



News Release

Pentair Reports Strong Second Quarter 2024 Results

- Sales of \$1.1 billion, up 2 percent compared to sales for the same period last year
- Operating income increased 19 percent to \$248 million when compared to the second quarter of 2023 reflecting ROS of 22.6 percent, an increase of 330 basis points; on an adjusted basis, ROS expanded 310 basis points to 24.7 percent
- GAAP EPS increased 19 percent to \$1.11 when compared to the prior year period and adjusted EPS rose 18 percent to \$1.22
- Net cash provided by operating activities of continuing operations was \$539 million, an increase of \$93 million compared to the same period last year, and free cash flow provided by continuing operations for the quarter was \$522 million, an increase of \$90 million compared to the same period last year.
- The company updates its full year 2024 GAAP EPS guidance to approximately \$3.81 and on an adjusted basis to approximately \$4.25

Reconciliations of GAAP to Non-GAAP measures are in the attached financial tables.

LONDON, United Kingdom — July 23, 2024 — Pentair plc (NYSE: PNR), a leader in helping the world sustainably move, improve and enjoy water, life’s most essential resource, today announced second quarter 2024 sales of \$1.1 billion. Sales were up 2 percent compared to sales for the same period last year. Excluding currency translation, acquisitions and divestitures, core sales grew 2 percent in the second quarter. Second quarter 2024 earnings per diluted share from continuing operations (“EPS”) were \$1.11 compared to \$0.93 in the second quarter of 2023. On an adjusted basis, the company reported second quarter 2024 EPS of \$1.22 compared to \$1.03 in the second quarter of 2023. Adjusted operating income, reportable segment income, adjusted net income, free cash flow and adjusted EPS are described in the attached schedules.

John L. Stauch, Pentair’s President and Chief Executive Officer commented, “We delivered a strong second quarter driven by continued execution across our balanced water portfolio. Our pool segment returned to sales growth and all three of our segments drove significant margin expansion due primarily to strong productivity in Transformation. I’m equally excited about the early stages of our 80/20 analysis which provides further confidence in our long-term growth and margin targets that we introduced at our March Investor Day. During the quarter, we delivered strong free cash flow which we deployed to further strengthen our balance sheet, restart our share repurchases and pay a dividend. As a dividend aristocrat, we have increased our dividend for 48 consecutive years. I want to thank all of our employees for their continued commitment towards delivering for our customers and creating value for our shareholders.”

Second quarter 2024 operating income was \$248 million, up 19 percent compared to operating income for the second quarter of 2023, and return on sales (“ROS”) was 22.6 percent, an increase of 330 basis points when compared to the second quarter of 2023. On an adjusted basis, the company had adjusted operating income of \$271 million for the second quarter of 2024, up 16 percent compared to adjusted operating income for the second quarter of 2023, and ROS was 24.7 percent, an increase of 310 basis points when compared to the second quarter of 2023.

Flow sales were down 4 percent compared to sales for the same period last year. Excluding currency translation, acquisitions and divestitures, core sales declined 3 percent in the second quarter. Reportable segment income of \$84 million was up 13 percent compared to the second quarter of 2023, and ROS was 21.3 percent, an increase of 310 basis points when compared to the second quarter of 2023.

Water Solutions sales were down 8 percent compared to sales for the same period last year. Excluding currency translation, acquisitions and divestitures, core sales declined 7 percent in the second quarter. Reportable segment income of \$73 million was

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down 3 percent compared to the second quarter of 2023, and ROS was 23.5 percent, an increase of 130 basis points when compared to the second quarter of 2023.

Pool sales were up 17 percent compared to sales for the same period last year. Excluding currency translation, acquisitions and divestitures, core sales grew 18 percent in the second quarter. Reportable segment income of \$134 million was up 27 percent compared to the second quarter of 2023, and ROS was 34.1 percent, an increase of 270 basis points when compared to the second quarter of 2023.

Net cash provided by operating activities of continuing operations was \$539 million for the quarter compared to \$447 million in the second quarter of 2023. Free cash flow provided by continuing operations for the quarter was \$522 million compared to \$433 million in the second quarter of 2023.

Pentair paid a regular cash dividend of \$0.23 per share in the second quarter of 2024. Pentair previously announced on May 6, 2024 that it will pay a regular quarterly cash dividend of \$0.23 per share on August 2, 2024 to shareholders of record at the close of business on July 19, 2024. This year marks the 48th consecutive year that Pentair has increased its dividend.

During the second quarter, we repurchased 0.6 million of our ordinary shares for \$50 million. As of June 30, 2024, we had \$550 million available for share repurchases under our share repurchase authorization.

OUTLOOK

Mr. Stauch concluded, “We are introducing third quarter guidance and updating our full year outlook. We expect stronger margin expansion than we previously guided despite continued global macroeconomic and geopolitical uncertainty which is pressuring sales in the second half of 2024. We are confident in our Transformation and 80/20 initiatives and expect them to drive strategic decisions and operational efficiencies across our balanced water portfolio. We continue to focus on investing in the long-term growth of Pentair and remain confident in our resilient strategy and capital allocation priorities to drive long-term value creation. As a leader in helping the world sustainably move, improve and enjoy water, life’s most essential resource, we are well positioned to capture opportunities from favorable secular trends such as water availability, increased awareness of water challenges, aging commercial, public and municipal infrastructure, outdoor healthy living and favorable housing migration.”

The company updates its estimated 2024 GAAP EPS from continuing operations to approximately \$3.81 and updates its guidance on an adjusted EPS basis to approximately \$4.25. This is an increase of approximately 13 percent compared to 2023. The Company anticipates full year 2024 sales to be roughly flat to down 1 percent on a reported basis.

In addition, the company introduces third quarter 2024 GAAP EPS from continuing operations guidance of approximately \$0.99 to \$1.01 and on an adjusted EPS basis of approximately \$1.06 to \$1.08. This is an increase of approximately 13 percent to 15 percent compared to the prior year period. The company expects third quarter sales to be down approximately 2 percent to 3 percent on a reported basis compared to the third quarter of 2023.

EARNINGS CONFERENCE CALL

Pentair President and Chief Executive Officer John L. Stauch and Chief Financial Officer Robert P. Fishman will discuss the company's second quarter 2024 results on a conference call with investors at 9:00 a.m. Eastern today. A live audio webcast of the call, along with the related presentation, can be accessed in the Investor Relations section of the Company's website, www.pentair.com, shortly before the call begins.

Reconciliations of non-GAAP financial measures are set forth in the attachments to this release and in the presentations, each of which can be found on Pentair's website. The webcast and presentations will be archived at the Company's website following the conclusion of the event.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

This release 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 environmental, social and governance ("ESG") 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 release. Pentair assumes no obligation, and disclaims any obligation, to update the information contained in this release.

ABOUT PENTAIR PLC

At Pentair, we help the world sustainably move, improve and enjoy water, life's most essential resource. From our residential and commercial water solutions, to industrial water management and everything in between, Pentair is a core large cap value equity stock focused on smart, sustainable water solutions that help our planet and people thrive.

Pentair had revenue in 2023 of approximately \$4.1 billion, and trades under the ticker symbol PNR. With approximately 10,500 global employees serving customers in more than 150 countries, we work to help improve lives and the environment around the world. To learn more, visit www.pentair.com.

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Pentair plc and Subsidiaries
Condensed Consolidated Statements of Operations (Unaudited)

<i>In millions, except per-share data</i>	Three months ended		Six months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Net sales	\$ 1,099.3	\$ 1,082.5	\$ 2,116.5	\$ 2,111.1
Cost of goods sold	661.4	683.0	1,288.5	1,329.8
Gross profit	437.9	399.5	828.0	781.3
<i>% of net sales</i>	39.8 %	36.9 %	39.1 %	37.0 %
Selling, general and administrative expenses	165.1	165.1	350.3	338.4
<i>% of net sales</i>	15.0 %	15.3 %	16.6 %	16.0 %
Research and development expenses	24.8	25.9	48.9	50.8
<i>% of net sales</i>	2.3 %	2.4 %	2.3 %	2.4 %
Operating income	248.0	208.5	428.8	392.1
<i>% of net sales</i>	22.6 %	19.3 %	20.3 %	18.6 %
Other expense (income)				
Other expense (income)	0.8	(4.8)	0.9	(4.1)
Net interest expense	26.3	31.8	53.6	64.2
<i>% of net sales</i>	2.4 %	2.9 %	2.5 %	3.0 %
Income from continuing operations before income taxes	220.9	181.5	374.3	332.0
Provision for income taxes	34.8	27.3	54.7	49.3
<i>Effective tax rate</i>	15.8 %	15.0 %	14.6 %	14.8 %
Net income from continuing operations	186.1	154.2	319.6	282.7
Loss from discontinued operations, net of tax	—	(1.3)	(0.2)	(0.1)
Net income	\$ 186.1	\$ 152.9	\$ 319.4	\$ 282.6
Earnings (loss) per ordinary share				
<i>Basic</i>				
Continuing operations	\$ 1.12	\$ 0.94	\$ 1.93	\$ 1.71
Discontinued operations	—	(0.01)	—	—
Basic earnings per ordinary share	\$ 1.12	\$ 0.93	\$ 1.93	\$ 1.71
<i>Diluted</i>				
Continuing operations	\$ 1.11	\$ 0.93	\$ 1.91	\$ 1.70
Discontinued operations	—	(0.01)	—	—
Diluted earnings per ordinary share	\$ 1.11	\$ 0.92	\$ 1.91	\$ 1.70
Weighted average ordinary shares outstanding				
Basic	165.9	165.0	165.8	164.9
Diluted	167.3	166.1	167.3	165.9
Cash dividends paid per ordinary share	\$ 0.23	\$ 0.22	\$ 0.46	\$ 0.44

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Pentair plc and Subsidiaries
Condensed Consolidated Balance Sheets (Unaudited)

<i>In millions</i>	June 30, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	\$ 214.3	\$ 170.3
Accounts receivable, net	567.8	561.7
Inventories	647.5	677.7
Other current assets	133.9	159.3
Total current assets	1,563.5	1,569.0
Property, plant and equipment, net	361.4	362.0
Other assets		
Goodwill	3,250.6	3,274.6
Intangibles, net	1,012.4	1,042.4
Other non-current assets	360.1	315.3
Total other assets	4,623.1	4,632.3
Total assets	\$ 6,548.0	\$ 6,563.3
Liabilities and Equity		
Current liabilities		
Current maturities of short-term borrowings	\$ 3.3	\$ —
Accounts payable	295.0	278.9
Employee compensation and benefits	104.0	125.4
Other current liabilities	548.1	545.3
Total current liabilities	950.4	949.6
Other liabilities		
Long-term debt	1,752.6	1,988.3
Pension and other post-retirement compensation and benefits	71.8	73.6
Deferred tax liabilities	38.7	40.0
Other non-current liabilities	301.6	294.7
Total liabilities	3,115.1	3,346.2
Equity	3,432.9	3,217.1
Total liabilities and equity	\$ 6,548.0	\$ 6,563.3

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Pentair plc and Subsidiaries
Condensed Consolidated Statements of Cash Flows (Unaudited)

<i>In millions</i>	Six months ended	
	June 30, 2024	June 30, 2023
Operating activities		
Net income	\$ 319.4	\$ 282.6
Loss from discontinued operations, net of tax	0.2	0.1
Adjustments to reconcile net income from continuing operations to net cash provided by (used for) operating activities		
Equity income of unconsolidated subsidiaries	(1.1)	(0.8)
Depreciation	30.4	29.4
Amortization	26.9	27.7
Deferred income taxes	12.6	(31.9)
Share-based compensation	16.3	14.1
Asset impairment and write-offs	0.8	4.4
Gain on sale of assets	—	(3.4)
Changes in assets and liabilities, net of effects of business acquisitions		
Accounts receivable	(10.7)	7.4
Inventories	23.5	33.6
Other current assets	(4.0)	(16.7)
Accounts payable	19.4	(25.8)
Employee compensation and benefits	(19.4)	(1.2)
Other current liabilities	6.6	22.1
Other non-current assets and liabilities	10.9	(1.5)
Net cash provided by operating activities of continuing operations	431.8	340.1
Net cash used for operating activities of discontinued operations	(0.2)	(1.6)
Net cash provided by operating activities	431.6	338.5
Investing activities		
Capital expenditures	(36.3)	(35.4)
Proceeds from sale of property and equipment	—	5.0
Acquisitions, net of cash acquired	—	0.2
Other	(0.5)	4.1
Net cash used for investing activities	(36.8)	(26.1)
Financing activities		
Net receipts of short-term borrowings	3.3	—
Net repayments of revolving long-term debt	—	(204.3)
Repayments of long-term debt	(237.5)	—
Shares issued to employees, net of shares withheld	9.3	0.8
Repurchases of ordinary shares	(50.0)	—
Dividends paid	(76.2)	(72.5)
Net cash used for financing activities	(351.1)	(276.0)
Effect of exchange rate changes on cash and cash equivalents	0.3	(3.7)
Change in cash and cash equivalents	44.0	32.7
Cash and cash equivalents, beginning of period	170.3	108.9
Cash and cash equivalents, end of period	\$ 214.3	\$ 141.6

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

<i>In millions</i>	Three months ended	Three months ended	Six months ended
	March 31, 2024	June 30, 2024	June 30, 2024
Net cash (used for) provided by operating activities of continuing operations	\$ (107.4)	\$ 539.2	\$ 431.8
Capital expenditures	(19.3)	(17.0)	(36.3)
Free cash flow from continuing operations	(126.7)	522.2	395.5
Net cash used for operating activities of discontinued operations	(0.2)	—	(0.2)
Free cash flow	\$ (126.9)	\$ 522.2	\$ 395.3

<i>In millions</i>	Three months ended	Three months ended	Six months ended
	March 31, 2023	June 30, 2023	June 30, 2023
Net cash (used for) provided by operating activities of continuing operations	\$ (106.6)	\$ 446.7	\$ 340.1
Capital expenditures	(16.6)	(18.8)	(35.4)
Proceeds from sale of property and equipment	0.2	4.8	5.0
Free cash flow from continuing operations	(123.0)	432.7	309.7
Net cash used for operating activities of discontinued operations	—	(1.6)	(1.6)
Free cash flow	\$ (123.0)	\$ 431.1	\$ 308.1

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

<i>In millions</i>	2024			2023		
	First Quarter	Second Quarter	Six Months	First Quarter	Second Quarter	Six Months
Net sales						
Flow	\$ 384.3	\$ 396.8	\$ 781.1	\$ 391.8	\$ 411.6	\$ 803.4
Water Solutions	273.1	310.5	583.6	272.0	336.2	608.2
Pool	359.5	391.5	751.0	364.3	334.3	698.6
Reportable segment net sales	1,016.9	1,098.8	2,115.7	1,028.1	1,082.1	2,110.2
Corporate and other	0.3	0.5	0.8	0.5	0.4	0.9
Net sales	\$ 1,017.2	\$ 1,099.3	\$ 2,116.5	\$ 1,028.6	\$ 1,082.5	\$ 2,111.1
Reportable segment income (loss)						
Flow	\$ 77.3	\$ 84.4	\$ 161.7	\$ 65.0	\$ 74.8	\$ 139.8
Water Solutions	55.6	72.9	128.5	52.4	74.8	127.2
Pool	110.8	133.6	244.4	116.2	105.1	221.3
Reportable segment income	243.7	290.9	534.6	233.6	254.7	488.3
Corporate and other	(26.4)	(19.5)	(45.9)	(22.6)	(20.5)	(43.1)
Adjusted operating income	\$ 217.3	\$ 271.4	\$ 488.7	\$ 211.0	\$ 234.2	\$ 445.2
Return on sales						
Flow	20.1 %	21.3 %	20.7 %	16.6 %	18.2 %	17.4 %
Water Solutions	20.4 %	23.5 %	22.0 %	19.3 %	22.2 %	20.9 %
Pool	30.8 %	34.1 %	32.5 %	31.9 %	31.4 %	31.7 %
Adjusted return on sales	21.4 %	24.7 %	23.1 %	20.5 %	21.6 %	21.1 %

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

<i>In millions, except per-share data</i>	Actual		Forecast				
	First Quarter	Second Quarter	Third Quarter			Full Year	
Net sales	\$1,017.2	\$1,099.3	approx	Down 2% - 3%		approx	Down 1% to flat
Operating income	180.8	248.0	approx	Up 21% - 24%		approx	Up 15% - 16%
<i>Return on sales</i>	<i>17.8 %</i>	<i>22.6 %</i>					
Adjustments:							
Restructuring and other	4.6	5.9	approx \$	—		approx \$	11
Transformation costs	17.0	11.8	approx	—		approx	29
Intangible amortization	13.5	13.4	approx	14		approx	55
Legal accrual adjustments and settlements	(0.3)	(7.9)	approx	—		approx	(8)
Asset impairment and write-offs	0.8	—	approx	—		approx	1
Equity income of unconsolidated subsidiaries	0.9	0.2	approx	1		approx	3
Adjusted operating income	217.3	271.4	approx	Up 10% - 12%		approx	Up 10% - 11%
<i>Adjusted return on sales</i>	<i>21.4 %</i>	<i>24.7 %</i>					
Net income from continuing operations—as reported	133.5	186.1	approx	\$165 - \$168		approx \$	641
Adjustments to operating income	35.6	23.2	approx	14		approx	88
Income tax adjustments	(11.3)	(5.4)	approx	(2)		approx	(21)
Net income from continuing operations—as adjusted	\$ 157.8	\$ 203.9	approx	\$177 - \$180		approx \$	708
Continuing earnings per ordinary share—diluted							
Diluted earnings per ordinary share—as reported	\$ 0.80	\$ 1.11	approx	\$0.99 - \$1.01		approx \$	3.85
Adjustments	0.14	0.11	approx	0.07		approx	0.40
Diluted earnings per ordinary share—as adjusted	\$ 0.94	\$ 1.22	approx	\$1.06 - \$1.08		approx \$	4.25

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

<i>In millions, except per-share data</i>	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
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
<i>Return on sales</i>	<i>17.8 %</i>	<i>19.3 %</i>	<i>17.9 %</i>	<i>17.0 %</i>	<i>18.0 %</i>
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
<i>Adjusted return on sales</i>	<i>20.5 %</i>	<i>21.6 %</i>	<i>21.0 %</i>	<i>20.1 %</i>	<i>20.8 %</i>
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 ⁽¹⁾	(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
Continuing earnings per ordinary share—diluted					
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

⁽¹⁾ 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.

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Pentair plc and Subsidiaries
Reconciliation of Net Sales Growth to Core Net Sales Growth by Segment
For the Quarter Ended June 30, 2024 (Unaudited)

	Q2 Net Sales Growth			
	Core	Currency	Acq. / Div.	Total
Total Pentair	2.2 %	(0.4)%	(0.2)%	1.6 %
Flow	(3.1) %	(0.5) %	— %	(3.6) %
Water Solutions	(7.0) %	(0.6) %	— %	(7.6) %
Pool	17.9 %	(0.1) %	(0.7) %	17.1 %