



# Q4 2024 EARNINGS RELEASE

FEBRUARY 4, 2025



# 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 sustainability goals and targets.

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, 2023. 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

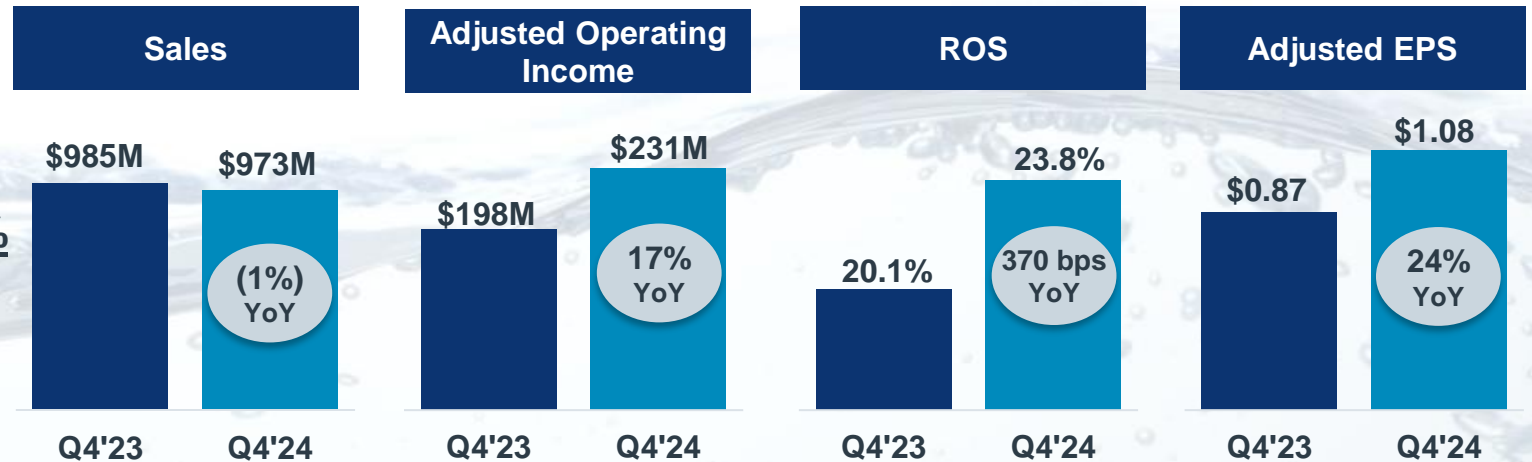
- Except as otherwise noted, our results represent continuing operations for the period indicated, are presented on an adjusted basis
- Core sales refers to GAAP net sales from continuing operations excluding: (1) the impact of currency translation and (2) the impact of net sales from acquired businesses 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 discontinued or divested product lines not considered discontinued operations
- Reportable segment income ("segment income") represents operating income of each reportable segment inclusive of equity income of unconsolidated subsidiaries and exclusive of non-cash intangible amortization, certain acquisition related expenses, costs of transformation and restructuring activities, impairments, and other unusual non-operating items
- Adjusted operating income represents consolidated operating income inclusive of equity income of unconsolidated subsidiaries and exclusive of non-cash intangible amortization, certain acquisition related expenses, costs of transformation and restructuring activities, impairments, and other unusual non-operating items
- Earnings before interest, taxes, depreciation and amortization ("EBITDA") represents adjusted operating income plus depreciation
- Adjusted return on sales ("ROS") equals segment income divided by net sales or, on a consolidated basis, adjusted operating income divided by total net sales
- Results of Transformation initiatives reflected in Price column in Sales walks and Vol/Price/Acq./Div. and Productivity columns in Adjusted Operating Income and Segment Income walks; Mix and impact of discontinued or divested product lines included in Vol/Price/Acq./Div. column
- See appendix for GAAP to non-GAAP reconciliations

# Executive Summary – Q4'24

## Our Balanced Water Portfolio Delivered Record\* Q4 Adjusted Operating Income and ROS

### ✓ Q4'24 Performance:

- Sales down 1%
- Adjusted Operating Income up 17%
- ROS expanded 370 bps
- Adjusted EPS increased 24%



- ✓ Solid execution on Transformation initiatives and early 80/20 progress continued to drive operational efficiencies resulting in triple-digit margin expansion; this marks the 11<sup>th</sup> consecutive quarter of year-over-year margin growth
- ✓ All three segments including Flow, Water Solutions and Pool delivered triple-digit margin expansion
- ✓ Adjusted Operating Income rose 17% and Adjusted EPS increased 24% amidst a challenging macro environment

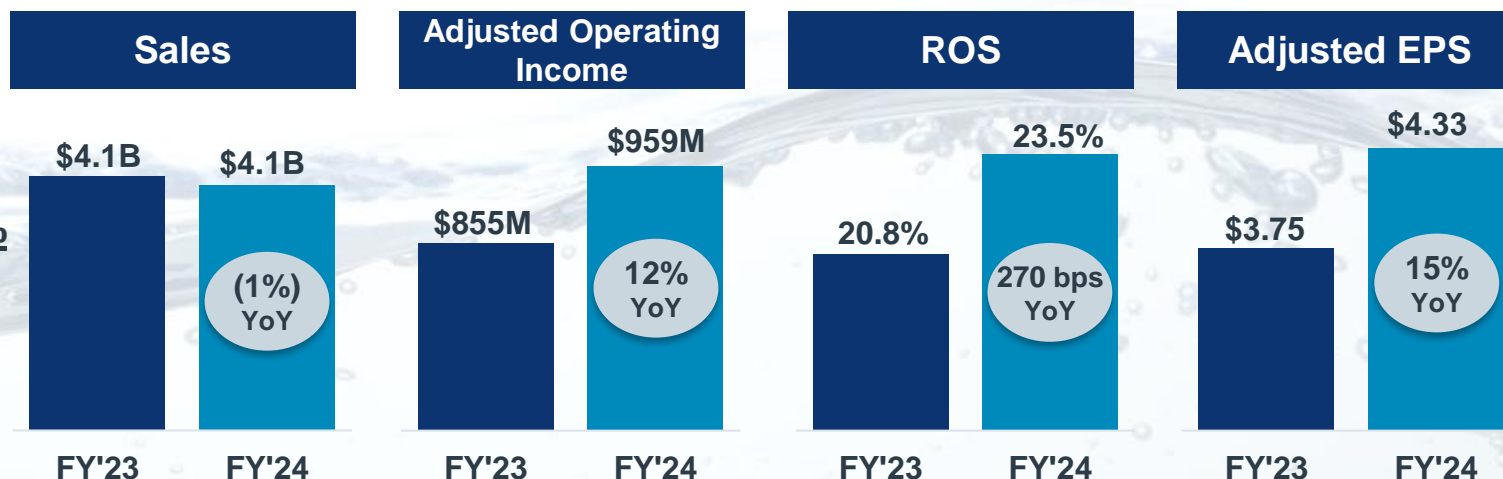
\*Record results refer to fourth quarter periods post the nVent separation from Pentair in 2018.

# Executive Summary – FY'24

Resilient Water Portfolio Led to Record\* Adjusted Operating Income, ROS and Adjusted EPS

## ✓ FY'24 Performance:

- Sales down 1%
- Adjusted Operating Income up 12%
- ROS expanded 270 bps
- Adjusted EPS increased 15%



- ✓ Solid execution on Transformation and early 80/20 progress continued to drive operational efficiencies
- ✓ ROS expanded to a record\* 23.5% including record\* ROS across all three segments
- ✓ Record\* free cash flow of \$693 million and balanced capital deployment
- ✓ Introducing FY'25 adjusted EPS guidance range of ~\$4.65 to \$4.80, an increase of ~9% at the midpoint
- ✓ 2025 marks the 49<sup>th</sup> consecutive year of increased dividends, rate increase of ~9%; dividend aristocrat

\*Record results refer to period post the nVent separation from Pentair in 2018.

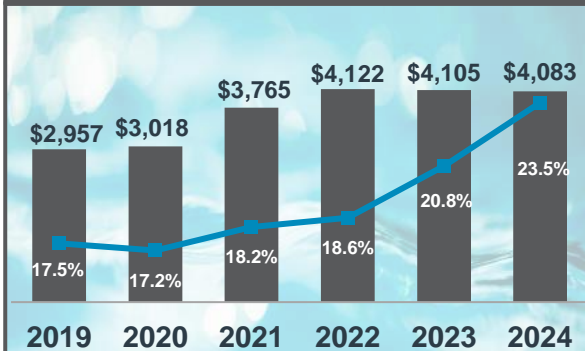


# Pentair's Multi-Year Performance

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



## Smart, Sustainable, Water Solutions



Long-Term Sales Growth Rate

**MSD**

We help the world sustainably move, improve and enjoy water, life's most essential resource



## MOVE Water



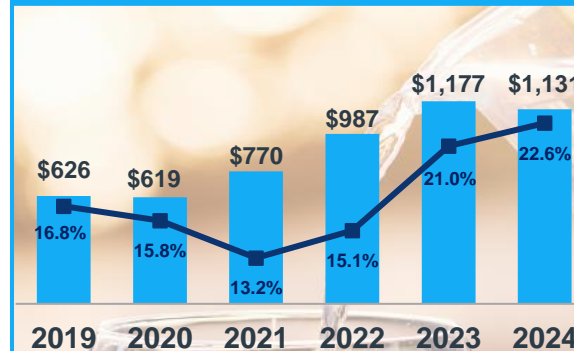
Long-Term Sales Growth Rate

**LSD+**

Delivering water where it's needed, when it's needed, more efficiently and transforming waste into value



## IMPROVE Water



Long-Term Sales Growth Rate

**MSD**

Providing great tasting, higher-quality water and ice while helping people use water more productively



## ENJOY Water



Long-Term Sales Growth Rate

**MSD+**

Innovative, energy efficient pool solutions to help people more sustainably enjoy water

□ Sales (\$ millions) — ROS %

# Balanced & Resilient Water Portfolio

**\$1.5B in Sales**  
**~21% ROS**

**MOVE Water**



**\$1.1B in Sales**  
**~23% ROS**

**IMPROVE Water**



**\$1.4B in Sales**  
**~33% ROS**

**ENJOY Water**

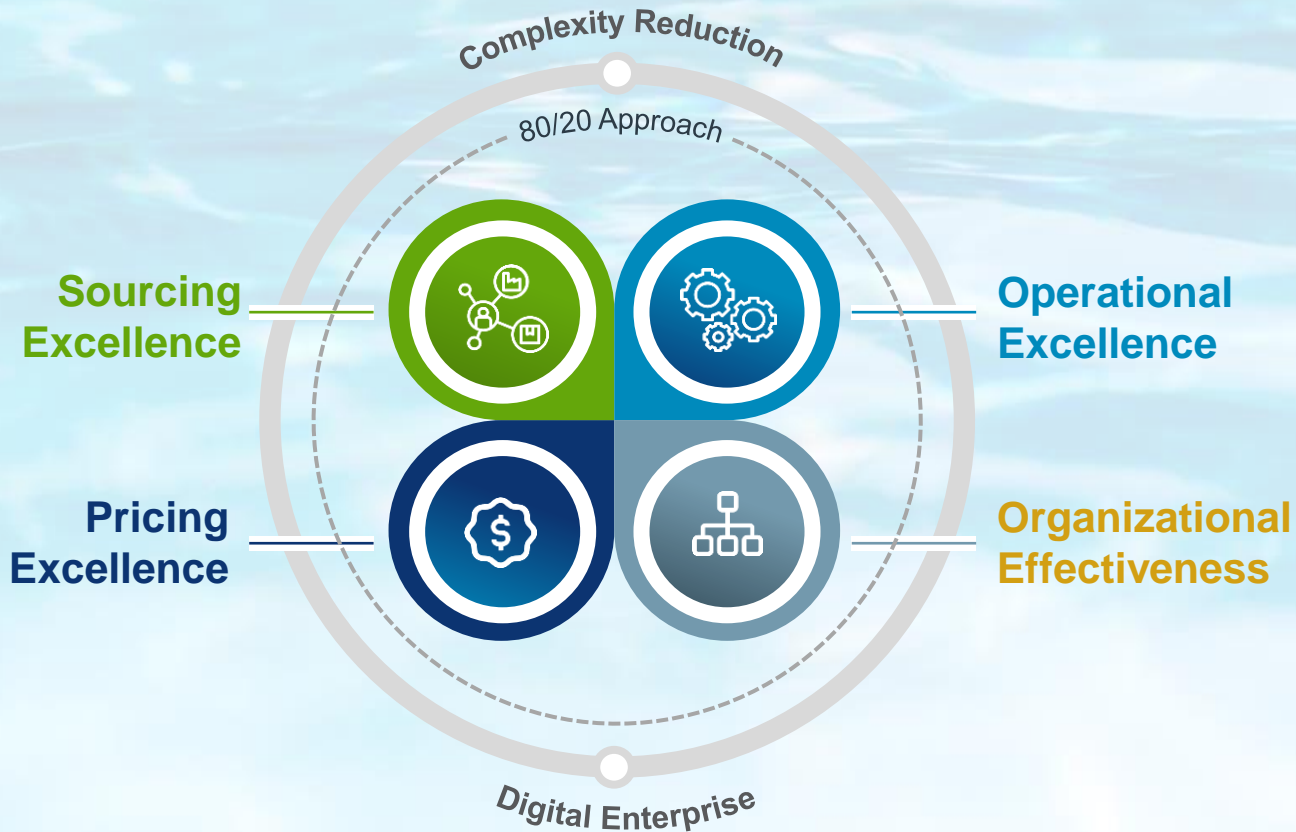


**Helping the World Sustainably Move, Improve and Enjoy Water, Life's Most Essential Resource**

*Note: Sales and ROS reflect 2024 performance.*

# Transformation and 80/20 Update

## Pentair Business System



## 80/20 ACCELERATING TRANSFORMATION

- Focus on reducing complexity, streamlining operational efficiencies and driving core growth with key customers and products
- Quad 1 and Quad 4 actions started in 2024 across all segments

## DRIVING MARGIN PERFORMANCE

- Transformation initiatives have driven strong margin expansion in FY'24; over \$100M delivered in productivity savings (net of investments)
- Expect to deliver ~\$80M in Transformation and 80/20 savings, net of investments in FY'25

## LONG-TERM GROWTH EXPECTATIONS

- 80/20 results expected to drive long-term **core growth and profitability**



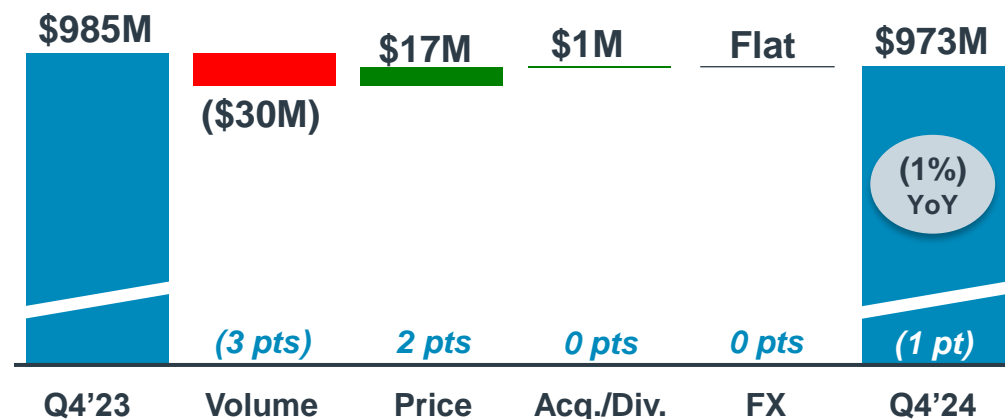
# Key Takeaways

- 1 Transformation and solid execution delivered record\* Adjusted Operating Income, ROS and adjusted EPS in 2024**
- 2 Record\* Free Cash Flow of \$693 million and balanced capital deployment**
- 3 80/20 expected to be an accelerator to more focused, profitable growth in FY'25**
- 4 Introducing FY'25 adjusted EPS guidance range of ~\$4.65 to \$4.80, up ~9% (midpoint)**
- 5 Expect to be well-positioned to capture opportunities from favorable secular trends**

\*Record results refer to period post the nVent separation from Pentair in 2018.

# Q4'24 Pentair Performance

## Sales

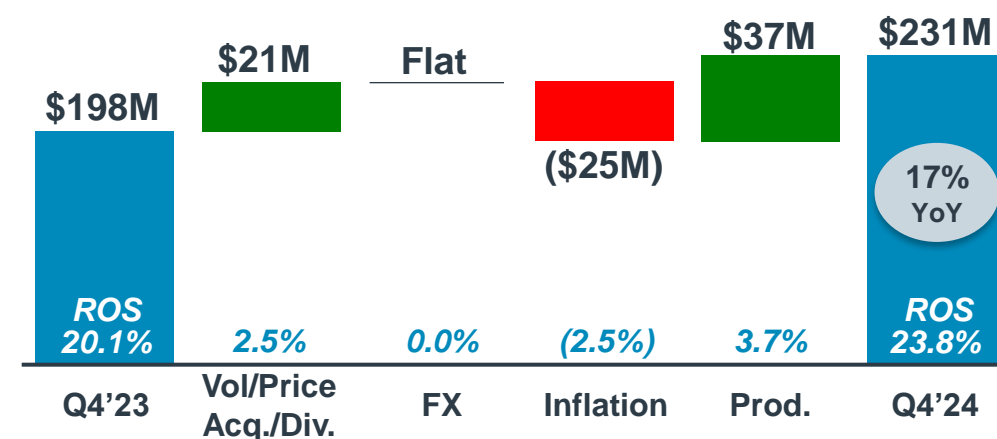


**Total Sales down 1%**

**Core Sales down 1%**

- Flow down 5%
- Water Solutions down 4%
- Pool up 4%

## Adjusted Operating Income



**Adjusted Operating Income up 17%**

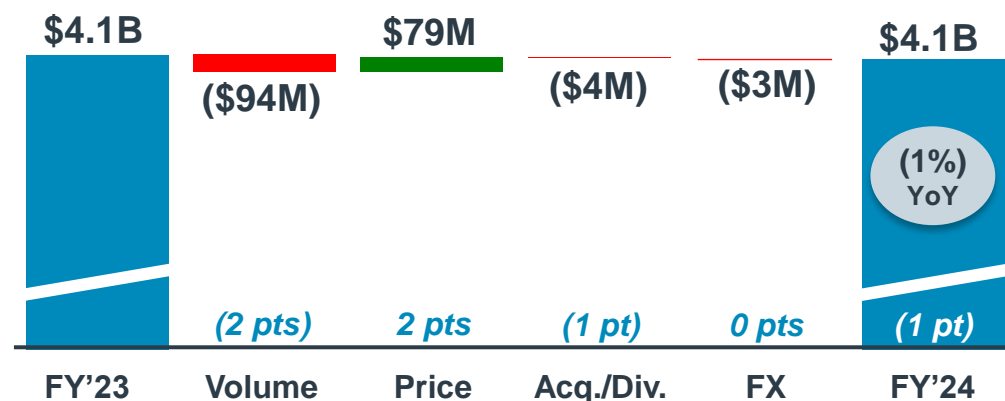
**ROS 23.8% ... up 370 bps**

**Adjusted EPS \$1.08 ... up 24%**

- Adjusted Tax Rate of 16.5%
- Net Interest expense of \$16M;  
Shares 166.8M

# FY'24 Pentair Performance

## Sales

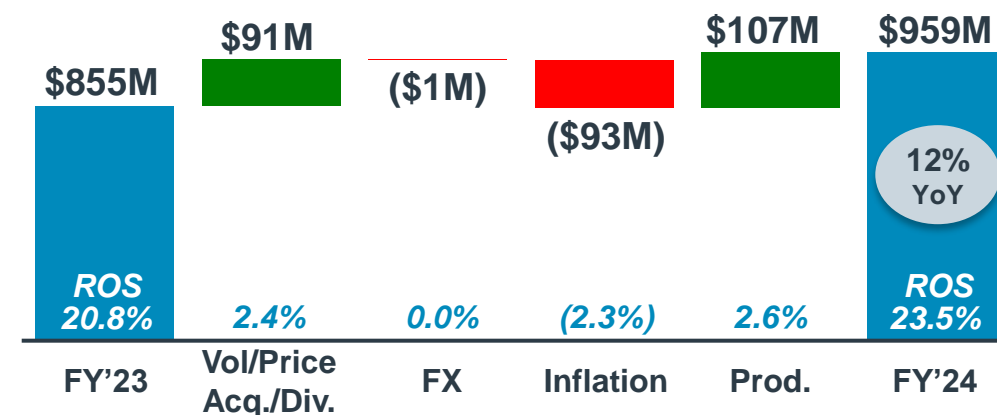


**Total Sales down 1%**

**Core Sales flat**

- Flow down 4%
- Water Solutions down 4%
- Pool up 7%

## Adjusted Operating Income



**Adjusted Operating Income up 12%**

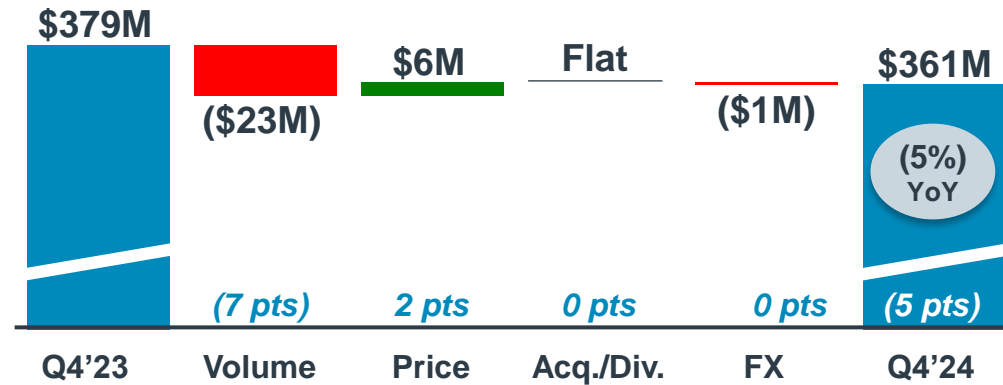
**ROS 23.5% ... up 270 bps**

**Adjusted EPS \$4.33 ... up 15%**

- Adjusted Tax Rate of 16.5%
- Net Interest expense of \$92M;  
Shares 167.1M

# Q4'24 Flow Performance

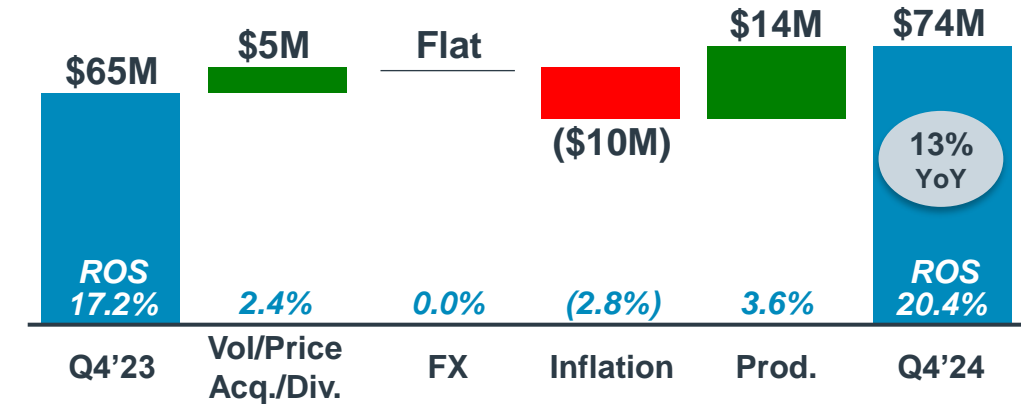
## Sales



## Flow

- Residential sales down 11%
- Commercial sales up 7%
- Industrial Solutions sales down 8%

## Segment Income



## Segment Income up 13%

## ROS 20.4% ... up 320 bps

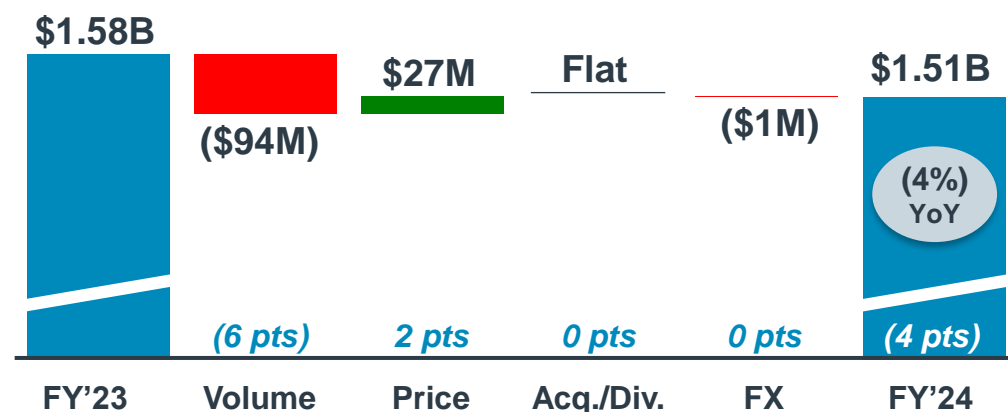
- Transformation continued to drive strong ROS expansion

Note: Not included in Segment Income is non-cash amortization of \$1M in Q4'23 and Q4'24.



# FY'24 Flow Performance

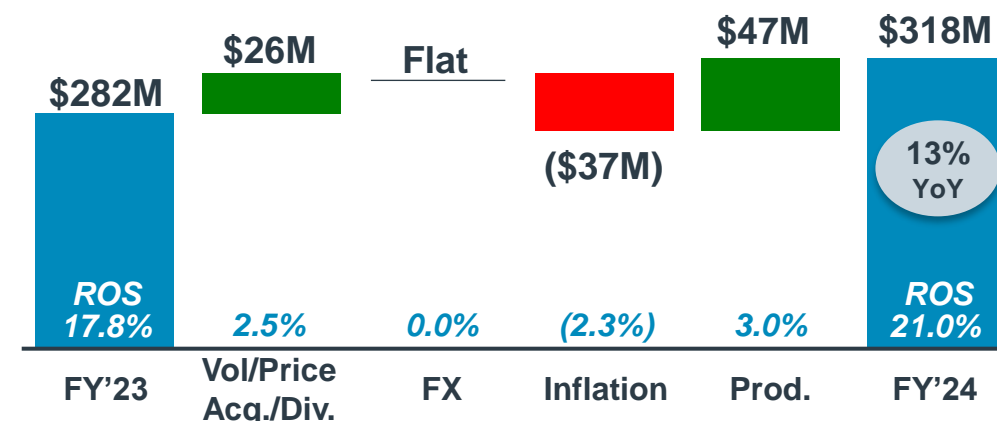
## Sales



## Flow

- Residential sales down 11%
- Commercial sales up 5%
- Industrial Solutions sales down 4%

## Segment Income



## Segment Income up 13%

## ROS 21.0% ... up 320 bps

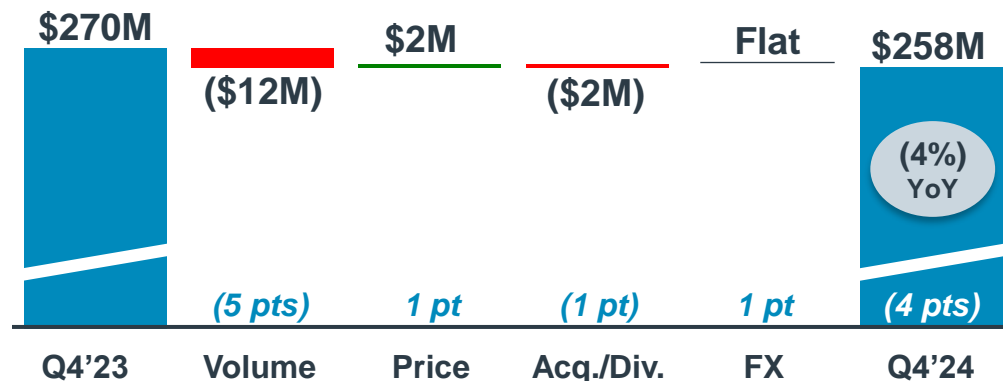
- Transformation drove triple-digit margin expansion and record\* annual ROS

\* Record results reflect period post the nVent separation from Pentair in 2018

Note: Not included in Segment Income is non-cash amortization of \$5M in FY'23 and FY'24.

# Q4'24 Water Solutions Performance

## Sales



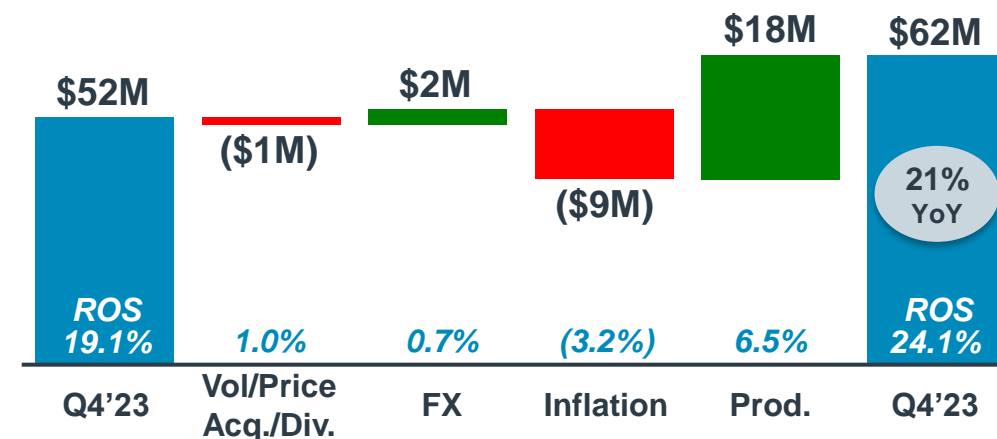
## Commercial

- Sales down 5%

## Residential

- Sales down 3%

## Segment Income



## Segment Income up 21%

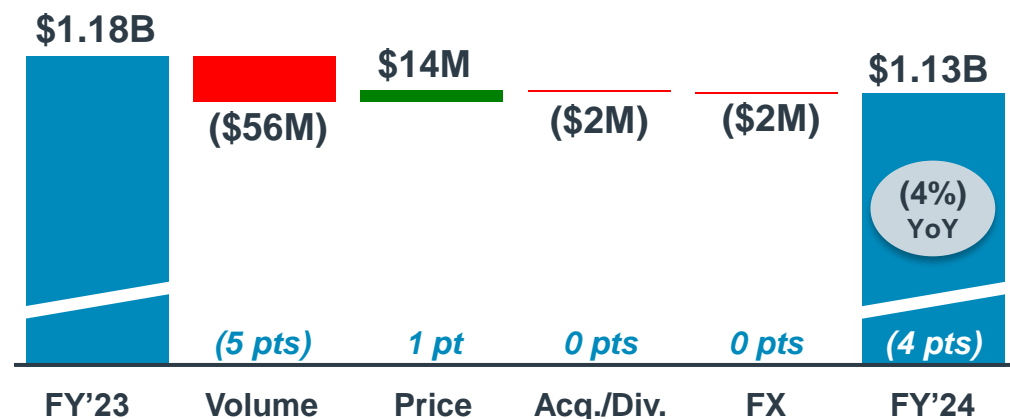
## ROS 24.1% ... up 500 bps

- Transformation delivered significant margin expansion

Note: Not included in Segment Income is non-cash amortization of \$11M in Q4'23 and Q4'24.

# FY'24 Water Solutions Performance

## Sales



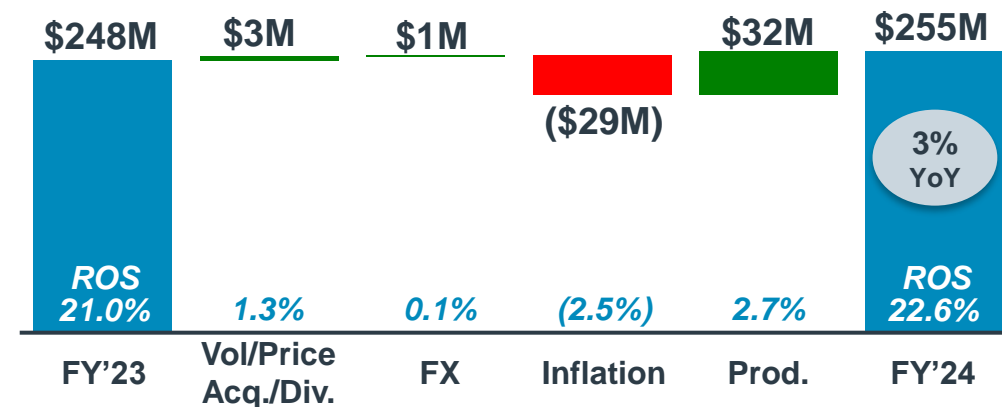
### Commercial

- Sales down 5%

### Residential

- Sales down 3%

## Segment Income



### Segment Income up 3%

### ROS 22.6% ... up 160 bps

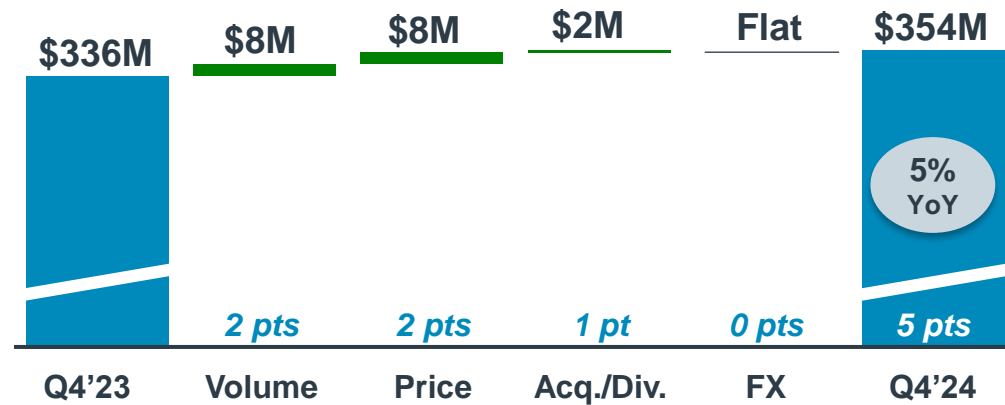
- Triple-digit margin expansion and record\* annual ROS driven by Transformation

\*Record results refer to period post the nVent separation from Pentair in 2018.

Note: Not included in Segment Income is non-cash amortization of \$44M in FY'23 and \$43M in FY'24.

# Q4'24 Pool Performance

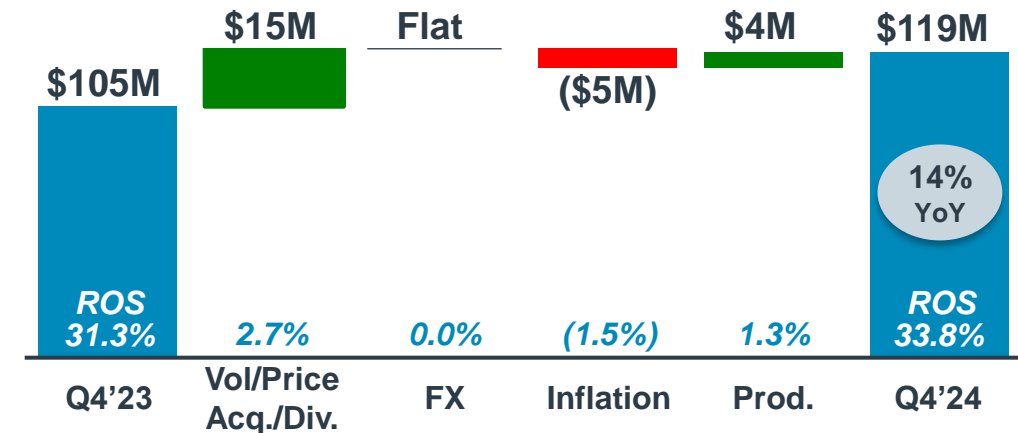
## Sales



## Pool

- Returned to a more normal operating environment

## Segment Income



## Segment Income up 14%

## ROS 33.8% ... up 250 bps

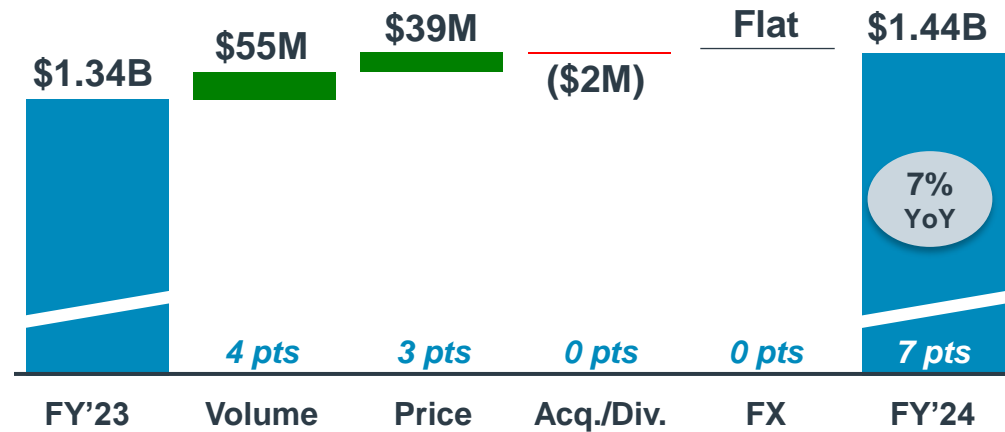
- Growth and Transformation drove triple-digit margin expansion

Note: Not included in Segment Income is non-cash amortization of \$2M in Q4'23 and Q4'24.



# FY'24 Pool Performance

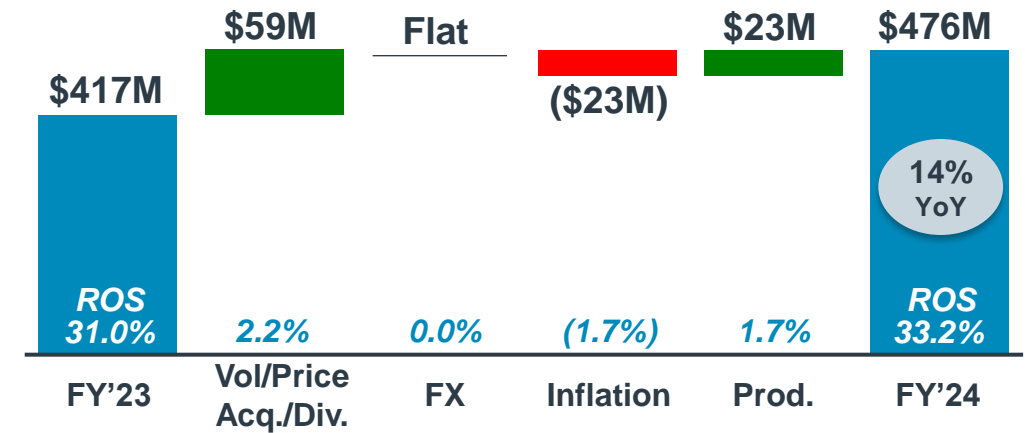
## Sales



## Pool

- Strong growth driven by volume and price

## Segment Income



## Segment Income up 14%

## ROS 33.2% ... up 220 bps

- Growth and Transformation drove triple-digit margin expansion and record\* annual ROS

\*Record results refer to period post the nVent separation from Pentair in 2018.

Note: Not included in Segment Income is non-cash amortization of \$6M in FY'23 and FY'24.

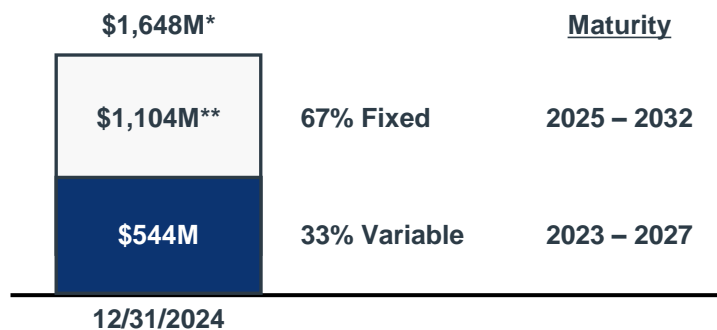
# Transformation Initiatives and 80/20

Expect ~26% ROS by 2026 vs. 24%; Expect to Protect Income Despite Deferred Residential Recovery



# Balance Sheet and Cash Flow

## Debt Summary



\*Does Not Include \$119M of Cash on Hand

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

## Debt Roll-Forward (\$M)

	12/31/2024	12/31/2023
<b>Beginning Debt</b>	<b>\$1,988</b>	<b>\$2,317</b>
Used (Generated) Cash	(693)	(549)
Share Repurchase	150	-
Dividends	152	145
Acquisitions/Other	51	75
<b>Ending Debt</b>	<b>\$1,648</b>	<b>\$1,988</b>

## Cash Flow (\$M)

	FY 2024	FY 2023
<b>Net Income – Continuing Ops</b>	<b>\$626</b>	<b>\$623</b>
Amortization	54	55
<b>Subtotal</b>	<b>\$680</b>	<b>\$678</b>
Depreciation	60	60
Capital Expenditures	(74)	(76)
Asset Sales	1	6
Working Capital	39	10
Other Accruals/Other	(13)	(129)
<b>Free Cash Flow – Total</b>	<b>\$693</b>	<b>\$549</b>
Free Cash Flow – Discontinued Ops	-	(1)
<b>Free Cash Flow – Continuing Ops</b>	<b>\$693</b>	<b>\$550</b>

## Other Items

- Net Debt/EBITDA of 1.5x
- ROIC of 15.5% (targeting high-teens longer-term)

# Q1 and Full Year 2025 Pentair Outlook & Expectations

- Balanced water portfolio and focused growth strategy
- Introducing FY'25 adjusted EPS guidance range of ~\$4.65 to \$4.80, growth of ~9% at the midpoint
- Strong execution across all three segments
- Transformation initiatives and 80/20 drive further margin expansion
- Balanced capital allocation strategy to drive optimized shareholder returns
- Well-positioned to capture secular water trends
- Confident in our long-term value creation

	Q1'25	FY'25
Sales	• Total Sales down ~3% to 4% (\$975M to \$985M)	• Total Sales flat to up ~2% (inc. FX headwinds) (Flow up slightly, WS down ~LSD to flat, Pool up ~4-5%)
Income	• Adjusted Operating Income up ~3% to 5%	• Adjusted Operating Income up ~6% to 9%
Adj. EPS	• Adjusted EPS ~\$1.00 to \$1.02 (Up ~6% to 9%)	• Adjusted EPS of ~\$4.65 to \$4.80 (Up ~7% to 11%)
Other Items	• Corp. Expense ~\$29M • Net Interest ~\$24M • Adjusted Tax Rate of ~17% • Shares ~167M	• Corp. Expense ~\$85M • Net Interest ~\$80M • Adjusted Tax Rate of ~17% • Shares ~166.5M
Cash Flow		• Targeting FCF = 100% of Net Income • Capital Expenditures ~\$80M • D&A of ~\$115M and ~\$35M of Non-Cash Stock Comp
EBITDA		• EBITDA ~\$1.1 billion at midpoint



# FY'25 Guidance at Midpoint\*

## Sales

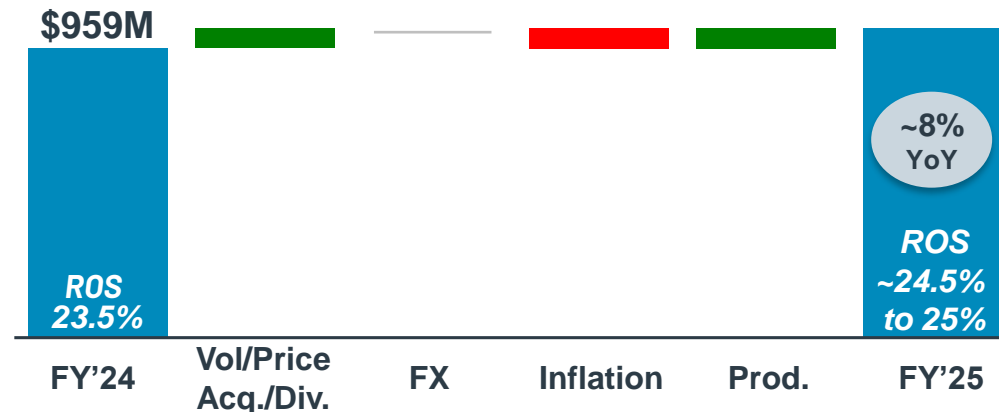


## Total Pentair growth flat to up ~2%

*Includes FX headwinds (~1pt)*

- Flow up slightly; WS down ~LSD to flat; Pool up ~4% to 5%
  - **Flow:** Resi ~flat, Industrial down ~LSD, Commercial up ~LSD
  - **WS:** Resi down ~LSD-MSD, Commercial up ~LSD
  - **Pool:** New/Remodel and Aftermarket each up ~LSD plus ~2% growth from recently completed acquisition
- Expect continued macroeconomic and geopolitical uncertainty entering FY'25
- Cautiously optimistic of an improving Residential end market in 2H'25

## Adjusted Operating Income



## Adjusted Operating Income up ~8% at midpoint; ROS ~24.5% to ~25%

- Price to offset inflation
- Transformation and 80/20 to drive margin expansion; expect productivity savings of ~\$80M

\*Guidance ties to the midpoint of our \$4.65 to \$4.80 full year 2025 Adjusted EPS guide range

# 2024 Reflection

## Delivered Record\* Earnings in FY'24 Driven by Solid Execution and Transformation

- 1 Solid execution across our balanced water portfolio and Transformation drove significant margin expansion despite continued macroeconomic headwinds
- 2 Performance accountability across the organization drove results
- 3 Solid balance sheet and record\* free cash flow generation
- 4 Disciplined and balanced capital allocation strategy expected to drive shareholder returns; ROIC remains a top focus
- 5 Believe we are well-positioned to drive long-term growth and profitability

\*Record results refer to period post the nVent separation from Pentair in 2018.

# We Believe Pentair Is a Compelling Investment Opportunity



An industry leader with a balanced, innovative water portfolio



Transformation initiatives to drive operational efficiencies and margin expansion



Sustainability 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 – 49 consecutive years of dividend increases



# Appendix

GAAP TO NON-GAAP MEASUREMENTS & RECONCILIATIONS



# Reported To Adjusted 2024 Reconciliation

**Pentair plc and Subsidiaries**  
**Reconciliation of GAAP to Non-GAAP Financial Measures for the Year Ended December 31, 2024**  
**Excluding the Effect of 2024 Adjustments (Unaudited)**

<i>In millions, except per-share data</i>	<b>First Quarter</b>	<b>Second Quarter</b>	<b>Third Quarter</b>	<b>Fourth Quarter</b>	<b>Full Year</b>
Net sales	\$ 1,017.2	\$ 1,099.3	\$ 993.4	\$ 972.9	\$ 4,082.8
Operating income	180.8	248.0	179.9	195.1	803.8
Return on sales	17.8 %	22.6 %	18.1 %	20.1 %	19.7 %
Adjustments:					
Restructuring and other	4.6	5.9	23.4	3.1	37.0
Transformation costs	17.0	11.8	12.6	10.7	52.1
Intangible amortization	13.5	13.4	13.5	13.9	54.3
Legal accrual adjustments and settlements	(0.3)	(7.9)	0.7	—	(7.5)
Asset impairment and write-offs	0.8	—	8.5	8.3	17.6
Equity income of unconsolidated subsidiaries	0.9	0.2	0.6	0.2	1.9
Adjusted operating income	217.3	271.4	239.2	231.3	959.2
Adjusted return on sales	21.4 %	24.7 %	24.1 %	23.8 %	23.5 %
Net income from continuing operations—as reported	133.5	186.1	139.6	166.4	625.6
Pension and other post-retirement mark-to-market gain	—	—	—	(5.3)	(5.3)
Other (income) expense	—	—	(0.5)	0.1	(0.4)
Adjustments to operating income	35.6	23.2	58.7	36.0	153.5
Income tax adjustments	(11.3)	(5.4)	(15.4)	(17.6)	(49.7)
Net income from continuing operations—as adjusted	\$ 157.8	\$ 203.9	\$ 182.4	\$ 179.6	\$ 723.7
<b>Continuing earnings per ordinary share—diluted</b>					
Diluted earnings per ordinary share—as reported	\$ 0.80	\$ 1.11	\$ 0.84	\$ 0.99	\$ 3.74
Adjustments	0.14	0.11	0.25	0.09	0.59
Diluted earnings per ordinary share—as adjusted	\$ 0.94	\$ 1.22	\$ 1.09	\$ 1.08	\$ 4.33

# Reported To Adjusted 2023 Reconciliation

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

<i>In millions, except per-share data</i>	<b>First Quarter</b>	<b>Second Quarter</b>	<b>Third Quarter</b>	<b>Fourth Quarter</b>	<b>Full Year</b>
Net sales	\$ 1,028.6	\$ 1,082.5	\$ 1,008.8	\$ 984.6	\$ 4,104.5
Operating income	183.6	208.5	180.1	167.0	739.2
Return on sales	17.8 %	19.3 %	17.9 %	17.0 %	18.0 %
Adjustments:					
Restructuring and other	2.9	0.6	1.6	(1.7)	3.4
Transformation costs	8.5	6.0	13.5	16.3	44.3
Intangible amortization	13.8	13.9	13.8	13.8	55.3
Legal accrual adjustments and settlements	(1.9)	4.1	—	—	2.2
Asset impairment and write-offs	3.9	0.5	1.8	1.7	7.9
Equity income of unconsolidated subsidiaries	0.2	0.6	1.3	0.7	2.8
Adjusted operating income	211.0	234.2	212.1	197.8	855.1
Adjusted return on sales	20.5 %	21.6 %	21.0 %	20.1 %	20.8 %
Net income from continuing operations—as reported	128.5	154.2	132.1	208.1	622.9
Pension and other post-retirement mark-to-market loss	—	—	—	6.1	6.1
Other income	—	(5.1)	—	—	(5.1)
Adjustments to operating income	27.2	25.1	30.7	30.1	113.1
Income tax adjustments <sup>(1)</sup>	(4.6)	(3.1)	(6.6)	(98.5)	(112.8)
Net income from continuing operations—as adjusted	\$ 151.1	\$ 171.1	\$ 156.2	\$ 145.8	\$ 624.2
<b>Continuing earnings per ordinary share—diluted</b>					
Diluted earnings per ordinary share—as reported	\$ 0.78	\$ 0.93	\$ 0.79	\$ 1.25	\$ 3.75
Adjustments	0.13	0.10	0.15	(0.38)	—
Diluted earnings per ordinary share—as adjusted	\$ 0.91	\$ 1.03	\$ 0.94	\$ 0.87	\$ 3.75

<sup>(1)</sup> Income tax adjustments in the fourth quarter include \$74.3 million resulting from favorable impacts of worthless stock deductions related to exiting certain businesses in our Water Solutions segment and favorable discrete items primarily related to the recognition of deferred tax assets.

# 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>	<b>First Quarter</b>	<b>Second Quarter</b>	<b>Third Quarter</b>	<b>Fourth Quarter</b>	<b>Full Year</b>
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
Return on sales	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
Inventory step-up	—	—	5.8	—	5.8
Legal accrual adjustments and settlements	(0.7)	0.5	—	0.4	0.2
Asset impairment and write-offs	—	—	—	25.6	25.6
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
Adjusted operating income	172.1	205.9	206.9	182.8	767.7
Adjusted return on sales	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 2021 Reconciliation

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

<i>In millions, except per-share data</i>	<b>First Quarter</b>	<b>Second Quarter</b>	<b>Third Quarter</b>	<b>Fourth Quarter</b>	<b>Full Year</b>
Net sales	\$ 865.9	\$ 941.1	\$ 969.2	\$ 988.6	\$ 3,764.8
Operating income	157.1	161.8	167.3	150.7	636.9
<i>Return on sales</i>	18.1 %	17.2 %	17.3 %	15.2 %	16.9 %
Adjustments:					
Restructuring and other	1.5	3.9	0.1	2.0	7.5
Transformation costs	—	1.9	4.0	5.8	11.7
Intangible amortization	7.1	6.3	6.0	6.9	26.3
COVID-19 related costs and expenses	0.2	0.1	0.1	0.2	0.6
Legal accrual adjustments and settlements	(2.4)	—	—	(5.2)	(7.6)
Inventory step-up	—	—	—	2.3	2.3
Deal-related costs and expenses	0.7	1.0	2.1	4.1	7.9
Equity income (loss) of unconsolidated subsidiaries	0.2	(0.1)	0.1	0.1	0.3
Adjusted operating income	164.4	174.9	179.7	166.9	685.9
<i>Adjusted return on sales</i>	19.0 %	18.6 %	18.5 %	16.9 %	18.2 %
Net income from continuing operations—as reported	131.1	132.6	143.7	148.6	556.0
Gain on sale of businesses	—	—	(1.4)	—	(1.4)
Pension and other post-retirement mark-to-market gain	—	—	—	(2.4)	(2.4)
Other income	—	(0.3)	—	—	(0.3)
Adjustments to operating income	7.1	13.2	12.3	16.1	48.7
Income tax adjustments	(2.4)	(4.6)	(6.2)	(17.0)	(30.2)
Net income from continuing operations—as adjusted	\$ 135.8	\$ 140.9	\$ 148.4	\$ 145.3	\$ 570.4
<b>Continuing earnings per ordinary share—diluted</b>					
Diluted earnings per ordinary share—as reported	\$ 0.78	\$ 0.79	\$ 0.86	\$ 0.89	\$ 3.32
Adjustments	0.03	0.05	0.03	(0.02)	0.08
Diluted earnings per ordinary share—as adjusted	\$ 0.81	\$ 0.84	\$ 0.89	\$ 0.87	\$ 3.40

# Reported To Adjusted 2019-2020 Reconciliations

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

<i>In millions, except per-share data</i>	<b>2019</b>		<b>2020</b>	
Net sales	\$	2,957.2	\$	3,017.8
Operating income		432.5		461.4
<i>Return on sales</i>		14.6%		15.3%
Adjustments:				
Restructuring and other		21.0		15.4
Intangible amortization		31.7		28.4
COVID-19 related costs and expenses		-		10.4
Asset impairment		21.2		-
Inventory step-up		2.2		-
Deal-related costs and expenses		4.2		0.6
Equity income of unconsolidated subsidiaries		3.5		1.4
Adjusted operating income		516.3		517.6
<i>Adjusted return on sales</i>		17.5%		17.2%
Net income from continuing operations—as reported		361.7		357.1
(Gain) loss on sale of businesses		(2.2)		0.1
Pension and other post-retirement mark-to-market (gain) loss		(3.4)		6.7
Other income		-		(2.2)
Adjustments to operating income		80.3		54.8
Income tax adjustments		(31.4)		2.7
Net income from continuing operations—as adjusted	\$	405.0	\$	419.2
<b>Continuing earnings per ordinary share—diluted</b>				
Diluted earnings per ordinary share—as reported	\$	2.12	\$	2.13
Adjustments		0.26		0.37
Diluted earnings per ordinary share—as adjusted	\$	2.38	\$	2.50

# Segment Information

**Pentair plc and Subsidiaries**  
**Supplemental Financial Information by Reportable Segment (Unaudited)**

<i>In millions</i>	2024					2023				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
<b>Net sales</b>										
Flow	\$ 384.3	\$ 396.8	\$ 372.2	\$ 360.7	\$ 1,514.0	\$ 391.8	\$ 411.6	\$ 400.2	\$ 378.5	\$ 1,582.1
Water Solutions	273.1	310.5	289.5	257.9	1,131.0	272.0	336.2	299.4	269.6	1,177.2
Pool	359.5	391.5	331.4	353.7	1,436.1	364.3	334.3	308.8	336.2	1,343.6
Reportable segment net sales	1,016.9	1,098.8	993.1	972.3	4,081.1	1,028.1	1,082.1	1,008.4	984.3	4,102.9
Corporate and other	0.3	0.5	0.3	0.6	1.7	0.5	0.4	0.4	0.3	1.6
Net sales	\$ 1,017.2	\$ 1,099.3	\$ 993.4	\$ 972.9	\$ 4,082.8	\$ 1,028.6	\$ 1,082.5	\$ 1,008.8	\$ 984.6	\$ 4,104.5
<b>Reportable segment income (loss)</b>										
Flow	\$ 77.3	\$ 84.4	\$ 82.8	\$ 73.6	\$ 318.1	\$ 65.0	\$ 74.8	\$ 77.5	\$ 65.0	\$ 282.3
Water Solutions	55.6	72.9	64.4	62.2	255.1	52.4	74.8	68.8	51.6	247.6
Pool	110.8	133.6	112.7	119.4	476.5	116.2	105.1	90.6	105.1	417.0
Reportable segment income	243.7	290.9	259.9	255.2	1,049.7	233.6	254.7	236.9	221.7	946.9
Corporate and other	(26.4)	(19.5)	(20.7)	(23.9)	(90.5)	(22.6)	(20.5)	(24.8)	(23.9)	(91.8)
Adjusted operating income	\$ 217.3	\$ 271.4	\$ 239.2	\$ 231.3	\$ 959.2	\$ 211.0	\$ 234.2	\$ 212.1	\$ 197.8	\$ 855.1
<b>Return on sales</b>										
Flow	20.1 %	21.3 %	22.2 %	20.4 %	21.0 %	16.6 %	18.2 %	19.4 %	17.2 %	17.8 %
Water Solutions	20.4 %	23.5 %	22.2 %	24.1 %	22.6 %	19.3 %	22.2 %	23.0 %	19.1 %	21.0 %
Pool	30.8 %	34.1 %	34.0 %	33.8 %	33.2 %	31.9 %	31.4 %	29.3 %	31.3 %	31.0 %
Adjusted return on sales	21.4 %	24.7 %	24.1 %	23.8 %	23.5 %	20.5 %	21.6 %	21.0 %	20.1 %	20.8 %



# Core Sales Growth Reconciliation

**Pentair plc and Subsidiaries**  
**Reconciliation of Net Sales Growth to Core Net Sales Growth by Segment**  
**For the Quarter and Year Ended December 31, 2024 (Unaudited)**

	Q4 Net Sales Growth				Full Year Net Sales Growth			
	Core	Currency	Acq. / Div.	Total	Core	Currency	Acq. / Div.	Total
<b>Total Pentair</b>	<b>(1.2)%</b>	<b>(0.1)%</b>	<b>0.1 %</b>	<b>(1.2)%</b>	<b>(0.4)%</b>	<b>— %</b>	<b>(0.1)%</b>	<b>(0.5)%</b>
Flow	(4.5) %	(0.2) %	— %	(4.7) %	(4.3) %	— %	— %	(4.3) %
Water Solutions	(3.8) %	0.1 %	(0.6) %	(4.3) %	(3.6) %	(0.2) %	(0.1) %	(3.9) %
Pool	4.5 %	— %	0.7 %	5.2 %	7.0 %	0.1 %	(0.2) %	6.9 %

# Free Cash Flow Reconciliation

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

<i>In millions</i>	<b>Years ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Net cash provided by operating activities of continuing operations	\$ 766.9	\$ 620.8
Capital expenditures	(74.4)	(76.0)
Proceeds from sale of property and equipment	0.6	5.6
<b>Free cash flow from continuing operations</b>	<b>\$ 693.1</b>	<b>\$ 550.4</b>
Net cash used for operating activities of discontinued operations	(0.2)	(1.6)
<b>Free cash flow</b>	<b>\$ 692.9</b>	<b>\$ 548.8</b>

# ROIC Reconciliation

**Pentair plc and Subsidiaries**  
**Return on Invested Capital (ROIC) (Unaudited)**

	<b>Fourth Quarter 2023</b>	<b>First Quarter 2024</b>	<b>Second Quarter 2024</b>	<b>Third Quarter 2024</b>	<b>Fourth Quarter 2024</b>
<i>Dollars in millions</i>					
Adjusted operating income	\$ 197.8	\$ 217.3	\$ 271.4	\$ 239.2	\$ 231.3
Reported effective tax rate	(55.3)%	13.0 %	15.8 %	12.9 %	9.8 %
Adjusted effective tax rate	14.4 %	16.5 %	16.5 %	16.5 %	16.5 %
NOPAT	\$ 169.3	\$ 181.4	\$ 226.6	\$ 199.7	\$ 193.1
Depreciation	15.2	14.9	15.5	14.9	15.0
Capital expenditures ("Cap Ex")	(21.2)	(19.3)	(17.0)	(15.4)	(22.7)
Total NOPAT, depreciation, and Cap Ex	\$ 163.3	\$ 177.0	\$ 225.1	\$ 199.2	\$ 185.4
Trailing four quarter NOPAT, depreciation, and Cap Ex	\$ 711.6	\$ 711.1	\$ 741.2	\$ 764.6	\$ 786.7
Ending invested capital	5,035.1	5,302.4	4,974.5	4,909.1	5,092.2
Trailing five quarter average invested capital	4,987.9	5,065.1	5,023.6	5,023.7	5,062.7
After-tax Return on Invested Capital	14.3 %	14.0 %	14.8 %	15.2 %	15.5 %

*NOPAT (net operating profit after tax) is defined as [(adjusted operating 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]*

# 2024 EBITDA Reconciliation

**Pentair plc and Subsidiaries**  
**Reconciliation of Net Income from Continuing Operations to EBITDA**  
**for the Year Ended December 31, 2024 (Unaudited)**

<i>In millions</i>		<b>FY 2024</b>
Net income from continuing operations	\$	625.6
Adjustments:		
Restructuring and other		37.0
Transformation costs		52.1
Intangible amortization		54.3
Legal accrual adjustments and settlements		(7.5)
Asset impairment and write-offs		17.6
Pension and other post-retirement mark-to-market gain		(5.3)
Net interest expense		88.6
Other expense		3.5
Provision for income taxes		93.3
Adjusted operating income	\$	959.2
Adjustments:		
Depreciation		60.3
EBITDA	\$	1,019.5

# Reported To Adjusted 2025 Reconciliation

**Pentair plc and Subsidiaries**  
**Reconciliation of the GAAP Year Ending December 31, 2025 to the Non-GAAP**  
**Excluding the Effect of 2025 Adjustments (Unaudited)**

	Forecast			
	First Quarter		Full Year	
<i>In millions, except per-share data</i>				
Net sales	approx	Down 3% - 4%	approx	Flat - Up 2%
Operating income	approx	Up 16% - 18%	approx	Up 19% - 23%
Adjustments:				
Intangible amortization	approx \$	14	approx \$	55
Equity income of unconsolidated subsidiaries	approx	1	approx	4
Adjusted operating income	approx	Up 3% - 5%	approx	Up 6% - 9%
Net income from continuing operations—as reported	approx	\$155 - \$158	approx	\$726 - \$751
Adjustments to operating income	approx	14	approx	55
Income tax adjustments	approx	(2)	approx	(9)
Net income from continuing operations—as adjusted	approx	\$167 - \$170	approx	\$772 - \$797
<b>Continuing earnings per ordinary share—diluted</b>				
Diluted earnings per ordinary share—as reported	approx	\$0.93 - \$0.95	approx	\$4.37 - \$4.52
Adjustments	approx	0.07	approx	0.28
Diluted earnings per ordinary share—as adjusted	approx	\$1.00 - \$1.02	approx	\$4.65 - \$4.80

# 2025 EBITDA Reconciliation

**Pentair plc and Subsidiaries**  
**Reconciliation of Net Income from Continuing Operations to EBITDA**  
**for the Year Ending December 31, 2025 (Unaudited)**

<i>In millions</i>	<b>Full Year at Midpoint of Outlook</b>	
Net income from continuing operations	approx \$	739
Adjustments:		
Intangible amortization	approx	55
Net interest expense	approx	80
Provision for income taxes	approx	166
Adjusted operating income	approx \$	1,040
Adjustments:		
Depreciation	approx	60
EBITDA	approx \$	1,100