



# Q1 2023 EARNINGS RELEASE

April 27, 2023



# Forward-Looking Statements

This presentation contains statements that we believe to be “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, are forward-looking statements. Without limitation, any statements preceded or followed by or that include the words “targets,” “plans,” “believes,” “expects,” “intends,” “will,” “likely,” “may,” “anticipates,” “estimates,” “projects,” “should,” “would,” “could,” “positioned,” “strategy,” or “future” or words, phrases, or terms of similar substance or the negative thereof are forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, assumptions and other factors, some of which are beyond our control, which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. These factors include the overall global economic and business conditions impacting our business, including the strength of housing and related markets and conditions relating to the conflict between Russia and Ukraine and related sanctions; supply, demand, logistics, competition and pricing pressures related to and in the markets we serve; the ability to achieve the benefits of our restructuring plans, cost reduction initiatives and transformation program; the impact of raw material, logistics and labor costs and other inflation; volatility in currency exchange rates and interest rates; failure of markets to accept new product introductions and enhancements; the ability to successfully identify, finance, complete and integrate acquisitions; risks associated with operating foreign businesses; the impact of seasonality of sales and weather conditions; our ability to comply with laws and regulations; the impact of changes in laws, regulations and administrative policy, including those that limit U.S. tax benefits or impact trade agreements and tariffs; the outcome of litigation and governmental proceedings; and the ability to achieve our long-term strategic operating and ESG goals.

Additional information concerning these and other factors is contained in our filings with the U.S. Securities and Exchange Commission (the “SEC”), including our Annual Report on Form 10-K for the year ended December 31, 2022. All forward-looking statements, including all financial forecasts, speak only as of the date of this presentation. Pentair assumes no obligation, and disclaims any obligation, to update the information contained in this presentation.

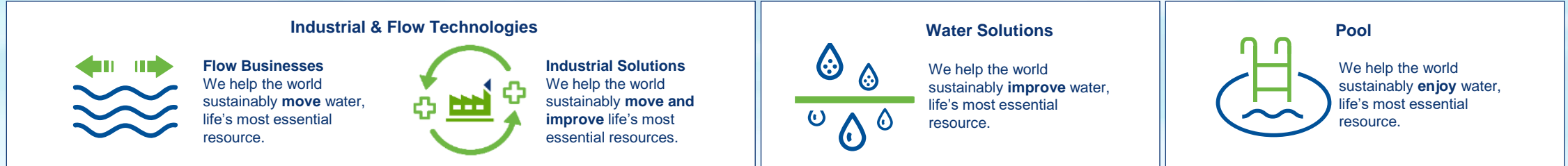
# Key Definitions

- Except as otherwise noted, our results represent continuing operations for the period indicated, presented on an adjusted basis
- "Core sales" refers to GAAP revenue from continuing operations excluding: (1) the impact of currency translation and (2) the impact of revenue from acquired businesses recorded prior to the first anniversary of the acquisition, excluding the excess over prior year revenue of the acquired business less the amount of sales attributable to divested product lines not considered discontinued operations
- Segment income represents equity income of unconsolidated subsidiaries and operating income from continuing operations exclusive of non-cash intangible amortization, certain acquisition related expenses, costs of transformation and restructuring activities, impairments, and other unusual non-operating items
- Return on sales ("ROS") equals segment income divided by sales
- See appendix for GAAP to non-GAAP reconciliations

# Strategic Framework

**OUR PURPOSE:** To create a **better** world for people and the planet through smart, sustainable water solutions.

**OUR MISSION:** We help the world sustainably **move**, **improve** and **enjoy** water, life's most **essential** resource.



**OUR VISION:** To be the world's most valued **sustainable water solutions** company for our employees, customers and shareholders.

**OUR IMPACT:** **Making Better Essential** through our products and solutions, for people and our planet.

**OUR WIN RIGHT VALUES:** **Customer First | Accountability for Performance | Innovation & Adaptability**  
**Positive Energy | Respect & Teamwork | Absolute Integrity**

# Pentair at a Glance

We Help the World Sustainably **Move**, **Improve** and **Enjoy Water**,  
Life's Most Essential Resource



Employees

**~11K**



Sales (2022)

**\$4.1B**



Focus on Profitability (2022)

**18.6%** ROS



Strong Cash Flow  
and Solid Returns

**High Teens**  
ROIC



Large Installed Base

~75%+ Replacement  
~75K+ Trade Partners



Dividend Aristocrat

**47 YEARS**

Annual Dividend Increase

**DIVERSE  
PORTFOLIO:**

**~50% Residential and ~50% Commercial, Industrial & Infrastructure**

# Pentair Overview

A Leader in Helping the World Sustainably Move, Improve and Enjoy Water, Life's Most Essential Resource

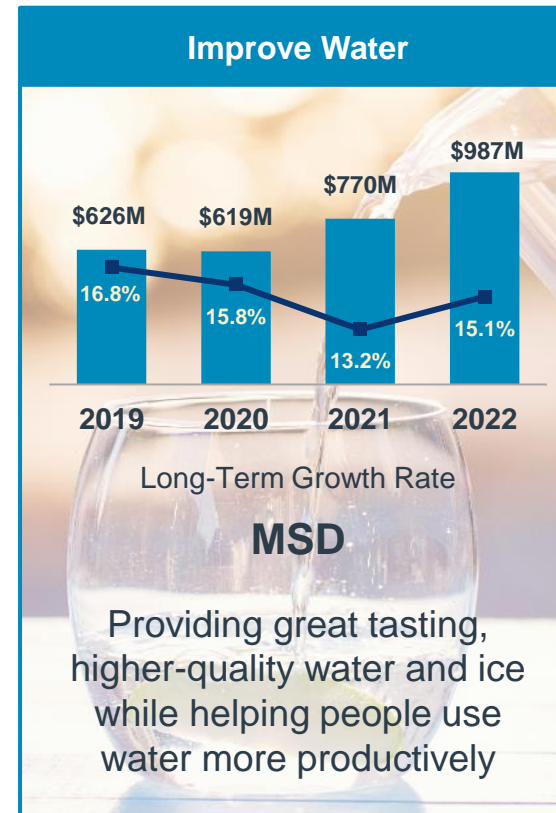
## Pentair



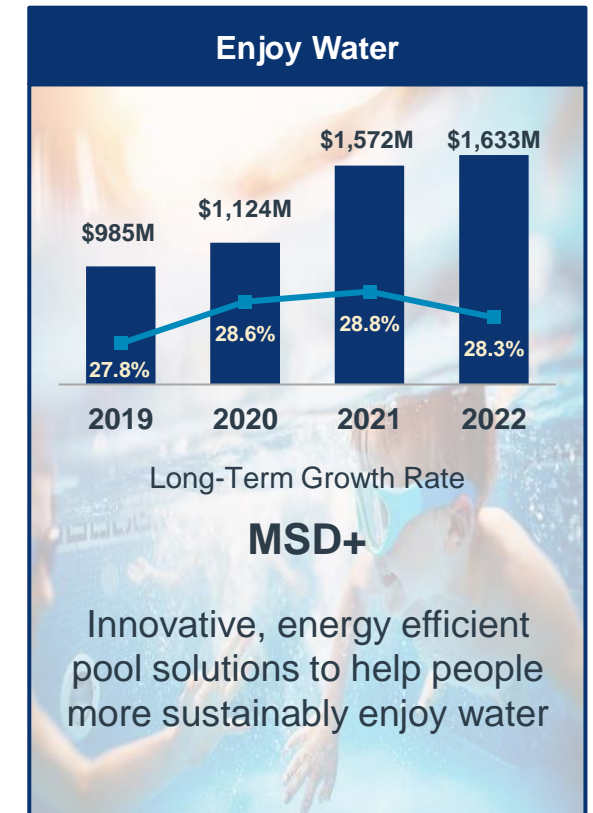
## Industrial & Flow Technologies



## Water Solutions



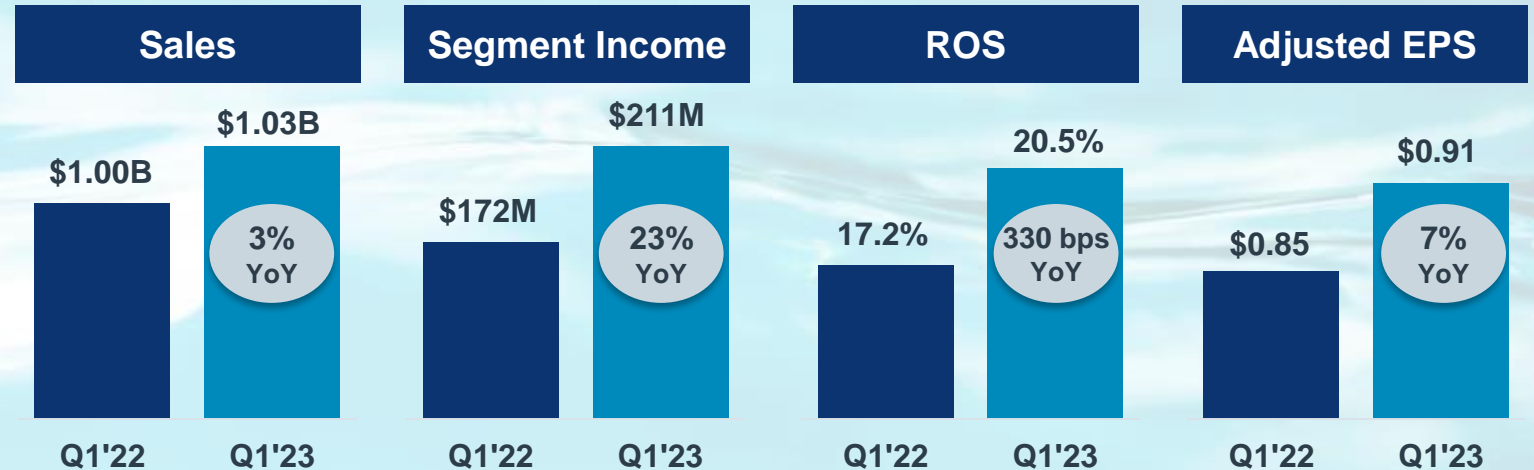
## Pool



Sales ■ ROS % —

# Executive Summary

- ✓ **Strong financial results for Q1'23**
  - Sales growth of **3%**
  - Segment income **up 23%**
  - ROS expanded **330 bps**
  - Adjusted EPS **increased 7%**



- ✓ **Diversified portfolio drove growth in sales, margin expansion, segment income and adjusted EPS**
- ✓ **Transformation drove greater efficiencies leading to margin expansion across all three segments**
- ✓ **Introducing Q2 and updating full year 2023 guidance; raising midpoint of full year EPS range**

# Q1 Highlights

**Diversified portfolio; all segments contributed to strong Q1 results**

## Industrial & Flow Technologies

- ✓ Commercial, Industrial and Residential drove growth
- ✓ Pricing and Transformation drove margin expansion
- ✓ Driving aftermarket and replacement revenue in our membranes and pump portfolio

**Move Water**

## Water Solutions

- ✓ Growth in core sales and significant margin expansion
- ✓ Manitowoc Ice:
  - Acquisition complements our business, enabling us to provide end-to-end solutions from filtration to ice to services
  - Integration remains on track and has progressed well
  - Delivered accretive margins

**Improve Water**

## Pool

- ✓ Significant margin expansion driven by price and Transformation initiatives
- ✓ Unusual U.S. weather in the West, higher channel inventory and strong demand in the prior year led to volume declines
- ✓ Continued to drive innovation with the launch of the new IntelliFlo3 pump; expansion of IntelliCenter

**Enjoy Water**



# Making Better Essential

- Published our [2022 Corporate Responsibility Report](#) on April 18, 2023
- Made significant progress toward our Strategic Targets

## PENTAIR SOCIAL RESPONSIBILITY STRATEGIC TARGETS



### CARBON FOOTPRINT REDUCTION

Reducing our greenhouse gas emissions impact



### WATER REDUCTION

Furthering water stewardship within our operations



### PRODUCT DESIGN FOR SUSTAINABILITY

Innovating to deliver water and energy efficient solutions



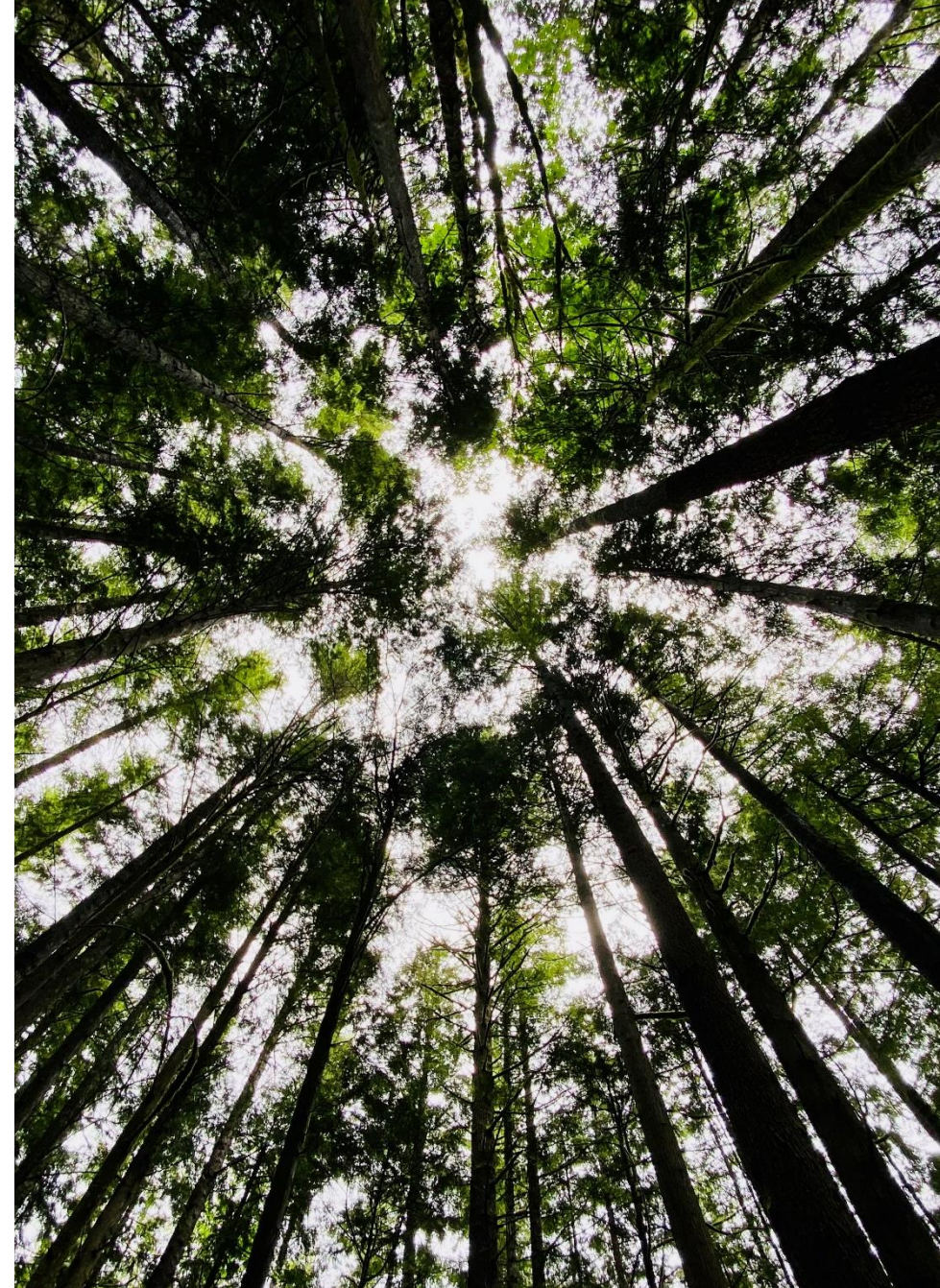
### RESPONSIBLE SUPPLY CHAIN

Building a more environmentally and socially sustainable supply chain



### INCLUSION & DIVERSITY

Building an inclusive and diverse workforce



# Social Responsibility Strategic Targets

## 2022 Highlights

### Carbon Footprint Reduction



**29%  
REDUCTION**

in Scope 1 and 2 GHG emissions compared to a 2019 baseline\* – with a goal of 50% reduction by 2030

### Water Reduction



**WATER  
WITHDRAWAL  
DECREASE**

represents a 9.3% decrease compared to 2021 and a 0.7% decrease to our 2019 baseline\*

### Product Design for Sustainability



**100% of NEW  
PRODUCTS**

evaluated using our new sustainability scorecard\*

\*As of December 31, 2022

**Achieved Notable Progress Towards our Strategic Targets**

# Positive Impacts from Our Products and Solutions

**83%** of Pentair solutions **SUPPORT ENERGY EFFICIENCY** by requiring less energy to operate\* or by aiding broader systems to operate more efficiently\*\*

**37%** of our **ELECTRICITY** usage came from renewable energy sources, representing 18% of our total energy use\*\*\*

**71%** of Pentair solutions **SUPPORT WATER EFFICIENCY** helping to reduce, reuse, or recover water, directly or indirectly\*

Notes:

\*This is based on total sales in 2022 of Pentair's brands meeting this definition, as a percentage of total revenue

\*\*Products subject to Department of Energy standards, effective July 2021, are not included if the model sold did not comply with the upcoming efficiency requirements. "Less" is defined as less than a prior version, less than a competitor (as known), or less than industry standard/norm

\*\*\*As of December 31, 2022



Recognizing Pentair pool pumps and Manitowoc Ice for excellence in energy efficiency

Since 2005, our ENERGY STAR pool pumps have saved a cumulative 38.9 billion-kilowatt hours of energy, reduced greenhouse gas emissions by nearly 16 million tons of CO<sub>2</sub> and saved over \$5 billion in operating costs for U.S. consumers.

Source: Based on annual sales and United States Environmental Protection Agency (EPA). "Emissions & Generation Resource Integrated Database (eGRID), 2020" Washington, DC: Office of Atmospheric Protection, Clean Air Markets Division. Available from EPA's eGRID web site: <https://www.epa.gov/egrid>.

# CEO Summary

**Q1 performance drives FY update; Diversification and Transformation driving shareholder value**

## **Solid Start to 2023**

- Strong Q1 results driven by diverse water portfolio and Transformation
- Manitowoc Ice has assimilated well and contributed ahead of expectations
- ROS expansion increased confidence for sustained value creation

## **Introducing Q2 Guidance**

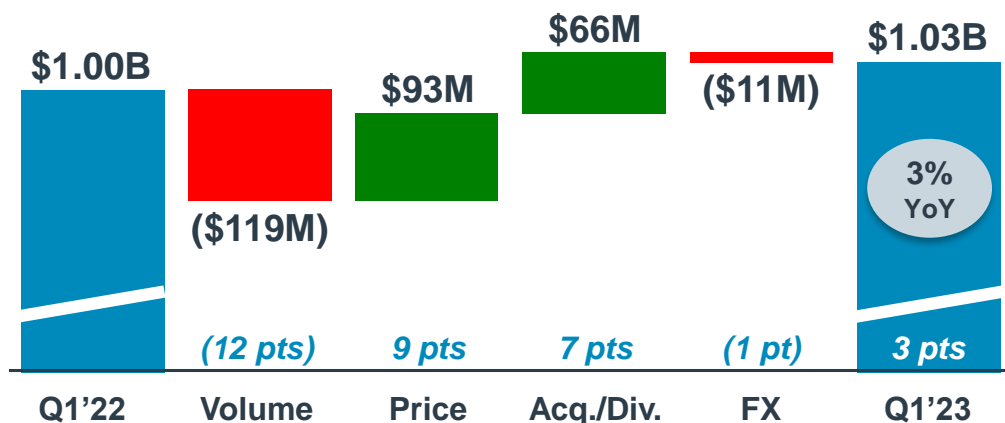
- Headwinds in Pool revenue driven by higher channel inventory
- Industrial & Flow Technologies and Water Solutions performance helps offset Pool challenges
- Transformation initiatives continue to accelerate

## **Full Year Guidance Update**

- Reducing Pool revenue expectations due to economic uncertainty and lower new pool demand
- Forecasting continued Industrial & Flow Technologies & Water Solutions performance + Transformation
- Raising midpoint of adj. EPS guide due to Q1 performance and confidence in Transformation realization

# Q1'23 Pentair Performance

## Sales

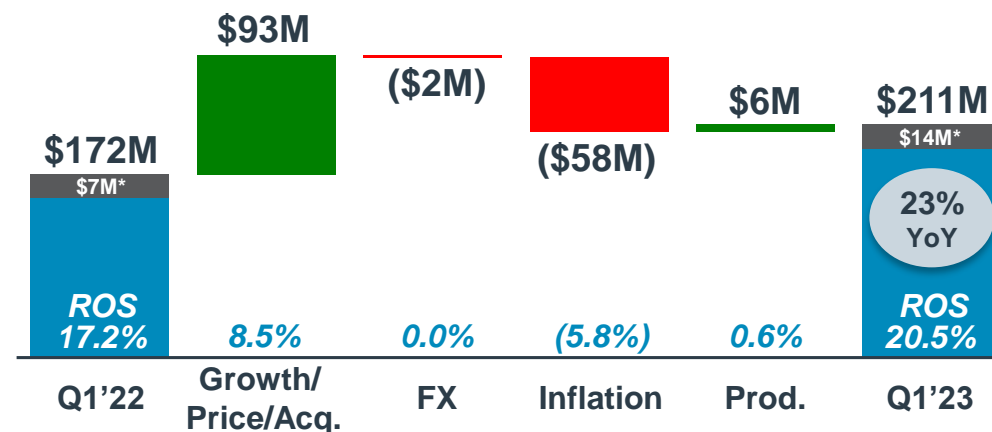


**Total Sales up 3%**

**Core Sales down 3%**

- Industrial & Flow Technologies up 11%
- Water Solutions up 2%
- Pool down 16%

## Segment Income



\*Non-Cash Intangible Amortization

**Segment Income up 23%**

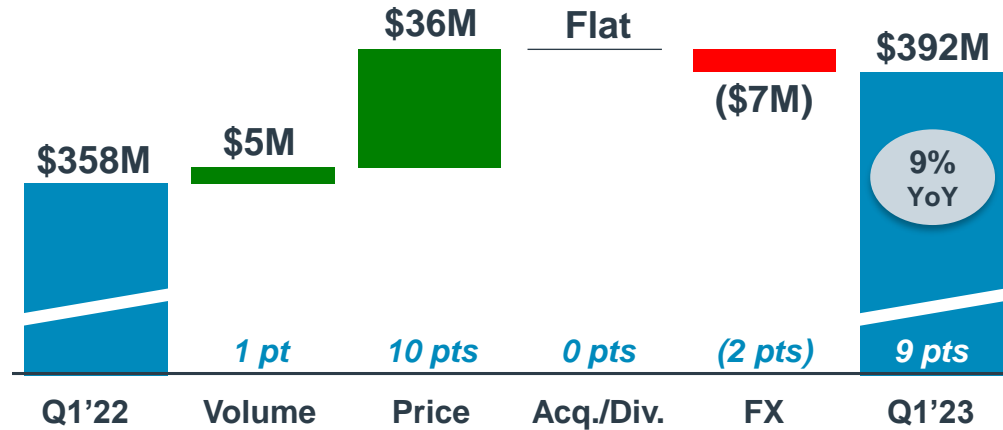
**ROS 20.5% ... up 330 bps**

**Adjusted EPS \$0.91 ... up 7%**

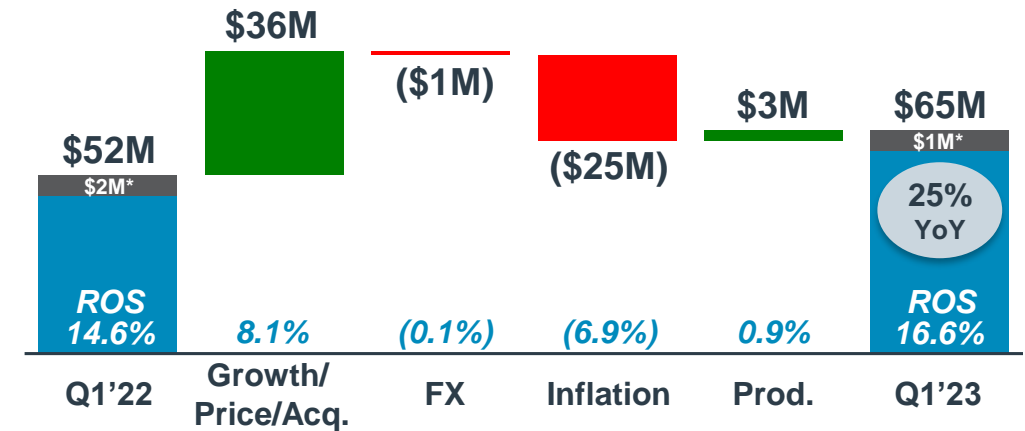
- Adjusted Tax Rate of 15%
- Net Interest/Other of \$33M;  
Shares 165.8M

# Q1'23 Industrial & Flow Technologies Performance

## Sales



## Segment Income



## Flow

- Residential sales up 1%
- Commercial sales up 16%

## Industrial Solutions

- Sales up 16%

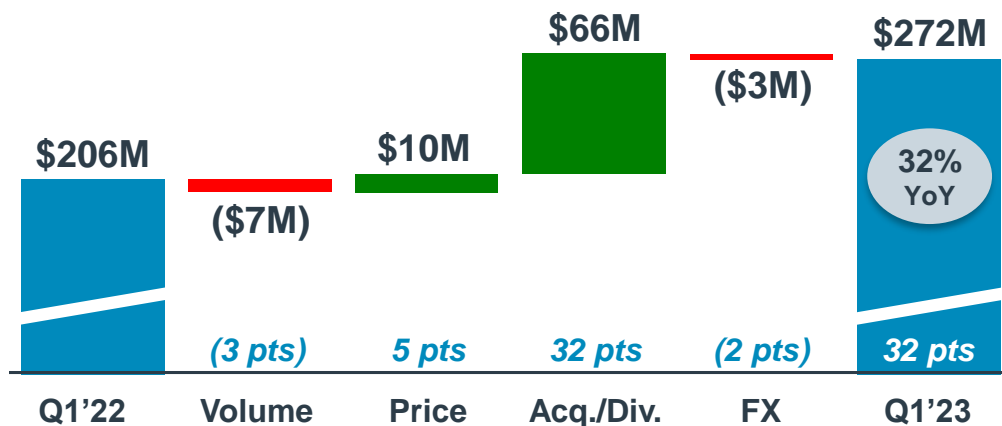
## Segment Income up 25%

## ROS 16.6% ... up 200 bps

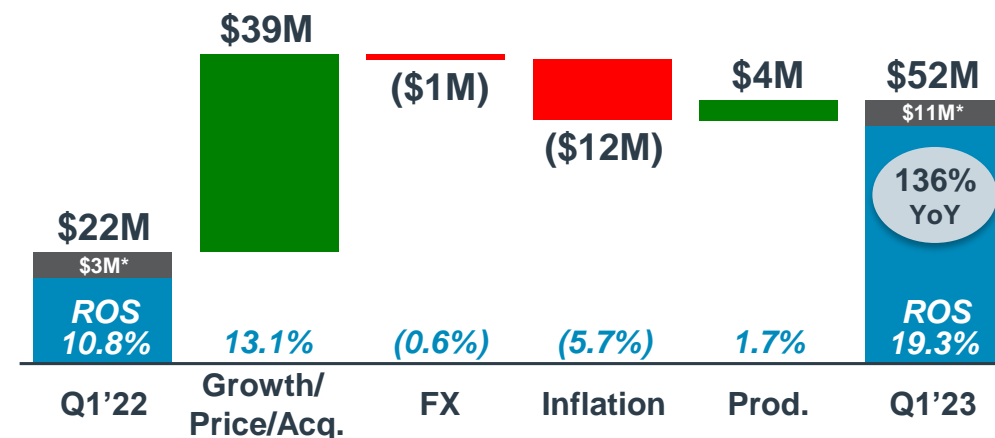
- Price and Transformation drove ROS expansion

# Q1'23 Water Solutions Performance

## Sales



## Segment Income



\*Non-Cash Intangible Amortization

### Commercial

- Sales up 130%

### Residential

- Sales down 25%

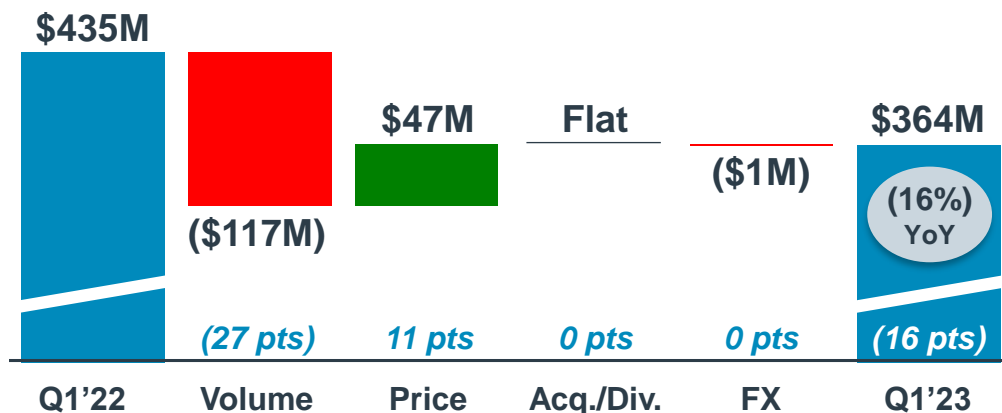
### Segment Income up 136%

### ROS 19.3% ... up 850 bps

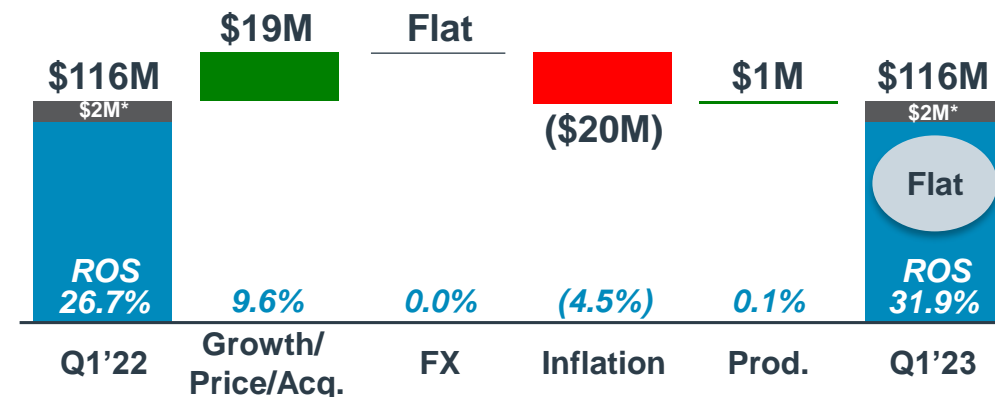
- Manitowoc acquisition accretive to margins
- Transformation drove efficiencies

# Q1'23 Pool Performance

## Sales



## Segment Income



\*Non-Cash Intangible Amortization

### Pool

- Pricing partially offset volume declines
- Volume declines due to unusual U.S. weather in the West, higher channel inventory and a strong prior year comparison

### Segment Income Flat

ROS 31.9% ... up 520 bps

- Price and Transformation drove margin expansion

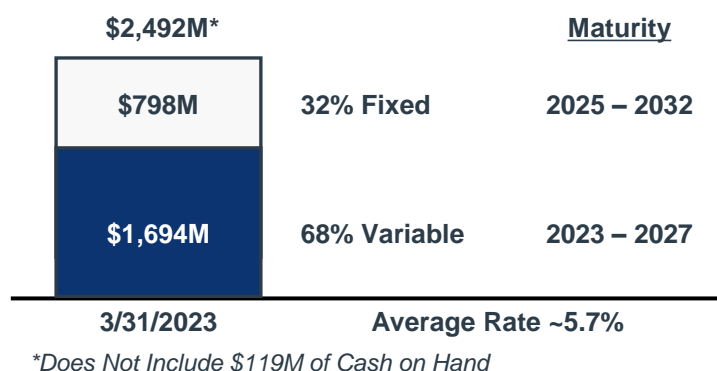


# Transformation Expectations



# Balance Sheet and Cash Flow

## Debt Summary



## Debt Roll-Forward (\$M)

	3/31/2022	3/31/2023
<b>Beginning Debt</b>	<b>\$894</b>	<b>\$2,317</b>
Used (Generated) Cash	149	123
Share Repurchase	-	-
Dividends	35	36
Acquisitions/Other	13	16
<b>Ending Debt</b>	<b>\$1,091</b>	<b>\$2,492</b>

\*Includes Manitowoc Ice LTM Pro Forma EBITDA

## Cash Flow (\$M)

	Q1 2022	Q1 2023
<b>Net Income - Continuing Ops</b>	<b>\$119</b>	<b>\$129</b>
Amortization	7	14
<b>Subtotal</b>	<b>\$126</b>	<b>\$143</b>
Depreciation	13	15
Capital Expenditures	(18)	(17)
Asset Sales	-	-
Working Capital	(201)	(204)
Other Accruals/Other	(69)	(60)
<b>Free Cash Flow – Total</b>	<b>(\$149)</b>	<b>(\$123)</b>
Free Cash Flow - Discontinued Ops	-	-
<b>Free Cash Flow - Continuing Ops</b>	<b>(\$149)</b>	<b>(\$123)</b>

## Other Items

- Net Debt/Adjusted Pro Forma EBITDA\* of 2.6x at quarter end
- ROIC of 15.2% at quarter end: includes Manitowoc Ice acquisition (7/28/2022)
- Interest rate swap and collar to move debt closer to 50% variable and 50% fixed by end of Q2

# Q2 and Full Year 2023 Pentair Outlook

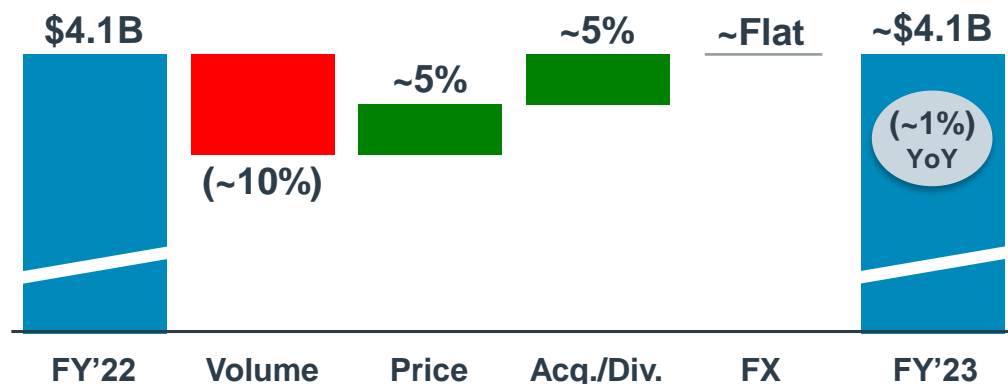
- Confident in our long-term value creation
- Continued execution and implementation of our multi-year Transformation initiatives
- Full year outlook incorporates residential volume headwinds, a diversified portfolio and Transformation margin expansion
- Capital allocation remains focused on debt reduction



	Q2'23	FY'23
Sales	• Total Sales down ~1% to flat	• Total Sales down ~2% to flat
Income	• Segment Income up ~5% to 7%	• Segment Income up ~7% to 10%
Adj. EPS	• Adjusted EPS of ~\$0.94 to \$0.96	• Adjusted EPS of ~\$3.60 to \$3.70
Other Items	<ul style="list-style-type: none"> <li>• Corp. Expense ~\$21M</li> <li>• Net Interest/Other ~\$34M</li> <li>• Adjusted Tax Rate of ~15%</li> <li>• Shares ~165M to 166M</li> </ul>	<ul style="list-style-type: none"> <li>• Corp. Expense ~\$80M</li> <li>• Net Interest/Other ~\$125M</li> <li>• Adjusted Tax Rate of ~15%</li> <li>• Shares ~165M to 166M</li> </ul>
Cash Flow		<ul style="list-style-type: none"> <li>• Targeting FCF = 100% of Net Income</li> <li>• Capital Expenditures ~\$85M</li> <li>• D&amp;A of ~\$110M and ~\$30M of Non-Cash Stock Comp</li> </ul>

# FY'23 Guidance at Midpoint\*

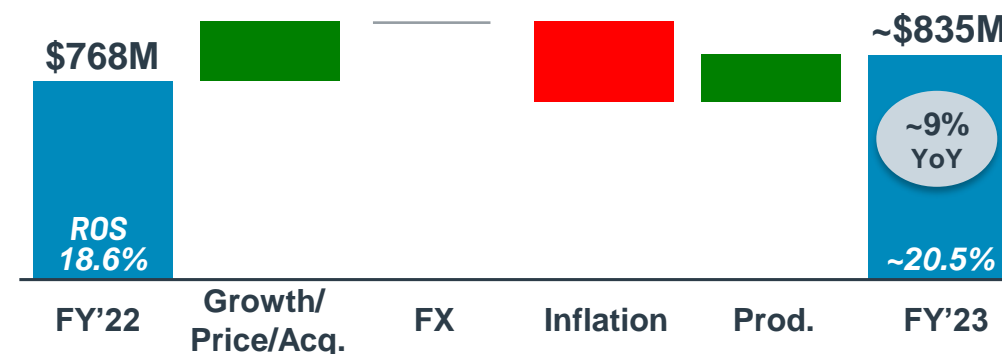
## Sales



### Total Pentair down ~1%

- **Industrial & Flow Technologies: Up ~LSD**  
Residential down ~double-digits, Commercial/Industrial/Infrastructure up ~mid-single digits
- **Water Solutions: Up ~Mid-teens**  
Commercial up ~40%, Residential down ~10%
- **Pool: Down ~Mid-teens**  
New/Remodeled down ~25%; Aftermarket/Inventory down ~20%; Price up ~mid-single digits

## Segment Income



### Segment Income up ~9%; ROS ~20.5%

- Price to slightly exceed inflation
- Manitowoc Ice acquisition and divestitures partially offset volume decline
- Productivity and Transformation contribute significantly

\*Guidance ties to the midpoint of our \$3.60 to \$3.70 full year 2023 Adjusted EPS guide range

# We Believe Pentair is a Compelling Investment Opportunity



An industry leader with a diversified, innovative brand portfolio



Transformation strategy to drive operational efficiencies and margin expansion



ESG focus on People, Planet and Governance to provide smart, sustainable water solutions



Favorable secular trends driving end market growth



Additional value creation from strong balance sheet and cash flow



Dividend aristocrat – 47 consecutive years of dividend increases



# CEO Closing Comments

- ✓ **Diversified portfolio and Transformation initiatives drove Q1 sales growth with margin expansion across all three segments**
- ✓ **We expect strength in our Industrial & Flow Technologies and Water Solutions segments as well as Transformation efficiencies to drive upside**
- ✓ **Raised the midpoint of our full year adjusted EPS guidance due to Q1's strong start as well as our confidence in the sustainability of our performance while acknowledging we expect Pool to be softer than we had initially expected**
- ✓ **Transformation initiatives are expected to drive greater benefits later in fiscal year 2023 and beyond as we implement actions towards identified savings**
- ✓ **We expect to continue to deliver value creation beyond this fiscal year**



**PENTAIR**



# Appendix

GAAP TO NON-GAAP MEASUREMENTS &

RECONCILIATIONS



# Reported to Adjusted 2023 Reconciliation

**Pentair plc and Subsidiaries**  
**Reconciliation of GAAP to Non-GAAP Financial Measures for the Year Ending December 31, 2023**  
**Excluding the Effect of 2023 Adjustments (Unaudited)**

<i>In millions, except per-share data</i>	Actual	Forecast			
	First Quarter	Second Quarter			Full Year
Net sales	\$ 1,028.6	approx	Down 1% - Flat	approx	Down 2% - Flat
Operating income	183.6	approx	Up 5% -7%	approx	Up 26% - 30%
<i>% of net sales</i>	<i>17.8 %</i>				
<b>Adjustments:</b>					
Restructuring and other	2.9	approx \$	—	approx \$	3
Transformation costs	8.5	approx	—	approx	9
Intangible amortization	13.8	approx	14	approx	55
Legal accrual adjustments	(1.9)	approx	—	approx	(2)
Asset impairment and write-offs	3.9	approx	—	approx	4
Equity income of unconsolidated subsidiaries	0.2	approx	1	approx	3
Segment income	211.0	approx	Up 5% - 7%	approx	Up 7% - 10%
<i>Return on sales</i>	<i>20.5 %</i>				
Net income from continuing operations—as reported	128.5	approx	\$144 - \$147	approx	\$538 - \$555
Adjustments to operating income	27.2	approx	14	approx	69
Income tax adjustments	(4.6)	approx	(2)	approx	(11)
Net income from continuing operations—as adjusted	\$ 151.1	approx	\$156 - \$159	approx	\$596 - \$613
<b>Continuing earnings per ordinary share—diluted</b>					
Diluted earnings per ordinary share—as reported	\$ 0.78	approx	\$0.87 - \$0.89	approx	\$3.25 - \$3.35
Adjustments	0.13	approx	0.07	approx	0.35
Diluted earnings per ordinary share—as adjusted	\$ 0.91	approx	\$0.94 - \$0.96	approx	\$3.60 - \$3.70

# Reported to Adjusted 2022 Reconciliation

Pentair plc and Subsidiaries

Reconciliation of GAAP to Non-GAAP Financial Measures for the Year Ended December 31, 2022

Excluding the Effect of 2022 Adjustments (Unaudited)

<i>In millions, except per-share data</i>	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Net sales	\$ 999.6	\$ 1,064.2	\$ 1,055.1	\$ 1,002.9	\$ 4,121.8
Operating income	145.8	190.8	147.1	111.6	595.3
<i>% of net sales</i>	14.6 %	17.9 %	13.9 %	11.1 %	14.4 %
Adjustments:					
Restructuring and other	2.1	1.1	12.5	16.7	32.4
Transformation costs	5.5	5.2	10.1	6.4	27.2
Intangible amortization	6.6	6.3	18.5	21.1	52.5
Legal accrual adjustments and settlements	(0.7)	0.5	—	0.4	0.2
Asset impairment and write-offs	—	—	—	25.6	25.6
Inventory step-up	—	—	5.8	—	5.8
Deal-related costs and expenses	6.4	1.6	13.4	0.8	22.2
Russia business exit impact	5.9	—	(0.8)	(0.4)	4.7
Equity income of unconsolidated subsidiaries	0.5	0.4	0.3	0.6	1.8
Segment income	172.1	205.9	206.9	182.8	767.7
<i>Return on sales</i>	17.2 %	19.3 %	19.6 %	18.2 %	18.6 %
Net income from continuing operations—as reported	118.5	153.0	115.4	96.3	483.2
Gain on sale of businesses	—	—	(0.2)	—	(0.2)
Pension and other post retirement mark-to-market gain	—	—	—	(17.5)	(17.5)
Amortization of bridge financing fees	2.6	5.1	1.3	—	9.0
Adjustments to operating income	25.8	14.7	59.5	70.6	170.6
Income tax adjustments	(5.4)	(3.8)	(12.3)	(14.4)	(35.9)
Net income from continuing operations—as adjusted	\$ 141.5	\$ 169.0	\$ 163.7	\$ 135.0	\$ 609.2
<b>Continuing earnings per ordinary share—diluted</b>					
Diluted earnings per ordinary share—as reported	\$ 0.71	\$ 0.92	\$ 0.70	\$ 0.58	\$ 2.92
Adjustments	0.14	0.10	0.29	0.24	0.76
Diluted earnings per ordinary share—as adjusted	\$ 0.85	\$ 1.02	\$ 0.99	\$ 0.82	\$ 3.68

# Reported to Adjusted 2019-2021 Reconciliations

**Pentair plc and Subsidiaries**  
**Reconciliation of GAAP to Non-GAAP Financial Measures for the Years Ended December 31, 2019, 2020, and 2021**  
**Excluding the Effect of Adjustments (Unaudited)**

<i>In millions, except per-share data</i>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Net sales	\$ 2,957.2	\$ 3,017.8	\$ 3,764.8
Operating income	432.5	461.4	636.9
<i>% of net sales</i>	<i>14.6 %</i>	<i>15.3 %</i>	<i>16.9 %</i>
Adjustments:			
Restructuring and other	21.0	15.4	7.5
Transformation costs	—	—	11.7
Intangible amortization	31.7	28.4	26.3
COVID-19 related costs and expenses	—	10.4	0.6
Legal accrual adjustments and settlements	—	—	(7.6)
Asset impairment	21.2	—	—
Inventory step-up	2.2	—	2.3
Deal-related costs and expenses	4.2	0.6	7.9
Equity income of unconsolidated subsidiaries	3.5	1.4	0.3
Segment income	\$ 516.3	\$ 517.6	\$ 685.9
<i>Return on sales</i>	<i>17.5 %</i>	<i>17.2 %</i>	<i>18.2 %</i>

# Core Sales Growth Reconciliation

**Pentair plc and Subsidiaries**  
**Reconciliation of Net Sales Growth to Core Net Sales Growth by Segment**  
**For the Quarter Ended March 31, 2023 (Unaudited)**

	Q1 Net Sales Growth			
	Core	Currency	Acq. / Div.	Total
<b>Total Pentair</b>	<b>(2.6)%</b>	<b>(1.1)%</b>	<b>6.6 %</b>	<b>2.9 %</b>
Industrial & Flow Technologies	11.4 %	(2.0) %	— %	9.4 %
Water Solutions	1.7 %	(1.6) %	32.1 %	32.2 %
Pool	(16.1)%	(0.2) %	— %	(16.3) %

# Free Cash Flow Reconciliation

**Pentair plc and Subsidiaries**  
**Reconciliation of the GAAP Operating Activities Cash Flow to the Non-GAAP Free Cash Flow (Unaudited)**

	Three months ended	Three months ended
<i>In millions</i>	March 31, 2023	March 31, 2022
Net cash used for operating activities	\$ (106.6)	\$ (131.5)
Capital expenditures	(16.6)	(17.7)
Proceeds from sale of property and equipment	0.2	—
<b>Free cash flow</b>	<b>\$ (123.0)</b>	<b>\$ (149.2)</b>

# ROIC Reconciliation

	First Quarter 2022	Second Quarter 2022	Third Quarter 2022	Fourth Quarter 2022	First Quarter 2023
<i>Dollars in millions</i>					
<b>Return on Invested Capital (ROIC)</b>					
Segment income	\$ 172.1	\$ 205.9	\$ 206.9	\$ 182.8	\$ 211.0
Reported effective tax rate	15.4 %	15.7 %	9.6 %	5.0 %	14.6 %
Adjusted effective tax rate	16.0 %	16.0 %	13.0 %	12.7 %	15.0 %
NOPAT	\$ 144.6	\$ 173.0	\$ 180.0	\$ 159.6	\$ 179.4
Depreciation	13.0	13.5	13.4	14.2	14.7
Capital expenditures ("Cap Ex")	(17.7)	(22.4)	(23.1)	(22.0)	(16.6)
Total NOPAT, Depreciation, and Cap Ex	\$ 139.9	\$ 164.1	\$ 170.3	\$ 151.8	\$ 177.5
Trailing four quarter NOPAT, Depreciation, and Cap Ex	\$ 573.5	\$ 591.4	\$ 612.3	\$ 626.1	\$ 663.7
Ending Invested Capital	3,492.9	3,339.7	4,968.5	4,916.5	5,182.0
Trailing five quarter average invested capital	3,100.8	3,162.5	3,577.8	3,987.9	4,379.9
After-tax Return on Invested Capital	18.5 %	18.7 %	17.1 %	15.7 %	15.2 %

*NOPAT (net operating profit after tax) is defined as [(segment income) X (1 - adjusted effective tax rate)]*

*Ending invested capital is defined as [total shareholders' equity + long-term debt + current maturities of long-term debt and short-term borrowings - cash and cash equivalents]*

# Last Twelve Months Adjusted EBITDA Reconciliation

Pentair plc and Subsidiaries  
Reconciliation of Net Income from Continuing Operations to Adjusted EBITDA (Unaudited)

<i>In millions</i>	Second Quarter 2022	Third Quarter 2022	Fourth Quarter 2022	First Quarter 2023	Last Twelve Months
Net income from continuing operations	\$ 153.0	\$ 115.4	\$ 96.3	128.5	\$ 493.2
Adjustments:					
Deal-related costs and expenses	1.6	13.4	0.8	—	15.8
Restructuring and other	1.1	12.5	16.7	2.9	33.2
Transformation costs	5.2	10.1	6.4	8.5	30.2
Intangible amortization	6.3	18.5	21.1	13.8	59.7
Legal accrual adjustments and settlements	0.5	—	0.4	(1.9)	(1.0)
Asset impairment and write-offs	—	—	25.6	3.9	29.5
Pension and other post-retirement mark-to-market gain	—	—	(17.5)	—	(17.5)
Inventory step-up	—	5.8	—	—	5.8
Gain on sale of businesses	—	(0.2)	—	—	(0.2)
Russia business exit costs	—	(0.8)	(0.4)	—	(1.2)
Net interest expense	9.2	19.3	27.6	32.4	88.5
Other expense	0.5	0.6	0.7	0.9	2.7
Provision for income taxes	28.5	12.3	5.1	22.0	67.9
Segment income	\$ 205.9	\$ 206.9	\$ 182.8	\$ 211.0	\$ 806.6
Adjustments:					
Depreciation	13.5	13.4	14.2	14.7	55.8
Adjusted EBITDA	\$ 219.4	\$ 220.3	\$ 197.0	\$ 225.7	\$ 862.4
Manitowoc Pro Forma EBITDA **	30.7	7.0 *	—	—	37.7
Adjusted Pro Forma EBITDA	\$ 250.1	\$ 227.3	\$ 197.0	\$ 225.7	\$ 900.1

\* The third quarter pro forma EBITDA adjustment only includes one month of activity as the acquisition was completed on July 28, 2022.

\*\* Includes certain management adjustments to remove corporate allocations.