger deals that we can execute our playbook and ensure that we're driving both top line growth as well as the synergies. So [ph] it's a nod (01:59:20) to that that we're very confident in our playbook for larger deals.

The second comment that I would have is, if you look at our track record, I think we've had very good deals that we've done at very attractive valuations, because we are very disciplined and there's a significant pipeline. As I mentioned, we're a $4 billion company, approximately in a $130 billion space, so that just speaks to the fragmentation of the industry. So we're looking at opportunities that add to this protect and connect space, can be larger bolt-on deals and will remain – will ensure that we're disciplined in terms of the valuations that we see and how we can drive growth and margins.

Scott Graham
Analyst, Seaport Research Partners
Q

Okay. So you do feel good about that 3% being able to achieve that? Okay. Then I want to do a subset of that [ph] and say (02:00:16) the power utilities, sales that you have now are greatly aided by a couple of acquisitions you've made. It seems like, they're still – particularly with the TAM that you have put – have provided a significant opportunity to do acquisitions in the power market [ph] with the team and complex is (02:00:38) extraordinarily complex. So I was wondering what you would want to buy in power that could maybe extend your range or are there areas that you're doing really well [ph] and that maybe (02:00:49) you would like to [ph] double down in (00:02:51) any comments on what the power M&A opportunity looks like, if you would?

Beth A. Wozniak
Chair & Chief Executive Officer, nVent Electric Plc
A

I think my comment would be that we think that the power utility space, there's a good opportunity. And if it fits, just like these engineered buildings, we're really an extension of what we did with enclosures. We look to find things that build upon our capabilities where we really can drive a leadership position and trying not to be in already existing crowded spaces, so I think there's plenty of opportunity and I'll leave it at that.

Tony Riter
Vice President-Investor Relations, nVent Electric Plc
A

Justin?

Justin Clare
Analyst, ROTH Capital Partners LLC
Q

All right. Thank you. It's Justin Clare with ROTH Capital Partners. So in the presentation, you mentioned $1 million per megawatt opportunity that you see. I was wondering if you just speak to, how that number has been trending? Where you see it going ahead, where could it be in the 2028 timeframe? And maybe just speak to some of the levers that you have to expand the content that you're delivering into data centers.

Beth A. Wozniak
Chair & Chief Executive Officer, nVent Electric Plc

A

So, that is a new number that we provided because we were always asked that question and never had shared it before. And we spent some time really looking at all aspects of our portfolio. Look, I think it can increase over time, as with everything. Certainly, for us, liquid cooling. And as you hear about more of these higher power, higher heat load densities, we just think that's going to continue to grow significantly. But as you heard Brian say, all the other things we do from cable management is also a core contributor. So, I think over time that can increase. But this is the first time that we've shared that number.

Justin Clare
Analyst, ROTH Capital Partners LLC

Q

Okay, great. And then, maybe just on liquid cooling, the numbers you presented, I think 35% annual market growth. Wondering if you see the potential to grow, in line with that level, potentially above that level and what you've kind of embedded in those 2028 targets for the liquid cooling growth?

Beth A. Wozniak
Chair & Chief Executive Officer, nVent Electric Plc

A

Yeah, when we – some of those charts, we always like to show what we see as the industry growth rate. And so, we said it's at 35%. If you look at what Sara had shared on her systems protection growth, I think it was 50% over the last couple of years. So we always want to grow because of our differentiation and performance and customers are – we always want to grow ahead of those targets.

Justin Clare
Analyst, ROTH Capital Partners LLC

Q

Got it. Thank you.

Tony Riter
Vice President-Investor Relations, nVent Electric Plc

A

Any last questions? Joe?

Joe Ritchie
Analyst, Goldman Sachs & Co. LLC

Q

Thanks for the round two. So, going back to the white space, right. You've seen some of your competitors come out with modular offerings, both on the power and thermal side. So whether it's Vertiv, now Eaton acquiring Boyd, Schneider with Motivair. I'm just curious, like when you talk to your customers, how important is it for you guys to get maybe more content on the power space, to continue to be relevant going forward?

Beth A. Wozniak
Chair & Chief Executive Officer, nVent Electric Plc

A

I've often made this comment that as we've been in liquid cooling and we get questions about – if we have to have a broader portfolio. When it comes to the cooling architecture, we have a very broad portfolio. And I often say, no one has ever said, oh, you're not an HVAC, so how can you provide liquid cooling? I mean, it just – we never get that question. I think what really matters right now is that you've got reliable solutions that you can deploy and scale quickly. The biggest things that we are asked is, do we have the technical capability with higher heat loads and power densities? Can you perform at higher levels and higher complexities of the system, and how fast can you provide those solutions?

So I would say to that, Joe, we feel very good about the breadth of our cooling portfolio. We have some power capability. But I think at this point, for us, it's really about ensuring we can meet the needs around those unique solutions. And that's really what our customers are counting on us for.

Joe Ritchie
Analyst, Goldman Sachs & Co. LLC

Q

Great. And then just one last follow-up. So yesterday, there was a headline on Google being in talks with Envicool. We haven't really seen much of a threat from Chinese competitors here in the US. I'm just curious, what's your take on the potential competitive environment getting tougher, or is this more kind of like a local-for-local type opportunity for Google in Asia?

Beth A. Wozniak
Chair & Chief Executive Officer, nVent Electric Plc

A

I'll comment and Sara, maybe you want to add. The demand for a liquid cooling right now is so significant. We always think the pie is just getting bigger and bigger, that I think, just as we're ramping as quickly as we can, 100 days to open a new plant is kind of unheard of for us to do that. I think, you're seeing that companies are just looking for more and more suppliers to fill the demand. And I do think there are some regional plays as well going on.

Sara E. Zawoyski
President-Systems Protection, nVent Electric Plc

A

Yeah, I mean, I would say similar, right, tremendous demand. And then the emerging sort of global growth aspect of this. I mean, a lot of this growth has been North America. I think as we look at our portfolio, and importantly, the conversations with our customers, I mean, our North America footprint and then the global capacity that we have is really valued, number one. And number two, I would say back to what Beth mentioned earlier, they're really counting on us with that decade-plus of experience to come in design, make, and commission.

And I think that's an important part, especially when it comes to the multitenant, the neo clouds, the enterprise that maybe don't have some of the engineering horsepower that some of the hyperscaler customers have. And so I think with the decade of experience, a lot of our customers value the North America base with that global footprint flexibility. Coupled with that proven experience, we believe we're well-positioned for the future.

Tony Riter
Vice President-Investor Relations, nVent Electric Plc

A

Maybe one last question. Nigel?

Nigel Coe
Analyst, Wolfe Research LLC

Q

Just wanted to follow up on the HVAC question. I mean, you're definitely seeing a better trend towards closing the loop from chiller to rack. So just wondering, your views on how important that part of the cooling equation is. And then maybe just talk about the cold plates because there was some argue that cold plate integration is also important. So, just maybe just to comment on those two items.

Beth A. Wozniak
Chair & Chief Executive Officer, nVent Electric Plc

A

So, we talk about the technology cooling system that is in the white space, right, versus all the other cooling at facility cooling. And that's where we play. And we think there's system knowledge and cooling architectures that we know very well, and that's very distinctive than facility cooling systems. So, understandable everyone wants to get into liquid cooling in the white space because it's growing so significantly and we feel very good about our strategy and our breadth of opportunity. And then what – Nigel, the second part of that question?

Nigel Coe
Analyst, Wolfe Research LLC

Q

Cold plates.

Beth A. Wozniak
Chair & Chief Executive Officer, nVent Electric Plc

A

Cold plates. Okay. We've always said that we are agnostic to whether it is a cold plate or immersion because we can work with any of those solutions. And what's really important in that cooling system architecture is the cooling distribution unit, and we provide way more than that because we have all the manifolds and the disconnects and everything and we can provide PDUs. So different customers have – some have their own cold plates, some are counting on others. There's other technologies out there. We're really agnostic to that. And us – for us, it's about the rest of that architecture.

Tony Riter
Vice President-Investor Relations, nVent Electric Plc

Okay. Great. That concludes our Q&A portion. Thank you very much for your interest in nVent and that concludes the program. Thank you.

Gary Louis Corona
Chief Financial Officer & Executive Vice President, nVent Electric Plc

Thank you.