# nVent Investor Presentation April 2018



# **Forward Looking Statement**

#### **CAUTION CONCERNING FORWARD-LOOKING STATEMENTS**

This presentation contains statements that we believe to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact are forward-looking statements. Without limitation, any statements preceded or followed by or that include the words "targets," "plans," "believes," "expects," "intends," "will," "likely," "may," "anticipates," "estimates," "projects," "should," "would," "positioned," "strategy," "future" or words, phrases or terms of similar substance or the negative thereof, are forward-looking statements. All projections in this presentation are also forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, assumptions and other factors, some of which are beyond our control, which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. These factors include the ability to satisfy the necessary conditions to consummate the planned separation of our Electrical business and the Water business of Pentair plc into two independent, publiclytraded companies (the "Separation") on a timely basis or at all; the ability to successfully separate our business and realize the anticipated benefits from the Separation; adverse effects on our business operations or financial results as a result of the announcement or consummation of the Separation; unanticipated transaction expenses, such as litigation or legal settlement expenses; changes in tax laws; the impact of the Separation on our employees, customers and suppliers; overall global economic and business conditions impacting our businesses; the ability of our business to operate independently following the Separation; the ability to achieve the benefits of our restructuring plans; the ability to successfully identify, finance, complete and integrate acquisitions; competition and pricing pressures in the markets we serve; the strength of housing and related markets; volatility in currency exchange rates and commodity prices; inability to generate savings from excellence in operations initiatives consisting of lean enterprise, supply management and cash flow practices; increased risks associated with operating foreign businesses; the ability to deliver backlog and win future project work; failure of markets to accept new product introductions and enhancements; the impact of changes in laws and regulations, including those that limit U.S. tax benefits; the outcome of litigation and governmental proceedings; and the ability to achieve our long-term strategic operating goals. Additional information concerning these and other factors is contained in our filings with the SEC, including our Registration Statement on Form 10. All forward-looking statements speak only as of the date of this presentation, nVent Electric plc assumes no obligation, and disclaims any obligation, to update the information contained in this presentation.

The officer titles for individual speakers set forth in this presentation are the titles such persons are expected to have at nVent Electric plc after the completion of the Separation.



# **Key Definitions**

- ➤ Except as Otherwise Noted, All References to nVent and All Amounts Included Herein Represent the Pentair Electrical Business Excluding the Pentair Water Business, Presented on an Adjusted Basis
- "Organic Sales" Refers to GAAP Revenue Excluding (1) the Impact of Currency Translation and (2) the Impact of Revenue from Acquired Businesses Recorded Prior to the First Anniversary of the Acquisition Less the Amount of Sales Attributable to Divested Product Lines Not Considered Discontinued Operations
- ➤ Segment Income (Adjusted EBITA) Represents Operating Income Exclusive of Non-Cash Intangible Amortization, Certain Acquisition Related Expenses, Costs of Restructuring Activities, Impairments, and Other Unusual Non-Operating Items
- ➤ Return on Sales ("ROS") Equals Segment Income Divided by Sales
- ➤ The 2018 Full Year and Q2 Outlook Included Herein Reflects the Anticipated Separation of nVent from Pentair on April 30, 2018
- See Appendix for GAAP to Non-GAAP Reconciliations

### **nVent Presenters**



Beth Wozniak
Future Chief Executive Officer.

- Current President of Pentair's Electrical Segment with over 27 years of experience
- Over 12 years of experience as President of various businesses including, President of Pentair's Flow & Filtration Solutions business from 2015 – 2016
- President of Honeywell's Environmental and Combustion Controls from 2011 – 2015; President of Sensing and Control Unit from 2006 – 2011
- Held several other executive and leadership positions at Honeywell and Allied Signal



Stacy McMahan
Future Chief Financial Officer

- Previously, CFO of Spectranetics Corporation from 2015 2017
- CFO and Treasurer of MSA Safety from 2013 2015
- 25 years of finance leadership and deep expertise in operations and business development at large, publicly held companies
- Held several other executive and leadership positions at Johnson & Johnson and Thermo Fisher



# **Spinoff Overview**

Ticker	NVT
Exchange	NYSE
Exchange Ratio	1 share of nVent for every share of Pentair
Expected Number of Shares	181 Million*
Record Date Declared	April 3
When Issued Trading Date	April 16
Record Date	April 17
Distribution of nVent Shares	April 30
First Day of Regular-way Trading	May 1

# The Next Step in the Evolution of Pentair



# **Rationale of Separation**

#### **RATIONALE**

#### **STRATEGIC FOCUS**

Improved Clarity into Performance and Growth Opportunities

#### FINANCIAL STRENGTH

Supports Plan to be Successful, Profitable, and Sustainable

#### **CAPITAL ALLOCATION FLEXIBILITY**

Unique Strategies to Deliver Growth for Each

### **FOUNDATION**

**PIMS** 

Pentair's "Business System"

#### **CAPITAL STRUCTURE**

Expect Strong Balance Sheet and Financial Positioning

#### **MANAGEMENT TEAM**

Mix of Current & New Executives and Board Members to Lead

The Next Step in the Evolution of Pentair



# **Agenda**

- 1. Introduction to nVent
- 2. Strategic Priorities
- 3. Financial Overview

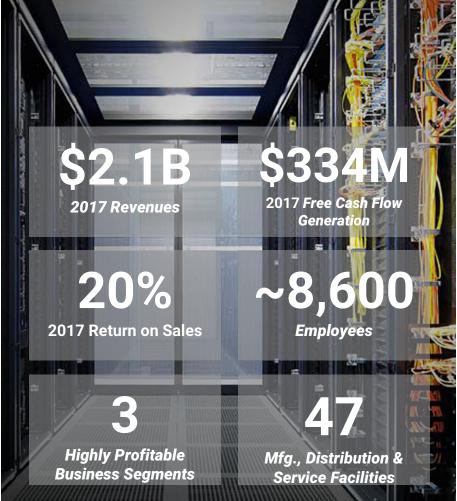
**Appendix: Supplementary Information** 





# Introduction to nVent





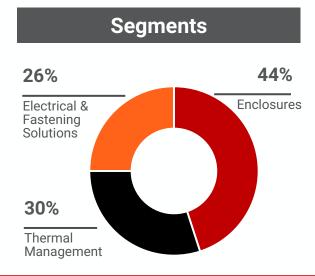


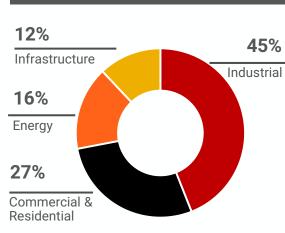
# **Leading Electrical Company Focused on Connection & Protection**



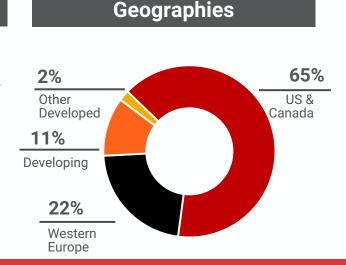
- Industry-leading positions and strong brands
- Focused on improving utilization, lowering costs and maximizing customer uptime
- Attractive margin profile
- Strong free cash flow generation







**Verticals** 



**Diversified Portfolio with Strong Financials** 



# **Three Businesses of Scale with Leading Product Portfolios**



### Enclosures (\$935M)

Thermal Management (\$622M)

Electrical & Fastening Solutions (\$541M)





**Electronics Protection** 



Building Infrastructure Solutions



Industrial Heating Solutions





Fastening Solutions





**Electrical** 













Raychem

# **Mission-Critical Solutions That Create Value**

### **Mission-Critical Solutions**

### Our products...

- Connect and protect across broad range of applications
- Meet stringent regulatory standards and certifications



Purge and Pressurization Systems



### **High Cost of Failure**

### Our products...

- Protect equipment and electronics in hazardous environments
- Help avoid the high cost of failure



Hazardous Location Cooling



Rail Surge Protection

# **Customer Productivity & Total Cost of Ownership**

### Our products...

- Reduce labor cost in installation
- Improve utilization
- Minimize downtime
- Reduce total cost of ownership



Reduced facilities operating costs by ~75%

**Our Value and Differentiation Drive Customer Loyalty** 



# **Industry Leading Positions**

### We are a Leader in Connection and Protection

- A global leader in electric heat tracing solutions
- A global leader in complete heat management systems
- A global leader in electrical and fastening solutions
- A leader in North American industrial enclosures
- A leader in European electronic protection



Premier Brands Recognized for Innovation, Quality and Reliability



# **Evolution of Our Management System**

# Introducing spark





**Building on a Strong Foundation** 





# The nVent Strategy

#### One nVent

Focus on Attractive Verticals

**Accelerate Innovation & Connected Solutions** 

**Grow Globally & in Developing Regions** 

**Drive Productivity & Velocity** 

# **Pursue Targeted Bolt-on Acquisitions**











# One nVent

Customers

Aligned Go to Market Teams for Key Verticals

Channels

**Key Partnerships and Account Management** 

Capability

**Commercial Excellence** 

Digital

**Digitizing the Customer Experience** 

Scale

**Common Processes & Systems** 



# **Focus on Attractive Verticals**

	2018 Macro Outlook	Addressable Size (\$B)	Expected Growth	Growth Focus
Industrial (45% of Sales)		~\$18	~4%	<ul><li>New products, global focus</li><li>Connected solutions &amp; digital tools</li></ul>
Commercial & Residential (27% of Sales)		~\$22	~3%	<ul><li>Lower cost of ownership and installation</li><li>Specification selling</li><li>Global new products</li></ul>
Energy (16% of Sales)		~\$9	~3%	<ul><li> MRO focus</li><li> Connected solutions</li><li> New products</li></ul>
Infrastructure (12% of Sales)		~\$11	~4%	<ul><li>Aligned go to market and key account penetration</li><li>New products</li></ul>

**Global Synchronous Growth in 2018** 



# **Accelerate Innovation and Connected Solutions**

#### Advanced Flexible Busbar

- Unique low-smoke, halogen-free, and flame-retardant insulation
- Reduces Total Installed Cost
- Improves safety and reliability



### **Integrated Liquid Cooling Solutions**

- Differentiated air to water and water to water high density heat exchangers
- Critical need in datacenters for high density heat loads





#### Thermal Industrial Controller

- Safe and reliable temperature control
- Connected controls and monitoring solutions



#### Thermal Commercial Controller

- Advanced connected controls platform for heat tracing and leak detection
- Building Management System connectivity



Raychem<sup>®</sup>

**Innovative and Connected Solutions Addressing Unmet Needs** 



# **Grow Globally and in Developing Regions**



#### **Strategy:**

- ✓ **Europe**: Expand products categories and brands that are underpenetrated in Europe
- ✓ **Developing Regions**: Enhance local capabilities and create localized products and solutions

#### **Key Actions:**

- Expand sales and channel coverage globally (especially Europe and Asia)
- Drive incremental penetration through direct selling to global key accounts
- Develop regional products supported by local inventory and availability

**Global Footprint Supports Global Growth** 



# **Drive Productivity and Velocity**

#### **Our Solid Foundation**

# Lean Enterprise

- Standard Work
- Creating Flow
- Strategy Deployment

# Digitization

### Standardization

- ERP Systems
- Processes

### **Accelerating Performance**

# Lean Enterprise

- Lean Information Flow
- Integrated Supply Chain

# Digital Transformation

- Enterprise-wide platforms
- Digital customer experience

### Continue Standardization

Across all processes

**Drive Productivity and Velocity** 



# **Pursue Targeted Bolt-on Acquisitions**

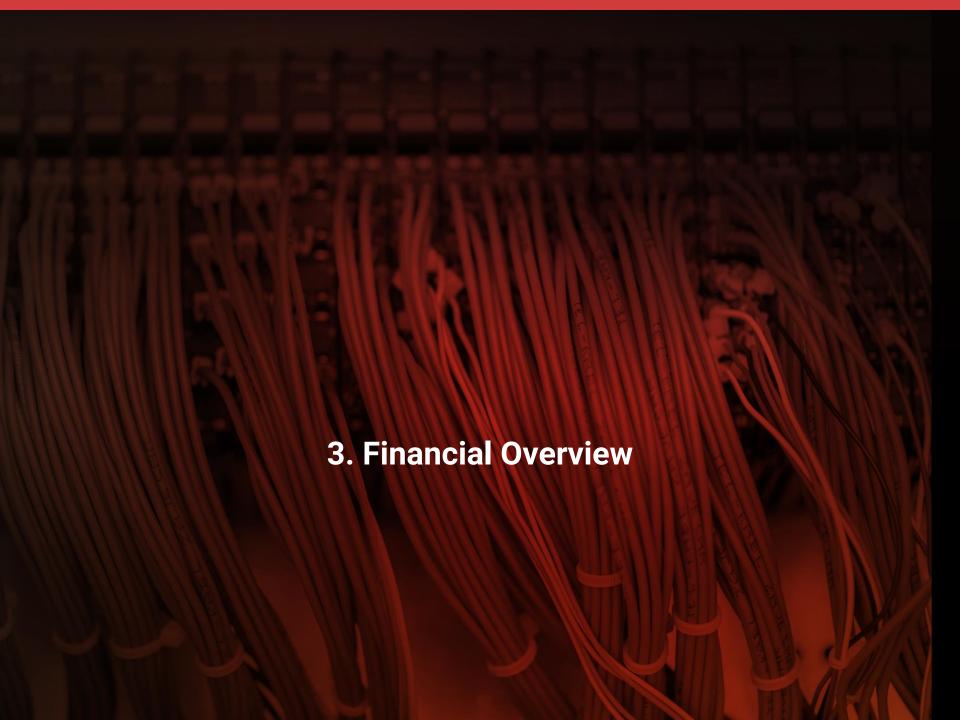
### **Appetite for M&A:**

- Flexible capital structure
- Leverage target of 2x 2.5x over the long-term
  - Ability to flex to 3x over a short period of time if the appropriate opportunity presents itself

### **M&A Strategy - Key Considerations:**

- How does the target fit nVent's strategy?
- How compelling are the financials of the deal?
- Why are we the right buyer?
- What's our integration plan?
- Who's the integration team?





# **nVent Financial Overview**

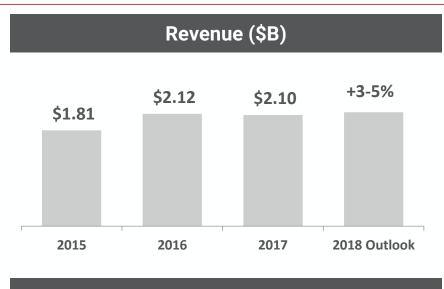
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- Focus on establishing reliable growth
- Favorable and competitive margin profile with ample opportunity for expansion
- Consistent and robust cash flow generation targeting 100% of adjusted net income
- Investment grade credit rating of BBB- and BBB from S&P and Fitch, respectively
- Total debt of \$1B, including \$800M of senior notes
- Undrawn revolver of \$600M
- Balanced capital deployment strategy

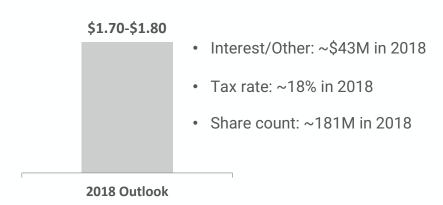
Key Metrics at Spin					
Net Leverage	2.2x				
Cash on Balance Sheet	~\$50 million				
Tax Rate	~18%				
Capital Expenditures	Low capital intensity (~2% of sales)				
Dividends	Competitive dividend				



### **nVent Financial Overview\***







### Segment Income (\$M)



#### **Summary**

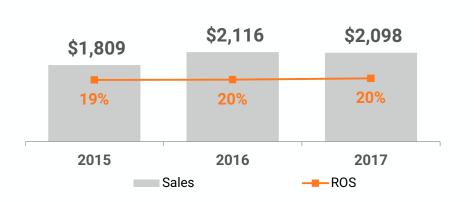
- Sales expected to be up 3-5%, 2-4% organic sales growth
- Segment Income growth, inclusive of incremental growth investment
- Target free cash flow = Adj. Net Income
- Tax rate tailwind in 2018

**Expecting Solid Top Line and Adjusted EPS Growth** 



# **Favorable Margin Profile with Opportunities for Expansion**



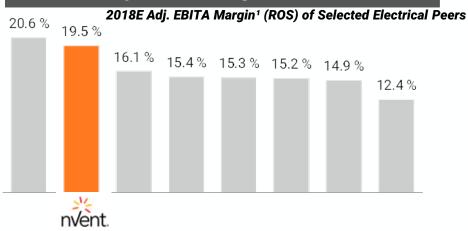


#### **Current Margin Profile**

#### **Established margin performance via:**

- Diversification
- Growth in new regions and new products
- MRO business mix
- Lean enterprise

### Competitive Margin vs Peers<sup>1</sup>



#### **Opportunity to Drive Margin Expansion**

#### **Drive profitable growth**

- Commercial excellence
- Pricing optimization
- Product vitality acceleration

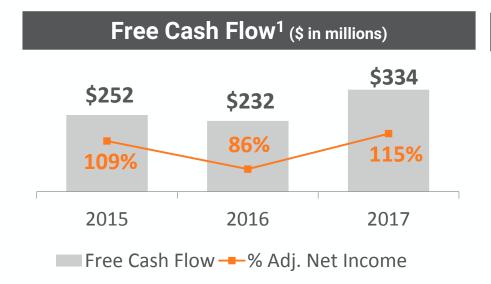
#### **Expand lean enterprise**

- Lean information flow
- Integrated supply chain

**Driving common processes and systems** 

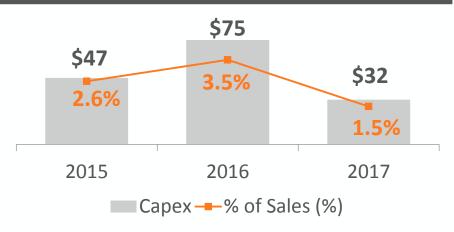


# **Strong Cash Flow Generation**



- Target free cash flow at 100% of adjusted net income
- Drive working capital velocity

### Capital Expenditures (\$ in millions)



- Low capital intensity
- Expect capital expenditures to equal depreciation

### Consistent and Strong Free Cash Flow Generation

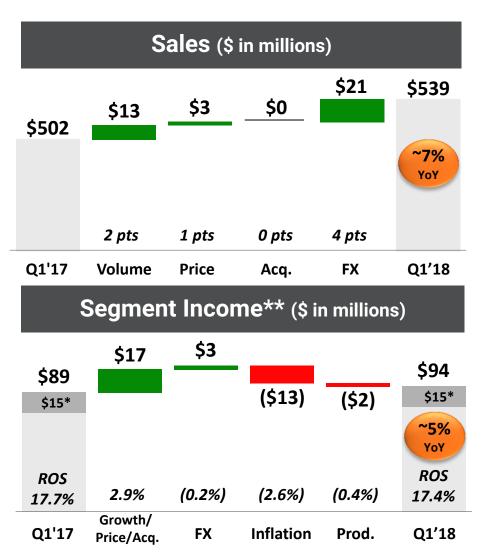


# **Conservative Capital Structure and Allocation Philosophy**

- Target investment grade metrics
- Balanced capital deployment strategy
- Competitive dividend policy
- Share repurchases to offset dilution at a minimum
- Bolt-on acquisitions targeting focused growth areas



# Q1'18 nVent Performance



<sup>\*</sup>Non-Cash Amortization

### Financial Highlights (yoy)

- Organic sales up 3%
  - Enclosures: Up 9%
  - Thermal Management: Down 4%
  - EFS: Up 1%
- ▶ Pro Forma Segment Income up 5%\*\*
- Pro Forma ROS at 17.4% (19.7% Excluding Corporate Costs of ~\$12M)
- Other Items
  - Adjusted Tax Rate of 18%
  - Pro Forma Net Int./Other Exp. of \$7M
  - Pro Forma Shares 181.5M
- Pro Forma Free Cash Flow \$27M



<sup>\*\*</sup>Includes Corporate Costs of ~\$12M

# Q2'18 nVent Pro Forma Outlook\*

	Q2'18 Guidance	Q2′17
Organic Sales	+2% - 4%	\$513M
Segment Income*	+1% - 3%	\$106M
ROS*	18% - 20%	20.6%
EPS (reported)	\$0.33 - \$0.36	
EPS (adjusted)	\$0.41 - \$0.44	_

# **Summary**

- Continued Sales Strength
- Sequential ROS Improvement
- **➤ Actively Managing Price/Cost**

- > Tax Rate: ~18%
- Pro Forma Net Interest/Other Expense: ~ 11M
- ▶ Pro Forma Shares: ~181M

### **Executing on Our Plan**

**Other Considerations** 

<sup>\*</sup>Includes corporate costs

# Full Year 2018 nVent Pro Forma Outlook\*

	Enclosures	Thermal Mgmt.	EFS	Total
Organic Sales	Up 3-5%	Up 0-2%	Up 2-4%	Up 2-4%
ROS	~Flat	+50-70bps	+30-50bps	~Flat
Corporate Expenses				~\$45M
Int. Exp./Other	253    - (2)			~\$43M
Tax Rate	The late of the la	AL DE		~18%
Reported EPS	Section C very representation C very represe			\$1.38 - \$1.48
Adjusted EPS	in injuration of the control of the			\$1.70 - \$1.80
Shares			ERICO RAIL SOLUTIONS EXPERITY ENGINEERED GLOBAL CAPABILITIES	~181M

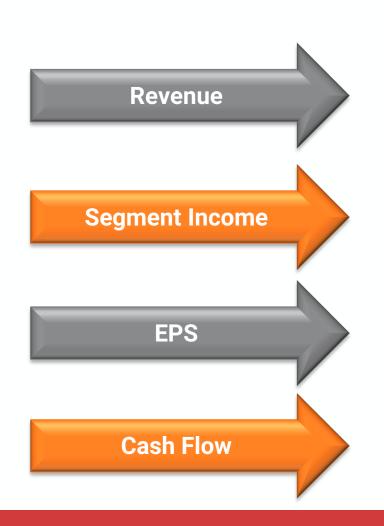
### **Key Considerations**

- FX Sales Benefit of ~1%
- ROS Inclusive of Growth Investments
- Total D&A of ~\$100M + ~\$13M of Non-Cash Stock Compensation
- Strong Q1 Operating Performance and Lower Share Count Largely Offset Higher Int. Exp.
- Target Free Cash Flow at 100% of Adjusted Net Income

#### On Track to Deliver 2018



# **Long-Term Financial Framework**



# Long-Term Goals

Differentiated growth 1-2% above GDP

**Margin Expansion** 

**Top Tier Performance** 

Free Cash Flow = 100% Adjusted Net Income

**Long-Term Value Creation Goals** 

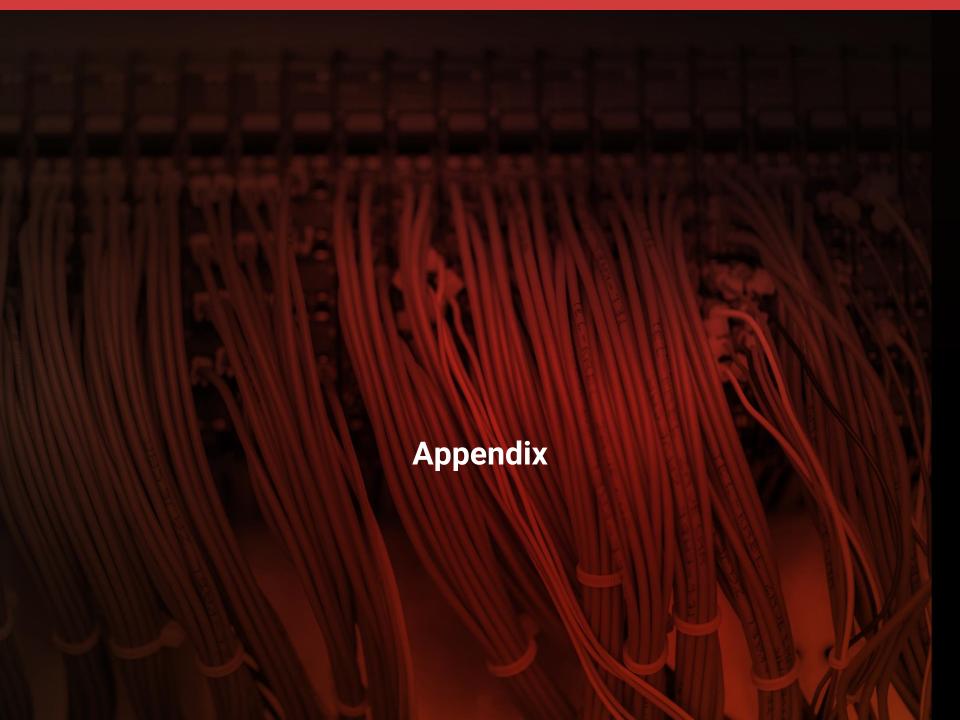


# **Investment Thesis**

**Mission-Critical Solutions Maximize Customer Efficiency** Conservative **Leading Industry Capital Structure & Positions, Brands Capital Allocation** and Footprint **Philosophy** Value Creation **Diversified Across Strong Cash Flow Products, Verticals** Generation and Customers **Strong Financial Profile and Operational Focus** 

Generate Shareholder Value with Leading Brands and a Competitive Playbook





# **nVent Leadership Team**



BETH WOZNIAK Chief Executive Officer



STACY McMAHAN EVP & Chief Financial Officer



LYNNETTE HEATH EVP & Chief Human Resources Officer



JON LAMMERS EVP, General Counsel & Secretary



BEN SOMMERNESS EVP, Chief Growth & Strategy Officer



TOM PETTIT EVP & Chief Integrated Supply Chain Officer



JOE RUZYNSKI President Enclosures



BRAD FAULCONER
President
Thermal Management



ROBERT Van der KOLK President EFS

**New Leadership Team in Place** 



### **Enclosures Business Overview**

#### **Segment Description**

Provides Innovative Solutions That Protect, Connect, and Manage Heat in Critical Electronics, Communication, Control, and Power Equipment

### **Illustrative Products**

Equipment Protection



Steel, Non-Metallic





Industrial Cooling



Electronic Protection



Server

Data Center Cooling Solutions



Supplies

Power

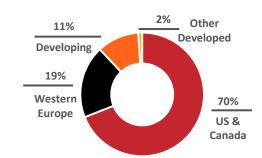
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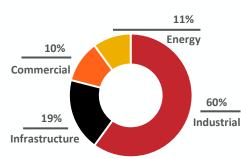
Subracks

#### 2017A Sales Breakdown

#### Geographies

#### Verticals





#### **Competitive Differentiators**

- Strong Brand Recognition
- Deep history in our Hoffman and Schroff brands of quality and reliability
- 2 Technical Expertise
- Specialized engineering expertise enables ability to deliver high performance, lower cost designs
- Customized, Flexible
  Product Platforms &
  Solutions
- Ability to tailor products and provide innovative solutions to meet complex customer requirements
- Broad Product
  Offering & Availability
- Broad enclosure, cooling, and accessory product offering. Strong availability through channel.

Innovative, Engineered Solutions that Protect and Manage Heat in Systems



# **Thermal Management Business Overview**

### **Segment Description**

**Provides Electric Thermal Solutions that Connect and Protect Critical Buildings**, **Infrastructure, Industrial Processes** and People

> 2017A Revenue ROS \$622M 24%

#### **Illustrative Products**

Pipe Freeze **Protection and Process** Maintenance

Industrial Heating Solutions



**Advanced Control** and Monitoring



**Pipeline** 

Management Heating 3D Design





Heat

**Building &** Infrastructure Solutions



Floor Heating

**Fire Rated Wiring** Cables



**Snow Melting &** De-Icing



Pipe Heating

#### 2017A Sales Breakdown

**Geographies Verticals** Other 14% Developed 43% Developing Industrial 26% Commercial & Residential 55% 29% US & Western Canada 31% Europe Energy

#### **Competitive Differentiators**

- **Strong Brand** Recognition
- Deep and rich Raychem and Tracer history of innovative and high-quality products
- **Technical Expertise**
- Specialized engineering expertise enables delivery of high performance, lower cost & inventive designs
- Ease of Installation & **Reduced Total Cost**
- Highly Reliable and easy to install solutions that lower total cost of ownership
- **Complete Solutions**
- Offer one-stop shop and access to large portfolio with multi-tier offerings

Complete and Connected Solutions for Optimal, Reliable Systems



# **Electrical & Fastening Business Overview**

### **Segment Description**

Provides Electrical and Fastening Solutions that Connect and Protect Electrical and Mechanical Systems

2017A Revenue | ROS \$541M | 26%

#### **Illustrative Products**

Fastening Solutions

Solutions

Spring Steel Fasteners

V

Stud Wall Brackets Data Cable Supports

Pipe Hangers & Supports





Exothermic Connections Electrical

1

Grounding

& Bonding

Lightning

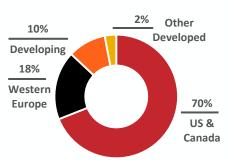
Protection

Low voltage power connections

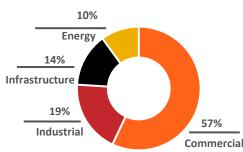


#### 2017A Sales Breakdown

#### **Geographies**



#### **Verticals**



# **Competitive Differentiators**

- Strong Brand Recognition
- Well positioned with Caddy and Erico as strong innovative brands across verticals and regions
- 2 Technical Expertise
- Global end user application expertise and knowhow
- Ease of
  Installation &
  Reduced Total Cost
- Solutions significantly reduce installation costs and total cost of ownership with innovative designs
- 4 Reliable Product
- Comprehensive range of innovative maintenance free and highly-reliable products

Innovative Solutions Saving Contractors Time and Money



# Reported to Adjusted 2018 Reconciliation

# nVent Electric plc Reconciliation of the GAAP Year Ended December 31, 2018 to the non-GAAP Excluding the Effect of 2018 Adjustments (Unaudited)

	A	ctual		Fo	recast		
	F	irst					
In millions, except per-share data	Quarter		Second	Quarter	Full	Full Year	
Net sales	\$	539	approx	\$ 540	) approx	\$ 2	2,208
Operating income		66	approx	92	2 approx		356
% of net sales		12%	approx	179	% approx		16%
Adjustments:							
Restructuring and other		3	approx		- approx		3
Intangible amortization		15	approx	1:	5 approx		61
Separation costs		10	approx		- approx		10
Segment income		94	approx	10′	7 approx		430
Return on sales		17%	approx	209	% approx		20%
Net income - as reported			approx	6.	5 approx		260
Interest expense adjustment - pro forma			approx		2 approx		(4)
Adjustments to operating income			approx	1:	5 approx		74
Income tax adjustments			approx	(	3) approx		(13)
Net income - pro forma adjusted			approx	\$ 79	epprox	\$	317
Diluted earnings per ordinary share - pro forma adjusted							
Diluted weighted average ordinary shares outstanding - pro forma			approx	18	l approx		181
Diluted earnings per ordinary share - pro forma			approx	\$0.33-\$0.30	5 approx	\$1.38-\$	31.48
Adjustments				0.0	3		0.32
Diluted earnings per ordinary share - pro forma adjusted			approx	\$0.41-\$0.44	4 approx	\$1.70-\$	31.80

# Reported to Adjusted 2015-2017 Reconciliation

nVent Electric plc
Reconciliation of the GAAP Year Ended December 31, 2017, 2016 and 2015 to the non-GAAP
Excluding the Effect of 2017, 2016 and 2015 Adjustments (Unaudited)

	2015	2016	2017
Net sales	\$ 1,809	\$ 2,116	\$ 2,098
Operating income	260	333	316
% of net sales	14%	16%	15%
Adjustments:			
Restructuring and other	16	12	13
Intangible amortization	32	61	61
Trade name impairment	-	13	16
Deal related costs and expenses	14	-	-
Inventory step-up	36	-	-
Separation costs	-	-	16
Corporate allocations	(13)	(12)	(14)
Segment income	344	407	410
Return on sales	19%	19%	20%
Net income - as reported	210	259	362
Interest expense adjustment - pro forma	(45)	(62)	(39)
Adjustments to operating income	84	74	93
Pension and other post-retirement mark-to-market (gain) loss	(13)	11	(3)
Income tax adjustments	(6)	(11)	(122)
Net income - pro forma adjusted	\$ 231	\$ 270	\$ 291

# Q1 and FY 2018 Organic Sales Growth Reconciliation

nVent Electric plc
Reconciliation of Net Sales Growth to Organic Net Sales Growth by Reportable Segment
For the Quarter Ended March 31, 2018 (Unaudited)

	Q1 Net Sales Growth					
	Organic	Currency	Acq./Div.	Total		
nVent	3.1%	4.2%	<u>_%</u>	7.3%		
Enclosures	8.9%	3.3%		12.2%		
Thermal Management	(4.2%)	5.9%	%	1.7%		
Electrical & Fastening Solutions	1.3%	3.6%	0.2%	5.1%		

#### nVent Electric plc Reconciliation of Net Sales Growth to Organic Net Sales Growth by Reportable Segment For the Quarter Ending June 30, 2018 and the Year Ending December 31, 2018 (Unaudited)

		Forecast								
		Q2 Net Sales Growth				Full Yea	ar Net Sales	Growth		
		Organic	Currency	Acq./Div.	Total		Organic	Currency	Acq./Div.	Total
nVent	approx	2 - 4%	1%	<u>_%</u>	3 - 5%	approx	2 - 4%	1%	<b>—%</b>	3 - 5%
Enclosures						approx	3 - 5%	1%	%	4 - 6%
Thermal Management						approx	0 - 2%	1%	<u>     %                               </u>	1 - 3%
Electrical & Fastening Solutions						approx	2 - 4%	1%	%	3 - 5%

# **Cash Flow Reconciliation**

nVent Electric plc Reconciliation of the GAAP Operating Activities Cash Flow to the non-GAAP Free Cash Flow (Unaudited)

		s ended	
In millions	Marcl	h 31, 2018	March 31, 2017
Free cash flow			
Net cash provided by (used for) operating activities - as reported	\$	36 \$	87
Interest expense - pro forma		6	16
Net cash provided by (used for) operating activities - pro forma		30	71
Capital expenditures		(5)	(11)
Proceeds from sale of property and equipment		2	-
Free cash flow - pro forma	\$	27 \$	60

	Twelve months ended							
In millions	Decemb	oer 31, 2015	Decemb	er 31, 2016	Decemb	oer 31, 2017		
Free cash flow								
Net cash provided by (used for) operating activities - as reported	\$	344	\$	364	\$	402		
Interest expense - pro forma		46		63		40		
Net cash provided by (used for) operating activities - pro forma		298		301		362		
Capital expenditures		(47)		(75)		(32)		
Proceeds from sale of property and equipment		1		6		4		
Free cash flow - pro forma	\$	252	\$	232	\$	334		