



Q3 2023 EARNINGS RELEASE

October 24, 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 international hostilities; 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, 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.

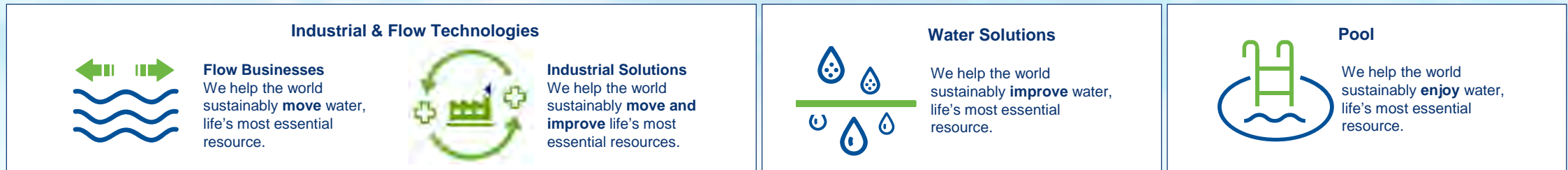
Key Definitions

- Except as otherwise noted, our results represent continuing operations for the period indicated, presented on an adjusted basis
- "Core sales" refers to GAAP net sales from continuing operations excluding: (1) the impact of currency translation and (2) the impact of net sales from acquired businesses recorded prior to the first anniversary of the acquisition, excluding the excess over prior year net sales of the acquired business less the amount of net 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 net 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



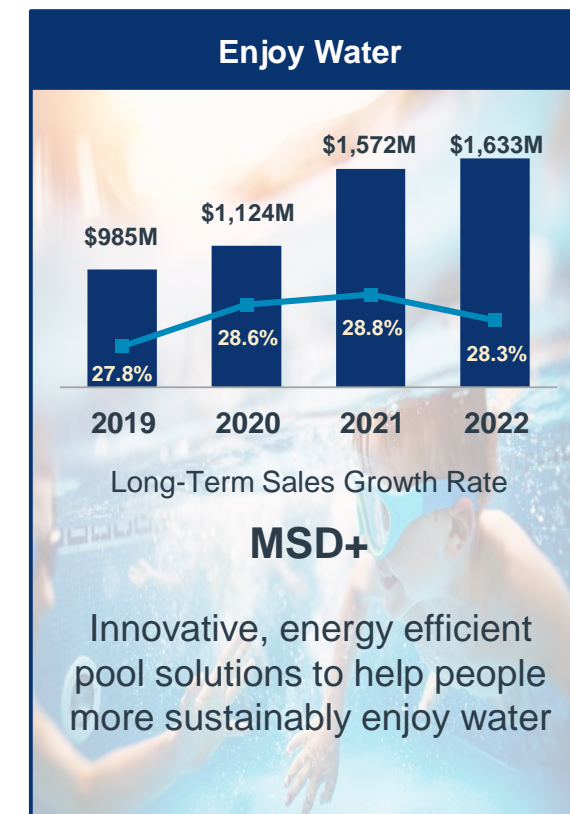
Industrial & Flow Technologies



Water Solutions



Pool



Sales ■ ROS % —

Making Better Essential

Social Responsibility Highlights



Making Progress in our Operations



29% REDUCTION

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



WATER WITHDRAWAL DECREASE

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

Innovating Solutions for a Better Planet



100% of NEW PRODUCTS

evaluated using our new sustainability scorecard*

71% of Pentair solutions

SUPPORT WATER

EFFICIENCY helping to reduce, reuse, or recover water, directly or indirectly**

83% of Pentair solutions

SUPPORT ENERGY

EFFICIENCY by requiring less energy to operate* or by aiding broader systems to operate more efficiently***

Notes:

*As of December 31, 2022

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

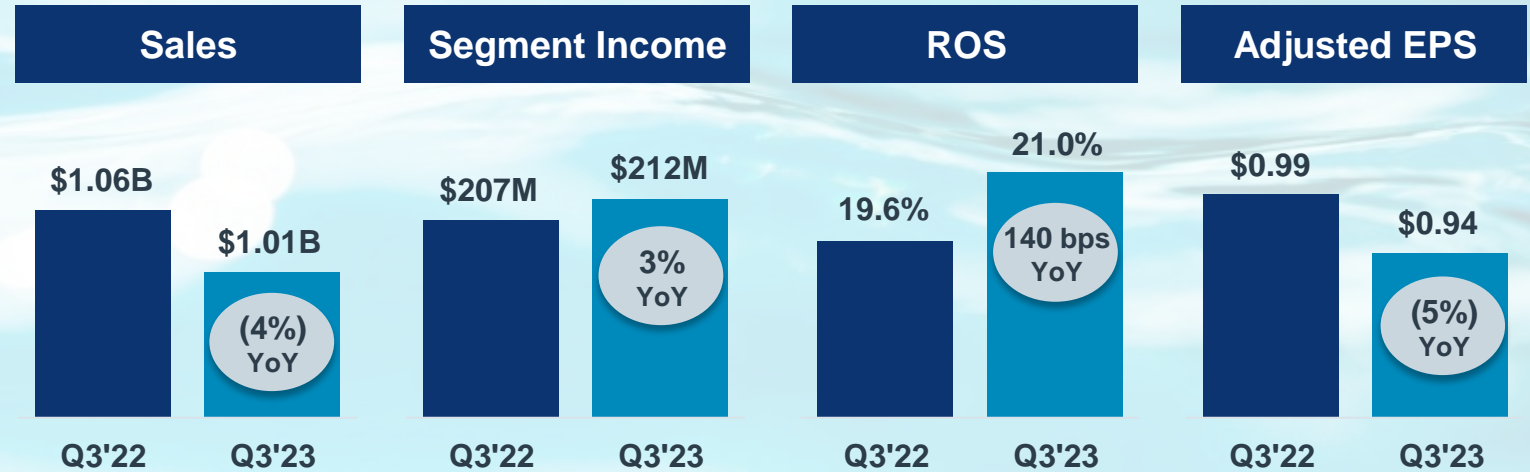
***Products subject to Department of Energy standards, effective July 2021, are not included if the model sold did not comply with the upcoming efficiency requirements. "Less" is defined as less than a prior version, less than a competitor (as known), or less than industry standard/norm

Executive Summary

Diversified water portfolio driving margin expansion

✓ Q3'23 Performance:

- Sales down 4%
- Segment income up 3%
- ROS expanded 140 bps
- Adjusted EPS decreased 5%



- ✓ Sixth consecutive quarter of both sales over \$1 billion and continued margin expansion
- ✓ Transformation initiatives drove significant margin expansion
- ✓ Strong free cash flow of over \$450 million year-to-date, up more than 100% year-over-year
- ✓ Updating full year 2023 adjusted EPS guidance to \$3.70-\$3.75 (previously \$3.65-\$3.75)

Strategic Focus

Enabling the right investments to drive growth, profitability and returns



Deliver the Core: Make Our Commitments and Build a Higher-Performing Culture



Profitable Revenue Growth AND Productivity



Making Better Essential



Develop Our Talent and Build a Higher-Performing Culture



Build Our Future: Accelerate Performance through Transformation, Innovation and M&A



Transformation to Fund our Growth



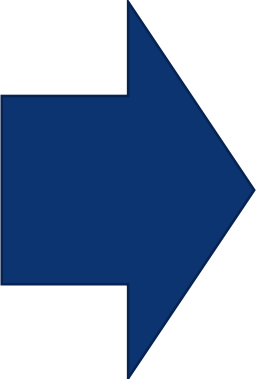
Innovation



M&A to Accelerate Performance

Transformation Update

Early stages of Transformation journey have delivered results



CEO Summary

Building a strong foundation to drive long-term growth and profitability

Q3 2023 PERFORMANCE

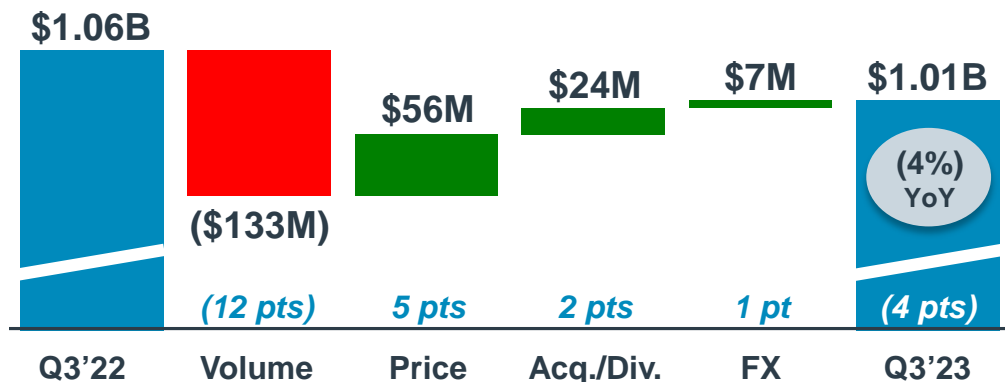
- Q3 delivered another strong quarter with significant ROS expansion
- Manitowoc Ice acquisition continued to exceed expectations
- Industrial & Flow Technologies and Water Solutions performance helped offset Pool's volume decline
- Transformation drove ROS expansion

GUIDANCE UPDATE

- Updating FY'23 adjusted EPS guidance to \$3.70-\$3.75 from \$3.65-\$3.75
- Diversified water portfolio absorbing a softer Pool year
- Pool channel inventory approaching more normalized levels by year-end
- Seasonality across segments returning to more historical norms
- Transformation initiatives continuing to accelerate

Q3'23 Pentair Performance

Sales

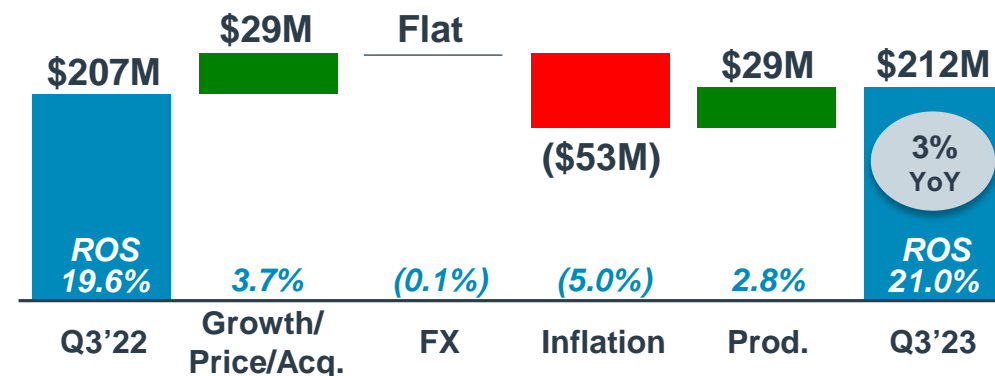


Total Sales down 4%

Core Sales down 7%

- Industrial & Flow Technologies up 1%
- Water Solutions flat
- Pool down 21%

Segment Income



Segment Income up 3%

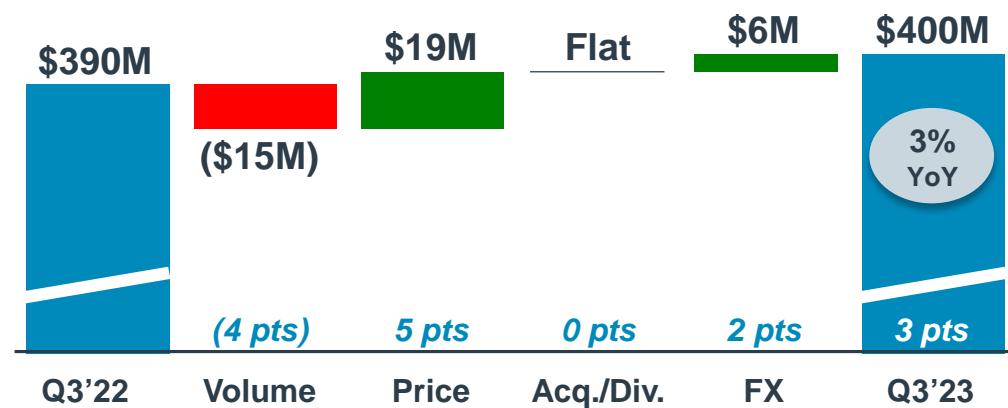
ROS 21.0% ... up 140 bps

Adjusted EPS \$0.94 ... down 5%

- Adjusted Tax Rate of 15%
- Net Interest expense of \$29M;
Shares 166.6M

Q3'23 Industrial & Flow Technologies Performance

Sales



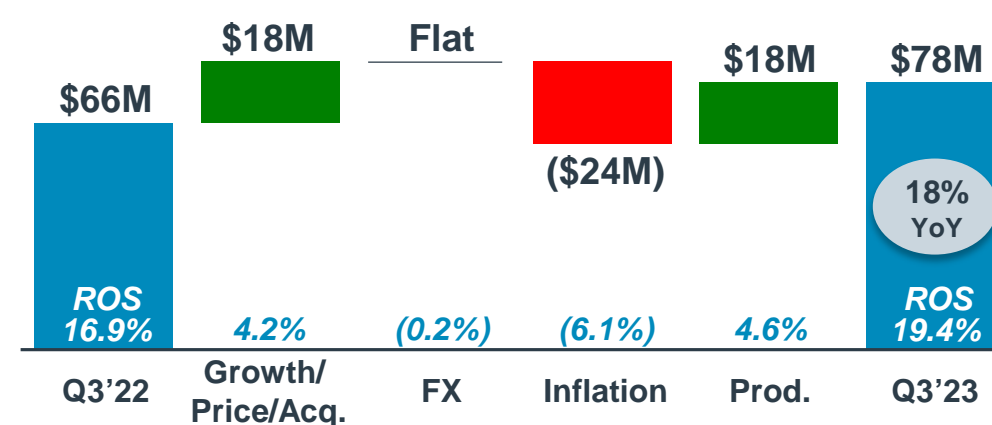
Flow

- Residential sales down 7%
- Commercial sales up 8%

Industrial Solutions

- Sales up 12%

Segment Income



Segment Income up 18%

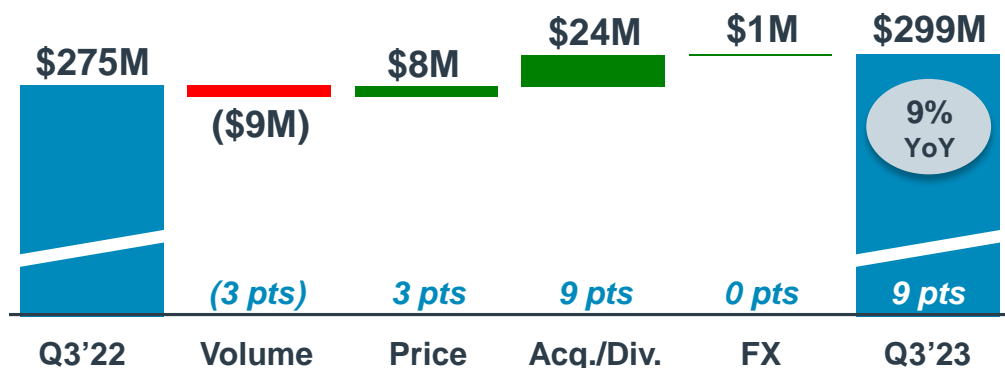
ROS 19.4% ... up 250 bps

- Transformation drove ROS expansion

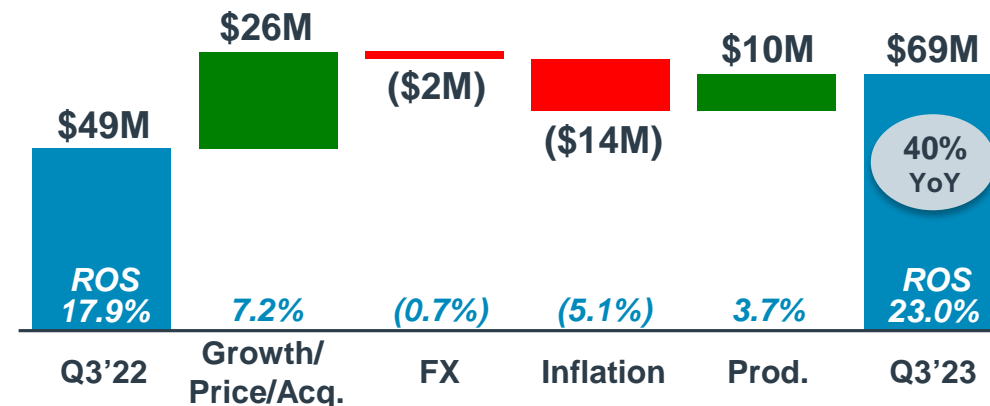
Note: Not included in Segment Income is non-cash amortization of \$1M in Q3'22 and Q3'23

Q3'23 Water Solutions Performance

Sales



Segment Income



Commercial

- Sales up 25%

Residential

- Sales down 14%

Segment Income up 40%

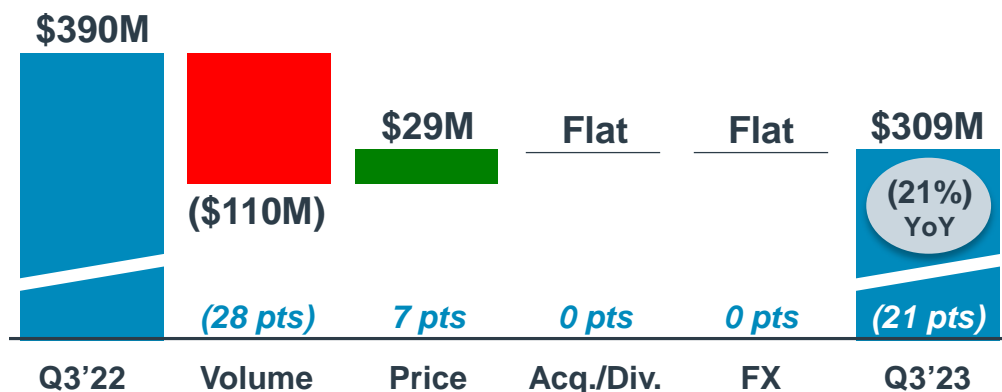
ROS 23.0% ... up 510 bps

- Manitowoc Ice acquisition accretive to segment margin
- Transformation drove efficiencies

Note: Not included in Segment Income is non-cash amortization of \$16M in Q3'22 and \$11M in Q3'23

Q3'23 Pool Performance

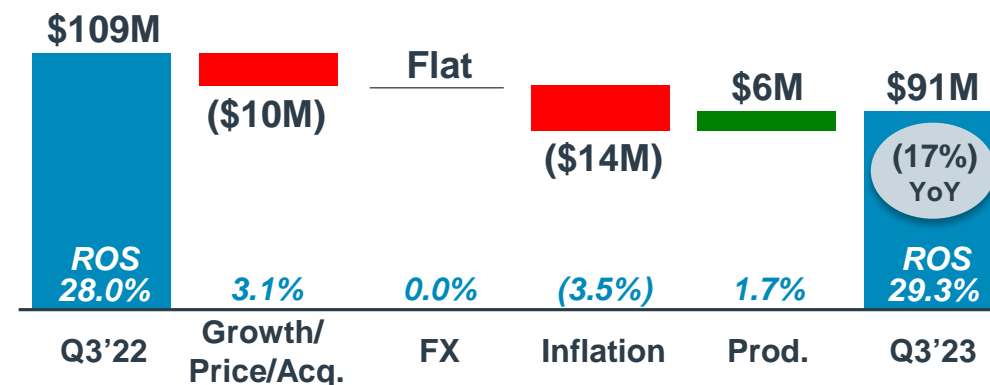
Sales



Pool

- Pool declined as expected
- Pricing partially mitigated volume decline
- Higher channel inventory contributed to volume decline

Segment Income



Segment Income down 17%

ROS 29.3% ... up 130 bps

- Pricing and Transformation drove ROS expansion

Note: Not included in Segment Income is non-cash amortization of \$2M in Q3'22 and Q3'23

Transformation Initiatives

Driving Margin Expansion Around 4 Key Themes



Transformation Runway

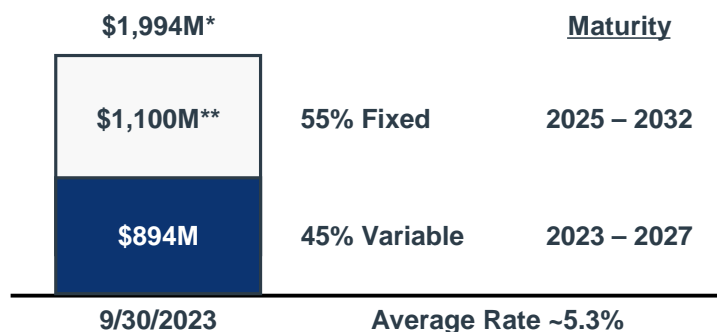
Driving Margin Expansion Around 4 Key Themes; Target ROS of ~23% in 2025

Transformation Benefits Compound With Each Additional Wave



Balance Sheet and Cash Flow

Debt Summary



*Does Not Include \$137M of Cash on Hand

**Includes \$300M Float-to-Fixed Rate Swap

Debt Roll-Forward (\$M)

| | Q3 2023 | YTD 2023 |
|-----------------------|----------------|----------------|
| Beginning Debt | \$2,115 | \$2,317 |
| Used (Generated) Cash | (143) | (451) |
| Share Repurchase | - | - |
| Dividends | 36 | 109 |
| Acquisitions/Other | (14) | 19 |
| Ending Debt | \$1,994 | \$1,994 |

Cash Flow (\$M)


| | Q3 2023 | Q3 2022 | YTD 2023 | YTD 2022 |
|--|--------------|--------------|--------------|--------------|
| Net Income - Continuing Ops | \$132 | \$115 | \$415 | \$387 |
| Amortization | 14 | 19 | 42 | 31 |
| Subtotal | \$146 | \$134 | \$457 | \$418 |
| Depreciation | 15 | 13 | 44 | 40 |
| Capital Expenditures | (19) | (23) | (55) | (63) |
| Asset Sales | - | - | 5 | 3 |
| Working Capital | 13 | (60) | 28 | (183) |
| Other Accruals/Other | (12) | 8 | (28) | (5) |
| Free Cash Flow - Total | \$143 | \$72 | \$451 | \$210 |
| Free Cash Flow - Discontinued Ops | - | - | (2) | (1) |
| Free Cash Flow - Continuing Ops | \$143 | \$72 | \$453 | \$211 |

Other Items

- Net Debt/Adjusted EBITDA of 2.1x at quarter end
- ROIC of 14.1% at quarter end
 - Includes Manitowoc Ice acquisition (7/28/2022)

Q4 and Full Year 2023 Pentair Outlook

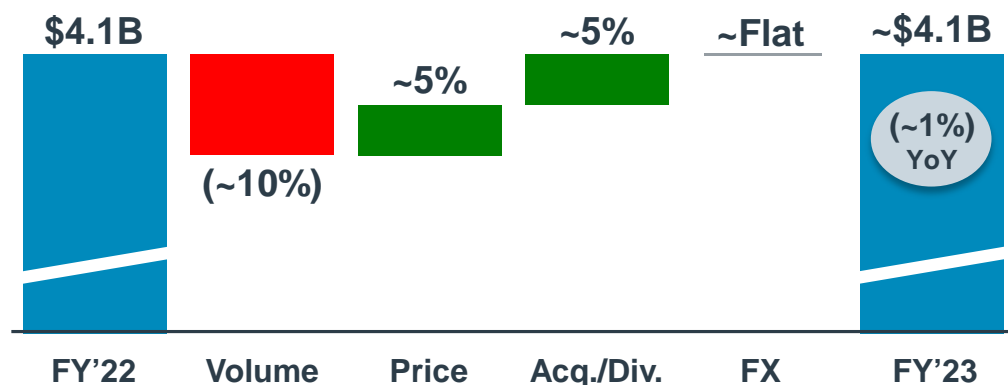
- Confident in our long-term value creation
- Updating FY'23 adjusted EPS guidance to \$3.70-\$3.75
- Continued execution across all three segments
- Ramping up multi-year Transformation initiatives
- Full year outlook incorporates residential volume headwinds, diversified water portfolio and Transformation margin expansion
- Capital allocation remains focused on debt reduction



| | Q4'23 | FY'23 |
|-------------|---|--|
| Sales | <ul style="list-style-type: none"> • Total Sales down ~3% to 4% | <ul style="list-style-type: none"> • Total Sales down ~1% |
| Income | <ul style="list-style-type: none"> • Segment Income up ~3% to 8% | <ul style="list-style-type: none"> • Segment Income up ~10% to 11% |
| Adj. EPS | <ul style="list-style-type: none"> • Adjusted EPS of ~\$0.82 to \$0.87 | <ul style="list-style-type: none"> • Adjusted EPS of ~\$3.70 to \$3.75 |
| Other Items | <ul style="list-style-type: none"> • Corp. Expense ~\$23M • Net Interest ~\$28M to \$30M • Adjusted Tax Rate of ~15% • Shares ~166M | <ul style="list-style-type: none"> • Corp. Expense ~\$85M to \$90M • Net Interest ~\$123M to \$125M • Adjusted Tax Rate of ~15% • Shares ~166M |
| Cash Flow | | <ul style="list-style-type: none"> • Targeting FCF = 100% of Net Income • Capital Expenditures ~\$80M to \$85M • D&A of ~\$110M and ~\$30M of Non-Cash Stock Comp |

FY'23 Guidance at Midpoint*

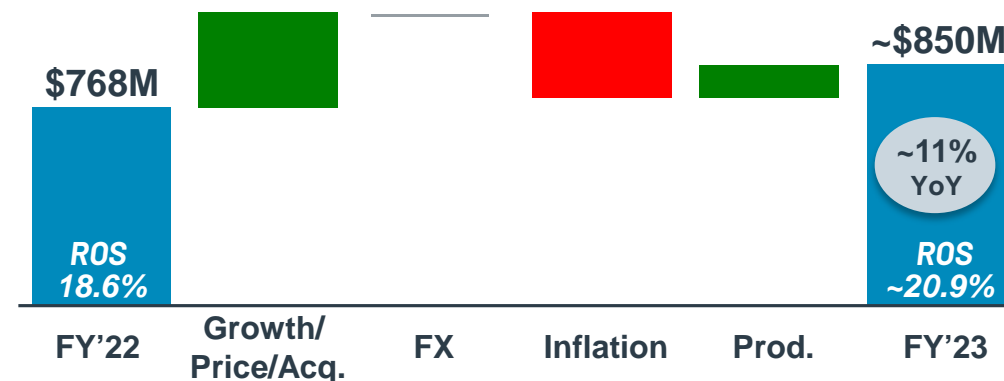
Sales



Total Pentair Sales down ~1%

- **Industrial & Flow Technologies up ~MSD**
Residential down ~mid-single digits, Commercial/Industrial/Infrastructure up ~low double-digits
- **Water Solutions up ~High-teens**
Commercial up ~50%, Residential down ~10%
- **Pool down ~High-teens**
New/Remodeled down ~25-30%; Aftermarket/Inventory down ~20-25%; Price up ~mid-single digits

Segment Income



Segment Income up ~10% to 11%; ROS ~20.9%

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

*Guidance ties to the midpoint of our \$3.70 to \$3.75 full year 2023 Adjusted EPS guide range

Q3 Progress Summary

Business continued to execute well; delivered on our commitments

- Diversified water portfolio and Transformation initiatives have driven significant margin expansion despite Pool's volume decline
- Manitowoc Ice acquisition exceeded expectations
- Performance accountability across the organization
- Strong balance sheet and free cash flow generation
- Disciplined capital allocation strategy

CEO Closing Comments

1

Diversified water portfolio AND Transformation drove significant margin expansion

2

Updating full year adjusted EPS guidance reflecting strong results year-to-date and confidence in our strategy

3

Transformation initiatives are continuing to gain momentum with benefits expected in 2023 and beyond


4

Solid execution and strong cost management in 2023 help build a foundation for long-term growth



We Believe Pentair Is a Compelling Investment Opportunity

 An industry leader with a diversified, innovative water portfolio

 Transformation initiatives 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





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 | Third Quarter | Fourth Quarter | approx | Down 3% - 4% | approx | Full Year |
| Net sales | \$ 1,028.6 | \$ 1,082.5 | \$ 1,008.8 | approx | Down 3% - 4% | approx | Down 1% | |
| Operating income | 183.6 | 208.5 | 180.1 | approx | Up 55% - 63% | approx | Up 25% - 26% | |
| <i>Return on sales</i> | <i>17.8 %</i> | <i>19.3 %</i> | <i>17.9 %</i> | | | | | |
| Adjustments: | | | | | | | | |
| Restructuring and other | 2.9 | 0.6 | 1.6 | approx | — | approx | 5 | |
| Transformation costs | 8.5 | 6.0 | 13.5 | approx | — | approx | 28 | |
| Intangible amortization | 13.8 | 13.9 | 13.8 | approx | 14 | approx | 55 | |
| Legal accrual adjustments and settlements | (1.9) | 4.1 | — | approx | — | approx | 2 | |
| Asset impairment and write-offs | 3.9 | 0.5 | 1.8 | approx | — | approx | 6 | |
| Equity income of unconsolidated subsidiaries | 0.2 | 0.6 | 1.3 | approx | 1 | approx | 3 | |
| Segment income | 211.0 | 234.2 | 212.1 | approx | Up 3% - 8% | approx | Up 10% - 11% | |
| <i>Adjusted return on sales</i> | <i>20.5 %</i> | <i>21.6 %</i> | <i>21.0 %</i> | | | | | |
| Net income from continuing operations—as reported | 128.5 | 154.2 | 132.1 | approx | \$124 - \$132 | approx | \$539 - \$548 | |
| Other income | — | (5.1) | — | approx | — | approx | (5) | |
| Adjustments to operating income | 27.2 | 25.1 | 30.7 | approx | 14 | approx | 96 | |
| Income tax adjustments | (4.6) | (3.1) | (6.6) | approx | (2) | approx | (16) | |
| Net income from continuing operations—as adjusted | \$ 151.1 | \$ 171.1 | 156.2 | approx | \$136 - \$144 | approx | \$614 - \$623 | |
| Continuing earnings per ordinary share—diluted | | | | | | | | |
| Diluted earnings per ordinary share—as reported | \$ 0.78 | \$ 0.93 | \$ 0.79 | approx | \$0.75 - \$0.80 | approx | \$3.25 - \$3.30 | |
| Adjustments | 0.13 | 0.10 | 0.15 | approx | 0.07 | approx | 0.45 | |
| Diluted earnings per ordinary share—as adjusted | \$ 0.91 | \$ 1.03 | \$ 0.94 | approx | \$0.82 - \$0.87 | approx | \$3.70 - \$3.75 | |

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>Return on sales</i> | <i>14.6 %</i> | <i>17.9 %</i> | <i>13.9 %</i> | <i>11.1 %</i> | <i>14.4 %</i> |
| 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>Adjusted return on sales</i> | <i>17.2 %</i> | <i>19.3 %</i> | <i>19.6 %</i> | <i>18.2 %</i> | <i>18.6 %</i> |
| 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 |
| Continuing earnings per ordinary share—diluted | | | | | |
| 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> | 2019 | 2020 | 2021 |
|--|-------------|-------------|-------------|
| Net sales | \$ 2,957.2 | \$ 3,017.8 | \$ 3,764.8 |
| Operating income | 432.5 | 461.4 | 636.9 |
| <i>Return on sales</i> | 14.6 % | 15.3 % | 16.9 % |
| 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>Adjusted return on sales</i> | 17.5 % | 17.2 % | 18.2 % |

Core Sales Growth Reconciliation

Pentair plc and Subsidiaries
Reconciliation of Net Sales Growth to Core Net Sales Growth by Segment
For the Quarter Ended September 30, 2023 (Unaudited)

| | Q3 Net Sales Growth | | | |
|--------------------------------|---------------------|----------|-------------|----------|
| | Core | Currency | Acq. / Div. | Total |
| Total Pentair | (7.3)% | 0.6 % | 2.3 % | (4.4)% |
| Industrial & Flow Technologies | 1.1 % | 1.6 % | — % | 2.7 % |
| Water Solutions | (0.2) % | 0.3 % | 8.7 % | 8.8 % |
| Pool | (20.8) % | — % | — % | (20.8) % |

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 | Three months ended | Nine months ended |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | March 31, 2023 | June 30, 2023 | September 30, 2023 | September 30, 2023 |
| <i>In millions</i> | | | | |
| Net cash (used for) provided by operating activities of continuing operations | \$ (106.6) | \$ 446.7 | \$ 162.2 | \$ 502.3 |
| Capital expenditures | (16.6) | (18.8) | (19.4) | (54.8) |
| Proceeds from sale of property and equipment | 0.2 | 4.8 | 0.4 | 5.4 |
| Free cash flow from continuing operations | (123.0) | 432.7 | 143.2 | 452.9 |
| Net cash used for discontinued operations | — | (1.6) | — | (1.6) |
| Free cash flow | \$ (123.0) | \$ 431.1 | \$ 143.2 | \$ 451.3 |

| | Three months ended | Three months ended | Three months ended | Nine months ended |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | March 31, 2022 | June 30, 2022 | September 30, 2022 | September 30, 2022 |
| <i>In millions</i> | | | | |
| Net cash (used for) provided by operating activities of continuing operations | \$ (131.5) | \$ 307.8 | \$ 95.2 | \$ 271.5 |
| Capital expenditures | (17.7) | (22.4) | (23.1) | (63.2) |
| Proceeds from sale of property and equipment | — | 2.9 | 0.1 | 3.0 |
| Free cash flow from continuing operations | (149.2) | 288.3 | 72.2 | 211.3 |
| Net cash used for discontinued operations | — | (1.0) | — | (1.0) |
| Free cash flow | \$ (149.2) | \$ 287.3 | \$ 72.2 | \$ 210.3 |

ROIC Reconciliation

| | Third Quarter 2022 | Fourth Quarter 2022 | First Quarter 2023 | Second Quarter 2023 | Third Quarter 2023 |
|---|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|
| <i>Dollars in millions</i> | | | | | |
| Return on Invested Capital (ROIC) | | | | | |
| Segment income | \$ 206.9 | \$ 182.8 | \$ 211.0 | \$ 234.2 | \$ 212.1 |
| Reported effective tax rate | 9.6 % | 5.0 % | 14.6 % | 15.0 % | 13.6 % |
| Adjusted effective tax rate | 13.0 % | 12.7 % | 15.0 % | 15.0 % | 15.0 % |
| NOPAT | \$ 180.0 | \$ 159.6 | \$ 179.4 | \$ 199.1 | \$ 180.3 |
| Depreciation | 13.4 | 14.2 | 14.7 | 14.7 | 14.9 |
| Capital expenditures ("Cap Ex") | (23.1) | (22.0) | (16.6) | (18.8) | (19.4) |
| Total NOPAT, depreciation, and Cap Ex | \$ 170.3 | \$ 151.8 | \$ 177.5 | \$ 195.0 | \$ 175.8 |
| Trailing four quarter NOPAT, depreciation, and Cap Ex | \$ 612.3 | \$ 626.1 | \$ 663.7 | \$ 694.6 | \$ 700.1 |
| Ending invested capital | 4,968.5 | 4,916.5 | 5,182.0 | 4,908.4 | 4,897.5 |
| Trailing five quarter average invested capital | 3,577.8 | 3,987.9 | 4,379.9 | 4,663.0 | 4,974.6 |
| After-tax Return on Invested Capital | 17.1 % | 15.7 % | 15.2 % | 14.9 % | 14.1 % |

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> | Fourth Quarter 2022 | First Quarter 2023 | Second Quarter 2023 | Third Quarter 2023 | Last Twelve Months |
|---|---------------------------|--------------------------|---------------------------|--------------------------|--------------------------|
| Net income from continuing operations | \$ 96.3 | \$ 128.5 | \$ 154.2 | \$ 132.1 | \$ 511.1 |
| Adjustments: | | | | | |
| Deal-related costs and expenses | 0.8 | — | — | — | 0.8 |
| Restructuring and other | 16.7 | 2.9 | 0.6 | 1.6 | 21.8 |
| Transformation costs | 6.4 | 8.5 | 6.0 | 13.5 | 34.4 |
| Intangible amortization | 21.1 | 13.8 | 13.9 | 13.8 | 62.6 |
| Legal accrual adjustments and settlements | 0.4 | (1.9) | 4.1 | — | 2.6 |
| Asset impairment and write-offs | 25.6 | 3.9 | 0.5 | 1.8 | 31.8 |
| Pension and other post-retirement mark-to-market gain | (17.5) | — | — | — | (17.5) |
| Russia business impact | (0.4) | — | — | — | (0.4) |
| Net interest expense | 27.6 | 32.4 | 31.8 | 27.5 | 119.3 |
| Other expense (income) | 0.7 | 0.9 | (4.2) | 1.0 | (1.6) |
| Provision for income taxes | 5.1 | 22.0 | 27.3 | 20.8 | 75.2 |
| Segment income | \$ 182.8 | \$ 211.0 | \$ 234.2 | \$ 212.1 | \$ 840.1 |
| Adjustments: | | | | | |
| Depreciation | 14.2 | 14.7 | 14.7 | 14.9 | 58.5 |
| Adjusted EBITDA | \$ 197.0 | \$ 225.7 | \$ 248.9 | \$ 227.0 | \$ 898.6 |